

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON POUH 2076 (14 JANUARY 2020)**  
Based on Unaudited Financials

**A. Capital Structure & Capital Adequacy as per Basel III**

**1. Tier 1 Capital and Breakdown of its Components:**

SN	Particulars	Amount
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>16,098,304,073</b>
1	Paid up Equity Share Capital	8,520,255,844
2	Share Premium	-
3	Statutory General Reserves	3,736,889,575
4	Retained Earnings	2,171,146,876
5	Current year profit/(loss)	1,448,117,897
6	Capital Adjustment Reserve	-
7	Debenture Redemption Reserve	600,000,000
8	Special Reserve	-
9	Deferred Tax Reserve	-
	Less: Miscellaeous expenditure not written off	-
	Less: Deferred Tax Reserve	-
	Less: Investment in equity of institutions with financial interests	298,124,000
	Less: Purchase of land & building in excess of limit and unutilized	79,982,119
	Less: Other Deductions	-

**2. Tier 2 Capital and Breakdown of its Components**

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>3,730,314,231</b>
1	Subordinated Term Debt	2,569,104,000
2	General loan loss provision	1,120,939,279
3	Exchange Equalization Reserve	39,056,093
4	Investment Adjustment Reserve	1,214,859
5	Other Reserves	-

**3. Information on Subordinated Term Debt:**

Bond Issued	HBL Bond 2077	HBL Bond 2083
Outstanding amount	600,000,000	2,569,104,000.00
Interest rate	8%	10%
Maturity Date	Ashad 2077	Bhadra 2083
Interest payment	Half yearly basis	Half yearly basis
Tenor	7 years	7 years
Amount to be reckoned as capital	-	2,569,104,000.00

**4. Total deductions from Capital: N/a**

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	16,098,304,073
2	Supplementary Capital (Tier 2)	3,730,314,231
<b>Total</b>		<b>19,828,618,304</b>

**6. Capital Adequacy Ratio:**

<b>CAPITAL ADEQUACY RATIOS</b>		
Tier 1 Capital to Total Risk Weighted Exposures		<b>11.96%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>14.73%</b>

**B. Risk Exposures****1. Risk Weighted Exposures for Credit Risk, Market Risk & Operational Risks)**

RISK WEIGHTED EXPOSURES		Amount
a	Risk Weighted Exposure for Credit Risk	119,299,637,772
b	Risk Weighted Exposure for Operational Risk	8,133,807,004
c	Risk Weighted Exposure for Market Risk	327,250,152
<b>Adjustment under Pillar II</b>		
	Add 5% of gross income for operational risk	3,036,449,152
	Add: 3% of total RWE for overall risk	3,832,820,848
<b>Total Risk Weighted Exposures</b>		<b>134,629,964,928</b>

**2. Risk Weighted Exposures under each of 12 categories of Credit Risk**

SN	Particulars	Amount
1	Claims on government & central bank	694,487,675
2	Claims on other official entities	868,514,242
3	Claims on banks	3,050,973,569
4	Claims on domestic corporate and securities firms	78,298,077,447
5	Claims on regulatory retail portfolio	7,015,336,990
6	Claims secured by residential properties	3,323,499,111
7	Claims secured by commercial real estate	1,777,961,059
8	Past due claims	1,085,304,774
9	High risk claims	5,954,089,872
10	Lending against securities (Bonds and Shares)	1,174,009,371
11	Other assets	4,282,181,802
12	Off balance sheet items	11,775,201,861
<b>TOTAL</b>		<b>119,299,637,772</b>

**3. Total Risk Weighted Exposures calculation table:**

SN	Particulars	Amount
1	Total Risk Weighted Exposure	<b>134,629,964,928</b>
2	Total Core Capital Fund (Tier 1)	16,098,304,073
3	Total Capital Fund (Tier 1 & Tier 2)	19,828,618,304
4	Total Core Capital to Total Risk Weighted Exposures	11.96%
5	Total Capital to Total Risk Weighted Exposures	14.73%

**4. Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	18,125,585	3,455,829	14,669,755
2	Substandard Loan	598,395,010	149,598,752	448,796,257
3	Doubtful Loan	78,244,519	39,122,260	39,122,260
4	Loss Loan	626,862,035	626,862,035	-
<b>Total</b>		<b>1,321,627,149</b>	<b>819,038,876</b>	<b>502,588,272</b>

**5. NPA Ratios**

Gross NPA to Gross Advances		1.28%
Net NPA to Net Advances	:	0.50%

**6. Movement of Non Performing Assets ( Ashwin 2076 VS Poush 2076)**

S.N	Loan Classification	Previous quarter Ashwin End 2076	This quarter Poush End 2076	Movement of non performing Assets
1	Restructured Loan	18,795,324	18,125,585	-3.56%
2	Substandard Loan	238,335,498	598,395,010	151.07%
3	Doubtful Loan	39,415,329	78,244,519	98.51%
4	Loss Loan	894,794,767	626,862,035	-29.94%
<b>Total</b>		<b>1,191,340,918</b>	<b>1,321,627,149</b>	<b>10.94%</b>

**7. Write Off of Loans & Interest upto Poush End 2076**

SN	Principal	Interest	Total
1	40,366,582	44,728,693	85,095,275

**8. Movement in Loan Loss Provisioning:**

SN	Loan Loss Provision	Previous quarter Ashwin End 2076	This quarter Poush End 2076	Movement in Loan loss
1	Pass	996,048,750	1,000,342,549	0.43%
2	Watchlist	163,142,099	131,296,731	-19.52%
2	Restructured/ Rescheduled Loan	3,614,694	3,455,829	-4.39%
3	Substandard Loan	59,583,875	149,598,752	151.07%
4	Doubtful Loan	19,707,664	39,122,260	98.51%
5	Loss Loan	894,794,767	626,862,035	-29.94%
<b>Total</b>		<b>2,136,891,848</b>	<b>1,950,678,156</b>	<b>-8.71%</b>

**ii. Movement in Interest Suspend**

	Particular	Previous quarter Ashwin End 2076	This quarter Poush End 2076	Movement during the period
1	Interest Suspend	838,542,922	808,534,605	-3.58%

**9 Segregation of Investment Portfolio:**

Particulars	Poush 2076
<b>Available for sale:</b>	
Investment in equity	450,603,434
<b>Held to maturity:</b>	
Investment in treasury bills	6,781,534,737
Investment in Govt. bonds	9,009,075,000
Investment in Foreign Bonds	1,077,741,156
Placement	7,404,155,000
<b>Total</b>	<b>24,272,505,893</b>
Held for Trading	-