

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL III AS ON ASADH 2080 (16 JULY 2023)
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
A	Core Capital (Tier 1)	29,420,571,989
1	Paid up Equity Share Capital	21,656,615,632
2	Share Premium	-
3	Statutory General Reserves	6,629,226,666
4	Retained Earnings	(1,962,481,683)
5	Current year profit/(loss)	2,052,843,806
6	Capital Redemption Reserve	1,879,244,236
7	Debenture Redemption Reserve	227,054,795
8	Special Reserve	-
9	Deferred Tax Reserve	-
	Less: Miscellaneous expenditure not written off	-
	Less: Deferred Tax Reserve	-
	Less: Investment in equity of institutions with financial interests	950,865,000
	Less: Purchase of land & building in excess of limit and unutilized	111,066,463
	Less: Other Deductions	-

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	9,653,359,737
1	Subordinated Term Debt	5,500,000,000
2	General loan loss provision	4,084,681,624
3	Exchange Equalization Reserve	67,463,254
4	Investment Adjustment Reserve	1,214,859
5	Other Reserves	-

3. Information on Subordinated Term Debt:

	HBL Bond 2086	CBL DEBENTURE 2088
Bond Issued		
Outstanding amount	2,500,000,000.00	3,000,000,000.00
Interest rate	10.50%	10.25%
Maturity Date	Aswin 2086	Poush 2088
Interest payment	Half yearly basis	Quarterly Basis
Tenor	7 years	10 Years
Amount to be reckoned as capital	2,500,000,000.00	3,000,000,000.00

4. Total deductions from Capital: N/a

5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	29,420,571,989
2	Supplementary Capital (Tier 2)	9,653,359,737
Total		39,073,931,726

6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		9.96%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		13.23%

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	270,682,907,619
b	Risk Weighted Exposure for Operational Risk	12,907,060,813
c	Risk Weighted Exposure for Market Risk	317,447,916
Adjustment under Pillar II		
Net liquid assets to total deposit ratio is shortfall by%, Add% of total deposit to RWE		-
Add 3% of gross income for operational risk		2,992,796,479
Add: 3% of total RWE for overall risk		8,517,222,490
Total Risk Weighted Exposures		295,417,435,317

2. Risk Weighted Exposures under each of 13 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	23,394,242
3	Claims on banks	7,570,383,848
4	Claims on domestic corporate and securities firms	163,156,305,118
5	Claims on regulatory retail portfolio	13,593,928,979
6	Claims secured by residential properties	4,870,894,164
7	Claims secured by commercial real estate	7,830,616,396
8	Past due claims	12,088,429,137
9	High risk claims	26,807,618,589
10	Lending against Shares (upto Rs.2.5 Million)	290,947,291
11	TR loan for Trading Firm- 120%	2,725,574,332
12	Other assets	10,333,908,360
13	Off balance sheet items	21,355,926,779
14	Adjustment under Pillar II: Sale of Credit with Recourse	34,980,384
TOTAL		270,682,907,619

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	295,417,435,317
2	Total Core Capital Fund (Tier 1)	29,420,571,989
3	Total Capital Fund (Tier 1 & Tier 2)	39,073,931,726
4	Total Core Capital to Total Risk Weighted Exposures	9.96%
5	Total Capital to Total Risk Weighted Exposures	13.23%

4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	44,010,958	10,740,192	33,270,766
2	Substandard Loan	1,133,243,028	279,662,766	853,580,262
3	Doubtful Loan	8,062,866,229	4,028,064,671	4,034,801,558
4	Loss Loan	1,830,631,416	1,829,310,423	1,320,993
Total		11,070,751,632	6,147,778,053	4,922,973,579

5. NPA Ratios

Gross NPA to Gross Advances		4.57%
Net NPA to Net Advances	:	2.12%

6. Movement of Non Performing Assets (Chaitra 2079 vs Asadh 2080)

S.N	Loan Classification	Previous quarter Chaitra End 2079	This quarter Asadh End 2080	Movement of non performing Assets
1	Restructured Loan	47,214,901	44,010,958	-6.79%
2	Substandard Loan	4,653,396,121	1,133,243,028	-75.65%
3	Doubtful Loan	4,560,795,349	8,062,866,229	76.79%
4	Loss Loan	2,198,172,342	1,830,631,416	-16.72%
Total		11,459,578,713	11,070,751,632	-3.39%

7. Write Off of Loans & Interest upto Asadh End 2080

SN	Principal	Interest	Total
1	694,076,717.66	376,370,147.50	1,070,446,865

8. Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Chaitra End 2079	This quarter Asadh End 2080	Movement in Loan loss
1	Pass	2,859,349,415	2,756,603,842	-3.59%
2	Watchlist	1,938,453,071	1,328,077,782	-31.49%
2	Restructured/ Rescheduled Loan	21,830,733	10,740,192	-50.80%
3	Substandard Loan	1,181,662,214	279,662,766	-76.33%
4	Doubtful Loan	2,280,397,674	4,028,064,671	76.64%
5	Loss Loan	2,198,172,342	1,829,310,423	-16.78%
Total		10,479,865,449	10,232,459,677	-2.36%

ii. Movement in Interest Suspense

	Particular	Previous quarter Chaitra End 2079	This quarter Asadh End 2080	Movement during the period
1	Interest Suspense	2,660,106,302	3,744,070,924	40.75%

9 Segregation of Investment Portfolio:

Particulars	Asadh 2080
Investment in Subsidiary	1,060,063,200
Investment in Associate	190,929,197
Investment at Fair Value through OCI	437,138,267
Investment at Fair Value through PL	-
Investment Measured at Amortized Cost	
Investment in treasury bills	7,442,945,036
Investment in Govt. bonds	278,040,000
Investment In Nepal Rastra Bank	28,290,634,643
Investment in debenture	1,162,388,880
Investment in Foreign Bonds	-
Placement	20,008,979,920
Total Investment Measured At Amortized Cost	57,182,988,479
Total Investment	58,871,119,143