

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL II AS ON ASWIN END 2070 (17 OCTOBER 2013)**  
Based on Unaudited Financials

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

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

SN	Particulars	Amount
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>5,697,021,493</b>
1	Paid up Equity Share Capital	2,760,000,000
2	Statutory General Reserves	1,383,151,091
3	Retained Earnings	1,079,325,268
4	Current year profit/(loss)	173,504,916
5	Capital Adjustment Reserve	-
6	Debenture Redemption Reserve	357,142,856
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	23,374,082
	Less: Miscellaneous expenditure not written off	439,667
	Less: Other Deductions	83,037,053

**2.**

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>1,236,871,162</b>
1	Subordinated Term Debt	800,000,000
2	General loan loss provision	405,427,986
3	Exchange Equalization Reserve	29,769,898
4	Investment Adjustment Reserve	1,673,278

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

	HBL Bond 2072	HBL Bond 2077
Bond Issued		
Outstanding amount	500,000,000.00	600,000,000.00
Interest rate	8%	8%
Maturity Date	Ashad 2072	Ashad 2077
Interest payment	Half yearly basis	Half yearly basis
Tenor	7 years	7 years
Amount to be reckoned as capital	200,000,000.00	600,000,000.00

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

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	5,697,021,493
2	Supplementary Capital (Tier 2)	1,236,871,162
<b>Total</b>		<b>6,933,892,655</b>

**6. Capital Adequacy Ratio:**

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		<b>9.79%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>11.91%</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	51,230,743,845
b	Risk Weighted Exposure for Operational Risk	4,586,360,657
c	Risk Weighted Exposure for Market Risk	529,311,395
<b>Adjustment under Pillar II</b>		
	Add 2% of gross income for operational risk	728,128,599
	Add: 2% of total RWE for overall risk	1,126,928,318
<b>Total Risk Weighted Exposures</b>		<b>58,201,472,814</b>

**2. Risk Weighted Exposures under each of 11 categories of Credit Risk**

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	352,853,775
3	Claims on banks	1,796,178,378
4	Claims on domestic corporate and securities firms	24,980,066,116
5	Claims on regulatory retail portfolio	3,259,125,246
6	Claims secured by residential properties	2,583,841,973
7	Claims secured by commercial real estate	1,339,358,762
8	Past due claims	2,168,171,993
9	High risk claims	6,804,320,578
10	Other assets	2,267,637,126
11	Off balance sheet items	5,679,189,898
<b>TOTAL</b>		<b>51,230,743,845</b>

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	<b>58,201,472,814</b>
2	Total Core Capital Fund (Tier 1)	5,697,021,493
3	Total Capital Fund (Tier 1 & Tier 2)	6,933,892,655
4	Total Core Capital to Total Risk Weighted Exposures	<b>9.79%</b>
5	Total Capital to Total Risk Weighted Exposures	<b>11.91%</b>

**4 Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	151,844,389	113,180,303	38,664,086
2	Substandard Loan	372,290,910	93,072,727	279,218,182
3	Doubtful Loan	124,293,721	62,146,860	62,146,860
4	Loss Loan	458,355,064	458,355,064	-
<b>Total</b>		<b>1,106,784,084</b>	<b>726,754,955</b>	<b>380,029,129</b>

**5 NPA Ratios**

Gross NPA to Gross Advances	:	2.65%
Net NPA to Net Advances	:	0.94%

**6 Movement of Non Performing Assets (Ashad 2070 Vs Aswin 2070)**

S.N	Loan Classification	Previous quarter Ashad 2070	This quarter Aswin 2070	Movement of non performing Assets
1	Restructured Loan	153,485,973	151,844,389	-1.07%
2	Substandard Loan	73,774,236	372,290,910	404.64%
3	Doubtful Loan	170,940,519	124,293,721	-27.29%
4	Loss Loan	502,779,382	458,355,064	-8.84%
<b>Total</b>		<b>900,980,109</b>	<b>1,106,784,084</b>	<b>22.84%</b>

**7. Write Off of Loans & Interest Suspense upto Aswin End 2070**

SN	Principal	Interest	Total
1	112,021	3,886	115,906

**8 Movement in Loan Loss Provisioning:**

SN	Loan Loss Provision	Previous quarter Ashad 2070	This quarter Aswin 2070	Movement in Loan loss
1	Pass	434,021,300	437,685,227	0.84%
2	Restructured/ Rescheduled Loan	113,344,335	113,180,303	-0.14%
3	Substandard Loan	18,443,559	93,072,727	404.64%
4	Doubtful Loan	85,470,259	62,146,860	-27.29%
5	Loss Loan	502,779,382	458,355,064	-8.84%
<b>Total</b>		<b>1,154,058,835</b>	<b>1,164,440,182</b>	<b>0.90%</b>

**ii. Movement in Interest Suspense**

	Particular	Previous quarter Ashad End 2069	This quarter Aswin End 2070	Movement during the period
1	Interest Suspense	651,046,236	758,335,718	16.48%

**9 Segregation of Investment Portfolio:**

Particulars	Aswin 2069
<b>Available for sale:</b>	
Investment in equity	90,002,059.00
<b>Held to maturity:</b>	
Investment in treasury bills	8,200,300,390
Investment in Govt. bonds	2,596,871,713
Placement	3,515,766,664
<b>Total</b>	<b>14,312,938,768</b>
<b>Held for Trading</b>	-