

Civil Bank Limited
Disclosure under BASEL II
Ashadh End 2074

1. Capital Structure and Capital Adequacy:

(A) Tier 1 Capital and Its Breakdown:

	<i>Amount '000s</i>
Core Capital (Tier 1)	Amount in NPR
Paid up Equity Share Capital	5,185,221.69
Share Premium	-
Proposed Bonus Equity Shares	
Statutory General Reserves	601,675.80
Retained Earnings	768,259.93
Current Year Profit/Loss	
Capital Adjustment Reserves	
Capital Redemption Reserves	35,536.83
Less: Deferred Tax Assets	
Less: Investment in equity in licensed Financial Institutions	120,615.00
Total Core Capital	6,470,079.25

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	327,438.08
Exchange Equalization Reserve	13,074.62
Investment Adjustment Reserve	71,433.39
Total Supplementary Capital	411,946.08

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Ashadh End 2074

(D) Deductions from Core Capital:

Adjustments under Pillar II	Amount in NPR
SRP 6.4a(2) Loans & Facilities extended to related parties and restricted lending	-
Total	-

(E) Total Qualifying Capital:

	<i>Amount '000s</i>
Particulars	Amount in NPR
Core Capital (Tier 1)	6,470,079.25
Supplementary Capital (Tier 2)	411,946.08
Total Qualifying Capital	6,882,025.33

(F) Capital Adequacy Ratio:

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	18.29%
Capital Adequacy Ratio – Capital Fund	19.45%

2. Risk Exposures :

(G) Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk

	<i>Amount '000s</i>
Risk Weighted Exposures	Current Year
Risk Weighted Exposure for Credit Risk	31,727,091.55
Risk Weighted Exposure for Operational Risk	1,626,553.16
Risk Weighted Exposure for Market Risk	47,945.91
<i>Adjustments under Pillar II</i>	
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 5	9,948.79
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 7	632,900.00
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	1,336,063.62
Add : 3% of the Total RWE due to non-compliance to Disclosure (6.4 a 10)	
Add :% of the total deposits due to insufficient Liquid Assets (6.4 a 6)	
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	35,380,502.85

(H) Risk Weighted Exposure under each of 11 categories of Credit Risk

	<i>Amount '000s</i>
Category of Credit Risk	Risk Exposure in NPR
Claims on Government and Central Bank	560,262.94
Claims on other Official Entities	-
Claims on Banks	632,995.90
Claims on Corporate and Securities Firms	16,626,379.49
Claims on Regulatory Retail Portfolio (Not Overdue)	5,442,450.63
Claims fulfilling all criterion of regulatory retail except granularity	-
Claims secured by Residential Properties	960,479.88
Claims secured by residential properties (Overdue)	5,192.92
Claims secured by Commercial Real Estate	493,330.31
Past Due Claims	1,384,017.02
High Risk Claims	1,571,510.13
Investments in equity and other capital instruments of institutions listed in stock exchange	90,919.31
Investments in equity and other capital instruments of institutions not listed in the stock exchange	112,305.45
Staff Loan Secured by Residential Property	78,570.00
Cash in transit and other cash items in the process of collection	-
Other Assets	957,247.78
Off Balance Sheet Items	2,811,429.80
Total Credit Risk Exposure	31,727,091.55

**(I) Total Risk Weighted Exposure Calculation Table:
Risk Exposure Calculation for Credit Risk**

						<i>Amount '000s</i>
A. Balance Sheet Exposures	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk Weight (e)	Risk Weighted Exposures (f=d*e)
Cash Balance	841,961.64	-	-	841,961.64	0%	-
Balance With Nepal Rastra Bank	3,004,166.81	-	-	3,004,166.81	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	5,128,045.43	-	-	5,128,045.43	0%	-
All Claims on Government of Nepal	16,737.95	-	-	16,737.95	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	560,262.94	-	-	560,262.94	100%	560,262.94
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	1,160,174.24	-	-	1,160,174.24	20%	232,034.85
Claims on domestic banks that do not meet capital adequacy requirements	2,788.45	2,788.45	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	601,010.78	-	-	601,010.78	20%	120,202.16
Claims on foreign bank (ECA Rating 2)	353,721.13	-	-	353,721.13	50%	176,860.57
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	519,491.63	-	-	519,491.63	20%	103,898.33
Claims on Domestic Corporates	16,650,772.50	5,574.51	18,818.50	16,626,379.49	100%	16,626,379.49
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-

Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	7,256,600.84	-	-	7,256,600.84	75%	5,442,450.63
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	1,600,799.80	-	-	1,600,799.80	60%	960,479.88
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	9,002.41	3,809.49	-	5,192.92	100%	5,192.92
Claims secured by Commercial real estate	493,330.31	-	-	493,330.31	100%	493,330.31
Past due claims (except for claims secured by residential properties)	1,975,896.62	1,053,218.60	-	922,678.01	150%	1,384,017.02
High Risk claims	1,391,080.13	1,105.22	342,301.50	1,047,673.42	150%	1,571,510.13
Investments in equity and other capital instruments of institutions listed in stock exchange	105,465.83	14,546.53	-	90,919.31	100%	90,919.31
Investments in equity and other capital instruments of institutions not listed in the stock exchange	75,170.30	300.00	-	74,870.30	150%	112,305.45
Staff loan secured by residential property	130,950.00	-	-	130,950.00	60%	78,570.00
Interest Receivable/claim on government securities	42,299.84	-	-	42,299.84	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	1,602,401.81	645,154.03	-	957,247.78	100%	957,247.78
TOTAL (A)	43,522,131.39	1,726,496.82	361,120.00	41,434,514.57		28,915,661.75

B. Off Balance Sheet Exposures	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk Weight (%)	Risk Weighted Value
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	62,425.40	-	-	62,425.40	0%	-
Forward Exchange Contract Liabilities	56,155.65	-	-	56,155.65	10%	5,615.57
LC Commitments With Original Maturity Upto 6 months domestic counterparty	2,242,096.76	-	67,470.64	2,174,626.12	20%	434,925.22
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	324,161.13	-	7,061.50	317,099.63	50%	158,549.81
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	1,776,302.31	-	153,327.92	1,622,974.39	50%	811,487.19
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	164,043.80	-	82,021.90	82,021.90	50%	41,010.95
Foreign counterparty (ECA Rating 3-6)	327,643.68	-	-	327,643.68	100%	327,643.68
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-
Advance Payment Guarantee	451,770.28	-	57,195.97	394,574.31	100%	394,574.31
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	417,006.28	-	21,584.00	395,422.28	100%	395,422.28
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	849,652.17	-	-	849,652.17	20%	169,930.43
Irrevocable Credit commitments (long term)	27.29	-	-	27.29	50%	13.65

Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	20%	-
Other Contingent Liabilities	72,256.70	-	-	100%	72,256.70
Unpaid Guarantee Claims	-	-	-	200%	-
TOTAL (B)	6,743,541.45	-	388,661.93	6,354,879.53	2,811,429.80
Total RWE for credit Risk Before Adjustment (A) +(B)	50,265,672.84	1,726,496.82	749,781.92	47,789,394.09	31,727,091.55
Adjustments under Pillar II					
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)	-	-	-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-	-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	50,265,672.84	1,726,496.82	749,781.92	47,789,394.09	31,727,091.55

Risk Exposure Calculation for Operational Risk

Particulars	Amount '000s		
	Year 1	Year 2	Year 3
Net Interest Income	612,776.22	850,749.39	994,860.64
Commission and Discount Income	55,006.00	55,158.07	67,976.41
Other Operating Income	64,589.00	65,577.88	87,196.87
Exchange Fluctuation Income	58,511.92	72,233.14	89,962.36
Additional/Deduction in Interest Suspense during the period	67,394.92	85,297.80	25,815.71
Gross income (a)	858,278.06	1,129,016.28	1,265,811.98
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	128,741.71	169,352.44	189,871.80
Capital Requirement for operational risk (d) (average of c)	162,655.31		-
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure [f=(d×e)]	1,626,553.16		

Risk Exposure Calculation for Market Risk

Currency	Amount '000s		
	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
INR	55,592.16	88,989.16	88,989.16
USD	(2.90)	(299.47)	299.47
GBP	12.74	1,702.01	1,702.01
EUR	19.84	2,334.02	2,334.02
THB	0.60	1.85	1.85
CHF	3.49	373.83	373.83
AUD	3.65	293.65	293.65
CAD	10.45	847.08	847.08
SGD	0.01	0.38	0.38
JPY	696.30	635.79	635.79
HKD	1.58	20.68	20.68
DKK	-	-	-
SEK	-	-	-
SAR	7.66	206.84	206.84
QAR	0.05	1.41	1.41
AED	2.31	64.49	64.49
MYR	3.69	88.62	88.62
KRW	-	-	-
CNY	0.73	11.08	11.08
KWD	0.06	21.45	21.45
BHD	55,592.16	88,989.16	88,989.16
Total Open position (a)			95,891.81
Fixed Percentage (b)			5.00%
Capital Charge for Market Risk [c=(axb)]			4,794.59
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10.00
Equivalent Risk Weight Exposure[e=(cxd)]			47,945.91

(J) Amount of NPAs (Both Gross and Net)

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	1,252,095.76
Net NPA	194,801.37

(K) Classification of Loans:

Amount '000s

Particulars	Amount in NPR
Restructure Loan	-
Substandard Loan	188,150.36
Doubtful Loan	96,867.44
Loss Loan	967,077.96
Watch List Loan	778,674.71
Pass Loan	28,850,434.25

(L) NPA Ratios

Amount '000s

Particulars	Amount in NPR
Gross NPA	1,252,095.76
Total Loan and Advances	30,881,204.71
Gross NPA/Total Loan & Advances	4.05%
Net NPA	194,801.37
Net Loan and Advances	29,495,410.35
Net NPA/Net Loan & Advances	0.66%

(M) Movement of Non – Performing Assets

Amount '000s

Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	1,454,979.16	1,252,095.76	-13.94%

(N) Write off of Loans and Interest Suspense

Particulars	This Quarter
Loan Write Off	120,945.00

(O) Movement in Loan Loss Provisions and Interest Suspense

Amount '000s

Particulars	Last Quarter	This Quarter	% Change
Loan Loss Provisions	1,388,272.07	1,385,794.36	-0.18%
Interest Suspense	443,647.83	430,678.16	-2.92%

(P) Details of Additional Loan Loss Provision

There is no Additional Loan Loss Provision.

(Q) Segregation of Investments Portfolio into Held for Trading, Held to Maturity and Available for Sale Category

Amount '000s

Category	Amount in NPR
Held for Trading	-
Held to Maturity	6,121,234.88

Available for Sale	219,096.13
Total Investments	6,340,331.01

(R) Summary of Bank's Internal approach to assess Capital Adequacy to support current and future activities:

The Bank has planned the business volume so as to maintain the Capital Adequacy Ratio (CAR) well above minimum required.

The Bank regularly assesses the Capital Adequacy Ratio as per the Internal Capital Adequacy Assessment Process (ICAAP) approved by the BOD. The Risk Management Committee, formed as per directives of Nepal Rastra Bank, also assesses the maximum risk appetite of the Bank to maintain adequate CAR.

(S) Summary of the terms, conditions and main features of all capital instruments, especially in the case of Subordinated Term Debts including hybrid capital instruments

There are no subordinated term debts and hybrid capital instruments as of Ashadh end 2074.