

Civil Bank Limited
Disclosure under BASEL II
Ashadh End 2073

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	3,082,779.26
Share Premium	1,077.22
Proposed Bonus Equity Shares	-
Statutory General Reserves	243,211.31
Retained Earnings	255,042.94
Current Year Profit/Loss	-
Capital Adjustment Reserves	22,538.20
Capital Redemption Reserves	301.47
Less: Deferred Tax Assets	-
Less: Investment in equity in licensed Financial Institutions	69,615.00
Total Core Capital	3,535,335.40

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	311,436.92
Exchange Equalization Reserve	9,978.73
Investment Adjustment Reserve	1,472.30
Total Supplementary Capital	322,887.95

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Ashadh End 2073

(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)	3,535,335.40
Supplementary Capital (Tier 2)	322,887.95
Total Qualifying Capital	3,858,223.35

(F) Capital Adequacy Ratio:

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	11.46%
Capital Adequacy Ratio – Capital Fund	12.51%

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	28,397,696.97
Risk Weighted Exposure for Operational Risk	1,292,760.07
Risk Weighted Exposure for Market Risk	98,879.84
<i>Adjustments under Pillar II</i>	
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 5	8,507.49
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 7	451,600.00
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	595,786.70
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)	30,845,229.27

(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	493,154.51
Claims on other Official Entities	-
Claims on Banks	537,557.17
Claims on Corporate and Securities Firms	16,479,976.94
Claims on Regulatory Retail Portfolio (Not Overdue)	3,012,140.56
Claims fulfilling all criterion of regulatory retail except granularity	496,673.41
Claims secured by Residential Properties	758,130.29
Claims secured by residential properties (Overdue)	45,229.82
Claims secured by Commercial Real Estate	750,058.59
Past Due Claims	1,073,923.36
High Risk Claims	1,133,251.70
Investments in equity and other capital instruments of institutions listed in stock exchange	6,896.40
Investments in equity and other capital instruments of institutions not listed in the stock exchange	108,552.90
Staff Loan Secured by Residential Property	62,370.00
Cash in transit and other cash items in the process of collection	-
Other Assets	488,319.18
Off Balance Sheet Items	2,951,462.13
Total Credit Risk Exposure	28,397,696.97

**(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	762,669.88	-	-	762,669.88	0%	-
Balance With Nepal Rastra Bank	2,709,150.69	-	-	2,709,150.69	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	3,143,632.81	-	-	3,143,632.81	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	600,000.00	-	-	600,000.00	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)	493,154.51	-	-	493,154.51	100%	493,154.51
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	388,412.62	-	-	388,412.62	20%	77,682.52
Claims on domestic banks that do not meet capital adequacy requirements	41,941.02	2,788.45	-	39,152.57	100%	39,152.57
Claims on foreign bank (ECA Rating 0-1)	741,010.82	-	-	741,010.82	20%	148,202.16
Claims on foreign bank (ECA Rating 2)	541,572.67	-	-	541,572.67	50%	270,786.34
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	8,667.87	-	-	8,667.87	20%	1,733.57
Claims on Domestic Corporates	16,488,894.94	-	8,918.00	-	100%	16,479,976.94
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)	4,016,187.41	-	-	4,016,187.41	75%	3,012,140.56
Claims fulfilling all criterion of regularity retail except granularity	496,673.41	-	-	496,673.41	100%	496,673.41
Claims secured by residential properties	1,263,550.49	-	-	1,263,550.49	60%	758,130.29
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	60,506.61	15,276.78	-	45,229.82	100%	45,229.82
Claims secured by Commercial real estate	750,058.59	-	-	750,058.59	100%	750,058.59
Past due claims (except for claims secured by residential properties)	1,211,216.65	495,267.74	-	715,948.91	150%	1,073,923.36
High Risk claims	998,373.64	-	242,872.51	755,501.13	150%	1,133,251.70
Investments in equity and other capital instruments of institutions listed in stock exchange	6,896.40	-	-	6,896.40	100%	6,896.40
Investments in equity and other capital instruments of institutions not listed in the stock exchange	72,668.60	300.00	-	72,365.00	150%	108,552.90
Staff loan secured by residential property	103,950.00	-	-	103,950.00	60%	62,370.00
Interest Receivable/claim on government securities	26,344.16	-	-	26,344.16	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	724,159.01	235,839.83	-	488,319.18	100%	488,319.18
TOTAL (A)	35,649,692.79	749,472.80	251,790.51			25,446,234.84

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
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	238.69	-	-	238.69	0%	-
Forward Exchange Contract Liabilities	133,068.49	-	-	133,068.49	10%	13,306.85
LC Commitments With Original Maturity Upto 6 months domestic counterparty	752,482.44	-	50,089.85	702,392.59	20%	140,478.52
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	901,287.53	-	1,170.00	900,117.53	50%	450,058.77
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	1,498,170.03	-	129,846.52	1,368,323.50	50%	684,161.75
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	168,671.40	-	84,335.70	84,335.70	50%	42,167.85
Foreign counterparty (ECA Rating 3-6)	403,852.20	-	-	403,852.20	100%	403,852.20
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	563,140.59	-	82,005.11	481,135.49	100%	481,135.49
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	523,768.84	-	28,808.69	494,960.15	100%	494,960.15
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	984,451.08	-	-	984,451.08	20%	196,890.22
Irrevocable Credit commitments (long term)	21,820.26	-	-	21,820.26	50%	10,910.13

Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above	-	-	-	20%	-
Other Contingent Liabilities	33,540.21	-	-	100%	33,540.21
Unpaid Guarantee Claims	-	-	-	200%	-
TOTAL (B)	5,984,491.77	-	376,255.87		5,608,235.90
Total RWE for credit Risk Before Adjustment (A) +(B)	41,634,184.56	749,472.80	628,046.38		40,256,665.38
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	41,634,184.56	749,472.80	628,046.38		40,256,665.38

Risk Exposure Calculation for Operational Risk

Particulars	Amount '000s		
	Year 1	Year 2	Year 3
Net Interest Income	440,301.61	612,776.22	850,749.39
Commission and Discount Income	40,096.94	63,388.74	55,158.07
Other Operating Income	47,033.89	55,230.41	65,577.88
Exchange Fluctuation Income	41,634.47	58,511.92	72,233.14
Additional/Deduction in Interest Suspense during the period	30,134.75	67,394.92	85,297.80
Gross income (a)	599,201.66	857,302.21	1,129,016.28
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	89,880.25	128,595.33	169,352.44
Capital Requirement for operational risk (d) (average of c)	129,276		-
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure [f=(d×e)]	1,292,760		

Risk Exposure Calculation for Market Risk

Currency	Amount '000s		
	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
INR	111,223.30	178,040.70	178,040.70
USD	(107.53)	11,532.47	11,532.47
GBP	18.61	2,673.29	2,673.29
EUR	3.55	423.26	423.26
THB	4.14	12.72	12.72
CHF	3.17	348.50	348.50
AUD	2.40	196.63	196.63
CAD	8.90	741.38	741.38
SGD	2.21	176.04	176.04
JPY	2,346.76	2,377.26	2,377.26
HKD	4.58	63.35	63.35
DKK	-	-	-
SEK	-	-	-
SAR	12.02	337.37	337.37
QAR	5.00	145.50	145.50
AED	2.17	62.02	62.02
MYR	17.73	479.64	479.64
KRW	334.00	31.65	31.65
CNY	3.80	61.03	61.03
KWD	0.16	56.86	56.86
Total Open position (a)			197,759.68
Fixed Percentage (b)			5.00%
Capital Charge for Market Risk [c=(axb)]			9,887.98
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10.00
Equivalent Risk Weight Exposure[e=(cxd)]			98,879.84

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

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	717,505.68
Net NPA	206,961.15

(K) Classification of Loans:

<i>Amount '000s</i>	
Particulars	Amount in NPR
Restructure Loan	0.00
Substandard Loan	105,188.69
Doubtful Loan	256,139.28
Loss Loan	356,177.71
Watch List Loan	1,777,381.60
Pass Loan	24,034,165.69

(L) NPA Ratios

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	717,505.68
Total Loan and Advances	26,529,052.96
Gross NPA/Total Loan & Advances	2.70%
Net NPA	206,961.15
Net Loan and Advances	25,704,070.63
Net NPA/Net Loan & Advances	0.814%

(M) Movement of Non – Performing Assets

<i>Amount '000s</i>			
Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	538,875.92	717,505.68	33.15%

(N) Write off of Loans and Interest Suspense

There are no Write off of Loans and Interest Suspense.

(O) Movement in Loan Loss Provisions and Interest Suspense

<i>Amount '000s</i>			
Particulars	Last Quarter	This Quarter	% Change
Loan Loss Provisions	749,665.90	824,982.34	10.05%
Interest Suspense	347,197.37	221,389.06	-36.23%

(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

<i>Amount '000s</i>	
Category	Amount in NPR
Held for Trading	-
Held to Maturity	4,504,558.49
Available for Sale	79,565.00
Total Investments	4,584,123.49

(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's paid up capital has reached NPR 3.082 billion after issuing 6.75% stock dividend during the previous year 2071/72.

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 2073.