

**Civil Bank Limited**  
**Disclosure under BASEL II**  
**Ashwin End 2069**

**1. Capital Structure and Capital Adequacy:**

**(A) Tier 1 Capital and Its Breakdown:**

	<i>Amount '000s</i>
<b>Core Capital (Tier 1)</b>	<b>Amount in NPR</b>
Paid up Equity Share Capital	1,200,000
Statutory General Reserves	5,680
Retained Earnings	22,612
Current Year Profit/Loss	22,670
Other Free Reserves	3,436
<b>Total Core Capital</b>	<b>1,254,398</b>

**(B) Tier 2 Capital and Its Breakdown:**

	<i>Amount '000s</i>
<b>Supplementary Capital (Tier 2)</b>	<b>Amount in NPR</b>
General loan loss provision	92,416
Exchange Equalization Reserve	107
<b>Total Supplementary Capital</b>	<b>92,523</b>

**(C) Detail of Subordinated Term Debts:**

There is no Subordinated Term Debts as of Ashwin End 2068/69

**(D) Deductions from Capital: NIL**

**(E) Total Qualifying Capital:**

	<i>Amount '000s</i>
<b>Particulars</b>	<b>Amount in NPR</b>
Core Capital (Tier 1)	1,254,398
Supplementary Capital (Tier 2)	92,523
<b>Total Qualifying Capital</b>	<b>1,346,921</b>

**(F) Capital Adequacy Ratio:**

<b>Particulars</b>	<b>Percentage of Total RWE</b>
Capital Adequacy Ratio – Core Capital	11.54%
Capital Adequacy Ratio – Capital Fund	12.39%

**2. Risk Exposures :**

**(A) Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk**

	<i>Amount '000s</i>
<b>Risk Weighted Exposures</b>	<b>Current Year</b>
Risk Weighted Exposure for Credit Risk	10,237,976
Risk Weighted Exposure for Operational Risk	325,351
Risk Weighted Exposure for Market Risk	37,553

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*Adjustments under Pillar II*

Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 5	1,991
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 7	59,324
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	212,018
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)	
<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>	<b>10,874,213</b>

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**(B) Risk Weighted Exposure under each of 11 categories of Credit Risk***Amount '000s*

<b>Category of Credit Risk</b>	<b>Risk Exposure in NPR</b>
Claims on Government and Central Bank	-
Claims on other Official Entities	-
Claims on Banks	184,490
Claims on Corporate and Securities Firms	7,009,743
Claims on Regulatory Retail Portfolio	308,113
Claims secured by Residential Properties	178,595
Claims secured by Commercial Real Estate	886,287
Past Due Claims	305
High Risk Claims	555,277
Staff Loan Secured by Residential Property	19,622
Other Assets	278,180
Off Balance Sheet Items	817,364
<b>Total Credit Risk Exposure</b>	<b>10,237,976</b>

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

A. Balance Sheet Exposures	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Amount '000s	
					Risk Weight (e)	Risk Weighted Exposures (f=d*e)
Cash Balance	240,352	-		240,352	0%	-
Balance With Nepal Rastra Bank	569,975	-		569,975	0%	-
Investment in Nepalese Government Securities	908,060	-		908,060	0%	-
All Claims on Government of Nepal		-		-	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 on Multilateral Development Banks (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)		-		-	100%	-
Claims on Public Sector Entity (ECA 7)		-		-	150%	-
Claims on domestic banks that meet capital adequacy requirements	402,163	-		402,163	20%	80,433
Claims on domestic banks that do not meet capital adequacy requirements		-		-	100%	-
Claims on foreign bank (ECA Rating 0-1)	517,268	-		517,268	20%	103,454
Claims on foreign bank (ECA Rating 2)		-		-	50%	-
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	3,019	-		3,019	20%	604
Claims on Domestic Corporates	7,037,930		28,187	7,009,743	100%	7,009,743
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)		-	75%	-		
Claims fulfilling all criterion of regulatory retail except granularity	308,113	-	308,113	100%	308,113	
Claims secured by residential properties	297,658	-	297,658	60%	178,595	
Claims not fully secured by residential properties	-	-	150%	-		
Claims secured by residential properties (Overdue)	-	-	100%	-		
Claims secured by Commercial real estate	886,287	-	886,287	100%	886,287	
Past due claims (except for claim secured by residential properties)	204		204	150%	305	
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	546,570	-	176,385	370,185	150%	555,277
Investments in equity and other capital instruments of institutions listed in the stock exchange	-	-	100%	-		
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	150%	-		
Staff Loan Secured by Residential Property	32,704		32,704	60%	19,622	
Interest Receivable/claim on Government Securities	6,501		6,501	0%	-	
Cash in Transit and Other Cash Items in the Process of Collection			-	20%	-	
Other Assets (as per attachment)	278,180	-	278,180	100%	278,180	
<b>TOTAL</b>	<b>12,034,982</b>	<b>-</b>	<b>204,572</b>	<b>11,830,410</b>	<b>9,420,612</b>	

<b>B. Off Balance Sheet Exposures</b>	<b>Gross Book Value (a)</b>	<b>Specific Provision (b)</b>	<b>Eligible CRM (c)</b>	<b>Net Value(d=a-b-c)</b>	<b>Risk Weight (e)</b>	<b>Risk Weighted Exposures (f=d*e)</b>
Revocable Commitments		-		-	0%	-
Bills Under Collection	-	-		-	0%	-
Forward Exchange Contract Liabilities	302,326	-		302,326	10%	30,233
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	614,176	-	34,211	579,965	20%	115,993
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)	86,686	-	5,117	81,568	50%	40,784
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)	524,209		28,394	495,815	50%	247,907
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%	-
Underwriting commitments		-		-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral		-		-	100%	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)		-		-	100%	-
Advance Payment Guarantee	116,725		9,287	107,438	100%	107,438
Financial Guarantee				-	100%	-
Acceptances and Endorsements	220,010		14,576	205,434	100%	205,434
Unpaid portion of Partly paid shares and Securities				-	100%	-
Irrevocable Credit commitments(Short term)	347,876			347,876	20%	69,575
Irrevocable Credit commitments(long term)				-	50%	-
Other Contingent Liabilities		-		-	100%	-
Unpaid Guarantee Claims				-	200%	-
<b>TOTAL</b>	<b>2,212,007</b>	<b>-</b>	<b>91,586</b>	<b>2,120,421</b>		<b>817,364</b>

Total RWE for credit Risk (A) +(B)	14,246,990	-	296,158	13,950,832	10,237,976
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)	-	-	-	-	-
<b>Total RWE for credit Risk (After Bank's adjustments of Pillar II)</b>	<b>14,246,990</b>	<b>-</b>	<b>296,158</b>	<b>13,950,832</b>	<b>10,237,976</b>

## Risk Exposure Calculation for Operational Risk

Particulars	Amount '000s		
	Year 1	Year 2	Year 3
Net Interest Income	98,743	199,107	
Commission and Discount Income	8,798	32,092	
Other Operating Income	12,804	38,198	
Exchange Fluctuation Income	4,092	27,222	
Additional/Deduction in Interest Suspense during the period	578	12,168	
Gross income (a)	125,015	308,788	
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	18,752	46,318	-
Capital Requirement for operational risk (d) (average of c)	32,535		-
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure [f=(d×e)]	325,352		

## Risk Exposure Calculation for Market Risk

currency	Amount '000s		
	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
Arab Emirates Dirham	1.33	28.46	28.46
Australian Dollar	10.37	898.79	898.79
Canadian Dollar	0.20	17.30	17.30
Swiss Frank	34.91	3,163.69	3,163.69
Danish Kroner	-	-	-
EURO	2.57	281.17	281.17
Great Britain Pound	31.57	4,288.28	4,288.28
Hong Kong Dollar	-	-	-
Indian Rupee	26,548.63	42,497.72	42,497.72
Japanese Yen	301.92	323.37	323.37
Malaysian Ringgit	1.00	26.91	26.91
Qatari Riyal	1.32	29.72	29.72
Saudi Arabian Riyal	32.84	725.30	725.30
Swedish Kroner		-	-
Singapore Dollar	0.11	7.65	7.65
Thai Baht	4.22	10.97	10.97
United States Dollar	268.63	22,806.35	22,806.35
<b>Total Open position (a)</b>			75,105.68
<b>Fixed Percentage (b)</b>			5.00%
<b>Capital Charge for Market Risk [c=(axb)]</b>			3,755.28
<b>Risk weight (reciprocal of capital requirement of 10%) in times (d)</b>			10.00
<b>Equivalent Risk Weight Exposure[e=(cxd)]</b>			37,552.84

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

*Amount '000s*

Particulars	Amount in NPR
Gross NPA	203.54
Net NPA	152.65

(E) NPA Ratios

*Amount '000s*

Particulars	Amount in NPR
Gross NPA	203.54
Total Loan and Advances	9,241,760.63
Gross NPA/Total Loan & Advances	0.00%

(F) Movement of Non – Performing Assets

*Amount '000s*

Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	0	203.54	

(G) Write off of Loans and Interest Suspende

There are no Write off of Loans and Interest Suspende.

(H) Movement in Loan Loss Provisions and Interest Suspende

*Amount '000s*

Particulars	Last Quarter	This Quarter	% Change
Loan Loss Provisions	78,298	92,466	18.09%
Interest Suspende	12,746	21,945	72.17%

(I) Details of Additional Loan Loss Provision

There is no Additional Loan Loss Provision.

(J) 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	908,059.88
Available for Sale	-
Total Investments	908,059.88

(K) Classification of Loans:

*Amount '000s*

Loan Class	Amount
Pass Loan (Gross)	9,241,557.09
Restructured/Rescheduled Loan	-
Substandard Loan	203.54
Doubtful Loan	-
Bad Loan	-



**(L) 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 present paid up capital is NPR 1.20 billion which will be increased to NPR 2 billion after the initial public offering of NPR 800 million planned for the second quarter of the financial year 2069/70.

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.