

**Civil Bank Limited**  
**Disclosure under BASEL II**  
**Chaitra 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	2,000,000
Statutory General Reserves	5,680
Retained Earnings	22,612
Current Year Profit/Loss	84,388
Other Free Reserves	3,436
<b>Total Core Capital</b>	<b>2,116,116</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	106,133
Exchange Equalization Reserve	107
<b>Total Supplementary Capital</b>	<b>106,240</b>

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

There is no Subordinated Term Debts as of Chaitra End 2069

(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)	2,116,116
Supplementary Capital (Tier 2)	106,240
<b>Total Qualifying Capital</b>	<b>2,222,356</b>

(F) **Capital Adequacy Ratio:**

	<b>Percentage of Total RWE</b>
<b>Capital Adequacy Ratio – Core Capital</b>	<b>17.23%</b>
<b>Capital Adequacy Ratio – Capital Fund</b>	<b>18.09%</b>

## 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	11,628,958
Risk Weighted Exposure for Operational Risk	325,351
Risk Weighted Exposure for Market Risk	27,106
<i>Adjustments under Pillar II</i>	
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 5	
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 7	61,758
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	239,628
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>12,282,801</b>

### (B) Risk Weighted Exposure under each of 11 categories of Credit Risk

	<i>Amount '000s</i>
<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	130,934
Claims on Corporate and Securities Firms	7,891,079
Claims on Regulatory Retail Portfolio (Not Overdue)	202,569
Claims fulfilling all criterion of regulatory retail except granularity	131,105
Claims secured by Residential Properties	217,642
Claims secured by residential properties (Overdue)	949
Claims secured by Commercial Real Estate	1,101,543
Past Due Claims	43,086
High Risk Claims	619,346
Staff Loan Secured by Residential Property	26,011
Other Assets	342,624
Off Balance Sheet Items	922,069
<b>Total Credit Risk Exposure</b>	<b>11,628,958</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)	Risk Weight (e)	Amount '000s
						Risk Weighted Exposures (f=d*e)
Cash Balance	305,936	-		305,936	0%	-
Balance With Nepal Rastra Bank	980,806	-		980,806	0%	-
Investment in Nepalese Government Securities	1,052,727	-		1,052,727	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	252,914	-		252,914	20%	50,583
Claims on domestic banks that do not meet capital adequacy requirements		-		-	100%	-
Claims on foreign bank (ECA Rating 0-1)	372,090	-		372,090	20%	74,418
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	29,666	-		29,666	20%	5,933
Claims on Domestic Corporates	7,914,546	8,490	14,977	7,891,079	100%	7,891,079
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)	270,092		270,092	75%	202,569	
Claims fulfilling all criterion of regulatory retail except granularity	131,105	-	131,105	100%	131,105	
Claims secured by residential properties	362,736	-	362,736	60%	217,642	
Claims not fully secured by residential properties	-	-	-	150%	-	
Claims secured by residential properties (Overdue)	949	-	949	100%	949	
Claims secured by Commercial real estate	1,101,543	-	1,101,543	100%	1,101,543	
Past due claims (except for claim secured by residential properties)	56,649	27,925	28,724	150%	43,086	
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	675,851	-	262,954	412,897	150%	619,346
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	43,351		43,351	60%	26,011	
Interest Receivable/claim on Government Securities	18,088		18,088	0%	-	
Cash in Transit and Other Cash Items in the Process of Collection			-	20%	-	
Other Assets (as per attachment)	342,624		342,624	100%	342,624	
<b>TOTAL</b>	<b>13,911,676</b>	<b>36,414.86</b>	<b>277,931.34</b>	<b>13,597,330</b>	<b>10,706,889</b>	

B. Off 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)
Revocable Commitments		-		-	0%	-
Bills Under Collection		-		-	0%	-
Forward Exchange Contract Liabilities	87,277	-		87,277	10%	8,728
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	1,102,237	-	66,386	1,035,851	20%	207,170
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)	790	-	79	710	50%	355
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 counter party) "	570,775		32,073	538,702	50%	269,351
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	194,810		11,785	183,025	100%	183,025
Financial Guarantee				-	100%	-
Acceptances and Endorsements	151,404		8,316	143,087	100%	143,087
Unpaid portion of Partly paid shares and Securities				-	100%	-
Irrevocable Credit commitments (Short term)	551,764		-	551,764	20%	110,353
Irrevocable Credit commitments (long term)	-		-	-	50%	-
Other Contingent Liabilities		-		-	100%	-
Unpaid Guarantee Claims				-		-
<b>TOTAL</b>	<b>2,659,057</b>	<b>-</b>	<b>118,639</b>	<b>2,540,417</b>		<b>922,069</b>

<b>Total RWE for credit Risk (A) +(B)</b>	16,570,733	36,415	396,571	16,137,747	11,628,958
<b>Adjustments under Pillar II</b>					
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>	16,570,733	36,415	396,571	16,137,747	11,628,958

## Risk Exposure Calculation for Operational Risk

Amount '000s

Particulars	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)]	<b>325,351</b>		

## Risk Exposure Calculation for Market Risk

Amount '000s

currency	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
AED	5.55	121.77	121.77
AUD	9.62	872.81	872.81
CAD	2.43	208.03	208.03
CHF	13.36	1,245.50	1,245.50
CNY	4.25	59.29	-
DKK	1.40	21.30	21.30
EUR	16.91	1,918.48	1,918.48
GBP	(3.12)	(415.65)	415.65
HKD	4.72	52.98	52.98
INR	3,091.86	4,949.30	4,949.30
JPY	2,100.00	1,837.50	1,837.50
KRW	275.00	23.51	23.51
MYR	10.03	277.80	277.80
QAR	1.70	40.07	40.07
SAR	38.18	876.33	876.33
SGD	1.78	124.89	124.89
THB	4.52	13.18	13.18
USD	473.17	41,213.13	41,213.13
<b>Total Open position (a)</b>			<b>54,212.23</b>
<b>Fixed Percentage (b)</b>			<b>5.00%</b>
<b>Capital Charge for Market Risk [c=(axb)]</b>			<b>2,710.61</b>
<b>Risk weight (reciprocal of capital requirement of 10%) in times (d)</b>			<b>10.00</b>
<b>Equivalent Risk Weight Exposure[e=(cxd)]</b>			<b>27,106.12</b>

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

<i>Amount '000s</i>	
<b>Particulars</b>	<b>Amount in NPR</b>
Gross NPA	65,139.09
Net NPA	28,724.23

(E) Classification of Loans:

<i>Amount '000s</i>	
<b>Particulars</b>	<b>Amount in NPR</b>
Restructure Loan	8,490.00
Substandard Loan	1,598.75
Doubtful Loan	55,050.34
Pass Loan	10,613,333.37

(F) NPA Ratios

<i>Amount '000s</i>	
<b>Particulars</b>	<b>Amount in NPR</b>
Gross NPA	65,139.09
Total Loan and Advances	10,678,472.46
Gross NPA/Total Loan & Advances	0.61%
Net NPA	28,724.23
Net Loan and Advances	10,535,924.27
Net NPA/Net Loan & Advances	0.27%

(G) Movement of Non – Performing Assets

<i>Amount '000s</i>			
<b>Particulars</b>	<b>Last Quarter</b>	<b>This Quarter</b>	<b>% Change</b>
Non-Performing Loans	147,190.34	65,139.09	55.74%

(H) Write off of Loans and Interest Suspende

There are no Write off of Loans and Interest Suspende.

(I) Movement in Loan Loss Provisions and Interest Suspende

<i>Amount '000s</i>			
<b>Particulars</b>	<b>Last Quarter</b>	<b>This Quarter</b>	<b>% Change</b>
Loan Loss Provisions	134,489.16	142,548.19	5.99%
Interest Suspende	33,891.42	32,736.37	3.41%

(J) Details of Additional Loan Loss Provision

There is no Additional Loan Loss Provision.



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

	<i>Amount '000s</i>
<b>Category</b>	<b>Amount in NPR</b>
<b>Held for Trading</b>	-
<b>Held to Maturity</b>	1,052,727.36
<b>Available for Sale</b>	-
<b>Total Investments</b>	<b>1,052,727.36</b>

**(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 paid up capital has reached NPR 2.00 billion after the initial public offering of NPR 800 million during the previous 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.