

Civil Bank Limited
Disclosure under BASEL II
Chaitra End 2071

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	2,698,925
Capital Redemption Reserves	301
Statutory General Reserves	131,547
Proposed Bonus Equity Shares	188,925
Retained Earnings	39,580
Un-audited current year cumulative profit/(loss)	190,548
Share Premium	1,077
Total Core Capital	3,250,903

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	237,108
Exchange Equalization Reserve	6,405
Investment Adjustment Reserve	1,580
Total Supplementary Capital	245,093

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Poush End 2071

(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	429
Total	429

(E) Total Qualifying Capital:

	<i>Amount '000s</i>
Particulars	Amount in NPR
Core Capital (Tier 1)	3,250,474
Supplementary Capital (Tier 2)	245,093
Total Qualifying Capital	3,495,567

(F) Capital Adequacy Ratio:

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	12.51%
Capital Adequacy Ratio – Capital Fund	13.46%

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	24,354,940
Risk Weighted Exposure for Operational Risk	883,133
Risk Weighted Exposure for Market Risk	57,155
<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	171,700
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	505,905
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)	25,972,833

(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	437,037
Claims on other Official Entities	-
Claims on Banks	406,583
Claims on Corporate and Securities Firms	11,569,721
Claims on Regulatory Retail Portfolio (Not Overdue)	2,818,870
Claims fulfilling all criterion of regulatory retail except granularity	3,737,815
Claims secured by Residential Properties	619,557
Claims secured by residential properties (Overdue)	34,159
Claims secured by Commercial Real Estate	467,863
Past Due Claims	966,098
High Risk Claims	457,576
Investments in equity and other capital instruments of institutions not listed in the stock exchange	12,380
Staff Loan Secured by Residential Property	55,230
Cash in transit and other cash items in the process of collection	-
Other Assets	771,000
Off Balance Sheet Items	2,001,051
Total Credit Risk Exposure	24,354,940

**(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	558,064	-	-	558,064	0%	-
Balance With Nepal Rastra Bank	3,453,364	-	-	3,453,364	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	1,195,016	-	-	1,195,016	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 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)	437,037	-	-	437,037	100%	437,037
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	861,151	-	-	861,151	20%	172,230
Claims on domestic banks that do not meet capital adequacy requirements	99,385	-	-	99,385	100%	99,385
Claims on foreign bank (ECA Rating 0-1)	478,473	-	-	478,473	20%	95,695
Claims on foreign bank (ECA Rating 2)	11,634	-	-	11,634	50%	5,817
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	167,278	-	-	167,278	20%	33,456
Claims on Domestic Corporates	11,586,795	-	17,074	11,569,721	100%	11,569,721
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)	3,758,493	-	3,758,493	75%	2,818,870
Claims fulfilling all criterion of regularity retail except granularity	3,737,815	-	3,737,815	100%	3,737,815
Claims secured by residential properties	1,032,595	-	1,032,595	60%	619,557
Claims not fully secured by residential properties	-	-	-	150%	-
Claims secured by residential properties (Overdue)	45,156	10,997	34,159	100%	34,159
Claims secured by Commercial real estate	467,863	-	467,863	100%	467,863
Past due claims (except for claims secured by residential properties)	970,046	325,980	644,066	150%	966,098
High Risk claims	485,594	-	180,544	150%	457,576
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	100%	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	8,554	300	8,254	150%	12,380
Staff loan secured by residential property	92,050	-	92,050	60%	55,230
Interest Receivable/claim on government securities	6,399	-	6,399	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	20%	-
Other Assets (as per attachment)	950,848	179,848	771,000	100%	771,000
TOTAL (A)	30,403,609	517,126	197,618		22,353,889

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	50,315		-	50,315	0%	-
Forward Exchange Contract Liabilities	-		-	-	10%	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	707,315		62,341	644,974	20%	128,995
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)	805,406		-	805,406	50%	402,703
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) "	1,093,015		83,484	1,009,531	50%	504,766
foreign counterparty ECA Rating 0-1	-		-	-	20%	-
foreign counterparty ECA Rating 2	160,206		80,103	80,103	50%	40,052
foreign counterparty ECA Rating 3-6	105,880		-	105,880	100%	105,880
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	517,128		42,484	474,644	100%	474,644
Financial Guarantee	-		-	-	100%	-
Acceptances and Endorsements	158,246		11,084	147,162	100%	147,162
Unpaid portion of Partly paid shares and Securities	-		-	-	100%	-
Irrevocable Credit commitments (Short term)	575,217		-	575,217	20%	115,043
Irrevocable Credit commitments (long term)	163,612		-	163,612	50%	81,806
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above	-		-	-	20%	-

Other Contingent Liabilities	-	-	-	100%	-
Unpaid Guarantee Claims	-	-	-	200%	-
TOTAL (B)	4,336,341	-	279,497		2,001,051
Total RWE for credit Risk (A) +(B)	34,739,950	517,126	477,115		24,354,940
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 of Pillar II)	34,739,950	517,126	477,115		24,354,940

Risk Exposure Calculation for Operational Risk

Particulars	<i>Amount '000s</i>		
	Year 1	Year 2	Year 3
Net Interest Income	199,107	440,302	612,776
Commission and Discount Income	32,092	33,825	55,006
Other Operating Income	38,198	53,306	64,589
Exchange Fluctuation Income	27,222	41,634	58,512
Additional/Deduction in Interest Suspense during the period	12,168	30,135	67,395
Gross income (a)	308,788	599,202	858,277
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	46,318	89,880	128,742
Capital Requirement for operational risk (d) (average of c)	88,313		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure [f=(d×e)]	883,133		

Risk Exposure Calculation for Market Risk

Currency	<i>Amount '000s</i>		
	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
INR	63,402	101491	101491
USD	(37)	-3672	3672
GBP	27	3884	3884
EUR	7	740	740
THB	6	19	19
CHF	8	829	829
AUD	4	324	324
CAD	8	637	637
SGD	9	649	649
JPY	1,401	1158	1158
HKD	2	20	20
DKK	-	0	0
SEK	-	0	0
SAR	14	356	356
QAR	7	193	193
AED	3	72	72
MYR	10	261	261
KRW	-	0	0
CNY	0	3	3
Total Open position (a)			114,310
Fixed Percentage (b)			5%
Capital Charge for Market Risk [c=(axb)]			5,716
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10
Equivalent Risk Weight Exposure[e=(cxd)]			57,155

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

Amount '000s

Particulars	Amount in NPR
Gross NPA	531,981
Net NPA	195,115

(K) Classification of Loans:

Amount '000s

Particulars	Amount in NPR
Restructure Loan	0.00
Substandard Loan	183,059
Doubtful Loan	115,641
Loss Loan	233,280
Watch List Loan	2,766,315
Pass Loan	19,561,854

(L) NPA Ratios

Amount '000s

Particulars	Amount in NPR
Gross NPA	531,981
Total Loan and Advances	22,860,149
Gross NPA/Total Loan & Advances	2.3271%
Net NPA	195,115
Net Loan and Advances	22,286,058
Net NPA/Net Loan & Advances	0.88%

(M) Movement of Non – Performing Assets

Amount '000s

Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	416,692	531,981	27.67%

(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

Amount '000s

Particulars	Last Quarter	This Quarter	% Change
Loan Loss Provisions	451,342	574,091	27.20%
Interest Suspense	167,169	178,132	6.56%

(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	1,847,689.66
Available for Sale	8,553.60
Total Investments	1,856,243.26

(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 2.89 billion with successful issuing of bonus shares after merger of with Axis Development Bank Ltd and Civil Merchant Bittiya Sanstha Ltd during the financial year 2070/71.

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 Chaitra end 2071/72