

Civil Bank Limited
Disclosure under BASEL II
Poush End 2069

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	2,000,000
Statutory General Reserves	5,680
Retained Earnings	22,612
Current Year Profit/Loss	33,554
Other Free Reserves	3,436
Total Core Capital	2,065,282

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

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	97,692
Exchange Equalization Reserve	107
Total Supplementary Capital	97,799

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

There is no Subordinated Term Debts as of Poush End 2069/70

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

(E) **Total Qualifying Capital:**

	<i>Amount '000s</i>
Particulars	Amount in NPR
Core Capital (Tier 1)	2,065,282
Supplementary Capital (Tier 2)	97,799
Total Qualifying Capital	2,163,080

(F) **Capital Adequacy Ratio:**

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	18.06%
Capital Adequacy Ratio – Capital Fund	18.91%

2. **Risk Exposures :**

(A) **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	10,799,324
Risk Weighted Exposure for Operational Risk	325,351
Risk Weighted Exposure for Market Risk	28,296

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	223,059
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)	11,437,346

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

Category of Credit Risk	Risk Exposure in NPR	<i>Amount '000s</i>
Claims on Government and Central Bank	-	
Claims on other Official Entities	-	
Claims on Banks	197,810	
Claims on Corporate and Securities Firms	7,373,200	
Claims on Regulatory Retail Portfolio (Not Overdue)	72,202	
Claims fulfilling all criterion of regulatory retail except granularity	200,446	
Claims secured by Residential Properties	193,735	
Claims secured by residential properties (Overdue)	7,389	
Claims secured by Commercial Real Estate	939,211	
Past Due Claims	36,134	
High Risk Claims	623,565	
Staff Loan Secured by Residential Property	25,672	
Other Assets	322,479	
Off Balance Sheet Items	807,482	
Total Credit Risk Exposure	10,799,324	

(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	201,704	-	-	201,704.33	0%	-
Balance With Nepal Rastra Bank	1,047,663	-	-	1,047,663.45	0%	-
Investment in Nepalese Government Securities	956,840	-	-	956,840.48	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	390,279	-	-	390,278.64	20%	78,055.73
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	559,876	-	-	559,875.81	20%	111,975.16
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	38,897	-	-	38,896.68	20%	7,779.34
Claims on Domestic Corporates	7,419,864	28,268	18,396	7,373,199.73	100%	7,373,199.73
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)	96,270	-	-	96,269.57	75%	72,202.18
Claims fulfilling all criterion of regulatory retail except granularity	200,446	-	-	200,445.76	100%	200,445.76
Claims secured by residential properties	322,892	-	-	322,892.15	60%	193,735.29
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	7,889	500	-	7,388.54	100%	7,388.54
Claims secured by Commercial real estate	939,211	-	-	939,211.21	100%	939,211.21
Past due claims (except for claim secured by residential properties)	32,119	8,030	-	24,089.25	150%	36,133.88
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	732,658	-	316,948	415,709.69	150%	623,564.53
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	42,786	-	-	42,786.21	60%	25,671.72
Interest Receivable/claim on Government Securities	12,224	-	-	12,224.44	0%	-
Cash in Transit and Other Cash Items in the Process of Collection	-	-	-	-	20%	-
Other Assets (as per attachment)	322,479	-	-	322,479.18	100%	322,479.18
TOTAL	13,324,097	36,798	335,344	12,951,955.13		9,991,842.25

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	571,551	-	-	571,551	10%	57,155
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	461,691	-	28,117	433,574	20%	86,715
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)	69,492	-	3,361	66,131	50%	33,066
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) "	557,370	-	31,676	525,695		262,847
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	158,003	-	10,227	147,777	100%	147,777
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	157,203	-	11,502	145,701	100%	145,701
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (Short term)	371,106	-	-	371,106	20%	74,221
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-
Other Contingent Liabilities	-	-	-	-	100%	-
Unpaid Guarantee Claims	-	-	-	-	-	-
TOTAL	2,346,417	-	84,882	2,261,535		807,482

Total RWE for credit Risk (A) +(B)	15,670,515	36,797.59	420,227	15,213,490	10,799,324
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)	15,670,515	36,797.59	420,227	15,213,490	10,799,324

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)]	325,351		

Risk Exposure Calculation for Market Risk

Amount '000s

currency	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
AED	4.78	105.54	105.54
AUD	17.33	1,597.49	1,597.49
CAD	1.66	147.61	147.61
CHF	13.36	1,280.04	1,280.04
CNY	4.25	59.50	59.50
DKK	1.20	18.77	18.77
EUR	(0.16)	(18.29)	(18.29)
GBP	45.91	6,492.91	6,492.91
HKD	2.10	23.74	23.74
INR	22,495.91	36,010.33	36,010.33
JPY	3,075.83	3,009.55	3,009.55
KRW	190.00	16.25	16.25
MYR	8.46	237.84	237.84
QAR	1.14	27.17	27.17
SAR	28.08	648.18	648.18
SGD	1.93	137.75	137.75
THB	4.52	12.67	12.67
USD	77.71	6,807.83	6,807.83
Total Open position (a)			56,591.96
Fixed Percentage (b)			5.00%
Capital Charge for Market Risk [c=(axb)]			2,829.60
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10.00
Equivalent Risk Weight Exposure[e=(cxd)]			28,295.98

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

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	147,190.34
Net NPA	110,392.76

(E) NPA Ratios

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	147,190.34
Total Loan and Advances	9,916,347.83
Gross NPA/Total Loan & Advances	1.48%
Net NPA	110,392.76
Net Loan and Advances	9,781,858.67
Net NPA/Net Loan & Advances	1.1285%

(F) Movement of Non – Performing Assets

<i>Amount '000s</i>			
Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	203.54	147,190.34	72,215.19%

(G) Write off of Loans and Interest Suspense

There are no Write off of Loans and Interest Suspense.

(H) Movement in Loan Loss Provisions and Interest Suspense

<i>Amount '000s</i>			
Particulars	Last Quarter	This Quarter	% Change
Loan Loss Provisions	92,466	134,489.16	45.45%
Interest Suspense	21,945	33,891.42	54.44%

(I) Details of Additional Loan Loss Provision

There is no Additional Loan Loss Provision.