

Civil Bank Limited
Disclosure under BASEL II
Poush End 2072

1. Capital Structure and Capital Adequacy:

(A) Tier 1 Capital and Its Breakdown:

	<i>Amount '000s</i>
	Amount in NPR
Core Capital (Tier 1)	
Paid up Equity Share Capital	2,887,849.42
Share Premium	1,077.22
Proposed Bonus Equity Shares	194,929.84
Statutory General Reserves	177,551.26
Retained Earnings	4,148.44
Current Year Profit/Loss	156,338.71
Capital Adjustment Reserves	7,768.63
Less: Deferred Tax Assets	5,074.61
Less: Investment in equity in licensed Financial Institutions	69,615.00
Total Core Capital	3,354,846.81

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
	Amount in NPR
Supplementary Capital (Tier 2)	
General loan loss provision	221,262.05
Exchange Equalization Reserve	9,276.35
Investment Adjustment Reserve	5,500.00
Total Supplementary Capital	236,038.40

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Poush End 2072

(D) Deductions from Core Capital:

	Amount in NPR
Adjustments under Pillar II	
SRP 6.4a(2) Loans & Facilities extended to related parties and restricted lending	127.09
Total	127.09

(E) Total Qualifying Capital:

	<i>Amount '000s</i>
	Amount in NPR
Particulars	
Core Capital (Tier 1)	3,354,846.81
Supplementary Capital (Tier 2)	236,038.40
Total Qualifying Capital	3,590,885.21

(F) Capital Adequacy Ratio:

	Percentage of Total RWE
Particulars	
Capital Adequacy Ratio – Core Capital	12.30%
Capital Adequacy Ratio – Capital Fund	13.16%

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	25,209,416.01
Risk Weighted Exposure for Operational Risk	1,292,760.07
Risk Weighted Exposure for Market Risk	16,138.92
<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	225,800.00
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	530,366.30
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)	27,282,988.80

(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	622,054.84
Claims on other Official Entities	-
Claims on Banks	829,111.70
Claims on Corporate and Securities Firms	14,491,871.92
Claims on Regulatory Retail Portfolio (Not Overdue)	2,821,060.50
Claims fulfilling all criterion of regulatory retail except granularity	6,469.29
Claims secured by Residential Properties	731,768.32
Claims secured by residential properties (Overdue)	6,700.82
Claims secured by Commercial Real Estate	447,179.36
Past Due Claims	1,530,985.94
High Risk Claims	1206,102.10
Investments in equity and other capital instruments of institutions not listed in the stock exchange	12,375.00
Staff Loan Secured by Residential Property	57,630
Cash in transit and other cash items in the process of collection	-
Other Assets	541,988.74
Off Balance Sheet Items	1,904,117.47
Total Credit Risk Exposure	25,209,416.01

**(I) 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)	Risk Weighted Exposures (f=d*e)
Cash Balance	604,862.00	-	-	604,862.00	0%	-
Balance With Nepal Rastra Bank	1,604,126.19	-	-	-	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	3,523,301.70	-	-	-	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)	622,054.84	-	-	622,054.84	100%	622,054.84
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	758,118.79	-	-	758,118.79	20%	151,623.76
Claims on domestic banks that do not meet capital adequacy requirements	226,854.71	3,346.56	-	223,508.14	100%	223,508.14
Claims on foreign bank (ECA Rating 0-1)	471,475.82	-	-	471,475.82	20%	94,295.16
Claims on foreign bank (ECA Rating 2)	712,111.78	-	-	712,111.78	50%	356,055.89
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	18,143.73	-	-	18,143.73	20%	3,628.75
Claims on Domestic Corporates	-	5,810.00	11,944.20	-	100%	-
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-

Amount '000s

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)	3,764,030.43	2,616.43	-	-	75%	-
Claims fulfilling all criterion of regularity retail except granularity	6,469.29	-	-	6,469.29	100%	6,469.29
Claims secured by residential properties	1,219,613.87	-	-	-	60%	731,768.32
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	7,826.77	1,125.95	-	6,700.82	100%	6,700.82
Claims secured by Commercial real estate	447,179.36	-	-	447,179.36	100%	447,179.36
Past due claims (except for claims secured by residential properties)	1,414,420.49	393,763.20	-	-	150%	-
High Risk claims	987,956.90	-	-	804,068.07	150%	-
			183.888.84	-	-	1.206.102.1
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	8,550.00	300.00	-	8,250.00	150%	12,375.00
Staff loan secured by residential property	96,050.00	-	-	96,050.00	60%	57,630.00
Interest Receivable/claim on government securities	6,344.74	-	-	6,344.74	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	878,923.74	336,935.00	-	541,988.74	100%	541,988.74
TOTAL (A)	31,888,041.27	743,897.13	195,833.04	30,948,311.1		23,305,298.5

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	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Up to 6 months domestic counterparty	433,596.77	-	49,600.57	383,996.20	20%	76,799.24
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	943,555.53	-	1,564.00	941,991.53	50%	470,995.76
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	1,063,686.73	-	98,953.26	964,733.46	50%	482,366.73
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	168,840.70	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	95,143.33	-	-	95,143.33	100%	95,143.33
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	535,695.67	-	48,276.03	487,419.64	100%	487,419.64
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	166,237.16	-	14,759.15	151,478.01	100%	151,478.01
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	690,725.77	-	-	690,725.77	20%	138,145.15
Irrevocable Credit commitments (long term)	3,539.20	-	-	3,539.20	50%	1,769.60

Claims on foreign bank incorporated in SAARC region operating with a buffer of	-	-	20%	-
Other Contingent Liabilities	-	-	100%	-
Unpaid Guarantee Claims	-	-	200%	-
TOTAL (B)	4,101,020.87	-	381,993.72	3,719,027.15
Total RWE for credit Risk Before Adjustment (A) +(B)	35,989,062.14	743,897.13	577,826.76	34,667,338.25
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	-	-	-	-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	35,989,062.14	743,897.13	577,826.76	34,667,338.25

Risk Exposure Calculation for Operational Risk

Particulars	<i>Amount '000s</i>		
	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	<i>Amount '000s</i>		
	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
INR	10,524.25	16,847	16,847
USD	(33.42)	(3,589)	3,589
GBP	15.94	2,507	2,507
EUR	38.33	4,415	4,415
THB	4.14	12	12
CHF	1.90	203	203
AUD	2.55	195	195
CAD	9.93	761	761
SGD	1.01	75	75
JPY	3,039.07	2,761	2,761
HKD	1.58	22	22
DKK	-	-	-
SEK	-	-	-
SAR	11.27	317	317
QAR	5.26	155	155
AED	3.59	103	103
MYR	7.75	190	190
KRW	490.00	44	44
CNY	1.40	23	23
KWD	0.17	59	59
Total Open position (a)			32,277.83
Fixed Percentage (b)			5.00%
Capital Charge for Market Risk [c=(axb)]			1,613.89
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10.00
Equivalent Risk Weight Exposure[e=(cxd)]			16,138.92

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

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	505,973.97
Net NPA	105,274.82

(K) Classification of Loans:

<i>Amount '000s</i>	
Particulars	Amount in NPR
Restructure Loan	0.00
Substandard Loan	156,81.71
Doubtful Loan	187,027.08
Loss Loan	297,455.18
Watch List Loan	1,063,127.90
Pass Loan	22,132,014.98

(L) NPA Ratios

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	505,973.97
Total Loan and Advances	23,695,306.86
Gross NPA/Total Loan & Advances	2.14%
Net NPA	105,274.82
Net Loan and Advances	23,049,466.67
Net NPA/Net Loan & Advances	0.46%

(M) Movement of Non – Performing Assets

<i>Amount '000s</i>			
Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	613,345.00	505,973.97	(17.51%)

(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	642,292	645,840.18	0.55%
Interest Suspense	293,190	318,137.66	8.51%

(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	4,124,832.27
Available for Sale	77,868,.60
Total Investments	4,202,700.87

(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 after issuing 7% stock dividend after the merger of with Axis Development Bank Ltd and Civil Merchant Bittiya Sanstha Ltd during the previous 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 Ashwin end 2072.