

Civil Bank Limited
Disclosure under BASEL II
Poush End 2073

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	4,583,806.42
Share Premium	4,666.89
Proposed Bonus Equity Shares	-
Statutory General Reserves	423,569.77
Retained Earnings	298,828.52
Current Year Profit/Loss	167,339.20
Capital Adjustment Reserves	515,541.47
Capital Redemption Reserves	2,334.95
Less: Deferred Tax Assets	-
Less: Investment in equity in licensed Financial Institutions	120,615.00
Total Core Capital	5,875,472.22

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	349,534.33
Exchange Equalization Reserve	9,276.35
Investment Adjustment Reserve	6,525.79
Total Supplementary Capital	365,336.47

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Poush End 2073

(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	-
Total	-

(E) Total Qualifying Capital:

	<i>Amount '000s</i>
Particulars	Amount in NPR
Core Capital (Tier 1)	5,875,472.22
Supplementary Capital (Tier 2)	365,336.47
Total Qualifying Capital	6,240,808.69

(F) Capital Adequacy Ratio:

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	16.71%
Capital Adequacy Ratio – Capital Fund	17.74%

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	32,322,635.74
Risk Weighted Exposure for Operational Risk	1,626,141.23
Risk Weighted Exposure for Market Risk	26,065.86
<i>Adjustments under Pillar II</i>	
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 5	9,948.79
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 7	506,000.00
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	679,496.86
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)	35,170,288.48

(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	508,146.06
Claims on other Official Entities	-
Claims on Banks	579,107.76
Claims on Corporate and Securities Firms	16,471,000.03
Claims on Regulatory Retail Portfolio (Not Overdue)	3,840,056.80
Claims fulfilling all criterion of regulatory retail except granularity	2,317,836.66
Claims secured by Residential Properties	878,455.66
Claims secured by residential properties (Overdue)	17,170.75
Claims secured by Commercial Real Estate	743,993.84
Past Due Claims	623,087.79
High Risk Claims	2,241,320.74
Investments in equity and other capital instruments of institutions listed in stock exchange	7,186.00
Investments in equity and other capital instruments of institutions not listed in the stock exchange	205,025.76
Staff Loan Secured by Residential Property	65,190.00
Cash in transit and other cash items in the process of collection	-
Other Assets	852,214.47
Off Balance Sheet Items	2,968,523.42
Total Credit Risk Exposure	32,322,635.74

**(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	890,324.61	-	-	890,324.61	0%	-
Balance With Nepal Rastra Bank	1,893,260.23	-	-	1,893,260.23	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	4,619,052.45	-	-	4,619,052.45	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	600,000.00	-	-	600,000.00	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)	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	-	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-
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)	508,146.06	-	-	508,146.06	-	508,146.06
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	1,040,033.85	-	-	1,040,033.85	20%	208,006.77
Claims on domestic banks that do not meet capital adequacy requirements	2,788.45	2,788.45	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	430,421.73	-	-	430,421.73	20%	86,084.35
Claims on foreign bank (ECA Rating 2)	422,806.22	-	-	422,806.22	50%	211,403.11
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	368,067.71	-	-	368,067.71	20%	73,613.54
Claims on Domestic Corporates	16,482,115.03	-	11,115.00	16,471,000.03	-	16,471,000.03
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-

Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	5,120,075.74	-	-	5,120,075.74	75%	3,840,056.80
Claims fulfilling all criterion of regularity retail except granularity	2,317,836.66	-	-	2,317,836.66	-	2,317,836.66
Claims secured by residential properties	1,464,092.76	-	-	1,464,092.76	60%	878,455.66
Claims not fully secured by residential properties	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	38,806.83	21,636.08	-	17,170.75	45%	17,170.75
Claims secured by Commercial real estate	769,539.25	25,545.41	-	743,993.84	100%	743,993.84
Past due claims (except for claims secured by residential properties)	1,224,831.90	809,440.04	-	415,391.86	100%	623,087.79
High Risk claims	1,893,927.90	-	399,714.08	1,494,213.82	150%	2,241,320.74
Investments in equity and other capital instruments of institutions listed in stock exchange	7,186.00	-	-	7,186.00	100%	7,186.00
Investments in equity and other capital instruments of institutions not listed in the stock exchange	136,983.84	300.00	-	136,683.84	150%	205,025.76
Staff loan secured by residential property	115,850.00	-	-	115,850.00	60%	69,510.00
Interest Receivable/claim on government securities	39,862.18	-	-	39,862.18	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	1,351,812.92	499,598.45	-	852,214.47	100%	852,214.47
TOTAL (A)	41,737,822.31	1,359,308.43	410,829.08	39,967,684.81		29,354,112.32

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	4,570.15	-	-	4,570.15	0%	-
Forward Exchange Contract Liabilities	137,313.36	-	-	137,313.36	10%	13,731.34
LC Commitments With Original Maturity Upto 6 months domestic counterparty	1,646,135.80	-	63,791.21	1,582,344.59	20%	316,468.92
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	1,109,841.55	-	-	1,109,841.55	50%	554,920.77
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	85,379.73	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	1,410,102.33	-	124,020.04	1,286,082.29	50%	643,041.14
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	170,759.47	-	-	170,759.47	50%	85,379.73
Foreign counterparty (ECA Rating 3-6)	331,896.41	-	-	331,896.41	100%	331,896.41
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	580,143.75	-	73,147.11	506,996.65	100%	506,996.65
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	303,561.94	-	18,444.00	285,117.94	100%	285,117.94
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	974,906.85	-	-	974,906.85	20%	194,981.37
Irrevocable Credit commitments (long term)	4,897.88	-	-	4,897.88	50%	2,448.94

Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	20%	-
Other Contingent Liabilities	33,540.21	-	-	100%	33,540.21
Unpaid Guarantee Claims	-	-	-	200%	-
TOTAL (B)	6,707,669.69	-	364,782.09	6,428,267.34	2,968,523.42
Total RWE for credit Risk Before Adjustment (A) +(B)	48,445,492.01	1,359,308.43	775,611.16	46,395,952.15	32,322,635.74
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 under Pillar II	48,445,492.01	1,359,308.43	775,611.16	46,395,952.15	32,322,635.74

Risk Exposure Calculation for Operational Risk

Particulars	Amount '000s		
	Year 1	Year 2	Year 3
Net Interest Income	612,776.22	850,749.39	994,879.11
Commission and Discount Income	55,006.00	55,158.07	67,827.43
Other Operating Income	64,589.00	65,577.88	86,503.53
Exchange Fluctuation Income	58,511.92	72,233.14	89,962.36
Additional/Deduction in Interest Suspense during the period	67,394.92	85,297.80	25,815.71
Gross income (a)	858,278.06	1,129,016.28	1,264,988.13
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	128,741.71	169,352.44	189,748.22
Capital Requirement for operational risk (d) (average of c)	162,614.12		-
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure [f=(d×e)]	1,626,141.23		

Risk Exposure Calculation for Market Risk

Currency	Amount '000s		
	Open Position (FCY)	Open Position (LCY)	Relevant Open Position
INR	22,526.86	36,059.87	36,059.87
USD	(75.57)	(8,244.51)	8,244.51
GBP	(0.85)	(111.98)	111.98
EUR	3.47	400.41	400.41
THB	4.95	15.26	15.26
CHF	6.22	674.00	674.00
AUD	0.84	68.16	68.16
CAD	12.85	1,066.03	1,066.03
SGD	0.73	55.87	55.87
JPY	4,625.19	4,390.69	4,390.69
HKD	6.08	85.54	85.54
DKK	1.05	16.35	16.35
SEK	-	-	-
SAR	10.82	308.92	308.92
QAR	6.50	192.43	192.43
AED	3.37	98.07	98.07
MYR	6.96	169.36	169.36
KRW	54.00	5.01	5.01
CNY	3.50	55.38	55.38
KWD	0.32	113.88	113.88
Total Open position (a)			52131.72
Fixed Percentage (b)			5.00%
Capital Charge for Market Risk [c=(axb)]			2,606.59
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10.00
Equivalent Risk Weight Exposure[e=(cxd)]			26,065.86

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

Particulars	Amount '000s
	Amount in NPR
Gross NPA	1,365,820.36
Net NPA	509,198.83

(K) Classification of Loans:

Amount '000s

Particulars	Amount in NPR
Restructure Loan	61,400.47
Substandard Loan	464,971.31
Doubtful Loan	217,889.87
Loss Loan	621,558.71
Watch List Loan	1,403,876.15
Pass Loan	27,943,519.76

(L) NPA Ratios

Amount '000s

Particulars	Amount in NPR
Gross NPA	1,365,820.36
Total Loan and Advances	30,713,216.27
Gross NPA/Total Loan & Advances	4.4470%
Net NPA	509,198.83
Net Loan and Advances	29,505,072.22
Net NPA/Net Loan & Advances	1.7258%

(M) Movement of Non – Performing Assets

Amount '000s

Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	1,130,084.14	1,365,820.36	20.86%

(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	1,004,782.30	1,208,144.05	20.24%
Interest Suspense	269,028.61	403,376.20	49.94%

(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	6,034,728.91
Available for Sale	146,169.84
Total Investments	6,180,898.75

(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 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 Poush end 2073.