

**Civil Bank Limited**  
**Disclosure under BASEL II**  
**Ashadh End 2070**

(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	29,945
Retained Earnings	115,214
Current Year Profit/Loss	
Other Free Reserves	3,436
<b>Total Core Capital</b>	<b>2,148,595</b>

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	124,591
Exchange Equalization Reserve	4,566
<b>Total Supplementary Capital</b>	<b>129,157</b>

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Ashadh End 2070

(D) Deductions from Capital: NIL

(E) Total Qualifying Capital:

	<i>Amount '000s</i>
Particulars	Amount in NPR
Core Capital (Tier 1)	2,148,595
Supplementary Capital (Tier 2)	129,157
<b>Total Qualifying Capital</b>	<b>2,277,752</b>

(F) Capital Adequacy Ratio:

	Percentage of Total RWE
Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	14.76%
<b>Capital Adequacy Ratio – Capital Fund</b>	<b>15.64%</b>

**(G) 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	13,866,939
Risk Weighted Exposure for Operational Risk	325,352
Risk Weighted Exposure for Market Risk	21,037
<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	61,757
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	284,267
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>14,559,352</b>

**(H) 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	236,030
Claims on Corporate and Securities Firms	9,275,459
Claims on Regulatory Retail Portfolio (Not Overdue)	333,019
Claims fulfilling all criterion of regulatory retail except granularity	131,542
Claims secured by Residential Properties	260,846
Claims secured by residential properties (Overdue)	-
Claims secured by Commercial Real Estate	1,229,995
Past Due Claims	32,944
High Risk Claims	706,882
Investments in equity and other capital instruments of institutions not listed in the stock exchange	3,454
Staff Loan Secured by Residential Property	35,490
Cash in transit and other cash items in the process of collection	1038
Other Assets	358,099
Off Balance Sheet Items	1,262,141
<b>Total Credit Risk Exposure</b>	<b>13,866,939</b>

**(I) Total Risk Weighted Exposure Calculation Table:****Risk Exposure Calculation for Credit Risk**

					<i>Amount '000s</i>	
<b>A. Balance Sheet Exposures</b>	<b>Gross Book Value (a)</b>	<b>Specific Provision (b)</b>	<b>Eligible CRM (c)</b>	<b>Net Value (d=a-b-c)</b>	<b>Risk Weight (e)</b>	<b>Risk Weighted Exposures (f=d*e)</b>
Cash Balance	355,224	-	-	355,224	0%	-
Balance With Nepal Rastra Bank	2,466,434	-	-	2,466,434	0%	-
Investment in Nepalese Government Securities	1,713,943	-	-	1,713,943	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	327,229	-	-	327,229	20%	65,446
Claims on domestic banks that do not meet capital adequacy requirements	30,305	-	-	30,305	100%	30,305
Claims on foreign bank (ECA Rating 0-1)	679,099	-	-	679,099	20%	135,820
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	22,294	-	-	22,294	20%	4,459
Claims on Domestic Corporates	9,294,149	7,500	11,191	9,275,459	100%	9,275,459

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)	444,025	-	-	444,025	75%	333,019
Claims fulfilling all criterion of regulatory retail except granularity	131,542	-	-	131,542	100%	131,542
Claims secured by residential properties	435,874	1,131	-	434,743	60%	260,846
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	-	-	-	-	100%	-
Claims secured by Commercial real estate	1,229,995	-	-	1,229,995	100%	1,229,995
Past due claims (except for claim secured by residential properties)	43,133	21,171	-	21,962	150%	32,944
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	787,282	-	316,027	471,255	150%	706,882
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	2,303	-	-	2,303	150%	3,454
Staff Loan Secured by Residential Property	59,150	-	-	59,150	60%	35,490
Interest Receivable/claim on Government Securities	-	-	-	-	0%	-
Cash in Transit and Other Cash Items in the Process of Collection	5,189	-	-	5,189	20%	1,038
Other Assets (as per attachment)	400,979	42,881	-	358,099	100%	358,099
<b>TOTAL</b>	<b>18,428,151</b>	<b>72,683</b>	<b>327,218</b>	<b>18,028,250</b>		<b>12,604,798</b>

<b>B. Off Balance Sheet Exposures</b>	<b>Gross Book Value (a)</b>	<b>Specific Provision (b)</b>	<b>Eligible CRM (c)</b>	<b>Net Value (d=a-b-c)</b>	<b>Risk Weight</b>	<b>Risk Weighted</b>
Revocable Commitments		-		-	0%	-
Bills Under Collection	5,189	-		5,189	0%	-
Forward Exchange Contract Liabilities	17,828	-		17,828	10%	1,783
LC Commitments With Original Maturity Up to 6 months (domestic	777,907	-	46,228	731,679	20%	146,336
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	23,151	-	2,316	20,835	50%	10,417
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) "	816,540	-	49,665	766,875	50%	383,438
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	447,296	-	34,794	412,502	100%	412,502
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	235,373	-	15,056	220,318	100%	220,318
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (Short term)	432,873	-	-	432,873	20%	86,575
Irrevocable Credit commitments (long term)	1,546	-	-	1,546	50%	773
Other Contingent Liabilities	-	-	-	-	20%	-

Unpaid Guarantee Claims	-	-	-	-	100%	-
<b>TOTAL (B)</b>	<b>2,757,704</b>	<b>-</b>	<b>148,058</b>	<b>2,609,646</b>		<b>1,262,141</b>
<b>Total RWE for credit Risk (A) +(B)</b>	<b>21,185,855</b>	<b>72,683</b>	<b>475,276</b>	<b>20,637,896</b>		<b>13,866,939</b>
<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	-	-	-	-		-
<b>Total RWE for credit Risk (After Bank's adjustments of Pillar II)</b>	<b>21,185,855</b>	<b>72,683</b>	<b>475,276</b>	<b>20,637,896</b>		<b>13,866,939</b>

## 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)		<b>125,014</b>	<b>308,788</b>
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]		<b>18,752</b>	<b>46,318</b>
Capital Requirement for operational risk (d) (average of c)	<b>32,535</b>		-
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
INR	13,936	22,308	22,308
USD	(148)	(14,159)	14,159
GBP	8	1,168	1,168
EUR	0	61	61
THB	4	13	13
CHF	10	1,026	1,026
AUD	13	1,132	1,132
CAD	0	40	40
SGD	2	127	127
JPY	411	393	393
HKD		-	-
DKK		-	-
SEK	-	-	-
SAR	44	1,121	1,121
QAR	3	91	91
AED			58
MYR	12	360	360
KRW		-	-
CNY	1	20	20
<b>Total Open position (a)</b>			<b>42,075</b>
<b>Fixed Percentage (b)</b>			<b>5.00%</b>
<b>Capital Charge for Market Risk [c=(axb)]</b>			<b>2,104</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>21,037</b>

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

<i>Amount '000s</i>	
<b>Particulars</b>	<b>Amount in NPR</b>
Gross NPA	62,658.41
Net NPA	32,856.22

(K) Classification of Loans:

<i>Amount '000s</i>	
<b>Particulars</b>	<b>Amount in NPR</b>
Restructure Loan	0.00
Substandard Loan	6,108
Doubtful Loan	56,550
Pass Loan	12,459,103

(L) NPA Ratios

<i>Amount '000s</i>	
<b>Particulars</b>	<b>Amount in NPR</b>
Gross NPA	62,658
Total Loan and Advances	12,521,761
Gross NPA/Total Loan & Advances	0.50%
Net NPA	32,856
Net Loan and Advances	12,367,368
Net NPA/Net Loan & Advances	0.2657%

(M) 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	65,139.09	62,658.41	-3.81%

(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>			
<b>Particulars</b>	<b>Last Quarter</b>	<b>This Quarter</b>	<b>% Change</b>
Loan Loss Provisions	142,548.19	154,393.22	8.31%
Interest Suspense	32,736.37	42,880.63	30.99%

**(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>
<b>Category</b>	<b>Amount in NPR</b>
<b>Held for Trading</b>	14,240
<b>Held to Maturity</b>	2,067,492
<b>Available for Sale</b>	2,303
<b>Total Investments</b>	<b>2,084,035</b>

**(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 2.00 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.

**(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 Ashadh end 2069/70