

Civil Bank Limited
Disclosure under BASEL II
Ashadh End 2072

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	2,887,849
Share Premium	1,077
Statutory General Reserves	179,057
Retained Earnings	226,745
Current Year Profit/Loss	-
Capital Adjustment Reserves	301
Total Core Capital	3,295,029

(B) Tier 2 Capital and Its Breakdown:

	<i>Amount '000s</i>
Supplementary Capital (Tier 2)	Amount in NPR
General loan loss provision	207,854
Exchange Equalization Reserve	9,276
Investment Adjustment Reserve	1,580
Total Supplementary Capital	218,711

(C) Detail of Subordinated Term Debts:

There is no Subordinated Term Debts as of Ashadh End 2072

(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	325
Total	325

(E) Total Qualifying Capital:

	<i>Amount '000s</i>
Particulars	Amount in NPR
Core Capital (Tier 1)	3,294,704
Supplementary Capital (Tier 2)	218,771
Total Qualifying Capital	3,513,415

(F) Capital Adequacy Ratio:

Particulars	Percentage of Total RWE
Capital Adequacy Ratio – Core Capital	12.56%
Capital Adequacy Ratio – Capital Fund	13.39%

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	24,594,837
Risk Weighted Exposure for Operational Risk	883,133
Risk Weighted Exposure for Market Risk	72,423
<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	171,655
Add : Additional Risk Weight as per Capital Adequacy Framework 6.4 a 9	511,285
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)	26,233,057

(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	545,902
Claims on other Official Entities	-
Claims on Banks	609,233
Claims on Corporate and Securities Firms	13,038,291
Claims on Regulatory Retail Portfolio (Not Overdue)	4,181,126
Claims fulfilling all criterion of regulatory retail except granularity	126,843
Claims secured by Residential Properties	389,220
Claims secured by residential properties (Overdue)	32,030
Claims secured by Commercial Real Estate	285,879
Past Due Claims	1,142,046
High Risk Claims	1,432,594
Investments in equity and other capital instruments of institutions not listed in the stock exchange	12,380
Staff Loan Secured by Residential Property	61,770
Cash in transit and other cash items in the process of collection	-
Other Assets	623,226
Off Balance Sheet Items	2,114,307
Total Credit Risk Exposure	24,594,837

**(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	567,528	-	-	567,528	0%	-
Balance With Nepal Rastra Bank	1,917,903	-	-	1,917,903	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	3,390,664	-	-	3,390,664	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)	545,902	-	-	545,902	100%	545,902
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	863,761	-	-	863,761	20%	172,752
Claims on domestic banks that do not meet capital adequacy requirements	247,549	-	-	247,549	100%	247,549
Claims on foreign bank (ECA Rating 0-1)	485,154	-	-	485,154	20%	97,031
Claims on foreign bank (ECA Rating 2)	165,515	-	-	165,515	50%	82,757
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	45,667	-	-	45,667	20%	9,133
Claims on Domestic Corporates	13,075,595	13,846	23,457	13,038,291	100%	13,038,291
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)	5,582,990	8,155	-	5,574,835	75%	4,181,126
Claims fulfilling all criterion of regulatory retail except granularity	126,843	-	-	126,843	100%	126,843
Claims secured by residential properties	648,699	-	-	648,699	60%	389,220
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	41,688	9,658	-	32,030	100%	32,030
Claims secured by Commercial real estate	285,879	-	-	285,879	100%	285,879
Past due claims (except for claim secured by residential properties)	1,118,273	356,909	-	761,364	150%	1,142,046
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	1,156,309	106	201,140	955,063	150%	1,432,594
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	8,554	300	-	8,254	150%	12,380
Staff Loan Secured by Residential Property	102,950	-	-	102,950	60%	61,770
Interest Receivable/claim on Government Securities	1,083	-	-	1,083	0%	-
Cash in Transit and Other Cash Items in the Process of Collection	-	-	-	-	20%	-
Other Assets (as per attachment)	867,119	243,894	-	623,225	100%	623,225
TOTAL	31,245,626	632,868	224,598	30,388,161		22,480,530

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	57,588	-	-	57,588	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	1,095,943	-	57,191	1,038,751	20%	207,750
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)	929,540	-	19,948	909,592	50%	454,796
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) "	1,098,601	-	81,947	1,016,654	50%	508,327
foreign counterparty ECA Rating 0-1	-	-	-	-	20%	-
foreign counterparty ECA Rating 2	162,294	-	81,147	81,147	50%	40,574
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	475,120	-	36,633	438,487	100%	438,487
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	236,078	-	16,877	219,201	100%	219,201
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (Short term)	639,281	-	-	639,281	20%	127,856
Irrevocable Credit commitments (long term)	22,871	-	-	22,871	50%	11,436
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)	4,823,196	-	293,743	4,529,452		2,114,307
Total RWE for credit Risk (A) +(B)	36,068,822	632,868	518,341	34,917,613		24,594,837
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)	36,068,822	632,868	518,341	34,917,613		24,594,837

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	(72,800.72)	(116,535.75)	116,536
USD	203.52	20,677.38	20,677
GBP	7.62	1,214.63	1,215
EUR	21.43	2,380.93	2,381
THB	-	-	-
CHF	7.47	797.89	798
AUD	3.14	235.00	235
CAD	9.41	741.90	742
SGD	1.00	74.71	75
JPY	1,937.69	1,592.30	1,592
HKD	1.58	20.78	21
DKK	-	-	-
SEK	-	-	-
SAR	9.58	251.20	251
QAR	6.06	167.84	168
AED	3.17	81.51	82
MYR	2.43	63.52	64
KRW	-	-	-
CNY	-	-	-
KWD	0.03	9.95	10
Total Open position (a)			144,845
Fixed Percentage (b)			5.00%
Capital Charge for Market Risk [c=(axb)]			7,242
Risk weight (reciprocal of capital requirement of 10%) in times (d)			10.00
Equivalent Risk Weight Exposure[e=(cxd)]			72,423

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

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	742,335
Net NPA	356,285

(K) Classification of Loans:

<i>Amount '000s</i>	
Particulars	Amount in NPR
Restructure Loan	0.00
Substandard Loan	413,079
Doubtful Loan	92,952
Loss Loan	236,305
Watch List Loan	1,637,870
Pass Loan	20,785,376

(L) NPA Ratios

<i>Amount '000s</i>	
Particulars	Amount in NPR
Gross NPA	742,335
Total Loan and Advances	23,165,580
Gross NPA/Total Loan & Advances	3.20%
Net NPA	356,285
Net Loan and Advances	22,536,295
Net NPA/Net Loan & Advances	1.58%

(M) Movement of Non – Performing Assets

<i>Amount '000s</i>			
Particulars	Last Quarter	This Quarter	% Change
Non-Performing Loans	531,981	742,335	39.54%

(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	574,091	629,285	9.61%
Interest Suspense	178,132	194,870	9.40%

(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	3847,864.4
Available for Sale	8,553.6
Total Investments	3,856,418.0

(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 Ashadh end 2071/72