

## Disclosure under Basel II

As on Mid JULY 2010 (4th Quarter End-ASHADH of FY 2066/67)

### Capital Structure and Capital Adequacy:

#### • Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	830,467
Proposed Bonus Equity Shares	249,140
Share Premium	14,780
Irredeemable Non-cumulative preference shares	-
Statutory General Reserves	617,193
Retained Earnings	72,621
Reserve for Deffered Tax	34,518
Un-audited current year cumulative profit	-
Debenture Redemption Reserve	180,000
Capital Redemption Reserve	140,000
Capital Adjustment Reserve	367,147
Dividend Equalization Reserves	-
Other Free Reserve	31,226
<b>Total (Tier 1) Capital</b>	<b>2,537,092</b>

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	200,000
Subordinated Term Debt	120,000
Hybrid Capital Instruments	
General loan loss provision	280,308
Investment Adjustment Reserve -	
Assets Revaluation Reserve	
Exchange Equalization Reserve	22,044
Additional Loan Loss Provision	97,697
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>720,049</b>

#### • Details of Subordinated Term Debt:

The Bank has Debenture for Rs.300 million with the following main features:

Maturity period:	7 years
Interest rate:	6% per annum.
Interest Payment frequency:	Half Yearly
Claim in case of liquidation:	As per rule

Debenture Redemption Reserve is Rs. 180 million

Pledgeability: Can be pledged with banks and financial institutions other than Everest Bank Limited

**• Deductions from Capital:**

The bank does not hold any amount as stipulated in the Framework that qualifies for deduction from its core capital.

**• Total qualifying capital:**

**NPR in 000**

Particulars	Amount
Core Capital (Tier 1)	2,537,092
Supplementary Capital (Tier 2)	720,049
<b>Total Capital Fund</b>	<b>3,257,141</b>

**Risk Exposures:**

**• Risk weighted exposures under each 11 categories of Credit Risk:**

**NPR in 000**

Categorises	Risk Weighted Exposure
Claims on Government and Central Bank	-
Claims on Other Financial Entities	-
Claims on Banks	421,263
Claims on Domestic Corporates and Securities F	10,352,920
Claims on Regulatory Retail Portfolio & Other F	7,993,274
Claims secured by residential properties	2,355,269
Claims secured by Commercial real estate -	1,053,930
Investment in equity of Institutions	102,613
Past due claims	170,363
High Risk claims	1,674,799
Other Assets	963,094
Off Balance Sheet Items	2,412,376
<b>Total</b>	<b>27,499,899</b>

**• Risk weighted exposures for Credit Risk Market Risk and Operational Risk**

**NPR in 000**

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk ( a )	27,499,899
Risk Weighted Exposure for Operational Risk (	1,804,243
Risk Weighted Exposure for Market Risk ( c )	343,337
Adjustments under Pillar II	
Add: 2% of the total RWE due to non Complan	592,950
Add: ...% of the total deposit due to insufficient	-
Total Risk Weighted Exposures (a+b+c)	30,240,428

**• Total Risk Weight Exposures calculation table:**

**NPR in 000**

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	27,499,899
Risk Weighted Exposure for Operational Risk	1,804,243
Risk Weighted Exposure for Market Risk	343,337
Total Core Capital to Total Risk Weighted Expo	8.39%
Total Capital to Total Risk Weighted Exposures	10.77%

• Amount of Non Performing Assets (both Gross and Net)

NPR in 000

Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL)			-
Restructured	81,854	10,232	71,623
Sub-Standard	5,469	5,469	-
Doubtful	12,634	12,634	-
Loss	25,603	25,603	-
<b>Total</b>	<b>125,560</b>	<b>53,938</b>	<b>71,623</b>

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.16%
Net NPA to Net Advances	Nil

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	43,706	108,765	-59.82%
Non Performing Assets (%)	0.16%	0.38%	-0.22%

NPR in 000

• Write off of Loans and Interest Suspense in the Quarter

Loan	54,070
Interest Suspense	29,505

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	600,044	631,546	-4.99%
Interest Suspense	68,601	111,933	-38.71%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	16-Jul-10
Pass	198,784
Rescheduled/ Restructured	67,013
Sub-Standard	4,102
Doubtful	6,317
Loss	-
<b>Total</b>	<b>276,217</b>

• Segregation of Investment Portfolio:

NPR in 000

Particulars	16-Jul-10
Held for Trading	-
Held to Maturity	2,264,630
Available for sale	2,745,278
<b>Total Investment</b>	<b>5,009,908</b>