

Disclosure under Basel II

As on Mid OCT 2010 (1st Quarter End-ASHWIN of FY 2067/68)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	1,079,607
Proposed Bonus Equity Shares	-
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	207,348
Debenture Redemption Reserve	180,000
Capital Redemption Reserve	140,000
Capital Adjustment Reserve	367,147
Dividend Equalization Reserves	-
Other Free Reserve	31,226
Total (Tier 1) Capital	2,744,440

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	282,615
Investment Adjustment Reserve -	-
Assets Revaluation Reserve	-
Exchange Equalization Reserve	22,044
Additional Loan Loss Provision	114,544
Other Reserves	-
Total (Tier 2) Capital	739,203

• 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

Pledgibility: 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)	2,744,440
Supplementary Capital (Tier 2)	739,203
Total Capital Fund	3,483,643

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	455,881
Claims on Domestic Corporates and Securities Firms	10,924,063
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	7,784,911
Claims secured by residential properties	2,349,275
Claims secured by Commercial real estate -	971,706
Investment in equity of Institutions	107,654
Past due claims	140,792
High Risk claims	1,856,480
Other Assets	1,145,638
Off Balance Sheet Items	2,813,172
Total	28,549,572

• 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)	28,549,572
Risk Weighted Exposure for Operational Risk (b)	2,345,841
Risk Weighted Exposure for Market Risk (c)	254,348
Adjustments under Pillar II	-
Add: 2% of the total RWE due to non Compliance to Disclosure (Requirement (6.4 a 10)	622,995
Add: ...% of the total deposit due to insufficient liquid Assets (6.4 a 6)	-
Total Risk Weighted Exposures (a+b+c)	31,772,756

• Total Risk Weight Exposures calculation table:

NPR in 000	
RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	28,549,572
Risk Weighted Exposure for Operational Risk	2,345,841
Risk Weighted Exposure for Market Risk	254,348
Total Core Capital to Total Risk Weighted Exposures	8.64%
Total Capital to Total Risk Weighted Exposures	10.96%

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

Particulars	Amount	NPR in 000	
		Loan Loss Provision	Net NPL
Non Performing Loans (NPL)	-	-	-
Restructured	55,497	55,497	-

Sub-Standard	29,382	29,382	-
Doubtful	7,900	7,900	-
Loss	21,748	21,748	-
Total	114,526	114,526	-

• **NPA Ratios**

NPA Ratios	(%)
Gross NPA to Gross Advances	0.40%
Net NPA to Net Advances	Nil

• **Movement in Non Performing Assets**

Particulars	NPR in 000		
	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	114,526	43,706	162.04%
Non Performing Assets (%)	0.40%	0.16%	0.24%

NPR in 000

• **Write off of Loans and Interest Suspense in the Quarter**

Loan	197
Interest Suspense	304

• **Movement in Loan Loss Provision and Interest Suspense:**

Particulars	NPR in 000		
	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	614,823	600,044	2.46%
Interest Suspense	70,116	68,601	2.21%

• **Details of Additional Loan Loss Provision:**

Particulars	NPR in 000
	17-Oct-10
Pass	217,682
Rescheduled/ Restructured	48,559
Sub-Standard	22,036
Doubtful	3,950
Loss	-
Total	292,228

• **Segregation of Investment Portfolio:**

Particulars	NPR in 000
	17-Oct-10
Held for Trading	-
Held to Maturity	2,233,722
Available for sale	5,253,238
Total Investment	7,486,960