

## Disclosure under Basel II

As on Mid April 2011 (3rd Quarter End-CHAITRA 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	1,119,607
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	698,422
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>3,275,514</b>

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	160,000
Subordinated Term Debt	120,000
Hybrid Capital Instruments	-
General loan loss provision	311,224
Investment Adjustment Reserve -	-
Assets Revaluation Reserve	-
Exchange Equalization Reserve	22,044
Additional Loan Loss Provision	106,821
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>720,089</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

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)	3,275,514
Supplementary Capital (Tier 2)	720,089
<b>Total Capital Fund</b>	<b>3,995,603</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	438,637
Claims on Domestic Corporates and Securities Firms	12,185,724
Claims on Regulatory Retail Portfolio & Other Retail Portf	8,137,114
Claims secured by residential properties	2,332,007
Claims secured by Commercial real estate -	1,114,264
Investment in equity of Institutions	107,654
Past due claims	138,939
High Risk claims	1,871,664
Other Assets	1,186,898
Off Balance Sheet Items	2,868,931
<b>Total</b>	<b>30,381,832</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 )	30,381,832
Risk Weighted Exposure for Operational Risk ( b )	2,345,841
Risk Weighted Exposure for Market Risk ( c )	60,207
Adjustments under Pillar II	-
Add: 2% of the total RWE due to non Compliance to Discl	655,758
Add: ...% of the total deposit due to insufficient liquid Ass	-
Total Risk Weighted Exposures (a+b+c)	33,443,638

• Total Risk Weight Exposures calculation table:

NPR in 000

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	30,381,832
Risk Weighted Exposure for Operational Risk	2,345,841
Risk Weighted Exposure for Market Risk	60,207
Total Core Capital to Total Risk Weighted Exposures	9.79%
Total Capital to Total Risk Weighted Exposures	11.95%

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

NPR in 000

Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL)			-

Restructured	18,125	18,125	-
Sub-Standard	12,244	12,244	-
Doubtful	13,537	13,537	-
Loss	55,371	55,371	-
<b>Total</b>	<b>99,277</b>	<b>99,277</b>	<b>-</b>

• **NPA Ratios**

<b>NPA Ratios</b>	<b>(%)</b>
Gross NPA to Gross Advances	0.32%
Net NPA to Net Advances	Nil

• **Movement in Non Performing Assets**

<b>Particulars</b>	<b>NPR in 000</b>		
	<b>This Quarter</b>	<b>Previous Quarter</b>	<b>Changes(%)</b>
Non Performing Assets (Volumes)	99,277	104,361	-4.87%
Non Performing Assets (%)	0.32%	0.33%	-0.01%

**NPR in 000**

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

Loan	Nil
Interest Suspense	271

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

<b>Particulars</b>	<b>NPR in 000</b>		
	<b>This Quarter</b>	<b>Previous Quarter</b>	<b>Changes(%)</b>
Loan Loss Provision	647,967	628,861	3.04%
Interest Suspense	96,774	69,858	38.53%

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

**NPR in 000**

<b>Particulars</b>	<b>13-Apr-11</b>
Pass	237,467
Rescheduled/ Restructured	15,859
Sub-Standard	9,183
Doubtful	6,769
Loss	-
<b>Total</b>	<b>269,277</b>

• **Segregation of Investment Portfolio:**

**NPR in 000**

<b>Particulars</b>	<b>14-Jan-11</b>
Held for Trading	-
Held to Maturity	56,443
Available for sale	-
<b>Total Investment</b>	<b>56,443</b>