

## Disclosure under Basel II

As on Mid January 2010 (2nd Quarter End-Push 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	830,467.00
Proposed Bonus Equity Shares	-
Share Premium	14,780.00
Irredeemable Non-cumulative preference sha	-
Statutory General Reserves	450,839.00
Retained Earnings	82,444.00
Reserve for Deffered Tax	33,723.00
Un-audited current year cumulative profit	383,720.00
Debenture Redemption Reserve	120,000.00
Capital Redemption Reserve	140,000.00
Capital Adjustment Reserve	284,100.00
Dividend Equalization Reserves	-
Other Free Reserve	25,226.00
<b>Total (Tier 1) Capital</b>	<b>2,365,299.00</b>

NPR in 000	
Particulars	Amount
Cumulative and/or Redeemable Preference S	200,000.00
Subordinated Term Debt	180,000.00
Hybrid Capital Instruments	
General loan loss provision	284,816.00
Investment Adjustment Reserve -	
Assets Revaluation Reserve	
Exchange Equalization Reserve	22,044.00
Additional Loan Loss Provision	89,165.62
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>776,025.62</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. 120 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)	2,365,299.00
Supplementary Capital (Tier 2)	776,025.62
<b>Total Capital Fund</b>	<b>3,141,324.62</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	377,986
Claims on Domestic Corporates and Securities	11,029,562
Claims on Regulatory Retail Portfolio & Other	8,104,226
Claims secured by residential properties	2,332,244
Claims secured by Commercial real estate -	925,803
Investment in equity of Institutions	102,613
Past due claims	272,190
High Risk claims	1,611,632
Other Assets	956,622
Off Balance Sheet Items	2,077,626
<b>Total</b>	<b>27,790,503</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 )	27,790,503
Risk Weighted Exposure for Operational Risk	1,804,243
Risk Weighted Exposure for Market Risk ( c )	323,783
<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>29,918,529</b>

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

NPR in 000	
RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	27,790,503
Risk Weighted Exposure for Operational Risk	1,804,243
Risk Weighted Exposure for Market Risk	323,783
Total Core Capital to Total Risk Weighted Exposure	7.91%
Total Capital to Total Risk Weighted Exposure	10.50%

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

NPR in 000

Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL)	-	-	-
Restructured	91,733.86	11,466.73	80,267.13
Sub-Standard	24,911.93	24,911.93	-
Doubtful	3,477.45	3,477.45	-
Loss	82,313.21	82,313.21	-
<b>Total</b>	<b>202,436.45</b>	<b>122,169.32</b>	<b>80,267.13</b>

#### • NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.39%
Net NPA to Net Advances	Nil

#### • Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	110,702.59	109,271.91	1.31%
Non Performing Assets (%)	0.39%	0.42%	-0.03%

NPR in 000

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

Loan	Nil
Interest Suspense	Nil

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

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	613,072.36	595,054.52	3.03%
Interest Suspense	82,856.00	88,721.00	-6.61%

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

NPR in 000

Particulars	14-Jan-10
Pass	135,328.81
Rescheduled/ Restructured	70,758.32
Sub-Standard	18,683.95
Doubtful	1,738.73
Loss	-
<b>Total</b>	<b>226,509.80</b>

#### • Segregation of Investment Portfolio:

NPR in 000

Particulars	14-Jan-10
Held for Trading	-
Held to Maturity	2,415,593.69
Available for sale	1,837,186.77
<b>Total Investment</b>	<b>4,252,780.46</b>