

**Disclosure under Basel II**  
**As on Mid Oct 2011 (1st Quarter End-ASHWIN of FY 2068/69)**

**Capital Structure and Capital Adequacy:**

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

**NPR in 000**

<b>Particulars</b>	<b>Amount</b>
Paid up Equity Share Capital	1,231,570
Proposed Bonus Equity Shares	-
Share Premium	14,781
Irredeemable Non-cumulative preference shares	-
Statutory General Reserves	803,454
Retained Earnings	36,092
Reserve for Deffered Tax	62,898
Un-audited current year cumulative profit	244,626
Debenture Redemption Reserve	240,000
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>3,171,793</b>

**NPR in 000**

<b>Particulars</b>	<b>Amount</b>
Cumulative and/or Redeemable Preference Share	160,000
Subordinated Term Debt	60,000
Hybrid Capital Instruments	-
General loan loss provision	325,705
Investment Adjustment Reserve -	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	22,903
Additional Loan Loss Provision	142,795
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>714,879</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)	3,171,793
Supplementary Capital (Tier 2)	714,879
<b>Total Capital Fund</b>	<b>3,886,672</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	316524
Claims on Domestic Corporates and Securities Firms	12368166
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	7296838
Claims secured by residential properties	1883966
Claims secured by Commercial real estate -	4574326
Investment in equity of Institutions	111404
Past due claims	172013
High Risk claims	1341328
Other Assets	1471938
Off Balance Sheet Items	4277178
<b>Total</b>	<b>33,813,681</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 )	33,813,681
Risk Weighted Exposure for Operational Risk ( b )	2,832,941
Risk Weighted Exposure for Market Risk ( c )	98,505
Adjustments under Pillar II	-
Add: 2% of the total RWE due to non Compliance to Disclosure	734,903
Add: ...% of the total deposit due to insufficient liquid Assets (6.	-
<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>37,480,030</b>

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

**NPR in 000**

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	33,813,681
Risk Weighted Exposure for Operational Risk	2,832,941
Risk Weighted Exposure for Market Risk	98,505
Total Core Capital to Total Risk Weighted Exposures	8.46%
Total Capital to Total Risk Weighted Exposures	10.37%

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

NPR in 000

Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL)			-
Restructured	13,568	13,568	-
Sub-Standard	76,911	76,911	-
Doubtful	3,421	3,421	-
Loss	25,781	25,781	-
<b>Total</b>	<b>119,681</b>	<b>119,681</b>	<b>-</b>

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.37%
Net NPA to Net Advances	Nil

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	119,681	108,513	10.29%
Non Performing Assets (%)	0.37%	0.34%	0.03%

NPR in 000

• Write off of Loans and Interest Suspense in the Quarter

Loan  
Interest Suspense

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	623,553	604,151	3.21%
Interest Suspense	100,198	55,205	81.50%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	17-Oct-11
Pass	178,167
Rescheduled/ Restructured	11,872
Sub-Standard	57,683
Doubtful	1,710
Loss	-
<b>Total</b>	<b>249,432</b>

• Segregation of Investment Portfolio:

NPR in 000

Particulars	17-Oct-11
Held for Trading	-
Held to Maturity	7,039,774
Available for sale	-
<b>Total Investment</b>	<b>7,039,774</b>