

Disclosure under Basel II

As on Mid Jan 2012 (2nd Quarter End-POUSH 2068 of FY 2068/69)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
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	487,028
Debenture Redemption Reserve	240,000
Capital Redemption Reserve	140,000
Capital Adjustment Reserve	367,147
Dividend Equalization Reserves	-
Other Free Reserve	31,226
Total (Tier 1) Capital	3,414,195

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	160,000
Subordinated Term Debt	60,000
Hybrid Capital Instruments	-
General loan loss provision	361,340
Investment Adjustment Reserve -	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	22,903
Additional Loan Loss Provision	144,092
Other Reserves	-
Total (Tier 2) Capital	751,810

• 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)	3,414,195
Supplementary Capital (Tier 2)	751,810
Total Capital Fund	4,166,006

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	342381
Claims on Domestic Corporates and Securities Firms	15515664
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	7612326
Claims secured by residential properties	2013369
Claims secured by Commercial real estate -	4487578
Investment in equity of Institutions	111404
Past due claims	-
High Risk claims	1062603
Other Assets	1410243
Off Balance Sheet Items	4155744
Total	36,711,312

• 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)	36,711,312
Risk Weighted Exposure for Operational Risk (b)	2,832,941
Risk Weighted Exposure for Market Risk (c)	97,454
Adjustments under Pillar II	-
Add: 2% of the total RWE due to non Compliance to Disclosure	792,834
Add: ...% of the total deposit due to insufficient liquid Assets (6.	-
Total Risk Weighted Exposures (a+b+c)	40,434,540

• Total Risk Weight Exposures calculation table:

NPR in 000

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	36,711,312
Risk Weighted Exposure for Operational Risk	2,832,941
Risk Weighted Exposure for Market Risk	97,454
Total Core Capital to Total Risk Weighted Exposures	8.44%
Total Capital to Total Risk Weighted Exposures	10.30%

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

NPR in 000

Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL)			-
Restructured	13,105	13,105	-
Sub-Standard	24,886	24,886	-
Doubtful	73,199	73,199	-
Loss	24,175	24,175	-
Total	135,365	135,365	-

• 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)	135,365	119,681	13.10%
Non Performing Assets (%)	0.37%	0.37%	0.00%

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	639,021	623,553	2.48%
Interest Suspense	128,079	100,198	27.83%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14-Jan-12
Pass	142,316
Rescheduled/ Restructured	11,467
Sub-Standard	18,665
Doubtful	36,599
Loss	-
Total	209,047

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14-Jan-12
Held for Trading	-
Held to Maturity	6,139,031
Available for sale	-
Total Investment	6,139,031