

Disclosures as per Basel-II Accord

As on 17 October 2011 (1st Quarter end of FY 2011/12)

Capital Structure and Capital Adequacy:

- Tier 1 capital and a breakdown of its components**

Rs. In “000”

S.N.	Particulars	Amount
a	Paid up Equity Share Capital	1,571,130
b	Share Premium	
c	Proposed Bonus Equity Share	47,134
d	Statutory General Reserve	228,838
e	Retained Earnings	32,503
f	Unaudited current year cumulative profit	26,241
g	Capital Redemption Reserve	-
h	Capital Adjustment Reserve	-
i	Dividend Equalization Reserves	-
j	Debenture Redemption Reserve	97,616
k	Deffered Tax Reserve	3,545
l	Other Reserves	
m	Less:Investment in equity of institutions with financial interests	(15,000)
	Total Tier 1 Capital	1,992,007

- Tier 2 capital and a breakdown of its components**

Rs. In “000”

	Particulars	Amount
a	Cumulative and/or Redeemable preference Share	-
b	Subordinated Term Debt	182,216
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	180,710
e	Investment Adjustment Reserve	300
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	7,339
h	Other Reserves	-
	Total Tier 2 Capital	370,565

- Subordinated Term Debts:**

The Bank issued Siddhartha Bank Limited Debenture 2072 in FY 2008/09 for Rs.228 million. As per NRB Directives, 20% of the subordinated term debt has been

amortized during this quarter. Main features of Siddhartha Bank Limited Debenture 2072 are as follows:

- Maturity period: 7 Years.
- Interest rate: 8.5% per annum.
- Interest Payment frequency: Half Yearly.
- Claim in case of liquidation: After depositors.
- Debenture Redemption Reserve shall be created to redeem the Bond at Maturity.
- The debenture can be pledged with other banks and financial institution.

- **Deductions from Capital:**

The Bank has investments of Rs.15 million in the equity shares of Siddhartha Insurance Limited, which has been deducted from the core capital while computing capital adequacy.

- **Total Qualifying Capital:**

Rs. In “000”

Particulars	Amount
Core Capital	1,992,007
Supplementary Capital	370,565
Total Capital Fund	2,362,572

- **Risk weighted exposures for Credit Risk, Market Risk and Operational Risk:**

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	20,567,195
Risk Weighted Exposure for Operational Risk	1,124,821
Risk Weighted Exposure for Market Risk	44,984
Adjustments under Pillar II:	
Add:0% of the total deposit due to insufficient Liquid Assets (6.4 a 6)	-
Add: 2% of the total RWE due to supervisor is not satisfied with the overall risk management policies and procedures of the bank (6.4 a 9)	434,740
Total Risk Weighted Exposure (After Pillar II Adjustment)	22,171,740

Risk Weighted Exposures under different categories of Credit Risk:

Rs. In “000”

S.N.	Categories	Risk Weighted Exposure
1	Claims on Government & Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Domestic Banks that meet CAR	183,325
4	Claims on Domestic banks that do not meet CAR	20,821
5	Claims on Foreign Banks (ECA 0-1)	35,031
6	Claims on foreign bank (ECA Rating 3-6)	117,390
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	1,486
8	Claims on Domestic Corporates	9,260,306
9	Claims on Regulatory Retail Portfolio (Not Overdue)	2,938,931
10	Claims Secured by Residential Properties	-
11	Claims secured by residential properties(overdue)	-
12	Claims Secured by Commercial Real Estate	3,516,732
13	Past due claims(except for claim secured by residential properties)	292,798
14	High Risk Claims	1,462,595
15	Investment in Equity of Institution not listed in the Stock Exchange	7,961
16	Other Assets	781,631
17	Off Balance Sheet Items	1,948,187

• **Total Risk Weighted Exposure calculation table:**

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	22,171,740
Total Core Capital Fund	1,992,007
Total Capital Fund	2,362,572
Total Core Capital to Total Risk Weighted Exposures %	8.98
Total capital to Total Risk Weighted Exposures %	10.66

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	23,313	2,914	20,399
Sub-Standard	237,812	59,416	178,396
Doubtfull	15,192	7,596	7,596
Loss	54,256	54,256	-
Total	330,573	124,182	206,391

- **NPA Ratios**

Gross NPA to Gross Advances	1.80
Net NPA to Net Advances	1.14

- **Movement in Non Performing Assets**

Rs. In "000"

Non-Performing Assets	330,573	115,064	187.29%
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- **Written Off Loans and Interest Suspense**

Rs. In "000"

Particulars	Amount
Loan Written Off	-
Interest Suspense	-

- **Movements in Loan Loss Provision and Interest Suspense:**

Rs. In "000"

Particulars	This Quarter	Previous Quarter	Change (%)
Loan Loss Provision	304,892	254,493	19.80
Interest Suspense	104,665	52,374	99.84

- **Details of Additional Loan Loss Provisions:**

Rs. In "000"

Particulars	This Quarter
Pass	(4,611)
Restructured/Rescheduled	(332)
Sub-Standard	57,788
Doubtfull	(10,689)
Loss	8,242
Total	50,398

- **Segregation of Investment Portfolio:**

Rs. In "000"

Particulars	This Quarter
Held for Trading	
Held to Maturity	2,439,872
Available for Sale	20,308
Total Investment	2,460,180