

Disclosures as per Basel-II Accord

As on 16 July 2011 (4th Quarter end of FY 2010/11)

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	13,693
c	Proposed Bonus Equity Share	-
d	Statutory General Reserve	166,555
e	Retained Earnings	44,930
f	Unaudited current year cumulative profit	304,641
g	Capital Redemption Reserve	-
h	Capital Adjustment Reserve	7,949
i	Dividend Equalization Reserves	-
j	Debenture Redemption Reserve	65,077
k	Deffered Tax Reserve	1,620
l	Other Reserves	
m	Less:Investment in equity of institutions with financial interests	(15,000)
	Total Tier 1 Capital	2,160,596

- 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	185,321
e	Investment Adjustment Reserve	300
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	6,674
h	Other Reserves	-
	Total Tier 2 Capital	374,511

- 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	2,160,596
Supplementary Capital	374,511
Total Capital Fund	2,535,107

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	20,279,188
Risk Weighted Exposure for Operational Risk	852,440
Risk Weighted Exposure for Market Risk	28,468
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)	423,202
Total Risk Weighted Exposure (After Pillar II Adjustment)	21,583,297

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	263,910
4	Claims on Domestic banks that do not meet CAR	27,524
5	Claims on Foreign Banks (ECA 0-1)	43,698
6	Claims on foreign bank (ECA Rating 3-6)	224,600
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	1,376
8	Claims on Domestic Corporates	9,476,986
9	Claims on Regulatory Retail Portfolio (Not Overdue)	2,903,230
10	Claims Secured by Residential Properties	-
11	Claims secured by residential properties(overdue)	-
12	Claims Secured by Commercial Real Estate	3,519,487
13	Past due claims(except for claim secured by residential properties)	63,307
14	High Risk Claims	1,432,759
15	Investment in Equity of Institution not listed in the Stock Exchange	7,961
16	Other Assets	652,484
17	Off Balance Sheet Items	1,661,866
Total		20,279,188

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	21,583,297
Total Core Capital Fund	2,160,596
Total Capital Fund	2,535,107
Total Core Capital to Total Risk Weighted Exposures %	10.01
Total capital to Total Risk Weighted Exposures %	11.75

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	25,972	3,246	22,725
Sub-Standard	6,509	1,627	4,881
Doubtfull	36,571	18,285	18,285
Loss	46,013	46,013	-
Total	115,064	69,172	45,892

- **NPA Ratios**

Particulars	in %
Gross NPA to Gross Advances	0.62
Net NPA to Net Advances	0.25

- **Movement in Non Performing Assets**

Rs. In "000"

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	115,064	141,675	(18.78)

- **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	254,493	258,391	(1.51)
Interest Suspense	52,374	66,108	(20.78)

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

Rs. In "000"

Particulars	This Quarter
Pass	4,351
Restructured/Rescheduled	(555)
Sub-Standard	(3,141)
Doubtfull	(5,054)
Loss	501
Total	(3,898)

- **Segregation of Investment Portfolio:**

Rs. In "000"

Particulars	This Quarter
Held for Trading	
Held to Maturity	2,375,202
Available for Sale	20,308
Total Investment	2,395,509