

Disclosures as per Basel-II Accord

As on 12 April 2012 (3rd 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	1,619,244
b	Share Premium	
c	Proposed Bonus Equity Share	-
d	Statutory General Reserve	228,838
e	Retained Earnings	32,292
f	Unaudited current year cumulative profit	148,251
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	2,114,785

- 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	502,216
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	198,098
e	Investment Adjustment Reserve	300
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	7,339
h	Other Reserves	-
	Total Tier 2 Capital	707,953

- 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 till 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.

11 % SBL Debenture issued and subscribed under private placement has shown in supplementary capital for adequacy purpose.

- **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	2,114,785
Supplementary Capital	707,953
Total Capital Fund	2,822,738

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	23,520,636
Risk Weighted Exposure for Operational Risk	1,124,821
Risk Weighted Exposure for Market Risk	161,655
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)	496,142
Total Risk Weighted Exposure (After Pillar II Adjustment)	25,303,255

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	161,387
4	Claims on Domestic banks that do not meet CAR	22,174
5	Claims on Foreign Banks (ECA 0-1)	53,440
6	Claims on foreign bank (ECA Rating 3-6)	1,688
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	57
8	Claims on Domestic Corporates	10,501,204
9	Claims on Regulatory Retail Portfolio (Not Overdue)	3,150,137
10	Claims fulfilling all criterion of regulatory retail except granularity	
11	Claims secured by residential properties(overdue)	-
12	Claims Secured by Commercial Real Estate	1,805,503
13	Past due claims(except for claim secured by residential properties)	225,921
14	High Risk Claims	4,456,600
15	Investment in Equity of Institution not listed in the Stock Exchange	7,961
16	Other Assets	830,950
17	Off Balance Sheet Items	2,303,614
Total		23,520,636

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	25,303,255
Total Core Capital Fund	2,114,785
Total Capital Fund	2,822,738
Total Core Capital to Total Risk Weighted Exposures %	8.36
Total capital to Total Risk Weighted Exposures %	11.16

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	104	13	91
Sub-Standard	110,363	27,591	82,773
Doubtfull	197,633	98,816	98,816
Loss	89,138	89,138	-
Total	397,238	215,558	181,680

- **NPA Ratios**

Particulars	in %
Gross NPA to Gross Advances	1.97
Net NPA to Net Advances	0.92

- **Movement in Non Performing Assets**

Rs. In "000"

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	397,238	348,959	13.84%

- **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"

Loan Loss Provision	413,656	361,532	14.42
Interest Suspense	138,831	104,331	33.07

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

Rs. In "000"

Particulars	This Quarter
Pass	6,610
Restructured/Rescheduled	(5)
Sub-Standard	(27,941)
Doubtfull	86,623
Loss	(13,162)
Total	52,124

- **Segregation of Investment Portfolio:**

Rs. In “000”

Particulars	This Quarter
Held for Trading	
Held to Maturity	3,748,281
Available for Sale	20,308
Total Investment	3,768,589