SiddharthaBank

Disclosures as per Basel-II Accord

As on 14 January 2011 (2nd 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	1,561,048
b	Proposed Bonus Equity Share	-
c	Statutory General Reserve	166,555
d	Retained Earnings	44,930
e	Unaudited current year cumulative profit	139,758
f	Capital Redemption Reserve	-
g	Capital Adjustment Reserve	7,949
h	Dividend Equlization Reserves	-
i	Debenture Redemption Reserve	65,077
j	Deffered Tax Reserve	1,620
k	Other Reserves	
l	Less:Investment in equity of institutions with financial interests	(15,000)
	Total Tier 1 Capital	**1,971,937**

- **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	176,978
e	Investment Adjustment Reserve	300
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	6,674
h	Other Reserves	-
	Total Tier 2 Capital	**366,168**

- **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	1,971,937
Supplementary Capital	366,168
Total Capital Fund	**2,338,105**

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

Rs. In "000"

Particulars	Amount
Risk Weighted Exposure for Credit Risk	19,177,662
Risk Weighted Exposure for Operational Risk	852,440
Risk Weighted Exposure for Market Risk	62,786
Adjustments under Pillar II:	
Add: 1% of the net interest income to the RWE for market risk due to donot have satisfactory Assets Liability Management Policies(6.4 a 5)	3,595
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)	401,858
Add: 1% of the total RWE due to non compliance to Disclosure Requirement (6.4 a 10)	200,929
Total Risk Weighted Exposure (After Pillar II Adjustment)	**20,699,270**

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	465,486
4	Claims on Domestic banks that do not meet CAR	4,640
5	Claims on Foreign Banks (ECA 0-1)	55,319
6	Claims on foreign bank (ECA Rating 3-6)	321,644
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	9,291
8	Claims on Domestic Corporates	8,929,451
9	Claims on Regulatory Retail Portfolio (Not Overdue)	2,038,446
10	Claims Secured by Residental Properties	812,896
11	Claims secured by residential properties(overdue)	2,200
12	Claims Secured by Commercial Real Estate	3,339,297
13	Past due claims(except for claim secured by residential properties)	109,877
14	High Risk Claims	1,118,697
15	Investment in Equity of Institution not listed in the Stock Exchange	7,398
16	Other Assets	617,967
17	Off Balance Sheet Items	1,345,054
Total		**19,177,662**

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

Rs. In "000"

Particulars	Amount
Total Risk Weighted Exposures	20,699,270
Total Core Capital Fund	1,971,937
Total Capital Fund	2,338,105
Total Core Capital to Total Risk Weighted Exposures	9.53
Total capital to Total Risk Weighted Exposures	11.30

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

Rs. In "000"

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	32,141	4,018	28,123
Sub-Standard	24,856	6,214	18,642
Doubtfull	57,373	28,686	28,686
Loss	54,623	54,623	-
Total	**168,993**	**93,541**	**75,451**

- **NPA Ratios**

Particulars	in %
Gross NPA to Gross Advances	0.95
Net NPA to Net Advances	0.43

- **Movement in Non Performing Assets**

Rs. In "000"

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	168,993	168,662	0.20

- **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	270,519	254,051	6.48
Interest Suspense	72,679	62,114	17.01

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

Rs. In "000"

Particulars	This Quarter
Pass	9,236
Restructured/Rescheduled	1,189
Sub-Standard	(11,516)
Doubtfull	19,323
Loss	(1,763)
Total	**16,469**

- **Segregation of Investment Portfolio:**

Rs. In "000"

Particulars	This Quarter
Held for Trading	
Held to Maturity	4,598,559
Available for Sale	19,932
Total Investment	**4,618,491**