

Disclosures as per Basel-II Accord

As on 17 October 2010 (1st Quarter end of FY 2010/11)

Capital Structure and Capital Adequacy:

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

Rs. In “000”

	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	176,387
e	Unaudited current year cumulative profit	75,771
f	Capital Redemption Reserve	-
g	Capital Adjustment Reserve	7,949
h	Dividend Equalization Reserves	-
i	Debenture Redemption Reserve	65,077
j	Deffered Tax Reserve	1,620
k	Other Reserves	
l	interests	15,000
	Total Tier 1 Capital	2,039,407

- 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	227,770
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	167,742
e	Investment Adjustment Reserve	300
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	6,674
h	Other Reserves	-
	Total Tier 2 Capital	402,486

- Subordinated Term Debts:**

The Bank issued Siddhartha Bank Limited Debenture 2072 in FY 2008/09 for Rs.228 million. 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	2,039,407
Supplementary Capital	402,486
Total Capital Fund	2,441,893

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	18,585,170
Risk Weighted Exposure for Operational Risk	852,440
Risk Weighted Exposure for Market Risk	29,906
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)	1,829
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)	389,350
Add: 1% of the total RWE due to non compliance to Disclosure Requirement (6.4 a 10)	194,675
Total Risk Weighted Exposure (After Pillar II Adjustment)	20,053,369

Risk Weighted Exposures under different categories of Credit Risk:

Rs. In “000”

S.N.	Categories	Exposure
1	Claims on Government & Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Domestic Banks that meet CAR	251,641
4	Claims on Domestic banks that do not meet CAR	8,943
5	Claims on Foreign Banks (ECA 0-1)	29,775
6	Claims on foreign bank (ECA Rating 3-6)	262,619
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	10,287
8	Claims on Domestic Corporates	8,939,253
9	Claims on Regulatory Retail Portfolio (Not Overdue)	1,698,537
10	Claims Secured by Residential Properties	758,438
11	Claims Secured by Commercial Real Estate	3,165,516
12	Past due claims(except for claim secured by residential properties)	123,530
13	High Risk Claims	1,199,819
14	Investment in Equity of Institution not listed in the Stock Exchange	7,398
15	Other Assets	809,488
16	Off Balance Sheet Items	1,319,926
Total		18,585,170

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	20,053,369
Total Core Capital Fund	2,039,407
Total Capital Fund	2,441,893
Total Core Capital to Total Risk Weighted Exposures	10.17
Total capital to Total Risk Weighted Exposures	12.18

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	22,629	2,829	19,801
Sub-Standard	70,918	17,730	53,189
Doubtfull	18,727	9,364	9,364
Loss	56,387	56,387	-
Total	168,662	86,308	82,353

- NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	1.00
Net NPA to Net Advances	0.49

- Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	168,662	127,587	32.19

- 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	254,051	241,496	5.20
Interest Suspense	62,114	36,621	69.61

- Details of Additional Loan Loss Provisions:**

Rs. In “000”

Particulars	This Quarter
Pass	65
Restructured/Rescheduled	(1,963)
Sub-Standard	12,582
Doubtfull	4,578
Loss	(2,708)
Total	12,554

- Segregation of Investment Portfolio:**

Rs. In “000”

Particulars	This Quarter
Held for Trading	
Held to Maturity	3,594,925
Available for Sale	19,932
Total Investment	3,614,857