

Disclosures as per Basel-II Accord

As on 17 October 2009 (1st Quarter end of FY 2009/10)

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	952,200
b	Proposed Bonus Equity Share	-
c	Statutory General Reserve	74,802
d	Retained Earnings	216,724
e	Unaudited current year cumulative profit	63,490
f	Capital Redemption Reserve	-
g	Capital Adjustment Reserve	36,555
h	Dividend Equalization Reserves	-
l	Other Reserves (Call in Advance for Right Share)	135,004
j	Less: Investment in equity of institutions with financial interests	15,000
	Total Tier 1 Capital	1,463,775

- **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	148,593
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equilisation	3,666
h	Other Reserves	-
	Total Tier 2 Capital	380,029

- **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	1,463,775
Supplementary Capital	380,029
Total Capital Fund	1,843,805

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	15,810,411
Risk Weighted Exposure for Operational Risk	622,790
Risk Weighted Exposure for Market Risk	23,709
Total Risk Weighted Exposures	16,456,910

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	39,871
4	Claims on Foreign Banks (ECA 0-1)	112,294
5	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	47,770
6	Claims on Domestic Corporates	8,095,865
7	Claims on Regulatory Retail Portfolio (Not Overdue)	1,233,520
8	Claims fulfilling all criterion of regulatory retail except granularity	2,431
9	Claims Secured by Residential Properties	638,116
10	Claims Secured by Residential Properties (Overdue)	-
11	Claims Secured by Commercial Real Estate	2,842,591
12	Past due claims	111,964
13	High Risk Claims	1,206,513
14	Investment in Equity of Institution not listed in the Stock Exchange	4,211
15	Other Assets	535,313
16	Off Balance Sheet Items	939,953
	Total	15,810,411

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	16,456,910
Total Core Capital Fund	1,463,775
Total Capital Fund	1,843,805
Total Core Capital to Total Risk Weighted Exposures	8.89
Total capital to Total Risk Weighted Exposures	11.20

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	50,427	6,303	44,124
Sub-Standard	24,351	6,088	18,263
Doubtfull	24,512	12,256	12,256
Loss	20,040	20,040	-
Total	119,330	44,687	74,643

- **NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	0.80
Net NPA to Net Advances	0.50

- **Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	119,330	110,689	7.81

- **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	193,281	173,994	11.08
Interest Suspense	36,731	19,773	85.76

- **Details of Additional Loan Loss Provisions:**
Rs. In “000”

Particulars	This Quarter
Pass	14,652
Restructured/Rescheduled	5
Sub-Standard	400
Doubtfull	2,771
Loss	1,458
Total	19,287

- **Segregation of Investment Portfolio:**
Rs. In “000”

Particulars	This Quarter
Held for Trading	
Held to Maturity	2,290,929
Available for Sale	17,807
Total Investment	2,308,736