

Disclosures as per Basel-II Accord

As on 16 July 2010 (4th 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	1,310,436
b	Proposed Bonus Equity Share	-
c	Statutory General Reserve	166,034
d	Retained Earnings	176,222
e	Unaudited current year cumulative profit	-
f	Capital Redemption Reserve	-
g	Capital Adjustment Reserve	7,949
h	Dividend Equalization Reserves	-
i	Debenture Redemption Reserve	65,077
j	Other Reserves (Call in Advance for Right Share)	
k	Less: Investment in equity of institutions with financial interests	15,000
	Total Tier 1 Capital	1,710,719

- **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	167,678
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equilisation	6,674
h	Other Reserves	-
	Total Tier 2 Capital	402,122

- **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	1,710,719
Supplementary Capital	402,122
Total Capital Fund	2,112,841

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

Rs. In “000”	
Particulars	Amount
Risk Weighted Exposure for Credit Risk	18,193,830
Risk Weighted Exposure for Operational Risk	852,473
Risk Weighted Exposure for Market Risk	71,626
Adjustments under Pillar II:	
Add:3% of the total RWE due to non compliance to disclosure requirement (6.4 a 6)	-
Add: 2% of the total deposit due to insufficient Liquid assets(6.4 a 6)	-
Total Risk Weighted Exposure (After Pillar II Adjustment)	19,117,929

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	394,012
4	Claims on Domestic banks that do not meet CAR	17,617
5	Claims on Foreign Banks (ECA 0-1)	103,927
6	Claims on foreign bank (ECA Rating 3-6)	261,235
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	8,577
8	Claims on Domestic Corporates	8,951,387
9	Claims on Regulatory Retail Portfolio (Not Overdue)	1,443,744
10	Claims Secured by Residential Properties	708,888
11	Claims Secured by Commercial Real Estate	3,186,064
12	Past due claims(except for claim secured by residential properties)	118,169
13	High Risk Claims	1,394,492
14	Investment in Equity of Institution not listed in the Stock Exchange	7,773
15	Other Assets	571,964
16	Off Balance Sheet Items	1,063,499
	Total	18,231,347

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	19,117,929
Total Core Capital Fund	1,710,719
Total Capital Fund	2,112,841
Total Core Capital to Total Risk Weighted Exposures	8.95
Total capital to Total Risk Weighted Exposures	11.05

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	38,331	4,791	33,540
Sub-Standard	20,590	5,147	15,442
Doubtfull	9,572	4,786	4,786
Loss	59,094	59,094	-
Total	127,587	73,819	53,768

- **NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	0.76
Net NPA to Net Advances	0.32

- **Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	127,587	143,329	(10.98)

- **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	241,496	233,856	3.27
Interest Suspense	36,621	58,403	(37.30)

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

Rs. In “000”

Particulars	This Quarter
Pass	(1,628)
Restructured/Rescheduled	(538)
Sub-Standard	(5,347)
Doubtfull	(5,206)
Loss	20,359
Total	7,640

- **Segregation of Investment Portfolio:**

Rs. In “000”

Particulars	This Quarter
Held for Trading	
Held to Maturity	3,151,768
Available for Sale	-
Total Investment	3,151,768