

Disclosures as per Basel-II Accord

As on 15 July 2009

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	1,122
e	Unaudited current year cumulative profit	215,602
f	Capital Redemption Reserve	-
g	Capital Adjustment Reserve	36,555
h	Dividend Equalization Reserves	-
i	Other Reserves	-
j	Less: Investment in equity of institutions with financial interests	15,000
	Total Tier 1 Capital	1,265,281

- **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	133,941
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equilisation	3,666
h	Other Reserves	-
	Total Tier 2 Capital	365,377

- **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	1,265,281
Supplementary Capital	365,377
Total Capital Fund	1,630,658

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	14,979,641
Risk Weighted Exposure for Operational Risk	622,790
Risk Weighted Exposure for Market Risk	6,482
Total Risk Weighted Exposures	15,608,914

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	147,689
4	Claims on Foreign Banks (ECA 0-1)	61,784
5	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	39,096
6	Claims on Domestic Corporates	6,871,767
7	Claims on Regulatory Retail Portfolio (Not Overdue)	1,122,094
8	Claims fulfilling all criterion of regulatory retail except granularity	22,473
9	Claims Secured by Residential Properties	558,622
10	Claims Secured by Residential Properties (Overdue)	-
11	Claims Secured by Commercial Real Estate	2,304,822
12	Past due claims	105,953
13	High Risk Claims	2,207,762
14	Investment in Equity of Institution not listed in the Stock Exchange	2,411
15	Other Assets	481,725
16	Off Balance Sheet Items	1,053,443
	Total	14,979,641

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	15,608,914
Total Core Capital Fund	1,265,281
Total Capital Fund	1,630,658
Total Core Capital to Total Risk Weighted Exposures	8.11
Total capital to Total Risk Weighted Exposures	10.45

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	50,386	6,298	44,088
Sub-Standard	22,751	5,688	17,063
Doubtfull	18,969	9,484	9,485
Loss	18,583	18,583	-
Total	110,689	40,053	70,636

- **NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	0.82
Net NPA to Net Advances	0.52

- **Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	110,689	69,799	58.58

- **Written Off Loans and Interest Suspense**

Rs. In “000”

Particulars	Amount
Loan Written Off	8,857
Interest Suspense	-

- **Movements in Loan Loss Provision and Interest Suspense:**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Loan Loss Provision	173,994	189,042	(7.96)
Interest Suspense	19,773	30,998	(36.21)

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

Particulars	This Quarter
Pass	(10,931)
Restructured/Rescheduled	5,888
Sub-Standard	1,074
Doubtfull	566
Loss	(11,646)
Total	(15,048)

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

Particulars	This Quarter
Held for Trading	16,607
Held to Maturity	2,644,661
Available for Sale	-
Total Investment	2,661,268