

## Disclosures as per Basel-II Accord

As on 14 January 2010 (2nd 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	142,830
c	Statutory General Reserve	118,385
d	Retained Earnings	18,167
e	Unaudited current year cumulative profit	128,666
f	Capital Redemption Reserve	-
g	Capital Adjustment Reserve	7,949
h	Dividend Equalization Reserves	-
i	Debenture Redemption Reserve	32,539
j	Other Reserves (Call in Advance for Right Share)	135,004
k	Less: Investment in equity of institutions with financial interests	15,000
	<b>Total Tier 1 Capital</b>	<b>1,520,741</b>

- **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	165,264
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equilisation	6,674
h	Other Reserves	-
	<b>Total Tier 2 Capital</b>	<b>399,708</b>

- **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	1,520,741
Supplementary Capital	399,708
<b>Total Capital Fund</b>	<b>1,920,449</b>

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	17,409,599
Risk Weighted Exposure for Operational Risk	622,292
Risk Weighted Exposure for Market Risk	51,175
<b>Total Risk Weighted Exposures</b>	<b>18,083,066</b>

**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	119,730
4	Claims on Domestic banks that do not meet CAR	6,576
5	Claims on Foreign Banks (ECA 0-1)	39,227
6	Claims on foreign bank ( ECA Rating 2)	168,486
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	43,646
8	Claims on Domestic Corporates	9,122,109
9	Claims on Regulatory Retail Portfolio (Not Overdue)	1,427,175
10	Claims Secured by Residential Properties	730,066
11	Claims Secured by Commercial Real Estate	3,057,870
12	Past due claims(except for claim secured by residential properties)	98,677
13	High Risk Claims	1,060,978
14	Investment in Equity of Institution not listed in the Stock Exchange	4,211
15	Other Assets	533,634
16	Off Balance Sheet Items	997,213
<b>Total</b>		<b>17,409,599</b>

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	18,083,066
Total Core Capital Fund	1,520,741
Total Capital Fund	1,920,449
Total Core Capital to Total Risk Weighted Exposures	8.41
Total capital to Total Risk Weighted Exposures	10.62

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	47,284	5,910	41,373
Sub-Standard	17,252	4,313	12,939
Doubtfull	22,944	11,472	11,472
Loss	30,607	30,607	-
<b>Total</b>	<b>118,087</b>	<b>52,302.39</b>	<b>65,785</b>

- **NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	0.71
Net NPA to Net Advances	0.40

- **Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	118,087	119,330	(1.04)

- **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	217,566	193,281	12.56
Interest Suspense	33,209	36,731	(9.59)

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

Rs. In “000”

<b>Particulars</b>	<b>This Quarter</b>
Pass	16,670
Restructured/Rescheduled	(393)
Sub-Standard	(1,775)
Doubtfull	(784)
Loss	10,566
<b>Total</b>	<b>24,285</b>

- **Segregation of Investment Portfolio:**

Rs. In “000”

<b>Particulars</b>	<b>This Quarter</b>
Held for Trading	
Held to Maturity	2,420,758
Available for Sale	-
<b>Total Investment</b>	<b>2,420,758</b>