

Disclosures as per Basel-II Accord

As on 13 April 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	161,220
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	1,210,899

- **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	133,676
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equilisation	3,666
h	Other Reserves	-
	Total Tier 2 Capital	365,112

- **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	1,210,899
Supplementary Capital	365,112
Total Capital Fund	1,576,011

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	14,849,055
Risk Weighted Exposure for Operational Risk	434,022
Risk Weighted Exposure for Market Risk	13,827
Total Risk Weighted Exposures	15,296,904

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	115,057
4	Claims on Foreign Banks (ECA 0-1)	63,735
5	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	258
6	Claims on Domestic Corporates	7,118,066
7	Claims on Regulatory Retail Portfolio (Not Overdue)	1,083,693
8	Claims fulfilling all criterion of regulatory retail except granularity	10,625
9	Claims Secured by Residential Properties	506,799
10	Claims Secured by Residential Properties (Overdue)	2,130
11	Claims Secured by Commercial Real Estate	2,289,439
12	Past due claims	69,002
13	High Risk Claims	2,183,065
14	Investment in Equity of Institution not listed in the Stock Exchange	1,848
15	Other Assets	360,866
16	Off Balance Sheet Items	1,044,472
	Total	14,849,055

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	15,296,904
Total Core Capital Fund	1,210,899
Total Capital Fund	1,576,011
Total Core Capital to Total Risk Weighted Exposures	7.92
Total capital to Total Risk Weighted Exposures	10.30

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	3,280	410	2,870
Sub-Standard	18,454	4,614	13,840
Doubtfull	17,836	8,918	8,918
Loss	30,229	30,229	-
Total	69,799	44,171	25,628

- **NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	0.52
Net NPA to Net Advances	0.19

- **Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	69,799	77,850	(0.10)

- **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	189,042	174,558	0.08
Interest Suspense	30,998	31,356	(0.01)

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

Particulars	This Quarter
Pass	13,400
Restructured/Rescheduled	(18)
Sub-Standard	(2,406)
Doubtfull	(1,789)
Loss	5,297
Total	14,485

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

Particulars	This Quarter
Held for Trading	16,232
Held to Maturity	1,203,216
Available for Sale	875,623
Total Investment	2,095,071