

Disclosures as per Basel-II Accord

As on 13 April 2010 (3rd 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	1,095,030
b	Proposed Bonus Equity Share	-
c	Statutory General Reserve	118,385
d	Retained Earnings	18,167
e	Unaudited current year cumulative profit	159,941
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
	Total Tier 1 Capital	1,552,016

- **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	175,639
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equilisation	6,674
h	Other Reserves	-
	Total Tier 2 Capital	410,083

- **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	1,552,016
Supplementary Capital	410,083
Total Capital Fund	1,962,099

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

Rs. In “000”	
Particulars	Amount
Risk Weighted Exposure for Credit Risk	17,995,779
Risk Weighted Exposure for Operational Risk	622,292
Risk Weighted Exposure for Market Risk	19,655
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)	388,615
Total Risk Weighted Exposure (After Pillar II Adjustment)	19,026,341

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	269,959
4	Claims on Domestic banks that do not meet CAR	6,564
5	Claims on Foreign Banks (ECA 0-1)	58,094
6	Claims on foreign bank (ECA Rating 2)	164,031
7	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	40,888
8	Claims on Domestic Corporates	9,228,038
9	Claims on Regulatory Retail Portfolio (Not Overdue)	1,425,868
10	Claims Secured by Residential Properties	714,842
11	Claims Secured by Commercial Real Estate	2,993,140
12	Past due claims(except for claim secured by residential properties)	118,169
13	High Risk Claims	1,306,956
14	Investment in Equity of Institution not listed in the Stock Exchange	7,773
15	Other Assets	620,521
16	Off Balance Sheet Items	1,040,934
Total		17,995,779

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	19,026,341
Total Core Capital Fund	1,552,016
Total Capital Fund	1,962,099
Total Core Capital to Total Risk Weighted Exposures	8.16
Total capital to Total Risk Weighted Exposures	10.31

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	42,633	5,329	37,304
Sub-Standard	41,978	10,494	31,483
Doubtfull	19,984	9,992	9,992
Loss	38,735	38,735	-
Total	143,329	64,550	78,779

- **NPA Ratios**

In %

Particulars	Amount
Gross NPA to Gross Advances	0.84
Net NPA to Net Advances	0.47

- **Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	143,329	118,087	21.38

- **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	233,856	217,566	7.49
Interest Suspense	58,403	33,209	75.86

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

Rs. In “000”

Particulars	This Quarter
Pass	4,042
Restructured/Rescheduled	(581)
Sub-Standard	6,181
Doubtfull	(1,480)
Loss	8,128
Total	16,290

- **Segregation of Investment Portfolio:**

Rs. In “000”

Particulars	This Quarter
Held for Trading	
Held to Maturity	3,507,717
Available for Sale	-
Total Investment	3,507,717