



Disclosures as per Basel-II Accord

As on 13, April 2015 (3rd Quarter end of FY 2014/15)

Capital Structure and Capital Adequacy:

- Tier 1 capital and a breakdown of its components**

Rs. In “000”

S.N.	Particulars	Amount
a	Paid up Equity Share Capital	2,031,180
b	Share Premium	
c	Proposed Bonus Equity Share	
d	Statutory General Reserve	531,548
e	Retained Earnings	12,155
f	Unaudited current year cumulative profit	545,867
g	Capital Redemption Reserve	-
h	Capital Adjustment Reserve	-
i	Dividend Equalization Reserves	-
j	Debenture Redemption Reserve	372,643
k	Deffered Tax Reserve	27,937
l	Other Reserves	
m	Less: Investment in equity of institutions with financial interests	(32,820)
	Total Tier 1 Capital	3,488,509

- 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	1,249,074
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	355,045
e	Investment Adjustment Reserve	7,414
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	17,504
h	Other Reserves	
	Total Tier 2 Capital	1,629,038

- **Subordinated Term Debts:**

1) The Bank issued SBL Debenture 2072 in FY 2008/09 for Rs.228 million. As per NRB Directives, 60% of the subordinated term debt has been amortized till this quarter. 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.
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Likewise, The Bank issued SBL Debenture 2075 in FY 2011/12 for Rs.400 million with face value Rs 1,000. Main features of Siddhartha Bank Limited Debenture 2075 are as follows:

- Maturity period: 7 Years.
- Interest rate: 11 % 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.
- Listed with Nepal Stock Exchange

At the same, the bank issued SBL Debenture 2076 in FY 2012/13 for Rs. 303 million with face value of Rs.1000. The salient features of SBL Debenture 2076 are as follows:

- Maturity period: 7 Years.
- Interest rate: 8% 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.
- Listed with Nepal Stock Exchange

At the same, the bank issued SBL Debenture 2078 in FY 2014/15 for Rs. 500 million with face value of Rs.1000. The salient features of SBL Debenture 2078 are as follows:

- Maturity period: 7 Years.
- Interest rate: 7.50% 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.
- Listed with Nepal Stock Exchange

- **Deductions from Capital:**

The Bank has investments of Rs.32.82 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	3,488,509
Supplementary Capital	1,629,038
Total Capital Fund	5,117,547

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	41,516,074
Risk Weighted Exposure for Operational Risk	2,346,925
Risk Weighted Exposure for Market Risk	65,697
Adjustments under Pillar II:	
Add: 2% of Gross income of last FY due to supervisor is not satisfied with sound practice of management of operational risk (6.4 a 7)	544,762
Add: 2% of the total RWE due to supervisor is not satisfied with the overall risk management policies and procedures of the bank (6.4 a 9)	878,574
Total Risk Weighted Exposure (After Pillar II Adjustment)	45,352,032

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	503,262
4	Claims on Domestic banks that do not meet CAR	21,989
5	Claims on Foreign Banks (ECA 0-1)	136,019
6	Claims on foreign bank (ECA 2)	8,357
7	Claims on foreign bank (ECA Rating 3-6)	3,186
8	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	12,282
9	Claims on Domestic Corporates	19,433,070
10	Claims on Regulatory Retail Portfolio (Not Overdue)	6,432,417
11	Claims secured by residential properties	424,858
12	Claims secured by residential properties(overdue)	999
13	Claims Secured by Commercial Real Estate	1,007,833
14	Past due claims(except for claim secured by residential properties)	639,248
15	High Risk Claims	6,966,355
16	Investments in equity and other capital instruments of institutions listed in th	507,396
17	Investment in Equity of Institution not listed in the Stock Exchange	117,851
18	Investments in Mutual Fund	51,000
19	Staff Loan secured by residential property	218,067
20	Cash In transit and other cahs items in the process of collection	7,417
21	Other Assets	1,127,376
22	Off Balance Sheet Items	3,897,091
Total		41,516,074

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	45,352,032
Total Core Capital Fund	3,488,509
Total Capital Fund	5,117,547
Total Core Capital to Total Risk Weighted Exposures %	7.69
Total capital to Total Risk Weighted Exposures %	11.28

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	77,022	9,628	67,394
Sub-Standard	202,721	50,680	152,040
Doubtfull	308,613	154,307	154,307
Loss	235,358	235,358	-
Total	823,714	449,972	373,741

- NPA Ratios**

Particulars	in %
Gross NPA to Gross Advances	2.30%
Net NPA to Net Advances	1.07%

- Movement in Non Performing Assets**

Rs. In “000”

Particulars	This Quarter	Previous Quarte	Change (%)
Non-Performing Assets	823,714	822,887	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	805,017	813,403	(1.03)
Interest Suspense	170,110	185,360	(8.23)

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

Rs. In “000”

Particulars	This Quarter
Pass	34,640
Restructured/Rescheduled	92
Sub-Standard	22,785
Doubtfull	(4,829)
Loss	(70,558)
Total	(17,870)

- **Segregation of Investment Portfolio:**

Rs. In “000”

Particulars	This Quarter
Held for Trading	87,143
Held to Maturity	3,391,425
Available for Sale	278,365
Total Investment	3,756,933