



Disclosures as per Basel III Accord

As on 15 July 2017 (4th Quarter end of FY 2017/18)

Capital Structure and Capital Adequacy:

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

Rs. In “000”

S.N.	Particulars	Amount
Tier 1 Capital (Core Capital) (CET1+ AT1)		9,421,340
Common Equity Tier 1 (CET 1)		9,421,340
a	Paid Up Equity Share Capital	5,250,859
b	Equity Share Premium	120,230
c	Proposed Bonus Equity shares	-
d	Statutory General Reserves	1,082,375
e	Retained Earnings	72,678
f	Unaudited Current year Cumulative Profit/(Loss)	1,418,006
g	Capital Adjustment Reserve	9,848
h	Other Free Reserves	1,862,112
i	k.1- Calls in Advance for Right Share	1,378,020
j	k.2- Debenture Redemption Reserve	484,092
k	k.2- Merger Surplus Reserve	
l	Less: Deferred tax Assets	46,949
m	Less: Investment in equity of institutions with financial interests	347,820
n	Less :Other Deductions	-
Additional Tier 1 (AT1)		-
a	Perpetual Non Cumulative Preference Share Capital	-

- 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	842,112
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	731,908
e	Investment Adjustment Reserve	25,062
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	24,819
h	Other Reserves	46,949
Total Tier 2 Capital		1,670,850

- Subordinated Term Debts:**

1. The Bank issued SBL Debenture 2075 in FY 2011/12 for Rs.400 million with face value Rs 1,000. As per NRB Directives, 60% of the subordinated term debt has been amortized till this quarter. 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
2. At the same, the bank issued SBL Debenture 2076 in FY 2012/13 for Rs. 303 million with face value of Rs.1000. As per NRB Directives, 40% of the subordinated term debt has been amortized till this quarter. 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
3. 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 Ltd and Rs 51 million in the equity shares of Siddhartha Capital Ltd, which has been deducted from the core capital while computing capital adequacy.

- **Total Qualifying Capital:**

Rs. In “000”

Particulars	Amount
Common Equity Tier 1 (CET 1)	9,421,340
Additional Tier 1 (AT1)	-
Supplementary Capital	1,670,850
Total Capital Fund	11,092,190

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	76,672,879
Risk Weighted Exposure for Operational Risk	3,221,850
Risk Weighted Exposure for Market Risk	132,898
Adjustments under Pillar II:	
Add: 4% of Gross income of last FY due to supervisor is not satisfied with sound practice of management of operational risk (6.4 a 7)	1,057,544
Add: 4% 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)	3,201,105
Total Risk Weighted Exposure (After Pillar II Adjustment)	84,286,276

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 capital adequacy requirements	130,789
4	Claims on domestic banks that do not meet capital adequacy requirements	-
5	Claims on Foreign Banks (ECA 0-1)	120,231
6	Claims on foreign bank (ECA 2)	685,151
7	Claims on foreign bank (ECA Rating 3-6)	-
8	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	34,285
9	Claims on Domestic Corporates	34,596,603
10	Claim on Foreign Corporates (ECA 0-1)	873
11	Claim on Foreign Corporates (ECA 7)	13,994
12	Claims on Regulatory Retail Portfolio (Not Overdue)	12,203,924
13	Claims secured by residential properties	1,323,057
14	Claims secured by residential properties(overdue)	30,215
15	Claims Secured by Commercial Real Estate	1,669,044
16	Past due claims(except for claim secured by residential properties)	690,671
17	High Risk Claims	16,332,205
18	Investments in equity and other capital instruments of institutions listed in the s	649,430
19	Investment in Equity of Institution not listed in the Stock Exchange	112,939
20	Investments in Mutual Fund	-
21	Staff Loan secured by residential property	388,567
22	Cash In transit and other cahs items in the process of collection	
23	Other Assets	1,140,381
24	Off Balance Sheet Items	6,550,521
	Total	76,672,879

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	84,286,276
Tier 1 Capital (Core Capital) (CET1+ AT1)	9,421,340
Total Capital Fund	11,092,190
Total Core Capital to Total Risk Weighted Exposures %	11.18
Total capital to Total Risk Weighted Exposures %	13.16

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

Rs. In “000”

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	-	-	-
Sub-Standard	326,963	81,741	245,222
Doubtfull	162,860	81,430	81,430
Loss	279,586	279,586	-
Total	769,409	442,757	326,652

- NPA Ratios**

Particulars	in %
Gross NPA to Gross Advances	1.15
Net NPA to Net Advances	0.50

- Movement in Non Performing Assets**

Rs. In "000"

Particulars	This Quarter	Previous Quarter	Change (%)
Non-Performing Assets	769,409	1,153,029	(33.27)

- Written Off Loans and Interest Suspense**

Rs. In "000"

Particulars	Amount
Loan Written Off	73,469
Interest Suspense	231,644

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

Rs. In "000"

Particulars	This Quarter	Previous Quarter	Change (%)
Loan Loss Provision	1,195,690	1,384,807	(13.66)
Interest Suspense	231,644	408,831	(43.34)

- Details of Additional Loan Loss Provisions:**

Rs. In "000"

Particulars	This Quarter
Pass	(3,196)
Restructured/Rescheduled	(5,378)
Sub-Standard	(44,125)
Doubtfull	(27,680)
Loss	(108,739)
Total	(189,117)

- Segregation of Investment in Corporate Share Portfolio:**

Rs. In "000"

Particulars	This Quarter
Held for Trading	40,585
Held to Maturity	446,167
Available for Sale	609,465
Total Investment	1,096,217