



Disclosures as per Basel-II Accord

As on 16, July 2015 (4th 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	763,762
g	Capital Redemption Reserve	-
h	Capital Adjustment Reserve	-
i	Dividend Equilization Reserves	-
j	Debenture Redemption Reserve	372,643
k	Deffered Tax Reserve	27,937
l	Other Reserves	
m	Less: Deferred tax Assets	27,937
n	Less: Investment in equity of institutions with financial interests	83,820
	Total Tier 1 Capital	3,627,467

- 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	377,795
e	Investment Adjustment Reserve	7,414
f	Assets Revaluation Reserve	-
g	Exchange Equilisation Reserve	17,504
h	Other Reserves	
	Total Tier 2 Capital	1,651,788

- **Subordinated Term Debts:**

1) The Bank issued SBL Debenture 2072 in FY 2008/09 for Rs.228 million. As per NRB Directives, 80% 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.

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	3,627,467
Supplementary Capital	1,651,788
Total Capital Fund	5,279,254

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

Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	42,739,267
Risk Weighted Exposure for Operational Risk	2,346,925
Risk Weighted Exposure for Market Risk	88,705
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)	726,349
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)	903,498
Add: 1% of the total RWE due to supervisor is not satisfied with disclosure policy of the bank (6.4 a 10)	451,749
Total Risk Weighted Exposure (After Pillar II Adjustment)	47,256,493

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	476,058
4	Claims on Domestic banks that do not meet CAR	15,598
5	Claims on Foreign Banks (ECA 0-1)	129,814
6	Claims on foreign bank (ECA 2)	13,891
7	Claims on foreign bank (ECA Rating 3-6)	3,238
8	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	16,908
9	Claims on Domestic Corporates	20,075,096
10	Claims on Regulatory Retail Portfolio (Not Overdue)	6,726,943
11	Claims secured by residential properties	413,448
12	Claims secured by residential properties(overdue)	-
13	Claims Secured by Commercial Real Estate	984,391
14	Past due claims(except for claim secured by residential properties)	734,386
15	High Risk Claims	7,295,553
16	Investments in equity and other capital instruments of institutions listed in th	491,126
17	Investment in Equity of Institution not listed in the Stock Exchange	127,601
18	Investments in Mutual Fund	-
19	Staff Loan secured by residential property	230,657
20	Cash In transit and other cash items in the process of collection	-
21	Other Assets	1,002,547
22	Off Balance Sheet Items	4,002,010
Total		42,739,267

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	47,256,493
Total Core Capital Fund	3,627,467
Total Capital Fund	5,279,254
Total Core Capital to Total Risk Weighted Exposures %	7.68
Total capital to Total Risk Weighted Exposures %	11.17

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

Rs. In "000"

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	60,962	7,620	53,342
Sub-Standard	125,012	31,253	93,759
Doubtfull	180,640	90,320	90,320
Loss	300,494	300,494	-
Total	667,108	429,688	237,421

- NPA Ratios**

Particulars	in %
Gross NPA to Gross Advances	1.80
Net NPA to Net Advances	0.66

- Movement in Non Performing Assets**

Rs. In "000"

Particulars	This Year	Previous Year	Change (%)
Non-Performing Assets	667,108	768,289	(13.17)

- 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 Year	Previous Year	Change (%)
Loan Loss Provision	807,483	798,824	1.08
Interest Suspense	132,807	119,989	10.68

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

Rs. In “000”

Particulars	This Quarter
Pass	104,588
Restructured/Rescheduled	(22)
Sub-Standard	22,294
Doubtfull	(71,977)
Loss	(46,224)
Total	8,658

- **Segregation of Investment in Corporate Share Portfolio:**

Rs. In “000”

Particulars	This Quarter
Held for Trading	24,935
Held to Maturity	6,136,649
Available for Sale	338,341
Total Investment	6,499,926