



Disclosures as per Basel-II Accord

As on 14, January 2016 (2nd Quarter end of FY 2015/16)

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	2,437,416
b	Share Premium	
c	Proposed Bonus Equity Share	
d	Statutory General Reserve	684,964
e	Retained Earnings	2,397
f	Unaudited current year cumulative profit	487,412
g	Capital Redemption Reserve	-
h	Capital Adjustment Reserve	-
i	Dividend Equalization Reserves	-
j	Debenture Redemption Reserve	539,931
k	Deferred Tax Reserve	44,491
l	Other Reserves	
m	Less: Investment in equity of institutions with financial interests	83,820
	Total Tier 1 Capital	4,023,808

- 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	1,123,520
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	437,573
e	Investment Adjustment Reserve	15,481
f	Assets Revaluation Reserve	-
g	Exchange Equalisation Reserve	21,402
h	Other Reserves	44,491
	Total Tier 2 Capital	1,642,467

- 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, 20% 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. 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 Limited 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
Core Capital	4,023,808
Supplementary Capital	1,642,467
Total Capital Fund	5,666,275

- **Risk weighted exposures for Credit Risk, Market Risk and Operational Risk:**
Rs. In “000”

Particulars	Amount
Risk Weighted Exposure for Credit Risk	46,673,851
Risk Weighted Exposure for Operational Risk	2,736,388
Risk Weighted Exposure for Market Risk	145,103
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)	793,586
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)	991,107
Total Risk Weighted Exposure (After Pillar II Adjustment)	51,340,034

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	44,371
4	Claims on domestic banks that do not meet capital adequacy requirements	28,865
5	Claims on Foreign Banks (ECA 0-1)	122,022
6	Claims on foreign bank (ECA 2)	4,709
7	Claims on foreign bank (ECA Rating 3-6)	3,415
8	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	48,330
9	Claims on Domestic Corporates	22,414,353
10	Claims on Regulatory Retail Portfolio (Not Overdue)	7,350,706
11	Claims secured by residential properties	579,157
12	Claims secured by residential properties(overdue)	-
13	Claims Secured by Commercial Real Estate	1,382,519
14	Past due claims(except for claim secured by residential properties)	450,538
15	High Risk Claims	8,082,409
16	Investments in equity and other capital instruments of institutions listed in the s	500,843
17	Investment in Equity of Institution not listed in the Stock Exchange	108,101
18	Investments in Mutual Fund	-
19	Staff Loan secured by residential property	251,743
20	Cash In transit and other cahs items in the process of collection	683
21	Other Assets	1,193,433
22	Off Balance Sheet Items	4,107,652
	Total	46,673,851

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

Rs. In “000”

Particulars	Amount
Total Risk Weighted Exposures	51,340,034
Total Core Capital Fund	4,023,808
Total Capital Fund	5,666,275
Total Core Capital to Total Risk Weighted Exposures %	7.84
Total capital to Total Risk Weighted Exposures %	11.04

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

Rs. In "000"

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	24,147	3,018	21,128
Sub-Standard	84,597	21,149	63,448
Doubtfull	201,023	100,512	100,512
Loss	268,705	268,705	-
Total	578,471	393,384	185,087

- NPA Ratios

Particulars	in %
Gross NPA to Gross Advances	1.41
Net NPA to Net Advances	0.46

- Movement in Non Performing Assets

Rs. In "000"

Particulars	This Quarter	Previous Quarte	Change (%)
Non-Performing Assets	578,471	672,220	(13.95)

- 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	830,957	851,480	(2.41)
Interest Suspense	210,164	259,082	(18.88)

- Details of Additional Loan Loss Provisions:

Rs. In "000"

Particulars	This Quarter
Pass	28,767
Restructured/Rescheduled	(4,508)
Sub-Standard	(2,498)
Doubtfull	(5,409)
Loss	(36,876)
Total	(20,523)

- Segregation of Investment in Corporate Share Portfolio:

Rs. In "000"

Particulars	This Quarter
Held for Trading	26,650
Held to Maturity	8,389,142
Available for Sale	344,361
Total Investment	8,760,152