

**Sanima Bank Ltd.**

**FORM NO.1 CAPITAL ADEQUACY TABLE**  
As on 16.10.2012 (Ashwin End 2069)

<b>1.1</b>	<b>RISK WEIGHTED EXPOSURES</b>	<b>Current Period</b>	<b>Previous Period</b>
a	Risk Weighted Exposure for Credit Risk	12,568,555,571	12,063,573,050
b	Risk Weighted Exposure for Operational Risk	575,777,640	414,768,190
c	Risk Weighted Exposure for Market Risk	10,085,200	26,246,400
	<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>13,154,418,411</b>	<b>12,504,587,640</b>
	<b>Adjustments Under Pillar II</b>	<b>263,088,368</b>	<b>-</b>
	Add: 2% of the total RWE due not sound risk management practice Requirements (6.4 a 9)	263,088,368	-
	Add: . % of the total deposit due to insufficient Liquid Assets (6.4 a 6)	-	-
	<b>Total Risk Weighted Exposures after adjustmet of Pillar II</b>	<b>13,417,506,779</b>	<b>12,504,587,640</b>

<b>1.2</b>	<b>CAPITAL</b>	<b>Current Period</b>	<b>Previous Period</b>
	<b>Core Capital (Tier 1)</b>	<b>2,154,535,692</b>	<b>2,011,906,866</b>
a	Paid up Equity Share Capital	2,016,000,000	2,016,000,000
b	Irredeemable Non-cumulative preference shares	-	-
c	Share Premium	10,563,747	10,563,747
d	Proposed Bonus Equity Shares	-	-
e	Statutory General Reserves	93,952,490	93,952,490
f	Retained Earnings	6,203,685	6,203,685
g	Un-audited current year cumulative profit	54,243,814	(89,788,056)
h	Capital Redemption Reserve	-	-
i	Capital Adjustment Reserve	-	-
j	Dividend Equalization Reserves	-	-
k	Other Free Reserve	-	-
l	Less: Goodwill	-	-
m	Less: Fictitious Assets	-	-
n	Less: Investment in equity in licensed Financial Institutions	-	-
o	Less: Investment in equity of institutions with financial interests	10,355,000	10,355,000
p	Less: Investment in equity of institutions in excess of limits	-	-
q	Less: Investments arising out of underwriting commitments	-	-
r	Less: Reciprocal crossholding	-	-
s	Less: Other Deductions	1,403,044	-
	<b>Adjustments Under Pillar II</b>		
	Less: Shortfall in Provision (6.4 a 1)		
	Less: Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)	14,670,000	14,670,000

	<b>Supplementary Capital (Tier 2)</b>	<b>120,024,373</b>	<b>98,812,091</b>
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	117,163,773	95,951,491
e	Exchange Equalization Reserve	1,800,753	1,800,753
f	Investment Adjustment Reserve	555,000	555,000
g	Assets Revaluation Reserve	-	-
h	Other Reserves	504,847	504,847
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>2,274,560,065</b>	<b>2,110,718,957</b>

<b>1.3</b>	<b>CAPITAL ADEQUACY RATIOS</b>	<b>Current Period</b>	<b>Previous Period</b>
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	16.06%	16.09%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	16.95%	16.88%

**FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK**

As on 16.10.2012 (Ashwin End 2069)

<b>A. Balance Sheet Exposures</b>	<b>Book Value</b>	<b>Specific Provision</b>	<b>Eligible CRM</b>	<b>Net Value</b>	<b>Risk Weight</b>	<b>Risk Weighted Exposures</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-b-c</b>	<b>e</b>	<b>f=d*e</b>
Cash Balance	263,761,113			263,761,113	0%	-
Balance With Nepal Rastra Bank	1,199,598,898			1,199,598,898	0%	-
Investment in Nepalese Government Securities	1,624,291,695			1,624,291,695	0%	-
All Claims on Government of Nepal	26,913,241			26,913,241	0%	-
Investment in Nepal Rastra Bank securities	-			-	0%	-
All claims on Nepal Rastra Bank	-			-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-			-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-		-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-		-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-		-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-		-	-	150%	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-			-	0%	-
Claims on Other Multilateral Development Banks	-		-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-		-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-		-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-		-	-	100%	-
Claims on Public Sector Entity (ECA 7)	50,000,000		-	50,000,000	150%	75,000,000
Claims on domestic banks that meet capital adequacy requirements	183,920,474		-	183,920,474	20%	36,784,095
Claims on domestic banks that do not meet capital adequacy requirements	48,434,704	1,777,235	-	46,657,469	100%	46,657,469
Claims on foreign bank (ECA Rating 0-1)	214,846,117		-	214,846,117	20%	42,969,223
Claims on foreign bank (ECA Rating 2)	-		-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	-		-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-		-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	10,912,650		-	10,912,650	20%	2,182,530
Claims on Domestic Corporates	7,007,462,987	-	3,901,409	7,003,561,578	100%	7,003,561,578
Claims on Foreign Corporates (ECA 0-1)	-		-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-		-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-		-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-		-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	2,837,888,725		99,454,256	2,738,434,469	75%	2,053,825,852
Claims Fulfilling all criterion of regulatory retail except granularity	-		-	-	100%	-
Claims secured by residential properties	587,061,801		-	587,061,801	60%	352,237,081
Claims not fully secured by residential properties	-		-	-	150%	-
Claims secured by residential properties (Overdue)	-	-	-	-	100%	-
Claims secured by Commercial real estate	277,385,346		-	277,385,346	100%	277,385,346
Past due claims (except for claim secured by residential properties)	97,688,562	16,931,333	-	80,757,229	150%	121,135,844
High Risk Claims	777,287,147	798,974	14,675,565	761,812,608	150%	1,142,718,912
Investments in equity and other capital instruments of institutions listed in the stock exchange	-		-	-	100%	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	150%	-
Staff loan secured by residential property	59,498,622			59,498,622	60%	35,699,173
Interest Receivable / Claim on Govt. Securities	11,268,749		-	11,268,749	0%	-
Cash & Cash in Transit Items in process of collection	13,859,381		-	13,859,381	20%	2,771,876
Other Assets (as per attachment)	569,866,286	46,854,454	-	523,011,832	100%	523,011,832
<b>TOTAL</b>	<b>15,861,946,498</b>	<b>66,361,996</b>	<b>118,031,230</b>	<b>15,677,553,272</b>		<b>11,715,940,811</b>

**FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK**

As on 16.10.2012 (Ashwin End 2069)

<b>B. Off Balance Sheet Exposures</b>	<b>Gross Book Value a</b>	<b>Specific Provision b</b>	<b>Eligible CRM c</b>	<b>Net Value d=a-b-c</b>	<b>Risk Weight e</b>	<b>Risk Weighted Exposures f=d*e</b>
Revocable Commitments				-	0%	-
Bills Under Collection	-			-	0%	-
Forward Foreign Exchange Contract Liabilities	-			-	10%	-
LC Commitments With Original Maturity Up to 6 months Domestic Counterparty	243,959,820.59		14,451,400.00	229,508,420.59	20%	45,901,684.12
Foreign Counterparty (ECA Rating 0-1)	-		-	-	20%	-
Foreign Counterparty (ECA Rating 2)	-		-	-	50%	-
Foreign Counterparty (ECA Rating 3-6)	-		-	-	100%	-
Foreign Counterparty (ECA Rating 7)	-		-	-	150%	-
LC Commitments With Original Maturity Over 6 months Domestic Counterparty	-			-	50%	-
Foreign Counterparty (ECA Rating 0-1)	-		-	-	20%	-
Foreign Counterparty (ECA Rating 2)	-		-	-	50%	-
Foreign Counterparty (ECA Rating 3-6)	-		-	-	100%	-
Foreign Counterparty (ECA Rating 7)	-		-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee Domestic Counterparty	327,958,822		16,552,250	311,406,572	50%	155,703,286
Foreign Counterparty (ECA Rating 0-1)	-		-	-	20%	-
Foreign Counterparty (ECA Rating 2)	-		-	-	50%	-
Foreign Counterparty (ECA Rating 3-6)	-		-	-	100%	-
Foreign Counterparty (ECA Rating 7)	-		-	-	150%	-
Underwriting commitments	-			-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-			-	100%	-
Repurchase Agreements, Assets sale with recourse	-			-	100%	-
Advance Payment Guarantee	117,518,780		3,431,489	114,087,291	100%	114,087,291
Financial Guarantee	-			-	100%	-
Acceptances and Endorsements	-			-	100%	-
Unpaid portion of Partly paid shares and Securities	-			-	100%	-
Irrevocable Credit commitments (Short Term)	1,507,760,109			1,507,760,109	20%	301,552,022
Irrevocable Credit commitments (Long Term)	439,841,328			439,841,328	50%	219,920,664
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-			-	20%	-
Other Contingent Liabilities	15,449,813			15,449,813	100%	15,449,813
Unpaid Guarantee Claims	-			-	200%	-
<b>TOTAL</b>	<b>2,652,488,673</b>	<b>-</b>	<b>34,435,139</b>	<b>2,618,053,534</b>		<b>852,614,760</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>18,514,435,171</b>	<b>66,361,996</b>	<b>152,466,369</b>	<b>18,295,606,806</b>		<b>12,568,555,571</b>
<b>Adjustments under Pillar II</b>						
Add: 10% of the loan and facilities in excess of Single Obligor Limits (6.4 a 3)						
Add: 1% of the contract (sale) value in case of the sale of credit with recourse (6.4 a 4)						
Total RWE for Credit Risk (After bank's Adjustments of Pillar II)						

**FORM NO.3 ELIGIBLE CREDIT RISK MITIGANTS**  
As on 16.10.2012 (Ashwin End 2069)

Credit Exposures	Deposits with Bank	Deposits with other banks/Fl	Gold	Govt.& NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
<b>Balance Sheet Exposures</b>										
Claims on Foreign Government and Central Bank (ECA -2)										-
Claims on Foreign Government and Central Bank (ECA -3)										-
Claims on Foreign Government and Central Bank (ECA-4-6)										-
Claims on Foreign Government and Central Bank (ECA -7)										-
Claims on Other Multilateral Development Banks										-
Claims on Public Sector Entity (ECA 0-1)										-
Claims on Public Sector Entity (ECA 2)										-
Claims on Public Sector Entity (ECA 3-6)										-
Claims on Public Sector Entity (ECA 7)										-
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that do not meet capital adequacy requirements										-
Claims on foreign bank (ECA Rating 0-1)										-
Claims on foreign bank (ECA Rating 2)										-
Claims on foreign bank (ECA Rating 3-6)										-
Claims on foreign bank (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates	1,107,455			2,793,954						3,901,409
Claims on Foreign Corporates (ECA 0-1)										-
Claims on Foreign Corporates (ECA 2)										-
Claims on Foreign Corporates (ECA 3-6)										-
Claims on Foreign Corporates (ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)	86,734,756		12,719,500							99,454,256
Claims Fulfilling all criterion of regulatory retail except granularity	-									-
Claims secured by residential properties	-									-
Claims not fully secured by residential properties										-
Claims secured by residential properties (Overdue)										-
Claims secured by Commercial real estate										-
Past due claims (except for claim secured by residential properties)										-
High Risk Claims	14,675,565									14,675,565
Investments in equity and other capital instruments of institutions listed in the stock exchange										-
Investments in equity and other capital instruments of institutions not listed in the stock exchange										-
Other Assets (as per attachment)										-
<b>Total</b>	<b>102,517,776</b>	<b>-</b>	<b>12,719,500</b>	<b>2,793,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,031,230</b>
<b>Off Balance Sheet Exposures</b>										
Forward Foreign Exchange Contract										-
LC Commitments With Original Maturity Up to 6 months (domestic Counterparty)	14,451,400									14,451,400
ECA Rating 0-1										-
ECA Rating 2										-
ECA Rating 3-6										-
ECA Rating 7										-
LC Commitments With Original Maturity Over 6 months (domestic)										-
ECA Rating 0-1										-
ECA Rating 2										-
ECA Rating 3-6										-
ECA Rating 7										-
Bid Bond, Performance Bond and Counter Guarantee Domestic Counterparty	16,552,250									16,552,250
ECA Rating 0-1										-
ECA Rating 2										-
ECA Rating 3-6										-
ECA Rating 7										-
Guarantee Invoked but yet not honoured										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)										-
Advance Payment Guarantee	3,431,489									3,431,489
Financial Guarantee										-
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (Short Term)										-
Irrevocable Credit commitments (Long Term)										-
Other Contingent Liabilities	3,271,559									3,271,559
<b>Total</b>	<b>37,706,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,706,698</b>
<b>Grand Total</b>	<b>140,224,474.00</b>	<b>-</b>	<b>12,719,500.00</b>	<b>2,793,954.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,737,928.00</b>

**FORM NO.5 OTHER ASSETS**  
**As on 16.10.2012 (Ashwin End 2069)**

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Cash and Cash Items in Transit	-		
2	Miscellaneous Expenditure not written off	-		
3	Fixed Assets	482,130,822	11,626,725	470,504,097
4	Interest Receivable on Other Investment	551,695	-	551,695
5	Interest Receivable on Loan	38,875,049	35,227,729	3,647,320
6	Non Banking Assets	-	-	-
7	Reconciliation Account	-	-	-
8	Draft Paid Without Notice	-	-	-
9	Sundry Debtors	761,608	-	761,608
10	Advance payment and Deposits	12,028,998	-	12,028,998
11	Staff Loan & Advance	7,336,332	-	7,336,332
12	Stationery	2,795,741	-	2,795,741
13	All other assets	25,386,041	-	25,386,041
<b>TOTAL</b>		<b>569,866,286</b>	<b>46,854,454</b>	<b>523,011,832</b>

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**FORM NO.5 OTHER ASSETS**  
**As on 16.10.2012 (Ashwin End 2069)**

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Cash and Cash Items in Transit	-		
2	Miscellaneous Expenditure not written off	-		
3	Fixed Assets	482,130,822	11,626,725	470,504,097
4	Interest Receivable on Other Investment	551,695	-	551,695
5	Interest Receivable on Loan	38,875,049	35,227,729	3,647,320
6	Non Banking Assets	-	-	-
7	Reconciliation Account	-	-	-
8	Draft Paid Without Notice	-	-	-
9	Sundry Debtors	761,608	-	761,608
10	Advance payment and Deposits	12,028,998	-	12,028,998
11	Staff Loan & Advance	7,336,332	-	7,336,332
12	Stationery	2,795,741	-	2,795,741
13	All other assets	25,386,041	-	25,386,041
<b>TOTAL</b>		<b>569,866,286</b>	<b>46,854,454</b>	<b>523,011,832</b>

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**FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK**  
**As on 16.10.2012 (Ashwin End 2069)**

<b>Particulars</b>	<b>Year 1 (2066/67)</b>	<b>Year 2 (2067/68)</b>	<b>Year 3 (2068/69)</b>
Net Interest Income	216,346,417	355,456,322	418,583,608
Commission and Discount Income	3,908,315	4,949,150	11,251,196
Other Operating Income	30,740,447	34,805,648	44,618,555
Exchange Fluctuation Income	5,606,611	157,502	(175,238)
Addition / Deduction Interest Suspense during the period	4,434,107	12,541,981	8,330,653
<b>Gross income (a)</b>	<b>261,035,897</b>	<b>407,910,603</b>	<b>482,608,774</b>
<b>Alfa (b)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Fixed Percentage of Gross Income [c=(a×b)]</b>	<b>39,155,385</b>	<b>61,186,590</b>	<b>72,391,316</b>
<b>Capital Requirement for operational risk (d) (average of c)</b>	<b>57,577,764</b>		
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (e)</b>	<b>10</b>	10	
<b>Equivalent Risk Weight Exposure [f=(d×e)]</b>	<b>575,777,640</b>		
<b>PILLAR-II ADJUSTMENTS</b>			
<b>If Gross Income for all the last three years is negative (6.4 a 8)</b>			
Total Credit and Investment (net of Specific Provision)			
Capital Requirement for operational risk (5%)			
Risk Weight (reciprocal of capital requirement of 10%) in times		10	
Equivalent Risk Weight Exposure [g]			
<b>Equivalent Risk Weight Exposure [h=f+g]</b>			

**FORM NO.7 RISK WEIGHTED EXPOSURE FOR MARKET RISK**  
**As on 16.10.2012 (Ashwin End 2069)**

S.No.	Currency	Open Position (FCY)	Open Position (NPR)	Relevant Open Position
1	INR	8,668,721	13,876,455	13,876,455
2	USD	(21,548)	(1,826,168)	1,826,168
3	GBP	18,983	2,575,406	2,575,406
4	AUD	600	51,765	51,765
5	JPY	380,000	404,890	404,890
6	EUR	9,275	1,013,522	1,013,522
7	CAD	1,070	92,507	92,507
8	CHF	1,880	170,272	170,272
9	SGD			-
10	YUN			-
11	THB			-
12	DKK			-
13	MYR	450	12,240.00	12,240
14	SAR			-
15	QAR	1,266	28,516.65	28,517
16	AED	5,150	118,656.00	118,656
<b>Total Open Position (a)</b>				<b>20,170,398</b>
<b>Fixed Percentage (b)</b>				<b>5%</b>
<b>Capital Charge for Market Risk [c=(a×b)]</b>				<b>1,008,520</b>
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (d)</b>				<b>10</b>
<b>Equivalent Risk Weight Exposure [e=(c×d)]</b>				<b>10,085,200</b>



**FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO**  
**As on 16.10.2012 (Ashwin End 2069)**

<b>Particulars</b>	<b>Amount</b>
<b>Total Deposit and Borrowing (A)</b>	<b>13,168,308,684</b>
Total Deposit (as per NRB Ni.Fa. 9.1)	12,746,058,684
Total Borrowing (as per NRB Ni. Fa 9.1)	422,250,000
<b>Liquid Assets (B)</b>	<b>3,349,072,000</b>
Cash (9.1)	263,761,113
Bank Balance (9.1)	1,446,019,192
Money at call and short notice( 9.1)	-
Investment in Government Securities (9.1)	1,624,291,695
Placement up to 90 days	15,000,000
<b>Borrowing Payable upto 90 days C</b>	<b>-</b>
<b>Net Liquid Assets (D)= (B-C)</b>	<b>3,349,072,000</b>
Net Liquid Assets to Total Deposit	26.28%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-