

Sanima Bank Ltd.

FORM NO.1 CAPITAL ADEQUACY TABLE
As on 13.01.2013 (Poush End 2069)

1.1	RISK WEIGHTED EXPOSURES	Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	13,650,419,313	12,927,510,676
b	Risk Weighted Exposure for Operational Risk	575,777,640	575,777,640
c	Risk Weighted Exposure for Market Risk	24,501,090	34,607,160
	Total Risk Weighted Exposures (a+b+c)	14,250,698,043	13,537,895,476
	Adjustments Under Pillar II	285,013,961	270,757,910
	Add: 2% of the total RWE due not sound risk management practice Requirements (6.4 a 9)	285,013,961	270,757,910
	Add: .% of the total deposit due to insufficient Liquid Assets (6.4 a 6)	-	-
	Total Risk Weighted Exposures after adjustmet of Pillar II	14,535,712,004	13,808,653,386

1.2	CAPITAL	Current Period	Previous Period
	Core Capital (Tier 1)	2,230,820,179	2,104,183,670
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	130,528,301	3,891,792
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	1,403,044
	Adjustments Under Pillar II		
	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

	Supplementary Capital (Tier 2)	133,944,938	120,024,373
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	131,084,338	117,163,773
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
	Total Capital Fund (Tier I and Tier II)	2,364,765,117	2,224,208,043

1.3	CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15.35%	15.24%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	16.27%	16.11%

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 13.01.2013 (Poush End 2069)

A. Balance Sheet Exposures	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e
Cash Balance	264,009,882			264,009,882	0%	-
Balance With Nepal Rastra Bank	631,476,254			631,476,254	0%	-
Investment in Nepalese Government Securities	2,470,633,795			2,470,633,795	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	275,322,411		-	275,322,411	20%	55,064,482
Claims on domestic banks that do not meet capital adequacy requirements	46,056,142	452,838	-	45,603,304	100%	45,603,304
Claims on foreign bank (ECA Rating 0-1)	228,009,427		-	228,009,427	20%	45,601,885
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	27,260,072		-	27,260,072	20%	5,452,014
Claims on Domestic Corporates	7,792,797,182		3,210,412	7,789,586,770	100%	7,789,586,770
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)	3,302,298,432		124,983,104	3,177,315,328	75%	2,382,986,496
Claims Fulfilling all criterion of regulatory retail except granularity	-		-	-	100%	-
Claims secured by residential properties	667,089,820		-	667,089,820	60%	400,253,892
Claims not fully secured by residential properties	-		-	-	150%	-
Claims secured by residential properties (Overdue)	99,044,745	7,595,931	-	91,448,814	100%	91,448,814
Claims secured by Commercial real estate	274,397,307		-	274,397,307	100%	274,397,307
Past due claims (except for claim secured by residential properties)	5,835,402	480,665	-	5,354,737	150%	8,032,106
High Risk Claims	718,392,027	832,351	28,919,521	688,640,155	150%	1,032,960,233
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	100,000	-	-	100,000	150%	150,000
Staff loan secured by residential property	58,544,134		-	58,544,134	60%	35,126,480
Interest Receivable / Claim on Govt. Securities	12,422,608		-	12,422,608	0%	-
Cash & Cash in Transit Items in process of collection	11,893,709		-	11,893,709	20%	2,378,742
Other Assets (as per attachment)	625,641,151	55,061,840	-	570,579,311	100%	570,579,311
TOTAL	17,588,137,741	64,423,625	157,113,037	17,366,601,079		12,814,621,836

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 13.01.2013 (Poush End 2069)

B. Off Balance Sheet Exposures	Gross Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e
Revocable Commitments				-	0%	-
Bills Under Collection	-			-	0%	-
Forward Foreign Exchange Contract Liabilities	-			-	10%	-
LC Commitments With Original Maturity Up to 6 months Domestic Counterparty	449,577,438.60		21,322,000.00	428,255,438.60	20%	85,651,087.72
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	299,695,890		18,717,944	280,977,946	50%	140,488,973
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	66,904,045		1,976,292	64,927,753	100%	64,927,753
Financial Guarantee	-		-	-	100%	-
Acceptances and Endorsements	-		-	-	100%	-
Unpaid portion of Partly paid shares and Securities	-		-	-	100%	-
Irrevocable Credit commitments (Short Term)	1,212,252,365		-	1,212,252,365	20%	242,450,473
Irrevocable Credit commitments (Long Term)	511,996,534		-	511,996,534	50%	255,998,267
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-		-	-	20%	-
Other Contingent Liabilities	47,076,405		795,482	46,280,923	100%	46,280,923
Unpaid Guarantee Claims	-		-	-	200%	-
TOTAL	2,587,502,678	-	42,811,718	2,544,690,960		835,797,477
Total RWE for credit Risk Before Adjustment (A) +(B)	20,175,640,419	64,423,625	199,924,755	19,911,292,039		13,650,419,313
Adjustments under Pillar II						
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 13.01.2013 (Pouch End 2069)

Credit Exposures	Deposits with Bank	Deposits with other banks/FI	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)	
Balance Sheet Exposures										
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	1,074,461			2,135,951						3,210,412
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)	92,019,004		32,964,100							124,983,104
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	28,919,521									28,919,521
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)										-
Total	122,012,986	-	32,964,100	2,135,951	-	-	-	-	-	157,113,037
Off Balance Sheet Exposures										
Forward Foreign Exchange Contract										-
LC Commitments With Original Maturity Up to 6 months (domestic Counterparty)	21,322,000									21,322,000
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	18,717,944									18,717,944
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	1,976,292									1,976,292
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	795,482									795,482
Total	42,811,718	-	-	-	-	-	-	-	-	42,811,718
Grand Total	164,824,704.00	-	32,964,100.00	2,135,951.00	-	-	-	-	-	199,924,755.00

FORM NO.5 OTHER ASSETS
As on 13.01.2013 (Poush 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	491,840,273	23,215,521	468,624,752
4	Interest Receivable on Other Investment	867,399	-	867,399
5	Interest Receivable on Loan	31,846,319	31,846,319	-
6	Non Banking Assets	-	-	-
7	Reconciliation Account	-	-	-
8	Draft Paid Without Notice	-	-	-
9	Sundry Debtors	292,712	-	292,712
10	Advance payment and Deposits	56,185,061	-	56,185,061
11	Staff Loan & Advance	9,157,732	-	9,157,732
12	Stationery	2,779,772	-	2,779,772
13	All other assets	32,671,883	-	32,671,883
TOTAL		625,641,151	55,061,840	570,579,311

FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 13.01.2013 (Poush End 2069)

Particulars	Year 1 (2066/67)	Year 2 (2067/68)	Year 3 (2068/69)
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
Gross income (a)	261,035,897	407,910,603	482,608,774
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	39,155,385	61,186,590	72,391,316
Capital Requirement for operational risk (d) (average of c)	57,577,764		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10	10	
Equivalent Risk Weight Exposure [f=(d×e)]	575,777,640		
PILLAR-II ADJUSTMENTS			
If Gross Income for all the last three years is negative (6.4 a 8)			
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]			
Equivalent Risk Weight Exposure [h=f+g]			

FORM NO.7 RISK WEIGHTED EXPOSURE FOR MARKET RISK
As on 13.01.2013 (Poush End 2069)

S.No.	Currency	Open Position (FCY)	Open Position (NPR)	Relevant Open Position
1	INR	19,069,368	30,525,291	30,525,291
2	USD	(74,014)	(6,483,624)	6,483,624
3	GBP	35,411	4,989,215	4,989,215
4	AUD	915	83,992	83,992
5	JPY	85,000	83,980	83,980
6	EUR	27,017	3,146,580	3,146,580
7	CAD	1,400	124,586	124,586
8	CHF	13,100	1,256,159	1,256,159
9	SGD	1,000	71,415	71,415
10	YUN			-
11	THB	8,580	24,753.30	24,753
12	DKK			-
13	MYR	524	15,135.74	15,136
14	SAR	63,227	1,476,034.32	1,476,034
15	QAR	5,806	140,156.84	140,157
16	AED	21,215	507,674.95	507,675
17	KRW	9,000	73,575.00	73,575
Total Open Position (a)				49,002,172
Fixed Percentage (b)				5%
Capital Charge for Market Risk [c=(a×b)]				2,450,109
Risk Weight (reciprocal of capital requirement of 10%) in times (d)				10
Equivalent Risk Weight Exposure [e=(c×d)]				24,501,090

FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO
As on 13.01.2013 (Poush End 2069)

Particulars	Amount
Total Deposit and Borrowing (A)	14,908,355,573
Total Deposit (as per NRB Ni.Fa. 9.1)	14,470,732,285
Total Borrowing (as per NRB Ni. Fa 9.1)	437,623,288
Liquid Assets (B)	3,649,262,910
Cash (9.1)	264,009,882
Bank Balance (9.1)	914,619,233
Money at call and short notice(9.1)	-
Investment in Government Securities (9.1)	2,470,633,795
Placement up to 90 days	-
Borrowing Payable upto 90 days C	350,023,288
Net Liquid Assets (D)= (B-C)	3,299,239,622
Net Liquid Assets to Total Deposit	22.80%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-