

**Sanima Bank Ltd.**

**FORM NO.1 CAPITAL ADEQUACY TABLE**  
As on 13.03.2013 (Chaitra 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	15,195,789,453	14,133,422,956
b	Risk Weighted Exposure for Operational Risk	575,777,640	575,777,640
c	Risk Weighted Exposure for Market Risk	47,941,480	23,149,710
	<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>15,819,508,573</b>	<b>14,732,350,306</b>
	<b>Adjustments Under Pillar II</b>	<b>316,390,171</b>	<b>294,647,006</b>
	Add: 2% of the total RWE due not sound risk management practice Requirements (6.4 a 9)	316,390,171	294,647,006
	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>16,135,898,744</b>	<b>15,026,997,312</b>

<b>1.2</b>	<b>CAPITAL</b>	<b>Current Period</b>	<b>Previous Period</b>
	<b>Core Capital (Tier 1)</b>	<b>2,311,834,177</b>	<b>2,175,285,509</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	211,542,299	74,993,631
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
	<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>146,267,269</b>	<b>133,944,938</b>
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	143,406,669	131,084,338
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>2,458,101,446</b>	<b>2,309,230,447</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)	14.33%	14.48%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15.23%	15.37%

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

As on 13.03.2013 (Chaitra End 2069)

<b>A. Balance Sheet Exposures</b>	<b>Book Value</b> a	<b>Specific Provision</b> b	<b>Eligible CRM</b> c	<b>Net Value</b> d=a-b-c	<b>Risk Weight</b> e	<b>Risk Weighted Exposures</b> f=d*e
Cash Balance	369,576,779			369,576,779	0%	-
Balance With Nepal Rastra Bank	1,786,250,324			1,786,250,324	0%	-
Investment in Nepalese Government Securities	2,401,027,055			2,401,027,055	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	405,349,424		-	405,349,424	20%	81,069,885
Claims on domestic banks that do not meet capital adequacy requirements	65,399,960	422,838	-	64,977,122	100%	64,977,122
Claims on foreign bank (ECA Rating 0-1)	183,276,285		-	183,276,285	20%	36,655,257
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	69,438,444		-	69,438,444	20%	13,887,689
Claims on Domestic Corporates	8,564,440,034		17,955,272	8,546,484,762	100%	8,546,484,762
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)	3,614,822,964		109,917,962	3,504,905,002	75%	2,628,678,752
Claims Fulfilling all criterion of regulatory retail except granularity			-	-	100%	-
Claims secured by residential properties	757,261,351		-	757,261,351	60%	454,356,811
Claims not fully secured by residential properties	-		-	-	150%	-
Claims secured by residential properties (Overdue)	66,041,568	1,314,242	-	64,727,326	100%	64,727,326
Claims secured by Commercial real estate	265,293,107		-	265,293,107	100%	265,293,107
Past due claims (except for claim secured by residential properties)	8,572,806	1,334,258	-	7,238,548	150%	10,857,822
High Risk Claims	703,270,786	817,489	26,940,709	675,512,588	150%	1,013,268,882
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	60,689,453		-	60,689,453	60%	36,413,672
Interest Receivable / Claim on Govt. Securities	22,742,043		-	22,742,043	0%	-
Cash & Cash in Transit Items in process of collection	256,487,179		-	256,487,179	20%	51,297,436
Other Assets (as per attachment)	914,457,466	69,662,791	-	844,794,675	100%	844,794,675
<b>TOTAL</b>	<b>20,591,410,269</b>	<b>73,551,618</b>	<b>154,813,943</b>	<b>20,363,044,708</b>		<b>14,187,913,198</b>

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

As on 13.03.2013 (Chaitra 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	437,675,956.23		24,724,000.00	412,951,956.23	20%	82,590,391.25
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	539,616,695		23,321,908	516,294,787	50%	258,147,394
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	116,868,300		3,249,346	113,618,954	100%	113,618,954
Financial Guarantee				-	100%	-
Acceptances and Endorsements				-	100%	-
Unpaid portion of Partly paid shares and Securities				-	100%	-
Irrevocable Credit commitments (Short Term)	1,281,206,647			1,281,206,647	20%	256,241,329
Irrevocable Credit commitments (Long Term)	356,247,161			356,247,161	50%	178,123,581
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Other Contingent Liabilities	122,188,106		3,033,500	119,154,606	100%	119,154,606
Unpaid Guarantee Claims				-	200%	-
<b>TOTAL</b>	<b>2,853,802,865</b>	<b>-</b>	<b>54,328,754</b>	<b>2,799,474,111</b>		<b>1,007,876,255</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>23,445,213,134</b>	<b>73,551,618</b>	<b>209,142,697</b>	<b>23,162,518,819</b>		<b>15,195,789,453</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)						
<b>Total RWE for Credit Risk (After bank's Adjustments of Pillar II)</b>						

**FORM NO.3 ELIGIBLE CREDIT RISK MITIGANTS**  
As on 13.03.2013 (Chaitra 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)	
<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	17,955,272									17,955,272
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)	55,462,662		54,465,300							109,917,962
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	26,359,709		561,000							26,940,709
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>99,777,643</b>	<b>-</b>	<b>55,036,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,813,943</b>
<b>Off Balance Sheet Exposures</b>										
Forward Foreign Exchange Contract										-
LC Commitments With Original Maturity Up to 6 months (domestic Counterparty)	24,724,000									24,724,000
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	23,321,908									23,321,908
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	3,249,346									3,249,346
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	3,033,500									3,033,500
<b>Total</b>	<b>54,328,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,328,754</b>
<b>Grand Total</b>	<b>154,106,397.00</b>	<b>-</b>	<b>55,036,300.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,142,697.00</b>

Saroj Guragain  
Head- Treasury, Finance & Planning

Niraj Dhakal  
Head-Internal Audit

**FORM NO.5 OTHER ASSETS**  
**As on 13.03.2013 (Chaitra End 2069)**

<b>S. No.</b>	<b>Assets</b>	<b>Gross Amount</b>	<b>Specific Provision</b>	<b>Net Balance</b>
1	Cash and Cash Items in Transit	-		
2	Miscellaneous Expenditure not written off	-		
3	Fixed Assets	506,899,557	35,205,251	471,694,306
4	Interest Receivable on Other Investment	1,164,111	-	1,164,111
5	Interest Receivable on Loan	34,457,540	34,457,540	-
6	Non Banking Assets	-	-	-
7	Reconciliation Account	-	-	-
8	Draft Paid Without Notice	-	-	-
9	Sundry Debtors	280,152	-	280,152
10	Advance payment and Deposits	141,326,952	-	141,326,952
11	Staff Loan & Advance	9,319,410	-	9,319,410
12	Stationery	3,364,510	-	3,364,510
13	All other assets	217,645,234	-	217,645,234
<b>TOTAL</b>		<b>914,457,466</b>	<b>69,662,791</b>	<b>844,794,675</b>

**FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK**  
**As on 13.03.2013 (Chaitra 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 13.03.2013 (Chaitra End 2069)**

S.No.	Currency	Open Position (FCY)	Open Position (NPR)	Relevant Open Position
1	INR	45,492,819	72,822,631	72,822,631
2	USD	(167,118)	(14,572,654)	14,572,654
3	GBP	25,215	3,380,053	3,380,053
4	AUD	650	59,423	59,423
5	JPY	66,000	57,486	57,486
6	EUR	24,105	2,753,065	2,753,065
7	CAD	4,745	410,537	410,537
8	CHF	2,430	227,375	227,375
9	SGD	2,088	147,538	147,538
10	YUN	2,000	27,630.00	27,630
11	THB	25,130	75,641.30	75,641
12	DKK	-		-
13	MYR	4,185	118,916.78	118,917
14	SAR	33,121	774,534.59	774,535
15	QAR	12,323	294,642.93	294,643
16	AED	6,450.00	154,284.00	154,284
17	KRW	85,000	6,540.75	6,541
<b>Total Open Position (a)</b>				<b>95,882,953</b>
<b>Fixed Percentage (b)</b>				<b>5%</b>
<b>Capital Charge for Market Risk [c=(a×b)]</b>				<b>4,794,148</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>47,941,480</b>

**FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO**  
**As on 13.03.2013 (Chaitra End 2069)**

<b>Particulars</b>	<b>Amount</b>
<b>Total Deposit and Borrowing (A)</b>	<b>17,689,234,059</b>
Total Deposit (as per NRB Ni.Fa. 9.1)	16,178,206,118
Total Borrowing (as per NRB Ni. Fa 9.1)	1,511,027,941
<b>Liquid Assets (B)</b>	<b>4,987,900,868</b>
Cash (9.1)	369,576,779
Bank Balance (9.1)	2,130,097,034
Money at call and short notice( 9.1)	-
Investment in Government Securities (9.1)	2,401,027,055
Placement up to 90 days	87,200,000
<b>Borrowing Payable upto 90 days C</b>	<b>1,497,200,000</b>
<b>Net Liquid Assets (D)= (B-C)</b>	<b>3,490,700,868</b>
Net Liquid Assets to Total Deposit	21.58%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-