

Sanima Bank Ltd.
CAPITAL ADEQUACY TABLE
As on 15.07.2013 (Ashadh End 2070)

In Rs.

1.1 RISK WEIGHTED EXPOSURES		Current Year	Previous Year
a	Risk Weighted Exposure for Credit Risk	15,989,208,846	10,212,474,617
b	Risk Weighted Exposure for Operational Risk	575,777,637	414,768,186
c	Risk Weighted Exposure for Market Risk	348,935,567	9,732,586
	Total Risk Weighted Exposures (a+b+c)	16,913,922,050	10,636,975,389
Adjustments Under Pillar II			
	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE (6.4 a 5)		-
	Add% of the total deposit due to insufficient Liquid Assets (6.4 a 6)		
	Add RWE equivalent to reciprocal of capital charge of 2-5% of gross income (6.4 a 7)		
	Overall risk management policies and procedures are not satisfactory. Add 2% of RWE (6.4 a 9)	338,278,441	
	If desired level of disclosure requirement has not been achieved, Add% of RWE (6.4 a 10)		
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	17,252,200,491	10,636,975,389
1.2 CAPITAL			
		Current Year	Previous Year
	Core Capital (Tier 1)	2,399,580,545	2,113,208,367
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	201,600,000	-
e	Statutory General Reserves	154,964,717	93,952,490
f	Retained Earnings	27,037,095	6,203,685
g	Un-audited current year cumulative profit	-	-
h	Capital Redemption Reserve	-	-
i	Capital Adjustment Reserve	-	-
j	Dividend Equalization Reserves	-	-
k	Deferred Tax Reserve	851,802	504,847
l	Other Free Reserve	-	-
m	Less: Goodwill	-	-
n	Less: Fictitious Assets	-	-
o	Less: Investment in equity in licensed Financial Institutions	-	-
p	Less: Investment in equity of institutions with financial interests	10,355,000	10,355,000
q	Less: Investment in equity of institutions in excess of limits	-	-
r	Less: Investments arising out of underwriting commitments	-	-
s	Less: Reciprocal crossholdings	-	-
t	Less: Purchase of land & building in excess of limit & utilized		
u	Less: Other Deductions	1,081,816	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)		2,258,358
	Supplementary Capital (Tier 2)	165,454,159	98,307,244
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	152,440,391	95,951,491
e	Exchange Equalization Reserve	2,658,767	1,800,753
f	Investment Adjustment Reserve	10,355,000	555,000
g	Assets Revaluation Reserve	-	-
h	Other Reserves	-	-
	Total Capital Fund (Tier I and Tier II)	2,565,034,704	2,211,515,612
1.3 CAPITAL ADEQUACY RATIOS			
		Current Year	Previous Year
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13.91%	19.87%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	14.87%	20.79%

ELIGIBLE CREDIT RISK MITIGANTS
As on 15.07.2013 (Ashadh End 2070)

In Rs.

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	20,140,193									20,140,193
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)	64,971,839		61,942,056							126,913,896
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	14,670,000		581,000							15,251,000
Investments in equity and other capital instruments of institutions listed in the stock exchange										-
Investments in equity and other capital instruments of institutions no listed in the stock exchange										-
Other Assets (as per attachment)										-
Total	99,782,032	-	62,523,056	-	-	-	-	-	-	162,305,088
Off Balance Sheet Exposures										
Forward Foreign Exchange Contract Liabilities										-
LC Commitments With Original Maturity Up to 6 months (domestic)	17,080,523									17,080,523
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	27,762,657									27,762,657
ECA Rating 0-1										-
ECA Rating 2										-
ECA Rating 3-6										-
ECA Rating 7										-
Guaranteee 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	7,482,616									7,482,616
Financial Guarantee										-
Acceptances and Endorsements										-
Unpaid portion of Party paid shares and Securities										-
Irrevocable Credit commitments (Short Term)										-
Irrevocable Credit commitments (Long Term)										-
Other Contingent Liabilities	2,808,500									2,808,500
Total	55,134,296	-	125,046,113	-	-	-	-	-	-	55,134,296
Grand Total	154,916,328.20	-	187,569,168.75	-	-	-	-	-	-	217,439,384.45

RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 15.07.2013 (Ashad End 2070)

In Rs.

Particulars	Previous Years from 2070 Ashad End			Previous Year
	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	41,476,819
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10	10
Equivalent Risk Weight Exposure [f=(d×e)]			575,777,637	414,768,186
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	10
Equivalent Risk Weight Exposure [g]				
Equivalent Risk Weight Exposure [h=f+g]			575,777,637	414,768,186

RISK WEIGHTED EXPOSURE FOR MARKET RISK
As on 15.07. 2013 (Ashadh End 2070)

In Rs.

Current Year					Previous Year
S.No.	Currency	Open Position (FCY)	Open Position (NPR)	Relevant Open Position	
1	INR	429,570,330	687,634,706	687,634,706	16,344,233
2	USD	(25,776)	(2,471,899)	2,471,899	3,072,804
3	EUR	34,720	4,332,750	4,332,750	45,418
4	GBP	16,995	2,452,868	2,452,868	2,716
5	CHF	400	40,356	40,356	-
6	AUD	1,490	129,272	129,272	-
7	CAD	5,290	487,421	487,421	-
8	SGD	-	-	-	-
9	JPY	155,000	148,490	148,490	-
10	YUN	2,000	31,310	31,310	-
11	SAR	2,400	61,488	61,488	-
12	QTR	-	-	-	-
13	THB	-	-	-	-
14	AED	3,080	80,573	80,573	-
15	MYR	-	-	-	-
16	SEK	-	-	-	-
17	DKK	-	-	-	-
18	HKD	-	-	-	-
..		-	-	-	-
Total Open Position (a)				697,871,134	19,465,171
Fixed Percentage (b)				5%	5%
Capital Charge for Market Risk [c=(a×b)]				34,893,557	973,259
Risk Weight (reciprocal of capital requirement of 10%) in times (d)				10	10
Equivalent Risk Weight Exposure [e=(c×d)]				348,935,567	9,732,586