

Sanima Bank Ltd.

**FORM NO.1 CAPITAL ADEQUACY TABLE
As on 12.04.2012 (Chaitra End 2068)**

1.1	RISK WEIGHTED EXPOSURES	Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	8,828,189,165	7,923,466,308
b	Risk Weighted Exposure for Operational Risk	414,768,190	414,768,190
c	Risk Weighted Exposure for Market Risk	1,607,440	1,568,340
	Total Risk Weighted Exposures (a+b+c)	9,244,564,795	8,339,802,838
	Adjustments Under Pillar II	-	-
	Add: 3% of the total RWE due to non compliance to Disclosure Requirements (6.4 a 10)	-	-
	Add: .% of the total deposit due to insufficient Liquid Assets (6.4 a 6)	-	-

1.2	CAPITAL	Current Period	Previous Period
	Core Capital (Tier 1)	2,184,876,601	2,127,318,250
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	69,598,577	69,598,577
f	Retained Earnings	20,709,661	20,709,661
g	Un-audited current year cumulative profit (Note 1)	78,336,398	20,778,047
h	Capital Redemption Reserve		
i	Capital Adjustment Reserve	-	-
j	Dividend Equalization Reserves	-	-
k	Other Free Reserve (Debenture Redemption Reserve)	-	-
l	Deffered Tax Reserve	18,218	18,218
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	10,350,000	10,350,000
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: Other Deductions	-	-
	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)		

	Supplementary Capital (Tier 2)	86,673,898	71,070,681
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	84,523,145	68,919,928
e	Investment Adjustment Reserve	350,000	350,000
f	Assets Revaluation Reserve	-	-
g	Exchange Equalization Reserve	1,800,753	1,800,753
h	Other Reserves	-	-
	Total Capital Fund (Tier I and Tier II)	2,271,550,499	2,198,388,931

1.3	CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	23.63%	25.51%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	24.57%	26.36%

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK
As on 12.04.2012 (Chaitra End 2068)

A. Balance Sheet Exposures	SI No. - NRB 9.1	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	Assets :1	187,001,109			187,001,109	0%	-
Balance With Nepal Rastra Bank	Assets :2.1	884,985,609			884,985,609	0%	-
Gold		-			-	0%	-
Investment in Nepalese Government Securities	Assets : 4.1.1	1,108,508,175			1,108,508,175	0%	-
All other Claims on Government of Nepal		26,913,241			26,913,241	0%	-
Investment in Nepal Rastra Bank securities	Assets : 4.1.2	-			-	0%	-
All other 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)		-		-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	Assets : (2,2+3)	310,452,020		-	310,452,020	20%	62,090,404
Claims on domestic banks that do not meet capital adequacy requirements		-		-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)		46,689,730		-	46,689,730	20%	9,337,946
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		11,296,010		-	11,296,010	20%	2,259,202
Claims on Domestic Corporates		4,252,831,750	-	2,494,955	4,250,336,795	100%	4,250,336,795
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)		2,289,973,168		71,575,021	2,218,398,147	75%	1,663,798,610
Claims Fulfilling all criterion of regulatory retail except granularity		-		-	-	100%	-
Claims secured by residential properties		489,196,208		-	489,196,208	60%	293,517,725
Claims not fully secured by residential properties		-		-	-	150%	-
Claims secured by residential properties (Overdue)		-		-	-	100%	-
Claims secured by Commercial real estate		452,316,779		-	452,316,779	100%	452,316,779
Past due claims (except for claim secured by residential properties)		94,362,039	-	-	94,362,039	150%	141,543,059
High Risk Claims		746,881,383		38,215,367	708,666,016	150%	1,062,999,024
Investments in equity and other capital instruments of institutions listed in the stock exchange	Assets : (5.1.4+5.1.7+5.1.8)	-		-	-	100%	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange		100,000		-	100,000	150%	150,000

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK
As on 12.04.2012 (Chaitra End 2068)

A. Balance Sheet Exposures	SI No. - NRB 9.1	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
		a	b	c	d=a-b-c	e	f=d*e
Other Assets - Interest Receivable / Claim on Govt. Securities	Assets : 10.1.2	28,544,344			28,544,344	0%	-
Other Assets - Cash & Cash in Transit Items	Assets : 7	-			-	20%	-
Other Assets (as per attachment)		695,896,603	55,356,787	-	640,539,816	100%	640,539,816
TOTAL		11,625,948,168	55,356,787	112,285,343	11,458,306,038		8,578,889,360
B. Off Balance Sheet Exposures		Gross Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
		a	b	c	d=a-b-c	e	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		-		-	-	20%	-
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		224,856,547		15,017,608	209,838,939	50%	104,919,470
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%	-
Unpaid Guarantee Claims		-		-	-	200%	-
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		54,522,491		2,123,411	52,399,080	100%	52,399,080
Financial Guarantee		97,702,814		5,721,559	91,981,255	100%	91,981,255
Acceptances and Endorsements		-		-	-	100%	-
Unpaid portion of Partly paid shares and Securities		-		-	-	100%	-
Irrevocable Credit commitments (Short Term)		-		-	-	20%	-
Irrevocable Credit commitments (Long Term)		-		-	-	50%	-
Other Contingent Liabilities		-		-	-	100%	-
TOTAL		377,081,852		22,862,578	354,219,274		249,299,805
Total RWE for credit Risk Before Adjustment (A) +(B)		12,003,030,020	55,356,787	135,147,921	11,812,525,312		8,828,189,165
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)							

* The investment in equity include the investment made in equity shares of Nepal Clearing House Company Ltd.

FORM NO.3 ELIGIBLE CREDIT RISK MITIGANTS

As on 12.04.2012 (Chaitra End 2068)

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)	
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	15,017,608									15,017,608
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	2,123,411									2,123,411
Financial Guarantee	5,721,559									5,721,559
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (Short Term)										-
Irrevocable Credit commitments (Long Term)										-
Other Contingent Liabilities	-									-
Total	135,147,921	-	-	-	-	-	-	-	-	135,147,921

FORM NO.5 OTHER ASSETS
As on 12.04.2012 (Chaitra End 2068)

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Fixed Assets	460,978,183	18,538,000	442,440,183
2	Interest Receivable on Other Investment	751,090	-	751,090
3	Interest Receivable on Loan	36,818,787	36,818,787	-
4	Non Banking Assets	-	-	-
5	Reconciliation Account	-	-	-
6	Draft Paid Without Notice	-	-	-
7	Sundry Debtors	108,041	-	108,041
8	Advance payment and Deposits	46,580,711	-	46,580,711
9	Staff Loan & Advance	56,105,579	-	56,105,579
10	Stationery	2,545,503	-	2,545,503
11	All other assets	92,008,709	-	92,008,709
TOTAL		695,896,603	55,356,787	640,539,816

FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 12.04.2012 (Chaitra End 2068)

Particulars	Year 1 (2065/66)	Year 2 (2066/67)	Year 3 (2067/68)
Net Interest Income	122,657,953	216,346,417	355,456,322
Commission and Discount Income	4,251,601	3,908,315	4,949,150
Other Operating Income	25,564,749	30,740,447	34,805,648
Exchange Fluctuation Income	8,479,790	5,606,611	157,502
Addition / Deduction Interest Suspense during the period	(364,221)	4,434,107	12,541,981
Gross income (a)	160,589,872	261,035,897	407,910,603
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	24,088,481	39,155,385	61,186,590
Capital Requirement for operational risk (d) (average of c)	41,476,819		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10	10	
Equivalent Risk Weight Exposure [f=(d×e)]	414,768,190		
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.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 12.04.2012 (Chaitra End 2068)

Particulars	Year 1 (2065/66)	Year 2 (2066/67)	Year 3 (2067/68)
Net Interest Income	122,657,953	216,346,417	355,456,322
Commission and Discount Income	4,251,601	3,908,315	4,949,150
Other Operating Income	25,564,749	30,740,447	34,805,648
Exchange Fluctuation Income	8,479,790	5,606,611	157,502
Addition / Deduction Interest Suspense during the period	(364,221)	4,434,107	12,541,981
Gross income (a)	160,589,872	261,035,897	407,910,603
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	24,088,481	39,155,385	61,186,590
Capital Requirement for operational risk (d) (average of c)	41,476,819		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10	10	
Equivalent Risk Weight Exposure [f=(d×e)]	414,768,190		
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 12.04. 2012 (Chaitra End 2068)

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	INR	67,690	1.60	108,355	108,355
2	USD	28,833	82.10	2,367,189	2,367,189
3	GBP	985	130.46	128,503	128,503
4	AUD	-	-	-	-
5	JPY	172,000	1.02	174,666	174,666
6	EUR	3,205	107.52	344,586	344,586
7	CAD	170	81.92	13,926	13,926
8	CHF	-	-	-	-
9	QTR	385	22.55	8,682	8,682
10	SLR	-	-	-	-
11	DHR	1,810	22.38	40,508	40,508
12	SGD	260	64.90	16,874	16,874
13	YUN	900	12.89	11,597	11,597
Total Open Position (a)					3,214,886
Fixed Percentage (b)					5%
Capital Charge for Market Risk [c=(a×b)]					160,744
Risk Weight (reciprocal of capital requirement of 10%) in times (d)					10
Equivalent Risk Weight Exposure [e=(c×d)]					1,607,440

FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO
As on 12.04.2012 (Chaitra End 2068)

Particulars	Amount
Total Deposit and Borrowing (A)	9,131,281,689
Total Deposit (as per NRB Ni.Fa. 9.1)	9,131,281,689
Total Borrowing (as per NRB Ni. Fa 9.1)	-
Liquid Assets (B)	2,403,047,577
Cash (9.1)	187,001,109
Bank Balance (9.1)	1,033,049,702
Money at call and short notice(9.1)	4,488,591
Investment in Government Securities (9.1)	1,108,508,175
Placement up to 90 days	70,000,000
Borrowing Payable upto 90 days C	-
Net Liquid Assets (D)= (B-C)	2,403,047,577
Net Liquid Assets to Total Deposit	26.32%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-