

Disclosure under Basel II

Sanima Bank Ltd

As at Mid April 2014 (3rd Quarter End of FY 2013/14)

Capital Structure and Capital Adequacy:

- **Tier 1 Capital and Breakdown of its Components**

	Particulars	Amount (Rs)
a	Paid up Equity Share Capital	2,217,600,000
b	Irredeemable Non-cumulative preference shares	-
c	Share Premium	10,563,747
d	Proposed Bonus Equity Shares	-
e	Statutory General Reserves	154,964,717
f	Retained Earnings	27,037,094
g	Un-audited current year cumulative profit	320,822,720
h	Capital Redemption Reserves	-
i	Capital Adjustment Reserves	-
j	Dividend Equalization Reserves	-
k	Debenture Redemption Reserves	-
l	Deferred Tax Reserve	51,802
m	Other Free Reserves	-
n	Less: Goodwill	-
o	Less: Fictitious Assets	-
p	Less: Investment in equity of licensed Financial Institutions	10,355,000
q	Less: Investment in equity of institutions with financial interests	-
r	Less: Investment in equity of institutions in excess of limits	-
s	Less: Investments arising out of underwriting commitments	-
t	Less: Reciprocal crossholdings	-
u	Less: Other Deductions	1,081,816
	Total Tier 1 Capital	2,720,403,264

- **Tier 2 Capital and Breakdown of its Components**

	Particulars	Amount (Rs)
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General loan loss provision	184,323,707
e	Exchange Equalization Reserves	2,658,767
f	Investments Adjustment Reserves	10,355,000
g	Assets Revaluation Reserves	-
h	Other Reserves	-
	Total Tier 2 Capital	197,337,475

- **Details of Subordinated Term Debt:**

The Bank has not issued any Subordinate Term Debt.

- **Deductions from Capital:**

The Bank has invested Rs 10,355,000/- in Sanima Hydro Power, Sanima Insurance and Sanima Foundation, which the bank has deducted from its core capital.

- **Total Qualifying Capital:**

Particulars	Amount (Rs)
Core Capital (Tier 1)	2,720,403,264
Supplementary Capital (Tier 2)	197,337,475
Total Capital Fund	2,917,740,739

- **Capital Adequacy Ratio: 13.21%**

Risk Exposures:

- **Risk weighted exposures for credit Risk, Market Risk and Operational Risk:**

RISK WEIGHTED EXPOSURES	Amount (Rs)
Risk Weighted Exposure for Credit Risk	20,391,706,977
Risk Weighted Exposure for Operational Risk	833,090,952
Risk Weighted Exposure for Market Risk	272,907,155
Total Risk Weighted Exposures	21,497,705,084

- **Risk Weighted exposures under each 11 categories of Credit Risk:**

S.N.	Categories	Amount (Rs)
1	Claims on Government and Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Banks	423,158,047
4	Claims on Domestic Corporate and Securities Firms	10,903,265,399
5	Claims on Regulatory Retail Portfolio & Other Retail Portfolio	3,664,925,132
6	Claims secured by residential properties	574,869,367
7	Claims secured by Commercial real estate	342,587,332
8	Past due claims	96,785,801
9	High Risk claims	1,030,480,075
10	Other Assets	1,819,486,550
11	Off Balance Sheet Items	1,536,149,274
Total		20,391,706,977

- **Total Risk Weight Exposures calculation Table:**

RISK WEIGHTED EXPOSURES	Amount (Rs)
Risk Weighted Exposure for Credit Risk (Attached annexure 1)	20,391,706,977
Risk Weighted Exposure for Operational Risk (Attached annexure 2)	833,090,952
Risk Weighted Exposure for Market Risk (Attached annexure 3)	272,907,155
Add: 2% of the total RWE add by Supervisory Review	429,954,102
Add: Additional capital charge of 2% of Gross Income	155,100,000
Total Risk Weighted Exposures	22,082,759,185
Total Core Capital	2,720,403,264
Total Capital	2,917,740,739

- **Amount of Non-Performing Assets(both Gross and Net):**

Particulars	Gross Amount (Rs)	Loan Loss Provision (Rs)	Net NPL (Rs)
Restructured	-	-	
Sub-Standard	3,188,279	797,070	2,391,209
Doubtful	3,036,595	1,518,297	1,518,297
Loss	3,411,833	3,411,833	-
Total	9,636,707	5,727,200	3,909,507

- **NPA Ratios:**

NPA Ratios	(%)
Gross NPA to Gross Advances	0.05%
Net NPA to Net Advances	0.02%

- **Movement in Non Performing Assets:**

Particulars	This Quarter (Rs)	Previous Quarter (Rs)	Change (%)
Non Performing Assets (Volumes)	9,636,707	17,296,615	-44.29%
Non Performing Assets (%)	0.05	0.10	-48.00%

- **Write off Loans and Interest Suspense:**

Particulars	Amount
Write off loans during the year	287,149
Write off Interest Suspense year	108,626
Total	395,775

- **Movement in Loan Loss Provision and Interest Suspense**

Particulars	This Quarter (Rs)	Previous Quarter (Rs)	Change (%)
Loan Loss Provision	184,323,707	173,344,606	6.33%
Interest Suspense	41,022,361	44,356,120	-7.52%

- **Details of Additional Loan Loss Provision during the year:**

Particulars	Amount (Rs)
Pass	31,797,426
Restructured	-
Sub-Standard	797,070
Doubtful	1,518,297
Loss	2,500,000
Total	36,612,793

- **Segregation of Investment Portfolio:**

Particulars	Amount (Rs)
Held for Trading	10,355,000
Held to Maturity	3,355,928,830
Available for sale	15,110,334
Total Investment	3,381,394,164

- **Capital assess above is sufficient to cover the present and future growth as per strategic plan. We do not see future material risk expected to trigger effecting capital adequacy.**

- **Paid up capital is ordinary equity share and no special terms and condition are attached while issuing same. No sub term debt issued.**