

**Sanima Bikas Bank Ltd.**

**FORM NO.1 CAPITAL ADEQUACY TABLE**  
As on 13.04.2011 (Chaitra End 2067)

<b>1.1</b>	<b>RISK WEIGHTED EXPOSURES</b>	<b>Current Period</b>
a	Risk Weighted Exposure for Credit Risk	7,443,624,626
b	Risk Weighted Exposure for Operational Risk	261,484,290
c	Risk Weighted Exposure for Market Risk	1,656,090
	<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>7,706,765,006</b>
	<b>Adjustments Under Pillar II</b>	
	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)	-

<b>1.2</b>	<b>CAPITAL</b>	<b>Current Period</b>
	<b>Core Capital (Tier 1)</b>	<b>2,188,019,214</b>
a	Paid up Equity Share Capital	2,016,000,000
b	Irredeemable Non-cumulative preference shares	-
c	Share Premium	10,563,750
d	Proposed Bonus Equity Shares	-
e	Statutory General Reserves	38,554,510
f	Retained Earnings	27,591,600
g	Un-audited current year cumulative profit (Note 1)	95,309,354
h	Capital Redemption Reserve	-
l	Capital Adjustment Reserve	-
j	Dividend Equalization Reserves	-
k	Other Free Reserve (Debenture Redemption Reserve)	-
l	Deffered Tax 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	-
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	-
	<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)	

	<b>Supplementary Capital (Tier 2)</b>	<b>72,106,750</b>
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General loan loss provision	70,306,000
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	1,800,750
h	Other Reserves	-
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>2,260,125,964</b>

<b>1.3</b>	<b>CAPITAL ADEQUACY RATIOS</b>	<b>Current Period</b>
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	28.39%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	29.33%

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

As on 13.04.2011 (Chaitra End 2067)

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
Cash Balance	Assets :1	100,861,120			100,861,120	0%	-
Balance With Nepal Rastra Bank	Assets :2.1	309,079,270			309,079,270	0%	-
Gold		-			-	0%	-
Investment in Nepalese Government Securities	Assets : 4.1.1	557,911,930			557,911,930	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 Multilatera		-			-	0%	-
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)		47,500,000		-	47,500,000	150%	71,250,000
Claims on domestic banks that meet capital adequacy requirements	Assets : (2.2+3)	1,579,937,802		-	1,579,937,802	20%	315,987,560
Claims on domestic banks that do not meet capital adequacy requirements		-		-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)		47,355,330		-	47,355,330	20%	9,471,066
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		5,639,140		-	5,639,140	20%	1,127,828
Claims on Domestic Corporates		3,313,876,858	-	277,448,472	3,036,428,386	100%	3,036,428,386
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)		1,753,774,420		36,191,886	1,717,582,534	75%	1,288,186,901
Claims Fulfilling all criterion of regulatory retail except granularity		37,402,916		18,262,424	19,140,492	100%	19,140,492
Claims secured by residential properties		310,439,065		-	310,439,065	60%	186,263,439
Claims not fully secured by residential properties		-		-	-	150%	-
Claims secured by residential properties (Overdue)		-		-	-	100%	-
Claims secured by Commercial real estate		606,636,691		-	606,636,691	100%	606,636,691
Past due claims (except for claim secured by residential properties)		6,097,539	-	-	6,097,539	150%	9,146,309
High Risk Claims		790,200,665		69,905,177	720,295,488	150%	1,080,443,232
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 13.04.2011 (Chaitra End 2067)

<b>A. Balance Sheet Exposures</b>	<b>SI No. - NRB 9.1</b>	<b>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>
Other Assets - Interest Receivable / Claim on Govt. Securities	Assets : 10.1.2	13,469,620			13,469,620	0%	-
Other Assets - Cash & Cash in Transit Items	Assets : 7	-			-	20%	-
Other Assets (as per attachment)		472,923,520	40,193,820	-	432,729,700	100%	432,729,700
<b>TOTAL</b>		<b>9,980,119,127</b>	<b>40,193,820</b>	<b>401,807,959</b>	<b>9,538,117,348</b>		<b>7,056,961,604</b>
<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		-		-	-	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		147,183,510		9,783,578	137,399,932	50%	68,699,966
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		38,099,310		1,483,537	36,615,773	100%	36,615,773
Financial Guarantee		23,003,125		3,245,000	19,758,125	100%	19,758,125
Acceptances and Endorsements		-		-	-	100%	-
Unpaid portion of Partly paid shares and Securities		-		-	-	100%	-
Irrevocable Credit commitments (Short Term)		399,799,729		-	399,799,729	20%	79,959,946
Irrevocable Credit commitments (Long Term)		-		-	-	50%	-
Other Contingent Liabilities		181,629,212		-	181,629,212	100%	181,629,212
<b>TOTAL</b>		<b>789,714,886</b>		<b>14,512,115</b>	<b>775,202,771</b>		<b>386,663,022</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>		<b>10,769,834,013</b>	<b>40,193,820</b>	<b>416,320,074</b>	<b>10,313,320,119</b>		<b>7,443,624,626</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>							

\* 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 13.04.2011 (Chaitra End 2067)

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	9,783,578									9,783,578
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	1,483,537									1,483,537
Financial Guarantee	3,245,000									3,245,000
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (Short Term)										-
Irrevocable Credit commitments (Long Term)										-
Other Contingent Liabilities										-
<b>Total</b>	<b>398,057,650</b>	-	-	-	-	-	-	-	-	<b>398,057,650</b>

**FORM NO.5 OTHER ASSETS**  
**As on 13.04.2011 (Chaitra End 2067)**

<b>S. No.</b>	<b>Assets</b>	<b>Gross Amount</b>	<b>Specific Provision</b>	<b>Net Balance</b>
1	Fixed Assets	340,739,140	15,708,000	325,031,140
2	Interest Receivable on Other Investment	8,204,340	-	8,204,340
3	Interest Receivable on Loan	24,485,820	24,485,820	-
4	Non Banking Assets	-	-	-
5	Reconciliation Account	-	-	-
6	Draft Paid Without Notice	-	-	-
7	Sundry Debtors	30,875	-	30,875
8	Advance payment and Deposits	34,577,520	-	34,577,520
9	Staff Loan & Advance	24,905,500	-	24,905,500
10	Stationery	1,132,860	-	1,132,860
11	All other assets	38,847,465	-	38,847,465
<b>TOTAL</b>		<b>472,923,520</b>	<b>40,193,820</b>	<b>432,729,700</b>

**FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK**  
**As on 13.04.2011 (Chaitra End 2067)**

<b>Particulars</b>	<b>Year 1 (2064/65)</b>	<b>Year 2 (2065/66)</b>	<b>Year 3 (2066/67)</b>
Net Interest Income	81,737,330	122,657,953	216,346,417
Commission and Discount Income	2,190,317	4,251,601	3,908,315
Other Operating Income	11,888,687	25,564,749	30,740,447
Exchange Fluctuation Income	2,203,284	8,479,790	5,606,611
Addition / Deduction Interest Suspense during the period	3,323,197	(364,221)	4,434,107
<b>Gross income (a)</b>	<b>101,342,815</b>	<b>160,589,872</b>	261,035,897
<b>Alfa (b)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Fixed Percentage of Gross Income [c=(a×b)]</b>	<b>15,201,422</b>	<b>24,088,481</b>	<b>39,155,385</b>
<b>Capital Requirement for operational risk (d) (average of c)</b>	<b>26,148,429</b>		
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (e)</b>	<b>10</b>		
<b>Equivalent Risk Weight Exposure [f=(d×e)]</b>	<b>261,484,290</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			
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 13.04.2011 (Chaitra End 2067)**

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	INR	104,630	1.60	167,490	167,490
2	USD	37,290	71.24	2,656,560	2,656,560
3	GBP	220	115.73	25,460	25,460
4	AUD	50	74.66	3,733	3,733
5	JPY	135,000	0.83	112,523	112,523
6	EUR	3,400	101.89	346,410	346,410
<b>Total Open Position (a)</b>					<b>3,312,176</b>
<b>Fixed Percentage (b)</b>					<b>5%</b>
<b>Capital Charge for Market Risk [c=(a×b)]</b>					<b>165,609</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>1,656,090</b>



**FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO**  
**As on 13.04.2011 (Chaitra End 2067)**

<b>Particulars</b>	<b>Amount</b>
<b>Total Deposit and Borrowing (A)</b>	<b>7,571,340,830</b>
Total Deposit (as per NRB Ni.Fa. 9.1)	6,643,340,830
Total Borrowing (as per NRB Ni. Fa 9.1)	928,000,000
<b>Liquid Assets (B)</b>	<b>2,220,415,351</b>
Cash (9.1)	100,861,120
Bank Balance (9.1)	370,189,351
Money at call and short notice( 9.1)	1,191,452,950
Investment in Government Securities (9.1)	557,911,930
Placement up to 90 days	-
<b>Borrowing Payable upto 90 days C</b>	<b>480,000,000</b>
<b>Net Liquid Assets (D)= (B-C)</b>	<b>1,740,415,351</b>
Net Liquid Assets to Total Deposit	26.20%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	