

Sanima Bikas Bank Ltd.

**FORM NO.1 CAPITAL ADEQUACY TABLE
As on 16.07.2011 (Ashad End 2068)**

1.1	RISK WEIGHTED EXPOSURES	Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	7,102,199,200	7,331,650,056
b	Risk Weighted Exposure for Operational Risk	261,484,290	261,484,290
c	Risk Weighted Exposure for Market Risk	1,685,430	1,752,910
	Total Risk Weighted Exposures (a+b+c)	7,365,368,920	7,594,887,256
	Adjustments Under Pillar II	-	128,450,030
	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)	-	128,450,030
1.2	CAPITAL	Current Period	Previous Period
	Core Capital (Tier 1)	2,247,228,227	2,188,019,202
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	38,554,506	38,554,506
f	Retained Earnings	27,591,595	27,591,595
g	Un-audited current year cumulative profit (Note 1)	154,518,379	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	-	-
	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)		
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	Supplementary Capital (Tier 2)	66,374,613	72,551,113
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	64,573,860	70,750,360
e	Investment Adjustment Reserve	-	-
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)	2,313,602,840	2,260,570,315

1.3 CAPITAL ADEQUACY RATIOS		Current Period	Previous Period
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	30.51%	28.33%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	31.41%	29.27%

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 16.07.2011 (Ashad 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
Cash Balance	Assets : 1	147,095,662			147,095,662	0%	-
Balance With Nepal Rastra Bank	Assets : 2.1	325,641,521			325,641,521	0%	-
Gold		-			-	0%	-
Investment in Nepalese Government Securities	Assets : 4.1.1	670,953,093			670,953,093	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)		17,000,000		-	17,000,000	150%	25,500,000
Claims on domestic banks that meet capital adequacy requirements	Assets : (2.2+3)	1,348,320,783		-	1,348,320,783	20%	269,664,157
Claims on domestic banks that do not meet capital adequacy requirements		30,000,000		-	30,000,000	100%	30,000,000
Claims on foreign bank (ECA Rating 0-1)		45,491,738		-	45,491,738	20%	9,098,348
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		6,905,130		-	6,905,130	20%	1,381,026
Claims on Domestic Corporates		2,888,270,368	-	37,890,972	2,850,379,396	100%	2,850,379,396
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)		1,777,927,110		47,966,061	1,729,961,049	75%	1,297,470,787
Claims Fulfilling all criterion of regulatory retail except granularity		19,361,298		9,402,754	9,958,544	100%	9,958,544
Claims secured by residential properties		317,710,158		-	317,710,158	60%	190,626,095
Claims not fully secured by residential properties		-		-	-	150%	-
Claims secured by residential properties (Overdue)		-	-	-	-	100%	-
Claims secured by Commercial real estate		572,676,579		-	572,676,579	100%	572,676,579
Past due claims (except for claim secured by residential properties)		3,874,100	-	-	3,874,100	150%	5,811,151
High Risk Claims		730,840,356		36,687,394	694,152,963	150%	1,041,229,444
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 16.07.2011 (Ashad 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	11,787,851			11,787,851	0%	-
Other Assets - Cash & Cash in Transit Items	Assets : 7	-		-	-	20%	-
Other Assets (as per attachment)		509,801,865	22,290,014	-	487,511,851	100%	487,511,851

TOTAL		9,450,670,854	22,290,014	131,947,180	9,296,433,660		6,791,457,377
B. Off Balance Sheet Exposures		Gross Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures 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		152,716,906		11,962,241	140,754,665	50%	70,377,332
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		33,862,254		1,405,834	32,456,420	100%	32,456,420
Financial Guarantee		52,573,343		5,541,000	47,032,343	100%	47,032,343
Acceptances and Endorsements		-		-	-	100%	-
Unpaid portion of Partly paid shares and Securities		-		-	-	100%	-
Irrevocable Credit commitments (Short Term)		382,906,751		-	382,906,751	20%	76,581,350
Irrevocable Credit commitments (Long Term)		-		-	-	50%	-
Other Contingent Liabilities		84,294,378		-	84,294,378	100%	84,294,378
TOTAL		706,353,631		18,909,076	687,444,556		310,741,823
Total RWE for credit Risk Before Adjustment (A) +(B)		10,157,024,485	22,290,014	150,856,256	9,983,878,216		7,102,199,200

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 16.07.2011 (Ashad 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)	
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	37,890,972									37,890,972
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)	47,966,061									47,966,061
Claims Fulfilling all criterion of regulatory retail except granularity	9,402,754									9,402,754
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	36,687,394									36,687,394
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 - Cash & Cash in Transit Items										-
Other Assets - Investments in equity or regulatory capital instruments issued by securities firms										-
Fictitious Assets not deducted from Tier I										-
Other Assets (as per attachment)										-
Off Balance Sheet Exposures										
Forward Foreign Exchange Contract										-
LC Commitments With Original Maturity Up to 6 months (domestic)										-
ECA Rating 0-1										-
ECA Rating 2										-
ECA Rating 3-6										-
ECA Rating 7										-

FORM NO.3 ELIGIBLE CREDIT RISK MITIGANTS

As on 16.07.2011 (Ashad 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	11,962,241									11,962,241
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	1,405,834									1,405,834
Financial Guarantee	5,541,000									5,541,000
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (Short Term)										-
Irrevocable Credit commitments (Long Term)										-
Other Contingent Liabilities										-
Total	150,856,256	-	-	-	-	-	-	-	-	150,856,256

FORM NO.5 OTHER ASSETS
As on 16.07.2011 (Ashad End 2068)

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Fixed Assets	365,999,830	-	365,999,830
2	Interest Receivable on Other Investment	7,508,155	-	7,508,155
3	Interest Receivable on Loan	22,290,014	22,290,014	-
4	Non Banking Assets	-	-	-
5	Reconciliation Account	-	-	-
6	Draft Paid Without Notice	-	-	-
7	Sundry Debtors	20,288	-	20,288
8	Advance payment and Deposits	52,130,824	-	52,130,824
9	Staff Loan & Advance	43,613,735	-	43,613,735
10	Stationery	1,638,915	-	1,638,915
11	All other assets	16,600,104	-	16,600,104
TOTAL		509,801,866	22,290,014	487,511,851

FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 16.07.2011 (Ashad End 2068)

Particulars	Year 1 (2064/65)	Year 2 (2065/66)	Year 3 (2066/67)
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
Gross income (a)	101,342,815	160,589,872	261,035,897
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	15,201,422	24,088,481	39,155,385
Capital Requirement for operational risk (d) (average of c)	26,148,429		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10	10	
Equivalent Risk Weight Exposure [f=(d×e)]	261,484,290		
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 16.07.2011 (Ashad End 2068)

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	INR	130,820	1.60	209,410	209,410
2	USD	37,854	71.20	2,695,205	2,695,205
3	GBP	325	114.76	37,295	37,295
4	AUD	50	76.45	3,822	3,822
5	JPY	-	-	-	-
6	EUR	4,225	100.62	425,120	425,120
Total Open Position (a)					3,370,852
Fixed Percentage (b)					5%
Capital Charge for Market Risk [c=(a×b)]					168,543
Risk Weight (reciprocal of capital requirement of 10%) in times (d)					10
Equivalent Risk Weight Exposure [e=(c×d)]					1,685,426

FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO
As on 16.07.2011 (Ashad End 2068)

Particulars	Amount
Total Deposit and Borrowing (A)	7,014,737,379
Total Deposit (as per NRB Ni.Fa. 9.1)	6,356,737,379
Total Borrowing (as per NRB Ni. Fa 9.1)	658,000,000
Liquid Assets (B)	2,347,196,142
Cash (9.1)	147,095,662
Bank Balance (9.1)	377,877,258
Money at call and short notice(9.1)	1,051,270,129
Investment in Government Securities (9.1)	670,953,093
Placement up to 90 days	100,000,000
Borrowing Payable upto 90 days C	658,000,000
Net Liquid Assets (D)= (B-C)	1,689,196,142
Net Liquid Assets to Total Deposit	26.57%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-