Sanima Bikas Bank Ltd.

FORM NO.1 CAPITAL ADEQUACY TABLE
As on 17.10.2011 (Ashwin End 2068)

1.1	RISK WEIGHTED EXPOSURES	Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	6,918,331,775	7,107,468,441
b	Risk Weighted Exposure for Operational Risk	414,768,190	414,768,190
c	Risk Weighted Exposure for Market Risk	2,281,520	1,374,910
	Total Risk Weighted Exposures (a+b+c)	**7,335,381,485**	**7,523,611,541**
	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)	**2,147,241,986**	**2,049,348,355**
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	10,629,661
g	Un-audited current year cumulative profit (Note 1)	30,351,783	(57,461,848)
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	-	-
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)	**64,817,917**	**66,684,793**
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	63,017,164	64,884,040
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)	**2,212,059,903**	**2,116,033,148**

1.3	**CAPITAL ADEQUACY RATIOS**	**Current Period**	**Previous Period**
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	29.27%	27.24%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	30.16%	28.13%

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 17.10.2011 (Ashwin End 2068)

A. Balance Sheet Exposures	Sl No. - NRB 9.1	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weigh e	Risk Weighted Exposures f=d*e
Cash Balance	Assets :1	172,983,986			172,983,986	0%	-
Balance With Nepal Rastra Bank	Assets :2.1	409,725,431			409,725,431	0%	-
Gold		-			-	0%	-
Investment in Nepalese Government Securities	Assets : 4.1.1	800,374,018			800,374,018	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)	1,021,333,547		-	1,021,333,547	20%	204,266,709
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)		49,496,745		-	49,496,745	20%	9,899,349
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		9,071,148		-	9,071,148	20%	1,814,230
Claims on Domestic Corporates		2,702,680,640	-	37,885,593	2,664,795,047	100%	2,664,795,047
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)		1,827,631,577		45,863,476	1,781,768,101	75%	1,336,326,075
Claims Fullfilling all criterion of regulatory retail except granularity		19,469,541		9,497,996	9,971,545	100%	9,971,545
Claims secured by residential properties		340,588,345		-	340,588,345	60%	204,353,007
Claims not fully secured by residential properties		-		-	-	150%	-
Claims secured by residential properties (Overdue)		-	-	-	-	100%	-
Claims secured by Commercial real estate		535,009,718		-	535,009,718	100%	535,009,718
Past due claims (except for claim secured by residential properties)		63,535,773	-	-	63,535,773	150%	95,303,660
High Risk Claims		683,335,397		47,978,552	635,356,845	150%	953,035,268
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 17.10.2011 (Ashwin End 2068)

A. Balance Sheet Exposures	Sl No. - NRB 9.1	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weigh e	Risk Weighted Exposures f=d*e
Other Assets - Interest Receivable / Claim on Govt. Securities	Assets : 10.1.2	19,921,520			19,921,520	0%	-
Other Assets - Cash & Cash in Transit Items	Assets : 7	-		-	-	20%	-
Other Assets (as per attachment)		650,075,042	46,741,257	-	603,333,785	100%	603,333,785
TOTAL		**9,362,245,668**	**46,741,257**	**141,225,616**	**9,174,278,795**		**6,648,258,393**
B. Off Balance Sheet Exposures		**Gross Book Value** **a**	**Specific Provision** **b**	**Eligible CRM** **c**	**Net Value** **d=a-b-c**	**Risk Weigh** **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		157,181,406		12,927,225	144,254,181	50%	72,127,091
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		35,340,221		1,382,231	33,957,990	100%	33,957,990
Financial Guarantee		58,577,404		3,683,500	54,893,904	100%	54,893,904
Acceptances and Endorsements		-		-	-	100%	-
Unpaid portion of Partly paid shares and Securities		-		-	-	100%	-
Irrevocable Credit commitments (Short Term)		330,832,058		-	330,832,058	20%	66,166,412
Irrevocable Credit commitments (Long Term)		-		-	-	50%	-
Other Contingent Liabilities		42,927,984		-	42,927,984	100%	42,927,984
TOTAL		**624,859,073**		**17,992,956**	**606,866,117**		**270,073,380**
Total RWE for credit Risk Before Adjustment (A) +(B)		**9,987,104,741**	**46,741,257**	**159,218,572**	**9,781,144,912**		**6,918,331,773**

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 17.10.2011 (Ashwin 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	37,885,593									37,885,593
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)	45,863,476									45,863,476
Claims Fullfilling all criterion of regulatory retail except granularity	9,497,996									9,497,996
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	47,978,552									47,978,552
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										
Ficticious 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 17.10.2011 (Ashwin 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	12,927,225									12,927,225
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	1,382,231									1,382,231
Financial Guarantee	3,683,500									3,683,500
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	**159,218,573**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**159,218,573**

FORM NO.5 OTHER ASSETS
As on 17.10.2011 (Ashwin End 2068)

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Fixed Assets	402,486,682	6,272,000	396,214,682
2	Interest Receivable on Other Investment	5,297,566	-	5,297,566
3	Interest Receivable on Loan	40,469,257	40,469,257	-
4	Non Banking Assets	-	-	-
5	Reconciliation Account	-	-	-
6	Draft Paid Without Notice	-	-	-
7	Sundry Debtors	277,746	-	277,746
8	Advance payment and Deposits	43,955,925	-	43,955,925
9	Staff Loan & Advance	44,810,015	-	44,810,015
10	Stationery	1,728,256	-	1,728,256
11	All other assets	111,049,595	-	111,049,595
TOTAL		**650,075,042**	**46,741,257**	**603,333,785**

FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 17.10.2011 (Ashwin 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)]	**414,768,186**		
PILLAR-II ADJUSTMENTS			
<u>If Gross Income for all the last three years is negative (6.4 a 8)</u>			
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 17.10.2011 (Ashwin End 2068)

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	INR	67,780	1.60	108,499	108,499
2	USD	53,926	78.30	4,222,406	4,222,406
3	GBP	-	-	-	-
4	AUD	-	-	-	-
5	JPY	11,000	1.01	11,105	11,105
6	EUR	2,050	107.82	221,031	221,031
Total Open Position (a)					**4,563,040**
Fixed Percentage (b)					**5%**
Capital Charge for Market Risk [c=(a×b)]					**228,152**
Risk Weight (reciprocal of capital requirement of 10%) in times (d)					**10**
Equivalent Risk Weight Exposure [e=(c×d)]					**2,281,520**

FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO
As on 17.10.2011 (Ashwin End 2068)

Particulars	Amount
Total Deposit and Borrowing (A)	**6,858,723,895**
Total Deposit (as per NRB Ni.Fa. 9.1)	6,843,723,895
Total Borrowing (as per NRB Ni. Fa 9.1)	15,000,000
Liquid Assets (B)	**2,175,438,227**
Cash (9.1)	172,983,986
Bank Balance (9.1)	520,588,931
Money at call and short notice(9.1)	681,491,292
Investment in Government Securities (9.1)	800,374,018
Placement up to 90 days	-
Borrowing Payable upto 90 days C	**-**
Net Liquid Assets (D)= (B-C)	**2,175,438,227**
Net Liquid Assets to Total Deposit	31.79%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-