

Sanima Bikas Bank Ltd.

**FORM NO.1 CAPITAL ADEQUACY TABLE
As on 14.01.2012 (Poush End 2068)**

1.1	RISK WEIGHTED EXPOSURES	Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	7,279,625,633	6,981,164,557
b	Risk Weighted Exposure for Operational Risk	414,768,190	414,768,190
c	Risk Weighted Exposure for Market Risk	2,578,360	4,319,790
	Total Risk Weighted Exposures (a+b+c)	7,696,972,183	7,400,252,537
	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)	2,165,679,216	2,125,817,978
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)	59,139,013	8,927,775
h	Capital Redemption Reserve		
l	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	-
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)	71,070,681	65,053,336
a Cumulative and/or Redeemable Preference Share	-	-
b Subordinated Term Debt	-	-
c Hybrid Capital Instruments	-	-
d General loan loss provision	68,919,928	63,252,583
e Investment Adjustment Reserve	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)	2,236,749,897	2,190,871,314

1.3 CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	28.14%	28.09%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	29.06%	28.97%

Ashish Prasad Shrestha

SA - Accounts

Date: 10/02/2012

Pawan K. Acharya

Head- Credit Risk

Date: 10/02/2012

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 14.01.2012 (Poush 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	126,012,770			126,012,770	0%	-
Balance With Nepal Rastra Bank	Assets :2.1	476,880,802			476,880,802	0%	-
Gold		-			-	0%	-
Investment in Nepalese Government Securities	Assets : 4.1.1	1,218,415,435			1,218,415,435	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)	540,768,072		-	540,768,072	20%	108,153,614
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)		60,715,322		-	60,715,322	20%	12,143,064
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		4,476,110		-	4,476,110	20%	895,222
Claims on Domestic Corporates		3,008,368,153		27,994,955	2,980,373,198	100%	2,980,373,198
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)		2,062,462,756		59,742,598	2,002,720,158	75%	1,502,040,119
Claims Fulfilling all criterion of regulatory retail except granularity		-		-	-	100%	-
Claims secured by residential properties		382,218,492		-	382,218,492	60%	229,331,095
Claims not fully secured by residential properties		-		-	-	150%	-
Claims secured by residential properties (Overdue)		-		-	-	100%	-
Claims secured by Commercial real estate		494,848,234		-	494,848,234	100%	494,848,234
Past due claims (except for claim secured by residential properties)		40,777,842		-	40,777,842	150%	61,166,763
High Risk Claims		703,202,091		35,552,903	667,649,188	150%	1,001,473,782
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 14.01.2012 (Poush 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
Other Assets - Interest Receivable / Claim on Govt. Securities	Assets : 10.1.2	24,179,193			24,179,193	0%	-

Other Assets - Cash & Cash in Transit Items	Assets : 7	-	-	-	-	20%	-
Other Assets (as per attachment)		617,344,038	44,531,157	-	572,812,881	100%	572,812,881
TOTAL		9,817,682,552	44,531,157	123,290,456	9,649,860,939		6,993,387,973
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		192,196,444		12,480,606	179,715,838	50%	89,857,919
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		39,522,380		1,430,288	38,092,092	100%	38,092,092
Financial Guarantee		97,471,897		5,328,556	92,143,341	100%	92,143,341
Acceptances and Endorsements		-		-	-	100%	-
Unpaid portion of Partly paid shares and Securities		-		-	-	100%	-
Irrevocable Credit commitments (Short Term)		330,721,544		-	330,721,544	20%	66,144,309
Irrevocable Credit commitments (Long Term)		-		-	-	50%	-
Other Contingent Liabilities		-		-	-	100%	-
TOTAL		659,912,265		19,239,450	640,672,814		286,237,660
Total RWE for credit Risk Before Adjustment (A) +(B)		10,477,594,816	44,531,157	142,529,906	10,290,533,753		7,279,625,633
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.

Ashish Prasad Shrestha
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Pawan K. Acharya
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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 14.01.2012 (Poush End 2068)

	Deposits with Bank	Deposits with other banks/Fl	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)	(l)	
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	12,480,606									12,480,606
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	1,430,288									1,430,288
Financial Guarantee	5,328,556									5,328,556
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	142,529,906	-	-	-	-	-	-	-	-	142,529,906

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FORM NO.5 OTHER ASSETS
As on 14.01.2012 (Poush End 2068)

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Fixed Assets	430,761,968	12,423,000	418,338,968
2	Interest Receivable on Other Investment	5,535,528	-	5,535,528
3	Interest Receivable on Loan	32,108,157	32,108,157	-
4	Non Banking Assets	-	-	-
5	Reconciliation Account	-	-	-
6	Draft Paid Without Notice	-	-	-
7	Sundry Debtors	24,695	-	24,695
8	Advance payment and Deposits	34,457,416	-	34,457,416
9	Staff Loan & Advance	46,212,226	-	46,212,226
10	Stationery	1,706,794	-	1,706,794
11	All other assets	66,537,254	-	66,537,254
TOTAL		617,344,039	44,531,157	572,812,882

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Head- Credit Risk

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FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 14.01.2012 (Poush 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 14.01. 2012 (Poush End 2068)

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	INR	59,970	1.60	95,997	95,997
2	USD	53,660	82.20	4,410,852	4,410,852
3	GBP	810	130.04	105,328	105,328
4	AUD	-	-	-	-
5	JPY	160,000	1.08	172,000	172,000
6	EUR	2,935	105.26	308,938	308,938
7	CAD	400	81.59	32,636	32,636
8	CHF	280	88.31	24,727	24,727
9	QTR	270	23.13	6,245	6,245
10	SLR	-	-	-	-
11	DHR	395	22.44	8,862	
Total Open Position (a)					5,156,723
Fixed Percentage (b)					5%
Capital Charge for Market Risk [c=(a×b)]					257,836
Risk Weight (reciprocal of capital requirement of 10%) in times (d)					10
Equivalent Risk Weight Exposure [e=(c×d)]					2,578,362

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Pawan K. Acharya

Head- Credit Risk
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FORM NO. 8 NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO
As on 14.01.2012 (Poush End 2068)

Particulars	Amount
Total Deposit and Borrowing (A)	7,389,244,014
Total Deposit (as per NRB Ni.Fa. 9.1)	7,324,244,014
Total Borrowing (as per NRB Ni. Fa 9.1)	65,000,000
Liquid Assets (B)	2,220,727,766
Cash (9.1)	126,012,770
Bank Balance (9.1)	596,065,626
Money at call and short notice(9.1)	240,233,935
Investment in Government Securities (9.1)	1,218,415,435
Placement up to 90 days	40,000,000
Borrowing Payable upto 90 days C	65,000,000
Net Liquid Assets (D)= (B-C)	2,155,727,766
Net Liquid Assets to Total Deposit	29.43%
Shortfall in Ratio	0
Amount to be added to Risk Weighted Exposures	-

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SA - Accounts
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Pawan K. Acharya

Head- Credit Risk
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