

ANNUAL REPORT 2011/2012



सन्राइज बैंक लिमिटेड
SUNRISE BANK LIMITED
Rising to Serve

www.sunrisebank.com.np

BOARD OF DIRECTORS



Mr. Srinivas Sarda
Director

Mr. Malchand Dugar
Director

Mr. Hikmat Bahadur Mali
Director

Er. Bachh Raj Tater
Director



Mr. Motilal Dugar
Chairman

Mr. Shrawan Kumar Goyal
Director

Dr. Bhogendra Guragain
Director

Mr. Suresh Kumar Basnet
Director

MANAGEMENT TEAM





Sitting From Left to Right: Mr. Robin K. Nepal (Assistant General Manager), Ms. Asha Rana Adhikary (Deputy General Manager), Mr. Surendra Man Pradhan (Chief Executive Officer), Mr. Bala Ram Bista (Deputy Chief Executive Officer), Mr. Arun Parajuli (Senior Manager)

Standing From Left to Right: Ms. Prabhavati Bista, Ms. Neema Pradhan, Mr. Ritesh Aryal, Mr. Vivek Niraula, Mr. Nabin Sharma, Mr. Tika Bhattarai, Mr. Pritam Lal Shrestha, Mr. Manoj Neupane, Mr. Narayan Pd. Ghimire, Mr. Dipak Pandit, Mr. Ishwar Kumar Pathak, Mr. Anish Tamrakar, Ms. Sweety Agrawal

Annual Report

2011/2012



SUNRISE BANK LIMITED





Message from the **Chairman**

Dear Shareholders,

On behalf of the Board of Directors, I take pleasure in extending a cordial welcome to all distinguished guests and shareholders at this 5th Annual General Meeting of the Bank.

I am pleased to state that despite of the continued difficult business conditions in the country, the Bank has been able to achieve a satisfactory performance in the review year 2011/12. This year the Bank recorded an increase in loans and advances of 19% over the previous year to NPR 14,822 million. Deposits rose to NPR 18,759 million, recording an increase of 40% over the previous year.

During the review year, the Bank has increased profit after tax to NPR 111.19 million, with a registered growth of 151% over previous year.

The Bank's asset portfolio is getting healthier, however, non performing assets of the Bank remain at 3.52% on account



of some residual old exposures which, otherwise, we had managed to reduce significantly and also due to our prudent provisioning policy.

I am also happy to inform that the Bank's capital position is more than adequate with a Capital Adequacy Ratio of 11.78% as on 16 July 2012 as against the statutory requirement of 10%. This indicates a very sound financial position of the Bank in terms of capital requirement.

It gives me immense pleasure to announce that the Board of Directors has recommended a cash dividend of 5.26316 % to the shareholders.

In order to expand reach and network, the Bank has already established two branches in the review year- one in Nepalgunj, and another in Bhairahawa in western Nepal.

We have installed 57 ATMs spread all over Nepal from Mechi to Mahakali with few more in the pipeline. Our ATM terminals accept ATM Cards issued by any institution under SCT & Visa Network.

The performance of the Bank in the current financial year is very encouraging. The Bank will continue to strive for improving its performance and your directors are confident of delivering even better results in the current year.

On behalf of the Board, I would like to thank Members of the Board for their valuable guidance, support and prudent counsel and all distinguished shareholders for their continued support and guidance. Similarly, I would like to express my gratitude towards all the customers for their continued faith and support and also to Government of Nepal, Nepal Stock Exchange and Nepal Rastra Bank for their support and guidance. Last, but not the least, the Management and all staff members are to be commended for their dedication and commitment, which were instrumental in ensuring the encouraging performance of the Bank.

Thank You.

Motilal Dugar
Chairman



From the desk of Chief Executive Officer

The Nepalese Banking industry has undergone a phenomenal change in the last few years. With these changes new challenges and opportunities demanding for new skills and additional vigor to cater to the growing needs of the Customers has arisen.

For Sunrise Bank, our Net Profit of NPR 111.19 million in FY 2011/12 was mainly due to the resilience of the Bank's operations and its satisfied customers. The Bank's Net Profit rose 151 %. We also grew our balance sheet by 34 % riding on growths of 40% in deposits and 20% in lending. We have been able to write back loans of Rs 299 million on one hand and on the other hand we have written off loans of Rs 131 million.

Our focus on Small and Medium Enterprises Banking (SME Banking) and retail deposits shall still be focused from our outreach of 49 branches. Catering the service need of prevailing two hundred thousand customers approximately, the Bank has strengthened itself towards increasing the overall clientele bases in the coming FY. Overall growth in the Banking sector shall be our major focus in the coming FY.



Financial inclusion will be key to how Banks will shape up in the future and realizing the importance of financial inclusion, we have already envisaged on widening our reach through network of 49 branches and 57 ATMs. We extensively act on understanding customers' needs, preferences and characteristics and accordingly establish related organization, technology and product development systems to ensure that those needs are invariably met. We firmly believe that the best plans and strategies require the best people and technology to implement them. In order to deliver value to our stakeholders and in order to be effective, we ensure that our people are competent, professional and deliver a consistently superior level of service. Human capital development is a top priority at the Bank and we have adopted a 'performance-based reward' culture in the Bank. Leveraging of technology will be critical in the days ahead; with the up-gradation of our software to T-24, the Bank is now techSunrise ally sound to adopt modern technologies which shall add value to the existing banking services and meet global banking requirements.

The Bank is committed to high standards of Corporate Governance which is the bedrock of the Bank with its efficiency and transparency, management policies and systems that create trust and confidence amongst its stakeholders—customers, investors, regulators, shareholders, employees and the community at large. Corporate governance is embedded in our system.

Finally, I would like to thank our customers, shareholders, suppliers, business partners and regulators for their continued support throughout the year. I would also like to express my sincere thanks to all my colleagues at the Bank for their excellent contribution and my Board of Directors for their unstinted support, dedication, vision, trust and belief in our people. I am confident that we will continue to deliver value and meet the expectations of all our shareholders.

Thank You.

Surendra Man Pradhan

Chief Executive Officer



DIRECTOR'S REPORT

Respected Shareholders,

I'm glad to present on behalf of Board of Directors the Balance Sheet, Profit & Loss Account and Cash Flow Statements of Financial Year 2011-12 along with summary of Banks progress & developments, Operational Challenges and complete banking sector analysis. This report is prepared in accordance to Company Act, 2063, Banks & Financial Institution Act, 2063 and NRB Circulars & Directives issued from time to time.

NATION'S ECONOMIC CONDITION

As per the initial projection of Nepal Government and Central Bureau of Statistic, the Gross Domestic Product of the nation during the financial year stood 4.6% (on the basis of Par Value) and 4.6% (on the basis of Market Value) as compared to previous year rate of 3.8% and 3.9% respectively. During the year the nation has suffered an inflation of 8.3% as previous year. During the year the nation has obtained a 6.4% (Previous Year 9.9%) rise in Wholesale Price Index. Due to high rise in exports and

slight rise in imports the Balance of Payments has increased during the year. During the year, export has increased by 16.3% (Previous Year 5.8%) and reached 396.18 billion where as import has risen by 16.5% (Previous Year 5.8%) and reached 461.67 billion. The Balance of Payment stood a positive 129.70 billion (Previous Year positive 2.18 billion). The Cash Flow towards the nation from foreign donations stood 46.57 billion during the year.

During the year, the nation's revenue stood 244.15 billion (which is 22.2% increase with reference to previous year and 1% excess achievement than the targeted budget of the year). The nation's revenue was 199.82 billion (an 11% yearly increase) during the previous year. For the year, the ratio of National Revenue to Gross Domestic Product reached to 15.7%. For the year Government expenditure based on Cash Flow increased to 310.75 billion (an 12% yearly increase) which was 277.62 billion (an 10.70% increase) in the previous year. The slowdown in Government's Capital and Revenue Expenditure is the cause for the slow increase in the Government Expenditure.

FINANCIAL SECTOR'S CONDITION

During the year the Financial Sector suffered a lot due to decline in Real Estate Business, Insufficient Power Backup, Decline in Industrial Production and lack of Corporate Governance in Financial Sector.

But during the year some positive indicators like increase in Balance of Payments, Timely release of Budget by Nepal Government, increase in foreign remittance and devaluation of dollar against rupee were recorded. This has increased the local deposits with the increase in faith of the depositors.

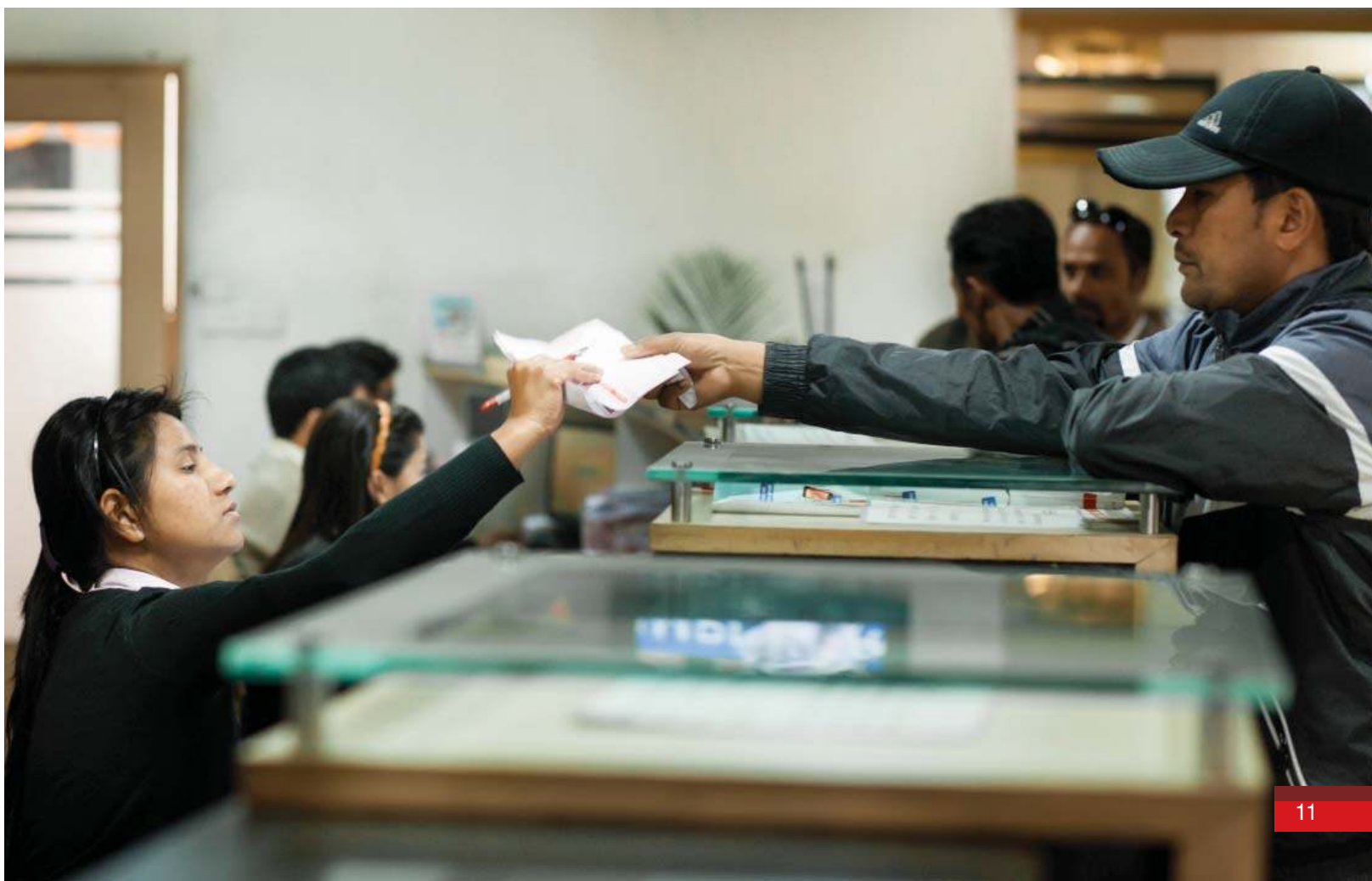
Like previous year Commercial Banks in Nepal has suffered the dis-balance in Deposits and Loans. The total deposit of Commercial Banks during the year shows an increase of 149.92 billion where as the Loans and Advances shows an increase of 120.14 billion. The same was 64.63 billion and 104.75 billion respectively in previous year. The Loans and Advances towards the Private sector increased by 71.50 billion (Previous Year 82.38 billion). Due to fall in growth of financial sector the interest rate of short term deposits

has fallen drastically. For example the interest rate of 91 days Treasury bill has fallen to 1.3% as compared to previous year of 7.4%.

During the year 2 Development Banks and 1 Micro Finance Development Bank has been increased in our country. During the year 7 Non Government Organization (NGO's) who had obtained license for Micro Finance Transaction has been closed. At the end of financial year the number of financial institutions in Nepal has aggregated to 213.

ECONOMIC DEVELOPMENT & BANKING CHALLENGES

We are all aware about the slowdown in economic growth of the nation due to frequent governmental changes, decline in industrial sector, and lack of budget in Capital expenditure. Though we observed the increase in governmental revenue but the main cause of the same is only increase in imports. The internal revenue collection doesn't have any significant share in the total revenue. The effect of same has been seen





on Employment sector, due to which the number of youths migrating for foreign employment is increasing, which has created dissatisfaction between the ones working in the country. Due to unfriendly investment economic condition and the unstable government policies, the investment opportunities couldn't be created. The effect of same has seen the increasing migration to urban sector and change in consumer behavior towards imports and retail business due to increase in remittance income.

OVERALL POSITION OF THE BANK

The overall position and growth of the Bank has been summarized below.

Amount in Thousands

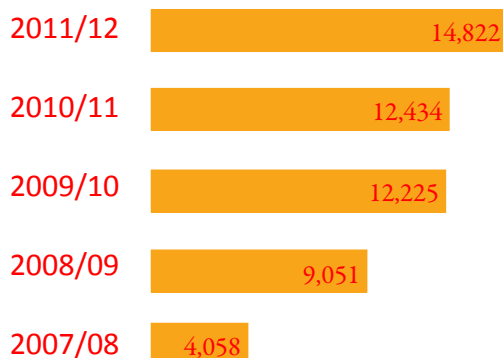
PARTICULARS	15th July 2012	16th July 2011	CHANGE
Paid Up Capital	2,015,000	2,015,000	0%
Deposits	18,759,000	13,391,714	40%
Gross Loans & Advances	14,821,944	12,434,383	19%
Total Assets	21,279,008	15,850,458	34%
Net Worth	2,151,202	2,146,061	0%
Net Profit	111,194	44,239	151%

The Net Profit of the Bank showed a tremendous growth of 151% and reached 111.19 million by the year end. The Core Capital of the Bank at the end of the financial year was 2.11 billion and total capital reached 2.26 billion. The Capital Adequacy of the Bank as on 15th July 2012 was 11.78% as per BASEL-II which is 1.78% above the regulatory framework.

The total assets of the Bank showed a makeable growth of 34% and reached 21.28 billion as on end of the financial year. The Five Year progress of the Bank is highlighted below:

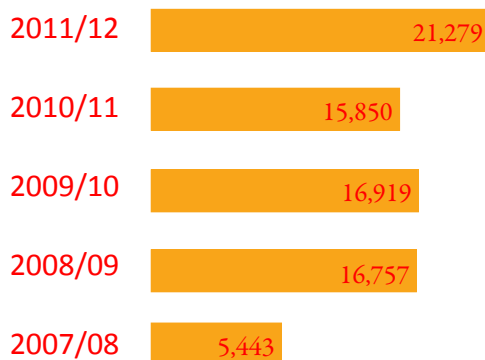
Loans & Advances

(in Million) (Gross)



Balance Sheet Size

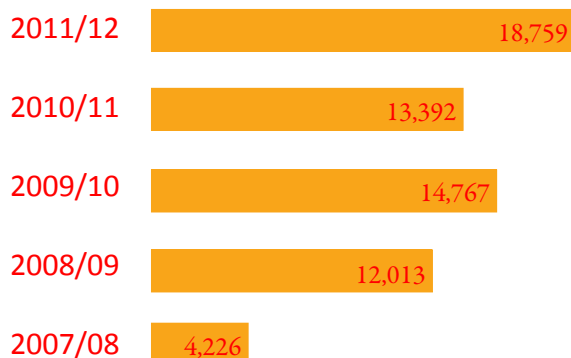
(in Million)





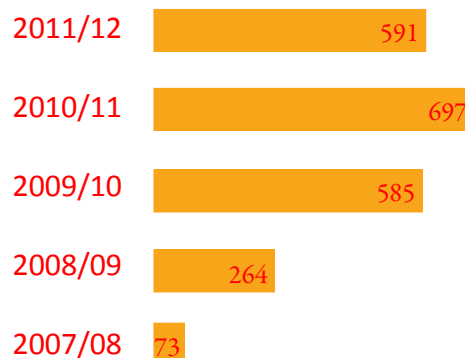
Deposits

(in Million)



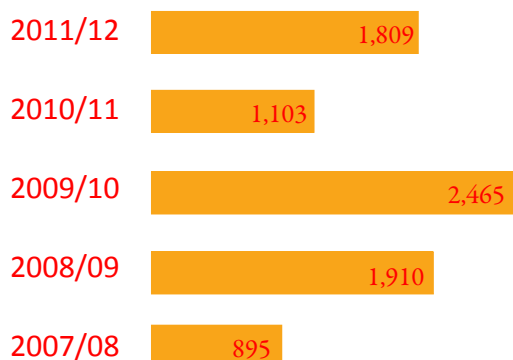
Net Interest Income

(in Million)



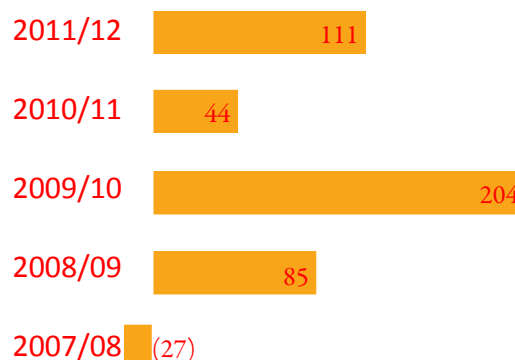
Treasury Investments

(in Million)

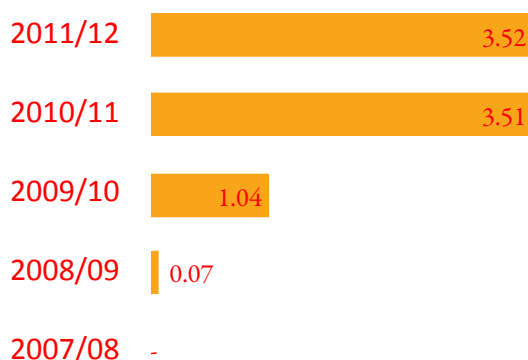


Net Profit/Loss

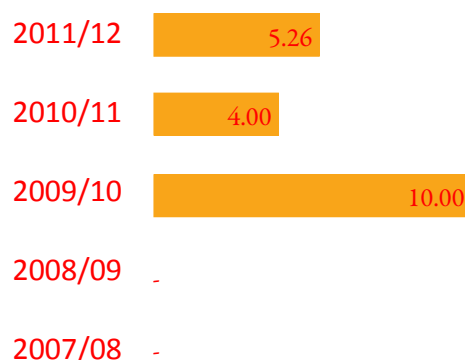
(in Million)



NPA Percentage



Dividend Percentage





DEPOSITS

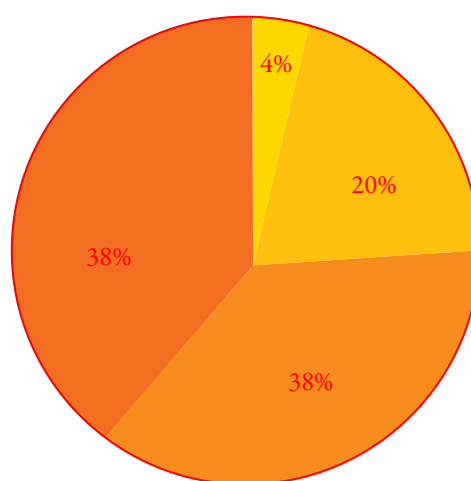
Total Deposits of the Bank has shown a tremendous growth of 40% and reached 18.75 billion by the year end. Among such the Foreign Currency Account has reached 656 Million (45% growth). During the year, the Bank has focused on tapping individual deposits rather than corporate deposit. The result of same has showed the saving account deposits showed 31% increase outstanding 7.19 billion as on year end. As per NRB directives the Bank has maintain the spread in different saving accounts not exceeding 2%.

Bank has emphasized on small savings account which yielded a 38% share of saving accounts on total deposits. Due to launch of “Utsav Muddati” Account the Bank has recorded a 45% increase in Fixed Deposit account totaling 7 billion. The Fixed Deposit account also holds a 38% share in total deposits. Whereas the Non Interest Bearing Account increased by 34% totaling 770 Million.

During recent years liquidity crisis was seen in the market which has escalated the deposit cost. But at the end of the financial year the market faced the excess liquidity. The high cost deposits bought during previous year to overcome liquidity crisis were matured and paid in installments.

At the end of the year 2011-12 mix up of the Bank deposit stands as follows:

Deposit Mix



■	Non Interest Bearing Amount
■	Call Account
■	Saving Account
■	Fixed Deposit Account



LOANS & ADVANCES

The loans and advances of the Bank showed an increase of 19% totaling 14.82 billion as on year end. Due to the emphasis of Bank in production and SME sector the growth was achieved.

The SME loans constitute 17% of the total loans and advances. All the Branches of the Bank are providing the SME loans. During the year Bank has introduced the new product named “Sunrise Krishi Karja”. The product is specially focused on Agricultural Loans. As Nepal being an Agro Based Nation we believe the product will achieve a remarkable success in coming years.

Due to increasing liquidity the Loan and Advances disbursement has shown a slight increase but the slowdown in Real Estate Sector has totally hampered the earning of the Banks. This has declined the Real Estate Loan's share to 17.84% from 23.75% as compared to previous year.

Despite of adverse market conditions Bank has been successful on recovering the bad loans amounting 299 Million. Bank has increased the resources in recovery process and we expect greater recovery in the coming years. During the year Bank has written off loans outstanding worth Rs 130 Million.

Bank has always maintained high safety on Risk Management. As per the NRB directives the Risk Bearing Fund comprises 515 Million as on year end. The increase of 290 million has been charged to Profit & Loss Account during the year. The share of Loan Loss Provisioning in Total Loans and Advances is 3.48% and the NPA percentage at the end of the year is 3.52% which has risen by 0.01% as compared to previous year.

CREDIT DEPOSIT RATIO & LIQUIDITY ISSUE

Due to Liquidity crisis in recent years and its adverse effect in Bank's Balance Sheet NRB has issued a circular to reduce the Credit Deposit Ratio to 80%. Bank has reduced the same to 73.31% as compared to previous year of 82.51%. This has slightly decreased the earning scope of the Bank but has significantly reduced the liquidity risk.



TREASURY OPERATION

The small market and excess liquidity has significantly affected the Bank's treasury operations. The capital market of the nation has been significantly affected due to which continuous decline in investment returns were observed. The sluggish move of capital market has reduced the inter Bank transactions and the earning scope of the Bank has been significantly reduced.

Despite of such adverse condition the Investments of the Bank have been increased by 64% reaching 1.80 billion at the year end. Among the investments 77% is occupied by the Governmental Securities whereas 20% is occupied by the Investments in Foreign Financial Institutions.

Despite of high competition in USD deposits, the Bank has managed to accumulate a welcome able USD deposits. The Bank has invested the same in foreign Banks as per the NRB guidelines. Bank is earning the interest on such investments.

In the case of Inter Bank transactions Bank has an approved policy which is being continuously monitored and controlled.

UNPAID DIVIDEND

The amount of unpaid dividend at the end of the year is Rs. 21.9 Million which comprises the dividend for the year 2009/10 & 2010/11.

NET INTEREST INCOME

During the year bank has earned net interest income of Rs. 590 Million which is a 15.26% decline as compared to previous year. The fall in interest rate, decline of CD ratio & interest suspense are the main reason for the fall in Net Interest Income. The increase in deposit cost, fall in investment interests especially in Treasury Bills and the dis-balance in interest of Deposits has given the adverse condition for the Net Interest Income.



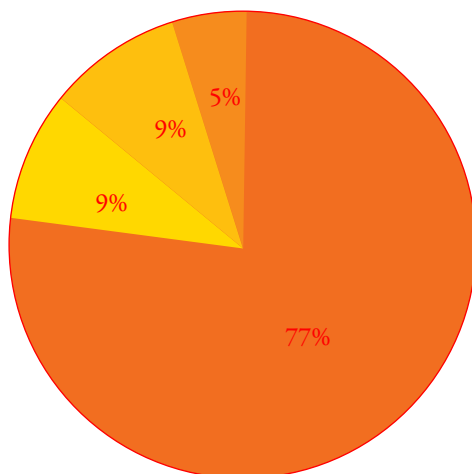


OTHER INCOME

Commission & Discount, Other Operating Income and Foreign Exchange Gain are the other income of the Bank. During the year Bank has earned Rs. 179 Million as other income. Trade Finance and Loan Management fees are the major source of these incomes. During the year Bank earned Rs. 70 million as Commission & Discount which is 39% increase as compared to previous year. The Other Operation income comprises Rs. 69 million and foreign exchange gain comprises Rs. 39 million.

The share of different types of income for the year is detailed below:

Income Mix



■	Net Interest Income
■	Commission & Discount
■	Other Operating Income
■	Exchange Fluctuation Income

OPERATING COST

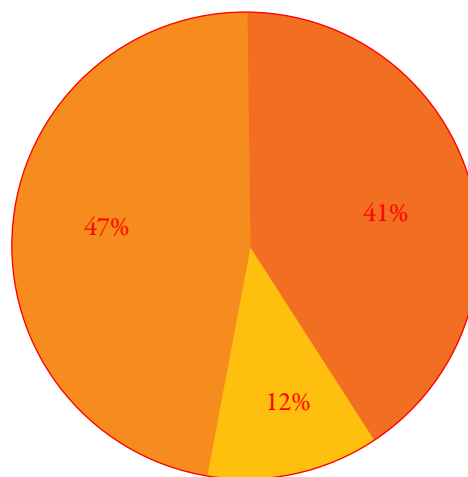
During the year the operating cost of the Bank has increased by 25% and totaled to Rs. 474 million.

The share of Staff Cost in Operating cost is 41% which was only 37% during previous year. Due to increase in staffs for two new branches, recruitment of higher level & experienced staffs for existing branches along with increase in staff's salaries are the reasons for the 38% increase in Staff Cost.

But other operating expense has been only increased by 17%. Branch Expansion, New Banking Software, Repairs & Maintenance, DCGC Premium etc has increased the Operating Cost.

The Actual Operating Cost Mix is highlighted with the diagram below:

Operating Cost Mix



■	Staff Cost
■	Depreciation Cost
■	Other Operating Cost



PROFIT & LOSS APPROPRIATION

The Net profit of 111.19 million earned by the Bank during the year has been appropriated as follows:

Amount in NRs Thousands

PARTICULARS	CURRENT YEAR	LAST YEAR
Profit for the year	111,194	44,239
Profit up to Previous year	28,804	60,241
Investment Adjustment Reserve	-	15,000
TOTAL	139,998	119,480
APPROPRIATION		
General Reserve	22,239	8,848
Exchange Fluctuation Reserve	2,307	927
Investment Adjustment Reserve	-	300
Deferred Tax Reserve	1,956	-
PROFIT ATTRIBUTABLE FOR DISTRIBUTION	113,496	109,405
Proposed Dividend	106,053	80,600
RETAINED EARNINGS	7,443	28,805

Balancing the Capital Adequacy and Investors Security, board has proposed dividend of Rs 106 Million (5.26%) and retained Rs 7.4 million for other purposes.

EVENT AFTER BALANCE SHEET DATE

Any event significantly affecting the Financial Position of the Bank has not been occurred till date.

CURRENT YEARS PROGRESS

The progress of Second Quarter of the Bank as compared to Second quarter of the previous year is analyzed as:

Amount in NRs Thousands

PARTICULARS	END OF Q2 2012-13	END OF Q2 2011-12	CHANGE
Operating Profit (Before LLP)	290,984	76,694	279%
Total Deposits	22,157,741	16,446,028	35%
Gross Loans & Advances	17,857,767	13,642,840	31%

The first two quarter of current year remained good for the Bank. The Loans & Advances increased by 31% where as deposit increased by 35% as compared to same period of previous year. The Operating Profit also showed the 279% increase. Despite of slower recovery of Interest Suspense operating profit has risen. Poor economic conditions of nation, increasing competition will certainly affect the Banks future conditions, but the board is certain that Bank will encounter such problem tactfully.

BRANCH EXPANSION

Regular Analysis of need of branch is being done for the current year. During the year 2011-12 Bank has established fully fledged branches in Nepalgunj and Bhairahawa.

SERVICE EXPANSION

Bank is always in the process of developing its services. Bank never compromises on its Quality and Services. As a result Bank has developed different types of Deposit account. Bank is planning to launch Visa Credit Card system very soon. Following the need of technically growing society we have launched the service of Mobile Bill Payment, PSTN Bill Payment and many more. We have been offering service to our valuable customers via 57 Automatic Teller Machines (ATMs).

TECHNICAL DEVELOPMENT & INFORMATION SYSTEM MANAGEMENT

Bank is always in the favor of implementing advanced technologies. All the Branches are well equipped with Optical Fiber and VSAT, which has facilitated the Real Time Book Keeping Systems reducing the problem of Data Redundancy, Data Error etc. With the implementation of new banking software T24 and approved policy of the Information Technology Bank has safeguarded the interest of the stakeholders. The MIS system of the Bank has improved a lot. The Data Centre Operation, Hardware, Network Security and Computer System are regularly monitored by the Compliance and Internal Audit Department.

REMITTANCE BUSINESS

Remittance business is being increased by the Bank via agreement with remittance agencies like Western Union, Habib Express, Three Star Remit. Apart from this Bank is also promoting its own remittance business named Suryodaya Remit.

We have also arranged services via different Exchange Co. of United States, United Kingdom, Australia, Qatar, Israel, Oman, UAE, Malaysia and Italy. We have also arranged the remittance services for the Branch less area via more than 200 centers of KRS Solution Pvt Ltd. We are also working for the need of the services and area for the improvement.



HUMAN RESOURCE

Bank is always considering its human resource as the important resource. With the increasing business volume and branch the number of employee has increased during the year. We consider the skilled manpower can improve the daily works and can generate new ideas, so we are regularly providing different internal and external trainings to our staffs.

BOARD OF DIRECTORS

Board of Directors of the Bank is same as previous year. As per the Companies Act, 2063 and Banks & Financial Institution Act, 2063 we are having 6 Promoter Directors and 2 Public Directors. All the directors have signed the code of ethics issued by Nepal Rastra Bank. The major

responsibility of the Board is to formulate the plans and policies for the Bank's operation, supervise the implemented Bank's Policies, review of the Bank's progress, to comply with the regulatory requirements and to ensure overall safety for the Depositors and Shareholders.

Bank has re-elected the 6 directors from the representative of Promoters Group "KA" in this General Meeting, as the tenure of the directors of that group has expired.

BOARD MEETINGS

Board Meetings are regularly held as per the prevailing laws. During the year 39 board meeting were held with board meeting allowance totaling to Rs. 1.30 Million.



AUDIT COMMITTEE

As per the Nepal Rastra Bank Directions, Bank has an independent Audit Committee chaired by the Non-Executive Director. The main responsibility of the committee is to review the internal control system, review of internal audit system, Economic Analysis and assurance of the correctness of financial data of the Banks. The committee is actively participating in the internal control analysis and always providing suggestions on development of the Bank's Services. The committee analyzes the report of the both internal and statutory auditors. The analysis and review of the implementation of the suggestions made by both type of auditors is done by the committee. The top management of the Banks is also invited in the committee as per the need.

The Committee is regularly analyzing the reports of internal auditor and suggesting the branches/departments/

managements for the improvements. The committee has also been analyzing the statutory auditor's report and provides suggestion to the board for the improvements. During the year total 8 Audit Committee meetings were held and the total meeting allowance amounted to 80 thousands rupees.

The Audit Committee of the Bank includes non executive director Mr Suresh Kumar Basnet, Coordinator and director Mr Shree Niwas Sarda and Mr Hikmat Bahadur Mali and Banks outsourced internal auditor CSC and Company, Chartered Accountant and Banks Company Secretary.

The Bank has improvised its internal control process. The Banks has also implied policies, directions, processes, Laws, Directives of Nepal Rastra Bank in order to minimize, mitigate and manage the long term challenges and risks related to credit and operation of the Bank.



STATUTORY AUDITOR

As in previous year the Statutory Auditor of the Bank is M/s M. Khanal & Co, Chartered Accountants.

CORPORATE GOVERNANCE

Bank has always considered Corporate Governance as the major factor for its transparency rather than as regulatory requirements. Board is always ahead for the fair work & responsibility and increase the efficiency of the Bank.

Bank has always followed the three parts of Corporate Governance i.e. Integrity, Transparency & Fairness and is always ahead for increasing quality of services for the Shareholders, Service Receivers & Stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

Bank has always taken an active participation for the Social Responsibility. Bank is always ahead for the fulfillment of its Social Responsibility Blood Donations and Other relief works are some of the work which Bank has been organizing regularly. Bank yearly provides Dress is and other donations for the Orphan Children.

FUTURE CHALLENGES, OPPORTUNITIES & BANK'S STRATEGY

The unstable government and current political situation will continue as the challenge for the current year also.

Apart from this increasing competition and lack of skilled manpower will stand as the major challenges as always. But new technologies and services are considered as opportunities for the Bank.

Considering the Challenges and Opportunities, Bank has planned to expand its services to needed areas, introduce new technologies etc.

THANKING YOU

As Shareholders are the persons helping us in each stage of our Banks operations. We need your suggestions for the overall progress of the Bank. We are glad to receive your affections towards the Bank & the board of directors and we expect the same in future.

We are also thankful to the statutory authorities: Nepal Rastra Bank, Securities Exchange Board of Nepal, Nepal Stock Exchange, Company Registrar Office, Finance Ministry, Nepal Government and Other Statutory bodies.

At last we thank our hardworking employees who gave their best in all situation of the Bank.

Thanking You
Motilal Dugar
On Behalf of Board of Directors



Human Resources

SrBL in its 6th year of operation is focused towards providing quality services to its clientele by investing in best human capital in the industry. By consistently following the best HR practices, the bank has been able to create a difference which is the major contributing factor for us to get competitive advantage in the industry. The business of the Bank has been scaling up consistently due to its investment in the finest team of human resources which is the major factor for Bank's success year after year. We believe in imparting knowledge through various training and development activities which enhances the capacity of our human capital to take up any challenges of the job.

We are committed to cultivate culture that is purely service oriented and the Bank promotes health, wellness and a sound work/life balance of its human capital. The Bank has been providing platform for new talents to learn and grow with the organization. We promote values of belongingness, solidarity, long term employee engagement and lifelong learning.



M. Khanal & Co., Chartered Accountants

Nepal Bank Building
Dillibazar
P.O. Box : 13364
Kathmandu, Nepal.

Tel. : 4420903
Fax : 977-1-4421596
E-mail: mahesh.khanal@ntc.net.np

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS OF SUNRISE BANK LIMITED

We have audited the accompanying financial statements of Sunrise Bank Limited, which comprise the Balance Sheet as at Ashad 31, 2069 (July 15, 2012), Profit and Loss Account, Cash Flow Statement and Statement of changes in Equity for the year then ended, and a Summary of Significant Accounting Policies and Other Explanatory Notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of Sunrise Bank Limited as at 31 Ashad, 2069 (15 July, 2012) and of the results of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards so far as applicable in compliance with the prevailing Laws and comply with Company Act 2063, Banks and Financial Institutions Act, 2063 and Directives of Nepal Rastra Bank.

Page 1 of 2



Report on Other Legal and Regulatory Requirements

On the basis of our audit, we further report that:

- a) We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- b) The Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity and attached schedules dealt with by this report are prepared as per Directives of Nepal Rastra Bank and are in agreement with the books of account maintained by the Bank.
- c) In our opinion, proper books of account as required by the law have been kept by the Bank. The Bank has accounted for Interest Income on Loans & Advances on cash basis as per Nepal Rastra Bank's Directives except for interest accrued as on year end (15 July, 2012) and collected within 1 month of the Balance Sheet date as permitted by NRB.
- d) The returns received from branches of the Bank, though the statements are not audited independently, were adequate for the purpose of our audit.
- e) During our examination of the books of account of the Bank, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office bearer or any employee of the Bank has acted contrary to the provisions of law or caused loss or damage to the Bank nor have we been informed of such cases by the management.
- f) In our opinion, so far as it appeared from our examination of the books, the Bank has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.
- g) The operations of the Bank were within its jurisdiction.
- h) The Bank has been functioning as per the directives of Nepal Rastra Bank.
- i) The Bank has not acted in a manner to jeopardize the interest and security of the depositors and shareholders.
- j) We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book.



Mahesh Khanal, FCA
For M. Khanal & Co.
Chartered Accountants



Date: 14 Mangsir 2069 (29 Nov 2012)

Place: Kathmandu, Nepal

**Balance Sheet**

As at 31 Ashadh 2069 (15 July 2012)

Capital & Liabilities	Schedule	Current Year (NRs.)	Previous year (NRs.)
1. Share Capital	4.1	2,015,000,000	2,015,000,000
2. Reserves and Funds	4.2	136,202,311	131,061,427
3. Debentures & Bonds	4.3	-	-
4. Borrowings	4.4	-	-
5. Deposit Liabilities	4.5	18,758,999,877	13,391,713,786
6. Bills Payable	4.6	9,480,899	2,699,571
7. Proposed Dividend		106,052,632	80,600,000
8. Income Tax Liabilities		-	-
9. Other Liabilities	4.7	253,272,688	229,383,184
Total Capital & Liabilities		21,279,008,407	15,850,457,968

Assets	Schedule	Current Year (NRs.)	Previous year (NRs.)
1. Cash Balance	4.8	668,362,639	587,477,842
2. Balance with Nepal Rastra Bank	4.9	3,222,750,677	890,020,075
3. Balance with Banks/Financial Institutions	4.10	517,175,580	426,944,688
4. Money at Call and Short Notice	4.11	100,626,026	323,897,371
5. Investments	4.12	1,808,961,485	1,103,343,446
6. Loans, Advances and Bills Purchased	4.13	14,306,651,407	11,910,058,832
7. Fixed Assets	4.14	348,597,419	371,730,959
8. Non-banking Assets	4.15	-	-
9. Other Assets	4.16	305,883,174	236,984,755
Total Assets		21,279,008,407	15,850,457,968

Schedules 4.1 to 4.16 form integral part of Balance Sheet

Contingent Liabilities
 Directors' Declaration
 Statement of Capital Adequacy Table
 Statement of Risk Weighted Exposure for Credit Risk
 Statement of Eligible Credit Risk Mitigants
 Statement of Risk Weighted Exposure for Operational Risk
 Statement of Risk Weighted Exposure for Market Risk
 Principal Indicators
 Significant Accounting Policies
 Notes to Accounts
 Statement of loan to Promoters/ Group of Promoters
 Comparison of Unaudited and Audited Financial Statements
 Statement of Unaudited Financial Results (Quarterly)

Schedule 4.17
 Schedule 4.29
 Schedule 4.30 (A 1)
 Schedule 4.30 (B)
 Schedule 4.30 (C)
 Schedule 4.30 (D)
 Schedule 4.30 (E)
 Schedule 4.31
 Schedule 4.32
 Schedule 4.33
 Schedule 4.34
 Schedule 4.35
 Schedule 4.36

Motilal Dugar
 Chairman

DIRECTORS

1. Srinivas Sarda
 5. Malchand Dugar

2. Dr. Bhogendra Guragain
 6. Suresh Kumar Basnet

3. Er. Bachh Raj Tater
 7. Hikmat Bahadur Mali

4. Shrawan K. Goyal

Sweety Agrawal
 Head-Finance Planning Team

Arun Parajuli
 Head-TCMG & SP Group

Surendra Man Pradhan
 Chief Executive Officer

Place: Kathmandu
 Date: 29th November, 2012

As per our attached report of even date

.....
 Mahesh Khanal, FCA
 For M. Khanal & Co.
 Chartered Accountants



Profit and Loss Account

For the period from 1st Shrawan 2068 to 31 Ashadh 2069 (17 July 2011 to 15 July 2012)

Particulars	Schedule	Current Year (NRs.)	Previous year (NRs.)
1. Interest Income	4.18	2,001,359,618	1,918,744,600
2. Interest Expenses	4.19	1,410,695,996	1,221,698,525
Net Interest Income		590,663,622	697,046,075
3. Commission & Discount	4.20	70,445,346	50,759,353
4. Other Operating Incomes	4.21	69,535,388	45,994,908
5. Exchange Fluctuation Income	4.22	38,864,061	34,035,316
Total Operating Income		769,508,417	827,835,652
6. Staff Expenses	4.23	194,356,941	140,681,616
7. Other Operating Expenses	4.24	280,047,864	240,266,887
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit Before Provision for Possible Loss		295,103,612	446,887,149
9. Provision for Possible Losses	4.25	289,935,539	372,358,109
Operating Profit		5,168,073	74,529,040
10. Non - Operating Income/Expenses	4.26	106,197	11,494,205
11. Loan Loss Provision Written Back	4.27	298,799,479	232,638
Profit from Regular Activities		304,073,749	86,255,883
12. Income/Expense from Extra-Ordinary Activities	4.28	(130,665,705)	-
Profit from All Activities		173,408,044	86,255,883
13. Provision for Staff Bonus		15,764,368	7,841,444
14. Provision for Tax Expense		46,450,160	34,175,289
- Current Years		47,604,998	30,777,045
- Previous Years		801,017	1,969,495
- Deferred Tax		(1,955,855)	1,428,749
Net Profit /(Loss)		111,193,516	44,239,150

Schedules 4.18 to 4.28, 4.32 and 4.33 form integral part of the Profit and Loss Account

Motilal Dugar
Chairman

DIRECTORS

1. Srinivas Sarda
5. Malchand Dugar

2. Dr. Bhogendra Guragain
6. Suresh Kumar Basnet

3. Er. Bachh Raj Tater
7. Hikmat Bahadur Mali

4. Shrawan K. Goyal

Sweety Agrawal
Head-Finance Planning Team

Arun Parajuli
Head-TCMG & SP Group

Surendra Man Pradhan
Chief Executive Officer

Place: Kathmandu
Date: 29th November, 2012

As per our attached report of even date

.....
Mahesh Khanal, FCA
For M. Khanal & Co.
Chartered Accountants

**Profit and Loss Appropriation Account**

For the period from 1st Shrawan 2068 to 31 Ashadh 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year (NRs.)	Previous year (NRs.)
Income		
1. Accumulated Profit upto Previous Year	28,804,399	60,240,884
2. Current Year's Profit	111,193,516	44,239,150
3. Exchange Equilization Fund	-	-
4. Investment Adjustment Reserve of Previous Year	-	15,000,000
Total	139,997,915	119,480,034
Expenses		
1. Accumulated Loss upto Previous Year	-	-
2. Current Year's Loss	-	-
3. General Reserve Fund	22,238,703	8,847,830
4. Contingent Reserve	-	-
5. Institution Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employees' Related Fund	-	-
8. Proposed Dividend	106,052,632	80,600,000
9. Proposed Bonus Share	-	-
10. Special Reserve Fund	-	-
11. Exchange Fluctuation Fund	2,307,193	927,805
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Investment Adjustment Reserve	-	300,000
15. Deferred Tax Reserve	1,955,855	-
Total	132,554,383	90,675,635
16. Accumulated Profit/(Loss)	7,443,532	28,804,399

Motilal Dugar
Chairman

DIRECTORS

1. Srinivas Sarda
5. Malchand Dugar

2. Dr. Bhogendra Guragain
6. Suresh Kumar Basnet

3. Er. Bachh Raj Tater
7. Hikmat Bahadur Mali

4. Shrawan K. Goyal

Sweety Agrawal
Head-Finance Planning Team

Arun Parajuli
Head-TCMG & SP Group

Surendra Man Pradhan
Chief Executive Officer

Place: Kathmandu
Date: 29th November, 2012

As per our attached report of even date

.....
Mahesh Khanal, FCA
For M. Khanal & Co.
Chartered Accountants



Statement of Changes in Equity

Fiscal Year 2068/2069 (2011/2012)

Particulars	Share Capital	Accumulated Profit/Loss	General Reserve	Capital Reserve Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax reserve	Other Reserves & Fund	Total Amount
Opening Balance as at 1st Shrawan 2068	2,015,000,000	28,804,399	66,673,816	-	32,407,723	2,875,489	-	300,000	2,146,061,427
Adjustment :- Deferred Tax	-	-	-	-	-	-	-	-	-
Restated Balance as at 1st Shrawan 2068	2,015,000,000	28,804,399	66,673,816	-	32,407,723	2,875,489	-	300,000	2,146,061,427
Adjustments For the year	-	(21,360,867)	22,238,703	-	-	2,307,193	1,955,855	-	5,140,884
Net Profit/(Loss) for the year		111,193,516							111,193,516
Transfer to General Reserve		(22,238,703)	22,238,703						-
Proposed Dividend		(106,052,632)							(106,052,632)
Exchange Fluctuation Fund		(2,307,193)				2,307,193			-
Investment Adjustment Reserve									-
Deferred Tax Reserve		(1,955,855)					1,955,855		-
Issue of right Shares									-
Share Premium									-
Closing Balance as at 31 Ashad 2069	2,015,000,000	7,443,532	88,912,519	-	32,407,723	5,182,682	1,955,855	300,000	2,151,202,311



Cash Flow Statement

For the period from 1st Shrawan 2068 to 31 Ashadh 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
(A) Cash Flow from Operating Activities	290,292,884	407,770,481
1. Cash Receipts	2,176,395,766	2,044,346,528
1.1 Interest Income	2,000,336,134	1,912,111,380
1.2 Commission and Discount Income	76,782,759	44,421,940
1.3 Exchange Gain	29,635,288	30,324,095
1.4 Recovery of Loan Written off		
1.5 Other Income	69,641,585	57,489,113
2. Cash Payments	(1,886,102,882)	(1,636,576,047)
2.1 Interest Expenses	(1,401,800,580)	(1,231,147,805)
2.2 Staff Expenses	(199,465,922)	(167,264,233)
2.3 Office Operating Expenses	(194,119,552)	(169,864,009)
2.4 Payment of Income Tax	(90,716,828)	(68,300,000)
2.5 Other Expenses	-	-
Cash Flow Before Working Capital Activities	2,384,536,752	(315,266,995)
Decrease/(Increase) in Current Asset from Operating Activities	(2,989,734,539)	1,194,995,682
1. Decrease/(Increase) in Money at Call and Short Notice	223,271,345	(197,806,924)
2. Decrease/(Increase) in Other Short Term Investments	(718,718,237)	1,361,994,972
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(2,518,226,997)	(209,169,570)
4. Decrease/(Increase) in Other Assets	23,939,350	239,977,204
Increase/(Decrease) in Current Liabilities from Operating Activities	5,374,271,291	(1,510,262,677)
1. Increase/(Decrease) in Deposit/Liabilities	5,367,286,091	(1,375,315,731)
2. Increase/(Decrease) in Certificate of Deposits		
3. Increase/(Decrease) in Short Term Borrowings	6,781,328	(156,036,202)
4. Increase/(Decrease) in Other Liabilities	203,872	21,089,256
(B) Cash Flow from Investing Activities	(105,702,804)	(103,692,897)
1. Decrease/(Increase) in Long Term Investments		
2. Decrease/(Increase) in Fixed Assets including Software/ NBA	(105,702,804)	(103,692,897)
3. Interest Income from Long Term Investments		
4. Dividend Income		
5. Others		
(C) Cash Flow from Financial Activities	(74,509,316)	427,938,443
1. Increase/(Decrease) in Long Term Borrowings (Bond, Debentures)		
2. Increase/(Decrease) in Paid up Share Capital		537,057,723
3. Increase/(Decrease) in Other Liabilities	(74,509,316)	(109,119,280)
4. Increase/(Decrease) in Refinance facilities from Nepal Rastra Bank		
(D) Income/Loss from exchange rate fluctuations of Cash and Bank Balances	9,228,773	3,711,221
(E) Net Cash Flow from all activities of the Current Year	2,503,846,289	420,460,252
(F) Opening Cash and Bank Balances	1,904,442,606	1,483,982,353
(G) Closing Cash and Bank Balances	4,408,288,895	1,904,442,606

Motilal Dugar
Chairman

DIRECTORS

1. Srinivas Sarda
5. Malchand Dugar

2. Dr. Bhogendra Guragain
6. Suresh Kumar Basnet

3. Er. Bachh Raj Tater
7. Hikmat Bahadur Mali

4. Shrawan K. Goyal

Sweety Agrawal
Head-Finance Planning Team

Arun Parajuli
Head-TCMG & SP Group

Surendra Man Pradhan
Chief Executive Officer

Place: Kathmandu
Date: 29th November, 2012

As per our attached report of even date

.....
Mahesh Khanal, FCA
For M. Khanal & Co.
Chartered Accountants



Share Capital and Ownership

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.1

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Share Capital		
1.1 Authorised Capital	5,000,000,000	5,000,000,000
a) 50,000,000 Ordinary Shares of Rs 100 each	5,000,000,000	5,000,000,000
(Previous year 50,000,000 Ordinary shares of Rs 100 each)		
B) 10,000,000 Non-redeemable Shares of Rs 100 each		
C) 10,000,000 Redeemable Shares of Rs 100 each		
1.2 Issued Capital	2,015,000,000	2,015,000,000
a) 20,150,000 Ordinary Shares of Rs 100 each	2,015,000,000	2,015,000,000
(Previous year 20,150,000 Ordinary shares of Rs 100 each)		
B) 5,000,000 Non-redeemable Shares of Rs 100 each		
C) 10,000,000 Redeemable Shares of Rs 100 each		
1.3 Paid Up Capital	2,015,000,000	2,015,000,000
a) 20,150,000 Ordinary Shares of Rs 100 each	2,015,000,000	2,015,000,000
(Previous year 20,150,000 Ordinary shares of Rs 100 each)		
b)Non-Redeemable Preference Shares of Rs _ each		
c)Redeemable Preference Shares of Rs _ each		
1.4 Proposed Bonus Share	-	-
1.5 Call in Advance	-	-
Total	2,015,000,000	2,015,000,000

Share Ownership

As at 31 Asadh 2069 (15 July 2012)

Particulars	%	Current Year (NRs.)	Previous Year (NRs.)	%
A. Local Ownership	100	2,015,000,000	2,015,000,000	100
1.1 Government of Nepal		-	-	
1.2 "A" Class Licensed Institutions		-	-	
1.3 Other Licensed Institutions		-	-	
1.4 Other Institutions	-			
1.5 General Public	30	604,500,000	604,500,000	30
1.6 Others	70	1,410,500,000	1,410,500,000	70
B. Foreign Ownership	-	-	-	-
Total	100	2,015,000,000	2,015,000,000	100

**Details of Shareholders holding 0.5 percent or more of Share Capital are mentioned below:**

S.N.	Name	Current Year (NRs.)		Previous Year (NRs.)	
		% of holding	Amount in Rs.	% of holding	Amount in Rs.
1	PARMESWOR LAL AGRAWAL	0.50	10,075,000	0.50	10,075,000
2	GYANENDRA KUMAR SHARMA	0.50	10,075,000	0.50	10,075,000
3	SAURABH GURAGAIN	0.51	10,218,000	0.51	10,218,000
4	BHUSHAN GURAGAIN	0.51	10,255,000	0.51	10,255,000
5	TSERING CHUKIE SHERPA	0.75	15,015,000	0.75	15,015,000
6	NORBU TSERING LAMA	0.78	15,762,500	0.78	15,762,500
7	LOPSANG TENZING NEPALI	0.78	15,762,500	0.78	15,762,500
8	HARI PRASAD AGRAWAL	0.78	15,762,500	0.78	15,762,500
9	JAMUNA POUDYAL	0.78	15,762,500	0.78	15,762,500
10	JYOTI KUMAR BEGANI	0.90	18,135,000	0.90	18,135,000
11	SAILENDRA GURAGAIN	0.99	19,948,500	0.99	19,948,500
12	SUSHILA SHARMA	1.00	20,150,000	1.00	20,150,000
13	NIRANJAN LAL KHETAN	1.00	20,150,000	1.00	20,150,000
14	PRAMOD KUMAR KHETAN	1.00	20,150,000	1.00	20,150,000
15	CHANDA KUMARI BEGANI	1.10	22,165,000	1.10	22,165,000
16	UMA SHARMA	1.12	22,500,000	1.12	22,500,000
17	BHOGEN德拉 KUMAR GURAGAIN	1.37	27,512,500	1.37	27,512,500
18	SHIV RATAN SHARADA	1.43	28,750,000	1.43	28,750,000
19	RADHESHYAM SHARADA	1.43	28,750,000	1.43	28,750,000
20	PAWAN KUMAR SHARADA	1.43	28,750,000	1.43	28,750,000
21	SAROJ DUGAR	2.00	40,300,000	2.00	40,300,000
22	SRI NIWAS SHARADA	2.00	40,300,000	2.00	40,300,000
23	SAURAV TATER	2.00	40,300,000	2.00	40,300,000
24	VISHAL TATER	2.00	40,300,000	2.00	40,300,000
25	VIVEK TATER	2.00	40,300,000	2.00	40,300,000
26	PUJA DUGAD	2.00	40,300,000		
27	SHARDHA DUGAD	2.00	40,300,000		
28	NIDHI DUGAD	2.00	40,300,000		
29	TOLARAM DUGAR	0.00	-	6.00	120,900,000
30	BACHHA RAJ TATER	3.00	60,450,000	3.00	60,450,000
31	SURENDRA DUGAR	3.15	63,456,000	3.15	63,456,000
32	VIVEK DUGAR	3.71	74,766,600	3.71	74,766,600
33	SRAWAN KUMAR GOYAL	5.01	100,911,200	5.01	100,911,200
34	KAILASH CHANDRA GOYAL	5.01	100,911,200	5.01	100,911,200
35	MALCHAND DUGAR	5.46	110,050,000	5.46	110,050,000
36	MOTI LAL DUGAR	7.23	145,684,500	7.23	145,684,500



Reserve and Funds

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.2

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. General Reserve Fund	88,912,519	66,673,816
2. Capital Reserve Fund	-	-
a. Share Premium	32,407,723	32,407,723
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserves & Funds	2,255,855	300,000
5.1. Contingent Reserve	-	-
5.2. Institution Development Fund	-	-
5.3. Dividend Equalisation Fund	-	-
5.4. Special Reserve Fund	-	-
5.5. Assets Revaluation Reserve	-	-
5.6. Deferred Tax Reserve	1,955,855	-
5.7. Other Free Reserves	-	-
5.8. Investment Adjustment Reserve	300,000	300,000
6. Accumulated Profit/Loss	7,443,532	28,804,399
7. Exchange Fluctuation Fund	5,182,682	2,875,489
Total	136,202,311	131,061,427

Debentures & Bonds

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.3

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. % Debentures of Rs.... each (Issued on.....with maturity on.....) (Outstanding balance of Redemption Reserve till date Rs.....)	-	-
2. % Bonds of Rs.... each (Issued on.....with maturity on.....) (Outstanding balance of Redemption Reserve till date Rs.....)	-	-
3.	-	-
Total (1+2+3)	-	-

Borrowings

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.4

Particulars	Current Year (NRs.)	Previous Year (NRs.)
A. Domestic		
1. Government of Nepal		
2. Nepal Rastra Bank	-	-
3. Repo Obligations		
4. Inter-bank and Financial Institutions	-	
5. Other Financial Institutions		
6. Others	-	-
Total	-	-
B. Foreign		
1. Banks		
2. Others	-	-
Total	-	-
Total (A+B)	-	-



Deposit Liability

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.5

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Non-Interest Bearing Accounts		
A. Current Deposits	516,832,750	371,186,965
1. Local Currency	476,238,347	339,157,260
1.1 Government of Nepal		
1.2 "A" Class Licensed Institutions	2,189,754	749,808
1.3 Other Licensed Financial Institutions	15,175,214	4,179,473
1.4 Other Organized Institutions	423,523,581	303,734,949
1.5 Individuals	35,349,798	30,493,030
1.6 Others	-	-
2. Foreign Currency	40,594,403	32,029,705
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	-	-
2.4 Other Organized Institutions	40,435,607	19,217,845
2.5 Individuals	158,796	12,811,860
2.6 Others	-	-
B. Margin Deposits	253,599,124	204,554,388
1. Employees' Guarantee	-	-
2. Guarantee Margin	172,851,090	152,031,365
3. Margin on Letter of Credit	63,640,670	43,190,022
4. Others	17,107,364	9,333,001
C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institutions	-	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts (A+B+C)	770,431,874	575,741,353



Deposit Liability

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.5

Particulars	Current Year (NRs.)	Previous Year (NRs.)
2. Interest Bearing Accounts		
A. Savings Deposits	7,190,817,703	5,493,743,679
1. Local Currency	7,163,880,570	5,446,017,068
1.1 Organized Institutions	186,749,004	125,401,090
1.2 Individuals	6,977,131,566	5,320,615,978
1.3 Others	-	-
2. Foreign Currency	26,937,133	47,726,611
2.1 Institutions	3,436	10,662
2.2 Individuals	26,933,697	47,715,949
2.3 Others	-	-
B. Fixed Deposits	7,005,736,959	4,868,151,617
1. Local Currency	6,474,753,459	4,529,239,117
1.1 Organized Institutions	3,832,441,355	2,199,115,585
1.2 Individuals	2,642,312,104	2,330,123,532
1.3 Others	-	-
2. Foreign Currency	530,983,500	338,912,500
2.1 Organized Institutions	530,100,000	338,912,500
2.2 Individuals	883,500	-
2.3 Others	-	-
C. Call Deposits	3,792,013,341	2,454,077,137
1. Local Currency	3,734,092,413	2,420,468,424
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Institutions	2,405,604,301	869,364,945
1.3 Other Organized Institutions	799,395,055	1,086,346,824
1.4 Individuals	529,093,057	464,756,655
1.5 Others	-	-
2. Foreign Currency	57,920,928	33,608,713
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Institutions	289,604	-
2.3 Other Organized Institutions	56,963,288	31,068,790
2.4 Individuals	668,036	2,539,923
2.5 Others	-	-
D. Certificate of Deposits	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts (A+B+C+D)	17,988,568,003	12,815,972,433
Total Deposits (1+2)	18,758,999,877	13,391,713,786

**Bills Payable**

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.6

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Local Currency	8,075,298	2,593,955
2. Foreign Currency	1,405,601	105,616
Total	9,480,899	2,699,571

Other Liabilities

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.7

Particulars		Current Year (NRs.)	Previous Year (NRs.)
1. Pension/Gratuity Fund		7,392,447	4,442,720
2. Employees' Provident Fund			217,264
3. Employees' Welfare Fund			-
4. Provision for Staff Bonus		15,764,368	7,841,444
5. Interest Payable on Deposits		28,421,411	19,525,994
6. Interest Payable on Borrowing			-
7. Unearned Discount and Commission		18,783,115	14,456,137
8. Sundry Creditors		9,533,470	1,989,495
9. Branch Adjustment Account			-
10. Deferred Tax Liability		640,270	2,596,125
11. Unpaid Dividend		21,971,403	15,880,720
12. Others		150,766,204	162,433,285
a. Audit Fees Payable	369,171		335,610
b. TDS Payable	25,833,184		23,721,977
c. Retention Money	4,117,657		2,882,250
d. Refund IPO Payable	42,596,451		43,159,340
e. Others	77,849,741		92,334,108
Total		253,272,688	229,383,184



Cash Balance

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.8

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Local Currency (Including Coins)	663,127,530	578,912,109
2. Foreign Currency	5,235,109	8,565,733
Total	668,362,639	587,477,842

Balance at Nepal Rastra Bank

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.9

Particulars	Local Currency	Foreign Currency in NPR			Current Year (NRs.)	Previous Year (NRs.)
		INR	Convertible FCY	Total NPR		
1. Nepal Rastra Bank	3,203,832,544	-	18,918,133	18,918,133	3,222,750,677	890,020,075
a. Current Account	3,203,832,544	-	18,918,133	18,918,133	3,222,750,677	890,020,075
NRs					-	-
US\$					-	-
b. Other Account	-	-	-	-	-	-

Note: Balance as per the confirmation statements received from respective banks is Rs. 3,247,269,352.27. Difference have been identified, reviewed and reconciled.

Balance with Banks/ Financial Institutions

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.10

Particulars	Local Currency	Foreign Currency in NPR			Current Year (NRs.)	Previous Year (NRs.)
		INR	Convertible FCY	Total NPR		
1. Local Banks	341,993,334	-	3,902,827	3,902,827	345,896,161	210,742,830
a. Current Account	341,993,334	-	3,902,827	3,902,827	345,896,161	210,742,830
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	-	53,295,916	117,983,503	171,279,419	171,279,419	216,201,858
a. Current Account	-	53,295,916	117,983,503	171,279,419	171,279,419	216,201,858
b. Other Account	-	-	-	-	-	-
Total	341,993,334	53,295,916	121,886,330	175,182,246	517,175,580	426,944,688

Note: Balance as per the confirmation statements received from respective Banks is Rs. 513,962,557.47 Difference have been identified, reviewed and reconciled.

Money at Call and Short Notice

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.11

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Local Currency	42,167,344	290,360,452
2. Foreign Currency	58,458,682	33,536,919
Total	100,626,026	323,897,371



Investments

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.12

Particulars	Purpose		Current Year (NRs.)	Previous Year (NRs.)
	Trading	Others		
1. Nepal Government's Treasury bills		1,251,277,342	1,251,277,342	716,983,650
2. Nepal Government's Savings Bonds			-	-
3. Nepal Government's Development Bonds		140,600,000	140,600,000	20,600,000
4. Nepal Rastra Bank Bonds			-	-
5. Foreign Securities			-	-
6. Local Licenced Institutions		26,505,000	26,505,000	21,405,000
7. Foreign Banks		370,046,487	370,046,487	319,754,796
8. Corporate Shares		18,700,000	18,700,000	18,700,000
9. Corporate Bonds & Debentures			-	-
10. Other Investments	2,000,000		2,000,000	5,900,000
Total Investment	2,000,000	1,807,128,829	1,809,128,829	1,103,343,446
Less : Provision	167,344	-	167,344	-
Net Investment	1,832,656	1,807,128,829	1,808,961,485	1,103,343,446

Investments in Shares, Debentures and Bonds

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.12 (A)

Particulars	Cost Price	Market Value	Provision	Current Year	Previous Year
1. Investment in Shares	18,700,000	15,900,000	-	18,700,000	18,700,000
1.1 Gurans Life Insurance Company Ltd 150,000 Ordinary Shares of Rs. 100 each at par	15,000,000	15,900,000	-	15,000,000	15,000,000
1.2 Nepal Clearing House Ltd 25,000 Ordinary Shares of Rs. 100 each at par	2,500,000	Not Listed	-	2,500,000	2,500,000
1.3 National Banking Training Institute 12,000 Ordinary Shares of Rs. 100 each at par	1,200,000	Not Listed	-	1,200,000	1,200,000
2. Investment in Debentures and Bonds	-	-	-	-	-
2.1					
2.2					
2.3					
Total Investment	18,700,000	15,900,000	-	18,700,000	18,700,000
3. Provision for Loss	-	-	-	-	-
3.1 Upto Previous Year	-	-	-	-	-
3.2 Adjustment This Year	-	-	-	-	-
Total Provision	-	-	-	-	-
	18,700,000	15,900,000		18,700,000	18,700,000

Note: None of the above listed companies have declared dividend during the last three years.



Investments (Held for Trading)

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.12.1

Particulars	Cost Price (NRs)	Previous Market Value (NRs) (A)	Current Market Value (NRs) (B)	Current s Year Profit/ (Loss) (B-A)	Previous Year Profit/ (Loss)
1. Government of Nepal - Treasury bills	-	-	-	-	-
2. Government of Nepal - Savings Bonds	-	-	-	-	-
3. Government of Nepal - Development Bonds	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-
5. Foreign Securities	-	-	-	-	-
6. Shares of Local Licensed Institutions	-	-	-	-	-
7. Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-
8. Shares, Bonds & Debenture of Organized Institutions	-	-	-	-	-
9. Placement	-	-	-	-	-
10. Inter bank Lending	-	-	-	-	-
11. Other Investment	2,000,000	-	-	-	-
Total Investment	2,000,000	-	-	-	-

Investments (Held till Maturity)

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.12.2

Particulars	Cost Price (A)	Accumulated Loss till date (B)	Current Yr Loss (C)	Currents Year Profit/(Loss) (A-B-C)	Previous Year Profit/ (Loss) NPR
1. Government of Nepal - Treasury bills	1,251,277,342	-	-	-	-
2. Government of Nepal - Savings Bonds	-	-	-	-	-
3. Government of Nepal - Development Bonds	140,600,000	-	-	-	-
4. Nepal Rastra Bank Bonds					
5. Foreign Securities					
6. Shares of Local Licensed Institutions					
7. Bonds & Debentures of Local Licensed Institutions					
8. Shares, Bonds & Debenture of Organized Institutions					
9. Placement	396,551,487	-	-	-	-
10. Other Investment					
Total Investment	1,788,428,829				

**Investments (Available for Sale)**

As at 31 Asadh 2069 (15 July 2012)

Schedule 4.12.3

Particulars	Cost Price(Rs)	Previous Market Value(NRs) (A)	Current Market Value(NRs) (B)	Current Year's Adjustment Fund (B-A)	Previous Year Profit/ (Loss)
1. Government of Nepal - Treasury bills					-
2. Government of Nepal - Savings Bonds					
3. Government of Nepal - Development Bonds					-
4. Nepal Rastra Bank Bonds					
5. Foreign Securities					
6. Shares of Local Licensed Institutions					
7. Bonds & Debentures of Local Licensed Institutions					
8. Shares, Bonds & Debenture of Organized Institutions	18,700,000	-	-	-	-
9. Placement					
10. Inter bank Lending					
11. Other Investment		-	-	-	-
Total Investment	18,700,000	-	-	-	-



Classification of Loans, Advances and Bills Purchase and Provisioning

As at Ashad end 2069 (15 July 2012)

Schedule 4.13

Particulars	Loans and Advances							Bills Purchased & Discounted		Current Year (NRs.)	Previous Year (NRs.)
	Domestic			Foreign	Total Loans and Advances	Local	Foreign	Total			
	Deprived		Others								
	Insured	Uninsured									
1. Performing Loan	-	503,806,015	-	13,569,076,498	-	14,072,882,513	226,685,933	-	226,685,933	14,299,568,446	11,997,971,201
A. Pass loans	-	503,806,015	-	13,569,076,498	-	14,072,882,513	226,685,933	-	226,685,933	14,299,568,446	11,997,971,201
2. Non Performing Loan	-	9,983,733	-	512,392,264	-	522,375,997	-	-	-	522,375,997	436,411,951
2.1 Restructured/ Re-scheduled	-	-	-	-	-	-	-	-	-	-	187,074,886
2.1 Sub Standard	-	-	-	125,929,458	-	125,929,458	-	-	-	125,929,458	19,509,056
2.2 Doubtful	-	-	-	111,263,104	-	111,263,104	-	-	-	111,263,104	34,871,102
2.3 Loss	-	9,983,733	-	275,199,702	-	285,183,435	-	-	-	285,183,435	194,956,907
Total Loans (A)	-	513,789,748	-	14,081,468,762	-	14,595,258,510	226,685,933	-	226,685,933	14,821,944,443	12,434,383,152
3. Loan Loss Provision	-	-	-	-	-	-	-	-	-	-	-
3.1 Pass Loans	-	5,038,060	-	135,690,765	-	140,728,825	2,266,859	-	2,266,859	142,995,684	119,979,712
3.2. Restructured/ Re-scheduled Loan	-	-	-	-	-	-	-	-	-	-	187,074,886
3.3 Sub Standard	-	-	-	31,482,365	-	31,482,365	-	-	-	31,482,365	4,877,264
3.4 Doubtful	-	-	-	55,631,552	-	55,631,552	-	-	-	55,631,552	17,435,551
3.5 Loss	-	9,983,733	-	275,199,702	-	285,183,435	-	-	-	285,183,435	194,956,907
Total Provisions (B)	-	15,021,793	-	498,004,384	-	513,026,177	2,266,859	-	2,266,859	515,293,036	524,324,320
4. Provision upto Previous year	-	-	-	-	-	-	-	-	-	-	-
4.1 Pass Loans	-	4,248,313	-	115,075,520	-	119,323,833	655,879	-	655,879	119,979,712	120,879,175
4.2 Restructured/ Re-scheduled Loans	-	9,983,733	-	177,091,153	-	187,074,886	-	-	-	187,074,886	2,495,933
4.3 Sub Standard	-	-	-	4,877,264	-	4,877,264	-	-	-	4,877,264	11,888,955
4.4 Doubtful	-	-	-	17,435,551	-	17,435,551	-	-	-	17,435,551	35,035,417
4.5 Loss	-	-	-	194,956,907	-	194,956,907	-	-	-	194,956,907	9,685,697
Total Provision upto Previous Year (C)	-	14,232,046	-	509,436,395	-	523,668,441	655,879	-	655,879	524,324,320	179,985,176
Write back during the year	-	-	-	298,799,479	-	298,799,479	-	-	-	298,799,479	232,638
Additional Provision during the year	-	789,747	-	287,367,468	-	288,157,215	1,610,980	-	1,610,980	289,768,195	344,571,782
Net Change for this year	-	789,747	-	(11,432,011)	-	(10,642,264)	-	-	-	(10,642,264)	344,339,143
Net Loan (A-B)	-	498,767,955	-	13,583,464,378	-	14,082,232,333	224,419,074	-	224,419,074	14,306,651,407	11,910,058,832



Securities for Loans, Advances and Bills Purchased

As at 15 July 2012

Schedule 4.13 (A)

Particulars	Current Year (NRs.)	Previous Year. (NRs.)
(A) Secured	14,821,944,443	12,434,383,152
1. Collateral of Movable/Immovable Assets	13,757,236,803	11,549,428,086
2. Guarantee of Local Licensed Institutions		
3. Guarantee of Government of Nepal		
4. Guarantee of Internationally Rated Banks		
5. Export Documents		
6. Fixed Deposit Receipts	79,587,769	82,885,328
(a) Own FDR	79,587,769	82,885,328
(b) FDR of other Banks		
7. Government Bonds	399,115	
8. Counter Guarantees		
9. Personal Guarantee		
10. Other Securities	984,720,756	802,069,738
(B) Unsecured		
Total	14,821,944,443	12,434,383,152



Fixed Assets

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.14

Particulars	Assets					Current Year (NRs.)	Previous Year (NRs.)
	Building	Vehicles	Machinery	Office Equipment	Others		
1. Cost Price							
a. Previous year's balance	-	84,113,981	-	246,311,160	32,520,377	362,945,518	304,440,277
b. Additions this year	-	9,464,075		26,944,755	2,479,075	38,887,905	68,597,265
c. Revaluation/Written back this year	-					-	-
d. This year sold	-	(5,120,900)		(289,100)		(5,410,000)	(9,570,884)
e. This year written off	-			(134,125)		(134,125)	(521,140)
Total Cost (a+b+c+d+e)	-	88,457,156	-	272,832,690	34,999,452	396,289,298	362,945,518
2. Depreciation							
a. Upto previous year	-	23,067,496	-	76,288,621	9,129,107	108,485,224	58,087,484
b. For this year	-	12,824,320		40,325,395	4,973,858	58,123,573	52,960,872
c. Depreciation on revaluation/written back	-					-	-
d. Depreciation adjustment/Written off	-	(2,423,739)		(300,247)		(2,723,986)	(2,563,132)
Total Depreciation	-	33,468,077	-	116,313,769	14,102,965	163,884,811	108,485,224
3. Written Down Value (1-2)	-	54,989,079	-	156,518,921	20,896,487	232,404,487	254,460,294
4. Land	-	-	-	-	-	-	-
5. Capital Construction(Capital WIP)	-	-	-	-	-	-	-
6. Leasehold Assets (net of amortisation)	116,192,932		-	-	-	116,192,932	117,270,665
Total (3+4+5+6)	116,192,932	54,989,079	-	156,518,921	20,896,487	348,597,419	371,730,959



Non Banking Assets

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.15

Name & Address of Borrower	Date of Assuming Non Banking Assets	Gross Non Banking Assets (NRs.)	Less : Provisions		Net Non Banking Assets (NRs.)	Previous Year (NRs.)
			%	Amount		
Yuoui Freindship Business Company Pvt. Ltd.	15/07/2011	27,786,327	100%	27,786,327	-	-
Address: House No. 143/23 Ward No. 29, Jyatha, Kathmandu, Nepal						
				-	-	-
Total		27,786,327		27,786,327	-	-

Other Assets

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.16

Particulars		Current Year (NRs.)	Previous Year (NRs.)
1. Stock of Stationery		6,059,589	6,359,448
2. Income Receivable on Investments		19,100,527	19,103,768
3. Accrued Interest on Loans		17,611,347	16,584,621
Accrued Interest on Loans	167,376,353		96,640,648
Less: Interest Suspense	149,765,006		80,056,027
4. Commision Receivable			6,337,413
5. Sundry Debtors		1,264,506	23,654,594
6. Staff Loans and Advances		59,165,608	43,305,383
7. Prepayments		27,750,809	10,370,352
8. Cash-in-Transit			
9. Other Transit Items (including cheques)		42,221,916	41,805,649
10. Drafts Paid Without Notice			
11. Expenses to be Written off		51,492,869	8,584,837
12. Branch Adjustment Accounts		206,229	
13. Deferred Tax Asset			
14. Others		81,009,775	60,878,690
a. Advance Income Tax	74,231,781		31,920,968
b. Others	6,777,994		28,957,722
Total		305,883,174	236,984,755



Other Assets (Additional Statement)

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.16 (A)

Particulars	Current Year (NRs.)				Previous Year (NRs.)
	Upto 1 year	1 to 3 years	Above 3 years	Total	
1. Accrued Interest on Loans	125,348,453	42,027,900	-	167,376,353	96,640,648
2. Draft Paid without Notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Local/Foreign Agency Account	-	-	-	-	-

Contingent Liabilities

As at 31 Ashad 2069 (15 July 2012)

Schedule 4.17

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Claims on Bank but not Accepted by the Bank	-	-
2. Letters of Credit (Full Amount)	506,075,543	562,868,533
a. Letter of Credit With Maturity Less than 6 Months	506,075,543	562,868,533
b. Letter of Credit With Maturity More than 6 Months	-	-
3. Rediscounted Bills	-	-
4. Unmatured Guarantees/Bonds	1,500,794,252	1,097,809,234
a. Bid Bonds	153,917,200	138,491,635
b. Performance Bonds	1,345,168,173	959,317,599
c. Other Guarantee/Bonds	1,708,879	-
5. Unpaid Shares in Investment	-	-
6. Forward Exchange Contract Liabilities	-	8,113,417
7. Bills under Collection	182,534,756	19,781,870
8. Acceptances and Endorsements	381,136,730	273,954,021
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	739,788,437	500,174,133
11. Guarantees issued against Counter Guarantee of In'lly Rated Foreign Banks	-	-
12. Advance Payment Guarantees	901,529,252	695,437,563
13. Financial Guarantees	-	-
14. Contingent Liabilities on Income Tax	-	-
15.	-	-
Total	4,211,858,970	3,158,138,771



Interest Income

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.18

Particulars	Current Year (NRs.)	Previous Year (NRs.)
A. On Loans, Advances and Overdrafts	1,931,712,382	1,763,404,372
1. Loans and Advances	1,309,531,914	1,090,052,825
2. Overdrafts	622,180,468	673,351,547
B. On Investment	54,931,603	153,821,835
1. Nepal Government Securities	51,955,178	118,185,383
a. Treasury Bills	47,065,846	116,350,006
b. Development Bonds	4,529,115	1,648,000
c. National Savings Certificates	360,217	187,377
2. Foreign Securities	-	-
a.		
b.		
3. Nepal Rastra Bank Bonds		
4. Debentures and Bonds	-	-
5. Interest on Interbank Placements	2,976,425	35,636,452
a. Bank/ Financial Institutions	2,976,425	35,636,452
b. Other Institutions		
C. On Agency Balances	59,067	57,497
1. Local Banks/Financial Institutions		44,440
2. Foreign Banks	59,067	13,057
D. On Money at Call and Short Notice	10,442,825	-
1. Local Banks/Financial Institutions	10,410,706	-
2. Foreign Banks	32,119	-
E. On Others	4,213,741	1,460,896
1. Certificates of Deposit		-
2. Local Banks/Financial Institutions Loan		-
3. Others	4,213,741	1,460,896
Total	2,001,359,618	1,918,744,600



Interest Expenses

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.19

Particulars	Current Year (NRs.)	Previous Year (NRs.)
A. On Deposit Liabilities	1,408,900,532	1,182,910,810
1. Fixed Deposits	722,440,771	532,448,514
1.1 Local Currency	706,345,522	515,600,637
1.2 Foreign Currency	16,095,249	16,847,877
2. Savings Deposits	407,934,575	431,380,314
2.1 Local Currency	407,647,000	431,249,845
2.2 Foreign Currency	287,575	130,469
3. Call Deposits	278,525,186	219,081,982
3.1 Local Currency	277,706,260	217,547,302
3.2 Foreign Currency	818,926	1,534,680
4. Certificate of Deposits	-	-
B. On Borrowings	1,080,261	38,191,197
1. Debentures & Bonds	-	-
2. Loan from Nepal Rastra Bank	-	24,624,380
3. Inter Bank/Financial Institutions Borrowings	1,080,261	13,566,817
4. Other Organized Institutions	-	-
5. Other Loans	-	-
C. On Others	715,203	596,518
1. Lockers	715,203	596,518
2	-	-
Total	1,410,695,996	1,221,698,525



Commission and Discounts

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.20

Particulars	Current Year (NRs.)	Previous Year (NRs.)
A. Bills Purchased and Discounted	756,667	1,849,062
1. Local	724,785	1,734,133
2. Foreign	31,882	114,929
B. Commission	47,028,933	34,214,867
1. Letters of Credit	13,181,363	12,035,999
2. Guarantees	10,658,147	4,267,531
3. Collection Fees	2,340,977	1,087,727
4. Remittance Fees	3,140,824	804,315
5. Credit Cards	-	-
6. Share Underwriting /Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	-	-
9. Exchange Fee	-	-
10. Bid Bonds/ Performance Bonds	17,707,622	16,019,295
C. Others	22,659,746	14,695,425
Total	70,445,346	50,759,354

Other Operating Income

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.21

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Rental on Safe Deposit Lockers	2,323,210	2,077,243
2. Issue and Renewal of Credit Cards	-	-
3. Issue and Renewal of ATM Cards	32,523,063	16,191,035
4. Telex/ T. T.	1,822,973	3,897,783
5. Service Charges	32,772,787	23,828,847
6. Renewal Fees	-	-
7. Others	93,355	-
Total	69,535,388	45,994,908



Exchange Fluctuation Gain/ (Loss)

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.22

Particulars	Current Year (NRs.)	Previous Year (NRs.)
A. Revaluation Gain	9,228,773	3,711,221
B. Trading Gain (Except exchange fees)	29,635,288	30,324,095
Total	38,864,061	34,035,316

Staff Expenses

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.23

Particulars	Current Year (NRs.)	Previous Year (NRs.)
1. Salary	92,589,659	69,819,004
2. Allowances	78,767,590	53,369,540
3. Contribution to Provident Fund	7,467,887	5,161,996
4. Training Expenses	1,797,880	1,702,078
5. Uniform	3,084,193	2,699,800
6. Medical		
7. Insurance	4,476,883	3,544,289
8. Pension and Gratuity Expenses	2,949,727	1,578,056
9. Others	3,223,122	2,806,853
Total	194,356,941	140,681,616



Office Overhead Expenses

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.24

Particulars		Current Year	Previous Year
1. House Rent		42,577,372	39,649,397
2. Electricity and Water		7,827,471	7,044,836
3. Repairs and Maintenance		2,868,539	1,595,981
a. Building	506,308		653,995
b. Vehicles	1,215,053		941,986
c. Others	1,147,178		
4. Insurance		12,845,617	6,305,369
5. Postage, Telex, Telephone, Fax		6,883,139	6,120,117
6. Office Equipment, Furniture & Repairs		8,107,727	4,776,696
7. Travelling Allowance and Expenses		2,774,520	3,669,683
8. Printing and Stationery		8,857,424	8,045,075
9. Books and Periodicals		302,996	259,000
10. Advertisements		6,363,283	6,695,724
11. Legal Fees		23,901	
12. Donations		25,000	-
13. Expenses Relating to Board of Directors		1,503,119	1,462,239
a. Meeting Fees	1,383,000		1,386,000
b. Other Expenses	120,119		76,239
14. Annual General Meeting Expenses		566,682	722,688
15. Expenses Relating to Audit		567,855	732,272
a. Audit Fees	369,171		335,610
b. Other Expenses	198,684		396,662
16. Fund Transfer Expense			
17. Depreciation on Fixed Assets		58,123,573	52,954,711
18. Amortization of Preliminary Expenses			
19. Share Issue Expenses		721,240	3,055,626
20. Professional Fees		3,752,146	5,408,248
21. Entertainment		247,685	194,280
22. Written off Expenses		27,804,739	17,448,167
23. Security Expenses		29,847,491	25,080,445
24. Credit Guarantee Premium		80,325	104,367
25. Commission and Discount		4,164,019	2,624,736
26. Others Expenses		53,212,001	46,317,230
a. Registration Fees	1,655,981		1,978,163
b. ATM and Card Related Expenses	15,613,579		9,712,457
c. Subscription Fees	2,381,545		2,146,718
d. others	33,560,896		32,479,892
Total		280,047,864	240,266,887



Provision for Possible Loss

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.25

Particulars	Current Year	Previous Year
1. Increase in Loan Loss Provision	289,768,195	344,571,782
2. Increase in Provision for Loss on Investment	167,344	-
3. Provision for Non Banking Assets		27,786,327
4. Provision for Other Assets	-	-
Total	289,935,539	372,358,109

Non-operating Income/Loss

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.26

Particulars	Current Year	Previous Year
1. Profit (Loss) on Sale of Investments	-	-
2. Profit (Loss) on Sale of Assets	(19,553)	(301,189)
3. Dividend	-	-
4. Subsidies Received from Nepal Rastra Bank	-	-
a. Reimbursement of Losses of Specified Branches	-	-
b. Interest Subsidy	-	-
c. Exchange Counter	-	-
d.	-	-
5. Others	125,750	11,795,394
Total	106,197	11,494,205

Loan Loss Provision Written Back

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.27

Particulars	Current Year	Previous Year
1. Loan Loss Provision Written Back	298,799,479	232,638
2. Provision against Non Banking Assets Written Back	-	-
3. Provision against Investment Written Back	-	-
4. Provision against Other Assets Written Back	-	-
Total	298,799,479	232,638

**Income/(Loss) from Extraordinary Items**

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.28

Particulars	Current Year	Previous Year
1. Recovery of Loan Written off	-	-
2. Voluntary Retirement Scheme Expenses	-	-
3. Loan Write Offs { Refer Schedule 4.28 (Ka)}	130,665,705	-
4. Other Expense/Income	-	-
5.	-	-
Total	130,665,705	-

Details of Write off Loan

For the period from 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Schedule 4.28 (A)

S. N	Loan Type	Amount Write off NPR	Type of Security	Basis of Valuation	Loan approved by Name/ Designation authority	Initiations made for Recovery	Remark
1	Everest Vinyl	129,638,308	Building, Plant and Machinery		BOD		-
2	Moti Prasad Ramanagar	562,708	Vehicle		CEO		
3	Bhumi Kandel	464,689	Vehicle		DGM		
4							
5							
	Total	130,665,705					

**Statement of Loans & Advances Extended to Directors/Chief Executive/Promoters/Employees and Shareholders holding more than 1 percent shares
As at 31 Ashad 2069 (15 July 2012)**

The Statement of amount include under total amount of Bills purchases & Discounted ,Loans, Advances and Overdraft, provided to Directors, Chief Executives,Promoters,Employees, Shareholders holding more than 1% shares and to the individual member of their undivided family or against the guarantee of such persons or to the Organisation or Companies in which such individuals are managing agent are as follows

Schedule 4.29

Name of Promoter/Director/Chief Executive	Last Year's Balance		This Year's Recovery		This Year Additions	Balance as at 30 Poush 2068	
	Principal	Interest	Principal	Interest		Principal	Interest
(A) Directors	-	-	-	-	-	-	-
1							
2							
3							
(B) Chief Executives	-	-	-	-	-	-	-
1. CEO	-		-		-	-	
2							
3							
(C) Promoters	-	-	-	-	-	-	-
1							
2							
3							
(D) Employees	-	-	-	-	-	-	-
1							
2							
3							
(E) Shareholders holding more than 1% Shares	-	-	-	-	-	-	-
1							
2							
3							
Total	-	-	-	-	-	-	-

**CAPITAL ADEQUACY TABLE(After adjustment of 2%in Operational risk, 1% in Market risk and 3% on Total RWE)****Schedule 4.30 (A1)**

As at 15 July 2012

(Rs in '000')

Particulars	Current Year	Previous Year
1.1 RISK WEIGHTED EXPOSURES		
a Risk Weighted Exposure for Credit Risk	16,906,321	14,685,105
b Risk Weighted Exposure for Operational Risk	1,540,626	1,244,986
2% adjustment and Capital Charge on Operational Risk		
c Risk Weighted Exposure for Market Risk	52,341	51,867
Adjustments under Pillar II	-	-
Add : % of the Total RWE due to non-compliance to Disclosure Requirement(6.4 a 10)	-	-
Add :% of the total deposits due to insufficient Liquid Assets (6.4 a 6)	-	-
2% additional risk weight for Operational Risk	175,188	175,188
1% additional risk weight for Market Risk	6,970	-
3% adjustment on Total RWE	554,979	799,098
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	19,236,425	16,956,244
1.2 CAPITAL		
Core Capital (Tier 1)	2,117,788	2,127,886
a Paid up Equity Share Capital	2,015,000	2,015,000
b Irredeemable Non-cumulative preference shares	-	-
c Share Premium	32,408	32,408
d Proposed Bonus Equity Shares	-	-
e Statutory General Reserves	88,913	66,674
f Retained Earnings	7,444	28,804
g Un-audited current year cumulative profit	-	-
h Capital Redemption Reserve	-	-
i Capital Adjustment Reserve	-	-
j Dividend Equalization Reserves	-	-
k Other Free Reserve	1,956	-
l Less: Goodwill	-	-
m Less: Miscellaneous Expenditure not written off	(12,933)	-
n Less: Investment in equity in licensed Financial Institutions	-	-
o Less: Investment in equity of institutions with financial interests	(15,000)	(15,000)
p Less: Investment in equity of institutions in excess of limits	-	-
q Less: Investments arising out of underwriting commitments	-	-
r Less: Reciprocal crossholdings	-	-
s Less: Other Deductions	-	-
Adjustments under Pillar II	-	-
Less: Shortfall in Provision (6.4 a 1)	-	-
Less: Loans & Facilities extended to Related Parties & Restricted lending (6.4 a 2)	-	-
Supplementary Capital (Tier 2)	148,479	123,155
a Cumulative and/or Redeemable Preference Share	-	-
b Subordinated Term Debt	-	-
c Hybrid Capital Instruments	-	-
d General loan loss provision	142,996	119,980
e Exchange Equalization Reserve	5,183	2,875
f Investment Adjustment Reserve	300	300
g Assets Revaluation Reserve	-	-
h Other Reserves	-	-
	2,266,267	2,251,041
1.3 CAPITAL ADEQUACY RATIOS	Current Year	Previous Year
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	11.01%	12.55%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	11.78%	13.28%



RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As at 15 July 2012

Schedule 4.30 (B)
Amount in '000'

Particulars	Ashad End 2069						Previous Year	
	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)	Net Value	Risk Weighted exposures
Cash Balance	666,514	0	0	666,514	0%	0	585,725	-
Balance With Nepal Rastra Bank	3,222,751	0	0	3,222,751	0%	0	890,028	0
Gold	1,849	0	0	1,849	0%	0	1,753	0
Investment in Nepalese Government Securities	1,393,877	0	0	1,393,877	0%	0	20,600	0
All Claims on Government of Nepal	90,614	0	0	90,614	0%	0	90,614	0
Investment in Nepal Rastra Bank securities	0	0	0	0	0%	0	716,984	0
All claims on Nepal Rastra Bank	0	0	0	0	0%	0	22,997	0
Claims on Foreign Government and Central Bank (ECA 0-1)	0	0	0	0	0%	0	0	0
Claims on Foreign Government and Central Bank (ECA -2)	0	0	0	0	20%	0	0	0
Claims on Foreign Government and Central Bank(ECA -3)	0	0	0	0	50%	0	0	0
Claims on Foreign Government and Central Bank(ECA-4-6)	0	0	0	0	100%	0	0	0
Claims on Foreign Government and Central Bank(ECA -7)	0	0	0	0	150%	0	0	0
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	0	0	0	0	0%	0	0	0
Claims on Other Multilateral Development Banks	0	0	0	0	100%	0	0	0
Claims on Public Sector Entity (ECA 0-1)	0	0	0	0	20%	0	0	0
Claims on Public Sector Entity (ECA 2)	0	0	0	0	50%	0	0	0
Claims on Public Sector Entity (ECA 3-6)	0	0	0	0	100%	0	0	0
Claims on Public Sector Entity (ECA 7)	0	0	0	0	150%	0	0	0
Claims on domestic banks that meet capital adequacy requirements	153,598	0	42,000	111,598	20%	22,320	401,202	80,240
Claims on domestic banks that do not meet capital adequacy requirements	318,830	0	0	318,830	100%	318,830	121,306	121,306
Claims on foreign bank (ECA Rating 0-1)	371,850	0	0	371,850	20%	74,370	510,504	102,101
Claims on foreign bank (ECA Rating 2)	134,968	0	0	134,968	50%	67,484	43,098	21,549
Claims on foreign bank (ECA Rating 3-6)	0	0	0	0	100%	0	0	0

(Contd...)

**RISK WEIGHTED EXPOSURE FOR CREDIT RISK contd....**

As at 15 July 2012

Schedule 4.30 (B)
Amount in '000'

Particulars	Ashad End 2069						Previous Year	
	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)	Net Value	Risk Weighted exposures
Claims on foreign bank (ECA Rating 7)	0	0	0	0	150%	0	0	0
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	35,107	0	0	35,107	20%	7,021	15,900	3,180
Claims on Domestic Corporates	8,290,584	0	16,840	8,273,744	100%	8,273,744	6,810,801	6,810,801
Claims on Foreign Corporates (ECA 0-1)	0	0	0	0	20%	0	0	0
Claims on Foreign Corporates (ECA-2)	0	0	0	0	50%	0	0	0
Claims on Foreign Corporates (ECA 3-6)	0	0	0	0	100%	0	0	0
Claims on Foreign Corporates (ECA 7)	0	0	0	0	150%	0	0	0
Regulatory Retail Portfolio (Not Overdue)	1,567,466	0	443,451	1,124,015	75%	843,012	764,115	573,086
Claims fulfilling all criterion of regulatory retail except granularity	35,465	0	35,465	0	100%	0	85,721	85,721
Claims secured by residential properties	375,516	0	0	375,516	60%	225,310	304,083	182,450
Claims not fully secured by residential properties	22,394	0	0	22,394	150%	33,591	43,812	65,718
Claims secured by residential properties (Overdue)	33,143	0	0	33,143	100%	33,143	0	0
Claims secured by Commercial real estate	1,594,398	0	0	1,594,398	100%	1,594,398	1,633,482	1,633,482
Past due claims (except for claim secured by residential properties)	1,201,139	372,297	0	828,841	150%	1,243,262	361,806	542,710
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	1,384,540	0	366,900	1,017,641	150%	1,526,461	1,537,548	2,306,322
Investments in equity and other capital instruments of institutions listed in the stock exchange	0	0	0	0	100%	0	15000	15000
Investments in equity and other capital instruments of institutions not listed in the stock exchange	3,700	0	0	3,700	150%	5,550	3,700	5,550
Staff Loan secured by residential property	36,060	0	0	36,060	60%	21,636	0	0
Interest receivable/claim on government securities	17,307	0	0	17,307	0%	0	0	0
Cash in transit and other cash items in the process of collection	42,220	0	0	42,220	20%	8,444	0	0
Other Assets	872,865	418,654	0	454,211	100%	454,211	519,510	519,510
TOTAL	21,866,755	790,952	904,656	20,171,147		14,752,787	15,500,290	13,068,727

(Contd...)



RISK WEIGHTED EXPOSURE FOR CREDIT RISK contd.....

Schedule 4.30 (B)
Amount in '000'

As at 15 July 2012

Particulars	Ashad End 2069						Previous Year	
	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)	Net Value	Risk Weighted exposures
B. Off Balance Sheet Exposures								
Revocable Commitments	0	0	0	0	0%	0	-	-
Bills Under Collection	182,535	0	0	182,535	0%	0	19,782	-
Forward Exchange Contract Liabilities	0	0	0	0	10%	0	8,113	811
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	506,076	0	63,641	442,435	20%	88,487	533,281	106,656
foreign counterparty (ECA Rating 0-1)	0	0	0	0	20%	0	-	-
foreign counterparty (ECA Rating- 2)	0	0	0	0	50%	0	-	-
foreign counterparty (ECA Rating 3-6)	0	0	0	0	100%	0	-	-
foreign counterparty (ECA Rating-7)	0	0	0	0	150%	0	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	0	0	0	0	50%	0	-	-
foreign counterparty (ECA Rating 0-1)	0	0	0	0	20%	0	-	-
foreign counterparty (ECA Rating-2)	0	0	0	0	50%	0	-	-
foreign counterparty (ECA Rating 3-6)	0	0	0	0	100%	0	-	-
foreign counterparty (ECA Rating-7)	0	0	0	0	150%	0	-	-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	1,500,794	0	132,068	1,368,726	50%	684,363	962,267	481,134
foreign counterparty (ECA Rating 0-1)	0	0	0	0	20%	0	-	-
foreign counterparty (ECA Rating-2)	0	0	0	0	50%	0	-	-
foreign counterparty (ECA Rating 3-6)	0	0	0	0	100%	0	-	-
foreign counterparty (ECA Rating -7)	0	0	0	0	150%	0	-	-
Underwriting commitments	0	0	0	0	50%	0	-	-
Lending of Bank's Securities or Posting of Securities as collateral	0	0	0	0	100%	0	-	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	0	0	0	0	100%	0	-	-

(Contd...)



RISK WEIGHTED EXPOSURE FOR CREDIT RISK contd....

Schedule 30 (B)
Amount in '000'

As at 15 July 2012

Particulars	Ashad End 2069						Previous Year	
	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)	Net Value	Risk Weighted exposures
B. Off Balance Sheet Exposures								
Advance Payment Guarantee	901,529	0	50,047	851,482	100%	851,482	667,266	667,266
Financial Guarantee	0	0	0	0	100%	0	-	-
Acceptances and Endorsements	381,137	0	0	381,137	100%	381,137	260,352	260,352
Unpaid portion of Partly paid shares and Securities	0	0	0	0	100%	0	-	-
Irrevocable Credit commitments (Short term)	739,430	0	0	739,430	20%	147,886	499,759	99,952
Irrevocable Credit commitments (long term)	359	0	0	359	50%	179	416	208
Other Contingent Liabilities	0	0	0	0	100%	0	-	-
Unpaid Guarantee Claims	0	0	0	0			-	-
TOTAL	4,211,860	0	245,756	3,966,104		2,153,534	2,951,235	1,616,378
Total RWE for credit Risk (A) +(B)	26,078,615	790,952	1,150,412	24,137,252		16,906,321	18,451,525	14,685,105
Adjustments under Pillar II							-	-
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)	-	-	-	-		0	-	-
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)	26,078,615	790,952	1,150,412	24,137,252		16,906,321	18,451,525	14,685,105



ELIGIBLE CREDIT RISK MITIGANTS

As at 15 July 2012

Schedule 4.30 (C)
Amount in '000'

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										
Cash Balance										-
Balance with Nepal Rastra Bank										-
Gold										-
Investment in Nepalese Government Securities										-
All Claims on Government of Nepal										-
Investment in Nepal Rastra Bank securities										-
All claims on Nepal Rastra Bank										-
Claims on Foreign Government Securities (ECA 0-1)										-
Claims on Foreign Government Securities (ECA -2)										-
Claims on Foreign Government Securities (ECA -3)										-
Claims on Foreign Government Securities (ECA-4-6)										-
Claims on Foreign Government Securities (ECA -7)										-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework										-
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				42,000						42,000
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	11,400	5,440								16,840
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)										-

(Contd...)



ELIGIBLE CREDIT RISK MITIGANTS contd....

Schedule 4.30 (C)
Amount in '000'

As at 15 July 2012

Credit exposures	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)	(i)	
Balance Sheet Exposures										
Regulatory Retail Portfolio (Not Overdue)	70,518		372,534	399						443,451
Regulatory Retail Portfolio (Overdue)										-
Claims fulfilling all criterion of regulatory retail except granularity			35,465							35,465
Claims secured by residential properties										-
Claims no 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 (Venture capital, private equity investments, personal loans and credit card receivables)	144,379	16,851	205,670	-						366,900
Investments in equity and other capital instruments of institutions not listed in the stock exchange										-
Investments in equity and other capital instruments of institutions listed in the stock exchange										-
Other Assets (as per attachment)										-
Total (A)	226,297	22,291	613,669	42,399	-	-	-	-	-	904,656
Off Balance Sheet Exposures										
Revocable Commitments										-
Bills Under Collection										-
Forward Exchange Contract Liabilities										-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	63,641									63,641
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating-2)										-

(Contd...)



ELIGIBLE CREDIT RISK MITIGANTS contd....

As at 15 July 2012

Schedule 4.30 (C)
Amount in '000'

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
Balance Sheet Exposures	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
foreign counterparty (ECA Rating- 7)										-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)										-
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)										-
foreign counterparty (ECA Rating - 7)										-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	132,068									132,068
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating - 2)										-
foreign counterparty (ECA Rating 3-6)										-
foreign counterparty (ECA Rating- 7)										-
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	50,047									50,047
Financial Guarantee										-
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (Short term)										-
Irrevocable Credit commitments (long term)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Other Contingent Liabilities										-
Total (B)	245,756	-	-	-	-	-	-	-	-	245,756
Grand Total (C=A+B)	472,053	22,291	613,669	42,399	-	-	-	-	-	1,150,412

**RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK***Schedule 4.30 (D)*

As at 15 July 2012

Amount in '000'

Particulars	FY 2065/66	FY 2066/67	FY 2067/68	Current FY 2068-69
Net Interest Income	264,065	584,603	697,046	590,664
Commission and Discount Income	58,628	81,652	50,759	70,445
Other Operating Income	3,214	8,854	45,995	69,535
Exchange Fluctuation Income	35,583	42,784	34,035	38,864
Additional/Deduction in Interest Suspense during the period	4,704	31,952	48,104	69,709
Gross income (a)	366,194	749,844	875,940	839,217
Alfa (b)	15%	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	54,929	112,477	131,391	125,883
Capital Requirement for operational risk (d) (average of c)	35,392	61,087	99,599	123,250
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10	10	10	10
Equivalent Risk Weight Exposure [f=(d×e)]	353,922	610,870	995,989	1,232,501
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				
Equivalent Risk Weight Exposure [g]				
Equivalent Risk Weight Exposure [h=f+g]*1.25]	442,403	763,588	1,244,986	1,540,626



RISK WEIGHTED EXPOSURE FOR MARKET RISK

As at 15 July 2012

Schedule 4.30 (E)
Amount in '000'

Currency	ASHADH END 2069				Previous Year
	Open Position (FCY)	Rate	Open Position (LCY)	Relevant Open Position	Relevant Open Position
Pound Sterling	47	137.64	6,435	6,435	53,915
Hongkong Dollar	0	11.21	0	-	0
Indian Rupees	45,843	1.60	73,383	73,383	15,407
Japanese Yen	315	1.12	352	352	939
Malaysian Ringgit	2	27.38	54	54	24
Thai bhat	0	2.74	0	-	-
Swish Frank	10	90.81	902	902	-
Chinese Yuan	1	13.70	19	19	2
Quatar Rial	3	23.79	74	74	85
Australian Dollar	22	90.81	2,022	2,022	285
Canadian Dollar	3	87.65	259	259	1
Arab Emirates Dhiram	4	23.15	96	96	54
Denish Croner	35	14.37	504	504	606
US Dollar	210	88.35	18,520	18,520	19,980
EURO	18	108.90	1,920	1,920	12,194
Saudi Arab Rial	5	23.26	112	112	229
Singapore Dollar	0	69.72	2	2	11
Swedish Croner	0	12.37	0	-	-
Korean Won	383	0.07	29	29	
Total Open position (a)				104,682	103,732
Fixed Percentage (b)				5%	5%
Capital Charge for Market Risk [c={axb}]				5,234	5,187
Risk weight (reciprocal of capital requirement of 10%) in times (d)				10	10
Equivalent Risk Weight Exposure[e={cxd}]				52,341	51,867



Principal Indicators for this financial year

For the period from 1 Shrawan 2068 to 31 Asadh, 2069 (17 July 2011 to 15 July 2012)

Schedule 4.31

Indicators	Unit	F/ Y - 2008/09 (2065/ 066)	F/ Y - 2009/ 10 (2066/ 067)	F/ Y - 2010/ 11 (2067/068)	F/ Y - 2011/ 12 (2068/069)
1. Net Profit/ Gross Income	Percent	13.55 %	12.16 %	2.16%	5.10 %
2. Earnings Per Share	Rs.	6.78	16.35	2.20	5.52
3. Market Value Per Share	Rs.		265	163.00	145
4. Average Price	Rs.			175.40	
5. Price Earning Ratio	Ratio		16.21	74.24	26.28
6. Dividend (including bonus) on Share Capital	Percent		10.00%	4.00%	5.26%
7. Cash Dividend on Share Capital	Percent		10.00%	4.00%	5.26%
8. Interest Income/ Loans and Advances	Percent	2.95%	4.85%	15.43%	13.03%
9. Staff Expenses/ Total Operating Expenses	Percent	61.95%	38.31 %	36.93 %	40.97 %
10. Interest Expenses/ Total Deposits and Borrowings	Percent	4.12%	6.45%	9.12%	7.51%
11. Exchange Gain/ Total Income	Percent	4.08%	2.55 %	1.66%	1.78%
12. Staff Bonus/ Total Staff Expenses	Percent	15.95%	22.87 %	5.57%	8.11%
13. Net Profit/Total Loans and advances	Percent	0.95%	1.70%	0.36%	0.75%
14. Net Profit/ Total Assets	Ratio	0.005	0.01	0.003	0.005
15. Total Loans & Advances/ Total Deposits	Percent	74.53%	81.57%	92.86%	79.01%
16. Total Operating Expenses/ Total Assets	Percent	1.18%	1.91 %	2.40	2.23
16. Capital Adequacy (On Risk Weighted Assets)					
a. Core Capital	Percent	11.88%	10.47%	12.55%	11.01%
b. Supplementary Capital	Percent	0.78%	0.90%	0.73%	0.77%
c. Total Capital Fund	Percent	12.66%	11.37%	13.28%	11.78%
17. Liquidity	Percent	37.07%	24.25%	24.32%	32.40%
18. Non-Performing Loan/ Total Loans & advances	Ratio	0.00070	0.010	0.035	0.035
19. Weighted Average Interest Rate Spread	Percent	3.65%	4.92%	3.83%	3.54%
20. Book Net Worth	Rs.'000'	1,307,570	1,385,015	2,146,061	2,151,202
21. Number of Shares	Nos.	12,500,000	12,500,000	20,150,000	20,150,000
22. Number of Staff	Nos.	311	376	471	459
23. others					



Significant Accounting Policies

Schedule- 4.32

1. General Information

Sunrise Bank Limited ("The Bank") is a limited liability company domiciled in Nepal. The address of its registered office is at Gairidhara Crossing, Kathmandu, Nepal.

The bank is licensed by Nepal Rastra Bank- 'NRB' the Central Bank of Nepal, to carry out the commercial banking business in Nepal as "A" class licensed financial institution. The bank is listed in Nepal Stock Exchange Limited. The financial statements contained in this report have been approved for publication by the Board of Directors and NRB.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation and presentation of these financial statements are stated herein below. The said policies have been consistently applied throughout the period of presentation, unless otherwise stated.

3. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards ("NAS") issued by the Nepal Accounting Standard Board except otherwise stated, Generally Accepted Accounting Principles ("GAAP"), Bank and Financial Institutions Act 2063 ("BAFIA") and other requirements of NRB Directives and in conformity with the Companies Act 2063.

4. Basis of Preparation

The financial statements are presented in Nepalese Rupees (NPR), rounded off to the nearest Rupee. Financial Statements are prepared on the historical cost convention. The preparation of financial statements in conformity with NAS and GAAP which requires

the use of certain critical accounting estimates. It also requires management to exercise judgement and discretion in the process of applying the bank's accounting policies.

The Bank follows accrual system of accounting for the preparation of financial statements unless otherwise stated. All the formats of the financial statements are in accordance with the NRB Directives.

5. Interest Income

Interest income on loans and advances is recognised on cash basis as per the Nepal Rastra Bank Directives except for interest accrued as on the year end (July 15, 2012) and collected within 1 month (i.e. 16th August, 2012) of the Balance sheet date as permitted by NRB although this practice is not in accordance with NAS 7 (Revenue) which prescribe that the revenue should be recognized on accrual basis. The practice followed by the bank (as per NRB directives) is more conservative.

Interest income on Investments and placements are accounted for on accrual basis.

6. Commission Income

All the commission incomes are accounted for on cash basis. However, commission receivable on Letter of credit and guarantees exceeding NPR 50,000 with a maturity exceeding one year from the date of transactions is accounted for on accrual basis and pro-rated over the tenure of transactions.

7. Dividend Income

Dividend income on equity shares is recognised when the right to receive dividend is established.



8. Foreign Exchange Transactions

Foreign currency assets and liabilities are translated into NPR at the mid rate between buying and selling rates of the Bank on the Balance Sheet date.

Income realised from the differences between buying and selling rates of foreign exchange is accounted for on a daily basis and shown as “Trading Gain”.

Gains/Losses arising due to fluctuation in exchange rates of different foreign currencies is accounted for on a daily basis and shown as “Revaluation Gain/(Loss)”. As required by the directives of Nepal Rastra Bank, 25% of such revaluation gain during the accounting year is transferred to “Exchange Fluctuation Reserve” through Profit and Loss Appropriation Account.

9. Interest Expense

Interest expenses on deposit liabilities and borrowings from other banks/financial institution are accounted for on accrual basis.

10. Loans and Advances including Bills Purchased

Loans and advances, overdrafts and bills purchased includes overdrafts, term loans, working capital loans, consumer loans, loans disbursed as deprived sector lending and other loans extended to the customers as per the Bank’s policy. All credit exposures are subject to regular review and are graded according to the level of credit risk and are classified as per NRB Directives. Loans and advances, overdrafts and bills purchased are shown net of provisions.

11. Staff Loans and Advances

Loans and Advances granted to the staffs as per the approved policy and Staff service rules have been shown under Other Assets.

12. Loan Loss Provision

The provision for possible losses on loans and advances and bills purchased are provided at the rates from 1 percent to 100 percent according to the classification of such risk assets as per NRB Directives.

13. Loans & Advances Write Off

Unrecoverable loans and advances are written off in accordance with the write off By-laws approved by the Board of Directors and NRB, without prejudice to bank’s right to recovery. Amounts recovered against loans written off in earlier years are recognised as income in the profit and loss account in the year of recovery.

14. Investments

Investments are classified as held for trading, held to maturity and available for sale.

a. Held for Trading:

Investments that are made for the purpose of generating profit from short term fluctuations in price are classified under this category. These investments are marked to market and differences reflected in the profit and loss account.

b. Held to Maturity:

The investments made with positive intent and ability of the bank to hold till maturity is classified as held to maturity investments. The held to maturity investments are valued at amortized cost i.e. the cost price less any impairments (if applicable). The impairments are included in the profit and loss accounts for the period.



c. Available for Sale:

All other investments that are neither "held for trading" nor "held to maturity" are classified under this category. These investments are marked to market on a regular basis and the difference adjusted through provision for investments.

Investment Adjustment Reserve of 2% is also created in addition which qualifies for Supplementary Capital.

All Investments are subject to regular review as required by Nepal Rastra Bank Directives.

e. Depreciation on the assets acquired during the first 15 days of the month is provided from the same month and depreciation on fixed assets acquired after 15th of any month is provided from the subsequent month. Depreciation on the assets disposed off during the year is charged up to the day prior to disposal.

f. Depreciation for Income Tax purpose is calculated at the rates and in the manner prescribed by the Income Tax Act, 2058.

15. Fixed Assets and Depreciation

- Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that are directly attributable to the acquisition of the assets.
- Assets with a value less than Rs. 5,000 are charged off as a revenue expense irrespective of its useful life in the year of purchase.
- Depreciation on fixed assets is computed over the estimated useful life of fixed assets and is charged to Profit & Loss Account on Straight Line method. The rates of depreciation and estimated useful lives of the assets are presented below:

Particulars	Rate of depreciation	Useful Life
Furniture and fixtures -Metal	10 %	10 years
Furniture and fixtures -Wood	15 %	7 years
Computers & Accessories	20 %	5 years
Office Equipments	15 %	7 years
Vehicles	15 %	7 years

- Lease hold improvements are capitalised at cost and amortised over the lease period on a straight line basis. The amount of amortisation is charged to Profit and Loss Account.

16. Non-Banking Assets

Non-Banking assets are the assets obtained as a security for loans and advances that are subsequently taken over by the Bank in the course of loan recovery. Non-Banking Assets are valued at lower of total receivable from loan amount (principal and interest) or fair market value of the assets acquired. Provisions for NBA are made in accordance with the NRB Directives.

17. Software Expenses

Acquired computer software licences are capitalised on the basis of cost incurred to acquire and bring to use the specific software. The costs are amortised over their estimated useful lives (i.e. estimated useful life of software is considered 5 years) on a straight line basis.

18. Employee Benefits

a. Provident Fund

Periodic contribution of the bank to Employees Provident Fund is recognised as expenses and deposited into the approved retirement fund.

b. Accumulated Leave

Provisions for accumulated leave payable to staff is recognised on accrual basis and accounted accordingly in the books of accounts.

**c. Gratuity**

Gratuity liability of staff accrues after completion of a fixed period of a full time employment of the Bank in accordance with HR policy guideline.

d. Staff Bonus

Staff Bonus is provided for in accordance with the provision of the Bonus Act 10% of the net profit of the bank.

19. Stationery

Stationery purchased are stated at cost and charged to revenue at the time of consumption. Certain stationeries are specific to the bank.

20. Taxes**a. Income Tax**

Provision for taxation has been made on the basis of the Income Tax Act 2058 and amendments thereon.

b. Deferred Tax

Deferred taxes are accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on the laws that have been enacted or subsequently enacted by the reporting date.

Deferred tax assets arising from temporary difference and unused tax losses are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

20. Provisions, Contingent liabilities and Contingent Assets

The bank creates a provision when there is a present obligation arising as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

21. Previous Period's Figures

Previous period's figures are re-grouped or re-arranged wherever necessary to facilitate comparison with current year's figures.



Notes to Accounts

Schedule- 4.33

1. Interest Income and Interest Suspense

The interest accrued on loans and advances as at Balance Sheet date which has been collected within 1 month of Balance Sheet date (i.e. 16th August, 2012) amounting Rs. 17,611,347 has been considered as income in the same fiscal year. Interest receivable as on Balance Sheet date which remained uncollected even within 1 month of grace period allowed by NRB has been transferred to interest suspense account as per NRB Directives.

2. Provision for Staff Bonus

Provision for staff bonus has been made as per prevailing Bonus Act and the Directives of Nepal Rastra Bank. It has been calculated at 10% of the net profit before tax but including provision for staff bonus.

3. Staff Housing Fund

As per the service terms, the Bank has a provision of extending housing loans to eligible staffs but no separate Housing Fund has been created by the bank.

4. General Reserve

20 percent of the current year's net profit amounting to Rs. 22,238,703 (Previous year Rs.8,847,830) has been transferred to General Reserve as per the requirement of NRB directives.

5. Exchange Fluctuation Reserve

25% of Revaluation gain amounting to Rs. 2,307,193 (Previous year Rs. 927805) has been transferred to Exchange Fluctuation Reserve through the Profit and Loss appropriation account as per NRB directives.

6. Borrowing against own assets.

There is no borrowing against own assets.

7. Investment in Share Capital of other Corporate

The bank has made an investment of Rs 15,000,000, Rs.2, 500,00 and Rs. 1,200,000 in Gurans Life Insurance Company Limited, Nepal Clearing House Limited, and Nepal Banking Training Institute respectively which has been valued at cost.

8. Provision for Gratuity

During the year, the bank has provided gross provision of Rs. 3,195,961 (Previous Year Rs.15,78,056) on account of gratuity payable to the eligible staffs.

9. Provision for Leave

During the year, the bank has provided gross provision of Rs. 4,126,251 (Previous year Rs. 709,566) on account of leave payable to the eligible staffs.

10. Advance Income Tax

Advance income tax paid by the bank has been net-off with current income tax liability and presented accordingly.

11. Lease Commitment

Finance Lease

The bank has not entered into any finance lease and does not have any obligation in respect of finance lease.

Operating Lease

The bank has entered into a lease arrangement for office premises and ATM space outside of the branch for different periods, which can be terminated by either party giving prior notice as stipulated in the contract / agreement. The future minimum lease payment under non-cancellable operating leases, where the bank is lessee is NIL. There is no rental expense under non-cancellable operating leases.



12. Reconciliation Status

The bank carries out the reconciliation between branches and other agency accounts regularly. The difference has been identified, reviewed and reconciled and same has been or will be adjusted in due course of business.

(Rs in '000')

Reconciliation Status	Total Amount	< 3 months	>3<9 months	>9 months
Branch Reconciliation	233	71	Nil	162
Agency Accounts	56,113	53,823	2,297	(7)

13. Summary of Loans and Advances Disbursed, Recovered and Principal & Interest Written-off:

(Rs in '000')

Particulars	Amount
Outstanding Loans and Advances as of 15 July 2012	14,821,944
Outstanding Loans and Advances as of 16 July 2011	12,434,383
Changes during the year	2,387,561
% change during the year	19.20%
Loans and advances written off	130,666

14. Summary Status of the Deposit Liabilities

(Rs in '000')

Particulars	Current Period (15/07/2012)	Previous Period (16/07/2011)	Changes
Call Deposits	3,792,013	2,454,077	1,337,936
Current Deposits	516,833	371,187	145,646
Fixed Deposits	7,005,737	4,868,152	2,137,585
Margin Deposits	253,599	204,554	49,045
Saving Deposits	7,190,818	5,493,744	1,697,074

15. Weighted Average Interest Rate Spread

Particulars	Rate (%)
Average Rate of return from loans and advances	12.88
Average Rate of interest on deposits & borrowings	9.34
Net Spread	3.54

16. Particulars of Expenses yet to be Expensed-off

There are no deferred revenue expenditure/ fictitious assets to be written off. Premium paid on development bonds of Rs. 12.93 million is yet to be written off.

17. Summary of Concentration of Exposure

(Rs in '000')

Particulars	Loans , Advances and Bills Purchased	Deposits and Borrowings	Contingents
Total Amount as on 15 July 2012	14,821,944	18,759,000	4,211,859
Highest exposure to a single unit	425,432	450,000	463,072
Percentage of exposure to/ from single unit (%)	2.87	2.39	10.99



18. Classification of Assets and Liabilities based on Maturity

(Rs. In Lakhs)

S. N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
Assets							
1	Cash Balance	6,665				18	6,683
2	Balance with Banks & FIs	37,399					37,399
3	Investment in Foreign Banks	1,492		1,325	884		3,701
4	Call Money	1006					1006
5	Government Securities	11,744	769				1,2513
6	Nepal Rastra Bank Bonds	20				1,406	1,426
7	Inter Bank & FI Lending	265					265
8	Loans & Advances	59,752	26,647	13,197	13,786	34,838	148,220
9	Interest Receivable	1,837	28				1,865
10	Reverse Repo						-
11	Receivables from other Institutions under Commitment						-
12	Payment to be made for facilities under s.no 20,21 & 22	3,939	5,498	2,949	4,866	16,864	34,116
13	Others					5,145	5,145
	Total Assets (A)	124,119	32,942	17,471	19,536	58,271	252,339
Liabilities							
14	Current Deposits	20,771				24,853	45,624
15	Saving Deposits	10,347				61,561	71,908
16	Fixed Deposits	18,963	21,989	20,507	7,859	739	70,057
17	Debentures						-
18	Borrowings:	-	-	-	-	-	-
	(a) Call/Short Notice						-
	(b) Inter-bank/Financial Institutions						-
	(c) Refinance						-
	(d) Others						-
19	Other Liabilities and Provisions	4,059	315	-	556	3,130	8,060
	(a) Sundry Creditors	95					95
	(b) Bills Payable	95					95
	(c) Interest Payable	284					284
	(d) Provisions	1,589	315		556	3,130	5,590
	(e) Others	1,996					1,996
20	Payable to other institutions under Commitment						-
21	Unutilized Approved Facilities	1,228	1,890	2,002	2,274	4	7,398
22	Letter of Credit/Guarantee (Net of Margin)	2,711	3,608	947	2,592	16,861	26,719
23	Repo						-
24	Payment to be made for facilities under S.No 11						-
25	Others					22,573	22,573
	Total Liabilities (B)	58,079	27,802	23,456	13,281	129,721	252,339
	Net Financial Assets (A-B)	66,040	5,140	(5,985)	6,255	(71,450)	(0)
	Cumulative Net Financial Assets	66,040	71,180	65,195	71,450	(0)	-

**19. Details of Non Banking Assets**

Particulars	Balance up to Last FY	Addition during this FY	Sold during this FY	Outstanding Balance as on As at 15 July 2012
Non Banking Assets	27,786,327	-	-	27,786,327

20. Details of Lease-hold Assets Amortisation

(Rs in '000')

Leasehold assets up to last year	Leasehold assets addition during this year	Amortisation during the year	Net Balance at the end of this year (As at 15 July 2012)
117,271	13,368	14,446	116,193

21. Deferred Tax Assets/ (Liabilities)

Carrying amount of Assets & Liabilities where temporary differences arise as on 31 Ashad 2069 (15 July 2012) are as follows:

Particulars	Tax Base	Carrying Amount	Temporary Differences
Fixed Assets	213,705,262	232,404,487	18,699,225
Provision for gratuity	-	7,392,447	(7,392,447)
Provision for accumulated Leave	-	7,230,735	(7,230,735)
Leasehold Assets	116,192,931	116,192,931	-
Deferred Software	38,560,016	38,560,016	-
Provision for Interbank Investment	-	1,67,344	(167,344)
Expenses for capital items	1,774,464	-	(1,774,464)
Net Temporary Differences			2,134,234
Net closing DTL @ 30%			640,270
Closing DTL at the end of FY 2067/68			2,596,125
DTL to be charged to P/L in the current FY			(1,955,855)

Net deferred tax liabilities as of Ashad end 2069 (15 July 2012) is Rs. 640,270.

Rs. 1,955,855 have been recognized as deferred tax assets in Profit and Loss Account in the current year. The amount of deferred tax assets recognised has been transferred to Deferred Tax Reserve through Profit and Loss Appropriation Account.



22. Related Parties

22.1 Transactions with related companies:

The bank has entered into financial transactions with the following related parties where directors have financial interest.

(NRs. in '000')

Particulars	Nature of transaction	Amount
Gurans Life Insurance Co Ltd, where a director has financial interest	Investment in Ordinary Shares	15,000
	Deposits	0

22.2 Details of Compensation paid to key management personnel during the year:

Key management personnel (which includes CEO, Deputy CEO, Deputy General Manager, Assistant General Manager, Chief Manager and Senior Manager) compensation for the period comprised:

Particulars	Amount (NRs. in '000')
Short term employee benefits	36,120
Post employment benefits	2,500
Other long term benefits	9,055
Termination benefits	331
Share based payments	Nil

The name of key management personnel includes:

1. Mr. Surendra Man Pradhan
2. Mr. Bala Ram Bista
3. Mrs. Asha Rana Adhikary
4. Mr. Robin K. Nepal
5. Mr. Arun Parajuli

Key management personnel are also provided with the benefits of vehicle (under Own Your Vehicle Scheme) and salary advances. There is no share based payments to the employees. Employees are entitled to gratuity (as termination benefits) as per the Human Resource Policy of the bank.

The Board meeting fees of Rs 1,383,000/- has been expensed off and provided to Directors, the bank has not provided any other non cash benefit to directors except board meeting fees.

23. Bonus and Dividend

The BOD has proposed cash dividend @5%(net of TDS) for the financial year.

**DISCLOSURE UNDER CAPITAL ADEQUACY FRAMEWORK - BASEL II**

As at 15 July 2012

A. CAPITAL STRUCTURE AND CAPITAL ADEQUACY TABLE:

1.

S. N	Tier 1 capital and a breakdown of its components	Amount in '000'
a.	Paid up capital	2,015,000
b.	Share Premium	32,408
c.	Statutory General Reserve	88,913
d.	Retained Earnings	7,444
e.	Other Free Reserve	1,956
f.	Less: Miscellaneous Expenditure not written off	(12,933)
g.	Less: investment in equity of institutions with vested interests	(15,000)
	Total Core Capital (Tier I)	2,117,788

2.

S.N.	Tier 2 capital and a breakdown of its components	Amount in '000'
a.	General Loan Loss Provision	142,996
b.	Exchange Equalization Reserve	5,183
c.	Investment Adjustment Reserve	300
	Total Supplementary Capital (Tier II)	148,479
	Total Capital Fund (Tier I +Tier II)	2,266,267

3. Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital funds:

The Bank does not have any subordinated debt instruments.

4. Deduction from Capital:

- Miscellaneous expenditure not written off of 12.93 mil : The Bank has made an investment in in development bonds issued by NRB amounting Rs.120 million for which premium of of Rs.14.55 million was paid which shall be written off within the tenure of investment.
- Investment made in Gurans Life Insurance Company Limited of Rs.15 million.

5. Total qualifying capital :

Particulars	Amount
Core Capital (Tier 1)	2,117,788
Supplementary Capital (Tier 2)	148,479
Total Capital Fund	2,266,267

6. Capital Adequacy Ratios

S.N.	Capital Adequacy Ratios	Percentage
a.	Tier 1 Capital to Total Risk Weighted Exposures	11.01%
b.	Total Capital Fund to Total Risk Weighted Exposures	11.78%

7. Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:

The Bank's paid up capital is Rs. 2.015 Billion which is in compliance with the licensing condition of NRB due to which Bank has been able to have a steady and strong capital position. The overall



strategy of the bank has been formulated with the special consideration to the capital adequacy requirement according to BASEL II. The Bank increased its capital base to Rs. 2.015 billion from Rs. 1.25 Billion after issuance of right shares in two lots. The 1st lot of right share was issued in the ratio of 10:3 and 2nd lot of right share was successfully issued in the ratio of 10:2.4. A paid up capital of Rs. 2.015 Billion has empowered us to increase business steadily and ensure profitability.

8. Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.

Bank does not have any other capital instruments except fully paid equity shares as qualifying capital.

B. RISK EXPOSURES:

1. Risk Weighted Exposures:

All material risks faced by the bank has been addressed in the capital assessment process. However, bank has developed a process to estimate risks with reasonable certainties. All the three risks that have direct impact on the capital adequacy level have to the extent possible been managed in a structured manner with clear roles and responsibilities. In order to make a comprehensive assessment of risks, the process at minimum, addresses the following forms of risks covered below:

S.N.	Particulars	Amount in '000'
a.	Risk weighted exposure for Credit Risk	16,906,321
b.	Risk weighted exposure for Operational Risk	1,540,626
c.	Risk weighted exposure for Market Risk	52,341

All risks, including credit, operational and market risks are identified, escalated, monitored and mitigated to the satisfaction of the risk type

owner. The risk type owner is responsible for ensuring that all the risks are adequately identified, escalated, monitored and mitigated. The Bank has an adequate system in place for monitoring and reporting risk exposures and assessing how the changing risk profile affects the need for capital. The senior management and board of directors on a regular basis receive the report regarding the risk profile of the bank and its capital needs. All the material risks are identified, measured, monitored and reported by the respective risk type owner.

2. Risk weighted exposure under each of 11 categories of Credit Risks:

Amount in '000'

S.No	Particulars	Risk Weighted Exposures
a.	Claims on Govt. and Central Bank	-
b.	Claims on other Financial Entities	-
c.	Claims on Banks	490,025
d.	Claims on Corporate and Securities Firm	8,273,744
e.	Claims on Regulatory Retail Portfolio	843,012
f.	Claims secured by Residential Properties	292,043
g.	Claims secured by Commercial Real State	1,594,398
h.	Past due Claims	1,243,262
i.	High Risk Claims	1,526,461
j.	Other Assets	489,841
k.	Off balance sheet items	2,153,535
Total Risk Weighted Exposure for Credit Risk		16,906,321

3. Total Risk weighted exposure calculation table:

S.N.	Particulars	Amount in '000'
a.	Risk weighted exposure for Credit Risk	16,906,321
b.	Risk weighted exposure for Operational Risk	1,540,626
c.	Risk weighted exposure for Market Risk	52,341
d.	Adjustments under Pillar II	
	Add : 2% additional risk weight for Operational risk	175,188
	Add : 1% additional risk weight for Market risk	6,970
	Add : 3% adjustment on Total RWE	554,979
Total Risk Weighted Exposures (a+b+c+d)		19,236,425

**4. Details of Non Performing Assets (NPAs):***Amount in '000'*

S.N.	Non Performing Assets	Gross NPAs	Net NPAs
a.	Restructured or Rescheduled Loan	-	-
b.	Sub standard Loan	125,929	94,447
c.	Doubtful Loan	111,263	55,631
d.	Loss loan	285,183	
	Total NPAs	522,375	150,078

5. Ratios of Non-performing Assets:

S.N.	Particulars	Percentage
a.	Gross Non- Performing Assets/ Gross Loans	3.52%
b.	Net Non- Performing Assets/ Net Loans	1.05%

6. Movement of Non Performing Assets(Gross)*Amount in '000'*

Particulars	Current year	Previous year	Changes	Change (%)
Non-Performing Assets	522,375	436,412	85,963	19.70

7. Write off Loans and Interest Suspense:

Loan of Rs 130.66 mil has been written off during the FY 2068-69 and interest overdue of Everest Vinyl Limited since 13/10/2010 till 8th July, 2012 amounting Rs.45.41 million has been adjusted from interest suspense and accrued interest.

8. Movement of Loan Loss Provision and Interest Suspense:

S.N.	Particulars	Amount in '000'
a.	Movement of Loan Loss Provisions	(9,031)
b.	Movement of Interest Suspense	69,709

9. Details of Additional Loan Loss Provisions:

The Bank has made no additional loan loss provision.

10. Segregation of investment portfolio into Held for trading, Held to maturity and Available for sale category:

Investment Portfolio	Amount in '000'
Held for Trading	2,000
Held to Maturity	1,788,428
Available for Sale	18,700

C. RISK MANAGEMENT FUNCTION

- Summary of the bank's internal approach to assess the adequacy of its capital to support all the risks in business and achieve better risk management techniques in monitoring and managing risks

a. Board and senior management oversight

Bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels. It is also responsible for ensuring that the form and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position. The decisions made by the management are regularly reviewed by the BOD.

b. Sound capital assessment

Another crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment, the bank, at minimum, has the following:

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;
- A process that relates capital to the level of risk;
- A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- A process of internal control reviews and audits to ensure the integrity of the overall management process.



c. Comprehensive assessment of risks

All material risks faced by the bank has been addressed in the capital assessment process. Nepal Rastra Bank recognizes that not all risks can be measured precisely. However, bank has developed a process to estimate risks with reasonable certainties. All the three risks that have direct impact on the capital adequacy level has been managed in a structured manner with clear roles and responsibilities. In order to make a comprehensive assessment of risks, the process should, at minimum, address the forms of risks covered below.

Credit Risk

The Bank's Credit Policy Guidelines has adopted a Credit Risk Management philosophy that involves a continual measurement.

Market Risk

The Bank has in place Assets Liability Management (ALM) Policy, and Assets Liability Management Committee (ALCO), which monitors risks arising from changes in exchange rates in foreign currencies; liquidity profile of assets and liabilities, investment activities of the bank etc.

Operational Risk

The Bank has developed and implemented various manuals, operating procedures and guidelines for monitoring and controlling Operational Risks in the Bank; a number of procedure guidelines and manuals are in process of development.

Most significant steps adopted by the Bank for handling Operational Risks are as follows:

Independent reconciliation department accustomed to conducting daily reconciliation of all agency accounts and Inter-Branch accounts. Transaction Stack System is in place on amount limit basis. Exception and MIS reports are generated by the system on a 'Live' basis, where account activity

can be monitored as and when they occur. General Authority schedule is in place to delegate authority to staff across all levels. Independent Internal Audit has been appointed to carry out review of internal controls and compliance. Transactions in all levels are handled under dual supervision and control. Output in all transactions is checked by a higher authority level. Disaster Recovery Server is in place to ensure full restoration of Bank's data.

Other Risk

In addition to credit, credit concentration, operational and market risk, the Bank identifies, assesses and monitors other risks such as strategic risk and reputational risks at regular interval.

d. Monitoring and reporting All risks, including credit, operational and market risks

are identified, escalated, monitored and mitigated to the satisfaction of the risk type owner. The risk type owner is responsible for ensuring that all the risks are adequately identified, escalated, monitored and mitigated. The Bank has an adequate system in place for monitoring and reporting risk exposures and assessing how the changing risk profile affects the need for capital. The senior management and board of directors on a regular basis receive the report regarding the risk profile of the bank and its capital needs. All the material risks are identified, measured, monitored and reported by the respective risk type owner.

e. Internal Control Review

The internal control structure of the Bank is essential for sound capital assessment process. Effective control of the capital assessment process includes an independent review and involvement of both internal as well as external audits wherever appropriate. The Bank is committed conduct the regular review of its risk management process to ensure its integrity, accuracy, and reasonableness.



The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, Management and Internal Audit.

The Internal Audit monitors compliance with policies and standards and the effectiveness of internal control structures across the Bank through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports regularly to the Audit Committee. The findings of all adverse audits are reported to the Chief Executive Officer and Business Heads for immediate corrective actions

2. Types of eligible credit risk mitigants used and the benefits availed under CRM :

(Rs in '000')

S. No.	Particulars	Eligible CRM
1.	Deposit with Bank	472,053
2.	Deposits with other banks/FI	22,291
3.	Gold	613,669
4.	Govt.& NRB Securities	42,399
	Total	1,150,412

Statement of Loans and Advances Extended to Promotor/Group of promoters against Promoters shares

As at 31 Ashad 2069 (15 July 2012)

Schedule- 4.34

S.NO.	Promoter/ Group of Promoter shareholders name	Share ownership		Loan Details			Remarks
		No. of Shares	Net Paidup Capital (%)	Name of Bank/Fin. Instn	Loan amount	No. of shares	
1					-		
2					-		
3					-		
4					-		
5					-		
6					-		
	Total				-		



Comparison of Unaudited and Audited Financial Statements

Schedule 4.35
Amount in '000'

As of F/Y - 2068/069 (2011/2012)

S.No.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In Amount	In %	
1	Total Capital and Liabilities (1.1 to 1.7)	21,383,823	21,279,008	(104,815)	-0.49%	
	1.1 Paid up Capital	2,015,000	2,015,000	-	-	
	1.2 Reserve and Surplus	277,678	136,202	(141,476)	-103.87%	Impact of recovery of interest upto 32nd shrawan 2069, increase in loan loss provision and booking of certain missed out expenses, transfer made in deferred tax reserve and proposed dividend of 5% for the financial year.
	1.3 Debenture and Bonds	-	-	-	-	
	1.4 Borrowings	-	-	-	-	
	1.5 Deposits (a+b)	18,756,490	18,759,000	2,510	0.01%	Impact of TDS payable of interest on deposit as well as payment of certain missed out expenses to the accountholding clients.
	a. Domestic Currency	18,100,054	18,102,564	2,510		
	b. Foreign Currency	656,436	656,436	-	-	
	1.6 Income Tax Liability	63,980	-	(63,980)	-	Set off with Advance Income Tax paid
	1.7 Other Liabilities	270,675	368,806	98,132	26.61%	Impact of TDS payable of interest on deposit and origination of deferred tax asset and proposed dividend of 5% for the financial year.
2	Total Assets (2.1 to 2.7)	21,383,823	21,279,008	(104,815)	-0.49%	
	2.1 Cash and Bank Balance	4,408,290	4,408,289	(1)	-0.00%	Impact of TDS payable of interest on deposit.
	2.2 Money at Call and Short Notice	100,626	100,626	-	0.00%	
	2.3 Investments	1,808,961	1,808,961	-	0.00%	
	2.4 Net Loan and Advances	14,380,599	14,306,651	(73,948)	-0.52%	settlement of loan overdrawn, increase in loan loss provision and write back of excess provision made for the same
	2.5 Fixed Assets	348,597	348,597	(0)	-0.00%	
	2.6 Non Banking Assets	-	-	-	-	
	2.7 Other Assets	336,749	305,883	(30,866)	-10.09%	Current years tax liability has been netoff with advance tax
3	Profit and Loss Account					
	3.1 Interest Income	1,985,331	2,001,360	16,029	0.80%	Impact of recovery of interest upto 32nd shrawan 2069 and adjustment of interest overdrawn.
	3.2 Interest Expenses	1,410,696	1,410,696	0	0.00%	
A.	Net Interest Income (3.1-3.2)	574,635	590,664	16,029	2.71%	

(Contd...)



Comparison of Unaudited and Audited Financial Statements contd...

Schedule 4.35
Amount in '000'

As of FY - 2068/069 (2011/2012)

S.No.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In Amount	In %	
	3.3 Fees, Commission and Discount	70,445	70,445	-	0.00%	
	3.4 Other Operating Income	69,535	69,535	-	0.00%	
	3.5 Foreign Exchange Gain/Loss (Net)	38,864	38,864	-	-	
B.	Total Operating Income (A + 3.3+3.4+3.5)	753,480	769,508	16,029	2.08%	
	3.6 Staff Expenses	194,357	194,357	-	0.00%	
	3.7 Other Operating Expenses	278,136	280,048	1,912	0.68%	Booking of certain missed out expenses
C.	Operating Profit Before Provision (B - 3.6- 3.7)	280,987	295,104	14,116	4.78%	
	3.8 Provision for Possible Losses	161,209	289,936	128,727	44.40%	increase in loan loss provision
D.	Operating Profit/(Loss) (C - 3.8)	119,779	5,168	(114,610)	-2217.66%	
	3.9 Non Operating Income/Expenses (Net)	106	106	-	0.00%	
	3.10 Write Back to Provision for Possible Loss	242,437	298,799	56,362	18.86%	comparison of LLP on year to year basis rather than quarterly
E.	Profit/(Loss) from Regular Activities (D + 3.9+3.10)	362,322	304,074	(58,248)	-19.16%	
	3.11 Extraordinary Income/Expenses	(130,666)	(130,666)	-	-	
F.	Profit/(Loss) before Bonus and Taxes (E + 3.11)	231,657	173,408	(58,248)	-33.59%	
	3.12 Provision for Staff Bonus	21,060	15,764	(5,295)	-33.59%	Impact of adjustment in income and expenses
	3.13 Provision for Tax	63,980	46,450	(17,530)	-37.74%	
G.	Net Profit/Loss (F - 3.12-3.13)	146,617	111,194	(35,423)	-31.86%	



Unaudited Financial Results (Quarterly)
As at Fourth Quarter Ended of the Fiscal Year 2068/069

Schedule 4.36
Amount in '000'

Particulars	This Quarter Ending Asadh 31, 2069	Previous Quarter Ending, Chaitra 30, 2068	Corresponding Previous Year Quarter Ending Ashadh 32, 2068
1 Total Capital & Liabilities (1.1 to 1.7)	21,383,823	20,240,433	15,850,458
1.1 Paid-up Capital	2,015,000	2,015,000	2,015,000
1.2 Reserves and Surplus	277,678	210,513	131,061
1.3 Debenture and Bond	-	-	-
1.4 Borrowings	-	-	-
1.5 Deposits (a+b)	18,756,490	17,655,939	13,391,714
a. Domestic Currency	18,100,054	17,032,697	12,939,436
b. Foreign Currency	656,436	623,242	452,278
1.6 Income Tax Liabilities	63,980	34,051	-
1.7 Other Liabilities	270,675	324,931	312,683
2 Total Assets (2.1 to 2.7)	21,383,823	20,240,433	15,850,458
2.1 Cash & Bank Balance	4,408,290	3,630,259	1,904,443
2.2 Money at call and short Notice	100,626	408,380	323,897
2.3 Investments (Net)	1,808,961	1,566,772	1,103,343
2.4 Loans & Advances (a+b+c+d+e+f) (Net)	14,380,599	14,002,985	11,910,059
a. Real Estate Loan	2,572,898	2,718,287	2,742,550
1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	115,530	83,238	108,664
2. Business Complex & Residential Apartment Construction Loan	1,339,775	981,850	1,292,777
3. Income generating Commercial Complex Loan	-	-	-
4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,117,593	1,653,199	1,341,109
b. Personal Home Loan of Rs. 10 million or less	497,528	537,951	480,871
c. Margin Type Loan	14,695	45,821	74,586
d. Term Loan	2,003,837	1,853,728	1,684,775
e. Overdraft Loan / TR Loan / WC Loan	6,933,802	6,615,356	5,049,209
f. Others	2,357,838	2,231,842	1,878,067
2.5 Fixed Assets	348,597	340,281	371,731
2.6 Non Banking Assets (Net)	-	-	-
2.7 Other Assets	336,749	291,756	236,985
3 Profit and Loss Account	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
3.1 Interest income	1,985,331	1,393,233	1,918,745
3.2 Interest Expense	1,410,696	1,030,725	1,221,699
A Net Interest Income (3.1-3.2)	574,635	362,508	697,046
3.3 Fees Commission and Discount	70,445	44,377	50,759
3.4 Other Operating Income	69,535	44,415	45,995
3.5 Foreign Exchange Gain/Loss (Net)	38,864	26,530	34,035
B Total Operating Income (A+3.3+3.4+3.5)	753,480	477,831	827,835
3.6 Staff Expenses	194,357	139,175	140,682
3.7 Other Operating Expenses	278,136	190,674	240,267
C Operating profit Before Provision (B-3.6-3.7)	280,987	147,982	446,886
3.8 Provision for Possible Loss	161,209	208,672	372,358
D Operating profit (C-3.8)	119,779	(60,690)	74,528
3.9 Non Operating Income/Expenses (Net)	106	94	11,494
3.10 Write Back of Provision for Possible Loss	242,437	186,476	233
E Profit From Regular Activities (D+3.9+3.10)	362,322	125,880	86,255
3.11 Extraordinary Income/Expenses (Net)	(130,666)	(1,027)	-
F Profit Before Bonus and Taxes (E+3.11)	231,657	124,853	86,255
3.12 Provision For Staff Bonus	21,060	11,350	7,841
3.13 Provision For Tax	63,980	34,051	34,175
G Net Profit/Loss (F-3.12 -3.13)	146,617	79,452	44,239
4 Ratios	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
4.1 Capital Fund to RWA	12.75%	12.87%	13.28%
4.2 Non Performing Loan (NPL) to Total Loan	3.03%	4.010%	3.510%
4.3 Total Loan Loss Provision to total NPL	98.59%	91.07%	120.14%
4.4 Cost of Funds	9.34%	9.53%	9.19%
4.5 CD Ratio (Calculated as per NRB Directives)	72.81%	75.60%	82.53%
4.6 Average Yield (Local Currency)	12.77%	12.63%	13.02%
4.7 Net Interest Spread (Local Currency)	3.43%	3.10%	3.83%
4.8 Return on Equity	6.40%	4.76%	2.06%
4.9 Return on Assets	0.69%	0.52%	0.28%



नेपाल राष्ट्र बैंक

बैंक सुपरिवेक्षण विभाग

गैर-स्थलगत सुपरिवेक्षण महाशाखा

पत्रसंख्या:- बै.सु.वि./अफसाइट/एजिएम/२५/२०६९-७०

केन्द्रीय कार्यालय

बालुवाटार, काठमाडौं

पोष्ट बक्स नं. : ७३

फोन नं. : ४४१७४९७

आन्तरिक: २०४,२०५ र २०६

फ्याक्स नं. : ४४१२३०६

E-mail : bsdooffice@nrb.org.np

Web Site: www.nrb.org.np

मिति २०६९/०९/०१

सनराइज बैंक लिमिटेड

गैरीधारा, काठमाडौं।

विषय: वित्तीय विवरण प्रकाशन तथा लाभांश घोषणा/वितरण सम्बन्धमा।

महाशय,

त्यस बैंकले पेश गरेको आर्थिक वर्ष २०६८/६९ को वित्तीय विवरण र सो साथ संलग्न अनुसूचीहरू देहायको निर्देशन सहित सार्वजनिक गर्न सहमति तथा प्रस्ताव गरे बमोजिम चुक्ता पूँजीको ५.२६ प्रतिशत (रु. १०,६०,५२,६३२।) नगद लाभांश वार्षिक साभारण सभाबाट स्वीकृत भएको आधारमा वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१. लेखापरीक्षकले औल्याएका देहायका कैफियतहरू सहित अन्य कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था मिलाउनु हुन।

- केही प्रतितपत्रहरू आवश्यक सम्पूर्ण सूचना, कागजात र प्रक्रियाहरू पूरा नगरिकनै खोल्ने गरेको।
- व्यक्तिगत जमानीकर्ताको खूद सम्पत्ति (Networth) विवरण लिने नगरेको।
- केहि कर्जाहरूमा लेखापरीक्षण भएको वित्तीय विवरण लिने नगरेको।
- ग्राहक मूल्याङ्कन पद्धतीको लागि आवश्यक हुने सूचना तथा कागजातहरू पर्याप्त नरहेको।

२. लाभांश स्वीकृति गर्ने सम्बन्धी कार्यविधि - २०६९ को बूँदा १० बमोजिम कृषि प्रेमूरा प्रोपर्टिजको कर्जामा नोकसानी व्यवस्थामा छुट लिएको हुँदा सो कर्जा हिसाब मिलान नभएसम्म अथवा शत प्रतिशत कर्जा नोकसानी व्यवस्था नगरेसम्म उक्त छुट रकमबाट कर्मचारी बोनस खर्च, नगद लाभांश वितरण नगर्नु हुन।

३. यस बैंकबाट जारी गरिएको निर्देशन नं. १० को बूँदा नं. ७ मा उल्लेखित व्यवस्थाभन्दा बढी हुनेगरी संस्थापक शेयर धारण गर्ने संस्थापक शेयरधनीहरूलाई सो सीमाभित्र नल्याएसम्म प्रस्तावित नगद लाभांश वितरण रोक्का राख्नु हुन।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु।

भवदीय,

(विमलराज खनाल)

उप निर्देशक

बोधार्थ :

१. नेपाल राष्ट्र बैंक
बैंक तथा वित्तीय संस्था नियमन विभाग।
२. सनराइज बैंक लिमिटेड, डेस्क।

Branches

INSIDE VALLEY

MAIN BRANCH

Mr. Alok Sharma
Sunrise Plaza, Gairidhara, Kathmandu
Tel: 977-1-4004560, 4004562, 4004563,
4004564
Fax: 977-1-4422475
SWIFT: SRBLNPKA
Email: main@sunrisebank.com.np

BHAKTAPUR BRANCH

Mr. Neeraj C. Amatya
Bhaktapur District, Ward no 8, Sukul dhoka
Tel: 977-1-6619240, 6619241
Fax: 977-1-6619242
SWIFT: SRBLNPKA
Email: bhaktapur@sunrisebank.com.np

BANIYATAR BRANCH

Ms. Panna Wagle
Baniyatar, Gongabu, Kathmandu
Tel: 977-1-4382066
Fax: -
SWIFT: SRBLNPKA
Email: baniyatar@sunrisebank.com.np

BHAINSEPATI BRANCH

Mr. Pramesh Dahal
Bhainsepati, Lalitpur
Tel: 977-1-5592931, 5592930
Fax:
SWIFT: SRBLNPKA
Email: bhainsepati@sunrisebank.com.np

BOUDDHA BRANCH

Mr. Gautam Dangol
Ward No. 6, Bouddha, Kathmandu
Tel: 977-1-2239855, 01-4916395
Fax:
SWIFT: SRBLNPKA
Email: bouddha@sunrisebank.com.np

BUDHANILKANTHA BRANCH

Ms. Uma Shrestha
Bishnu VDC Ward no. 2, Budhanilkantha
Tel: 977-1-4378275, 4379720
Fax: 977-1-4379720
SWIFT: SRBLNPKA
Email: budhanilkantha@sunrisebank.com.np

CHABAHIL BRANCH

Mr. Khagendra Banskota
Ward no. 7, Chabahil, Gopi Krishna Hall
Tel: 977-1-4822766
Fax: 977-1-4822466
SWIFT: SRBLNPKA
Email: chabahil@sunrisebank.com.np

DHALKO BRANCH

Ms. Nirupa Singh
Dhalko, Kathmandu
Tel: 977-01-4259174
SWIFT: SRBLNPKA
Email: dhalku@sunrisebank.com.np

GABAHAL BRANCH

Mr. Deepak Raj Adhikari
Ratnakar Mahabihar, Gabahal, Patan
Tel: 977-1-5005014, 5005015
Fax: 977-1-5005016
SWIFT: SRBLNPKA
Email: gabahal@sunrisebank.com.np

GAURIGHAT BRANCH

Ms. Somi Malla
Gaurighat, Kathmandu
Tel: 977-1-4487903
SWIFT: SRBLNPKA
Email: gaurighat@sunrisebank.com.np

GOTHATAR BRANCH

Ms. Devaki Pant
Gothatar, Kathmandu
Tel: 977-1-4992706
Fax: 977-1-4992707
SWIFT: SRBLNPKA
Email: gothatar@sunrisebank.com.np

HARISIDDHI BRANCH

Mr. Upendra Bir Bajracharya
Harisiddhi, Lalitpur,
Tel: 977-1-5250909
SWIFT: SRBLNPKA
Email: harisiddhi@sunrisebank.com.np

KALANKI BRANCH

Mr. Sujit Kumar Karn
Kalanki, Kathmandu,
Tel: 977-01-4281795
Fax: 977-01-4281796
SWIFT: SRBLNPKA
Email: kalanki@sunrisebank.com.np

KALIMATI BRANCH

Mr. Ganesh Regmi
Salt Trading Corporation Ltd, Ward No. 13, Kalimati.
Tel: 977-1-4278694, 4278709
Fax: 977-1-4278717
SWIFT: SRBLNPKA
Email: kalimati@sunrisebank.com.np

LUVU BRANCH

Mr. Amod Shrestha
Luvu VDC, Ward No. 4, Lalitpur
Tel: 977-1-5580361
SWIFT: SRBLNPKA
Email: luvu@sunrisebank.com.np

MAHARAJGUNJ BRANCH

Ms. Rabina Acharya
Narayangopal Chowk, Ward no. 3
Tel: 977-1-4721352, 4720346
Fax: 977-1-4721351
SWIFT: SRBLNPKA
Email: maharajgunj@sunrisebank.com.np

NEW ROAD BRANCH

Mr. Hari Acharya
Khichhapokhari, New Road
Tel: 977-1-4239470, 4239471, 4239472
Fax: 977-1-4239451
SWIFT: SRBLNPKA
Email: newroad@sunrisebank.com.np

PHARPING BRANCH

Mr. Sudarshan Khatiwada
Sesnarayan VDC, Ward no. 2, Pharping
Bazar, Kathmandu
Tel: 977-1-4710865
Fax: 977-1-4710943
SWIFT: SRBLNPKA
Email: pharping@sunrisebank.com.np

SHANKHAMUL BRANCH

Mr. Subarna Regmi
Shankhamul, Kathmandu, Nepal
Tel: 977-1-4783996
Fax:
SWIFT: SRBLNPKA
Email: shankhamul@sunrisebank.com.np

TAUKHEL BRANCH

Mr. Kautilya Ketan Dhungana
(Branch Incharge)
Taukhel VDC - 1, Godavari, Lalitpur, Nepal
Tel: 977-1-6224821
Fax:
SWIFT: SRBLNPKA
Email: taukhel@sunrisebank.com.np

THAMEL BRANCH

Mr. Ram Kumar Giri
Satghumti Thamel, Ward-29
Tel: 977-1-4701271, 4701272
Fax: 977-1-4701268
SWIFT: SRBLNPKA
Email: thamel@sunrisebank.com.np

TINKUNE BRANCH

Mr. Rajendra Prasad Timsina
Neupane Tower, Tinkune
Tel: 977-1-4111554, 4111854
Fax: 977-1-4111581
SWIFT: SRBLNPKA
Email: tinkune@sunrisebank.com.np

Branches

OUTSIDE KATHMANDU VALLEY

BARDIBAS BRANCH

Mr. Surya Bahadur Balampaki
Sonamai Commercial Complex Pvt. Ltd.
25 No. Bahadurgunj VDC, Ward no. 3,
Bardibas, Mahottari
Tel: 977-044-550563, 044-550564
Fax: 977-044-550564
SWIFT: SRBLNPKA
Email: bardibas@sunrisebank.com.np

BIRGUNJ BRANCH

Mr. Dev Chandra Bhatta
Birgunj Sub Metropolitan City Ward no 7,
Adarsanagar Chowk, Parsa
Tel: 977-051-524784, 051-524785
Fax: 977-051-524752
SWIFT: SRBLNPKA
Email: birgunj@sunrisebank.com.np

GAUR BRANCH

Mr. Bisheshwar Nayak
Gaur, Rautahat
Tel: 977-055-521413
Fax: 977-055-521414
SWIFT: SRBLNPKA
Email: gaur@sunrisebank.com.np

NARAYANGHAT BRANCH

Mr. Peshal Dahal
Bharatpur Municipality Ward no. 4,
Narayanghat, Chitwan
Tel: 056-571452, 056-571054, 056-571953
Fax: N/A
SWIFT: SRBLNPKA
Email: narayanghat@sunrisebank.com.np

BHADRAPUR BRANCH

Mr. Anil Babu Adhikari
Bhadrapur-2, Jhapa (Hulak Road)
Tel: 023-520132
Fax: 023-520133
SWIFT: SRBLNPKA
Email: bhadrapur@sunrisebank.com.np

BIRATCHOWK BRANCH

Mr. Munesh Dahal
Biratchowk, Morang
Tel: 021-546102
Fax:
SWIFT: SRBLNPKA
Email: biratchowk@sunrisebank.com.np

BIRATNAGAR BRANCH

Mr. Sudhir Agrawal
Rangeli Road, Biratnagar - 9, Morang
Tel: 977-021-440695
Fax: 977-021-440696
SWIFT: SRBLNPKA
Email: biratnagar@sunrisebank.com.np

BIRTAMOD BRANCH

Mr. Sujjan Paudel
Anarmani - 4, Birtamod Chowk, Jhapa
Tel: 977-023-541069
Fax: 977-023-543830
SWIFT: SRBLNPKA
Email: birtamod@sunrisebank.com.np

DHARAN BRANCH

Mr. Kapil Agrawal
Mahendra Path, Dharan Nagar Palika - 5
Sunsari, Nepal
Tel: 025-532841
Fax: 025-532842
SWIFT: SRBLNPKA
Email: dharan@sunrisebank.com.np

DUHABI BRANCH

Mr. Suman Bhattarai
Duhabi, Sunsari
Tel: 025-541486
Fax: 025-541488
SWIFT: SRBLNPKA
Email: duhabi@sunrisebank.com.np

ILAM BRANCH

Mr. Visan Niroula
Ilam Municipality, Ward no. 2 Kha, Ilam
Tel: 977-027-521717, 521720
Fax: 977-027-521717
SWIFT: SRBLNPKA
Email: ilam@sunrisebank.com.np

JHUMKA BRANCH

Mr. Krishna Prasad Timsina
Near Western Bus Stand
Mahendra Highway, Jhumka-2
Tel: 977-9752009250 (CDMA),
977-025-562353
Fax: 025-562353
SWIFT: SRBLNPKA
Email: jhumka@sunrisebank.com.np

KAKARVITTA BRANCH

Mr. Santa Kumar Karki
Bahundagi Road, Mechinagar Municipality,
Kakarvitta, Jhapa
Tel: 977-023-562083
Fax: 977-023-562502
SWIFT: SRBLNPKA
Email: kakarvitta@sunrisebank.com.np

RAJBIRAJ BRANCH

Mr. Gyanendra Dutta
Chowk Bazaar, Ward No. 4, Rajbiraj
Saptari District
Tel: 977-031-520721, 522627
Fax: 977-031-520727
SWIFT: SRBLNPKA
Email: rajbiraj@sunrisebank.com.np

SURUNGA BRANCH

Mr. Choodamani Chapagain
Surunga, Jhapa
Tel: 977-023-550880
Fax: 977-023-550881
SWIFT: SRBLNPKA
Email: surunga@sunrisebank.com.np

UDAYPUR BRANCH

Mr. Bipat Chaudhary
Udaypur Cement Factory premises,
Ward No. 11, Triyuga Municipality,
Jaljala, Udaypur
Tel: 977-9753003729 (CDMA)
Fax:
SWIFT: SRBLNPKA
Email: udaypur@sunrisebank.com.np

BESISAHAR BRANCH

Mr. Nitesh Gorkhali
Besisahar Nagar Bikash Samiti, Ward No. 9
Lamjung
Tel: 066-520129
Fax: 066-520329
SWIFT: SRBLNPKA
Email: besisahar@sunrisebank.com.np

DAMAULI BRANCH

Mr. Bhim Narayan Shrestha
Vyas Nagar Palika, Ward No.10, Damauli
Tanahun
Tel: 977-065-561800
Fax: 977-065-561801
SWIFT: SRBLNPKA
Email: damauli@sunrisebank.com.np

Branches

OUTSIDE KATHMANDU VALLEY (Continue...)

DADELDHURA BRANCH

Mr. Yogendra Bhandari
Bagbazar, Amargadhi Municipality, Ward no. 5
Dadeldhura, Nepal
Tel: 977-096-420723
Fax: 977-096-420724
SWIFT: SRBLNPKA
Email: dadeldhura@sunrisebank.com.np

DHANGADI BRANCH

Mr. Deepak Raj Joshi
Dhangadi Municipality, Ward No. 2
Kailali, Nepal
Tel: 977-091-524850
Fax: 977-091-522898
SWIFT: SRBLNPKA
Email: dhangadi@sunrisebank.com.np

MAHENDRANAGAR BRANCH

Mr. Yogesh Kumar Bhatt
Mahendranagar
Tel: 977-099-520850
Fax: 977-099-520898
SWIFT: SRBLNPKA
Email: mahendranagar@sunrisebank.com.np

POKHARA BRANCH

Mr. Kamal Bahadur Adhikari
New Road, Pokhara
Tel: 977-061-537845
Fax: 977-061-537846
SWIFT: SRBLNPKA
Email: pokhara@sunrisebank.com.np

SUKHAD BRANCH

Mr. Hemant Awasthi
Sukhad, Kailai-3 Dhangadhi
Tel: 091-403012
Fax: N/A
SWIFT: SRBLNPKA
Email: sukhad@sunrisebank.com.np

SUNDAR BAZAR BRANCH

Mr. Umesh Gajurel (Branch Incharge)
Sundarbazar VDC, Ward No. 4, Lamjung
Tel: 977-9756001100 (CDMA)
Fax:
SWIFT: SRBLNPKA
Email: sundarbazar@sunrisebank.com.np

SUNWAL BRANCH

Mr. Rajan Prasad Pokhrel
Sunwal V.D.C, Ward no 4, Nawalparasi
Tel: 977-078- 570473
Fax: 977-078-570480
SWIFT: SRBLNPKA
Email: sunwal@sunrisebank.com.np

BHAIRAHAWA BRANCH

Mr. Sunil Rana
Bank Road, Siddhartha Nagar
Tel: 977-071- 520373/703/706
Fax: 977-071-520435
SWIFT: SRBLNPKA
Email: bhairahawa@sunrisebank.com.np

NEPALGUNJ BRANCH

Mr. Bikesh Kumar Shrestha (Branch Incharge)
Near Puspahal Chowk, Surkhet Road, Banke
Tel: 977-081- 523319 / 636
Tel: 977-081-522484
Fax: 977-081-527771
SWIFT: SRBLNPKA
Email: nepalgunj@sunrisebank.com.np

MANAGEMENT TEAM



Sitting from Left to Right: Mr. Surendra Man Pradhan (Chief Executive Officer), **Mr. Bala Ram Bista** (Deputy Chief Executive Officer)
Standing from Left to Right: Mr. Arun Parajuli (Senior Manager), **Mr. Robin K. Nepal** (Assistant General Manager), **Ms. Asha Rana Adhikary** (Deputy General Manager)



Department Head

S. No.	Name	Position	Office	Section
1	Mr. Sanjaya Kumar Siddhi	Manager	Head Office	Risk Management Department
2	Mr. Pritam Lal Shrestha	Manager	Head Office	Establishment & Procurement Department / Security General Administration Department
3	Mr. Manoj Neupane	Manager	Head Office	Corporate Banking Department
4	Mr. Ritesh Aryal	Deputy Manager	Head Office	SME and Retail Banking Department / Central Credit Team
5	Mr. Ishwar Kumar Pathak	Deputy Manager	Head Office	Compliance Department
6	Mr. Tika Bharratai	Deputy Manager	Head Office	Share and Legal Department (Company Secretary)
7	Mr. Narayan Prasad Ghimire	Assistant Manager	Head Office	IT & Swift Department
8	Mr. Nabin Sharma	Assistant Manager	Head Office	Branch Management & Operational Control Department/ Central Operations
9	Ms. Neema Pradhan	Assistant Manager	Head Office	Retail Banking Business Development Promotion & Monitoring Department
10	Ms. Prabhavati Bista	Assistant Manager	Head Office	Human Resource Planning & Development Department

Second line

S. No.	Name	Position	Office	Section
1	Mr. Mandeep Bhattarai	Officer	Head Office	Cards Center

Team Leader

S. No.	Name	Position	Office	Section
1	Mr. Vivek Kumar Niraula	Deputy Manager	Head Office	Correspondent Banking & Remittance Promotion Team
2	Ms. Sweety Agrawal	Assistant Manager	Head Office	Financial Planning Team and Central Accounts & Treasury Back Team- Additional
3	Mr. Dipak Pandit	Assistant Manager	Head Office	Credit Risk & NPA Management Team
4	Mr. Nirish Raj Upadhyay	Senior Officer	Head Office	CA Team
5	Mr. Bishnu Prasad Uprety	Senior Officer	Head Office	Trade Finance Team
6	Mr. Rajendra Prasad Joshi	Senior Officer	Head Office	Tresury Front Team
7	Mr. Tirtha Bahadur Thapa	Chief Security Officer	Head Office	Security Task
8	Mr. Rajesh Das	Junior Officer	Head Office	Bills & Clearing Team and Inward Remittance Ops Team



Branch Managers

Branch code	Office	Name	Position	Designation
2	Main Branch	Mr. Alok Sharma	Deputy Manager	Branch Manager
3	Dharan Branch	Mr. Kapil Agrawal	Junior Officer	Branch Manager
4	Besisahar Branch	Mr. Nitesh Gorkhali	Supervisor	Branch Manager
5	Damauli Branch	Mr. Bhim Narayan Shrestha	Officer	Branch Manager
6	Tinkune Branch	Mr. Rajendra Prasad Timsina	Senior Officer	Branch Manager
7	Gabahal Branch	Mr. Deepak Raj Adhikari	Officer	Branch Manager
8	Kalimati Branch	Mr. Ganesh Regmi	Assistant Manager	Branch Manager
9	Dhangadi Branch	Mr. Deepak Raj Joshi	Deputy Manager	Branch Manager
10	New Road Branch	Mr. Hari Prasad Acharya	Manager	Branch Manager
11	Birtamod Branch	Mr. Sujan Paudel	Officer	Branch Manager
12	Ilam Branch	Mr. Visan Niroula	Supervisor	Branch Manager
13	Kakarvitta Branch	Mr. Santa Kumar Karki	Supervisor	Branch Manager
14	Chabahil Branch	Mr. Khagendra Baskota	Officer	Branch Manager
15	Maharajgunj Branch	Mrs. Rabina Acharya	Assistant Manager	Branch Manager
16	Pharphing Branch	Mr. Sudarshan Khatiwada	Junior Officer	Branch Manager
17	Narayanghat Branch	Mr. Peshal Dahal	Senior Officer	Branch Manager
18	Bhaktapur Branch	Mr. Neeraj C Amatya	Officer	Branch Manager
19	Birgunj Branch	Mr. Dev Chandra Bhatta	Assistant Manager	Branch Manager
20	Sunwal Branch	Mr. Rajan Prasad Pokharel	Supervisor	Branch Manager
21	Bardibas Branch	Mr. Surya Bahadur Balampaki	Officer	Branch Manager
22	Thamel Branch	Mr. Ram Kumar Giri	Assistant Manager	Branch Manager
23	Buddhanilkantha Branch	Mrs. Uma Shrestha	Supervisor	Branch Manager
24	Rajbiraj Branch	Mr. Gyanendra Dutta	Officer	Branch Manager
25	Dadeldhura Branch	Mr. Yogendra Bhandari	Supervisor	Branch Manager
26	Biratnagar Branch	Mr. Sudhir Agrawal	Manager	Branch Manager
27	Sundar Bazar Branch	Mr. Umesh Gajurel	Senior Assistant	Branch Incharge
28	Boudha Branch	Mr. Gautam Dangol	Senior Officer	Branch Manager
29	Udayapur Branch	Mr. Bipat Chaudhary	Junior Officer	Branch Manager
30	Jhumka Branch	Mr. Krishna Prasad Timsina	Junior Officer	Branch Manager
31	Sankhamul Branch	Mr. Subarna Regmi	Supervisor	Branch Manager
32	Gothatar Branch	Ms. Devaki Pant	Officer	Branch Manager
33	Gaurighat Branch	Ms. Soma Malla	Supervisor	Branch Manager
34	Harisiddhi Branch	Mr. Upendra Bir Bajracharya	Supervisor	Branch Manager
35	Pokhara Branch	Mr. Kamal Bahadur Adhikari	Officer	Branch Manager
36	Taukhel Branch	Mr. Prabin Maharjan	Supervisor	Branch Manager
37	Luvu Branch	Mr. Amod Shrestha	Supervisor	Branch Manager
38	Surunga Branch	Mr. Choodamani Chapagain	Supervisor	Branch Manager
39	Bhadrapur Branch	Mr. Anil Babu Adhikari	Junior Officer	Branch Manager
40	Duhabi Branch	Mr. Suman Bhattra	Senior Officer	Branch Manager
41	Biratchowk Branch	Mr. Munesh Dahal	Act. Supervisor	Branch Manager
42	Bhaisepti Branch	Mr. Pramesh Dahal	Supervisor	Branch Manager
43	Baniyatar Branch	Ms. Panna Wagle	Junior Officer	Branch Manager
44	Dhalko Branch	Ms. Nirupa Singh	Officer	Branch Manager
45	Kalanki Branch	Mr. Sujit Kumar Karn	Supervisor	Branch Manager
46	Gaur Branch	Mr. Bisheshwar Nayak	Supervisor	Branch Manager
47	Sukhad Branch	Mr. Hemant Awasthi	Supervisor	Branch Manager
48	Mahendranagar Branch	Mr. Yogesh Kumar Bhatt	Officer	Branch Manager
49	Bhairahawa Branch	Mr. Sunil Rana	Senior Officer	Branch Manager
50	Nepalgunj Branch	Mr. Bikesh Kumar Shrestha	Officer	Branch Incharge



Sib General Annual Meeting



Blood Donation



Computer Handover to A School for Community-Pharping



Gift Distribution at Bal Mandir Naxal



Press Conference



Cricket Tournament



Mehandi Week



Teej Celebration



SURYODAYA REMIT SAVING ACCOUNT

	NPR Saving Account	USD Saving Account
For A/C Holders Only	4.75% (Interest payable on daily basis)	2.00% (Interest payable on daily basis)

Other Features:

- Minimum balance NPR 100
- Free ABBS, Internet Banking and Cheque Book
- 0.50% discount on Home Loan processing fee
- 50% discount on Annual Locker Key for the first year
- Insurance coverage for accidental death and permanent disability.

*Conditions Apply



सन्राइज बैंक लिमिटेड
SUNRISE BANK LIMITED

RIISING TO SERVE

www.sunrisebank.com.np