



सन्राइज बैंक लिमिटेड  
**SUNRISE BANK LIMITED**

**RISING TO SERVE**

[www.sunrisebank.com.np](http://www.sunrisebank.com.np)

# ANNUAL REPORT

2012 /13 A.D (2069/70 B.S)



# CONTENTS

Board Of Directors	2
Financial Glance Of The Year 2012-13	3
Chairman's Message	4
From The Desk Of Chief Executive Officer	5
Director's Report	6
Organization Structure	18
Financial Statement	21
Schedule	28
Head of Departments & Team Leaders	75
Branch Managers	76
Management Team	77



सन्राइज बैंक लिमिटेड  
**SUNRISE BANK LIMITED**

**RISING TO SERVE**

[www.sunrisebank.com.np](http://www.sunrisebank.com.np)

# ANNUAL REPORT

2012 /13 A.D (2069/70 B.S)

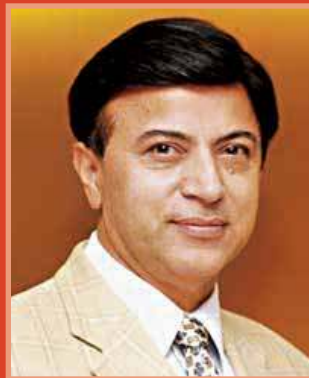
# BOARD OF DIRECTORS



**MR. MOTILAL DUGAR**  
Chairman



**MR. SRINIWAS SARDA**  
Director



**DR. BHOGEN德拉 GURAGAIN**  
Director



**ER. BACHH RAJ TATER**  
Director



**MR. SHRAWAN KUMAR GOYAL**  
Director



**MR. MALCHAND DUGAR**  
Director



**DR. DEEPAK PRASAD  
BHATTARAI**  
Director



**MR. DEEPAK NEPAL**  
Director



**MR. MAHENDRANATH  
KARMACHARYA**  
Director

# FINANCIAL GLANCE OF THE YEAR 2012-13

## DEPOSITS

**23,271M**

↑ 24%

## GROSS LOANS

**18,402 M**

↑ 24%

## NET PROFIT

**312 M**

↑ 180%

## NET INTEREST INCOME

**989 M**

↑ 67%

## OTHER OPERATING INCOME

**270 M**

↑ 51%

## STAFF & OPERATING COST

**548 M**

↑ 16%

## LOAN LOSS PROVISION

**368 M**

↑ 27%

## PROVISION WRITE BACK

**209 M**

↑ 30%

## TAX TO GOVERNMENT

**141 M**

↑ 212%

## NET INTEREST SPREAD

**4.66%**

↑ 1.12%

## NPA PERCENTAGE

**3.74%**

↑ 0.22%

## DIVIDEND RATE

**11.58%**

(BONUS & CASH)

↑ 6.32%

## CAPITAL ADEQUACY

**11.80%**

↑ 0.02%

## EARNING PER SHARE

**15.56**

↑ 9.94

## CLOSING SHARE PRICE

**232**

↑ 87

## NO OF EMPLOYEES

**454**

↓ 5

## NO OF BRANCHES/ATM

**49/57\***

↑ 0/1

## NO OF ACCOUNTS

**2,12,578**

↑ 15%

(\* Dumre & Butwal Branches has been established in September 2013 & January 2014 respectively. Now bank has 51 Branches & 61 ATMs)  
(M=million)

## CHAIRMAN'S MESSAGE



### Dear Shareholders,

I am pleased to state that bank has almost trebled its net profit during the year, which we considered as the major achievement of the year. Despite of the competitive market and unstable political condition, we have been able to achieve the success. The bank has recorded an increase of 23% in balance sheet size, 24% in Loan & Advances and Deposits.

Bank has always focused on increasing the quality of assets, but NPA level has risen up to 3.74% in the year 2012-13 due to some old exposures and non of the new accounts has been provisioned although we have a prudent provisioning policy.

I am also glad to inform that bank has capital adequacy of the 11.80%, which is higher than the prescribed regulatory requirement.

I feel very privileged to announce that Sixth AGM has passed the issue of 11% Bonus shares and 0.5789% of Cash Dividend.

Although we did not established any of the branch during the review period, I am glad to inform that bank has established two new

branches in Dumre & Butwal and is set to establish new branch in Lahan by the end of the year. Currently bank has extended its modern service through 51 branches and 61 ATMs. Our ATM terminal accepts ATM Card issued by 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 better results in the upcoming years.

On behalf of the Board, I would like to thank 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 hard-working employees who gave their best in all situation of the bank.

**Thank You,**  
Motilal Dugar  
Chairman

## FROM THE DESK OF CHIEF EXECUTIVE OFFICER



I feel very privileged and proud to share with you one more successful year of Sunrise Bank Limited. We have been able to bring the Operating Profit before loan loss provision, staff bonus and tax to NPR 710.52 million from NPR 295.10 million in the previous year. Our deposit base has grown to NPR 23.27 billion and lending base has increased to NPR 18.40 billion resulting into 180% increase in Net Profit. I would like to reiterate here that it has been possible only with your untiring and joint support. The bank's achievement are a testament to the support of all the stakeholders who are striving for excellence every day. Hence, I would like to appreciate your day and night untiring efforts of Staff members in bringing the bank in this position and would like to thank and congratulate all for the efforts.

Although the year continued to remain difficult for the business in Nepal as political uncertainties, power cut, volatile financial market, increasing operational risk have challenged the performance of the bank. Irrespective of such uncertainties and the unhealthy competitions, we have managed to treble the profitability without increasing the risk in the business.

As I look at the growth over the years since our inception, I am extremely proud of what we have achieved, and even more excited about our outlook for an equally promising future. We have successfully transitioned from the start-up to become a respected bank, garnering business from across the nation, while earning our clients' trust along the way. It is satisfying to know that we have been able to help our clients build the stra-

tegic blueprints that enable them to connect and operate pivotal aspects of their business more efficiently and economically. Customer satisfaction is the hallmark by which we measure our performance, and we hold ourselves, as do our clients, to the highest standards of quality.

I feel even glad to announce that our human capital is highly dedicated & qualified for the respective jobs. Our young and energetic team has always put their 100% for the betterment of the bank. This successful year has been possible because of the talented people we have in our bank. I feel, among our most important assets is the extensive knowledge base, deep-rooted professionalism and unwavering commitment of our highly-qualified and diverse staff. Our team of staff is committed to delivering the highest quality product and providing unparalleled service to our customers. We have many more goals lined up for next year and I am sure with our team's dedication and determination we will be able to complete those also in time. I on behalf of all the stakeholders thank our team for their support and hope this dedication continues and we achieve success together.

In short, the current circumstances are all quite challenging to work in. But no matter what the circumstances are, we must not lose sight of our priority: to be strong and financially sustainable bank that put the customer at the heart of everything we do. Showing our customers how we can support them in their financial needs by providing advice when needed, flexibility where possible and a range of clear and simple products.

We have moved forward into the new operating year focused on continued operational improvement in order to increase the profitability without compromising on the assets quality and quality of the service being delivered by our bank and to establish our bank at a very remarkable place in the market.

Finally, I would like to thank our customers, shareholders, business partners, all stakeholders and regulators for their support throughout the year. I would like to express my sincere thanks to Sunrise Bank Team and Board of Directors and assure the better success than expected by the 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 2012-13 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.

## GLOBAL ECONOMIC CONDITION

The global economy has now shown the positive response as the adverse effect of global recession started in 2008 has slowed down and the Euro Zone debt crises also shown an improvement. According to IMF the World's economic growth is forecasted to be 3.3% & 4% on 2013 & 2014 respectively. The US economy is expected to grow by 1.9% and Euro Zone economy by 0.3% in 2013. The economy of the emerging nations is expected to grow by 5.3%. Neighbouring country India's economy is expected to grow by 5.3% where as the Chinese economy is forecasted to grow by 8%.

In context to weak global aggregate demands it is assumed that there will be low pressure in overall inflation of the world. According to IMF the inflation of developed economies is forecasted as 1.9% where as it is 5.9% for the developing & emerging economies. Neighbouring countries India & China are expected inflation as 10.8% & 3% respectively (Previous year 9.3% & 2.6%) for the year 2013.

## 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 3.6% on the basis of Par Value (Previous Year 4.5%) and 3.7% on the basis of Market Value (Previous Year 4.9%). During the year nation suffered the 9.9% inflation as compared to the 8.3%

of the previous year. But the inflation of the month of Mid June reached to 8.2% continuously declining from the last three months. During the year the government expenditure increased by 2.7% reaching NPR 286 Billion. Among them only NPR 30.74 Billion was used as the Capital Expenditure where as NPR 42.49 Billion was used for the Financial Expenditure. During the year, revenue collection increased by 21.3%. As a result of high increase in revenue collection and low increase in expenditure NRB maintained 32.72 Billion as Cash Reserve as on 5th July 2013.

During the year imports increased by 21.2% where as export increased only by 4% resulting in huge increase in trade deficits. But due to increased remittance inflow overall balance of payments remained as NPR 52.69 Billion (as on Mid-June 2013). The foreign exchange reserve of the country is \$ 5.52 Billion (as on Mid-June 2013), which is expected to be sufficient for next eleven months.

## DECLINING RUPEE

Due to financial crises in Indian Market, Indian rupee continuously depreciated as compared to US Dollars. The same has affected the Nepalese financial market. US Dollar was only NPR 88.35/\$ in Mid July 2012 which rose to NPR 98.35/\$ in Mid July 2013. In end of the August 2013 US Dollar reached the record breaking mark of NPR 108/\$. This depreciation of Nepalese Currency over US Currency may bring a serious adverse affect in Bank's profitability and overall nation's economy in the foreseeable future.



## FINANCIAL SECTOR'S CONDITION IN NEPAL

During the previous year, decline in Real Estate Sector and declining CD Ratio has suffered the financial sector a lot. But during the year performance of financial sector increased a lot. During the year, net profit of commercial banks increased by 42%. Net profit of the all the commercial banks accumulated to NPR 20 Billion (Previous year it was NPR 14 Billion). 29 Commercial Banks including Sunrise Bank recorded the increase in Net Profit as compared to previous year. During the year Loans & Deposits of Commercial Bank increased by about 24% & 20% respectively. By the year end Commercial Banks collected the deposit of over NPR 1 trillion and mobilized credit more than NPR 750 Billion. Average Credit Deposit ratio of commercial bank stood 71.7% as on year end where as the average base rate remained 9.8%. Short term interest rate remained low except during month of March & April which has directly hammered the investment returns of the Bank & Financial Institution.

Freezing of National Budget for the long time due to untimely release of the budget has hammered the financial sector immensely. Financial sector would have done better if there was stable government and timely release of the budget. Lack of power backups, falling industrial growth in the nation and declining rupee has adversely affected the financial sector of Nepal.

During the year 3 Development Banks and 7 Micro Finance Development Bank has been increased in our country, whereas one finance company was self-liquidated. There have been many cases of merger during the year including the merger of two commercial banks. At the end of the year the number of Bank & Financial Institution remained 207 (previous year 213). The branches of Commercial bank at the end of the year increased to 1,486 (previous year 1,425). Apart from NRB licensed institutions 12,614 co-operatives has collected NPR 115 Billion deposits and mobilized NPR 97.55 Billion.

## NATIONAL STOCK MARKET

In 2012/13, stock market indicators improved. The year to year NEPSE index increased by 33 percent to 518.3 points in Mid-June 2013. The year to year stock market capitalization increased by 42.2% to NPR 489.86 billion in Mid-June 2013, which was 28.8% of GDP. Total paid up capital of the listed companies in NEPSE on year to year basis increased by 15.7 percent to NPR 125.97 billion in Mid-June 2013. Additional securities worth of NPR 13.51 billion comprising ordinary share of NPR 8.02 billion, bonus share of NPR 3.66 billion, right share of NPR 0.28 billion, commercial bank's debenture of NPR 0.80 billion and mutual fund of NPR 0.75 billion were listed during eleven months of 2069/70.

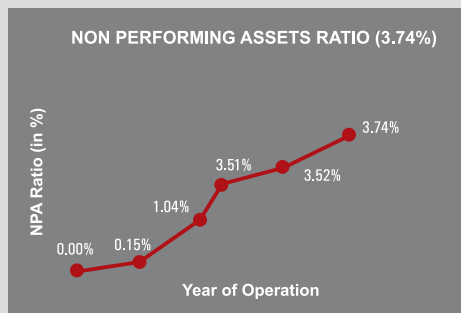
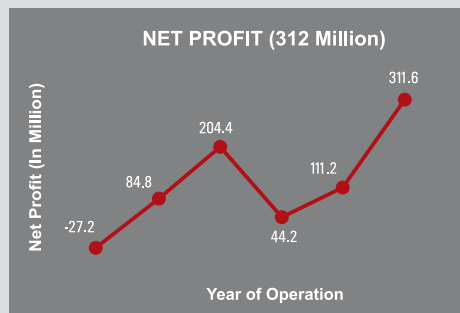
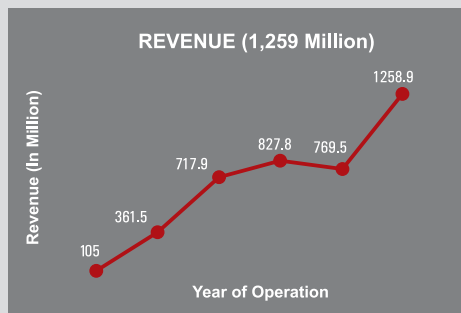
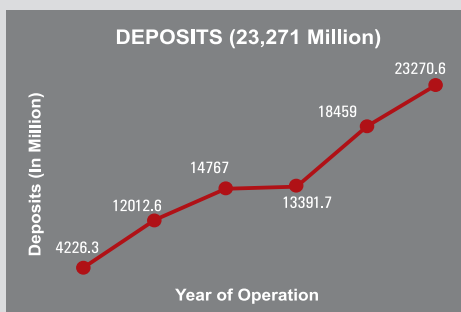
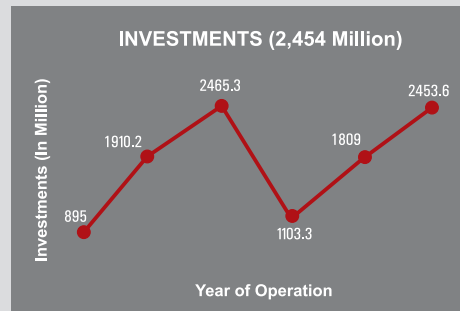
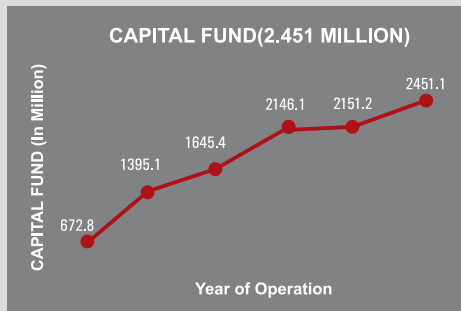
## ECONOMIC DEVELOPMENT & BANKING CHALLENGES

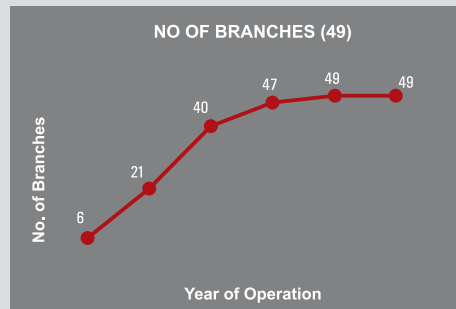
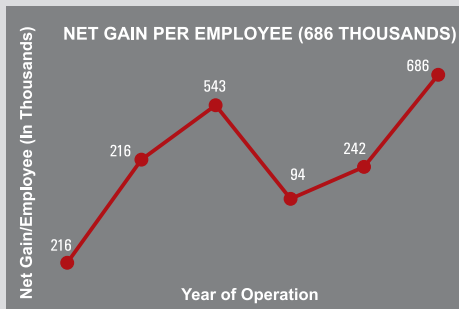
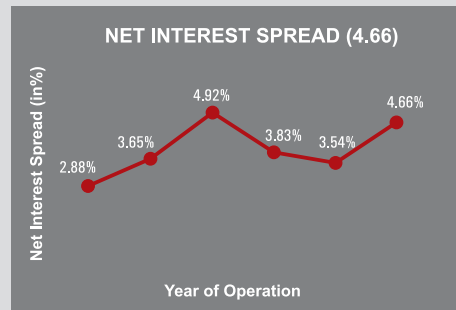
We are all aware about the slowdown in economic growth of the nation due to frequent governmental changes, decline in industrial sector, and lack of budget in capital expenditure. Though we observed the increase in governmental revenue but the main cause of the same is only increase in imports. The internal revenue collection does not 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 could not 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.

Along with these challenges Nepal Rastra Bank has implemented the 5% ceiling on the net interest spread (difference between loan's yield rate and deposit cost rate) of the bank. This ceiling will adversely affect the profitability of the overall financial institutions.

### ANALYSIS OF BANK'S PROGRESS

Summary of the banks progress in different field from the year of operation has been presented below:





## REVIEW OF THE YEAR 2012-13

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

Amount in Thousands

PARTICULARS	MID JULY 2013	MID JULY 2012	CHANGE
Paid Up Capital *	2,236,650	2,015,000	11%
Deposits	23,270,603	18,759,000	24%
Gross Loans & Advances	18,402,770	14,821,944	24%
Total Assets	26,128,839	21,279,008	23%
Net Worth	2,451,146	2,151,202	14%
Net Profit	311,609	111,194	180%

\*After the Proposed Bonus Issue.

The Balance Sheet grew by remarkable 23%. The total balance sheet size of the bank has now crossed NPR 26 Billion. Loans & Deposit has grown by 24% as compared to previous year. In line with the increase in business profit of the bank has shown tremendous growth of 180%.

## INDUSTRIAL COMPARISON

Following are the one year growth comparison with the Nepalese commercial banking industry.

Amount in Thousands

PARTICULARS	WE GREW BY	INDUSTRY GREW BY
Loans & Advances	24%	22%
Deposits	24%	18%
Net Interest Income	67%	40%
Operating Profit	141%	52%
Net Profit	187%	44%

\* As per the Quarterly Published Datas.

## DEPOSITS

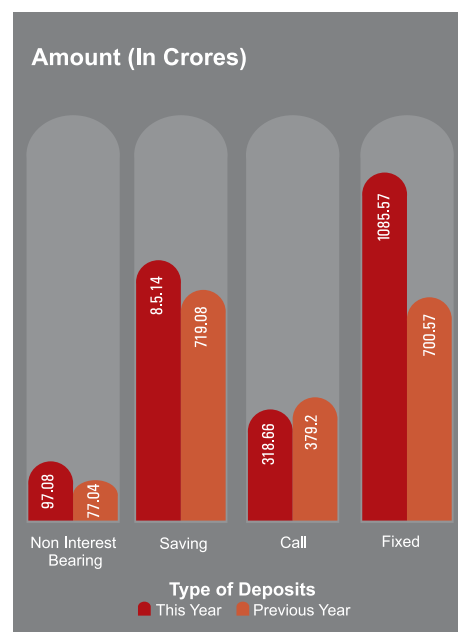
Deposit is the resource for the banking business. It is NPR 23 billion at the end of the year 2012. Total Deposits of the bank has shown a tremendous growth of 24% and reached NPR 23.37 billion by the year end. Among such the Foreign Currency Account reached NPR 1.08 Billion (64% growth). During the year, the bank has focused on tapping stable deposits rather than the volatile deposits. The result of same has showed the fixed deposits showed tremendous 54.95% increase outstanding NPR 10.86 Billion as on year end. Launching of "15 Months Bishesh Mud-dati" during the mid way of the year is the cause of such an increase in the fixed deposit volume. Currently fixed deposit (both local & foreign currency) shares 46.65% of total deposit as compared to 37.35% of previous year.

Along with increasing the fixed deposit portfolio, bank has also focused on increasing retail portfolio i.e. saving deposits. During the year bank increased its saving portfolio by 14.83%. But this has diluted the saving deposits share in total deposit to 35.48% from 38.33% as on previous year. The outstanding balance of the saving deposit at the end of the year remains NPR 8.26 Billion.

With strategy of reducing its volatile deposits, Bank was able to reduce the outstanding call deposits by 15.96% diluting its share to 13.69% (previous year 20.21%).

Non Interest Bearing deposit increased in line with the total deposit.

At the end of the year 2012/13 mix up of the bank deposit stands as follows:



## LOANS & ADVANCES

The loans and advances of the bank showed an increase of 24% totaling NPR 18.40 billion as on year end. Due

to the emphasis of bank in Retail & SME sector the growth was achieved.

The Retail & SME constitute 30% of the total Loan & Advances of the bank. Bank is continuously focusing on reducing the low yield but high risk corporate loans.

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 15.59% from 17.84% as compared to previous year.

Despite of adverse market conditions bank has been successful on recovering the bad loans amounting NPR 209 Million. Bank has increased the resources in recovery of the bad loans and we expect greater recovery in the coming year. During the year bank has written off loans amounting NPR 62 Million. But bank was successful on recovering the written off loans to the extent of NPR 10 Million.

Bank has always maintained high safety on Risk Management. As per the NRB directives the Risk Bearing Fund comprises 672 Million as on year end. The increase of NPR 368 Million has been charged to Profit & Loss Account during the year. The share of Loan Loss Provisioning in Total Loans and Advances is 3.65% and the NPA percentage at the end of the year is 3.74% which has risen by 0.22% as compared to previous year.

### **CREDIT DEPOSIT RATIO & LIQUIDITY ISSUE**

Bank has not faced liquidity crises in any of the time during the previous year. Bank has always maintained the CCD ratio below 80%. At the yearend bank maintained the CCD ratio to 74.78%.

### **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 has increased by 35.63% reaching 2.45 billion at the year end. Among the investments 76% is occupied by the Governmental Securities whereas 15% is occupied by the Investments in Foreign Financial Institutions. Treasury bill rate fell below 1% by the year end making the capital market more adverse.

Despite of high competition in USD deposits, the bank has managed to accumulate sizeable 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 NPR 37 Million which comprises the dividend of preceding three years.

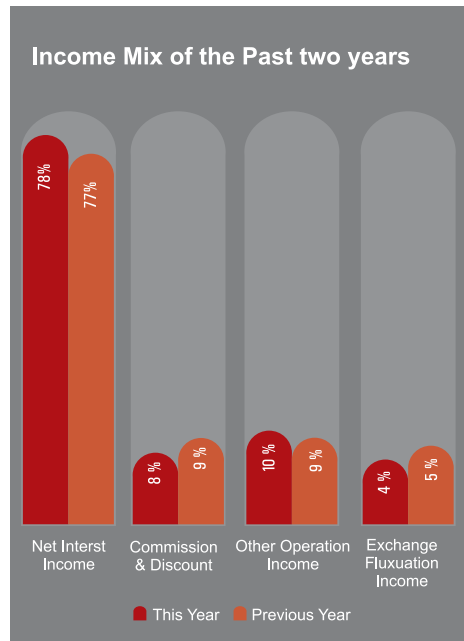
### **NET INTEREST INCOME**

During the year bank has earned net interest income of NPR 989 Million which is an astonishing increase of 67%. Recovery of interest of past due loan and decline of deposit cost has made it achievable.

**OTHER INCOME**

Commission & Discount, Other Operating Income and Foreign Exchange Gain are other income of the Bank. During the year bank has earned NPR 270 Million as other income. Trade Finance and Loan Management Fees are the major source of these incomes. During the year bank earned NPR 95 Million as Commission & Discount which is 35% increase as compared to previous year. The Other Operation Income comprises NPR 125 Million and foreign exchange gain comprises NPR 50 Million.

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



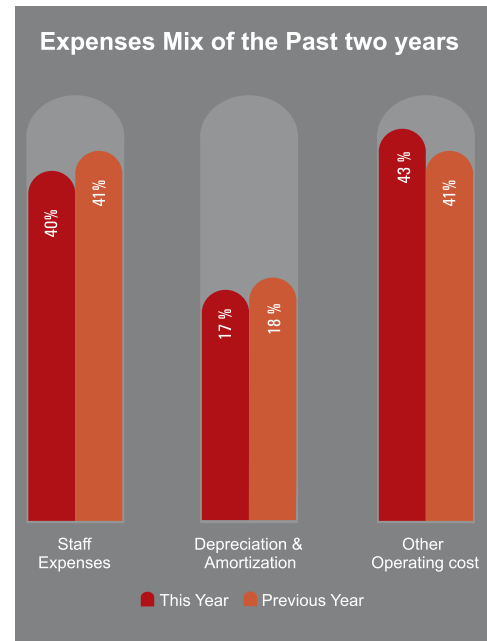
**OPERATING COST**

During the year the operating cost of the bank has increased by 15.59% and totalling NPR 548 Million.

The share of Staff Cost in Operating Cost is 40% which was 41% in previous year. There was not salary revision but due to performance appraisal of the staffs the staff cost increased by 12% diluting its share to total operating cost by 1%.

Depreciation & Amortization showed a slight increase of 9% and also diluted its share by 1% where as other operating cost increased by 22%.

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



**PROFIT & LOSS APPROPRIATION**

The Net profit of NPR 312 Million earned by the bank during the year has been appropriated as follows:



Amount in NPR Thousand

PARTICULARS	CURRENT YEAR	LAST YEAR
Profit for the year	311,609	111,194
Profit up to Previous year	7,444	28,804
Investment Adjustment Reserve	-	-
Total	319,053	139,998
Appropriation		
General Reserve	62,322	22,239
Exchange Fluctuation Reserve	1,890	2,307
Investment Adjustment Reserve	147	-
Deferred Tax Reserve	3,714	1,956
Profit Attributable For Distribution	250,980	113,496
Proposed Bonus Shares	221,650	
Proposed Dividend	11,666	106,053
Retained Earnings	17,664	7,444

Balancing the Capital Adequacy and Investors Security, board has proposed bonus shares of 11% and Cash dividend of 0.5789% for tax thereof.

#### EVENT AFTER BALANCE SHEET DATE

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

#### CURRENT YEARS PROGRESS

The progress of First Quarter of the Bank as compared to First quarter of the previous year is analysed as:

Amount in NPR Thousand

PARTICULARS	MID JANUARY 2014	MID JANUARY 2013	CHANGE
Operating Profit (Before LLP)	390,927	290,984	34%
Net Profit	205,830	126,295	63%
Total Deposits	25,329,557	22,157,741	14%
Gross Loans & Advances	20,819,108	17,901,047	16%

The second quarter of current year remained good for the Bank. The Loans & Advances increased by 16% where as deposit increased by 14% as compared to same period of previous year. The Operating Profit also showed the 50% increase where as the Net Profit increased by 107%. Despite of slower recovery of Interest Suspense, Operating Profit has risen. Poor economic condition 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. Though there is not addition of branches during the year 2012/13, bank has already established 50th branch in Dumre at the end of September 2013 and 51st Branch in Butwal at the end of January 2014. Bank is almost set to open another branch by the end of the year 2013/14. During the year Bank has relocated its three branches in Dhalku, Harisiddi & Thamel to Jyatha, Lagankhel & Putalisadak respectively

### **SERVICE EXPANSION**

Bank is always in the process of developing its services. Bank never compromised on its Quality and Services. As a result bank has developed different types of Deposits account as per the need of the Customer. Bank is planning to launch Visa Credit Card system very soon. We have been offering service to our valuable customers via 51 branches and 61 Automatic Teller Machine (ATM).

### **MERGER & ACQUISITION**

To strengthen the capital base and expanding the business bank had already made an approach to merge other financial institutions.

### **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 and Data Error With the implementation of new banking software T24 during the year 2011/12 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. We have also implemented Business Insight (BI) for the ease of the data availability. The Data Centre Operation, Hardware, Network Security and Computer System are regularly monitored by Compliance Department and Internal Audit Department.

### **REMITTANCE BUSINESS**

Remittance business is 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 Companies 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 always considers its human resource as the important resource. With the increasing business volume and branches, the number of employee has increased during the year. We consider the skilled manpower can improve the daily work and can generate new ideas, so we are regularly providing different internal and external trainings to our staff.

### **STOCK WATCH**

During the year shares of Sunrise Bank Limited have been traded in all the 232 days, that stock market has been operated. Seven hundred and Eighty Thousands shares have been traded during the year with total volume of NPR 152 Million. During the year bank's share has traded at maximum of Rs 253, minimum of Rs 136 and average of NPR 196. The stock price of the bank was NPR 231 at the end of the year.

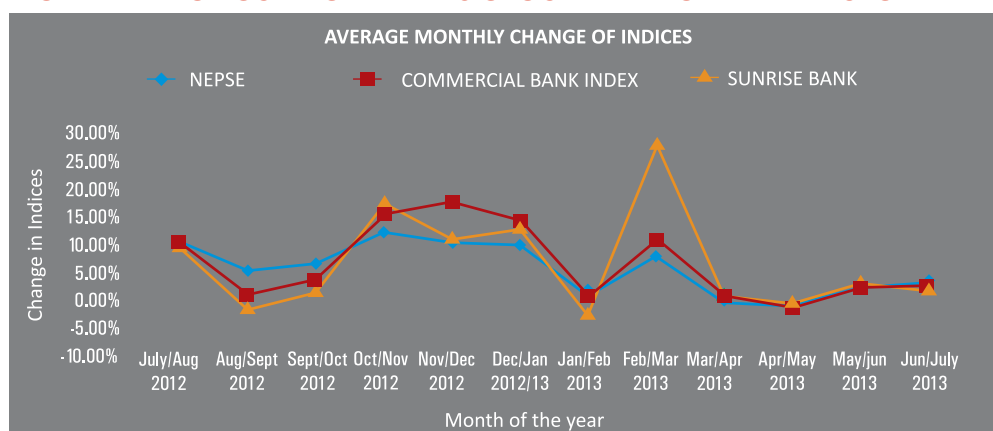
During the year movement of bank's stock was along with the commercial bank's index except in the month of March 2013, where the stock of bank increased by 25%, where as the Commercial Bank index grew only by 7%. The month to month details of stock of bank and the movement of the bank stock with the other indices has been presented below:

## MONTHLY DETAILS OF THE SUNRISE BANK'S STOCK

Amount in NPR Thousand

MONTH	NO OF TRADED SHARES (IN 000)	PRICE OF STOCK (IN NPR)			
		HIGH	LOW	CLOSING	AVERAGE
July/Aug 2012	57.00	165	140	148	151
Aug/Sept 2012	33.14	151	139	145	145
Sept/Oct 2012	30.58	154	136	144	143
Oct/Nov 2012	53.85	182	145	173	163
Nov/Dec 2012	78.09	192	164	177	177
Dec/Jan 2012/13	113.95	219	174	190	194
Jan/Feb 2013	42.40	202	171	202	183
Feb/Mar 2013	90.81	253	206	238	229
Mar/Apr 2013	100.57	246	210	233	225
April/May 2013	76.85	237	200	214	218
May/June 2013	62.58	224	211	217	218
June/July 2013	40.85	231	205	231	216
<b>YEAR 2012/13</b>	<b>780.67</b>	<b>253</b>	<b>136</b>	<b>231</b>	<b>196</b>

## MOVEMENT OF SUNRISE BANK'S STOCK WITH OTHER INDICES



### 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 have 6 Promoter Directors and 2 Public Directors & 1 Professional Director. 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 elected 2 Public Directors in the Sixth 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 meetings were held with board meeting allowance totaling to NPR 1.3 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 requirement.

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 suggestions to the Board for the improvements. During the year total 8 Audit Committee Meetings were held and the total meeting allowance amounted to NPR 0.10 Million.

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**

MS. M.Khanal & Co was the Statutory Auditor of the bank for the year 2012/13. As per the Section 111 of the Company Act, 2063 there must be change of auditor at least every three year. As MS. M.Khanal & Co has completed the three year of audit of Sunrise Bank, so Sixth AGM has appointed Mr.Parakram Sharma & Associates as the Statutory Auditor for year 2013/14.

### **CORPORATE GOVERNANCE**

Bank has always considered Corporate Governance as the major factor for its transparency rather than 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 Corporate Social Responsibility. Bank is always ahead for the fulfillment of its Corporate Social Responsibility through Blood Donation Program and Other relief works which bank has been organizing regularly. Bank also yearly provides Dress is and other donations for the Orphan Children of Nepal Children Organization.

### **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. The government that formed after the Constitutional Assembly Pool may bring out the positive effect on Nepalese Banking industry. Along with this 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 people 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,

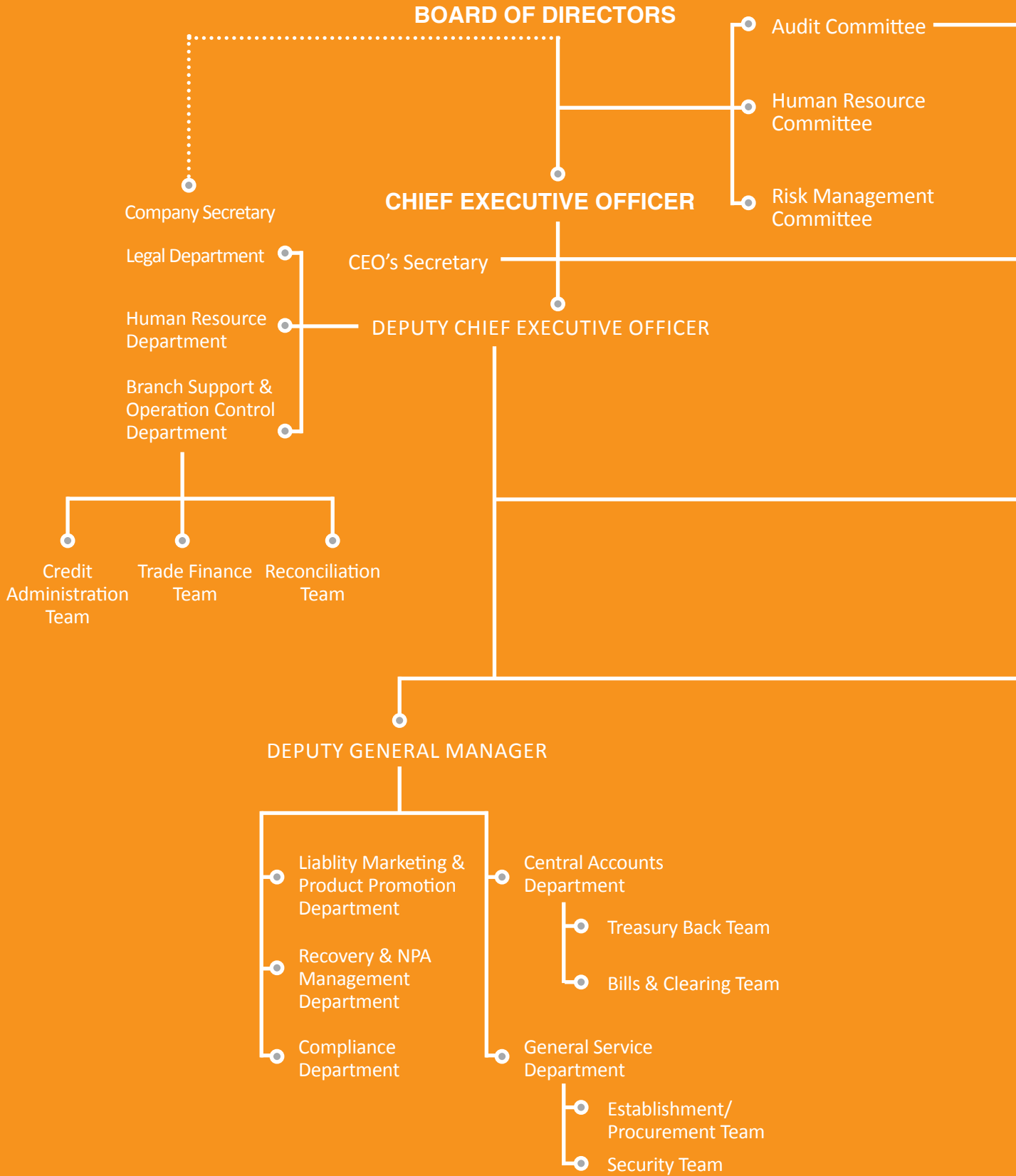
Nepal Stock Exchange, Company Registrar Office, Finance Ministry, Nepal Government and Other Statutory bodies.

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



# ORGANIZATION STRUCTURE









# 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, 2070 (July 15, 2013), 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, 2070 (15 July, 2013) 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.

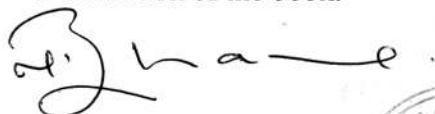


The image shows a handwritten signature in black ink over a circular stamp. The stamp contains the text 'M. Khanal & Co.', 'Kathmandu Nepal', and 'Chartered Accountants' around the perimeter.

## 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.
- 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) During the year bank has written off loan amounting to NPR 61,495,708.
- h) The operations of the Bank were within its jurisdiction.
- i) The Bank has been functioning as per the directives of Nepal Rastra Bank.
- j) The Bank has not acted in a manner to jeopardize the interest and security of the depositors and shareholders.
- k) We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book.



CA Mahesh Khanal  
For M. Khanal & Co.  
Chartered Accountants



Date: 24<sup>th</sup> Poush, 2070 (8<sup>th</sup> January, 2013)

Place: Kathmandu, Nepal

**BALANCE SHEET**

As on 31st Ashad 2070 (15th July 2013)

CAPITAL & LIABILITIES	SCHEDULE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Share Capital	4.1	2,236,650,000	2,015,000,000
2. Reserves and Funds	4.2	214,495,560	136,202,311
3. Debentures & Bonds	4.3	-	-
4. Borrowings	4.4	-	-
5. Deposit Liabilities	4.5	23,270,603,296	18,758,999,877
6. Bills Payable	4.6	15,675,536	9,480,899
7. Proposed Dividend		11,665,789	106,052,632
8. Income Tax Liabilities (Net)		-	-
9. Other Liabilities	4.7	379,749,352	253,272,688
<b>TOTAL CAPITAL &amp; LIABILITIES</b>		<b>26,128,839,533</b>	<b>21,279,008,407</b>

ASSETS	SCHEDULE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Cash Balance	4.8	608,468,152	668,362,639
2. Balance with Nepal Rastra Bank	4.9	3,757,633,295	3,222,750,677
3. Balance with Banks/Financial Institutions	4.10	324,825,239	517,175,580
4. Money at Call and Short Notice	4.11	679,557,052	100,626,026
5. Investments	4.12	2,453,580,695	1,808,961,485
6. Loans, Advances & Bills Purchased (Net)	4.13	17,730,591,898	14,306,651,407
7. Fixed Assets (Net)	4.14	312,766,766	348,597,419
8. Non-Banking Assets (Net)	4.15	-	-
9. Other Assets	4.16	261,416,436	305,883,174
<b>TOTAL ASSETS</b>		<b>26,128,839,533</b>	<b>21,279,008,407</b>

Schedules 4.1 to 4.16 form integral part of Balance Sheet

Contingent Liabilities	Schedule 4.17
Directors' Declaration	Schedule 4.29
Statement of Capital Adequacy Table	Schedule 4.30 (A)
Statement of Risk Weighted Exposure for Credit Risk	Schedule 4.30 (B)
Statement of Eligible Credit Risk Mitigants	Schedule 4.30 (C)
Statement of Risk Weighted Exposure for Operational Risk	Schedule 4.30 (D)
Statement of Risk Weighted Exposure for Market Risk	Schedule 4.30 (E)
Principal Indicators	Schedule 4.31
Significant Accounting Policies	Schedule 4.32
Notes to Accounts	Schedule 4.33
Statement of loan to Promoters/ Group of Promoters	Schedule 4.34
Comparison of Unaudited and Audited Financial Statements	Schedule 4.35
Statement of Unaudited Financial Results (Quarterly)	Schedule 4.36

**Motilal Dugar**  
Chairman

**Sriniwas Sarda**  
Director

**Dr. Bhogendra Guragain**  
Director

**Er. Bachh Raj Tater**  
Director

**Shrawan K. Goyal**  
Director

**Malchand Dugar**  
Director

**Suresh Kumar Basnet**  
Director

**Hikmat Bahadur Mali**  
Director

**Rupesh Luitel**  
Head-Finance &  
Planning Department

**Arun Parajuli**  
Chief Manager

**Surendra Man Pradhan**  
Chief Executive Officer

as per our attached report of even date

Place: Kathmandu  
Date:2014/01/08

.....  
**CA Mahesh Khanal**  
For M.Khanal & Co.  
Chartered Accountants

**PROFIT & LOSS ACCOUNT**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

PARTICULARS	SCHEDULE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Interest Income	4.18	2,240,203,270	2,001,359,618
2. Interest Expenses	4.19	1,251,304,431	1,410,695,996
<b>Net Interest Income</b>		<b>988,898,839</b>	<b>590,663,622</b>
3. Commission & Discount	4.20	94,942,779	70,445,346
4. Other Operating Incomes	4.21	124,524,562	69,535,388
5. Exchange Fluctuation Income	4.22	50,510,761	38,864,061
<b>Total Operating Income</b>		<b>1,258,876,941</b>	<b>769,508,417</b>
6. Staff Expenses	4.23	217,768,994	194,356,941
7. Other Operating Expenses	4.24	330,592,874	280,047,864
8. Exchange Fluctuation Loss	4.22	-	-
<b>Operating Profit Before Provision for Possible Loss</b>		<b>710,515,073</b>	<b>295,103,612</b>
9. Provision for Possible Losses	4.25	368,269,286	289,935,539
<b>Operating Profit</b>		<b>342,245,787</b>	<b>5,168,073</b>
10. Non - Operating Income/Expenses	4.26	3,566,521	106,197
11. Loan Loss Provision Written Back	4.27	209,338,344	298,799,479
<b>Profit from Regular Activities</b>		<b>555,150,652</b>	<b>304,073,749</b>
12. Income/Expense from Extra-Ordinary Activities	4.28	(51,511,009)	(130,665,705)
<b>Profit from All Activities</b>		<b>503,639,643</b>	<b>173,408,044</b>
13. Provision for Staff Bonus		45,785,422	15,764,368
14. Provision for Tax Expense		146,245,183	46,450,160
Current Years		148,646,812	47,604,998
Previous Years		1,312,355	801,017
Deferred Tax		(3,713,984)	(1,955,855)
<b>NET PROFIT/(LOSS)</b>		<b>311,609,038</b>	<b>111,193,516</b>

**Motilal Dugar**  
Chairman

**Sriniwas Sarda**  
Director

**Dr. Bhogendra Guragain**  
Director

**Er. Bachh Raj Tater**  
Director

**Shrawan K. Goyal**  
Director

**Malchand Dugar**  
Director

**Suresh Kumar Basnet**  
Director

**Hikmat Bahadur Mali**  
Director

**Rupesh Luitel**  
Head-Finance &  
Planning Department

**Arun Parajuli**  
Chief Manager

**Surendra Man Pradhan**  
Chief Executive Officer

as per our attached report of even date

Place: Kathmandu  
Date:2014/01/08

.....  
**CA Mahesh Khanal**  
For M.Khanal & Co.  
Chartered Accountants



**PROFIT & LOSS APPROPRIATION ACCOUNT**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
<b>Income</b>		
1. Accumulated Profit upto Previous Year	7,443,532	28,804,399
2. Current Year's Profit	311,609,038	111,193,516
3. Exchange Equilization Fund	-	-
<b>Total</b>	<b>319,052,570</b>	<b>139,997,915</b>
<b>Expenses</b>		
1. Accumulated Loss upto Previous Year	-	-
2. Current Year's Loss	-	-
3. General Reserve Fund	62,321,808	22,238,703
4. Contingent Reserve	-	-
5. Institution Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employees' Related Fund	-	-
8. Proposed Dividend	11,665,789	106,052,632
9. Proposed Bonus Share	221,650,000	-
10. Special Reserve Fund	-	-
11. Exchange Fluctuation Fund	1,889,888	2,307,193
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Investment Adjustment Reserve	147,168	-
15. Deferred Tax Reserve	3,713,984	1,955,855
<b>TOTAL</b>	<b>301,388,637</b>	<b>132,554,383</b>
16. Accumulated Profit/(Loss)	17,663,933	7,443,532

**Motilal Dugar**  
Chairman

**Sriniwas Sarda**  
Director

**Dr. Bhogendra Guragain**  
Director

**Er. Bachh Raj Tater**  
Director

**Shrawan K. Goyal**  
Director

**Malchand Dugar**  
Director

**Suresh Kumar Basnet**  
Director

**Hikmat Bahadur Mali**  
Director

**Rupesh Luitel**  
Head-Finance &  
Planning Department

**Arun Parajuli**  
Chief Manager

**Surendra Man Pradhan**  
Chief Executive Officer

as per our attached report of even date

Place: Kathmandu  
Date:2014/01/08

.....  
**CA Mahesh Khanal**  
For M.Khanal & Co.  
Chartered Accountants

**STATEMENT OF CHANGE IN EQUITY**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

PARTICULARS	SHARE CAPITAL		ACCUMULATED PROFIT & LOSS ACCOUNT	GENERAL RESERVE		SHARE PREMIUM	EXCHANGE FLUCUATION TAX RESERVE & FUND		DEFERRED TAX RESERVES	OTHER RESERVE & FUND	TOTAL AMOUNT
	2069	2070		2069	2070		FUND	FUND			
<b>Opening Balance as at 1st Shrawan 2069</b>	<b>2,015,000,000</b>		<b>7,443,532</b>	<b>88,912,519</b>		<b>32,407,723</b>	<b>5,182,682</b>		<b>1,955,855</b>	<b>300,000</b>	<b>2,151,202,311</b>
Adjustment :- Deferred Tax	-		-	-	-	-	-	-	-	-	-
<b>Restated Balance as at 1st Shrawan 2069</b>	<b>2,015,000,000</b>		<b>7,443,532</b>	<b>88,912,519</b>		<b>32,407,723</b>	<b>5,182,682</b>		<b>1,955,855</b>	<b>300,000</b>	<b>2,151,202,311</b>
<b>Adjustments For the year</b>	<b>221,650,000</b>		<b>10,220,401</b>	<b>62,321,808</b>		<b>-</b>	<b>1,889,888</b>		<b>3,713,984</b>	<b>147,168</b>	<b>299,943,249</b>
Net Profit/(Loss) for the year			311,609,038								311,609,038
Transfer to General Reserve			(62,321,808)	62,321,808							-
Proposed Dividend			(11,665,789)								(11,665,789)
Exchange Fluctuation Fund			(1,889,888)				1,889,888				-
Investment Adjustment Reserve			(147,168)							147,168	-
Deferred Tax Reserve			(3,713,984)						3,713,984		-
Issue of Right Shares		221,650,000									-
Issue of Bonus Shares			(221,650,000)								-
Share Premium											-
<b>Closing Balance as at 31 Ashad 2070</b>	<b>2,236,650,000</b>		<b>17,663,933</b>	<b>151,234,327</b>		<b>32,407,723</b>	<b>7,072,570</b>		<b>5,669,839</b>	<b>447,168</b>	<b>2,451,145,560</b>

**CASH FLOW STATEMENT**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
<b>(A) Cash Flow from Operating Activities</b>	<b>804,425,671</b>	<b>290,292,884</b>
1. Cash Receipts	2,523,001,134	2,176,395,766
1.1 Interest Income	2,247,031,361	2,000,336,134
1.2 Commission and Discount Income	94,942,779	76,782,759
1.3 Exchange Gain	42,951,211	29,635,288
1.4 Recovery of Loan Written off	9,984,699	-
1.5 Other Income	128,091,084	69,641,585
2. Cash Payments	(1,718,575,462)	(1,886,102,882)
2.1 Interest Expenses	(1,168,010,320)	(1,401,800,580)
2.2 Staff Expenses	(229,744,554)	(199,465,922)
2.3 Office Operating Expenses	(236,620,332)	(194,119,552)
2.4 Payment of Income Tax	(84,200,256)	(90,716,828)
2.5 Other Expenses	-	-
Cash Flow Before Working Capital Activities	(377,691,145)	2,384,536,752
Decrease/(Increase) in Current Asset from Operating Activities	(4,890,148,927)	(2,989,734,539)
1. Decrease/(Increase) in Money at Call and Short Notice	(578,931,026)	223,271,345
2. Decrease/(Increase) in Other Short Term Investments	(637,093,465)	(718,718,237)
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(3,642,320,812)	(2,518,226,997)
4. Decrease/(Increase) in Other Assets	(31,803,623)	23,939,350
Increase/(Decrease) in Current Liabilities from Operating Activities	4,512,457,781	5,374,271,291
1. Increase/(Decrease) in Deposit/Liabilities	4,511,603,418	5,367,286,091
2. Increase/(Decrease) in Certificate of Deposits	-	-
3. Increase/(Decrease) in Short Term Borrowings	-	6,781,328
4. Increase/(Decrease) in Other Liabilities	854,363	203,872
<b>(B) Cash Flow from Investing Activities</b>	<b>(60,956,889)</b>	<b>(105,702,804)</b>
1. Decrease/(Increase) in Long Term Investments	(7,358,400)	-
2. Decrease/(Increase) in Fixed Assets including Software/ NBA	(53,598,489)	(105,702,804)
3. Interest Income from Long Term Investments	-	-
4. Dividend Income	-	-
5. Others	-	-
<b>(C) Cash Flow from Financial Activities</b>	<b>(90,699,397)</b>	<b>(74,509,316)</b>
1. Increase/(Decrease) in Long Term Borrowings (Bond, Debentures)	-	-
2. Increase/(Decrease) in Paid up Share Capital	-	-
3. Increase/(Decrease) in Other Liabilities	(90,699,397)	(74,509,316)
4. Increase/(Decrease) in Refinance facilities from Nepal Rastra Bank	-	-
<b>(D) Income/Loss from exchange rate fluctuations of Cash and Bank Balances</b>	<b>7,559,550</b>	<b>9,228,773</b>
<b>(E) Net Cash Flow from all activities of the Current Year</b>	<b>282,637,791</b>	<b>2,503,846,289</b>
<b>(F) Opening Cash and Bank Balances</b>	<b>4,408,288,895</b>	<b>1,904,442,606</b>
<b>(G) Closing Cash and Bank Balances</b>	<b>4,690,926,686</b>	<b>4,408,288,895</b>

**Motilal Dugar**  
Chairman

**Sriniwas Sarda**  
Director

**Dr. Bhogendra Guragain**  
Director

**Er. Bachh Raj Tater**  
Director

**Shrawan K. Goyal**  
Director

**Malchand Dugar**  
Director

**Suresh Kumar Basnet**  
Director

**Hikmat Bahadur Mali**  
Director

**Rupesh Luitel**  
Head-Finance &  
Planning Department

**Arun Parajuli**  
Chief Manager

**Surendra Man Pradhan**  
Chief Executive Officer

as per our attached report of even date

Place: Kathmandu  
Date:2014/01/08

.....  
**CA Mahesh Khanal**  
For M.Khanal & Co.  
Chartered Accountants

## SHARE CAPITAL

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.1

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
<b>1. Share Capital</b>		
1.1 Authorised Capital	5,000,000,000	5,000,000,000
a) 50,000,000 Ordinary Shares of NPR 100 each (Previous year 50,000,000 Ordinary shares of NPR 100 each)	5,000,000,000	5,000,000,000
1.2 Issued Capital	2,015,000,000	2,015,000,000
a) 20,150,000 Ordinary Shares of NPR 100 each (Previous year 20,150,000 Ordinary shares of NPR 100 each)	2,015,000,000	2,015,000,000
1.3 Paid Up Capital	2,015,000,000	2,015,000,000
a) 20,150,000 Ordinary Shares of NPR 100 each (Previous year 20,150,000 Ordinary shares of NPR 100 each)	2,015,000,000	2,015,000,000
1.4 Proposed Bonus Share	221,650,000	-
1.5 Call in Advance	-	-
<b>TOTAL</b>	<b>2,236,650,000</b>	<b>2,015,000,000</b>

## SHARE OWNERSHIP

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	AMOUNT (NPR)	%	AMOUNT (NPR)	%
A. Local Ownership	2,015,000,000	100%	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	604,500,000	30%	604,500,000	30%
1.6 Others	1,410,500,000	70%	1,410,500,000	70%
B. Foreign Ownership				
<b>TOTAL</b>	<b>2,015,000,000</b>		<b>2,015,000,000</b>	

\* 11% Bonus Share has been proposed for the year

## DETAILS OF SHAREHOLDERS HOLDING 0.5 % OR MORE OF SHARE CAPITAL

As on 31st Ashad 2070 (15th July 2013)

SN	PARTICULARS	TYPE	CURRENT YEAR		PREVIOUS YEAR	
			% OF HOLDING	AMOUNT (NPR)	% OF HOLDING	AMOUNT (NPR)
2	Malchand Dugar	Promoter	5.46	110,050,000	5.46	110,050,000
3	Surendra Dugar	Promoter	3.15	63,456,000	3.15	63,456,000
4	Moti Lal Dugar	Promoter	7.23	145,684,500	7.23	145,684,500
5	Vivek Dugar	Promoter	3.71	74,766,600	3.71	74,766,600
6	Saroj Dugar	Promoter	2.00	40,300,000	2.00	40,300,000
7	Shiv Ratan Sharada	Promoter	1.43	28,750,000	1.43	28,750,000
8	Sri Niwas Sharada	Promoter	2.00	40,300,000	2.00	40,300,000
9	Radheshyam Sharada	Promoter	1.43	28,750,000	1.43	28,750,000
10	Pawan Kumar Sharada	Promoter	1.43	28,750,000	1.43	28,750,000
11	Jyoti Kumar Begani	Promoter	0.90	18,135,000	0.90	18,135,000
12	Chanda Kumarl Begani	Promoter	1.10	22,165,000	1.10	22,165,000
13	Bachha Raj Tater	Promoter	3.00	60,450,000	3.00	60,450,000
14	Saurav Tater	Promoter	2.00	40,300,000	2.00	40,300,000
15	Vishal Tater	Promoter	2.00	40,300,000	2.00	40,300,000
16	Vivek Tater	Promoter	2.00	40,300,000	2.00	40,300,000
19	Tsering Chukie Sherpa	Promoter	0.75	15,015,000	0.75	15,015,000
20	Norbu Tsering Lama	Promoter	0.78	15,762,500	0.78	15,762,500
21	Lopsang Tenzing Nepali	Promoter	0.78	15,762,500	0.78	15,762,500
22	Parneswor Lal Agrawal	Promoter	0.50	10,075,000	0.50	10,075,000
23	Srawan Kumar Goyal	Promoter	5.01	100,911,200	5.01	100,911,200
24	Kailash Chandra Goyal	Promoter	5.01	100,911,200	5.01	100,911,200
28	Hari Prasad Agrawal	Promoter	0.78	15,762,500	0.78	15,762,500
29	Sushila Sharma	Promoter	1.00	20,150,000	1.00	20,150,000
30	Jamuna Poudyal	Promoter	0.86	17,387,500	0.78	15,762,500
34	Saurabh Guragain	Promoter	0.51	10,218,000	0.51	10,218,000
35	Bhogendra Kumar Guragain	Promoter	1.37	27,512,500	1.37	27,512,500
36	Niranjan Lal Khetan	Promoter	1.00	20,150,000	1.00	20,150,000
37	Pramod Kumar Khetan	Promoter	1.00	20,150,000	1.00	20,150,000
42	Sailendra Guragain	Promoter	0.99	19,948,500	0.99	19,948,500
44	Bhushan Guragain	Promoter	0.51	10,255,000	0.51	10,255,000
45	Gyanendra Kumar Sharma	Promoter	0.60	12,090,000	0.50	10,075,000
49	Uma Sharma	Promoter	1.12	22,500,000	1.12	22,500,000
92509	Puja Dugar	Promoter	2.00	40,300,000	2.00	40,300,000
92510	Shradha Dugar	Promoter	2.00	40,300,000	2.00	40,300,000
92511	Nidhi Dugar	Promoter	2.00	40,300,000	2.00	40,300,000
<b>TOTAL</b>			<b>67.39</b>	<b>1,357,918,500</b>	<b>67.21</b>	<b>1,354,278,500</b>

\* 11% Bonus Share was proposed for the year and passed in AGM

**RESERVES & SURPLUS**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.2

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
1. General Reserve Fund	151,234,327	88,912,519
2. Capital Reserve Fund	32,407,723	32,407,723
a. Share Premium	32,407,723	32,407,723
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserves & Funds	6,117,007	2,255,855
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	5,669,839	1,955,855
5.7. Other Free Reserves	-	-
5.8. Investment Adjustment Reserve	447,168	300,000
6. Accumulated Profit/Loss	17,663,933	7,443,532
7. Exchange Fluctuation Fund	7,072,570	5,182,682
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>214,495,560</b>	<b>136,202,311</b>

**DEBENTURES & BONDS**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.3

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
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. ....	-	-
<b>TOTAL DEBENTURES &amp; BOND</b>	<b>-</b>	<b>-</b>

**BORROWINGS**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.4

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
<b>A. Domestic</b>		
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>B. Foreign</b>		
1. Banks	-	-
2. Others	-	-
Total	-	-
<b>TOTAL BORROWINGS</b>	<b>-</b>	<b>-</b>



**DEPOSIT LIABILITY**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.5

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
<b>1. NON - INTEREST BEARING ACCOUNTS</b>		
<b>A. CURRENT DEPOSITS</b>	<b>648,515,515</b>	<b>516,832,750</b>
1. Local Currency	622,484,903	476,238,347
1.1 Government of Nepal	-	-
1.2 "A" Class Licensed Institutions	1,087,760	2,189,754
1.3 Other Licensed Financial Institutions	6,842,598	15,175,214
1.4 Other Organized Institutions	579,146,065	423,523,581
1.5 Individuals	35,408,480	35,349,798
1.6 Others	-	-
2. Foreign Currency	26,030,612	40,594,403
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	-	-
2.4 Other Organized Institutions	25,969,634	40,435,607
2.5 Individuals	60,978	158,796
2.6 Others	-	-
<b>B. MARGIN DEPOSITS</b>	<b>322,328,102</b>	<b>253,599,124</b>
1. Employees' Guarantee	-	-
2. Guarantee Margin	196,084,576	172,851,090
3. Margin on Letter of Credit	78,399,022	63,640,670
4. Others Margins	47,844,504	17,107,364
<b>C. OTHER DEPOSITS</b>	-	-
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	-	-
<b>TOTAL NON-INTEREST BEARING ACCOUNT</b>	<b>970,843,617</b>	<b>770,431,874</b>
<b>2. INTEREST BEARING ACCOUNTS</b>		
<b>A. SAVINGS DEPOSITS</b>	<b>8,257,434,765</b>	<b>7,190,817,703</b>
1. Local Currency	8,233,181,865	7,163,880,570
1.1 Organized Institutions	27,199,885	186,749,004
1.2 Individuals	8,205,981,980	6,977,131,566
1.3 Others	-	-
2. Foreign Currency	24,252,900	26,937,133
2.1 Institutions	3,777	3,436
2.2 Individuals	24,249,123	26,933,697
2.3 Others	-	-
<b>B. FIXED DEPOSITS</b>	<b>10,855,684,641</b>	<b>7,005,736,959</b>
1. Local Currency	9,848,251,016	6,474,753,459
1.1 Organized Institutions	7,323,712,889	3,832,441,355
1.2 Individuals	2,524,538,127	2,642,312,104
1.3 Others	-	-
2. Foreign Currency	1,007,433,625	530,983,500
2.1 Institutions	1,005,375,000	530,100,000
2.2 Individuals	2,058,625	883,500
2.3 Others	-	-

Continue.....

Continue.....

**DEPOSIT LIABILITY**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.5

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
<b>C. CALL DEPOSITS</b>	<b>3,186,640,273</b>	<b>3,792,013,341</b>
1. Local Currency	3,168,391,674	3,734,092,413
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Institutions	851,692,861	2,111,061,071
1.3 Other Organized Institutions	2,015,229,174	1,093,938,285
1.4 Individuals	301,469,639	529,093,057
1.5 Others	-	-
2. Foreign Currency	18,248,599	57,920,928
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Institutions	3,779,697	289,604
1.3 Other Organized Institutions	10,559,381	56,963,288
1.4 Individuals	3,909,521	668,036
1.5 Others	-	-
<b>D. CERTIFICATE OF DEPOSITS</b>	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
<b>TOTAL INTEREST BEARING ACCOUNTS</b>	<b>22,299,759,679</b>	<b>17,988,568,003</b>
<b>TOTAL DEPOSITS</b>	<b>23,270,603,296</b>	<b>18,758,999,877</b>

**BILLS PAYABLE**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.6

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
1. Local Currency	12,953,239	8,075,298
2. Foreign Currency	2,722,297	1,405,601
<b>TOTAL BILLS PAYABLE</b>	<b>15,675,536</b>	<b>9,480,899</b>

**OTHER LIABILITIES**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.7

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
1. Pension/Gratuity Fund	11,149,501	7,392,447
2. Employees' Provident Fund	-	-
3. Employees' Welfare Fund	-	-
4. Provision for Staff Bonus	45,817,177	15,764,368
5. Interest Payable on Deposits	111,715,521	28,421,411
6. Interest Payable on Borrowing	-	-
7. Unearned Discount and Commission	33,872,338	18,783,115
8. Sundry Creditors	10,935,284	9,533,470
9. Branch Adjustment Account	-	-
10. Deferred Tax Liability	-	640,270
11. Unpaid Dividend	37,324,638	21,971,403
12. Others	128,934,893	150,766,204
a. Audit Fees Payable	395,500	369,171
b. TDS Payable	22,191,420	25,833,184
c. Retention Money	2,806,641	4,117,657
d. Refund IPO Payable	2,609,698	42,596,451
e. Others	100,931,634	77,849,741
<b>TOTAL OTHER LIABILITY</b>	<b>379,749,352</b>	<b>253,272,688</b>

**CASH BALANCE**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.8

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
1. Local Currency (Including Coins)	599,680,303	663,127,530
2. Foreign Currency	8,787,849	5,235,109
<b>TOTAL CASH BALANCE</b>	<b>608,468,152</b>	<b>668,362,639</b>

**BALANCE WITH NEPAL RASTRA BANK**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.9

PARTICULARS	LOCAL CURRENCY	FOREIGN CURRENCY IN NPR			CURRENT YEAR	PREVIOUS YEAR
		INR	OTHER	TOTAL NPR	NPR	NPR
<b>1. Nepal Rastra Bank</b>	<b>3,713,838,189</b>	-	<b>43,795,106</b>	<b>43,795,106</b>	<b>3,757,633,295</b>	<b>3,222,750,677</b>
a. Current Account	3,713,838,189	-	43,795,106	43,795,106	3,757,633,295	3,222,750,677
b. Other Account	-	-	-	-	-	-

\* Balance as per the confirmation statements received from respective bank is NPR 3,777,911,302. Difference have been identified, reviewed and reconciled.

**BALANCE WITH OTHER BANKS & FINANCIAL INSTITUTIONS**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.10

PARTICULARS	LOCAL CURRENCY	FOREIGN CURRENCY IN NPR			CURRENT YEAR	PREVIOUS YEAR
		INR	OTHER	TOTAL NPR	NPR	NPR
<b>1. Local Banks</b>	<b>121,200,660</b>	-	<b>107,470</b>	<b>107,470</b>	<b>121,308,130</b>	<b>345,896,161</b>
a. Current Account	121,200,660	-	107,470	107,470	121,308,130	345,896,161
b. Other Account	-	-	-	-	-	-
<b>2. Foreign Banks</b>	-	<b>53,186,265</b>	<b>150,330,844</b>	<b>203,517,109</b>	<b>203,517,109</b>	<b>171,279,419</b>
a. Current Account	-	53,186,265	150,330,844	203,517,109	203,517,109	171,279,419
b. Other Account	-	-	-	-	-	-
<b>Total</b>	<b>121,200,660</b>	<b>53,186,265</b>	<b>150,438,314</b>	<b>203,624,579</b>	<b>324,825,239</b>	<b>517,175,580</b>

\* Balance as per the confirmation statements received from respective banks is NPR 381,296,937. Difference have been identified, reviewed and reconciled.

**MONEY AT CALL & SHORT NOTICE**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.11

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	NPR	NPR
1. Local Currency	300,000,000	42,167,344
2. Foreign Currency	379,557,052	58,458,682
<b>TOTAL CASH BALANCE</b>	<b>679,557,052</b>	<b>100,626,026</b>

## INVESTMENTS

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.12

PARTICULARS	PURPOSE		CURRENT YEAR NPR	PREVIOUS YEAR NPR
	TRADING NPR	OTHERS NPR		
1. Nepal Government's Treasury bills	-	1,726,501,030	1,726,501,030	1,251,277,342
2. Nepal Government's Savings Bonds	-	-	-	-
3. Nepal Government's Development Bonds	-	140,600,000	140,600,000	140,600,000
4. Nepal Rastra Bank Bonds	-	-	-	-
5. Foreign Securities	-	-	-	-
6. Local Licenced Institutions	-	181,925,000	181,925,000	26,505,000
7. Foreign Banks	-	378,496,265	378,496,265	370,046,487
8. Corporate Shares	-	26,058,400	26,058,400	18,700,000
9. Corporate Bonds & Debentures	-	-	-	-
10. Other Investments	-	-	-	2,000,000
<b>Total Investment</b>	-	<b>2,453,580,695</b>	<b>2,453,580,695</b>	<b>1,809,128,829</b>
Less : Provision	-	-	-	167,344
<b>Net Investment</b>			<b>2,453,580,695</b>	<b>1,808,961,485</b>

## INVESTMENT IN SHARES, DEBENTURES & BONDS

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.12 (A)

PARTICULARS	COST PRICE	MARKET PRICE	PROVISION	BOOK VALUE	
				CURRENT	PREVIOUS
<b>1. Investment in Shares</b>	<b>26,058,400</b>	<b>31,659,168</b>	-	<b>26,058,400</b>	<b>18,700,000</b>
1.1. Gurans Life Insurance 208,284 Ordinary Shares of NPR 100 Each (Includes Right & Bonus Shares)	19,858,400	31,659,168	-	19,858,400	15,000,000
1.2. Nepal Clearing House Limited 25,000 Ordinary Shares of NPR 100 Each	2,500,000	Not Listed	-	2,500,000	2,500,000
1.3. National Banking Training Institute 12,000 Ordinary Shares of NPR 100 Each	1,200,000	Not Listed	-	1,200,000	1,200,000
1.4. Nepal Electronic Payment System 25,000 Ordinary Shares of NPR 100 Each-Initial Investment	2,500,000	Not Listed	-	2,500,000	-
<b>2. Investment in Debentures &amp; Bonds</b>					
2.1. ....					
2.2. ....					
2.3. ....					
<b>Total Investments</b>	<b>26,058,400</b>	<b>31,659,168</b>	-	<b>26,058,400</b>	<b>18,700,000</b>
<b>3. Provision for Loss</b>					
3.1. Upto Previous Year					
3.2. Adjustment This Year					
<b>Total Provision</b>	-	-	-	-	-
<b>Net Balance</b>	<b>26,058,400</b>	<b>31,659,168</b>	-	<b>26,058,400</b>	<b>18,700,000</b>

Note: None of the above listed companies have declared cash dividend during the last three years except Gurans Life Insurance has declared 6.50% Bonus Shares & 30.41% Right Shares for FY 2068/69.

**INVESTMENTS (HELD FOR TRADING)**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.12.1

PARTICULARS	COST PRICE	MARKET VALUE (NPR)		ADJUSTMENT FUND	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
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 Investments	-	-	-	-	-
<b>Total Investment Held For Trading</b>	-	-	-	-	-

**INVESTMENTS (HELD TILL MATURITY)**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.12.2

PARTICULARS	COST PRICE	MARKET VALUE (NPR)		ADJUSTMENT FUND	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
1. Government of Nepal - Treasury bills	1,726,501,030	-	-	-	-
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	560,421,265	-	-	-	-
10. Other Investment	-	-	-	-	-
<b>Total Investment Held Till Maturity</b>	<b>2,427,522,295</b>	-	-	-	-

**INVESTMENTS (AVAILABLE FOR SALE)**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.12.3

PARTICULARS	COST PRICE	MARKET VALUE (NPR)		ADJUSTMENT FUND	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
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	<b>26,058,400</b>	<b>22,800,000</b>	<b>15,900,000</b>	<b>447,168</b>	-
-Listed	19,858,400	22,800,000	15,900,000	<b>397,168</b>	300,000
-Unlisted	6,200,000	Not Listed	Not Listed	<b>50,000</b>	-
9. Placement	-	-	-	-	-
10. Inter bank Lending	-	-	-	-	-
11. Other Investment	-	-	-	-	-
<b>Total Investment Available for Sale</b>	<b>26,058,400</b>	<b>22,800,000</b>	<b>15,900,000</b>	<b>447,168</b>	<b>300,000</b>

\* Market Price of Bonus &amp; Right shares not included

CLASSIFICATION OF LOANS, ADVANCES AND BILLS PURCHASE AND PROVISING													Schedule 4.13	
As on 31st Ashad 2070 (15th July 2013)														
PARTICULARS	LOANS & ADVANCES						TOTAL LOANS		BILLS PURCHASED		TOTAL	CURRENT (NRS)	PREVIOUS (NRS)	
	DOMESTIC			FOREIGN			LOCAL	FOREIGN						
	DEPRIVED		OTHERS	INSURED	UNINSURED	INSURED			UNINSURED					
	INSURED	UNINSURED												
<b>1. Performing Loan</b>	-	<b>713,075,047</b>	<b>12,778,144</b>	<b>16,920,591,198</b>	-	<b>17,646,444,389</b>	<b>67,885,158</b>	-	<b>67,885,158</b>	<b>67,885,158</b>	<b>17,714,329,547</b>	<b>14,299,568,446</b>		
A. Pass loans	-	713,075,047	12,778,144	16,920,591,198	-	17,646,444,389	67,885,158	-	67,885,158	67,885,158	17,714,329,547	14,299,568,446		
<b>2. Non Performing Loan</b>	-	<b>9,983,733</b>	-	<b>678,456,268</b>	-	<b>688,440,001</b>	-	-	<b>688,440,001</b>	-	<b>688,440,001</b>	<b>522,375,997</b>		
2.1 Restructured/ Re-scheduled	-	-	-	-	-	-	-	-	-	-	-	-		
2.1 Sub Standard	-	-	-	16,138,114	-	16,138,114	-	-	16,138,114	-	16,138,114	125,929,458		
2.2 Doubtful	-	-	-	362,412,450	-	362,412,450	-	-	362,412,450	-	362,412,450	111,263,104		
2.3 Loss	-	9,983,733	-	299,905,704	-	309,889,437	-	-	309,889,437	-	309,889,437	285,183,435		
Total Loans (A)	-	723,058,780	12,778,144	17,599,047,466	-	18,334,884,390	67,885,158	-	67,885,158	67,885,158	18,402,769,548	14,821,944,443		
<b>3. Loan Loss Provision</b>	-	-	-	-	-	-	-	-	-	-	-	-		
3.1 Pass Loans	-	7,130,750	31,945	169,205,912	-	176,368,608	678,852	-	678,852	-	177,047,459	142,995,684		
3.2 Restructured/ Re-scheduled Loan	-	-	-	-	-	-	-	-	-	-	-	-		
3.3 Sub Standard	-	-	-	4,034,529	-	4,034,529	-	-	4,034,529	-	4,034,529	31,482,365		
3.4 Doubtful	-	-	-	181,206,225	-	181,206,225	-	-	181,206,225	-	181,206,225	55,631,552		
3.5 Loss	-	9,983,733	-	299,905,704	-	309,889,437	-	-	309,889,437	-	309,889,437	285,183,435		
<b>Total Provisions (B)</b>	-	<b>17,114,483</b>	<b>31,945</b>	<b>654,352,369</b>	-	<b>671,498,798</b>	<b>678,852</b>	-	<b>678,852</b>	-	<b>672,177,649</b>	<b>515,293,036</b>		
4. Provision upto Previous year	-	-	-	-	-	-	-	-	-	-	-	-		
4.1 Pass Loans	-	5,038,060	-	135,690,765	-	140,728,825	2,266,859	-	2,266,859	-	142,995,684	119,979,712		
4.2 Restructured/ Re-scheduled Loans	-	-	-	-	-	-	-	-	-	-	-	187,074,886		
4.3 Sub Standard	-	-	-	31,482,365	-	31,482,365	-	-	31,482,365	-	31,482,365	4,877,264		
4.4 Doubtful	-	-	-	55,631,552	-	55,631,552	-	-	55,631,552	-	55,631,552	17,435,551		
4.5 Loss	-	9,983,733	-	275,199,702	-	285,183,435	-	-	285,183,435	-	285,183,435	194,956,907		
Extra Provision	-	-	-	-	-	-	-	-	-	-	-	-		
Total Provision upto Previous Year (C)	-	15,021,793	-	498,004,384	-	513,026,177	2,266,859	-	2,266,859	-	515,293,036	524,324,320		
Write back during the year	-	-	-	179,796,665	-	179,796,665	1,588,008	-	1,588,008	-	181,384,673	298,799,479		
Additional Provision during the year	-	2,092,690	31,945	336,144,651	-	338,269,286	-	-	338,269,286	-	338,269,286	289,768,195		
Net Change for this year	-	2,092,690	31,945	156,347,986	-	158,472,621	(1,588,008)	-	(1,588,008)	-	156,884,614	(10,642,264)		
<b>Net Loan (A-B)</b>	-	<b>705,944,297</b>	<b>12,746,198</b>	<b>16,944,695,097</b>	-	<b>17,663,385,592</b>	<b>67,206,307</b>	-	<b>67,206,307</b>	-	<b>17,730,591,898</b>	<b>14,306,651,407</b>		

## SECURITIES FOR LOANS, ADVANCE & BILLS PURCHASE

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.13 (A)

PARTICULARS	CURRENT YEAR NPR NRS	PREVIOUS YEAR NRS
<b>(A) Secured</b>	<b>18,402,769,548</b>	<b>14,821,944,443</b>
1. Collateral of Movable/Immovable Assets	17,424,029,346	13,757,236,803
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	64,785,983	79,587,769
(a) Own FDR	64,785,983	79,587,769
(b) FDR of other Banks	-	-
7. Government Bonds	-	399,115
8. Counter Guarantees	-	-
9. Personal Guarantee	-	-
10. Other Securities	913,954,219	984,720,756
<b>(B) Unsecured</b>	<b>-</b>	<b>-</b>
<b>TOTAL LOANS, ADVANCE &amp; BILLS PURCHASE</b>	<b>18,402,769,548</b>	<b>14,821,944,443</b>

## FIXED ASSETS

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.14

PARTICULARS	ASSETS (NPR)					CURRENT YEAR	PREVIOUS YEAR
	BUILDING	VEHICLE	MACHINERY	OFFICE EQUIPMENT	OTHERS	NPR	NPR
<b>1. Cost Price</b>							
a. Previous year's balance	-	88,457,156	-	272,832,690	34,999,452	396,289,298	362,945,518
b. Additions this year	-	19,800,000	-	16,195,399	4,563,717	40,559,116	38,887,905
c. Revaluation/Written back this year	-	-	-	-	-	-	-
d. This Year Sold	-	(4,000,000)	-	(428,543)	-	(4,428,543)	(5,410,000)
e. This year written off	-	-	-	(13,473,868)	-	(13,473,868)	(134,125)
<b>Total Cost (a+b+c+d+e)</b>	-	<b>104,257,156</b>	-	<b>275,125,678</b>	<b>39,563,170</b>	<b>418,946,004</b>	<b>396,289,298</b>
<b>2. Depreciation</b>							
a. Upto previous year	-	33,468,077	-	116,313,769	14,102,965	163,884,811	108,485,224
b. For this year	-	14,485,952	-	42,415,958	5,420,722	62,322,632	58,123,573
c. Depreciation on revaluation/written back	-	-	-	-	-	-	-
d. Depreciation Adjustment/Written off	-	(2,956,754)	-	(13,620,017)	-	(16,576,771)	(2,723,986)
Total Depreciation	-	44,997,275	-	145,109,710	19,523,686	209,630,672	163,884,811
<b>3. Written Down Value (1-2)</b>	-	<b>59,259,881</b>	-	<b>130,015,968</b>	<b>20,039,483</b>	<b>209,315,332</b>	<b>232,404,487</b>
<b>4. Land</b>	-	-	-	-	-	-	-
<b>5. Capital Construction( Capital WIP)</b>	-	-	-	-	-	-	-
<b>6. Leasehold Assets (net of amortisation)</b>	<b>103,451,434</b>	-	-	-	-	<b>103,451,434</b>	<b>116,192,932</b>
<b>Total (3+4+5+6)</b>	-	-	-	-	-	<b>312,766,766</b>	<b>348,597,419</b>



**NON-BANKING ASSETS**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.15

NAME & ADDRESS OF BORROWER	DATE OF ASSUMING NBA	GROSS NBA (NPR)	LESS: PROVISION		NET NBA NPR	PREVIOUS YEAR NPR
			%	NPR		
Charles William Mendis Mahalaxmistan, Lalitpur-5	29-Apr-13 -	30,000,000 -	100% -	30,000,000 -	- -	- -
<b>TOTAL NBA</b>		<b>30,000,000</b>		<b>30,000,000</b>	<b>-</b>	<b>-</b>

**OTHER ASSETS**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.16

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Stock of Stationery	23,774,657	5,426,318
2. Income Receivable on Investments	10,587,127	19,100,527
AIR T Bills	7,074,399	5,549,003
AIR Development Bonds	2,881,115	2,881,115
AIR NSB Bonds	302,500	8,876,958
AIR Placement NRs	205,137	1,793,451
AIR Placement FCY	123,976	-
3. Accrued Interest on Loans	19,296,656	17,611,347
Accrued Interest on Loans	268,963,841	167,376,353
Less: Interest Suspense	(249,667,185)	(149,765,006)
4. Commision Receivable	-	-
5. Sundry Debtors	2,012,509	1,264,506
6. Staff Loans and Advances	87,652,727	59,165,608
7. Prepayments	14,420,143	27,750,809
8. Cash-in-Transit	-	-
9. Other Transit Items ( including cheques)	-	42,221,916
10. Drafts Paid Without Notice	-	-
11. Expenses to be Written off	44,735,796	51,492,869
12. Branch Adjustment Accounts	218,413	206,229
13. Deferred Tax Asset	3,073,714	-
14. Others	55,644,694	81,643,044
a. Advance Income Tax (Net Off)	8,755,216	74,231,781
b. Others	46,889,478	7,411,263
<b>TOTAL OTHER ASSETS</b>	<b>261,416,436</b>	<b>305,883,174</b>

**OTHER ASSETS (Additional Statement)**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.16A

PARTICULARS	THIS YEAR NPR				PREVIOUS YEAR NPR
	UPTO 1 YEAR	1 TO 3 YEARS	ABOVE 3 YEARS	TOTAL	
1. Accrued Interest on Loans	244,507,249	6,281,526	18,175,066	268,963,841	167,376,353
2. Draft Paid without Notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Local/Foreign Agency Account	-	-	-	-	-
<b>TOTAL</b>	<b>244,507,249</b>	<b>6,281,526</b>	<b>18,175,066</b>	<b>268,963,841</b>	<b>167,376,353</b>

**CONTINGENT LIABILITIES**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.17

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Claims on Bank but not Accepted by the Bank	-	-
2. Letters of Credit (Full Amount)	982,351,236	506,075,543
a. Letter of Credit With Maturity Less than 6 Months	982,351,236	506,075,543
b. Letter of Credit With Maturity More than 6 Months	-	-
3. Rediscounted Bills	-	-
4. Unmatured Guarantees/Bonds	2,285,989,173	1,500,794,252
a. Bid Bonds	474,290,346	153,917,200
b. Performance Bonds	1,811,698,827	1,345,168,173
c. Other Guarantee/Bonds	-	1,708,879
5. Unpaid Shares in Investment	-	-
6. Forward Exchange Contract Liabilities	95,750,000	-
7. Bills under Collection	296,185,594	182,534,756
8. Acceptances and Endorsements	286,748,980	381,136,730
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	935,646,173	739,788,437
11. Guarantees issued against Counter Guarantee of In'lly Rated Foreign Banks	-	-
12. Advance Payment Guarantees	1,009,903,129	901,529,252
13. Financial Guarantees	-	-
14. Contingent Liabilities on Income Tax	19,014,762	-
15. ....	-	-
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>5,911,589,047</b>	<b>4,211,858,970</b>

**INTEREST INCOME**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.18

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. On Loans, Advances and Overdrafts	2,176,688,223	1,931,712,382
1. Loans & Advances	1,559,585,861	1,309,531,914
2. Overdrafts	617,102,362	622,180,468
B. On Investment	39,166,720	54,931,603
1. Nepal Government Securities	35,940,037	51,955,178
a. Treasury Bills	24,092,037	47,065,846
b. Development Bonds	11,848,000	4,529,115
c. National Savings Certificates	-	360,217
2. Foreign Securities	-	-
a. ....	-	-
b. ....	-	-
3. Nepal Rastra Bank Bonds	-	-
4. Debentures & Bonds	-	-
5. Interest on Interbank Placements	3,226,683	2,976,425
a. Bank/ Financial Institutions	3,226,683	2,976,425
b. Other Institutions	-	-
C. On Agency Balances	214,294	59,067
1. Local Banks/Financial Institutions	-	-
2. Foreign Banks	214,294	59,067
D. On Money at Call and Short Notice	18,891,031	10,442,825
1. Local Banks/Financial Institutions	18,890,611	10,410,706
2. Foreign Banks	420	32,119
E. On Others	5,243,002	4,213,741
1. Local Banks/Financial Institutions	-	-
2. Foreign Banks	-	-
3. Others	5,243,002	4,213,741
<b>TOTAL INTEREST INCOME</b>	<b>2,240,203,270</b>	<b>2,001,359,618</b>

## INTEREST EXPENSES

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.19

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
<b>A. ON DEPOSIT LIABILITY</b>	<b>1,250,374,603</b>	<b>1,408,900,532</b>
1. Fixed Deposits	690,686,837	722,440,771
1.1 Local Currency	662,859,344	706,345,522
1.2 Foreign Currency	27,827,493	16,095,249
2. Savings Deposits	399,791,041	407,934,575
2.1 Local Currency	399,170,145	407,647,000
2.2 Foreign Currency	620,896	287,575
3. Call Deposits	159,896,725	278,525,186
3.1 Local Currency	158,707,335	277,706,260
3.2 Foreign Currency	1,189,390	818,926
4. Certificate of Deposits	-	-
<b>B. ON BORROWINGS</b>	<b>26,032</b>	<b>1,080,261</b>
1. Debentures & Bonds	-	-
2. Loan From Nepal Rastra Bank	-	-
3. Inter Bank Borrowings	26,032	1,080,261
4. Other Organized Institutions	-	-
5. Other Loans	-	-
<b>C. ON OTHERS</b>	<b>903,796</b>	<b>715,203</b>
1. Lockers	903,796	715,203
2. ....	-	-
<b>TOTAL INTEREST EXPENSES</b>	<b>1,251,304,431</b>	<b>1,410,695,996</b>

## COMMISSION & DISCOUNT

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.20

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
<b>A. Bills Purchased and Discounted</b>	<b>1,152,064</b>	<b>756,667</b>
1. Local	1,145,564	724,785
2. Foreign	6,500	31,882
<b>B. Commission</b>	<b>74,786,932</b>	<b>55,926,141</b>
1. Letters of Credit	19,538,720	13,181,363
2. Guarantees	10,336,331	10,658,147
3. Collection Fees	6,425,321	2,340,977
4. Remittance Fees	6,049,109	3,140,824
5. Credit Cards	-	-
6. Share Underwriting /Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	3,908,561	8,897,208
9. Exchange Fee	-	-
10. Bid Bonds/ Performance Bonds	28,528,890	17,707,622
<b>C. Others</b>	<b>19,003,783</b>	<b>13,762,538</b>
<b>TOTAL COMMISSION &amp; DISCOUNT</b>	<b>94,942,779</b>	<b>70,445,346</b>

**OTHER OPERATING INCOME**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.21

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Rental on Safe Deposit Lockers	2,807,000	2,323,210
2. Issue and Renewal of Credit Cards	-	-
3. Issue and Renewal of ATM Cards	47,214,410	32,523,063
4. Telex/ T. T.	3,356,398	1,822,973
5. Service Charges	68,575,402	32,772,787
6. Renewal Fees	-	-
7. Others	2,571,352	93,355
<b>TOTAL OTHER OPERATING INCOME</b>	<b>124,524,562</b>	<b>69,535,388</b>

**STAFF EXPENSES**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.22

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. Revaluation Gain	7,559,550	9,228,773
B. Trading Gain (Except exchange fees)	42,951,211	29,635,288
<b>TOTAL FOREX INCOME</b>	<b>50,510,761</b>	<b>38,864,061</b>

**EXCHANGE FLUCUATION INCOME**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.23

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Salary	104,190,587	92,589,659
2. Allowances	86,681,910	78,767,590
3. Contribution to Provident Fund	8,464,053	7,467,887
4. Training Expenses	2,383,820	1,797,880
5. Uniform	3,495,200	3,084,193
6. Medical	-	-
7. Insurance	5,862,387	4,476,883
8. Pension and Gratuity Expenses	3,873,801	2,949,727
9. Others	2,817,236	3,223,122
<b>TOTAL SALARY</b>	<b>217,768,994</b>	<b>194,356,941</b>

**OFFICE OVERHEAD EXPENSES**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.24

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. House Rent	45,004,444	42,577,372
2. Electricity and Water	9,188,522	7,827,471
3. Repairs and Maintenance	8,924,687	2,868,538
a. Building	1,406,508	506,308
b. Vehicles	1,178,440	1,215,053
c. Others	6,339,739	1,147,178
4. Insurance	18,308,910	12,845,617
5. Postage, Telex, Telephone, Fax	7,363,379	6,883,139
6. Office Equipment, Furniture & Repairs	7,580,597	8,107,727
7. Travelling Allowance and Expenses	3,921,899	2,774,520
8. Printing and Stationery	11,230,052	8,857,424
9. Books and Periodicals	263,232	302,996
10. Advertisements	5,496,852	6,363,283
11. Legal Fees	17,162	23,901
12. Donations	-	25,000
13. Expenses Relating to Board of Directors	1,690,478	1,503,119
a. Meeting Fees	1,383,000	1,383,000
b. Other Expenses	307,478	120,119
14. Annual General Meeting Expenses	774,001	566,682
15. Expenses Relating to Audit	757,588	567,855
a. Audit Fees	395,500	369,171
b. Other Expenses	362,088	198,684
16. Fund Transfer Expense	-	-
17. Depreciation on Fixed Assets	62,322,632	58,123,573
18. Amortization of Preliminary Expenses	-	-
19. Share Issue Expenses	-	721,240
20. Professional Fees	4,118,280	3,752,146
21. Entertainment	729,260	247,685
22. Written off Expenses	31,649,910	27,804,739
23. Security Expenses	31,874,137	29,847,491
24. Credit Guarantee Premium	144,936	80,325
25. Commission and Discount	6,251,353	4,164,019
26. Others Expenses	72,980,564	53,212,000
a. Registration Fees	1,678,027	1,655,981
b. Branch Opening cost	-	695,106
c. Expense for Capital Items	487,032	1,021,993
d. ATM and Card Related Expenses	24,304,676	15,613,579
e. Lease rental expenses	8,168,097	7,956,043
f. Office Expense	5,481,348	4,962,621
g. Subscription Fees	3,355,996	2,381,545
h. Others	29,505,388	18,925,133
<b>TOTAL OFFICE OVERHEAD EXPENSES</b>	<b>330,592,874</b>	<b>280,047,864</b>

**PROVISION FOR POSSIBLE LOSS**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.25

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Increase in Loan Loss Provision	338,269,286	289,768,195
2. Increase in Provision for Loss on Investment	-	167,344
3. Provision for Non Banking Assets	30,000,000	-
4. Provision for Other Assets	-	-
<b>TOTAL PROVISION FOR POSSIBLE LOSS</b>	<b>368,269,286</b>	<b>289,935,539</b>

**NON OPERATING INCOME**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.26

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Profit (Loss) on Sale of Investments	-	-
2. Profit (Loss) on Sale of Assets	(147,152)	(19,553)
3. Dividend	-	-
4. Subsidies Received from Nepal Rastra Bank	-	-
5. Others	3,713,673	125,750
<b>TOTAL NON OPERATING INCOME</b>	<b>3,566,521</b>	<b>106,197</b>

**PROVISION WRITE BACK**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.27

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Loan Loss Provision Written Back	181,384,673	298,799,479
2. Provision against Non Banking Assets Written Back	27,786,327	-
3. Provision against Investment Written Back	167,344	-
4. Provision against Other Assets Written Back	-	-
<b>TOTAL PROVISION WRITE BACK</b>	<b>209,338,344</b>	<b>298,799,479</b>

**EXTRA ORDINARY INCOME/(LOSS)**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.28

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Recovery of Loan Written off	9,984,699	-
2. Voluntary Retirement Scheme Expenses	-	-
3. Loan Write Offs { Refer Schedule 4.28 (Ka)}	(61,495,708)	(130,665,705)
4. Other Expense/Income	-	-
5. ....	-	-
<b>TOTAL EXTRA ORDINARY INCOME</b>	<b>(51,511,009)</b>	<b>(130,665,705)</b>

**DETAILS OF LOAN WRITE OFF**

For the Period Ended 1st Shrawan 2069 to 31st Ashad 2070 (16th July 2012 to 15th July 2013)

Schedule 4.28 (Ka)

SN	CUSTOMER	LOAN TYPE	AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY	INITIATION MADE FOR RECOVERY	REMARKS
1	Pawanputra Industries Pvt. Ltd.	DEMAND LOAN	61,400,196	5947 Promoter share of BOK, Hypothecation of Stock		Board of Directors (BOD)	Follow up letters, 35 days notice, several auction notices in National Daily, obtained bonus share and cash dividend from BOK, letter issued to Bank of Asia (now NIC Asia) and Himalayan Bank Limited to provide surplus amount if any that will be received from auction , Blacklisting the borrower, file case in DRT.	Borrower has absconded and is currently out of contact
2	Pawanputra Beverage Ind Pvt. Ltd.	HP loan	95,512	Registration of 1 unit of Mini Truck	As per Invoice	Finance & Credit Committee (FCC)	Follow up Letters, 35 Days notice on National Daily	
			<b>61,495,708</b>					





**CAPITAL ADEQUACY TABLE**

(After Adjustment of 2% in Operational Risk &amp; 3% on Total RWE) As on 31st Ashad 2070 (15th July 2013)

Schedule-4.30 (A)

1.1 RISK WEIGHTED EXPOSURE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a Risk Weighted Exposure for Credit Risk	19,885,360	16,906,321
b Risk Weighted Exposure for Operational Risk	1,232,510	1,540,626
c Risk Weighted Exposure for Market Risk	108,660	52,341
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	167,844	175,188
1% additional risk weight for Market Risk	-	6,970
3% adjustment on Total RWE	636,796	554,979
<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>	<b>22,031,170</b>	<b>19,236,425</b>
1.2 CAPITAL	CURRENT YEAR NPR	PREVIOUS YEAR NPR
<b>Core Capital (Tier 1)</b>	<b>2,415,685</b>	<b>2,117,788</b>
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	221,650	-
e Statutory General Reserves	151,234	88,913
f Retained Earnings	17,664	7,444
g Un-audited current year cumulative profit	-	-
h Capital Redemption Reserve	-	-
i Capital Adjustment Reserve	-	-
j Dividend Equalization Reserves	-	-
k Other Free Reserve	5,670	1,956
l Less: Goodwill	-	-
m Less: Fictitious Assets	(8,083)	(12,933)
n Less: Investment in equity in licensed Financial Institutions	-	-
o Less: Investment in equity of institutions with financial interests	(19,858)	(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)	184,567	148,479
a Cumulative and/or Redeemable Preference Share	-	-
b Subordinated Term Debt	-	-
c Hybrid Capital Instruments	-	-
d General loan loss provision	177,047	142,996
e Exchange Equalization Reserve	7,073	5,183
f Investment Adjustment Reserve	447	300
g Assets Revaluation Reserve	-	-
h Other Reserves	-	-
<b>TOTAL CAPITAL FUND</b>	<b>2,600,252</b>	<b>2,266,267</b>
1.3 CAPITAL ADEQUACY RATIOS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	10.96%	11.01%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	11.80%	11.78%

## RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 31st Ashad 2070 (15th July 2013)

Amount in Thousand  
Schedule-4.30 (B)

	CURRENT YEAR						PREVIOUS YEAR	
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D * E)	NET VALUE	RISK WEIGHTED EXPOSURE
Cash Balance	606,644	-	-	606,644	0%	-	666,514	-
Balance With Nepal Rastra Bank	3,757,633	-	-	3,757,633	0%	-	3,222,751	-
Gold	1,849	-	-	1,849	0%	-	1,849	-
Investment in Nepalese Government Securities	140,600	-	-	140,600	0%	-	1,393,877	-
All Claims on Government of Nepal	90,614	-	-	90,614	0%	-	90,614	-
Investment in Nepal Rastra Bank securities	1,726,501	-	-	1,726,501	0%	-	-	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-	-	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-	-	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Government and Central Bank (ECA-7)	-	-	-	-	150%	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	838,651	-	50,000	788,651	20%	157,730	111,598	22,320
Claims on domestic banks that do not meet capital adequacy requirements	100,440	-	-	100,440	100%	100,440	318,830	318,830
Claims on foreign bank (ECA Rating 0-1)	452,842	-	-	452,842	20%	90,568	371,850	74,370
Claims on foreign bank (ECA Rating 2)	157,404	-	-	157,404	50%	78,702	134,968	67,484
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	15,466	-	-	15,466	20%	3,093	35,107	7,021
Claims on Domestic Corporates	10,901,930	-	-	10,901,930	100%	10,901,930	8,273,744	8,273,744
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Foreign Corporates (ECA-2)	-	-	-	-	50%	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	2,597,102	-	539,548	2,057,554	75%	1,543,165	1,124,015	843,012
Claims fulfilling all criterion of regulatory retail except granularity	21,486	-	-	21,486	100%	21,486	-	-

	CURRENT YEAR						PREVIOUS YEAR	
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	NET VALUE	RISK WEIGHTED EXPOSURE
<b>A. BALANCE SHEET EXPOSURE</b>								
Claims secured by residential properties	850,942			850,942	60%	510,566	375,516	225,310
Claims not fully secured by residential properties								
Claims secured by residential properties (Overdue)	5,823			-	150%	-	22,394	33,591
Claims secured by Commercial real estate	2,394,610			5,823	100%	5,823	33,143	33,143
Past due claims (except for claim secured by residential properties)	735,346	495,130		2,394,610	100%	2,394,610	1,594,398	1,594,398
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	737,033		456,965	280,068	150%	420,102	1,017,641	1,526,461
Investments in equity and other capital instruments of institutions listed in the stock exchange				-	100%	-	-	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	6,200			6,200	150%	9,300	3,700	5,550
Staff Loan secured by residential property	62,318			62,318	60%	37,391	36,060	21,636
Interest receivable/claim on government securities	10,258			10,258	0%	-	17,307	-
Cash in transit and other cash items in the process of collection	18			18	20%	4	42,220	8,444
Other Assets	1,111,494	569,428		542,067	100%	542,067	454,211	454,211
<b>TOTAL</b>	<b>27,323,204</b>	<b>1,064,558</b>	<b>1,046,513</b>	<b>25,212,133</b>		<b>17,177,300</b>	<b>20,171,147</b>	<b>14,752,787</b>
<b>B. OFF BALANCE SHEET EXPOSURE</b>								
Revocable Commitments	-			-	0%	-	-	-
Bills Under Collection	296,186			296,186	0%	-	182,535	-
Forward Exchange Contract Liabilities	95,750			95,750	10%	9,575	-	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	982,351		58,979	923,372	20%	184,674	442,435	88,487
foreign counterparty (ECA Rating 0-1)				-	20%	-	-	-
foreign counterparty (ECA Rating- 2)				-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)				-	100%	-	-	-
foreign counterparty (ECA Rating-7)				-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)				-	50%	-	-	-
foreign counterparty (ECA Rating 0-1)				-	20%	-	-	-
foreign counterparty (ECA Rating-2)				-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)				-	100%	-	-	-
foreign counterparty (ECA Rating-7)				-	150%	-	-	-

B. OFF BALANCE SHEET EXPOSURE	CURRENT YEAR						PREVIOUS YEAR	
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D * E)	NET VALUE	RISK WEIGHTED EXPOSURE
" Bid Bond, Performance Bond and Counter guarantee (domestic counter party) "	2,275,552		163,238	2,112,314	50%	1,056,157	1,368,726	684,363
foreign counterparty (ECA Rating 0-1)			-	-	20%	-	-	-
foreign counterparty (ECA Rating-2)			-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	10,437			10,437	100%	10,437	-	-
foreign counterparty (ECA Rating -7)				-	150%	-	-	-
Underwriting commitments				-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral				-	100%	-	-	-
Repurchase Agreements; Assets sale with recourse (including repo/ reverse repo)				-	100%	-	-	-
Advance Payment Guarantee	1,009,903		41,392	968,512	100%	968,512	851,482	851,482
Financial Guarantee				-	100%	-	-	-
Acceptances and Endorsements	286,749		19,420	267,329	100%	267,329	381,137	381,137
Unpaid portion of Partly paid shares and Securities				-	100%	-	-	-
Irrevocable Credit commitments (Short term)	918,206			918,206	20%	183,641	739,430	147,886
Irrevocable Credit commitments (long term)	17,440			17,440	50%	8,720	359	179
Other Contingent Liabilities	19,015			19,015	100%	19,015	-	-
Unpaid Guarantee Claims				-	-	-	-	-
<b>TOTAL</b>	<b>5,911,589</b>	<b>-</b>	<b>283,029</b>	<b>5,628,560</b>		<b>2,708,060</b>	<b>3,966,104</b>	<b>2,153,534</b>
<b>Total RWE for credit Risk (A) + (B)</b>	<b>33,234,793</b>	<b>1,064,558</b>	<b>1,329,542</b>	<b>30,840,694</b>		<b>19,885,360</b>	<b>24,137,252</b>	<b>16,906,321</b>
<b>Adjustments under Pillar II</b>								
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)								
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)								
<b>Total RWE for credit Risk (After Bank's adjustments of Pillar II)</b>	<b>33,234,793</b>	<b>1,064,558</b>	<b>1,329,542</b>	<b>30,840,694</b>		<b>19,885,360</b>	<b>24,137,252</b>	<b>16,906,321</b>



## ELIGIBLE CREDIT RISK MITIGANTS

As on 31st Ashad 2070 (15th July 2013)

Amount in Thousand  
Schedule-4.30 (C)

CREDIT EXPOSURES	Amount in Thousand									
	DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/FI	GOLD	GOVT.& NRB SECURITIES	G' TEE OF NEPAL GOVT. OF	SEC/G' TEE OF OTHER SOVEREIGNS	G' TEE OF DOMESTIC BANKS	G' TEE OF MDBS OF FOREIGN BANKS	SEC/G' TEE	TOTAL
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	28,394		428,570							456,964
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)										-
<b>Total (A)</b>	<b>79,887</b>	<b>-</b>	<b>916,626</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,046,513</b>
Off Balance Sheet Exposures										-
Revocable Commitments										-
Bills Under Collection										58,979
Forward Exchange Contract Liabilities	58,979									
LC Commitments With Original Maturity Up to 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)										-
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) "	163,238									163,238
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	41,392									41,392
Financial Guarantee										-
Acceptances and Endorsements	19,420									19,420
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										-
<b>Total (B)</b>	<b>283,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,029</b>
<b>Grand Total (C=A+B)</b>	<b>362,916</b>	<b>-</b>	<b>916,626</b>	<b>50,000</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,329,542</b>



## RISK WEIGHTED EXPOSURE FOR OPERATION RISK

Amount in Thousand

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.30(D)

PARTICULARS	FY 2066/67	FY 2067/68	FY 2068/69
Net Interest Income	584,603	697,046	590,664
Commission and Discount Income	81,652	50,759	70,445
Other Operating Income	8,854	45,995	69,535
Exchange Fluctuation Income	42,784	34,035	38,864
Additional/Deduction in Interest Suspense during the period	31,952	48,104	69,709
Gross income (a)	749,845	875,939	839,217
Alfa (b) 15%	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	112,477	131,391	125,883
Capital Requirement for operational risk (d) (average of c)	61,087	99,599	123,251
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10	10	10
Equivalent Risk Weight Exposure [f=(d×e)]	610,870	995,989	1,232,510
<b>PILLAR-II ADJUSTMENTS</b>			
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)			
<b>Equivalent Risk Weight Exposure (h=f+g)</b>	<b>763,588</b>	<b>1,244,986</b>	<b>1,232,510</b>

## RISK WEIGHTED EXPOSURE FOR MARKET RISK

Amount in Thousand

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.30(E)

CURRENCY	ASHADH END 2070				PREVIOUS YEAR
	OPEN POSITION (FCY)	RATE	OPEN POSITION (LCY)	RELEVANT OPEN POSITION	RELEVANT OPEN POSITION
Indian Rupees	23,163.10	1.60	37,078	37,078	73,383
US Dollar	(972.21)	95.75	(93,089)	93,089	18,520
Pound Sterling	458.32	152.80	70,031	70,031	6,435
EURO	113.14	126.81	14,347	14,347	1,920
Thai Bhat	7.02	3.03	21	21	-
Swish Frank	10.40	101.26	1,053	1,053	902
Australian Dollar	3.33	87.08	290	290	2,022
Canadian Dollar	3.26	92.25	301	301	259
Singapore Dollar	7.10	75.83	538	538	2
Japanese Yen	139.45	0.96	134	134	352
Hongkong Dollar	1.82	12.19	22	22	-
Denish Croner	9.40	6.43	60	60	504
Swedish Croner	0.02	14.14	-	-	-
Saudi Arab Rial	7.78	25.28	197	197	112
Qatar Rial	0.98	25.87	25	25	74
Arab Emirates Dhiram	2.78	25.17	70	70	96
Malaysian Ringgit	0.36	29.75	11	11	54
Korean Won	-	0.08	-	-	29
Chinese Yuan	3.11	15.47	48	48	19
<b>Total Open position (a)</b>				<b>217,315</b>	<b>104,682</b>
<b>Fixed Percentage (b)</b>				<b>5%</b>	<b>5%</b>
<b>Capital Charge for Market Risk [c=(a×b)]</b>				<b>10,866</b>	<b>5,234</b>
<b>Risk weight (reciprocal of capital requirement of 10%) in times (d)</b>				<b>10</b>	<b>10</b>
<b>Equivalent Risk Weight Exposure[e=(c×d)]</b>				<b>108,660</b>	<b>52,341</b>

## PRINCIPAL FINANCIAL INDICATORS

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.31

SN	INDICATORS	UNIT	FY 2065/66 (2008/09)	FY 2066/67 (2009/10)	FY 2067/68 (2010/11)	FY 2068/69 (2011/12)	FY 2069/70 (2012/13)
1	Net Profit/ Gross Income	Percent	13.55	12.16	2.16	5.10	12.41
2	Earnings Per Share	Rs.	6.78	16.35	2.20	5.52	15.46
3	Market Value Per Share	Rs.		265.00	163.00	145.00	232.00
4	Average Price	Rs.			175.40	145.00	212.48
5	Price Earning Ratio	Ratio		16.21	74.24	26.28	15.00
6	Dividend (including bonus) on Share Capital (%)	Percent		10.00	4.00	5.26	11.58
7	Cash Dividend on Share Capital (%)	Percent		10.00	4.00	5.26	0.58
8	Interest Income/ Loans and Advances (%)	Percent	2.95	4.85	15.43	13.03	12.17
9	Staff Expenses/ Total Operating Expenses (%)	Percent	61.95	38.31	36.93	40.97	39.71
10	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	4.12	6.45	9.12	7.51	5.38
11	Exchange Gain/ Total Income (%)	Percent	4.08	2.55	1.66	1.78	2.01
12	Staff Bonus/ Total Staff Expenses (%)	Percent	15.95	22.87	5.57	8.11	21.02
13	Net Profit/Total Loans & Advances (%)	Percent	0.95	1.70	0.36	0.75	1.69
14	Net Profit/ Total Assets (%)	Percent	0.51	1.21	0.28	0.52	1.19
15	Total Loans & Advances/ Total Deposits (%)	Percent	74.53	81.57	92.86	79.01	79.08
16	Total Operating Expenses/ Total Assets (%)	Percent	1.18	1.91	2.40	2.23	2.10
17	Capital Adequacy (On Risk Weighted Assets)						
	a. Core Capital	Percent	11.88	10.47	12.55	11.01	10.96
	b. Supplementary Capital	Percent	0.78	0.90	0.73	0.77	0.84
	c. Total Capital Fund	Percent	12.66	11.37	13.28	11.78	11.80
18	Liquidity (%)	Percent	37.07	24.25	24.32	32.40	33.51
19	Non-Performing Loan/ Total Loans & Advances (%)	Percent	0.15	1.04	3.51	3.52	3.74
20	Weighted Average Interest Rate Spread	Percent	3.65	4.92	3.83	3.54	4.66
21	Book Net Worth	Per Share	104.61	110.80	106.50	106.76	121.24
22	Number of Shares	Nos.	12,500,000	12,500,000	20,150,000	20,150,000	20,150,000
23	Number of Staff	Nos.	311	376	471	459	454

# 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. APPROVAL OF FINANCIAL STATEMENT

The accompanied financial statement has been approved by the Board of Directors vide Board Meeting Number 172 dated 24th Poush 2070 (8th January 2014) and recommended for the approval from the Shareholders through Annual General Meeting.

## 3. 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.

## 4. 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 requirement of NRB Directives and in compliance with the Companies Act, 2063.

## 5. 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 compliance with NAS and GAAP which requires the use of certain critical accounting estimates.

It also requires management to exercise judgment 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.

## 6. INTEREST INCOME RECOGNITION

Interest income on loans and advances is recognized on cash basis as per the Nepal Rastra Bank Directives which is not in accordance with NAS 7 (Revenue Recognition) it prescribes that the revenue should be recognized on accrual basis.

However, interest income on loans and advances accrued and realized in cash within 15 days of the end of fiscal year has been

recognized as income as permitted by NRB.

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

## 7. 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 prorated over the tenure of transactions.

## 8. DIVIDEND INCOME

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

## 9. FOREIGN EXCHANGE INCOME

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 realized from the differences between buying and selling rates of foreign exchange and income from trading of gold 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.

## 10. INTEREST COST

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

## 11. LOANS & ADVANCE INCLUDING BILLS PURCHASE

Loans & advances 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.

## 12. STAFF LOANS & ADVANCES

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

## 13. 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.

## 14. LOAN WRITE OFF & RECOVERY

Collateral securities acquired by the Bank during the process of recovery of loans are transferred to Non Banking Assets. Non Banking Assets are valued based on the directive issued by Nepal Rastra Bank (i.e. Market Value of the assets or the aggregate recoverable amount due up to the day before the date of assumption whichever is lower).

Non Banking assets are fully provided in accordance with the directives issued by Nepal Rastra Bank.

Non Banking assets are derecognized at the time of its disposal through sale or transfer for its own use by the Bank.

## 15. INVESTMENTS

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

### 15.1. 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.

### 15.2. 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.

### 15.3. 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.

## 16. PROPERTY, PLANT & EQUIPMENT (FIXED ASSETS)

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Assets with a value less than NPR 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:

ASSETS	RATE OF DEPRECIATION	USEFUL LIFE
Furniture & Fixture-Metal	10%	10 Years
Furniture & Fixture-Wood	15%	7 Years
Computer & Accessories	20%	5 Years
Office Equipments	15%	7 Years
Vehicles	15%	7 Years

Lease hold improvements are capitalized at cost and amortized over the lease period on a straight line basis. The amount of amortization is charged to Profit and Loss Account.

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

## 17. 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.

## 18. SOFTWARE EXPENSES

Acquired computer software licenses are capitalized on the basis of cost incurred to acquire and to bring into use the specific software in the condition prescribed by the management. The costs are amortized over their estimated useful lives (i.e. estimated useful life of software is considered 5 years) on a straight line basis.

## 19. STAFF FACILITIES

### 19.1. Provident Fund

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

### 19.2. Accumulated Leave

Provisions for accumulated leave payable to staff is recognized on accrual basis and accounted accordingly in the books of accounts in accordance with Staff Service Rules. .

### 19.3. Gratuity

Gratuity liability of staff accrues after completion of a fixed period of a full time employment of the Bank in accordance with Staff Service Rules.

### 19.4. Home Loan

The bank has not maintained Housing Fund as per Labor Act, 2048. However home loan is provided to the permanent staffs in accordance with Staff Service Rules.

### 19.5. Staff Bonus

Staff Bonus is provided for in accordance with the provisions of the Bonus Act, 2030 i.e. 10% of net profit before tax but including provision for staff bonus.

## 20. STATIONARY STOCK

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

## 21. INCOME TAXES

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

## 22. DEFERRED TAXES

Deferred taxes are accounted using the asset and liability method as per Accounting Standard-9 (NAS-9), "Accounting for Income Taxes". 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.

## 23. PROVISIONS, CONTINGENT LIABILITIES & 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 recognized 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 recognized in the period in which the change occurs.

## 24. PREVIOUS YEAR FIGURES

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

# NOTES TO ACCOUNT

Schedule 4.33

## 1. EQUITY

### 1.1. Equity Capital Position

As per Nepal Rastra Bank directives, every "A class" licensed institution is required to maintain minimum paid up capital of NPR 2 Billion. The Bank has duly complied with the regulatory instructions and maintained paid up capital of NPR 2.237Billion (after proposed bonus issue, subject to approval of Annual General Meeting and Company Registrar Office) which has helped the Bank to have a strong and steady capital base.

### 1.2. History of Paid Up Capital

Since the inception of the Bank, paid up capital increased to NPR 2.237 Billion (22,165,000 Shares of NPR 100 each, after proposed Bonus Issue) from NPR 0.70 Billion (7,000,000 promoters shares of NPR 100 each). The history of the issuance of capital is as below:

FINANCIAL YEAR	PAID UP CAPITAL (NPR)	CHANGE	REASON
2064/65 (2007-08)	700,000,000		Initial Promoter Shares
2065/66 (2008-09)	1,337,500,000	637,500,000	Increased Promoter Holding by NPR 175 Million & Initial Public Offering of NPR 375 Million NPR 87.5 Million remained as Calls in Advance
2066/67 (2009-10)	1,510,350,000	172,850,000	Right Issue of 30%. NPR 260.35 Million remained in call in advance.
2067/68 (2010-11)	2,015,000,000	504,650,000	Additional Right Issue of 24%. All the Calls in Advance settled.
2068/69 (2011-12)	2,015,000,000	-	No Change
2069/70 (2012-13)	2,236,650,000	221,650,000	Proposed Issue of 11% Bonus Shares for FY 2012/13 and passed in AGM

### 1.3. General Reserve

As per Section 44 of Banking & Financial Institution Act, 2063 (BAFIA Act, 2063), licensed institutions under Nepal Rastra Bank are required to transfer at least 20% of the Net Profit earned during any fiscal year to General Reserve until the General Reserves doubles the paid up capital. During the year bank has earned net profit of NPR 311,609,038 and transferred NPR 62,321,808 (20% of Net Profit) to general reserve fund to meet the criteria prescribed by the act. After the transfer the general reserve stood as:

PARTICULARS	AMOUNT(NPR)
General Reserve as on 1st Shrawan 2069	88,912,519
Addition During the Year (20% of Net Profit)	62,321,808
<b>General Reserve as on 31st Ashad 2070</b>	<b>151,234,327</b>

### 1.4. Capital Reserve

During the right issue by the Bank during the financial year 2067/68, the unsubscribed portion of right shares by the existing shareholders was issued at premium. The premium amounting NPR 32,407,723 has been transferred to Share Premium (Capital Reserve) during the year 20067/68. There hasn't been any addition to the reserve till date.

### 1.5. Deferred Tax Reserve

Bank has occurred deferred tax income of NPR 3,713,984 during the year. With this the reserve increased as follows:

PARTICULARS	AMOUNT(NPR)
Deferred Tax Reserve as on 1st Shrawan 2069	1,955,855
Addition During the Year	3,713,984
<b>Deferred Tax Reserve as on 31st Ashad 2070</b>	<b>5,669,839</b>

### 1.6. Investment Adjustment Reserve

During the year bank has invested NPR 2,500,000 (25,000 shares of NPR 100 each) in promoter shares of Nepal Electronic Payment Services as initial investment and NPR 4,853,400 (48,534 shares of NPR 100 each) in the right shares of Gurans Life Insurance Company Ltd. As per the Nepal Rastra Bank guidelines, Bank has separated 2% of the said investment as the investment adjustment reserves. The reserve stood as:

PARTICULARS	AMOUNT(NPR)
Investment Adjustment Reserve as on 1st Shrawan 2069	300,000
Addition during the year	147,168
<b>Investment Adjustment Reserve as on 31st Ashad 2070</b>	<b>447,168</b>

### 1.7. Exchange Fluctuation Fund

As per Section 45 of Banking & Financial Institution Act, 2063, every licensed institution is required to transfer a minimum of 25% of the exchange fluctuation gain earned during the year other than from Indian currency to Exchange Fluctuation fund.



Bank has earned NPR 7,559,550 as the exchange fluctuation gain and transferred NPR 1,889,888 to the said fund. After the transfer the fund stood as:

PARTICULARS	AMOUNT(NPR)
Exchange Fluctuation Reserve as on 1st Shrawan 2069	5,182,682
Addition during the year	1,889,888
<b>Exchange Fluctuation Reserve as on 31st Ashad 2070</b>	<b>7,072,570</b>

## 1.8. Accumulated Profit & Loss Account

Net Profit retained after transfer made to all other reserves as per the regulatory requirements and amount set aside for dividend proposed/ bonus shares by the Board of directors is stated as accumulated Profit & Loss Account. Such profit is free for distribution. The reserve stood as below in the balance sheet date:

PARTICULARS	AMOUNT(NPR)
Accumulated Profit & Loss Account as on 1st Shrawan 2069	7,443,532
Profit Earned During The Year	311,609,038
Total Profit Available for Appropriation	319,052,570
Less: Appropriations	
Transferred to General Reserve	62,321,808
Transferred to Deferred Tax Reserve	3,713,984
Transferred to Exchange Fluctuation Fund	1,889,888
Transferred to Investment Adjustment Reserve	147,168
Proposed Bonus Shares	221,650,000
Proposed Cash Dividend	11,665,789
<b>Total Appropriation</b>	<b>301,388,637</b>
<b>ACCUMULATED PROFIT &amp; LOSS ACCOUNT</b>	<b>17,663,933</b>

## 2. LIABILITIES

### 2.1. Deposits

Deposit is the core source of fund of the bank. Despite of the excessive competition in the market, the Bank has been able to achieve 24% growth in the total deposits. Bank has focused to decrease the share of its call account 13.62% from 19.91% in previous year. The details of deposits have been illustrated below:

DEPOSITS	CURRENT YEAR		PREVIOUS YEAR		GROWTH
	SHARE	AMOUNT (NPR)	SHARE	AMOUNT (NPR)	
LCY Non Interest Bearing	4.06%	944,813,004	3.89%	729,837,472	29.46%
LCY Savings	35.38%	8,233,181,865	38.19%	7,163,880,570	14.93%
LCY Call	13.62%	3,168,391,674	19.91%	3,734,092,412	-15.15%
LCY Fixed	42.32%	9,848,251,016	34.52%	6,474,753,459	52.10%
LCY DEPOSITS	95.38%	22,194,637,559	96.50%	18,102,563,913	22.60%
FCY Non Interest Bearing	0.11%	26,030,612	0.22%	40,594,403	-35.88%
FCY Interest Bearing	4.51%	1,049,935,125	3.28%	615,841,562	70.49%
FCY DEPOSITS	4.62%	1,075,965,737	3.50%	656,435,965	63.91%
<b>TOTAL DEPOSITS</b>	<b>100.00%</b>	<b>23,270,603,296</b>	<b>100.00%</b>	<b>18,758,999,878</b>	<b>24.05%</b>

### 2.2. Bills Payable

Bills Payable includes manager's cheques, demand drafts, etc. It comprises of short term liabilities of the bank which stands at NPR 15,675,536 as on Ashad end 2070, which is 65.33% increase with respect to previous year.



### 2.3. Income Tax Liabilities

As per Income Tax Act, 2058, Bank & Financial Institutions are required to pay 30% of the Profit earned during the year as income tax. The Bank has made the provision of the required amount of income tax liability which has been set off against the advance tax paid during the year.

### 2.4. Other Liabilities

#### 2.4.1. Pension Gratuity Fund

Bank has been provisioning the gratuity liability at the end of every fiscal year for the eligible staffs as per the Staff Service Rules. During the year following movement was observed in the Gratuity Fund.

PARTICULARS	AMOUNT(NPR)
Gratuity Fund as on 1st Shrawan 2069	7,392,447
Addition during the year	3,950,832
Less: Paid to the staffs/Reversed	193,778
<b>Gratuity Fund as on 31st Ashad 2070</b>	<b>11,149,501</b>

#### 2.4.2. Provision for Staff Bonus

As per the requirement of Bonus Act, 2030 the Bank has duly separated 10% of its profit after bonus as the provision for staff bonus. The movement in provision for staff bonus during the FY 2069/70 is stated below.

PARTICULARS	AMOUNT(NPR)
Profit before bonus for FY 2069/70	503,639,643
Provision for Staff Bonus	45,785,422
Add: Previous year bonus unclaimed	31,755
<b>Total Liability of Provision for Bonus</b>	<b>45,817,177</b>

#### 2.4.3. Interest Payable on Deposits

Interest payable on deposit accounts to NPR 111,715,521 as on year end date, the amount refers to the interest payable on the fixed deposits.

#### 2.4.4. Unearned Discount & Commission

Commission received on Letter of credit and guarantee business exceeding NPR 50,000 with a maturity exceeding one year from the date of transactions is accounted for on accrual basis and prorated over the tenure of transactions..

#### 2.4.5. Sundry Creditors

Sundry Creditors refers to the amount payable to different parties relating to the expenses incurred for the operation of the business.

#### 2.4.6. Deferred Tax Liabilities

During the year, bank has accounted NPR 3,793,984 as the Deferred Tax Income. Hence all the deferred tax liability of previous year has been netted off against deferred tax income.

#### 2.4.7. Unclaimed Dividend

As on the balance sheet date NPR 37,324,638 remained as the unclaimed dividend for the FY 2066/67, 2067/68 and 2068/69. The detail of dividend yet to be claimed by the shareholders is as follows:

PARTICULARS	AMOUNT(NPR)
Unclaimed Dividend as on 1st Shrawan 2069	21,971,403
Addition: Dividend of the year 2068/69	106,052,632
Less: Paid to the Shareholders	90,699,397
<b>Unclaimed Dividend as on 31st Ashad 2070</b>	<b>37,324,638</b>

### 2.5. Other Liabilities

That liability which cannot be shown separately under the individual headings of Schedule 7 has been classified under this head. NPR 128,934,826 stands under this head as on 31st Ashad 2070.

## 3. CONTINGENT LIABILITIES

### 3.1. Contingent Income Tax

Large Tax Payer Office has demanded NPR 19,014,762 from the Bank after the tax assessment of FY 2065/66. The Bank has filed an appeal to revenue tribunal for the re-assessment. The case is still pending in the tribunal.

### 3.2. Forward Foreign Exchange Contract Liabilities

Bank has entered in the forward deal of USD 1 Million. The same has the maturity date on 4th October 2013.

### 3.3. Other Contingent Liabilities

The other contingent liabilities includes the regular outstanding of non funded business like Letter of Credit, Guarantees etc of the bank. The details of the other contingent liabilities include:

OTHER CONTINGENT LIABILITIES	AMOUNT (NPR)
Letter of Credit	982,351,236
Advance Payment Guarantee	1,009,903,129
Guarantee & Bonds	2,285,989,173
Bills under Collection	296,185,594
Acceptance & Endorsement	286,748,980
Irrecoverable Loan Commitments	935,646,373
<b>TOTAL OTHER CONTINGENT LIABILITIES</b>	<b>5,796,824,485</b>

## 4. ASSETS

### 4.1. Cash Balance

The Bank has maintained NPR 608,468,152 as the cash balance lying as cash in premises, cash at vault and cash at ATM stations which has been segregated as below:

CASH BALANCE	AMOUNT(NPR)
Local Currency	597,831,237
Foreign Currency	8,787,849
Gold Coins	1,849,066
<b>Total Cash Balance as on 31st Ashad 2070</b>	<b>608,468,152</b>

## 4.2. Bank Balance

The Bank has altogether 43 Nostro accounts including 12 in Nepal Rastra Bank. The details of the same have been detailed below:

The difference has been identified and reconciled.

BANK BALANCES	NOS	LEDGER BALANCE (NPR)	STATEMENT BALANCE (NPR)	DIFFERENCE (NPR)
Nepal Rastra Bank	12	3,757,633,295	3,777,911,302	(20,278,007)
Local Banks	15	121,308,130	123,791,794	(2,483,664)
Foreign Banks	16	203,517,109	257,505,143	(53,988,033)
<b>Total Bank Balances</b>	<b>43</b>	<b>4,082,458,534</b>	<b>4,159,208,238</b>	<b>(76,749,705)</b>

## 4.3. Money at Call

Placements with maturity less than or equal to 7 days are classified as money at call. The same has been illustrated as below:

MONEY AT CALL	AMOUNT(NPR)
Local Currency	300,000,000
Foreign Currency	379,557,052
<b>Total Money at Call as on 31st Ashad 2070</b>	<b>679,557,052</b>

## 4.4. Investment

### 4.4.1. 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. Bank doesn't have any investments under this head.

### 4.4.2. Held Till 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. The detail of the same is illustrated below:

INVESTMENT	COST PRICE (NPR)	IMPAIRMENT	NET INVESTMENT		GROWTH
			CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)	
Treasury Bills	1,726,501,030	-	1,726,501,030	1,251,277,342	27.53%
-28 Days	-	-	-	499,928,850	-
-91 Days	944,322,600	-	944,322,600	548,653,420	-
-182 Days	424,063,850	-	424,063,850	19,793,160	-
-299 Days	-	-	-	97,242,720	-
-363 Days	-	-	-	37,659,582	-
-364 Days	358,114,580	-	358,114,580	47,999,610	-
Development Bond	140,600,000	-	140,600,000	140,600,000	0.00%
Placements	560,421,265	-	560,421,265	396,551,487	29.24%
-Local Banks	181,925,000	-	181,925,000	26,505,000	-
-Foreign Banks	378,496,265	-	378,496,265	370,046,487	-
<b>TOTAL</b>	<b>2,427,522,295</b>	<b>-</b>	<b>2,427,522,295</b>	<b>1,788,428,829</b>	<b>26.33%</b>

#### 4.4.3. 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

INVESTMENT	NO OF SHARES	COST PRICE (NPR)	MARKET PRICE		ADJUSTMENT FUND	
			THIS YEAR (NPR)	PREVIOUS YEAR (NPR)	THIS YEAR (NPR)	UPTO PREVIOUS YEAR (NPR)
Listed Securities						
-Gurans Life Insurance Ltd	208,284	19,458,400	31,659,168	15,900,000	97,168	300,000
Unlisted Securities						
- Nepal Clearing House Ltd	25,000	2,500,000	Not Listed	Not Listed		
- Nepal Banking Training Institute	12,000	1,200,000	Not Listed	Not Listed		
-Nepal Electronic Payment System	25,000	2,500,000	Not Listed	Not Listed	50,000	
<b>TOTAL</b>		<b>26,058,400</b>			<b>147,168</b>	<b>300,000</b>

#### 4.5. Loans & Advances

Loans and Advances have been grossed to NPR 18.40 Billion as on balance sheet date which is 24.16% growth (on gross basis) w.r.t. previous year. Out of total loans and advances, 3.74% of the loans have been classified as non-performing loans. The required provisioning has been done as per the classification of NRB directives. The segregation of the same is highlighted below:

LOAN TYPES	GROSS VALUE (NPR)	NET VALUE (NPR)	NPA %	PREVIOUS YEAR NET VALUE (NPR)	GROWTH
Real Estate Loan	2,663,046,623	2,491,510,185	9.34%	2,572,898,230	-3.16%
Personal Home Loan of NPR 10 mil. or Less	897,892,957	887,516,490	0.65%	497,528,423	78.39%
Margin Type Loan	79,027,769	46,816,925	40.16%	14,694,941	218.59%
Term Loan	2,001,720,998	1,903,404,591	4.89%	2,003,837,341	-5.01%
Overdraft Loan/TR Loan/WC Loan	9,862,435,884	9,563,284,242	2.70%	6,862,934,731	39.35%
Others	2,830,760,158	2,770,853,159	1.35%	2,130,338,668	30.07%
Bills Purchase	67,885,158	67,206,307	0.00%	224,419,074	-70.05%
<b>TOTAL</b>	<b>18,402,769,548</b>	<b>17,730,591,898</b>	<b>3.74%</b>	<b>14,306,651,408</b>	<b>23.93%</b>

#### 4.6. Fixed Assets

##### 4.6.1. General Fixed Assets

The general fixed assets include all the fixed assets other than leasehold assets. Such assets have increased by 5.72% during the year. The details of same are:

PATICULARS	ASSETS (IN NPR)				PREVIOUS YEAR (NPR)	GROWTH
	VEHICLE	OFFICE EQUIP	OTHERS	TOTAL		
COST PRICE	104,257,156	275,125,678	39,563,170	418,946,004	396,289,298	5.72%
- Opeing Balance	88,457,156	272,832,690	34,999,452	396,289,298	362,945,518	-
- Addition during the Year	19,800,000	16,195,399	4,563,717	40,559,117	38,887,905	-
- Dispose/Sold/Written Off	(4,000,000)	(13,902,411)	-	(17,902,411)	(5,544,125)	-
DEPRECIATION	44,997,275	145,109,710	19,523,686	209,630,672	163,884,812	27.91%
- Upto Previous Year	33,468,077	116,313,769	14,102,965	163,884,811	108,485,224	-
- For this Year	14,485,952	42,415,958	5,420,722	62,322,632	58,123,573	-
- For Dispose/Write Off	(2,956,754)	(13,620,017)	-	(16,576,771)	(2,723,986)	-
<b>NET VALUE</b>	<b>59,259,881</b>	<b>130,015,968</b>	<b>20,039,483</b>	<b>209,315,332</b>	<b>232,404,486</b>	<b>-9.93%</b>

#### 4.6.2. Lease Hold Assets

The net leasehold assets declined by 10.97% during the year. The detail of same is:

PARTICULARS	AMOUNT (NPR)
Opening Balance	154,752,948
Additions During the year	12,151,338
Amortized during the year	26,800,090
<b>NET LEASE HOLD ASSETS AS ON 31st ASHAD 2070</b>	<b>140,104,197</b>

\* Lease hold assets also includes the Unamortized software (included in Schedule 4.16)

#### 4.7. Non Banking Assets

The Non Banking Assets (NBA) lying on the books as on 31st Ashad 2070 represents the assets taken over from Mr. Charles William Mendis. The NBA lying in the books as on 31st Ashad 2069 has been sold during the financial year. Amount booked as NBA has been fully provisioned as per the requirement of NRB directives. The detail flow of NBA during the year has been states as below:

PARTICULARS	AMOUNT (NPR)
Opening Balance	27,786,327
Additions during the Year	49,300,000
Less: Sales during the Year	45,286,327
Less: Booked as Banking Assets	1,800,000
<b>CLOSING NON BANKING ASSETS</b>	<b>30,000,000</b>

#### 4.8. Other Assets

##### 4.8.1. Stationary Stock

The stationary stock includes stationary stocks along with TC stock. NPR 23,774,657 is being reflected in the books as stationary stocks. The detail of same is:

PARTICULARS	AMOUNT (NPR)
Printing & Stationary Stock	6,506,874
SCT ATM Card Stock	264,022
Balbachat Gift Stocks	9,984
TC Stocks	16,993,777
<b>STATIONARY STOCK</b>	<b>23,774,657</b>

##### 4.8.2. Accrued Interest Receivable on Loans

As on the Balance sheet date, NPR 268,963,865 remained as interest accrued on loans and advances. Out of which, NPR 240,233,357 refers to the accrued interest due but not received and NPR 28,730,328 refers to the interest accrued but not due.

##### 4.8.3. Income Receivable on Investments

Income receivable on investment includes accrued interest receivable from T-bills, Development bonds, placements etc. It also includes the income receivable from Nepal Rastra bank for the interest paid by the Bank to the bond holders acting in the capacity of market maker. A decline of 44.57% is seen on these assets. The detail of the same is:

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)	GROWTH
Accrued Interest- T-Bill	7,074,399	5,549,003	27.49%
Accrued Interest- Development Bond	2,881,115	2,881,115	0.00%
Accrued Interest- NSB Bond	302,500	8,876,958	-96.59%
Accrued Interest- Placements	329,113	1,793,451	-81.65%
<b>TOTAL RECEIVABLES</b>	<b>10,587,127</b>	<b>19,100,527</b>	<b>-44.57%</b>

##### 4.8.4. Sundry Debtors

Advance paid to contractor for the construction of the Fixed Assets/ leasehold assets are classified as sundry debtors. It accounts to NPR 2,012,509 as on 31st Ashad 2070.

##### 4.8.5. Staff Loans & Advances

Staffs are eligible for the different loans and advance facilities as per the Staff Service Rule. The facilities include home loan, vehicle loan, regular advances and petty cash advances. Petty cash advances are given to carry out the daily operational activities of the Bank. Such advances are settled within the time limit framed by the financial rules of the Bank. The detail of same is:

PARTICULARS	CURRENT YEAR (NPR)
Staff Home Loan Facilities	62,317,502
Staff Vehicle Facilities	12,347,159
Staff Regular Advance	12,983,322
Staff Petty Cash Advance	4,744
<b>TOTAL STAFF LOAN &amp; ADVANCES</b>	<b>87,652,727</b>

##### 4.8.6. Prepayments

Prepayments are made basically as per the terms and conditions of the service contracts. Following were the prepayments as on balance sheet date:

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
Prepaid Insurance	3,094,808	2,619,920
Prepaid Rent	4,123,711	3,639,901
Prepaid Fees	819,148	849,112
Prepaid Utsav	-	14,896,717
Prepaid Expenses Others	6,382,476	5,745,159
<b>TOTAL PREPAYMENTS</b>	<b>14,420,143</b>	<b>27,750,809</b>

##### 4.8.7. Expenses to be Written Off

It includes the amortization of software and premium paid on investment made in development bond. The amortization is made in straight line basis and prorated over the tenure of assets. The detail of the same is:

PARTICULARS	PREVIOUS YEAR (NPR)
Software-T24	18,366,145
Software-Others	18,286,617
Premium on Development Bond	8,083,033
<b>TOTAL EXPENSES TO BE WRITTEN OFF</b>	<b>44,735,796</b>

#### 4.8.8. Branch Reconciliation

NPR 218,413 remained as the un reconciled balance as on 31st Ashad 2070.

#### 4.8.9. Deferred Tax Assets

With reference to Nepal Accounting Standard-9 "Accounting for Income Taxes", amount of NPR 3,073,713 generated as Deferred Tax Assets as on Balance Sheet date. The detail of same is:

PARTICULARS	TAX BASE (NPR)	CARRYING AMOUNT (NPR)	DIFFERENCE (NPR)	DTA/DTL
Fixed Assets	305,563,962	308,841,529	(3,277,566)	DTL *
Provision For Gratuity	-	11,149,501	11,149,501	DTA **
Provision For Leave	-	10,456,810	10,456,810	DTA
Premium on Bond Not Written Off	-	8,083,033	(8,083,033)	DTL
<b>TOTAL VARIANCE</b>			<b>10,245,711</b>	
<b>CLOSING DEFERRED TAX ASSETS</b>			<b>3,073,714</b>	

\* DTL refers to Deferred Tax Liabilities

\*\* DTA refers to Deferred Tax Assets

#### 4.8.10. Advance Income Tax

As per the requirement of Section 94 Income Tax Act, 2058, bank has paid its tax liability in installments as advance. The advance tax has been net off with the actual liability of current year. The details are:

PARTICULARS	AMOUNT (NPR)
Balance of Advance Tax Carried forward from previous year	74,231,781
Add: TDS Deducted in the commission income of the Bank	282,346
Add: Installment paid during the year	83,000,000
- First Installment on Poush 2069 (Jan 2013)	3,000,000
- Second Installment on Chaitra 2069 (Apr 2013)	30,000,000
- Third Installment on Ashad 2070 (July 2013)	50,000,000
<b>TOTAL AVAILABLE ADVANCE TAX</b>	<b>157,514,127</b>
Less: Adjustments during the year	
- Tax Liability of Current Year	148,646,812
- Tax Liability of Previous Year-2068/69 (2011/12)	5,865
- Tax Liability of Previous Year-2065/66 (2008/09)	106,234
<b>TOTAL ADJUSTMENTS</b>	<b>148,758,911</b>
<b>NET VALUE OF ADVANCE TAX ASSETS AS ON END OF YEAR</b>	<b>8,755,216</b>

#### 4.8.11. Other Assets

Those assets which can't be classified in any of the individual headings of schedule are classified as other assets. These assets include the stock for generator fuel, VISA/SCT receivables, advance TDS etc. These asset account for NPR 46,889,478 as on 31st Ashad 2070.

## 5. PROFIT & LOSS ACCOUNT

### 5.1. Interest Income

#### 5.1.1. On Loan & Advances

The interest accrued on loans and advances as at Balance Sheet date which has been collected within 15 days of Balance Sheet date (i.e. 30th July, 2013) amounting NPR 19,296,656 has been considered as income in the same fiscal year. Interest receivable as on Balance Sheet date which remained uncollected even within 15 days of grace period allowed by NRB has been transferred to interest suspense account as per NRB Directives.

#### 5.1.2. On Investments

The interest on other investments has been accounted on accrual basis as per Nepal Accounting Standard-7. NPR 58,057,752 has been booked as income from investment which includes income from Treasury Bills, Placements and Development Bonds.

### 5.1.3. On Others

The interest on others has been accounted on cash basis. NPR 5,457,295 has been booked as income from others. Income from staff loans and advances and income from agency balance has been included under this head.

### 5.2. Interest Cost

The interest accrued on all the deposits as well as borrowings are considered as the interest cost of the bank. NPR 1,251,304,431 has been booked as interest cost by the bank which is 11.30% less than the previous year.

### 5.3. Net Interest Income

The difference between the Interest Income and Interest cost is considered as net interest income. This year, the Bank has recorded net interest income (NII) of NPR 988,898,840 which is 67.42% increase with respect to previous year. During the year, the Bank has been able to reduce the deposit cost significantly. The decrease led the Bank to maintain NII @ 4.66%, although interest yield on loans and advances decreased significantly. The details weighted average interest rate spread is stated below:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Average Yield on Loans & Advances	11.15%	12.88%
Average Cost of Deposits	6.49%	9.34%
<b>NET INTEREST SPREAD</b>	<b>4.66%</b>	<b>3.54%</b>

### 5.4. Non-Interest Income

#### 5.4.1. Commission & Discount

Commission earned from business of Bills purchase, non funded business, remittance, etc has been included under this head. Such income accounted for NPR 94,942,779 during the year 2069/70 which is 34.78% increase as compared to previous year.

#### 5.4.2. Other Operating Income

All incomes other than commission & discount income have been included in this head. This head includes incomes from businesses such as locker rent, card business, mobile-banking incomes, service charges for implementation of loans, etc. The income accounted NPR 124,524,562 for the year 2069/70 which is 79.08% increase with respect to previous year.

### 5.5. Foreign Exchange Income

The income related to transaction from foreign exchange and gold trading has been included in this head. During the year, the Bank has started gold trading business as per the NRB guidelines. The income from foreign exchange arises from the fluctuation of the exchange rate and the trading of the foreign exchange currency. The details of the same are:

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)	GROWTH
Revaluation Income	7,559,550	9,228,773	-18.09%
Trading Income	42,951,211	29,635,288	44.93%
- Forex Transaction	31,450,919	29,635,288	6.13%
- Gold Transaction	11,500,291	-	New
<b>TOTAL FOREX INCOME</b>	<b>50,510,761</b>	<b>38,864,061</b>	<b>29.97%</b>

25% of the revaluation income has been transferred to the Exchange Equalization reserve.

### 5.6. Staff Expenses

The cost incurred by the Bank towards the human resource as per the staff service rules are booked as staff expenses.

### 5.7. Other Operating Expenses

All the operating expenses other than staff related expenses are classified as Other Operating Expenses. NPR 330,592,874 has been expensed under this head which is 18.04% increase with respect to previous year.

### 5.8. Provision for Possible Losses & Write back of Provision

As per the NRB directive no.2, the Bank needs to manage the Risk bearing fund by charging the required amount to the Profit & loss account. During the year bank has increased its Risk bearing fund by NPR 156,884,614. After such increase, the risk bearing fund the Bank stands to NPR 672,177,649 which is 3.65% of its Risk Assets. The net change in provisions in respect of Loans, Non Banking Assets and Investments during the year has been highlighted below:

PARTICULARS	LOANS (NPR)	NBA INVESTMENT (NPR)	TOTAL (NPR)
Provision of Loss	338,269,286	30,000,000	368,269,286
Writeback of the Provision	181,384,673	27,786,327	167,344
<b>NET CHARGE TO P&amp;L</b>	<b>156,884,614</b>	<b>2,213,673</b>	<b>(167,344)</b>
			<b>158,930,943</b>

### 5.9. Non Operating Income & Expenses

During the year, the Bank had sold the NBA worth NPR 27,786,327 for NPR 31,500,000. The income from the same and the income/loss from sale and disposal of fixed assets have been considered as the Non Operating Income. The same is detailed below:

PARTICULARS	AMOUNT (NPR)
Gain from Sale of Non Banking Assets	3,713,673
Loss from sale of fixed assets	(147,152)
<b>NON OPERATING INCOME</b>	<b>3,566,521</b>

### 5.10. Extra-ordinary Income & Expenses

During the year, loan of NPR 61,495,708 has been written off. The details are:



BORROWER	TYPE	AMOUNT (NPR)
Pawanputra Industries Pvt. Ltd	Demand Loan	61,400,196
Pawanputra Brevrage Ind Pvt. Ltd	HP Loan	95,512
<b>TOTAL WRITTEN OFF</b>		<b>61,495,708</b>

Also, recovery of NPR 9,984,699 has been made from the Everest Vinyl Pvt. Ltd (a defaulted loan written off during the FY 2068/69). Both these income and loan written off has been considered as extra ordinary expenses.

### 5.11. Provision for Staff Bonus

As per the requirement of Bonus Act, 2030 the Bank has duly separated 10% of its profit after adjustments of loan loss provision and bonus as the provision for staff bonus. The Bank has separated NPR 45,785,844 as the staff bonus, which duly complies with the act.

### 5.12. Provision for Tax

#### 5.12.1. Tax of Current Year

Provision of Tax for the current year is made @ 30% of the taxable profit of the bank. The taxable profit has been calculated with the reference of Income Tax Act, 2058.

#### 5.12.2. Tax of Previous Year

Tax of the previous year relates to the tax liability belonging to previous fiscal years paid during the current year. Such liability arises after tax assessment of the previous year done by the tax officers in the current year. The expense related to the respective year has been detailed below:

BORROWER	AMOUNT (NPR)
Liability of Financial Year 2064/65	35,234
Liability of Financial Year 2065/66	1,271,256
Liability of Financial Year 2068/69	5,865
<b>TOTAL TAX OF PREVIOUS YEAR</b>	<b>1,312,355</b>

#### 5.12.3. Deferred Tax

Deferred Tax has been calculated with reference to Nepal Accounting standard-9 (Accounting for Income Taxes). NPR 3,713,984 has been generated as deferred tax income which has been routed through Profit & Loss Account and duly been transferred to Deferred Tax Reserve through Profit and Loss Appropriation Account.

PARTICULARS	AMOUNT (NPR)
Closing Deferred Tax Assets	3,073,714
Opening Deferred Tax Liabilities	640,270
Gain to Profit & Loss Account as Deferred Tax Income	3,713,984

## 6. OTHERS

### 6.1. Facilities to Key Managerial Personnel

The compensation paid to key managerial persons has been stated as follows:

PERSONNEL	AMOUNT (NPR)
Short Term Employee Benefit	33,222,182
Post Employment Benefits	2,600,000
Other Long Term Benefit	14,000,000
Termination Benefit	3,771,343
Share Based Payments	NIL
<b>TOTAL COMPENSATION</b>	<b>53,593,525</b>

The name of Key Managerial Personnel includes:

- 1.Mr. Surendra Man Pradhan - Chief Executive Officer
- 2.Mr. Balaram Bista - Deputy Chief Executive Officer
- 3.Mrs. Asha Rana Adhikary - Deputy General Manager
- 4.Mr. Robin Nepal - Assistant General Manager
- 5.Mr. Arun Parajuli - Chief Manager

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.

### 6.2. Remuneration paid to Directors

The Board meeting fees of NPR 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.

### 6.3. Bonus Shares & Dividend

11% Bonus Shares (2,216,500 Shares of NPR 100 each) has been proposed and pay cash dividend 0.5789% (NPR11,665,789) for the tax thereof.

### 6.4. Event Occurring after Balance Sheet Date

Installment due on 31st Chaitra 2069 of Agni Air Pvt. Ltd had been received on 15th Shrawan 2070. Hence, the provision for possible loss to be made on 31st Ashad 2070 was not made because of the installment received before the finalization of financial statement for the fiscal year 2069/70. Considering this event as the event occurring after Balance Sheet date as per Nepal Accounting Standard-5 "Event after the Balance Sheet Date" no other event have occurred which will affect the financial statement significantly.

### 6.5. Transaction with Related Parties

The Bank has entered into the financial transactions with the parties where director have the financial interest.

NAME OF PARTIES	NATURE OF TRANSACTION	AMOUNT (NPR)
Gurans Life Insurance Co Ltd (Director have financial Interest)	Investment in Ordinary Shares	19,853,400
	Loans & Advances	-
	Deposits	-

## 6.6. Classification of Assets & Liability based on Maturity

The classification of the assets and liability stands as:

S.N.	PARTICULARS	1-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	OVER 1 YEAR	TOTAL AMOUNT
<b>Assets</b>							
1	Cash Balance	606,619	-	-	-	1,849	608,468
2	Balance with Banks & FIs	4,082,459	-	-	-	-	4,082,459
3	Investment in Foreign Banks	378,496	-	-	-	-	378,496
4	Call Money	679,557	-	-	-	-	679,557
5	Government Securities	973,737	414,247	95,797	242,719	-	1,726,501
6	Nepal Rastra Bank Bonds	-	-	-	-	140,600	140,600
7	Inter Bank & FI Lending	181,925	-	-	-	-	181,925
8	Loans & Advances	7,655,700	2,710,240	1,806,976	1,794,184	4,435,670	18,402,770
9	Interest Receivable	276,091	1,967	1,212	280	-	279,551
10	Reverse Repo	-	-	-	-	-	-
11	Receivables from other Institutions under Commitment	-	-	-	-	-	-
12	Payment to be made for facilities under s.no 20,21 & 22	2,254,652	1,030,881	557,162	499,320	884,139	5,226,155
13	Others	15,013	-	-	12,992	572,353	600,358
	<b>Total Assets (A)</b>	<b>17,104,250</b>	<b>4,157,336</b>	<b>2,461,148</b>	<b>2,549,494</b>	<b>6,034,612</b>	<b>32,306,840</b>
<b>Liabilities</b>							
14	Current Deposits	532,739	-	-	-	438,104	970,844
15	Saving Deposits	2,885,174	-	-	-	8,558,901	11,444,075
16	Fixed Deposits	1,816,385	3,237,711	2,251,725	1,762,176	1,787,687	10,855,685
17	Debentures	-	-	-	-	-	-
18	Borrowings:	-	-	-	-	-	-
	(a) Call/Short Notice	-	-	-	-	-	-
	(b) Inter-bank/Financial Institutions	-	-	-	-	-	-
	(c) Refinance	-	-	-	-	-	-
	(d) Others	-	-	-	-	-	-
19	Other Liabilities and Provisions	833,805	4,035	181,206	309,889	30,000	1,358,935
	(a) Sundry Creditors	10,935	-	-	-	-	10,935
	(b) Bills Payable	15,676	-	-	-	-	15,676
	(c) Interest Payable	111,716	-	-	-	-	111,716
	(d) Provisions	177,047	4,035	181,206	309,889	30,000	702,178
	(e) Others	518,431	-	-	-	-	518,431
20	Payable to other institutions under Commitment	-	-	-	-	-	-
21	Unutilized Approved Facilities	249,821	252,686	217,087	198,614	17,440	935,646
22	Letter of Credit/Guarantee (Net of Margin)	2,004,831	778,196	340,076	300,706	866,700	4,290,509
23	Repo	-	-	-	-	-	-
24	Payment to be made for facilities under S.No 11	-	-	-	-	-	-
25	Others	-	-	-	-	2,451,146	2,451,146
	<b>Total Liabilities (B)</b>	<b>8,322,756</b>	<b>4,272,627</b>	<b>2,990,094</b>	<b>2,571,385</b>	<b>14,149,978</b>	<b>32,306,840</b>
	<b>Net Financial Assets (A-B)</b>	<b>8,781,494</b>	<b>(115,291)</b>	<b>(528,946)</b>	<b>(21,891)</b>	<b>(8,115,366)</b>	<b>-</b>
	<b>Cumulative Net Financial Assets</b>	<b>8,781,494</b>	<b>8,666,203</b>	<b>8,137,257</b>	<b>8,115,366</b>	<b>-</b>	<b>-</b>



## 7. BASEL DISCLOSURES

### 7.1. Capital Structure & Capital Adequacy of the Bank

#### 7.1.1. Core Capital

The core capital of the bank with its detailed breakdown is detailed below:

SN	PARTICULARS	AMOUNT (IN NPR THOUSANDS)
a	Paid up capital*	2,236,650
b	Share Premium	32,408
c	Statutory General Reserve	151,234
d	Retained Earnings	17,664
e	Un-audited Current Year Cumulative Profit	-
f	Deferred Tax Reserve	5,670
g	Less: Fictitious Assets	(8,083)
h	Less: Investment in Equity of Institutions with Financial Interests	(19,858)
<b>CORE (TIER-1) CAPITAL</b>		<b>2,415,685</b>

\* After Bonus Issue

#### 7.1.2. Supplementary Capital

The supplementary capital of the bank with its detailed breakdown is detailed below:

SN	PARTICULARS	AMOUNT (IN NPR THOUSANDS)
a	General Loan Loss Provision	177,047
b	Exchange Equalization Reserve	7,073
c	Investment Adjustment Reserve	447
<b>SUPPLEMENTARY (TIER-2) CAPITAL</b>		<b>184,567</b>

#### 7.1.3. Details of Subordinated Term Debts

Bank doesn't have any subordinated term debts.

#### 7.1.4. Deductions from Capital

- Miscellaneous expenditure not written off of 8.08 mil :  
The Bank has made an investment in development bonds issued by NRB amounting NPR120 million for which premium of NPR 14.55 million was paid which shall be written off within the tenure of investment.
- Investment made in Gurans Life Insurance Company Limited of NPR 19.86 million.

#### 7.1.5. Total Qualifying Capital

The total capital of the bank stands as:

SN	PARTICULARS (IN NPR THOUSANDS)	AMOUNT
a	Core Capital	2,415,685
b	Supplementary Capital	184,567
<b>TOTAL CAPITAL</b>		<b>2,600,252</b>

#### 7.1.6. Capital Adequacy of the Bank

The capital adequacy of the bank has been detailed below:

SN	PARTICULARS	PERCENTAGE
a	Core Capital Adequacy Ratio	10.96%
b	Supplementary Capital Adequacy Ratio	0.84%
<b>CAPITAL ADEQUACY RATIO</b>		<b>11.80%</b>

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

Bank's current paid up capital amounts to NPR 2.237 Billion (after the issue of bonus shares), including 30% shares of general public. The Bank complies with the licensing condition of NRB which has also helped the Bank 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.

#### 7.1.8. 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.

## 7.2. Risk Exposures

#### 7.2.1. Risk Weighted Exposures

All material risks faced by the bank have 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 been managed in a structured manner with clear roles and responsibilities. In order to make a comprehensive assessment of risks, the process has, at minimum, addressed the forms of risks covered below:

SN	PARTICULARS	RISK (IN NPR THOUSANDS)
a	Risk Weighted Exposure for Credit Risk	19,885,360
b	Risk Weighted Exposure for Operational Risk	1,232,510
c	Risk Weighted Exposure for Market Risk	108,660
<b>RWA BEFORE PILLAR II ADJUSTMENTS</b>		<b>21,226,530</b>

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.

### 7.2.2. Credit Risk under 11 Categories

The Credit Risks under the 11 categories as per the Capital Adequacy Framework, 2007 (updated July 2008) and Basel – II has been detailed below:

SN	RISK CLASSIFICATION	RISK (IN NPR THOUSANDS)
a	Claims on Govt. and Central Bank	-
b	Claims on other Financial Entities	-
c	Claims on Banks	430,534
d	Claims on Corporate and Securities Firm	10,901,930
e	Claims on Regulatory Retail Portfolio	1,564,652
f	Claims secured by Residential Properties	516,387
g	Claims secured by Commercial Real State	2,394,610
h	Past due Claims	360,323
i	High Risk Claims	420,103
j	Other Assets	588,761
k	Off balance sheet items	2,708,060
<b>TOTAL RWA FOR CREDIT RISK</b>		<b>19,885,360</b>

### 7.2.3. Total Risk Weighted Exposure Calculation Table

The detailed calculation of RWA is listed below:

SN	PARTICULARS	RISK (IN NPR THOUSANDS)
a	Risk Weighted Exposure for Credit Risk	19,885,360
b	Risk Weighted Exposure for Operational Risk	1,232,510
c	Risk Weighted Exposure for Market Risk	108,660
d	Adjustments under Pillar II	-
e	Add : % of the Total RWE due to non-compliance to Disclosure Requirement.(6.4 a 10)	-
f	Add :% of the total deposits due to insufficient Liquid Assets (6.4 a 6)	-
g	2% additional risk weight for Operational Risk	167,844
h	1% additional risk weight for Market Risk	-
i	3% adjustment on Total RWE	636,796
<b>TOTAL RISK WEIGHTED EXPOSURES</b>		<b>22,031,170</b>

### 7.3. Detail of Non Performing Loans

During the year the non performing loans increased by 0.22%. The detail of the loans has been classified below:

PARTICULARS	GROSS VALUE (IN NPR THOUSANDS)	NET VALUE (IN NPR THOUSANDS)
Restructured Loans	-	-
Sub-Standard Loans	16,138	12,104
Doubtful Loans	362,412	181,206
Loss Loans	309,889	-
<b>TOTAL NPA</b>	<b>688,440</b>	<b>193,310</b>

### 7.4. Ratio of Non Performing Loans

SN	PARTICULARS	PERCENTAGE
1	Gross NPA %	3.74%
2	Net NPA %	1.09%

### 7.5. Movement of Non-Performing Assets (Gross)

During the year Non-Performing Loans (NPA) has increased by 31.79%.

PARTICULARS	NPA (NPR)
Current Year	688,440,001
Previous Year	522,375,997
Change	166,064,004
Change%	31.79%

### 7.6. Write off of Loans & Interest Expenses

During the year bank had written off the following two loans:

BORROWER	TYPE	AMOUNT (NPR)
Pawanputra Industries Pvt. Ltd	Demand Loan	61,400,196
Pawanputra Brevrage Ind Pvt. Ltd	HP Loan	95,512
<b>TOTAL WRITTEN OFF</b>		<b>61,495,708</b>

### 7.7. Movement of Loan Loss Provision and Interest Suspense:

As per NRB Directives, all interest accruals on loans and advances, irrespective of loan category, are transferred to interest suspense account until the interest accrued and due is realized in cash. Details of Interest Suspense Movement are as follows:

PARTICULARS	AMOUNT (NPR)
Movement of Loan Loss Provision	156,884,614
Movement of Interest Suspense	99,902,179

### 7.8. Details of Additional Loan Loss Provisions:

Bank has not made any additional Loan Loss Provision during the year.

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

INVESTMENTS	AMOUNT (NPR)
Held For Trading	-
Held For Maturity	2,427,522,295
Available For Sale	26,058,333
<b>TOTAL INVESTMENTS</b>	<b>2,453,580,628</b>

## 7.10. Risk Management Function

### 7.10.1. 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

**7.10.1.1. 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.

### 7.10.1.2. 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 has, at minimum, have 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.

### 7.10.1.3. 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 have 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, assess and monitors other risks such as strategic risk and reputational risks at regular interval.

#### 7.10.1.4. Monitoring

Monitoring and reporting of 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.

#### 7.10.1.5. 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 to 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.

### 7.11. Types of eligible credit risk mitigants used and the benefits availed under CRM

Following are the eligible credit risk mitigants used by the bank:

SN	INVESTMENTS	AMOUNT (NPR-THOUSAND)
1	Deposit with Bank	362,915
2	Deposits with other banks/FI	-
3	Gold	916,626
4	Govt.& NRB Securities	50,000
<b>TOTAL CREDIT RISK MITIGANTS</b>		<b>1,329,541</b>

**STATEMENT OF LOANS AND ADVANCES EXTENDED TO PROMOTOR/GROUP OF PROMOTORS AGAINST PROMOTERS SHARES**

As on 31st Ashad 2070 (15th July 2013)

Schedule 4.34

SN	PROMOTER/GROUP OF PROMOTERS	SHARE OWNERSHIP		LOAN DETAILS			REMARKS
		NOS	PERCENTAGE OF TOTAL PAID UP CAPITAL	NAME OF BANK / FINANCIAL INSTITUTION	LOAN AMOUNT	NO OF SHARES	
1	Subash Kumar Khetan	40,625	0.20%	China Trade Multipurpose Cooperatives	Not Mentioned	9,375	SHN- 40
2	Ramesh Adhikari	20,150	0.10%	Prominent Saving & Credit Co-Operative	2,100,000	31,250	
3	Kailash Chandra Goyal	1,009,112	5.01%	Civil Bank Limited Himilayan Bank Limited	800,000 25,000,000	20,150 508,312	SHN- 32 SHN- 24

\*SHN : Share Holders Number

## COMPARISON OF UNAUDITED & AUDITED FINANCIAL STATEMENTS

As of FY 2069/70 (2012-13)

Schedule 4.35  
(Amount in NPR '000)

SN	PARTICULARS	AS PER UNAUDITED FINANCIAL STATEMENTS	AS PER AUDITED FINANCIAL STATEMENTS	VARIANCE		REASON OF VARIANCE
				AMOUNT	PERCENTAGE	
<b>1</b>	<b>Total Capital &amp; Liabilities (1.1 to 1.7)</b>	<b>26,274,289</b>	<b>26,128,840</b>	<b>(145,449)</b>	<b>-0.55%</b>	
1.1	Paid-up Capital	2,015,000	2,236,650	221,650	11.00%	Proposed issue of 1.1% Bonus Shares
1.2	Reserves and Surplus	455,391	214,496	(240,895)	-52.90%	Effect of issue of Bonus Shares
1.3	Debtenture and Bond	-	-	-		
1.4	Borrowings	-	-	-		
1.5	Deposits (a+b)	23,270,617	23,270,603	(14)	0.00%	Change of some deposit to Liability
	a. Domestic Currency	22,194,651	22,194,637	(14)	0.00%	
	b. Foreign Currency	1,075,966	1,075,966	-	0.00%	
1.6	Income Tax Liabilities	137,358	-	(137,358)	-100.00%	Set off of Tax Liabilities with Advance Tax
1.7	Other Liabilities	395,924	407,091	11,166	2.82%	Effect of liability of Tax on Bonus Shares
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>26,274,289</b>	<b>26,128,840</b>	<b>(145,449)</b>	<b>-0.55%</b>	
2.1	Cash & Bank Balance	4,690,927	4,690,927	-	0.00%	
2.2	Money at call and short Notice	679,557	679,557	-	0.00%	
2.3	Investments	2,453,581	2,453,581	-	0.00%	
2.4	Loans & Advances (a+b+c+d+e+f) (Net)	17,730,592	17,730,592	-	0.00%	
	a. Real Estate Loan	2,491,510	2,491,510	-	0.00%	
	1. Residential Real Estate Loan	197,495	197,495	-	0.00%	
	(Except Personal Home Loan upto NPR 10 mil)					
	2. Business Complex & Residential Apartment Construction Loan	1,404,443	1,404,443	-	0.00%	
	3. Income generating Commercial Complex Loan	-	-	-		
	4. Other Real Estate Loan	889,572	889,572	-		
	(Including Land Purchase & Plotting)					
	b. Personal Home Loan of NPR 10 mil or less	887,516	887,516	-	0.00%	
	c. Margin Type Loan	46,817	46,817	-	0.00%	
	d. Term Loan	1,903,405	1,903,405	-	0.00%	
	e. Overdraft Loan / TR Loan / WC Loan	9,563,284	9,563,284	-	0.00%	
	f. Others	2,838,059	2,838,059	-	0.00%	
2.5	Fixed Assets	312,767	312,767	-	0.00%	
2.6	Non Banking Assets (Net)	-	-	-		
2.7	Other Assets	406,866	261,417	(145,449)	-35.75%	Effect of adjustment of Advance Tax with Tax Liabilities

(contd...)

## COMPARISON OF UNAUDITED &amp; AUDITED FINANCIAL STATEMENTS

As of FY 2009/10 (2012-13)

Schedule 4.35  
(Amount in NPR '000)

SN	PARTICULARS	AS PER UNAUDITED FINANCIAL STATEMENTS	AS PER AUDITED FINANCIAL STATEMENTS	VARIANCE		REASON OF VARIANCE
				AMOUNT	PERCENTAGE	
<b>3</b>	<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>VARIANCE</b>		
3.1	Interest income	2,240,203	2,240,203	(0)	0.00%	
3.2	Interest Expense	1,251,304	1,251,304	0	0.00%	
<b>A</b>	<b>Net Interest Income (3.1-3.2)</b>	<b>988,899</b>	<b>988,899</b>	<b>(0)</b>	<b>0.00%</b>	
3.3	Fees Commission and Discount	94,947	94,943	(5)	0.00%	Rectification of Some Head
3.4	Other Operating Income	124,525	124,525	-	0.00%	
3.5	Foreign Exchange Gain/Loss (Net)	50,511	50,511	-	0.00%	
<b>B</b>	<b>Total Operating Income (A+3.3+3.4+3.5)</b>	<b>1,258,882</b>	<b>1,258,877</b>	<b>(5)</b>	<b>0.00%</b>	
3.6	Staff Expenses	218,546	217,769	(777)	-0.36%	Reclassification of expenses.
3.7	Other Operating Expenses	329,816	330,593	777	0.24%	Reclassification of expenses.
<b>C</b>	<b>Operating profit Before Provision (B-3.6-3.7)</b>	<b>710,520</b>	<b>710,515</b>	<b>(5)</b>	<b>0.00%</b>	
3.8	Provision for Possible Loss	366,681	368,269	1,588	0.43%	Effect of analyzing on case to case basis for Bills Purchase too.
<b>D</b>	<b>Operating profit (C-3.8)</b>	<b>343,838</b>	<b>342,246</b>	<b>(1,593)</b>	<b>-0.46%</b>	
3.9	Non Operating Income/Expenses (Net)	3,567	3,567	(0)	0.00%	
3.10	Write Back of Provision for Possible Loss	207,750	209,338	1,588	0.76%	Effect of analyzing on case to case basis
<b>E</b>	<b>Profit From Regular Activities (D+3.9+3.10)</b>	<b>555,155</b>	<b>555,151</b>	<b>(5)</b>	<b>0.00%</b>	
3.11	Extraordinary Income/Expenses (Net)	(51,511)	(51,511)	-	0.00%	
<b>F</b>	<b>Profit Before Bonus and Taxes (E+3.11)</b>	<b>503,644</b>	<b>503,640</b>	<b>(5)</b>	<b>0.00%</b>	
3.12	Provision For Staff Bonus	45,786	45,785	(0)	0.00%	
3.13c	Provision For Tax	138,670	146,245	7,575	5.46%	Effect of Tax Calculated as per the Income Tax Act, 2058
<b>G</b>	<b>Net Profit/Loss (F-3.12 -3.13)</b>	<b>319,189</b>	<b>311,609</b>	<b>(7,580)</b>	<b>-2.37%</b>	
<b>4</b>	<b>RATIOS</b>	<b>UNAUDITED</b>	<b>AUDITED</b>			
4.1	Capital Fund to RWA	11.89%	11.80%	-	-0.09%	Effect of Proposed Cash Dividend
4.2	Non Performing Loan (NPL) to Total Loan	3.74%	3.74%	-	-	
4.3	Total Loan Loss Provision to total NPL	97.64%	97.64%	-	-	
4.4	Cost of Funds	6.49%	6.49%	-	-	
4.5	CD Ratio (Calculated as per NRB Directives)	74.71%	74.78%	-	0.07%	Effect of Change in Core Capital
4.6	Base Rate	10.29%	10.29%	-	-	
	<b>Additional Information (Optional)</b>					
	Average Yield (Local Currency)	11.15%	11.15%	-	-	
	Net Interest Spread (Local Currency)	4.66%	4.66%	-	-0.22%	Due to Change in Net Profit
	Return on Equity	12.96%	12.74%	-	0.02%	
	Return on Assets	1.21%	1.19%	-	-	Due to Change in Net Profit



## UNAUDITED FINANCIAL STATEMENTS

As at Fourth Quarter Ended on 31st Ashad 2070 (FY 2069/70)

Schedule 4.36  
(Amount in NPR '000)

SN PARTICULARS	THIS QUARTER ENDED	PREVIOUS QUARTER ENDED	CORRESPONDING PREVIOUS QUARTER ENDED
<b>1 Total Capital &amp; Liabilities (1.1 to 1.7)</b>	<b>26,274,289</b>	<b>24,973,322</b>	<b>21,279,008</b>
1.1 Paid-up Capital	2,015,000	2,015,000	2,015,000
1.2 Reserves and Surplus	455,391	354,635	136,202
1.3 Debenture and Bond	-	-	-
1.4 Borrowings	-	-	-
1.5 Deposits (a+b)	23,270,617	22,170,577	18,759,000
a. Domestic Currency	22,194,651	21,211,423	18,102,564
b. Foreign Currency	1,075,966	959,154	656,436
1.6 Income Tax Liabilities	137,358	93,614	-
1.7 Other Liabilities	395,924	339,496	368,806
<b>2 Total Assets (2.1 to 2.7)</b>	<b>26,274,289</b>	<b>24,973,322</b>	<b>21,279,008</b>
2.1 Cash & Bank Balance	4,690,927	2,877,717	4,408,289
2.2 Money at call and short Notice	679,557	1,648,551	100,626
2.3 Investments	2,453,581	2,013,494	1,808,961
2.4 Loans & Advances (a+b+c+d+e+f) (Net)	17,730,592	17,790,267	14,306,651
a. Real Estate Loan	2,491,510	2,548,149	2,572,898
1. Residential Real Estate Loan(Except Personal Home Loan upto NPR 10 mil)	197,495	247,411	115,530
2. Business Complex & Residential Apartment Construction Loan	1,404,443	1,307,742	1,339,775
3. Income generating Commercial Complex Loan	-	-	-
4. Other Real Estate Loan (Including Land Purchase & Plotting)	889,572	992,996	1,117,593
b. Personal Home Loan of NPR 10 mil or less	887,516	784,997	497,528
c. Margin Type Loan	46,817	30,766	14,695
d. Term Loan	1,903,405	1,852,180	2,003,837
e. Overdraft Loan / TR Loan / WC Loan	9,563,284	9,973,096	6,862,935
f. Others	2,838,059	2,601,079	2,354,758
2.5 Fixed Assets	312,767	315,316	348,597
2.6 Non Banking Assets (Net)	-	-	-
2.7 Other Assets	406,866	327,977	305,883
<b>3 PROFIT &amp; LOSS ACCOUNT</b>	<b>UPTO THIS QTR</b>	<b>UPTO PREVIOUS QTR</b>	<b>UPTO CORRESPONDING PREVIOUS YEAR QTR</b>
3.1 Interest income	2,240,203	1,567,784	2,001,360
3.2 Interest Expense	1,251,304	923,908	1,410,696
<b>A Net Interest Income (3.1-3.2)</b>	<b>988,899</b>	<b>643,876</b>	<b>590,664</b>
3.3 Fees Commission and Discount	94,947	75,085	70,445
3.4 Other Operating Income	124,525	88,461	69,535
3.5 Foreign Exchange Gain/Loss (Net)	50,511	51,396	38,864
<b>B Total Operating Income (A+3.3+3.4+3.5)</b>	<b>1,258,882</b>	<b>858,818</b>	<b>769,508</b>
3.6 Staff Expenses	218,546	155,974	194,357
3.7 Other Operating Expenses	329,816	244,236	280,048
<b>C Operating profit Before Provision (B-3.6-3.7)</b>	<b>710,520</b>	<b>458,608</b>	<b>295,104</b>
3.8 Provision for Possible Loss	366,681	266,041	289,936
<b>D Operating profit (C-3.8)</b>	<b>343,838</b>	<b>192,567</b>	<b>5,168</b>
3.9 Non Operating Income/Expenses (Net)	3,567	(83)	106
3.10 Write Back of Provision for Possible Loss	207,750	140,783	298,799
<b>E Profit From Regular Activities (D+3.9+3.10)</b>	<b>555,155</b>	<b>333,267</b>	<b>304,074</b>
3.11 Extraordinary Income/Expenses (Net)	(51,511)	9,985	(130,666)
<b>F Profit Before Bonus and Taxes (E+3.11)</b>	<b>503,644</b>	<b>343,252</b>	<b>173,408</b>
3.12 Provision For Staff Bonus	45,786	31,205	15,764
3.13 Provision For Tax	138,670	93,614	46,450
<b>G Net Profit/Loss (F-3.12 -3.13)</b>	<b>319,189</b>	<b>218,433</b>	<b>111,194</b>
<b>4 RATIOS</b>	<b>THIS QUARTER ENDED</b>	<b>PREVIOUS QUARTER ENDED</b>	<b>CORRESPONDING PREVIOUS QUARTER ENDED</b>
4.1 Capital Fund to RWA	11.89%	11.30%	11.78%
4.2 Non Performing Loan (NPL) to Total Loan	3.74%	3.74%	3.52%
4.3 Total Loan Loss Provision to total NPL	97.64%	92.87%	98.64%
4.4 Cost of Funds	6.49%	6.48%	9.34%
4.5 CD Ratio (Calculated as per NRB Directives)	74.71%	78.26%	73.30%
4.6 Base Rate	10.29%	10.21%	NA
<b>Additional Information (Optional)</b>			
4.7 Average Yield (Local Currency)	11.15%	10.51%	12.88%
4.8 Net Interest Spread (Local Currency)	4.66%	4.03%	3.54%
4.9 Return on Equity	12.96%	12.42%	5.24%
4.10 Return on Assets	1.21%	1.17%	0.52%



# HEAD OF DEPARTMENTS & TEAM LEADERS

<b>MR. SANJAYA K SIDDHI</b> Risk Management Department	<b>MR. PRITAM LAL SHRESTHA</b> General Service Department
<b>MR. MANOJ NEUPANE</b> Corporate Banking Department	<b>MR. ISHWAR KUMAR PATHAK</b> Compliance Department/CS
<b>MR. RITESH ARYAL</b> SME Banking Department	<b>MR. ANUP KOIRALA</b> Mid Market Team
<b>MR. NABIN SHARMA</b> Branch Support & Operation Control Department	<b>MR. GANESH REGMI</b> Retail Banking Department
<b>MR. NARAYAN PRASHAD GHIMIRE</b> IT & SWIFT Department	<b>MS. NEEMA PRADHAN</b> Liability Marketing & Product Promotion Department
<b>MS. PRABHAVATI BISTA</b> Human Resource Department	<b>MR. DIPAK PANDIT</b> Recovery & NPA Mangement Department
<b>MR. RAJENDRA PRASHAD JOSHI</b> Tresury Front Team	<b>MR. PRAVEEN ACHARYA</b> Corresponding Banking & Remittance Promotion Department
<b>MR. MANDEEP BHATTARAI</b> Card Service Department -Incharge	<b>MR. LAXMI PRASHAD SHARMA</b> Deprived Sector Lending Department
<b>MR. TIRTHA THAPA</b> Security Team	<b>MR. GAUTAM DONGOL</b> Credit Administration Team
<b>MR. RUPESH LUITEL</b> Finance & Planning Department	<b>MR. ASWIN BABU SHRESTHA</b> Central Accounts Department-Incharge
<b>MR. BINAY GIRI</b> Trade Finance Team	<b>MR. DIWAKAR SHARMA</b> Bills & Clearing Team



# BRANCH MANAGERS

<b>MR. ALOK SHARMA</b> Gairadhara 01-4004510	<b>MR. KAPIL AGRAWAL</b> Dharan 025-532841	<b>MR. RUDRA JUNG GURUNG</b> Besisahar 066-520129
<b>MR. BHIM NARAYAN SHRESTHA</b> Damauli 065-561800	<b>MR. VIVEK NIRLA</b> Tinkune 01-4111554	<b>MR. DHIRAJ NEPAL</b> Gabahal 01-5005014
<b>MR. RAJENDRA PRASAD TIMSINA</b> Kalimati 01-4278694	<b>MR. DEEPAK RAJ JOSHI</b> Dhangadi 091-524850	<b>MR. HARI PRASAD ACHARYA</b> New Road 4239470
<b>MR. SUJAN PAUDEL</b> Birtamod 023-541069	<b>MR. VIVAN NIROULA</b> Ilam Branch 027-521720	<b>MR. PRAMOD HARI POKHAREL</b> Kakarvitta 023-562083
<b>MR. KHAGENDRA BASKOTA</b> Chabahil 01-4822766	<b>MS. RABINA ACHARYA</b> Maharajgunj 01-4721352	<b>MR. SUDARSHAN KHATIWADA</b> Pharphing 01-4710865
<b>MR. PESHAL DAHAL</b> Narayanghat 056-571054	<b>MR. NEERAJ C AMATYA</b> Bhaktapur 6619240	<b>MR. DEV CHANDRA BHATTA</b> Birgunj 051-524784
<b>MR. RAJAN PRASAD POKHAREL</b> Sunwal 078-570473	<b>MR. SURYA BAHADUR BALAMPAKI</b> Bardibas 044-550563	<b>MR. RAM KUMAR GIRI</b> Putalisadak 4421662/ 4434395
<b>MS. UMA SHRESTHA</b> Buddhanilkantha 01-4378275	<b>MR. GYANENDRA DUTTA</b> Rajbiraj 031-520727	<b>MR. YOGENDRA BHANDARI</b> Dadeldhura 096-420723
<b>MR. SUDHIR AGRAWAL</b> Biratnagar 021-440695	<b>MR. UMESH GAJUREL</b> Sundar Bazar 9756001100	<b>MR. SUMAN POKHAREL</b> Boudha 01-2239855
<b>MR. BIPAT CHAUDHARY</b> Udayapur 035-420280	<b>MR. RAMAN RAJ SHARMA</b> Jhumka 025-562353	<b>MS. RACHANA SHRESTHA</b> Sankhamul 01-4783996
<b>MS. DEVAKI PANT</b> Gothatar 01-4992706	<b>MR. YUG BASNET</b> Gaushala 01-4487903	<b>MR. TARKA RAJ ACHARYA</b> Lagankhel 01-5553480
<b>MR. KAMAL BAHADUR ADHIKARI</b> Pokhara 061-537845	<b>MR. KAUTILYA KETAN DHUNGANA</b> Taukhel 01-6224821	<b>MR. SWASTIK SUBEDI</b> Lubhu 01-5580361
<b>MR. CHOODAMANI CHAPAGAIN</b> Surunga 023-550880	<b>MR. RAMESH GAUTAM</b> Bhadrapur 023-541069	<b>MR. SUMAN BHATTARAI</b> Duhabi 025-541486
<b>MR. YADAV KHATIWADA</b> Biratchowk 021-546102	<b>MR. PRAMESH DAHAL</b> Bhaisepati 5592931	<b>MS. PANNA WAGLE</b> Baniyatar 01-4382066
<b>MR. NIRISH RAJ UPADHYAY</b> Jyatha 01-4259174	<b>MR. SUJIT KUMAR KARN</b> Kalanki 01-4281795	<b>MR. BISHESHWAR NAYAK</b> Gaur 055-521413
<b>MR. DIPESH SHARMA</b> Sukhad 091-403012	<b>MR. YOGESH KUMAR BHATT</b> Mahendranagar 099-520850	<b>MR. SUNIL RANA</b> Bhairahawa 071-520703
<b>MR. BIKESH KUMAR SHRESTHA</b> Nepalgunj 081-523636	<b>MR. YADAV RAJ UPADHYAY</b> Dumre 065-580355	<b>MR. ARJUN KAFLE</b> Butwal 071-551572

# MANAGEMENT TEAM



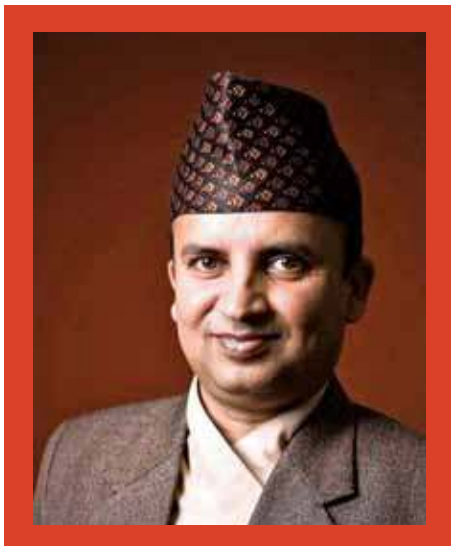
**MR. SURENDRA MAN PRADHAN**  
CHIEF EXECUTIVE OFFICER



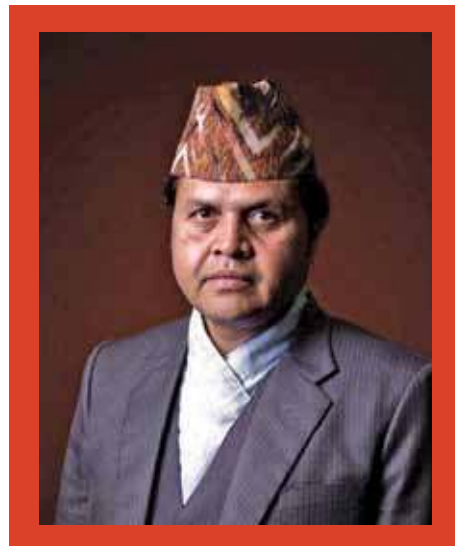
**MR. BALA RAM BISTA**  
DEPUTY CHIEF EXECUTIVE OFFICER



**MS. ASHA RANA ADHIKARY**  
DEPUTY GENERAL MANAGER



**MR. ROBIN K NEPAL**  
ASSISTANT GENERAL MANAGER



**MR. ARUN PARAJULI**  
CHIEF MANAGER







