

ANNUAL REPORT
2016/17

Ten Years of Togetherness



YOU & US
Together We Can Build



सन्राइज बैंक लिमिटेड
SUNRISE BANK LIMITED

RISING TO SERVE
www.sunrisebank.com.np



FORWARD-LOOKING STATEMENTS

The Annual Report for the year 2016/17 presented hereby shows the growth we made from the inception. This achievement is the result of the support from all the stakeholders. Please have a look at our Bank, the driving force, Management Team, products and services we offer, our present growth and the achievements.



In 10 years, Sunrise Bank has completed a phase of consolidation together with clients, employees and shareholders. We are now poised for taking off on a path of innovation and growth to emerge as a leader in Nepal's banking industry.



ANNUAL REPORT 2016/17

THE ANNUAL REPORT

Its motto "Rising to Serve" drives all efforts Sunrise Bank to emerge as market leader with a business that is founded on strong business fundamentals supported by state-of-art banking technology, and a highly-driven staff whose skills are continuously enhanced.

YOU & US
Together We Can Build



REPORT OBJECTIVES

This report is intended to provide information to our Stakeholders as well as other interested parties on how we performed in 2016/17. The report is a reflection on the overall operation of the Bank and exhibits the Bank's direction to achieve its mission and vision.

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ANNUAL REPORT 2016/17

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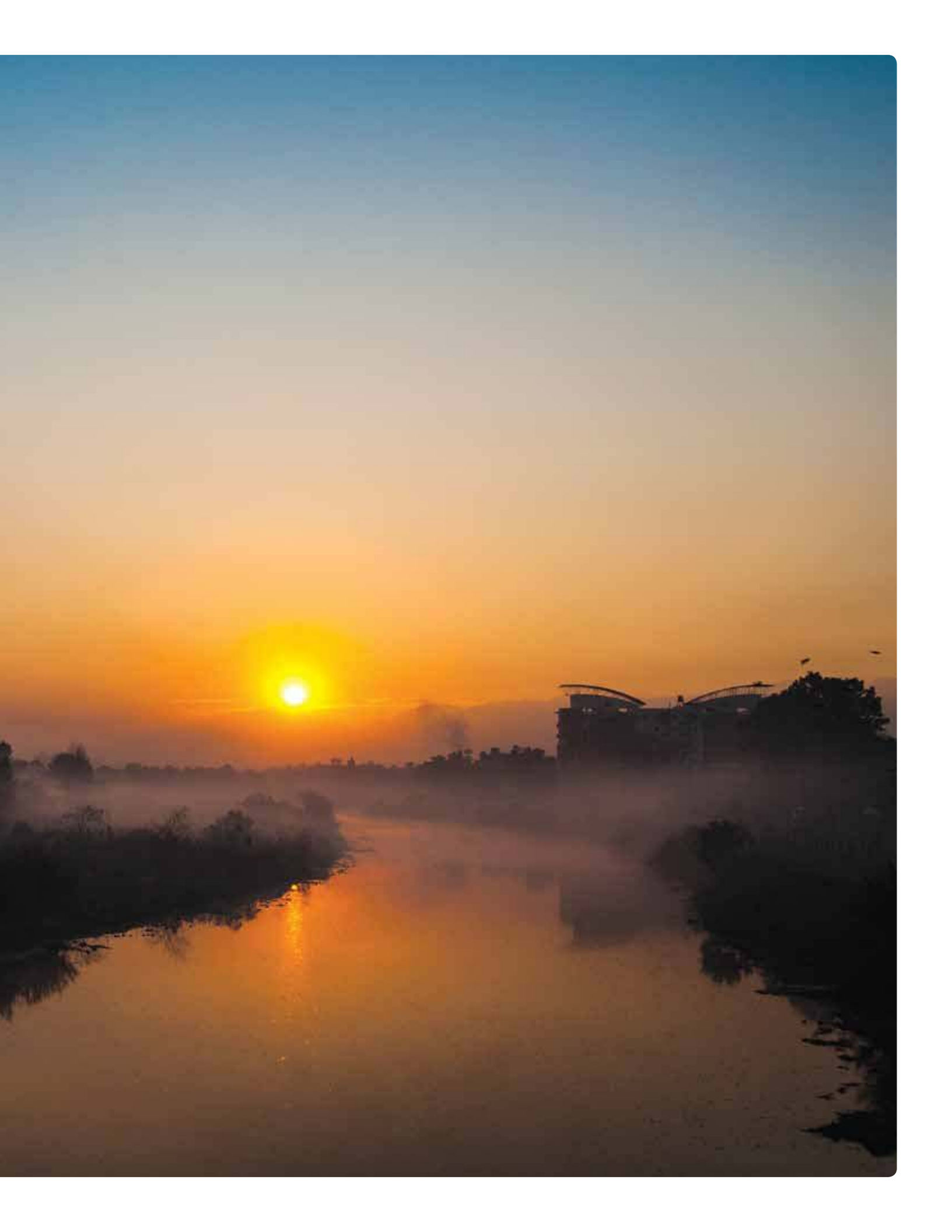
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STRATEGIC REPORT

Sunrise Bank's secret of continued growth and success is its highly diversified and well-balanced business model. It is now ready to expand to reach new horizons.





An Overview

Sunrise Bank Limited, a leading financial institution, was established as the 23rd commercial bank in Nepal on 12 October 2007. Its corporate office is located at the Gairidhara Crossing, in Kathmandu. Sunrise Bank is driven by its motto "Rising to Serve" and offers innovative products and services to all categories of clients, and also offers products that can contribute towards the economic development needs of the country.

The Bank is continuously supervised by the Board of Directors who have extensive knowledge and entrepreneurial experience. The Chairman of the Bank, Mr. Motilal Dugar is a business leader with extensive interests in both industry and the services sector. The management team comprises of five members with Mr. Ratna Raj Bajracharya as CEO. This team of seasoned banking and management professionals is dedicated towards establishing an institution determined to cater to the needs of all categories of clients.

Sunrise Bank's continued growth and success is founded on a highly diversified and well-balanced business model. The Bank has made balanced growth throughout its first decade and is now

poised to expand into new markets. The Bank's ever growing geographical coverage has enabled it to serve a spectrum of customer segments, including retail, middle market, small and medium enterprises, and large corporations. The Bank has been continuously upgrading its services using state-of-art Core Banking technology, while remaining vigilant on risks and risk management.

The Bank acquired NIDC Capital Markets Limited in fiscal year 2016/17 and began joint operations from 10 February 2017. NCM Merchant Banking Limited, a subsidiary of the erstwhile NIDC Capital Markets Ltd., has become a subsidiary of Sunrise Bank after the acquisition. It now functions under a new name - Sunrise Capital Limited.



VISION

You & Us. Together
We Can Build.



MISSION

Establish
Sunrise Bank
as a lead
bank in all
places of
our branch
locations and
nationwide.



STRATEGY

Our strategies
are long-term
and our
commitment
towards
corporate
sustainability
is absolute.



OBJECTIVES

The overall objective of the bank is to contribute to the Nation building and meeting the expectation of its shareholders, depositors, customers and other stake holders. The Bank will put its concerted efforts to realise its goal by leading the banking sector in every front with:

- Expand presence of the Bank within and outside the country,
- Targeting under-served or potential services like SMEs and retail businesses,
- Reshaped and restructured bank's infrastructure and systems,
- Serviced by efficient and knowledgeable staffs supported by automated procedures, and
- High degree of compliance and risk management.

CUSTOMER ORIENTATION

We at Sunrise Bank provide value-added customized products and serve customers through unparalleled service delivery standards.

CORPORATE CITIZENSHIP

Sunrise Bank believes in being a responsible corporate citizen. It gives back to underprivileged sections of society and also supports work for social development. The Bank abides to high standards of corporate governance, which is vital for maintaining financial discipline and also protecting investor interests.

**INTEGRITY AND TRANSPARENCY**

Integrity and transparency underlie every action and decision taken by Sunrise Bank.

EMPLOYEE'S PROSPERITY

Employees are invaluable assets and hence the institution believes in shared prosperity. The Bank provides employees with career development support opportunities. The Bank believes in growing with its staffs. This explains its responses to their needs - financial, social and esteem.

SHAREHOLDER'S SECURITY

Shareholders have always been a priority for the management and the Bank's actions are directed to not only secure their investments but also to provide higher, maximum possible returns.

OPERATIONAL HIGHLIGHTS

The Bank remained a strong player in the market throughout 2016/2017 with acquisition and consolidation that makes it stronger. The market indicators for fiscal year was bolstered by,

- Good revenue generation despite of the cut throat competition in the market and liquidity crisis.
- Prudent risk management system to minimize financial and operational risks and eliminate losses.

- Remarkable growth in balance sheet with a good composition of capital and liquid assets.
- Diverse credit portfolio to minimize credit risk and maximize returns.
- Surge in investment and sizable incomes from investments.
- Integrated team efforts from the ground level to top management, and
- Reinvention of products and services to cater diverse needs of customers.

CODE OF CONDUCT

Commitment to the highest standards of transparency, reliability and ethical business conduct are well-established guiding principles within the Bank. These are articulated in a comprehensive policy and a Code of Conduct is communicated to and understood by all employees.

Ten Years of Togetherness

The formative years for Sunrise Bank are now over, we look forward the next 10 years of growth together with clients, employees and shareholders.

'07/08

YEAR 1

Inception of Sunrise Bank Ltd. on October 12, 2007 (Ashwin 25, 2064, Friday)

Paid-up Capital:
NPR 700 million

'08/09

YEAR 2

Completed biggest IPO of Commercial Bank of NPR 375 million
Expanded outreach to 26 Branches with 21 ATMs

'09/10

YEAR 3

Expanded outreach to 51 Branches with 47 ATMs

Loan:
NPR 12.04 billion

Deposit:
NPR 14.76 billion

'10/11

YEAR 4

Expanded outreach to 54 Branches with 47 ATMs

Balance Sheet Size:
NPR 15.85 billion

'11/12

YEAR 5

Expanded outreach to 57 Branches with 49 ATMs

Deposit:
NPR 18.75 billion

Loan:
NPR 14.82 billion

Total Customers:
0.2 million

Paid-up Capital:
NPR 2.0150 billion



'12/13

YEAR 6

Deposit:

NPR 23.27 billion

Loan:

NPR 18.40 billion

Balance Sheet
Size:

NPR 26.12 billion

'13/14

YEAR 7

Expanded outreach to 61 Branches with 51 ATMs

Introduced Sunrise Micro Banking Services

'14/15

YEAR 8

Expanded outreach to 67 branches with 53 ATMs

Launched first extension counter at B.P. Koirala Institute of Health Sciences, Dharan

Launched Surakshit Ghar Karja tying up with Prime Life insurance.

'15/16

YEAR 9

Launched First Branchless Banking from Kavre Mangaltar

Acquired former Narayani National Finance and started joint operation.

After acquisition,
Paid-up Capital: NPR 4 billion,
Branches: 67, **ATMs:** 69
Deposit: NPR 50 billion
Loans and Advances: NPR 43 billion

Launched second extension counter at Chitwan Medical College, Narayanghat

'16/17

YEAR 10

Achieved the **Paid-up Capital:** NPR 8 billion. Acquired former NIDC Capital Markets Ltd., and launched Sunrise Capital Limited.

Launched Third extension counter at Malayasia, VLN Nepal Pvt. Ltd. at Gairidhara

Launched chip based (EMV) cards. Inaugural of Customer Service Center (Call Center). Current outreach – 76 branches. Bank has opened 5 branches in Rural Municipalities.

Bank's Performance: Alignment with Strategies

Over the decade, Sunrise Bank has built a solid foundation to confront the future. The Bank has a successful history, a distinctive culture and a shared pride in performance, which is the foundation for its growth.

Across the Bank, its employees place great value on working together and share a genuine desire to best serve customers. The Bank is confident that its strategy is sound and that proper execution of the strategies can bring meaningful progress that is needed to create long-term value for all stakeholders, including customers. This is the secret of Sunrise Bank that has assisted it to truly live up to its brand proposition.

A major force driving growth at Sunrise Bank is technology, which remains key to continued progress. While integrating technology the Bank continuously strives create a culture that exemplifies service excellence, simplification of the interfaces between customers and the Bank, while creating secure and safe transactional platforms.

In 2016-17, the Bank successfully migrated to state-of-art Core Banking Systems and

platforms that will take our business into the future. It values the trust customers have placed on it, which is the rationale for investments in the right technology and teams to protect our customers' information whilst also delivering faster and more reliable services. The Bank recognizes that customer-led innovation is crucial in the rapidly changing digital space. This explains its efforts to continuously engage in developing customer focused concepts and platforms that will be introduced in the coming years.

Engaging stakeholders is another core component of the Bank's strategy implementation process. By developing and maintaining meaningful relationships through stakeholder engagement, the Bank has been able to continuously improve its relations with stakeholders and in building trust needed for expanding the business.

TABLE OF SECTORAL LENDING

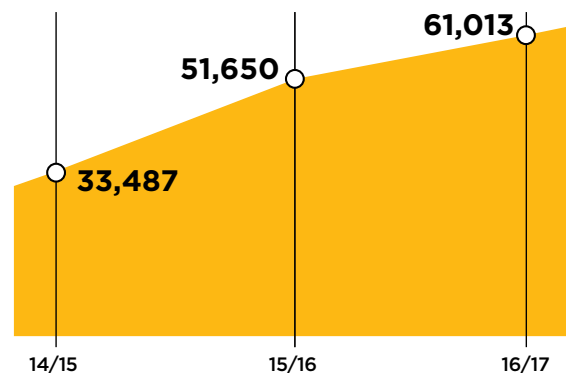
SECTOR	2015/16	2016/17	GROWTH
Industry	7,768	9,509	22.4%
Trade	10,213	11,181	9.5%
Agriculture	3,626	3,721	2.6%
Others	22,142	27,329	23.4%
Total	43,749	51,739	18.3%



Financial Highlights

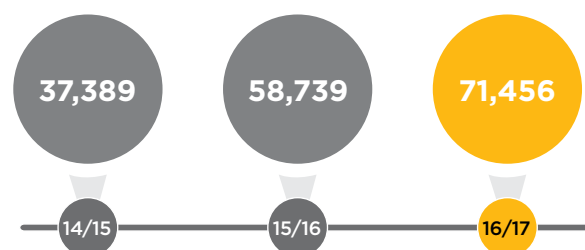
TOTAL DEPOSITS (In NPR Million)

CAGR : 21.26%



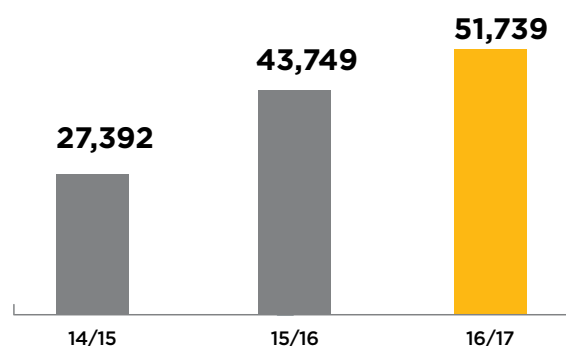
TOTAL ASSETS/LIABILITIES (In NPR Million)

CAGR : 22.29%



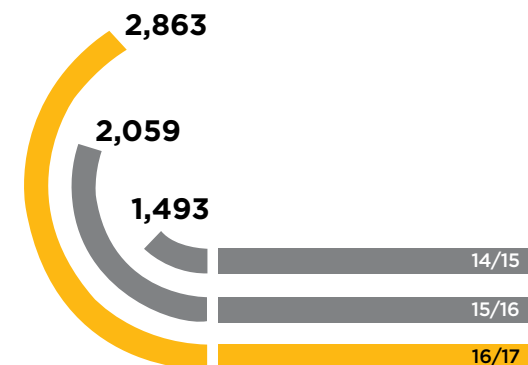
TOTAL LOANS & ADVANCE (In NPR Million)

CAGR : 22.97%



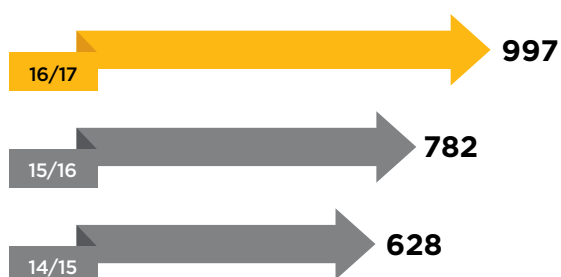
TOTAL REVENUE (In NPR Million)

CAGR : 17.86%



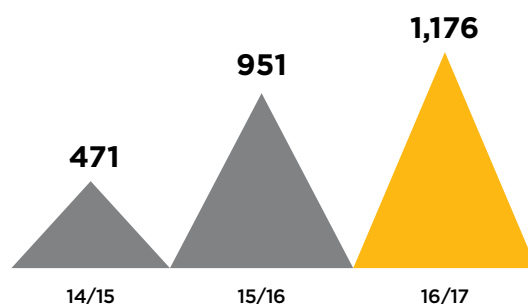
TOTAL OPERATING COST (In NPR Million)

CAGR : 12.7%



NET PROFIT (In NPR Million)

CAGR : 30.43%



TOTAL ASSETS/LIABILITIES

Compound Annual Growth Rate (Last 5 years): 22.29% The year 2016/17 showed a remarkable growth of NPR 12,717 million in total assets

TOTAL DEPOSITS

CAGR (Last 5 years): 21.26% Our togetherness with the clients helped us to increase the deposits by NPR 9,363 million during the review year of 2016/17.

Financial Review

TOTAL REVENUE

CAGR (Last 5 years): 17.86% Our stakeholder's contribution to our revenue increased by NPR 804 million during the review year 2016/17.

TOTAL LOANS & ADVANCE

CAGR (Last 5 years): 22.97% During the year 2016/17, we financed NPR 7,990 million more in various sectors and helped to build them up.

NET PROFIT

CAGR (Last 5 years): 30.43% This year net profit showed a significant increment by 23.62%. This is the result of increase in revenue, cost control and decrease in non performing loan

TOTAL OPERATING COST

CAGR (Last 5 years): 12.7% During the previous year with internal cost control mechanism and effective management, the increment in total operating cost has been limited only to NPR 216 million which includes staff cost as well

Key Indicators - 10 Years

PARTICULARS	BASIS	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Earning Per share	NPR	16.76	23.94	19.27	11.03	15.46	5.52	2.20	16.35	6.78	(3.89)
Market Price per share	NPR	396.00	748.00	395.00	510.00	232.00	145.00	163.00	265.00	-	-
Price earning per share	NPR	23.63	31.26	20.50	46.22	15.00	26.28	74.24	16.21	-	-
Net worth per share	NPR	11715	115.91	112.63	120.48	121.24	106.76	106.50	110.80	104.61	96.11
Non Performing Loan	%	1.37	1.22	2.90	4.94	3.74	3.52	3.51	1.04	0.07	-
CAR	%	14.47	12.05	11.11	11.49	11.80	11.78	13.28	11.37	12.66	14.78
Dividend	%	15.00	33.33	22.63	-	11.58	5.26	4.00	10.00	-	-
Interest spread	%	4.49	4.42	4.30	4.45	4.66	3.54	3.83	4.92	3.65	2.88
Return on Assets	%	1.61	1.62	1.26	0.83	1.19	0.52	0.28	1.00	0.51	(0.50)
Number of shares	No	70,181,047	39,760,463	24,436,880	22,366,500	20,150,000	20,150,000	20,150,000	12,500,000	12,500,000	7,000,000
Number of branches	No	70.00	67.00	53.00	53.00	51.00	49.00	47.00	40.00	21.00	6.00
Number of staffs	No	956.00	699.00	444.00	449.00	454.00	459.00	471.00	376.00	311.00	126.00

Macroeconomic Outlook

Estimates of Central Bureau of Statistics (CBS) show the growth in the real GDP (at producers' price) at 7.5% in 2016/17 compared to 0.4% in the preceding year. Similarly, the real GDP at basic price is estimated to grow by 6.9% compared to a growth of 0.01% in the previous year. Good monsoon rains, improved power supply and normal supply situation helped accelerate growth from the low base of the preceding year. The growth in real GDP at producers' price of 7.5% in 2016/17 has been a record high since 1993/94.

The record high growth was on account of a pick up in agricultural output by 5.3% and non-agricultural sector by 7.7%. The service sector was estimated to grow 6.9% compared to a growth of 2.1% in the previous year. Increased tourists inflow, expansion of trade and communication sector accounted for the rise in service sector.

The annual average consumer price inflation moderated to 4.5% in 2016/17 from 9.9% in the previous year. The annual average inflation of 2016/17 has been the lowest since 2004/05. The higher base price of the preceding year, improved supply situation and lower global prices including that of India contributed to the easing of inflation in the review year.



Merchandise trade deficit widened 30.4% to Rs 917.06 billion in 2016/17. The export-import ratio declined to 7.4% in the review year from 9.1% in the previous year. Total merchandise trade deficit as percentage of GDP jumped to 35.3% in the review year from 31.3% of the previous year.

The y-o-y unit value export price index based on customs data increased 10.4% while import price index increased 0.1% in 2016/17. Consequently, the terms of trade (TOT) index improved 9.1% compared to 22.2% in the previous year.

The workers' remittances increased 4.6% to NPR 695.45 billion in the review year compared to a growth of 7.7% in the previous year. The ratio of workers' remittances to-GDP declined to 26.8% in 2016/17 from 29.6% in 2015/16. The net transfer receipts increased 9.5% to NPR 851.80 billion in the review year. Such receipts had increased 9.6% in the previous year.

The government revenue increased 26.4% to NPR 609.17 billion in 2016/17. The revenue collection is 107.7% of its budget target of NPR 565.90 billion. Government expenditure, on cash basis, increased 36.5% to NPR 793.91 billion in 2016/17 compared to an increase of 14.2% to NPR 581.7 billion in 2015/16. Budget deficit on cash basis increased to NPR 125.61 billion from NPR 49.83 billion in 2015/16. The ratio of budget deficit-to-GDP stood at 4.8% in the review year.

The GON resorted to gross domestic borrowing of NPR 88.34 billion in 2016/17. This is 3.4% of GDP. Gross domestic borrowing of NPR 87.77 billion was mobilized in the previous year. The GoN repaid NPR 38.79 billion domestic debt in 2016/17. The GoN maintained cash balance of NPR 127.69 billion at NRB at

the end of 2016/17. At the end of the previous fiscal year, such balance was NPR 115.02 billion. The outstanding foreign loan of the GoN stood at NPR 413.66 billion in mid-July 2017. The outstanding domestic debt of the GoN increased from NPR 234.16 billion of mid July 2016 to NPR 283.71 billion in mid July 2017. The total government debt amounted to NPR 697.37 billion, which stood at 26.7% of GDP. Likewise, the total debt servicing/revenue ratio stood at 10.9% in mid July 2017.

Domestic credit expanded 19.4% in the review year compared to a growth of 18.2% in the previous year. Deposits at Banks and Financial Institutions (BFIs) increased by 14% in the review year compared to an increase of 19.4% in the previous year.

The weighted average 91-day Treasury Bill rate increased to 0.71% in the 12 month of 2016/17 from 0.05% a year ago. The weighted average inter-bank transaction rate among commercial banks, which was 0.69% a year ago, decreased to 0.64% in the review month. However, the weighted average inter-bank rate among other financial institutions increased to 4.47% from 3.35% a year ago. As a result of the merger and acquisition drive, the total number of BFIs licensed by NRB came down to 149 in mid-July 2017 from 179 a year ago. In mid July 2017, the number of commercial banks stood at 28, development banks at 40, finance companies at 28 and microfinance institutions at 53. However, the branch network expanded to 5,068 in mid-July 2017 from 4,272 a year ago. In all 150 BFIs (including 'D' class) were involved in mergers and acquisitions during the review period. Because of this the number of companies listed at the NEPSE decreased to 208 in mid-July 2017 from 230 in mid-July 2016. Of listed companies, 165 are BFIs (including insurance companies).

Financial frictions seen in recent months have significantly improved. The gap between deposit and credit growth has narrowed. The comfortable level of central bank liquidity has eased financial conditions. The upward trend in market interest rates has been arrested. The increased level of capital, the introduction of fixed interest rate corridor in the recent monetary policy statement and macro-prudential tools in place are the measures aimed at making financial sector more resilient and stable going forward.

Industrial sector saw a growth of 10.9% in 2016/17 against a contraction of 6.3% in the previous year. The service sector is estimated to grow 6.9% compared to a growth of 2.1% in the previous year.

The current account slipped into a deficit of NPR 10.13 billion in 2016/17 as against a surplus of NPR 140.42 billion in the previous year. The BOP recorded a surplus of NPR 82.15 billion in the review year compared to a surplus of NPR 188.95 billion in the previous year.

Recurrent expenditure increased 37.6% to NPR 501.62 billion compared to a growth of 8.8% in the preceding year. Capital expenditure increased by 63.8% to NPR 189.46 billion compared to its growth of 42.8% in the previous year. Financial expenditure increased 1.3% to NPR 102.84 billion.

The weighted average interest rate spread between deposit and lending rate of banks decreased to 5.2% in the review month from 5.6% a year ago. The average base rate of commercial banks increased to 9.9% in the review month from 6.5% a year ago.

The NEPSE index, on y-o-y basis, decreased 7.9% to 1,582.7 points in mid-July 2017 from 1718.2 points in mid-July 2016. The stock market capitalization, on y-o-y basis, decreased 1.8% to NPR 1856.8 billion in mid-July 2017. The ratio of market capitalization-to-GDP stood at 71.4% in mid-July 2017.

(Source: Nepal Rastra Bank)

GLOBAL PERSPECTIVE

Global growth is projected at 3.5% in 2017 and 3.6% in 2018. Growth projections in the United States were lower than in April, primarily reflecting the assumption that fiscal policy will be less expansionary than previously anticipated. Growth has been revised upwards for Japan, and the Euro area, where there were positive changes in late 2016 and early 2017. China's growth projections have also been revised upwards. Inflation in advanced economies remains subdued and generally below targets.

Growth outturns in the first quarter of 2017 were higher than the forecasts in large economies such as Brazil, China, and Mexico, and in advanced economies including Canada, France, Germany, Italy, and Spain. Specifically, growth in global trade and industrial production remained well above 2015-16 rates despite retreating from the very strong pace registered in late 2016 and early 2017.

Oil prices have receded. Headline inflation also generally softened as the impact of the commodity price rebound of the second half of 2016 faded, and remains at levels well below the targets of central banks in advanced economies. Core inflation has remained stable.

Long-term bond yields in advanced economies, rebounded in late June and early July. The U.S. Federal Reserve raised short-term interest rates in June. Bond spreads over Germany

have compressed sharply in France, Italy, and Spain. Equity prices in advanced economies remain strong, signaling continued market optimism. Oil exporters provide an exception to this pattern, in light of the weakening of prices since March.

As of end-June, the U.S. dollar has depreciated by around 3½% in real effective terms since March, while the Euro has strengthened on increased confidence in the Euro recovery and a decline in political risk. Over the same period, exchange rate changes across emerging market currencies have been relatively modest. Capital flows to emerging economies have been resilient in the first few months of 2017, with a notable pickup in non-resident portfolio inflows.

Emerging and developing economies are projected to see a sustained pickup in activity, with growth rising from 4.3% in 2016 to 4.6% in 2017, and 4.8% in 2018. Growth prospects for developing Asia are looking up, bolstered by a revival in world trade and strong momentum in China. The region is forecast to expand by 5.9% in 2017 and 5.8% in 2018. Rebounds in international food and fuel prices are gentler than expected. Inflation is likely to dip to 2.4% in 2017, or 0.1 percentage points off the 2016 rate, and pick up to 2.9% in 2018.

CUSTOMER CENTRIC BUSINESS MODEL

Sunrise Bank fully recognizes that today's customers have less and less time to visit its branches, even though their needs are greater than ever. Modern consumers are moving away from conventional banking and are demanding more conveniences, better service quality and technology-enabled ways to access services 24/7.

Sunrise Bank has begun to transform its business model to match this change. This required a rethink of customer fundamentals and establishing stronger customer ties. The Bank also communicates more frequently with current and potential customers and this has helped it to better understand their needs for delivering products and services that match the changing expectations and needs. The Bank believes that every customer has the right to expect sound and superior banking solutions, backed by the latest technology and excellent customer service.

The Bank's goal is to create an immediate rapport with the new clients and encourage them to choose Sunrise Bank as their primary bank. Meanwhile, the Bank's listening practices have continued to help it to better understand its customers' needs and respond promptly to their concerns.

Additional steps that the Bank will undertake to remain on top of competition are creating a learning culture that promises both individual and organizational development, and promoting innovation and maximum value creation for customers.

This will require wider physical outreach and diversification of distribution to take the Bank closer to customers. It is also working towards becoming a 'Bank with a Voice' (Toll free call center), moderating its branch network and expanding ATM coverage. The grievance handling system will also be continuously improved to increase both efficiency and effective responses to complaints. The Bank will also spend considerable time and resources to reinforce the skills of frontline staff and reinforce call center operations to ensure effective service delivery.





CORPORATE

B

CORPORATE GOVERNANCE

Sunrise Bank believes in sound corporate governance as a key operational strategy to beat competition. It has several units led by the board to oversee governance and ensure that its practices result in a bank that is agile, secure and trusted by customers.

RULES

ETHICS

DEC

BOARD

POLICY

GOVERNANCE

MISSION

DECISIONS

COMMITTEES

ADMINISTRATION

STAFF

Governance at a Glance

Effective governance is at the core of all successful banks. At Sunrise Bank, there is a Governance Unit comprising of heads of compliance, human resources and legal units that is responsible for ensuring a banking platform that is both agile and secure. This committee tackles governance issues and devises control measures for deviations from agreed standards.

The Bank has a high level committee to ensure safeguards against money laundering. The Money Laundering Prevention committee has two members from the Board of Directors and heads of compliance and operation departments as members. This committee meets as required by issues at hand, and also every quarter to discuss Anti-Money Laundering (AML) and issues related to suspect capital movements, and also discuss market trends related to these. The team also makes compliance suggestions that are implemented across the different sections of the Bank.

The Bank has provided trainings on AML and good governance to directors, top management and staffs at the operational level. The trainings are routinely organized to make all staff aware about their AML-

related responsibilities, and also after new regulations are issued by the Nepal Rastra Bank (NRB). The compliance workshops and orientation sessions are mandatory for staffs handling different banking operations to ensure there is timely reporting of deviations from accepted standards.

Sound companies are made of staffs that are satisfied with their jobs. The Bank's governance systems extend to continuously listening to grievances and forward issues to management personnel responsible. The Grievance Cell at the Bank resolves outstanding issues. Customers at the Bank can also submit grievances and/or complaints that are handled promptly. In the past year there were 4 staff grievances and 199 customer complaints that were investigated and resolved amicably.

The Bank also has a system of keeping staff records updated by requiring everyone to fill out Know Your Employees (KYE) forms, which includes information on both social and financial status of the employees. The directors at the Bank are also required to make disclosure of their assets, networks and engagements outside the company.

The Bank has upheld a zero tolerance to lapses in governance and compliance related matters, and this has remained a strong deterrent for deviant behavior. The Bank has also drafted a comprehensive Anti-Money Laundering (AML), Combating



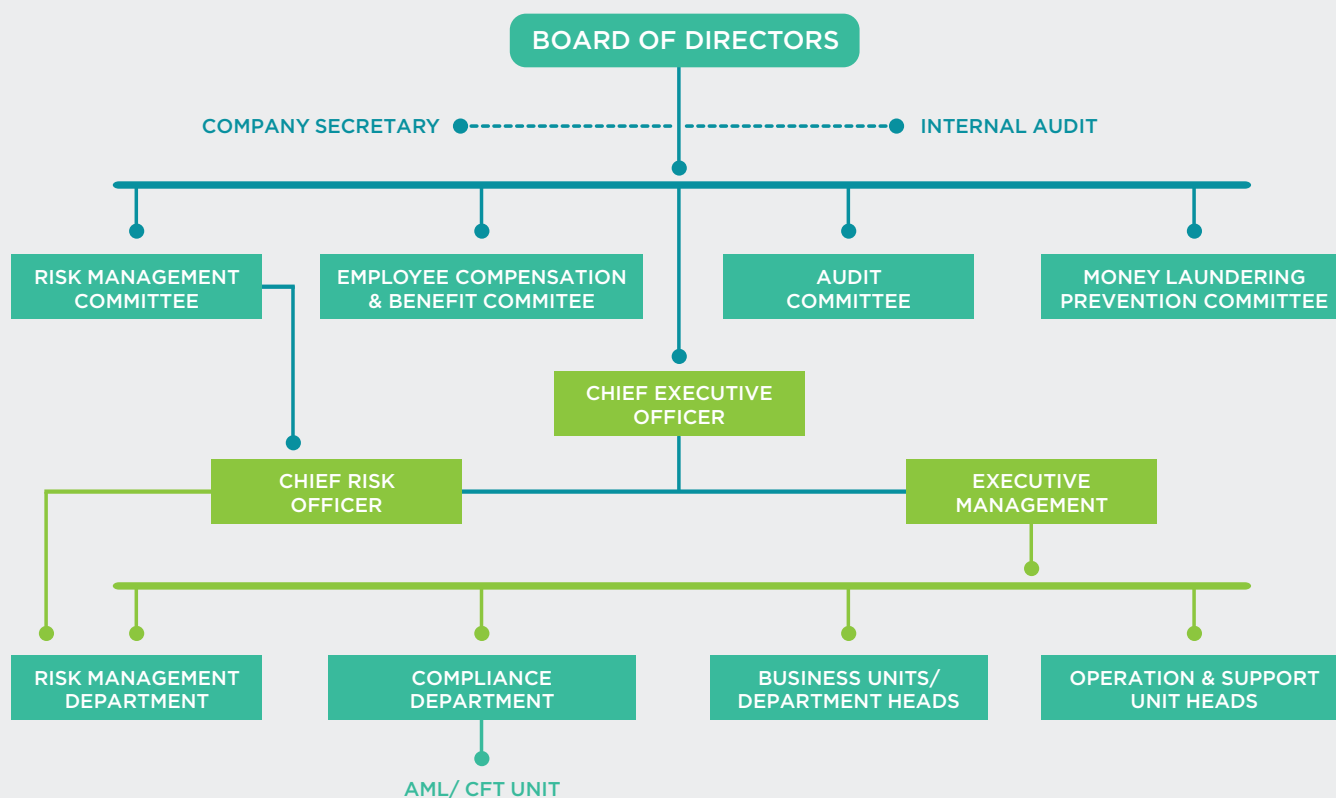
Financing of Terrorism (CFT) and Know Your Customer (KYC) policy, which specifies the standards of accepted behavior, disclosures, and also protection for whistle-blowers. The Bank investigated and took actions against 39 staff members in 2073-74.

Overall, the feedback system that the management has put in place in the form of the Grievance Cell has enabled it to continuously monitor the pulse of both the staff and the customers, and that is vital to devise corrective measures. Every branch of Sunrise Bank has a complaints and suggestion box for customers. The content of these boxes are reviewed every month to ensure timely corrections.

HIGHLIGHTS

- There was a case of whistleblowing that was investigated and acted upon. Action was also taken against those responsible for the lapse.
- The Bank received 199 customer complaints in FY 2073-74 and corrective actions were recommended. Some of the corrective actions have been completed while others are still underway.

GOVERNANCE STRUCTURE



Board of Directors





FROM LEFT TO RIGHT: **Dr. Bhogendra K. Guragain**, Director; **Mr. Jyoti Kumar Begani**, Public Director; **Mr. Deepak Nepal**, Public Director; **Mr. Moti Lal Dugar**, Chairman; **Mr. Om Krishna Joshi**, Professional Director; **Mr. Malchand Dugar**, Director; **Er. Bachh Raj Tater**, Director & **Dr. Deepak Prasad Bhattarai**, Public Director

Profile of Directors



Mr. Moti Lal Dugar

CHAIRMAN

Mr. Motilal Dugar is a well known industrialist and a businessman who has been involved in establishing and operating manufacturing and service industries for over 55 years. He has played most important role in establishing the Sunrise Bank and has served as a director since its inception.

Mr. Dugar is Chairman of MV Dugar Group and under his leadership, the group is developing 317 MW Hydropower emerging as biggest private sector hydropower developer of Nepal. Further he is also pioneer of Automobile business in Nepal having more than 47 years of experience and representing renowned companies like Mahindra, John-Deere, Royal Enfield, Piaggio, Leica, Minemaster, Kirloskar etc. Besides, he is former Chairman of Gurans Life Insurance Co.Ltd. Mr. Dugar is also the President of The Bhagawan Mahavir Jain Niketan and the Vice President of the Nepal USA Chamber of Commerce and Veerayatan Nepal. Besides, he is owner of biggest Cold Storage of Nepal called Kohinoor Cold Storage Pvt.Ltd.



Dr. Bhogendra K. Guragain

DIRECTOR

Dr. Bhogendra Guragain, a Tribhuvan University graduate with an MBBS degree, also holds an M.Sc. (Epidemiology) from the Erasmus University Rotterdam, Netherlands. He has over 18 years of experience in civil work and international leadership, and is a start-up director of the Bank. An extensive traveler, Dr. Guragain has also worked as International Program Advisor for Medical Foundation, London and as visiting professor in more than a dozen of universities in Europe and North America (USA and Canada). He also served as an advisor at the World Health Organization and has worked with various UN agencies. Nepal's BOSS magazine had voted him as Nepal's top 50 personalities in 2004 and 2005. At present, he is executive chairman of Ngadi Group Power Ltd. and Chairman of Siuri Ngadi Power P. Ltd. Shuvam Power Ltd. and Kathmandu Fun Valley P. Ltd. and a Director of Barun Hydropower Com. Ltd.



Er. Bachh Raj Tater

DIRECTOR

Er. Bachh R. Tater is a well-known businessman and a pioneer in private hydropower development in Nepal, Er. Tater chairs the Tater Group. A former banker, Mr. Tater has also been serving as the Chairman of South Asia Infrastructure Development Pvt. Ltd., Ridi Khola Hydropower Development Company Ltd., and Vishal Plastocab Industries Pvt. Ltd. He is also a director of the Arun Valley Hydropower Development Company Ltd. As a civil engineer, he had worked for a year at the Department of Irrigation, Government of Nepal and was involved for 24 years as Chief, Construction Section, Agricultural Development Bank.



Mr. Malchand Dugar

DIRECTOR

Mr. Malchand Dugar comes from one of Nepal's largest business families. He along with his father – Late Mr. Tolaram Dugar (founder Chairman of Sunrise Bank Limited, Gurans Life Insurance Company Limited and TM Dugar Group) has established various successful industries in Nepal.

As Chairman of the TM Dugar Group, he heads following companies/ firms: Dugar Foods and Beverages Pvt Ltd., Advikk Exim International Pvt Ltd., Shrish Warehousing Solutions Pvt Ltd., Pooja Warehousing Solutions Pvt Ltd., Amrit Pulses Industries, Shrish Cold Storage, Navkar International, Nepal Sal Seed Oil Pvt Ltd., and Bikas Intercontinental, etc. He is a former Director of Gurans Life Insurance Co. Ltd. Mr Dugar has 45 years of experience in business and has also served on the Board of Sunrise Bank Limited for several years.



**Dr. Deepak
Prasad Bhattarai**

PUBLIC DIRECTOR

Dr. Deepak Bhattarai is a founder member of Nepal Engineering College and is also a visiting professor at the Institute of Engineering, Tribhuvan University. He is a member of Academic Council, Pokhara University and also serves as an advisor at Kist Medical College and Tourism & Hotel Management College. Dr. Bhattarai is a senior consultant at Construction Management Technologies Pvt. Ltd. Dr. Bhattarai, has published three books on different aspects of engineering, and numerous articles in both national and international journals.



**Mr. Deepak
Nepal**

PUBLIC DIRECTOR

Mr. Deepak Nepal is a representative of public shareholders in the Bank's board. He is a Diploma Holder in Commerce from Tribhuvan University of Nepal. Mr. Nepal has involved in corporate sector for last 35 years and also was a Board Director in Gurans life insurance company Ltd. He served as a Board Director in Gurans Life Insurance Company Ltd. for more than 6 years. He was also an active Executive Member in Nepal Foreign Trade Association for four years. He has also worked with Nepal Govt. as a chairman in Revenue Committee of Nepal Foreign Trade Association.



**Mr. Jyoti Kumar
Begani**

PUBLIC DIRECTOR

Mr. Jyoti Begani represents the Bank's board from the public sector. Mr. Begani is the proprietor of Sadasukhi Enterprises and is also involved actively in social service. He served a term as the Chairman of Nepal Jain Council, Bhagwan Mahabir Jain Niketan-Kathmandu, Shree Jain Shwetambar Terapanthi Shabha-Kathmandu and Lions Club of Kathmandu. He has also served as the secretary of the World Hindu Federation. He is also a Director at Gurans Life Insurance Company Ltd.



**Mr. Om Krishna
Joshi**

PROFESSIONAL DIRECTOR

Mr. Om K. Joshi is an independent/ expert director. Mr. Joshi had been a director in erstwhile Narayani National Finance Ltd. for more than 3 years before being appointed as a director to the Bank. Further, he had served for over 9 years as a Managing Director to erstwhile Narayani Finance Ltd. He has also served a term of 5 years as a Finance Director in Nepal Agriculture Research Council and worked for more than 26 years in Agriculture Development Bank Ltd. Mr. Joshi who holds a Master of Commerce degree from Tribhuvan University, Nepal and a Bachelor of Law degree from the same university, had also served as a director of Sagarmatha Insurance Company Ltd.



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The Bank has attained significant growth and also remained committed to society contributing towards many tangible and intangible benefits for deprived people in both the education and health sectors.

Building Resilience

Dear Fellow Shareholders,

First of all, on behalf of the Board of Directors, I express my gratitude to you for your faith and support all these years. It is my privilege to write to you as the Chairman of Sunrise Bank Limited and I feel honored to accept the responsibility to chair the Board. I am also happy to report that we have delivered robust financial performance and sound growth in both business volume and client base in FY 2073-74.

Fiscal year 2073-74 was an outstanding year for us as we have reached the "NPR 1 billion" benchmark for profit for the first time. We have earned a record operating profit (before provision for possible losses) of NPR 1.86 billion and a net profit of 1.17 billion -- a historical high! I assure you of similar performance also in the coming years.

In the same period, the Bank has acquired N.I.D.C. Capital Markets and as result its subsidiary N.C.M. Merchant Banking Limited has become our subsidiary and has been operating under the name of Sunrise Capital Limited. The acquisition has helped us in improving our competitiveness and has resulted in enhanced capacity to provide financial services. Further, the Bank opened three branches and added 12 ATMs taking our reach to 70 branches and 82 ATMs. We have prioritized the establishment of additional branches, ATMs and branchless banking (BLB) units this year and remain committed to increase our nationwide presence.

In the context of NRB's direction regarding minimum paid-up capital requirement of NPR 8 billion for "A" Class banks by Ashadh-end 2074, I hereby inform you that the Board has proposed 15% bonus shares out of current year's

profit and free reserves. It will not only help the Bank in meeting NRB's requirement within the NRB deadline, but also provide attractive returns to shareholders.

The Bank has attained significant growth that is elaborated in this Annual Report. It has also remained committed to society and has contributed towards many tangible and intangible benefits to people who have been deprived in both the education and health sectors.

Finally, I would like to congratulate all of us for completing a decade of successful operations. Everyone -- shareholders, customers, employees, directors and executives both past and present -- deserve a big round of applause! I would also like to thank everyone at Sunrise Bank for the hard work they have put in to achieve what we have. There will be challenging circumstances in business and the operating environment but I firmly reiterate that we will hold ground and will continue to move forward, always striving to achieve quality and delivering satisfying results.

Thank You
Motilal Dugar
Chairman

A middle-aged man with dark hair, wearing a dark suit, light blue shirt, and a blue and yellow striped tie, is leaning his arms on a thick, weathered wooden log. He is smiling at the camera. The background is a blurred outdoor setting with green foliage and a blue metal pole on the left.

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Sunrise Bank has successfully complied with the regulators' directives in increasing the paid up capital from NPR 3,000 million to NPR 8,000 million within 2 years.

Accelerating Growth

In the fiscal period 2016-17, the Nepali banking sector has undergone through two significant activities with long term impact. First, the year happens to be the 2nd (last) year for the Banks to satisfy NRB's directives to increase the paid up capital base to NPR 8,000 million. Sunrise Bank has successfully complied with the regulators' directives in increasing the paid up capital from NPR 3,000 million to NPR 8,000 million within 2 years mainly through issuance of rights and stock dividends. With the increased paid up capital base, the earnings of the Bank is likely to face severe pressure in maintaining ROE.

Second, by the close of 2nd quarter of 2017, the banking sector has witnessed a severe crunch in loanable fund positions due to slow growth in deposit (resources) base, that was not commensurate with the huge surge in credit demand. While government spending has slowed down, the remittance receipts have also declined, restricting public deposits. The economy virtually turned into an import based business (squeezing the resources from the market). A serious threat has emerged in the system resulting in a mismatch between the assets and liability of the Banks. In an attempt to attract public deposits the Banks pushed the deposit interest rates, both in Savings and Term Deposits, to significantly higher level in a very short span of time. As a result the Net Interest Income (NII), a prime parameter of a bank's performance, has narrowed significantly and eaten the earnings.

CHALLENGES AHEAD

The country is undergoing a political transition phase with the implementation of federal structure. Elections are over but the economic model has yet to be established and practiced. It is for sure that this will boost local developmental activities pushing demands for formal credit to a higher side. Freshly generated demand for loans, particularly in the SME category, witnessed the migration of small businesses from informal to formal sector. In the scenario, the resources crunch is likely to remain for quite a longer period. The banking sector will

have to remain prepared for properly responding to the challenge. When internally generated resources are less likely to satisfy the increasing demand, a work out for attracting foreign capital will have to be explored and pushed.

ENTRY INTO MERCHANT BANKING ACTIVITIES

During the year, the Bank acquired NIDC Capital Markets Limited. Along with this, we are proud to have NCM Merchant Banking Ltd., now renamed Sunrise Capital Limited, one of the oldest merchant banking company, as our subsidiary.

THE NEW TECH PLATFORM

Sunrise Bank has a great vision to lead the market in Fintech. Migration into new CBS in Finacle.10 software was completed during the year. We believe this change will be instrumental in attaining our mission.

OUR WORKFORCE

The Bank is proud to have a very productive workforce and has been paying due attention towards their training and career development. With the growth in business comes the challenge to hire and retain the trained staffs. We understand the value of trained staffs and efforts in their capacity building will receive continuous attention as always.

Ratna Raj Bajracharya
CEO

Management Team





FROM LEFT TO RIGHT

(Standing)

Apachh Kumar Yadav
Pritam Lal Shrestha
Hari Acharya

Sarbendra Mishra
Ishwar K. Pathak
Dileep Mainali

(Sitting)

Robin Nepal
Ratna Raj Bajracharya
Asha Rana Adhikary



The Bio



**Mr. Ratna Raj
Bajracharya**

**CHIEF EXECUTIVE
OFFICER**

Mr. Ratna Raj Bajracharya joined Sunrise Bank Ltd. as Chief Executive Officer on May 2015. Just before joining the Bank, he had been working as Chief Executive Officer of Global IME Bank Ltd., another Class "A" commercial bank, where he worked for 4 years. He also successfully completed his tenure as Chief Executive Officer in yet another Class "A" commercial bank of the country, namely, Nepal Credit and Commerce Bank Ltd. in the past. He also worked at Nepal Bank Ltd., a government-private sector joint venture bank and the oldest bank of Nepal, under management contract, as the Chief Financial Officer. He began his career with Nepal Rastra Bank, the central bank of Nepal, where he spent 20 years in different capacities. Mr. Bajracharya has experience of over 40 years in the banking and financial sector of Nepal.

A senior Chartered Accountant, Mr. Bajracharya has also served as the president of Association of the Chartered Accountants of Nepal, president of Institute of Chartered Accountants of Nepal, director of Securities Board of Nepal, etc.



**Ms. Asha Rana
Adhikary**

SENIOR DGM

Ms. Asha Rana Adhikary possesses more than 30 years of banking experience. Her first career started as an Accounting Assistant at Stanford University, California, USA in the year 1985 and subsequently as a Joint Account Officer at Rastriya Banijya Bank Ltd., Nepal from 1988 to 1993. During this period, she had also worked with ERNST and YOUNG in 1990 under the aegis of Commercial Bank Problem Analysis and Strategy Study (CBPASS) and with BOOZIALLEN & HAMILTON in 1992. Later, she worked from the position of Senior Officer to Senior Manager at Himalayan Bank Ltd. from December 1993 to September 2007 before starting her career at Sunrise Bank Limited as Assistant General Manager.

Ms. Adhikary has attended several professional training programs and has also imparted several trainings. She had attended 'Program for Cross Cultural Management (PCCM) in Tokyo, Japan conducted by AOTS, Japan in 2004. She had also attended

Bank Management Course (BMC) in Stockholm, Sweden in 1991, including its Follow-up Asia Program in the Philippines in 1999.

Ms. Adhikary is a Gold Medalist, First Class First in MBA and was a recipient of the Mahendra Bidya Bhushan Gold Medal and Nepal Bank Limited Sardar Gunjamansingh Gold Medal. She also secured First position among the Girl candidates in Nepal in the Certificate Level - Intermediate and had received the Aishwarya Bidya Padak. She was awarded with King Birendra-Aishwarya Scholarship for pursuing Bachelor in Commerce studies.



**Mr. Apachh
Kumar Yadav**

DGM

Mr. Apachh Kumar Yadav served Sunrise Bank Ltd. since July 2015. He also served as an Assistant General Manager at Machhapuchhre Bank Ltd., Deputy Manager at Nepal SBI Bank Ltd. and Deputy Chief Credit Officer at Nepal Bank Ltd. Mr. Yadav was also the Member of ICC Management Team for the restructuring of Nepal Bank Ltd. under the Financial Sector Technical Assistance Project. He also served as an Accounting Consultant for "The Private Sector Support Program"- A World Bank Project. He served as a Group Coordinator for the Special Audit & Accounts Reconstruction Work in "Rastriya Banijya Bank Account Reconstruction Project". He was also Business Process & Portfolio Management Specialist in Agricultural Development Bank Ltd.

A well-known Chartered Accountant, Mr. Yadav secured third position in Bachelors in Commerce, Tribhuvan University and forth position in Intermediate in Commerce, Tribhuvan University. He has wide experience in audit of commercial banks, finance companies, insurance companies, hotels and manufacturing companies.



Mr. Robin Nepal

DGM

Mr. Robin Nepal started his career with Sunrise Bank Ltd. in November 2009 as a Chief Manager. He also served as a Deputy Manager; Head-Risk Management Department at Himalayan Bank Ltd. Mr. Nepal has banking experience of about 2 decades and served various senior management roles in corporate lending and risk management. He started his banking career at Nepal Grindlays Bank Ltd. now is Standard Chartered Bank Nepal Ltd. He holds a Masters degree in Business Administration.

Mr. Nepal has attended various professional trainings inside and outside the country. He obtained training on Integrated Risk Management from B.D.P. Consultants, Pune and Centralization of Trade Finance from Habib Bank, Karachi. He attended seminar in International banking, Commerzbank Frankfurt; program on Project Finance, Reserve Bank of India among other professional trainings.



**Mr. Sarbendra
Mishra**

AGM/CFO

Mr. Sarbendra Mishra is a seasoned professional with more than 23 years of banking/finance experience. He started his banking career at Nabil Bank in the 1990s and worked there for about 15 years in core operation, trade finance, credit cards, corporate credit and treasury. He joined Sunrise Bank in 2007, and in 2010 moved to Civil Bank as Chief Operating Officer. He has also undertaken various leadership roles. He has rejoined Sunrise Bank as AGM/CFO. He is a former member of the Society of Technical Analysts, London; and the Canadian Securities Institute. He is an active member of the Association for Finance Professional (AFP), Bethesda, Maryland, USA. He holds first class Master's Degree in Business with majors in Multinational Corporate Finance.







Department Heads

FROM LEFT TO RIGHT

Corporate and Guarantee Business & Transaction Banking Department	Mr. Hari Prasad Acharya
Chief Technical Officer (CTO)	Mr. Dileep Mainali
Trade Finance Department	Mr. Rajendra Pd. Joshi
Human Resource Department	Ms. Prabhavati Bista
SME and Retail Banking Department and Guarantee	Mr. Ganesh Regmi
Legal Department	Mr. Keshab Prasad Subedi
IT/MIS Department	Mr. Rajesh Kumar Manandhar (In Charge)
General Service Department	Mr. Pritam Lal Shrestha
Cards & E-Banking Department	Mr. Prakash Paudel
Risk Management Department	Ms. Nikky Basnet
Remittance Department	Mr. Vivek Niroula
Marketing Department	Ms. Rabina Acharya
Branch Establishment Unit	Mr. Dev Chandra Bhatt
Compliance Department	Mr. Anup Koirala
Chief Risk Officer (CRO) / Company Secretary	Mr. Ishwar K Pathak
Credit Administration Department	Mr. Rabindra Kc
Branch Operation Department	Ms. Kanchan Joshi
Deprived Sector Banking Department	Mr. Dipen Man Singh Pradhan
Loan Recovery Department	Mr. Dhiraj Pradhan
Treasury & Correspondent Banking Department	Ms. Pragya Adhikari
Finance & Planning Department/ Performance Review	Mr. Abinash Prabhakar
Account Department	Vijay Krishna Shrestha

CORPORATE GOVERNANCE

Corporate Governance

Generally, corporate governance standards are highest at commercial banks in Nepal. This is because banking is a highly regulated sector and also because they operate in a very competitive environment.



In addition, because the industry is highly integrated globally, compliance is not only local, because banks also have to abide by the standard of its correspondent banks and other international partners. Sunrise Bank has been strictly following the policies, guidelines and directives issued by the central bank, while also developing its own standards for complying to the requirements of correspondent banks. With state of art banking software, the Bank monitors and controls compliance requirements on a daily basis and this has helped it grow steadily over the years while also enhancing the quality of its investments.

The Board of Directors provide overall direction and oversight to the Bank's operations, aided by Board-level committees formed as required by the Unified Directive, 2074. All Board and committee meetings are held as required by the regulator and all meeting records meet the requirements of the Nepal Rastra Bank.

Sunrise Bank's core banking software is state of art and the version used -- Finacle10 -- is the newest and the most-trusted version used in the banking industry in Asia. The Bank not only uses this throughout its network, but has also been providing continuous training to its staff to ensure that there is steady supply of human resources not just in its branches but also in the industry.

In just 10 years, Sunrise Bank has grown to about 1000 staffs at its 71 branches. The Bank has plans to add another 27 branches as it takes its services deeper in areas unreached by commercial banks. The penetration of the Bank in small urban and semi urban areas is also key to resource mobilization. Staff declarations and disclosures on

their professional, personal life and assets are kept updated on yearly basis.

Alongside the efforts to strengthen corporate governance, the Bank has also been working to establish a system to prevent money laundering. The AML system can assist in tracking and controlling undesirable/suspicious transactions. They system can also assist the Bank in reporting such transactions to regulatory bodies.

The Bank holds an Annual General Meeting every year to inform shareholders about progress, discuss and agree on benefits to shareholders, and to set goals for the coming years. Its last general meeting was held on 16 November 2017.

BUSINESS ETHICS AND COMPLIANCE

Sunrise Bank adheres to the highest banking standards when it comes to doing business. It has a policy of zero tolerance for non-compliance to the values of corporate governance. This it believes is its path towards being one of Nepal's top 10 banks in the next four years. It deals all customers equally and fairly, and provides equal opportunities for employment to people from all social groups, particularly for women. The staffs are provided an environment where they can continue learning with support from the Bank in some cases, and continuous training and capacity enhancement opportunities. The Bank also has a policy of rewarding high-performing staffs, and sanctioning those who compromise corporate values in the course of doing business.

BOARD STRUCTURE

The Bank has 9 directors in the board. This number will be reduced to 7, as per the provision made by the new Bank and Financial Institutions Act (BAFIA) 2073. Currently, the board has one Independent Director and 50% of the remaining directors come from the promoter and public groups. The promoter and public directors are appointed for a term of four years through election whereas the independent director is appointed by the board for a term of four years.

STAKEHOLDER'S RELATIONSHIP

The Bank prioritizes the management of stakeholder relationship. It has maintained a fair and equitable treatment of both shareholders and customers while maintaining a very cordial relationship with regulators. The Bank has a subsidiary company called Sunrise Capital Ltd., which is also the Share Registrar and Transfer Agent of the Bank, to provide services to the shareholders. The Bank has an excellent mechanism for collection and resolution of customer and shareholder grievances. Employees are treated as the human capital and the Bank has a core understanding that only satisfied employees can boost productivity. There is a separate cell in the Bank under a Senior General Manager to review and address employee grievances.

INTERNAL CONTROL

All banks in Nepal are required to know their employees and maintain updated information on them. Sunrise Bank also has a Know Your Employees (KYE) policy that is updated with information of staffs and their families. Knowing people working at the Bank and their aspirations can allow management to support them where needed to ensure that it remains like a tightly knit family. The Bank also has a system of annual performance evaluations to ensure that everyone has a personal goal to meet, as these are steps towards meeting the overall goal of becoming one of Nepal's top 10 banks. The Bank also carries out surprise checks on in different departments and branches to ensure timely compliance and smooth operations.

The Bank has zero tolerance to non-compliance and compromises made in the course of doing business. This policy has been put in place to ensure that the services provided are of the highest quality. The AML solution that the Bank has put in place has now become fully operational, and is expected to take the level of services provided to a higher level of satisfaction of both customers and the regulator. The Bank carries out continuous reviews of SWIFT messages and also does sanction screening of all the applicants/beneficiaries and banks. This is a fully technology-driven platform involving cloud computing and one that is based on the system used by the Bank.

Two cells at the Bank are working to update all databases. The Data Update/Purification unit has started operation with eight staffs. The cell is updating data in the CBS, with support from the respective branches and Call Centre. Similarly, the KYC Cell is updating the KYC status of the 14 branches that were acquired from NNFL (Narayani National Finance Limited) and one branch acquired from NIDC Capital Market.

SHAREHOLDERS INFORMATION

The promoters of the Bank hold 51% of the shares and public shareholders own the remaining 49% shares of the company. The company is listed in the Nepal Stock Exchange under the symbol SrBL. The average share price for the past year was NPR 562 and the earning per share last year was NPR 16.76.

EMPLOYEES

Sunrise Bank had 956 staff members in July 2017. The staffing at Sunrise Bank comprises of permanent employees, those on probation, contractual employees and also associates performing outsourced functions. All staff members have been exposed to one training or another for ensuring common understanding of values, in addition to instructions on specialized skills needed for specific jobs.





A person wearing a dark blue suit is shown from the chest down, holding a lit match in their right hand. The background is dark blue with out-of-focus circular light patterns (bokeh) on the left side. The text 'RISK REVIEW' is in the upper left, and a paragraph of text is in the center.

RISK REVIEW

Risk review and mitigation is a top priority at Sunrise Bank. A committee of Directors is responsible for continuously assessing different risks faced in banking to ensure that they are restrained at manageable levels.



Board Level Committee

The Board comprises of a Chairman, four directors from among promoters, three public directors and one professional director representing the promoter and public shareholders as per the provision of Company Act, 2063.

The Board represents and protects the right of members/investors. It interacts with the CEO periodically where the directors assess the overall direction and strategy of the Bank for establishing policy based governance systems, and for ensuring that corporate governance standards prescribed by the regulatory authorities are met. The CEO ensures that the daily banking activities are carried in compliance with applicable laws, directions of regulatory bodies and principles of corporate governance.

As per the provision of Nepal Rastra Bank, there are four board level standing committees in the Bank, viz.; The Audit Committee, The Risk Management Committee, The Employee Compensation and Benefit Committee, and the Money Laundering Prevention Committee. They are headed by one of the non-executive directors and participated by non-executive directors and senior officials of the Bank. Apart from them, the Bank may also have other ad-hoc board level committees formed as a special purpose vehicle with given deadlines.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee under a non-executive Director. This committee reviews the Bank's financial condition, its internal controls, and audit program, and issues necessary guidelines to the management upon detailed discussion of the findings of the internal audit. The external as well as internal auditors have direct access to this Committee. The Board of Directors regularly discusses the reports of the auditors and the Committee. As per the policy and practice, the Chief Executive has not been included as the member of the Audit Committee.

The composition of the committee is as follows:

NAME	DESIGNATION
Dr. Deepak P. Bhattarai, Director	Coordinator
Dr. Bhogendra K. Guragain, Director	Member
Mr. Malchand Dugar, Director	Member
Mr. Sunir K. Dhungel, Partner, SAR Associates (Internal Auditor)	Member
Mr. Ishwar K. Pathak, Chief Risk Officer/ Company Secretary	Secretary

SCOPE OF THE COMMITTEE

The committee's mandate includes:

- Review the accounts and financial statements of the Bank and ascertain accuracy,
- Review the internal financial control and the risk management systems,
- Supervise and review the internal audit of the company,
- Recommend names of potential auditors for appointment as auditor of the company, remuneration, and terms and conditions of appointment and present the same at the general meeting for ratification,
- Review and supervise the conduct of the audit to ensure compliance with standards and directives of competent bodies pursuant to prevailing laws.
- Formulate policies for the Bank for selection and appointment of auditor based on the conduct, standard and directives of the competent body under the prevailing law,
- Prepare accounts related policies of the company and enforce, or cause to be enforce the same,
- Prepare reports as required by the regulatory body, and
- Perform tasks as prescribed by the Board of Directors in respect of the accounts, financial management and audit.



RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been formed with an aim to assist the Board of Directors in its responsibility to oversee the adequacy of the risk management process. The Committee works to make sure that the Bank possesses efficient and effective risk management plan that covers all types of risks. In addition, the Committee is also responsible for setting, assessing, reducing, monitoring and reporting risk levels for the attention of the Board of Directors.

The composition of the committee is as follows:

NAME	DESIGNATION
Dr. Bhogendra K. Guragain, Director	Coordinator
Dr. Deepak K. Bhattarai, Director	Member
Mr. Apachh K. Yadav, DGM	Member
Mr. Robin K. Nepal, DGM	Member
Mr. Ishwar K. Pathak, Chief Risk Officer/ Com. Secretary	Member Secretary

SCOPE OF THE COMMITTEE

The key responsibility of the Risk Management Committee includes:

- Determining Statement of Risk Appetite and reviewing and monitoring the risk profile of the Bank.
- Overseeing the internal capital adequacy assessment process,
- Reviewing and monitoring capital levels for consistency with Bank's risk appetite,
- Reviewing and approving the Bank's Credit Risk Management Framework,
- Reviewing and approving key policies and associated risk concentration limits supporting Bank's Credit Risk Management Framework, including policies for the internal credit risk grading system, managing large exposures and industry concentration,
- Reviewing the approved limits and conditions that apply to the credit approval authority delegated to the Chief Executive Officer and any other officers of the Bank.
- Reviewing the credit risk profile, performance and management of Bank's credit portfolio, including portfolio asset quality, portfolio concentrations, provisioning levels, bad debt recovery and internal risk grading system,



- H. Reviewing and approving the Bank's Market Risk Management Framework, Liquidity Risk Management Framework and key policies and limits supporting the framework,
- I. Reviewing and monitoring the Bank's market risk performance and exposure against limits,
- J. Overseeing and approving the internal liquidity adequacy assessment process and stress testing results, including approving liquidity targets and limits,
- K. Reviewing the monitoring of the Bank's liquidity position and requirements,
- L. Reviewing and approving the Bank's Operational Risk Management Framework and key operational risk policies, and
- M. Reviewing and monitoring the performance of operational risk management and controls.

EMPLOYEE COMPENSATION AND BENEFIT COMMITTEE (ECBC)

The ECBC was formed in order to develop and look after the compensations and amenities of, and policies related to, the employees of the Bank. The committee is involved in forming the overall human resources strategy aligned with the business strategy of the Bank.

The composition of the ECBC is as follows:

NAME	DESIGNATION
Er. Bachh Raj Tater, Director	Coordinator
Mr. Ratna Raj Bajracharya, CEO	Member
Ms. Prabhavati Bista, Head - Human Resources Dept.	Member Secretary

SCOPE OF THE COMMITTEE

The ECBC has the following responsibilities:

- A. Assist the Board in preparing Compensation Policy,
- B. Study and analyze compensation structure regularly along with impact analysis due to changes in compensation in the industry and report to the Board of Directors,
- C. Recommend compensation increments of all staff members including the CEO to the Board along with proper basis of such increment based on the Compensation Policy.
- D. Develop staff job descriptions, targets/ objectives and performance evaluation criteria and review the performance appraisal process of staff members,
- E. Prepare policy and measures for staff management activities such as recruitment, selection, appointment, assignment, transfer, promotion, skill development, performance evaluation, reward and punishment and service/labor and provide it to Board,
- F. Analyze/review staff rules and current staff structure and prepare and recommend succession plan to the Board for approval.

Risk Management Committee

The Risk Management Committee (RMC) at the Bank aims to support the Board of Directors in ensuring that the overall risk management process is appropriate. The Committee ensures that the Bank possesses efficient and effective risk management plan covering all types of risks. In addition, the Committee is also responsible for setting, assessing, reducing, monitoring and reporting risk levels for decision making by the Board of Directors.

The RMC monitors risk levels to provide recommendations to the Board on the Bank's business risk strategy. It also monitors the alignment of the Bank's risk profile with risk appetite as defined in the Board Statement of Risk Appetite to ensure that an appropriate level and quality of capital and liquidity is maintained in line with the risks inherent in its activities. It also oversees the identification, management, monitoring and reporting of risks inherent in the Bank's operations. Such oversight covers but is not restricted to the elements in the following paragraphs.

RISK APPETITE

- Seek Board approval on the Statement of Risk Appetite and review and monitor the risk profile of the Bank for consistence with Board Statement.

CAPITAL

- Oversee the internal capital adequacy assessment process and in doing so:
 1. Review the outcomes of stress testing.
 2. Set the target ranges against regulatory capital requirements.
- Review and monitor capital levels for consistency with the Bank's risk appetite.

CREDIT RISK

- Review and approve SrBL's Credit Risk Management Framework
- Review and approve key policies and associated risk concentration limits supporting the Bank's Credit Risk

Management Framework, including policies for the internal credit risk grading system, managing large exposures and industry concentration.

- Review the approved limits and conditions that apply to credit approval authority delegated to the Chief Executive Officer and/or any other officers of the Bank.

MARKET RISK

- Review and approve the Bank's Liquidity Risk Management Framework
- Review and approve key policies and limits supporting the Market Risk Management Framework.
- Review the monitoring of the Bank's market risk performance and exposure against limits.

LIQUIDITY RISK

- Review and approve the Bank's Liquidity Risk Management Framework.
- Review and approve key policies and limits supporting the Liquidity Risk Management Framework.
- Review and approve the funding plan for the Bank, and oversee management's monitoring of that plan.
- Oversee and approve the internal liquidity adequacy assessment process and stress testing results, including approving liquidity targets and limits.
- Review the monitoring of the Bank's Liquidity position and requirements.

OPERATIONAL RISK

- Review and approve the Bank's Operational Risk Management Framework.
- Review the monitoring of the performance of operational risk management and controls.
- Review and approve key operational risk policies.

OTHER RESPONSIBILITIES OF RMC

Other responsibilities of RMC including informing and advising the Board of Directors on adequacy of risk assessments, controls, mitigation and management systems for further improving the risk management framework. It also advises the Board after regular reviews and monitoring of risk level in business activities, risk taking capacity, risk mitigation, management and development of strategies, policy and procedures for ensuring prudent risk management.

In addition, the RMC regularly notifies the Board on risk management reports generated by the Bank with recommendations for risk assessment, control and mitigation. It is the unit responsible for advising the Board on capital adequacy for different class of risk assets under the Internal Capital Adequacy Assessment Process (ICAAP) and risk bearing capacity for supporting business risk strategies under risk management frameworks.

The RMC interprets and communicates the Central Bank's directives and guidelines for setting internal limits and also reviews the stress testing results and advises the Board. Its responsibility includes making recommendations to the Board on the quarterly Asset and Liabilities Management Committee (ALCO) decisions, and determination of asset composition, asset placement, income generation capacity and position of asset quality.

Risk management also involves a continuous scanning of the external environment to monitor and report to the Board on the economic and business situation, and emerging opportunities and challenges. The responsibility is to assess

the business environment and its relevance to the Bank's risk profile and appetite. The Committee also reviews the Charter at least once annually and recommends changes to the Board of Directors for approval.

The Board of Directors determines membership and coordinator of the RMC periodically. It comprises 3-5 members, with the Audit Committee Coordinator, head of operations and resources mobilization departments as ex-officio members. The head resources mobilization is the member security of the Committee. The RMC is required to meet at least four times each year, and more frequently if required. It can also invite staff and other experts to its meetings, depending on the need.

The composition of the Bank's Risk Management Committee is as follows:

NAME	DESIGNATION
Dr. Bhogendra K. Guragain	Coordinator
Dr. Deepak P. Bhattarai	Member
Mr. Robin K. Nepal	Member/DGM
Mr. Apachh K. Yadav	Member/DGM
Mr. Ishwar K. Pathak	Member Secy/CRO

During 2016/17, 8 NPR 136,000 (after deduction of TDS) was paid as fee to the members of the committee as allowances.

MEETINGS

- The RMC meets at least four times annually or more frequently if necessary.
- It may invite any officer or employee of the Bank, external legal counsel, the internal auditor, the external auditor or any person with relevant experience or expertise to its meetings or for meeting its members.
- The agenda and supporting documentation is circulated to RMC members before each meeting.
- RMC may adopt rules considered appropriate for the conduct of its affairs under the Bank's Article of Association, NRB directives and prevailing laws, provided that they are consistent with the Charter (as amended from time to time) or any resolution of the Board.

Risk Management And Control Environment

The Bank has a robust internal control mechanism for identifying, assessing and prioritizing risks to coordinate economic application of resources to minimize, monitor and control the probability and/or impact of unfortunate events, and for maximizing the realization of opportunities. The risk management objective is to assure that uncertainty does not deflect the achievement of business goals.

SrBL's Risk Management Department (RMD) has been performing as an independent risk-assessing unit under the regular supervision and guidance of Chief Risk Officer (CRO). The major focus of RMD has been to monitor and minimize different types of risks identified. The application of transparent, responsible, accountable, and independent risk analysis system, both in operations and business functions and strengthening risk management, is the strategic focus of the Bank.

Major objectives of the Bank's risk management functions include:

- To manage the process of formulation, implementation and updating of Risk Policies and Guidelines
- To regularly monitor fundamental risks associated with functional units and report to senior management, and
- To facilitate effective implementation of different risk management functions

The Bank uses several measures for minimizing and managing risk, which are discussed below:

CREDIT RISK

Credit risk is the major risk that banks are exposed to during the course of lending and credit underwriting. It is the probability that a bank's borrower or counter party will fail to meet its payment obligations in accordance with the terms of approval of credit.

The Bank adopts different methodologies for assessing credit risk involved in the exposure to individual borrowers or counterparties as well as at the portfolio level. At a minimum,

credit review assessment covers internal risk ratings, risk concentration, portfolio analysis and large exposures. Following factors are taken into consideration for reviewing credit risk:

- a. Internal rating of borrowers based on SrBL's Internal Risk Grading System
- b. Collateral coverage
- c. Repayment capacity
- d. Net-worth assessment
- e. Past performance of the borrower with SrBL and other banks
- f. Single obligor limit
- g. Effect on capital adequacy
- h. Available Credit Risk Mitigants (CRM)
- i. Multiple banking declarations
- j. Adverse remarks from auditor of borrower on borrower's financial statements.
- k. Business risk of borrower, probability of default on the basis of past performance and related industry's performance as a whole, and
- l. The Internal Risk Grading System was implemented since September 2014. The Bank has adopted credit proposal routing system introduced in September 2014. The system has been revised from time to time as per the requirements of the credit risk management function.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputational risk.

The Bank maintains a Risk Register to manage the potential operational risk arising from day-to-day activities. All identified and potential risks, their likelihood of occurrence, their impact on the Bank's risk appetite and overall scoring of the risk is maintained in the Risk Register, which is monitored and reviewed regularly. Following factors are considered for assessing operational risk:

- a. Net interest income
- b. Commission and discount Income
- c. Exchange fluctuation income
- D Overhead & staff expenses
- e. Provisions
- f. Other operating income
- g. Addition/deduction in the interest suspense during the period
- h. Reconciliation of Nostro accounts
- i. Risk arising from use of information technology
- j. Technical competence and integrity of the staffs
- k. Review of compliance with policies, procedures and methodologies issued by external regulators like Nepal Rastra Bank, Inland Revenue Department
- l. Review the risk profile, anticipate changes and threats and concur on areas of highest priority and related mitigation strategy
- m. Assure adequate resources are being assigned to mitigate risks as needed
- n. Review and approve the development and implementation of operational risk methodologies and tools including assessments and loss event databases
- o. Review reports from various business groups and units about their risk profiles and mitigation programs
- p. Monitor and ensure that appropriate ORM frameworks are in place
- q. Review the reports presented by the internal audit department (IAD) with respect to operational risk profile of the Bank
- r. Review of the monthly balancing system, and
- s. Approve policy-related mitigation plans.

MARKET RISK

Market risk refers to the risk to a bank resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates, and equity and commodity prices. It covers interest rate risk, foreign exchange risk and price risk.

A Interest Rate Risk

Interest rate risk is the exposure of the Bank's finances to adverse movements in interest rates. Accepting this risk is a normal part of banking and can be an important source of profitability and shareholder value. However, excessive interest rate risk taking can pose a significant threat to a bank's earnings and capital base.

B Foreign Exchange Risk

Foreign exchange risk is the potential impact of adverse currency rate movements on earnings and economic value. This involves settlement risk, which arises when the Bank incurs financial losses due to foreign exchange positions taken in both the trading and banking books.

C Price Risk

Price risk is the risk that may cause a bank to experience loss due to unfavorable movements in market prices. It arises from the volatility of positions taken in the four fundamental markets:

- interest-sensitive debt securities,
- equities,
- currencies, and
- commodities

Changes in the prices of equity instruments, commodities and other instruments create a price risk and the potential for loss arising from the process of revaluing equity or investment positions.

SrBL focuses on exchange risk management for managing and computing the capital charge on market in accordance with the capital framework provided by NRB.

Interest rate and price risks are assessed at regular intervals to strengthen market risk management. Market risk is managed on the basis of the tolerance level set by the Board of Directors.

- a. SrBL also has an ALCO Committee that reviews the market risk at regular intervals using internal processes such as GAP analysis, deposit mix, analysis of government policies, and their impact on operations.
- b. The Bank has formed separate Middle Office independent of Treasury function for measurement, supervision and analysis of risks related to treasury management.
- c. For reviewing the market risk, following factors are taken into consideration:
 - Open position (Maximum – Minimum),
 - Pegged currency
 - Convertible currencies
 - Cost of funds
 - Yield on investment & advances.
 - Liabilities assets mix, and
 - Opportunity cost.

COMPLIANCE RISK AND AML-CFT RISK

Compliance Risk is the risk resulting from non-compliance with laws and regulations, lack of adequate documentation to demonstrate compliance and risk from failure to comply with financial reporting standards, agreements or regulatory requirements. The main Compliance Risk components are generally referred to as regulatory, financial reporting and legal risk.

The compliance department regularly identifies the external compliance requirements and submits optimized responses. The Bank also obtains report of assurance from internal/external auditor that operations are complying with policies, principles, standards, procedures and methodologies issued by external regulators.

SrBL has a Board level committee to manage and monitor the AML-CFT risks apart from Compliance Department and AML-CFT unit that monitor the risk. Further, the Bank has also appointed unit heads (Branch Managers and Department Heads) as compliance officers of the respective units. They are responsible to ensure Money Laundering (ML)-Terrorism Financing (TF) compliance as well as regular compliance of acts, directives, and policies/practices.

LIQUIDITY RISK

Liquidity risk is the potential for loss arising from either its inability to meet obligations due or to fund increases in assets without incurring unacceptable cost or losses.

The Bank, as per the approved guidelines from the Board, has been maintaining liquid asset to deposit ratio and credit to deposit ratio that are monitored very closely. Further, liquidity profile in Form No. 5.1 is submitted quarterly by Reporting Department of the Bank to NRB and this also serves as a liquidity risk management tool.

OTHER RISKS

Other risks such as strategic risks, reputational risks, etc. are being monitored by the Bank at regular intervals.





CORPORATE SOCIAL RESPONSIBILITY

Sunrise Bank is a good corporate citizen and believes in contributing towards overall development of the society it serves. It has given back to society at every opportunity and will continue this partnership for change.



Corporate Social Responsibility (CSR)

The Bank's social responsibility initiatives are win-win engagements. The initiatives not only appeal to socially conscious consumers and employees who then seek the Bank's services, but they also make an impact on the lives of ordinary people.

Blood donation initiatives are led by branches where there is a shortage of supply. Other measures include providing walking canes to support visually impaired people and other support systems.

The Bank's Terathum branch had organized a blood donation drive. The Bank also provided seven walking canes (white) to the Fellowship Society Nepal (Association of visually impaired people), and other supplies to the Nepal Disabled Association at Khagendra Nawa Jiwan Centre.

The Bank also sponsored public awareness campaigns to make people aware of cancer and provided financial support to the Jyapu Samaj Yala and the Dashrath Chand Memorial Trust. In addition to these activities in the past year the Bank carried out 40 financial literacy programs for different audience groups. Two such programs were organized for Jain Mahila Mandal and Terapanth Mahila Mandal under the Bank's PINK Project at Jain Bhawan, Kamalpokhari.

The Bank's CSR activities supported the reconstruction of Shree Chandesheshwori Mai Temple located at Pim Bahal, Lalitpur, ward no- 21 which was damaged by devastating earthquake of 12 Baisakh, 2072.

The Bank believes in building capacity of staff and also of society. While staff training is a continuous internal process, externally the Bank has provided scholarships to Trihuwan University students to support their Master's level research. The support to higher education can contribute towards

building a capable human resources pool that can contribute towards overall national development.

Another on going activity at the Bank that engages people are public meetings organized to explain the benefits of banking, and to also pass on information about its unique products that are designed to support small and medium enterprises (SMEs), and personal banking.

The Bank has another unique scheme, under which it supports insurance of borrowers for homes, where the insurance company pays off the assured loan amount in case of death of the borrower. This scheme not only provides protection to the borrower throughout the loan tenure but also assures a capital return upon maturity of the loan.

The Bank's branches in different parts of Nepal organize orientation sessions on financial literacy, basic accounting and tax policy for existing and prospective SME clients. Such orientations assist them in compliance with government policies and run their business without hassles. During the year, the Bank carried out 40 financial literacy programs through its branch offices across the country.

The Bank undertakes and supports philanthropic activities in terms of community engagement. The activities include:

1. MASS MELAS- At these events, the Bank engages with customers by making them financially aware about Banking Products and services, technology based products, teach them how to use ATMs, mobile banking and internet banking, online account opening, remittance services etc, the mass melas are carried out by every Inside and outside valley branches on quarterly basis.

2.FINANCIAL LITERACY PROGRAM- The Bank provides knowledge on basic accounting and tax policy for existing and prospective SME clients to enable them to cope with, and comply with government policies so that they can sustain and run their business smoothly.

CORPORATE BUSINESS ETHICS

Trust and integrity are two foundations on which most banks are built. A high level of trust can develop when customers perceive that a company is exhibiting unwavering commitment to ethical business practices. This trust is essential for people to entrust a Bank with their savings. Sunrise Bank is fully committed to run the company responsibly and to serve the long-term interests of our customers, employees and communities it serves.

The Bank has a transparent set of rules, practices and processes that keep the best interests of the customers as guiding principle. The Bank is responsive and accountable for its actions. It has made equitable and inclusive growth and value to aspire for, abides by law and is committed to upholding rule of law. Simply said, these are values that drive corporate governance at Sunrise Bank.

These principles of corporate governance provide the Bank the framework within which it seeks to attain its objectives. The values guide every sphere of management, from action plans and internal control measures to performance measurement and corporate disclosures. These governance guideposts guide the Bank in setting and pursuing objectives in the context of the social, regulatory and market environment where it operates. High standards and adherence to the rules has assisted the Bank to weather crisis and reduce the possibility of fraud and scandals. It is this trust in the market that has made the Sunrise brand strong player in Nepal's highly competitive banking and financial sector.

CSR POLICIES

Sunrise Bank is a good social citizen and is very clear on its obligations to society. The Bank promises to do what is right, to take a long-term view and support its clients, customers, and the communities where it operates. The Bank has always worked with and upheld fundamental values such as honesty and sincerity for creating a sustainable and valuable business that not only enables it to benefit while providing services to the people but also creates opportunities for it to contribute towards the social and economic development of the country.

The Bank's corporate social responsibility (CSR) activities are primarily aimed at working in collaboration with customers, shareholders, investors and employees to engage in activities that can benefit communities. The range of activities it has supported under CSR include environmental protection, conservation of Nepali culture, arts and history, supporting educational and health related activities among people from underprivileged groups, providing financial and material support to differently-abled people, and other activities that allow it to engage with communities.

The CSR activities are founded on the notion that helping strong communities can also help the Bank to become stronger. This drive is motivated by the belief that 'we are what our community is' and that it is our collective future that would determine the future of society.

We work considering the provisions and conditions defined under NRB Circular for CSR related activities.



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SUNRISE CSR ACTIVITIES

1. Distribution of 7 white canes to Fellowship Society Nepal (Association of Visually Impaired People)

2. Distribution of wheel chairs, blankets and food items to the differently abled individuals of Khagendra New Life Centre, Jorpati.

3. Handing over cheque of NPR 600,000 to Mr. Chiri Babu Maharjan,

Mayor of Patan District for conducting trainings on soap manufacturing, orotory, handicrafts, mask designing, and stone carving to youths and other underprivileged group of Jyapu Samaj Yala.

4. Conducting Mass Mela by Jhumka Branch

5. Handing over the cheque amounting NPR 500,000 to the beneficiary of deceased account holder of Baniyatar Branch under "Group Personal Accidental Insurance Facility"

which is for all Saving Account Holders.

6. PINK Project: Conducting Banking Literacy Program for women empowerment and awareness from different communities, organizations and business groups.

7. Official sponsorship in the Annapurna Cycle Ride for Cancer Awareness

8. Providing financial assistance of NPR 30,000 each to 6 MBS students from

Tribhuvan University for thesis works.

9. Organizing Mass melas for making people aware about cards, e-banking & Smart Banking by Kalanki Branch.

10. Handing over the insurance amount under the Bank's scheme of 'Sunrise Surakshit Ghar Karja'. This scheme not only provides protection to the borrower throughout the loan tenure but also assures capital returns upon the maturity of loan.



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HUMAN RESOURCE MANAGEMENT

Sunrise Bank believes in the abilities of the women and men of Nepal to help it attain its goals. This is the philosophy behind the continuous learning opportunities it offers to staff in the organization.

Human Resource Overview

Any Organization is as good as the people that work there. Professionally managed experienced workforce is critical to the success of any enterprise. Sunrise Bank's most valuable assets are its human resources, the operational leadership teams at the corporate, divisional and branch levels, and its core management. The Bank has excellent blend of banking professionals who have become the part of the Bank from the industry from the date of its inception.

Sunrise Bank began operations with 125 employees and now has a staff body of 977 in the 10 years it has been in business. It has also grown from 6 branches to 76 branches in 30 districts of Nepal.

Staff turnover is a major issue in Nepal's banking sector but Sunrise Bank has managed to ensure that its core team remains intact through sound human resources interventions such as employee capacity development opportunities and rewards and sanctions based on performance appraisals.

The development of staff capacity to ensure continued growth in business is the focus of the Bank's human resources strategy. It aims to attain this goal by maintaining the right number and skilled staffs in different business functions.

The main focus of human resource managers is retaining a team of high performing, skilled and motivated staff committed to attain organizational growth in accordance with the overall mission and objective of the Bank.

To ensure this Sunrise Bank defines the roles and responsibilities of staffs and management and provides employees an environment where they can be innovative, and perform at the level needed to beat the competition.

Human resource management will remain a challenge at the Bank given the intense competition in the sector. This has caused the Bank to invest in Information Technology to stream line workflows, and to attain a level of automation and digitalization of its processes and functions to match that expected from a 21st century bank.



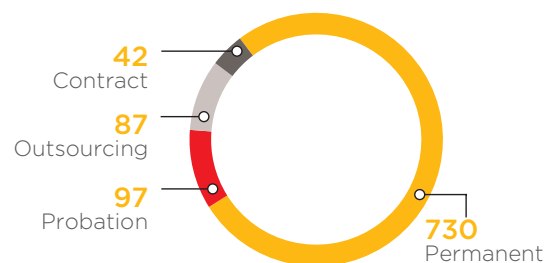
CONTRIBUTION TOWARDS HR

The HR Department has a five-year strategic plan that seeks to support the Bank's overall growth strategy by ensuring the availability of human resources capable of supporting the attainment of the larger goals. The key objectives of the strategic plan are:

- Standardize procedures for selecting high performers within the industry and to provide them opportunities to develop within the organization.
- Maintain good employee relationships and instill belongingness to the institution.
- Ensure equitable and market-based compensation packages.
- Provide scope for career development, and
- Provide in-house capacity development support through training, and transfer opportunities to different operation and business centers within the Bank.

KEY HR INDICATORS

TOTAL STAFF (Till Ashad End 2074)



Total Number of Staffs: **956**

TOTAL TRAININGS (Till Ashad End 2074)

NO. OF TRAINING	PARTICIPANT
85	734
48	1773
12	39
145	2,546

Total Number of Trainings: **145**

Beneficiaries: **2,546**

HR Policies

Human resources define and shape the future of the Bank, which is why the special attention is placed on recruitment where the efforts are directed to get the best and the brightest the market can offer. The HR department regularly conducts training and development to ensure that the staffs are well equipped to perform at optimal levels at all time. Some of the departmental functions are:

TRAINING AND DEVELOPMENT

Training and development are proven methods to enhance staff quality and motivation. The HR department offers staff learning opportunities both in-house and external within Nepal and overseas. Such exposures allow staff to sharpen skills, learn new concepts and remain committed to optimal performance.

PERFORMANCE APPRAISAL

The department carries out routine performance management functions mainly through periodic appraisal of staff functions. The appraisals are done both individually and also of work teams and committees.

TRANSFERS/ASSIGNMENTS

The HR department has a transparent transfer and assignment policy that is designed to assist staff learning through exposure offered by job rotations, transfers and assignments to various functions of the Bank. Regular transfers can contribute towards enhancing productivity through exposure to different work environments. Also the Bank provide opportunity to staff to serve in the areas of their interest to move from operations to credit or vice versa, and also to work overseas as our remittance agents.

SUCCESSION PLANNING

Banks in Nepal are very competitive and succession planning allows companies to reduce staff turnovers, while also assisting them to develop future leaders. Succession planning at Sunrise Bank not only provides staff with growth opportunities but also contributes to staff retention and sustainable growth.

QUALITY WORK LIFE

Healthy and safe workplaces offer staff the confidence to perform at their best. Sunrise Bank cares for its staff and particularly their safety, health and welfare. The main goal is to foster a safe and healthy work environment that is attained by complying to local laws and taking reasonable care about the health and safety of employees. The Bank has medical and accidental insurance schemes for staff and other welfare and support systems are also covered by insurance. The working hours are aligned with government rules and the leave policy allows staff ample time for family and friends, which is essential for a good work-life balance.

GRIEVANCE HANDLING

The Bank has a mechanism to listen to grievances of staff where individual staff members can file petitions. The petitions are reviewed regularly and are forward to appropriate authorities for decision making. Timely redress of grievances can contribute towards building a cooperative workplace.

KNOW YOUR EMPLOYEE INITIATIVES

Sunrise Bank has an initiative to get to know its employees because human errors can often be major risks at banks and financial institutions. Under this initiative all employees are required to fill out forms declaring their assets and relationships, which helps the HR department understand them better and assist them to become better bankers, while also assisting the Bank to assess possible operational risks.



PRODUCTS & SERVICES

Innovation drives the design and delivery of bespoke products at Sunrise Bank. Ease of access to banking services, supported by strong back-end infrastructure, is the foundation for all of its products and services.





Technology Driven

Sunrise Bank aspires to be a leader in technology use in Nepal's banking industry. It places technology at the heart of banking. The Bank has adopted the strategy of outsourcing its technology-based products to ensure quick adoption and enhanced security that meets the international standards. It also maintains a strong Information Technology (IT) team to serve as a backbone to support its aim of evolving as a fully digitized enterprise.

SrBL places top priority to security of the customers as well as their convenience. It has implemented EMV compliant cards, for securing customers during card transactions.

CORE BANKING SYSTEM

The Bank has upgraded the Core Banking Solutions (CBS) to Finacle 10. CBS is the backbone IT application of the Bank that maintains the accounting and holds customer information. Finacle 10 a world-class software with a highly flexible infrastructure. It also supports 24 hours banking.

DATA CENTER

The Bank's core system is stored in a hosted cloud environment, which has helped it to avoid compromise of the standards of the data center. This data center is maintained with world-class standards with certifications, and meets all compliance requirements.

DISASTER RECOVERY

The Bank has a robust disaster recovery site. It ensures continuous protection of data and customer information. This center is located

in a different seismic zone. The Bank also has complete business continuity plan to help confirm that the recovery resources work perfectly when the need arises.

CALL CENTER

The Bank has its own call center service, the first in Nepal. This has made SrBL the Bank With Voice that it had aspired to be. It is used for handling transactional interactions, informational calls, and sales and purchase related activities. It is the primary stop for remote customer interactions and also provides a platform for cross-selling and up-selling financial products and services.

BUSINESS PROCESS AUTOMATION

Business Process Automation is a strategic move of the Bank intended to evaluate the possibility of converting all internal processes to a digital environment. The Bank has acquired many applications and is also considering implementing workflow management, performance management, and automatic tracking systems. The Bank has hired additional resources to facilitate and expedite the digitization process.

INTERNET BANKING

SrBL has a sophisticated international internet banking system that can offer customers a bank-less banking environment. It has enhanced security features with strong authentication to protect customer credentials, passwords and information.

MOBILE BANKING

Mobile phones are driving as the future of personal banking. The

Bank has added number of features in its mobile banking applications. The Bank has also increased the payment channels that now includes electricity bills.

CARD SYSTEM

SrBL has been offering a variety of debit and credit cards with enhanced security features. The Bank has a wide ATM network. The credit card services allow customers to do transactions even with zero deposit balance.

ONLINE ACCOUNT OPENING

The Bank has an online account opening facility. Now customers can fill in the required information through Bank's website and open desired saving account without visiting a branch.

GUARANTEE VALIDATION

Bank has started a service of validating SrBL issued Bank Guarantees through its website. This enables government agencies and other principals to confirm that the Bank's undertaking is not forged and remains valid.

BRANCH-LESS BANKING

SrBL has deployed a number of branchless banking services that take the Bank closer to its rural customers and contribute towards integrating the rural economy with the rest of the country.

Deposits

Sunrise Bank gives utmost care to serving to the expectations of its clients. The Bank is fully aware about the best value to customers and their expectations in terms of services provided and returns. Therefore the Bank has designed deposit schemes to match the requirements of different types of customers.

The Bank's schemes meet the requirements of international customers who can use online account opening facilities and remittance services. Some schemes are aimed entirely to reach un-served sections of the populations and complement its CSR schemes. These include the Sunrise Disable Saving Account, a scheme for people with disabilities. Sunrise Bank also offers standard deposit schemes -- savings, fixed, call and current.

The different types of deposit products offered by the Bank are discussed below

SAVING ACCOUNTS

Sunrise Bank's saving accounts aim to encourage saving habits of the people because it believes that a number of small savings can result in large deposits that the Bank can invest. The Bank accepts all kinds of deposits and provides customers good returns. The different savings

products cater to different customer groups. The Pink Saving Account is designed to encourage women to save and become empowered financially. Similarly, the Sunrise Disable Saving account aims to motivate differently-abled people to have Bank accounts, and the Senior Citizen Saving Account facilitates deposits by senior citizens.

Sunrise Bank has been providing "Group Personal Accidental Insurance Facility" and "SrBL Health Insurance Facility" to all the Saving Deposit Account holders. Under Bank's scheme of "Group Personal Accidental Insurance Facility", Insurance coverage in saving accounts is provided with an aim to guarantee compensation for specified loss or death of the accountholders occur out of accidents. The Insurance coverage amount shall be limited to 4 times of available balance in the customers' saving accounts or NPR 5 Lakh whichever is less. Under SrBL Health Insurance Facility, the health insurance facility shall be up to the 25% of weighted average deposit during last 365 days of any account holder or the bill amount whichever is lower, with a maximum limitation of NPR 1 Lakh.

The other types of saving opportunities offered by the Bank are:

■ Normal Savings

Normal saving deposit is meant for individuals and households who prefer saving their regular earnings and use it when they need to. There is no limit in both deposits and withdrawals and

offers customers the flexibility for managing their incomes and spending.

■ Sunrise Fat Savings

This scheme has been developed with an objective of increasing deposit volume, customer base, cross selling products and finally, adding diversity to the Bank's product base.

■ Sunrise Exclusive Bachat Khata

Sunrise-Exclusive Bachat Khata is a special saving deposit product that aims to cater to the needs of exclusive clients.

■ Sunrise Bal Bachat Khata

The product seeks to attract the children and encourage them to save money as they grow up into young adults.

■ Sunrise Senior Citizen Saving Account

This account aims at facilitating savings and providing services to people over 50 years of age, a time when people want to ensure safety of their capital, assured returns and regular payouts.

■ Sunrise Pink Bachat Account

This product targets women, taking into account their unique saving habit and aims to help them to increase their access to productive resources.

■ Sunrise Disable Account

The Sunrise Disable Account is aimed at people with disabilities. Apart from reasonable interest rates, the Bank also ensures that account holders have sufficient staff support to ensure efficient services.

PRODUCTS & SERVICES

■ **Sunrise BLB Saving Account**

The BLB Saving Account is designed to encourage the unbanked communities to start saving. This service is provided to people in small settlements through Branchless Banking services.

■ **Sunrise Payroll Saving Account**

The Payroll Saving Account is aimed at providing financial services to salaried personnel at different organizations. Using support from the Bank, clients using this service can directly deposit salaries and other staff payments to individual accounts.

■ **Sunrise Maha Bachat Khata**

Sunrise Maha Bachat Khata offers competitive interest rates to customers who are interest-sensitive and also provides such customers priority to attractive features that come along with the product.

■ **Suryodaya Remit Bachat Khata**

Suryodaya Remit Bachat Khata has been designed to solicit deposit accounts of Nepalese working abroad and to also assist them to send money home to their families.

■ **Relief Saving Account**

Sunrise Bank Relief Saving Account was launched to facilitate collection of earthquake relief fund through banking channel in the safest and convenient ways.

FIXED DEPOSITS

The Bank's fixed deposit scheme encourages people to deposit idle funds for a period of time to obtain the best possible returns. The interest paid to such accounts is competitive and agreed at the time the account is opened. The interest rate for fixed deposits depends on the volume of the deposit and maturity date. The Bank has different fixed deposit schemes for different types of customers.

CALL ACCOUNTS

Call accounts provide certain interest rates on deposits to companies, firms, institutions, and individuals. It works like a savings account where you are paid an interest, which depends on the rate on regular savings accounts and could also come with some restrictions.



Retail Banking

SrBL has been lending to individual customers, for consumption as well as business/productive purposes for diversifying its portfolio, minimizing risk and broadening coverage. Retail loans comprise of around 40% of the loan portfolio. The Bank offers comprehensive retail products that are continuously enhanced to match customer needs.

HOME LOAN

The Bank provides Home Loan to individuals to fulfill their financial requirement for acquiring/ constructing and repairing residential property.

SUNRISE SURAKSHIT GHAR KARJA

It is a unique home loan product where the loan is tied up with endowment life insurance policy of the borrower. This scheme not only provides life insurance protection to the borrower throughout the loan tenure but also results in capital returns in the form of bonus upon the maturity of the loan from insurance company. The procedures for this loan were revised in 2073/74 to make it easier for customers to understand the product and its benefits.

HIRE PURCHASE LOAN

The Bank has been extending Hire Purchase Loans for the purchase of new vehicles both for consumer and commercial purposes, and equipment.

SAJILLO KARJA/PERSONAL LOAN

SrBL has been financing Sajilo Karja or easy personal loans to individuals to cover their financial needs easily on fully collateralized basis.

EDUCATION LOAN

The education loan product has been devised to assist students who aspire to pursue higher/technical and professional education in Nepal and abroad.

MARGIN LENDING

This product allows individuals, firms or companies to borrow money without hassles against pledge of shares of companies listed in the "A" category by the Nepal Stock Exchange (NEPSE).

SIGNATURE LOAN

This is a personal loan that SrBL has been extending to professionals on a non-revolving basis. The loan up to NPR 1.5 million may be provided without a fixed asset collateral.

CREDIT CARD

The Bank offers VISA credit cards to customers for secure withdrawals, purchase and online payment round the clock.

LOAN AGAINST FIXED DEPOSIT RECEIPT

This loan is disbursed against Fixed Deposit Receipt at SrBL where borrowers can get up to 90% of the fixed deposit amount as credit.

Remittance

Remittance has become a major contributor to Nepal's economic development. The financial flows generated by Nepali youth going abroad by way of remittance are substantial. Official data estimate that around 1.7 million Nepalis are working in 40 countries, excluding India. An equal number of Nepalis are estimated to be working in India.

Financial institutions and Money Transfer companies have helped in bringing remittances from these workers through formal channels to contribute to the increase in Foreign Exchange Reserves at the Central Bank. However, it is estimated that only around 40% of Nepali migrant workers use formal channels to send money home.

According to data of the Department of Foreign Employment, more than 550,000 people left Nepal in search of work in FY 2073/74. Similarly, central bank data show that Nepal received NPR 680 billion in remittances in FY 2073/74 compared to NRP 665 billion during the same period in the previous year.

Bank has launched a web-based online remittance product 'Suryodaya Remit' and has more than 6,000 payout agents, and 76 of its own branches for disbursing payments. Sunrise Bank currently has mechanisms in USA, UK, Italy, Australia, Israel, Malaysia, Qatar, Bahrain, Oman, Kuwait, UAE, Japan, Hong Kong, Korea and India for facilitating its remittance business.

The Bank has also been serving people wanting to send domestic remittances through its branches. Using the Bank's network customers can send and receive money from more than 4,500 locations nationwide.

The remittance related services provided by the Bank are listed below:

ONLINE REMITTANCE

- Remittance payment against identification
- SrBL Account credit remittances
- Other bank account credit remittances

PARTIAL BANKING FACILITY FROM ABROAD

- Opening Suryodaya Remit Account
- Providing mobile banking / Internet banking
- Solicitation of fixed deposits
- SrBL Visa Cards country wise
- Issuance of Account Mandate & Debit Authority
- Solicitation of loan customers and obtaining required legal documents

SUNRISE CAPITAL SERVICE FROM ABROAD

- Opening of DMAT Account
- Providing DMAT Check Book and ASBA Forms (if share issuer is Sunrise Capital)
- C-ASBA application receiving and processing

The Bank has been working on a One Step Remittance Solution through arrangements with all major remittance companies and banks that handle remittances. It has arrangements with IME, Prabhu, Himal Remit, City Express, I Pay Reliable, Samsara Remit, CG Remit, Best Remit, JME Remit, Western Union, MoneyGram, etc. to make remittance payments efficient.

The Bank's recent arrangements for channeling remittances from South Korea and India have been welcomed by Nepali migrant workers in those countries. The Bank has also made arrangements to facilitate remittances from Hong Kong, where a large number of Nepalis reside.

SrBL has entered an agreement with IDBI bank with head offices in Mumbai. Under the agreement Nepalese working in India can send remittances to their Sunrise Bank accounts from any of the 1800 IDBI bank branches in different Indian cities.

Corporate Banking

Sunrise Bank Ltd. offers various financing and banking services for corporations and infrastructure projects. The Corporate Banking Department (CBD) meets the funding requirements and also provides advisory services for improving the financial performance and compliance by clients. Corporate banking covers an extensive area: investing in projects, meeting working capital requirements, facilitating or financing exports or imports, or other products to meet different requirements of businesses. The Bank wants to work and grow with its corporate clients by serving as a strong financial partner. The corporate lending schemes not only meet the requirements of the domestic corporate sector but also that of global corporations.



The CBD looks after portfolio of corporate and mid-market businesses and provides them with project and infrastructure financing. It also processes requests for large credit proposals. There are various credit facilities under the CBD aimed mainly at the market of credit exposure of more than NPR 40 million (both funded and non-funded) either to a party or an obligor group. The department is also on the lookout for avenues of project, infrastructural and consortium lending.

The Bank offers fixed term loans for financing existing or new projects. The facility is also available for financing plant, machinery and equipment, and land and buildings. The repayment tenure is aligned with the project duration to enable clients to meet the financial obligations from project cash flow.

The Bank also finances working capital and cash management requirements through overdrafts. It finances working capital (stock & receivables) requirements on flexible repayment terms. The Bank also provides short term pledge loans by pledging stocks of supplies, where the Bank supervises the stock while the client can settle the short term pledge loan on pro rata basis as the stock is sold.

Demand loans help corporate customers to build up stocks and receivables to desired levels, against which the loan is disbursed. The period of repayment for this product is the duration agreed with the borrower and what is justifiable based the business activities.

Similarly, export financing supports

various requirements such as pre- and post-shipment loans, documents negotiation/documentary bill purchase, etc. The Bank also provides export re-financing.

The Bank's import credit offers financing for international trade transactions through letter of credit, telegraphic transfers, demand drafts, Delivery against Payment (DAP) and Delivery against Advance (DAA). The Bank finances imports in the form of Trust Receipt up to a percentage of the import document value as decided by the management. Repayment of such loans are generally linked with the cash conversion cycle of the goods imported or as decided by the management.

We coordinate with other financial institutions and participate as Lead Bank or a Joint/Co-Lead Bank to provide consortium loans for projects with large funding requirements. These loans can be both fixed term and working capital loans. Corporate clients can avail this loan for the establishment, capacity addition, up-gradation of existing facilities, and also for acquisition/ takeover of existing facilities.

Import Letter of Credit (foreign and Local) facilities is offered by the Bank based on procurement contracts/ proforma invoices. It also provides export letter of credit to support the international sales of exporters.

Bank guarantees issued by the Bank not only facilitate the bidding requirements for various contracts but also helps clients to ensure the performance of the related party in terms of execution of contract obligations (supplies and/or assigned job/services).

Microfinance

Alongside corporate financing and in accordance with our long-term strategy to shift from large credit towards consumers and small businesses, Sunrise Bank has been continuously innovating to come up with products to match different needs. This has helped us remain competitive in the banking industry where there is intense competition for small business lending. In order to tap into emerging business opportunities, the Bank has designed and launched several business loan products that cater to the needs of the rural population.

Our strength in this segment comes from our branches, particularly those located outside Kathmandu Valley as these can take banking services to doorsteps of small rural borrowers. Most microfinance institutions and cooperatives are located outside Kathmandu Valley and this has provided the Bank an unique opportunity to expand its Deprived Sector Banking Department (DSB) and branches to support rural growth.

Sunrise Bank Limited has devised two types of approaches to extend support to the deprived sector: deprived sector wholesale lending and individual deprived sector lending. Under wholesale lending we provide credit to microfinance institutions (D Class Bank) and co-operatives that in turn provide capital to individual rural borrowers for productive activities. The Bank has also designed and rolled out the “SrBL Laghu Byabsaya Karja or small loans that come under deprived sector lending. The main purpose of this credit is to provide financial solutions to small borrowers and businesses to create fixed assets and gradually grow into sizeable enterprises.





SME

SrBL has been continuously striving towards providing better service to its customers. Small and Medium Enterprises (SMEs) are an important segment for lending that is now emerging as a very profitable area. It is also an important lending portfolio of the Bank.

Under funded facilities SrBL provides term loan and working capital loan. Term loan is provided to cover fixed assets financing (land and building), financing for capital items (CapEx), construction equipment, and civil construction works, etc. for maximum period of 10 years, repayable on EMI or EQI basis. The repayment schedule such loans is customized.

Working capital facilities include overdraft facility and demand loan for a maximum tenure of one year. This is provided to finance stock and receivable requirements and to help businesses avoid working capital shortages for smooth operations.

SrBL also provides non-funded facilities to customers. The non-funded facilities

include Letter of Credit (LC) and bank guarantee. The Bank guarantees not only facilitate bidding requirements of various contracts but also help to ensure the performance of the related party in terms of execution of contractual obligations. It also provides surety of return of advances mobilized for performance of any given contract.

Apart from providing financial services, SrBL also conducts orientations on general accounting and taxation for small and mid-sized businesses across the county to enhance their understanding of taxation and to help them improve bookkeeping. The SME Banking Department deals with credit exposure of below NPR 40.00 million (both funded and non-funded) either in a party or in obligor group.

Branch Less Banking

Branchless Banking (BLB) is a system, which enables banks and financial institutions to provide banking services through hand held devices known as Points of Sale /Tablets with the help of a Business Correspondent. This can help banks and financial institutions to spread their coverage without the need to set up a bank branch. In this modality of banking, commercial outlets such as small grocery shops, medical shops, etc. can act in some capacity to provide basic banking services on behalf of banks and financial institutions. Branchless Banking is a significantly cheaper alternative to conventional branch-based banking and also allows financial institutions to offer financial services outside the Bank premises by using delivery channels such as retails agents, mobile phone, etc. to substantially increase the delivery of financial services to unbanked communities.

ASBA

Applications Supported by Blocked Amount (ASBA) is an application that allows authorization to your bank to block the application money in the account. This account can then be used for subscribing to an issue of shares. The ASBA facilitates blocking of the amount the investor wants to invest in shares until the transaction is complete. Following the allotment of shares, the Bank debits only the part of money from the account needed to pay for the number of shares that have been allotted and unblocks the funds that remain in the investor's account. The applicable fees are regulated by the Securities Board of Nepal (SEBON) and are contained in its guidelines on the issue of securities.



Mobile Banking

Mobile banking services provided by Sunrise Bank allows its customers to conduct transactions remotely using a mobile device such as a smartphone or a tablet. It uses application software commonly known as an App, provided by the Bank and this is a service where customers have their Bank on their fingertips everyday.

Mobile banking reduces the cost of transactions by reducing the need for customers to visit a bank branch for non-cash withdrawals and deposits.

Sunrise Smart Banking is a unified digital banking solution that empowers customers with the services of mobile banking and digital payments while providing a multimedia rich and cost-effective environment for the Bank to carry out instant marketing/promotional

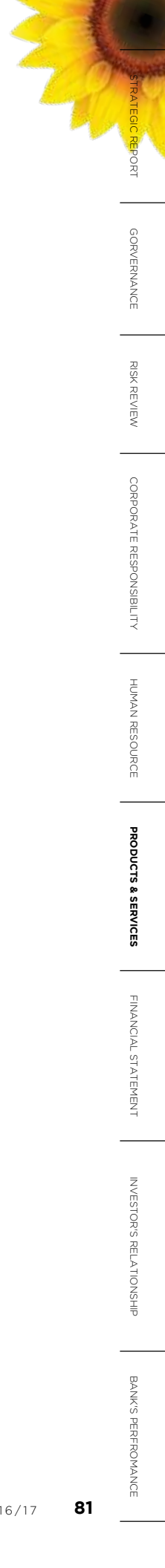
campaigns. It is also a useful channel to share information with clients and shareholders. Sunrise Smart Banking is easy to use, interactive and offers easy navigation between the different features offered to customers.

Sunrise Smart Banking is available for both Android and IOS platforms and supports both the SMS and GPRS channels giving customers the option to use either one depending upon the availability of network and internet access.

Mobile banking is real time and interactive but requires customers to login to use the services. A personal identification number (PIN) is required for transactions. These features have been included to ensure that customer accounts are secure. The PIN is also required for all SMS transactions.



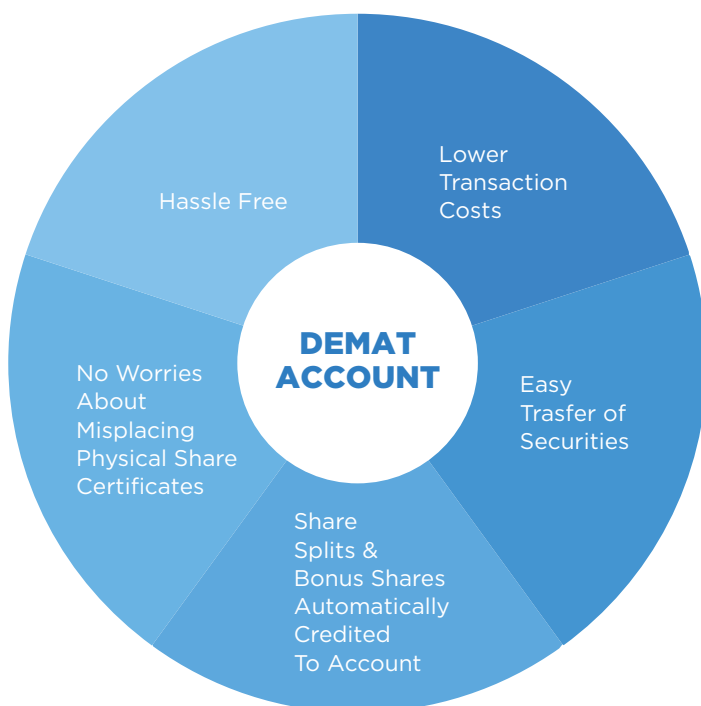




Demat Account Services

The term Demat stands for dematerialization or the conversion of paper share certificates and other securities into electronic records that are credited in the Demat account maintained at the Depository Participant (DP). The DP could be a bank or financial institution, including companies providing brokerage services. This helps shareholders to eliminate the need to safe-keep and handle paper securities. A depository participant functions like a bank, it holds shares for investors in the form of electronic records and facilitates

transfers during transactions. For using this facility, an investor has to open an account with the DP that is authorized to operate Demat accounts. These DP then functions as an intermediary between the investors and the company. Shares and securities are transferred digitally to Demat accounts, upon proper authorization by the shareholder and after the transactions are completed. Sunrise Bank has been providing the Demat Services through its branches as well as through its subsidiary company, Sunrise Capital Ltd.





FINANCIAL STATEMENTS

Despite operating in a highly competitive market, Sunrise Bank has grown consistently every year. Its wide network across the country now provides the foundation to do better and grow faster.



Director's Report

Respected Shareholders,

On behalf of the Board of Directors, I would like to welcome all of you to the 10th Annual General Meeting of Sunrise Bank Ltd. We are delighted to present you the Bank's financial position, achievements and future prospects today. Since its inception, the Bank has been able to attain continuous, balanced growth through innovation, adoption of high-tech solutions and development of innovative financial products. We take your permission to present the Bank's achievement in the FY 2073-74.

This report is prepared in conformity with the Banks and Financial Institutions Act (BAFIA) 2073, Company Act 2063 and the Nepal Rastra Bank (NRB) Directives.

REVIEW OF BANK'S OPERATION FOR FISCAL YEAR 2016-17

A. KEY FINANCIAL HIGHLIGHTS

Amount in Million					
CAPITAL AND LIABILITY	2073/74	2072/73	2071/72	2070/71	2069/70
1. SHARE CAPITAL	8,081	5,301	2,973	2,237	2,237
2. RESERVES AND FUNDS	1,386	1,023	375	461	214
3. DEBENTURES & BONDS	-	-	-	-	-
4. BORROWINGS	-	-	-	-	-
5. DEPOSIT LIABILITIES	61,013	51,650	33,487	26,617	23,271
6. BILLS PAYABLE	17	20	9	12	16
7. PROPOSED DIVIDEND	-	-	28	-	12
8. INCOME TAX LIABILITIES (NET)	-	-	-	-	-
9. OTHER LIABILITIES	958	745	517	335	380
TOTAL CAPITAL AND LIABILITY	71,456	58,739	37,389	29,661	26,129
ASSETS	2073/74	2072/73	2071/72	2070/71	2069/70
1. CASH BALANCE	1,473	1,168	868	863	607
2. BALANCE WITH NEPAL RASTRA BANK	7,496	3,809	1,891	4,366	3,758
3. BALANCE WITH BANKS/ FINANCIAL INSTITUTIONS	588	1,605	300	698	325
4. MONEY AT CALL AND SHORT NOTICE	-	-	-	113	680
5. INVESTMENTS	9,554	8,351	7,260	3,055	2,454
6. LOANS, ADVANCES & BILLS PURCHASED (NET)	50,677	42,869	26,380	19,938	17,731
7. FIXED ASSETS (NET)	534	436	310	292	313
8. NON-BANKING ASSETS (NET)	-	-	-	-	-
9. OTHER ASSETS	1,133	502	381	336	263
TOTAL ASSETS	71,456	58,739	37,389	29,661	26,129

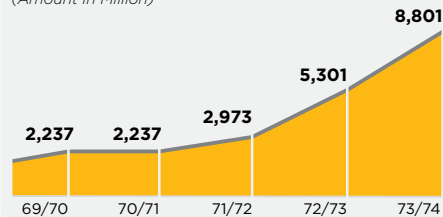


Amount in Million

PARTICULARS	2073/74	2072/73	2071/72	2070/71	2069/70
1. INTEREST INCOME	5,306	3,096	2,403	2,424	2,240
2. INTEREST EXPENSES	3,113	1,592	1,296	1,329	1,251
NET INTEREST INCOME	2,193	1,504	1,106	1,095	989
3. COMMISSION & DISCOUNT	210	161	119	104	95
4. OTHER OPERATING INCOMES	330	279	187	141	125
5. EXCHANGE FLUCTUATION INCOME	130	115	80	63	51
TOTAL OPERATING INCOME	2,863	2,059	1,493	1,404	1,259
6. STAFF EXPENSES	451	356	272	264	218
7. OTHER OPERATING EXPENSES	546	426	356	361	331
8. EXCHANGE FLUCTUATION LOSS	-	-	-	-	-
OPERATING PROFIT BEFORE PROVISION	1,866	1,277	865	779	711
9. PROVISION FOR POSSIBLE LOSSES	282	322	459	466	368
OPERATING PROFIT	1,584	955	406	313	342
10. NON - OPERATING INCOME/EXPENSES	32	1	3	2	4
11. LOAN LOSS PROVISION WRITTEN BACK	280	556	417	94	209
PROFIT FROM REGULAR ACTIVITIES	1,896	1,513	826	409	555
12. INCOME/EXPENSE FROM EXTRA-ORDINARY ACTIVITIES	(86)	(3)	(92)	(15)	(52)
PROFIT FROM ALL ACTIVITIES	1,811	1,510	734	394	504
13. PROVISION FOR STAFF BONUS	165	137	67	36	46
14. PROVISION FOR TAX EXPENSE	470	421	196	112	146
CURRENT YEARS	446	421	189	124	149
PREVIOUS YEARS	1	6	2	-	1
DEFERRED TAX	22	(6)	5	(12)	(4)
NET PROFIT/(LOSS)	1,176	951	471	247	312

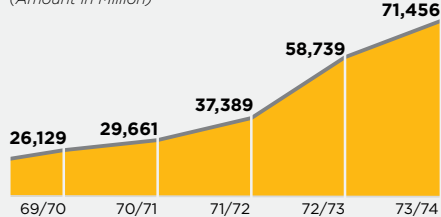
TOTAL SHARE CAPITAL

(Amount in Million)



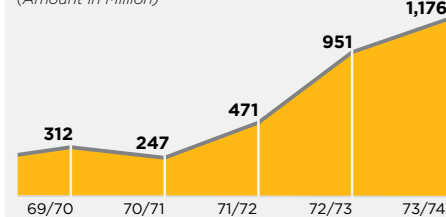
TOTAL ASSETS

(Amount in Million)



TOTAL PROFIT/LOSS

(Amount in Million)



B. KEY FINANCIAL HIGHLIGHTS

The Bank now has 76 full-fledged branches, 3 extension counters, and 20 branch-less banking outposts. The national network covers all major business centers in Nepal. In the international front we have an extensive network of correspondent banking counter parties in all major global financial centers.

In the past decade, the Bank has been able to set up and manage a wide network of branches across the country. It has 76 branches that serve customers at almost every business centre.

The Bank has a strategy of opening branches not only at the urban centers but also in the rural municipalities spread across the country. The NRB has already granted it approval for opening 19 branches at the different rural municipalities. The Bank has already initiated the preliminary tasks for opening these 19 and 8 other branches within FY 2074/75.

C. ATM NETWORK

The Bank offers a variety of debit and credit cards to customers with enhanced security features. All cards of Sunrise Bank are EMV compliant that reduces the possibility of fraud, and compromise of customer information, to almost nil. The Bank has a wide network of ATM terminals and all of these are being made ready for chip security and fraud deterrence. SrBL has 87 ATMs across the country and customers can also benefit from the common ATM network of NEPS member banks.

In addition, the Bank has revamped the overall technology platform to enhance efficiency, augment security, and facilitate client capabilities. In retail banking, the Bank has launched online account opening services and also offers clients innovative payment options. Significant investment

has gone towards upgrading technology and training human resources. This is because we believe that only state-of-art technology can help a bank to grow in this day and age.

D. REMITTANCES

Sunrise Bank Ltd. has been providing remittance services since its inception through its web-based remittance product named “**SURYODAYA REMIT**”. It now has over 4,500 payout agents, in addition to its 76 branches across the country to facilitate the disbursement of remittances received from around the world. Sunrise Bank maintains a presence in USA, UK, Italy, Australia, Israel, Malaysia, Qatar, Bahrain, Oman, Kuwait, UAE, Japan, Korea and India for tapping into the remittance business. Besides, the Bank has also been serving people wanting to send remittances within the country through the branch network. Customers using the service to send and receive money can use more than 4,500 locations nationwide, without hassles.

E. MOBILE FINANCIAL SERVICES

The mobile phone has been evolving into an intimate platform that brings together many technological possibilities. It is personal and therefore suited for banking operations. The Bank has added a number of features in its mobile banking application. The payment channels have been increased and customers can now use it to directly pay their electricity bills and more features are in the process of being added. This can make banking with Sunrise Bank a seamless experience for its customers.

Sunrise Bank's mobile banking platform 'Sunrise Smart Banking' is an unified digital banking solution that empowers customers with banking services on their fingertips. It allows banking and digital payments in multimedia rich interface for customers, while also providing a cost-

effective means for the Bank for carrying out stakeholder relations and marketing/promotional campaigns.

Sunrise Smart Banking is currently available for Android and IOS applications and supports both the short messaging services (SMS) and GPRS giving customers the option to use either one depending on network availability and internet access.

F. ACTIVITIES OF THE BANKS SUBSIDIARIES

By acquiring the NIDC Capital Markets Ltd., the Bank also acquired its merchant-banking subsidiary the then NCM Merchant Banking Limited. This merchant-banking subsidiary now operates with a new name: Sunrise Capital Ltd. It is a full-fledged investment banking company that has been carrying out following activities:

1. Issue Management
2. RTS
3. Underwriting, and
4. Financial advisory

It also has plans to launch the following products/services:

1. Portfolio Management Services (Private banking/Asset Mgmt.)
2. Mutual Funds

G. NEW PRODUCTS/SERVICES

1. **Call Center:** For the first time in Nepal, Sunrise Bank has started its own call center and has now become the Bank With a Voice. The call center has been very crucial for handling transactional interactions, informational calls, and for addressing complex issues, including sales and purchase-related activities. The call center is the first point of contact for remote customer interactions. It also provides opportunities for cross-selling and up-selling financial products and services. It is designed to deliver

multiple ways for customers to connect with the Bank and the Bank believes it can play a crucial role in increasing customer satisfaction and improving the overall customer experience. The Bank has been receiving a very positive feedback and appreciation from customers and stakeholders for this service.

2. Business Process Automation:

The Bank now has a definite roadmap to move to a fully digitized environment. Sunrise Bank intends to use digitization not only for delivering services to customers but to transition to a fully digitized banking environment. Business Process Automation is one of the key strategic moves of the Bank where it is continuously evaluating the possibility of taking all of its internal processes to the fully digital platform. SrBL has acquired many applications, including software, for human resource management, assets management, Know Your Customer (KYC) and anti-money laundering (AML), document management, inventory management, conference video calls, etc. It is also considering the implementation of workflow management, performance management, automatic tracking system and other systems in the coming days to attain complete digitization of business processes. It also has hired human resources to facilitate and expedite the process of digitation.

3. **Internet Banking:** Sunrise Bank has implemented a sophisticated Internet banking system at par with international standards to offer customers a bank-less banking environment. It has enhanced security features with strong authentication mechanisms

that guarantee the protection of customer's credentials, passwords and information.

4. Online Account Opening: The Bank has started online account opening facility through its website, which is one of many initiatives undertaken to transform the way a customer does banking. Customers can now fill in all the required information through the Bank's website and open the desired account without the need to visit a branch.

5. Guarantee Validation: SrBL has also started the service of validating Sunrise Bank issued bank guarantees through its website. This enables government offices and other principals to confirm that the Bank's undertakings are not forged are valid. This has reinforced its reliability and trust.

6. Branch-less Banking: Sunrise Bank has a number of branchless banking outposts that provide services to people living in remote areas of the country. This service has not only provided people with banking services but has also connected them with the national economic mainstream.

IMPACT OF NATIONAL AND INTERNATIONAL EVENTS ON THE BANK'S BUSINESS

There were a number of events in the international arena during the fiscal year that affected the global economy. The decisions by voters in Great Britain to exit the European Union (Brexit) was one of dominant geopolitical event that created waves and ripples throughout the global economy. The net effect of Brexit was the weakening of the Sterling Pound, sliding commercial real estate prices in London, and a bearish spell at the London Stock

Exchange. This reversed overtime and Pound reemerged as a resurgent currency.

Series of elections across Europe returned mixed trends and resulting policies of populism and protectionism, and that in the United States of America resulted in the election of Donald Trump, a businessman, as its 45th President. Election in The Netherlands, France, Austria and Germany witnessed a rise of strong conservative voices in many parliaments.

The fastest growing economic engine of the People's Republic of China began to cool off in 2016. China faced two problems a slowdown of growth at home and accusations by the United States of currency manipulation. China managed to balance its position through deft policies and also by playing a vital role in supporting the international community in maintaining peace in the North Korean peninsula. The demonetization in India under the leadership of Prime Minister Narendra Modi was another unprecedented event. India's demonetization of large bills also resulted in panic in Nepal that shares an open border with India. The use of Indian currency denominations in border trade resulted in the demonetized denominations reaching Nepal. Nepal's request for exchanging Indian currency in Nepal at the time of demonetization remained unsettled.

In the currency markets, the Greenback continued to depreciate against other major global currencies. Commodities were range bound and energy prices remained low throughout the year.

For the past 15 years there has been steady growth in the balance sheets of bank and financial institutions. The growth has been fuelled by broad money supply derived from remittance

inflows. Remittance inflows that have grown almost every year began slowing down in the second quarter of the fiscal year 2016-17. Meantime the trade deficit has continued to widen resulting in a balance of payments deficit. Government expenditure, particularly the capital budget has largely remained under spent. But revenue collection remained at a record high and remained unspent in the treasury accounts. The slow spending, slowdown in remittances and a widening trade gap led to a decrease in money supply and a slowdown in bank deposits.

Commercial banks faced shortages of deposits starting with the second quarter of last fiscal year. A follow-on public offer (FPO) of shares by a life insurance company was one major event that pushed up the deposit interest rates. Following this, banks began soliciting bulk corporate deposits at higher rates pushing rates for one year fixed deposits to go above 12.00% per annum. Besides macroeconomic factors such as the trade and current account deficits, slower capital expenditure by government, and slowing rate of remittance inflows also contributed to deceleration of deposit expansion. The resources at banks (deposit growth) had slowed down but the continued to aggressively expand loans and advances at levels well above the available deposits in the market.

There was also shift in the market with customers converting their savings accounts into fixed deposits pushing the cost of funds upwards. Lending rates also increased but the Banks could not go higher than certain levels owing to the stiff competition. This led to general fall in interest spread and the net interest income of the banking industry as a whole.

CURRENT FISCAL YEAR'S PERFORMANCE REVIEW AND PLAN OF ACTION

(Q1 - 2017/18)	NPR in Millions
Paid-up Capital	8,153
Deposits	63,615
Loans & Advances	54,492
Net Interest Income	514
Operating profit	
Before Provision	401
Provision for Possible Loss	157
Operating profit	245
Net Profit/Loss	204

The Bank attained decent growth in business volume during the first quarter of 2017/18. Total deposits have increased to NPR 63.61 billion and loans to NPR 54.49 billion. Sunrise Bank has already attained the statutory target of having a minimum NPR 8 billion as paid up capital. Despite the negative macroeconomic indicators, the Bank has continued to attain the planned growth targets for 2017/18. The anticipated profitability targets were unmet in the first quarter due to festival season towards the end of the quarter that slowed down the collection of interests. Payments were recovered during the subsequent quarter and the Bank is confident to be able to deliver both robust business growth and a decent profit volume at the end of the fiscal year.

CUSTOMER RELATIONS AND RISK MANAGEMENT

The Bank has had a steady growth of customers. The customer base increased from about 325,000 in July 2017 to cross 363,000 in five months. Both the number of accounts and deposits has been growing satisfactorily since mid July.

The Bank has always been guided by the principles of customer satisfaction, and customer-in-priority. It was the pioneer in launching customized products

and high quality services in both loans and deposits. Further, the Bank has now adopted the principle of moving beyond customer satisfaction towards "customer delight". The Bank has fully adhered to the KYC norms and AML principles, and international best practices. It has a full-fledged Compliance Department at the corporate level and a Compliance Officer at each branch. Further, the Compliance Department has a separate AML section to keep close watch on money laundering and terrorist financing risks. In order to look after the risks associated with banking, the Bank has appointed a Chief Risk Officer who has been working towards building a risk management culture in the Bank alongside the identification, measuring and mitigation of risks related to credit, operations, market, foreign exchange, liquidity and reputation risks, etc. The Bank has been very aggressive in capacity building of employees by supporting trainings and workshops to enhance their skills on using the tools required for risk assessment and aversion.

HUMAN RESOURCES

The Bank has a workforce of about 956 employees, which is a growth from 699 in 2016/17. The Bank believes that its success rests on the performance of its employees and has been prioritizing the maintenance of a well-trained and qualified workforce through capacity development interventions at all levels. The capacity development interventions focus on developing a workforce of dedicated and professional staff with qualities such as honesty, integrity, professional capability, creativity, and cooperation. Because staff capacity building is directly related to employee productivity and customer delight, the Bank has been sending employees to attend national and international training programs. Nepal Rastra Bank has directed all banks to spend at least 3% of the total employee

expenses in training and capacity building, which the Bank has adhered to fully.

CORPORATE GOVERNANCE

The Board of Directors and management of SrBL are committed to high level of corporate governance across the organization. All members of the Board have fully complied with the directives issued by the Nepal Rastra Bank pertaining to corporate governance and the associated code of conduct. The Bank has an Audit Committee as well as a Risk Management Committee to look after the audit and risk related issues. Further, the Bank also has a Money Laundering Prevention Committee to continuously monitors money laundering and terrorism financing related issues. SrBL believes that regular disclosures promote transparency, which in turn fosters corporate good governance.

CONTRIBUTION TO REVENUE

The Bank has paid NPR 596.8 million as various taxes to Government of Nepal, which includes NPR 447.4 million as corporate tax, NPR 128.4 million as interest tax on deposits, NPR 34.7 million as employee income tax, and NPR 0.65 million as house rent tax. The Bank also pays VAT on procurements of goods and services.

COMMITTEES

The Bank has formed various board-level committees for implementing, controlling and monitoring the policy decisions. These include the Audit Committee, Risk Management Committee, and Human Resources Management Committee. More recently, the Bank has formed Money (Assets) Laundering Prevention Committee, which is coordinated by a non-executive director. Each committee has a specific Terms of Reference. The members of the committees comprise of non-executive directors and senior executives. Besides there also are several

other management-level committees: The CEO heads the Management Committee, with senior executives as members. Other committees include the Assets Liability Committee, Human Resources Management Committee, and Procurement Committee.

FINANCIAL STATEMENT

The Bank has presented the financial statements including balance sheet as on 31 Asar 2074 B.S., profit and loss statement of fiscal year 2073/74, cash flow statement, related annexure and consolidated financial statements including that of its subsidiary Sunrise Capital Ltd. to the general meeting for approval.

The Bank is fully committed to abide by the instructions of Nepal Rastra Bank provided at the time of AGM clearance as well as during the audit.

DIVIDEND

The board of the Bank has approved 15% dividend as bonus shares to its shareholders. In the last fiscal year, the Bank had provided 33.33% bonus shares to shareholders followed by an opportunity to purchase 30% right shares. With the approval of 15% bonus shares, the paid-up capital of Sunrise Bank have reached NPR 8,8081 million. This will fulfill the regulatory requirement of minimum paid up capital of NPR 8,000 million. The Bank is looking forward to providing attractive dividends to its shareholders also in the coming years.

CHANGE IN BOARD COMPOSITION AND ELECTION

After the enactment of BAFIA 2073, the board of a bank or financial institution can have only 5 to 7 members. The article of association of the Bank had provision

of 9 members in the board, in line with BAFIA 2063, which the Bank proposes to reduce to 7. After the amendment of memorandum of association and article of association, there will be the provision of 7 directors (3 each from promoter and public groups and 1 independent director).

APPOINTMENT OF THE AUDITOR

M/s P. L. Shrestha and Company, Chartered Accountants was appointed as the auditor of the Bank for fiscal year 2073/74 BS by last year's Annual General Meeting under the recommendations of the Audit Committee. The same company has been recommended by the Audit Committee as auditor for the fiscal year 2074/75 BS for approval of the general meeting.

Finally, we would like to express our sincere gratitude towards all who have directly or indirectly worked towards the betterment of the Bank and who have provided their valuable comments and suggestions for improvement of its product and services as well as services delivery. We would also like to thank our valued customers, shareholders, Government of Nepal, Ministry of Finance, Nepal Rastra Bank, Securities Board of Nepal, Office of the Company Registrar, Nepal Stock Exchange Ltd., and Bank's tireless employees. We will continuously strive to improve the service standards of SrBL and provide better services to customers and higher returns to shareholders.

Thank you!

Dr. Deepak P. Bhattarai
Director (Public)

Motilal Dugar
Chairman



Compliance Statement

Financial statements of the Bank have been prepared and the presentation formats have been drawn as prescribed in the unified directives issued by Nepal Rastra Bank, and the statements are presented in compliance with those provisions.

Nepal Rastra Bank has issued a notice on "NFRS Migration Guidelines to Banks & Financial Institutions" stating that licensed

financial institutions are required to comply with Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN), subject to NRB regulations. The Bank has prepared the NFRS-complied financial statement till 2015-16 and in process of doing the same for other periods. SrBL is fully equipped to prepare the NFRS complied financial statement for the coming years.

Performance Review

Interest income increased by of 71.41% during 2016-17. Interest expenses have also significantly grown by 95.57% during 2016-17 and non-interest income increased by 45.8%. Fees & Commission have increased by 20.7% while the staff & Operating Expenses have increased by 27.6%.

PARTICULARS	MID JULY		INCREMENT	
	2017	2016	AMOUNT	PERCENT
Interest Income	5,306	3,096	2,211	71.4%
Interest Expenses	3,113	1,592	1,521	95.6%
Net Interest Income	2,193	1,504	689	45.8%
Fees & Commission	670	555	115	20.7%
Staff & Operating Expenses	997	782	216	27.6%



REPORT OF THE INDEPENDENT AUDITORS' TO THE SHAREHOLDERS OF SUNRISE BANK LIMITED

We have audited the accompanying consolidated financial statements of Sunrise Bank Limited and its subsidiary, which comprise consolidated Balance Sheet as at Ashad 31, 2074 (July 15, 2017), and consolidated profit and loss account, Statement of Changes in Equity and Cash Flow Statement 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 consolidated financial Statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.

Basis for Disclaimer of Opinion

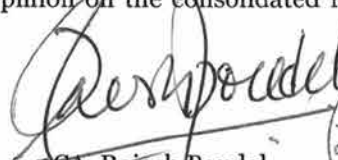
The Institute of Chartered Accountants of Nepal (ICAN) had changed the applicable financial reporting framework for the Commercial Banks to Nepal Financial Reporting Standards (NFRS) from Nepal Accounting Standards effective from the financial year 2072/73 (2015/2016). However, the entity has prepared accompanying financial statements as per Directives issued by Nepal Rastra Bank. Further, the financial statements of the subsidiary is also not prepared in accordance with Nepal Financial Reporting Standards (NFRS).

The cumulative effect of not preparing financial statements in compliance with Nepal Financial Reporting Standard is uncertain and could be material and pervasive.


Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence for the cumulative effect of not preparing financial statements in compliance with Nepal Financial Reporting Standard to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.

Place: Kathmandu
Date: September 14, 2017



CA. Rajesh Poudel
Partner



Consolidated Balance Sheet

As on 31st Ashad 2074 (15th July 2017)

CAPITAL & LIABILITY	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Share Capital	8,081,481,551	5,301,395,141
2. Reserves and Funds	1,420,192,003	1,022,951,246
3. Non Controlling Interest	30,803,639	-
4. Debentures & Bonds	-	-
5. Borrowings	-	-
6. Deposit Liabilities	60,895,145,083	51,650,280,064
7. Bills Payable	37,877,932	19,516,359
8. Proposed Dividend	-	-
9. Income Tax Liabilities (Net)	-	-
10. Other Liabilities	1,092,995,816	744,743,563
Total Capital & Liabilities	71,558,496,024	58,738,886,373

ASSETS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Cash Balance	1,473,431,130	1,167,577,937
2. Balance with Nepal Rastra Bank	7,496,218,790	3,809,454,948
3. Balance with Banks/Financial Institutions	686,675,667	1,604,813,241
4. Money at Call and Short Notice	-	-
5. Investments	9,544,405,525	8,350,529,612
6. Loans, Advances & Bills Purchased (Net)	50,677,244,085	42,868,709,294
7. Fixed Assets (Net)	538,320,423	435,533,216
8. Non-Banking Assets (Net)	-	-
9. Other Assets	1,142,200,404	502,268,125
Total Assets	71,558,496,024	58,738,886,373

Moti Lal Dugar
CHAIRMAN

Malchand Dugar
DIRECTOR

Jyoti Kumar Begani
DIRECTOR

Ratna Raj Bajracharya
CHIEF EXECUTIVE OFFICER

As per our report of even date

Dr. Bhogendra Guragain
DIRECTOR

Dr. Dipak Psd Bhattarai
DIRECTOR

Om Krishna Joshi
DIRECTOR

Apachh K Yadav
DEPUTY GENERAL MANAGER

Er. Bachchharaj Tater
DIRECTOR

Dipak Nepal
DIRECTOR

Purna Bahadur Thapa
OFFICER-FINANCE

CA Rajesh Poudel, Partner
P.L. Shrestha & Co.,
Chartered Accountants

PLACE: **Kathmandu**
DATE: **14th September, 2017**

Consolidated Profit & Loss Account

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
1. Interest Income	5,320,411,008	3,095,549,037
2. Interest Expenses	3,112,274,466	1,591,976,978
Net Interest Income	2,208,136,542	1,503,572,059
3. Commission & Discount	215,372,463	160,773,142
4. Other Operating Incomes	330,716,039	279,039,438
5. Exchange Fluctuation Income	130,139,854	115,336,186
Total Operating Income	2,884,364,898	2,058,720,825
6. Staff Expenses	454,922,187	355,632,989
7. Other Operating Expenses	550,623,995	425,981,970
8. Exchange Fluctuation Loss	-	-
Operating Profit Before Provision for Possible Loss	1,878,818,716	1,277,105,866
9. Provision for Possible Losses	281,591,121	321,717,943
Operating Profit	1,597,227,595	955,387,923
10. Non - Operating Income/Expenses	44,703,239	1,316,594
11. Loan Loss Provision Written Back	279,723,927	556,405,345
Profit from Regular Activities	1,921,654,761	1,513,109,862
12. Income/Expense from Extra-Ordinary Activities	(85,528,466)	(3,230,164)
Profit from All Activities	1,836,126,295	1,509,879,698
13. Provision for Staff Bonus	166,988,971	137,261,791
14. Provision for Tax Expense	475,826,417	421,239,431
Current Years	452,210,407	420,824,512
Previous Years	1,211,911	6,167,382
Deferred Tax	22,404,099	(5,752,463)
15. Non Controlling Profit	3,690,466	-
Net Profit/(Loss)	1,189,620,441	951,378,476

Moti Lal Dugar
CHAIRMAN

Malchand Dugar
DIRECTOR

Jyoti Kumar Begani
DIRECTOR

Ratna Raj Bajracharya
CHIEF EXECUTIVE OFFICER

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OFFICER-FINANCE

CA Rajesh Poudel, Partner
P.L. Shrestha & Co.,
Chartered Accountants

PLACE: **Kathmandu**
DATE: **14th September, 2017**

Consolidated Cash Flow Statement

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
(A) Cash Flow from Operating Activities	1,952,792,298	1,657,415,897
1. Cash Receipts	5,890,569,094	3,621,479,142
1.1 Interest Income	5,206,271,669	3,079,048,682
1.2 Commission and Discount Income	219,617,595	160,773,142
1.3 Exchange Gain	122,992,399	96,906,806
1.4 Recovery of Loan Written off	-	5,630,227
1.5 Other Income	341,687,431	279,120,285
2. Cash Payments	(4,727,263,158)	(2,751,756,173)
2.1 Interest Expenses	(3,058,375,265)	(1,618,635,699)
2.2 Staff Expenses	(615,315,530)	(414,538,168)
2.3 Office Operating Expenses	(479,969,243)	(362,429,126)
2.4 Payment of Income Tax	(573,603,120)	(356,153,180)
2.5 Other Expenses	-	-
Cash Flow Before Working Capital Activities	1,163,305,936	869,722,969
Decrease/(Increase) in Current Asset from Operating Activities	(7,830,101,813)	(10,419,017,761)
1. Decrease/(Increase) in Money at Call and Short Notice	-	-
2. Decrease/(Increase) in Other Short Term Investments	(182,337,079)	(582,351,035)
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(7,321,641,879)	(9,512,493,256)
4. Decrease/(Increase) in Other Assets	(326,122,855)	(324,173,470)
Increase/(Decrease) in Current Liabilities from Operating Activities	8,619,588,175	11,206,710,689
1. Increase /(Decrease) in Deposit/Liabilities	8,460,849,716	10,910,697,045
2. Increase /(Decrease) in Certificate of Deposits	-	-
3. Increase /(Decrease) in Short Term Borrowings	-	-
4. Increase /(Decrease) in Other Liabilities	158,738,459	296,013,644
(B) Cash Flow from Investing Activities	(1,174,570,936)	(103,060,834)
1. Decrease/(Increase) in Long Term Investments	(984,712,085)	(39,791,769)
2. Decrease/(Increase) in Fixed Assets including Software/ NBA	(244,147,797)	(64,504,812)
3. Interest Income from Long Term Investments	-	-
4. Dividend Income	23,606,228	351,500
5. Others	30,682,718	884,247
(C) Cash Flow from Financial Activities	1,536,950,034	513,510,677
1. Increase /(Decrease) in Long Term Borrowings (Bond, Debentures)	-	-
2. Increase /(Decrease) in Paid up Share Capital/Reserves	1,564,892,700	542,297,616
3. Increase /(Decrease) in Other Liabilities	(27,942,666)	(28,786,939)
4. Increase/(Decrease) in Refinance facilities from Nepal Rastra Bank	-	-
(D) Income/Loss from exchange rate fluctuations of Cash and Bank Balances	7,147,455	18,429,380
(E) Cash & Cash Equivalent from Acquired Entity	517,493,765	1,437,443,537
(F) Net Cash Flow from all activities of the Current Year	2,839,812,616	2,086,295,120
(G) Opening Cash and Bank Balances	6,816,512,970	3,058,107,469
(H) Closing Cash and Bank Balances	9,656,325,586	6,581,846,126

* Money at Call of NIDC is considered as the Cash & Cash Equivalent, although not considered by the NIDC.

* Similar adjustment made of Previous Year balances. Previous Year Balances have been restated.

Moti Lal Dugar
CHAIRMAN

Malchand Dugar
DIRECTOR

Jyoti Kumar Begani
DIRECTOR

Ratna Raj Bajracharya
CHIEF EXECUTIVE OFFICER

As per our report of even date

Dr. Bhogendra Guragain
DIRECTOR

Dr. Dipak Psd Bhattarai
DIRECTOR

Om Krishna Joshi
DIRECTOR

Apachh K Yadav
DEPUTY GENERAL MANAGER

Er. Bachchharaj Tater
DIRECTOR

Dipak Nepal
DIRECTOR

Purna Bahadur Thapa
OFFICER-FINANCE

CA Rajesh Poudel, Partner
P.L. Shrestha & Co.,
Chartered Accountants

PLACE: Kathmandu
DATE: 14th September, 2017

REPORT OF THE INDEPENDENT AUDITORS' TO 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, 2074 (July 15, 2017), and the profit and loss account, Statement of Changes in Equity and Cash Flow Statement 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 Financial Reporting 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 assessment 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.

Basis for Disclaimer of Opinion

The Institute of Chartered Accountants of Nepal (ICAN) had changed the applicable financial reporting framework for the Commercial Banks to Nepal Financial Reporting Standards (NFRS) from Nepal Accounting Standards effective from the financial year 2072/73 (2015/2016). However, the Bank has prepared accompanying financial statements as per the Directives issued by Nepal Rastra Bank.

The cumulative effect of not preparing financial statements in compliance with Nepal Financial Reporting Standard is uncertain and could be material and pervasive.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence for the cumulative effect of not preparing financial statements in compliance with Nepal Financial Reporting Standard to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.



Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The Balance Sheet, Off Balance Sheet Transactions, Profit and Loss Account, Cash Flow Statement and attached Schedules dealt with by this report are prepared as per procedure and format prescribed by Nepal Rastra Bank and are in agreement with the books of account maintained by the Bank.
- iii. The proper books of accounts as required by the law have been kept by the Bank except for Compliance to NFRS.
- iv. During our examination of the books of account of the Bank, we have not come across any cases where any office holder of the Bank has acted contrary to the provisions of law or caused loss or damage to the Bank.
- v. The Bank has written off Loan and Advances amounting to NRs. 85,025,124 as per Bank's Loan Write Off Bye-law.
- vi. The Bank has been functioning as per the Directives of Nepal Rastra Bank.
- vii. We have not come across any fraudulence in the accounts, based on our sample examination of the books, and
- viii. The returns received from branches of the Bank though the statements are independently not audited were adequate for the purpose of our audit.

Place: Kathmandu
Date: September 14, 2017


CA Rajesh Poudel
Partner



Balance Sheet

As on 31st Ashad 2074 (15th July 2017)

CAPITAL & LIABILITY	SCHEDULE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Share Capital	4.1	8,081,481,551	5,301,395,141
2. Reserves and Funds	4.2	1,385,816,754	1,022,951,246
3. Debentures & Bonds	4.3	-	-
4. Borrowings	4.4	-	-
5. Deposit Liabilities	4.5	61,013,263,534	51,650,280,064
6. Bills Payable	4.6	17,204,029	19,516,359
7. Proposed Dividend		-	-
8. Income Tax Liabilities (Net)		-	-
9. Other Liabilities	4.7	957,920,226	744,743,563
Total Capital & Liability		71,455,686,094	58,738,886,373

ASSETS	SCHEDULE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Cash Balance	4.8	1,473,431,130	1,167,577,937
2. Balance with Nepal Rastra Bank	4.9	7,496,218,748	3,809,454,948
3. Balance with Banks/Financial Institutions	4.10	587,528,410	1,604,813,241
4. Money at Call and Short Notice	4.11	-	-
5. Investments	4.12	9,553,575,293	8,350,529,612
6. Loans, Advances & Bills Purchased (Net)	4.13	50,677,244,085	42,868,709,294
7. Fixed Assets (Net)	4.14	534,388,880	435,533,216
8. Non-Banking Assets (Net)	4.15	-	-
9. Other Assets	4.16	1,133,299,548	502,268,125
Total Assests		71,455,686,094	58,738,886,373

Schedules 4.1 to 4.17 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

Moti Lal Dugar
CHAIRMAN

Malchand Dugar
DIRECTOR

Jyoti Kumar Begani
DIRECTOR

Ratna Raj Bajracharya
CHIEF EXECUTIVE OFFICER

As per our report of even date

Dr. Bhogendra Guragain
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DEPUTY GENERAL MANAGER

Er. Bachchharaj Tater
DIRECTOR

Dipak Nepal
DIRECTOR

Purna Bahadur Thapa
OFFICER-FINANCE

CA Rajesh Poudel, Partner
P.L. Shrestha & Co.,
Chartered Accountants

PLACE: **Kathmandu**
DATE: **14th September, 2017**

Profit & Loss Account

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

PARTICULARS	SCHEDULE	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
1. Interest Income	4.18	5,306,155,662	3,095,549,037
2. Interest Expenses	4.19	3,113,432,728	1,591,976,978
Net Interest Income		2,192,722,934	1,503,572,059
3. Commission & Discount	4.20	210,471,287	160,773,142
4. Other Operating Income	4.21	329,557,777	279,039,438
5. Exchange Fluctuation Income	4.22	130,139,854	115,336,186
Total Operating Income		2,862,891,852	2,058,720,825
6. Staff Expenses	4.23	451,219,630	355,632,989
7. Other Operating Expense	4.24	545,928,292	425,981,970
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit Before Provision for Possible Loss		1,865,743,930	1,277,105,866
9. Provision for Possible Losses	4.25	281,591,121	321,717,943
Operating Profit		1,584,152,808	955,387,923
10. Non - Operating Income/Expense	4.26	32,221,951	1,316,594
11. Loan Loss Provision Written Back	4.27	279,723,927	556,405,345
Profit from Regular Activities		1,896,098,687	1,513,109,862
12. Income(Expense) from Extra-Ordinary Activities	4.28	(85,528,466)	(3,230,164)
Profit from All Activities		1,810,570,221	1,509,879,698
13. Provision for Staff Bonus		164,597,293	137,261,791
14. Provision for Tax Expense		469,884,196	421,239,431
Current Years		446,223,791	420,824,512
Previous Years		1,211,911	6,167,382
Deferred Tax		22,448,494	(5,752,463)
Net Profit/(Loss)		1,176,088,732	951,378,476

Moti Lal Dugar
CHAIRMAN

Malchand Dugar
DIRECTOR

Jyoti Kumar Begani
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Ratna Raj Bajracharya
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Purna Bahadur Thapa
OFFICER-FINANCE

.....
CA Rajesh Poudel, Partner
P.L. Shrestha & Co.,
Chartered Accountants

PLACE: Kathmandu
DATE: 14th September, 2017

Profit & Loss Appropriation Account

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
Income		
1. Accumulated Profit upto Previous Year	15,996,590	3,284,735
2. Current Year's Profit	1,176,088,732	951,378,476
3. Adjustments of Round off	-	(175)
4. Profit Transfer From Merger	24,484,654	208,817,892
5. Transfer from Share Premium A/C	-	189,034,539
6. Transfer from Capital Reserve A/C	81,747,540	184,513,659
7. Transfer from Free Reserve	32,787,497	
Total	1,331,105,013	1,537,029,126
Expenses		
1. Accumulated Loss upto Previous Year	-	-
2. Current Year's Loss	-	-
3. General Reserve Fund	235,217,747	190,275,696
4. Contingent Reserve	-	-
5. Institution Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employees' Related Fund	-	-
8. Proposed Dividend	-	-
9. Proposed Bonus Share	1,063,376,850	1,325,348,800
10. Special Reserve Fund	-	-
11. Exchange Fluctuation Fund	1,786,864	4,607,345
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Investment Adjustment Reserve	5,262,489	800,695
15. Deferred Tax Reserve	-	-
16. Corporate Social Responsibility Fund	11,760,887	-
Total	1,317,404,837	1,521,032,536
16. Accumulated Profit/(Loss)	13,700,176	15,996,590

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P.L. Shrestha & Co.,
Chartered Accountants

PLACE: **Kathmandu**
DATE: **14th September, 2017**

Cash Flow Statement

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
(A) Cash Flow from Operating Activities	2,070,481,389	1,657,415,897
1. Cash Receipts	5,875,574,224	3,621,479,142
1.1 Interest Income	5,212,096,120	3,079,048,682
1.2 Commission and Discount Income	210,471,287	160,773,142
1.3 Exchange Gain	122,992,399	96,906,806
1.4 Recovery of Loan Written off	-	5,630,227
1.5 Other Income	330,014,418	279,120,285
2. Cash Payments	(4,711,047,084)	(2,751,756,173)
2.1 Interest Expenses	(3,064,199,716)	(1,618,635,699)
2.2 Staff Expenses	(612,878,403)	(414,538,168)
2.3 Office Operating Expenses	(466,964,513)	(362,429,126)
2.4 Payment of Income Tax	(567,004,452)	(356,153,180)
2.5 Other Expenses	-	-
Cash Flow Before Working Capital Activities	1,164,527,140	869,722,969
Decrease/(Increase) in Current Asset from Operating Activities	(7,832,538,176)	(10,419,017,761)
1. Decrease/(Increase) in Money at Call and Short Notice	-	-
2. Decrease/(Increase) in Other Short Term Investments	(182,337,079)	(582,351,035)
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(7,321,641,879)	(9,512,493,256)
4. Decrease/(Increase) in Other Assets	(328,559,218)	(324,173,470)
Increase/(Decrease) in Current Liabilities from Operating Activities	8,738,492,425	11,206,710,689
1. Increase /(Decrease) in Deposit/Liabilities	8,578,968,167	10,910,697,045
2. Increase /(Decrease) in Certificate of Deposits	-	-
3. Increase /(Decrease) in Short Term Borrowings	-	-
4. Increase /(Decrease) in Other Liabilities	159,524,258	296,013,644
(B) Cash Flow from Investing Activities	(1,184,740,482)	(103,060,834)
1. Decrease/(Increase) in Long Term Investments	(1,008,283,085)	(39,791,769)
2. Decrease/(Increase) in Fixed Assets including Software/ NBA	(208,222,707)	(64,504,812)
3. Interest Income from Long Term Investments	-	-
4. Dividend Income	1,082,592	351,500
5. Others	30,682,718	884,247
(C) Cash Flow from Financial Activities	1,564,950,034	513,510,677
1. Increase /(Decrease) in Long Term Borrowings (Bond, Debentures)	-	-
2. Increase /(Decrease) in Paid up Share Capital/Reserves	1,564,892,700	542,297,616
3. Increase /(Decrease) in Other Liabilities	57,334	(28,786,939)
4. Increase/(Decrease) in Refinance facilities from Nepal Rastra Bank	-	-
(D) Income/Loss from exchange rate fluctuations of Cash and Bank Balances	7,147,455	18,429,380
(E) Cash & Cash Equivalent from Acquired Entity	517,493,765	1,437,443,537
(F) Net Cash Flow from all activities of the Current Year	2,457,838,396	2,086,295,120
(G) Opening Cash and Bank Balances	6,581,846,126	3,058,107,469
(H) Closing Cash and Bank Balances	9,557,178,287	6,581,846,126

* Money at Call of NIDC is considered as the Cash & Cash Equivalent, although not considered by the NIDC.

* Similar adjustment made of Previous Year balances. Previous Year Balances have been restated.

Moti Lal Dugar
CHAIRMAN

Malchand Dugar
DIRECTOR

Jyoti Kumar Begani
DIRECTOR

Ratna Raj Bajracharya
CHIEF EXECUTIVE OFFICER

As per our report of even date

Dr. Bhogendra Guragain
DIRECTOR

Dr. Dipak Psd Bhattarai
DIRECTOR

Om Krishna Joshi
DIRECTOR

Apachh K Yadav
DEPUTY GENERAL MANAGER

Er. Bachchharaj Tater
DIRECTOR

Dipak Nepal
DIRECTOR

Purna Bahadur Thapa
OFFICER-FINANCE

CA Rajesh Poudel, Partner
P.L. Shrestha & Co.,
Chartered Accountants

PLACE: **Kathmandu**
DATE: **14th September, 2017**

Statement of Change In Equity

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

PARTICULARS	SHARE CAPITAL	ACCUMULATED PROFIT & LOSS ACCOUNT	GENERAL RESERVES	CAPITAL RESERVES FUND	EXCHANGE FLUCUATION	INVESTMENT ADJUSTMENT FUND	OTHER FREE RESERVE FUND	TOTAL AMOUNT
Opening Balance as at 1st Shrawan 2073	5,301,395,141	15,996,590	774,260,314	-	21,181,584	197,478,864	14,033,894	6,324,346,387
Adjustments	-	-	-	-	-	-	-	-
Restated Balance as at 1st Shrawan 2073	5,301,395,141	15,996,590	774,260,314	-	21,181,584	197,478,864	14,033,894	6,324,346,387
Adjustments For the year	2,780,086,410	(2,296,414)	383,265,563	-	1,786,864	(47,349,017)	27,458,512	3,142,951,918
Net Profit/(Loss) for the year	-	1,176,088,732	-	-	-	-	-	1,176,088,732
Effect of Acquisition of NIDC Capital Markets	151,816,860	24,484,654	148,047,816	81,747,540	-	44,164	48,485,122	454,626,156
Transfer to General Reserve	-	(235,217,747)	235,217,747	-	-	-	-	-
Proposed Dividend	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	(1,786,864)	-	-	1,786,864	-	-	-
Investment Adjustment Reserve	-	(5,262,489)	-	-	-	5,262,489	-	-
Reversal of Investment Adjustment Reserve based on market value	-	-	-	-	-	(52,655,670)	-	(52,655,670)
Corporate Social Responsibility Fund	-	(11,760,887)	-	-	-	-	11,760,887	-
Deferred Tax Reserve	-	32,787,497	-	-	-	-	(32,787,497)	-
Transfer to Profit & Loss Account	-	81,747,540	-	(81,747,540)	-	-	-	-
Issue of Right Shares	1,564,892,700	-	-	-	-	-	-	1,564,892,700
Issue of Bonus Shares	1,063,376,850	(1,063,376,850)	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-	-
Other Free Reserve	-	-	-	-	-	-	-	-
Closing Balance as at 31st Ashad 2074	8,081,481,551	13,700,176	1,157,525,877	-	22,968,448	150,129,847	41,492,406	9,467,298,305

Moti Lal Dugar CHAIRMAN	Malchand Dugar DIRECTOR	Jyoti Kumar Begani DIRECTOR	Ratna Raj Bajracharya CHIEF EXECUTIVE OFFICER	As per our report of even date
Dr. Bhogendra Guragain DIRECTOR	Dr. Dipak Psd Bhattarai DIRECTOR	Om Krishna Joshi DIRECTOR	Apachh K Yadav DEPUTY GENERAL MANAGER
Er. Bachcharaj Tater DIRECTOR	Dipak Nepal DIRECTOR		Purna Bahadur Thapa OFFICER-FINANCE	CA Rajesh Poudel, Partner P.L. Shrestha & Co., Chartered Accountants

PLACE: **Kathmandu**
DATE: **14th September, 2017**

Shareholders Holding 0.5% Or More of the Share Capital

As on 31st Ashad 2074 (15th July 2017)

NAME OF THE SHAREHOLDER	NO OF SHARES HELD	PERCENTAGE
1. Moti Lal Dugar	4,208,655	6.00
2. Malchand Dugar	3,381,113	4.82
3. Srawan Kumar Goyal	2,915,208	4.15
4. Kailash Chandra Goyal	2,914,000	4.15
5. Vivek Dugar	2,282,240	3.25
6. Surendra Dugar	2,017,793	2.88
7. Bachha Raj Tater	1,746,328	2.49
8. Nidhi Dugar	1,224,216	1.74
9. Pooja Dugar	1,199,973	1.71
10. Shradha Dugar	1,179,617	1.68
11. Saurav Tater	1,164,219	1.66
12. Vishal Tater	1,164,219	1.66
13. Vivek Tater	1,164,219	1.66
14. Srinivas Sarda	1,164,218	1.66
15. Saroj Dugar	912,689	1.30
16. Pawan Kumar Sharada	830,555	1.18
17. Radheshyam Sharada	830,555	1.18
18. Shiva Ratan Sharda	830,554	1.18
19. Bhogendra Kumar Guragain	794,803	1.13
20. Shailendra Guragain	677,700	0.97
21. Chanda Kumari Begani	640,319	0.91
22. Salt Trading Corporation Ltd.	639,875	0.91
23. Ram Krishna Manandhar	604,189	0.86
24. Jamuna Paudyal	551,694	0.79
25. Sushila Ghimire	545,643	0.78
26. Jyoti Kumar Begani	523,897	0.75
27. Karmachari Sanchaya Kosh	493,214	0.70
28. Uma Sharma Bhattarai	489,292	0.70
29. Niranjan Lal Khetan	424,481	0.60
30. Nirmala Devi Goyal	422,094	0.60
31. Rastriya Beema Sasthan	405,790	0.58
32. Manisha Dugar	370,701	0.53
33. Lobsang Tenzing Nepali	360,266	0.51
Total	39,074,329	55.68

Share Capital

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.1

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Share Capital		
1.1 Authorised Capital	10,000,000,000	5,000,000,000
a) 100,000,000 Ordinary Shares of NPR 100 each (Previous year 50,000,000 Ordinary shares of NPR 100 each)	10,000,000,000	5,000,000,000
1.2 Issued Capital	7,089,175,700	3,976,049,741
a) 70,891,757 Ordinary Shares of NPR 100 each (Previous year 39,760,497 Ordinary shares of NPR 100 each)	7,089,175,700	3,976,049,741
1.3 Paid Up Capital	7,018,104,701	3,976,046,341
a) 70,181,047 Ordinary Shares of NPR 100 each (Previous year 39,760,463 Ordinary shares of NPR 100 each)	7,018,104,701	3,976,046,341
1.4 Proposed Bonus Share	1,063,376,850	1,325,348,800
1.5 Call in Advance	-	-
Total	8,081,481,551	5,301,395,141

Share Ownership

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	AMOUNT (NPR)	%	AMOUNT (NPR)	%
A. Local Ownership	7,018,104,701	100%	3,976,046,341	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	3,402,770,940	48%	1,948,264,373	49%
1.6 Others (Promoters)	3,615,333,761	52%	2,027,781,968	51%
B. Foreign Ownership				
Total	7,018,104,701		3,976,046,341	

Reserves & Surplus

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.2

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. General Reserve Fund	1,157,525,877	774,260,314
2. Capital Reserve Fund	-	-
a Share Premium	-	-
b Capital Reserve Fund	-	-
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserves & Funds	191,622,253	211,512,758
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	-	-
5.7. Other Free Reserves	29,731,519	14,033,894
5.8. Investment Adjustment Reserve	150,129,847	197,478,864
5.9. Corporate Social Responsibility Fund	11,760,887	-
6. Accumulated Profit/Loss	13,700,176	15,996,590
7. Exchange Fluctuation Fund	22,968,448	21,181,584
Total Reserves & Surplus	1,385,816,754	1,022,951,246

Debentures & Bonds

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.3

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. % Debentures of NPR.... each (Issued on.....with maturity on.....) (Outstanding balance of Redemption Reserve till date NPR.....)	-	-
2. % Bonds of NPR.... each (Issued on.....with maturity on.....) (Outstanding balance of Redemption Reserve till date NPR.....)	-	-
3.	-	-
Total Debentures & Bond	-	-

Borrowings

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.4

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. Domestic		
1. Government of Nepal		
2. Nepal Rastra Bank	-	-
3. Repo Obligations		
4. Inter-bank and Financial Institutions	-	
5. Other Financial Institutions		
6. Others	-	-
Total	-	-
B. Foreign		
1. Banks	-	-
2. Others	-	-
Total	-	-
Total Borrowings	-	-

Deposit Liability

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.5

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Non - Interest Bearing Accounts		
A. Current Deposits	2,298,644,101	1,947,479,420
1. Local Currency	2,150,782,985	1,823,969,501
1.1 Government Of Nepal	-	-
1.2 "A" Class Licensed Institutions	224,241,223	151,262,761
1.3 Other Licensed Financial Institutions	217,507,895	22,462,302
1.4 Other Organized Institutions	1,445,332,127	1,400,583,708
1.5 Individuals	261,904,191	243,617,165
1.6 Others	1,797,549	6,043,565
2. Foreign Currency	147,861,116	123,509,919
2.1 Government Of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	-	-
2.4 Other Organized Institutions	147,861,116	122,826,466
2.5 Individuals	-	683,453
2.6 Others	-	-
B. Margin Deposits	824,762,283	584,806,417
1. Employees' Guarantee	-	-
2. Guarantee Margin	369,330,286	305,226,364
3. Margin On Letter Of Credit	427,748,057	218,651,291
4. Others Margins	27,683,940	60,928,762
C. Other Deposits	28,007,228	-
1. Local Currency	28,007,228	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institutions	28,007,228	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total Non-Interest Bearing Account	3,151,413,612	2,532,285,837

Deposit Liability

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.5

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
2. Interest Bearing Accounts		
A. Savings Deposits	16,420,613,125	17,495,072,355
1. Local Currency	16,341,189,382	17,439,255,748
1.1 Organized Institutions	37,937,456	331,266,919
1.2 Individuals	16,302,968,046	17,107,884,720
1.3 Others	283,880	104,109
2. Foreign Currency	79,423,743	55,816,607
2.1 Institutions	4,278	-
2.2 Individuals	79,419,465	55,816,607
2.3 Others	-	-
B. Fixed Deposits	35,877,881,467	25,843,113,484
1. Local Currency	34,483,290,785	24,832,184,026
1.1 Organized Institutions	22,363,367,630	19,553,187,331
1.2 Individuals	12,119,923,155	5,278,996,695
1.3 Others	-	-
2. Foreign Currency	1,394,590,682	1,010,929,458
2.1 Institutions	1,393,559,182	1,009,858,958
2.2 Individuals	1,031,500	1,070,500
2.3 Others	-	-
C. Call Deposits	5,563,355,330	5,779,808,388
1. Local Currency	5,450,595,206	5,710,461,184
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Institutions	3,054,329,552	1,339,606,749
1.3 Other Organized Institutions	2,204,866,097	4,173,270,179
1.4 Individuals	178,536,100	184,480,939
1.5 Others	12,863,457	13,103,317
2. Foreign Currency	112,760,124	69,347,204
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Institutions	-	-
1.3 Other Organized Institutions	111,887,172	68,438,885
1.4 Individuals	872,952	908,319
1.5 Others	-	-
D. Certificate Of Deposits	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total Interest Bearing Accounts	57,861,849,922	49,117,994,227
Total Deposits	61,013,263,534	51,650,280,064

Bills Payable

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.6

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Local Currency	13,672,163	17,878,870
2. Foreign Currency	3,531,866	1,637,489
Total Bills Payable	17,204,029	19,516,359

Other Liabilities

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.7

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Pension/Gratuity Fund	33,367,535	26,289,642
2. Employees' Provident Fund	-	-
3. Employees' Welfare Fund	-	-
4. Provision for Staff Bonus	170,436,789	174,576,162
5. Interest Payable on Deposits	153,710,115	104,477,103
6. Interest Payable on Borrowing	-	-
7. Unearned Discount and Commission	103,700,388	56,927,171
8. Sundry Creditors	138,128,218	21,734,245
9. Branch Adjustment Account	-	-
10. Deferred Tax Liability	-	-
11. Unpaid Dividend	44,509,037	44,451,703
12. Others	314,068,144	316,287,537
a. Audit Fees Payable	1,115,000	1,113,050
b. TDS Payable	81,898,058	49,276,835
c. Retention Money	11,146,385	4,994,669
d. Others	219,908,701	260,902,983
Total Other Liability	957,920,226	744,743,563

Cash Balance

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.8

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Local Currency (Including Coins)	1,461,267,808	1,158,436,911
2. Foreign Currency	12,163,322	9,141,026
Total Cash Balance	1,473,431,130	1,167,577,937

Balance With Nepal Rastra Bank

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.9

PARTICULARS	LOCAL CURRENCY	FOREIGN CURRENCY IN NPR			CURRENT YEAR NPR	PREVIOUS YEAR NPR
		INR	OTHER	TOTAL NPR		
1. Nepal Rastra Bank	7,432,255,596	-	63,963,152	63,963,152	7,496,218,748	3,809,454,948
a. Current Account	7,432,255,596	-	63,963,152	63,963,152	7,496,218,748	3,809,454,948
b. Other Account	-	-	-	-	-	-

* Conformation as per balance statement is NPR 7,503,439,578.79 the difference has been reconciled.

Balance With Other Banks & Financial Institutions

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.10

PARTICULARS	LOCAL CURRENCY	FOREIGN CURRENCY IN NPR			CURRENT YEAR NPR	PREVIOUS YEAR NPR
		INR	OTHER	TOTAL NPR		
1. Local Banks	226,824,870	-	43,830,817	43,830,817	270,655,687	1,169,684,251
a. Current Account	226,824,870	-	43,830,817	43,830,817	270,655,687	1,169,684,251
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	-	217,602,616	99,270,107	316,872,723	316,872,723	435,128,990
a. Current Account	-	217,602,616	99,270,107	316,872,723	316,872,723	435,128,990
b. Other Account	-	-	-	-	-	-
Total	226,824,870	217,602,616	143,100,924	360,703,540	587,528,410	1,604,813,241

* Conformation as per balance statement is NPR 1,683,186,884 the difference has been reconciled.

Money At Call & Short Notice

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.11

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Local Currency	-	-
2. Foreign Currency	-	-
Total Cash Balnce	-	-

Investments

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.12

PARTICULARS	PURPOSE		CURRENT YEAR NPR	PREVIOUS YEAR NPR
	TRADING NPR	OTHERS NPR		
1. Nepal Government's Treasury bills	-	1,368,215,700	1,368,215,700	680,928,998
2. Nepal Government's Savings Bonds	-	-	-	-
3. Nepal Government's Development Bonds	-	4,013,800,000	4,013,800,000	3,114,625,000
4. Nepal Rastra Bank Bonds	-	-	-	1,630,350,000
5. Foreign Securities	-	103,150,000	103,150,000	-
6. Local Licenced Institutions	-	-	-	-
7. Foreign Banks	-	3,351,058,099	3,351,058,099	2,612,082,722
8. Corporate Shares	-	426,191,714	426,191,714	312,649,126
9. Corporate Bonds & Debentures	-	-	-	-
10. Other Investments	-	293,275,000	293,275,000	-
Total Investment	-	9,555,690,513	9,555,690,513	8,350,635,846
Less : Provision	-	2,115,220	2,115,220	106,234
Net Investment		9,553,575,293	9,553,575,293	8,350,529,612

Investment In Shares, Debentures & Bonds

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.12 (A)

PARTICULARS	COST PRICE	MARKET PRICE	PROVISION	BOOK VALUE	
				CURRENT	PREVIOUS
1. Investment in Shares	299,167,092	267,694,358	2,115,220	426,191,714	312,649,126
Gurans Life Insurance Company	19,858,400	107,708,332	-	107,708,332	121,250,388
Birat Shoe Ltd.	1,142,820	Not Listed	1,142,820	1,142,820	
Bottler's Nepal Terai Ltd.	64,590	2,488,765	-	2,488,765	
Butwal Spinning Mill	3,200	Not Listed	3,200	3,200	
Credit Information Centre	202,500	Not Listed	-	202,500	202,500
Credit Information Centre	27,000	Not Listed	-	27,000	
Golbal IME Samunnat Yojana-I	42,719,280	43,530,946	-	43,530,946	51,547,931
Gorakhkali Rubber Udhog Limited	106,234	Not Listed	106,234	106,234	106,234
Hydroelectricity Investment and Development Company Ltd	11,633,600	22,918,192	-	22,918,192	68,976,900
NMB Hybrid Fund	12,619,210	12,543,495	75,715	12,543,495	
Jyoti Spinning Mill	57,409	Not Listed	57,409	57,409	
Laxmi Equity Fund	58,495,870	Not Listed	-	58,495,870	
Lumbini General Insurance Company limited	2,408,767	2,408,767	-	2,408,767	2,408,767
Nabil Balance Fund	686,210	1,351,834	-	1,351,834	1,509,662
Nabil Equity Fund	5,632,510	5,632,510	-	5,632,510	
National Banking Training Institute	1,200,000	Not Listed	-	1,200,000	1,200,000
Neco Insurance Co. Ltd.	60,363	1,032,012	-	1,032,012	

PARTICULARS	COST PRICE	MARKET PRICE	PROVISION	BOOK VALUE	
				CURRENT	PREVIOUS
NECO INSURANCE RIGHT SHARE	105,300	1,032,993	-	1,032,993	
Necon Air Ltd.	179,842	Not Listed	179,842	179,842	
Nepal Clearing House	100,000	Not Listed	-	100,000	
Nepal Clearing House Limited	2,500,000	Not Listed	-	2,500,000	2,500,000
Nepal Clearing House Limited	351,500	Not Listed	-	351,500	351,500
Nepal Electronic Payment System Limited	15,000,000	Not Listed	-	15,000,000	15,000,000
Nepal Insurance Company Limited	88,518	962,390	-	962,390	817,022
Nepal Life Insurance Com. (NLIC)	2,480,925	4,674,048	-	4,674,048	
Nepal Stock Exchange Limited	5,000	Not Listed	-	5,000	5,000
Nepal Stock Exchange Ltd.	5,000	Not Listed	-	5,000	
NIBL Pragati Fund	10,274,070	10,274,070	-	10,274,070	
NIBL Sambriddhi Fund	1,738,900	2,060,597	-	2,060,597	2,305,781
NLG Insurance Company	58,932	691,268	-	691,268	838,530
NLG Insurance Company Ltd.	182,600	4,939,110	-	4,939,110	
NMB Sulav Investment Fund-1	1,400,005	1,751,375	-	1,751,375	2,038,408
Prabhu Insurance Company Limited	461,575	6,767,520	-	6,767,520	5,784,000
Rural Microfinance Development Centre Ltd	1,642	10,075	-	10,075	16,332
Sagarmatha Insurance Company Limited					
(Promoter Shares)	4,386,000	4,386,000	-	4,386,000	4,386,000
Shree Ram Sugar Mill	50,000	Not Listed	50,000	50,000	
Siddhartha Equity Oriented Scheme	23,590,970	27,978,890	-	27,978,890	30,904,171
Subarna Pharmaceuticals Limited	500,000	Not Listed	500,000	500,000	500,000
SUNRISE CAPITAL	78,570,981	Not Listed	-	78,570,981	
Taragoan Hotel Ltd.	58,768	148,770	-	148,770	
United Insurane Co. Ltd.	158,600	2,402,400	-	2,402,400	
2. Investment in Debentures & Bonds					
2.1.					
2.2.					
2.3.					
Total Investments	299,167,092	267,694,358	2,115,220	426,191,714	312,649,126
3. Provision for Loss					
3.1. Upto Previous Year				2,115,220	106,234
3.2. Adjustment This Year					
Total Provision	-	-	-	2,115,220	106,234
Net Balance	299,167,092	267,694,358	-	424,076,493	312,542,892

Investments (Held For Trading)

As on 31st Ashad 2074 (15th July 2017)

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					
Total Investment Held For Trading					

Investments (Held Till Maturity)

As on 31st Ashad 2074 (15th July 2017)

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	1,368,215,700				
2. Government of Nepal - Savings Bonds	-				
3. Government of Nepal - Development Bonds	4,013,800,000				
4. Nepal Rastra Bank Bonds					
5. Foreign Securities	103,150,000				
6. Shares of Local Licensed Institutions					
7. Bonds & Debentures of Local Licensed Institutions					
8. Shares, Bonds & Debenture of Organized Institutions					
9. Placement	3,351,058,099				
10. Other Investment	293,275,000				
Total Investment Held Till Maturity	9,129,498,799	-	-	-	-

Investments

(Available For Sale)

As on 31st Ashad 2074 (15th July 2017)

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	299,167,092	267,694,358	294,358,892	150,129,847	197,478,864
- Listed	140,669,736	267,694,358	294,358,892	132,378,510	181,973,864
- Unlisted	158,497,356	Not Listed	Not Listed	17,751,337	15,505,000
9. Placement					
10. Inter bank Lending					
11. Other Investment					
Total Investment Available for Sale	299,167,092	267,694,358	294,358,892	150,129,847	197,478,864

Classification Of Loans, Advances And Bills Purchase And Provision

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.13

PARTICULARS	LOANS & ADVANCES						BILLS PURCHASE	CURRENT (NPR)	PREVIOUS (NPR)
	DOMESTIC				FOREIGN	TOTAL LOANS & ADVANCES			
	DEPRIVED		OTHERS						
	INSURED	UNINSURED	INSURED	UNINSURED					
1. Performing Loan	-	2,798,750,205	-	48,147,845,004	9,115,436	50,955,710,645	74,435,059	51,030,145,704	43,215,282,604
A. Pass loans	-	2,795,460,118	-	46,815,360,439	6,415,930	49,617,236,487	74,435,059	49,691,671,546	42,257,786,522
B. Watch List	-	3,290,087	-	1,332,484,565	2,699,506	1,338,474,158	-	1,338,474,158	957,496,082
2. Non Performing Loan	-	14,150,238	-	695,089,862	-	709,240,100	-	709,240,100	533,845,694
2.1 Restructured/ Re-scheduled	-	-	-	-	-	-	-	-	-
2.1 Sub Standard	-	1,274,381	-	62,220,822	-	63,495,203	-	63,495,203	35,665,055
2.2 Doubtful	-	1,749,577	-	324,885,240	-	326,634,817	-	326,634,817	175,111,219
2.3 Loss	-	11126,280	-	307,983,800	-	319,110,080	-	319,110,080	323,069,420
Total Loans (A)	-	2,812,900,443	-	48,842,934,866	9,115,436	51,664,950,745	74,435,059	51,739,385,804	43,749,128,298
3. Loan Loss Provision	-	-	-	-	-	-	-	-	-
3.1 Pass Loans	-	27,954,602	-	468,153,605	64,160	496,172,367	744,351	496,916,718	422,577,866
3.2 Watch-List	-	164,505	-	66,624,229	134,976	66,923,710	-	66,923,710	38,299,844
3.3. Restructured/ Re-scheduled Loan	-	-	-	-	-	-	-	-	-
3.4 Sub Standard	-	318,596	-	15,555,206	-	15,873,802	-	15,873,802	8,916,264
3.5 Doubtful	-	874,789	-	162,442,620	-	163,317,409	-	163,317,409	87,555,610
3.6 Loss	-	11126,280	-	307,983,800	-	319,110,080	-	319,110,080	323,069,420
Total Provisions (B)	-	40,438,772	-	1,020,759,460	199,136	1,061,397,368	744,351	1,062,141,719	880,419,004
4. Provision upto Previous year	-	-	-	-	-	-	-	-	-
4.1 Pass Loans	-	18,754,900	-	403,039,632	125,656	421,920,188	657,679	422,577,867	237,715,196
4.2 Watch-List	-	92,776	-	38,207,069	-	38,299,845	-	38,299,845	56,528,771
4.3. Restructured/ Re-scheduled Loan	-	-	-	-	-	-	-	-	-
4.4 Sub Standard	-	297,754	-	8,618,509	-	8,916,263	-	8,916,263	5,856,409
4.5 Doubtful	-	-	-	87,555,610	-	87,555,610	-	87,555,610	58,800,394
4.6 Loss	-	9,987,495	-	313,081,925	-	323,069,420	-	323,069,420	653,068,816
Extra Provision	-	-	-	-	-	-	-	-	-
Total Provision upto Previous Year (C)	-	29,132,925	-	850,502,745	125,656	879,761,326	657,679	880,419,005	1,011,969,586
Addition From Acquired Entity	-	-	-	107,383,906	-	107,383,906	-	107,383,906	98,879,132
Write back during the year	-	-	-	196,624,456	34,501	196,658,957	-	196,658,957	466,766,494
Additional Provision during the year	-	11,305,847	-	259,497,265	107,981	270,911,093	86,672	270,997,765	236,336,780
Net Change for this year	-	11,305,847	-	62,872,809	73,480	74,252,136	86,672	74,338,808	(230,429,714)
Net Loan (A-B)	-	2,772,461,671	-	47,822,175,406	8,916,300	50,603,553,377	43,634,018	50,677,244,085	42,868,709,294

Securities For Loans, Advance & Bills Purchase

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.13 (A)

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
(A) Secured	51,730,919,192	43,749,128,298
1. Collateral of Movable/Immovable Assets	47,843,396,177	39,725,385,062
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	523,967,480	247,871,048
(a) Own FDR	523,967,480	247,871,048
(b) FDR of other Banks	-	-
7. Government Bonds	-	-
8 Counter Guarantees	-	-
9 Personal Guarantee	42,358,741	32,596,432
10. Other Securities	3,321,196,794	3,743,275,756
(B) Unsecured	8,466,612	-
Total Loans, Advance & Bills Purchase	51,739,385,804	43,749,128,298

Fixed Assets

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.14

PARTICULARS	ASSETS (NPR)					CURRENT YEAR NPR	PREVIOUS YEAR NPR
	BUILDING	VEHICLE	MACHINERY	OFFICE EQUIPMENT	OTHERS		
1. Cost (Price)							
a. Previous year's balance	20,766,819	143,712,525	-	334,935,114	35,945,733	535,360,191	460,281,560
b. Additions this year	-	33,894,534	-	772,091,145	2,972,082	114,075,761	66,642,976
c. Revaluation/Written back this year	-	-	-	-	-	-	-
d. This Year Sold	-	(20,363,393)	-	(6,839,777)	(2,748,232)	(29,951,402)	(38,111,478)
e. This year written off	-	-	-	-	-	-	-
f. Addition from the Acquired Entity	6,111,943	3,464,886	-	1,234,335	658,460	11,469,624	101,721,831
Total Cost (a+b+c+d+e+f)	26,878,762	160,708,552	-	406,538,817	36,828,043	630,954,174	590,534,889
2. Depreciation							
a. Upto previous year		40,732,097	-	196,419,265	21,481,488	258,632,850	247,048,261
b. For this year	1,165,673	17,600,632	-	26,513,626	2,249,852	47,529,783	35,208,021
c. Depreciation on revaluation/written back						-	-
d. Depreciation Adjustment/Written off	-	(11,645,761)	-	(4,479,533)	(2,054,773)	(18,180,067)	(23,623,433)
e. From Acquired Entity	-	-	-	-	-	-	54,723,443
Total Depreciation	1,165,673	46,686,967	-	218,453,359	21,676,567	287,982,566	313,356,292
3. Written Down Value (1-2)	25,713,089	114,021,585	-	188,085,458	15,151,476	342,971,608	277,178,597
4. Land	90,283,399					90,283,399	60,008,399
5. Capital Construction(Capital WIP)							
6. Leasehold Assets (net of amortisation)	101,133,873					101,133,873	98,346,220
Total (3+4+5+6)						534,388,880	435,533,216

Non-Banking Assets

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.15

NAME & ADDRESS OF BORROWER	DATE OF ASSUMING NBA	GROSS NBA (NPR)	% LESS: PROVISION NPR	NET NBA NPR	PREVIOUS YEAR(NPR)	
					GROSS	NET
ANNAPURNA MULTI IND PLTD (Ramkot-6, Kathmandu)	2014.11.06	-	100%	-	9,000,000	-
KASIKA COLLECTION CENTRE (Madhumalla-5, Morang/Bayarban-9, Morang)	2015.07.16	6,126,746	100%	6,126,746	6,126,746	-
Nepal Pragati Nirman Sewa (Chitwan)	2016.07.12	9,442,739	100%	9,442,739	30,200,000	-
Nepal Pragati Nirman Sewa (Jhapa)	2016.06.15	27,498,096	100%	27,498,096	25,683,645	-
Fashion Check	2016.07.14	1,999,423	100%	1,999,423	27,498,096	-
Hem Bahadur Khadka	2002.12.16	3,399,739	100%	3,399,739	1,999,423	-
Amar Adharsha Ma VI (Sinamangal)	2016.12.05	6,648,767	100%	6,648,767	3,399,739	-
Royal Saree Enterprises	2013.03.11	40,920,000	100%	40,920,000	-	-
Himalayan Housing	2013.03.11	33,008,235	100%	33,008,235	-	-
Rajani KC	2013.03.11	20,880,000	100%	20,880,000	-	-
Athiti Party Venue	2015.07.15	5,707,072	100%	5,707,072	-	-
Shiva Shakti Imporium	1998.07.03	2,731,543	100%	2,731,543	-	-
Arun Traders	2014.09.01	1,558,500	100%	1,558,500	-	-
Nawaraj Bhadari	2015.07.04	1,527,637	100%	1,527,637	-	-
Himaliya Suit House					-	-
Total NBA		161,448,497	-	161,448,497	103,907,648	-

Other Assets

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.16

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Stock of Stationery	37,292,843	24,282,198
2. Income Receivable on Investments	47,805,551	35,722,635
3. Accrued Interest on Loans (Net off Suspense)	81,976,626	-
Accrued Interest on Loans	638,158,870	399,007,243
Less: Interest Suspense	(556,182,244)	(399,007,243)
4. Commission Receivable	-	-
5. Sundry Debtors	48,346,240	74,453,968
6. Staff Loans and Advances	323,299,436	235,593,817
Staff Loans	297,017,224	220,168,455
Staff Advances	26,282,212	15,425,362
7. Prepayments	35,613,903	15,074,987
8. Cash-in-Transit	-	-
Cash in Transit NPR	-	-
Fund in Transit IRs	-	-
9. Other Transit Items (including cheques)	-	-
Clg items O/W NPR	-	-
Clg items O/W FCY	-	-
10. Drafts Paid Without Notice	-	-
11. Expenses to be Written off	62,422,158	5,892,829
12. Branch Adjustment Accounts	-	155,081
13. Deferred Tax Asset	29,731,519	17,190,231
14. Others	466,811,272	93,902,379
a. Advance Income Tax (Net Off)	164,593,723	27,774,490
b. Others	302,217,549	66,127,889
Total Other Assets	1,133,299,548	502,268,125

Other Assets (Additional Statement)

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.16 (A)

PARTICULARS	THIS YEAR NPR			TOTAL	PREVIOUS YEAR NPR
	UPTO 1 YEAR	1 TO 3 YEARS	ABOVE 3 YEARS		
1. Accrued Interest on Loans	444,719,301	165,844,990	27,594,579	638,158,870	399,007,243
2. Draft Paid without Notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	155,081
4. Local/Foreign Agency Account	-	-	-	-	-
Total	444,719,301	165,844,990	27,594,579	638,158,870	399,162,324

Contingent Liabilities

As on 31st Ashad 2074 (15th July 2017)

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)	2,391,740,248	2,509,971,149
a. Letter of Credit With Maturity Less than 6 Months	2,391,740,248	2,509,971,149
b. Letter of Credit With Maturity More than 6 Months	-	-
3. Rediscounted Bills	-	-
4. Unmatured Guarantees/Bonds	9,179,212,750	5,455,715,259
a. Bid Bonds	2,930,850,942	1,191,857,119
b. Performance Bonds	6,233,994,045	4,248,947,145
c. Other Guarantee/Bonds	14,367,763	14,910,995
5. Unpaid Shares in Investment	-	-
6. Forward Exchange Contract Liabilities	2,166,150,000	2,174,597,282
7. Bills under Collection	77,333,142	612,226,357
8. Acceptances and Endorsements	519,127,176	677,617,999
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	10,255,318,679	5,746,474,773
11. Guarantees issued against Counter Guarantee of In'lly Rated Foreign Banks	-	-
12. Advance Payment Guarantees	4,798,076,324	2,785,924,266
13. Financial Guarantees	-	-
14. Contingent Liabilities on Income Tax	12,518,295	15,377,566
15. Unpaid Guarantee Claims	2,750,000	-
Total Contingent Liabilities	29,402,226,614	19,977,904,651

Interest Income

For the Period Ended 1st Shrawan 2073 to
31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.18

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. On Loans, Advances and Overdrafts	5,093,716,323	2,979,259,601
1. Loans & Advances	3,563,408,543	2,152,660,174
2. Overdrafts	1,530,307,780	826,599,427
B. On Investment	201,650,913	106,681,258
1. Nepal Government Securities	159,023,285	96,236,701
a. Treasury Bills	13,476,525	7,774,605
b. Development Bonds	142,187,219	68,165,272
c. National Savings Certificates	590,261	258,501
d. Reverse Repo & Deposit Collection	2,769,280	20,038,323
2. Foreign Securities	2,201,768	-
a. Foreign Bonds	2,201,768	-
b.	-	-
3. Nepal Rastra Bank Bonds	9,662,379	-
4. Debentures & Bonds	-	-
5. Interest on Interbank Placements	30,763,481	10,444,557
a. Bank/ Financial Institutions	30,763,481	10,444,557
b. Other Institutions	-	-
C. On Agency Balances	177,833	510,115
1. Local Banks/Financial Institutions	-	-
2. Foreign Banks	177,833	510,115
D. Money at Call and Short Notice	33,201	77,645
1. Local Banks/Financial Institutions	33,201	77,645
2. Foreign Banks	-	-
E. On Others	10,577,392	9,020,418
1. Local Banks/Financial Institutions	-	-
2. Foreign Banks	-	-
3. Others	10,577,392	9,020,418
Total Interest Income	5,306,155,662	3,095,549,037

Interest Expenses

For the Period Ended 1st Shrawan 2073 to
31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.19

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. On Deposit Liability	3,110,863,617	1,590,152,434
1. Fixed Deposits	2,241,802,945	1,102,076,355
1.1 Local Currency	2,223,858,659	1,085,562,836
1.2 Foreign Currency	17,944,286	16,513,519
2. Savings Deposits	561,451,169	322,960,519
2.1 Local Currency	560,716,096	322,339,601
2.2 Foreign Currency	735,073	620,918
3. Call Deposits	307,609,503	165,115,560
3.1 Local Currency	305,868,761	163,170,245
3.2 Foreign Currency	1,740,742	1,945,315
4. Certificate Of Deposits		
B. On Borrowings	2,569,111	1,824,544
1. Debentures & Bonds	-	-
2. Loan From Nepal Rastra Bank	-	-
3. Inter Bank Borrowings	2,569,111	1,824,544
4. Other Organized Institutions	-	-
5. Other Loans	-	-
C. On Others	-	-
Total Interest Expenses	3,113,432,728	1,591,976,978

Commission & Discount

For the Period Ended 1st Shrawan 2073 to
31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.20

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. Bills Purchased And Discounted	2,048,092	523,848
1. Local	-	523,848
2. Foreign	2,048,092	-
B. Commission	173,883,712	138,253,202
1. Letters Of Credit	41,138,574	24,820,215
2. Guarantees	124,530,733	101,455,701
3. Collection Fees	-	4,119,665
4. Remittance Fees	7,990,499	7,857,621
5. Credit Cards	223,906	-
6. Share Underwriting /Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	-	-
9. Exchange Fee	-	-
C. Others	34,539,483	21,996,092
Total Commission & Discount	210,471,287	160,773,142

Other Operating Income

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.21

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Rental on Safe Deposit Lockers	5,475,155	5,698,509
2. Issue and Renewal of Credit Cards	126,000	-
3. Issue and Renewal of ATM Cards	90,038,782	98,586,342
4. Telex/ T. T.	9,654,251	5,511,665
5. Service Charges	220,821,969	163,357,359
6. Renewal Fees	-	-
7. Others	3,441,620	5,885,563
Total Other Operating Income	329,557,777	279,039,438

Exchange Fluctuation Income

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.22

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
A. Revaluation Gain	7,147,455	18,429,380
B. Trading Gain (Except exchange fees)	122,992,399	96,906,806
Total Forex Income	130,139,854	115,336,186

Staff Expenses

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.23

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Salary	212,402,817	168,343,455
2. Allowances	182,875,636	148,430,442
3. Contribution to Provident Fund	17,223,215	13,506,795
4. Training Expenses	12,504,528	7,097,790
5. Uniform	7,661,400	-
6. Medical	-	-
7. Insurance	6,629,710	5,622,810
8. Pension and Gratuity Expenses	3,678,686	8,359,900
9. Others	8,243,638	4,271,797
Total staff Expense	451,219,630	355,632,989

Office Overhead Expenses

For the Period Ended 1st Shrawan 2073 to
31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.24

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR NPR
1. House Rent	71,934,632	60,839,612
2. Electricity and Water	17,899,950	11,537,421
3. Repairs and Maintenance	27,484,183	14,280,172
a. Building	1,025,632	2,160,964
b. Vehicles	1,259,958	1,064,609
c. Others	25,198,593	11,054,599
4. Insurance	24,678,560	18,840,201
5. Postage, Telex, Telephone, Fax	15,828,742	8,913,222
6. Office Equipment, Furniture & Repairs	19,854,886	13,894,644
7. Travelling Allowance and Expenses	17,066,228	7,445,062
8. Printing and Stationery	23,548,053	16,928,805
9. Books and Periodicals	56,765	172,970
10. Advertisements	27,933,792	20,358,526
11. Legal Fees	1,406,805	1,195,570
12. Donations	-	-
13. Expenses Relating to Board of Directors	3,011,626	3,131,786
a. Meeting Fees	2,004,000	2,514,000
b. Other Expenses	1,007,626	617,786
14. Annual General Meeting Expenses	2,051,337	1,343,066
15. Expenses Relating to Audit	1,930,000	1,412,500
a. Audit Fees	1,130,000	1,130,000
b. Other Expenses	800,000	282,500
16. Fund Transfer Expense	-	-
17. Depreciation on Fixed Assets	47,529,783	35,208,020
18. Amortization of Preliminary Expenses	-	-
19. Share Issue Expenses	-	-
20. Professional Fees	6,645,228	8,746,356
21. Entertainment	696,866	937,998
22. Amortization Expenses	31,937,338	28,344,824
23. Security Expenses	57,057,651	43,504,856
24. Credit Guarantee Premium	-	-
25. Commission and Discount	15,423,640	11,541,341
26. Others Expenses	131,952,227	117,405,018
a. Registration Fees	4,169,990	2,194,084
b. Expense for Capital Items	1,194,133	708,220
c. ATM and Card Related Expenses	62,945,241	69,280,603
d. Lease Rental Expenses	12,822,875	10,277,548
e. Subscription Fees	5,267,128	2,643,751
f. Fuel	11,756,703	12,719,871
g. Others	33,796,157	19,580,941
Total Office Overhead Expenses	545,928,292	425,981,970

Provision For Possible Loss

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074
(16th July 2016 to 15th July 2017)

Schedule 4.25

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Increase in Loan Loss Provision	270,997,765	236,336,780
2. Increase in Provision for Loss on Investment	575,715	-
3. Provision for Non Banking Assets	9,623,831	85,381,163
4. Provision for Other Assets	393,810	-
Total Provision For Possible Loss	281,591,121	321,717,943

Non Operating Income

For the Period Ended 1st Shrawan 2073 to
31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.26

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Profit (Loss) on Sale of Investments	13,435,964	-
2. Profit (Loss) on Sale of Assets	456,641	80,847
3. Dividend	1,082,592	351,500
4. Subsidies Received from Nepal Rastra Bank	-	-
5. Others	17,246,754	884,247
Total Non Operating Income	32,221,951	1,316,594

Provision Write Back

For the Period Ended 1st Shrawan 2073 to 31st Ashad
2074 (16th July 2016 to 15th July 2017)

Schedule 4.27

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Loan Loss Provision Written Back	196,658,957	466,766,494
2. Provision against Non Banking Assets Written Back	83,064,970	89,638,851
3. Provision against Investment Written Back	-	-
4. Provision against Other Assets Written Back	-	-
Total Provision Write Back	279,723,927	556,405,345

Extra-Ordinary Income/(Loss)

For the Period Ended 1st Shrawan 2073 to 31st Ashad
2074 (16th July 2016 to 15th July 2017)

Schedule 4.28

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1. Recovery of Loan Written off	-	5,630,227
2. Voluntary Retirement Scheme Expenses	-	-
3. Loan Write Offs { Refer Schedule 4.28 (Ka) }	(85,025,124)	(8,860,391)
4. Other Expense/Income	-	-
5. Write off of Expenses to be Written off	(503,342)	-
Total Extra Ordinary Income	(85,528,466)	(3,230,164)

Details Of Loan Write Off

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.28ka

CUSTOMER	LOAN TYPE	AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED	INITIATION MADE FOR RECOVERY BY	REMARKS
Dineshwor Bhakta Shrestha	Personal Loan (W.C)	177,412.12	Land	Engineer	Chief Executive Officer (NCML)*	35 days public notice published on 2069-08-12, 35 days auction notice published on 2070-08-14, 15 days auction notice on 2071-02-26 and 7 days auction notice published on 2071-04-7	FAC had been transferred to NBA value NPR 17,06,250.00 on 2071-05-11 and sold through auction notice of 2072-08-26
Harishova Shrestha	Personal Loan (W.C)	478,997.34	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2069-08-12, 35 days auction notice published on 2070-08-14, 15 days auction notice on 2071-02-26 and 7 days auction notice published on 2071-04-7	FAC had been transferred to NBA value NPR 17,06,250.00 on 2071-05-11 and sold through auction notice of 2072-08-26
Prakash Bhakta Shrestha	Personal Loan (W.C)	877,290.39	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2069-08-12, 35 days auction notice published on 2070-08-14, 15 days auction notice on 2071-02-26 and 7 days auction notice published on 2071-04-7	FAC had been transferred to NBA value NPR 15,75,000.00 on 2071-05-11 and sold through auction notice of 2072-08-26
Bishwo Ram Khatri	Personal Loan (W.C)	1,404,125.03	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2069-05-30, 35 days public notice republished on 2070-03-09, 35 days auction notice published on 2070-07-28, 15 days auction notice published on 2070-09-07	FAC had been transferred to NBA value NPR 26,66,000.00 on 2071-05-12 and sold through auction notice of 2072-05-3
Krishna Kumar Nepal	Personal Loan (W.C)	1,405,931.51	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2069-05-30, 35 days public notice republished on 2070-03-09, 35 days auction notice published on 2070-07-28, 15 days auction notice published on 2070-09-07	FAC had been transferred to NBA value NPR 26,66,000.00 on 2071-05-12 and sold through auction notice of 2072-05-3
Nawa Raj Bhandari	Personal Loan (W.C)	748,691.14	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2069-05-30, 35 days public notice republished on 2070-03-09, 35 days auction notice published on 2070-07-28, 15 days auction notice published on 2070-09-07	FAC had been transferred to NBA value NPR 23,60,00.00 on 2071-05-11 and sold only lot no 5120 and 5126 through auction notice of 2073-03-02
Gokul Khulal	Hire Purchase	1,293,147.09	vehicle	Vendor Quotation	Chief Executive Officer (NCML)	35 days auction notice on 2070-08-10, 35 days auction notice on 2071-04-09, 15 days auction notice on 2071-06-28	Ba.8 cha 3956 Maruti Astar Zxi car auction sold to Ruben Gopal Jha through auction notice of 2071-06-28 (tender value 5,25,000.00)
Ram Bd. Khadka	Hire Purchase	477,945.08	vehicle	Cube International Pvt. Ltd (Eicher dealer)	Chief Executive Officer (NCML)	35 days public notice on 2070-11-12, 35 days auction notice on 2071-01-17, 15 days auction notice on 2071-05-17	Na. 3 Kha 68 Eicher bus auction sold to Santosh Panjivar through auction notice of 2071-05-17 (tender value 145000.00)
Man Kumar Dahal	Hire Purchase	740,800.53	vehicle	Cube International Pvt. Ltd (Eicher dealer)	Chief Executive Officer (NCML)	35 days public notice on 2070-10-24, 35 days auction notice on 2070-11-22, 15 days auction notice on 2071-02-08	Na. 3 Kha 75 Eicher bus auction sold to Nabindra Bikram Shah through auction notice of 2071-02-08 (tender value 310,000.00)

Contd... Details Of Loan Write Of

Contd... Details Of Loan Write Of

CUSTOMER	LOAN TYPE	AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED	INITIATION MADE FOR RECOVERY BY	REMARKS
Madhav Dhital	Hire Purchase	539,834.01	vehicle	Vendor Quotation	Chief Executive Officer (NCML)	35 days public notice on 2066-11-04, 35 days auction notice on 2070-11-22, 15 days auction notice on 2071-02-23	Na. 3 Kha 69 Eicher bus auction sold to Harihar Nath Yogi through auction notice of 2071-02-23 (tender value 4,10,000.00)
Tara Devi Shakya	Hire Purchase	1,462,042.83	vehicle	Vendor Quotation	Chief Executive Officer (NCML)	35 days public notice on 2069-06-12, 35 days auction notice on 2070-06-17, 15 days auction notice on 2070-09-23,	Na. 3 Kha, 80 Eicher bus auction sold to Binod Roy through auction notice of 2070-09-17 (tender value 1,47,000.00)
Uddhav Pd. Timisina	Hire Purchase	1,979,920.81	vehicle	Cube International Pvt. Ltd (Eicher dealer)	Chief Executive Officer (NCML)	35 days public notice on 2069-06-12, 35 days auction notice on 2070-06-17, 15 days auction notice on 2070-09-23,	Na. 3 Kha, 66 Eicher bus auction sold to Dilli Raj Chhetri through auction notice of 2070-09-17 (tender value 70,000.00)
Rajesh Kumar Manandhar	Personal Loan (W.C)	2,763,160.49	Land	Engineer	Chief Executive Officer (NCML)	35days Public notice on 2069-02-07 , 35 Auction Notice on 2071-03-26 , 15 days auction notice on 2071-05-08	FAC had been transferred to NBA value NPR 30,37,000.00 on 2072-12-24 and sold through auction notice of 2073-11-22
Three N Traders	Personal Loan (W.C)	2,124,372.98	Land	Engineer	Chief Executive Officer (NCML)	35 days notice public notice published on 2069-02-12, 35 days auction notice published on 2070-07-22, 7 auction notice published on 2070-08-21, 15 days auction notice published on 2071-09-08	FAC sold through auction notice 2071-09-08 to Radha Ghale, Tender value 26,00,000.00
Bimala Gautam	Hire Purchase	0.05	vehicle	Vendor Quotation	Chief Executive Officer (NCML)	loan settled by client	
Bidur Dhital	Hire Purchase	613,315.97	vehicle	Vendor Quotation	Chief Executive Officer (NCML)	35 days auction notice on 2071-05-21, 15 days auction notice on 2071-08-04 & 2072-02-09	Tripper ba. 2 Kha. 8883 auction sold through notice of 2072-02-09 to Bibek shrestha (Tender value N 10,17,777.00)
Ratna Kumar Gautam-Hire Purchase	Hire Purchase	2,039,588.58	vehicle	Vendor Quotation	Chief Executive Officer (NCML)	35 days auction notice on 2071-05-21, 15 days auction notice on 2071-08-04 & 2072-02-09	Tripper ba. 2 Kha. 8881 auction sold through notice of 2072-02-09 to Bibek shrestha (Tender value NPR 10,17,777.00)
Hotel Stupa	Personal Loan (W.C)	9,425.00	Land	Engineer	Chief Executive Officer (NCML)	Notice published bill payment after loan settlement by client	
Nanu Maya Joshi	Personal Loan (W.C)	8,009,888.88	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2069-02-12, 35 days action notice published on 2070-05-14, 15 days auction notice published on 2070-08-08,	FAC had been transferred to NBA value NPR 37,70,000.00 on 2072-03-13 and sold through auction notice of 072-12-22
Surya Trade (Rishav Shrestha)	Personal Loan (W.C)	3,617,758.93	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice on 2069-08-12 & 2070-05-20, 35 days auction notice on 2070-05-20, 7 days auction notice on 2071-04-07, 7 days auction notice on 2072-02-26	FAC sold through auction notice 2072-02-26 to Bhim Lal Maharjan , Tender value 55,00,000.00
Shiva Shakti Emporium	Personal Loan (W.C)	2,000.00	Land	Engineer	Chief Executive Officer (NCML)	Blacklisting charges after NBA Booking	

Contd... Details Of Loan Write Of

CUSTOMER	LOAN TYPE	AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED	INITIATION MADE FOR RECOVERY BY	REMARKS
Samridhi Nepal International Pvt. Ltd.	Personal Loan (W/C)	21,665,081.84	Land	Engineer	CEO, Loan Committee and BOD (NCML)	35 days public notice published on 2068-09-29, 35 days auction notice published on 2069-09-29, 15 days action notice on 2069-11-12, 7 days auction notice published on 2072-03-03,	FAC had been transferred to NBA value NPR 2,78,62,000.00 and sold
NB Hosiery	Personal Loan (W/C)	2,378,035.81	Land	Engineer	Chief Executive Officer (NCML)	35 days notice public notice published on 2067-06-08, 35 days auction notice published on 2067-06-08, 15 auction notice published on 2071-11-07, 7 days auction notice published on 2072-04-18 & 2072-05-09	FAC had been transferred to NBA value NPR 5,12,000.00 on 2072-06-06 and sold
Rami Gautam	Personal Loan (W/C)	23,784,177.92	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice published on 2068-12-14, 35 days auction notice published on 2069-02-19, 15 days auction notice published on 2069-12-01, 35 days auction notice 2072-04-27	FAC sold through auction notice of 2072-04-27 to Januki Khatri Tender value 1,28,00,000.00
Parbati Khatri	Personal Loan (W/C)	1,292,652.75	Land	Engineer	Chief Executive Officer (NCML)	35 days public notice 2069-06-12, 35 days auction notice on 2070-05-31, 15 days auction notice on 2070-09-23, 2071-10-05, 2071-02-08, 2071-08-04, 2071-11-05, 2072-02-19, 7 days auction notice on 2072-04-18	Na. 3 Kha, 81 Eicher bus auction sold to Yugal Kishor Mahato through auction notice of 2072-04-18 (tender value 65,000.00)
Ram Jamuna Enterprises	Personal Loan (W/C)	5139,527.20	Land	Engineer	CEO, Loan Committee and BOD (NCML)	35 days public notice published on 2069-02-12, 35 days action notice published on 2069-04-13, 15 days auction notice published on 2070-08-08	FAC had been transferred to NBA value NPR 6,120,000.00 and sold through auction notice of 072-12-22

* NCML refers 'NIDC Capital Markets Ltd'

* Loans & advances in Chronic Status carried forwarded from NIDC Capital Markets Ltd NPR 58,025,124 are written off after assessing their recovery condition.

Statement Of Loans & Advances Extended To Directors/Chief Executive/Promoters/Employees And Shareholders Holding More Than 1 Percent Shares

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.29

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

NAME	LAST YEAR BALANCE			THIS YEAR RECOVERY			THIS YEAR DISBURSHMENT			THIS YEAR BALANCE		
	PRINCIPAL	INTEREST	NPR	PRINCIPAL	INTEREST	NPR	PRINCIPAL	INTEREST	NPR	PRINCIPAL	INTEREST	NPR
(A) Directors	-	-	-	-	-	-	-	-	-	-	-	-
1												
2												
3												
(B) Chief Executive	-	-	-	-	-	-	-	-	-	-	-	-
1												
2												
3												
(C) Promoters	-	-	-	-	-	-	-	-	-	-	-	-
1												
2												
3												
(D) Employees	-	-	-	-	-	-	-	-	-	-	-	-
1												
2												
3												
(E) Shareholders holding more than 1% Shares	-	-	-	-	-	-	-	-	-	-	-	-
1												
2												
3												
.												

Capital Adequacy Table

(After Adjustment of 3% in Operational Risk & 3% on Total RWE)
As on 31st Ashad 2074 (15th July 2017)

Schedule 4.30 (A)

Amount in Thousand

PARTICULARS	CURRENT YEAR NPR	PREVIOUS YEAR NPR
1.1 Risk Weighted Exposure		
a. Risk Weighted Exposure for Credit Risk	62,878,374	49,868,023
b. Risk Weighted Exposure for Operational Risk	2,552,530	2,198,900
c. Risk Weighted Exposure for Market Risk	81,250	174,330
Adjustments under Pillar II		
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	15,036	11,063
Add :% of the total deposits due to insufficient Liquid Assets	-	-
3% additional risk weight for Operational Risk	619,811	447,570
3% adjustment on Total RWE	1,965,365	1,567,238
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	68,112,366	54,267,124
1.2 Capital		
Core Capital (Tier 1)	9,117,774	6,041,887
a. Paid up Equity Share Capital	7,018,105	3,976,046
b. Irredeemable Non-cumulative preference shares	-	-
c. Share Premium	-	-
d. Proposed Bonus Equity Shares	1,063,377	1,325,349
e. Statutory General Reserves	1,157,526	774,260
f. Retained Earnings	13,700	15,997
g. Un-audited current year cumulative profit	-	-
h. Capital Redemption Reserve	-	-
i. Capital Adjustment Reserve	-	-
j. Dividend Equalization Reserves	-	-
k. Other Free Reserve	29,732	14,034
l. Less: Goodwill	-	-
m. Less: Fictitious Assets	(3,890)	-
n. Less: Deferred Tax Assets	(29,732)	(17,190)
o. Less: Investment in equity in licensed Financial Institutions	-	-
p. Less: Investment in equity of institutions with financial interests	(98,429)	(19,858)
q. Less: Investment in equity of institutions in excess of limits	-	(1,000)
r. Less: Investments arising out of underwriting commitments	-	-
s. Less: Reciprocal crossholdings	-	-
t. Less: Other Deductions	(32,615)	(25,751)
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)	736,938	499,859
a. Cumulative and/or Redeemable Preference Share		
b. Subordinated Term Debt		
c. Hybrid Capital Instruments		
d. General loan loss provision	563,840	460,878
e. Exchange Equalization Reserve	22,968	21,182
f. Investment Adjustment Reserve	150,130	17,799
g. Assets Revaluation Reserve		
h. Other Reserves		
Total Capital Fund	9,854,712	6,541,746
1.3 Capital Adequacy Ratios		
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13.39%	11.13%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	14.47%	12.05%

Risk Weighted Exposure For Credit Risk

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.30(B)

Amount in Thousand

PARTICULARS	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	CURRENT YEAR ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	PREVIOUS YEAR NET VALUE	RISK WEIGHTED EXPOSURE
A. Balance Sheet Exposure								
Cash Balance	1,473,431	-	-	1,473,431	0%	-	1,167,578	-
Balance With Nepal Rastra Bank	7,496,219	-	-	7,496,219	0%	-	3,809,455	-
Gold	2,083	-	-	2,083	0%	-	1,952	-
Investment in Nepalese Government Securities	5,675,291	-	-	5,675,291	0%	-	3,795,554	-
All Claims on Government of Nepal	94,525	-	-	94,525	0%	-	90,614	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	1,630,350	-
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	446,045	-	-	446,045	20%	89,209	1,141,775	228,355
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-	27,909	27,909
Claims on foreign bank (ECA Rating 0-1)	2,328,056	-	-	2,328,056	20%	465,611	1,920,898	384,180
Claims on foreign bank (ECA Rating 2)	1,058,013	-	-	1,058,013	50%	529,006	1,044,738	522,369
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-

Contd... Risk Weighted Exposure For Credit Risk

PARTICULARS	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	CURRENT YEAR ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	PREVIOUS YEAR NET VALUE	RISK WEIGHTED EXPOSURE
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	209,618	-	-	209,618	20%	41,924	81,576	16,315
Claims on Domestic Corporates	21,163,768	-	97,097	21,066,671	100%	21,066,671	23,459,387	23,459,387
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)	16,588,263	31	765,465	15,822,767	75%	11,867,075	8,138,899	6,104,174
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	6,584,442	-	-	6,584,442	60%	3,950,665	5,480,459	3,288,275
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	60,730	3,384	-	57,346	100%	57,346	24,187	24,187
Claims secured by Commercial real estate	2,924,880	-	-	2,924,880	100%	2,924,880	2,509,100	2,509,100
Past due claims (except for claim secured by residential properties)	893,981	494,797	-	399,184	150%	598,776	152,760	229,139
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	3,428,795	4	-	3,428,791	150%	5,143,187	2,811,630	4,217,445
Investments in equity and other capital instruments of institutions listed in the stock exchange	139,743	-	-	139,743	100%	139,743	94,927	94,927
Investments in equity and other capital instruments of institutions not listed in the stock exchange	160,999	-	-	160,999	150%	241,499	18,653	27,979
Staff Loan secured by residential property	231,877	-	-	231,877	60%	139,126	159,835	95,901
Interest receivable/claim on government securities	38,616	-	-	38,616	0%	-	35,723	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-	-	-
Other Assets	2,530,285	1,315,680	-	1,214,605	100%	1,214,605	813,760	813,760
Total	73,529,659	1,813,896	862,563	70,853,201		48,469,323	58,411,717	42,043,402

Contd... Risk Weighted Exposure For Credit Risk

Contd... Risk Weighted Exposure For Credit Risk

PARTICULARS	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	CURRENT YEAR ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	PREVIOUS YEAR NET VALUE	RISK WEIGHTED EXPOSURE
B. Off Balance Sheet Exposure								
Revocable Commitments	-	-	-	-	0%	-	-	-
Bills Under Collection	77,333	-	-	77,333	0%	-	612,226	-
Forward Exchange Contract Liabilities	2,166,150	-	-	2,166,150	10%	216,615	2,174,597	217,460
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	2,391,740	-	391,069	2,000,671	20%	400,134	2,291,320	458,264
foreign counterparty (ECA Rating 0-1)				-	20%	-	-	-
foreign counterparty (ECA Rating- 2)				-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)				-	100%	-	-	-
foreign counterparty (ECA Rating-7)				-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)				-	50%	-	-	-
foreign counterparty (ECA Rating 0-1)				-	20%	-	-	-
foreign counterparty (ECA Rating-2)				-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)				-	100%	-	-	-
foreign counterparty (ECA Rating-7)				-	150%	-	-	-
" Bid Bond, Performance Bond and Counter guarantee (domestic counter party) "	9,179,213	-	265,540	8,913,673	50%	4,456,837	5,256,419	2,628,210
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%	-	-	-
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	4,798,076	-	103,790	4,694,286	100%	4,694,286	2,711,142	2,711,142
Financial Guarantee	519,127	-	-	519,127	100%	519,127	644,872	644,872
Acceptances and Endorsements				-	100%	-	-	-
Unpaid portion of Partly paid shares and Securities				-	20%	-	-	-
Irrevocable Credit commitments (Short term)	3,412,084	-	-	3,412,084	20%	682,417	5,746,475	1,149,295
Irrevocable Credit commitments (long term)	6,843,235	-	-	6,843,235	50%	3,421,617	-	-

Contd... Risk Weighted Exposure For Credit Risk

Contd... Risk Weighted Exposure For Credit Risk

PARTICULARS	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	CURRENT YEAR ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D * E)	PREVIOUS YEAR	
							NET VALUE	RISK WEIGHTED EXPOSURE
Other Contingent Liabilities	12,518	-	-	12,518	100%	12,518	15,378	15,378
Unpaid Guarantee Claims	2,750	-	-	2,750	200%	5,500	-	-
Total	29,402,226	-	760,399	28,641,826		14,409,051	19,452,429	7,824,621
Total RWE for credit Risk (A) + (B)	102,931,885	1,813,896	1,622,962	99,495,027		62,878,374	77,864,146	49,868,023
Adjustments under Pillar II							-	-
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)	-	-	-	-	-	-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-	-	-	-	-
Total RWE for credit Risk (After Bank's adjustments of Pillar II)	102,931,885	1,813,896	1,622,962	99,495,027		62,878,374	77,864,146	49,868,023

Eligible Credit Risk Mitigants

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.30C

Amount in NPR Thousand

CREDIT EXPOSURES	DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/FI	GOLD	GOVT. & NRB SECURITIES	G'TEE OF GOVT. OF NEPAL	SEC/G'TEE OF OTHER SOVEREIGNS	G'TEE OF DOMESTIC BANKS	G'TEE OF MDBS	SEC/G'TEE OF FOREIGN BANKS	TOTAL
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures										-
Cash Balance										-
Balance with Nepal Rastra Bank										-
Gold										-
Investment in Nepalese Government Securities										-
All Claims on Government of Nepal										-
Investment in Nepal Rastra Bank securities										-
All claims on Nepal Rastra Bank										-
Claims on Foreign Government Securities (ECA 0-1)										-
Claims on Foreign Government Securities (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework										-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective										-

Contd... ELIGIBLE CREDIT RISK MITIGANTS

CREDIT EXPOSURES		DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/FI	GOLD	GOVT.& NRB SECURITIES	G'TEE OF GOVT. OF NEPAL	SEC/G'TEE OF OTHER SOVEREIGNS	G'TEE OF DOMESTIC BANKS	G'TEE OF MDBS	SEC/G'TEE OF FOREIGN BANKS	TOTAL
regulatory capital requirement	-	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates	39,967	-	-	-	-	-	-	-	-	-	39,967
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA -7)	-	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	35,010	-	389,825	-	-	-	-	-	-	-	424,835
Regulatory Retail Portfolio (Overdue)	-	-	-	-	-	-	-	-	-	-	-
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-	-
Claims no fully secured by residential properties	-	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial real estate	-	-	-	-	-	-	-	-	-	-	-
Past due claims	-	-	-	-	-	-	-	-	-	-	-
(except for claim secured by residential properties)	-	-	-	-	-	-	-	-	-	-	-
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	19,500	-	-	133	-	-	-	-	-	-	19,633
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in the stock exchange	-	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-	-
Total (A)	94,477	-	389,958	-	-	-	-	-	-	-	484,435
Off Balance Sheet Exposures											
Revocable Commitments	-	-	-	-	-	-	-	-	-	-	-
Bills Under Collection	-	-	-	-	-	-	-	-	-	-	-
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	94,016	-	-	-	-	-	-	-	-	-	94,016
foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-	-
foreign counterparty (ECA Rating-2)	-	-	-	-	-	-	-	-	-	-	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-	-

Contd... ELIGIBLE CREDIT RISK MITIGANTS

Contd... ELIGIBLE CREDIT RISK MITIGANTS

CREDIT EXPOSURES	DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/FI	GOLD	GOVT.& NRB SECURITIES	G'TEE OF GOVT. OF NEPAL	SEC/G'TEE OF OTHER SOVEREIGNS	G'TEE OF DOMESTIC BANKS	G'TEE OF MDBS	SEC/G'TEE OF FOREIGN BANKS	TOTAL
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)	175,162									175,162
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	12,243									12,243
Financial Guarantee										-
Acceptances and Endorsements	7,228									7,228
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (Short term)										-
Irrevocable Credit commitments (long term)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Other Contingent Liabilities										-
Total (B)	288,649	-	-	-	0%	-	-	-	-	288,649
Grand Total (C=A+B)	383,126	-	389,958	-	0%	-	-	-	-	773,084

Risk Weighted Exposure For Operation Risk

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.30 (D)

Amount in Thousand

PARTICULARS	FY 2070/71	FY 2071/72	FY 2072/73	FOR PREVIOUS YEAR
Net Interest Income	1,095,134	1,106,300	1,503,572	
Commission and Discount Income	104,093	119,378	160,773	
Other Operating Income	141,288	187,273	279,039	
Exchange Fluctuation Income	63,213	80,316	115,336	
Additional/Deduction in Interest Suspense during the period	143,391	(1,367)	7,316	
Gross income (a)	1,547,120	1,491,900	2,066,036	-
Alfa (b)	15%	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	232,068	223,785	309,906	-
Capital Requirement for operational risk (d) (average of c)			255,253	219,890
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10	10
Equivalent Risk Weight Exposure [f=(d×e)]			2,552,530	2,198,900
PILLAR-II ADJUSTMENTS				
If Gross Income for all the last three years is negative(6.4 a 8)			-	-
Total Credit and Investment (net of Specific Provision)			-	-
Capital Requirement for operational risk (5%)			-	-
Risk Weight (reciprocal of capital requirement of 10%) in times			-	-
Equivalent Risk Weight Exposure [g]			-	-
Equivalent Risk Weight Exposure [h=f+g]			2,552,530	2,198,900

Risk Weighted Exposure For Market Risk

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.30 (E)

Amount in Thousand

CURRENCY	ASHADH END 2074				PREVIOUS YEAR RELEVANT OPEN POSITION
	OPEN POSITION (FCY)	RATE	OPEN POSITION (LCY)	RELEVANT OPEN POSITION	
INR	78,414.61	1.6008	125,522	125,522	339,371
USD	273.15	103.1500	28,175	28,175	3,052
GBP	8.55	134.6329	1,151	1,151	149
EUR	10.77	117.8964	1,270	1,270	825
THB	12.54	2.9987	38	38	115
CHF	1.00	106.8042	107	107	226
AUD	10.83	80.4887	871	871	719
CAD	4.16	81.4136	339	339	434
SGD	0.05	75.0953	4	4	9
JPY	2,248.48	0.9129	2,053	2,053	869
HKD	0.98	13.1354	13	13	20
DKK	129.94	15.7307	2,044	2,044	621
SEK	-	12.3446	-	-	0
SAR	10.44	27.1512	283	283	804
QAR	1.07	27.6877	29	29	138
AED	4.78	27.7137	133	133	300
MYR	8.76	23.8328	209	209	426
KRW	-	0.0889	-	-	103
CNY	2.05	15.0627	31	31	45
KWD	0.63	340.2519	213	213	430
BHD	-	273.2549	-	-	1
Total Open Position (A)			162,485	162,485	348,657
Fixed Percentage (B)			5%	5%	5%
Capital Charge For Market Risk [C=(Axb)]			8,125	8,125	17,433
Risk Weight (Reciprocal Of Capital Requirement Of 10%) In Times (D)			10	10	10
Equivalent Risk Weight Exposure[E=(Cxd)]			81,250	81,250	174,330

Principal Indicators

For the Period Ended 1st Shrawan 2073 to 31st Ashad 2074 (16th July 2016 to 15th July 2017)

Schedule 4.31

INDICATORS	UNIT	FY 2068/69 (2010/11)	FY 2069/70 (2011/12)	FY 2070/71 (2012/13)	FY 2071/72 (2013/14)	FY 2072/73 (2014/15)	FY 2073/74 (2015/16)
Net Profit/ Gross Income	Percent	5.10	12.41	9.03	16.88	26.06	19.68
Earnings Per Share	NPR	5.52	15.46	11.03	19.27	23.93	16.76
Market Value Per Share	NPR	145.00	232.00	510.00	395.00	748.00	396.00
Average Price	NPR	145.00	212.48	402.00	400.00	665.00	562.00
Price Earning Ratio	Ratio	26.28	15.00	46.22	20.50	31.26	23.63
Dividend (including bonus) on Share Capital (%)	Percent	5.26	11.58	0.00	22.63	33.33	15.00
Cash Dividend on Share Capital (%)	Percent	5.26	0.58	0.00	1.13	0.00	0.00
Interest Income/ Loans and Advances (%)	Percent	13.03	12.17	11.55	8.77	7.08	10.26
Staff Expenses/ Total Operating Expenses (%)	Percent	40.97	39.71	42.26	43.27	45.50	45.25
Interest Expenses/ Total Deposits & Borrowings (%)	Percent	7.51	5.38	4.99	3.87	3.08	5.10
Exchange Gain/ Total Income (%)	Percent	1.78	2.01	2.52	2.94	4.13	3.56
Staff Bonus/ Total Staff Expenses (%)	Percent	8.11	21.02	13.58	24.53	38.60	36.48
Net Profit/Total Loans & Advances (%)	Percent	0.75	1.69	1.18	1.72	2.17	2.27
Net Profit/ Total Assets (%)	Percent	0.52	1.19	0.83	1.26	1.62	1.65
Total Loans & Advances/ Total Deposits (%)	Percent	79.01	79.08	81.84	83.92	86.82	87.28
Total Operating Expenses/ Total Assets (%)	Percent	2.23	2.10	2.11	1.68	1.33	1.40
Capital Adequacy (On Risk Weighted Assets)							
a. Core Capital	Percent	11.01	10.96	10.63	10.11	11.13	13.39
b. Supplementary Capital	Percent	0.77	0.84	0.86	1.00	0.92	1.08
c. Total Capital Fund	Percent	11.78	11.80	11.49	11.11	12.05	14.47
Liquidity (%)	Percent	32.40	33.51	34.03	30.70	28.31	30.62
Non-Performing Loan/ Total Loans & Advances (%)	Percent	3.52	3.74	4.94	2.90	1.22	1.37
Weighted Average Interest Rate Spread	Percent	3.54	4.66	4.45	4.60	4.60	4.49
Book Net Worth (Per Share)	NPR	106.76	121.24	120.48	112.63	115.91	117.15
Number of Shares	Nos.	20,150,000	20,150,000	22,366,500	24,436,880	39,760,463	70,181,047
Number of Staff	Nos.	459	454	449	444	691	956
Number of Branches	Nos.	47	49	51	53	67	70

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.

During the year, the Bank has acquired NIDC Capital Markets Limited. The shareholders of NIDC Capital Markets Limited were issued 65 Shares of Sunrise Bank Limited for every 100 Shares of NIDC Capital Markets Limited held. The acquisition was endorsed by Special General Meeting held on 25th Poush 2073 (9th January 2017), followed by the approval of the Nepal Rastra Bank on 13th Magh 2073 (26th January 2017). The joint operation started along with integration of books of accounts from 28th Magh 2073 (10th February 2017).

The details of consolidated of books have been illustrated in notes to account note number 32.

2. SUBSIDIARY COMPANY

NCM Merchant Banking Ltd., a company established under the Companies Act of Nepal and running the merchant banking business, is the subsidiary of erstwhile NIDC Capital Markets Ltd., which has been acquired by Sunrise Bank Limited. With the acquisition, NCM Merchant Banking

Ltd. has automatically become subsidiary of Sunrise Bank Limited with 78.57% shareholding. Subsequent to acquisition its name has been changed to Sunrise Capital Limited. The books of account of the subsidiary have been consolidated as is warranted.

3. APPROVAL OF FINANCIAL STATEMENT

The accompanied financial statement for fiscal year 2073-74 (2016-17) has been approved by the Board of Directors in its meeting dated 14th September 2017 and further approved by NRB on 11th October 2017 for publishing for the purpose of presenting before the Shareholders' Annual General Meeting.

4. 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.

5. PRINCIPAL ACTIVITIES

The Bank is engaged in the business of commercial banking and other financial services including trade finance, remittance and other activities as permitted for the commercial banks under the Bank and Financial Institutions Act 2073 ("BAFIA"). These activities are being performed since the beginning in compliance with the statutory requirements as well as the directives issued by Nepal Rastra Bank.

The subsidiary company is engaged in the business of Merchant Banking.

6. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance Generally Accepted Accounting Principles ("GAAP"), Bank and Financial Institutions Act 2074 ("BAFIA") and other requirement of NRB Directives.

7. 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 has been in compliance with Local GAAP and prevailing banking practice. The financial statements are not NFRS compliant. However, for the purpose, as directed by NRB, the Bank has initiated conversion of the earlier financial statements, which is yet to be completed.

The preparation of financial statements 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 prepared and presented in accordance with the NRB Directives.

8. INTEREST INCOME RECOGNITION

■ As per Directive of Nepal Rastra Bank, bank has adopted policy of recognizing interest income on loans and advances on cash receipt basis. Interest income on loans and

advances accrued till mid july 2017 and realized in cash within 15 days of the end of fiscal year has been recognized as interest income, as permitted by NRB directives. Interest accrued on long-term project loans during the construction period as per initial approved terms of the credit and as per the approval of Nepal Rastra Bank, have been recognized as income by capitalizing into the principal loan amount.

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

9. COMMISSION& FEE INCOME

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

10. DIVIDEND INCOME

Dividend income on investment in equity shares of other companies is recognized when the right to receive dividend is established.

11. EXCHANGE FLUCTUATION 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 section 45 of BAFIA, 25% of such revaluation gain during the accounting year is transferred to "Exchange Fluctuation Reserve" through Profit and Loss Appropriation Account.

12. INTEREST EXPENSES

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

13. 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.

14. STAFF LOANS & ADVANCES

Loans and advances extended to staff in accordance with the Staff Rules of the Bank are shown under the Other Assets.

15. LOAN LOSS PROVISION

Provision for possible loan losses has been provided to cover the risks inherent in the Bank's loan portfolio. Provision for possible losses on loans, advances and bills purchased are made ranging from 1% to 100% in accordance with the classification of such risk assets as per the directives issued by Nepal Rastra Bank and also the Bank's own risk assessment.

16. LOAN WRITE OFF & RECOVERY

The Bank has the policy to write off the bad loans in accordance with its "Loan write off by laws" prepared as per the directive of and under the approval of Nepal Rastra Bank. Loan write off expenses and recoveries made from such written off loans in the subsequent period are recognized into income/(loss) as "Profit/(loss) from extraordinary activities" and exhibited in Schedule 4.28 of the financial statement.

Interest Suspense of the written off loan is removed from the book and separately recorded for future reference/recovery.

17. INVESTMENTS

The investments held by the Bank comprise of the following categories and are presented in Schedule 4.12 of the financial statement.

17.1. Held for Trading:

These are the marketable investment with the primary intention of resale over a short period of the time. These investments are initially measured at cost and subsequently recognized at the market value. Gains or losses arising from trading/revaluation are recognized in Profit & Loss Account (Income Statement).

17.2. Held to Maturity:

These investments are primarily intended to hold until the maturity and are stated at cost and carried at these values in the Balance Sheet until the maturity. Any impairment losses arising in such investments are provisioned and charged to the Profit and Loss Account (Income Statement).

17.3. Available for Sale

These are the investments held with the primary intention to recover value

of investments through sale rather than continuing to hold. These investments are initially measured at cost and subsequently recognized at market value, such investments are marked to market on annual basis any gains there in are transferred to investment adjustment reserve. While assessing the market value, consideration is given to the transaction activities in the stock exchange and conservative approach is adopted in order to avoid overstatement of the equity position. Accordingly, those investments which are not actively traded at the stock market are carried at cost and amount equivalent to at least 2% of such investments are earmarked on Investment Adjustment Reserve from the retained earnings in line with the requirement of NRB.

18. FIXED ASSETS

Fixed Assets are tangible items that are held for use in the production or supply of services, for rental to others, or for administrative purposes and are expected to use during more than one financial year.

Cost of an item of fixed assets is recognized as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The cost of an item of fixed assets comprises of purchase prices including taxes, custom duties and any costs that is directly attributable to bring the asset to the location and condition that is necessary for it to be capable or operating in the manner intended by the management. Costs incurred for dismantling / removal and for restoration of site are recognized as a part of the new item of the fixed assets. Cost of an item of an asset includes cost of an asset under construction and work-in-progress.

Any subsequent cost incurred for the fixed assets is recognized as an asset if it meets the recognition criteria. The cost that does not qualify as an asset is charged off in the Income Statement as repair and maintenance.

The carrying amount of an asset is derecognized at the time of disposal or when no future economic benefits are expected to flow from its use or disposal. The gain or loss rising from de-recognition of an item of fixed assets is included in profit or loss when the item is derecognized.

The carrying amount of the fixed assets is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Non-consumable items having life more than one year and/or costing less than NPR 5,000 are expensed off during the year of purchase.

The Bank consistently adopts cost model for entire class of its fixed assets.

19. DEPRECIATION ON FIXED ASSETS

Depreciation is the systematic allocation of depreciable amount of an asset over its useful life.

Each part of an item of fixed assets of the Bank which is identifiable separately is depreciated separately. The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

For simplicity, depreciation is charged from the next month it is made available for use. Depreciation of an asset ceases when it is derecognized at the time of its disposal.

Depreciation on following assets is charged to Profit and Loss Account on Diminishing Balance method at the rate estimated which are determined on the basis of the estimated useful life and the prevailing Income Tax Law.

ASSETS	RATE
Furniture & Fixture	15%
Computer & Accessories	20%
Office Equipments	15%
Vehicles	15%

Leasehold assets (improvements) are amortized over the period of lease using Straight Line Method.

Cost of software licenses and are amortized over a period of useful life of the software, estimated as 5 years from the date of acquisition.

20. STATIONERY STOCK

Stationery stocks are inventories in the form of materials or supplies held by the Bank to be consumed while rendering the services. The Bank does not hold any item of the inventory that is in the state which is not readily usable (i.e. raw material or semi-finished) for rendering the services or that for the selling purposes.

The stationeries are written down on an item by item basis, when the inventories are damaged or have become wholly or partially obsolete that affects the effective use while rendering services.

Stationeries are recorded at actual cost basis and charged to revenue at the time of its consumption.

21. NON BANKING ASSETS (NBA)

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 against the loan amount (principal and interest) or fair market value of the assets acquired. Provisions for NBA are made in full in accordance with the NRB Directives.

22. PROVIDENT FUND & GRATUITY

The Bank has retirement benefit namely provident fund and gratuity. Provision for gratuity has been determined as per the staff service rules of the Bank taking into consideration the proportion of service period completed by each eligible employee. Similarly, periodic contribution to the provident fund has been expensed off. Provident fund amount is being deposited with an approved retirement fund entity on monthly basis. Accumulated gratuity is accounted and exhibited under Schedule 4.7 (Other Liabilities).

23. STAFF LEAVE ENCASHMENT

Bank has the policy to book leave encashment expenses on accrual basis. Staff Leave encashment liability covers accumulated leave of all the eligible staffs.

24. STAFF BONUS

As required under Bonus Act, 2030, Staff Bonus has been provided at 10% of net profit before tax (but after bonus).

25. INCOME TAXES

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

26. BASIS OF INTEREST COMPUTATION

Interest Expenses on deposits/ borrowings and interest income on loan/investment in local currency are computed on the basis of 365 days in a year. Interest on foreign currency investment is computed on the basis of 365 days a year for GBP and 360 days for the USD, EUR & JPY.

27. 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.

28. CONSOLIDATION OF ACCOUNTS OF ACQUIRED ENTITY

The financial statements of NIDC Capital Markets Limited (NIDC) immediately before the date of acquisition 27th Magh 2073 (February 9, 2017) have been prepared and audited separately. The Assets and liabilities as appearing in its audited balance sheet have been consolidated at the book value into the books of the Bank as on the date of acquisition (28th Magh 2073 (February 10, 2017)). Profit & Loss Account of that entity has been prepared separately

as of the date and the balance after appropriating for staff bonus and tax, has been transferred to retained earnings.

Fixed Assets of acquired institution have been accounted for at book value; i.e. net of depreciation.

A brief financial statement (B/S and P/L Account) of the NIDC as of 27th Magh 2073 (09th February 2017) is provided in Schedule 4.33.

The shareholders of then NIDC have been issued fully paid up shares of bank calculated as per the purchase price at NPR 65/share. The surplus (NPR 81.75million) arising on account of the application of the above agreement has been routed through Capital Reserve Account.

29. 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.

NOTES TO ACCOUNT

Schedule 4.33

1. PAID-UP CAPITAL

Nepal Rastra Bank (the central bank) has issued a policy directives requiring "A" class commercial banks to enhance their paid up capital base to a minimum of NPR 8,000 million by the end of FY 2073-74 (2016-17). As of Ashad end 2074 (mid July 2017), the Paid-up Capital of the Bank stood at NPR 7,018 million. The Bank has proposed 15% stock dividend (bonus shares) by utilizing available retained earnings and capital reserve. Upon issuance of such shares, the paid up capital of the Bank would surpass the NPR 8,000 million requirement set by Nepal Rastra Bank.

Changes in share capital of banks during the fiscal year 2073/74(2016/17) are as follows;

PARTICULARS	AMOUNT (NPR)
Paid Up Capital as of	
01-04-2073	5,301,395,141
Add: From Acquisition of	
NIDC Capita Markets Ltd	151,816,860
Add:Additional	
30% Right Shares	1,564,892,700
Paid up Capital As Of 31-03-2074	
before bonus shares issue	7,018,104,701

Subsequent to acquisition of NIDC Capital markets Ltd., the Bank has issued 30% right share to the existing shareholders. Out of the total shares floated for subscription, 710,743 shares, (72,612 shares in Promoters category and 638,131 shares in general public category) remained unsubscribed. The Bank has published auction notice for sale of such unsubscribed shares on 12th September 2017. Auction process of those unsubscribed shares has been

set for completion by the end of Asoj 2074 (mid October 2017). Successful auctioning of these shares will further add to the paid up capital of the Bank by NPR 71,074,300.

The Paid up Capital of the Bank has been subscribed by promoters and general public in the proportion of 51.10 : 48.90 respectively.

2. STATUTORY GENERAL RESERVE

A sum of NPR 235,217,747 (PY 190,275,696) being 20% of the Profit after Tax has been appropriated to Statutory General Reserve as required under Section 44 of the Banks and Financial Institution Act, 2073 ("BAFIA"). General reserve of NPR 148,047,816 in the books of NIDC as on the date of acquisition has been capitalized accordingly. After the transfers the Statutory General Reserve of the Bank as at the end of the fiscal year stood at NPR 1,157,525,877.

3. INVESTMENT ADJUSTMENT RESERVE

The Bank has established a separate Investment Adjustment Reserve account as required under the Nepal Rastra Bank directives. During the year an additional amount of NPR 5,262,489 has been appropriated from Profit and Loss Appropriation Account to the Investment Adjustment Reserve Account.

As at the close of the financial year, the account has balance of NPR 150,129,847. Following are the explanations as to such transferring policy:

- The Bank has investment in various companies' listed shares amounting, at cost price, to NPR 140,669,736 the market value of these shares at

the close of the fiscal year comes to NPR 267,694,358. As required under Nepal Rastra Bank directives, the Bank has created Investment Adjustment Reserve at 2% of the market value of investment portfolio.

- Bank has not provided for Investment Adjustment Reserve on the following investments, although being categorized as "Available for Sale" since exempted by the NRB.
 - Nepal Clearing House Limited (NCHL) NPR 2.85million
 - National Banking Institute (NBI) NPR 1.20 million
 - Credit Information Center Ltd (CICL) NPR 0.20 million
- Similarly, 100% reserve has been created on investments in Nepal Electronic Payment System and Nepal Stock Exchange which are not listed in stock exchange even after one year from the date of investment.
- Sunrise Capital Ltd (then NCM Merchant Banking Ltd) was subsidiary of then NIDC Capital markets limited, which has automatically become subsidiary of the Bank after acquisition of NIDC Capital markets limited on 28th Magh 2073 (i.e. 10th February 2017). The investment of the Bank in the share capital of the subsidiary is NPR 78,570,000, including fresh rights issued during the year amounting to NPR 23,571,000. Since the investment period has not yet elapsed the grace period of one year, the Investment Adjustment Reserve has been created by only 2% amounting NPR 1,571,420.

- Investments in shares of Gorakhali Tyres, Birat Shoe, Butwal Spinning Mill, Jyoti Spinning Mill, Necon Air, Shreeram Sugar Mill and Subarna Pharmaceuticals have been fully provisioned since considered as not in operation and hence no Investment Adjustment Reserve has been created for those investments

Account wise details of individual companies' shares have been provided in Schedule 4.12.

4. EXCHANGE FLUCTUATION FUND

Sum of NPR 1,786,864 (Previous Year NPR 4,607,345) being 25% of the exchange fluctuation gain earned during the year from other than Indian currency has been appropriated to Exchange Fluctuation Fund as required under Section 45 of the Banks and Financial Institution Act, 2073 ("BAFIA"). After the transfer the balance in the fund balance stood at NPR 22,968,448.

5. OTHER RESERVES & FUNDS

Other Reserves and Fund amount NPR 191,622,253 includes the reserve created as deferred tax reserve in previous year, investment adjustment reserve including amount transferred from the merged institution NIDC Capital Markets Limited and investment adjustment reserve.

The details of the free reserve as of Ashad end 2074 stands as below.

PARTICULARS	AMOUNT (NPR)
Opening Balance of free reserve (Previously Deferred Tax Reserve)	14,033,894
Add: Balance Carried forwarded from NIDC Capital Limited	48,485,122
Less: Transfer to profit and loss appropriation	(32,787,497)
A. Balance of Other Free Reserve (Previously Deferred Tax Reserve)	29,731,519
Investment Adjustment Reserve Opening	197,478,864
Add: Appropriation of this year to Investment Adjustment reserve	5,262,489
Less: Reversal of Investment Adjustment on Account of market value movement.	(52,655,670)
B. Balance Investment adjustment reserve	150,129,847
C. Corporate Social Responsibility Fund (From FY 2073/74)	11,760,887
Total Other Reserves & Fund (A+B+C)	191,622,253

6. CORPORATE SOCIAL RESPONSIBILITY FUND

As per provision of clause 16 of NRB Directive 6 bank has allocated one percent of total profit NPR 11,760,887 through profit and loss appropriation and separately presented as Corporate Social Responsibility Fund under reserves and surplus. The fund allocated will be used for meeting obligation under corporate social responsibility activities of bank in coming fiscal year.

7. STAFF HOUSING FUND

As the Bank has provision for extending housing loans to the eligible staffs, a separate staff housing fund has not been created as prescribed by the Labour Act, 2048.

8. ACCUMULATED PROFIT & LOSS ACCOUNT

Net Profit is retained after appropriation to all other reserves as per the regulatory requirements. Such profit is free for distribution. As on the balance sheet date, the reserves stood as below:

PARTICULARS	AMOUNT (NPR)
Accumulated Profit& Loss Account at beginning of year	15,996,590
Profit Earned During The Year	1,176,088,732
Adjustment of the Share Capital	-
Profit of the Acquired Entity	24,484,654
Transferred from Capital Reserves & Share Premium	81,747,540
Transfer of excess free reserve over deferred tax assets	32,787,497
Total Profit Available for Appropriation	1,331,105,013
Less: Appropriations	
Transferred to General Reserve	235,217,747
Transferred to Exchange Fluctuation Fund	1,786,864
Transferred to Investment Adjustment Reserve	5,262,489
Proposed Bonus Shares (@15%)	1,063,376,850
Transferred to Corporate Social Responsibility Fund	11,760,887
Total Appropriation	1,317,404,837
Balance in Accumulated Profit & Loss	13,700,176

9. CHANGE IN DEPOSITS

The details of changes in deposits areas follows:

TYPE OF DEPOSIT	CURRENT YEAR (NPR)*	PREVIOUS YEAR (NPR)	CHANGE AMOUNT	PERCENTAGE
Local Currency	59,278,627,869	50,390,676,876	8,887,950,993	18%
- Non-Interest Bearing	3,003,552,496	2,408,775,918	594,776,578	25%
- Interest Bearing	56,275,075,373	47,981,900,958	8,293,174,415	17%
Foreign Currency	1,734,635,665	1,259,603,188	475,032,477	38%
- Non-Interest Bearing	147,861,116	123,509,919	24,351,197	20%
- Interest Bearing	1,586,774,549	1,136,093,269	450,681,280	40%
Total Deposits	61,013,263,534	51,650,280,064	9,362,983,470	18%

* Includes transfer from the acquired institution (NIDC).

10. INCOME TAX LIABILITIES

Provision for the taxation has been made on the basis of Income Tax Act, 2058 and amendments thereto. Any difference in the actual tax liability determined during the course of Income Tax Assessment will be adjusted in the year of assessment.

A sum of NPR 446,223,791 has been set aside this year (PY NPR 420,824,512) for the purpose.

11. 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. Gratuity provision of bank as of Ashad end 2074 (mid July 2017) stands at NPR 33,367,535. Detail of movement for gratuity provision balance during the fiscal year 2073/74 (2016/17) is given as below;

PARTICULARS	AMOUNT (NPR)
SrBL Gratuity Liability as of Ashad end 2073	26,289,642
Gratuity Provision (Along with equivalent Investment) Carried from acquired entity Narayani National Finance	11,009,182
Total Opening Balance of staff gratuity provision as of Ashad end 2073	37,298,824
Add: Additional Provision during the fiscal year	1,830,417
Add: Provision from Acquired Institution	6,342,878
Less: Paid from provision during the fiscal year	(4,586,422)
Total Gratuity Provision Balance	40,885,696
Less: Balance of Investment against gratuity liability at Citizen Investment Trust after payment (Carried forward from Narayani National Finance)	(7,518,161)
Net Provision Balance (Annex 4.7)	33,367,535

Investment of NPR 7,518,160 as of Ashad end 2074 against gratuity liability maintained by former Narayani National Finance Limited is netted with gratuity provision balance.

12. LEAVE ENCASHMENT FUND

Bank has accumulated balance of NPR 52,254,882 towards liability for leave encashment of the eligible staffs. A sum of NPR 13,129,961 has been added during the year. Apart from this, financials of NIDC shows the leave encashment liability of NPR 1,584,060 which has been transferred from the acquired institution in the books of accounts of bank.

13. UNCLAIMED DIVIDEND

The Bank has NPR 44,509,037 as unclaimed dividend as of Balance Sheet date. The year wise breakup of the dividend is as follows:

FINANCIAL YEAR	UNCLAIMED DIVIDEND
053-054	570
054-055	475
055-056	125,913
056-057	93,353
057-058	150,599
058-059	7,429
059-060	339
060-061	501
061-062	1,241
062-063	1,887
063-064	13,504
064-065	177,622
065-066	633,685
066-067	9,291,628
067-068	6,817,103
068-069	12,388,358
069-070	4,036,932
070-071	7,076,497
071-072	3,691,400
Total	44,509,037

Note: The figures are inclusive of unpaid dividends from both the acquired institutions viz., Narayani National Finance Ltd and NIDC Capital Markets Ltd.

14. OTHER LIABILITIES

Those liabilities which are not shown separately under the individual headings of Schedule 4.7 have been classified under this head. NPR 314,068,144 is the outstanding balance under this head as on fiscal year end. Expenses payable, Provision of Expenses, retention money and other Sundries are placed under this heads. This also include withhold taxes collected on behalf of other parties which was subsequently paid.

15. CONTINGENT INCOME TAX

Till the balance sheet date, the Bank's corporate tax liability up to income year 2065-66 has been cleared by the tax authority through "Tax Settlement Commission". Further, reassessment from Large Tax Payer Office (LTPO) has been completed up to income year 2069-70. Similarly, in regards of the merged institutions, assessment up to FY 2069-70 has been completed for Narayani National Finance Limited and assessment up to FY 2068-69 has been completed in case of NIDC Capital Markets Limited. However, the Bank has contested against the upward revision in tax liability as issued by LTPO in their reassessment order of fiscal year 2066/67, 2067/68 and 2068/69 in revenue tribunal. Total contested amount of NPR 12.52 million that include additional tax, interest surcharges and penalty, in respect of these three income years has been recognized as Contingent Liability and presented in Schedule 4.17 of Financial Statements.

16. INVESTMENTS

a. Held for Trading

These are the marketable investment with the primary intention of resale over a short period of the time. These investments are initially measured at cost and subsequently recognized at the market value. Gains or losses

arising from trading/revaluation are recognized in Profit & Loss Account (Income Statement).

As of balance sheet date the Bank has no investment primarily held for trading purpose.

b. Held Till Maturity

These investments are primarily intended to hold until the maturity and are stated at cost and carried at these values in the Balance Sheet until the maturity. Any impairment losses arising in such investments are provisioned and charged to the Profit and Loss Account (Income Statement).

The details of the investment held to maturity as of Ashad end 2074 has been as follows:

INVESTMENT	COST PRICE (NPR)	IMPAIRMENT	NET INVESTMENT	
			CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
Treasury Bills	1,368,215,700	-	1,368,215,700	680,928,998
- 91 Days	1,027,815,650	-	1,027,815,650	-
- 182 Days	-	-	-	198,695,650
- 362/364 Days	340,400,050	-	340,400,050	482,233,348
NRB Deposit Collection	293,275,000	-	293,275,000	-
NRB Bonds	-	-	-	1,630,350,000
Development Bond	4,013,800,000	-	4,013,800,000	3,114,625,000
Foreign Securities	103,150,000	-	103,150,000	-
Reverse Repo	-	-	-	-
Placements	3,351,058,099	-	3,351,058,099	2,612,082,722
TOTAL	9,129,498,799	-	9,129,498,799	8,037,986,720

c. Available for Sale

These are the investments held with the primary intention to recover value of investments through sale rather than continuing to hold. These investments are initially measured at cost and subsequently recognized at market value, such investments are marked to market on annual basis any gains there in are transferred to

investment adjustment reserve and losses are recognized in profit and loss account. Gains or losses on disposal of such investments are recognized in Profit and Loss accounts.

The investments details have been listed in Schedule 12(A) of the Financials Statement.

17. LOANS & ADVANCES

The total Loans and Advances stood at NPR 51,739 million as on balance sheet date. Out of total loans and advances, 1.37% of the loan has been classified as non-performing loans. The required provisioning has been made as per the NRB directives.

Non-performing loan and advance amounting NPR 45,048,142 of former NIDC Capital Markets Limited was

erroneously presented as Non-Banking Assets in their Audited Financial Statement dated 27th Magh 2073 (February 9, 2017). For the preparation of this Financial Statement those balances are brought down as loans and those loans been written off considering non-performing loans and advances on the financial statement.

18. STATIONERY STOCK

The details of inventories of the Bank presented in Schedule 4.16 (Other Assets) are the stationary of the printing and stationery, ATM Card Stock and gift items that has been leftover which was initially proposed to be provided to the child whose Bal Bachat account to be opened with the Bank.

19. INTEREST RECEIVABLE ON LOANS

As at balance sheet date, the Bank's total accrued interest (receivable) on loan stood at NPR 638,158,870 as presented in the financial statements under Schedule 4.16 (Other Assets). These comprise of interest on loans, advances and bills purchased that have accrued but not yet realized in cash as at balance sheet date. The portion of interest that has not yet fallen due stood at NPR 109,261,252 while those that are under overdue status stood at NPR 528,897,618. These interests are suspended for recognition. However, the amount of NPR 81,976,626 which have been collected subsequently up to 15th of Shrawan 2074 (July 30, 2017) have been recognized as permitted under NRB directives

20. INCOME RECEIVABLE ON INVESTMENTS

The details of inventories of the Bank presented in Schedule 4.16 (Other Assets) have been as follows:

21. 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, contingency loan and regular advances. Such advances are settled within the time limit framed by the financial rules of the Bank. The detail of staff loans presented in financial statements

under Schedule 4.16 "Other Assets" has been as follows:

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
Staff Home Loan Facilities	219,423,327	159,835,444
Staff Vehicle Loan	23,064,318	17,555,858
Staff Contingency Loan	54,529,579	42,777,154
Staff Advance	26,282,212	15,425,362
Total Staff Loans & Advances	323,299,436	235,593,817

22. PREPAYMENTS

The details of prepayments presented in Schedule 4.16 "Other Assets" is as follows:

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
Insurance Premium Pre Paid	3,786,376	3,256,613
Rent paid on Advance	4,754,510	3,426,339
Fees paid on Advance	6,052,452	926,671
Others Prepaid (AMC of ATM, NEPS, Software etc)	21,020,565	7,465,364
Total Prepayments	35,613,903	15,074,987

23. EXPENSES TO BE WRITTEN OFF

This includes the un-amortized amount of software. The detail of the same presented in Schedule 4.16 has been as follows:

PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
Core Banking Software	47,197,587	496,382
Other Software	11,336,383	5,396,447
Premium on Development Bonds	3,888,188	-
Total	62422158	5,892,829

24. DEFERRED TAX ASSETS

With reference to Nepal Accounting Standard-9 "Accounting for Income Taxes", an amount of NPR 29,731,519 has been created as Deferred Tax Assets as on Balance Sheet date. The vehicles purchased under "Own Your Vehicle Scheme" haven't been considered as the taxable assets and the depreciation of the said assets is considered as permanent difference. Accordingly, the depreciation on the said assets hasn't affected the Deferred Tax Calculation. Details of Deferred Tax assets are as follows:

PARTICULARS	TAX BASE (NPR)	LEDGER BASE (NPR)	DIFFERENCE (NPR)	DTA/DTL
Provision for Gratuity	-	33,367,535	33,367,535	DTA
Provision for Leave Encashment	-	52,254,882	52,254,882	DTA
Deferred loss of NIDC capital	12,981,306	-	12,981,306	DTA
Fixed Assets	435,974,025	439,360,875	(3,386,850)	DTL
Premium on Foreign Bond	-	3,888,188	3,888,188	DTA
Total Temporary Differences			99,105,061	
Deferred Tax Assets of Srbl			29,731,519	

*DTL refers to Deferred Tax Liabilities & DTA refers to Deferred Tax Assets

25. ADVANCE INCOME TAX

As per the requirement of Section 94 Income Tax Act, 2058, bank has paid its income tax liability in installments as advance. The advance tax has been netted off with the actual liability provided for the current year. Advance tax balance as on Ashad end 2074 stands NPR 164,593,723 which includes advance tax NPR 17,926,690 transferred from acquired entity NIDC Capital markets limited.

26. INTEREST INCOME ON LOAN & ADVANCES

Interest income on loans and advance includes Interest capitalization on long term loans during the year NPR 37,451,456 which has been recognized as interest income after obtaining approval from NRB.

27. INTEREST SPREAD

NRB directives requires the Bank to maintain the interest spread between average interest yield of loan & investment with interest expenses paid on deposits/borrowings within 5%. The average spread maintained by the Bank is within the limit prescribed by NRB, as given below;

PARTICULARS	CURRENT YEAR %	PREVIOUS YEAR %
Average Yield on Loans,		
Advances & Investments	10.12%	8.67%
Average Cost of Deposits	5.63%	4.25%
Net Interest Spread	4.49%	4.42%

28. INCOME FROM NON DELEVERABLE FORWARD (NDF)

The Bank has recognized premium on NDF transaction as foreign exchange income. During the current fiscal year bank has net earning against the NDF proprietary transactions amounting NPR 47.36 million. The exposure is within the threshold ceiling prescribed by Nepal Rastra Bank.

29. EMPLOYEE TRAINING EXPENSES

Unified NRB Directives requires banks and financial institution to incur expenses of at least 3% of total staff expenses of immediate past year on staff training and development. Bank has complied with the provision of NRB Directives by incurring expenses of 3.53% of total employee expenses.

Details have been given as under.

PARTICULARS	AMOUNT (NPR)
Total Employee Expenses as of Fiscal Year 2072/73	355,632,989
Total Staff Expenses of Fiscal Year 2073/74	
Eligible as per NRB Directives	12,565,066
Percentage of Staff Training Expenses (Calculated as per NRB Directives)	3.53%

30. DIVIDEND

The Board of Directors has recommended 15% bonus shares (stock dividend) for the fiscal year. This is subject to approval by the Shareholders' Annual General Meeting.

In view of the already announced auctioning of unsubscribed rights shares (refer Note to Accounts 1 above) amounting to NPR 71,074,300 which is scheduled for allotment before the date of book closure for AGM, the dividend will also become payable on such shares as well. Accordingly, a total amount of NPR 1,063,376,850 being 15% on expanded share capital included above has been appropriated.

The Bonus share has been proposed using NPR 81,747,540 booked under Capital Reserve, NPR 32,787,497 from Free Reserve and NPR 948,841,813 from distributable Profit of the Bank available as of Ashad end 2074.

The proposed Stock Dividend has been shown under Share Capital in the Balance sheet as required under NRB prescribed format.

Under Section 47A of Income Tax Act, 2058, subsequent to a merger/acquisition, dividend tax is exempted up to 2 years in the hands of the then existing shareholders. Accordingly no withholding dividend tax has been accounted for on the proposed bonus shares (stock dividend). However, dividend tax is applicable in the hands of shareholders who have purchased shares subsequent to the date of acquisition/merger. Arrangement will be made to collect applicable tax from such ineligible shareholders at the time of issuance of bonus shares.

31. TRANSACTION WITH RELATED PARTIES

■ Transaction with Board of Director:

During the year bank has expensed NPR 2,004,000 on board meeting fees and NPR 760,000 for committee meeting fees to directors.

■ Transaction with key Management

Personnel: Bank has provided salary, allowances and other benefits as below to key personnel during the fiscal year 2073/74, which includes management team of Chief Manager and above.

PARTICULARS	AMOUNT (NPR)
Salary, allowances and	
Leave Encashment	30,772,504.68
Provided Fund Contribution	1,773,281.97
Bonus	6,600,942.96
Welfare	5,342,193.85
Insurance	288,518.35
Total	44,777,441.81
Equity based payments	No
Other retirement benefits	No

Bank has provided home loan, vehicle facility, fuel, insurance and tax as per the staff policy of bank in addition to above benefits.

■ **Transaction with Subsidiary Company:** Bank has held investment of 78.58% in sunrise capital hence sunrise bank is holding company of the Sunrise Capital. Details of transaction with sunrise capital till the end of Ashad end is as follows.

DETAILS OF TRANSACTION	AMOUNT (NPR)	REMARKS
Share held	78,570,000	Bank has investment is 785,700 shares investment in sunrise capital limited including right shares of 235,710 invested during the fiscal year 2073/74.
Deposit liabilities	118,118,451	Deposit of Sunrise Bank includes maintained by Sunrise Capital.
Interest Expenses	5,824,451	Interest Expenses paid to sunrise capital pre-merger NPR 1,102,336 and post-merger NPR 4,722,115.
Non-Operating Income	1,650,000	Rent Received from Sunrise Capital
Share Registrar fee	860,403	Fee Paid to Sunrise Capital as Registrar to Shares
Other Liability	2,241,528	Payable to Sunrise Capital against CDS, Dematerialization, Registrar to Shares and Bonus Shares

Sunrise bank has deputed 10 staffs at Sunrise Capital, regarding salary and benefits to them salary and benefits is paid as per the decision of Sunrise Capital only. In case of "lower" emoluments than those prevailing in Sunrise Bank as per their positions, the shortfall is made good by the Bank. Similarly, as a staff member of Sunrise Bank, any facility which is not offered by Sunrise Capital e.g., vehicle loan, are provided through the parent company.

- Bank has invested NPR 19.86 million in the shares of Gurans Life Insurance Ltd (208,334 shares of NPR 100 each which includes 9,750 bonus shares received in FY 2069/70). Bank hasn't earned income from such investments and hasn't invested any additional amount during the year.

32. ADDITION FROM THE ACQUISITION

The Balance Sheet and Profit & Loss Account of the NIDC Capital Markets Ltd on Acquisition date (09-02-2017) 27-10-2073 is as follows:

Balance Sheet of NIDC Capital Markets Limited As of 27-10-2073 (February 09, 2017)

CAPITAL & LIABILITY	BALANCE
1. Share Capital	233,564,400
2. Reserves and Funds	221,061,755
3. Debentures & Bonds	-
4. Borrowings	-
5. Deposit Liabilities	784,015,303
6. Bills Payable	-
7. Proposed Dividend	-
8. Income Tax Liabilities (Net)	-
9. Other Liabilities	87,273,756
Total Capital & Liabilities	1,325,915,214

ASSETS	BALANCE
1. Cash Balance	1,717,870
2. Balance with Nepal Rastra Bank	185,134,027
3. Balance with Banks/Financial Institutions	2,400,065
4. Money at Call and Short Notice	328,241,803
5. Investments	65,656,902
6. Loans, Advances & Bills Purchased (Net)	646,256,845
7. Fixed Assets (Net)	41,744,624
8. Non-Banking Assets (Net)	-
9. Other Assets	54,763,078
Total Assets	1,325,915,214

Profit & Loss Account of NIDC Capital Markets Limited For period ended 01-04-2072 to 27-10-2073 (July 16, 2016 to Feb 9, 2017)

PARTICULARS	NPR
1. Interest Income	61,292,695
2. Interest Expenses	30,843,215
Net Interest Income	30,449,480
3. Commission & Discount	6,851
4. Other Operating Incomes	3,103,933
5. Exchange Fluctuation Income	-
Total Operating Income	33,560,264
6. Staff Expenses	8,198,529
7. Other Operating Expenses	8,006,117
8. Exchange Fluctuation Loss	-
Operating Profit Before Provision for Possible Loss	17,355,618
9. Provision for Possible Losses	3,605,433
Operating Profit	13,750,185
10. Non - Operating Income/Expenses	23,376,991
11. Loan Loss Provision Written Back	29,074,515
Profit from Regular Activities	66,201,691
12. Income/Expense from Extra-Ordinary Activities	(1,967,240)
Profit from All Activities	64,234,451
13. Provision for Staff Bonus	5,839,496
14. Provision for Tax Expense	20,742,765
Current Year	2,804,608
Previous Year	4,442,817
Deferred Tax	13,495,340
Net Profit/(Loss)	37,652,190

33. STATEMENT OF LIQUIDITY RISK ANALYSIS

The classification of the assets and liability for the purpose of Liquidity stands as:

Amount in Thousand

PARTICULARS	1-90 DAYS	91-180 DAYS	181-270 DAYS	271-365 DAYS	OVER 1 YEAR	TOTAL AMOUNT
1 Cash Balance	1,473					1,473
2 Balance With Banks & Fis	7,723					7,723
3 Investment In Foreign Banks	361					361
4 Call Money						-
5 Government Securities	464	345			4,867	5,675
6 Nepal Rastra Bank Bonds						-
7 Inter Bank & FI Lending	2,552	387	309	103		3,351
8 Loans & Advances	12,146	7,077	5,064	5,597	21,856	51,739
9 Interest Receivable	686					686
10 Reverse Repo						-
11 Receivables From Other Institutions Under Commitment					-	
12 Payment To Be Made For Facilities Under S.no 20,21 & 22	5,204	271	-	57	14,011	19,542
13 Others	0	0	0	17	3,037	3,055
Total Assets (A)	30,607	8,079	5,374	5,774	43,771	93,605
Liabilities						
14 Current Deposits	2,742				409	3,151
15 Saving Deposits	9,090				12,894	21,984
16 Fixed Deposits	9,917	7,188	6,744	4,977	7,053	35,878
17 Debentures						-
18 Borrowings:	-	-	-	-	-	-
(A) Call/Short Notice						-
(B) Inter-Bank/Financial Institutions						-
(C) Refinance						-
(D) Others						-
19 Other Liabilities And Provisions	3,051	22	164	279	246	3,762
(A) Sundry Creditors	3					3
(B) Bills Payable	13					13
(C) Interest Payable	150					150
(D) Provisions	558	22	164	279	246	1,269
(E) Others	2,328					2,328
20 Payable To Other Institutions Under Commitment						-
21 Unused Approved Facilities	3,412					3,412
22 Letter Of Credit/Guarantee (Net Of Margin)	5,821	2,598	1,497	1,677	4,537	16,130
23 Repo						-
24 Payment To Be Made For Facilities Under S.no 11						-
25 Others					9,287	9,287
Total Liabilities (B)	34,033	9,807	8,405	6,933	34,427	93,605
Net Financial Assets (A-B)	(3,426)	(1,728)	(3,031)	(1,159)	9,344	-
Cumulative Net Financial Assets	(3,426)	(5,154)	(8,185)	(9,344)	-	-

34. FIXED ASSETS REGROUPING

Fixed Assets carried from former Narayani National Finance Limited has been incorporated into financial statement for the fiscal year 2073/74 at written down value. Group of fixed assets has been re-classified as below to match with fixed assets categorization of Sunrise Bank under Schedule-14.

PARTICULARS	AMOUNT (NPR)	REMARKS
Office Equipment	2,606,984	Transferred from FA other
Vehicle	6,790	Transferred from FA other
Other Fixed Assets	(3,065,030)	Transferred to Office, Equipment, lease hold and Vehicle
Lease Hold Assets	451,256	Transferred from other Fixed Assets
Total	NIL	

35. PREVIOUS YEAR FIGURES

Previous period's figures are re-grouped or re-arranged wherever necessary to facilitate comparison with current year's figures. Previous year figures represent the Sunrise Bank only. Previous year's figure of NIDC, the acquired institution, has not been incorporated on financial statement. The current Assets/ Liabilities figures are adjusted with

the balances transferred from NIDC on acquisition. Current Year Cash Flow Statement figures include the balances transferred from NIDC on 27-10-2073, which has been considered for calculation of increase/decrease in the respective head. Fixed Assets cash flow statement of NIDC Capital Markets Limited has been regrouped as per categorization of Sunrise Bank Limited for presentation.

BASEL DISCLOSURES

36. CAPITAL STRUCTURE & CAPITAL ADEQUACY OF THE BANK

i. Core Capital

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

PARTICULARS	AMOUNT (IN NPR 000)
a. Paid up capital	7,018,105
b. Share Premium / Capital Reserve	-
c. Proposed Bonus Shares	1,063,377
d. Statutory General Reserve	1,157,526
e. Retained Earnings	13,700
f. Un-audited Current Year Cumulative Profit	-
g. Other Free Reserves	29,732
h. Less: Deferred Tax Assets	(29,732)
i. Less : Other Deductions	(134,934)
Core (Tier-1) Capital	9,117,774

ii. Supplementary Capital

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

PARTICULARS	AMOUNT (IN NPR 000)
a. General Loan Loss Provision	563,840
b. Exchange Equalization Reserve	22,968
c. Investment Adjustment Reserve	150,130
Supplementary (Tier-2) Capital	736,938

iii. Details of Subordinated Term Debts

Bank doesn't have any subordinated term debts.

iv. Deductions from Capital

- Deferred Tax Assets of NPR 29.73 million.
- Investment made in Gurans Life Insurance Company Limited of NPR 19.86 million (i.e. related party) and investment in sunrise capital NPR 78.57 million.
- NPR 32.61 million for land and building not in use by bank that includes land purchased at Bharatpur, Chitwan not brought to use NPR 25.75 million and proportionate WDV of buildings not used by bank and rented out to other parties NPR 6.86 million.
- Fictitious Assets of NPR 3.89 million.

v. Total Qualifying Capital

The total capital of the Bank stands as:

PARTICULARS	AMOUNT (IN NPR 000)
a. Core Capital	9,117,774
b. Supplementary	736,938
Total Capital	9,854,712

vi. Capital Adequacy of the Bank

The capital adequacy of the Bank has been detailed below:

PARTICULARS	PERCENTAGE
a. Core Capital Adequacy Ratio	13.39%
b. Supplementary Capital Adequacy ratio	1.08%
Capital Adequacy Ration	14.47%

vii. 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 7.018 billion, including 48.59% 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 Bank has the plan of increasing the capital to NPR 8 billion by the end of Ashad 2074 to comply with NRB directives. The overall strategy of the Bank has been formulated with the special consideration to the capital adequacy requirement according to BASEL- II & BASEL-III.

viii. 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.

37. RISK EXPOSURES

a. 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 makes a comprehensive assessment of risks, the process has, at minimum, addressed the forms of risks covered below:

PARTICULARS	RISK (IN NPR 000)
a. Risk Weighted Exposure for Credit Risk	628,783,74
b. Risk Weighted Exposure for Operatuinal Risk	2,552,530
c. Risk Weighted Exposure for Market Risk	81,250
Rwa Before Pillar 2 adjustment	65,512,154

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.

b. Credit Risk under 11 Categories

The Credit Risks under the 11 categories as per the Capital Adequacy Framework, 2015 and Basel -III has been detailed below:

Risk Classification	Net Book Value (In NPR 000)	Risk (In NPR 000)
a. Claims on Govt. and Central Bank	14,780,165	-
b. Laims on other Financial Entities	-	-
c. Claims on banks	4,041,731	1,125,750
d. Claims on Corporate and securities firm	21,066,671	21,066,671
e. Claims on Regulatory Retail Portfolio	15,822,767	11,867,075
f. Claims secured by residential Properties	6,873,665	4,147,137
g. Claim secured by Commercial Real state	2,924,880	2,924,880
h. Past due Claim	399,184	598,776
i. High Risk Claims	37,29,533	5,524,429
j. Other Asset	1,214,605	1,214,605
k. Off balance sheet items	28,641,826	14,409,051
Total	99,495,027	62,878,374

c. Total Risk Weighted Exposure Calculation Table

The detailed calculation of RWA is listed below:

PARTICULARS	RISK (IN NPR 000)
a. Risk Weighted Exposure for credit risk	62,878,374
b. Risk Weighted Exposure for Operational Risk	2,552,530
c. Risk Weighted Exposure for Market Risk	81,250
d. Adjustment under Pillar II	-
e. Add: 1% of the NII to RWA for ALM Policy and Practice	15,036
f. 3% additional risk weight for operational Risk	619,811
g. 3%adjustment on total RWE	1,965,365
Total Risk Weighted Exposure	68,112,366

38. DETAIL OF NON PERFORMING LOANS

During the year the non-performing loans increased by 0.15%. The detail of the loans has been classified below:

Particulars	Gross Value (In NPR 000)	Net Value (In NPR 000)
Restructured Loans	-	-
Sub-Standard Loans	63,495	47,621
Sub-Standard Loans	326,635	163,317
Doubtful Loans	319,110	-
Total NPA	709,240	210,939

39. RATIO OF NON PERFORMING LOANS

PARTICULARS	PERCENTAGE
Gross NPA	1.37%
Net NPA	0.41%

40. MOVEMENT OF NON-PERFORMING ASSETS (GROSS)

During the year Non-Performing Accounts (NPA) increased by 32.85%.

PARTICULARS	NPA (NPR 000)
Current Year	709,240
Previous Year	533,846
Charge	175,394
Change%	32.85%

41. WRITE OFF OF LOANS & INTEREST EXPENSES

During the year loan amounting NPR 85,025,124 carried forwarded from NIDC capital markets Ltd were written off. Details are presented under Annex 4.28A.

42. 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 000)
Movement of Loan Loss Provision	181,723
Movement of interest Suspense	157,175

43. DETAILS OF ADDITIONAL LOAN LOSS PROVISIONS:

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

44. SEGREGATION OF INVESTMENT PORTFOLIO INTO HELD FOR TRADING, HELD TO MATURITY AND AVAILABLE FOR SALE CATEGORY:

INVESTMENT	AMOUNT (NPR 000)
Held For Trading	-
Held Till Maturity	9,129,499
Available For Sale	424,076
Total Investment	9,553,575

45. RISK MANAGEMENT FUNCTION

a. 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

i. 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.

ii. 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.

iii. Comprehensive assessment of risks

All material risks faced by the Bank

have 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.

iv. 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.

v. Internal Control Review

The internal control structure of the Bank is essential for sound capital assessment process. Effective control of the capital assessment process includes an independent review and involvement of both internal as well as external audits wherever appropriate. The Bank is committed conduct the regular review of its risk management process to ensure its integrity, accuracy, and reasonableness. The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, Management and Internal Audit.

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

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

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

CREDIT RISK MITIGANTS	AMOUNT (NPR 000)
1. Deposit with Bank	383,126
2. Deposits with other banks/FI	-
3. Gold	389,958
4. Govt. & NRB Securities	-
Total Credit Risk Mitigants	773,084

Statement Of Loans And Advances Extended To Promotor/Group Of Promoters Against Promoters Shares

As on 31st Ashad 2074 (15th July 2017)

Schedule 4.34

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	
ANITA GOEL	116,014	0.17%	NMB Bank	13,462,550	116,014	NMB Bank
BHUSHAN GURAGAIN	166,032	0.24%	PRABHU BANK LIMITED	15,128,261	166,032	PRABHU BANK LIMITED
GYANENDRA SHARMA	195,741	0.28%	CENTURY COMMERCIAL BANK	18,840,071	195,741	CENTURY COMMERCIAL BANK
HARI PRASAD	81,556	0.12%	JYOTI BIKASH BANK	20,983,543	81,556	JYOTI BIKASH BANK
JAMUNA POUDYAL			CENTURY COMMERCIAL BANK	10,000,000	231,222	CENTURY COMMERCIAL BANK
JAMUNA POUDYAL	308,295	0.44%	NIC ASIA Bank Ltd.	10,042,600	33,471	NIC ASIA Bank Ltd.
Kailash Goyal	1,877,165	2.67%	Himalayan Bank Ltd.	160,000,000	938,537	Himalayan Bank Ltd.
KISHOR BANSKOTA	14,750	0.02%	MANJUSHREE FINANCIAL	1,341,000	11,063	MANJUSHREE FINANCIAL
LOBSANG NEPALI	255,199	0.36%	ICFC FINANCE LIMITED	60,294,600	186,955	ICFC FINANCE LIMITED
MADAN JOSHI	50,416	0.07%	NABIL BANK LIMITED	9,792,000	50,264	NABIL BANK LIMITED
Nirajan Khetan	326,235	0.46%	CENTURY COMMERCIAL BANK	41,000,000	196,437	CENTURY COMMERCIAL BANK
NIRMAL PRADHAN	56,598	0.08%	SIDDHARTHA BANK LIMITED	12,152,000	42,449	SIDDHARTHA BANK LIMITED
PAWAN KUMAR SARDA	209,718	0.30%	Machhapuchhre Bank Limited	10,000,000	100,000	Machhapuchhre Bank Limited
PRAMOD KHETAN			NMB BANK	195,546	73,360	NMB BANK
PRAMOD KHETAN	203,897	0.44%	BANK OF KATHMANDU LTD	392,300,000	81,478	BANK OF KATHMANDU LTD
PRAMOD KHETAN			CENTURY COMMERCIAL BANK	1,032	27,156	CENTURY COMMERCIAL BANK
PUSPA SHRESTHA	21,945	0.03%	PRABHU BANK LIMITED	3,291,800	21,944	PRABHU BANK LIMITED
SAURAV GURAGAIN	165,431	0.24%	PRABHU BANK LIMITED	15,072,005	165,431	PRABHU BANK LIMITED
Shrikrishna Giri	38,452	0.05%	CENTURY COMMERCIAL BANK	4,703,367	38,452	CENTURY COMMERCIAL BANK
SHYAM KHETAN	122,337	0.17%	NEPAL BANGLADESH BANK LIMITED	20,920	122,337	NEPAL BANGLADESH BANK LIMITED
SRINIVAS SARDA	529,561	0.75%	Machhapuchhre Bank Limited	25,000,000	250,000	Machhapuchhre Bank Limited
Subhash Khetan	32,396	0.05%	Nepal Bangladesh Bank Ltd.	2,779,900	23,129	Nepal Bangladesh Bank Ltd.
SUBHASH KHETAN	13,526	0.02%	NEPAL BANGLADESH BANK LIMITED	1,014,500	10,145	NEPAL BANGLADESH BANK LIMITED
Sukunda Pradhan	107,050	0.15%	EVEREST BANK LIMITED	7,178,000	30,000	EVEREST BANK LIMITED
Total	4,892,314		-	834,593,695	3,193,173	

Comparison Of Unaudited & Audited Financial Statements

As of FY 2073/74 (2016/17)

Schedule 4.35

Amount in NPR Thousand

PARTICULARS	AS PER UNAUDITED FINANCIAL STATEMENTS		AS PER AUDITED FINANCIAL STATEMENTS		VARIANCE		REASON OF VARIANCE
	IN AMOUNT	IN PERCENTAGE	IN AMOUNT	IN PERCENTAGE	IN AMOUNT	IN PERCENTAGE	
1. Total Capital & Liabilities (1.1 to 1.7)	72,993,747		72,679,274		(314,473)	-0.43%	
1.1 Paid-up Capital	7,017,698		8,081,482		1,063,784	15.16%	Due to proposed bonus share & Adjustment of applied right share, after reconciliation
1.2 Reserves and Surplus	2,315,074		1,385,817		(929,257)	-40.14%	Due to proposal of stock dividend, creation of investment adjustment reserve and change in change in figure of profit & loss
1.3 Debenture and Bond	-		-		-		
1.4 Borrowings	-		-		-		
1.5 Deposits (a+b)	61,013,264		61,013,264		-	0.00%	
a. Domestic Currency	59,278,628		59,278,628		-	0.00%	
b. Foreign Currency	1,734,636		1,734,636		-	0.00%	
1.6 Income Tax Liabilities	465,742		-		(465,742)	-100%	Advance tax adjustment
1.7 Other Liabilities	2,181,969		2,198,711		16,742	0.77%	Re-classification of other assets & Liabilities,
2. Total Assets (2.1 To 2.7)	72,993,747		72,679,274		(314,473)	-0.43%	
2.1 Cash & Bank Balance	9,556,959		9,557,178		219	0.00%	Adjustment of pending Income on bank reconciliation
2.2 Money at call and short Notice	-		-		-		
2.3 Investments	9,428,701		9,553,575		124,874	1.32%	Creation of investment adjustment reserve for appreciation of market price than cost, reclassification of advance for investment to other assets
2.4 Loans & Advances (a+b+c+d+e+f) (Gross)	51,730,919		51,739,385		8,466	0.02%	Reclassification of Credit Card facility amount to Loan
a. Real Estate Loan	3,703,270		3,703,270		-	0.00%	
1. Residential Real Estate Loan (Except Personal Home Loan upto NPR 10 mil)	609,721		609,721		-	0.00%	
2. Business Complex & Residential Apartment Construction Loan	1,024,272		1,024,272		-	0.00%	
3. Income generating Commercial Complex Loan	-		-		-		
4. Other Real Estate Loan (Including Land Purchase & Plotting)	2,069,277		2,069,277		-	0.00%	

Contd... Comparison Of Unaudited & Audited Financial Statements

Contd... Comparison Of Unaudited & Audited Financial Statements

PARTICULARS	AS PER UNAUDITED FINANCIAL STATEMENTS		AS PER AUDITED FINANCIAL STATEMENTS		VARIANCE IN PERCENTAGE		REASON OF VARIANCE
					IN AMOUNT	IN PERCENTAGE	
b. Personal Home Loan of NPR 10 mil or less	6,703,096	6,703,096	-	0.00%			
c. Margin Type Loan	2,469,807	2,469,807	-	0.00%			
d. Term Loan	6,002,252	6,002,252	-	0.00%			
e. Overdraft Loan / TR Loan / WC Loan	19,186,384	19,186,384	-	0.00%			
f. Others	13,666,110	13,674,576	8,466	0.06%			Reclassification of credit card receivable balance from other Assets to Loans
2.5 Fixed Assets	534,389	534,389	-	0.00%			
2.6 Non Banking Assets (Net)	161,448	161,448	-				
2.7 Other Assets	1,581,331	1,133,300	(448,031)	-28.33%			Re-classification of other assets & Liabilities
3. Profit & Loss Account							
3.1 Interest Income	5,306,151	5,306,156	5	0.00%			Adjustment of income as per bank reconciliation
3.2 Interest Expense	3,113,433	3,113,433	-	0.00%			
A. Net Interest Income (3.1-3.2)	2,192,718	2,192,723	5	0.00%			
3.3 Fees Commission and Discount	210,414	210,471	57	0.03%			Commission Income of LC booked and reclassification of Rental Income to Non-Operating Income
3.4 Other Operating Income	329,558	329,558	-	0.00%			
3.5 Foreign Exchange Gain/Loss (Net)	130,140	130,140	-	0.00%			
B. Total Operating Income (A+3.3+3.4+3.5)	2,862,830	2,862,892	62	0.00%			Adjustments of above
3.6 Staff Expenses	451,220	451,220	-	0.00%			
3.7 Other Operating Expenses	546,751	545,928	(823)	-0.15%			Adjustment of expenses as per actual bill and prepaid for next year
C. Operating profit Before Provision (B-3.6-3.7)	1,864,859	1,865,744	885	0.05%			
3.8 Provision for Possible Loss	271,515	281,591	10,076	3.71%			Increase in Provision of Loan Loss, Investment and other assets
D Operating profit (C-3.8)	1,593,344	1,584,153	(9,191)	-0.58%			
3.9 Non Operating Income/Expenses (Net)	30,811	32,222	1,411	4.58%			Rental Income reclassified
3.10 Write Back of Provision for Possible Loss	194,699	279,724	85,025	43.67%			Loan from acquired NIDC written off & Provision written back
E Profit From Regular Activities (D+3.9+3.10)	1,818,854	1,896,099	77,245	4.25%			
3.11 Extraordinary Income/Expenses (Net)	-	(85,528)	(85,528)				Loan from acquired NIDC written off & Software of acquired institution written off

Contd... Comparison Of Unaudited & Audited Financial Statements

PARTICULARS	AS PER UNAUDITED FINANCIAL STATEMENTS		AS PER AUDITED FINANCIAL STATEMENTS		VARIANCE IN AMOUNT IN PERCENTAGE		REASON OF VARIANCE
F . Profit Before Bonus and Taxes (E+3.11)	1,818,854		1,810,571		(8,283)	-0.46%	
3.12 Provision For Staff Bonus	165,350		164,597		(753)	-0.46%	Effect of Above
3.13 Provision For Tax	484,509		469,884		(14,625)	-3.02%	Changes in provision for Income Tax , Expenses provisioned for assessment order received from LTPO & Effect of Above
G Net Profit/Loss (F-3.12 -3.13)	1,168,995		1,176,090		7,095	0.61%	Adjustment of Deferred Tax and above issues
4. Ratios							
4.1 Capital Fund to RWA	15.20%		14.47%			-0.73%	Classification of Risk Weighted Assets on Long term loan commitments Increase in investment adjustment reserve and changes in net profit
4.2 Non Performing Loan (NPL) to Total Loan	1.37%		1.37%			0.00%	n
4.3 Total Loan Loss Provision to total NPL	148.33%		149.76%			1.43%	Increase in LLP
4.4 Cost of Funds	6.00%		6.00%			0.00%	
4.5 CD Ratio (Calculated as per NRB Directives)	75.54%		75.65%			0.11%	Reclassification of Credit card to loans
4.6 Base Rate	11.19%		11.19%			0.00%	
4.7 Interest Spread (as per NRB Circular)	4.27%		4.27%			0.00%	
Additional Information (Optional)							
Average Yield (Local Currency)	10.01%		10.01%			0.00%	
Return on Equity	12.53%		12.51%			-0.02%	Changes in net profit due to change in income tax provision and other effects of above adjustments
Return on Assets	1.60%		1.61%			0.01%	Changes in net profit due to change in income tax provision and other effects of above adjustments

Consolidated Unaudited Financial Statement

Schedule 4.36

As on 31st Ashad 2074 (15th July 2017)

Amount in NPR Thousand

PARTICULARS	THIS QUARTER ENDED		PREVIOUS QUARTER ENDED		CORRESPONDING PREVIOUS YEAR QUARTER ENDED	
	GROUP	BANK	GROUP	BANK	GROUP	BANK
1 Total Capital & Liabilities (1.1 to 1.7)	73,145,837	72,993,747	68,234,362	67,925,187	59,543,533	
1.1 Paid-up Capital	7,017,698	7,017,698	5,453,212	5,453,212	5,301,396	
1.2 Reserves and Surplus	2,337,663	2,315,074	2,035,151	2,008,434	843,271	
1.3 Debenture and Bond	-	-	-	-	-	
1.4 Borrowings	-	-	-	-	-	
1.5 Deposits (a+b)	60,936,564	61,013,264	57,779,907	58,062,457	51,650,280	
a. Domestic Currency	59,201,928	59,278,628	56,299,213	56,581,763	50,390,677	
b. Foreign Currency	1,734,636	1,734,636	1,480,694	1,480,694	1,259,603	
1.6 Income Tax Liabilities	472,341	465,742	370,786	367,684	-	
1.7 Other Liabilities	2,353,982	2,181,969	2,573,019	2,033,400	1,748,586	
1.8 Non Controlling Interest	27,589	-	22,287	-	-	
2 Total Assets (2.1 to 2.7)	73,145,837	72,993,747	68,234,362	67,925,187	59,543,533	
2.1 Cash & Bank Balance	9,697,525	9,556,959	7,337,394	7,188,945	6,581,846	
2.2 Money at call and short Notice	-	-	-	-	-	
2.3 Investments	9,419,532	9,428,701	7,720,517	7,764,404	8,172,424	
2.4 Loans & Advances (a+b+c+d+e+f)	51,730,919	51,730,919	50,866,104	50,866,104	43,749,129	
a. Real Estate Loan	3,703,270	3,703,270	3,276,977	3,276,977	2,961,750	
1. Residential Real Estate Loan(Except Personal Home Loan upto NPR 10 mil)	609,721	609,721	624,600	624,600	654,204	
2. Business Complex & Residential Apartment Construction Loan	1,024,272	1,024,272	1,034,904	1,034,904	897,444	
3. Income generating Commercial Complex Loan	-	-	-	-	-	
4. Other Real Estate Loan (Including Land Purchase & Plotting)	2,069,277	2,069,277	1,617,473	1,617,473	1,410,102	
b. Personal Home Loan of NPR: 10 mil or less	6,703,096	6,703,096	6,369,691	6,369,691	5,473,487	
c. Margin Type Loan	2,469,807	2,469,807	2,282,140	2,282,140	1,747,744	
d. Term Loan	6,002,252	6,002,252	4,967,955	4,967,955	3,807,518	
e. Overdraft Loan / TR Loan / WC Loan	19,186,384	19,186,384	20,025,580	20,025,580	19,519,871	
f. Others	13,666,110	13,666,110	13,943,761	13,943,761	10,238,759	
2.5 Fixed Assets	538,321	534,389	551,403	547,376	435,533	
2.6 Non Banking Assets (Net)	161,448	161,448	206,583	206,583	103,908	
2.7 Other Assets	1,598,092	1,581,331	1,552,361	1,351,775	500,693	
3 PROFIT & LOSS ACCOUNT	UPTO THIS QUARTER	UPTO PREVIOUS QUARTER	UPTO PREVIOUS QUARTER	UPTO CORRESPONDING YEAR PREVIOUS QUARTER		
3.1 Interest Income	5,323,149	5,306,151	3,620,648	3,608,833	3,095,549	
3.2 Interest Expense	3,107,907	3,113,433	1,993,220	1,994,924	1,591,977	
A Net Interest Income (3.1-3.2)	2,215,242	2,192,718	1,627,428	1,613,909	1,503,572	

Contd... Consolidated Unaudited Financial Statement

PARTICULARS	THIS QUARTER ENDED		PREVIOUS QUARTER ENDED		CORRESPONDING PREVIOUS YEAR QUARTER ENDED
	GROUP	BANK	GROUP	BANK	
3.3 Fees Commission and Discount	218,176	210,414	145,474	144,749	160,773
3.4 Other Operating Income	330,942	329,558	266,154	255,841	279,039
3.5 Foreign Exchange Gain/Loss (Net)	130,140	130,140	97,737	97,737	115,336
B Total Operating Income (A+3.3+3.4+3.5)	2,894,500	2,862,830	2,136,793	2,112,236	2,058,720
3.6 Staff Expenses	458,956	451,220	327,716	322,048	355,633
3.7 Other Operating Expenses	555,006	546,751	364,192	359,224	425,982
C Operating profit Before Provision (B-3.6-3.7)	1,880,538	1,864,859	1,444,885	1,430,964	1,277,105
3.8 Provision for Possible Loss	271,515	271,515	236,440	236,440	321,718
D Operating profit (C-3.8)	1,609,023	1,593,344	1,208,445	1,194,524	955,387
3.9 Non Operating Income/Expenses (Net)	44,134	30,811	23,741	24,016	1,317
3.10 Write Back of Provision for Possible Loss	194,699	194,699	129,636	129,636	556,404
E Profit From Regular Activities (D+3.9+3.10)	1,847,856	1,818,854	1,361,822	1,348,176	1,513,108
3.11 Extraordinary Income/Expenses (Net)	-	-	-	-	(3,230)
F Profit Before Bonus and Taxes (E+3.11)	1,847,856	1,818,854	1,361,822	1,348,176	1,509,878
3.12 Provision For Staff Bonus	167,987	165,350	123,802	122,561	137,262
3.13 Provision For Tax	491,063	484,509	370,786	367,684	421,239
G Net Profit/Loss (F-3.12 -3.13)	1,188,806	1,168,995	867,234	857,931	951,377
3.14 Share of Non Controlling Interest on Profit of Subsidiary	4,245	-	1,994	-	-
H Final Net Profit/Loss (G-3.13)	1,184,561	1,168,995	865,240	857,931	951,377
4 RATIOS	FOR THIS QUARTER		FOR PREVIOUS QUARTER		PREVIOUS YEAR QUARTER
4.1 Capital Fund to RWA	15.23%	15.20%	12.89%	12.88%	12.05%
4.2 Non Performing Loan (NPL) to Total Loan	1.37%	1.37%	1.50%	1.50%	1.22%
4.3 Total Loan Loss Provision to total NPL	148.33%	148.33%	136.45%	136.45%	164.92%
4.4 Cost of Funds (YTD)	6.00%	6.00%	5.22%	5.22%	4.52%
4.5 CD Ratio (Calculated as per NRB Directives)	75.54%	75.54%	79.62%	79.62%	77.52%
4.6 Base Rate	11.19%	11.19%	9.47%	9.47%	6.86%
4.7 Interest Spread (as per NRB Circular)	4.27%	4.27%	4.43%	4.43%	4.42%
Additional Information (Optional)					
Average Yield (YTD)	10.01%	10.01%	9.33%	9.33%	8.67%
Return on Equity	12.71%	12.53%	15.44%	15.33%	15.48%
Return on Assets	1.63%	1.60%	1.69%	1.68%	1.62%

* Group Includes Sunrise Capital Limited. All Intercompany balances have been omitted.

* Loans & NBA are presented on gross and provisioning are presented in Other Liabilities.

* Figures may change subject to instructions, if any, from Statutory/Regulatory authorities.

* Above Financial Statements are prepared as per NRB directives & prevailing banking practice. The financials are not fully NFRS compliant.
* Interest Income recovered upto 15-04-2074 has been recognised as per NRB Regulation.

DISCLOSURE OF INFORMATION UNDER SECTION 109 (4) OF COMPANIES ACT 2006

1. An overview of the business during the Previous Year:

Incorporated in the respective segments of annual report.

2. Transaction affected by national and international circumstances:

Incorporated in the respective segments of annual report.

3. Achievements of the current year as of the date of preparation of the report and opinion of the Board of Directors on future actions:

Incorporated in the respective segments of annual report.

4. Industrial or Professional relations of the Bank:

Bank has maintained a cordial and professional relation with its stakeholders, customers and regulators.

5. Changes made in the composition of Board of Directors and reasons thereof:

Incorporated in the respective segments of annual report.

6. Main factors affecting the business:

- Stiff and cutthroat competition among its competitors.
- Instable political situation and lack of investible fund in the economy due to less expenditure from the government level.
- Increased cost of fund etc.

7. Response by Board of Directors on the remarks given in the audit report, if any:

Besides the normal remarks on the banking transactions, there weren't any other remarks given in the audit report on FY 2016/17. The remarks have come into notice of the Board of Directors and arrangements have been made to take corrective actions so that such mistake does not repeat in future.

8. The amount recommended for the distribution as dividend:

The board has recommended paying 15% bonus share amounting NPR 1,063,376,850 to the shareholders from the profit and reserves of fiscal year 2016/17.

9. Information on shares forfeited if any during the year:

No shares were forfeited during the year.

10. Transactions between the Bank and its subsidiary company and progress made in the business:

The progress in the Bank's transaction has been included in the Director's Report. Consolidated financial statements including consolidated balance sheet, consolidated profit and loss account and consolidated cash flow statement of its' subsidiary company, Sunrise Capital Ltd., also reflects the true and fair position of its parent and subsidiary company.

11. Main transactions carried out by the Bank and its subsidiary company during the fiscal year and any important change in the business of the company during the period:

- Sunrise Bank Limited:

Those transactions that are allowed for a "A" class licensed institution like collection of deposits, advancing loans, international financial transactions, electronic transactions, remittance services and other banking activities has been performed by the Bank.

- Sunrise Capital Limited: Transactions related to merchant banking like public issue, investment management, security guarantee and depository participant services.

12. Information furnished to the Bank by its basic shareholders during the previous fiscal year:

No such information has been furnished by its basic shareholders during the review period.

13. Particulars of the ownership of shares taken up by the Directors and office bearers of the company during the previous year and information received by the Bank from them about their involvement, if any, in the transactions of the shares of the Bank :

Directors and office bearers, except provided below have not involved in the share transaction of the Bank.

S.N	Position	Name	Share Category	No of shares	Total
1	Chairman	Motilal Dugar	Promotor	3,066,306	4,208,655
			Public	1,142,349	
2	Director	Malchand Dugar	Promotor	2,316,284	3,381,112
			Public	1,064,828	
3	Director	Er. Bachha Raj tater	Promotor	1,277,790	1,746,327
			Public	468,537	
4	Director	Dr. Bhogendra Guragain	Promotor	579,072	794,802
			Public	215,730	
5	Director	Jyoti Kumar Begani	Promotor	381,695	523,896
			Public	142,201	
6	Director	Dr. Deepak Prasad Bhattarai	Promotor	-	5,902
			Public	5,902	
7	Director	Deepak Nepal	Promotor	-	4,115
			Public	4,115	
8	Independent Director	Om Krishna Joshi	Promotor	-	13,601
			Public	13,601	

14. Particulars of information

furnished by any Director or any of his close relatives about his personal interest in any agreement connected with the company signed during the previous fiscal year:

There is no such information furnished by the directors and any of their close relatives.

15. Buy back of own shares:

The Bank has not purchased its own shares in the year under review.

16. Whether or not there is an internal control system and if there is any such system, details thereof:

- To run smoothly and to operate day to day business bank has devised financial policy, employee bye laws, Loan write off policy, credit policy and other different policies on need basis.
- To control and monitor the activities of the Bank different committees like Risk Management Committee, Audit Committee and Human Resource Management Committee under the membership of various directors has been formulated.
- Audit Committee analyzes the financial position, internal control and risk management of the Bank on regular basis. The committee also provides recommendation and suggestions on the internal and external audit reports and comments of NRB supervision.

17. Particulars of the total management expenses of the previous financial year:

Total management expenses of the previous financial year have been detailed as below:

PARTICULARS	AMOUNT
Staff Expenses	451,219,630
Other Operating Expenses	545,928,292

18. A list of members of the Audit Committee; remunerations, allowances and facilities provided to the members; particulars of functions discharged by the committee and suggestions, if any, offered by the committee:

Audit committee of the Bank is comprised of following members:

a) Dr. Deepak Prasad Bhattarai	Coordinator
b) Mr. Malchand Dugar	Member
c) Dr. Bhogendra Guragain	Member
d) LDSA Associates	Member
e) Mr. Ishwar Kumar Pathak	Secretary

Excluding the employee member of the committee other members of the committee are paid NPR 10,000/- per meeting. During the previous year audit committee meeting was held 8 times and members were paid NPR 190,000/- as meeting fees. From the review of the internal audit report, necessary suggestions are provided through the Board meeting. Similarly, the external audit report and annual financial reports are presented to the Board after being reviewed.

19. Payments due, if any, to the company from any director, managing director, executive chief or basic shareholder of the company or any of their close relatives, or from any firm, company or corporate body in which he is involved:

No such amount is due for payment.

20. Remuneration, allowances and facilities to the Directors, Managing Director, Executive Chief and other office bearers:

- The Directors were paid NPR 2,004,000 as meeting allowances after deduction of tax at source according to the Income Tax Act.
- The details of the salary, allowances and facilities paid to the Chief Executive Officer and other managerial level staffs is as follows:

DESIGNATION	SALARY AND ALLOWANCES('000)
Chief Executive Officer	13,320
Managerial level staffs	109,891

Chief Executive Officer of the Bank is provided vehicle facility as well. Besides, as per the prevalent Bonus Act, CEO is eligible for Bonus from the profits of the Bank.

21. Dividends yet to be collected by the shareholders:

As of 15th July 2015, dividends yet to be collected by the shareholders were NPR 44,509,037. Details of the collectible dividends have been presented in point no. 13 of Notes to Accounts.

22. Details of property purchased or sold as per clause 141:

During the previous year Sunrise Bank Limited acquired NIDC Capital Markets Ltd. by issuing 65 per shares against their shares having face value of 100 as a subsidiary company holding 78.57% shares with effect from 10th February, 2017.

23.Details of transactions between associated companies as per clause 175.

■ Transaction with Subsidiary Company:

Bank has held investment of 78.58% in sunrise capital hence sunrise bank is holding company of the Sunrise Capital. Details of transaction with sunrise capital till the end of Ashad end is as follows.

Details of Transaction	Amount (NPR)	Remarks
Share held	78,570,000	Bank has investment is 785,700 shares investment in sunrise capital limited including right shares of 235,710 invested during the fiscal year 2073/74.
Deposit liabilities	118,118,451	Deposit of Sunrise Bank includes maintained by Sunrise Capital.
Interest Expenses	5,824,451	Interest Expenses paid to sunrise capital pre-merger NPR 1,102,336 and post-merger NPR 4,722,115.
Non-Operating Income	1,650,000	Rent Received from Sunrise Capital
Share Registrar fee	860,403	Fee Paid to Sunrise Capital as Registrar To Shares
Other Liability	2,241,528	Payable to Sunrise Capital against CDS, Dematerialization, Registrar to Shares and Bonus Shares

Sunrise bank has deputed 10 staffs at Sunrise Capital, regarding salary and benefits to them salary and benefits is paid as per the decision of Sunrise Capital only. In case of "lower" emoluments than those prevailing in Sunrise Bank as per their positions, the shortfall is made good by the Bank. Similarly, as a staff member of Sunrise Bank, any facility which is not offered by Sunrise Capital e.g., vehicle loan, are provided through the parent company.

- Bank has invested NPR 19.86 million in the shares of Gurans Life Insurance Ltd (208,334 shares of NPR 100 each which includes 9,750 bonus shares received in FY 2069/70). Bank hasn't earned income from such investments and hasn't invested any additional amount during the year.

24.Any other matter to be mentioned in the Board of Directors report under Companies Act 2063 and other prevalent laws:

All such related matters has been incorporated in the respective segments of the annual report.



INVESTOR'S RELATIONSHIP

The Bank maintains regular communication with shareholders as it believes in sharing the efforts in business for producing the highest possible returns.



Shareholders Enquiries And Communication

COMMUNICATION

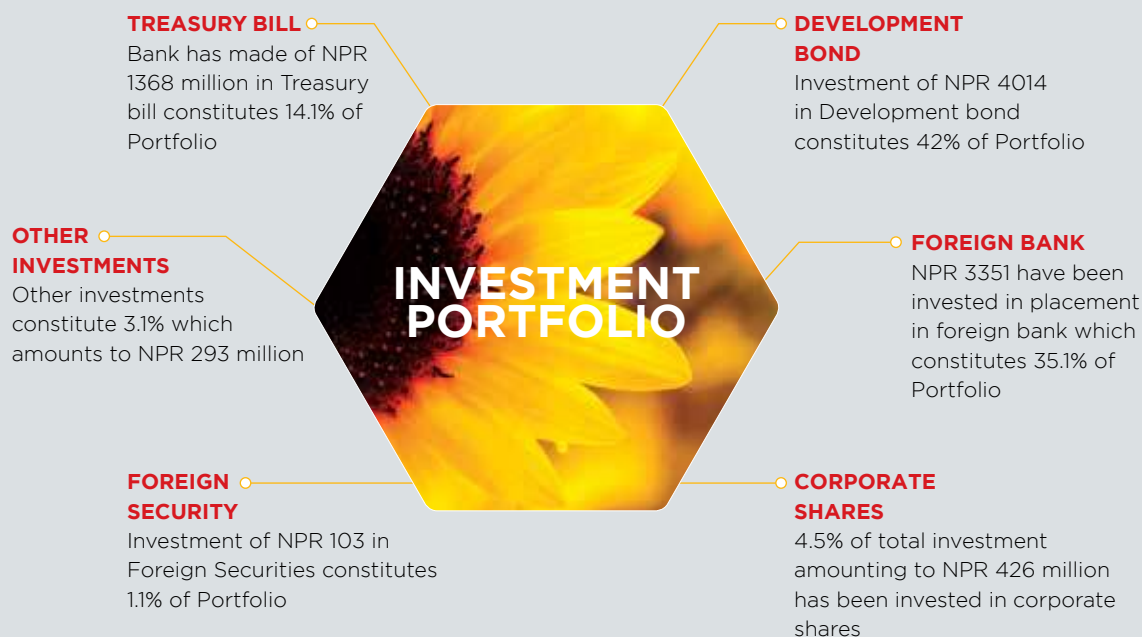
All the relevant information to shareholders, customers and general public is communicated through print media (national daily) and electronically through Bank's official website <http://www.sunrisebank.com.np>. The detailed information on AGM, including ordinary and special agendas to be discussed at the meeting is published in national daily newspapers 21 days before the AGM. Similarly, interim financial highlights are published within the stipulated deadline of 30 days as prescribed by the Securities Board of Nepal. These statements along with Basel II Disclosures as prescribed by Point 7.4(b) of Capital Adequacy Framework 2007 (updated July 2008) under Directive 1 of NRB Unified Directives are posted in the Bank's official website

INQUIRIES

Any enquiries related to the shareholders of Sunrise Bank on the share register viz., maintenance of shareholder's record, share transfer including domestic transfer in case of death of a shareholder, replacement of lost share certificates, pledge of shares, dividend warrants/ bonus shares declared and ratified by the AGM, payment against dividend/ lost warrant, opening of Demat Account, dematerialization of shares should be sent at the address given below:

Sunrise Capital Limited Ltd.
Kamalpokhari, Kathmandu,
PO Box 12055

TEL: 01-4428550 / 01-4428660
EMAIL: info@sunrisecapital.com.np



Information About Annual General Meeting

The 10th Annual General Meeting (AGM) of the Bank as held on 18th December 2017 at 11:00 hours at Amrit Bhog Catering, Kalikasthan, Kathmandu, Nepal. Following agendas were discussed at the meeting.

ORDINARY RESOLUTION

1. To approve Directors' Report 2016/17 (2073/74)
2. To approve Balance Sheet as of 15th July 2017, Profit and Loss Account and Cash Flow Statement for the year ended there at, together with Auditor's Report,
3. To approve the consolidated books of accounts i.e. including books of accounts of Bank's subsidiary Sunrise Capital Limited for the F.Y. 2016/17 (2073/74),
4. To appoint the Auditor, as per Section 111 of Companies Act, 2063, for the Fiscal Year 2016/17 (2073/74) and to fix the auditor's remuneration (Pursuant to Sec. 60(2) of the Banks & Financial Institutions Act, 2063; the present Auditor PL Shrestha & Co. can be reappointed), and
5. To elect the three representatives from "A" Class Shareholders in the Board of Directors.
 - A. To amend/ revise/add in Memorandum and Article of Association to align with the Bank and Financial Institution Act, 2073;
 - B. To increase the issued and paid up capital in the Memorandum of Association of the Bank.
4. To provide authority to the Board of Directors or the official designated by Board of Directors to act in case Regulating Authorities (For e.g. Company's Registrar, Nepal Rastra Bank) provide any suggestion to amend/ revise/ addition/ deletion in the amendment of Memorandum of Association and Article of Association passed.
5. To sanction the expense of NPR 144,500 incurred to purchase a laptop provided to Independent Director as provided to other directors in order to read the notices and documents communicated through email that are to be discussed in the Board Meeting and to provide such facilities to upcoming directors.
6. To approve the expense of NPR 1,396,409.42 while providing financial assistance to fulfill the corporate social responsibility during FY 2073-74 where the limit as section 105 subsection 1 of clause c of Company's Act 2063 was crossed, and to bear the expense of 1% of a particular financial year profit as corporate responsibility as per the circular issued by Nepal Rastra Bank.
7. Having provision in section 13 of Memorandum of Association rule 51 that any amendment made in General Meeting shall be effective only after archiving, along with the proposal in amendment in number of Board of Directors as per the amended rule since the proposal for election of Board of Directors from "A" Class Shareholders has been approved to approve the same.

SPECIAL RESOLUTION

1. To approve issue of Bonus shares at the rate of 15% amounting to NPR 1,063,376,850 (including unsubscribed 710,743 shares auctioned and allocated) from the profit of F.Y. 2016/17, for increasing issued and paid up capital to NPR 6,183,540,480/- as proposed by Board of Directors;
2. To approve to increase in the issued and paid up capital to the extent of abovementioned bonus share,
3. To approve amendment/ revision/addition in Memorandum and Article of Association as per following matters:

Taxation on Dividends And Shares

CASH AND BONUS DIVIDENDS

The tax on dividend received by the shareholders is subject to withholding tax at the rate of 5% pursuant to Section 88(2) of the Income Tax Act 2002. The tax is final withholding tax as per Section 92(1) (a) of the Act and need not require further assessment while filing annual tax return under Section 96. However, the dividend distributed by the Bank from the dividend

earned from the resident company is not subject to tax at the time of its distribution as per Section 54(3). Capitalization of profits is deemed as distribution under Section 53(1) (b) of the Act and hence, issuance of bonus shares by the Bank from the profits earned (excluding dividend received) is subject to withholding tax at the rate of 5% under Section 88(2).

CAPITAL GAINS ON DISPOSAL OF SHARES

Pursuant to clause (a) of Section 95A (2) of the Income Tax Act, 2002 (amended by Finance Ordinance 2013), the gain on disposal of shares listed in the Securities Board of Nepal computed as per Section 37 of the Act is subject to withholding tax at the rate of 5%, in case, the beneficiary of the gain is resident natural person and at the rate of 10%, in case of any other person other than resident natural person. Shares of Sunrise Bank are listed both in the Securities Board of Nepal and Nepal Stock Exchange Ltd. for the purpose of public trading and therefore the gain on disposal of Bank's shares is subject to withholding tax in accordance to clause (a) of Section 95A (2). Gain or loss arising from disposal of shares under Section 37 of the Act shall be the amount that is determined by reducing the amount incurred while

acquiring the shares with the amount that is received at the time of its disposal. The amount of disposal in case the Sunrise Bank's shares are sold through stock exchange shall be the net amount received from the buyer less brokerage and other costs incurred during the transaction. The costs incurred for the shares by the way of an acquisition through stock exchange shall be the amount paid to the beneficiary plus all costs attributable to the acquisition. Further, the costs incurred for the shares by the way of transfer from the deceased person shall be the market value prevailing immediately before the death of the transferor. The tax being withheld on the gains arising from disposal of shares is an advance tax and the tax credit is available at the time of filing annual tax returns.

Value Added Statement

VALUE ADDED

Amount in Million

PARTICULARS	2017	2016
Interest & Other Operating Income	5,976	3,651
Cost of Services	(3,577)	(1,953)
Value Added By Banking Services	2,399	1,698
Non Banking Income	32	190**
Provision Against Non Performing Assets	(87)	231
NNFL Profit & Loss Account		209
Value Added	2,344	2,329

* It includes the share premium income of NPR 189 million

DISTRIBUTION

To employees

Remuneration, provident funds and other benefits	616	493
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To government

Income tax	470	421
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To providers of capital

Interest on borrowings	3	2
Dividend to shareholders	1,063	1,325
Total	1,066	1,327

To expansion and growth

Depreciation & amortisations	79	64
Capital/Retained earnings/Reserves	113	24
Total	192	87

Total Value Added	2,344	2,329
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DISCLOSURE RELATED TO SUB RULE (2) OF RULE 26 OF SECURITIES REGISTRATION AND ISSUANCE REGULATION, 2073

1. Report of Board of Directors:

Included in the Annual Report under respective heading.

2. Auditor's Report:

Included in the Annual Report under respective heading.

3. Audited Financial Statements:

Included in the Annual Report under respective heading.

4. Details relating to Legal Actions:

a. Law Suits filed by/against the Bank during the review period.

No law suits except business cases related to loans and loan recovery.

b. Law Suits filed by/against the promoters/ directors involving charge of regulatory violations or criminal offenses

No such cases filed.

c. Cases filed against any promoters/directors for financial fraud.

No such Information has been received.

5. Analysis of share transaction and progress of Organized Institution:

a. Management view on share transactions of the Bank on Nepal Stock Exchange

As the share price determination and share transaction are carried through open market operations at Nepal Stock Exchange under the supervision of Securities Board of Nepal, the management is neutral on the matter.

b. Maximum, minimum and closing share price of organized institution including total transacted number of shares and transacted days during the year

The details in reference to the website of Nepal Stock Exchange are given in table below:

Particulars	1stQtr	2ndQtr	3rdQtr	4thQtr
Maximum Price (NPR)	1,024	640	605	596
Minimum Price (NPR)	620	442	392	363
Final Price (NPR)	639	492	570	396
No. of Transactions	2,359,670	478,503	1,076,988	1,214,072
Total Trading Days	55	57	59	57

6. Problems and Challenges

Increasing competition among banks, challenge of increasing paid up capital, increasing inflation rate or decreasing area of investment are major challenges faced but with the help of internal control mechanism, better strategies, diversified business, better service standards, employees' ability enhancement, we are able to cope up with the controllable problems and challenges.

7. Corporate Governance:

The Bank has adopted strong policies for maintaining corporate governance. In regards to corporate governance, bank is fully compliant with the directions of Nepal Rastra Bank, Banks and Financial Institution Act 2073 and Securities Exchange Act 2063 and is committed to comply in the days to come.

8. Statement of difference between prospectus and audited financial statement by 20% or more

During previous year the Bank had issued prospectus for 30% right share and the following differences were identified in the following categories:

a. Balance Sheet

Capital & Liability	Current Year	Projected Financials	Difference	Reasons For Difference
Share Capital	8,081,482	8,152,552	-0.87%	
Reserves and Funds	1,385,817	1,338,205	3.56%	
Debentures & Bonds	-	-	0.00%	
Borrowings	-	-	0.00%	
Deposit Liabilities	61,013,264	60,000,000	1.69%	
Bills Payable	17,204	23,000	-25.20%	arised during the regular course of business activities of the Bank.
Proposed Dividend	-	-	0.00%	
Income Tax Liabilities(Net)	-	-	0.00%	
Other Liabilities	957,920	827,000	15.83%	
TOTAL CAPITAL & LIABILITIES	71,455,686	70,340,757	1.59%	

Assets	Current Year	Projected Financials	Difference	Reasons For Difference
Cash Balance	1,473,431	1,200,000	22.79%	arised due to collection of deposit as a course of regular business activity.
Balance with Nepal Rastra Bank	7,496,219	4,122,000	81.86%	Difference arised as a regular course of business activity
Balance with Banks/ Financial Institutions	587,528	1,690,000	-65.24%	
Money at Call and Short Notice	-	-	0.00%	
Investments	9,553,575	10,764,658	-11.25%	
Loans, Advances & Bills Purchased (Net)	50,677,244	50,958,100	-0.55%	
Fixed Assets (Net)	534,389	1,005,000	-46.83%	Proposed plan of buying land for the Bank was not materialized during the year
Non-Banking Assets (Net)	-	-	0.00%	
Other Assets	1,133,300	601,000	88.57%	Due to assets acquired during the acquisition of NIDC Capital Markets and regular course of business
TOTAL ASSETS	71,455,686	70,340,757	1.59%	

b. Profit & Loss A/c

Particulars	Current Year	Projected Financials	Difference	Reasons For Difference
Interest Income	5,306,156	5,101,406	4.01%	
Interest Expenses	3,113,433	2,729,120	14.08%	
Net Interest Income	2,192,723	2,372,286	-7.57%	
Commission & Discount	210,471	186,749	12.70%	
Other Operating Incomes	329,558	324,123	1.68%	
Exchange Fluctuation Income	130,140	137,006	-5.01%	
Total Operating Income	2,862,892	3,020,164	-5.21%	
Staff Expenses	451,220	466,731	-3.32%	
Other Operating Expenses	545,928	633,393	-13.81%	
Exchange Fluctuation Loss	-	-	0.00%	
Operating Profit Before Provision for Possible Loss	1,865,744	1,920,040	-2.83%	
Provision for Possible Losses	281,591	209,897	34.16%	Customer wise provision and due to addition in provision on some of the files lead to difference in loan loss provision.
Operating Profit	1,584,153	1,710,143	-7.37%	
Non-Operating Income/Expenses	32,222	27,000	19.34%	
Loan Loss Provision Written Back	279,724	180,000	55.40%	Due to better recovery mechanism loss loans were recovered effectively.
Profit from Regular Activities	1,896,099	1,917,143	-1.10%	
Income/Expense from Extra-Ordinary Activities	(85,528)	-	100.00%	Due to write off of loans acquired from NIDC Capital Markets
Profit from All Activities	1,810,570	1,917,143	-5.56%	
Provision for Staff Bonus	164,597	174,286	-5.56%	
Provision for Tax Expense	469,884	522,857	-10.13%	
Current Years	446,224	522,857	-14.66%	
Previous Years	1,212	-	-100.00%	Due to additional tax assessment by the large tax payers office for previous years
Deferred Tax	22,448	-	-100.00%	Due to creation of deferred tax expenses on the assets and liabilities after the acquisition of NIDC Capital Markets
NET PROFIT/(LOSS)	1,176,089	1,220,000	-3.60%	

9. Details of special events or circumstances

a. Amendment in the bye laws of the organized institution

Due to acquisition of NIDC Capital Markets Ltd, issued and paid up capital of the Bank has changed.

b. Changes in BOD/senior management of the organized institution

i. New appointment in the Board

Name: Mr. Om Krishna Joshi
Date of Appointment: 2073/08/30

ii. Resignation from the Board

Name: Mr. Ram Krishna Manandhar
Date of resignation: 2074/01/28

iii. One of the members of management team, Mr. Arun Parajuli holding the position of Chief Manager has abstained from his service.

c. Declaration of dividend and change in share composition

- Capital of the Bank has increased with declaration of 33.33% bonus shares vide 9th AGM of the Bank held on 7th Kartik 2073 for fiscal year 2072/73.
- During the previous year Sunrise Bank Limited acquired NIDC Capital Markets Ltd. by issuing 65 per shares against their shares having face value of 100.
- 30% right shares have been issued as decided by the 9th AGM of the bank held on 7th Kartik 2073.





BANK'S PERFORMANCE

Over the past five years, SrBL has multiplied its value from NPR 3 billion to NPR 21 billion - a 700% increase in terms of market capitalization.



Horizontal & Vertical Analysis

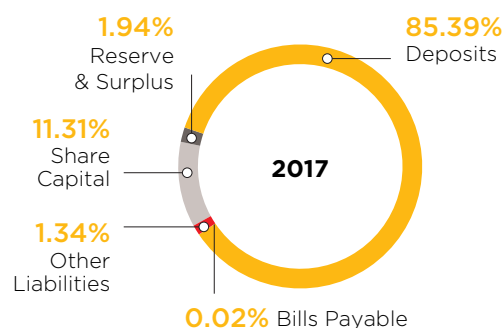
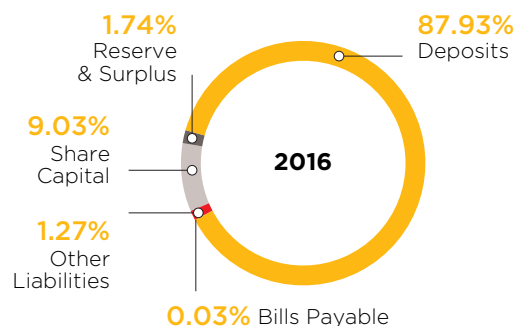
Acquisition of Narayani National Finance made significant effect on financial position and performance during 2015-16

Share capital has increased by 78.34% during 2015-16 with the acquisition of Narayani National Finance and issue of 1:3 bonus shares whereas it had increased by 52.44% during 2016-17 after the declaration of 15% bonus shares. With the surge in profit by 102.05%, reserve and surplus have increased by 172.56%. Deposits have increased by 54.24% and 18.13% during 2015-16 & 2016-17, respectively. Similarly, investments have increased by 15.02% and 14.41% during 2015-16 & 2016-

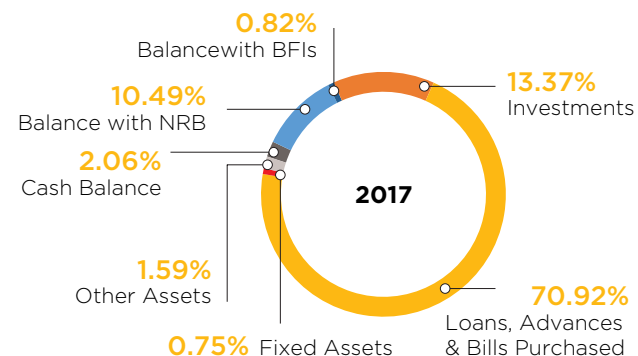
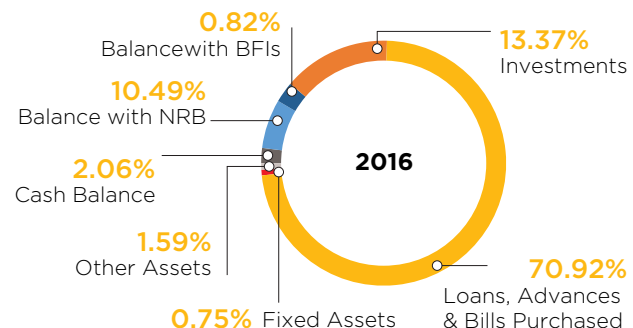
17, respectively. Loans & advances have increased by 62.5% and 18.21% during 2015-16 & 2016-17, respectively.

Increased loans and advances during 2015-16 had lucrative effect on interest income that grew by 71.41% during 2016-17 while the growth was 28.84% during 2015-16. Interest expenses also grew significantly, by 95.57% during 2016-17 whereas it had grown by 22.8% during 2015-16. Non-interest income increased by 43.46% and 20.72% during 2015-16 and 2016-17, respectively, and operating profit after provision increased by 105.83% and 19.91%, respectively during the same period. The net profit increased by 102.05% and 23.62% during 2015-16 and 2016-17, respectively.

CAPITAL & LIABILITIES



ASSETS



Interim Financial Position

STATEMENT OF FINANCIAL POSITION

NPR. In Million

PARTICULARS	Q1 2073-74	Q2 2073-74	Q3 2073-74	Q4 2073-74
CAPITAL & LIABILITIES				
Paid-up Capital	5,301	5,301	5,453	7,018
Reserves and Surplus	1,096	1,453	2,008	2,315
Debenture and Bond	-	-	-	-
Borrowings	-	-	-	-
Deposits	54,083	57,300	58,062	61,013
a. Domestic Currency	52,712	55,734	56,582	59,279
b. Foreign Currency	1,371	1,566	1,481	1,735
Income Tax Liabilities	108	261	368	466
Other Liabilities	1,867	1,629	2,033	2,182
Total	62,456	65,945	67,925	72,994
ASSETS				
Cash & Bank Balance	6,259	6,077	7,189	9,557
Money at call and short Notice	-	-	-	-
Investments	7,989	9,211	7,764	9,429
Loans & Advances	46,451	49,224	50,866	51,731
Real Estate Loan	2,878	3,051	3,277	3,703
Personal Home Loan	5,762	6,163	6,370	6,703
Margin Type Loan	2,029	2,299	2,282	2,470
Term Loan	4,400	4,643	4,968	6,002
Overdraft Loan / TR Loan / WC Loan	20,510	20,417	20,026	19,186
Others	10,873	12,652	13,944	13,666
Fixed Assets (net)	447	466	547	534
Non Banking Assets	80	79	207	161
Other Assets	1,229	888	1,352	1,581
Total	62,456	65,945	67,925	72,994

Total Balance sheet size increased by 5.59%, 3% and 7.46% in Q2 2073-74, Q3 2073-74 and Q4 2073-74, respectively, compared to the immediately preceding quarter. Deposits have increased by 5.95%, 1.33% and 5.08% in Q2 2073-74, Q3 2073-74 and Q4 2073-74, respectively, compared to the immediately preceding quarter. Investments have increased by

15.29% and 21.43% in Q2 2073-74 and Q4 2073-74, respectively, and decreased by 15.71% in Q3 2073-74 in comparison to the immediately preceding quarter. Similarly, Loans & Advances increased by 5.97%, 3.34% and 1.7% in Q2 2073-74, Q3 2073-74 and Q4 2073-74, respectively, compared to the immediately preceding quarter.

STATEMENT OF FINANCIAL PERFORMANCE

NPR. In Million

PARTICULARS	Q1 2073-74	Q2 2073-74	Q3 2073-74	Q4 2073-74	TOTAL
Interest Income	1,060	1,194	1,355	1,697	5,306
Interest Expense	544	607	844	1,119	3,113
Net Interest Income	516	588	511	579	2,193
Fees Commission and Discount	41	51	53	66	210
Other Operating Income	89	94	73	74	330
Foreign Exchange Gain/Loss (Net)	34	34	30	32	130
Total Operating Income	680	766	667	751	2,863
Staff Expenses	112	96	114	129	451
Other Operating Expenses	111	115	133	188	547
Operating profit Before Provision	457	555	419	434	1,865
Provision for Possible Loss	152	40	45	35	272
Operating profit	305	516	374	399	1,593
Non Operating Income/Expenses	20	4	(0.2)	7	31
Write Back of Provision	72	41	16	65	195
Profit From Regular Activities	398	560	390	471	1,819
Extraordinary Income/Expenses	-	-	-	-	-
Profit Before Bonus & Taxes	398	560	390	471	1,819
Provision For Staff Bonus	36	51	35	43	165
Provision For Tax	108	153	106	117	485
Net Profit/Loss	253	357	248	311	1,169

Interest income increased by 13%, 13% and 25% in Q2 2073-74, Q3 2073-74 and Q4 2073-74, respectively, compared to the immediately preceding quarter. Net interest income increased by 14% and 25% in Q2 2073-74 and Q4 2073-74, respectively, whereas it declined

by 13% in Q3 2073-74 due to increased interest expense of 39%. Operating cost including staff costs decreased by 5.5% in Q2 2073-74 and increased by 17.5% and 27.91% in Q3 2073-74 and Q4 2073-74, respectively, compared to the immediately preceding quarter.

Year on Year Progress

5 Years Balance Sheet

CAPITAL AND LIABILITY	2073/74	2072/73	2071/72	2070/71	2069/70
1. Share Capital	8,081	5,301	2,973	2,237	2,237
2. Reserves and Funds	1,386	1,023	375	461	214
3. Debentures & Bonds	-	-	-	-	-
4. Borrowings	-	-	-	-	-
5. Deposit Liabilities	61,013	51,650	33,487	26,617	23,271
6. Bills Payable	17	20	9	12	16
7. Proposed Dividend	-	-	28	-	12
8. Income Tax Liabilities (Net)	-	-	-	-	-
9. Other Liabilities	958	745	517	335	380
Total Capital and Liability	71,456	58,739	37,389	29,661	26,129

ASSETS	2073/74	2072/73	2071/72	2070/71	2069/70
1. Cash Balance	1,473	1,168	868	863	607
2. Balance with Nepal Rastra Bank	7,496	3,809	1,891	4,366	3,758
3. Balance with Banks/Financial Institutions	588	1,605	300	698	325
4. Money at Call and Short Notice	-	-	-	113	680
5. Investments	9,554	8,351	7,260	3,055	2,454
6. Loans, Advances & Bills Purchased	50,677	42,869	26,380	19,938	17,731
7. Fixed Assets (Net)	534	436	310	292	313
8. Non-Banking Assets (Net)	-	-	-	-	-
9. Other Assets	1,133	502	381	336	263
Total Assets	71,456	58,739	37,389	29,661	26,129

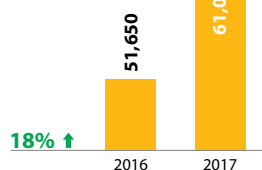
Year on Year Progress

5 year Profit & Loss Statement

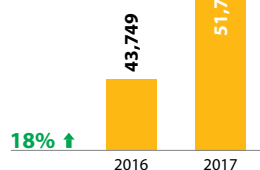
PARTICULARS	2073/74	2072/73	2071/72	2070/71	2069/70
1. Interest Income	5,306	3,096	2,403	2,424	2,240
2. Interest Expenses	3,113	1,592	1,296	1,329	1,251
Net Interest Income	2,193	1,504	1,106	1,095	989
3. Commission & Discount	210	161	119	104	95
4. Other Operating Incomes	330	279	187	141	125
5. Exchange Fluctuation Income	130	115	80	63	51
Total Operating Income	2,863	2,059	1,493	1,404	1,259
6. Staff Expenses	451	356	272	264	218
7. Other Operating Expenses	546	426	356	361	331
8. Exchange Fluctuation Loss	-	-	-	-	-
Operating Profit Before Provision for Possible Loss	1,866	1,277	865	779	711
9. Provision for Possible Losses	282	322	459	466	368
Operating Profit	1,584	955	406	313	342
10. Non - Operating Income/Expenses	32	1	3	2	4
11. Loan Loss Provision Written Back	280	556	417	94	209
Profit from Regular Activities	1,896	1,513	826	409	555
12. Income/Expense from Extra-Ordinary Activities	(86)	(3)	(92)	(15)	(52)
Profit from All Activities	1,811	1,510	734	394	504
13. Provision for Staff Bonus	165	137	67	36	46
14. Provision for Tax Expense	470	421	196	112	146
Current Years	446	421	189	124	149
Previous Years	1	6	2	-	1
Deferred Tax	22	(6)	5	(12)	(4)
NET PROFIT/(LOSS)	1,176	951	471	247	312

Ratio Highlights of 2016/17

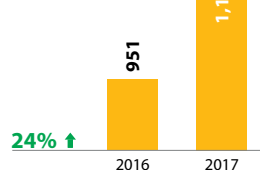
TOTAL DEPOSITS
(in million)



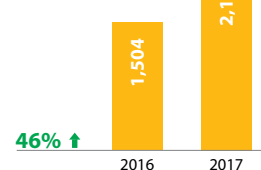
TOTAL LOAN
(in million)



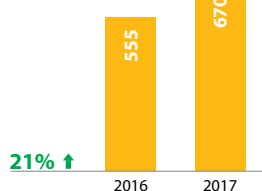
NET PROFIT
(in million)



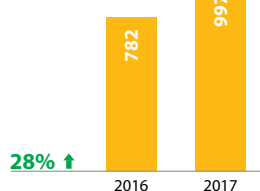
NET INTEREST. INCOME
(in million)



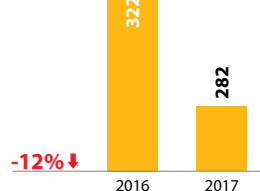
NON INTEREST & FX INCOME
(in million)



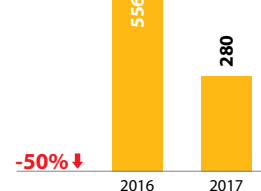
STAFF & OPERATING EXPENSES
(in million)



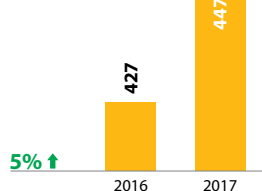
LOAN LOSS PROVN.
(in million)



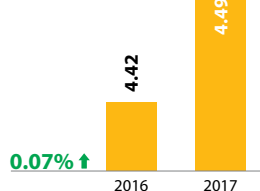
LOSS W/O
(in million)



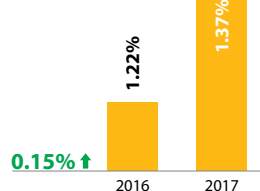
GOVT. TAXES
(in million)



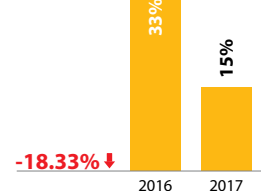
INTEREST SPREAD
(in %)



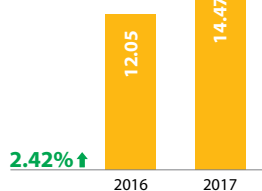
NPL TO TOTAL LOANS
(in million)



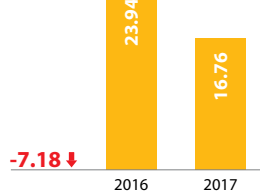
DIVIDEND DECLARATION
(in million)



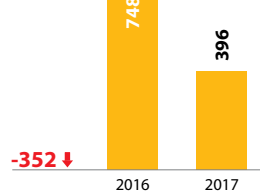
CAPITAL ADEQUACY RATIO
(in %)



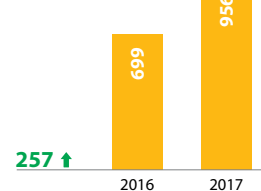
EPS
(in NPR)



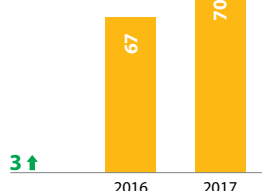
CLOSING SHARE PRICE
(in NPR)



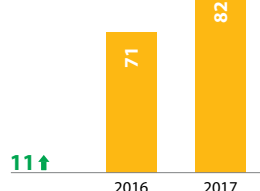
NO OF EMPLOYEES
(in number)



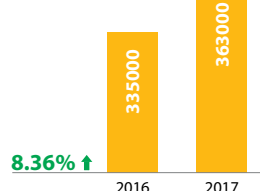
NO. OF BRANCHES
(in number)



NO OF ATMS
(in number)



NO OF DEPOSIT A/CS
(in number)



Remittance Network International

Sunrise Bank has extended remittance business throughout Middle East and other Nepalese workers destinations. Remittance department has been continuously seeking and soliciting new avenues for remittance business. Detailed international remittance network is mentioned below :

COUNTRY	PARTNER BANK / REMITTANCE COMPANY
Oman	Al Jadeed Exchange Modern Exchange Asia Express Exchange
Qatar	Habib Qatar International Exchange Al Zaman Exchange Al Jazeera Exchange
UAE	Al Ahalia Exchange Progoti Exchange GCC Exchange Al Ansari Exchange Noor Ahalia Exchange
Kuwait	Bahrain Exchange Company
Bahrain	Bex Money Bahrain Express Exchange
Israel	WIC Worldcom Finance
Italy / Europe	National Exchange
UK	Netfox LTD
NEC Money Transfer	
India	IDBI Bank
South Korea	Industrial Bank of Korea KB Kookmin Bank
USA	Trans Fast Remittance
Japan	Easylink Remittance
Hong Kong
Malaysia
Others	Western Union Moneygram

Remittance Network Domestic

Arrangement with Remittance Companies within Nepal for payment of both International and Domestic Remittances.

IME	Prabhu Money Transfer	Himal Remit	City Express	Samsara Money Transfer	Reliable Remit	CG Money Transfer	SDBL Trust Remit
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Correspondent Network and Correspondent Banking Service

The Bank maintains a full-fledged Correspondent Banking Department under its Treasury and Correspondent Banking Department located in Head Office, Gairidhara, Kathmandu, Nepal. The department is dedicated to provide prompt service to all the units of the Bank relating to international payments, inward remittance, letter of credit advising, settlements and all other correspondent banking related issues for smooth functioning of the Bank's department and branches.

For reliable transfer of funds and prompt service to its customers, The Bank has maintained nostro accounts with 19 banks for different currencies. It also has Relationship Management Application (RMA) arrangement with more than 35 banks that enables communication between various financial institutions via SWIFT thus

helping the free flow of information as and when required. The Correspondent Banking Department is in constant communication with all our international correspondent banks, SWIFT department, Trade Finance departments, and all the branches.

Maintaining such good relationship is the key to providing seamless service as it allows for better responsiveness and flexibility in meeting the needs of clients.

We have a comprehensive network of Correspondent Banks. Our customers can benefit from our international reach, relationship-based approach with high level of expertise, and our wide range of global correspondent banking service.

Further, customers can remit funds from their account to any of our Correspondent Banks mentioned below.

Standard settlement instructions (ssi) of sunrise bank limited (swift: SRBLNPKA)

CURRENCY	CORRESPONDENT BANK	COUNTRY	CITY	SWIFT/BIC
1. AUD	Westpac Banking Corporation	Australia	Sydney	WPACAU2S
2. DKK	Danske Bank A/S	Denmark	Copenhagen	DABADKKK
3. EUR	Standard Chartered Bank	Germany	Frankfurt am Main	SCBLDEFX
4. EUR	MashreqBank PSC	Great Britain	London	MSHQGB2L
5. GBP	MashreqBank PSC	Great Britain	London	MSHQGB2L
6. GBP	Standard Chartered Bank	Great Britain	London	SCBLGB2L
7. INR	Axis Bank Ltd	India	Mumbai	AXISINBB004
8. INR	HDFC Bank Ltd	India	Mumbai	HDFCINBB
9. INR	Mashreq Bank PSC	India	Mumbai	MSHQINBB
10. INR	Standard Chartered Bank	India	Mumbai	SCBLINBB
11. INR	IDFC Bank Limited	India	Mumbai	IDFBINBB
12. INR	IDBI Bank Limited	India	Mumbai	IBKLINBB
13. INR	Bank of America	India	Mumbai	BOFAIN4X
14. JPY	Standard Chartered Bank	Japan	Tokyo	SCBLJPJT
15. USD	K B Kookmin Bank	South Korea	Seoul	CZNBKRSE
16. USD	Habib American Bank	United States	New York	HANYUS33
17. USD	Industrial Bank of Korea	South Korea	Seoul	IBKOKRSE
18. USD	MashreqBank PSC	United States	New York	MSHQUS33
19. USD	Standard Chartered Bank	United States	New York	SCBLUS33

Our Branch Network

INSIDE VALLEY

CORPORATE HEAD OFFICE

Sunrise Plaza, Gairidhara,
Kathmandu Metropolitan City-2, Kathmandu
TEL.: 977-01-4004560, 4004562, 4004563,
4004564
FAX.: 01-4422475
SWIFT: SRBLNPKA
E-MAIL: info@sunrisebank.com.np

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Attarkhel, Jorpati -7, Kathmandu
TEL.: 977-01-4913704
E-MAIL: ATTARKHEL-TEAM@sunrisebank.com.np
prabhat.nepal@sunrisebank.com.np

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E-MAIL: BANIYATAR-TEAM@sunrisebank.com.np
uma.shrestha@sunrisebank.com.np

BHAISEPATI BRANCH

BM: **Mr. Kamal Babu Simkhada**
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Khokana Dobato, Lalitpur
TEL.: 977-01-5592930, 5592931
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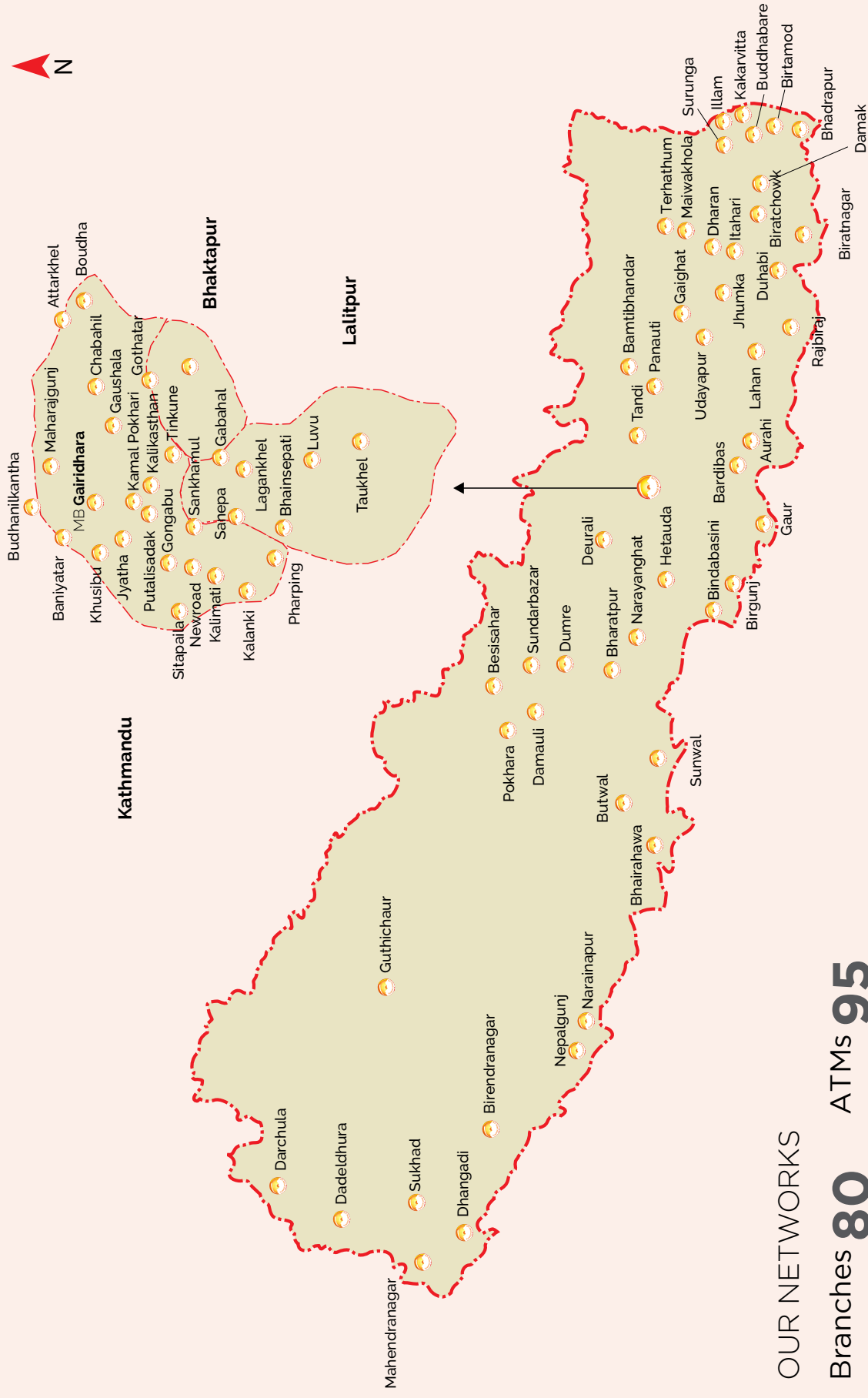
ATM Lists

ATTARKHEL BRANCH
BALAJU CHOWK ATM
BANDIPUR ATM
BANIYATAR BRANCH 2 ATM
BANIYATAR BRANCH
BARAHICHOWK LAKESIDE LOUNGE
POKHARA
BARDIBAS BRANCH
BAJEKO SEKUWA BATTISPUTALI LOUNGE
BESISAHAR BRANCH
BHADRAPUR BRANCH
BHAIRAHAWA BRANCH
BHAISIPATI BRANCH
BHAKTAPUR BRANCH
BHARATPUR BRANCH
BIRATCHOWK BRANCH
BIRATNAGAR BRANCH
BIRGUNJ BRANCH
BIRTAMODE BRANCH
BOUDHA STUPA BOUDHA LOUNGE
BIRATNAGAR AIRPORT ATM
BUDANILKANTHA BRANCH
BUDHABARE BRANCH
BUTWAL BRANCH
BISHALNAGAR CENTRAL PARK ATM
CHABAHIL BRANCH
CMC EXT CTR CHITWN
CMC HOSTEL CHITWAN
DADEL DHURA BRANCH
DAMAK BRANCH
DAMAULI BRANCH
DANCING BOAT POKHARA LAKESIDE
DARCHULA BRANCH ATM
DHANGADI BRANCH
DHARAN (BPKIHS)

DHARAN BRANCH
DUHABI BRANCH
DUMRE BRANCH
GABAHAL BRANCH
GAIGHAT BRANCH
GAIRIDHARA INSIDE
GAIRIDHARA OUTSIDE
GAUR BRANCH
GAUSHALA BRANCH
GOTHATAR BRANCH
HETAUDA BRANCH
HOTEL B&Y BIRTAMODE
HOTEL GARUDA LOUNGE THAMEL
HOTEL HARISSION BIRATNAGAR
ILLAM BRANCH
ITAHARI BRANCH ATM
JAIN BHAWAN LOUNGE KAMALPOKHARI
JHUMKA BRANCH
JYATHA BRANCH
KAKARVITTA BRANCH
KALANKI BRANCH
KALIKASTHAN BRANCH
KALIMATI BRANCH
KAMALPOKHARI BRANCH
KHUSIBU BRANCH
LAGANKHEL BRANCH
LAHAN BRANCH
RADDISSON- LAZIMPAT LOUNGE
LUVU BRANCH
MAHARAJGUNJ BRANCH
MAHENDRANAGAR BRANCH
NARAYANGHAT I BRANCH
NARAYANGHAT II BRANCH
NARSINGA CHOWK 2 THAMEL
NARSINGH CHOWK LOUNGE THAMEL

NEPALGUNJ BRANCH
NEW BANESHWAR CHOWK LOUNGE
NEWROAD BRANCH
DHARMAPATH NEWROAD POOL
NEWROAD2 BRANCH
SITA PAILA PADMA COLONY ATM
PHARPING BRANCH
POKHARA BRANCH
POKHARA LAKESIDE LOUNGE
PUTALISADAK BRANCH
RAJBIRAJ 2 ATM
RAJBIRAJ BRANCH
SANEPAL BRANCH ATM
SANKHAMUL BRANCH
SITAPAILA BRANCH
SUKHAD BRANCH
SUNCITY APARTMENT GOTHATAR ATM
SUNDARBAZAR BRANCH
SUNWAL BRANCH
SURKHET BRANCH
SURUNGA BRANCH
TAUKHEL BRANCH
TERATHUM BRANCH
THAMEL LOUNGE
TINKUNE BRANCH
TINKUNE BRANCH 2
UDAYPUR BRANCH

AREAS OF ACTIVITIES



OUR NETWORKS

Branches **80** ATMs **95**

YOU & US

Together We Can Build



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