

Auditor's Report of
Nepal Bank Limited
For the financial year 2064/65 (2007/08)

To: The Shareholders,

▪ **Report on Financial Statements**

We have audited the accompanying Balance Sheet of **Nepal Bank Limited** as of 31 Ashad 2065 (15th July 2008), and the Income Statement, 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 Responsibilities

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Directives issued by Nepal Rastra Bank and Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control system relevant to the preparation and fair 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 Responsibilities

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 whether the financial statements are free from 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 the auditor's 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, the auditor considers internal control system relevant to the entity'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 the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Please note that, except for the capital adequacy requirement as stipulated by NRB Directives, Nepal Bank Limited has complied with all other directives.

Opinion

In our opinion, based on the information and explanation provided to us and our audit, except for the above para, the financial statements give true and fair view of the financial position as of 31 Ashad 2065 (15th July 2008), and of the results of its operations and cash flows of Nepal Bank Limited for the year then ended in accordance with Nepal Accounting Standards, Bank and Financial Institution Act 2063, and Nepal Rastra Bank Directives and comply with the Companies Act 2063,.

▪ Report on other legal and regulatory requirements

On the basis of our audit and pursuant to Sec 115 of the Companies Act 2063 we report the following

1. We have obtained information and explanations, which to the best of our knowledge and belief were necessary for our audit.
2. The company has maintained proper books of accounts as required by the law to reflect its transactions in so far as it appears from our examination of those books of accounts.
3. The financial statements dealt with by this report are in conformity with those books of accounts
4. We did not come across any cases where Directors and Officers of the company have acted contrary to the provisions of the law or caused loss or damage to the company.
5. From the examination of books of accounts and explanations given by the management we are not aware of any event of accounting fraud during the period under audit.

S. K. Kansakar *FCA*
S. K. Kansakar & Co.
Chartered Accountants

Jagadish Bhattarai *FCA*
Partner, Kuber & Co.
Chartered Accountants

Date: 06 January 2009
Kathmandu



Nepal Bank Limited

Balance Sheet

As at July 15, 2008 (Ashad 31, 2065)

Capital and Liabilities	Schedule	Current Year Rs.	Previous Year Rs.
1. Share Capital	1	380,382,600	380,382,600
2. Reserve and Fund	2	(6,388,684,333)	(6,627,898,343)
3. Debentures and Bonds	3	-	-
4. Borrowings	4	1,820,088,867	1,604,868,196
5. Deposits	5	41,829,391,063	39,014,204,359
6. Bills Payables	6	52,342,562	60,726,059
7. Proposed and Dividend Payable		2,067,637	2,083,097
8. Income Tax Liabilities		-	-
9. Other Liabilities	7	4,357,855,914	4,824,427,537
Total Liabilities		42,053,444,310	39,258,793,505

Assets	Schedule	Current Year Rs.	Previous Year Rs.
1. Cash Balance	8	1,181,792,413	1,086,066,645
2. Balance with NRB	9	4,430,641,018	5,224,859,643
3. Balance with Banks/Financial Institution	10	1,004,559,156	806,366,796
4. Money at Call and Short Notice	11	-	200,000,000
5. Investment	12	16,570,755,516	16,072,179,882
6. Loan Advances and Bills Purchase	13	13,251,962,768	11,058,477,657
7. Fixed Assets	14	207,527,502	205,768,262
8. Non-Banking Assets	15	-	-
9. Other Assets	16	5,406,205,937	4,605,074,620
Total Assets		42,053,444,310	39,258,793,505

Contingent Liabilities	Schedule 17
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Schedules 1 to 17 form integral parts of the Balance Sheet



Nepal Bank Limited

PROFIT AND LOSS ACCOUNT

For the period from 1st Shrawan 2064 to 31st Ashad 2065 (17th July, 2007 to 15th July, 2008)

Particulars	Annexure	Current Year Rs.	Previous Year Rs.
1 Interest Income	18	2,094,905,989	1,848,611,557
2 Interest Expenses	19	772,657,472	772,644,038
Net Interest Income		1,322,248,517	1,075,967,519
3 Commission and Discount	20	229,723,643	181,019,733
4 Other Operating Income	21	157,431,924	287,647,712
5 Exchange Fluctuation Income	22	119,407,417	-
Total Operating Income		1,828,811,501	1,544,634,964
6 Staff Expenses	23	1,346,823,561	1,125,224,496
7 Other Overhead Expenses	24	259,785,526	329,590,763
8 Exchange Fluctuation Loss	22	-	46,279,340
Operating Profit Before Provision For possible Loss		222,202,414	43,540,365
9 Provision For Possible Losses	25	258,572,259	80,376,445
Operating Profit		(36,369,845)	(36,836,080)
10 Non-Operating Income / Loss	26	67,941,907	50,389,326
11 Loan Loss Provision Written Back	27	134,361,753	-
Profit from Regular Operations		165,933,815	13,553,246
12 Profit / Loss from Extra-Ordinary Activities	28	179,996,994	236,094,956
Net Profit after considering all activities		345,930,809	249,648,202
13 Staff Bonus Provision		31,448,255	22,695,291
14 Tax Provision (Including Deferred Tax)		75,268,544	-
Net Profit / Loss		239,214,010	226,952,911

Annexure 18 to 28 form integral part of this Profit and Loss Account.



Nepal Bank Limited

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the period from 1st Shrawan 2064 to 31st Ashad 2065 (17th July, 2007 to 15th July, 2008)

Particulars	Annexure	Current Year Rs.	Previous Year Rs.
- Income			
1 Accumulated Profit up to last year		-	-
2 Current Year's Profit		239,214,010	226,952,911
3 Exchange Equalization Fund		-	-
Total		239,214,010	226,952,911
- Expenses			
1 Accumulated Loss Up to Last Year		8,151,491,861	8,122,002,960
2 Current Year's loss		-	-
3 General Reserve		47,842,802	45,390,582
4 Contingent Reserve		-	-
5 Institutional Development Fund		-	-
6 Dividend Equalization Fund		-	-
7 Staff Related Reserve Fund		-	-
8 Proposed Dividend		-	-
9 Proposed Issue of Bonus Shares		-	-
10 Special Reserve Fund		-	-
11 Exchange Equalization Fund		25,282,172	-
12 Capital Redemption Reserve		-	-
13 Capital Adjustment Fund		38,038,260	38,038,260
14 Staff Bonus FY 2061-62		-	173,012,970
Total		8,262,655,095	8,378,444,772
14 Accumulated Profit / (Loss)		(8,023,441,085)	(8,151,491,861)



Nepal Bank Limited
Statement of Changes in Equity
F. Y. 2007/08 (2064/65)

Figures in Rs.

Particulars	Share Capital	Accumulative Profit (Loss)	General Reserve	Capital Reserve Fund	Share Premium	Exchange Equalization Fund	Other Reserve Fund	Total
Opening Balance	380,382,600	(8,151,491,861)	1,332,157,149	-	-	25,734,454	165,701,915	(6,247,515,743)
Adjustment:	-	-	-	-	-	-	-	-
a. This year profit	-	128,050,776	-	-	-	-	-	128,050,776
b. Transfer from this year profit	-	-	47,842,802	-	-	-	38,038,260	85,881,062
c. Transfer from revaluation profit	-	-	-	-	-	25,282,172	-	25,282,172
d. Adjustment in Staff Bonus	-	-	-	-	-	-	-	-
Closing Balance	380,382,600	(8,023,441,085)	1,379,999,951	-	-	51,016,626	203,740,175	(6,008,301,733)



Nepal Bank Limited Cash Flow Statement

For the period from 1st Shrawan 2064 to 31st Ashad 2065 (17th July, 2007 to 15th July, 2008)

Previous Year Rs	Particulars	This Year Rs
	A. CASH FLOW FROM OPERATING ACTIVITIES	
2,613,817,989	1 Cash Receipts	2,638,671,013
1,848,611,557	1.1 Interest Income	2,094,905,989
181,019,733	1.2 Commission and Discount Income	229,723,643
22,062,973	1.3 Income from Foreign Exchange transaction	18,278,728
236,094,956	1.4 Recovery of Loan written - off	179,996,994
326,028,770	1.5 Other Income	115,765,659
(2,029,386,326)	2 Cash Payments	(2,451,159,595)
(772,644,038)	2.1 Interest Expenses	(772,657,472)
(723,120,826)	2.2 Staff Expenses	(1,378,271,816)
(292,982,456)	2.3 Office Overhead expenses	(300,230,307)
-	2.4 Income Tax paid	-
(240,639,006)	2.5 Other Expenses	-
584,431,663	Cash Flow before Changes in Working Capital	187,511,418
(3,781,390,858)	<u>Increase / (Decrease) of Current Assets</u>	(3,469,250,321)
(200,000,000)	1 (Increase)/Decrease in Money at Call and Short Notice	200,000,000
(1,581,932,773)	2 (Increase)/ Decrease in Short -term Investments	(568,575,634)
(1,315,065,319)	3 (Increase)/Decrease in Loans and Bills purchased	(2,299,543,370)
(684,392,766)	4 (Increase)/Decrease in Other Assets	(801,131,317)
3,359,773,458	<u>Increase / (Decrease) of Current Liabilities</u>	2,499,647,850
3,184,439,309	1 Increase /(Decrease) in Deposits	2,815,186,704
-	2 Increase / (Decrease) in Certificate of Deposits	-
-	3 Increase / (Decrease) in Short- term Borrowings	-
175,334,149	4 Increase/ (Decrease) in Other Liabilities	(315,538,854)
(38,662,470)	B. CASH FLOW FROM INVESTING ACTIVITY	(34,558,804)
-	1 Increase /(Decrease) in Long-term Investments	-
(49,308,268)	2 Increase /(Decrease) in Fixed Assets	(35,710,041)
-	3 Income Interest from Long-term Investments	-
10,645,798	4 Dividend Income	1,151,237
-	5 Others	-
(112,573,964)	C. CASH FLOW FROM FINANCING ACTIVITIES	215,220,671
(112,573,964)	1 Increase / (Decrease) in Long-term Borrowings	215,220,671
-	2 Increase / (Decrease) in Share Capital	-
-	3 Increase / (Decrease) in Other Liabilities	-
-	4 Increase/(Decrease) in Refinance/ facilities received from NRB	-
(68,342,313)	Income/(Loss) from change in exchange rate in Cash and Bank Balance	101,128,689
(56,764,484)	E. Current Year's Cash Flow from All Activities	(500,300,497)
7,174,057,568	F. Opening Balance of Cash and Bank Balances	7,117,293,084
7,117,293,084	G. Closing Balance of Cash and Bank Balances	6,616,992,587



Nepal Bank Limited
Share Capital & Ownership
As at July 15, 2008 (Ashad 31, 2065)

Annexure 1

Previous Year Rs.	Particulars	This Year Rs.
	1 Share Capital	
1,000,000,000	1.1 Authorized Capital	1,000,000,000
1,000,000,000	a) 1,00,00,000 Equity share of Rs.100/- each	1,000,000,000
	b) Non-redeemable Preference Shares of Rs.each.	
	c) Redeemable Preference Shares of Rs.each.	
500,000,000	1.2 Issued Capital	500,000,000
500,000,000	a) 50,00,000 Equity share of Rs.100/- each	500,000,000
	b) Non-redeemable Preference Shares of Rs.each.	
	c) Redeemable Preference Shares of Rs.each.	
380,382,600	1.3 Paid-up Capital	380,382,600
380,382,600	a) 38,03,826 Equity share of Rs.100/- each (Including Bonus share 14,21,745)	380,382,600
	b) Non-redeemable Preference Shares of Rs.each.	
	c) Redeemable Preference Shares of Rs.each.	

Share Ownership

Share Capital	%	Particulars	%	Share Capital
380,382,600		1 Local Ownership		380,382,600
154,032,500	40.49	1.1 Nepal Government	40.49	154,032,500
-		1.2 Foreign Institutions		-
18,709,300	4.92	1.3 "A" Class Licensed Institutions	4.92	18,709,300
13,030,200	3.43	1.4 Other Licensed Institutions	3.43	13,030,200
1,981,500	0.52	1.5 Other Entities	0.52	1,981,500
189,941,300	49.93	1.6 Individual	49.93	189,941,300
2,687,800	0.71	1.7 Others	0.71	2,687,800
-		2 General Public		-
380,382,600	100	Total	100	380,382,600

Details of Shareholders (General Public) Holding 0.5% or More of Total Share:

Name of Shareholder	%	Share Capital
1. Hulas Chandra Golchha	0.51	1,925,000
2. Hitesh Golchha	0.88	3,355,200
3. Chandra Kumar Golchha	0.52	1,995,500
4. Lokmanya Golchha	0.76	2,909,300
5. Rewadevi Dikshit	0.51	1,935,000
6. Sundarmani Dikshit	0.52	1,974,300
7. Kamal Mani Dikshit	0.63	2,390,000
8. Sridhar S. J. B. Rana	0.79	3,000,000
9. Ganga Amatya	1.06	4,019,500
10. Jharendra S. J. B. Rana	1.33	5,062,500
11. Rajendra Kumar Khetan	6.93	17,272,500
Total	14.44	45,838,800



Nepal Bank Limited

Reserve & Funds

As at July 15, 2008 (Ashad 31, 2065)

Annexure 2

Previous Year Rs.	Particulars	This Year Rs.
1,332,157,149	1 General Reserve Fund	1,379,999,951
-	2 Proposed Issue of Bonus Shares	-
-	3 Capital Reserve Fund	-
-	4 Capital Redemption Reserve	-
152,153,040	5 Capital Adjustment Fund	190,191,300
13,548,875	6 Other Reserve and Fund	13,548,875
2,763,349	a) Contingency Reserve	2,763,349
3,300,000	b) Institution Development Fund	3,300,000
7,485,526	c) Dividend Equalization Fund	7,485,526
-	e) Special Reserve Fund	-
-	f) Assets Revaluation Fund	-
-	g) Other Free Reserves	-
-	h) Other Reserves	-
(8,151,491,861)	5 Accumulated Profit / Loss	(8,023,441,085)
25,734,454	6 Exchange Fluctuation Fund	51,016,626
(6,627,898,343)	Total	(6,388,684,333)



Nepal Bank Limited
Debentures and Bonds
As at July 15, 2008 (Ashad 31, 2065)

Annexure 3

Previous Year RS.	Particulars	Current Year Rs.
	1% Bond / Debentures of Rs. Each Issued onand matured on Outstanding Balance of Redemption Reserve Rs.....	
	2% Bond / Debentures of Rs. Each Issued onand matured on Outstanding Balance of Redemption Reserve Rs.....	
	3	
-	Total (1+2+3)	-



Nepal Bank Limited
Borrowings
As at July 15, 2008 (Ashad 31, 2065)

Annexure 4

Previous Year Rs.	Particulars		This Year Rs.
	A) Local		
1,604,868,196	1.	Nepal Government	
	2.	Nepal Rastra Bank	
	3.	Repo Obligation	
	4.	Inter Bank and Financial Institutions	
	5.	Other Financial Institutions	
	6.	Others	
1,604,868,196		Total	1,820,088,867
	B) Foreign		
	1.	Banks	
	2.	Others	
-		Total	-
1,604,868,196		Grand Total(A+B)	1,820,088,867



Nepal Bank Limited

Deposits

As at July 15, 2008 (Ashad 31, 2065)

Annexure 5

Previous Year Rs.	Particulars		This Year Rs.
	1	Non Interest Bearing Accounts	
6,766,342,052	a)	Current Account	7,819,755,741
6,610,541,076	1	Local Currency	7,659,722,396
189,211,336	1.1	Nepal Government	407,920,069
306,793,290	1.2	"A" Class Licensed Institutions	557,363,257
656,042,988	1.3	Other Licensed Institutions	1,516,229,855
3,153,089,479	1.4	Other Organized Institutions	2,478,847,194
1,806,585,439	1.5	Individuals	2,361,856,601
498,818,544	1.6	Others	337,505,420
155,800,976	2	Foreign Currency	160,033,345
-	2.1	Nepal Government	-
-	2.2	"A" Class Licensed Institutions	-
-	2.3	Other Licensed Institutions	-
1,267,588	2.4	Other Organized Institutions	1,787,767
154,473,768	2.5	Individuals	158,233,657
59,620	2.6	Others	11,921
129,433,796	b)	Margin Deposits	99,582,898
626,602	1	Staff guarantee	8,534,351
24,527,254	2	Guarantee Margin	47,128,792
104,279,940	3	Letters of credit Margin	43,919,755
297,784,484	c)	Other	336,735,795
297,784,484	1	Local Currency	336,735,795
-	1.1	Financial Institutions	-
19,384,755	1.2	Other Organized Institutions	16,578,428
278,399,729	1.3	Individual	320,157,367
-	2	Foreign Currency	-
-	2.1	Financial Institutions	-
-	2.2	Other Organized Institutions	-
-	2.3	Individuals	-
7,193,560,332		Total of Non Interest Bearing Accounts	8,256,074,434



Nepal Bank Limited

Deposits

As at July 15, 2008 (Ashad 31, 2065)

Annexure 5

Previous Year Rs.	Particulars	This Year Rs.
	2 Interest Bearing Accounts :	
26,427,197,899	a) Saving Deposits	28,565,392,554
26,414,701,248	1 Local Currency	28,551,248,345
2,707,051,364	1.1 Organized Institutions	2,444,543,225
22,579,274,393	1.2 Individuals	24,808,514,452
1,128,375,491	1.3 Others	1,298,190,668
12,496,651	2 Foreign Currency	14,144,209
4,818,285	2.1 Organized Institutions	878,122
7,678,366	2.2 Individuals	13,266,087
-	2.3 Others	-
5,393,446,128	b) Fixed deposit	4,757,924,075
5,387,804,178	1 Local Currency	4,751,968,925
1,621,015,925	1.1 Organized Institutions	1,083,066,677
3,668,366,570	1.2 Individuals	2,877,855,455
98,421,683	1.3 Others	791,046,793
5,641,950	2 Foreign Currency	5,955,150
5,519,000	2.1 Organized Institutions	5,955,150
122,950	2.2 Individuals	-
-	2.3 Others	-
-	c) Call Deposit	250,000,000
-	1 Local Currency	250,000,000
-	1.1 "A" Class Licensed Institutions	250,000,000
-	1.2 Other Licensed institutions	-
-	1.3 Other Organized Institutions	-
-	1.4 Individuals	-
-	1.5 Others	-
-	2 Foreign Currency	-
-	2.1 "A" Class Licensed Institutions	-
-	2.2 Other Licensed institutions	-
-	2.3 Other Organized Institutions	-
-	2.4 Individuals	-
-	2.5 Others	-
-	d) Certificate of Deposits	-
-	1 Organized Institutions	-
-	2 Individuals	-
-	3 Others	-
31,820,644,027	Interest bearing deposits Total	33,573,316,629
39,014,204,359	Total Deposit(1+2)	41,829,391,063



Nepal Bank Limited
Bills Payable
As at July 15, 2008 (Ashad 31, 2065)

Annexure 6

Previous Year Rs.	Particulars	This Year Rs.
52,943,572	1 Local Currency	40,894,234
7,782,487	2 Foreign Currency	11,448,328
60,726,059	Total	52,342,562



Nepal Bank Limited
Other liabilities
As at July 15, 2008 (Ashad 31, 2065)

Annexure 7

Previous Year Rs.	Particulars	This Year Rs.
-	1 Pension and Gratuity Fund	-
-	2 Employees Provident Fund	-
543,041	3 Employees Welfare Fund	-
48,517,997	4 Provision for Staff Bonus	44,612,340
46,066,394	5 Interest Payable on Deposits	42,200,296
4,999,897	6 Interest Payable on Borrowings	5,822,612
315,168	7 Unearned Discount & Commission	4,564,571
733,640,117	8 Sundry Creditors	1,067,181,087
3,571,502,065	9 Branch Reconciliation	2,853,860,135
418,842,858	10 Others	339,614,873
43,271,896	Deferred Income	25,426,244
29,401,703	Staff Medical Fund	31,349,420
96,398,084	Provision for Leave Encashment	158,388,361
147,480,912	Provision for other Losses	42,247,376
102,290,263	RBB Draft Transaction	82,203,472
4,824,427,537	Total	4,357,855,914



Nepal Bank Limited
Cash Balance
As at July 15, 2008 (Ashad 31, 2065)

Annexure 8

Previous Year Rs.	Particulars	This Year Rs.
1,012,937,329	1 Local Currency (Including Coins)	1,120,049,982
73,129,316	2 Foreign Currency	61,742,431
1,086,066,645	Total	1,181,792,413



Nepal Bank Limited
Balance with Nepal Rastra Bank
As at July 15, 2008 (Ashad 31, 2065)

Annexure 9

Previous Year Rs.	Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.
			I.C.	F.C. (Convertible)	Total	
5,224,859,643	1 Nepal Rastra Bank	4,408,418,848	-	22,222,170	22,222,170	4,430,641,018
3,505,962,346	a) Current Account	1,475,833,425	-	-	-	1,475,833,425
1,718,897,297	b) Other Account	2,932,585,423	-	22,222,170	22,222,170	2,954,807,593



Nepal Bank Limited
Balance With Banks / Financial Institutions
As at July 15, 2008 (Ashad 31, 2065)

Annexure 10

Previous Year Rs.	Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.
			I.C.	F.C. (Convertible)	Total	
328,049,616	1 Local Licensed Institutions	316,387,121	-	-	-	316,387,121
328,049,616	a) Current Account	316,387,121	-	-	-	316,387,121
-	b) Other Account	-	-	-	-	-
478,317,180	2 Foreign Banks	-	123,250,445	564,921,590	688,172,035	688,172,035
478,317,180	a) Current Account	-	123,250,445	564,921,590	688,172,035	688,172,035
-	b) Other Account	-	-	-	-	-
806,366,796	Total :	316,387,121	123,250,445	564,921,590	688,172,035	1,004,559,156

Total Balance for which the confirmations are received from respective licensed institutions Rs.



Nepal Bank Limited
Money at call and short notice
As at July 15, 2008 (Ashad 31, 2065)

Annexure 11

Previous Year Rs.	Particulars	This Year Rs.
200,000,000	1 Local Currency	-
-	2 Foreign Currency	-
200,000,000	Total	-



Nepal Bank Limited
Investments
As at July 15, 2008 (Ashad 31, 2065)

Annexure 12

Previous Year Rs.	Particulars	Purpose		This Year Rs.
		Trading	Other	
13,226,330,236	1 Nepal Government Treasury bill		11,635,313,737	11,635,313,737
-	2 Nepal Government National Saving Bond		1,283,125,000	1,283,125,000
-	3 Nepal Government Other Securities		-	-
-	4 Nepal Rastra Bank Bonds		-	-
1,634,982,000	5 Foreign Securities		2,426,909,593	2,426,909,593
-	6 Local licensed Institutions		-	-
410,522,460	7 Foreign Bank		-	-
61,488,686	8 Other Organized Institutions Shares		139,158,686	139,158,686
-	9 Other Organized Institutions Bonds and Debentures		127,392,000	127,392,000
750,000,000	10 Other Investments		1,040,000,000	1,040,000,000
16,083,323,382	Total Investment	-	16,651,899,016	16,651,899,016
11,143,500	Provision		81,143,500	81,143,500
16,072,179,882	Net investment	-	16,570,755,516	16,570,755,516



Nepal Bank Limited

Investment on Shares, Debentures & Bonds

As at July 15, 2008 (Ashad 31, 2065)

Annexure 12 A

Previous Year Rs.	Particulars	Cost Rs.	Market Rate	Market Value	Provision
	1 Investment in Shares				
707,186	1.1 Rastriya Beema Sansthan 6,000 Ordinary Shares (218,628 Bonus Shares) of Rs. 100/- each	707,186	1900	426,793,200	-
2,000,000	1.2 Deposit Insurance & Credit Guarantee Corporation Pvt. Ltd. 22,990 Ordinary Share (2990 Bonus Shars) of Rs. 100/- each	2,000,000			2,000,000
150,000	1.3 Nepal Oil Corporation Ltd. * 1,500 Ordinary Shares (750 Bonus Shares) of Rs. 100/- each	150,000			150,000
500,000	1.4 Nepal Industrial Development Corporation * 3,000 Ordinary Shares of Rs. 100/- each	300,000	120	360,000	
3,000,000	1.5 National Productivity and Economic Development Centre Ltd. 5,000 Ordinary Shares of Rs. 100 each.	500,000	100	500,000	
3,000,000	1.6 Far Western Rural Dev. Bank * 30,000 Ordinary Shares of Rs. 100 each.	3,000,000			
3,000,000	1.7 Eastern Rural Development Bank * 30,000 Ordinary Shares of Rs. 100 each.	3,000,000			
3,000,000	1.8 Western Rural Development Bank 30,000 Ordinary Shares of Rs. 100 each.	3,000,000			
3,000,000	1.9 Mid Western Rural Development Bank * 30,000 Ordinary Shares of Rs. 100 each.	3,000,000			
2,133,000	1.10 Middle Rural Development Bank * 30,000 Ordinary Shares of Rs. 100 each.	3,000,000			
7,485,000	1.11 Citizen Investment Trust 53,325 Ordinary Shares (Including Bonus Shares 17,775) of Rs. 100 each. (Converted into the paid up amount Rs.100/- issuing Bonus Rs.40/- per each share upto F.Y.058/59 B.S.).	2,133,000	438	23,356,350	
1,500,000	1.12 Rural Micro Finance Development Centre 293550 Ordinary Shares of Rs. 100 each.	29,355,000			
12,000,000	1.13 Deprosc Development Bank Limited 22,500 Ordinary Shares of Rs. 100 each.	1,500,000	156	3,510,000	
5,000,000	1.14 Gorakhhali Rubber Udhog Ltd. * 160000 Ordinary Shares of Rs. 100 each (Rs. 75 paid up)	1,200,000	39	6,240,000	8,640,000
500	1.15 Sana Kisan Bikas Bank Limited * 50000 Ordinary Shares of Rs. 100 each.	5,000,000			
160,000	1.16 Sajha Sawasthya Sewa Sahakari Sanstha Limited * 5 Ordinary Shares of Rs.100 each (6 Bonus Shares received upto F.Y.2060/61)	500			500
353,000	1.17 Nepal Insurance Company Limited 1600 Ordinary Shares (521094 Bonus Shares) of Rs. 100 each.	160,000	350	182,942,900	-
-	1.18 Credit Information Centre * 3530 Ordinary Shares of Rs. 100 each.	353,000			353,000
-	1.19 Tara Gawn Regeny Hotel Ltd. 700000 Ordinary Shares of Rs. 100 each	70,000,000	68	47,600,000	70,000,000
-	2 Investment in Debenture and Bonds				
	2.1 7.75% Power Bond of NEA	127,392,000	-	-	-
46,988,686	Total	128,358,686			81,143,500
	3 Provision for Losses				
20,540,500	3.1 Up to previous year	11,143,500			
(9,397,000)	3.2 Addition (Write Back During the year)	70,000,000			
11,143,500	Total	81,143,500			

* Not declared and distributed dividend for more than three years.



Nepal Bank Limited
Classification of Loans, Advances & Bills Purchased and Provisioning
As at July 15, 2008 (Ashad 31, 2065)

Annexure 13

Previous Year	Particulars	Loans and Advances					Bills Purchased and Discounted			This Year
		Domestic			Foreign	Total	Domestic	Foreign	Total	
		Priority Sector		Other						
		Insured	Uninsured							
11,900,570,696	1. Performing Loan	914,810	2,036,191	13,685,111,757	-	13,688,062,758	7,824,775	1,964,488	9,789,263	13,697,852,021
11,180,438,676	1.1 Pass Loan	914,810	2,036,191	13,685,111,757		13,688,062,758	7,824,775	1,964,488	9,789,263	13,697,852,021
720,132,020	1.2 Restructured	-	-	-		-	-	-	-	-
1,856,048,981	2. Non Performing Loan	408,311,570	89,277,042	1,562,978,583	-	2,060,567,195	58,731	6,518,683	6,577,414	2,067,144,609
17,246,119	2.1 Substandard	2,041,698	130,321	61,805,605		63,977,624	-	-	-	63,977,624
29,847,790	2.2 Doubtful	238,975	17,987	20,322,653		20,579,615	-	-	-	20,579,615
1,808,955,072	2.3 Loss	406,030,897	89,128,734	1,480,850,325		1,976,009,956	58,731	6,518,683	6,577,414	1,982,587,370
13,756,619,677	(A) Total Loan	409,226,380	91,313,233	15,248,090,340	-	15,748,629,953	7,883,506	8,483,171	16,366,677	15,764,996,630
	3. Loan Loss Provision									
170,161,310	3.1 Pass	914,810	2,036,191	575,317,687		578,268,688	78,248	19,645	97,893	578,366,581
698,414,520	3.2 Restructured	-	-	-		-	-	-	-	-
5,498,640	3.3 Substandard	2,041,698	130,321	54,894,456		57,066,475	-	-	-	57,066,475
15,112,478	3.4 Doubtful	238,975	17,987	10,176,475		10,433,437	-	-	-	10,433,437
1,808,955,072	3.5 Loss	406,030,897	89,128,734	1,365,430,324		1,860,589,955	58,731	6,518,683	6,577,414	1,867,167,369
2,698,142,020	(B) Total Provision	409,226,380	91,313,233	2,005,818,942	-	2,506,358,555	136,979	6,538,328	6,675,307	2,513,033,862
	4. Provision Up to Last Year									
202,617,053	4.1 Pass	14,800,534	44,165,737	111,117,759		170,084,030	61,178	16,102	77,280	170,161,310.00
281,066,280	4.2 Restructured	-	-	698,414,520		698,414,520	-	-	-	698,414,520.00
13,150,066	4.3 Substandard	1,502,534	80,284	3,915,822		5,498,640	-	-	-	5,498,640.00
61,079,732	4.4 Doubtful	506,232	26,901	14,579,345		15,112,478	-	-	-	15,112,478.00
2,127,478,480	4.5 Bad	490,655,203	107,729,220	1,205,308,433		1,803,692,856	88,231	5,173,985	5,262,216	1,808,955,072.00
2,685,391,611	(C) Provision up to Last Year	507,464,503	152,002,142	2,033,335,879	-	2,692,802,524	149,409	5,190,087	5,339,496	2,698,142,020
-	(D) Previous Years' Provision Written Back	(98,238,123)	(60,688,909)	(27,516,937)	-	(186,443,969)	(12,430)	-	-	(185,108,158)
	(E) This Years' Additional Provision	-	-	-	-	-	-	1,348,241	1,335,811	-
-	Net Adjustment for the year	(98,238,123)	(60,688,909)	(27,516,937)	-	(186,443,969)	(12,430)	(1,348,241)	(1,335,811)	(185,108,158)
11,058,477,657	Net Loan(A-B)	-	-	13,242,271,398	-	13,242,271,398	7,746,527	1,944,843	9,691,370	13,251,962,768



Nepal Bank Limited
Loan, Advances and Bills Purchased - Security Wise
As at July 15, 2008 (Ashad 31, 2065)

Annexure 13A

Previous Year Rs.	Particulars	This Year Rs.
13,756,619,677	(A) Secured	15,764,996,630
11,671,893,839	1 Movable / Immovable Assets	13,668,382,169
-	2 Guarantee of Local Licensed Institutions	-
18,260,864	3 Government Guarantee	18,260,864
-	4 Internationally Rated Bank Guarantee	-
10,177,534	5 Export Documents	2,431,445
349,986,292	6 Fixed Deposit Receipts	464,811,526
92,811,292	(a) Own FDR	83,982,526
257,175,000	(b) FDR of Other Licensed Institutions	380,829,000
551,327,000	7 Government Bonds	63,210,000
-	8 Counter Guarantee	-
-	9 Personal Guarantee	-
1,154,974,148	10 Other Securities	1,547,900,626
-	(B) Unsecured	-
13,756,619,677	Total:	15,764,996,630



Nepal Bank Limited

Fixed Assets

As at July 15, 2008 (Ashad 31, 2065)

Annexure 14

Previous Year Rs.	Particulars	Assets					This Year Rs.
		Building	Vehicles	Machinery	Office equipment	Others	
	1 At Cost:						
411,317,566	a) Up to previous Year	75,008,665	83,243,789	276,497	280,039,462	1,822,541	440,390,954
31,532,714	b) Addition During The Year	19,488,404	4,240,499	-	31,939,123	451,251	56,119,277
-	c) Revaluation/Written Back This Year	-	-	-	-	-	-
(2,459,326)	d) This Year Sold	(210,051)	(1,934,893)	-	-	(27,415)	(2,172,359)
-	e) This Year Written Off	-	-	-	-	-	-
440,390,954	Total (a+b+c+d+e) at cost :	94,287,018	85,549,395	276,497	311,978,585	2,246,377	494,337,872
	2 Depreciation :						
256,083,236	a) Up to Previous Year	38,881,796	50,656,294	266,383	200,244,113	869,214	290,917,800
36,608,307	b) For This Year	2,947,858	6,719,310	1,517	24,902,323	252,755	34,823,763
-	c) Depreciation on revaluation/written back	-	-	-	-	-	-
(1,773,743)	d) Depreciation - Adjusted / Written Back	(108,883)	(1,177,439)	-	-	(13,075)	(1,299,397)
290,917,800	Total Deprecation	41,720,771	56,198,165	267,900	225,146,436	1,108,894	324,442,166
149,473,154	3 Book value (WDV)* (1-2)	52,566,247	29,351,230	8,597	86,832,149	1,137,483	169,895,706
35,387,441	4 Land	34,611,895	-	-	-	-	34,611,895
20,907,667	5 Capital Construction (Pending Capitalization)		3,019,901	-	-	-	-
-	6 Lease hold assets						-
205,768,262	Total (3+4+5+6)	90,198,043	9,351,230	8,597	86,832,149	1,137,483	07,527,502

Written Down Value*



Nepal Bank Limited

Non banking Assets

As at July 15, 2008 (Ashad 31, 2065)

Annexure 15

Last Year Rs.	Name of Lender or Party	Date of Acceptance as Non Banking Assets	Total Non Banking Assets Amount Rs.	Loan Loss Provision		Net Non Banking Assets Amount Rs.
				Percentage	Amount Rs.	
12,000	Kumar Basnet	046-02-05	12,000	100%	12,000	-
16,214	Rama Devi Bhattarai	049-05-29	16,214	100%	16,214	-
17,000	Padam Pd. Lakaul	027-10-26	17,000	100%	17,000	-
42,583	Shiva Stores	063-02-12	42,583	100%	42,583	-
60,000	Debraj Khanal	046-02-05	60,000	100%	60,000	-
61,965	Sumitra Devi Dhungel(Kharel)	062-07-14	61,965	100%	61,965	-
62,500	Manakamana Enterprises	062-06-20	62,500	100%	62,500	-
63,111	Bhim Bahadur Prasai	044-03-12	63,111	100%	63,111	-
87,500	Mahamai Furniture	063-03-30	87,500	100%	87,500	-
87,500	M.Januka Traders	063-03-30	87,500	100%	87,500	-
96,000	Kanchan Jenaral Store	063-02-12	96,000	100%	96,000	-
96,022	Rani Laxmi Kirana Shop	062-07-08	96,022	100%	96,022	-
99,218	Bir Bahadur Thapa	054-04-23	99,218	100%	99,218	-
105,000	Puja Galla Bhandar	062-11-25	105,000	100%	105,000	-
108,000	Sriram Traders	062-11-12	108,000	100%	108,000	-
109,000	Gyan Bahadur Tamang	045-01-23	109,000	100%	109,000	-
111,848	Pradhan Kirana Shop	062-07-08	111,848	100%	111,848	-
112,182	Shanti Devi Kasodhan	038-05-01	112,182	100%	112,182	-
125,000	Krishna Bahadur Dhital	060-01-25	125,000	100%	125,000	-
125,000	Kumar Cycle Group	063-03-26	125,000	100%	125,000	-
140,134	Kul Chandra Upadhyay	061-09-25	140,134	100%	140,134	-
140,667	Kanchan Traders	063-02-12	140,667	100%	140,667	-
140,732	Raj Kumar Gupta	062-11-25	140,731	100%	140,731	-
145,412	Yadu Nath Gautam	063-6-9	145,412	100%	145,412	-
150,000	New Birat Kirana Shop	062-06-19	150,000	100%	150,000	-
176,000	Manoj Kumar Chiraniya	046-11-28	176,000	100%	176,000	-
176,925	Majoj Selar Mill	064-3-31	176,925	100%	176,925	-
180,000	Dip Hardware	062-10-24	180,000	100%	180,000	-
200,000	Rastriya Chamal Pitho Udhog	063-4-18	200,000	100%	200,000	-
200,000	S. Laboratory	063-02-18	200,000	100%	200,000	-
215,221	Sagun Dutpen Udhog	062-10-11	215,220	100%	215,220	-
221,000	Bishnu Wood Furniture	064-3-32	221,000	100%	221,000	-
229,000	Kuber Kirana Pasal	064-3-31	229,000	100%	229,000	-
232,000	Baldev Kirana Pasal	064-3-31	232,000	100%	232,000	-
236,922	Shankar Prasad Prasai	7/12/2063	236,922	100%	236,922	-
237,375	Mohan Redimade	062-05-29	237,375	100%	237,375	-
255,000	Radha Kumar Katuwal	063-4-11	255,000	100%	255,000	-
255,000	Bhadrakali Shubhakamana	063-03-15	255,000	100%	255,000	-

263,100	Aasha Ieta Udhog	063-02-09	263,100	100%	263,100	-
295,000	Bindeshwor Prasad Shah	063-11-10	295,000	100%	295,000	-
300,000	Ramesh Raya	062-08-14	300,000	100%	300,000	-
300,000	Elija Gril Udhog	062-04-16	300,000	100%	300,000	-
316,500	Biswo Gril & Shutar Udhog	062-04-32	316,500	100%	316,500	-
547,553	Maike Enterprises	063-03-32	304,196	100%	304,196	-
334,284	United Supplayers Traders	051-10-23	334,284	100%	334,284	-
350,000	Prakash Kirana Stores	063-02-19	350,000	100%	350,000	-
355,000	Maruti Ieta Udhog	062-09-26	355,000	100%	355,000	-
359,220	Gorakhnath Rice Mill	062-10-13	359,220	100%	359,220	-
370,000	Narayani Bone Chips	063-02-4	370,000	100%	370,000	-
386,153	Dipa Devi Baniya	062-07-14	386,153	100%	386,153	-
390,000	Mamata Gharelu Udhog	062-09-19	390,000	100%	390,000	-
391,002	Krishna Bastralaya	063-03-30	391,002	100%	391,002	-
400,000	Abodh Galla Bhandar	062-11-25	400,000	100%	400,000	-
400,000	Mohan Prasad Sangraula	061-08-09	400,000	100%	400,000	-
400,000	New Sweta Stores	063-02-18	400,000	100%	400,000	-
401,274	Sri International Pvt.Ltd.	062-07-27	401,274	100%	401,274	-
404,628	Buddha Kumar Shrestha	063-01-18	404,628	100%	404,628	-
405,000	Raja Gril Udhog	062-07-11	405,000	100%	405,000	-
407,379	Narayani Chau Chau Udhog	062-08-07	407,379	100%	407,379	-
407,500	Sapkota Electric Pvt.Ltd.	063-6-3	407,500	100%	407,500	-
409,477	Krishna Rice & Oil Mill	062-10-14	409,477	100%	409,477	-
413,000	Rara Construction Co.Pvt.Ltd.	059-09-22	413,000	100%	413,000	-
415,000	C.J. Hardware	063-03-10	415,000	100%	415,000	-
419,166	Lokendra Chaudhary	062-08-10	419,166	100%	419,166	-
420,653	Bikash Trading	062-05-29	420,653	100%	420,653	-
422,940	Bishal Metal Udhog	062-08-30	422,940	100%	422,940	-
427,500	Om Sagarmatha	063-03-28	427,500	100%	427,500	-
429,821	Laxmi Prasad Kharel	062-07-14	429,821	100%	429,821	-
433,170	Shah Kirana Shop	062-08-14	433,170	100%	433,170	-
442,103	Mini Carpet Udhog	062-08-30	442,103	100%	442,103	-
450,000	Yadu Nath Gautam	057-05-22	450,000	100%	450,000	-
472,500	Krishi Aujar Udhog	062-10-19	472,500	100%	472,500	-
486,000	Suraj Chiya Udhog	063-6-29	486,000	100%	486,000	-
486,875	Kanchan Bheraity	063-02-12	486,875	100%	486,875	-
487,000	Bridge Kishwor Galla Bhandar	063-02-29	487,000	100%	487,000	-
489,350	Ram Prasad Giri	063-03-15	489,350	100%	489,350	-
493,600	Tulasi Chiya Udhog	063-6-29	493,600	100%	493,600	-
493,750	Amala Almunium	063-02-31	493,750	100%	493,750	-
499,750	Ganga Jamuna Sellar Rice U.	063-03-29	499,750	100%	499,750	-
500,000	Salim Stores	061-04-04	500,000	100%	500,000	-
500,000	Indira Kastha Udhog	062-06-19	500,000	100%	500,000	-
500,000	Hemraj Mahato	063-02-15	500,000	100%	500,000	-
510,000	Anu Emporeim	063-03-16	510,000	100%	510,000	-
510,150	Buddhi Prasad Aryal	062-06-03	510,150	100%	510,150	-
516,612	Mukti Khadhya Stores	063-03-15	516,612	100%	516,612	-

518,200	Kuber Kirana Pasal tatha Katha	063-03-20	518,200	100%	518,200	-
526,074	Nat Bold House	062-09-04	526,074	100%	526,074	-
530,093	New Mahamai Furniture	063-03-30	530,093	100%	530,093	-
548,302	Nepal Metal Udhog	063-03-13	548,302	100%	548,302	-
562,500	Jagadamba Jindal Traders	063-03-19	562,500	100%	562,500	-
562,500	Lucky Bherity Center	063-03-19	562,500	100%	562,500	-
572,737	The Black Top Tek	062-08-13	572,737	100%	572,737	-
573,726	Siddhidatri Traders P.Ltd.	063-4-11	573,726	100%	573,726	-
580,000	Om Footware	063-02-29	580,000	100%	580,000	-
582,923	Chapagain Khadhya Bhandar	063-03-15	582,923	100%	582,923	-
600,000	Sanjaya Galla Bhandar	063-11-10	600,000	100%	600,000	-
600,000	Shiwakoti Enterprises	062-05-30	600,000	100%	600,000	-
600,000	Ganesh Chiya Udhog	061-08-09	600,000	100%	600,000	-
607,191	Adhikari Cement Sa.Udhog	062-08-07	607,191	100%	607,191	-
609,554	Amar Khadhya Bhandar	064-6-3	609,554	100%	609,554	-
610,000	Amir Adhikari	062-10-17	610,000	100%	610,000	-
4,370,000	Manakamana Dairy P.Ltd.	062-12-17	610,000	100%	610,000	-
617,188	Prashamsa Textile	063-4-18	617,188	100%	617,188	-
619,837	Saroj Rice Mill	063-02-14	619,838	100%	619,838	-
622,741	Nepal Cole Supplayers	062-09-12	622,741	100%	622,741	-
628,746	New Bhimsen Rice Mill	063-9-17	628,746	100%	628,746	-
632,845	Prakash Enterprises	063-8-19	632,845	100%	632,845	-
640,000	Rudra Bahadur Katuwal	063-03-15	640,000	100%	640,000	-
642,320	Dip Narayan Chaudhary	062-08-02	642,320	100%	642,320	-
645,750	Chandra Sher Bahadur Limbu	063-03-09	645,750	100%	645,750	-
650,000	K. & K. Apprals	063-02-22	650,000	100%	650,000	-
655,282	Narayani Salad A. Udhog	062-12-04	655,282	100%	655,282	-
657,000	Panchakanya Metal Udhog	063-03-19	657,000	100%	657,000	-
658,873	New Pragati Toyota Spairs	062-09-15	658,873	100%	658,873	-
670,313	Suwal Traders	062-06-20	670,313	100%	670,313	-
670,578	M.A. Traders	063-03-05	670,578	100%	670,578	-
671,390	Gandaki Fancy Stores	063-03-15	671,390	100%	671,390	-
682,364	D.R. Supplayers	062-02-15	682,363	100%	682,363	-
688,580	Lord Buddha Film P.Ltd.	062-10-11	688,580	100%	688,580	-
700,000	Remond letta Udhog	063-01-22	700,000	100%	700,000	-
700,000	S.K. Stationary	063-4-11	700,000	100%	700,000	-
700,000	Khem Nath Dhakal	063-02-15	700,000	100%	700,000	-
703,125	Amala Almunium Udhog	063-01-31	703,125	100%	703,125	-
711,654	Sriram Hojiyari Udhog	062-11-02	711,654	100%	711,654	-
712,785	Dhimal Rice Mill	063-6-29	712,785	100%	712,785	-
714,338	Kalika Film Udhog	062-07-09	714,338	100%	714,338	-
720,303	Sangam Traders	8/19/2063	720,303	100%	720,303	-
720,320	Shubharambha Film P.Ltd.	062-08-13	720,320	100%	720,320	-
722,929	Malika Erterprises	063-03-18	722,929	100%	722,929	-
726,582	Adhikari Steel Furniture Udhog	062-11-02	726,582	100%	726,582	-
726,753	Gopi Nath Traders	063-03-22	726,753	100%	726,753	-
726,966	Chitawan Medicine Distributers	063-03-15	726,966	100%	726,966	-

738,491	Karuna Kirana Pasal	062-08-13	738,491	100%	738,491	-
743,434	Dhruba Kumar Shrestha	063-6-29	743,434	100%	743,434	-
750,000	Gyanendra Kandangwa	063-6-29	750,000	100%	750,000	-
750,000	Mahesh Dhakal	063-6-29	750,000	100%	750,000	-
750,000	Himanchal Plant S. Mill	062-07-08	750,000	100%	750,000	-
780,594	Aadarsha Gharelu Furniture Udh yog	063-03-16	780,594	100%	780,594	-
781,500	B.D. Traders	062-12-13	781,500	100%	781,500	-
783,483	Bardiya Rice Mill	063-03-30	783,482	100%	783,482	-
800,000	Bahumukhi Sewa Udh yog	063-03-14	800,000	100%	800,000	-
800,000	Milan Furniture	063-02-11	800,000	100%	800,000	-
812,500	Siddhi Enterprises	063-5-22	812,500	100%	812,500	-
818,750	A-Z Hardware Center	063-03-28	818,750	100%	818,750	-
822,763	Bir Bahadur Chauhan	063-03-15	822,763	100%	822,763	-
840,000	Dev Sharan Rice Mill	063-02-16	840,000	100%	840,000	-
842,400	Ajaya Gril Udh yog	062-07-11	842,400	100%	842,400	-
859,349	Manju Devi K.C.	063-02-14	859,349	100%	859,349	-
863,750	Kanchan Sadi Center	063-02-12	863,750	100%	863,750	-
867,690	Books & Stationary Supp.	063-02-31	867,690	100%	867,690	-
868,279	Bhim Raj Pandey	063-02-09	868,279	100%	868,279	-
880,404	Gopal Chyariti Trust	062-11-26	880,404	100%	880,404	-
892,786	Bijay Gharelu Khadhya Udh yog	063-01-19	892,786	100%	892,786	-
900,000	Radha Krishna Rice Mill	062-11-12	900,000	100%	900,000	-
909,375	Rishi Furniture Udh yog	062-06-20	909,375	100%	909,375	-
913,455	Guras Khadhya Udh yog P.Ltd.	063-03-25	913,456	100%	913,456	-
921,823	Raj Gril Sattar & Krishi Au.	063-03-21	921,823	100%	921,823	-
923,438	Goodwil Enterprises	063-03-07	923,438	100%	923,438	-
954,253	Amar Shingh Buddha	063-03-30	954,253	100%	954,253	-
955,000	Phyul Ganga Hardware	061-12-31	955,000	100%	955,000	-
960,000	Sitala Devi Enterprises	062-03-13	960,000	100%	960,000	-
972,544	Naya Bhimsen Rice Mill	063-02-30	972,544	100%	972,544	-
984,770	Sina Galla EBhandar	063-03-11	984,770	100%	984,770	-
2,619,415	Bijay Kirana Pasal	062-10-12	986,533	100%	986,533	-
992,285	Gupta Galla Bhandar	063-02-29	992,285	100%	992,285	-
1,000,000	Sudhir Still Furniture	063-4-29	1,000,000	100%	1,000,000	-
1,000,000	Dev Kumar Fancy Stores	063-02-04	1,000,000	100%	1,000,000	-
1,000,000	Manita Gril Udh yog	061-12-04	1,000,000	100%	1,000,000	-
1,000,000	King Fisher Janjag Risort	063-03-23	1,000,000	100%	1,000,000	-
1,009,310	Arjun Mahesh Traders	063-03-15	1,009,310	100%	1,009,310	-
1,020,001	Shrestha Supplayars	063-02-16	1,020,001	100%	1,020,001	-
1,022,074	Raju Khadhya Udh yog	063-02-09	1,022,074	100%	1,022,074	-
1,025,128	Everest Carpet Udh yog	063-03-11	1,025,128	100%	1,025,128	-
1,027,097	Spair Parts & Supplayars	063-03-25	1,027,097	100%	1,027,097	-
1,041,084	Jaya Kali Pepar Works	063-03-16	1,041,084	100%	1,041,084	-
1,041,756	Ganesh Bhada Stores	063-02-02	1,041,756	100%	1,041,756	-
1,045,755	Shingh Rice Mill	062-10-20	1,045,755	100%	1,045,755	-
1,050,000	Golden Furniture Udh yog	062-11-26	1,050,000	100%	1,050,000	-
1,063,468	Katel Body Bilders	062-04-32	1,063,468	100%	1,063,468	-

1,064,000	Shivashakti Iron Industrise	062-09-26	1,064,000	100%	1,064,000	-
1,070,000	Jaya Laxmi Cloth House	062-02-12	1,070,000	100%	1,070,000	-
1,092,188	Champa Carmet Udhyog	063-03-01	1,092,188	100%	1,092,188	-
1,097,379	Surajlaxmi Enterprises	062-09-15	1,097,379	100%	1,097,379	-
1,125,081	Sorgadwari Traders	063-02-11	1,125,081	100%	1,125,081	-
1,128,217	Uddhav Enterprises	063-03-15	1,128,218	100%	1,128,218	-
1,150,000	Suwal letta Udhyog	062-04-32	1,150,000	100%	1,150,000	-
1,150,000	Lal Bahadur Tamrakar	063-03-16	1,150,000	100%	1,150,000	-
1,200,000	Jaya Buddha Rice Mill	062-11-12	1,200,000	100%	1,200,000	-
1,229,877	New Pathibhara Supplayars	063-01-28	1,229,877	100%	1,229,877	-
1,232,344	Shivashakti Body Work Shop	063-02-04	1,232,344	100%	1,232,344	-
1,236,951	Guras Oil Sellar Mill	049-08-14	1,236,950	100%	1,236,950	-
1,241,456	Gupta Brothers & Mill	064-6-3	1,241,456	100%	1,241,456	-
1,243,000	Bharat Sunmaika Stores	063-03-16	1,243,000	100%	1,243,000	-
1,244,700	Basundhara Auto Parts	063-03-16	1,244,700	100%	1,244,700	-
1,261,795	Myanglung Kastha Udhyog	063-03-14	1,261,795	100%	1,261,795	-
1,273,793	Sri Galla Bhandar	063-03-11	1,273,793	100%	1,273,793	-
1,279,000	Star Paper Work Products	063-6-1	1,279,000	100%	1,279,000	-
1,295,250	Akul Enterprises	063-03-30	1,295,250	100%	1,295,250	-
1,298,122	Mina Laghu Udhyog	062-09-29	1,298,122	100%	1,298,122	-
1,300,000	Sandip & Sandip Supplayers	062-08-21	1,300,000	100%	1,300,000	-
1,317,344	Kaushal Hardware Stores	063-03-11	1,317,344	100%	1,317,344	-
1,320,222	Biutiful Mounten Risort	063-02-16	1,320,222	100%	1,320,222	-
1,322,500	Shiva Kastha Furniture Udhyog	063-03-16	1,322,500	100%	1,322,500	-
1,325,000	Yadab Rice Mill	063-02-19	1,325,000	100%	1,325,000	-
1,330,647	Ganesh Sa. Mill	062-08-07	1,330,647	100%	1,330,647	-
1,335,600	Manakamana Enterprises	063-02-22	1,335,600	100%	1,335,600	-
1,338,886	G.S. Rice Mill	062-10-28	1,338,886	100%	1,338,886	-
1,346,645	Rem Rudra Rice Mill	062-12-13	1,346,645	100%	1,346,645	-
1,400,680	Padam Bahadur Basnet	061-08-20	1,400,680	100%	1,400,680	-
1,420,276	New Lalima Carpet	063-4-13	1,420,276	100%	1,420,276	-
1,423,000	R.K. Trade Concern	062-06-03	1,423,000	100%	1,423,000	-
1,436,025	Hari Das Furniture Udhyog	062-06-03	1,436,025	100%	1,436,025	-
1,446,500	New Micro Center	062-08-21	1,446,500	100%	1,446,500	-
1,459,845	S.B. Impex	044-04-10	1,459,845	100%	1,459,845	-
1,479,184	Rina Oil Udhyog	063-02-21	1,479,184	100%	1,479,184	-
1,492,000	C.M. Traders	062-08-15	1,492,000	100%	1,492,000	-
1,497,678	B.D. Textile	062-09-09	1,497,678	100%	1,497,678	-
1,500,000	Sunrise Chiya Udhyog	061-12-04	1,500,000	100%	1,500,000	-
1,500,000	Adhikari Furniture Udhyog	061-12-04	1,500,000	100%	1,500,000	-
1,500,000	New Santosh Carpet	063-4-29	1,500,000	100%	1,500,000	-
1,516,294	Swadeshi Khadhya Udhyog	062-11-25	1,516,294	100%	1,516,294	-
1,518,915	Pice Technology Co.	062-12-04	1,518,915	100%	1,518,915	-
1,519,000	Gopi Lal Shrestha Group	062-3-2	1,519,000	100%	1,519,000	-
1,522,479	Khagendra Bahadur Katuwal	063-03-15	1,522,479	100%	1,522,479	-
1,522,650	Ganesh U Udhyog	062-09-26	1,522,650	100%	1,522,650	-
1,527,530	Mini Traders & Supplayers	063-4-11	1,527,530	100%	1,527,530	-

1,529,700	Prabish Technotogy Co.	062-12-04	1,529,700	100%	1,529,700	-
1,533,110	Prime Textile Industries	063-02-15	1,533,110	100%	1,533,110	-
1,547,699	Rama Resturent & Bar	063-9-27	1,547,699	100%	1,547,699	-
1,550,000	Baba Khadhya Bhandar	062-04-32	1,550,000	100%	1,550,000	-
1,555,709	Bindabasini Rice Mill	063-4-18	1,555,709	100%	1,555,709	-
1,559,375	Chakravarti Carpet Udh yog	063-03-02	1,559,375	100%	1,559,375	-
1,561,104	Udayapur Kastha Udh yog	063-03-16	1,561,104	100%	1,561,104	-
1,564,763	Bheri Loha Nirman Udh yog	064-3-32	1,564,763	100%	1,564,763	-
1,575,887	Giribandhu Construction	061-08-09	1,575,887	100%	1,575,887	-
1,600,000	Byuhat Dal Tel Udh yog	063-02-15	1,600,000	100%	1,600,000	-
3,800,000	Chitawan Cold Stores P.Ltd.	062-12-17	1,600,000	100%	1,600,000	-
1,659,600	Acharya Traders	062-04-32	1,659,600	100%	1,659,600	-
1,659,985	Badan Kastha Udh yog	063-03-14	1,659,985	100%	1,659,985	-
1,664,165	Yangamati Enterprises	062-06-20	1,664,165	100%	1,664,165	-
1,664,351	Kalika Oil Mill	062-12-14	1,664,351	100%	1,664,351	-
1,668,358	Dipak & Sumin Traders	062-09-04	1,668,358	100%	1,668,358	-
1,668,578	Dab Bahadur Baniya	062-07-14	1,668,578	100%	1,668,578	-
1,679,286	Nawa Durga Khadhya Udh yog	063-12-01	1,679,287	100%	1,679,287	-
982,000	Purbanchal Bit Bord Raphreming	061-10-04	1,695,200	100%	1,695,200	-
1,707,810	Baglung Kali Khadhya Udh yog	063-02-09	1,707,810	100%	1,707,810	-
1,778,675	Chinnamasta Distilari P.	063-11-10	1,778,675	100%	1,778,675	-
1,791,000	Agro Input	063-03-16	1,791,000	100%	1,791,000	-
1,867,500	Ram Sharan Paudel	061-06-05	1,867,500	100%	1,867,500	-
1,808,833	Ghimire Auto Parts	062-10-28	1,883,584	100%	1,883,584	-
1,950,000	Narayani Auto Disel	061-06-05	1,950,000	100%	1,950,000	-
2,022,000	Acharya Galla Bhandar	062-06-03	2,022,000	100%	2,022,000	-
2,022,810	Shubhakamana letta Udh yog	063-01-27	2,022,810	100%	2,022,810	-
2,038,329	Sanjiv Hardware	063-02-21	2,038,329	100%	2,038,329	-
2,056,282	Tridurit Shoping Center	063-03-14	2,056,282	100%	2,056,282	-
2,075,000	Fuel Injection House	063-03-14	2,075,000	100%	2,075,000	-
2,093,436	Himalaya Kastha Udh yog	063-01-31	2,093,436	100%	2,093,436	-
2,104,765	Tea Makers P.Ltd.	063--3-12	2,104,765	100%	2,104,765	-
2,115,000	Sampada Enterprises	063-02-21	2,115,000	100%	2,115,000	-
2,130,000	Uma Engineering	063-02-04	2,130,000	100%	2,130,000	-
2,271,463	Merry Gold Electricals	062-07-25	2,271,463	100%	2,271,463	-
2,307,500	Jain Impex	063-03-30	2,307,500	100%	2,307,500	-
1,725,000	Durgananda Sharma	061-08-20	2,354,175	100%	2,354,175	-
2,406,400	Punam Oil & Rice U.	062-06-32	2,406,400	100%	2,406,400	-
2,441,355	Shyam Krishna Chaudhary	062-08-16	2,441,355	100%	2,441,355	-
2,500,000	Tulika Radimade Udh yog	062-01-15	2,500,000	100%	2,500,000	-
2,504,000	Machapuchre Rice Mill	062-12-15	2,504,000	100%	2,504,000	-
2,537,500	Nimasa Enterprises	062-3-12	2,537,500	100%	2,537,500	-
2,578,000	Jyoti Phid P.Ltd.	061-06-12	2,578,000	100%	2,578,000	-
2,662,740	Shailungeshwor Khadhya Udh yog	062-10-13	2,662,740	100%	2,662,740	-
2,669,698	Madan Sharma Samuha	062-09-12	2,669,698	100%	2,669,698	-
2,700,000	Shankar Chitralatya	061-04-06	2,700,000	100%	2,700,000	-
2,587,664	Bhagawati Furniture Udh yog	062-09-26	2,730,000	100%	2,730,000	-

2,733,339	Durga Gautam Rice Mill	062-07-13	2,733,339	100%	2,733,339	-
2,759,446	Trimurti Enterprises	056-12-09	2,759,446	100%	2,759,446	-
2,773,000	Krishna Prasad Pant	063-02-09	2,773,000	100%	2,773,000	-
2,850,000	Aathrai Garments	064-3-19	2,850,000	100%	2,850,000	-
2,858,750	Hom Prasad Dhakal	061-06-05	2,858,750	100%	2,858,750	-
2,918,054	Omika Sinthethic Industries	062-11-08	2,918,054	100%	2,918,054	-
2,996,875	M.N. Metal Works	062-06-20	2,996,875	100%	2,996,875	-
3,000,000	Annapurna Textile L.	063-01-21	3,000,000	100%	3,000,000	-
3,090,000	Kosheli Textile P.Ltd..	063-02-12	3,090,000	100%	3,090,000	-
3,129,000	Hotel Nagadanda Himal	063-6-27	3,129,000	100%	3,129,000	-
3,183,750	Rishi Furniture Udhyog	063-02-22	3,183,750	100%	3,183,750	-
3,264,412	Mahakali Phid Industries	062-03-24	3,264,412	100%	3,264,412	-
3,353,921	Nisha Enterprises	061-04-04	3,353,921	100%	3,353,921	-
3,481,024	Star Pyakesing & Printing	062-02-29	3,481,023	100%	3,481,023	-
3,520,380	Jaya Lal Shah	061-03-29	3,520,381	100%	3,520,381	-
3,535,160	Jayakali Biskut & Co.	063-03-14	3,535,160	100%	3,535,160	-
3,570,947	Bishal Enterprises	063-02-04	3,570,947	100%	3,570,947	-
1,047,695	Renuka Herbal Cosmetic	062-09-26	3,635,358	100%	3,635,358	-
3,719,822	Jivan Dip Chalchitra Mandir	063-2-12	3,719,822	100%	3,719,822	-
3,837,007	Phaud Singh Thapa	061-08-20	3,837,007	100%	3,837,007	-
3,940,684	Surya Khadhya Udhyog	061-03-31	3,940,684	100%	3,940,684	-
3,982,750	Madan Bikram Nemwang	061-08-09	3,982,750	100%	3,982,750	-
4,000,000	Janakpur Colk Stors	063-2-25	4,000,000	100%	4,000,000	-
4,050,000	Himalayan Shoping Center	063-02-11	4,050,000	100%	4,050,000	-
4,093,750	Lalbani & Company	063-03-04	4,093,750	100%	4,093,750	-
4,287,500	Om Prasad Dugad	062-03-20	4,287,500	100%	4,287,500	-
2,000,000	Kumar Cycle Group	061-06-26	4,500,000	100%	4,500,000	-
4,616,449	Jayalaxmi Chalchitri Mandir	062-09-19	4,616,449	100%	4,616,449	-
5,010,000	Jayalaxmi letta Udhyog	061-12-31	5,010,000	100%	5,010,000	-
5,042,499	Jumle Carpet & Omsai	063-03-08	5,042,499	100%	5,042,499	-
5,050,000	Laxmi Khadhya Udhyog	062-03-15	5,050,000	100%	5,050,000	-
5,315,000	Jaya Bhawani Rice Mill	062-05-29	5,315,000	100%	5,315,000	-
5,875,000	Bhawani Goyal Group	026-02-26	5,875,000	100%	5,875,000	-
6,103,757	Diyo Rice Mill	063-01-29	6,103,757	100%	6,103,757	-
6,178,464	Annapurna Rice & Oil	062-03-19	6,178,464	100%	6,178,464	-
6,447,722	Gopi Lal Shrestha & Shrestha Khadhya Tel Udhyog	062-03-28	6,447,722	100%	6,447,722	-
6,550,500	Dambar Lal Shah	061-08-20	6,550,500	100%	6,550,500	-
6,811,032	Nepal Confectionary	061-11-16	6,811,032	100%	6,811,032	-
6,904,000	Paramhansha Picture Palace	062-02-12	6,904,000	100%	6,904,000	-
6,941,000	Ganesh Mordern Dal Mill	062-10-02	6,941,000	100%	6,941,000	-
7,120,397	Bishesh Textile P.Ltd.	063-02-14	7,120,397	100%	7,120,397	-
7,910,000	Kumar Cycle Group	062-09-26	7,910,000	100%	7,910,000	-
8,254,000	Rajendra Aryal	063-02-09	8,254,000	100%	8,254,000	-
8,701,207	Ganga Traders	063-02-21	8,701,207	100%	8,701,207	-
9,286,570	Damodar Sharma Group	061-10-20	9,286,570	100%	9,286,570	-
9,488,772	Tecpo Nepal P.Ltd.	063-01-22	9,488,772	100%	9,488,772	-
9,490,878	Siddheswori Industries P.Ltd.	063-02-09	9,490,878	100%	9,490,878	-

9,869,466	Gyan Carpet Industries	063-03-18	9,869,466	100%	9,869,466	-
10,154,205	Dhaneswori Cotton Mill P.Ltd.	063-02-09	10,154,205	100%	10,154,205	-
10,345,595	Mahakali Nitware P.Ltd.	063-03-19	10,345,595	100%	10,345,595	-
10,374,217	Shiwalaya Metal I.P.Ltd.	063-03-18	10,374,217	100%	10,374,217	-
12,375,000	Khatri & Co.Pra.Li.	063-03-01	12,375,000	100%	12,375,000	-
12,381,250	Hari Prasad Dhanawat Group	061-09-28	12,381,250	100%	12,381,250	-
13,503,500	Pashupati Siliket I. & Goal	061-03-30	13,503,500	100%	13,503,500	-
14,335,303	Hotel Seven Siz Holidays	062-02-23	14,365,453	100%	14,365,453	-
17,192,000	Banshidhar Industries	062-11-21	17,192,000	100%	17,192,000	-
25,000,000	Khatri & Co.	062-10-24	25,000,000	100%	25,000,000	-
26,386,775	Bajaranga Takij P.Ltd.	064-3-7	26,386,775	100%	26,386,775	-
27,839,805	Narayani Vegetable Oil	063-03-14	27,839,805	100%	27,839,805	-
16,350,723	Trishakti Distilari P.Ltd.	063-5-22	29,337,506	100%	29,337,506	-
-	Kanchan Computer Ledger	064-11-12	330,000	100%	330,000	-
107,400	Biral Hotel	039-02-14	-	100%	-	-
130,000	Trimurti Ietta Karakhana P.Ltd.	064-3-9	-	100%	-	-
163,930	Madhav Raj Joshi	039-05-14	-	100%	-	-
210,000	Pawan Jeneral Stores	061-12-31	-	100%	-	-
212,500	Indra International	063-7-19	-	100%	-	-
214,160	Taj Kirana Pasal	063-03-30	-	100%	-	-
249,597	Neupane Brothers & Rice Mill	042-10-24	-	100%	-	-
322,500	Tara Nanda Sharma	061-08-20	-	100%	-	-
342,392	Sadakali Motor Parts	062-08-30	-	100%	-	-
400,000	Gunar Singh Pariyar	040-12-19	-	100%	-	-
423,654	Tehrathum Famcy Stores	063-03-28	-	100%	-	-
463,750	Purbanchan Chemical	063-03-30	-	100%	-	-
619,577	Paudel Khadhyanna	063-03-16	-	100%	-	-
626,042	Nil Kamal Oil Stores	063-03-15	-	100%	-	-
629,175	Durga Nanda Sharma	061-08-20	-	100%	-	-
657,410	Siba Distributors	064-3-32	-	100%	-	-
661,450	Jaleswor Kastha Udhogy Furniture	063-6-29	-	100%	-	-
700,000	Durga Steel Furniture	063-01-26	-	100%	-	-
701,104	Arihanta Electronics	063-6-29	-	100%	-	-
703,678	Raj Tea Traders	062-08-13	-	100%	-	-
708,749	Nepal & Sons Pharma Division	062-07-01	-	100%	-	-
710,995	Prasai Stores	063-01-28	-	100%	-	-
713,200	Purbanchan Bit Board & Phremming Udhogy	061-10-12	-	100%	-	-
726,059	New Muna Chiya Pyacaging	063-03-15	-	100%	-	-
743,440	T.D. Cold Center & Panchakanya Steel Furniture	061-10-04	-	100%	-	-
815,662	Devkota Supplayars	063-03-18	-	100%	-	-
828,401	Prabeshika Trade Concern	062-08-13	-	100%	-	-
876,456	Green Hill Phid Industries	063-03-12	-	100%	-	-
892,250	Chitransa Trade International	062-09-03	-	100%	-	-
900,000	Gajurmukhi Tea Pyakeging	061-08-09	-	100%	-	-
968,160	Argkhanchi J. Stores	063-02-12	-	100%	-	-
1,025,000	Sangam Plastic Udhogy	063-02-16	-	100%	-	-
1,034,509	Khadga Trade Center	062-06-19	-	100%	-	-

1,102,500	Manju Traders	063-03-19	-	100%	-	-
1,161,000	Elija Impex	063-03-30	-	100%	-	-
1,163,000	New Shambhu Bhole Baba Rice Mill	062-06-03	-	100%	-	-
1,189,800	R.K. Emporium	063-03-15	-	100%	-	-
1,236,726	Shankar Dana Udhyog	062-07-25	-	100%	-	-
1,262,614	Shubha Laxmi Gas & Furniture	063-03-16	-	100%	-	-
1,273,009	Chudamani Timsina	062-06-14	-	100%	-	-
1,321,216	Anupama Stationary I.P.Ltd.	062-08-21	-	100%	-	-
1,386,287	Ganesh Hardware Center	063-03-09	-	100%	-	-
1,425,000	Altra Pharnasuticals P.Ltd.	063-4-11	-	100%	-	-
1,453,125	Narayan Supplayars	063-01-26	-	100%	-	-
1,500,000	Dip Momabtti Udhyog	063-02-30	-	100%	-	-
1,508,771	Trishul Iron P.Ltd.	063-02-21	-	100%	-	-
1,523,121	Durga Kirana Stores	063-03-15	-	100%	-	-
1,544,991	Sadashiba Rice Mill	063-03-30	-	100%	-	-
1,635,000	Guras Busness Syster P.Ltd.	063-4-7	-	100%	-	-
1,700,000	Jyotsana Rice Mill	063-02-16	-	100%	-	-
1,800,000	New Nepal Drug House	062-05-01	-	100%	-	-
1,810,000	Madhyamanchal Bone Industry	062-08-19	-	100%	-	-
1,855,944	Three Dimond Construction	063-03-18	-	100%	-	-
1,900,000	Kabhre Panchkhal Cold Stores	063-02-16	-	100%	-	-
1,900,000	Rara Construction Co.Pvt.Ltd.	059-09-22	-	100%	-	-
2,312,500	Agniopath Supplayars	063-4-11	-	100%	-	-
2,500,000	Kumar Cycle Group	061-06-26	-	100%	-	-
2,533,425	Om Suti Kapada Udhyog	063-01-26	-	100%	-	-
2,708,536	Krishna Takij P.Ltd/	063-03-28	-	100%	-	-
2,730,000	Bhagawati Furniture Udhyog	063-01-20	-	100%	-	-
2,759,586	Kanchanjangha Khadhya Tatha Dana Udhyog	062-08-30	-	100%	-	-
2,800,000	Bhutan Devi Dana Udhyog	063-02-15	-	100%	-	-
2,902,000	Baba Amarella	062-07-11	-	100%	-	-
3,014,349	Bhaktapur Ceramix	063-4-10	-	100%	-	-
3,097,933	Shubha Prabhat Phids P.Ltd.	062-07-13	-	100%	-	-
3,193,750	Osin Trading P.Ltd.	063-02-11	-	100%	-	-
3,201,754	Nirman Kumar Pokharel	062-08-26	-	100%	-	-
3,236,979	Angel Chitra Mandir	063-03-06	-	100%	-	-
3,262,500	Rayndex Hardware Center	063-02-31	-	100%	-	-
3,356,598	Malti Star Traders	063-02-11	-	100%	-	-
3,522,188	Sera Carpets	062-11-18	-	100%	-	-
4,050,000	Sujan Textile	062-06-20	-	100%	-	-
4,605,934	Sarala Traders	062-10-30	-	100%	-	-
4,619,735	Joshi Kastha Udhyog P.Ltd.	063-03-18	-	100%	-	-
7,309,174	Paschmanchal Itta Udhyog	062-11-16	-	100%	-	-
12,986,783	Himalaya Bruwarary P.Ltd.	063-5-22	-	100%	-	-
15,240,112	Monal Resort P.Ltd.	063-02-24	-	100%	-	-
838,500,582	Total Amount		702,581,260	-	702,581,260	-
838,500,582	Less: Provision					
-	Net Non Banking Assets					



Nepal Bank Limited
Other Assets
As at July 15, 2008 (Ashad 31, 2065)

Annexure 16

Previous Year Rs.	Particulars		This Year Rs.
17,328,310	1 Stationary Stock		16,998,003
142,606,977	2 Interest Receivable on Investment		180,349,709
5,087,263,598	3 Accrued Interest on Loan	4,502,180,876	-
(5,087,263,598)	Less : Interest Suspense Amount	(4,502,180,876)	
-	4 Commission Receivable		-
172,577,435	5 Sundry Debtors	91,213,079	2,557,779
(6,125,027)	Less : Provision	(88,655,300)	
1,311,187,486	6 Staff Loan and Advance		1,580,129,962
1,640,925	7 Prepayments		1,798,028
70,771,251	8 Cash in Transits		544,838,156
-	9 Other Transit Items (Including Cheques)		-
1,789,350,238	10 Draft Paid Without Advise		1,887,144,706
85,967,651	11 Expenses Not Written Off		75,912,057
-	12 Branch Adjustment Account		-
1,019,769,374	13 Others		1,116,477,537
597,084,807	Reimbursement (Pension) Receivable	590,248,304	
44,601,293	Government Securities - Principal & Interest	17,845,484	
	Advance Tax	510,401,687	435,133,143
	Less: Provision for Income Tax	(75,268,544)	
-	Other Assets	73,250,606	
4,605,074,620	Total		5,406,205,937

Nepal Bank Limited
Other Assets (Additional Statement)
As at July 15, 2008 (Ashad 31, 2065)

Annexure 16A

Previous Year Rs.	Particulars	This Year Rs.			
		Upto 1 year	1 to 3 years	Above 3 years	Total
5,087,263,598	1 Accrued Interest on Loan	426,041,630	1,006,356,253	3,069,782,993	4,502,180,876
1,789,350,238	2 Drafts Paid without advise	1,787,452,819	72,821,923	26,869,964	1,887,144,706
-	3 Branch Adjustment Account	-	-	-	-
-	4 Local and Foreign Agency Accounts	-	-	-	-



Nepal Bank Limited
Contingent Liabilities

As at July 15, 2008 (Ashad 31, 2065)

Annexure 17

Previous Year Rs.	Particulars	This Year Rs.
62,895,450	1 Claims on Bank but not accepted by the Bank	68,190,346
550,155,482	2 Letters of credit (full amount)	752,768,100
459,620,923	a) Less than 6 months maturity	682,364,257
90,534,559	b) More than 6 months maturity	70,403,843
-	3 Rediscounted Bills	-
279,375,020	4 Unmatured Guarantees/Bonds	257,323,203
62,730,510	a) Bid Bonds	84,935,043
113,938,427	b) Performance Bonds	167,283,660
102,706,083	c) Other Guarantee / Bonds	5,104,500
-	5 Unpaid Shares in Investment	-
-	6 Forward Exchange Contract Liabilities	-
234,073,077	7 Bills under Collection	101,663,725
68,172,887	8 Acceptance and Endorsements	184,346,076
-	9 Underwriting Commitments	-
-	10 Irrevocable Loan Commitments	-
-	11 Counter Guarantee of Internationally Rated Banks	-
20,242,122	12 Advance Payment Guarantee	127,081,700
450,000	13 Financial Guarantee	450,000
-	14 Contingent Liabilities on Income Tax	-
-	15 Others	-
1,215,364,038		1,491,823,150



Nepal Bank Limited
Interest Income
Fiscal Year 2064/065 (2007/08)

Annexure 18

Previous Year Rs.	Particulars	This Year Rs.
1,260,886,403	a) <u>On Loan, Advance and Overdraft</u>	1,450,146,222
1,209,110,536	1 Loans and Advances	1,378,314,408
51,775,867	2 Overdraft	71,831,814
572,518,906	b) <u>On Investment</u>	587,722,656
469,277,978	1 <u>N.G. Securities</u>	488,760,935
379,523,381	a) Treasury Bill	418,121,123
89,754,597	b) Development Bond	70,639,812
	c) National Saving Certificates	
103,240,928	2 <u>Foreign Securities</u>	96,343,738
19,692,960	a) Investment on Foreign Bank	18,147,057
83,547,968	b) Investment on Commercial Paper	78,196,681
-	3 <u>Nepal Rastra Bank Bonds</u>	-
-	4 <u>Debentures and Bonds</u>	2,617,983
-	a) Bank/Financial institutions	-
-	b) Other institutions	2,617,983
-	5 <u>Interest on Inter Bank Lending</u>	-
6,028,822	c) <u>On Agency Balances</u>	5,708,001
-	1 Local Bank/Financial institutions	-
6,028,822	2 Foreign Banks	5,708,001
1,526,645	d) <u>On Money at call and Short Notice</u>	13,470,092
1,526,645	1 Local Bank/Financial institutions	13,470,092
-	2 Foreign Banks	-
7,650,781	e) <u>On Others</u>	37,859,018
-	1 Certificate of Deposits	-
7,643,281	2 Inter bank/Financial institutions Loan	37,847,219
7,500	3 Others	11,799
1,848,611,557	Total	2,094,905,989



Nepal Bank Limited
Interest Expenses
Fiscal Year 2064/065 (2007/08)

Annexure 19

Previous Year Rs.	Particulars	This Year Rs.
758,316,515	A) On Deposit Liabilities	755,937,058
197,586,524	1 Fixed Deposits	172,090,984
197,486,897	1.1 Local Currency	172,044,040
99,627	1.2 Foreign Currency	46,944
560,553,416	2 Saving Deposits	582,724,539
560,192,774	2.1 Local Currency	582,599,763
360,642	2.2 Foreign Currency	124,776
176,575	3 Call Deposits	1,121,535
176,575	3.1 Local Currency	1,121,535
-	3.2 Foreign Currency	-
-	4 Certificate of Deposits	-
12,753,695	B) On Borrowings	14,915,685
-	1 Debentures and Bonds	-
12,753,695	2 Loan from Nepal Rastra Bank	14,915,685
-	3 Inter Bank / Financial Institutions Borrowing	-
-	4 Other Corporate Body	-
-	5 Other Loans(Foreign Currency)	-
1,573,828	C) On Others	1,804,729
1,229,475	1 Staff Medical Fund	1,110,084
344,353	2 Other interest expenses	694,645
772,644,038	Total	772,657,472



Nepal Bank Limited
Commission & Discount
Fiscal Year 2064/065 (2007/08)

Annexure 20

Previous Year Rs.	Particulars	This Year Rs.
182,228	a) Bills Purchased & Discount	234,435
3,200	1 Local	71,694
179,028	2 Foreign	162,741
176,430,638	b) Commission	223,018,455
4,187,402	1 Letter of Credits	3,545,484
6,666,967	2 Guarantees	7,933,153
4,052,575	3 Collection Fee	3,185,406
44,498,792	4 Remittance Fee	50,186,845
-	5 Credit Cards	-
-	6 Share Underwriting/ Issues	-
117,024,902	7 Government Transactions	158,167,567
-	8 Agency Commission	-
-	9 Exchange Fee	-
4,406,867	c) Others	6,470,753
181,019,733	Total	229,723,643



Nepal Bank Limited
Other Operating Income
Fiscal Year 2064/065 (2007/08)

Annexure 21

Previous Year Rs.	Particulars	This Year Rs.
10,323,422	1 Rental of Safe Deposits	10,668,746
-	2 Issue and Renewal of Credit Cards	-
-	3 Issue and Renewal of ATM Cards	-
3,940,705	4 Telex / T.T	3,991,992
62,816,579	5 Service Charges	57,266,315
2,009,654	6 Renewal Fees	2,474,326
208,557,352	7 Others	83,030,545
287,647,712	Total	157,431,924



Nepal Bank Limited
Exchange Fluctuation Gain/ (Loss)
Fiscal Year 2064/065 (2007/08)

Annexure 22

Previous Year Rs.	Particulars	This Year Rs.
(68,342,313)	a) Revaluation Gain	101,128,689
22,062,973	b) Trading Gain	18,278,728
(46,279,340)	Total Income/ (Loss)	119,407,417



Nepal Bank Limited
Expenses Relating to Employees
Fiscal Year 2064/065 (2007/08)

Annexure 23

Previous Year Rs.	Particulars	This Year Rs.
281,832,247	1 Salary	364,952,140
228,683,335	2 Allowances	211,335,729
27,590,048	3 Contribution on Provident fund	80,606,453
4,680,207	4 Training Expenses	1,531,173
24,409,000	5 Uniform	23,982,900
34,231,445	6 Medical	44,487,101
3,387,269	7 Insurance	2,558,837
458,967,409	8 Pension and Gratuity Provision/ Paid	521,268,678
61,443,536	9 Others	96,100,550
1,125,224,496	Total	1,346,823,561



Nepal Bank Limited
Office Overhead Expenses
As at July 15, 2008 (Ashad 31, 2065)

Annexure 24

Previous Year Rs.	Particulars	This Year Rs.
13,592,110	1 House Rent	14,061,426
14,360,490	2 Electricity & Water	16,403,082
	3 <u>Repair and Maintenance</u>	11,748,943
2,456,550	a) Building	7,527,155
5,677,121	b) Vehicles	990,316
3,424,201	c) Others	3,231,472
35,352,906	4 Insurance	31,096,494
22,812,692	5 Postage, Telex, Telephone, Fax	21,912,045
1,321,260	6 Office Equipment, Furniture Repair	1,272,313
13,690,229	7 Traveling Allowance and Expenses	10,869,866
12,304,755	8 Stationery and Printing	11,755,491
1,157,924	9 Periodicals and Books	1,221,103
3,314,275	10 Advertisements	2,832,284
4,005,598	11 Legal Expenses	4,023,251
-	12 Donations	-
	13 <u>Expenses Relating to Board of Directors</u>	1,806,473
774,500	a) Meeting Fees	1,323,300
204,693	b) Other Expenses	483,173
-	14 Annual General Meeting Expenses	-
	15 <u>Expenses Relating to Audit</u>	1,501,063
850,000	a) Audit Fee	850,000
689,784	b) Other Expenses	651,063
2,758,923	16 Commission on Remittances	2,349,380
36,608,307	17 Depreciation on Fixed Assets	34,823,763
-	18 Amortization of Preliminary Expenses	-
-	19 Share Issue Expenses	-
-	20 Technical Service Fee	-
1,756,592	21 Entertainment	1,615,422
25,857,941	22 Written off Expenses	25,069,595
32,945,308	23 Security Expenses	37,600,668
741,793	24 Credit Guarantee Premium	57,864
4,820,824	25 Commission & Discount	7,853,383
88,111,987	26 Others	19,911,617
329,590,763	Total	259,785,526



Nepal Bank Limited
Provision For Possible Loss
Fiscal Year 2064/065 (2007/08)

Annexure 25

Previous Year Rs.	Particulars	This Year Rs.
12,750,409	1 Increase in Loan Loss Provision	106,058,259
-	2 Increase in Provision for Loss on Investment	70,000,000
42,123,036	3 Provision against Non-banking Assets	-
25,503,000	4 Provision against Other Assets	82,514,000
80,376,445	Total	258,572,259



Nepal Bank Limited
Non-Operating Income/ (Loss)
Fiscal Year 2064/065 (2007/08)

Annexure 26

Previous Year Rs.	Particulars	This Year Rs.
-	1 Profit / (Loss) on sale of Investment	690,880
39,626,081	2 Profit / (Loss) on sale of Assets	66,099,790
10,645,798	3 Dividend	1,151,237
-	4 Subsidies Received from Nepal Rastra Bank	-
-	a) Reimbursement of losses of specified branches	-
-	b) Interest Subsidy	-
-	c) Exchange counter	-
117,447	5 Others	-
50,389,326	Net Non-Operating Income/ (Loss)	67,941,907



Nepal Bank Limited
Loss Provisions Written Back
Fiscal Year 2064/065 (2007/08)

Annexure 27

Previous Year Rs.	Particulars	This Year Rs.
-	1 Loan Loss Provision Written back	-
-	2 Provision against Non-Banking Assets Written Back	134,361,753
-	3 Investment Provision Written Back	-
-	4 Provision against Other Assets Written Back	-
-	Total	134,361,753



Nepal Bank limited
Profit / Loss from Extra-ordinary Activities
Fiscal Year 2064/065 (2007/08)

Annexure 28

Previous Year Rs.	Particulars	This Year Rs.
236,094,956	1 Recovery of Write off loans	179,996,994
-	2 Voluntary Retirement Scheme Expenses	-
-	3 Loan Write off (28A)	291,166,417
-	Less : Provision of Written Off Loan	(291,166,417)
-	Other Expenses / Income	-
-	4 (Management Contract Fee)	-
236,094,956	Total	179,996,994



Nepal Bank Limited
Statement of Loans Written-Off
As at July 15, 2008 (Ashad 31, 2065)

Annexure 28A

S.No.	Types of Loans	Written Off Amount	Type of Security	Basis of Valuation of Collateral	Loan Approved By Name / Designation	Initiations made for Recovery	Remarks
1	Working Capital Loan	276,754,083					
2	Project Loan	9,419,379					
3	Fixed Capital Loan	2,434,693					
4	Personal Loan	-					
5	Other Loan	2,558,262					
	Total Loan	291,166,417					



Nepal Bank Limited

Statement of Loan and Advances Extended to Directors/ Chief Executive/ Promoter/ Employees and Shareholders Holding More than 1 Percent Shares As at July 15, 2008 (Ashad 31, 2065)

The statement of amount, included under total amount of Bills Purchased and Discounted, Loans, Advances, Overdraft, provided to the Directors, Chief Executive, Promoters, Employees, Shareholders holding more than 1 percent shares and to the individual members of their undivided family or against the guarantee of such persons OR to the organizations or companies in which such individuals are managing agent, are as follows:

Annexure 29

Name of Promoter/ Director/ Chief Executive	Last Year's Balance		This Year's Recovery		This Year Additions	Balance as of Ashad End	
	Principal	Interest	Principal	Interest		Principal	Interest
(A) <u>Directors</u>							
1.....							
2.....							
(B) <u>Chief Executive</u>							
1.....							
2.....							
(C) <u>Promoters</u>							
1.....							
2.....							
(D) <u>Employees</u>	8,966,000	14,624,000	385,000	87,000	2,000	8,583,000	17,968,000
1.....							
2.....							
(E) <u>Shareholders Holding More Than 1%</u>							
1.....							
2.....							
Total:	8,966,000	14,624,000	385,000	87,000	2,000	8,583,000	17,968,000



Nepal Bank Limited
Table of Capital Fund
As at July 15, 2008 (Ashad 31, 2065)

Annexure 30

Particulars	Previous Year Rs.	This Year Rs.
(A) Core Capital	(6,334,738,883)	(6,325,869,045)
1 Paid Up Capital	380,382,600	80,382,600
2 Share Premium	-	-
3 Non Redeemable Preference Share	-	-
4 General Reserve Fund	1,332,157,149	1,379,999,951
5 Cumulative Profit/Loss	(8,151,491,861)	(8,023,441,085)
6 Capital Redemption Reserve	-	-
7 Capital Adjustment Reserve	152,153,040	190,191,300
8 Other Free Reserve	13,548,875	13,548,875
Less:		
-Goodwill	-	-
-Investment in excess of prescribed limit	(61,488,686)	(266,550,686)
-Fictitious Assets	-	-
-Investment in securities of companies with financial interest	-	-
(B) Supplementary Capital	905,453,784	710,526,707
1 Loan Loss Provision on Pass Loans	868,575,830	578,366,581
2 Assets Revaluation Reserve	-	-
3 Hybrid Capital Instruments	-	-
4 Unsecured Subordinated Term Debt	-	-
5 Exchange Equalization Reserve	25,734,454	51,016,626
6 Additional Loan Loss Provision	-	-
7 Investment Adjustment Reserve	-	-
8 Provision for Loss on Investment	11,143,500	81,143,500
(C) Total Capital Fund (A+B)	(5,429,285,099)	(5,615,342,338)
(D) Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets		
Core Capital (11 Percent)	2,146,240,050	2,525,317,528
Supplementary Capital (5.5 Percent)	1,073,120,025	1,262,658,764
Capital Fund (Excess/Short) (-38.83)Percent)	(7,575,525,149)	(8,140,659,866)
Core Capital (Excess/Short) (-37.97 Percent)	(7,407,858,908)	(7,588,527,809)



Nepal Bank Limited
Table of Risk Weighted Assets Statement
As at July 15, 2008 (Ashad 31, 2065)

Annexure 30A

On-Balance-sheet Assets	Weightage	Previous Year		Current Year	
		Amount	Risk Weighted Assets	Amount	Risk Weighted Assets
Cash Balance	0%	1,086,066,645	-	1,181,792,413	-
Gold (Tradable)	0%	-	-	-	-
Balance with Nepal Rastra Bank	0%	5,224,859,643	-	4,430,641,018	-
Investment in Govt. Securities	0%	13,226,330,236	-	12,918,438,737	-
Investment in NRB Bonds	0%	-	-	-	-
Fully Secured loan against own Fixed Deposit Receipt	0%	92,811,292	-	83,982,526	-
Fully Secured loan against Govt. Securities	0%	551,327,000	-	63,210,000	-
Accrued interest on Government Bonds	0%	108,406,631	-	134,841,762	-
Balance with Domestic Licensed Banks and Financial Institutions	20%	328,049,616	65,609,923	316,387,121	63,277,424
Fully Secured FDR loan against Fixed Deposit Receipt of other licensed Banks and Financial Institutions	20%	257,175,000	51,435,000	380,829,000	76,165,800
Balance with foreign banks	20%	478,317,180	95,663,436	688,172,035	137,634,407
Money at Call	20%	200,000,000	40,000,000	-	-
Loan against the guarantee of internationally rated foreign banks	20%	-	-	-	-
Other Investments with internationally rated foreign banks	20%	1,634,982,000	326,996,400	2,426,909,593	485,381,919
Investments in Shares, Debentures and Bonds	100%	61,488,686	61,488,686	266,550,686	266,550,686
Other Investments	100%	1,160,522,460	1,160,522,460	1,040,000,000	1,040,000,000
Loan, Advances and Bills Purchased/Discounted	100%	12,855,306,385	12,855,306,385	15,236,975,104	15,236,975,104
Fixed Assets	100%	205,768,262	205,768,262	207,527,502	207,527,502
All other Assets (except net advance tax deposit)	100%	4,134,289,805	4,134,289,805	4,715,454,541	4,715,454,541
Net other Interest Receivable (Gross interest receivable - Interest receivable on Government Bonds - Interest Suspense)	100%	34,200,346	34,200,346	45,507,947	45,507,947
Total(A)		41,639,901,187	19,031,280,703	44,137,219,985	22,274,475,330
Off Balance Sheet Items					
Bills Collection	0%	234,073,077	-	101,663,725	-
Forward Foreign Exchange Contract	10%	-	-	-	-
Letters of Credit with maturity of less than 6 month (full value)	20%	459,620,923	91,924,185	682,364,257	136,472,851
Guarantees provided against counter guarantee of internationally rated foreign banks	20%	-	-	-	-
Letters of credit with maturity of more than 6 month (Full value)	50%	90,534,559	45,267,280	70,403,843	35,201,922
Bid Bond, Performance Bonds and Underwriting Commitment	50%	176,668,937	88,334,469	252,218,703	126,109,352
Advance Payment Guarantee	100%	20,242,122	20,242,122	127,081,700	127,081,700
Financial and Other Guarantee	100%	103,156,083	103,156,083	5,554,500	5,554,500
Irrevocable Loan Commitment	100%	-	-	-	-
Contingent liability in respect of Income Tax	100%	-	-	-	-
All other contingent liabilities	100%	131,068,337	131,068,337	252,536,422	252,536,422
Total(B)		1,215,364,038	479,992,476	1,491,823,150	682,956,747
Total Risk Weighted Assets		42,855,265,225	19,511,273,179	45,629,043,135	22,957,432,077



Nepal Bank Limited

Principal Indicators

Annexure 31

Particulars		Indicators	FY 2003/04	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08
1	Percentage of Net Profit/ Gross Income	Percent	17.84	41.00	28.00	9.59	8.53
2	Earning Per Share	Rs.	186.76	455.00	317.00	59.66	62.89
3	Market Value Per Share	Rs.	225.00	225.00	225.00	225.00	225.00
4	Price Earning Ratio	Ratio	1.20	0.49	0.71	3.77	3.58
5	Dividend (including bonus) on Share Capital	Percent	-	-	-	-	-
6	Cash Dividend on Share Capital	Percent	-	-	-	-	-
7	Interest Income/ Loan & Advances	Percent	10.17	11.78	16.47	13.44	13.29
8	Staff Expenses/ Total Operating Expenses	Percent	57.92	53.56	47.02	50.52	56.61
9	Interest Expenses on Total Deposit and Borrowings	Percent	2.87	2.01	2.06	1.90	1.80
10	Exchange Gain/ Total Income	Percent	1.80	0.03	2.81	(2.00)	4.26
11	Staff Bonus/ Total Staff Expenses	Percent	0.04	16.26	11.31	2.02	2.33
12	Net Profit/ Loan and Advances	Percent	3.96	10.26	9.70	1.65	1.52
13	Net Profit/ Total Assets	Ratio	0.18	3.68	3.36	0.58	0.57
14	Total Credit/ Deposit	Percent	50.20	46.94	34.72	35.26	37.69
15	Total Operating Expenses/ Total Assets	Percent	7.23	5.18	6.32	5.67	5.66
16	Adequacy of Capital Fund on Risk Weighted Assets		-	-	-	-	-
	a. Core Capital	Percent	(31.70)	(25.06)	(40.44)	(37.97)	(33.05)
	b. Supplementary Capital	Percent	(4.50)	(4.47)	(2.65)	(0.86)	(2.41)
	c. Total Capital Fund	Percent	(36.20)	(29.53)	(43.09)	(38.83)	(35.46)
17	Liquidity (CRR) *	Percent	16.40	17.14	19.00	18.24	15.82
18	Non-performing Credit/ Total Credit	Ratio	52.07	49.64	18.18	13.49	13.11
19	Weighted Average Interest Rate Spread	Percent	3.16	4.40	3.16	4.51	4.82
20	Book Net-worth (Per Share)	Rs.	(2,370)	(1,952)	(1,660)	(1,640)	(1,580)
21	Total Shares	No.	3,803,826	3,803,826	3,803,826	3,803,826	3,803,826
22	Total Staffs	No.	3,818	2,912	2,960	2,937	2,885

* Liquidity (CRR) has been calculated on the basis of year end balance of Cash, Bank and Deposit Liabilities



Nepal Bank Limited

Kathmandu

SIGNIFICANT ACCOUNTING POLICIES

(Forming part of the Financial Statements of FY 2007/2008)

Annex 32

The financial statements of the bank are prepared in conformity with generally accepted accounting principles and directives as well as formats issued / prescribed by Nepal Rastra Bank. The significant accounting policies pursued by the Bank are as follows:

1. Income Recognition

The revenues of the bank are recognized on accrual basis except for the following:

- i) Interest income on loans and advances is accounted for on cash basis.
- ii) Dividend income is accounted for on receipt.
- iii) Commissions, fees and rental income from safe deposit vault are accounted for when received.

2. Expense Recognition

The expenses of the bank are recognized on accrual basis of accounting except insurance premium and pension which is accounted for when paid to the retired staff of the bank.

3. Foreign Currency Transaction

- i) All foreign currency transactions during the year have been accounted at the exchange rates prevailing on the date of such transactions. The foreign currency assets and liabilities as at the close of the accounting year have been translated at the buying rate prevailing on that date.
- ii) Foreign currency exchange trading gains or losses are reflected in the Profit and Loss Account.
- iii) With regards to revaluation gain or loss arising from translation of assets and liabilities, adjustment has been made as per the prevailing NRB directives. Accordingly Rs. 25,282 thousand, being 25% of revaluation profit earned by the bank during the year has been transferred to revaluation reserve through profit and loss appropriation account.

4. Fixed Assets and Depreciation

- i) The fixed assets of the bank are accounted for at historical cost.
- ii) The depreciation on fixed assets is charged on the basis of Reducing Balance Method at the rates and method specified in the Income Tax Act, 2058. However, the value of the assets whose written down value has come down to Rs. 2000 or less has been charged to the profit and loss account as terminal depreciation.

5. Non – Capitalized Assets

Capital items costing up to Rs. 2,000 per unit are fully charged as expense in the year of purchase.

6. Investments

Investments in the shares of *listed companies* are valued at the lower of cost or market value. Requisite provisioning has been made where market value is less than the cost price and netted off against the amount of investment.

Similarly, investments in shares of *unlisted companies* are valued at cost. As per NRB directives, provision of 100% has been made on such investment and netted off against the amount of investment.

7. Non-Banking Assets

In the case of Non-Banking Assets, where the arbitrate value is more than the total amount receivable from the borrower, the Non-banking Assets is accounted upto the receivable amount of the loan.

In case arbitrate value is less than the amount receivable from the borrower, then Non-banking Assets is booked upto the amount of arbitrate value and available amount is adjusted in the order of interest and principal respectively. Remaining balance of principal and interest if any would be written of as per loan write off By-Laws.

The bank has the policy to provide 100% provision on the value of non-banking assets.

8. Provision for Possible Losses

Provision for possible losses are made to cover the loans and advances, bills purchased and non-banking assets outstanding at the year-end.

9. Pension and Gratuity

Bank's liability towards staff gratuity as of Mid July 2008 has been estimated at Rs. 1,689,604 thousand. Accordingly Rs. 437,117 thousand has been provided for in addition to the existing provision of Rs. 1,252,487 thousand. The amount has been transferred to NBL Staff Retirement Fund Trust.

10. Income Tax and Provision

Income Tax provision is based on the prevailing Tax Laws.

11. Employees Housing Fund

The bank has been providing housing loan to its employees. Further, considering the practices followed by other identical financial institutions, the bank has not provided for a separate Employees Housing Fund as per Labor Act, 2048.

12. Regrouping and Rounding off to Nearest Rupee

The figures in the financial statements are rounded off and presented in nearest rupee. Further previous year figures have been regrouped and rearranged wherever required.



Nepal Bank Limited

Kathmandu

NOTES TO ACCOUNTS
(Forming part of the Financial Statements of FY 2007/2008)

Annex 33

1. Provision for Bonus

Provision for Bonus for the current year has been provided in the financial statements at the rate of 10 % of the net profit (including provision for bonus).

2. Reconciliation of Inter branch transactions

The reconciliation of Inter Branch Accounts is complete up to Mid July 2008. The statement of reconciliation outstanding is as follows:

Rs.'000'

Transaction Period	Head Office Account	
	Credit Pending	Debit Pending
Up to 1 year	1,026,750	839,146
1 year to 3 year	9,786,179	10,007,033
3 year and above	60,272,165	56,219,933
Total	71,085,094	67,066,112

3. Draft Paid without Notice

The outstanding amounts in draft paid without notice account pending settlement as on July 15, 2008, which will be adjusted subsequently with inter branch account, is as follows:

Period	Amount (Rs. '000')
Up to 1 Year	1,787,453
1 Year to 3 Years	72,822
More than 3 Years	<u>26,870</u>
Total:	<u>1,887,145</u>

4. Agency Reconciliation

Reconciliation of the Agency Accounts is complete up to the end of the fiscal year. The consolidated statement of reconciliation outstanding is as follows:

Rs. '000'

Transaction Period	Ledger Pending		Statement Pending	
	Credit	Debit	Credit	Debit
Up to 1 year	67,967	325	43,401	696,758
1 to 3 year	12,940	45	15,348	1,318
Above 3 year	17,208	1,481	17,298	18,453
Total	98,115	1,851	76,047	716,529

5. Change in Loans and Advances

The disbursement, recovery and write off of loans during the fiscal year 2007/08 and the outstanding balance of loan is given below. The amount of staff loan is not included in the outstanding amount.

Particulars	Rs. '000'
	Principal Amount
Outstanding Loan of Mid July 2007	13,756,620
Disbursement during the year	<u>26,574,464</u>
Total	<u>40,331,084</u>
Recovery/Collection during the year	24,274,921
Write Off during the year	<u>291,166</u>
Total Recovery / Written Off	<u>24,566,087</u>
Closing Balance on 2065.03.31 (15.7.2008)	15,764,997

Disbursement and recovery figures are inclusive of renewed facilities. The bank has waived interest amounting to Rs. 965,792 thousand (inclusive of simple, compound and Penal) in the course of settlement of non-performing loans.

6. Provision for possible Losses

6.1 Loan Loss Provision

Loan loss provision on outstanding loans and advances, including bills purchase, as at the year-end has been made as per the classification and rates prescribed by Nepal Rastra Bank. Additional provision has also been considered on the basis of analysis of the quality and classification of loan portfolios by the bank for the loans where the principal outstanding is more than Rs. 2,000 thousand. In case of Priority and Deprived Sector lending 100% provision has been made.

Loan provided to the Nepal Oil Corporation has been graded under pass category as the loan is not overdue and the borrower is regularly servicing the interest. However considering the financial position of the borrower and the inherent risk associated with this loan, 100% provision has been made.

Similarly, loan provided to Shree Joyti Spinning Mills Limited has been graded as performing on the ground of non expiry and regular service of dues. After the year end the company has decided to opt for voluntary liquidation and therefore 100% provision has been provided to cover for probable loss. However bank has adequate collateral security to recover the dues.

6.2 Non-Banking Assets

Non-banking assets acquired in settlement of outstanding loans pending disposal amounted to Rs. 702,581 thousand at the year-end. Provision amounting to Rs. 134,361 thousand has been written back during the year towards the Non Banking Assets that has been disposed off during the year.

6.3 Liabilities for Accumulative Leave

Rs. 150,000 thousand was provided in the FY 2002/03 to cover the liabilities for employees' accumulated leave. The balance in this account has come down to Rs. 70,191 thousand after charging disbursements for accumulated leave since the provision was made. The liability on account of accumulated leave as of July 15, 2008 has been estimated at Rs. 158,388 thousand, and the shortfall of Rs. 88,197 thousand has been provided during the year.

6.4 Provision for Loss on Investment

During FY 2002/03, provision of Rs. 8,640 thousand was made on account of investment in equity shares of Gorakhkali Rubber Udyog Ltd for the shortfall in market price (Rs 21 per share) as compared with the cost price (Rs 100 per share). As of July 15, 2008, the market price has increased from Rs. 21 to Rs. 39 per share, however owing to the unstable market conditions the excess provision of Rs. 2,880 thousand has not been written back.

Similarly, Rs. 700,000 thousand loan due from Tara Gawn Regency Hotel Limited has been converted into equity share investment. The bank has maintained 100% provision on the investment.

7. Change in Deposits

Total deposits have increased by Rs. 2,815,188 thousand in the current year as compared to that of the previous year. The statement of changes in the level of deposits is as follows:

<u>Type of Deposit</u>	<u>2064/3/32</u>	<u>2065/3/31</u>	<u>Rs. '000'</u> <u>Change</u>
<u>Non Interest Bearing Accounts</u>			
Current Account	6,766,342	7,819,756	1,053,414
Margin Deposits	129,434	99,583	-29,851
Other	297,784	336,736	38,952
<u>Interest Bearing Accounts:</u>			
Saving Account	26,427,198	28,565,393	2,138,195
Fixed Deposit	5,393,446	4,757,924	-635,522
Money at Call		250,000	250,000
		-	
Total Deposits:	39,014,204	41,829,392	2,815,188

8. Interest Spread

The interest spread for the fiscal year calculated on the basis of averages of opening and closing balances of deposits and advances are as follows:

Average interest realized on Advances	6.72 percent
Average interest paid on Deposits	1.90 percent
Average interest spread	4.82 percent

9. Borrowings

As a part of Financial Sector Reform Project funded by IDA to GoN, under the Subsidiary Financing Agreement between Nepal Bank Limited and Nepal Rastra Bank was made on June 29, 2004 (Asadh 15, 2061) and on January 31, 2006 (Magh 18, 2062) financial support (loan) was made available to NBL to implement Voluntary Retirement Scheme and to meet Management Contract Fee. The Bank has received total amount of Rs. 1,604,868 thousand till the end of Asadh 2064. Under these agreements, the bank has to pay 0.50% p.a. commitment fee on the amount not drawn as per the agreement and 0.75% p.a. service fee on the amount drawn.

10. Deferred Expenses

i. Software

During FY 2003-04, the cost of core banking software of Rs. 70,277 thousand received through Nepal Rastra Bank was booked under Deferred Expenditure to be charged off equally over 5 years beginning FY 2004-05. An equivalent amount of Deferred Revenue has been created and is classified under Other Liabilities. During the year Rs. 14,055 thousand has been charged as expense from deferred expenditure and an equivalent amount has been recognized as income under "Miscellaneous Income" by transfer from Deferred Revenue.

ii. Other Deferrals

The Bank has taken the policy of deferring the premium paid or discount amount at the time of purchase of long-term foreign bonds till the maturity period of the bonds and the amount proportionate to the deferred expenditure is written off every year. Accordingly, Rs. 8,586 thousand has been charged off this year.

11. Retirement Benefit

Pension and gratuity provided/paid during the year have been disclosed under staff expenses which include Rs. 437,117 thousand provision made for the staff gratuity in the current year. For the purpose of paying and managing retirement benefits such as gratuity, provident fund, an independent Nepal Bank Employees' Provident Fund Management Trust has been established. Hence this Financial Statements do not include the liabilities of the bank towards gratuity.

12. Income Tax and Provision

Based on the prevailing tax laws, Rs. 77,012 thousand has been provided for income tax. Deferred Tax computed in line with the prevailing Nepal Accounting Standard amounting to Rs. 1,744 thousand has been adjusted in provision for income tax.

Income Tax assessment of the bank is complete up-to the fiscal year 2059/60 (2002/03) and tax dues up to that period have been settled.

The Bank has submitted the tax returns along with the tax audit reports upto FY 2063/64 (2006/07). In the case of final assessment of tax, if the bank incurs any further liability towards income tax, the same will be provided in the year of payment.

13. **Prior Period Income and Expenses**

Other income under other operating income (annexure 21) includes prior period income Rs. 2,672 thousand and expenses Rs. 427 thousand.

14. **Contingent Liabilities**

- Against the deferred payment guarantees issued by the bank, claim amounting to USD 989,700.23, which is equivalent to Rs. 68,190 thousand at the exchange rate as of July 15, 2008, has been received from the beneficiary, which the bank has restrained from honouring due to a stay order from the Court. Accordingly, there exists a contingent liability for the same for which no security is available.

15. **Table of Liquidity Statement**

The liquidity position of the bank as of the close of fiscal year is as follows:

Period	Assets	Liabilities	Gap	Cum. Gap
Up to 3 months	17,059,231	6,192,132	10,867,099	10,867,099
3 to 6 months	3,444,587	241,536	3,203,051	14,070,150
6 to 9 months	3,683,513	862,149	2,821,364	16,891,514
9 to 12 months	6,138,202	2229885	3,908,317	20,799,831
Over 1 Year	6,446,249	32,103,906	-25,657,657	-4,857,826

Rs. '000'

16. **Capital Fund**

The statement of Capital Adequacy is provided in Annex 30 of the financial statement.

17. **Fraction Share**

The bank had issued Bonus Shares in the ratio of 2:3 as per the resolution of its 52nd Annual General Meeting held on 2052/6/27. Total amount of bonus shares has been included in the share capital. But Bonus Shares, 223 in number, could not be distributed due to fraction in numbers. Therefore, if the value of these Shares are settled by adjustment or otherwise paid in cash, the amount of paid up share capital will change accordingly.

18. **Dividend on Preference Shares**

The 8% Cumulative Preference shares of Rs. 228,000 thousand were redeemed on 2055.2.22. The dividend for the period 2054/4/1 to 2055/2/21 amounting to Rs. 16,300 thousand has not been paid. In view of accumulated loss no provision for dividend has been considered in the accounts.

19. Change in Reserves

- i) 20% of the net profit of the year has been transferred to General Reserve Fund as regulatory requirement. Accordingly, General Reserve Fund has increased by Rs. 47,842 thousand.
- ii) Rs. 38,038 thousand equivalent to 10% of the paid up capital has been transferred to Capital Adjustment Fund from the profit of this year.

20. Subsidiary Financing Agreement

As a part of Financial Sector Reform Project funded by IDA to HMG/N, under the Subsidiary Financing Agreement between Nepal Bank Limited and Nepal Rastra Bank made on June 29, 2004 (Ashadh 15, 2061) financial support (loan) was made available to NBL to implement Voluntary Retirement Scheme. The agreed amount for financing is SDR 14,934,625 repayable in 30 years (with initial 10 years grace period) starting from 2071 Baisakh end. The bank has to pay 0.50% p.a. commitment fee on the amount not drawn as per the agreement and 0.75% p.a. service fee on the amount drawn down.

As a part of Financial Sector Reform Project funded by IDA to HMG/N, under the Subsidiary Financing Agreement between Nepal Bank Limited and Nepal Rastra Bank was made on January 31, 2006 (Magh 18, 2062) financial support (loan) was made available to NBL to meet the Management Contract expenses. The agreed amount for financing is SDR 2,085,000 repayable in 30 years (with initial 10 years grace period). The bank has to pay 0.50% p.a. commitment fee on the amount not drawn as per the agreement and 0.75% p.a. service fee on the amount drawn down.

21 Take Over of Management by Nepal Rastra Bank

The management of Nepal Bank Limited was taken over by Nepal Rastra Bank on 2058/12/1 (Mid March 2001). A 3 members Management Committee was formed for the operation of the bank. Subsequently, under the Financial Sector Reform Program of HMG/N, it has appointed Bank of Scotland (Ireland) Limited, ICC Consulting for restructuring and operation of the bank effective July 22, 2002 for the initial period of 2 years subject to renewal. On expiry of the contract of ICC Consulting on July 22, 2007, the NRB has again appointed 3 members Management Team for the operation of the bank.