

Nepal Bank Limited

Dharmapath, Kathmandu

Auditor's Amended Report & Amended Annual Financial Statements Fiscal Year 2069/70 (2012/13)

Auditor

Shree J.B. Rajbhandary & DiBins
Chartered Accountants
Durbarmarg, Kathmandu
Telephone No.01-4228352, 01-4247177

Falgun 2070

J. B. Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

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Amended Report of the Independent Auditors To the Shareholders of Nepal Bank Limited

1. We have audited the accompanying financial statements of Nepal Bank Limited, which comprise the Balance Sheet as at Ashad 31, 2070 (July 15, 2013), and the Profit and Loss account, Cash Flow Statement, Statement of changes in Equity, attached Annexures and Accounting Policies & Notes to Accounts for the year then ended.

Management Responsibilities on Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control system 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 at the circumstances.

Auditor's Responsibilities

3. 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 the ethical requirements and plan and perform the audit to obtain the reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on our professional judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered 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 bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that our audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

4. In our opinion, except for matter referred to in Para 6 (iii), (vi), (vii) below and points 1, 24, 27, 28 29 mentioned in Notes to Accounts, the accompanying financial statements give a true and fair view, in all material respects the financial position as at Ashad 31, 2070 (July 15, 2013) and of the results of its operating performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards and comply with Company Act 2063, Bank and Financial Institutions Act, 2063 and Directives of Nepal Rastra Bank.
5. In relation to this, after we issued auditor's report on 2070/09/29, Nepal Bank Ltd. prepared amended financial statements which was approved by Board of Directors on 2070/11/26 and demanded amended final auditor's report. On audit of those amended financial statements, it is seen that such amendment doesn't affect financial statements of the bank fundamentally.

6. **Other legal and regulatory institution's requirements related report**

Based on our examination we report that,

- i) We have obtained all the information, explanations and response, which were considered necessary for the purpose of our audit.
- ii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement, Statement of changes in equity and attached schedules dealt with by this report are prepared in conformity with formats and procedures prescribed by Nepal Rastra Bank and are in agreement with the books of accounts maintained by the company.
- iii) The bank has accounted interest income on cash basis as per Nepal Rastra Bank's directive. Bank has accounted depreciation expense in line with provisions of Income Tax Act, 2058, which is not in line with Nepal Accounting Standard. Except above, the accounts and records of the bank have been maintained as required by law.
- iv) During the examination of the books of accounts of the bank, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the bank has acted contrary to the provisions of law or cause loss or damage to the bank.
- v) The operations of the bank were within its jurisdiction.
- vi) The bank has not maintained adequate capital fund in accordance with the directives of Nepal Rastra Bank. Except this, the bank has been functioning as per the directives of Nepal Rastra Bank.
- vii) The bank's inter-branch and agency account outstanding is yet to be reconciled.
- viii) The bank has been functioning as per the directives of Nepal Rastra Bank.
- ix) The bank has not acted in a manner to jeopardize the interest and security of the depositors and shareholders, and
- x) The returns received from the branches of the bank were adequate for the purpose of audit though independent audit was not done.

Kathmandu

Date: 2070/11/28

Sd.

CA. Jitendra Bahadur Rajbhandary
Senior Partner
J.B.Rajbhandary & DiBins
Chartered Accountants

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Nepal Bank Limited

Balance Sheet

As at July 15, 2013 (Ashad 31, 2070)

Capital and Liabilities		Schedule	Current Year Rs.	Previous Year Rs.
1.	Share Capital	1	3,716,443,200	1,772,827,700
2.	Reserve and Fund	2	(3,925,423,770)	(4,680,604,123)
3.	Debentures and Bonds	3	-	-
4.	Loans (Borrowings) to be Paid	4	2,342,738,892	2,153,794,480
5.	Deposits	5	62,984,350,047	56,052,372,757
6.	Bills Payables	6	101,280,937	74,767,015
7.	Proposed Dividend		-	-
8.	Income Tax Liabilities		-	-
9.	Other Liabilities	7	5,557,593,261	3,242,362,954
Total			70,776,982,567	58,615,520,783

Assets		Schedule	Current Year Rs.	Previous Year Rs.
1.	Cash Balance	8	2,378,430,277	1,940,995,312
2.	Balance with NRB	9	10,411,747,656	10,635,913,746
3.	Balance with Banks/Financial Institution	10	1,398,243,136	1,486,784,057
4.	Money at Call and Short Notice	11	200,000,000	-
5.	Investment	12	10,979,120,246	8,391,726,083
6.	Loan Advances and Bills Purchase	13	35,611,699,549	27,670,840,071
7.	Fixed Assets	14	366,906,497	351,063,892
8.	Non-Banking Assets	15	-	-
9.	Other Assets	16	9,430,835,206	8,138,197,622
Total Assets			70,776,982,567	58,615,520,783

Contingent Liabilities	Schedule 17	Statement of Operational Risk	Schedule 30 (D)
Declaration of Directors	Schedule 29	Statement of Market Risk	Schedule 30 (E)
Capital Adequacy Table	Schedule 30 (A1)	Principal Indicators	Schedule 31
Credit Risk	Schedule 30 (B)	Principal Accounting Policies	Schedule 32
Eligible Credit Risk Mitigants	Schedule 30 (C)	Notes to Accounts	Schedule 33

Schedules 1 to 17 and 32 & 33 form integral parts of the Balance Sheet.

Date: 2070/11/26

Kathmandu.

As per Our Report of Even Date

Management Committee					
Sd.	Sd.	Sd.	Prof. Dr. Devraj Adhikari	Coordinator	Sd.
Kiran Kumar Shrestha General Manager	Laxmiraj Paudel General Manager	Maheshworlal Shrestha Coordinator, Mgmt. Team	Pramodraj Sharma	Member	Sd.
			Ramesh P. Sharma Upadhaya	Member	Sd.
Sd.	Sd.		Janardhan Sharma Acharya	Member	Sd.
Mahabir Prasad Risal Acting Chief Manager	Rajunath Khanal Acting Deputy General Manager				

Sd.
CA. Jitendra Bahadur Rajbhandary
Partner
J.B. Rajbhandary & DiBins
Chartered Accountants

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Nepal Bank Limited

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

PROFIT AND LOSS ACCOUNT

Particulars	Schedule	Current Year Rs.	Previous Year Rs.
1 Interest Income	18	4,739,535,754	4,051,152,174
2 Interest Expenses	19	2,214,164,344	2,197,137,378
Net Interest Income		2,525,371,410	1,854,014,796
3 Commission and Discount	20	263,015,893	252,630,734
4 Other Operating Income	21	259,640,607	179,461,130
5 Exchange Fluctuation Income	22	58,164,933	59,636,455
Total Operating Income		3,106,192,843	2,345,743,115
6 Staff Expenses	23	1,937,105,427	1,903,066,220
7 Other Operating Expenses	24	497,158,405	401,045,783
8 Exchange Fluctuation Loss	22	-	-
Operating Profit Before Provision For possible Loss		671,929,011	41,631,112
9 Provision For Possible Losses	25	567,759,943	252,057,908
Operating Profit		104,169,068	(210,426,796)
10 Non-Operating Income (Loss)	26	86,345,306	49,025,752
11 Loan Loss Provision Written Back	27	402,525,225	331,550,892
Profit/Loss from Regular Operations		593,039,599	170,149,848
12 Profit / Loss from Extra-Ordinary Activities	28	337,699,643	3,685,975
Net Profit after considering all activities		930,739,242	173,835,823
13 Staff Bonus Provision		-	15,803,257
14 Income Tax Provision			
a. Current year		169,164,791	990,644
b. Upto last year		26,837,436	-
c. Current Year Deffered Tax (Income) / Expenses		(20,443,338)	(19,319,583)
Net Profit / Loss		755,180,353	176,361,505

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

Date: 2070/11/26

Kathmandu.

As per our report of even date

			Management Committee				
Sd.	Sd.	Sd.				Sd.	
Kiran Kumar Shrestha General Manager	Laxmiraj Paudel General Manager	Maheshworlal Shrestha Coordinator, Mgmt. Team	Prof. Dr. Devraj Adhikari	Coordinator	Sd.	CA. Jitendra Bahadur Rajbhandary Partner	
			Pramodraj Sharma	Member	Sd.	J.B. Rajbhandary & DiBins Chartered Accountants	
			Ramesh P. Sharma Upadhaya	Member	Sd.		
Sd. Mahabir Prasad Risal Acting Chief Manager		Sd. Rajunath Khanal Acting Deputy General Manager	Janardhan Sharma Acharya	Member	Sd.		

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Nepal Bank Limited

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Particulars	Annexure	Current Year Rs.	Previous Year Rs.
Income			
1 Accumulated Profit up to last year		-	-
2 Current Year's Profit		755,180,353	176,361,505
3 Exchange Equilization Fund		-	-
Total		755,180,353	176,361,505
Expenses			
1 Accumulated Loss Up to Last Year		7,131,111,624	7,190,814,454
2 Current Year's loss		-	-
3 General Reserve		151,036,071	35,272,301
4 Contingent Reserve		-	-
5 Institutional Development Fund		-	-
6 Dividend Equilization Fund		-	-
7 Staff Related Reserve Fund		-	-
8 Proposed Dividend		-	-
9 Proposed Issue of Bonus Shares		-	-
10 Special Reserve Fund		22,245,634	-
11 Exchange Equilization Fund		8,828,720	7,652,431
12 Capital Redemption Reserve		-	-
13 Capital Adjustment Fund		38,038,260	38,038,260
14 Deferred Tax Reserve		20,443,338	19,319,583
15 Investment Adjustment Reserve		1,080,426	16,376,100
Total		7,372,784,073	7,307,473,129
16 Accumulated Profit / (Loss)		(6,617,603,720)	(7,131,111,624)

Date: 2070/11/26

As per our report of even date

Kathmandu.

Management Committee

Sd. Kiran Kumar Shrestha General Manager	Sd. Laxmiraj Paudel General Manager	Sd. Maheshworlal Shrestha Coordinator, Mgmt. Team	Prof. Dr. Devraj Adhikari Coordinator	Sd. Pramodraj Sharma Member	Sd. Ramesh P. Sharma Upadhaya Member	Sd. Janardhan Sharma Acharya Member	Sd. C.A. Jitendra Bahadur Rajbhandary Partner J.B. Rajbhandary & DiBins Chartered Accountants
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Nepal Bank Limited

Share Capital & Ownership

As at July 15, 2013 (Ashad 31, 2070)

Schedule 1

Particulars	Current Year Rs.	Previous Year Rs.
1 Share Capital		
1.1 Authorised Capital	6,000,000,000	6,000,000,000
a) 60,000,000 Equity share of Rs.100/- each	6,000,000,000	6,000,000,000
b) Non-redeemable Preference Shares of Rs.each.		
c) Redeemable Preference Shares of Rs.each.		
1.2 Issued Capital	4,000,000,000	4,000,000,000
a) 40,000,000 Equity share of Rs.100/- each	4,000,000,000	4,000,000,000
b)Non-redeemable Preference Shares of Rs.each.		
c) Redeemable Preference Shares of Rs.each.		
1.3 Paid-up Capital	380,382,600	380,382,600
a) 3,803,826 Equity share of Rs.100/- each (Including Bonus share 1,421,745 of Rs. 100/- each)	380,382,600	380,382,600
b) Non-redeemable Preference Shares of Rs.each.		
c) Redeemable Preference Shares of Rs.each.		
1.4 Proposed Bonus Share		
1.5 Call In Advance	3,336,060,600	1,392,445,100
1.6 Total (1.3+1.4+1.5)	3,716,443,200	1,772,827,700

Share Ownership

Particulars	Current Year Rs.		Previous Year Rs.	
	Percentage	Share Capital	Share Capital	Percentage
1 Local Ownership	%	380,382,600	380,382,600	%
1.1 Nepal Government	38.60	146,839,700	154,032,500	40.49
1.2 "A" Class Licensed Institutions	0.005	18,200	21,609,300	5.68
1.3 Other Licensed Institutions	0.15	577,700	2,943,400	0.77
1.4 Other Entities	3.39	12,891,700	9,142,300	2.40
1.5 Individual (General Public)	57.85	220,055,300	189,967,300	49.94
1.6 Others (General Public)			2,687,800	0.71
2 Foreign Ownership		-	-	
Total	100	380,382,600	380,382,600	100

Detail of Individual/Group/Firm/Company of Nepal Bank Limited having 0.5% or more share holding:

Name of Shareholder	No. of Shares	Percentage	Amount
1. Nepal Government	1468397	38.60	146,839,700
2. Nun Karan Agarwal	103365	2.72	10,336,500
3. Rukmani Pradhan	95000	2.50	9,500,000
4. Rajendra Kumar Khetan	45970	1.21	4,597,000
5. Ganga Amatya	40195	1.06	4,019,500
6. Prem Prakash Khetan	32500	0.85	3,250,000
7. Prem Lal Khetan	32500	0.85	3,250,000
8. Sridhar Samser Ja. Ba. Ra.	29900	0.79	2,990,000
9. Priya Agarwal	26882	0.71	2,688,200
10. Ananta Kumar Golyan	25000	0.66	2,500,000
11. Anju Khetan	22276	0.59	2,227,600
12. Rajkumar Golcha	20836	0.55	2,083,600
13. Jharendra Samser Ja. Ba. Ra.	19856	0.52	1,985,600
14. Dr. Sundarmani Dixit	19743	0.52	1,974,300
15. Rewa Devi Dixit	19350	0.51	1,935,000
16. Asian Life Insurance Co. Ltd.	19169	0.50	1,916,900
Total	2020939	53.14	202,093,900

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Nepal Bank Limited

Reserve & Funds

As at July 15, 2013 (Ashad 31, 2070)

Schedule 2

Particulars	Current Year	Previous Year
1 General Reserve Fund	1,820,704,935	1,669,668,864
2 Capital Reserve Fund	259,735,644	259,735,644
3 Capital Redemption Reserve	-	-
4 Capital Adjustment Fund	380,382,600	342,344,340
5 Other Reserve and Fund	146,907,832	103,138,434
a) Contingency Reserve	2,763,349	2,763,349
b) Institution Development Fund	3,300,000	3,300,000
c) Dividend Equalization Fund	7,485,526	7,485,526
d) Special Reserve Fund	22,245,634	-
e) Assets Revaluation Fund	-	-
f) Deferred Tax Reserve	93,519,593	73,076,255
g) Other Free Reserves	-	-
h) Investment Adjustment Reserve	17,593,730	16,513,304
6 Accumulated Profit / Loss	(6,617,603,720)	(7,131,111,624)
7 Exchange Fluctuation Fund	84,448,939	75,620,219
Total	(3,925,423,770)	(4,680,604,123)

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Nepal Bank Limited
Debenture and Bond
As at July 15, 2013 (Ashad 31, 2070)

Schedule 3

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

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Nepal Bank Limited
Loans (Borrowings) to be Paid
As at July 15, 2013 (Ashad 31, 2070)

Schedule 4

Particulars	Current Year Rs.	Previous Year Rs.
A) Local		
1. Nepal Government	-	-
2. Nepal Rastra Bank	2,342,738,892	2,153,794,480
3. Repo Obligation	-	-
4. Inter Bank and Financial Institutions	-	-
5. Other Financial Institutions	-	-
6. Others	-	-
Total	2,342,738,892	2,153,794,480
B) Foreign		
1. Banks	-	-
2. Others	-	-
Total	-	-
Grand Total(A+B)	2,342,738,892	2,153,794,480

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Nepal Bank Limited**Deposits****As at July 15, 2013 (Ashad 31, 2070)****Schedule 5**

Particulars		Current Year Rs.	Previous Year Rs.
1	Non Interest Bearing Accounts		
a)	Current Account	13,757,306,367	12,326,788,959
1	Local Currency	13,541,825,813	12,116,708,683
1.1	Nepal Government	463,650,770	586,748,978
1.2	"A" Class Licensed Institutions	948,790,973	1,138,203,382
1.3	Other Licensed Financial Institutions	657,949,944	1,242,667,735
1.4	Other Organized Institutions	5,904,481,803	5,370,953,514
1.5	Individuals	4,288,070,203	2,294,800,650
1.6	Others	1,278,882,120	1,483,334,424
2	Foreign Currency	215,480,554	210,080,276
2.1	Nepal Government	-	-
2.2	"A" Class Licensed Institutions	-	-
2.3	Other Licensed Financial Institutions	277,512.00	2,059,421
2.4	Other Organized Institutions	1,990,078	-
2.5	Individuals	213,212,964	207,828,339
2.6	Others	-	192,516
b)	Margin Deposits	132,051,851	122,751,186
1	Staff guarantee	-	-
2	Guarantee Margin	37,856,867	37,852,610
3	Letters of credit Margin	94,194,984	84,898,576
c)	Other	869,417,947	282,705,097
1	Local Currency	869,417,947	282,705,097
1.1	Financial Institutions	100,000	257,800
1.2	Other Organized Institutions	35,561,195	47,068,715
1.3	Individual	833,756,752	235,378,582
2	Foreign Currency	-	-
2.1	Financial Institutions	-	-
2.2	Other Organized Institutions	-	-
2.3	Individuals	-	-
Total of Non Interest Bearing Accounts (1)		14,758,776,165	12,732,245,242

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Nepal Bank Limited**Deposits**

As at July 15, 2013 (Ashad 31, 2070)

Schedule 5

Particulars		Current Year Rs.	Previous Year Rs.
2 Interest Bearing Accounts :			
a) Saving Deposits		28,232,162,691	24,909,160,409
1 Local Currency		28,221,466,550	24,900,363,996
1.1 Organized Institutions		1,141,032,029	1,334,080,172
1.2 Individuals		27,045,447,445	23,552,949,178
1.3 Others		34,987,076	13,334,646
2 Foreign Currency		10,696,141	8,796,413
2.1 Organized Institutions		-	-
2.2 Individuals		10,696,141	8,796,413
2.3 Others		-	-
b) Fixed deposit		12,651,262,432	11,664,593,179
1 Local Currency		12,651,262,432	11,659,582,879
1.1 Organized Institutions		2,532,184,592	2,808,599,638
1.2 Individuals		8,159,339,778	8,314,832,592
1.3 Others		1,959,738,062	536,150,649
2 Foreign Currency		-	5,010,300
2.1 Organized Institutions		-	-
2.2 Individuals		-	5,010,300
2.3 Others		-	-
c) Call Deposit		7,342,148,759	6,746,373,927
1 Local Currency		7,342,148,759	6,746,373,927
1.1 "A" Class Licensed Institutions		-	-
1.2 Other Licensed Financial institutions		1,465,944,439	-
1.3 Other Organized Institutions		121,626,627	1,287,197,498
1.4 Individuals		5,753,777,931	5,097,291,466
1.5 Others		799,762	361,884,963
2 Foreign Currency		-	-
2.1 "A" Class Licensed Institutions		-	-
2.2 Other Licensed Financial institutions		-	-
2.3 Other Organized Institutions		-	-
2.4 Individuals		-	-
2.5 Others		-	-
d) Certificate of Deposits		-	-
1 Organized Institutions		-	-
2 Individuals		-	-
3 Others		-	-
Total of Interest bearing deposits (2)		48,225,573,882	43,320,127,515
Total Deposit(1+2)		62,984,350,047	56,052,372,757

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Nepal Bank Limited
Bills Payable
As at July 15, 2013 (Ashad 31, 2070)

Schedule 6

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency	84,808,678	57,661,161
2 Foreign Currency	16,472,259	17,105,854
Total	101,280,937	74,767,015

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Nepal Bank Limited
Other liabilities
As at July 15, 2013 (Ashad 31, 2070)

Schedule 7

Particulars	Current Year Rs.	Previous Year Rs.
1 Pension and Gratuity Fund	-	-
2 Employees Provident Fund	-	-
3 Employees Welfare Fund	-	-
4 Provision for Staff Bonus	11,887,917	62,394,380
5 Interest Payable on Deposits	178,704,968	229,846,585
6 Interest Payable on Borrowings	99,376,554	55,993,647
7 Unearned Discount & Commission	5,354,193	2,001,650
8 Sundry Creditors	2,419,871,145	2,240,521,295
9 Branch Reconciliation	2,267,983,077	-
10 Deferred Tax Liability	-	-
11 Dividend Payable	2,007,036	2,000,831
12 Others	572,408,371	649,604,566
Deferred Income	2,698,361	3,597,815
Staff Medical Fund	49,120,508	54,013,951
Provision for Leave Encashment	309,350,977	239,442,308
Provision for other Losses	134,513,546	168,534,518
Rastriya Banijya Bank Transaction	76,724,979	184,015,974
Total	5,557,593,261	3,242,362,954

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Nepal Bank Limited
Cash Balance
As at July 15, 2013 (Ashad 31, 2070)

Schedule 8

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency (Including Coins)	2,334,686,993	1,915,147,304
2 Foreign Currency	43,743,284	25,848,008
Total	2,378,430,277	1,940,995,312

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Nepal Bank Limited
Balance with Nepal Rastra Bank
As at July 15, 2013 (Ashad 31, 2070)

Schedule 9

Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		I.C.	Convertible F.C.	Total		
1 Nepal Rastra Bank	10,320,736,595	-	91,011,061	91,011,061	10,411,747,656	10,635,913,746
a) Current Account	10,325,946,946	-	91,011,061	91,011,061	10,416,958,007	9,077,814,723
b) Other Account	(5,210,351)	-	-	-	(5,210,351)	1,558,099,023

Total Balance for which the confirmations are received from Nepal Rastra Bank Rs. 6,702,941,317

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Nepal Bank Limited
Balance With Banks / Financial Institutions
As at July 15, 2013 (Ashad 31, 2070)

Schedule 10

Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		I.C.	Convertible F.C.	Total		
1 Local Licensed Institutions	432,142,442	-	-	-	432,142,442	408,314,781
a) Current Account	432,142,442	-	-	-	432,142,442	408,314,781
b) Other Account	-	-	-	-	-	-
2 Foreign Banks	-	107,240,099	858,860,595	966,100,694	966,100,694	1,078,469,276
a) Current Account		107,240,099	858,860,595	966,100,694	966,100,694	1,078,469,276
b) Other Account		-	-	-	-	-
Total Amount	432,142,442	107,240,099	858,860,595	966,100,694	1,398,243,136	1,486,784,057

Total Balance for which the confirmations are received from respective licensed institutions Rs. 1,468,023,498

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Nepal Bank Limited
Money at call and short notice
As at July 15, 2013 (Ashad 31, 2070)

Schedule 11

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

(Bank logo)

Nepal Bank Limited
Investments
As at July 15, 2013 (Ashad 31, 2070)

Schedule 12

Particulars	Purpose		Current Year Rs.	Previous Year Rs.
	Trading	Other		
1	Nepal Government Treasury bill	7,226,851,360	7,226,851,360	4,764,241,597
2	Nepal Government National Saving Bond	1,190,925,000	1,190,925,000	1,285,025,000
3	Nepal Government Other Bond	-	-	-
4	Nepal Rastra Bank Bond	-	-	-
5	Foreign Bond	95,500,000	95,500,000	545,180,000
6	Share of domestic licensed Institutions	-	-	-
7	Foreign Bank	2,383,117,000	2,383,117,000	1,589,219,000
8	Other Organized Institutions Shares	161,811,986	161,811,986	162,111,986
9	Other Organized Institutions Bonds and Debentures	-	-	127,392,000
10	Other Investments	-	-	-
Total Investment		-	11,058,205,346	8,473,169,583
Provision		-	79,085,100	81,443,500
Net investment		-	10,979,120,246	8,391,726,083

(Bank logo)

Nepal Bank Limited
Investment Held for Trading
As at July 15, 2013 (Ashad 31, 2070)

Schedule 12.1

Particulars	Cost Price	Previous Market Price (a)	Current Market Price (b)	This Year Profit/(Loss) Amount (b-a)	Last Year Profit/(Loss) Amount	Remarks
1 Nepal Government Treasury bills						
2 Nepal Government National Saving Bond						
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bond						
5 Foreign Bond						
6 Share of domestic licensed Institutions						
7 Debentures/bond of domestic licensed Institutions						
8 Shares, debenture, bonds of domestic corporate bodies						
9 Investment of foreign banks (Placement)						
10 Interbank Lending						
11 Other Investments						
Total Investment						

(Bank logo)

Nepal Bank Limited
Investment Held for Maturity
As at July 15, 2013 (Ashad 31, 2070)

Schedule 12.2

Particulars	Cost Price (a)	Amount of loss until now (b)	This year's loss amount (c)	This Year Profit/(Loss) Amount (a-b)	Last Year Profit/(Loss) Amount	Remarks
1 Nepal Government Treasury bills	7,226,851,360					
2 Nepal Government National Saving Bond	1,190,925,000					
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bond						
5 Foreign Bond	95,500,000					
6 Share of domestic licensed Institutions						
7 Debentures/bond of domestic licensed Institutions						
8 Shares, debenture, bonds of domestic corporate bodies	-					
9 Investment of foreign banks (Placement)	2,383,117,000					
10 Other Investments	-					
Total Investment	10,896,393,360					

(Bank logo)

Nepal Bank Limited
Investment available for sale
As at July 15, 2013 (Ashad 31, 2070)

Schedule 12.3

Particulars	Cost Price	Last market price (a)	Current market price (b)	This Year Profit/(Loss) Amount (a-b)	Last Year Profit/(Loss) Amount	Remarks
1 Nepal Government Treasury bills						
2 Nepal Government National Saving Bond						
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bond						
5 Foreign Bond						
6 Share of domestic licensed Institutions						
7 Debentures/bond of domestic licensed Institutions						
8 Shares, debenture, bonds of domestic corporate bodies	161,811,986	754,790,922	1,086,876,725			
9 Investment of foreign banks (Placement)						
11 Other Investments						
Total Investment	161,811,986					

(Bank logo)

Nepal Bank Limited**Investment**

As at July 15, 2013 (Ashad 31, 2070)

Schedule 12(A)

Particulars	Cost Rs.	Market Rate	Market Value	Provision	Previous Year Rs.
1 Investment in Shares					
1.1 Rastriya Beema Sansthan 2,51,910 Ordinary Shares (including 245,910 Bonus Shares also) of Rs. 100/- each	707,186	2,061	519,186,510	-	707,186
1.2 *Deposit Insurance & Credit Guarantee Corporation Pvt. Ltd. 110,161 Ordinary Share (including 90,161 Bonus Shars also) of Rs. 100/- each	2,000,000		2,000,000	2,000,000	2,000,000
1.3 *Nepal Oil Corporation Ltd. 2,250 Ordinary Shares (including 750 Bonus Shares also) of Rs. 100/- each	150,000		150,000	150,000	150,000
1.4 Nepal Industrial Development Corporation 3,000 Ordinary Shares of Rs. 100/- each					300,000
1.5 *National Productivity and Economic Development Centre Ltd. 5,000 Ordinary Shares of Rs. 100 each.	500,000	-	500,000	500,000	500,000
1.6 *Far Western Rural Development Bank 30,000 Ordinary Shares of Rs. 100 each.	3,000,000		3,000,000	3,000,000	3,000,000
1.7 *Eastern Rural Development Bank @ 30,000 Ordinary Shares of Rs. 100 each.	3,000,000	965	28,950,000	3,000,000	3,000,000
1.8 *Western Rural Development Bank 33,000 Ordinary Shares (including 3000 bonus share also) of Rs. 100/- each	3,000,000		3,000,000	3,000,000	3,000,000
1.9 *Mid Western Rural Development Bank 61,250 Ordinary Shares of Rs. 100 each.	6,125,000		6,125,000	6,125,000	6,125,000
1.10 *Middle Rural Development Bank @ 30,000 Ordinary Shares of Rs. 100 each.	3,000,000	131	3,930,000	3,000,000	3,000,000
1.11 Citizen Investment Trust 1,91,970 Ordinary Shares (Including 1,56,420 bonus shares also) of Rs. 100 each. (with Rs. 40/- capitalization).	2,133,000	1,130	216,926,100		2,133,000
1.12 Rural Micro Finance Development Centre (RMDC) 2,93,550 Ordinary Shares of Rs. 100 each.	29,355,000		29,355,000	29,355,000	29,355,000
1.13 Deprosc Development Bank Limited 137,111 Ordinary Shares (including 39,844 bonus share also) of Rs. 100/- each	9,726,700	365	50,045,515		9,726,700
1.14 *Gorakhkali Rubber Udhog Ltd. 1,60,000 Ordinary Shares of Rs. 100 each (Rs. 75 paid up)	12,000,000	38	6,080,000	12,000,000	12,000,000
1.15 Sana Kisan Bikas Bank. 121,416 Ordinary Shares of Rs. 100 each.	12,141,600		12,141,600	12,141,600	12,141,600
1.16 *Sajha Sawasthya Sewa Sahakari Sanstha Limited 11 Ordinary Shares (including 6 bonus shares also) of Rs. 100/- each	500		500	500	500
1.17 Nepal Insurance Company Ltd. (subsidiary company) 671,140 Ordinary Shares (including 669,540 bonus shares also) of Rs. 100/- each	160,000	250	130,673,500		160,000
1.18 *Credit Information Centre Ltd. 11,437 Ordinary Shares (including 7,907 bonus shares also) of Rs. 100/- each	353,000		353,000	353,000	353,000
1.19 *Taragaun Regeny Hotel Ltd. 7,00,000 Ordinary Shares of Rs. 100 each	70,000,000	100	70,000,000		70,000,000
1.20 *Nepal Clearing House 25,000 Ordinary Shares of Rs. 100 each	2500000		2500000	2500000	2500000
1.21 *National Banking Training Centre 12,000 Ordinary Shares of Rs. 100 each	1200000		1200000	1200000	1200000
1.22 ICRA Nepal Ltd. 7,600 Ordinary Shares of Rs. 100 each	760000		760000	760000	760000
2 Investment in Debenture and Bonds					
2.1 7.75% Power Bond of Nepal Electricity Authority				-	127,392,000
Total Investment	161,811,986		1,086,876,725	79,085,100	289,503,986
3 Provision for Losses					
3.1 Up to previous year Provision				81,443,500	81,443,500
3.2 Addition (Write Back During the year)				(2,358,400)	
Total				79,085,100	81,443,500
Total Investment				82,726,886	208,060,486

* Institutions and Companies that has not declared and distributed dividend for more than last three years.

Note: Book value is considered as market value for those shares which are not listed.

© Market value of listed shares is determined as per the closing transaction value but for those shares whose transactions are not operated for a long period of time, cent percent provision has been made.

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Nepal Bank Limited
Classification of Loans, Advances & Bills Purchased and Provisioning
As at July 15, 2013 (Ashad 31, 2070)

Schedule 13

Particulars	Loans and Advances					Bills Purchased and Discounted			Current Year Rs.	Previous Year Rs.
	Domestic			Foreign	Total	Domestic	Foreign	Total		
	Priority Sector		Other							
	Insured	Uninsured								
1. Performing Loan	1,264,199,291	2,036,191	34,597,161,239	-	35,863,396,721	-	6,245,810	6,245,810	35,869,642,531	28,041,335,800
1.1 Pass Loan	1,264,199,291	2,036,191	34,597,161,239	-	35,863,396,721	-	6,245,810	6,245,810	35,869,642,531	28,041,335,800
2. Non Performing Loan	57,812,128	19,002,360	1,900,521,079	-	1,977,335,567	-	4,987,645	4,987,645	1,982,323,212	1,657,527,630
2.1 Restructured	-	-	94,439,865	-	94,439,865	-	-	-	94,439,865	-
2.2 Substandard	-	-	91,018,817	-	91,018,817	-	-	-	91,018,817	36,155,765
2.3 Doubtful	-	-	115,316,944	-	115,316,944	-	-	-	115,316,944	61,472,865
2.4 Bad	57,812,128	19,002,360	1,599,745,453	-	1,676,559,941	-	4,987,645	4,987,645	1,681,547,586	1,559,899,000
(A) Total Loan	1,322,011,419	21,038,551	36,497,682,318	-	37,840,732,288	-	11,233,455	11,233,455	37,851,965,743	29,698,863,430
3. Loan Loss Provision										
3.1 Pass	12,641,993	20,362	453,775,636	-	466,437,991	-	62,458	62,458	466,500,449	428,351,744
3.2 Restructured	-	-	11,804,983	-	11,804,983	-	-	-	11,804,983	-
3.3 Substandard	-	-	22,754,704	-	22,754,704	-	-	-	22,754,704	9,038,941
3.4 Doubtful	-	-	57,658,472	-	57,658,472	-	-	-	57,658,472	30,733,674
3.5 Bad	57,812,128	19,002,360	1,599,745,453	-	1,676,559,941	-	4,987,645	4,987,645	1,681,547,586	1,559,899,000
(B) Total Provision	70,454,121	19,022,722	2,145,739,248	-	2,235,216,091	-	5,050,103	5,050,103	2,240,266,194	2,028,023,359
4. Provision Up to Last Year										
4.1 Pass	3,601,896	20,362	424,729,486	-	428,351,744	-	-	-	428,351,744	769,510,883
4.2 Restructured	-	-	-	-	-	-	-	-	-	22,973,116
4.3 Substandard	-	-	9,038,941	-	9,038,941	-	-	-	9,038,941	19,546,054
4.4 Doubtful	-	-	30,733,674	-	30,733,674	-	-	-	30,733,674	50,313,007
4.5 Bad	53,614,488	23,200,000	1,476,186,923	-	1,553,001,411	-	6,897,589	6,897,589	1,559,899,000	1,172,253,576
(C) Provision up to Last Year	57,216,384	23,220,362	1,940,689,024	-	2,021,125,770	-	6,897,589	6,897,589	2,028,023,359	2,034,596,636
(D) Previous Years' Provision Written Back	-	(4,197,640)	-	-	-	-	(1,847,486)	(1,847,486)	354,284,579	(6,573,277)
(E) This Years' Additional Provision	13,237,737	-	205,050,224	-	214,090,321	-	-	-	566,527,414	-
Net Adjustment for the year	13,237,737	(4,197,640)	205,050,224	-	214,090,321	-	(1,847,486)	(1,847,486)	212,242,835	(6,573,277)
Net Loan (A-B)	1,251,557,298	2,015,829	34,351,943,070	-	35,605,516,197	-	6,183,352	6,183,352	35,611,699,549	27,670,840,071

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Nepal Bank Limited

Loan, Advances and Bills Purchased - Security Wise

As at July 15, 2013 (Ashad 31, 2070)

Schedule 13(A)

Particulars		Current Year Rs.	Previous Year Rs.
(A)	Secured	37,851,965,743	29,698,863,430
1	On Security of Movable / Immovable Assets	34,664,988,206	28,596,005,721
2	Guarantee of Local Licensed Institutions	118,075,598	-
3	Government Guarantee	304,538,550	412,725,412
4	Internationally Rated Bank Guarantee	-	-
5	On security of Export Documents	28,625,000	142,498,896
6	On security of Fixed Deposit Receipts	1,260,454,561	223,984,207
	(a) On security of own Fixed Deposit Receipt	1,260,362,918	223,753,164
	(b) On security of Fixed Deposit Receipts of Other Licensed Institutions	91,643	231,043
7	On security of Government Bonds	8,492,777	7,522,058
8	Counter Guarantee	-	-
9	Personal Guarantee	-	-
10	Other Securities	1,466,791,051	316,127,136
(B)	Unsecured	-	-
Total		37,851,965,743	29,698,863,430

(Bank logo)

Nepal Bank Limited

Fixed Assets

As at July 15, 2013 (Ashad 31, 2070)

Schedule 14

Particulars	Assets					Current Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office equipment	Others		
1 At Cost:							
a) Up to previous Year	119,347,831	98,072,149	276,497	410,996,744	6,711,094	635,404,315	573,884,000
b) Addition During The Year	96,125,448	12,865,949	-	43,915,480	143,082	153,049,959	65,640,016
c) Revaluation/Written Back This Year							
d) This Year Sold	(447,497)	(116,055)	-	(247,329)	-	(810,881)	(4,119,701)
e) This Year Written Off							
Total (a+b+c+d+e) at cost :	215,025,782	110,822,043	276,497	454,664,895	6,854,176	787,643,393	635,404,315
2 Depreciation :							
a) Up to Previous Year	53,840,959	74,165,904	272,010	274,551,084	2,520,790	405,350,747	357,535,886
b) For This Year	5,530,192	6,649,312	673	42,512,960	649,579	55,342,716	50,704,716
c) Depreciation on revaluation/written back							
d) Depreciation - Adjusted / Written Back	-	-	-	-	-	-	(2,889,855)
Total Deprecation	59,371,151	80,815,216	272,683	317,064,044	3,170,369	460,693,463	405,350,747
3 Book value (WDV)* (1-2)	155,654,631	30,006,827	3,814	137,600,851	3,683,807	326,949,930	230,053,568
4 Land	34,591,922					34,591,922	34,667,853
5 Capital Construction (Pending Capitalization)	5,364,645					5,364,645	86,342,471
6 Lease hold assets	-					-	
Total (3+4+5+6)	195,611,198	30,006,827	3,814	137,600,851	3,683,807	366,906,497	351,063,892

* Written Down Value

(Bank logo)

Nepal Bank Limited**Non banking Assets****As at July 15, 2013 (Ashad 31, 2070)**

Schedule 15

Name of Borrower or Party	Date of Acceptance as Non Banking Assets	Total Non Banking Assets Amount Rs.	Provision		Net Non Banking Assets Amount Rs.	Previous Year Rs.
			Percentage	Amount Rs.		
Shiva Stores	063-02-12	42,583.00	100%	42,583.00	-	42,583.00
Manakamana Enterprises	062-06-20	62,500.00	100%	62,500.00	-	62,500.00
Mahamai Furniture	063-03-30	87,500.00	100%	87,500.00	-	87,500.00
M.Januka Traders	063-03-30	87,500.00	100%	87,500.00	-	87,500.00
Kanchan General Store	063-02-12	96,000.00	100%	96,000.00	-	96,000.00
Bir Bahadur Thapa	054-04-23	99,218.00	100%	99,218.00	-	99,218.00
Sriram Traders	062-11-12	108,000.00	100%	108,000.00	-	108,000.00
Gyan Bahadur Tamang	045-01-23	109,000.00	100%	109,000.00	-	109,000.00
Krishna Bahadur Dhital	060-01-25	125,000.00	100%	125,000.00	-	125,000.00
Kumar Cycle Group	063-03-26	125,000.00	100%	125,000.00	-	125,000.00
Kul Chandra Upadhyay	061-09-25	140,134.29	100%	140,134.29	-	140,134.29
Kanchan Traders	063-02-12	140,667.00	100%	140,667.00	-	140,667.00
Yadu Nath Gautam	063-6-9	145,412.10	100%	145,412.10	-	145,412.10
Rastriya Chamal Pitho Udhog	063-4-18	200,000.00	100%	200,000.00	-	200,000.00
S. Laboratory	063-02-18	200,000.00	100%	200,000.00	-	200,000.00
Aasha Etta Udhog	063-02-09	263,100.00	100%	263,100.00	-	263,100.00
Ramesh Raya	062-08-14	300,000.00	100%	300,000.00	-	300,000.00
Elija Gril Udhog	062-04-16	300,000.00	100%	300,000.00	-	300,000.00
Aashirya Trading Concern	068-03-01	320,215.00	100%	320,215.00	-	320,215.00
Kanchan Computer Laser	064-11-12	330,000.00	100%	330,000.00	-	330,000.00
United Supplayars Traders	051-10-23	334,283.70	100%	334,283.70	-	334,283.70
Aboth Galla Bhandar	062-11-25	400,000.00	100%	400,000.00	-	400,000.00
Narayani Chau Chau Udhog	062-08-07	407,379.43	100%	407,379.43	-	407,379.43
C.J. Hardware	063-03-10	415,000.00	100%	415,000.00	-	415,000.00
Bikash Trading	062-05-29	420,653.33	100%	420,653.33	-	420,653.33
Bishal Metal Udhog	062-08-30	422,939.88	100%	422,939.88	-	422,939.88
Om Sagarmatha	063-03-28	427,500.00	100%	427,500.00	-	427,500.00
Shah Kirana Shop	062-08-14	433,170.00	100%	433,170.00	-	433,170.00
Yadu Nath Gautam	057-05-22	450,000.00	100%	450,000.00	-	450,000.00
Suraj Chiya Udhog	063-6-29	486,000.00	100%	486,000.00	-	486,000.00
Kanchan Bheraity	063-02-12	486,875.00	100%	486,875.00	-	486,875.00
Tulasi Chiya Udhog	063-6-29	493,600.00	100%	493,600.00	-	493,600.00
Ganga Jamuna Sellar Rice U.	063-03-29	499,750.00	100%	499,750.00	-	499,750.00
Indira Kastha Udhog	062-06-19	500,000.00	100%	500,000.00	-	500,000.00
Hemraj Mahato	063-02-15	500,000.00	100%	500,000.00	-	500,000.00
Sita Devi Neaupane	069-3-31	500,000.00	100%	500,000.00	-	500,000.00
Kuber Kirana Pasal tatha Katha	063-03-20	518,200.08	100%	518,200.08	-	518,200.08
Adhikari Cement Sa.Udhog	062-08-07	607,190.93	100%	607,190.93	-	607,190.93
Prashamsa Textile	063-4-18	617,187.50	100%	617,187.50	-	617,187.50
Rudra Bahadur Katuwal	063-03-15	640,000.00	100%	640,000.00	-	640,000.00
Chandra Sher Bahadur Limbu	063-03-09	645,749.93	100%	645,749.93	-	645,749.93
K. & K. Apprals	063-02-22	650,000.00	100%	650,000.00	-	650,000.00
Suwal Traders	062-06-20	670,312.50	100%	670,312.50	-	670,312.50
Gandaki Fancy Stores	063-03-15	671,390.26	100%	671,390.26	-	671,390.26

Name of Borrower or Party	Date of Acceptance as Non Banking Assets	Total Non Banking Assets Amount Rs.	Provision		Net Non Banking Assets Amount Rs.	Previous Year Rs.
			Percentage	Amount Rs.		
S.K. Stationary	063-4-11	700,000.00	100%	700,000.00	-	700,000.00
Khem Nath Dhakal	063-02-15	700,000.00	100%	700,000.00	-	700,000.00
Amala Aluminium Udhog	063-01-31	703,125.00	100%	703,125.00	-	703,125.00
Dhimal Rice Mill	063-6-29	712,785.18	100%	712,785.18	-	712,785.18
Gopi Nath Traders	063-03-22	726,752.80	100%	726,752.80	-	726,752.80
Himanchal Plant S. Mill	062-07-08	750,000.00	100%	750,000.00	-	750,000.00
Dhan Durga Traders	069-3-32	779,132.43	100%	779,132.43	-	779,132.43
B.D. Traders	062-12-13	781,500.00	100%	781,500.00	-	781,500.00
Milan Furniture	063-02-11	800,000.00	100%	800,000.00	-	800,000.00
A to Z Hardware Center	063-03-28	818,750.00	100%	818,750.00	-	818,750.00
Bir Bahadur Chauhan	063-03-15	822,762.96	100%	822,762.96	-	822,762.96
Kanchan Sadi Center	063-02-12	863,750.00	100%	863,750.00	-	863,750.00
Gopal Chyarti Trust	062-11-26	880,404.23	100%	880,404.23	-	880,404.23
Mahesh Dhakal	063-6-29	903,202.21	100%	903,202.21	-	903,202.21
Raj Gril Sattar & Krishi Au.	063-03-21	921,823.42	100%	921,823.42	-	921,823.42
Amar Shingh Buddha	063-03-30	954,253.44	100%	954,253.44	-	954,253.44
Shree Traders	067-03-24	970,000.00	100%	970,000.00	-	970,000.00
Krishna Prashad Bhandari	069-3-32	978,068.33	100%	978,068.33	-	978,068.33
Bijay Kirana Pasal	062-10-12	986,532.73	100%	986,532.73	-	986,532.73
Nilkamal Enterprises	067-03-03	1,003,906.00	100%	1,003,906.00	-	1,003,906.00
Jaya Kali Pepar Works	063-03-16	1,041,084.00	100%	1,041,084.00	-	1,041,084.00
Shingh Rice Mill	062-10-20	1,045,755.14	100%	1,045,755.14	-	1,045,755.14
Golden Furniture Udhog	062-11-26	1,050,000.00	100%	1,050,000.00	-	1,050,000.00
Katel Body Bilders	062-04-32	1,063,468.07	100%	1,063,468.07	-	1,063,468.07
Surajlaxmi Enterprises	062-09-15	1,097,378.77	100%	1,097,378.77	-	1,097,378.77
Prasai Selar Mill	068-8-22	1,120,000.00	100%	1,120,000.00	-	1,120,000.00
Guras Oil Sellar Mill	049-08-14	1,236,950.47	100%	1,236,950.47	-	1,236,950.47
Gupta Brothers & Mill	064-6-3	1,241,456.22	100%	1,241,456.22	-	1,241,456.22
Ram Rudra Rice Mill	062-12-13	1,346,644.80	100%	1,346,644.80	-	1,346,644.80
Hari Das Furniture Udhog	062-06-03	1,436,025.00	100%	1,436,025.00	-	1,436,025.00
New Micro Center	062-08-21	1,446,500.00	100%	1,446,500.00	-	1,446,500.00
Sunrise Chiya Udhog	061-12-04	1,500,000.00	100%	1,500,000.00	-	1,500,000.00
Badrakali Kastha Udhog	067-07-16	1,531,250.00	100%	1,531,250.00	-	1,531,250.00
Rama Resturent & Bar	063-9-27	1,547,698.55	100%	1,547,698.55	-	1,547,698.55
Bindabasini Rice Mill	063-4-18	1,555,708.91	100%	1,555,708.91	-	1,555,708.91
Chakravarti Carpet Udhog	063-03-02	1,559,375.00	100%	1,559,375.00	-	1,559,375.00
Yangamati Enterprises	062-06-20	1,664,165.33	100%	1,664,165.33	-	1,664,165.33
Kalika Oil Mill	062-12-14	1,664,350.75	100%	1,664,350.75	-	1,664,350.75
Nawa Durga Khadhya Udhog	063-12-01	1,679,286.53	100%	1,679,286.53	-	1,679,286.53
Purna Badhur Thapa	068-8-21	1,800,000.00	100%	1,800,000.00	-	1,800,000.00
Himalaya Kastha Udhog	063-01-31	2,093,435.94	100%	2,093,435.94	-	2,093,435.94
Tea Makers P.Ltd.	063-3-12	2,104,764.72	100%	2,104,764.72	-	2,104,764.72
Merry Gold Electricals	062-07-25	2,271,462.93	100%	2,271,462.93	-	2,271,462.93
Krishna Prasad Pant	063-02-09	2,773,000.00	100%	2,773,000.00	-	2,773,000.00
Aathrai Garments	064-3-19	2,850,000.00	100%	2,850,000.00	-	2,850,000.00
Annapurna Textile Ltd.	063-01-21	3,000,000.00	100%	3,000,000.00	-	3,000,000.00
Ganga Prasad Jaisi (Malika Chamal Udhog)	067-05-22	3,494,000.00	100%	3,494,000.00	-	3,494,000.00
Jayakali Biskut & Co.	063-03-14	3,535,160.00	100%	3,535,160.00	-	3,535,160.00
Jivan Dip Chalchitra Mandir	063-2-12	3,719,821.58	100%	3,719,821.58	-	3,719,821.58
Madan Bikram Nemwang	061-08-09	3,982,750.00	100%	3,982,750.00	-	3,982,750.00

Name of Borrower or Party	Date of Acceptance as Non Banking Assets	Total Non Banking Assets Amount Rs.	Provision		Net Non Banking Assets Amount Rs.	Previous Year Rs.
			Percentage	Amount Rs.		
Janakpur Cold Stors	063-2-25	4,000,000.00	100%	4,000,000.00	-	4,000,000.00
Kumar Cycle Group	061-06-26	4,500,000.00	100%	4,500,000.00	-	4,500,000.00
Jumle Carpet & Omsai	063-03-08	5,042,498.92	100%	5,042,498.92	-	5,042,498.92
Samsung Enterprises	067-03-03	5,750,000.00	100%	5,750,000.00	-	5,750,000.00
Diyo Rice Mill	063-01-29	6,103,756.92	100%	6,103,756.92	-	6,103,756.92
Paramhansha Picture Palace	062-02-12	6,904,000.00	100%	6,904,000.00	-	6,904,000.00
Kumar Cycle Group	062-09-26	7,910,000.00	100%	7,910,000.00	-	7,910,000.00
Damodar Sharma Group	061-10-20	9,286,570.00	100%	9,286,570.00	-	9,286,570.00
Gyan Carpet Industries	063-03-18	9,869,465.74	100%	9,869,465.70	-	9,869,465.74
Shivalaya Metal I.P.Ltd.	063-03-18	10,374,216.74	100%	10,374,216.74	-	10,374,216.74
Pashupati Siliket I. & Goal	061-03-30	13,503,500.00	100%	13,503,500.00	-	13,503,500.00
Banshidhar Industries	062-11-21	17,192,000.00	100%	17,192,000.00	-	17,192,000.00
Shivalaya Metal Ind. Pvt. Ltd.	065-10-30	19,188,910.00	100%	19,188,910.00	-	19,188,910.00
Bajaranga Takij P.Ltd.	064-3-7	26,386,774.91	100%	26,386,774.91	-	26,386,774.91
Narayani Vegitable Oil	063-03-14	27,839,804.81	100%	27,839,804.91	-	27,839,804.91
Somnath Poudel	069-10-2	753,500.00	100%	753,500.00	-	
Kumar Basnet	046-02-05				-	12,000.00
Padam Pd. Lakaul	027-10-26				-	17,000.00
Prime Textile Industries	063-02-15				-	1,533,110.00
Tulika Radimade Udhyog	062-01-15				-	2,500,000.00
Shanti Devi Kasodhan	038-05-01				-	112,182.00
Krishna Rice & Oil Mill	062-10-14				-	409,476.57
Rara Construction Co.Pvt.Ltd.	059-09-22				-	413,000.00
Mukti Khadhya Stores	063-03-15				-	516,611.74
Ganesh Chiya Udhyog	061-08-09				-	600,000.00
Amar Khadhya Bhandar	064-6-3				-	609,553.59
Nepal Cole Supplayers	062-09-12				-	622,740.59
Remond Etta Udhyog	063-01-22				-	700,000.00
Chitawan Medicine Distributers	063-03-15				-	726,965.97
Bardiya Rice Mill	063-03-30				-	783,482.45
Bhim Raj Pandey	063-02-09				-	868,278.69
Spare Parts & Supplayars	063-03-25				-	1,027,096.53
Champa Carmet Udhyog	063-03-01				-	1,092,187.50
New Pathibhara Supplayars	063-01-28				-	1,229,877.33
Basundhara Auto Parts	063-03-16				-	1,244,700.00
Akul Enterprises	063-03-30				-	1,295,250.00
Yadab Rice Mill	063-02-19				-	1,325,000.00
Bheri Loha Nirman Udhyog	064-3-32				-	1,564,762.88
Baglung Kali Khadhya Udhyog	063-02-09				-	1,707,810.44
Jain Impex	063-03-30				-	2,307,500.00
Punam Oil & Rice U.	062-06-32				-	2,406,400.00
Nimasa Enterprises	062-3-12				-	2,537,500.00
Madan Sharma Samuha	062-09-12				-	2,669,698.44
Nisha Enterprises	061-04-04				-	3,353,920.88
Lalbani & Company	063-03-04				-	4,093,750.00
Jayalaxmi letta Udhyog	061-12-31				-	5,010,000.00
Dambar Lal Shah	061-08-20				-	6,550,500.00
Total Amount		264,292,251		264,292,251	-	313,379,107
Less: Provision						313,379,107
Previous Year Net Non Banking Assets						-

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Nepal Bank Limited
Other Assets
As at July 15, 2013 (Ashad 31, 2070)

Schedule 16

Particulars		Current Year Rs.	Previous Year Rs.
1 Stationary Stock		20,382,132	23,722,911
2 Interest Receivable on Investment		66,796,980	83,015,248
3 Accrued Interest on Loan	3,357,450,497	-	3,311,510,300
Less : Interest Suspense Amount	(3,357,450,497)		(3,311,510,300)
4 Commission Receivable		-	-
5 Sundry Debtors	689,898,482	635,200,855	372,227,450
Less : Provision	(54,697,627)		(88,896,627)
6 Staff Loan and Advance	1,940,526,401	1,927,525,771	1,974,762,028
Less : Provision	(13,000,630)		(13,000,630)
7 Prepayments		2,945,952	2,508,509
8 Cash in Transits		857,838,456	329,638,156
9 Other Transit Items (Including Cheques)		-	-
10 Draft Paid Without Advise	983,922,195	915,223,195	1,006,086,506
Less : Provision	(68,699,000)		
11 Expenses Not Written Off		31,167,549	37,221,747
12 Branch Adjustment Account		-	1,500,580,670
13 Deferred Tax Assets		93,519,592	73,076,255
14 Others		4,880,234,724	2,837,255,399
Reimbursement (Pension) Receivable	1,240,866,037		1,433,226,046
Government Securities - Principal & Interest	6,630,723		8,427,670
Advance Tax	1,523,310,925	1,154,917,033	1,598,063,287
Less: Provision for Income Tax	(368,393,892)		(353,603,272)
Other Assets	2,489,085,957	2,477,820,931	162,406,694
Less : Provision	(11,265,026)		(11,265,026)
Total		9,430,835,206	8,138,197,622

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Nepal Bank Limited
Other Assets (Additional Statement)
As at July 15, 2013 (Ashad 31, 2070)

Schedule 16(A)

Particulars	Current Year Rs.				Previous Year Rs.
	Upto 1 year	1 to 3 years	Above 3 years	Total	
1 Accrued Interest on Loan	1,186,280,918	271,915,208	1,899,254,371	3,357,450,497	3,311,510,300
2 Drafts Paid without advise	900,585,702	8,498,556.00	74,837,937	983,922,195	1,006,086,506
3 Branch Adjustment Account	-	-	-	-	-
4 Local and Foreign Agency Accounts	-	-	-	-	-

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Nepal Bank Limited
Contingent Liabilities
As at July 15, 2013 (Ashad 31, 2070)

Schedule 17

Particulars	Current Year Rs.	Previous Year Rs.
1 Claims on Bank but not accepted by the Bank	139,927,707	132,598,919
2 Letters of credit (full amount)	1,750,616,306	1,628,425,560
a) Less than 6 months maturity	1,680,602,800	1,558,412,054
b) More than 6 months maturity	70,013,506	70,013,506
3 Rediscounted Bills	-	-
4 Unmatured Guarantees/Bonds	1,133,431,671	1,074,503,129
a) Bid Bonds	256,425,221	241,087,085
b) Performance Bonds	556,697,795	593,862,900
c) Other Guarantee / Bonds	320,308,655	239,553,144
5 Unpaid Shares in Investment	-	-
6 Forward Exchange Contract Liabilities	-	-
7 Bills under Collection	124,450,126	108,551,514
8 Acceptance and Endorsements	1,015,699,285	-
9 Underwriting Commitments	-	-
10 Irrevocable Loan Commitments	-	-
11 Counter Guarantee of Internationally Rated Banks	-	-
12 Advance Payment Guarantee	235,431,040	139,438,706
13 Financial Guarantee	-	-
14 Contingent Liabilities on Income Tax	1,033,954,469	1,033,954,469
15 Others	-	-
Total	5,433,510,604	4,117,472,297

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Nepal Bank Limited

Interest Income

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 18

Particulars		Current Year Rs.	Previous Year Rs.
a)	On Loan, Advance and Overdraft	4,456,445,453	3,681,248,338
1	Loans and Advances	4,226,031,698	3,493,005,321
2	Overdraft	230,413,755	188,243,017
b)	On Investment	255,641,893	361,509,585
1	Nepal Government Securities	191,305,691	301,599,978
a)	Treasury Bill	102,601,772	212,340,867
b)	Development Bond	88,703,919	89,259,111
c)	National Saving Certificates	-	-
2	Foreign Securities	57,397,761	52,504,947
a)	Investment on Foreign Bank	48,179,653	30,875,390
b)	Investment on Commercial Paper	9,218,108	21,629,557
3	Nepal Rastra Bank Bonds	-	-
4	Debentures and Bonds	6,938,441	7,404,660
a)	Bank/Financial institutions	-	-
b)	Other institutions	6,938,441	7,404,660
5	Interest on Inter Bank Lending	-	-
c)	On Agency Balances	281,886	365,730
1	Local Bank/Financial institutions	-	-
2	Foreign Banks	281,886	365,730
d)	On Money at call and Short Notice	27,166,522	8,020,795
1	Local Bank/Financial institutions	27,166,522	8,020,795
2	Foreign Banks	-	-
e)	On Others	-	7,726
1	Certificate of Deposits	-	-
2	Inter bank/Financial institutions Loan	-	-
3	Others	-	7,726
Total		4,739,535,754	4,051,152,174

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Nepal Bank Limited

Interest Expenses

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 19

Particulars	Current Year Rs.	Previous Year Rs.
A. On Deposit Liabilities	2,193,256,237	2,176,045,055
1 Fixed Deposits	1,013,003,686	878,784,840
1.1 Local Currency	1,013,003,686	878,666,393
1.2 Foreign Currency	-	118,447
2 Saving Deposits	1,180,252,551	1,297,062,603
2.1 Local Currency	1,180,184,110	1,296,993,361
2.2 Foreign Currency	68,441	69,242
3 Call Deposits	-	197,612
3.1 Local Currency	-	197,612
3.2 Foreign Currency	-	-
4 Certificate of Deposits	-	-
B. On Borrowings	16,734,274	15,717,600
1 Debentures and Bonds	-	-
2 Loan from Nepal Rastra Bank	16,734,274	15,717,600
3 Inter Bank / Financial Institutions Borrowing	-	-
4 Other Corporate Body	-	-
5 Other Loans(Foreign Currency)	-	-
C. On Others	4,173,833	5,374,723
1 Staff Medical Fund	3,317,654	4,464,029
2 Other interest expenses	856,179	910,694
Total	2,214,164,344	2,197,137,378

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Nepal Bank Limited
Commission & Discount

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 20

Particulars	Current Year Rs.	Previous Year Rs.
a) Bills Purchased & Discount	87,390	99,961
1 Local	899	28,342
2 Foreign	86,491	71,619
b) Commission	241,874,373	235,374,951
1 Letter of Credits	12,000,679	13,098,320
2 Guarantees	17,858,499	15,940,175
3 Collection Fee	3,081,377	2,784,442
4 Remittance Fee	33,497,936	38,970,853
5 Credit Cards	-	-
6 Share Underwriting/ Issues	-	-
7 Government Transactions	175,435,882	164,581,161
8 Agency Commission	-	-
9 Exchange Fee	-	-
c) Others	21,054,130	17,155,822
Total	263,015,893	252,630,734

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Nepal Bank Limited
Other Operating Income

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 21

Particulars	Current Year Rs.	Previous Year Rs.
1 Rental of Safe Deposit Vault	16,582,366	15,246,609
2 Issue and Renewal of Credit Cards	-	-
3 Issue and Renewal of ATM Cards	-	-
4 Telex / T.T	2,947,834	2,454,969
5 Service Charges	92,786,869	44,759,907
6 Renewal Fees	6,696,189	6,015,923
7 Others	140,627,349	110,983,722
Total	259,640,607	179,461,130

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Nepal Bank Limited

Exchange Fluctuation Gain/Loss

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 22

Particulars	Current Year Rs.	Previous Year Rs.
a) Revaluation Gain	35,314,879	30,609,724
b) Trading Gain	22,850,054	29,026,731
Total Income/ (Loss)	58,164,933	59,636,455

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Nepal Bank Limited

Staff Expenses

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 23

Particulars	Current Year Rs.	Previous Year Rs.
1 Salary	577,230,244	588,922,553
2 Allowances	329,599,120	349,444,894
3 Contribution on Provident fund	124,877,387	128,850,586
4 Training Expenses	3,896,258	4,001,018
5 Uniform	19,283,000	19,978,000
6 Medical	71,483,967	72,553,105
7 Insurance	4,053,357	3,916,347
8 Pension and Gratuity Provision and Paid	596,619,381	673,445,142
9 Others	210,062,713	61,954,575
Total	1,937,105,427	1,903,066,220

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Nepal Bank Limited

Other Operating Expenses

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 24

Particulars		Current Year Rs.	Previous Year Rs.
1	House Rent	28,852,397	24,593,040
2	Electricity & Water	31,413,145	25,472,755
3	<u>Repair and Maintenance</u>	15,776,050	17,305,125
	a) Building.....	1,986,305	3,927,702
	b) Vehicles.....	3,639,500	2,729,679
	c) Others.....	10,150,245	10,647,744
4	Insurance	30,364,455	28,375,913
5	Postage, Telex, Telephone, Fax	25,292,127	19,666,295
6	Office Equipment, Furniture Repair	2,480,450	2,108,723
7	Traveling Allowance and Expenses	29,066,501	18,771,080
8	Stationery and Printing	17,691,642	14,848,101
9	Periodicals and Books	2,542,647	1,585,959
10	Advertisements	10,533,271	8,362,522
11	Legal Expenses	1,298,891	2,615,264
12	Donations	-	-
13	Expenses Relating to Board of Directors	3,571,720	3,779,462
	a) Meeting Fees	2,195,050	2,221,400
	b) Other Expenses	1,376,670	1,558,062
14	Annual General Meeting Expenses	-	-
15	Expenses Relating to Audit	1,979,287	1,685,361
	a) Audit Fee	1,243,000	1,073,500
	b) Other Expenses	736,287	611,861
16	Commission on Remittances	3,392,565	2,951,929
17	Depreciation on Fixed Assets	55,342,716	50,704,716
18	Amortization of Preliminary Expenses	-	-
19	Share Issue Expenses	-	-
20	Technical Service Fee	-	-
21	Entertainment	3,209,040	2,853,270
22	Written off Expenses	10,892,068	16,742,915
23	Security Expenses	76,344,668	74,747,370
24	Credit Guarantee Premium	42,601,257	3,560,803
25	Commission & Discount	24,086,143	19,025,902
26	Others	80,427,365	61,289,278
Total		497,158,405	401,045,783

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Nepal Bank Limited

Provision For Possible Loss

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 25

Particulars	Current Year Rs.	Previous Year Rs.
1 Increase in Loan Loss Provision	566,527,414	251,862,197
2 Increase in Provision for Loss on Investment	-	-
3 Provision against Non-banking Assets	753,500	-
4 Provision against Other Assets	479,029	195,711
Total	567,759,943	252,057,908

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Nepal Bank Limited

Non-Operating Income /Loss

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 26

Particulars	Current Year Rs.	Previous Year Rs.
1 Profit / (Loss) on sale of Investment	953,970	-
2 Profit / (Loss) on sale of Assets	81,707,721	45,197,497
3 Dividend	3,683,615	3,828,255
4 Subsidies Received from Nepal Rastra Bank	-	-
a) Reimbursement of losses of specified branches	-	-
b) Interest Subsidy	-	-
c) Exchange counter	-	-
5 Others	-	-
Total	86,345,306	49,025,752

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Nepal Bank Limited

Loss Provisions Written Back

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 27

Particulars	Current Year Rs.	Previous Year Rs.
1 Loan Loss Provision Written back	354,284,579	258,435,474
2 Provision against Non-Banking Assets Written Back	45,882,246	73,115,418
3 Investment Provision Written Back	2,358,400	-
4 Provision against Other Assets Written Back	-	-
Total	402,525,225	331,550,892

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Nepal Bank limited

Profit / Loss from Extra-ordinary Activities

For the period from 1st Shrawan 2069 to 31st Ashad 2070 (16th July, 2012 to 15th July, 2013)

Schedule 28

Particulars	Current Year Rs.	Previous Year Rs.
1 Recovery of Write off loans	337,699,643	80,496,351
2 Voluntary Retirement Scheme Expenses	-	-
3 Write off of nonrecoverable loan (28A) Less : Provision of Written Off Loan	-	(76,810,376)
4 Other Expenses / Income	-	-
Total	337,699,643	3,685,975

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Nepal Bank Limited
Statement of Loans Written-Off
As at July 15, 2013 (Ashad 31, 2070)

Schedule 28(A)

S.No.	Types of Loans	Written Off Amount	Type of Security	Basis of Valuation of Collateral	Loan Approval Authority / Designation	Initiations made for Recovery of Loan	Remarks
1	Working Capital Loan						
2	Project Loan						
3	Fixed Capital Loan						
4	Personal Loan						
5	Other Loan						
	Total Loan	-					

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Nepal Bank Limited

Statement of Loan and Advances Extended to Directors/ Chief Executive/ Promoter/ Employees and Shareholders As at July 15, 2013 (Ashad 31, 2070)

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 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:

Schedule 29

Name of Promoter/ Director/ Chief Executive	Last Year's Balance		Current 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> 1.Pawan Variety Store (P.K.Paudel) 2.....	212,392	2,122,087	212,392	2,122,087	-		
(E) <u>Shareholders</u> 1..... 2.....							
Total	212,392	2,122,087	212,392	2,122,087	-	-	-

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Nepal Bank Limited
CAPITAL FUND TABLE
As at July 15, 2013 (Ashad 31, 2070)

Schedule 30 (A1)
in Rs. thousand

1.1 RISK WEIGHTED ASSETS	Current Period Rs.	Previous Period Rs.
a Credit Risk	63,354,638	47,464,432
b Operational Risk	3,561,220	3,192,400
c Market Risk	1,248,490	1,409,090
Adjustmet under Pillar II		
Add : 3 percent of the risk weight assets for not disclosing adequate information according to 6.4(a)(10)	-	-
Add :percent of total deposit for inadequate liquid property	-	-
Total Risk Weighted Assets after Pillar II adjustment	68,164,348	52,065,922
Add: Adjustment made by supervisor		
1% of net interest income(provision for asset liability management)	18540	185401
2% of total income(provison for operational risk management)	523759	469149
4%of risk weighted assets(provision for total risk management)	2726574	2082637
Total Risk Weighted Assets after Adjustment made by Supervisor	71,433,221	54,803,109
1.2 CAPITAL FUND*	(424,917)	(3,190,876)
Core Capital (Tier 1)	(424,917)	(3,190,876)
a Paid up equity Share Cpaital ®	3,716,443	1,772,828
b Irredeemable Non-cumulative preference shares	-	-
c Share Premium	-	-
d Proposed Bonus Equity Shares	-	-
e Statutory General Reserves	1,820,705	1,669,669
f Retained Earnings	(6,617,604)	(7,131,112)
g Current year profit/(loss)	-	-
h Capital Redemption Reserve	-	-
i Capital Adjustment Reserve	380,383	342,344
j Dividend Equalization Reserves	7,486	7,486
k Bonds payment Fund	-	-
l Special Capital Reserve (Compensation received against laon waived)	259,736	259,736
m Other Free Reserves	121,829	6,063
To be deducted :		
a Amount of goodwill	-	-
b Miscellaneous assets not written off	(31,168)	(37,222)
c Share investment in a licensed institution	-	-
d Investment made in a company having financial interest	-	-
e Investment exceeding limits	(82,727)	(80,668)
f Investment made under underwriting	-	-
g Mutual cross holding	-	-
h Other	-	-
Adjustmet under Pillar II		
Less : Inadequate provision according to 6.4 (a) (1)	-	-
Less : Loans extended to the concerned parties and in prohibited sectors under 6.4(a)(2)	-	-
Supplimentary Capital (Tier 2)	568,543	520,485
a Cumulative and Redeemable Preference Share	-	-
b Unsecured subordinated Term Debt	-	-
c Hybrid Capital Instruments	-	-
d Pass loan loss provision	466,500	428,352
e Exchange Equalization Reserve	84,449	75,620
f Investment Adjustment Reserve	17,594	16,513
g Assets Revaluation Reserve	-	-
h Other Reserves	-	-
1.3 CAPITAL FUND RATIO	Current Period	Previous Period
Core Capital (Tier I) / Total Risk Weighted Assets	-0.59%	-5.82%
Capital Fund (Tier 1 and Tier 2) / Total Risk Weighted Assets	-0.59%	-5.82%

*Since the core capital of the bank is negative, supplimentary capital has not been considered for calculating capital fund.

(Bank logo)
Nepal Bank Limited
As at July 15, 2013 (Ashad 31, 2070)
CREDIT RISK

Schedule 30 (B)
in Rs. thousand

Assets	Ashad end 2069						Previous Year	
	Book Value	Special Provision	Countable CRM	Net Amount	Risk Weight %	Risk Weighted Amount	Net Amount	Risk weighted amount
	a	b	c	d=a-b-c	e	f=d*e		
A. Balance Sheet Transaction								
Cash Balance	2,378,430			237,840	0%	-	1,940,995	-
Balance With Nepal Rastra Bank	10,411,748			10,411,748	0%	-	10,635,914	-
Gold					0%	-		
Investment in Nepalese Government Securities	8,417,776			8,417,776	0%	-	6,049,267	-
All other Claims on Government of Nepal (<i>Pension Receivable</i>)	1,240,866			1,240,866	0%	-	1,433,226	-
Investment in Nepal Rastra Bank securities				-	0%	-	-	-
All other claims on Nepal Rastra Bank				-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA Rating 0-1)				-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA Rating 2)			-	-	20%	-	-	-
Claims on Foreign Government and Central Bank (ECA Rating 3)			-	-	50%	-	-	-
Claims on Foreign Government and Central Bank (ECA Rating 4-6)			-	-	100%	-	-	-
Claims on Foreign Government and Central Bank (ECA Rating 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 Rating 0-1)			-	-	20%	-	-	-
Claims on Public Sector Entity (ECA Rating 2)			-	-	50%	-	-	-
Claims on Public Sector Entity (ECA Rating 3-6)			-	-	100%	-	-	-
Claims on Public Sector Entity (ECA Rating 7)			-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-		-	-	20%	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	432,142		-	432,142	100%	432,142	408,315	408,315
Claims on Foreign Banks (ECA Rating 0-1)	1,958,719		831,504	1,127,215	20%	225,443	1,311,570	262,314
Claims on Foreign Banks (ECA Rating 2)	(1,016)		(1,016)	-	50%	-	-	-
Claims on Foreign Banks (ECA Rating 3-6)	1,458,642		107,240	1,351,402	100%	1,351,402	822,829	822,829
Claims on Foreign Banks (ECA Rating 7)			-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement					20%			
Claims on Domestic Corporates			-	-	100%	-	-	-
Claims on Foreign Corporates (ECA Rating 0-1)			-	-	20%	-	-	-
Claims on Foreign Corporates (ECA Rating 2)			-	-	50%	-	-	-
Claims on Foreign Corporates (ECA Rating 3-6)			-	-	100%	-	-	-
Claims on Foreign Corporates (ECA Rating 7)			-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)			-	-	75%	-	-	-
Claims fulfilling all reiteration of regulatory retail except granularity			-	-	100%	-	-	-
Claims secured by residential properties	5,806,810		-	5,806,810	60%	3,484,086	4,832,730	2,899,638
Claims not fully secured by residential properties			-	-	150%	-	-	-
Claims secured by residential properties (Overdue)			-	-	100%	-	-	-
Claims secured by Commercial real estate			-	-	100%	-	-	-
Past due claims (except for claim secured by residential properties)			-	-	150%	-	-	-
High Risk claims	32,045,156		995,410	31,049,746	150%	46,574,619	23,611,935	35,417,903
Investment in equity of institutions listed in the stock exchange	-		-	-	100%	-	127,392	127,392
Investment in equity of institutions not listed in the stock exchange			-	-	150%	-	-	-
Staff loan secured by residential properties	981,416			981,416	60%	588,850		
Interest Receivable/ Claim on Nepal Government securities	43,729			43,729	0%			
Cash in transit and other cash properties in process of receipt of payment	857,838	686271		171,567	20%	34,313		
Other Assets	10,811,455	3,903,344	-	6,908,111	100%	6,908,111	5,071,614	5,071,614
Total	76,843,711	4,589,615	1,933,138	70,320,958		59,598,966	56,245,787	45,010,005

(Bank logo)
Nepal Bank Limited
As at July 15, 2013 (Ashad 31, 2070)
CREDIT RISK

Schedule 30 (B)
in Rs. thousand

B. Off Balance Sheet Transactions	Book Value	Special Provision	Countable CRM	Net Value	Risk Weight %	Risk Weighted Assets	Net Amount	Risk weighted amount
	a	b	c	d=a-b-c	e	f=d*e		
Commitment that may be withdrawn at any time				-	0%	-	-	-
Bills Collection	124,450			124,450	0%	-	108,552	-
Advance exchange agreement			-	-	10%			
LC Commitments With Original Maturity Up to 6 months domestic counterparty			-	-	20%	-	-	-
foreign counterparty (ECA Rating 0-1)	-		-	-	20%	-	-	-
foreign counterparty (ECA Rating 2)			-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	1,680,603		79,283.00	1,601,320	100%	1,601,320	1,484,929	1,484,929
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)	70,014		3,303.00	66,711	100%	66,711	66,713	66,713
foreign counterparty (ECA Rating 7)			-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	813,123		38,359.00	774,764	50%	387,382	795,580	397,790
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%	-	-	-
Guarantee claimed but not paid			-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-	-	-
Loans under repurchase agreements			-	-	100%	-	-	-
Advance Payment Guarantee	235,431		11,107.00	224,324	100%	224,324	132,864	132,864
Financial Guarantee			-	-	100%	-	429	429
Acceptances and Endorsements	1,015,699		-	1,015,699	100%	1,015,699	-	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-	-	-
Irrevocable Credit Commitments (short term)			-	-	20%	-	-	-
Irrevocable Credit Commitments (long term)			-	-	50%	-	-	-
Other Contingent Liabilities	460,236		-	460,236	100%	460,236	371,702	371,702
Contingent Liabilities of claim on Guarantee for Payment			-	-	200%	-	-	-
Total	4,399,556	-	132,052	4,267,504		3,755,672	2,960,769	2,454,427
Total Credit Risk (A+B)	81,243,267	4,589,615	2,065,190	74,588,462	-	63,354,638	59,206,556	47,464,432
Adjustment under Pillar II								
Add: 10% of the loan and facilities more than per client limitation under 6.4(a)(3)								
Add: 1 % of the loan sold with the condition of repurchase under 6.4(a)(4)								
Total Credit Risk (after adjustment under Pillar II)	81,243,267	4,589,615	2,065,190	74,588,462	-	63,354,638	59,206,556	47,464,432

Note : Due to lack of required information, all LC commitments has been shown under ECA Rating 3-6.

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Nepal Bank Limited
As at July 15, 2013 (Ashad 31, 2070)
Amount eligible for CREDIT RISK MITIGATION (CRM)

Schedule 30 (C)
in Rs. thousand

Credit Amount	Deposits in one's own bank	Deposit in other banks	Gold	Govt. & NRB Securities	G'tee of Nepal Govt.	G'tee of government of other country	Guarantee of national banks	G'tee of multilateral development bank	Sec/G'tee of foreign banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
On Balance Sheet Transaction										
Cash Deposit										
Deposit with Nepal Rastra Bank										
Gold										
Investment into Government of Nepal bond										
Entire claims on Government of Nepal										
Investment made in Nepal Rastra Bank bond										
Entire claims on Nepal Rastra Bank										
Claims on Foreign government and Central Bank (ECA 0-2)										
Claims on Foreign government and Central Bank (ECA -2)										-
Claims on Foreign government and Central Bank (ECA -3)										-
Claims on Foreign government and Central Bank (ECA 4-6)										-
Claims on Foreign government and Central Bank (ECA -7)										-
Claims on BIS,IMF,ECB,EC and multilateral development banks										-
Claims on other development banks										-
Claims on Public Sector Entity (ECA Rating 0-1)										-
Claims on Public Sector Entity (ECA Rating 2)										-
Claims on Public Sector Entity (ECA Rating 3-6)										-
Claims on Public Sector Entity (ECA Rating 7)										-
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that do not meet capital adequacy requirements										-
Claims on Foreign Banks (ECA Rating 0-1)	831,504									831,504.00
Claims on Foreign Banks (ECA Rating 2)	(1,016)									(1,016.00)
Claims on Foreign Banks (ECA Rating 3-6)	107,240									107,240.00
Claims on Foreign Banks (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates										-
Claims on Foreign Corporates (ECA Rating 0-1)										-
Claims on Foreign Corporates (ECA Rating 2)										-
Claims on Foreign Corporates (ECA Rating 3-6)										-
Claims on Foreign Corporates (ECA Rating 7)										-
Regulatory Retail Portfolio (Not Overdue)										-
Regulatory Retail Portfolio (Overdue)										-
Regulatory retail portfolio (with conditions except granularity)										-
Claims secured by residential properties										-
Claims not 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	-	-		820,040	175,370					995,410.00
Investment in equity and other capital instruments of institutions listed in the stock exchange										-
Investment in equity and other capital instruments of institutions not listed in the stock exchange										-
Other Assets										-
Total	937,728	-	-	820,040	175,370	-	-	-	-	1,933,138

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Nepal Bank Limited

As at July 15, 2013 (Ashad 31, 2070)

Amount eligible for CREDIT RISK MITIGATION (CRM)Schedule 30 (C)
in Rs. thousand

Credit Amount	Deposits in one's own bank	Deposit in other banks	Gold	Govt. & NRB Securities	G'tee of Nepal Govt.	G'tee of government of other country	Guaretee of natioanal banks	G'tee of multilateral development bank	Sec/G'tee of foreign banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Off Balance Sheet Transactions										
Commitment that may be withdrawn at any time										
Bills collection										
Advance exchange agreement										
LC Commitments With Original Maturity Up to 6 months domestic counterparty										-
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)	79,283									79,283.00
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)	3,303									3,303.00
foreign counterparty (ECA Rating 7)										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty	38,359									38,359.00
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)										-
foreign counterparty (ECA Rating 7)										-
Guarantee claimed but not paid										-
Commitment concerning underwriting										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Loans under Repurchase Agreements										-
Advance Payment Guarantee	11,107									11,107.00
Financial Guarantee	-									-
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit Commitments (short term)										-
Irrevocable Credit Commitments (long term)										-
Other Contingent Liabilities										-
Total	132,052	-	-	-	-	-	-	-	-	132,052
Total Credit Risk	1,069,780	-	-	820,040	175,370	-	-	-	-	2,065,190

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Nepal Bank Limited
 As at July 15, 2013 (Ashad 31, 2070)
OPERATIONAL RISK

Schedule 30(D)
 in Rs. thousand

Particulars	Years before Ashad 31, 2069			Previous Year
	Year 1	Year 2	Year 3	
Net Interest Income	2,157,563	2,258,514	1,854,015	
Commission and Discount	425,005	261,296	252,631	
Other Operating Income	152,873	140,461	179,461	
Exchange Fluctuation Income	23,552.00	11,838	59,636	
Additional Interest Suspense account of this year	(668,831)	(258,630)	273,052	
Gross income (A)	2,090,162	2,413,479	2,618,795	
Specified percentage (Alfa) (B)	15%	15%	15%	
Net Income by the specified percentage {C=(AxB)}	313,524	362,022	392,819	
Capital necessary for operational risks (D)= average of (C)			356,122	319,240
Risk weight (reciprocal of capital requirement) (E)			10	10
Risk weight amount for operational risks (F)=(D)x(E)			3,561,220	3,192,400
Adjustment under Pillar II				
Incase the total income of the last three years according to 6.4(i) (8) is negative				
Total credits and advance (after the adjustment of the special provision)				
Capital required for operational risks				
Risk weight (reciprocal of capital requirement of 10) (G)				
Risk weight amount for operational risks (H)=(F)+(G)			3,561,220	3,192,400

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Nepal Bank Limited
MARKET RISK
As at July 15, 2013 (Ashad 31, 2070)

Schedule 30(E)
in Rs. thousand

S. No.	Particulars	2070 Ashad end			2069 Ashad end
		Net Open Position of Foreign Currency (FCY)	Net Open Position of Foreign Currency (NC)	Relevant Net Open Position of Foreign Currency (NC)	Relevant Net Open Position of Foreign Currency (NC)
1	Indian Currency	76,656	122,649	122,649	189,451
2	American Dollar*	(8,550)	(816,930)	816,930	994,758
3	Pound Sterling	1,469	210,496	210,496	198,131
4	Euro	7,454	924,997	924,997	896,007
5	SFR	-	-	-	-
6	Japanese Yen	310,865	296,876	296,876	356,656
7	Singapore Dollar	116	8,690	8,690	7,647
8	Australian Dollar	135	11,703	11,703	14,144
9	Canadian Dollar	557	50,915	50,915	114,771
10	Swiss Frank	536.00	53,718.00	53,718	46,605
11					
12					
Total Open Position (a)				2,496,974	2,818,170
Prescribed Percentage (b)				5%	5%
Capital required for Market Risk (c)=(a)x(b)				124,849	140,909
Risk Weight (reciprocal of capital requirement) (d)= (100/10)				10	10
Risk Weight amount for market risks (e)=(c)x(d)				1,248,490	1,409,090

*Due to unavailability of required information, SDR Borrowing (NPR Rs. 2,342,739 thousand) has been adjusted with US dollar.

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Nepal Bank Limited
Principal Indicators

Schedule 31

S.No.	Particulars	Indicators	FY 2065/66	FY 2066/67	FY 2067/68	FY 2068/69	FY 2069/70
1	Percentage of Net Profit/ Gross Income	Percent	22.68	5.75	2.96	3.58	13.00
2	Earning Per Share	Rs.	235.09	65.56	33.74	46.36	198.53
3	Market Value Per Share	Rs.	-	-	-	-	171.00
4	Price Earning Ratio	Ratio	-	-	-	-	0.86
5	Dividend (including bonus) on Share Capital	Percent	-	-	-	-	-
6	Cash Dividend on Share Capital	Percent	-	-	-	-	-
7	Interest Income/ Loan & Advances	Percent	13.75	12.24	14.01	13.64	12.52
8	Staff Expenses/ Total Operating Expenses	Percent	60.11	71.29	48.07	42.28	41.67
9	Interest Expenses on Total Deposit and Borrowings	Percent	1.70	2.02	3.05	3.77	3.39
10	Exchange Gain/ Total Income	Percent	2.26	0.54	0.27	1.21	1.00
11	Staff Bonus/ Total Staff Expenses	Percent	5.79	0.85	1.73	0.83	-
12	Net Profit/ Loan and Advances	Percent	4.57	1.00	0.48	0.59	2.00
13	Net Profit/ Total Assets	Ratio	1.88	0.56	0.25	0.30	1.07
14	Total Credit/ Deposit	Percent	43.28	58.42	57.05	52.98	60.10
15	Total Operating Expenses/ Total Assets	Percent	5.74	9.32	6.84	7.68	6.57
16	Adequacy of Capital Fund on Risk Weighted Assets						
	a. Core Capital	Percent	(13.94)	(11.13)	(10.15)	(5.82)	(0.59)
	b. Supplementary Capital	Percent	-	-	-	-	-
	c. Total Capital Fund	Percent	(13.94)	(11.13)	(10.15)	(5.82)	(0.59)
17	Liquidity (CRR)	Percent	20.29	23.65	25.67	25.09	22.53
18	Non-performing Credit/ Total Credit	Ratio	4.94	4.87	5.75	5.58	5.24
19	*Weighted Average Interest Rate Spread	Percent	6.45	7.59	8.25	7.05	7.32
20	Book Net-worth	Rs.	(1,280)	(1,210)	(1,180)	(1,130)	(932)
21	Total Shares	No.	3,803,826	3,803,826	3,803,826	3,803,826	3,803,826
22	Total Staffs	No.	2,442	2,926	2,869	2,819	2,786

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

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Nepal Bank Limited

Forming Part of the Financial Statements for the FY 2069/70 (FY 2012/13)

Significant Accounting Policies

Schedule 32

Nepal Bank Limited is a Limited Liability company registered with Nepal Government Company Registrar's Office under Company Act, 2063, have received "A" class license from Nepal Rastra Bank to perform banking business under Bank and Financial Institutions Act, 2063. The bank was established in Kartik 30, 1994 B.S (November 15, 1937) as the first Commercial Bank of Nepal. The registered office of this bank is located at Dharmapath, Naya Sadak, Kathmandu. The Management of this bank has been taken by Nepal Rastra Bank under its control since Chaitra 01, 2058 (March 14, 2002). The Financial Statements are presented in Nepalese Rupees and are rounded off to nearest rupee.

The Financial Statements of the bank are prepared in conformity with Nepal Accounting Standards and directives as well as formats prescribed by Nepal Rastra Bank. The significant accounting policies followed by the bank are as follows. Except otherwise mentioned, these policies have been consistently complied with.

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, which is not in line with Nepal Accounting Standard.
- ii) Discount and commission, service fees and rental income from safe deposit vault are accounted for on cash basis.

2) Expense Recognition:-

All expenses of the bank are recognized on accrual basis of accounting except insurance premium expenses and payment of bank employee's pension from branches.

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 at that date.
- ii) Foreign currency exchange trading gain or losses are reflected in the profit and loss account.
- iii) With regard to revaluation gain or loss arising from foreign currency, adjustment has been made to exchange fluctuation fund as per directive issued by Nepal Rastra Bank. Accordingly, revaluation gain during this year Rs. 8,829 thousand (25% of revaluation gain Rs. 35,315) is transferred to exchange fluctuation fund.

4) Fixed Assets and Depreciation:-

- i) The fixed assets of the bank are accounted for on historical cost concept.

- 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, which is not in line with Nepal Accounting Standard and the value of fixed assets (except vehicles) whose written down value has come down to Rs. 2,000 or less, has been written off as depreciation expense.

5) Non Capitalized Assets:-

Fixed Assets costing up to Rs. 2000 are fully charged as expense in the year of purchase rather than capitalizing. The payment of Rs. 5,364,645/- for construction of commercial complex and others of the bank under progress is accounted as Capital Work In Progress (WIP).

6) Investments:-

- i) The bank has policy of valuating the investments held for 'Long Term Holding Motive' on Amortized Cost basis. Amortized Cost is calculated by deducting impairments from cost price and has policy of charging to profit and loss account of the related period.
- ii) Investments (held for trading) held for profit motive in short term from change in price will be valued at market price on daily basis (marked to market on daily basis) and have policy of including such price differentiation in profit and loss account.
- iii) All other investments which do not fall under 'held for trading' and 'held to maturity' are categorized as 'available for sale' and will be valued at market price on daily basis (marked to market on daily basis) and the difference will be adjusted through reserves. Policy has been made to maintain up to 2 percent of portfolio available for sale in 'Investment Adjustment Reserve' which will be counted as Supplementary or Tier 2 Capital.
- iv) Investments in the shares of listed companies are accounted 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 directive of Nepal Rastra Bank, provision of equal value has been made on such investment and netted off against the amount of investment.

7. Non Banking Assets:-

Where the amount of the valued asset is more than principle and interest of the loan, the Non-banking Asset is accounted up to the sum of principle and interest of that loan. In case the amount of valued asset is less than principle and interest of the loan, the Non-banking Asset is accounted up to the valued amount of the asset and adjustment will be made first to the interest receivable and remaining amount to the principle of the loan and Policy has been made to write off the remaining balance of principle or interest as per bank's Loan Write Off Bylaws.

With regard to the Non-banking assets, provision has been made as per the bank's policy to provide cent percent provision on this account.

8. Loans, Advances and Bills Purchase:-

This head comprises direct loans disbursed to the customers, which are classified on risk basis as prescribed by directives of Nepal Rastra Bank. Net amount is presented in balance sheet after deducting loan loss provision from Loans, Advances and Bills Purchase.

To reduce the underlying risk in bank's loans and investments; loans, advances and bills purchase are classified as per directive of Nepal Rastra Bank and provision of 1 to 100 percent is made.

One percent provision has been made to Non- Performing Loans, Advances and Bills Purchase which is paid after the date of year end and before the date of approval of financial statements by the Management Committee.

9. Loan Write Off:-

Book Write-off Policy has been adopted by keeping continuous claim on such loans if “the loan is overdue for five years and 100 percent provision has been made” as mentioned in directive of Nepal Rastra Bank and the bank has an opinion/ thinks that the loan will not be recovered.

Principle and interest recovered out of write off loans from accounts will be recognized as income at the year of receipt.

10. Employee Retirement Benefit:-

i. Provision for Payment of Retirement Benefit:

For Retirement Benefit Liability arising on account of retirement gain of bank’s employees as per Employee Bylaws- 2068 (with amendment), policy is made to transfer the actual amount paid this year to the approved retirement fund on the basis of past years’ Actuarial Valuation.

Certain amount will be fixed in retirement benefit fund and immediate payment will be made to all eligible amount up to the interest earned from that fund, however if the interest earned to that fund is short to serve all the eligible amount then 50 percent of the amount will be paid immediately at the time of retirement and remaining half amount will be paid in chronological order from the date of issue of Credit Note.

ii. Employee Gratuity Provision:

For Gratuity Liability arising on account of retirement gain of bank’s employees as per Employee Bylaws- 2068 (with amendment), policy is made to transfer the actual amount paid this year to the approved retirement fund on the basis of past years’ Actuarial Valuation.

iii. Pension Provision of Working Employees:

For Pension Liability that would arise after retirement of presently working employees who have joined the bank before Falgun 02, 2050 (February 14, 1994) as per Employee Bylaws- 2068 (with amendment), policy is made to transfer the actual amount paid this year to the approved retirement fund on the basis of past years’ Actuarial Valuation.

iv. Provision/ Payment of Pension of Retired Employees:

On the basis of past years’ Actuarial Valuation, payment made to retired employees against pension is transferred to the approved retirement fund.

v. Amount against Leave:

Payment against employee leave is accounted on accrual basis after ascertaining the actual amount as per Employee Bylaws-2068 (with amendment).

11. Employee Housing Fund:-

Bank has been providing housing loan to its employees as per Employee Bylaws and 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. Provision for Income Tax:-

Policy of provisioning income tax liability is made on the basis of prevailing Income Tax Act and Regulation.

13. Deferred Tax:-

As per Nepal Accounting Standard -09, Deferred Tax has been accounted based on assets and liabilities. Deferred Tax has been accounted with an objective of keeping record of tax asset and liability arising from Temporary Difference between amount of asset and liability in financial statement and their tax base. To measure the deferred tax asset and liability, estimate has been made for the tax rate which is made applicable by the act in the year when the temporary difference will be adjusted or existing tax rate. Further, deferred tax asset has been recognized with an estimate of generating adequate taxable income in future and adjustment to be made with that taxable income.

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Nepal Bank Limited

Notes to Accounts

Forming Part of the Financial Statements for the FY 2069/70 (FY 2012/13)

Schedule 33

1. Provision for Employee Bonus

As per Bonus Act, 10 percent of Net Profit (after providing provision for employee bonus) Rs. 84,613 to be provisioned in this FY 2069/70 (FY 2012/13) for employee bonus has not been made as per the letter received from Nepal Rastra Bank, Bank and Financial Institution Regulation Department on 2070/09/18 (January 02, 2014), letter no. Ba.Bi.Ni.Bi./B.R.1/Ne.Ba.Li.17/070/71 accompanied by letter for implementation from Commission for the Investigation of Abuse of Authority, letter dated 2070/09/11 (December 26, 2013) and letter no. 2Anu/NeBaLi/070/71, ref. no. 328. According to that, direction has been received to make arrangement of not distributing bonus from FY 2069/70 (FY 2012/13) until the bank has accumulated loss.

2. Inter- Branch Reconciliation

The reconciliation of inter branch accounts is completed up to Ashad end 2070 (Mid July 2013) and the statement of outstanding reconciliation is as follows:

Rs. in Thousand

Outstanding Period	Up to Ashad end 2070 (Mid July 2013)	
	Credit Outstanding	Debit Outstanding
Till 1 Year	42,723,560	50,407,915
1 to 3 Years	7,368,169	9,617,869
More than 3 Years	25,600,426	25,095,737
Total	75,692,156	85,121,522

3. Draft Paid Without Notice

The outstanding amount in Draft Paid without Notice account pending settlement as on Ashad end 2070 (July 15, 2013), which will be adjusted subsequently with inter branch is as follows.

Period	Amount (Rs. in thousand)
Till 1 Year	900,585
1 to 3 Years	8,499
More than 3 Years	74,838
Total	983,922

4. Agency Reconciliation

The reconciliation of agency bank is completed up to Ashad end 2070 (Mid July 2013). The consolidated statement of outstanding reconciliation is as follows:

Rs. in Thousand

Outstanding Period	Ledger Outstanding		Statement Outstanding	
	Credit	Debit	Credit	Debit
Till 1 Year	6,234,501	8,664,926	14,297,644	24,893,680
1 to 3 Years	14,717,983	1,790,051	95,004	9,512,420
More than 3 years	5,201,904	825,033	1,941,245	301,678
Total	26,154,388	11,280,010	16,333,893	34,707,778

5. Change in Loans and Advances

The statement of disbursement, recovery and outstanding balance of Loans and Advances is as follows. This statement does not include staff loan.

Rs. in Thousand

Particulars	Principle Amount
Outstanding as on Ashad end 2069 (Mid July 2012)	29,698,863
Additional Loan disbursed during the year	8,464,587
Total	<u>38,163,450</u>
Collection during this year	311,484
Write off during this year	-
Total Recovery and Write off	<u>311,484</u>
Outstanding as on Ashad end 2070 (Mid July 2013)	<u>37,851,966</u>

Additional loan disbursed and collections are inclusive of renewed loan facilities.

The bank has waived interest (inclusive of simple, compound and penalty) amounting to Rs. 1,383,051 thousand in the course of recovering non-performing loans.

6. Provision for Probable Losses

6.1) Loan Loss Provision

Loan Loss Provision on outstanding loans and advances (including priority sector loan), including bills purchase, as at the year-end has been made as per the classification and rates prescribed by Nepal Rastra Bank.

6.2) Non Banking Assets

Bank has total Non Banking Assets equivalent to Rs. 264,292 thousand. Provision amounting to Rs. 45,882 thousand has been written back from provision account to income towards Non Banking Assets that has been sold off during this year and additional provision of Rs. 754 thousand has been made this year for the Non Banking Asset recognized this year. Bank has adopted policy of making cent percent provision on account of Non Banking Assets.

6.3) Liabilities for Accumulated Leave

As at Ashad end 2069 (Mid July 2012), there is liability of Rs. 239,442 thousand on account of employee's accumulated leave which later stands at Rs. 197,512 after expense is booked for

payment made of Rs. 41,930 thousand against accumulated leave in FY 2069/70 (FY 2012/13) and the short amount of Rs. 111,839 thousand is provided as additional provision during this year as the liability becomes Rs. 309,351 thousand as at FY 2069/70 (FY 2012/13)

6.4) Provision for Loss on Investment

As per the directive of Nepal Rastra Bank, provision for loss of investment is made of Rs. 79,085 thousand in this FY 2069/70 (FY 2012/13) for investment in shares.

Though the market value of shares of Gorakhkali Rubber Udyog is Rs. 38 per share, cent percent provision for loss on investment is made on it due to unstable market conditions. Similarly, as per the directive of Nepal Rastra Bank, Rs. 17,594 thousand is appropriated in Investment Adjustment Fund in this FY 2069/70 (FY 2012/13).

7. Loan Write Off and Recovery

Bank has not written off any loans this year and Rs. 337,699 thousand has been recovered out of written off loans principal. The statement of outstanding/ recovery of write off loans up to this year are as follows.

Rs. in Thousand					
S.N	Particulars	Number of Loans	Principle	Interest	Total
1	Written off loans up to Previous Year 2068/69 Asadh end (2011/12 Mid July)	1252	3,341,699	24,490,097	27,831,796
2	Written off Loans during F.Y. 2069/70 (FY 2012/13)	-	-	-	-
3	Recovery from written off Loans during F.Y. 2069/70 (FY 2012/13)	96	337,699	267,791	605,490
4	Outstanding written off Loans during F.Y. 2069/70 (FY 2012/13)	1156	3,004,000	24,222,306	27,226,306

8. Change in Deposits

The deposit is increased by Rs. 6,931,978 thousand in the current year as compared to previous year.

Rs. in Thousand			
Types of Deposit	2069/03/31	2070/03/31	Change
<u>Non Interest Bearing Accounts</u>			
Current Accounts	12,326,789	13,757,306	1,430,517
Margin Deposits	122,751	132,052	9,301
Others	282,705	869,418	586,713
<u>Interest Bearing Accounts</u>			
Saving Accounts	24,909,160	282,321,63	3,323,003
Fixed Deposit	11,664,593	12,651,262	986,669
Money at Call	6,746,374	7,342,149	595,775
Total Deposit	56,052,372	62,984,350	6,931,978

9. Average 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 loans, advances and investment	10.90 Percent
Average interest paid on deposits and loans	3.58 Percent
Average interest Spread	7.32 Percent

10. Borrowing (Sub ordinary Financial Agreement)

As a part of Financial Sector Reform Project funded by International Development Agencies to Government of Nepal, bank has entered in to subsidiary agreement with Nepal Rastra Bank as on Ashad 15, 2061 (June 29, 2004) for providing financial support (loan) to Employee Voluntary Retirement Scheme for SDR 14,934,625 payable in 30 years period (including 10 years grace period) and payment will start from Baisak 2071.

Within that reform project, bank has entered in to additional subsidiary agreement with Nepal Rastra Bank as on Maagh 18, 2062 (January 31, 2006) for providing financial support (loan) to continue Management Contract for SDR 2,085,000 payable in 30 years period (including 10 years grace period) and payment will start from Baisak 2071.

As per the agreements, bank has to pay 0.50 percent p.a. commitment fee on the amount not drawn and 0.75 percent p.a. service fee on the amount drawn.

Bank has received total loan of Rs. 2,342,739 thousand till the end of Ashad 2070 (Mid July 2013) from that reform project.

11. Deferred Expense (Income)

- i. Out of outstanding write off expense, write off made during this year of Rs. 899 thousand is included in other write off expense and equivalent amount is transferred to other income from deferred revenue.
- ii. 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 proportionate amount of the deferred expenditure will be adjusted/ included in profit and loss account every year. Accordingly Rs. 83,97 thousand has been written off in this year.

12. Employee Retirement Expense

Retirement Benefit of Rs. 133,534 thousand paid to retired employee during this fiscal year has been accounted under employee expenses and such amount has been deposited in retirement fund.

Gratuity amounting Rs. 109,072 thousand paid to retired employee during this fiscal year has been accounted under employee an expense which has been deposited in retirement fund.

Pension Amounting Rs. 157,285 thousand paid to retired employee during this year has been accounted under employee expense and such amount has been deposited in retirement fund, Also the pension amount of Rs. 196,728 thousand paid to existing pensioner during this fiscal year has been accounted under employee expense.

13. Income Tax and Provision

As per prevailing tax rules and regulations Rs 169,165 thousand has been provided for income tax liability.

Income tax assessment of the bank has been completed and settled till the fiscal year 2059/60 and income tax returns have been submitted to Inland Revenue Office till the fiscal year 2067/68. Following tax assessment has been made by the Inland Revenue Department, Large Tax Payer's Office for the fiscal year 2061/62 , 2062/63 and 2063/64.

Rs. In Thousand

Particulars	Fiscal Year		
	2061/62	2062/63	2063/64
As per income tax return of the bank	-	-	-
As per tax assessment of the tax office	387,149	554,731	92,076

The bank has filed an appeal to the Revenue Tribunal Kathmandu due to disagreement in the amended tax assessment made by Inland Revenue Department, Large Tax Payer's Office for the fiscal year 2061/62, 2062/63 and 2063/64 and Revenue Tribunal Kathmandu has given the verdict in favor of large Tax Payer's Office amended tax assessment, against which case has been filed to Supreme Court.

Tax amount amended by the Inland Revenue Department, Large Tax Payer's Office for the above fiscal years are accounted as contingent liabilities and if any liability arises during final tax assessment, expense will be booked in the year of that assessment.

14. Deferred Tax

Deferred tax income arising from temporary difference of deductible tax expense as per Nepal Accounting Standard 09 (NAS 09) has been calculated and recognized as income in profit and loss account. Deferred tax asset for this year has been presented in Schedule 16. Deferred tax asset and liability has been calculated on the basis of 30 percent tax rate.

Particulars	Fixed Assets	Outstanding Deferred expense for write off	Provision against leave	Total
Account base	326,949,930	10,628,409	309,350,977	646,929,316
Tax base	339,959,337	-	-	339,959,337
Difference	13,009,407	(10,628,409)	309,350,977	311,731,975
This Year Deferred Tax Asset	3,902,822	(3,188,523)	92,805,293	93,519,592
Previous Year Deferred Tax Asset	3,656,114	(2,412,551)	71,832,692	73,076,255
Deferred Tax Income (Expense)	246,708	(775,971)	20,972,601	20,443,338

15. Income Expense of Previous Period

Expense of Rs. 2,483 thousand relating to previous year has been included to other expense.

16. Contingent Liabilities

Against the deferred payment guarantee issued by the bank, claim amounting to 94,566 thousand (equivalent to American Dollar 989,700.23) has been received from the beneficiary, which the bank has restrained from honoring due to stay order from the court. Thus there exists contingent liability for the same up to that amount for which no security is available.

17. Table of Liquidity Statement

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

Period	Assets	Liability	Gap	Rs. in Thousand
				Cumulative Gap
Up to 3 months	7,277,313	2,348,072	4,929,243	4,929,242
3 to 6 months	5,368,587	2,854,820	2,613,767	7,543,009
6 to 9 months	3,991,719	2,479,432	1,512,287	9,055,296
9 to 12 months	4,218,409	2,416,105	1,802,304	10,857,600
More than 1 years	31,813,496	47,820,986	-16,007,489	-5,149,888

18. Capital Fund

The statement of capital adequacy is provided in Schedule 30 of the financial statement.

19. Fraction Share

The bank has issued Bonus Share in the ratio of 2:3 as per the resolution of its 52nd Annual General Meeting held on 2052/06/27 and included in share capital inclusive of 223 bonus shares, which could not be distributed due to odds lots. Therefore if the value of these shares are settled by adjustment or otherwise paid in cash, the amount of paid up capital will change accordingly.

20. Changes in Reserve Fund

- i) From the profit of this fiscal year, Rs. 151,036 thousand (20 percent of the net profit) has been transferred to General Reserve Fund.
- ii) In this fiscal year, assets sold as per capital plan made a profit of Rs. 39,724 thousand in which income tax provision and general reserve fund is deducted to arrive at Rs. 22,246 thousand which was transferred to Special Reserve Fund as per Nepal Rastra Bank's circular no. Ba.Bi.Ni.Bi/B.R.1/NeBaLi/16/068/69, dated 2068/07/30 (November 16, 2011).
- iii) From the profit of this fiscal year, 10 percent of the paid up capital (excluding calls in advance) amounting to Rs. 38,038 has been transferred to Capital Adjustment Fund.

21. Take Over of Management of the Bank by Nepal Rastra Bank

The management of the bank was taken over by Nepal Rastra Bank under its control since Chaitra 01, 2058 (March 14, 2002.) and formed Management Team comprising 5 members till date. For the operation of the bank, Management Committee is formed by appointing one member as coordinator of the Committee.

22. Statement of Related Party

The bank has taken share ownership of 50.90 percent of total paid up capital of Nepal Insurance Company Ltd. In this fiscal year 2069/70 (FY 2012/13), advance payment of Rs. 67,114 thousand has been made to Nepal Insurance Company Ltd. for right shares.

During this fiscal year 2069/70, insurance premium of Rs. 30,364 thousand has been paid to that company.

23. Facilities to the Key Persons of the Management

During this fiscal year, Rs. 2,195 thousand as meeting allowance and Rs. 1,377 thousand as meeting expenses of Management Committee has been incurred.

Also, salary of Rs. 658 thousand and vehicle is made available to the Coordinator of Management Team.

24. Calls in Advance for Right Shares

The bank has issued 36,196,174 numbers of right shares to the shareholders in the ratio of 1:9.515728 from 2070/02/09 to 2070/03/27 (May 23, 2013 to July 11, 2013) and including auction sale, 35,851,410 shares have been allotted. Among that, amount of 33,360,606 shares had been received from Issue Manager on 2070/03/28 (July 12, 2013) and based on that information, such amount has been shown in share capital under calls in advance. While disclosing details of individuals/group/firm/company holding more than 0.5% shares of the bank such calls in advance have not been included.

25. Amount against leave:

Provision has not been made for amount against leave of contract employees.

26. Events occurring after Balance Sheet Date:

Provision has not been made for the damaged caused by fire on bank's Kantipath Branch on 2070/05/14 (August 30, 2013) as the claim has been made to Insurance Company for the loss caused by fire.

27. Calculation on income tax of employees' subsidy loan:

Bank has provided subsidy loan to its employees for whom the difference of prevalent interest rate and interest paid by employees should be included in the income of such employees and tax should be deducted at source. Instead of doing so, Bank has provided such amount as facility to the employees and for that facility, letter has been sent to Nepal Rastra Bank, Bank and Financial Institution Regulation Department for taking approval.

28. Other Assets (Sundry Debtors):

Details of 6,207 thousand is the amount yet to be found out and adjust accordingly, which is shown in Bank's Schedule 16, under branch account of Sundry Debtors.

29. Pension Payment:

As per Bank's policy, expense is not booked as and when the payment is made for Bank's employees' pension. Instead the documents are analyzed and if found correct, then only the expense is booked. In this FY 2069/70 up to Ashad end (FY 2012/13 up to Mid July), payment already made but expense not booked amount is Rs. 69,634.

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Nepal Bank Limited

Details of Loan taken by Promotor/Promotor Group under security of the Shares from Other Bank and Financial Institution
As at July 15, 2013 (Ashad 31, 2070)

Schedule 34

S.No.	Name of Shareholders belonging to Promotor/Promotor Group	Shares under ownership of Promotor		Loan Details			Remarks
		Total No. of Shares	% on Total Paid Up Capital	Name of Other Bank/FI fromwhere Loan taken	Loan Amount (Rs.)	No of Shares as Security	
1							
2							
3							
4							
5							

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Nepal Bank Limited**Comparison of Unaudited and Audited Financial Results****As at July 15, 2013 (Ashad 31, 2070)**Schedule 35
in Rs. thousand

S.No.	Particulars	As per Unaudited Published	As per Audited Financial	Variance		Reasons for Variance
				In Amount	In %	
1	Total Capital and Liabilities (1.1 to 1.7)	73,782,296	73,017,248	765,048	(5.68)	
1.1	Paid up Capital	3,716,443	3,716,443	-	-	.
1.2	Reserve and Surplus	(3,889,099)	(3,925,424)	36,325	(0.93)	Due to undermentioned impacts
1.3	Debenture and Bond	-	-	-	-	.
1.4	Borrowings	2,342,739	2,342,739	-	-	.
1.5	Deposits (a+b)	62,988,852	62,984,350	4,502	0.01	Due to late received of statements from some rural branch
a.	Domestic Currency	62,762,756	62,758,173	4,583	0.01	Due to late received of statements from some rural branch
b.	Foreign Currency	226,096	226,177	(81)	(0.04)	Due to late received of statements from some rural branch
1.6	Income Tax Liability	-	-	-	-	.
1.7	Other Liabilities	8,623,361	7,899,140	724,221	8.40	Heading reclassification, decrease in loan provision, interbranch reconciliation
2	Total Assets (2.1 to 2.7)	73,782,296	73,017,248	765,048	1.04	
2.1	Cash and Bank Balance	14,184,211	14,188,421	(4,210)	(0.03)	Due to late received of statements from some rural branch
2.2	Money at Call and Short Notice	200,000	200,000	-	-	.
2.3	Investments	10,976,762	10,979,120	(2,358)	(0.02)	.
2.4	Loans and Advances	37,855,281	37,851,966	3,315	0.01	.
a.	Real State Loan	2,065,854	2,065,854	-	-	.
1.	Residential Housing Loan(Except personal housing loan upto Rs.1crore)	74,058	74,058	-	-	.
2.	Commercial Building and Residential Apartment Loan	428,770	428,770	-	-	.
3.	Commercial Complex Loan	368,024	368,024	-	-	.
4.	Other Real State Loan(including land purchase and plotting loan)	1,195,002	1,195,002	-	-	.
b.	Personal housing Loan Rs 1crore	2,315,036	2,315,036	-	-	.
c.	Margin Loan	1,698,292	1,698,292	-	-	.
d.	Term Loan	7,328,993	7,328,993	-	-	.
e.	Overdraft Loan	14,038,055	14,038,055	-	-	.
f.	Others	10,409,051	10,405,736	3,315	0.03	.
2.5	Fixed Assets	385,517	366,906	18,611	4.83	Depreciation adjustment in Fixed assets, Interbranch reconciliation
2.6	Non Banking Assets	264,292	-	264,292	100.00	.
2.7	Other Assets	9,916,233	9,430,834	485,399	4.89	Heading reclassification and interbranch reconciliation
3	Profit and Loss Account					
3.1	Interest Income	4,716,229	4,739,536	(23,307)	(0.49)	.
3.2	Interest Expense	2,194,297	2,214,164	(19,867)	(0.91)	Recognition of missed expenses.
A.	Net Interest Income (3.1-3.2)	2,521,932	2,525,372	(3,440)	0.14	.
3.3	Fees, Commission, Discount	225,826	263,016	(37,190)	4.62	Recognition of missed income
3.4	Other Operating Income	259,368	259,641	(273)	(0.01)	Heading reclassification
3.5	Foreign Exchange Gain/Loss (Net)	84,848	58,165	26,683	31.45	Recognition of missed income
B.	Total Operating Income (A+3.3+3.4+3.5)	3,091,974	3,106,194	(14,220)	0.46	.
3.6	Staff Expenses	1,867,703	1,937,105	(69,402)	(3.72)	Recognition of missed employees' retirement expenses.
3.7	Other Operating Expenses	498,930	497,158	1,772	0.36	Heading reclassification
C.	Operating Profit Before Provision (B-3.6-3.7)	725,341	671,931	53,410	7.36	.
3.8	Provision for possible losses	364,339	567,760	(203,421)	(55.83)	Heading reclassification, change in provision amount.
D.	Operating Profit (C-3.8)	361,002	104,171	256,831	71.14	.
3.9	Non Operating Income/Expenses (Net)	86,392	86,345	47	0.05	Recognition of missed expenses.
3.10	Write Back of Provision for Possible Loss	440,077	402,525	37,552	8.53	Heading reclassification, change in provision amount.
E.	Profit from Regular Activities (D+3.9+3.10)	887,471	593,041	294,430	33.18	.
3.11	Extraordinary Income/Expenses (Net)	335,045	337,700	(2,655)	(0.79)	Recognition of missed income
F.	Profit before Bonus and Taxes (E+3.11)	1,222,516	930,741	291,775	23.87	.
3.12	Provision for Staff Bonus	111,138	-	111,138	100.00	Due to the effect of above mentioned.
3.13	Provisions for Tax	319,875	175,559	144,316	45.12	Difference in income tax and deferred tax on auditing.
G.	Net Profit/Loss (F-3.12-3.13)	791,503	755,182	36,321	4.59	.

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Nepal Bank Limited
Unaudited Financial Results
F.Y. 2012/13 (2069/70) (Fourth Quarter)

Schedule 36
in Rs. thousand

S.N.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	73,782,296	64,780,382	60,952,965
1.1	Paid Up Capital	3,716,443	1,772,828	1,772,828
1.2	Reserve and Surplus	(3,889,099)	(4,431,735)	(4,680,604)
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	2,342,739	2,138,379	2,153,794
1.5	Deposits (a+b)	62,988,852	57,062,848	56,052,373
	a. Domestic Currency	62,762,756	56,767,510	55,828,486
	b. Foreign Currency	226,096	295,339	223,887
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	8,623,361	8,238,062	5,654,575
2	Total Assets (2.1 to 2.7)	73,782,296	64,780,382	60,952,964
2.1	Cash and Bank Balance	14,184,211	11,299,664	14,063,693
2.2	Money at Call and short Notice	200,000	-	-
2.3	Investments	10,976,762	9,672,799	8,391,726
2.4	Loans and Advances	37,855,281	35,208,303	29,698,863
	a. Real State Loan	2,065,854	1,778,975	1,604,625
	1. Residential housing loan(except housing loan upto Rs.1crore)	74,058	97,507	76,573
	2.commercial building and residential apartment loan	428,770	463,526	467,074
	3.Commercial complex loan	368,024	426,458	344,980
	4. Other real state loan (including land purchase and plotting loan)	1,195,002	791,484	715,998
	b. Housing Loan	2,315,036	2,084,779	1,919,056
	c. Margin Loan	1,698,292	1,391,730	920,321
	d. Term Loan	7,328,993	6,889,125	5,987,596
	e. Overdraft Loan	14,038,055	13,089,943	10,526,301
	f. Others	10,409,051	9,973,751	8,740,964
2.5	Fixed Assets	385,517	373,865	351,064
2.6	Non Banking Assets	264,292	275,427	309,421
2.7	Other Assets	9,916,233	7,950,324	8,138,197
3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	4,716,229	3,188,794	4,051,152
3.2	Interest Expense	2,194,297	1,682,224	2,197,137
	A. Net Interest Income (3.1-3.2)	2,521,932	1,506,571	1,854,015
3.3	Fees, Commission and Discount	225,826	123,834	252,631
3.4	Other Operating Income	258,368	175,806	179,461
3.5	Foreign Exchange Gain/Loss (Net)	84,848	349	59,636
	B. Total Operating Income (A.+3.3+3.4+3.5)	3,091,975	1,806,560	2,345,743
3.6	Staff Expenses	1,867,703	1,109,190	1,903,066
3.7	Other Operating Expenses	498,930	357,979	401,046
	C. Operating Profit Before Provision (B.-3.6-3.7)	725,342	339,391	41,631
3.8	Provision for Possible Losses	364,339	314,320	252,058
	D. Operating Profit (C.-3.8)	361,004	25,071	(210,427)
3.9	Non Operating Income/Expenses (Net)	86,392	28,785	49,026
3.10	Write Back of Provision for Possible Loss	440,077	33,944	331,551
	E. Profit from Regular Activities (D.+3.9+3.10)	887,473	87,800	170,150
3.11	Extraordinary Income/Expenses (Net)	335,045	287,281	3,686
	F. Profit before Bonus and Taxes (E.+3.11)	1,222,518	375,081	173,836
3.12	Provision for Staff Bonus	111,138	34,098	15,803
3.13	Provision for Tax	319,875	92,113	(18,329)
	G. Net Profit/Loss (F.-3.12-3.13)	791,505	248,869	176,361
4	Ratios	At the End of this Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund/Risk Weighted Assets	-4.90%	-4.50%	-5.82%
4.2	Non Performing Loan/Total Loan	4.53%	5.19%	5.58%
4.3	Total Loan Loss Provision/Total NPL	116.28%	127.84%	122.35%
4.4	Cost of Fund	4.52%	4.80%	5.03%
4.5	Credit Deposit Ratio(as per NRB)	60.48%	65.07%	56.12%
4.6	Base Rate	9.40%	9.78%	