

Nepal Bank Limited

Kathmandu

Annual Financial Statements

Fiscal Year 2066/67(2009/10)

Auditors

M/s Kuber & Co.

Chartered Accountants

Gyaneshwor, Kathmandu

Phone no. 4436372

M/s P. L. Shrestha & Co.

Chartered Accountants

Bijuli Bazar, Kathmandu

Phone no. 4491187

Ashad 2068

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 32, 2067 (July 16, 2010), and the Profit and Loss account, Cash Flow Statement, Statement of changes in Equity and 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. 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 bank has accounted interest income on cash basis as per Nepal Rastra Bank's directive which is not in line with Nepal Accounting Standard- 7 that prescribes accrual basis of accounting. 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.
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement 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.
 - 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 returns received from the branches of the bank were adequate for the purpose of audit.
 - 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 has maintained adequate provision for the probable loss on Loan and Advances.
 - viii) During the year, bank has written-off loans as per the policy approved by Nepal Rastra Bank.
 - ix) The bank has not acted in a manner to jeopardize the interest and security of the depositors and shareholders.
 - x) The operation of the bank were within its jurisdiction, and
 - xi) We have not come across any fraudulence in the accounts.
5. In our opinion, except for matter referred to in Para 4(ii) and (vi) above, the accompanying financial statements give a true and fair view, in all material respects the financial position as at Ashad 32, 2067 (July 16, 2010) 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.

Place: - Kathmandu
Date: 2068/03/28

Sd.
Pushpa Lal Shrestha, FCA,
P.L. Shrestha & Co.

Sd.
Jagadish Bhattarai, FCA,
Kuber & Co.

Nepal Bank Limited

Balance Sheet

As at July 16, 2010 (Ashad 32, 2067)

Assets		Schedule	Current Year Rs.	Previous Year Rs.
1.	Cash Balance	8	1,603,487,197	1,515,654,833
2.	Balance with NRB	9	7,493,117,731	6,619,700,019
3.	Balance with Banks/Financial Institution	10	1,044,675,089	1,036,435,088
4.	Money at Call and Short Notice	11	-	400,000,000
5.	Investment	12	5,784,372,395	13,397,559,686
6.	Loan Advances and Bills Purchase	13	23,560,955,729	17,614,898,825
7.	Fixed Assets	14	301,488,456	249,393,295
8.	Non-Banking Assets	15	-	-
9.	Other Assets	16	4,948,555,834	6,725,468,859
Total Assets			44,736,652,431	47,559,110,605

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

As per Our Report of Even Date:

Date: 2068/03/28

Kathmandu.

Management Committee

Sd.

Puspa Lal Shrestha

Partner

P. L. Shrestha & Company
Chartered Accountants

Sd.

Sd.

Sd.

Kiran Kumar Shrestha
Actg. General Manager

Laxmiraj Paudel
Actg. General Manager

Maheshworlal Shrestha
Coordinator, Mgmt. Team

Prof. Dr. Keshabrai Khadka

Coordinator

Sd.

Pramodrai Sharma

Member

Sd.

Ramesh P. Sharma Upadhaya

Member

Sd.

Sd.

Sd.

Sudarshan P. Pokharel
Chief Manager

Durgaraj Regmi
Deputy General Manager

Surendramani Tripathi

Member

Sd.

Sd.

Jaquadish Bhattarai

Partner

Kuber & Company
Chartered Accountants

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Nepal Bank Limited

PROFIT AND LOSS ACCOUNT

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Particulars	Schedule	Current Year Rs.	Previous Year Rs.
1 Interest Income	18	3,067,553,539	2,690,058,308
2 Interest Expenses	19	909,990,531	791,710,648
Net Interest Income		2,157,563,008	1,898,347,660
3 Commission and Discount	20	425,005,376	273,106,394
4 Other Operating Income	21	152,872,783	156,757,711
5 Exchange Fluctuation Income	22	23,552,030	89,209,047
Total Operating Income		2,758,993,197	2,417,420,812
6 Staff Expenses	23	2,973,994,907	1,640,565,751
7 Other Overhead Expenses	24	287,613,367	297,015,369
8 Exchange Fluctuation Loss	22	-	-
Operating Profit Before Provision For possible Loss		(502,615,077)	479,839,692
9 Provision For Possible Losses	25	119,365,248	334,315,061
Operating Profit		(621,980,325)	145,524,631
10 Non-Operating Income (Loss)	26	58,709,085	57,526,715
11 Loan Loss Provision Written Back	27	607,089,321	676,372,384
Profit/Loss from Regular Operations		43,818,081	879,423,730
12 Profit / Loss from Extra-Ordinary Activities	28	235,723,631	165,144,642
Net Profit after considering all activities		279,541,712	1,044,568,372
13 Staff Bonus Provision		25,412,883	94,960,761
14 Income Tax Provision			
a. Current year		20,563,011	85,801,936
b. Upto last year		-	1,744,239
c. Current Year Deferred tax (Income) / Expenses		(15,816,477)	(32,192,746)
Net Profit / Loss		249,382,295	894,254,182

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

As per our report of even date

Date: 2068/03/28

Kathmandu.

			<u>Management Committee</u>				
Sd.	Sd.	Sd.				Sd.	
Kiran Kumar Shrestha	Laxmiraj Paudel	Maheshworlal Shrestha	Prof. Dr. Keshabraj Khadka	Coordinator	Sd.	Puspa Lal Shrestha	
Actg. Geneal Manager	Actg. Geneal Manager	Coordinator, Mgmt. Team				Partner	
			Pramodraj Sharma	Member	Sd.	P. L. Shrestha & Company	
						Chartered Accountants	
			Ramesh P. Sharma Upadhaya	Member	Sd.		
Sd.	Sd.		Surendramani Tripathi	Member	Sd.	Sd.	
Sudarshan P. Pokharel	Durgaraj Regmi					Jagadish Bhattarai	
Chief Manager	Deputy Geneal Manager					Partner	
						Kuber & Company	
						Chartered Accountants	

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Nepal Bank Limited

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the period from 1st Shrwan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Particulars	Annexure	Current Year	Previous Year
Income			
1 Accumulated Profit up to last year		-	-
2 Current Year's Profit		249,382,295	894,254,182
3 Exchange Equilization Fund		-	-
Total		249,382,295	894,254,182
Expenses			
1 Accumulated Loss Up to Last Year		7,363,027,161	8,023,441,085
2 Current Year's loss		-	-
3 General Reserve		49,876,459	178,850,836
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		-	-
11 Exchange Equilization Fund		-	16,951,162
12 Capital Redemption Reserve		-	-
13 Capital Adjustment Fund		38,038,260	38,038,260
14 Deferred Tax Reserve		48,009,223	-
15 Investment Adjustment Reserve		2,786,114	-
Total		7,501,737,217	8,257,281,343
16 Accumulated Profit / (Loss)		(7,252,354,922)	(7,363,027,161)

Date: 2068/03/28

Kathmandu.

As per our report of even date

Management Committee

Sd. Kiran Kumar Shrestha Actg. General Manager	Sd. Laxmiraj Paudel Actg. General Manager	Sd. Maheshworlal Shrestha Coordinator, Mgmt. Team
Sd. Sudarshan P. Pokharel Chief Manager	Sd. Durgaraj Regmi Deputy General Manager	

Prof. Dr. Keshabraj Khadka Coordinator	Sd. Puspa Lal Shrestha Partner
Pramodraj Sharma Member	Sd. P. L. Shrestha & Company Chartered Accountants
Ramesh P. Sharma Upadhaya Member	Sd.
Surendramani Tripathi Member	Sd. Jagadish Bhattarai Partner Kuber & Company Chartered Accountants

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Nepal Bank Limited

Cash Flow Statement

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Particulars	Current Year Rs.	Previous Year Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES	893,959,238	2,151,784,004
1 Cash Receipts	3,954,166,112	3,581,702,047
1.1 Interest Income	3,067,553,539	2,690,058,308
1.2 Commission and Discount Income	425,005,376	273,106,394
1.3 Income from Foreign Exchange transaction	26,837,396	21,404,400
1.4 Recovery of Loan written - off	235,723,631	384,672,006
1.5 Other Income	199,046,170	212,460,939
2 Cash Payments	(4,190,207,571)	(3,111,720,489)
2.1 Interest Expenses	(909,990,531)	(791,710,648)
2.2 Staff Expenses	(2,964,360,025)	(1,692,362,572)
2.3 Office Overhead expenses	(272,086,489)	(346,647,827)
2.4 Income Tax paid	-	-
2.5 Other Expenses	(43,770,526)	(280,999,442)
Cash Flow before Changes in Working Capital	(236,041,459)	469,981,558
(Increase) / Decrease of Current Assets	4,229,131,903	(2,572,029,944)
1 (Increase)/Decrease in Money at Call and Short Notice	400,000,000	(400,000,000)
2 (Increase)/ Decrease in Short -term Investments	7,613,187,291	3,172,895,830
3 (Increase)/Decrease in Loans and Bills purchased	(5,576,784,890)	(4,056,111,359)
4 (Increase)/Decrease in Other Assets	1,792,729,502	(1,288,814,415)
Increase / (Decrease) of Current Liabilities	(3,099,131,206)	4,253,832,390
1 Increase /(Decrease) in Deposits	(2,312,192,796)	3,364,841,402
2 Increase / (Decrease) in Certificate of Deposits	-	-
3 Increase / (Decrease) in Short- term Borrowings	-	-
4 Increase/ (Decrease) in Other Liabilities	(786,938,410)	888,990,988
B. CASH FLOW FROM INVESTING ACTIVITY	(75,649,352)	(75,113,371)
1 Decrease / (Increase) in Long-term Investments	-	-
2 Decrease / (Increase) in Fixed Assets	(86,845,089)	(76,507,733)
3 Interest Income from Long-term Investments	-	-
4 Dividend Income	11,195,737	1,394,362
5 Others	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	154,465,557	410,322,073
1 Increase / (Decrease) in Long-term Borrowings(Bond,Debentures etc.)	154,465,557	150,586,429
2 Increase / (Decrease) in Share Capital	-	-
3 Increase / (Decrease) in Capital Reserve	-	259,735,644
4 Increase / (Decrease) in Other Liabilities	-	-
5 Increase / (Decrease) in Refinance/ facilities received from NRB	-	-
D. Income / Loss from change in exchange rate in Cash and Bank Balance	(3,285,366)	67,804,647
E. Current Year's Cash Flow from All Activities	969,490,077	2,554,797,353
F. Opening Balance of Cash and Bank Balances	9,171,789,940	6,616,992,587
G. Closing Balance of Cash and Bank Balances	10,141,280,017	9,171,789,940

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Nepal Bank Limited
Statement of Changes in Equity
F. Y. 2009/10 (2066/67)

Particulars	Share Capital Rs.	Accumulative Profit (Loss) Rs.	General Reserve Rs.	Capital Reserve Fund Rs.	Share Premium Rs.	Exchange Equilization Rs.	Deferred Tax Reserve Rs.	Other Reserve and Fund Rs.	Total Amount Rs.
Balance as on Shrawan 01, 2066	380,382,600	(7,363,027,161)	1,558,850,787	259,735,644	-	67,967,788	-	241,778,435	(4,854,311,907)
Adjustment:									
a. This year profit	-	110,672,239	-	-	-	-	-	-	110,672,239
b. Transfer from this year profit	-	-	49,876,459	-	-	-	-	38,038,260	87,914,719
c. Transfer from revaluation profit	-	-	-	-	-	-	-	-	-
d. Adjustment in Staff Bonus	-	-	-	-	-	-	-	-	-
e. Deferred Tax Reserve	-	-	-	-	-	-	48,009,223	-	48,009,223
f. Grant form Govt. against Loan Waiver	-	-	-	-	-	-	-	-	-
g. Investment Adjustment Reserve	-	-	-	-	-	-	-	2,786,114	2,786,114
Balance as on Ashad 32, 2067	380,382,600	(7,252,354,922)	1,608,727,246	259,735,644	-	67,967,788	48,009,223	282,602,809	(4,604,929,612)

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Nepal Bank Limited

Share Capital & Ownership

As at July 16, 2010 (Ashad 32, 2067)

Schedule 1

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

Share Ownership

Particulars	Current Year Rs.		Previous Year Rs	
	Percentage	Share Capital	Percentage	Share Capital
1 Promotor	%	380,382,600	%	380,382,600
1.1 Nepal Government	40.49	154,032,500	40.49	154,032,500
1.2 Foreign Institutions	0.00	-	0.00	-
1.3 "A" Class Licensed Institutions	5.68	21,609,300	5.68	21,609,300
1.4 Other Licensed Institutions	0.77	2,943,400	0.77	2,943,400
1.5 Other Entities	2.40	9,142,300	2.40	9,142,300
1.6 Individual	49.94	189,967,300	49.94	189,967,300
1.7 Others	0.71	2,687,800	0.71	2,687,800
2 General Public		-		-
Total	100	380,382,600	100	380,382,600

Details of General Public Shareholders of Nepal Bank Limited Holding 0.5% or More of Total Share:

Name of Shareholder	No. of Shares	Percentage	Amount
1. Hitesh Golchha	33552	0.88	3,355,200
2. Chandra Kumar Golchha	36230	0.95	3,623,000
3. Lokmanya Golchha	29093	0.76	2,909,300
4. Surendrakumar Golchha	19301	0.51	1,930,100
5. Sanjay Golchha	19300	0.51	1,930,000
6. Rewadevi Dikshit	19350	0.51	1,935,000
7.Sundarmani Dikshit	19743	0.52	1,974,300
8. Kamalmani Dikshit	20900	0.55	2,090,000
9. Sridhar S. J. B. Rana	30000	0.79	3,000,000
10. Ganga Amatya	40195	1.06	4,019,500
11. Jharendra S. J. B. Rana	50625	1.33	5,062,500
12. Rajendrakumar Khetan	263493	6.93	26,349,300
Total	581782	15.30	58,178,200

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Nepal Bank Limited

Reserve & Funds

As at July 16, 2010 (Ashad 32, 2067)

Schedule 2

Particulars	Current Year	Previous Year
1 General Reserve Fund	1,608,727,246	1,558,850,787
2 Proposed Issue of Bonus Shares	-	-
3 Capital Reserve Fund	259,735,644	259,735,644
4 Capital Redemption Reserve	-	-
5 Capital Adjustment Fund	266,267,820	228,229,560
6 Other Reserve and Fund	64,344,212	13,548,875
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	-	-
e) Assets Revaluation Fund	-	-
f) Deferred Tax Reserve	48,009,223	-
g) Other Free Reserves	-	-
h) Investment Adjustment Reserve	2,786,114	-
7 Accumulated Profit / Loss	(7,252,354,922)	(7,363,027,161)
8 Exchange Fluctuation Fund	67,967,788	67,967,788
Total	(4,985,312,212)	(5,234,694,507)

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Nepal Bank Limited
Debentures and Bonds
As at July 16, 2010 (Ashad 32, 2067)

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
Loan/advance due to be paid
As at July 16, 2010 (Ashad 32, 2067)

Schedule 4

Particulars	Current Year Rs.	Previous Year Rs.
A) Local		
1. Nepal Government	-	-
2. Nepal Rastra Bank	1,825,140,853	1,970,675,296
3. Repo Obligation	300,000,000	-
4. Inter Bank and Financial Institutions	-	-
5. Other Financial Institutions	-	-
6. Others	-	-
Total	2,125,140,853	1,970,675,296
B) Foreign		
1. Banks	-	-
2. Others	-	-
Total	-	-
Grand Total(A+B)	2,125,140,853	1,970,675,296

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Nepal Bank Limited

Deposits

As at July 16, 2010 (Ashad 32, 2067)

Schedule 5

Particulars	Current Year Rs.	Previous Year Rs.
1 Non Interest Bearing Accounts		
a) Current Account	10,942,415,992	9,923,275,174
1 Local Currency	10,744,013,824	9,731,034,289
1.1 Nepal Government	273,182,056	688,600,060
1.2 "A" Class Licensed Institutions	458,081,376	579,526,124
1.3 Other Licensed Institutions	1,681,924,526	841,754,608
1.4 Other Organized Institutions	3,607,066,655	3,605,666,796
1.5 Individuals	3,937,292,826	2,753,574,316
1.6 Others	786,466,385	1,261,912,385
2 Foreign Currency	198,402,168	192,240,885
2.1 Nepal Government	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Institutions	-	-
2.4 Other Organized Institutions	4,445,976	388,112
2.5 Individuals	193,047,355	190,216,784
2.6 Others	908,837	1,635,989
b) Margin Deposits	98,078,058	102,690,172
1 Staff guarantee	-	-
2 Guarantee Margin	48,561,306	59,496,855
3 Letters of credit Margin	49,516,752	43,193,317
c) Other	291,560,191	287,196,408
1 Local Currency	291,560,191	287,196,408
1.1 Financial Institutions	-	8,122,884
1.2 Other Organized Institutions	33,323,261	30,235,371
1.3 Individual	258,236,930	248,838,153
2 Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non Interest Bearing Accounts (1)	11,332,054,241	10,313,161,754

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Nepal Bank Limited
Deposits
As at July 16, 2010 (Ashad 32, 2067)

Schedule 5

Particulars	Current Year Rs.	Previous Year Rs.
2 Interest Bearing Accounts :		
a) Saving Deposits	27,313,755,561	31,284,260,635
1 Local Currency	27,306,317,591	31,276,964,396
1.1 Organized Institutions	3,595,689,574	4,962,917,632
1.2 Individuals	23,666,470,183	25,680,491,203
1.3 Others	44,157,834	633,555,561
2 Foreign Currency	7,437,970	7,296,239
2.1 Organized Institutions	-	-
2.2 Individuals	6,896,132	7,296,239
2.3 Others	541,838	-
b) Fixed deposit	4,226,765,379	3,586,190,226
1 Local Currency	4,220,283,879	3,579,417,276
1.1 Organized Institutions	1,198,416,942	779,497,185
1.2 Individuals	2,887,141,811	2,668,821,476
1.3 Others	134,725,126	131,098,615
2 Foreign Currency	6,481,500	6,772,950
2.1 Organized Institutions	-	-
2.2 Individuals	6,481,500	6,772,950
2.3 Others	-	-
c) Call Deposit	9,464,488	10,619,850
1 Local Currency	9,464,488	10,619,850
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed institutions	-	-
1.3 Other Organized Institutions	-	189,985
1.4 Individuals	9,464,488	7,854,729
1.5 Others	-	2,575,136
2 Foreign Currency	-	-
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed institutions	-	-
2.3 Other Organized Institutions	-	-
2.4 Individuals	-	-
2.5 Others	-	-
d) Certificate of Deposits	-	-
1 Organized Institutions	-	-
2 Individuals	-	-
3 Others	-	-
Total of Interest bearing deposits (2)	31,549,985,428	34,881,070,711
Total Deposit(1+2)	42,882,039,669	45,194,232,465

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Nepal Bank Limited
Bills Payable
As at July 16, 2010 (Ashad 32, 2067)

Schedule 6

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency	54,998,542	4,747,328
2 Foreign Currency	10,937,822	7,268,879
Total	65,936,364	12,016,207

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Nepal Bank Limited
Other liabilities
As at July 16, 2010 (Ashad 32, 2067)

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	43,290,184	109,030,941
5 Interest Payable on Deposits	76,317,150	32,039,980
6 Interest Payable on Borrowings	7,014,102	12,316,218
7 Unearned Discount & Commission	3,441,778	2,599,526
8 Sundry Creditors	1,496,550,382	1,850,765,387
9 Branch Reconciliation	2,062,879,787	2,711,992,970
10 Deferred Tax Liability	-	-
11 Others	576,921,657	515,688,180
Deferred Income 6,396,116		8,528,155
Staff Medical Fund 31,276,154		34,841,342
Provision for Leave Encashment 196,316,698		161,268,933
Provision for other Losses 119,487,381		77,809,997
Rastriya Baniya Bank Transaction 223,445,308		233,239,753
Total	4,266,415,040	5,234,433,202

(Bank logo)

Nepal Bank Limited
Cash Balance
As at July 16, 2010 (Ashad 32, 2067)

Schedule 8

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency (Including Coins)	1,559,647,165	1,482,129,072
2 Foreign Currency	43,840,032	33,525,761
Total	1,603,487,197	1,515,654,833

(Bank logo)

Nepal Bank Limited

Balance with Nepal Rastra Bank

As at July 16, 2010 (Ashad 32, 2067)

Schedule 9

Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		I.C.	Convertible F.C.	Total		
1 Nepal Rastra Bank	7,462,778,289	-	30,339,442	30,339,442	7,493,117,731	6,619,700,019
a) Current Account	5,031,693,968	-	30,339,442	30,339,442	5,062,033,410	3,779,669,113
b) Other Account	2,431,084,321	-	-	-	2,431,084,321	2,840,030,906

Total Balance for which the confirmations are received from Nepal Rastra Bank Rs. 2,543,825,172

(Bank logo)

Nepal Bank Limited

Balance With Banks / Financial Institutions

As at July 16, 2010 (Ashad 32, 2067)

Schedule 10

Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		I.C.	Convertible F.C.	Total		
1 Local Licensed Institutions	350,249,245	-	-	-	350,249,245	452,292,423
a) Current Account	350,249,245	-	-	-	350,249,245	452,292,423
b) Other Account	-	-	-	-	-	-
2 Foreign Banks	-	96,764,477	597,661,367	694,425,844	694,425,844	584,142,665
a) Current Account		96,764,477	597,661,367	694,425,844	694,425,844	584,142,665
b) Other Account		-	-	-	-	-
Total Amount	350,249,245	96,764,477	597,661,367	694,425,844	1,044,675,089	1,036,435,088

Total Balance for which the confirmations are received from respective licensed institutions Rs. 500,690,996

(Bank logo)

Nepal Bank Limited
Money at call and short notice
As at July 16, 2010 (Ashad 32, 2067)

Schedule 11

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency	-	400,000,000
2 Foreign Currency	-	-
Total	-	400,000,000

(Bank logo)

Nepal Bank Limited
Investments
As at July 16, 2010 (Ashad 32, 2067)

Schedule 12

Particulars	Purpose		Current Year Rs.	Previous Year Rs.
	Trading	Other		
1 Nepal Government Treasury bill		3,027,393,613	3,027,393,613	9,114,815,030
2 Nepal Government National Saving Bond		1,185,025,000	1,185,025,000	1,483,125,000
3 Nepal Government Other Securities		-	-	-
4 Nepal Rastra Bank Bond		-	-	-
5 Foreign Bond		1,332,617,000	1,332,617,000	2,249,012,470
6 Share of domestic licensed Institutions		-	-	-
7 Foreign Bank		-	-	-
8 Other Organized Institutions Shares		143,358,686	143,358,686	139,158,686
9 Other Organized Institutions Bonds and Debentures		127,392,000	127,392,000	127,392,000
10 Other Investments		50,029,596	50,029,596	365,500,000
Total Investment	-	5,865,815,895	5,865,815,895	13,479,003,186
Provision		81,443,500	81,443,500	81,443,500
Net investment	-	5,784,372,395	5,784,372,395	13,397,559,686

(Bank logo)

Nepal Bank Limited
Investment Held for Trading
As at July 16, 2010 (Ashad 32, 2067)

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 16, 2010 (Ashad 32, 2067)

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-c)	Last Year Profit/(Loss) Amount	Remarks
1 Nepal Government Treasury bills	3,027,393,613					
2 Nepal Government National Saving Bond	1,185,025,000					
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bond						
5 Foreign Bond	1,332,617,000					
6 Share of domestic licensed Institutions						
7 Debentures/bond of domestic licensed Institutions						
8 Shares, debenture, bonds of domestic corporate bodies	127,392,000					
9 Investment of foreign banks (Placement)						
10 Other Investments	50,029,596					
Total Investment	5,722,457,209					

(Bank logo)

Nepal Bank Limited
Investment available for sale
As at July 16, 2010 (Ashad 32, 2067)

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	143,358,686	710,217,866	690,370,074			
9 Investment of foreign banks (Placement)						
11 Other Investments						
Total Investment	143,358,686					

(Bank logo)

Nepal Bank Limited
Investment
As at July 16, 2010 (Ashad 32, 2067)

Schedule 12(A)

Particulars	Cost Rs.	Market Rate	Market Value	Provision	Previous Year Rs.
1 Investment in Shares					
1.1 Rastriya Beema Sansthan 2,24,628 Ordinary Shares (including 218,628 Bonus Shares also) of Rs. 100/- each	707,186	1,453	326,384,484	-	707,186
1.2 Deposit Insurance & Credit Guarantee Corporation Pvt. Ltd. 32,186 Ordinary Share (including 30,186 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	120	360,000	300,000	300,000
1.5 *National Productivity and Economic Development Centre Ltd. 5,000 Ordinary Shares of Rs. 100 each.	500,000	100	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
1.7 *Eastern Rural Development Bank 30,000 Ordinary Shares of Rs. 100 each.	3,000,000	965	28,950,000		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
1.9 *Mid Western Rural Development Bank 35,000 Ordinary Shares of Rs. 100 each.	3,500,000		3,500,000		3,000,000
1.10 *Middle Rural Development Bank 30,000 Ordinary Shares of Rs. 100 each.	3,000,000	130	3,900,000		3,000,000
1.11 Citizen Investment Trust 53,325 Ordinary Shares (Including 17,775 bonus shares also) of Rs. 100 each. (Converted into the paid up amount Rs.100/- issuing Bonus Rs.40/- per each share).	2,133,000	530	28,262,250		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
1.13 Deprosc Development Bank Limited 22,500 Ordinary Shares (including 7,500 bonus share also) of Rs. 100/- each	1,500,000	138	3,105,000		1,500,000
1.14 *Gorakhhkali Rubber Udhog Ltd. 1,60,000 Ordinary Shares of Rs. 100 each (Rs. 75 paid up)	12,000,000	38	6,080,000	8,640,000	12,000,000
1.15 *Sana Kisan Bikas Bank. 50,000 Ordinary Shares of Rs. 100 each.	5,000,000		5,000,000		5,000,000
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) 5,22,694 Ordinary Shares (including 5,21,094 bonus shares also) of Rs. 100/- each	160,000	360	188,169,840		160,000
1.18 Credit Information Centre Ltd. 3,530 Ordinary Shares of Rs. 100 each.	353,000		353,000	353,000	353,000
1.19 Tara Gawn Regeny Hotel Ltd. 7,00,000 Ordinary Shares of Rs. 100 each	70,000,000	78	54,600,000	70,000,000	70,000,000
1.20 Nepal Clearing House 25,000 Ordinary Shares of Rs. 100 each	2500000		2500000		0
1.21 National Banking Training Centre 12,000 Ordinary Shares of Rs. 100 each	1200000		1200000		0
2 Investment in Debenture and Bonds					
2.1 7.75% Power Bond of Nepal Electricity Authority	127,392,000		127392000	-	127,392,000
Total Investment	270,750,686		817,762,074	81,443,500	266,550,686
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)				-	
Total				81,443,500	81,443,500

* 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.

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Nepal Bank Limited**Classification of Loans, Advances & Bills Purchased and Provisioning**

As at July 16, 2010 (Ashad 32, 2067)

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	138,193,876	2,036,191	23,687,678,982	-	23,827,909,049	4,769,089	-	4,769,089	23,832,678,138	18,593,370,396
1.1 Pass Loan	138,193,876	2,036,191	23,563,234,164		23,703,464,231	4,769,089		4,769,089	23,708,233,320	18,074,954,188
1.2 Restructured			124,444,818		124,444,818			-	124,444,818	518,416,208
2. Non Performing Loan	25,208,082	89,128,734	1,097,608,927	-	1,211,945,743	73,271	7,654,733	7,728,004	1,219,673,747	966,723,125
2.1 Substandard			326,034,200		326,034,200			-	326,034,200	64,764,953
2.2 Doubtful			16,206,776		16,206,776	-	-	-	16,206,776	17,888,488
2.3 Bad	25,208,082	89,128,734	755,367,951		869,704,767	73,271	7,654,733	7,728,004	877,432,771	884,069,684
(A) Total Loan	163,401,958	91,164,925	24,785,287,909	-	25,039,854,792	4,842,360	7,654,733	12,497,093	25,052,351,885	19,560,093,521
3. Loan Loss Provision										
3.1 Pass	138,193,876	2,036,191	368,518,087	-	508,748,154	47,691	-	47,691	508,795,845	565,422,603
3.2 Restructured	-	-	15,555,602	-	15,555,602	-	-	-	15,555,602	464,628,646
3.3 Substandard	-	-	81,508,550	-	81,508,550	-	-	-	81,508,550	20,373,343
3.4 Doubtful	-	-	8,103,388	-	8,103,388	-	-	-	8,103,388	10,700,421
3.5 Bad	25,208,082	89,128,734	755,367,951	-	869,704,767	73,271	7,654,733	7,728,004	877,432,771	884,069,683
(B) Total Provision	163,401,958	91,164,925	1,229,053,578	-	1,483,620,461	120,962	7,654,733	7,775,695	1,491,396,156	1,945,194,696
4. Provision Up to Last Year										
4.1 Pass	64,443,789	2,036,191	498,825,352	-	565,305,332	93,817	23,454	117,271	565,422,603	578,366,581
4.2 Restructured	-	-	464,628,646	-	464,628,646	-	-	-	464,628,646	-
4.3 Substandard	4,608,331	130,321	15,634,691	-	20,373,343	-	-	-	20,373,343	57,066,475
4.4 Doubtful	-	-	10,689,670	-	10,689,670	-	10,751	10,751	10,700,421	10,433,437
4.5 Bad	142,499,385	89,128,734	644,300,351	-	875,928,470	73,271	8,067,942	8,141,213	884,069,683	1,867,167,369
(C) Provision up to Last Year	211,551,505	91,295,246	1,634,078,710		1,936,925,461	167,088	8,102,147	8,269,235	1,945,194,696	2,513,033,862
(D) Previous Years' Provision Written Back	(48,149,547)	(130,321)	(405,025,132)	-	(453,305,000)	(46,126)	(447,414)	(493,540)	(453,798,540)	(567,839,166)
(E) This Years' Additional Provision	-	-	-	-	-	-	-	-	-	-
Net Adjustment for the year	(48,149,547)	(130,321)	(405,025,132)	-	(453,305,000)	(46,126)	(447,414)	(493,540)	(453,798,540)	(567,839,166)
Net Loan (A-B)	-	-	23,556,234,331	-	23,556,234,331	4,721,398	-	4,721,398	23,560,955,729	17,614,898,825

(Bank logo)

Nepal Bank Limited

Loan, Advances and Bills Purchased - Security Wise

As at July 16, 2010 (Ashad 32, 2067)

Schedule 13(A)

Particulars		Current Year Rs.	Previous Year Rs.
(A) Secured		25,052,351,885	19,560,093,521
1	On Security of Movable / Immovable Assets	22,451,016,382	17,609,963,042
2	Guarantee of Local Licensed Institutions	-	-
3	Government Guarantee	361,914,015	364,975,224
4	Internationally Rated Bank Guarantee	-	-
5	On security of Export Documents	1,267,203	2,977,891
6	On security of Fixed Deposit Receipts	225,728,075	222,592,787
	(a) On security of own Fixed Deposit Receipt	106,017,205	83,844,595
	(b) On security of Fixed Deposit Receipts of Other Licensed Institutions	119,710,870	138,748,192
7	On security of Government Bonds	50,546,621	74,842,387
8	Counter Guarantee	-	-
9	Personal Guarantee	-	-
10	Other Securities	1,961,879,589	1,284,742,190
(B) Unsecured		-	-
Total		25,052,351,885	19,560,093,521

(Bank logo)

Nepal Bank Limited

Fixed Assets

As at July 16, 2010 (Ashad 32, 2067)

Schedule 14

Particulars	Assets					Current Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office equipment	Others		
1 At Cost:							
a) Up to previous Year	100,737,935	83,156,767	276,497	332,156,490	2,307,570	518,635,259	494,337,872
b) Addition During The Year	3,943,607	8,234,246	-	74,886,130	758,761	87,822,744	28,868,220
c) Revaluation/Written Back This Year							
d) This Year Sold	(77,989)	(2,879,737)	-	(101,277,663)	(70,375)	(104,305,764)	(4,570,833)
e) This Year Written Off							
Total (a+b+c+d+e) at cost :	104,603,553	88,511,276	276,497	305,764,957	2,995,956	502,152,239	518,635,259
2 Depreciation :							
a) Up to Previous Year	44,247,765	61,676,581	269,190	249,792,588	1,315,074	357,301,198	324,175,015
b) For This Year	2,945,314	5,888,388	1,096	26,983,425	271,666	36,089,889	36,169,478
c) Depreciation on revaluation/written back							
d) Depreciation - Adjusted / Written Back	(34,255)	(2,135,873)	-	(76,164,129)	(40,107)	(78,374,364)	(3,043,295)
Total Deprecation	47,158,824	65,429,096	270,286	200,611,884	1,546,633	315,016,723	357,301,198
3 Book value (WDV)* (1-2)	57,444,729	23,082,180	6,211	105,153,073	1,449,323	187,135,516	161,334,061
4 Land	34,101,616					34,101,616	34,341,294
5 Capital Construction (Pending Capitalization)	80,251,324					80,251,324	53,717,940
6 Lease hold assets							
Total (3+4+5+6)	171,797,669	23,082,180	6,211	105,153,073	1,449,323	301,488,456	249,393,295

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Nepal Bank Limited**Non banking Assets****As at July 16, 2010 (Ashad 32, 2067)****Schedule 15**

Name of Lender 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.		
Kumar Basnet	046-02-05	12,000	100%	12,000	-	12,000
Rama Devi Bhattarai	049-05-29	16,214	100%	16,214	-	16,214
Padam Pd. Lakaul	027-10-26	17,000	100%	17,000	-	17,000
Shiva Stores	063-02-12	42,583	100%	42,583	-	42,583
Sumitra Devi Dhungel(Kharel)	062-07-14	61,965	100%	61,965	-	61,965
Manakamana Enterprises	062-06-20	62,500	100%	62,500	-	62,500
Mahamai Furniture	063-03-30	87,500	100%	87,500	-	87,500
M.Januka Traders	063-03-30	87,500	100%	87,500	-	87,500
Kanchan Jenaral Store	063-02-12	96,000	100%	96,000	-	96,000
Bir Bahadur Thapa	054-04-23	99,218	100%	99,218	-	99,218
Sriram Traders	062-11-12	108,000	100%	108,000	-	108,000
Gyan Bahadur Tamang	045-01-23	109,000	100%	109,000	-	109,000
Shanti Devi Kasodhan	038-05-01	112,182	100%	112,182	-	112,182
Krishna Bahadur Dhital	060-01-25	125,000	100%	125,000	-	125,000
Kumar Cycle Group	063-03-26	125,000	100%	125,000	-	125,000
Kul Chandra Upadhyay	061-09-25	140,134	100%	140,134	-	140,134
Kanchan Traders	063-02-12	140,667	100%	140,667	-	140,667
Yadu Nath Gautam	063-6-9	145,412	100%	145,412	-	145,412
Jagadamba Jindal Traders	063-03-19	162,500	100%	162,500	-	162,500
Manoj Kumar Chiraniya	046-11-28	176,000	100%	176,000	-	176,000
Rastriya Chamal Pitho Udhog	063-4-18	200,000	100%	200,000	-	200,000
S. Laboratory	063-02-18	200,000	100%	200,000	-	200,000
Bishnu Wood Furniture	064-3-32	221,000	100%	221,000	-	221,000
Baldev Kirana Pasal	064-3-31	232,000	100%	232,000	-	232,000
Shankar Prasad Prasai	7/12/2063	236,922	100%	236,922	-	236,922
Mohan Redimade	062-05-29	237,375	100%	237,375	-	237,375
Radha Kumar Katuwal	063-4-11	255,000	100%	255,000	-	255,000
Aasha leta Udhog	063-02-09	263,100	100%	263,100	-	263,100
Ramesh Raya	062-08-14	300,000	100%	300,000	-	300,000
Elija Gril Udhog	062-04-16	300,000	100%	300,000	-	300,000
Kanchan Computer Laser	064-11-12	330,000	100%	330,000	-	330,000
United Supplayars Traders	051-10-23	334,284	100%	334,284	-	334,284
Prakash Kirana Stores	063-02-19	350,000	100%	350,000	-	350,000
Maruti leta Udhog	062-09-26	355,000	100%	355,000	-	355,000
Gorakhnath Rice Mill	062-10-13	359,220	100%	359,220	-	359,220
Abodh Galla Bhandar	062-11-25	400,000	100%	400,000	-	400,000
Jagadamba Jindal Traders	063-03-19	400,000	100%	400,000	-	400,000
Buddha Kumar Shrestha	063-01-18	404,628	100%	404,628	-	404,628
Raja Gril Udhog	062-07-11	405,000	100%	405,000	-	405,000
Narayani Chau Chau Udhog	062-08-07	407,379	100%	407,379	-	407,379
Krishna Rice & Oil Mill	062-10-14	409,477	100%	409,477	-	409,477
Rara Construction Co.Pvt.Ltd.	059-09-22	413,000	100%	413,000	-	413,000
C.J. Hardware	063-03-10	415,000	100%	415,000	-	415,000
Lokendra Chaudhary	062-08-10	419,166	100%	419,166	-	419,166
Bikash Trading	062-05-29	420,653	100%	420,653	-	420,653
Bishal Metal Udhog	062-08-30	422,940	100%	422,940	-	422,940
Om Sagarmatha	063-03-28	427,500	100%	427,500	-	427,500
Laxmi Prasad Kharel	062-07-14	429,821	100%	429,821	-	429,821
Shah Kirana Shop	062-08-14	433,170	100%	433,170	-	433,170
Yadu Nath Gautam	057-05-22	450,000	100%	450,000	-	450,000
Suraj Chiya Udhog	063-6-29	486,000	100%	486,000	-	486,000
Kanchan Bheraity	063-02-12	486,875	100%	486,875	-	486,875
Ram Prasad Giri	063-03-15	489,350	100%	489,350	-	489,350
Tulasi Chiya Udhog	063-6-29	493,600	100%	493,600	-	493,600
Amala Almunium	063-02-31	493,750	100%	493,750	-	493,750

Name of Lender 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.		
Ganga Jamuna Sellar Rice U.	063-03-29	499,750	100%	499,750	-	499,750
Salim Stores	061-04-04	500,000	100%	500,000	-	500,000
Indira Kastha Udhog	062-06-19	500,000	100%	500,000	-	500,000
Hemraj Mahato	063-02-15	500,000	100%	500,000	-	500,000
Anu Emporeim	063-03-16	510,000	100%	510,000	-	510,000
Mukti Khadhya Stores	063-03-15	516,612	100%	516,612	-	516,612
Kuber Kirana Pasal tatha Katha	063-03-20	518,200	100%	518,200	-	518,200
Nepal Metal Udhog	063-03-13	548,302	100%	548,302	-	548,302
Lucky Bherity Center	063-03-19	562,500	100%	562,500	-	562,500
The Black Top Tek	062-08-13	572,737	100%	572,737	-	572,737
Siddhidatri Traders P.Ltd.	063-4-11	573,726	100%	573,726	-	573,726
Chapagain Khadhya Bhandar	063-03-15	582,923	100%	582,923	-	582,923
Ganesh Chiya Udhog	061-08-09	600,000	100%	600,000	-	600,000
Adhikari Cement Sa.Udhog	062-08-07	607,191	100%	607,191	-	607,191
Amar Khadhya Bhandar	064-6-3	609,554	100%	609,554	-	609,554
Prashamsa Textile	063-4-18	617,188	100%	617,188	-	617,188
Saroj Rice Mill	063-02-14	619,838	100%	619,838	-	619,838
Nepal Cole Supplayers	062-09-12	622,741	100%	622,741	-	622,741
Rudra Bahadur Katuwal	063-03-15	640,000	100%	640,000	-	640,000
Chandra Sher Bahadur Limbu	063-03-09	645,750	100%	645,750	-	645,750
K. & K. Apprals	063-02-22	650,000	100%	650,000	-	650,000
Panchakanya Metal Udhog	063-03-19	657,000	100%	657,000	-	657,000
New Pragati Toyota Spairs	062-09-15	658,873	100%	658,873	-	658,873
Suwal Traders	062-06-20	670,313	100%	670,313	-	670,313
M.A. Traders	063-03-05	670,578	100%	670,578	-	670,578
Gandaki Fancy Stores	063-03-15	671,390	100%	671,390	-	671,390
D.R. Suppliers	062-02-15	682,363	100%	682,363	-	682,363
Pashupati Trade Concern	065-09-21	682,500	100%	682,500	-	682,500
Remond Eetta Udhog	063-01-22	700,000	100%	700,000	-	700,000
S.K. Stationary	063-4-11	700,000	100%	700,000	-	700,000
Khem Nath Dhakal	063-02-15	700,000	100%	700,000	-	700,000
Amala Almunium Udhog	063-01-31	703,125	100%	703,125	-	703,125
Sriram Hojiyari Udhog	062-11-02	711,654	100%	711,654	-	711,654
Dhimal Rice Mill	063-6-29	712,785	100%	712,785	-	712,785
Gopi Nath Traders	063-03-22	726,753	100%	726,753	-	726,753
Chitawan Medicine Distributers	063-03-15	726,966	100%	726,966	-	726,966
Karuna Kirana Pasal	062-08-13	738,491	100%	738,491	-	738,491
Mahesh Dhakal	063-6-29	750,000	100%	750,000	-	750,000
Himanchal Plant S. Mill	062-07-08	750,000	100%	750,000	-	750,000
Aadarsha Gharelu Furniture Udhog	063-03-16	780,594	100%	780,594	-	780,594
B.D. Traders	062-12-13	781,500	100%	781,500	-	781,500
Bardiya Rice Mill	063-03-30	783,482	100%	783,482	-	783,482
Milan Furniture	063-02-11	800,000	100%	800,000	-	800,000
Siddhi Enterprises	063-5-22	812,500	100%	812,500	-	812,500
A-Z Hardware Center	063-03-28	818,750	100%	818,750	-	818,750
Bir Bahadur Chauhan	063-03-15	822,763	100%	822,763	-	822,763
Dev Sharan Rice Mill	063-02-16	840,000	100%	840,000	-	840,000
Ajaya Gril Udhog	062-07-11	842,400	100%	842,400	-	842,400
Kanchan Sadi Center	063-02-12	863,750	100%	863,750	-	863,750
Bhim Raj Pandey	063-02-09	868,279	100%	868,279	-	868,279
Gopal Chyariti Trust	062-11-26	880,404	100%	880,404	-	880,404
Raj Gril Sattar & Krishi Au.	063-03-21	921,823	100%	921,823	-	921,823
Amar Shingh Buddha	063-03-30	954,253	100%	954,253	-	954,253
Phyul Ganga Hardware	061-12-31	955,000	100%	955,000	-	955,000
Sitala Devi Enterprises	062-03-13	960,000	100%	960,000	-	960,000
Shree Traders	067-03-24	970,000	100%	970,000	-	-
Bijay Kirana Pasal	062-10-12	986,533	100%	986,533	-	986,533
Manita Gril Udhog	061-12-04	1,000,000	100%	1,000,000	-	1,000,000
King Fisher Jangle Resort	063-03-23	1,000,000	100%	1,000,000	-	1,000,000
Nilkamal Enterprises	067-03-03	1,003,906	100%	1,003,906	-	-
Arjun Mahesh Traders	063-03-15	1,009,310	100%	1,009,310	-	1,009,310
Spair Parts & Supplayers	063-03-25	1,027,097	100%	1,027,097	-	1,027,097

Name of Lender 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.		
Jaya Kali Pepar Works	063-03-16	1,041,084	100%	1,041,084	-	1,041,084
Ganesh Bhada Stores	063-02-02	1,041,756	100%	1,041,756	-	1,041,756
Shingh Rice Mill	062-10-20	1,045,755	100%	1,045,755	-	1,045,755
Golden Furniture Udhyog	062-11-26	1,050,000	100%	1,050,000	-	1,050,000
Katel Body Bilders	062-04-32	1,063,468	100%	1,063,468	-	1,063,468
Champa Carmet Udhyog	063-03-01	1,092,188	100%	1,092,188	-	1,092,188
Surajlaxmi Enterprises	062-09-15	1,097,379	100%	1,097,379	-	1,097,379
Uddhav Enterprises	063-03-15	1,128,218	100%	1,128,218	-	1,128,218
Lal Bahadur Tamrakar	063-03-16	1,150,000	100%	1,150,000	-	1,150,000
New Pathibhara Supplayars	063-01-28	1,229,877	100%	1,229,877	-	1,229,877
Shivashakti Body Work Shop	063-02-04	1,232,344	100%	1,232,344	-	1,232,344
Guras Oil Sellar Mill	049-08-14	1,236,950	100%	1,236,950	-	1,236,950
Gupta Brothers & Mill	064-6-3	1,241,456	100%	1,241,456	-	1,241,456
Basundhara Auto Parts	063-03-16	1,244,700	100%	1,244,700	-	1,244,700
Myanglung Kastha Udhyog	063-03-14	1,261,795	100%	1,261,795	-	1,261,795
Star Paper Work Products	063-6-1	1,279,000	100%	1,279,000	-	1,279,000
Akul Enterprises	063-03-30	1,295,250	100%	1,295,250	-	1,295,250
Beautiful Mountain Resort	063-02-16	1,320,222	100%	1,320,222	-	1,320,222
Yadab Rice Mill	063-02-19	1,325,000	100%	1,325,000	-	1,325,000
Ram Rudra Rice Mill	062-12-13	1,346,645	100%	1,346,645	-	1,346,645
Padam Bahadur Basnet	061-08-20	1,400,680	100%	1,400,680	-	1,400,680
Hari Das Furniture Udhyog	062-06-03	1,436,025	100%	1,436,025	-	1,436,025
New Micro Center	062-08-21	1,446,500	100%	1,446,500	-	1,446,500
S.B. Impex	044-04-10	1,459,845	100%	1,459,845	-	1,459,845
Sunrise Chiya Udhyog	061-12-04	1,500,000	100%	1,500,000	-	1,500,000
Khagendra Bahadur Katuwal	063-03-15	1,522,479	100%	1,522,479	-	1,522,479
Mini Traders & Supplayers	063-4-11	1,527,530	100%	1,527,530	-	1,527,530
Prime Textile Industries	063-02-15	1,533,110	100%	1,533,110	-	1,533,110
Rama Resturent & Bar	063-9-27	1,547,699	100%	1,547,699	-	1,547,699
Bindabasini Rice Mill	063-4-18	1,555,709	100%	1,555,709	-	1,555,709
Chakravarti Carpet Udhyog	063-03-02	1,559,375	100%	1,559,375	-	1,559,375
Udayapur Kastha Udhyog	063-03-16	1,561,104	100%	1,561,104	-	1,561,104
Bheri Loha Nirman Udhyog	064-3-32	1,564,763	100%	1,564,763	-	1,564,763
Byuhat Dal Tel Udhyog	063-02-15	1,600,000	100%	1,600,000	-	1,600,000
Yangamati Enterprises	062-06-20	1,664,165	100%	1,664,165	-	1,664,165
Kalika Oil Mill	062-12-14	1,664,351	100%	1,664,351	-	1,664,351
Dipak & Sumin Traders	062-09-04	1,668,358	100%	1,668,358	-	1,668,358
Nawa Durga Khadhya Udhyog	063-12-01	1,679,287	100%	1,679,287	-	1,679,287
Baglung Kali Khadhya Udhyog	063-02-09	1,707,810	100%	1,707,810	-	1,707,810
Ghimire Auto Parts	062-10-28	1,883,584	100%	1,883,584	-	1,883,584
Acharya Galla Bhandar	062-06-03	2,022,000	100%	2,022,000	-	2,022,000
Himalaya Kastha Udhyog	063-01-31	2,093,436	100%	2,093,436	-	2,093,436
Tea Makers P.Ltd.	063-3-12	2,104,765	100%	2,104,765	-	2,104,765
Merry Gold Electricals	062-07-25	2,271,463	100%	2,271,463	-	2,271,463
Jain Impex	063-03-30	2,307,500	100%	2,307,500	-	2,307,500
Durgananda Sharma	061-08-20	2,354,175	100%	2,354,175	-	2,354,175
Punam Oil & Rice U.	062-06-32	2,406,400	100%	2,406,400	-	2,406,400
Shyam Krishna Chaudhary	062-08-16	2,441,355	100%	2,441,355	-	2,441,355
Narayani Bone Chips	063-02-4	2,500,000	100%	2,500,000	-	2,500,000
Tulika Radimade Udhyog	062-01-15	2,500,000	100%	2,500,000	-	2,500,000
Nimasa Enterprises	062-3-12	2,537,500	100%	2,537,500	-	2,537,500
Madan Sharma Samuha	062-09-12	2,669,698	100%	2,669,698	-	2,669,698
Bhagawati Furniture Udhyog	062-09-26	2,730,000	100%	2,730,000	-	2,730,000
Krishna Prasad Pant	063-02-09	2,773,000	100%	2,773,000	-	2,773,000
Aathrai Garments	064-3-19	2,850,000	100%	2,850,000	-	2,850,000
Annapurna Textile L.	063-01-21	3,000,000	100%	3,000,000	-	3,000,000
Hotel Nagadanda Himal	063-6-27	3,129,000	100%	3,129,000	-	3,129,000
Nisha Enterprises	061-04-04	3,353,921	100%	3,353,921	-	3,353,921
Star Pyakesing & Printing	062-02-29	3,481,023	100%	3,481,023	-	3,481,023
Jayakali Biskut & Co.	063-03-14	3,535,160	100%	3,535,160	-	3,535,160
Bishal Enterprises	063-02-04	3,570,947	100%	3,570,947	-	3,570,947
Renuka Herbal Cosmetic	062-09-26	3,635,358	100%	3,635,358	-	3,635,358

Name of Lender 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.		
Jivan Dip Chalchitra Mandir	063-2-12	3,719,822	100%	3,719,822	-	3,719,822
Surya Khadhya Udh yog	061-03-31	3,940,684	100%	3,940,684	-	3,940,684
Madan Bikram Nemwang	061-08-09	3,982,750	100%	3,982,750	-	3,982,750
Janakpur Cold Stors	063-2-25	4,000,000	100%	4,000,000	-	4,000,000
Lalbani & Company	063-03-04	4,093,750	100%	4,093,750	-	4,093,750
Kumar Cycle Group	061-06-26	4,500,000	100%	4,500,000	-	4,500,000
Jayalaxmi Ietta Udh yog	061-12-31	5,010,000	100%	5,010,000	-	5,010,000
Jumle Carpet & Omsai	063-03-08	5,042,499	100%	5,042,499	-	5,042,499
Samsung Enterprises	067-03-03	5,750,000	100%	5,750,000	-	-
Diyo Rice Mill	063-01-29	6,103,757	100%	6,103,757	-	6,103,757
Dambar Lal Shah	061-08-20	6,550,500	100%	6,550,500	-	6,550,500
Paramhansha Picture Palace	062-02-12	6,904,000	100%	6,904,000	-	6,904,000
Ganesh Mordern Dal Mill	062-10-02	6,941,000	100%	6,941,000	-	6,941,000
Bishesh Textile P.Ltd.	063-02-14	7,120,397	100%	7,120,397	-	7,120,397
Kumar Cycle Group	062-09-26	7,910,000	100%	7,910,000	-	7,910,000
Rajendra Aryal	063-02-09	8,254,000	100%	8,254,000	-	8,254,000
Damodar Sharma Group	061-10-20	9,286,570	100%	9,286,570	-	9,286,570
Tecpo Nepal P.Ltd.	063-01-22	9,488,772	100%	9,488,772	-	9,488,772
Gyan Carpet Industries	063-03-18	9,869,466	100%	9,869,466	-	9,869,466
Shiwalaya Metal I.P.Ltd.	063-03-18	10,374,217	100%	10,374,217	-	10,374,217
Khatri & Co.Pra.Li.	063-03-01	12,375,000	100%	12,375,000	-	12,375,000
Pashupati Siliket I. & Goal	061-03-30	13,503,500	100%	13,503,500	-	13,503,500
Hotel Seven Siz Holidays	062-02-23	14,365,453	100%	14,365,453	-	14,365,453
Banshidhar Industries	062-11-21	17,192,000	100%	17,192,000	-	17,192,000
Shivalaya Metal Ind. Pvt. Ltd.	065-10-30	19,188,910	100%	19,188,910	-	24,739,910
Bajaranga Takij P.Ltd.	064-3-7	26,386,775	100%	26,386,775	-	26,386,775
Narayani Vegitable Oil	063-03-14	27,839,805	100%	27,839,805	-	27,839,805
Puja Galla Bhandar	062-11-25	-	100%	-	-	105,000
Pradhan Kirana Shop	062-07-08	-	100%	-	-	111,848
Raj Kumar Gupta	062-11-25	-	100%	-	-	140,732
New Birat Kirana Shop	062-06-19	-	100%	-	-	150,000
Majoj Selar Mill	064-3-31	-	100%	-	-	176,925
Dip Hardware	062-10-24	-	100%	-	-	180,000
Sagun Dutpen Udh yog	062-10-11	-	100%	-	-	215,221
Kuber Kirana Pasal	064-3-31	-	100%	-	-	229,000
Bhadrakali Shubhakamana	063-03-15	-	100%	-	-	255,000
Bindeshwor Prasad Shah	063-11-10	-	100%	-	-	295,000
Biswo Gril & Shutar Udh yog	062-04-32	-	100%	-	-	316,500
Dipa Devi Baniya	062-07-14	-	100%	-	-	386,153
Mamata Gharelu Udh yog	062-09-19	-	100%	-	-	390,000
Krishna Bastralaya	063-03-30	-	100%	-	-	391,002
Mohan Prasad Sangraula	061-08-09	-	100%	-	-	400,000
Sapkota Electric Pvt.Ltd.	063-6-3	-	100%	-	-	407,500
Mini Carpet Udh yog	062-08-30	-	100%	-	-	442,103
Nat Bold House	062-09-04	-	100%	-	-	526,074
New Mahamai Furniture	063-03-30	-	100%	-	-	530,093
Sanjaya Galla Bhandar	063-11-10	-	100%	-	-	600,000
Amir Adhikari	062-10-17	-	100%	-	-	610,000
Manakamana Dairy P.Ltd.	062-12-17	-	100%	-	-	610,000
Narayani Salad A. Udh yog	062-12-04	-	100%	-	-	632,845
Lord Buddha Film P.Ltd.	062-10-11	-	100%	-	-	655,282
Prakash Enterprises	063-8-19	-	100%	-	-	688,580
Bahumukhi Sewa Udh yog	063-03-14	-	100%	-	-	800,000
Manju Devi K.C.	063-02-14	-	100%	-	-	859,349
Bijay Gharelu Khadhya Udh yog	063-01-19	-	100%	-	-	892,786
Radha Krishna Rice Mill	062-11-12	-	100%	-	-	900,000
Goodwil Enterprises	063-03-07	-	100%	-	-	923,438
Sina Galla E\Bhandar	063-03-11	-	100%	-	-	984,770
Sudhir Still Furniture	063-4-29	-	100%	-	-	1,000,000
Dev Kumar Fancy Stores	063-02-04	-	100%	-	-	1,000,000
Raju Khadhya Udh yog	063-02-09	-	100%	-	-	1,022,074
Everest Carpet Udh yog	063-03-11	-	100%	-	-	1,025,128

Name of Lender 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.		
Shivashakti Iron Industrise	062-09-26	-	100%	-	-	1,064,000
Jaya Laxmi Cloth House	062-02-12	-	100%	-	-	1,070,000
Sorgadwari Traders	063-02-11	-	100%	-	-	1,125,081
Suwash letta Udhyog	062-04-32	-	100%	-	-	1,150,000
Jaya Buddha Rice Mill	062-11-12	-	100%	-	-	1,200,000
Sri Galla Bhandar	063-03-11	-	100%	-	-	1,273,793
Kaushal Hardware Stores	063-03-11	-	100%	-	-	1,317,344
Ganesh Sa. Mill	062-08-07	-	100%	-	-	1,330,647
Manakamana Enterprises	063-02-22	-	100%	-	-	1,335,600
G.S. Rice Mill	062-10-28	-	100%	-	-	1,338,886
R.K. Trade Concern	062-06-03	-	100%	-	-	1,423,000
C.M. Traders	062-08-15	-	100%	-	-	1,492,000
Adhikari Furniture Udhyog	061-12-04	-	100%	-	-	1,500,000
Swadeshi Khadhya Udhyog	062-11-25	-	100%	-	-	1,516,294
Ganesh U Udhyog	062-09-26	-	100%	-	-	1,522,650
Chitawan Cold Stores P.Ltd.	062-12-17	-	100%	-	-	1,600,000
Acharya Traders	062-04-32	-	100%	-	-	1,659,600
Dhab Bahadur Baniya	062-07-14	-	100%	-	-	1,668,578
Purbanchal Bit Bord Raphreming	061-10-04	-	100%	-	-	1,695,200
Chinnamasta Distilari P.	063-11-10	-	100%	-	-	1,778,675
Ram Sharan Paudel	061-06-05	-	100%	-	-	1,867,500
Narayani Auto Disel	061-06-05	-	100%	-	-	1,950,000
Shubhakamana letta Udhyog	063-01-27	-	100%	-	-	2,022,810
Sanjiv Hardware	063-02-21	-	100%	-	-	2,038,329
Trimurti Shoping Center	063-03-14	-	100%	-	-	2,056,282
Sampada Enterprises	063-02-21	-	100%	-	-	2,115,000
Shailungeshwor Khadhya Udhyog	062-10-13	-	100%	-	-	2,662,740
Trimurti Enterprises	056-12-09	-	100%	-	-	2,759,446
Hom Prasad Dhakal	061-06-05	-	100%	-	-	2,858,750
M.N. Metal Works	062-06-20	-	100%	-	-	2,996,875
Jaya Lal Shah	061-03-29	-	100%	-	-	3,520,380
Om Prasad Dugad	062-03-20	-	100%	-	-	4,287,500
Jayalaxmi Chalchitri Mandir	062-09-19	-	100%	-	-	4,616,449
Laxmi Khadhya Udhyog	062-03-15	-	100%	-	-	5,050,000
Jaya Bhawani Rice Mill	062-05-29	-	100%	-	-	5,315,000
Annapurna Rice & Oil	062-03-19	-	100%	-	-	6,178,464
Siddheswori Industries P.Ltd.	063-02-09	-	100%	-	-	9,490,878
Dhaneswori Cotton Mill P.Ltd.	063-02-09	-	100%	-	-	10,154,205
Mahakali Nitware P.Ltd.	063-03-19	-	100%	-	-	10,345,595
Hari Prasad Dhanawat Group	061-09-28	-	100%	-	-	12,381,250
Trishakti Distilari P.Ltd.	063-5-22	-	100%	-	-	29,337,506
Total Amount		435,265,520	-	435,265,520	-	604,011,322
Less: Provision						604,011,322
Previous Year Net Non Banking Assets						-

(Bank logo)

Nepal Bank Limited
Other Assets
As at July 16, 2010 (Ashad 32, 2067)

Schedule 16

Particulars		Current Year Rs.	Previous Year Rs.
1 Stationary Stock		23,077,831	21,028,961
2 Interest Receivable on Investment		77,731,081	195,983,479
3 Accrued Interest on Loan	3,297,088,300	-	3,965,919,451
Less : Interest Suspense Amount	(3,297,088,300)		(3,965,919,451)
4 Commission Receivable		-	-
5 Sundry Debtors	360,825,864	271,929,237	584,161,154
Less : Provision	(88,896,627)		(88,896,627)
6 Staff Loan and Advance	1,634,312,078	1,621,311,448	1,738,165,621
Less : Provision	(13,000,630)		(13,000,630)
7 Prepayments		2,731,925	1,576,345
8 Cash in Transits		185,482,885	374,080,952
9 Other Transit Items (Including Cheques)		-	-
10 Draft Paid Without Advise	2,085,761,971	2,085,761,971	2,315,864,723
Less : Provision	-		(304,060)
11 Expenses Not Written Off		49,150,699	61,999,336
12 Branch Adjustment Account		-	-
13 Deferred Tax Assets		48,009,223	32,192,746
14 Others		583,369,534	1,502,616,859
Reimbursement (Pension) Receivable	(264,163,414)		333,654,037
Government Securities - Principal & Interest	8,927,668		23,753,769
Advance Tax	936,585,118	753,207,388	710,436,567
Less: Provision for Income Tax	(183,377,730)		(162,814,719)
Other Assets	96,662,918	85,397,892	608,852,231
Less : Provision	(11,265,026)		(11,265,026)
Total		4,948,555,834	6,725,468,859

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Nepal Bank Limited
Other Assets (Additional Statement)
As at July 16, 2010 (Ashad 32, 2067)

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	2,191,941,782	148,616,374	911,654,079	3,252,212,235	3,965,919,451
2 Drafts Paid without advise	1,921,094,322	108,984,783.10	55,682,866	2,085,761,971	2,315,864,723
3 Branch Adjustment Account	-	-	-	-	-
4 Local and Foreign Agency Accounts	-	-	-	-	-

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Nepal Bank Limited
Contingent Liabilities
As at July 16, 2010 (Ashad 32, 2067)

Schedule 17

Particulars	Current Year Rs.	Previous Year Rs.
1 Claims on Bank but not accepted by the Bank	74,326,487	77,641,983
2 Letters of credit (full amount)	817,478,314	590,522,675
a) Less than 6 months maturity	747,464,808	519,276,521
b) More than 6 months maturity	70,013,506	71,246,154
3 Rediscounted Bills	-	-
4 Unmatured Guarantees/Bonds	639,114,991	690,714,358
a) Bid Bonds	168,236,312	99,591,473
b) Performance Bonds	293,215,297	297,297,662
c) Other Guarantee / Bonds	177,663,382	293,825,223
5 Unpaid Shares in Investment	-	-
6 Forward Exchange Contract Liabilities	-	-
7 Bills under Collection	131,861,898	304,575,888
8 Acceptance and Endorsements	27,167,700	115,380,785
9 Underwriting Commitments	-	-
10 Irrevocable Loan Commitments	-	-
11 Counter Guarantee of Internationally Rated Banks	-	-
12 Advance Payment Guarantee	210,900,699	197,588,266
13 Financial Guarantee	3,171,000	3,090,000
14 Contingent Liabilities on Income Tax	996,484,310	-
15 Others	-	-
Total	2,900,505,399	1,979,513,955

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Nepal Bank Limited

Interest Income

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 18

Particulars		Current Year Rs.	Previous Year Rs.
a)	On Loan, Advance and Overdraft	2,460,066,356	1,868,118,639
	1 Loans and Advances	2,303,363,306	1,776,860,600
	2 Overdraft	156,703,050	91,258,039
b)	On Investment	551,492,534	749,157,478
	1 Nepal Government Securities	506,024,520	664,089,544
	a) Treasury Bill	412,125,347	586,146,044
	b) Development Bond	93,880,692	77,943,500
	c) National Saving Certificates	18,481	-
	2 Foreign Securities	35,583,096	75,195,054
	a) Investment on Foreign Bank	13,709,685	16,214,183
	b) Investment on Commercial Paper	21,873,411	58,980,871
	3 Nepal Rastra Bank Bonds	12,038	
	4 Debentures and Bonds	9,872,880	9,872,880
	a) Bank/Financial institutions	-	
	b) Other institutions	9,872,880	9,872,880
	5 Interest on Inter Bank Lending	-	-
c)	On Agency Balances	306,529	2,993,834
	1 Local Bank/Financial institutions	20,081	
	2 Foreign Banks	286,448	2,993,834
d)	On Money at call and Short Notice	15,915,961	12,102,879
	1 Local Bank/Financial institutions	15,915,961	12,102,879
	2 Foreign Banks	-	-
e)	On Others	39,772,159	57,685,478
	1 Certificate of Deposits	-	
	2 Inter bank/Financial institutions Loan	39,752,251	57,659,257
	3 Others	19,908	26,221
Total		3,067,553,539	2,690,058,308

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Nepal Bank Limited

Interest Expenses

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 19

Particulars	Current Year Rs.	Previous Year Rs.
A. On Deposit Liabilities	844,277,268	774,093,272
1 Fixed Deposits	144,025,283	142,930,726
1.1 Local Currency	144,003,618	142,877,858
1.2 Foreign Currency	21,665	52,868
2 Saving Deposits	678,715,218	626,151,244
2.1 Local Currency	678,663,749	626,081,640
2.2 Foreign Currency	51,469	69,604
3 Call Deposits	21,536,767	5,011,302
3.1 Local Currency	21,536,767	5,011,302
3.2 Foreign Currency	-	-
4 Certificate of Deposits	-	-
B. On Borrowings	63,809,070	15,877,299
1 Debentures and Bonds	-	-
2 Loan from Nepal Rastra Bank	63,809,070	15,876,795
3 Inter Bank / Financial Institutions Borrowing	-	-
4 Other Corporate Body	-	-
5 Other Loans(Foreign Currency)	-	504
C. On Others	1,904,193	1,740,077
1 Staff Medical Fund	1,622,795	1,451,384
2 Other interest expenses	281,398	288,693
Total	909,990,531	791,710,648

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Nepal Bank Limited

Commission & Discount

For the period from 1st Shrwan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 20

Particulars	Current Year Rs.	Previous Year Rs.
a) Bills Purchased & Discount	287,833	397,160
1 Local	134,111	255,376
2 Foreign	153,722	141,784
b) Commission	418,987,711	267,130,183
1 Letter of Credits	6,414,339	7,127,594
2 Guarantees	13,223,511	9,330,332
3 Collection Fee	4,178,092	4,173,757
4 Remittance Fee	52,352,268	51,857,839
5 Credit Cards	-	-
6 Share Underwriting/ Issues	-	-
7 Government Transactions	342,819,501	194,640,661
8 Agency Commission	-	-
9 Exchange Fee	-	-
c) Others	5,729,832	5,579,051
Total	425,005,376	273,106,394

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Nepal Bank Limited

Other Operating Income

For the period from 1st Shrwan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 21

Particulars	Current Year Rs.	Previous Year Rs.
1 Rental of Safe Deposit Vault	12,386,299	11,465,181
2 Issue and Renewal of Credit Cards	-	-
3 Issue and Renewal of ATM Cards	-	-
4 Telex / T.T	4,162,061	3,574,239
5 Service Charges	67,438,970	64,179,444
6 Renewal Fees	3,523,488	2,851,904
7 Others	65,361,965	74,686,943
Total	152,872,783	156,757,711

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Nepal Bank Limited

Exchange Fluctuation Gain/Loss

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 22

Particulars	Current Year Rs.	Previous Year Rs.
a) Revaluation Gain	(3,285,366)	67,804,647
b) Trading Gain	26,837,396	21,404,400
Total Income/ (Loss)	23,552,030	89,209,047

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Nepal Bank Limited

Staff Expenses

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 23

Particulars	Current Year Rs.	Previous Year Rs.
1 Salary	445,715,755	439,496,697
2 Allowances	292,264,653	216,733,085
3 Contribution on Provident fund	106,250,655	90,763,580
4 Training Expenses	1,522,481	944,621
5 Uniform	20,826,961	23,404,200
6 Medical	59,252,696	45,501,573
7 Insurance	2,183,856	2,661,282
8 Pension and Gratuity Provision and Paid	2,022,112,825	759,382,317
9 Others	23,865,025	61,678,396
Total	2,973,994,907	1,640,565,751

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Nepal Bank Limited

Office Overhead Expenses

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 24

Particulars		Current Year Rs.	Previous Year Rs.
1	House Rent	18,279,505	15,881,443
2	Electricity & Water	19,021,698	17,444,734
3	<u>Repair and Maintenance</u>	9,202,812	7,257,747
	a) Building.....	1,380,602	1,145,123
	b) Vehicles.....	1,767,179	1,406,041
	c) Others.....	6,055,031	4,706,583
4	Insurance	19,798,953	19,906,526
5	Postage, Telex, Telephone, Fax	23,860,517	20,698,475
6	Office Equipment, Furniture Repair	2,206,823	1,468,412
7	Traveling Allowance and Expenses	13,468,449	10,775,554
8	Stationery and Printing	12,436,824	12,234,322
9	Periodicals and Books	1,152,074	1,152,624
10	Advertisements	6,384,169	4,245,839
11	Legal Expenses	3,990,485	3,201,206
12	Donations	-	1,001,000
13	Expenses Relating to Board of Directors	3,159,890	1,698,822
	a) Meeting Fees	1,962,150	1,131,000
	b) Other Expenses	1,197,740	567,822
14	Annual General Meeting Expenses	-	-
15	Expenses Relating to Audit	1,577,258	1,570,610
	a) Audit Fee	1,073,500	960,500
	b) Other Expenses	503,758	610,110
16	Commission on Remittances	2,429,820	1,916,727
17	Depreciation on Fixed Assets	36,089,888	36,169,478
18	Amortization of Preliminary Expenses	-	-
19	Share Issue Expenses	-	-
20	Technical Service Fee	-	-
21	Entertainment	1,836,548	1,967,403
22	Written off Expenses	13,176,410	28,732,862
23	Security Expenses	60,101,442	47,453,279
24	Credit Guarantee Premium	-	20,732
25	Commission & Discount	9,955,831	10,046,746
26	Others	29,483,971	52,170,828
Total		287,613,367	297,015,369

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Nepal Bank Limited

Provision For Possible Loss

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 25

Particulars	Current Year Rs.	Previous Year Rs.
1 Increase in Loan Loss Provision	75,594,722	272,542,983
2 Increase in Provision for Loss on Investment	-	300,000
3 Provision against Non-banking Assets	-	-
4 Provision against Other Assets	43,770,526	61,472,078
Total	119,365,248	334,315,061

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Nepal Bank Limited

Non-Operating Income /Loss

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 26

Particulars	Current Year Rs.	Previous Year Rs.
1 Profit / (Loss) on sale of Investment	-	6,941,846
2 Profit / (Loss) on sale of Assets	47,513,348	49,190,507
3 Dividend	11,195,737	1,394,362
4 Subsidies Received from Nepal Rastra Bank	-	-
a) Reimbursement of losses of specified branches	-	-
b) Interest Subsidy	-	-
c) Exchange counter	-	-
5 Others	-	-
Total	58,709,085	57,526,715

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Nepal Bank Limited
Loss Provisions Written Back

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 27

Particulars	Current Year Rs.	Previous Year Rs.
1 Loan Loss Provision Written back	444,866,736	579,367,681
2 Provision against Non-Banking Assets Written Back	162,222,585	95,906,290
3 Investment Provision Written Back	-	-
4 Provision against Other Assets Written Back	-	1,098,413
Total	607,089,321	676,372,384

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Nepal Bank limited
Profit / Loss from Extra-ordinary Activities

For the period from 1st Shrawan 2066 to 32nd Ashad 2067 (16th July, 2009 to 16th July, 2010)

Schedule 28

Particulars	Current Year Rs.	Previous Year Rs.
1 Recovery of Write off loans	235,723,631	384,672,006
2 Voluntary Retirement Scheme Expenses	-	(219,527,364)
3 Write off of nonrecoverable loan (28A)	84,526,525	101,491,844
Less : Provision of Written Off Loan	<u>84,526,525</u>	<u>(101,491,844)</u>
4 Other Expenses / Income	-	-
Total	235,723,631	165,144,642

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Nepal Bank Limited
Statement of Loans Written-Off
As at July 16, 2010 (Ashad 32, 2067)

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	80,436,398.54					
2	Project Loan	2,647,876.50					
3	Fixed Capital Loan	-					
4	Personal Loan	-					
5	Other Loan	1,442,249.69					
	Total Loan	84,526,524.73					

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Nepal Bank Limited

Statement of Loan and Advances Extended to Directors/ Chief Executive/ Promoter/ Employees and Shareholders As at July 16, 2010 (Ashad 32, 2067)

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..... 2.....	6,750,000	19,440,000	4,429,000	10,705,000	-	2,321,000	8,735,000
(E) <u>Shareholders Holding More Than 1%</u> 1..... 2.....							
Total	6,750,000	19,440,000	4,429,000	10,705,000	-	2,321,000	8,735,000

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Nepal Bank Limited
CAPITAL FUND TABLE
As at July 16, 2010 (Ashad 32, 2067)

Schedule 30(A1)
in Rs. thousand

1.1 RISK WEIGHTED ASSETS	Current Period Rs.	Previous Period Rs.
a Credit Risk	39,824,157	32,136,319
b Operational Risk	2,606,640	2,908,338
c Market Risk	1,295,450	1,261,094
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	43,726,247	36,305,751
1.2 CAPITAL FUND*	(4,867,051)	(5,061,377)
Core Capital (Tier 1)	(4,867,051)	(5,061,377)
a Paid up equity Share Cpaital	380,383	380,383
b Irredeemable Non-cumulative preference shares	-	-
c Share Premium	-	-
d Proposed Bonus Equity Shares	-	-
e Statutory General Reserves	1,608,727	1,558,911
f Retained Earnings	(7,252,355)	(8,023,441)
g Current year profit/(loss)	-	660,414
h Capital Redemption Reserve	-	-
i Capital Adjustment Reserve	266,268	228,230
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	6,063	6,063
To be deducted :		
a Amount of goodwill	-	-
b Miscellaneous assets not written off	-	-
c Share investment in a licensed institution	-	-
d Investment made in a company having financial interest	-	-
e Investment exceeding limits	(143,359)	(139,159)
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)	579,550	-
a Cumulative and Redeemable Preference Share	-	-
b Unsecured subordinated Term Debt	-	-
c Hybrid Capital Instruments	-	-
d Pass loan loss provision	508,796	-
e Exchange Equalization Reserve	67,968	-
f Investment Adjustment Reserve	2,786	-
g Assets Revaluation Reserve	-	-
h Other Reserves	-	-
1.3 CAPITAL FUND RATIO	Current Period	Previous Period
Core Capital (Tier I) / Total Risk Weighted Assets	-11.13%	-13.94%
Capital Fund (Tier 1 and Tier 2) / Total Risk Weighted Assets	-11.13%	-13.94%

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

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Nepal Bank Limited

CREDIT RISK

As at July 16, 2010 (Ashad 32, 2067)

Schedule 30(B)
in Rs. thousand

Assets	Ashad end 2068						Previous Year	
	Book Value	Special Provision	Countable CRM	Net Amount	Risk Weight %	Risk Weighted Amount	Net Amount	Risk weighted amount
A. Balance Sheet Transaction	a	b	c	d=a-b-c	e	f=d*e		
Cash Balance	1,603,487			1,603,487	0%	-	1515655	0
Balance With Nepal Rastra Bank	7,493,118			7,493,118	0%	-	6619700	0
Gold					0%			
Investment in Nepalese Government Securities	2,673,719			2,673,719	0%	-	9059240	0
All other Claims on Government of Nepal (<i>Pension Receivable</i>)	(264,163)			(264,163)	0%	-	333654	0
Investment in Nepal Rastra Bank securities	1,538,700			1,538,700	0%	-	1538700	0
All other claims on Nepal Rastra Bank				-	0%	-	0	0
Claims on Foreign Government and Central Bank (ECA Rating 0-1)				-	0%	-	0	0
Claims on Foreign Government and Central Bank (ECA Rating 2)			-	-	20%	-	0	0
Claims on Foreign Government and Central Bank (ECA Rating 3)			-	-	50%	-	0	0
Claims on Foreign Government and Central Bank (ECA Rating 4-6)			-	-	100%	-	0	0
Claims on Foreign Government and Central Bank (ECA Rating 7)			-	-	150%	-	0	0
Claims on BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework				-	0%	-	0	0
Claims on Other Multilateral Development Banks			-	-	100%	-	0	0
Claims on Public Sector Entity (ECA Rating 0-1)			-	-	20%	-	0	0
Claims on Public Sector Entity (ECA Rating 2)			-	-	50%	-	0	0
Claims on Public Sector Entity (ECA Rating 3-6)			-	-	100%	-	0	0
Claims on Public Sector Entity (ECA Rating 7)			-	-	150%	-	0	0
Claims on domestic banks that meet capital adequacy requirements	50,030		-	50,030	20%	10,006	365500	73100
Claims on domestic banks that do not meet capital adequacy requirements	350,249		-	350,249	100%	350,249	452292	452292
Claims on Foreign Banks (ECA Rating 0-1)	1,788,872		582,612	1,206,260	20%	241,252	2171162	434232
Claims on Foreign Banks (ECA Rating 2)	927		927	-	50%	-	0	0
Claims on Foreign Banks (ECA Rating 3-6)	223,121		96,764	126,357	100%	126,357	77850	77850
Claims on Foreign Banks (ECA Rating 7)			-	-	150%	-	0	0
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%	-	0	0
Claims on Foreign Corporates (ECA Rating 0-1)			-	-	20%	-	0	0
Claims on Foreign Corporates (ECA Rating 2)			-	-	50%	-	0	0
Claims on Foreign Corporates (ECA Rating 3-6)			-	-	100%	-	0	0
Claims on Foreign Corporates (ECA Rating 7)			-	-	150%	-	0	0
Regulatory Retail Portfolio (Not Overdue)			-	-	75%	-	0	0
Claims fulfilling all reiteration of regulatory retail except granularity			-	-	100%	-	0	0
Claims secured by residential properties	4,712,939		-	4,712,939	60%	2,827,763	3806493	2283896
Claims not fully secured by residential properties			-	-	150%	-	0	0
Claims secured by residential properties (Overdue)			-	-	100%	-	0	0
Claims secured by Commercial real estate			-	-	100%	-	0	0
Past due claims (except for claim secured by residential properties)			-	-	150%	-	0	0
High Risk claims	20,339,413		1,429,264	18,910,149	150%	28,365,224	13988118	20982177
Investment in equity of institutions listed in the stock exchange	-	-	-	-	100%	-	0	0
Investment in equity of institutions not listed in the stock exchange			-	-	150%	-	0	0
Other Assets	9,300,682	3,821,250	-	5,479,432	100%	5,479,432	6398565	6398565
Total	49,811,094	3,821,250	2,109,567	43,880,277		37,400,283	46,326,929	30,702,112

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Nepal Bank Limited
CREDIT RISK
As at July 16, 2010 (Ashad 32, 2067)

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%	-	0	0
Bills Collecion	131,862			131,862	0%	-	304576	0
Advance exchange agreement			-		10%			
LC Commitments With Original Maturity Up to 6 months domestic counterparty			-	-	20%	-	0	0
foreign counterparty (ECA Rating 0-1)	-		-	-	20%	-	0	0
foreign counterparty (ECA Rating 2)			-	-	50%	-	0	0
foreign counterparty (ECA Rating 3-6)	747,465		49,102.36	698,363	100%	698,363	474394	474394
foreign counterparty (ECA Rating 7)			-	-	150%	-	0	0
LC Commitments With Original Maturity Over 6 months domestic counterparty			-	-	50%	-	0	0
foreign counterparty (ECA Rating 0-1)			-	-	20%	-	0	0
foreign counterparty (ECA Rating 2)			-	-	50%	-	0	0
foreign counterparty (ECA Rating 3-6)	70,014		4,599.32	65,415	100%	65,415	65088	65088
foreign counterparty (ECA Rating 7)			-	-	150%	-	0	0
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	461,452		30,313.62	431,138	50%	215,569	362585	181293
foreign counterparty (ECA Rating 0-1)			-	-	20%	-	0	0
foreign counterparty (ECA Rating 2)			-	-	50%	-	0	0
foreign counterparty (ECA Rating 3-6)			-	-	100%	-	0	0
foreign counterparty (ECA Rating 7)			-	-	150%	-	0	0
Guarantee claimed but not paid			-	-	50%	-	0	0
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-	0	0
Loans under repurchase agreements			-	-	100%	-	0	0
Advance Payment Guarantee	210,901		13,854.46	197,047	100%	197,047	180510	180510
Financial Guarantee	3,171		208.31	2,963	100%	2,963	2823	2823
Acceptances and Endorsements	27,168		-	27,168	100%	27,168	115381	115381
Unpaid portion of Partly paid shares and Securities			-	-	100%	-	0	0
Irrevocable Credit Commitments (short term)			-	-	20%	-	0	0
Irrevocable Credit Commitments (long term)			-	-	50%			
Other Contingent Liabilities	1,217,349		-	1,217,349	100%	1,217,349	414718	414718
Total	2,869,382	-	98,078	2,771,305		2,423,874	1,920,075	1,434,207
Total Credit Risk (A+B)	52,680,476	3,821,250	2,207,645	46,651,582	-	39,824,157	48,247,004	32,136,319
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)	52,680,476	3,821,250	2,207,645	46,651,582	-	39,824,157	48,247,004	32,136,319

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

Amount eligible for CREDIT RISK MITIGANTS (CRM)

As at July 16, 2010 (Ashad 32, 2067)

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	Guarentee of natioanl banks	G'tee of multilateral developmen t 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)	582,612									582,612.00
Claims on Foreign Banks (ECA Rating 2)	927									927.00
Claims on Foreign Banks (ECA Rating 3-6)	96,764									96,764.00
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	-	175,066		962,114	292,084					1,429,264.00
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	680,303	175,066	-	962,114	292,084	-	-	-	-	2,109,567

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Nepal Bank Limited

Amount eligible for CREDIT RISK MITIGANTS (CRM)

As at July 16, 2010 (Ashad 32, 2067)

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	Guarentee of natioanl banks	G'tee of multilateral developmen t 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)	49,102									49,102.00
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)	4,599									4,599.00
foreign counterparty (ECA Rating 7)										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty	30,314									30,314.00
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	13,854									13,854.00
Financial Guarantee	208									208.00
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	98,077	-	-	-	-	-	-	-	-	98,077
Total Credit Risk	778,380	175,066	-	962,114	292,084	-	-	-	-	2,207,644

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Nepal Bank Limited

OPERATIONAL RISK

As at July 16, 2010 (Ashad 32, 2067)

Schedule 30(D)
in Rs. thousand

Particulars	Years befor Ashad 31, 2067			Previous Year
	Year 1	Year 2	Year 3	
Net Interest Income	1,075,968	1,322,249	1,898,348	
Commission and Discount	181,020	229,724	273,106	
Other Operating Income	126,504	157,432	156,758	
Exchange Fluctuation Income	-	119,407.00	89,209	
Additional Interest Suspense account of this year	(139,714)	259,521	(536,261)	
Gross income (A)	1,243,778	2,088,333	1,881,160	
Specified percentage (Alfa) (B)	15%	15%	15%	
Net Income by the specified percentage {C=(AxB)}	186,567	313,250	282,174	
Capital necessary for operational risks (D)= average of (C)				260,664
Risk weight (reciprocal of capital requirement) (E)				10
Risk weight amount for operational risks (F)=(D)x(E)				2,606,640
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)x(G)				2,606,640

* Interest Written Off During F.Y. 2064/65 of Rs. 844,604 thousand has been adjusted in Year 2.

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Nepal Bank Limited
MARKET RISK
As at July 16, 2010 (Ashad 32, 2067)

Schedule 30(E)
in Rs. thousand

S. No.	Particulars	2067 Ashad end			2066 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	80,763	129,220	129,220	131,709
2	American Dollar*	(17,441)	(1,299,346)	1,299,346	933,595
3	Pound Sterling	1,272	146,060	146,060	150,411
4	Euro	6,934	666,757	666,757	872,867
5	SFR	-	-	-	-
6	Japanese Yen	357,165	305,733	305,733	347,951
7	Singapore Dollar	94	5,062	5,062	4,648
8	Australian Dollar	172	11,233	11,233	25,016
9	Canadian Dollar	325	23,221	23,221	55,993
10	Swiss Frank	60.00	4,258.00	4,258	-
11					
12					
Total Open Position (a)				2,590,890	2,522,190
Prescribed Percentage (b)				5%	5%
Capital required for Market Risk (c)=(a)x(b)				129,545	126,110
Risk Weight (reciprocal of capital requirement) (d) (100/10)				10	10
Risk Weight amount for market risks (e)=(c)x(d)				1,295,450	1,261,100

*Due to unavailability of required information, SDR Borrowing (NPR Rs. 1,970,675 thousand) has been netted off with US dollar.

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Nepal Bank Limited

Principal Indicators

Schedule 31

S.No.	Particulars	Indicators	FY 2062/63	FY 2063/64	FY 2064/65	FY 2065/66	FY 2066/67
1	Percentage of Net Profit/ Gross Income	Percent	28.00	9.59	8.53	22.68	5.75
2	Earning Per Share	Rs.	317.00	59.66	62.89	235.09	65.56
3	Market Value Per Share	Rs.	-	-	-	-	-
4	Price Earning Ratio	Ratio	-	-	-	-	-
5	Dividend (including bonus) on Share Capital	Percent	-	-	-	-	-
6	Cash Dividend on Share Capital	Percent	-	-	-	-	-
7	Interest Income/ Loan & Advances	Percent	16.47	13.44	13.39	13.75	12.24
8	Staff Expenses/ Total Operating Expenses	Percent	47.02	50.52	56.61	60.11	71.29
9	Interest Expenses on Total Deposit and Borrowings	Percent	2.06	1.90	1.80	1.70	2.02
10	Exchange Gain/ Total Income	Percent	2.81	(2.00)	4.26	2.26	0.54
11	Staff Bonus/ Total Staff Expenses	Percent	11.31	2.02	2.33	5.79	0.85
12	Net Profit/ Loan and Advances	Percent	9.70	1.65	1.52	4.57	1.00
13	Net Profit/ Total Assets	Ratio	3.36	0.58	0.57	1.88	0.56
14	Total Credit/ Deposit	Percent	34.72	35.26	37.69	43.28	58.42
15	Total Operating Expenses/ Total Assets	Percent	6.32	5.67	5.66	5.74	9.32
16	Adequacy of Capital Fund on Risk Weighted Assets						
	a. Core Capital	Percent	(40.44)	(37.97)	(27.55)	(13.94)	(11.13)
	b. Supplementary Capital	Percent	(2.65)	(0.86)	-	-	-
	c. Total Capital Fund	Percent	(43.09)	(38.83)	(27.55)	(13.94)	(11.13)
17	Liquidity (CRR)	Percent	19.00	18.24	15.82	20.29	23.65
18	Non-performing Credit/ Total Credit	Ratio	18.18	13.49	12.38	4.94	4.87
19	*Weighted Average Interest Rate Spread	Percent	3.16	4.51	4.82	6.45	7.59
20	Book Net-worth	Rs.	(1,660)	(1,640)	(1,580)	(1,280)	(1,210)
21	Total Shares	No.	3,803,826	3,803,826	3,803,826	3,803,826	3,803,826
22	Total Staffs	No.	2,960	2,937	2,885	2,442	2,926

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

Note : Per share market price has not been considered since trading of bank's share has been suspended since 2059/60.

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Nepal Bank Limited

Significant Accounting Policies **Forming Part of the Financial Statements for the FY 2066/67 (FY 2009/10)**

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 attached Financial Statements of the bank is approved by the Management Committee as on Ashad 28, 2068 (July 12, 2011) for issue and publication.

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 Standard and directives as well as formats issued/ prescribed by Nepal Rastra Bank. 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) Discounts and commissions, service fees and rental income from save 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.

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, there is revaluation loss during this year and none of the amounts 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:-

Capital items costing up to Rs. 2000 per unit are fully charged as expense in the year of purchase. The payment of Rs. 80,251,324/- for construction of commercial complex 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% 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 100% 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 100% 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% is made. With a view of making adequate risk provision in case of some loans, additional provision has been made then prescribed by directive of Nepal Rastra Bank.

1% 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% 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:

Retirement Benefit Liability arising on account of retirement gain of bank's employees as per Employee Bylaws- 2062 was previously valued by the bank itself and booked as expense; however policy is made from this year to transfer the actual amount to the approved retirement fund after making 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% 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:

Gratuity Liability arising on account of retirement gain of bank's employees as per Employee Bylaws- 2062 was previously valued by the bank itself and booked as expense; however policy is made from this year to transfer the actual amount to the approved retirement fund after making Actuarial Valuation.

iii. Pension Provision of Working Employees:

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- 2062 was previously valued by the bank itself and booked as expense; however policy is made from this year to transfer the actual amount to the approved retirement fund after making Actuarial Valuation.

iv. Provision/ Payment of Pension of Retired Employees:

Payment made to retired employees against pension was expensed on cash basis of accounting till the previous year; however actuarial valuation is done from this year and two third amounts is transferred to approved retirement fund as per interim provision of adopting Nepal Accounting Standard 14 for the first time.

v. Amount against Leave:

Payment against employee leave is accounted on accrual basis after ascertaining the actual amount as per Employee Bylaws-2062.

However, no provision is made against leave of contract employees.

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:-

Income tax provision is based on prevailing 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 2066/67 (FY 2009/10)

Schedule 33

1. Provision for Employee Bonus

As per Bonus Act, 10% of Net Profit (after providing provision for employee bonus) has been provisioned against Employee Bonus.

2. Inter- Branch Reconciliation

The reconciliation of inter branch accounts is completed up to Ashad end 2067 (Mid July 2010) and the statement of outstanding reconciliation is as follows:

Rs. in Thousand

Outstanding Period	Head Office Accounts	
	Credit Outstanding	Debit Outstanding
Till 1 year	74,266,390	79,655,832
1 to 3 years	41,473,002	40,593,250
More than 3 years	3,834,703	3,464,444
Total	119,574,095	123,713,526

3. Draft Paid Without Notice

The outstanding amount in Draft Paid without Notice account pending settlement as on Ashad end 2067 (July 16, 2010), which will be adjusted subsequently with inter branch is as follows.

Period	Amount (Rs. in thousand)
Till 1 year	1,921,094
1 to 3 years	108,985
More than 3 years	55,683
Total	2,085,762

4. Agency Reconciliation

The reconciliation of agency bank is completed up to Ashad end 2067 (Mid July 2010). 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	2655424	3467158	964444	3637537
1 to 3 years	293510	822708	78924	41714
More than 3 years	86499	4593	227516	346681
Total	3035433	4294459	1270884	4025932

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
Outstanding as on Ashad end 2066 (Mid July 2009)	19,560,094
Additional Loan disbursed during this year	7,445,000
Total	27,005,094
Collection during this year	1,868,215
Write off during this year	84,527
Total collection and write off	1,952,742
Outstanding as on Ashad end 2067 (Mid July 2010)	25,052,352

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

The bank has waived interest (inclusive of simple, compound and penal) amounting to Rs. 1,043,127 thousand in the course of recovering non- performing loans.

6. Provision for Possible Losses

6.1) Loan Loss Provision

Loan Loss Provision on outstanding loans and advances, including bills purchase, as at the year-end has been made as per the classification and rates prescribed by Nepal Rastra Bank. In addition to above, additional provision has also been considered on the basis of analysis of quality by the head office for the loans where the principle outstanding is more than Rs. 2,000 thousand. In case of priority sector lending 100% provision has been made.

Bank has provisioned Rs. 19, 76 thousand at the rate of 1% to the amount deposited in "Youth and Small Business Self Employment Fund".

6.2) Non Banking Assets

Bank has total Non Banking Assets equivalent to Rs. 435,266 thousand. Provision amounting to Rs. 162,223 thousand has been written back from provision account to income towards Non Banking Assets that has been sold off during this year. Bank has adopted policy of making 100% provision on account of Non Banking Assets.

6.3) Liabilities for Accumulated Leave

There is liability of Rs. 196,317 thousand as at Ashad end 2067 on account of employee accumulated leave, which stands at Rs. 161,269 thousand as at Ashad end 2066 and the short amount of Rs. 35,048 thousand is provided as additional provision during this year.

6.4) Provision for Loss on Investment

The Provision made on account of shares of Gorakhkali Rubber Udyog during the Fiscal year 2002/03 of Rs. 8,640 thousand is kept consistent though the market price stands at Rs. 38 per share owing to unstable market conditions. Thus: excess provision of Rs. 2,720 thousand is not transferred to income. Similarly non performing loan from Tara Gawn Regency Hotel Limited has been converted in to share investment is provisioned 100% despite the market price stands at Rs. 78 per share.

7. Loan Write Off and Recovery

Bank has written off non performing loan of Rs. 84,527 thousand during this year and Rs. 235,724 thousand is recovered out of written of loans. 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 of Loan	903	4635183.80	10611517.07	15246700.87
2	Recovery from written of Loans	423	920000.00	643000.00	1563000.00
3	Outstanding written off loan	480	3715183.80	9968517.07	13683700.87

8. Change in Deposits

The deposit is decreased by Rs. 2,312,193 thousand in the current year as compared to previous year.

	Rs. in Thousand		
Types of Deposit	<u>2066/03/31</u>	<u>2067/03/32</u>	<u>Change</u>
<u>Non Interest Bearing Accounts</u>			
Current Accounts	9,923,275	10,942,416	1,019,141
Margin Deposits	102,690	98,078	-4,612
Others	287,196	291,560	4,364
<u>Interest Bearing Accounts</u>			
Saving Accounts	31,284,261	27,313,756	-3,970,505
Fixed Deposit	3,586,190	4,226,765	640,575
Money at Call	10,620	9,464	-1,156
Total Deposit	45,194,232	42,882,039	-2,312,193

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	9.56 Percent
Average interest paid on deposits and loans	1.97 Percent
Average interest Spread	7.59 Percent

10. Borrowing (Subsidiary 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 Margh 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% p.a. commitment fee on the amount not drawn and 0.75% p.a. service fee on the amount drawn.

Bank has received total loan of Rs. 1,825,141 thousand till the end of Ashad 2067 (Mid July 2010) from that reform project.

11. Deferred Expense (Income)

- i. Out of outstanding write off expense, write off made during this year of Rs. 2,132 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. 11,061 thousand has been written off in this year.

12. Employee Retirement Expense

Out of total provision of Rs. 875,209 thousand to be provided for Retirement Benefit liability during this year as per actuarial valuation, Rs. 500,000 thousand is provisioned till the previous fiscal year and remaining short liability amount of Rs. 375,209 thousand is deposited in approved retirement fund by accounting under employee expense.

Out of the total provision of Rs. 2,136,137 thousand to be provided for gratuity and pension liability of existing employees as at the end of this fiscal year as per actuarial valuation, Rs. 1,900,373 thousand is already provisioned and remaining liability of Rs. 235,761 thousand is deposited in approved retirement fund by accounting under employee expense.

Total liability of Rs. 1,841,477 thousand has been determined by Actuarial Valuation for pension to retired employees (existing pensioner) as at the end of this fiscal year, out of which two third of amount i.e. Rs. 1,227,652 thousand has been deposited in approved retirement fund by accounting under employee expense as per Nepal Accounting Standard 14 and remaining one third of amount i.e. Rs. 613,826 thousand has been deferred for accounting as expense in next year.

Following is the effect in profit and loss account from the new policy adopted from this year.

Rs. in Thousand

Particulars	Retirement Benefit	Gratuity and pension of Existing employees	Pension to the retired employees (Existing Pensioner)	Total
As per new provision	375,209	235,761	1,376,095	1,987,065
As per old provision	200,000	1,810,772	148,443	2,159,215
Additional expense for this year	175,209	(1,575,011)	1,227,652	(172,150)

13. Income Tax and Provision

As per prevailing tax rules and regulations Rs. 120,367 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 2065/66. Following tax assessment has been made by the Inland Revenue Department, Large Tax Payer's Office for the fiscal year 2061/62 and 2062/63.

Particulars	Tax Amount (Rs. In thousand)	
	F.Y. 2061/62	F.Y. 2062/63
As per income tax return of the bank	-	-
As per tax assessment of the tax office	387,149	554,731

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 2060/61, 2061/62 and 2062/63.

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% tax rate.

Particulars	Fixed Assets	Outstanding Deferred expense for write off	Provision against leave	Total
Account base	187,135,516	49,150,699	196,316,698	432,602,913
Tax base	200,000,260	-	-	200,000,260
Difference	12,864,744	(49,150,699)	161,268,933	124,982,978
This Year Deferred Tax Asset	3,859,423	(14,745,210)	58,895,009	48,009,222
Previous Year Deferred Tax Asset	2,411,867	(18,599,801)	48,380,680	32,192,746
Deferred tax Income (Expense)	1,447,556	3,854,591	10,514,329	15,816,477

15. **Income Expense of Previous Period**

Expense of Rs. 1,601 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 74,326 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:

Rs. in Thousand

Period	Asset	Liability	Gap	Cumulative Gap
Up to 3 months	22,214,994	7,544,449	14,670,545	14,670,545
3 to 6 months	1,513,626	2,968	1,510,658	16,181,203
6 to 9 months	3,383,392	84,319	3,299,073	19,480,276
9 to 12 months	2,509,030	2,140,802	368,228	19,848,504
More than 1 year	7,312,236	34,701,581	(27,389,345)	(7,540,841)

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. Change in Reserves

- i) From of the profit of this fiscal year, Rs. 49,876 thousand (20% of the net profit) has been transferred to General Reserve Fund.
- ii) From the profit of this fiscal year, 10% of the paid up capital 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 4 members at present. 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% of total paid up capital of Nepal Insurance Company Ltd. During this fiscal year 2066/67, insurance premium of Rs. 19,799 thousand has been paid to that company.

23. Facilities to the Key Persons of the Management

During this fiscal year, salary of Rs. 657 thousand and vehicle is made available to the Chief Executive officer (CEO)/ Coordinator of Management Team. In addition expense of Rs. 1,962 thousand as meeting allowance and Rs. 1,197 thousand as meeting expense of Management Committee and has been incurred.

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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 16, 2010 (Ashad 32, 2067)

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 16, 2010 (Ashad 32, 2067)

Schedule 35
in Rs. thousand

S.No.	Particulars	As per Unaudited Published Financial	As per Audited Financial	Varicance		Reasons for Variance
				In Amount	In %	
1	Total Capital and Liabilities (1.1 to 1.7)	46,430,624	46,663,314	(232,690)	(0.50)	
1.1	Paid up Capital	380,383	380,383	-	-	Due to undermentioned impacts
1.2	Reserve and Surplus	(4,877,597)	(4,985,312)	107,715	(2.21)	
1.3	Debenture and Bond	-	-	-	-	
1.4	Borrowings	2,125,141	2,125,141	-	-	
1.5	Deposits (a+b)	42,406,007	42,882,040	(476,033)	(1.12)	Due to late received of statements from some rural branch
	a. Domestic Currency	42,193,664	42,669,718	(476,054)	(1.13)	Due to late received of statements from some rural branch
	b. Foreign Currency	212,343	212,322	21	0.01	Due to late received of statements from some rural branch
1.6	Income Tax Liability	-	-	-	-	Heading reclassification, decrease in loan provision, interbranch reconciliation
1.7	Other Liabilities	6,396,690	6,261,063	135,627	2.12	
2	Total Assets (2.1 to 2.7)	46,430,624	46,663,314	(232,690)	(0.50)	
2.1	Cash and Bank Balance	10,059,315	10,141,280	(81,965)	(0.81)	Due to late received of statements from some rural branch
2.2	Money at Call and Short Notice	-	-	-	-	Heading reclassification
2.3	Investments	5,886,083	5,784,372	101,711	1.73	
2.4	Loan and Advances	24,934,962	25,052,352	(117,390)	(0.47)	Due to late received of statements from some rural branch
2.5	Fixed Assets	291,646	301,488	(9,842)	(3.37)	Depreciation adjustment in Fixed assets, Interbranch reconciliation
2.6	Non Banking Assets	435,266	435,266	-	-	Heading reclassification and interbranch reconciliation
2.7	Other Assets	4,823,352	4,948,556	(125,204)	(2.60)	
3	Profit and Loss Account					
3.1	Interest Income	3,097,405	3,067,554	29,851	0.96	Recognition of missed income
3.2	Interest Expense	899,375	909,991	(10,616)	(1.18)	Recognition of missed expenses.
A.	Net Interest Income (3.1-3.2)	2,198,030	2,157,563	40,467	1.84	
3.3	Fees, Commission, Discount	355,664	425,005	(69,341)	(19.50)	Recognition of missed income
3.4	Other Operating Income	150,104	152,873	(2,769)	(1.84)	Heading reclassification
3.5	Foreign Exchange Gain/Loss (Net)	23,550	23,552	(2)	(0.01)	Recognition of missed income
B.	Total Operating Income (A+3.3+3.4+3.5)	2,727,348	2,758,993	(31,645)	(1.16)	
3.6	Staff Expenses	2,566,057	2,973,995	(407,938)	(15.90)	Recognition of missed employees' retirement expenses.
3.7	Other Operating Expenses	305,101	287,613	17,488	5.73	Heading reclassification
C.	Operating Profit Before Provision (B-3.6-3.7)	(143,810)	(502,615)	358,805	(249.50)	
3.8	Provision for possible losses	(240,996)	119,365	(360,361)	149.53	Heading reclassification, change in provision amount.
D.	Operating Profit (C-3.8)	97,186	(621,980)	719,166	739.99	
3.9	Non Operating Income/Expenses (Net)	63,832	58,709	5,123	8.03	Recognition of missed expenses.
3.1	Write Back of Provision for Possible Loss	168,806	607,089	(438,283)	(259.64)	Heading reclassification, change in provision amount.
E.	Profit from Regular Activities (D+3.9+3.10)	329,824	43,818	286,006	86.71	
3.11	Extraordinary Income/Expenses (Net)	231,330	235,724	(4,394)	(1.90)	Recognition of missed income
F.	Profit before Bonus and Taxes (E+3.11)	561,154	279,542	281,612	50.18	
3.12	Provision for Staff Bonus	51,014	25,413	25,601	50.18	Due to the effect of above mentioned.
3.13	Provisions for Tax	153,042	20,563	132,479	86.56	Difference in income tax and deferred tax on auditing.
G.	Net Profit/Loss (F-3.12-3.13)	357,098	233,566	123,532	34.59	

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Nepal Bank Limited
Unaudited Financial Results
F.Y. 2009/10 (F.Y. 2066/67) (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)	46,430,624	45,969,826	50,243,587
1.1	Paid Up Capital	380,383	380,383	380,383
1.2	Reserve and Surplus	(4,877,597)	(4,998,427)	(5,594,281)
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	2,125,141	2,707,408	1,970,675
1.5	Deposits (a+b)	42,406,007	40,800,815	44,628,206
	a. Domestic Currency	42,193,664	40,601,067	44,426,414
	b. Foreign Currency	212,343	199,748	201,792
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	6,396,690	7,079,647	8,858,605
2	Total Assets (2.1 to 2.7)	46,430,624	45,969,826	50,243,587
2.1	Cash and Bank Balance	10,059,315	7,209,208	9,154,759
2.2	Money at Call and short Notice	-	50,000	400,000
2.3	Investments	5,886,083	7,468,179	13,397,860
2.4	Loans and Advances	24,934,962	23,902,790	19,482,245
	a. Real State Loan	1,480,285	846,349	
	b. Housing Loan	2,056,268	1,977,415	
	c. Margin Loan	1,156,401	1,214,786	
	d. Term Loan	6,175,210	4,194,328	
	e. Overdraft Loan	9,461,406	9,816,386	
	f. Others	4,605,392	5,853,526	
2.5	Fixed Assets	291,646	272,807	233,934
2.6	Non Banking Assets	435,266	488,916	604,071
2.7	Other Assets	4,823,352	6,577,925	6,970,718
3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	3,097,405	2,057,003	2,686,777
3.2	Interest Expense	899,375	630,013	780,510
	A. Net Interest Income (3.1-3.2)	2,198,030	1,426,991	1,906,266
3.3	Fees, Commission and Discount	355,664	151,970	260,698
3.4	Other Operating Income	150,104	104,337	181,181
3.5	Foreign Exchange Gain/Loss (Net)	23,550	18,835	89,208
	B. Total Operating Income (A.+3.3+3.4+3.5)	2,727,348	1,702,133	2,437,354
3.6	Staff Expenses	2,566,057	882,946	1,807,044
3.7	Other Operating Expenses	305,101	204,556	291,752
	C. Operating Profit Before Provision (B.-3.6-3.7)	(143,810)	614,630	338,558
3.8	Provision for Possible Losses	(240,996)	(21,573)	(254,086)
	D. Operating Profit (C.-3.8)	97,186	636,203	592,644
3.9	Non Operating Income/Expenses (Net)	63,832	28,597	57,527
3.10	Write Back of Provision for Possible Loss	168,806	115,155	73,331
	E. Profit from Regular Activities (D.+3.9+3.10)	329,825	779,955	723,501
3.11	Extraordinary Income/Expenses (Net)	231,330	156,292	390,062
	F. Profit before Bonus and Taxes (E.+3.11)	561,154	936,247	1,113,564
3.12	Provision for Staff Bonus	51,014	85,113	87,597
3.13	Provision for Tax	153,042	255,340	231,564
	G. Net Profit/Loss (F.-3.12-3.13)	357,098	595,793	794,403
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	-11.76%	-10.37%	-10.27%
4.2	Non Performing Loan/Total Loan	4.98%	4.11%	5.91%
4.3	Total Loan Loss ProvisionTotal NPL	123.07%	204.53%	190.31%
4.4	Cost of Fund	2.70%	2.66%	-
4.5	Credit Depoit Ration(as per NRB)	66.15%	66.43%	-