

# Nepal Bank Limited

## Kathmandu

Annual Financial Statements  
Fiscal Year 2068/69(2011/12)

Auditor:

Shree J.B. Rajbhandary & DiBins

Chartered Accountants

Darbarmarg, Kathmandu

Telephone No.01-4228352, 01-4247177

Paush 2069 (Jan 2013)

# J. B. Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

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

1. We have audited the accompanying financial statements of Nepal Bank Limited, Which comprise the Balance Sheet as at Ashad 31, 2069 (July 15, 2012), 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. In our opinion, except for matter referred to in Para 5(iii) and (vi) below, the accompanying financial statements give a true and fair view, in all material respects the financial position as at Ashad 31, 2069 (July 15, 2012) and of the results of its operating performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards and comply with Company Act 2063, Bank and Financial Institutions Act, 2063 and Directives of Nepal Rastra Bank.

### 5. Report relating to necessity of Legal and Controlling Body

Based on our examination we report that,

- i) We have obtained all the information, explanations and response, which were considered necessary for the purpose of our audit.
- ii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement and attached schedules dealt with by this report are prepared in conformity with formats and procedures prescribed by Nepal Rastra Bank and are in agreement with the books of accounts maintained by the company.
- iii) The bank has accounted interest income on cash basis as per Nepal Rastra Bank's directive. Bank has accounted depreciation expense in line with provisions of Income Tax Act, 2058, which is not in line with Nepal Accounting Standard. Except above, the accounts and records of the bank have been maintained as required by law.

- iv) During the examination of the books of accounts of the bank, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the bank has acted contrary to the provisions of law or cause loss or damage to the bank.
- v) The operation of the bank was within its jurisdiction.
- vi) The bank has not maintained adequate capital fund in accordance with the directives of Nepal Rastra Bank. Except this, the bank has been functioning as per the directives of Nepal Rastra Bank.
- vii) The bank has written-off loans as per the policy approved by Nepal Rastra Bank.
- viii) The bank has been functioning as per the directives of Nepal Rastra Bank.
- ix) The bank has not acted against the interest and security of the depositors and shareholders.
- x) In spite of the independent auditing, the returns received from the branches of bank were adequate for the purpose of our audit.
- xi) We have not come across any fraudulence in the accounts from the record of bank and our auditing.

Kathmandu

Date: 2069/09/23 (07/01/2013)

Sd.  
C.A.Jitendra Bahadur Rajbhandary  
Senior Partner  
J.B.Rajbhandary & DiBins  
Chartered Accountants

# Nepal Bank Limited

## Balance Sheet

As at 15 July 2012 (Ashad 31, 2069)

Capital and Liabilities		Schedule	Current Year Rs.	Previous Year Rs.
1.	Share Capital	1	1,772,827,700	380,382,600
2.	Reserve and Fund	2	(4,680,604,123)	(4,856,965,628)
3.	Debentures and Bonds	3	-	-
4.	Loan/advance due to be paid	4	2,153,794,480	1,840,211,617
5.	Deposits	5	56,052,372,757	46,808,435,445
6.	Bills Payable	6	74,767,015	34,436,212
7.	Proposed Dividend		-	-
8.	Income Tax Liabilities		-	-
9.	Other Liabilities	7	3,242,362,954	6,952,157,199
<b>Total</b>			<b>58,615,520,783</b>	<b>51,158,657,445</b>

Assets		Schedule	Current Year Rs.	Previous Year Rs.
1.	Cash Balance	8	1,940,995,312	1,570,315,796
2.	Balance with NRB	9	10,635,913,746	9,343,275,261
3.	Balance with Banks/Financial Institution	10	1,486,784,057	1,100,274,257
4.	Money at Call and Short Notice	11	-	400,000,000
5.	Investment	12	8,391,726,083	7,585,544,182
6.	Loans, Advances and Bills Purchased	13	27,670,840,071	24,671,281,894
7.	Fixed Assets	14	351,063,892	334,956,403
8.	Non-Banking Assets	15	-	-
9.	Other Assets	16	8,138,197,622	6,153,009,652
<b>Total Assets</b>			<b>58,615,520,783</b>	<b>51,158,657,445</b>

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

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

As per Our attached Report

Date: 2069/09/22 (06/01/2013)

Kathmandu.

### Management Committee

Sd. Kiran Kumar Shrestha General Manager	Sd. Laxmiraj Paudel General Manager	Sd. Maheshworlal Shrestha Coordinator, Mgmt. Team	Prof. Dr. Dev Raj Adhikari	Coordinator	Sd.	Sd. C.A. Jitendra Bahadur Rajbhandary
			Pramodraj Sharma	Member	Sd.	Partner
			Ramesh P. Sharma Upadhaya	Member	Sd.	J.B. Rajbhandary & DiBins Chartered Accountants
Sd. Vadhav Prasad Devkota Chief Manager	Sd. Ram Bihari Shah Deputy General Manager		Surendramani Tripathi	Member	Sd.	
			Janardhan Acharya	Member	Sd.	

# Nepal Bank Limited

## PROFIT AND LOSS ACCOUNT

For the period, from 1<sup>st</sup> Shrawan 2068 to 31<sup>st</sup> Ashad 2069 ( 16<sup>th</sup> July, 2011 to 15<sup>th</sup> July, 2012)

Particulars	Schedule	Current fiscal Year Rs.	Previous fiscal Year Rs.
1 Interest Income	18	4,051,152,174	3,740,719,028
2 Interest Expenses	19	2,197,137,378	1,482,204,899
<b>Net Interest Income</b>		<b>1,854,014,796</b>	<b>2,258,514,129</b>
3 Commission and Discount	20	252,630,734	261,296,359
4 Other Operating Income	21	179,461,130	140,461,336
5 Exchange Fluctuation Income	22	59,636,455	11,837,708
<b>Total Operating Income</b>		<b>2,345,743,115</b>	<b>2,672,109,532</b>
6 Staff Expense	23	1,903,066,220	1,682,980,952
7 Other Operating Expense	24	401,045,783	336,057,687
8 Exchange Fluctuation Loss	22	-	-
<b>Operating Profit Before Provision For possible Losses</b>		<b>41,631,112</b>	<b>653,070,893</b>
9 Provision For Possible Losses	25	252,057,908	709,179,221
<b>Operating Profit</b>		<b>(210,426,796)</b>	<b>(56,108,328)</b>
10 Non-Operating Income /(Expense)	26	49,025,752	35,734,889
11 Provision for possible Losses write back	27	331,550,892	141,956,504
<b>Profit /Loss from Regular Activities</b>		<b>170,149,848</b>	<b>121,583,065</b>
12 Income /(Expense) from Extra-Ordinary Activities	28	3,685,975	199,434,370
<b>Net Profit after considering All Activities</b>		<b>173,835,823</b>	<b>321,017,435</b>
13 Provision for Staff Bonus		15,803,257	29,183,403
14 Provision for Income Tax			
a. Current year		990,644	169,234,897
b. Upto last year		-	-
c. Current Year Deffered tax (Income) / Expenses		(19,319,583)	(5,747,449)
<b>Net Profit / Loss</b>		<b>176,361,505</b>	<b>128,346,584</b>

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

As per our attached Report

Date: 2069/09/22 (06/01/2013)

Kathmandu.

			<u>Management Committee</u>			
Sd.	Sd.	Sd.			Sd.	
Kiran Kumar Shrestha	Laxmiraj Paudel	Maheshworlal Shrestha	Prof. Dr. Dev Raj Adhikari	Coordinator	Sd.	C.A. Jitendra Bahadur Rajbhandary
General Manager	General Manager	Coordinator, Mgmt. Team	Pramodraj Sharma	Member	Sd.	Partner
			Ramesh P. Sharma Upadhaya	Member	Sd.	J.B. Rajbhandary & DiBins
			Surendramani Tripathi	Member	Sd.	Chartered Accountants
Sd.	Sd.		Janardhan Acharya	Member	Sd.	
Madhav Prasad Devkota	Ram Bihari Shah					
Chief Manager	Deputy General Manager					

# Nepal Bank Limited

## PROFIT AND LOSS APPROPRIATION ACCOUNT

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 ( 16th July, 2011 to 15th July, 2012)

Particulars	Annexure	Current Year	Previous Year
<b>Income</b>			
1 Accumulated Profit up to last year		-	-
2 Current Year's Profit		176,361,505	128,346,584
3 Exchange Equalization Fund		-	-
<b>Total</b>		<b>176,361,505</b>	<b>128,346,584</b>
<b>Expenses</b>			
1 Accumulated Loss Up to Last Year		7,190,814,454	7,252,354,922
2 Current Year's loss		-	-
3 General Reserve		35,272,301	25,669,317
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 Fluctuation Fund		7,652,431	-
12 Capital Redemption Reserve		-	-
13 Capital Adjustment Fund		38,038,260	38,038,260
14 Deferred Tax Reserve		19,319,583	5,747,449
15 Investment Adjustment Reserve		16,376,100	(2,648,910)
<b>Total</b>		<b>7,307,473,129</b>	<b>7,319,161,038</b>
<b>16 Accumulated Profit / (Loss)</b>		<b>(7,131,111,624)</b>	<b>(7,190,814,454)</b>

Date: 2069/09/22 (06/01/2013)

Kathmandu.

As per our attached report

### Management Committee

Sd.	Sd.	Sd.			Sd.
Kiran Kumar Shrestha	Laxmiraj Paudel	Maheshworlal Shrestha	Prof. Dr. Dev Raj Adhikari	Coordinator	C.A. Jitendra Bahadur Rajbhandary
General Manager	General Manager	Coordinator, Mgmt. Team	Pramodraj Sharma	Member	Partners
			Ramesh P. Sharma Upadhaya	Member	J.B. Rajbhandary & DiBins
					Chartered Accountants
Sd.	Sd.				
Madhav Prasad Devkota	Ram Bihari Shah		Surendramani Tripathi	Member	
Chief Manager	Deputy General Manager		Janardhan Acharya	Member	

# Nepal Bank Limited

## Cash Flow Statement

For the period from 1st Shrawan 2068 to 31st Ashad 2069 ( 16th July, 2011 to 15th July, 2012)

Particulars		Current Year Rs.	Previous Year Rs.
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>375,437,551</b>	<b>2,243,204,434</b>
1	<b>Cash Receipts</b>	<b>4,637,579,712</b>	<b>4,390,878,142</b>
1.1	Interest Income	4,051,503,782	3,735,083,253
1.2	Commission and Discount Income	252,630,734	261,296,359
1.3	Income from Foreign Exchange transaction	29,026,731	24,430,719
1.4	Recovery of Loan written - off	80,496,351	199,434,370
1.5	Other Income	223,922,114	170,633,441
2	<b>Cash Payments</b>	<b>(4,261,810,654)</b>	<b>(3,586,184,692)</b>
2.1	Interest Expenses	(2,111,645,958)	(1,395,062,688)
2.2	Staff Expenses	(1,798,637,274)	(1,682,169,721)
2.3	Office Operating expenses	(351,331,711)	(460,100,857)
2.4	Income Tax paid	-	-
2.5	Other Expenses	(195,711)	(48,851,426)
<b>Cash Flow before Changes in Working Capital</b>		<b>375,769,058</b>	<b>804,693,450</b>
<b>(Increase) / Decrease of Current Assets</b>		<b>(5,442,197,172)</b>	<b>(5,077,147,010)</b>
1	(Increase)/Decrease in Money at Call and Short Notice	400,000,000	(400,000,000)
2	(Increase)/ Decrease in other Short -term Investment	(806,181,901)	(1,801,171,787)
3	(Increase)/Decrease in Loans and Bills purchase	(3,069,795,276)	(1,682,904,629)
4	(Increase)/Decrease in Other Assets	(1,966,219,995)	(1,193,070,594)
<b>Increase / (Decrease) of Current Liabilities</b>		<b>5,441,865,665</b>	<b>6,515,657,994</b>
1	Increase /(Decrease) in Deposits	9,243,937,312	3,926,395,776
2	Increase / (Decrease) in Certificate of Deposits	-	-
3	Increase / (Decrease) in Short- term Borrowings	-	-
4	Increase/ (Decrease) in Other Liabilities	(3,802,071,647)	2,589,262,218
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITY</b>	<b>(62,247,437)</b>	<b>(73,096,890)</b>
1	Decrease / (Increase) in Long-term Investments	-	-
2	Decrease / (Increase) in Fixed Assets	(66,075,692)	(78,367,567)
3	Interest Income from Long-term Investments	-	-
4	Dividend Income	3,828,255	5,270,677
5	Others	-	-
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1,706,027,963</b>	<b>(284,929,236)</b>
1	Increase / (Decrease) in Long-term Borrowings(Bond,Debentures etc.)	313,582,863	(284,929,236)
2	Increase / (Decrease) in Share Capital	1,392,445,100	-
3	Increase / (Decrease) in Capital Reserve	-	-
4	Increase / (Decrease) in Other Liabilities	-	-
5	Increase / (Decrease) in Refinance/ facilities received from NRB	-	-
<b>D.</b>	<b>Income / Expense from change in exchange rate in Cash and Bank Balance</b>	<b>30,609,724</b>	<b>(12,593,011)</b>
<b>E.</b>	<b>Cash Flow from All Activities of Current Year</b>	<b>2,049,827,801</b>	<b>1,872,585,297</b>
<b>F.</b>	<b>Opening Balance of Cash and Bank Balances</b>	<b>12,013,865,314</b>	<b>10,141,280,017</b>
<b>G.</b>	<b>Closing Balance of Cash and Bank Balances</b>	<b>14,063,693,115</b>	<b>12,013,865,314</b>

**Nepal Bank Limited**  
**Statement of Changes in Equity**  
**F. Y. 2011/12 (2068/69)**

Particulars	Share Capital Rs.	Accumulative Profit (Loss) Rs.	General Reserve Rs.	Capital Reserve Fund Rs.	Share Premium Rs.	Exchange Fluctuation Rs.	Deferred Tax Reserve Rs.	Other Reserve and Fund Rs.	Total Amount Rs.
<b>Balance as on Shrawan 01, 2068 (17 July 2011)</b>	<b>380,382,600</b>	<b>(7,190,814,454)</b>	<b>1,634,396,563</b>	<b>259,735,644</b>	<b>-</b>	<b>67,967,788</b>	<b>53,756,672</b>	<b>317,992,159</b>	<b>(4,476,583,028)</b>
<b>Adjustment:</b>									
a. This year's profit	-	59,702,830	-	-	-	-	-	-	59,702,830
b. Transferred from this year's profit	-	-	35,272,301	-	-	-	-	38,038,260	73,310,561
c. Transferred from revaluation profit	-	-	-	-	-	7,652,431	-	-	7,652,431
d. Adjustment in Bonus	-	-	-	-	-	-	-	-	-
e. Deferred Tax Reserve	-	-	-	-	-	-	19,319,583	-	19,319,583
f. Reimbursement from Govt. against Loan Waive	-	-	-	-	-	-	-	-	-
g. Investment Adjustment Fund	-	-	-	-	-	-	-	16,376,100	16,376,100
h. Call In Advance	1,392,445,100	-	-	-	-	-	-	-	1,392,445,100
<b>Balance as on Ashad 31, 2069</b>	<b>1,772,827,700</b>	<b>(7,131,111,624)</b>	<b>1,669,668,864</b>	<b>259,735,644</b>	<b>-</b>	<b>75,620,219</b>	<b>73,076,255</b>	<b>372,406,519</b>	<b>(2,907,776,423)</b>



# Nepal Bank Limited

## Share Capital & Ownership

As at 15 July 2012 (Ashad 31, 2069)

Schedule 1

Particulars	Current Year Rs.	Previous Year Rs.
<b>1 Share Capital</b>		
<b>1.1 Authorised Capital</b>	<b>6,000,000,000</b>	<b>1,000,000,000</b>
a) 6,00,00,000 Ordinary shares of Rs.100/- each	6,000,000,000	1,000,000,000
b) ..... Non-redeemable Preference Shares of Rs. ....each.		
c) ..... Redeemable Preference Shares of Rs. ....each.		
<b>1.2 Issued Capital</b>	<b>4,000,000,000</b>	<b>500,000,000</b>
a) 40,000,000 Ordinary shares of Rs.100/- each	4,000,000,000	500,000,000
b) .....Non-redeemable Preference Shares of Rs. ....each.		
c) ..... Redeemable Preference Shares of Rs. ....each.		
<b>1.3 Paid-up Capital</b>	<b>380,382,600</b>	<b>380,382,600</b>
a) 38,03,826 Ordinary Shares of Rs.100/- each (Including Bonus share 14,21,745)	380,382,600	380,382,600
b) ..... Non-redeemable Preference Shares of Rs. ....each.		
c) ..... Redeemable Preference Shares of Rs. ....each.		
<b>1.4 Proposed Bonus Share</b>		
<b>1.5 Calls In Advance</b>	<b>1,392,445,100</b>	<b>-</b>
<b>1.6 Total (1.3+1.4+1.5)</b>	<b>1,772,827,700</b>	<b>380,382,600</b>

### Share Ownership

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

### 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
13. Laxmi Bank Ltd.	29000	0.76	2,900,000
14. N.C.M. first Mutual Fund	44725	1.18	4,472,500
15. Nepal Credit & Commerce Bank	187093	4.92	18,709,300
16. Nepal Government	1540325	40.49	154,032,500
<b>Total</b>	<b>2382925</b>	<b>62.65</b>	<b>238,292,500</b>

**Nepal Bank Limited**  
**Reserve & Funds**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 2

Particulars	Current Year	Previous Year
<b>1 General/Legitimate Reserve Fund</b>	<b>1,669,668,864</b>	<b>1,634,396,563</b>
<b>2 Capital Reserve Fund</b>	<b>259,735,644</b>	<b>259,735,644</b>
<b>3 Capital Redemption Reserve</b>	<b>-</b>	<b>-</b>
<b>4 Capital Adjustment Fund</b>	<b>342,344,340</b>	<b>304,306,080</b>
<b>5 Other Reserve and Fund</b>	<b>103,138,434</b>	<b>67,442,751</b>
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 Reserve	-	-
f) Deferred Tax Reserve	73,076,255	<b>53,756,672</b>
g) Other Free Reserve	-	-
h) Investment Adjustment Reserve	16,513,304	<b>137,204</b>
<b>6 Accumulated Profit / Loss</b>	<b>(7,131,111,624)</b>	<b>(7,190,814,454)</b>
<b>7 Exchange Fluctuation Fund</b>	<b>75,620,219</b>	<b>67,967,788</b>
<b>Total</b>	<b>(4,680,604,123)</b>	<b>(4,856,965,628)</b>

**Nepal Bank Limited**  
**Debentures and Bonds**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 3

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

**Nepal Bank Limited**  
**Loan/(advance)due to be paid**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 4

Particulars	Current Year Rs.	Previous Year Rs.
<b>A) Local</b>		
1. Nepal Government	-	-
2. Nepal Rastra Bank	2,153,794,480	1,840,211,617
3. Repo Obligation	-	-
4. Inter Bank and Financial Institutions	-	-
5. Other Financial Institutions	-	-
6. Others	-	-
<b>Total</b>	<b>2,153,794,480</b>	<b>1,840,211,617</b>
<b>B) Foreign</b>		
1. Banks	-	-
2. Others	-	-
<b>Total</b>	-	-
<b>Grand Total(A+B)</b>	<b>2,153,794,480</b>	<b>1,840,211,617</b>

**Nepal Bank Limited**  
**Deposits**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 5

Particulars		Current Year Rs.	Previous Year Rs.
<b>1</b>	<b>Non Interest Bearing Accounts</b>		
<b>a)</b>	<b>Current Account</b>	<b>12,326,788,959</b>	<b>10,905,854,648</b>
<b>1</b>	<b>Local Currency</b>	<b>12,116,708,683</b>	<b>10,664,069,809</b>
1.1	Nepal Government	586,748,978	502,112,418
1.2	"A" Class Licensed Institutions	1,138,203,382	701,909,117
1.3	Other Licensed Financial Institutions	1,242,667,735	992,547,755
1.4	Other Organized Institutions	5,370,953,514	5,128,849,481
1.5	Individuals	2,294,800,650	2,293,533,710
1.6	Others	1,483,334,424	1,045,117,328
<b>2</b>	<b>Foreign Currency</b>	<b>210,080,276</b>	<b>241,784,839</b>
2.1	Nepal Government	-	-
2.2	"A" Class Licensed Institutions	-	-
2.3	Other Licensed Financial Institutions	2,059,421	213,394.00
2.4	Other Organized Institutions	-	7,008,276
2.5	Individuals	207,828,339	234,563,169
2.6	Others	192,516	-
<b>b)</b>	<b>Margin Deposits</b>	<b>122,751,186</b>	<b>92,896,297</b>
1	Staff guarantee	-	1,819,470
2	Guarantee Margin	37,852,610	38,779,180
3	Letters of Credit Margin	84,898,576	52,297,647
<b>c)</b>	<b>Other</b>	<b>282,705,097</b>	<b>316,394,612</b>
<b>1</b>	<b>Local Currency</b>	<b>282,705,097</b>	<b>316,394,612</b>
1.1	Financial Institutions	257,800	6,572,405
1.2	Other Organized Institutions	47,068,715	126,619,555
1.3	Individual	235,378,582	183,202,652
<b>2</b>	<b>Foreign Currency</b>	<b>-</b>	<b>-</b>
2.1	Financial Institutions	-	-
2.2	Other Organized Institutions	-	-
2.3	Individual	-	-
<b>Total of Non Interest Bearing Accounts (1)</b>		<b>12,732,245,242</b>	<b>11,315,145,557</b>

**Nepal Bank Limited**  
**Deposits**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 5

Particulars		Current Year Rs.	Previous Year Rs.
<b>2 Interest Bearing Accounts :</b>			
<b>a) Saving Deposits</b>		<b>24,909,160,409</b>	<b>22,501,339,470</b>
<b>1 Local Currency</b>		<b>24,900,363,996</b>	<b>22,491,261,823</b>
1.1 Institutions		1,334,080,172	699,447,099
1.2 Individuals		23,552,949,178	21,697,888,876
1.3 Others		13,334,646	93,925,848
<b>2 Foreign Currency</b>		<b>8,796,413</b>	<b>10,077,647</b>
2.1 Institutions		-	-
2.2 Individuals		8,796,413	9,869,137
2.3 Others		-	208,510
<b>b) Fixed deposit</b>		<b>11,664,593,179</b>	<b>7,481,194,154</b>
<b>1 Local Currency</b>		<b>11,659,582,879</b>	<b>7,475,030,204</b>
1.1 Institutions		2,808,599,638	2,129,617,319
1.2 Individuals		8,314,832,592	4,683,508,433
1.3 Others		536,150,649	661,904,452
<b>2 Foreign Currency</b>		<b>5,010,300</b>	<b>6,163,950</b>
2.1 Institutions		-	-
2.2 Individuals		5,010,300	6,163,950
2.3 Others		-	-
<b>c) Call Deposits</b>		<b>6,746,373,927</b>	<b>5,510,756,264</b>
<b>1 Local Currency</b>		<b>6,746,373,927</b>	<b>5,510,756,264</b>
1.1 "A" Class Licensed Institutions		-	-
1.2 Other Licensed Financial institutions		-	-
1.3 Other Organized Institutions		1,287,197,498	727,647,128
1.4 Individuals		5,097,291,466	4,782,924,776
1.5 Others		361,884,963	184,360
<b>2 Foreign Currency</b>		<b>-</b>	<b>-</b>
2.1 "A" Class Licensed Institutions		-	-
2.2 Other Licensed Financial institutions		-	-
2.3 Other Organized Institutions		-	-
2.4 Individuals		-	-
2.5 Others		-	-
<b>d) Certificate of Deposits</b>		<b>-</b>	<b>-</b>
1 Organized Institutions		-	-
2 Individuals		-	-
3 Others		-	-
<b>Total of Interest bearing deposits (2)</b>		<b>43,320,127,515</b>	<b>35,493,289,888</b>
<b>Total Deposit(1+2)</b>		<b>56,052,372,757</b>	<b>46,808,435,445</b>

**Nepal Bank Limited**  
**Bills Payable**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 6

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency	57,661,161	25,250,483
2 Foreign Currency	17,105,854	9,185,729
<b>Total</b>	<b>74,767,015</b>	<b>34,436,212</b>

**Nepal Bank Limited**  
**Other liabilities**  
**As at 15 July 2012 (Ashad 31, 2069)**

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	62,394,380	71,480,010
5 Interest Payable on Deposits	229,846,585	135,269,535
6 Interest Payable on Borrowings	55,993,647	40,269,472
7 Unearned Discount & Commission	2,001,650	1,791,480
8 Sundry Creditors	2,240,521,295	3,682,108,850
9 Branch Reconciliation Account	-	2,378,587,850
10 Deferred Tax Liabilities	-	-
11 Dividend Payable	2,000,831	2,016,367
12 Others	<b>649,604,566</b>	<b>640,633,635</b>
Deferred Income	3,597,815	4,797,087
Staff Medical Fund	54,013,951	33,250,115
Provision for Leave Encashment	239,442,308	179,253,191
Provision for other Losses	168,534,518	168,338,807
Rastriya Banijya Bank Transaction	184,015,974	254,994,435
<b>Total</b>	<b>3,242,362,954</b>	<b>6,952,157,199</b>

**Nepal Bank Limited**  
**Cash Balance**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 8

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency (Including Coins)	1,915,147,304	1,537,212,719
2 Foreign Currency	25,848,008	33,103,077
<b>Total</b>	<b>1,940,995,312</b>	<b>1,570,315,796</b>

**Nepal Bank Limited**  
**Balance with Nepal Rastra Bank**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 9

Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		I.C.	Convertible F.C.	Total		
<b>1 Nepal Rastra Bank</b>	<b>10,580,147,331</b>	-	<b>55,766,415</b>	<b>55,766,415</b>	<b>10,635,913,746</b>	<b>9,343,275,261</b>
a) Current Account	9,022,048,308	-	55,766,415	55,766,415	9,077,814,723	7,611,173,175
b) Other Account	1,558,099,023	-	-	-	1,558,099,023	1,732,102,086

Total Balance for which the confirmations are received from Nepal Rastra Bank Rs. 2,495,347,948

**Nepal Bank Limited**  
**Balance With Banks / Financial Institutions**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 10

Particulars	Local Currency	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		I.C.	Convertible F.C.	Total		
<b>1 Local Licensed Institutions</b>	<b>408,314,781</b>	-	-	-	<b>408,314,781</b>	<b>658,709,914</b>
a) Current Account	408,314,781	-	-	-	408,314,781	658,709,914
b) Other Account	-	-	-	-	-	-
<b>2 Foreign Banks</b>	<b>-</b>	<b>174,236,752</b>	<b>904,232,524</b>	<b>1,078,469,276</b>	<b>1,078,469,276</b>	<b>441,564,343</b>
a) Current Account		174,236,752	904,232,524	1,078,469,276	1,078,469,276	441,564,343
b) Other Account		-	-	-	-	-
<b>Total Amount</b>	<b>408,314,781</b>	<b>174,236,752</b>	<b>904,232,524</b>	<b>1,078,469,276</b>	<b>1,486,784,057</b>	<b>1,100,274,257</b>

Total Balance for which the Confirmations are received from respective license holder institutions Rs.1,411,489,151

**Nepal Bank Limited**  
**Money at call and short notice**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 11

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

**Nepal Bank Limited**  
**Investments**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 12

Particulars		Purpose		Current Year Rs.	Previous Year Rs.
		Trading	Other		
1	Nepal Government Treasury bills		4,764,241,597	4,764,241,597	4,297,110,296
2	Nepal Government National Saving Bonds		1,285,025,000	1,285,025,000	1,285,025,000
3	Nepal Government Other Bonds		-	-	-
4	Nepal Rastra Bank Bonds		-	-	-
5	Foreign Bonds		545,180,000	545,180,000	466,800,000
6	Share of Local Licensed Institutions		-	-	-
7	Foreign Banks		1,589,219,000	1,589,219,000	1,336,450,000
8	Other Organized Institutions' Shares		162,111,986	162,111,986	154,210,386
9	Other Organized Institutions' Bonds and Debentures		127,392,000	127,392,000	127,392,000
10	Other Investments		-	-	-
<b>Total Investment</b>		<b>-</b>	<b>8,473,169,583</b>	<b>8,473,169,583</b>	<b>7,666,987,682</b>
<b>Provision</b>			<b>81,443,500</b>	<b>81,443,500</b>	<b>81,443,500</b>
<b>Net investment</b>		<b>-</b>	<b>8,391,726,083</b>	<b>8,391,726,083</b>	<b>7,585,544,182</b>



**Nepal Bank Limited**  
**Investment**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 12(A)

Particulars	Cost Rs.	Per Share Market Rate	As per Market Value	Provision	Previous Year Rs.
<b>1 Investment in Shares</b>					
<b>1.1 Rastriya Beema Sansthan</b> 2,51,910 Ordinary Shares (including 245,910 Bonus Shares also) of Rs. 100/- each	707,186	1,488	374,842,080	-	707,186
<b>1.2 Deposit Insurance &amp; Credit Guarantee Corporation Pvt. Ltd.</b>  110,161 Ordinary Share (including 90,161 Bonus Shars also) of Rs. 100/- each	2,000,000		-	2,000,000	2,000,000
<b>1.3 *Nepal Oil Corporation Ltd.</b> 2,250 Ordinary Shares (including 750 Bonus Shares also) of Rs. 100/- each	150,000		-	150,000	150,000
<b>1.4 *Nepal Industrial Development Corporation (NIDC) Development Bank</b> 3,000 Ordinary Shares of Rs. 100/- each	300,000	138	414,000	300,000	300,000
<b>1.5 *National Productivity and Economic Development Centre Ltd.</b> 5,000 Ordinary Shares of Rs. 100 each.	500,000	-	-		500,000
<b>1.6 *Far Western Rural Development Bank</b> 30,000 Ordinary Shares of Rs. 100 each.	3,000,000		-		3,000,000
<b>1.7 *Eastern Rural Development Bank</b> 30,000 Ordinary Shares of Rs. 100 each.	3,000,000	965	28,950,000		3,000,000
<b>1.8 Western Rural Development Bank</b> 33,000 Ordinary Shares (including 3000 bonus share also) of Rs. 100/- each	3,000,000		-		3,000,000
<b>1.9 *Mid Western Rural Development Bank</b> 61,250 Ordinary Shares of Rs. 100 each.	6,125,000		-		6,125,000
<b>1.10 *Central Rural Development Bank</b> 30,000 Ordinary Shares of Rs. 100 each.	3,000,000	131	3,930,000		3,000,000
<b>1.11 Citizen Investment Trust</b> 142,200 Ordinary Shares (Including 120,870 bonus shares also) of Rs. 100 each. (Including Capitalization Rs 40).	2,133,000	566	62,878,638		2,133,000
<b>1.12 Rural Micro Finance Development Centre (RMDC)</b> 2,93,550 Ordinary Shares of Rs. 100 each.	29,355,000		-		29,355,000
<b>1.13 Deprosc Development Bank Limited</b>  137,111 Ordinary Shares (including 39,844 bonus share also) of Rs. 100/- each	9,726,700	280	38,391,080		9,726,700
<b>1.14 *Gorakhkali Rubber Udhog Ltd.</b> 1,60,000 Ordinary Shares of Rs. 75 paid up	12,000,000	38	6,080,000	8,640,000	12,000,000
<b>1.15 *Sana Kisan Bikas Bank.</b> 121,416 Ordinary Shares of Rs. 100 each.	12,141,600		-		5,000,000
<b>1.16 *Sajha Sawasthya Sewa Sahakari Sanstha Limited</b> 11 Ordinary Shares (including 6 bonus shares also) of Rs. 100/- each	500		-	500	500
<b>1.17 Nepal Insurance Company Ltd. (subsidiary company)</b> 5,22,694 Ordinary Shares (including 5,21,094 bonus shares also) of Rs. 100/- each	160,000	346	180,852,124		160,000
<b>1.18 Credit Information Centre Ltd.</b>  11,437 Ordinary Shares (including 7,907 bonus share also) of Rs. 100 each paid	353,000		353,000	353,000	353,000
<b>1.19 Tara Gawn Regeny Hotel Ltd.</b> 7,00,000 Ordinary Shares of Rs. 100 each	70,000,000	83	58,100,000	70,000,000	70,000,000
<b>1.20 Nepal Clearing House</b> 25,000 Ordinary Shares of Rs. 100 each	2500000				2500000
<b>1.21 National Banking Training Centre</b> 12,000 Ordinary Shares of Rs. 100 each	1200000				1200000
<b>1.22 ICRA Nepal Ltd.</b> 7,600 Ordinary Shares of Rs. 100 each	760000				
<b>2 Investment in Debenture and Bonds</b>					
2.1 7.75% Power Bond of Nepal Electricity Authority	127,392,000			-	127,392,000
<b>Total Investment</b>	<b>289,503,986</b>		<b>754,790,922</b>	<b>81,443,500</b>	<b>281,602,386</b>
<b>3 Provision for Losses</b>					
3.1 Up to previous year Provision				81,443,500	81,443,500
3.2 Addition (Write Back During the year)				-	
<b>Total Provision</b>				<b>81,443,500</b>	<b>81,443,500</b>
<b>Total Investment</b>				<b>208,060,486</b>	<b>200,158,886</b>

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

**Nepal Bank Limited**  
**Investment Held for Trading**  
As at 15 July 2012 (Ashad 31, 2069)

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 Bonds						
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bonds						
5 Foreign Bonds						
6 Shares of domestic license holder Institutions						
7 Debentures/Bonds of Local Licensed Institutions						
8 Shares, Debentures, Bonds of Local corporate bodies						
9 Investment of foreign banks (Placement)						
10 Interbank Lending						
11 Other Investments						
<b>Total Investment</b>						

**Nepal Bank Limited**  
**Investment Held for Maturity**  
As at 15 July 2012 (Ashad 31, 2069)

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	4,764,241,597					
2 Nepal Government National Saving Bond	1,285,025,000					
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bonds						
5 Foreign Bonds	545,180,000					
6 Shares of Local Licensed Institutions						
7 Debentures/Bonds of Local Licensed Institutions						
8 Shares, Debenture, Bonds of Local corporate bodies	127,392,000					
9 Investment of foreign banks (Placement)	1,589,219,000					
10 Other Investments	-					
<b>Total Investment</b>	<b>8,311,057,597</b>					

**Nepal Bank Limited**  
**Investment available for sale**  
As at 15 July 2012 (Ashad 31, 2069)

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 Bonds						
3 Nepal Government Other Securities						
4 Nepal Rastra Bank Bonds						
5 Foreign Bonds						
6 Shares of Local Licensed Institutions						
7 Debentures/Bonds of Local Licensed Institutions						
8 Shares, Debentures, Bonds of Local corporate bodies	162,111,986	788,783,376	754,790,922			
9 Investment of foreign banks (Placement)						
11 Other Investments						
<b>Total Investment</b>	<b>162,111,986</b>					

**Nepal Bank Limited**  
**Classification of Loans, Advances & Bills Purchased and Provisioning**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 13

Particulars	Loans					Bills Purchased and Discounted			Current Years Rs.	Previous Years Rs.
	Domestic			Foreign	Total	Domestic	Foreign	Total		
	Priority Sector		Other							
	Insured	Uninsured								
1. Performing Loan	360,189,590	2,036,191	27,536,573,092	-	27,898,798,873	-	142,536,927	142,536,927	28,041,335,800	25,171,029,787
1.1 Pass Loan	360,189,590	2,036,191	27,536,573,092		27,898,798,873	-	142,536,927	142,536,927	28,041,335,800	25,171,029,787
2. Non Performing Loan	53,614,488	23,200,000	1,573,815,553	-	1,650,630,041	-	6,897,589	6,897,589	1,657,527,630	1,534,848,743
2.1 Restructured	-	-	-	-	-	-	-	-	-	183,784,927
2.2 Substandard	-	-	36,155,765	-	36,155,765	-	-	-	36,155,765	78,184,226
2.3 Doubtful	-	-	61,472,865	-	61,472,865	-	-	-	61,472,865	100,626,014
2.4 Bad	53,614,488	23,200,000	1,476,186,923	-	1,553,001,411	-	6,897,589	6,897,589	1,559,899,000	1,172,253,576
(A) Total Loan	413,804,078	25,236,191	29,110,388,645	-	29,549,428,914	-	149,434,516	149,434,516	29,698,863,430	26,705,878,530
3. Loan Loss Provision										
3.1 Pass	3,601,896	20,362	424,729,486	-	428,351,744	-	-	-	428,351,744	769,510,883
3.2 Restructured	-	-	-	-	-	-	-	-	-	22,973,116
3.3 Substandard	-	-	9,038,941	-	9,038,941	-	-	-	9,038,941	19,546,054
3.4 Doubtful	-	-	30,733,674	-	30,733,674	-	-	-	30,733,674	50,313,007
3.5 Bad	53,614,488	23,200,000	1,476,186,923	-	1,553,001,411	-	6,897,589	6,897,589	1,559,899,000	1,172,253,576
(B) Total Provision	57,216,384	23,220,362	1,940,689,024	-	2,021,125,770	-	6,897,589	6,897,589	2,028,023,359	2,034,596,636
4. Provision Up to Last Year										
4.1 Pass	1,877,250	20,362	767,593,695	-	769,491,307	128	19,448	19,576	769,510,883	508,795,845
4.2 Restructured	-	-	22,973,116	-	22,973,116	-	-	-	22,973,116	15,555,602
4.3 Substandard	-	-	19,546,054	-	19,546,054	-	-	-	19,546,054	81,508,550
4.4 Doubtful	-	-	50,313,007	-	50,313,007	-	-	-	50,313,007	8,103,388
4.5 Bad	91,639,238	23,200,000	1,050,855,384	-	1,165,694,622	-	6,558,954	6,558,954	1,172,253,576	877,432,771
(C) Provision up to Last Year	93,516,488	23,220,362	1,911,281,256		2,028,018,106	128	6,578,402	6,578,530	2,034,596,636	1,491,396,156
(D) Previous Years' Provision Written Back	(36,300,104)	-	-	-	(6,892,336)	(128)	-	-	(6,573,277)	-
(E) This Years' Additional Provision	-	-	29,407,768	-	-	-	319,187	319,059	-	543,200,480
Net Adjustment for the year	(36,300,104)	-	(29,407,768)	-	(6,892,336)	(128)	(319,187)	(319,059)	(6,573,277)	(543,200,480)
Net Loan (A-B)	356,587,694	2,015,829	27,169,699,621	-	27,528,303,144	-	142,536,927	142,536,927	27,670,840,071	24,671,281,894

**Nepal Bank Limited**  
**Loan, Advances and Bills Purchased - Security Wise**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 13(A)

Particulars		Current Year Rs.	Previous Year Rs.
<b>(A) Secured</b>		<b>29,698,863,430</b>	<b>26,705,878,530</b>
1	On Security of Movable / Immovable Assets	28,596,005,721	23,643,799,203
2	Guarantee of Local Licensed Institutions	-	-
3	Government Guarantee	412,725,412	527,312,767
4	Internationally Rated Bank Guarantee	-	-
5	On security of Export Documents	142,498,896	66,542,048
6	On security of Fixed Deposit Receipts	<b>223,984,207</b>	<b>148,492,731</b>
	(a) On security of own Fixed Deposit Receipt	223,753,164	147,573,694
	(b) On security of Fixed Deposit Receipts of Other Licensed Institutions	231,043	919,037
7	On security of Government Bonds	7,522,058	14,951,755
8	Counter Guarantee	-	-
9	Personal Guarantee	-	-
10	Other Securities	316,127,136	2,304,780,026
<b>(B) Unsecured</b>		-	-
<b>Total</b>		<b>29,698,863,430</b>	<b>26,705,878,530</b>

**Nepal Bank Limited**  
**Fixed Assets**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 14

Particulars	Assets					Current Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office equipment	Others		
<b>1 Cost Price</b>							
a) Previous Year Balance	110,145,700	97,189,693	276,497	361,600,534	4,671,576	573,884,000	502,152,239
b) Addition During The Year	9,202,131	3,887,063	-	50,440,508	2,110,314	65,640,016	75,728,238
c) Revaluation/Written Back This Year							
d) Sold During The Year	-	(3,004,607)	-	(1,044,298)	(70,796)	(4,119,701)	(3,996,477)
e) Write Off During The Year							
<b>Total (a+b+c+d+e) Cost Price</b>	<b>119,347,831</b>	<b>98,072,149</b>	<b>276,497</b>	<b>410,996,744</b>	<b>6,711,094</b>	<b>635,404,315</b>	<b>573,884,000</b>
<b>2 Depreciation :</b>							
a) Up to Previous Year	50,145,063	70,657,794	271,218	234,621,204	1,840,607	357,535,886	315,016,723
b) For This Year	3,695,896	5,692,487	792	40,607,464	708,077	50,704,716	45,191,727
c) Revaluation/Write Back This Year							
d) Depreciation - Adjusted / Written Back	-	(2,184,377)	-	(677,584)	(27,894)	(2,889,855)	(2,672,564)
<b>Total Deprecation</b>	<b>53,840,959</b>	<b>74,165,904</b>	<b>272,010</b>	<b>274,551,084</b>	<b>2,520,790</b>	<b>405,350,747</b>	<b>357,535,886</b>
<b>3 Book value (WDV)* (1-2)</b>	<b>65,506,872</b>	<b>23,906,245</b>	<b>4,487</b>	<b>136,445,660</b>	<b>4,190,304</b>	<b>230,053,568</b>	<b>216,348,114</b>
<b>4 Land</b>	<b>34,667,853</b>					<b>34,667,853</b>	<b>34,250,016</b>
<b>5 Capital Construction (Pending Capitalization)</b>	<b>86,342,471</b>					<b>86,342,471</b>	<b>84,358,273</b>
<b>6 Lease hold assets</b>	<b>-</b>					<b>-</b>	
<b>Total (3+4+5+6)</b>	<b>186,517,196</b>	<b>23,906,245</b>	<b>4,487</b>	<b>136,445,660</b>	<b>4,190,304</b>	<b>351,063,892</b>	<b>334,956,403</b>

# Nepal Bank Limited

## Non banking Assets

As at 15 July 2012 (Ashad 31, 2069)

Schedule 15

Name of Lender or Party	Date of Acceptance as Non Banking Assets	Total Non Banking Assets Amount Rs.	Loss Provision		Net Non Banking Assets Amount Rs.	Previous Year Rs.
			Percentage	Amount Rs.		
Kumar Basnet	046-02-05 (05-18-1989)	12,000.00	100%	12,000.00	-	12,000.00
Padam Pd. Lakaul	027-10-26 (02-08-1971)	17,000.00	100%	17,000.00	-	17,000.00
Prime Textile Industries	063-02-15 (05-29-2006)	25,000.00	100%	25,000.00	-	1,533,110.00
Shiva Stores	063-02-12 (05-26-2006)	42,583.00	100%	42,583.00	-	42,583.00
Tulika Readymade Udhog	062-01-15 (04-28-2005)	50,000.00	100%	50,000.00	-	2,500,000.00
Manakamana Enterprises	062-06-20 (10-06-2005)	62,500.00	100%	62,500.00	-	62,500.00
Mahamai Furniture	063-03-30 (07-14-2006)	87,500.00	100%	87,500.00	-	87,500.00
M.Januka Traders	063-03-30 (07-14-2006)	87,500.00	100%	87,500.00	-	87,500.00
Kanchan General Store	063-02-12 (05-26-2006)	96,000.00	100%	96,000.00	-	96,000.00
Bir Bahadur Thapa	054-04-23 (08-07-1997)	99,218.00	100%	99,218.00	-	99,218.00
Sriram Traders	062-11-12 (02-24-2006)	108,000.00	100%	108,000.00	-	108,000.00
Gyan Bahadur Tamang	045-01-23 (05-05-1988)	109,000.00	100%	109,000.00	-	109,000.00
Shanti Devi Kasodhan	038-05-01 (08-17-1981)	112,182.00	100%	112,182.00	-	112,182.00
Krishna Bahadur Dhital	060-01-25 (05-08-2003)	125,000.00	100%	125,000.00	-	125,000.00
Kumar Cycle Group	063-03-26 (07-10-2006)	125,000.00	100%	125,000.00	-	125,000.00
Kul Chandra Upadhyay	061-09-25 (01-09-2005)	140,134.29	100%	140,134.29	-	140,134.29
Kanchan Traders	063-02-12 (05-26-2006)	140,667.00	100%	140,667.00	-	140,667.00
Yadu Nath Gautam	063-06-09 (09-25-2006)	145,412.10	100%	145,412.10	-	145,412.10
Rastriya Chamal Pittho Udhog	063-04-18 (08-03-2006)	200,000.00	100%	200,000.00	-	200,000.00
S. Leboratory	063-02-18 (06-01-2006)	200,000.00	100%	200,000.00	-	200,000.00
Aasha Ieta Udhog	063-02-09 (05-23-2006)	263,100.00	100%	263,100.00	-	263,100.00
Ramesh Raya	062-08-14 (11-29-2005)	300,000.00	100%	300,000.00	-	300,000.00
Elija Gril Udhog	062-04-16 (07-31-2005)	300,000.00	100%	300,000.00	-	300,000.00
Aashirya Trading Concern	068-03-01 (06-15-2011)	320,215.00	100%	320,215.00	-	320,215.00
Kanchan Computer Laser	064-11-12 (02-24-2008)	330,000.00	100%	330,000.00	-	330,000.00
United Supplayars Traders	051-10-23 (02-06-1995)	334,283.70	100%	334,283.70	-	334,283.70
Abodh Galla Bhandar	062-11-25 (03-09-2006)	400,000.00	100%	400,000.00	-	400,000.00
Narayani Chau Chau Udhog	062-08-07 (11-22-2005)	407,379.43	100%	407,379.43	-	407,379.43
Krishna Rice & Oil Mill	062-10-14 (01-27-2006)	409,476.57	100%	409,476.57	-	409,476.57
Rara Construction Co.Pvt.Ltd.	059-09-22 (01-06-2003)	413,000.00	100%	413,000.00	-	413,000.00
C.J. Hardware	063-03-10 (06-24-2006)	415,000.00	100%	415,000.00	-	415,000.00
Bikash Trading	062-05-29 (09-14-2005)	420,653.33	100%	420,653.33	-	420,653.33
Bishal Metal Udhog	062-08-30 (12-15-2005)	422,939.88	100%	422,939.88	-	422,939.88
Om Sagarmatha	063-03-28 (07-12-2006)	427,500.00	100%	427,500.00	-	427,500.00

Shah Kirana Shop	062-08-14 (11-29-2005)	433,170.00	100%	433,170.00	-	433,170.00
Yadu Nath Gautam	057-05-22 (09-07-2000)	450,000.00	100%	450,000.00	-	450,000.00
Suraj Chiya Udhyog	063-6-29 (10-15-2006)	486,000.00	100%	486,000.00	-	486,000.00
Kanchan Varieties	063-02-12 (05-26-2006)	486,875.00	100%	486,875.00	-	486,875.00
Tulasi Chiya Udhyog	063-6-29 (10-15-2006)	493,600.00	100%	493,600.00	-	493,600.00
Ganga Jamuna Sellar Rice U.	063-03-29 (07-13-2006)	499,750.00	100%	499,750.00	-	499,750.00
Indira Kastha Udhyog	062-06-19 (10-05-2005)	500,000.00	100%	500,000.00	-	500,000.00
Hemraj Mahato	063-02-15 (05-29-2006)	500,000.00	100%	500,000.00	-	500,000.00
Mukti Khadhya Stores	063-03-15 (06-29-2006)	516,611.74	100%	516,611.74	-	516,611.74
Kunwar Kirana Pasal tatha Katha	063-03-20 (07-04-2006)	518,200.08	100%	518,200.08	-	518,200.08
Ganesh Chiya Udhyog	061-08-09 (11-24-2004)	600,000.00	100%	600,000.00	-	600,000.00
Adhikari Cement Sa.Udhyog	062-08-07 (11-22-2005)	607,190.93	100%	607,190.93	-	607,190.93
Amar Khadhya Bhandar	064-6-3 (09-20-2007)	609,553.59	100%	609,553.59	-	609,553.59
Prashamsa Textile	063-4-18 (08-03-2006)	617,187.50	100%	617,187.50	-	617,187.50
Nepal Cole Suppliers	062-09-12 (12-27-2005)	622,740.59	100%	622,740.59	-	622,740.59
Rudra Bahadur Katuwal	063-03-15 (06-29-2006)	640,000.00	100%	640,000.00	-	640,000.00
Chandra Sher Bahadur Limbu	063-03-09 (06-23-2006)	645,749.93	100%	645,749.93	-	645,749.93
K. & K. Apprals	063-02-22 (06-05-2006)	650,000.00	100%	650,000.00	-	650,000.00
Suwal Traders	062-06-20 (10-06-2005)	670,312.50	100%	670,312.50	-	670,312.50
Gandaki Fancy Stores	063-03-15 (06-29-2006)	671,390.26	100%	671,390.26	-	671,390.26
Remond Itta Udhyog	063-01-22 (05-05-2006)	700,000.00	100%	700,000.00	-	700,000.00
S.K. Stationary	063-4-11 (07-27-2006)	700,000.00	100%	700,000.00	-	700,000.00
Khem Nath Dhakal	063-02-15 (05-29-2006)	700,000.00	100%	700,000.00	-	700,000.00
Amala Almunium Udhyog	063-01-31 (05-14-2006)	703,125.00	100%	703,125.00	-	703,125.00
Dhimal Rice Mill	063-6-29 (10-15-2006)	712,785.18	100%	712,785.18	-	712,785.18
Gopi Nath Traders	063-03-22 (07-06-2006)	726,752.80	100%	726,752.80	-	726,752.80
Chitwan Medicine Distributers	063-03-15 (06-29-2006)	726,965.97	100%	726,965.97	-	726,965.97
Himanchal Plant Saw Mill	062-07-08 (10-25-2005)	750,000.00	100%	750,000.00	-	750,000.00
B.D. Traders	062-12-13 (03-26-2006)	781,500.00	100%	781,500.00	-	781,500.00
Bardiya Rice Mill	063-03-30 (07-14-2006)	783,482.45	100%	783,482.45	-	783,482.45
Milan Furniture	063-02-11 (05-25-2006)	800,000.00	100%	800,000.00	-	800,000.00
A-Z Hardware Center	063-03-28 (07-12-2006)	818,750.00	100%	818,750.00	-	818,750.00
Bir Bahadur Chauhan	063-03-15 (06-29-2006)	822,762.96	100%	822,762.96	-	822,762.96
Kanchan Sadi Center	063-02-12 (05-26-2006)	863,750.00	100%	863,750.00	-	863,750.00
Bhim Raj Pandey	063-02-09 (05-23-2006)	868,278.69	100%	868,278.69	-	868,278.69
Gopal Chyariti Trust	062-11-26 (03-10-2006)	880,404.23	100%	880,404.23	-	880,404.23
Mahesh Dhakal	063-6-29 (10-15-2006)	903,202.21	100%	903,202.21	-	903,202.21
Raj Gril Sattar & Krishi Au.	063-03-21 (07-05-2006)	921,823.42	100%	921,823.42	-	921,823.42

Amar Shingh Buddha	063-03-30 (07-14-2006)	954,253.44	100%	954,253.44	-	954,253.44
Shree Traders	067-03-24 (07-08-2010)	970,000.00	100%	970,000.00	-	970,000.00
Bijay Kirana Pasal	062-10-12 (01-25-2006)	986,532.73	100%	986,532.73	-	986,532.73
Nilkamal Enterprises	067-03-03 (07-17-2010)	1,003,906.00	100%	1,003,906.00	-	1,003,906.00
Spair Parts & Suppliers	063-03-25 (07-09-2006)	1,027,096.53	100%	1,027,096.53	-	1,027,096.53
Jaya Kali Paper Works	063-03-16 (06-30-2006)	1,041,084.00	100%	1,041,084.00	-	1,041,084.00
Shingh Rice Mill	062-10-20 (02-02-2006)	1,045,755.14	100%	1,045,755.14	-	1,045,755.14
Golden Furniture Udhyog	062-11-26 (03-10-2006)	1,050,000.00	100%	1,050,000.00	-	1,050,000.00
Katel Body Bilders	062-04-32 (08-16-2005)	1,063,468.07	100%	1,063,468.07	-	1,063,468.07
Champa Carpet Udhyog	063-03-01 (06-15-2006)	1,092,187.50	100%	1,092,187.50	-	1,092,187.50
Surajlaxmi Enterprises	062-09-15 (12-30-2005)	1,097,378.77	100%	1,097,378.77	-	1,097,378.77
New Pathibhara Suppliers	063-01-28 (05-11-2006)	1,229,877.33	100%	1,229,877.33	-	1,229,877.33
Guras Oil Sellar Mill	049-08-14 (11-29-1992)	1,236,950.47	100%	1,236,950.47	-	1,236,950.47
Gupta Brothers & Mill	064-6-3 (09-20-2007)	1,241,456.22	100%	1,241,456.22	-	1,241,456.22
Basundhara Auto Parts	063-03-16 (06-30-2006)	1,244,700.00	100%	1,244,700.00	-	1,244,700.00
Akul Enterprises	063-03-30 (07-14-2006)	1,295,250.00	100%	1,295,250.00	-	1,295,250.00
Yadab Rice Mill	063-02-19 (06-02-2006)	1,325,000.00	100%	1,325,000.00	-	1,325,000.00
Ram Rudra Rice Mill	062-12-13 (03-26-2006)	1,346,644.80	100%	1,346,644.80	-	1,346,644.80
Hari Das Furniture Udhyog	062-06-03 (09-19-2005)	1,436,025.00	100%	1,436,025.00	-	1,436,025.00
New Micro Center	062-08-21 (12-06-2005)	1,446,500.00	100%	1,446,500.00	-	1,446,500.00
Sunrise Chiya Udhyog	061-12-04 (03-17-2005)	1,500,000.00	100%	1,500,000.00	-	1,500,000.00
Badrakali Kastha Udhyog	067-07-16 (11-02-2010)	1,531,250.00	100%	1,531,250.00	-	1,531,250.00
Rama Restaurant & Bar	063-9-27 (01-11-2007)	1,547,698.55	100%	1,547,698.55	-	1,547,698.55
Bindabasini Rice Mill	063-4-18 (08-03-2006)	1,555,708.91	100%	1,555,708.91	-	1,555,708.91
Chakravarti Carpet Udhyog	063-03-02 (07-16-2006)	1,559,375.00	100%	1,559,375.00	-	1,559,375.00
Bheri Loha Nirman Udhyog	064-3-32 (07-16-2007)	1,564,762.88	100%	1,564,762.88	-	1,564,762.88
Yangamati Enterprises	062-06-20 (10-06-2005)	1,664,165.33	100%	1,664,165.33	-	1,664,165.33
Kalika Oil Mill	062-12-14 (03-27-2006)	1,664,350.75	100%	1,664,350.75	-	1,664,350.75
Nawa Durga Khadhya Udhyog	063-12-01 (03-15-2007)	1,679,286.53	100%	1,679,286.53	-	1,679,286.53
Baglung Kali Khadhya Udhyog	063-02-09 (05-23-2006)	1,707,810.44	100%	1,707,810.44	-	1,707,810.44
Himalaya Kastha Udhyog	063-01-31 (05-14-2006)	2,093,435.94	100%	2,093,435.94	-	2,093,435.94
Tea Makers P.Ltd.	063--3-12 (06-26-2006)	2,104,764.72	100%	2,104,764.72	-	2,104,764.72
Merry Gold Electricals	062-07-25 (11-11-2005)	2,271,462.93	100%	2,271,462.93	-	2,271,462.93
Jain Impex	063-03-30 (07-14-2006)	2,307,500.00	100%	2,307,500.00	-	2,307,500.00
Punam Oil & Rice U.	062-06-31 (10-17-2005)	2,406,400.00	100%	2,406,400.00	-	2,406,400.00
Nimasa Enterprises	062-3-12 (06-26-2005)	2,537,500.00	100%	2,537,500.00	-	2,537,500.00
Madan Sharma Samuha	062-09-12 (12-27-2005)	2,669,698.44	100%	2,669,698.44	-	2,669,698.44
Krishna Prasad Pant	063-02-09 (05-23-2006)	2,773,000.00	100%	2,773,000.00	-	2,773,000.00



Aathrai Garments	064-3-19 (07-03-2007)	2,850,000.00	100%	2,850,000.00	-	2,850,000.00
Annapurna Textile L.	063-01-21 (05-04-2006)	3,000,000.00	100%	3,000,000.00	-	3,000,000.00
Nisha Enterprises	061-04-04 (06-19-2004)	3,353,920.88	100%	3,353,920.88	-	3,353,920.88
Ganga Prasad Jaisi (Malika Chamal Udhy)	067-05-22 (09-07-2010)	3,494,000.00	100%	3,494,000.00	-	3,494,000.00
Jayakali Biskut & Co.	063-03-14 (06-28-2006)	3,535,160.00	100%	3,535,160.00	-	3,535,160.00
Jivan Dip Chalchitra Mandir	063-2-12 (05-26-2006)	3,719,821.58	100%	3,719,821.58	-	3,719,821.58
Madan Bikram Nemwang	061-08-09 (11-24-2004)	3,982,750.00	100%	3,982,750.00	-	3,982,750.00
Janakpur Cold Stors	063-2-25 (06-08-2006)	4,000,000.00	100%	4,000,000.00	-	4,000,000.00
Lalbani & Company	063-03-04 (06-18-2006)	4,093,750.00	100%	4,093,750.00	-	4,093,750.00
Kumar Cycle Group	061-06-26 (10-12-2004)	4,500,000.00	100%	4,500,000.00	-	4,500,000.00
Jayalaxmi Itta Udhyog	061-12-31 (04-13-2005)	5,010,000.00	100%	5,010,000.00	-	5,010,000.00
Jumle Carpet & Omsai	063-03-08 (06-22-2006)	5,042,498.92	100%	5,042,498.92	-	5,042,498.92
Samsung Enterprises	067-03-03 (06-17-2010)	5,750,000.00	100%	5,750,000.00	-	5,750,000.00
Diyo Rice Mill	063-01-29 (05-12-2006)	6,103,756.92	100%	6,103,756.92	-	6,103,756.92
Dambar Lal Shah	061-08-20 (12-05-2004)	6,550,500.00	100%	6,550,500.00	-	6,550,500.00
Paramhansha Picture Palace	062-02-12 (05-26-2005)]	6,904,000.00	100%	6,904,000.00	-	6,904,000.00
Kumar Cycle Group	062-09-26 (01-10-2006)	7,910,000.00	100%	7,910,000.00	-	7,910,000.00
Damodar Sharma Group	061-10-20 (02-02-2005)	9,286,570.00	100%	9,286,570.00	-	9,286,570.00
Gyan Carpet Industries	063-03-18 (07-02-2006)	9,869,465.74	100%	9,869,465.70	-	9,869,465.74
Shiwalaya Metal I.P.Ltd.	063-03-18 (07-02-2006)	10,374,216.74	100%	10,374,216.74	-	10,374,216.74
Pashupati Siliket I. & Goyal	061-03-30 (07-14-2004)	13,503,500.00	100%	13,503,500.00	-	13,503,500.00
Banshidhar Industries	062-11-21 (03-05-2006)	17,192,000.00	100%	17,192,000.00	-	17,192,000.00
Shivalaya Metal Ind. Pvt. Ltd.	065-10-30 (02-11-2009)	19,188,910.00	100%	19,188,910.00	-	19,188,910.00
Bajaranga Takij P.Ltd.	064-3-7 (06-21-2007)	26,386,774.91	100%	26,386,774.91	-	26,386,774.91
Narayani Vegetable Oil	063-03-14 (06-28-2006)	27,839,804.81	100%	27,839,804.91	-	27,839,804.91
Sita Devi Neupane	069-3-31 (07-15-2012)	500,000.00	100%	500,000.00	-	-
Dhan Durga Traders	069-3-31 (07-15-2012)	779,132.43	100%	779,132.43	-	-
Krishna Prasad Bhandari	069-3-31 (07-15-2012)	978,068.33	100%	978,068.33	-	-
Prasai Selar Mill	068-8-22 (12-08-2011)	1,120,000.00	100%	1,120,000.00	-	-
Purna Badhur Thapa	068-8-21 (12-07-2011)	1,800,000.00	100%	1,800,000.00	-	-
Sumitra Devi Dungel (Kharel)	062-07-14 (10-31-2005)				-	61,965.00
Manoj Kumar Chiraniya	046-11-28 (03-11-1990)				-	176,000.00
Bal Dev Kirana Pasal	064-3-31 (07-15-2007)				-	232,000.00
Prakash Kirana Stores	063-02-19 (06-02-2006)				-	350,000.00
Maruti Ieta Udhyog	062-09-26 (01-10-2006)				-	355,000.00
Lokendra Chaudary	062-08-10 (11-25-2005)				-	419,166.00
Laxmi Prasad Kharel	062-07-14 (10-31-2005)				-	429,821.00
Salim Stores	061-04-04 (07-19-2004)				-	500,000.00

Anu Emporium	063-03-16 (06-30-2006)				-	510,000.00
Nepal Metal Udhyog	063-03-13 (06-27-2006)				-	548,302.00
The Black Top Tek	062-08-13 (11-28-2005)				-	572,737.00
Siddhidatri Traders P.Ltd.	063-4-11 (07-27-2006)				-	573,726.00
Saroj Rice Mill	063-02-14 (05-28-2006)				-	619,838.00
Panchakanya Metal Udhyog	063-03-19 (07-03-2006)				-	657,000.00
D.R. Suppliers	062-02-15 (05-29-2005)				-	682,364.00
Karuna Kirana Pasal	062-08-13 (11-28-2005)				-	738,491.00
Siddhi Enterprises	063-5-22 (09-07-2006)				-	812,500.00
Arjun Mahesh Traders	063-03-15 (06-29-2006)				-	1,009,310.00
Shivashakti Body Work Shop	063-02-04 (05-18-2006)				-	1,232,344.00
Padam Bahadur Basnet	061-08-20 (12-05-2004)				-	1,400,680.00
Khagendra Bahadur Katuwal	063-03-15 (06-29-2006)				-	1,522,479.00
Udhyapur Kastha Udhyog	063-03-16 (06-30-2006)				-	1,561,104.00
Byuhat Dal Tel Udhyog	063-02-15 (05-29-2006)				-	1,600,000.00
Durgananda Sharma	061-08-20 (12-05-2004)				-	2,354,175.00
Shyam Krishna Chaudhary	062-08-16 (12-01-2005)				-	2,441,355.00
Narayani Bone Chips (Pro. Pashupati pras	063-02-4 (05-18-2006)				-	2,500,000.00
Hotel Nagadanda Himal	063-6-27 (10-13-2006)				-	3,129,000.00
Bishal Enterprises	063-02-04 (05-18-2006)				-	3,570,947.00
Surya Khadhya Udhyog	061-03-31 (07-15-2004)				-	3,940,684.00
Rajendra Aryal	063-02-09 (05-23-2006)				-	4,674,000.00
Ganesh Mordern Dal Mill	062-10-02 (01-15-2006)				-	6,941,000.00
Khatri & Co.Pvt.Ltd.	063-03-01 (06-15-2006)				-	12,375,000.00
Hotel Seven Seas Holidays	062-02-23 (06-06-2005)				-	14,365,453.00
<b>Total Amount</b>		<b>309,420,997.00</b>	<b>-</b>	<b>309,420,997.00</b>	<b>-</b>	<b>381,058,347.00</b>
<b>Less: Provision amount</b>						<b>381,058,347.00</b>
<b>Previous Year's Net Non Banking Asse</b>						<b>-</b>

## Nepal Bank Limited

### Other Assets

As at 15 July 2012 (Ashad 31, 2069)

Schedule 16

Particulars		Current Year Rs.	Previous Year Rs.
1 Stationary Stock		23,722,911	22,753,762
2 Interest Receivable on Investment		83,015,248	83,366,856
3 Accrued Interest on Loan	3,311,510,300	-	3,038,458,430
Less : Interest Suspense Amount	(3,311,510,300)		(3,038,458,430)
4 Commission Receivable		-	-
5 Sundry Debtors	372,227,450	283,330,823	299,560,315
Less : Provision amount	(88,896,627)		(88,896,627)
6 Staff Loan and Advance	1,974,762,028	1,961,761,398	1,703,462,002
Less : Provision amount	(13,000,630)		(13,000,630)
7 Prepayments		2,508,509	2,480,113
8 Cash in Transits		329,638,156	335,492,156
9 Other Transit Items (Including Cheques)		-	-
10 Draft Paid Without Notice	1,006,086,506	1,006,086,506	1,597,763,312
Less : Provision amount	-		-
11 Expenses Not Written Off		37,221,747	45,283,922
12 Branch Adjustment Account		1,500,580,670	-
13 Deferred Tax Assets		73,076,255	53,756,672
14 Others		2,837,255,399	<b>2,110,987,799</b>
Reimbursement (Pension) Receivable	1,433,226,046		500,649,221
Government Securities - Principal & Interest	8,427,670		7,175,178
Advance Tax	1,598,063,287	1,244,460,015	1,410,468,928
Less: Provision for Income Tax	(353,603,272)		(352,612,627)
Other Assets	162,406,694	151,141,668	556,572,125
Less : Provision	(11,265,026)		(11,265,026)
<b>Total</b>		<b>8,138,197,622</b>	<b>6,153,009,652</b>

## Nepal Bank Limited

### Other Assets (Additional Statement)

As at 15 July 2012 (Ashad 31, 2069)

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	730,008,999	291,967,461	2,289,533,840	3,311,510,300	3,038,458,430
2 Drafts Paid Without Notice	920,657,372	10,763,823.51	74,665,310	1,006,086,506	1,597,763,312
3 Branch Adjustment Account	-	-	-	-	-
4 Local and Foreign Agency Accounts	-	-	-	-	-

**Nepal Bank Limited**  
**Contingent Liabilities**  
**As at 15 July 2012 (Ashad 31, 2069)**

Schedule 17

Particulars	Current Year Rs.	Previous Year Rs.
1 Claims on Bank but not accepted by the Bank	132,598,919	70,296,559
2 Letters of credit (full amount)	<b>1,628,425,560</b>	<b>921,711,758</b>
a) Less than 6 months maturity	1,558,412,054	851,698,252
b) More than 6 months maturity	70,013,506	70,013,506
3 Rediscounted Bills	-	-
4 Unmatured Guarantees/Bonds	<b>1,074,503,129</b>	<b>688,757,580</b>
a) Bid Bonds	241,087,085	162,016,329
b) Performance Bonds	593,862,900	319,458,795
c) Other Guarantee / Bonds	239,553,144	207,282,456
5 Unpaid Shares in Investment	-	-
6 Forward Exchange Contract Liabilities	-	-
7 Bills under Collection	108,551,514	142,610,214
8 Acceptance and Endorsements	-	-
9 Underwriting Commitments	-	-
10 Irrevocable Loan Commitments	-	-
11 Guarantee issued against Counter Guarantee of International	-	-
12 Advance Payment Guarantee	139,438,706	201,303,520
13 Financial Guarantee	-	-
14 Contingent Liabilities on Income Tax	1,033,954,469	1,033,954,469
15 Others	-	-
<b>Total</b>	<b>4,117,472,297</b>	<b>3,058,634,100</b>

# Nepal Bank Limited

## Interest Income

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 18

Particulars		Current Year Rs.	Previous Year Rs.
a)	<b>Loan, Advance and Overdraft</b>	<b>3,681,248,338</b>	<b>3,354,660,029</b>
	1 Loans and Advances	3,493,005,321	3,159,584,351
	2 Overdraft	188,243,017	195,075,678
b)	<b>Investment</b>	<b>361,509,585</b>	<b>356,833,882</b>
	<b>1 Nepal Government Securities</b>	<b>301,599,978</b>	<b>304,389,231</b>
	a) Treasury Bills	212,340,867	220,206,509
	b) Development Bonds	89,259,111	84,182,722
	c) National Saving Certificates	-	-
	<b>2 Foreign Securities</b>	<b>52,504,947</b>	<b>42,571,771</b>
	a) Interest of Investment on Foreign Bank	30,875,390	28,284,474
	b) Interest of Investment on Commercial Paper	21,629,557	14,287,297
	<b>3 Nepal Rastra Bank Bonds</b>	<b>-</b>	<b>-</b>
	<b>4 Debentures and Bonds</b>	<b>7,404,660</b>	<b>9,872,880</b>
	a) Bank/Financial institutions	-	-
	b) Other institutions	7,404,660	9,872,880
	<b>5 Interest on Inter Bank Lending</b>	<b>-</b>	<b>-</b>
c)	<b><u>Agency Balances</u></b>	<b>365,730</b>	<b>458,330</b>
	1 Local Bank/Financial institutions	-	59,265
	2 Foreign Banks	365,730	399,065
d)	<b><u>Money at call and Short Notice</u></b>	<b>8,020,795</b>	<b>28,017,440</b>
	1 Local Bank/Financial institutions	8,020,795	28,017,440
	2 Foreign Banks	-	-
e)	<b><u>Others</u></b>	<b>7,726</b>	<b>749,347</b>
	1 Certificate of Deposits	-	-
	2 Inter bank/Financial institutions Loan	-	718,143
	3 Others	7,726	31,204
<b>Total</b>		<b>4,051,152,174</b>	<b>3,740,719,028</b>

# Nepal Bank Limited

## Interest Expenses

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 19

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Deposit Liabilities</b>	<b>2,176,045,055</b>	<b>1,450,742,542</b>
<b>1 Fixed Deposits</b>	<b>878,784,840</b>	<b>478,650,780</b>
1.1 Local Currency	878,666,393	478,629,844
1.2 Foreign Currency	118,447	20,936
<b>2 Saving Deposits</b>	<b>1,297,062,603</b>	<b>946,220,922</b>
2.1 Local Currency	1,296,993,361	946,164,457
2.2 Foreign Currency	69,242	56,465
<b>3 Call Deposits</b>	<b>197,612</b>	<b>25,870,840</b>
3.1 Local Currency	197,612	25,870,840
3.2 Foreign Currency	-	-
<b>4 Certificate of Deposits</b>	<b>-</b>	<b>-</b>
<b>B. Borrowings</b>	<b>15,717,600</b>	<b>27,759,352</b>
1 Debentures and Bonds	-	-
2 Loan from Nepal Rastra Bank	15,717,600	27,759,352
3 Inter Bank / Financial Institutions Borrowing	-	-
4 Other Corporate Body	-	-
5 Other Loans( Foreign Currency)	-	-
<b>C. Others</b>	<b>5,374,723</b>	<b>3,703,005</b>
1 Staff Medical Fund	4,464,029	3,171,855
2 Other interest expenses	910,694	531,150
<b>Total</b>	<b>2,197,137,378</b>	<b>1,482,204,899</b>

# Nepal Bank Limited

## Commission & Discount

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 20

Particulars	Current Year Rs.	Previous Year Rs.
<b>a) Bills Purchased &amp; Discount</b>	<b>99,961</b>	<b>246,845</b>
1 Local	28,342	184,972
2 Foreign	71,619	61,873
<b>b) Commission</b>	<b>235,374,951</b>	<b>248,361,821</b>
1 Letters of Credit	13,098,320	6,260,362
2 Guarantees	15,940,175	13,261,584
3 Collection Fees	2,784,442	3,347,794
4 Remittance Fees	38,970,853	41,952,239
5 Credit Cards	-	-
6 Share Underwriting/ Issues	-	-
7 Government Transactions	164,581,161	183,539,842
8 Agency Commission	-	-
9 Exchange Fee	-	-
<b>c) Others</b>	<b>17,155,822</b>	<b>12,687,693</b>
<b>Total</b>	<b>252,630,734</b>	<b>261,296,359</b>

# Nepal Bank Limited

## Other Operating Income

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 21

Particulars	Current Year Rs.	Previous Year Rs.
1 Rent of Safe Deposit Vault	15,246,609	12,983,079
2 Issue and Renewals of Credit Cards	-	-
3 Issue and Renewals of ATM Cards	-	-
4 Telex / T.T	2,454,969	2,750,519
5 Service Charges	44,759,907	34,707,600
6 Renewal Fees	6,015,923	5,477,806
7 Others	110,983,722	84,542,332
<b>Total</b>	<b>179,461,130</b>	<b>140,461,336</b>

## Nepal Bank Limited

### Exchange Fluctuation Gain/Loss

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 22

Particulars	Current Year Rs.	Previous Year Rs.
a) Revaluation Gain	30,609,724	(12,593,011)
b) Trading (except exchange fees)	29,026,731	24,430,719
<b>Total Gain/ (Loss)</b>	<b>59,636,455</b>	<b>11,837,708</b>

## Nepal Bank Limited

### Staff Expenses

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 23

Particulars	Current Year Rs.	Previous Year Rs.
1 Salary	588,922,553	445,664,994
2 Allowances	349,444,894	291,063,252
3 Contribution to Provident fund	128,850,586	99,034,719
4 Training Expenses	4,001,018	2,365,835
5 Uniform	19,978,000	19,820,000
6 Medical	72,553,105	54,344,956
7 Insurance	3,916,347	2,342,735
8 Pension and Gratuity Provision and Paid	673,445,142	692,055,995
9 Others	61,954,575	76,288,466
<b>Total</b>	<b>1,903,066,220</b>	<b>1,682,980,952</b>



# Nepal Bank Limited

## Office Operating Expenses

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 24

Particulars		Current Year Rs.	Previous Year Rs.
1	House Rent	24,593,040	22,380,760
2	Electricity & Water	25,472,755	21,408,363
3	<u>Repair and Maintenance</u>	17,305,125	<b>13,207,575</b>
	a) Building.....	3,927,702	3,228,831
	b) Vehicles.....	2,729,679	2,779,962
	c) Others.....	10,647,744	7,198,782
4	Insurance	28,375,913	24,791,790
5	Postage, Telex, Telephone, Fax	19,666,295	21,703,772
6	Office Equipment, Furniture and Repair	2,108,723	2,602,914
7	Travelling Allowance and Expenses	18,771,080	16,808,337
8	Stationery and Printing	14,848,101	13,479,012
9	Periodicals and Books	1,585,959	1,304,522
10	Advertisements	8,362,522	7,612,558
11	Legal Expenses	2,615,264	1,936,883
12	Donations	-	-
13	Expenses Relating to Board of Directors	3,779,462	<b>5,405,586</b>
	a) Meeting Fees	2,221,400	3,081,500
	b) Other Expenses	1,558,062	2,324,086
14	Annual General Meeting Expenses	-	-
15	Expenses Relating to Audit	1,685,361	<b>1,655,807</b>
	a) Audit Fees	1,073,500	1,073,500
	b) Other Expenses	611,861	582,307
16	Commission on Remittances	2,951,929	2,895,493
17	Depreciation on Fixed Assets	50,704,716	45,191,727
18	Amortization of Preliminary Expenses	-	-
19	Share Issue Expenses	-	-
20	Technical Services Fee	-	-
21	Entertainment	2,853,270	2,292,447
22	Written off Expenses	16,742,915	11,250,649
23	Security Expenses	74,747,370	59,340,297
24	Credit Guarantee Premium	3,560,803	-
25	Commission & Discount	19,025,902	14,009,252
26	Others	61,289,278	46,779,943
<b>Total</b>		<b>401,045,783</b>	<b>336,057,687</b>

**Nepal Bank Limited**  
**Provision For Possible Loss**

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 25

Particulars	Current Year Rs.	Previous Year Rs.
1 Increase in Loan Loss Provision	251,862,197	660,327,795
2 Increase in Provision for Loss on Investment	-	-
3 Provision against Non-banking Assets	-	-
4 Provision against Other Assets	195,711	48,851,426
<b>Total</b>	<b>252,057,908</b>	<b>709,179,221</b>

**Nepal Bank Limited**  
**Non-Operating Income /Loss**

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 26

Particulars	Current Year Rs.	Previous Year Rs.
1 Profit / (Loss) on sale of Investment	-	-
2 Profit / (Loss) on sale of Assets	45,197,497	30,464,212
3 Dividend	3,828,255	5,270,677
4 Subsidies Received from Nepal Rastra Bank	-	-
a) Reimbursement of losses of specified branches	-	-
b) Interest Subsidy	-	-
c) Exchange counter	-	-
5 Others	-	-
<b>Total</b>	<b>49,025,752</b>	<b>35,734,889</b>

**Nepal Bank Limited**  
**Loss Provisions Written Back**

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 27

Particulars	Current Year Rs.	Previous Year Rs.
1 Loan Loss Provision Written back	258,435,474	87,749,331
2 Provision against Non-Banking Assets Written Back	73,115,418	54,207,173
3 Investment Provision Written Back	-	-
4 Provision against Other Assets Written Back	-	-
<b>Total</b>	<b>331,550,892</b>	<b>141,956,504</b>

**Nepal Bank limited**  
**Profit / Loss from Extra-ordinary Activities**

For the period, from 1st Shrawan 2068 to 31st Ashad 2069 (16th July, 2011 to 15th July, 2012)

Schedule 28

Particulars	Current Year Rs.	Previous Year Rs.
1 Recovery of Write off loans	80,496,351	199,434,370
2 Voluntary Retirement Scheme Expenses	-	-
3 Write off of nonrecoverable loan ( 28A)	(76,810,376)	29,377,984
Less : Provision of Written Off Loan		(29,377,984)
4 Other Expenses / Income	-	-
<b>Total</b>	<b>3,685,975</b>	<b>199,434,370</b>

**Nepal Bank Limited**  
**Statement of Loans Written-Off**  
As at 15 July 2012 (Ashad 31, 2069)

Schedule 28(A)

S.No.	Types of Loans	Written Off Amount	Type of Security & Amount	Basis of Valuation of Collateral	Loan Approval Authority / Designation	Initiations made for Recovery of Loan	Remarks
1	Working Capital Loan	76,285,217.00					
2	Project Loan	-					
3	Fixed Capital Loan	-					
4	Personal Loan	322,836.00					
5	Other Loan	202,323.00					
	<b>Total Loan</b>	<b>76,810,376.00</b>					

**Nepal Bank Limited**  
**Statement of Loan and Advances Extended to Directors/ Chief Executive/ Promoter/ Employees and Shareholders**  
**July 15, 2012 (Ashad 31, 2069)**

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's Additional Loan	Balance as of Ashad End	
	Principle	Interest	Principle	Interest		Principle	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.PawanVariety Store(P.K.Paudel) 2.....	212,392	1,793,000	-	-	-	212,392	2,122,087
(E) <u>Shareholders</u> 1..... 2.....							
<b>Total</b>	<b>212,392</b>	<b>1,793,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,392</b>	<b>2,122,087</b>

**Nepal Bank Limited**  
**CAPITAL FUND TABLE**  
**As at July 15, 2012 (Ashad 31, 2069)**

Schedule 30(A1)  
in Rs. thousand

<b>1.1 RISK WEIGHTED ASSETS</b>	<b>Current Year Rs.</b>	<b>Previous Year Rs.</b>
a Credit Risk	47,464,432	42,545,894
b Operational Risk	3,192,400	3,029,830
c Market Risk	1,409,090	1,266,350
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	-	-
<b>Total Risk Weighted Assets after Pillar II adjustment</b>	<b>52,065,922</b>	<b>46,842,074</b>
Add: Adjustment made by supervisor		
1% of net interest income(provision for weak asset liability management)	185401	225851
2% of total income(provision for weak operational risk management)	469149	534422
4%of risk weighted assets(provision for total weak risk management)	2082637	1873683
<b>Total Risk Weighted Assets after Adjustment made by Supervisor</b>	<b>54,803,109</b>	<b>49,476,030</b>
<b>1.2 CAPITAL FUND*</b>	<b>(3,190,876)</b>	<b>(4,752,653)</b>
<b>Core Capital (Tier 1)</b>	<b>(3,190,876)</b>	<b>(4,752,653)</b>
a PaidUp equity Share Capital	1,772,828	380,383
b Irredeemable Non-cumulative preference shares	-	-
c Share Premium	-	-
d Proposed Bonus Equity Shares	-	-
e Statutory General Reserves	1,669,669	1,634,397
f Accumulated Profit/(loss) till last fiscal year	(7,131,112)	(7,190,814)
g Current year profit/(loss)	-	-
h Capital Redemption Reseves	-	-
i Capital Adjustment Reserves	342,344	304,306
j Dividend Equalization Reserves	7,486	7,486
k Bonds payment Fund	-	-
l Special Reserve Fund (Compensation received against loan waived)	259,736	259,736
m Other Free Funds	6,063	6,063
<b>To be deducted :</b>		
a Amount of goodwill	-	-
b Miscellaneous assets not written off	(37,222)	-
c Share investment in a licensed Institution	-	-
d Investment made in a company having financial interest	-	-
e Investment exceeding limits	(80,668)	(154,210)
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 & Facilities extended to the concerned parties and in prohibited sectors under 6.4(a)(2)	-	-
<b>Supplimentary Capital (Tier 2)</b>	<b>520,485</b>	<b>653,631</b>
a Cumulative and Redeemable Preference Share	-	-
b Unsecured subordinated Term Debt	-	-
c Hybrid Capital Instruments	-	-
d Pass loan loss provision	428,352	585,526
e Exchange Equalization Reserves	75,620	67,968
f Investment Adjustment Reserves	16,513	137
g Assets Revaluation Reserves	-	-
h Other Reserves	-	-
<b>1.3 CAPITAL FUND RATIO</b>	<b>Current Year</b>	<b>Previous Year</b>
Core Capital (Tier I) / Total Risk Weighted Assets	-5.82%	-10.15%
Capital Fund (Tier 1 and Tier 2) / Total Risk Weighted Assets	-5.82%	-10.15%

\* Paid of capital includes amount 1,392,445 thousand for calls in advanced under Nepal government share ownership.

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

# Nepal Bank Limited

## CREDIT RISK

As at July 15, 2012 (Ashad 31, 2069)

Schedule 30(B)

in Rs. thousand

Assets	Ashad end 2069						Previous Fiscal 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	1,940,995			1,940,995	0%	-	1570316	0
Balance With Nepal Rastra Bank	10,635,914			10,635,914	0%	-	9343275	0
Gold					0%			
Investment in Nepalese Government Securities	6,049,267			6,049,267	0%	-	4297110	0
All other Claims on Government of Nepal ( <i>Pension Receivable</i> )	1,433,226			1,433,226	0%	-	500649	0
Investment in Nepal Rastra Bank securities					0%	-	1285025	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	-		-	-	20%	-	0	0
Claims on domestic banks that do not meet capital adequacy requirements	408,315		-	408,315	100%	408,315	658710	658710
Claims on Foreign Banks (ECA Rating 0-1)	2,188,579		877,009	1,311,570	20%	262,314	1686500	337300
Claims on Foreign Banks (ECA Rating 2)	4,253		4,253	-	50%	-	0	0
Claims on Foreign Banks (ECA Rating 3-6)	997,066		174,237	822,829	100%	822,829	125246	125246
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	4,832,730		-	4,832,730	60%	2,899,638	4409708	2645825
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	24,866,133		1,254,198	23,611,935	150%	35,417,903	21011973	31517960
Investment in equity of institutions listed in the stock exchange	127,392	-	-	127,392	100%	127,392	127392	127392
Investment in equity of institutions not listed in the stock exchange			-	-	150%	-	0	0
Other Assets	9,237,757	4,166,143	-	5,071,614	100%	5,071,614	5598378	5598378
<b>Total</b>	<b>62,721,627</b>	<b>4,166,143</b>	<b>2,309,697</b>	<b>56,245,787</b>		<b>45,010,005</b>	<b>50,614,282</b>	<b>41,010,811</b>

<b>B. Off Balance Sheet Transactions</b>	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 Collection	108,552			108,552	0%	-	142610	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)	1,558,412		73,483.48	1,484,929	100%	1,484,929	802387	802387
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		3,301.33	66,713	100%	66,713	65960	65960
foreign counterparty (ECA Rating 7)			-	-	150%	-	0	0
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	834,950		39,370.23	795,580	50%	397,790	453599	226800
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	139,439		6,574.92	132,864	100%	132,864	189649	189649
Financial Guarantee	450		21.22	429	100%	429	0	0
Acceptances and Endorsements	-		-	-	100%	-	0	0
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	371,702		-	371,702	100%	371,702	250287	250287
<b>Total</b>	<b>3,083,519</b>	<b>-</b>	<b>122,751</b>	<b>2,960,769</b>		<b>2,454,427</b>	<b>1,904,492</b>	<b>1,535,083</b>
<b>Total Credit Risk (A+B)</b>	<b>65,805,146</b>	<b>4,166,143</b>	<b>2,432,448</b>	<b>59,206,556</b>	<b>-</b>	<b>47,464,432</b>	<b>52,518,774</b>	<b>42,545,894</b>
<b>Adjustment under Pillar II</b>								
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)								
<b>Total Credit Risk (after adjustment under Pillar II)</b>	<b>65,805,146</b>	<b>4,166,143</b>	<b>2,432,448</b>	<b>59,206,556</b>	<b>-</b>	<b>47,464,432</b>	<b>52,518,774</b>	<b>42,545,894</b>

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

**Nepal Bank Limited**  
**Amount eligible for CREDIT RISK MITIGATION (CRM)**  
As at July 15, 2012 (Ashad 31, 2069)

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 nationl banks	G'tee of multilateral developmen t bank	Sec/G'tee of foreign banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
<b>On Balance Sheet Transaction</b>										
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)	877,009									877,009.00
Claims on Foreign Banks (ECA Rating 2 )	4,253									4,253.00
Claims on Foreign Banks (ECA Rating 3-6 )	174,237									174,237.00
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	-	-		962,114	292,084					1,254,198.00
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										-
<b>Total</b>	<b>1,055,499</b>	<b>-</b>	<b>-</b>	<b>962,114</b>	<b>292,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,309,697</b>



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)	73,483									73,483.00
foreign counterparty (ECA Rating 7)										-
LC Commitments With Original Maturity Over 6 months domestic counterparty										-
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)	3,301									3,301.00
foreign counterparty (ECA Rating 7)										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty	39,370									39,370.00
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	6,575									6,575.00
Financial Guarantee	21									21.00
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit Commitments (short term)										-
Irrevocable Credit Commitments (long term)										-
Other Contingent Liabilities										-
<b>Total</b>	<b>122,750</b>	-	-	-	-	-	-	-	-	<b>122,750</b>
<b>Total Credit Risk</b>	<b>1,178,249</b>	-	-	<b>962,114</b>	<b>292,084</b>	-	-	-	-	<b>2,432,447</b>

# Nepal Bank Limited

## OPERATIONAL RISK

As at July 15, 2012 (Ashad 31, 2069)

Schedule 30(D)  
in Rs. thousand

Particulars	Years before Ashad 31, 2069			Previous Year
	Year 1	Year 2	Year 3	
Net Interest Income	1,898,348	2,157,563	2,258,514	
Commission and Discount Income	273,106	425,005	261,296	
Other Operating Income	156,758	152,873	140,461	
Exchange Fluctuation Income	89,209.00	23,552.00	11,838	
Additional Interest Suspense account of this year	(536,261)	(668,831)	(258,630)	
<b>Gross income (A)</b>	<b>1,881,160</b>	<b>2,090,162</b>	<b>2,413,479</b>	
<b>Specified percentage (Alfa) (B)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	
<b>Net Income by the specified percentage {C=(AxB)}</b>	<b>282,174</b>	<b>313,524</b>	<b>362,022</b>	
<b>Capital necessary for operational risks (D)= average of (C)</b>			<b>319,240</b>	<b>302983</b>
<b>Risk weight (reciprocal of capital requirement) (E)</b>			<b>10</b>	<b>10</b>
<b>Risk weight amount for operational risks (F)=(D)x(E)</b>			<b>3,192,400</b>	<b>3029830</b>
<b>Adjustment under Pillar II</b>				
Incase the total income of the last three years according to 6.4(i) (8) is negative				
<b>Total credits and advance (after the adjustment of the special provision)</b>				
<b>Capital required for operational risks</b>				
<b>Risk weight (reciprocal of capital requirement of 10) (G)</b>				
<b>Risk weight amount for operational risks (H)=(F)+(G)</b>			<b>3,192,400</b>	<b>3,029,830</b>

# Nepal Bank Limited

## MARKET RISK

As at July 15, 2012 (Ashad 31, 2069)

Schedule 30(E)  
in Rs. thousand

S. No.	Particulars	2069 Ashad end			2068 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	118,407	189,451	189,451	137,119
2	American Dollar*	(11,317)	(994,758)	994,758	1,189,554
3	Pound Sterling	1,455	198,131	198,131	158,632
4	Euro	8,363	896,007	896,007	695,014
5	SFR	-	-	-	-
6	Japanese Yen	323,351	356,656	356,656	278,544
7	Singapore Dollar	111	7,647	7,647	5,421
8	Australian Dollar	158	14,144	14,144	6,837
9	Canadian Dollar	1,331	114,771	114,771	52,838
10	Swiss Frank	523.00	46,605.00	46,605	8,739
11					
12					
<b>Total Open Position (a)</b>				<b>2,818,170</b>	<b>2,532,698</b>
<b>Prescribed Percentage (b)</b>				<b>5%</b>	<b>5%</b>
<b>Capital required for Market Risk (c)=(a)x(b)</b>				<b>140,909</b>	<b>126,635</b>
<b>Risk Weight (reciprocal of capital requirement) (d)= (100/10)</b>				<b>10</b>	<b>10</b>
<b>Risk Weight amount for market risks (e)=(c)x(d)</b>				<b>1,409,090</b>	<b>1,266,350</b>

\*Due to unavailability of required information, SDR Borrowing (NPR Rs. 2,153,794 thousand) has been netted off with US dollar.

# Nepal Bank Limited

## Principal Indicators

Schedule 31

S.No.	Particulars	Indicators	FY 2064/65	FY 2065/66	FY 2066/67	FY 2067/68	FY 2068/69
1	Percentage of Net Profit/ Gross Income	Percent	8.53	22.68	5.75	2.96	3.58
2	Earning Per Share	Rs.	62.89	235.09	65.56	33.74	46.36
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	13.39	13.75	12.24	14.01	13.64
8	Staff Expenses/ Total Operating Expenses	Percent	56.61	60.11	71.29	48.07	42.28
9	Interest Expenses on Total Deposit and Borrowings	Percent	1.80	1.70	2.02	3.05	3.77
10	Exchange Gain/ Total Income	Percent	4.26	2.26	0.54	0.27	1.21
11	Staff Bonus/ Total Staff Expenses	Percent	2.33	5.79	0.85	1.73	0.83
12	Net Profit/ Loan and Advances	Percent	1.52	4.57	1.00	0.48	0.59
13	Net Profit/ Total Assets	Ratio	0.57	1.88	0.56	0.25	0.30
14	Total Credit/ Deposit	Percent	37.69	43.28	58.42	57.05	52.98
15	Total Operating Expenses/ Total Assets	Percent	5.66	5.74	9.32	6.84	7.68
16	Adequacy of Capital Fund on Risk Weighted Assets						
	a. Core Capital	Percent	(27.55)	(13.94)	(11.13)	(10.15)	(5.82)
	b. Supplementary Capital	Percent	-	-	-	-	-
	c. Total Capital Fund	Percent	(27.55)	(13.94)	(11.13)	(10.15)	(5.82)
17	Liquidity (CRR)	Percent	15.82	20.29	23.65	25.67	25.09
18	Non-performing Credit/ Total Credit	Ratio	12.38	4.94	4.87	5.75	5.58
19	*Weighted Average Interest Rate Spread	Percent	4.82	6.45	7.59	8.25	7.05
20	Book Net-worth	Rs.	(1,580)	(1,280)	(1,210)	(1,180)	(1,130)
21	Total Shares	No.	3,803,826	3,803,826	3,803,826	3,803,826	3,803,826
22	Total Staffs	No.	2,885	2,442	2,926	2,869	2,819

\* 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.

# Nepal Bank Limited

## Forming Part of the Financial Statements for the FY 2068/69 (FY 2011/12)

### Significant Accounting Policies

#### Schedule 32

Nepal Bank Limited is a Limited Liability company registered with Nepal Government Company Registrar's Office under Company Act, 2063, have received "A" class license from Nepal Rastra Bank to perform banking business under Bank and Financial Institutions Act, 2063. The bank was established in Kartik 30, 1994 B.S (November 15, 1937) as the first Commercial Bank of Nepal. The registered office of this bank is located at Dharmapath, Naya Sadak Kathmandu. The Management of this bank has been taken by Nepal Rastra Bank under its control since Chaitra 01, 2058 (March 14, 2002). The attached Financial Statements of the bank is approved by the Management Committee as on Poush 22, 2069 (Jan 6, 2013) for issue and publication.

The Financial Statements are presented in Nepalese Rupees and are converted into the 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:-**

Except as mentioned herein below, the revenues of the bank are recognized on the basis of accrual principle.

- 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 safe deposit vault are accounted for on cash basis.

#### **2) Expense Recognition:-**

All expenses of the bank are recognized on accrual basis of accounting except insurance premium.

#### **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, the revaluation gain is Rs. 30,610 thousand during this year and Rs. 7,652 thousand (25% of revaluation income amounts) is transferred to exchange fluctuation fund, through profit & loss allocation account.

**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. 8,63,42,471/- 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 percent of portfolio available for sale in 'Investment Adjustment Reserve' which will be counted as Supplementary or Tier 2 Capital.
- iv) Investments in the shares of listed companies are accounted at the lower of cost price or market price. 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 price. As per the directive of Nepal Rastra Bank, equal value of invested amount has been maintained into Investment Adjustment Fund.

**7. Non Banking Assets:-**

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

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

**8. Loans, Advances and Bills Purchase:-**

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

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

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

**9. Loan Write Off:-**

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

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

**10. Employee Retirement Benefit:-**

**i. Provision for Payment of Retirement Benefit:**

Retirement Benefit Liability arising on account of retirement gain of bank's employees as per Employee Bylaws- 2068 (with amendment) 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 upto the interest earned from that fund, however if the interest earned to that fund is short to serve all the eligible amount then 50 percent of the amount will be paid immediately at the time of retirement and remaining half amount will be paid in chronological order from the date of issue of Credit Note.

**ii. Employee Gratuity Provision:**

Gratuity Liability arising on account of retirement gain of bank's employees as per Employee Bylaws- 2068 (with amendment) 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- 2068 (with amendment) 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.

**v. Amount against Leave:**

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

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.

# Nepal Bank Limited

## Notes to Accounts

### Forming Part of the Financial Statements for the FY 2068/69 (FY 2011/12)

#### Schedule 33

#### 1. Provision for Employee Bonus

As per Bonus Act, 10 percent 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 2069 (Mid July 2012) and the statement of outstanding reconciliation is as follows:

Rs. in Thousand

Outstanding Period	Head Office Accounts	
	Credit Outstanding	Debit Outstanding
Till 1Year	40,044,617	48,324,034
1 to 3 Years	30,167,441	28,360,940
More than 3 Years	10,726,050	11,075,761
<b>Total</b>	<b>80,938,108</b>	<b>87,760,735</b>

#### 3. Draft Paid Without Notice

The outstanding amount in Draft Paid without Notice account pending settlement as on Ashad end 2069 (July 15, 2012), which will be adjusted subsequently with inter branch is as follows.

Period	Amount (Rs. in thousand)
Till 1 Year	920,657
1 to 3 Years	10,764
More than 3 Years	74,665
<b>Total</b>	<b>1,006,086</b>

#### 4. Agency Reconciliation

The reconciliation of agency bank is completed up to Ashad end 2069 (Mid July 2012). 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	3,349,117	1,288,505	3,216,259	10,880,494
1 to 3 Years	2,054,010	1,866,858	567,183	1,966,804
More than 3 years	121,550	134,769	166,984	345,023
<b>Total</b>	<b>5,524,677</b>	<b>3,290,132</b>	<b>3,950,426</b>	<b>13,192,321</b>



**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

<b>Particulars</b>	<b>Principle</b>
Outstanding as on Ashad end 2068 (Mid July 2012)	26,705,879
Additional Loan disbursed during the year	5,415,837
<b>Total</b>	<b><u>32,121,716</u></b>
Collection during this year	2,346,043
Write off during this year	76,810
<b>Total Recovery &amp; Write off</b>	<b><u>2,422,853</u></b>
<b>Outstanding as on Ashad end 2069 (Mid July 2013 )</b>	<b><u>29,698,863</u></b>

Additional loan disbursed and collections are inclusive of renewed loan facilities by the bank.

The bank has waived interest (inclusive of simple, compound and penalty) amounting to Rs. 800,157 thousand in the course of recovering non- performing loans.

**6. Provision for Probable Losses**

**6.1) Loan Loss Provision**

Loan Loss Provision on outstanding loans and advances, including 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.

Bank has provisioned Rs. 1,976 thousand at the rate of 1 percent 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. 309,421 thousand. Provision amounting to Rs. 73,115 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 percent provision on account of Non Banking Assets.

**6.3) Liabilities for Accumulated Leave**

Provision for the employees accumulated leave for the Ashad end 2068 was of Rs. 179,253 thousand, out of which amount of Rs. 119,210 thousand has been remained after accounting payment under head employees accumulated leave expense in the fiscal year 2068/69. Since the liability for employees accumulated leave for the F.Y. ending 2068-69 has been of Rs. 239,442 thousand, Hence the shortfall amount of Rs. 120,232 thousand has been 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 2059/60 of Rs. 8,640 thousand is kept consistent though the market price stands at Rs. 38 per share owing to unstable market conditions. Similarly non performing loan from Tara Gawn Regency

Hotel Limited has been converted in to share investment is provisioned 100 percent despite the market price stands at Rs. 83 per share.

#### 7. **Loan Write Off and Recovery**

Bank has written off non performing loan of Rs. 76,810 thousand during this year and Rs. 80,496 thousand is recovered out of written off 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 off Loan during F.Y. 2068/69	37	76,810	87,199	164,009
2	Recovery from written off Loans during F.Y. 2068/69	81	80,496	80,054	160,551
3	Outstanding written off Loan during F.Y. 2068/69(Total)	1252	3,341,699	24,490,097	27,831,796

#### 8. **Change in Deposits**

The deposit is increased by Rs. 9,243,937 thousand in the current year as compared to previous year. The statement of the changes in Deposits is as follows:

Rs. in Thousand			
Types of Deposit	2068/03/32	2069/03/31	Change
<u>Non Interest Bearing Accounts</u>			
Current Accounts	10,905,855	12,326,789	1,420,934
Margin Deposits	92,896	122,751	29,855
Others	316,395	282,705	-33,690
<u>Interest Bearing Accounts</u>			
Saving Accounts	22,501,339	24,909,160	2,407,821
Fixed Deposit	7,481,194	11,664,593	4,183,399
Money at Call	5,510,756	6,746,374	1,235,618
<b>Total Deposit</b>	<b>46,808,435</b>	<b>56,052,372</b>	<b>9,243,937</b>

#### 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	11.16 Percent
Average interest paid on deposits and loans	4.11 Percent
Average interest Spread	7.05 Percent

#### 10. **Borrowing (Sub ordinary Financial Agreement)**

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

Within that reform project, bank has entered in to additional subsidiary agreement with Nepal Rastra Bank as on Magh 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 Baishak 2071.

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

Bank has received total loan of Rs. 2,153,794 thousand till the end of Ashad 2069 (Mid July 2012) from that reform project.

#### **11. Deferred Expense (Income)**

- i. Out of outstanding write off expense, write off made during this year of Rs. 1,199 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. 10,136 thousand has been written off in this year.

#### **12. Employee Retirement Expense**

Retirement Benefit of Rs. 165,256 thousand paid to retired employee during this fiscal year has been accounted under employee expenses and such amount has been deposited in retirement fund.

Gratuity amounting Rs. 100,092 thousand paid to retired employee during this fiscal year has been accounted under employee an expense which has been deposited in retirement fund.

Pension Amounting Rs. 224,588 thousand paid to retired employee during this year has been accounted under employee expense and such amount has been deposited in retirement fund, Also the pension amount of Rs. 183,510 thousand paid to existing pensioner during this fiscal year has been accounted under employee expense.

#### **13. Income Tax and Provision**

As per prevailing tax rules and regulations Rs 991 thousand has been provided for income tax liability.

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

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

The bank has filed an appeal to the Revenue Tribunal Kathmandu due to disagreement in the amended tax assessment made by Inland Revenue Department, Large Tax Payer's Office for the fiscal year 2061/62, 2062/63 and 2063/64.

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

**14. Deferred Tax**

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

<b>Particulars</b>	<b>Fixed Assets</b>	<b>Outstanding Deferred expense for write off</b>	<b>Provision against leave</b>	<b>Total</b>
Account base	230,053,568	8,041,838	239,442,38	477,537,714
Tax base	242,240,614	-	-	242,240,614
Difference	12,187,046	(8,041,838)	161,268,933	165,414,141
This Year Deferred Tax Asset	3,656,114	(2,412,551)	71,832,692	73,076,255
Previous Year Deferred Tax Asset	3,502,568	(3,521,853)	53,775,957	53,756,672
<b>Deferred Tax Income (Expense)</b>	<b>153,546</b>	<b>1,109,302</b>	<b>18,056,735</b>	<b>19,319,583</b>

**15. Income Expense of Previous Period**

Expense of Rs. 4,319 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 87,588 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 year is as follows:

Rs. in Thousand				
Period	Assets	Liability	Gap	Cumulative Gap
Up to 3 months	20,231,800	15,017,100	5,214,700	5,214,700
3 to 6 months	3,982,700	2,582,800	1,399,900	6,614,600
6 to 9 months	3,080,100	2,241,800	838,300	7,452,900
9 to 12 months	3,551,300	2,234,000	1,317,300	8,770,200
More than 1 years	26,402,900	42,791,500	-16,388,600	-7,618,400

**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 52<sup>nd</sup> Annual General Meeting held on 2052/06/27 (13 Oct,1995) and included in share capital inclusive of 223 bonus shares, which could not be distributed due to odds lots. Therefore if the value of these shares are settled by adjustment or otherwise paid in cash, the amount of paid up capital will change accordingly.

**20. Changes in Reserve Fund**

- i) From the profit of this fiscal year, Rs. 35,272 thousand (20 percent of the net profit) has been transferred to General Reserve Fund.
- ii) From the profit of this fiscal year, 10percent 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 5 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 percent of total paid up capital of Nepal Insurance Company Ltd. During this fiscal year 2068/69, insurance premium of Rs. 28,376 thousand has been paid to that company.

**23. Facilities to the Key Persons of the Management**

During this fiscal year, salary of Rs. 559 thousand and vehicle is made available to the Coordinator of Management Team. In addition expense of Rs. 2,221 thousand as meeting allowance and Rs. 1,558 thousand as meeting expense of Management Committee and has been incurred.

# Nepal Bank Limited

**Details of Loan taken by Promotor/Promotor Group under security of the Shares from Other Bank and Financial Institution  
As at July 15, 2012 (Ashad 31, 2069)**

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							

**Nepal Bank Limited**  
**Comparison of Unaudited and Audited Financial Results**  
**As at July 15, 2012 (Ashad 31, 2069)**

Schedule 35  
in Rs. thousand

S.No.	Particulars	As per Unaudited Published	As per Audited Financial Results	Variance		Reasons for Variance
				In Amount	In %	
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>57,678,943</b>	<b>60,952,965</b>	<b>(3,274,022)</b>	<b>(5.68)</b>	
1.1	Paid up Capital	1,772,828	1,772,828	-	-	.
1.2	Reserve and Surplus	(4,450,239)	(4,680,604)	230,365	(5.18)	Due to undermentioned impacts
1.3	Debenture and Bond	-	-	-	-	.
1.4	Borrowings	2,153,794	2,153,794	-	-	.
<b>1.5</b>	<b>Deposits (a+b)</b>	<b>56,042,591</b>	<b>56,052,373</b>	<b>(9,782)</b>	<b>0.02</b>	Due to late received of statements from some rural branch
a.	Domestic Currency	55,818,329	55,828,486	(10,157)	(0.02)	Due to late received of statements from some rural branch
b.	Foreign Currency	224,262	223,887	375	0.17	Due to late received of statements from some rural branch
1.6	Income Tax Liability	-	-	-	-	.
1.7	Other Liabilities	2,159,969	5,654,574	(3,494,605)	(161.79)	Heading reclassification, decrease in loan provision, interbranch reconciliation
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>57,678,943</b>	<b>60,952,965</b>	<b>(3,274,022)</b>	<b>(5.68)</b>	
2.1	Cash and Bank Balance	11,991,877	14,063,693	(2,071,816)	(17.28)	Due to late received of statements from some rural branch
2.2	Money at Call and Short Notice	-	-	-	-	.
2.3	Investments	8,391,726	8,391,726	-	-	.
2.4	Loan and Advances	29,698,857	29,698,863	(6)	-	.
a.	Real State Loan	1,604,625	1,604,625	-	-	.
1.	Residential Housing Loan(Except personal housing loan upto Rs.1crore)	76,573	76,573	-	-	.
2.	Commercial Building and Residential Apartment Loan	467,074	467,074	-	-	.
3.	Commercial Complex Loan	344,980	344,980	-	-	.
4.	Other Real State Loan( including land purchase and plotting loan)	715,998	715,998	-	-	.
b.	Personal housing Loan Rs 1crore	1,919,056	1,919,056	-	-	.
c.	Margin Loan	920,321	920,321	-	-	.
d.	Term Loan	5,987,596	5,987,596	-	-	.
e.	Overdraft Loan	10,526,301	10,526,301	-	-	.
f.	Ohters	8,740,958	8,740,964	(6)	-	.
2.5	Fixed Assets	361,919	351,064	10,855	3.00	Depreciation adjustment in Fixed assets, Interbranch reconciliation
2.6	Non Banking Assets	309,445	309,421	24	0.01	.
2.7	Other Assets	6,925,119	8,138,197	(1,213,078)	(17.52)	Heading reclassification and interbranch reconciliation
<b>3</b>	<b>Profit and Loss Account</b>					
3.1	Interest Income	4,050,973	4,051,152	(179)	-	.
3.2	Interest Expense	2,194,326	2,197,137	(2,811)	(0.13)	Recognition of missed expenses.
<b>A.</b>	<b>Net Interest Income (3.1-3.2)</b>	<b>1,856,647</b>	<b>1,854,015</b>	<b>2,632</b>	<b>0.14</b>	.
3.3	Fees, Commission, Discount	264,871	252,631	12,240	4.62	Recognition of missed income
3.4	Other Operating Income	179,445	179,461	(16)	(0.01)	Heading reclassification
3.5	Foreign Exchange Gain/Loss (Net)	53,699	59,636	(5,937)	(11.06)	Recognition of missed income
<b>B.</b>	<b>Total Operating Income (A+3.3+3.4+3.5)</b>	<b>2,354,662</b>	<b>2,345,743</b>	<b>8,919</b>	<b>0.38</b>	.
3.6	Staff Expenses	1,830,982	1,903,066	(72,084)	(3.94)	Recognition of missed employees' retirement expenses.
3.7	Other Operating Expenses	396,167	401,046	(4,879)	(1.23)	Heading reclassification
<b>C.</b>	<b>Operating Profit Before Provision (B-3.6-3.7)</b>	<b>127,513</b>	<b>41,631</b>	<b>85,882</b>	<b>67.35</b>	.
3.8	Provision for possible losses	(250,356)	252,058	(502,414)	200.68	Heading reclassification, change in provision amount.
<b>D.</b>	<b>Operating Profit (C-3.8)</b>	<b>377,869</b>	<b>(210,427)</b>	<b>588,296</b>	<b>155.69</b>	.
3.9	Non Operating Income/Expenses (Net)	54,911	49,026	5,885	10.72	Recognition of missed expenses.
3.1	Write Back of Provision for Possible Loss	71,569	331,551	(259,982)	(363.26)	Heading reclassification, change in provision amount.
<b>E.</b>	<b>Profit from Regular Activities (D+3.9+3.10)</b>	<b>504,349</b>	<b>170,150</b>	<b>334,199</b>	<b>66.26</b>	.
3.11	Extraordinary Income/Expenses (Net)	91,607	3,686	87,921	95.98	Recognition of missed income
<b>F.</b>	<b>Profit before Bonus and Taxes (E+3.11)</b>	<b>595,956</b>	<b>173,836</b>	<b>422,120</b>	<b>70.83</b>	.
3.12	Provision for Staff Bonus	54,178	15,803	38,375	70.83	Due to the effect of above mentioned.
3.13	Provisions for Tax	135,051	(18,329)	153,380	113.57	Difference in income tax and deferred tax on auditing.
<b>G.</b>	<b>Net Profit/Loss (F-3.12-3.13)</b>	<b>406,727</b>	<b>176,362</b>	<b>230,365</b>	<b>56.64</b>	.

**Nepal Bank Limited**  
**Unaudited Financial Results**  
F.Y. 2011/12 (2068/69) (Fourth Quarter)

Schedule 36  
in Rs. thousand

S.N.	Particulars	This Quarter Ending 31Ashad 2069	Previous Quarter Ending 30Chaitra 2068	Corresponding Previous Year Quarter Ending 32Ashad 2068
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>57,678,943</b>	<b>54,903,141</b>	<b>52,601,203</b>
1.1	Paid Up Capital	1,772,828	380,383	380,383
1.2	Reserve and Surplus	(4,450,239)	(4,416,074)	(4,604,661)
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	2,153,794	2,065,304	1,842,410
1.5	Deposits (a+b)	56,042,591	48,917,632	46,804,206
	a. Domestic Currency	55,818,329	48,658,337	46,546,285
	b. Foreign Currency	224,262	259,295	257,921
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	2,159,969	7,955,897	8,178,866
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>57,678,943</b>	<b>54,903,141</b>	<b>52,601,203</b>
2.1	Cash and Bank Balance	11,991,877	8,776,826	10,837,965
2.2	Money at Call and short Notice	-	-	400,000
2.3	Investments	8,391,726	7,938,353	7,577,702
2.4	Loans and Advances	29,698,857	28,825,636	26,709,882
	a. Real State Loan	1,604,625	1,590,454	1,543,598
	1. Residential housing loan(except housing loan upto Rs.1crore)	76,573	77,933	131,244
	2.commercial building and residential apartment loan	467,074	489,352	443,661
	3.Commercial complex loan	344,980	338,394	326,628
	4. Other real state loan (including land purchase and plotting loan)	715,998	684,775	642,065
	b. Housing Loan	1,919,056	1,925,169	1,876,151
	c. Margin Loan	920,321	890,685	851,013
	d. Term Loan	5,987,596	5,945,649	6,361,076
	e. Overdraft Loan	10,526,301	10,239,563	9,575,845
	f. Others	8,740,958	8,234,116	6,502,199
2.5	Fixed Assets	361,919	361,732	308,188
2.6	Non Banking Assets	309,445	361,514	381,065
2.7	Other Assets	6,925,119	8,639,080	6,386,400
<b>3</b>	<b>Profit and Loss Account</b>	<b>Up to This Quarter</b>	<b>Up to Previous Quarter</b>	<b>Up to Corresponding Previous Year Quarter</b>
3.1	Interest Income	4,050,973	2,798,176	3,735,206
3.2	Interest Expense	2,194,326	1,516,123	1,457,253
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>1,856,647</b>	<b>1,282,053</b>	<b>2,277,953</b>
3.3	Fees, Commission and Discount	264,871	159,841	241,673
3.4	Other Operating Income	179,445	127,115	140,239
3.5	Foreign Exchange Gain/Loss (Net)	53,699	32,001	13,595
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>2,354,663</b>	<b>1,601,011</b>	<b>2,673,460</b>
3.6	Staff Expenses	1,830,982	947,743	2,055,393
3.7	Other Operating Expenses	396,167	288,864	361,139
	<b>C. Operating Profit Before Provision (B.-3.6-3.7)</b>	<b>127,514</b>	<b>364,404</b>	<b>256,928</b>
3.8	Provision for Possible Losses	(250,356)	137,838	36,369
	<b>D. Operating Profit (C.-3.8)</b>	<b>377,869</b>	<b>226,567</b>	<b>220,559</b>
3.9	Non Operating Income/Expenses (Net)	54,911	7,920	35,735
3.10	Write Back of Provision for Possible Loss	71,569	19,508	54,056
	<b>E. Profit from Regular Activities (D.+3.9+3.10)</b>	<b>504,349</b>	<b>253,995</b>	<b>310,350</b>
3.11	Extraordinary Income/Expenses (Net)	91,607	42,358	198,578
	<b>F. Profit before Bonus and Taxes (E.+3.11)</b>	<b>595,956</b>	<b>296,353</b>	<b>508,928</b>
3.12	Provision for Staff Bonus	54,178	26,941	46,266
3.13	Provision for Tax	135,051	80,824	79,225
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>406,727</b>	<b>188,588</b>	<b>383,436</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of this Quarter</b>	<b>At the End of Previous Quarter</b>	<b>At the End of Corresponding Previous Year Quarter</b>
4.1	Capital Fund/Risk Weighted Assets	-5.46%	-7.88%	-9.66%
4.2	Non Performing Loan/Total Loan	5.23%	5.44%	5.29%
4.3	Total Loan Loss ProvisionTotal NPL	109.17%	104.64%	106.31%
4.4	Cost of Fund	5.03%	5.03%	5.33%
4.5	Credit Depoit Ration(as per NRB)	55.89%	64.60%	63.11%