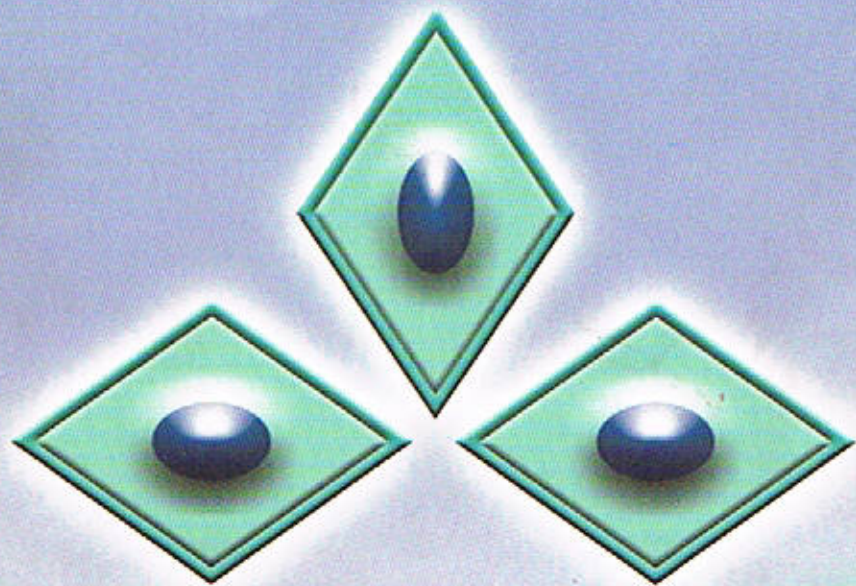


2002/03

# Third Annual Report









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## Board of Directors



**Mr. Noor Pratap J.B. Rana**  
Chairman



**Mr. Naresh Dugar**  
Director



**Mr. Amir Pratap J.B. Rana**  
Director



**Mr. Dibyamani Rajbhandari**  
Director



**Mrs. Sabitri Gurung**  
Director

Company Secretary  
**Mr. Narendra Prasad Gautam**  
Kumari Bank Limited

Auditor  
**Mr. Madan K. Sharma, FCA**  
Partner  
C.S.C. & Co.  
Chartered Accountants



## Notice of the Kumari Bank Limited for the Third Annual General Meeting

As per decision of the Board of Directors on March 3, 2004 (2060/11/20), the third annual general meeting of the bank is scheduled to be held on Sunday April 4, 2004 (2060/12/22) at 11.00 hours in Hyatt Regency Hotel, Boudha, Kathmandu. It is requested to all shareholders or nominees for their attendance.

### Agenda for Discussion

1. Chairman's report on behalf of the Board of Directors
2. Auditor's report including Balance Sheet, Profit and Loss Account and Cash Flow Statement for the fiscal year 2002/03
3. Appointment of Bank's Auditor for the fiscal year 2003/04 and fixation of his remuneration (Present auditor of the bank Mr. Madan Krishna Sharma is eligible for re-appointment).
4. Nomination of one representative each among the Directors and Shareholders to sign the minutes.
5. Miscellaneous.

By order of the Board of Directors

Narendra Prasad Gaulam  
Company Secretary





## Information of Annual General Meeting

1. Annual Report will be sent to the shareholders enlisted in the roster till March 3, 2004 (2060/11/20). Shareholders attending the AGM are requested to bring the entrance card that are sent along with the notice and share certificates including the identity card (e.g., citizenship certificate or any identity card).
2. All shareholders attending the meeting are required to sign on the attendance register kept at the entrance of the scheduled venue. Attendance register will be available only from 9:30 am to 11:30 am.
3. Proxy forms should be registered at the head office of the Bank 48 hours prior to the commencement of the meeting. However, the nominee bringing proxy of more than 15% of the issued shares will be entitled to vote only up to 15% in addition to his own shares.
4. Nomination of more than one proxy by a shareholder will be null and void unless it is cancelled.



## Report of the Board of Directors to the Third Annual General Meeting

Dear Shareholders,

I am pleased to welcome you on behalf the Board of Directors to the third annual general meeting of Kumari Bank Limited. This report highlights the performance achieved and the policies laid down by the bank in the F/Y 2002/03.

### Performance Highlights

A brief highlight of comparative financial achievements of the bank during the F/Y 2001/02 and 2002/03 is as follows:

Particulars	2001/02	2002/03	% Growth
Net Assets	363.60	390.91	7.51
Deposits	1179.89	2513.14	113.00
Loans, Advances and Overdrafts	1126.60	2137.59	89.74
Interest Income	96.35	185.09	92.10
Interest Expenses	48.17	92.95	92.96
Net Interest Income	48.18	92.14	91.24
Other Income	13.21	17.14	29.75
Other Expenses	46.75	68.76	47.08
Gross Profit / Loss	14.64	40.53	176.84
Net Profit / Loss	1.33	12.47	837.59

### Financial Achievement

Deposits in the current fiscal year 2002/03 considerably increased by 113% compared to previous year and reached Rs. 2,513.10 million. Of the increase in the total deposits, non-interest bearing deposit is 6.46% and rest 93.54% is interest-bearing deposits. Similarly total investments grew up by 89.74% and reached Rs.2137.50 million. Net profit in the F/Y 2002/03 remarkably increased to Rs. 124 million recording an increase of 837.59% compared to F/Y 2001/02. While analyzing the above financial data, performance achieved by your bank should be regarded satisfactory despite tough competition in the banking sector and recession in the national economy.

### Capital Adequacy

Bank has been strengthening the capital fund from its outset. In the F/Y 2002/03, the capital adequacy ratio stood at 15.46%, though Nepal Rastra Bank directed to maintain it to minimum of 10%, which is found to be one of the positive aspects in the bank.

### Economic Condition

As per the communiqué issued by NRB, broad money supply increased by 4.8% in the first six months of the current fiscal year while a decline of 1.2% is observed in the narrow money supply as against the last year. Though the net foreign assets (including foreign exchange revaluation adjustment) in the previous year were declined by 1.7 %, it went up by 9.4 % in the current year. Total inter-bank loan (transaction) of whole banking sector in the current year marginally decreased to Rs. 228.33 billion. Similarly, credit flow from the banking sector to the private





sector increased by 6.1% whereas the growth of 6.3% was witnessed in the previous year. Weighted average interest rate of 91 days treasury bills has decreased to 3.95% till January 14, 2003 (Poush 2060).

Based on the cash flow data, the total government expenditure in the year 2002/03 grew up by 5.2% in the first six month of the current fiscal year, as against a rise of 4.8% last year. Of the total expenditure, regular expenditure increased by 3.9% compared to 14% increases last year. Development expenses grew up by 7.3% in contrast to the decline of 24.4% last year. Revenue, the major source of government resources, went up impressively by 13.6% compared to previous year growth of only 6.0%. Due to substantial increase in non-debt resources against the total government expenditure, the trade deficit limited to Rs. 1,950 million, resulting a decrease of 53.8%.

On a point-to-point basis, growth of 5% in national urban consumer price index has been observed compare to an increase of 3.3% during the previous year. Average increase in national urban consumer price index in the first six month of the last year was 3.1% whereas it is at 5.3% in the current year.

Total exports in the first six-month of the F/Y 2003/04 went up by 8.6% in contrast to the decline of 9.4% during last year. Exports to India have increased by 13.5% in this year compared to decline of 19.2% in the last year. Exports to other countries in the current year went up by 2.5% an increment of 6.6% over the previous year. Total imports in the current year increased by 12% as against 8.9% in the previous year. Imports from India showed an increase of 9.9% indicating substantial decrease in comparison to an increase of 28.5% last year, whereas increase in imports from the other countries is 14.8% as against the decline of 10.1% last year. As a result, export import ratio has declined from 40.6% to 39.4% in the current year.

Though the total exports and imports have increased in the first four months of the current fiscal year, trade deficit of Rs. 2,587 million indicating an increase of 21.6% compared to the corresponding period of last fiscal year due to higher volume and growth rate in imports. In the corresponding period of last year it had increased by 40.1%. As per monetary data, positive balance of payment of Rs 1,490 million has been realized in the first six month of the current year in contrast to negative of Rs 8,620 million in the corresponding period of last year.

Foreign exchange reserves recorded Rs. 122.24 billion on 14 January 2003 (Poush end 2060). Convertible reserves are Rs. 111.82 billion. In comparison to convertible reserves of January 14, 2003 (Poush 2059), it is found to have been increased by 30.5% while the non-convertible reserves has declined by 51.1%. Growth of 5.6% in convertible reserves and decrease of 23.6% in non-convertible reserves is observed in the previous year. On January 14, 2003 (Poush 2060), the proportion of convertible reserves and non-convertible reserves recorded 91.5% and 8.5% respectively. Though the non-convertible reserves fell, due to the increase in the total reserves and on the basis of the imports of the first six-month of the current year, the prevailing foreign exchange reserves are sufficient to sustain the product import for 11.3 months and product and services import for 9.5 months.

### **Achievement in the Current Year**

Performance of the bank is quite encouraging for the first seven months of the current fiscal year 2003/04. Total deposit of the bank reached at the level of Rs. 3,390.3 million with substantial increase in previous year deposits of Rs. 877.2 million. Loans and advances have increased to Rs. 2,933.1 million compared to Rs. 795.5 million during the previous year. Despite the existing security problems, political instability, reducing flow of tourist traffic, slack in the exports, your bank has achieved a remarkable growth.

#### **i. Branch Expansion**

As a part of our continued commitment for the economic development of the country, the bank has made a pace ahead by establishing its two branches in the industrial area of Biratnagar and Birgunj. Establishment of one branch in the Kathmandu and other two outside the valley are in the pipeline.

#### **ii. Technology**

Bank has been introducing various new products to the market so as to make its services market oriented and technology driven. After the successful implementation of internet banking, the bank has introduced mobile (SMS) banking and electronic bill payment system (e-pay) for the first time in Nepal. Bank has succeeded in attracting the customers through any branch-banking service in the branches linked through the network of VSAT.





### iii. Initial Public Offering (IPO)

The bank has made IPO of Rs. 150 million shares, which have been oversubscribed by more than 8 times. This has evidenced the bank's reputation and public's trust. The bank has already initiated the allotment of the shares thereby listing it in the Nepal Stock Exchange within the fiscal year 2060/61.

### Human Resources

Currently, there is total 64 staff working at different levels. The bank has adopted the policy to conduct different in-house as well as external trainings to enhance their knowledge and expertise. In continuation of this policy, the bank is regularly providing such trainings to its employees.

### Board of Directors

During the period under review, Mr. Chudamani Devkota and Mr. Madhusudan Pokhrel, representing His Majesty's Government of Nepal in the Board of Directors were called back as per the policy of the government. On behalf of Board of Directors, I would like to extend my sincere thanks to them for the valuable contributions during their respective tenures.

### Acknowledgement

I, on behalf of the Board of Directors and whole family of the bank, would like to extend my sincere gratitude to all the persons, agencies of HMG/N, Nepal Rasta Bank for providing all the possible support, valuable suggestions and guidance for the continuous progress and growth of the bank. I would do like to extend my deep appreciation and gratitude to our valued customers and well-wishers for their valuable and significant roles played in the overall development and growth of this bank. Likewise, I would also like to extend my special thanks to the management and the staff members who have greatly contributed in bringing the bank to this stage through their sheer determination, dedication and hard work.

Finally I wish every success of the bank in catering superior services and introducing new products to the customers with much higher degree of care and satisfaction.

Thank you.

For and on behalf of the Board of Directors

Noor Pratap J.B. Rana  
Chairman

## **Auditor's Report to the Shareholders of Kumari Bank Limited**

We have audited the attached Balance Sheet of Kumari Bank Ltd. as of Ashad 32, 2060 (16 July 2003) and the Profit and Loss Account and Cash flow Statement of the bank for the year then ended. These financial statements are the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in Nepal. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained satisfactory information and explanations asked for which to the best of our knowledge and belief were necessary for the purpose of our audit: the Balance Sheet the Profit and Loss Account and the Cash flow Statement have been prepared in accordance with the format and specified by Nepal Rastra Bank and confirm to the books of accounts of the bank; and the accounts and records of the bank are properly maintained in accordance with the existing laws.

In our opinion, the financial statements read with the schedules thereto give a true and fair view of the financial position of the bank as of Ashad 20 2060 (16 July 2003) and of the profit its cash flows for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the bank appropriate measures were found to have been taken in the interest and for the protection of the bank and depositors adequate provision has been made for the risk fund and the business of the bank has been conducted satisfactorily and the transactions were found to be within the scope of its authority; and we did not come across cases where the board of directors or any member thereof or any employee of the bank has acted contrary to the provisions of law or caused loss or damage to the bank or committed any misappropriation and violated directives of Nepal Rastra Bank nor have we been informed on any such case by the management.

Date: 23 Nov 2003

Place: Kathmandu

**Madan Krishna Sharma**

Partner

CSC &amp; Co.

Chartered Accountants





## BALANCE SHEET

AS OF ASHAD END 2060 (16 July 2003)

CAPITAL AND LIABILITIES	Schedule	This Year Rs.	Previous Year Rs.
1. Share Capital	1	350,000,000	350,000,000
2. Reserve Funds	2	11,033,148	(1,440,917)
3. Borrowings	3	-	31,990,944
4. Deposit Accounts	4	2,513,144,223	1,179,893,389
5. Bills Payable	5	4,129,136	8,837,923
6. Other Liabilities	6	107,868,947	23,479,071
<b>Total Liabilities</b>		<b>2,986,175,454</b>	<b>1,592,760,410</b>

Contingent Liabilities	Schedule 14
Directors Declaration	Schedule 23
Capital Adequacy	Schedule 24
Principal Indicators	Schedule 25
Cash Flow Statement	Schedule 26
Principal Accounting Policies	Schedule 27
Notes to Accounts	Schedule 28

Schedule 1 to 14 are integral part of this statement

Geha N. Dhungana  
Manager - Operations

Surender Bhandari  
Chief Executive Officer

Amir Pratap J.B. Rana  
Director

Dibya Mani Rajbhandari  
Director

Date: Nov 23, 2003  
Place : Kathmandu



## BALANCE SHEET

AS OF ASHAD END 2060 (16 July 2003)

ASSETS	Schedule	This Year Rs.	Previous Year Rs.
1. Cash Balance	7	40,800,041	30,273,570
2. Balance with Banks	8	250,905,209	98,878,229
3. Money at Call and Short Notice	9	-	-
4. Investments	10	423,154,880	254,999,906
5. Loan Advances and Bills Purchase	11	2,105,736,822	1,111,559,757
6. Fixed Assets	12	40,424,622	51,895,830
7. Other Assets	13	125,153,879	45,151,119
Total Assets		2,986,175,454	1,592,760,410

As per our report of even date

Naresh Dugar  
Director

Sabitri Gurung  
Director

Noor Pratap J.B. Rana  
Chairman

Madan K. Sharma  
CSC & Co.  
Chartered Accountants





## PROFIT AND LOSS ACCOUNT

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	EXPENSES	Schedule	This Year Rs.
48,168,423	1. Interest Expenses	15	92,945,310
15,326,428	2. Employees Expenses	16	23,254,109
31,423,189	3. Office Overhead Expenses	17	45,503,583
-	4. Exchange Loss	20	-
-	5. Non-Operating Expenses	21	-
-	6. Bad Debts Written Off		-
12,387,731	7. Provision for Losses		16,805,159
225,858	8. Provision for Staff Bonus		2,372,535
695,569	9. Provision for Income Tax		8,878,753
1,337,156	10. Net Profit Carried Down		12,474,065
109,564,354	<b>Total</b>		<b>202,233,514</b>

## PROFIT AND LOSS APPROPRIATION ACCOUNT

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	EXPENSES	This Year Rs.
2,935,646	1. Accumulated loss up to last year	2,978,393
	2. This year's Loss	
267,431	3. General Reserve Fund	2,494,813
	4. Contingent Reserve	
	5. Bank Development Fund	
	6. Dividend Equalization Fund	
	7. Employee Related Funds	
	8. Interim and Proposed Dividend	
	9. Issue of Bonus Share	
	10. Special Reserve Fund	
1,112,472	11. Exchange Fluctuation Reserve	216,898
	12. ....	
	13. Accumulated Profit	6,783,961
4,315,549	<b>Total</b>	<b>12,474,065</b>

Schedule 15 to 22 are integral part of this statement

Geha N. Dhungana  
Manager - Operations

Surender Bhandari  
Chief Executive Officer

Amir Pratap J.B. Rana  
Director

Dibya Mani Rajbhandari  
Director



## PROFIT AND LOSS ACCOUNT

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	INCOME	Schedule	This Year Rs.
96,354,700	1. Interest Income	18	185,090,410
3,441,199	2. Commission and Discount	19	9,413,117
9,151,989	3. Exchange Gain	20	7,143,616
-	4. Non-Operating Income	21	3,650
616,466	5. Other Income	22	582,720
	6. Net Loss Carried Down		
109,564,354	Total		202,233,514

## PROFIT AND LOSS APPROPRIATION ACCOUNT

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	INCOME	This Year Rs.
1,337,156	1. Accumulated Profit up to last year	12,474,065
2,978,393	2. This year's profit	
	3. Accumulated Loss	
4,315,549	Total	12,474,065

as per our report of even date

Naresh Dugar  
Director

Sabitri Gurung  
Director

Noor Pratap J.B. Rana  
Chairman

Madan K. Sharma  
CSC & Co.  
Chartered Accountants





## Schedule 1 : Share Capital and Ownership

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
350,000,000	1. Share Capital	350,000,000
1,000,000,000	1.1 Authorized Capital	1,000,000,000
1,000,000,000	A) 10,000,000 Ordinary Shares of Rs 100 each B) ..... Non-redeemable share of Rs ..... Each C) ..... Redeemable Shares of Rs ..... Each	1,000,000,000
350,000,000	1.2 Issued Capital	350,000,000
350,000,000	A) 3,500,000 Ordinary Shares of Rs 100 each B) ..... Non-redeemable share of Rs ..... Each C) ..... Redeemable Shares of Rs ..... Each	350,000,000
350,000,000	1.3 Paid Up Capital	350,000,000
350,000,000	A) 3,500,000 Ordinary Shares of Rs 100 each B) ..... Non-redeemable share of Rs ..... Each C) ..... Redeemable Shares of Rs ..... Each	350,000,000

## Share Ownership

Previous Year Rs.	%	PARTICULARS	%	This Year Rs.
350,000,000	100	1. Local Ownership	100	350,000,000
	-	1.1 His Majesty's Government	-	
	-	1.2 Commercial Banks	-	
	-	1.3 Financial Institutions	-	
	-	1.4 Organized Institutions	-	
350,000,000	100	1.5 General Public	100	350,000,000
	-	1.6 Others	-	
		2. Foreign Ownership	-	
350,000,000	100	Total		350,000,000



## List of Shareholders and their Shareholding

S.N.	Name of Shareholders	No. of Shares	Paid up Capital (Rs. in 000)	%
1	Noor Pratap J.B. Rana	325,000	32,500	100
2	Amir Pratap J.B. Rana	253,000	25,300	"
3	Yagya Pratap Rana	25,000	2,500	"
4	Prabha Laxmi Rana	50,000	5,000	"
5	Roshani Bajracharya	5,000	500	"
6	Satyadhwaj Adhikari	20,000	2,000	"
7	Asha Adhikari	15,000	1,500	"
8	Karnadhwaj Adhikari	5,000	500	"
9	Labaraj Sharma	1,000	100	"
10	Pushpa Singh	4,000	400	"
11	Sandeep Lama	25,000	2,500	"
12	Sanjaya Lama	100,000	10,000	"
13	Mrs. Misu Shrestha	16,800	1,680	"
14	Rajendra Shrestha	10,000	1,000	"
15	Bhim Krishna Udas	50,000	5,000	"
16	Janak Raj Wagle	2,000	200	"
17	Aamod Aryal	5,000	500	"
18	Ratna Raj Bajracharya	5,000	500	"
19	Santosh Kumar Lama	11,000	1,100	"
20	Phurwa Wangel Lama	50,000	5,000	"
21	Dr. Prakash Raj Pandey	20,000	2,000	"
22	Dr. Bed Prakash Upreti	20,000	2,000	"
23	Uttam Prasad Bhattarai	25,000	2,500	"
24	Govinda Das Shrestha	75,000	7,500	"
25	Vidya Krishna Shrestha	75,000	7,500	"
26	Anil Das Shrestha	50,000	5,000	"
27	Laxman Shrestha	300,000	30,000	"
28	Aantu Shrestha	39,000	3,900	"
29	Santu Shrestha	50,000	5,000	"
30	Sumil Nanda S. Pradhan	5,000	500	"
31	Madhav Kumar Basnet	5,000	500	"
32	Bashudevram Joshi	4,000	400	"
33	Bhaikaji Shrestha	3,000	300	"
34	Mrs. Januki Kumari J.B. Rana (Shahi)	50,000	5,000	"
35	Mrs. Vidushi Rana	29,000	2,900	"
36	Mrs Raksha Pahadi	25,000	2,500	"
37	Miss Shivalika Rana (Minor)	10,000	1,000	"
38	Sambhu Pratap Rana	5,000	500	"
39	Jagadish Prasad Chaudhari	65,000	6,500	"
40	Shiva Shankar Agrawal	39,000	3,900	"
41	Sophi Upadhyay	24,000	2,400	"
42	Bibek Upadhyay	2,000	200	"
43	Madalasa Upadhyay	5,000	500	"
44	Avashya Jung Rayamajhi	5,000	500	"
45	Ramesh Jung Rayamajhi	5,000	500	"
46	Nishchaya Jung Rayamajhi	10,000	1,000	"
47	Uttam Shah	5,000	500	"
48	Tara Rana	5,000	500	"





S.N.	Name of Shareholders	No. of Shares	Paid up Capital (Rs. in 000)	%
49	Kabi Shah	5,000	500	100
50	Kamal Bikram Singh	2,000	200	"
51	Rita K.C.	40,000	4,000	"
52	Shuvadayak Shah	5,000	500	"
53	Pegi Pandey	29,000	2,900	"
54	Yashoda Sharma Poudel	2,000	200	"
55	Mrs. Bhagawati Devi Bhandari	4,000	400	"
56	Bishnu Hari Acharya	2,000	200	"
57	Nilam Bashet	2,000	200	"
58	Indu K.C.	5,000	500	"
59	Mrs. Bandana Thapa	5,000	500	"
60	Padam Thakurathi	2,000	200	"
61	Mrs. Goma Devi Pokharel	2,000	200	"
62	Kalpana Pokharel	2,000	200	"
63	Mrs. Laxmi Devi Panta	1,500	150	"
64	Cherisha Poudel	3,000	300	"
65	Bikram Bista	5,500	550	"
66	Sunil Kumar Panta	5,000	500	"
67	Sambhu Kumar Thapa	3,000	300	"
68	Babu Raja Maharjan	2,000	200	"
69	Bhagawati Prasad Dalamiya	3,000	300	"
70	Surender Bhandari	25,000	2,500	"
71	Sita Gurung	15,000	1,500	"
72	Krishna Bahadur Chetri	2,000	200	"
73	Manoj Adhikari	1,500	150	"
74	Bishweshwar Sharma Subedi	500	50	"
75	Kanchan Sharma	1,000	100	"
76	Sanam Sharma	1,000	100	"
77	Mrs. Sima Regmi	3,500	350	"
78	Bhashkar Regmi	1,000	100	"
79	Kamal Lama	500	50	"
80	Tika Kumari Aryal	15,000	1,500	"
81	Krishna Lama	500	50	"
82	Rajendra Prasad Shrestha	160,000	16,000	"
83	Mrs. Sabitri Gurung	200,000	20,000	"
84	Bishnu Deep Barakoti	500	50	"
85	Sharmila Aryal	30,000	3,000	"
86	Bashudev Neupane	10,000	1,000	"
87	Bikram Khadka	500	50	"
88	Mrs. Gita Blon Lama	1,000	100	"
89	Sushila Barakoti	1,000	100	"
90	Raju Shrestha	1,500	150	"
91	Binod Dawadi	2,000	200	"
92	Kamal Thapa	8,000	800	"
93	Bhushan Shamser J.B. Rana	1,000	100	"
94	Mrs. Amrita Parajuli	1,000	100	"
95	Miss Rhitambhara Parajuli (Minor)	1,000	100	"
96	Abhishesh Parajuli	1,000	100	"
97	Abhyudaya Parajuli	1,000	100	"
98	Ananta Raman Parajuni	1,000	100	"



S.N.	Name of Shareholders	No. of Shares	Paid up Capital (Rs. in 000)	%
99	Atmaram Murarka	35,000	3,500	100
100	Pradip Kumar Murarka	35,000	3,500	"
101	Pashupati Murarka	35,000	3,500	"
102	Naresh Dugar	35,000	3,500	"
103	Kumud Kumar Dugar	35,000	3,500	"
104	Bikash Dugar	35,000	3,500	"
105	Shiva Ratan Sharada	11,000	1,100	"
106	Shrinibas Sharada	44,000	4,400	"
107	Radheshyam Sharada	20,000	2,000	"
108	Pawan Kumar Sharada	20,000	2,000	"
109	Yugal Kishwor Rathi	15,000	1,500	"
110	Kamal Rathi	15,000	1,500	"
111	Anupam Rathi	15,000	1,500	"
112	Bachchha Raj Tated	20,000	2,000	"
113	Dev Kishan Mundada	30,000	3,000	"
114	Beni Gopal Mundada	20,000	2,000	"
115	Ananda Kumar Rungata	15,000	1,500	"
116	Jeevan Kumar Agrawal	10,000	1,000	"
117	Ashok Kumar Vaidya	10,000	1,000	"
118	Jeevan Nepal	10,000	1,000	"
119	Nabin Agrawal	15,000	1,500	"
120	Devaki Nandan Agrawal	16,000	1,600	"
121	Thakur Nath Panta	20,000	2,000	"
122	Manoj Kumar Goyal	24,000	2,400	"
123	Ratan Kumar Goyal	20,000	2,000	"
124	Balram Neupane	10,000	1,000	"
125	Mahabir Prasad Goyal	25,000	2,500	"
126	Din Bandhu Agrawal	25,000	2,500	"
127	Abhaya Shankar Shrestha	10,000	1,000	"
128	Raj Kumar Goyal	20,000	2,000	"
129	Nepal Contruction & Engineering Corporation P.Ltd.	6,000	600	"
130	Divya Mani Rajbhandari	10,000	1,000	"
131	Siddhanta Mani Rajbhandari	20,000	2,000	"
132	Siddhartha Mani Rajbhandari	20,000	2,000	"
133	Rhishi Agrawal	120,000	12,000	"
134	Shiva Kumar Agrawal	25,000	2,500	"
135	Shashikanta Agrawal	25,000	2,500	"
136	Sumit Kumar Agrawal	25,000	2,500	"
137	Mrs. Genga Amatya	25,000	2,500	"
138	Mrs. Nura Amatya	5,000	500	"
139	Bijaya Bahadur Manandhar	10,000	1,000	"
140	Bishnu Laxmi Shrestha	250	25	"
141	Narendra Bajracharya	5,000	500	"
142	Mrs. Nudup Shrestha	1,000	100	"
143	Sugandha Shrestha	1,000	100	"
144	Rajesh Lal Shrestha	1,000	100	"
145	Padam Prasad Gautam	200	20	"
146	Shambhu Kumar Basnet	250	25	"
147	Devilal Bista	250	25	"
148	Basanta Kumar Shrestha	100	10	"
149	Mani Thapa (Magar)	150	15	"
	Total	3,500,000	350,000	"





## Schedule 2 : Reserve Funds

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
267,431	1. General Reserve Fund	2,762,244
	2. Capital Reserve Fund	
	3. Share Premium	
1,270,045	4. Other Reserve/ Funds	1,486,943
	a) Contingent Reserve	
	b) Bank Development Fund	
	c) Dividend Equalization Fund	
1,270,045	d) Exchange Fluctuation Reserve	1,486,943
	e) Special Reserve Fund	
	f) Asset Revaluation Reserve	
	g) Other Free Reserves	
(2,978,393)	5. Accumulated Profit/Loss	6,783,961
(1,440,917)	Total	11,033,148

## Schedule 3 : Borrowings

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
31,990,944	A. Local	-
-	1. His Majesty's Government	-
	1.1 Earthquake affected sector reconstruction	
	1.2	
	1.3	
31,990,944	2. Nepal Rastra Bank	-
	2.1 Loan	
31,990,944	2.2 Refinance	-
	2.3	
-	3. Inter Bank	-
	3.1 Overdraft	
	3.2 Loan	
	3.3	
-	4. Other Financial Institutions	-
	4.1	
	4.2	
	5. Others	
-	B. Foreign	-
-	1. Banks	-
	1.1 Overdraft	
	1.2	
31,990,944	Total (A+B)	-



## Schedule 4 : Deposits

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
	<b>1. Non-Interest bearing accounts</b>	
84,077,194	<b>A. Current Deposits</b>	135,081,020
73,546,383	<b>1. Local Currency</b>	126,493,944
100,000	1.1 His Majesty's Government	1,222,881
10,863,775	1.2 Commercial Banks	7,926,742
30,291,888	1.3 Financial Institutions	32,484,960
29,433,864	1.4 Other Organized Institutions	74,926,258
2,856,856	1.5 Individuals	9,933,103
	1.6 Others	
10,530,811	<b>2. Foreign Currency</b>	8,587,076
	2.1 His Majesty's Government	
1,275,325	2.2 Commercial Banks	323,268
71,860	2.3 Financial Institutions	68,877
9,183,626	2.4 Other Organized Institutions	8,194,931
	2.5 Individuals	
	2.6 Others	
20,010,674	<b>B. Margin Deposits</b>	27,373,289
170,000	1. Employees Guarantee	180,000
5,416,888	2. Guarantee Margin	10,106,835
14,423,786	3. Letters of Credit Margin	17,086,454
-	<b>C. Others</b>	-
-	<b>1. Local Currency</b>	-
	1.1 Financial Institutions	
	1.2 Other Organized Institutions	
	1.3 Individual	
-	<b>2. Foreign Currency</b>	-
	2.1 Financial Institutions	
	2.2 Other Organized Institutions	
	2.3 Individual	
104,087,868	<b>Total Of Non Interest Bearing Accounts</b>	162,454,309





## Schedule 4 : Deposits (Continued)

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
	<b>2. Interest bearing accounts</b>	
260,852,255	<b>A. Saving Deposits</b>	461,940,856
257,306,863	<b>1. Local Currency</b>	457,268,076
33,859,958	1.1 Organized Institutions	77,960,832
223,446,906	1.2 Individuals	379,307,244
	1.3 Others	
3,545,392	<b>2. Foreign Currency</b>	4,672,780
532,667	2.1 Organized Institutions	78,513
3,012,725	2.2 Individuals	4,594,267
	2.3 Others	
332,269,733	<b>B. Fixed Deposits</b>	795,402,962
329,685,833	<b>1. Local Currency</b>	793,451,662
304,335,833	1.1 Organized Institutions	700,657,662
25,350,000	1.2 Individuals	92,794,000
	1.3 Others	
2,583,900	<b>2. Foreign Currency</b>	1,951,300
2,583,900	2.1 Organized Institutions	1,951,300
	2.2 Individuals	
	2.3 Others	
482,683,534	<b>C. Call Deposits</b>	1,093,346,097
482,683,534	<b>1. Local Currency</b>	1,093,346,097
1,108,881	1.1 Commercial Banks	-
401,922,485	1.2 Financial Institutions	702,550,607
7,070,893	1.3 Other Organized Institutions	6,709,576
6,272,427	1.4 Individuals	9,812,822
66,308,848	1.5 Others	374,273,092
-	<b>2. Foreign Currency</b>	-
	2.1 Commercial Banks	
	2.2 Financial Institutions	
	2.3 Other Organized Institutions	
	2.4 Individuals	
	2.5 Others	
-	<b>D. Certificate of Deposit</b>	-
	1 Organized Institutions	
	2 Individuals	
	3 Others	
1,075,805,522	<b>Total of Interest Bearing Accounts</b>	2,350,689,914
1,179,893,389	<b>Total Deposit (1+2)</b>	2,513,144,223



## Schedule 5 : Bills Payable

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
8,822,263	1. Local Currency	4,076,906
15,660	2. Foreign Currency	52,230
8,837,923	Total	4,129,136

## Schedule 6 : Other Liabilities

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
	1. Pension/Gratuity Fund	
	2. Employees Provident Fund	
	3. Employees Welfare Fund	
225,858	4. Provision for Staff Bonus	2,372,535
	5. Unpaid Dividend	
(2,725,623)	6. Provision for Income Tax (Less advance tax paid)	(4,159,287)
4,024,624	7. Interest Payable on Deposits	4,758,126
-	8. Interest Payable on Borrowings	-
135,417	9. Unearned Discount and Commission	405,726
	10. Proposed Dividend	
1,042,726	11. Interest Suspense	2,237,643
2,741,798	12. Sundry Creditors	4,619,861
	13. Branch Adjustment Account	
18,034,270	14. Others	97,634,343
23,479,071	Total	107,868,947





## Schedule 10 : Investments

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	Purpose		This Year Rs.
		Trading	Other	
116,699,906	1. HMG Securities	235,629,880	-	235,629,880
116,699,906	a. Treasury Bill	232,441,288	-	232,441,288
-	b. Development Bonds	3,188,593	-	3,188,593
-	c. National Savings Bond	-	-	-
-	d. ....	-	-	-
-	2. Foreign Govt. Securities	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3. Nepal Rastra Bank Bonds	-	-	-
-	4. Shares, Debentures and Bonds	-	-	-
138,300,000	5. Other Investments	187,525,000	-	187,525,000
-	a. Certificate of Deposits	-	-	-
-	b. Mutual Fund	-	-	-
60,000,000	c. Local Banks	150,000,000	-	150,000,000
78,300,000	d. Foreign Banks	37,525,000	-	37,525,000
-	e. Others	-	-	-
254,999,906	Total Investments	423,154,880	-	423,154,880
-	Provision	-	-	-
254,999,906	Net Investment	423,154,880	-	423,154,880

## Schedule 10 (A) : Investments in Shares, Debentures and Bonds

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
-	1. Investment in Shares	-
-	1.1 ..... Co Pvt Ltd .... Ordinary shares of Rs. .... Paid up	-
-	1.2 ..... Co Pvt Ltd .... Bonus shares of Rs. .... Paid up	-
-	1.1 ..... Co Pvt Ltd .... Preference shares of Rs. .... Paid up	-
-	2. Investments in Debentures and Bonds	-
-	2.1 .... Co. (Pvt Ltd/Ltd) ... percent ... Debenture/Bond Rs ... each	-
-	Total Investment	-
-	3. Provision for Loss	-
-	3.1 Up to previous year	-
-	3.2 Adjustments this year	-
-	Total Provision	-



## Schedule 11 : Classification of Loan and Bills Purchase and Provisioning as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	Advances				Bills Purchased/Discounted					This Year Rs.	
		Domestic		Foreign	Total	Domestic		Foreign	Total			
		Priority				Others	Priority			Others		
		Insured	Uninsured				Insured					Uninsured
1,112,278,246	1. Performing Loan	-	181,250,000	1,907,138,186	-	2,088,388,186	-	-	12,423,039	452,038	12,875,077	2,101,263,243
1,112,278,246	Pass Loan	-	181,250,000	1,907,138,186	-	2,088,388,186	-	-	12,423,039	452,038	12,875,077	2,101,263,243
14,326,577	2. Non-Performing Loan	-	-	36,323,804	-	36,323,804	-	-	-	-	-	36,323,804
14,192,363	2.1 Substandard	-	-	33,461,496	-	33,461,496	-	-	-	-	-	33,461,496
-	2.2 Doubtful	-	-	1,785,573	-	1,785,573	-	-	-	-	-	1,785,573
134,215	2.3 Loss	-	-	1,076,735	-	1,076,735	-	-	-	-	-	1,076,735
1,126,604,824	(A) Total Loan	-	181,250,000	1,943,461,970	-	2,124,711,970	-	-	12,423,039	452,038	12,875,077	2,137,587,047
-	3. Loan Loss Provision	-	-	-	-	-	-	-	-	-	-	-
11,762,761	3.1 Pass	-	1,812,500	19,297,118	-	21,109,618	-	-	121,250	4,520	126,771	21,236,389
3,548,091	3.2 Substandard	-	-	8,642,335	-	8,642,335	-	-	-	-	-	8,642,335
-	3.3 Doubtful	-	-	892,787	-	892,787	-	-	-	-	-	892,787
134,215	3.4 Loss	-	-	1,076,735	-	1,076,735	-	-	-	-	-	1,076,735
15,045,066	(B) Total Provisioning	-	1,812,500	29,908,974	-	31,721,474	-	-	124,230	4,520	128,751	31,850,225
-	4. Provisioning up to Previous Year	-	-	-	-	-	-	-	-	-	-	-
2,657,335	4.1 Pass	-	1,091,316	10,206,673	-	11,297,989	-	-	60,426	4,346	64,772	11,362,761
-	4.2 Substandard	-	-	3,548,091	-	3,548,091	-	-	-	-	-	3,548,091
-	4.3 Doubtful	-	-	-	-	-	-	-	-	-	-	-
-	4.4 Loss	-	-	134,215	-	134,215	-	-	-	-	-	134,215
2,657,335	(C) Total Previous Year Provision	-	1,091,316	13,854,979	-	14,950,295	-	-	60,426	4,346	64,772	15,045,067
12,387,731	(D) Adjustment This Year	-	721,184	16,019,995	-	16,741,179	-	-	63,804	174	63,979	16,805,158
1,111,559,777	Net Loan (A-B)	-	179,437,500	1,913,552,996	-	2,092,990,496	-	-	12,298,808	447,518	12,746,326	2,105,736,822

## Schedule 12 : Fixed Assets as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	Assets					This Year Rs.
		Buildings	Vehicles	Machinery	Office Equipment	Others	
-	1. At Cost	-	-	-	-	-	-
41,019,876	a. Previous Year Balance	-	9,285,909	37,794,229	4,736,718	-	51,816,856
10,796,980	b. Addition this year	-	94,500	535,796	406,664	-	1,036,960
-	c. Revaluation/ Written Back This Year	-	-	-	-	-	-
-	d. This Year Sold	-	-	-	-	-	-
-	e. This Year Written Off	-	-	-	-	-	-
51,816,856	Total Cost (a+b+c+d+e)	-	9,380,409	38,330,025	5,143,382	-	52,853,816
-	2. Depreciation	-	-	-	-	-	-
534,780	a. Up to previous year	-	1,709,798	6,755,407	739,921	-	9,205,127
8,670,347	b. For this Year	-	1,534,122	7,783,443	1,064,507	-	10,382,071
-	c. Depreciation on revaluation/ written back	-	-	-	-	-	-
9,205,127	Total Depreciation	-	3,243,920	14,538,850	1,804,428	-	19,587,198
42,611,729	3. Written Down Value (1-2)	-	6,136,489	23,791,175	3,338,954	-	33,266,618
-	4. Capital Construction (Pending Capitalization)	-	-	-	-	-	-
9,284,100	5. Leasehold assets	-	-	-	-	7,158,004	7,158,004
51,895,830	Total (3+4+5)	-	6,136,489	23,791,175	3,338,954	7,158,004	40,424,622





## Schedule 12 (A): Securities against Loan, Advances and Bills Purchased as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
	<b>(A) Secured</b>	
661,014,334	1. Collateral of Movable/immovable Assets	1,439,874,931
27,228,469	2. Local banks and Financial Institutions Guarantee	199,118,189
504,096	3. HMG Guarantee	
	4. Foreign Banks Guarantee	
	5. Export Documents	31,040,000
13,208,447	6. Fixed Deposit Receipts	24,075,561
1,416,366	a) Secured Against Bank's Own FDR	Rs.
11,792,081	b) Secured Against Other Bank's FDR	Rs. 24,075,561
7,456,452	7. Government Bonds	56,091,749
	8. Counter Guarantee	
	9. Personal Guarantee	
417,193,026	10. Other Securities	387,386,617
	<b>(B) Unsecured</b>	
1,126,604,824	<b>Total</b>	<b>2,137,587,047</b>

## Schedule 13 : Other Assets

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
622,904	1. Stock of Stationary	1,082,257
2,118,156	2. Income Receivable on Investment	3,867,484
5,640,776	3. Accrued interest on Loan	15,816,373
	4. Receivable Commission	
2,457,014	5. Sundry Debtors	744,261
	6. Staff Loan and Advances	3,195,298
5,067,800	7. Prepayments	2,826,842
	8. Cash in Transit	
17,061,617	9. Other Transit items (including cheques)	96,501,319
	10. Drafts Paid without notice	
11,665,193	11. Expenses not Written off	-
	12. Non-Banking Assets	
	13. Branch Adjustment account	
517,658	14. Others	1,120,046
45,151,119	<b>Total</b>	<b>125,153,879</b>



### Schedule 13 (A) : Other Assets (Additional Statement)

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.			
		Up to 1 Year	Up to 3 Year	Above 3 Years	Total
5,640,776	1. Accrued Interest on Loan	15,816,373	-		15,816,373
-	2. Draft Paid Without Notice				
-	3. Branch Adjustment A/c				
5,640,776	Total	15,816,373	-		15,816,373

### Schedule 14 : Contingent Liabilities

as at 16 July 2003 (32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
82,639,380	1. Claims on bank but not accepted by the Bank	152,639,536
82,639,380	2. Letter of credit (full amount)	
	a) Less then 6 Months Rs.152,639,536	
	b) More then 6 Months	
65,536,890	3. Rediscounted Bills	158,926,528
20,374,000	4. Unmatured Guarantees/ Bonds	
45,162,890	a) Bid Bond Rs. 11,503,866.24	
	b) Performance Bond Rs. 147,422,661.43	
	5. Unpaid shares in Investment	
	6. Forward Exchange Contract Liabilities	
	7. Bills under Collection	
16,915,035	8. Acceptance and Endorsements	27,785,899
	9. Underwriting Commitments.	
	10. Irrevocable Loan Commitments	
	11. Guarantee under Counter Guarantee of Internationally Rated Banks	
	12. Advance Payment Guarantee	
	13. Financial Guarantee	
	14. Contingent Liability on Income Tax	
10,700	15. Others	296,900
165,102,005	Total	339,648,862





## Schedule 15 : Interest Expenses

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
47,458,501	A. On Deposit Liabilities	91,616,570
18,266,969	1. Fixed Deposits	35,581,832
18,248,826	1.1 Local Currency	35,563,190
18,143	1.2 Foreign Currency	18,643
7,387,712	2. Saving Deposits	15,592,302
7,352,703	2.1 Local Currency	15,536,462
35,009	2.2 Foreign Currency	55,840
21,803,820	3. Call Deposit	40,442,435
21,803,820	3.1 Local Currency	40,442,435
	3.2 Foreign Currency	
	4. Certificate of Deposits	
709,923	B. On Borrowings	1,328,741
	1. Overdraft	
267,812	2. Loan from Nepal Rastra Bank	-
442,111	3. Inter Bank Borrowing	1,328,741
	4. Other Loan and Refinance	
-	C. On Others	-
	1.	
	2.	
48,168,423	Total	92,945,310

## Schedule 16 : Expenses Relating to Employees

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
9,002,721	1. Salary	13,915,374
3,267,878	2. Allowance	6,627,150
828,121	3. Contribution to Providend Fund	1,284,589
270,239	4. Training Expenses	157,513
107,556	5. Uniform	115,434
	6. Medical	692,588
	7. Insurance	
	8. Pension and Gratuity Provision	
1,849,912	9. Others	461,459
15,326,428	Total	23,254,109



## Schedule 17 : Office Operating Expenses

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
3,266,379	1. House Rent	3,572,931
1,182,063	2. Electricity and Water	1,200,584
84,067	3. Repair and Maintainance	238,704
	a. Building Rs 71,633	
84,067	b. Vehicle Rs 167,071	
	c. Others	
333,504	4. Insurance	1,234,043
3,453,976	5. Postage, Telex, Telephone, Fax	4,186,468
198,237	6. Office Equipment, Furniture and Repair	176,177
10,263	7. Traveling Allowance and Expenses	369,196
961,947	8. Stationary and Printing	1,016,812
75,277	9. Periodicals and Books	144,055
1,420,586	10. Advertisements	1,627,801
462,000	11. Legal Expenses	57,600
42,500	12. Donations	32,500
303,370	13. Expenses Relating to Board of Directors	614,558
266,000	a. Meeting Fee Rs 578,000	
37,370	b. Other Expenses Rs 36,557	
50,000	14. Annual General Meeting Expenses	122,509
156,454	15. Expenses Relating to Audit	79,470
150,000	a. Audit Fee Rs 60,000	
6,454	b. Other Expenses Rs 19,470	
	16. Commission on Remittances	
10,206,620	17. Depreciation on Fixed Assets	12,508,167
5,028,806	18. Amortization of Preliminary Expenses	11,665,193
	19. Share Issue Expenses	
	20. Technical Service Fee	947,750
25,981	21. Entertainment	-
	22. Written off Expenses	
375,110	23. Security Expenses	638,591
	24. Credit Guarantee Premium	
	25. Commission and Discount	
3,786,050	26. Others	5,070,473
31,423,189	Total	45,503,583





## Schedule 18 : Interest Income

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
84,405,480	A. On Loan, Advances And Overdraft	169,136,114
53,234,110	1. Loan and Advances	108,683,332
31,171,370	2. Overdraft	60,452,782
5,244,890	B. On Investment	7,840,561
5,244,890	1. HMG Securities	7,840,561
5,244,890	a. Treasury Bill	7,811,173
	b. Development Bonds	29,388
	c. National Saving Certificate	
	d.	
-	2. Foreign Securities	-
	a.	
	b.	
-	3. Nepal Rastra Bank Bonds	-
	4. Debenture and Bonds	
	a. Financial Institutions	
	b. Other Organization	
1,175,794	C. On Agency Balance	1,803,049
704,564	1. Local Banks	1,469,347
471,230	2. Foreign Banks	333,702
1,957,364	D. On Money At Call And Short Notice	-
	1. Local Banks	
1,957,364	2. Foreign Banks	
3,571,172	E. On Others	6,310,687
	1. Certificate of Deposits	
3,571,172	2. Inter-Bank Loan	6,310,687
	3. Others	
96,354,700	Total	185,090,410

## Schedule 19 : Commission and Discount

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
-	A. Bills Purchased And Discounted	-
	1. Local	
	2. Foreign	
2,140,650	B. Commission	4,427,904
1,079,181	1. Letters of Credit	1,756,445
599,372	2. Guarantee	1,590,208
126,738	3. Collection Fee	111,268
260,359	4. Remittance Fee	855,747
	5. Credit Cards	
75,000	6. Share Underwriting/Issue	
	7. Government Transactions	
	8. Agency Commission	114,236
	9. Exchange Fee	
1,300,549	C. Others	4,985,213
3,441,199	Total	9,413,117



## Schedule 20 : Currency Exchange Gain/Loss

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
4,449,883	A. Revaluation Gain	867,592
4,702,107	B. Trading Gain (except exchange fee)	6,276,025
9,151,989	Total Income (Loss)	7,143,616

## Schedule 21 : Non-Operating Income/Loss

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
-	1. Profit (Loss) on Sale of Investment	-
-	2. Profit (Loss) on Sale of Assets	-
-	3. Dividend	-
-	a. Commercial Banks	-
-	b. Grameen Banks	-
-	c. Financial Institutions	-
-	d. Other Organized Institutions	-
-	1. Subsidiary Companies	-
-	2. Others	-
-	4. Subsidies Received from Nepal Rastra Bank	-
-	a. Reimbursement of losses of Specified branches	-
-	b. Interest Subsidy	-
-	c. Exchange Counter	-
-	d. ....	-
-	5. Others	3,650
-	Total Non-operating Income(Loss)	3,650

## Schedule 22 : Other Income

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
56,000	1. Rental on Safe Deposit Lockers	41,250
	2. Issue and Renewals of Credit Cards	
	3. Issue and Renewals of ATM Cards	
340,440	4. Telex/T.T.	463,978
220,026	5. Service Charges	77,493
	6. Renewal Fees	
	7. Loss Provision Written Back	
	8. Others	
616,466	Total	582,720





**Schedule 24 : Statement of Risk Weight Assets (Continued)**  
 for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

PARTICULARS	Weightage	Previous Year Rs.		This Year Rs.	
		Amount	Risk Wt. Asset	Amount	Risk Wt. Asset
Cash Balance	0	30,275,571	-	40,800,041	-
Gold (tradable)	0	-	-	-	-
Balance With Nepal Rastra Bank	0	50,886,726	-	224,028,148	-
Investment in HMG Bonds	0	116,699,906	-	235,629,880	-
Investment in NRB Bonds	0	-	-	-	-
Fully Secured Loan against Banks Own					
Fixed Deposit Receipt	0	-	-	-	-
Fully Secured Loan against Government Bond	0	1,416,366	-	-	-
Balance With Local Banks and Financial Institutions	20	7,456,452	-	56,091,749	-
Fully Secured Loan against Other Banks		1,332,351	266,470	2,211,973	442,395
Fixed Deposit Receipt	20	11,792,081	2,358,416	24,075,561	4,815,112
Balance With Foreign Banks	20	46,679,151	9,335,830	24,665,089	4,933,018
Money at Call	20	-	-	-	-
Loan against Guarantee of Internationally					
Rated Banks	20	-	-	-	-
Other Investment in Internationally Rated Banks	20	78,300,000	15,660,000	37,525,000	7,505,000
Investment in Share, Debenture and Bond	100	-	-	-	-
Other Investment	100	60,000,000	60,000,000	150,000,000	150,000,000
Loan, Discount and Overdraft	100	1,105,939,925	1,105,939,925	2,057,419,737	2,057,419,737
Fixed Assets	100	51,895,830	51,895,830	40,424,622	40,424,622
All Other Assets	100	45,151,119	45,151,119	125,153,879	125,153,879
<b>A) Total</b>		<b>1,607,805,476</b>	<b>1,290,607,590</b>	<b>3,018,025,679</b>	<b>2,390,693,763</b>
<b>Off-Balance Sheet Assets</b>					
Bills Collection	0	-	-	-	-
Forward Foreign Exchange Contract	10	-	-	-	-
Letter of Credit with maturity less than 6 months	20	82,639,380	16,527,876	152,639,536	30,527,907
Guarantee against counter guarantee of internationally					
rated foreign banks	20	-	-	-	-
Letter of Credit with maturity more than 6 months	50	-	-	-	-
Bid Bond	50	20,574,000	10,187,000	11,503,866	5,751,933
Performance Bond	50	45,162,890	22,581,445	147,422,661	73,711,331
Advance Payment Guarantee	100	-	-	-	-
Financial Guarantee	100	-	-	-	-
Other Guarantee	100	-	-	-	-
Irrevocable Loan Commitment	100	-	-	-	-
Contingent Liability On Income Tax	100	-	-	-	-
Other Contingent Liability	100	16,925,735	16,925,735	28,082,799	28,082,799
<b>B) Total</b>		<b>165,102,005</b>	<b>66,222,056</b>	<b>339,648,862</b>	<b>138,073,970</b>
<b>Total Risk Weighted Assets (A+B)</b>			<b>1,356,829,646</b>	<b>3,357,674,541</b>	<b>2,528,767,733</b>



## Schedule 25 : Principal Indicators

S.N.	PARTICULARS	Indicators	F/Y 059/60	F/Y 058/59	F/Y 057/58
1	Percent of Net Profit/Gross Income	%	6.17%	1.22%	-26.88%
2	Earning Per Share	Rs.	3.56	0.38	-0.81
3	Market Value Per Share	Rs.	-	-	-
4	Price Earning Ratio	Ratio	-	-	-
5	Dividend (including bonus) on Share Capital	%	-	-	-
6	Cash Dividend on Share Capital	%	-	-	-
7	Interest income/Loan and Advances	%	8.66%	8.55%	2.40%
8	Staff Expenses/ Total operating Expenses	%	14.38%	16.15%	35.39%
9	Interest Expenses on Total Deposit and Borrowings	%	3.70%	3.97%	1.50%
10	Exchange Gain/ Total Income	%	3.53%	8.35%	8.18%
11	Staff Bonus / Total Staff Expenses	%	10.20%	1.47%	-
12	Net Profit / Loan and Advances	%	0.58%	0.12%	-1.10%
13	Net Profit / Total Assets	Ratio	0.0042	0.0008	-0.0044
14	Total Credit / Deposit	%	85.06%	95.48%	84.07%
15	Total Operating Expenses / Total Assets	%	5.42%	5.96%	1.24%
16	Adequacy of Capital Fund on Risk Weighted Assets				
	a) Core Capital	%	14.22%	25.60%	83.58%
	b) Supplementary Capital	%	1.24%	1.19%	0.68%
	c) Total Capital Fund	%	15.46%	26.79%	84.26%
17	Liquidity (CRR)	%	10.72%	7.10%	34.77%
18	Non-Performing Credit / Total Credit	Ratio	0.02	0.01	-
19	Weighted Average Interest Rate Spread	%	6.48%	3.27%	1.82%
20	Book Net Worth	Rs.	392,883,373	363,604,149	349,879,263
21	Total Shares	No.	3,500,000	3,500,000	3,500,000
22	Total Staffs	No.	53	43	53





## Schedule 26 : Cash-Flow Statement

for the period 17 July 2002 to 16 July 2003 (1 Shrawan 2059 to 32 Ashad 2060)

Previous Year Rs.	PARTICULARS	This Year Rs.
21,507,373	Cash Flow from Operation	42,974,173
104,742,338	Cash Receipts:	190,308,588
91,397,268	Interest Income	173,165,485
3,576,615	Discount and Commission Income	9,413,117
9,151,989	Exchange Fluctuation Gain	7,143,616
-	Non Operating Income	3,650
616,466	Other Income	582,720
(83,234,965)	Cash Payment	(147,334,415)
(44,866,360)	Interest Expenses	(92,211,808)
(15,326,428)	Employee Expenses	(23,254,109)
(20,910,124)	Administrative Expenses	(21,330,223)
-	Exchange Fluctuation Loss	-
-	Non-Operating Expenses	-
(2,132,053)	Other Expenses (Including Corporate Tax & Staff Bonus)	(10,538,275)
(915,956,516)	Cash Flow from Investing Activities	(1,411,944,167)
54,563,942	Changes in Bank Balance	(152,026,980)
140,000,000	Changes in Money at Call and Short Notice	-
(235,242,926)	Changes in Investment	(168,154,974)
(860,871,297)	Changes in Loan Advances and Bills Purchased	(1,010,982,225)
(15,354,257)	Changes in Fixed Assets	(1,036,960)
948,021	Changes in Other Assets	(79,743,028)
905,950,152	Cash Flow from Financing Activities	1,379,494,465
31,990,944	Changes Borrowing	(31,990,944)
863,791,662	Changes in Deposits	1,333,250,834
7,829,282	Changes Bills Payable	(4,708,787)
2,335,264	Changes in Other Liabilities	82,943,362
11,501,009	Net Cash Flow of the year	10,524,471
18,774,561	Opening Cash Balance	30,275,570
30,275,570	Closing Cash Balance	40,800,041



## Schedule 27 : Principal Accounting Policies

for the year ended 16 July 2003 (32 Ashad 2060)

The financial statements have been prepared in conformity with generally accepted accounting principles and Nepal Rastra Bank directives. The significant accounting policies are summarized below:

### A. Basis of Interest Computation

Interest expense on interest bearing deposits and interest income on loan are computed on the basis of 365 days a year.

### B. Basis of Accounting

#### i. Interest Income \ Expense Recognition

- Interest on interest bearing deposits is accounted for on accrual basis.
- Interest income on loans and advances is recognized as income on cash basis except for interest accrued but not due for the period 1st to 16th July 2003.

#### ii. Commission Income Recognition

Commission income of the Bank is accounted for on cash basis. However, bank guarantee commission above Rs. 100,000 is accounted for on accrual basis.

### C. Translation of Foreign Currency Transactions

- Foreign currency assets and liabilities as at 32 Ashad 2060 have been translated at the prevailing mid (average of buying and selling) rate of exchange prevalent as on 32 Ashad, 2060.
- Gain/Loss realized on foreign currency transaction due to exchange rates is accounted for and shown as "Gain/Loss on sale of Foreign Currencies".
- Revaluation gain arising due to fluctuation in exchange rate difference of foreign currencies is accounted for and shown as "Revaluation Income \ (Loss)".

### D. Provision for Possible Losses

Provision for possible losses has been made as per Nepal Rastra Bank directive to cover the risk inherent to Bank's lending portfolio.

### E. Fixed Assets, Depreciation & Amortization

- Fixed assets have been shown in accordance with historical cost convention.
- Fixed assets are depreciated on diminishing balance method as per Income-Tax Act 2058 except for computer software.
- It is the policy of the bank to consider depreciation on assets only after full capitalization.
- It is the policy of the Bank to amortize the software cost (included in fixed assets) over the period of five years.
- Non-consumable items having life less than one year and/or worth less than Rs. 10,000 have been expensed off during the year of purchase.
- Leasehold development cost are amortized over a period of 5 years or lease period which ever is earlier.

### F. Investments in Government Securities are valued at cost.

### G. Pre-opening Expenditure:

The entire balance of the pre-operating expenses have been fully amortized this year.





## Schedule 28 : Notes Account

for the year ended 16 July 2003 (32 Ashad 2060)

### 1. Statement of Unreconciled Agency Balance

Period	No. of Items	Amount
<b>Credit</b>		
0 - 3 months	84.00	36,136,135
3 - 6 months	10.00	15,208
6 - 12 months		
<b>Total Credits</b>		<b>36,151,343</b>
<b>Debits</b>		
0 - 3 months	14.00	71,712,274
3 - 6 months	2.00	2,097,513
6 - 12 months		
<b>Total Debits</b>		<b>73,809,786</b>
<b>Total Unreconciled Amount</b>		<b>(37,658,443)</b>

### 2. Statement of Loan Disbursed, Settled and Outstanding during the Year

Rs. in '000'

Opening Balance	Total Settled	Total Disbursed	Outstanding
1,126,604,824	3,070,417,000	2,059,434,777	2,137,587,047

### 3. Summary of Changes in Deposit During The Year

Rs. in '000'

Previous Year Rs.	Particulars	This Year Rs.	Changes
84,077	1) <b>Current Deposit</b>	135,081	51,004
73,546	a) Local Currency	126,494	52,948
10,531	b) Foreign Currency	8,587	(1,944)
260,852	2) <b>Saving Deposit</b>	461,941	201,089
257,307	a) Local Currency	457,268	199,961
3,545	b) Foreign Currency	4,673	1,128
332,270	3) <b>Fixed Deposit</b>	795,403	463,133
329,686	a) Local Currency	793,452	463,766
2,584	b) Foreign Currency	1,951	(633)
482,684	4) <b>Call Deposit</b>	1,093,346	610,662
482,684	a) Local Currency	1,093,346	610,662
	b) Foreign Currency		
20,011	5) <b>Margin Deposit</b>	27,373	7,362
20,011	a) Local Currency	26,868	6,857
	b) Foreign Currency	505	505
<b>1,179,893</b>	<b>Total Deposit</b>	<b>2,513,144</b>	<b>1,333,251</b>



#### 4. Weighted Average Interest Rate Spread

Particulars	Percent
The weighted average yield on Interest bearing assets for the year	10.63
The weighted average cost on Interest bearing liability for the year	4.80
The weighted average Interest Rate Spread	5.83

#### 5. Summary of Amortizable Expenses yet to be Written off

Rs. in '000'

Particulars	Original Value	Written Off	Book Value
Preoperating Expenses	11,665	11,665	-
Software	16,320	4,062	12,258
Leasehold Expenses	9,284	2,126	7,158

#### 6. Capital Charge for minimising Concentration Risk

None.

#### 7. Maturity profile of Assets and Liabilities for Measuring Liquidity Risk

Rs. in '000'

Assets	1-90 Days	91-180 Days	181-270 Days	271-365 Days	More than 1 Year	Total
Cash	41					41
Bank Balance	251					251
Investment in Foreign Banks	38					38
HMG Debt Paper	99		133			232
NRB Debt Paper					3	3
Interbank Loan	150					150
Loan	1,129	131	43	180	654	2,138
<b>Total Assets</b>	<b>1,708</b>	<b>131</b>	<b>176</b>	<b>180</b>	<b>658</b>	<b>2,852</b>
Liabilities						
Borrowings						
Current Account	162					162
Savings Account	1,555					1,555
Time Deposit	175	20	186	116	298	795
Debt Papers						
<b>Total Liabilities</b>	<b>1,892</b>	<b>20</b>	<b>186</b>	<b>116</b>	<b>298</b>	<b>2,513</b>
<b>Net Assets / Liabilities</b>	<b>(185)</b>	<b>111</b>	<b>(10)</b>	<b>63</b>	<b>359</b>	<b>340</b>
<b>Cumulative Net Assets / Liabilities</b>	<b>(185)</b>	<b>(74)</b>	<b>(83)</b>	<b>(20)</b>	<b>340</b>	<b>340</b>





- 8) Borrowings against collateral of Banks own security is nil.
- 9) No significant purchases have been made or contract has been entered into with relatives or company, firms or entity in which directors are interested.
- 10) Figures are rounded to nearest rupees.
- 11) Provision for Staff Bonus has been provided as per the Bonus Act.
- 12) Provision for Corporate Tax has been provided as per Income Tax Act 2058.
- 13) In view of non-eligibility of existing employees, provision for gratuity has not been considered.



**Directives issued by Nepal Rastra Bank in the process of according approval for the publication of the Bank's Annual Report for the F/Y 2002/03.**

To resolve the existing problem in the bank's software and to recognize interest income as per directive number 4 of this bank.



## Management Team

**Surender Bhandari**  
Chief Executive Officer

**Bhusan Rana**  
Assistant General Manager

**Geha N. Dhungana**  
Sr. Manager - Operations

**Bhasker Rimal**  
Manager - Credit

**Tika Ram Chapagain**  
Manager - Strategy and Compliance

**Suresh Karna**  
Manager - Information & Technology

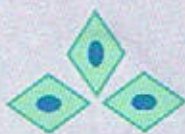
**Sunil B. Malla**  
Manager - Retail Banking

**K.P. Sharma**  
Branch Manager - Biratnagar

**Bipin Pokhrel**  
Branch Manager - Birgunj

**Niraj Shrestha**  
Assistant Manager - Credit





कुमारी बैंक लिमिटेड  
KUMARI BANK LIMITED  
COMPLETE BANKING