

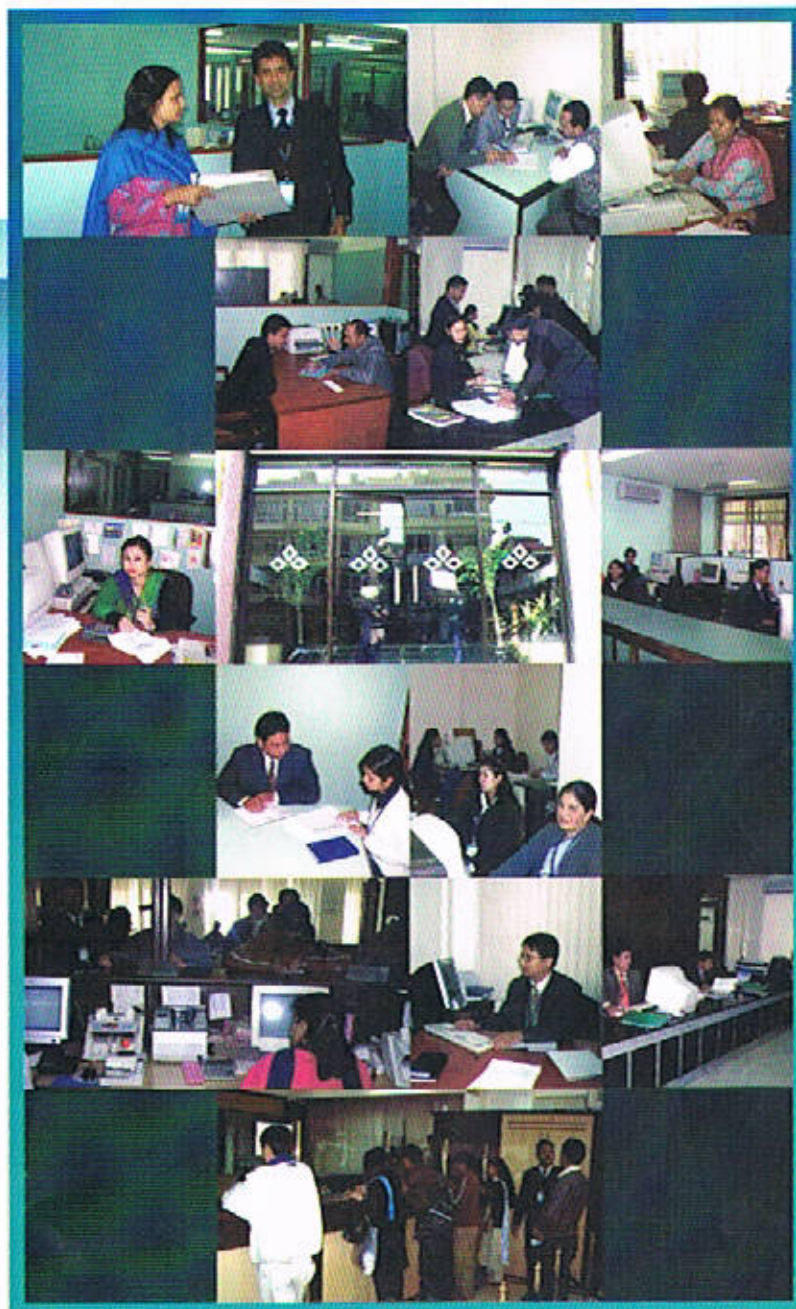
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कुमारी बैंक लिमिटेड  
KUMARI BANK LIMITED  
COMPLETE BANKING

We do it !

# FOURTH ANNUAL REPORT - 2003/2004







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कुमारी बैंक लिमिटेड  
KUMARI BANK LIMITED  
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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. Dibya Mani Rajbhandari**  
Director



**Mrs. Sabitri Gurung**  
Director

**Company Secretary**  
**Mr. Narendra Prasad Gautam**

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





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

Dear Shareholders,

On behalf of the Board of Directors and myself, I welcome you to the Fourth Annual General Meeting of Kumari Bank Limited.

The year under review has seen the bank achieve tremendous growth & success in all areas of its operations due to the patronage, trust and confidence our customers have put on us.

We have continued to remain committed to maximize the return of your investment in the bank and have been pursuing actions and strategies for steady growth and increase returns while closely monitoring the quality of assets.

In this context, I have the pleasure to present you with the Fourth Annual Report of the bank with Audited Balance Sheet, Profit & Loss Account / Appropriations and Annexes thereof along-with write-ups on various aspects of the bank and the Nepalese economy.

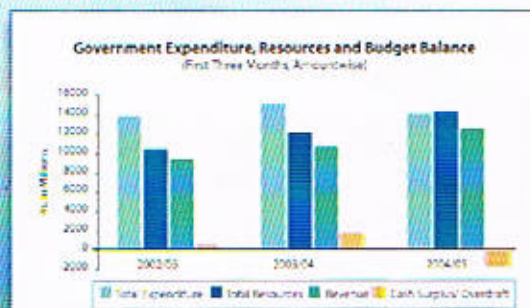
### Nepalese Economy

I would now like to share with you some highlights of the economic performance of the country. Economic recovery achieved in FY 2003 has continued in FY 2004 also, with improved performance in almost all sectors of the economy like agriculture, tourism, and trade sectors. The government's fiscal performance has remained sound with higher revenue collection and decreased government expenditures thus creating a budget surplus. The trade deficit (Balance of Payment) has decreased due to increases in Exports and a decline in Imports and the country currently has a gross foreign exchange reserve to cover merchandise import of 12.4 months.

### Fiscal Performance

Total non-debt resources (revenue, non-budgetary and other receipts, and foreign grants) increased by 16.7 percent to Rs. 14.4 Billion compared to the rise of same rate last year. Revenue, the major source (88.6 percent) of the government resources, increased by 17.4 percent to Rs. 12.7 Billion compared to the rise of 13.2 percent last year while foreign grants increased to Rs. 1.7 Billion as against Rs. 621.9 Million received last year.

The total expenditure of the government decreased by 8.0 percent to Rs. 14.0 Billion in contrast to the rise of 8.9 percent last year. Of the total expenditure, recurrent expenditure stood at Rs. 11.5 Billion (82.1 percent), capital expenditure Rs. 819.9 Million (5.8 percent) and principal repayment Rs. 1,044.1 Million (7.4 percent) while free account is recorded at Rs. 647.8 Million (4.6 percent). Development spending continued to be low primarily due to constraints imposed by the prevailing security situation and the absence of elected local bodies. Significant underspending was observed in health and education sectors. In view of this, the Government has introduced several initiatives to







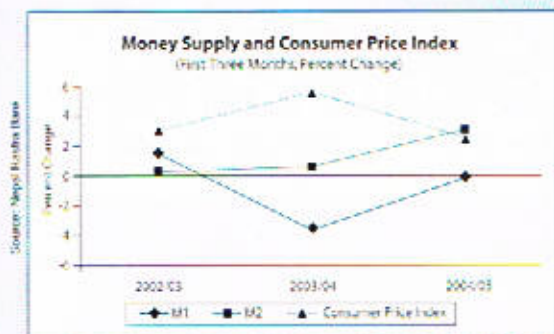
accelerate development activities due to which an increase in education sectors compared to last year has been observed.

The decreased expenditure in relation to the growth of non-debt resources has resulted in a budget surplus of Rs. 324.3 Million as compared to the deficit of Rs. 2.9 Billion last year. This decreased expenditure has led to decrease in the total net outstanding debt of HMG and an increase in the treasury position. As of Mid-October 2004, the total net outstanding debt of HMG stands at Rs. 84.3 Billion as compared to Rs. 85.4 Billion in Mid-July 2004 while the treasury positions increased from Rs 753 Million to Rs. 2.3 Million for the same period and the Government enjoyed Cash surplus of Rs. 1.6 Billion against on overdraft of Rs. 1.9 Billion last year.

### Monetary Situation

During the first three months of FY 2004/05, broad money (M2) increased by 3.1 percent to Rs. 285.6 billion compared to the marginal growth of 0.6 percent during the same period last year. M2 increased this year due mainly to the rise in the net domestic assets (NDA). Time deposits went up by 4.7 percent to Rs. 192.0 billion in comparison to the rise of 2.8 percent last year. A continuous increase in workers' remittances led the time deposits to rise. Narrow money

(M1), a component of broad money, declined by 0.2 percent to Rs. 93.6 billion compared to the decline of 3.7 percent last year. The decline in M1 resulted due mainly to the deceleration in demand deposits, one of the components of M1, by 13.4 percent to Rs. 26.5 billion compared to a decline of 16.0 percent last year. The broad money liquidity (M3) increased by 2.6 percent to Rs. 306.1 billion compared to a marginal growth of 0.8 percent last year.

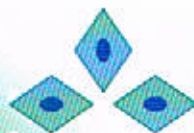


During the review period, domestic credit of the banking sector increased by 3.5 percent to Rs. 260.0 billion this year compared to the rise of 2.0 percent last year. Although the claims on financial institutions and net claims on government declined, increase in the claims on private sector as well as the non-financial institutions led to the rise in domestic credit. Banking sector's claims on financial institutions declined by 2.1 percent to Rs.13.1 billion compared to the rise of 4.7 percent last year. The decline in the deposits made by the commercial bank branch offices of the ADB to its central office led to the decline in the claims on financial institutions. The net claims on government declined by 1.3 percent to Rs. 61.5 billion compared to the decline of 0.2 percent last year. Such claims declined due mainly to the rise in the government deposits in NRB. Banking sectors' claims on private sector increased by 5.2 percent to Rs. 181.5 billion compared to the rise of 3.0 percent last year. Increased consumption as well as the housing loan led to the significant rise in the claims on the private sector.

### Price Situation

The National Urban Consumer Price Index, on point-to-point basis, depicted a rise of 2.6 percent in mid-October 2004 compared to an increase of 5.6 percent during the same period last year.



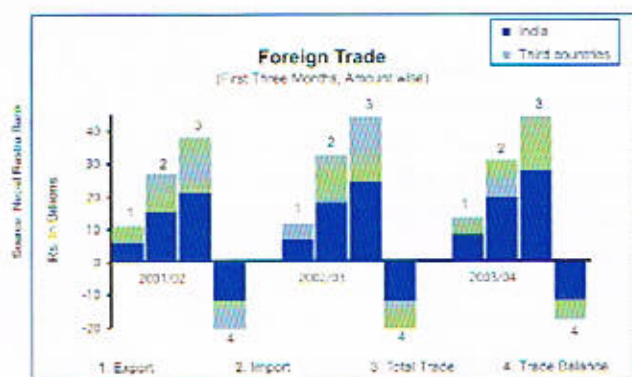


The slow growth in the price index is mainly attributable to the decline in the price index of grains and cereal products, milk and milk products, beverages, transport and communication as well as oil and ghee in spite of the rise in the prices of sugar and related products and petroleum products. The overall price index recorded 161.2 points in mid-October 2004 from 157.1 in mid-October 2003.

## Foreign Trade

Total exports increased by 14.6 percent to Rs. 13.4 billion compared to the rise of 6.4 percent last year. While exports to India have increased by 30.2 percent, those to other countries declined

by 3.2% compared to the previous year. Among the major exportable commodities, the exports of pulses, cardamom, vegetable ghee, tea, polyester yarn, pashmina, aluminium section, copper wire and rod, chemicals, juice, oil cakes, cattle feed, footwear, textiles, catechu, rosin, buckwheat to India have increased. Similarly, the exports of woollen carpets, pashmina and tanned skin to other countries increased while that of pulses and readymade garments declined. The exports of toothpaste, dried ginger, ginger, ricebran oil, G.I. pipe, M.S. pipe, paper and readymade garments



to India declined.

Total imports declined by 3.8 percent to Rs. 31.1 billion as against the rise of 20.2 percent last year. Imports from India increased by 8.7 percent while imports from other countries declined by 19.1 percent. Imports of thread, chemicals, transport vehicles and parts, chemical fertilizers, petroleum products, medicine, cold-rolled sheet, M.S. wire rod and plastic granules from India and that of edible oil, beetle nut, clove, raw wool, television, transport vehicles and parts, copper wire and sheets from other countries augmented. However, the imports of wheat, rice, hot-rolled sheet, M.S. billet and cement from India and that of yarn, crude soybean oil, crude palm oil, plastic granules, tire and tubes, telecommunications equipment and parts, aircraft equipment, electrical goods, medicine and textiles from other countries declined.

The higher growth of exports as against the decline in imports resulted in a compression in the trade deficit by 14.3 percent to Rs. 17.7 billion. Trade deficit with India and other countries declined by 2.9 percent and by 28.6 percent respectively. Total trade, which had increased by 16.2 percent last year, grew by 1.1 percent this year. Due to the increase of import from, and export to, India and their declines with respect to other countries, the share of India in total trade went up to 61.6 percent while the share of other countries in total trade decreased to 38.4.

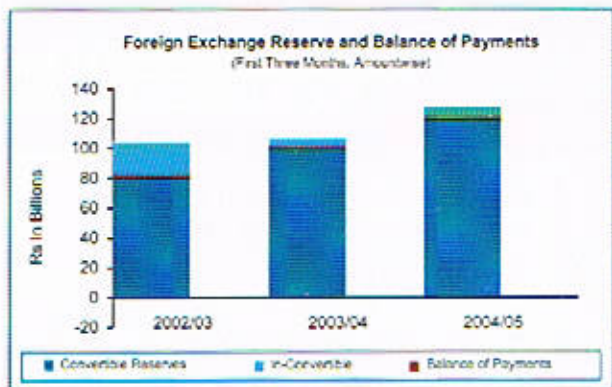
## Foreign Exchange Reserve

The gross foreign exchange reserve increased by 20.6 percent to Rs.128.9 billion in mid-October 2004 compared to an increase of 2.8 percent to Rs. 106.4 billion in mid-October 2003. The decline in imports from other countries' and the rise in remittances through the banking





channel were the factors responsible for the 19.9 percent growth in the convertible reserve. Similarly, inconvertible reserve increased by 30.7 percent due to the rise in exports to India. Last year, the convertible reserve had increased by 23.0 percent while the inconvertible reserve had declined substantially by 72.3 percent. However, the share of convertible reserve in the total reserve fell to 93.8 percent in mid-October 2004 from 94.3 percent in mid-October 2003, resulting in the corresponding rise in the share of non-convertible reserve to 6.2 percent from 5.7 percent. The current reserves are at comfortable levels and sufficient to finance merchandise imports of 12.4 months and merchandise and service imports of 10.5 months.



### Key Financial Indicators

A brief highlight of comparative financial achievements of the bank during the F/Y 2002/3 and 2003/4 is as follows:

Rs. In Million

Particulars	2002/03	2003/04	Growth
Deposits	2513.14	4807.94	91.31
Loans, Advances and Overdrafts	2137.59	3697.98	73.00
Investment	423.15	983.50	87.99
Interest Income	185.09	310.22	67.60
Interest Expenses	92.95	163.90	76.33
Net Interest Income	92.14	146.32	58.80
Other Income	17.14	32.63	90.37
Other Expenses	68.76	85.02	23.65
Gross Profit/Loss	40.53	93.93	131.75
Net Profit/Loss	12.47	48.69	290.46





## Capital Funds & IPO

Issued and Paid Up Capital of the bank increased by Rs. 150 Million and reached Rs. 500 Million on account of the Initial Public Offering (IPO). We are pleased to state that,

No. of Shares offered in the IPO	1,500,000
Per unit share price (in Rs.)	100
Total Value of Share issue (in Rs.)	150,000,000
No. of applications received	103,493
No. of Shares applied for	12,020,760
Value of Share applied for (in Rs.)	1,202,076,000
Oversubscription (ratio)	8.01
Total No. of Shares Alloted to General Public	1,350,550
Total No. of Shares Alloted to Employees	74,450
Total No. of Shares Alloted to Issue Managers	75,000
Total No. of Shares Alloted	1,500,000

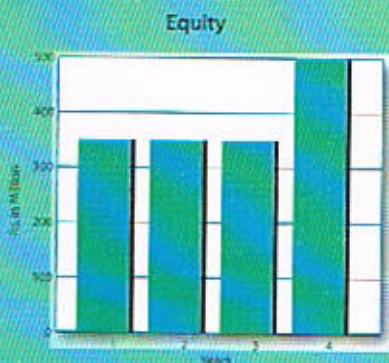
IPO of the bank received unprecedented response from the general public. The IPO was oversubscribed by 8 times and the bank had to close down the IPO within 7 days. The bank has been greatly encouraged by this show of trust and confidence from the general public and will take this as an added incentive to better serve its customers and reap allround benefits to all its stakeholders.

The bank had proposed 5% net cash dividend in 2003/4. However, Nepal Rastra

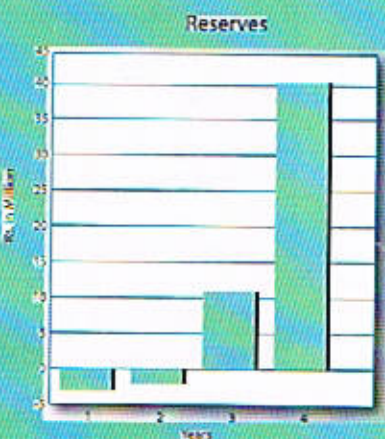
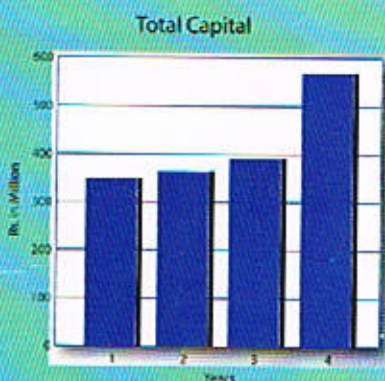
Bank has directed the bank to transfer the proposed dividend to the Capital Adjustment Fund Accounts. Accordingly, the dividend proposed in the Financial Statements will not be distributed during this year.

From the Operating Profit, appropriations of Rs. 9.74 Million to General Reserves, Rs. 2.24 Million to Foreign Exchange Reserves and Rs. 26.32 Million to Capital Adjustment Fund Accounts have been made. Combined with the Retained Earnings of Rs. 17.18 Million, total Reserves of the bank stands at Rs. 59.72 Million.

General Loan Loss Provision for unclassified loans, which as per local regulations can be included in the Capital structure of the bank as Supplementary Capital was Rs. 36.74 Million.



With the above increment in Share Capital and various appropriations, Core (Tier I) Capital of the bank stands at Rs. 555.99 Million, Supplementary (Tier II) Capital at Rs. 40.47 Million and the Total Capital of the bank stands Rs. 596.46 Million.







### Capital Adequacy

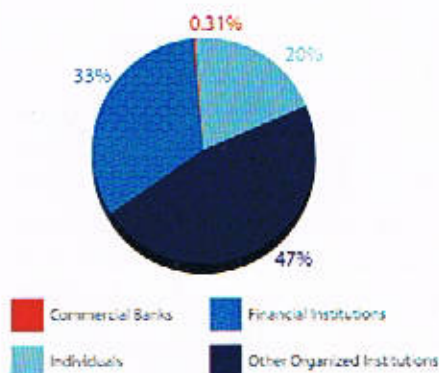
With the revised Capital Structure of the bank following the directives of Nepal Rastra Bank, the Capital Adequacy Ratio of the bank stands at a comfortable 13.41% against the required 11% prescribed by Nepal Rastra Bank.

### Deposits

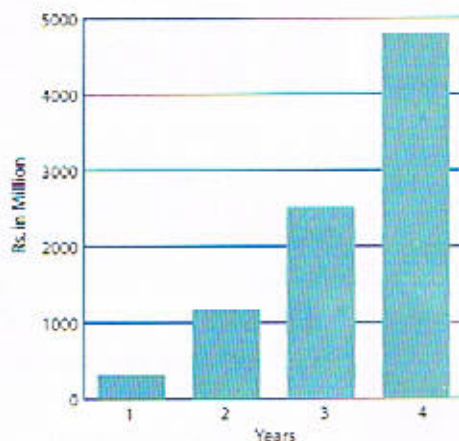
Deposits in the F/Y 2003/4 grew by a commendable 91.31% over the previous year and reached Rs. 4,807.94 Million. The bank through its various Deposit Schemes has been able to attract all levels of customers, be it big corporate houses or small retail customers. The bank has continued to attract and retain the increasing middle class deposit segment through its unique Savings scheme, namely Advantage Plus Scheme and Savings Plus Scheme. As these schemes come along with Interest Rates,

which are among the best in the market and numerous value adding incentives, it has been a success story for us as the number of account holders keep on increasing.

Deposit Mix



Deposit

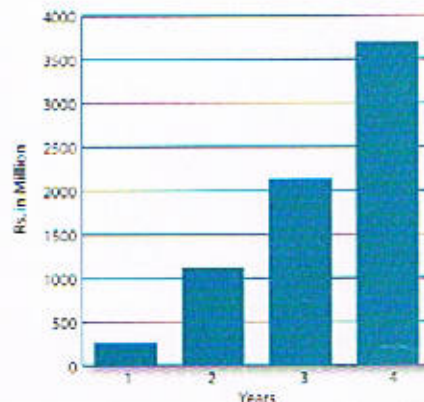


In pursuant to our vision of making quality banking service available and affordable to all segments of the society, we continue to offer our banking services to all by means of opening a Savings Account for as little as Rs. 1,000.00. We are further pleased to be serving more than 10,000 Deposit clients.

### Credit

Total Credit portfolio of the bank stood at Rs. 3,697.98 Million, a healthy growth of 73% over the previous year. Although, the overall scenario in the country remains somewhat pessimistic, the growth in our Credit portfolio has not been at the expense of acceptable credit risk and credit concentration. Our bank's paramount mission remains in maintaining and improving our assets quality by following a prudent credit risk assessments and lending procedures. Along with stringent initial assessments, the bank relentlessly monitors and reviews the banks credit portfolio for any anomalies during the tenor of the loan and proactively takes appropriate corrective measures whenever necessary. The bank continues to put emphasis on

Credit

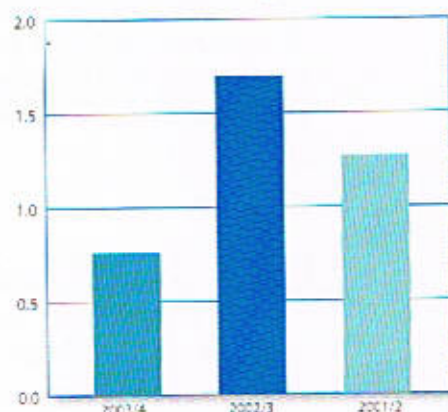






diversifying its portfolio so as to absorb unforeseen shocks in any sector of the economy and has exposures in numerous sectors of the economy and has remained reluctant to enter some sectors which have shown signs of weakness. This rigorous discipline displayed by the Bank has brought favorable results to the fore with Non-performing assets (NPA) actually decreasing by 22.39% over the period. NPA, which includes Substandard, Doubtful and Bad Loans, currently stands at 0.76% of the total Credit Portfolio, down from last year's figure of 1.36%. This level of NPA for a bank in operation for almost 4 years is quite admirable. You will also be pleased to note that our NPA is among the lowest in the banking industry in Nepal.

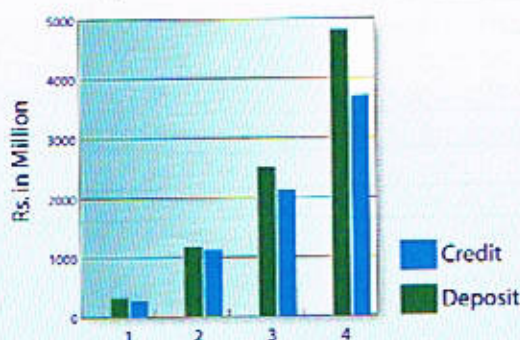
Non-Performing Assets



Despite being a young bank, our bank is among the pioneers in Nepal to have provided a wide variety of Consumer Loans to our customers. These offerings made to meet our customers varied needs at affordable cost continue to be received appreciatively by our valued customers. Our Home loans product, priced competitively and pre-insured at the bank's own cost has been widely appreciated and will continue to attract a steady stream of customers. The bank also has a sizable portfolio in automobiles financing, be it financing

private vehicles or public vehicles. Taking advantage of the Government exchange offer to owners of two-stroke autorikshaws and 20 year old taxis / buses, the bank has made considerable investment in new taxis, micro-buses and mini-buses plying in the Valley in the year under review. In addition to these two popular retail products, the bank continues to offer products like Education loans, Travel loans, Consumer product financing and Membership loan, Loans against Shares.

Deposit & Credit



## Investment

The banking sector has been experiencing excess liquidity for some time now in Nepal, mainly on account of increased remittances from Nepalese workers residing in various parts of the world. The increased liquidity in the local banking scenario coupled with the comfortable cash surplus position of the Government on account of decreased development activities has led to a severe pressure on rates offered in Government securities and other related instruments. Under these severe duress's, investment rates dropped to historical lows – below 0.5%. However, the rates, of late have been showing signs of recovery, as the Central Bank has been able to mop up some liquidity by means of unscheduled securities sale. In spite of all the hindrances faced, your bank has been able to increase its income on Investments by 112.75% over the period of 1 year by actively participating in the Local





Money Market as well as some select foreign markets. In the year under review the bank made investments in various kinds of Government securities like Treasury Bills, Development Bonds and also in placements at various financial institutions. Needless to say the bank carries out an extensive risk analysis of the security and profitability on the investment proposal, before any investment decision is made.

### Operating Profit

Your bank has been able to register a substantial increase in Operating Profit for the year under review. Compared to last year, Operating Profit increased by 131.75% and reached Rs. 93.93 Million.

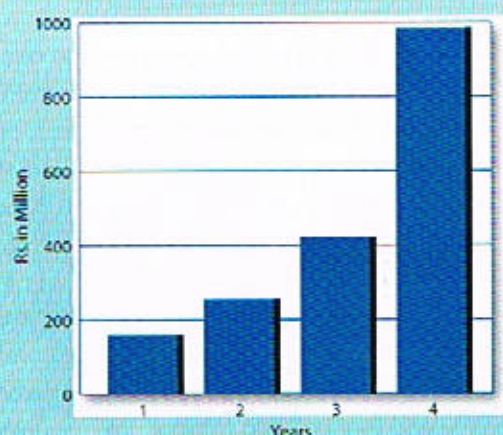
### Earning Per Share

Reflecting the profit your bank has been able to earn, the Earnings per share (EPS) has shot from Rs. 3.56 last year to Rs. 9.74 this year, a 173.60% increase. As the bank makes full utilization of the funds generated by the public share issue in this fiscal year, the EPS is geared up for another sharp rise, which should indeed be welcome news to all our stakeholders.

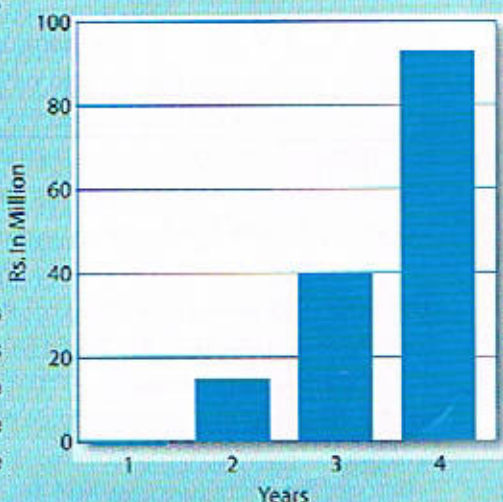
You must also have been pleased to observe that, the Market Price (MPS) of your shares has been continuously rising since it was listed in the local bourse, Nepal Stock Exchange. At the time of going to press, the share price has crossed the barrier of Rs. 250.00 per share. Compared to share prices of other banks of similar size, your bank's share price is quite flattering.

Price Earning Ratio (P/E Ratio), which has a direct relationship with EPS and MPS, is currently around 25.90, showing the goodwill, trust and positive expectation the bank has been able to generate among investors in the market.

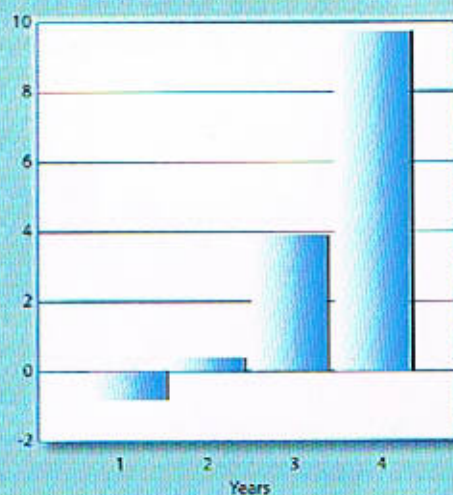
Investment



Operating Profit



Earnings per Share (in Rs.)







## Risk Management

The bank is acutely aware of the need to manage various kinds of risks that are inadvertently faced by banks in their day-to-day operations. With this in perspective, the bank has classified and categorized various kind of risk and also constituted Committees, which closely monitor, assess and deal with the risks. While some committees are chaired and manned by mid level employees, committees like ALCO (Asset Liability Committee) are chaired by the Chief Executive Officer and attended by Departmental Heads. The bank also has numerous written manuals and procedures that govern how all the banking operations are carried out in the bank. In addition to the independent Internal Audit Department, manned by qualified personnel and accountable only to the Audit Sub-committee of the Board of Directors, the bank has a Compliance Department, which keeps a close watch on all aspects of banking transactions. We have gone to great length to minimize our risks because we work under the premise that exposures are created by choice not by chance and that is when returns are maximized to the fullest.

## Branch Network

During the F/Y 2003/04, the bank successfully established two branches at Biratnagar and Birgunj. The business community warmly and enthusiastically received both the branches and the general public at large has also shown good response to the bank's branches. By opening branches in the most important commercial and industrial hubs outside the capital, the bank has been able to considerably increase its customer base and portfolio size. As both the branches broke even within a few months of their opening, they have contributed to this year's bottom line figure.

The bank has also commissioned a branch in Pokhara, the tourist hub of Nepal. As we go to press the construction is going on the full swing at the site of our proposed branch in New Road – the commercial center of Kathmandu. It is expected, that with the opening of branches at these two very important centers, the bank will be able to further strengthen its portfolio, customer base and profitability.

Although, the security scenario in the country remains grim, your bank is contemplating selective diversification of its branch network in the coming days to select locations around the country. However, new branches will only be opened after a thorough review and once it is ascertained that the location presents no or minimum-security threat. As the Bank's paramount interest is in the safety of its staff and depositors, the bank will strive to ensure that all possible precautions are taken in all our branches.







## Human Resources

Employees are among our most valued assets and we strongly believe in the saying "A company is as good as its people". The bank has a team of dedicated, young but experienced and proven bankers led by a dynamic Chief Executive Officer. The Management team and the whole staff group have been able to work cohesively and produce wonderful results.

The bank has been able to retain competent employees and will continue to attract the very best from Colleges / Universities and from other financial institutions, as the bank not only offers attractive financial packages, but enriching working culture which facilitates rapid growth and high satisfaction levels.



Sealtree Crown Plaza  
**SUPER SIXES 2004** Kumari Bank



The bank puts great emphasis on upgrading various skills of all its employees. In the year under review, extensive in-house training programs on various facets of banking were carried by the HR Department. Employees were also sent on specific banking trainings both inside Nepal and outside Nepal. Development is also facilitated by means of job rotation, higher responsibility and accountability. In addition to providing banking specific trainings, the bank organizes various kinds of psychological trainings conducted by external specialists focusing on personality development, motivation, team-work, organizational development etc.

The bank also is equally sensitive to its employee's mental and physical fitness. The bank has a library from where staff members are allowed to access books on various subjects and all employees have Internet access. The bank also has a sporting culture and various staff members regularly meet for number of outdoor sports. Right from the our inception, the bank's teams have been participating in various football and cricket tournaments

The bank is an equal opportunity employer and operates in a completely smoke free environment.







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## Products & Technology

Gone are the days with traditional concept where a bank used to undertake its business with a few conventional products and services in hand. With the advent of the Information Age and the economic decentralization, the market has long started demanding innovation, differentiated service, personalized and value adding products and services. To survive in the market where the buyer of the banking services is powerful and has a variety of similar products to choose from, a bank has to be prepared to update its operation/process in accordance to the changing environment.

Your bank bears the potential to upturn the changes, move with the revolutionary concept that uplifts the bank's process and makes it more efficient. Embracing and leveraging the latest IT services, the bank has been able to launch various innovative products and services, many of them for the first time in Nepal. New products and services are being continuously offered so as to meet the expectancy of our customers.

The year saw our bank successfully launch SMS Banking and E-pay Solutions. Coupled with the banks increasingly popular Internet Banking Solution, these new products and services have further made banking with us an easier and comfortable experience.

The bank is also on the threshold of offering 2 new products to its customers in the coming days - ATMs (Automated Teller Machines) and Visa Electron Debit Cards. The bank is commissioning 5 ATMs, which are being installed at various locations around the Kathmandu Valley. As the bank has got into a strategic relationship with Nepal Investment Bank with regards to ATM sharing, our customers can have immediate access to more than 12 ATMs.

The bank is also launching its Electronic Debit Card powered by Visa International. Our Rs / INR card are acceptable locations in Nepal and India while our USD Cards are acceptable all over the world.

We will continue to endeavor to bring forward services and products which satisfy our customers needs and wants and is profitable to both us and our valued customers.

# We do it!

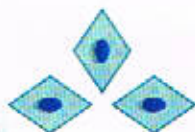


Vehicle Loans



Home Loans





### Achievement in the current year

Performance of the bank has been quite satisfactory in the first five months of the current fiscal year. Deposits have increased by 11.75% to reach 5,372.63 Million. Similarly Loans and Advances have increased to 4,783.50 Million an increase of 29.35% over last years figures. Your bank continues to achieve a healthy growth given the security and macro-economic problems.

### Acknowledgements

I, on behalf of the Board of Directors, would like to extend my sincere gratitude and thanks to all our stakeholders and take this opportunity to further renew our commitment to create increased value and satisfaction among our patrons and increased returns for our investors.

We also take this opportunity to put a word of thanks to His Majesty's Government and Nepal Rastra Bank for providing support, suggestions and guidance for the continuous progress and growth of the bank.

Likewise, I would also like to extend special thanks to the management and staff members who greatly contributed to success of the bank through their determination, dedication and hard work.

Thank you,

For and on behalf of the Board of Directors,

Noor Pratap J.B Rana  
Chairman







कुमारी बैंक लिमिटेड  
KUMARI BANK LIMITED  
COMPLETE BANKING

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

We have audited the attached Balance Sheet of Kumari Bank Ltd. as of Ashad 31, 2061 (15 July 2004) 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 prevailing 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 31, 2061 (15 July 2004), and of the results of its operations and its cash flows for the year then ended in accordance with the accounting practices generally accepted in Nepal.

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 bank's 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 or violated directives of Nepal Rastra Bank, nor have we been informed on any such case by the management.

**Madan Krishna Sharma**  
Partner  
CSC & Co.  
Chartered Accountants

Date: 22 Nov 2003  
Place: Kathmandu

### CSC & Co.

an associated firm of  
Pricewaterhouse Coopers

### CSC & Co. Chartered Accountants

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## Balance Sheet

as of Ashad end 2061

Pre. Year (Rs)	Capital and Liabilities	Schedule	This Year (Rs)
350,000,000	1. Share Capital	1	500,000,000
11,033,148	2. Reserve Funds	2	33,403,180
-	3. Borrowings	3	-
2,513,144,223	4. Deposit Accounts	4	4,807,936,964
4,129,136	5. Bills Payable	5	14,637,391
107,868,947	6. Other Liabilities	6	138,199,043
<b>2,986,175,454</b>	<b>Total Liabilities</b>		<b>5,494,176,578</b>

Pre. Year (Rs)	Assets	Schedule	This Year (Rs)
40,800,041	1. Cash Balance	7	68,471,908
250,905,209	2. Balance with Banks	8	617,006,003
-	3. Money at Call and Short Notice	9	-
423,154,880	4. Investments	10	983,504,403
2,105,736,822	5. Loan Advances and Bills Purchase	11	3,649,008,723
40,424,622	6. Fixed Assets	12	57,152,223
125,153,880	7. Other Assets	13	119,033,318
<b>2,986,175,454</b>	<b>Total Assets</b>		<b>5,494,176,578</b>

Contingent Liabilities  
Directors Declaration  
Capital Adequacy  
Principal Indicators

Schedule 14  
Schedule 23  
Schedule 24  
Schedule 25

Cash Flow Statement  
Principal Accounting Policies  
Notes to Accounts

Schedule 26  
Schedule 27  
Schedule 28

Schedule 1 to 14 are integral part of this statement

as per our report of even date

Geha N. Dhungana  
Sr. Manager - Strategy & Compliance

Noor Pratap J.B.Rana  
Chairman

Amir Pratap J.B.Rana  
Director

Dibya Mani Rajbhandari  
Director

Surender Bhandari  
Chief Executive Officer

Naresh Dugar  
Director

Sabitri Gurung  
Director





## Profit and Loss Account

for the period 1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Expenses	Schedule	This Year (Rs)
92,945,310	1. Interest Expenses	15	163,902,663
23,254,109	2. Employees Expenses	16	28,576,283
45,503,583	3. Office Overhead Expenses	17	56,441,166
-	4. Exchange Loss	20	-
-	5. Non-Operating Expenses	21	-
-	6. Bad Debts Written Off ✓		
16,805,159	7. Provision for Losses ✓		17,125,580 ✓
2,372,535	8. Provision for Staff Bonus		7,680,343
8,878,753	9. Provision for Income Tax		20,437,268
12,474,065	10. Net Profit Carried Down		48,685,822
<b>202,233,514</b>	<b>Total</b>		<b>342,849,125</b>

Pre. Year (Rs)	Income	Schedule	This Year (Rs)
185,090,410	1. Interest Income	18	310,216,095
9,413,117	2. Commission and Discount	19	16,446,129
7,143,616	3. Exchange Gain	20	14,413,973
3,650	4. Non-Operating Income	21	-
582,721	5. Other Income	22	1,772,928
-	6. Net Loss Carried Down	-	-
<b>202,233,514</b>	<b>Total</b>		<b>342,849,125</b>

Schedule 15 to 22 are integral part of this statement

Geha N. Dhungana  
Sr. Manager - Strategy & Compliance

Noor Pratap J.B.Rana  
Chairman

Amir Pratap J.B.Rana  
Director

Diby Mani Rajbhandari  
Director

Surender Bhandari  
Chief Executive Officer

Naresh Dugar  
Director

Sabitri Gurung  
Director





## Profit and Loss Appropriation Account

for the period 1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Expenses	This Year (Rs)
2,978,393	1. Accumulated loss up to last year	-
-	2. This year's Loss	-
2,494,813	3. General Reserve Fund	9,737,164
-	4. Contingent Reserve	-
-	5. Bank Development Fund	-
-	6. Dividend Equalization Fund	-
-	7. Employee Related Funds	-
-	8. Interim and Proposed Dividend	26,315,789
-	9. Issue of Bonus Share	-
-	10. Special Reserve Fund	-
216,898	11. Exchange Fluctuation Reserve	2,238,875
-	12.	-
6,783,961	13. Accumulated Profit	17,177,955
12,474,065	Total	55,469,783

Pre. Year (Rs)	Income	This Year (Rs)
-	1. Accumulated Profit up to last year	6,783,961
12,474,065	2. This year's profit	48,685,822
-	3. Accumulated Loss	-
12,474,065	Total	55,469,783

as per our report of even date

Geha N. Dhungana  
Sr. Manager - Strategy & Compliance

Noor Pratap J.B.Rana  
Chairman

Amir Pratap J.B.Rana  
Director

Dibya Mani Rajbhandari  
Director

Surender Bhandari  
Chief Executive Officer

Naresh Dugar  
Director

Sabitri Gurung  
Director





**Schedule 1**

## Share Capital and Ownership

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
350,000,000	1. Share Capital	500,000,000
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	1,000,000,000
-	B) ..... Non-redeemable share of Rs ..... Each	-
-	C) ..... Redeemable Shares of Rs ..... Each	-
350,000,000	1.2 Issued Capital	500,000,000
350,000,000	A) 5,000,000 Ordinary Shares of Rs 100 each	500,000,000
-	B) ..... Non-redeemable share of Rs ..... Each	-
-	C) ..... Redeemable Shares of Rs ..... Each	-
350,000,000	1.3 Paid Up Capital	500,000,000
350,000,000	A) 5,000,000 Ordinary Shares of Rs 100 each	500,000,000
-	B) ..... Non-redeemable share of Rs ..... Each	-
-	C) ..... Redeemable Shares of Rs ..... Each	-

## Share Ownership

Pre. Year (Rs)	%	Particulars	%	This Year (Rs)
350,000,000	100	1. Local Ownership	100	500,000,000
-	-	1.1 His Majesty's Government	-	-
-	-	1.2 Commercial Banks	-	-
-	-	1.3 Financial Institutions	15.92	79,620,000
600,000	0.17	1.4 Organized Institutions	2.08	10,390,000
349,400,000	99.83	1.5 General Public	82.00	409,990,000
-	-	1.6 Others	-	-
-	-	2. Foreign Ownership	-	-
350,000,000	100	Total	100	500,000,000





## List of Shareholders holding more than 0.5%

S.N	Name of Shareholders	No. of Shares:	%
1	Noor Pratap J.B Rana	325,000	6.50
2	Laxman Shrestha	300,000	6.00
3	Amir Pratap J.B Rana	253,000	5.06
4	Sabitri Gurung	200,000	4.00
5	Rajendra Prasad Shrestha	160,000	3.20
6	Rhishi Agrawal	120,000	2.40
7	Sanjaya Lama	100,000	2.00
8	Govinda Das Shrestha	75,000	1.50
9	Bidya Krishna Shrestha	75,000	1.50
10	Jagadish Prasad Chaudhari	65,000	1.30
11	Prabha Laxmi Rana	50,000	1.00
12	Bhim Krishna Udas	50,000	1.00
13	Phurwa Wangel Lama	50,000	1.00
14	Anil Das Shrestha	50,000	1.00
15	Santu Shrestha	50,000	1.00
16	Januki Kumari JB Rana (Shahi)	50,000	1.00
17	Shrinibas Sharada	44,000	0.88
18	Aantu Shrestha	39,000	0.78
19	Shiva Shankar Agrawal	39,000	0.78
20	Atmaram Murarka	35,000	0.70
21	Pradip Kumar Murarka	35,000	0.70
22	Pashupati Murarka	35,000	0.70
23	Naresh Dugar	35,000	0.70
24	Kumud Kumar Dugar	35,000	0.70
25	Bikash Dugar	35,000	0.70
26	Sharmila Aryal	30,000	0.60
27	Dev Kishan Mundada	30,000	0.60
28	Vidushi Rana	29,000	0.58
29	Pegi Pandey	29,000	0.58
30	Yagaya Pratap Rana	25,000	0.50
31	Sandeep Lama	25,000	0.50
32	Uttam Prasad Bhattarai	25,000	0.50
33	Raksha Padadi	25,000	0.50
34	Surender Bhandari	25,000	0.50
35	Mahabir Prasad Goyal	25,000	0.50
36	Din Bandhu Aryal	25,000	0.50
37	Shiva Kumar Agrawal	25,000	0.50
38	Shashikanta Agrawal	25,000	0.50
39	Sumit Kumar Agrawal	25,000	0.50
40	Ganga Amatya	25,000	0.50





*Schedule 2*

**Reserve Funds**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
2,762,244	1. General Reserve Fund	12,499,408
-	2. Capital Reserve Fund	-
-	3. Share Premium	-
1,486,943	4. Other Reserve/ Funds	3,725,817
-	a) Contingent Reserve	-
-	b) Bank Development Fund	-
-	c) Dividend Equalization Fund	-
1,486,943	d) Exchange Fluctuation Reserve	3,725,817
-	e) Special Reserve Fund	-
-	f) Asset Revaluation Reserve	-
-	g) Other Free Reserves	-
6,783,961	5. Accumulated Profit/Loss	17,177,955
11,033,148	Total	33,403,180





**Schedule B**

**Borrowings**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
-	A. Local	-
-	1. His Majesty's Government	-
-	1.1 Earthquake affected sector reconstruction	-
-	1.2	-
-	1.3	-
-	2. Nepal Rastra Bank	-
-	2.1 Loan	-
-	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	-
-	Total (A+B)	-





**Schedule 4**

**Deposits**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
	<b>1. Non-Interest bearing accounts</b>	
135,081,020	<b>A. Current Deposits</b>	251,045,213
126,493,944	1. Local Currency	208,547,578
1,222,881	1.1 His Majesty's Government	-
7,926,742	1.2 Commercial Banks	14,396,820
32,484,960	1.3 Financial Institutions	50,139,935
74,926,258	1.4 Other Organized Institutions	123,068,582
9,933,103	1.5 Individuals	20,942,241
-	1.6 Others	-
8,587,076	<b>2. Foreign Currency</b>	42,497,635
-	2.1 His Majesty's Government	-
323,268	2.2 Commercial Banks	297,131
68,877	2.3 Financial Institutions	-
8,194,931	2.4 Other Organized Institutions	42,200,504
-	2.5 Individuals	-
-	2.6 Others	-
27,373,289	<b>B. Margin Deposits</b>	61,567,517
180,000	1. Employees Guarantee	296,500
10,106,835	2. Guarantee Margin	19,829,717
17,086,454	3. Letters of Credit Margin	41,441,300
-	<b>C. Others</b>	-
-	1. Local Currency	-
-	1.1 Financial Institutions	-
-	1.2 Other Organized Institutions	-
-	1.3 Individual	-
-	2. Foreign Currency	-
-	2.1 Financial Institutions	-
-	2.2 Other Organized Institutions	-
-	2.3 Individual	-
162,454,309	<b>Total Of Non Interest Bearing Accounts</b>	312,612,730





**Schedule 4**

**Deposits**

(continued)

Pre. Year (Rs)	Particulars	This Year (Rs)
	<b>2. Interest bearing accounts</b>	
461,940,855	<b>A. Saving Deposits</b>	902,940,960
457,268,075	1. Local Currency	897,970,210
77,960,832	1.1 Organized Institutions	97,633,174
379,307,243	1.2 Individuals	800,337,036
-	1.3 Others	-
4,672,780	2. Foreign Currency	4,970,750
78,513	2.1 Organized Institutions	37,225
4,594,267	2.2 Individuals	4,933,525
-	2.3 Others	-
795,402,962	<b>B. Fixed Deposits</b>	1,292,449,200
793,451,662	1. Local Currency	1,285,004,200
700,657,662	1.1 Organized Institutions	1,159,731,700
92,794,000	1.2 Individuals	125,272,500
-	1.3 Others	-
1,951,300	2. Foreign Currency	7,445,000
1,951,300	2.1 Organized Institutions	7,445,000
-	2.2 Individuals	-
-	2.3 Others	-
1,093,346,097	<b>C. Call Deposits</b>	2,299,934,074
1,093,346,097	1. Local Currency	2,299,908,060
-	1.1 Commercial Banks	-
702,550,607	1.2 Financial Institutions	1,537,353,706
6,709,576	1.3 Other Organized Institutions	754,661,874
9,812,822	1.4 Individuals	7,892,480
374,273,092	1.5 Others	-
-	2. Foreign Currency	26,014
-	2.1 Commercial Banks	-
-	2.2 Financial Institutions	26,014
-	2.3 Other Organized Institutions	-
-	2.4 Individuals	-
-	2.5 Others	-
-	<b>D. Certificate of Deposit</b>	-
-	1. Organized Institutions	-
-	2. Individuals	-
-	3. Others	-
2,350,689,914	<b>Total of Interest Bearing Accounts</b>	4,495,324,234
2,513,144,223	<b>Total Deposit (1+2)</b>	4,807,936,964





**Schedule 5**

**Bills Payable**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
4,076,906	1. Local Currency	14,384,011
52,230	2. Foreign Currency	253,380
4,129,136	Total	14,637,391

**Schedule 6**

**Other Liabilities**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
-	1. Pension/Gratuity Fund	693,580
-	2. Employees Provident Fund	7,995,988
-	3. Employees Welfare Fund	
2,372,535	4. Provision for Staff Bonus	10,052,878
-	5. Unpaid Dividend	
(4,159,287)	6. Provision for Income Tax (Less advance tax paid)	(4,659,019)
4,758,126	7. Interest Payable on Deposits	7,670,066
-	8. Interest Payable on Borrowings	-
405,726	9. Unearned Discount and Commission	148,761
-	10. Proposed Dividend	26,315,789
2,237,643	11. Interest Suspense	13,500,372
4,619,861	12. Sundry Creditors	11,537,883
-	13. Branch Adjustment Account	-
97,634,343	14. Others	64,942,745
107,868,947	Total	138,199,043





**Schedule 7**

**Cash Balance**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
38,609,656	1. Local Currency ( including coins)	64,801,346
2,190,385	2. Foreign Currency	3,670,562
<b>40,800,041</b>	<b>Total</b>	<b>68,471,908</b>

**Schedule 8**

**Balance with Banks**

End of Ashad 2061

Pre. Year (Rs)	Particulars	Local Currency	Foreign Currency (in Rs.)			This Year (Rs)
			INR	Convertible FCY	Total	
224,028,148	1. Nepal Rastra Bank	516,888,824	-	7,746,336	7,746,336	524,635,160
224,028,148	a) Current Account	516,888,824	-	7,746,336	7,746,336	524,635,160
-	b) Other Account	-	-	-	-	-
2,211,972	2. Other Local Banks	10,431,054	-	56,820	56,820	10,487,874
2,211,972	a) Current Account	10,431,054	-	56,820	56,820	10,487,874
-	b) Other Account	-	-	-	-	-
24,665,089	3. Foreign Banks	-	30,544,860	51,338,109	81,882,969	81,882,969
24,665,089	a) Current Account	-	30,544,860	51,338,109	81,882,969	81,882,969
-	b) Other Account	-	-	-	-	-
<b>250,905,209</b>	<b>Total</b>	<b>527,319,878</b>	<b>30,544,860</b>	<b>59,141,265</b>	<b>89,686,125</b>	<b>617,006,003</b>

**Schedule 9**

**Money at Call and Short Notice**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
-	1. Local Currency	-
-	2. Foreign Currency	-
-	<b>Total</b>	-





**Schedule 10**

# Investments

End of Ashad 2061

Pre. Year (Rs)	Particulars	Purpose		This Year (Rs)
		Trading	Others	
235,629,880	1. HMG Securities	601,609,403	-	601,609,403
232,441,288	a. Treasury Bill	592,970,810	-	592,970,810
3,188,592	b. Development Bonds	8,638,593	-	8,638,593
-	c. National Savings Bond	-	-	-
-	d.	-	-	-
-	2. Foreign Govt. Securities	-	-	-
-	3. Nepal Rastra Bank Bonds	-	-	-
-	4. Shares, Debentures & Bonds	-	-	-
187,525,000	5. Other Investments	381,895,000	-	381,895,000
-	a. Certificate of Deposits	-	-	-
-	b. Mutual Fund	-	-	-
150,000,000	c. Local Banks	300,000,000	-	300,000,000
37,525,000	d. Foreign Banks	81,895,000	-	81,895,000
-	e. Others	-	-	-
423,154,880	Total Investments	983,504,403	-	983,504,403
-	Provision	-	-	-
423,154,880	Net Investment	983,504,403	-	983,504,403

**Schedule 10 (A)**

# Investments in Shares, Debentures and Bonds

End of Ashad 2061

Pre. 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**

End of Ashad 2061

Pre. Year (Rs)	Particulars	Advances					Bills Purchased/Discounted					This Year (Rs)
		Domestic				Foreign	Domestic				Foreign	
		Priority Insured	Priority Uninsured	Others	Total		Priority Insured	Priority Uninsured	Others	Total		
2,101,283,243	1. Performing Loan	-	286,001,000	3,348,013,302	-	3,634,014,302	-	-	31,407,951	4,372,619	35,780,570	3,669,794,872
2,101,283,243	Pass Loan	-	286,001,000	3,348,013,302	-	3,634,014,302	-	-	31,407,951	4,372,619	35,780,570	3,669,794,872
36,323,804	2. Non-Performing Loan	-	-	28,189,656	-	28,189,656	-	-	-	-	-	28,189,656
33,461,436	2.1 Substandard	-	-	14,013,265	-	14,013,265	-	-	-	-	-	14,013,265
1,785,573	2.2 Doubtful	-	-	10,895,556	-	10,895,556	-	-	-	-	-	10,895,556
1,076,735	2.3 Loss	-	-	3,280,835	-	3,280,835	-	-	-	-	-	3,280,835
2,137,587,047	(A) Total Loan	-	286,001,000	3,376,202,958	-	3,662,203,958	-	-	31,407,951	4,372,619	35,780,570	3,697,984,528
-	3. Loan Loss Provision	-	-	-	-	-	-	-	-	-	-	-
21,238,968	3.1 Pass	-	2,860,010	33,526,050	-	36,386,070	-	-	314,080	43,726	357,806	36,743,876
8,642,335	3.2 Substandard	-	-	3,503,316	-	3,503,316	-	-	-	-	-	3,503,316
892,787	3.3 Doubtful	-	-	5,447,778	-	5,447,778	-	-	-	-	-	5,447,778
1,076,735	3.4 Loss	-	-	3,280,835	-	3,280,835	-	-	-	-	-	3,280,835
31,850,225	(B) Total Provisioning	-	2,860,010	45,757,589	-	48,617,999	-	-	314,080	43,726	357,806	48,975,605
-	4. Provisioning up to Previous Year	-	-	-	-	-	-	-	-	-	-	-
11,362,761	4.1 Pass	-	1,612,500	19,297,118	-	21,109,618	-	-	124,230	4,620	128,751	21,238,368
3,548,091	4.2 Substandard	-	-	8,642,335	-	8,642,335	-	-	-	-	-	8,642,335
-	4.3 Doubtful	-	-	892,787	-	892,787	-	-	-	-	-	892,787
134,215	4.4 Loss	-	-	1,076,735	-	1,076,735	-	-	-	-	-	1,076,735
15,045,067	(C) Total Previous Year Provision	-	1,612,500	29,908,976	-	31,721,476	-	-	124,230	4,620	128,751	31,850,225
16,805,158	(D) Adjustment This Year	-	1,047,510	15,849,014	-	16,899,524	-	-	189,850	39,206	229,056	17,125,580
2,105,736,822	Net Loan (A-B)	-	283,140,990	3,330,444,969	-	3,613,585,959	-	-	31,093,871	4,328,893	35,422,764	3,649,008,723

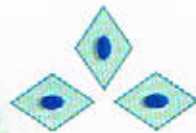
**Schedule 12**

**Fixed Assets**

End of Ashad 2061

Pre. Year (Rs)	Particulars	Assets					This Year (Rs)
		Building	Vehicles	Machinery	Office Equipment	Others	
-	1. At Cost	-	-	-	-	-	-
51,816,656	a. Previous Year Balance	-	9,360,409	-	5,143,362	38,330,025	52,853,816
1,036,960	b. Addition this year	-	12,407,418	-	6,403,043	8,824,047	25,634,508
-	c. Revaluation/Written Back This Year	-	-	-	-	-	-
-	d. This Year Sold	-	-	-	-	-	-
-	e. This Year Written Off	-	-	-	-	-	-
52,853,616	Total Cost (a+b+c+d+e)	-	21,767,827	-	11,546,425	45,154,072	78,488,324
-	2. Depreciation	-	-	-	-	-	-
9,205,127	a. Up to previous year	-	3,243,920	-	1,804,428	14,538,850	19,587,198
10,382,071	b. For this Year	-	3,325,288	-	1,814,869	8,546,390	13,656,547
-	c. Depreciation on revaluation/written back	-	-	-	-	-	-
19,587,198	Total Depreciation	-	6,569,208	-	3,619,297	23,085,240	33,273,745
33,266,618	3. Written Down Value (1-2)	-	15,218,619	-	7,927,128	22,068,832	45,214,579
-	4. Capital Construction (Pending Capitalization)	-	-	-	-	-	-
7,158,004	5. Leasehold assets	-	-	-	-	11,937,644	11,937,644
40,424,622	Total (3+4+5)	-	15,218,619	-	7,927,128	34,006,476	57,152,223





**Schedule 12 (A)**

**Securities against Loan, Advances  
and Bills Purchased**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
	<b>(A) Secured</b>	
1,439,874,931	1. Collateral of Movable/immovable Assets	3,005,918,127
199,118,189	2. Local banks and Financial Institutions Guarantee	-
-	3. HMG Guarantee	-
-	4. Foreign Banks Guarantee	-
31,040,000	5. Export Documents	65,348,536
24,075,561	6. Fixed Deposit Receipts	32,423,693
-	a) Secured Against Bank's Own FDR Rs. 400,000	-
-	b) Secured Against Other Bank's FDR Rs. 32,023,693	-
56,091,749	7. Government Bonds	133,552,778
-	8. Counter Guarantee	-
-	9. Personal Guarantee	-
387,386,617	10. Other Securities	460,741,394
	<b>(B) Unsecured</b>	
2,137,587,047	<b>Total</b>	<b>3,697,984,528</b>

**Schedule 13**

**Other Assets**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
1,082,257	1. Stock of Stationary	1,056,758
3,867,484	2. Income Receivable on Investment	2,857,276
15,816,373	3. Accrued interest on Loan	25,112,536
-	4. Receivable Commission	-
744,261	5. Sundry Debtors	110,965
3,195,298	6. Staff Loan and Advances	4,694,333
2,826,842	7. Prepayments	3,199,366
-	8. Cash in Transit	-
96,501,319	9. Other Transit items (including cheques)	63,632,228
-	10. Drafts Paid without notice	-
-	11. Expenses not Written off	-
-	12. Non-Banking Assets	-
-	13. Branch Adjustment account	582,207
1,120,046	14. Others	17,787,648
125,153,879	<b>Total</b>	<b>119,033,318</b>





**Schedule 13 (A)**

**Other Assets (Additional Statement)**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)			
		Up to 1 Year	Up to 3 Years	Above 3 Years	Total
15,816,373	1. Accrued Interest on Loan	25,112,536	-	-	25,112,536
-	2. Draft Paid Without Notice	-	-	-	-
-	3. Branch Adjustment A/c	582,207	-	-	582,207

**Schedule 14**

**Contingent Liabilities**

End of Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
-	1. Claims on bank but not accepted by the Bank	-
152,639,536	2. Letters of Credit (full amount)	462,872,357
-	a) Less than 6 Months	Rs. 311,134,942
-	b) More than 6 Months	Rs. 151,737,415
-	3. Rediscounted Bills	-
158,926,528	4. Unmatured Guarantees/Bonds	233,374,387
-	a) Bid Bond	Rs. 38,392,005
-	b) Performance Bond	Rs. 194,982,382
-	5. Unpaid shares in Investment	-
-	6. Forward Exchange Contract Liabilities	15,438,032
-	7. Bills under Collection	-
27,785,899	8. Acceptance and Endorsements	143,629,012
-	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	-
-	15. Others	-
339,648,862	<b>Total</b>	<b>855,313,788</b>





**Schedule 15**

**Interest Expenses**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
91,616,570	A. On Deposit Liabilities	162,069,922
35,581,833	1. Fixed Deposits	64,358,580
35,563,190	1.1 Local Currency	64,190,524
18,643	1.2 Foreign Currency	168,056
15,592,302	2. Saving Deposits	24,403,056
15,536,462	2.1 Local Currency	24,372,448
55,840	2.2 Foreign Currency	30,608
40,442,435	3. Call Deposit	73,30,286
40,442,435	3.1 Local Currency	73,305,524
-	3.2 Foreign Currency	2,762
-	4. Certificate of Deposits	-
1,328,740	B. On Borrowings	1,832,741
-	1. Overdraft	-
-	2. Loan from Nepal Rastra Bank	-
1,328,740	3. Inter Bank Borrowing	1,832,741
-	4. Other Loan and Refinance	-
-	C. On Others	-
-	1.	-
-	2.	-
92,945,310	Total	163,902,663

**Schedule 16**

**Expenses relating to Employees**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
13,915,374	1. Salary	16,387,378
6,627,150	2. Allowance	7,912,789
1,284,589	3. Contribution to Provident Fund	1,449,905
157,513	4. Training Expenses	396,615
115,434	5. Uniform	134,940
692,5869	6. Medical	1,081,374
-	7. Insurance	-
-	8. Pension and Gratuity Provision	693,580
461,460	9. Others	539,702
23,254,109	Total	28,576,283





**Schedule 17**

**Office Operating Expenses**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
3,572,931	1. House Rent	5,922,252
1,200,584	2. Electricity and Water	2,073,342
238,704	3. Repair and Maintenance	461,980
-	a. Building	-
-	b. Vehicle Rs 269,595	-
-	c. Others Rs 192,385	-
1,234,043	4. Insurance	1,865,462
4,186,468	5. Postage, Telex, Telephone, Fax	6,568,426
176,177	6. Office Equipment, Furniture and Repair	233,308
369,196	7. Travelling Allowance and Expenses	1,181,522
1,016,812	8. Stationary and Printing	2,333,832
144,055	9. Periodicals and Books	98,560
1,627,801	10. Advertisements	2,929,363
57,600	11. Legal Expenses	658,900
32,500	12. Donations	23,000
614,558	13. Expenses Relating to Board of Directors	865,494
-	a. Meeting Fee Rs 811,000	-
-	b. Other Expenses Rs 54,494	-
122,509	14. Annual General Meeting Expenses	-
79,470	15. Expenses Relating to Audit	209,756
-	a. Audit Fee Rs 160,000	-
-	b. Other Expenses Rs 49,756	-
-	16. Commission on Remittances	-
12,508,167	17. Depreciation on Fixed Assets	16,184,815
11,665,193	18. Amortization of Preliminary Expenses	-
-	19. Share Issue Expenses	4,218,521
947,750	20. Technical Service Fee	1,016,424
-	21. Entertainment	27,002
-	22. Written off Expenses	-
638,591	23. Security Expenses	1,093,031
-	24. Credit Guarantee Premium	-
-	25. Commission and Discount	-
5,070,474	26. Others	8,476,176
<b>45,503,583</b>	<b>Total</b>	<b>56,441,166</b>





**Schedule 18**

**Interest Income**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
169,136,114	A. On Loan, Advances and Overdraft	280,705,381
108,683,332	1. Loan and Advances	165,518,477
60,452,782	2. Overdraft	115,186,904
7,840,560	B. On Investment	16,680,623
7,840,560	1. HMG Securities	16,680,623
7,811,173	a. Treasury Bill	16,521,193
29,387	b. Development Bonds	159,430
-	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	-
1,803,049	C. On Agency Balance	770,257
1,469,347	1. Local Banks	770,257
333,702	2. Foreign Banks	-
-	D. On Money At Call and Short Notice	-
-	1. Local Banks	-
-	2. Foreign Banks	-
6,310,687	E. On Others	12,059,834
-	1. Certificate of Deposits	-
6,310,687	2. Inter-Bank Loan	12,059,834
-	3. Others	-
185,090,410	Total	310,216,095





**Schedule 19**

**Commission & Discount**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
-	<b>A. Bills Purchased and Discounted</b>	<b>319,424</b>
-	1. Local	-
-	2. Foreign	319,424
<b>4,427,904</b>	<b>B. Commission</b>	<b>10,450,641</b>
1,756,445	1. Letters of Credit	5,635,697
1,590,208	2. Guarantee	2,590,630
111,268	3. Collection Fee	532,765
855,747	4. Remittance Fee	1,236,198
-	5. Credit Cards	-
-	6. Share Underwriting/Issue	-
-	7. Government Transactions	-
114,238	8. Agency Commission	455,351
-	9. Exchange Fee	-
<b>4,985,213</b>	<b>C. Others</b>	<b>5,676,064</b>
<b>9,413,117</b>	<b>Total</b>	<b>16,446,129</b>

**Schedule 20**

**Exchange Gain/Loss**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
867,592	A. Revaluation Gain	8,955,498
6,276,024	B. Trading Gain (except exchange fee)	5,458,475
<b>7,143,616</b>	<b>Total</b>	<b>14,413,973</b>





**Schedule 21**

**Non-Operating Income/Loss**

1 Shrawan 2060 to 31 Ashad 2061

Pre. 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. ....	-
3,650	5. Others	-
3,650	<b>Total</b>	-

**Schedule 22**

**Other Income**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
41,250	1. Rental on Safe Deposit Lockers	119,342
-	2. Issue and Renewals of Credit Cards	-
-	3. Issue and Renewals of ATM Cards	-
463,978	4. Telex/T.T.	1,579,952
77,493	5. Service Charges	73,634
-	6. Renewal Fees	-
-	7. Loan Provision Written Back	-
-	8. Others	-
582,721	<b>Total</b>	1,772,928

**Schedule 23**

Statement of Loans and Advances extended to Directors/Chief Executive Promoter/Employees and Shareholders Holding more than 1% shares.

Name of Promoter / Director / Chief Executive	Last Year's Balance		This Year Recovery		This Year Addition		Balance as of Ashad end	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
A. Directors	-	-	-	-	-	-	-	-
B. Chief Executive	-	-	-	-	-	-	-	-
C. Promoters	-	-	-	-	-	-	-	-
D. Employees	-	-	-	-	-	-	-	-
E. Shareholders holding more than 1%	-	-	-	-	-	-	-	-





**Schedule 24**

**Capital Adequacy**

End of Ashad 2061

Particulars	Pre. Year (Rs)	This Year (Rs)
<b>A) Core Capital</b>	<b>359,546,205</b>	<b>529,677,363</b>
1) Paid Up Capital	350,000,000	500,000,000
2) Share Premium	-	-
3) Non-Redeemable Preference Share	-	-
4) General Reserve Fund	2,762,244	12,499,408
5) Cumulative Profit/Loss (Up to previous F/Y)	(2,978,393)	6,783,961
6) Profit Loss Shown on Balance Sheet of Current Fiscal Year	-	-
	9,762,354	10,393,994
<b>B) Supplementary Capital</b>	<b>31,367,646</b>	<b>40,469,693</b>
1) General Loan Loss Provision	29,880,703	36,743,876
2) Exchange Equalization Reserve	1,486,943	3,725,817
3) Asset Revaluation Reserve	-	-
4) Hybrid Capital Instrument	-	-
5) Unsecured Subordinated Term Debt	-	-
6) Interest Spread Reserve	-	-
7) Other Free Reserve	-	-
<b>C) Total Capital Fund (A+B)</b>	<b>390,913,851</b>	<b>570,147,056</b>
<b>D) Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets</b>		
Capital Fund @ 11.00%	252,876,773	489,434,793
Core Capital @ 5.50%	126,438,387	244,717,397
Capital Fund (Excess/Short)	138,037,078	80,712,263
Core Capital (Excess/Short)	233,107,818	284,959,966





**Schedule 24 Statement of Risk Weighted Assets (continued)**

End of Ashad 2061

	Weightage	Pre. Year (Rs)		This Year (Rs)	
		Amount	Risk Wt. Asset	Amount	Risk Wt. Asset
<b>On-Balance Sheet Assets</b>					
Cash Balance	0	40,800,041	-	68,471,908	-
Gold (tradable)	0	-	-	-	-
Balance With Nepal Rastra Bank	0	224,028,148	-	524,635,160	-
Investment in HMG Bonds	0	235,629,880	-	601,609,403	-
Investment in NRB Bonds	0	-	-	-	-
Fully Secured Loan against Banks Own Fixed Deposit Receipt	0	-	-	400,000	-
Fully Secured Loan against Government Bond	0	56,091,749	-	133,552,778	-
Balance With Local Banks and Financial Institutions	20	2,211,973	442,395	10,487,874	2,097,575
Fully Secured Loan against Other Banks Fixed Deposit Receipt	20	24,075,561	4,815,112	32,023,693	6,404,739
Balance With Foreign Banks	20	24,665,089	4,933,018	81,882,969	16,376,594
Money at Call	20	-	-	-	-
Loan against Guarantee of Internationally Rated Banks	20	-	-	-	-
Other Investment in Internationally Rated Banks	20	37,525,000	7,505,000	81,895,000	16,379,000
Investment in Share, Debenture and Bond	100	-	-	-	-
Other Investment	100	150,000,000	150,000,000	300,000,000	300,000,000
Loan, Discount and Overdraft	100	2,057,419,737	2,057,419,737	3,532,008,057	3,532,008,057
Fixed Assets	100	40,424,622	40,424,622	57,152,223	57,152,223
All Other Assets	100	125,153,879	125,153,879	119,033,318	119,033,318
A) Total		3,018,025,679	2,390,693,763	5,543,152,384	4,049,451,505
<b>Off-Balance Sheet Assets</b>					
Bills Collection	0	-	-	-	-
Foreign Exchange Forward Contract	10	-	-	15,438,032	1,543,803
Letters of Credit with maturity less than 6 months	20	152,639,536	30,527,907	311,134,942	62,226,988
Guarantee against counter guarantee of internationally rated foreign banks	20	-	-	-	-
Letters of Credit with maturity more than 6 months	50	-	-	151,737,415	75,868,708
Bid Bond	50	11,503,866	5,751,933	38,392,005	19,196,003
Performance Bond	50	147,422,661	73,711,331	194,982,382	97,491,191
Advance Payment Guarantee	100	-	-	-	-
Financial Guarantee	100	-	-	-	-
Other Guarantee	100	-	-	-	-
Irrevocable Loan Commitment	100	-	-	-	-
Contingent Liability On Income Tax	100	-	-	-	-
Other Contingent Liability	100	28,082,799	28,082,799	143,629,012	143,629,012
B) Total		339,648,862	138,073,970	855,313,788	399,955,705
Total Risk Weighted Assets (A+B)		3,357,674,541	2,528,767,733	6,398,466,172	4,449,407,210





**Schedule 25**

**Principal Indicators**

End of Ashad 2061

S.No.	Particulars	Indicators	F/Y 60/61	F/Y 59/60	F/Y 58/59	F/Y 57/58
1	Percent of Net Profit/Gross Income	%	14.20%	6.17%	1.22%	-26.88%
2	Earning Per Share	Rs.	9.74	3.56	0.38	-0.84
3	Market Value Per Share	Rs.	-	-	-	-
4	Price Earning Ratio	Ratio	-	-	-	-
5	Dividend (including bonus) on Share Capital	%	-	-	-	-
6	Cash Dividend on Share Capital	%	5.26%	-	-	-
7	Interest income/Loan and Advances	%	8.39%	8.66%	8.55%	2.40%
8	Staff Expenses/ Total operating Expenses	%	11.48%	14.38%	16.15%	35.39%
9	Interest Expenses on Total Deposit and Borrowings	%	3.41%	3.70%	3.97%	1.50%
10	Exchange Gain/ Total Income	%	4.20%	3.53%	8.35%	8.18%
11	Staff Bonus / Total Staff Expenses	%	26.88%	10.20%	1.47%	-
12	Net Profit / Loan and Advances	%	1.32%	0.58%	0.12%	-1.10%
13	Net Profit / Total Assets	Ratio	0.0089	0.0042	0.0008	-0.0044
14	Total Credit / Deposit	%	76.91%	85.06%	95.48%	84.07%
15	Total Operating Expenses / Total Assets	%	4.53%	5.42%	5.96%	1.24%
16	Adequacy of Capital Fund on Risk Weighted Assets					
	a) Core Capital	%	11.90%	14.22%	25.60%	83.58%
	b) Supplementary Capital	%	0.91%	1.24%	1.19%	0.68%
	c) Total Capital Fund	%	12.81%	15.46%	26.79%	84.26%
17	Liquidity (CRR)	%	11.02%	10.72%	7.10%	34.77%
18	Non-Performing Credit / Total Credit	Ratio	0.01	0.02	0.01	0.00
19	Weighted Average Interest Rate Spread	%	3.82%	6.48%	3.27%	1.82%
20	Book Net Worth	Rs.	570,147,056	392,883,373	363,604,149	349,879,263
21	Total Shares	No.	5,000,000	3,500,000	3,500,000	3,500,000
22	Total Staff	No.	115	53	43	53





**Schedule 26**

**Cash Flow Statement**

1 Shrawan 2060 to 31 Ashad 2061

Pre. Year (Rs)	Particulars	This Year (Rs)
42,974,173	A. Cash Flow From Operations	83,802,811
190,308,588	1. Cash Receipts	334,563,169
173,165,485	1.1 Interest Income	301,930,139
9,413,117	1.2 Commission and Discount Income	16,446,129
7,143,616	1.3 Exchange Gain	14,413,973
3,650	1.4 Non-Operating Income	-
582,720	1.5 Other Income	1,772,928
(147,334,415)	2. Cash Payment	(250,760,358)
(92,211,808)	2.1 Interest Expenses	(160,990,723)
(23,254,109)	2.2 Staff Expenses	(28,576,283)
(21,330,223)	2.3 Office Overhead Expenses	(40,256,352)
-	2.4 Exchange Loss	-
-	2.5 Non-Operating Expenses	-
(10,538,275)	2.6 Other Expenses (Corporate Tax)	(20,937,000)
(1,411,944,167)	B. Cash Flow From Investing Activity	(2,505,353,696)
(152,026,980)	1. Change in Balance With Banks	(366,100,794)
-	2. Change in Money at Call and Short Notice	-
(168,154,974)	3. Change in Investment	(560,349,523)
(1,010,982,225)	4. Change in Loan, Advance and Bills Purchased	(1,560,397,481)
(1,036,960)	5. Change in Fixed Assets	(32,912,415)
(79,743,028)	6. Change in Other Assets	14,408,517
1,379,494,465	C. Cash Flow From Financing Activities	2,449,222,751
-	1. Change in Share Capital	150,000,000
(31,990,944)	2. Change in Borrowings	-
1,333,250,834	3. Change in Deposits	2,294,792,741
(4,708,787)	4. Change in Bills Payable	10,508,255
82,943,362	5. Change in Other Liability	(6,078,244)
10,524,471	D. Net Cash Flow of the Year	27,671,867
30,275,570	E. Opening Cash Balance	40,800,041
40,800,041	F. Closing Cash Balance	68,471,908





**Schedule 27**

**Principal Accounting Policies**

For the Financial Year 2060/2061

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 loans are computed on the basis of 365 days a year.

**B. Basis of Accounting**

**i. Interest Income/Expense Recognition**

- a. Interest expenses on interest bearing deposits is accounted on accrual basis.
- b. Interest income on loans and advances is recognized on cash basis. Interest amounting to Rs. 11,612,165 has been collected during the month of Shrawan 2061 and recognized as interest income as per the directives of Nepal Rastra Bank.
- c. Interest income on Investment is accounted on accrual basis.

**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**

- i. Foreign currency assets and liabilities as at 31 Ashad 2061 have been translated at the prevailing mid (average of buying and selling) rate as on 31 Ashad 2061.
- ii. Gain/Loss realized on foreign currency transaction due to exchange rates is accounted for and shown as "Gain/Loss on Sale of Foreign Currencies".
- iii. 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 on loans and advances has been made as per Nepal Rastra Bank directives to cover the risk inherent to Bank's lending portfolio.

**E. Fixed Assets, Depreciation & Amortization**

- i. Fixed assets have been shown in accordance with historical cost convention.
- ii. Fixed assets are depreciated on diminishing balance method as per Income-Tax Act 2058 except for computer software.
- iii. It is the policy of the bank to consider depreciation on assets only after full capitalization.
- iv. Computer Software cost (included in fixed assets) is amortized over the period of 5 years in equal installments.
- v. 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.
- vi. Leasehold development costs 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. The entire share issue expenses have been fully amortized in the year of the share issue.**





**Schedule 28**

**Notes to Account**

**1) Statement of Unreconciled Balance**

Rs. in '000

Particulars	Total Amount	0-3 Months	3-6 Months	6-12 Months	> 12 Months
Agency Accounts	244,053	243,745	301	7	-
Inter Branch Accounts	582	582	-	-	-

**2) Statement of Loan disbursed settled and outstanding during the Year**

Rs. in '000

Opening Balance	Total Disbursed	Total Settled	Outstanding
2,137,587	3,176,146	1,615,749	3,697,984

**3) Summary of changes in Deposit during the Year**

Rs. in '000

Pre. Year (Rs)	Particulars	This Year (Rs)	Changes
135,081	1) Current Deposit	251,045	115,964
126,494	a) Local Currency	208,548	82,054
8,587	b) Foreign Currency	42,498	33,911
461,941	2) Saving Deposit	902,941	441,000
457,268	a) Local Currency	897,970	440,702
4,673	b) Foreign Currency	4,971	298
795,403	3) Fixed Deposit	1,292,449	497,046
793,452	a) Local Currency	1,285,004	491,552
1,951	b) Foreign Currency	7,445	5,494
1,093,346	4) Call Deposit	2,299,934	1,206,588
1,093,346	a) Local Currency	2,299,908	1,206,562
	b) Foreign Currency	26	26
27,373	5) Margin Deposit	61,568	34,195
26,868	a) Local Currency	58,706	31,838
505	b) Foreign Currency	2,862	2,357
<b>2,513,144</b>	<b>Total Deposit</b>	<b>4,807,937</b>	<b>2,294,793</b>

**4) Weighted Average Interest Rate Spread**

Particulars	Percent
The weighted average yield on Interest bearing assets for the year	8.43
The weighted average cost on Interest bearing liability for the year	4.61
The weighted average Interest Rate Spread	3.82





**5) Summary of amortizable expenses yet to be written off**

Rs. in '000

Particular	Original Value	Written Off	Book Value
Software	21,399	12,175	9,224
Leasehold Expenses	18,603	6,665	11,938

**6) Capital Charge for minimising Concentration Risk**

None

**7) Maturity profile of Assets and Liabilities for measuring liquidity risk**

Rs. in Million

Assets	1-90 Days	91 - 180 Days	181 - 270 Days	271 - 365 Days	More than 1 Year	Total
Cash	68	-	-	-	-	68
Bank Balance	617	-	-	-	-	617
Investment in Foreign Banks	82	-	-	-	-	82
HMG Debt Paper	139	38	156	260	9	602
NRB Debt Paper	-	-	-	-	-	-
Interbank Loan	-	-	-	-	-	-
Loan	2,098	207	69	73	1,251	3,698
<b>Total Assets</b>	<b>3,004</b>	<b>245</b>	<b>226</b>	<b>333</b>	<b>1,260</b>	<b>5,067</b>
<b>Liabilities</b>						
Borrowings	-	-	-	-	-	-
Current Account	311	-	-	-	2	313
Savings Account	2,300	-	-	-	903	3,203
Time Deposit	130	93	441	92	536	1,291
Debt Papers	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,741</b>	<b>93</b>	<b>441</b>	<b>92</b>	<b>1,441</b>	<b>4,807</b>
<b>Net Assets / Liabilities</b>	<b>263</b>	<b>153</b>	<b>-215</b>	<b>241</b>	<b>-181</b>	<b>260</b>
<b>Cumulative Net Assets / Liabilities</b>	<b>263</b>	<b>416</b>	<b>201</b>	<b>441</b>	<b>260</b>	<b>260</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. Previous year's figure have been re-grouped or re-arranged where necessary.
- 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) Provision for gratuity has been provided as per policy of the bank.





कुमारी बैंक लिमिटेड  
KUMARI BANK LIMITED  
COMPLETE BANKING

## Management Team

**Surender Bhandari**  
Chief Executive Officer

**Bhusan Rana**  
Assistant General Manager

**Geha N. Dhungana**  
Sr. Manager - Strategy & Compliance

**Bhaskar Rimal**  
Manager - Credit

**Suresh Karna**  
Manager - Information & Technology

**Tika Ram Chapagain**  
Manager - Operations

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

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

**Bipin Pokhrel**  
Branch Manager - Birgunj

**Niraj Shrestha**  
Assistant Manager - Credit

**Sanjeev Sainju**  
Branch Manager - Pokhara



Namgya Sherpa on Top of the World without oxygen on 16<sup>th</sup> of May 2004.



REACHING GREATER HEIGHTS