

# 21<sup>st</sup>

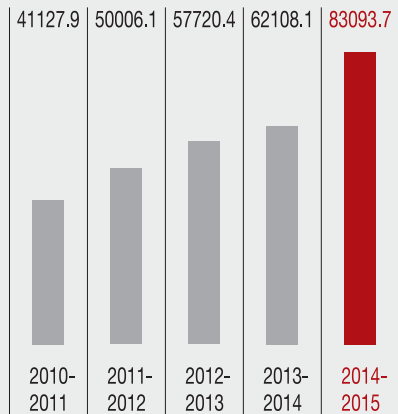
## Annual Report 2014-2015



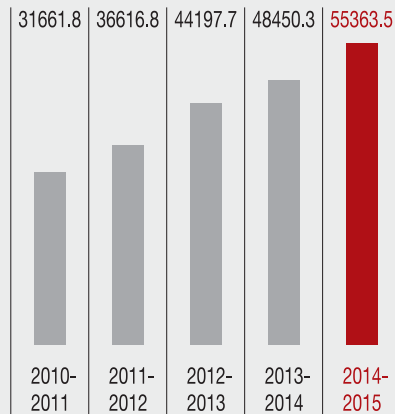


# At a Glance

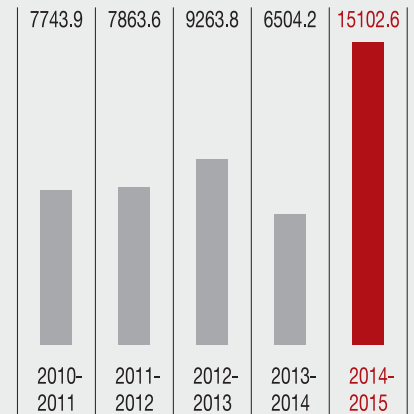
## Deposit (Rs. in million)



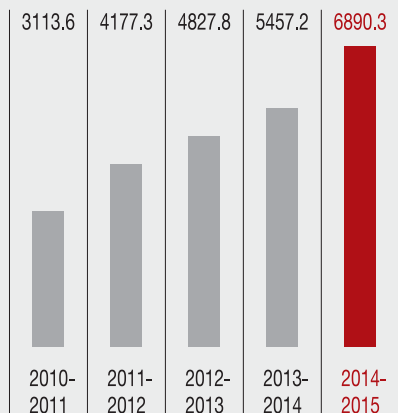
## Loans & Advances (Including Bills Purchases) (Rs. in million)



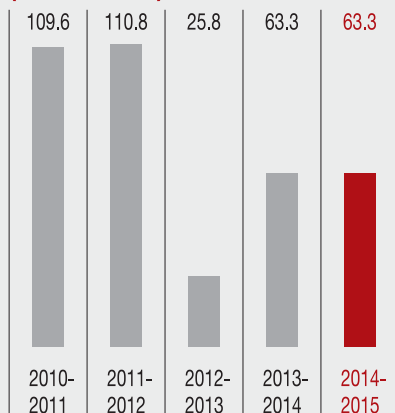
## Investment (Rs. in million)



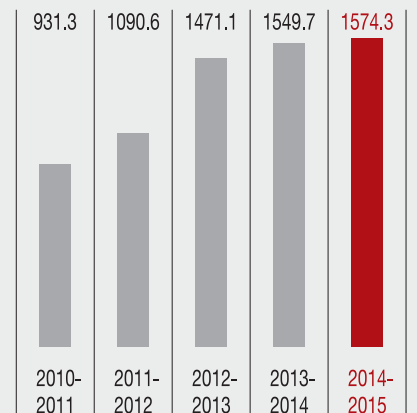
## Capital & Reserve (Rs. in million)



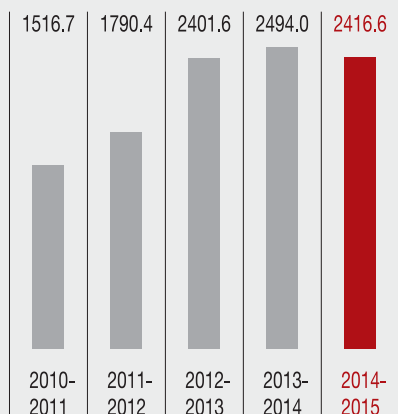
## Investment in Share & Debenture (Rs. in million)



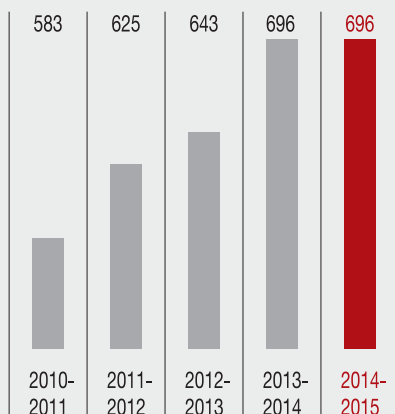
## Net Profit (Rs. in million)



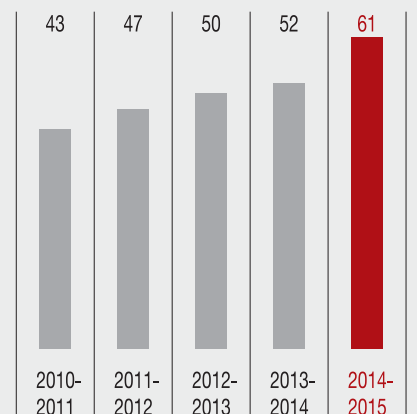
## Operating Profit (Rs. in million)



## No. of Staff



## No. of Branches



# BOARD OF DIRECTORS



**B. K. Shrestha**  
Chairman



**Ved K. Shrestha**  
Director



**Dr. Bal Gopal Baidya**  
Director



**Arun Man Sherchan**  
Director



**Dr. Ram S. Sangapure**  
Director  
(Punjab National Bank, India)



**P.K. Mohapatra**  
Director  
(Punjab National Bank, India)



**Navin Bhakta Shrestha**  
Director  
(Public Shareholders)



**Sunil Gopal Shrestha**  
Director  
(Public Shareholders)

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**Pramod Raj Sharma**  
Company Secretary

**Legal Advisor**  
Sr. Advocate Shambhu Thapa

**Auditor**  
Manish Amatya, CA  
N. Amatya & Company  
Chartered Accountants

# MANAGEMENT TEAM



**A. K. Ahluwalia**  
Chief Executive Officer



**A. K. Bansal**  
Dy. General Manager



**Rajesh Gautam**  
Dy. General Manager



**Keshab Raj Paudel**  
Asst. General Manager



**Aashutosh Sharma**  
Asst. General Manager



strength in balance

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## Chairman's Statement

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*Even though the new Constitution of the Country was approved by almost 90% of the elected Constituent Assembly Members, the minority who oppose the Constitution took the matter to the street. The Country has been in turmoil during the last several months. The economy of the Country has suffered seriously and so as the Banks.*



# CHAIRMAN'S STATEMENT



1. As you know, Commercial Organization, like your Bank, has to operate in the background of events not only in our own country, but also important areas of the world.

The whole world has become a village. Any major event happening in one place of the world affects all parts of the world. A good example is the price of "Oil", whose price has come down by more than 50% during a short period of less than two years.

## 2. National Scenario

2.1 Even though the new constitution of the country was approved by almost 90% of the elected Constituent Assembly Members, the minority who oppose the constitution took the matter to the street. The country has been in turmoil during the last several months. The economy of the country has suffered seriously and so as the Banks.

2.2 The new Government has come into being with almost all parties' support – except Nepali Congress and Madhesh based parties. The Government has challenges—not only the rehabilitation from major earthquake damages but also the economic and law & order effects of long terai/madhesh agitation. The various steps of implementation of the new constitution would require also the support of Nepali Congress.

Let us hope and pray the problems besetting the country will be gradually solved (at least reduced) under the able leadership of the present Prime Minister Sh. K.P. Sharma Oli.

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***Even though the new Constitution of the Country was approved by almost 90% of the elected Constituent Assembly Members, the minority who oppose the Constitution took the matter to the street. The Country has been in turmoil during the last several months. The economy of the Country has suffered seriously and so as the Banks.***

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- 2.3 The country's current account with India not only has a huge deficit, but the deficit is even mounting. The country is forced to pay to India valuable foreign exchange for imports from India.

As and when the pace of development in the country increases, the foreign exchange would be badly needed for imports of capital goods. This may make the present exchange rate between India and Nepal rupees unsustainable – unless the exports to India, eg. Hydro Electricity, starts taking place in sufficient volume.

- 2.4 It is more than a year ago, that India agreed to export the scarce electricity to Nepal. If such imports would have been possible, the present electricity famine in the country (leading to even 12 hours of "load shedding") would have vanished and the country would have been a net gainer, as the cost of import of power from India would certainly be much lower than the cost of generating electricity through use of diesel by almost all the Hotels and Industries.

The bottle neck is the lack of Transmission Lines. There have been suggestions that Private Sector should be welcomed to

set up the necessary Transmission Lines, with or without Government participation. If it is left to the Government Agencies for laying the necessary Transmission Lines, it would be unfortunate as the scarcity of power is likely to continue for several years.

Without free and sustained availability of power, the industrial development of the country is not likely to take off.

## 3. International Scenario

### 3.1 India

In spite of the present Ruling Party, Bhartiya Janta Party (BJP) – having an absolute majority in India's Parliament (Lok Sabha), important legislations consider essential for faster economic development of the country are held up – as BJP do not have the majority in the Upper House (Rajya Sabha). The political divide seems to be getting harsher in tone. Hopefully the Ruling and the Opposition Parties will come to a meeting point on important issues, so that the necessary legislation is carried out.

In spite of such impasse, the general mood in the country is positive, as can be seen from the way the share markets are behaving.

### 3.2 USA

The USA's economy has not only bounced back, but also the stock market has zoomed attracting investment from all over the world.

However, during the coming year, there is going to be Presidential Election, which brings certain amount of political instability.

### 3.3 Europe

While there are signs of economic growth in several European Countries, the instability of "Europe" has got accentuated because of high level of physical deficits in not only countries like, Greece, but also in other countries, like Spain, Portugal, Italy etc.

Consequently, the politics in most of the European Countries is shifting both to the extreme right and extreme left. Such political instability usually translates into economic instability.

### 3.4 Middle East

While the whole of Middle East continue to be in serious turmoil, an important agreement has been arrived at between one major country of Middle East, namely, Iran and the Western Countries. This may be beginning of gradually turning the region into more peaceful zone.

### 3.5 Russia

The strained relationship between Russia and the Western Countries is continuing. This has affected Russian economy severely.

### 3.6 South East Asia – China /Japan

There is no sign of the strained relationship, between the two major powers, namely, China and Japan abetting. For the first time, Japan amended its constitution, whereby Japan could send its armed forces outside of Japan for defending other countries.

Japan is not only a technologically advanced country, but also has a background of higher nationalistic and militaristic thoughts and behavior. China is already a second higher economic power in the country with matching military power.

## 4. Banking in the Country

- 4.1 Last year has seen not only highly volatile interest rate scenario, but the same was compounded with severe earthquake in the month of Baisakh. The country is still reeling with its affect.
- 4.2 The Nepal Rastra Bank (NRB) through its Monetary Policy has directed the "A" class Commercial Banks must have capital of Rs. 800.00 crores within the next two financial years. Further, NRB had asked to give in writing the Bank's plan for meeting this requirement. This has been submitted.

As stated above, most of the Tarai Districts have been facing serious turmoil. Our Bank's Branches located in these districts have been working only intermittently.

When the sea is choppy, the first objective of any captain of the ship sailing in such choppy water is to safely bring the ship to the shore.

After appropriation of the disposable profit for financial year 2071/72 amounting to Rs. 157,43,52,443.00 (and on payment of cash dividend 6.58% and issue of 30% bonus share), the Paid Up Capital and Free Reserves of your Bank stands as follows:

Particulars	Amount Rs.
Paid Up Capital	262,26,04,058
Free Reserves	200,27,55,648
<b>Total</b>	<b>46,25,35,97,069</b>

- 4.3 Keeping in view such volatility in the banking scenario, the Bank has done relatively well by not only improving the previous year's Incomes and Profits, but even marginally surpassing it, while keeping the NPA (Non Performing Assets) also under control.
- 4.4 As you know Banks employees, in general, are the highest paid in the Country. Our employees are paid even higher than the average – the highest in the country.
- 4.5 From time to time, the valued shareholders have always recommended proper reward to the Bank's loyal employees. One of the good things regarding attitude of the Employees Union is that they have not only not supported any one committing fraud, but even assisted the management to detect such frauds. Consequently, the fraud cases by our employees are very few to the credit of the Bank.

However, the union of the employees has started "demanding" even higher emoluments – much higher than the rate of increase in the income and profit to the Bank. Some times their conduct cannot be considered responsible. In fact, some of the conducts can be termed as "coercive".

We had tried to express to our hard working and loyal employees that the future demands should be in line with the Bank's Income and Profit as higher emoluments to the employees can surely become unsustainable. The second highest expense of the Bank is towards the salary and other allied benefits to its employees (next only to the interest payment to the depositors)

## 5. Corporate Responsibility

Soon after the severe earthquake, the Board set aside a fund of Rs. 1 crore to be spent to elevate the sufferings of the weaker section in the country. Out of this amount, Rs. 50 lac has been already donated to the Prime Minister's Earthquake Relief Fund. Keeping in view the coming winters, 500 blankets have been distributed. We are examining further proposals for similarly donating/distributing the balance amount to the needy.

**B. K. SHRESTHA**  
CHAIRMAN

## Directors' Report

### Ladies and Gentlemen:

It gives me great pleasure to welcome you to the 21<sup>st</sup> Annual General Meeting (AGM) of your Bank. I have the privilege of presenting the Balance Sheet as at 31<sup>st</sup> Ashadh 2072 (16<sup>th</sup> July, 2015), the Profit & Loss Account and Cash Flow Statement of your Bank for the year ending on that date and the Auditors' Report made there on.

### 1. GENERAL ECONOMIC ENVIRONMENT OF THE COUNTRY (Please also refer Annexure 1 & 2) & REVIEW OF OPERATIONS OF YOUR BANK:

### 2. Performance Review:

It is my great pleasure to present the performance of your bank over a period of last five years. As per the table presented below, core strength of your Bank has consistently increased over the period. Total shareholders' fund has gone up over the last five years from Rs. 319.10 crore to Rs. 765.13 crore consisting of the following:

	Rs. in crore	
Particulars	2066/067 (2009/10)	2071/072 (2014/15)
Paid Up Capital Ordinary Shares	83.05	201.73
Statutory General Reserve	61.72	194.06
Share Premium	1.48	1.86
Capital Adjustment Reserve	36.71	80.71
Other Reserves	5.32	13.78
Exchange Equalization Reserve	2.20	2.58
Investment Adjustment Reserve	-	3.79
Debenture Redemption Reserve	18.00	14.07
Capital Redemption Reserve	14.00	-
Deferred Tax Reserve	3.45	103.93
Retained Profit	61.00	88.10
Proposed Bonus Share	24.91	60.52
<b>Total Shareholders' Fund</b>	<b>319.10</b>	<b>765.13</b>

Out of the above shareholders total funds, following reserves amounting to Rs. 200.28 crore is available for appropriation subject to regulatory stipulations. The details of Rs. 200.28 crore are given below:

	Rs. in Crore
Share Premium	1.85
Capital Adjustment Reserve	80.71
Accumulated Profit	103.93
Other Free Reserve	13.78
<b>Ordinary Capital &amp; other related Funds</b>	<b>200.28</b>

### Other Major Performance:

#### a) Business:

	Rs. In crore				
				Increased over	
Particulars	2066/067 (2009/10)	2070/071 (2013/14)	2071/072 (2014/15)	Previous Year %	Over 5 year's period %
Deposit	3693.23	6210.81	8309.37	33.79	124.98
Loans & Advances	2815.64	4845.03	5536.35	14.27	96.63

#### b) Profitability:

	Rs. In crore				
				Increased over	
Particulars	2066/067 (2009/10)	2070/071 (2013/14)	2071/072 (2014/15)	Previous Year %	Over 5 year's period %
Total Income	353.53	582.63	583.47	0.14	65.04
Operating Profit	134.91	249.40	241.66	(3.10)	79.13
Net Profit after Tax	83.18	154.97	157.44	1.59	89.28

The table shows consistent progress of the Bank over the last five years.

During the year under review, your Bank has earned operating profit of Rs. 241.66 crore which is (3.10%) less than last year and has been able to post a after tax net profit of Rs. 157.44 crore, which is 1.59% higher than the last year.

The total deposits have reached Rs. 8,309.37 crore recording an annual growth of 33.79%. The loans and advances stood at Rs. 5,536.35 crore showing an annual growth of 14.27%.

Directors are glad to report that with the present proposal being placed to the shareholders for approval of issuing 30% Bonus Shares, the Bank's Paid Up Capital will cross Rs. 262.26 crores. Nepal Rastra Bank has issued guidelines to make up the paid up capital of Rs. 800 crores by Ashadh 2074.

With increase in profit, the bonus provision at 10%, payable to the employees has also gone up to Rs. 22.47 crores which was Rs. 22.16 crores in the previous year.

The income tax liability also has gone down to Rs. 64.88 crore for the year from Rs. 67.35 crore for the previous year.

### 3. Internal & External Factors Impacting Bank's Activities:

During the year 2071/72, banking sector faced high liquidity position. Due to low demands for loans from Private Sector on the one hand and excess liquidity in the banking sector on the other hand, made the banks competing with one another on interest rates (both on loans and government securities). As per the NRB report, the weighted average rate on 91 days Treasury Bill remained at 0.17% to 0.02% in the previous year. Further, we have much pressure on reducing the average spread rate not exceeding 5% as per the NRB guidelines which will have adverse impact on interest income reducing the profit of the bank.



Loan demand from private sector during the review period did not increase.

Nepal has joined the South Asia Free Trade Area (SAFTA), and has also joined Economic Cooperation (BIMST-EC). Nepal has become a member of the World Trade Organization (WTO). We have to shape our plans and strategies accordingly to meet the challenges which may crop up due to globalization.

Keeping in view the challenges ahead, we should start thinking from right now. For this, we should start shaping our size, networks and have proper planning. Respected shareholders with your prior approval we had initiated the merger process with other suitable bank/financial institution. We would like to inform the shareholders that the agenda is still open.

#### 4. ACTIVITIES OF THE BANK AND FUTURE PLAN:

##### a. Operations:

The prolonged political uncertainty has created a lot of problems. Furthermore the recent devastating earthquake has heavily affected the business of the BFIs. Our bank too has been affected by this devastating earthquake. Under such circumstances, it is challenging to predict/forecast future activities as well as set plan in a right way. However, the new Constitution has been enacted and brought into implementation. We believe that opportunity comes with difficulties. Keeping this in mind, we have to sketch our strategies and draw plans for future growth of the Bank.

Not to be left behind in technology advancement, a continuous review and upgrading of the technology is undertaken for the convenience of the customers. In this connection, Bank is using world class computer software 'Finacle' and all the information have been migrated in to it. All the branches of EBL have been housed in centralized data base backed by a Disaster Recovery Cell operating from outside valley.

With the changing technology, aspiration and requirement of customers, our service delivery channels are also to be updated. In this endeavor, we are increasing our own network of ATMs. Till the review period 390,000 Lac depositors have been issued debit card. EBL Debit Card can be used in 80 banks own ATMs at various locations as well as about 1068 other ATMs tied up with Smart Choice Technology (SCT) within the country and more than 6500 PNB ATMs in India. EBL Debit Card can also be used at more than 3500 Point of Sales (PoS) terminals for purchase of merchandise. In addition to above, Bank has introduced VISA Debit. Currently, 15,000 cards have been issued. Such Debit Cards can be used in 2600 ATMs of Nepal and all Visa affiliated ATM and POS Outlets in India. The Bank also provides various ranges of services to the customers.

Our Bank has introduced e-banking, SMS banking, mobile-banking. Our customers can do banking transactions such as – viewing their account, money transfers, recharge their mobile, utility payments etc. sitting at home. We always strive to provide easy, fast, reliable and hassle free services to our customers.

The Bank is striving to improve customer service quality, fulfill their needs through technology and extended services. Most of our important valley branches and outside valley branch are providing extended customer services through evening counters. Our New Road and New Baneshwor branch provide 365 days banking services (including on holidays).

Further, our Bank has launched its' own web based online remittance package "Everest Remit". Presently, this remittance facility is available to the Nepalese who are working in UAE, Qatar, Bahrain, Oman, Malaysia, UK, USA, Japan and Korea. This facility will be extended to other corridors too in due course. In order to facilitate inward remittance and foreign trade, we have tied up with various foreign banks/ agencies in different countries.

Likewise, agreements for instant money transfer have been entered into EZ Remit, Xpress Money Transfer, MoneyGram, Western Union Money Transfer and Xoom Corporation. Customer will get easily access to these agencies and increase inward remittance from worldwide.

Similarly, our joint venture partner Punjab National Bank (PNB), India has launched its' own remittance package "INREMIT". Under this facility Nepalese who are working/residing in India can instantly remit money from PNB India to our bank through any branch of PNB or Business Correspondent locations for further payment to beneficiary either by direct credit into A/c maintained with banks in Nepal or cash payment.

##### b. Branch expansion/outreach:

In this fiscal year the bank had planned to add more branches in and outside Kathmandu Valley. But due to the devastating earthquake and recent political scenario we faced problem to start the branches in time. However we opened one branch during the year 2071/72 in Bagdol, Lalitpur District, this has increased our branch network to 53 as of previous F/Y. As planned, eight new branches (Chainpur, Khalanga, Lamahi, Satdobato, Mahendranagar, Sukkhad, Jorpati and Khadbari) will come into operation within this F/Y. In addition to these, Bank is running additional twenty Government Revenue collection counters.

However, after massive eatherquake in Nepal in the last fiscal year, the Tatopani branch at Liping Sindhupalchowk is not in operation. Currently the branch is being operated from Bank's head office at Lazimpat.

In addition, with an aim to extend our reach and facilitate the financial inclusion in the rural area, we have launched Ghar Dailo Banking Sewa in different four locations by appointing 374 Business Correspondents (BCs) through smart card based technology. The places are – Nagarkot (Bhaktapur District), Baglung (hilly region), Birtmode (Terai region) and Nepal Gunj (Terai region).

Further, with a view to reach the rural/semi rural people as well as to increase our customer base and core deposit, we have recently launched a handset mobile based product under the brand name "MOBILE ATM" for Bank's customers. Bank has opened more than five thousand no of customer accounts in this product.

The Account holder needs to register his/her mobile in the system. Using the Mobile, transfer of fund within the Bank can be effected without visiting the Branch. Besides the customer can also withdraw cash from BC's where Branch network is not available by generating coded transfer message. Later, we will make available other services like mobile recharging, utility bill payment etc through this mode.

##### c. Human Resources Development & Per Employee Business:

The staff strength of the Bank at the end of the financial year 2070/71 (2013/14) was 696, which is as constant 696. The per employee business as at the end of the financial year is as under:

*Rs. In Lacs*

Description	2070-71 (2013/14)		2071-72 (2014/15)		% Increase over last year
	Total Amount	Per Employee Amount	Total Amount	Per Employee Amount	
Deposits, Loans & Advances	11,05,584	1588.48	13,84,573	1,989.33	25.23
Operating Profit	24,940	35.83	24,166	34.72	(3.10)
Net Profit	15,497	22.27	15,744	22.62	1.59

It is the considered view that the progress and success of any organization depends upon the knowledge, skills and motivational level of its workforce. The Bank has been taking keen and special interest in the development of its human resources by imparting its employees training in various aspects of banking. Besides this, the Bank has taken special care to keep the motivational level of its employees high as also to instill a sense of belongingness to the Bank.

In order to bring positive swing in the working attitude of senior officers, the Bank has been conducting special program on Management Development. In addition to this, during the review period various types of in-house training/talk program were conducted, staff were deputed/sent for training in programs organized by other institutions too. During the period being reported, various trainings have been provided to 357 Employees (In-house and outside).

#### 5. DIVIDEND/BONUS SHARE:

The Board in its' meeting held on 15th October 2015 has decided to recommend to the forthcoming Annual General Meeting to declare bonus share @ 30% and cash dividend @ 6.58 % (including tax on bonus share i.e. 1.58%) subject to approval of Nepal Rastra Bank.

The same is being placed before you for approval.

#### 6. CAPITAL ADEQUACY:

Under the Basel – II framework, minimum bench mark fixed by Nepal Rastra Bank the Capital Adequacy Ratio is 10%. However, the NRB has further directed to maintain additional one percent as buffer in case Cash Dividend is declared. The Capital Adequacy Ratio of the Bank as at the yearend 16th July, 2015 after proposed dividends, stands at 13.33%. To maintain the capital adequacy ratio intact, proper capital back up is required. If the Bank fails to maintain the required capital adequacy ratio, further growth in bank's business will be adversely affected.

#### 7. BOARD OF DIRECTORS:

There have been some changes in the Board of Directors of the Bank during the financial year under review. Sh. Shiva Sharan K.C representing public shareholder has tendered his resignation citing personal reason and his post still lies vacant. PNB has nominated Sh. P.K Mohapatra as Director in place of Sh. B.M Panda. Sh. P.K Mohapatra was welcomed in the EBL Board and thanks to Sh. B.M Panda and Sh. Shiva Sharan K.C for their valuable contributions made towards the development of the Bank.

#### 8. AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION:

In the Agenda for the Annual General Meeting a separate Agenda is executed for amendment of Articles of Association for reasons explained in the Agenda itself.

#### 9. EMPLOYEE RELATIONS:

The Board is pleased to report that during the year under review the Management Employee relation has remained harmonious. In view of your Bank's expansion, the recruiting of new human resource as well as motivating our existing employees is proceeding apace.

As per prevailing Labor Act of the country, Staff Union can submit their demand for the revision of staffs salary and facilities in every two years. We feel that such provision is not practical; such provision is required to be amended.

#### 10. CORPORATE GOOD GOVERNANCE:

Respected shareholders, Corporate Good Governance are one of the key factors for strength, stability and sustainable progress of an institution. We always remain alert about the corporate good governance in your Bank. Your Bank has complied with the related provisions of related Acts, Rules and Directives issued by Nepal Rastra Bank.

#### 11. APPOINTMENT OF THE STATUTORY AUDITORS:

The Shareholders are requested to appoint the Auditor from the list of the auditors approved by Nepal Rastra Bank for the financial year 2072/73 (2015/16) and also fix the remuneration. The present auditor Mr. Nem Lal Amatya (N. Amatya & Co., Chartered Accountants) is eligible for re-appointment.

The Audit Committee of the Bank has recommended to appoint Nem Lal Amatya (M/s N Amatya & Co. Chartered Accountants) as auditor of the Bank for the F.Y. 2015/16. Respected shareholders are requested to approve the appointment and their remuneration as recommended by the Audit Committee of the Board.

#### 12. ACKNOWLEDGEMENT:

On this occasion, on behalf of the Board of Directors and on my own behalf, I would like to thank all the shareholders for their continuous support and guidance. I also take this opportunity to extend thanks to our valued customers for their patronage. Further, we express our sincere gratitude to the officials of concerned Departments of Nepal Government, Nepal Rastra Bank, our joint-venture partner, Punjab National Bank, other concerned authorities and institutions for their patronage and all the employees of the Bank for their hard work and dedication. Further we also express our sincere thanks to members of the press and other well wishers of the Bank for their valuable co-operation and support.

Finally, I am sure that the Bank shall continue to get the same co-operation and support from all of you in the future which will be a source of inspiration in our endeavor to take our Bank to newer heights of success in the times to come.

Thank you.

On behalf of the Board of Directors,  
B. K. Shrestha,  
Chairman

(Annexure I)

Progress made by the Bank during five years period is provided for reference:

**TABLE 1 : Paid up Capital, Reserve & Surplus and Business:**

(Rs. in Lacs)

Particulars	2067/068 (2010/11)	2068/069 (2011/12)	2069/070 (2012/13)	2070/071 (2013/14)	2071/072 (2014/15)
Paid Up Capital-Ordinary Shares	11196	12316	16011	18012	20173
Statutory General Reserve	8034	10216	16158	19257	19406
Share Premium	148	186	186	186	186
Capital Adjustment Reserve	3671	3671	3671	5071	8071
Other Free Reserve	313	313	313	313	1377
Exchange Equilization Reserve	229	229	246	258	258
Investment Adjustment Reserve	35	35	35	35	379
Capital Redemption Reserve	1400	1400	1400	–	–
Debenture Redemption Reserve	2400	3000	469	937	1406
Deferred Tax	629	738	994	1066	–
Proposed Bonus Share	1120	3695	1601	2162	6052
Retained Profit	361	4375	5595	6074	10392
Provision for Possible Losses	6560	7577	8564	9242	8810
<b>Total Funds</b>	<b>36096</b>	<b>47751</b>	<b>55243</b>	<b>62613</b>	<b>76510</b>
Total Deposit	411279	500061	577205	621081	830937
Total Advances	316618	366168	441978	484503	553635
Total Investment	77439	78636	92654	65042	151026

**TABLE 2 : Profitability**

(Rs. in Lacs)

Particulars	2067/068 (2010/11)	2068/069 (2011/12)	2069/070 (2012/13)	2070/071 (2013/14)	2071/072 (2014/15)
Total Income (Including Non-Operating Income)	47475	56586	55605	59085	59959
Interest Expenses	(25359)	(28733)	(21792)	(22587)	(21169)
Staff Expenses (Except Expense for Gratuity Provision)	(2395)	(3156)	(3741)	(4704)	(5152)
Operating Expenses	(3831)	(4673)	(5095)	(5443)	(5552)
<b>Operating Profit</b>	<b>16160</b>	<b>20023</b>	<b>24977</b>	<b>26351</b>	<b>28086</b>
Provision for Possible Losses	(983)	(2520)	(988)	(1560)	(1639)
Provision for Staff Bonus	(1331)	(1558)	(2101)	(2216)	(2247)
Provision for Staff Gratuity	(536)	(365)	(877)	(414)	(1722)
<b>Profit Before Income Tax</b>	<b>13310</b>	<b>15581</b>	<b>21010</b>	<b>22161</b>	<b>22474</b>
Provision for Income Tax	(3997)	(4675)	(6299)	(6664)	(6731)
<b>Net Profit After Tax</b>	<b>9313</b>	<b>10906</b>	<b>14711</b>	<b>15497</b>	<b>15743</b>



## ANNEXURE : II

### General Economic Environment

Some important information is reproduced which are taken from the Economic Survey for the year 2071/72 (2014/15) published by Nepal Government for information:

#### i) Economic growth rate:

As per the Economic Survey 2013/14, the real GDP at basic price is estimated to grow by 5.2 % (previous year increased by 3.5%) as against an estimate of 5.5%. The agricultural sector is estimated to grow by 4.7% (previous year 1.1%) and the non-agricultural sector by 5.3% (previous year 4.6%). Among the non-agricultural sector industrial sector and services sector are estimated to grow by 2.7% and 6.1% respectively (previous year 2.5% and 5.2% respectively).

#### iii) Macroeconomic Indicators:

Major macroeconomic indicators of the economy have been re-produced below:

Particulars	Unit	2067/068	2068/069	2069/070	2070/071	2071/072*
1 Total GDP (at Basic Price)	Rs. Billn	639.7	670.3	697.9	735.5	760.2
2 Yearly Change	%	3.4	4.8	4.1	5.5	3.4
3 Per Capita GDP (at Fixed Price)	%	2.5	3.4	2.7	4.0	0.6
4 Per Capita GDP (at Current Price)	Rs.	51594	56880	62283	70394	74992
5 Per Capita GDP	USD	714	702	708	717	762
6 Total GDP (at Producer's Price)	Rs. Billn	639.7	670.3	697.9	735.5	760.2
7 Domestic Saving/GDP	%	9.6	8.3	9.9	9.1	7.5
8 National Saving/GDP	%	37.0	39.5	40.7	45.1	44.6
9 Fixed Capital Investment/GDP	%	21.4	20.8	22.6	23.8	—
10 Private Sector Fixed Capital Investment/GDP	%	16.7	16.1	18.1	18.9	—
11 Total Capital Investment/GDP	%	3.08	34.5	37.3	40.5	—
12 Difference in Domestic Saving & Investment/GDP	%	(24)	(23.50)	(26.80)	(29.6)	—
13 Total Population	in crore	2.65	2.69	2.72	2.76	2.83

Source: Economic Survey 2014/15.

#### iv) Foreign Trade:

The following comparative table of foreign trade of the country is presented on the basis of the information provided in the Economic Survey (First 8 Months):

(Changes in %)

Particulars	2067/068 (2010/11)	2068/069 (2011/12)	2069/070 (2012/13)	2070/071 (2013/14)	2071/072 (2014/15)
<b>EXPORT (F.O.B.)</b>	<b>5.9</b>	<b>14.1</b>	<b>5.0</b>	<b>19.4</b>	<b>(6.6)</b>
India	10.1	14.5	2.0	21.1	(9.9)
China	—	—	—	12.6	9.3
Other countries	(1.7)	13.5	11.2	14.9	(0.9)
<b>IMPORT (C.I.F.)</b>	<b>1.2</b>	<b>16.6</b>	<b>22.1</b>	<b>27.0</b>	<b>10.5</b>
India	24.7	12.0	24.2	28.1	5.1
China	—	—	—	14.7	48.6
Other countries	(27.2)	26.3	18.2	30.1	8.7
<b>Total foreign trade</b>	<b>0.3</b>	<b>17.1</b>	<b>25.5</b>	<b>28.2</b>	<b>13.1</b>
India	28.2	11.5	28.8	29.1	7.4
China	—	—	—	14.8	50.1
With other countries	(30.9)	28.9	19.5	33.9	10.7
<b>Total Business</b>	<b>1.9</b>	<b>16.3</b>	<b>19.7</b>	<b>26.0</b>	<b>8.5</b>
India	22.4	12.4	21.0	27.3	3.3
China	—	—	—	14.7	47.3
With other countries	(24.4)	24.4	17.3	27.5	7.2

Particulars	(Changes in %)				
	2067/068 (2010/11)	2068/069 (2011/12)	2069/070 (2012/13)	2070/071 (2013/14)	2071/072 (2014/15)
<b>IMPORT EXPORT RATIO</b>	<b>16.8</b>	<b>16.4</b>	<b>14.1</b>	<b>13.3</b>	<b>11.2</b>
India	16.7	17.0	1.0	13.3	11.4
China	–	–	3.6	3.6	2.6
Other countries	17.1	15.4	20.1	17.7	16.2
<b>TOTAL EXPORT (%)</b>					
India	66.9	67.1	65.2	66.5	64.2
China	–	–	3.0	2.8	3.3
Other countries	33.1	32.9	31.8	30.6	32.5
<b>TOTAL IMPORT (%)</b>					
India	67.5	64.8	65.9	66.5	63.2
China	–	–	11.7	10.5	14.2
With other countries	32.5	35.2	22.4	23.0	22.6
<b>BUSINESS (%)</b>					
India	67.6	64.3	66.0	66.5	63.1
China	–	–	13.1	11.7	15.5
With other countries	32.4	35.7	20.9	21.8	21.3
<b>TOTAL BUSINESS (%)</b>					
India	67.4	65.1	65.8	66.5	63.3
China	–	–	10.6	9.6	13.1
With other countries	32.6	34.9	23.6	23.9	23.6
<b>Total Business</b>					
Export	14.4	14.1	12.4	11.7	10.1
Import	85.6	85.9	87.6	88.3	89.9

v) Banking:

Following information are reproduced for information of the respected shareholders:

Particulars	2067/068 (2010/11)	2068/069 (2011/12)	2069/070 (2012/13)	2070/071 (2013/14)	2071/072 (2014/15)
Commercial Banks	31	32	31	30	30
Development Banks	88	88	86	87	81
Finance Companies	80	70	59	58	52
Microfinance Institutions	21	24	31	35	35
NRB Licensed Co-operatives	16	16	16	16	16
NRB licensed NGOs	38	36	31	31	27
Commercial Bank Branches	1111	1425	1486	1524	1656
Population Per Branch	23960	18592	17830	17500	16946
Local Currency Deposits (in Billion)	680.20	867.98	1020.83	1032.71	1215.00
Per Capital Deposit Rs.	42178	33540	28970	24773	23103
Loan and Advances (Rs. in Billion)	544.2	622.57	757.11	829.25	1199.00
Per Capita Loan and Advances Rs.	39361	34117	29064	25926	23410

Source: Economic Survey 2014/15.

**N. Amatya & Co.**  
Chartered Accountants

Fourth Floor  
Gajendra Bhawan  
1784/42 Ramshah Path  
Kathmandu, Nepal

**Independent Auditor's Report to the Shareholders of  
Everest Bank Ltd.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Everest Bank Limited**, which comprise the Balance Sheet as at Ashadh 31, 2072 (July 16, 2015) profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Everest Bank Ltd. as at Ashadh 31, 2072 (July 16<sup>th</sup>, 2015), and its financial performances and its cash flows for the year then ended in accordance with Nepal Accounting Standards.

**Report of Other Legal and Regulatory Requirements**

We report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- The enclosed Balance Sheet, the Profit and Loss Account and Statement of Cash Flow have been prepared in conformity with the formats prescribed by Nepal Rastra Bank and are in agreement with the accounts maintained by the Bank.
- The accounts and records of the Bank have been maintained as required by law and practice.
- Returns received from the branch offices of the Bank are adequate for the purpose of our audit.
- The capital fund and risk bearing fund of the bank are adequate considering the Directives issues by the Nepal Rastra Bank.
- The business of the Bank has been conducted satisfactorily and found within its authority.
- 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, we have not come across any case where the Board of Directors or any employees of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Bank and violated Directives issued by the Nepal Rastra Bank or acted in a manner as would jeopardize the interest and security of the Bank and its depositors.

**CA. Manish Amatya**

Partner

For: N. Amatya & Co.

Chartered Accountants

Date: 15.10.2015

Place: Kathmandu



## Balance Sheet

As on 31 Ashadh 2072 (16th July, 2015)

<i>S.No.</i>	<i>Capital and Liabilities</i>	<i>Schedule</i>	<i>This Year Rs.</i>	<i>Previous Year Rs.</i>
1	Share Capital	4.1	2,742,604,058	2,137,387,737
2	Reserve and Surplus	4.2	4,147,772,967	3,319,759,723
3	Debenture and Bonds	4.3	1,068,845,000	468,845,000
4	Loans and Borrowings	4.4	-	-
5	Deposit Liabilities	4.5	83,093,789,957	62,108,135,754
6	Bills Payable	4.6	349,529,622	370,578,160
7	Proposed Cash Dividend		141,122,877	920,395,772
8	Income Tax Liabilities		-	-
9	Other Liabilities	4.7	7,609,141,535	1,119,980,699
<b>Total Capital and Liabilities</b>			<b>99,152,806,017</b>	<b>70,445,082,845</b>

<i>S.No.</i>	<i>Assets</i>	<i>Schedule</i>	<i>This Year Rs.</i>	<i>Previous Year Rs.</i>
1	Cash in Hand	4.8	2,065,607,611	2,050,029,487
2	Balance with Nepal Rastra Bank	4.9	17,126,155,823	9,446,921,621
3	Balance with other Banks & Financial Institutions	4.10	5,924,718,626	1,675,831,759
4	Money at Call and Short Notice	4.11	-	-
5	Investments	4.12	15,102,674,197	6,504,185,769
6	Loan, Advances and Bills Purchased	4.13	54,482,465,225	47,572,024,207
7	Fixed Assets	4.14	630,397,372	605,800,446
8	Non-Banking Assets	4.15	-	-
9	Other Assets	4.16	3,820,787,163	2,590,289,556
<b>Total Assets</b>			<b>99,152,806,017</b>	<b>70,445,082,845</b>

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Schedules 4.1 to 4.17, 4.32 and 4.33 are integral part of the Balance Sheet

**Rajesh Gautam**  
Dy. General Manager

**A.K. Ahluwalia**  
C.E.O.

**Directors**  
**Ved Krishna Shrestha**  
**Nabin Bhakta Shrestha**  
**Arun Man Sherchan**  
**Dr. Bal Gopal Vaidya**  
**P.K. Mohapatra**

**Bishnu Krishna Shrestha**  
Chairman

As per our report even date

**CA, Manish Amatya**  
Partner  
**N. Amatya & Company**  
Chartered Accountants  
Date: 15/10/2015

## Profit and Loss Account

From Shrawan 1st, 2071 to Ashadh 31, 2072 (July 17, 2014 to July 16, 2015)

<i>Particulars</i>	<i>Schedule</i>	<i>This Year Rs.</i>	<i>Previous Year Rs.</i>
1 Interest Income	4.18	4,996,428,451	5,177,551,762
2 Interest Expenses	4.19	2,116,993,166	2,258,736,810
<b>Net Interest Income</b>		<b>2,879,435,285</b>	<b>2,918,814,952</b>
3 Commission and Discounts	4.20	303,619,260	254,881,697
4 Other Operating Income	4.21	389,007,109	309,475,361
5 Exchange Income	4.22	87,273,141	67,027,786
<b>Total Operating Income</b>		<b>3,659,334,795</b>	<b>3,550,199,796</b>
6 Staff Expenses	4.23	687,510,119	511,864,088
7 Other Operating Expenses	4.24	555,221,406	544,296,372
8 Exchange Loss	4.22	-	-
<b>Operating Profit Before Provision for Possible Loss</b>		<b>2,416,603,270</b>	<b>2,494,039,336</b>
9 Provision for Possible Losses	4.25	163,962,647	155,973,788
<b>Operating Profit</b>		<b>2,252,640,623</b>	<b>2,338,065,548</b>
10 Non-operating Income/Loss	4.26	12,484,331	9,934,186
11 Write-back of Loan Loss Provision	4.27	207,119,781	89,725,509
<b>Profit from Regular Activities</b>		<b>2,472,244,735</b>	<b>2,437,725,243</b>
12 Profit /Loss from Transaction of Extraordinary Activities	4.28	-	(20,000)
<b>Profit after Inclusion of all Transaction</b>		<b>2,472,244,735</b>	<b>2,437,705,243</b>
13 Provision for Staff Bonus		224,749,521	221,609,568
14 Provision for Income Tax			
Tax for the year		648,767,242	671,339,767
Tax for Earlier Year		-	2,173,012
Current Year Deferred Tax (Income)/Expense		24,375,529	(7,115,664)
<b>NET PROFIT</b>		<b>1,574,352,443</b>	<b>1,549,698,561</b>

Schedules 4.18 to 4.28, 4.32 and 4.33 are integral part of the Profit & Loss Account

Rajesh Gautam  
Dy. General Manager

A.K. Ahluwalia  
C.E.O.

*Directors*  
Ved Krishna Shrestha  
Nabin Bhakta Shrestha  
Arun Man Sherchan  
Dr. Bal Gopal Vaidya  
P.K. Mohapatra

Bishnu Krishna Shrestha  
Chairman

As per our report even date

CA, Manish Amatya  
Partner  
N. Amatya & Company  
Chartered Accountants  
Date: 15/10/2015

## Profit Appropriation Account

From Shrawan 1st, 2071 to Ashadh 31, 2072 (July 17, 2014 to July 16, 2015)

<i>Particulars</i>	<i>This Year Rs.</i>	<i>Previous Year Rs.</i>
<b>INCOME</b>		
1 Retained Profit upto last year	607,443,796	559,466,358
2 Profit for the year	1,574,352,443	1,549,698,560
3 Exchgange Fluctuation Fund	-	-
4 Refund of Last Year Dividend Income of R.M.D.C.	-	-
<b>TOTAL</b>	<b>2,181,796,239</b>	<b>2,109,164,918</b>
<b>APPROPRIATION</b>		
1 Accumulated Loss upto last year	-	-
2 Loss for the year	-	-
3 General Reserve	314,871,000	309,940,000
4 Deferred Tax Reserve	-	7,115,664
5 Bank Development Fund	-	-
6 Dividend Equalization Fund	-	-
7 Staff related funds	-	-
8 Dividend on Preference Share	8,400,000	8,400,000
9 Proposed Cash Dividend on Ordinary Shares	132,722,877	911,995,772
10 Proposed Bonus Share	605,216,321	216,148,686
11 Capital Redemption Reserve	-	-
12 Exchange Equalization Fund	-	1,236,000
13 Debenture Redemption Reserve	46,885,000	46,885,000
14 Capital Adjustment Reserve	-	-
15 Investment Adjustment Reserve	34,442,400	-
16 Other Free Reserve	-	-
<b>TOTAL</b>	<b>1,142,537,599</b>	<b>1,501,721,122</b>
<b>RETAINED PROFIT/(LOSS)</b>	<b>1,039,258,640</b>	<b>607,443,796</b>

**Rajesh Gautam**  
Dy. General Manager

**A.K. Ahluwalia**  
C.E.O.

*Directors*  
**Ved Krishna Shrestha**  
**Nabin Bhakta Shrestha**  
**Arun Man Sherchan**  
**Dr. Bal Gopal Vaidya**  
**P.K. Mohapatra**

**Bishnu Krishna Shrestha**  
Chairman

*As per our report even date*

**CA, Manish Amatya**  
Partner  
**N. Amatya & Company**  
Chartered Accountants  
Date: 15/10/2015



## Statement of Changes in Equity

From Shrawan 1st, 2071 to Ashadh 31, 2072 (July 17, 2014 to July 16, 2015)

Particulars	Share Capital Rs.	Share Premium Rs.	General Reserve Rs.	Capital Adjustment Fund Rs. *	Exchange Fluctuation Fund Rs.	Accumulated Profit Rs.	Other Free Reserve Rs.	Deferred Tax Rs.	Total Rs.
Balance at 16 July 2014	2,137,387,737	18,555,127	1,925,730,514	507,147,000	25,842,539	607,443,796	128,471,674	106,569,073	5,457,147,460
Adjustment	-	-	-	-	-	-	-	-	-
Balance after Adjustment	2,137,387,737	18,555,127	1,925,730,514	507,147,000	25,842,539	607,443,796	128,471,674	106,569,073	5,457,147,460
Surplus on Revaluation of Properties	-	-	-	-	-	-	-	-	-
Deficit on Revaluation of Investments	-	-	-	-	-	-	-	-	-
Currency Translation Differences	-	-	-	-	-	-	-	-	-
Net Gains/Losses Not Recognised	-	-	-	-	-	-	-	-	-
in the Income Statement	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	314,871,000	-	-	1,574,352,443	-	-	1,574,352,443
Transfer to Capital Adjustment Reserve	-	-	(300,000,000)	300,000,000	-	(314,871,000)	-	-	-
Declaration of Dividend- Ordinary Shares	-	-	-	-	-	(132,722,877)	-	-	(132,722,877)
Declaration of Dividend- Preference Shares	-	-	-	-	-	(8,400,000)	-	-	(8,400,000)
Issue of Bonus Share	605,216,321	-	-	-	-	(605,216,321)	-	-	-
Deferred Tax	-	-	-	-	-	-	106,569,073	(106,569,073)	-
Transfer to Debenture Redemption Reserve	-	-	-	-	-	(46,885,000)	46,885,000	-	-
Transfer to Investment Adjustment Reserve	-	-	-	-	-	(34,442,400)	34,442,400	-	-
Transfer to Exchange Equalization Fund	-	-	-	-	-	-	-	-	-
<b>Balance as on July 16, 2015</b>	<b>2,742,604,058</b>	<b>18,555,127</b>	<b>1,940,601,514</b>	<b>807,147,000</b>	<b>25,842,539</b>	<b>1,039,258,640</b>	<b>316,368,147</b>	<b>-</b>	<b>6,890,377,025</b>

\* Other Reserve includes Debenture Redemption Reserve, Investment Adjustment Reserve and Other Free Reserve as well.

\*\* A sum of Rs. 30.00 crores created for Redemption of Debenture and transferred to Statutory General Reserve in the F.Y. 2069/70 is transferred to Capital Adjustment Fund during the year as per the NRB guidelines

## Cash Flow Statement

From Shrawan 1st, 2071 to Ashadh 31, 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Cash flow from Operating Activities</b>		
1. Cash Received	5,648,027,088	5,529,621,778
1.1 Interest Income	4,852,417,791	4,896,796,364
1.2 Commission & Discounts Income	303,619,260	254,881,697
1.3 Income from Foreign Exchange Transaction	95,970,497	62,086,853
1.4 Recovery of Loan written off	–	–
1.5 Other Income	396,019,540	315,856,864
2. Cash Paid	(4,128,772,407)	(4,077,999,725)
2.1 Interest Expense	(2,053,864,546)	(2,221,770,567)
2.2 Staff Expense	(706,938,590)	(470,337,168)
2.3 Office Administration Expenses	(475,666,819)	(459,384,273)
2.4 Income Tax Paid	(670,692,884)	(716,409,047)
2.5 Other Expenses	(221,609,568)	(210,098,670)
<b>Cash Flow before Changes in Working Capital</b>	<b>1,519,254,681</b>	<b>1,451,622,053</b>
<b>(Increase)/Decrease in Current Assets</b>		
1. (Increase)/Decrease in Money at Call & Short Notice	–	–
2. (Increase)/Decrease in Short-Term Investments	(5,927,865,430)	3,476,238,910
3. (Increase)/Decrease in Loan & Advances and BP	(6,913,214,233)	(4,252,561,660)
4. (Increase)/Decrease in Other Assets	(1,235,361,971)	(1,319,557,964)
<b>Increase/(Decrease) in Current Liabilities</b>		
1. Increase/(Decrease) in Deposit	20,985,654,203	4,387,671,122
2. Increase/(Decrease) in Certificate of Deposit	–	–
3. Increase/(Decrease) in Short-Term Borrowing	–	(402,360,000)
4. Increase/(Decrease) in Other Liabilities	6,440,972,621	(68,781,506)
<b>Total Cash Flow from Operating Activities</b>	<b>14,869,439,871</b>	<b>3,272,270,955</b>
<b>B. Cash flow from Investing Activities</b>		
1. Purchase of Shares & Debentures	–	(37,500,000)
2. Proceeds from Sale of Shares & Debentures	–	–
3. Purchase of Fixed Assets	(108,751,134)	(92,947,873)
4. Proceeds from Sale of Fixed Assets	5,817,906	15,687,097
5. (Increase)/Decrease in Long-Term Investments	(2,670,622,998)	(677,466,260)
6. Proceeds from Sale of Non-Banking Assets	46,000,000	2,321,007
7. Interest Income from Long-Term Investments	146,425,137	294,425,247
8. Dividend Received	4,183,963	3,625,122
9. Others (Refund of Last Year Dividend Income of R.M.D.C.)	–	–
<b>Total Cash flow from Investing Activities</b>	<b>(2,576,947,125)</b>	<b>(491,855,660)</b>
<b>C. Cash flow from Financing Activities</b>		
1. Increase/(Decrease) in Long Term borrowings (Bond, Debentures, etc)	–	–
2. Increase/(Decrease) in Share Capital	600,000,000.00	–
3. Increase/(Decrease) in Share Premium	–	–
4. Share Application Money Received	–	–
5. Dividend Paid	(902,516,639)	(797,971,224)
6. Interest in Borrowing Paid	(37,579,558)	(30,396,100)
7. Increase/(Decrease) in Refinance / facilities received from NRB	–	–
<b>Total Cash flow from Financing Activities</b>	<b>(340,096,197)</b>	<b>(828,367,324)</b>
<b>D. Income / Loss from change in exchange rate in Cash &amp; Bank Balance</b>	<b>(8,697,356)</b>	<b>4,940,933</b>
<b>E. Current Year's Cash Flow from all activities</b>	<b>11,943,699,193</b>	<b>1,956,988,903</b>
<b>F. Opening Balance of Cash &amp; Bank Balances</b>	<b>13,172,782,867</b>	<b>11,215,793,963</b>
<b>G. Closing Balance of Cash &amp; Bank Balances</b>	<b>25,116,482,060</b>	<b>13,172,782,867</b>

## Share Capital and Shareholding

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.1

Particulars	Current Year Rs.	Previous Year Rs.
1. Share Capital		
1.1 Authorized Capital	5,000,000,000	2,000,000,000
A) 48,800,000 nos. of Ordinary Shares of Rs. 100 each (Previous 18,800,000 nos. of Ordinary Shares of Rs. 100 each)	4,880,000,000	1,880,000,000
B) 1,200,000 nos. of 7% Cumulative Convertible Preference Share of Rs. 100 each (Previous 1,200,000 nos. of Cumulative Convertible Preference Share of Rs. 100 each)	120,000,000	120,000,000
1.2 Issued Capital	2,137,387,737	1,921,239,051
A) 20,173,878 nos. of Ordinary Shares of Rs. 100 each (Previous 18,012,391 nos. of Ordinary Shares of Rs. 100 each)	2,017,387,737	1,801,239,051
B) 1,200,000 nos. of 7% Cumulative Convertible Preference Share of Rs. 100 each (Previous 1,200,000 nos. of Cumulative Convertible Preference Share of Rs. 100 each)	120,000,000	120,000,000
1.3 Paid up Capital	2,137,387,737	1,921,239,051
A) 20,173,878 nos. of Ordinary Shares of Rs. 100 each (Including 16,976,224 Bonus Shares fully paid) (Previous 18,012,391 nos. of Ordinary Shares of Rs. 100 each)	2,017,387,737	1,801,239,051
B) 1,200,000 nos. of 7% Cumulative Convertible Preference Share of Rs. 100 each (Previous 1,200,000 nos. of Cumulative Convertible Preference Share of Rs. 100 each)	120,000,000	120,000,000
1.4 Propose Bonus Share	605,216,321	216,148,686
1.5 Calls in Advance	–	–
<b>Total (1.3 + 1.4 + 1.5)</b>	<b>2,742,604,058</b>	<b>2,137,387,737</b>

## Detail of Share Ownership

Particulars	Current Year Rs.		Previous Year Rs.	
	%	Share Capital	Share Capital	%
A. Local Ownership	80.00	1,612,902,237	1,440,091,251	80.00
1.1 Nepal Government	–	–	–	–
1.2 'A' Class Licensed Institutions	–	–	–	–
1.3 Other Licensed Institutions	–	–	–	–
1.4 Other Institutions	12.31	221,666,500	195,595,100	10.86
1.5 Individual	67.69	1,391,235,737	1,244,496,151	69.14
1.6 Others	–	–	–	–
B. Foreign Ownership	20.00	404,485,500	361,147,800	20.00
<b>TOTAL</b>	<b>100</b>	<b>2,017,387,737</b>	<b>1,801,239,051</b>	<b>100</b>

Detail of Shareholders holding more than 0.5% of the Share Capital is as under :

Name & Address	%	Amount in Rs.	Name & Address	%	Amount in Rs.
Sh. B. K. Shrestha, Sanepa Lalitpur	9.19	185,425,900	Sh. Arun Man Sherchan, Gairidhara	3.80	76,602,100
M/s Hotel Snow Lion Pvt. Ltd., Bagbazar	9.32	187,939,400	Sh. Shanta Dev Pathak, Kamalpokhari	2.33	46,931,600
Sh. Maitra Dev Pathak, Kamalpokhari	5.69	114,845,100	Sh. Kul Bir Singh Tuladhar, Tripureshwor	1.00	20,269,600
Sh. Radha Shrestha, Tapahiti, Lalitpur	8.77	176,991,600	M/s Punjab National Bank, India	20.00	404,485,500
Sh. Nepal Krishna Shrestha, Tahachal	9.30	187,560,400	Sh. Pratik Kayastha, Baluwatar	0.79	16,016,400



## Reserve and Surplus

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.2

Particulars	Current Year Rs.	Previous Year Rs.
1 General Reserve	1,940,601,514	1,925,730,514
2 Capital Reserve	–	–
2.1 Share Premium	18,555,127	18,555,127
3 Capital Redemption Reserve	–	–
4 Capital Adjustment Reserve	807,147,000	507,147,000
5 Other Reserve		
a. Reserve for contingencies	–	–
b. Bank Development Fund	–	–
c. Dividend Equalization Fund	–	–
d. Debenture Redemption Reserve	140,655,000	93,770,000
e. Assets Revaluation Fund	–	–
f. Deferred Tax Reserve	–	106,569,073
g. Other free reserves	30,000,000	30,000,000
h. Investment Adjustment Reserve	37,918,266	3,475,866
i. Others	107,794,881	1,225,808
6 Retained Profit	1,039,258,640	607,443,796
7 Exchange Equalization Reserve	25,842,539	25,842,539
<b>TOTAL</b>	<b>4,147,772,967</b>	<b>3,319,759,723</b>

## Debenture and Bond

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.3

Particulars	Current Year Rs.	Previous Year Rs.
1. 468,845 nos. of 8% Unsecured Debenture of Rs. 1,000 each (Issued on 14/06/2013 and Maturing on 13/06/2023) (Redemption Reserved till Balance sheet date Rs. 140,655,000)	468,845,000	468,845,000
2. 600,000 nos. of 8% Debenture of Rs. 1,000 each (Issued on 15.07.2015 and maturing on 14.07.2021)	600,000,000	–
<b>TOTAL</b>	<b>1,068,845,000</b>	<b>468,845,000</b>

## Loans and Borrowing

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.4

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Local</b>		
1. Nepal Government	–	–
2. Nepal Rastra Bank (Refinance Loan)	–	–
3. Repo Obligation	–	–
4. Inter-bank & Financial Institutions	–	–
5. Other Body Corporates	–	–
6. Others	–	–
<b>TOTAL OF (A)</b>	<b>–</b>	<b>–</b>
<b>B. Foreign</b>		
1. Banks	–	–
2. Others	–	–
<b>TOTAL OF (B)</b>	<b>–</b>	<b>–</b>
<b>GRAND TOTAL (A+B)</b>	<b>–</b>	<b>–</b>

## Deposit Liabilities

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.5

Particulars	Current Year Rs.	Previous Year Rs.
<b>1 Non-interest Bearing Deposits</b>		
<b>A. Current Deposits</b>	<b>7,081,260,955</b>	<b>6,490,122,477</b>
1. Local Currency	6,901,483,742	6,307,252,757
1.1 Nepal Government	–	768,959,633
1.2 'A' Class Licensed Institutions	82,842,929	101,465,401
1.3 Other Licensed Financial Institutions	316,131,328	210,982,366
1.4 Other Body Corporates	5,521,747,663	4,276,590,848
1.5 Individuals	378,514,337	237,431,175
1.6 Others	602,247,485	711,823,334
2. Foreign Currency	179,777,213	182,869,720
2.1 Nepal Government	–	–
2.2 'A' Class Licensed Institutions	–	–
2.3 Other Licensed Financial Institutions	–	–
2.4 Other Body Corporates	179,719,444	182,810,905
2.5 Individuals	57,769	58,815
2.6 Others	–	–
<b>B. Margin</b>	<b>622,597,024</b>	<b>665,135,896</b>
1. Staff Earnest Money	–	–
2. Security Margin	275,658,510	341,682,552
3. LC Margin	346,938,514	323,453,344
<b>C. Others</b>	<b>236,020,331</b>	<b>226,516,158</b>
1. Local Currency	192,388,891	178,986,647
1.1 Financial Institutions	–	–
1.2 Other Body Corporates	28,035,579	36,394,936
1.3 Individual	164,353,312	142,591,711
2. Foreign Currency	43,631,440	47,529,511
2.1 Financial Institutions	–	–
2.2 Other Body Corporates	43,631,440	47,529,511
2.3 Individual	–	–
<b>Total Non-interest Bearing Deposit</b>	<b>7,939,878,310</b>	<b>7,381,774,531</b>
<b>2. Interest Bearing Deposits</b>		
<b>A. Saving Deposit</b>	<b>32,604,288,885</b>	<b>26,489,444,928</b>
1. Local Currency	32,471,659,411	26,364,452,656
1.1 Body Corporate	–	–
1.2 Individual	31,505,933,862	25,665,229,067
1.3 Others	965,725,549	699,223,589

contd..

## Deposit Liabilities

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.5

Particulars	Current Year Rs.	Previous Year Rs.
2. Foreign Currency	132,629,474	124,992,272
2.1 Body Corporate	–	–
2.2 Individual	132,629,474	124,992,272
2.3 Others	–	–
<b>B. Fixed Deposit</b>	<b>19,784,889,538</b>	<b>14,528,858,311</b>
1. Local Currency	19,273,689,138	14,525,828,011
1.1 Body Corporate	12,330,749,910	7,296,491,243
1.2 Individual	6,823,791,425	6,923,293,469
1.3 Others	119,147,803	306,043,299
2. Foreign Currency	511,200,400	3,030,300
2.1 Body Corporate	511,200,400	3,030,300
2.2 Individual	–	–
2.3 Others	–	–
<b>C. Call Deposit 22,764,733,224</b>	<b>13,708,057,984</b>	
1. Local Currency	11,505,857,117	8,301,257,154
1.1 'A' Class Licensed Institution	–	–
1.2 Other Licensed Institutions	1,569,939,708	1,115,911,472
1.3 Other Body Corporates	8,811,382,273	6,454,295,129
1.4 Individual	226,865,656	64,131,751
1.5 Others	897,669,480	666,918,802
2. Foreign Currency	11,258,876,107	5,406,800,830
2.1 'A' Class Licensed Institution	–	–
2.2 Other Licensed Institutions	–	–
2.3 Other Body Corporates	11,256,734,329	5,404,320,925
2.4 Individual	2,141,778	2,479,905
2.5 Others	–	–
<b>D. Certificate of Deposits</b>	<b>–</b>	<b>–</b>
1. Body Corporate	–	–
2. Individual	–	–
3. Others –	–	–
<b>Total Interest Bearing Deposits</b>	<b>75,153,911,647</b>	<b>54,726,361,223</b>
<b>TOTAL DEPOSITS</b>	<b>83,093,789,957</b>	<b>62,108,135,754</b>

## Bills Payable

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.6

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1 Local Currency	162,310,656	85,825,755
2 Foreign Currency	187,218,966	284,752,405
<b>TOTAL</b>	<b>349,529,622</b>	<b>370,578,160</b>

## Other Liabilities

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.7

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1 Pension / Gratuity Fund (Provision)	278,436,369	297,864,840
2 Staff Provident Fund	—	—
3 Staff Welfare Fund	—	—
4 Staff Bonus	224,749,521	221,609,568
5 Interest Payable on Deposits	47,812,892	22,328,777
6 Interest Payable on Borrowings	—	—
7 Unearned Discount/Commission	—	—
8 Sundry Creditors	240,524,749	289,154,047
9 Branch Adjustment Account	6,568,776	6,517,678
10 Deferred Tax Liabilities	—	—
11 Unpaid Dividend	70,060,265	52,181,132
12 Others		
a) Agency Account	7,963,933	7,778,298
b) Interest on Debenture	10,219,220	10,154,273
c) Remittance Payable	88,922,161	72,781,992
d) Audit Fee	282,500	282,500
e) Government Revenue Payable	6,306,710,656	—
f) Others	326,890,493	139,327,594
<b>TOTAL</b>	<b>7,609,141,535</b>	<b>1,119,980,699</b>

## Cash in Hand

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.8

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1 Local Currency (Including Coins)	2,039,393,727	2,035,267,323
2 Foreign Currency	26,213,884	14,762,164
<b>TOTAL</b>	<b>2,065,607,611</b>	<b>2,050,029,487</b>



## Balance with Nepal Rastra Bank

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.9

Particulars	Local Currency	Foreign Currency			Current Year Rs.	Previous Year Rs.
		INRs.	Convertible	Total		
1. Nepal Rastra Bank						
a. Current Account	17,073,177,169	–	52,978,654	52,978,654	17,126,155,823	9,446,921,621
b. Others	–	–	–	–	–	–
<b>Total</b>	<b>17,073,177,169</b>	<b>–</b>	<b>52,978,654</b>	<b>52,978,654</b>	<b>17,126,155,823</b>	<b>9,446,921,621</b>

Balance as per Balance Certificate Rs. 17,140,541,910 (Previous Year Rs. 14,866,145,447) and the difference amount is reconciled.

## Balance with Other Bank & Financial Institutions

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.10

Particulars	Local Currency	Foreign Currency			Current Year Rs.	Previous Year Rs.
		INRs.	Convertible	Total		
1. Other Local Licensed Institutions	647,386,876	–	77,717	77,717	647,464,593	466,641,520
a. Current Account	647,386,876	–	77,717	77,717	647,464,593	466,641,520
b. Others	–	–	–	–	–	–
2. Foreign Banks	–	858,182,736	4,419,071,297	5,277,254,033	5,277,254,033	1,209,190,239
a. Current Account	–	858,182,736	4,419,071,297	5,277,254,033	5,277,254,033	1,209,190,239
b. Others	–	–	–	–	–	–
<b>Total</b>	<b>647,386,876</b>	<b>858,182,736</b>	<b>4,419,149,014</b>	<b>5,277,331,750</b>	<b>5,924,718,626</b>	<b>1,675,831,759</b>

Balance as per Balance Certificate Rs. 5,997,087,863 (Previous Year Rs. 2,105,710,303) and the difference amount is reconciled.

## Money at Call & Short Notice

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.11

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency	–	–
2 Foreign Currency	–	–
<b>TOTAL</b>	<b>–</b>	<b>–</b>

## Investments

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.12

Particulars	Purpose		Current Year Rs.	Previous Year Rs.
	Trading	Others		
1. Nepal Government Treasury Bills	–	6,578,135,228	6,578,135,228	650,269,798
2. Nepal Government Saving Bonds	–	–	–	–
3. Nepal Government Other Securities	–	2,009,590,169	2,009,590,169	1,894,467,171
4. Nepal Rastra Bank Bonds	–	–	–	–
5. Foreign Securities	–	–	–	–
6. Local Licensed Institutions	–	–	–	–
7. Foreign Banks	–	6,451,600,000	6,451,600,000	3,896,100,000
8. Corporate Shares	–	63,348,800	63,348,800	63,348,800
9. Corporate Bond & Debenture	–	–	–	–
10. Other Investments	–	–	–	–
<b>Total Investments</b>	<b>–</b>	<b>15,102,674,197</b>	<b>15,102,674,197</b>	<b>6,504,185,769</b>
Provision for Investment in Shares	–	–	–	–
<b>NET INVESTMENTS</b>	<b>–</b>	<b>–</b>	<b>15,102,674,197</b>	<b>6,504,185,769</b>

## Investments in Shares, Debentures and Bonds

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.12(ka)

Particulars	Cost	Market Value	Provision	Previous Year Rs.
1. Investments in Shares				
1.1 Rural Microfinance Development Centre Ltd. (34,320 shares of Rs. 100 each including 3,120 bonus shares)	3,120,000	22,479,600	–	3,120,000
1.2 Nirdhan Utthan Bank Ltd. (332,208 shares of Rs. 100 each including 204,275 bonus shares)	12,793,300	33,220,800	–	12,793,300
1.3 Credit Information Center Ltd. (36,599 shares of Rs. 100 each including 24,244 bonus shares)	1,235,500	NA	–	1,235,500
1.4 Taragaon Regency Hotel Ltd.* (50,000 shares of Rs. 100)	5,000,000	12,600,000	–	5,000,000
1.5 Nepal Clearing House (25,000 shares of Rs. 100)	2,500,000	NA	–	2,500,000
1.6 National Banking Training Institute (12,000 shares of Rs. 100)	1,200,000	NA	–	1,200,000
1.7 Forward Community Micro Finance (375,000 shares of Rs. 100)	37,500,000	NA	–	37,500,000
2. Investment in Debentures				
<b>Total Investments</b>	<b>63,348,800</b>	<b>–</b>	<b>–</b>	<b>63,348,800</b>
3. Provision				
3.1 Upto last year	–			(1,600,000)
3.2 This year (Written Back)	–			1,600,000
<b>Total Provision</b>	<b>–</b>			<b>–</b>
<b>NET INVESTMENTS</b>	<b>63,348,800</b>	<b>–</b>	<b>–</b>	<b>63,348,800</b>

\* Taragaon Regency Hotel Ltd. has not declared any dividend for more than last three years.

## Held for Trading

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.12.1

Particulars	Cost Price	Last Year Market Price (A)	This Year Market Price (B)	This Year Profit/(Loss) Amount (B-A)	Last Year Profit/(Loss) Amount	Remarks
1. Nepal Government Treasury Bills	-	-	-	-	-	-
2. Nepal Government Saving Bonds	-	-	-	-	-	-
3. Nepal Government Other Securities	-	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Securities	-	-	-	-	-	-
6. Local Licensed Institution's Shares	-	-	-	-	-	-
7. Local Licensed Institution's Debenture & Bond	-	-	-	-	-	-
8. Corporate Shares, Debenture & Bond	-	-	-	-	-	-
9. Foreign Bank Placement	-	-	-	-	-	-
10. Inter Bank Lending	-	-	-	-	-	-
11. Other Investments	-	-	-	-	-	-
<b>Total Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Held to Maturity

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.12.2

Particulars	Cost Price (A)	Last Amount up to This Year (B)	Loss Amount Addition to This Year (C)	This Year Profit/(Loss) Amount (A-B-C)	Last Year Profit/(Loss) Amount	Remarks
1. Nepal Government Treasury Bills	6,578,135,228	-	-	-	-	-
2. Nepal Government Saving Bonds	-	-	-	-	-	-
3. Nepal Government Other Securities	2,009,590,169	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Securities	-	-	-	-	-	-
6. Local Licensed Institution's Shares	-	-	-	-	-	-
7. Local Licensed Institution's Debenture & Bond	-	-	-	-	-	-
8. Corporate Shares, Debenture & Bond	-	-	-	-	-	-
9. Foreign Bank Placement	6,451,600,000	-	-	-	-	-
10. Other Investments	-	-	-	-	-	-
<b>Total Investments</b>	<b>15,039,325,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Available for Sale

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.12.3

<i>Particulars</i>	<i>Cost Price</i>	<i>Last Year Market Price (A)</i>	<i>This Year Market Price (B)</i>	<i>This Year Adjustment Fund Amount (B-A)</i>	<i>Last Year Profit/(Loss) Amount</i>	<i>Remarks</i>
1. Nepal Government Treasury Bills	-	-	-	-	-	-
2. Nepal Government Saving Bonds	-	-	-	-	-	-
3. Nepal Government Other Securities	-	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Securities	-	-	-	-	-	-
6. Local Licensed Institution's Shares	-	-	-	-	-	-
7. Local Licensed Institution's Debenture & Bond	-	-	-	-	-	-
8. Corporate Shares, Debenture & Bond	63,348,800	-	-	-	-	-
9. Foreign Bank Placement	-	-	-	-	-	-
10. Other Investments	-	-	-	-	-	-
<b>Total Investments</b>	<b>63,348,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Loan & Advances and Provisioning

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.13

Particulars	Advances				Bills Purchased/Discounted			Current Year Rs.	Previous Year Rs.		
	Domestic			Other	Foreign	Total	Domestic			Foreign	Total
	Deprived		Total								
	Insured	Uninsured									
1. Performing Loan	-	2,637,921,006	51,064,842,604	814,479,899	54,517,243,509	14,750,000	464,361,295	479,111,295	54,996,354,804	47,979,900,562	
(a) Pass Loan	-	2,637,921,006	49,758,144,294	814,479,899	53,210,545,199	14,750,000	464,361,295	479,111,295	53,689,656,494	47,979,900,562	
(b) Watch List	-	1,306,698,310	-	1,306,698,310	-	-	-	1,306,698,310	-	-	
2. Non-Performing Loan	-	1,004,882	366,159,148	-	367,164,030	-	-	-	367,164,030	470,404,039	
2.1 Restructure/Reschedule	-	-	-	-	-	-	-	-	-	-	
2.2 Substandard	-	16,523	66,609,266	-	66,625,789	-	-	-	66,625,789	6,228,119	
2.3 Doubtful	-	54,889	32,215,659	-	32,270,548	-	-	-	32,270,548	168,430,451	
2.4 Loss	-	933,470	267,334,223	-	268,267,693	-	-	-	268,267,693	295,745,469	
A. Total Loan (1+2)	-	2,638,925,888	51,431,001,752	814,479,899	54,884,407,539	14,750,000	464,361,295	479,111,295	55,363,518,834	48,450,304,601	
3. Loan loss Provision	-	26,379,210	498,081,184	8,144,799	532,605,193	147,500	4,643,613	4,791,113	537,396,306	480,298,143	
3.1 Pass Loan	-	-	26,133,966	-	26,133,966	-	-	-	26,133,966	-	
3.2 Watch List	-	-	-	-	-	-	-	-	-	-	
3.3 Restructure/Reschedule	-	-	-	-	-	-	-	-	-	-	
3.4 Substandard	-	4,131	16,652,316	-	16,656,447	-	-	-	16,656,447	1,557,030	
3.5 Doubtful	-	27,445	16,107,830	-	16,135,275	-	-	-	16,135,275	84,215,226	
3.6 Loss	-	933,469	267,334,223	-	268,267,692	-	-	-	268,267,692	295,745,469	
3.7 Additional Provision	-	-	16,463,923	-	16,463,923	-	-	-	16,463,923	16,464,526	
B. Total Loan Loss Provision	-	27,344,255	840,773,442	8,144,799	876,262,496	147,500	4,643,613	4,791,113	881,053,609	878,280,394	
4. Provision upto Ashad end 2071	-	21,712,724	443,621,799	10,017,288	475,351,811	35,000	4,911,332	4,946,332	480,298,143	439,215,642	
4.1 Pass Loan	-	-	-	-	-	-	-	-	-	-	
4.2 Restructure/Reschedule	-	-	1,557,030	-	1,557,030	-	-	-	1,557,030	1,615,636	
4.3 Substandard	-	-	84,215,226	-	84,215,226	-	-	-	84,215,226	5,204,565	
4.4 Doubtful	-	-	295,745,469	-	295,745,469	-	-	-	295,745,469	259,327,099	
4.5 Loss	-	-	16,464,526	-	16,464,526	-	-	-	16,464,526	99,212,934	
4.6 Additional Provision	-	-	-	-	-	-	-	-	-	-	
C. Total Provision upto Ashad end 2071	-	21,712,724	841,604,050	10,017,288	873,334,062	35,000	4,911,332	4,946,332	878,280,394	804,575,876	
D. Write Back of Provision from previous year	-	-	161,189,432	-	161,189,432	-	-	-	161,189,432	82,269,270	
E. Provision for the year charged to P/L Account	-	5,631,531	160,358,824	(1,872,489)	164,117,866	112,500	(267,719)	(155,219)	163,962,647	155,973,788	
F. Net Increase/Decrease for the year	-	5,631,531	(830,608)	(1,872,489)	2,928,434	112,500	(267,719)	(155,219)	2,773,215	73,704,518	
NET LOAN (A-B)	-	2,611,581,633	50,590,228,310	806,335,100	54,008,145,043	14,602,500	459,717,682	474,320,182	54,482,465,225	47,572,024,207	

## Security Wise Detail of Loans, Advances and Bills Purchases

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.13 (Ka)

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Secured 55,363,518,834</b>	<b>48,450,304,601</b>	
1. Against Fixed/Movable Properties	51,129,568,355	46,664,573,414
2. Loan Against Guarantee Local Licensed Institutions	–	–
3. Against Government Guarantee	198,663,820	198,736,758
4. Against International Rated Bank's Guarantee	–	–
5. Against Export Document	40,640,000	–
6. Against Fixed Deposit Receipts	781,581,998	1,036,451,326
a) Own Fixed Deposit Receipts	781,581,998	1,036,451,326
b) Other Licensed Institutions' Fixed Deposit	–	–
7. Against Government Securities	30,124,470	37,724,299
8. Against Counter Guarantee	–	–
9. Against Personal Guarantee	2,498,707	2,495,693
10. Against Other Securities	3,221,081,484	510,323,111
<b>B. Unsecured</b>	<b>–</b>	<b>–</b>
<b>TOTAL</b>	<b>55,363,518,834</b>	<b>48,450,304,601</b>

## Fixed Assets

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.14

Particulars	Assets					Current Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office Equipment	Others		
<b>1. Cost</b>							
a) Upto Last Year	34,777,087	159,798,209	170,082,694	353,246,296	17,155,572	735,059,858	725,436,450
b) Addition this Year	381,116	14,004,073	24,898,718	24,979,667	3,779,498	68,043,073	60,230,596
c) Revaluation during the year	-	-	-	-	-	-	-
d) Sold during the year	-	(15,918,928)	-	(1,539,697)	-	(17,458,625)	(47,601,255)
e) Inter Head Transfers	-	-	-	-	-	-	711,272
f) Write off during this year	-	-	-	(4,501,928)	-	(4,501,928)	(3,717,205)
<b>Total Cost (a + b + c + d + e)</b>	<b>35,158,203</b>	<b>157,883,354</b>	<b>194,981,412</b>	<b>372,184,338</b>	<b>20,935,070</b>	<b>781,142,378</b>	<b>735,059,858</b>
<b>2. Depreciation</b>							
a) Upto Last Year	13,132,558	92,887,869	95,138,853	247,570,896	16,280,964	465,011,140	438,650,412
b) Addition this Year	1,088,578	14,541,529	13,847,052	30,917,900	1,159,870	61,554,929	64,810,259
c) Depreciation of Inter Head Transfers	-	-	-	-	-	-	284,502
d) Depreciation of write off	-	-	-	(3,997,578)	-	(3,997,578)	(3,357,083)
e) Depreciation of assets sold	-	(11,905,118)	-	(1,199,239)	-	(13,104,357)	(35,376,950)
<b>Total Depreciation</b>	<b>14,221,136</b>	<b>95,524,280</b>	<b>108,985,905</b>	<b>273,291,979</b>	<b>17,440,834</b>	<b>509,464,134</b>	<b>465,011,140</b>
<b>3. Book Value (1 - 2)</b>	<b>20,937,067</b>	<b>62,359,075</b>	<b>85,995,507</b>	<b>98,892,359</b>	<b>3,494,236</b>	<b>271,678,244</b>	<b>270,048,718</b>
<b>4. Land</b>	-	-	-	-	-	292,806,579	292,806,579
<b>5. Capital WIP</b>	-	-	-	-	-	32,819,769	608,898
<b>6. Leasehold Asset</b>	-	-	-	-	-	18,785,460	22,987,378
<b>7. Finacle Software</b>	-	-	-	-	-	14,307,320	19,348,872
<b>Total (3 + 4 + 5 + 6 + 7)</b>	<b>20,937,067</b>	<b>62,359,075</b>	<b>85,995,507</b>	<b>98,892,359</b>	<b>3,494,236</b>	<b>630,397,372</b>	<b>605,800,446</b>

### Detail of Computer Software - Finacle

<b>Cost</b>	
Upto Last Year	50,415,522
Addition This Year	-
<b>Total Cost</b>	<b>50,415,522</b>
<b>Amortisation</b>	
Upto Last Year	31,066,650
Addition This Year	5,041,552
<b>Total Amortisation</b>	<b>36,108,202</b>
<b>Net Book Value</b>	<b>14,307,320</b>

## Non Banking Assets

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.15

Name & Address of the Party/Borrower	Date of Transfer	Amount of NBA	Provisioning		Net Amount	Previous Year Rs.
			%	Amount		
1. Daya Nanda & Kalpana Thapa Maharajgunj, Kathmandu	14.07.2011	-	-	-	-	45,930,349
<b>Total</b>		-	-	-	-	<b>45,930,349</b>
Previous Year's Provisions					-	(45,930,349)
<b>TOTAL</b>		-	-	-	-	<b>-</b>



## Other Assets

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.16

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1. Stationeries Stock	12,665,945	12,790,759
2. Interest Receivable on Investments	19,418,181	21,832,658
3. Interest Receivable on Loans & Advances	–	–
Interest Receivable on Loans & Advances	118,555,989	130,822,238
Less: Interest Suspense	(118,555,989)	(130,822,238)
4. Commission Receivables	–	–
5. Sundry Debtors	30,888,388	38,081,690
6. Staff Loans & Advances	1,411,829,484	1,204,179,047
7. Pre-paid Expenses	15,979,555	15,505,370
8. Cash in Transit	–	–
9. Others in Transit (including cheques)	–	–
10. Draft Paid Without Advices	–	–
11. Expenses to be Written -off	–	–
12. Branch Account	–	–
13. Deferred Tax Assets	82,193,544	106,569,073
14. Others	–	–
Security Deposit - Utility Service	1,860,499	2,629,338
Security Deposit - Legal Case	75,116,342	58,705,601
Remittance Receivable	4,942,025	94,614,504
Misc.	975,155	398,017
Advance Tax	40,889,385	18,963,743
Custom Cheque Clearance	144,965,047	281,678,282
Government Payment Claimable	1,979,063,613	734,341,474
<b>TOTAL</b>	<b>3,820,78,163</b>	<b>2,590,289,556</b>

## Other Assets (Additional Details)

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.16(ka)

<i>Particulars</i>	<i>Current Year Rs.</i>				<i>Previous Year Rs.</i>
	<i>Up to 1 Year</i>	<i>More than 1 Year &amp; upto 3 Years</i>	<i>More than 3 Years</i>	<i>Total</i>	
1. Interest Receivables on Loan	87,707,647	12,597,087	18,251,255	118,555,989	130,822,238
2. Draft Paid without Schedule	–	–	–	–	–
3. Branch Account	–	–	–	–	–
4. Domestic Foreign Agency A/c	–	–	–	–	–
<b>TOTAL</b>	<b>87,707,647</b>	<b>12,597,087</b>	<b>18,251,255</b>	<b>118,555,989</b>	<b>130,822,238</b>

## Contingent Liabilities

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.17

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1. Claim Lodged but Not Accepted by the Bank	–	–
2. Letters of Credits	4,754,355,777	7,219,439,531
a. Maturity Value of Less Than Six Months	4,035,661,241	5,021,290,389
b. Maturity Value of More Than Six Months	718,694,536	2,198,149,142
3. Re-discounted Bills	–	–
4. Unexpired Guarantees	3,126,339,592	3,165,520,584
a. Bid Bond	245,287,632	239,554,018
b. Performance Bond	2,881,051,960	2,925,966,566
5. Share Money Against Investments in Shares	–	–
6. Forward Exchange Contracts	–	–
7. Bills on Collection	474,558,672	558,711,004
8. Acceptance and Endorsements	241,608,444	891,443,748
9. Underwriting Commitment	–	–
10. Irrevocable Loan Commitment	5,081,824,223	6,016,245,107
11. Guarantee Against Counter Guarantee of International Rated Bank	198,018,436	387,570,420
12. Advance Payment Guarantee	564,642,874	634,357,090
13. Financial Guarantees	–	–
14. Contigent Liability Against Income Tax	239,077,341	239,077,341
15. Others	–	–
<b>TOTAL</b>	<b>14,680,425,359</b>	<b>19,112,364,825</b>

## Interest Income

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.18

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Interest on Loans, Advances &amp; Overdrafts</b>	<b>4,852,417,791</b>	<b>4,896,796,364</b>
1. Loans & Advances	2,708,015,486	2,633,090,944
2. Overdrafts	2,144,402,305	2,263,705,420
<b>B. Interest on Investments</b>	<b>97,400,305</b>	<b>240,893,826</b>
1. Government Securities	96,339,510	240,692,703
a. Treasury Bills	8,003,378	72,456,398
b. Development Bonds	88,336,132	168,236,305
c. National Saving Bonds	—	—
2. Foreign Securities	—	—
3. Nepal Rastra Bank Securities	—	—
4. Debenture & Bond	—	—
5. Interest on Inter-bank Lending	1,060,795	201,123
a. Bank/Financial Institutions	1,060,795	201,123
b. Other Institutions	—	—
<b>C. Agency Balance</b>	<b>46,457,504</b>	<b>39,829,597</b>
1. Local Banks/Financial Institutions	—	—
2. Foreign Banks	46,457,504	39,829,597
<b>D. Money at Call &amp; Short Notice</b>	<b>152,851</b>	<b>31,975</b>
1. Local Banks/Financial Institutions	—	—
2. Foreign Banks	152,851	31,975
<b>E. Others</b>	<b>—</b>	<b>—</b>
1. Certificate of Deposits	—	—
2. Inter Bank/Financial Institution Loan	—	—
3. Others	—	—
<b>TOTAL</b>	<b>4,996,428,451</b>	<b>5,177,551,762</b>

## Interest Expenses

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.19

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Interest on Deposits</b>	<b>2,079,348,661</b>	<b>2,220,293,846</b>
1. Fixed Deposits	920,627,570	1,025,160,256
1.1 Local Currency	919,060,201	1,024,063,201
1.2 Foreign Currency	1,567,369	1,097,055
2. Saving Deposits	764,252,891	764,544,771
2.1 Local Currency	762,769,410	762,747,771
2.2 Foreign Currency	1,483,481	1,797,000
3. Call Deposits	394,468,200	430,588,819
3.1 Local Currency	287,022,974	342,473,985
3.2 Foreign Currency	107,445,226	88,114,834
4. Certificate of Deposits	–	–
<b>B. Interest on Loans</b>	<b>37,644,505</b>	<b>38,442,964</b>
1. Debenture & Bond	37,639,107	37,507,600
2. Loan from NRB	–	–
3. Inter-Bank Loan	5,398	935,364
4. Other Organisation	–	–
5. Other Loan	–	–
<b>C. Others</b>	<b>–</b>	<b>–</b>
<b>TOTAL</b>	<b>2,116,993,166</b>	<b>2,258,736,810</b>

## Commission and Discounts

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.20

Particulars	Current Year Rs.	Previous Year Rs.
<b>A. Bills Purchased &amp; Discounted</b>	<b>22,617,090</b>	<b>12,852,564</b>
1. Local	4,362,204	5,034,025
2. Foreign	18,254,886	7,818,539
<b>B. Commission</b>	<b>246,032,193</b>	<b>212,309,074</b>
1. Letter of Credits	47,138,458	47,351,069
2. Letter of Guarantees	60,533,501	58,514,765
3. Collection Fees	10,439,751	9,582,192
4. Remittance Fees	68,314,058	46,698,400
5. Credit Card	–	–
6. Share Underwriting/Issue com.	–	–
7. Government Transaction	–	255,000
8. Exchange Commission	–	–
9. Batta	59,606,425	49,907,648
<b>C. Others</b>	<b>34,969,977</b>	<b>29,720,059</b>
<b>TOTAL</b>	<b>303,619,260</b>	<b>254,881,697</b>



## Other Operating Income

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.21

Particulars	Current Year Rs.	Previous Year Rs.
1. Safe Deposit Vault Rental Income	9,235,862	7,726,263
2. Credit Card Issue and Renewals	–	–
3. ATM Card Issue and Renewals	106,876,079	82,045,920
4. Telex / T.T.	14,629,407	14,252,880
5. Service Charges	171,229,108	125,008,074
6. Renewal Charges	25,441,958	21,198,917
7. Others	61,594,695	59,243,307
<b>TOTAL</b>	<b>389,007,109</b>	<b>309,475,361</b>

## Exchange Gain/(Loss)

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.22

Particulars	Current Year Rs.	Previous Year Rs.
A. Exchange Rate Difference	(8,697,356)	4,940,933
B. Foreign Exchange Trading (except batta)	95,970,497	62,086,853
<b>TOTAL</b>	<b>87,273,141</b>	<b>67,027,786</b>

## Staff Expenses

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.23

Particulars	Current Year Rs.	Previous Year Rs.
1. Salary	360,396,624	312,820,806
2. Allowances	45,131,983	40,750,341
3. PF Contributions	34,636,374	29,781,092
4. Training	1,112,129	735,113
5. Uniform	6,504,101	4,526,374
6. Medical	3,449,454	3,675,231
7. Insurance	7,923,201	9,765,762
8. Gratuity	172,240,604	52,346,954
9. Others		
a) Dashain Expenses	26,007,290	24,554,271
b) Leave Encashment	17,847,177	20,951,515
c) Leave Travel Assistance	12,261,182	11,956,629
<b>TOTAL</b>	<b>687,510,119</b>	<b>511,864,088</b>

## Operating Expenses

From 17th July 2014 to 16th July 2015

Schedule 4.24

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1. House Rent	78,549,127	70,649,460
2. Electricity & Water	16,959,482	16,806,748
3. Repair & Maintenance	–	–
A. Building	1,047,731	1,005,212
B. Vehicles	2,423,817	2,981,391
C. Others	–	–
4. Insurance Premium	39,661,091	33,804,426
5. Postage, Telex, Telephone, Fax	34,099,839	34,720,445
6. Office Equipment/Furniture & Maintenance	13,855,384	12,170,542
7. Traveling Expenses	8,099,437	9,870,461
8. Printing & Stationeries	21,877,157	19,572,202
9. Newspaper & Magazine	588,901	609,688
10. Advertisement	18,766,744	25,585,862
11. Legal Expenses	2,045,634	1,024,920
12. Donation	5,497,989	1,056,770
13. Board Expenses	–	–
A. Meeting Fee	838,000	990,000
B. Other Expenses	1,067,085	1,850,281
14. Annual General Meeting Expenses	2,317,379	2,303,051
15. Audit Expenses	–	–
A. Audit Fee	282,500	282,500
B. Other Expenses	1,075,887	1,239,558
16. Remittance Expenses	30,599,971	25,138,161
17. Depreciation	61,554,929	64,810,259
18. Pre-operating Expenses Write Off	–	–
19. Debenture /Share Issue Expenses	1,311,031	–
20. TSA Fee and Expenses Reimbursement	30,327,822	29,560,173
21. Entertainment	8,959,239	8,615,630
22. Amortization	17,495,307	19,744,409
23. Security Expenses	39,417,102	39,010,430
24. Loan Insurance Premium	–	–
25. Commission & Discounts	–	–
26. Others		
A) Business Promotion	10,518,719	17,125,386
B) Consultancy Charges	391,505	1,380,783
C) Registration/Renewals	10,867,278	6,678,226
D) Misc.	5,740,283	6,533,575
E) Fuel & Lubricant	26,505,710	30,070,967
F) Assets Written Off	504,351	357,431
G) A.T.M. Related Expenses	17,222,436	14,184,667
H) Temporary Staff Wages	15,740,338	15,716,959
I) Software Contract Expenses	15,100,614	11,970,307
J) Electronic Cheque Clearing	5,493,355	6,210,705
K) CIC Charges	7,040,920	7,379,480
L) Branch Less Banking	209,512	776,832
M) Disaster Recovery Site	1,167,800	2,508,475
<b>Total</b>	<b>555,221,406</b>	<b>544,296,372</b>

### Provision for Possible Loss

From 17th July 2014 to 16th July 2015

Schedule 4.25

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1. Increase In Loan Loss Provision	163,962,647	155,973,788
2. Increase In Provision For Investment	–	–
3. Provision For Non-banking Assets	–	–
4. Provision Against Other Assets	–	–
<b>Total</b>	<b>163,962,647</b>	<b>155,973,788</b>

### Gain/(Loss) from Non-Operating Activities

From 17th July 2014 to 16th July 2015

Schedule 4.26

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1. Gain/(Loss) on Sale of Investment	–	–
2. Gain/(Loss) on Sale of Assets	1,218,286	3,462,792
3. Dividend	–	–
A. Rural Development Banks	3,317,582	2,689,252
B. Credit Information Center	695,381	821,870
C. National Banking Institute	171,000	114,000
4. Subsidy Received From NRB	–	–
A. Compensation of Branch Loss	–	–
B. Interest Compensation	–	–
C. Exchange Counters	–	–
5. Others	–	–
A. House Rent	7,012,431	6,381,503
B. Gain/Loss on Sale of NBA	69,651	(3,535,231)
<b>Total Gain / (Loss)</b>	<b>12,484,331</b>	<b>9,934,186</b>

### Write Back from Provision for Possible Loss

From 17th July 2014 to 16th July 2015

Schedule 4.27

<i>Particulars</i>	<i>Current Year Rs.</i>	<i>Previous Year Rs.</i>
1. Write-back From Loan Loss Provision	161,189,432	82,269,270
2. Write-back From Provision for NBA	45,930,349	5,856,239
3. Write-back From Provision For Investment	–	1,600,000
4. Write-back From Other Provision	–	–
<b>Total</b>	<b>207,119,781</b>	<b>89,725,509</b>

## Profit/(Loss) from Extra-Ordinary Transaction

From 17th July 2014 to 16th July 2015

Schedule 4.28

Particulars	Current Year Rs.	Previous Year Rs.
1. Recovery of Loss Loan	-	-
2. Expenses for Retirement Package	-	-
3. Write off of Bad Loan (Schedule 4.28 'Ka')	-	20,000
4. Other Income/Expenses	-	-
<b>TOTAL</b>	<b>-</b>	<b>20,000</b>

## Details of Loan Written Off

From 17th July 2014 to 16th July 2015

Schedule 4.28(ka)

S.No.	Type of Loan	Amount Written off	Nature of Security & Amount	Basis of Valuation of Security	Sancioning Authority/Level	Action taken to Recover the Loan	Remarks
1.	Working Capital	-					
2.	Project Finance	-					
3.	Fixed Term Loan	-					
4.	Personal Loan	-					
5.	Others	-					
	<b>Total</b>	<b>-</b>					

## Loans to Directors, CEO, Promoters, Employees and Shareholders holding more than 1% Share

As on 31 Ashadh 2072 (16 July 2015)

Details of Loans & Advances including Bills Purchased and discounted provided to Directors, CEO, Promoters, Employees and Shareholders holding more than 1% shares (included in total loans & advances) and their undivided family members or Company in which such family members are the Managing Agent or Guarantor of such company is as under:

Schedule 4.29

Name of the borrower	Upto Previous Year		This Year Recovery		Addition This Year	Outstanding	
	Principal	Interest	Principal	Interest		Principal	Interest
1. Directors	-	-	-	-	-	-	-
2. Chief Executive	-	-	-	-	-	-	-
3. Promoters	-	-	-	-	-	-	-
4. Employee	-	-	-	-	-	-	-
5. Shareholders	-	-	-	-	-	-	-
6. Holding more than 1% share	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

No Loans have been provided to any of the above mentioned group/person except the staff loans to employees under the staff loan schemes.

## Capital Adequacy Table

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.30 (Ka1)  
(Rs. in '000)

Particulars	Current Year Rs.	Previous Year Rs.
1.1 RISK WEIGHTED EXPOSURES	61,511,064	54,992,678
a. Risk Weighted Exposure for Credit Risk	56,381,528	50,599,467
b. Risk Weighted Exposure for Operational Risk	4,787,542	4,119,443
c. Risk Weighted Exposure for Market Risk	341,993	273,768
Adjustments under Pillar II		
Overall risk management policies and precedures are not satisfactory. Add: 2% of RWE (6.4 a 9)	1,230,221	1,099,854
Add: RWE equivalent to reciprocal of capital charge of 2% of gross income. (6.4 a7)	709,829	687,630
Add: ...% of the total deposit due to insufficient liquid Assets (6.4 a6)	-	-
<b>Total Risk Weighted Exposures (after adjustment under Pillar II)</b>	<b>63,451,114</b>	<b>56,780,161</b>
1.2 CAPITAL		
<b>Core Capital (Tier 1)</b>	<b>6,624,423</b>	<b>5,307,829</b>
a. Paid up Equity Share Capital	2,017,388	1,801,239
b. Proposed Bonus Equity Shares	605,216	216,149
c. Share Premium	18,555	18,555
d. Irredeemable Non- cumulative preference shares	-	-
e. Statutory General Reserves	1,940,602	1,925,731
f. Retained Earnings	1,039,259	607,444
g. Reserve for Deferred Tax	-	106,569
h. Un-audited current year cumulative profit	-	-
i. Debenture Redemption Reserve	140,655	93,770
j. Capital Adjustment Reserve	807,147	507,147
k. Capital Redemption Reserve	-	-
l. Other Free Reserve	137,795	31,226
m. Less: Goodwill	-	-
n. Less: Deferred Tax Assets	(82,194)	-
o. Less: Miscellaneous Expenditure not written off	-	-
p. Less: Investment in Equity in licensed Financial Institutions	-	-
q. Less: Investment in Equity of Institutions with vested interests	-	-
r. Less: Investment in Equity of institutions with excess of limits	-	-
s. Less: Investments arising out of underwriting commitments	-	-
t. Less: Reciprocal crossholdings	-	-
u. Less: Other Deductions	-	-
Adjustments under Pillar II		
Less: Shortfall in Provision (6.4 a 1)		
Less: Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)		
<b>Supplementary Capital (Tier 2)</b>	<b>1,832,600</b>	<b>1,114,428</b>
a. Cumulative and/or Redeemable Preference Share	120,000	120,000
b. Subordinated Term Debt	1,068,845	468,845
c. Hybrid Capital Instruments	-	-
d. General Loan Loss provision	563,530	479,799
e. Investment Adjustment Reserve	37,918	3,476
f. Assets Revaluation Reserve	-	-
g. Exchange Equalization Reserve	25,843	25,843
h. Additional Loan Loss Provision	16,464	16,465
i. Other Reserves	-	-
<b>Total Capital Fund (Tier I and II)</b>	<b>8,457,023</b>	<b>6,422,257</b>
1.3 CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures	10.44	9.35
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	13.33	11.31



## Risk Weighted Exposure For Credit Risk

As on 31 Ashadh 2072 (16 July 2015)

 Schedule 4.30 (Kha)  
 (Rs. in '000)

	2071 Ashadh End						Previous Year	
	Book Value (A)	Specific Provision (B)	Eligible CRM (C)	Net Value (D=A-B-C)	Risk Weight (%) (E)	Risk Weighted Exposures (F = D x E)	Net Value	Risk Weighted Exposures
<b>Balance Sheet Exposures (A)</b>								
Cash Balance	2,065,608	-	-	2,065,608	0%	-	2,050,029	-
Balance With Nepal Rastra Bank	17,126,156	-	-	17,126,156	0%	-	9,446,922	-
Gold	-	-	-	-	0%	-	-	-
Investment in Nepalese Government Securities	8,587,725	-	-	8,587,725	0%	-	2,544,737	-
All other Claims on Government of Nepal	2,602,916	-	-	2,602,916	0%	-	1,410,635	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	-	-
All other Claims on Nepal Rastra Bank	-	-	-	-	0%	-	-	-
Claims on Foreign Government Securities (ECA Rating 0-1)	-	-	-	-	0%	-	-	-
Claims on Foreign Government Securities (ECA- 2)	-	-	-	-	20%	-	-	-
Claims on Foreign Government Securities (ECA-3)	-	-	-	-	50%	-	-	-
Claims on Foreign Government Securities (ECA-4-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Government Securities (ECA-7)	-	-	-	-	150%	-	-	-
Claims On BIS MIFECBEC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	2,672,812	-	-	2,672,812	20%	534,562	2,171,487	434,297
Claims on domestic banks that do not meet capital adequacy requirements	38,485	-	-	38,485	100%	38,458	29,977	29,977
Claims on Foreign Bank (ECA Rating 0-1)	10,878,713	-	-	10,878,713	20%	2,175,743	4,320,245	864,049
Claims on Foreign Bank (ECA Rating 2)	-	-	-	-	50%	-	-	-
Claims on Foreign Bank (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Bank (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	858,183	-	-	858,183	20%	171,637	794,012	158,802
Claims on Domestic Corporates	24,368,267	-	817,206	23,551,061	100%	23,551,061	20,460,162	20,460,162
Claims on Foreigns Corporates (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Foreigns Corporates (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Foreigns Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreigns Corporates (ECA 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	14,097,933	-	-	14,097,933	75%	10,573,450	11,963,693	8,972,770
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	7,729,199	-	-	7,729,199	60%	4,637,519	6,339,661	3,803,797
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (overdue)	53,096	45,680	-	7,416	100%	7,416	-	-
Claims secured by Commercial real estate	2,514,758	-	-	2,514,758	100%	2,514,758	3,095,990	3,095,990
Past due claims (except for claim secured by residential properties)	313,340	255,380	-	57,960	150%	86,940	88,886	133,329
High Risk claims (Venture capital private equity investments personal loans and credit card receivables)	3,744,207	500	-	3,743,707	150%	5,615,561	2,916,281	4,374,422
Investment in equity of institutions listed in the stock exchange	20,913	-	-	20,913	100%	20,913	20,913	20,913
Investment in equity of institutions not listed in the stock exchange	42,436	-	-	42,436	150%	63,653	42,436	63,653
Staff Loan Secured by Residential Property	478,516	-	-	478,516	60%	287,110	432,248	259,349
Interest Receivable/Claim on Government Securities	11,376	-	-	11,376	0%	-	12,866	-
Cash in transit and other cash items in process of collection	-	-	-	-	20%	-	-	-
Other Assets	1,829,222	-	256,366	1,572,856	100%	1,572,856	1,508,755	1,508,755
<b>TOTAL</b>	<b>100,033,860</b>	<b>301,560</b>	<b>1,073,572</b>	<b>98,658,728</b>		<b>51,851,663</b>	<b>69,649,934</b>	<b>44,180,265</b>

Contd.....

## Risk Weighted Exposure For Credit Risk

As on 31 Ashadh 702 (16 July 2015)

Schedule 4.30 (Kha)  
(Rs. in '000)

Off Balance Sheet Exposures (B)	2071 Ashadh End						Previous Year	
	Gross Book Value (A)	Specific Provision (B)	Eligible CRM (C)	Net Value (D=A-B-C)	Risk Weight (%) (E)	Risk Weighted Exposures (F = D x E)	Net Value	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-	-	-
Bills under Collection	474,559	-	-	474,559	0%	-	558,711	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-	-	-
LC Commitments with Original Maturity Up to 6 months (domestic)	4,035,661	-	220,284	3,815,377	20%	763,075	4,535,131	907,026
ECA Rating 0-1	-	-	-	-	20%	-	-	-
ECA Rating 2	-	-	-	-	50%	-	-	-
ECA Rating 3-6	-	-	-	-	100%	-	-	-
ECA Rating 7	-	-	-	-	150%	-	-	-
LC Commitments with Original Maturity Over 6 months (domestic)	718,695	-	40,635	678,060	50%	339,030	2,194,145	1,097,073
ECA Rating 0-1	-	-	-	-	20%	-	-	-
ECA Rating 2	-	-	-	-	50%	-	-	-
ECA Rating 3-6	-	-	-	-	100%	-	-	-
ECA Rating 7	-	-	-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee (domestic)	3,324,358	-	253,242	3,071,116	50%	1,535,558	3,337,098	1,668,549
ECA Rating 0-1	-	-	-	-	20%	-	-	-
ECA Rating 2	-	-	-	-	50%	-	-	-
ECA Rating 3-6	-	-	-	-	100%	-	-	-
ECA Rating 7	-	-	-	-	150%	-	-	-
Underwriting commitments	-	-	-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as Collateral	-	-	-	-	100%	-	-	-
Repurchase Agreements Assets sale with recourse (including repo/reverse repo)	-	-	-	-	100%	-	-	-
Advance Payment Guarantee	564,643	-	16,917	547,726	100%	547,726	609,575	609,575
Financial Guarantee	-	-	-	-	100%	-	-	-
Acceptances and Endorsements	241,608	-	152,574	89,034	100%	89,034	719,980	719,980
Unpaid portion of Partly Paid Shares and Securities	-	-	-	-	100%	-	-	-
Irrevocable Credit Commitments (Short Term)	5,081,824	-	-	5,081,824	20%	1,016,365	6,016,245	1,203,249
Irrevocable Credit Commitments (Long Term)	-	-	-	-	50%	-	-	-
Other Contingent Liabilities	239,077	-	-	239,077	100%	239,077	213,751	213,751
Unpaid Guarantee Claims	-	-	-	-	200%	-	-	-
TOTAL	14,680,425	-	683,652	13,996,773		4,529,866	18,184,636	6,419,203
Total RWE for Credit Risk Before Adjustment (A)+ (B)	114,714,285	301,560	1,757,224	112,655,501		56,381,528	87,834,571	50,599,468
Adjustments under Pillar II	-	-	-	-		-	-	-
Add: 10% of the loan and facilities in excess of Single Obligor limits (6.4 a 3)	-	-	-	-		-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-		-	-	-
Total RWE for credit Risk (After Bank's Adjustment of Pillar II)						56,381,528	87,834,571	50,599,468

## Eligible Credit Risk Mitigants

As on 31 Ashadh 2072 (16 July 2015)

### Credit Exposures

	Deposits with Bank (a)	Deposits with Other Banks/FI (b)	Gold (c)	Govt. & NRB Securities (d)	G'tee of Govt. of Nepal (e)	Sec/G'tee of Other Sovereigns (f)	G'tee of Domestic Banks (g)	G'tee of MDBs (h)	Sec/G'tee of Foreign Bank (i)	Total
Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-
Investment in Foreign Government Securities (ECA-2)	-	-	-	-	-	-	-	-	-	-
Investment in Foreign Government Securities (ECA-3)	-	-	-	-	-	-	-	-	-	-
Investment in Foreign Government Securities (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Investment in Foreign Government Securities (ECA-7)	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Banks That Meet Capital Adequacy Requirements	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Banks That do Not Meet Capital Adequacy Requirements	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Bank (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
<b>Claims On Domestic Corporates</b>	<b>817,206</b>	-	-	-	-	-	-	-	-	<b>817,206</b>
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims Secured by Residential Properties (With Condition)	-	-	-	-	-	-	-	-	-	-
Claims Secured by Residential Properties (Without Condition)	-	-	-	-	-	-	-	-	-	-
Unsecured Portion of Claims Secured by Residential Properties	-	-	-	-	-	-	-	-	-	-
Claims Secured by Residential Properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Past Due Claims	-	-	-	-	-	-	-	-	-	-
(Except for Claim Secured by Residential Properties)	-	-	-	-	-	-	-	-	-	-
High Risk Claims	-	-	-	-	-	-	-	-	-	-
(Venture Capital, Private Equity Investments, Personal Loans and Credit Card Receivables)	-	-	-	-	-	-	-	-	-	-
Investments in Equity of Institutions Not Listed in The Stock Exchange	-	-	-	-	-	-	-	-	-	-
Investments in Equity of Institutions Listed in The Stock Exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as Per Attachment)	256,366	-	-	-	-	-	-	-	-	256,366
<b>Total</b>	<b>1,073,572</b>	-	-	-	-	-	-	-	-	<b>1,073,572</b>

Contd.....

## Eligible Credit Risk Mitigants

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.30 (Ga)  
(Rs. in '000)

### Credit Exposures

#### Off Balance Sheet Exposure

	Deposits with Bank (a)	Deposits with Other Banks/FI (b)	Gold (c)	Govt. & NRB Securities (d)	G'tee of Nepal of Gpvt. (e)	Sec/G'tee of Other Sovereigns (f)	G'tee of Domestic Banks (g)	G'tee of MDBs (h)	Sec/G'tee of Foreign Bank (i)	Total
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Up to 6 months (domestic)	220,284	-	-	-	-	-	-	-	-	220,284
ECA Rating 0-1	-	-	-	-	-	-	-	-	-	-
ECA Rating 2	-	-	-	-	-	-	-	-	-	-
ECA Rating 3-6	-	-	-	-	-	-	-	-	-	-
ECA Rating 7	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic)	40,635	-	-	-	-	-	-	-	-	40,635
ECA Rating 0-1	-	-	-	-	-	-	-	-	-	-
ECA Rating 2	-	-	-	-	-	-	-	-	-	-
ECA Rating 3-6	-	-	-	-	-	-	-	-	-	-
ECA Rating 7	-	-	-	-	-	-	-	-	-	-
Bid Bond, Performance Bond Counter Guarantee (domestic)	253,242	-	-	-	-	-	-	-	-	253,242
ECA Rating 0-1	-	-	-	-	-	-	-	-	-	-
ECA Rating 2	-	-	-	-	-	-	-	-	-	-
ECA Rating 3-6	-	-	-	-	-	-	-	-	-	-
ECA Rating 7	-	-	-	-	-	-	-	-	-	-
Underwriting Commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse (including repo/reverse repo)	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	16,917	-	-	-	-	-	-	-	-	16,917
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	152,574	-	-	-	-	-	-	-	-	152,574
Unpaid Portion of Partly Paid Shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit Commitments	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>683,652</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>683,652</b>
<b>Grand Total</b>	<b>1,757,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,757,224</b>

## Risk Weighted Exposure For Operational Risk

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.30 (Gha)  
(Rs. in '000)

Particulars	Previous Financial Year of Ashadh end			2071 Ashadh end
	F.Y. (2068/069)	F.Y. (2069/070)	F.Y. (2070/071)	
Net Interest Income	2,086,664	2,757,761	2,918,815	
Commission and Discount Income	233,570	266,821	254,882	
Other Operating Income	179,882	249,385	309,475	
Exchange Fluctuation Income	109,679	98,905	67,028	
Additional Interest Suspense During the Period	(22,004)	65,277	(1,056)	
<b>Gross Income (A)</b>	<b>2,587,791</b>	<b>3,438,149</b>	<b>3,549,144</b>	
<b>Alfa (B)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	
<b>Fixed Percentage of Gross Income [C=(A x B)]</b>	<b>388,169</b>	<b>515,722</b>	<b>532,372</b>	
<b>Capital Requirement for Operational Risk (D) (Average of C)</b>			<b>478,754</b>	<b>411,944</b>
<b>Risk Weight (Reciprocal of Capital Requirement of 10%) in Times (E)</b>			<b>10</b>	<b>10</b>
<b>Equivalent Risk Weight Exposure [F=(D x E)]</b>			<b>4,787,542</b>	<b>4,119,444</b>

## Risk Weighted Exposure For Market Risk

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.30 (Nga)  
(Rs. in '000)

Particulars	2072 Ashadh End			Relevant open position of 2071 Ashadh end (NPR)
	Open Position (FCY)	Open Position (NPR)	Relevant Open Position (NPR)	
1. U.S. Dollar	396	40,309	40,309	14,428
2. Euro	76	8,419	8,419	2,329
3. Pound Sterling	68	10,835	10,835	16,604
4. Swish Frank	12.2	1,302	1,302	1,644
5. Australian Dollor	45	3,373	3,373	6,723
6. Canadian Dollor	4.70	369	369	282
7. Singapore Dollor	32.81	2,434	2,434	700
8. Japanese Yen	6,019	4,952	4,952	897
9. Hongkong Dollar	9	122	122	6
10. Chinese Yuan	100	1,633	1,633	260
11. Thailand Bhat	24.32	72	72	27
12. Qatari Riyal	2.50	70	70	106
13. Saudi Rial	-	-	-	229
14. Korean Won	250.00	22	22	-
14. Indian Rupees	381,297	610,075	610,075	503,300
<b>Total Open Position (a)</b>	<b>-</b>	<b>683,986</b>	<b>683,986</b>	<b>547,536</b>
<b>Fixed % (b)</b>	<b>-</b>	<b>-</b>	<b>5%</b>	<b>5%</b>
<b>Capital Charge for Market Risk c= a x b</b>	<b>-</b>	<b>-</b>	<b>34,199</b>	<b>27,377</b>
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (d)</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Equivalent Risk Weight Exposure (c x d) = (e)</b>	<b>-</b>	<b>-</b>	<b>341,993</b>	<b>273,768</b>

## Main Indicators

Schedule 4.31

Particulars	Indicator	Financial Years				
		2010/11	2011/12	2012/13	2013/14	2014/15
1 Net Profit/Total Income	%	19.69	19.80	26.45	26.63	27.20
2 Per Share Earning (after tax income)	Rs.	83.18	88.55	91.88	86.04	78.04
3 Market Price Per Share	Rs.	1094	1033	1591	2631	2120
4 Price/Earning Ratio	Times	13.15	11.67	17.32	30.58	27.17
5 Dividend on Share- Bonus Share	%	10	30	10	12	30
6 Cash Dividend	%	50	1.58	50	50	5
7 Interest Income/Loans & Advances	%	12.22	12.30	10.49	10.11	8.76
8 Employee Expenses/Total Operating Expenses	%	9.13	9.53	14.66	15.44	20.46
9 Interest Expenses/Total Deposits & Borrowing	%	6.05	5.75	3.72	3.61	2.52
10 Exchange Income/Total Income	%	0.05	–	0.08	0.06	–
11 Staff Bonus/Total Employee Expenses	%	45.41	44.26	45.49	43.29	32.69
12 Net Profit/Loans & Advances	%	2.94	2.98	3.33	3.20	2.84
13 Net Profit/Total Assets	%	2.10	2.11	2.39	2.25	1.85
14 Total Loans & Advances/Total Deposits	%	76.98	73.22	76.57	78.01	66.63
15 Total Operating Expenses/Total Assets	%	6.95	6.62	4.79	4.71	3.39
16 Capital Adequacy Ratio:						
a) Core Capital	%	8.46	9.61	9.31	9.35	10.44
b) Supplementary Capital	%	1.97	1.41	2.28	1.96	2.89
c) Total Capital Funds	%	10.43	11.02	11.59	11.31	13.33
17 Cash Reserve Ratio (CRR)	%	9.55	17.22	15.19	16.91	24.27
18 NPAs/Total Loans & Advances	%	0.34	0.84	0.62	0.97	0.66
19 Base Rate	%	NA	NA	7.16	6.40	6.14
20 Weighted Average Interest Rate Spread	%	4.60	5.32	5.68	5.69	4.76
21 Book Net Worth (Rs. in Lacs)	Rs.	36407	40173	46678	53371	67704
22 Total Shares	Number	11196095	12316357	16011264	18012391	20173877
23 Total Employee	Number	586	625	643	696	696
24 Others						
- Per Employee Business (Rs. in Lakh)	Rs.	1242	1386	1585	1588	1989
- Employee Expenses/Total Income	%	6.20	6.39	8.31	8.80	11.88

Note: CRR Amount have been calculated on the basis of year end figure.



## SIGNIFICANT ACCOUNTING POLICIES

Schedule 4.32

### General Information

Everest Bank Limited (Bank) is a limited liability company domiciled in Nepal. Its registered office is at Lazimpat, Kathmandu, Nepal. The Bank is listed with Nepal Stock Exchange Ltd. and provides full commercial banking services as licensed by Nepal Rastra Bank (NRB) (Central Bank). The Bank has entered into Technical Services Agreement (TSA) for the equity & management participation with Punjab National Bank, New Delhi, India.

The accompanied financial statements have been approved and authorised for issued by the Board of Directors in its meeting held on 15th October, 2015.

### Basis of Preparation

These financial statements have been prepared on historical cost convention basis in conformity with generally accepted accounting principles, prevailing accepted banking norms/practices, applicable Nepal Accounting Standards issued by the Institute of Chartered Accountants of Nepal, provisions of Banks & Financial Institutions Act, 2063 and directives issued by the NRB.

### Use of Estimate

The preparation of financial statements requires the management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

### Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

#### 1. Fixed Assets, Depreciation and Amortization

- Fixed assets are stated at cost less accumulated depreciation. The cost comprises of expenditure that is directly attributable to acquisition and/or construction of the fixed assets. Purchase of items of durable (capital) nature costing Rs. 5,000 or less has been charged to Profit and Loss Account.
- Depreciation on fixed assets (except for leasehold development and computer software) are charged to Profit & Loss Account on reducing balance method, computed by applying the rates and method as prescribed by Schedule 2 of the Income Tax Act, 2058.
- Leasehold development expenses have been amortized in equal installment over the period of lease or 5 years whichever is less.
- Cost incurred for acquiring computer software "Finacle" has been amortized in ten equal yearly installments

and other software are amortized in five equal yearly installments.

#### 2. Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the Profit & Loss Account.

Current tax is the expected tax payable on the taxable income for the year computed as per the provision for Income Tax Act, 2058.

Deferred taxes are accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on the laws that have been enacted or subsequently enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 3. Investments

Investment made in government securities (development bonds and treasury bills), long term and short term placements and in equity shares and debentures of companies are included under Investments. All investments are carried at their acquisition cost or at amortized cost if acquired at a premium over the face value and are presented at net of provision made for loss in investment.

The Bank classifies the investment under the following categories:

##### a) Held for Trading

Marketable securities that are held with an intention to resale in the short period of time are classified as investment held for trading. These investments are marked to its market value. Provision is made in respect of securities whose cost exceeds the market value.

##### b) Held till Maturity

Investments that are held with an intention to hold until the maturity of the securities are classified as investment held till maturity. These investments are valued at cost of acquisition. Provision is made for impairment loss, if any, in the value of such investment. Premium paid in excess of the face value of the investment are recognized as a part of the initial cost

and are subsequently amortized over the period of the investment. The excess of the cost over face value of government bond is proportionately amortized over the maturity period of the bond by adjusting it to the interest income from such bonds.

**c) Available for Sale**

Investments which are held with an intention to recover the value through sale rather than holding till maturity are classified as investment available for sale. These investments are valued at lower of cost or market value. Provision is made in respect of securities whose cost exceeds its market value. Amount equivalent to 2% of the cost of such investment is appropriated to Investment Adjustment Reserve.

**4. Foreign Exchange Transactions**

Assets and liabilities denominated in foreign currency are translated into Nepalese Rupees at the mid-rate of foreign exchange rate prevailing on the Balance Sheet date. Gains or losses realized on the foreign exchange transactions is recognized at the foreign exchange rate applicable at the date of transaction and is included under Exchange Gain/(Loss) as the case may be as Trading Gain/(Loss).

Gains or losses arising due to fluctuation in exchange rate of assets and liabilities denominated in foreign currencies is accounted for on a daily basis and presented at net as "Revaluation Gain/Loss". As per the directive issued by Nepal Rastra Bank, 25% of such net revaluation gain is transferred to Exchange Fluctuation Reserve through Profit and Loss Appropriation.

**5. Non-Banking Assets**

Collateral securities taken over by the Bank during the process of recovery of loans are transferred to Non-Banking Assets. Non Banking Assets are valued at lower of the total amount outstanding (including interest) or market value of the assets acquired and is stated at net of provision made for such assets as per the directive issued by NRB. The surplus or deficit arising on sale of such asset is taken to Profit & Loss Account in the year of sale.

**6. Recognition of Income**

**a) Interest Income**

Interest on loans and advances are accounted on accrual basis by credit to interest suspense account. As per unified directive issued by NRB, interest on loans and advances are recognized as revenue on cash realization with the exception of interest capitalization on project financing.

Interest income on investment made on government securities, bonds and foreign placement are recognized on accrual basis.

**b)** Commissions received on account of LCs, Guarantees etc. are recognized on cash basis.

**c)** Dividend on investment is recognized on cash basis at net of withholding tax.

**7. Loans and Advances including Bills Purchased**

Loans and Advances including Bills Purchased are graded as pass, watch list, sub-standard, doubtful and loss assets and provision for loan loss are made in accordance with

the such grading per the directive issued by Nepal Rastra Bank. Loans and advances are presented net of loan loss provisions.

The Bank has a policy to write off unrecoverable loan after appraisal and due approval of the Board of Directors on case to case basis. The amount of loans written off is charged to Profit & Loss Account and the corresponding amounts of loan loss provision made on such loan account are written back in the Profit & Loss Account.

Loans and advances disbursed to staffs in accordance with the staff loan schemes are shown under Other Assets

**8. Employees Retirement Benefit**

**a) Gratuity**

Gratuity payable to eligible employees on retirement/termination is accounted for on accrual basis and the amount of liability on this account are determined in accordance with the Bank's rule. Gratuity liability up to previous year is not funded.

**b) Leave Encashment**

Leave encashment payable to the employees are charged to revenue on cash basis.

**c) Provident Fund**

Contributions to the employees' provident fund are made regularly on monthly basis which are charged to revenue. The above together with the employees' contribution are deposited in approved retirement fund account maintained by bank.

**9. Bonus**

Staff bonus is provided at 10% of net profit before tax (after charging the bonus) as per Bonus Act, 2030.

**10. Lease**

Premises are taken as operating leases which are cancellable in nature. The expenses for operating leases are charged to Other Operating Expenses in the profit and loss account as per the respective lease agreements

**11. Contingent Liabilities**

All letter of credit, bank guarantee and forward exchange contract liabilities have been shown in full amount as contingent liabilities in accordance with the directive issued by Nepal Rastra Bank.

Letter of Credits (LCs) denominated in foreign currencies, are stated at the equivalent Rupees calculated at the current exchange rate.

Besides above, all known liabilities wherever material, are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed under contingent liabilities.

**12. Dividend and Proposed Bonus Shares**

Dividend and proposed bonus shares are provided as proposed by the Board of Directors pending approval by NRB and Annual General Meeting.

## NOTES TO ACCOUNT

Schedule 4.33

### 1. Dividend and Proposed Bonus Shares

The Board of Directors has proposed final cash dividend of Rs. 5/- per share, bonus share of Rs. 30/- per share and Rs. 7/- per share on convertible preference shares.

Proposed cash dividend includes Rs. 31,853,491/- on account of dividend tax on proposed bonus share.

### 2. Reconciliation Position

#### a) Inter Branch Reconciliation

Inter-branch transactions have been reconciled and are up to date. The summary of age-wise amount of the pending reconciliation items are as under:

Particulars	(Rs. in Lacs)	
	Debit Pending	Credit Pending
Less than 3 months	–	0.55
3 to 6 months	–	–
More than 6 months	6.56	71.70

#### b) Reconciliation of Agency Banks

Agency bank accounts have been reconciled and are up to date. The summary of the age-wise amount of the reconciliation pending amount are as under:

(Amount in '000)

Currency	Ledger Pending		Statement Pending	
	Debit	Credit	Debit	Credit
<b>Sterling Pound</b>				
Upto 1 Year	–	–	0.04	6.26
More than 1 year to 3 years	–	–	–	0.02
More than 3 years	–	3.12	–	5.14
<b>US Dollar</b>				
Upto 1 Year	1,951.10	2,654.99	6,253.65	875.88
More than 1 year to 3 years	–	27.17	–	18.66
More than 3 years	–	10.71	–	35.96
<b>EURO</b>				
Upto 1 Year	1.14	0.18	0.36	84.45
More than 1 year to 3 years	–	0.41	–	0.79
More than 3 years	–	12.81	–	2.33
<b>Japanese Yen</b>				
Upto 1 Year	2500.00	675.00	69.50	–
More than 1 year to 3 years	–	1.40	2.50	–
More than 3 years	–	140.13	–	–
<b>Australian Dollar</b>				
Upto 1 Year	–	–	0.45	25.50
More than 1 year to 3 years	–	–	–	3.35
More than 3 years	–	–	–	2.87
<b>Indian Rupee</b>				
Upto 1 Year	5,000.00	32,892.45	20,520.13	14,731.59
More than 1 year to 3 years	–	1,042.72	5.00	707.50
More than 3 years	–	91,873.52	400.00	11,804.88

### 3. Increase/decrease in Loans & Advances

The following depicts the movement of the balances of Loans & Advances during the year:

	(Rs. in Lacs)	
<i>Particulars</i>	<i>Current Year</i>	<i>Previous Year</i>
Balance as on Ashad 32, 2071 (July 16, 2014)	484,503	441,978
Loans Disbursed during the year	2,508,786	2,199,829
Recovered during the year	(2,439,654)	(2,157,304)
<b>Balance as on Ashad 31, 2072 (July 16, 2015)</b>	<b>553,635</b>	<b>484,503</b>
Write off during the year		
Principal	—	0.20
Interest	213.91	20.21

### 4. Change in Deposit Liabilities

The following depicts the percentage change in deposit between the end of current year and previous year:

	(Rs. in Lacs)		
<i>Types of Deposit</i>	<i>Current Year</i>	<i>Previous Year</i>	<i>Change %</i>
Current	70,813	64,902	9.10
Margin	6,226	6,652	(6.40)
Saving	326,043	264,894	23.08
Fixed	197,849	145,288	36.17
Call	227,647	137,080	66.06
Others	2,360	2,265	4.19
<b>Total</b>	<b>830,938</b>	<b>621,081</b>	<b>33.78</b>

### 5. Average Interest Spread Rate

The average yield rate on interest bearing assets is 8.02% (Previous year 9.25%). The average cost of deposit for the year is 3.26% (Previous Year 3.56 %). Accordingly, the average spread for the financial year stands at 4.76 % (Previous Year 5.69 %).

### 6. Leasehold Improvements and Computer Software

The expenses incurred in the renovation and modification of the leased properties and the cost of software purchased are capitalized in the Leasehold assets and Software respectively.

The above assets are amortized as per the policies stated in the significant accounting policies. The balances in above account pending amortization are as under:

#### a) Leasehold Assets

<i>Particulars</i>	<i>Current Year (Rs.)</i>	<i>Previous Year (Rs.)</i>
Opening Balance	22,987,341	29,343,225
Addition made during this year	8,497,190	8,059,818
<b>Total</b>	<b>31,484,531</b>	<b>37,403,043</b>
Amortized during the year	12,453,755	14,413,012
Disposed off during the year	245,316	2,690
<b>Closing Balance</b>	<b>18,785,460</b>	<b>22,987,341</b>

**b) Software**  
**i) Finacle**

<i>Particulars</i>	<i>Current Year (Rs.)</i>	<i>Previous Year (Rs.)</i>
Opening Balance	19,348,872	21,535,687
Addition made during this year	–	2,854,737
<b>Total</b>	<b>19,348,872</b>	<b>24,390,424</b>
Amortized during the year	5,041,552	5,041,552
<b>Closing Balance</b>	<b>14,307,320</b>	<b>19,348,872</b>

**ii) Others**

<i>Particulars</i>	<i>Current Year (Rs.)</i>	<i>Previous Year (Rs.)</i>
Opening Balance	974,608	2,176,547
Addition made during this year	3,779,498	–
<b>Total</b>	<b>4,654,106</b>	<b>2,176,547</b>
Amortized during the year	1,159,870	1,301,939
<b>Balance at the end of the year</b>	<b>3,494,236</b>	<b>874,608</b>

**7. Concentration of exposure**

There is no over concentration of Assets and Liabilities of the Bank to an individual, a firm, a company or in a particular sector as specified by NRB. The highest concentration of loan in a single sector is 28.50% of total loan (Previous year 26.82%) and concentration of deposit to a single institution is of total deposit 13.14% (Previous year 12.67%).

**8. Non-Banking Assets (NBA)**

The position of the Non-banking Assets of the Bank is as under:

<i>Particulars</i>	<i>Current Year (Rs.)</i>	<i>Previous Year (Rs.)</i>
Opening Balance (at Cost)	45,930,349	51,786,587
Addition during the year	–	–
Disposed off during the year	45,930,349	5,856,238
<b>Closing Balance (at Cost)</b>	<b>Nil</b>	<b>45,930,349</b>
<b>Total Provision</b>	<b>–</b>	<b>(45,930,349)</b>
Balance (Net of Provision)	Nil	Nil

**9. Convertible Preference Share**

7% Convertible Preference Share worth Rs. 20 Crore was issued on Ashwin 2064, which is convertible into Ordinary Share @ 20% after completion of each third year. On this basis preference shares worth Rs. 8 Crore have been converted into Ordinary Shares so far. The balance of Convertible Preference Share as on 31 Ashadh 2072 (July 16, 2015) is Rs. 12 Crore (Previous year Rs. 12 Crore).

**10. Debenture and Debenture Redemption Reserve**

- 8% Debenture of Rs. 46.88 crores for a period of 10 years and maturing on Jestha 2080 has been issued on Jestha 31, 2070.
- 8% debenture of Rs. 60 crores for a period of 6 years and maturing on Ashadh 2078 has been issued on Ashadh 31, 2072.
- During the year Rs. 4.69 crores has been appropriated through Profit & Loss Appropriation Account to Debenture Redemption Reserve for 8% Debenture maturing on Jestha 2080. The balance of Debenture Redemption Reserve as on Ashadh 31, 2072 is Rs. 14.06 crores (Previous Year Rs. 9.37 crores).  
During the year the bank has issued and allotted 8% debenture of Rs. 60 crores. As per clause no 11 of NRB Directive No. 16, bank is not required to appropriate any amount to debenture redemption reserve in the year of issue and in the year of repayment of debenture. Accordingly, no amount has been appropriated in redemption reserve for this debenture.

**11. Statutory General Reserve**

As required by the Bank and Financial Institution Act, 2063 a sum of Rs 314,871,000 (Previous year Rs. 309,940,000) being 20% of net profit of the year has been transferred to General Reserve through Profit and Loss Appropriation Account. The bank had created Rs. 30.00 Crore as Debenture Redemption Reserve for 6% Unsecured Debenture issued on 16th July 2005 which matured on 15th July 2012. Debenture Redemption Reserve created for the same amounting to Rs.30.00 crore was transferred to Statutory General Reserve during F.Y. 2069/70 as per NRB guidelines. During the year, the bank has transferred Rs. 30.00 Crore from Statutory General Reserve to Capital Adjustment Reserve as per NRB Directives No. 16, clause No. 11 and sub clause 12. The balance of Statutory General Reserve as on Ashadh 31, 2072 (July 16, 2015) is Rs. 1,940,601,514 (Previous Year Rs. 1,925,730,514)

## 12. Staff Housing Fund

Since the Bank has been extending housing loan to the employees, provision for staff housing as required by the Labour Act, 2048 has not been made.

## 13. Exchange Fluctuation Reserve

As required by NRB directive, 25% of Revaluation Gain has to be transferred to Exchange Fluctuation Reserve through Profit and Loss Appropriation Account. No amount (Previous year Rs. 1,236,00) has been transferred to this account as the bank has revaluation loss during the year.

## 14. Liquidity Risk

The liquidity risk as on Ashad 31, 2072 (July 16, 2015) is set out in the Table of Liquidity Statement (Format No. 5.1) as prescribed by the Directives of Nepal Rastra Bank is given as under:

(Rs. in Lacs)

S.N.	Particulars	1-7 Days	8-30 Days	31-90 Days	91-180 Days	181-270 Days	271-365 Days	More than 1 year	Total
<b>Assets</b>									
1.	Cash Balance	20,656	-	-	-	-	-	-	20,656
2.	Balance With Banks & FIs	230,508	-	-	-	-	-	-	230,508
3.	Investment in Foreign Banks	-	6,096	-	58,420	-	-	-	64,516
4.	Call Money	-	-	-	-	-	-	-	-
5.	Government Securities	3,615	5,929	44,253	-	-	1,985	10,000	65,781
6.	Nepal Rastra Bank Bonds	-	-	-	-	-	2,009	18,087	20,096
7.	Inter Bank & FI Lending	-	-	-	-	-	-	-	-
8.	Loans & Advances	17,695	32,652	52,252	16,029	31,517	27,373	376,116	553,635
9.	Interest Receivable	-	19	19	66	-	34	56	194
10.	Reverse Repo	-	-	-	-	-	-	-	-
11.	Acceptance Receivable	-	-	-	-	-	-	-	-
12.	Payments under S.No. 20,21 & 22	25,296	4,988	26,091	15,246	3,524	7,178	57,345	139,668
13.	Others	463	2	5	9	1,606	39	11,994	14,118
	<b>Total (A)</b>	<b>298,234</b>	<b>49,686</b>	<b>122,621</b>	<b>89,770</b>	<b>36,646</b>	<b>38,618</b>	<b>473,600</b>	<b>1,109,174</b>
<b>Liabilities</b>									
14.	Current Deposits	7,704	3,852	3,852	-	-	-	61,631	77,039
15.	Saving Deposits (including call)	27,685	27,685	27,685	-	-	-	470,637	553,692
16.	Fixed Deposits	27,998	3,308	44,986	44,020	28,907	28,688	22,302	200,209
17.	Debentures/Bonds	-	-	-	-	-	-	10,688	10,688
18.	Borrowings	-	-	-	-	-	-	-	-
	Call/Short Notice	-	-	-	-	-	-	-	-
	Inter-bank/Financial Institutions	-	-	-	-	-	-	-	-
	Refinance	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
19.	Other Liabilities and Provisions	4,177	1,944	258	-	-	-	11,595	17,974
	Sundry Creditors	462	1,944	-	-	-	-	-	2,406
	Bills Payable	3,495	-	-	-	-	-	-	3,495
	Interest Payable	220	-	258	-	-	-	-	478
	Provisions	-	-	-	-	-	-	11,595	11,595
	Others	-	-	-	-	-	-	-	-
20.	Acceptance Liabilities	598	621	704	430	61	1	-	2,416
21.	Irrevocable Loan Commitment	5,082	-	-	-	-	-	45,736	50,818
22.	Letter of Credit/Guarantee	19,616	4,366	25,387	14,816	3,462	7,177	11,609	86,434
23.	Repo	-	-	-	-	-	-	-	-
24.	Payable under S.No.11	-	-	-	-	-	-	-	-
25.	Others	-	-	-	-	-	-	-	-
	<b>Total (B)</b>	<b>92,860</b>	<b>41,776</b>	<b>102,872</b>	<b>59,267</b>	<b>32,430</b>	<b>35,866</b>	<b>634,199</b>	<b>999,268</b>
	<b>Net Financial Assets (A-B)</b>	<b>205,374</b>	<b>7,910</b>	<b>19,749</b>	<b>30,504</b>	<b>4,216</b>	<b>2,752</b>	<b>(160,599)</b>	<b>109,906</b>
	<b>Cumulative Net Financial Assets</b>	<b>205,374</b>	<b>213,284</b>	<b>233,033</b>	<b>263,537</b>	<b>267,657</b>	<b>270,505</b>	<b>109,906</b>	<b>-</b>

## 15. Deferred Tax

The component of deferred tax assets as on Ashad 31, 2072 (July 16, 2015) is as follows:

Deferred Tax Asset	Current Year (Rs.)	Previous Year (Rs.)
On Employees' Gratuity	83,530,911	89,359,452
On Provision for Non Banking Assets	-	13,779,105
On Fixed Assets	(1,337,367)	3,430,516
<b>Total</b>	<b>82,193,544</b>	<b>106,569,073</b>



In accordance with Nepal Accounting Standard (NAS) – 09 Income Taxes, decrease in deferred tax assets amounting to Rs. 24,375,529 has been charged to Profit & Loss Account as deferred tax expenses. Deferred tax reserve up to previous year amounting to Rs. 106,569,073 is transferred to other reserve as required by NRB Directives.

*Explanation of the relationship between tax expenses and accounting profit*

<b>Particulars</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
Accounting Profit	2,247,495,214	2,216,425,220
Income tax at the applicable tax rate of 30%	674,248,564	664,927,566
Tax effect of expenses/income that are not deductible/included in determining Taxable Profit		
Donation	149,396	317,031
Others	–	67,043
Dividend Income	(1,255,189)	(1,087,537)
<b>Total</b>	<b>–</b>	<b>–</b>
Other changes in temporary difference	–	–
Total Tax Expenses for the Current Year (including deferred tax)	–	–
Tax Relating to Earlier Year	–	2,173,012
<b>Total Tax Expenses</b>	<b>673,142,771</b>	<b>666,397,115</b>

#### 16. Related Party Disclosure

Following are the related party as defined in Nepal Accounting Standard (NAS 16)

- Joint Venture Partner – Punjab National Bank (PNB)

Following depicts the transaction between the Bank and PNB and the status of balances as on Ashad 31, 2072 (July 16, 2015):

<b>Nature of Transaction</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
Technical Service Agreement Fees Paid	70.56	70.56
Cash Dividend (including Dividend Tax on Bonus Shares Issued)	1821.70	1,628.31
Bonus Shares Issued	433.38	321.40
<b>Balance as on Ashad 31, 2072 (July 16, 2015)</b>		
Deposit with PNB (NPR)	8,094.44	10,022.31
Technical Service Agreement Fees Payable	81.36	81.36

#### • Key Management Personnel

a. Mr. Bishnu Krishna Shrestha	Chairman
b. Mr. Ved Krishna Shrestha	Director
c. Mr. Arun Man Sherchan	Director
d. Dr. Bal Gopal Vidya	Director
e. Mr. Nabin Bhakta Shrestha	Director
f. Mr. Sunil Gopal Shrestha	Director
g. Dr. Ram S. Sangapure	Director
h. Mr. P.K. Mohapatra	Director
i. Mr. A.K. Ahluwalia	Chief Executive Officer

#### • Compensation to Key Management Personnel of the Bank

Short term employee benefits paid to seconded staff deputed from Punjab National Bank Chief Executive Officer (CEO) amounts to Rs. 8,073,737/- (Previous year Rs. 7,294,463/-).

In addition to the above, other benefits and amenities such as residence facilities, vehicle facility etc. has been provided as per the terms of Technical Service agreement with Punjab National Bank.

Fees for board meetings paid Rs. 838,000/- (Previous year Rs. 990,000/-) and fees for other board level committee meetings paid Rs. 970,000/- (Previous year Rs. 3,235,017/-).

#### 17. Borrowing by Bank against the collateral of own assets/properties

The bank has not offered any assets or properties for obtaining any borrowings including issue of debentures.

#### 18. Others

- a) During the year, the Bank has provided Rs. 172,240,604/- (Previous year Rs. 52,346,954/-) for gratuity as per the Bank's policy. The balance of provision for gratuity as on Ashadh 31, 2072 (July 16, 2015) is Rs. 278,436,369/- (Previous year Rs. 297,864,840/-). During the year Rs. 19,428,471/- (Previous year Rs. 10,820,034/-) has been paid during the year to retiring/outgoing staff and Rs 172,240,604 is deposited in approved EBL Retirement Fund.
- b) Share premium of Rs. 18,555,127 represents the balance amount of premium received on issue of shares as detailed as below:

<i>Particulars</i>	<i>Amount (Rs.)</i>
Premium on Issue of Ordinary Shares (on partial issue only)	6,427,200
Premium on Issue of 7% Cumulative Convertible Preference Shares	200,000,000
Amount used for issuig bonus share on F.Y. 2065/66 from Share Premium	191,646,300
Increase in Share Premium from fraction share on F.Y. 2068/69	3,774,227
<b>Total</b>	<b>18,555,127</b>

- c) Provision for Income Tax  
During the year, Rs. 648,767,242/- (Previous year Rs. 671,339,767/-) has been provided in the accounts for income tax. Income tax is calculated on the basis of taxable profit determined under self assessment in accordance with the provisions of Income Tax Act, 2058 and rules made there under. Any additional tax arises on final assessment of tax by the income tax authorities shall be accounted on cash basis.
- d) Contingent Liability on account of Income Tax  
Large tax payer office has reassessed the income tax for the year 2063-64, 2064-65, 2065-66 and 2066-67 demanding total additional tax of Rs. 23.91 crores (including fine, interest and TDS). The bank has disputed the said assessment and is under appeal with the Revenue Tribunal/ Supreme Court/ Settlement Commission.
- e) Capital Adjustment Reserve  
The balance of reserve on this account as on Ashadh 31, 2072 (July 16, 2015) is Rs. 807,147,000 (Previous year Rs. 507,147,000). A sum of Rs. 30.00 crores created for Redemption of Debenture and transferred to Statutory General Reserve in the F.Y. 2069/70 is transferred to this account during the year as per the NRB guidelines.
- f) Other Reserve  
During the year, Rs. Nil (Previous year Rs. Nil) has been appropriated from Profit & Loss Appropriation to Other Reserve. As per the NRB directives, deferred tax reserve up to previous year amounting to Rs.106,569,073 is transferred from deferred tax reserve. The balance of the reserve on this account as on Ashad 31, 2072 (July 16, 2015) is Rs. 107,794,881 (Previous year Rs. 1,225,808).
- g) Other Free Reserve  
The balance of the reserve on this account as on Ashad 31, 2072 (July 16, 2015) is Rs. 30,000,000 (Previous year Rs. 30,000,000).
- h) Investment Adjustment Reserve  
The total Investment in shares of Rs. 633.48 lacs has been treated as available for sale category. The bank has appropriated Rs. 34,442,400 (including Rs 37,500,000 for share not listed within one year of purchase) for investment adjustment reserve. The balance of the reserve on this account as on Ashad 31, 2072 (July 16, 2015) is Rs. 37,918,266 (Previous year Rs. 3,475,866).
- i) Capital Structure  
During the year, the paid up capital has increased by Rs. 216,148,686 on account of capitalization of bonus shares.

#### 19. Previous year's figure and rounding off

Previous year's figures have been regrouped/rearranged wherever necessary, to make the same comparable with the current year's figure. Figures in the Financial Statements are rounded off to the nearest rupee.

## Details of Loan & Advances taken by Promoter/Group of Promoter from Other Financial Institutions against Promoter Share

As on 31 Ashadh 2072 (16 July 2015)

Schedule 4.34

S.No.	Name of Promoter/ Group of Promoter	Share Owned by Promoters		Details of Loan and Advances			
		Total Shares	% Over Paid up Capital	Name of Financial Institution	Amount	No. of Shares as Collateral	Remarks

## Comparison of Unaudited and Audited Financial Statement

Financial Year 2071/072

Schedule 4.35  
Rs. in '000

S.No.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In Amount	%	
<b>1.</b>	<b>Total Capital and Liabilities (1.1 To 1.7)</b>	<b>100,033,860</b>	<b>100,033,860</b>	<b>-</b>	<b>-</b>	
1.1	Paid Up Capital*	2,137,388	2,742,604	605,216	28.32	Issue of Bonus Share
1.2	Reserve and Surplus	4,885,712	4,147,773	(737,939)	(15.10)	Issue of Bonus Share & Cash Dividend
1.3	Debenture and Bond	1,068,845	1,068,845	-	-	
1.4	Borrowings	-	-	-	-	
1.5	Deposits (A+B)	83,093,790	83,093,790	-	-	
	A. Domestic Currency	70,962,372	70,962,372	-	-	
	B. Foreign Currency	12,131,418	12,131,418	-	-	
1.6	Income Tax Liability	-	-	-	-	
1.7	Other Liabilities	8,848,125	8,980,848	132,723	1.50	Issue of Bonus Share & Cash Dividend
<b>2.</b>	<b>Total Assets (2.1 To 2.7)</b>	<b>100,033,860</b>	<b>100,033,860</b>	<b>-</b>	<b>-</b>	
2.1	Cash & Bank Balance	25,116,482	25,116,482	-	-	
2.2	Money at Call & Short Notice	-	-	-	-	
2.3	Investments	15,102,674	15,102,674	-	-	
2.4	Loans and Advances (Gross) (a+b+c+d+e+f)	55,363,519	55,363,519	-	-	
	a. Real Estate Loan	2,366,513	2,366,513	-	-	
	1. Residential Housing Loan (Except Personal Housing Loan upto 1 Crore)	1,442,740	1,442,740	-	-	
	2. Business Complex & Residential Apartment Con. Loan	702,702	702,702	-	-	
	3. Income Generating Commercial Complex Loan	186,299	186,299	-	-	
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	34,772	34,772	-	-	
	b. Personal Housing Loan upto Rs. 1 Crore	8,404,441	8,404,441	-	-	
	c. Margin Type Loan	582,156	582,156	-	-	
	d. Term Loan	11,195,915	11,195,915	-	-	
	e. Overdraft Loan/TR Loan/Working Capital Loan	24,241,120	24,241,120	-	-	
	f. Others	8,573,374	8,573,374	-	-	
2.5	Fixed Assets	630,397	630,397	-	-	
2.6	Non Banking Assets (Net of Provision)	-	-	-	-	
2.7	Other Assets	3,820,787	3,820,787	-	-	
<b>3.</b>	<b>Profit and Loss Account</b>					
3.1	Interest Income	4,996,428	4,996,428	-	-	
3.2	Interest Expense	2,116,993	2,116,993	-	-	
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>2,879,435</b>	<b>2,879,435</b>	<b>-</b>	<b>-</b>	
3.3	Fees, Commission and Discounts	303,619	303,619	-	-	
3.4	Other Operating Income	389,007	389,007	-	-	
3.5	Foreign Exchange Gain/Loss (Net)	87,273	87,273	-	-	
	<b>B. Total Operating Income (A+3.3+3.4+3.5)</b>	<b>3,659,335</b>	<b>3,659,335</b>	<b>-</b>	<b>-</b>	
3.6	Staff Expenses	687,510	687,510	-	-	
3.7	Other Operating Expenses	555,221	555,221	-	-	
	<b>C. Operating Profit Before Provision (B-3.6-3.7)</b>	<b>2,416,603</b>	<b>2,416,603</b>	<b>-</b>	<b>-</b>	
3.8	Provision for Possible Losses	163,963	163,963	-	-	
	<b>D. Operating Profit (C-3.8)</b>	<b>2,252,641</b>	<b>2,252,641</b>	<b>-</b>	<b>-</b>	
3.9	Non Operating Income/Expenses (Net)	12,484	12,484	-	-	
3.10	Write Back of Provision for Possible Loss	207,120	207,120	-	-	
	<b>E. Profit From Regular Activities (D+3.9+3.10)</b>	<b>2,472,245</b>	<b>2,472,245</b>	<b>-</b>	<b>-</b>	
3.11	Extra Ordinary Income/Expenses (Net)	-	-	-	-	
	<b>F. Profit Before Bonus and Taxes (E+3.11)</b>	<b>2,472,245</b>	<b>2,472,245</b>	<b>-</b>	<b>-</b>	
3.12	Provision for Staff Bonus	224,750	224,750	-	-	
3.13	Provision for Income Tax	673,143	673,143	-	-	
	<b>G. Net Profit/Loss (F - 3.12 - 3.13)</b>	<b>1,574,352</b>	<b>1,574,352</b>	<b>-</b>	<b>-</b>	

## Unaudited Financial Results (Provisional)

As at Fourth Quarter 31/03/2015 (16/07/2015) of the Fiscal Year 2011/12

Schedule 4(Ka)  
Rs. in '000

S.No.	Particulars	This Quarter 16.07.2015	Previous Quarter 13.04.2015	Corresponding Previous Year 16.07.2014 (Audited)
<b>1</b>	<b>Total Capital and Liabilities (1.1 To 1.7)</b>	<b>100,033,860</b>	<b>86,533,073</b>	<b>71,323,363</b>
1.1	Paid Up Capital*	2,137,388	2,137,388	2,137,388
1.2	Reserve and Surplus	4,885,712	4,513,643	3,319,760
1.3	Debenture and Bond	1,068,845	468,845	468,845
1.4	Borrowings	-	-	-
1.5	Deposits (A+B)	83,093,790	71,056,827	62,108,136
	A. Domestic Currency	70,962,372	63,319,957	56,337,892
	B. Foreign Currency	12,131,418	7,736,871	5,770,244
1.6	Income Tax Liability	-	(57,813)	-
1.7	Other Liabilities	8,848,125	8,414,183	3,289,235
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>100,033,860</b>	<b>86,533,073</b>	<b>71,323,363</b>
2.1	Cash & Bank Balance	25,116,482	15,767,938	13,172,782
2.2	Money at Call & Short Notice	-	-	-
2.3	Investments	15,102,674	11,793,997	6,504,186
2.4	Loans and Advances (Gross) (a+b+c+d+e+f)	55,363,519	56,494,785	48,450,305
	a. Real Estate Loan	2,366,513	2,268,481	2,600,588
	1. Residential Housing Loan (Except Personal Housing Loan upto Rs. 1 Crore)	1,442,740	1,353,405	1,074,239
	2. Business Complex & Residential Apartment Construction Loan	702,702	689,245	1,310,131
	3. Income Generating Commercial Complex Loan	186,299	192,327	202,873
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	34,772	33,504	13,345
	b. Personal Housing Loan upto Rs. 1 Crore	8,404,441	8,305,934	7,007,942
	c. Margin Type Loan	582,156	538,232	510,323
	d. Term Loan	11,195,915	10,581,359	9,123,575
	e. Overdraft Loan/Tr Loan/Working Capital Loan	24,241,120	26,529,583	21,485,259
	f. Others 8,573,374	8,271,196	7,722,618	-
2.5	Fixed Assets	630,397	690,341	626,994
2.6	Non Banking Assets (Net of Provision)	-	-	-
2.7	Other Assets	3,820,787	1,786,011	2,569,096
<b>3</b>	<b>Profit and Loss Account</b>			
3.1	Interest Income	4,996,428	3,590,519	5,177,552
3.2	Interest Expense	2,116,993	1,502,487	2,258,737
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>2,879,435</b>	<b>2,088,032</b>	<b>2,918,815</b>
3.3	Fees, Commission and Discounts	303,619	225,816	254,882
3.4	Other Operating Income	389,007	282,060	309,475
3.5	Foreign Exchange Gain/Loss (Net)	87,273	49,349	67,028
	<b>B. Total Operating Income (A+3.3+3.4+3.5)</b>	<b>3,659,335</b>	<b>2,645,256</b>	<b>3,550,200</b>
3.6	Staff Expenses	687,510	356,035	511,864
3.7	Other Operating Expenses	555,221	360,248	544,296
	<b>C. Operating Profit Before Provision (B-3.6-3.7)</b>	<b>2,416,603</b>	<b>1,928,972</b>	<b>2,494,039</b>
3.8	Provision for Possible Losses	163,963	84,529	155,974
	<b>D. Operating Profit (C-3.8)</b>	<b>2,252,641</b>	<b>1,844,443</b>	<b>2,338,066</b>
3.9	Non Operating Income/Expenses (Net)	12,484	6,224	9,934
3.10	Write Back of Provision for Possible Loss	207,120	25,435	89,726
	<b>E. Profit From Regular Activities (D+3.9+3.10)</b>	<b>2,472,245</b>	<b>1,876,103</b>	<b>2,437,725</b>
3.11	Extra Ordinary Income/Expenses (Net)	-	-	(20)
	<b>F. Profit Before Bonus and Taxes (E+3.11)</b>	<b>2,472,245</b>	<b>1,876,103</b>	<b>2,437,705</b>
3.12	Provision for Staff Bonus	224,750	170,555	221,610
3.13	Provision for Income Tax	673,143	511,664	666,397
	<b>G. Net Profit/Loss (F-3.12-3.13)</b>	<b>1,574,352</b>	<b>1,193,883</b>	<b>1,549,699</b>
<b>4</b>	<b>Ratios</b>			
4.1	Capital Fund to RWA	13.32%	12.04%	11.15%
4.2	Non Performing Loan (NPL) to Total Loan	0.66%	0.63%	0.97%
4.3	Total Loan Loss Provision to NPL	100%	100%	100%
4.4	Average Yield	8.02%	8.14%	9.25%
4.5	Cost of Deposit	3.26%	3.30%	3.56%
4.6	Average Interest Spread	4.76%	4.84%	5.69%
4.7	Base Rate 6.14%	6.09%	6.40%	-
4.8	Credit to Deposit Ratio (Calculated as per NRB Directives)	69.47%	79.17%	75.06%

\* Paid Up Capital includes Convertible Preference Shares of Rs. 12 crore.

## DISCLOSURE RELATING TO BASEL –II FRAMEWORK

### 1. Capital Structure and Capital Adequacy

#### • Tier 1 capital and a breakdown of its components : Rs. in '000

Core Capital (Tier 1)	6624423
a. Paid up Equity Share Capital	2017388
b. Proposed Bonus Equity Shares	605216
c. Irredeemable Non-cumulative Preference Shares	-
d. Share Premium	18555
e. Statutory General Reserves	1940602
f. Retained Earnings	1039259
g. Reserve for Deferred Tax	-
h. Unaudited Current Year Cumulative Profit	-
I. Debenture Redemption Reserve	140655
j. Capital Adjustment Reserve	807147
k. Dividend Equalization Reserves	-
l. Capital Redemption Reserve	-
m. Other Free Reserve	137795
n. Less: Goodwill	-
o. Less: Deferred Tax Assets	(82194)
p. Less: Shortfall in Provisions	-
q. Less: Loan to Parties Prohibited by Acts and Directives	-
r. Less: Investment in Equity in Licensed Financial Institutions	-
s. Less: Investment in Equity of Institutions with Vested Interests	-
t. Less: Investment in Equity of Institutions with Excess of Limits	-
u. Less: Investments Arising out of Underwriting Commitments	-
v. Less: Reciprocal Cross Holdings	-
w. Less: Other Deductions	-

#### • Tier 2 capital and a breakdown of its components

<b>Supplementary Capital (Tier 2)</b>	<b>1832600</b>
a. Cumulative and/or Redeemable Preference Share	120000
b. Subordinated Term Debt	1068845
c. Hybrid Capital Instruments	-
d. General Loan Loss Provision	563530
e. Investment Adjustment Reserve	37918
f. Assets Revaluation Reserve	-
g. Exchange Equalization Reserve	25843
h. Additional Loan Loss Provision	16465
i. Other Reserves	-

#### **Total Capital Fund (Tier I and II) 8457023**

- Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital funds.
- Deductions from capital : 82194 thousand
- Total qualifying capital : 8457023 thousand
- Capital adequacy ratio : 13.33%

#### • Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:

Bank assesses the adequacy of capital on a regular basis taking into consideration of the present total risk exposure and expected future increase in this respect. Bank is aiming to maintain a proper mix of different types of capital so that there would not be pressure on dividend policy as well as inadequacy of total capital funds against the risk exposure. In addition to annual capitalization of profit through issue of bonus shares, bank is setting aside certain amount towards "Capital Adjustment Reserve" for strengthening the total capital pool more strong. In the past, bank had issued convertible preference share of Rs. 20 crore at a premium of 100% convertible into ordinary share @ 20% on completion of each third year. Further, the bank has issued debenture of Rs. 46.88 Crores in F.Y. 2069/70 for the period of 10 years and bank has also issued debenture of Rs. 60.00 Crore in F.Y. 2071/72 for the period of 6 years.

- Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments:

As of 16th July 2015, Bank has the following capital structure:

Paid up ordinary capital	Rs. 262.26 crore (with proposed bonus share)
Convertible preference share	Rs. 12.00 crore (Rs. 8 Crore already converted into Ordinary Shares out of Rs. 20 Crores)

The salient features of each instrument are as under:

#### i) Convertible Preference Shares of Rs. 20 crore:

These shares were issued at 100% premium with the terms and condition of 7% fixed dividend on the face value on unconverted portion. These shares are convertible into ordinary shares @ 20% after completion every three year. Rs. 8 Crore has been already converted into ordinary share so far.

#### ii) EBL Debenture Rs. 46.88 crore :

These debentures were issued for 10 years with a fixed interest of 8% p.a. These debentures are redeemable after expiry of its' fixed period of ten years.

#### iii) EBL Debenture Rs. 60.00 crore: These debentures were issued for 6 years with a fixed interest of 8%. These debentures are redeemed after expiry of its' fixed period of six years.

### 2. Risk Exposures

- Risk weighted exposures for Credit Risk, Market Risk and Operational Risk.

The Risk Weighted exposure as of 16th July 2015 is given below:

Particulars	Amount (000)
1. Credit Risk	56381528
2. Market Risk	341993
3. Operational Risk	4787542
4. Adjustment under Pillar II	1940050
<b>TOTAL</b>	<b>63451114</b>

- Risk weighted exposures under each of 11 categories of Credit Risk:

Risk weighted exposure under each of 11 categories of Credit Risk as of 16th July 2015 is given as under:

Particulars	Amount (000)
1. Claims on other official entities	
2. Claims on banks	2929427
3. Claims on Domestic corporate & securities firms	23551061
4. Claims on regulatory retail portfolio	10573450
5. Claims secured by residential properties	4644935
6. Claims secured by commercial real estate	2514758
7. Past due claims	86940
8. High risk claims	5615561
9. Investment in Equity of Institutions	84567
10. Other assets	1859963
11. Off balance sheet items	4529866
<b>Total</b>	<b>56381528</b>



- Total risk weighted exposure calculation table:  
Enclosed as an Annexure:

Amount of NPAs (both Gross and Net)	Rs. in '000
Gross NPA	Rs. 367164
Net NPA	Rs. 66105
❖ Restructure/Reschedule Loan	-
❖ Substandard Loan	66626
❖ Doubtful Loan	32271
❖ Loss Loan	268268

- NPA Ratios
  - ❖ Gross NPA to Gross Advances : 0.66%
  - ❖ Provision to NPA : >100%

- Movement of Non Performing Assets:

Particulars	Amount	Provision
Opening balance	470404	381518
Addition during the year	177402	124024
Sold during the year	(280642)	(204483)
<b>Balance as at 16 July 2015</b>	<b>367164</b>	<b>301059</b>

- Write off of Loans and Interest Suspense:  
Following Loans and Interest Suspenses have been written off during the year 2013/14:

Particulars	Facility Type	Out-standing	Interest w/o from suspense
Amiko Village Resort Pvt. Ltd.	Vehicle Loan	-	25.00
S.S. Shyam Suppliers	Flexi Overdraft Loan	-	271.21
Sapana Automobiles	Overdraft Loan	-	405.41
Janakpur Cigarette Factory (Staff Loan)	Consumable Loan	-	19332.12
Laxmi Mulmi	Flexi Term Loan	-	681.90
Lal Bahadur Shahi	Flexi Term Loan	-	675.91
<b>Total</b>		<b>-</b>	<b>21391.55</b>

- Movements in Loan Loss Provisions and Interest Suspense:

Particulars	Loan Loss Provision	Interest Suspense
Opening balance	878280	130822
Write back /off in the year	(161189)	(99974)
Addition in the year	163963	87708
<b>Balance as at 16 July 2015</b>	<b>881054</b>	<b>118556</b>

- Details of additional Loan Loss Provisions

Particulars	Amount (000)
1. Substandard	-
2. Doubtful	-
4. Loan against PG	-
6. Deprived Sector Loan	-
7. Retail Lending	16464
<b>Total</b>	<b>16464</b>

- Segregation of Investment Portfolio

Investment Category	Amount (000)
1. Held from Trading	-
2. Held to Maturity	15039325
3. Available for Sale	63349

### 3. Risk Management Function

- For each separate risk area (Credit, Market and Operational risk), bank must describe their risk management objectives and policies, including:
  - v Strategies and processes;
  - v The structure and organization of the relevant risk management function;
  - v The scope and nature of risk reporting and/or measurement systems; and
  - v Policies for hedging and/or mitigating risk and strategies, and processes for monitoring the continuing effectiveness of hedges/mitigants.

#### A. Credit Risk:

##### Strategies and Process:

**Strategies:** Main focus is given on medium sized entity. Maximum percentage of sectoral exposure in terms of capital funds for a particular financial year is fixed at the beginning of a financial year and approved by the Board. Loaning power to concerned official at branch as well as Head Office have been fixed. The loaning power at branch level has been fixed comparatively at lower level with a view to have strong appraisal system at corporate level. Manuals relating to credit is in place. Every aspect relating to credit such as procedure, documentation etc are clearly defined. Credit Policy of the Bank has also been put in place.

##### Process:

**Pre sanction:** Each credit limit is approved after due scrutiny by two layer of authority in branch level of their limit. Loans are approved after due scrutiny of background of the promoter, nature of business, turnover in the account, cash flows, debt/equity ratio, income or profit, value of primary and collateral security. Loans above branch power are recommended to Head Office for consideration on merit. Risk rating mechanism is in place for certain credits and beyond certain amount.

##### Post sanction monitor/follow up:

Concerned branch obtains regular returns from the borrower as stipulated in the sanctioned letter on regular interval. Drawing power in case of revolving type of loan is calculated to keep the exposure within its allowable DP. Business place of the borrower is visited, physical stock is also checked at regular interval checked on a time bound basis. In case there is symptom of any slippage in a particular account, steps are taken for regularizing or repayment or exit. Loans more than Rs. 1 Lac which are either irregular or likely to be irregular are reported to Board on regular basis and discussed about the course of action. Credit related returns such as Credit Officer's Report, Review Sheet etc. are submitted to H.O. in a specified time interval on regular basis.

## **B. Market Risk:**

### **a) Investments:**

Presently bank has made no investment for trading purposes. All instruments either government securities or bonds issued by government are intended to hold upto maturity. Instruments issued by semi-government body corporate have been purchased at face value. Premium paid on purchase of government bonds are amortized out of profit on prorata basis in each year.

### **b) Foreign exchange:**

The Bank's policy is to maintain the net open position of convertible foreign currency where exchange rate risk persist in matching position. 25% of total revaluation profit if any in a financial year are transferred to a separate reserve for building a cushion.

## **C. Operational Risk:**

1. *Risk arising from break down of information & Operating system:* All banking transactions are done through highly sophisticated software. All related data are processed centrally. To safe guard the probable losses resulting from system failure or natural disaster, bank has taken following policies to minimize the risk:

- i) Back up – Daily back up of all balances are taken at the end of day. Auto back up while the system is running are also taken at certain time interval to safe guard the normal system failure.
- ii) Disaster Recovery Site (DRS) – To safe guard the natural disaster, DRS site is being maintained outside valley, which is considered to be less seismic zone.
- iii) Validation of entry & password control- Each entry in the system is revalidated by another staff having the

power to do so before final posting. Level wise access authority is given for data entry, update, modification and validation process. Password control is maintained at each level of operation very strictly and confidentially.

iv) Generation of exceptional Report :

Exceptional report at the end of day is generated through system and examined.

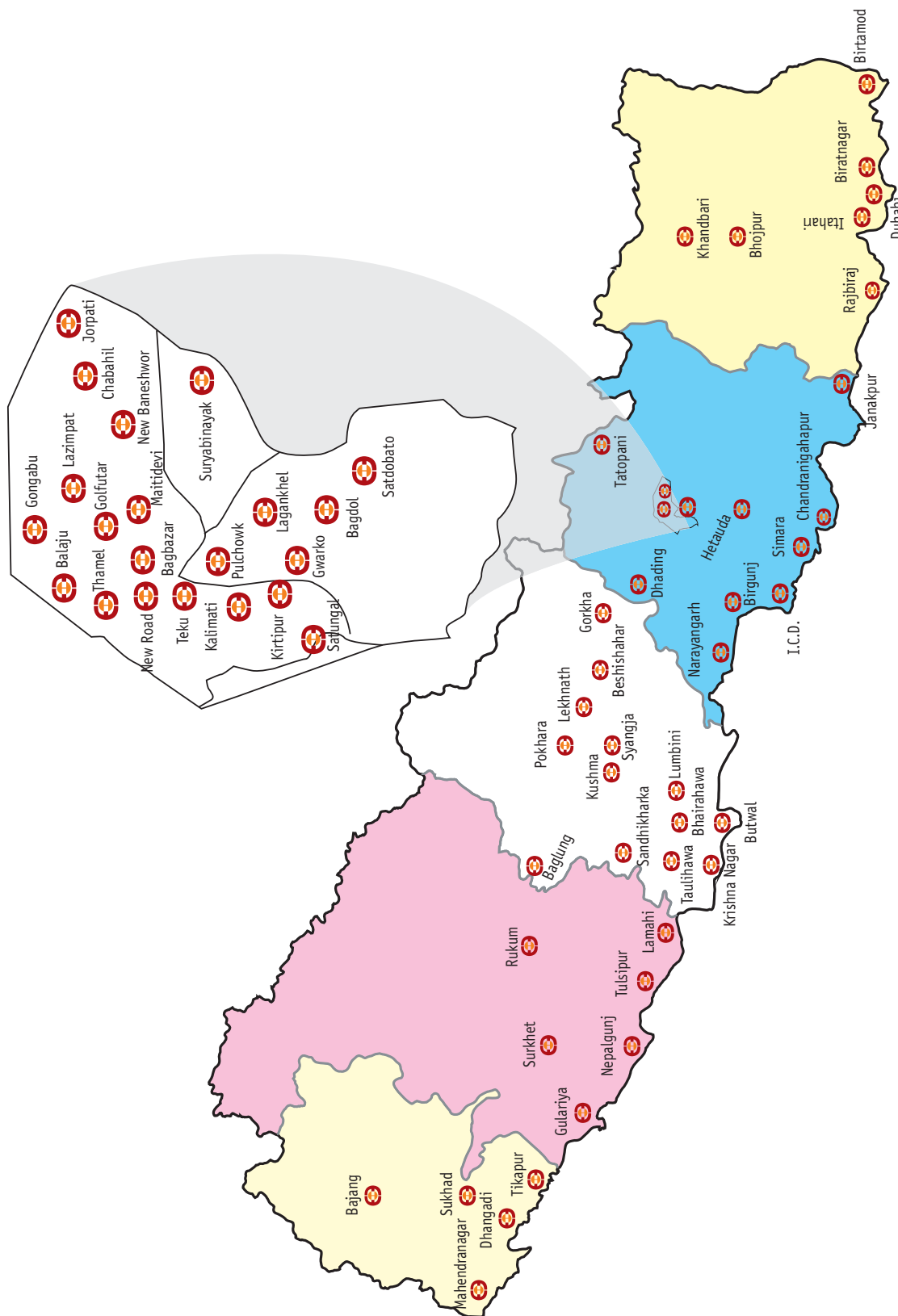
v) Morning checking : Each and every vouchers are physically verified with the ledger posted at the start of next day.

2. *Risk Arising from Procedural Lapses and Internal Control:*

Operating manual describing every procedure related to banking function is in place. In addition to this, internal circulars are issued as and when required. Regular returns are submitted by every branch on regular interval to H.O. Internal audit of each and every branch including Head Office is carried out every year. The internal audit department conducts off site as well as on site inspection. Monthly manager's certificate in respect of compliance of set systems & procedures are obtained from each branch.

3. *Corporate Good Governance:* Guidelines issued by the central bank, (Nepal Rastra Bank) are observed and complied with.

- Types of eligible credit risk mitigants used and the benefits availed under CRM. – Margin money deposited with the bank against off balance sheet exposures-Lc, Gtee and Loan against Fixed Deposit Receipt & Govt. Bond etc. have been claimed as CRM. Under this, Rs. 1757224 thousand have been deducted from risk as CRM.



Legal form of the Company : Limited Company  
Domicile : Nepal  
Registered Office : Lazimpat, P.O.Box 13384, Kathmandu, Nepal  
Listing of Shares : Nepal Stock Exchange Limited, Nepal

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**Purna Bahadur Shrestha**

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**Ranjan Khadka**

Marketing



**Bijay K. Gautam**

IT Department



**Kumar Joshi**

Human Resource



**Dharma P. Gauli**

Legal



**Anil K. Karki**

Remittance



**Rajan Kayastha**

Accounts



**Dev Ranjan Dangal**

Planning & Development



**Yadav Bhandari**

Treasury



**Mahesh Bajracharya**

General Administration



**Nar Bdr. Rawal**

Compliance



**Suresh Chapagain**

Share

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# Glimpses of 20<sup>th</sup> Annual General Meeting







# Everest Bank Branches Network



## Kathmandu Valley:

☎ New Baneshwor ☎ New Road ☎ Lazimpat ☎ Bagbazar ☎ Teku ☎ Satungal  
☎ Golfutar ☎ Chabahil ☎ Balaju ☎ Thamel ☎ Kalimati ☎ Maitidevi  
☎ Kirtipur ☎ Gongabu ☎ Jorpati  
☎ Pulchowk ☎ Gwarko ☎ Lagankhel ☎ Bagdole ☎ Satdobato  
☎ Suryabinayak (Bhaktapur)

## Eastern:

☎ Birtamod ☎ Biratnagar ☎ Itahari ☎ Duhabi ☎ Rajbiraj  
☎ Bhojpur ☎ Khandbari

## Central Region:

☎ Janakpur ☎ Birgunj ☎ Narayangarh ☎ Simara ☎ I.C.D. ☎ Chandranigahpur  
☎ Tatopani ☎ Dhading ☎ Hetauda

## Western:

☎ Butwal ☎ Bhairahawa ☎ Lumbini ☎ Taulihawa ☎ Krishnanagar  
☎ Gorkha ☎ Beshisahar ☎ Lekhnath ☎ Pokhara ☎ Kushma  
☎ Sandhikarka ☎ Syangja ☎ Baglung

## Mid-Western:

☎ Tulsipur ☎ Nepalgunj ☎ Gulariya ☎ Lamahi  
☎ Surkhet ☎ Rukum

## Far-Western:

☎ Dhangadhi ☎ Tikapur ☎ Sukkhad ☎ Mahendranagar ☎ Bajhang

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