

# REPORT OF THE BOARD OF DIRECTORS FOR THE FOURTEENTH ANNUAL GENERAL MEETING OF NEPAL SBI BANK LTD.

*Dear Shareholders,*

I welcome you all at the Fourteenth Annual General Meeting of Nepal SBI Bank Ltd. On behalf of the Board of Directors, I have the privilege of presenting before you their report together with the Balance Sheet and Statement of Profit and Loss Account for the year ended 32<sup>nd</sup> Ashadh 2064 (16<sup>th</sup> July 2007). The report is in conformity with the provisions of the Company Act, Banks and Financial Institutions Act and Nepal Rastra Bank regulations.

## **Economic & Banking Environment**

As per preliminary estimates of Central Bureau of Statistics (CBS), the Gross Domestic Product (GDP) is estimated to have grown by 2.3% in the FY 2063/64 compared to 3.1% in the previous year at 2057/58 prices. GDP growth in the Agricultural sector slowed down from 1.1% in the fiscal year 2062/63 to 0.7% in 2063/64. The structural weaknesses in the agricultural sector and disruptions in the non agricultural sector appear to have constrained the economic activity.

In the year 2063/64, Government could not meet its capital expenditure targets due to unfavourable political situation. However, the redeeming feature was the tourist arrivals going up by 35.6% during the year 2063/64.

The foreign trade depicted an insignificant growth. Total exports in rupee terms grew by a meager 0.9% only in 2063/64 as against 2.6% in the previous year. Exports to India grew by 2.8% against 4.6% in the previous year and exports to other countries registered a negative growth rate.

Total imports in rupee terms also registered a lower growth rate of 10.3% in 2063/64 compared to 16.3% in the previous year. Imports from India grew by 9.9% only in 2063/64 compared to 20.8% in 2062/63 and imports from other countries went up by 11% in FY 2063/64 compared to 9.6% in the previous year. The current account and Balance of Payment position deteriorated.

The gross foreign exchange reserves as at the end of the fiscal year 2063/64 stood at US\$ 2.546 billion mainly contributed by the worker's remittances. The reserves will be sufficient to finance merchandise imports of the country for 10.3 months.

The average annual consumer inflation rate moderated to 6.4% in 2063/64 compared to 8% in 2062/63 mainly on account of appreciation of Nepali Rupee against US Dollar, which led to a decline in the prices of imported goods.

The monthly weighted average of 91 days' treasury bills declined sharply from a maximum of 3.69% in the year 2062/63 to 2.99% in the year 2063/64. Similarly, the inter-bank call money rate came down from a maximum of 3.87% to 3.35% in the same period.



## Impact of National & International Events on the Banking Business

During 2063/64, due to unfavourable circumstances, the industrial growth was adversely impacted. The investment climate remained unfavourable.

Despite economic slow down in the country, a number of new Banks and other financial institutions were granted licences to start their operations. This resulted in a fierce competition among Banks to entice good quality customers by offering fine pricing, low service charges and a host of other concessions. Banks innovated ways to offer low priced loan products to good quality customers whereas interest rates on deposits continued to hover below the rate of inflation. With the trend of each Bank trying to outsmart the other to capture the available business by fine pricing and the economic outlook continuing to be bleak, the pressure on spreads, margins and profitability of the Banks increased.

## Performance Highlights

The major performance indicators of the Bank for the FY 2063/64 are summarized as under:

( In NRs. '000)

| Particulars                                    | FY 2062/63  | FY 2063/64  | %Growth   |
|--|-------------|-------------|-----------|
| Paid-up Capital                                | 64,02,36    | 64,77,98    | 1.18%     |
| Reserves                                       | 34,21,37    | 51,54,92    | 50.67%    |
| Deposits                                       | 11,00,20,41 | 11,44,52,86 | 4.03%     |
| Gross Loans & Advances                         | 824,14,56   | 10,06,50,52 | 22.13%    |
| Investment                                     | 375,89,75   | 265,94,53   | (-)29.25% |
| Loans to Priority Sector                       | 74,44,42    | 64,80,36    | (-)12.95% |
| Loans to Deprived Sector                       | 23,56,64    | 28,06,80    | 19.10%    |
| Interest Income                                | 70,87,18    | 83,11,17    | 17.27%    |
| Interest Expenses                              | 33,47,70    | 41,22,62    | 23.15%    |
| Operating Profit after Providing for Loan Loss | 16,84,88    | 30,07,90    | 78.52%    |
| Profit after Tax                               | 11,70,02    | 25,49,09    | 117.87%   |

Bank's advances registered a significant growth of 22.13% during the year to cross Rs. 10 billion. Due to disturbed industrial activity, the Bank focused primarily on short term working capital loans and retail advances. A conscious decision was taken to reduce the share of high cost deposits. The funds required for growth in advances were largely met by offloading treasury bills on which the yield was less than the interest rate that Bank had to pay on fixed deposits. Bank's exposure to the priority and deprived sectors were in line with the benchmarks laid down by the Nepal Rastra Bank in this regard.

Interest Income of the Bank went up by 17.27% from Rs. 708 million to Rs. 831 million. Bank focused on mobilizing low cost and interest free deposits during the year. Consequently, the share of current and savings deposits in the year increased to 43.47% in 2063/64 from 41.94% in 2062/63.

By following up with the Tax Settlement Commission, we have been able to settle Bank's corporate tax assessment upto FY 2061/2062

## Capital Adequacy

Bank's total capital fund and core capital amounted to 13.29% of the risk weighted assets and 10.53% respectively as against the prescription of 11% and 5.5% by Nepal Rastra Bank.

## Appropriation of Profit & Loss

Despite low economic growth and difficult situation for most part of the year, your Bank has earned a Net Profit of Rs. 255 million after providing for staff bonus and income tax liabilities. This has been appropriated as under :

- (i) Rs. 50.98 million i.e. 20% of the net profit transferred to General Reserve fund.
- (ii) Rs. 0.53 million transferred to Exchange Fluctuation Reserve
- (iii) Rs. 28.57 million transferred to Debenture Redemption Reserve.
- (iv) A proposed dividend of 12.59% to the shareholders amounting to Rs. 81.55 million, out of which 10% will be cash dividend and 2.59% will be for paying the income tax due from the shareholders on Bonus Shares to be issued.
- (v) Rs. 60.00 million transferred to Capital Adjustment Fund.
- (vi) Rs. 226.73 million towards 35% bonus shares to be issued out of the capital adjustment fund accumulated till 2062/63 and partly out of this year's net profit.
- (vii) Rs. 0.67 million retained in the business as accumulated profit.

## Bank's Activities & Future Plans

### i. Branch Expansion

After the last Annual General Meeting, Bank has opened two branches at Narayangarh and Nepalgunj. By opening a branch at Nepalgunj, Bank has established its presence in the western part of the country. We have plans to open branches at Walling (Syangja District), Baglung (Baglung District) and Patan (Lalitpur District).

### ii. Technology Up-gradation and Automation

As you are aware, Bank had networked its branches and shifted to Core Banking Platform in July 2006. During the year 2063/64, the problems relating to connectivity and software were smoothed to ensure uninterrupted and quality customer services to our customers.

In order to leverage the strength of our data center in India with SBI, we are now linked to the Swift Operating Centre (SOC) of SBI at Mumbai. Our customers are now able to remit money instantly to India in case the beneficiary maintains an account with any of the 7,800 SBI branches on the Core Banking Platform.

### iii. Introduction of New Services

Bank started issuing VISA debit cards during the year and has also linked its ATMs with about 8000 ATMs of SBI in India. This would immensely help our customers visiting India for higher studies, medical treatment, pilgrimage etc. In addition to 8000 ATMs, our customers can make payments for



their purchases in around 2000 merchant establishments in Nepal and 2,64,000 merchant establishments in India. Three more ATMs were installed during the year at Pokhara, Nepalgunj and Bhairahawa (Sunauli) border.

With a view to enabling the millions of Nepalese settled in India to remit funds to their dependents in Nepal, we had launched, in concert with SBI and a popular money transfer company in Nepal, a new product called “SBI-Nepal Express Remit”. The product provides a safe, quick and affordable option for remittance of funds from India to Nepal and the beneficiaries in Nepal can get instant cash through more than 280 payment outlets of the Money Transfer Company located across the remote areas of Nepal.

With a view to tapping the potential and diversifying the risks, focus would continue on retail lendings and new products such as “Realty Loan Scheme” would be launched.

iv. International Banking Relationships

Arrangements were finalized during the year with a few more international money transfer companies in the Gulf and Malaysia to further augment foreign inward remittances.

v. Human Resources & Industrial Relations

We have always believed that our human resources are our most valuable assets. With the arrival of a number of new Banks in the market targeting the experienced staff of other Banks by offering them higher salaries, the need to retain experienced and meritorious staff has become increasingly pronounced. Accordingly, Bank revised upwards, salary and allowances of all categories of its staff keeping in view the industry trend and the cost of living.

As a part of our conscious efforts to upgrade the skills of our staff in different functional areas, such as credit management, forex, marketing and risk management etc., a number of staff/officers were deputed for the trainings organized by Nepal Rastra Bank and other institutions including State Bank Academy, “Gurukul”, Gurgaon.

Industrial relations remained harmonious and cordial in the Bank, which is reflected by increased staff productivity and growth of business. The profit per employee went up from Rs. 6.69 lac in 2062/63 to Rs. 13.49 lac in 2063/64.

vi. Internal Control Systems

Adequate internal control systems have been put in place by the Bank in the different areas of Bank’s operations. There is a separate Internal Audit Department in the Bank headed by Internal Auditor, who directly reports to the Audit Committee and is also responsible for monitoring compliance of various NRB directives.

vii. Corporate Governance

I am pleased to inform that your Bank is fully complying with the Nepal Rastra Bank’s guidelines on maintaining good corporate governance in the Bank. All the members of the Board as well as the employees of the Bank are in full compliance of the code of ethics prescribed by NRB. The Audit

Committee of the Bank under chairmanship of a non-executive director reviews the financial position of the Bank, adequacy of its internal control systems and issue appropriate guidelines to the Bank based on the feedback received from the internal audit reports.

viii. Appointment of Statutory Auditors

M/s CSC & Co., Chartered Accountants conducted audit of the Bank for the FY 2063/64 and they are eligible for reappointment for the FY 2064/65. Based on the recommendations of the Bank's Audit Committee, the Bank's Board has proposed the reappointment of M/s CSC & Co. as Auditors to audit accounts of the Bank for the FY 2064/65 (2007-08).

## Progress in the Current Year

In the first five months of the current year, Bank continues to march on the growth path and has registered a growth of Rs. 112.25 crore (annualized growth rate of 27%) in advances. The deposits level have grown by Rs. 170.43 crore (annual growth rate of 36%). The profit before bonus and taxes during the first quarter of the FY 2064/65 has recorded a growth rate of 60.90% compared to the achievement during the corresponding period last year.

As a part of our preparedness for implementing the Basel II framework from 2064/65 as per guidelines of Nepal Rastra Bank, the Bank is gearing up its MIS and reporting mechanism. Bank's capital as per Basel II was quite comfortable as at the end of Ashwin 2064 as per the parallel run made by the Bank during the current year.

## Factors Affecting Bank's Business

- i. Recent political developments in the country leading to delay in holding Constituent Assembly Elections have continued the air of uncertainty thereby adversely affecting the business and investment sentiment which continues to be low.
- ii. Repeated unrest and bandhs in the southern and eastern part of Nepal which are the industrial belts and the entry / transit points for imports and exports may pose problems in the recovery and income realization.
- iii. Entry of new Banks on the one hand and two Public Sector Banks with negative worth being permitted to increase their lendings at low interest rates shall put further pressure on the spreads of the Banks.
- iv. Dilution in lending norms by some of the new players making the easy availability of the credit may impact the quality of lendings.

## Changes in the Board of Directors

After the retirement of Mr. A. Ramesh Kumar from the services of State Bank of India, Mr. T.C.A. Ranganathan, Chief General Manager (Foreign Offices), International Banking Group, SBI, has been nominated by SBI to the Bank's Board. On behalf of the Board of Directors, I would like to place on record our appreciation for the contribution made by Mr. A. Ramesh Kumar in guiding the affairs of the Bank during his tenure and welcome Mr. T.C.A. Ranganathan as a new member to the Board.



## Other information

The other information required to be incorporated in the Director's report as per provisions of Section 109(4) of the Companies Act is embodied in the Annexure to the Director' report.

## Acknowledgement

On behalf of the Board of Directors and on my own behalf, I take this opportunity to thank all our shareholders for their support to the Bank. I would like to extend my sincere gratitude to all our valued customers for their continued cooperation and patronage to the Bank. I reassure them of our sincere commitment to extend best of our services in future as well. On behalf of the Board of Directors, I would like to express our gratitude to the Government of Nepal, Nepal Rastra Bank and other government and regulatory authorities for their guidance and co-operation.

Finally, I would also like to thank the Management and staff members for their dedicated services.

Thank you.

For and on behalf of the Board of Directors

Kathmandu

Date : 22<sup>nd</sup> February 2008

**B. K. Shrestha**  
Chairman

# चौधौँ वार्षिक साधारण सभाका लागि नेपाल एसबिआई बैंक लि. को संचालकसमितिको प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

नेपाल एसबिआई बैंक लि. को चौधौँ वार्षिक साधारण सभामा यहाँहरू सबैलाई हार्दिक स्वागत गर्दछु । बैंकको संचालकसमितिका तर्फबाट संचालकसमितिको प्रतिवेदनका साथै आ.व. २०६३/६४ को वार्षिक आर्थिक प्रतिवेदन यहाँहरू समक्ष प्रस्तुत गर्न पाउँदा मलाई खुशी लागेको छ । प्रस्तुत प्रतिवेदन कम्पनी ऐन, २०६३, बैंक तथा वित्तीय संस्थासम्बन्धी ऐन, २०६३ तथा नेपाल राष्ट्र बैंकको निर्देशिकाका प्रावधान अनुरूप रहेको निवेदन गर्दछु ।

## आर्थिक तथा बैकिङ्ग वातावरण:

आ.व. २०५७/५८ को मूल्यालाई आधार मानी केन्द्रीय तथ्याङ्क विभागले गरेको प्रारम्भिक अनुमानबमोजिम अघिल्लो आ.व. को कुल गार्हस्थ्य उत्पादन वृद्धिदर ३.१ प्रतिशतको तुलनामा आ.व. २०६३/६४ मा २.३ प्रतिशतले बढेको अनुमान गरिएको छ । कृषि क्षेत्रको कुल गार्हस्थ्य उत्पादन वृद्धिदर आ.व. २०६२/६३ मा १.१ प्रतिशत रहेकोमा आ.व. २०६३/६४ मा आएर यस क्षेत्रको कुल गार्हस्थ्य उत्पादन वृद्धिदर ०.७ प्रतिशतमा भर्न पुगेको छ । कृषि क्षेत्रका संरचनागत कमीकमजोरीहरू एवं गैरकृषि क्षेत्रका अवरोधहरू आर्थिक क्रियाकलापमा बाधक देखिए ।

प्रतिकूल राजनीतिक परिस्थितिका कारण सरकारले आ.व. २०६३/६४ मा आफ्नो पूँजीगत खर्च लक्ष्य हासिल गर्न सकेन । तर पर्यटकहरूको आगमनमा भने आ.व. २०६३/६४ मा उल्लेखनीय रूपमा ३५.६ प्रतिशतले बढोत्तरी देखियो ।

वैदेशिक व्यापारतर्फ नगण्य मात्रामा वृद्धि देखियो । अघिल्लो आ.व. को कुल निर्यात (नेपाली रुपैयाँमा) २.६ प्रतिशत को तुलनामा आ.व. २०६३/६४ मा उक्त वृद्धिदर ०.९ प्रतिशत मात्र रहेको पाइयो । अघिल्लो आ.व. को भारततर्फको निर्यात वृद्धिदर ४.६ प्रतिशतको तुलनामा यस आ.व. मा २.८ प्रतिशतमा सीमित रह्यो भने अन्य मुलुकहरूतर्फको निर्यात वृद्धिदर ऋणात्मक रह्यो ।

कुल आयाततर्फको वृद्धिदर (नेपाली रुपैयाँमा) आ.व. २०६२/६३ मा १६.३ प्रतिशत रहेकोमा आ.व. २०६३/६४ मा १०.३ प्रतिशतमा भर्न पुगी घट्दो क्रममा रह्यो । भारतबाट हुने आयाततर्फको वृद्धिदर आ.व. २०६२/६३ मा २०.८ प्रतिशत रहेकोमा आ.व. २०६३/६४ मा केवल ९.९ प्रतिशत मात्र रह्यो । त्यसै गरी अघिल्लो आ.व. को तुलनामा अन्य मुलुकहरूसँगको आयात वृद्धिदर ९.६ प्रतिशतबाट बढ्न गई आ.व. २०६३/६४ मा ११ प्रतिशत पुग्यो । चालु खाता एवं शोधनान्तरको अवस्था खस्कँदो रह्यो ।

मूलतः वैदेशिक रोजगारीमा गएका कामदारहरूले भित्र्याएको रेमिटेन्सका कारण आ.व. २०६३/६४ को अन्त्यसम्ममा विदेशी मुद्रासंचिति अमेरिकी डलर २ अर्ब ५४ करोड ६० लाख पुग्यो । उक्त विदेशी मुद्रासंचितिले मुलुकको १०.३ महिनासम्मको आयातलाई धान्ने भएको छ । आ.व. २०६२/६३ मा औसत वार्षिक उपभोक्ता मुद्रास्फीतिदर ८ प्रतिशत रहेकोमा आ.व. २०६३/६४ मा उक्त स्फीति दरमा कमी आई ६.४ प्रतिशतमा भन्यो । खासगरी अमेरिकी डलरको तुलनामा नेपाली मुद्राको अधिमूल्यन भएको र आयातित सरसामानहरूको मूल्य घट्न गएका कारण मुद्रास्फीतिदर घट्न गएको देखिन्छ ।

आ.व. २०६२/६३ मा ९१ दिने ट्रेजरी बिल्सको मासिक औसत दर अधिकतम ३.६९ प्रतिशत रहेकोमा आ.व. २०६३/६४ मा यसमा भारी गिरावट आई २.९९ प्रतिशतमा भन्यो । त्यसैगरी सोही अवधिमा अन्तर बैंक निक्षेप (कल मनी) दर अधिकतम ३.८७ प्रतिशतबाट ३.३५ प्रतिशतमा भन्यो ।

## राष्ट्रिय एवं अन्तर्राष्ट्रिय गतिविधिबाट बैकिङ्ग व्यवसायलाई परेको असर:

बिग्रँदो परिस्थितिका कारण आ.व. २०६३/६४ मा औद्योगिक विकासमा प्रतिकूल प्रभाव पर्न गयो र लगानी वातावरण प्रतिकूल रह्यो ।

देशमा आर्थिक मन्दी हुँदाहुँदै पनि उल्लेखनीय संख्यामा नयाँ बैंकहरू तथा अन्य वित्तीय संस्थाहरूले करोबार संचालनका लागि इजाजतपत्र प्राप्त गरे । यसले स्तरीय ग्राहकहरूलाई आफूतर्फ आकर्षित गर्नका लागि उत्कृष्ट दररेट, न्यून सेवा शुल्क जस्ता सहूलियतपूर्ण आकर्षक सुविधाहरू दिन बैंकहरूबीच अस्वस्थ प्रतिस्पर्धा निम्त्यायो । बैंकहरूले राम्रो गुणस्तरका ग्राहकहरूलाई न्यून ब्याजदरमा कसरी कर्जा दिन सकिन्छ भन्ने होडबाजीमा नयाँ कर्जा योजनाहरू प्रचलनमा ल्याउने उपाय अवलम्बन गर्न थाले भने निक्षेपतर्फको ब्याज लगातार रूपमा मुद्रास्फीतिदर भन्दा पनि तल रह्यो । ग्राहकहरूका लागि एक बैंकले अर्को बैंकको भन्दा राम्रो दर रेट दिएर प्राप्य व्यवसाय हडप्ने होडबाजी र आर्थिक परिदृश्य कमजोर हुने क्रम जारी रहेका कारण बैंकको ब्याज अन्तर (स्प्रेड), मार्जिन तथा मुनाफामाथि चाप बढ्न गयो ।

## कार्यप्रगतिको भलकः

आ.व. २०६३/६४ मा बैकले हासिल गरेका कार्यप्रगतीका प्रमुख सुचकाङ्कहरु तल उल्लेख गरिएको छः

(रु हजारमा)

| विवरण                                      | आ.व. २०६२/६३ | आ.व. २०६३/६४ | % वृद्धि   |
|--|--------------|--------------|------------|
| चुक्ता पूँजी                               | ६४,०२,३६     | ६४,७७,९८     | १.१८%      |
| जगेडा                                      | ३४,२१,३७     | ५१,५४,९२     | ५०.६७%     |
| निक्षेप                                    | ११,००,२०,४१  | ११,४४,५२,८६  | ४.०३%      |
| कुल कर्जा सापटी                            | ८२४,१४,५६    | १०,०६,५०,५२  | २२.१३%     |
| लगानी                                      | ३७५,८९,७५    | २६५,९४,५३    | (-) २९.२५% |
| प्राथमिक क्षेत्र कर्जा                     | ७४,४४,४२     | ६४,८०,३६     | (-) १२.९५% |
| विपन्नवर्ग कर्जा                           | २३,५६,६४     | २८,०६,८०     | १९.१०%     |
| ब्याज आम्दानी                              | ७०,८७,१८     | ८३,११,१७     | १७.२७%     |
| ब्याज खर्च                                 | ३३,४७,७०     | ४१,२२,६२     | २३.१५%     |
| कर्जा नोक्सानी व्यवस्थापछिको संचालन मुनाफा | १६,८४,८८     | ३०,०७,९०     | ७८.५२%     |
| कर पछिको मुनाफा                            | ११,७०,०२     | २५,४९,०९     | ११७.८७%    |

बैकले समीक्षा वर्षमा कर्जा लगानीमा २२.१३ प्रतिशतको उल्लेख्य वृद्धि हासिल गरी आफ्नो कर्जा लगानी १० अर्ब नघाउन सफल भयो । अवरोधपूर्ण औद्योगिक क्रियाकलापका कारण खासगरी अल्पकालिक चालु पूँजी कर्जा तथा उपभोक्तामुखी कर्जा लगानीमा बैकको ध्यान केन्द्रित गरियो । उच्च ब्याजदरयुक्त निक्षेप खाताहरूको हिस्सा कटौती गर्ने रणनीति अख्तियार गरियो । मूलतः मुद्दती निक्षेपमा भुक्तानी गर्नुपर्ने ब्याज भन्दा कम ब्याज आम्दानी दिने किसिमका ट्रेजरी बिलमा रहेको लगानी कटौती गरी कर्जा लगानीका लागि आवश्यक कोष जुटाइयो । प्राथमिक क्षेत्र तथा विपन्न वर्ग कर्जाका सम्बन्धमा बैकको लगानी नेपाल राष्ट्र बैकले निर्धारण गरेको परिधिअनुरूप नै रह्यो ।

बैकको ब्याज आम्दानी रु ७० करोड ८७ लाखबाट १७.२७ प्रतिशतले बढ्न गई रु ८३ करोड ११ लाख पुग्यो । समीक्षा वर्षमा न्यूनतम ब्याज तिर्नुपर्ने तथा ब्याज तिर्नुपर्ने किसिमका निक्षेप परिचालन गर्नेतर्फ बैकको ध्यान केन्द्रित रह्यो । परिणामतः आ.व. २०६२/६३ मा चल्ती तथा बचत निक्षेपको हिस्सा ४१.९४ प्रतिशत रहेकोमा आ.व. २०६३/६४ मा ४३.४७ प्रतिशत पुग्यो ।

कर फर्छ्यौट आयोग स्थापनाको लाभ उठाउँदै आ.व. २०६१/६२ सम्मको आयकर दायित्व फर्छ्यौट गर्न बैक सफल भयो ।

### पूँजीपर्याप्तता:

बैकको कुल पूँजी कोष तथा प्राथमिक पूँजी, जोखिम भारित सम्पत्तिको ११ प्रतिशत तथा ५.५ प्रतिशत रहनुपर्ने नेपाल राष्ट्र बैकको न्यूनतम मापदण्डको तुलनामा क्रमशः १३.२९ प्रतिशत तथा १०.५३ प्रतिशत रह्यो ।

### नाफा-नोक्सान बाँडफाँड:

न्यून आर्थिक वृद्धि तथा समीक्षा वर्षको अधिकांश समयमा व्याप्त अप्ठ्यारो परिस्थितिका बाबजुद यहाँहरूको बैक कर्मचारी बोनस तथा आयकर दायित्ववापतको व्यवस्थापछि रु २५ करोड ४९ लाख ८ हजार ८ सय ४४ खुद मुनाफा आर्जन गर्न सफल भएको छ । उक्त मुनाफालाई देहायबमोजिम बाँडफाँड गरिएको छ :

- (१) रु ५ करोड ९ लाख ८१ हजार ७ सय ६९ अर्थात् खुद मुनाफाको २० प्रतिशत रकम साधारण जगेडा कोषमा सारिएको छ ।
- (२) रु ५ लाख २५ हजार ७ सय ३ सटही घटबड कोषमा सारिएको छ ।
- (३) रु २ करोड ८५ लाख ७१ हजार ४ सय २९ डिबेन्चर रिडेम्पसन कोषमा सारिएको छ ।



- (४) शेयरधनीहरूलाई प्रस्तावित १२.५९ प्रतिशत लाभांशवापत रु ८ करोड १५ लाख ५४ हजार २१ छुट्ट्याइएको छ । जसमध्ये १० प्रतिशत नगद लाभांश र बाँकी २.५९ प्रतिशत शेयरधनीहरूलाई जारी गरिने बोनस शेयर बापत शेयरधनीहरूले तिर्नुपर्ने आयकर दायित्व बापत भुक्तानी गरिनेछ ।
- (५) रु ६ करोड पूँजी समायोजन कोषमा सारिएको छ ।
- (६) आ.व. २०६२/६३ सम्ममा पूँजी समायोजन कोषमा जम्मा रहेको रकममध्येबाट र आंशिक रूपमा यस वर्षको खुद मुनाफासमेत शेयरधनीहरूलाई ३५ प्रतिशतका दरले जारी गरिने बोनस शेयर बापत रु २२ करोड ६७ लाख २९ हजार ४ सय ४० छुट्ट्याइएको छ ।
- (७) रु ६ लाख ६५ हजार ८ सय ९२ संचित मुनाफाको रूपमा राखिएको छ ।

## बैंकका क्रियाकलापहरू र भावी योजनाहरू:

### (क) शाखाविस्तार:

पछिल्लो साधारणसभापश्चात् बैंकले नारायणगढ र नेपालगञ्जमा गरी दुईवटा शाखा खोलेको छ । नेपालगञ्जमा शाखा खोलेर बैंकले देशको पश्चिमी भागमा आफ्नो उपस्थिति जनाएको छ । स्याङ्जा जिल्लाको वालिङ्ग, बागलुङ्ग जिल्लाको बागलुङ्ग र ललितपुर जिल्लाको पाटनमा आफ्ना शाखाहरू खोल्ने हाम्रो भावी योजना रहेको छ ।

### (ख) प्रविधिविकास एवं स्वचालन:

बैंकले वि.सं. २०६३ आषाढ महिनामा आफ्ना शाखाहरूलाई एउटै संजालमा आबद्ध गरी कोर बैंकिङ्ग प्लेटफार्मामा फड्को मारिसकेको बेहोरा यहाँहरूलाई विदितै छ । आ.व. २०६३/६४ मा कनेक्टीभिटी तथा सफ्टवेयरसम्बन्धी समस्याहरू सुल्झाई ग्राहक महानुभावहरूलाई सुचारु रूपमा गुणस्तरीय सेवा सुनिश्चित गर्नेतर्फ सुधारात्मक कार्यहरू भए ।

भारतमा एस.बि.आई.सँग रहेको बैंकको अभिलेख केन्द्र (डाटा सेन्टर) को क्षमताबाट अझ लाभान्वित हुन एस.बि.आई.को मुम्बईस्थित स्वीफ्ट अपरेटिङ्ग सेन्टरसँग बैंक आवद्ध भएको छ । यस आवद्धताका कारण हाम्रा ग्राहक महानुभावहरू कोर बैंकिङ्ग प्लेटफार्मामा आबद्ध एस.बि.आई.का ७,८०० शाखाहरूमध्ये कुनै पनि शाखाहरूमा आफ्नो लाभार्थीको खाता रहेको खण्डमा सोभै र तत्काल रकम जम्मा हुने गरी भारत तर्फ रकम पठाउन सक्षम हुनभएको छ ।

### (ग) नयाँ सेवाहरूको थालनी:

समीक्षा वर्षमा बैंकले भिजा डेबिट कार्ड जारी गर्न शुरु गर्नुका साथै आफ्ना एटिएमलाई एस.बि.आई.का भारतमा रहेका भण्डै ८,००० एटिएमहरूसँग आबद्ध गरेको छ । यसले उच्च शिक्षा हासिल, औषधी उपचार, तीर्थयात्रा जस्ता उद्देश्यले भारत भ्रमणमा जाने हाम्रा ग्राहकहरूलाई भरपुर सहयोग पुऱ्याउनेछ । उल्लिखित ८,००० एटिएमका अतिरिक्त उक्त डेबिट कार्डको माध्यमबाट हाम्रा ग्राहकहरूले नेपालमा भण्डै २,००० र भारतमा भण्डै २,६४,००० को संख्यामा रहेका व्यापारिक केन्द्रहरूमा किनमेल गर्न सक्नुहुनेछ । समीक्षा वर्षमा पोखरा, नेपालगञ्ज र भैरहवा (सुनौली) नाकामा गरी ३ वटा एटिएमहरू संचालनमा ल्याइयो ।

भारतमा बसोबास गर्ने लाखौं नेपालीहरूलाई नेपालमा रहेका आफ्ना आश्रित परिवारजनलाई रकम पठाउन सजिलो होस् भन्ने उद्देश्यले एस.बि.आई. र नेपालको एक लोकप्रिय मनी ट्रान्सफर कम्पनीसँगको सहकार्यमा "एसबिआई नेपाल एक्सप्रेस रेमिट" नामको एक नवीनतम रेमिटेन्स सेवा संचालनमा ल्याइयो । यस सेवाले भारतबाट नेपालमा रकम पठाउन सुरक्षित, छिटोछरितो एवं सर्वसुलभ विकल्प प्रदान गरेको छ र यस सेवामार्फत मुलकका विभिन्न दुर्गम स्थानमा २८० भन्दा बढीको संख्यामा रहेका मनी ट्रान्सफर कम्पनीका भुक्तानी केन्द्रहरूमार्फत लाभार्थीहरूले रकम भुक्तानी लिन सक्ने छन् ।

उपभोक्तामुखी कर्जा लगानीको सम्भावनाको समुचित उपयोग गर्ने एवं कर्जा लगानीसँग सम्बन्धित जोखिमलाई विविधिकरण गर्ने उद्देश्यले आगामी दिनहरूमा उपभोक्तामुखी कर्जा लगानी केन्द्रित नीतिलाई निरन्तरदा दिइनेछ भने "जग्गा-जमिन कर्जा योजना" जस्ता नवीनतम सेवा प्रचलनमा ल्याइनेछ ।

### (घ) अन्तर्राष्ट्रिय बैंकिङ्ग सम्बन्ध:

विदेशबाट भित्रिने रेमिटेन्सलाई अझ विस्तारित गर्ने हेतुले समीक्षा वर्षमा खाडी मुलुक एवं मलेशियाका केही थप मनी ट्रान्सफर कम्पनीहरूसँग सम्बन्ध स्थापित गरियो ।

## (ड) जनशक्ति तथा औद्योगिक सम्बन्धः

हाम्रा जनशक्ति नै हाम्रा सबैभन्दा मूल्यवान् सम्पत्ति हुन् भन्ने तथ्यमा हामीले सदैव विश्वास राख्दै आएका छौं । अन्य बैंकहरूका अनुभवी कर्मचारीलाई उच्च पारिश्रमिक प्रस्ताव गर्दै उल्लेख्य संख्यामा बजारमा देखापरेका नयाँ बैंकहरूको आगमनसँगै बैंकमा कार्यरत अनुभवी एवं योग्यतावान् कर्मचारीलाई बैंकको सेवामा कायमै राख्नुपर्ने आवश्यकता थप टड्कारो बन्न गयो । तदनुरूप, औद्योगिक परिवेश एवं जीवननिर्वाह लागतलाई ध्यानमा राखी आफ्ना सबै तहका कर्मचारीहरूको पारिश्रमिक तथा भत्तामा वृद्धि गरियो ।

कर्जा व्यवस्थापन, विदेशी विनिमय, मार्केटिङ्ग, जोखिम व्यवस्थापन जस्ता विभिन्न कार्यक्षेत्रहरूमा कर्मचारीहरूको दक्षता अभिवृद्धि गर्ने विवेकपूर्ण प्रयत्नस्वरूप केही कर्मचारी/अधिकृतहरूलाई भारतस्थित स्टेट बैंक एकेडेमी, "गुरुकुल", गुरगाउँलगायत नेपाल राष्ट्र बैंक एवं अन्य संघसंस्थाहरूले आयोजना गरेका तालिमहरूमा सहभागी गराइयो ।

बैंकको औद्योगिक सम्बन्ध सुमधुर एवं आत्मीय रह्यो । बढ्दो कर्मचारी उत्पादकत्व एवं व्यवसायमा भएको वृद्धिले यस तथ्यलाई प्रतिविम्बित गरेको छ । आ.व. २०६२/६३ मा रु ६ लाख ६९ हजार रहेको प्रतिकर्मचारी मुनाफा आ.व. २०६३/६४ मा रु १३ लाख ४९ हजार पुगेको छ ।

## (च) आन्तरिक नियन्त्रणप्रणालीः

बैंक संचालनका विभिन्न क्षेत्रहरूमा आवश्यक आन्तरिक नियन्त्रण प्रणाली लागू गरिएको छ । आन्तरिक लेखापरीक्षकको नेतृत्वमा तथा लेखापरीक्षण समिति प्रति सोभै उत्तरदायी रहने गरी बैंकमा एक आन्तरिक लेखापरीक्षणविभाग रहेको छ, जसले नेपाल राष्ट्र बैंकका विभिन्न निर्देशनहरूको परिपालना भए नभएको कुराको निगरानी राख्नेसमेतको जिम्मेवारी निर्वाह गर्ने गर्दछ ।

## (छ) संस्थागत सुशासनः

बैंकमा संस्थागत सुशासन कायम राख्ने सम्बन्धमा नेपाल राष्ट्र बैंकबाट जारी मार्गदर्शनलाई यहाँहरूको बैंकले पूर्ण रूपमा परिपालना गरेको कुरा जानकारी गराउन पाउँदा मलाई खुशी लागेको छ । नेपाल राष्ट्र बैंकले तोकेको आचरसंहितालाई संचालकसमितिका सदस्यहरू लगायत बैंकका कर्मचारीहरूसमेतले पूर्ण रूपमा पालना गरेका छन् । गैरकार्यकारी सञ्चालकको अध्यक्षतामा गठित बैंकको लेखापरीक्षणसमितिले बैंकको वित्तीय अवस्था एवं आफ्नो आन्तरिक नियन्त्रणप्रणालीको पर्याप्तताको पुनरवलोकन गर्नुका साथै आन्तरिक लेखापरीक्षकका प्रतिवेदनहरू मार्फत प्राप्त जानकारीका आधारमा बैंकलाई उपयुक्त मार्गदर्शन प्रदान गर्ने गरेको छ ।

## (ज) लेखापरीक्षकको नियुक्तिः

आ.व. २०६३/६४ को लेखापरीक्षण कार्य मेशर्स सिएससी एण्ड कम्पनी, चाटर्ड एकाउन्टेन्ट्सबाट सम्पन्न भएको तथा निज लेखापरीक्षक आ.व. २०६४/६५ का लागि समेत पुनः नियुक्त हुन योग्य रहेको अनुरोध गर्दछु । बैंकको लेखापरीक्षणसमितिको सिफारिशका आधारमा आ.व. २०६४/६५ का लागि निज सिएससी एण्ड कम्पनी, चाटर्ड एकाउन्टेन्ट्सलाई नै लेखापरीक्षकको रूपमा पुनः नियुक्त गर्न बैंकको संचालकसमितिले प्रस्ताव गरेको छ ।

## चालु आर्थिक वर्षको प्रगति

चालु आ.व. को प्रथम पाँच महिनाको अवधिमा बैंकले आफ्नो कर्जा लगानीमा रु १ अर्ब १२ करोड २५ लाख वृद्धि गर्न सफल भई वार्षिक हिसाबले २७ प्रतिशतको वृद्धिदर हासिल गरी बैंकलाई प्रगतिपथमा अगाडि बढाउने क्रमलाई जारी राखेको छ । त्यसै गरी उक्त अवधिमा निक्षेपमा रु १ अर्ब ७० करोड ४३ लाख वृद्धि भएको छ, जुन वार्षिक वृद्धिदरको हिसाबले ३६ प्रतिशत हुन आउँछ । आ.व. २०६४/६५ को प्रथम त्रैमासिकमा बैंकले आर्जन गरेको बोनस तथा करअधिको मुनाफामा गत वर्षको सोही अवधिको तुलनामा ६०.९० प्रतिशतले वृद्धि भएको छ ।

नेपाल राष्ट्र बैंकको मार्गदर्शनबमोजिम आ.व. २०६४/६५ देखि "बासल टु" संरचना लागू गर्ने परिप्रेक्ष्यमा बैंकले आफ्नो व्यवस्थापन सूचना प्रणाली (एम.आई.एस.) एवं रिपोर्टिङ्ग संयन्त्रलाई सवल बनाउने कार्य गरिरहेको छ । "बासल टु" संरचनाको समानान्तर रूपमा अंगीकार गर्दा वि.स. २०६४ असोजमासान्त सम्ममा बैंकको पूँजीपर्याप्तता सन्तोषजनक रह्यो ।

## बैंकको व्यवसायलाई प्रभाव पार्ने कुराहरूः

- संविधानसभाको निर्वाचनमा ढिलासुस्ती हुनेगरी देशमा विकसित राजनैतिक घटनाक्रमहरूले अनिश्चतताको भुमरीलाई जारी राखेका कारण व्यवसाय तथा लगानीको वातावरण नराम्रोसँग प्रभावित भई खस्कने क्रम जारी रह्यो ।
- औद्योगिक केन्द्र एवं आयात-निर्यात नाकाको रूपमा रहेका नेपालका दक्षिणी तथा पूर्वी भागमा बारम्बारजसो हुने गरेका अशान्ति एवं बन्दका कारण कर्जा असुली तथा आय आर्जनमा समस्या उत्पन्न हुनसक्ने देखिन्छ ।

- (ग) एकातर्फ नयाँ बैंकहरूको आगमन र अर्कातर्फ खुद सम्पत्ति ऋणात्मक रहेका सरकारी स्वामित्वका दुई ठूला बैंकहरूलाई सस्तो ब्याजदरमा कर्जा प्रवाह गरी आफ्नो कर्जा लगानी वृद्धि गर्ने अनुमतिका कारण बैंकहरूको ब्याज अन्तर (स्प्रेड) मा चाप पर्न जाने देखिन्छ ।
- (घ) बजारमा देखापरेका केही नव प्रतिस्पर्धीहरूले कर्जा लगानीसम्बन्धी मान्यतामा लिएका लचकताका कारण कर्जा अति सरल रूपमा उपलब्ध हुन गई कर्जा लगानीको गुणस्तर खस्कन सक्ने देखिन्छ ।

### सञ्चालकसमितिमा परिवर्तन:

संचालक श्री ए. रमेश कुमार स्टेट बैंक अफ इण्डिया (एस.बि.आई) को सेवाबाट निवृत्त हुनुभएपश्चात एस.बि.आई. को तर्फबाट अन्तर्राष्ट्रिय बैंकिङ्ग समूह, वैदेशिक कार्यालयका मुख्य महाप्रबन्धक श्री टि.सि.ए. रंगनाथन बैंकको संचालकसमितिमा मनोनित हुनुभएकोछ । यस अवसरमा संचालकसमितिको तर्फबाट श्री रमेश कुमारले बैंकको कामकारबाहीलाई मार्गदर्शन गर्न आफ्नो कार्यकालमा पुऱ्याउनुभएको योगदानको उच्च प्रशंसा गर्दै श्री टि.सि.ए. रंगनाथनज्यूलाई बैंकको नवनियुक्त संचालकको रूपमा हार्दिक स्वागत गर्न चाहन्छु ।

### अन्य जानकारी:

कम्पनी ऐन, २०६३ को दफा १०९(४) मा भएको व्यवस्थाबमोजिम संचालकको प्रतिवेदनमा उल्लेख गरिनुपर्ने अन्य विषयवस्तुहरूलाई यसै प्रतिवेदनको अनुसूचीको रूपमा पेश गरिएको छ ।

### धन्यवादज्ञापन:

यस अवसरमा म सम्पूर्ण आदरणीय शेयरधनी महानुभावहरूलाई यहाँहरूबाट प्राप्त सहयोगका लागि संचालक समितिको तर्फबाट एवं म स्वयंका तर्फबाट समेत हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु । बैंकलाई निरन्तर रूपमा प्राप्त सहयोग एवं सेवा गर्ने अवसरका लागि म हाम्रा समस्त ग्राहक महानुभावहरूप्रति हार्दिक आभार प्रकट गर्न चाहन्छु । भविष्यमा पनि उत्कृष्ट सेवा प्रदान गर्दै जाने हाम्रो प्रतिबद्धताप्रति यहाँहरूलाई पुनः आश्वस्त पार्न चाहन्छु । बैंकलाई प्राप्त मार्गदर्शन एवं सहयोगका लागि नेपाल सरकार, नेपाल राष्ट्र बैंक तथा अन्य सरकारी एवं नियमनकारी निकायहरू प्रति पनि हार्दिक कृतज्ञता व्यक्त गर्दछु ।

अन्त्यमा, आफ्नो समर्पित सेवाका लागि बैंकको व्यवस्थापन एवं कर्मचारीहरूलाई समेत धन्यवाद दिन चाहन्छु ।

धन्यवाद ।

मिति २०६४।११।१०, काठमाडौं ।

संचालकसमितिको तर्फबाट

बालकृष्ण श्रेष्ठ  
अध्यक्ष



## Additional information required to be furnished as per Section 109 (4) of the Companies Act, 2063:

- (i) **No shares have been forfeited by the Bank during the year.**
- (ii) **Main transactions carried out by the Bank during the financial year 2063/64, and any important change in the business of the Bank during the period:**
- Bank carried out transactions as per objectives / functions detailed in the Memorandum of Association and Articles of Association of the Bank and the highlights of the business have been detailed in the Director's report. There was no significant change in the nature of the business performed by the Bank during the year.
- (iii) **No information has been received by the Bank from its basic shareholders as per the provisions of the Companies Act, 2063.**
- (iv) **No shares were taken up by the Directors and key office-bearers of the Bank during the year nor were they found to have engaged in the share transactions of the Bank's shares in contravention of the prevailing laws.**
- (v) **No information was received from any Director or any of his/her close relatives about his/her personal interest in any agreement connected with the Bank signed during the financial year 2063/64.**
- (vi) **The Bank has not so far purchased any of its own shares.**
- (vii) **Particulars of the Total Management expenses of the financial year:**

|      | Particulars              | Amount             |
|------|--------------------------|--------------------|
| (i)  | Staff Expenses           | Rs. 53,232,464.00  |
| (ii) | Other Operating Expenses | Rs. 120,111,581.00 |

(viii) **Audit Committee:**

The Bank has an Audit Committee comprising of the following members :

- |      |  |   |             |
|------|--|---|-------------|
| i)   | Mr. Shree Prakash Malla, Director representing EPF | - | Chairperson |
| ii)  | Mr. Manoj Kumar Agrawal, Public Director           | - | Member      |
| iii) | Mr. Sudeep Khanal (Internal Audit)                 | - | Convenor    |

No. of meetings held during 2063/64 - Two (2)

Allowances paid to the members: Rs. 13,000/-

Matters discussed in the Audit Committee:

- Review and Approval of Bank's Financial Statements.
- Review of Internal Audit Reports of different branches/departments.
- Reviewing the adequacy of Bank's systems and procedures in the different areas of Bank's operations.
- Finalizing the audit program for the year.

- Review of the status of dealing with the Internal Audit Reports.
  - Review of the status of Nostro Accounts and Inter Branch Reconciliation.
- (ix) **No Payment is due to the Bank from any Director, Managing Director, Executive Chief or the basic shareholder of the Bank or any of their close relatives, or from any firm, company or corporate body in which he is involved.**
- (x) **The undernoted amounts were paid as remunerations, allowances and facilities to the Directors, the Managing Director and other office bearers.**

1. Allowances / facilities to the Members of the Board:

A total of NRs.5,95,000 /- was paid to the Board members as the Board Meeting fee for the different meetings during 2063/64 (@ Rs. 5,000/- per meeting for the Chairman and @ Rs. 4,000/- for other Directors.)

2. Managing Director & Other Office Bearers:

- a) No remuneration was paid to the Managing Director & other India based officers during the year (Management team seconded by SBI) except the payment of NRs.1,906,126.07 towards the rent of their residential accommodation and medical expenses etc. Their salary and allowances are paid by SBI.
- b) Other Office Bearers: A total of NRs 53,232,464 was paid to other office bearers of the bank against their remuneration, allowances and facilities.

(xi) **Dividends yet to be collected by the shareholders :**

Dividends pertaining to the following financial years are yet to be collected by the shareholders as on 32<sup>nd</sup> Ashadh 2064:

| Financial Year                        | Amount              |
|---------------------------------------|---------------------|
| 2052/53 (1995/96)                     | 303,400.00          |
| 2053/54 (1996/97)                     | 302,000.00          |
| 2054/55 (1997/98)                     | 359,800.00          |
| 2055/56, 2056/57 (1998/99, 1999/2000) | 591,250.00          |
| 2059/60 (2002/03)                     | 1,518,001.20        |
| 2062/63 (2005/06)                     | 6,395,763.25        |
| <b>Total</b>                          | <b>9,470,214.45</b> |

- (xii) **No property was purchased or sold by the Bank during the year as stipulated under Section 141 of the Companies Act, 2063.**
- (xiii) **No transaction was held between the Bank and its associate companies during the year as stipulated under Section 175 of the Companies Act, 2063.**

**B. K. Shrestha**  
Chairman



## कम्पनी ऐन, २०६३ को दफा १०९(४) बमोजिमको थप विवरण

- क) समीक्षा वर्षमा बैंकद्वारा कुनै शेररहरू जफत भएको छैन ।
- ख) बैंकले आर्थिक वर्ष २०६३/६४ मा सम्पन्न गरेका प्रमुख कारोबारहरू र त्यस अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्त्वपूर्ण परिवर्तनः
- बैंकले आफ्नो प्रबन्धपत्र तथा नियमावलीमा उल्लिखित उद्देश्य एवं कार्यहरूअनुरूप नै आफ्नो कारोबार सम्पन्न गरेको थियो । बैंकको कार्यप्रगतिको भ्रलक संचालकसमितिको प्रतिवेदनमा उल्लेख गरिसकिएको छ । समीक्षा वर्षमा बैंकले सम्पन्न गरेको कारोबारको प्रकृतिमा कुनै खास परिवर्तन आएको थिएन ।
- ग) कम्पनी ऐनले गरेको व्यवस्था अनुरूप समीक्षा वर्षमा कम्पनीका आधारभूत शेररधनीहरूबाट कुनै जानकारी प्राप्त भएको छैन ।
- घ) समीक्षा आर्थिक वर्षमा कम्पनीका सञ्चालक तथा प्रमुख पदाधिकारीहरूले बैंकको कुनै शेरर लिएको जानकारी बैंकलाई प्राप्त भएको छैन । साथै प्रचलित कानूनको विपरीत हुनेगरी निजहरूबाट बैंकको शेररसम्बन्धमा कुनै कारोबार समेत भएको छैन ।
- ङ) विगत आर्थिक वर्षमा बैंकसँग सम्बद्ध सम्भौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थ रहेको बारेमा कुनै जानकारी प्राप्त भएको छैन ।
- च) बैंकले हालसम्म आफ्नो कुनैपनि शेरर आफैँले खरीद गरेको छैन ।
- छ) विगत आर्थिक वर्षको कुल व्यवस्थापनखर्चको विवरणः

| विवरण            | रकम (रु)     |
|------------------|--------------|
| कर्मचारी खर्च    | ५,३२,३२,४६४  |
| अन्य संचालन खर्च | १२,०१,११,५८१ |

### ज) लेखापरीक्षणसमितिः

बैंकमा तल उल्लिखित सदस्यहरू रहेको एउटा लेखापरीक्षणसमिति रहेको छः

- |   |   |         |
|---|---|---------|
| १) श्री श्रीप्रकाश मल्ल, कर्मचारी संचय कोषका तर्फबाट मनोनीत संचालक        | - | अध्यक्ष |
| २) श्री मनोज कुमार अग्रवाल, सर्वसाधारण शेररधनीका तर्फबाट निर्वाचित संचालक | - | सदस्य   |
| ३) श्री सुदिप खनाल, बैंकका आन्तरिक लेखापरीक्षक                            | - | संयोजक  |

आ.व. २०६३/६४ मा सम्पन्न भएको समितिको बैठक संख्या - २ (दुई)

समितिका सदस्यलाई भुक्तानी दिईएको बैठक भत्ता : रु १३,०००/-

लेखापरीक्षणसमितिको बैठकमा छलफल भएका विषयहरूः

- वित्तीय विवरणहरूको पुनरावलोकन ।
- विभिन्न विभाग तथा शाखा कार्यालयहरूको आन्तरिक लेखापरीक्षणप्रतिवेदनको पुनरावलोकन ।
- बैंक संचालनका विभिन्न क्षेत्रहरूमा आवश्यक प्रणाली एवं कार्यविधि पर्याप्त रहे नरहेको पुनरावलोकन ।
- समीक्षा वर्षका लागि लेखापरीक्षणकार्यक्रमको तर्जुमा ।
- आन्तरिक लेखापरीक्षणप्रतिवेदन कार्यान्वयनको अवस्थाबारे पुनरावलोकन ।
- नोस्ट्रो एकाउण्टस् एवं अन्तर शाखा हिसाब मिलानको स्थितिको पुनरावलोकन ।

- भ) कुनै पनि संचालक, प्रबन्धसंचालक, कार्यकारी प्रमुख, बैंकका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाको बैंकलाई कुनैपनि रकम बुझाउन बाँकी छैन ।
- ज) बैंकका सञ्चालक, प्रबन्धसंचालक तथा पदाधिकारीहरूलाई पारिश्रमिक, भत्ता तथा सुविधाको रूपमा तल लेखिएअनुसारको रकम भुक्तानी गरिएको थियो :
- १) संचालकसमितिका सदस्यहरूको भत्ता/सुविधा
- आर्थिक वर्ष २०६३/६४ मा बैंकका संचालकसमितिका सदस्यहरूलाई विभिन्न बैठकहरूका लागि बैठकभत्ताबापत जम्मा रु ५,९५,०००/- भुक्तानी भएको थियो । (अध्यक्षलाई रु ५,०००/- प्रतिबैठक एवं अन्य संचालकलाई रु .४,०००/- प्रतिबैठकका दरले) ।
- २) प्रबन्धसंचालक तथा अन्य पदाधिकारीहरू:
- क) समीक्षा वर्षमा प्रबन्धसंचालक र भारतबाट खटिई आएका अन्य पदाधिकारीहरू (एस.बि.आई. ले खटाएको व्यवस्थापनटोली) लाई निजहरूको आवासभाडा तथा औषधोपचारखर्चबापत रु. १९,०६,१२६।०७ भुक्तानी गर्नुका अतिरिक्त कुनै पारिश्रमिक दिइएको थिएन । निजहरूको पारिश्रमिक तथा भत्ता एस.बि.आई. ले नै बेहोर्ने गर्दछ ।
- ख) अन्य पदाधिकारीहरू:
- बैंकका अन्य पदाधिकारीहरूलाई पारिश्रमिक, भत्ता तथा सुविधाबापत जम्मा रु. ५,३२,३२,४६४।- भुक्तानी गरिएको थियो ।
- ट) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :

२०६४ आषाढमासान्तसम्ममा बैंकका शेयरधनीहरूको तल उल्लिखित आर्थिक वर्षहरूको लाभांश बुझिलिन बाँकी रहेको थियो:

| आर्थिक वर्ष                             | रकम रु              |
|---|---------------------|
| २०५२/५३ (१९९५/९६)                       | ३,०३,४००.००         |
| २०५३/५४ (१९९६/९७)                       | ३,०२,०००.००         |
| २०५४/५५ (१९९७/९८)                       | ३,५९,८००.००         |
| २०५५/५६ (१९९८/९९) र २०५६/५७ (१९९९/२०००) | ५,९९,२५०.००         |
| २०५९/६० (२००२/०३)                       | १५,१८,००१.२०        |
| २०६२/६३ (२००५/०६)                       | ६३,९५,७६३.२५        |
| <b>जम्मा</b>                            | <b>९४,७२,२१४.४५</b> |

- ठ) कम्पनी ऐन, २०६३ को दफा १४१ मा व्यवस्था भएअनुरूप बैंकले समीक्षा आर्थिक वर्षमा कुनै सम्पत्ति खरिद गरेको छैन ।
- ड) कम्पनी ऐन, २०६३ को दफा १७५ मा व्यवस्था भएअनुरूप बैंकले समीक्षा आर्थिक वर्षमा आफ्ना सम्बद्ध कम्पनीसँग कुनै कारोबार गरेको छैन ।

# Auditor's Report

## The Shareholders of Nepal SBI Bank Limited

We have audited the accompanying Balance Sheet of Nepal SBI Bank Ltd. as on Ashadh 32, 2064 (16<sup>th</sup> July 2007) and the related Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet, the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement have been prepared in accordance with the format specified by Nepal Rastra Bank and confirm to the books of accounts of the Bank and the accounts and records of the Bank are properly maintained in accordance with the prevailing laws.

In our opinion and to the best of our information and according to the explanations given to us, appropriate measures were found to have been taken in the interest and for the protection of the investors and depositors; adequate provisions for losses have been made; the business of the Bank were adequate for the purpose of audit; and transactions of the Bank were found to be within the scope of its authority. We did not come across the cases where the Board of Directors or any member thereof or any employee of the Bank has acted deliberately contrary to the provisions of the law or caused loss or damage to the Bank or committed any misappropriation or violated any directive of Nepal Rastra Bank, nor have we been informed of any such case by the management.

In our opinion, the financial statements referred to above, read together with the notes attached thereon give a true and fair view of the financial position of the Bank as on Ashadh 32, 2064 (July 16, 2007), and of the results of its operations and its cash flows for the year then ended in accordance with the auditing standards generally accepted in Nepal and such financial statements conform to Nepal Rastra Bank directives, Banks and Financial Institutions Act, 2063 and the Company Act.

Date: December 11, 2007

Place: Kathmandu, Nepal

L D Mahat

Partner

CSC & Co.,

Chartered Accountants



## लेखापरीक्षकको प्रतिवेदन

नेपाल एसबिआई बैंक लिमिटेडका शेयरधनी महानुभावहरू

हामीले नेपाल एसबिआई बैंक लिमिटेडको यसैसाथ संलग्न आषाढ ३२, २०६४ (१६ जुलाई २००७) को वासलात, १ श्रावण २०६३ देखि ३२ आषाढ २०६४ सम्मको नाफा नोक्सान हिसाब, इक्वीटीमा भएको परिवर्तन सम्बन्धी विवरण र नगद प्रवाह विवरणको लेखापरीक्षण गरेका छौं । ती वित्तीय विवरणहरूप्रतिको उत्तरदायित्व बैंकको व्यवस्थापनमा रहेको छ । हाम्रो उत्तरदायित्व लेखापरीक्षणको आधारमा ती वित्तीय विवरणहरू उपर राय व्यक्त गर्नु हो ।

हामीले नेपाल लेखापरीक्षण तथा नेपालमा प्रचलित सर्वमान्य लेखापरीक्षणमानको आधारमा लेखापरीक्षण कार्य सम्पादन गर्नुभयो । हामीले आफ्नो लेखापरीक्षण योजना तर्जुमा गर्दा र त्यसको कार्यान्वयन गर्दा वित्तीय विवरणहरू तात्त्विक मिथ्या कदनबाट मुक्त हुन सक्नु भन्ने कुरालाई मनासिव रूपले सुनिश्चित गर्न सकौं भन्ने ती मानहरूको अपेक्षा रहेको हुन्छ । लेखापरीक्षण अन्तर्गत वित्तीय विवरणमा प्रदर्शित रकम एवं अन्य विवरणहरूको पुष्ट्याडू गर्ने प्रमाणको नमूना परीक्षण गरिन्छ । व्यवस्थापनले अवलम्बन गरेको लेखा सिद्धान्त तथा गरिएका महत्वपूर्ण अनुमानहरू एवं वित्तीय विवरण प्रस्तुतिको समग्र स्थितिको मूल्याङ्कन गर्नु पनि लेखापरीक्षण अन्तर्गत पर्दछन् । हामीले व्यक्त गर्ने रायको लागि हाम्रो लेखापरीक्षणले यथोचित आधार प्रदान गरेको कुरामा हामी विश्वस्त छौं ।

हामीले लेखापरीक्षणको सिलसिलामा आवश्यक ठानी सोधनी तथा कैफियत तलब गरेको कुराहरूको जवाफ एवं स्पष्टिकरण सन्तोषजनक पायौं । वासलात, नाफानोक्सानहिसाब तथा नगदप्रवाहविवरण नेपाल राष्ट्र बैंकले तोकेको ढाँचा र तरिकाअनुसार तयार गरिएका छन् र तिनीहरू बैंकले राखेको हिसाबकिताब, बहीखाता, सेस्ता र लेखासंग दुस्त रहेका छन् तथा बैंकको हिसाब किताबहरू प्रचलित कानूनबमोजिम ठीकसंग राखिएका छन् ।

लेखापरीक्षणको सिलसिलामा पाएसम्मको सूचना तथा स्पष्टिकरणको आधारमा निक्षेपकर्ता र लगानीकर्ताको हित संरक्षण हुने कार्य भएको पाइयो, बैंकको पूँजीकोष तथा जोखिम ब्यहोर्ने कोष पर्याप्त मात्रामा भएको, कारोबार सन्तोषप्रद ढङ्गले सञ्चालन भएको तथा बैंकले गरेका कारोबारहरू आफ्नो अख्तियारभित्र रहेको पाइयो । सञ्चालकसमिति वा कुनै सञ्चालक वा कुनै पदाधिकारीले कानूनी व्यवस्थाहरू विपरीत वा अनियमित कार्य गरेको वा बैंकलाई हानिनोक्सानी गरे-गराएको वा नेपाल राष्ट्र बैंकको निर्देशन उल्लङ्घन गरेको हामीले पाएनौं साथै यस्ता कुराहरूको बारेमा बैंक व्यवस्थापनबाट समेत जानकारी हुन आएन ।

हाम्रो रायमा वित्तीय विवरणहरूले आषाढ ३२, २०६४ (१६ जुलाई २००७) को आर्थिक अवस्था तथा उक्त आर्थिक वर्षको नाफा र नगदप्रवाहको नेपाल लेखामान तथा लेखाको सर्वमान्य सिद्धान्तअनुसार समुचित तथा यथार्थ चित्रण गर्दछ र उक्त वित्तीय विवरणहरू नेपाल राष्ट्र बैंकको निर्देशिका, बैंक तथा वित्तीय संस्थासम्बन्धी ऐन २०६२ तथा कम्पनी ऐनअनुस्य छन् ।

मिति : २०६४/८/२५

स्थान : काठमाडौं, नेपाल

एल. डी. महत

साम्भेदार

सी.एस.सी. एण्ड कं

चार्टर्ड एकाउन्टेन्ट्स



## BALANCE SHEET AS ON 32 ASHAD 2064 (16 JULY, 2007)

| CAPITAL & LIABILITIES                | SCHEDULE | Current Year<br>Rs.   | Previous Year<br>Rs.  |
|--------------------------------------|----------|-----------------------|-----------------------|
| 1. Share Capital                     | 4.1      | 647,798,400           | 640,236,100           |
| 2. Reserves and Funds                | 4.2      | 515,492,451           | 342,137,628           |
| 3. Debentures & Bonds                | 4.3      | 200,000,000           | 200,000,000           |
| 4. Borrowings                        | 4.4      | 815,365,219           | 612,428,650           |
| 5. Deposits                          | 4.5      | 11,445,286,030        | 11,002,040,633        |
| 6. Bills Payable                     | 4.6      | 48,855,749            | 46,238,743            |
| 7. Proposed and Dividend Payable     |          | 91,024,235            | 35,469,706            |
| 8. Income Tax Liabilities            |          | -                     | -                     |
| 9. Other Liabilities                 | 4.7      | 137,378,475           | 157,287,664           |
| <b>Total Capital and Liabilities</b> |          | <b>13,901,200,559</b> | <b>13,035,839,124</b> |

| ASSETS                                      | SCHEDULE | Current Year<br>Rs.   | Previous Year<br>Rs.  |
|---|----------|-----------------------|-----------------------|
| 1. Cash Balance                             | 4.8      | 287,530,644           | 244,187,671           |
| 2. Balance with Nepal Rastra Bank           | 4.9      | 556,678,464           | 626,123,385           |
| 3. Balance with Banks/Financial Institution | 4.10     | 278,481,119           | 247,847,352           |
| 4. Money at Call and Short Notice           | 4.11     | 350,000,000           | 215,000,000           |
| 5. Investment                               | 4.12     | 2,659,452,919         | 3,758,975,484         |
| 6. Loans, Advances and Bills Purchase       | 4.13     | 9,460,450,701         | 7,626,736,137         |
| 7. Fixed Assets                             | 4.14     | 97,218,804            | 66,711,798            |
| 8. Non Banking Assets                       | 4.15     | 3,847,024             | 24,555,992            |
| 9. Other Assets                             | 4.16     | 207,540,884           | 225,701,305           |
| <b>Total Assets</b>                         |          | <b>13,901,200,559</b> | <b>13,035,839,124</b> |

|                                   |                   |
|-----------------------------------|-------------------|
| Contingent Liabilities            | Schedule 4.17     |
| Directors' Declaration            | Schedule 4.29     |
| Statement of Capital Fund         | Schedule 4.30     |
| Statement of risk weighted Assets | Schedule 4.30 (A) |
| Principal Indicators              | Schedule 4.31     |
| Principal Accounting Policies     | Schedule 4.32     |
| Notes to Accounts                 | Schedule 4.33     |

*Schedules 4.1 to 4.17, 4.32 & 4.33 form integral part of the Balance Sheet.*

**(A. Saxena)**  
Chief Manager  
(Accounts)

**(V.P. Dani)**  
Managing Director

**(B.K. Shrestha)**  
Chairman

**(S.K. Hariharan)**  
Director

**(M.K. Agrawal)**  
Director

**(S.P. Malla)**  
Alternate Director

**(L.D. Mahat, FCA)**  
Partner, CSC & Co.,  
Chartered Accountants

## ३२ आषाढ २०६४ को वासलात

| पूँजी र दायित्व                             | यस वर्ष<br>रु.        | अनुसूची | गत वर्ष<br>रु.        |
|---|-----------------------|---------|-----------------------|
| १. शेयर पूँजी                               | ६४७,७९८,४००           | ४.१     | ६४०,२३६,१००           |
| २. जगेडा तथा कोषहरू                         | ५१५,४९२,४५१           | ४.२     | ३४२,१३७,६२८           |
| ३. ऋणपत्र तथा बण्ड                          | २००,०००,०००           | ४.३     | २००,०००,०००           |
| ४. तिर्न बाँकी कर्जा सापट                   | ८१५,३६५,२१९           | ४.४     | ६१२,४२८,६५०           |
| ५. निक्षेप हिसाब                            | ११,४४५,२८६,०३०        | ४.५     | ११,००२,०४०,६३३        |
| ६. भूक्तानी दिनु पर्ने बिलहरू               | ४८,८५५,७४९            | ४.६     | ४६,२३८,७४३            |
| ७. प्रस्तावित तथा भूक्तानी दिन बाँकी लाभांश | ९१,०२४,२३५            |         | ३५,४६९,७०६            |
| ८. आयकर दायित्व                             | -                     |         | -                     |
| ९. अन्य दायित्व                             | १३७,३७८,४७५           | ४.७     | १५७,२८७,६६४           |
| <b>कुल पूँजी र दायित्व</b>                  | <b>१३,९०१,२००,५५९</b> |         | <b>१३,०३५,८३९,१२४</b> |

| सम्पत्ति                                | यस वर्ष<br>रु.        | अनुसूची | गत वर्ष<br>रु.        |
|---|-----------------------|---------|-----------------------|
| १. नगद मौज्जात                          | २८७,५३०,६४४           | ४.८     | २४४,१८७,६७१           |
| २. नेपाल राष्ट्र बैंकमा रहेको मौज्जात   | ५५६,६७८,४६४           | ४.९     | ६२६,१२३,३८५           |
| ३. बैंक वित्तीय संस्थामा रहेको मौज्जात  | २७८,४८१,११९           | ४.१०    | २४७,८४७,३५२           |
| ४. माग तथा अल्पसूचनामा प्राप्त हुने रकम | ३५०,०००,०००           | ४.११    | २१५,०००,०००           |
| ५. लगानी                                | २,६५९,४५२,९१९         | ४.१२    | ३,७५८,९७५,४८४         |
| ६. कर्जा, सापट तथा बिल खरिद             | ९,४६०,४५०,७०१         | ४.१३    | ७,६२६,७३६,१३७         |
| ७. स्थिर सम्पत्ति                       | ९७,२१८,८०४            | ४.१४    | ६६,७११,७९८            |
| ८. गैरबैंकिङ्ग सम्पत्ति                 | ३,८४७,०२४             | ४.१५    | २४,५५५,९९२            |
| ९. अन्य सम्पत्ति                        | २०७,५४०,८८४           | ४.१६    | २२५,७०१,३०५           |
| <b>कुल सम्पत्ति</b>                     | <b>१३,९०१,२००,५५९</b> |         | <b>१३,०३५,८३९,१२४</b> |

|                                   |                 |
|-----------------------------------|-----------------|
| संभावित दायित्व                   | अनुसूची ४.१७    |
| सञ्चालकहरूको घोषणा                | अनुसूची ४.२९    |
| पुजीकोष तालिका                    | अनुसूची ४.३०    |
| जोखिम भारित सम्पत्ति विवरण तालिका | अनुसूची ४.३०(क) |
| प्रमुख सुचकाङ्कहरू                | अनुसूची ४.३१    |
| प्रमुख लेखा नीतिहरू               | अनुसूची ४.३२    |
| लेखा सम्बन्धी टिप्पणीहरू          | अनुसूची ४.३३    |

अनुसूची ४.१ देखि ४.१७ सम्म तथा अनुसूची ४.३२ र ४.३३ वासलातका अभिन्न अंग हुन् ।

(ए. सक्सेना)

मुख्य प्रबन्धक  
(लेखा)

(भि.पी. दानी)

प्रबन्ध सञ्चालक

(बि.के. श्रेष्ठ)

अध्यक्ष

(एस.के. हरिहरण)

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(एल.डी. महत, एफ.सि.ए.)

साभेदार, सि.एस.सी. एण्ड कम्पनी  
चाटर्ड एकाउण्टेन्ट्स



## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1<sup>ST</sup> SHRAVAN 2063 TO 32<sup>ND</sup> ASHAD 2064 (16<sup>TH</sup> JULY 2006 TO 16<sup>TH</sup> JULY 2007)

| Particulars  | SCHEDULE | Current Year<br>Rs. | Previous Year<br>Rs. |
|--|----------|---------------------|----------------------|
| 1. Interest Income   | 4.18     | 831,116,781         | 708,718,614          |
| 2. Interest Expenses   | 4.19     | 412,261,744         | 334,770,096          |
| <b>Net Interest Income</b>                                     |          | <b>418,855,037</b>  | <b>373,948,518</b>   |
| 3. Commission and Discount                                     | 4.20     | 52,591,560          | 40,753,985           |
| 4. Other Operating Incomes                                     | 4.21     | 12,601,352          | 7,136,575            |
| 5. Exchange Fluctuation Income                                 | 4.22     | 49,463,539          | 43,060,315           |
| <b>Total Operating Income.</b>                                 |          | <b>533,511,488</b>  | <b>464,899,393</b>   |
| 6. Staff Expenses  | 4.23     | 53,232,464          | 50,539,528           |
| 7. Other Operating Expenses                                    | 4.24     | 120,111,581         | 99,214,082           |
| 8. Exchange Fluctuation Loss                                   | 4.22     | -                   | -                    |
| <b>Operating Profit before provision<br/>for Possible loss</b> |          | <b>360,167,443</b>  | <b>315,145,783</b>   |
| 9. Provision for Possible Losses                               | 4.25     | 59,376,948          | 146,656,796          |
| <b>Operating Profit</b>  |          | <b>300,790,495</b>  | <b>168,488,987</b>   |
| 10. Non Operating Income /Loss                                 | 4.26     | (256,759)           | (2,926,272)          |
| 11. Provision for Possible Loss Written Back                   | 4.27     | 78,515,105          | 54,177,763           |
| <b>Profit from Regular Operations</b>                          |          | <b>379,048,841</b>  | <b>219,740,478</b>   |
| 12. Profit/Loss from extra-ordinary Activities                 | 4.28     | -                   | -                    |
| <b>Net profit after considering all activities</b>             |          | <b>379,048,841</b>  | <b>219,740,478</b>   |
| 13. Provision for Staff Bonus                                  |          | 34,458,986          | 19,976,407           |
| 14. Provision for Income Tax                                   |          | 89,681,011          | 82,762,098           |
| * Current Year's   |          | 86,704,011          | 66,120,456           |
| * Previous Year's  |          | 2,977,000           | 16,641,642           |
| <b>Net Profit/Loss</b>   |          | <b>254,908,844</b>  | <b>117,001,973</b>   |

*Schedule No.4.18 to 4.28,4.32 & 4.33 form integral part of the Profit and Loss Account.*

(A. Saxena)  
Chief Manager  
(Accounts)

(V.P. Dani)  
Managing Director

(B.K. Shrestha)  
Chairman

(S.K. Hariharan)  
Director

(M.K. Agrawal)  
Director

(S.P. Malla)  
Alternate Director

(L.D. Mahat, FCA)  
Partner, CSC & Co.,  
Chartered Accountants

## नाफा नोक्सान हिसाब

### १ श्रावण २०६३ देखि ३२ आषाढ २०६४ सम्मको

| विवरण   | अनुसूची | यस वर्ष<br>रु. | गत वर्ष<br>रु. |
|---|---------|----------------|----------------|
| १. ब्याज आम्दानी                                | ४.१८    | ८३१,११६,७८१    | ७०८,७१८,६१४    |
| २. ब्याज खर्च                                   | ४.१९    | ४१२,२६१,७४४    | ३३४,७७०,०९६    |
| खुद ब्याज आम्दानी                               |         | ४१८,८५५,०३७    | ३७३,९४८,५१८    |
| ३. कमीशन तथा डिस्काउण्ट                         | ४.२०    | ५२,५९१,५६०     | ४०,७५३,९८५     |
| ४. अन्य सञ्चालन आम्दानी                         | ४.२१    | १२,६०१,३५२     | ७,१३६,५७५      |
| ५. सटही घटबढ आम्दानी                            | ४.२२    | ४९,४६३,५३९     | ४३,०६०,३१५     |
| कुल सञ्चालन आम्दानी                             |         | ५३३,५११,४८८    | ४६४,८९९,३९३    |
| ६. कर्मचारी खर्च                                | ४.२३    | ५३,२३२,४६४     | ५०,५३९,५२८     |
| ७. अन्य सञ्चालन खर्च                            | ४.२४    | १२०,१११,५८१    | ९९,२१४,०८२     |
| ८. सटही घटबढ नोक्सान                            | ४.२२    | -              | -              |
| सम्भावित नोक्सानी व्यवस्था अधिको सञ्चालन मूनाफा |         | ३६०,१६७,४४३    | ३१५,१४५,७८३    |
| ९. सम्भावित नोक्सानी व्यवस्था                   | ४.२५    | ५९,३७६,९४८     | १४६,६५६,७९६    |
| सञ्चालन मूनाफा                                  |         | ३००,७९०,४९५    | १६८,४८८,९८७    |
| १०. गैरसञ्चालन आम्दानी/नोक्सानी                 | ४.२६    | (२५६,७५९)      | (२,९२६,२७२)    |
| ११. सम्भावित नोक्सानी व्यवस्थाबाट फिर्ता        | ४.२७    | ७८,५१५,१०५     | ५४,१७७,७६३     |
| नियमित कारोवारबाट भएको मूनाफा                   |         | ३७९,०४८,८४१    | २१९,७४०,४७८    |
| १२. असामान्य कारोवारबाट भएको मूनाफा/नोक्सान     | ४.२८    | -              | -              |
| सम्पूर्ण कारोवार पछिको खूद मूनाफा               |         | ३७९,०४८,८४१    | २१९,७४०,४७८    |
| १३. कर्मचारी बोनस व्यवस्था                      |         | ३४,४५८,९८६     | १९,९७६,४०७     |
| १४. आयकर व्यवस्था                               |         | ८९,६८१,०११     | ८२,७६२,०९८     |
| * यस वर्षको                                     |         | ८६,७०४,०११     | ६६,१२०,४५६     |
| * गत वर्षको                                     |         | २,९७७,०००      | १६,६४१,६४२     |
| खुद नाफा/नोक्सान                                |         | २५४,९०८,८४४    | ११७,००१,९७३    |

अनुसूची ४.१८ देखि ४.२८ सम्म तथा अनुसूची ४.३२ र ४.३३ नाफानोक्सान हिसाबका अभिन्न अंग हुन् ।

(ए. सक्सेना)

मुख्य प्रबन्धक  
(लेखा)

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## PROFIT AND LOSS APPROPRIATION ACCOUNT

FISCAL YEAR 2063/2064 (2006/2007)

| Particulars                                       | SCHEDULE | Current Year<br>Rs. | Previous Year<br>Rs. |
|---|----------|---------------------|----------------------|
| <b>INCOME</b>                                     |          |                     |                      |
| 1. Accumulated Profit up to Last Year             |          | 1,705,920           | 5,283,520            |
| 2. Current Year's Profit                          |          | 254,908,844         | 117,001,973          |
| 3. Exchange Fluctuation Reserve                   |          |                     |                      |
| 4. Capital Adjustment Reserve up to Previous Year |          | 192,413,490         |                      |
| <b>Total</b>                                      |          | <b>449,028,254</b>  | <b>122,285,493</b>   |
| <b>EXPENSES</b>                                   |          |                     |                      |
| 1. Accumulated Loss up to Last Year               |          | -                   | -                    |
| 2. Current Year's Loss                            |          | -                   | -                    |
| 3. General Reserve                                |          | 50,981,769          | 23,400,395           |
| 4. Contingent Reserve                             |          | -                   | -                    |
| 5. Institutional Development Reserve              |          | -                   | -                    |
| 6. Dividend Equalization Reserve                  |          | -                   | -                    |
| 7. Staff Related Reserve                          |          | -                   | -                    |
| 8. Proposed Dividend                              |          | 81,554,021          | 32,011,805           |
| 9. Proposed issue of Bonus Shares                 |          | 226,729,440         | -                    |
| 10. Special Reserve                               |          | -                   | -                    |
| 11. Exchange Fluctuation Reserve                  |          | 525,703             | 1,143,763            |
| 12. Capital Redemption Reserve                    |          | -                   | -                    |
| 13. Capital Adjustment Reserve                    |          | 60,000,000          | 64,023,610           |
| 14. 6% NSBL Debenture 2070 Redemption Reserve     |          | 28,571,429          | -                    |
| <b>Total</b>                                      |          | <b>448,362,362</b>  | <b>120,579,573</b>   |
| <b>15. Accumulated Profit/(Loss)</b>              |          | <b>665,892</b>      | <b>1,705,920</b>     |

(A. Saxena)  
Chief Manager  
(Accounts)

(V.P. Dani)  
Managing Director

(B.K. Shrestha)  
Chairman

(S.K. Hariharan)  
Director

(M.K. Agrawal)  
Director

(S.P. Malla)  
Alternate Director

(L.D. Mahat, FCA)  
Partner, CSC & Co.,  
Chartered Accountants

## नाफा नोक्सान बाँडफाँड हिसाब आव २०६३/६४ (२००६/०७)

| विवरण  | अनूसुची | यस वर्ष<br>रु.     | गत वर्ष<br>रु.     |
|--|---------|--------------------|--------------------|
| <b>आम्दानी</b>   |         |                    |                    |
| १. गत वर्षसम्मको संचित मूनाफा                          |         | १,७०५,९२०          | ५,२८३,५२०          |
| २. यस वर्षको मूनाफा                                    |         | २५४,९०८,८४४        | ११७,००१,९७३        |
| ३. सटही घटबढ कोष                                       |         |                    |                    |
| ४. गत वर्षसम्मको पूँजी समायोजन कोष                     |         | १९२,४१३,४९०        |                    |
| <b>जम्मा</b>   |         | <b>४४९,०२८,२५४</b> | <b>१२२,२८५,४९३</b> |
| <b>खर्च</b>  |         |                    |                    |
| १. गत वर्षसम्मको संचित नोक्सान                         |         | —                  | —                  |
| २. यस वर्षको नोक्सान                                   |         | —                  | —                  |
| ३. साधारण जगेडा कोष                                    |         | ५०,९८१,७६९         | २३,४००,३९५         |
| ४. भैपरी आउने जगेडा                                    |         | —                  | —                  |
| ५. संस्था विकास कोष                                    |         | —                  | —                  |
| ६. लाभांश समीकरण कोष                                   |         | —                  | —                  |
| ७. कर्मचारी सम्बन्धी जगेडाहरू                          |         | —                  | —                  |
| ८. अन्तरिम एवं प्रस्तावित लाभांश                       |         | ८१,५५४,०२१         | ३२,०११,८०५         |
| ९. प्रस्तावित बोनस शेयर जारी                           |         | २२६,७२९,४४०        | —                  |
| १०. विशेष जगेडा कोष                                    |         | —                  | —                  |
| ११. सटही घटबढ कोष                                      |         | ५२५,७०३            | १,१४३,७६३          |
| १२. पूँजी फिर्ती कोष                                   |         | —                  | —                  |
| १३. पूँजी मिलान कोष                                    |         | ६०,०००,०००         | ६४,०२३,६१०         |
| १४. ६ प्रतिशत नेपाल एसबिआई बैंक ऋणपत्र २०७० फिर्ती कोष |         | २८,५७१,४२९         | —                  |
| <b>जम्मा</b>   |         | <b>४४८,३६२,३६२</b> | <b>१२०,५७९,५७३</b> |
| १५. सञ्चित मूनाफा/(नोक्सान)                            |         | ६६५,८९२            | १,७०५,९२०          |

(ए. सक्सेना)

मुख्य प्रबन्धक  
(लेखा)

(भि.पी. दानी)

प्रबन्ध सञ्चालक

(बि.के. श्रेष्ठ)

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(एस.के. हरिहरण)

सञ्चालक

(एम.के. अग्रवाल)

सञ्चालक

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सञ्चालक

(एल.डी. महत, एफ.सि.ए.)

साभेदार, सि.एस.सी. एण्ड कम्पनी  
चाटर्ड एकाउण्टेन्ट्स



**STATEMENT OF CHANGES IN EQUITY**  
**FISCAL YEAR 2063/64 (2006/2007)**

*(in Rs.)*

| Particulars                                | Share Capital      | Accumulated Profit/Loss | General Reserve    | Capital Adjustment Reserve | Share Premium | Exchange Equalisation Fund | Proposed Bonus Share Capital | Other Reserves and Funds | Total Amount         |
|--|--------------------|-------------------------|--------------------|----------------------------|---------------|----------------------------|------------------------------|--------------------------|----------------------|
| Opening Balance at Shrawan 063 Adjustments | 640,266,100        | 1,705,920               | 140,709,241        | 192,413,490                | -             | -                          | -                            | 7,308,977                | 982,373,728          |
| Net profit for the period                  | -                  | 254,908,844             | -                  | -                          | -             | -                          | -                            | -                        | 254,908,844          |
| Transfer to General Reserve                | -                  | (50,981,769)            | 50,981,769         | -                          | -             | -                          | -                            | -                        | -                    |
| Capital Adjustment Reserve B/F             | -                  | 192,413,490             | -                  | (192,413,490)              | -             | -                          | -                            | -                        | -                    |
| Capital Adjustment Reserve                 | -                  | (60,000,000)            | -                  | 60,000,000                 | -             | -                          | -                            | -                        | -                    |
| Declaration of Dividend                    | -                  | (81,554,021)            | -                  | -                          | -             | -                          | -                            | -                        | (81,554,021)         |
| Proposed Bonus Share Capital               | -                  | (226,729,440)           | -                  | -                          | -             | -                          | 226,729,440                  | -                        | -                    |
| Exchange Equalization Fund                 | -                  | (525,703)               | -                  | -                          | -             | -                          | -                            | 525,703                  | -                    |
| Unsubscribed Shares Issued                 | 7,562,300          | -                       | -                  | -                          | -             | -                          | -                            | -                        | 7,562,300            |
| Capital Redemption Reserve                 | -                  | -                       | -                  | -                          | -             | -                          | -                            | -                        | -                    |
| Debtenture Redemption Reserve              | -                  | (28,571,429)            | -                  | -                          | -             | -                          | -                            | 28,571,429               | -                    |
| <b>Closing Balance at Asadh 2064</b>       | <b>647,798,400</b> | <b>665,892</b>          | <b>191,691,010</b> | <b>60,000,000</b>          | <b>-</b>      | <b>-</b>                   | <b>226,729,440</b>           | <b>36,406,109</b>        | <b>1,163,290,851</b> |



## इक्वीटीमा भएको परिवर्तन सम्बन्धी विवरण

आ.व. २०६३/६४ (२००६/२००७)

(रु. मा)

| विवरण                                | शेयर<br>पूँजी | साञ्चित<br>नाफा/नोक्सान | साधारण<br>जगेडा कोष | पूँजी<br>समायोजन<br>कोष | शेयर<br>प्रिमियम | सटही<br>घटबढ<br>कोष | प्रस्तावित<br>बोनस शेयर<br>पूँजी | अन्य<br>जगेडा तथा<br>कोषहरू | जम्मा<br>रकम  |
|--------------------------------------|---------------|-------------------------|---------------------|-------------------------|------------------|---------------------|----------------------------------|-----------------------------|---------------|
| शुरू मौज्दात (१ श्रावण २०६३)         | ६४०,२३६,१००   | १,७०५,९२०               | १४०,७०९,२४१         | १९२,४१३,४९०             | —                | —                   | —                                | ७३०८,९७७                    | ९८२,३७३,७२८   |
| <b>समायोजन</b>                       |               |                         |                     |                         |                  |                     |                                  |                             |               |
| यस वर्षको खूद नाफा                   | —             | २५४,९०८,८४४             | —                   | —                       | —                | —                   | —                                | —                           | २५४,९०८,८४४   |
| साधारण जगेडा कोषमा सारिएको रकम       | —             | (५०,९८१,७६९)            | ५०,९८१,७६९          | —                       | —                | —                   | —                                | —                           | —             |
| पूँजी मिलान कोषमा सारिएको            | —             | १९२,४१३,४९०             | —                   | (१९२,४१३,४९०)           | —                | —                   | —                                | —                           | —             |
| पूँजी मिलान कोष                      | —             | (६०,०००,०००)            | —                   | ६०,०००,०००              | —                | —                   | —                                | —                           | —             |
| लाभभाशको घोषणा                       | —             | (८१,५५४,०२१)            | —                   | —                       | —                | —                   | —                                | —                           | (८१,५५४,०२१)  |
| प्रस्तावित पूँजीगत बोनस शेयर         | —             | (२२६,७२९,४४०)           | —                   | —                       | —                | —                   | २२६,७२९,४४०                      | —                           | —             |
| सटही घटबढ कोष                        | —             | (५,२५,७०३)              | —                   | —                       | —                | —                   | —                                | ५,२५,७०३                    | —             |
| खरिद नभएको शेयर पूँजीको निष्काशन     | ७,५६२,३००     | —                       | —                   | —                       | —                | —                   | —                                | —                           | ७,५६२,३००     |
| पूँजीफिर्ती जगेडा कोष                | —             | —                       | —                   | —                       | —                | —                   | —                                | —                           | —             |
| ऋणपत्र फिर्ती कोष                    | —             | (२८,५१,४२९)             | —                   | —                       | —                | —                   | —                                | २८,५१,४२९                   | —             |
| <b>अन्तिम मौज्दात (३१ आषाढ २०६४)</b> | ६४७,७९८,४००   | ६६५,८९२                 | १९१,६९१,०१०         | ६०,०००,०००              | —                | —                   | २२६,७२९,४४०                      | ३६,४०६,१०९                  | १,१६३,२९०,८५१ |

## CASH FLOW STATEMENT

FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064

| Previous Year<br>Rs.   | Particulars   | This Year<br>Rs      |
|------------------------|---|----------------------|
| <b>349,700,776</b>     | <b>(a) Cash Flow from Operating Activities</b>                                  | <b>454,021,807</b>   |
| <b>819,489,326</b>     | <b>1. Cash Received</b>   | <b>1,022,185,524</b> |
| 678,935,738            | 1.1 Interest Income   | 831,116,781          |
| 40,753,985             | 1.2 Commission and Discount Income  | 52,591,560           |
| 38,485,265             | 1.3 Income from Foreign Exchange transaction                                    | 47,360,726           |
| 54,177,763             | 1.4 Recovery of loan written off  | 78,515,105           |
| 7,136,575              | 1.5 Other Incomes   | 12,601,352           |
| <b>469,788,551</b>     | <b>2. Cash Payment</b>  | <b>568,163,718</b>   |
| 334,770,096            | 2.1 Interest Expenses   | 412,261,744          |
| 50,539,528             | 2.2 Staff Expenses  | 53,232,464           |
| 81,453,950             | 2.3 Office Overhead Expenses  | 102,227,643          |
| -                      | 2.4 Income Tax Paid   | -                    |
| 3,024,977              | 2.5 Other Expenses  | 441,867              |
| <b>(350,311,918)</b>   | <b>Cash Flow before changes in Working Capital</b>                              | <b>(410,949,264)</b> |
| <b>(2,678,144,892)</b> | <b>Increase /( Decrease) of Current Assets</b>                                  | <b>(830,322,610)</b> |
| (240,087,500)          | 1. (Increase)/Decrease in Money at Call and Short Notice                        | (135,000,000)        |
| (1,003,095,482)        | 2. (Increase)/Decrease in short term Investment                                 | 1,099,522,565        |
| (1,412,857,361)        | 3. (Increase)/Decrease in Loans, Advances and Bills Purchase                    | (1,833,714,564)      |
| (22,104,549)           | 4. (Increase)/Decrease in Other Assets  | 38,869,388           |
| <b>2,327,832,974</b>   | <b>Increase /( Decrease) of Current Liabilities</b>                             | <b>419,373,346</b>   |
| 2,347,266,419          | 1. Increase/(Decrease) in Deposits  | 443,245,397          |
| -                      | 2. Increase/(Decrease) in Certificates of Deposits                              | -                    |
| 142,799,788            | 3. Increase/(Decrease) in Short Term Borrowings                                 | 202,936,569          |
| (162,233,233)          | 4. Increase/(Decrease) in Other Liabilities                                     | (226,808,620)        |
| <b>(17,921,300)</b>    | <b>(b) Cash Flow from Investment Activities</b>                                 | <b>(48,205,837)</b>  |
| -                      | 1. (Increase)/Decrease in Long-term Investment                                  | -                    |
| (18,020,005)           | 2. (Increase)/Decrease in Fixed Assets  | (48,390,945)         |
| -                      | 3. Interest income from Long term Investment                                    | -                    |
| 98,705                 | 4. Dividend Income  | 185,108              |
| -                      | 5. Others   | -                    |
| <b>408,370,500</b>     | <b>(c) Cash Flow from Financing Activities</b>                                  | <b>7,562,300</b>     |
| 200,000,000            | 1. Increase/(Decrease) in Long term Borrowings (Bonds, Debentures etc)          | -                    |
| 208,370,500            | 2. Increase/(Decrease) in Share Capital   | 7,562,300            |
| -                      | 3. Increase/(Decrease) in Other Liabilities                                     | -                    |
| -                      | 4. Increase/(Decrease) in Refinance/facilities received from NRB                | -                    |
| <b>4,575,050</b>       | <b>(d) Income/Loss from change in exchange rate in Cash &amp; bank balances</b> | <b>2,102,813</b>     |
| <b>394,413,108</b>     | <b>(e) Current Year's Cash Flow from All Activities</b>                         | <b>4,531,819</b>     |
| <b>723,745,300</b>     | <b>(f) Opening Balance of Cash and Bank Balances</b>                            | <b>1,118,158,408</b> |
| <b>1,118,158,408</b>   | <b>(g) Closing Balance of Cash and Bank Balances</b>                            | <b>1,122,690,226</b> |

## नगद प्रवाह विवरण

१ श्रावण २०६३ देखि ३२ आषाढ २०६४ सम्म

| गत वर्ष<br>रु.  | विवरण   | यस वर्ष<br>रु.  |
|-----------------|---|-----------------|
| ३४९,७००,७७६     | <b>क) कारोवार सञ्चालन बाट नगद प्रवाह</b>                              | ४५४,०२९,८०७     |
| ८१९,४८९,३२६     | <b>१. नगद प्राप्ती</b>  | १,०२२,१८५,५२४   |
| ६७८,९३५,७३८     | १.१ ब्याज आम्दानी   | ८३९,९९६,७८९     |
| ४०,७५३,९८५      | १.२ कमिशन तथा डिस्काउण्ट आम्दानी                                      | ५२,५९९,५६०      |
| ३८,४८५,२६५      | १.३ विदेशी विनिमय कारोवारबाट आम्दानी                                  | ४७,३६०,७२६      |
| ५४,९७७,७६३      | १.४ अपलेखित कर्जाको असूली   | ७८,५९५,९०५      |
| ७,९३६,५७५       | १.५ अन्य आम्दानी  | ९२,६०९,३५२      |
| ४६९,७८८,५५९     | <b>२. नगद भुक्तानी</b>  | ५६८,९६३,७९८     |
| ३३४,७७०,०९६     | २.१ ब्याज खर्च  | ४९२,२६९,७४४     |
| ५०,५३९,५२८      | २.२ कर्मचारी खर्च   | ५३,२३२,४६४      |
| ८९,४५३,९५०      | २.३ कार्यालय सञ्चालन खर्च   | ९०२,२२७,६४३     |
| -               | २.४ आयकर भुक्तानी   | -               |
| ३,०२४,९७७       | २.५ अन्य खर्च   | ४४९,८६७         |
| (३५०,३९९,९९८)   | <b>कार्यगत पूँजी गतिविधि अधिको नगद प्रवाह</b>                         | (४९०,९४९,२६४)   |
| (२,६७८,९४४,८९२) | <b>सञ्चालन सम्बन्धी चालू सम्पत्तिमा कमी/(बृद्धि)</b>                  | (८३०,३२२,६९०)   |
| (२४०,०८७,५००)   | १. माग तथा अल्पसूचनामा प्राप्त हुने रकममा कमी/(बृद्धि)                | (९३५,०००,०००)   |
| (९,००३,०९५,४८२) | २. अन्य अल्पकालिन लगानीमा कमी/(बृद्धि)                                | ९,०९९,५२२,५६५   |
| (९,४९२,८५७,३६९) | ३. कर्जा तथा बिल्स खरिदमा कमी/(बृद्धि)                                | (९,८३३,७९४,५६४) |
| (२२,९०४,५४९)    | ४. अन्य सम्पत्तिमा कमी/(बृद्धि)                                       | ३८,८६९,३८८      |
| २,३२७,८३२,९७४   | <b>सञ्चालन सम्बन्धी चालू दायित्वमा (कमी)/बृद्धि</b>                   | ४९९,३७३,३४६     |
| २,३४७,२६६,४९९   | १. निक्षेप दायित्वमा (कमी)/बृद्धि                                     | ४४३,२४५,३९७     |
| -               | २. सर्टिफिकेट अफ डिपोजिटमा (कमी)/बृद्धि                               | -               |
| ९४२,७९९,७८८     | ३. अल्पकालीन सापटीमा (कमी)/बृद्धि                                     | २०२,९३६,५६९     |
| (९६२,२३३,२३३)   | ४. अन्य दायित्वमा (कमी)/बृद्धि  | (२२६,८०८,६२०)   |
| (९७,९२९,३००)    | <b>ख) लगानी कारोवारमा नगद प्रवाह</b>                                  | (४८,२०५,८३७)    |
| -               | १. दीर्घकालिन लगानीमा कमी/(बृद्धि)                                    | -               |
| (९८,०२०,००५)    | २. स्थिर सम्पत्तिमा कमी/(बृद्धि)                                      | (४८,३९०,९४५)    |
| -               | ३. दीर्घकालिन लगानीमा ब्याज आम्दानी                                   | -               |
| ९८,७०५          | ४. लाभांश आम्दानी   | ९८५,९०८         |
| -               | ५. अन्य   | -               |
| ४०८,३७०,५००     | <b>ग) वित्तिय स्रोत कारोवारबाट नगद प्रवाह</b>                         | ७,५६२,३००       |
| २००,०००,०००     | १. दीर्घकालिन ऋण (वण्ड, डिभेन्चर आदीमा बृद्धि/(कमी)                   | -               |
| २०८,३७०,५००     | २. शेयर पूँजीमा बृद्धि/(कमी)  | ७,५६२,३००       |
| -               | ३. अन्य दायित्वमा बृद्धि/(कमी)  | -               |
| -               | ४. नेपाल राष्ट्र बैंकबाट प्राप्त सहूलियत/पुनरकर्जामा बृद्धि/(कमी)     | -               |
| ४,५७५,०५०       | <b>घ) नगद तथा बैंक मौज्जातको विनिमय दरमा भएको फरकबाट आम्दानी/खर्च</b> | २,९०२,८९३       |
| ३९४,४९३,९०८     | <b>ङ) यसवर्षको सम्पूर्ण गतिविधिबाट नगद प्रवाह</b>                     | ४,५३९,८९९       |
| ७२३,७४५,३००     | <b>च) नगद तथा बैंकमा रहेको शुरु मौज्जात</b>                           | ९,९९८,९५८,४०८   |
| ९,९९८,९५८,४०८   | <b>छ) नगद तथा बैंकमा रहेको अन्तिम मौज्जात</b>                         | ९,९२२,६९०,२२६   |

## SHARE CAPITAL AND OWNERSHIP (END OF ASHAD 2064)

| Previous Year<br>Rs. | Particulars   | This Year<br>Rs      |
|----------------------|---|----------------------|
|                      | <b>1. Share Capital</b>                                 |                      |
| <b>1,000,000,000</b> | <b>1.1 Authorized Capital</b>                           | <b>1,000,000,000</b> |
| 1,000,000,000        | a) 10,000,000 Ordinary Shares of Rs. 100 each           | 1,000,000,000        |
| -                    | b) .....Non -Reedemeble Preference shares of Rs....each | -                    |
| -                    | c) .....Reedemable Preference Shares of Rs .....each    | -                    |
| <b>650,000,000</b>   | <b>1.2 Issued Capital</b>                               | <b>650,000,000</b>   |
| 650,000,000          | a) 6,500,000 Ordinary Shares of Rs. 100 each            | 650,000,000          |
| -                    | b) .....Non -Reedemeble Preference shares of Rs....each | -                    |
| -                    | c) .....Reedemable Preference Shares of Rs .....each    | -                    |
| <b>640,236,100</b>   | <b>1.3 Paid Up Capital</b>                              | <b>647,798,400</b>   |
| 640,236,100          | a) 6,477,984 Ordinary Shares of Rs.100 each             | 647,798,400          |
| -                    | b).....Non -Reedemeble Preference shares of Rs.....each | -                    |
| -                    | c) .....Reedemable Preference Shares of Rs .....each    | -                    |

## SHARE OWNERSHIP (END OF ASHAD 2064)

| Share Capital<br>Previous Year | %             | Particulars                          | %              | Share Capital<br>This Year |
|--------------------------------|---------------|--------------------------------------|----------------|----------------------------|
| <b>316,236,100</b>             |               | <b>A. Promoters</b>                  | <b>70.02%</b>  | <b>453,600,000</b>         |
| -                              | -             | 1.1 Government of Nepal              | 0.00%          | -                          |
| 324,000,000                    | 50.61%        | 1.2 Foreign Institutions             | 50.02%         | 324,000,000                |
| 32,400,000                     | 5.06%         | 1.3 "A" Class Liscensed Institutions | 5.00%          | 32,400,000                 |
| -                              | -             | 1.4 Other Liscensed Institutions     | 0.00%          | -                          |
| 97,200,000                     | 15.18%        | 1.5 Other Entities                   | 15.00%         | 97,200,000                 |
| -                              | -             | 1.6 Individuals                      | -              | -                          |
| -                              | -             | 1.7 Others                           | -              | -                          |
| <b>186,636,100</b>             | <b>29.15%</b> | <b>B. General Public</b>             | <b>29.98%</b>  | <b>194,198,400</b>         |
| <b>640,236,100</b>             | <b>100%</b>   | <b>Total</b>                         | <b>100.00%</b> | <b>647,798,400</b>         |

**Note :-**

- 1) None of the General Public Shareholders hold more than 0.50% of the shares of the Bank individually.
- 2) The "A" Class Liscensed Institutions reported above is Agricultural Development Bank Ltd. and "Other Entities" reported is Karmachari Sanchaya Kosh. There is no other shareholder in the above categories.
- 3) The "Foreign Institution" reported above is State Bank of India.

**RESERVES AND FUNDS**  
(END OF ASHAD 2064)

| Previous Year<br>Rs. | Particulars                                     | This Year<br>Rs |
|----------------------|---|-----------------|
| 140,709,241          | <b>1. General Reserve</b>                       | 191,691,010     |
| -                    | <b>2. Proposed Bonus Share</b>                  | 226,729,440     |
| -                    | <b>3. Capital Reserve</b>                       | -               |
| -                    | <b>4. Capital Redemption Reserve</b>            | -               |
| 192,413,490          | <b>5. Capital Adjustment Reserve</b>            | 60,000,000      |
| -                    | <b>6. Other Reserves and Funds</b>              | 28,571,429      |
| -                    | a. Contingent Reserve                           | -               |
| -                    | b. Institution Development Reserve              | -               |
| -                    | c. Dividend Equalization Reserve                | -               |
| -                    | d. Special Reserve                              | -               |
| -                    | e. Assets Revaluation Reserve                   | -               |
| -                    | f. Other Free Reserves                          | -               |
| -                    | g. Other Reserves and Funds (Debenture Reserve) | 28,571,429      |
| 1,705,920            | <b>7. Accumulated Profit/(Loss)</b>             | 665,892         |
| 7,308,977            | <b>8. Exchange Equalization Fund</b>            | 7,834,680       |
| 342,137,628          | <b>Total</b>                                    | 515,492,451     |

**DEBENTURES AND BONDS**  
(END OF ASHAD 2064)

| Previous Year<br>Rs. | Particulars  | This Year<br>Rs    |
|----------------------|--|--------------------|
| 200,000,000          | 1. 6% Nepal SBI Bank Debentures 2070 of Rs.1,000 each (Unsecured)<br>Issued on 16.07.2006 and maturing on 15.07.2013<br>(Outstanding balance of Debenture Redemption<br>Reserve Rs 28,571,429) | 200,000,000        |
| <b>200,000,000</b>   | <b>Total</b>   | <b>200,000,000</b> |

**BORROWINGS**  
(END OF ASHAD 2064)

| Previous Year<br>Rs. | Particulars                              | This Year<br>Rs    |
|----------------------|--|--------------------|
|                      | <b>A. Local</b>                          |                    |
| -                    | 1. Government of Nepal                   | -                  |
| -                    | 2. Nepal Rastra Bank                     | -                  |
| -                    | 3. Repo Obligations                      | -                  |
| -                    | 4. Inter Bank and Financial institutions | -                  |
| -                    | 5. Other Financial Institutions          | -                  |
| -                    | 6. Others                                | -                  |
| -                    | <b>Total</b>                             | -                  |
|                      | <b>B. Foreign</b>                        |                    |
| 612,428,650          | 1. Banks                                 | 815,365,219        |
| -                    | 2. Others                                | -                  |
| <b>612,428,650</b>   | <b>Total</b>                             | <b>815,365,219</b> |
| <b>612,428,650</b>   | <b>Total (A+B)</b>                       | <b>815,365,219</b> |

**DEPOSITS**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                                   | This Year<br>Rs      |
|----------------------|---|----------------------|
|                      | <b>1. Non-Interest bearing accounts</b>       |                      |
| <b>1,408,297,158</b> | <b>A. Current Deposits</b>                    | <b>1,930,432,984</b> |
| <b>1,359,797,924</b> | <b>1. Local Currency</b>                      | <b>1,884,302,643</b> |
| 459,783              | 1.1 Government of Nepal                       | 15,095               |
| 43,175               | 1.2 "A" Class Liscensed Institutions          | 24,607               |
| 6,496,837            | 1.3 Other Liscensed Institutions              | 5,666,736            |
| 776,666,876          | 1.4 Other Organized Institutions              | 784,392,488          |
| 575,650,298          | 1.5 Individuals                               | 1,094,203,717        |
| 480,955              | 1.6 Others                                    | -                    |
| <b>48,499,234</b>    | <b>2. Foreign Currency</b>                    | <b>46,130,341</b>    |
| -                    | 2.1 Government of Nepal                       | -                    |
| -                    | 2.2 "A" Class Liscensed Institutions          | -                    |
| -                    | 2.3 Other Liscensed Institutions              | -                    |
| 48,499,234           | 2.4 Other Organized Institutions              | 46,130,341           |
| -                    | 2.5 Individuals                               | -                    |
| -                    | 2.6 Others                                    | -                    |
| <b>79,790,114</b>    | <b>B. Margin Deposits</b>                     | <b>97,982,890</b>    |
| -                    | 1. Employees Guarantee                        | -                    |
| 13,819,222           | 2. Gurantee Margin                            | 18,791,046           |
| 65,970,892           | 3. Margin on Letter of Credit                 | 79,191,844           |
| -                    | <b>C. Others</b>                              | -                    |
| -                    | <b>1. Local Currency</b>                      | -                    |
| -                    | 1.1 Financial Institutions                    | -                    |
| -                    | 1.2 Other Organized Institutions              | -                    |
| -                    | 1.3 Individual                                | -                    |
| -                    | <b>2. Foreign Currency</b>                    | -                    |
| -                    | 2.1 Financial Institutions                    | -                    |
| -                    | 2.2 Other Organized Institutions              | -                    |
| -                    | 2.3 Individual                                | -                    |
| <b>1,488,087,272</b> | <b>Total of Non-Interest Bearing Accounts</b> | <b>2,028,415,874</b> |

**DEPOSITS**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs.  | Particulars                               | This Year<br>Rs       |
|-----------------------|---|-----------------------|
|                       | <b>2. Interest Bearing Accounts</b>       |                       |
| <b>2,832,639,222</b>  | <b>A. Saving Deposits</b>                 | <b>3,274,690,124</b>  |
| <b>2,764,826,238</b>  | <b>1. Local Currency</b>                  | <b>3,175,620,248</b>  |
| 112,406,429           | 1.1 Organized Institutions                | 121,135,807           |
| 2,652,419,809         | 1.2 Individual                            | 3,054,484,441         |
| -                     | 1.3 Others                                | -                     |
| <b>67,812,984</b>     | <b>2. Foreign Currency</b>                | <b>99,069,876</b>     |
| 60,278,762            | 2.1 Organized Institutions                | 84,779,585            |
| 7,534,222             | 2.2 Individual                            | 14,290,291            |
| -                     | 2.3 Others                                | -                     |
| <b>6,116,172,567</b>  | <b>B. Fixed Deposits</b>                  | <b>5,517,466,903</b>  |
| <b>5,970,392,849</b>  | <b>1. Local Currency</b>                  | <b>5,354,948,768</b>  |
| 4,920,956,213         | 1.1 Organized Institutions                | 3,094,639,000         |
| 1,049,436,636         | 1.2 Individual                            | 2,260,309,768         |
| -                     | 1.3 Others                                | -                     |
| <b>145,779,718</b>    | <b>2. Foreign Currency</b>                | <b>162,518,134</b>    |
| -                     | 2.1 Organized Institutions                | -                     |
| 145,779,718           | 2.2 Individual                            | 162,518,134           |
| -                     | <b>3. Other expenses/Income</b>           | -                     |
| <b>565,141,572</b>    | <b>C. Call Deposits</b>                   | <b>624,713,129</b>    |
| <b>564,834,519</b>    | <b>1. Local Currency</b>                  | <b>620,600,337</b>    |
| 112,865,247           | 1.1 "A" Class Liscensed Institutions      | 118,698,728           |
| 25,574,734            | 1.2 Other Liscensed Institutions          | 28,805,725            |
| 416,156,494           | 1.3 Other Organized Institutions          | 451,337,772           |
| 10,238,044            | 1.4 Individual                            | 21,758,112            |
| -                     | 1.5 Others                                | -                     |
| <b>307,053</b>        | <b>2. Foreign Currency</b>                | <b>4,112,792</b>      |
| -                     | 2.1 "A" Class Liscensed Institutions      | -                     |
| -                     | 2.2 Other Liscensed Institutions          | -                     |
| -                     | 2.3 Other Organized Institutions          | -                     |
| 307,053               | 2.4 Individual                            | 4,112,792             |
| -                     | 2.5 Others                                | -                     |
| -                     | <b>D. Certificate of Deposit</b>          | -                     |
| -                     | 1. Organized Institutions                 | -                     |
| -                     | 2. Individual                             | -                     |
| -                     | 3. Others                                 | -                     |
| <b>9,513,953,361</b>  | <b>Total of Interest Bearing Accounts</b> | <b>9,416,870,156</b>  |
| <b>11,002,040,633</b> | <b>Total Deposit (1+2)</b>                | <b>11,445,286,030</b> |



**BILLS PAYABLE**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars         | This Year<br>Rs   |
|----------------------|---------------------|-------------------|
| 28,090,592           | 1. Local Currency   | 30,699,091        |
| 18,148,151           | 2. Foreign Currency | 18,156,658        |
| <b>46,238,743</b>    | <b>Total</b>        | <b>48,855,749</b> |

**OTHER LIABILITIES**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                         | This Year<br>Rs    |
|----------------------|-------------------------------------|--------------------|
| 10,259,900           | 1. Pension/Gratuity Fund            | 12,922,300         |
| -                    | 4. Other expensess/Income           | -                  |
| -                    | 3. Employees Welfare Fund           | -                  |
| 21,082,507           | 4. Provision for Staff Bonus        | 34,458,986         |
| -                    | 5. Interest Payable on Deposits     | -                  |
| -                    | 6. Interest Payable on Borrowings   | -                  |
| -                    | 7. Unearned Discount and Commission | -                  |
| 35,546,566           | 8. Sundry Creditors                 | 31,105,444         |
| 47,443,268           | 9. Branch Account                   | -                  |
| 42,955,423           | 10. Others                          | 58,891,745         |
| <b>157,287,664</b>   | <b>Total</b>                        | <b>137,378,475</b> |

**CASH BALANCE**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                         | This Year<br>Rs    |
|----------------------|-------------------------------------|--------------------|
| 218,586,644          | 1. Local Currency (Including Coins) | 262,184,890        |
| 25,601,027           | 2. Foreign Currency                 | 25,345,754         |
| <b>244,187,671</b>   | <b>Total</b>                        | <b>287,530,644</b> |

**BALANCE WITH NEPAL RASTRA BANK  
(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                 | Local Currency     | Foreign Currency |                   |                   | This Year<br>Rs.   |
|----------------------|-----------------------------|--------------------|------------------|-------------------|-------------------|--------------------|
|                      |                             |                    | INR              | Convertible       | Total             |                    |
| <b>626,123,385</b>   | <b>1. Nepal Rastra Bank</b> | <b>543,958,817</b> | -                | <b>12,719,647</b> | <b>12,719,647</b> | <b>556,678,464</b> |
| 621,991,562          | a. Current Account          | 536,132,339        | -                | 12,719,647        | 12,719,647        | 548,851,986        |
| 4,131,823            | b. Other Account            | 7,826,478          | -                | -                 | -                 | 7,826,478          |

**BALANCE WITH BANKS/FINANCIAL INSTITUTIONS  
(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                           | Local Currency    | Foreign Currency   |                    |                    | This Year<br>Rs.   |
|----------------------|---------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
|                      |                                       |                   | IRS                | Convertible FCY    | Total              |                    |
| <b>10,413,018</b>    | <b>1. Local Licensed Institutions</b> | <b>10,844,712</b> | -                  | <b>992,693</b>     | <b>992,693</b>     | <b>11,837,405</b>  |
| 10,413,018           | a. Current Account                    | 10,844,712        | -                  | 992,693            | 992,693            | 11,837,405         |
| -                    | b. Other Account                      | -                 | -                  | -                  | -                  | -                  |
| <b>237,434,334</b>   | <b>2. Foreign Banks</b>               | -                 | <b>132,218,789</b> | <b>134,424,925</b> | <b>266,643,714</b> | <b>266,643,714</b> |
| 237,434,334          | a. Current Account                    | -                 | 132,218,789        | 134,424,925        | 266,643,714        | 266,643,714        |
| -                    | b. Other Account                      | -                 | -                  | -                  | -                  | -                  |
| <b>247,847,352</b>   | <b>Total</b>                          | <b>10,844,712</b> | <b>132,218,789</b> | <b>135,417,618</b> | <b>267,636,407</b> | <b>278,481,119</b> |

Note: Total balance for which the confirmations are received from respective licensed institutions Rs. 1,242,487,865

### MONEY AT CALL AND SHORT NOTICE (END OF ASHAD 2064)

| Previous Year<br>Rs. | Particulars         | This Year<br>Rs    |
|----------------------|---------------------|--------------------|
| 215,000,000          | 1. Local Currency   | 350,000,000        |
| -                    | 2. Foreign Currency | -                  |
| <b>215,000,000</b>   | <b>TOTAL</b>        | <b>350,000,000</b> |

### INVESTMENTS (END OF ASHAD 2064)

| Previous Year<br>Rs. | Particulars                             | Purpose |                      | This Year<br>Rs.     |
|----------------------|---|---------|----------------------|----------------------|
|                      |   | Trading | Other                |                      |
| 3,473,598,064        | 1. Government of Nepal Treasury Bills   | -       | 2,227,404,516        | 2,227,404,516        |
| -                    | 2. Government of Nepal Saving Bonds     | -       | -                    | -                    |
| 118,175,000          | 3. Government of Nepal Other securities | -       | 118,175,000          | 118,175,000          |
| -                    | 4. Nepal Rastra Bank Bonds              | -       | -                    | -                    |
| -                    | 5. Foreign Securities                   | -       | -                    | -                    |
| -                    | 6. Local Licensed Institutions          | -       | -                    | -                    |
| 148,200,000          | 7. Foreign Banks                        | -       | -                    | 281,934,403          |
| 19,539,000           | 8. Corporate Shares                     | -       | 31,939,000           | 31,939,000           |
| -                    | 9. Corporate Bonds and Debentures       | -       | -                    | -                    |
| -                    | 10. Other Investments                   | -       | -                    | -                    |
| <b>3,759,512,064</b> | <b>Total Investment</b>                 | -       | <b>2,377,518,516</b> | <b>2,659,452,919</b> |
| <b>536,580</b>       | <b>Provision</b>                        | -       | -                    | -                    |
| <b>3,758,975,484</b> | <b>Net Investment</b>                   | -       | <b>2,377,518,516</b> | <b>2,659,452,919</b> |

**INVESTMENT IN SHARES, DEBENTURES AND BONDS**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars  | Cost Price<br>Rs. | Market Price<br>Rs. | Provision<br>Amount<br>Rs. |
|----------------------|--|-------------------|---------------------|----------------------------|
| <b>19,539,000</b>    | <b>1. Investment in Shares</b>                         | <b>31,939,000</b> | <b>10,220,430</b>   | -                          |
|                      | 1.1 Rural Micro-finance Development Center Ltd. (RMDC) |                   |                     |                            |
| 5,195,000            | 51,950 Ordinary Shares of Rs. 100 fully paid up        | 5,195,000         | -                   | -                          |
| 1,300,000            | 137,000 Right Shares of Rs. 100 fully paid up          | 13,700,000        | -                   | -                          |
|                      | 1.2 Madhya Paschimanchal Grameen Bikash Bank Ltd.      |                   |                     |                            |
| 3,000,000            | 30,000 Ordinary Shares of Rs. 100 fully paid up        | 3,000,000         | -                   | -                          |
|                      | 1.3 Alliance Insurance Co. Ltd.                        |                   |                     |                            |
| 748,000              | 7,480 Ordinary Shares of Rs. 100 fully paid up         | 748,000           | 830,280             | -                          |
|                      | 1.4 Himalayan Distillery Ltd.                          |                   |                     |                            |
| 8,943,000            | 89,430 Ordinary Shares of Rs. 100 fully paid up        | 8,943,000         | 9,390,150           | -                          |
|                      | 1.5 Credit Information Center Ltd.                     |                   |                     |                            |
| 353,000              | 3,530 Ordinary Shares of Rs. 100 fully paid up         | 353,000           | -                   | -                          |
| -                    | <b>2. Investment in Debentures and Bonds</b>           | -                 | -                   | -                          |
| -                    | 2.1 .....  | -                 | -                   | -                          |
| -                    | 2.2 .....  | -                 | -                   | -                          |
| -                    | 2.3 .....  | -                 | -                   | -                          |
| <b>19,539,000</b>    | <b>Total Investment</b>                                | <b>31,939,000</b> | <b>10,220,430</b>   | -                          |
| -                    | <b>3. Provision for Loss</b>                           | -                 | -                   | -                          |
| -                    | 3.1 Up to previous year                                | -                 | -                   | 536,580                    |
| 536,580              | 3.2 Additions / (Write back this year)                 | -                 | -                   | (536,580)                  |
| <b>536,580</b>       | <b>Total Provision</b>                                 | -                 | -                   | -                          |
| <b>19,002,420</b>    | <b>Net Investment</b>                                  | <b>31,939,000</b> | -                   |                            |

**Note:**

- (1) Alliance Insurance Co. Ltd. has not declared any dividend for FY 2062/63, 2061/62 & 2060/61.
- (2) Himalayan Distillery has not declared any dividend till date and has been listed in Nepal Stock Exchange Ltd.
- (3) Rural Micro Finance Development Centre Ltd. has declared and distributed dividend of 3 % for FY 2062/63.
- (4) Madhya Paschimanchal Gramin Bikas Bank Ltd. has not been listed in Nepal Stock Exchange Ltd and not declared and distributed dividend for more than 3 years.
- (5) Credit Information Bureau Ltd. has not been listed in Nepal Stock Exchange Ltd. and has not declared dividend so far.

## CLASSIFICATION OF LOANS AND BILLS PURCHASE & PROVISIONING (END OF ASHAD 2064)

| Previous Year Rs. | Particulars                                    | Loans & Advances |             |               |                 |               |       | Bills Purchased/Discounted |            |             |                 |                |       | This Year Rs. |
|-------------------|--|------------------|-------------|---------------|-----------------|---------------|-------|----------------------------|------------|-------------|-----------------|----------------|-------|---------------|
|                   |  | Domestic         |             |               | Foreign         |               |       | Domestic                   |            |             | Foreign         |                |       |               |
|                   |  | Priority Sector  |             | Other         | Priority Sector |               | Other | Priority Sector            |            | Other       | Priority Sector |                | Other |               |
|                   |  | Insured          | Uninsured   |               | Insured         | Uninsured     |       | Insured                    | Uninsured  |             | Insured         | Uninsured      |       |               |
| 7,736,119,625     | <b>1. Performing Loan</b>                      | 337,699,121      | 286,930,750 | 8,793,518,182 | 153,210         | 9,418,301,263 | -     | -                          | 28,560,580 | 159,434,610 | 187,995,190     | 9,606,296,453  |       |               |
| 7,393,297,710     | 1.1 Pass                                       | 315,570,180      | 286,930,750 | 8,472,022,422 | 153,210         | 9,074,676,562 | -     | -                          | 28,560,580 | 159,434,610 | 187,995,190     | 9,262,671,752  |       |               |
| 342,821,915       | 1.2 Restructured                               | 22,128,941       | -           | 321,495,760   | -               | 343,624,701   | -     | -                          | -          | -           | -               | 343,624,701    |       |               |
| 505,336,919       | <b>2. Non-Performing Loan</b>                  | 10,223,531       | 5,434,390   | 443,097,820   | -               | 458,755,741   | -     | -                          | -          | -           | -               | 458,755,741    |       |               |
| 1,797,016         | 2.1 Sub-Standard                               | 1,473,780        | 820,302     | 990,730       | -               | 3,284,812     | -     | -                          | -          | -           | -               | 3,284,812      |       |               |
| 3,842,595         | 2.2 Doubtful                                   | 5,718,111        | -           | 5,449,880     | -               | 11,167,991    | -     | -                          | -          | -           | -               | 11,167,991     |       |               |
| 499,697,308       | 2.3 Loss                                       | 3,031,640        | 4,614,088   | 436,657,210   | -               | 444,302,938   | -     | -                          | -          | -           | -               | 444,302,938    |       |               |
| 8,241,456,544     | A. Total Loan                                  | 347,922,652      | 292,365,140 | 9,236,616,002 | 153,210         | 9,877,057,004 | -     | -                          | 28,560,580 | 159,434,610 | 187,995,190     | 10,065,052,194 |       |               |
|                   | <b>3. Loan Loss Provision</b>                  |                  |             |               |                 |               |       |                            |            |             |                 |                |       |               |
| 70,841,219        | 3.1 Pass                                       | 790,916          | 2,869,308   | 85,945,219    | 1,532           | 89,606,975    | -     | -                          | 285,606    | 1,594,346   | 1,879,952       | 91,486,927     |       |               |
| 46,277,979        | 3.2 Restructured                               | 691,530          | -           | 65,769,635    | -               | 66,461,165    | -     | -                          | -          | -           | -               | 66,461,165     |       |               |
| 318,214           | 3.3 Sub-Standard                               | 92,111           | 205,075     | 247,683       | -               | 544,869       | -     | -                          | -          | -           | -               | 544,869        |       |               |
| 1,921,298         | 3.4 Doubtful                                   | 1,167,704        | -           | 2,724,940     | -               | 3,892,644     | -     | -                          | -          | -           | -               | 3,892,644      |       |               |
| 495,361,697       | 3.5 Loss                                       | 944,590          | 4,614,088   | 436,657,210   | -               | 442,215,888   | -     | -                          | -          | -           | -               | 442,215,888    |       |               |
| 614,720,407       | <b>B. Total Provisioning</b>                   | 3,686,851        | 7,688,471   | 591,344,687   | 1,532           | 602,721,541   | -     | -                          | 285,606    | 1,594,346   | 1,879,952       | 604,601,493    |       |               |
|                   | <b>4. Provisioning up to previous year</b>     |                  |             |               |                 |               |       |                            |            |             |                 |                |       |               |
| 55,863,326        | 4.1 Pass                                       | 1,059,316        | 2,768,572   | 65,301,373    | -               | 69,129,261    | -     | -                          | 113,693    | 1,598,264   | 1,711,957       | 70,841,218     |       |               |
| 51,961,431        | 4.2 Restructured                               | 662,059          | -           | 45,615,920    | -               | 46,277,979    | -     | -                          | -          | -           | -               | 46,277,979     |       |               |
| 2,494,642         | 4.3 Sub-Standard                               | 43,680           | -           | 274,534       | -               | 318,214       | -     | -                          | -          | -           | -               | 318,214        |       |               |
| 1,020,691         | 4.4 Doubtful                                   | -                | -           | 1,921,298     | -               | 1,921,298     | -     | -                          | -          | -           | -               | 1,921,298      |       |               |
| 414,128,352       | 4.5 Loss                                       | 1,445,204        | 7,619,268   | 486,297,225   | -               | 495,361,697   | -     | -                          | -          | -           | -               | 495,361,697    |       |               |
| 525,468,442       | <b>C. Total previous year's provision</b>      | 3,210,259        | 10,387,840  | 599,410,350   | -               | 613,008,449   | -     | -                          | 13,693     | 1,598,264   | 1,711,957       | 614,720,406    |       |               |
| 47,509,483        | <b>D. Written Back from Previous Year's</b>    | 775,530          | 273,137     | 66,972,097    | -               | 68,020,764    | -     | -                          | -          | -           | -               | 68,020,764     |       |               |
| 136,761,447       | <b>E. Additional Provision of Current Year</b> | 1,252,122        | (2,426,232) | 53,906,434    | 1,532           | 57,733,855    | -     | -                          | 171,913    | (3,918)     | 167,995         | 57,901,851     |       |               |
| 89,251,964        | <b>F. Changes this year</b>                    | 476,592          | (2,699,369) | (8,065,663)   | 1,532           | (10,286,908)  | -     | -                          | 171,913    | (3,918)     | 167,995         | (10,118,913)   |       |               |
| 7,626,736,137     | <b>Net Loan(A-B)</b>                           | 344,235,801      | 284,676,669 | 8,645,271,315 | 151,678         | 9,274,335,463 | -     | -                          | 28,274,974 | 157,840,264 | 186,115,238     | 9,460,450,701  |       |               |

**LOAN, ADVANCES AND BILLS PURCHASED  
SECURITYWISE  
(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                                 | This Year<br>Rs.      |
|----------------------|---|-----------------------|
| <b>8,241,456,544</b> | <b>A. Secured</b>                           | <b>10,065,052,194</b> |
| 7,658,588,441        | 1. Movable/Immovable Assets                 | 9,134,830,158         |
| 243,104,782          | 2. Guarantee of Local Licensed Institutions | 163,045,286           |
| -                    | 3. Government Guarantee                     | -                     |
| -                    | 4. Internationally Rated Bank Guarantee     | -                     |
| 85,070,357           | 5. Export Documents                         | 103,669,215           |
| 223,479,717          | 6. Fixed Deposit Receipts                   | 278,668,079           |
| 222,779,717          | a. Own FDR                                  | 178,668,079           |
| 700,000              | b. FDR of Other Licensed Institutions       | 100,000,000           |
| 6,559,000            | 7. Government Bonds                         | 252,904,826           |
| -                    | 8. Counter Guarantee                        | -                     |
| 8,250,000            | 9. Personal Guarantee                       | 8,250,000             |
| 16,404,247           | 10. Other Securities                        | 123,684,631           |
| -                    | <b>B. Unsecured</b>                         | -                     |
| <b>8,241,456,544</b> | <b>Total</b>                                | <b>10,065,052,194</b> |

**FIXED ASSETS  
(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars   | ASSETS   |                   |                   |                     |                   | This Year<br>Rs.   |
|----------------------|---|----------|-------------------|-------------------|---------------------|-------------------|--------------------|
|                      |   | Building | Vehicles          | Machinery         | Office<br>Equipment | Others            |                    |
|                      | <b>1. Cost Price</b>  |          |                   |                   |                     |                   |                    |
| 132,884,734          | a. Previous Year balance                                    | -        | 15,476,143        | 71,603,051        | 42,829,823          | 17,313,172        | 147,222,189        |
| 19,496,674           | b. Addition during the year                                 | -        | 17,051            | 15,058,633        | 30,453,823          | 3,605,027         | 49,134,534         |
| -                    | c. Revaluation/Written<br>Back this year                    | -        | -                 | -                 | -                   | -                 | -                  |
| 2,930,950            | d. Sold during the year                                     | -        | -                 | -                 | -                   | -                 | -                  |
| 2,228,269            | e. Written off during the year                              | -        | 16,550            | 267,400           | 1,580,217           | 198,006           | 2,062,173          |
| <b>147,222,189</b>   | <b>Total Cost (a+b+c-d-e)</b>                               | <b>-</b> | <b>15,476,644</b> | <b>86,394,284</b> | <b>71,703,429</b>   | <b>20,720,193</b> | <b>194,294,550</b> |
|                      | <b>2. Depreciation</b>                                      |          |                   |                   |                     |                   |                    |
| 66,432,810           | a. Up to previous year                                      | -        | 4,235,498         | 48,500,098        | 20,397,620          | 7,377,175         | <b>80,510,391</b>  |
| 18,495,258           | b. For this year  | -        | 2,809,327         | 8,363,305         | 4,859,925           | 1,914,017         | <b>17,946,574</b>  |
| -                    | c. Depreciation on<br>revaluation/Written Back              | -        | -                 | -                 | -                   | -                 | -                  |
| 4,417,677            | d. Depreciation on Assets<br>Sold/Written off               | -        | 7,547             | 141,540           | 1,040,329           | 191,803           | <b>1,381,219</b>   |
| <b>80,510,391</b>    | <b>Total Depreciation</b>                                   | <b>-</b> | <b>7,037,278</b>  | <b>56,721,863</b> | <b>24,217,216</b>   | <b>9,099,389</b>  | <b>97,075,746</b>  |
| <b>66,711,798</b>    | <b>3. Book Value (WDV*) (1-2)</b>                           | <b>-</b> | <b>8,439,366</b>  | <b>29,672,421</b> | <b>47,486,213</b>   | <b>11,620,804</b> | <b>97,218,804</b>  |
| -                    | <b>4. Land</b>  | -        | -                 | -                 | -                   | -                 | -                  |
| -                    | <b>5. Capital Construction<br/>(Pending Capitalization)</b> | -        | -                 | -                 | -                   | -                 | -                  |
| -                    | <b>4. Other expensess/Income</b>                            | -        | -                 | -                 | -                   | -                 | -                  |
| <b>66,711,798</b>    | <b>Total (3+4+5+6)</b>                                      | <b>-</b> | <b>8,439,366</b>  | <b>29,672,421</b> | <b>47,486,213</b>   | <b>11,620,804</b> | <b>97,218,804</b>  |

\*Written Down Value

**NON BANKING ASSETS**  
**(END OF ASHAD 2064)**

| Previous Year Rs. | Name of Address of Borrower or Party | Date of assuming Non Banking Assets | Total Amount of Non Banking Assets | Loss Provision |                  | This Year Rs.    |
|-------------------|--------------------------------------|-------------------------------------|------------------------------------|----------------|------------------|------------------|
|                   |                                      |                                     |                                    | In %           | In Amount        |                  |
| 2,578,000         | Himal Salem Industries               | 16.07.2003                          | 2,578,000                          | 100.00%        | 2,578,000        | -                |
| 2,459,034         | Saraf Jewellers                      | 01.10.2003                          | -                                  |                | -                | -                |
| 294,000           | Kanchan Variety                      | 01.10.2003                          | 392,000                            | 100.00%        | 392,000          | 98,000           |
| 2,000,000         | Bishwanath & Sons                    | 15.07.2005                          | 3,142,133                          | 75.00%         | 2,356,600        | 356,600          |
| 7,498,727         | Hotel Cross Country                  | 16.07.2006                          | -                                  |                | -                | -                |
| -                 | Rajendra Bahadur Joshi               | 01.03.2007                          | 4,081,988                          | 25.00%         | 1,020,497        | 1,020,497        |
| <b>14,829,761</b> |                                      |                                     | <b>10,194,121</b>                  |                | <b>6,347,097</b> | <b>1,475,097</b> |

**OTHER ASSETS**  
**(END OF ASHAD 2064)**

| Previous Year Rs.  | Particulars                                |                    | This Year Rs.      |
|--------------------|--|--------------------|--------------------|
| 1,289,234          | 1. Stock of Stationery                     |                    | 918,634            |
| 22,172,194         | 2. Income receivable on Investment         |                    | 20,675,426         |
| 29,782,876         | 3. Accrued Interest on Loan                | 464,569,999        |                    |
| -                  | Less: Interest Suspense Account            | <u>464,569,999</u> | -                  |
| -                  | 4. Commission Receivable                   |                    | -                  |
| 916,189            | 5. Sundry Debtors                          |                    | 7,941,367          |
| 46,470,678         | 6. Staff Loan & Advances                   |                    | 53,365,430         |
| 2,149,319          | 7. Pre Payments                            |                    | 9,618,789          |
| -                  | 8. Cash in Transit                         |                    | -                  |
| -                  | 9. Other Transit items (including Cheques) |                    | -                  |
| 32,000,000         | 10. Drafts paid without notice             |                    | 32,000,000         |
| 3,312,748          | 11. Expenses not written off               |                    | 2,237,809          |
| -                  | 12. Branch Account                         |                    | -                  |
| 87,608,067         | 13. Others                                 |                    | 80,783,429         |
| 59,906,744         | a) Income Tax                              |                    | 78,119,808         |
| 27,701,323         | b) Others                                  |                    | 2,663,622          |
| <b>225,701,305</b> | <b>Total</b>                               |                    | <b>207,540,884</b> |

**OTHER ASSETS (Additional Statement)**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars                   | This Year<br>Rs   |                    |                    |                    |
|----------------------|-------------------------------|-------------------|--------------------|--------------------|--------------------|
|                      |                               | Up to 1 Year      | 1 to 3 Years       | Above 3 Years      | Total              |
| 465,922,890          | 1. Accrued Interest on Loan   | 66,547,671        | 132,279,919        | 265,742,409        | <b>464,569,999</b> |
| 32,000,000           | 2. Drafts Paid without notice | -                 | -                  | 32,000,000         | <b>32,000,000</b>  |
| -                    | 3. Branch Account             | -                 | -                  | -                  | -                  |
| <b>497,922,890</b>   | <b>Total</b>                  | <b>66,547,671</b> | <b>132,279,919</b> | <b>297,742,409</b> | <b>496,569,999</b> |

**CONTINGENT LIABILITIES**  
**(END OF ASHAD 2064)**

| Previous Year<br>Rs. | Particulars  | This Year<br>Rs      |
|----------------------|--|----------------------|
| -                    | 1. Claims on institution not accepted by the Institution | -                    |
| 908,943,282          | 2. Letter of Credit (Full Amount)                        | 1,494,541,691        |
| 908,943,282          | a. Less than 6 months maturity                           | 1,494,541,691        |
| -                    | b. More than 6 months maturity                           | -                    |
| -                    | 3. Rediscounted Bills                                    | -                    |
| 218,755,787          | 4. Unmatured Guarantees/Bonds                            | 358,765,317          |
| 4,524,873            | a. Bid Bonds   | 17,482,228           |
| 214,230,914          | b. Performance Bonds                                     | 336,565,214          |
| -                    | c. Other Guarantee/Bonds                                 | 4,717,875            |
| -                    | 5. Unpaid Shares in Investment                           | -                    |
| -                    | 6. Forward Exchange Contract Liabilities                 | 98,505,354           |
| 50,633,074           | 7. Bills under Collection                                | 11,623,047           |
| 211,913,993          | 8. Acceptance & Endorsement                              | 214,075,359          |
| -                    | 9. Underwriting Commitment                               | -                    |
| -                    | 10. Irrevocable Loan Commitment                          | -                    |
| 507,816,054          | 11. Counter Guarantee of Internationally Rated Banks     | 616,304,143          |
| 41,448,591           | 12. Advance Payment Guarantee                            | 21,742,487           |
| 9,065,800            | 13. Financial Guarantee                                  | 1,742,300            |
| 5,351,557            | 14. Contingent Liabilities on Income Tax                 | -                    |
| -                    | 15. Others   | -                    |
| <b>1,953,928,138</b> | <b>Total</b>   | <b>2,817,299,698</b> |



**INTEREST INCOME**  
FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064

| Previous Year<br>Rs. | Particulars                                 | This Year<br>Rs    |
|----------------------|---|--------------------|
| <b>608,321,202</b>   | <b>A. On Loans, Advances and Overdraft</b>  | <b>705,629,876</b> |
| 549,999,122          | 1. Loans & Advances                         | 630,130,593        |
| 58,322,080           | 2. Overdraft                                | 75,499,283         |
| <b>91,407,070</b>    | <b>B. On Investment</b>                     | <b>109,460,361</b> |
| 91,407,070           | 1. Government of Nepal Securities           | 109,460,361        |
| 84,976,865           | a. Treasury Bills                           | 103,059,165        |
| 6,430,205            | b. Development Bonds                        | 6,401,195          |
| -                    | c. National Saving Certificates             | -                  |
| -                    | 2. Foreign Securities                       | -                  |
| -                    | 3. Nepal Rastra Bank Bonds                  | -                  |
| -                    | 4. Debenture & Bonds                        | -                  |
| -                    | a. Banks/Financial Institutions             | -                  |
| -                    | b. Other Organizations                      | -                  |
| -                    | 5. Interest on Inter Bank Lending           | -                  |
| <b>5,442,394</b>     | <b>C. On Agency Balances</b>                | <b>12,620,885</b>  |
| -                    | 1. Local Banks                              | -                  |
| 5,442,394            | 2. Foreign Banks                            | 12,620,885         |
| <b>955,718</b>       | <b>D. On Money at Call and Short Notice</b> | <b>516,551</b>     |
| 955,718              | 1. Local Banks/Financial Institutions       | 516,551            |
|                      | 2. Foreign Banks                            |                    |
| <b>2,592,230</b>     | <b>E. On Others</b>                         | <b>2,889,109</b>   |
| -                    | 1. Certificate of Deposits                  | -                  |
| -                    | 2. Inter-Bank Loan                          | -                  |
| 2,592,230            | 3. Others                                   | 2,889,109          |
| <b>708,718,614</b>   | <b>Total</b>                                | <b>831,116,781</b> |

**INTEREST EXPENSES**  
FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064

| Previous Year<br>Rs. | Particulars                                     | This Year<br>Rs    |
|----------------------|---|--------------------|
| <b>332,119,400</b>   | <b>A. ON DEPOSIT LIABILITIES</b>                | <b>397,732,193</b> |
| <b>247,515,452</b>   | <b>1. Fixed Deposits</b>                        | <b>291,445,155</b> |
| 244,915,615          | 1.1 Local Currency                              | 285,442,354        |
| 2,599,837            | 1.2 Foreign Currency                            | 6,002,801          |
| <b>71,728,578</b>    | <b>2. Saving Deposits</b>                       | <b>83,577,179</b>  |
| 71,361,351           | 2.1 Local Currency                              | 83,214,963         |
| 367,227              | 2.2 Foreign Currency                            | 362,216            |
| <b>12,875,370</b>    | <b>3. Call Deposits</b>                         | <b>22,709,859</b>  |
| 12,875,370           | 3.1 Local Currency                              | 22,707,817         |
| -                    | 3.2 Foreign Currency                            | 2,042              |
| -                    | <b>4. Certificate of Deposits</b>               | -                  |
| <b>2,650,696</b>     | <b>B. ON BORROWINGS</b>                         | <b>14,529,551</b>  |
| -                    | 1. Debentures & Bonds                           | 12,000,000         |
| 136,072              | 2. Loan from Nepal Rastra Bank                  | 371,918            |
| 2,514,624            | 3. Inter Bank /Financial Institutions Borrowing | 2,157,633          |
| -                    | 4. Other Corporate Body                         | -                  |
| -                    | 5. Other Loans                                  | -                  |
| -                    | <b>C. ON OTHERS</b>                             | -                  |
| <b>334,770,096</b>   | <b>Total</b>                                    | <b>412,261,744</b> |

**COMMISSION AND DISCOUNT INCOME**  
FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064

| Previous Year<br>Rs. | Particulars                             | This Year<br>Rs   |
|----------------------|---|-------------------|
| <b>3,273,661</b>     | <b>A. Bills Purchase &amp; Discount</b> | <b>3,112,269</b>  |
| 368,831              | 1. Local                                | 484,808           |
| 2,904,830            | 2. Foreign                              | 2,627,461         |
| <b>34,629,705</b>    | <b>B. Commission</b>                    | <b>47,810,826</b> |
| 9,566,245            | 1. Letters of Credit                    | 11,378,069        |
| 5,076,792            | 2. Guarantees                           | 13,895,620        |
| 1,672,621            | 3. Collection Fees                      | 1,638,567         |
| 18,248,661           | 4. Remittance Fees                      | 20,882,179        |
| -                    | 5. Credit Card                          | -                 |
| -                    | 6. Share Underwriting/Issue             | -                 |
| -                    | 7. Government Transactions              | -                 |
| 65,386               | 8. Agency Commission                    | 16,391            |
| -                    | 9. Exchange Fee                         | -                 |
| <b>2,850,619</b>     | <b>C. Others</b>                        | <b>1,668,465</b>  |
| <b>40,753,985</b>    | <b>Total</b>                            | <b>52,591,560</b> |

**OTHER INCOME****FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064**

| Previous Year<br>Rs. | Particulars                         | This Year<br>Rs   |
|----------------------|-------------------------------------|-------------------|
| 84,000               | 1. Safe Deposit Lockers Rental      | 273,000           |
| -                    | 2. Issue & Renewals of Credit Cards | -                 |
| 60,700               | 3. Issue & Renewals of ATM Cards    | 46,100            |
| 2,580,639            | 4. Telex / T. T.                    | 3,307,962         |
| 4,411,236            | 5. Service Charges                  | 8,754,514         |
| -                    | 6. Renewal Fees                     | -                 |
| -                    | 7. Others(Postage)                  | 219,776           |
| <b>7,136,575</b>     | <b>Total</b>                        | <b>12,601,352</b> |

**EXCHANGE GAIN / LOSS****FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064**

| Previous Year<br>Rs. | Particulars                            | This Year<br>Rs   |
|----------------------|--|-------------------|
| 4,575,050            | a. Revaluation Gain (Loss)             | 2,102,813         |
| 38,485,265           | b. Trading Gain (except Exchange Fees) | 47,360,726        |
| <b>43,060,315</b>    | <b>Total Income (Loss)</b>             | <b>49,463,539</b> |

**EXPENSES RELATING TO EMPLOYEES****FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064**

| Previous Year<br>Rs. | Particulars                       | This Year<br>Rs   |
|----------------------|-----------------------------------|-------------------|
| 20,597,861           | 1. Salary                         | 22,422,699        |
| 16,478,421           | 2. Allowances                     | 18,395,638        |
| 1,864,994            | 3. Contribution to Provident Fund | 2,050,476         |
| 1,970,653            | 4. Training Expenses              | 242,458           |
| 77,256               | 5. Uniform                        | 148,483           |
| 2,302,280            | 6. Medical                        | 2,220,289         |
| 127,614              | 7. Insurance                      | 159,811           |
| 3,446,400            | 8. Pension and Gratuity Provision | 3,443,600         |
| 3,674,049            | 9. Others(Canteen)                | 4,149,010         |
| <b>50,539,528</b>    | <b>Total</b>                      | <b>53,232,464</b> |

**OFFICE OPERATING EXPENSES**  
**FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064**

| Previous Year<br>Rs. | Particulars   | This Year<br>Rs.   |
|----------------------|---|--------------------|
| 13,414,110           | 1. House Rent   | 15,844,362         |
| 3,528,432            | 2. Electricity & Water                                  | 4,081,446          |
| <b>1,518,286</b>     | <b>3. Repair &amp; Maintenance</b>                      | <b>1,608,059</b>   |
| 513,773              | a. Building   | 533,867            |
| 222,733              | b. Vehicles   | 308,726            |
| 781,780              | c. Others(Computer)                                     | 765,466            |
| 7,309,830            | 4. Insurance  | 5,734,209          |
| 6,370,167            | 5. Postage, Telex, Telephone & Fax                      | 7,245,056          |
| 698,576              | 6. Office Equipment, Furniture and Repair               | 830,481            |
| 4,403,075            | 7. Travelling Allowances & Expenses                     | 6,001,700          |
| 4,592,609            | 8. Printing & Stationery                                | 6,057,725          |
| 360,498              | 9. Books & Periodicals                                  | 319,761            |
| 1,447,511            | 10. Advertisements                                      | 1,688,794          |
| 2,466,540            | 11. Legal Expenses                                      | 1,847,533          |
| 9,000                | 12. Donations   | 226,068            |
| <b>425,233</b>       | <b>13. Expenses relating to Board of Directors</b>      | <b>1,431,031</b>   |
| 335,000              | a. Meeting Fees   | 595,000            |
| 90,233               | b. Other Expenses                                       | 836,031            |
| 1,099,017            | 14. Annual General Meeting Expenses                     | 1,028,018          |
| <b>332,280</b>       | <b>15. Expenses relating to Audit</b>                   | <b>539,955</b>     |
| 100,000              | a. Audit Fees   | 110,000            |
| 232,280              | b. Other Expenses                                       | 429,955            |
| -                    | 16. Commission on Remittances                           | -                  |
| 17,760,132           | 17. Depreciation on Fixed Assets                        | 17,883,939         |
| -                    | 18. Amortization of Preliminary Expenses                | -                  |
| 8,000                | 19. Share Issue expenses                                | -                  |
| 10,815,625           | 20. Technical Services Fee                              | 10,501,250         |
| 650,956              | 21. Entertainment                                       | 626,105            |
| 927,028              | 22. Written Off Expenses                                | 906,351            |
| 4,743,347            | 23. Security Expenses                                   | 5,166,671          |
| 4,333,887            | 24. Credit Guarantee Premium                            | 3,656,889          |
| -                    | 25. Commission and Discount                             | -                  |
| <b>11,999,943</b>    | <b>26. Others</b>                                       | <b>26,886,178</b>  |
| 117,535              | a. Office Equipment & Furniture (not capitalised items) | 58,909             |
| 1,041,020            | b. Information Technology Support Cost                  | 13,874,407         |
| 10,841,388           | c. Others   | 12,952,862         |
| <b>99,214,082</b>    | <b>Total</b>  | <b>120,111,581</b> |

**PROVISION FOR POSSIBLE LOSS**  
FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064

| Previous Year<br>Rs. | Particulars                                     | This Year<br>Rs   |
|----------------------|---|-------------------|
| 136,761,447          | 1. Increase in Loan Loss Provision              | 57,901,851        |
| 536,580              | 2. Increase in Provision for Loss on Investment | -                 |
| 9,358,769            | 3. Provision Against Non-Banking Assets         | 1,475,097         |
| -                    | 4. Provision Against Other Assets               | -                 |
| <b>146,656,796</b>   | <b>Total</b>                                    | <b>59,376,948</b> |

**NON-OPERATING INCOME/LOSS**  
FROM 1<sup>st</sup> SHRAWAN 2063 TO 32<sup>nd</sup> ASHAD 2064

| Previous Year<br>Rs. | Particulars   | This Year<br>Rs  |
|----------------------|---|------------------|
| -                    | 1. Profit (Loss) on Sale of Investments             | -                |
| (3,024,977)          | 2. Profit (Loss) on Sale of Assets                  | (441,867)        |
| 98,705               | 3. Dividend   | 185,108          |
| -                    | 4. <u>Subsidies received from Nepal Rastra Bank</u> | -                |
| -                    | a. Reimbursement of losses of specified branches    | -                |
| -                    | b. Interest Subsidy                                 | -                |
| -                    | c. Exchange Counter                                 | -                |
| -                    | 5. Others   | -                |
| <b>(2,926,272)</b>   | <b>Total Non-Operating Income (Loss)</b>            | <b>(256,759)</b> |

**LOSS PROVISION WRITTEN BACK**  
FISCAL YEAR 2063/064 (2006/2007)

| Previous Year<br>Rs. | Particulars  | This Year<br>Rs   |
|----------------------|--|-------------------|
| 47,509,483           | 1. Loan Loss Provision Written Back                  | 68,020,764        |
| 6,668,280            | 2. Provision against Non Banking Assets Written Back | 9,957,761         |
| -                    | 3. Investment Provision Written Back                 | 536,580           |
| -                    | 4. Provision against other Assets Written Back       | -                 |
| <b>54,177,763</b>    | <b>Total</b>   | <b>78,515,105</b> |

**PROFIT/LOSS FROM EXTRA-ORDINARY ACTIVITES**  
**FISCAL YEAR 2063/064 (2006/2007)**

| Previous Year<br>Rs. | Particulars                             | This Year<br>Rs |
|----------------------|---|-----------------|
| -                    | 1. Recovery of Write off Loan           | -               |
| -                    | 2. Voluntary Retirement Scheme Expenses | -               |
| -                    | 3. Loan Write -Offs (4.28 (a))          | -               |
| -                    | 4. Other expensess/Income               | -               |
| -                    | <b>Total</b>                            | -               |

**STATEMENT OF LOAN WRITTEN-OFF**  
**FISCAL YEAR 2063/064 (2006/2007)**

| S.No. | Types of Loan        | Written of<br>amount Rs. | Type of<br>Security | Basis of<br>valuation of<br>collateral | Loan<br>Approved by<br>Name/<br>Designation | Initiations<br>made for<br>recovery | Remarks |
|-------|----------------------|--------------------------|---------------------|--|---|-------------------------------------|---------|
| 1     | Working Capital Loan | -                        | -                   | -                                      | -   | -                                   | -       |
| 2     | Project Loan         | -                        | -                   | -                                      | -   | -                                   | -       |
| 3     | Fixed Capital Loan   | -                        | -                   | -                                      | -   | -                                   | -       |
| 4     | Personal Loan        | -                        | -                   | -                                      | -   | -                                   | -       |
| 5     | Other Loan           | -                        | -                   | -                                      | -   | -                                   | -       |
|       | <b>Total Loan</b>    | -                        |                     |  |   |                                     |         |

*Note : Particulars of loan written off during the fiscal year shall be mentioned in above.*

**STATEMENT OF LOANS AND ADVANCE EXTENDED TO DIRECTORS/CHIEF  
EXECUTIVE/PROMOTERS/EMPLOYEES AND SHAREHOLDERS**

**(END OF ASHAD 2064)**

**( In Rs.)**

| Name of Promoter/Director<br>Chief Executive | Outstanding up to last Year |          | Recovery in Current Year |          | Additional Lending<br>in this Year | Outstanding as of Ashad end 2063 |          |
|--|-----------------------------|----------|--------------------------|----------|------------------------------------|----------------------------------|----------|
|  | Principal                   | Interest | Principal                | Interest |                                    | Principal                        | Interest |
| <b>A. Directors</b>                          | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 1. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 2. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 3. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| <b>B. Chief Executive</b>                    | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 1. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 2. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| <b>C. Promoters</b>                          |                             |          |                          |          |                                    |                                  |          |
| 1. Agriculture Development Bank              | 127,000,000                 | -        | 77,000,000               | -        | -                                  | 50,000,000                       | -        |
| 2. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 3. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| <b>D. Employees-</b>                         |                             |          |                          |          |                                    |                                  |          |
| 1. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 2. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 3. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| <b>E. Shareholders</b>                       |                             |          |                          |          |                                    |                                  |          |
| 1. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 2. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| 3. ....                                      | -                           | -        | -                        | -        | -                                  | -                                | -        |
| <b>Total</b>                                 | <b>127,000,000</b>          | <b>-</b> | <b>77,000,000</b>        | <b>-</b> | <b>-</b>                           | <b>50,000,000</b>                | <b>-</b> |

**TABLE OF CAPITAL FUND**  
**FISCAL YEAR 2063/064 (2006/2007)**

| Particulars   | Previous Year        | This Year            |
|---|----------------------|----------------------|
| <b>A. Core Capital</b>  | <b>964,420,051</b>   | <b>1,145,478,649</b> |
| 1. Paid Up Capital  | 640,236,100          | 647,798,400          |
| 2. Share Premium  | -                    | -                    |
| 3. Non-Redeemable Preference Shares   | -                    | -                    |
| 4. General Reserve Fund   | 140,709,241          | 191,691,010          |
| 5. Cumulative Profit/Loss   | 1,705,920            | 665,892              |
| 6. Capital Redemption Reserve   | -                    | -                    |
| 7. Capital Adjustment Reserve   | 192,413,490          | 60,000,000           |
| 8. Other Free Reserve (Debenture Red.Reserve & Proposed Bonus Share)                          | -                    | 255,300,869          |
| Less: Goodwill  | -                    | -                    |
| Investment in excess of prescribed Limit  | -                    | -                    |
| Fictitious Assets   | 1,701,700            | 1,034,522            |
| Investments in securities of companies with financial interest                                | -                    | -                    |
| Investments in the Shares underwritten of Himalayan Distillery                                | 8,943,000            | 8,943,000            |
| <b>B. Supplementary Capital</b>   | <b>278,150,196</b>   | <b>299,321,607</b>   |
| 1. Loan Loss Provision on Pass Loan   | 70,841,219           | 91,486,927           |
| 2. Asset Revaluation Reserve  | -                    | -                    |
| 3. Hybrid Capital Instruments   | -                    | -                    |
| 4. Unsecured Subordinated Term Debt   | 200,000,000          | 200,000,000          |
| 5. Exchange Equalization Reserve  | 7,308,977            | 7,834,680            |
| 6. Additional Loan Loss Provision   | -                    | -                    |
| 7. Investment Adjustment Reserve  | -                    | -                    |
| 8. Provision for Loss on Investment   | -                    | -                    |
| <b>C. Total Capital Fund (A+B)</b>  | <b>1,242,570,247</b> | <b>1,444,800,256</b> |
| <b>D. Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets</b> |                      |                      |
| Capital Fund (@ 11%)  | 1,007,519,785        | 1,196,060,642        |
| Core Capital (@ 5.5%)   | 503,759,892          | 598,030,321          |
| <b>Capital Fund (Excess/Short) - Excess 2.29%</b>   | <b>235,050,462</b>   | <b>248,739,614</b>   |
| <b>Core Capital (Excess/Short) - Excess 5.03%</b>   | <b>460,660,159</b>   | <b>547,448,328</b>   |

## TABLE OF RISK WEIGHTED ASSETS STATEMENT (END OF ASHAD 2064)

Schedule 4.30 (A)

|   | Weightage | Ashad End 2063        |                      | Ashad End 2064        |                       |
|---|-----------|-----------------------|----------------------|-----------------------|-----------------------|
|   |           | Amount                | Risk Weighted Assets | Amount                | Risk Weighted Assets  |
| On - Balance Sheet Assets   |           |                       |                      |                       |                       |
| Cash Balance  | -         | 244,187,671           | -                    | 287,530,644           | -                     |
| Gold (Tradable)   | -         | -                     | -                    | -                     | -                     |
| Balance with Nepal Rastra Bank  | -         | 626,123,385           | -                    | 556,678,464           | -                     |
| Investments in Government Securities  | -         | 3,591,773,064         | -                    | 2,227,404,516         | -                     |
| Investments in N.R.B. Bonds   | -         | -                     | -                    | 118,175,000           | -                     |
| Fully secured loan against own Fixed Deposit Receipt  | -         | 222,779,717           | -                    | 178,668,079           | -                     |
| Fully secured loan against Government Securities  | -         | 6,559,000             | -                    | 252,904,826           | -                     |
| Balances with Domestic Licensed Banks and Financial Institutions                                      | 20%       | 10,413,018            | 2,082,604            | 11,837,405            | 2,367,481             |
| Fully secured FDR Loan against Fixed Deposit Receipt of other Licensed banks & Financial Institutions | 20%       | 700,000               | 140,000              | 100,000,000           | 20,000,000            |
| Balances with Foreign Banks   | 20%       | 237,434,334           | 47,486,866           | 266,643,714           | 53,328,742            |
| Money at Call   | 20%       | 363,200,000           | 72,640,000           | 350,000,000           | 70,000,000            |
| Loan against Guarantees of Internationally Rated Banks  | 20%       | -                     | -                    | -                     | -                     |
| Other Investments in Internationally Rated Banks  | 20%       | -                     | -                    | 281,934,403           | 56,386,881            |
| Investment in Shares, Debentures and Bonds  | 100%      | 19,539,000            | 19,539,000           | 31,939,000            | 31,939,000            |
| Other Investments   | 100%      | -                     | -                    | -                     | -                     |
| Loans, Advances and Bills Purchased/Discounted  | 100%      | 8,011,417,827         | 8,011,417,827        | 9,533,479,290         | 9,533,479,290         |
| Fixed Assets  | 100%      | 66,711,798            | 66,711,798           | 97,218,804            | 97,218,804            |
| All Other Assets (Except net advance tax deposit)   | 100%      | 243,428,404           | 243,428,404          | 139,615,198           | 139,615,198           |
| Net Other Interest Receivable (Gross Interest Receivable-Interest Suspense)                           | 100%      | 21,658,663            | 21,658,663           | 17,621,721            | 17,621,721            |
| <b>Total (A)</b>  |           | <b>13,665,925,871</b> | <b>8,485,105,152</b> | <b>14,451,651,062</b> | <b>10,021,957,116</b> |
| <b>Off - Balance Sheet Items</b>  |           |                       |                      |                       |                       |
| Bills Collection  | 0%        | 50,633,074            | -                    | 11,623,047            | -                     |
| Forward Foreign Exchange Contract   | 10%       | -                     | -                    | 98,505,354            | 9,850,535             |
| Letters of Credit with maturity of less than 6 months (Full value)                                    | 20%       | 908,943,282           | 181,788,656          | 1,494,541,691         | 298,908,338           |
| Guarantees provided against counter guarantee of internationally rated foreign banks                  | 20%       | 490,746,154           | 98,149,231           | 616,304,143           | 123,260,829           |
| Letters of Credit with maturity of more than 6 months (Full value)                                    | 50%       | -                     | -                    | -                     | -                     |
| Bid Bond  | 50%       | 4,524,873             | 2,262,436            | 17,482,228            | 8,741,114             |
| Performance Bond  | 50%       | 214,230,914           | 107,115,457          | 336,565,214           | 168,282,607           |
| Advance Payment Guarantee   | 100%      | 41,448,591            | 41,448,591           | 21,742,487            | 21,742,487            |
| Financial Guarantee   | 100%      | 9,065,800             | 9,065,800            | 1,742,300             | 1,742,300             |
| Other Guarantee   | 100%      | 17,069,900            | 17,069,900           | 4,717,875             | 4,717,875             |
| Irrevocable Loan Commitment   | 100%      | -                     | -                    | -                     | -                     |
| Contingent Liabilities in respect of Income Tax   | 100%      | 5,351,557             | 5,351,557            | -                     | -                     |
| All Other Contingent Liabilities  | 100%      | 211,913,993           | 211,913,993          | 214,075,359           | 214,075,359           |
| <b>Total (B)</b>  |           | <b>1,953,928,138</b>  | <b>674,165,621</b>   | <b>2,817,299,698</b>  | <b>851,321,444</b>    |
| <b>Total Risk Weighted Assets</b>   |           | <b>15,619,854,009</b> | <b>9,159,270,773</b> | <b>17,268,950,759</b> | <b>10,873,278,560</b> |



**PRINCIPAL INDICATORS**  
**(AT LEAST FOR PREVIOUS 5 YEARS)**

| Particulars   | Indicators | F.Y.<br>2059/2060<br>(2002-03) | F.Y.<br>2060/2061<br>(2003-04) | F.Y.<br>2061/2062<br>(2004-05) | F.Y.<br>2062/2063<br>(2005-06) | F.Y.<br>2063/2064<br>(2006-07) |
|---|------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 1. Percent of Net Profit/Gross Income                 | %          | 8.61                           | 9.95                           | 7.98                           | 14.63                          | 26.95                          |
| 2. Earnings Per Share                                 | Rs.        | 11.47                          | 14.26                          | 13.29                          | 18.27                          | 39.35                          |
| 3. Market Value per Share                             | Rs.        | 255.00                         | 307.00                         | 335.00                         | 612.00                         | 1176.00                        |
| 4. Price Earning Ratio                                | %          | 22.24                          | 21.54                          | 25.21                          | 33.49                          | 29.89                          |
| 5. Dividend (including bonus) on share capital        | %          | 8.00                           | -                              | -                              | 5.00                           | 47.59                          |
| 6. Cash Dividend on Share Capital                     | %          | 8.00                           | -                              | -                              | 5.00                           | 12.59                          |
| 7. Interest Income/Loans & Advances                   | %          | 8.72                           | 8.10                           | 7.72                           | 7.38                           | 7.01                           |
| 8. Staff Expenses/Total Operating Expenses            | %          | 8.26                           | 8.77                           | 9.72                           | 10.43                          | 9.09                           |
| 9. Interest Expenses/Total Deposit and Borrowings     | %          | 4.43                           | 3.50                           | 2.83                           | 2.88                           | 3.36                           |
| 10. Exchange Gain/Total Income                        | %          | 3.27                           | 5.01                           | 4.50                           | 5.38                           | 5.23                           |
| 11. Staff (Statutory) Bonus/Total Staff Expenses      | %          | 18.53                          | 27.24                          | 27.01                          | 28.33                          | 39.30                          |
| 12. Net Profit/Loans & Advances                       | %          | 1.03                           | 1.12                           | 0.87                           | 1.53                           | 2.69                           |
| 13. Net Profit/ Total Assets                          | %          | 0.64                           | 0.72                           | 0.55                           | 0.90                           | 1.83                           |
| 14. Total Credit/Deposit                              | %          | 73.52                          | 76.85                          | 77.87                          | 69.32                          | 82.66                          |
| 15. Total Operating Expenses/Total Assets             | %          | 5.40                           | 4.46                           | 3.74                           | 3.72                           | 4.21                           |
| 16. Adequacy of Capital Fund on Risk Weightage Assets |            |                                |                                |                                |                                |                                |
| a. Core Capital                                       | %          | 10.16                          | 9.47                           | 8.68                           | 10.53                          | 10.53                          |
| b. Supplementary Capital                              | %          | 2.19                           | 1.47                           | 0.79                           | 3.04                           | 2.76                           |
| c. Total Capital Fund                                 | %          | 12.34                          | 10.95                          | 9.47                           | 13.57                          | 13.29                          |
| 17. Liquidity (CRR)                                   | %          | 18.19                          | 7.74                           | 5.26                           | 5.83                           | 5.60                           |
| 18. Non Performing Credit/Total Credit                | Ratio      | 8.90                           | 6.25                           | 6.54                           | 6.13                           | 4.56                           |
| 19. Weighted Average Interest Rate Spread             | %          | 3.23                           | 3.55                           | 3.68                           | 3.33                           | 3.01                           |
| 20. Book Net worth                                    | Rs.        | 569,852,181                    | 626,636,726                    | 689,013,061                    | 971,729,028                    | 1,153,313,329                  |
| 21. Total Shares                                      | No.        | 4,251,573                      | 4,268,759                      | 4,318,656                      | 6,402,361                      | 6,477,984                      |
| 22. Total Staff                                       | No.        | 148                            | 151                            | 164                            | 174                            | 189                            |
| 23. Return on Shareholder's Equity                    | %          | 8.55                           | 9.71                           | 8.33                           | 12.04                          | 22.10                          |
| 24. Book Value Per Share                              | Rs.        | 134.03                         | 146.80                         | 159.54                         | 151.78                         | 178.04                         |
| 25. Return on Net Fixed Assets                        | %          | 68.63                          | 97.60                          | 86.36                          | 175.38                         | 262.20                         |
| 26. Total Interest Earning to External Assets         | %          | 8.28                           | 7.00                           | 6.56                           | 6.31                           | 6.86                           |
| 27. Total Cost to Net Interest Income & Other Income  | %          | 47.91                          | 37.34                          | 31.46                          | 32.84                          | 32.54                          |

## PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 32<sup>nd</sup> ASHAD 2064 (16<sup>th</sup> JULY 2007)

### i) General information

Nepal SBI Bank Limited (“the Bank”) is a limited liability company domiciled in Nepal. The address of its registered office is Hattisar, Kathmandu, Nepal. The Bank has a primary listing on the Nepal Stock Exchange Limited.

The Bank is running commercial banking business in Nepal. The financial statements are authorised for issue by the Board of Directors.

### ii) Summary of Principal Accounting Policies

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

### iii) Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards (“NAS”) issued by the Nepal Accounting Standard Board except otherwise stated, Generally Accepted Accounting Principles (“GAAP”), Bank & Financial Institutions Act 2063, presentation requirement of Nepal Rastra Bank directive and in conformity with the companies Act 2063.

### iv) Basis of Preparation

The financial statements are presented in Nepalese Rupees, rounded off to the nearest Rupee. They are prepared on the historical cost basis. The preparation of financial statements in conformity with NAS and GAAP require the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Bank’s accounting policies.

### v) Interest Income

Interest income on loans and advances are recognised on cash basis as per the Nepal Rastra Bank Directive although this practice is inconsistent with NAS 7 (Revenue Accounting), which prescribes that revenue should be recognised on accrual basis.

Interest income on Investments is accounted for on accrual basis.

### vi) Commission Income

Income from export bills purchased/discounted and on usance bills is recognised as income on the date of the transaction.

Commission earned on guarantee is accounted for on cash basis and is recognised as income on the date of the transaction.

### vii) Dividend Income

Dividend on equity shares are recognised when the right to receive dividend is established.

### **viii) Foreign Exchange Transactions**

Foreign currency assets and liabilities are translated into Nepalese Rupees at the prevailing middle rate ruling on the Balance Sheet date.

Income realised from the difference between buying and selling rates of foreign currency is accounted for as Trading Gain on foreign exchange.

Gains/losses arising due to fluctuation in exchange rate of different foreign currencies is accounted for as "Revaluation Gain/Loss". 25% of the revaluation gain is transferred to Exchange Fluctuation Reserve through Profit and Loss Appropriation Account as per Nepal Rastra Bank Directives.

### **ix) Interest Expense**

Interest on deposit liabilities and borrowings from other banks are accounted for on accrual basis.

### **x) Loans and Advances including Bills Purchased**

Loans and advances, overdrafts and bills purchased include direct finance provided to customers. These include overdrafts, term loans, retail finance and loans given to priority and deprived sectors. All loans and advance are subject to regular scrutiny and classified as per the Nepal Rastra Bank's Directives. Loans and advances, overdrafts and bills purchased are shown net of provisions.

### **xi) Staff Loans**

Loans and advances to staff granted in accordance with the staff loan scheme of the Bank are shown under Other Assets.

### **xii) Loan Loss Provision**

Provision for possible losses has been made to cover doubtful loans and advances, overdraft, bills purchased. The level of loan loss provision is determined from 1% to 100% on the basis of classification of loans and advances, overdraft, bills purchased in accordance with the Nepal Rastra Bank Directives.

### **xiii) Investments**

Investments in Treasury Bills & Nepal Government Development Bonds are those, which the Bank purchased with the positive intent and ability to hold until maturity. Such securities are recorded at cost or at cost adjusted for amortisation of premiums or discounts. Premiums and discounts are capitalised and amortised from the date of purchase to maturity.

All Investments are subject to regular review as required by the Nepal Rastra Bank Directives.

### **xiv) Fixed Assets and Depreciation**

- a. Fixed assets are stated at cost less accumulated depreciation.
- b. Assets with a value less than Rs 2,000 are charged off as a revenue expense irrespective of its useful life in the year of purchase.
- c. Fixed assets and cost on improvements and renovation of leasehold properties are depreciated at rates based upon their expected useful lives of the assets, using the straight-line method. The useful lives of the assets are as follows:



| Nature of Assets   | Useful Life (years) |
|--------------------|---------------------|
| Furniture          | 10                  |
| Equipments         | 4 -10               |
| Vehicles           | 5                   |
| Computers          | 7                   |
| Leasehold premises | 10                  |

**xv) Non-Banking Assets (NBAs)**

Non-Banking Assets are valued at lower of outstanding loan amount (Principal) or fair market value of the assets acquired. Provisions for NBA are made in accordance with the Nepal Rastra Bank Directives.

**xvi) Software Expenses**

Software applications purchased by the Bank are included in Computers and Accessories and depreciated accordingly.

**xvii) Retirement Benefits**

The Bank offers retirement benefits to its confirmed employees mainly provident fund and gratuity payable at the time of separation from service.

- a. Provident fund

Provident fund is recognised at the time of periodic contribution to the fund.

- b. Gratuity

Provision for gratuity is made on accrual basis in terms of the personnel policies laid down in the Staff Service Rules of the Bank.

**xviii) Stationery Stock**

Stationery purchased is stated at cost and charged to revenue at the time of consumption.

**xix) Provision for Taxation**

Provision for taxation has been made on the basis of the Income Tax Act 2058 and amendments thereto.

**xx) Cash & Cash Equivalents**

Cash & cash equivalents comprise cash balances.

**xxi) Previous Year's Figures**

Previous year's figures are grouped or regrouped wherever necessary in order to facilitate comparison.

## NOTES TO ACCOUNTS

FOR THE YEAR ENDED 32<sup>nd</sup> ASHAD 2064 (16<sup>th</sup> JULY 2007)

### 1. Provision for Staff Bonus

Provision for staff bonus has been computed and provided for at 10% of the profit after making provision for loan loss, non banking assets, investments and staff bonus.

### 2. Staff Housing Fund

As Bank has a provision for extending housing loans to the eligible staff, a separate housing fund has not been created as prescribed by the Labour Act, 2048.

### 3. General Reserve

As per the requirement of Nepal Rastra Bank, 20% of the current year's profit amounting to Rs. 50,981,769 has been transferred to General Reserve.

### 4. Exchange Fluctuation Reserve

Revaluation gain as at the year end amounted to Rs. 2,102,813 out of which 25% has been transferred to Exchange Fluctuation Reserve by debiting Profit and Loss Appropriation Account as per Nepal Rastra Bank Directives.

### 5. Capital Adjustment Reserve

Contrary to previous capital policy, new capital policy of Nepal Rastra Bank (NRB) requires the Bank to increase paid up capital proportionately each year to make it minimum Rs. 1,600 million by mid July 2013. The Bank has already submitted a capital plan to NRB in this regard. The Capital Adjustment Reserve accumulated till FY 2005/06 amounting to Rs. 192,413,490 has been utilized during the FY 2006/07 to issue 35 Bonus Shares to every shareholder holding 100 shares. An amount of Rs. 60,000,000 has been transferred to Capital Adjustment Reserve from the Profit and Loss Appropriation Account this year.

### 6. Unsubscribed Right Shares

647,328 right shares were issued to the general public during the Fiscal Year 2004/05, out of which 75,623 shares remained unsubscribed. The unsubscribed shares were allotted to the Bank's employees during the Fiscal Year as decided by the Bank's Board as per section 56(11) of the Company Act, 2063.

### 7. Provision for Gratuity

During the year, the Bank has provided Rs. 3,443,600 on account of gratuity. A sum of Rs. 781,200 paid as gratuity during the year is out of the provisions there against.

### 8. Tax Settlement Outstanding

Bank approached the Tax Settlement Commission to settle its tax liability for the FYs 2058/59, 2059/60, 2060/61 and 2061/62. After review, Bank's tax liabilities towards Corporate Tax was settled against payment of Additional Tax of Rs. 2,977,000.



## 9. Fraudulent Draft Case

The Bank had filed a case with the Kathmandu District Court for recovery of Rs. 32,000,000 on account of loss incurred by the Bank due to the negligence of collecting Banks. Since the decision of the District Court was not in favour of the Bank, it is proposed to file a leave petition with Supreme Court after receiving the written verdict of the Appellate Court, Patan. The Bank has already made 100 percent provision against possible loss on this account.

## 10. Reconciliation Status of Agency Accounts Outstanding as on 16.07.2007

*Rs. in '000*

| Reconciliation Status | Total Amount | <3 months | > 3 < 9 months | > 9 months |
|-----------------------|--------------|-----------|----------------|------------|
| Agency Accounts       | 378,791      | 216,449   | 82,737         | 79,605     |

The unreconciled entries represent unpaid credit entries, net of unreconciled debit entries outstanding. All the unreconciled entries are identified and being followed up with the correspondent banks. They will be adjusted in due course of business.

## 11. Summary of Loans and Advances disbursed, recovered and Principal & Interest Written-off

*Rs.'000*

| Particulars              | Amount       |
|--------------------------|--------------|
| Balance as on 16/07/2006 | 8,241,456    |
| Loans Disbursed          | 38,614,978   |
| Loans Recovered          | (36,791,382) |
| Loans Written Off        | -            |
| Interest Written Off     | -            |
| Balance as on 16/07/2007 | 10,065,052   |

## 12. Summary of Changes in deposit & liabilities

*Rs.'000*

|                    | Current Year | Previous Year | Changes   |
|--------------------|--------------|---------------|-----------|
| Call Deposits      | 624,713      | 565,142       | 59,571    |
| Current Deposits   | 1,930,432    | 1,408,297     | 522,135   |
| Fixed Deposits     | 5,517,466    | 6,116,173     | (598,707) |
| Inter-bank Deposit | -            | -             | -         |
| Margin Deposits    | 97,982       | 79,790        | 18,192    |
| Saving Deposits    | 3,274,690    | 2,832,639     | 442,051   |

### 13. Weighted Average Interest Spread

|  | Rate % |
|--|--------|
| Average Rate of Return from Credit and Investments | 6.61   |
| Average Cost on Deposits                           | 3.60   |
| Net Spread   | 3.01   |

### 14. Particulars of Expenses yet to be Expensed-off

*Rs. in '000*

|  |       |
|--|-------|
| 1. Pre operating expenses  | NIL   |
| 2. Share Issue expenses  | 1,035 |
| 3. Others (premium paid on Development Bond & Membership fee of Visa card) | 1,203 |

### 15. Summary of Concentration Exposure

*Rs. in '000*

| Particulars                                 | Loans and Advances and Bills | Deposits and Borrowing | Contingent |
|---|------------------------------|------------------------|------------|
| Total amount as on 16/07/2007               | 10,065,052                   | 12,260,651             | 2,817,299  |
| Highest exposure to a single unit           | 231,066                      | 840,592                | 245,781    |
| Percentage of exposure to single unit/total | 2.30%                        | 6.86%                  | 8.72%      |

## 16. Classification of Assets and Liabilities based on Maturity

Rs. in Lakhs

| Assets                            | 1-90 days | 91-180 days | 181-270 days | 271-365 days | Above One Year | Total Amount |
|-----------------------------------|-----------|-------------|--------------|--------------|----------------|--------------|
| Cash Balance                      | 2,875     |             |              |              |                | 2,875        |
| Bank Balance                      | 8,352     |             |              |              |                | 8,352        |
| Investment in Foreign Banks       | 1,210     | 1,361       | 151          | 98           |                | 2,819        |
| NG Bonds                          | 2,973     | 1,970       | 15,840       | 1,492        |                | 22,174       |
| NRB Bonds                         |           |             |              |              | 1,182          | 1,182        |
| Inter Bank Loans                  | 3,500     |             |              |              |                | 3,500        |
| Loans and Advances/Bills Purchase | 39,863    | 13,666      | 8,394        | 6,802        | 31,926         | 100,651      |
| Total Assets                      | 58,772    | 16,996      | 24,385       | 8,391        | 33,108         | 141,653      |
| Liabilities                       |           |             |              |              |                |              |
| Borrowings                        | 8,154     |             |              |              |                | 8,154        |
| Call Deposits                     |           |             |              |              |                |              |
| Current & Margin Deposits         | 11,284    |             |              |              | 9,000          | 20,284       |
| Savings Deposits                  |           |             |              |              | 32,747         | 32,747       |
| Fixed & Call Deposits             | 18,680    | 13,011      | 11,635       | 14,669       | 3,428          | 61,422       |
| Debentures                        |           |             |              |              | 2,000          | 2,000        |
| Total Liabilities                 | 38,118    | 13,011      | 11,635       | 14,669       | 47,175         | 124,607      |
| Net Financial Assets              | 20,654    | 3,985       | 12,750       | (6,277)      | (14,067)       | 17,046       |
| Cumulative Net Financial Assets   | 20,654    | 24,639      | 37,390       | 31,113       | 17,046         |              |

## 17. Dividends

The dividend proposed by the Board of Directors for the Fiscal Year is as under:

Cash Dividend @ 10% on Paid Up Capital: Rs. 64,779,840

Bonus Shares @ 35% on Paid Up Capital: Rs. 226,729,440

The Proposed Cash Dividend of Rs.81,554,021 in the Profit & Loss Appropriation Account includes Rs.16,774,181 on account of tax on proposed Bonus Shares.

Distribution of proposed dividend is subject to NRB approval.

## 18. None of the Bank's borrowings are against the collateral of its own assets.

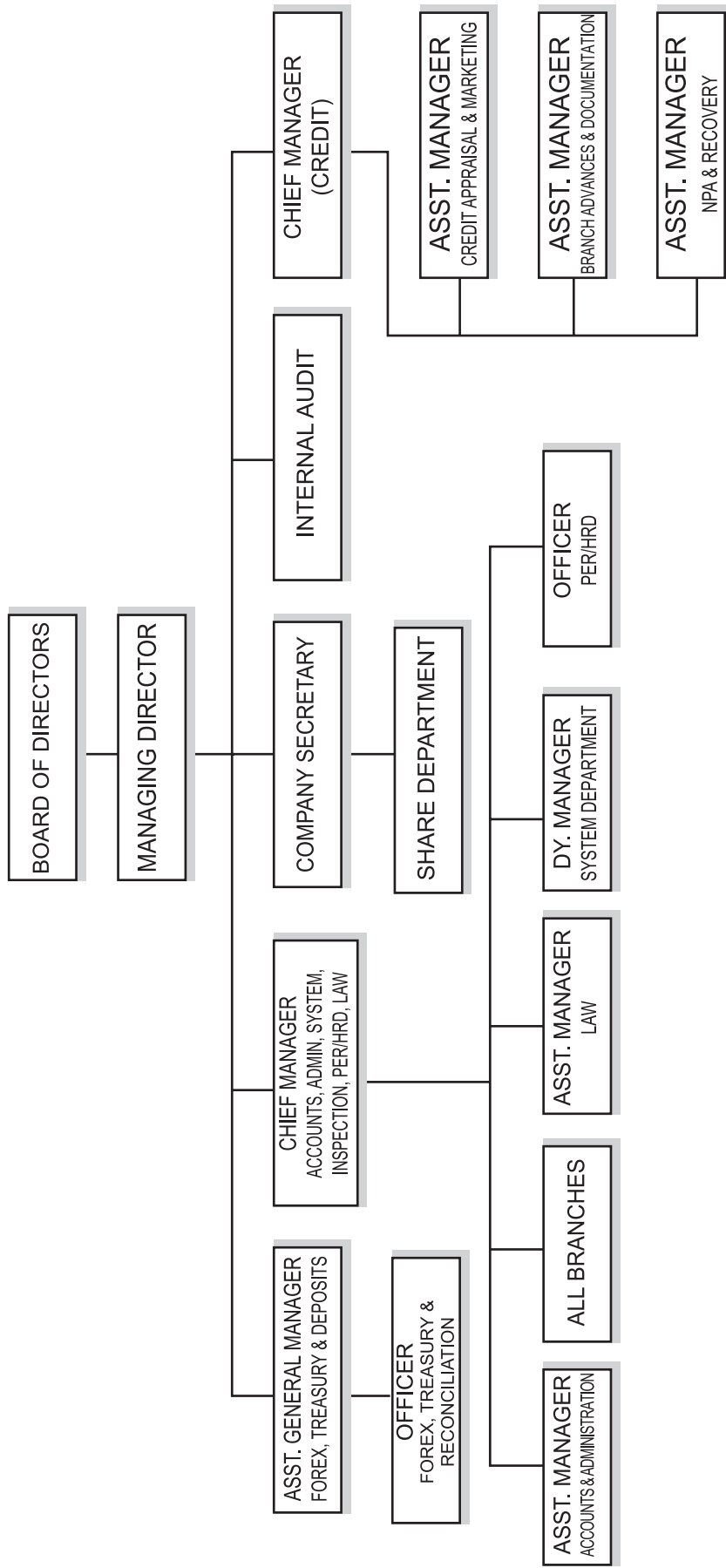
## 19. Rounding off

Figures have been rounded off to the nearest rupee.



# NEPAL SBI BANK LTD.

## ORGANISATION STRUCTURE



## NRB APPROVAL FOR THE PUBLICATION OF BANK'S FINANCIAL STATEMENTS

Bank's Annual Report has been published with the approval of Nepal Rastra Bank vide their letter no. Bai.Su.Bi./Offsite/AGM/20/2064/95 dated 2<sup>nd</sup> January 2008 (i.e., 18<sup>th</sup> Poush 2064 B.S.). No observation has been made by NRB while according approval to our Financial Statements for the F/Y 2063/64.

### बैंकको वित्तीय विवरण प्रकाशन सम्बन्धमा नेपाल राष्ट्र बैंकको स्वीकृति

प्रस्तुत वार्षिक प्रतिवेदन नेपाल राष्ट्र बैंकको प.सं. बै.सु.वि./अफसाईट/एजीएम/२०/०६४/६५ मिति २०६४/०९/१८ को प्रत्रमार्फत प्राप्त स्वीकृति बमोजिम प्रकाशित गरिएको हो । बैंकको आ.व. २०६३/६४ को वित्तीय विवरणका सम्बन्धमा नेपाल राष्ट्र बैंकबाट कुनै पनि कैफियत औल्याईएको छैन ।

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