



15th annual report

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NEPAL SBI BANK LTD.

Board of Directors



Mr. B.K. Shrestha
Chairman of the Board
(Representative of General Public)



Mr. S.K. Hariharan
Director
(SBI Nominee)



Mr. T.C.A. Ranganathan
Director
(SBI Nominee)



Mr. M.K. Agrawal
Director
(Representative of General Public)



Mr. N.K. Chari
Managing Director
(SBI Nominee)



Ms. Hasana Sharma
Director
(EPF Nominee)

NEPAL SBI BANK LTD.
Central Management Committee



Mr. N.K. Chari
Managing Director



Mr. M. Anand
Chief Operating Officer



Mr. B. Mishra
Chief Financial Officer



Mr. T. R. Gautam
Assistant General Manager
(Credit)

NEPAL SBI BANK LTD.

Management Team



Front Row (Sitting) (Left to Right): Mr. T.R. Gautam (AGM-Credit), Mr. M. Anand (COO), Mr. N.K. Chari (Managing Director), Mr. B. Mishra (CFO)
 Last Row (Standing) (Left to Right): Ms. R. Bharati (Head-Accounts, Admins., Premises, Procurement & G. Admins.), Mr. A. R. Sthapit (Head- Treasury), Mr. R. Ghimire (Company Secretary/Head- Law & Shares), Mr. R. Amatya (Head-Systems), Mr. U.B. Karki (Head-Credit Documentation, Follow-Up & NPA), Mr. B.D. Yadav (Head-Credit Marketing & Sanctions), Mr. S. Khanal (Head-Internal Audit), Ms. R. Kharel Karmacharya (Head-Human Resources), Mr. A. Nepal (Head-Business Development), Mr. K.R. Bhattarai (Head-Reconciliation)

NEPAL SBI BANK LTD. Branch Managers

Mr. Chhapi Raj Pant

Branch Manager
Durbarmarg Main Branch

Mr. Gopal Krishna Gartaula

Branch Manager
Biratnagar Branch

Mr. Narendra Chaudhary

Branch Manager
Rampur Branch

Ms. Nita Poudel

Branch Manager
Sishuwa Branch

Mr. Suraj Manandhar

Branch Manager
Pokhara Branch

Mr. Dinesh Kumar Pokharel

Branch Manager
Narayangarh Branch

Mr. Sushil Kumar Sharma

Branch Manager
Butwal Branch

Ms. Soma Roy Gupta

In-Charge
EOI, Extension Counter

Mr. Dipendra Thakur

In-Charge
PPO, Extension Counter, Dharan

Ms. Bibha Chaudhary

In-Charge
CGI, Extension Counter, Birgunj

Mr. Sudhir Paudyal

Branch Manager
Walling Branch

Mr. Binod Kumar Dhungel

Branch Manager
New Road Branch

Mr. Arun Man Kayastha

Branch Manager
Birgunj Branch

Mr. Binod Adhikari

Branch Manager
Bhairahawa Branch

Mr. Dev Raj Adhikari

Branch Manager
Birtamod Branch

Mr. Kiran Tiwari

Branch Manager
Dharan Branch

Mr. Jiwan Babu Subedi

Branch Manager
Teku Branch

Mr. Uday Panjiyar Tharu

Branch Manager
Janakpur Branch

Mr. Manoj Kumar Sharma

Branch Manager
Nepalgunj Branch

Mr. Ramesh Raj Ghimire

In-Charge
PPO, Extension Counter, Pokhara

Mr. Rajesh Acharya

Branch Manager
Baglung Branch

Mr. Deependra Khanal

In-Charge
Baharatiya Gorkha Sainik Extension Counter
Thamel, Kathmandu

Report of the Board of Directors to the Fifteenth Annual General Meeting of Nepal SBI Bank Ltd.

पन्ध्रौँ वार्षिक साधारणसभासमक्ष प्रस्तुत संचालक समितिको प्रतिवेदन

Dear Shareholders,

I am indeed glad to welcome you all at the Fifteenth Annual General Meeting of Nepal SBI Bank Ltd. On behalf of the Bank's Board of Directors, I take the opportunity to present before you the Directors' Report together with the Balance Sheet and Statement of Profit and Loss Account for the year ended 31st Ashadh 2065 (15th July 2008). The Report is in conformity with all the statutory and regulatory requirements.

Economic & Banking Environment

As per preliminary estimates of Central Bureau of Statistics (CBS), the Gross Domestic Product (GDP) at basic price is estimated to have grown by 5.60 % in the FY 2064/65 compared to 3.20% in the previous year. GDP growth in the Agricultural sector went up from 1% in the fiscal year 2063/64 to 5.70% in 2064/65. Surge in production of Paddy (16.80%), vegetables (9.60%) and fruits (5.40%) were the main growth drivers which significantly improved GDP in the agricultural sector in the review year.

Manufacturing production index declined by 1.40% in the year 2064/65 against the growth of 2.60% in the previous year. The decline in the index was on account of a substantial fall in the production of vegetable ghee and oil, plastic products, garments and domestic metal products.

Inflow of tourist via air route surged to 367.90 thousands in the year 2064/65 from 331.60 thousands in the last year.

With the improved law and order situation in the country, Foreign Direct Investment (FDI) rose substantially to Rs.9.80 billions in the year 2064/65 from Rs.2.90 billions in the previous year. The FDI projects registered in 2064/65 are estimated to create employment opportunities for 10.7 thousand people.

आदरणीय शेयरधनी महानुभावहरू,

नेपाल एसबिआई बैंक लि.को पन्ध्रौँ वार्षिक साधारणसभामा यहाँहरूलाई स्वागत गर्न पाउँदा म वास्तवमै हर्षित छु । यस अवसरमा, म यहाँहरूसमक्ष संचालकसमितिको तर्फबाट संचालकसमितिको प्रतिवेदनका साथै आ.व.२०६४/६५ को वार्षिक आर्थिक विवरण प्रस्तुत गर्न गइरहेको छु । प्रस्तुत प्रतिवेदन सम्बद्ध विधायिकी एवं नियमन प्रावधानहरूअनुरूप रहेको निवेदन गर्दछु ।

आर्थिक तथा बैकिङ्ग वातावरण:

आधारभूत मूल्यलाई आधार मानी केन्द्रीय तथ्याङ्क विभागले गरेको प्रारम्भिक अनुमानबमोजिम अघिल्लो आ.व. को कुल गार्हस्थ उत्पादन वृद्धिदर ३.२० प्रतिशतको तुलनामा आ.व. २०६४/६५ मा ५.६० प्रतिशतले बढेको अनुमान गरिएको छ । कृषि क्षेत्रको कुल गार्हस्थ उत्पादन वृद्धिदर आ.व. २०६३/६४ मा १ प्रतिशत रहेकोमा आ.व. २०६४/६५ मा आएर ५.७० प्रतिशत पुगेको छ । धान (१६.८० प्रतिशत), तरकारी (९.६० प्रतिशत) तथा फलफूल (५.४ प्रतिशत) जस्ता कृषिजन्य वस्तुहरूको उत्पादनमा भएको वृद्धिका कारण कृषि क्षेत्रको कुल गार्हस्थ उत्पादन वृद्धिदरमा उल्लेख्य रूपमा सुधार देखिएको हो ।

अघिल्लो आ.व. मा उत्पादनमूलक वस्तुको परिसूचक २.६० प्रतिशतले वृद्धि भएकोमा आ.व. २०६४/६५ मा यसमा १.४० प्रतिशतले गिरावट आयो । वनस्पति घ्यु, तेल, प्लाष्टिकका वस्तु, तयारी पोशाक तथा धातुका घरेलु सरसामानको उत्पादनमा भएको उल्लेख्य गिरावटका कारण उक्त परिसूचक घटन गएको हो ।

हवाई मार्गबाट नेपाल भित्रिने विदेशी पर्यटकहरूको संख्या गत आ.व.मा ३३१.६० हजार रहेकोमा आ.व. २०६४/६५ मा उक्त संख्यामा वृद्धि भई ३६७.९० हजार पुग्यो ।

देशमा कानून र सुरक्षा स्थितिमा सुधार आएसँगै प्रत्यक्ष वैदेशिक लगानीमा उल्लेख्य वृद्धि भई अघिल्लो वर्षको रु. २ अर्ब ९० करोडको तुलनामा आ.व. २०६४/६५ मा रु. ९ अर्ब ८० करोड पुग्यो । आ.व. २०६४/६५ मा दर्ता भएका वैदेशिक लगानी आयोजनाहरूले १० हजार ७ सय जनालाई रोजगारीको अवसर सृजना गर्ने अनुमान गरिएको छ ।

Foreign trade shows an insignificant growth even compared to previous year's negative growth. Total exports in rupee terms grew by a meagre 2.40% in 2064/65 as against a decline by 1.40% in the previous year. At the same time imports registered a growth of 16.10% in the year 2064/65 against a growth of 12% in the previous year. This widened the merchandise trade deficit to Rs.165.30 billions. A significant rise in workers' remittances (Rs.142.70 billions), grants assistance (Rs.20.99 billions) and capital transfer and others (Rs.31.31 billions) contributed to record level of BOP surplus of Rs.29.70 billions compared to BOP surplus of Rs.5.90 billions in last year.

Exports to India declined by 7.40% against a rise of 2.50% in the previous year and exports to other countries registered a growth of 25.50% against the decline of 9.60% in the previous year.

Imports from India grew by 24.70% in 2064/65 compared to 8.10% in 2063/64 and imports from other countries grew by 3.50% in FY 2064/65 compared to 18.30% in the previous year.

The gross foreign exchange reserves as at the end of the fiscal year 2064/65 stood at US\$ 3.10 billion mainly contributed by workers' remittances. The reserves will be sufficient to finance merchandise imports of the country for 11.3 months.

The average annual consumer inflation rate climbed to 7.70% in 2064/65 compared to 6.40% in 2063/64. The year on year inflation climbed to 12.10% mainly on account of depreciation of Nepali Rupee against US Dollar, which led to increase in the prices of imported goods.

The weighted annual average rate of 91 days' Treasury Bills increased sharply from 2.44% in the year 2063/64 to 4.21% in the year 2064/65. Similarly, the inter-bank call money rate went up from 2.26% in the previous year to 4.42% in the year under review.

Impact of National & International Events on the Banking Business

A total of 30 new banks and financial institutions were established in 2064/65 (2007/08). These included 5 commercial banks, 20 development banks, 4 finance companies and 1 micro-finance institution. This resulted in a fierce competition amongst banks to wean away 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. Due to the intense competition in the market there is bound to be pressure on the bottom-line of the banks.

During 2064/65, due to measures taken by Indian Government to protect domestic industries, the export of vegetable ghee, textiles and readymade garments declined considerably which resulted in negative growth in manufacturing production index.

वैदेशिक व्यापारतर्फ अधिल्लो वर्षको ऋणात्मक वृद्धिको तुलनामा यस आ.व.मा नगण्य मात्रामै भएपनि वृद्धि भएको देखियो । कुल निर्यातमा अधिल्लो आ.व.मा १.४० प्रतिशतले गिरावट आएकोमा आ.व. २०६४/६५ मा केवल २.४० प्रतिशतले मात्र भएपनि बढेको पाइयो । त्यसैगरी आयाततर्फ अधिल्लो आ.व. मा १२ प्रतिशतले वृद्धि भएकोमा आ.व. २०६४/६५ मा १६.१० प्रतिशतले वृद्धि हुन गयो । यसले वस्तु व्यापार घाटालाई बढाई रु. १६५ अर्ब ३० करोड पुऱ्यायो । वैदेशिक कामदारहरूले पठाउने रेमिट्यान्स (रु.१४२ अर्ब ७० करोड), अनुदान सहायताको रकम (रु. २० अर्ब ९९ करोड) तथा पूँजी हस्तान्तरणलगायतका गतिविधि (रु. ३१ अर्ब ३१ करोड) मा भएको उल्लेख्य वृद्धिको फलस्वरूप अधिल्लो वर्षको शोधनान्तर बचत रु. ५ अर्ब ९० करोडको तुलनामा यस वर्ष रु. २९ अर्ब ७० करोड पुग्यो ।

भारतसँगको निर्यात व्यापारमा अधिल्लो वर्ष २.५० प्रतिशतले वृद्धि भएकोमा यस वर्ष ७.४० प्रतिशतले गिरावट आयो । तर अन्य मुलुकहरूसँगको निर्यात व्यापारमा भने अधिल्लो आ.व. मा ९.६० प्रतिशतले गिरावट आएको भए तापनि आ.व. २०६४/६५ मा आएर २५.५० प्रतिशतको उल्लेख्य वृद्धि हासिल भयो ।

भारतसँगको आयात व्यापार आ.व. २०६३/६४ मा ८.१० प्रतिशतले बढेकोमा आ.व. २०६४/६५ मा २४.७० प्रतिशतले बढ्यो, जबकि अन्य मुलुकहरूसँगको आयात व्यापार भने अधिल्लो आ.व. मा १८.३० प्रतिशतले बढेकोमा आ.व. २०६४/६५ मा केवल ३.५० प्रतिशतले मात्र बढ्न गयो ।

मूलतः वैदेशिक रोजगारीमा गएका कामदारहरूले भित्र्याएको रेमिटेन्सका कारण आ.व. २०६४/६५ को अन्त्यसम्ममा कुल विदेशी मुद्रासंचिति अमेरिकी डलर ३ अर्ब १० करोड पुग्यो । उक्त विदेशी मुद्रासंचितीले मुलुकको ११.३ महिनासम्मको आयातलाई धान्न पर्याप्त हुनेछ ।

आ.व. २०६३/६४ मा औसत वार्षिक उपभोक्ता मुद्रास्फीतिदर ६.४० प्रतिशत रहेकोमा आ.व. २०६४/६५ मा उक्त स्फीतिदरमा वृद्धि भई ७.७० प्रतिशत पुग्यो । खासगरी अमेरिकी डलरको तुलनामा नेपाली मुद्राको अवमूल्यन भएका कारण वार्षिक मुद्रास्फीतिदर बढ्दै १२.१० प्रतिशत पुग्न गएको हुँदा आयातित सरसामानहरूको मूल्य बढ्न गयो ।

आ.व. २०६३/६४ मा ९१ दिने ट्रेजरी बिल्सको वार्षिक औसत दर अधिकतम २.४४ प्रतिशत रहेकोमा आ.व. २०६४/६५ मा यसमा भारी वृद्धि भई ४.२१ प्रतिशत पुग्यो । त्यसैगरी अधिल्लो वर्ष अन्तर बैंक निक्षेप (कल मनी) दर २.२६ प्रतिशत रहेकोमा समीक्षा वर्षमा ४.४२ प्रतिशत पुग्यो ।

राष्ट्रिय एवं अन्तर्राष्ट्रिय गतिविधिबाट बैंकिङ व्यवसायलाई परेको असरः

आ.व. २०६४/६५ मा मात्र ५ वाणिज्य बैंक, २० विकास बैंक, ४ वित्त कम्पनी र १ लघु वित्त संस्था गरी जम्मा ३० वटा बैंक तथा वित्तीय संस्था स्थापना भए । जसको फलस्वरूप स्तरीय ग्राहकहरूलाई आफूतर्फ खिँचन उत्कृष्ट दररेट, न्यून सेवा शुल्क र यस्तै अन्य सहूलियतपूर्ण आकर्षणहरू दिन बैंकहरूबीच तीव्र प्रतिस्पर्धाको अवस्था सृजना हुने क्रम जारी रह्यो । बैंकहरूले स्तरिय 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 रहने क्रम यथावत् रह्यो । बजारमा देखिएको तीव्र प्रतिस्पर्धाका कारण बैंकहरूको मुनाफामा नकारात्मक प्रभाव पर्नु स्वाभाविक नै हो ।

भारत सरकारले भारतका घरेलु उद्योगहरूलाई आर्थिक संरक्षण दिने नीति अवलम्बन गरेका कारण भारत तर्फको आ.व. २०६४/६५ मा वनस्पति घ्यू, लत्ताकपडा तथा तयारी पोशाकको निर्यात उल्लेख्य रूपमा घट्न गई उत्पादनमूलक वस्तुको परिसूचकमा नकारात्मक प्रभाव पर्न गयो ।

Slow down in the major economies of the world, failing banks and financial institutions, sub-prime crisis, correction in the prices of stocks and real estates have all deeply affected the global banking sector. The clouds of recession evident in the US economy caused the Federal Reserve (FED) to relax its monetary policy by reducing the FED funds rate at a rapid pace from 5.25% p.a. to 1% p.a. (as on 26th November 2008). The banking industry across the globe is trying get out of the worst economic crisis in the last few decades. Nepal remained insulated from this crisis by and large as foreign institutional investors have not had much stake in the country. Indirectly, inflow of remittances in the country would be lower due to possible impact on the employment market overseas.

The crude oil prices have come down from the high of about USD 147 per barrel to about USD 44 per barrel. The reduction in crude oil prices will save the outflow of valuable foreign exchange reserve of the country.

Performance Highlights

The major performance indicators of the Bank for the FY 2064/65 are summarised as under:

विश्व अर्थतन्त्रका प्रमुख मुलुकहरूमा देखापरेको आर्थिक मन्दी, बैंक तथा वित्तीय संस्थाहरूको असफलता, सवप्राइम क्राइसिस, धितोपत्र तथा जग्गा जमिनको मूल्यमा आएको परिवर्तन जस्ता समस्याहरूले गर्दा विश्व बैंकिङ्ग क्षेत्र नराम्रोसँग प्रभावित बन्न पुग्यो । अमेरिकी अर्थतन्त्रमा स्पष्ट रूपमा देखापरेको आर्थिक मन्दीको बादलले फेडरल रिजर्व (एफईडी) लाई ५.२५ प्रतिशत प्रतिवर्षको फण्ड दरलाई एकै रफ्तारमा घटाएर १ प्रतिशत प्रतिवर्ष (२०६५ मंसिर ११ अनुसार) मा फार्ने गरी आफ्नो मौद्रिक नीतिमा लचकता ल्याउन बाध्य बनायो । विश्व बैंकिङ्ग उद्योग विगत केही दशककै यस चरम आर्थिक संकटबाट छुटकारा पाउन प्रयत्न गरिरहेको छ । मुलतः विदेशी संस्थागत लगानीकर्ताहरूको मुलुकमा त्यति धेरै लगानी हिस्सा नभएका कारण नेपाल यस संकटबाट अछुतो रहन पुग्यो । तर बाह्य मुलुकहरूको रोजगार बजारमा पर्न सक्ने सम्भावित प्रतिकुल असरका कारण देशभित्र आउने विदेशी रेमिट्यान्समा भने गिरावट आउन सक्ने देखिन्छ ।

कच्चा तेलको मूल्यमा उच्चतम गिरावट आई त्यसको मूल्य भण्डै अमेरिकी डलर १४७ प्रति ब्यारेलबाट अमेरिकी डलर ४४ प्रति ब्यारेलमा फर्न पुगेको छ । कच्चा तेलको मूल्यमा भएको उक्त गिरावटका कारण बहुमुल्य विदेशी मुद्रा संचिति देशबाहिर जानबाट बच्नेछ ।

कार्यप्रगतिको भलकः

आ.व. २०६४/६५ मा बैंकले हासिल गरेको कार्यप्रगतिका प्रमुख सूचकाङ्क देहाय बमोजिम रहेका छन्:

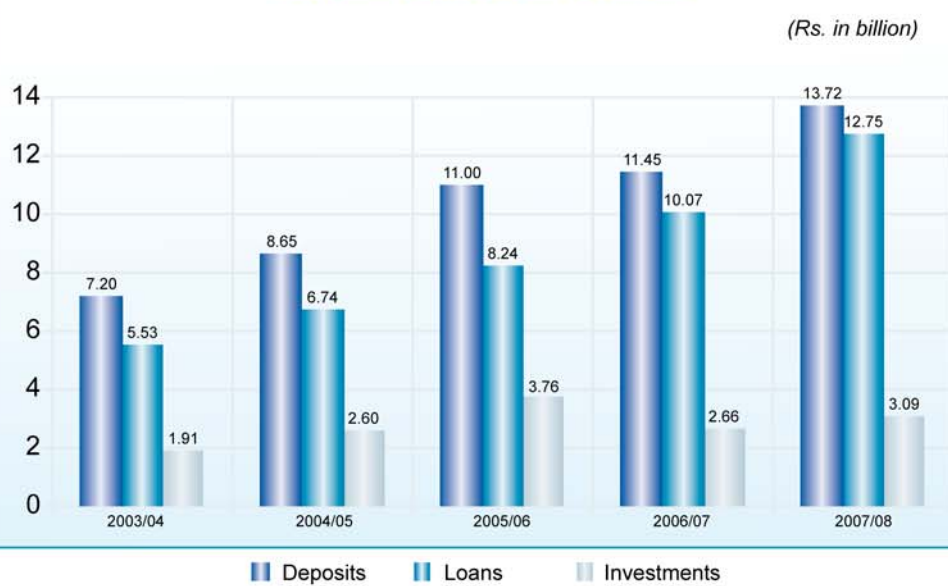
(In NRs '000)

Particulars विवरण	FY 2063/64 आ.व. २०६३/०६४	FY 2064/65 आ.व. २०६४/०६५	% Growth वृद्धि/(हास)प्रतिशत
Paid up Capital चुक्ता पूँजी	647,798 ६४७,७९८	874,528 ८७४,५२८	35.00 ३५.००
Reserves जगेडा	515,492 ५१५,४९२	540,117 ५४०,११७	4.78 ४.७८
Deposits निक्षेप	11,445,286 ११,४४५,२८६	13,715,395 १३,७१५,३९५	19.83 १९.८३
Gross Loans and Advances कुल कर्जा सापटी	10,065,052 १०,०६५,०५२	12,746,216 १२,७४६,२१६	26.64 २६.६४
Investment लगानी	2,659,453 २,६५९,४५३	3,088,887 ३,०८८,८८७	16.15 १६.१५
Loans to Priority Sector प्राथमिक क्षेत्र कर्जा लगानी	648,036 ६४८,०३६	657,430 ६५७,४३०	1.45 १.४५
Loans to Deprived Sector विपन्नवर्ग कर्जा लगानी	280,680 २८०,६८०	356,892 ३५६,८९२	27.15 २७.१५
Interest Income ब्याज आम्दानी	831,117 ८३१,११७	970,513 ९७०,५१३	16.77 १६.७७
Interest Expenses ब्याज खर्च	412,262 ४१२,२६२	454,918 ४५४,९१८	10.35 १०.३५
Operating Profit after Loan Loss Provision कर्जा नोक्सानी व्यवस्थापिको संचालन मुनाफा	300,790 ३००,७९०	353,325 ३५३,३२५	17.47 १७.४७
Profit After Tax आयकर पछिको नाफा	254,909 २५४,९०९	247,771 २४७,७७१	(2.80) (२.८०)

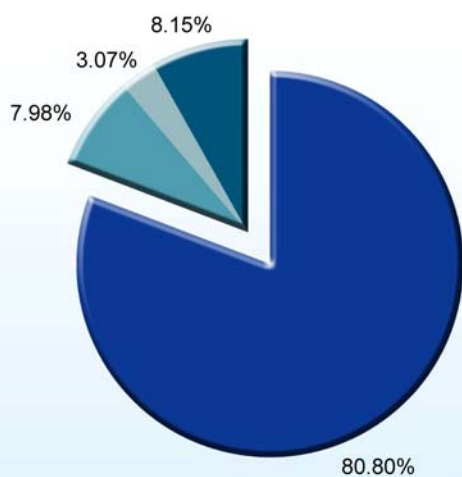
Operating Profit & Net Profit



Deposits, Loans & Investments



Income Break-Up



■ Net Interest Income ■ Commission & Discount ■ Other Operating Income ■ Exchange Gain

Expenses Break-Up



■ Other Operating Expenses ■ Staff Expenses

The Bank's Loans and Advances increased at a significant rate of 26.64 % during the financial year. The Bank has been able to reduce the average cost of funds from 3.60 % to 3.58 % despite the adverse deposit market seeing increase in rates. Bank's exposure to the deprived sector was in line with the benchmarks laid down by the Nepal Rastra Bank in this regard. The Bank has been able to increase the interest income by 16.77 %. The operating profit of the Bank has gone up by 17.47%. However, the Net Profit after tax has fallen marginally by 2.8% mainly on account of lesser write back of loan loss provisions compared to last year.

Capital Adequacy

Bank's total capital fund and core capital amounted to 12.32 % and 9.97 % respectively of the risk weighted assets as against the prescription of 11 % and 5.5 % by Nepal Rastra Bank under Basel I.

Basel II was implemented under parallel run during the FY 2064/65 and is being fully implemented from the beginning of the FY 2065/66. Under Basel II parallel run, total capital fund and core capital amounted to 10.71% and 8.67% respectively of the risk weighted assets as against the prescription of 10 % and 6 % by the Nepal Rastra Bank.

Appropriation of Profit & Loss

Your Bank has earned a Net Profit of Rs. 247.77 million after providing for staff bonus and income tax liabilities. With Rs. 4.25 million of "Accumulated Profit up to last year", the Bank has Rs. 252.02 million in total for appropriation. This has been appropriated as under:

- (i) Rs.49.55 million i.e. 20 % of the net profit transferred to General Reserve fund.
- (ii) Rs.2.36 million transferred to Exchange Fluctuation Reserve
- (iii) Rs.28.57 million transferred to Debenture Redemption Reserve.
- (iv) Rs.170.00 million transferred to Capital Adjustment Reserve.
- (v) Rs.1.53 million retained in the business as accumulated profit.

With this appropriation of Rs. 170 million, your Bank has an accumulated balance of Rs. 230 million in Capital Adjustment Reserve which may be used for the purpose of issuing bonus shares in future to meet the minimum paid up capital requirement of "A class" licensed institutions as stipulated by Nepal Rastra Bank.

Bank's Activities & Future Plans

(i) Branch Expansion and ATMs

After the last Annual General Meeting, your Bank has opened two branches at Waling (Syangja) and Baglung, and an extension counter at Bhartiya Gorkha Sainik Niwas, Thamel. The process of opening

समीक्षा वर्षमा कर्जा लगानीमा २६.६४ प्रतिशतको उल्लेख्य वृद्धि हासिल भयो । निक्षेपको दर बढ्न गई निक्षेप बजारअनूकूल नहुँदाहुँदै पनि आफ्नो कोष लागतलाई ३.६० प्रतिशतबाट ३.५८ प्रतिशतमा भाँर्न बैंक सफल भएको छ । विपन्न वर्ग कर्जाका सम्बन्धमा बैंकको लगानी नेपाल राष्ट्र बैंकले निर्धारण गरेको परिधिअनुस्र्म नै रह्यो । आफ्नो ब्याज आयलाई १६.७७ प्रतिशतले वृद्धि गर्न बैंक सफल भएको छ । बैंकको संचालन मुनाफा १७.४७ प्रतिशतले बढेको छ । यद्यपि विगत वर्षको तुलनामा कर्जा नोक्सानी व्यवस्थाबाट फिर्ता रकममा केही कमी आएको कारण बैंकको खुद नाफामा भने २.८ प्रतिशतको फिर्ता गिरावट देखिएको छ ।

पूँजी पर्याप्तता:

आ.व.को अन्त्य सम्ममा कार्यान्वयनमा रहेको नेपाल राष्ट्र बैंकको पूँजी पर्याप्तता सम्बन्धी वासल वान मापदण्ड अन्तर्गत बैंकको कुल पूँजी कोष तथा प्राथमिक पूँजी, जोखिम भारित सम्पत्तिको न्यूनतम ११ प्रतिशत तथा ५.५ प्रतिशत रहनुपर्ने नेपाल राष्ट्र बैंकको न्यूनतम मापदण्डको तुलनामा क्रमशः १२.३२ प्रतिशत तथा ९.९७ प्रतिशत कायम भई सन्तोषजनक रह्यो ।

आ.व. २०६४/६५ मा वासल दु न्नीतिलाई समानान्तर रूपमा लागू गरिएकोमा आ.व. २०६५/६६ को प्रारम्भसँगै यसलाई पूर्ण रूपमा लागू गरिएको छ । वासल दु लाई समानान्तर रूपमा लागू गर्दा कुल पूँजी कोष तथा प्राथमिक पूँजी, जोखिम भारित सम्पत्तिको १० प्रतिशत तथा ६ प्रतिशत रहनुपर्ने न्यूनतम मापदण्डको तुलनामा क्रमशः १०.७१ प्रतिशत तथा ८.६७ प्रतिशत कायम भई सन्तोषजनक रह्यो ।

नाफा-नोक्सानबौडफाँड:

समीक्षा वर्षमा कर्मचारी बोनस तथा आयकरदायित्व बापतको व्यवस्थापछि रु. २४ करोड ७७ लाख खुद नाफा आर्जन गर्न यहाँहरूको बैंक सफल भएको छ । बैंकसँग उक्त खुद मुनाफाको रकमका साथै गत वर्षसम्मको संचित मुनाफाको रकम रु. ४२ लाख ५० हजारसमेत गरी कुल रु. २५ करोड २० लाख बौडफाँड योग्य रकम रहेको छ । जसलाई देहायबमोजिम बौडफाँड गरिएको छ :

- (१) रु. ४ करोड ९५ लाख ५४ हजार अर्थात् खुद नाफाको २० प्रतिशत रकम साधारण जगेडा कोषमा सारिएको छ ।
- (२) रु. २३ लाख ६५ हजार सटही घटबढ कोषमा सारिएको छ ।
- (३) रु. २ करोड ८५ लाख ७१ हजार डिबेन्चर रिडेम्पसन कोषमा सारिएको छ ।
- (४) रु. १७ करोड पूँजी समायोजन कोषमा सारिएको छ ।
- (५) रु. १५ लाख २८ हजार संचित मुनाफाको रूपमा राखिएको छ ।

उपर्युक्तबमोजिम रु. १७ करोड रकम पूँजी समायोजन कोषमा सारिएपश्चात् यहाँहरूको बैंकसँग उक्त कोषअन्तर्गत कुल रु. २३ करोड संचित रकम रहेको छ । नेपाल राष्ट्र बैंकले निर्धारण गरेको पूँजी वृद्धिसम्बन्धी निर्देशन पालना गर्ने क्रममा भविष्यमा शेयरधनीहरूलाई बोनस शेयर जारी गर्न उक्त पूँजी समायोजन कोषमा रहेको रकम उपयोग गर्न सकिनेछ ।

बैंकका क्रियाकलापहरू र भावी योजनाहरू:

(क) शाखा विस्तार तथा एटिएम:

पछिल्लो वार्षिक साधारणसभापश्चात् बैंकले वालिङ्ग (स्याङ्जा) र बाग्लुङ्गमा गरी दुईवटा शाखा र भारतीय गोरखा सैनिक निवास, ठमेलमा एउटा विस्तारित काउण्टर खोलेको छ ।

branches at Bhaktapur, Bouddha, Damauli, Dang, Gulmi, Gongabu, Hetauda, Ilam, Itahari, Kalanki, Maharajganj, New Baneshwar, Palpa, Patan, and Surkhet is in progress. All these branches will be opened before 31.01.2009. At the end of FY 2065/66 your bank will have 32 branches as against 15, of which 10 branches will be in Kathmandu valley and the rest outside. The centres to be covered around Nepal will go up from 11 as at close of 2064/65 to 21.



ATM Inauguration at PPO Dharan

The Bank is planning to shift its entire information technology related offices to a new location at Thamel. This would be named as NSBL IT Centre.

After the last AGM, we have set up 7 new ATMs at Bhairahwa, Birgunj, BPKIHS Dharan, Embassy of India, Patan, PPO Dharan & PPO Pokhara. Installation of 5 more ATMs at Biratnagar, Birtamod, Butwal, Janakpur, and Narayangarh is in progress.

Your Bank is in the process of adding eight more ATMs in Kathmandu Valley within the next three months. These ATMs will be located at Gongabu, Bouddha, Kalanki, Bhaktapur, New Baneshwar, Maharajganj, Thamel and Hattisar. After setting up of all these ATMs the total number ATMs will go upto 25.

The ATM cards increased from 1500 to 12,177 by end of F/Y 2064/65 (2007/8). The ATM hits thus went up from around 25,000 in F/Y 2063/64 (2006/7) to 110,000 by the end of F/Y (2064/65) 2007/08.

(ii) Introduction of New Services & Technologies

Bank started issuing Bharat Yatra Cards (BYC) during the year. BYC is a prepaid card available across the counter at all the Branches of Nepal SBI. These cards are linked with about 9000 ATMs of SBI Group in India. This would immensely help our customers visiting India for higher studies, medical treatment, pilgrimage etc. BYC card holders can also make payments for their purchases in around 2000 merchant establishments in Nepal and 2,64,000

भक्तपुर, बौद्ध, दमौली, दाङ्ग, गुल्मी, गोग्रु, हेटौडा, इलाम, इटहरी, कलंकी, महाराजगञ्ज, नयाँबानेश्वर, पाल्पा, पाटन र सुर्खेतमा गरी जम्मा थप १५ वटा शाखाहरू खुल्ने क्रममा रहेका छन् । यी सबै शाखाहरू वि.सं. २०६५ साल माघ १८ गतेसम्ममा खुलिसक्नेछन् । समीक्षा वर्षको अन्त्यमा यहाँहरूको बैंकका १५ वटा मात्र शाखा रहेकामा आ.व. २०६५/६६ को अन्त्यसम्ममा शाखाहरूको संख्या ३२ पुग्नेछ, जसमध्ये काठमाडौँ उपत्यकाभित्र १० वटा र बाँकी शाखा उपत्यकाबाहिर रहनेछन् । समीक्षा वर्षको अन्त्यसम्ममा बैंकका शाखाहरूले नेपालका ११ जिल्लालाई मात्र समेटिरहेकोमा आ.व. २०६४/६५ को अन्त्यसम्ममा २१ जिल्लाहरू समेटिनेछन् ।



वालिङ्ग शाखा उद्घाटन समारोहको दृश्य

बैंकले आफ्ना समस्तसूचनाप्रविधि सम्बन्धी कार्यालयहरूलाई ठमेलस्थित एक नयाँ स्थानमा सार्ने तयारी गरिरहेको छ । जसलाई एनएसबिएल सूचना प्रविधि केन्द्र नामकरण गरिनेछ ।

गत वार्षिक साधारणसभापश्चात् भैरहवा, वीरगञ्ज, धरानस्थित वि.पी. कोइराला स्वास्थ्य विज्ञान प्रतिष्ठान, काठमाडौँ स्थित भारतीय राजदूतावास, पाटन, धरान पेन्सन पेमेन्ट अफिस र पोखरा पेन्सन पेमेन्ट अफिसमा गरी ७ वटा नयाँ एटिएम जडान गरी सञ्चालनमा ल्याइएको छ । विराटनगर, बिर्तामोड, बुटवल, जनकपुर र नारायणगढमा गरी थप ५ एटिएम जडान गर्ने सम्बन्धमा कार्य भइरहेको छ ।

यहाँहरूको बैंकले आगामी ३ महिनाभित्र काठमाडौँ उपत्यकामा ८ वटा एटिएम थप गर्न लागिरहेको छ । यी एटिएम गोग्रु, बौद्ध, कलंकी, भक्तपुर, नयाँबानेश्वर, महाराजगञ्ज, ठमेल र हात्तिसारमा रहनेछन् । यी सबै एटिएम जडान भएपश्चात् बैंकका एटिएमहरूको संख्या २५ पुग्नेछ ।

आ.व. २०६४/६५ को अन्त्यसम्ममा जारी गरिएको एटिएम कार्डको संख्या १५०० बाट १२,१७७ पुगेको छ । फलस्वरूप आ.व. २०६३/६४ मा एटिएमको माध्यमबाट भएको वार्षिक कारोबार संख्या २५,००० रहेकोमा आ.व. २०६४/६५ मा वार्षिक कारोबार संख्या १,१०,००० पुग्यो ।

(ख) नवीनतम सेवाको थालनी एवं प्रविधि विकास :

समीक्षा वर्षमा बैंकले भारत यात्रा कार्ड जारी गर्न शुरू गर्‍यो । नेपाल एसबिआई बैंकका कुनै पनि शाखाका काउण्टरबाट तुरुन्तै प्राप्त गर्न सकिने यो एउटा प्रिपेड कार्ड हो । बैंकले जारी गर्ने उक्त भारत यात्रा कार्डलाई भारतमा रहेका एस.बि.आई. समूहका फण्डे ९,००० एटिएमसँग आबद्ध गरिएको छ । उच्च शिक्षा, औषधि उपचार, तीर्थयात्रालगायतका विभिन्न उद्देश्यले भारत भ्रमणमा जाने हाम्रा ग्राहक महानुभावहरूलाई यस सेवाबाट भरपुर सहयोग मिल्नेछ । यस भारत यात्रा कार्डका धनीहरूलाई उक्त कार्डको माध्यमबाट नेपालभित्र फण्डे २,००० र भारतमा २,६४,००० को संख्यामा रहेका विभिन्न व्यापारिक



BHARAT YATRA CARD

THE BEST WAY TO TRAVEL TO INDIA

- ❶ Can be instantly purchased from Nepal SBI Bank Branches.
- ❷ Minimum Deposit of NRs. 1,000.
- ❸ Maximum usage of the card on a daily basis is NRs. 80,000 for cash withdrawals and NRs. 1,00,000 for purchases.
- ❹ Card can be used at any Nepal SBI ATM in Nepal and SBI & SBI Group ATMs in India plus any Visa networked ATMs in both the countries.

DHANVRIDDHI BACHAT YOJANA...

DEPOSIT FOR MAXIMUM RETURN

- ❶ Deposit Fixed Amount at the beginning and withdraw lump-sum amount on maturity.
- ❷ Deposit Amount: minimum NRs. 5,000 and above in multiples of NRs. 100.
- ❸ Deposit Period: From 6 months to 84 months in multiples of 6 months.
- ❹ Interest Credited to Principal Account.
- ❺ Interest Capitalized every 3 months (based on English Calendar).



NEPAL SBI BANK LTD

विशुद्ध बैकिङ्ग ... अरु केही होइन



merchant establishments in India. Our endeavour will be to gradually convert the BYC customers into Bank customers.

With a view to enabling the millions of Nepalese settled in India to remit funds to their dependents in Nepal, we had launched under the auspices of Reserve Bank of India and Nepal Rastra Bank a new product called “Indo-Nepal, Workers’ Remittance Scheme” with Prabhu Money Transfer as our partner. Under this scheme money can be remitted from any of the 42000, National Electronic Fund Transfer (NEFT) enabled bank branches in India. The charges under this scheme are most competitive. 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 300 payment outlets of the Money Transfer Company and Branches of NSBL located across the length and breadth of Nepal.

We also introduced four new deposit products during the year namely Swarnim Bachat Yojna, Ujjawal Bhavishya Yojna (Recurring Deposit Scheme), Indreni Bachat Yojna (differential rate of interest scheme) and Dhanvridhi Yojna (cumulative deposit scheme) to suit the different needs of growing customers of our bank.

Your Bank has opened 21535 new savings bank accounts during the year 2064-65(2007-08). With the introduction of new deposit schemes and initiatives for savings bank account opening drive your Bank will be able to mobilise retail and stable deposits from a large number of customers at comparatively lower cost and assist in reducing cost of funds by improving Current Account Saving Account (CASA) deposit ratio.

As per the mandate given by 14th AGM, your Bank has become the Corporate Agent for 5 reputed non life insurance companies in Nepal. For this agency arrangement one of the Board of Directors was required to have the Insurance Agency Training organised by Nepal Insurance Board. Accordingly the Managing Director of the Bank successfully completed the training and obtained the required certificate. This way your Bank will be in a position to earn substantial agency commission which was being paid to the different insurance agents.

You might also be aware of the Shareholder’s Zero Balance Savings Account introduced last year as a part of our commitment to honour and address the requests of our respected shareholders during AGMs in the past.

Your Bank has since revamped its Website (www.nepalsbi.com.np) to include features such as online banking page, EMI calculator, maturity value calculator and much more. Updated financial information about the Bank is available under “Investor Relations” as also the daily updates of Forex rates & share prices for ready reference of all visitors to the site.

It is my pleasure to inform my fellow shareholders that your Bank has successfully launched Online

केन्द्रहरूमा किनमेल गर्नेसमेत सुविधा प्राप्त हुनेछ । यो कार्डका खरिदकर्ताहरूलाई विस्तारै बैंकका स्थायी ग्राहकका रूपमा प्रतिस्थापित गर्नु बैंकको प्रयत्न रहनेछ ।

भारतमा बसोबास गर्ने लाखौं नेपालीहरूलाई नेपालमा रहेका आश्रित परिवारजनलाई रकम पठाउन सहजता प्रदान गर्ने उद्देश्यले भारतीय रिजर्व बैंक र नेपाल राष्ट्र बैंकको तत्त्वधानमा प्रभु मनी ट्रान्सफरसँगको सहकार्यमा इन्डो नेपाल, वर्कर्स रेमिट्यान्स नामको नवीनतम रेमिट्यान्स सेवा प्रचलनमा ल्याइयो । यस सेवाअन्तर्गत भारतमा ४२,००० को संख्यामा रहेका नेशनल इलेक्ट्रोनिक फण्ड ट्रान्सफर (एनइएफटी) सुविधायुक्त बैंकका शाखाहरूबाट रकम पठाउन सकिन्छ । यस सेवाअन्तर्गत अत्यन्तै प्रतिस्पर्धात्मक दरमा शुल्क लाग्ने व्यवस्था रहेको छ । उक्त सेवाले भारतबाट नेपाल रकम पठाउने सम्बन्धमा सुरक्षित, छिटोछरितो र सर्वसुलभ विकल्प प्रदान गरेको छ र नेपालमा रहेका लाभार्थीहरूले नेपालका कुनाकाप्याका ३०० भन्दा बढी स्थानमा छरिएर रहेका प्रभु मनी ट्रान्सफरका भुक्तानी केन्द्र तथा नेपाल एसबिआई बैंकका शाखाहरू मार्फत तत्कालै रकम प्राप्त गर्न सक्नेछन् ।

बढ्दो संख्यामा रहेका बैंकका ग्राहकहरूका अलगअलग खालका मागलाई सम्बोधन गर्न स्वर्णिम बचत योजना, उज्ज्वल भविष्य योजना (चलायमान बचत), इन्द्रेणी बचत योजना (फरकफरक ब्याजदर भएको) र धन वृद्धि योजना (क्रमिक रूपमा रकम जम्मा गर्ने) नामका ४ वटा निक्षेप योजना प्रचलनमा ल्याइएका छन् ।

यहाँहरूको बैंकले आ.व. २०६४/६५ मा २१,५३५ वटा नयाँ बचत खाता खोल्न सफल भएकोछ । उल्लिखित नवीनतम निक्षेप योजनाहरूको शुरुवात एवं बचत खाता खोल्ने अभियानलाई तीब्र पारेसँगै यहाँहरूको बैंक तुलनात्मक रूपमा कम लागतमा ग्राहकहरूको ठूलो हिस्साबाट स-सानो परिमाणमा स्थिर ढंगले निक्षेप परिचालन गर्न सक्षम हुने र यसबाट बैंकको चल्ती तथा बचत निक्षेप अनुपातमा सुधार आई बैंकको कोष लागत घटाउनमा मद्दत पुग्ने अपेक्षा गरिएको छ ।

चौधौँ वार्षिक साधारणसभाले दिएको अख्तियारीबमोजिम यहाँहरूको बैंक नेपालका ५ वटा प्रसिद्ध निर्जीवन बीमा कम्पनीहरूको कर्पोरेट एजेन्ट बनेको छ । यस एजेन्सीसम्बन्धी बन्दोबस्त मिलाउने क्रममा संचालकसमितिका कुनै एकजना सदस्यले बीमा अभिकर्ताको तालिम लिनुपर्ने प्रावधान भएअनुरूप बैंकका प्रबन्धसंचालकले सफलतापूर्वक तालिम पूरा गरी आवश्यक प्रमाणपत्र प्राप्त गर्नुभएको छ । यसरी विगतमा विभिन्न बीमा अभिकर्ताहरूले भुक्तानी पाउने गरेको एजेन्सी कमिशनको ठूलो रकम यहाँहरूको बैंक आफैँले आर्जन गर्न सक्ने भएको छ ।

हाम्रा आदरणीय शेयरधनी महानुभावहरूबाट विगत वर्षका वार्षिक साधारणसभाहरूमा व्यक्त अनुरोधलाई सम्मान एवं सम्बोधन गर्ने क्रममा गत वर्ष शेयरधनी शून्य मौज्दात बचत खाता सुविधा शुरु गरिसकिएको बेहोरा यहाँहरूलाई अवगत नै छ ।

यहाँहरूको बैंकले आफ्नो वेबसाइट (www.nepalsbi.com.np) मा अन लाइन बैकिङ पेज, ईएमआई क्वालकुलेटर, म्याचुरिटी भ्यालु क्वालकुलेटर र यस्ता अन्य थुप्रै विशेषताहरू समिटिने गरी आमूल सुधार गरिसकेको छ । उक्त वेब साइटमा बैंकसँग सम्बद्ध अध्यावधिक वित्तीय जानकारी ‘इन्भेष्टर रिलेशन’ अन्तर्गत प्राप्त गर्न सकिन्छ भने बैंकको वेबसाइटका पाठकहरूको ताजा जानकारीका लागि विदेशी विनिमय दर तथा शेयर मूल्यसम्बन्धी अध्यावधिक सूचनाहरूसमेत राखिएका छन् ।

यहाँहरूको बैंकले अनलाइन बैकिङ सेवाको सफल शुरुवात गरिसकेको कुरा मेरा आदरणीय शेयरधनी मित्रहरूसमक्ष जानकारी



UJJWAL BHAVISYA BACHAT... A BEGINNING FOR A PROSPEROUS FUTURE

Nepal SBI Bank, introduces *Ujjwal Bhavishya Bachat Yojana*
a Recurring Deposit Scheme for a prosperous future.
Start depositing monthly fixed sum (Rs 500 & above in multiple of Rs 100)
for a minimum period of 12 months & watch your deposit grow.

- Deposit Fixed amount each month and withdraw lumpsum on maturity
- Deposit Monthly Amount of Rs. 500 and above in multiples of Rs.100
- Deposit Period of minimum 12 months and maximum 84 months in multiples of 6 months
- Interest credited quarterly in principal account
- Interest Capitalization every 3 months



NEPAL SBI BANK LTD

विशुद्ध बैकिङ्ग ... अरु केहि होइन

Kathmandu Corporate Office - 4435613/4435516; Durbar Marg - 4253243/4230809; New Road - 4221323; Teku - 4262556; Embassy of India Extension Counter, Kathmandu - 4443548; Birgunj - 051-522784/525391/521542; Rampur - 051-533343; Biratnagar - 021-523226/538795; Bhairahawa - 071-524471; Birtamod - 023-540910; Pokhara - 061-535389; Sishuwa - 061-541433; PPO Extension Counter, Pokhara - 061-532493; Janakpur - 041-525861; Butwal - 071-546730; Dharan - 025-530370; PPO Extension Counter, Dharan - 025-524893; Narayangadh - 056-532936; Nepalgunj - 081-527314

Banking and with the launching of this facility, our customers will now be able to undertake their transactions wherever they reside and whenever they wish.

All the Personal Computers (PCs) of our branches and offices are now connected with a new chat messenger popularly known as "IP Messenger". With the introduction of this facility, the communication cost of the Bank has been reduced substantially. The IP Messenger has also become a helpful tool to curtail increased paper work in the Bank and also enable speedier decision making and instant communication.

(iii) *International Banking Relationships*

Flow of inward dollar remittances are on the rise. Our entire need for dollars were met by the dollar remittances received by us. We had no occasion to buy dollars in the local market.

We have successfully started the Straight Through Payment (STP) mechanism which would enable the overseas customers to send remittances directly into their account.

For the convenience of our customers who have USD accounts with us, the tagging of the dollar accounts with existing NSBL ATM Cards has since been enabled. They can now withdraw equivalent Nepalese currency from their USD accounts, subject to NRB regulations, without transferring first to Nepali Rupee A/c.

We have also established correspondent relationship with Bank of Bhutan to facilitate trade between Bhutan and Nepal. We also opened more number of Nostro Accounts with different banks to enable easy settlement of funds.

(iv) *Human Resources & Industrial Relations*

With expansion of Branch Network and growing business we went ahead with recruitment of 62 assistants, 20 trainee officers, 2 IT officers, 1 legal officer and 2 audit officers. It is my pleasure to advise that your bank harnessed technology to achieve this milestone in record time, by using the Bank's website to invite applications and advise results, possibly a first for any Bank in Nepal.

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



Newly recruited Trainee Officers taking part in a welcome session

गराउन पाउँदा मलाई खुशी लागेको छ । यस अनलाइन बैकिङ्ग सेवाको शुरुवात भएसँगै जुनसुकै ठाउँमा बसेर र आफूले चाहेको जुनसुकै समयमा स्वयं कारोबार सम्पन्न गर्न हाम्रा ग्राहक महानुभावहरू सक्षम हुनुभएको छ ।

आज बैकका सम्पूर्ण शाखा तथा कार्यालयका प्रत्येक कर्मचारीका कम्प्युटरहरू आईपी म्यासेन्जर नामले लोकप्रिय नयाँ किसिमको संचार प्रणालीसँग आबद्ध गरिएका छन् । यस प्रणालीको प्रयोगको थालनीसँगै बैकको संचार खर्चमा उल्लेखीय रूपमा कटौती भएको छ । बैकमा बढ्दो कागजी कामलाई कटौती गर्न, शीघ्र निर्णय दिन लिन र कर्मचारी कर्मचारीबीच तत्काल सम्पर्क स्थापित गर्नमा यो प्रणाली सहयोगी माध्यम बनेको छ ।

(ग) *अन्तर्राष्ट्रिय बैकिङ्ग सम्बन्धः*

विदेशबाट डलर रेमिट्यान्स भित्रिने क्रम बढ्दो छ । बैकमा आएको डलर रेमिट्यान्सबाटै बैकलाई आवश्यक डलरको परिपूर्ति भयो । समीक्षा वर्षमा बैकले स्थानीय बजारबाट कहिल्यै डलर खरिद गरिरहनुपरेन ।

बैकले स्ट्रेट थ्रो पेमेन्ट (एसटिपी) नामको भुक्तानी संयन्त्रको सफल शुरुवात गरेको छ, फलस्वरूप विदेशमा रहेका ग्राहकहरूले नेपालमा रहेको आफ्नो खातामा सोभै जम्मा हुने गरी रकम पठाउन सक्नुहुने भएको छ ।

हाम्रो बैकसमक्ष अमेरिकी डलरमा खाता खोल्ने ग्राहकहरूको सुविधाकालागि त्यस्ता डलर खाताहरूलाई विद्यमान एनएसबिएल एटिएम कार्डसँग आबद्ध गराउने कार्य सम्पन्न भइसकेको छ । नेपाल राष्ट्र बैकको नियमको अधीनमा रही आज डलर खाता हुने कुनै पनि ग्राहकले आफ्नो डलर खातामा रहेको रकमलाई नेपाली रुपैयाँको खातामा नसारिकनै बैकका एटिएमबाट आफ्नो खातामा रहेको अमेरिकी डलरबराबर नेपाली मुद्रामा रकम फिक्न सक्ने हुनुभएको छ ।

भुटान र नेपालबीचको व्यापारमा सघाउ पुर्‍याउने हेतुले हामीले बैक अफ भुटानसँग करेसपोण्डेन्ट सम्बन्ध स्थापित गरेका छौं । रकम भुक्तानी फछ्छौट कार्यलाई सरलीकृत गर्ने अभिप्रायले धेरै बैकहरूमा धेरै संख्यामा नोस्ट्रो खाताहरू खोल्ने काम भएको छ ।

(घ) *जनशक्ति तथा औद्योगिक सम्बन्धः*

आफ्नो शाखा सञ्जाल एवं व्यवसायको विस्तारसँगै थप ६२ जना सहायक, २० जना प्रशिक्षार्थी अधिकृत, २ जना सूचना प्रविधि अधिकृत, १ जना कानून अधिकृत र २ जना लेखापरीक्षण अधिकृत नियुक्त गरी बैक अगाडि बढेको छ । यहाँहरूको बैकले नेपालका बैकहरूमध्ये इतिहासमै सम्भवतः पहिलो पटक आफ्नो वेबसाइटको माध्यमबाट आवेदन माग एवं नतिजा प्रकाशन गरी अत्यन्तै छोटो समयमावधिभित्र उक्त थप कर्मचारीहरूको नियुक्ति प्रक्रिया सम्पन्न गर्ने महत्त्वपूर्ण उपलब्धि हासिल गर्ने कार्यमा प्राप्य प्रविधिको हदैसम्म उपयोग गरेको जानकारी गराउन पाउँदा मलाई खुशी लागेको छ ।

हाम्रो जनशक्ति नै हाम्रो सबैभन्दा मूल्यवान सम्पत्ति हो भन्ने तथ्यमा हामीले सदैव विश्वास राख्दै आएका छौं । अन्य बैकहरूका अनुभवी तथा योग्यतावान कर्मचारीलाई उच्च पारिश्रमिक प्रस्ताव गर्दै उल्लेख्य संख्यामा बजारमा देखापरेका नयाँ बैकहरूको आगमनसँगै बैकमा कार्यरत अनुभवी एवं योग्यतावान कर्मचारीलाई बैकको सेवामा कायमै राख्नुपर्ने आवश्यकता थप टड्कारो बन्न गएको छ । तदनुसृत औद्योगिक परिवेश एवं

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pronounced. Accordingly, Bank revised upwards w.e.f. 1st Poush 2064, salary and allowances of all categories of its staff inline with the industry trends and the cost of living. To encourage productivity, incentive based increment system has been introduced for all categories of staff from this year.

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 trainings organized by Nepal Rastra Bank and other institutions including State Bank Academy, "Gurukul", Gurgaon, India.

In order to streamline the sanction process and ensure effective monitoring and control of the loans and advances, your Bank has restructured the Credit Department at Corporate Office. Posts of two new managers have been created to separate sanction and monitoring processes for better control.

Further your Bank has set up an exclusive marketing department under Manager (Business Development) who will be responsible for marketing of retail and institutional deposits, remittances, product development and advertisement.

As a motivational tool all our staff members are being greeted on their birthdays without fail and this gesture is widely appreciated. Due to the focus on HRD initiatives, industrial relations remained harmonious and cordial in the Bank.

(v) Other Achievements

I am pleased to inform our esteemed shareholders that The Boss Top Ten Fifth Business Excellence Award was conferred on Mr. V.P. Dani, the previous Managing Director of the Bank on 12th March 2008.

It is also my pleasure to inform that our Bank Team won the 1st prize in a rafting competition organised by Nepal Association of Rafting Agents (NARA) on 15th August 2008 competing in the Corporate Group comprising 12 participants.



Mr. V.P. Dani, Ex. Managing Director receiving The Boss Top Ten Fifth Business Excellence Award

(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.

जीवननिर्वाह लागतलाई ध्यानमा राखी वि.सं. २०६४ पौष १ गतेदेखि लागू हुने गरी आफ्ना सबै तहका कर्मचारीहरूको पारिश्रमिक तथा भत्तामा वृद्धि गरियो । कर्मचारीहरूलाई उत्प्रेरित गरी उत्पादकत्व बढाउने उद्देश्यले सबै तहका कर्मचारीहरूलाई उत्प्रेरणामा आधारित पारिश्रमिक वृद्धि प्रणाली यसै वर्षदेखि लागू गरिएको छ ।

कर्जा व्यवस्थापन, विदेशी विनिमय, मार्केटिङ्ग, जोखिम व्यवस्थापन जस्ता विभिन्न कार्य क्षेत्रहरूमा 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 ।

कर्जा स्वीकृति प्रक्रियालाई व्यवस्थित गर्न तथा लगानी गरिएका कर्जाहरूको प्रभावकारी अनुगमन एवं नियन्त्रणको कार्यलाई सुनिश्चित गर्न यहाँहरूको बैंकले कर्पोरेट अफिसको कर्जा विभागमा पुनःसंरचना गरेको छ । कर्जा नियन्त्रणको कार्यलाई अझ व्यवस्थित गर्ने उद्देश्यले कर्जा स्वीकृति र अनुगमन प्रक्रियालाई छुट्ट्याउन प्रबन्धक तहका २ पद सृजना गरिएका छन् ।

त्यसैगरी प्रबन्धक (व्यवसाय प्रबर्द्धन) को नेतृत्वमा एउटा छुट्टै मार्केटिङ्ग विभाग खडा गरिएको छ, जसले रिटेल एवं संस्थागत निक्षेप, रेमिट्यान्स, प्रोडक्ट डेभलपमेन्ट तथा विज्ञापन सम्बन्धी कार्यहरू सहमाल्नेछ ।

कर्मचारीहरूको उत्प्रेरणामा बढाउने एउटा माध्यमको रूपमा हाम्रा सबै कर्मचारीलाई जन्म दिनको दिन अनिवार्य रूपमा शुभकामना दिने एउटा प्रसंशनीय परम्पराको शुरुवात गरिएको छ । कर्मचारी संसाधनका सम्बन्धमा चालिएका कदमहरूका कारण बैंकमा औद्योगिक सम्बन्ध सुमधुर एवं आत्मिय रह्यो ।

(ङ) अन्य उपलब्धि:

बैंकका पूर्व प्रबन्धसंचालक श्री भि.पी. दानीज्यूलाई वि.सं. २०६४ फाल्गुन २९ गते 'पाँचौँ बोस टप टेन बिजिनेस एक्सिलेन्स अवार्ड' प्रदान भएको कुरा जानकारी गराउन पाउँदा मलाई खुशी लागेको छ ।

त्यसै गरी नेपाल एशोसिएसन अफ राफ्टिङ्ग एजेन्ट (नारा) ले वि.सं. २०६५ श्रावण ३१ गते आयोजना गरेको राफ्टिङ्ग प्रतियोगितामा १२ वटा प्रतिस्पर्धी कर्पोरेट ग्रुपलाई उछिन्दै हाम्रो बैंकको टिमले प्रथम पुरस्कार हात पार्न सफल भएको तथ्य जानकारी गराउँदा समेत मलाई खुशी लागेको छ ।

(च) आन्तरिक नियन्त्रण प्रणाली:

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

(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 issues 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 statutory audit of the Bank for the FY 2064/65. As they have completed the period of three financial years as statutory auditors of the Bank, they are not eligible for reappointment under the provision of the Companies Act, 2063. Based on the recommendations of the Bank's Audit Committee, the Bank's Board has proposed the appointment of M/S P.L. Shrestha & Co., Chartered Accountants, as the statutory auditors of the Bank for the FY 2065/66 (2008-09).

(ix) Corporate Social Responsibility

As a partner to the community, your Bank is not only conscious about maximizing its business and profitability but is also equally conscious about its responsibility towards the society where it carries out business and generates profit. Your Bank has always been showing its readiness to lend a hand to the poor and downtrodden class of the community as well the victims of natural calamities to the extent of the availability of its resources and financial capability. Donation of a brand new computer set and Printer to Nandi Secondary School, an endowment of Rs. 3.51 lacs given to the Prime Minister's Natural Disaster Fund towards relief and rescue arrangement for the victims of Koshi flood, blood donation program organized by the Bank staff on the occasion of Bank's 15th Anniversary Day, internship opportunity being provided to some of the fresh university graduates, scholarship provided to the topper of SLC Examination- 2065 from amongst



Mr. B.K. Shrestha, Chairman of the Board & Ms. Hasana Sharma, Director, donating a brand new computer set to the Head Master of Nandi Secondary School, Naksal. Mr. N.K. Chari, the Managing Director on the right.

(छ) संस्थागत सुशासन:

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

(ज) लेखापरीक्षकको नियुक्ति:

आ.व. २०६४/६५ को लेखापरीक्षण कार्य लेखापरीक्षक मेशर्स सिएससी एण्ड कम्पनी, चार्टर्ड एकाउन्टेन्ट्सबाट सम्पन्न भयो । निज लेखापरीक्षकले लगातार रूपमा विगत ३ आर्थिकवर्षदेखि लेखापरीक्षकको रूपमा कार्य गरिराएकोले कम्पनी ऐन, २०६३ बमोजिम निज लेखापरीक्षक पुनः नियुक्तिका लागि योग्य नहुने बेहोरा अनुरोध छ । बैंकको लेखापरीक्षणसमितिको सिफारिशका आधारमा आ.व. २०६५/६६ का लागि मेशर्स पि.एल.श्रेष्ठ एण्ड कम्पनी, चार्टर्ड एकाउन्टेन्ट्सलाई लेखापरीक्षकको रूपमा नियुक्त गर्न बैंकको संचालकसमितिले प्रस्ताव गरेको छ ।

(झ) संस्थागत सामाजिक उत्तरदायित्व:

समुदायका हिस्सेदार भएको नाताले यहाँहरूको बैंक केवल आफ्नो व्यवसाय र मुनाफा आधार बढाउनेतर्फ मात्र सचेत नभई, आफूले व्यवसाय संचालन गरी मुनाफा आर्जन गर्ने समाजसँगको आफ्नो उत्तरदायित्वप्रति पनि उत्तिकै सचेत छ । आफूसँग भएको स्रोतसाधन र आर्थिक क्षमताले धान्न सक्ने हदसम्म समाजका गरिब तथा विपन्न वर्गका साथसाथै प्राकृतिक विपत्तिबाट पीडित भएकाहरूलाई सहयोगको हात बढाउने काममा यहाँहरूको बैंकले सदैव आफ्नो तत्परता देखाउँदै आएको छ । नन्दी माध्यामिक विद्यालयलाई एक सेट ब्रान्डेड न्यु कम्प्युटर तथा प्रिन्टर दिएर गरिएको सहयोग, कोशी नदीका बाढीपीडितहरूको पुनःस्थापना एवं उद्धारकालागि प्रधानमन्त्री दैवी प्रकोप उद्धार कोषलाई दिइएको रु ३ लाख ५१ हजारको आर्थिक सहायता, बैंकको १५ औं वार्षिक उत्सवको अवसरमा बैंकका कर्मचारीहरूबाट आयोजित रक्तदान कार्यक्रम, विश्वविद्यालयका केही नव स्नातकहरूलाई प्रदान गरिँदै आएको इन्टर्नसीपको अवसर, वि.सं. २०६५ को प्रवेशिका परीक्षामा बाँके जिल्लाबाट सामेल विद्यार्थीहरूमध्ये सर्वोत्कृष्ट अंक हासिल गर्ने



Blood Donation Programme organized by the Bank on the occasion of its 15th anniversary.

the community schools of Banke District etc. are some of the examples that reflect our consciousness in this regard.

Progress Report for the Current Year

In the first three months of the current year your bank continues with its march on the growth path and has registered a growth of Rs. 95.27 crores (annualised growth rate of 29.85%) in advances. The deposits level has grown by Rs. 11.82 crore (annual growth rate of 3.45%). It was mainly due to withdrawal of a single call deposit of Rs.75.00 crores during the quarter. Discounting for this large outflow, the deposits grew by Rs.87.61 crores, which translates to an annualised growth rate of 25.52%. The profit before bonus and taxes during the first quarter of the FY 2065/66 was at Rs.11.26 crores, a growth of 52.16% compared to the corresponding period last year. Your Bank has opened 7,162 new savings bank accounts during the current quarter (upto Ashwin 2065) which has resulted an improved CASA ratio from 43.04% as at 15.07.2008 to 48.12% as at 16.10.2008. (The unaudited financial result for the 1st quarter of the FY 2008/09 is available on page no. 76.)

Factors Impacting Business of Banks

- 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 hurdles in the recovery and income realisation.
- iii. Entry of 5 new Commercial Banks during the previous year is expected to put further pressure on the interest margin and other income of the Banks.
- iv. Due to rise in the CRR by 0.50% as per NRB directives the liquidity in the market will be affected and this will have impact on the bottomline as these balances with NRB do not earn interest.
- v. Because of implementation of Basel II from the year 2065-66, banking industry in general may face difficulties in meeting the Capital Adequacy Ratio as per Basel II.
- vi. The recovery trends clouding the world economy may have negative impact on Nepalese economy and affect the portfolios of Banks.

Changes in the Board of Directors

After the retirement of Mr. S.P. Malla from the service of Employees' Provident Fund (EPF), Mrs. Hasana Sharma has been nominated by EPF to the Bank's Board. Likewise, Mrs. Shyamala Sami has been nominated by SBI to replace the position held by Alternate Director Mr. Rakesh Sharma. On behalf of the Board of Directors, I would like to place on record our appreciation for the contribution made by Mr. Malla and Mr. Sharma in guiding the affairs of the Bank during their tenure and welcome Mrs. Hasana Sharma and Mrs. Shyamala Sami as new member/alternate member to the Board.

विद्यार्थीलाई प्रदान गरिएको छात्रवृत्ति आदि केही यस्ता उदाहरणहरू हुन्, जसले यस सम्बन्धमा हाम्रो सचेतता प्रतिबिम्बित गर्दछन् ।

चालु आर्थिक वर्षको प्रगति विवरण

चालु आ.व. को प्रथम ३ महिनाको अवधिमा बैंकले आफ्नो कर्जा लगानीमा रु ९५ करोड २७ लाख (वार्षिक वृद्धिदर २९.८५ प्रतिशत) वृद्धि गर्न सफल भई बैंकलाई प्रगतिपथमा अगाडि बढाउने क्रमलाई जारी राखेको छ । त्यसै गरी उक्त अवधिमा निक्षेपमा रु ११ करोड ८२ लाख (वार्षिक वृद्धिदर ३.४५ प्रतिशत) वृद्धि भएकोछ । यस त्रैमाशमा एउटा कल डिपोजिट एकाउण्टबाट मात्रै रु ७५ करोड रकम फिर्किएको कारण गत आ.व.को प्रथम त्रैमाशमा निक्षेपमा भएको वृद्धिको तुलनामा चालु आ.व.को प्रथम त्रैमाशको निक्षेप वृद्धिदर न्यून देखिएको हो । यसलाई छोडेर हिसाब गर्ने हो भने निक्षेपमा ८७ करोड ६१ लाखले वृद्धि हुन गएको छ, जुन गत वर्षको सोही अवधिको तुलनामा वार्षिक २५.५२ प्रतिशतको वृद्धि हो । गत आ.व.को सोही अवधिको तुलनामा आ.व. २०६५/६६ को प्रथम त्रैमाशमा बोनस तथा आयकर अधिको नाफामा ५२.१६ प्रतिशतले वृद्धि गरी रु ११ करोड २६ लाख आर्जन गर्न बैंक सफल भयो । यस त्रैमासिक अवधि (वि.सं. २०६५ अश्विनमसान्त) मा मात्रै ७,१६२ वटा नयाँ बचत खाता खोल्न यहाँहरूको बैंक सफल भएको छ । जसका कारण वि.सं. २०६५ को आषाढमसान्तमा कुल निक्षेपमा चल्ती तथा बचत निक्षेपको अनुपातमा ४३.०४ प्रतिशत रहेकोमा असोजमसान्तसम्म आइपुग्दा उक्त अनुपात ४८.१२ प्रतिशत पुगेको छ । (आ.व. २०६५/६६ को प्रथम त्रैमासको वित्तीय नतिजा (लेखापरीक्षण हुन बाँकी) पृष्ठ ७६ मा समावेश गरिएको छ ।)

बैंकको व्यवसायलाई प्रभाव पार्ने कुराहरू:

- (क) औद्योगिक केन्द्र एवं आयात-निर्यात नाकाको रूपमा रहेका नेपालका पूर्वी तथा दक्षिणी भागमा बारम्बारजसो हुने गरेका अशान्ति एवं बन्दका कारण कर्जा असुली तथा आय आर्जनमा अवरोध उत्पन्न हुनसक्ने देखिन्छ ।
- (ख) थप ५ वटा नयाँ वाणिज्य बैंकहरूको गत वर्षको प्रवेशका कारण बैंकहरूको ब्याज अन्तर र अन्य आम्दानीमा चाप पर्न सक्ने अनुमान गरिएको छ ।
- (ग) नेपाल राष्ट्र बैंकको निर्देशनबमोजिम अनिवार्य नगद मौज्दात अनुपातमा ०.५० प्रतिशतले वृद्धि भएको कारण बजारको तरलता प्रभावित हुने र नेपाल राष्ट्र बैंकसँगको मौज्दातमा ब्याज आर्जन नहुने हुनाले यसले बैंकहरूको मुनाफा आधार मा प्रतिकूल असर पर्ने देखिन्छ ।
- (घ) आ.व. २०६५/६६ देखि वासल टु नीति लागू भएकाले आम रूपमा बैंकिङ्ग उद्योगलाई वासल टु अनुसारको पूँजी पर्याप्तता अनुपात कायम गर्न गाह्रो पर्न सक्ने देखिन्छ ।
- (ङ) विश्व अर्थतन्त्रमा छाडेरहेको असुलीसम्बन्धी समस्याका कारण सृजित नकारात्मक असर नेपाली अर्थतन्त्रमा समेत पर्न गई बैंकहरूको कर्जा लगानी प्रभावित हुनसक्ने देखिन्छ ।

सञ्चालकसमितिमा परिवर्तन:

श्रीश्रीप्रकाश मल्लज्यू कर्मचारी संचय कोष (क.सं.को.) को सेवाबाट निवृत्त हुनुभएपश्चात् कर्मचारी संचयकोषका तर्फबाट श्रीमती हसना शर्माज्यू बैंकको संचालकसमितिमा मनोनीत हुनुभएको छ । त्यसै गरी एस.बि.आई. लाई प्रतिनिधित्व गर्ने वैकल्पिक संचालक श्रीराकेश शर्माको स्थानमा एस.बि.आई. को तर्फबाट श्रीमती श्यामला समी मनोनीत हुनुभएको छ । यस अवसरमा संचालक समितिको तर्फबाट श्रीमल्लज्यू तथा शर्माज्यूले बैंकको कामकारवाहीलाई मार्गदर्शन गर्न आफ्नो कार्यकालमा पुन्याउनुभएको योगदानको उच्च प्रशंसा गर्दै श्रीमती हसना शर्माज्यू तथा श्रीमती श्यामला समीज्यूलाई बैंकको नवनिर्वात संचालक र वैकल्पिक संचालकको रूपमा हार्दिक स्वागत गर्न चाहन्छु ।

Change in Management Team

The Management Team from our JV Partner SBI headed by Mr. V.P. Dani relinquished office on 5th March 2008 and the new Management Team under Mr. N. K. Chari took over the charge. I sincerely appreciate the contribution made by Mr. Dani and his team to your esteemed Bank during their tenure and for laying the foundation for the Bank to achieve an enviable status in Nepalese Banking scene in the years to come.

Other information

The other information required to be incorporated in the Directors' report as per provisions of Section 109(4) of the Companies Act is embodied in the Annexure-I to the Directors' 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 appreciation and 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 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 : 26-12-2008

B. K. Shrestha

Chairman of the Board



Inauguration of Extension Counter at Bharatiya Gourkha Sainik Niwas, Thamel.



Bank's Rafting Team taking part in a rafting competition at Bagmati river.

व्यवस्थापन टोलीमा परिवर्तनः

हाम्रा संयुक्त लगानी हिस्सेदार एस.बि.आई. ले श्री भि.पी. दानी ज्यूको नेतृत्वमा खटाएको व्यवस्थापन टोलीले वि.सं. २०६४ साल फाल्गुण २२ गतेका दिन आफ्नो कार्यकाल पूरा गरेपश्चात श्री एन.के. चारी ज्यूको नेतृत्वमा नयाँ व्यवस्थापन टोलीले कार्यभार सट्टामालेको छ । श्री दानीज्यू तथा वहाँले नेतृत्व गर्नुभएको व्यवस्थापन टोलीले आफ्नो कार्यकालमा यहाँहरूको बैंकलाई पुन्याउनु भएको योगदानकासाथै आगामी दिनहरूमा नेपाली बैकिङ्ग परिदृश्यमा बैंकलाई उत्साहजनक हैसियत हासिल गर्नका लागि जग बसालीदिनु भएकोमा हार्दिक प्रशंसा गर्दछु ।

अन्य जानकारीः

कम्पनी ऐन, २०६३ को दफा १०९(४) मा भएको व्यवस्थाबमोजिम संचालकको प्रतिवेदनमा उल्लेख गरिनुपर्ने अन्य विषयवस्तुहरूलाई यसै प्रतिवेदनको अनुसूची-१ को रूपमा पेश गरिएको छ ।

धन्यवादज्ञापनः

यस अवसरमा म सम्पूर्ण आदरणीय शेयरधनी महानुभावहरूलाई यहाँहरूबाट प्राप्त सहयोगका लागि संचालकसमितिको 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 आश्वासन पार्न चाहन्छु । बैंकलाई प्राप्त मार्गदर्शन एवं सहयोगका लागि नेपाल सरकार, नेपाल राष्ट्र बैंक तथा अन्य सरकारी एवं नियमनकारी निकायहरूप्रति पनि हार्दिक कृतज्ञता व्यक्त गर्दछु ।

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

धन्यवाद ।

संचालक समितिको तर्फबाट

वि.सं. २०६५।१।११

काठमाडौं ।

बालकृष्ण श्रेष्ठ

अध्यक्ष



ATM Inauguration at EOI, Kathmandu.



Mr. Arjun Nepal, Head-Business Development & Mr. Ramesh Ghimire, Company Secretary handing over a cheque of Rs. 3.51 lacs to the Prime Minister's Natural Disaster Fund through Finance Secretary at Prime Minister's Office.

Annexure-I

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

- No shares have been forfeited by the Bank during the year.
- Main transactions carried out by the Bank during the financial year 2064/65, 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 Directors' Report. There was no significant change in the nature of the business performed by the Bank during the year.
- No information has been received by the Bank from its basic shareholders as per the provisions of the Companies Act, 2063.
- 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.
- 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 2064/65.
- The Bank has not so far purchased any of its own shares.
- Particulars of the Total Management expenses of the financial year:

Particulars	Amount (Rs.)
Staff Expenses	74,890,269
Other Operating Expenses	152,379,842

- Audit Committee:

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

- Mrs. Hasana Sharma, Director representing EPF - Chairperson
- Mr. Manoj Kumar Agrawal, Public Director - Member
- Mrs. Shyamala Sami, Alternate Director, representing SBI - Member
- Mr. Sudeep Khanal (Internal Auditor) - Member Secretary

- Number of meetings held during 2064/65 - 5(Five)
- Meeting Allowances paid to the members Directors other than those representing SBI - Rs. 53,000/-
- Director representing SBI - NIL
- Role played by the Audit Committee
 - Supervision of the Bank's Internal Audit Department.
 - Review of the Bank's internal controls in different areas of Bank's operations.
 - Finalization of Internal Audit Program.
 - Reviewing the implementation of recommendations made by the Statutory Auditors and NRB Inspection Team.

अनुसूची-१

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

- समीक्षा वर्षमा बैंकद्वारा कुनै शेयर जफत भएको छैन ।
- बैंकले आर्थिक वर्ष २०६४/६५ मा सम्पन्न गरेका प्रमुख कारोवारहरू र त्यस अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्त्वपूर्ण परिवर्तन:
बैंकले आफ्नो प्रबन्धपत्र तथा नियमावलीमा उल्लिखित उद्देश्य एवं कार्यहरू अनुरूप नै आफ्नो कारोबार सम्पन्न गरेको थियो र बैंकको कार्यप्रगतिको भ्रूलक संचालकसमितिको प्रतिवेदनमा उल्लेख गरिसकिएको छ । समीक्षा वर्षमा बैंकले सम्पन्न गरेको कारोबारको प्रकृतिमा कुनै खास परिवर्तन आएको थिएन ।
- कम्पनी ऐनले गरेको व्यवस्थाअनुरूप समीक्षा वर्षमा कम्पनीका आधारभूत शेयरधनीहरूबाट कुनै जानकारी प्राप्त भएको छैन ।
- समीक्षा आर्थिक वर्षमा कम्पनीका संचालक तथा प्रमुख पदाधिकारीहरूले बैंकको कुनै शेयर लिएको जानकारी बैंकलाई प्राप्त भएको छैन । साथै प्रचलित कानूनको विपरीत हुने गरी निजहरूबाट बैंकको शेयरसम्बन्धमा कुनै कारोबारसमेत भएको छैन ।
- विगत आर्थिक वर्षमा बैंकसँग सम्बद्ध सम्भौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थ रहेकोबारेमा कुनै जानकारी प्राप्त भएको छैन ।
- बैंकले हालसम्म आफ्नो कुनैपनि शेयर आफैँले खरीद गरेको छैन ।
- विगत आर्थिक वर्षको कुल व्यवस्थापनखर्चको विवरण:

विवरण	रकम (रु.)
कर्मचारीखर्च	७,४८,९०,२६९
अन्य संचालनखर्च	१५,२३,७९,८४२

- लेखापरीक्षणसमिति:

- बैंकमा तल लेखिएअनुसार सदस्यहरू रहेको लेखापरीक्षणसमिति रहेको छ:
 - श्रीमती हसना शर्मा, कर्मचारी संचय कोषलाई प्रतिनिधित्व गर्ने संचालक - अध्यक्ष
 - श्री मनोज कुमार अग्रवाल, सर्वसाधारण शेयरधनीका तर्फबाट निर्वाचित संचालक - सदस्य
 - एस.बि.आई. लाई प्रतिनिधित्व गर्ने प्रबन्ध संचालक बाहेक कुनै एक संचालक (श्रीमती श्यामला समी ले बैठकमा भाग लिनुभएको) - सदस्य
 - श्री सुदीप खनाल, प्रमुख आन्तरिक लेखापरीक्षक - सदस्य सचिव
- आ.व. २०६४/६५ मा सम्पन्न भएको समितिको बैठक संख्या - ५ (पाँच)
- समितिका सदस्यलाई भुक्तानी दिइएको बैठकभत्ता : एस.बि.आई. का संचालकबाहेक अरु संचालकहरूलाई - रु.५३,०००/-
- एस.बि.आई. लाई प्रतिनिधित्व गर्ने संचालकलाई - शून्य ।
- लेखापरीक्षणसमितिको बैठकमा छलफल भएका विषयहरू:
 - बैंकको आन्तरिक लेखापरीक्षण विभागको अनुगमन ।
 - बैंक संचालनका विभिन्न क्षेत्रमा भएको आन्तरिक नियन्त्रण कार्यहरूको पुनरावलोकन ।
 - आन्तरिक लेखापरीक्षण कार्यतालिका निर्धारण ।
 - लेखापरीक्षक एवं नेपाल राष्ट्र बैंकबाट खटिएको निरीक्षण टोलीबाट व्यक्त सुझावहरूको कार्यान्वयनको स्थितिका सम्बन्धमा पुनरावलोकन ।

- ◆ Recommending Statutory Auditors to be appointed by the AGM.
- ◆ Ensuring that the Financial Statements to be submitted to the Board of Directors are true and correct.
- ◆ Reviewing the status of Nostro Accounts

(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 under noted 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.1,031,000/- was paid to the Board members as the Board Meeting fee for the different meetings during 2064/65 (@ Rs. 10,000/- per meeting for the Chairman and @ Rs. 8,000/- 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.1,960,740.69 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.74,890,269/- was paid to other office bearers of the bank as 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 31st Ashadh 2065:

Financial Year	Amount (Rs.)
2052/53 (1995/96)	2,95,600.00
2053/54 (1996/97)	2,90,600.00
2054/55 (1997/98)	3,38,500.00
2055/56, 2056/57 (1998/99, 1999/2000)	5,32,300.00
2059/60 (2002/03)	10,79,282.28
2062/63 (2005/06)	25,59,173.65
2063/64 (2006/07)	71,33,396.30
Grand Total	1,22,28,852.23

(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.

- ◆ लेखापरीक्षकको नियुक्तका लागि साधारणसभा समक्ष सम्भावित लेखापरीक्षकहरूको नामावली शिफारिस ।
- ◆ संचालक समितिसमक्ष पेश गरिने वित्तीय विवरणहरू सही र यथार्थपरक भएको बेहोरा सुनिश्चित गर्ने कार्य ।
- ◆ नोस्ट्रो एकाउण्टहरूको अवस्थाका सम्बन्धमा पुनरावलोकन ।

भ) कुनै पनि संचालक, प्रबन्धसंचालक, कार्यकारी प्रमुख, बैंकका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले बैंकलाई कुनैपनि रकम बुझाउन बाँकी छैन ।

ज) बैंकका संचालक, प्रबन्धसंचालक तथा पदाधिकारीहरूलाई पारिश्रमिक, भत्ता तथा सुविधाको रूपमा तल लेखिएअनुसारको रकम भुक्तानी गरिएको थियो :

१) संचालकसमितिका सदस्यहरूको भत्ता/सुविधा:

आर्थिक वर्ष २०६४/६५ मा बैंकका संचालकसमितिका सदस्यहरूलाई विभिन्न बैठकहरूका लागि बैठकभत्ताबापत जम्मा रु. १०,३१,०००/- भुक्तानी भएको थियो । (अध्यक्षलाई रु. १०,०००/- प्रतिबैठक एवं अन्य संचालकलाई रु.८,०००/- प्रतिबैठकका दरले) ।

२) प्रबन्धसंचालक तथा अन्य पदाधिकारीहरू:

क) समीक्षा वर्षमा प्रबन्धसंचालक र भारतबाट खटिई आएका पदाधिकारीहरू (एस.बि.आई. ले खटाएको व्यवस्थापनटोली) लाई निजहरूको आवासभाडा तथा औषधोपचार खर्चबापत रु.१९,६०,७४०/६९ 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.७,४८,९०,२६९/- भुक्तानी गरिएको थियो ।

ट) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभान्शको रकम :

२०६५ आषाढमासान्तसम्ममा बैंकका शेयरधनीहरू तल लेखिएबमोजिम आर्थिक वर्षहरूको लाभान्श बुझिलिन बाँकी रहेको थियो:

आर्थिक वर्ष	रकम रु.
२०५२/५३ (१९९५/९६)	२,९५,६००.००
२०५३/५४ (१९९६/९७)	२,९०,६००.००
२०५४/५५ (१९९७/९८)	३,३८,५००.००
२०५५/५६ (१९९८/९९) र २०५६/५७ (१९९९/२०००)	५,३२,३००.००
२०५९/६० (२००२/०३)	१०,७९,२८२.२८
२०६२/६३ (२००५/०६)	२५,५९,१७३.६५
२०६३/६४ (२००६/०७)	७९,३३,३९६.३०
जम्मा	१,२२,२८,८५२.२३

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 ।

B. K. Shrestha
Chairman

बालकृष्ण श्रेष्ठ
अध्यक्ष

The Shareholders of Nepal SBI Bank Limited

We have audited the accompanying Balance Sheet of Nepal SBI Bank Ltd. as on Ashadh 31, 2065 (15th July 2008) 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 has been conducted within its authority satisfactorily: returns received from the branches 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 31, 2065 (July 15, 2008), 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: November 7, 2008

Place: Kathmandu, Nepal

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

लेखापरीक्षकको प्रतिवेदन**नेपाल एसबिआई बैंक लिमिटेडका शेयरधनी महानुभावहरू**

हामीले नेपाल एसबिआई बैंक लिमिटेडको यसै साथ संलग्न आषाढ ३१, २०६५ (१५ जुलाई २००८) को वासलात एवं सोही वर्षको अन्त्यसम्मको सम्बद्ध नाफा नोक्सान हिसाब, इक्विटीमा भएको परिवर्तन सम्बन्धी विवरण र नगद प्रवाह विवरणको लेखापरीक्षण गरेका छौं । ती वित्तीय विवरणहरू प्रतिको उत्तरदायित्व बैंकको व्यवस्थापनमा रहेको छ । हाम्रो उत्तरदायित्व लेखापरीक्षणको आधारमा ती वित्तीय विवरणहरू उपर राय व्यक्त गर्नु हो ।

हामीले नेपाल लेखापरीक्षणमान 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 मनसिब रूपले सुनिश्चित गर्न सकौं भन्ने ती मानहरूको अपेक्षा रहेको हुन्छ । लेखापरीक्षण अन्तर्गत वित्तीय विवरणमा प्रदर्शित रकम एवं अन्य विवरणहरूको पुष्ट्याई 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, नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण नेपाल राष्ट्र बैंकले तोकेको ढाँचा र तरिका अनुसार तयार गरिएका छन् र तिनीहरू बैंकले राखेको हिसाब किताब, बही खाता, श्रेस्ता र लेखासंग दुरुस्त रहेका छन् तथा बैंकको हिसाब किताबहरू प्रचलित कानून बमोजिम ठीकसंग राखिएका छन् ।

लेखापरीक्षणको सिलसिलामा पाएसम्मको सूचना तथा स्पष्टिकरणको आधारमा निक्षेपकर्ता र लगानीकर्ताको हित संरक्षण हुने कार्य भएको पाइयो । बैंकको पूँजीकोष तथा जोखिम व्यहोर्ने कोष पर्याप्त मात्रामा भएको, कारोबार सन्तोषप्रद सञ्चालन भएको तथा बैंकले गरेका कारोबारहरू आफ्नो अख्तियारभित्र रहेको पाइयो । सञ्चालक समिति वा कुनै सञ्चालक वा कुनै पदाधिकारीले कानूनी व्यवस्थाहरू विपरीत वा अनियमित कार्य गरेको वा बैंकलाई हानी नोक्सानी 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 ३१, २०६५ (१५ जुलाई २००८) को आर्थिक अवस्था तथा उक्त आर्थिक वर्षको नाफा र नगद प्रवाहको नेपाल लेखामान तथा लेखाको सर्वमान्य सिद्धान्त अनुसार समुचित तथा यथार्थ चित्रण गर्दछ र उक्त वित्तीय विवरणहरू नेपाल राष्ट्र बैंकको निर्देशिका, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ तथा कम्पनी ऐन, २०६३ अनुरूप छन् ।

मिति : २०६५/७/२२

स्थान : काठमाडौं, नेपाल

एल. डी. महत, एफसिए
साभेदार, सी.एस.सी. एण्ड कं
चार्टर्ड एकाउन्टेन्ट्स

Financial Statements

वित्तीय विवरण

BALANCE SHEET AS ON 31ST ASHAD 2065 (15 JULY, 2008)

CAPITAL & LIABILITIES	SCHEDULE	Current Year Rs.	Previous Year Rs.
1. Share Capital	4.1	874,527,840	647,798,400
2. Reserves and Funds	4.2	540,116,972	515,492,451
3. Debentures & Bonds	4.3	200,000,000	200,000,000
4. Borrowings	4.4	1,627,480,190	815,365,219
5. Deposits	4.5	13,715,394,960	11,445,286,030
6. Bills Payable	4.6	75,115,471	48,855,749
7. Proposed and Dividend Payable		12,228,852	91,024,235
8. Income Tax Liabilities		-	-
9. Other Liabilities	4.7	142,581,889	137,378,475
Total Capital and Liabilities		17,187,446,174	13,901,200,559

ASSETS	SCHEDULE	Current Year Rs.	Previous Year Rs.
1. Cash Balance	4.8	308,101,599	287,530,644
2. Balance with Nepal Rastra Bank	4.9	403,810,203	556,678,464
3. Balance with Banks/Financial Institution	4.10	631,048,524	278,481,119
4. Money at Call and Short Notice	4.11	304,012,877	350,000,000
5. Investment	4.12	3,088,886,918	2,659,452,919
6. Loans, Advances and Bills Purchase	4.13	12,113,698,428	9,460,450,701
7. Fixed Assets	4.14	120,222,259	97,218,804
8. Non Banking Assets	4.15	-	3,847,024
9. Other Assets	4.16	217,665,366	207,540,884
Total Assets		17,187,446,174	13,901,200,559

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.

(M. Anand)
Chief Operating Officer

(N.K. Chari)
Managing Director

(B.K. Shrestha)
Chairman

(M.K. Agrawal)
Director

(H. Sharma)
Director

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

३१ आषाढ २०६५ को वासलात

पूँजी र दायित्व	अनुसूची	यस वर्ष रु.	गत वर्ष रु.
१. शेयर पूँजी	४.१	८७४,५२७,८४०/-	६४७,७९८,४००/-
२. जगेडा तथा कोषहरू	४.२	५४०,११६,९७२/-	५१५,४९२,४५१/-
३. ऋणपत्र तथा बण्ड	४.३	२००,०००,०००/-	२००,०००,०००/-
४. तिर्न बाँकी कर्जा सापट	४.४	१,६२७,४८०,१९०/-	८१५,३६५,२१९/-
५. निक्षेप हिसाब	४.५	१३,७१५,३९४,९६०/-	११,४४५,२८६,०३०/-
६. भुक्तानी दिनु पर्ने बिलहरू	४.६	७५,११५,४७१/-	४८,८५५,७४९/-
७. प्रस्तावित तथा भुक्तानी दिन बाँकी लाभांश		१२,२२८,८५२/-	९१,०२४,२३५/-
८. आयकर दायित्व	-	-	-
९. अन्य दायित्व	४.७	१४२,५८१,८८९/-	१३७,३७८,४७५/-
कुल पूँजी र दायित्व		१७,१८७,४४६,१७४/-	१३,९०१,२००,५५९/-

सम्पति	अनुसूची	यस वर्ष रु.	गत वर्ष रु.
१. नगद मौज्दात	४.८	३०८,१०१,५९९/-	२८७,५३०,६४४/-
२. नेपाल राष्ट्र बैंकमा रहेको मौज्दात	४.९	४०३,८१०,२०३/-	५५६,६७८,४६४/-
३. बैंक वित्तीय संस्थामा रहेको मौज्दात	४.१०	६३१,०४८,५२४/-	२७८,४८१,११९/-
४. माग तथा अल्पसूचनामा प्राप्त हुने रकम	४.११	३०४,०१२,८७७/-	३५०,०००,०००/-
५. लगानी	४.१२	३,०८८,८८६,९१८/-	२,६५९,४५२,९१९/-
६. कर्जा, सापट तथा बिल खरिद	४.१३	१२,११३,६९८,४२८/-	९,४६०,४५०,७०१/-
७. स्थिर सम्पति	४.१४	१२०,२२२,२५९/-	९७,२१८,८०४/-
८. गैरबैंकिङ्ग सम्पति	४.१५	-	३,८४७,०२४/-
९. अन्य सम्पति	४.१६	२१७,६६५,३६६/-	२०७,५४०,८८४/-
कुल सम्पति		१७,१८७,४४६,१७४/-	१३,९०१,२००,५५९/-

संभावित दायित्व	अनुसूची ४.१७
सञ्चालकहरूको घोषणा	अनुसूची ४.२९
पूँजीकोष तालिका	अनुसूची ४.३०
जोखिम भारित सम्पति 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 ।

(एम. आनन्द)
प्रमुख सञ्चालन अधिकृत

(एन.के. चारी)
प्रबन्ध सञ्चालक

(बि.के. श्रेष्ठ)
अध्यक्ष

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सञ्चालक

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(एल.डी. महत, एफसिए)
साम्भेदार, सि.एस.सी. एण्ड कम्पनी
चार्टर्ड एकाउण्टेन्ट्स

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1ST SHRAWAN 2064 TO 31ST ASHAD 2065 (17TH JULY 2007 TO 15TH JULY 2008)

PARTICULARS	SCHEDULE	Current Year Rs.	Previous Year Rs.
1. Interest Income	4.18	970,512,681	831,116,781
2. Interest Expenses	4.19	454,917,713	412,261,744
Net Interest Income		515,594,968	418,855,037
3. Commission and Discount	4.20	50,917,830	52,591,560
4. Other Operating Incomes	4.21	19,557,259	12,601,352
5. Exchange Fluctuation Income	4.22	51,989,275	49,463,539
Total Operating Income.		638,059,332	533,511,488
6. Staff Expenses	4.23	74,890,269	53,232,464
7. Other Operating Expenses	4.24	152,379,842	120,111,581
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit before provision for Possible loss		410,789,221	360,167,443
9. Provision for Possible Losses	4.25	57,463,909	59,376,948
Operating Profit		353,325,312	300,790,495
10. Non Operating Income /Loss	4.26	(271,006)	(256,759)
11. Provision for Possible Loss Written Back	4.27	29,782,580	78,515,105
Profit from Regular Operations		382,836,886	379,048,841
12. Profit/Loss from extra-ordinary Activities	4.28	-	-
Net profit after considering all activities		382,836,886	379,048,841
13. Provision for Staff Bonus		34,803,353	34,458,986
14. Provision for Income Tax		100,262,775	89,681,011
* Current Year's		105,745,947	86,704,011
* Previous Year's		870,463	2,977,000
Deffered Tax		(6,353,635)	
Net Profit/Loss		247,770,758	254,908,844

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

(M. Anand)
Chief Operating Officer(N.K. Chari)
Managing Director(B.K. Shrestha)
Chairman(M.K. Agrawal)
Director(H. Sharma)
Director(L.D. Mahat, FCA)
Partner, CSC & Co.,
Chartered Accountants

नाफा नोक्सान हिसाब			
१ श्रावण २०६४ देखि ३१ आषाढ २०६५ सम्म			
विवरण	अनुसूची	यस वर्ष रु.	गत वर्ष रु.
१. ब्याज आम्दानी	४.१८	९७०,५१२,६८९/-	८३९,११६,७८९/-
२. ब्याज खर्च	४.१९	४५४,९१७,७९३/-	४१२,२६९,७४४/-
खुद ब्याज आम्दानी		५१५,५९४,९६८/-	४१८,८५५,०३७/-
३. कमीशन तथा डिस्काउण्ट	४.२०	५०,९१७,८३०/-	५२,५९१,५६०/-
४. अन्य सञ्चालन आम्दानी	४.२१	१९,५५७,२५९/-	१२,६०९,३५२/-
५. सटही घटबढ आम्दानी	४.२२	५१,९८९,२७५/-	४९,४६३,५३९/-
कुल सञ्चालन आम्दानी		६३८,०५९,३३२/-	५३३,५११,४८८/-
६. कर्मचारी खर्च	४.२३	७४,८९०,२६९/-	५३,२३२,४६४/-
७. अन्य सञ्चालन खर्च	४.२४	१५२,३७९,८४२/-	१२०,१११,५८९/-
८. सटही घटबढ नोक्सान	४.२२	-	-
सम्भावित नोक्सानी व्यवस्था अधिको सञ्चालन मूनाफा		४१०,७८९,२२९/-	३६०,१६७,४४३/-
९. सम्भावित नोक्सानी व्यवस्था	४.२५	५७,४६३,९०९/-	५९,३७६,९८८/-
सञ्चालन मूनाफा		३५३,३२५,३९२/-	३००,७९०,४९५/-
१०. गैरसञ्चालन आम्दानी/नोक्सानी	४.२६	(२७१,००६/-)	(२५६,७५९/-)
११. सम्भावित नोक्सानी व्यवस्थाबाट फिर्ता	४.२७	२९,७८२,५८०/-	७८,५१५,१०५/-
नियमित कारोवारबाट भएको मूनाफा		३८२,८३६,८८६/-	३७९,०४८,८४९/-
१२. असामान्य कारोवारबाट भएको मूनाफा/नोक्सान	४.२८	-	-
सम्पूर्ण कारोबार पछिको खुद मूनाफा		३८२,८३६,८८६/-	३७९,०४८,८४९/-
१३. कर्मचारी बोनस व्यवस्था		३४,८०३,३५३/-	३४,४५८,९८६/-
१४. आयकर व्यवस्था		१००,२६२,७७५/-	८९,६८९,०११/-
* यस वर्षको		१०५,७४५,९४७/-	८६,७०४,०११/-
* गत वर्षको		८७०,४६३/-	२,९७७,०००/-
* डिफर्ड आयकर		(६,३५३,६३५/-)	-
खुद नाफा/नोक्सान		२४७,७७०,७५८/-	२५४,९०८,८४४/-

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

(एम. आनन्द)
प्रमुख सञ्चालन अधिकृत

(एन.के. चारी)
प्रबन्ध सञ्चालक

(बि.के. श्रेष्ठ)
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चार्टर्ड एकाउण्टेन्ट्स

PROFIT AND LOSS APPROPRIATION ACCOUNT

FISCAL YEAR 2064/065 (2007/08)

PARTICULARS	SCHEDULE	This Year Rs.	Previous Year Rs.
INCOME			
1. Accumulated Profit up to Last Year		4,249,095	1,705,920
2. Current Year's Profit		247,770,758	254,908,844
3. Exchange Fluctuation Reserve			
4. Capital Adjustment Reserve up to Previous Year		-	192,413,490
Total		252,019,853	449,028,254
EXPENSES			
1. Accumulated Loss up to Last Year		-	-
2. Current Year's Loss		-	-
3. General Reserve		49,554,152	50,981,769
4. Contingent Reserve		-	-
5. Institutional Development Reserve		-	-
6. Dividend Equalization Reserve		-	-
7. Staff Related Reserve		-	-
8. Proposed Dividend		-	81,554,021
9. Proposed issue of Bonus Shares		-	226,729,440
10. Special Reserve		-	-
11. Exchange Fluctuation Reserve		2,365,436	525,703
12. Capital Redemption Reserve		-	-
13. Capital Adjustment Reserve		170,000,000	60,000,000
14. 6% NSBL Debenture 2070 Redemption Reserve		28,571,429	28,571,429
Total		250,491,017	448,362,362
15. Accumulated Profit/(Loss)		1,528,836	665,892

(M. Anand)
Chief Operating Officer

(N.K. Chari)
Managing Director

(B.K. Shrestha)
Chairman

(M.K. Agrawal)
Director

(H. Sharma)
Director

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

नाफा नोक्सान बाँडफाँड हिसाब आ.व. २०६४/६५ (२००७/०८)			
विवरण	अनुसूची	यस वर्ष रु.	गत वर्ष रु.
आम्दानी			
१. गत वर्षसम्मको संचित मूनाफा		४,२४९,०९५/-	१,७०५,९२०/-
२. यस वर्षको मूनाफा		२४७,७७०,७५८/-	२५४,९०८,८४४/-
३. सटही घटबढ कोष			
४. गत वर्षसम्मको पूँजी समायोजन कोष		१९२,४१३,४९०/-	-
जम्मा		२५२,०१९,८५३/-	४४९,०२८,२५४/-
खर्च			
१. गत वर्षसम्मको संचित नोक्सान		-	-
२. यस वर्षको नोक्सान		-	-
३. साधारण जगेडा कोष		४९,५५४,१५२/-	५०,९८१,७६९/-
४. भैपरी आउने जगेडा		-	-
५. संस्था विकास कोष		-	-
६. लाभांश समीकरण कोष		-	-
७. कर्मचारी सम्बन्धी जगेडाहरू		-	-
८. अन्तरिम एवं प्रस्तावित लाभांश		-	८१,५५४,०२९/-
९. प्रस्तावित बोनस शेयर जारी		-	२२६,७२९,४४०/-
१०. विशेष जगेडा कोष		-	-
११. सटही घटबढ कोष		२,३६५,४३६/-	५२५,७०३/-
१२. पूँजी फिर्ती कोष		-	-
१३. पूँजी मिलान कोष		१७०,०००,०००/-	६०,०००,०००/-
१४. ६ प्रतिशत नेपाल एसबिआई बैंक ऋणपत्र २०७० फिर्ती कोष		२८,५७९,४२९/-	२८,५७९,४२९/-
जम्मा		२५०,४९९,०१७/-	४४८,३६२,३६२/-
१५. सञ्चित मूनाफा/(नोक्सान)		१,५२८,८३६/-	६६५,८९२/-

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साम्भेदार, सि.एस.सी. एण्ड कम्पनी
चार्टर्ड एकाउण्टेन्ट्स

STATEMENT OF CHANGES IN EQUITY									
Fiscal Year 2064/65 (2007/08)									
Particulars	Share Capital	Accumulated Profit/Loss	General Reserve	Capital Adjustment Reserve	Share Premium	Exchange Equalisation Fund	Proposed Bonus Share Capital	Other Reserves and Fund	Total Amount
Opening Balance at Shrawan 064	647,798,400	665,892	191,691,010	60,000,000	-	7,834,680	226,729,440	28,571,429	1,163,290,851
Adjustments: Deferred Tax		3,583,203							3,583,203
Reinstated Balance as on Shrawan 064	647,798,400	4,249,095	191,691,010	60,000,000	-	7,834,680	226,729,440	28,571,429	1,166,874,054
Adjustments									
Net profit for the period	-	247,770,758	-	-	-	-	-	-	247,770,758
Transfer to General Reserve	-	(49,554,152)	49,554,152	-	-	-	-	-	-
Capital Adjustment Reserve	-	(170,000,000)	-	170,000,000	-	-	-	-	-
Declaration of Dividend	-	-	-	-	-	-	-	-	-
Proposed Bonus Share Capital		-					-		-
Exchange Equalization Fund	-	(2,365,436)		-	-	2,365,436	-	-	-
Unsubscribed Shares Issued	-			-	-	-	-	-	-
Capital Redemption Reserve	-	-	-	-	-	-	-	-	-
Bonus Share Issued	226,729,440	-	-	-	-	-	(226,729,440)	-	-
Debenture Redemption Reserve	-	(28,571,429)	-	-	-	-	-	28,571,429	-
Closing Balance at Asadh 2065	874,527,840	1,528,836	241,245,162	230,000,000	-	10,200,116	-	57,142,858	1,414,644,812

इक्वीटीमा भएको परिवर्तन सम्बन्धी विवरण									
आ.व. २०६४/०६५ (२००७/०८)									
विवरण	शेयर पूँजी	साञ्चित नाफा/नोक्सान	साधारण जगेडा कोष	पूँजी समायोजना कोष	शेयर भ्रिमियम	सटही घटबढ कोष	प्रस्तावित बोनस शेयर पूँजी	अन्य जगेडा तथा कोषहरू	जम्मा रकम
शुरु मौज्दात (१ श्रावण २०६४)	६४७,७९८,४००/-	६६५,८९२/-	१९१,६९१,०१०/-	६०,०००,०००/-	-	७,८३४,६८०/-	२२६,७२९,४४०/-	२८,५७१,४२९/-	१,९६३,२९०,८५१/-
समायोजन: डिफर्ड कर		३,५८३,२०३/-			-				३,५८३,२०३/-
पुनर्रस्थापित मौज्दात (१ श्रावण २०६४)	६४७,७९८,४००/-	४,२४९,०९५/-	१९१,६९१,०१०/-	६०,०००,०००/-	-	७,८३४,६८०/-	२२६,७२९,४४०/-	२८,५७१,४२९/-	१,९६६,८७४,०५४/-
समायोजन									
यस वर्षको खुद नाफा	-	२४७,७७०,७५८/-	-	-	-	-	-	-	२,४७,७७०,७५८/-
साधारण जगेडा कोषमा सारिएको रकम	-	(४९,५५४,१५२/-)	४९,५५४,१५२/-	-	-	-	-	-	-
पूँजी मिलान कोष	-	(१७०,०००,०००/-)	-	१७०,०००,०००/-	-	-	-	-	-
लाभभण्डको घोषणा	-	-	-	-	-	-	-	-	-
प्रस्तावित पूँजीगत बोनस शेयर		-							
सटही घटबढ कोष	-	(२,३६५,४३६/-)		-	-	२,३६५,४३६/-	-	-	-
खरिद नभएको शेयर पूँजीको निष्काशन	-			-	-	-	-	-	-
पूँजीफिर्ती जगेडा कोष	-	-	-	-	-	-	-	-	-
बोनस शेयर जारी	२२६,७२९,४४०/-	-	-	-	-	-	(२२६,७२९,४४०/-)	-	-
ऋणपत्र फिर्ती कोष	-	(२८,५७१,४२९/-)	-	-	-	-	-	२८,५७१,४२९/-	-
अन्तिम मौज्दात (३१ आषाढ २०६५)	८७४,५२७,८४०/-	१,५२८,८३६/-	२४१,२४५,१६२/-	२३०,०००,०००/-	-	१०,२००,११६/-	-	५७,१४२,८५८/-	१,४१४,६४४,८९२/-

CASH FLOW STATEMENT		
From 1st Shrawan 2064 to 31st Asadh 2065		
Previous Year Rs.	Particulars	This Year Rs.
252,620,923	(a) Cash Flow from Operating Activities	237,770,508
1,022,185,524	1. Cash Received	1,113,297,883
831,116,781	1.1 Interest Income	970,512,681
52,591,560	1.2 Commission and Discount Income	50,917,830
47,360,726	1.3 Income from Foreign Exchange transaction	42,527,533
-	1.4 Recovery of loan written off	-
91,116,457	1.5 Other Incomes	49,339,839
769,564,601	2. Cash Payment	875,527,375
412,261,744	2.1 Interest Expenses	454,917,713
53,232,464	2.2 Staff Expenses	74,890,269
120,111,581	2.3 Office Overhead Expenses	152,379,842
89,681,011	2.4 Income Tax Paid	100,262,775
94,277,800	2.5 Other Expenses	93,076,776
(227,432,319)	Cash Flow before changes in Working Capital	(231,226,644)
(830,322,610)	Increase /(Decrease) of Current Assets	(3,042,972,061)
(135,000,000)	1.(Increase)/Decrease in Money at Call and Short Notice	45,987,123
1,099,522,565	2. (Increase)/Decrease in short term Investment	(429,433,999)
(1,833,714,564)	3. (Increase)/Decrease in Loans, Advances and Bills Purchase	(2,653,247,727)
38,869,388	4. (Increase)/Decrease in Other Assets	(6,277,458)
602,890,291	Increase /(Decrease) of Current Liabilities	2,811,745,417
443,245,397	1. Increase/(Decrease) in Deposits	2,270,108,930
-	2. Increase/(Decrease) in Certificates of Deposits	-
202,936,569	3. Increase/(Decrease) in Short Term Borrowings	812,114,971
(43,291,675)	4. Increase/(Decrease) in Other Liabilities	(270,478,484)
(30,321,899)	(b) Cash Flow from Investment Activities	(22,464,947)
-	1. (Increase)/Decrease in Long-term Investment	-
(30,507,006)	2. (Increase)/Decrease in Fixed Assets	(23,003,455)
-	3. Interest income from Long term Investment	-
185,108	4. Dividend Income	538,508
-	5. Others	-
7,562,300	(c) Cash Flow from Financing Activities	226,729,440
-	1. Increase/(Decrease) in Long term Borrowings (Bonds, Debentures etc)	-
7,562,300	2. Increase/(Decrease) in Share Capital	226,729,440
-	3. Increase/(Decrease) in Other Liabilities	-
-	4. Increase/(Decrease) in Refinance/facilities received from NRB	-
2,102,813	(d) Income/Loss from change in exchange rate in Cash & bank balances	9,461,742
4,531,819	(e) Current Year's Cash Flow from All Activities	220,270,099
1,118,158,408	(f) Opening Balance of Cash and Bank Balances	1,122,690,227
1,122,690,226	(g) Closing Balance of Cash and Bank Balances	1,342,960,326

नगद प्रवाह विवरण		
१ श्रावण २०६४ देखि ३२ आषाढ २०६५ सम्म		
गत वर्ष रु.	विवरण	यस वर्ष रु.
२५२,६२०,९२३/-	क) कारोबार सञ्चालनबाट नगद प्रवाह	२३७,७७०,५०८/-
१,०२२,१८५,५२४/-	१. नगद प्राप्ति	१,११३,२९७,८८३/-
८३१,११६,७८१/-	१.१ ब्याज आम्दानी	९७०,५१२,६८१/-
५२,५९१,५६०/-	१.२ कमिशन तथा डिस्काउण्ट आम्दानी	५०,९१७,८३०/-
४७,३६०,७२६/-	१.३ विदेशी विनिमय कारोवारबाट आम्दानी	४२,५२७,५३३/-
-	१.४ अपलेखित कर्जाको असुली	-
९१,११६,४५७/-	१.५ अन्य आम्दानी	४९,३३९,८३९/-
७६९,५६४,६०१/-	२. नगद भुक्तानी	८७५,५२७,३७५/-
४१२,२६१,७४४/-	२.१ ब्याज खर्च	४५४,९१७,७१३/-
५३,२३२,४६४/-	२.२ कर्मचारी खर्च	७४,८९०,२६९/-
१२०,१११,५८१/-	२.३ कार्यालय सञ्चालन खर्च	१५२,३७९,८४२/-
८९,६८१,०११/-	२.४ आयकर भुक्तानी	१००,२६२,७७५/-
९४,२७७,८००/-	२.५ अन्य खर्च	९३,०७६,७७६/-
(२२७,४३२,३१९/-)	कार्यगत पूँजी गतिविधि अधिको नगद प्रवाह	(२३१,२२६,६४४/-)
(८३०,३२२,६१०/-)	सञ्चालन सम्बन्धी चालू सम्पत्तिमा कमी/(बृद्धि)	(३,०४२,९७२,०६१/-)
(१३५,०००,०००/-)	१. माग तथा अल्पसूचनामा प्राप्त हुने रकममा कमी/(बृद्धि)	४५,९८७,१२३/-
१,०९९,५२२,५६५/-	२. अन्य अल्पकालिन लगानीमा कमी/(बृद्धि)	(४२९,४३३,९९९/-)
(१,८३३,७१४,५६४/-)	३. कर्जा तथा विल्स खरिदमा कमी/(बृद्धि)	(२,६५३,२४७,७२७/-)
३८,८६९,३८८/-	४. अन्य सम्पत्तिमा कमी/(बृद्धि)	(६,२७७,४५८/-)
(६०२,८९०,२९१/-)	सञ्चालन सम्बन्धी चालू दायित्वमा (कमी)/बृद्धि	२,८११,७४५,४१७/-
४४३,२४५,३९७/-	१. निक्षेप दायित्वमा (कमी)/बृद्धि	२,२७०,१०८,९३०/-
-	२. सर्टिफिकेट अफ डिपोजिटमा (कमी)/बृद्धि	-
२०२,९३६,५६९/-	३. अल्पकालीन सापटीमा (कमी)/बृद्धि	८१२,११४,९७१/-
(४३,२९१,६७५/-)	४. अन्य दायित्वमा (कमी)/बृद्धि	(२७०,४७८,४८४/-)
(३०,३२१,८९९/-)	(ख) लगानी कारोवारमा नगद प्रवाह	२२,४६४,९४७/-
-	१. दीर्घकालिन लगानीमा कमी/(बृद्धि)	-
(३०,५०७,००६/-)	२. स्थिर सम्पत्तिमा कमी/(बृद्धि)	(२३,००३,४५५/-)
-	३. दीर्घकालिन लगानीमा ब्याज आम्दानी	-
१८५,१०८/-	४. लाभांश आम्दानी	५३८,५०८/-
-	५. अन्य	-
७,५६२,३००/-	(ग) वित्तिय स्रोत कारोवारबाट नगद प्रवाह	२२६,७२९,४४०/-
-	१. दीर्घकालिन ऋण (वण्ड, डिबेन्चर आदिमा) बृद्धि/(कमी)	-
७,५६२,३००/-	२. शेयर पूँजीमा बृद्धि/(कमी)	२२६,७२९,४४०/-
-	३. अन्य दायित्वमा बृद्धि/(कमी)	-
-	४. नेपाल राष्ट्र बैंकबाट प्राप्त सहूलियत/पुनरकर्जामा बृद्धि/(कमी)	-
२,१०२,८१३/-	(घ) नगद तथा बैंक मौज्दातको विनिमय दरमा भएको फरकबाट आम्दानी/खर्च	९४,६१,७४२/-
४,५३१,८११/-	(ङ) यसवर्षको सम्पूर्ण गतिविधिबाट नगद प्रवाह	२२०,२७०,०९९/-
१,११८,१५८,४०८/-	(च) नगद तथा बैंकमा रहेको शुरु मौज्दात	१,१२२,६९०,२२७/-
१,१२२,६९०,२२६/-	(छ) नगद तथा बैंकमा रहेको अन्तिम मौज्दात	१,३४२,९६०,३२६/-

Schedule 4.1

SHARE CAPITAL AND OWNERSHIP (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
	I. Share Capital	
1,000,000,000	I.1 Authorized Capital	1,000,000,000
1,000,000,000	a) 10,000,000 Ordinary Shares of Rs. 100 each	1,000,000,000
-	b).....Non -Reedemeble Preference shares of Rs.....each	-
-	c).....Reedemable Preference Shares of Rseach	-
650,000,000	I.2 Issued Capital	877,500,000
650,000,000	a) 8,775,000 Ordinary Shares of Rs. 100 each	877,500,000
-	b).....Non -Reedemeble Preference shares of Rs.....each	-
-	c).....Reedemable Preference Shares of Rseach	-
647,798,400	I.3 Paid Up Capital	874,527,840
647,798,400	a) 8,745,278.4 Ordinary Shares of Rs.100 each	874,527,840
-	b).....Non -Reedemeble Preference shares of Rs.....each	-
-	c).....Reedemable Preference Shares of Rseach	-

SHARE OWNERSHIP (End of Ashad 2065)				
Share Capital Previous Year	%	Particulars	%	Share Capital This Year
453,600,000	70.02%	A. Promoters	70.02%	612,360,000
-	-	I.1 Nepal Government	-	-
324,000,000	50.02%	I.2 Foreign Institutions	50.02%	437,400,000
32,400,000	5.00%	I.3 "A" Class Liscensed Institutions	5.00%	43,740,000
-	-	I.4 Other Liscensed Institutions	-	-
97,200,000	15.00%	I.5 Other Entities	15.00%	131,220,000
-	-	I.6 General Public	-	-
-	-	I.7 Others	-	-
194,198,400	29.98%	B. General Public	29.98%	262,167,840
647,798,400	100%	Total	100.00%	874,527,840

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 are no other shareholders in the above categories
- 3) The "Foreign Institution" reported above is State Bank of India.

Schedule 4.2

RESERVES AND FUNDS (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
191,691,010	1. General Reserve	241,245,162
226,729,440	2. Proposed Bonus Share	-
-	3. Capital Reserve	-
-	4. Capital Redemption Reserve	-
60,000,000	5. Capital Adjustment Reserve	230,000,000
28,571,429	6. Other Reserves and Funds	57,142,858
-	a. Contingent Reserve	-
-	b. Institution Development Reserve	-
-	c. Dividend Equalization Reserve	-
-	d. Special Reserve	-
-	e. Assets Revaluation Reserve	-
-	f. Other Free Reserves	-
28,571,429	g. Other Reserves and Funds (Debenture Reserve)	57,142,858
665,892	7. Accumulated Profit/(Loss)	1,528,836
7,834,680	8. Exchange Equalization Fund	10,200,116
515,492,451	Total	540,116,972

Schedule 4.3

DEBENTURES AND BONDS (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
200,000,000	I. 6% Nepal SBI Bank Debentures 2070 of Rs.1,000 each (Unsecured)	200,000,000
-	Issued on 16.07.2006 and maturing on 15.07.2013	-
-	(Outstanding balance of Redemption Reserve Rs 57,142,857)	-
-		-
200,000,000	Total	200,000,000

Schedule 4.4

BORROWINGS (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
	A. Local	-
-	1. Nepal Government	-
-	2. Nepal Rastra Bank	-
-	3. Repo Obligations	-
-	4. Inter Bank and Financial institutions	20,000,000
-	5. Other Financial Institutions	-
-	6. Others	-
-	Total	20,000,000
	B. Foreign	
815,365,219	1. Banks	1,607,480,190
-	2. Others	-
815,365,219	Total	1,607,480,190
815,365,219	Total (A+B)	1,627,480,190

Schedule 4.5

DEPOSITS (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
	I. Non-Interest bearing accounts	
1,930,432,984	A. Current Deposits	1,738,101,358
1,884,302,643	1. Local Currency	1,694,801,132
15,095	1.1 Nepal Government	15,095
24,607	1.2 "A" Class Liscensed Institutions	48,542
5,666,736	1.3 Other Liscensed Institutions	11,659,785
784,392,488	1.4 Other Organized Institutions	1,105,945,593
1,094,203,717	1.5 Individuals	577,132,117
-	1.6 Others	-
46,130,341	2. Foreign Currency	43,300,226
-	2.1 Nepal Government	-
-	2.2 "A" Class Liscensed Institutions	2,154,279
-	2.3 Other Liscensed Institutions	-
46,130,341	2.4 Other Organized Institutions	41,145,947
-	2.5 Individuals	-
-	2.6 Others	-
97,982,890	B. Margin Deposits	122,438,261
-	1. Employees Guarantee	-
18,791,046	2. Gurantee Margin	26,612,931
79,191,844	3. Margin on Letter of Credit	95,825,330
-	C. Others	-
-	1. Local Currency	-
-	1.1 Financial Institutions	-
-	1.2 Other Organized Institutions	-
-	1.3 Individual	-
-	2. Foreign Currency	-
-	2.1 Financial Institutions	-
-	2.2 Other Organized Institutions	-
-	2.3 Individual	-
2,028,415,874	Total of Non-Interest Bearing Accounts	1,860,539,619

Schedule 4.5 (A)

DEPOSITS (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
	2. Interest Bearing Accounts	
3,274,690,124	A. Saving Deposits	4,171,175,548
3,175,620,248	1. Local Currency	4,103,714,143
121,135,807	1.1 Organized Institutions	172,999,791
3,054,484,441	1.2 Individual	3,930,714,352
-	1.3 Others	-
99,069,876	2. Foreign Currency	67,461,405
84,779,586	2.1 Organized Institutions	60,062,443
14,290,291	2.2 Individual	7,398,962
-	2.3 Others	-
5,517,466,903	B. Fixed Deposits	6,854,884,456
5,354,948,768	1. Local Currency	6,834,816,456
3,094,639,000	1.1 Organized Institutions	3,672,546,000
2,260,309,768	1.2 Individual	3,162,270,456
-	1.3 Others	-
162,518,134	2. Foreign Currency	20,068,000
-	2.1 Organized Institutions	-
162,518,134	2.2 Individual	20,068,000
-	2.3 Others	-
624,713,129	C. Call Deposits	828,795,337
620,600,337	1. Local Currency	826,435,946
118,698,728	1.1 "A" Class Liscensed Institutions	1,380,926
28,805,725	1.2 Other Liscensed Institutions	118,730,778
451,337,772	1.3 Other Organized Institutions	85,462,733
21,758,112	1.4 Individual	620,861,509
-	1.5 Others	-
4,112,792	2. Foreign Currency	2,359,391
-	2.1 "A" Class Liscensed Institutions	-
-	2.2 Other Liscensed Institutions	-
-	2.3 Other Organized Institutions	-
4,112,792	2.4 Individual	2,359,391
-	2.5 Others	-
-	D. Certificate of Deposit	-
-	1. Organized Institutions	-
-	2. Individual	-
-	3. Others	-
9,416,870,156	Total of Interest Bearing Accounts	11,854,855,341
11,445,286,030	Total Deposit (1+2)	13,715,394,960

Schedule 4.6

BILLS PAYABLE (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
30,699,091	1. Local Currency	56,958,813
18,156,658	2. Foreign Currency	18,156,658
48,855,749	Total	75,115,471

Schedule 4.7

OTHER LIABILITIES (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
12,922,300	1. Pension/Gratuity Fund	21,991,500
-	2. Employee Provident Fund	-
-	3. Employees Welfare Fund	-
34,458,986	4. Provision for Staff Bonus	34,803,353
-	5. Interest Payable on Deposits	-
-	6. Interest Payable on Borrowings	-
-	7. Unearned Discount and Commission	-
31,105,444	8. Sundry Creditors	23,643,205
-	9. Branch Account	-
58,891,745	10. Others	62,143,831
110,000	a. Audit Fee	110,000
58,781,745	b. Others	62,033,831
137,378,475	Total	142,581,889

Schedule 4.8

CASH BALANCE (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
262,184,890	1. Local Currency (Including Coins)	294,609,245
25,345,754	2. Foreign Currency	13,492,354
287,530,644	Total	308,101,599

Schedule 4.9

BALANCE WITH NEPAL RASTRA BANK (End of Ashad 2065)						
Previous Year Rs.	Particulars	Local Currency	Foreign Currency			This Year Rs.
			INR	Convertible	Total	
556,678,464	1. Nepal Rastra Bank	391,778,919	-	12,031,284	12,031,284	403,810,203
548,851,986	a. Current Account	394,865,330	-	12,031,284	12,031,284	406,896,614
7,826,478	b. Other Account	(3,086,411)	-	-	-	(3,086,411)

Schedule 4.10

BALANCE WITH BANKS/FINANCIAL INSTITUTIONS (End of Ashad 2065)						
Previous Year Rs.	Particular	Local Currency	Foreign Currency		Total	This Year Rs.
			IRS.	Convertible FCY		
11,837,405	1. Local Licensed Institutions	16,759,746	-	2,691,432	2,691,432	19,451,178
11,837,405	a. Current Account	16,759,746	-	2,691,432	2,691,432	19,451,178
-	b. Other Account	-	-	-	-	-
266,643,714	2. Foreign Banks	-	362,148,179	249,449,167	611,597,346	611,597,346
266,643,714	a. Current Account	-	362,148,179	249,449,167	611,597,346	611,597,346
-	b. Other Account	-	-	-	-	-
278,481,119	Total	16,759,746	362,148,179	252,140,599	614,288,778	631,048,524

Note: Total balance for which the confirmations are received from respective licensed institutions Rs. 925,360,664

Schedule 4.11

MONEY AT CALL AND SHORT NOTICE (End of Ashad 2065)			
Previous Year Rs.	Particulars	This Year Rs.	
350,000,000	1. Local Currency	304,012,877	
-	2. Foreign Currency	-	
350,000,000	TOTAL	304,012,877	

Schedule 4.12

INVESTMENTS (End of Ashad 2065)				
Previous Year Rs.	Particulars	Purpose		This Year Rs.
		Trading	Other	
2,227,404,516	1. Nepal Government Treasury Bills	-	2,762,828,586	2,762,828,586
-	2. Nepal Government Saving Bonds	-	-	-
118,175,000	3. Nepal Government Other securities	-	272,725,000	272,725,000
-	4. Nepal Rastra Bank Bonds	-	-	-
-	5. Foreign Securities	-	-	-
-	6. Local Licensed Institutions	-	-	-
281,934,403	7. Foreign Banks	-	20,511,832	20,511,832
31,939,000	8. Corporate Shares	-	32,821,500	32,821,500
-	9. Corporate Bonds and Debentures	-	-	-
-	10. Other Investments	-	-	-
2,659,452,919	Total Investment	-	3,088,886,918	3,088,886,918
-	Provision	-	-	-
2,659,452,919	Net Investment	-	3,088,886,918	3,088,886,918

Schedule 4.12(A)

INVESTMENT IN SHARES, DEBENTURES AND BONDS				
(End of Ashad 2065)				
Previous Year Rs.	Particulars	Cost Price Rs.	Market Price Rs.	Provision Amount Rs.
31,939,000	I. Investment in Shares	32,821,500	-	-
	I.1 Rural Micro-finance Development Center Ltd. (RMDC)			
5,195,000	51,950 Ordinary Shares of Rs. 100 fully paid up	5,195,000	-	-
13,700,000	137,000 Right Shares of Rs. 100 fully paid up	13,700,000	-	-
3,000,000	I.2 Madhya Paschimanchal Grameen Bikash Bank Ltd. 30,000 Ordinary Shares of Rs. 100 fully paid up	3,000,000	-	-
748,000	I.3 Alliance Insurance Co. Ltd. 7,480 Ordinary Shares of Rs. 100 fully paid up	748,000	1,151,920	-
8,943,000	I.4 Himalayan Distillery Ltd. 89,430 Ordinary Shares of Rs. 100 fully paid up	8,943,000	8,943,000	-
353,000	I.5 Credit Information Center Ltd. 3,530 Ordinary Shares of Rs. 100 fully paid up	353,000		
	8825 Right Shares of Rs 100 fully paid up	882,500	-	-
-	2. Investment in Debentures and Bonds	-	-	-
-	2.1	-	-	-
-	2.2	-	-	-
-	2.3	-	-	-
31,939,000	Total Investment	32,821,500	-	-
-	3. Provision for Loss	-	-	-
-	3.1 Up to previous year	-	-	-
-	3.2 Additions/Write back this year	-	-	-
-	Total Provision	-	-	-
31,939,000	Net Investment	32,821,500	-	-

Note:

- (1) Alliance Insurance Co.Ltd. has not declared any dividend for FY 2063/2064, 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 2063/64
- (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. It has issued 1:2.5 right share during the FY 2064/065

CLASSIFICATION OF LOANS AND BILLS PURCHASE & PROVISIONING

(End of Ashad 2065)

Previous Year Rs.	Particular	Loans & Advances					Bills Purchased/Discount			This Year Rs.
		Domestic		Other	Foreign	Total	Domestic	Foreign	Total	
		Priority Sector*								
		Insured	Uninsured							
9,606,296,453	1. Performing Loan	270,447,556	367,819,506	11,452,195,653	-	12,090,462,715	18,801,490	148,541,940	167,343,430	12,257,806,145
9,262,671,752	1.1 Pass	252,571,706	367,593,390	11,193,550,323	-	11,813,715,419	18,801,490	148,541,940	167,343,430	11,981,058,849
343,624,701	1.2 Restructured	17,875,850	226,116	258,645,330	-	276,747,296	-	-	-	276,747,296
458,755,741	2. Non-Performing Loan	12,705,960	6,457,130	469,246,979	-	488,410,069	-	-	-	488,410,069
3,284,812	2.1 Sub-Standard	2,146,230	-	1,728,559	-	3,874,789	-	-	-	3,874,789
11,167,991	2.2 Doubtful	2,669,810	-	18,956,870	-	21,626,680	-	-	-	21,626,680
444,302,938	2.3 Loss	7,889,920	6,457,130	448,561,550	-	462,908,600	-	-	-	462,908,600
10,065,052,194	A. Total Loan	283,153,516	374,276,636	11,921,442,632	-	12,578,872,784	18,801,490	148,541,940	167,343,430	12,746,216,214
	3. Loan Loss Provision									
91,486,927	3.1 Pass	631,429	3,675,934	111,941,870	-	116,249,233	188,015	1,485,419	1,673,434	117,922,667
66,461,165	3.2 Restructured	785,240	28,265	46,950,470	-	47,763,975	-	-	-	47,763,975
544,869	3.3 Sub-Standard	134,139	-	432,140	-	566,279	-	-	-	566,279
3,892,644	3.4 Doubtful	390,600	-	9,478,435	-	9,869,035	-	-	-	9,869,035
442,215,888	3.5 Loss	2,314,040	5,520,240	448,561,550	-	456,395,830	-	-	-	456,395,830
604,601,493	B. Total Provisioning	4,255,448	9,224,439	617,364,465	-	630,844,352	188,015	1,485,419	1,673,434	632,517,786
	4. Provisioning up to previous year									
70,841,218	4.1 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	4.2 Restructured	691,530	-	65,769,635	-	66,461,165	-	-	-	66,461,165
318,214	4.3 Sub-Standard	92,111	205,075	247,683	-	544,869	-	-	-	544,869
1,921,298	4.4 Doubtful	1,167,704	-	2,724,940	-	3,892,644	-	-	-	3,892,644
495,361,697	4.5 Loss	944,590	4,614,088	436,657,210	-	442,215,888	-	-	-	442,215,888
614,720,406	C. Total previous year's provision	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
68,020,764	D. Written Back from Previous Year's	1,148,122	164,831	27,449,130	-	28,762,083	-	-	-	28,762,083
57,901,851	E. Additional Provision of Current Year	1,716,719	1,700,799	53,468,908	(1,532)	56,884,894	(97,591)	(108,927)	(206,518)	56,678,376
(10,118,913)	F. Changes this year	568,597	1,535,968	26,019,778	(1,532)	28,122,811	(97,591)	(108,927)	(206,518)	27,916,293
9,460,450,701	Net Loan (A-B)	278,898,068	365,052,197	11,304,078,167	-	11,948,028,432	18,613,475	147,056,521	165,669,996	12,113,698,428

Note: Out of these, total loan under Deprived Sector Lending is Rs. 3568.92 Lacs.

Schedule 4.13 (A)

LOAN, ADVANCE AND BILLS PURCHASED SECURITY WISE (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
10,065,052,194	A. Secured	12,746,216,214
9,134,830,158	1. Movable/Immovable Assets	11,377,606,882
163,045,286	2. Guarantee of Local Licensed Institutions	506,133,097
-	3. Government Guarantee	-
-	4. Internationally Rated Bank Guarantee	-
103,669,215	5. Export Documents	119,439,225
278,668,079	6. Fixed Deposit Receipts	300,104,999
178,668,079	a. Own FDR	89,981,791
100,000,000	b. FDR of Other Licensed Institutions	210,123,208
252,904,826	7. Government Bonds	9,238,986
-	8. Counter Guarantee	-
8,250,000	9. Personal Guarantee	8,250,000
123,684,631	10. Other Securities	425,443,025
-	B. Unsecured	-
10,065,052,194	Total	12,746,216,214

FIXED ASSETS (End of Ashad 2065)								
Previous Year Rs.	Particular	Assets				This Year Rs		
		Building	Vehicles	Machinery	Office Equipment			
	I. Cost Price							
147,222,189	a. Previous Year balance	-	15,476,644	87,085,391	71,090,828	20,641,689	194,294,552	
49,134,534	b. Addition during the year	-	4,982,310	14,538,446	23,962,967	14,935,147	58,418,870	
-	c. Revaluation/Written Back this year	-	-	-	-	-	-	
-	d. Sold during the year	-	-	-	-	-	-	
2,062,173	e. Written off during the year	-	6,675	27,450	1,369,104	2,297,167	3,700,396	
194,294,550	Total Cost (a+b+c-d-e)	-	20,452,279	101,596,387	93,684,691	33,279,669	249,013,026	
	2. Depreciation							
80,510,391	a. Up to previous year	-	7,034,003	57,037,626	23,912,257	9,091,862	97,075,748	
17,946,574	b. For this year	-	2,870,969	13,513,412	14,943,052	3,180,001	34,507,434	
-	c. Depreciation on revaluation/Written Back	-	-	-	-	-	-	
1,381,219	d. Depreciation on Assets Sold/Written off	-	4,054	27,450	1,199,779	1,561,132	2,792,415	
97,075,746	Total Depreciation	-	9,900,918	70,523,588	37,655,530	10,710,731	128,790,767	
97,218,804	3. Book Value (WDV*) (1-2)	-	10,551,361	31,072,799	56,029,161	22,568,938	120,222,259	
-	4. Land	-	-	-	-	-	-	
-	5. Capital Construction (Pending Capitalization)	-	-	-	-	-	-	
-	6. Leasehold Assets	-	-	-	-	-	-	
97,218,804	Total (3+4+5+6)	-	10,551,361	31,072,799	56,029,161	22,568,938	120,222,259	

Schedule 4.15

NON BANKING ASSETS (End of Ashad 2065)						
Previous Year Rs.	Name & Address of Borrower or Party	Date of Assuming Non Banking Assets	Total Amount of Non Banking Assets	Loss Provision		Net Non Banking Assets (Rs)
				In %	In Amount	
-	Himal Salem Industries	16.07.2003	2,578,000	100.00%	2,578,000	-
-	Kanchan Variety	01.10.2003	392,000	100.00%	392,000	-
785,533	Bishwanath & Sons	15.07.2005	3,142,133	100.00%	3,142,133	-
3,061,491	Rajendra Bahadur Joshi	01.03.2007	-		-	-
3,847,024	-	-	6,112,133		6,112,133	-

Schedule 4.16

OTHER ASSETS (End of Ashad 2065)			
Previous Year Rs.	Particulars		This Year Rs.
918,634	1. Stock of Stationery		872,191
20,675,426	2. Income receivable on Investment		19,950,769
-	3. Accrued Interest on Loan	509,497,358	
-	Less: Interest Suspense Account	509,497,358	-
-	4. Commission Receivable		-
7,941,367	5. Sundry Debtors		3,885,170
53,365,430	6. Staff Loan & Advances		57,845,023
9,618,789	7. Pre Payments		9,358,871
-	8. Cash in Transit		-
-	9. Other Transit items (including Cheques)		-
32,000,000	10. Drafts paid without notice		32,000,000
2,237,809	11. Expenses not written off		1,485,861
-	12. Branch Account		-
80,783,430	13. Others		92,267,481
78,119,808	a) Income Tax		82,276,917
2,663,622	b) Others		53,726
	c) Net Deferred Tax Asset		9,936,838
207,540,884	Total		217,665,366

Schedule 4.16(A)

OHER ASSETS (Additional Statement)					
(End of Ashad 2065)					
Previous Year Rs.	Particular	This Year Rs.			Total
		Up to 1 Yrs	1 to 3 Yrs	Above 3 Yrs	
464,569,999	1. Accrued Interest on Loan	26,357,775	57,662,820	425,476,763	509,497,358
32,000,000	2. Drafts Paid without notice	-	-	32,000,000	32,000,000
-	3. Branch Account	-	-	-	-
496,569,999	Total	26,357,775	57,662,820	457,476,763	541,497,358

Schedule 4.17

CONTINGENT LIABILITIES (End of Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
-	1. Claims on institution not accepted by the Institution	-
1,494,541,691	2. Letter of Credit (Full Amount)	1,876,531,781
1,494,541,691	a. Less than 6 months maturity	1,876,531,781
-	b. More than 6 months maturity	-
-	3. Rediscounted Bills	-
358,765,317	4. Unmatured Guarantees/Bonds	430,254,511
17,482,228	a. Bid Bonds	26,999,184
336,565,214	b. Performance Bonds	313,280,084
4,717,875	c. Other Guarantee/Bonds	89,975,243
-	5. Unpaid Shares in Investment	-
98,505,354	6. Forward Exchange Contract Liabilities	5,813,748
11,623,047	7. Bills under Collection	31,740,170
214,075,359	8. Acceptance & Endorsement	224,236,111
-	9. Underwriting Commitment	-
-	10. Irrevocable Loan Commitment	-
616,304,143	11. Guarantee provided on Counter Guarantee of Internationally Rated Banks	518,849,806
21,742,487	12. Advance Payment Guarantee	31,115,882
1,742,300	13. Financial Guarantee	42,060,000
-	14. Contingent Liabilities on Income Tax	-
-	15. Others	-
2,817,299,698	Total	3,160,602,009

Schedule 4.18

INTEREST INCOME		
(From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
705,629,876	A. On Loans, Advances and Overdraft	860,190,628
630,130,593	1. Loans & Advances	742,540,917
75,499,283	2. Overdraft	117,649,711
109,460,361	B. On Investment	93,200,434
109,460,361	1. Nepal Government Securities	93,200,434
103,059,165	a. Treasury Bills	86,733,801
6,401,195	b. Development Bonds	6,466,633
-	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	-
12,620,885	C. On Agency Balances	10,090,386
-	1. Local Banks	-
12,620,885	2. Foreign Banks	10,090,386
516,551	D. On Money at Call and Short Notice	3,506,182
516,551	1. Local Banks/Financial Institutions	3,506,182
	2. Foreign Banks	
2,889,109	E. On Others	3,525,051
-	1. Certificate of Deposits	-
-	2. Inter-Bank Loan	-
2,889,109	3. Others	3,525,051
831,116,781	Total	970,512,681

Schedule 4.19

INTEREST EXPENSES		
(From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
397,732,193	A. ON DEPOSIT LIABILITIES	437,639,433
291,445,155	1. Fixed Deposits	327,608,143
285,442,354	1.1 Local Currency	324,604,584
6,002,801	1.2 Foreign Currency	3,003,559
83,577,179	2. Saving Deposits	92,813,494
83,214,963	2.1 Local Currency	92,442,325
362,216	2.2 Foreign Currency	371,169
22,709,859	3. Call Deposits	17,217,796
22,707,817	3.1 Local Currency	17,185,729
2,042	3.2 Foreign Currency	32,067
-	4. Certificate of Deposits	-
14,529,551	B. ON BORROWINGS	17,278,280
12,000,000	1. Debentures & Bonds	12,000,000
371,918	2. Loan from Nepal Rastra Bank	-
2,157,633	3. Inter Bank /Financial Institutions Borrowing	5,278,280
-	4. Other Corporate Body	-
-	5. Other Loans	-
-	C. ON OTHERS	-
412,261,744	Total	454,917,713

Schedule 4.20

COMMISSION AND DISCOUNT INCOME		
(From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
3,112,269	A. Bills Purchase & Discount	2,718,000
484,808	1. Local	1,367,083
2,627,461	2. Foreign	1,350,917
47,810,826	B. Commission	46,219,042
11,378,069	1. Letters of Credit	11,372,171
13,895,620	2. Guarantees	10,480,007
1,638,567	3. Collection Fees	1,668,766
20,882,179	4. Remittance Fees	22,665,703
-	5. Credit Card	-
-	6. Share Underwriting/Issue	-
-	7. Government Transactions	-
16,391	8. Agency Commission	32,395
-	9. Exchange Fee	-
1,668,465	C. Others	1,980,788
52,591,560	Total	50,917,830

Schedule 4.21

OTHER INCOME		
(From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
273,000	1. Safe Deposit Lockers Rental	333,000
-	2. Issue & Renewals of Credit Cards	-
46,100	3. Issue & Renewals of ATM Cards	1,348,640
3,307,962	4. Telex / T. T.	4,171,720
8,754,514	5. Service Charges	13,463,904
-	6. Renewal Fees	-
219,776	7. Others(Postage)	239,995
12,601,352	Total	19,557,259

Schedule 4.22

EXCHANGE GAIN/LOSS		
(From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
2,102,813	a. Revaluation Gain (Loss)	9,461,742
47,360,726	b. Trading Gain (except Exchange Fees)	42,527,533
49,463,539	Total Income (Loss)	51,989,275

Schedule 4.23

EXPENSES RELATING TO EMPLOYEES		
(From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
22,422,699	1. Salary	30,348,164
18,395,638	2. Allowances	23,715,324
2,050,476	3. Contribution to Provident Fund	2,563,355
242,458	4. Training Expenses	297,108
148,483	5. Uniform	77,882
2,220,289	6. Medical	2,911,748
159,811	7. Insurance	169,152
3,443,600	8. Pension and Gratuity Provision	9,976,750
4,149,010	9. Others(Canteen)	4,830,786
53,232,464	Total	74,890,269

OFFICE OPERATING EXPENSES (From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
15,844,362	1. House Rent	18,883,468
4,081,446	2. Electricity & Water	4,775,384
1,608,059	3. Repair & Maintenance	2,438,100
533,867	a. Building	1,099,490
308,726	b. Vehicles	319,540
765,466	c. Others(Computer)	1,019,070
5,734,209	4. Insurance	4,263,077
7,245,056	5. Postage, Telex, Telephone & Fax	5,434,776
830,481	6. Office Equipment, Furniture and Repair	1,842,690
6,001,700	7. Travelling Allowances & Expenses	7,891,220
6,057,725	8. Printing & Stationery	8,990,098
319,761	9. Books & Periodicals	345,533
1,688,794	10. Advertisements	2,494,712
1,847,533	11. Legal Expenses	1,045,350
226,068	12. Donations	434,083
1,431,031	13. Expenses relating to Board of Directors	1,651,035
595,000	a. Meeting Fees	1,031,000
836,031	b. Other Expenses	620,035
1,028,018	14. Annual General Meeting Expenses	1,616,401
539,955	15. Expenses relating to Audit	515,582
110,000	a. Audit Fees	110,000
429,955	b. Other Expenses	405,582
-	16. Commission on Remittances	-
17,883,939	17. Depreciation on Fixed Assets	34,502,819
-	18. Amortization of Preliminary Expenses	-
-	19. Share Issue expenses	-
10,501,250	20. Technical Services Fee	9,802,500
626,105	21. Entertainment	828,975
906,351	22. Written Off Expenses	583,360
5,166,671	23. Security Expenses	7,122,697
3,656,889	24. Credit Guarantee Premium	3,270,214
-	25. Commission and Discount	-
26,886,178	26. Others	33,647,768
58,909	a) Office Equipment & Furniture (not capitalised items)	347,361
13,874,407	b) Information Technology Support Cost	14,205,057
12,952,862	c) Others	19,095,350
120,111,581	Total	152,379,842

Schedule 4.25

PROVISION FOR POSSIBLE LOSS (From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
57,901,851	1. Increase in Loan Loss Provision	56,678,376
-	2. Increase in Provision for Loss on Investment	-
1,475,097	3. Provision Against Non-Banking Assets	785,533
-	4. Provision Against Other Assets	-
59,376,948	Total	57,463,909

Schedule 4.26

NON-OPERATING INCOME/LOSS (From 1st Shrawan 2064 to 31st Ashad 2065)		
Previous Year Rs.	Particulars	This Year Rs.
-	1. Profit (Loss) on Sale of Investments	-
(441,867)	2. Profit (Loss) on Sale of Assets	(809,514)
185,108	3. Dividend	538,508
-	4. Subsidies received from Nepal Rastra Bank	-
-	a. Reimbursement of losses of specified branches	-
-	b. Interest Subsidy	-
-	c. Exchange Counter	-
-	5. Others	-
(256,759)	Total Non-Operating Income (Loss)	(271,006)

Schedule 4.27

LOSS PROVISIONS WRITTEN BACK (Fiscal Year 2064/065)		
Previous Year Rs.	Particulars	This Year Rs.
68,020,764	1. Loan Loss Provision Written Back	28,762,083
9,957,761	2. Provision against Non Banking Assets Written Back	1,020,497
536,580	3. Investment Provision Written Back	-
-	4. Provision against other Assets Written Back	-
78,515,105	Total	29,782,580

Schedule 4.28

PROFIT/LOSS FROM EXTRA ACTIVITIES (Fiscal Year 2064/065)		
Previous Year Rs.	Particulars	This Year Rs.
-	1. Recovery of Write off Loan	-
-	2. Voluntary Retirement Scheme Expenses	-
-	3. Loan Write -Offs (4.28 (a))	-
-	4. Other expensess/Income	-
-	Total	-

STATEMENT OF LOAN WRITTEN-OFF (Fiscal Year 2064/065)								
S.No.	Types of Loan	Written of amount Rs	Type of Security	Basis of Valuation of collateral	Loan Approved by Name/Designation	Initiations made for recovery	Remarks	
1	Working Capital Loan	-	-	-	-	-	-	-
2	Project Loan	-	-	-	-	-	-	-
3	Fixed Capital Loan	-	-	-	-	-	-	-
4	Personal Loan	-	-	-	-	-	-	-
5	Other Loan	-	-	-	-	-	-	-
	Total Loan	-	-	-	-	-	-	-

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

Schedule 4.29

STATEMENT OF LOANS AND ADVANCED EXTENDED TO DIRECTORS/CHIEF EXECUTIVE/PROMOTERS/EMPLOYEES AND SHAREHOLDERS (End of Ashad 2065)								In Rs.
Name of Promoter/Director/ Chief Executive	Outstanding up to Last Year		Recovered in Current Year		Additional Lending in this year	Outstanding as of Asadh end 2065		
	Principal	Interest	Principal	Interest		Principal	Interest	
A. Directors	-	-	-	-	-	-	-	
1.....	-	-	-	-	-	-	-	
2.....	-	-	-	-	-	-	-	
3.....	-	-	-	-	-	-	-	
B. Chief Executive	-	-	-	-	-	-	-	
1.....	-	-	-	-	-	-	-	
2.....	-	-	-	-	-	-	-	
C. Promoters	-	-	-	-	-	-	-	
1. Agriculture Development Bank	50,000,000	-	50,000,000	-	-	-	-	
2.....	-	-	-	-	-	-	-	
3.....	-	-	-	-	-	-	-	
D. Employees	-	-	-	-	-	-	-	
1.....	-	-	-	-	-	-	-	
2.....	-	-	-	-	-	-	-	
3.....	-	-	-	-	-	-	-	
E. Shareholders	-	-	-	-	-	-	-	
1.....	-	-	-	-	-	-	-	
2.....	-	-	-	-	-	-	-	
3.....	-	-	-	-	-	-	-	
Total	50,000,000	-	50,000,000	-	-	-	-	

(End of Ashad 2065)

Schedule 4.30

TABLE OF CAPITAL FUND (Fiscal Year 2064/065)		
PARTICULARS	Previous Year Rs.	This Year Rs.
A. Core Capital	1,145,478,649	1,394,064,015
1. Paid Up Capital	647,798,400	874,527,840
2. Share Premium	-	-
3. Non-Redeemable Preference Shares	-	-
4. General Reserve Fund	191,691,010	241,245,162
5. Cumulative Profit/Loss	665,892	1,528,836
6. Capital Redemption Reserve	-	-
7. Capital Adjustment Reserve	60,000,000	230,000,000
8. Other Free Reserve (Debenture Red.Reserve & Proposed Bonus Share)	255,300,869	57,142,858
Less: Goodwill	-	-
Investment in excess of prescribed Limit	-	-
Fictitious Assets	1,034,522	689,681
Investments in securities of companies with financial interest	-	-
Investments in the Shares underwritten of Himalayan Distillery & Alliance Insurance	8,943,000	9,691,000
B. Supplementary Capital	299,321,607	328,122,783
1. Loan Loss Provision on Pass Loan	91,486,927	117,922,667
2. Asset Revaluation Reserve	-	-
3. Hybrid Capital Instruments	-	-
4. Unsecured Subordinated Term Debt	200,000,000	200,000,000
5. Exchange Equalization Reserve	7,834,680	10,200,116
6. Additional Loan Loss Provision	-	-
7. Investment Adjustment Reserve	-	-
8 Provision for Loss on Investment	-	-
C. Total Capital Fund (A+B)	1,444,800,256	1,722,186,798
D. Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets		
Capital Fund (@11%)	1,196,060,642	1,537,327,915
Core Capital (@5.5%)	598,030,321	768,663,957
Capital Fund (Excess/Short) - Excess (@1.32%)	248,739,614	184,858,883
Core Capital (Excess/Short) - Excess (@4.47%)	547,448,328	625,400,058

Schedule 4.30 (A)

TABLE OF RISK WEIGHTED ASSETS STATEMENT
(End of Ashad 2065)

On-Balance Sheer Assets	Weight age	Ashad End 2064		Ashad End 2065	
		Amount	Risk Weighted Assets	Amount	Risk Weighted Assets
Cash Balance	-	287,530,644	-	308,101,599	-
Gold (Tradable)	-	-	-	-	-
Balance with Nepal Rastra Bank	-	556,678,464	-	403,810,203	-
Investments in Government Securities	-	2,227,404,516	-	2,762,828,586	-
Investments in N.R.B. Bonds	-	118,175,000	-	272,725,000	-
Fully secured loan against own Fixed Deposit Receipt	-	178,668,079	-	89,981,791	-
Fully secured loan against Government Securities	-	252,904,826	-	9,238,986	-
Interest Receivable on Govt. Bonds & Saving Bonds	-	-	-	19,919,970	-
Balances with Domestic Licensed Banks and Financial Institutions	20%	11,837,405	2,367,481	19,451,178	3,890,236
Fully secured FDR Loan against Fixed Deposit Receipt of other Licensed banks & Financial Institutions	20%	100,000,000	20,000,000	210,123,208	42,024,642
Balances with Foreign Banks	20%	266,643,714	53,328,742	611,597,346	122,319,469
Money at Call	20%	350,000,000	70,000,000	304,012,877	60,802,575
Loan against Guarantees of Internationally Rated Banks	20%	-	-	-	-
Other Investments in Internationally Rated Banks	20%	281,934,403	56,386,881	20,511,832	4,102,366
Investment in Shares, Debentures and Bonds	100%	31,939,000	31,939,000	32,821,500	32,821,500
Other Investments	100%	-	-	-	-
Loans, Advances and Bills Purchased/Discounted	100%	9,533,479,290	9,533,479,290	12,436,872,229	12,436,872,229
Fixed Assets	100%	97,218,804	97,218,804	120,222,259	120,222,259
All Other Assets(Except net advance tax deposit)	100%	139,615,198	139,615,198	115,437,680	115,437,680
Net Other Interest Receivable(Gross Interest Receivable-Interest Receivable on Government Bonds-Interest Suspense)	100%	17,621,721	17,621,721	30,799	30,799
Total (A)		14,451,651,062	10,021,957,116	17,737,687,043	12,938,523,755
Off-Balance Sheet Items					
Bills Collection	0%	11,623,047	-	31,740,170	-
Forward Foreign Exchange Contract	10%	98,505,354	9,850,535	5,813,748	581,375
Letters of Credit with maturity of less than 6 months (Full value)	20%	1,494,541,691	298,908,338	1,876,531,781	375,306,356
Guarantees provided against counter guarantee of internationally rated foreign banks	20%	616,304,143	123,260,829	518,849,806	103,769,961
Letters of Credit with maturity of more than 6 months (Full value)	50%	-	-	-	-
Bid Bond	50%	17,482,228	8,741,114	26,999,184	13,499,592
Performance Bond	50%	336,565,214	168,282,607	313,280,084	156,640,042
Advance Payment Guarantee	100%	21,742,487	21,742,487	31,115,882	31,115,882
Financial Guarantee	100%	1,742,300	1,742,300	42,060,000	42,060,000
Other Guarantee	100%	4,717,875	4,717,875	89,975,243	89,975,243
Irrevocable Loan Commitment	100%	-	-	-	-
Contingent Liabilities in respect of Income Tax	100%	-	-	-	-
All Other Contingent Liabilities	100%	214,075,359	214,075,359	224,236,111	224,236,111
Total (B)		2,817,299,698	851,321,444	3,160,602,009	1,037,184,562
Total Risk Weighted Assets		17,268,950,759	10,873,278,560	20,898,289,052	13,975,708,317

PRINCIPAL INDICATORS (At Least for Previous 5 Years)

Particulars	Indicators	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.
		2060/2061	2061/2062	2062/2063	2063/2064	2064/2065
1. Percent of Net Profit/Gross Income	%	9.95	7.98	14.63	26.95	22.67
2. Earnings Per Share	Rs.	14.26	13.29	18.27	39.35	28.33
3. Market Value per Share	Rs.	307.00	335.00	612.00	1,176.00	1511.00
4. Price Earning Ratio	%	21.54	25.21	33.49	29.89	53.34
5. Dividend (including bonus) on share capital	%	-	-	5.00	47.59	0.00
6. Cash Dividend on Share Capital	%	-	-	5.00	12.59	0.00
7. Interest Income/Loans & Advances	%	8.10	7.72	7.38	7.01	6.75
8. Staff Expenses/Total Operating Expenses	%	8.77	9.72	10.43	9.09	10.98
9. Interest Expenses /Total Deposit and Borrowings	%	3.50	2.83	2.88	3.36	2.93
10. Exchange Gain/Total Income	%	5.01	4.50	5.38	5.23	4.76
11. Staff (Statutory) Bonus/ Total Staff Expenses	%	27.24	27.01	28.33	39.30	31.73
12. Net Profit/Loans & Advances	%	1.12	0.87	1.53	2.69	2.05
13. Net Profit/ Total Assets	%	0.72	0.55	0.90	1.83	1.44
14. Total Credit/Deposit	%	76.85	77.87	69.32	82.66	88.32
15. Total Operating Expenses/Total Assets	%	4.46	3.74	3.72	4.21	3.97
16. Adequacy of Capital Fund on Risk Weightage Assets						
a. Core Capital	%	9.47	8.68	10.53	10.53	9.97
b. Supplementary Capital	%	1.47	0.79	3.04	2.76	2.35
c. Total Capital Fund	%	10.95	9.47	13.57	13.29	12.32
17. Liquidity (CRR)	%	7.74	5.26	5.83	5.60	5.72
18. Non Performing Credit/Total Credit	%	6.25	6.54	6.13	4.56	3.83
19. Weighted Average Interest Rate Spread	%	3.55	3.68	3.33	3.01	3.11
20. Book Net worth	Rs.	626,636,726	689,013,061	971,729,028	1,153,313,329	1,404,264,131
21. Total Shares	No.	4,268,759	4,318,656	6,402,361	6,477,984	8,745,278
22. Total Staff	No.	151	164	174	189	249
23. Return on Shareholder's Equity	%	9.71	8.33	12.04	22.10	17.64
24. Book Value Per Share	Rs.	146.80	159.54	151.78	178.04	160.57
25. Return on Net Fixed Assets	%	97.60	86.36	175.38	262.20	206.09
26. Total Interest Earning to External Assets	%	7.00	6.56	6.31	6.86	6.38
27. Total Cost to Net Interest Income & Other Income	%	37.34	31.46	32.84	32.54	35.66

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31st ASHAD 2065 (15th JULY 2008)

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 directives 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 income from 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 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 non performing 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 and 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 5,000 are charged off as a revenue expense in the year of purchase irrespective of their useful life.
- c. Fixed assets and cost on improvements and renovation of leasehold properties are depreciated at rates based upon their expected useful lives, using the straight-line method. As the existing rates of depreciation in respect of some of the items were in the lower side, the bank has revised the useful life of some of the assets. The revised useful lives of the assets are as follows:

Nature of Assets	Previous Year		This Year	
	Useful Life (years)	Depn. Rate	Useful Life (years)	Depn. Rate
Furniture	10	10%	5-10	10-20%
Equipments	4 -10	10-25%	3-4	25-33.33%
Vehicles	5	20%	5	20%
Computers	7	15%	4	25%
Leasehold premises	10	10%	7	15%

xv) Non-Banking Assets (NBAs)

Non-Banking Assets are valued and provisions thereon 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, mainly provident fund and gratuity, to its confirmed employees 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 annually 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 and Deferred Tax.

Provision for taxation has been made on the basis of the Income Tax Act 2058 and amendments thereto. Deferred Tax has been computed as per the Nepal Accounting Standards 9- Income Taxes.

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 31st ASHAD 2065 (15th JULY 2008)

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

3. General Reserve

As required under the Banks and Financial Institutions Act 2063, 20% of the current year's profit has been transferred to General Reserve.

4. Exchange Fluctuation Reserve

Revaluation gain as at the year end amounted to Rs. 9,461,742 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

An amount of Rs. 170,000,000 has been transferred to Capital Adjustment Reserve from the Profit and Loss Appropriation Account this year. The Capital Adjustment Reserve amount will be Rs. 230,000,000 after the adjustment.

6. Provision for Gratuity

During the year, the Bank has provided Rs. 9,976,750 on account of gratuity. A sum of Rs. 907,550 was paid as gratuity during the year out of the accumulated provision.

7. Tax Settlement Outstanding

Bank has settled the corporate tax liability up to FY 061-062. For the FYs 062-063 and 063-064 self assessment has been submitted to Large Tax Payer Office for which final assessment is yet to be done.

8. Income Tax and Deferred Tax

Provision for income tax has been made as per the Income Tax Laws. As the "Nepal Accounting Standard 9- Income Taxes" has made deferred tax calculation mandatory, deferred tax has been computed as per the Nepal Accounting Standard as detailed below:

Particular	Deferred Tax Assets- Rs.	Deferred Tax Liabilities Rs.
Closing Balance	10,404,884	468,046
Opening Balance	6,069,860	2,486,657
Differences	4,335,024	-2,018,611

Journal Entries	Debit Rs.	Credit Rs.
Deferred Tax Assets	4,335,024	
Deferred Tax Income (Credited to Income Statement)		6,353,635
Deferred Tax Liabilities	2,018,611	
	6,353,635	6,353,635

Deferred Tax Assets	6,069,860	
Accumulated P&L A/C		3,583,203
Deferred Tax Liabilities		2,486,657
	6,069,860	6,069,860

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 and Appellate Court was not in favour of the Bank, the case is being taken up with the Supreme Court. The Bank has already made 100 percent provision against possible loss on this account.

10. Reconciliation Status of Agency Accounts Outstanding as on 15.07.2008

Rs. in '000

Reconciliation Status	Total Amount	≤ 3 months	> 3 ≤ 9 months	> 9 months
Agency Accounts	318,650	92,584	87,159	138,907

The un-reconciled entries represent unpaid credit entries, net of un-reconciled debit entries outstanding. All the un-reconciled 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 16/07/2007	10,065,052
Loans Disbursed	7,638,177
Loans Recovered	(4,957,013)
Loans Written Off	-
Interest Written Off	-
Balance as on 15/07/2008	12,746,216

12. Summary of Changes in deposit & liabilities

Rs. in '000

Particulars	Current Year	Previous Year	Changes
Call Deposits	828,795	624,713	204,082
Current Deposits	1,738,101	1,930,432	(192,331)
Fixed Deposits	6,854,885	5,517,466	1,337,419
Inter-bank Deposit	-	-	-
Margin Deposits	122,438	97,982	24,456
Saving Deposits	4,171,176	3,274,690	896,486

13. Weighted Average Interest Spread

Particulars	Rate %
Average Rate of Return from Credit and Investments	6.69
Average Cost on Deposits	3.58
Net Spread	3.11

14. Particulars of Expenses yet to be Expensed-off

	Rs. in '000
1. Pre operating expenses	NIL
2. Share Issue expenses	690
3. Others (premium paid on Development Bond & Membership fee of Visa card)	796

15. Summary of Concentration Exposure

	Rs. in '000		
Particulars	Loans and Advances and Bills	Deposits and Borrowing	Contingent
Total amount as on 15/07/2008	12,746,216	15,342,875	2,904,624
Highest exposure to a single unit	400,000	1,211,273	549,822
Percentage of exposure to single unit/total	3.14%	7.89%	18.93%

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	Total Amount
Cash Balance	3,081					3,081
Bank Balance	10,349					10,349
Investment in Foreign Banks	205					205
NG Bonds	20,228	3,900		3,500		27,628
NRB Bonds					2,727	2,727
Inter Bank Loans	3,040					3,040
Loans and Advances/ Bills Purchase	55,550	7,236	3,056	13,622	47,996	127,461
Total Assets	92,453	11,136	3,056	17,122	50,723	174,491
Liabilities						
Borrowings	16,275					16,275
Call Deposit						-
Current & Margin Deposits	9,605				9,000	18,605
Savings Deposits					41,712	41,712
Fixed & Call Deposits	31,494	16,072	9,968	13,097	6,206	76,837
Debentures					2,000	2,000
Total Liabilities	57,374	16,072	9,968	13,097	58,918	155,429
Net Financial Assets	35,079	(4,936)	(6,911)	4,025	(8,195)	19,062
Cumulative Net Financial Assets	35,079	30,143	23,232	27,257	19,062	

17. None of the bank's borrowings are against the collateral of its own assets.**18. Rounding off**

Figures have been rounded off to the nearest rupee.

I. CAPITAL STRUCTURE & CAPITAL ADEQUACY**i. Core Capital (Tier I)**

A. Paid up Equity Share Capital	874,527,840
B. Proposed Bonus Equity Shares	-
C. Statutory General Reserves	241,245,162
D. Retained Earnings	1,528,836
E. Capital Adjustment Reserve	230,000,000
F. Other Free Reserve	57,142,858
G. Less: Fictitious Assets	(689,682)
H. Less: Investments arising out of underwriting commitments	(9,691,000)
Total Core Capital (Tier I)	1,394,064,014

ii. Supplementary Capital (Tier II)

A. Subordinated Term Debt	200,000,000
B. General loan loss provision	117,922,667
C. Exchange Equalization Reserve	10,200,116
Total Supplementary Capital (Tier II)	328,122,783

iii. Capital Fund (Tier I + Tier II)

Total Core Capital (Tier I)	1,394,064,014
Total Supplementary Capital (Tier II)	328,122,783
Total Capital Fund (Tier I + Tier II)	1,722,186,797

iv. Information about Subordinate Term Debt

6% Nepal SBI Debentures 2070 of Rs. 1,000/- each issued on 16.07.2006 and maturing on 15.07.2013	200,000,000
Outstanding balance of Redemption Reserve Rs 57,142,858	
Total	200,000,000

v. Deductions from Capital

A. Fictitious Assets	689,682
B. Investments arising out of underwriting commitments	9,691,000
Total	10,380,682

vi. Total Qualifying Capital **1,722,186,797****vii. Capital Adequacy Ratio** **10.71%****viii. Summary of Bank's Internal Approach to assess the adequacy of its capital to support current and future activities**

- Regular monitoring by Internal Audit Department
- Periodic Supervision by Top Management

ix. Features of Subordinate Term Debt

- Fixed Maturity Period of 7 years
- Interest payment half yearly
- At the time of liquidation, right of claims will be only after depositors
- Redeemable and non convertible

2. RISK EXPOSURES

i. Risk Weighted Exposures

A. Risk Weighted Exposure for Credit Risk	14,565,374,252
B. Risk Weighted Exposure for Operational Risk	867,371,378
C. Risk Weighted Exposure for Market Risk	653,267,575
Total RiskWeighted Exposures (a+b+c)	16,086,013,205

ii. Risk Weighted Exposures under each I I categories of Credit Risk

Particulars	Risk Weighted Exposure
a. Claims on Government & Central Bank	-
b. Claims on other Official entities	600,000,000
c. Claims on banks	293,798,848
d. Claims on corporate & securities firms	8,133,964,801
e. Claims on regulatory retail portfolio	821,219,176
f. Claims secured by residential properties	1,377,419,661
g. Claims secured by commercial real estate	-
h. Past due claims	32,368,388
i. High risk claims	23,130,500
j. Other Assets	285,277,973
k. Off Balance Sheet Items	2,998,194,906
Total	14,565,374,252

iii. Total Risk Weight Calculation Table

A. Risk Weighted Exposure for Credit Risk	14,565,374,252
B. Risk Weighted Exposure for Operational Risk	867,371,378
C. Risk Weighted Exposure for Market Risk	653,267,575
Total Risk Weighted Exposures (a+b+c)	16,086,013,205

iv. Amount of NPAs

Category	Gross	Provision	Net
Restructured	276,747,296	47,763,975	228,983,321
Substandard	3,874,789	566,279	3,308,510
Doubtful	21,626,680	9,869,035	11,757,645
Loss	462,908,600	456,395,830	6,512,770
Total	765,157,365	514,595,119	250,562,246

v. NPA Ratios

Gross NPA to Gross Advances :	3.83%
Net NPA to Net Advances :	0.18%

vi. Movement of Non Performing Assets

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	458,755,741	488,410,069	29,654,328
1. Substandard	3,284,812	3,874,789	589,977
2. Doubtful	11,167,991	21,626,680	10,458,689
3. Loss	444,302,938	462,908,600	18,605,662

vii. Write Off of Loans and Interest Suspense : NIL**viii. Movement of Loan Loss Provision and Interest Suspense****Loan Loss Provision**

Particulars	Opening Balance	Closing Balance	Movement
1. Pass	91,486,927	117,922,667	26,435,740
2. Restructured	66,461,165	47,763,975	-18,697,190
3. Substandard	544,869	566,279	21,410
4. Doubtful	3,892,644	9,869,035	5,976,391
5. Loss	442,215,888	456,395,830	14,179,942
Total Loan Loss Provision	604,601,493	632,517,786	27,916,293

Interest Suspense

Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	464,569,999	509,497,358	44,927,359

ix. Details of Additional Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan Loss Provision	604,601,493	632,517,786	27,916,293

3. RISK MANAGEMENT FUNCTION**i. Strategies and Policies**

Credit risk process is a joint effort between its marketing and credit areas. Credit officers are engaged in analyzing inherent risks in the customer's business, ability to repay and structure a facility that simultaneously accommodates the financing needs, while assuring seniority, protection and control of the bank's assets and collateral.

ii. The Structure and Organization of the Relevant Risk Management Function

The Board of Directors (BOD) is the ultimate authority in the decision making process. The process, however, is initiated at the business unit officers / business unit heads / ALCO level, credit control and goes through the Assistant General Manager, Managing Director, Executive Committee and the BOD. The risk management stops at different levels depending on the bank's policy relating to approval discretions. Further policy manuals on credit, risk management and operations are also available to guide the staff on day to day business.

iii. The Scope and Nature of Risk Reporting and / or Measurement Systems

Risk reporting / measurement system is done through regular customer interactions, site inspections & annual reviews. These are continuous processes. Further, review of the bank's performance is conducted every quarter and findings are reported to the BOD.

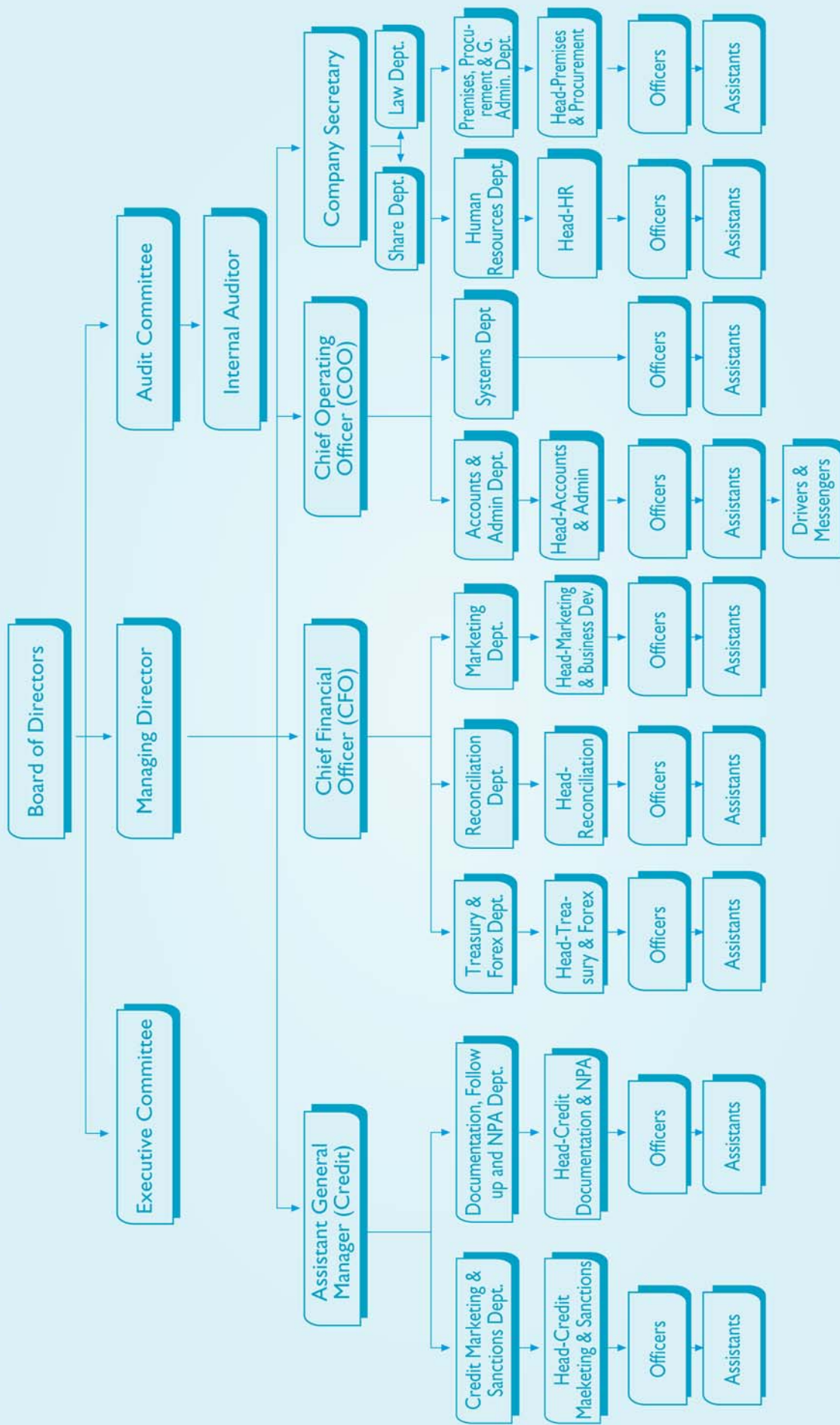
iv. Policies for Hedging and / or the mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigates :

Policies for mitigating risks & strategies are as outlined in the respective manuals and as discussed at various levels after customer interactions / visits, during annual reviews, quarterly reviews and at meetings at various levels.

v. Eligible CRM

Particulars	Eligible CRM
Deposit With Bank	195,476,764
Deposit with Other Bank / FI	168,098,566
Govt. & NRB Securities	96,744,339
Sec. / Guarantee of Foreign Banks	72,335,072
Total	532,654,741

Organization Structure of Nepal SBI Bank Ltd.



Nepal SBI Bank Ltd.

Annexure-II

77
15th annual report

Corporate Office, Hattisar, Kathmandu

Unaudited Financial Results (Quarterly)

As at end of the 1st Quarter (30/06/2065) of the Fiscal Year 2065/66

S.No.	Particulars	This Quarter Ending as on 30.06.2065 (16.10.2008)	Previous Quarter Ending as on 31.03.2065 (15.07.2008) - Unaudited	Corresponding Previous Year Quarter Ending as on 30.06.2064 (17.10.2007)
1	Total Capital and Liabilities (1.1 to 1.7)	19,377,475	17,826,076	15,635,582
1.1	Paid Up Capital	874,528	874,528	647,798
1.2	Reserve and surplus	612,075	540,117	561,560
1.3	Debenture and Bond	200,000	200,000	200,000
1.4	Borrowings	2,614,604	1,627,480	780,004
1.5	Deposits (a+b)	13,833,565	13,715,395	12,085,563
	a. Domestic Currency	13,670,826	13,537,322	11,740,925
	b. Foreign Currency	162,739	178,073	344,639
1.6	Income Tax Liability	30,671	-	21,185
1.7	Other Liabilities	1,212,033	868,556	1,339,472
2	Total Assets (2.1 to 2.7)	19,377,475	17,826,076	15,635,582
2.1	Cash and Bank Balance	3,746,430	1,342,960	1,242,272
2.2	Money at Call and Short Notice	-	304,013	435,885
2.3	Investments	1,616,727	3,088,887	2,504,025
2.4	Loans and Advances (Gross)	13,698,885	12,746,216	10,688,930
2.5	Fixed Assets (Net)	168,056	120,222	110,804
2.6	Non Banking Assets (Gross)	5,720	6,112	10,194
2.7	Other Assets	141,657	217,666	643,472
3	Profit and Loss Account	This Quarter Ending as on 30.06.2065 (16.10.2008)	Previous Quarter Ending as on 31.03.2065 (15.07.2008) - Unaudited	Corresponding Previous Year Quarter Ending as on 30.06.2064 (17.10.2007)
3.1	Interest Income	281,619	970,513	199,062
3.2	Interest Expenses	148,868	454,918	100,805
	A. Net Interest Income (3.1-3.2)	132,751	515,595	98,257
3.3	Fees, Commission and Discount	16,575	50,918	17,643
3.4	Other Operating Income	7,833	19,557	-
3.5	Foreign Exchange Gain/Loss (Net)	22,549	51,989	12,074
	B. Total Operating Income (A+3.3+3.4+3.5)	179,708	638,059	127,974
3.6	Staff Expenses	24,873	74,890	17,626
3.7	Other Operating Expenses	38,457	152,380	31,502
	C. Operating Profit Before Provision (B.-3.6-3.7)	116,378	410,789	78,846
3.8	Provision for Possible Losses	3,814	57,464	4,869
	D. Operating Profit (C.-3.8)	112,564	353,325	73,977
3.9	Non Operating Income/Expenses (Net)	(64)	(271)	1
3.10	Write Back of Provision for Possible Loss	392	29,783	-
	E. Profit From Regular Activities (D + 3.9+3.10)	112,891	382,837	73,978
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E + 3.11)	112,891	382,837	73,978
3.12	Provision for Staff Bonus	10,263	34,803	6,725
3.13	Provision for Tax	30,671	100,263	21,185
	G. Net Profit/Loss (F-3.12-3.13)	71,958	247,771	46,068
4	Ratios	The End of this Quarter	All the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund to Risk Weighted Assets (RWA)**	11.50%	12.32%	13.83%
4.2	Non Performing Loan (NPL) to Total Loan	3.64%	3.83%	4.30%
4.3	Total Loan Loss Provision to Total NPL	127.65%	129.51%	132.47%

** The Capital Fund to RWA for Current Quarter is calculated as per Basel II & as per Basel I for the remaining



नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग
गैरस्थलगत महाशाखा



केन्द्रीय कार्यालय
पोष्ट बक्स नं. - ७३
बालुवाटार, काठमाडौं।

टेलिफोन - (९७७ १) ४४१७४९७
फ्याक्स - (९७७ १) ४४१२३०६
email - bisd@nrb.org.np
website - www.nrb.org.np

पत्रसंख्या :- वै.सु.वि./अफसाइट/एजीएम/१६/०६५/०६६

मिति २०६५।०८।५

✓ श्री नेपाल एसबिआई बैंक लिमिटेड
कर्पोरेट कार्यालय
हात्तिसार, काठमाडौं।

महाशय,

त्यस, बैंकको आर्थिक वर्ष २०६४।६५ को बासलात, नाफा नोक्सान हिसाव र सो संग सम्बन्धीत अनुसूचीहरु सहितको वित्तीय विवरणहरु देहायको निर्देशन/जानकारी सहित प्रकाशित गर्न स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

- लेखापरीक्षकले प्रारम्भिक लेखापरीक्षण प्रतिवेदनमा औल्याएका कैफियतहरु सुधार गरी जानकारी दिन हुन।

भवदीय,

(राजनविक्रम थापा)
उप-निर्देशक

बोधार्थ :

- श्री नेपाल राष्ट्र बैंक
बैंक तथा वित्तीय संस्था नियमन विभाग।
- श्री नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग
निर्देशन कार्यान्वयन इकाई (NSBI)।

Nepal Rastra Bank
Bank Supervision Department
Off-site Division

Central Office
Post Box No. 73, Baluwatar, Kathmandu
Telephone- (977 1) 4417497, Fax- (977 1) 4412306
Email: bisd@nrb.org.np, Website: www.nrb.org.np

Ref. No.: Bai.Su.Bi./Offsite/AGM/17/065/066

Date: 065/08/05

Nepal SBI Bank Ltd.
Corporate Office
Hattisar, Kathmandu

Dear Sir,

I hereby inform, as decided, that approval has been accorded to publish the Annual Financial Statements of the Bank including the Balance Sheet for the F/Y 2007/8, Profit & Loss Account and the related Schedules, subject to a condition that the same is published along with the following directions/information.

- Kindly rectify the remarks pointed out by the Statutory Auditors in their Preliminary Audit Report and accordingly furnish information to us.

Yours faithfully,

-Sd-
Rajan Bikram Thapa
Dy-Director

CC:

- Nepal Rastra Bank
Banks and Financial Institutions Regulation Department
- Nepal Rastra Bank
Bank Supervision Department
Directives Implementation Unit (NSBI)

Major observations made in the Preliminary Audit Report of the Statutory Auditors for the FY 2064/65 and the current implementation status.

S.N.	Observations	Current Implementation Status
1.	Certain irregularities, inconsistencies observed in the loan documentations of certain credit facilities.	Two separate departments namely (a) Credit Marketing & Sanctions and (b) Credit Documentation, Follow up, Supervision and NPA have been created to ensure segmentation as well as better control over business development and monitoring. Almost all the observations made on loan documentation have since been rectified and system has been put in place to ensure that such irregularities, inconsistencies do not recur in future. The Bank is in the process of rectifying/ implementing few observations such as execution of pari pasu agreement in the cases of units involved in multiple banking, which involves dealing with other banks for rectifications.
2.	Stock/ unit inspection to be made more effective.	A separate (Credit Documentation, Follow up, Supervision and NPA) department has been specially set up to ensure better control over loan monitoring and follow up.
3.	NRB Directive on Loan (Book) Write Off to be implemented by writing off the loans which fulfill the prescribed criteria namely overdue by more than 5 years, 100% provision and blacklisting of the borrower(s).	Board approval obtained for write off of loans to the extent of Rs. 11.17 crores (principal) to start with could not be implemented due to want of clear cut interpretation on the income tax liability arising out of loan write off. After a long persuasion with the Inland Revenue Department with the help of Nepal Bankers' Association and Nepal Rastra Bank, the Bank has now been successful in obtaining a positive advance ruling from the Inland Revenue Department that loan write off by itself does not entail additional tax liability to the Bank. In view of the advance ruling, loans already approved for write off amounting to Rs. 11.17 crores (principal) have since been written off and other loans eligible to be written off as per the NRB Directive will be written off shortly with due approval of the Board.
4.	Functions of the Audit Committee of the Bank to be further expanded and strengthened.	The functions of the audit committee have already been expanded by the Board as suggested by the statutory auditors. Manpower of the Internal Audit Department has been increased and the chief of the Internal Audit Department has been made the member secretary of the Audit Committee for further strengthening the Committee. Audit Plan has since been drawn up and approved by Audit Committee.
5.	CCTV to be installed in the branches where security concern is high.	CCTV has since been installed at Janakpur, New Road, Teku and Durbar Marg branches and the Bank is in the process of installing CCTVs in Pokhara, Sishuwa, PPO Pokhara, Baglung, Walling, Birtamod, Biratnagar, Dharan and PPO Dharan branches.

बैंकका बाह्य लेखापरीक्षकले आ.व. २०६४/६५ को प्रारम्भिक लेखापरीक्षण प्रतिवेदनमा औल्याएका प्रमुख
कैफियतहरू तथा सोको कार्यान्वयनको वर्तमान अवस्था

क्र.सं.	कैफियत	कार्यान्वयनको वर्तमान अवस्था
१.	केही कर्जा सुविधासँग सम्बन्धित कर्जा कागजातमा केही कमी कमजोरी रहेको ।	कर्जा लगानी विस्तार र अनुगमन कार्यलाई अझ व्यवस्थित बनाउने उद्देश्यले (क) कर्जा लगानी मार्केटिङ्ग एवं स्वीकृति विभाग र (ख) कर्जा डकुमेन्टेसन, ताकेता, अनुगमन एवं निष्क्रिय कर्जा व्यवस्थापन विभाग नामका दुई छुट्टा छुट्टै विभाग खडा गरिसकिएका छन् । कर्जासँग सम्बन्धित कागजातका सम्बन्धमा औल्याएका प्रायःजसो सबै कमी कमी-कमजोरीहरू सुधार गरिसकिएका छन् । यस्ता कमीकमजोरीहरू पुनः नदोहोरिउन भन्ने कुरा सुनिश्चित गर्नका लागि आवश्यक प्रणाली विकास गरिसकिएको छ । केही कर्जाका सम्बन्धमा औल्याएका केही कमी-कमजोरीहरू (जस्तै एक भन्दा बढी बैंकसँग कर्जा कारोबार गर्ने ग्राहकहरूका सम्बन्धमा पारिपासु सम्झौता गर्नु पर्ने भन्ने जस्ता) अन्य बैंकहरूसँगको समन्वयमा मात्र सुधार गर्न सकिने भएकाले सुधारको क्रममा रहेका छन् ।
२.	सुरक्षण मौज्दात तथा व्यावसाय स्थलको निरीक्षण कार्यलाई अझ प्रभावकारी बनाउनु पर्ने ।	कर्जा अनुगमन तथा ताकेता कार्यलाई अझ व्यवस्थित गर्न कर्जा डकुमेन्टेसन, ताकेता, अनुगमन एवं निष्क्रिय कर्जा व्यवस्थापन विभाग नामको छुट्टै विभाग खडा गरिसकिएको छ ।
३.	नेपाल राष्ट्र बैंकको निर्देशनमा तोकिए बमोजिम ५ वर्षले भाखा नाघिसकेका, शतप्रतिशत नोक्सानी व्यवस्था कायम गरिसकिएका र ऋणीलाई कालोसूचीमा समावेश गराई सकिएका कर्जाहरूलाई अनिवार्य रूपमा अपलेखन गर्नु पर्नेमा सो को कार्यान्वयन नभएको ।	कर्जा अपलेखन गरिएको कारणले बैंकको आयकर दायित्वमा थप भार पर्छ या पर्दैन भन्ने सम्बन्धमा आयकर ऐन, २०५८ ले गरेको व्यवस्थाको व्याख्यामा द्विविधा उत्पन्न भएको कारण संचालक समितिले साँवा रु. ११ करोड १७ लाख बराबर कर्जा अपलेखन गरी अपलेखन कार्य शुरू गर्ने भनी गरेको निर्णय तत्कालिन समयमा कार्यान्वयन हुन नसकेको । नेपाल बैंकर्स एसोसिएसन तथा नेपाल राष्ट्र बैंक समेतको समन्वयमा हालै आन्तरिक राजश्व विभागबाट कर्जा अपलेखन गरिएको कारणले बैंक उपर थप आयकर दायित्व सृजना नहुने भनी सकारात्मक पूर्वदेश प्राप्त गर्न बैंक सफल भएको । उक्त पूर्वदेश प्राप्त भइसकेको अवस्थामा संचालक समितिको निर्णय अनुसार साँवा रु. ११ करोड १७ लाख कर्जा अपलेखन गरिसकिएको छ भने नेपाल राष्ट्र बैंकको मापदण्ड अनुरूप अनिवार्य रूपमा अपलेखन गरिनु पर्ने अन्य कर्जाहरूलाई संचालक समितिको स्वीकृति लिई निकट भविष्यमै अपलेखन गरिनेछ ।
४.	बैंकको लेखापरीक्षण समितिका कार्यहरूलाई अझ विस्तारित एवं सवलीकृत गरिनु पर्ने ।	लेखापरीक्षकको सुझाव अनुरूप बैंकको लेखापरीक्षण समितिका कार्यहरूलाई विस्तार गरिसकिएको छ । यसका कार्यहरूलाई अझ सवल बनाउन लेखापरीक्षण विभाग अर्न्तगतका कर्मचारीहरू थप गरिएको छ भने लेखापरीक्षण विभागका प्रमुखलाई लेखापरीक्षण समितिमा सदस्य सचिव बनाईएको छ । लेखापरीक्षण योजना तर्जुमा भई लेखापरीक्षण समितिबाट स्वीकृत भइसकेको छ ।
५.	उच्च सुरक्षा सतर्कता आवश्यक पर्ने शाखाहरूमा सीसीटीभी जडान गर्नु पर्ने ।	जनकपुर, न्युरोड, टेकु र दरवारमार्ग शाखाहरूमा सीसीटीभी जडान गरिसकिएका छन् । पोखरा, सिन्धुवा, पोखरा पेन्सन पेमेन्ट अफिस, बाग्लुङ्ग, वालिङ, बिर्तामोड, विराटनगर, धरान र धरानको पेन्सन पेमेन्ट अफिस स्थित शाखा/कार्यालहरूमा सीसीटीभी जडान गर्ने सम्बन्धमा कार्य भईरहेको छ ।