



Bank Supervision Report

2019



Nepal Rastra Bank

Bank Supervision Department

Kathmandu, Nepal

May 2020



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The Bank Supervision Report, 2019 is the annual report of the Bank Supervision Department of Nepal Rastra Bank. It reviews policy and operational issues affecting the banking sector and its regulators/supervisors and aims at disseminating information on the supervision of commercial banks and other issues affecting the financial sector. This issue of the Annual Report of Bank Supervision Department Annual Report focuses mainly on the twelve-month period ending July 16, 2019. However, selected developments up to the time of report finalization are also incorporated.

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Message from the Executive Director

Dear Valued Readers,

Banking supervision is an essential function of Nepal Rastra Bank. NRB aims to fulfill its objective of maintaining financial stability through effective supervision of the banks and financial institutions. As per NRB organizational structure, Bank Supervision Department is responsible for supervising the commercial banks, including Nepal Infrastructure Bank Limited. Since these banks comprise more than eighty percent of total banking sector assets, the Department must carry out its responsibilities effectively.

Bank Supervision Department performs its supervisory function primarily through On-site inspection and Off-site surveillance. The On-site inspection is generally conducted once a year in each bank. The Department started adopting a risk-based approach in its On-site inspection since the fiscal year 2014/15. Under this approach, On-site examiners evaluate the quantity of risk and quality of risk management for major risk types. Likewise, under Off-site surveillance, the Department analyses data sent by all banks and assesses their soundness.

The banking sector is currently facing several challenges. Notable among them are interest rate instability, recurring loanable fund problems, barriers to financial access, lack of good governance, and loan to unproductive sectors. The Department plays an important role in dealing with these issues in the sector.

The Department is committed to improving its efficiency to face the challenges. It aims to enhance the performance of the Department's staff through motivating them, honing their skills, and providing them with essential resources. Besides, various departmental functions are performed through teams and committees for better outcomes and greater accountability.

NRB has adopted best practices to strengthen the domestic financial system. In pursuing these measures, it has inevitably come under pressure to lead by example through its adoption of improved management and transparency practices. Further, NRB enjoys operational independence in the execution of its duties. To build trust among its stakeholders, adequate transparency and disclosures are very important. This report is an effort to provide adequate information to the stakeholders about the activities of the Bank Supervision Department in the fiscal year 2018/19.

Finally, I would like to express my sincere thanks to my colleagues at the Policy and Planning Unit for their effort in materializing this report in this form. Finally, I would like to thank all employees of the Department for their continuous effort in fulfilling their responsibilities.

Thank you,

Mukunda Kumar Chhetri
Executive Director

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CHAPTER I

1. NEPALESE BANKING INDUSTRY

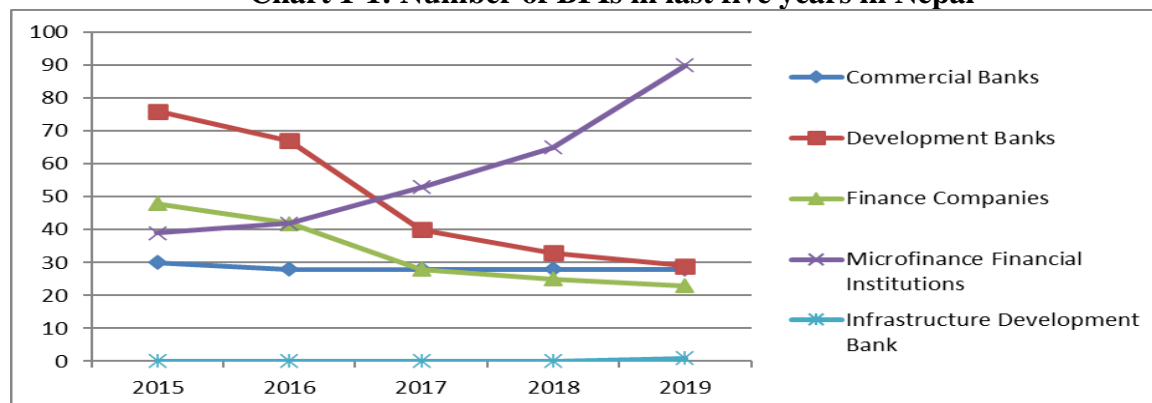
The establishment of Nepal Bank Limited in 1937 AD marked the beginning of the formal banking sector in Nepal. Since then, the Nepalese banking industry has undergone significant changes in terms of size, functions, and role in the economy.

In the late 1980s, financial liberalization policies were introduced in Nepal to spur the country's economic growth. Foreign investments poured in soon after, which led to the establishment of several joint venture banks. Likewise, a large number of domestic investors also started investing in the banking industry. Banks and financial institutions (BFIs) proliferated and by the end of fiscal year 2011, there were 218 BFIs in Nepal (*Refer to Annex-1 for details of the growth of BFIs*). However, after a moratorium of new licenses, the introduction of merger and acquisition policies, and mandatory requirement to increase paid-up capital, some consolidation has taken place in the banking industry resulting in a decline in the number of BFIs.

As of mid-July 2019, there were a total of 171 BFIs in operation (including 1 Infrastructure Development Bank). There were 28 Class 'A' Banks (Commercial Banks), 29 Class 'B' Banks (Development Banks), 23 Class 'C' Banks (Finance Companies) and 90 Class 'D' Banks (Microfinance Financial Institutions). In FY 2018/19, the number of BFIs increased from 151 to 171 and the total number of branches increased from 6,651 to 8,686. The number of BFIs increased in total as 25 new Class 'D' Banks started operation during the review period.

Nepalese banking sector plays a crucial role in the economy due to its dominant position in the financial system. Several large projects are being financed through bank loans. Likewise, banks' role is essential for the import and export of goods from and to other countries. Further, with technological advancement, more and more people are adopting cards, digital wallets, internet, and mobile banking services to perform financial transactions which indicates that Nepal is moving towards a cashless economy.

Chart 1-1: Number of BFIs in last five years in Nepal



(Source: Bank and Financial Institutions Regulation Department, NRB)

1.1 Nepal Rastra Bank as a regulator and supervisor

Nepal Rastra Bank, as the central bank of Nepal, has been entrusted with carrying out the duties of regulating and supervising banks and financial institutions. There has been adequate legislative provision in place that authorize NRB to perform such duties. The Nepal Rastra Bank Act, 2002, has made NRB an autonomous institution empowered to regulate and supervise Nepal's banking industry. Similarly, the Bank and Financial Institution Act, 2017 reiterates that institutions established under this act are subject to NRB's regulation and supervision.

To discharge its responsibilities as a regulator of BFIs, NRB has been continuously issuing various directives, guidelines, and policies to the licensed institutions, considering domestic banking conditions and international best practices. A dedicated department – Bank and Financial Institutions Regulation Department – has been set up in NRB's organizational structure to manage the development and issuance of such regulations.

NRB supervises the activities of the banks and financial institutions based on the existing legal framework, regulations issued through the Regulation Department, the internal manuals, and major international guiding policies such as those of Basel Committee on Banking Supervision (BCBS). To make supervision more effective, NRB has set four different supervision departments, namely Bank Supervision, Development Bank Supervision, Finance Company Supervision, and Micro Finance Promotion and Supervision Departments, each department supervising a respective class of BFIs.

NRB aims at becoming more proactive with applying supervisory methods that are forward-looking and analytical. Banks are supervised through onsite inspection and offsite surveillance. Since 2014, it has started conducting an onsite inspection under risk-based supervision (RBS) approach. While this approach has been applied fully on commercial banks, NRB is planning to gradually apply this approach on all the BFIs. Under this method, major risk areas and other key areas of each bank are assessed, risk profiles are developed, and significant issues are communicated to the concerned banks for necessary correction or improvement. NRB's supervisory strategy with regards to the utilization of limited supervisory resources relies on the assessments made during these onsite inspections. Further, there has been considerable attainments in implementing Supervisory Information System (SIS) for onsite inspection, offsite supervision and regulatory reporting from the commercial banks.

1.2 The Commercial Banking

As of mid-July 2019, there were a total of 28 Commercial banks. The Class 'A' or Commercial banks comprise the largest share of assets in the banking industry. Due to the size and importance of these banks, they are more strictly regulated than other class banks. Owing to liberalization in the banking sector, there was a dramatic increase in the number of private sector Commercial banks. However, the three public sector Commercial banks still have a considerable market share in the industry. Nevertheless, the share of private sector banks on total deposits, loans, and total assets has been increasing gradually.

Table 1.1: List of Commercial banks in Nepal (mid-July, 2019)

S.No.	Name	Operation Date (A.D.)	Head Office
1	Nepal Bank Ltd.	1937/11/15	Dharmapath, Kathmandu
2	Rastriya Banijya Bank Ltd.	1966/01/23	Singhadurbar Plaza, Kathmandu
3	Agricultural Development Bank Ltd.**	1968/01/21	Ramshahpath, Kathmandu
4	Nabil Bank Ltd.	1984/07/12	Beena Marg, Kathmandu
5	Nepal Investment Bank Ltd.	1986/03/09	Durbarmarg, Kathmandu
6	Standard Chartered Bank Nepal Ltd.	1987/02/28	Nayabaneshwor, Kathmandu
7	Himalayan Bank Ltd.	1993/01/18	Kamaladi, Kathmandu
8	Nepal SBI Bank Ltd.	1993/07/07	Kesharmahal, Kathmandu
9	Nepal Bangladesh Bank Ltd.	1994/06/06	Kamaladi, Kathmandu
10	Everest Bank Ltd.	1994/10/18	Lazimpat , Kathmandu
11	Kumari Bank Ltd.	2001/04/03	Durbarmarg, Kathmandu
12	Laxmi Bank Ltd.	2002/04/03	Hattisar, Kathmandu
13	Citizens Bank International Ltd.	2007/04/20	Kamaladi, Kathmandu
14	Prime Commercial Bank Ltd.	2007/09/24	Newroad, Kathmandu
15	Sunrise Bank Ltd.	2007/10/12	Gairidhara, Kathmandu
16	Mega Bank Nepal Ltd.	2010/07/23	Kantipath, Kathmandu
17	Century Commercial Bank Ltd.	2011/03/10	Putalisadak , Kathmandu
18	Sanima Bank Ltd.	2012/02/15	Nagpokhari, Kathmandu
19	Machhapuchhre Bank Ltd.	2012/07/09*	New Road, Pokhara, Kaski
20	NIC Asia Bank Ltd.	2013/06/30*	Thapathali, Kathmandu
21	Global IME Bank Ltd.	2014/04/09*	Panipokhari, Kathmandu
22	NMB Bank Ltd.	2015/10/18*	Babarmahal, Kathmandu
23	Prabhu Bank Ltd.	2016/02/12*	Babarmahal, Kathmandu
24	Siddhartha Bank Ltd.	2016/07/21*	Hattisar, Kathmandu
25	Bank of Kathmandu Lumbini Ltd.	2016/07/14*	Kamaladi, Kathmandu
26	Civil Bank Ltd.	2016/10/17*	Sundhara, Kathmandu
27	Nepal Credit and Commerce Bank Ltd.	2017/01/01*	Bagbazaar, Kathmandu
28	Janata Bank Nepal Ltd.	2017/04/07*	Thapathali, Kathmandu
	*Joint operation date after merger and/or acquisition.		
	** Started to operate as 'A' class Bank (from 2006/03) under BAFIA, 2006		

(Source: Bank and Financial Institutions Regulation Department, NRB)

1.3 Ownership and Control

Commercial banks in Nepal can be broadly categorized into two groups as public and private banks based on ownership and control. As of mid-July 2019, there were 3 public and 25 private sector banks in operation. Rastriya Banijya Bank Limited is the largest bank of Nepal in terms of deposit mobilization and is fully owned by the Government of Nepal. The Government of Nepal owns 62.21 percent ownership in the equity capital of Nepal Bank Limited, another public bank. Likewise, the Government of Nepal owns 51 percent shares of Agricultural Development Bank Limited that was initially established as a development bank with 100 percent government ownership and was upgraded to Commercial bank in 2006.

Privately-owned banks in Nepal can be further re-grouped into domestically-owned banks and foreign joint-venture banks. As on the year-end, there were five foreign joint ventures out of 25 privately-owned banks. Also, there is a provision of a minimum 30 percent share ownership by the general public in the banks.

1.4 Scope of Operations: State-owned vs. Non-State-owned

Although the number of commercial banks slightly decreased in the last few years due to mergers, the increase in bank branches and the total volume of loans and deposits demonstrate a considerable increase in outreach and business. Total deposits of the commercial banks increased from Rs. 2,382.15 billion to Rs. 2,789.87 billion (by 17.11%) in the review year. The deposits of public banks grew by 15.08 percent while those of private banks increased by 17.35 percent.

Similarly, loans and advances of the Commercial banks increased to Rs. 2,482.16 billion as of mid-July 2019, from a total of Rs. 2,080.84 billion in the previous year. The loans and advances of public banks grew by 18.16 percent while those of private banks significantly rose by 19.47 percent.

The total assets of the commercial banks increased by 19.56 percent to Rs. 3,548.82 billion when compared to Rs. 2968.28 billion of the previous year. Total assets grew by 18.71 percent in public banks while it grew by 19.71 percent in private banks.

1.5 Branch Network

The total number of branches of commercial banks increased from 3,023 in mid-July 2018 to 3,585 in mid-July 2019 (*Refer to Annex-2 for province-wide branch distributions*). NRB has been promoting financial access through policies that encourage banks to open a larger number of branches in rural areas. While the increase in bank branches is overwhelming, most banking services are still confined to the urban and semi-urban areas.

Table 1-2: Branches of Commercial banks (mid-July, 2015 to 2019)

Name of Banks	2015	2016	2017	2018	2019
Nepal Bank Limited (NBL)	117	130	130	140	173
Rastriya Banijya Bank Limited (RBBL)	168	174	185	212	245
NABIL Bank Limited (NABIL)	48	52	52	74	81
Nepal Investment Bank Limited (NIBL)	46	46	61	89	105
Standard Chartered Bank Nepal Ltd. (SCBN)	15	19	15	14	10
Himalayan Bank Limited (HBL)	45	45	45	58	54
Nepal SBI Bank Limited (NSBI)	59	73	66	83	108
Nepal Bangladesh Bank Limited (NBBL)	30	35	46	72	97
Everest Bank Limited (EBL)	53	61	60	90	95
Bank of Kathmandu Limited (BOK) ^Φ	50	69	75	83	96
Nepal Credit and Commerce Bank Ltd. (NCCBL)	22	22	96	108	129
Lumbini Bank Limited (LBL) ^Φ	19	-	-	-	-
Nepal Industrial & Commercial Bank Ltd. (NIC) / NIC Asia Bank Limited [§]	54\$	67	118	237	330

Machhapuchchhre Bank Limited (MBL)	55	57	56	88	132
Kumari Bank Limited (KBL)	33	36	74	88	93
Laxmi Bank Limited (LXBL)	29	50	66	96	110
Siddhartha Bank Limited (SBL)	41	62	70	121	156
Agriculture Development Bank (ADBL)*	240*	245	249	250	264
Global Bank Limited / Global IME Bank Limited (GBL)#	86	87	113	132	163
Citizens Bank International Limited (CBIL)	54	56	60	79	75
Prime Commercial Bank Limited (PCBL)	30	32	53	63	67
Sunrise Bank Limited (SRBL)	51	67	70	92	118
Grand Bank Limited	23	-	-	-	-
NMB Bank Limited (NMB)	29	71	80	118	114
Janata Bank Nepal Limited (JBNL)	34	123	88	121	145
Mega Bank Nepal Limited (MBNL)	28	37	47	105	121
Civil Bank Limited (CBL)	41	40	51	69	90
Century Commercial Bank Limited (CCBL)	31	42	67	103	121
Sanima Bank Limited (SBL)	38	31	46	74	79
Prabhu Bank Limited ^{&}	113	40	135	164	214
Total	1,682	1,869	2,274	3,023	3,585

* Also includes branches with development banking functions.

Commerz & Trust Bank Nepal Ltd. merged into Global Bank Ltd. (GBL) to form Global IME Bank Ltd.

[§] Bank of Asia Nepal Limited (BOA) merged into Nepal Industrial & Commercial Bank Ltd. (NIC) to form NIC Asia Bank Ltd.

Φ Lumbini Bank Limited merged with Bank of Kathmandu Limited

[&] Kist Bank Limited merged with Prabhu Bikas Bank Limited to form Prabhu Bank Limited.

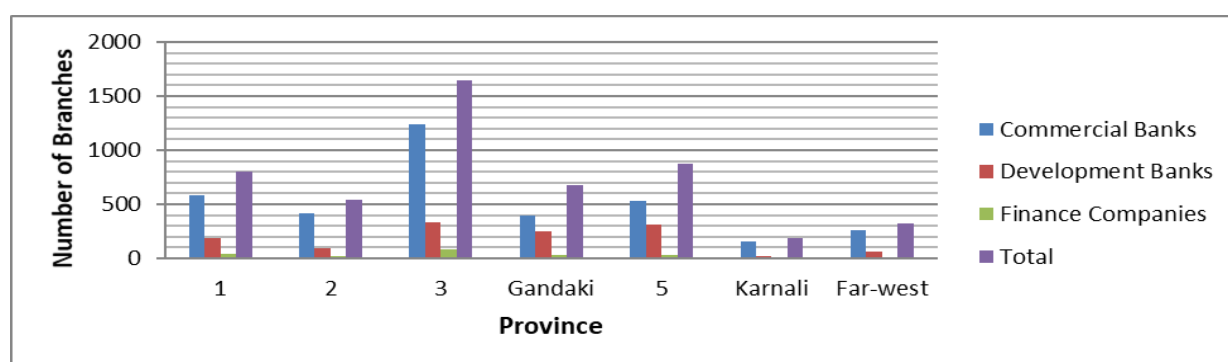
Note: The above data includes Commercial Banks' Banking Branch, City Office, Corporate Office, Extension Counter and Head Office.

(Source: Bank and Financial Institutions Regulation Department, NRB)

The private sector bank NIC Asia Bank Limited has the largest number of branches (330) followed by ADBL (264), which is a public sector bank. The other two public sector banks RBBL and NBL has 245 and 173 branches respectively. Commercial banking operations seem to be concentrated in Province 3 (Bagmati) with 1,238 branches (34.53% of total branches). This is followed by Province 1 with 585 and the Province 5 with 530 branches respectively. Karnali Province has the lowest number of bank branches i.e. 159 (4.43 % of total branches).

The chart below demonstrates the province-wise presence of BFIs.

Chart 1-2: Number of BFIs Branches (As of mid-July 2019) Province-wise



1.6 Asset Share of Banks and Financial Institutions

The respective shares of banks and financial institutions in the total assets of the banking industry as of mid-July for eight consecutive years are depicted in the Table 1-3.

Table 1-3: Asset share of banks and financial institutions (mid-July, 2012 to 2019)

Bank and Financial Institutions	% Share as on mid-July							
	2012	2013	2014	2015	2016	2017	2018	2019
Commercial	77.3	78.2	78.0	78.73	79.74	83.41	82.76	80.88
Development	12.4	13	13.6	13.34	12.81	9.71	9.99	10.67
Finance	8.2	6.6	5.8	4.79	3.78	2.63	2.56	2.47
Micro Finance	2.2	2.2	2.6	3.14	3.68	4.26	4.69	5.99
Total	100	100	100	100	100	100	100	100

(Source: Bank and Financial Institutions Regulation Department, NRB)

Table 1-3 shows the dominance of Commercial banks, with the share of 80.88 percent of total assets of the Nepalese banking industry, which was 82.76 percent in the previous year. Share of development banks has increased from 9.99 percent in FY 2017/2018 to 10.67 percent in FY 2018/2019. Likewise, the share of finance companies has decreased to 2.47 percent from 2.56 percent during the review period. The share of microfinance financial institutions increased from 4.69 percent to 5.99 percent in mid-July 2019. The increase in the share of the Development banks and decrease in the share of Finance companies can be attributed to the merger and acquisition activities going on in the banking industry, where several Finance companies are continuously merging with and are being acquired by Development banks or Commercial banks. Similarly, the increase in the share of the Microfinance Institutions is because of the increasing number of microfinance financial institutions.

1.7 Employment in the Banking Industry

Commercial banks have employed 36,861 individuals as of mid-July 2019. The number of staff working in the three public banks was 6,704 and the number of staff working in the private banks was 30,157 as on the date, which shows that the three public sector banks still employ 18.19 percent of total people working in the commercial banking industry. The banking sector is considered as a lucrative sector for work after completing Management and Economics related degrees. Hence, many graduates aspire to enter this sector. However, there is still a lack of skilled manpower in the industry. The human resource in the industry is expected to improve once the industry gets fully matured.

1.8 Review of the Guiding Documents

As the central bank of Nepal, NRB has been given a clear mandate to regulate and supervise banks and financial institutions in Nepal. To discharge its regulatory responsibilities, NRB issues directives and guidelines to the licensed BFIs. Likewise, NRB continuously conducts onsite inspections and offsite supervision both on regular and need-based ways to assess their risk profiles and their compliance with the existing laws, regulations, and prudential norms.

The following are the key documents which guide the NRB's regulatory and supervisory function:

- Nepal Rastra Bank Act, 2002,
- Bank and Financial Institutions Act, 2017
- Company Act, 2017
- Nepal Rastra Bank Inspection and Supervision Bylaws, 2074
- Unified Directives published annually, and Circulars issued from time to time
- Capital Adequacy Framework, 2015
- NRB Prompt Corrective Actions Bylaws, 2012
- Monetary Policy Announcements,
- Assets (Money) Laundering Prevention Act, 2008
- Several Guidelines issued by NRB
- Risk-Based Supervision Manual, Volume I & II

1.9 Access to Banking Services and Financial Inclusion

NRB is the main agency that is involved with promoting access to finance in the country. Through its policies, NRB has been working for expanding banking services and increasing financial inclusion in the country. All the commercial banks have been directed to expand their branches into various local bodies to expand access to finance in all the local bodies of the country. As of mid-July 2019, 732 out of 753 local levels had the presence of the branch of the commercial bank. A provision has been made to allow BFIs to open branch in Kathmandu valley only after opening three branches outside the Kathmandu valley. Two out of these three branches must be opened in municipality or rural municipality. Further, BFIs do not need to take permission from NRB to open a new branch in places other than metropolitan and sub-metropolitan cities.

Besides, NRB is working to promote branchless banking and mobile banking to increase access to the banking system for the rural and unbanked people. As of mid-July 2019, there were 1,529 branchless banking centers of 'A' class Banks in operation. Likewise, the number of mobile-banking customers reached 7,406,802 as of mid-July 2019.

As of mid-July 2019, the total number of branches of commercial banks reached 3,585, and population per branch was 8,148¹. The population per branch was 9,532 in the previous year. The population per branch when considering all categories of BFIs comes down to 3,363 as of mid-July 2019 compared to 4,334 as of mid-July 2018.

¹ Population 29,210,118 calculated on yearly basis based on five yearly population projection Source : <http://cbs.gov.np/image/data/Population/Population%20projection%202011-2031/PopulationProjection2011-2031.pdf>

CHAPTER II

2 BANK SUPERVISION

2.1 Supervision Function

NRB regulates and supervises the banks and financial institutions as mandated by the NRB Act, 2002 and Bank and Financial Institutions Act, 2017. Regular supervision function provides important insights and information on the banking system that feeds into the decision-making process such as formulation of monetary policy, updates on regulations, and for the timely corrective measures of issues that may arise in BFIs. Continuous monitoring of the indicators related to financial soundness and stability as well as watching for the early warning signals and conducting onsite inspections to ensure that the BFIs are managing their all material risks adequately along with the compliance of regulatory norms are the major supervisory functions performed by NRB.

2.2 Bank Supervision Department (BSD)

BSD is responsible for executing the supervisory policies and practices as per governing laws, regulations, and policies to all Commercial banks (Class 'A' Banks). The department prepares an annual supervision plan before the start of the new fiscal year and supervises banks as per the approved plan. The supervisory process includes a full-scope on-site inspection, special inspection, follow up inspection, and targeted inspection. The onsite inspection is supported by an offsite supervision function which is responsible for the analysis of data reported by the Commercial banks.

2.3 Supervision Methodology

BSD continues to adopt and implement the Core Principles prescribed by the Basel Committee. Supervision is done through both onsite and offsite programs. NRB's traditional onsite inspection was based on compliance check and CAMELS (Capital Adequacy, Asset Quality, Management competence, Earning, Liquidity, and Sensitivity to Market Risk) ratings. The RBS approach puts more emphasis on assessing the quantity of risks and the quality of risk management. However, inspectors who are deputed as a team also examine other key areas including capital adequacy, AML/ CFT, and compliance. Further, onsite examiners propose additional risk weights and provisioning under the Supervisory Review Process (SRP) if they are not satisfied with risk weights and provisioning assigned by the Management.

Inspectors rely on Onsite Inspection Manual for guidance with risk assessment and profiling. Risk profiling enables NRB to decide upon the supervisory regime for each bank and helps NRB to channel its resources in high-risk areas. Subsequent supervisions are being conducted based on the risk profile of the banks. This methodology mainly focuses on the 'chance of failure' of the bank and the risk management practices of the bank. Offsite function involves continuous monitoring of the banks by analysing the reports received from the banks. It is

also an important source of input for onsite inspection. Likewise, the Enforcement function oversees enforcement of supervisory directions for correction of issues identified during onsite inspections.

2.4 Organization of BSD

The department comprises of Onsite Inspection and Enforcement Division, Offsite Supervision, and Money Laundering Monitoring and Special Inspection Division. (*Refer to Annex-3 for the Organisation Chart of the Department*). These Divisions are further divided into various Units to facilitate effective execution of the Department's functions. Onsite teams under the leadership of a Deputy Director of the Department, are temporarily formed for the duration of assigned inspections.

2.4.1 Onsite Inspection and Enforcement Division

Onsite Inspection and Enforcement Division comprises four Onsite Inspection and Enforcement Units. Onsite inspection of Commercial banks is conducted as per the approved annual plan where an onsite inspection is conducted at least once a year for every Commercial bank. NRB has initiated the practice of conducting targeted inspections from FY 2017-18 focusing on specific areas of operation. Full-scope or targeted onsite inspections are performed as necessary based on risk profile of the banks. Onsite inspections are carried out, and reports are prepared on the basis of the RBS manual approved for the same purpose. Generally, an inspection team includes a team leader (Deputy Director) and three to four other team members (Assistant Directors). One IT Officer from IT Department is deployed for a limited number of days to examine IT-related areas of the concerned bank (*Refer to Annex-4 for the onsite inspections conducted in FY 2075/76*).

The Onsite Inspection function is specially focused on conducting onsite examinations which include:

- Initial examination, which is generally conducted within six months of commencement of operation by a new bank.
- Routine full-scope inspection is the regular examination, generally carried out once a year.
- Targeted inspection addresses specific areas of operation of a bank e.g. credit, trade finance, etc. and conducted as needed.

There are currently twelve officers working in the four units. Each team consists of three members headed by a Deputy Director and oversees works related to seven banks.

Enforcement function is responsible for ensuring the compliance of supervisory directions given to the individual banks through the onsite reports and preparing periodic enforcement reports to communicate the status of compliance to the concerned bank. Each unit also prepares quarterly report of individual banks focusing on the major financial indicators and the compliance status of the given directions.

However, due to limited number of dedicated staff, officers from other units are mobilized from time to time to conduct onsite examinations.

2.4.2 Offsite Supervision Division

Offsite Supervision Division comprises of four units: Compliance Unit, SIS Project, Financial Analysis Unit and Internal Administration Unit. The Offsite Division carries out offsite surveillance of the commercial banks. The Department is in the process of revising the offsite manual to guide the procedures of offsite function. The functions of each unit are described below:

Compliance Unit

Compliance Unit is responsible for supervising bank operations based on data and reports submitted by the banks. The unit ensures that compliance provisions such as cash reserve ratio (CRR), statutory liquidity ratio (SLR), credit to core capital and deposit ratio (CCD), capital adequacy ratio (CAR) and deprived sector lending (DSL) are met and recommends penalties in case of non-compliance. It also provides feedback to the onsite inspection teams and identifies red flag areas that need to be focused during onsite inspections.

Cash Reserve Ratio (CRR)

Commercial banks are the backbone of the payment system and are the main conduits of monetary policy. As an indirect monetary instrument, NRB uses CRR to control money supply in the economy, which was a minimum 4 percent of total local currency deposit liabilities in the review period. While the minimum is to be kept for every two weeks, 70 percent of the minimum ratio has to be kept by each bank every day. The average CRR maintained by the commercial banks in the last period of the review year is 5.32 percent. Banks that fail to maintain such reserves face monetary penalties based on the bank rate.

Deprived Sector Lending (DSL)

Nepalese Commercial banks are required to disburse 5 percent of their total loan portfolio in the deprived sector. The average deprived sector lending of the commercial banks stood at 6.09 percent in the last quarter of the review year. Commercial banks that fail to maintain the minimum requirement in deprived sector lending as prescribed by the NRB is penalized.

Statutory Liquidity Ratio (SLR)

Banks were required to maintain SLR of 10 percent of their total domestic deposit liabilities. Failing to meet such obligation results in monetary penalties computed on the basis of bank rate. During the review year all the banks complied with the Statutory Liquidity Ratio norm. The average SLR of the commercial banks in the last month of the review year was 20.32 percent.

Capital Adequacy Ratio (CAR)

The New Capital Adequacy Framework requires the banks to maintain minimum capital requirements. As per the framework, Commercial banks need to maintain at least 6 percent Tier I capital and 11 percent Total Capital (Tier I & Tier II). The minimum capital adequacy requirements are based on risk-weighted exposures (RWE) of the banks. The capital adequacy ratios of banks are monitored on a monthly basis. The average capital adequacy ratio of the Commercial banks in the last month of the review year was 13.96 percent (*Refer to Annex-6 for capital adequacy ratios of individual banks during the last month of the review period*).

SIS Project

SIS project is responsible for the development, implementation and the back-office support function of the Supervisory Information System (SIS). The project team includes three officers who coordinate with other NRB staff, support providers and the vendor. Currently, the System has gone live for the initial phase that involves submission of some input forms by the commercial banks. The team members have also been involved in training other NRB staff and bankers, as well as, collecting feedback for the continuous improvement and customization of the system.

Financial Analysis Unit

Financial Analysis Unit reviews and analyses the financial performance of banks using prudential reports, statutory returns and other relevant information. It monitors the trend and development of financial indicators of the banking sector as a whole and generates industry reports on a quarterly basis. The unit helps with assessing the health of individual banks and the overall financial system. The unit monitors, reviews, and analyses returns of Commercial banks and prepares reports to detect emerging problems and early warning signals. The returns are used to evaluate the exposure to risks and the effect this could have on profits. The statutory returns are the basis for computing basic ratios to analyse capital adequacy, assets quality, earnings, liquidity and sensitivity to market risk (CAELS). The unit also compiles and analyses financial data and prepare reports on a regular, as well as, special case basis. Further, the unit is responsible for providing AGM clearance for banks by examining the credibility of their annual reports. There are currently five personnel working in this unit.

Internal Administration Unit

The Internal Administration Unit performs the functions related to human resources and internal administration within the BSD. Its tasks include distribution of documents within the department, issuance of travel orders, maintaining leave records and also serving as the back office. It also keeps the records of the department's staff leaving for international trainings and seminars (*Refer to Annex-9 for the participation of the department's staff in international trainings and seminars in FY 2075/76*). This unit is responsible for looking after procurement for the BSD such as supply of office logistics and stationery in coordination with the General

Services Department of NRB. This unit also helps in coordination between other units to carry out the functions more smoothly and effectively. There are eight personnel, including three support-level staff, fulfilling the unit's duties.

2.4.3 Money Laundering Monitoring and Special Inspection Division

Money Laundering Monitoring and Special Inspection Division comprises of three units: Money Laundering Monitoring Unit, Policy and Planning Unit and Special Inspection Unit.

Money Laundering Monitoring Unit

Money Laundering Monitoring Unit is a newly formed unit that is responsible for overseeing AML/CFT related compliance and risk assessment. The unit consists of two Units, each with a Deputy Director and two Assistant Directors. The unit is responsible for developing risk profile of the banks, conducting risk-based onsite inspections, and also supporting national risk assessment task. The Units also coordinates with Financial Information Unit (FIU), Office of the Prime Minister, Department of Money Laundering Investigation and other public sector agencies and public sector entities for their works.

Policy and Planning Unit

The Policy and Planning Unit regularly monitors the developments in international financial environment, the guidelines issued by the Basel Committee of Banking Supervision and emerging issues in banking regulation and supervision. It incorporates the findings to propose required changes in the existing policies and in preparing the annual plan for the department, as well. The unit also undertakes studies for improving supervisory tools and techniques and coordinates with international regulators and supervisory agencies to share knowledge and bring best practices in the banking supervision in Nepal. The unit exchanges information with international regulators and supervisors in matters related to banking supervision.

Further, the unit also reviews and formulates the annual plans of the Department in line with NRB's strategic plan, conducts and coordinates interaction programs, seminars and workshops on the supervision-related issues (*Refer to Annex-7 for the programs organised by BSD in FY 2075/76*). It also prepares the annual report of the department as prescribed in the Inspection and Supervision Bylaw. Currently, there are four officers assigned to carry out the unit's functions.

Special Inspection Unit

The special inspection unit deals with, including inquiring and follow up, the banking-related complaints made directly at NRB, coming through public media and government authorities as well as upon the findings of offsite surveillance and need felt by NRB. The unit arranges special inspection teams for onsite examination if found necessary. It also keeps the records of the special inspection reports. There are three employees currently working in the unit (*Refer to Annex-8 for the list of special inspections conducted in FY 2075/76*).

The following table shows important directives for compliance during the review year (*Refer to Annex-5 for circulars issued in FY 2075/76*).

**Table 2-1: Important Directives regarding Capital, Credit and Liquidity
(Effective for the FY 2018-19)**

SN	Particulars	Current Rate or Percentage	Days/ Month	Remarks I	Remarks II
1.	Minimum Capital fund "A" class	Core Capital = 6% & Capital Fund = 11% of Total Risk Weighted Exposure		Minimum capital fund to be maintained based on the risk- weight assets (percent)	As per Capital Adequacy Framework, 2015 for Class 'A' Banks
	"B" class & "C" class	Core Capital = 6% & Capital Fund = 10% of Total Risk Weighted Exposure			
2.	Refinance Facility (i) General Refinance Hydro, Agro, productive and, infrastructure industry or business run by youths returned from abroad. Also for opening standard hotels in selected tourism destinations	3%	Max. 6 months	Cannot charge more than 7%	i. provided against good loan. ii. not exceed the 80% of core capital of BFIs iii. max. of 6 months.
	(ii) Special Refinance Sick industries, Cottage & small industries, foreign emp. Small business run by <i>Dalits, janajati, utpidit</i> , women, deprived community. Export from Ostrich farming, beekeeping and cardamon farming	1%		Cannot charge more than 3%	
	(iii) Export credit refinance	1%		Cannot charge more than 3%	
	(iv) Small & Medium Ent. Refinance (limit up to 10 lakhs)	3%		Cannot charge more than 7%	
3.	Bank Rate	6.5%			
4.	SLF Rate (For A, B & C)	Bank rate (6.5%)	Max. 5 days	For Merger, 30 days	upto 90% Against Govt. T-Bills and Govt. Bonds
5.	Lender of Last Resort	Bank rate (6.5%)	Max. 6 months		Against deposit at NRB for CRR Purpose / Govt. Securities and

					Pass Loan
6.	Repo & Reverse Repos	Max. 21days			
7.	CRR "A" class "B" class "C" class	6% 5% 4%			
8.	SLR "A" class "B" class (taking call n current deposit) "C" class (taking call n current deposit)	10% 8% 7%			
9.	Deprived Sector "A" class "B" class "C" class	5% 5 % 5%			
10.	Productive Sector lending "A" class in productive Sector: Agriculture, Energy & Tourism "B" class in productive "C" class in productive	25% in Productive sector: 10% in Agriculture & 15% in Energy and Tourism. 15% 10%			
11.	Net Liquidity Ratio	20%			

CHAPTER III

3 OPERATIONAL PERFORMANCE OF COMMERCIAL BANKS

Nepal started the practice of publishing financial statements in conformity with the International Financial Reporting Standards (IFRS) from 2013 onwards. Local accounting standards (NAS) has been converged with IFRS to form new standards, Nepal Financial Reporting Standards (NFRS). These NFRSs are developed and issued by Accounting Standard Board (ASB) and made effective by The Institute of Chartered Accountants of Nepal (ICAN).

NFRS currently practiced in Nepal comprises of broad standards covering Nepal Accounting Standards (NAS) developed by ASB before 2013, Nepal Financial Reporting Standards (NFRS) developed after 2013, Standard Interpretation Committee's (SIC) Interpretations by the then Standard Interpretation Committee (SIC) under IFRS Foundation and International Financial Reporting Interpretation Committee's (IFRIC) interpretations published by IFRIC.

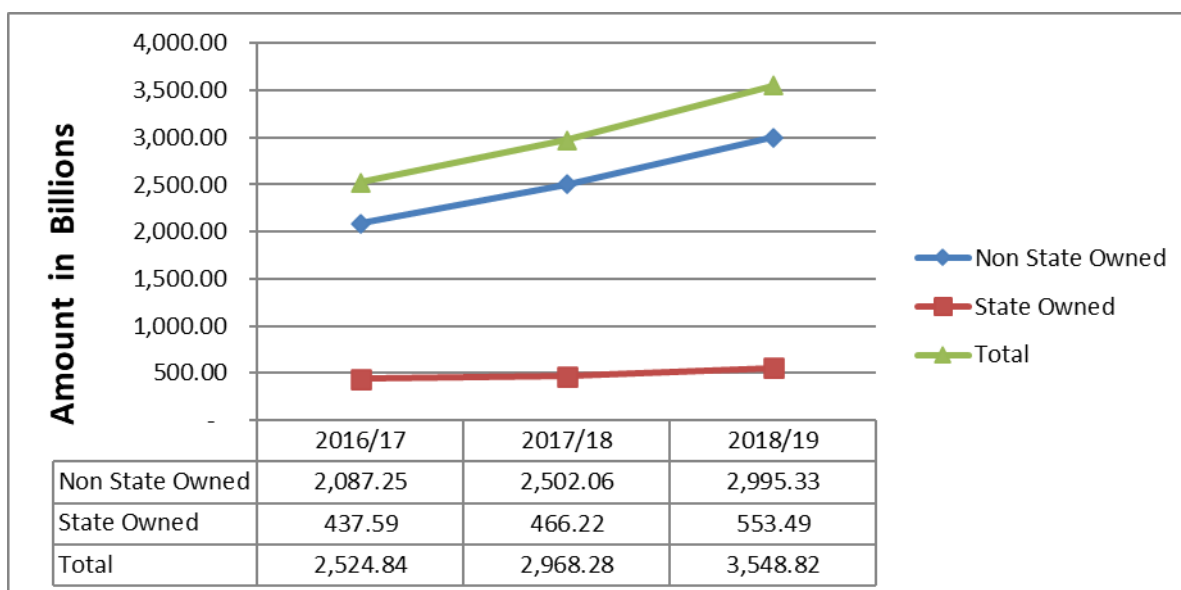
NAS is sequentially being replaced by NFRS and SIC interpretations by IFRIC. ICAN has scheduled to implement NFRS in different industries in a phase-wise manner as per its implementation road map.

As per the direction of NRB, the Commercial Banks have started to publish their financial statements as per NFRS from FY 2017/18. The banks have submitted the financial statement with revision for the FY 2016/17 and FY 2015/16 (Financial position only). The change in standards has made it impractical and illogical to directly compare financial figures of the previous years that were reported in NAS.

3.1 Assets of the commercial banks

The total assets of the commercial banks have increased by 19.56 percent to Rs. 3,548.82 billion in the FY 2018/19 compared to a growth of 17.56 percent in FY 2017/18. In the review year, the total assets increased by 18.72 percent in state-owned banks and by 23.30 percent in the non-state owned banks. The major contribution in the increment in total assets of the Commercial banks comes from the increase in the total loan portfolio, which is the largest component of assets in the Commercial banks. *Please refer to Annex-10.1 for details.*

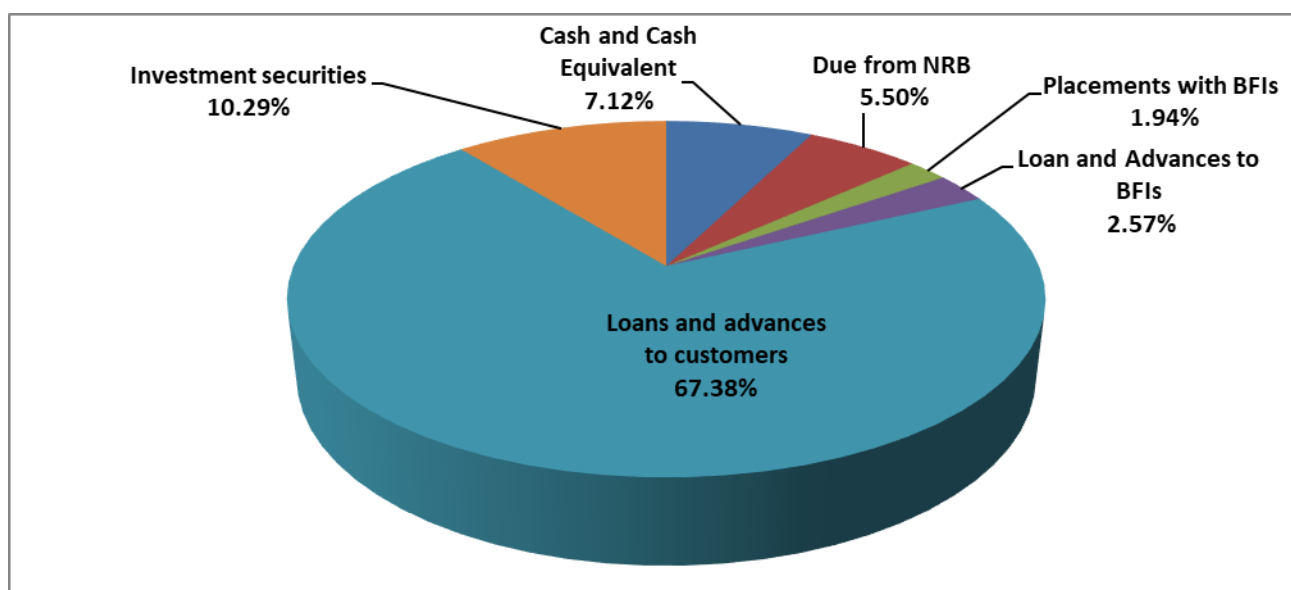
Chart 3-1: Total Assets of the Commercial Banks (mid-July, 2017 to 2019)



3.2 Composition of Assets

The major chunk of the assets of the commercial banks is the loans & advances which totals to Rs 2,391.12 billion (67.38%). The second and third largest components are investment in securities (10.29%) and cash and cash equivalent (7.12%) respectively. Refer to Annex 10.2 for details.

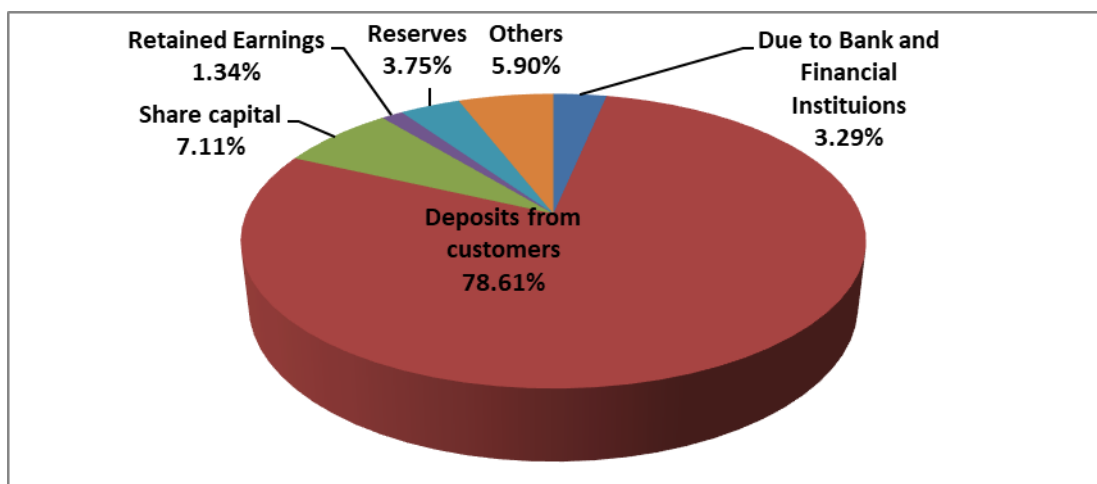
Chart 3-2: Composition of Assets of Commercial Banks (mid-July 2019)



3.3 Composition of Liabilities

The largest source of fund of the Commercial banks in mid-July 2019 was Deposit, which totals to Rs. 2,789.87 billion (78.61%). The second and third largest sources were Share capital and Reserve and Surplus, which amounted to Rs. 252.26 billion (7.11%) and Rs. 132.99 billion (3.75%) respectively. Refer to Annex 10.3 for details.

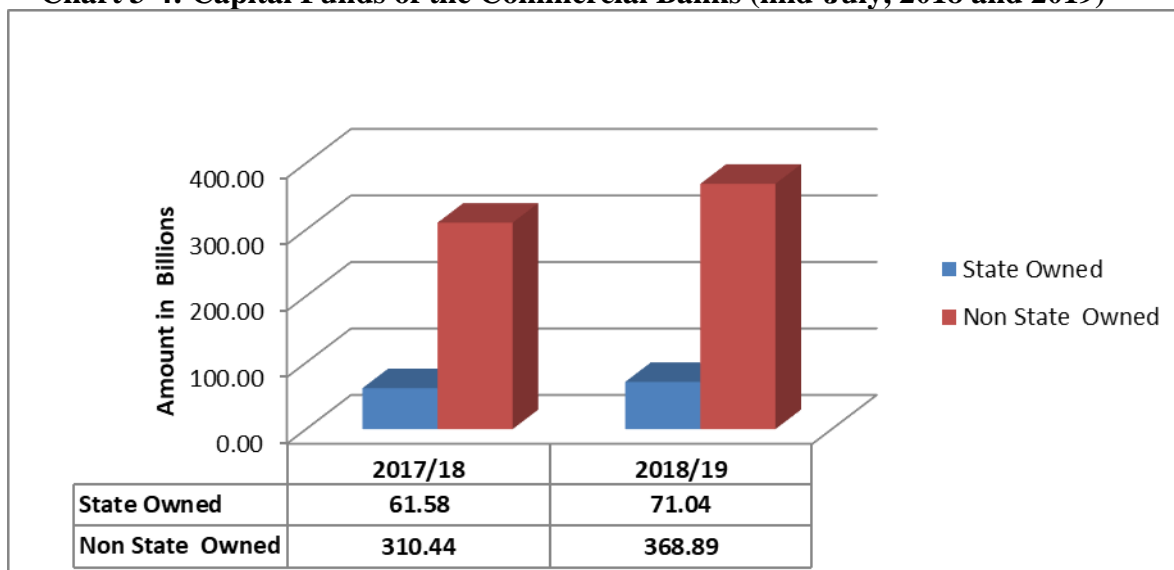
Chart 3-3: Composition of Liabilities of Commercial Banks (mid-July 2019)



3.4 Capital

The consolidated capital fund of the Commercial banks showed a significant growth during the review year. Capital fund increased by 18.25 percent to Rs. 439.93 billion in the review year. Likewise, Capital fund of non-state owned banks grew by 18.83 percent, i.e., Rs. 368.89 billion and that of the state-owned banks increased by 15.37 percent, i.e., Rs 71.04 billion. Increment in paid up capital has mostly contributed to such growth. Refer to Annex 10.4 for details.

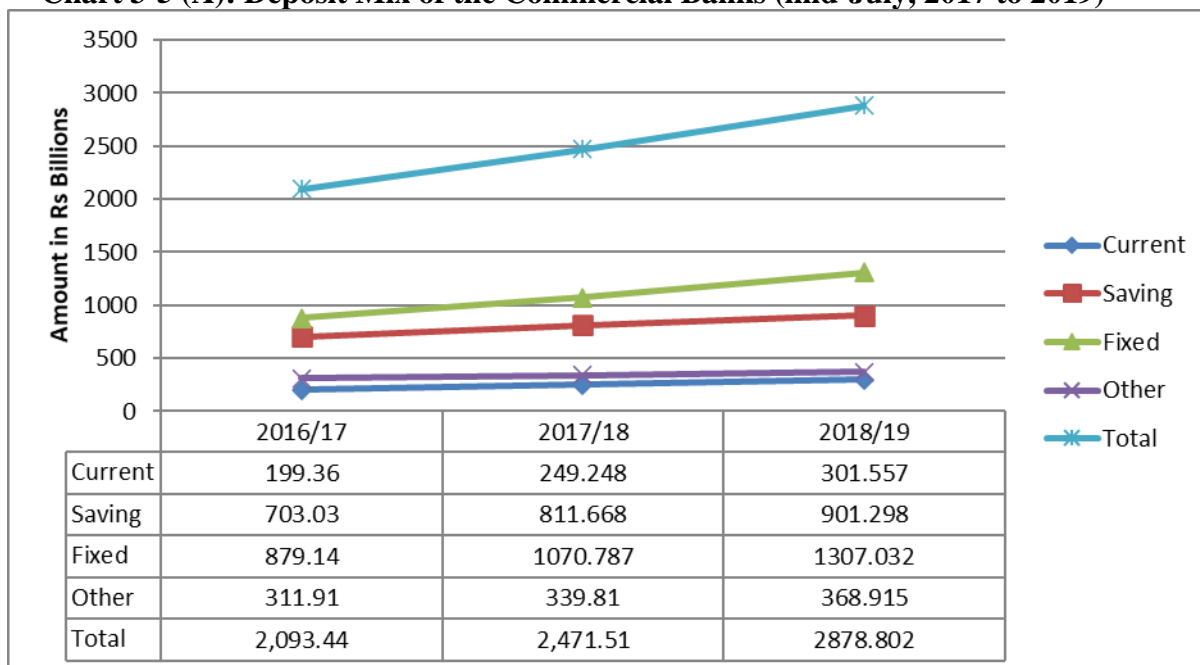
Chart 3-4: Capital Funds of the Commercial Banks (mid-July, 2018 and 2019)



3.5 Deposit

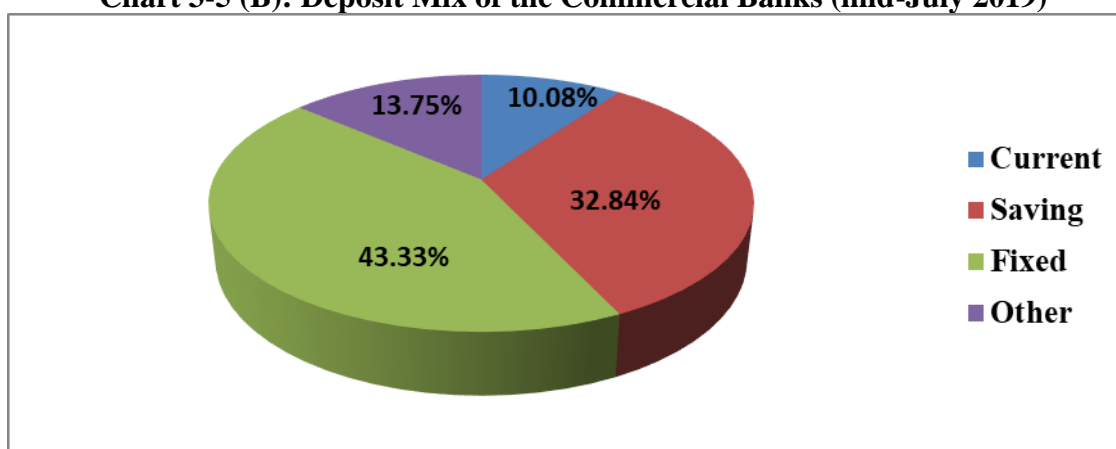
Total deposits of the commercial banks as per unaudited figures increased by 16.48 percent to Rs. 2,878.802 billion in the review year compared to a growth of 18.06 percent in the previous fiscal year.

Chart 3-5 (A): Deposit Mix of the Commercial Banks (mid-July, 2017 to 2019)



Savings and fixed deposits are the major components in the deposits of the Commercial banks. In the review year, the fixed deposits soared by 22.06 percent to Rs. 1,307.032 billion. For the last two years, commercial banks' total fixed deposit remained greater than the saving deposit. In earlier years, the saving deposits used to be higher than the fixed deposits. During the review year, the saving deposits increased (by (11.04%)) moderately to Rs.901.298 billion. Refer to Annex-10.5 for details.

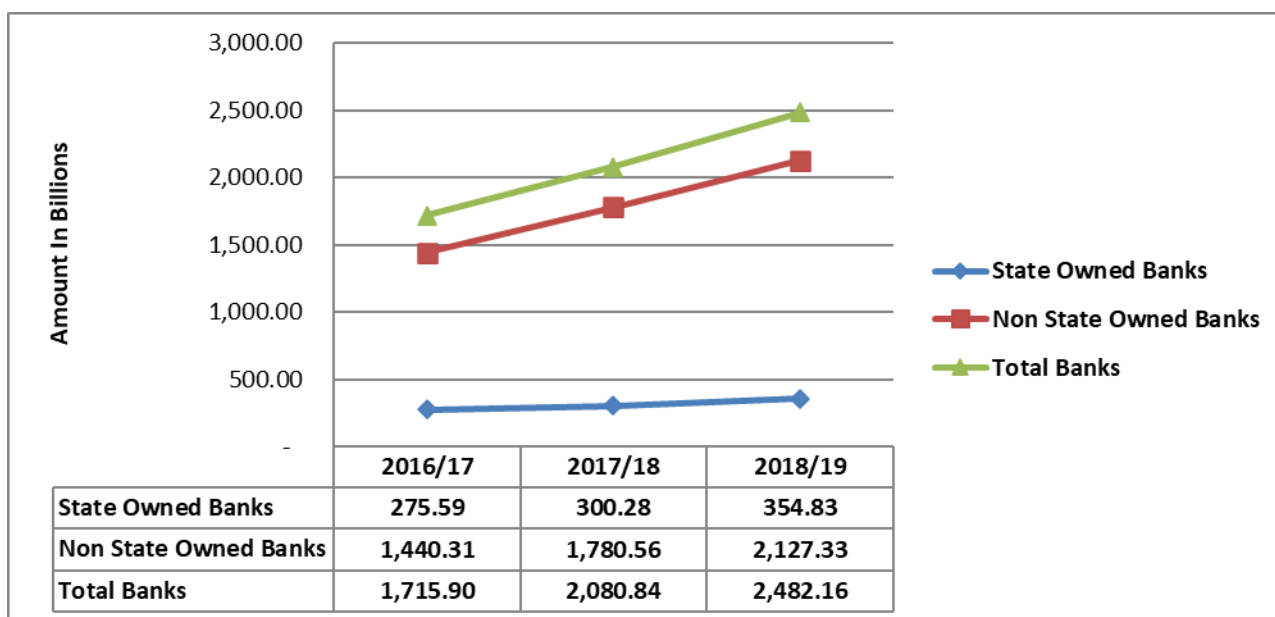
Chart 3-5 (B): Deposit Mix of the Commercial Banks (mid-July 2019)



3.6 Loan and Advances

Loan and advances of the Commercial banks increased by 19.29 percent to Rs. 2,482.16 billion in the FY 2018/19 compared to growth of 21.27 percent in the last fiscal year. Loans and advances of state-owned banks increased by 18.16 percent to Rs. 354.83 billion, and that of non-state-owned banks rose by 19.48 percent to Rs. 2,127.33 billion during the review year. Refer to Annex-10.6 for details.

Chart 3-6: Loan and Advances of the Commercial Banks (mid-July, 2017 to 2019)



3.6.1 Sector-wise Loan and Advances

Commercial banks have disbursed the loans and advances to the different sectors of the economy. Wholesalers & Retailers sector is the dominant sector of lending with 22.06 percent share on total loans and advances, followed by Non-Food Production sector (13.70%) and Construction (10.06%) sector.

Table 3-1: Sector-wise loan and advances of the Commercial Banks

SN	Sector	% of Total Loan (mid-July)		
		2017	2018	2019
1	Agriculture Forest	4.23	4.60	5.26
2	Fishery	0.12	0.11	0.14
3	Mining	0.20	0.21	0.28
4	Agriculture, Forestry & Beverage Prod. Related	6.45	6.00	5.66
5	Non-food Production Related	11.75	12.85	13.70
6	Manufacturing*	-	-	-
7	Construction	10.30	10.06	10.06
8	Electricity, Gas and Water	3.42	3.89	4.79
9	Metal Products, Machineries, Elec. and Installation	1.30	1.41	1.29
10	Transport, Warehousing and Communication	3.02	2.71	2.55
11	Wholesalers and Retailers	22.92	22.90	22.06

12	Finance, Insurance and Real Estate	8.56	8.51	8.03
13	Hotel and Restaurant	3.29	3.77	4.24
14	Other Services	4.61	4.50	4.38
15	Consumable Loans	7.74	6.69	5.50
16	Local Government	0.09	0.07	0.06
17	Others	12.00	11.72	12.00
	Total Loan	100	100	100

Source: Offsite Supervision Division, BSD

* Manufacturing has been replaced by Food and Non-food production related

3.6.2 Security-wise Loan and Advances

Almost all the loans and advances disbursed by the Commercial banks are secured by some form of collateral. As of mid-July 2019, about 89.53 percent of the total loans and advances are secured by the property. This category includes all those loans and advances that are provided against security of fixed assets like real estate and current assets like stocks and receivables as well.

Table 3-2: Security-wise Loan and Advances of Commercial Banks

S.N.	Security	% of Total Loan (mid-July)		
		2017	2018	2019
1	Gold and Silver	1.89	1.54	1.28
2	Government Bonds	0.06	0.02	0.01
3	Non-Government Securities	1.71	1.44	1.11
4	Fixed Deposit Receipts	0.88	0.64	0.76
5	Property as Collateral	86.99	88.29	89.53
6	Security of Bills	0.91	0.86	0.93
7	Guarantee	3.04	3.04	3.21
8	Credit Card	0.05	0.06	0.07
9	Others	4.46	4.11	3.11
	Total	100	100	100

Source: Offsite Supervision Division, BSD

3.6.3 Product-wise Loan and Advances

Major part of the loan and advances, i.e. 23.96 percent of the total loan, as of mid-July 2019, is related to demand and other working capital nature. The portion of such loan in the previous year was 22.74 percent. Similarly, 19.08 percent and 15 percent of loans were extended as term loans and overdraft respectively. There has been decrease in both import loan and real estate loan by 0.32 and 0.67 percentage points. There is no significant change in the product-wise mix when compared to the previous year.

Table 3-3: Product wise Loan and Advances

S.N.	Loan Products	% of total loan (Mid July)		
		2017	2018	2019
1	Term Loan	16.16	17.46	19.08
2	Overdraft	17.89	16.53	15.00
3	Trust Receipt Loan/Import Loan	3.72	5.41	5.09
4	Demand and Other Working Capital Loan	22.22	22.74	23.96
5	Personal Residential Home Loan	8.09	7.91	7.47
6	Real Estate Loan	6.09	5.43	4.76
7	Margin Loan	1.98	1.57	1.42
8	Hire Purchase Loan	6.92	6.50	5.68
9	Deprived Sector Loan	5.35	5.41	5.69
10	Bills Purchased	1.00	0.14	0.13
11	Other Product	10.59	10.90	11.71
	Total	100	100	100

Source: Offsite Supervision Division, BSD

3.7 Non-Performing Loans (NPL)

The total volume of non-performing loans of the Commercial banks increased by 24.15 percent in the fiscal year 2018/19 and reached Rs. 37.06 billion. The non-performing loans of private sector banks increased by 32.62 percent to Rs. 24.20 billion and that of public sector banks increased by 10.83 percent to Rs. 12.86 billion during the review period. The industry NPL ratio increased from 1.49 percent to 1.57 percent during the review period. Refer to Annex 10.7 for details.

Chart 3-7 (A): NPL Ratio of the Commercial Bank (mid-July, 2018 to 2019)

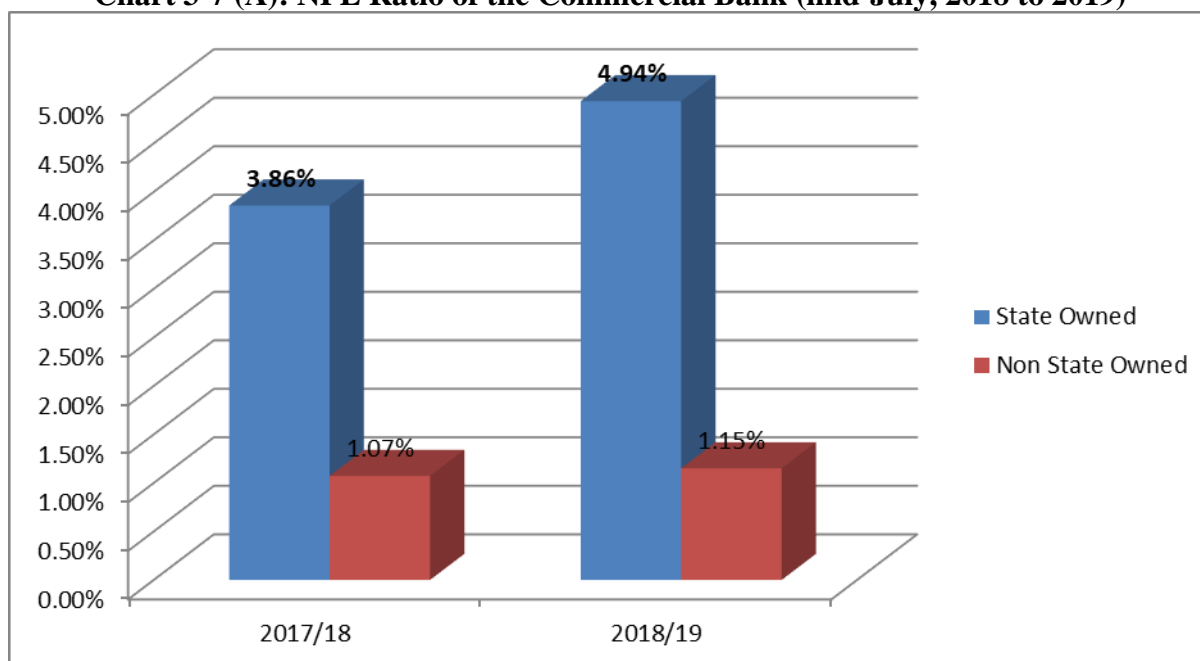
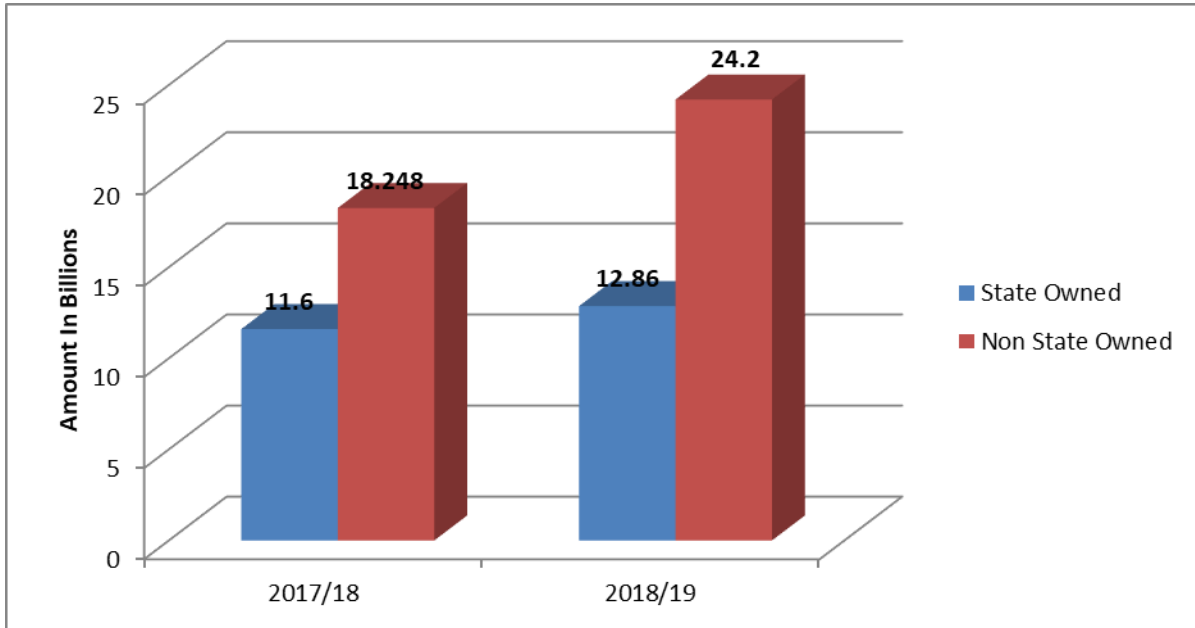


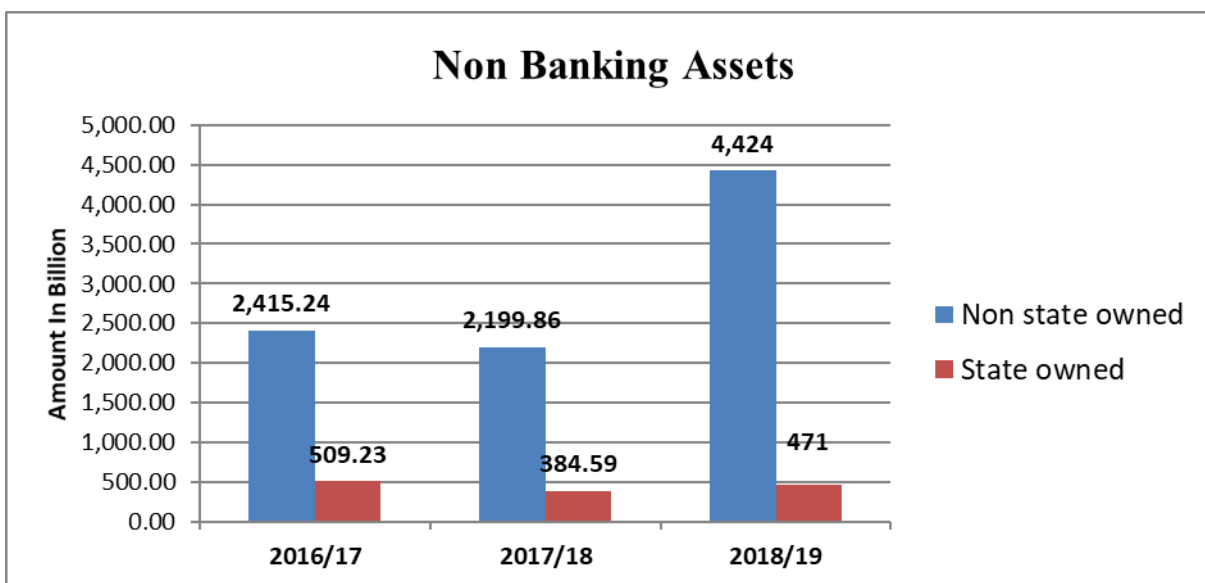
Chart 3-7 (B): Non-Performing Loan of Commercial Banks (mid-July, 2018 to 2019)



3.8 Non-Banking Assets (Investment in Property)

The level and structure of Non-Banking Assets (NBA) during the last three years is presented in the Chart 3-8. The overall NBA of the Commercial banks increased by 89.40 percent in FY 2018/19. Non-state owned banks accounted for the drastic increase in NBA by 101.10 percent to Rs.4424 billion, whereas state owned banks realized increase in NBA by 22.47 percent to Rs.471 billion. Refer to Annex 10.8 for details.

Chart 3-8: NBA of the Commercial Banks (mid-July 2017 to mid-July 2019)

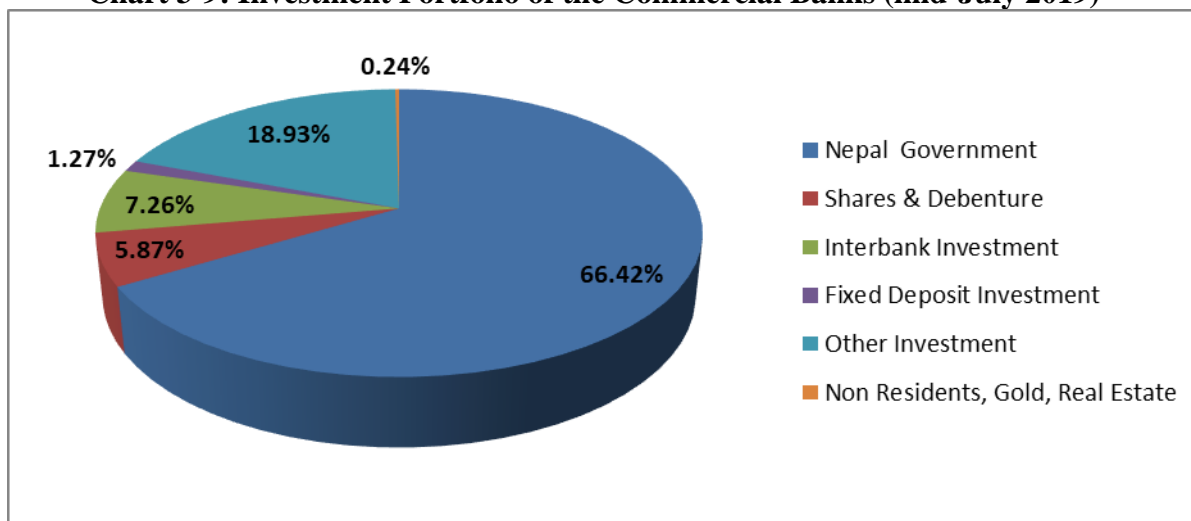


3.9 Investment

Commercial banks predominantly invested in government securities like treasury bills and government bonds. The other areas of investment include inter-bank placement and investment in shares and debentures.

The composition of investment of Commercial banks shows a high concentration in government securities, which is 66.42 percent of the total investment, while shares and debentures, interbank investment, fixed deposit investment and other investment accounted for 5.87 percent, 7.26 percent, 1.27 percent and 18.93 percent respectively. The investment pattern in the portfolio is similar to that of the previous year. Banks are not allowed to invest in shares and debentures of BFIs licensed by the NRB, except that of D Class Financial institutions. Chart 3-9 shows the investment portfolio of the commercial banks in mid-July 2018. Refer to Annex-10.9 for details.

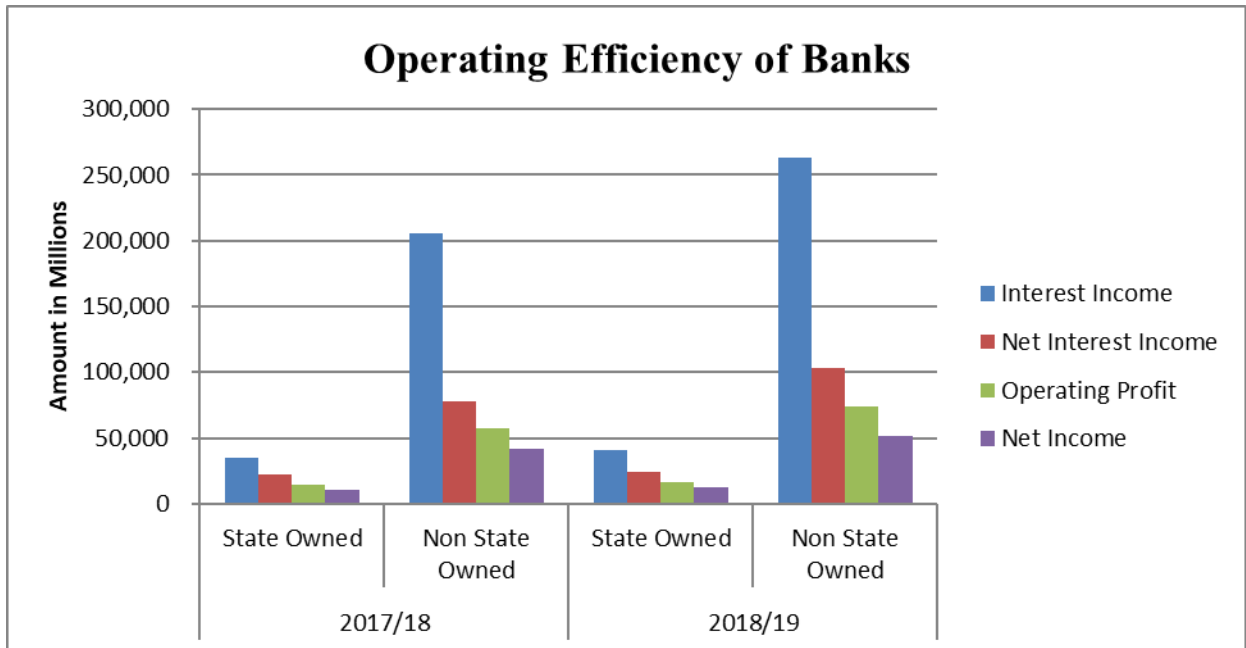
Chart 3-9: Investment Portfolio of the Commercial Banks (mid-July 2019)



3.10 Earnings

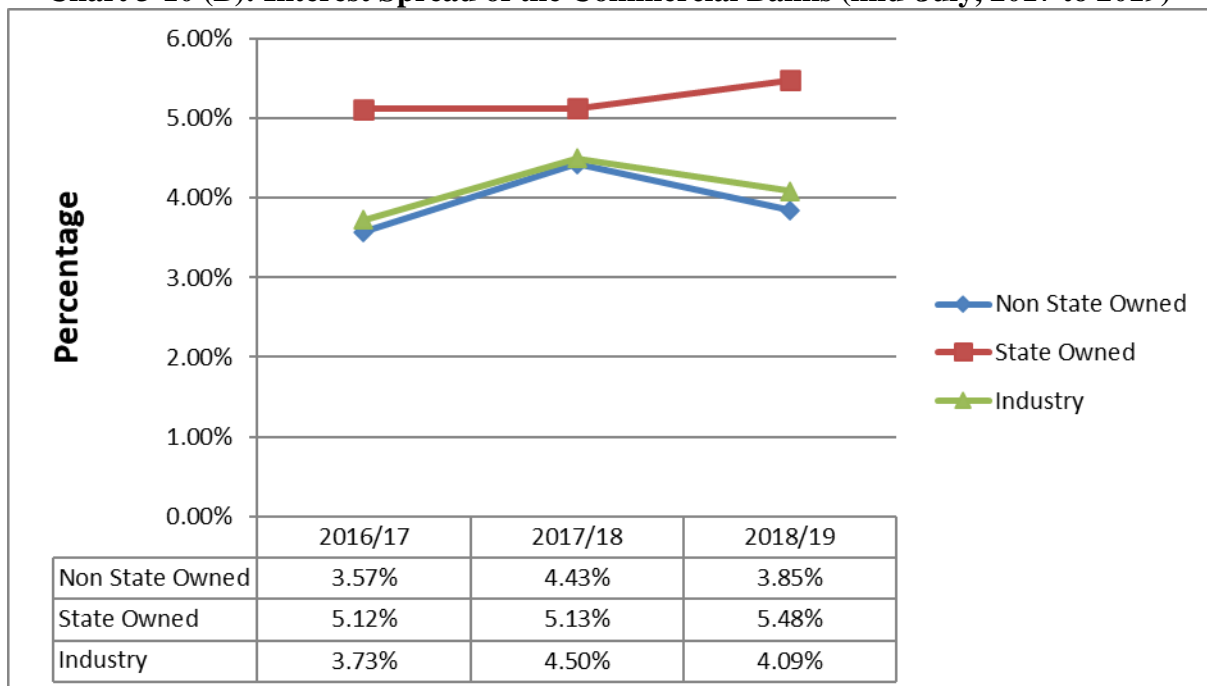
The total net profit of Commercial banks increased from Rs. 51.86 billion to Rs. 63.80 billion (increment of 23.02%) in FY 2018/19. The net profit of non-state owned banks increased by 24.41 percent, whereas, that of state owned banks grew only by 17.44 percent. The total interest income, which is the largest component of total gross income, showed robust growth of 26.59 percent. The total net interest income rose by 27.14 percent. The operating profit increased by 26.72 percent in the review period. Refer to Annex-10.10 for details.

Chart 3-10 (A): Operating Efficiency of the Commercial Banks (mid-July, 2017 to 2019)



Interest income of the commercial banks is the main factor that contributes to their profitability. The net interest spread of the commercial banks decreased from 4.50 percent to 4.09 percent in the FY 2018/19. The net interest spread of non-state owned banks and state owned banks is 3.85 percent and 5.48 percent respectively in the review period. Refer to Annex-10.11 for details.

Chart 3-10 (B): Interest Spread of the Commercial Banks (mid-July, 2017 to 2019)



3.11 Liquidity

The cash balance, bank balance with NRB and other BFIs, money at call and the investment in the government securities are considered as the total liquid assets of the commercial banks. The total liquid assets of the Commercial banks increased from Rs. 652 billion to Rs.699.772 billion in FY 2018/19. Also, the total liquid assets to deposit ratio decreased from 27.37 percent to 23.89 percent in the review period. Likewise, total liquid assets to total assets ratio decreased from 21.97 percent to 19.12 percent in the period. *Detailed figures are shown in Annex: 10.12 and Annex 10.13.* Chart 3-11 (A) and (B) show the liquidity position of the commercial banks to its total assets and total deposits.

Chart 3-11 (A): Liquid Assets to Total Deposit (mid-July, 2017 to 2019)

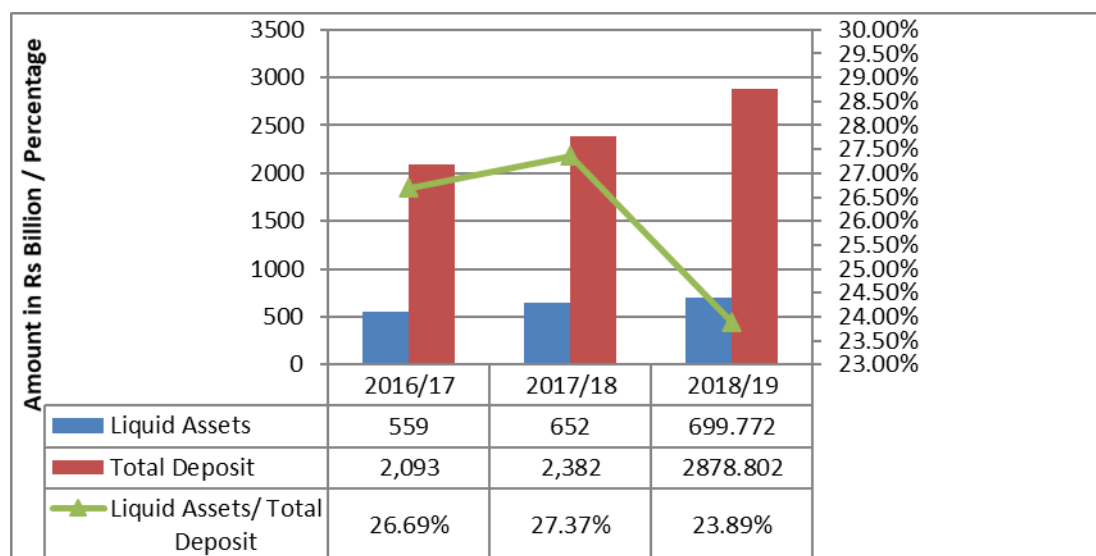
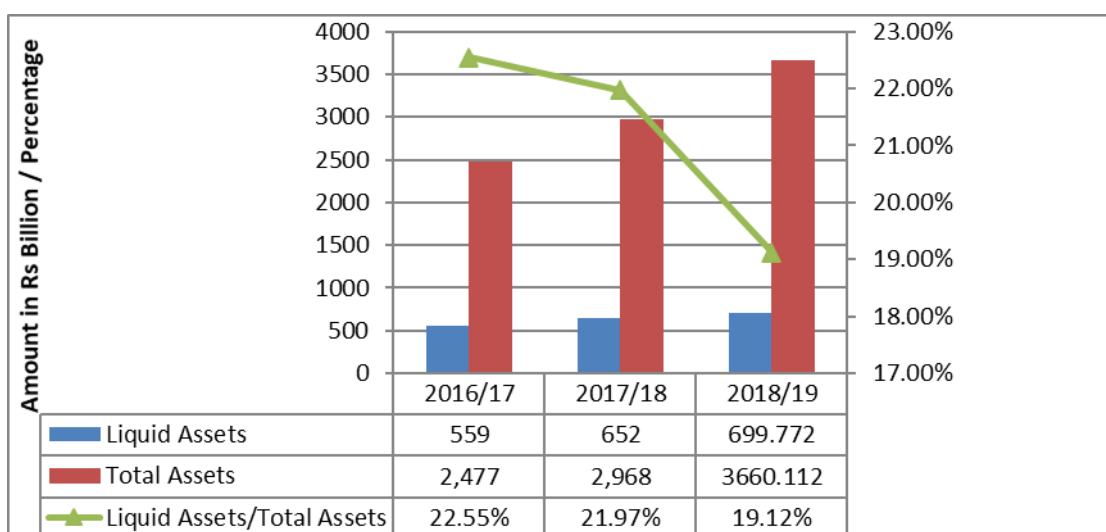


Chart 3-11 (B): Liquid Assets to Total Assets (mid-July, 2017 to 2019)



3.12 Productive and Deprived Sector Lending

The productive sector lending considering loan outstanding as on fiscal year end 2018/19 was 15.74 percent for Agriculture, Energy and Tourism. The deprived sector lending of Commercial banks for the last quarter of the FY 2018/19 was 6.09 percent. The deprived sector lending is above the NRB minimum requirement of 5 percent in the review year. (Refer to Annex-10.14 and Annex-10.15 for details.)

3.13 Electronic Banking

Nepalese commercial banks are providing following types of electronic banking services:

- a) Internet Banking
- b) Mobile Banking
- c) Card Services (Debit Cards, Credit Cards, Prepaid Cards)
- d) Cash and Cheque Deposit Kiosks
- e) Automated Teller Machines (ATMs)
- f) Branchless Banking

Table below shows the present status of electronic banking in Nepalese commercial banking industry. This depicts a growing trend in the use of electronic banking services in the industry.

Table 3-4: Electronic banking in Nepalese Commercial banking industry

S.N .	Particulars	Mid-July				
		2015	2016	2017	2018	2019
1)	Number of branchless banking	503	812	1008	1248	1529
2)	Number of mobile banking customer	997,463	1,604,578	2,438,222	4,711,097	7,406,802
3)	Number of Internet banking customer	396,362	489,835	766,958	810,674	888,268
4)	Total number of ATM	1,483	1,661	1,874	2,252	2,951
5)	Number of debit card holder	4,146,237	4,142,390	4,694,066	5,307,970	6,454,285
6)	Number of credit card holder	43,895	52,014	68,966	104,721	123,146
7)	Number of prepaid card holder	69,322	82,797	101,458	96,816	67,386

Source: Bank and Financial Institutions Regulation Department, NRB

3.1.1 Internet Banking

Kumari Bank Limited was the first bank to introduce Internet Banking in Nepal (in 2002). Currently, all the Commercial banks are offering Internet Banking services to their customers. As on mid-July 2019, there were 888,268, internet banking users of commercial banks in Nepal. The number was 810,674 in the last year. So far, commercial banks in Nepal are providing the service of utility payments, fund transfers within and between selected banks and the generation of account statements as internet banking services.

3.1.2 Mobile Banking

Nepalese banks are providing services like balance inquiry, mini statement, last transactions information, withdrawal alerts, cheque book inquiry/request, inter-bank and intra-bank fund transfer, utility bill payments etc. through mobile banking. As of mid-July 2019, there were 7,406,802 users of mobile banking, which is more than 50 percent growth from the previous year. Since mobile service has a very high penetration ratio in the Nepalese population, it can be a very effective way to provide financial services to the domestic consumers.

3.1.3 Debit Card

All Nepalese Commercial banks are providing debit card services to their customers. There are 6,454,285 debit card users in the commercial banks as on mid-July 2019, which is around 22 percent growth from the previous year.

3.1.4 Automated Teller Machines (ATMs)

Himalayan Bank Limited introduced the first ATM in Nepal in the year 1995. All Commercial banks have installed ATMs currently. Through ATMs, customers can withdraw cash up to certain limit at anytime free of service or at minimal charge. As on mid-July 2019, there are 2,951 ATMs installed by Commercial banks.

3.1.5 Credit Card

Credit card service in Nepal was first introduced by Nabil Bank Ltd (then Nepal Arab Bank Ltd) in the early 1990s. As on mid-July 2019, there are 123,146 active credit card customers in the Nepalese banking industry. There were 104,721 credit card customers as on mid-July 2018.

3.1.6 Branchless Banking

Branchless banking is a distribution channel strategy used for delivering financial services without relying on bank branches. It is serviced through point of transaction (POT) machine by using smart cards. It is an agent-based service. The services include deposit, withdrawal, balance enquiry, and fund transfer. As on mid-July 2019, there are 1,529 branchless banking sectors in Nepal, which is around 22 percent growth from the previous year. Increasing number of banks introducing branchless banking, in the rural areas, has contributed to the growth in the number of branchless banking centres.

CHAPTER 1V

4 CURRENT INITIATIVES IN SUPERVISION

This chapter presents the initiatives taken in the field of banking supervision and regulation in both domestic as well as international arena. It provides a brief outlook to the valued readers about the developments regarding oversight in the financial sector recently.

4.1 International Initiatives:

4.1.1 Initiatives by Basel Committee on Banking Supervision (BCBS)²

4.1.1.1 Consolidated Basel Framework

In April 2019, the Basel Committee issued a draft version of the consolidated framework. The framework comprises 14 standards, setting out requirements on specific topics. Each of the standards is divided into chapters, and many chapters have multiple versions. The publication of the standards in the new format of the consolidated framework has focused on re-organizing existing requirements, not introducing new requirements, or otherwise amending the standards previously agreed and published by the Basel Committee.

The Committee published the first version of the consolidated framework in December 2019 after reviewing the feedback on the consultative document that was put out concurrently with the draft version.

4.1.1.2 Revisions to leverage ratio disclosure requirements

The Basel Committee issued *Revisions to leverage ratio disclosure requirements* to internationally active banks in June, 2019. Banks must disclose the amounts of adjusted gross securities financing transaction (SFT) assets based on quarter-end values and an average of daily values over the quarter as part of their Pillar 3 requirements, in addition to the disclosure of the total leverage exposure and the leverage ratio as calculated using the averaged value of SFTs. Given the heightened volatility in SFT markets around quarter-end dates, the disclosure of banks' average SFT exposures during the quarter will provide stakeholders with additional information related to banks' actual leverage.

4.1.1.3 Pillar 3 disclosure requirements-updated framework

Pillar 3 disclosure requirements has been revised several times since its first introduction in 2004. The disclosure requirements in the standard after latest revision includes (i) revised disclosure requirements for credit risk, operational risk, leverage ratio, credit valuation adjustment (CVA) and overview templates on risk management, risk-weighted assets (RWA) and key prudential metrics, (ii) new disclosure requirements which require banks to disclose information on their encumbered and unencumbered assets, and (iii) new disclosure

² Source: BIS, BCBS <http://www.bis.org> for the publications <http://www.bis.org/bcbs/publications.htm?m=3%7C14%7C566>

requirements to provide users of Pillar 3 data with information on the capital ratio of a bank that would result in national supervisors imposing constraints on capital distributions.

4.1.1.4 Revised Stress testing principles

BCBS issued its updated Stress testing principles replacing the *Principles for sound stress testing practices and supervision* published in May 2009. These updated principles cover sound stress testing practices and are formulated with a view towards application to large, internationally active banks and to supervisory and other relevant financial authorities in Basel Committee member jurisdictions. However, smaller banks and authorities in all jurisdictions can benefit from considering in a structured way the potential impact of adverse scenarios on their business, even if they are not using a formal stress testing framework but are instead using simpler methods. These principles are therefore intended to be applied on a proportionate basis, depending on the size, complexity and risk profile of the bank or banking sector for which the authority is responsible.

4.1.1.5 Operationalization of a sectoral countercyclical capital buffer

BCBS has issued the guidelines on operationalization of a Sectoral Countercyclical Capital Buffer (SCCyB). SCCyB is a useful complement to the Countercyclical Buffer (CCyB). While a bank's additional capital requirements following the activation of the CCyB depend on total risk-weighted assets, a SCCyB is a more targeted measure allowing national authorities to temporarily impose additional capital requirements that directly address the build-up of risk in a specific sector. The impact of a SCCyB would depend on a bank's exposure to a targeted credit segment (eg, residential real estate loans). Targeted tools such as the SCCyB may be effective to aid in building resilience early and in a specific manner, to more efficiently minimize unintended side effects, and may be used more flexibly than broad-based tools.

4.1.2 Initiatives by Financial Stability Board (FSB)³

4.2.2.1 Action Plan to assess and address the decline in correspondent banking

The decline in the number of correspondent banking relationships in many countries around the world remains a source of concern for the international community because, in affected jurisdictions, it may have an impact on the ability to send and receive international payments, or drive some payment flows underground, with potential adverse consequences on growth, financial inclusion and international trade. Hence, FSB has rolled out an action plan to assess and address the decline in correspondent banking. It's been monitoring the progress of the action plan so that the coordinated effort can be made more effective.

4.2.2.2 Regulatory Framework for haircuts on non-centrally cleared securities financing transactions

³ Source: FSB, <http://www.financialstabilityboard.org/>

In November 2019, FSB issued the updated regulatory framework for haircuts on non-centrally cleared securities financing transactions. In addition to recommendations on: (i) qualitative standards for methodologies used by market participants that provide securities financing to calculate haircuts on the collateral received; and (ii) a framework of numerical haircut floors that will apply to non-centrally cleared securities financing transactions in which financing against collateral other than government securities is provided to non-banks. This document also includes: (i) the implementation approach for applying the numerical haircut floors to non-bank-to-non-bank transactions; (ii) details of an enhanced monitoring of implementation of the framework through the FSB process; and (iii) the technical guidance on the implementation of the framework.

4.1.3 Initiatives by other authorities⁴

4.1.3.1 European Central Bank (ECB) publishes the cyber resilience oversight expectations

In December 2018, the European Central Bank (ECB) published the final cyber resilience oversight expectations for financial market infrastructures (FMIs). Cyber resilience is an important aspect of FMIs' operational resilience and is thus also a factor affecting the overall resilience of the financial system and the broader economy. The cyber resilience oversight expectations serve three key purposes:

- It provides FMIs with detailed steps on how to operationalize the guidance, ensuring they can foster improvements and enhance their cyber resilience over a sustained period;
- It provides overseers with clear expectations to assess FMIs under their responsibility; and
- It provides the basis for a meaningful discussion between the FMIs and their respective overseers.

4.1.3.2 Bank of England issues Model Risk Management Principles for Stress Testing

Bank of England's Prudential Regulation Authority (PRA)'s statement sets out the PRA's expectation as to the model risk management practices firms should adopt when using stress test models. It supports firms' development and implementation of policies and procedures to identify, manage and control the risks inherent in the use of stress test models.

This SS is relevant to PRA authorized banks, building societies and PRA-designated investment firms only. Credit unions are not in scope and there is currently no proposal to extend the principles to insurance and reinsurance firms.

Adopting a proportionate approach, the PRA expects the larger firms that participate in the Bank of England's (the Bank) annual concurrent stress testing to apply the principles contained in this SS in full, while firms not participating in the Bank's annual concurrent stress testing should apply the principles on a proportionate basis, taking into account their size, complexity, risk profile and the relevance to them of stress test models.

4.1.3.3 Reserve Bank of India makes External Benchmark Based Interest Rate mandatory for certain categories of loans

⁴Source: ECB, <https://www.ecb.europa.eu/pub/pubbydate/2018/html/index.en.html>
PRA, <http://www.bankofengland.co.uk/pr/Pages/default.aspx>

Since October 2019, Reserve Bank of India has mandated an external benchmark-based interest rate for specified categories of loans by all commercial banks. RBI acknowledged that, due to various reasons, the transmission of policy rate changes to the lending rate of banks under the current framework had not been satisfactory. So, issuing a circular, it required banks to link all new floating rate personal or retail loans and floating rate loans to MSMEs to an external benchmark. Bank has provided various options of external benchmark and has allowed banks to choose their spread over any of the listed benchmarks.

4.2 National Initiatives:

4.2.1 Credit rating related

NRB has mandated all commercial banks to get a rating from a national or international credit rating agency. Further, commercial banks are required to use the credit rating of the borrower as a basis for credit disbursement and renewal for the loans exceeding Rs.500 million. The Department examines the compliance of these provisions during onsite inspections.

4.2.2 MOU with other Supervisory Authorities

NRB has pursued the policy of signing Memorandum of Understanding (MOU) with other concerned supervisory bodies for cross border supervision in the context of Nepalese banks establishing their representative offices outside Nepal and foreign banks opening offices in Nepal. Till now, Nepal has signed MOU with China, India, Pakistan, and Bangladesh.

4.2.3 Supervisory Information System (SIS)

NRB has developed a Supervisory Information System (SIS) with the financial assistance of DFID to enhance the effectiveness of supervisory data collection and analysis. Its pilot testing for certain input forms has already gone live. Department aims to fully implement the system within fiscal year 2019/20.

4.2.4 Financial Soundness Indicators (FSIs)

NRB has started assessing the soundness of the banking industry based on 24 Financial Soundness Indicators. The Offsite Unit of BSD computes 12 Core Set and 12 Encouraged Set Indicators from the data received from Commercial Banks. The FSIs are published through the IMF's portal. NRB plans to periodically review and revise the indicators.

4.2.5 Merger and Acquisition (M&A)

NRB has adopted the policy of consolidating the financial sector through mergers and acquisitions (M&A). M&A took pace in Nepal after the banks were required to increase their paid-up capital by up to fourfold. A total of 171 BFIs have undergone through the process as of mid-July 2019. Out of these, the license of 128 institutions has been revoked thereby forming 43 institutions. NRB has also provided forbearances to encourage big merger between commercial banks.

4.2.6 Provincial Arrangement

The policy for adjusting the operating areas of the BFIs according to the provincial arrangement, other than those operating at the national level, has come into effect. The minimum paid-up capital requirement for development banks and finance companies operating outside the Kathmandu Valley in one particular province has been fixed Rs. 1.20 billion and Rs. 500 million respectively.

4.2.7 Go AML Software

NRB has developed Go AML Software and has mandated all the commercial banks to send their AML related reports through the software. To enhance the effectiveness of the system in preventing money laundering and combating the financing of terrorist activities, NRB is also planning on requiring the development banks and finance companies as well to upload their statements directly from their core banking system to the goAML software.

CHAPTER V

5 ISSUES AND CHALLENGES

This section outlines major issues observed in the banking industry and the challenges posed to the regulator and supervisor.

5.1 Issues:

5.1.1 Loanable Fund

A recurring issue arising in the Nepalese BFIs is the shortage of loanable funds following the mismatch between lending and deposit growth. Such shortage has led to unhealthy competition among BFIs and has kept the interest rate high. The causes of the loanable fund shortage include volatility in remittance inflows, lack of planning by bank management, limited access to global liquidity, insatiable demand for credit at the market interest rate, and delay in government expenditure.

5.1.2 Digital Finance

Lately, the Nepalese financial sector has been adopting financial technology to expand its services. Digital finance has made it easier and cheaper to expand the consumer base for financial services. But the digital finance also exposes less financially literate clients to greater risks. Hence, NRB has adopted the policy of balancing the need for risk management with not stifling innovation and growth in this area. It is important to maintain trust in the financial system while allowing fintech services to play a positive role in financial access and efficiency.

5.1.3 AML/CFT Compliance

Compliance with AML/CFT rules has been a major issue in the Nepalese financial sector in recent years. Failure to abide by AML related rules can result in various kinds of risks. NRB has issued AML/CFT related directive (Directive No.19), which supplement the Money Laundering Prevention Act and Rules. Board members and senior management officials have low awareness of the area. Bank staff are not adequately trained. Further, BFIs lack information systems to identify and monitor money laundering activities that are not conducted through banking channels.

5.1.4 Ever-greening of Risk Assets

Ever-greening of the risk assets has been another major issue in the Nepalese banking industry. The major chunk of the total risk assets of the industry is of revolving nature. On the other hand, banks have the practice of lending some short term loans on an ad-hoc basis as well as extending the maturity dates and renewing the facilities that ultimately help in meeting the debt-service need of the borrower. Nepalese banking industry has no practice of clean-ups for the revolving loans due to which the problems such as: maturity mismatch and ever-greening are still prevalent in the banks.

5.1.5 Risk Management in Banks

BSD has already fully implemented Risk-Based Supervision for the Commercial banks. The risk profiles of the banks are being prepared and updated. The onsite inspection reports reveal

that banks fall short of adopting recommendations outlined in the Risk Management Guidelines issued by NRB. Most of the risk management practices are found to be traditional, and effective risk management mechanisms are in early stages of development. While most banks have now formulated risk-related policies, their implementation has been weak because of poor risk culture. The tone of risk culture starts from the top-level, which includes the board and the senior management. However, board and senior management's oversight over risk management is noted to be weak and initiatives to develop and promote risk management culture in banks are still inadequate.

5.1.6 Quality of Human Resource

Now the Nepalese banking industry has become more complex with the development of new products and the adoption of advanced information and communication technology (ICT). Additionally, the international and national prudential norms, regulatory standards as well as risk management practices are also demanding proactive efforts from the bank management. This has resulted in the need for a competent skill set in the industry. It is crucial that BFIs adequately train and develop their employees.

5.1.7 Merger

As a part of its policy to consolidate the financial sector, NRB has taken various measures to encourage a merger between BFIs. NRB halted issuing new licenses to BFIs, introduced Merger and Acquisition Bylaws, and required mandatory paid-up capital requirements to trigger mergers among the BFIs. NRB has been successful in lowering the number of Class B and Class C banks. However, there were only a few mergers among Class A banks. NRB has announced forbearances for Class A and Class D banks taking part in merger with another Class A and Class D banks respectively.

5.1.8 Limits and Indicators

Limits and indicators play a crucial role in monitoring and controlling of risks. The indicators enable the managers to assess the direction of risk and expect the risk events. The responsible officials need to act timely in response to the indicators to minimize losses from risks. Likewise, risk limits help the management to keep the risk levels within the risk appetite set by the board. While regulatory limits act as safety valves and breach of such limits may invite penalties, the banks' limits act as a cushion to remain within banks' tolerance level. The observations from onsite inspections reveal that not enough limits and indicators are put in place by banks for effective monitoring and control.

5.2 Challenges:

5.2.1 Financial Access and Inclusion

The last few decades saw a rapid increase in the number of financial institutions and their branch network. However, the degree of financial access and inclusion is still not satisfactory. A survey done for National Financial Inclusion Roadmap a few years back revealed that only around 40% of adults are formally banked and another 21% use other formal products. Likewise, as per NRB's research report (2019), around 61% of the population have at least

one bank account. Poor financial and physical infrastructural facilities, lack of financial literacy and public awareness, viability and sustainability of microfinance financial institutions, and lack of coordinated efforts among the stakeholders are the major causes for a low level of financial inclusion.

5.2.2 Productive Sector Lending

As financial intermediaries, BFIs provide funds for entrepreneurs and other needy individuals and firms, thereby contributing to the country's economic growth. However, a large portion of the banks' credit has been channelled to unproductive sectors like real estate and trading businesses. While the directed lending policy introduced by NRB has led to some increase in funding toward productive sectors like Agriculture, Tourism, and Energy, it has been a challenge to significantly change the banks' loan portfolio as banks are attracted to lending to unproductive sectors for quicker and higher returns.

5.2.3 Good Governance

Good governance is key to the success of any organization. The failures of some financial institutions during the real estate bubble collapse of 2009/10 were primarily due to poor governance and risk management in banks. In order to address the issue of governance and risk management, efforts have been made to improve legislation and regulations related to corporate governance in financial institutions. Although issues such as composition and qualifications of the board members and term of the chief executive are addressed through amendment in BAFIA, key like separating bankers and businesspeople, and boards' oversight of senior management are yet to be implemented effectively.

5.2.4 Efficient Use of Supervisory Resources

NRB has limited supervisory resources to perform its supervisory function effectively. Under the Risk-based supervision approach, all the major risk areas are to be properly assessed and major issues are to be properly identified. Likewise, in addition to the full-scope and targeted inspections, special inspections need to be performed as necessary. Hence, it is a challenge for NRB to utilize its limited available supervisory resources efficiently for maximum benefit to the organization and the banking industry.

5.2.5 IT Risk supervision

In today's modern, competitive, and digitalized world, organizations have become increasingly reliant on IT systems. Nepalese banks have also been extensively using the IT system in the areas of Core Banking System, Management Information System, Payment System, and data management. Banks need to ensure that these IT systems are adequately secured and robust. IT losses can be huge and may even endanger the stability of the whole financial system, in addition to the soundness of the individual banks. NRB faces challenges to effectively supervise IT-related risks due to a lack of effective tools and experts. NRB is developing an IT Supervision Framework to address this challenge.

5.2.6 Effective Enforcement of Supervisory Directions

Effective enforcement function is important to ensure that banks are complying with the supervisory directions and are making necessary changes. Sometimes, banks make commitments for corrections at a later date. It has been a challenge for the department to

follow up on all the commitments made by banks and ensure that appropriate corrections are made on time, especially because of limited supervisory resources.

5.2.7 Onsite and Offsite Integration

The department conducts supervision of the commercial banks through both onsite inspections and offsite surveillance. However, there hasn't been adequate integration between the two functions. As a result, there is redundancy in supervisory functions. The same analyses are being performed by the offsite analysts and onsite inspectors. Further, inputs from offsite are not considered while developing the risk profile of individual banks. Currently, Offsite Manual is being prepared to facilitate integration which could help with more efficient use of supervisory resources. But full integration is still a challenge.

5.2.8 Coordination with other Regulators

Ensuring effective coordination between banking supervisors and other regulators of the financial sector remains a challenge. Supervisory effectiveness can be further enhanced through proper coordination among different regulators and the concerned authorities such as the Ministry of Finance (Government), Securities Board of Nepal (SEBON), Insurance Board, Credit Information Bureau (CIB), Debt Recovery Tribunal (DRT), and Credit Rating Agencies. With the growing complexity in the financial system, systemic risks are also building up due to which the need for coordination among regulators and policymakers is becoming a must.

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ANNEXURES

Annex-1: Growth of Financial Institutions (numbers)

Types of Financial Institutions	Mid-July													
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Commercial Banks	18	20	25	26	27	31	32	31	30	30	28	28	28	28
Development Banks	28	38	58	63	79	87	88	86	84	76	67	40	33	29
Finance Companies	70	74	78	77	79	79	69	59	53	48	42	28	25	23
Micro-finance Financial Institutions	11	12	12	15	18	21	24	31	37	38	42	53	65	90
Total	127	144	173	181	203	218	213	207	204	192	179	149	151	171

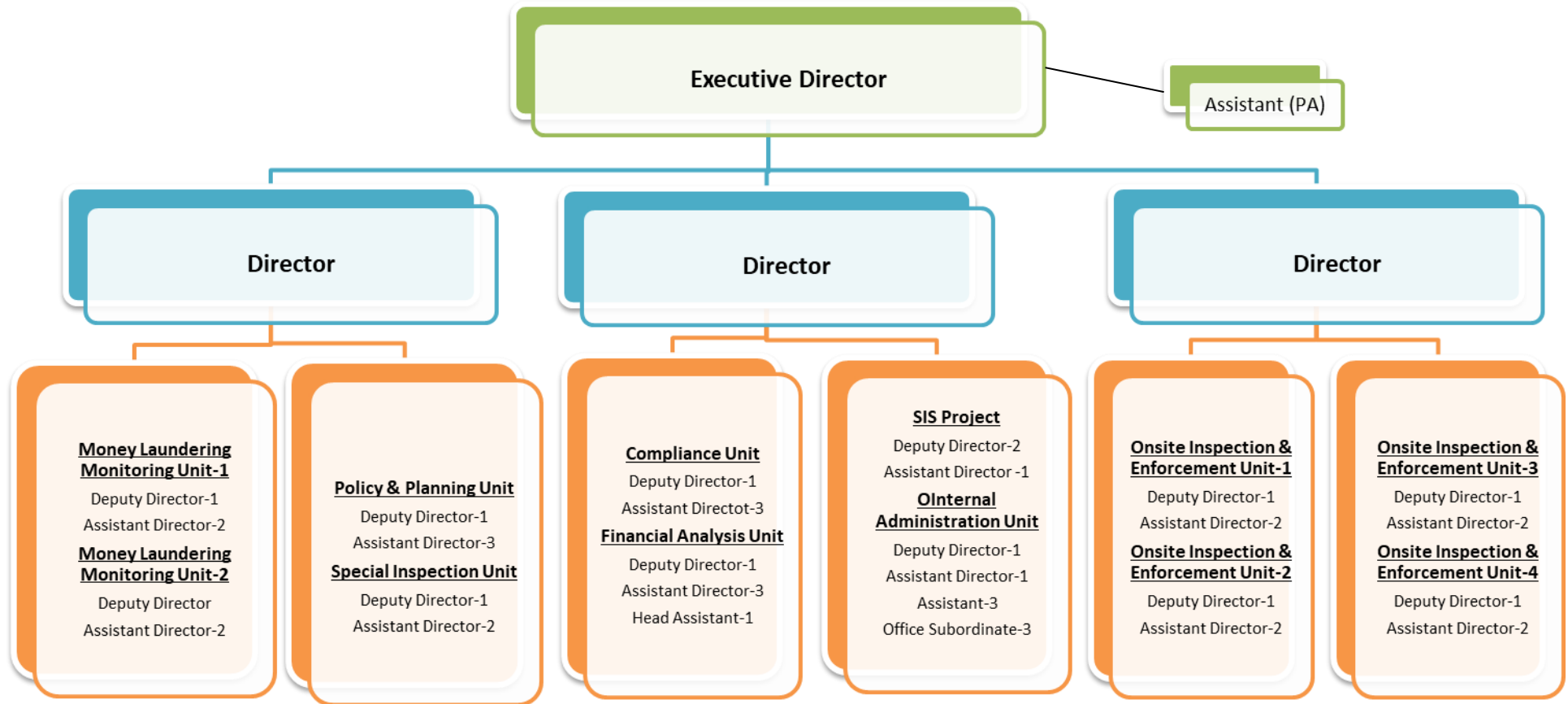
Source: Bank and Financial Institutions Regulation Department, NRB

Annex 2: Province-Wise Distribution of BFIs branches (as on FY ended 2018/19)

S. N.	Development Region	A	B	C
1	Province – 1	585	183	39
2	Province – 2	421	94	23
3	Province - 3 (Bagmati)	1238	335	78
4	Province - 4 (Gandaki)	396	253	28
5	Province – 5	530	317	30
6	Province - 6 (Karnali)	159	20	4
7	Province -7 (Sudur Paschim)	256	65	3
Total		3,585	1,267	205

Source: Bank and Financial Institutions Regulation Department, NRB

Annex 3: Organisation Chart of BSD



Annex 4: Onsite Inspections in FY 2018/19

A. Full-Scope Onsite Inspection

FY 2018/19				
SN	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1	Kumari Bank Ltd.	Sunrise Bank Ltd.	Janata Bank Ltd.	Nepal SBI Bank Ltd.
2	Bank Of Kathmandu Ltd.	Mega Bank Ltd.	NIC Asia Bank Ltd.	Century Com. Bank Ltd.
3	NMB Bank Ltd.	Prabhu Bank Ltd.	NCC Bank Ltd.	Rastriya Banijya Bank Ltd.
4			Civil Bank Ltd.	
5			Agriculture Dev. Bank Ltd	
6			Prime Com. Bank Ltd.	
7				
8				
9				

B. Targeted Onsite Inspection

FY 2018/19				
SN	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1	Global IME Bank Ltd.	Everest Bank Ltd.	Nepal Bank Ltd.	Machhapuchchhre Bank Ltd
2	Himalayan Bank Ltd.	Sanima Bank Ltd.	Citizen Bank Int. Ltd.	Nepal Bangladesh Bank Ltd
3		Laxmi Bank Ltd.	Nabil Bank Ltd.	Siddhartha Bank Ltd.
4		Standard Chartered Bank Ltd.		Nepal Investment Bank Ltd.
5				
6				

Annex 5: Circulars issued in FY 2018/19

SN	Name and Link to the Circular Issued to A, B & C Class Financial Institutions
1	Circular 01- Monetary Policy Related
2	Circular 02- Extension of time for Interim Financial Reporting
3	Circular 03- Earthquake Victim Refinance Related
4	Circular 04- Attachment Amendment to Unified Directive,2074
4.1	Circular 04- Unified Directive,2075
5	Circular 05- Earthquake Loan Interest Subsidy Related
6	Circular 06- Interest Subsidy on Subsidised Loan
7	Circular 07- Increment in Deposit Guarantee Limit
8	Circular 08- Changes in LTV Ratio of Vehicle
9	Circular 09- CCD & Interest Rate Spread Related
10	Circular 10- Attachment Risk Management Guidelines for Bank and Financial Institutions,2018
10.1	Circular 10- Risk Management Guidelines
11	Circular 11- Margin Lending, Stock Broker,Base Rate Related
12	Circular 12- Province wise Capital Structure Related
13	Circular 13- Promoter Share Conversion & Expansion of Work Area
14	Circular 14- Negotiable Interest Rate Related
15	Circular 15- Credit Information Related
16	Circular 16- Cooling Period and Spread Related
17	Circular 17- Pre-Approval Related
18	Circular 18- CSR and Refinance Related
19	Circular 19- Attachment to Interim Financial Report
20	Circular 20- Dormant Account and Deprived Sector Related
21	Circular 21- Margin Trading Related
22	Circular 22- Simplified Account Opening Procedure Related
23	Circular 23- Amendment in Directive & Byelaws
24	Circular 24- Fixed Deposit Related
25	Circular 25- Call Deposit Related
26	Circular 26- Extension Counter Related
27	Circular 27- Relaxation for Flood, Productive Sector & Management Fee Related

Annex 6: Capital adequacy ratios of Commercial Banks

S.No	Bank's name	Mid-July 2017		Mid-July 2018		Mid-July 2019	
		Capital					
		Core Capital	Total Capital Fund	Core Capital	Total Capital Fund	Core Capital	Total Capital Fund
1	Nepal Bank Limited	13.37%	14.47%	16.52%	17.58%	16.49%	17.41%
2	Rastriya Banijya Bank Limited	9.15%	10.39%	12.65%	14.02%	12.01%	13.19%
3	Nabil Bank Limited	11.21%	12.42%	11.99%	13.18%	11.58%	12.71%
4	Nepal Investment Bank Limited	11.58%	13.02%	12.17%	13.34%	11.74%	13.65%
5	Standard Chartered Bank Limited	19.58%	21.08%	22.12%	23.68%	18.52%	19.90%
6	Himalayan Bank Limited	10.93%	12.15%	11.95%	13.03%	11.77%	12.73%
7	Nepal SBI Bank Limited	13.53%	15.71%	13.51%	15.26%	12.63%	14.01%
8	Nepal Bangladesh Bank Limited	14.39%	15.10%	13.68%	14.36%	11.16%	13.75%
9	Everest Bank Limited	12.72%	14.69%	12.99%	14.56%	12.38%	13.75%
10	Bank of Kathmandu Limited	11.75%	13.88%	13.57%	15.05%	13.47%	14.58%
11	Nepal Credit and Commerce Bank Limited	11.49%	12.43%	10.44%	11.38%	13.22%	14.04%
12	NIC Asia Bank Limited	12.38%	13.83%	8.78%	12.37%	8.22%	13.28%
13	Machhapuchchhre Bank Limited	15.78%	16.82%	14.62%	15.60%	11.98%	12.88%
14	Kumari Bank Limited	13.56%	14.50%	12.99%	13.90%	11.20%	12.07%
15	Laxmi Bank Limited	12.43%	13.58%	11.55%	12.54%	10.33%	11.32%
16	Siddhartha Bank Limited	11.02%	12.74%	11.11%	12.43%	9.94%	12.49%
17	Agricultural Development Bank Nepal	18.61%	20.41%	19.16%	20.18%	19.29%	20.31%
18	Global IME Bank Limited	10.23%	11.37%	10.15%	11.67%	10.44%	12.31%
19	Citizens Bank International Limited	15.37%	16.88%	14.13%	15.48%	12.35%	13.19%
20	Prime Bank Limited	12.45%	13.28%	11.75%	12.53%	12.05%	12.78%
21	Sunrise Bank Limited	13.39%	14.47%	12.95%	13.93%	11.28%	13.14%
22	NMB Bank Limited	12.51%	13.79%	14.90%	15.88%	13.03%	15.32%
23	Prabhu Bank Limited	9.49%	11.22%	11.33%	12.66%	10.48%	11.58%
24	Janata Bank Limited	16.92%	17.98%	14.75%	15.70%	12.40%	13.33%
25	Mega Bank Limited	13.80%	14.80%	17.28%	18.35%	14.56%	15.48%
26	Civil Bank Limited	18.34%	19.50%	19.67%	20.65%	17.01%	17.97%
27	Century Commercial Bank Limited	13.91%	14.85%	15.28%	16.22%	13.30%	14.10%
28	Sanima Bank Limited	14.07%	15.57%	11.54%	12.90%	10.55%	13.11%

Annex 7: Special-Inspection of Commercial Banks in FY 2018/19

SN	Name of Bank	No. of Inspections
1	Siddhartha Bank Ltd.	2
2	Nabil Bank Ltd	2
3	Nepal Investment Bank Ltd.	2
4	Nepal Bangladesh Bank Ltd	2
5	Bank of Kathmandu Ltd.	1
6	Rastriya Banijya Bank Ltd.	1
7	Prime Commercial Bank Ltd.	1
Total		11

Annex 8: Seminars/ Programmes organized by the Department during FY 2018/19

S No.	Name of the Programme	Date and Venue
1.	One-day Workshop on Corporate Governance, AML CFT and Risk Management for Board Chairman and Members of Commercial Banks	2075/09/12; Hotel Yak and Yeti, Kathmandu.
2.	One-day Interaction Programme on Risk Management Issues with CEOs of Commercial Banks.	2076/03/20; Hotel Crown Imperial, Kathmandu.
3.	One-day Interaction Programme among the Officials of Supervision Departments on Contemporary Supervision related Issues.	2075/12/15; Yellow Pagoda Hotel, Kathmandu.

Annex 9: International Training/Seminar Participation from BSD in FY 2018/19

SN	Course	Organizer	Country	Person	Days
1	Risk Based Supervision	SEACEN	Combodia	3	6
2	Micro Stress Testing	IMF	Singapore	1	5
3	APG Regional pre-ME Workshop	Korea Financial Intelligence Unit	South Korea	1	3
4	SARTTAC course on Financial Sector Policies	RBI	India	1	5
5	Seminar on Stress Testing		France	1	5
6	Foundation Course on Bank Examiners	SEACEN	Papua New Guinea	2	6
7	FSI/EMEAP Regional Policy and Implementation Meeting on Early Intervention Frameworks		Malaysia	1	2
8	Practical Implementation of Risk-Based Supervision		India	2	5
9	Assessment of Corporate Credit Risk in a Central Bank		France	1	4
10	Assets Classification and Provisioning from Prudential and IFRS Perspectives	IMF	Singapore	1	5
11	International Programme on Banking Regulation	RBI	India	2	5
12	Financial Sector Surveillance	IMF	Singapore	1	12
13	Financial Stability and Macro-Prudential Regulation	RBI	India	1	4
14	FSI 20th Anniversary, A Cross sectorial Reflection on the past and looking ahead	Basel	Switzerland	1	2
15	On-Site Examination	SEACEN	Malaysia	1	4

16	Core Elements of Banking Supervision		India	3	5
17	Regional Workshop in Shanghai on Developing Accountability Mechanical Framework for Financial Intermediaries		China	1	2
18	Training on Supervision		U.S.A.	1	4
19	Technological Operation and Risk Management		Philippines	1	4
20	Risk Based Banking Supervision		Singapore	1	5
21	21st SEACENJ-FSI Conference of the Director of Supervision of Asia Pacific Economies and 32nd Meeting of the Directors of Supervision of SEACEN Members	SEACEN	Vietnam	1	2
22	Platform Economy and its Promise for Financial Inclusion		Malaysia	1	5
23	Fiscal Analysis and Forecasting		Singapore	1	12
24	Interest Rate Risk in the Banking Book and Market Risk		South Korea	1	3

Annex 10: Financial Figures of Banks

Annex 10: Financial Figures of Banks

Annex 10.1: Banking Operation

	Amount in Rs. Billion			Percentage Change	
	2016/17	2017/18	2018/19	2017/18	2018/19
Deposits					
Non-state Owned	1,678.90	2,014.18	2,363.75	19.52	17.36%
State Owned	335.40	367.97	426.12	9.71	15.80%
Total	2,014.306	2,328.14	2,789.87	18.26	19.83%
Loans and Advances					
Non State Owned	1,440.309	1,780.08	2,103.93	23.18	18.19%
State Owned	275.59	300.28	260.59	8.96	-13.22%
Total	1,715.89	2,080.83	2,364.51	21.27	13.63%
Assets					
Non State Owned	2,037.11	2,429.33	2,995.33	19.25	23.30%
State Owned	437.59	466.22	553.49	6.54	18.72%
Total	2,524.83	2,968.28	3,548.82	17.56	19.56%

Annex 10.2: Composition of Assets

Assets Category	2017/18 Amount in Rs. Mil	2018/19 Amount in Rs. Mil
Cash and Cash Equivalent	207,392	252,806
Due from NRB	188,109	195,296
Placements with BFIs	61,570	68,732
Loan and Advances to BFIs	120,560	91,041
Loans and advances to customers	1,960,279	2,391,117
Investment securities	296,379	365,124
Others	133,869	184,701
Total Assets	2,968,283	3,548,817

Annex 10.3: Composition of Liabilities and Equity

Particulars	2017/18 Amount in Rs. Mil	2018/19 Amount in Rs. Mil
Due to Bank and Financial Institutions	1,554,046	116,687
Deposits from customers	2,382,149	2,789,871
Share capital	218,380	252,260
Retained Earnings	35,622	47,718
Reserves	114,505	132,990
Others	141,883	209,291
Total	2,968,283	3,548,817

Annex 10.4: Capital Fund

Particulars / Years	Amount in Rs Billion			Percentage Change	
	2016/17	2017/18	2018/19	2017/18	2018/19
Private	255.61	310.44	368.89	19.62%	18.83%
Public	47.67	61.58	71.04	16.63%	15.37%
Industry	303.28	372.02	439.93	19.17%	18.25%

Annex 10.5: Deposit Mix

Particulars	Amount in Rs Billion			% Change	
	2016/17	2017/18	2018/19	2017/18	2018/19
Current	199.36	249.248	301.557	25.02	20.99%
Saving	703.03	811.668	901.298	15.45	11.04%
Fixed	879.14	1070.787	1307.032	21.80	22.06%
Other	311.91	339.81	368.915	8.94	8.57%
Total	2,093.44	2,471.51	2,878.802	18.06%	16.48%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.6 Loans and Advances

Particulars / Years	Amount in Rs Billion			Percentage Change	
	2016/17	2017/18	2018/19	2017/18	2018/19
State Owned Banks	275.59	300.28	354.83	8.96%	18.16%
Non-state Owned Banks	1,440.31	1,780.56	2,127.33	23.62%	19.48%
Total Banks	1,715.90	2,080.84	2,482.16	21.27%	19.29%

Annex 10.7 Non Performing Loans

Banks/ Year	Amount in Rs Billion		% change	
	2017/18	2018/19	2017/18	2018/19
Non-state Owned	18.248	24.2	1.07%	32.62%
State Owned	11.6	12.86	3.86%	10.83%
Industry	29.848	37.060	2.16%	24.16%

Annex 10.8 Non-Banking Assets

Banks/ Year	Amount in Rs Billions			% change	
	2016/17	2017/18	2018/19	2017/18	2018/19
Non-state Owned	2,415.24	2,199.86	4,424	-8.92%	101.10%
State Owned	509.23	384.59	471	-24.48%	22.47%
Industry	2,924.47	2,584.45	4,895	-11.63%	89.40%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.9: Investment Portfolios

Particulars	2018/19 Amount in Rs. Mil	
Nepal Government	355,204	66.42%
NRB Bonds	-	-
Shares & Debenture	31,407	5.87%
Interbank Investment	38,807	7.26%
Fixed Deposit Investment	6,803	1.27%
Other Investment	101,246	18.93%
Non Residents, Gold, Real Estate	1,294	0.24%
Total Investments	534,761	100%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.10: Operating Efficiency

Particulars/ Year	Amount in Rs Billion			
	2017/18		2018/19	
	State Owned	Non State Owned	State Owned	Non State Owned
Interest Income	34.93	199.42	41.06	263.41
Net Interest Income	22.14	76.21	24.03	103.44
Operating Profit	14.32	57.56	16.79	74.19
Net Income	10.32	40.63	12.12	51.68

Annex 10.11: Net Interest Spread

Banks/Year	2016/17	2017/18	2018/19
Non State Owned	3.57%	4.43%	3.85%
State Owned	5.12%	5.13%	5.48%
Industry	3.73%	4.50%	4.09%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.12: Liquid Assets to Total Deposit

Particulars / Year	Amount in Rs Billion		
	2016/17	2017/18	2018/19
Liquid Assets	559	652	699
Total Deposit	2,093	2,382	2,879
Liquid Assets/ Total Deposit	26.69%	27.37%	23.89%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.13 Liquid Assets to Total Assets

Particulars / Year	Amount in Rs Billion		
	2016/17	2017/18	2018/19
Liquid Assets	559	652	699
Total Assets	2,477	2,968	3,660
Liquid Assets/Total Assets	22.55%	21.97%	19.12%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.14 Deprived Sector Lending of Commercial Banks

S.N.	BANKS	Amount in Rs. Million				
		6 Months prior Loan & Advances	Required Lending in Deprive Sector (5%)	Actual Lending in Deprive Sector		Excess / Shortfall
		Amount	Amount	%	Amount	Amount
1	NBL	87,186	4359.3	9.48%	8,262	4.48%
2	RBB	134,111	6705.55	5.14%	6,900	0.14%
3	NABIL	128,087	6404.35	5.91%	7,564	0.91%
4	NIBL	130,314	6515.7	5.21%	6,792	0.21%
5	SCB	50,838	2541.9	5.41%	2,752	0.41%
6	HBL	99,535	4976.75	5.26%	5,239	0.26%
7	NSBI	90,482	4524.1	5.82%	5,269	0.82%
8	NBB	50,164	2508.2	5.95%	2,985	0.95%
9	EBL	102,643	5132.15	7.90%	8,112	2.90%
10	BOKL	75,544	3777.2	5.47%	4,132	0.47%
11	NCC	59,974	2998.7	5.33%	3,196	0.33%
12	NIC Asia	148,988	7449.4	9.52%	14,189	4.52%
13	MBL	74,875	3743.75	5.24%	3,922	0.24%
14	Kumari	71,188	3559.4	5.47%	3,894	0.47%
15	Laxmi	70,775	3538.75	6.78%	4,801	1.78%
16	SBL	97,573	4878.65	6.94%	6,772	1.94%
17	ADBL	106,848	5342.4	5.51%	5,891	0.51%
18	Global	103,553	5177.65	5.39%	5,579	0.39%
19	Citizens	61,222	3061.1	5.74%	3,511	0.74%
20	Prime	73,547	3677.35	5.17%	3,802	0.17%
21	Sunrise	68,050	3402.5	5.17%	3,518	0.17%
22	NMB	85,779	4288.95	5.43%	4,658	0.43%
23	Prabhu	87,965	4398.25	5.47%	4,814	0.47%
24	Janata	63,608	3180.4	5.14%	3,272	0.14%
25	Mega	65,926	3296.3	6.97%	4,596	1.97%
26	Civil	44,097	2204.85	5.98%	2,635	0.98%
27	Century	59,615	2980.75	5.09%	3,037	0.09%
28	Sanima	77,602	3880.1	5.34%	4,142	0.34%
Grand Total		2,370,090	118,504.5	6.09%	144,237	1.09%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 10.15: Productive Sector Lending in Commercial Banks (In Rs. mil)

Industry/Sector	Outstanding Loan Amount	Percentage of Total Outstanding Loans
Agriculture	220,978	9.32%
Energy	113,277	3.12%
Tourism	106,589	3.30%

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 11: Financial Details of Commercial Banks

1. Nepal Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	5,489.37	5,780.88	10,418.97
Due from Nepal Rastra Bank	13,388.54	6,283.66	10,178.32
Placement with Bank and Financial Institutions	3,074.02	2,965.49	5,427.68
Derivative financial instruments	40.72	18.63	5,594.62
Other trading assets	-	-	-
Loan and advances to B/FIs	2,167.57	2,739.47	3,303.28
Loans and advances to customers	71,018.22	75,556.51	92,421.64
Investment securities	16,119.50	16,247.77	16,425.73
Current tax assets	590.47	521.83	991.50
Investment in subsidiaries	-	-	-
Investment in associates	-	-	-
Investment property	120.18	87.01	113.31
Property and equipment	11,546.83	11,638.33	11,828.22
Goodwill and Intangible assets	16.80	14.24	25.99
Deferred tax assets	-	-	-
Other assets	6,653.91	11,613.37	14,786.38
TOTAL ASSETS	130226.1188	133467.201	171,515.65
Due to Bank and Financial Institutions	115.21	290.65	1,074.50
Due to Nepal Rastra Bank	-	34.52	41.84
Derivative financial instruments	-	-	5,504.43
Deposits from customers	89,294.81	99,540.73	117,200.79
Borrowing	-	109.50	950.00
Current Tax Liabilities	-	-	-
Provisions	161.84	63.28	131.44
Deferred tax liabilities	4,323.86	3,226.45	3,650.97
Other liabilities	8,727.40	7,230.07	13,680.34
Debt securities issued	-	-	-
Subordinated Liabilities	-	-	-
Equity			
Share capital	8,042.66	8,042.66	9,811.15
Share premium	132.84	132.84	3,262.81
Retained earnings	(2,234.91)	(437.19)	2,895.69
Reserves	17,133.45	15,233.69	13,311.68
TOTAL EQUITY AND LIABILITIES	130,226.12	133,467.20	171,515.65
Interest Income	7431.93	9229.44	10,375.69
Interest Expenses	1728.36	2841.69	4,186.15

Net Interest Income	5703.57	6387.75	6,189.54
Fee and commission income	723.13	983.02	1,039.34
Fee and commission expense	68.92	76.76	45.36
Net Fee and commission income	654.21	906.26	993.98
Net Interest, Fee and commission income	6357.78	7294.01	7,183.52
Net trading income	144.78	207.28	342.41
Other operating income	-340.37	18.89	210.78
Total operating income	6162.18	7520.18	7,736.72
Impairment charge/(reversal) for loans and other losses	359.06	-86.34	477.10
Net operating income	5803.12	7606.52	7,259.61
Personnel expenses	2167.75	2148.83	2,077.40
Other operating expenses	615.22	511.32	549.79
Depreciation & Amortisation	92.41	97.59	122.37
Operating Profit	2927.75	4848.78	4,510.05
Non operating income	341.02	81.89	101.61
Non operating expense	0.39	0.20	-
Profit before income tax	3268.37	4930.48	4,611.66
Income Tax Expense			
Current Tax	1336.21	1479.49	1,080.43
Deferred Tax	185.04	235.30	934.49
Profit/Loss for the period	1747.12	3215.68	2,596.74

2. Rastriya Banijya Bank	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	21943.19	28333.12	27,028.52
Due from Nepal Rastra Bank	14806.65	9645.49	15,772.41
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	-	-	-
Other trading assets	-	-	-
Loan and advances to B/FIs	3590.48	4045.98	4,554.44
Loans and advances to customers	105629.79	117414.16	144,454.64
Investment securities	23856.18	24469.66	21,136.97
Current tax assets	1667.25	624.46	1,882.58
Investment in subsidiaries	100.00	200.00	200.00
Investment in associates	108.81	230.09	202.01
Investment property	76.94	57.27	114.81
Property and equipment	687.85	919.04	1,068.69
Goodwill and Intangible assets	4.57	23.73	53.85
Deferred tax assets	0.00	1102.28	341.10

Other assets	6602.99	10266.70	13,707.61
TOTAL ASSETS	179074.72	197332.00	230,517.62
Due to Bank and Financial Institutions	7514.53	5291.53	7,953.35
Due to Nepal Rastra Bank	16.97	92.97	352.04
Derivative financial instruments	0.00	0.00	-
Deposits from customers	146587.04	164210.30	190,031.47
Borrowing	163.88	171.50	60.49
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	454.45	-	-
Other liabilities	11700.72	8494.93	8,577.78
Debt securities issued	-	-	-
Subordinated Liabilities	-	-	-
Equity			
Share capital	8588.97	9004.80	9,004.79
Share premium	-	-	-
Retained earnings	789.28	-3936.37	800.94
Reserves	3258.88	14002.35	13,736.75
TOTAL EQUITY AND LIABILITIES	179074.72	197332.00	230,517.62
Interest Income	9220.78	12097.66	15204.45
Interest Expenses	1909.49	2983.43	4974.94
Net Interest Income	7311.29	9114.23	10229.51
Fee and commission income	1142.34	1233.82	1453.28
Fee and commission expense	187.25	183.71	141.05
Net Fee and commission income	955.09	1050.11	1312.23
Net Interest, Fee and commission income	8266.38	10164.34	11541.74
Net trading income	131.81	58.90	69.35
Other operating income	-68.10	-23.99	120.58
Total operating income	8330.09	10199.25	11731.67
Impairment charge/(reversal) for loans and other losses	594.05	1293.05	452.42
Net operating income	7736.04	8906.20	11279.24
Personnel expenses	2967.38	3132.45	3119.08
Other operating expenses	721.87	783.52	1042.66
Depreciation & Amortisation	111.07	252.66	183.56
Operating Profit	3935.72	4737.57	6933.94
Non operating income	238.36	222.67	154.74
Non operating expense	21.98	9.16	0.63
Profit before income tax	4152.10	4951.08	0
Income Tax Expense			

Current Tax	893.26	2455.71	968.8
Deferred Tax	355.13	-1163.90	790.88
Profit/Loss for the period	2903.71	3659.27	5328.37

3. Nabil Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	7,167.16	7,952.35	12,479.70
Due from Nepal Rastra Bank	5,924.57	7,372.28	6,191.83
Placement with Bank and Financial Institutions	20,514.70	10,160.28	11,078.73
Derivative financial instruments	32.66	-	8,539.06
Other trading assets	-	-	-
Loan and advances to B/FIs	3,322.32	4,565.79	6,058.49
Loans and advances to customers	89,149.02	109,059.36	127,500.24
Investment securities	15,318.13	18,388.08	25,303.07
Current tax assets	52.98	246.38	137.52
Investment in subsidiaries	78.00	78.00	78.00
Investment in associates	40.00	40.00	80.00
Investment property	-	8.22	8.22
Property and equipment	790.96	986.26	1,051.79
Goodwill and Intangible assets	61.41	50.33	41.40
Deferred tax assets	-	-	-
Other assets	1,565.93	2,070.72	2,590.77
TOTAL ASSETS	144,017.86	160,978.07	201,138.82
Due to Bank and Financial Institutions	4,504.66	1,168.66	1,419.04
Due to Nepal Rastra Bank	13.39	32.52	88.47
Derivative financial instruments	-	53.84	8,335.07
Deposits from customers	117,436.36	134,810.67	162,953.99
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	1,041.89	1,009.76	851.54
Other liabilities	4,022.38	3,256.26	4,302.10
Debt securities issued	300.00	60.00	-
Subordinated Liabilities	-	-	-
Equity			
Share capital	8,043.22	8,043.22	9,011.85
Share premium	0.07	0.07	0.07
Retained earnings	933.25	3,254.81	3,735.33
Reserves	7,722.64	9,288.25	10,441.36
TOTAL EQUITY AND LIABILITIES	144,017.86	160,978.07	201,138.82
Interest Income	8168.87	11349.87	15,243.80
Interest Expenses	2606.09	5087.81	8,084.53
Net Interest Income	5562.78	6262.06	7,159.25
Fee and commission income	950.72	1053.29	1,291.01

Fee and commission expense	15.35	21.91	64.46
Net Fee and commission income	935.37	1031.38	1,226.54
Net Interest, Fee and commission income	6498.15	7293.44	8,385.80
Net trading income	321.60	390.65	448.34
Other operating income	485.55	558.80	494.67
Total operating income	7305.30	8242.89	9,328.81
Impairment charge/(reversal) for loans and other losses	-12.41	175.86	405.17
Net operating income	7317.71	8067.03	8,923.64
Personnel expenses	1423.14	1727.71	1,949.61
Other operating expenses	535.46	562.44	777.20
Depreciation & Amortisation	101.52	123.92	170.17
Operating Profit	5257.59	5652.96	6,026.65
Non operating income	16.15	11.19	17.01
Non operating expense	4.89	6.81	2.34
Profit before income tax	5268.85	5657.34	6,041.32
Income Tax Expense	-	-	-
Current Tax	1537.76	1682.47	1,810.17
Deferred Tax	28.70	-7.02	(7.71)
Profit/Loss for the period	3702.38	3981.89	4,238.85

4. Nepal Investment Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	11,539.08	10,610.89	13,520.57
Due from Nepal Rastra Bank	6,360.97	7,389.71	10,860.92
Placement with Bank and Financial Institutions	12,613.47	10,246.40	8,498.97
Derivative financial instruments	117.35	30.86	436.89
Other trading assets	-	-	-
Loan and advances to B/FIs	2,158.46	2,502.93	4,274.42
Loans and advances to customers	103,418.05	118,322.57	122,866.55
Investment securities	14,477.69	17,154.38	16,973.47
Current tax assets	149.97	346.85	501.18
Investment in subsidiaries	201.35	238.16	171.50
Investment in associates	33.29	33.29	82.36
Investment property	54.44	16.56	214.09
Property and equipment	3,533.96	3,727.97	4,042.46
Goodwill and Intangible assets	62.41	61.46	90.63
Deferred tax assets	-	-	-
Other assets	640.86	1,211.52	3,307.98
TOTAL ASSETS	155,361.35	171,893.55	185,841.99
Due to Bank and Financial Institutions	6,989.63	3,742.41	2,790.96
Due to Nepal Rastra Bank	-	505.85	940.27

Derivative financial instruments	-	-	-
Deposits from customers	118,921.05	136,585.58	149,392.28
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	1,332.97	868.93	865.21
Other liabilities	2,410.74	4,069.77	3,024.07
Debt securities issued	1,550.00	1,250.00	3,250.00
Subordinated Liabilities			-
Equity	24,156.97	24,871.02	25,579.20
Share capital	9,240.38	10,645.60	12,869.75
Share premium	1,718.45	1,718.45	105.65
Retained earnings	5,102.45	2,735.03	2,064.66
Reserves	8,095.69	9,771.94	10,539.14
TOTAL EQUITY AND LIABILITIES	155,361.35	171,893.55	185,841.99
Interest Income	9440.73	13574.10	14975.21
Interest Expenses	4464.55	7723.92	8801.71
Net Interest Income	4976.17	5850.18	6173.51
Fee and commission income	1343.25	1429.75	1442.87
Fee and commission expense	188.98	211.92	339.74
Net Fee and commission income	1154.26	1217.83	1103.13
Net Interest, Fee and commission income	6130.44	7068.01	7276.64
Net trading income	617.68	654.48	890.84
Other operating income	144.19	208.30	180.33
Total operating income	6892.30	7930.79	8347.81
Impairment charge/(reversal) for loans and other losses	385.34	675.21	1596.61
Net operating income	6506.96	7255.58	6751.2
Personnel expenses	1130.51	1467.84	1546.16
Other operating expenses	534.03	641.03	854.24
Depreciation & Amortisation	161.54	187.80	217.42
Operating Profit	4680.88	4958.92	4133.37
Non operating income	734.25	48.28	650.92
Non operating expense	3.87	66.98	297.76
Profit before income tax	5411.26	4940.22	4486.53
Income Tax Expense			
Current Tax	1371.12	1464.51	1153.11
Deferred Tax	47.80	-183.61	9.31
Profit/Loss for the period	3992.34	3659.32	3324.11

5. Standard Chartered Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	22397.73	22048.33	12,626.99
Due from Nepal Rastra Bank	3784.68	3982.46	2,454.91
Placement with Bank and Financial Institutions	6190.80	4831.20	9,902.70
Derivative financial instruments	8.74	9.21	43.34
Other trading assets	0.00	0.00	-
Loan and advances to B/FIs	1610.45	2134.85	2,541.47
Loans and advances to customers	38433.87	44561.33	53,092.12
Investment securities	4810.68	4660.99	11,535.16
Current tax assets	613.93	936.87	50.08
Investment in subsidiaries	0.00	0.00	-
Investment in associates	0.00	0.00	-
Investment property	0.00	0.00	-
Property and equipment	102.92	115.90	147.74
Goodwill and Intangible assets	0.00	0.00	-
Deferred tax assets	0.00	75.55	71.80
Other assets	402.22	674.87	797.90
TOTAL ASSETS	78356.01	84031.55	93,264.18
Due to Bank and Financial Institutions	4178.28	326.71	505.84
Due to Nepal Rastra Bank	0.00	0.00	-
Derivative financial instruments	0.00	0.00	-
Deposits from customers	59694.61	67061.05	75,731.53
Borrowing	0.00	0.00	-
Current Tax Liabilities	595.51	976.57	-
Provisions	148.73	120.68	42.38
Deferred tax liabilities	46.96	0.00	-
Other liabilities	1312.13	1621.05	2,057.37
Debt securities issued	0.00	0.00	-
Subordinated Liabilities	0.00	0.00	-
Equity			
Share capital	4005.72	8011.43	8,011.43
Share premium	3044.19	0.00	-
Retained earnings	1532.39	1403.04	1,807.88
Reserves	3797.50	4511.03	5,107.77
TOTAL EQUITY AND LIABILITIES	78356.01	84031.55	93,264.18
Interest Income	3191.88	4940.67	6,500.04
Interest Expenses	863.46	1642.64	2,978.18
Net Interest Income	2328.42	3298.03	3,521.86

Fee and commission income	520.17	724.40	873.84
Fee and commission expense	50.34	60.64	45.10
Net Fee and commission income	469.83	663.76	828.75
Net Interest, Fee and commission income	2798.25	3961.79	4,350.61
Net trading income	512.24	594.27	729.05
Other operating income	106.42	124.50	131.95
Total operating income	3416.91	4680.56	5,211.61
Impairment charge/(reversal) for loans and other losses	-19.58	74.89	88.24
Net operating income	3436.49	4605.67	5,123.37
Personnel expenses	771.62	997.88	1,084.36
Other operating expenses	464.83	564.32	525.70
Depreciation & Amortisation	26.28	26.01	35.70
Operating Profit	2173.76	3017.46	3,477.63
Non operating income	8.08	4.03	-
Non operating expense	0.00	0.00	2.95
Profit before income tax	2181.84	3021.49	3,474.68
Income Tax Expense	-	-	-
Current Tax	595.51	976.68	1,022.94
Deferred Tax	36.34	-145.08	17.07
Profit/Loss for the period	1549.99	2189.90	2,434.66

6. Himalayan Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	4,734.34	4,741.36	4,658.55
Due from Nepal Rastra Bank	6,141.15	5,159.26	4,883.54
Placement with Bank and Financial Institutions	6,272.03	4,989.52	5,231.24
Derivative financial instruments	42.24	33.44	127.14
Other trading assets	-	-	-
Loan and advances to B/FIs	3,326.43	3,685.22	4,772.75
Loans and advances to customers	74,471.81	82,474.99	92,697.32
Investment securities	9,648.80	11,654.17	16,466.20
Current tax assets	28.11	154.31	224.95
Investment in subsidiaries	-	-	200.00
Investment in associates	195.79	195.79	195.79
Investment property	233.38	2.30	109.13
Property and equipment	2,175.89	2,222.68	2,391.83
Goodwill and Intangible assets	76.03	85.85	117.68
Deferred tax assets	-	-	-
Other assets	717.25	1,063.41	1,075.02

TOTAL ASSETS	108,063.25	116,462.30	133,151.14
Due to Bank and Financial Institutions	586.66	754.25	3,702.92
Due to Nepal Rastra Bank	-	-	560.81
Derivative financial instruments	-	9.11	6.54
Deposits from customers	92,334.45	98,988.79	109,387.06
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	233.38	2.30	-
Deferred tax liabilities	123.27	131.26	98.84
Other liabilities	1,834.35	1,814.33	2,777.02
Debt securities issued	623.00	623.36	623.15
Subordinated Liabilities	-	-	-
Equity			
Share capital	6,491.62	8,114.53	8,520.26
Share premium	-	-	-
Retained earnings	2,508.02	1,500.41	2,171.15
Reserves	3,328.50	4,523.96	5,303.39
TOTAL EQUITY AND LIABILITIES	108,063.25	116,462.30	133,151.14
Interest Income	7106.68	9724.87	11625.42
Interest Expenses	3173.33	5403.05	6594.07
Net Interest Income	3933.34	4321.82	5031.35
Fee and commission income	784.75	772.04	821.31
Fee and commission expense	52.56	64.24	65.07
Net Fee and commission income	732.20	707.80	756.24
Net Interest, Fee and commission income	4665.54	5029.62	5787.58
Net trading income	607.85	718.90	718.16
Other operating income	86.40	104.85	175.12
Total operating income	5359.78	5853.38	6680.86
Impairment charge/(reversal) for loans and other losses	-108.19	679.92	133.62
Net operating income	5467.98	5173.46	6547.23
Personnel expenses	1407.14	1322.25	1638.13
Other operating expenses	612.70	694.27	796.69
Depreciation & Amortisation	184.91	168.28	170.19
Operating Profit	3263.24	2988.67	3942.21
Non operating income	14.69	309.53	49.33
Non operating expense	23.33	533.01	58.38
Profit before income tax	3254.60	2765.18	3933.16
Income Tax Expense			
Current Tax	947.10	877.61	1192.12

Deferred Tax	25.73	11.96	-22.81
Profit/Loss for the period	2281.77	1875.61	2763.85

7. Nepal SBI Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	8,803.47	10,480.24	8,243.37
Due from Nepal Rastra Bank	7,313.02	5,647.35	9,309.36
Placement with Bank and Financial Institutions	10,361.55	-	-
Derivative financial instruments	-	-	122.89
Other trading assets	23.01	20.40	23.77
Loan and advances to B/FIs	2,298.51	2,872.20	4,258.39
Loans and advances to customers	61,822.04	72,363.66	84,386.34
Investment securities	7,837.09	8,646.15	9,269.82
Current tax assets	171.84	219.49	261.70
Investment in subsidiaries	100.00	188.89	188.89
Investment in associates	-	-	-
Investment property	-	-	-
Property and equipment	739.49	843.97	941.03
Goodwill and Intangible assets	2.05	4.53	3.93
Deferred tax assets	97.32	236.21	315.10
Other assets	381.47	1,015.58	989.64
TOTAL ASSETS	99,950.85	102,538.67	118,314.23
Due to Bank and Financial Institutions	6,155.39	2,709.59	2,270.00
Due to Nepal Rastra Bank	-	-	761.43
Derivative financial instruments	-	6.81	-
Deposits from customers	80,818.82	84,227.33	97,924.44
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	1,436.90	1,793.84	2,203.91
Debt securities issued	1,000.00	1,000.00	1,000.00
Subordinated Liabilities	-	-	-
Equity			
Share capital	6,924.89	8,046.91	8,449.25
Share premium	-	381.76	-
Retained earnings	1,144.99	1,218.77	1,853.74
Reserves	2,469.86	3,153.67	3,851.46
TOTAL EQUITY AND LIABILITIES	99,950.85	102,538.67	118,314.23

Interest Income	5,991.66	9,069.78	11276.81
Interest Expenses	2,994.48	4,924.81	6571.72
Net Interest Income	2,997.18	4,144.97	4705.08
Fee and commission income	850.31	912.86	993.64
Fee and commission expense	73.93	84.66	89.92
Net Fee and commission income	776.38	828.20	903.72
Net Interest, Fee and commission income	3,773.56	4,973.17	5608.8
Net trading income	202.78	233.51	306.27
Other operating income	21.86	42.88	19.29
Total operating income	3,998.20	5,249.56	5934.36
Impairment charge/(reversal) for loans and other losses	129.46	272.27	146.62
Net operating income	3,868.74	4,977.29	5787.75
Personnel expenses	957.61	1,375.42	1618.61
Other operating expenses	577.28	703.07	880.73
Depreciation & Amortisation	113.97	137.13	164.52
Operating Profit	2,219.88	2,761.67	3123.89
Non operating income	20.91	38.87	196.08
Non operating expense	-	-	3.75
Profit before income tax	2,240.79	2,800.54	3316.22
Income Tax Expense			
Current Tax	686.99	942.06	1072.17
Deferred Tax	(10.89)	(165.03)	48.48
Profit/Loss for the period	1,564.69	2,023.51	2292.52

8. Nepal Bangladesh Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	1,837.23	3,706.00	2,613.36
Due from Nepal Rastra Bank	8,978.96	6,890.13	6,762.11
Placement with Bank and Financial Institutions	3,393.27	2,259.78	3,535.63
Derivative financial instruments	29.38	30.81	31.23
Other trading assets	97.24	93.21	95.22
Loan and advances to B/FIs	1,306.90	1,380.57	1,768.83
Loans and advances to customers	36,178.23	40,878.52	52,729.58
Investment securities	4,578.10	4,766.33	5,923.67
Current tax assets	49.89	61.03	26.99
Investment in subsidiaries	-	200.00	200.00
Investment in associates	-	-	-
Investment property	23.20	87.83	346.44
Property and equipment	237.93	371.54	1,502.20

Goodwill and Intangible assets	2.59	23.84	20.43
Deferred tax assets	34.64	22.31	6.39
Other assets	260.65	605.25	2,562.48
TOTAL ASSETS	57,008.22	61,377.14	78,124.56
Due to Bank and Financial Institutions	515.75	-	-
Due to Nepal Rastra Bank	1,078.28	333.99	745.79
Derivative financial instruments	-	-	-
Deposits from customers	43,860.31	48,052.95	59,827.53
Borrowing	-	-	329.10
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	753.26	1,252.65	2,780.66
Debt securities issued	-	-	1,992.98
Subordinated Liabilities	-	-	-
Equity			
Share capital	7,219.06	8,088.30	8,088.30
Share premium	-	-	-
Retained earnings	1,414.87	941.46	1,039.76
Reserves	2,166.69	2,707.79	3,320.44
TOTAL EQUITY AND LIABILITIES	57,008.22	61,377.14	78,124.56
Interest Income	3671.25	5427.43	6938.71
Interest Expenses	2129.55	3456.81	4024.37
Net Interest Income	1541.70	1970.62	2914.33
Fee and commission income	983.26	935.87	1018.84
Fee and commission expense	34.90	36.99	47.93
Net Fee and commission income	948.37	898.88	970.91
Net Interest, Fee and commission income	2490.07	2869.50	3885.24
Net trading income	141.38	157.89	228.8
Other operating income	22.66	40.25	93.71
Total operating income	2654.10	3067.63	4207.75
Impairment charge/(reversal) for loans and other losses	27.03	298.88	357.49
Net operating income	2627.07	2768.75	3850.26
Personnel expenses	620.08	755.66	1015.22
Other operating expenses	301.09	340.73	394.08
Depreciation & Amortisation	51.09	72.28	101.42
Operating Profit	1654.81	1600.08	2339.53
Non operating income	39.78	16.76	25.53
Non operating expense	10.03	6.70	3.88

Profit before income tax	1684.56	1610.14	2361.18
Income Tax Expense			
Current Tax	479.74	494.78	708.35
Deferred Tax	5.12	-28.67	33.31
Profit/Loss for the period	1199.70	1144.04	1619.52

9. Everest Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	8,667.84	10,065.42	7,759.12
Due from Nepal Rastra Bank	14,577.08	18,938.75	23,304.57
Placement with Bank and Financial Institutions	3,350.75	3,291.00	548.50
Derivative financial instruments	-	-	1,486.22
Other trading assets	-	-	-
Loan and advances to B/FIs	3,291.10	4,254.68	7,362.98
Loans and advances to customers	75,695.62	89,927.57	104,644.20
Investment securities	7,652.70	15,292.31	21,434.20
Current tax assets	17.59	10.92	75.09
Investment in subsidiaries	-	-	-
Investment in associates	199.95	259.67	314.44
Investment property	7.34	2.20	21.04
Property and equipment	1,663.29	1,862.23	2,116.00
Goodwill and Intangible assets	7.17	12.93	37.77
Deferred tax assets	-	-	-
Other assets	1,815.83	893.47	973.41
TOTAL ASSETS	116,946.28	144,811.15	170,077.53
Due to Bank and Financial Institutions	1,074.61	916.08	609.22
Due to Nepal Rastra Bank	14.76	26.71	1,206.07
Derivative financial instruments	-	0.02	1,446.39
Deposits from customers	94,091.89	115,511.71	129,568.15
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	181.65	77.26	92.88
Other liabilities	7,307.01	11,076.02	18,460.92
Debt securities issued	1,068.85	1,068.85	1,068.85
Subordinated Liabilities	-	-	-
Equity			
Share capital	5,741.10	8,106.86	8,106.86
Share premium	-	238.47	238.47

Retained earnings	2,497.05	1,739.04	2,324.15
Reserves	4,969.36	6,050.14	6,955.58
TOTAL EQUITY AND LIABILITIES	116,946.28	144,811.15	170,077.53
Interest Income	6816.04	10103.45	13019.44
Interest Expenses	3009.79	5233.69	7320.85
Net Interest Income	3806.25	4869.76	5698.59
Fee and commission income	848.34	945.38	1025.00
Fee and commission expense	107.41	123.29	133.61
Net Fee and commission income	740.92	822.09	891.39
Net Interest, Fee and commission income	4547.17	5691.85	6589.99
Net trading income	155.72	195.90	306.92
Other operating income	97.63	92.64	99.54
Total operating income	4800.52	5980.39	6996.45
Impairment charge/(reversal) for loans and other losses	40.48	132.12	136.76
Net operating income	4760.04	5848.28	6859.69
Personnel expenses	1163.48	1492.67	1653.30
Other operating expenses	492.21	584.53	726.83
Depreciation & Amortisation	83.08	85.37	127.44
Operating Profit	3021.26	3685.70	4352.12
Non operating income	0.00	0.00	0.00
Non operating expense	0.10	3.61	4.34
Profit before income tax	3021.16	3682.09	4347.78
Income Tax Expense			
Current Tax	852.88	1137.56	1298.36
Deferred Tax	50.26	-37.15	-4.70
Profit/Loss for the period	2118.02	2581.68	3054.12

10. Bank of Kathmandu	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	2905.21	3422.84	3115.53
Due from Nepal Rastra Bank	6611.60	5264.47	4978.10
Placement with Bank and Financial Institutions	2012.35	1846.73	2237.46
Derivative financial instruments	0.00	0.00	100.87
Other trading assets	0.00	25.26	355.32
Loan and advances to B/FIs	1454.44	1831.83	3270.19
Loans and advances to customers	59558.77	65789.08	70476.86
Investment securities	11086.75	11521.90	14762.65
Current tax assets	0.00	114.04	0.00
Investment in subsidiaries	0.00	140.00	140.00

Investment in associates	0.00	0.00	0.00
Investment property	24.66	24.66	24.66
Property and equipment	932.39	935.25	831.36
Goodwill and Intangible assets	13.65	20.50	15.94
Deferred tax assets	0.00	0.00	0.00
Other assets	257.96	270.24	609.68
TOTAL ASSETS	84857.79	91206.81	100918.63
Due to Bank and Financial Institutions	0.00	0.00	605.67
Due to Nepal Rastra Bank	4.00	18.60	1110.84
Derivative financial instruments	0.00	0.00	0.00
Deposits from customers	72922.28	76913.75	82722.03
Borrowing	0.00	0.00	0.00
Current Tax Liabilities	10.95	0.00	58.16
Provisions	15.69	17.44	15.17
Deferred tax liabilities	318.29	172.67	312.04
Other liabilities	586.30	571.90	1088.68
Debt securities issued	0.00	0.00	1040.02
Subordinated Liabilities	1041.10	1041.22	0.00
Equity	9959.17	12471.24	13966.02
Share capital	5629.58	7072.90	8063.10
Share premium	0.00	929.93	0.00
Retained earnings	960.17	858.23	1374.92
Reserves	3369.42	3610.19	4528.00
TOTAL EQUITY AND LIABILITIES	84857.79	91206.81	100918.63
Interest Income	6165.66	8365.62	9807.55
Interest Expenses	3550.90	5306.50	6027.66
Net Interest Income	2614.75	3059.13	3779.89
Fee and commission income	486.87	539.95	520.28
Fee and commission expense	46.16	50.32	60.13
Net Fee and commission income	440.72	489.64	460.16
Net Interest, Fee and commission income	3055.47	3548.76	4240.05
Net trading income	217.96	225.71	322.25
Other operating income	34.20	140.66	100.23
Total operating income	3307.63	3915.13	4662.53
Impairment charge/(reversal) for loans and other losses	-8.86	465.94	64.56
Net operating income	3316.50	3449.19	4597.98
Personnel expenses	953.71	1030.30	1159.36
Other operating expenses	450.79	442.10	528.45
Depreciation & Amortisation	104.80	102.90	165.32

Operating Profit	1807.19	1873.89	2744.84
Non operating income	126.33	19.53	35.61
Non operating expense	0.26	0.19	0.00
Profit before income tax	1933.26	1893.23	2780.45
Income Tax Expense			
Current Tax	588.35	566.14	905.19
Deferred Tax	8.66	5.90	-21.70
Profit/Loss for the period	1336.24	1321.19	1896.96

11. Nepal Credit and Commerce Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3414.10	3461.98	5125.40
Due from Nepal Rastra Bank	10482.21	4826.76	6893.48
Placement with Bank and Financial Institutions	-	-	636.55
Derivative financial instruments	-	-	1040.84
Other trading assets	-	-	0.00
Loan and advances to B/FIs	48257.32	55318.63	2382.57
Loans and advances to customers	-	-	60850.93
Investment securities	5982.02	8812.27	8875.73
Current tax assets	-	-	0.00
Investment in subsidiaries	-	-	0.00
Investment in associates	-	-	34.50
Investment property	-	-	890.71
Property and equipment	718.76	716.78	942.41
Goodwill and Intangible assets	2.33	2.16	12.54
Deferred tax assets	-	-	130.67
Other assets	1873.19	3606.83	902.52
TOTAL ASSETS	70729.92	76745.41	88718.84
Due to Bank and Financial Institutions	-	-	6352.63
Due to Nepal Rastra Bank	-	-	1244.46
Derivative financial instruments	-	-	962.69
Deposits from customers	58875.50	63519.76	67035.62
Borrowing	779.23	684.91	0.00
Current Tax Liabilities	-	-	59.21
Provisions	-	-	0.00
Deferred tax liabilities	-	-	0.00
Other liabilities	1928.11	2699.37	1056.17
Debt securities issued	-	-	0.00
Subordinated Liabilities	-	-	0.00

Equity	-	-	12008.05
Share capital	4679.06	4679.85	7018.59
Share premium	-	-	172.44
Retained earnings	-	-	1320.60
Reserves	4468.02	5161.52	3496.43
TOTAL EQUITY AND LIABILITIES	70729.92	76745.41	88718.84
Interest Income	5538.53	7010.29	7899.64
Interest Expenses	2690.49	5119.96	4932.02
Net Interest Income	-	1890.33	2967.62
Fee and commission income	347.32	475.17	598.34
Fee and commission expense	23.64	21.65	25.80
Net Fee and commission income	323.64	453.52	572.54
Net Interest, Fee and commission income	-	144.14	3540.16
Net trading income	-	2487.99	129.09
Other operating income	84.31	747.10	63.81
Total operating income	3256.03	3235.08	3733.06
Impairment charge/(reversal) for loans and other losses	1545.67	747.10	-127.14
Net operating income	4801.70	3235.08	3860.20
Personnel expenses	944.49	967.10	1243.87
Other operating expenses	394.47	516.82	542.02
Depreciation & Amortisation	-	-	111.58
Operating Profit	3462.74	1751.16	1962.73
Non operating income	-	-	6.01
Non operating expense	-	-	0.00
Profit before income tax	3462.74	1751.16	1968.74
Income Tax Expense	841.49	510.55	
Current Tax	-	-	749.76
Deferred Tax	-	-	197.75
Profit/Loss for the period	2621.25	1240.61	1021.23

12. NIC Asia Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3,479.83	8,132.49	20,214.54
Due from Nepal Rastra Bank	10,291.45	15,860.73	16,097.92
Placement with Bank and Financial Institutions	1,493.38	313.93	383.95
Derivative financial instruments	3,028.56	1,266.02	7,006.01
Other trading assets	-	-	-
Loan and advances to B/FIs	1,630.03	4,658.15	6,923.29
Loans and advances to customers	70,615.82	115,804.62	142,582.77

Investment securities	10,019.62	14,132.77	18,152.96
Current tax assets	9.86	-	-
Investment in subsidiaries	100.00	270.00	1,204.50
Investment in associates	-	-	-
Investment property	48.25	74.38	275.94
Property and equipment	1,062.95	1,759.42	2,583.72
Goodwill and Intangible assets	35.39	49.83	110.49
Deferred tax assets	-	-	-
Other assets	1,293.23	8,620.84	2,166.17
TOTAL ASSETS	103,108.36	170,943.18	217,702.26
Due to Bank and Financial Institutions	7,772.77	11,629.51	8,535.65
Due to Nepal Rastra Bank	-	742.27	314.54
Derivative financial instruments	2,999.99	1,721.81	6,913.41
Deposits from customers	79,905.60	139,589.61	176,820.69
Borrowing	-	-	-
Current Tax Liabilities	-	25.03	240.29
Provisions	-	-	-
Deferred tax liabilities	55.80	2.81	209.40
Other liabilities	1,458.13	2,073.78	1,992.37
Debt securities issued	501.25	3,487.91	7,710.10
Subordinated Liabilities	-	-	-
Equity			
Share capital	6,692.60	8,031.12	8,834.23
Share premium	-	-	-
Retained earnings	1,844.54	943.65	2,251.12
Reserves	1,877.69	2,695.68	3,880.46
TOTAL EQUITY AND LIABILITIES	103,108.36	170,943.18	217,702.26
Interest Income	7088.59	13545.82	19,345.59
Interest Expenses	4362.93	9336.16	12,385.56
Net Interest Income	2725.66	4209.66	6,960.03
Fee and commission income	707.01	966.15	2,248.91
Fee and commission expense	49.92	96.50	127.60
Net Fee and commission income	657.09	869.65	2,121.31
Net Interest, Fee and commission income	3382.75	5079.31	9,081.34
Net trading income	161.61	195.21	348.92
Other operating income	58.06	83.62	75.97
Total operating income	3602.42	5358.14	9,506.24
Impairment charge/(reversal) for loans and other losses	-69.68	304.83	590.15
Net operating income	3672.11	5053.30	8,916.09

Personnel expenses	1132.93	1782.11	2,486.79
Other operating expenses	580.55	1237.09	1,649.86
Depreciation & Amortisation	129.18	115.80	204.03
Operating Profit	1829.44	1918.29	4,575.41
Non operating income	155.41	2.50	28.96
Non operating expense	31.69	110.19	104.16
Profit before income tax	1953.16	1810.60	4,500.20
Income Tax Expense			
Current Tax	625.46	525.43	1,366.00
Deferred Tax	-37.72	-49.68	80.90
Profit/Loss for the period	1365.42	1334.86	3,053.30

13. Machhapuchchhre Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	1,837.23	3,706.00	9,442.90
Due from Nepal Rastra Bank	8,978.96	6,890.13	3,226.96
Placement with Bank and Financial Institutions	3,393.27	2,259.78	1,458.03
Derivative financial instruments	29.38	30.81	72.60
Other trading assets	97.24	93.21	358.70
Loan and advances to B/FIs	1,306.90	1,380.57	2,440.17
Loans and advances to customers	36,178.23	40,878.52	75,095.77
Investment securities	4,578.10	4,766.33	10,306.08
Current tax assets	49.89	61.03	209.98
Investment in subsidiaries	-	200.00	200.00
Investment in associates	-	-	-
Investment property	23.20	87.83	78.46
Property and equipment	237.93	371.54	1,122.93
Goodwill and Intangible assets	2.59	23.84	49.01
Deferred tax assets	34.64	22.31	21.42
Other assets	260.65	605.25	1,163.04
TOTAL ASSETS	57,008.22	61,377.14	105,246.05
Due to Bank and Financial Institutions	515.75	0.00	6361.84
Due to Nepal Rastra Bank	1078.28	333.99	1020.52
Derivative financial instruments	0.00	0.00	0.00
Deposits from customers	43860.31	48052.95	85198.40
Borrowing	0.00	0.00	0.00
Current Tax Liabilities	0.00	0.00	0.00
Provisions	0.00	0.00	0.00
Deferred tax liabilities	0.00	0.00	0.00

Other liabilities	753.26	1252.65	1428.41
Debt securities issued	0.00	0.00	0.00
Subordinated Liabilities	0.00	0.00	0.00
Equity	10800.63	11737.55	11236.88
Share capital	7219.06	8088.30	8055.70
Share premium	0.00	0.00	30.88
Retained earnings	1414.87	941.46	1293.47
Reserves	2166.69	2707.79	1856.83
TOTAL EQUITY AND LIABILITIES	57008.22	61377.14	105246.05
Interest Income	3671.25	5427.43	10177.52
Interest Expenses	2129.55	3456.81	6627.77
Net Interest Income	1541.70	1970.62	3549.76
Fee and commission income	983.26	935.87	790.52
Fee and commission expense	34.90	36.99	69.98
Net Fee and commission income	948.37	898.88	720.54
Net Interest, Fee and commission income	2490.07	2869.50	4270.3
Net trading income	141.38	157.89	303.33
Other operating income	22.66	40.25	28.14
Total operating income	2654.10	3067.63	4601.77
Impairment charge/(reversal) for loans and other losses	27.03	298.88	117.17
Net operating income	2627.07	2768.75	4484.6
Personnel expenses	620.08	755.66	1230.38
Other operating expenses	301.09	340.73	723.55
Depreciation & Amortisation	51.09	72.28	130.39
Operating Profit	1654.81	1600.08	2400.28
Non operating income	39.78	16.76	121.9
Non operating expense	10.03	6.70	94.89
Profit before income tax	1684.56	1610.14	2427.29
Income Tax Expense			730.21
Current Tax	479.74	494.78	760.91
Deferred Tax	5.12	-28.67	30.71
Profit/Loss for the period	1199.70	1144.04	1697.09

14. Kumari Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	4734.75	3780.64	8,821.14
Due from Nepal Rastra Bank	4910.80	5582.76	3,580.51
Placement with Bank and Financial Institutions	1484.11	714.10	384.38
Derivative financial instruments	23.19	0.00	143.29

Other trading assets	0.00	0.00	-
Loan and advances to B/FIs	1139.16	1778.93	3,066.05
Loans and advances to customers	43557.02	60596.58	73,120.31
Investment securities	4728.82	8802.90	9,121.57
Current tax assets	45.25	113.78	16.11
Investment in subsidiaries	0.00	200.00	200.00
Investment in associates	20.00	20.00	20.00
Investment property	160.18	134.17	88.42
Property and equipment	350.65	434.30	661.73
Goodwill and Intangible assets	7.42	110.45	97.39
Deferred tax assets	0.00	0.00	47.80
Other assets	254.82	454.92	887.97
TOTAL ASSETS	61416.16	82723.55	100,256.68
Due to Bank and Financial Institutions	3333.55	10104.19	12,168.48
Due to Nepal Rastra Bank	1019.29	539.56	1,433.25
Derivative financial instruments	0.00	6.11	-
Deposits from customers	47691.77	59546.34	73,201.35
Borrowing	0.00	0.00	-
Current Tax Liabilities	0.00	0.00	-
Provisions	1.54	2.23	2.23
Deferred tax liabilities	96.11	20.76	-
Other liabilities	1010.54	1963.67	1,583.82
Debt securities issued	0.00	0.00	-
Subordinated Liabilities	0.00	0.00	-
Equity			
Share capital	5969.50	7163.39	8,685.57
Share premium	0.00	54.80	54.80
Retained earnings	1154.60	1527.64	977.46
Reserves	1139.27	1794.86	2,149.71
TOTAL EQUITY AND LIABILITIES	61416.16	82723.55	100,256.68
Interest Income	3736.88	6804.01	9217.98
Interest Expenses	2299.28	4771.33	6198.52
Net Interest Income	1437.60	2032.68	3019.46
Fee and commission income	278.88	396.82	454.87
Fee and commission expense	23.54	27.32	31.87
Net Fee and commission income	255.34	369.49	423.01
Net Interest, Fee and commission income	1692.94	2402.17	3442.47
Net trading income	85.26	148.95	258.90
Other operating income	61.13	100.16	92.71

Total operating income	1839.33	2651.29	3794.08
Impairment charge/(reversal) for loans and other losses	-56.01	31.95	212.09
Net operating income	1895.34	2619.34	3581.99
Personnel expenses	518.63	801.84	1013.30
Other operating expenses	248.15	380.92	523.80
Depreciation & Amortisation	45.95	79.21	120.10
Operating Profit	1082.61	1357.37	1924.80
Non operating income	68.62	24.53	11.84
Non operating expense	0.00	0.00	1.03
Profit before income tax	1151.23	1381.90	1935.61
Income Tax Expense	0.00	0.00	601.56
Current Tax	312.47	411.55	667.03
Deferred Tax	45.62	-71.55	-65.47
Profit/Loss for the period	793.14	1041.89	1334.05

15. Laxmi Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	4,747.59	6,324.17	10,425.00
Due from Nepal Rastra Bank	4,095.24	3,454.93	4,805.69
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	28.56	35.08	5,122.32
Other trading assets	20.32	23.52	67.52
Loan and advances to B/FIs	1,665.07	1,656.12	1,935.60
Loans and advances to customers	50,595.59	59,834.78	74,615.90
Investment securities	7,761.00	7,411.39	7,025.46
Current tax assets	51.60	53.88	14.20
Investment in subsidiaries	248.50	287.00	417.00
Investment in associates	-	-	-
Investment property	-	37.49	37.33
Property and equipment	1,156.15	1,241.94	1,345.86
Goodwill and Intangible assets	42.05	35.07	54.66
Deferred tax assets	-	-	-
Other assets	1,182.55	564.91	1,129.18
TOTAL ASSETS	71,594.23	80,960.28	106,995.72
Due to Bank and Financial Institutions	1,347.95	2,472.86	6,554.76
Due to Nepal Rastra Bank	-	677.80	1,229.86
Derivative financial instruments	-	-	5,046.11
Deposits from customers	58,585.45	65,561.48	80,324.63
Borrowing	-	-	-

Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	358.95	142.16	98.91
Other liabilities	382.43	546.57	690.01
Debt securities issued	401.32	401.40	401.40
Subordinated Liabilities	-	-	-
Equity			
Share capital	7,472.41	8,221.67	8,920.51
Share premium	-	-	-
Retained earnings	1,020.26	760.75	1,453.37
Reserves	2,025.47	2,175.59	2,276.16
TOTAL EQUITY AND LIABILITIES	71,594.23	80,960.28	106,995.72
Interest Income	4757.98	7063.78	8942.67
Interest Expenses	3028.18	4731.49	5772.99
Net Interest Income	1729.79	2332.29	3169.67
Fee and commission income	488.78	585.97	740.71
Fee and commission expense	51.60	60.24	78.43
Net Fee and commission income	437.18	525.73	662.29
Net Interest, Fee and commission income	2166.98	2858.02	3831.96
Net trading income	192.78	288.44	360.98
Other operating income	168.67	153.98	112.88
Total operating income	2528.42	3300.44	4305.82
Impairment charge/(reversal) for loans and other losses	99.73	314.88	127.52
Net operating income	2428.69	2985.55	4178.31
Personnel expenses	609.89	771.59	1133.81
Other operating expenses	349.92	419.58	618.33
Depreciation & Amortisation	84.40	111.31	133.82
Operating Profit	1384.48	1683.08	2292.33
Non operating income	7.07	5.72	10.62
Non operating expense	6.89	43.81	61.81
Profit before income tax	1384.66	1644.98	2241.14
Income Tax Expense	-	-	651.07
Current Tax	412.05	483.14	657.1
Deferred Tax	4.90	-19.25	-6.03
Profit/Loss for the period	967.70	1181.09	1590.07

16. Siddhartha Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3879.88	4453.21	5,461.07

Due from Nepal Rastra Bank	6672.33	6454.93	6,037.59
Placement with Bank and Financial Institutions	567.33	1611.13	2,250.09
Derivative financial instruments	28.64	3.71	124.87
Other trading assets	40.99	81.32	80.73
Loan and advances to B/FIs	2419.04	2841.17	3,395.45
Loans and advances to customers	64651.16	83236.09	104,768.97
Investment securities	11971.30	18592.94	18,875.54
Current tax assets	58.67	68.23	177.23
Investment in subsidiaries	51.00	51.00	51.00
Investment in associates	0.00	0.00	-
Investment property	154.64	154.64	123.35
Property and equipment	718.73	1072.32	1,279.32
Goodwill and Intangible assets	12.66	12.09	33.94
Deferred tax assets	0.00	0.00	-
Other assets	359.74	1236.45	1,820.60
TOTAL ASSETS	91586.10	119869.22	144,479.76
Due to Bank and Financial Institutions	0.00	279.86	8,422.83
Due to Nepal Rastra Bank	505.71	692.43	984.06
Derivative financial instruments	0.00	73.75	-
Deposits from customers	77317.56	101748.24	114,904.86
Borrowing	0.00	0.00	-
Current Tax Liabilities	0.00	0.00	-
Provisions	0.00	0.00	-
Deferred tax liabilities	393.80	261.91	82.81
Other liabilities	1046.32	1906.67	2,030.93
Debt securities issued	1203.52	1203.52	2,966.80
Subordinated Liabilities	0.00	0.00	-
Equity			
Share capital	6628.88	8464.39	8,887.60
Share premium	120.23	122.09	122.09
Retained earnings	1317.89	1184.43	1,663.63
Reserves	3052.18	3931.93	4,414.86
TOTAL EQUITY AND LIABILITIES	91586.10	119869.22	144,479.76
Interest Income	6625.30	10057.00	12,971.18
Interest Expenses	3998.17	6620.74	8,305.21
Net Interest Income	2627.14	3436.26	4,673.96
Fee and commission income	521.61	779.70	1,016.55
Fee and commission expense	119.94	127.90	171.26
Net Fee and commission income	401.67	651.80	845.29

Net Interest, Fee and commission income	3028.81	4088.06	5,519.25
Net trading income	145.17	258.68	461.66
Other operating income	242.22	308.50	111.88
Total operating income	3416.20	4655.24	6,092.80
Impairment charge/(reversal) for loans and other losses	120.09	230.39	180.59
Net operating income	3296.11	4424.84	5,912.20
Personnel expenses	763.04	1085.84	1,693.34
Other operating expenses	385.68	490.92	762.40
Depreciation & Amortisation	92.96	118.45	141.40
Operating Profit	2054.44	2729.62	3,315.06
Non operating income	0.00	0.40	17.60
Non operating expense	73.47	0.00	1.02
Profit before income tax	1980.97	2730.02	3,331.65
Income Tax Expense			
Current Tax	592.77	819.70	1,035.90
Deferred Tax	-14.09	6.26	13.11
Profit/Loss for the period	1402.29	1904.06	2,308.85

17. Agricultural Development Bank	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	12252.21	11227.27	11,500.46
Due from Nepal Rastra Bank	9929.60	8270.67	4,993.66
Placement with Bank and Financial Institutions	0.00	0.00	2,858.70
Derivative financial instruments	0.00	0.00	118.55
Other trading assets	0.00	0.00	-
Loan and advances to B/FIs	0.00	495.00	1,285.27
Loans and advances to customers	93184.41	100030.11	108,806.70
Investment securities	9568.49	12246.65	16,846.61
Current tax assets	67.14	0.00	206.42
Investment in subsidiaries	28.84	28.84	28.84
Investment in associates	69.38	69.38	69.38
Investment property	312.10	240.31	258.42
Property and equipment	1108.14	1213.60	1,264.19
Goodwill and Intangible assets	3.66	50.01	69.40
Deferred tax assets	0.00	0.00	-
Other assets	1766.21	1547.77	3,151.12
TOTAL ASSETS	128290.19	135419.61	151,457.73
Due to Bank and Financial Institutions	300.93	551.89	478.37
Due to Nepal Rastra Bank	203.47	195.16	38.42

Derivative financial instruments	0.00	0.00	-
Deposits from customers	99515.34	104216.46	118,884.92
Borrowing	464.46	360.45	60.92
Current Tax Liabilities	0.00	156.23	-
Provisions	0.00	0.00	-
Deferred tax liabilities	26.53	139.36	113.54
Other liabilities	3265.12	2881.77	3,528.83
Debt securities issued	920.00	460.00	-
Subordinated Liabilities	0.00	0.00	-
Equity			
Share capital	540.83	0.00	14,448.24
Share premium	3412.35	2598.64	-
Retained earnings	7120.76	9921.74	3,422.04
Reserves	0.00	0.00	10,482.45
TOTAL EQUITY AND LIABILITIES	128290.19	135419.61	151,457.73
Interest Income	11210.15	13603.75	15,480.12
Interest Expenses	4224.87	6966.29	7,865.13
Net Interest Income	6985.28	6637.47	7,614.99
Fee and commission income	939.21	949.77	1,081.48
Fee and commission expense	3.90	6.06	11.01
Net Fee and commission income	935.31	943.71	1,070.47
Net Interest, Fee and commission income	7920.59	7581.18	8,685.46
Net trading income	137.77	188.13	318.87
Other operating income	507.41	45.98	18.90
Total operating income	8565.77	7815.28	9,023.23
Impairment charge/(reversal) for loans and other losses	636.67	-822.35	(289.85)
Net operating income	7929.10	8637.64	9,313.08
Personnel expenses	3210.42	3060.56	2,928.86
Other operating expenses	686.72	712.32	876.31
Depreciation & Amortisation	153.78	131.93	166.19
Operating Profit	3878.18	4732.83	5,341.72
Non operating income	269.94	235.83	382.28
Non operating expense	3.40	4.32	-
Profit before income tax	4144.72	4964.33	5,723.99
Income Tax Expense	1171.44	1522.01	1,532.41
Current Tax	1188.03	1500.23	1,565.73
Deferred Tax	-16.59	21.78	(33.32)
Profit/Loss for the period	2973.28	3442.32	4,191.59

18. Global IME Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	9,364.02	8,027.50	11,531.56
Due from Nepal Rastra Bank	14,809.25	4,768.99	5,217.31
Placement with Bank and Financial Institutions	572.62	-	-
Derivative financial instruments	99.49	-	4,112.52
Other trading assets	-	-	-
Loan and advances to B/FIs	2,331.29	3,474.26	4,054.63
Loans and advances to customers	77,135.88	88,878.10	108,977.61
Investment securities	10,154.59	16,320.65	13,153.15
Current tax assets	951.11	1,010.33	1,259.70
Investment in subsidiaries	219.78	219.78	219.78
Investment in associates	263.84	298.06	319.58
Investment property	144.69	91.92	118.69
Property and equipment	1,030.66	1,324.47	1,373.57
Goodwill and Intangible assets	28.73	31.95	28.29
Deferred tax assets	0.91	177.85	212.08
Other assets	787.08	1,223.60	1,075.10
TOTAL ASSETS	117,893.94	125,847.43	151,653.57
Due to Bank and Financial Institutions	1,738.95	1,659.93	4,410.88
Due to Nepal Rastra Bank	39.38	1,034.65	1,231.80
Derivative financial instruments	-	45.26	3,879.90
Deposits from customers	100,171.54	104,850.51	120,088.44
Borrowing	-	-	-
Current Tax Liabilities	889.37	948.52	1,202.57
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	2,278.28	3,329.90	3,011.35
Debt securities issued	400.00	400.00	1,496.45
Subordinated Liabilities	-	-	-
Equity	12,376.43	13,578.68	16,332.18
Share capital	8,080.34	8,888.38	10,310.52
Share premium	-	-	-
Retained earnings	1,957.82	1,460.83	2,663.62
Reserves	2,338.27	3,229.47	3,358.04
TOTAL EQUITY AND LIABILITIES	117,893.94	125,847.43	151,653.57
Interest Income	7463.64	11481.73	13530.88
Interest Expenses	3799.26	7604.85	8288.54
Net Interest Income	3664.38	3876.88	5242.35

Fee and commission income	866.51	933.46	1181.1
Fee and commission expense	164.62	174.78	216.43
Net Fee and commission income	701.89	758.68	964.66
Net Interest, Fee and commission income	4366.27	4635.56	6207.01
Net trading income	230.63	261.96	412.13
Other operating income	151.70	198.16	163.06
Total operating income	4748.61	5095.69	6782.19
Impairment charge/(reversal) for loans and other losses	-18.50	-289.84	198.19
Net operating income	4767.11	5385.52	6584.004
Personnel expenses	1073.47	1314.22	1579.66
Other operating expenses	602.12	766.48	859.41
Depreciation & Amortisation	139.87	243.74	238.3
Operating Profit	2951.65	3061.07	3906.63
Non operating income	17.07	1.89	27.29
Non operating expense	0.00	150.98	0
Profit before income tax	2968.73	2911.98	3933.92
Income Tax Expense			
Current Tax	889.37	948.52	1202.57
Deferred Tax	18.12	-137.90	-30.61
Profit/Loss for the period	2061.24	2101.36	2761.95

19. NMB Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	5,499.97	5,183.94	8,096.35
Due from Nepal Rastra Bank	9,242.45	6,840.51	10,829.18
Placement with Bank and Financial Institutions	681.93	276.41	2,172.97
Derivative financial instruments	5,425.63	7,506.75	8,595.48
Other trading assets	298.28	321.72	340.39
Loan and advances to B/FIs	1,869.10	2,497.57	3,317.96
Loans and advances to customers	59,886.96	72,711.77	88,485.03
Investment securities	7,480.98	9,448.45	10,316.35
Current tax assets	719.53	763.88	-
Investment in subsidiaries	148.55	248.55	248.55
Investment in associates	-	-	-
Investment property	77.49	59.77	102.92
Property and equipment	1,436.62	1,559.57	1,577.90
Goodwill and Intangible assets	15.70	22.05	115.42
Deferred tax assets	-	66.87	70.04
Other assets	291.22	4,883.61	1,201.87

TOTAL ASSETS	93,074.42	112,391.43	135,470.41
Due to Bank and Financial Institutions	906.40	1036.27	624.36
Due to Nepal Rastra Bank	1110.56	660.07	3,203.52
Derivative financial instruments	5393.03	7477.48	8,458.37
Deposits from customers	72317.67	83970.87	97,892.30
Borrowing	55.35	0.00	3,468.06
Current Tax Liabilities	588.77	824.30	35.58
Provisions	9.80	9.08	-
Deferred tax liabilities	69.20	0.00	-
Other liabilities	1203.84	1406.00	2,145.96
Debt securities issued	517.55	517.55	2,239.24
Subordinated Liabilities	0.00	0.00	-
Equity			
Share capital	6461.77	7603.29	9,618.16
Share premium	1424.86	4061.37	2,512.80
Retained earnings	1364.95	2339.18	1,780.33
Reserves	1650.68	2485.97	3,491.73
TOTAL EQUITY AND LIABILITIES	93074.42	112391.43	135,470.41
Interest Income	6109.33	8728.70	11,082.06
Interest Expenses	3505.35	5824.69	6,838.04
Net Interest Income	2603.98	2904.01	4,244.02
Fee and commission income	635.07	794.25	1,003.53
Fee and commission expense	51.08	62.71	93.96
Net Fee and commission income	583.99	731.54	909.58
Net Interest, Fee and commission income	3187.97	3635.56	5,153.60
Net trading income	154.79	299.61	352.05
Other operating income	121.98	164.96	210.37
Total operating income	3464.73	4100.12	5,716.02
Impairment charge/(reversal) for loans and other losses	13.57	-219.65	166.27
Net operating income	3451.16	4319.78	5,549.75
Personnel expenses	826.87	1021.57	1,415.79
Other operating expenses	492.21	589.39	708.66
Depreciation & Amortisation	115.78	147.70	176.80
Operating Profit	2016.29	2561.12	3,248.50
Non operating income	136.35	43.14	17.10
Non operating expense	48.23	37.94	17.60
Profit before income tax	2104.42	2566.32	3,248.00
Income Tax Expense			-
Current Tax	589.30	829.62	994.17

Deferred Tax	26.50	-117.09	(3.44)
Profit/Loss for the period	1488.62	1853.79	2,257.28

20. Citizens Bank International Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3887.47	5046.24	6740.7
Due from Nepal Rastra Bank	2190.90	3690.19	2596.97
Placement with Bank and Financial Institutions	1568.01	1989.88	394.77
Derivative financial instruments	21.98	36.39	44.1
Other trading assets	51.44	76.24	567.25
Loan and advances to B/FIs	1467.13	1420.65	1581.9
Loans and advances to customers	46021.50	55601.77	62911.97
Investment securities	6785.61	5616.86	10822.6
Current tax assets	300.79	114.65	14.62
Investment in subsidiaries	67.00	117.20	167.2
Investment in associates	31.75	17.95	17.95
Investment property	390.07	287.55	222.55
Property and equipment	1758.55	2121.59	2302.85
Goodwill and Intangible assets	8.07	70.53	93.35
Deferred tax assets	0.00	0.00	20.24
Other assets	1331.36	1502.27	1622.34
TOTAL ASSETS	65881.61	77709.95	90121.36
Due to Bank and Financial Institutions	2501.91	3335.29	3926.66
Due to Nepal Rastra Bank	33.58	695.04	1212.59
Derivative financial instruments	0.00	0.00	
Deposits from customers	51716.67	60696.03	70509.08
Borrowing	0.00	0.00	
Current Tax Liabilities	0.00	0.00	
Provisions	0.00	5.31	5.31
Deferred tax liabilities	85.19	17.68	
Other liabilities	1202.93	1447.98	1473.95
Debt securities issued	498.15	498.72	499.15
Subordinated Liabilities	0.00	0.00	0.00
Equity			
Share capital	6921.69	8033.24	8371.06
Share premium	532.79	0.43	46.82
Retained earnings	763.37	132.23	1251.27
Reserves	1625.33	2848.01	2825.47
TOTAL EQUITY AND LIABILITIES	65881.61	77709.95	90121.36

Interest Income	4960.20	7109.39	8532.28
Interest Expenses	3169.96	4887.32	5843.82
Net Interest Income	1790.24	2222.07	2688.46
Fee and commission income	429.21	559.88	568.57
Fee and commission expense	33.40	50.84	67.39
Net Fee and commission income	395.81	509.05	501.18
Net Interest, Fee and commission income	2186.05	2731.12	3189.64
Net trading income	136.79	181.07	277.32
Other operating income	93.89	120.70	30.47
Total operating income	2416.74	3032.89	3497.43
Impairment charge/(reversal) for loans and other losses	96.97	89.32	138.37
Net operating income	2513.70	2943.57	3635.8
Personnel expenses	579.56	784.06	900.24
Other operating expenses	309.36	347.36	464.65
Depreciation & Amortization	92.69	126.53	170.5
Operating Profit	1532.08	1685.63	2100.4
Non operating income	735.48	37.96	77.79
Non operating expense	105.94	16.72	0.58
Profit before income tax	2161.62	1706.87	2177.61
Income Tax Expense			
Current Tax	265.34	536.35	776.35
Deferred Tax	261.37	63.59	61.95
Profit/Loss for the period	1634.92	1234.10	1463.22

21. Prime Commercial Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	4,464.07	4,503	5,304.76
Due from Nepal Rastra Bank	8,300.38	8,816	7,807.98
Placement with Bank and Financial Institutions	1,042.44	1,960	1,118.73
Derivative financial instruments	-	-	-
Other trading assets	-	-	-
Loan and advances to B/FIs	1,944.32	2,829	3,014.81
Loans and advances to customers	56,076.91	67,138	72,545.40
Investment securities	4,982.31	8,428	10,142.16
Current tax assets	20.39	154	112.53
Investment in subsidiaries	-	-	-
Investment in associates	28.00	28	51.02
Investment property	50.88	16	242.56
Property and equipment	580.25	607	743.98

Goodwill and Intangible assets	5.26	5	7.71
Deferred tax assets	-	33	74.33
Other assets	291.63	528	1,089.86
TOTAL ASSETS	77,786.85	95,043.98	102,255.83
Due to Bank and Financial Institutions	6,175.79	8,668.49	9,217.76
Due to Nepal Rastra Bank	1,494.86	1,269.89	1,269.35
Derivative financial instruments	-	-	-
Deposits from customers	59,680.09	72,635.99	77,040.07
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	10.94	-	-
Other liabilities	858.73	1,261.90	1,324.65
Debt securities issued	-	-	-
Subordinated Liabilities	-	-	-
Equity	9,566.44	11,207.71	13,403.99
Share capital	6,325.43	8,033.30	9,318.63
Share premium	-	-	-
Retained earnings	1,910.54	1,335.89	1,575.65
Reserves	1,330.46	1,838.52	2,509.72
TOTAL EQUITY AND LIABILITIES	77,786.85	95,043.98	102,255.83
Interest Income	5235.44	8559.69	9,822.37
Interest Expenses	3304.39	5893.78	6,237.76
Net Interest Income	1931.05	2665.92	3,584.61
Fee and commission income	725.66	666.14	766.87
Fee and commission expense	34.18	46.53	51.28
Net Fee and commission income	691.48	619.61	715.60
Net Interest, Fee and commission income	2622.53	3285.53	4,300.20
Net trading income	126.52	177.88	234.44
Other operating income	180.18	161.73	70.41
Total operating income	2929.23	3625.14	4,605.05
Impairment charge/(reversal) for loans and other losses	58.55	223.99	135.34
Net operating income	2870.69	3401.15	4,469.71
Personnel expenses	496.68	631.65	888.34
Other operating expenses	213.68	273.54	350.95
Depreciation & Amortisation	45.01	70.13	80.92
Operating Profit	2115.31	2425.84	3,149.52
Non operating income	0.00	21.59	-
Non operating expense	0.00	0.00	-

Profit before income tax	2115.31	2447.42	3,149.52
Income Tax Expense			
Current Tax	630.17	728.86	990.82
Deferred Tax	5.91	-7.68	(40.09)
Profit/Loss for the period	1479.23	1726.25	2,198.80

22. Sunrise Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	2,060.96	2,442.01	6,356.73
Due from Nepal Rastra Bank	7,496.22	5,033.06	3,241.04
Placement with Bank and Financial Institutions	3,358.05	3,869.63	1,165.35
Derivative financial instruments	0.80	-	93.86
Other trading assets	-	-	0
Loan and advances to B/FIs	1,113.36	999.59	1,149.78
Loans and advances to customers	50,158.06	59,213.55	68,865.81
Investment securities	6,168.65	9,720.46	11,724.18
Current tax assets	164.59	43.09	84.94
Investment in subsidiaries	78.57	157.14	157.14
Investment in associates	-	-	0
Investment property	161.45	119.25	398.18
Property and equipment	534.39	730.25	918.84
Goodwill and Intangible assets	58.53	76.42	68.49
Deferred tax assets	-	53.15	2.85
Other assets	505.24	325.33	383.55
TOTAL ASSETS	71,858.87	82,782.91	94,610.74
Due to Bank and Financial Institutions	3,880.81	2,126.89	3,809.33
Due to Nepal Rastra Bank	-	526.57	839.81
Derivative financial instruments	-	23.32	0
Deposits from customers	57,286.16	67,366.13	75,432.15
Borrowing	-	-	0
Current Tax Liabilities	-	-	0
Provisions	-	-	0
Deferred tax liabilities	25.74	-	0
Other liabilities	930.77	1,185.66	1,263.19
Debt securities issued	-	-	996.11
Subordinated Liabilities	-	-	0
Equity	9,735.39	11,554.34	12,270.15
Share capital	7,018.10	8,152.56	8,152.56
Share premium	-	127.16	127.16

Retained earnings	1,349.47	941.86	1,175.25
Reserves	1,367.82	2,332.77	2,815.18
TOTAL EQUITY AND LIABILITIES	71,858.87	82,782.91	94,610.74
Interest Income	5427.83	7647.36	9206.43
Interest Expenses	3113.43	4776.43	5621.44
Net Interest Income	2314.40	2870.93	3584.99
Fee and commission income	517.25	619.91	782.28
Fee and commission expense	161.13	159.34	120.23
Net Fee and commission income	356.13	460.57	662.05
Net Interest, Fee and commission income	2670.52	3331.50	4247.04
Net trading income	0.00	0.00	264.6
Other operating income	148.44	227.69	64.61
Total operating income	2818.97	3559.19	4576.25
Impairment charge/(reversal) for loans and other losses	74.91	48.59	103.52
Net operating income	2744.05	3510.60	4472.72
Personnel expenses	688.90	908.49	1150.27
Other operating expenses	312.59	442.24	630.4
Depreciation & Amortisation	47.53	112.41	141.43
Operating Profit	1695.03	2047.45	2550.63
Non operating income	13.92	68.20	1.18
Non operating expense	85.92	164.38	45.91
Profit before income tax	1623.03	1951.27	2505.89
Income Tax Expense			
Current Tax	447.44	615.00	762.04
Deferred Tax	62.74	-140.71	37.75
Profit/Loss for the period	1112.85	1476.97	1706.1

23. Civil Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	1,828.07	2,334.38	3,958.59
Due from Nepal Rastra Bank	3,004.17	2,337.62	3,525.08
Placement with Bank and Financial Institutions	727.64	663.70	659.10
Derivative financial instruments	0.42	0.48	1,732.50
Other trading assets	-	-	-
Loan and advances to B/FIs	1,103.24	1,868.15	1,805.00
Loans and advances to customers	29,038.32	38,254.79	42,593.69
Investment securities	5,444.92	5,526.47	6,755.98
Current tax assets	212.11	21.51	16.88
Investment in subsidiaries	120.62	120.62	201.87

Investment in associates	-	-	-
Investment property	199.74	177.16	227.98
Property and equipment	244.63	255.89	501.01
Goodwill and Intangible assets	34.53	40.58	38.38
Deferred tax assets	-	-	-
Other assets	341.01	323.87	451.69
TOTAL ASSETS	42299.42	51,925.23	62,467.74
Due to Bank and Financial Institutions	3,449.04	6549.775876	6,517.06
Due to Nepal Rastra Bank	3.50	548.723987	531.25
Derivative financial instruments	-	0	1,673.81
Deposits from customers	31,186.20	34222.59701	41,993.30
Borrowing	-	0	-
Current Tax Liabilities	-	0	-
Provisions	0.62	1.05925	-
Deferred tax liabilities	164.53	149.02347	155.43
Other liabilities	368.31	604.134374	1,445.55
Debt securities issued			-
Subordinated Liabilities			-
Equity	7127.2108	9849.915247	10,151.34
Share capital	5,185.22	7,259.31	8,003.39
Share premium	-	36.39	
Retained earnings	1,214.19	1,069.62	540.23
Reserves	727.80	1,484.60	1,607.72
TOTAL EQUITY AND LIABILITIES	42299.42	51925.2292	62,467.74
Interest Income	3410.22	4441.86	5727.89
Interest Expenses	2084.87	3033.46	3526.41
Net Interest Income	1325.36	1408.40	2201.47
Fee and commission income	179.96	242.34	221.89
Fee and commission expense	12.53	23.10	24
Net Fee and commission income	167.42	219.24	197.89
Net Interest, Fee and commission income	1492.78	1627.64	2399.36
Net trading income	86.69	156.58	197.96
Other operating income	47.78	43.15	51.74
Total operating income	1627.25	1827.37	2649.06
Impairment charge/(reversal) for loans and other losses	5.97	-125.83	58.89
Net operating income	1621.28	1953.20	2590.17
Personnel expenses	363.19	558.41	792.92
Other operating expenses	255.71	351.55	556.11
Depreciation & Amortisation	54.30	59.61	66.52

Operating Profit	948.08	983.62	1174.62
Non operating income	925.13	42.09	16.95
Non operating expense	120.94	130.46	120.84
Profit before income tax	1752.26	895.25	1070.73
Income Tax Expense			
Current Tax	96.99	273.31	350.52
Deferred Tax	116.30	-7.96	12.8
Profit/Loss for the period	1538.96	629.90	707.41

24. Prabhu Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	6543.13	13155.09	15,163.38
Due from Nepal Rastra Bank	9120.74	6172.04	6,668.57
Placement with Bank and Financial Institutions	1908.28	2215.41	-
Derivative financial instruments	22.82	0.00	82.87
Other trading assets	0.00	0.00	-
Loan and advances to B/FIs	1794.59	3181.81	3,931.85
Loans and advances to customers	59702.06	72990.23	86,415.90
Investment securities	8880.88	8035.89	14,572.08
Current tax assets	32.91	38.57	5.99
Investment in subsidiaries	45.56	116.96	116.96
Investment in associates	0.00	0.00	-
Investment property	515.55	464.80	439.18
Property and equipment	2135.12	2107.74	2,280.26
Goodwill and Intangible assets	14.38	17.23	39.77
Deferred tax assets	0.00	0.00	-
Other assets	1908.97	4090.39	4,189.34
TOTAL ASSETS	92624.98	112586.17	133,906.16
Due to Bank and Financial Institutions	215.24	0.00	-
Due to Nepal Rastra Bank	37.15	702.21	801.79
Derivative financial instruments	0.00	45.85	-
Deposits from customers	81349.54	97259.66	112,393.45
Borrowing	0.00	0.00	1,100.40
Current Tax Liabilities	0.00	0.00	-
Provisions	23.32	23.32	23.33
Deferred tax liabilities	349.58	387.17	417.76
Other liabilities	1299.24	1597.70	4,602.86
Debt securities issued	0.00	0.00	-
Subordinated Liabilities	0.00	0.00	-

Equity			
Share capital	5881.40	8233.95	8,892.68
Share premium	117.36	151.95	-
Retained earnings	1882.12	773.63	1,795.54
Reserves	1470.01	3410.72	3,878.37
TOTAL EQUITY AND LIABILITIES	92624.98	112586.17	133,906.16
Interest Income	5200.76	8244.60	10,934.93
Interest Expenses	2957.64	5426.59	6,365.00
Net Interest Income	2243.12	2818.00	4,569.32
Fee and commission income	520.12	614.14	731.92
Fee and commission expense	55.04	70.96	72.38
Net Fee and commission income	465.08	543.18	659.55
Net Interest, Fee and commission income	2708.20	3361.18	5,228.87
Net trading income	192.67	341.15	366.92
Other operating income	130.17	54.69	197.66
Total operating income	3031.04	3757.02	5,793.45
Impairment charge/(reversal) for loans and other losses	-1503.43	-154.55	84.44
Net operating income	4534.47	3911.58	5,877.89
Personnel expenses	1130.09	1348.63	1,789.21
Other operating expenses	558.60	617.80	994.46
Depreciation & Amortization	197.96	201.13	226.52
Operating Profit	2647.82	1744.01	2,867.69
Non operating income	0.05	6.50	8.71
Non operating expense	349.40	400.06	167.32
Profit before income tax	2298.47	1350.45	2,709.09
Income Tax Expense			
Current Tax	256.45	288.04	622.95
Deferred Tax	555.52	95.37	35.58
Profit/Loss for the period	1486.50	967.03	2,050.56

25. Janata Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3,967.49	2,902.10	4,049.73
Due from Nepal Rastra Bank	4,342.46	4,681.39	3,884.35
Placement with Bank and Financial Institutions	827.20	2,380.79	6,122.72
Derivative financial instruments	10.62	-	106.95
Other trading assets	6.69	7.62	6.20
Loan and advances to B/FIs	1,161.97	1,276.18	1,754.75
Loans and advances to customers	44,274.99	52,791.72	66,841.32

Investment securities	2,499.58	5,272.29	9,034.80
Current tax assets	-	-	33.43
Investment in subsidiaries	-	200.00	200.00
Investment in associates	30.01	43.61	43.61
Investment property	87.39	86.89	178.49
Property and equipment	793.92	869.29	1,291.73
Goodwill and Intangible assets	41.38	68.59	105.20
Deferred tax assets	-	34.84	64.54
Other assets	416.47	619.68	752.89
TOTAL ASSETS	58,460.15	71,234.98	94,470.71
Due to Bank and Financial Institutions	3,655.93	1,946.56	5,610.47
Due to Nepal Rastra Bank	-	207.10	1,320.25
Derivative financial instruments	-	10.98	-
Deposits from customers	45,001.72	58,329.72	75,076.95
Borrowing	-	-	-
Current Tax Liabilities	7.07	23.90	-
Provisions	-	-	-
Deferred tax liabilities	68.23	-	-
Other liabilities	695.71	681.13	1,779.10
Debt securities issued	-	-	-
Subordinated Liabilities	-	-	-
Equity			
Share capital	6,993.69	8,000.79	8,000.79
Share premium	185.02	-	-
Retained earnings	1,089.64	686.06	978.65
Reserves	763.15	1,348.73	1,704.50
TOTAL EQUITY AND LIABILITIES	58,460.15	71,234.98	94,470.71
Interest Income	3144.36	6611.08	8,611.79
Interest Expenses	1699.23	4208.61	5,209.93
Net Interest Income	1445.13	2402.47	3,401.85
Fee and commission income	216.72	404.34	607.73
Fee and commission expense	39.81	32.44	50.93
Net Fee and commission income	176.91	371.90	556.80
Net Interest, Fee and commission income	1622.04	2774.37	3,958.66
Net trading income	70.99	110.50	229.44
Other operating income	-1.68	69.97	64.90
Total operating income	1691.36	2954.84	4,252.18
Impairment charge/(reversal) for loans and other losses	-282.43	142.72	188.48
Net operating income	1973.78	2812.12	4,063.70

Personnel expenses	467.53	880.03	1,287.00
Other operating expenses	245.13	440.12	622.15
Depreciation & Amortisation	68.15	142.56	154.25
Operating Profit	1192.97	1349.41	2,000.30
Non operating income	559.69	0.00	49.11
Non operating expense	1.91	44.98	-
Profit before income tax	1750.75	1304.43	2,049.41
Income Tax Expense			
Current Tax	284.99	405.28	727.14
Deferred Tax	103.03	-103.63	(22.64)
Profit/Loss for the period	1362.73	1002.78	1,344.91

26. Mega Bank Nepal Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3694.12	6604.22	8109.86
Due from Nepal Rastra Bank	1978.98	5349.40	2964.97
Placement with Bank and Financial Institutions	342.56	883.61	739.54
Derivative financial instruments	1976.31	3284.58	1057.62
Other trading assets	0.00	0.00	0
Loan and advances to B/FIs	761.90	1591.79	2675.25
Loans and advances to customers	34294.58	55528.64	69861.33
Investment securities	3856.72	7068.83	11496.08
Current tax assets	0.02	22.06	50.53
Investment in subsidiaries	0.00	200.00	200
Investment in associates	0.00	0.00	13.6
Investment property	58.70	243.94	201.48
Property and equipment	293.28	673.14	734.92
Goodwill and Intangible assets	8.84	25.95	53.97
Deferred tax assets	0.00	0.00	78.19
Other assets	477.23	588.80	528.42
TOTAL ASSETS	47743.25	82064.95	98765.76
Due to Bank and Financial Institutions	0.00	986.65	3858.04
Due to Nepal Rastra Bank	0.00	603.57	731.8
Derivative financial instruments	1954.12	3258.18	973.92
Deposits from customers	39389.30	63499.00	78684.86
Borrowing	0.00	0.00	0
Current Tax Liabilities	0.00	0.00	0
Provisions	11.64	11.49	0
Deferred tax liabilities	11.64	73.53	0

Other liabilities	426.65	998.29	1005.24
Debt securities issued	0.00	0.00	0
Subordinated Liabilities	0.00	0.00	0
Equity			
Share capital	4582.31	10285.53	10388.62
Share premium	0.00	2.56	0
Retained earnings	646.34	708.63	1221.87
Reserves	721.24	1637.51	1901.41
TOTAL EQUITY AND LIABILITIES	47743.25	82064.95	98765.76
Interest Income	4114.98	6022.14	9374.68
Interest Expenses	2399.40	3648.58	5578.93
Net Interest Income	1715.58	2373.56	3795.75
Fee and commission income	217.03	320.27	531.12
Fee and commission expense	16.07	24.55	46.49
Net Fee and commission income	200.96	295.72	484.62
Net Interest, Fee and commission income	1916.54	2669.28	4280.37
Net trading income	138.54	152.10	277.92
Other operating income	36.25	52.00	102.53
Total operating income	2091.33	2873.38	4660.83
Impairment charge/(reversal) for loans and other losses	119.82	12.41	426.62
Net operating income	1971.51	2860.96	4234.21
Personnel expenses	487.02	698.94	1154.14
Other operating expenses	293.89	370.67	629.16
Depreciation & Amortisation	60.39	79.24	116.44
Operating Profit	1130.21	1712.11	2334.46
Non operating income	0.00	145.14	8.15
Non operating expense	0.00	14.25	19.67
Profit before income tax	1130.21	1843.00	2322.95
Income Tax Expense			
Current Tax	347.05	454.05	709.3
Deferred Tax	-11.38	71.59	16.04
Profit/Loss for the period	794.53	1317.35	1629.69

27.Century Commercial Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	3831.70	4437.24	5402.67
Due from Nepal Rastra Bank	4142.82	6897.64	5447.29
Placement with Bank and Financial Institutions	422.22	1192.32	1099.00
Derivative financial instruments	11.17	7.25	0.00

Other trading assets	0.00	0.00	0.00
Loan and advances to B/FIs	1421.70	1634.59	2140.93
Loans and advances to customers	37597.75	52844.02	57089.33
Investment securities	1556.75	3961.47	5060.14
Current tax assets	51.77	58.90	263.12
Investment in subsidiaries	76.50	171.50	171.50
Investment in associates	0.00	0.00	27.50
Investment property	0.00	22.79	17.66
Property and equipment	350.70	483.28	620.72
Goodwill and Intangible assets	4.86	10.04	13.73
Deferred tax assets	27.40	37.93	25.84
Other assets	642.15	978.93	929.20
TOTAL ASSETS	50137.48	72737.90	78308.62
Due to Bank and Financial Institutions	4259.86	7989.93	5212.10
Due to Nepal Rastra Bank	12.86	586.57	834.59
Derivative financial instruments	0.00	0.00	37.54
Deposits from customers	38333.79	53331.62	60276.50
Borrowing	0.00	0.00	800.00
Current Tax Liabilities	0.00	0.00	0.00
Provisions	0.00	0.00	51.04
Deferred tax liabilities	0.00	0.00	0.00
Other liabilities	842.53	1359.71	1104.54
Debt securities issued	0.00	0.00	0.00
Subordinated Liabilities	0.00	0.00	0.00
Equity			
Share capital	5460.63	8063.43	8415.47
Share premium	0.00	7.44	34.37
Retained earnings	806.26	480.78	533.85
Reserves	421.55	918.41	1008.62
TOTAL EQUITY AND LIABILITIES	50137.48	72737.90	78308.62
Interest Income	3205.96	6174.04	7888.55
Interest Expenses	-1980.29	-4254.75	5296.51
Net Interest Income	1225.67	1919.28	2592.04
Fee and commission income	202.87	346.54	352.03
Fee and commission expense	-13.83	-13.62	29.48
Net Fee and commission income	189.04	332.92	322.55
Net Interest, Fee and commission income	1414.71	2252.20	2914.59
Net trading income	90.83	176.32	180.42
Other operating income	68.97	24.28	36.36

Total operating income	1574.51	2452.79	3131.37
Impairment charge/(reversal) for loans and other losses	-47.61	-38.23	574.32
Net operating income	1526.90	2414.57	2557.04
Personnel expenses	0.00	0.00	854.94
Other operating expenses	-405.08	-651.88	553.54
Depreciation & Amortization	-243.21	-400.77	122.60
Operating Profit	-66.17	-87.97	1025.97
Non operating income	812.45	1273.94	39.30
Non operating expense	0.00	50.68	68.18
Profit before income tax	812.45	1324.62	997.08
Income Tax Expense			
Current Tax	-244.28	-402.07	306.75
Deferred Tax	-11.46	-10.27	13.93
Profit/Loss for the period	556.71	912.28	676.41

28. Sanima Bank Limited	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	2,948.78	4,530.15	4,636.42
Due from Nepal Rastra Bank	5,265.30	5,608.17	2,781.20
Placement with Bank and Financial Institutions	982.24	649.16	827.70
Derivative financial instruments	17.73	-	85.07
Other trading assets	406.24	478.05	484.42
Loan and advances to B/FIs	603.94	1,645.22	2,020.42
Loans and advances to customers	51,038.47	67,598.13	81,418.86
Investment securities	6,429.15	9,413.44	13,611.19
Current tax assets	17.14	-	0
Investment in subsidiaries	110.00	250.00	250.00
Investment in associates	-	-	0
Investment property	-	-	0
Property and equipment	713.08	881.85	1,150.52
Goodwill and Intangible assets	3.32	56.55	70.32
Deferred tax assets	-	50.15	14.77
Other assets	946.30	661.07	1,713.60
TOTAL ASSETS	69,481.70	91,821.95	109,064.49
Due to Bank and Financial Institutions	2,103.52	1,346.96	3,694.46
Due to Nepal Rastra Bank	611.01	358.95	1,018.92
Derivative financial instruments	-	18.85	-
Deposits from customers	56,161.06	77,849.38	89,373.73
Borrowing	-	-	-

Current Tax Liabilities	-	66.29	24.77
Provisions	43.36	11.82	27.17
Deferred tax liabilities	30.92	-	-
Other liabilities	1,013.93	1,011.81	1,211.17
Debt securities issued	370.00	370.00	1,724.71
Subordinated Liabilities	-	-	-
Equity			
Share capital	6,897.63	8,001.26	8,001.26
Share premium	-	-	-
Retained earnings	1,280.24	1,136.68	1,751.51
Reserves	970.04	1,649.95	2,236.79
TOTAL EQUITY AND LIABILITIES	69,481.70	91,821.95	109,064.49
Interest Income	5126.69	8107.98	10757.98
Interest Expenses	2818.18	5092.45	6549.28
Net Interest Income	2308.51	3015.52	4208.7
Fee and commission income	455.74	706.39	785.12
Fee and commission expense	32.04	50.15	73.25
Net Fee and commission income	423.70	656.24	711.87
Net Interest, Fee and commission income	2732.21	3671.76	4920.56
Net trading income	237.00	298.41	392.82
Other operating income	10.93	38.96	44.23
Total operating income	2980.14	4009.13	5357.62
Impairment charge/(reversal) for loans and other losses	134.88	239.22	218.24
Net operating income	2845.26	3769.92	5139.38
Personnel expenses	558.09	865.56	1259.77
Other operating expenses	289.91	383.73	515.55
Depreciation & Amortisation	81.85	105.46	139.17
Operating Profit	1915.41	2415.17	3224.9
Non operating income	41.21	0.90	2.08
Non operating expense	0.28	0.73	6.83
Profit before income tax	1956.34	2415.34	3220.16
Income Tax Expense			
Current Tax	562.16	774.25	957.82
Deferred Tax	17.12	-56.42	4.27
Profit/Loss for the period	1377.06	1697.50	2258.07

Consolidated Financials of the State Owned Banks	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	39684.77	45341.28	48,947.95

Due from Nepal Rastra Bank	38124.79	24199.81	30,944.39
Placement with Bank and Financial Institutions	3074.02	2965.49	8,286.38
Derivative financial instruments	40.72	18.63	5,713.17
Other trading assets	0.00	0.00	-
Loan and advances to B/FIs	5758.05	7280.45	9,142.99
Loans and advances to customers	269832.42	293000.79	345,682.98
Investment securities	49544.18	52964.08	54,409.31
Current tax assets	2324.85	1146.30	3,080.50
Investment in subsidiaries	128.84	228.84	228.84
Investment in associates	178.20	299.47	271.39
Investment property	509.23	384.59	486.54
Property and equipment	13342.82	13770.97	14,161.10
Goodwill and Intangible assets	25.03	87.99	149.24
Deferred tax assets	0.00	1102.28	341.10
Other assets	15023.11	23427.84	31,645.11
TOTAL ASSETS	437591.03	466218.82	553,491.00
Due to Bank and Financial Institutions	7930.67	6134.07	9,506.22
Due to Nepal Rastra Bank	220.44	322.65	432.30
Derivative financial instruments	0.00	0.00	5,504.43
Deposits from customers	335397.19	367967.49	426,117.18
Borrowing	628.34	641.44	1,071.41
Current Tax Liabilities	0.00	156.23	-
Provisions	161.84	63.28	131.44
Deferred tax liabilities	4804.83	3365.82	3,764.51
Other liabilities	23693.25	18606.77	25,786.95
Debt securities issued	920.00	460.00	-
Subordinated Liabilities	0.00	0.00	-
Equity			
Share capital	17172.46	17047.46	33,264.18
Share premium	3545.19	2731.48	3,262.81
Retained earnings	5675.12	5548.18	7,118.67
Reserves	20392.33	29236.03	37,530.88
TOTAL EQUITY AND LIABILITIES	437591.03	466218.82	553,491.00
Interest Income	27862.86	34930.85	41,060.26
Interest Expenses	7862.72	12791.41	17,026.22
Net Interest Income	20000.14	22139.44	24,034.04
Fee and commission income	2804.68	3166.60	3,574.10
Fee and commission expense	260.07	266.52	197.42
Net Fee and commission income	2544.61	2900.08	3,376.68

Net Interest, Fee and commission income	22544.75	25039.52	27,410.72
Net trading income	414.35	454.31	730.63
Other operating income	98.94	40.88	350.26
Total operating income	23058.04	25534.72	28,491.62
Impairment charge/(reversal) for loans and other losses	1589.77	384.36	639.67
Net operating income	21468.27	25150.35	27,851.93
Personnel expenses	8345.55	8341.84	8,125.34
Other operating expenses	2023.82	2007.15	2,468.76
Depreciation & Amortisation	357.26	482.18	472.12
Operating Profit	10741.64	14319.18	16,785.71
Non operating income	849.32	540.39	638.63
Non operating expense	25.77	13.68	0.63
Profit before income tax	11565.20	14845.88	10,335.65
Income Tax Expense	1171.44	1522.01	1,532.41
Current Tax	3417.50	5435.43	3,614.96
Deferred Tax	523.58	-906.82	1,692.05
Profit/Loss for the period	7624.12	10317.27	12,116.70

Consolidated Financials of the Non State Owned Banks	Amt. in Rs. Million		
	2016-17	2017-18	2018-19
Cash and cash equivalent	138,235.22	162,051.53	203,857.99
Due from Nepal Rastra Bank	175,016.70	163,909.49	164,351.43
Placement with Bank and Financial Institutions	84,080.21	58,605.19	60,446.11
Derivative financial instruments	10,955.67	12,275.37	40,308.53
Other trading assets	1,041.45	1,220.54	2,379.52
Loan and advances to B/FIs	90,758.67	113,280.48	81,897.93
Loans and advances to customers	1,349,550.72	1,667,278.22	2,045,434.11
Investment securities	184,690.95	243,415.82	310,714.29
Current tax assets	3,769.96	4,613.42	3,536.77
Investment in subsidiaries	1,645.42	3,654.79	4,983.89
Investment in associates	842.62	936.36	1,200.35
Investment property	2,415.24	2,199.86	4,367.47
Property and equipment	24,293.21	28,275.94	34,456.68
Goodwill and Intangible assets	551.35	918.09	1,320.44
Deferred tax assets	194.91	810.32	1,156.06
Other assets	19,205.00	38,619.47	34,914.23
TOTAL ASSETS	2,087,247.29	2,502,064.89	2,995,325.78
Due to Bank and Financial Institutions	65,862.44	69,750.86	107,180.96
Due to Nepal Rastra Bank	7,056.60	11,097.05	24,636.04

Derivative financial instruments	10,347.14	12,751.39	37,733.75
Deposits from customers	1,678,909.69	2,014,181.71	2,363,753.39
Borrowing	834.58	684.91	5,697.56
Current Tax Liabilities	2,091.68	2,864.61	1,620.58
Provisions	488.08	204.73	166.63
Deferred tax liabilities	4,765.65	3,314.93	3,184.82
Other liabilities	37,362.76	50,782.73	65,843.99
Debt securities issued	8,433.62	10,881.30	27,008.95
Subordinated Liabilities	1,041.10	1,041.22	-
Equity			
Share capital	161,765.30	201,333.48	218,996.15
Share premium	7,142.98	7,832.88	3,445.55
Retained earnings	37,110.32	30,074.11	40,599.02
Reserves	64,035.35	85,269.00	95,459.14
TOTAL EQUITY AND LIABILITIES	2,087,247.29	2,502,064.89	2,995,325.78
Interest Income	135,370.69	205,592.70	263,411.41
Interest Expenses	68,172.17	118,957.73	159,980.82
Net Interest Income	60,389.91	78,125.47	103,437.93
Fee and commission income	15,060.68	17,660.87	21,368.85
Fee and commission expense	1,459.22	1,706.35	2,196.71
Net Fee and commission income	13,573.76	15,927.28	19,172.17
Net Interest, Fee and commission income	73,640.03	91,853.04	122,610.09
Net trading income	4,968.85	8,864.05	8,999.53
Other operating income	2,624.57	3,902.76	2,816.57
Total operating income	84,405.17	104,475.71	134,425.40
Impairment charge/(reversal) for loans and other losses	752.80	4,631.26	6,322.13
Net operating income	86,842.41	100,515.09	128,548.89
Personnel expenses	19,687.77	25,345.44	33,538.52
Other operating expenses	9,396.40	11,849.57	17,188.93
Depreciation & Amortisation	1,891.08	2,288.50	3,626.95
Operating Profit	53,625.81	57,476.40	74,194.46
Non operating income	4,472.41	2,139.43	1,419.07
Non operating expense	877.18	1,789.19	1,083.24
Profit before income tax	57,287.21	58,015.98	74,530.32
Income Tax Expense	841.49	510.55	1,982.84
Current Tax	13,606.90	16,327.60	22,799.54
Deferred Tax	1,339.33	(1,062.70)	387.75
Profit/Loss for the period	40,988.01	41,543.02	51,683.58

Annex 12: Useful websites for supervisors

Name of Agency	Web address
Australian Prudential Regulatory Authority	www.apra.gov.au
Asian Development Bank	www.adb.org
Association for financial professionals	www.afponline.org
American Bankers Association	www.aba.com
Association of German Banks	www.german-banks.com
Asian Clearing Union	www.asianclearingunion.org
Bank Administration Institute (BAI)	www.bai.org
Banking Federation of the European Union	www.fbe.be
Bank for International Settlement	www.bis.org
Bank Negara Malaysia	www.bnm.gov.my
Conference of State Bank Supervisors, USA	www.csbsdal.org
China Banking Regulatory Commission	www.cbrc.gov.cn
European Committee for Banking Standards (ECBS)	www.ecbs.org
European Bank for Reconstruction and Development	www.ebrd.org
European Banking Authority	www.eba.europa.eu
Financial Services Authority UK	www.fsa.gov.uk
Federal Reserve Board USA	www.federalreserve.gov
Federal Reserve Bank Boston	www.bos.frb.org
Federal Reserve Bank St. Louis	www.stls.frb.org
Federal Reserve Bank Kansas City	www.kc.frb.org
Federal Reserve Bank Philadelphia	www.phil.frb.org
Federal Reserve Bank Minneapolis	www.mpls.frb.fed.us
Federal Reserve Bank San Francisco	www.frbsf.org
Federal Reserve Bank Richmond	www.richmondfed.org
Federal Reserve Bank Atlanta	www.frbatlanta.org
Federal Reserve Bank New York	www.newyorkfed.org
Federal Reserve Bank Dallas	www.dallasfed.org
Federal Reserve Bank Cleveland	www.clevelandfed.org
Federal Deposit Insurance Corporation, USA	www.fdic.gov
Federal Financial Institutions Examination Council, USA	www.ffeic.gov
Financial Services Agency, Japan	www.fsa.go.jp
FSI Connect	www.fsiconnect.org
International Accounting Standard Board	www.iasb.org
International Monetary Fund (IMF)	www.imf.org
Korea Financial Supervisory Commission	www.fsc.go.kr
Monetary Authority of Singapore	www.mas.gov.sg
Office of the superintendent of financial institutions, Canada	www.osfi-bsif.gc.ca
Office of the Comptroller of the Currency, USA	www.occ.treas.gov
Reserve Bank of India	www.rbi.org.in
SEACEN Center, Malaysia	www.seacen.org
The Risk Management Association, USA	www.rmahq.org
World Bank Group	www.worldbank.org