

Bank Supervision Report

2013



Bank Supervision Department
Nepal Rastra Bank

Baluwatar, Kathmandu, Nepal



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The Bank Supervision Report 2013 is the annual report of Bank Supervision Department of Nepal Rastra Bank (NRB). It reviews policy and operational issues affecting the banking sector and its regulators/supervisors and aims at disseminating information on 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 12-month period ending July 15 2013. 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,

Nepalese Financial sector has rapidly grown in the last decade. The growth of this sector has been observed in all fronts: the number of institutions, variety of financial products, technological application and integration to the global financial market. In the rapidly changing financial sector environment of Nepal, NRB has been fulfilling its responsibilities as a regulator and supervisor as well as playing catalytic role in the development and promotion of the banking sector. The challenge is to promote economic growth together with promoting a sound banking system in Nepal.

The Nepalese economy is passing through the stage of a low economic growth, high inflation, high consumption and low savings. Low business confidence and lack of comfortable investment environment has resulted in low investment in the core productive sectors such as agriculture, industry and infrastructure. There is thus the challenge of channelizing resources towards the productive sectors to restore overall economic health and also the sustainability of the banking sector.

Post-Financial Crisis has given lots of lessons for the bank supervisors worldwide and we should make use of the lessons learnt from the problems of mature economies. For a growing financial system like in Nepal, such lessons help to strengthen our system by implementing the lessons in our context. The Bank Supervision Department has been working on the reform agenda brought by the international standard setting bodies such as the Financial Stability Board and the Basel Committee on Banking Supervision. To achieve our goal of developing a growing yet safe and sound banking system in Nepal, we have obtained support from the Commercial Banks and we will continue to work together in days to come.

The 2011 liquidity crisis showed significant weakness in the banking sector and the risk it was exposed to. We all understand that the financial sector is largely reliant on the remittance from the Nepalese workers abroad and hence any change in the economy of the countries where Nepalese work has an impact on Nepalese financial system. Although the liquidity cushion from remittance has protected Nepalese Banks from financial stress, the mid 2011 liquidity stress which was averted by quick intervention from the Nepal Rastra Bank shows how vulnerable we can be to such stress. Such problems have lasting solutions only if we are able to channel remittance to long term investments in productive sectors to achieve profits and lasting economic growth.

Yes, there are challenges and issues in the financial sector: multiple banking issues, loan ever-greening, ambiguity in defining big borrowers, ever increasing shadow banking, lack of financial literacy, lack of sufficient rating agencies, lack of integrity and good corporate governance in some banks are a few of the examples. Specifically, we find that those institutions where the Directors/CEOs and/ or MDs hold the same position for a long period of time are facing governance problems. The Bank Supervision Department will continuously work to implement international best practices in the Nepalese context and work against the challenges to promote a healthy and resilient financial system in the Country. NRB is moving to risk based supervision and we have started to supervise banks from their individual risk category. This will help us to effectively utilize our resources in focused supervision of banks based on their risk level and systemic importance.

In this context, I am very happy to bring the Annual Report 2013 of the Bank Supervision Department to you. The report aims to present you a compact picture of the banking industry during fiscal year 2012-13. I would like to thank my friends of Policy Planning Unit for their good efforts in preparing this report for publication.

Finally, I take this opportunity to thank the staffs of Bank Supervision Department for working with diligence to accomplish supervisory responsibility effectively. I also highly appreciate the co-operation of commercial banks, public and other stakeholders in achieving the supervisory objectives of the central bank. Together we shall continue to work for a growing and robust financial system in Nepal.

Thank You.

Laxmi Prapanna Niraula
Act. Executive Director
September 2014

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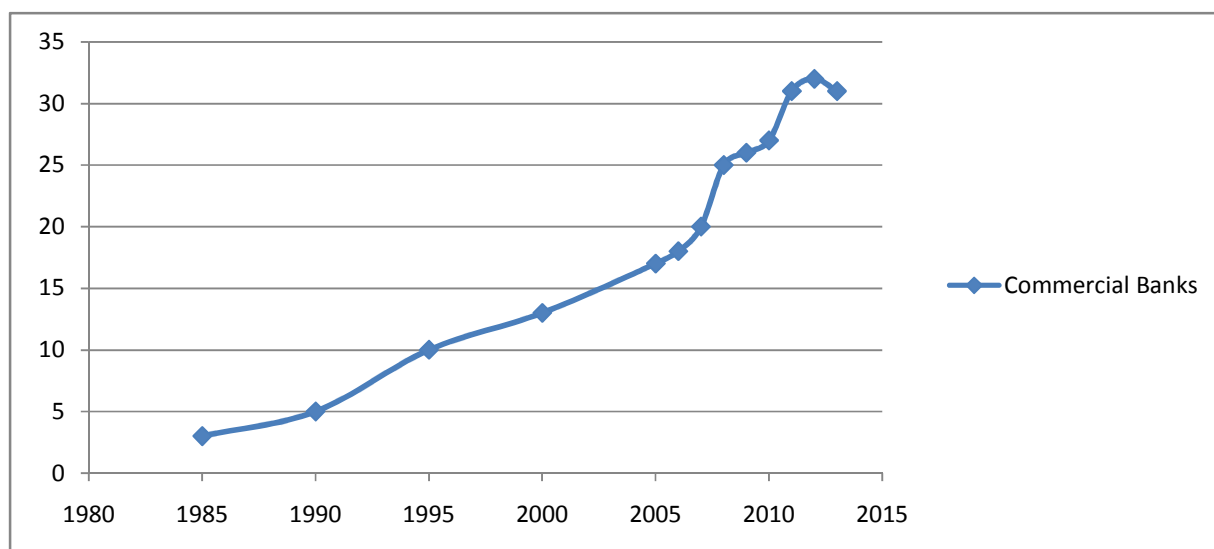
1 CHAPTER ONE: NEPALESE BANKING INDUSTRY

The Nepalese banking industry started with the establishment of the Nepal Bank Limited in 1937 AD as the first commercial bank of Nepal with the joint ownership of the government and general public. Five decades since the establishment Nepal Bank Limited, the Nepalese Financial sector witnessed major changes in financial sector policies and regulations. With economic liberalization and shift in focus to the private sector development, many foreign banks have established joint venture Banks in Nepal and the Nepalese financial system has seen a tremendous growth of banking sector, thanks to the liberalized economic policies of the 1980s. The financial sector liberalization resulted into entry of new banks in the domestic market.

By the end of mid July 2013, altogether 253 banks and non- bank financial institutions licensed by NRB are in operation. Out of them, 31 are “A” class commercial banks, 86 “B” class development banks, 59 “C” class finance companies, 31 “D” class micro-credit development banks, 15 saving and credit co-operatives and 31 NGOs. Also, the total banks branches reached to 3,138 with the population of eight thousand four hundred and forty three per branch.

The chart below shows the increase in number of commercial banks in Nepal. The growth of financial institutions in Nepal is summarized in Annex 1.

Chart 1-1: Growth of Commercial Banks



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

However, the Nepalese Financial industry is currently going through a period of merging and consolidation. The merger and acquisition of BFIs has been encouraged to strengthen financial sector stability. In the review year, NIC Bank Limited and Bank of Asia Limited merged to form NIC Asia Bank Limited. Similarly, Social Development Bank Limited and Gulmi Bikash Bank Limited merged with Global IME Bank Limited to form Global IME Bank Limited.

1.1 Nepal Rastra Bank as a regulator and supervisor

The 2002 NRB Act, supported by the 2006 Bank and Financial Institutions Act (BAFIA) grants supervisory authority to the Nepal Rastra Bank (NRB) and NRB is responsible for banking supervision. Nepal Rastra Bank Act, 2002, has made NRB an autonomous institution empowered to regulate and supervise Nepal's banking industry. The preambles of NRB act states:

Whereas, it is expedient to establish a Nepal Rastra Bank to function as the Central Bank to formulate necessary monetary and foreign exchange policies, to maintain the stability of price, to consolidate balance of payment for sustainable development of the economy of the Kingdom of Nepal, and to develop a secure, healthy and efficient system of payment; to appropriately regulate, inspect and supervise in order to maintain the stability and healthy development of banking and financial system; and for the enhancement of public credibility towards the entire banking and financial system of the country.

Section 84, subsection (1), of the Nepal Rastra Bank Act, 2002 states that NRB may at '*any time, inspect and supervise or cause to inspect and supervise any of the offices of commercial banks or financial institutions.*

Similarly the Bank and Financial Institution Act 2006 empowers NRB to regulate and supervise the BFIs. Section 49, subsection (1) of the act states '*The Rastra Bank shall have full powers to regulate and systematize the functions and activities of licensed institutions.*' Also section 52, subsection (1) of the act states '*The Rastra Bank may inspect and supervise, or cause to be inspected and supervised, any office of a licensed institution at any time.*

As a regulator and supervisor of BFIs, NRB has been continuously issuing various policies, guidelines and directives to the licensed institutions, adopting international practices and norms. A dedicated department – Bank and Financial Institutions Regulation Department – is set in NRB's structure to issue regulating policies, directives and guidelines.

As a supervisor, NRB supervises the activities of the banks and financial institutions based on the existing legal framework, directives and guiding polices. To discharge the responsibilities of supervisor, NRB has set four departments, as per the class of institution, in its structure viz. Bank Supervision Department, Development Bank Supervision Department, Finance Company Supervision Department and Micro Finance Promotion and Supervision Department.

Regulation and supervision of the financial system is a key tool for maintenance of financial stability. Taking this into consideration NRB continued to focus on proactive regulation and supervision. The Commercial banking sector presently remains adequately capitalised based on the regulatory requirement. The commercial banking sector will be managed in future moving towards the requirement prescribed by the Basel III. NRB aims to become more proactive with regulatory and supervisory mechanisms that are forward looking and analytical.

1.2 The Commercial Banking

As at mid July 2013, the numbers of commercial banks in Nepal were thirty-one. Though, the adoption of the economic liberalization in the country has brought a tremendous growth in the number private sector banks, the public sector banks, which are three in number, have still got substantial share in the total assets of the industry. The share of private banks on total deposits, loans, and total assets has been increasing gradually. Table1-1 presents the list of commercial banks in Nepal as of mid July 2013.

Table 1-1: List of Commercial Banks in Nepal (mid July, 2013)

S.N.	Name	Operation Date (A.D.)	Head Office
1	Nepal Bank Limited (NBL)	1937/11/15	Kathmandu
2	Rastriya Banijya Bank Limited (RBBL)	1966/01/23	Kathmandu
3	NABIL Bank Limited (NABIL)	1984/07/16	Kathmandu
4	Nepal Investment Bank Limited (NIBL)	1986/02/27	Kathmandu
5	Standard Chartered Bank Nepal Ltd. (SCBN)	1987/01/30	Kathmandu
6	Himalayan Bank Limited (HBL)	1993/01/18	Kathmandu
7	Nepal SBI Bank Limited (NSBI)	1993/07/07	Kathmandu
8	Nepal Bangladesh Bank Limited (NBBL)	1993/06/05	Kathmandu
9	Everest Bank Limited (EBL)	1994/10/18	Kathmandu
10	Bank of Kathmandu Limited (BOK)	1995/03/12	Kathmandu
11	Nepal Credit and Commerce Bank Ltd. (NCCBL)	1996/10/14	Siddharthanagar
12	Lumbini Bank Limited (LBL)	1998/07/17	Narayangadh
13	NIC Asia Bank Limited	2070/03/16*	Biratnagar
14	Machhapuchchhre Bank Limited (MBL)	2000/10/03	Pokhara
15	Kumari Bank Limited (KBL)	2001/04/03	Kathmandu
16	Laxmi Bank Limited (LXBL)	2002/04/03	Birgunj
17	Siddhartha Bank Limited (SBL)	2002/12/24	Kathmandu
18	Agriculture Development Bank Limited (ADBL)	2006/03/16	Kathmandu
19	Global IME Bank Limited (GBL)	2007/01/02	Birgunj
20	Citizens Bank International Limited (CBIL)	2007/06/-21	Kathmandu

21	Prime Commercial Bank Limited (PCBL)	2007/09/24	Kathmandu
22	Sunrise Bank Limited (SRBL)	2007/10/12	Kathmandu
23	Grand Bank Limited	2008/05/25	Kathmandu
24	NMB Bank Limited (NMB)	2008/06/02	Kathmandu
25	Kist Bank Limited (KiBL)	2009/05/07	Kathmandu
26	Janata Bank Nepal Limited (JBNL)	2010/04/05	Kathmandu
27	Mega Bank Nepal Limited (MBNL)	2010/07/23	Kathmandu
28	Commerz& Trust Bank Nepal Limited (CTBNL)	2010/09/20	Kathmandu
29	Civil Bank Limited (CBL)	2010/11/26	Kathmandu
30	Century Commercial Bank Limited (CCBL)	2011/03/10	Kathmandu
31	Sanima Bank Limited (SBL)	2012/02/15	Kathmandu

**In the review period, NIC Bank Limited and Bank of Asia Limited merged with each other to form NIC Asia Bank Limited.*

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

1.3 Ownership and Control

Commercial banks in Nepal can be categorized into two groups as public and private banks on the basis of Ownership and Control. As of mid July 2013, there are 3 public banks and 28 private sector banks. 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 38.95 percent ownership in the equity capital of Nepal Bank Limited, another public bank. Likewise, Government of Nepal owns 53.5 percent shares of Agriculture Development Bank Limited that was initially established as a development bank with 100 percent government ownership and was upgraded to commercial bank in 2006. The financial health of public banks grew very poor and thus a reform program was initiated in these banks under the Financial Sector Reform Project with the technical assistance of the World Bank and DFID.

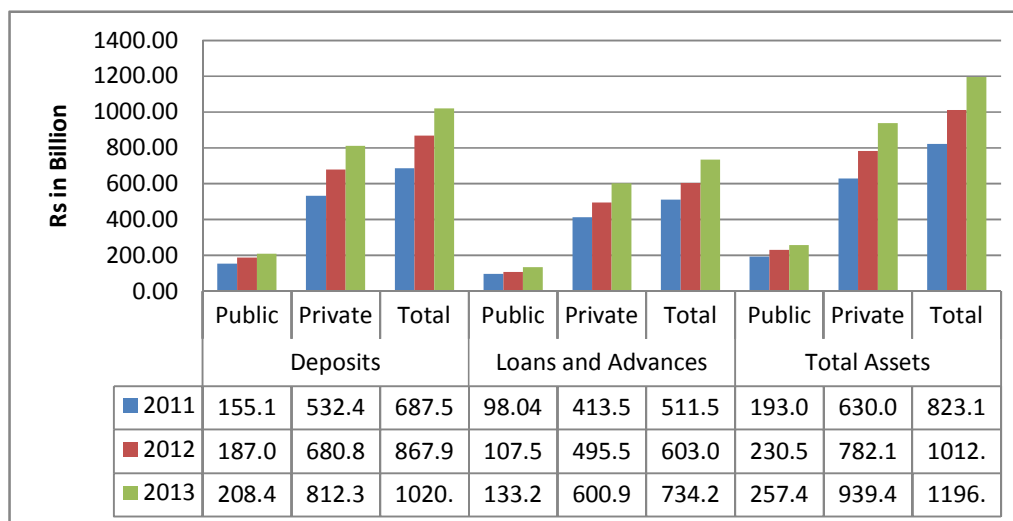
Private Banks in Nepal can be further re-grouped into local private banks and foreign joint-venture banks. Banks with the local private investment are local private banks while banks with joint investment of both foreign institutions and local investors are the joint-venture banks.

1.4 Scope of Operations: Public vs. Private

Size of the banking operations of the commercial banks in the Nepalese Banking Industry is growing gradually with the increment in the number of banks. Total deposits of the commercial banks increased by 17.62 percent to Rs 1020.8 billion as of mid July 2013 compared to the deposit of Rs. 867.9 billion at the same time of previous year. Similarly, loans and advances of the commercial banks increased by 21.75 percent to Rs. 734.20 billion as of July 2013 compared to a total of Rs. 603.06 billion as of mid July 2012. Likewise, total assets of the commercial banks increased by 18.19 percent to

Rs. 1196.95 billion compared to Rs. 1012.76 billion as of the previous year. Chart 1-2 shows deposits loans and advances and total assets of the public and private sector banks.

Chart 1-2: Banking Operations: Public vs. Private (mid July)



1.5 Access to Banking Services and Branch Network

The total number of bank branches increased to 1486 in mid-July 2013 from 1425 at mid July 2012. NRB has been encouraging banks to open branches to bring the unbanked people to the banking system arena. While the number of bank branches are increasing each year, larger chunk of banking services are still concentrated in urban areas.

Table 1-2: Branches of Commercial Banks (Mid July 2013)

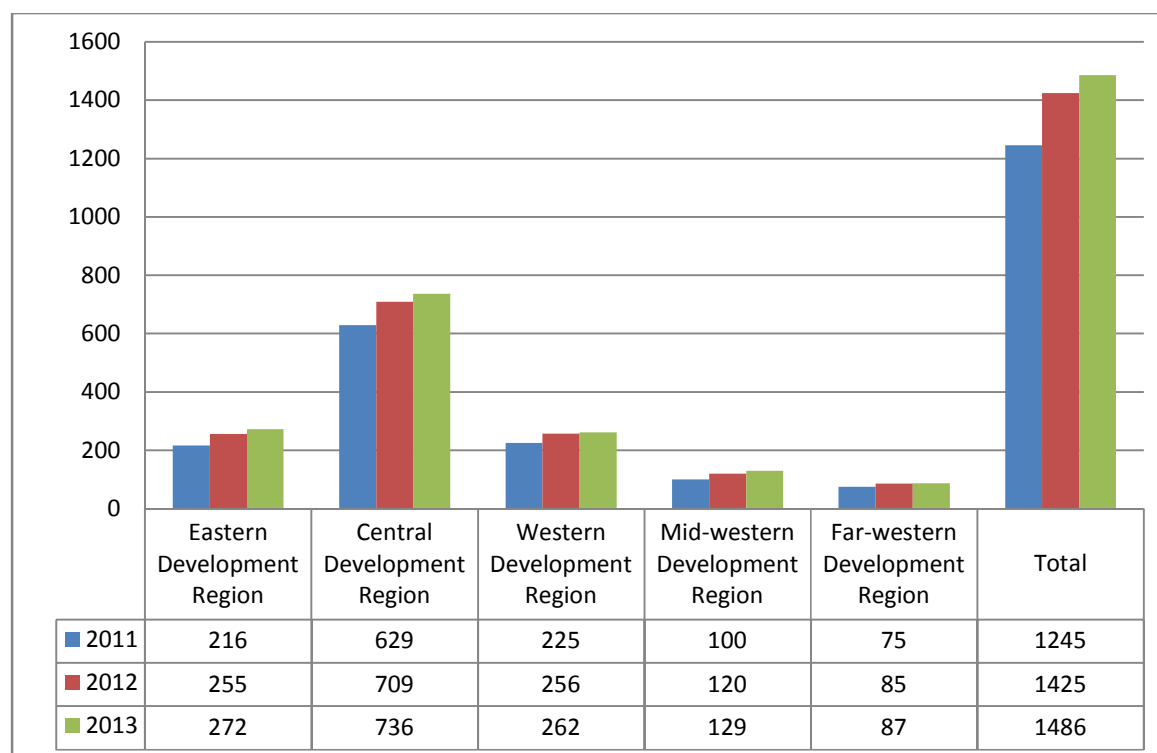
Name of Banks	2011	2012	2013
Nepal Bank Limited (NBL)	111	112	115
Rastriya Banijya Bank Limited (RBBL)	128	142	151
NABIL Bank Limited (NABIL)	46	49	49
Nepal Investment Bank Limited (NIBL)	41	41	43
Standard Chartered Bank Nepal Ltd. (SCBN)	16	16	15
Himalayan Bank Limited (HBL)	35	39	39
Nepal SBI Bank Limited (NSBI)	46	59	57
Nepal Bangladesh Bank Limited (NBBL)	19	19	21
Everest Bank Limited (EBL)	43	45	50
Bank of Kathmandu Limited (BOK)	39	45	50
Nepal Credit and Commerce Bank Ltd. (NCCBL)	17	22	22
Lumbini Bank Limited (LBL)	15	37	16
Nepal Industrial & Commercial Bank Ltd. (NIC)	34	16	54
Machhapuchchhre Bank Limited (MBL)	41	54	49
Kumari Bank Limited (KBL)	29	28	28
Laxmi Bank Limited (LXBL)	27	29	29
Siddhartha Bank Limited (SBL)	40	41	41
Agriculture Development Bank (ADBL)	234*	234*	240*
Global Bank Limited (GBL)	28	57	67
Citizens Bank International Limited (CBIL)	30	33	34
Prime Commercial Bank Limited (PCBL)	24	32	30
Sunrise Bank Limited (SRBL)	47	29	49
Bank of Asia Nepal Limited (BOA)	29	49	-
Grand Bank Limited	21	21	21
NMB Bank Limited (NMB)	18	21	21
Kist Bank Limited (KiBL)	51	52	52
Janata Bank Nepal Limited (JBNL)	13	23	25
Mega Bank Nepal Limited (MBNL)	14	23	28
Commerz & Trust Bank Nepal Limited (CTBNL)	7	14	15
Civil Bank Limited (CBL)	1	13	20
Century Commercial Bank Limited (CCBL)	1	8	31
Sanima Bank Limited (SBL)		22	24
Total	1245	1425	1486

* Also includes branches with development banking functions.

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

The ADBL has the largest number of branches (240) followed by RBBL (151) and NBL (115). Commercial banking operations still seems to be concentrated in capital city. Most of the bank branches are located in the Central Development Region (736) followed by Eastern Development Region with 272 and the Western Development Region with 262 branches respectively. The Far Western has the lowest number of bank branches i.e. 87.

Chart 1-3: Number of Bank Branches (mid July, 2013)



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

1.6 Asset Share of Banks and Financial Institutions

The respective shares of banks and financial institutions (licensed by Nepal Rastra Bank) in the total assets of banking industry as of Mid July for four consecutive years are depicted in the table 1-3.

Table 1-3: Asset share of banks and financial institutions (mid July 2013)

Bank and Financial Institutions	% Share 2010	% Share 2011	% Share 2012	% Share 2013
Commercial Banks	76.7	75.3	77.3	78.2
Development Banks	10.6	12.0	12.4	13
Finance Companies	10.9	10.9	8.2	6.6
Micro Finance Development Banks	1.8	1.8	2.2	2.2
Other	0.0	0.0	0.0	0.0
Total	100	100	100	100

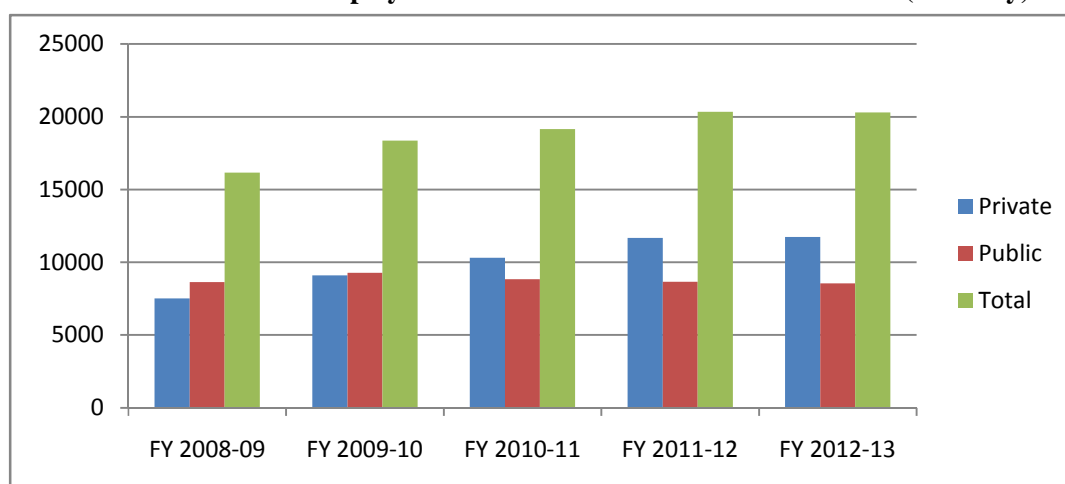
(Source: Bank and Financial Institutions Regulation Department, NRB)

Table 1-3 shows the dominance of commercial banks, with the share of 78.2% of total assets of Nepalese banking industry, it was 77.3 percent in the previous year. Share of commercial bank has increased, this year while the share of finance companies has decreased to 6.6percent which was 8.2percent in 2012. The share of development banks increased from12.4 percent previous year to 13 percent in 2013.

1.7 Employment in the Banking Industry

Commercial bank has provided employment to 20,299 numbers of individuals as on mid July 2013. Three public sector banks have employed 42.13 percent of total employment of commercial banks. Their large number of branches and low use of information and communication technology (ICT) are the reasons behind this. Employment number in private banks increased to 11748 in mid July 2013 from 11,666 in 2012.

Chart 1-4: Employment in Private and Public Sector Banks (mid July, 2013)



1.8 Review of the Banking Legislation

As a Central Bank of Nepal NRB has a clear mandate to regulate and supervise banks and financial institutions in Nepal. NRB continuously issues regulations, guidelines, and circulars and amends its directives issued to the licensed BFIs. Likewise, NRB continuously conducts onsite inspections and offsite supervisions both on a regular and need-based ways to assess their compliance with the existing laws, regulations and prudential norms.

The following are the key documents that guide the NRB's regulatory and supervision function:

- Rastra Bank Act, 2002,
- Bank and Financial Institutions Act, 2006,
- Company Act, 2006, Supervision By-laws, 2002,
- Unified Directives to licensed institutions,
- New Capital Adequacy Framework, 2007 (Updated),
- Monetary Policy,
- Anti Money Laundering Act 2064,
- Banking Service Fee Guidelines,
- Risk Management Guidelines,
- Stress Testing Guidelines,
- Internal Capital Adequacy Assessment Process - ICAAP Guidelines,
- Information Technology Guidelines and other circulars issued for the BFIs.

NRB regularly issues circulars to Banks and Financial Institutions on as and when needed basis.

The details of circulars issued during the review period are summarized in Annex 7. The acts, guidelines circulars and directives may be obtained from the NRB website: www.nrb.org.np.

1.9 Access to Banking Services and Financial Inclusion

NRB has focused access to banking services and enhance financial inclusion with different provisions and directives. By focusing on areas where there is lack of access to finance, a provision of interest free loan has been made for BFIs for opening branch in 17 remote districts for a specified period. Similarly, a provision has been made to allow BFIs to open branch in Kathmandu valley only after opening one branch in specified remote districts and one in other district.

Also NRB has focused on providing access to banking services to the unbanked population rather than focusing on opening more branches on urban areas. NRB is working to promote branchless banking and mobile banking to increase access to the banking system for the rural and unbanked people. Banks are being encouraged to expand their e-banking and branchless banking services to rural areas.

2 CHAPTER TWO: BANK SUPERVISION

2.1 Supervision Function

Within the purview of NRB act and the Bank and Financial Institution Act, NRB regulates and supervises the Banks and Financial Institutions. Supervision results in important information on the banking system that feeds into formulation of monetary policy and decision-making processes, and also for taking timely measures for maintaining financial stability.

2.2 Bank Supervision Department (BSD)

The NRB's Bank Supervision Department is responsible for executing the supervisory policies and practices as per governing laws, regulations and policies. The department prepares an annual supervision plan before the onset on new calendar year and supervises banks as per the plan approved by the governor. The supervisory process includes full fledged on-site examination, special inspection, targeted inspection, and monitoring inspection. The onsite inspection is supported by an offsite supervision function which is responsible to analysis of data received by the banks. The BSD is responsible for carrying out inspection and supervision of all commercial banks.

2.3 Supervision Methodology

The Bank Supervision Department continues to adopt and implement the Core Principles prescribed by the Basel Committee. NRB has adopted the Standardized approach of Basel II in its simplified form- the Simplified Standardized Approach (SSA). Supervision is based on CAMELS (Capital Adequacy, Asset Quality, Management competence, Earning, Liquidity, and Sensitivity to Market Risk) ratings and Supervisors assess CAMELS ratings of a bank where Banks are assigned grades of 1 (best) to 5 (worst) on each component and supervisors use six scores to award a composite CAMELS rating, which is also expressed in a scale of 1 to 5.

The current compliance based approach to supervision is being complemented and replaced by Risk Based Approach to supervision in phase wise manner and so the department has started the Risk Based Supervision which place focus on conducting a forward looking supervisory approach. To achieve this, the supervision of banks shall focus more on the discussion of the bank's future strategies, risk appetite and capital and funding projections so as to access the adequacy of capital.

2.4 Organization of BSD

The department comprises of on-site inspection/enforcement unit, off-site supervision unit, policy planning and forward looking unit and internal administration unit. These functions are further complemented by different committee, working groups and a high level Co-ordination Committee (HLCC) for sharing information among other regulatory authorities of Nepal. Committees are formed '*as and when needed*' basis for certain assigned tasks, and are generally of temporary nature.

The Bank Supervision Department is organized into following four units:

2.4.1 On-site Inspection and Enforcement

Onsite inspection of commercial banks is conducted as per the approved annual plan where a corporate level onsite inspection is conducted at least once a year for every commercial bank. Onsite inspection is carried out based on the Onsite Inspection Manual.

The on-site examinations include:

Initial examination, generally conducted within six months of commencement of operation by a new bank.

Routine full-fledged, corporate-level inspection, which is the regular examination, generally carried out once in a year.

Targeted Inspection, which addresses specific areas of operation of a bank e.g. credit, trade finance etc., and

Special inspection carried out as and when needed.

The on-site examination unit takes feedback from the offsite unit, analyzes past inspection reports and reviews current financial figures of the bank before commencement of the onsite inspection. During the inspection the inspection team analyzes the risk exposure of the banks, compliance with the regulations and guidelines and the approved operation manual of the banks and the corporate governance. The findings of the onsite inspection also complement the off-site supervision functions, particularly in the verification of information provided by the banks.

The major shortcomings as well as non-compliance observed at the banks during on-site examinations in F.Y. 2012/13 are summarized in Table 2 -1.

Table 2-1:Major areas where deviation and non-compliances were observed

Area of Inspections	Major areas where deviation and non-compliances were observed
Capital Adequacy	<ul style="list-style-type: none"> ➤ Heavy accumulated loss and capital below prescribed limit in public banks. ➤ Improper calculation of risk weighted exposure. ➤ Weak overall risk management practices. ➤ Disclosure policy not formulated. ➤ Credit risk mitigation criteria not fulfilled. ➤ Loan provided exceeding the Single Obligor Limit (SOL). ➤ Weak infrastructure to implement Capital Adequacy Framework. ➤ Unsatisfactory operational risk management, Asset Liability Management, and overall risk management practices of the banks. ➤ ICAAP not formulated and lack of proper capital plan.

Asset Quality	<ul style="list-style-type: none"> ➤ Lack of sound credit risk management practice , ➤ Non-compliance with bank’s internal approved manuals guidelines. ➤ Poor credit documentation issues (e.g. credit information report, tax clearance, audited financial statements of the borrower, stock inspection report, valuation report, inadequate insurance of collateral and assets, etc.). ➤ Credit extended without studying borrower’s cash flow to support principle and interest payment. ➤ Non-compliance of the terms and conditions mentioned in the offer-letter. ➤ Irregular and inadequate credit monitoring. ➤ Inadequate loan loss provisioning. ➤ Credit concentration issues though borrowers are legally separated. ➤ Insufficient collateral and Stale valuations. ➤ Limits being overdrawn. ➤ Loans issued for the repayment of existing loans. ➤ Overdraft loan not justified by borrower’s business needs and financials. ➤ Issues on Loan Restructuring. ➤ Non-compliance of NRB Directives regarding Blacklisting. ➤ Discretionary power to CEO to override the provisions of Credit Policy Guidelines (CPG). ➤ Loan approved without taking credit information. ➤ Lack of proper monitoring of deprived sector loan. ➤ Weak recovery process. ➤ Inadequate information about the borrower and Non-compliance of Know Your Customer (KYC) provisions. ➤ Short-term loans being revolved. ➤ Non-compliance of loan classification and provisioning directives. ➤ Purpose of personal large loan not identified. ➤ Loan disbursed before approval from the approving authority. ➤ Multiple banking issues (<i>Paripassu</i> not done). ➤ Loan provided to promoter group. ➤ Poor internal control. ➤ Grading of borrowers not assigned as envisaged by Risk Management Guidelines.
Management	<ul style="list-style-type: none"> ➤ Lack of Board oversight on ICAAP and overall risk management. ➤ Lack of Strategic plan, Long and Medium term business plans, Risk Management policies and procedures, Succession plans and other policies required for the effective management. ➤ Weak and inadequate Human Resources Management practices. ➤ Independence and importance of Audit Committee undermined. ➤ Inadequate MIS, IT, Disaster Recovery, information security policy, weak data access control. ➤ Unprofessional decisions of the Board of Directors. ➤ Weak Board oversight.

	<ul style="list-style-type: none"> ➤ Mechanism not prepared to monitor single obligor limit and related parties. ➤ Non-compliance of Anti Money Laundering directives. ➤ Less effective internal audit and compliance department. ➤ No procedure developed to manage Board meetings. ➤ Crossholding yet to be divested. ➤ Involvement of audit committee member to other business related committee. ➤ Non-compliance of direction given in the previous inspection report. ➤ Loan approved/renewed to black listed firm. ➤ No independent credit risk management unit established. ➤ Risk management committee formed against the spirit of NRB directives. ➤ Inadequate efforts made to recover written off loans and black listing process not initiated timely. ➤ Discriminating decision made for waiving interest, penal interest and other fees. ➤ Purchased cheque not presented within stipulated time.
Earning	<ul style="list-style-type: none"> ➤ Improper classification and provisioning. ➤ Issues of income recognition. ➤ Non-compliance of Service, fees related guidelines. ➤ Unplanned and irrational expenses. ➤ Lack of proper liquidity management plan.
Liquidity	<ul style="list-style-type: none"> ➤ Weak operations of Asset Liability Committee (ALCO). ➤ Weaknesses in monitoring liquidity profile and gap analysis. ➤ Low net liquid assets to total deposit ratio. ➤ Heavy gap in short term asset and liabilities and no revival plan. ➤ Rollover of interbank investment.
Sensitivity To Market	<ul style="list-style-type: none"> ➤ Poor analysis of rate sensitive assets and liabilities. ➤ Investment Policy not formulated/implemented. ➤ Net Open Position not in prescribed limit.

2.4.2 Off-site Supervision

The offsite unit carries out off-site surveillance of the commercial banks. The core objective of this function is to conduct periodic financial reviews of banks in order to identify potential problems and to assess compliance to prevailing laws including their own statutes. It also provides feedback and flag areas that need to be focused during on-site inspections. The BSD has an Off-site Supervision Manual that guides the objectives and procedures of the inspection.

The Off-Site Supervision Unit is responsible for supervising bank operations on the basis of data and reports submitted by the banks. It reviews and analyses the financial performance of banks using prudential reports, statutory returns and other relevant information. It also monitors trends and developments of financial indicators of the banking sector as a whole and generates industry reports on a quarterly basis. The unit reviews the financial data submitted by the banks for checking compliance in

terms of cash reserve ratio (CRR), statutory liquidity ratio (SLR) and deprived sector lending (DSL) and recommends penalties in case of non-compliance. Table 2-2 shows important directives issued for compliance during the review year.

Table 2-2: Important Directives regarding Capital, Credit and Liquidity (effective for 2012-13)

Particulars	Current Rate or Percentage	Days/Month	Remarks I	Remarks II
<u>1. Minimum Capital fund</u>			Minimum capital fund to be maintained based on the risk-weight assets (percent)	
"A" class	Core Capital =6% & Capital Fund =10%			
"B" class & "C" class	Core Capital = 5.5% & Capital Fund = 11%			
"D" class	Core Capital = 4% & Capital Fund = 8%			
<u>2. Refinance Facility</u>		Max. 6 months	Cannot charge more than 9%	i. provided against good loan. ii. not exceed the 80% of core capital of BFIS iii. max. of 6 months. iv.
<u>(i) General Refinance</u> Hydro, Agri, productive ind, infras. ind, industry or business run by returned youth from abroad.	5%			
<u>(ii) Special Refinance</u> Sick industries, Cottage & small industries, foreign emp. Small business run by Dalits, janajati, utpidit, women, deprive class and community	1%			
<u>(iii) Export Refinance</u>	1%			
<u>(iv) Small & Medium Ent. Refinance</u> (limit up to 10 lakhs)	5%			
<u>3. Bank Rate</u>	8%			
<u>4. SLF Rate (For A, B & C)</u>	Bank rate	Max. 5 days	For Merger 30 days	
<u>5. Lender of Last Resort</u>		Max. 6 months		
<u>6. Repo & Reverse Repos</u>	Max. 21 days (before 28 days)			
<u>7. CRR</u>				
"A" class	5%			
"B" class	4.5%			
"C" class	4%			

"D" class (Including B& C not taking current and call account)	2%			
<u>8.SLR</u>				
"A" class	15%			
"B" class (taking call n current deposit)	11%			
"C" class(taking call n current deposit)	10%			
"D" class (public deposit taking)	4%			
B& C not taking current & call A/c	6%			
<u>9. Deprive Sector</u>				
"A" class	4%			
"B" class	3.5%			
"C" class	3%			
<u>10. Productive Sector lending</u>				
"A" class in productive & Agri +Energy	20% & 12%			
"B" & "C" class	15% & 10%			

Further, the unit also collects and compiles information required for liquidity monitoring of the commercial banks on a daily basis. The unit also monitors, reviews, and analyzes returns of commercial banks and prepares reports to detect emerging problems and early warning signs. The returns are used to evaluate the exposure to risks and the effect this could have on profits. The returns are basis for computing basic ratios (financial soundness indicators) to analyze capital adequacy, assets quality, earnings, liquidity and sensitivity to market risk (CAELS). The unit essentially carries out the duties of enforcement, follow up and periodic reviews as per the Capital Adequacy Framework 2007. Besides, the unit also compiles and analyses financial data and prepare reports on a regular, as well as, special case basis.

2.4.2.1 Cash Reserve Ratio (CRR) and Daily Liquidity Monitoring

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 5.5 percent of total local currency deposit liabilities in the review period. The average CRR of the commercial banks in the review year is 13.11 percent. Banks that fail to maintain such reserves face monetary penalties based on the bank rate. The penalty rate escalates for repeated violations. In the review year Prime Bank Limited and Janata Bank Limited were penalized Rs. 57198.46 and Rs.209813.80 in the third and fourth quarter respectively for not maintaining the Capital Reserve Ratio (CRR) as prescribed the NRB. CRR positions of the commercial banks are monitored weekly.

2.4.2.2 Directed Lending

Nepalese commercial banks are required to disburse 4.5 percent of their total loan portfolio in the deprived sector as directed lending and the average deprived sector lending of the commercial banks is 4.78 percent in the review year. Commercial Banks that fail to maintain the minimum requirement in deprived sector lending as prescribed by the NRB is penalized (Monetary). In the review year Grand

Bank Limited has been penalized Rs. 4017.53 in the first quarter for not complying with the norms of directed lending.

2.4.2.3 Statutory Liquidity Ratio (SLR)

Banks are required to maintain SLR of 15 percent of their total domestic deposit liabilities. Failing to meet such obligation results in monetary penalties- computed on the basis of bank rate (8 percent). During the review year all the banks complied with the Statutory Liquidity Ratio norm. The average SLR of the commercial banks in the review year is 29.14 percent.

2.4.2.4 Capital Adequacy Ratio

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 10 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 monthly basis. The average Capital Adequacy Ratio of the commercial banks in the review year is 12.26 percent.

2.4.3 Policy, Planning and Forward Looking Unit

The Policy, Planning and forward looking Unit continuously monitors developments in international financial markets, the guidelines issued by the Basel Committee and emerging issues in banking regulation and supervision and incorporates the findings in preparing the annual plan for the department. The unit also reviews policy and 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. The department works to achieve mutual cooperation with supervisors worldwide by doing an MOU on information sharing, and coordinates in information sharing through supervisory colleges.

Further, the Unit also reviews and formulates the annual plans of BSD in line with NRB's strategic plan, conducts and coordinates interaction programs, seminars and workshops on the supervision-related issues. The supervisory policies and guidelines are developed in an interactive and consultative way, where industry participants and stakeholders are allowed to comment on drafts before they are finalized. The unit also prepares the annual report of the department complying with the Supervision Bylaw.

During the review period, the Policy Planning and Forward Looking Unit formulated an action plan for the next year. The Unit conducted a periodic review of the Annual Supervision Action Plan of 2012/13, and the report was executed in accordance with Inspection and Supervision By-laws. The Unit also functions as secretariat for the High Level Co-ordination Committee.

2.4.4 Internal Administration

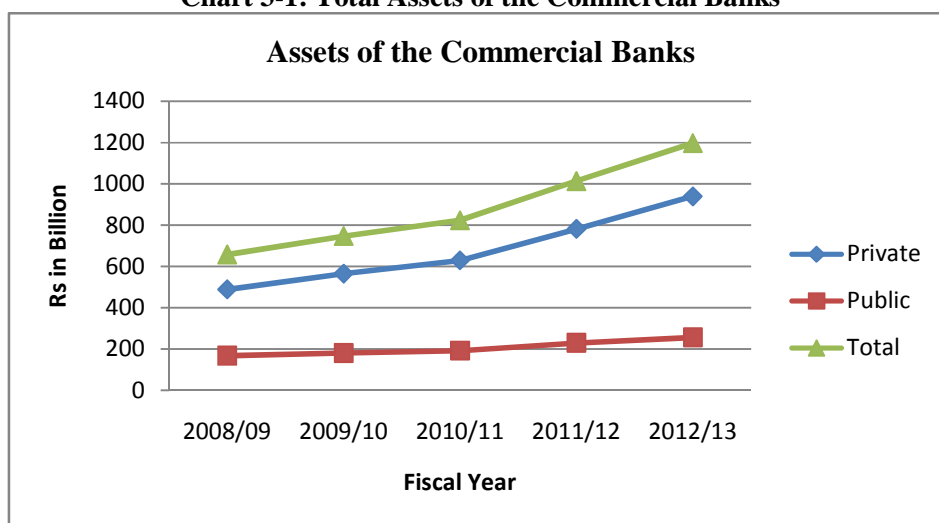
The Internal Administration Unit performs the functions related to human resources and internal administration within the BSD. Its tasks include internal placement, issuance of travel orders, and maintaining leave records and also serving as the back office. This Unit also looks after procurement for the BSD such as supply of office logistics and stationery in coordination with the General Services Department of NRB. This Unit also carries out coordination to assist other units to carry out the functions more effectively.

3 CHAPTER THREE: OPERATIONAL PERFORMANCE OF COMMERCIAL BANKS

3.1 Assets of the commercial banks

The total assets of the commercial banks have increased by 18.19 percent to Rs.1197 billion in the fiscal year 2012/13 compared to a growth of 23.04 percent in F.Y 2011/12. The total assets increased by 26.90 percent in public banks and by 20.11 percent in the private banks, in the review fiscal year.

Chart 3-1: Total Assets of the Commercial Banks

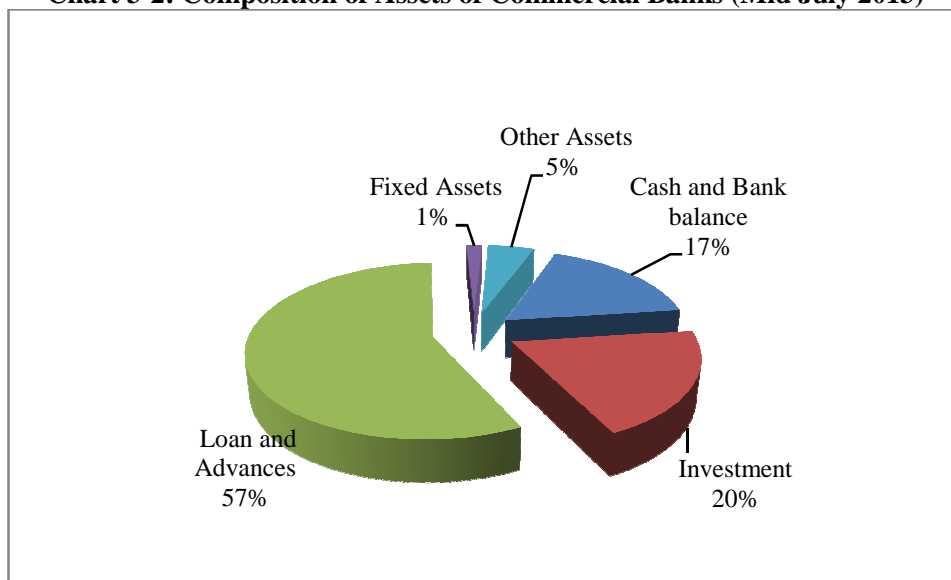


The total assets of the commercial banks have increased due to increase in bank balance and loan portfolio. The bank balance and loan portfolio have increased by Rs.14.24 billion and Rs.131.14 billion respectively in 2012/13. In the previous year cash/bank balance had increased by Rs.73.47 billion and loan portfolio had increased by Rs.91.52 billion. The loan portfolio of public banks increased by Rs.25.71 billion, while that of private banks increased by Rs.105.43 billion in 2012/13. Detailed figures are shown in Annex 9.1 and 9.12.

3.2 Composition of Assets

The major portion of the assets of the commercial banks is covered by the loans & advances and the cash/bank balance which is about 75 percent of the total assets. In mid-July 2013, the proportion of loan and advances, investment and cash and bank balance are 57 percent, 20 percent and 17 percent respectively.

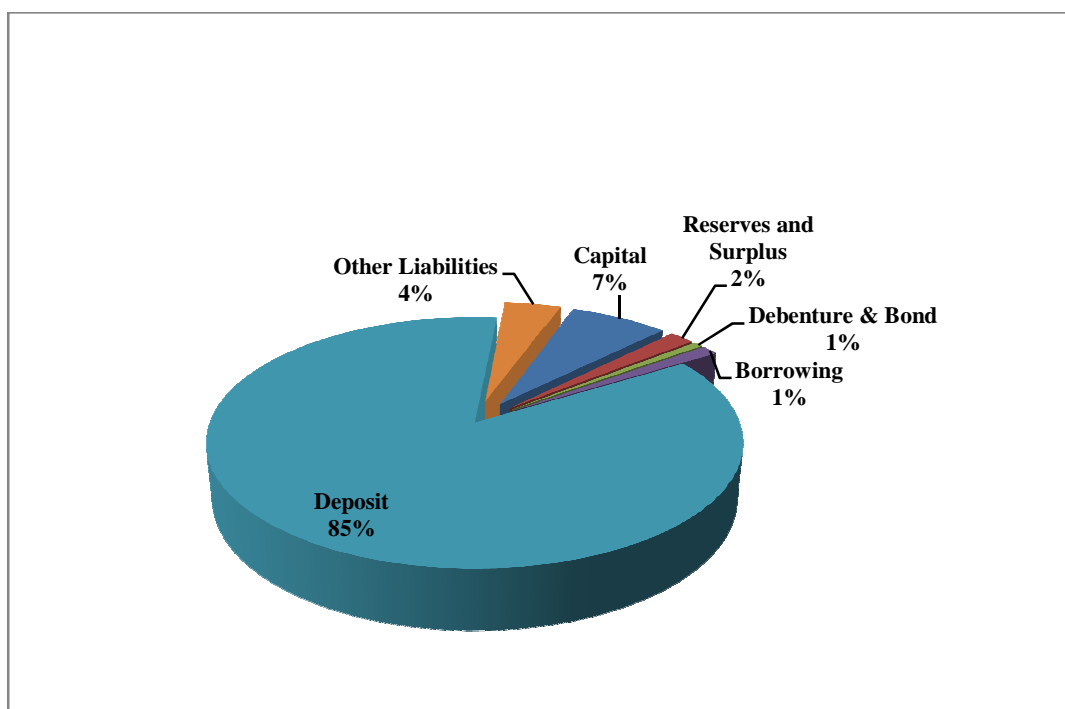
Chart 3-2: Composition of Assets of Commercial Banks (Mid July 2013)



3.3 Composition of Liabilities

The liability side of balance sheet consists of various sources of fund like share capital, reserves, deposits and borrowings. The largest sources of fund of the commercial banks in mid-July 2013 was deposit (85percent), which totalled to Rs.1020.79 billion, of which private banks hold Rs. 812.31 billion (79.58 percent). The second largest source is share capital i.e. Rs.83.77 billion(7 percent).

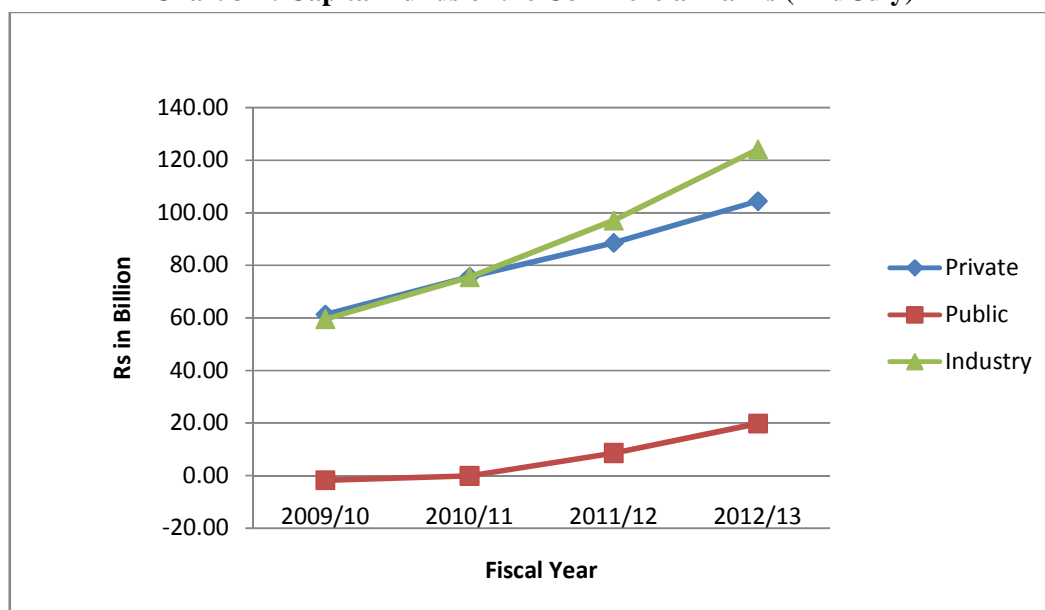
Chart 3-3: Composition of Liabilities of Commercial Banks (Mid July 2013)



3.4 Capital

The consolidated capital fund of the Commercial Banks showed a positive growth during the review year. Capital fund increased by 27.88 percent to Rs 27.06 billion in the fiscal year 2012/13. Likewise, capital fund of private banks grew by 17.97 percent to Rs. 104.39 billion and the public banks increased from Rs 8.58 billion to 19.74 billion. (Figures presented in Annex 9.2)

Chart 3-4: Capital Funds of the Commercial Banks (Mid July)

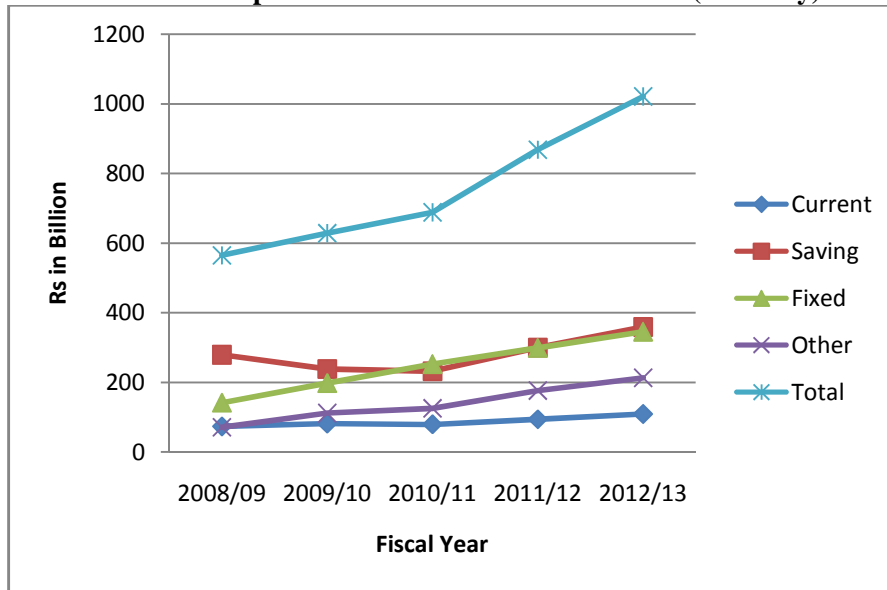


The review of capital adequacy of individual banks (Annex 5), as at mid-July 2013, reflects that all of the banks had complied with the statutory capital adequacy ratio of 10 percent except Nepal Bank Limited (negative of Rs 3 billion).

3.5 Deposit

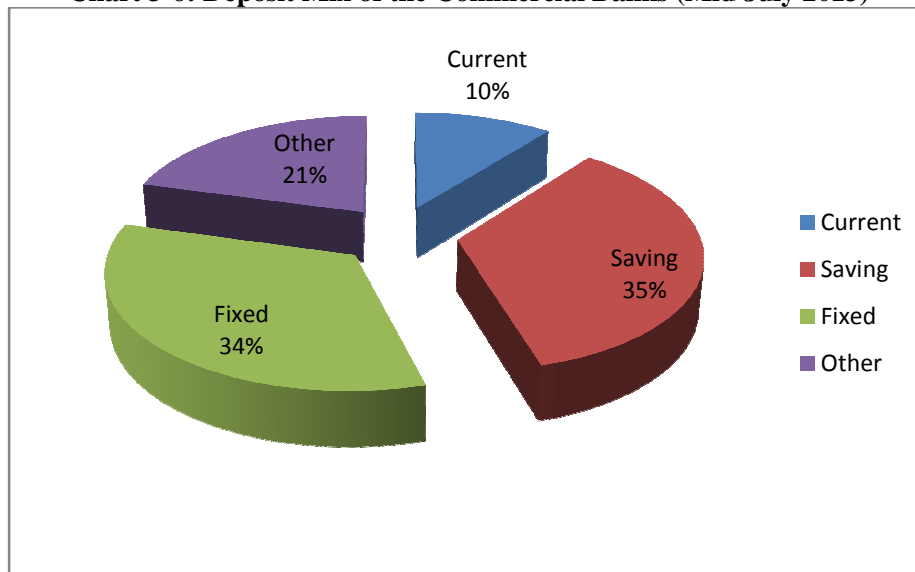
Total deposits of the commercial banks increased by 17.62 percent to Rs. 1021 billion in mid-July 2013 compared to a growth of 26.23 percent in mid-July 2012.

Chart 3-5: Deposit Mix of the Commercial Banks (Mid July)



Saving and fixed deposits dominated the deposit of the commercial banks. In mid-July 2013, saving and fixed deposits of the commercial banks accounted for 34.96 percent and 34.04 percent respectively to the total deposits. Detailed figures are shown in Annex 9.3.

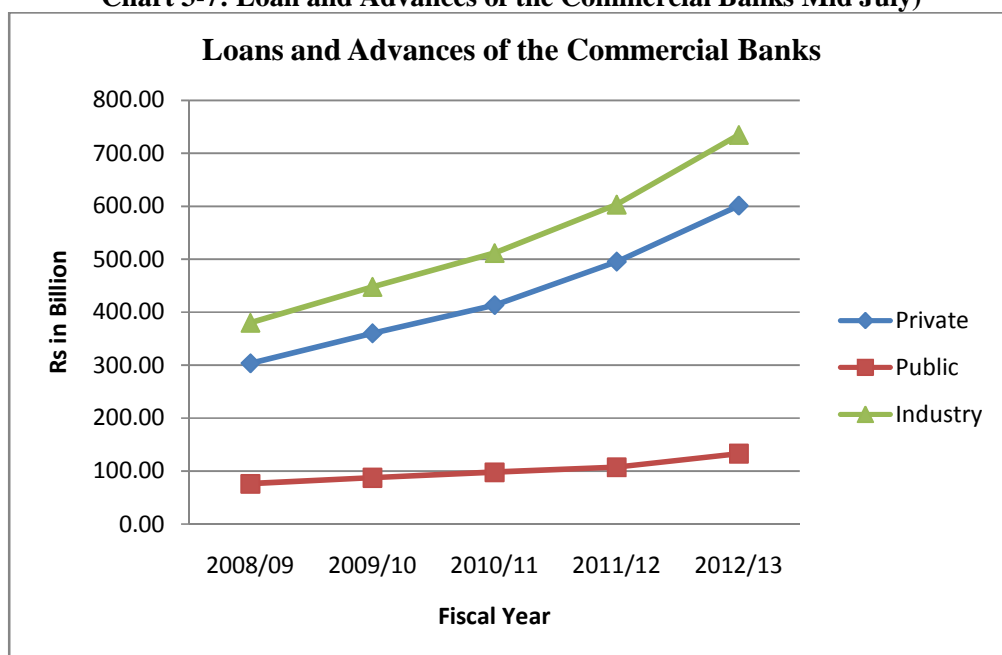
Chart 3-6: Deposit Mix of the Commercial Banks (Mid July 2013)



3.6 Loan and Advances

Loan and advances of the commercial banks increased by 21.75 percent to Rs.734.19 billion in the fiscal year 2012/13 compared to a growth of 17.89 percent last year. Loan and advances of public banks increased by 23.92 percent to Rs.133.22 billion, and that of private banks rose by 21.27 percent to Rs.600.97 billion during the year. Detailed figures are shown in Annex 9.4.

Chart 3-7: Loan and Advances of the Commercial Banks Mid July)



3.6.1 Sector wise Loan and Advances

Commercial Banks have disbursed the loans and advances to the different economic sectors of the economy. Manufacturing sector is the dominant sector of borrowing with 23.67 percent share followed by wholesale and retails 21.16 percent and construction 9.58 percent. Table 3-1 shows Sector-wise loan and advances of the Commercial Banks as at mid-July 2013

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

S.No.	Sector	% of Total Loan (mid-July)				
		2009	2010	2011	2012	2013
1	Agriculture Forest	3.4	3.05	2.68	3.75	4.11
2	Fishery	0	0	0.02	0.28	0.07
3	Mining	1.79	0.43	0.42	0.38	0.46
4	Manufacturing	20.93	20.14	21.2	23.09	23.67
5	Construction	10.71	10.56	9.29	9.8	9.58
6	Electricity, Gas and Water	1.65	1.59	1.32	1.92	2.42
7	Metal Products, Machineries, Electronics and Installation	1.88	1.32	1.68	1.48	1.32
8	Transport, Warehousing and Communication	4.55	5.28	5.11	6.16	3.24
9	Wholesalers and Retailers	17.48	18.67	18.51	18.1	21.16
10	Finance, Insurance and Real Estate	9.82	11.51	14.01	8.95	8.34
11	Hotel and Restaurant	4.72	2.84	2.13	2.66	2.53
12	Other Services	1.76	3.96	4.52	4.4	5.05

13	Consumable Loans	3.53	5.76	5.91	6	6.96
14	Local Government	0.05	0.22	0.23	1.83	0.09
15	Others	17.72	14.66	12.99	11.2	11
	Total Loan	100	100	100	100	100

3.6.2 Security wise Loan and Advances

Almost all the loans and advances disbursed by the commercial banks are secured by the various securities. In mid-July 2013, 84.86 percent of the total loan and advances are secured by the fixed property as collateral. Similarly, 3.3 percent of the total loans and advances are secured by gold and silver and 6.19 by other securities. Table 3-2 shows the security wise loan and advances position of the commercial banks as at mid-July 2013.

Table 3-2: Security used to Secure Loan and Advances

S.No.	Security	% of total loan (mid-July)				
		2009	2010	2011	2012	2013
1	Gold and Silver	1.61	2.26	2.96	3.41	3.3
2	Government Bonds	0.74	0.62	0.53	0.38	0.4
3	Non Government Securities	1.37	1.43	1.07	0.81	0.64
4	Fixed Deposit	1.33	1.5	1.59	1.16	1.08
5	Property as Collateral	85.9	85.66	84.92	84.5	84.86
6	Security of Bills	1.8	0.98	1.26	1.58	1.01
7	Guarantee	1.87	1.84	1.79	2.31	2.47
8	Credit/Debit Card	0.08	0.08	0.07	0.06	0.05
9	Others	5.31	5.62	5.82	5.79	6.19

3.6.3 Product wise Loan and Advances

The commercial banks have classified their loan products as per the Nepal Rastra Bank's directives. Major part of the loan and advances, i.e. 24.48 percent of the total loan is covered demand and other working capital products. Similarly, 19.85 percent and 14.85 percent of loans were extended to overdraft and term loan products respectively. There is a declining trend in real estate loan and it is 8.33 percent in the review year. Table 3-3 shows the composition of product wise loan and advances of the commercial banks during last five years.

Table 3-3: Product wise Loan and Advances

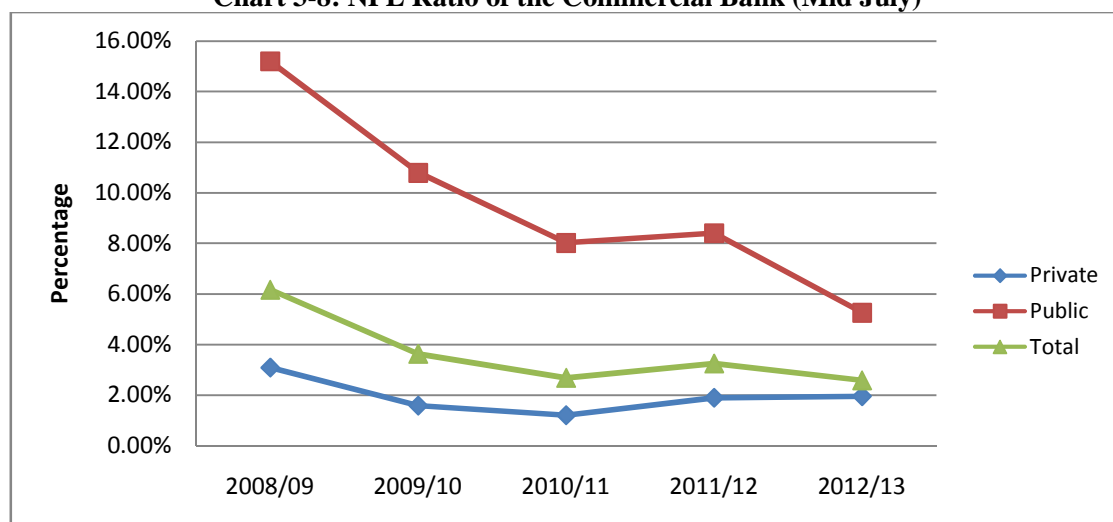
S.No	Loan Products	% of total loan (mid-July)				
		2009	2010	2011	2012	2013
1	Term Loan	15	14.16	14.33	14.01	14.85
2	Overdraft	18.1	16.27	17.31	17.26	19.85
3	Trust Receipt Loan/Import Loan	7.58	4.85	5.52	5.68	5.48
4	Demand and Other Working Capital Loan	21.64	22.36	23.39	24.96	24.48
5	Personal Residential Home Loan	7.23	7.5	5.48	5.73	6.24
6	Real Estate Loan	11.8	13.2	13.11	11.19	8.33

7	Margin Loan	2.24	2.07	1.35	1.01	0.98
8	Hire Purchase Loan	6.23	7.11	6.54	5.14	4.5
9	Deprived Sector Loan	2.96	3.65	3.44	3.79	4.28
10	Bills Purchased	0.76	0.45	0.91	1.57	1.06
11	Other Product	6.47	8.38	8.63	9.68	9.94

3.7 Non- Performing Loans (NPL)

The total volume of non- performing loans of the commercial banks increased by Rs.2.94 billion in the fiscal year 2012/13 to Rs. 19.54 billion, which is 2.58 percent of total outstanding loan and advances as at mid-July 2013. The NPL of private banks amounted to Rs. 12.07 billion whereas that of public banks was Rs. 7.57 billion in 2012/13. The NPL ratio of public banks was 5.26 percent in mid-July 2013 while that of private banks was 1.96 percent. Public sector banks accounted 38.22 percent in total NPL of commercial banks while rest went to private sector as of mid-July 2013. Detailed figures are shown in Annex 9.5.

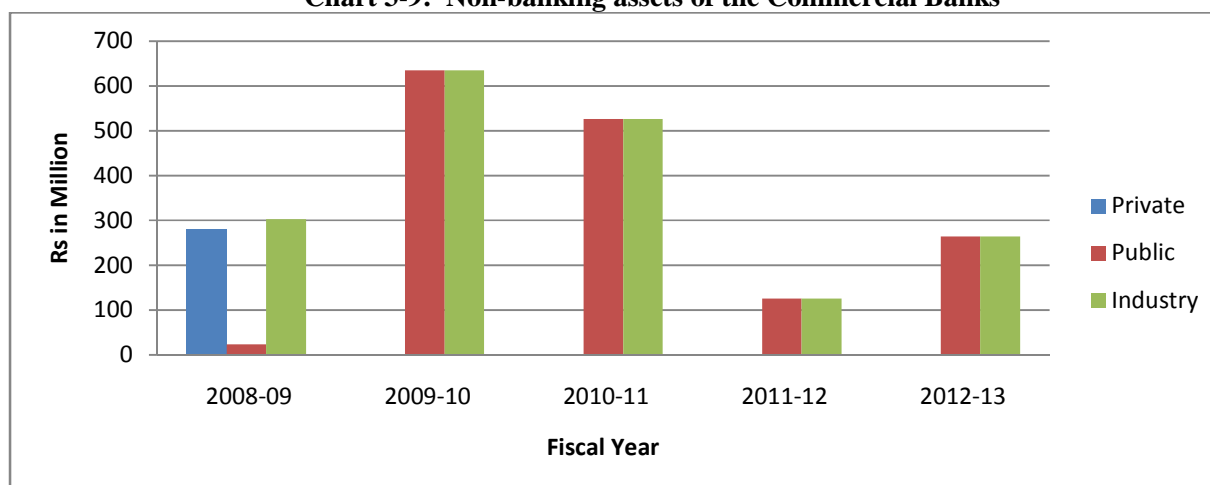
Chart 3-8: NPL Ratio of the Commercial Bank (Mid July)



3.8 Non-Banking Assets (NBA)

The total amount of non banking assets increased from Rs. 126 million to Rs. 264 in the review year. Only Nepal Bank Limited has booked the NBA during the review period. The level and structure of NBA during the last five years is presented in the chart 3.9. Details on Non-Banking Assets for various years are shown in Annex 9.6.

Chart 3-9: Non-banking assets of the Commercial Banks

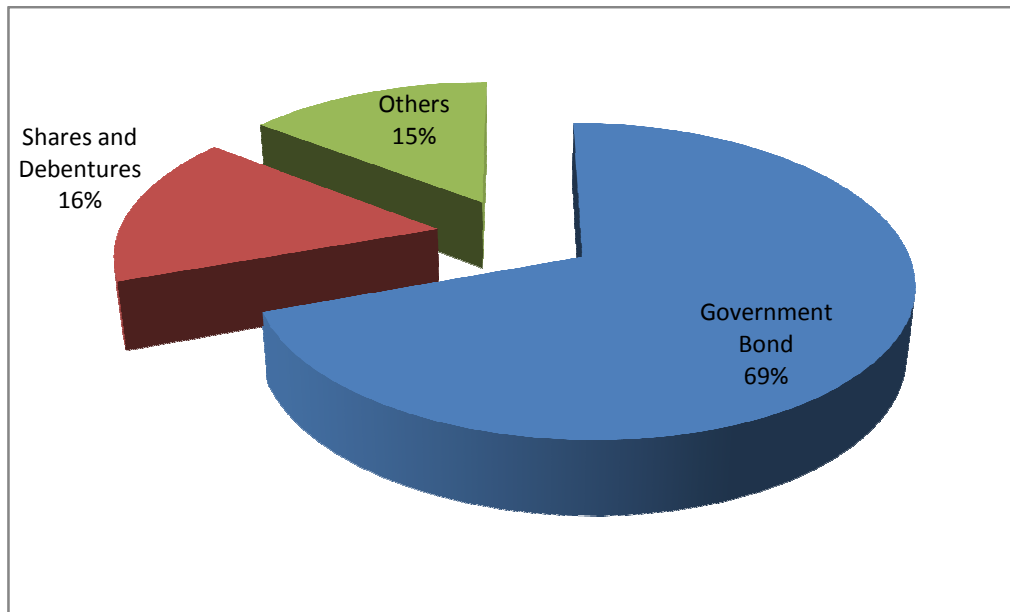


3.9 Investment

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 total investment of commercial banks increased by 16 percent to Rs.209.76 billion in the fiscal year 2012/13 compared to a growth of 21.52 percent in 2011/12. The composition of investment of commercial banks shows a high concentration in government bonds, which is 69 percent of the total investment while shares and debentures and other investment accounted for 16 percent and 15 percent, respectively. Banks are not allowed to invest in shares and debentures of Banks and the Financial Institutions licensed by the NRB. This has continuously diverted investment in 'other' areas. Chart 3.10 shows the investment portfolio of the commercial banks in mid-July 2013.

Chart 3-10: Investment Portfolio of the commercial Banks (Mid July 2013)

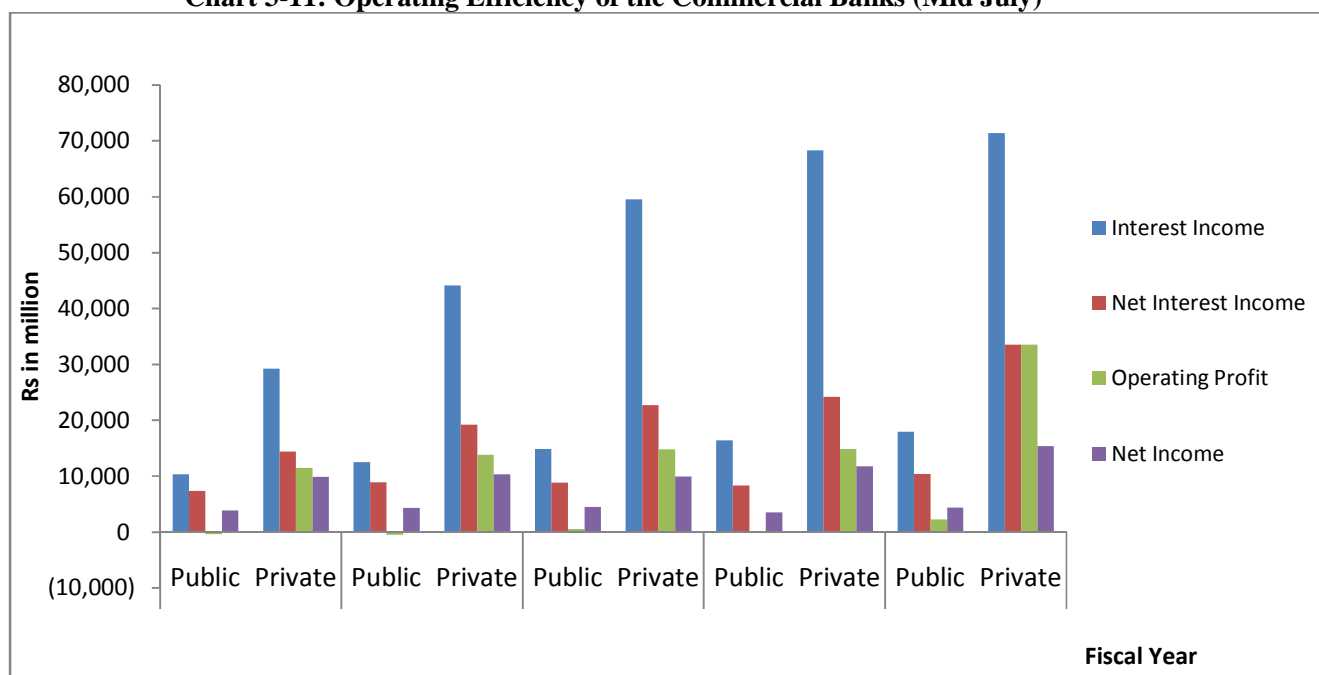


The total investment of the public banks comprises 90.74 percent of its investment on government bond which shows the high concentration in government bonds in the fiscal year 2012/13. Similarly, the total investment of private banks comprises 62.85 percent of its investment on government bond 20.66 percent on shares and debentures and rest on other investment in the fiscal year 2012/13. Detailed figure of the investment portfolio are shown in Annex 9.7.

3.10 Earnings

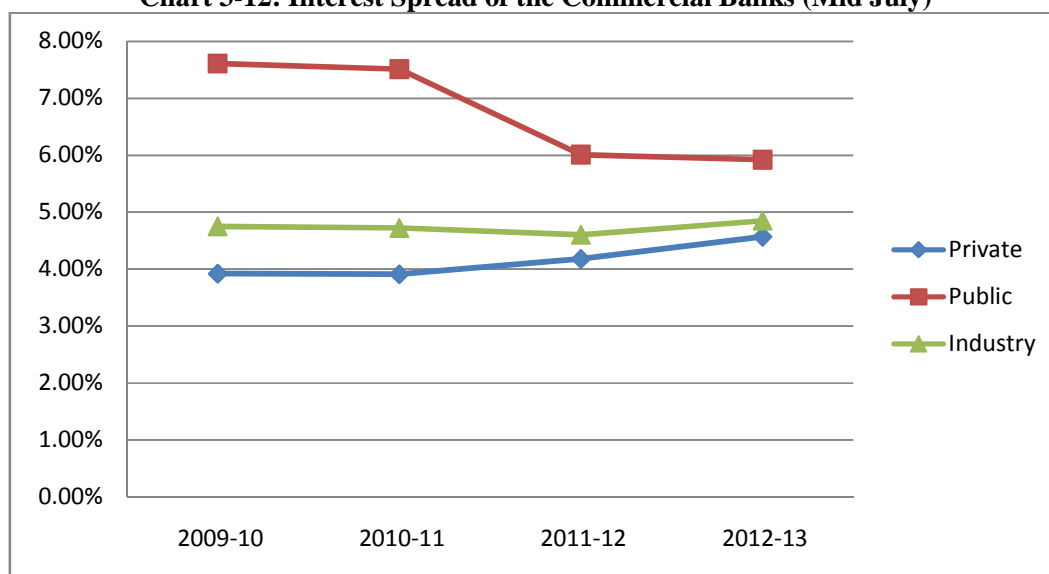
The total income of commercial banks increased by 6.47 percent to Rs. 101.69 billion in 2012/13 compared to a growth of 15.05 percent in 2011/12. Interest income, the significant proportion of income, contributed 89.33 percent of the total income. The residual portion of income is from commission, exchange income, non-operating income and other income. All banks earned profit during the review year except Kist Bank Limited. The net profit of commercial banks increased by 34.15 percent to Rs.19.81 billion in the fiscal year 2012/13 compared to an increase of profit by 2.04 percent in the previous year. Such large increment in the net profit of the commercial banks is observed due to increase in the interest spread rate. Detailed figures are shown in Annex 9.9 and 9.12. Out of the total net profit, 77.44 percent is reported by the private banks and remaining by the public banks. Earnings of the commercial banks over five years are shown in the chart 3-11.

Chart 3-11: Operating Efficiency of the Commercial Banks (Mid July)



Interest income of the commercial banks is the main factor that contributes to their profitability. The net interest spread of the commercial banks increased from 4.60 percent to 4.85 percent in the fiscal year 2012/13. The net interest spread of private sector banks is 4.57 percent and of public bank is 5.92 percent in the same period. Detailed figure of net interest spread is shown in Annex 9.8.

Chart 3-12: Interest Spread of the Commercial Banks (Mid July)

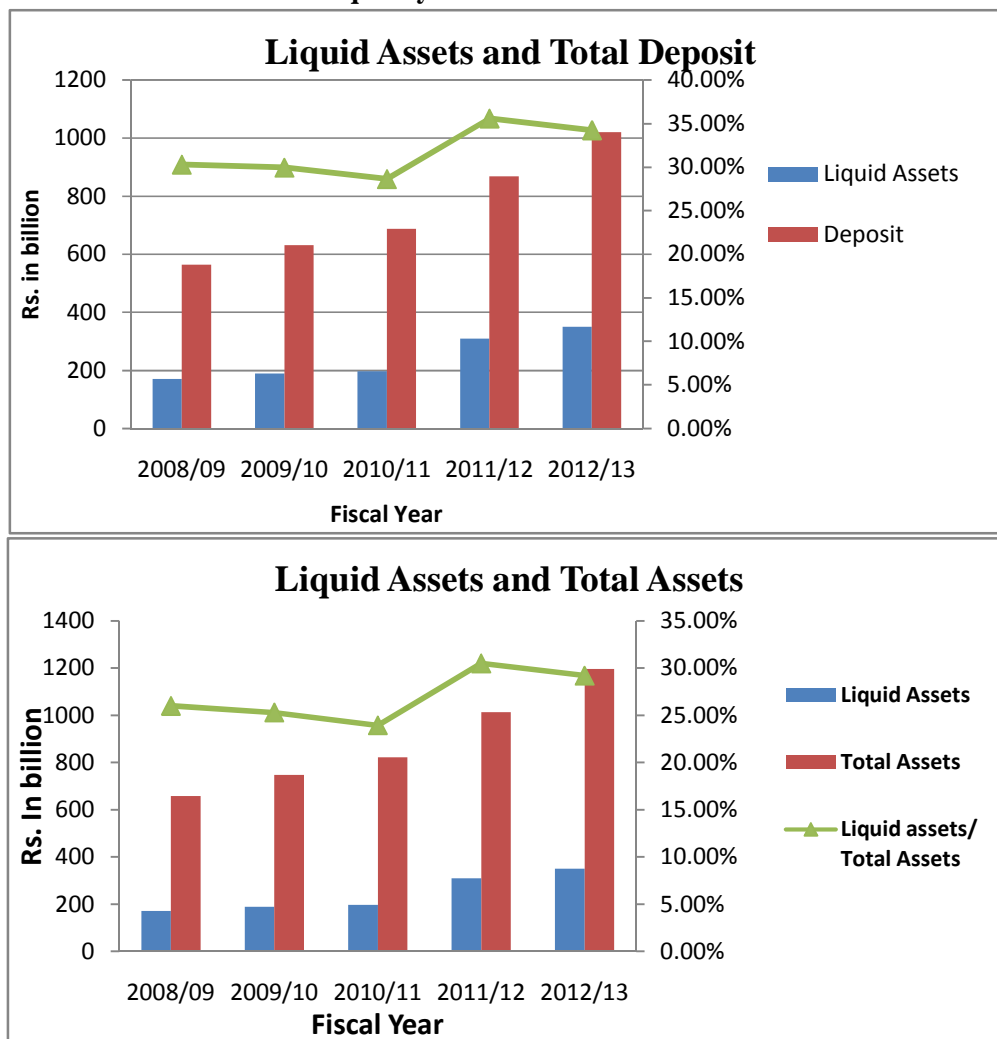


3.11 Liquidity

The cash balance, bank balances with NRB and other banks and financial institutions, 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 by 13.15 percent to Rs. 349.64 billion in 2012/13 compared to a high growth of 56.86 percent in 2011/12. The proportion of liquid assets to total deposits of the commercial banks in mid-July 2013 is 34.25 percent, which was 35.61 percent in 2011/12. Similarly, the proportion of liquid assets to total assets of the commercial banks in mid-July 2013 is 29.21 percent, which was 30.51 percent in 2011/12. Detailed figures are shown in Annex: 9.10 and Annex 9.11. Chart 3-13 shows the liquidity position of the commercial banks to its total assets and total deposits.

Chart 3-13: Liquidity Position of the Commercial Banks



The total assets of the commercial banks had increased by 23 percent in 2011/12, which later on increased by 18 percent in 2012/13. Detailed figures are shown in Annex 6.10 and 9.11.

3.12 Productive and Deprived Sector

The productive sector lending for the year 2012/13 is approximately 11% (average) which is below the minimum requirement of 20% as per the NRB directive. The deprived sector lending average for commercial banks for the fiscal year 2012/13 is 4.78 which increased from 4.34 in fiscal year 2011/12. The deprived sector lending is above the NRB minimum requirement of 4% in the review year. The chart below shows the summary of deprived sector lending in commercial banks in Nepal.

3.13 Electronic Banking

Nepalese commercial banks are providing following types of e-banking services:

- Internet Banking
- Mobile Banking
- Card Services (Debit Cards, Credit Cards, Prepaid Cards)
- Automated Teller Machines (ATMs)
- Branchless Banking

Table below shows the growing trend in the use of electronic banking services and present status of electronic banking in Nepalese banking industry.

Table 3-4: Electronic banking in Nepalese banking industry

S.N.	Particulars	Mid July 2012	Mid July 2013
1	Number of branchless banking center	74	205
2	Number of branchless banking customer	76	30,383
3	Number of mobile banking customer	1,63,246	4,52,909
4	Number of Internet banking customer	1,44,763	2,86,732
5	Total number of ATM	1,054	12,39
6	Number of debit card holder	23,55,976	31,93,137
7	Number of credit card holder	27,921	38,587
8	Number of prepaid card holder	46,083	57,453

Internet Banking: Internet banking allows individuals to perform banking activities from any place at anytime from anywhere via the Internet. All Nepalese commercial banks are offering Internet Banking services to their customers. As on mid July 2013, there are 2,86,732 Internet banking users of commercial banks in Nepal.

Mobile Banking: Mobile banking is a technology-enabled service offering from bank to its customers, permitting them to operate selected banking services over their mobile phones using SMS messaging and applications installed on the mobile phones. Nepalese banks are providing services like balance inquiry, mini statement, last transactions information, withdrawal alerts, cheque book inquiry/request, intra-bank fund transfer, utility bill payments etc. through mobile banking. As on mid July 2013, there are 4,52,909 mobile banking customers of the Nepalese commercial banks.

Debit Card: A Debit Card is a payment card, which enables the bank customer with the option of making purchases at merchant locations as well as cash withdrawal from ATMs. All Nepalese commercial banks are providing debit card services to their customers. There are 31, 93,137 debit card users of the commercial banks throughout the country in mid July 2013.

Automated Teller Machines (ATMs): An ATM is an electronic computerized telecommunication device that allows customers to directly use a secured method of communication to access their bank accounts, make cash withdrawals and check their account balances without the need for a human bank teller. Himalayan Bank Limited introduced the first ATM in Nepal in the year 1995. All commercial banks have installed ATMs. As on mid July 2013, there are 1239 ATMs installed by commercial banks throughout the country.

Credit Card: Credit card is a type of plastic card containing identifying information about a credit account maintained by a customer with a bank or other institution. Credit card service in Nepal was first introduced by NABIL bank in the early 1990s. As on mid July 2013, there are 38,587 credit card customers in the Nepalese banking industry.

Prepaid Card: Prepaid cards are the plastic cards that can be availed to any person without having an account in the bank. As on mid July 2013, there are 57,453 prepaid card customers.

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 2013, there are 30,383 branchless banking customers and 205 branchless banking centers throughout the country.

3.14 Actions and Penalties

Following actions are taken to banks according to the Nepal Rastra Bank Act, 2058 in the review year:

- NRB has issued a written order to end up frequent non compliance of NRB Directives and to adopt reformative measures to the then Board of Director of Nepal Credit and Commerce Bank Limited according to Section 100, Sub-section 1(c) of the NRB Act, 2058.
- NRB has imposed a cash fine of Rs.50, 000/- to the then managing director and Rs. 5, 00,000 to the Chairman of the Board Committee of NCC Bank Limited according to Section 100, Sub-section 2(c) of the NRB Act, 2058.
- NRB has imposed a cash fine of Rs.5,00,000/- to two of the then board of directors of Nepal Bangladesh Bank Limited according to Section 100, Sub-section 2(c) of the NRB Act, 2058.
- NRB has directed two of the then Board of Directors of Nepal Bangladesh Bank Limited for Violation of Bank's Regulation as per Section 99, Sub-section 2 of the NRB Act, 2058.
- NRB has taken prompt corrective action to Kist Bank Limited according to the PCA By rule, 2064 for not maintaining the minimum capital adequacy ratio as prescribed by the NRB.

In the review year Grand Bank Limited has been penalized Rs. 4017.53 in the first quarter for not maintaining the minimum requirement in deprived sector lending as prescribed by the NRB. Likewise, Prime Bank Limited and Janata Bank Limited were penalized Rs. 57198.46 and Rs.209813.80 in the third and fourth quarter respectively for not maintaining the Capital Reserve Ratio (CRR) as prescribed the NRB.

4 CHAPTER FOUR: CURRENT INITIATIVES IN SUPERVISION

4.1 International Initiatives and Developments

International initiatives in banking supervision mainly concentrated on the post crisis reforms to regulation and supervision. The following are some major developments in the banking supervision.

4.1.1 Internal Audit and External Audit Functions in Banks

In June 2012, the Basel Committee on Banking Supervision issued its final document *The internal audit function in banks*. With the lessons from the financial crisis, the supervisory guidance is built around 20 principles which promote a strong internal audit function within banks. The guidance addresses supervisory expectations for the internal audit function and the assessment of that function by the supervisor. The document also encourages bank internal auditors to comply with national and international professional standards on internal auditing.

Similarly, In March 2014, the Basel Committee issued the guidance on external audits of banks. The document supersedes the Committee's guidance *The relationship between banking supervisors and bank's external auditors* (2002) and *External audit quality and banking supervision* (2008). The document describes supervisory expectations regarding audit quality and its relation to the work of the external auditor and of the audit Committee in a bank.

4.1.2 Revision of the Core Principles

The Basel Committee on Banking Supervision completed its review of the October 2006 *Core principles for effective banking supervision* and the associated *Core principles methodology*. banking supervisors endorsed The revised Core Principles at the 17th International Conference of Banking Supervisors held in Istanbul, Turkey, on 13-14 September 2012.

The number of Core Principles has increased from 25 to 29 with a total of 39 new assessment criteria, comprising 34 new essential criteria and 5 new additional criteria. In addition, 34 additional criteria from the existing assessment methodology have been upgraded to essential criteria that represent minimum baseline requirements for all countries.

4.1.3 Framework for dealing with domestic systemically important banks

In October 2012, Basel Committee on Banking Supervision issued the framework for dealing with domestic systemically important banks. The document follows the Basel Committee's 2011 document on global systemically important banks (G-SIBs).

Basel Committee developed a set of principles on the assessment methodology and the higher loss absorbency requirement for D-SIBs. The framework takes a complementary perspective to the G-SIB framework and focuses on the impact that the distress or failure of banks will have on the domestic economy.

4.1.4 Bank's capital planning process

In Jan, 2014, the Basel Committee has issued the document *A Sound Capital Planning Process: Fundamental Elements*, which sets out sound practices that foster overall improvement in banks' capital planning practices. The capital planning process guideline comes out of the lessons from the financial

crisis that Banks need to improve and strengthen their capital planning process to make informed judgments on capital based on the bank's strategies across potential scenarios and outcomes so that banks do not underestimate the risk inherent in their business.

4.1.5 Management of risks related to money laundering and financing of terrorism

In Jan 2014, The Basel Committee on Banking Supervision has issued a set of guidelines to describe how banks should manage risks related to money laundering and financing of terrorism as a part of their overall risk management framework. The guidelines are consistent with the international standards issued by the Financial Action Task Force in 2012.

The details of different guidelines and documents issued by the Basel Committee may be further assessed at www.bis.org.

4.1.6 Liquidity Risk Management and Basel III Framework on Liquidity Standards

The reserve bank of India has come up with a Draft Guideline on Liquidity Risk Management and Basel III framework on liquidity standards. The paper has followed Basel Committee's paper "*Principles for Sound Liquidity Risk Management and Supervision*" in that was published in 2008 in response to the global financial crisis. The guideline recognizes the need for banks to improve their liquidity risk management function establish and encourages banks to have a robust liquidity risk management framework.

4.2 National Initiatives and Developments

4.2.1 Diagnostic Review

Nepal Rastra Bank conducted a diagnostic review of selected twenty banks and financial institutions-eight commercial banks, six development banks and six finance companies were conducted to assess the Nepalese Banking sector. The review was done with a risk focused approach and the diagnostic was conducted with the technical support from the International Monetary Fund.

The diagnostic reviews focused mainly on the banks governance process and structure and the quality of the risk management frameworks, independence of the risk assessment process, inherent risks (credit risk, market risk comprising interest rate risk and foreign exchange risk, liquidity risk and operation risk) within bank business lines, bank products and bank processes, analysis of the banks operating performance and financial condition and quality and independence of the internal audit function and the external audit function. The risk assets of banks in the diagnostic review totaled about 30% of the banking sector risk assets.

4.2.2 Risk-Based Supervision

The present supervision methodology has focused on bank's compliance with regulatory requirements to maintain a healthy financial system. Supervisors worldwide have recognized the need to keep pace with technological advances, financial product innovation, and improvements in management systems and techniques in the banking industry. Aftermath of the financial crisis of 2008, the importance of having a risk focused approach to supervision has better been understood and regulators worldwide have been moving to risk based approach with a shift from 'one-size-fits-all' that are applied uniformly to all banks regardless of their size or risk profiles.

The trend towards risk-based approaches is shift of focus from prescriptive rules-based approaches in favor of principles-based guidance. NRB has been moving to a risk focused approach to supervision in a phase wise manner. Risk-Based Onsite Inspection Manual prepared with technical support from the IMF has been approved by the NRB board. NRB's shift to risk focused supervision seeks to achieve an accurate assessment of individual banks' financial condition and managerial strength, on an ongoing basis, in order to facilitate a prompt and timely response to emerging problems.

NRB Bank Supervision Department has conducted a test case of RBS in a Bank and a full scope risk based supervision based on Risk-Based Onsite Inspection Manual has been conducted in Nepal Bangladesh Bank Ltd. RBS for other banks are in process and is being conducted in phase wise manner. NRB aims to implement RBS in full phase by 2016. To complement the onsite RBS, NRB is presently working to develop a Risk-Based Off-site Inspection Manual.

4.2.3 Problem Bank Resolution Framework

The Board of Nepal Rastra Bank has approved "Problem Bank Resolution Framework" prepared by the Bank Supervision Department of Nepal Rastra Bank. The Framework envisages on empowering NRB with choosing an appropriate resolution mechanism depending upon the situation and the gravity of problems within a particular financial institution. While the prevailing Nepal Rastra Bank Act still requires a Court Order to dissolve a problem financial institution if all the measures of restoring it fail, the said framework vests the power of making a decision of dissolution of such institutions to the Bank itself. Besides, the framework has also put forward the concept of bridge institution; the institution that works as the bridge between the problem institution and public at large until the settlement or dissolution takes place.

The above mentioned provisions can be achieved after the appropriate and relevant changes in the NRB Act 2002 itself. The framework advocates opening of "Problem Bank Resolution Unit" by pulling staffs from across various supervision departments and that would report directly to the Deputy Governor. As envisaged by the framework, "Problem Bank Resolution Division" has been established with manpower of 3 staffs and reports to the Deputy Governor.

4.2.4 Basel Core Principle Self-Assessment

Central banks worldwide conduct a self assessment of their adoption of the 29 principles of the Basel Core Principles. The aim of such assessments is to understand the level of adoption of the Basel principles and find out areas of improvements.

In coordination with the World Bank and IMF, NRB has conducted self-assessment of the Basel Core Principle and assessed the gap in implementation of the BCPs. The IMF Financial Sector Assessment Program mission for the BCP has reviewed the self-assessment. The gap analysis shows that a lot of work needs to be done to move to establish best practices in banking as recommended by the Basel Committee. Many of the 29 core principles are not compliant or materially noncompliant. A lot of work needs to be done on legal front to work for the compliance of the principles, NRB slowly but steadily aims to work to comply with all the 29 core principles.

4.2.5 Special Inspection of Financial Institutions

As a part of Development Policy Credit initiated by the Nepal Government, NRB is conducting the Special Inspection of Financial Institutions. The total number of FIs subject to the special inspection program will be: 22 Class A, 20 Class B, and 12 Class C BFI for a total of 54. The Special Inspection Program is being carried out with support from the World Bank, IMF and DFID and aims to have a comprehensive assessment of the Nepalese Financial Sector.

4.2.6 Financial Sector Assessment Program

The IMF and the World Bank team have conducted the Financial Sector Assessment Program (FSAP) for Nepal in February 2014. The focus of FSAP assessments was to gauge the stability of the financial sector and to assess its potential contribution to growth and development. The program assessed different areas of the financial sector including Banking, Insurance, Cooperatives and the Capital Market development in Nepal. The final report of FSAP is being awaited.

5 CHAPTER FIVE: ISSUES AND CHALLENGES

This section outlines some of the trends observed in the Nepalese banking industry and the challenges posed to the NRB as the regulator and supervisor.

5.1 Enforcing Capital Adequacy

Two state owned banks – NBL and RBBL – are facing significant loss of capital, weak asset quality, low profitability, over-staffing and low efficiency in overall management. Since 2002, reform measures have been continuing to improve their condition and some improvements have been observed and recently government has injected capital in these banks. However, the capital of these banks remains far below the minimum requirement set by the NRB.

Improving the capital position of the public banks remains a major challenge for the central bank – even after the enforcement of the Prompt Corrective Actions Bylaws, 2007. All banks other than two state-owned banks have maintained capital at a level above the minimum regulatory requirement. However, state-owned banks not maintaining the minimum capital adequacy regulation has made it difficult for the NRB to create a level playing field for all commercial banks.

5.2 Strengthening Supervisory Capacity

The financial sector is rapidly changing and with the advent and application of new technologies in banking, there have been lots of innovation in products and services offered by banks. Aftermath the recent global financial crisis, supervisors worldwide agree to the need of understanding the rapidly changing financial markets and the risks new products and services bring with them.

A lot of efforts and resources are been channelled to the capacity enhancement of Supervisors. Nepal Rastra Bank and the Bank Supervision department has continuously pursued various trainings, seminars, knowledge sharing and interaction programs to enhance the capacity of supervisors and bring common understanding on financial issues that come up with the changing business environment. These programs have been done both domestically and abroad and this has helped to equip NRB Supervisors with necessary resources and tools for effective regulation and supervision. A list of various programs for supervisors during the review period has been listed in Annex 4

5.3 Full-fledged Risk Based Supervision (RBS)

NRB has started conducting the Risk Based Supervision of Banks following the approval of the Inspection Manual by the board of NRB. However, NRB still faces challenges in moving toward the Risk Based Supervision (RBS) approach due to effective and efficient data management and analytics support from a robust MIS system. Developing Early Warning Signals, having integrated online data reporting system, developing forward-looking approaches are some issues that are to be addressed while moving toward RBS. Similarly, skill development and the resources needed for adapting continuous changes in supervisory approaches has also posed challenges to better implement the RBS.

5.4 Anti-Money Laundering

NRB has taken some measures to prevent the use of banking institutions for illegal activities. The *Financial Intelligence Unit* was established on 21 April, 2008 under the section 9 of the Assets (Money) Laundering Prevention Act, 2008 as an independent unit in the Nepal Rastra Bank. It is a central, national agency responsible for receiving, processing, analyzing and disseminating financial information and intelligence on suspected money laundering and terrorist financing activities to the Investigation Department and other relevant law enforcement agencies and foreign FIUs.

There are global concerns about the misuse of banking services for terrorist financing, drug trafficking and money laundering. NRB has implemented some regulatory provisions such as *Know Your Customer*, *Customer Due Diligence*, *Threshold Transaction Report* and *Suspicious Transaction Report*. However, Nepal still faces challenges in implementing international best practices in AML and CFT but is fully committed towards the implementation.

5.5 Supervision of Systemically Important Financial Institutions (SIFIs)

The Nepalese banking sector is undergoing rapid consolidation following the merging of banks and financial institutions. Few Nepalese banks have already grown rapidly to play an important role in the financial system and some of the banks are growing aggressively in terms of their transaction volume and asset portfolios.

However, despite the growth in size and volume of transactions on banks, the supervisory approach for all commercial banks is the same. Few banks have systemic importance and their supervision has to be differentiated and it is necessary to become selective and introduce prudential requirements on banks in commensurate with their importance in the system. Hence, there is a need for special regulatory and supervisory arrangements to reduce the inherent risks associated with SIFIs.

5.6 Strengthening Management Information System (MIS)

Early recognition and resolution of potential problems in the financial system gives the opportunity to minimize distress and chance of quick action and recovery. A strong MIS is the prerequisite for tracking and identifying potential problems so as to recognize the Early Warning Signals and to make a Prompt Corrective Actions.

Nepal Rastra Bank and the Supervision Department at present lacks the strong MIS base required for a prompt action against potential distress. At present data is assimilated, compiled and regular reports are monitored. This methodology is more time consuming and prone to human errors on reporting and analyzing. The Supervision Department has a challenge on a strong database and MIS system which empowers supervisors to have real time data everyday so that they can have analyze and monitor the different parameters for a quick corrective action.

5.7 Broadening and deepening financial markets

Financial inclusion, broadening and deepening of financial markets act as a catalyst to achieve the objectives of monetary policy and for sustained growth objectives. For NRB, the challenge is to reach

everyone, however remote or small, with financial services. Many bank branches are concentrated in urban areas however many poor people in so-called “over-branched” urban areas still do not have access to banking services. With advent and successful use of technology in mobile banking new products such as mobile wallets, and new entities as business correspondents are vital to link people up to the formal financial system. As a Central Bank, NRB is working to achieve the target of achieving access to finance for small and medium enterprises, the unorganized sector, the poor, and remote and underserved areas of the country.

Financial access has been increasing with the expansion of network of financial institutions and NRB has been working to increase access to finance. A provision of interest free loan up to Rs. 5 million and Rs. 10 million to BFIs for opening a branch in district head quarter and outside district headquarter of 17 remote districts has been made for a specified period to enhance financial inclusion through expansion of financial institutions in areas where there is lack of access to finance.

Promoting financial access to general public by extending the information technology is continued. To operate the branchless banking service with the help of POT machine in rural areas, after analyzing the technical and practical aspects of it, eleven commercial banks were approved to operate branchless service in 194 spots in the review period.

5.8 Corporate Governance

The financial crisis of 2009 has shown corporate governance as the single most important factor that invited the crisis. Excessive risk taking in new financial instruments without adequate risk coverage, lack of policies and procedures, noncompliance with Bank’s internal approved manuals and guidelines are the major reasons that invite a bank failure.

During the review period major issues like non-compliance of Internal Policies, lack of strategic plan and a business plan, lack of independence of Audit function, lack of board of directors oversight banks operational activities- half of all directors at banks are involved in various business activities with little or no banking knowledge, lack of successor plan, Inadequate MIS system and unprofessional decisions of Board and Senior management, insider lending, ever greening of loans etc. were noted. All of these issues were hinting a lack of good governance in Banks in Nepalese financial sector.

While NRB issues prudential regulations on corporate governance requiring banks to maintain *minimum* standards of operation, banks are expected to demonstrate robust corporate governance based on NRB guidelines and international best practices. In view of this, the commercial banks need to put in place a comprehensive risk management framework to identify measure, monitor and mitigate risks.

To ensure sound practice of corporate governance, both the board of directors and senior managers need to have adequate knowledge, competency and experience of the banking sector. The board of directors and senior management is expected to prepare working manuals, procedures and guidelines and strictly abide by such approved manuals.

5.9 Institutional Set Up and Coordination

Regulation and Supervision requires effective and efficient functioning of institutions that are created to monitor and support the financial systems. Bank supervision can be stronger when there is a support and coordination among supporting institutions in the financial system. Supervisory capacity is better strengthened by strong information support from various Institutions such as Credit Information Bureau (CIB), Debt Recovery Tribunal (DRT), Credit Rating Agency (CRA) and Assets Management Company (AMC). Support from such organization helps to validate the findings of supervision and enhance market monitoring.

Also Ensuring effective coordination between banking supervisors and other regulators of the financial sector still remains a challenge. With the growth of the Nepalese Financial Industry, financial markets have become closely integrated and therefore problems at individual banks are likely to have systemic effects. Therefore, it is important to have increasing effective and efficient coordination between supervisors and regulators of the financial system; such as the Ministry of Finance (Government), Securities Board of Nepal (SEBON) and the Insurance Board (Beema Samiti) etc.

5.10 Reform of state owned banks

With an objective of restructuring Nepal Bank Ltd., the management of NBL has been taken under control of NRB in accordance with NRB Act, 2002 article 86(C) sub-article 1(O). Initially, the take-over plan was to continue till mid-April 2013 and later extended up to Mid-January 2014. The NRB has deputed its own staffs to run the bank which will continue until a new provision is set up. In the process of the implementation of works specified in capital plan of the bank, Government of Nepal has already injected amount of right shares of its part. After distributing shares to its staffs from OTC market, listing the shares of the bank in NEPSE and after issuing the right shares to general public, the bank's paid up capital has reached to Rs. 3.71 billion.

To implement the capital plan of Rastriya Banijya Bank (RBB), the Government of Nepal has already injected amount of right shares as a part of additional capital share. The loan amount provided by Government of Nepal to the bank under the financial sector reform program has been converted to share capital. The bank's paid up capital has reached to Rs. 8.58 billion.

5.11 Operational Risks

Commercial Banks in Nepal are seen to not have complied with their own manuals on credit and operations; e. g extension of credit beyond approved limits, insider landings, loan ever greening, lack of internal policies and procedures etc. To add with this lack of corporate governance, unhealthy competition, performance pressure, lack of qualified employees and lack of proper security measures in adopted technology are the other reasons that have contributed to increased exposure in operational risks. It is a challenge to contain the growing operational risks in commercial banks in Nepal.

The NRB recommends that banks should initiate processes to adopt the international best practices in corporate governance, risk management, and adoption of self-regulatory controls that go beyond the minimum standard set by the central bank. Banks and financial institutions in Nepal still depend on the NRB directives for the minimal implementing international best practices in the area of governance and

self regulation. The NRB directives are a minimum guidance to good governance in banks and banks should opt for higher self regulation and adopt best international practices in banking.

5.12 Ever-greening of Loans

The average NPL for the year ending 2013 for the commercial banks in Nepal stood at 2.58% and the NPL level for the commercial banks has been decreasing every year. While a part of the decrease of NPL can be attributed to restructuring of state owned banks since 2002 and better regulation and control in the banks in recent times, this alone doesn't rationalize the large decrease in NPL levels. With the growth of banks and financial systems and the competition it has brought to get loan clients, ever greening of loans is a factor that has also attributed to the decrease in the NPL levels of Banks. Furthermore, it is very thoughtful that while many of the industries and business have not been performing well, banks in Nepal have remained continuously profitable and doing a good business and maintaining NPL level very low.

Supervisors during the onsite inspection of banks find that banks have used high volumes of revolving loans, overdrafts and working capital loans to ever-green loans and understate the level of NPAs. Banks have been found to extend credit to settle past loans and interest. Despite the best efforts of NRB to contain such practice of ever greening of loan, due to lack of MIS and Data in the Credit of the Nepalese economy, ever greening of loans remain a challenge and banks continue to practice loan ever greening, understatement of NPAs and overstatement of capital.

5.13 Related Party Lending

The directive 3 of the Unified Directives issued by NRB to banks and financial institutions has defined related party and provisions on loan to the related parties.

- I. Related parties include both companies if one company that holds 25 percent or more on the other,
- II. Where a person, firm, Directors of a company, shareholders of a private company, partners of partnership firm, proprietor and spouse, son, daughter, adopted son, adopted daughter, parents, step mother and brothers and sister who have to be supported by such Director, shareholders, partner, proprietor are residing jointly in the same house or separately re shares in another company, then both of such companies. Banks have been found to extend credit to related parties in contrary to the directives of NRB.
- III. companies in which the persons referred to in Sub-clause (II) above holds 25 percent or more shares individually or jointly
- IV. Even if the Director, shareholder or other relatives referred to in Sub-Clause (b) hold less than 25 percent shares of another company jointly or individually, even then if the management of that other company is controlled by them in the following ways, then such companies:- (1) By being a Chairperson of the Board of Directors; (2) By being the Chief Executive of the Company; (3) By appointing more than 25 percent of the Directors;
- V. Firms, companies stated to be associated as a group, or members of such group, or

- VI. Where one borrower or company referred to in Sub-clause (b) has provided a guarantee to another borrower or company, then such companies;
- VII. If credit is provided to more than one person against the same collateral, all of such persons;
- VIII. If a personal guarantee has been given to each other, all of such persons giving/taking the guarantee. etc.

Banks have been found to work in contrary to existing provisions and directives and extend credit to related parties through loopholes in existing legal framework and provisions. NRB has the challenge to stop such extension of credit and violation of provisions and directives.

5.14 Multiple Banking

Multiple banking is prevalent and widespread in the Nepalese banking industry. Borrowers enjoy different banking facilities from multiple banks using the same security but without having a clear demarcation on the rights in case of default. Banks financing within adequate cash flow analysis of business and the use of same collateral in multiple banks without paripassu has exposed the banking sector to credit risk.

Intense competition for clients and the fear of losing market share has motivated banks to keep a blind eye to the issue of multiple banking. The challenge is to encourage Banks to follow prudent banking practices and not to focus on compliance with minimum directives from the Central Bank.

6 Annexes

Annex 1: Growth of Financial Institutions

Types of Financial Institutions	Mid - July												
	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013
Commercial Banks	3	5	10	13	17	18	20	25	26	27	31	32	31
Development Banks	2	2	3	7	26	28	38	58	63	79	87	88	86
Finance Companies			21	45	60	70	74	78	77	79	79	69	59
Micro-finance Development Banks			4	7	11	11	12	12	15	18	21	24	31
Saving & Credit Co-operatives Limited Banking Activities)			6	19	20	19	17	16	16	15	16	16	15
NGOs (Financial Intermediaries)				7	47	47	47	46	45	45	38	36	31
Total	5	7	44	98	181	193	208	235	242	263	272	265	253

Annex 2: Inspection Schedule

S.N.	FY 2012/13			
	1st Term	2nd Term	3rd Term	4th Term
1	Nabil Bank Ltd	Machhapuchhre Bank Ltd.	Nepal SBI Bank Ltd.	Nepal Bank Ltd.
2	Nepal Investment Bank Ltd.	Kumari Bank Ltd.	Nepal Bangladesh Bank Ltd.	RatriyaBanijya Bank Ltd.
3	Himalayan Bank Ltd.	NMB Bank Ltd.	Bank of Kathmandu Ltd.	Agriculture Development Bank Ltd
4	Global IME Bank Ltd.	Kist Bank Ltd.	Nepal Credit and Commerce Bank Ltd.	Standard Chartered Bank Nepal Ltd.
5	Prime Commercial Bank Ltd.	Janata Bank Ltd.	Siddhartha Bank Ltd.	Everest Bank Ltd.
6	Sunrise Bank Ltd.	Civil Bank Ltd.	Citizens Bank International Ltd.	Lumbini Bank Ltd.
7		Century Bank Ltd.	Grand Bank Nepal Ltd.	Commerz and Trust Bank Nepal Ltd.
8			Mega Bank Ltd.	Laxmi Bank Ltd.
	6	7	8	9

Annex 3: Targeted Inspection of Commercial Banks (FY 2012/13)

SN	Bank	No of Inspection
1	Kist Bank Ltd.	4
2	Grand Bank Nepal Ltd.	1
3	Civil Bank Ltd.	1
4	RatriyaBanijya Bank Ltd.	7
5	Century Bank Ltd.	1
6	Nepal Bangladesh Bank Ltd.	6
7	Sunrise Bank Ltd.	2
8	Kumari Bank Ltd.	2
9	Nepal Credit and Commerce Bank Ltd.	1
10	Himalayan Bank Ltd.	3
11	Bank of Kathmandu Ltd.	2
12	Siddhartha Bank Ltd.	1
13	Nepal SBI Bank Ltd.	1
14	Laxmi Bank Ltd.	2
15	Bank of Asia Nepal Ltd.	2
16	Machhapuchhre Bank Ltd.	1
17	Nepal Investment Bank Ltd.	3
18	NMB Bank Ltd.	1
19	Mega Bank Ltd.	3
	Total	44

Annex 4: International Training and Seminar Participation from BSD

SN	Course	Organizer	Country	Person	Days
1	APG's 16th Annual Meeting and Technical Assistance Forum	Asia Pacific Group on Money Laundering	China	1	5
2	Financial System Stability Analysis and Surveillance	SEACEN Centre	Malaysia	1	6
3	15th SEACEN Conference of Directors of Supervision of Asia Pacific Economies /Meeting of SEASEN Advisory Group for Financial Stability and Supervision	SEACEN Centre	Indonesia	1	3
4	Better Industrial Relationship in Nepal Rastra Bank	National Institute of Bank Management	India	1	5
5	FATF Revised Standards and Risk Assessment/Strategic Implementaiton Planning	Asia Pacific Group on Money Laundering	Sri Lanka	1	3
6	APEC/FRTI Regional Seminar on Enforcement including Cross Border Transactions	APEC Financial Regulators Training Initiative (FRTI)	Bangkok	3	5
7	International Program on Central Banking	Reserve Bank of India	India	1	3
8	SEACEN Bank Management School	SEACEN Centre	Malaysia	1	5
9	SEACEN-Deutsche Bundesbank Course on Consolidated Supervision	SEACEN Centre	Brunei	1	6
10	APEC FRTI Regional Seminar on Macroprudential Supervision	Asian Development Bank	Indonesia	1	5
11	International Seminar on Financial Stability	De Nederlands Bank N.V	Netherlands	1	3
12	SEACEN Course on Bank Stress Testing	SEACEN Centre	Singapore	1	6
13	APEC FRTI Regional Seminar on Bank Analysis and Examination School	APEC Financial Regulators Training Initiative (FRTI)	Philippines	1	5
14	FIS-SEANZA Regional Seminar on Risk Based Supervision	Finanial Stability Institute, SEANZA and RBI	India	1	3
15	Banking Supervision under Framewor of Basl II and Basel III- Basic	Deutsche Budesbank	Germany	1	5

16	Basel Framework-Supervisory Review Process	SEACEN Centre	Malaysia	1	4
17	The future of Regulatory Data and Analytics	Centre for Central Banking Studies, Bank of England	London	1	6
18	Typologies Workshop and Capacity Building Workshop	Asia Pacific Group on Money Laundering (APG)	Viet Nam	1	5
19	SBI Supervisory College Meet, 2012	Reserve Bank of India	India	2	1
20	Risk Based Supervision and Basel II Implementation Programme	Bank Negara Malaysia	Malaysia	2	2
21	4th Credit Reporting and Risk Management Training	Bank Negara Malaysia	Malaysia	1	5
22	NRB Training Programme on Central Banking	Central Bank of Sri Lanka	Srilanka	1	3
23	FSI Seminar on Effective Implementation of Supervision and Regula	Financial Stability Institute FSI, BIS	Switzerland	1	3
24	SEACEN Course on Assessing Market Risk of a Bank	SEACEN Centre	Taiwan	1	6
25	Programme on Cyber Security in Banks (Focus: Cyber Threats and Counter Measures)	NIBM	India	1	3
26	Basel III and Supervision of Systemically Important Banks	FSI RBI	India	2	4
27	FSI EMEAP Regional Seminar on Basel III Application	FSI BIS	China	1	3
22	APEC FRTI Regional Seminar on Cross Border Supervision and Enforcement	APEC FRTI	Thailand	1	5

Annex 5: Capital Adequacy Ratio of Commercial Banks (in percent)

S.No	Bank's name	Mid July 2012		Mid July 2013	
		Capital			
		Core Capital	Total Capital Fund	Core Capital	Total Capital Fund
1	Nepal Bank Limited	-5.82	-5.82	-0.49	-0.49
2	Rastriya Banijya Bank Limited	-9.35	-9.35	1.51	2.94
3	Agricultural Development Bank Nepal	14.25	18.25	15.10	17.89
4	Nabil Bank Limited	9.30	11.01	9.98	11.59
5	Nepal Investment Bank Limited	9.34	11.10	10.01	11.49
6	Standard Chartered Bank Limited	12.02	13.93	11.03	12.54
7	Himalayan Bank Limited	9.60	11.02	8.96	11.55
8	Nepal Bangladesh Bank Limited	10.76	11.86	10.76	11.61
9	Nepal SBI Bank Limited	9.16	11.21	9.59	12.39
10	Everest Bank Limited	9.61	11.02	9.31	11.59
11	Bank of Kathmandu	10.11	11.07	9.50	12.58
12	Nepal Credit and Commerce Bank Limited	10.93	11.77	11.02	11.88
13	Lumbini Bank Limited	22.13	23.35	19.89	20.75
14	NIC / NIC Asia Bank Limited	9.91	11.01	12.21	13.17
15	Machapuchhre Bank Limited	14.11	15.04	11.59	12.54
16	Kumari Bank Limited	11.30	12.20	11.24	12.10
17	Luxmi Bank Limited	9.52	11.02	9.15	12.23
18	Siddhartha Bank Limited	8.18	11.03	8.21	11.70
19	Global IME Bank Limited	9.21	11.66	9.17	11.14
20	Citizen Bank Limited	13.50	14.47	11.05	11.89
21	Grand Bank Nepal Limited	15.99	16.84	12.39	13.20
22	NMB Bank Limited	13.95	14.84	10.41	11.27
23	Prime Bank Limited	12.65	13.59	11.88	12.74
24	Sunrise Bank Limited	11.01	11.78	10.96	11.80
25	Kist Bank Limited	11.70	12.47	10.94	11.75
26	Janta Bank Limited	22.58	23.40	14.73	15.57
27	Mega Bank Limited	18.24	19.09	17.24	18.06
28	Civil Bank Limited	13.34	14.19	13.97	14.85
29	Century Commercial Bank Limited	22.43	23.26	11.78	12.66
30	Commerz& Trust Bank Limited	19.80	20.58	18.85	19.67
31	Sanima Bank Limited	19.86	20.79	13.91	14.87

Annex 6: Region-wise distribution of Branches (mid July)

S. N.	Development Region	2010	2011	2012	2013
1	Eastern Development Region	170	216	255	272
2	Central Development Region	505	629	709	736
3	Western Development Region	177	225	256	262
4	Mid-western Development Region	72	100	120	129
5	Far-western Development Region	56	75	85	87
	Total	980	1245	1425	1486

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

Annex 7: Main Circulars issued to Bank and Financial Institutions(FY 12/13)

Circular No.	Subject
1.	<p>Licensed "A", "B" & "C" class Banks and financial institutions are provided by refinance facility by NRB for the loan floated under the following headings:-</p> <p>a) General Refinance:- A provision is made whereby refinance used by BFIs for loan provided on Hydropower projects of up to 25 MW, agriculture sector and other productive sectors, tourism, infrastructures oriented industries. Refinance rate under this heading is 6 percent whereby BFIS cannot charge more than 9 percent to the clients.</p> <p>b) Special Refinance:- Special refinance rate applicable to credit for export industry, sick industry, small and cottage industry and foreign employment for specified section of people was maintained at 1.5 percent. Under this facility, commercial banks and financial institutions cannot charge more than 4.5 percent interest to the clients.</p> <p>c) Export Refinance:- Export refinance rate applicable for export oriented firms/companies based on export documents was maintained at 1.5 percent. Under this facility, commercial banks and financial institutions cannot charge more than 4.5 percent interest to the clients.</p> <p>d) Small Industries by Women:- Under this refinance provision, refinance is applicable to the loan floated up to 3 lacks in small and cottage industries under women ownership. Refinance rate under this heading is 6 percent whereby BFIS cannot charge more than 9 percent to the clients.</p>
2.	<ul style="list-style-type: none">• The bank rate was fixed at 8 percent.• SLF to be provided against the collateral of treasury bills and development bonds on prevailing bank rate.• Lender of last resort facility will be provided to BFIs for maximum 6 months against the government securities, CRR and good collateral.• Commercial banks, development banks and finance companies shall be required to maintain deprived sector lending at 4 percent, 3.5 percent and 3 percent respectively by the end of current fiscal year.• CRR to be maintained by "A" class institution is 6.0 percent, "B" class institution is 5.5 percent and "C" class institution is 5.0 percent.• Banks to Bank transactions are not allowed on regular basis instead they can be taken as

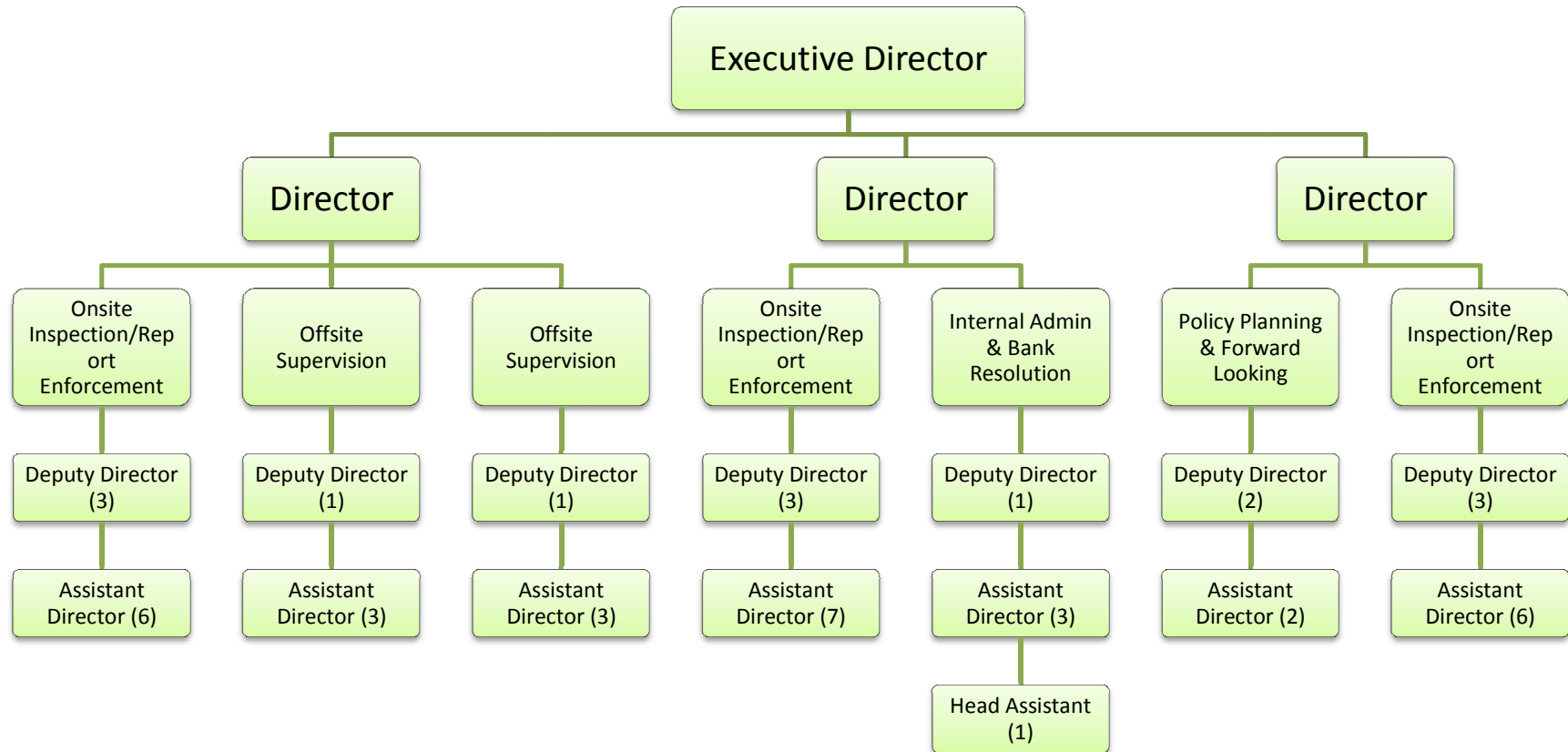
	<p>Interbank transactions which period should not exceed maximum of 7 days.</p> <ul style="list-style-type: none"> • Internal Capital Adequacy Assessment Process (ICAAP) Guidelines has been issued for commercial banks. • Guideline on Information Technology for Banks and financial Institutions has been issued. • Provision has been made to submit Permanent Account Number (PAN) to BFIs by borrower borrowing Rs. 10 million or more. • "D class financial institutions shall provide the loan of maximum 0.1 million to deprived and poor people against group guarantee and up to Rs. 0.3 million against acceptable collateral for microenterprises.
3.	<ul style="list-style-type: none"> • "A" class commercial banks can work as member of depository institutions according to prevailing law. • The provision of recognizing the loan provided against L/C opened for payment of Trust Receipt Loan wherein such provision of such loan not specified bad loan has been amended. • Employees Provident Fund, Citizen Investment trust & Rastriya Beemasansthan can invest maximum up to 25 percent in promoter shares of one or more BFIs with the approval of NRB.
4.	<ul style="list-style-type: none"> • Under the policy provision of barring promoters, chief executive officers or managerial level officials of licensed institutions from borrowing any personal loan except education loan, hire purchase loan, home loan or home appliance loan from any licensed institutions, they can take loan against government securities and credit card. • The policy has been made where except BFIs licensed by NRB, no other firms or companies can involve in financial intermediation activities such as hire purchase. • "D" class institutions can work as insurance agent with not charging additional fees except insurance premium with their credit members. • Firms/Companies/Institutions holding one percent or more shares of BFIs are not allowed to audit such firms.
5.	<ul style="list-style-type: none"> • The provision on Directive No. 1 of Unified Directive " the banks should obtain written approval of NRB for including any subordinated debt instruments (like Debenture/Bonds) in supplementary (Tier-2) Capital" has been cancelled. • Except National level BFIs, other financial institutions are required to provide loan against the collateral within their work area.
6	<ul style="list-style-type: none"> • The area where there is lack of access to finance was redefined and now such specified number of districts is 17 (Bhojpur, Khotang, Okhaldhunga, Rasuwa, Manag, Rolpa, Rukum, Salyan, Jumla, Mugu, Humla, Kalikot, Dolpa, Jajarkot, Bajhang, Bajura, and Darchula). Before, such specified districts were 30 in number. • A provision has been made to allow BFIs to open "D" class financial institution to provide credit to deprived sector as subsidiary company only at designated geographical area with low financial access. Those nine districts are Manag, Humla, Dolpa, Kalikot, Mugu, Jajarkot, Bajhang, Bajura and Darchula. • A policy provision has been made to allow "D" class financial institutions established in 9 districts with limited access to finance to collect deposits from the general public up to five times of their core capital. • The limit of opening extension counter for "A" class commercial banks is subject to get waiver to open extension counter for revenue collection purpose.

7.	Due to long Dashain holidays, the week starting from 22nd October to 4th November will be considered as one week for the calculation of CRR.
8.	Commercial banks are required to tie up their lending rate with their base rate according to "Base Rate Determination procedures, 2069". They should publish their base rate in monthly basis on their website.
9	The limit of sending credit information to Credit Information Centre has been reduced to Rs 1 million from 2.5 million.
10.	The loan provided to Nepal oil Corporation, Nepal Food Corporation and krishiSamagrisansthan are subject to get waiver on Single Obligor limit.
11	<ul style="list-style-type: none"> • Mobile Banking service can be done with agent appointed by BFIs and the transactions should be settled in Real Time basis. • Provision regarding Cheque Standards and Specifications has been amended.
12	<ul style="list-style-type: none"> • While calculating capital adequacy, the investment in mutual fund should be calculated as risk weighted assets by providing cent percent risk weightage. • BFIs can invest maximum of 20 percent of their core capital in the company having own financial interest and such investment should be deducted from core capital while calculating capital adequacy. • To ensure reliability on "Good for Payment" cheques additional policies regarding on this has been issued.
13.	<ul style="list-style-type: none"> • "A" class commercial banks with the approval from NRB can open their agent or representative office in foreign countries. • BFIs are required to maintain their letters, cheques/voucher and other documents in "Devanagari" font except related to foreign transactions.
14.	The KYC guidelines have been amended.
15	<ul style="list-style-type: none"> • A provision has been made where an additional capital charge of 2 to 5 percent of Gross Income of immediate previous financial year shall be levied for operational risk for .Likewise, "B" & "C" class institutions are required to add 5 percent of their total assets as risk weighted assets as operational risk • The persons/staffs associated with the government or government owned institutions or working as full time staffs are prohibited to be elected or nominated in board of directors. • Small and medium enterprises (SMEs) has been defined.
16.	<ul style="list-style-type: none"> • Small savers with less than Rs. 0.5 million in their deposit accounts are not required to follow stringent KYC policy. • To appoint the director in microfinance financial institutions and to appoint any institutions holding the share of BFIs are not prohibited to become director in more than one licensed institutions.
17	<ul style="list-style-type: none"> • Amendments on ECC policy. • The duration for MICR cheques is extended to mid-July, 2013.
18	The prior policy regarding operational risk provision has been simplified .
19	The provision of appointing university professors and associate professors as directors of BFIs has been clarified.

20	<ul style="list-style-type: none"> • There has been amendments on form no . 1, 2 and 3 of "Capital Adequacy Framework 2007 (updated July 2008) ". • According to the existing policy, the forms no 1-8 of "Capital Adequacy Framework 2007 (updated July 2008) " has been prepared in detail in spreadsheet and kept in website of the bank and banks are required to provide their statistical information accordingly.
21	Removing action against three willful defaulters.
22	The Unified Directive for "A", "B" and "C" class institutions, 2013 effective from 16 July 2013 has been issued. The Directive was formulated on the basis of Unified Directive 2012 and all amendments and circulars issued to all licensed "A", "B", & "C" class financial institutions.
23	The Unified Directive for for "D" class institutions, 2013 effective from 16 July 2013 has been issued. The Directive was formulated on the basis of Unified Directive 2012 and all amendments and circulars issued to all licensed "A", "B", & "C" class financial institutions.

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

Annex 8: Organization Chart of Bank Supervision Department



Note: Numbers in parentheses represent number of staff

Annex 9: Banking Statistics

Annex 9.1: Banking Operation

	Rs in billion					Percentage Change			
	2009	2010	2011	2012	2013	2010	2011	2012	2013
Deposits									
Public	148.51	143.23	155.12	187.07	208.48	-3.56	8.31	20.59	11.45
Private	415.63	487.61	532.44	680.84	812.31	17.32	9.20	27.87	19.31
Total	564.14	630.83	687.57	867.90	1020.79	11.82	8.99	26.23	17.62
Loans and Advances									
Public	76.41	87.68	98.04	107.51	133.22	14.75	11.81	9.67	23.92
Private	303.81	360.14	413.50	495.54	600.97	18.54	14.82	19.84	21.28
Total	380.22	447.82	511.54	603.06	734.20	17.78	14.23	17.89	21.75
Total Assets									
Public	168.09	181.19	193.07	230.57	257.47	7.79	6.55	19.43	11.66
Private	489.58	565.94	630.06	782.19	939.49	15.60	11.33	24.15	20.11
Total	657.68	747.13	823.12	1012.76	1196.95	13.60	10.17	23.04	18.19

Annex 9.2: Capital Fund

	Rs. In Billion				Percentage Change		
	2009/10	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
Private	61.31	75.66	88.49	104.39	23.39	16.97	17.97
Public	-1.74	-0.11	8.58	19.74	-93.64	-7827.93	130.11
Industry	59.57	75.54	97.07	124.13	26.82	28.49	27.88

Data Source : BSD Offsite

Annex 9.3: Deposit Mix

	Rs. In Billion					% Change			
	2008/09	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
Current	73	80.82	78.71	93.28	108.59	10.71	-2.61	18.51	16.41
Saving	279.07	237.766	231.50	299.76	358.80	-14.80	-2.63	29.48	19.70
Fixed	141.22	197.65	252.39	298.76	345.45	39.96	27.70	18.37	15.63
Other	70.82	111.42	124.96	176.11	212.42	57.33	12.15	40.93	20.62
Total	564.12	627.656	687.57	867.90	1020.81	11.26	9.55	26.23	17.62

Annex 9.4: Loans and Advances

	Amount in Billion					% Change			
	2008/09	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
Private	303.81	360.14	413.50	495.54	600.97	18.54	14.82	19.84	21.28
Public	76.41	87.68	98.04	107.51	133.22	14.75	11.81	9.67	23.92
Industry	380.22	447.82	511.54	603.06	734.20	17.78	14.23	17.89	21.75

Annex 9.5: Non Performing Loans

	Rs in Billion					% change			
	2008/09	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
Private	4.96	4.38	8.07	9.12	12.07	-11.69	84.25	13.07	32.29
Public	9.64	8.04	9.07	7.48	7.47	-16.60	12.81	-17.57	-0.13
Industry	14.6	12.42	17.14	16.60	19.54	-14.93	38.00	-3.14	17.69

Annex 9.6: Non- Banking Assets

	Rs. in Million					% Change			
	2008/09	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
Private	279.89	0.00	0.00	0.00	0.00				
Public	23.32	634.38	526.08	126.13	264.29	2620.66	-17.07	-76.02	109.54
Industry	303.21	634.38	526.08	126.13	264.29	109.22	-17.07	-76.02	109.54

Annex 9.7: Investment Portfolios

Bank/ Investment	Rs. In Billion			
	Government Bond	Shares and Debentures	Others	Total
Private	100.67	33.09	26.39	160.15
Public	45.38	0.55	4.08	50.01
Total	146.06	33.64	30.48	210.17

Annex9.8: Net Interest Spread

Banks/ Year	2009-10	2010-11	2011-12	2012-13
Private	3.92%	3.91%	4.18%	4.57%
Public	7.61%	7.51%	6.01%	5.92%
Industry	4.75%	4.72%	4.60%	4.85%

Annex 9.9: Operating Efficiency

	Rs. In Billion									
	2008/09		2009/10		2010/11		2011/12		2012/13	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Interest Income	10.37	29.24	12.54	44.14	14.86	59.52	16.42	68.31	17.92	71.41
Net Interest Income	7.35	14.44	8.88	19.20	8.87	22.73	8.32	24.21	10.42	33.54
Operating Profit	-0.34	11.48	-0.44	13.83	0.53	14.83	-0.02	14.87	2.25	33.54
Net Income	3.88	9.84	4.33	10.37	4.51	9.97	3.48	11.75	4.36	15.34

Annex 9.10: Liquid Assets to Total Deposit

In billion

	2008/09	2009/10	2010/11	2011/12	2012/13
Liquid Assets	171	189	197	309	350
Deposit	564	631	688	868	1021
Liquid Assets/Deposit	30.31%	29.96%	28.65%	35.61%	34.25%

Annex 9.11: Liquid Assets to Total Assets

Rs. In billion

	2008/09	2009/10	2010/11	2011/12	2012/13
Liquid Assets	171	189	197	309	350
Total Assets	658	747	823	1013	1197
Liquid assets/ Total Assets	26.00%	25.30%	23.93%	30.51%	29.21%

Annex 9.12: Audited Financial Statements of Commercial Banks

1. Nepal Bank limited

Rs. '000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	380,383	380,400	380,383	1,772,828	3,716,443
Reserves and Surplus	(5,234,694)	(5,232,200)	(4,604,661)	(4,680,604)	(3,889,099)
Debenture & Bond	0	0		0	0
Borrowing	1,970,675	2,125,100	1,842,410	2153794	2,342,739
Deposit	45,194,232	42,129,900	46,804,206	56052372	62,988,852
Bills Payable	12,016	47,100		74767	0
Proposed & Payable dividend	2,065	2,000		0	0
Tax Liabilities	0	130,600		0	0
Other Liabilities	5,234,433	3,490,800	8,178,866	3242363	8,623,361
Total Liabilities	47,559,110	43,073,700	52,601,204	58,615,520	73,782,296
Cash Balance	1,515,655	1,573,700	10,837,966	14063693	14,184,211
Balance with NRB	6,619,700	7,350,200	0	0	0
Balance with Banks	1,036,435	1,044,700	0	0	0
Money At call	400,000	0	400,000	0	200,000
Investment	13,397,559	5,815,800	7,577,702	8391726	10,976,762
Loan and Advances	17,614,899	23,546,800	26,709,883	27670840	37,855,281
Fixed Assets	249,393	327,900	308,188	351064	385,517
Non- Banking Assets	0	435,300	381,065	0	264,292
Other Assets	6,725,469	2,979,300	6,386,400	8138197	9,916,233
Total Assets	47,559,110	43,073,700	52,601,204	58,615,520	73,782,296
Interest Income	2,690,058	2,865,100	3,735,206	4051152	4,716,229
Interest Expenses	791,710	764,400	1,457,253	2197137	2,194,297
Net Interest Income	1,898,348	2,100,700	2,277,953	1,854,015	2,521,932
Commission and discount	273,106	220,700	241,673	252631	225,826
Other Operating Income	156,757	0	140,239	179461	259,368
Exchange Income	89,209	23,600	13,595	59636	84848
Total Operating Income	2,417,420	2,345,000	2,673,460	2,345,743	3,091,975
Employees Expenses	1,640,565	2,566,100	2,055,393	1903066	1,867,702
Other Operating Expenses	297,015	255,100	361,139	401045	498,930
Exchange Loss		0	0	0	0
Operating Profit Before Provision	479,840	(476,200)	256,928	41,632	725,342
Provisions for possible losses	334,315	55,600	36,369	252058	364,339
Operating Profit	145,525	(531,800)	220,559	(210,426)	361,004
Non-Operating Income/ Expenses	57,526	0	35,735	49,026	86,392
Return From Loan Loss Provision	676,372	748,700	54,056	331,551	440,077
Profit From Ordinary activities	879,423	216,900	310,350	170,151	887,473
Extra ordinary Income /Expenses	165,144	213,900	198,578	3,686	335,045
Net Profit including all activities	1,044,567	430,800	508,928	173,837	1,222,518
Provision For Staff Bonus	94,960	0	46,266	15,803	111,138
Provision For Income Tax	55,353	2,200	79,225	(18,328)	319,875
-This Year				991	0
-Up to Last Year				0	0
Defrred Tax				(19,319)	0
Net Profit / Loss	894,254	428,600	383,437	176,362	791,505
Financial Indicators					
Core Capital to Risk Weighted Assets	-13.94%	-11.74%	-9.66%	-5.82%	-0.49%
Capital Fund to Risk Weighted Assets	-13.94%	-11.74%	-9.66%	-5.82%	-0.49%
Non-Performing Loan to Total Loan	4.94%	4.98%	5.28%	5.58%	4.53%
Weighted Average Interest Spread	6.45%	6.14%	7.75%	7.05%	6.35%
Net Interest Income (Rs. in thousands)	1,898,348	2,100,700	2,277,953	1,854,015	2,521,932
Return on Assets	1.88%	1.00%	0.74%	0.30%	1.07%
Credit to Deposit	43.28%	59.52%	57.07%	52.98%	60.48%
Liquid Assets to Total Assets	42.41%	32.92%	31.98%	34.31%	30.90%
Liquid Assets to Total Deposit	44.63%	33.66%	35.94%	35.88%	36.20%

2.Rastriya Baniya Bank Limited

Rs. '000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,172,300	1,172,300	1,172,300	5,497,610	8,588,972
Reserves and Surplus	(13,133,193)	(9,789,377)	(9,377,570)	(8,294,990)	(7,316,484)
Debtenture & Bond	0	0	0	0	0
Borrowing	3,873,598	4,039,791	4,812,803	2,923,130	2,167,176
Deposit	68,160,927	68,623,160	73,924,079	87,775,030	91,093,909
Bills Payable	68,605	31,360			17,254
Proposed & Payable dividend	62,960	86,687			0
Tax Liabilities		29,186	0	0	0
Other Liabilities	8,509,150	19,904,757	10,691,581	12,659,240	6,972,679
Total Liabilities	68,714,347	84,097,864	81,223,193	100,560,020	101,523,506
Cash Balance	2,014,077	1,674,650	6,907,305	19,262,920	2,400,662
Balance with NRB	8,412,752	8,264,580	0	0	11,973,729
Balance with Banks	1,344,468	1,648,219	0	0	684,424
Money At call	0	0	83,250	512,300	480,000
Investment	15,416,020	12,989,463	15,333,163	26,501,130	29,672,249
Loan and Advances	26,187,931	30,254,069	36,866,104	40,448,870	45,599,151
Fixed Assets	452,209	890,805	946,815	1,060,410	489,109
Non- Banking Assets	23,317	199,077	145,013	126,130	0
Other Assets	14,863,573	28,177,001	20,941,543	12,648,260	10,224,182
Total Assets	68,714,347	84,097,864	81,223,193	100,560,020	101,523,506
Interest Income	3,444,188	4,207,610	5,027,872	5,399,990	5,748,968
Interest Expenses	1,067,779	1,386,980	2,424,251	3,045,590	2,461,853
Net Interest Income	2,376,409	2,820,630	2,603,621	2,354,400	3,287,115
Commission and discount	577,560	608,261	435,001	427,240	430,269
Other Operating Income	195,561	177,270	188,903	210,710	321,131
Exchange Income	32,098	53,215	(28,028)	100,820	0
Total Operating Income	3,181,628	3,659,376	3,199,497	3,093,170	4,038,515
Employees Expenses	1,389,012	1,629,244	1,432,706	1,439,590	2,363,303
Other Operating Expenses	393,316	417,546	510,873	599,080	699,402
Exchange Loss	0	13,067		0	73,908
Operating Profit Before Provision	1,399,300	1,599,519	1,255,918	1,054,500	901,902
Provisions for possible losses	481,042	286,546	419,482	639,250	349,732
Operating Profit	918,258	1,312,973	836,436	415,250	552,170
Non-Operating Income/ Expenses	60,887	97,738	96,200	75,880	4,483
Return From Loan Loss Provision	1,331,959	1,201,493	760,297	994,870	805,923
Profit From Ordinary activities	2,311,104	2,612,204	1,692,933	1,486,000	1,362,576
Extra ordinary Income /Expenses	138,356	(2,219)	207,062	210,450	111,902
Net Profit including all activities	2,449,460	2,609,985	1,899,995	1,696,450	1,474,478
Provision For Staff Bonus	181,441	193,332	140,740	125,660	109,220
Provision For Income Tax	344,337	405,966		124,580	55,143
-This Year	0			0	0
-Up to Last Year	0			0	0
Deferred Tax				0	55,143
Net Profit / Loss	1,923,682	2,010,687	1,759,255	1,446,210	1,310,115
Financial Indicators					
Core Capital to Risk Weighted Assets	-38.37%	-24.08%	-22.52%	-9.35%	1.51%
Capital Fund to Risk Weighted Assets	-38.37%	-24.08%	-22.52%	-9.35%	2.94%
Non-Performing Loan to Total Loan	15.64%	9.78%	10.92%	7.27%	5.32%
Weighted Average Interest Spread	5.57%	6.19%			4.41%
Net Interest Income (Rs. Thousand)	2,376,409	2,820,630	2,603,621	2,354,400	3,287,115
Return on Assets	2.84%	2.39%	2.66%		226.00%
Credit to Deposit	46.37%	51.90%	49.87%	48.71%	5384.00%
Liquid Assets to Total Assets	31.73%	34.74%	23.83%	42.60%	43.02%
Liquid Assets to Total Deposit	31.13%	42.57%	26.18%	48.80%	47.95%

3. Agricultural Development Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	10,777,500	9,437,500	9,474,300	9,474,300	9,636,800
Reserves and Surplus	(452,327)	1,430,001	3,715,179	4,849,278	5,758,292
Debenture & Bond		2,300,000	2,300,000	2,300,000	2,300,000
Borrowing	198,250	259,562	243,701	927,172	1,138,738
Deposit	35,159,610	32,472,569	34,394,627	43,238,985	54,397,147
Bills Payable		0	0	0	0
Proposed & Payable dividend	276,000	276,000	276,000	0	0
Tax Liabilities	597,719	941,920	1,340,904	2,118,959	0
Other Liabilities	5,261,987	6,902,674	7,496,652	8,486,106	8,929,324
Total Liabilities	51,818,739	54,020,226	59,241,363	71,394,800	82,160,300
Cash Balance	1,413,971	1,366,731	4,808,954	6,285,176	9,524,004
Balance With NRB	2,717,813	1,759,468	0	0	0
Bank Balance With Banks	1,075,869	1,035,206	0	0	0
Money At call	2,244,198	1,611,342	27,289	0	131,524
Investment	4,896,062	4,540,084	7,267,285	10,809,005	9,187,848
Loan and Advances	32,603,096	33,876,957	34,459,919	39,393,095	49,770,460
Fixed Assets	803,333	968,745	1,022,894	1,442,486	1,433,617
Non- Banking Assets		0	0	0	0
Other Assets	6,064,398	8,861,693	11,655,022	13,465,038	12,112,847
Total Assets	51,818,739	54,020,226	59,241,363	71,394,800	82,160,300
Interest Income	4,231,143	5,464,857	6,101,187	6,965,836	7,457,743
Interest Expenses	1,157,071	1,507,997	2,116,489	2,850,802	2,846,149
Net Interest Income	3,074,072	3,956,860	3,984,698	4,115,034	4,611,594
Commission and discount	90,045	101,727	261,741	120,544	130,144
Other Operating Income	382,246	318,804	322,224	457,779	545,806
Exchange Income	22,096	0	0	26,273	(5,441)
Total Operating Income	3,568,459	4,377,391	4,568,663	4,719,630	5,282,103
Employees Expenses	2,486,716	2,679,861	2,209,114	2,389,399	2,328,271
Other Operating Expenses	300,691	330,022	376,623	491,375	585,369
Exchange Loss	0	5,576	1,268	0	0
Operating Profit Before Provision	781,052	1,361,932	1,981,658	1,838,856	2,368,463
Provisions for possible losses	2,184,688	2,582,234	2,504,031	2,067,858	1,033,438
Operating Profit	(1,403,636)	(1,220,302)	(522,373)	(229,002)	1,335,025
Non-Operating Income/ Expenses	634,989	19,474	105,562	80,300	185,272
Return From Loan Loss Provision	1,381,932	2,469,671	2,182,828	2,175,984	1,251,608
Profit From Ordinary activities	613,284	1,268,843	1,766,017	2,027,282	2,771,905
Extra ordinary Income /Expenses	1,106,749	667,292	367,166	629,152	383,694
Net Profit including all activities	1,720,033	1,936,135	2,133,183	2,656,434	3,155,600
Provision For Staff Bonus	127,410	143,417	158,013	196,773	233,748
Provision For Income Tax	535,023	(99,667)	(390,312)	598,630	661,905
-This Year			398,984		0
-Up to Last Year					0
Deferred Tax			789,296		0
Net Profit / Loss	1,057,600	1,892,385	2,365,482	1,861,031	2,259,947
Financial Indicators					
Core Capital to Risk Weighted Assets	11.04%	14.66%	16.32%	14.25%	15.10%
Capital Fund to Risk Weighted Assets	15.69%	19.19%	20.45%	18.25%	17.89%
Non-Performing Loan to Total Loan	9.71%	8.36%	8.99%	6.35%	5.72%
Weighted Average Interest Spread	5.87%	6.09%	6.35%		
Net Interest Income (Rs. in Thousand)	3,074,072	3,956,860	3,984,698	4,115,034	4,611,594
Return on Assets	2.04%	3.50%	3.99%		0.00%
Credit to Deposit	108.93%	121.90%	117.38%	80.76%	75.44%
Liquid Assets to Total Assets	21.08%	17.03%	18.20%	23.25%	22.50%
Liquid Assets to Total Deposit	31.07%	28.33%	31.34%	38.39%	33.98%

4. Nabil Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	965,747	2,028,773	2,029,769	2,435,723	3,046,052
Reserves and Surplus	2,164,494	1,805,452	2,536,747	3,015,162	3,643,093
Debenture & Bond	300,000	300,000	300,000	300,000	300,000
Borrowing	1,681,305	74,900	1,650,599	311,080	0
Deposit	37,348,256	46,340,701	49,696,113	55,023,695	63,609,808
Bills Payable	463,139	425,444	415,768	179,142	529,598
Proposed & Payable dividend	361,325	434,737	608,931	811,908	974,736
Tax Liabilities	80,232	24,904	44,104	51,107	66,872
Other Liabilities	502,900	644,814	859,405	1,072,481	1,071,100
Total Liabilities	43,867,398	52,079,725	58,141,436	63,200,298	73,241,259
Cash Balance	674,395	635,987	744,592	1,050,658	1,140,212
Balance With NRB	2,648,596	549,454	1,473,987	3,681,980	4,789,295
Bank Balance with Banks	49,521	214,656	217,971	(456,817)	(46,939)
Money At call	552,888	3,118,144	2,452,512	826,436	1,634,306
Investment	10,826,379	13,600,917	13,081,205	14,055,850	16,332,043
Loan and Advances	27,589,933	32,268,873	38,034,097	41,605,683	46,369,835
Fixed Assets	660,989	781,480	935,088	887,543	872,322
Non- Banking Assets	0	0	0	0	0
Other Assets	864,696	910,214	1,201,984	1,548,965	2,150,185
Total Assets	43,867,398	52,079,725	58,141,436	63,200,298	73,241,259
Interest Income	2,798,486	4,047,725	5,258,269	6,133,739	5,702,123
Interest Expenses	1,153,280	1,960,108	2,946,691	3,155,490	2,186,185
Net Interest Income	1,645,206	2,087,617	2,311,578	2,978,249	3,515,938
Commission and discount	179,693	215,482	290,855	364,075	393,050
Other Operating Income	144,164	169,548	183,445	201,085	209,905
Exchange Income	251,920	291,441	276,103	447,070	489,051
Total Operating Income	2,220,983	2,764,088	3,061,981	3,990,479	4,607,944
Employees Expenses	339,898	367,162	455,616	500,713	646,759
Other Operating Expenses	265,158	334,669	403,992	428,597	468,781
Exchange Loss			0	0	0
Operating Profit Before Provision	1,615,927	2,062,257	2,202,373	3,061,169	3,492,404
Provisions for possible losses	45,722	355,829	109,470	413,949	27,451
Operating Profit	1,570,205	1,706,428	2,092,903	2,647,220	3,464,953
Non-Operating Income/ Expenses	2,190	6,455	6,981	13,840	13,468
Return From Loan Loss Provision	10,618	39,791	7,101	0	24,728
Profit From Ordinary activities	1,583,013	1,752,674	2,106,985	2,661,060	3,503,149
Extra ordinary Income /Expenses	43,522	34,322	3,148	(3,037)	(17,454)
Net Profit indulging all activities	1,626,534	1,786,996	2,110,133	2,658,023	3,485,695
Provision For Staff Bonus	147,867	162,518	192,008	241,639	316,255
Provision For Income Tax	447,615	485,907	573,946	720,109	950,678
-This Year				728,302	946,885
-Up to Last Year				0	5,792
Deferred Tax				(8,193)	(1,999)
Net Profit / Loss	1,031,053	1,138,571	1,344,179	1,696,275	2,218,762
Financial Indicators					
Core Capital to Risk Weighted Assets	8.74%	8.77%	8.83%	9.30%	9.98%
Capital Fund to Risk Weighted Assets	10.70%	10.50%	10.58%	11.01%	11.59%
Non-Performing Loan to Total Loan	0.80%	1.47%	1.77%	2.33%	2.13%
Weighted Average Interest Spread	4.16%	4.40%	4.37%	4.95%	5.48%
Net Interest Income (Rs. thousand)	1,645,206	2,087,617	2,311,578	2,978,249	3,515,938
Return on Assets	2.55%	2.37%	2.43%	2.80%	3.25%
Credit to Deposit	73.87%	69.37%	78.29%	77.91%	74.90%
Liquid Assets to Total Assets	17.40%	23.92%	23.45%	20.73%	21.07%
Liquid Assets to Total Deposit	20.43%	26.89%	27.44%	23.81%	24.26%

5. Nepal Investment Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	2,407,069	2,409,098	3,011,372	3,766,155	4,144,808
Reserves and Surplus	1,500,771	2,176,295	2,148,388	2,283,786	2,875,835
Debenture & Bond	1,050,000	1,050,000	1,050,000	1,050,000	800,000
Borrowing	38,800	37,315	280,764	567,579	310,566
Deposit	46,698,100	50,094,725	50,138,122	57,010,604	62,428,845
Bills Payable	82,338	38,144	8,250	2,977	2,888
Proposed & Payable dividend	485,454	602,274	602,274	150,646	942,002
Tax Liabilities	38,297	37,195	0	0	0
Other Liabilities	709,975	860,367	1,117,657	924,484	1,647,209
Total Liabilities	53,010,803	57,305,413	58,356,828	65,756,231	73,152,153
Cash Balance	1,833,462	1,525,442	1,718,666	1,963,969	2,172,985
Balance With NRB	4,411,133	3,237,217	4,009,460	8,502,694	8,752,591
Bank Balance with Banks	1,673,408	2,053,231	2,412,245	1,337,088	2,326,511
Money At call		0	150,000	205,363	267,400
Investment	7,399,812	8,635,530	7,423,107	10,438,487	11,435,268
Loan and Advances	36,241,207	40,318,308	41,095,515	41,636,999	46,400,054
Fixed Assets	1,060,752	1,136,247	1,108,448	1,056,439	1,068,836
Non- Banking Assets	375	0		0	0
Other Assets	390,653	399,438	439,388	615,193	728,508
Total Assets	53,010,803	57,305,413	58,356,828	65,756,232	73,152,153
Interest Income	3,267,941	4,653,521	5,803,440	5,982,641	5,878,272
Interest Expenses	1,686,973	2,553,847	3,620,337	3,814,411	2,774,788
Net Interest Income	1,580,968	2,099,674	2,183,103	2,168,230	3,103,484
Commission and discount	262,792	242,886	269,429	319,667	336,269
Other Operating Income	87,575	168,312	152,985	157,780	199,417
Exchange Income	185,327	224,056	228,076	264,166	360,245
Total Operating Income	2,116,662	2,734,928	2,833,594	2,909,843	3,999,415
Employees Expenses	225,721	279,851	326,543	340,160	379,942
Other Operating Expenses	413,884	433,596	456,057	468,863	515,837
Exchange Loss		0	0	0	0
Operating Profit Before Provision	1,477,056	2,021,481	2,050,994	2,100,820	3,103,636
Provisions for possible losses	166,201	93,056	267,331	743,724	958,336
Operating Profit	1,310,855	1,928,425	1,783,662	1,357,096	2,145,300
Non-Operating Income/ Expenses	2,953	10,606	8,396	14,161	10,431
Return From Loan Loss Provision	114,653	50,000	106,634	267,685	930,003
Profit From Ordinary activities	1,428,461	1,989,031	1,898,693	1,638,942	3,085,734
Extra ordinary Income /Expenses	0	0	(52,861)	(1,726)	(74,393)
Net Profit including all activities	1,428,461	1,989,031	1,845,832	1,637,216	3,011,341
Provision For Staff Bonus	129,860	180,821	167,803	148,837	273,758
Provision For Income Tax	397,982	542,261	501,388	449,102	822,555
-This Year			500,360	448,070	823,185
-Up to Last Year				12,675	0
Deferred Tax			1,028	(11,643)	631
Net Profit / Loss	900,619	1,265,949	1,176,641	1,039,277	1,915,028
Financial Indicators					
Core Capital to Risk Weighted Assets	8.56%	8.50%	8.77%	9.34%	10.01%
Capital Fund to Risk Weighted Assets	11.24%	10.55%	10.91%	11.10%	11.49%
Non-Performing Loan to Total Loan	0.58%	0.62%	0.94%	3.32%	1.91%
Weighted Average Interest Spread	3.94%	4.36%	4.06%	4.50%	5.50%
Net Interest Income (Rs. in Thousand)	1,580,968	2,099,674	2,183,103	2,168,230	3,103,484
Return on Assets	1.68%	2.19%	2.02%	1.60%	2.60%
Credit to Deposit Ratio	78.86%	81.74%	83.54%	75.30%	76.40%
Liquid Assets to Total Assets	19.71%	19.23%	21.57%	27.65%	26.66%
Liquid Assets to Total Deposit	22.38%	21.99%	25.10%	31.89%	31.24%

6. Standard Chartered Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	931,966	1,608,256	1,610,168	1,851,693	2,039,290
Reserves and Surplus	2,120,503	1,761,453	2,067,609	2,270,476	2,578,284
Debtenture & Bond		0		0	0
Borrowing	300,000	0	350,000	0	0
Deposit	35,871,721	35,182,721	37,999,242	35,965,631	39,466,453
Bills Payable	72,942	89,220	65,966	86,378	49,541
Proposed & Payable dividend	476,296	769,166	805,084	724,576	741,560
Tax Liabilities	4,263	0		0	0
Other Liabilities	809,777	802,503	912,450	778,298	755,972
Total Liabilities	40,587,468	40,213,319	43,810,519	41,677,052	45,631,100
Cash Balance	463,346	509,031	610,691	509,678	687,681
Balance With NRB	1,851,133	819,509	1,638,277	4,833,920	4,588,270
Bank Balance with Banks	822,685	600,766	726,828	1,022,635	1,129,048
Money At call	2,055,549	1,669,460	4,280,888	2,126,035	3,009,064
Investment	20,236,121	19,847,511	17,258,682	12,938,216	12,753,518
Loan and advances	13,679,757	15,956,955	18,427,270	19,575,968	22,828,838
Fixed Assets	137,293	118,540	106,071	89,633	81,518
Non- Banking Assets	0	0		0	0
Other Assets	1,341,585	691,547	761,812	580,967	553,163
Total Assets	40,587,468	40,213,319	43,810,519	41,677,052	45,631,100
Interest Income	1,887,221	2,042,109	2,718,699	2,870,971	2,535,359
Interest Expenses	543,787	575,740	1,003,100	1,007,198	611,382
Net Interest Income	1,343,435	1,466,369	1,715,599	1,863,773	1,923,977
Commission and discount	235,469	338,298	321,771	267,766	294,968
Other Operating Income	33,191	34,479	36,753	38,354	42,726
Exchange Income	480,031	458,564	387,134	468,557	515,050
Total Operating Income	2,092,126	2,297,710	2,461,257	2,638,450	2,776,721
Employees Expenses	253,056	312,964	365,986	386,823	421,631
Other Operating Expenses	276,327	295,305	305,215	349,225	382,483
Exchange Loss		0	0	0	0
Operating Profit Before Provision	1,562,743	1,689,441	1,790,056	1,902,402	1,972,607
Provisions for possible losses	56,635	76,974	82,739	208,251	110,125
Operating Profit	1,506,109	1,612,467	1,707,317	1,694,151	1,862,482
Non-Operating Income/ Expenses	22,098	36,268	6,445	568	1,170
Return From Loan Loss Provision	101,075	58,293	67,159	190,917	50,135
Profit From Ordinary activities	1,629,282	1,707,028	1,780,921	1,885,636	1,913,787
Extra ordinary Income /Expenses	(15,356)	(17,024)	(22,764)	(42,576)	2,410
Net Profit including all activities	1,613,926	1,690,004	1,758,157	1,843,060	1,916,197
Provision For Staff Bonus	146,721	153,637	159,832	167,551	174,200
Provision For Income Tax	442,091	450,496	479,153	506,541	524,056
-This Year			485,713	510,927	527,105
-Up to Last Year				3,609	0
Deferred Tax			(6,560)	(7,995)	(3,049)
Net Profit / Loss	1,025,115	1,085,871	1,119,172	1,168,968	1,217,941
Financial Indicators					
Core Capital to Risk Weighted Assets	13.05%	12.61%	12.10%	12.02%	11.03%
Capital Fund to Risk Weighted Assets	14.70%	14.60%	14.22%	13.93%	12.54%
Non-Performing Loan to Total Loan	0.66%	0.61%	0.62%	0.78%	0.77%
Weighted Average Interest Spread	3.98%	3.44%	3.28%	3.92%	4.12%
Net Interest Income (Rs. in Thousand)	1,343,435	1,466,369	1,715,599	1,863,773	1,923,977
Return on Assets	2.53%	2.70%	2.55%	2.80%	2.67%
Credit to Deposit	38.70%	45.98%	49.11%	55.13%	58.63%
Liquid Assets to Total Assets	37.43%	30.16%	39.29%	39.24%	31.22%
Liquid Assets to Total Deposit	42.35%	34.48%	45.30%	45.47%	36.09%

7.Himalayan Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,216,215	2,000,000	2,400,000	2,760,000	2,898,000
Reserves and Surplus	1,903,666	1,439,205	1,595,478	1,872,010	2,401,708
Debenture & Bond	500,000	500,000	500,000	500,000	1,100,000
Borrowing		0	10,000	0	88,429
Deposit	34,681,345	37,611,202	40,920,627	47,730,994	53,072,319
Bills Payable	113,509	216,159	31,655	19,003	24,268
Proposed & Payable dividend	162,097	189,473	336,842	322,106	276,000
Tax Liabilities	10,163	0	0	0	33,290
Other Liabilities	733,327	761,085	941,601	1,160,314	1,258,950
Total Liabilities	39,320,322	42,717,124	46,736,203	54,364,427	61,152,964
Cash Balance	473,760	514,223	632,046	951,333	865,060
Balance With NRB	2,328,406	2,604,791	1,390,626	3,979,164	2,427,014
Bank Balance with Banks	246,361	747,476	941,979	1,431,799	356,124
Money At call	1,170,794	308,840	734,000	264,600	2,061,831
Investment	8,710,691	8,444,910	8,769,938	10,031,580	12,992,045
Loan and Advances	24,793,155	27,980,629	31,566,977	34,965,434	39,723,805
Fixed Assets	952,196	1,061,871	1,187,493	1,305,364	1,308,774
Non- Banking Assets	22,695	0	0	0	0
Other Assets	622,265	1,054,384	1,513,144	1,435,153	1,418,311
Total Assets	39,320,322	42,717,124	46,736,203	54,364,427	61,152,964
Interest Income	2,342,198	3,148,605	4,326,140	4,724,887	4,627,335
Interest Expenses	934,778	1,553,530	2,414,807	2,816,441	2,119,062
Net Interest Income	1,407,420	1,595,075	1,911,333	1,908,446	2,508,273
Commission and discount	284,302	270,258	350,365	510,840	550,149
Other Operating Income	46,343	112,346	129,517	182,028	165,072
Exchange Income	249,983	180,278	195,528	309,898	300,469
Total Operating Income	1,988,048	2,157,957	2,586,743	2,911,212	3,523,963
Employees Expenses	360,981	414,984	517,591	634,229	682,978
Other Operating Expenses	398,317	471,102	582,210	714,436	852,112
Exchange Loss	0	0	0	0	0
Operating Profit Before Provision	1,228,751	1,271,871	1,486,942	1,562,547	1,988,873
Provisions for possible losses	68,806	692,640	471,729	505,491	842,900
Operating Profit	1,159,945	579,231	1,015,213	1,057,056	1,145,973
Non-Operating Income/ Expenses	3,810	12,382	15,856	8,006	5,999
Return From Loan Loss Provision	19,485	265,542	228,146	859,976	369,393
Profit From Ordinary activities	1,183,240	857,155	1,259,215	1,925,038	1,521,365
Extra ordinary Income /Expenses	(9,973)	(25,855)	102,292	(397,038)	(7,004)
Net Profit including all activities	1,173,267	831,300	1,361,507	1,528,000	1,514,361
Provision For Staff Bonus	106,661	75,573	123,773	138,909	137,669
Provision For Income Tax	313,771	246,929	344,619	430,453	432,995
-This Year	0			450,548	471,706
-Up to Last Year	0			378	802
Deferred Tax				(20,473)	(39,513)
Net Profit / Loss	752,835	508,798	893,115	958,638	943,697
Financial Indicators					
Core Capital to Risk Weighted Assets	8.81%	8.68%	8.88%	9.60%	8.96%
Capital Fund to Risk Weighted Assets	11.02%	10.72%	10.68%	11.02%	11.55%
Non-Performing Loan to Total Loan	2.16%	3.52%	4.22%	2.09%	2.89%
Weighted Average Interest Spread	3.66%	4.21%	3.96%	4.25%	4.25%
Net Interest Income (Rs. in Thousand)	1,407,420	1,595,075	1,911,333	1,908,446	2,508,273
Return on Assets	1.91%	1.19%	1.91%	1.76%	1.54%
Credit to Deposit	71.49%	74.39%	80.57%	75.36%	77.39%
Liquid Assets to Total Assets	21.44%	20.23%	21.62%	29.04%	25.50%
Liquid Assets to Total Deposit	24.31%	22.97%	24.70%	33.08%	29.39%

8. Nepal Bangladesh Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,860,315	1,860,315	2,009,396	2,009,396	2,210,335
Reserves and Surplus	(748,073)	273,257	241,779	944,571	1,363,081
Debenture & Bond		0	0	0	0
Borrowing		0	0	0	0
Deposit	9,997,697	10,052,182	11,511,677	16,952,703	17,845,158
Bills Payable	12,629	15,401	14,125	27,930	17,185
Proposed & Payable dividend	1,398	0	0	0	158,636
Tax Liabilities	6,729	0	0	0	0
Other Liabilities	833,857	329,886	227,783	235,156	207,406
Total Liabilities	11,964,552	12,531,041	14,004,760	20,169,756	21,801,801
Cash Balance	459,402	422,008	533,056	569,916	852,421
Balance With NRB	1,869,815	1,423,257	1,563,169	4,093,782	3,748,408
Bank Balance with Banks	242,200	213,033	368,700	346,494	497,549
Money At call	1,000	0	0	0	0
Investment	2,222,432	2,112,751	2,378,269	3,868,950	3,104,021
Loan and Advances	6,704,943	7,809,544	8,452,739	10,330,076	12,810,147
Fixed Assets	139,198	155,327	307,504	227,990	203,201
Non- Banking Assets	0	0	0	0	0
Other Assets	325,562	395,121	401,323	732,548	586,054
Total Assets	11,964,552	12,531,041	14,004,760	20,169,756	21,801,801
Interest Income	1,337,112	1,167,627	1,436,676	1,529,045	1,623,290
Interest Expenses	409,776	476,787	745,222	1,037,815	937,066
Net Interest Income	927,336	690,840	691,454	491,230	686,224
Commission and discount	122,393	145,796	159,036	198,340	222,617
Other Operating Income	125,074	50,496	52,865	53,563	83,585
Exchange Income	80,549	49,840	59,726	63,717	61,879
Total Operating Income	1,255,353	936,972	963,081	806,850	1,054,305
Employees Expenses	138,424	146,641	181,098	201,430	237,792
Other Operating Expenses	123,306	128,766	140,402	165,457	196,224
Exchange Loss		0	0	0	0
Operating Profit Before Provision	993,623	661,565	641,581	439,963	620,289
Provisions for possible losses	283,319	148,389	217,768	70,965	66,302
Operating Profit	710,303	513,176	423,813	368,998	553,987
Non-Operating Income/ Expenses	22,934	18,384	24,444	74,580	13,738
Return From Loan Loss Provision	1,905,860	1,318,048	323,614	1,364,306	326,114
Profit From Ordinary activities	2,639,097	1,849,608	771,871	1,807,884	893,839
Extra ordinary Income /Expenses	(14,990)	(523,481)	(714,889)	(775,179)	138,473
Net Profit including all activities	2,624,108	1,326,127	56,982	1,032,705	1,032,312
Provision For Staff Bonus	238,555	120,557	5,180	93,882	93,847
Provision For Income Tax	227,446	184,190	189,959	129,355	159,822
-This Year			198,200	150,350	203,576
-Up to Last Year			(896)	(1,524)	(9,469)
Deferred Tax			(7,345)	(19,471)	(34,285)
Net Profit / Loss	2,158,106	1,021,380	(138,157)	809,468	778,643
Financial Indicators					
Core Capital to Risk Weighted Assets	4.42%	11.74%	9.35%	10.76%	10.76%
Capital Fund to Risk Weighted Assets	5.55%	12.81%	10.19%	11.86%	11.61%
Non-Performing Loan to Total Loan	19.80%	6.47%	17.99%	4.29%	1.33%
Weighted Average Interest Spread	3.92%	5.56%	5.08%	5.08%	5.01%
Net Interest Income (Rs. in Thousand)	927,336	690,840	691,454	491,230	686,224
Return on Assets	18.04%	8.15%	0.00%	4.01%	3.57%
Credit to Deposit	91.33%	78.26%	88.93%	58.19%	66.31%
Liquid Assets to Total Assets	35.84%	31.42%	32.69%	43.31%	37.16%
Liquid Assets to Total Deposit	42.89%	39.17%	39.77%	51.53%	45.40%

9.Nepal SBI Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	874,528	1,861,324	2,102,966	2,355,739	2,650,206
Reserves and Surplus	838,079	589,230	776,327	841,720	1,148,751
Debenture & Bond	200,000	200,000	200,000	600,000	800,000
Borrowing	727,466	0	0	0	0
Deposit	27,957,221	34,896,424	42,415,443	53,337,264	58,920,455
Bills Payable	62,947	72,368	80,685	78,616	165,355
Proposed & Payable dividend	24,905	83,080	93,465	104,699	176,680
Tax Liabilities		0	0	3,469	0
Other Liabilities	231,536	345,253	419,347	738,200	934,704
Total Liabilities	30,916,682	38,047,679	46,088,233	58,059,707	64,796,151
Cash Balance	652,027	815,680	1,007,688	1,186,755	1,239,453
Balance With NRB	444,139	1,842,802	2,330,927	3,269,610	4,957,064
Bank Balance with Banks	807,740	782,780	1,539,210	1,052,018	1,516,886
Money At call		0	0	178,250	138,925
Investment	13,286,182	16,305,633	18,911,021	24,463,452	25,906,120
Loan and Advances	15,131,748	17,480,548	21,365,771	26,142,094	28,788,146
Fixed Assets	253,581	418,244	417,003	715,921	661,589
Non- Banking Assets		0	0	0	0
Other Assets	341,265	401,992	516,613	1,051,609	1,587,968
Total Assets	30,916,682	38,047,679	46,088,233	58,059,709	64,796,151
Interest Income	1,460,446	2,269,704	3,104,232	3,769,483	4,110,514
Interest Expenses	824,700	1,443,693	2,096,038	2,770,799	2,486,979
Net Interest Income	635,745	826,011	1,008,194	998,684	1,623,535
Commission and discount	78,837	131,692	247,165	255,352	313,697
Other Operating Income	52,790	78,796	95,172	141,762	157,756
Exchange Income	61,294	70,328	70,532	101,138	101,915
Total Operating Income	828,666	1,106,827	1,421,063	1,496,936	2,196,903
Employees Expenses	121,989	130,336	255,430	289,153	416,560
Other Operating Expenses	223,966	343,850	445,072	456,126	477,247
Exchange Loss	0	0	0	0	0
Operating Profit Before Provision	482,712	632,641	720,561	751,657	1,303,096
Provisions for possible losses	40,345	62,350	46,308	78,012	128,041
Operating Profit	442,366	570,291	674,253	673,645	1,175,055
Non-Operating Income/ Expenses	2,516	2,552	3,113	2,183	(287)
Return From Loan Loss Provision	198,673	56,621	179,122	91,695	43,861
Profit From Ordinary activities	643,556	629,464	856,488	767,523	1,218,629
Extra ordinary Income /Expenses	(156,221)	(37,266)	(137,673)	(12,204)	2,326
Net Profit including all activities	487,335	592,198	718,815	755,319	1,220,955
Provision For Staff Bonus	44,303	53,836	65,346	68,665	110,996
Provision For Income Tax	126,658	146,620	188,904	206,549	338,488
-This Year	0			229,052	363,530
-Up to Last Year	0			730	565
Deferred Tax				(23,233)	(25,608)
Net Profit / Loss	316,373	391,742	464,565	480,105	771,471
Financial Indicators					
Core Capital to Risk Weighted Assets	10.03%	10.89%	10.32%	9.16%	9.59%
Capital Fund to Risk Weighted Assets	11.92%	12.25%	11.52%	11.21%	12.39%
Non-Performing Loan to Total Loan	2.02%	1.48%	1.10%	0.54%	0.37%
Weighted Average Interest Spread	2.84%	2.76%	2.86%	2.70%	3.38%
Net Interest Income (Rs. in Thousand)	635,745	826,011	1,008,194	998,684	1,623,535
Return on Assets	1.05%	1.03%	1.01%	0.83%	1.19%
Credit to Deposit	55.84%	51.48%	51.20%	49.62%	49.55%
Liquid Assets to Total Assets	16.85%	20.38%	22.68%	17.65%	17.78%
Liquid Assets to Total Deposit	18.64%	22.22%	24.64%	19.21%	19.55%

10.Everest Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,030,467	1,279,607	1,391,570	1,761,126	1,921,239
Reserves and Surplus	1,173,157	1,479,530	1,721,976	2,416,176	2,906,605
Debenture & Bond	300,000	300,000	300,000	0	468,845
Borrowing	312,000	404,600	482,000	0	402,360
Deposit	33,322,946	36,932,310	41,127,914	50,006,100	57,720,465
Bills Payable	148,656	145,514	49,716	692,399	393,057
Proposed & Payable dividend	230,525	276,253	576,898	30,647	820,190
Tax Liabilities	20,522	(1,136)	26,900	9,297	23,932
Other Liabilities	378,576	566,082	559,238	897,383	1,084,457
Total Liabilities	36,916,849	41,382,760	46,236,212	55,813,128	65,741,150
Cash Balance	944,696	1,091,500	1,048,999	1,700,992	1,723,209
Balance With NRB	4,787,164	5,625,114	4,706,320	8,159,753	8,205,090
Bank Balance with Banks	432,512	1,102,200	367,544	502,561	1,287,495
Money At call		0	0	0	0
Investment	5,948,480	5,008,308	7,743,928	7,863,627	9,263,858
Loan and Advances	23,884,674	27,556,356	31,057,691	35,910,974	43,393,187
Fixed Assets	427,157	463,094	460,259	547,926	631,183
Non- Banking Assets		0	0	0	0
Other Assets	492,166	536,188	851,471	1,127,295	1,237,128
Total Assets	36,916,849	41,382,760	46,236,212	55,813,128	65,741,150
Interest Income	2,186,815	3,102,451	4,331,026	4,959,998	4,936,924
Interest Expenses	1,012,874	1,572,790	2,535,876	2,873,335	2,179,182
Net Interest Income	1,173,941	1,529,661	1,795,150	2,086,663	2,757,742
Commission and discount	202,094	208,123	203,468	233,570	266,821
Other Operating Income	106,404	142,311	148,062	179,822	249,385
Exchange Income	62,527	47,880	46,259	109,679	98,905
Total Operating Income	1,544,966	1,927,975	2,192,939	2,609,734	3,372,853
Employees Expenses	186,920	226,364	293,130	352,050	461,809
Other Operating Expenses	292,011	352,511	383,112	467,293	509,488
Exchange Loss		0	0	0	0
Operating Profit Before Provision	1,066,035	1,349,100	1,516,697	1,790,391	2,401,556
Provisions for possible losses	93,085	77,010	98,299	252,054	98,807
Operating Profit	972,950	1,272,090	1,418,398	1,538,337	2,302,749
Non-Operating Income/ Expenses	5,005	12,338	1,433	25,156	8,337
Return From Loan Loss Provision	8,044	83,553	56,337	150,349	88
Profit From Ordinary activities	986,000	1,367,981	1,476,168	1,713,842	2,311,174
Extra ordinary Income /Expenses	(5,549)	(61,192)	(12,051)	0	(88)
Net Profit including all activities	980,451	1,306,789	1,464,117	1,713,842	2,311,086
Provision For Staff Bonus	89,132	118,799	133,101	155,804	210,099
Provision For Income Tax	252,586	356,225	596,310	467,475	629,869
-This Year				478,356	655,436
-Up to Last Year				0	107
Deferred Tax				(10,881)	(25,674)
Net Profit / Loss	638,733	831,765	734,706	1,090,563	1,471,118
Financial Indicators					
Core Capital to Risk Weighted Assets	8.52%	8.39%	8.46%	9.61%	9.31%
Capital Fund to Risk Weighted Assets	10.55%	10.77%	10.43%	11.02%	11.59%
Non-Performing Loan to Total Loan	0.48%	0.16%	0.34%	0.84%	0.62%
Weighted Average Interest Spread	4.40%	4.78%	4.60%	5.32%	5.68%
Net Interest Income (Rs. in Thousand)	1,173,941	1,529,661	1,795,150	2,086,663	2,757,742
Return on Assets	1.73%	2.09%	2.10%	2.11%	2.39%
Credit to Deposit	73.43%	74.61%	76.98%	7322.00%	7657.00%
Liquid Assets to Total Assets	30.64%	29.42%	28.70%	29.44%	27.69%
Liquid Assets to Total Deposit	33.94%	32.96%	32.26%	32.86%	31.54%

11. Bank of Kathmandu Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	844,398	1,359,480	1,604,187	1,684,396	1,920,212
Reserves and Surplus	897,192	714,049	831,001	1,016,441	1,384,431
Debenture & Bond	200,000	200,000	200,000	200,000	400,000
Borrowing	100,000	300,000	464,900	182,900	639,323
Deposit	18,083,980	20,315,834	21,018,417	24,991,449	27,700,987
Bills Payable	51,125	35,702	19,051	28,144	28,761
Proposed & Payable dividend	77,333	177,324	227,713	342,013	12,411
Tax Liabilities			0	0	0
Other Liabilities	241,977	293,802	392,481	436,653	459,487
Total Liabilities	20,496,005	23,396,191	24,757,750	28,881,996	32,545,612
Cash Balance	565,066	455,181	542,371	750,870	813,492
Balance With NRB	1,324,108	687,582	641,694	1,970,840	2,219,214
Bank Balance with Banks	292,938	655,604	494,866	660,999	1,257,895
Money At call	243,352	931,988	479,920	518,623	0
Investment	2,783,599	3,269,205	4,286,599	5,246,683	4,757,870
Loan and Advances	14,647,297	16,664,931	17,468,194	18,813,937	22,555,919
Fixed Assets	417,041	491,295	501,995	545,617	560,016
Non- Banking Assets			0	0	0
Other Assets	222,606	240,405	342,111	374,427	381,206
Total Assets	20,496,005	23,396,191	24,757,750	28,881,996	32,545,612
Interest Income	1,347,755	1,870,847	2,386,780	2,620,894	2,450,143
Interest Expenses	563,113	902,927	1,218,790	1,484,538	1,219,400
Net Interest Income	784,642	967,920	1,167,990	1,136,356	1,230,743
Commission and discount	150,919	160,065	173,508	193,413	205,862
Other Operating Income	43,222	73,925	79,726	67,803	68,131
Exchange Income	136,036	140,785	117,098	137,740	125,715
Total Operating Income	1,114,820	1,342,695	1,538,322	1,535,312	1,630,451
Employees Expenses	146,495	168,513	196,170	248,506	286,344
Other Operating Expenses	233,668	294,457	285,992	308,128	341,866
Exchange Loss	0		0	0	0
Operating Profit Before Provision	734,658	879,725	1,056,160	978,678	1,002,241
Provisions for possible losses	33,745	119,401	152,748	95,537	112,274
Operating Profit	700,912	760,324	903,412	883,141	889,967
Non-Operating Income/ Expenses	(2,027)	2,918	5,464	3,301	9,818
Return From Loan Loss Provision	21,577	41,818	43,359	77,685	127,422
Profit From Ordinary activities	720,462	805,060	952,235	964,127	1,027,207
Extra ordinary Income /Expenses	6,934		(675)	0	54,462
Net Profit including all activities	727,396	805,060	951,560	964,127	972,745
Provision For Staff Bonus	66,127	73,187	86,505	87,648	88,431
Provision For Income Tax	199,535	222,610	259,903	268,817	267,224
-This Year				266,022	269,699
-Up to Last Year	0			840	3,778
Deferred Tax				1,955	(6,253)
Net Profit / Loss	461,735	509,263	605,152	607,662	617,090
Financial Indicators					
Core Capital to Risk Weighted Assets	9.81%	9.41%	10.37%	10.11%	9.50%
Capital Fund to Risk Weighted Assets	11.68%	10.85%	11.62%	11.07%	12.58%
Non-Performing Loan to Total Loan	1.27%	1.51%	1.82%	2.30%	1.50%
Weighted Average Interest Spread	4.72%	5.16%	5.45%	4.67%	4.81%
Net Interest Income (Rs. in Thousand)	784,642	967,920	1,167,990	1,136,356	1,230,743
Return on Assets	2.25%	2.18%	2.44%	2.10%	1.90%
Credit to Deposit	82.65%	83.90%	85.43%	77.30%	83.21%
Liquid Assets to Total Assets	20.35%	24.30%	24.89%	30.95%	27.21%
Liquid Assets to Total Deposit	23.06%	27.98%	29.31%	35.77%	31.97%

12.Nepal Credit and Commerce Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,399,558	1,399,671	1,400,000	1,470,000	1,470,000
Reserves and Surplus	(300,637)	123,036	344,241	452,582	809,615
Debtenture & Bond		0		0	0
Borrowing		206,900	374,800	0	651,300
Deposit	9,127,749	10,824,692	10,951,432	16,485,357	21,651,267
Bills Payable	15,375	30,652	8,558	14,103	13,573
Proposed & Payable dividend		0		3,684	0
Tax Liabilities		0	21,138	0	8,140
Other Liabilities	348,803	176,121	164,686	168,967	311,119
Total Liabilities	10,590,847	12,761,072	13,264,855	18,594,693	24,915,014
Cash Balance	342,794	517,662	420,536	647,208	741,900
Balance With NRB	781,447	1,483,099	1,071,726	1,339,822	3,208,178
Bank Balance with Banks	62,764	195,585	243,605	295,202	392,588
Money At call	186,402	99,951	80,295	107,756	276,543
Investment	1,583,103	1,947,614	2,061,348	3,080,778	4,094,445
Loan and Advances	6,858,194	7,994,718	8,835,194	12,443,109	15,450,752
Fixed Assets	216,858	284,166	310,144	343,224	422,249
Non- Banking Assets	235,574	0		0	0
Other Assets	323,712	238,277	242,007	337,594	328,359
Total Assets	10,590,847	12,761,072	13,264,855	18,594,693	24,915,014
Interest Income	758,363	1,042,243	1,342,865	1,519,163	1,968,137
Interest Expenses	352,060	580,165	873,283	1,050,295	1,155,267
Net Interest Income	406,303	462,078	469,582	468,868	812,870
Commission and discount	55,454	52,666	49,223	55,621	74,128
Other Operating Income	76,173	59,021	49,484	67,232	85,919
Exchange Income	20,314	18,767	10,343	17,552	4,615
Total Operating Income	558,243	592,532	578,632	609,273	977,532
Employees Expenses	93,390	105,112	108,314	146,304	148,295
Other Operating Expenses	96,089	111,353	122,297	156,697	176,423
Exchange Loss		0		0	0
Operating Profit Before Provision	368,764	376,067	348,021	306,272	652,814
Provisions for possible losses	74,557	121,088	67,031	178,910	201,157
Operating Profit	294,207	254,979	280,990	127,362	451,657
Non-Operating Income/ Expenses	6,295	65,199	10,683	(13,103)	(9,083)
Return From Loan Loss Provision	300,767	240,083	69,959	171,320	88,177
Profit From Ordinary activities	601,269	560,261	361,632	285,579	530,751
Extra ordinary Income /Expenses	(36,202)	12,022	(11,680)	(22,558)	20,226
Net Profit including all activities	565,067	572,283	349,952	263,021	550,977
Provision For Staff Bonus	51,370	52,026	31,814	23,911	50,089
Provision For Income Tax	98,236	96,484	97,256	61,489	143,102
-This Year			98,492	67,512	148,003
-Up to Last Year				0	0
Deferred Tax			(1,236)	(6,023)	(4,901)
Net Profit / Loss	415,461	423,773	220,882	177,621	357,786
Financial Indicators					
Core Capital to Risk Weighted Assets	9.81%	12.69%	12.89%	10.93%	11.02%
Capital Fund to Risk Weighted Assets	11.07%	13.94%	13.48%	11.77%	11.88%
Non-Performing Loan to Total Loan	8.60%	2.88%	3.82%	2.73%	2.65%
Weighted Average Interest Spread	4.29%	3.60%	3.00%	2.79%	3.87%
Net Interest Income (Rs. in Thousand)	406,303	462,078	469,582	468,868	812,870
Return on Assets	3.76%	3.21%	1.61%	0.90%	1.39%
Credit to Deposit	78.62%	77.49%	84.28%	78.25%	73.96%
Liquid Assets to Total Assets	26.45%	31.79%	28.06%	28.63%	34.89%
Liquid Assets to Total Deposit	30.69%	37.48%	33.99%	32.30%	40.15%

13.Lumbini Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,096,079	1,294,548	1,430,000	1,601,600	1,729,728
Reserves and Surplus	(143,027)	161,039	419,169	432,001	446,572
Debenture & Bond		0	0	0	0
Borrowing	19,538	14,972	0	0	48,000
Deposit	6,444,904	5,767,973	6,772,996	7,668,599	10,816,950
Bills Payable	17,916	10,303	6,229	3,631	4,412
Proposed & Payable dividend			6,842	9,032	6,743
Tax Liabilities			0	0	0
Other Liabilities	112,461	161,590	193,821	189,032	258,271
Total Liabilities	7,547,870	7,410,425	8,829,057	9,903,895	13,310,676
Cash Balance	168,146	198,537	293,318	269,881	335,778
Balance With NRB	749,886	561,335	720,933	1,788,306	2,959,256
Bank Balance with Banks	76,828	70,640	85,829	152,426	212,738
Money At call	441,801	147,709	0	0	0
Investment	803,625	1,078,895	1,332,994	538,558	442,003
Loan and Advances	4,983,388	5,107,264	6,111,977	6,890,212	9,007,731
Fixed Assets	46,167	66,622	100,647	113,443	143,791
Non- Banking Assets	16,046	0	0	0	0
Other Assets	261,983	179,423	183,359	151,069	209,379
Total Assets	7,547,870	7,410,425	8,829,057	9,903,895	13,310,676
Interest Income	580,438	713,357	942,742	1,039,199	1,078,122
Interest Expenses	264,426	336,201	519,079	626,732	582,058
Net Interest Income	316,012	377,156	423,663	412,467	496,064
Commission and discount	23,490	18,634	16,193	16,468	20,088
Other Operating Income	104,228	36,070	16,449	22,599	26,318
Exchange Income	25,705	16,454	11,232	14,015	12,580
Total Operating Income	469,434	448,314	467,537	465,549	555,050
Employees Expenses	77,349	67,357	81,531	82,585	114,198
Other Operating Expenses	78,453	78,913	115,965	110,666	115,274
Exchange Loss		0	0	0	0
Operating Profit Before Provision	313,632	302,044	270,041	272,298	325,578
Provisions for possible losses	66,182	66,230	44,237	48,092	114,578
Operating Profit	247,449	235,814	225,804	224,206	211,000
Non-Operating Income/ Expenses	(2,566)	1,644	1,622	2,125	1,176
Return From Loan Loss Provision	284,930	344,749	382,976	62,178	36,773
Profit From Ordinary activities	529,813	582,207	610,402	288,509	248,949
Extra ordinary Income /Expenses	(17,615)	(72,234)	(96,024)	17,891	(7,572)
Net Profit including all activities	512,199	509,973	514,378	306,400	241,377
Provision For Staff Bonus	46,564	46,361	46,761	27,855	21,943
Provision For Income Tax	133,429	159,547	77,924	85,082	69,803
-This Year			51,408	63,018	62,982
-Up to Last Year				202	5,015
Deferred Tax			26,516	21,862	1,806
Net Profit / Loss	332,206	304,065	389,693	193,463	149,631
Financial Indicators					
Core Capital to Risk Weighted Assets	16.87%	22.35%	22.65%	22.13%	19.89%
Capital Fund to Risk Weighted Assets	17.78%	24.62%	24.22%	23.35%	20.75%
Non-Performing Loan to Total Loan	9.06%	4.53%	0.96%	0.47%	0.86%
Weighted Average Interest Spread	4.24%	4.13%	3.14%	4.22%	5.21%
Net Interest Income (Rs. in Thousand)	316,012	377,156	423,663	412,467	496,064
Return on Assets	4.40%	4.10%	4.41%	1.95%	1.12%
Credit to Deposit	88.15%	95.23%	91.73%	91.01%	84.82%
Liquid Assets to Total Assets	28.56%	25.87%	26.64%	26.81%	29.04%
Liquid Assets to Total Deposit	33.45%	33.24%	34.72%	34.63%	35.73%

14. NIC Asia Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,140,480	1,311,552	1,311,552	1,311,552	2,311,552
Reserves and Surplus	519,774	453,400	686,793	750,685	2,076,624
Debenture & Bond	200,000	200,000	200,000	200,000	0
Borrowing	660,405	1,723,250	773,300	132,376	204,017
Deposit	15,579,931	15,968,918	18,394,436	22,111,851	39,908,774
Bills Payable	265,107	17,542	17,536	39,263	88,832
Proposed & Payable dividend	11,000	345,145	262,310	327,888	462,310
Tax Liabilities	10,893	32,571	4,827	0	0
Other Liabilities	363,044	256,952	439,622	705,913	1,483,115
Total Liabilities	18,750,633	20,309,330	22,090,376	25,579,528	46,535,224
Cash Balance	337,349	530,610	405,796	609,257	872,895
Balance With NRB	970,981	589,322	817,946	1,659,192	4,222,058
Bank Balance with Banks	152,820	966,197	453,314	486,940	587,922
Money At call		100,000	0	0	9,580
Investment	3,026,022	4,946,778	4,868,915	3,992,730	6,811,971
Loan and Advances	13,679,394	12,732,014	14,933,940	17,242,307	31,559,518
Fixed Assets	259,325	297,192	354,782	405,611	465,190
Non- Banking Assets	703		0	0	0
Other Assets	324,038	147,217	255,683	1,183,491	2,006,190
Total Assets	18,750,633	20,309,330	22,090,376	25,579,528	46,535,324
Interest Income	1,283,521	1,777,165	2,321,406	2,431,538	2,663,452
Interest Expenses	767,197	1,031,474	1,446,635	1,621,809	1,420,129
Net Interest Income	516,324	745,691	874,771	809,729	1,243,323
Commission and discount	61,895	76,064	99,646	84,009	81,953
Other Operating Income	44,028	49,345	81,233	70,455	98,326
Exchange Income	97,673	90,909	68,028	91,506	109,938
Total Operating Income	719,921	962,009	1,123,678	1,055,699	1,533,540
Employees Expenses	84,545	118,858	139,901	179,788	224,467
Other Operating Expenses	109,784	137,749	187,989	211,293	242,449
Exchange Loss		0	0	0	0
Operating Profit Before Provision	525,592	705,402	795,788	664,618	1,066,624
Provisions for possible losses	39,509	17,741	34,901	49,309	88,599
Operating Profit	486,082	687,661	760,887	615,309	978,025
Non-Operating Income/ Expenses	2,489	11,458	16,910	2,070	4,051
Return From Loan Loss Provision	3,913	56,204	740	0	1,306
Profit From Ordinary activities	492,485	755,323	778,537	617,379	983,382
Extra ordinary Income /Expenses	7,617	-46,204	11	0	0
Net Profit including all activities	500,102	709,119	778,548	617,379	983,382
Provision For Staff Bonus	45,464	64,465		56,125	89,398
Provision For Income Tax	137,204	194,811	70,777	169,473	251,848
-This Year			212,068	175,629	256,879
-Up to Last Year				-6,748	-5,031
Deferred Tax				592	0
Net Profit / Loss	317,434	449,843	707,771	391,781	642,136
Financial Indicators					
Core Capital to Risk Weighted Assets	10.48%	11.25%	11.34%	9.91%	12.21%
Capital Fund to Risk Weighted Assets	12.42%	12.92%	12.89%	11.01%	13.17%
Non-Performing Loan to Total Loan	0.23%	0.72%	0.60%	0.73%	2.32%
Weighted Average Interest Spread	3.50%	3.75%	3.75%	3.33%	3.81%
Net Interest Income (Rs. in Thousand)	516,324	745,691	874,771	809,729	1,243,323
Return on Assets	1.88%	2.30%	2.34%	1.64%	1.78%
Credit to Deposit	89.32%	80.97%	82.45%	79.25%	81.23%
Liquid Assets to Total Assets	19.50%	19.59%	14.16%	24.93%	25.54%
Liquid Assets to Total Deposit	23.47%	24.92%	17.00%	28.84%	29.78%

15. Machapuchhre Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,479,270	1,627,196	1,627,197	2,478,794	2,478,794
Reserves and Surplus	220,928	146,314	146,426	169,282	317,881
Debenture & Bond		0		0	0
Borrowing		150,000	1,251,242	0	61,017
Deposit	15,596,791	18,535,917	16,411,426	21,546,397	27,136,655
Bills Payable	24,445	15,402	0	31,299	18,581
Proposed & Payable dividend	112	0	0	0	0
Tax Liabilities	11,765	0		0	0
Other Liabilities	157,472	203,961	789,488	131,482	283,275
Total Liabilities	17,490,782	20,678,790	20,225,779	24,357,254	30,296,203
Cash Balance	743,199	1,049,327	2,207,561	1,305,790	1,522,360
Balance With NRB	1,755,982	1,094,664	0	3,081,827	2,932,038
Bank Balance with Banks	267,468	315,726	0	1,049,619	589,782
Money At call		661,564	307,891	0	0
Investment	1,246,159	2,096,792	1,409,556	1,705,425	2,415,155
Loan and Advances	12,516,012	14,289,793	14,731,040	15,602,701	21,164,910
Fixed Assets	664,158	732,291	725,485	865,179	805,473
Non- Banking Assets	4,500	0		0	0
Other Assets	293,304	438,633	844,246	746,713	866,485
Total Assets	17,490,782	20,678,790	20,225,779	24,357,254	30,296,203
Interest Income	1,041,473	1,688,617	2,080,305	1,926,128	2,429,629
Interest Expenses	580,036	1,144,808	1,544,728	1,500,772	1,485,592
Net Interest Income	461,437	543,809	535,577	425,356	944,037
Commission and discount	38,017	49,904	44,183	45,047	58,876
Other Operating Income	57,136	60,634	72,406	68,019	148,373
Exchange Income	59,818	42,695	38,433	51,643	38,189
Total Operating Income	616,408	697,042	690,599	590,065	1,189,475
Employees Expenses	90,996	152,113	164,250	164,951	233,214
Other Operating Expenses	182,841	223,469	274,325	309,131	366,495
Exchange Loss	0	0		0	2,875
Operating Profit Before Provision	342,571	321,460	252,024	115,983	586,891
Provisions for possible losses	258,939	335,041	337,850	7,471	450,322
Operating Profit	83,632	(13,581)	(85,826)	108,512	136,569
Non-Operating Income/ Expenses	24	0	98,774	205,052	6,810
Return From Loan Loss Provision	110,738	117,796	685,546	63,372	270,852
Profit From Ordinary activities	194,395	104,215	698,494	376,936	414,231
Extra ordinary Income /Expenses	(500)	9,970	(685,546)	(367,412)	(175,293)
Net Profit including all activities	193,895	114,185	12,948	9,524	238,938
Provision For Staff Bonus	17,627	10,380	1,177	0	21,721
Provision For Income Tax	53,017	30,492	3,531	(28,688)	68,617
-This Year				61,270	91,804
-Up to Last Year				0	
Deferred Tax				(89,958)	(23,188)
Net Profit / Loss	123,251	73,313	8,240	38,212	148,600
Financial Indicators					
Core Capital to Risk Weighted Assets	10.96%	9.94%	10.86%	14.11%	11.59%
Capital Fund to Risk Weighted Assets	11.84%	11.24%	10.00%	15.04%	12.54%
Non-Performing Loan to Total Loan	2.33%	2.32%	4.46%	2.84%	2.84%
Weighted Average Interest Spread	3.60%	3.40%	2.27%	5.01%	4.63%
Net Interest Income (Rs. in Thousand)	461,437	543,809	535,577	425,356	944,037
Return on Assets	0.70%	0.35%	0.03%	0.16%	0.49%
Credit to Deposit	83.00%	80.78%	92.35%	74.62%	79.79%
Liquid Assets to Total Assets	18.55%	24.27%	18.56%	28.27%	23.67%
Liquid Assets to Total Deposit	20.80%	27.07%	22.87%	31.96%	26.43%

16. Kumari Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,304,936	1,306,016	1,603,800	1,603,800	1,828,332
Reserves and Surplus	320,017	479,743	610,037	773,275	828,374
Debenture & Bond	400,000	400,000	400,000	400,000	0
Borrowing	293,420	429,739	660,925	5,403	0
Deposit	15,710,925	17,432,253	16,986,279	21,985,198	25,318,569
Bills Payable	70,087	42,313	8,118	20,698	21,348
Proposed & Payable dividend	6,584	156,816	6,582	112,266	11,817
Tax Liabilities	235	0		0	0
Other Liabilities	432,361	275,594	216,044	230,760	214,129
Total Liabilities	18,538,565	20,522,474	20,491,785	25,131,400	28,222,569
Cash Balance	549,109	574,066	524,781	584,140	638,770
Balance With NRB	1,120,761	1,663,998	526,949	2,862,924	2,537,961
Bank Balance with Banks	106,430	485,765	116,794	275,563	230,152
Money At call	30,000	120,000	451,520	321,243	753,410
Investment	1,510,828	2,296,873	3,533,623	2,940,556	4,135,142
Loan and Advances	14,593,347	14,765,912	14,626,074	17,614,349	19,369,318
Fixed Assets	247,833	285,638	306,277	277,269	255,865
Non- Banking Assets	0	0		0	0
Other Assets	380,258	330,222	405,767	255,356	301,951
Total Assets	18,538,565	20,522,474	20,491,785	25,131,400	28,222,569
Interest Income	1,374,722	1,871,066	2,251,791	2,441,580	2,464,307
Interest Expenses	816,203	1,188,918	1,566,551	1,622,492	1,486,281
Net Interest Income	558,520	682,148	685,240	819,088	978,026
Commission and discount	79,104	100,337	99,707	110,865	138,199
Other Operating Income	19,747	41,614	53,636	48,812	41,862
Exchange Income	59,002	37,925	36,719	44,206	56,993
Total Operating Income	716,372	862,024	875,302	1,022,971	1,215,080
Employees Expenses	115,985	143,278	168,352	194,295	203,805
Other Operating Expenses	186,502	217,606	212,938	212,543	230,469
Exchange Loss		0		0	0
Operating Profit Before Provision	413,885	501,140	494,012	616,133	780,806
Provisions for possible losses	57,403	13,078	113,780	187,045	314,619
Operating Profit	356,482	488,062	380,232	429,088	466,187
Non-Operating Income/ Expenses	1,112	699	632	3,477	(11,134)
Return From Loan Loss Provision	47,021	14,824	13,788	133	5,258
Profit From Ordinary activities	404,615	503,585	394,652	432,698	460,311
Extra ordinary Income /Expenses	(876)	(352)	(342)	0	0
Net Profit including all activities	403,739	503,233	394,310	432,698	460,311
Provision For Staff Bonus	36,704	45,748	35,846	39,336	41,846
Provision For Income Tax	105,593	140,943	107,226	117,859	127,016
-This Year			100,032	116,808	126,075
-Up to Last Year			3,023	0	0
Deferred Tax			4,171	1,051	941
Net Profit / Loss	261,443	316,542	251,238	275,503	291,449
Financial Indicators					
Core Capital to Risk Weighted Assets	9.09%	10.29%	12.35%	11.30%	11.24%
Capital Fund to Risk Weighted Assets	11.56%	12.34%	13.76%	12.20%	12.10%
Non-Performing Loan to Total Loan	0.44%	0.50%	1.12%	2.21%	2.89%
Weighted Average Interest Spread	4.17%	3.28%	3.92%	4.27%	4.62%
Net Interest Income (Rs. in Thousand)	558,520	682,148	685,240	819,088	978,026
Return on Assets	1.41%	1.59%	1.23%	1.10%	1.03%
Credit to Deposit	94.17%	79.45%	87.87%	82.33%	79.47%
Liquid Assets to Total Assets	10.75%	22.29%	21.60%	26.34%	27.47%
Liquid Assets to Total Deposit	12.68%	26.24%	26.06%	30.10%	30.62%

17. Laxmi Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,174,952	1,613,520	1,694,197	1,694,081	1,948,193
Reserves and Surplus	168,267	298,810	419,180	606,178	780,190
Debenture & Bond	350,000	350,000	350,000	350,000	750,000
Borrowing	450,000	100,000		27,980	0
Deposit	16,051,303	18,082,958	18,299,627	22,831,843	25,943,598
Bills Payable	16,158	5,263	302,100	1,765	2,663
Proposed & Payable dividend	4,172	209,757	174,099	169,408	0
Tax Liabilities	5,001	2,802	4,678	0	0
Other Liabilities	166,559	289,139	316,010	347,273	383,029
Total Liabilities	18,386,413	20,952,249	21,559,891	26,028,528	29,807,673
Cash Balance	211,721	244,205	356,669	407,789	357,713
Balance With NRB	1,243,649	1,219,716	1,866,491	3,845,300	2,871,600
Bank Balance with Banks	377,407	376,782	551,432	195,585	236,425
Money at call	405,700	904,377	50,000	659,488	446,091
Investment	2,483,150	3,186,906	3,041,422	3,758,106	5,339,692
Loan and Advances	13,315,604	14,560,110	15,199,848	16,476,630	19,696,054
Fixed Assets	247,734	282,349	352,338	308,172	474,612
Non- Banking Assets		0		0	0
Other Assets	101,447	177,804	141,691	377,458	385,486
Total Assets	18,386,413	20,952,249	21,559,891	26,028,528	29,807,673
Interest Income	1,098,985	1,787,692	2,233,333	2,289,359	2,387,267
Interest Expenses	712,348	1,135,609	1,503,851	1,645,718	1,448,741
Net Interest Income	386,637	652,083	729,482	643,641	938,526
Commission and discount	29,635	46,867	67,796	149,818	140,824
Other Operating Income	70,917	60,031	69,514	56,391	89,399
Exchange Income	51,005	47,563	63,128	107,951	117,338
Total Operating Income	538,194	806,544	929,920	957,801	1,286,087
Employees Expenses	86,407	122,405	157,662	178,285	217,395
Other Operating Expenses	112,973	142,169	169,294	194,842	246,533
Exchange Loss		0	0	0	0
Operating Profit Before Provision	338,814	541,970	602,964	584,674	822,159
Provisions for possible losses	41,360	28,766	13,635	30,808	186,050
Operating Profit	297,454	513,204	589,329	553,866	636,109
Non-Operating Income/ Expenses	(7,595)	1,325	874	5,834	17,420
Return From Loan Loss Provision	7,105	3,644	798	0	10,187
Profit From Ordinary activities	296,964	518,173	591,001	559,700	663,716
Extra ordinary Income /Expenses	(4,413)	(4,366)	2,348	0	1,200
Net Profit including all activities	292,551	513,807	593,349	559,700	664,916
Provision For Staff Bonus	26,596	46,710	53,941	50,882	60,079
Provision For Income Tax	76,956	140,060	164,263	152,427	181,563
-This Year			161,482	154,626	186,401
-Up to Last Year				0	0
Deferred Tax			2,781	(2,199)	(4,838)
Net Profit / Loss	188,999	327,037	375,145	356,391	423,274
Financial Indicators					
Core Capital to Risk Weighted Assets	8.47%	11.17%	9.79%	9.52%	9.15%
Capital Fund to Risk Weighted Assets	11.48%	13.71%	11.63%	11.02%	12.23%
Non-Performing Loan to Total Loan	0.08%	0.12%	0.90%	0.62%	1.51%
Weighted Average Interest Spread	3.71%	3.55%	4.02%	3.91%	4.20%
Net Interest Income (Rs. in Thousand)	386,637	652,083	729,482	643,641	938,526
Return on Assets	1.22%	1.66%	1.70%	1.50%	1.50%
Credit to Deposit	83.88%	81.49%	84.10%	73.13%	77.43%
Liquid Assets to Total Assets	16.98%	20.12%	22.24%	27.33%	39.94%
Liquid Assets to Total Deposit	19.45%	23.31%	26.20%	31.16%	45.89%

18. Siddhartha Bank Limited

Rs. '000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	952,200	1,310,436	1,618,264	1,619,244	1,813,554
Reserves and Surplus	326,545	293,106	370,141	564,028	686,421
Debtenture & Bond	227,770	227,770	227,770	627,770	931,290
Borrowing	327,600	345,000	45,000	45,000	787,466
Deposit	15,854,798	20,197,029	21,575,654	25,948,506	28,383,286
Bills Payable	17,877	35,704	2,686	7,721	13,019
Proposed & Payable dividend	7,517	131,457	200,939	136,357	163,629
Tax Liabilities	4,846	7,439	15,659	27,470	7,078
Other Liabilities	162,597	254,488	349,759	603,102	905,481
Total Liabilities	17,881,750	22,802,429	24,405,872	29,579,198	33,691,224
Cash Balance	270,946	326,868	491,249	813,180	761,813
Balance With NRB	984,981	1,027,465	1,222,412	2,925,084	2,656,847
Bank Balance With Banks	291,757	1,052,277	192,024	553,626	87,208
Money At call	484,840	699,042	882,781	647,479	1,375,253
Investment	2,176,428	2,452,475	2,537,909	3,393,868	4,468,621
Loan and Advances	13,328,622	16,653,852	18,384,033	20,217,585	23,086,563
Fixed Assets	172,158	360,426	368,174	358,713	465,019
Non- Banking Assets		0	0	0	0
Other Assets	172,019	230,024	327,290	669,663	789,900
Total Assets	17,881,750	22,802,429	24,405,872	29,579,198	33,691,224
Interest Income	1,265,582	2,018,291	2,690,294	2,906,265	2,901,914
Interest Expenses	813,619	1,406,489	1,925,243	2,048,914	1,741,467
Net Interest Income	451,963	611,802	765,051	857,351	1,160,447
Commission and discount	32,548	42,758	68,049	108,180	113,067
Other Operating Income	46,354	50,694	62,252	94,507	189,367
Exchange Income	38,682	12,168	38,690	115,627	156,644
Total Operating Income	569,547	717,422	934,042	1,175,665	1,619,525
Employees Expenses	79,385	103,680	155,803	173,884	221,530
Other Operating Expenses	114,817	175,735	265,477	336,340	386,258
Exchange Loss	0	0	0	0	0
Operating Profit Before Provision	375,346	438,007	512,762	665,441	1,011,737
Provisions for possible losses	39,842	65,322	42,628	155,526	245,494
Operating Profit	335,503	372,685	470,133	509,915	766,243
Non-Operating Income/ Expenses		10,858	1,433	913	943
Return From Loan Loss Provision	8,857	0	20,871	8,100	0
Profit From Ordinary activities	344,361	383,543	492,438	518,928	767,186
Extra ordinary Income /Expenses	(8,857)	0	0	0	(12,794)
Net Profit including all activities	335,503	383,543	492,438	518,928	754,392
Provision For Staff Bonus	30,500	34,868	44,767	47,175	68,784
Provision For Income Tax	87,087	107,828	136,255	141,297	204,193
-This Year			136,140	146,623	214,878
-Up to Last Year			2,040	845	755
Deferred Tax	0		1,925	6,171	11,440
Net Profit / Loss	217,916	240,847	311,415	330,456	481,415
Financial Indicators					
Core Capital to Risk Weighted Assets	8.26%	8.00%	9.05%	8.18%	8.21%
Capital Fund to Risk Weighted Assets	10.39%	10.04%	10.78%	11.03%	11.70%
Non-Performing Loan to Total Loan	0.45%	0.53%	0.79%	1.52%	2.39%
Weighted Average Interest Spread	3.45%	3.94%	3.94%	3.82%	4.39%
Net Interest Income (Rs. in Thousand)	451,963	611,802	765,051	857,351	1,160,447
Return on Assets	1.22%	1.06%	1.28%	1.12%	1.43%
Credit to Deposit	85.18%	83.65%	86.43%	79.42%	83.55%
Liquid Assets to Total Assets	20.84%	19.77%	18.78%	25.74%	23.98%
Liquid Assets to Total Deposit	23.50%	22.32%	21.25%	29.34%	28.47%

19.Global IME Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,000,000	1,473,350	1,600,000	2,250,357	2,780,858
Reserves and Surplus	48,927	47,672	108,027	286,343	449,930
Debenture & Bond		0	0	400,000	400,000
Borrowing	499,460	339,160	401,789	87,321	107,043
Deposit	10,932,984	15,031,548	15,066,490	26,913,765	34,111,466
Bills Payable	76,459	66,632	60,460	17,728	19,571
Proposed & Payable dividend		74,258	80,263	218,481	0
Tax Liabilities		0	0	0	2,671
Other Liabilities	68,643	168,795	205,679	490,118	1,146,951
Total Liabilities	12,626,473	17,201,415	17,522,708	30,664,113	39,018,490
Cash Balance	326,273	543,541	522,684	624,420	929,933
Balance With NRB	914,399	945,041	808,765	2,249,529	3,190,126
Bank Balance With Banks	141,470	945,756	422,997	2,095,395	1,423,922
Money At call	36,643	0	0	0	16,085
Investment	1,620,121	2,270,487	2,920,247	4,247,060	5,548,946
Loan and Advances	9,063,092	11,960,452	12,372,424	20,296,500	26,212,297
Fixed Assets	224,351	284,400	231,579	660,515	692,226
Non- Banking Assets		0	0	0	0
Other Assets	300,124	251,738	244,012	490,694	1,004,955
Total Assets	12,626,473	17,201,415	17,522,708	30,664,113	39,018,490
Interest Income	683,933	1,464,978	1,963,603	2,226,134	3,206,646
Interest Expenses	459,784	962,010	1,288,051	1,586,556	1,826,785
Net Interest Income	224,150	502,968	675,552	639,578	1,379,861
Commission and discount	46,019	54,618	67,518	105,040	171,896
Other Operating Income	33,841	75,488	84,979	120,544	215,796
Exchange Income	30,210	35,362	30,937	50,541	73,148
Total Operating Income	334,220	668,436	858,986	915,703	1,840,701
Employees Expenses	66,322	100,256	155,004	158,188	289,775
Other Operating Expenses	132,894	209,346	237,364	304,110	485,076
Exchange Loss		0	0	0	0
Operating Profit Before Provision	135,004	358,834	466,618	453,405	1,065,850
Provisions for possible losses	70,218	195,065	252,931	132,796	474,397
Operating Profit	64,785	163,769	213,687	320,609	591,453
Non-Operating Income/ Expenses	0	440	(132)	187	-291
Return From Loan Loss Provision	0	0	166,245	217,993	143,339
Profit From Ordinary activities	64,785	164,209	379,800	538,789	734,501
Extra ordinary Income /Expenses	0	0	(93,481)	-119,535	-16,908
Net Profit including all activities	64,785	164,209	286,319	419,254	717,593
Provision For Staff Bonus	5,890	14,928	26,029	38,114	65,236
Provision For Income Tax	3,291	76,278	35,312	115,823	203,140
-This Year	0			126,734	219,704
-Up to Last Year	0			0	0
Deferred Tax				-10,911	-16,564
Net Profit / Loss	55,605	73,003	224,978	265,317	449,217
Financial Indicators					
Core Capital to Risk Weighted Assets	9.42%	10.50%	10.14%	9.21%	9.17%
Capital Fund to Risk Weighted Assets	10.31%	11.39%	11.09%	11.66%	11.14%
Non-Performing Loan to Total Loan	0.09%	0.85%	2.52%	1.64%	2.27%
Weighted Average Interest Spread	3.05%	3.05%	3.27%	3.88%	4.21%
Net Interest Income (Rs. in Thousand)	224,150	502,968	675,552	639,578	1,379,861
Return on Assets	0.21%	0.42%	1.28%	0.87%	1.15%
Credit to Deposit	83.78%	83.48%	84.82%	77.15%	79.13%
Liquid Assets to Total Assets	21.90%	25.50%	21.77%	28.67%	26.32%
Liquid Assets to Total Deposit	25.30%	29.18%	25.31%	32.66%	30.11%

20.Citizens Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,000,000	1,206,950	2,040,000	2,101,840	2,101,840
Reserves and Surplus	34,073	101,319	132,119	179,916	277,885
Debenture & Bond			0	0	0
Borrowing	250,000	651,151	805,000	88,250	336,175
Deposit	11,524,426	14,214,482	13,478,333	17,354,534	22,743,104
Bills Payable	4,166	2,430	3,782	1,434	3,802
Proposed & Payable dividend	100,000	126,316	170,526	176,997	315,276
Tax Liabilities			0	6,523	25,145
Other Liabilities	53,409	214,237	185,277	159,015	176,283
Total Liabilities	12,966,074	16,516,885	16,815,037	20,068,509	25,979,510
Cash Balance	366,875	626,708	831,453	692,282	784,311
Balance With NRB	1,134,215	1,596,432	492,519	2,635,233	2,922,825
Bank Balance with Banks	154,264	222,478	181,563	442,358	874,149
Money At call	900,400	234,981	226,837	21,100	243,756
Investment	2,027,338	2,680,168	2,401,437	1,529,903	2,719,991
Loan and Advances	8,128,114	10,785,658	12,271,826	14,129,603	17,561,946
Fixed Assets	121,659	163,856	192,066	324,345	554,867
Non- Banking Assets	0		0	0	0
Other Assets	133,211	206,604	217,336	293,683	317,665
Total Assets	12,966,074	16,516,885	16,815,037	20,068,507	25,979,510
Interest Income	758,256	1,398,830	1,795,232	1,980,319	2,211,981
Interest Expenses	508,802	950,898	1,236,322	1,405,859	1,176,910
Net Interest Income	249,454	447,932	558,910	574,460	1,035,071
Commission and discount	12,295	25,135	32,533	40,360	52,569
Other Operating Income	45,805	67,846	65,121	71,927	134,436
Exchange Income	8,825	15,275	13,282	23,092	55,079
Total Operating Income	316,379	556,188	669,846	709,839	1,277,155
Employees Expenses	40,219	63,465	81,689	108,813	144,435
Other Operating Expenses	91,673	131,632	179,151	212,723	245,299
Exchange Loss			0	0	27,908
Operating Profit Before Provision	184,487	361,091	409,006	388,303	859,513
Provisions for possible losses	34,119	57,124	103,368	122,822	291,988
Operating Profit	150,368	303,967	305,638	265,481	567,525
Non-Operating Income/ Expenses	273	1,173	6,730	10,470	10,300
Return From Loan Loss Provision	0		0	79,437	131,204
Profit From Ordinary activities	150,641	305,140	312,368	355,388	709,029
Extra ordinary Income /Expenses	0	0	0	0	(82,006)
Net Profit including all activities	150,641	305,140	312,368	355,388	627,023
Provision For Staff Bonus	13,695	27,740	28,397	32,308	57,002
Provision For Income Tax	41,137	83,839	85,617	98,285	156,775
-This Year	0			100,834	176,242
-Up to Last Year	0			403	(9)
Deferred Tax				(2,952)	(19,458)
Net Profit / Loss	95,810	193,561	198,354	224,795	413,246
Financial Indicators					
Core Capital to Risk Weighted Assets	10.79%	10.51%	14.69%	13.50%	11.05%
Capital Fund to Risk Weighted Assets	11.65%	11.40%	15.53%	14.47%	11.89%
Non-Performing Loan to Total Loan	0.00%	0.31%	1.17%	2.01%	2.01%
Weighted Average Interest Spread	4.91%	3.73%	3.27%	3.87%	4.82%
Net Interest Income (Rs. in thousand)	249,454	447,932	558,910	574,460	1,035,071
Return on Assets	0.74%	1.17%	1.18%	1.22%	1.79%
Credit to Deposit	71.24%	76.86%	92.85%	83.06%	78.97%
Liquid Assets to Total Assets	22.31%	24.44%	16.93%	25.48%	27.97%
Liquid Assets to Total Deposit	25.10%	28.40%	21.12%	29.47%	31.95%

21. Grand Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,655,289	1,920,911	2,000,000	2,000,000	2,000,000
Reserves and Surplus	214,205	112,058	117,884	160,656	182,960
Debenture & Bond		0		0	0
Borrowing	290,000	0	1,070,000	0	0
Deposit	6,613,359	8,065,183	9,322,535	15,023,186	19,322,277
Bills Payable	22,500	2,650	875	575	1,560
Proposed & Payable dividend	5,601	9,191	4,162	140,000	95,000
Tax Liabilities		0		0	0
Other Liabilities	57,685	69,405	60,217	87,512	127,425
Total Liabilities	8,858,639	10,179,398	12,575,673	17,411,929	21,729,222
Cash Balance	87,949	135,515	516,203	430,011	551,900
Balance With NRB	551,213	274,339	514,100	2,419,084	2,893,881
Bank Balance with Banks	76,597	206,630	305,866	428,941	943,248
Money At call	1,021,576	935,615	0	0	0
Investment	497,813	882,973	1,960,260	2,469,698	2,659,728
Loan and Advances	6,353,976	7,401,715	8,797,730	11,201,752	14,028,926
Fixed Assets	220,448	248,677	322,025	341,037	334,936
Non- Banking Assets		0	0	0	0
Other Assets	49,067	93,934	159,489	121,406	316,603
Total Assets	8,858,639	10,179,398	12,575,673	17,411,929	21,729,222
Interest Income	587,877	930,032	1,316,982	1,522,334	1,683,435
Interest Expenses	347,983	598,033	949,934	1,122,809	1,164,773
Net Interest Income	239,894	331,999	367,048	399,525	518,662
Commission and discount	9,811	16,069	14,654	23,122	38,450
Other Operating Income	30,852	29,023	31,214	48,267	73,278
Exchange Income	14,913	10,441	8,553	12,460	55,510
Total Operating Income	295,470	387,532	421,469	483,374	685,900
Employees Expenses	52,752	65,649	87,616	109,447	113,472
Other Operating Expenses	39,466	50,592	90,024	107,737	115,517
Exchange Loss		0		0	0
Operating Profit Before Provision	203,252	271,291	243,829	266,190	456,911
Provisions for possible losses	38,208	21,982	101,773	59,143	278,731
Operating Profit	165,045	249,309	142,056	207,047	178,180
Non-Operating Income/ Expenses		683	0	443	188
Return From Loan Loss Provision		0	0	79,920	6,122
Profit From Ordinary activities	165,045	249,992	142,056	287,410	184,490
Extra ordinary Income /Expenses		2,219	0	0	0
Net Profit including all activities	165,045	252,211	142,056	287,410	184,490
Provision For Staff Bonus	15,004	22,928	12,914	26,128	16,772
Provision For Income Tax*	46,985	70,909	40,064	78,510	50,415
-This Year			35,376	80,214	54,213
-Up to Last Year			1,242	209	0
Deferred Tax			3,446	(1,913)	(3,798)
Net Profit / Loss	103,056	158,374	89,078	182,772	117,303
Financial Indicators					
Core Capital to Risk Weighted Assets	20.27%	22.87%	20.20%	15.99%	12.39%
Capital Fund to Risk Weighted Assets	20.99%	23.73%	21.07%	16.84%	13.20%
Non-Performing Loan to Total Loan	1.59%	1.44%	1.95%	1.28%	3.52%
Weighted Average Interest Spread	2.41%	3.15%	3.40%	3.56%	4.13%
Net Interest Income (Rs. in Thousand)	239,894	331,999	367,048	399,525	518,662
Return on Assets	1.15%	1.53%	0.69%	1.04%	0.50%
Credit to Deposit	98.00%	93.56%	81.72%	67.76%	70.56%
Liquid Assets to Total Assets	24.61%	23.46%	23.46%	32.47%	30.14%
Liquid Assets to Total Deposit	32.97%	29.61%	31.65%	37.64%	33.89%

22.NMB Bank Limited

Rs. '000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,424,641	1,651,650	2,000,000	2,000,000	2,000,000
Reserves and Surplus	167,412	159,879	211,462	263,686	324,080
Debtenture & Bond	0	0		0	0
Borrowing	313,961	380,255	497,200	0	0
Deposit	6,877,907	10,110,690	12,866,222	15,982,555	22,185,527
Bills Payable	5,447	9,531	2,838	4,506	8,211
Proposed & Payable dividend	7,588	150,150	180,000	0	300,000
Tax Liabilities	0			0	0
Other Liabilities	7,059,708	764,423	190,470	244,083	308,167
Total Liabilities	15,856,664	13,226,578	15,948,192	18,494,830	25,125,985
Cash Balance	201,847	239,918	264,688	323,939	516,771
Balance With NRB	717,404	522,558	876,757	2,992,466	4,804,589
Bank Balance with Banks	6,561,098	967,358	352,443	250,578	424,968
Money At call	875,527	582,309	259,166	20,912	26,059
Investment	1,857,563	2,715,957	2,614,946	2,440,442	2,245,514
Loan and Advances	5,194,211	7,808,119	11,208,574	12,070,839	16,491,044
Fixed Assets	223,814	255,294	276,549	279,479	344,625
Non- Banking Assets	0			0	0
Other Assets	225,200	135,065	95,069	116,175	272,415
Total Assets	15,856,664	13,226,578	15,948,192	18,494,830	25,125,985
Interest Income	402,583	866,182	1,492,385	1,705,833	1,831,121
Interest Expenses	254,261	559,544	1,053,451	1,256,257	1,077,803
Net Interest Income	148,322	306,638	438,934	449,576	753,318
Commission and discount	27,262	49,953	27,982	38,505	52,727
Other Operating Income	42,914	66,524	59,472	53,700	56,355
Exchange Income	9,343	23,006	47,191	49,773	64,539
Total Operating Income	227,841	446,121	573,579	591,554	926,939
Employees Expenses	40,274	55,958	75,614	92,443	127,355
Other Operating Expenses	76,983	108,343	136,395	159,630	189,457
Exchange Loss		0	0	0	0
Operating Profit Before Provision	110,585	281,820	361,570	339,481	610,127
Provisions for possible losses	42,195	40,253	36,531	278,300	130,832
Operating Profit	68,390	241,567	325,038	61,181	479,295
Non-Operating Income/ Expenses	1,712	1,983	3,903	8,303	7,235
Return From Loan Loss Provision	27,563	4,006	25,610	15,150	59,389
Profit From Ordinary activities	97,666	247,556	354,551	84,634	545,919
Extra ordinary Income /Expenses	0	1,005	14,385	2,126	(419)
Net Profit including all activities	97,666	248,561	368,936	86,760	545,500
Provision For Staff Bonus	8,879	22,596	33,539	7,887	49,591
Provision For Income Tax	25,834	69,892	113,891	26,648	135,515
-This Year			103,396	24,873	169,674
-Up to Last Year		(3,797)	10,495	0	(5,041)
Deferred Tax				1,775	(29,118)
Net Profit / Loss	62,953	156,073	221,506	52,225	360,394
Financial Indicators					
Core Capital to Risk Weighted Assets	18.42%	17.53%	15.51%	13.95%	10.41%
Capital Fund to Risk Weighted Assets	19.03%	18.37%	16.39%	14.84%	11.27%
Non-Performing Loan to Total Loan	0.51%	0.70%	0.27%	2.45%	1.80%
Weighted Average Interest Spread	3.58%	3.19%	3.18%	3.56%	4.21%
Net Interest Income (Rs. in thousand)	148,322	306,638	438,934	449,576	753,318
Return on Assets	0.40%	1.21%	1.39%	0.28%	1.43%
Credit to Deposit	76.78%	78.44%	88.16%	78.01%	76.20%
Liquid Assets to Total Assets	59.85%	29.51%	22.83%	31.07%	29.11%
Liquid Assets to Total Deposit	137.97%	38.60%	28.30%	35.95%	32.97%

23.Prime Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	963,755	1,373,755	2,245,746	2,335,576	2,574,446
Reserves and Surplus	65,449	164,645	241,112	250,527	377,033
Debenture & Bond		0	0	0	0
Borrowing	539,364	448,800	213,120	22,050	220,349
Deposit	11,779,989	17,883,518	18,938,903	23,990,953	28,798,028
Bills Payable	9,809	29,425	17,159	72,361	10,856
Proposed & Payable dividend	5,263	115,789	283,673	170,204	117,020
Tax Liabilities		4,889	14,603	0	0
Other Liabilities	93,259	198,008	131,786	316,305	311,452
Total Liabilities	13,456,887	20,218,829	22,086,102	27,157,976	32,409,184
Cash Balance	279,676	761,017	905,065	1,277,679	1,627,642
Balance With NRB	950,917	2,035,518	1,735,542	3,909,187	3,055,234
Bank Balance with Banks	148,733	711,944	285,218	406,083	759,098
Money At call		453,826	604,869	144,144	368,753
Investment	2,097,042	2,038,603	1,366,046	2,020,930	4,894,964
Loan and Advances	9,732,585	13,946,600	16,894,719	18,902,472	21,226,688
Fixed Assets	108,064	162,574	180,786	189,647	182,703
Non- Banking Assets		0	0	0	0
Other Assets	139,870	108,747	113,857	307,834	294,102
Total Assets	13,456,887	20,218,829	22,086,102	27,157,976	32,409,184
Interest Income	822,685	1,749,859	2,477,093	2,773,635	2,786,218
Interest Expenses	564,655	1,193,075	1,780,463	2,057,205	1,744,271
Net Interest Income	258,030	556,784	696,630	716,430	1,041,947
Commission and discount	21,516	25,662	46,341	54,490	80,114
Other Operating Income	81,760	129,949	105,375	121,275	140,437
Exchange Income	10,961	21,772	15,471	15,116	0
Total Operating Income	372,267	734,167	863,817	907,311	1,262,498
Employees Expenses	34,320	57,518	81,013	91,423	111,096
Other Operating Expenses	68,315	109,996	152,028	188,286	211,385
Exchange Loss	0	0	0	0	5,784
Operating Profit Before Provision	269,633	566,653	630,776	627,602	934,233
Provisions for possible losses	46,749	57,541	61,414	218,382	270,726
Operating Profit	222,883	509,112	569,362	409,220	663,507
Non-Operating Income/ Expenses	0	4,986	0	0	0
Return From Loan Loss Provision	0	21	0	15,830	87,359
Profit From Ordinary activities	222,883	514,119	569,362	425,050	750,866
Extra ordinary Income /Expenses	0	0	0	0	(98)
Net Profit including all activities	222,883	514,119	569,362	425,050	750,768
Provision For Staff Bonus	20,265	46,738	51,760	38,641	68,252
Provision For Income Tax	59,936	142,396	157,462	116,961	204,951
-This Year			0	130,988	221,759
-Up to Last Year	0	0	0	(1,052)	0
Deferred Tax				(12,975)	(16,808)
Net Profit / Loss	142,682	324,985	360,140	269,448	477,565
Financial Indicators					
Core Capital to Risk Weighted Assets	9.47%	9.78%	13.66%	12.65%	11.88%
Capital Fund to Risk Weighted Assets	10.38%	10.67%	14.60%	13.59%	12.74%
Non-Performing Loan to Total Loan	0.00%	0.00%	0.57%	0.76%	2.23%
Weighted Average Interest Spread	3.57%	2.54%	3.80%	3.55%	3.50%
Net Interest Income (Rs. in Thousand)	258,030	556,784	696,630	716,430	1,041,947
Return on Assets	1.06%	1.61%	1.63%	0.99%	1.47%
Credit to Deposit	82.62%	78.86%	90.35%	80.41%	75.56%
Liquid Assets to Total Assets	15.59%	25.68%	20.83%	28.51%	32.20%
Liquid Assets to Total Deposit	17.81%	29.03%	24.29%	32.27%	36.24%

24.Sunrise Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	1,337,500	1,510,350	2,015,000	2,015,000	2,236,650
Reserves and Surplus	57,570	135,014	131,061	136,202	214,495
Debenture & Bond		0		0	0
Borrowing	365,614	150,000		0	0
Deposit	12,012,618	14,767,030	13,391,714	18,758,999	23,270,603
Bills Payable	20,921	8,736	2,700	9,481	15,676
Proposed & Payable dividend		125,000	80,600	106,053	11,666
Tax Liabilities		3,632	0	0	0
Other Liabilities	2,963,028	219,175	229,383	253,273	379,749
Total Liabilities	16,757,251	16,918,937	15,850,458	21,279,008	26,128,839
Cash Balance	316,399	395,427	587,478	668,363	608,468
Balance With NRB	3,950,334	974,460	890,020	3,222,751	3,757,633
Bank Balance with Banks	475,397	114,096	426,945	517,176	324,825
Money At call	674,150	126,090	323,897	100,626	679,557
Investment	1,910,210	2,465,338	1,103,343	1,808,961	2,453,581
Loan and Advances	8,953,332	12,045,228	11,910,059	14,306,651	17,730,592
Fixed Assets	272,931	365,088	371,731	348,597	312,767
Non- Banking Assets		0		0	0
Other Assets	204,499	433,210	236,985	305,883	261,416
Total Assets	16,757,251	16,918,937	15,850,458	21,279,008	26,128,839
Interest Income	774,066	1,546,891	1,918,745	2,001,360	2,240,203
Interest Expenses	510,001	962,288	1,221,699	1,410,696	1,251,304
Net Interest Income	264,065	584,603	697,046	590,664	988,899
Commission and discount	58,628	81,651	50,759	70,445	94,943
Other Operating Income	3,214	8,854	45,995	69,535	124,524
Exchange Income	35,583	42,783	34,035	38,864	50,511
Total Operating Income	361,490	717,891	827,836	769,508	1,258,877
Employees Expenses	75,474	124,094	140,682	194,357	217,769
Other Operating Expenses	121,822	199,803	240,267	280,048	330,593
Exchange Loss		0		0	0
Operating Profit Before Provision	164,194	393,994	446,887	295,103	710,515
Provisions for possible losses	57,497	83,093	372,358	289,935	368,269
Operating Profit	106,697	310,901	74,529	5,168	342,246
Non-Operating Income/ Expenses	4,211	74	11,494	106	3,566
Return From Loan Loss Provision	21,523	1,181	233	298,799	209,338
Profit From Ordinary activities	132,432	312,156	86,256	304,073	555,150
Extra ordinary Income /Expenses	0	0	0	(130,666)	(51,511)
Net Profit including all activities	132,432	312,156	86,256	173,407	503,639
Provision For Staff Bonus	12,039	28,377	7,841	15,764	45,785
Provision For Income Tax	35,613	79,428	34,175	46,450	146,245
-This Year	0		30,777	47,605	148,647
-Up to Last Year			1,969	801	1,312
Deferred tax	0		1,429	(1,956)	(3,714)
Net Profit / Loss	84,779	204,351	44,239	111,193	311,609
Financial Indicators					
Core Capital to Risk Weighted Assets	11.88%	10.47%	12.55%	11.01%	10.96%
Capital Fund to Risk Weighted Assets	12.66%	11.37%	13.28%	11.78%	11.80%
Non-Performing Loan to Total Loan	7.00%	1.04%	3.51%	3.52%	3.74%
Weighted Average Interest Spread	3.65%	4.92%	3.83%	3.54%	4.66%
Net Interest Income (Rs. in thousand)	264,065	584,603	697,046	590,664	988,899
Return on Assets	0.51%	1.00%	0.28%	0.52%	1.19%
Credit to Deposit	74.53%	81.57%	92.87%	79.01%	79.08%
Liquid Assets to Total Assets	37.93%	18.55%	18.71%	27.73%	27.70%
Liquid Assets to Total Deposit	52.91%	21.26%	22.15%	31.46%	31.10%

25.Kist Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13P
Capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserves and Surplus	45,119	89,257	143,334	243,566	154,081
Debenture & Bond				0	0
Borrowing	130,000	600,000	910,043	8,397	695,967
Deposit	8,684,078	15,962,631	15,808,486	20,173,994	21,093,105
Bills Payable	16,011	9,030	1,343	3,526	0
Proposed & Payable dividend	77,118	100,000		0	0
Tax Liabilities	3,357	7,674		9,881	22,093
Other Liabilities	195,856	178,626	152,047	193,529	1,179,998
Total Liabilities	11,151,537	18,947,218	19,015,253	22,632,893	25,145,244
Cash Balance	383,620	563,286	762,965	695,914	3,382,088
Balance With NRB	638,941	1,027,274	1,152,429	2,071,787	0
Bank Balance with Banks	205,598	84,769	72,957	178,447	0
Money At call	1,184,504	1,366,279	413,058	129,065	197,850
Investment	1,085,100	2,057,666	1,874,110	3,116,571	2,798,346
Loan and Advances	6,803,439	12,345,845	13,042,567	14,645,317	16,826,619
Fixed Assets	714,439	1,149,484	1,225,108	1,215,091	1,342,181
Non- Banking Assets				0	0
Other Assets	135,895	352,615	472,059	580,700	598,160
Total Assets	11,151,537	18,947,218	19,015,253	22,632,892	25,145,244
Interest Income	594,757	1,517,073	1,994,330	2,175,412	2,302,569
Interest Expenses	338,979	967,324	1,302,975	1,587,914	1,286,518
Net Interest Income	255,778	549,749	691,355	587,498	1,016,051
Commission and discount	4,326	16,766	68,038	42,565	75,153
Other Operating Income	63,617	86,607	80,706	80,081	99,689
Exchange Income	44	2,789	7,669	15,343	23,557
Total Operating Income	323,766	655,911	847,768	725,487	1,214,450
Employees Expenses	42,550	142,974	193,639	234,648	238,525
Other Operating Expenses	97,769	236,496	291,212	304,748	330,591
Exchange Loss		0	0	0	0
Operating Profit Before Provision	183,447	276,441	362,917	186,091	645,334
Provisions for possible losses	46,584	58,890	273,205	71,641	720,072
Operating Profit	136,863	217,551	89,712	114,450	(74,738)
Non-Operating Income/ Expenses	505	2,405	3,596	(4,048)	(13,538)
Return From Loan Loss Provision		0		86,283	16,159
Profit From Ordinary activities	137,368	219,956	93,308	196,685	(72,117)
Extra ordinary Income /Expenses	0	0	0	(42,516)	(17,093)
Net Profit including all activities	137,368	219,956	93,308	154,169	(89,210)
Provision For Staff Bonus	12,488	19,996	8,483	14,015	0
Provision For Income Tax	35,217	55,822	30,748	39,922	276
-This Year			34,182	62,287	0
-Up to Last Year			(265)	0	0
Deferred Tax			(3,169)	(22,365)	0
Net Profit / Loss	89,663	144,138	54,077	100,232	(89,486)
Financial Indicators					
Core Capital to Risk Weighted Assets	20.27%	13.14%	12.70%	11.70%	10.94%
Capital Fund to Risk Weighted Assets	20.96%	13.95%	13.49%	12.47%	11.75%
Non-Performing Loan to Total Loan	0.22%	0.19%	2.54%	3.94%	6.59%
Weighted Average Interest Spread	4.62%	3.69%	4.19%	3.45%	5.05%
Net Interest Income (Rs. in thousand)	255,778	549,749	691,355	587,498	1,016,051
Return on Assets	0.80%	0.76%	0.28%	0.44%	-0.36%
Credit to Deposit	79.31%	78.22%	85.00%	74.19%	73.09%
Liquid Assets to Total Assets	25.89%	24.74%	22.07%	27.01%	25.18%
Liquid Assets to Total Deposit	33.25%	29.37%	26.55%	30.30%	30.02%

26. Janta Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital		1,400,000	1,400,000	2,000,000	2,060,000
Reserves and Surplus		46,166	76,875	60,552	62,225
Debenture & Bond		0	0	0	0
Borrowing		0	91,054	173,310	304,515
Deposit		855,362	3,501,603	7,722,767	13,546,498
Bills Payable		10,099	2,388	11,996	4,113
Proposed & Payable dividend		0	0	73,684	108,421
Tax Liabilities		1,995	2,084	0	0
Other Liabilities		24,247	36,322	141,161	122,184
Total Liabilities	0	2,337,869	5,110,326	10,183,470	16,207,956
Cash Balance		15,246	131,094	380,886	447,135
Balance With NRB		31,418	133,536	603,149	1,210,869
Bank Balance with Banks		1,226,227	78,399	136,674	197,061
Money At call		150,176	410,000	0	0
Investment		75,000	542,029	1,291,179	1,985,906
Loan and Advances		602,247	3,541,267	7,386,676	11,946,302
Fixed Assets		90,688	123,609	187,809	176,134
Non- Banking Assets		0	0	0	0
Other Assets		146,867	150,392	197,097	244,549
Total Assets	0	2,337,869	5,110,326	10,183,470	16,207,956
Interest Income		47,042	393,213	809,393	1,232,637
Interest Expenses		4,590	196,818	545,702	750,007
Net Interest Income	0	42,452	196,395	263,691	482,630
Commission and discount		490	7,367	33,805	39,365
Other Operating Income		5,208	23,546	28,777	48,843
Exchange Income		59	3,573	14,103	555
Total Operating Income	0	48,209	230,881	340,376	571,393
Employees Expenses		10,417	53,677	80,667	104,828
Other Operating Expenses		16,420	87,785	135,759	142,030
Exchange Loss		0	0	0	0
Operating Profit Before Provision	0	21,372	89,419	123,950	324,535
Provisions for possible losses		6,083	36,960	31,570	93,179
Operating Profit	0	15,289	52,459	92,380	231,356
Non-Operating Income/ Expenses		0	67	566	507
Return From Loan Loss Provision		0	0	0	38,239
Profit From Ordinary activities	0	15,289	52,526	92,946	270,102
Extra ordinary Income /Expenses	0	0	0	0	0
Net Profit including all activities	0	15,289	52,526	92,946	270,102
Provision For Staff Bonus		1,390	4,775	8,450	24,555
Provision For Income Tax		4,268	17,043	27,134	75,455
-This Year				27,295	76,465
-Up to Last Year				0	0
Deferred Tax				(161)	(1,010)
Net Profit / Loss	0	9,631	30,708	57,362	170,092
Financial Indicators					
Core Capital to Risk Weighted Assets	0.00%	69.29%	34.84%	22.58%	14.73%
Capital Fund to Risk Weighted Assets	0.00%	0.00%	35.69%	23.40%	15.57%
Non-Performing Loan to Total Loan	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Average Interest Spread	0.00%	3.24%	2.48%	2.36%	3.00%
Net Interest Income (Rs. in thousand)	0	42,452	196,395	263,691	482,630
Return on Assets	0.00%	0.41%	0.60%	0.56%	1.05%
Credit to Deposit	0.00%	70.00%	101.00%	96.00%	88.19%
Liquid Assets to Total Assets	0.00%	64.08%	23.95%	23.53%	22.34%
Liquid Assets to Total Deposit	0.00%	175.14%	34.96%	31.03%	26.73%

27.Mega Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital		1,631,000	1,631,000	1,631,000	2,330,000
Reserves and Surplus		56,475	80,798	153,767	122,106
Debenture & Bond		0		0	0
Borrowing		0	114,752	303,421	2,002,592
Deposit			5,373,493	9,192,557	12,533,459
Bills Payable			2,171	18,822	86,490
Proposed & Payable dividend				0	209,700
Tax Liabilities		12,052	180	0	6,895
Other Liabilities		40,084	39,335	100,212	116,497
Total Liabilities	0	1,739,611	7,241,729	11,399,779	17,407,739
Cash Balance			159,914	249,745	399,861
Balance With NRB		1,575,063	271,482	1,196,501	1,771,686
Bank Balance with Banks			58,550	154,160	304,586
Money At call			599,000	132,300	1,623,090
Investment			990,169	1,297,041	1,326,474
Loan and Advances			4,768,297	7,933,536	11,462,546
Fixed Assets		74,620	255,553	289,753	233,959
Non- Banking Assets			0	0	0
Other Assets		89,928	138,763	146,743	285,537
Total Assets	0	1,739,611	7,241,729	11,399,779	17,407,739
Interest Income		47,042	544,215	1,140,324	1,392,533
Interest Expenses		4,590	300,760	749,740	712,882
Net Interest Income	0	42,452	243,455	390,584	679,651
Commission and discount		490	6,609	17,808	24,397
Other Operating Income		5,208	27,380	34,372	40,752
Exchange Income		59	7,457	27,649	59,456
Total Operating Income	0	48,209	284,902	470,413	804,256
Employees Expenses		10,417	81,386	113,064	136,772
Other Operating Expenses		16,420	117,128	178,669	236,642
Exchange Loss		0		0	0
Operating Profit Before Provision	0	21,372	86,387	178,680	430,842
Provisions for possible losses		6,083	48,165	66,122	152,236
Operating Profit	0	15,289	38,222	112,558	278,606
Non-Operating Income/ Expenses		0	0	704	380
Return From Loan Loss Provision		0	0	0	0
Profit From Ordinary activities	0	15,289	38,222	113,262	278,986
Extra ordinary Income /Expenses	0	0	0	0	0
Net Profit including all activities	0	15,289	38,222	113,262	278,986
Provision For Staff Bonus		1,390	3,475	10,296	25,362
Provision For Income Tax		4,268	10,424	31,098	76,268
-This Year			9,172	33,962	80,235
-Up to Last Year				270	180
Deferred tax			1,253	(3,134)	(4,147)
Net Profit / Loss	0	9,631	24,323	71,868	177,356
Financial Indicators					
Core Capital to Risk Weighted Assets	0.00%	69.29%	18.83%	18.24%	17.24%
Capital Fund to Risk Weighted Assets	0.00%	0.00%	19.36%	19.09%	18.06%
Non-Performing Loan to Total Loan	0.00%	0.00%		0.49%	2.17%
Weighted Average Interest Spread	0.00%	3.24%	2.84%	3.31%	4.72%
Net Interest Income (Rs. in thousand)	0	42,452	243,455	390,584	679,651
Return on Assets	0.00%	0.41%	0.51%	0.66%	1.16%
Credit to Deposit	0.00%	70.00%	89.63%	87.55%	93.58%
Liquid Assets to Total Assets	0.00%	64.08%	22.74%	22.86%	29.13%
Liquid Assets to Total Deposit	0.00%	175.14%	30.65%	28.34%	40.46%

28.Civil Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital			1,200,000	1,200,000	2,000,000
Reserves and Surplus			4,600	31,835	38,161
Debenture & Bond			0	0	0
Borrowing			220,754	460,629	325,890
Deposit			2,952,327	8,807,545	15,633,156
Bills Payable			1,154	1,841	5,003
Proposed & Payable dividend			0	0	115,000
Tax Liabilities			0	0	0
Other Liabilities			31,838	199,445	108,477
Total Liabilities	0	0	4410673	10701295	18225687
Cash Balance			50,098	207,489	355,224
Balance With NRB			227,958	828,368	2,466,434
Bank Balance with Banks			249,266	288,852	364,661
Money At call			283,917	0	184,957
Investment			258,842	1,328,482	2,069,794
Loan and Advances			3,123,607	7,751,524	12,367,368
Fixed Assets			181,033	221,586	275,816
Non- Banking Assets				0	0
Other Assets			35,952	74,994	141,433
Total Assets	0	0	4410673	10701295	18225687
Interest Income			195,968	761,973	1,255,835
Interest Expenses			97,225	562,866	815,534
Net Interest Income	0	0	98743	199107	440301
Commission and discount			8,798	32,092	33,825
Other Operating Income			12,803	38,198	53,305
Exchange Income			4,092	27,222	41,634
Total Operating Income	0	0	124436	296619	569065
Employees Expenses			42,642	87,449	115,190
Other Operating Expenses			48,413	119,627	186,838
Exchange Loss				0	0
Operating Profit Before Provision	0	0	33381	89543	267037
Provisions for possible losses			31,551	46,747	76,095
Operating Profit	0	0	1830	42796	190942
Non-Operating Income/ Expenses			0	0	(289)
Return From Loan Loss Provision			0	0	0
Profit From Ordinary activities	0	0	1830	42796	190653
Extra ordinary Income /Expenses	0	0	0	0	0
Net Profit including all activities	0	0	1830	42796	190653
Provision For Staff Bonus			166	3,891	17,332
Provision For Income Tax			499	11,672	51,997
-This Year			(1,472)	7,737	52,849
-Up to Last Year				0	0
Deferred tax			1,971	3,935	(852)
Net Profit / Loss	0	0	1165	27233	121324
Financial Indicators					
Core Capital to Risk Weighted Assets	0.00%	0.00%	20.77%	13.34%	13.97%
Capital Fund to Risk Weighted Assets	0.00%	0.00%	21.32%	14.19%	14.85%
Non-Performing Loan to Total Loan	0.00%	0.00%	0.00%	0.00%	0.50%
Weighted Average Interest Spread	0.00%	0.00%	2.50%	2.79%	4.02%
Net Interest Income (Rs. in thousand)	0	0	98,743	199,107	440,301
Return on Assets	0.00%	0.00%	0.03%	0.25%	0.67%
Credit to Deposit	0.00%	0.00%	106.87%	88.90%	80.10%
Liquid Assets to Total Assets	0.00%	0.00%	23.86%	23.31%	27.90%
Liquid Assets to Total Deposit	0.00%	0.00%	35.64%	28.32%	32.53%

29. Century Bank Limited

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital			1,080,000	1,080,000	1,080,000
Reserves and Surplus			43,104	75,695	138,675
Debenture & Bond				0	0
Borrowing			58,361	0	400,006
Deposit			1,358,878	4,456,701	11,396,474
Bills Payable				8,608	1,812
Proposed & Payable dividend				0	0
Tax Liabilities			19,874	0	3,602
Other Liabilities			60,087	33,248	130,192
Total Liabilities	0	0	2,620,304	5,654,252	13,150,761
Cash Balance			78,170	119,892	520,244
Balance With NRB			0	363,903	456,373
Bank Balance with Banks			0	30,458	230,630
Money At call			579,000	39,002	57,450
Investment			612,040	595,477	2,285,149
Loan and Advances			1,175,447	4,159,725	8,974,983
Fixed Assets			94,097	179,411	292,539
Non- Banking Assets				0	0
Other Assets			81,550	166,384	333,393
Total Assets	0	0	2,620,304	5,654,252	13,150,761
Interest Income			65,675	375,736	897,810
Interest Expenses			23,214	259,423	589,452
Net Interest Income	0	0	42,461	116,313	308,358
Commission and discount			537	7,584	22,852
Other Operating Income			9,993	26,496	61,534
Exchange Income			141	3,499	26,505
Total Operating Income	0	0	53,132	153,892	419,249
Employees Expenses			11,591	39,954	86,685
Other Operating Expenses			18,891	81,605	161,502
Exchange Loss				0	0
Operating Profit Before Provision	0	0	22,650	32,333	171,062
Provisions for possible losses			11,873	30,588	69,454
Operating Profit	0	0	10,777	1,745	101,608
Non-Operating Income/ Expenses			24,044	1,413	685
Return From Loan Loss Provision				0	0
Profit From Ordinary activities	0	0	34,821	3,158	102,293
Extra ordinary Income /Expenses	0	0	0	0	0
Net Profit including all activities	0	0	34,821	3,158	102,293
Provision For Staff Bonus			3,165	287	9,299
Provision For Income Tax			9,496	1,949	26,622
-This Year				0	26,790
-Up to Last Year				0	
Deferred Tax				1,949	(168)
Net Profit / Loss	0	0	22,160	922	66,372
Financial Indicators					
Core Capital to Risk Weighted Assets	0.00%	0.00%	42.08%	22.43%	11.78%
Capital Fund to Risk Weighted Assets	0.00%	0.00%	41.64%	23.26%	12.66%
Non-Performing Loan to Total Loan	0.00%	0.00%	0.00%	0.00%	0.49%
Weighted Average Interest Spread	0.00%	0.00%	3.12%	3.29%	3.43%
Net Interest Income (Rs. in thousand)	0	0	42,461	116,313	308,358
Return on Assets	0.00%	0.00%	1.09%	0.02%	0.50%
Credit to Deposit	0.00%	0.00%	87.37%	94.29%	79.73%
Liquid Assets to Total Assets	0.00%	0.00%	48.44%	19.56%	19.27%
Liquid Assets to Total Deposit	0.00%	0.00%	93.40%	24.82%	22.23%

30.Commerz and Trust Bank Limited
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital			1,400,000	1,400,000	2,040,000
Reserves and Surplus			23,333	38,519	32,868
Debenture & Bond				0	0
Borrowing			190,307	43,975	10,000
Deposit			2,487,864	6,332,049	9,961,009
Bills Payable				0	0
Proposed & Payable dividend				0	2,105
Tax Liabilities			4,188	0	0
Other Liabilities			57,646	40,763	96,097
Total Liabilities	0	0	4,163,338	7,855,306	12,142,079
Cash Balance			61,492	142,535	268,214
Balance With NRB			93,642	1,070,889	1,100,656
Bank Balance with Banks			80,850	109,192	196,426
Money At call			558,268	65,765	583,477
Investment			700,857	664,769	837,659
Loan and Advances			2,466,373	5,592,654	8,844,315
Fixed Assets			120,012	122,188	137,130
Non- Banking Assets				0	0
Other Assets			81,844	87,314	174,202
Total Assets	0	0	4,163,338	7,855,306	12,142,079
Interest Income			270,699	581,837	932,702
Interest Expenses			138,311	417,453	616,746
Net Interest Income	0	0	132,388	164,384	315,956
Commission and discount			4,524	19,861	25,085
Other Operating Income			12,325	28,060	40,604
Exchange Income			1,835	5,027	19,572
Total Operating Income	0	0	151,072	217,332	401,217
Employees Expenses			34,025	60,341	75,612
Other Operating Expenses			53,014	103,206	139,541
Exchange Loss				0	0
Operating Profit Before Provision	0	0	64,033	53,785	186,064
Provisions for possible losses			27,613	45,809	158,169
Operating Profit	0	0	36,420	7,976	27,895
Non-Operating Income/ Expenses			0	0	0
Return From Loan Loss Provision			0	16,930	27,988
Profit From Ordinary activities	0	0	36,420	24,906	55,883
Extra ordinary Income /Expenses	0	0	0	0	0
Net Profit including all activities	0	0	36,420	24,906	55,883
Provision For Staff Bonus			3,311	2,264	5,080
Provision For Income Tax			10,341	7,456	14,348
-This Year			12,688	7,846	18,358
-Up to Last Year				0	0
Deferred Tax			(2,347)	(390)	(4,010)
Net Profit / Loss	0	0	22,768	15,186	36,455
Financial Indicators					
Core Capital to Risk Weighted Assets	0.00%	0.00%	26.80%	19.80%	18.85%
Capital Fund to Risk Weighted Assets	0.00%	0.00%	27.28%	20.58%	19.67%
Non-Performing Loan to Total Loan	0.00%	0.00%	0.00%	0.00%	1.33%
Weighted Average Interest Spread	0.00%	0.00%	3.00%	3.73%	4.06%
Net Interest Income (Rs. in thousand)	0	0	132,388	164,384	315,956
Return on Assets	0.00%	0.00%	0.55%	0.19%	0.30%
Credit to Deposit	0.00%	0.00%	100.14%	89.22%	90.66%
Liquid Assets to Total Assets	0.00%	0.00%	35.62%	25.94%	24.30%
Liquid Assets to Total Deposit	0.00%	0.00%	59.60%	32.19%	29.62%

31.Sanima Bank Limited
Rs. '000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital				2,016,000	2,217,600
Reserves and Surplus				113,580	206,431
Debenture & Bond				0	0
Borrowing				88,250	1,480,125
Deposit				11,178,734	17,789,329
Bills Payable				0	0
Proposed & Payable dividend				110,880	10,610
Tax Liabilities				0	0
Other Liabilities				215,021	272,444
Total Liabilities	0	0	0	13,722,465	21,976,539
Cash Balance				256,198	312,962
Balance With NRB				1,005,249	1,283,546
Bank Balance with Banks				111,615	88,992
Money At call				0	364,420
Investment				2,105,770	3,848,052
Loan and Advances				9,531,505	15,093,073
Fixed Assets				479,044	469,489
Non- Banking Assets				0	0
Other Assets				233,084	516,005
Total Assets				13722465	21976539
Interest Income				1,172,200	1,678,790
Interest Expenses				753,617	1,023,257
Net Interest Income				418583	655533
Commission and discount				11,251	23,668
Other Operating Income				44,619	68,853
Exchange Income				0	27,237
Total Operating Income				474453	775291
Employees Expenses				79,987	99,776
Other Operating Expenses				151,864	158,730
Exchange Loss				175	0
Operating Profit Before Provision				242427	516785
Provisions for possible losses				52,493	57,846
Operating Profit				189934	458939
Non-Operating Income/ Expenses				678	2,571
Return From Loan Loss Provision				0	19,675
Profit From Ordinary activities				190612	481185
Extra ordinary Income /Expenses				0	0
Net Profit including all activities				190612	481185
Provision For Staff Bonus				17,328	43,744
Provision For Income Tax				52,487	133,073
-This Year				51,892	129,195
-Up to Last Year				109	3,531
Deferred Tax				486	347
Net Profit / Loss				120797	304368
Financial Indicators					
Core Capital to Risk Weighted Assets				19.86%	13.91%
Capital Fund to Risk Weighted Assets				20.79%	14.87%
Non-Performing Loan to Total Loan				0.48%	0.03%
Weighted Average Interest Spread				3.38%	3.39%
Net Interest Income (Rs. in thousand)				418,583	655,533
Return on Assets				0.89%	1.39%
Credit to Deposit				86.25%	85.72%
Liquid Assets to Total Assets				24.63%	25.03%
Liquid Assets to Total Deposit				30.24%	30.92%

Consolidated Financials of the Public Banks

Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	12,330,183	10,990,200	11,026,983	16,744,738	21,942,215
Reserves and Surplus	(18,820,214)	(13,591,576)	(10,267,052)	(8,126,316)	(5,447,292)
Debtenture & Bond	0	2,300,000	2,300,000	2,300,000	2,300,000
Borrowing	6,042,523	6,424,453	6,898,914	6,004,096	5,648,652
Deposit	148,514,769	143,225,629	155,122,912	187,066,387	208,479,908
Bills Payable	80,621	78,460	0	74,767	17,254
Proposed & Payable dividend	341,025	364,687	276,000	0	0
Tax Liabilities	597,719	1,101,706	1,340,904	2,118,959	0
Other Liabilities	19,005,570	30,298,231	26,367,099	24,387,709	24,525,364
Total Liabilities	168,092,196	181,191,790	193,065,760	230,570,340	257,466,102
Cash Balance	4,943,703	4,615,081	22,554,225	39,611,789	26,108,877
Balance With NRB	17,750,265	17,374,248	0	0	11,973,729
Bank Balance with Banks	3,456,772	3,728,125	0	0	684,424
Money At call	2,644,198	1,611,342	510,539	512,300	811,524
Investment	33,709,641	23,345,347	30,178,150	45,701,861	49,836,859
Loan and Advances	76,405,926	87,677,826	98,035,906	107,512,805	133,224,892
Fixed Assets	1,504,935	2,187,450	2,277,897	2,853,960	2,308,243
Non- Banking Assets	23,317	634,377	526,078	126,130	264,292
Other Assets	27,653,440	40,017,994	38,982,965	34,251,495	32,253,262
Total Assets	168,092,196	181,191,790	193,065,760	230,570,340	257,466,102
Interest Income	10,365,389	12,537,567	14,864,265	16,416,978	17,922,940
Interest Expenses	3,016,560	3,659,377	5,997,993	8,093,529	7,502,299
Net Interest Income	7,348,829	8,878,190	8,866,272	8,323,449	10,420,641
Commission and discount	940,711	930,688	938,415	800,415	786,239
Other Operating Income	734,564	496,074	651,366	847,950	1,126,305
Exchange Income	143,403	76,815	(14,433)	186,729	79,407
Total Operating Income	9,167,507	10,381,767	10,441,620	10,158,543	12,412,593
Employees Expenses	5,516,293	6,875,205	5,697,213	5,732,055	6,559,276
Other Operating Expenses	991,022	1,002,668	1,248,635	1,491,500	1,783,701
Exchange Loss	0	18,643	1,268	0	73,908
Operating Profit Before Provis	2,660,192	2,485,251	3,494,504	2,934,988	3,995,707
Provisions for possible losses	3,000,045	2,924,380	2,959,882	2,959,166	1,747,509
Operating Profit	(339,853)	(439,129)	534,622	(24,178)	2,248,199
Non-Operating Income/ Expense	753,402	117,212	237,497	205,206	276,147
Return From Loan Loss Provisio	3,390,263	4,419,864	2,997,181	3,502,405	2,497,608
Profit From Ordinary activities	3,803,811	4,097,947	3,769,300	3,683,433	5,021,954
Extra ordinary Income /Expenses	1,410,249	878,973	772,806	843,288	830,642
Net Profit including all activitie	5,214,060	4,976,920	4,542,106	4,526,721	5,852,596
Provision For Staff Bonus	403,811	336,749	345,019	338,236	454,106
Provision For Income Tax	934,713	308,499	(311,087)	704,882	1,036,923
-This Year	0	0	398,984	991	0
-Up to Last Year	0	0	0	0	0
Deferred Tax	0	0	789,296	(19,319)	55,143
Net Profit / Loss	3,875,536	4,331,672	4,508,174	3,483,603	4,361,566

Consolidated Financials of the Private Banks
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	29,059,364	39,937,758	49,456,184	56,433,072	61,831,689
Reserves and Surplus	11,610,367	13,191,394	16,383,442	20,580,228	26,828,395
Debtenture & Bond	3,727,770	3,727,770	3,727,770	4,627,770	5,950,135
Borrowing	8,708,588	7,232,482	11,905,910	2,547,921	9,075,140
Deposit	415,628,591	487,607,044	532,443,618	680,835,736	812,307,624
Bills Payable	1,742,759	1,355,065	1,129,425	1,410,646	1,530,175
Proposed & Payable dividend	2,094,286	4,234,081	4,848,572	4,391,529	6,031,512
Tax Liabilities	196,302	136,065	158,235	107,747	199,718
Other Liabilities	16,815,945	8,518,674	10,005,762	11,259,287	15,733,620
Total Liabilities	489,583,974	565,940,333	630,058,917	782,193,936	939,488,008
Cash Balance	10,888,577	12,959,750	16,730,095	19,807,631	25,430,495
Balance With NRB	36,626,258	33,892,294	32,107,475	82,874,328	89,988,736
Bank Balance with Banks	14,048,720	14,493,660	11,872,790	14,442,690	16,793,950
Money At call	11,180,177	13,359,683	14,620,570	6,711,053	14,317,857
Investment	97,065,232	112,833,164	118,631,033	135,131,468	159,925,876
Loan and Advances	303,811,779	360,143,093	413,502,271	495,542,734	600,971,476
Fixed Assets	7,956,018	9,972,252	11,322,086	13,043,981	13,769,010
Non- Banking Assets	279,893	0	0	0	0
Other Assets	7,727,321	8,286,437	11,272,598	14,640,051	18,290,708
Total Assets	489,583,974	565,940,333	630,058,917	782,193,936	939,488,108
Interest Income	29,239,474	44,139,221	59,515,681	68,314,055	71,409,268
Interest Expenses	14,797,835	24,935,707	36,789,153	44,104,976	37,869,821
Net Interest Income	14,441,639	19,203,514	22,726,529	24,209,079	33,539,447
Commission and discount	2,024,320	2,388,312	2,812,842	3,431,716	3,945,612
Other Operating Income	1,420,649	1,743,003	1,905,033	2,285,502	3,013,947
Exchange Income	1,980,648	1,908,363	1,852,120	2,635,460	3,046,829
Total Operating Income	19,867,256	25,243,192	29,296,523	32,561,757	43,545,835
Employees Expenses	2,807,115	3,592,285	4,728,758	5,671,704	6,758,009
Other Operating Expenses	3,824,846	4,972,062	6,168,742	7,402,942	8,441,140
Exchange Loss	0	0	0	175	36,567
Operating Profit Before Provision	13,235,294	16,678,845	18,399,023	19,486,936	28,310,119
Provisions for possible losses	1,751,006	2,844,219	3,569,812	4,617,305	7,087,049
Operating Profit	11,484,288	13,834,626	14,829,209	14,869,631	21,223,070
Non-Operating Income/ Expenses	67,774	204,830	253,888	386,508	84,171
Return From Loan Loss Provision	3,192,402	2,696,174	2,378,238	4,118,058	3,023,109
Profit From Ordinary activities	14,744,465	16,735,630	17,461,336	19,374,197	24,330,350
Extra ordinary Income /Expenses	(212,479)	(728,436)	(1,705,802)	(1,894,430)	(243,536)
Net Profit including all activities	14,531,985	16,007,194	15,755,534	17,479,767	23,977,890
Provision For Staff Bonus	1,321,092	1,455,261	1,361,717	1,588,201	2,187,125
Provision For Income Tax	3,373,574	4,181,524	4,426,682	4,605,263	6,446,909
-This Year	26,690	0	2,168,013	4,828,920	6,722,275
-Up to Last Year	(335)	(3,797)	17,609	11,747	2,287
Deferred Tax	0	0	23,862	(223,062)	(253,790)
Net Profit / Loss	9,837,319	10,370,409	9,967,135	11,286,303	15,343,856

Consolidated Financials of the Commercial Banks
Rs.'000'

Capital and Liabilities	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital	41,389,547	50,927,958	60,483,167	73,177,810	83,773,904
Reserves and Surplus	(7,209,847)	(400,182)	6,116,390	12,453,912	21,381,103
Debenture & Bond	3,727,770	6,027,770	6,027,770	6,927,770	8,250,135
Borrowing	14,751,112	13,656,935	18,804,824	8,552,017	14,723,792
Deposit	564,143,360	630,832,673	687,566,530	867,902,123	1,020,787,532
Bills Payable	1,823,380	1,433,525	1,129,425	1,485,413	1,547,429
Proposed & Payable dividend	2,435,311	4,598,768	5,124,572	4,391,529	6,031,512
Tax Liabilities	794,021	1,237,771	1,499,139	2,226,706	199,718
Other Liabilities	35,821,515	38,816,905	36,372,861	35,646,996	40,258,984
Total Liabilities	657,676,170	747,132,123	823,124,677	1,012,764,276	1,196,954,110
Cash Balance	15,832,280	17,574,831	39,284,320	59,419,420	51,539,372
Balance With NRB	54,376,523	51,266,542	32,107,475	82,874,328	101,962,465
Bank Balance with Banks	17,505,491	18,221,785	11,872,790	14,442,690	17,478,374
Money At call	13,824,374	14,971,025	15,131,109	7,223,353	15,129,381
Investment	130,774,873	136,178,511	148,809,183	180,833,329	209,762,735
Loan and Advances	380,217,705	447,820,919	511,538,177	603,055,539	734,196,368
Fixed Assets	9,460,952	12,159,702	13,599,983	15,897,941	16,077,253
Non- Banking Assets	303,210	634,377	526,078	126,130	264,292
Other Assets	35,380,761	48,304,431	50,255,563	48,891,546	50,543,970
Total Assets	657,676,170	747,132,123	823,124,677	1,012,764,276	1,196,954,210
Interest Income	39,604,863	56,676,788	74,379,946	84,731,033	89,332,208
Interest Expenses	17,814,395	28,595,084	42,787,146	52,198,505	45,372,120
Net Interest Income	21,790,469	28,081,704	31,592,801	32,532,528	43,960,088
Commission and discount	2,965,031	3,319,000	3,751,257	4,232,131	4,731,851
Other Operating Income	2,155,213	2,239,077	2,556,399	3,133,452	4,140,252
Exchange Income	2,124,051	1,985,178	1,837,687	2,822,189	3,126,236
Total Operating Income	29,034,763	35,624,959	39,738,143	42,720,300	55,958,428
Employees Expenses	8,323,409	10,467,490	10,425,971	11,403,759	13,317,285
Other Operating Expenses	4,815,868	5,974,730	7,417,377	8,894,442	10,224,841
Exchange Loss	0	18,643	1,268	175	110,475
Operating Profit Before Provision	15,895,486	19,164,096	21,893,527	22,421,924	32,305,826
Provisions for possible losses	4,751,051	5,768,599	6,529,694	7,576,471	8,834,558
Operating Profit	11,144,435	13,395,497	15,363,832	14,845,453	23,471,269
Non-Operating Income/ Expenses	821,176	322,042	491,385	591,714	360,318
Return From Loan Loss Provision	6,582,665	7,116,038	5,375,419	7,620,463	5,520,717
Profit From Ordinary activities	18,548,276	20,833,577	21,230,637	23,057,630	29,352,304
Extra ordinary Income /Expenses	1,197,770	150,537	(932,996)	(1,051,142)	587,106
Net Profit including all activities	19,746,046	20,984,114	20,297,641	22,006,488	29,939,410
Provision For Staff Bonus	1,724,903	1,792,010	1,706,736	1,926,437	2,641,231
Provision For Income Tax	4,308,287	4,490,023	4,115,595	5,310,145	7,483,832
-This Year	26,690	0	2,566,997	4,829,911	6,722,275
-Up to Last Year	(335)	(3,797)	17,609	11,747	2,287
Deferred Tax	0	0	813,158	(242,381)	(198,647)
Net Profit / Loss	13,712,856	14,702,081	14,475,310	14,769,906	19,814,346

Annex 10: 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
Canada Deposit Insurance Corporation	www.cdic.ca
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
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.ffiiec.gov
Financial Services Agency, Japan	www.fsa.go.jp
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
FSI Connect	www.fsiconnect.org
European Banking Authority	www.eba.europa.eu