



# Bank Supervision Report

2015



**Nepal Rastra Bank**

**Bank Supervision Department**

**Baluwatar, Kathmandu, Nepal**

**April 2016**



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The Bank Supervision Report, 2015 is the annual report of Bank Supervision Department of Nepal Rastra Bank. It reviews policy and operational issues affecting the banking sector and its regulators/supervisors and aims at disseminating information on supervision of commercial banks and other issues affecting the financial sector. This issue of the Annual Report of Bank Supervision Department focuses mainly on the 12-month period ending July 16, 2015. However, selected developments up to the time of report finalization are also incorporated.

All enquiries on this publication should be directed to Policy, Planning and Forward Looking Unit and the Executive Director of the Bank Supervision Department, NRB.

Nepal Rastra Bank,

Bank Supervision Department

Central Office,

P.O. Box No.73

Baluwatar, Kathmandu, Nepal

Telephone: 00-977-14417497

Facsimile: 00-977-14412306

E-mail: [bsd@nrb.org.np](mailto:bsd@nrb.org.np)

## **Message from the Executive Director**

**Dear Valued Readers,**

Nepalese financial system saw a rapid growth after the liberalisation policies adopted by the nation since 1980. This growth was not only in the number of entities, but also in terms of the varieties of products and services and adoption of the newer technologies. This growth even crossed the national boundaries and integrated with the global financial system. Additionally, increasing flow of remittances from formal channels, cards and banking services with worldwide usability, representative offices across the national boundaries are few more indicators of growing banking industry. The rapid growth that we saw in last decade slowed down in recent five years and a gradual process of consolidation has started. Mergers and acquisitions are being encouraged by NRB to foster the consolidation process. In the recent years we have seen significant reduction in the numbers of institutions in the financial system.

Safe, sound and self-regulated BFIs, transparent and consumer friendly banking transactions, adoption of international best prudential norms and best supervisory practices, mitigation of the systemic risks, and ultimately achieving the financial stability have always been the aim of NRB as regulator and supervisor. NRB's bank supervision function also aims in ensuring safe and sound banking industry in Nepal. This department has been continuously endeavouring to adopt best practices in the areas of bank supervision.

It gives me immense pleasure to share with you, since last year we have started risk based supervision approaches. Our on-site inspection processes are gradually transforming to risk based approach. This methodology is expected to assess the inherent risks in the banks and the risk management practice of the banks enabling us to prepare risk profile of individual banks for the supervisory purpose. This risk profile will help us determine the supervisory regime and focus our resources on risky areas. This is a notable shift in supervisory approach. Furthermore, to diagnose the banking industry further, NRB has started special inspection process with the technical assistance of World Bank and DFID utilizing the expertise of KPMG, Portugal. This special inspection program provides a valuable feedback to customize the regulatory and supervisory landscape for the coming years.

As our financial system is being integrated with the international financial market we felt a need of adopting the cross boarder supervision practices. In this ground, we are currently working on having Memorandum of Understanding (MoU) with other supervisory authorities abroad which will enable regulators and supervisors to share information and take appropriate decisions.

Of course there are challenges in all financial markets. Corporate governance, self-regulations, skill-sets, risk management culture and professionalism in the industry still need to be enhanced. Multiple banking, monitoring of big borrowers, ever-greening, proper classification of risk-assets etc need to be further controlled. We are optimistic that the collective effort of market and regulators will bring these changes.

I am very happy, to make this Annual Report, 2015 available to you. This will give you a complete picture of the performance of the banks, of the fiscal year 2014/15, as well as the initiatives that are being taken by NRB as a supervisor.

I thank my friends of Policy Planning and Forward Looking Analysis Unit, for their good effort in bringing this report in this form. Finally, I would like to thank all of the staffs of Bank Supervision Department for their continuous effort in fulfilling their responsibilities effectively.

Thank you,

**Narayan Prasad Paudel**

**Executive Director**

**Nepal Rastra Bank**

**Bank Supervision Department**

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## CHAPTER ONE

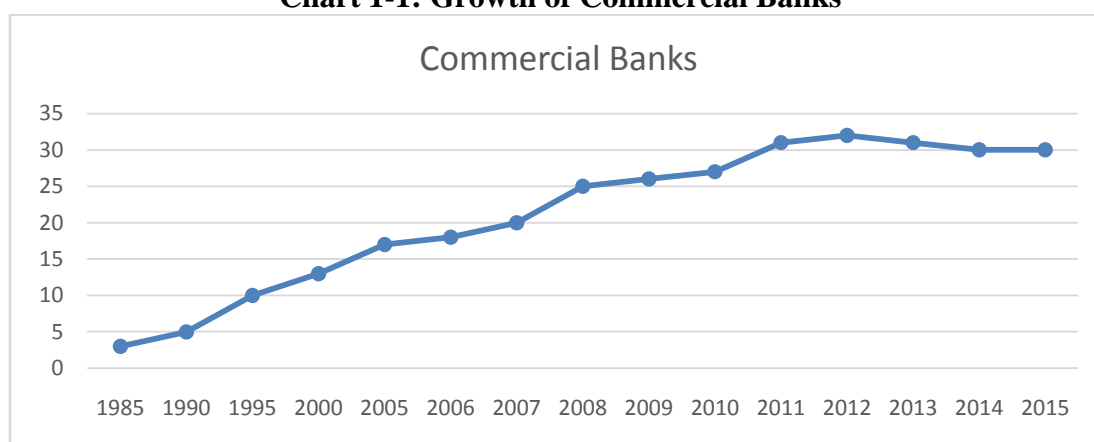
### 1. NEPALESE BANKING INDUSTRY

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. In these more than seven decades, since the establishment of Nepal Bank Limited, the Nepalese financial system witnessed major changes in policies and regulations. With economic liberalization, of 1980s, and focus on the private sector development, many foreign banks have established as joint venture Banks in Nepal and thus the Nepalese financial system has shown a tremendous growth of banking sector. The financial sector liberalization resulted into entry of many new banks in the domestic market.

By the end of mid July 2015, altogether 192 banks and non- bank financial institutions licensed by NRB were in operation. Out of them, 30 are “A” class commercial banks, 76 “B” class development banks, 48 “C” class finance companies, 38 “D” class micro-credit development banks, 15 saving and credit co-operatives and 27 NGOs. Also, the total banks branches reached to 3,838.

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 banking industry is currently going through the consolidation process with merger and acquisitions. The merger and acquisition of banks and financial institutions (BFIs) have been encouraged to strengthen financial sector stability.

#### 1.1 Nepal Rastra Bank as a regulator and supervisor

The Nepal Rastra Bank Act, 2002 and the Bank and Financial Institutions Act, 2006 (BAFIA) grant supervisory authority to the Nepal Rastra Bank (NRB). The 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, 2002 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 (2), 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 Bank and Financial Institution Act, 2006, 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 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 organizational structure to issue regulating policies, directives, guidelines and circulars.

As a supervisory authority, NRB supervises the activities of the banks and financial institutions based on the existing legal framework, directives and guiding policies. To discharge the responsibilities of supervisor, NRB has set four different supervision departments, namely Bank Supervision, Development Bank Supervision, Finance Company Supervision and Micro Finance Promotion and Supervision Department. Furthermore, to address the need of resolution of problem institutions, NRB has constituted a Division called Problem Bank Resolution Division.

Regulation and supervision of the financial system is a key tool for attaining financial stability. The Commercial banking sector presently complied with the minimum paid up capital requirement as per NRB directive. NRB has started the process of drafting a new Capital Adequacy Framework to adopt the provisions of Basel III. Discussions among the departments and stakeholders are going on in this regard. The commercial banking sector will be supervised in future as per the new framework. NRB aims at becoming more proactive with regulatory and supervisory mechanisms that are forward looking and analytical.

## **1.2 The Commercial Banking**

As at mid July 2015, the numbers of commercial banks in Nepal were thirty. Though, the adoption of the economic liberalization in the country has brought a tremendous growth in the number of 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 sector banks on total deposits, loans, and total assets has been increasing gradually. Table 1-1 presents the list of commercial banks in Nepal as of mid July 2015.

**Table 1-1: List of Commercial Banks in Nepal (mid-July, 2014)**

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	Machhapuchhre 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	Janata Bank Nepal Limited (JBNL)	2010/04/05	Kathmandu
26	Mega Bank Nepal Limited (MBNL)	2010/07/23	Kathmandu
27	Civil Bank Limited (CBL)	2010/11/26	Kathmandu
28	Century Commercial Bank Limited (CCBL)	2011/03/10	Kathmandu
29	Sanima Bank Limited (SBL)	2012/02/15	Kathmandu
30	Prabhu Bank Limited (PBL) <sup>&amp;</sup>	2014/09/15	Kathmandu

<sup>&</sup> Kist Bank Limited merged with Prabhu Bikas Bank Limited to form Prabhu Bank Limited.

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

### 1.3 Ownership and Control

Commercial banks in Nepal can be broadly categorized into two groups as public and private banks on the basis of ownership and control. As of mid-July 2015, there are 3 public and 27 private sector banks in operation. Rastriya Banijya Bank Limited is the largest bank of Nepal in terms of deposit mobilization and is fully owned by the Government of Nepal. The Government of Nepal owns 62.55 percent ownership in the equity capital of Nepal Bank Limited, another public bank. Likewise, Government of Nepal owns 51 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.

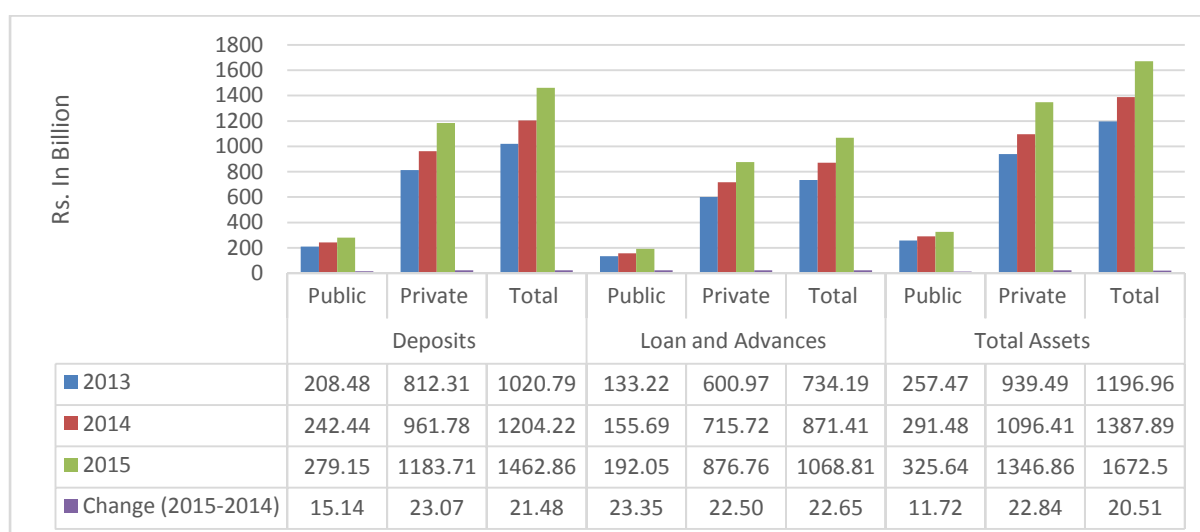
Private Banks in Nepal can be further re-grouped into local private banks and foreign joint-venture banks. Banks promoted by local promoters are local private banks while banks in collaboration with foreign investment partners are joint-venture banks.

#### 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 21.5 percent to Rs 1,462.9 billion as of mid-July 2015 compared to the deposit of Rs. 1,204.2 billion of previous year. The deposits of public banks grew by 15.1 percent while the deposits of private banks grew by 23.1 percent.

Similarly, loans and advances of the commercial banks increased by 22.65 percent to Rs. 1068.81 billion as of July 2015 compared to a total of Rs. 871.4 billion of previous year. The loans and advances of public banks grew by 23.4 percent while the loan and advances of private banks grew by 22.5 percent. Likewise, total assets of the commercial banks increased by 20.5 percent to Rs. 1,672.5 billion compared to Rs. 1,387.89 billion of previous year. Total assets grew by 11.7 percent in public banks while it grew by 22.8 percent in private banks. Chart 1-2 shows growth of deposit, loans and advances and total assets of both the public and private sector banks.

**Chart 1-2 Banking Operations: Public vs. Private (mid-July 2015)**



#### 1.5 Branch Network

The total number of branches of commercial banks increased to 1682 in mid-July 2015 from 1547 in mid July 2014. NRB has been encouraging banks to open branches to bring the unbanked people to the banking system. While the number of bank branches are increasing every year, larger chunk of banking services are still concentrated in the urban areas.

**Table 1-2: Branches of Commercial Banks (Mid-July 2015)**

Name of Banks	2012	2013	2014	2015
Nepal Bank Limited (NBL)	112	115	117	117
Rastriya Banijya Bank Limited (RBBL)	142	151	161	168
NABIL Bank Limited (NABIL)	49	49	48	48
Nepal Investment Bank Limited (NIBL)	41	43	44	46
Standard Chartered Bank Nepal Ltd. (SCBN)	16	15	15	15
Himalayan Bank Limited (HBL)	39	39	45	45
Nepal SBI Bank Limited (NSBI)	59	57	59	59
Nepal Bangladesh Bank Limited (NBBL)	19	21	27	30
Everest Bank Limited (EBL)	45	50	52	53
Bank of Kathmandu Limited (BOK)	45	50	50	50
Nepal Credit and Commerce Bank Ltd. (NCCBL)	22	22	22	22
Lumbini Bank Limited (LBL)	37	16	16	19
Nepal Industrial & Commercial Bank Ltd. (NIC) / NIC Asia Bank Limited <sup>§</sup>	16	54 <sup>§</sup>	54 <sup>§</sup>	54 <sup>§</sup>
Machhapuchchhre Bank Limited (MBL)	54	49	49	55
Kumari Bank Limited (KBL)	28	28	27	33
Laxmi Bank Limited (LXBL)	29	29	29	29
Siddhartha Bank Limited (SBL)	41	41	41	41
Agriculture Development Bank (ADBL)*	234*	240*	231*	240*
Global Bank Limited / Global IME Bank Limited (GBL) <sup>#</sup>	57	67	85 <sup>#</sup>	86
Citizens Bank International Limited (CBIL)	33	34	36	54
Prime Commercial Bank Limited (PCBL)	32	30	30	30
Sunrise Bank Limited (SRBL)	29	49	49	51
Bank of Asia Nepal Limited (BOA) <sup>§</sup>	49	-	-	-
Grand Bank Limited	21	21	23	23
NMB Bank Limited (NMB)	21	21	29	29
Janata Bank Nepal Limited (JBNL)	23	25	29	34
Mega Bank Nepal Limited (MBNL)	23	28	28	28
Commerz& Trust Bank Nepal Limited (CTBNL) <sup>#</sup>	14	15	-	-
Civil Bank Limited (CBL)	13	20	40	41
Century Commercial Bank Limited (CCBL)	8	31	31	31
Sanima Bank Limited (SBL)	22	24	28	38
Prabhu Bank Limited <sup>&amp;</sup>	NA	NA	NA	113
Total	1425	1486	1547	1682

\* Also includes branches with development banking functions.

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

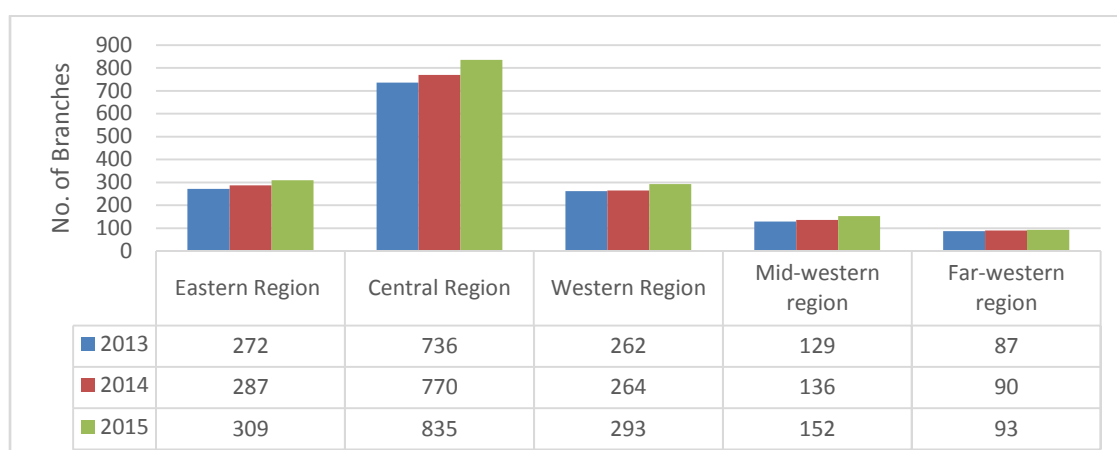
§ Bank of Asia Nepal Limited (BOA) merged into Nepal Industrial & Commercial Bank Ltd. (NIC) to form NIC Asia Bank Ltd.

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

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

The ADBL has the largest number of branches (240) followed by RBBL (168) and NBL (117). Commercial banking operations still seem to be concentrated in central region with 835 branches (49.6% of total branches). This is followed by Eastern Development Region with 309 (18.37% of total branches) and the Western Development Region with 293 (17.42 % of total branches) branches respectively. The Far Western has the lowest number of bank branches i.e. 93 (5.53 % of total branches).

**Chart 1-3: Number of Bank Branches (Mid-July 2015)**



(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 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 2015)**

Bank and Financial Institutions	% Share 2010	% Share 2011	% Share 2012	% Share 2013	% Share 2014	% Share 2015
Commercial Banks	76.7	75.3	77.3	78.2	78.0	78.73
Development Banks	10.6	12.0	12.4	13	13.6	13.34
Finance Companies	10.9	10.9	8.2	6.6	5.8	4.79
Micro Finance Development	1.8	1.8	2.2	2.2	2.6	3.14
Total	100	100	100	100	100	100

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

Table 1-3 shows the dominance of commercial banks, with the share of 78.7 percent of total assets of Nepalese banking industry, it was 78 percent in the previous year. Share of development bank has decreased from 13.6 percent in 2014 to 13.3 percent in 2015; likewise, the share of finance companies has decreased to 4.8 percent from 5.8 percent in during the review period. The share of microfinance development banks increased from 2.6 percent to 3.1 percent in 2015.

## 1.7 Employment in the Banking Industry

Commercial banks have provided employment to 22,465 numbers of individuals as on mid July 2015. Three public sector banks have employed 35 percent of total employment of commercial banks.

## 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 issues regulations, guidelines and circulars 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 which guide the NRB's regulatory and supervision function:

- Nepal Rastra Bank Act, 2002,
- Bank and Financial Institutions Act, 2006,
- Company Act, 2006,
- Nepal Rastra Bank Inspection and Supervision By-laws, 2013,
- Unified Directives to licensed institutions 2015,
- Monetary Policy Announcements,
- Assets (Money) Laundering Prevention Act, 2008,
- Guidelines issued by NRB

### **1.9 Access to Banking Services and Financial Inclusion**

NRB has focused on enhancing access to banking services and broadening financial inclusion in the country. By focusing on areas where there is lack of access to finance, a provision of interest free loan for a specified period has been made for BFIs for opening branches in 14 remote districts. 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 two in other districts.

NRB has also focused on providing access to banking services to the unbanked population rather than focusing on opening more branches in 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.

As on mid-July 2015 total number of branches of commercial bank reached 1,682 and population per branch was 16,436<sup>1</sup>. These figures were 1,547 (branches) and 17,619 (population per branch) in the previous year. The population per branch of all categories of BFIs comes down to 7,154.

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<sup>1</sup> Population 27,646,053 is used, as per the projections 2011-31 (medium variant) of CBS. url: <http://cbs.gov.np/image/data/Population/Population%20projection%202011-2031/PopulationProjection2011-2031.pdf>

## **CHAPTER TWO**

### **2 BANK SUPERVISION**

#### **2.1 Supervision Function**

NRB regulates and supervises the Banks and Financial Institutions as mandated by the NRB Act, 2002 and Bank and Financial Institutions Act, 2006. Regular supervision function provides important information on the banking system that feeds into the decision making process such as: formulation of monetary policy, updates on regulations and for the timely measures for financial stability.

#### **2.2 Bank Supervision Department (BSD)**

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

#### **2.3 Supervision Methodology**

BSD 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). NRB's traditional supervision methodology was based on compliance check and CAMELS (Capital Adequacy, Asset Quality, Management competence, Earning, Liquidity, and Sensitivity to Market Risk) ratings. Supervisors assess CAMELS of the Banks and Banks are assigned grades of 1 (best) to 5 (worst) on each component and composite rating. From this fiscal year NRB adopted RBS method of onsite inspection based on the Risk Based Supervision Manual, 2013. This methodology prepares and/or updates risk-profile of banks. Such risk profile is for the supervisory purpose which enables NRB to decide upon the determination of supervisory regime and helps NRB to concentrate its resources in high risk areas. This methodology mainly focuses on the 'chance of failure' of the bank and the risk management practices of the bank.

#### **2.4 Organization of BSD**

The department comprises of on-site inspection/enforcement units, off-site supervision unit, policy planning and forward looking analysis unit, special inspection unit and internal administration unit. These functions are further complemented by different task-forces, working groups and a high level Co-ordination Committee (HLCC) for sharing information among other regulatory authorities of Nepal. Such task-forces are formed as needed for certain tasks and are generally of temporary nature. Organisation chart of the department is presented in Annex: 8.

## 2.4.1 On-site Inspection and Enforcement

On-site inspection of commercial banks is conducted as per the approved annual plan where a full-scope on-site inspection is conducted at least once a year for every commercial bank. On-site inspection is carried out on the basis of manual approved for the same purpose.

The on-site examinations include:

- Initial examination, generally conducted within six months of commencement of operation by a new bank.
- Routine full-scope inspection is the regular examination, generally carried out once a year.
- Targeted Inspection addresses specific areas of operation of a bank e.g. credit, trade finance etc.,
- Monitoring inspection is carried out during enforcement or follow-up of the directions given in report of inspection and
- Special inspection is carried out as and when needed.

The major observations found in the banks during on-site examinations in the F.Y. 2014/15 are summarized in the following table:

**Table 2-1: Major observations**

Capital Adequacy	
1.	Errors in calculation of risk weighted exposures.
2.	Weak infrastructure to implement Capital Adequacy Framework.
3.	ICAAP not adequate commensurate with the size of the bank. Likewise, since most of the banks lack strategic plan and ICAAP lacks strategic orientation.
Asset Quality	
4.	Loan exceeding the Single Obligor Limit (SOL) and weak mechanism to monitor single obligors.
5.	Non-compliance with bank's internal approved manuals and guidelines.
6.	Inadequate credit documentation. Credit files not maintained systematically and documents not sequentially ordered. E.g. credit information report, tax clearance, audited financial statements of the borrower, stock inspection report, valuation report, insurance of collateral and assets etc. not obtained.
7.	Credit extended without proper assessment of borrower's financial health. Updated audited financial statements were not obtained to evaluate financial position and loan repayment capacities.
8.	Non-compliance to the terms and conditions mentioned in the offer-letter.



9. Irregular and inadequate credit monitoring.
10. Inadequate loan loss provisioning.
11. Valuation reports of collaterals are not updated regularly as prescribed. Banks not maintaining the database or other framework to aggregate information on collaterals thus creating difficulties for the process of monitoring and reviewing the collaterals continuously.
12. Overdraft limits exceeded.
13. Loan settled with new limits.
14. Loan approved without adequate credit information and incomplete self-declaration of the borrower.
15. Lack of proper monitoring of deprived sector loan.
16. Maturity of term loans extended.
17. Non-compliance of directives related to loan classification. Loans not classified or provisioned according to regulation.
18. Purposes of personal loans are not assessed properly.
19. Non-compliance of provisions related to multiple banking regarding Paripassu agreement.
20. Proper recovery processes are not initiated on timely manner.
21. Provisions of credit purchase are not fully complied.
22. Banks not being able to confirm use of funds on extended credit.
23. Limits are not updated in the system.
24. Regular stock inspection report-necessary for most working capital requirement, loans- are not obtained in several credit files.
25. Purpose of loans and types of loans are not matched properly such as: granting overdrafts and short term loans to finance purchase of fixed assets or development of real estate.

#### Management

26. Long term strategic plans not formalized.
27. Non-compliance of HR policies regarding job descriptions, authority delegation, transfer and promotion etc.

<p>28. Lack of policies regarding the functions of committees.</p> <p>29. Inadequate MIS.</p> <p>30. Lack of proper disaster recovery preparedness.</p> <p>31. Lack of succession plan even in the senior positions.</p> <p>32. Involvement of audit committee member to other business related committee.</p> <p>33. Non-compliance of direction given in the previous inspection reports.</p> <p>34. Manpower allocated to internal audit function is found not commensurate with the size of the entity and its complexity.</p> <p>35. Directors of the banks not submitted the details of loans granted to themselves, their family members or to the companies they owned.</p>
Earning
<p>36. Non-compliance of directives related to loan loss provisioning.</p> <p>37. Non-compliance of service fees related guidelines.</p> <p>38. Lack of dividend policies in the Banks.</p> <p>39. Non-compliance of provisions related to presentation and disclosure of financial statements.</p>
Liquidity
<p>40. Funding concentration in few clients.</p> <p>41. No clarification made for mismatches of very short term buckets.</p> <p>42. Lack of tools to properly monitor the potential effect of change in its liquidity assumptions and significant deviation between effective cash-flow versus contractual maturities.</p>
Sensitivity To Market
<p>43. Poor analysis of rate sensitive assets and liabilities.</p> <p>44. Investment Policy not formulated/implemented.</p> <p>45. Non-compliance of regulatory limits of net open position.</p>
Risk Management Practice

46. Weak board oversight on the overall risk management practices; lack of approved risk exposure limits and appetites.
47. Lack of independent and robust control and monitoring functions (such as: compliance, audit and risk management) with clear reporting lines.
48. Weak internal control mechanism; lack of independent internal audit and compliance functions.
49. Lack of comprehensive risk management policies, manuals and guidelines for the identification, measurement, monitoring and control of the inherent risks.
50. Lack of contingency plans and lack of gap limits (liquidity and re-pricing).
51. Credit risk mitigation criteria not fulfilled.
52. Inadequate frequency of meetings and agendas of Asset Liability Committee (ALCO).
53. Non-compliance of directives related to AML/KYC.
54. List of related parties including relatives and companies linked to shareholders and directors are not properly recorded and lack of appropriate system to identify related parties.
55. Lapses in Information System (IS) audit.

#### **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 risks and to assess compliance of prevailing regulatory provisions. It also provides feedback and red 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 also checks compliance provisions related to cash reserve ratio (CRR), statutory liquidity ratio (SLR) and deprived sector lending (DSL) and recommends penalties in case of non-compliance. The following table shows important directives for compliance during the review year.

**Table 2-2 Important Directives regarding Capital, Credit and Liquidity  
(Effective for the FY 2014-15)**

SN	Particulars	Current Rate or Percentage	Days/Month	Remarks I	Remarks II
1.	Minimum Capital fund "A" class	Core Capital =6% & Capital Fund =10%		Minimum capital fund to be maintained based on the risk-weight assets (percent)	
	"B" class & "C" class	Core Capital = 5.5% & Capital Fund = 11%			
2.	Refinance Facility		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.
	(i) General Refinance  Hydro, Agro, productive and, infrastructure industry or business run by youths returned from abroad.	5%			
	<u>(ii) Special Refinance</u>  Sick industries, Cottage & small industries, foreign emp.  Small business run by <i>Dalits, janajati, utpidit</i> , women, deprive class and community	1%			
	(iii) Export credit refinance	1%			
	(iv) Small & Medium Ent. Refinance (limit up to 10 lakhs)	5%		Cannot charge more than 4.5%	Cannot charge more than 10%
3.	Bank Rate	8%			

4.	SLF Rate (For A, B & C)	Bank rate	Max. 5 days	For Merger 30 days	
5.	Lender of Last Resort		Max. 6 months		
6.	Repo & Reverse Repos	Max. 21days			
7.	CRR "A" class "B" class "C" class	5% 4.5% 4%			
8.	SLR "A" class "B" class (taking call n current deposit) "C" class (taking call n current deposit)	12% 9% 8%			
9.	Deprived Sector "A" class "B" class "C" class	4.5% 4% 3.5%			
10.	Productive Sector lending "A" class in productive & Agriculture +Energy "B" & "C" class	20% & 12% 15% & 10%			
11.	Net Liquidity Ratio	20%			

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 analyses returns of commercial banks and prepares reports to detect emerging problems and early warning signals. The returns are used to evaluate the exposure to risks and the effect this could have on profits. The statutory returns are the basis for computing basic ratios (financial soundness indicators) to analyse 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 payments 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 6 percent of total local currency deposit liabilities in the review period. The average CRR of the commercial banks in the review year is 10.22 percent. Banks that fail to maintain such reserves face monetary penalties based on the bank rate. All the commercial banks have maintained the Capital Reserve Ratio (CRR) as prescribed the NRB throughout the year. CRR positions of the commercial banks are monitored weekly.

#### **2.4.2.2 Deprived Sector 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 stood at 5.10 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. In the review year, Grand Bank Limited (now merged with Prabhu Bank Limited) has been penalized Rs. 1752.10 thousand in the second quarter for not complying with the norms of deprived sector lending requirement.

#### **2.4.2.3 Statutory Liquidity Ratio (SLR)**

Banks are required to maintain SLR of 12 percent of their total domestic deposit liabilities. Failing to meet such obligation results in monetary penalties- computed on the basis of bank rate. During the review year all the banks complied with the Statutory Liquidity Ratio norm. The average SLR of the commercial banks in the review year is 25.79 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 11.55 percent.

### **2.4.3 Policy, Planning and Forward Looking Analysis Unit**

The Policy, Planning and forward looking Analysis Unit continuously monitors the developments in international financial environment, the guidelines issued by the Basel Committee and emerging issues in banking regulation and supervision and incorporates the findings to propose required changes in the existing policies and in preparing the annual plan for the department, as well. The unit also 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 through an arrangement of MOU on information sharing, and coordinates in information sharing through supervisory colleges, too.

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 unit also prepares the annual report of the department as prescribed in 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 2014/15, and the report was executed in accordance with Inspection and Supervision By-laws. The Unit also acts as secretariat for the High Level Co-ordination Committee.

#### **2.4.4 Special Inspection**

The special inspection unit performs different special inspection based upon complaints received vide complaints lodged at Bank, public media and other competent authorities.

#### **2.4.5 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, 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 smoothly and effectively.

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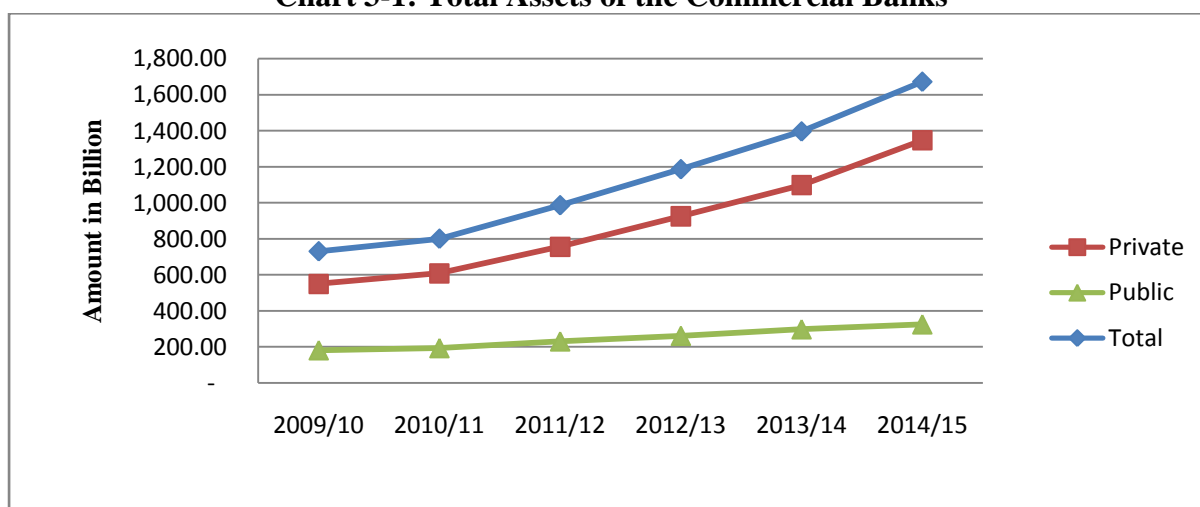
## CHAPTER THREE

### 3 OPERATIONAL PERFORMANCE OF COMMERCIAL BANKS

#### 3.1 Assets of the commercial banks

The total assets of the commercial banks have increased by 19.76 percent to Rs.1672.49 billion in the fiscal year 2014/15 compared to a growth of 17.65 percent to Rs. 1396.55 billion in F.Y 2013/14. In the review year, the total assets increased by 9.21 percent in public banks and by 22.62 percent in the private banks increase of 13.95 percent and 18.69 percent in the Public and Private Banks respectively.

**Chart 3-1: Total Assets of the Commercial Banks**



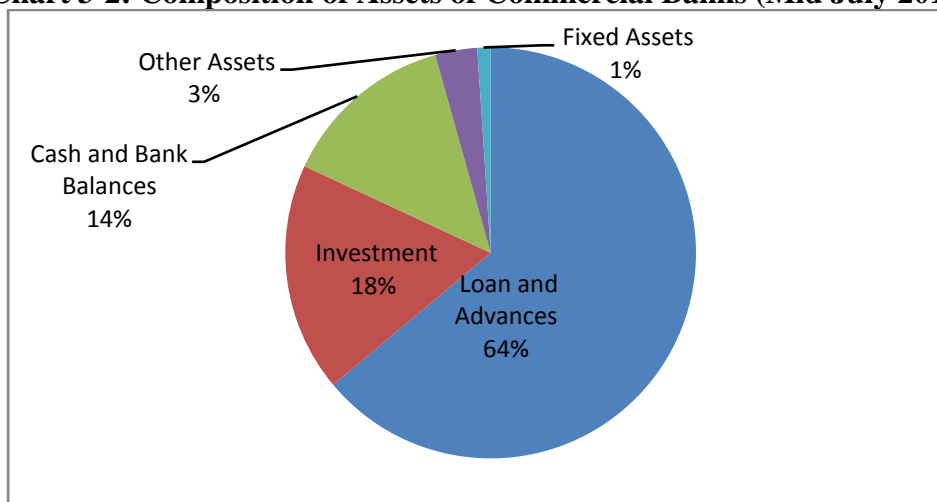
The total assets of the commercial banks have increased due to increase in bank balance, investment and loan portfolio. The cash and bank balance and loan portfolio have increased by Rs. 17.42 billion and Rs. 197.40 billion respectively in 2014/15. In the previous year cash and bank balance had increased by Rs. 41.00 billion and loan portfolio had increased by Rs. 141.61 billion. The loan portfolio of public banks increased by Rs. 36.36 billion, while that of private banks increased by Rs. 161.04 billion in 2014/15. Detailed figures are shown in Annex 9.1 and 9.13.

#### 3.2 Composition of Assets

The major portion of the assets of the commercial banks is covered by the loans and advances (64 percent) which totalled to Rs 1068.82 billion, of which private sector banks hold Rs 876.76 billion. The second and third largest components are investment (18 percent) and cash/bank balance (14 percent) respectively.



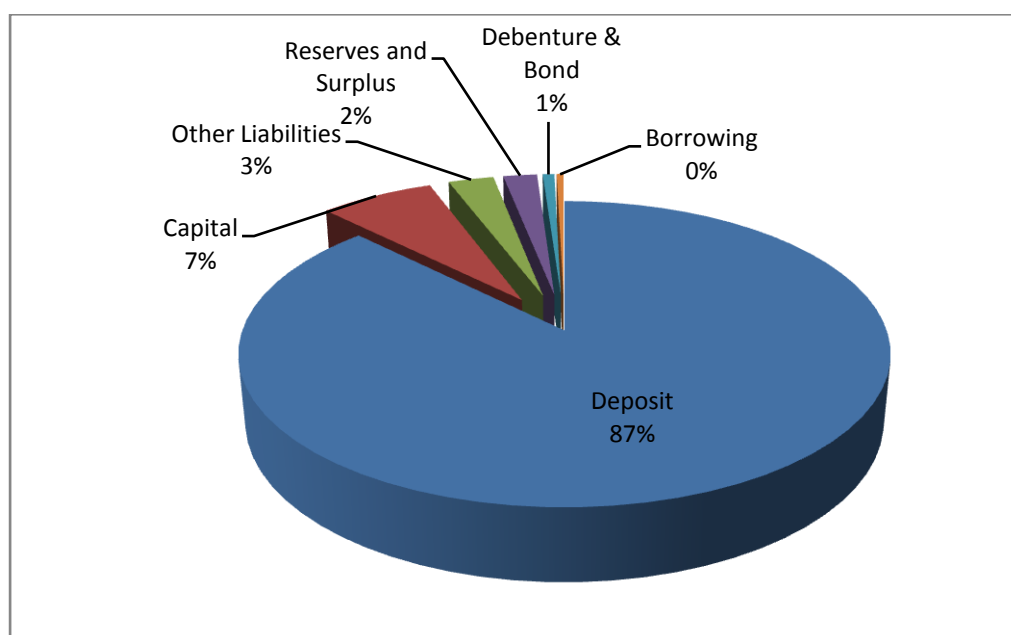
**Chart 3-2: Composition of Assets of Commercial Banks (Mid July 2015)**



### 3.3 Composition of Liabilities

The largest source of fund of the commercial banks in mid-July 2015 was deposit (87 percent), which totalled to Rs.1462.86 billion, of which private banks held Rs. 1183.71 billion (81 percent). The second largest source is share capital i.e. Rs.112.76 billion (7 percent).

**Chart 3-3: Composition of Liabilities of Commercial Banks (Mid July 2015)**

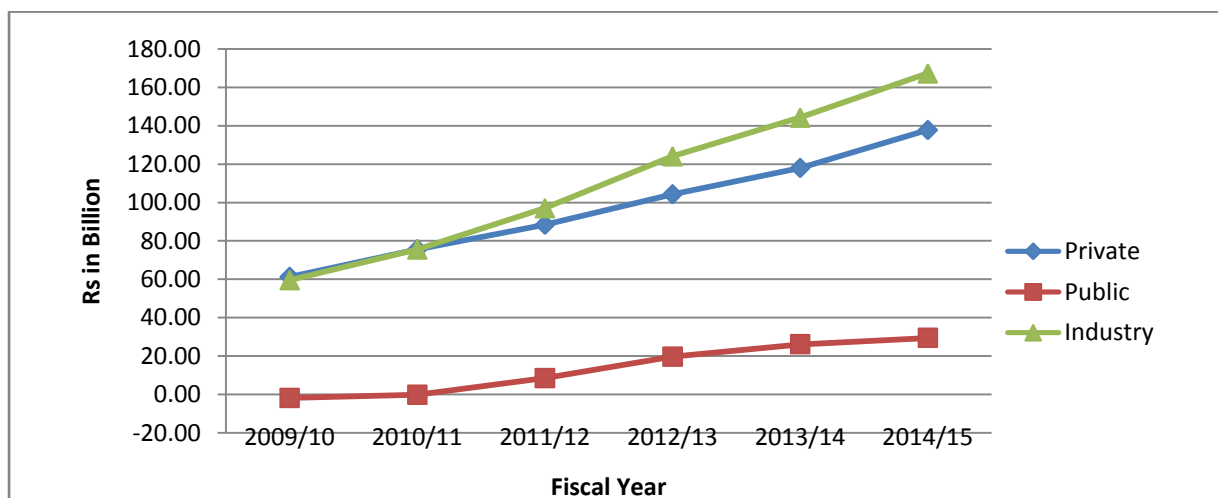


### 3.4 Capital

The consolidated capital fund of the commercial banks showed a positive growth during the review year. Capital fund increased by 15.99 percent to Rs. 169.36 billion in the review year compared to increment by 16.24 percent to Rs 144.29 billion in the fiscal year 2013/14. Likewise, capital fund of private banks grew by 16.75 percent to Rs. 137.87 billion and that of the public banks increased by 12.56 percent from Rs 26.20 billion to Rs. 29.49 billion. In the

year 2013/14, the increment in the capital fund of Public Banks was 32.74 percent. (Figures presented in Annex 9.2)

**Chart 3-4: Capital Funds of the Commercial Banks (Mid July 2015)**

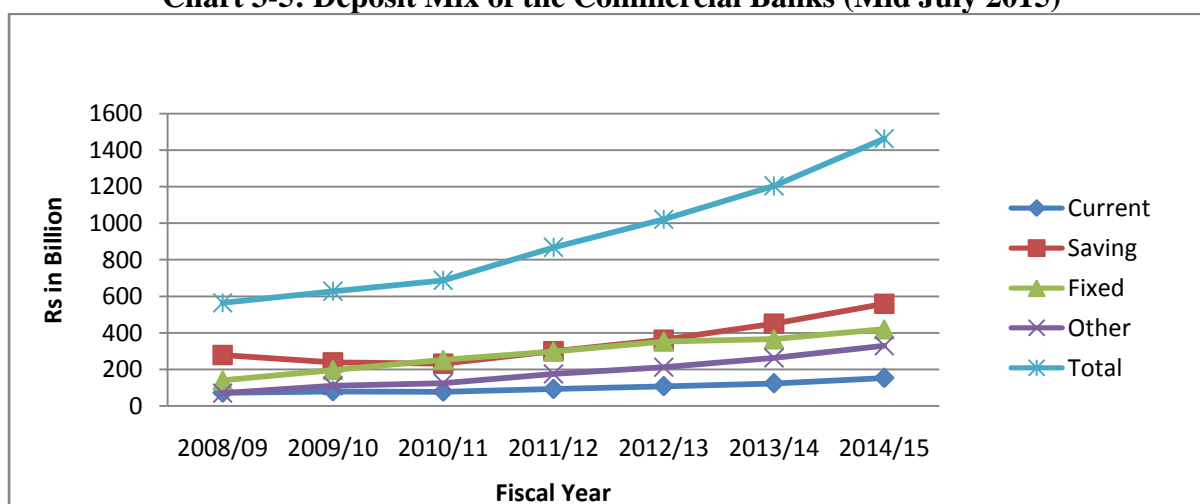


The review of capital adequacy of individual banks (Annex 5) as on mid-July 2015 reflects that 28 banks out of 30 commercial Banks had complied with the statutory capital adequacy ratio of 10 percent except Nepal Bank Limited and Grand Bank Nepal Limited.

### 3.5 Deposit

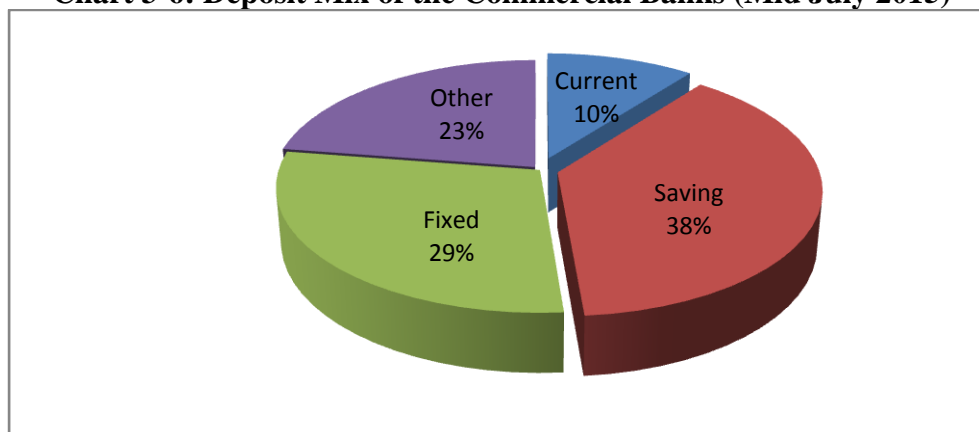
Total deposits of the commercial banks increased by 21.47 percent to Rs. 1462.89 billion in the review year compared to a growth of 19.11 percent to Rs. 1,204.21 billion in mid-July 2014.

**Chart 3-5: Deposit Mix of the Commercial Banks (Mid July 2015)**



Saving and fixed deposits dominated the deposit of the commercial banks. In mid-July 2015, saving and fixed deposits of the commercial banks accounted for 38 percent and 29 percent respectively to the total deposits. Detailed figures are shown in Annex 9.3.

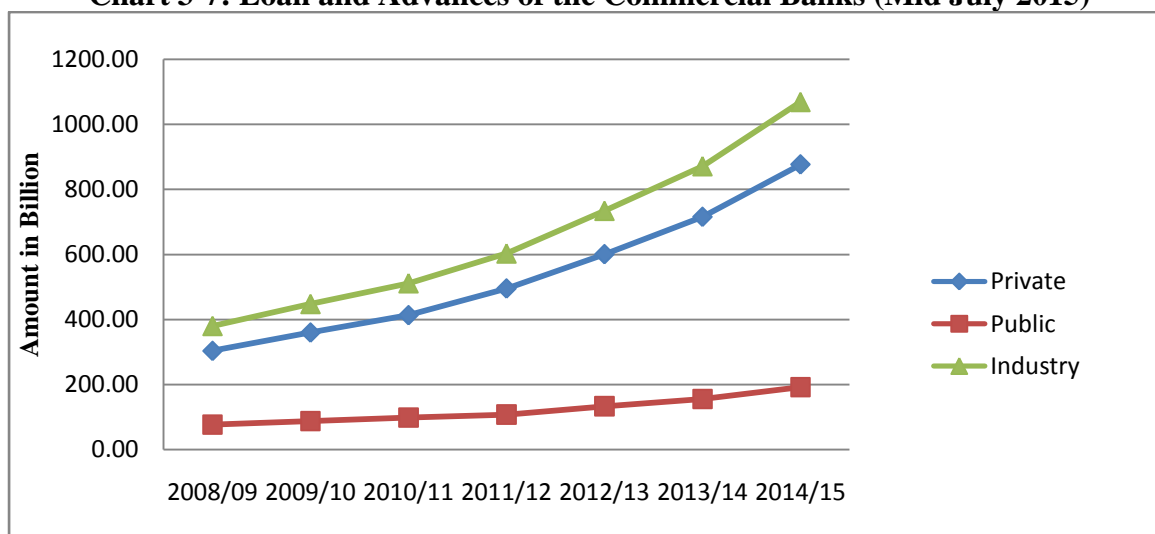
**Chart 3-6: Deposit Mix of the Commercial Banks (Mid July 2015)**



### 3.6 Loan and Advances

Loan and advances of the commercial banks increased by 21.77 percent to Rs. 1068.82 billion in the Fiscal Year 2014/15 compared to growth of 20.69 percent to Rs. 877.72 billion in the last fiscal year. Loans and advances of public banks increased by 20.37 percent to Rs.192.05 billion, and that of private banks rose by 22.08 percent to Rs. 876.76 billion during the year. Detailed figures are shown in Annex 9.4.

**Chart 3-7: Loan and Advances of the Commercial Banks (Mid July 2015)**



#### 3.6.1 Sector-wise Loan and Advances

Commercial Banks have disbursed the loans and advances to different sectors of the economy. Wholesalers and retailers sector is the dominant sector of lending with 23.03 percent share of total loan followed by non-food production related lending (14.67 percent) and construction (10.36 percent). Table 3-1 shows Sector-wise loan and advances of the commercial banks as on mid-July 2015

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

S N	Sector	% of Total Loan (mid-July 2015)						
		2009	2010	2011	2012	2013	2014	2015
1	Agriculture Forest	3.4	3.05	2.68	3.75	4.11	4.19	4.29
2	Fishery	0	0	0.02	0.28	0.07	0.28	0.12
3	Mining	1.79	0.43	0.42	0.38	0.46	0.36	0.28
4	Agriculture, Forestry & Beverage Production Related	-	-	-	-	-	-	6.93
5	Non-food Production Related	-	-	-	-	-	-	14.67
6	Manufacturing*	20.93	20.14	21.2	23.09	23.67	22.96	-
7	Construction	10.71	10.56	9.29	9.8	9.58	9.86	10.36
8	Electricity, Gas and Water	1.65	1.59	1.32	1.92	2.42	2.41	2.79
9	Metal Products, Machineries, Electronics and Installation	1.88	1.32	1.68	1.48	1.32	1.21	1.11
10	Transport, Warehousing and Communication	4.55	5.28	5.11	6.16	3.24	2.80	2.53
11	Wholesalers and Retailers	17.48	18.67	18.51	18.1	21.16	22.80	23.03
12	Finance, Insurance and Real Estate	9.82	11.51	14.01	8.95	8.34	8.07	8.49
13	Hotel and Restaurant	4.72	2.84	2.13	2.66	2.53	2.75	3.26
14	Other Services	1.76	3.96	4.52	4.4	5.05	4.88	4.77
15	Consumable Loans	3.53	5.76	5.91	6	6.96	7.56	7.02
16	Local Government	0.05	0.22	0.23	1.83	0.09	0.12	0.14
17	Others	17.72	14.66	12.99	11.2	11	9.76	10.20
	Total Loan	100	100	100	100	100	100	100.00

Source: Offsite Supervision Report 2012

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

### 3.6.2 Security-wise Loan and Advances

Almost all of the loans and advances, disbursed by the commercial banks, are found to be secured by the various securities. In mid-July 2015, 81.65 percent of the total loans and advances are secured by the property as collateral. Similarly, 2.17 percent of the total loans and advances are secured by gold and silver and 9.89 percent by other securities. Table 3-2 shows the security-wise loan and advances position of the commercial banks as at mid-July 2015.

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

S.N.	Security	% of Total Loan (mid-July 2015)						
		2009	2010	2011	2012	2013	2014	2015
1	Gold and Silver	1.61	2.26	2.96	3.41	3.3	3.00	2.17
2	Government Bonds	0.74	0.62	0.53	0.38	0.4	0.11	0.07
3	Non-Government Securities	1.37	1.43	1.07	0.81	0.64	1.01	1.28
4	Fixed Deposit Receipts	1.33	1.5	1.59	1.16	1.08	0.82	0.54
5	Property as Collateral	85.9	85.66	84.92	84.5	84.86	81.34	81.65
6	Security of Bills	1.8	0.98	1.26	1.58	1.01	1.32	1.23
7	Guarantee	1.87	1.84	1.79	2.31	2.47	2.89	3.14
8	Credit/Debit Card	0.08	0.08	0.07	0.06	0.05	0.05	0.04
9	Others	5.31	5.62	5.82	5.79	6.19	9.47	9.89
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### 3.6.3 Product-wise Loan and Advances

Major part of the loan and advances, i.e. 24.06 percent of the total loan, is of demand and other working capital nature in the review year 2014/15, as was in the previous year (23.94 percent) showed increasing trend. Similarly, 17.79 percent and 17.05 percent of loans were extended as overdraft and term loans respectively. There is a declining trend in real estate loan which has 6.04 percent share in the overall credit portfolio of commercial banks in the review year compared to 8.33 and 6.70 percent in the two previous years. Also, the share of term loan in the recent years has shown a continuous rise. Table 3-3 shows the composition of product wise loan and advances of the commercial banks during last seven years.

**Table 3-3: Product wise Loan and Advances**

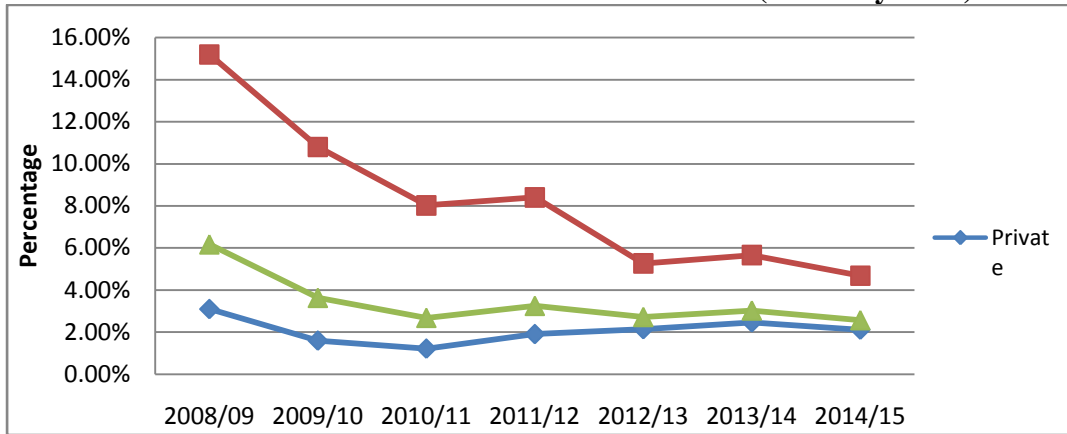
S.N.	Loan Products	% of total loan (mid-July 2015)						
		2009	2010	2011	2012	2013	2014	2015
1	Term Loan	15	14.16	14.33	14.01	14.85	15.85	17.05
2	Overdraft	18.1	16.27	17.31	17.26	19.85	18.93	17.79
3	Trust Receipt Loan/Import Loan	7.58	4.85	5.52	5.68	5.48	5.34	4.47
4	Demand and Other Working Capital Loan	21.64	22.36	23.39	24.96	24.48	23.94	24.06
5	Personal Residential Home Loan	7.23	7.5	5.48	5.73	6.24	7.17	8.12
6	Real Estate Loan	11.8	13.2	13.11	11.19	8.33	6.70	6.04
7	Margin Loan	2.24	2.07	1.35	1.01	0.98	1.33	1.62
8	Hire Purchase Loan	6.23	7.11	6.54	5.14	4.5	4.55	5.03
9	Deprived Sector Loan	2.96	3.65	3.44	3.79	4.28	4.54	4.69
10	Bills Purchased	0.76	0.45	0.91	1.57	1.06	1.11	1.18
11	Other Product	6.47	8.38	8.63	9.68	9.94	10.54	9.96

### 3.7 Non- Performing Loans (NPL)

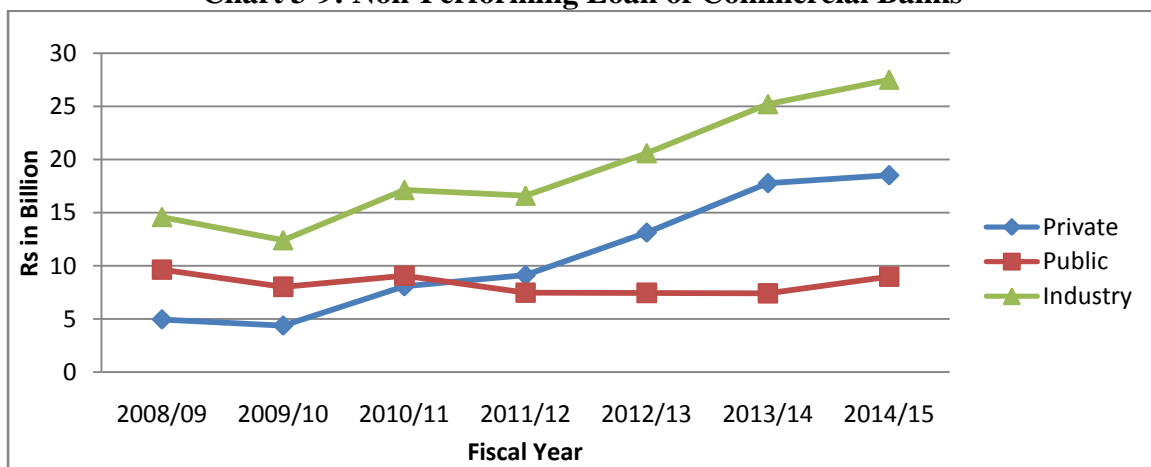
The total volume of non-performing loans of the commercial banks increased by Rs. 1.96 billion in the fiscal year 2014/15 and reached Rs. 27.51 billion, which is 2.57 percent of total outstanding loan and advances as at mid-July 2015. There is rapid fall in the rate of increment in the NPL of private sector banks. The percentage increase in the NPL of private sector banks is only 2.27 % compared to the increment by 37.95% in the FY 2013/14. This increment was mainly due to the increment in NPL of Rastriya Banijya Bank Limited (Rs. 0.20 billion) and increment in the overall NPL of the industry by Rs. 1.10 billion.

The NPL of private banks amounted to Rs. 18.53 billion whereas that of public banks was Rs. 8.98 billion in 2014/15. The NPL ratio of public banks was 4.68 percent in mid-July 2015 while that of private banks was 2.11 percent. The NPL of the 3 public sector banks accounted 33 percent of total NPL of commercial banks, rest of which was accounted to private sector banks as of mid-July 2015. Detailed figures are shown in Annex 9.5.

**Chart 3-8: NPL Ratio of the Commercial Bank (Mid July 2015)**



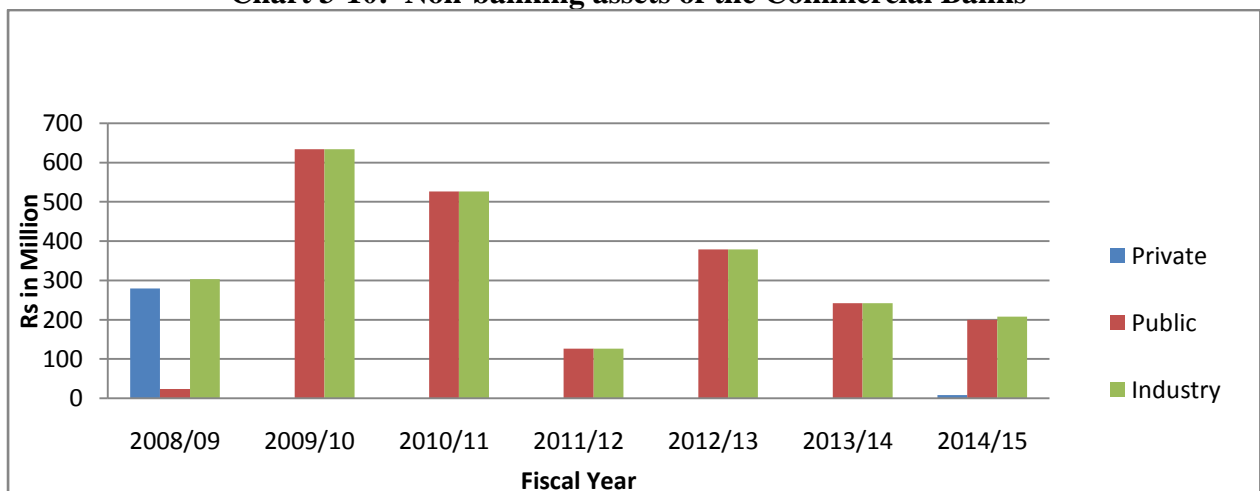
**Chart 3-9: Non-Performing Loan of Commercial Banks**



### 3.8 Non-Banking Assets (NBA)

The total amount of NBA decreased from 242 million to Rs. 208million in the review year. Nepal Bank Limited and Prime Commercial Bank Limited have booked the NBA during the review period. The level and structure of NBA during the last seven years is presented in the chart 3.9. Details on Non-Banking Assets are shown in Annex 9.6.

**Chart 3-10: Non-banking assets of the Commercial Banks**

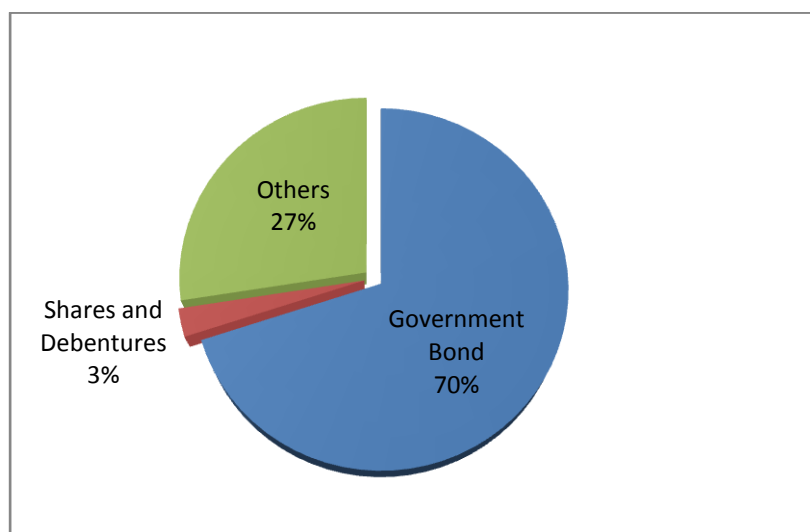


### 3.9 Investment

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

The total investment of commercial banks increased by 24.04 percent to Rs. 280.54 billion in the fiscal year 2014/15 compared to the growth of 7.81 percent to Rs.226.16 billion in the fiscal year 2013/14. The composition of investment of commercial banks shows a high concentration in government bonds, which is 70 percent of the total investment while shares and debentures and other investment accounted for 3 percent and 27 percent, respectively. The investment pattern in the portfolio is similar to that of the previous year. Banks are not allowed to invest in shares and debentures of 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 2015.

**Chart 3-9: Investment Portfolio of the commercial Banks (Mid July 2015)**



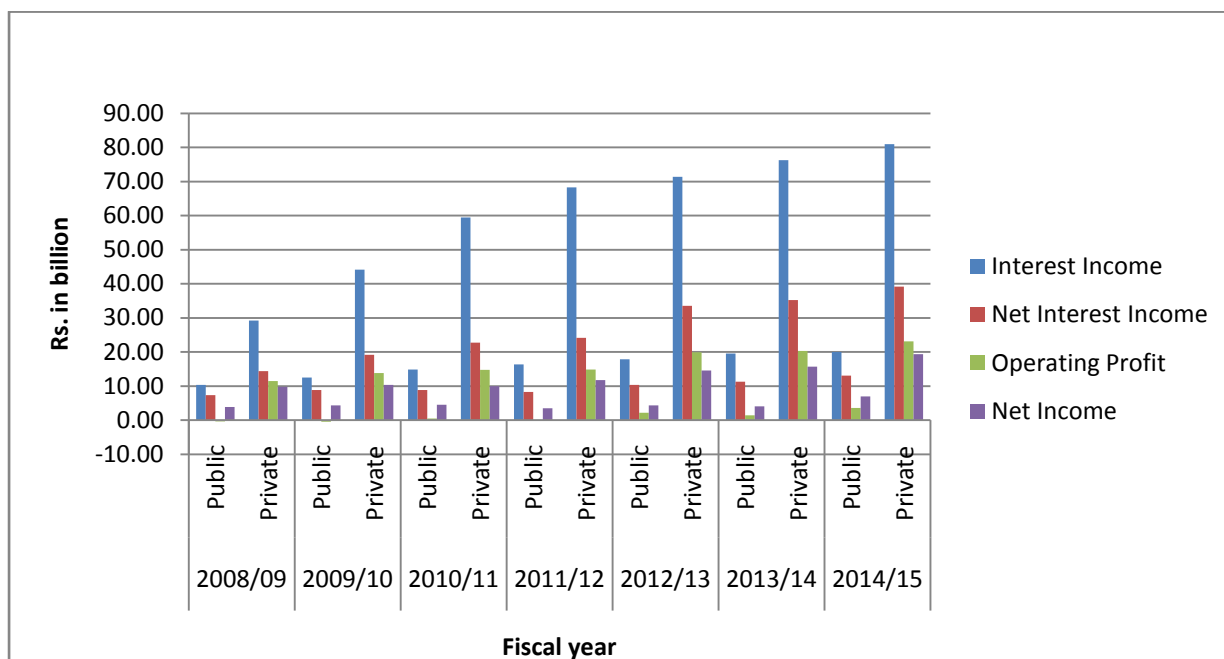
The total investment of the public banks comprises 92 percent of investment on government bond which shows the high concentration in government bonds in the fiscal year 2014/15. Similarly, the total investment of private banks comprises 63 percent of its investment on government bond, 3 percent on shares and debentures and rest on other investment in the fiscal year 2014/15. Detailed figure of the investment portfolio are shown in Annex 9.7.

### 3.10 Earnings

The total income of commercial banks increased by 8.88 percent to Rs. 122.49 billion in FY 2014/15 compared to growth of 9.99 percent in 2013/14. Interest income, the significant proportion of income, contributed to 82.52 percent of the total income, followed by 5.14 percent contributed by commission and discount. The residual portion consists of exchange income, non-operating income and other income. All banks earned profit during the review year except Grand Bank Nepal Limited, which incurred loss of Rs. 451.49 million. The net profit of commercial banks increased by 33.30 percent to Rs. 26.46 billion in FY 2014/15 compared to growth of 4.53

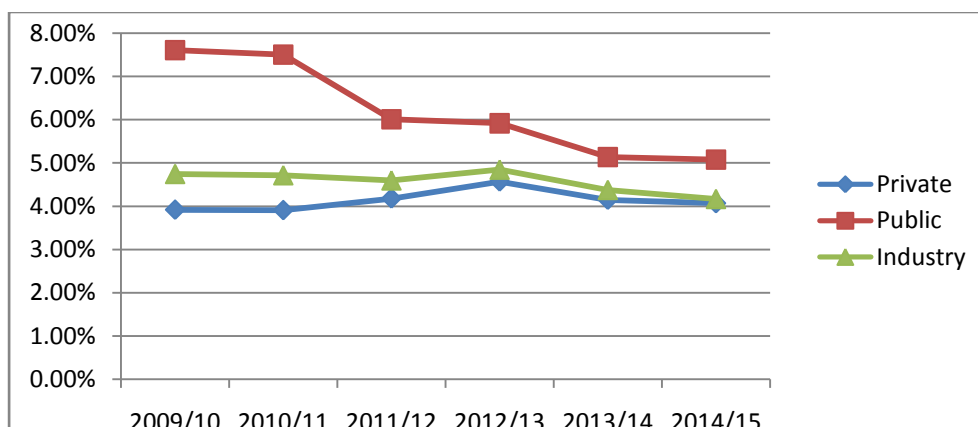
percent in the previous fiscal year. Profit made by one of the banks that incurred loss in the previous year contributed in the increase in the growth rate. Detailed figures are shown in Annex 9.9 and 9.13. Out of the total net profit, 73.39 percent is reported by the private banks and remaining by the public banks. Earnings of the commercial banks over the last seven fiscal years are shown in the chart 3-11.

**Chart 3-10: Operating Efficiency of the Commercial Banks (Mid July 2014)**



Interest income of the commercial banks is the main factor that contributes to their profitability. The net interest spread of the commercial banks decreased from 4.38 percent to 4.17 percent in the fiscal year 2014/15. The net interest spread of private sector banks and public sector banks is 4.07 percent and 5.08 percent respectively in the review fiscal year 2014/15, which was 4.15 percent for the private banks and 5.14 percent for the public bank in the previous year. Detailed figure of net interest spread is shown in Annex 9.8.

**Chart 3-11: Interest Spread of the Commercial Banks (Mid July 2014)**

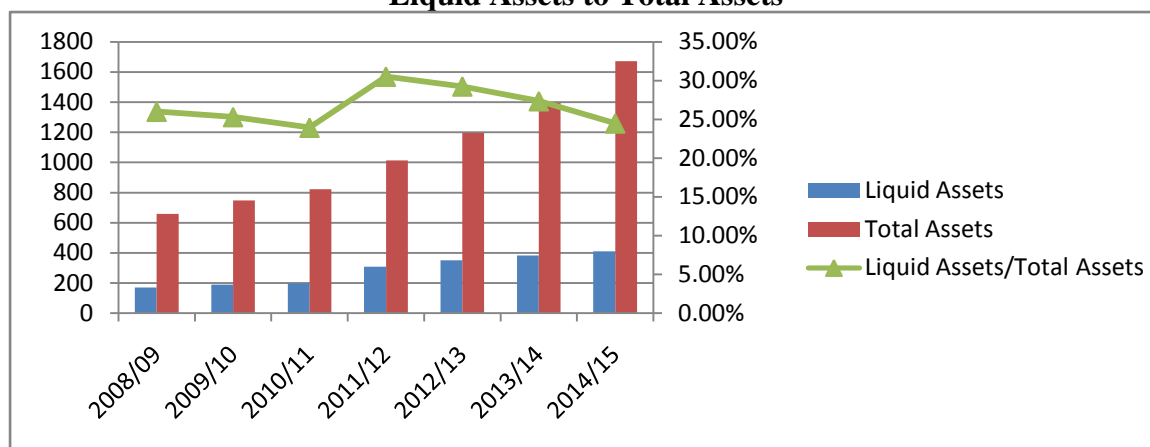




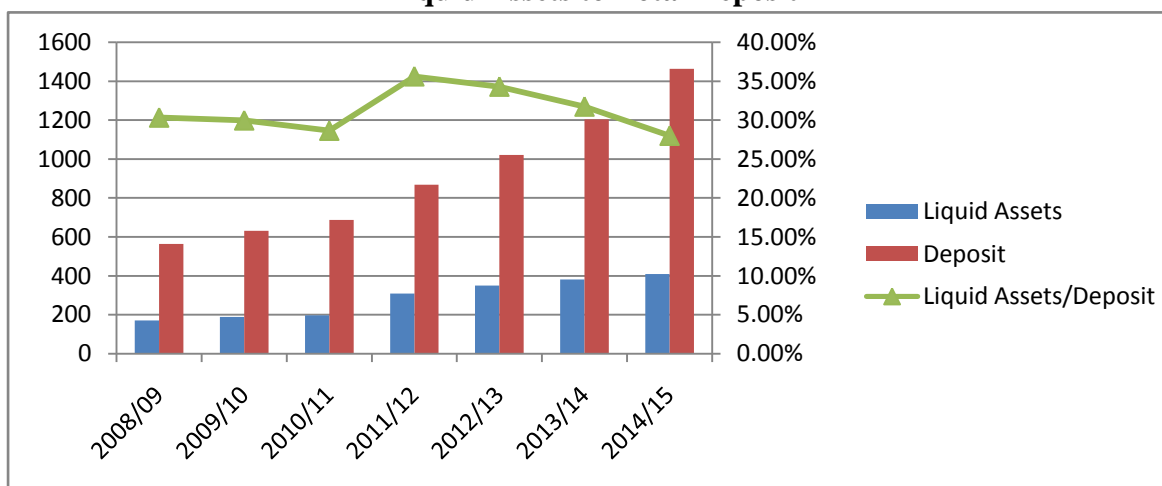
### 3.11 Liquidity

The cash balance, bank balance 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 7.19 percent to Rs. 409 billion in FY 2014/15 compared to growth of 9.14 percent to Rs. 382 billion in FY 2013/14. The growth rate of the total liquid assets to total assets is found to be in decreasing trend since last 4 years. The growth was 56.85 percent in the year 2011/12. The proportion of liquid assets to total deposits of the commercial banks in mid-July 2015 is 27.99 percent, which was 31.73 percent in 2013/14. Similarly, the proportion of liquid assets to total assets of the commercial banks in mid-July 2015 is 24.48 percent, which was 27.34 percent in 2013/14. 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 3-12: Liquidity Position of the Commercial Banks**  
**Liquid Assets to Total Assets**



**Liquid Assets to Total Deposit**



The total assets of the commercial banks increased by 19.72 percent in 2014/15, while the growth was of 16.71 percent in the year 2013/14. Detailed figures are shown in Annex 9.10 and 9.11.

### 3.12 Productive and Deprived Sector Lending

The productive sector lending for the year FY 2014/15, on an average, is approximately 22.50 percent, which was 13.77 percent in 2013/14. The deprived sector lending, of commercial banks, for the fiscal year 2013/14 is 5.11 percent, which was 5.28 percent in the FY 2013/14. The deprived sector lending is above the NRB minimum requirement of 4.5 percent in the review year. The detailed figures are shown in 9.12.

### 3.13 Electronic Banking

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

- a) Internet Banking
- b) Mobile Banking
- c) Card Services (Debit, Credit, Prepaid Cards)
- d) Automated Teller Machines (ATMs)
- e) Branchless Banking

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

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

S.N.	Particulars	Mid July 2012	Mid July 2013	Mid July 2014	Mid July 2015
1	Number of branchless banking center	74	205	504	503
2	Number of branchless banking customer	76	30,383	1,51,066	1,97,493
3	Number of mobile banking customer	1,63,246	4,52,909	7,68,424	9,97,463
4	Number of Internet banking customer	1,44,763	2,86,732	3,28,434	3,96,362
5	Total number of ATM	1,054	1,239	1,303	1,483
6	Number of debit card holder	23,55,976	31,93,137	36,41,960	41,46,237
7	Number of credit card holder	27,921	38,587	57,898	43,895
8	Number of prepaid card holder	46,083	57,453	66,204	69,322

*Source: Offsite Supervision Report 2071/72*

#### 3.13.1 Internet Banking

All Nepalese commercial banks are offering internet banking services to their customers. As on mid July 2015, there are 3,96,362 internet banking users of commercial banks in Nepal. Commercial banks in Nepal are providing the service of utility payments, fund transfers within the same bank and the generation of account statements as internet banking services.

#### 3.13.2 Mobile Banking

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 2015, there are 9,97,463 users of mobile banking.

### **3.13.3 Debit Card**

All Nepalese commercial banks are providing debit card services to their customers. There are 41,46,237 debit card users of the commercial banks, as on mid-July 2015.

### **3.13.4 Automated Teller Machines (ATMs)**

Himalayan Bank Limited introduced the first ATM in Nepal in the year 1995. All commercial banks have installed ATMs on different locations of the country. As on mid July 2015, there are 1,483 ATMs installed by commercial banks.

### **3.13.5 Credit Card**

Credit card service in Nepal was first introduced by Nabil bank in the early 1990s. As on mid July 2015, there are 43,895 active credit card customers in the Nepalese banking industry.

### **3.13.6 Prepaid Card**

As on mid July 2015, there are 69,322 active prepaid card customers of commercial banks.

### **3.13.7 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 2015, there are 1,97,493 branchless banking customers compared to that of 1,51,066 in mid-July 2014, and 503 branchless banking centers in mid-July 2015 compared to 504 branchless banking centers throughout the country previous year. Increasing number of Banks introducing branchless banking, in the rural areas, has contributed to the high growth in the number of branchless banking customers.

## **3.14 Actions and Penalties**

Following action is taken to bank according to the Nepal Rastra Bank Act, 2058 in the review year:

- Penalty of Rs. 1752.10 thousand to Grand Bank Limited (now merged with Prabhu Bank Limited), in the second quarter, for not complying with the deprived sector lending requirement.

## CHAPTER FOUR

### 4 CURRENT INITIATIVES IN SUPERVISION

This chapter discusses about the initiatives taken in the field of supervision and regulation in both international as well as domestic arena. It will give a brief outlook to the valued readers about the developments happening in the supervisory world.

#### 4.1 International Initiatives

##### 4.1.1 Initiatives by Basel Committee on Banking Supervision (BCBS)<sup>2</sup>

###### 4.1.1.1 Net Stable Funding Ratio finalised

The Basel Committee on Banking Supervision has issued the final standard for the Net Stable Funding Ratio ("NSFR"), as endorsed by the Committee's governing body, the Group of Central Bank Governors and Heads of Supervision (GHOS). The NSFR is a significant component of the Basel III reforms. It requires banks to maintain a stable funding profile in relation to their on- and off-balance sheet activities, thus reducing the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that could increase the risk of its failure and potentially lead to broader systemic stress. The NSFR will become a minimum standard by 1 January 2018.

Stefan Ingves, Chairman of the Basel Committee and Governor, SverigesRiks bank, said, "A key lesson from the crisis has been the need to prevent overreliance on short-term, volatile sources of funding. The NSFR does this by limiting the use of volatile short-term borrowings to fund illiquid assets. In finalising the standard, the Committee has essentially completed its regulatory reform agenda, undertaken to promote a more resilient banking sector following the financial crisis."

The key changes introduced in the final standard published cover the required stable funding for:

- short-term exposures to banks and other financial institutions;
- derivatives exposures; and
- assets posted as initial margin for derivative contracts.

In addition, the final standard recognises that, under strict conditions, certain asset and liability items are interdependent and can therefore be viewed as neutral in terms of the NSFR. (Source: BCBS)

###### 4.1.1.2 Supervisory framework for measuring and controlling large exposures

The Basel Committee on Banking Supervision has published a standard that sets out a supervisory framework for measuring and controlling large exposures, which will take effect from 1 January 2019. A large exposure framework protects banks from significant losses caused by the sudden default of an individual counterparty or a group of connected counterparties. The framework was designed so that the maximum possible loss a bank could incur if such a default

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<sup>2</sup> Source: BIS, BCBS <http://www.bis.org>

were to occur would not endanger the bank's survival as a going concern. In cases where the bank's counterparty is another bank, large exposure limits will directly contribute towards the reduction of system-wide contagion risk. In addition, by extending the scope of coverage to exposures to funds, securitisation structures and collective investment undertakings, the framework is also a useful tool to contribute to strengthening the oversight and regulation of the shadow banking system. The large exposure standard published by BCBS includes a general limit applied to all of a bank's exposures to a single counterparty, which is set at 25 percent of a bank's Tier 1 capital. This limit also applies to a bank's exposure to identified groups of connected counterparties (i.e. counterparties that are interdependent and likely to fail simultaneously). A tighter limit will apply to exposures between banks that have been designated as global systemically important banks (G-SIBs). This limit has been set at 15 percent of Tier 1 capital. (Source: BCBS)

#### **4.1.1.3 Guidance on accounting for expected credit losses**

BCBS has issued the consultative document outlining the supervisory expectations regarding sound credit risk practices associated with implementing and applying an expected credit loss (ECL) accounting framework. In June 2006, the Basel Committee issued supervisory guidance on Sound Credit Risk Assessment and Valuation for Loans to address how common data and processes related to loans may be used for assessing credit risk, accounting for loan impairment and determining regulatory capital requirements. This document replaces the Committee's June 2006 guidance which was based on the incurred-loss model of accounting. With the global transition to an ECL accounting framework, the Committee is updating its guidance. The Committee recognises that differences exist between ECL accounting frameworks across jurisdictions. The revised guidance aims to promote high-quality, robust and consistent implementation of ECL accounting frameworks across all jurisdictions. (Source: BCBS)

#### **4.1.1.4 Implementation of principles for effective supervisory colleges**

The Basel Committee first published good practice principles on supervisory colleges in 2010 and issued a revised set of Principles for effective supervisory colleges in 2014. The Committee continues to monitor the implementation of the principles and to review the effectiveness of colleges. This progress report sets out the detailed findings, based on the monitoring initiatives undertaken by the Basel Committee, and highlights challenges faced by supervisors in running effective supervisory colleges as well as the practical approaches taken to address them.

The key findings of the colleges' monitoring are summarised as follows:

- While there is room for improvement in several areas, the broad sense of supervisors - from both a home and a host perspective - is that the functioning of supervisory colleges has continued to improve and that supervisors have made considerable advances in implementing the college principles.
- Colleges play a key role in assisting supervisors by giving both home and host supervisors a comprehensive view of risks and vulnerabilities to a firm and identifying emerging risks on a timely basis.

- Colleges have evolved into key forums for rigorous discussion of broader issues that enhance supervision of global firms and contribute to the planning of supervisory assessments.
- A wide range of college structures has been developed by home supervisors to reflect the differing size, complexity and global reach of internationally active banks, and home supervisors have a greater sensitivity to host supervisor concerns in developing criteria for college membership.
- Legal and institutional arrangements are important contributors to successful colleges and have been enhanced in recent years, but trust and mutual understanding among members are at least as important.
- The collaborative work among college members contributes to improving the effectiveness of the oversight of cross-border banking groups.
- While supervisors report that interaction with firms has improved in supervisory colleges, particularly in terms of a higher-quality engagement with management, many firms have indicated that they would like to receive more feedback on college discussions.
- Although some progress has been made as regards the role of colleges in crisis preparedness, this principle has also been cited as the area with the most implementation challenges, in part because crisis management groups have assumed some of the responsibilities formerly undertaken in supervisory colleges. (Source: BCBS)

#### **4.1.1.5 Revised principles on corporate governance**

The Basel Committee issued corporate governance principles for banks. This set of principles supersedes guidance published by the Committee in 2010. The revised guidance emphasizes the critical importance of effective corporate governance for the safe and sound functioning of banks. It stresses the importance of risk governance as part of a bank's overall corporate governance framework and promotes the value of strong boards and board committees together with effective control functions. A consultative version of the corporate governance principles for banks was published in October 2014. More specifically, the revised principles:

- expand the guidance on the role of the board of directors in overseeing the implementation of effective risk management systems;
- emphasize the importance of the board's collective competence as well as the obligation of individual board members to dedicate sufficient time to their mandates and to keep abreast of developments in banking;
- strengthen the guidance on risk governance, including the risk management roles played by business units, risk management teams, and internal audit and control functions (the three lines of defence), as well as underline the importance of a sound risk culture to drive risk management within a bank;
- provide guidance for bank supervisors in evaluating the processes used by banks to select board members and senior management; and
- recognise that compensation systems form a key component of the governance and incentive structure through which the board and senior management of a bank convey acceptable risk-taking behaviour and reinforce the bank's operating and risk culture. (Source: BCBS)

#### **4.1.1.6 Consultative document on the review of the Credit Valuation Adjustment risk framework**

The Basel Committee on Banking Supervision issued a consultative paper on its Review of the Credit Valuation Adjustment Risk Framework. In undertaking this review, the Committee's objectives are to (i) ensure that all important drivers of credit valuation adjustment (CVA) risk and CVA hedges are covered in the Basel regulatory capital standard; (ii) align the capital standard with the fair value measurement of CVA employed under various accounting regimes; and (iii) ensure consistency with the proposed revisions to the market risk framework under the Basel Committee's Fundamental review of the trading book. (Source: BCBS)

#### **4.1.1.7 Capital floors**

The Basel Committee on Banking Supervision published a consultative paper on the design of a capital floor framework based on standardised, non-internal modelled approaches. The Committee's proposed floor would ensure that the level of capital across the banking system does not fall below a certain level. The floor is also meant to mitigate model risk and measurement error stemming from internally-modelled approaches. It would also enhance the comparability of capital outcomes across banks. The Committee is revising the Basel framework's standardised approaches for regulatory capital and has published Revisions to the Standardised Approach for credit risk. The proposed capital floor framework will be based on the finalised versions of these standardised approaches, and would replace the existing transitional capital floor based on the Basel I framework. (Source: BCBS)

### **4.1.2 Initiatives by Financial Stability Board (FSB)<sup>3</sup>**

#### **4.1.2.1 Key Attributes of Effective Resolution Regimes for Financial Institutions**

When the FSB adopted the Key Attributes in 2011 it was agreed to develop further guidance on their implementation, taking into account the need for implementation to accommodate different national legal systems and market environments and sector-specific considerations (e.g., insurance, financial market infrastructures) to promote effective and consistent implementation across jurisdictions. On 15 October 2014, the FSB adopted additional guidance that elaborates on specific key attributes relating to information sharing for resolution purposes and sector-specific guidance that sets out how the key attributes should be applied for insurers, financial market infrastructures (FMIs) and the protection of client assets in resolution. The key attributes remain the umbrella standard for resolution regimes covering financial institutions of all types that could be systemic in failure. The FSB is expected to continue its work to develop further guidance as needed to promote the effective and consistent implementation of the Key Attributes. (Source: FSB)

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

#### **4.1.2.2 Guidance on Supervisory Interaction with Financial Institutions on Risk Culture: A Framework for Assessing Risk Culture**

Weaknesses in risk culture are often considered a root cause of the global financial crisis, headline risk and compliance events. A financial institution's risk culture plays an important role in influencing the actions and decisions taken by individuals within the institution and in shaping the institution's attitude toward its stakeholders, including its supervisors. First and foremost, it should be expected that employees in all parts of the institution conduct business in a legal and ethical manner. An environment that promotes integrity should be created across the institution as a whole, including focusing on fair outcomes for customers. FSB has issued this framework on April 2014. The framework draws on the collective experience and efforts of supervisory and regulatory authorities across the FSB membership and insights garnered from market participants through roundtables and bilateral discussions. (Source: FSB)

#### **4.1.3 Initiatives by Prudential Regulation Authority (PRA), Bank of England<sup>4</sup>**

##### **4.1.3.1 Strengthening the alignment of risk and reward: new remuneration rules**

This joint PRA and Financial Conduct Authority (FCA) consultation paper sets out the new remuneration rules proposed by the PRA and FCA to strengthen the alignment between risk and reward. This consultation paper seeks views on proposed changes to the regulators' rules on remuneration including: deferral, claw back, bailed-out banks, buy-outs, risk adjustment (PRA only) and the remuneration of non-executive directors. (Source: PRA)

##### **4.1.3.2 Implementing the Bank Recovery and Resolution Directive**

This is another consultation paper which sets out proposed changes to the PRA Rulebook to implement the European Union Bank Recovery and Resolution Directive, and amendments to a supervisory statement to reflect the PRA's expectations. This directive provides authorities with a common set of tools and powers for dealing with failing banks, and requires banks to facilitate this process by providing information for recovery and resolution planning purposes as well as meeting resolvability requirements. The PRA proposes rules concerning recovery plans, resolution packs, intra group financial support agreements, notification of failure or likely failure and contractual recognition of bail-in. (Source: PRA)

##### **4.1.3.3 Depositor Protection**

This consultation paper sets out proposed changes to the Prudential Regulation Authority's (PRA's) rules in order to implement the recast deposit guarantee schemes directive. It proposes new rules to ensure that depositors protected by the Financial Services Compensation Scheme (FSCS) can have continuity of access to their accounts during the course of a resolution, as well as changes to the single customer view requirements on firms. This supports orderly resolution and timely pay out of FSCS-covered deposits to depositors. This paper is relevant to UK banks, building societies and credit unions as well as to overseas firms with a deposit-taking permission and UK branches of European Economic Area (EEA) credit institutions. It is also relevant to the

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<sup>4</sup>Source: PRA, <http://www.bankofengland.co.uk/Pages/home.aspx>



FSCS, as the UK's Deposit Guarantee Scheme (DGS), and depositors, as beneficiaries of deposit protection. (Source: PRA)

#### **4.1.3.4 Depositor and dormant account protection – consequential amendments**

This PRA policy statement sets out final rules intended to advance the PRA's general objective of promoting the safety and soundness of firms by reducing the adverse effects the failure of PRA-authorized firms could be expected to have on the stability of the UK financial system. This policy statement includes new rules in the depositor protection part to ensure depositors experiencing a decrease of deposit protection from the limit change are able to withdraw affected funds without charge, penalty or loss of interest until 31 December 2015. Likewise, it includes amendments to the disclosure rules to provide clarity on how the information sheet should be provided and allow firms greater flexibility, particularly where no annual account statement is provided. It amends the information sheet of the depositor protection part to address compensation arrangements for small local authorities; and includes an amendment to the Dormant Account Scheme Part. (Source: PRA)

## **4.2 National Initiatives**

### **4.2.1 Risk-Based Supervision (RBS)**

After the financial crisis of 2007/08, the importance of having a risk focused supervision of banks and financial institutions was accepted by financial regulators worldwide. The risk focused approach aims to supervise banks in accordance to their risk profile and thus focusing resources on areas of high risks that the financial institution faces.

Since 2014, NRB has been implementing RBS on 'A' class commercial banks and aims the full-fledged implementation by 2017. While the RBS will be implemented in phases, NRB's shift to risk focused supervision seeks to achieve an accurate assessment of individual banks' financial condition and managerial strength, on an on-going basis, in order to facilitate a prompt and timely response to emerging problems. This approach of supervision mainly assesses the inherent risks of the bank and their risk management process. It enables NRB to decide about the supervisory regime for the bank and to focus its supervisory resources on high risk areas.

All the banks have been started to be inspected under risk based supervision approach starting from the fiscal year 2014/15. As on April 2016, on-site inspection of RBS has been conducted on total 19 Banks out of 29 Banks. The banks already inspected under RBS approach include Nepal Bangladesh Bank Limited, Laxmi Bank Limited, Sanima Bank Limited, Century Commercial Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Nepal Limited, Nepal Credit and Commerce Bank Limited, Nepal SBI Bank Limited, Siddhartha Bank Limited, Prime Commercial Bank Limited, Agricultural Development Bank Limited, Machhapuchhre Bank Limited and Mega Bank Nepal Limited.

### **4.2.2 Special Inspection of Financial Institutions**

As a part of Development Policy Credit initiated by the Government of Nepal, NRB has been conducting the special inspection of financial institutions with the expertise of KPMG, Portugal.

The special inspection program is being carried out with joint support from the World Bank, IMF and DFID and aims to have a comprehensive assessment of the Nepalese financial sector. The program aims to strengthen the financial sector of Nepal and is being carried out in 2 phases. A total number of 54 BFIs have been covered under the special inspection- 22 Class A, 20 Class B, and 12 Class C BFIs.

Also, following the disastrous earthquake on April 25, 2015, a fast diagnostic review was also conducted on the sampled BFIs to assess the impact of physical damage loss on the collateral pledged with BFIs.

#### **4.2.3 Financial Sector Assessment Program**

Following the Financial sector Assessment Program (FSAP) carried out jointly by the IMF and the World Bank in February 2014, an action plan is being prepared for implementing the findings and recommendations of the FSAP. The FSAP has assessed different areas of the financial sector including banking, insurance, cooperatives and the capital market development in Nepal.

#### **4.2.4 MOU with International Authorities on Supervisory Cooperation**

Cross Border supervision of international banks and sharing of supervisory information among the financial regulators is very important given the level of financial integration worldwide. NRB has initiated the supervisory cooperation with other central banks and regulatory authorities for information sharing and supervisory cooperation. Memorandum of Understanding with Reserve Bank of India and China Banking Regulatory Commission has been formally signed and arrangement with State Bank of Pakistan is being worked out and NRB plans to have the MoU in place during fiscal year 2016/17.

#### **4.2.5 Transition to NFRS**

On December 2014, Nepal Rastra Bank issued Nepal Financial Reporting Standard (NFRS) migration guideline to banks and financial institutions with an aim to migrate to NFRS by 2017. The special inspection of financial institutions being conducted by Nepal Rastra Bank also complements the transition to NFRS as the inspection also aims to identify gaps in the existing accounting standards and NFRS and the progress towards implementation of Nepal Financial Reporting Standards (NFRS). NRB has trained 76 officers (including 10 supervisors from Bank Supervision Department) to develop their understanding regarding the statements prepared complying NFRS, from regulators' perspectives.

#### **4.2.6 Implementation of Supervisory Information System**

Nepal Rastra Bank has been working on implementation of supervisory information system in order to empower the offsite supervision function under the technical and financial assistance of the World Bank and DFID. The system is expected to be implemented within the fiscal year 2016/17.

#### **4.2.7 Business Continuity Plan in Banks and Financial Institutions**

After the disastrous earthquake in April 2015, there was a need felt for having a policy in place in banks and financial institutions to have their own business continuity plans, since the lack of the same could have caused crisis in the banking industry, if the severity of the disaster was much higher. Thus, regulatory guidelines have already been issued to BFIs for the preparation of the same.

## CHAPTER FIVE

### 5 ISSUES AND CHALLENGES

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

#### 5.1 Issues

##### 5.1.1 Consolidation in banking industry

NRB has been encouraging consolidation in the industry, through merger and acquisition. Industry has already observed the merger of few commercial banks in the last couple of years which has reduced the numbers of commercial banks to thirty during the review period. It is expected that consolidation process will continue in the coming years. The impact assessments of such consolidations are being conducted by the Research Department of NRB. NRB has been encouraging consolidation in the industry vis-à-vis keeping in mind the risk of the development of too-big entity.

##### 5.1.2 Adoption of NFRS

Institute of Chartered Accountants of Nepal (ICAN) has announced a roadmap to gradually adopt Nepal Financial Reporting Standard (NFRS). The Monetary Policy of F.Y. 2014/15 also requires BFIs to adopt NFRS by 2017. For this NRB has already issued a migration guideline for the BFIs. NRB has said that its prudential regulations will remain in force until further notice and requires them to reconcile the differences in NFRS complied statements and regulatory standards. Thus, industry is in the process of adopting the NFRS. Impairment of assets and recognition of income are being taken as the main issue regarding the adoption of NFRS.

##### 5.1.3 Excess Liquidity

Liquidity in the banking sector has increased with the expansion of net foreign assets. Though the banking sector has excessive liquidity, it has not been able to utilize it in the productive sector. Thus, due attention is much needed for utilizing such liquidity in order to provide positive impact to the economy through monetary transmission mechanism thereby improving investment environment. In the review year NRB mopped up the liquidity of Rs. 155.00 billion through deposit auction, Rs. 315.80 billion through reverse repo and Rs. 6.00 billion through outright sale auction on cumulative basis.

##### 5.1.4 Skill-sets in Industry

Now the Nepalese banking industry has become more complex with the development of new products and adoption of advance technology. Additionally, the international and national prudential norms, regulatory standards as well as risk management practices are also demanding proactive efforts in the banks. Definitely, this leads to the need for a competent skill set in the industry. However, almost every time the dearth of such skill-sets are encountered during onsite inspection and supervision.

### **5.1.5 Risk Based Supervision (RBS)**

From fiscal year 2014/15 regime of onsite inspection was changed from compliance based to risk based supervision, though NRB implemented RBS as the parallel run on the fiscal year 2013/14. RBS not only checks the compliance but reviews and assesses the qualitative factors also. For the industry, RBS has become a new practice and making them adopt many changes. RBS demands the assessment of the governance structure, reporting lines, independent control and monitoring functions including strategies, policies and Internal Capital Adequacy Assessment Process (ICAAP) of the bank. This is bringing ripples of changes in the industry.

### **5.1.6 Strengthening off-site mechanism to support RBS**

Though NRB has already started on-site RBS, off-site supervision changes are yet to be done. There is a need to be addressed that development of the financial indicators, early warning signals, forward looking approaches and macro prudential analysis, to support RBS, along with the automation of off-site are some issues.

### **5.1.7 Financial access and inclusion**

NRB has been emphasizing on financial access and inclusion. Total number of branches of 'A' class banks increased to 1682 in mid-July 2015 from 1547 of the last year. Likewise, the total number of branches of BFIs increased to 3864 from 3456 during the review period. Due to this increment in the branches, the population per branch has decreased to 16,436 from 17,619 in the review year. NRB has been encouraging financial literacy as well as financial outreach to bring the non-banked population into the banking system. The large chunk of population has still been far from access to institutional finance. Percentage of the people availing institutional financial service has reached to about 40 percent. Hence, enhancing financial access and inclusion is still a complex task to accomplish.

## **5.2 Challenges**

### **5.2.1 Development of Proactive Banking Industry**

Banking industry in Nepal is still focused on compliance of regulatory minimum standards. They are emphasizing more on the compliance of the directives and circulars issued by Nepal Rastra Bank and confining their prudent practices to those things only, being just reactive to those norms. However, NRB expects them to adopt international best practices and take proactive measures for the prudent banking. NRB has been endeavouring to make them proactive by issuing different guidelines at different times. Additionally, many banks are operating with their short term plans, mostly annual budgets, though few of them have developed strategic plans.

### **5.2.2 Good Governance**

Most of the problems that the Nepalese banking industry has seen so far are related to the governance aspect. Almost all the failure cases are related to the lack of good governance and ethical standards. Insider lending, related party lending and connectivity, unethical relations etc. have created most of the problems rather than credit risks and the business risks. NRB has

always motivated banks to have a professional board and expected the board to retain the oversight of the operations and risk management of the bank.

### **5.2.3 Ever-greening of Risk Assets**

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

### **5.2.4 Controlling Multiple Banking**

Multiple banking is one of the major challenges for the supervision. Big business houses are resorting to the credit facilities from the multiple banks against the same collateral. Such facilities are extended without the consortium mechanism. This has increased the counter party risk for the banks since they are lending against the same working capital. Recently NRB has issued the circular to regulate multiple banking especially for the working capital financing. Banks are required to analyse properly and obtain paripassu clearly knowing their stake.

### **5.2.5 Systemically Important Banks**

NRB is yet to define the domestic systemically important banks (D-SIBs). Though consolidation is being encouraged by NRB, it is also important to have the knowledge on systematically important and "too big" banks. NRB has been working to prepare the framework for the identification and regulation of the D-SIBs to control the systemic vulnerability.

### **5.2.6 Supervisory Information System (SIS)**

Inexistence of the sound supervisory information system (SIS) has been a big problem for the supervisors. This is creating lag of data collection, analysis and corrective measures and ultimately hindering the efficiency on off-site supervision of NRB. Development of the automated data collection and analysis system has been a big challenge for the regulatory body. As DFID has allocated grant to develop the SIS, for which the need identification report has been submitted to the DFID by NRB. As per the said report software specification is to be prepared and hire from the software vendor. DFID has appointed PWC India as a consultant for the same. The action plan has been approved and correspondence has been made to publish the EOI as per action plan.

### **5.2.7 Coordination with other Regulators**

It is obvious that supervisory capacity can be further strengthened by proper coordination among different regulators and the concerned authorities such as Ministry of Finance (Government), Securities Board of Nepal (SEBON), Insurance Board, Credit Information Bureau (CIB), Debt Recovery Tribunal (DRT), Credit Rating Agencies and Asset Management Companies. With the

growing complexity in the financial system, systemic risks are also increasing. Thus, it is important to have effective and efficient coordination between supervisors and regulators of the financial system. Ensuring effective coordination between banking supervisors and other regulators of the financial sector still remains a challenge.

### **5.2.8 Shadow Banking**

Increasing trend of shadow banking practices by some of the larger cooperatives around the urban areas has brought challenges to the financial system. This kind of activities conducted by the cooperatives could also increase risk in the system as their deposit mobilization is rapidly increasing. Lack of stringent regulatory and supervisory mechanism for various types of micro finance institutions established and operated under different acts is also the matter of concerns.

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# **Bank Supervision Report, 2015**

## **Annexures**



## Annex 1: Growth of Financial Institutions (numbers)

Types of Financial Institutions	Mid - July														
	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commercial Banks	3	5	10	13	17	18	20	25	26	27	31	32	31	30	30
Development Banks	2	2	3	7	26	28	38	58	63	79	87	88	86	84	76
Finance Companies			21	45	60	70	74	78	77	79	79	69	59	53	48
Micro-finance Development Banks			4	7	11	11	12	12	15	18	21	24	31	37	38
<b>Total</b>	<b>5</b>	<b>7</b>	<b>38</b>	<b>72</b>	<b>114</b>	<b>127</b>	<b>144</b>	<b>173</b>	<b>181</b>	<b>203</b>	<b>218</b>	<b>213</b>	<b>207</b>	<b>204</b>	<b>192</b>

Source: Bank and Financial Institutions Regulation Department, NRB)

## Annex 2: Inspection Schedule

FY 2014/15			
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
NIC Asia Bank Ltd.	Nepal SBI Bank Ltd.	Nepal Bank Ltd.	Lumbini Bank Ltd.
Siddhartha Bank Ltd.	NABIL Bank Ltd.	Rastriya Banijya Bank Ltd.	Agriculture Development Bank Ltd.
Janata Bank Ltd.	Nepal Investment Bank Ltd.	Prabhu Bank Ltd.	Bank Of Kathmandu Ltd.
Century Bank Ltd.	Everest Bank Ltd.	Standard Chartered Bank Nepal Ltd.	Kumari Bank Ltd.
			Mega Bank Ltd.
			Citizen Bank International Ltd.
			Himalayan Bank Ltd.
			Global IME Bank Ltd.
			Sunrise Bank Ltd.
			Sanima Bank Ltd.
			Nepal Bangladesh Bank Ltd.

### Annex 3: Targeted / Special-Inspection of Commercial Banks (FY 2014/15)

SN	Name of Bank	No. of Inspections
1	Nepal Bank Limited	5
2	Rastriya Banijya Bank Limited	8
3	Nabil Bank Limited	5
4	Nepal Investment Bank Limited	1
5	Himalayan Bank Limited	11
6	Nepal Bangladesh Bank Limited	2
7	Everest Bank Limited	2
8	Bank of Kathmandu Limited	2
9	Nepal Credit & Commerce Bank Limited	3
10	Lumbini Bank Limited	1
11	Machhapuchchhre Bank Limited	1
12	Kumari Bank Limited	1
13	Laxmi Bank Limited	2
14	Siddhartha Bank Limited	1
15	Agricultural Development Bank Limited	4
16	Global IME Bank Limited	3
17	Citizens Bank International limited	1
18	Prime Commercial Bank Limited	5
19	Sunrise Bank Limited	7
20	Grand Bank Nepal Limited	4
21	Kist Bank Limited	4
22	Janata Bank Limited	4
23	Mega Bank Limited	3
24	Civil Bank Limited	6
25	Century Commercial Bank Limited	2
26	Prabhu Bank Limited	2
<b>Total</b>		<b>90</b>

#### Annex 4: International Training and Seminar/Meeting Participation from BSD

SN	Course	Organizer	Country	Person	Days
1	SEACEN Research Seminar on Advancing Inclusive Financial System in the Next Decades	SEACEN Center	Malaysia	1	10
2	28th SEACEN-FSI Regional Seminar on Macro and Micro Stress Testing	SEACEN Center	Indonesia	1	4
3	SEACEN CGFS Workshop on Banking and Regional Financial Integration	SEACEN Center	Singapore	1	2
4	Regional Seminar on Regulation and Supervision of Investment Funds Under the Asia Pacific Economic Cooperation Financial Regulators Training Initiative	APEC-FRTI	China	1	5
5	Workshop on Basel II Monitoring	FSI, BIS	Switzerland	1	3
6	SEACEN Course on Assessing Liquidity Risk of a Bank	SEACEN	Mongolia	2	5
7	FSI SEANZA Regional Seminar on Capital adequacy and Basel III	BIS	Philippines	1	4
8	FATF-EAG Evaluators Training	FATF-EAG	India	1	6
9	Ethical Hacking and Security	NET TECH	India	1	13
10	Portfolio at Risk and Bank Failures	Central Bank of Sri Lanka	Sri Lanka	1	3
11	APEC-FRTI Regional Seminar on Capital Planning and Stress Testing	ADB	Hong Kong, China	1	5
12	19th MAS Banking Supervisors Training Program	The Monetary Authority of Singapore	Singapore	1	5
13	FSI Seminar on Regulating and supervising Large Banks-Current Developments	FSI, BIS	Switzerland	1	3
14	Regulation and Supervision of Banks and Non-Bank Financial Institutions	Central Bank of Sri Lanka	Sri Lanka	14	5
15	SEACEN-BOJ Course on Financial Stability Analysis and Surveillance (Signature Program)	SEACEN Center	Malaysia	1	6
16	Asia-Pacific High Level Meeting on Banking Supervision	BIS	Philippines	1	3
17	2nd SEACEN Course on Bank Examiner Foundational Skills Development	SEACEN	Malaysia	3	13
18	Seminar on Bank Analysis and Supervision	APEC-FRTI	Philippines	1	5
19	FSI-SEANZA Regional Seminar on Liquidity Risk management and Supervision	BIS	Macao, China	2	3
20	9th SEACEN-BOJ Intermediate Course on The Analytics of Macroeconomic and Monetary Policy Management	SEACEN Center	Brunei	1	13
21	SEACEN Course on Enterprise wide Risk Management of Banks	SEACEN Center	Indonesia	1	6
22	20th MAS Banking Supervisors Training Program	The Monetary Authority of Singapore	Singapore	1	5

23	17th SEACEN Conference of Director of Supervision of APEC Theme: Promoting Banking system Stability in a changing Environment / 28th Meeting of Directors of Supervision	SEACEN Center	Thailand	1	3
24	Workshop on Financial Stability, Systematic Risk and Macro prudential Policy	DEUTCH BUNDESBANK	Germany	1	5

## Annex 5 Capital Adequacy Ratio of Commercial Banks

S.No	Bank's name	Mid July 2013		Mid July 2014		Mid July 2015	
		Capital					
		Core Capital	Total Capital Fund	Core Capital	Total Capital Fund	Core Capital	Total Capital Fund
1	Nepal Bank Limited	-0.49%	-0.49%	4.63%	5.26%	6.61%	7.80%
2	Rastriya Banijya Bank Limited	1.51%	2.94%	3.66%	5.60%	9.91%	10.34%
3	Nabil Bank Limited	9.98%	11.59%	9.74%	11.24%	10.47%	11.86%
4	Nepal Investment Bank Limited	10.01%	11.49%	9.52%	11.27%	9.67%	11.99%
5	Standard Chartered Bank Limited	11.03%	12.54%	10.83%	12.27%	12.52%	13.89%
6	Himalayan Bank Limited	8.96%	11.55%	9.03%	11.23%	9.49%	11.45%
7	Nepal SBI Bank Limited	9.59%	12.39%	10.19%	13.28%	10.49%	13.34%
8	Nepal Bangladesh Bank Limited	10.76%	11.61%	10.64%	11.44%	10.59%	11.36%
9	Everest Bank Limited	9.31%	11.59%	9.35%	11.15%	10.70%	13.32%
10	Bank of Kathmandu	9.50%	12.58%	8.77%	11.57%	8.50%	13.07%
11	Nepal Credit and Commerce Bank Limited	11.02%	11.88%	10.70%	11.51%	10.55%	11.39%
12	Lumbini Bank Limited	19.89%	20.75%	15.06%	15.96%	13.85%	14.75%
13	NIC Asia Bank Limited	12.21%	13.17%	11.84%	14.05%	11.07%	13.16%
14	Machapuchhre Bank Limited	11.59%	12.54%	9.69%	10.63%	11.39%	12.47%
15	Kumari Bank Limited	11.24%	12.10%	10.85%	11.81%	10.17%	11.12%
16	Laxmi Bank Limited	9.15%	12.23%	9.62%	11.91%	9.04%	10.87%
17	Siddhartha Bank Limited	8.21%	11.70%	8.39%	11.39%	7.68%	11.17%
18	Agricultural Development Bank Nepal	15.10%	17.89%	12.79%	15.17%	10.69%	12.55%
19	Global IME Bank Limited	9.17%	11.14%	10.94%	12.38%	11.12%	12.56%
20	Citizens Bank International Limited	11.05%	11.89%	10.26%	12.99%	10.64%	13.35%
21	Prime Bank Limited	11.88%	12.74%	11.53%	12.40%	11.42%	12.35%
22	Sunrise Bank Limited	10.96%	11.80%	10.63%	11.49%	10.24%	11.18%
23	Grand Bank Nepal Limited	12.39%	13.20%	0.00%	4.07%	5.88%	6.51%
24	NMB Bank Limited	10.41%	11.27%	9.91%	10.75%	8.93%	11.20%
25	Prabhu Bank Limited	10.94%	11.75%	7.65%	8.68%	10.37%	11.20%
26	Janata Bank Limited	14.73%	15.57%	12.01%	12.88%	10.89%	11.75%
27	Mega Bank Limited	17.24%	18.06%	15.24%	16.06%	14.05%	14.99%
28	Civil Bank Limited	13.97%	14.85%	13.76%	14.65%	12.56%	13.39%
29	Century Commercial Bank Limited	11.78%	12.66%	13.17%	14.10%	10.55%	11.42%
30	Sanima Bank Limited	13.91%	14.87%	11.52%	12.54%	10.14%	11.19%

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

<b>S. N.</b>	<b>Development Region</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
1	Eastern Development Region	170	216	255	272	287	308
2	Central Development Region	505	629	709	736	770	827
3	Western Development Region	177	225	256	262	264	292
4	Mid-western Development Region	72	100	120	129	136	152
5	Far-western Development Region	56	75	85	87	90	93
<b>Total</b>		<b>980</b>	<b>1245</b>	<b>1425</b>	<b>1486</b>	<b>1547</b>	<b>1672</b>

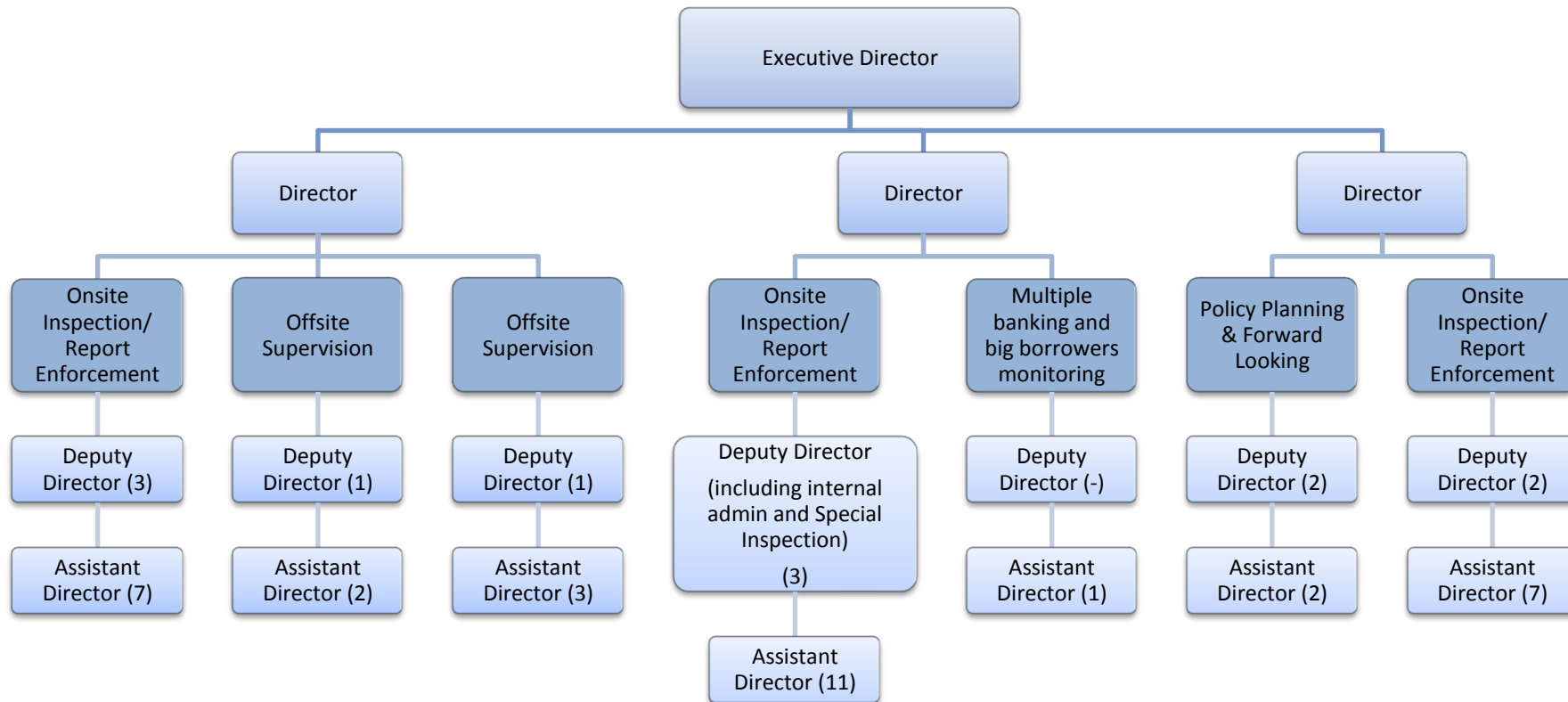
*Source: Bank and Financial Institutions Regulation Department, NRB)*

## Annex 7: Circulars issued to Bank and Financial Institutions (FY 2014/15)

SN	Name and Link to the Circular Issued to A, B & C Class Financial Institutions
1	<a href="#">Circular 01- Cash Reserve Ratio</a>
2	<a href="#">Circular 02-Amendments on ECC</a>
3	<a href="#">Circular 03-General Refinance</a>
4	<a href="#">Circular 04-Paid up capital &amp; Deprive se</a>
5	<a href="#">Circular 05- Redemption Reserve, Deprived Sector &amp; Limit for held for trading investment</a>
6	<a href="#">Circular 06-Guarantee related loan</a>
7	<a href="#">Circular 07-Promoter Group</a>
8	<a href="#">Circular 08-Cash Dividend for tax purpose &amp; CRR for Dashain Holiday</a>
9	<a href="#">Circular 09-Amendment on Good for Payment</a>
10	<a href="#">Circular 10-Yuva Krishi Karja Karyabidhi</a>
10.1	<a href="#">Circular 10-Attachement Yuva Krishi Karja Karyabidhi</a>
11	<a href="#">Circular 11-Addition in Promoter's Share Foreign Investment</a>
12	<a href="#">Circular 12-Dematerialization of shares as security</a>
13	<a href="#">Circular 13-Provision regarding Consumer Protection &amp; Financial Literacy</a>
14	<a href="#">Circular 14- regarding Blacklisting&amp; Branch Expansion</a>
15	<a href="#">Circular 15-Productive Sector Credit with attachment form no.17.1</a>
16	<a href="#">Circular 16-Tenure, Credit to Managerial Level &amp; Equity Related</a>
17	<a href="#">Circular 17-Loan classification, amendment to consumer protection and other</a>
18	<a href="#">Circular 18-Amendment in Yuba krishi karja karyabidhi</a>
19	<a href="#">Circular 19-Deprived sector lending &amp; simplified KYC form</a>
20	<a href="#">Circular 20- Revised watch list</a>
21	<a href="#">Circular 21-Non MICR Cheque Related</a>
22	<a href="#">Circular 22-Regarding Uninterrupted Services</a>
23	<a href="#">Circular 23-Prime Minister Disaster Relief Fund Related</a>
24	<a href="#">Circular 24-Prime Minister Disaster Relief Fund Related</a>
25	<a href="#">Circular 25-CRR Related</a>
26	<a href="#">Circular 26-Earthquake Relief Refinance Procedure 2072</a>
27	<a href="#">Circular 27-Branch Opening &amp; KYC in Earthquake affected areas</a>
28	<a href="#">Circular 28-Prime Minister Disaster Relief Fund Related</a>
29	<a href="#">Circular 29-CRR Related</a>
30	<a href="#">Circular 30-Post Earthquake Facilities</a>
31	<a href="#">Circular 31-Non MICR Related</a>

Note: This annex contains hyperlink that will directly lead you to NRB's website.

## Annex 8: Organization Chart of Bank Supervision Department



*Note: Numbers in parentheses represent number of staff*



## Annex 9 Financial Figures of Banks

### Annex 9.1: Banking Operation

Particulars / Years	Amount in Rs. Billion					Percentage Change			
	2010/11	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15
<b>Deposits</b>									
Private	516.28	659.15	802.55	961.78	1,183.71	27.67	21.76	19.84	23.07
Public	155.12	187.07	208.48	242.44	279.15	20.60	11.44	16.29	15.14
<b>Total</b>	<b>671.40</b>	<b>846.22</b>	<b>1,011.03</b>	<b>1,204.21</b>	<b>1,462.86</b>	<b>26.04</b>	<b>19.48</b>	<b>19.11</b>	<b>21.48</b>
<b>Loans and Advances</b>									
Private	399.40	477.78	590.59	718.16	876.76	19.62	23.61	21.60	22.08
Public	98.04	107.51	136.67	159.56	192.05	9.66	27.12	16.75	20.37
<b>Total</b>	<b>497.43</b>	<b>585.30</b>	<b>727.26</b>	<b>877.72</b>	<b>1,068.82</b>	<b>17.66</b>	<b>24.25</b>	<b>20.69</b>	<b>21.77</b>
<b>Total Assets</b>									
Private	608.20	756.47	925.42	1,098.38	1,346.86	24.38	22.33	18.69	22.62
Public	193.07	230.57	261.66	298.17	325.64	19.42	13.48	13.95	9.21
<b>Total</b>	<b>801.26</b>	<b>987.04</b>	<b>1,187.07</b>	<b>1,396.55</b>	<b>1,672.49</b>	<b>23.19</b>	<b>20.27</b>	<b>17.65</b>	<b>19.76</b>

### Annex 9.2: Capital Fund

Particulars / Years	Amount in Rs Billion					Percentage Change			
	2010/11	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15
Private	75.66	88.49	104.39	118.09	137.87	16.97	17.97	13.12	16.75
Public	-0.11	8.58	19.74	26.2	29.49	-7827.93	130.11	32.74	12.56
<b>Industry</b>	<b>75.54</b>	<b>97.07</b>	<b>124.13</b>	<b>144.29</b>	<b>167.36</b>	<b>28.49</b>	<b>27.88</b>	<b>16.24</b>	<b>15.99</b>

### Annex 9.3: Deposit Mix

Particulars	Amount in Rs Billion						% Change				
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Current</b>	80.82	78.71	93.28	108.82	124.30	153.60	-2.61	18.51	16.65	14.23	23.57
<b>Saving</b>	237.77	231.50	299.76	362.25	450.77	559.39	-2.63	29.48	20.85	24.44	24.10
<b>Fixed</b>	197.65	252.39	298.76	352.69	365.05	419.88	27.70	18.37	18.05	3.50	15.02
<b>Other</b>	111.42	124.96	176.11	212.42	263.58	330.02	12.15	40.93	20.62	24.09	25.21
<b>Total</b>	<b>627.66</b>	<b>687.57</b>	<b>867.90</b>	<b>1036.17</b>	<b>1203.70</b>	<b>1,462.89</b>	<b>9.55</b>	<b>26.23</b>	<b>19.39</b>	<b>16.17</b>	<b>21.53</b>

Source: BSD Offsite Quarterly report 4<sup>th</sup> Qtr, 2011/12

### Annex 9.4 Loans and Advances

Particulars / Years	Amount in Rs. Billion					Percentage Change			
	2010/11	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15
Private	399.40	477.78	590.59	718.16	876.76	19.62	23.61	21.60	22.08
Public	98.04	107.51	136.67	159.56	192.05	9.66	27.12	16.75	20.37
<b>Total</b>	<b>497.43</b>	<b>585.30</b>	<b>727.26</b>	<b>877.72</b>	<b>1,068.82</b>	<b>17.66</b>	<b>24.25</b>	<b>20.69</b>	<b>21.77</b>

## Annex 9.5 Non Performing Loans

Banks/ Year	Amount in Rs Billion						% change					
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Private	4.38	8.07	9.12	13.13	18.12	18.53	-11.69	84.25	13.07	43.93	37.95	2.27
Public	8.04	9.07	7.48	7.47	7.43	8.98	-16.60	12.81	-17.57	-0.13	-0.50	20.88
Industry	12.42	17.14	16.60	20.60	25.55	27.51	-14.93	38.00	-3.14	24.09	24.01	7.68

## Annex 9.6 Non-Banking Assets

Banks/ Year	Amount in Rs Million						% change				
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2010/11	2011/12	2012/13	2013/14	2014/15
Private	0	0	0	0	40	8	-	-	-	-	(79.42)
Public	634	526	126	264	345	200	-17.07	-76.02	109.54	30.54	(42.11)
Industry	634	526	126	264	385	208	-17.07	-76.02	109.54	45.56	(45.99)

## Annex 9.7 Investment Portfolios

*Amount in Rs Billion*

Bank/ Investment	2013/14				2014/15			
	Government Bond	Shares and Debentures	Others	Total	Government Bond	Shares and Debentures	Others	Total
Private	94.96	2.90	60.38	158.23	136.64	6.71	72.99	216.33
Public	61.46	0.55	6.13	68.14	60.88	0.42	4.52	65.83
<b>Total</b>	<b>156.41</b>	<b>3.44</b>	<b>66.52</b>	<b>226.37</b>	<b>197.52</b>	<b>7.13</b>	<b>77.51</b>	<b>282.16</b>

## Annex 9.8 Net Interest Spread

Banks/Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Private	3.92%	3.91%	4.18%	4.57%	4.15%	4.07%
Public	7.61%	7.51%	6.01%	5.92%	5.14%	5.08%
Industry	4.75%	4.72%	4.60%	4.85%	4.38%	4.17%

## Annex 9.9 Operating Efficiency

*Amount in Rs Billion*

Particulars / Year	2009/10		2010/11		2011/12		2012/13		2013/14		2014/15	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Interest Income	12.54	44.14	14.86	59.52	16.42	68.31	17.92	71.41	19.56	76.29	20.05	81.02
Net Interest Income	8.88	19.20	8.87	22.73	8.32	24.21	10.42	33.54	11.31	35.27	13.13	39.18
Operating Profit	-0.44	13.83	0.53	14.83	-0.02	14.87	2.25	19.93	2.50	20.46	3.63	23.15
Net Income	4.33	10.37	4.51	9.97	3.48	11.75	4.36	14.63	4.48	15.37	7.04	19.42

### Annex 9.10 Liquid Assets to Total Deposit

Particulars / Year	Amount in Rs Billion						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Liquid Assets	171	189	197	309	350	382	409
Total Deposit	564	631	688	868	1021	1204	1,463
Liquid Assets/ Total Deposit	30.32%	29.95%	28.63%	35.60%	34.28%	31.73%	27.99%

### Annex 9.11 Liquid Assets to Total Assets

Particulars / Year	Amount in Rs Billion						
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Liquid Assets	171	189	197	309	350	382	409
Total Assets	658	747	823	1013	1197	1397	1,672
Liquid Assets/Total Assets	25.99%	25.30%	23.94%	30.50%	29.24%	27.34%	24.48%

## Annex 9.12 Deprived Sector Lending of Commercial Banks

S.N.	BANKS	Amount in Rs. Million				
		6 Months prior Loan & Advances	Required Lending in Deprive Sector (4.5%)	Actual Lending in Deprive Sector		Excess / Shortfall
		Amount	Amount	%	Amount	Amount
1	Nepal Bank Limited	45,001	2,025	5.93	2,667	642
2	Rastriya Banijya Bank Limited	65,898	2,965	5.34	3,518	553
3	Nabil Bank Limited	64,698	2,911	4.74	3,067	155
4	Nepal Investment Bank Limited	63,745	2,869	5.03	3,209	341
5	Standard Chartered Bank Nepal Limited	29,457	1,326	4.60	1,356	31
6	Himalayan Bank Limited	52,945	2,383	4.82	2,551	168
7	Nepal SBI Bank Limited	39,414	1,774	4.56	1,796	23
8	Nepal Bangladesh Bank Limited	23,681	1,066	4.64	1,098	32
9	Everest Bank Limited	54,702	2,462	4.92	2,692	231
10	Bank of Kathmandu Limited	30,608	1,377	4.80	1,470	93
11	Nepal Credit & Commerce Bank Limited	19,164	862	4.56	874	12
12	Nepal Ind. & Comm. Bank Limited	40,477	1,821	4.57	1,848	27
13	Lumbini Bank Limited	15,657	705	4.54	710	6
14	Machhapuchchhre Bank Limited	33,649	1,514	5.49	1,849	335
15	Kumari Bank Limited	25,289	1,138	4.65	1,175	37
16	Laxmi Bank Limited	28,984	1,304	4.73	1,371	67
17	Siddhartha Bank Limited	32,823	1,477	4.54	1,491	14
18	Agricultural Development Bank Limited	67,035	3,017	8.60	5,765	2,749
19	Global IME Bank Limited	47,564	2,140	4.67	2,224	83
20	Citizens Bank International limited	26,556	1,195	4.92	1,306	111
21	Prime Commercial Bank Limited	30,987	1,394	5.35	1,657	263
22	Sunrise Bank Limited	24,340	1,095	4.54	1,104	9
23	Grand Bank Nepal Limited	11,857	534	4.96	588	55
24	NMB Bank Limited	23,655	1,064	4.75	1,125	60
25	Prabhu Bank Limited	27,203	1,224	4.46	1,214	(10)
26	Janata Bank Limited	18,412	829	4.53	833	5
27	Mega Bank Limited	18,012	811	4.75	856	46
28	Civil Bank Limited	21,558	970	4.72	1,017	47
29	Century Commercial Bank Limited	19,776	890	4.63	915	26
30	Sanima Bank Limited	26,202	1,179	4.59	1,201	22
<b>Grand Total</b>		<b>1,029,347</b>	<b>46,321</b>	<b>5.11</b>	<b>52,550</b>	<b>6,229</b>
<i>Source: BSD Offsite</i>						

## Annex 9.13: Audited Financial Statements of Commercial Banks

### 1. Nepal Bank Limited\*

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	380,400	380,383	1,772,828	3,716,443	6,465,002	6,465,002
Reserves and Surplus	(5,232,200)	(4,604,661)	(4,680,604)	(3,889,099)	(3,117,914)	(2,591,791)
Debtenture & Bond	0		0	0	0	
Borrowing	2,125,100	1,842,410	2153794	2,342,739	0	
Deposit	42,129,900	46,804,206	56052372	62,988,852	69,337,610	78,007,218
Bills Payable	47,100		74767	0	0	0
Proposed & Payable dividend	2,000		0	0	0	0
Tax Liabilities	130,600		0	0	0	0
Other Liabilities	3,490,800	8,178,866	3242363	8,623,361	7,720,704	4,506,401
<b>Total Liabilities</b>	<b>43,073,700</b>	<b>52,601,204</b>	<b>58,615,520</b>	<b>73,782,296</b>	<b>80,405,402</b>	<b>86,386,830</b>
Cash Balance	1,573,700	10,837,966	14063693	14,184,211	6,659,558	3,593,766
Balance with NRB	7,350,200	0	0	0	0	0
Balance with Banks	1,044,700	0	0	0	0	0
Money At call	0	400,000	0	200,000	0	750,009
Investment	5,815,800	7,577,702	8391726	10,976,762	22,664,106	16,902,243
Loan and Advances	23,546,800	26,709,883	27670840	37,855,281	41,218,297	53,374,544
Fixed Assets	327,900	308,188	351064	385,517	389,504	422,998
Non- Banking Assets	435,300	381,065	0	264,292	242,177	199,718
Other Assets	2,979,300	6,386,400	8138197	9,916,233	9,231,760	11,143,552
<b>Total Assets</b>	<b>43,073,700</b>	<b>52,601,204</b>	<b>58,615,520</b>	<b>73,782,296</b>	<b>80,405,402</b>	<b>86,386,830</b>
Interest Income	2,865,100	3,735,206	4051152	4,716,229	5,011,228	5,060,439
Interest Expenses	764,400	1,457,253	2197137	2,194,297	2,187,646	1,743,980
<b>Net Interest Income</b>	<b>2,100,700</b>	<b>2,277,953</b>	<b>1,854,015</b>	<b>2,521,932</b>	<b>2,823,582</b>	<b>3,316,459</b>
Commission and discount	220,700	241,673	252631	225,826	238,341	257,577
Other Operating Income	0	140,239	179461	259,368	252,249	361,556
Exchange Income	23,600	13,595	59636	84848	42,333	0
<b>Total Operating Income</b>	<b>2,345,000</b>	<b>2,673,460</b>	<b>2,345,743</b>	<b>3,091,975</b>	<b>3,356,505</b>	<b>3,935,592</b>
Employees Expenses	2,566,100	2,055,393	1903066	1,867,702	2,496,478	2,437,221
Other Operating Expenses	255,100	361,139	401045	498,930	613,923	585,132
Exchange Loss	0	0	0	0	0	14,989
<b>Operating Profit Before Provision</b>	<b>(476,200)</b>	<b>256,928</b>	<b>41,632</b>	<b>725,342</b>	<b>246,104</b>	<b>898,250</b>
Provisions for possible losses	55,600	36,369	252058	364,339	252,052	442,620
<b>Operating Profit</b>	<b>(531,800)</b>	<b>220,559</b>	<b>(210,426)</b>	<b>361,004</b>	<b>(5,948)</b>	<b>455,630</b>
Non-Operating Income/ Expenses	0	35,735	49,026	86,392	665,483	513,201
Return From Loan Loss Provision	748,700	54,056	331,551	440,077	359,716	380,287
<b>Profit From Ordinary activities</b>	<b>216,900</b>	<b>310,350</b>	<b>170,151</b>	<b>887,473</b>	<b>1,019,251</b>	<b>1,349,118</b>
Extra ordinary Income /Expenses	213,900	198,578	3,686	335,045	56,963	61,905
<b>Net Profit including all activities</b>	<b>430,800</b>	<b>508,928</b>	<b>173,837</b>	<b>1,222,518</b>	<b>1,076,214</b>	<b>1,411,023</b>
Provision For Staff Bonus	0	46,266	15,803	111,138	0	0
Provision For Income Tax	2,200	79,225	(18,328)	319,875	359,256	884,900
-This Year			991	0		
-Up to Last Year			0	0		
Defred Tax			(19,319)	0		
<b>Net Profit / Loss</b>	<b>428,600</b>	<b>383,437</b>	<b>176,362</b>	<b>791,505</b>	<b>716,958</b>	<b>526,123</b>

\* Adopted from Unaudited Financials

## 2. Rastriya Banijya Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,172,300	1,172,300	5,497,610	8,588,972	8,588,972	8,588,972
Reserves and Surplus	(9,789,377)	(9,377,570)	(8,294,990)	(7,316,484)	(5,583,423)	(1,920,023)
Debtenture & Bond	0	0	0	0	0	
Borrowing	4,039,791	4,812,803	2,923,130	2,167,176	1,778,600	1,305,345
Deposit	68,623,160	73,924,079	87,775,030	91,093,908	107,269,942	124,221,662
Bills Payable	31,360			0	0	14,560
Proposed & Payable dividend	86,687			0	0	
Tax Liabilities	29,186	0	0	0	0	
Other Liabilities	19,904,757	10,691,581	12,659,240	11,180,941	14,802,179	7,341,748
<b>Total Liabilities</b>	<b>84,097,864</b>	<b>81,223,193</b>	<b>100,560,020</b>	<b>105,714,513</b>	<b>126,856,270</b>	<b>139,552,264</b>
Cash Balance	1,674,650	6,907,305	19,262,920	2,400,662	2,940,800	3,830,588
Balance with NRB	8,264,580	0	0	11,973,729	21,009,670	17,990,163
Balance with Banks	1,648,219	0	0	684,424	718,125	623,839
Money At call	0	83,250	512,300	480,000	387,873	450,000
Investment	12,989,463	15,333,163	26,501,130	29,687,617	32,060,646	35,310,275
Loan and Advances	30,254,069	36,866,104	40,448,870	49,044,912	60,854,849	72,079,281
Fixed Assets	890,805	946,815	1,060,410	1,104,230	1,172,482	524,201
Non- Banking Assets	199,077	145,013	126,130	114,757	102,980	0
Other Assets	28,177,001	20,941,543	12,648,260	10,224,182	7,608,845	8,743,917
<b>Total Assets</b>	<b>84,097,864</b>	<b>81,223,193</b>	<b>100,560,020</b>	<b>105,714,513</b>	<b>126,856,270</b>	<b>139,552,264</b>
Interest Income	4,207,610	5,027,872	5,399,990	5,748,968	6,114,683	6,520,239
Interest Expenses	1,386,980	2,424,251	3,045,590	2,461,853	2,223,791	1,924,983
<b>Net Interest Income</b>	<b>2,820,630</b>	<b>2,603,621</b>	<b>2,354,400</b>	<b>3,287,115</b>	<b>3,890,892</b>	<b>4,595,256</b>
Commission and discount	608,261	435,001	427,240	430,269	405,682	455,982
Other Operating Income	177,270	188,903	210,710	321,131	375,621	469,716
Exchange Income	53,215	(28,028)	100,820	0	33,862	42,349
<b>Total Operating Income</b>	<b>3,659,376</b>	<b>3,199,497</b>	<b>3,093,170</b>	<b>4,038,515</b>	<b>4,706,057</b>	<b>5,563,303</b>
Employees Expenses	1,629,244	1,432,706	1,439,590	2,363,303	2,349,686	2,459,318
Other Operating Expenses	417,546	510,873	599,080	699,402	732,325	856,032
Exchange Loss	13,067		0	73,908	0	
<b>Operating Profit Before Provision</b>	<b>1,599,519</b>	<b>1,255,918</b>	<b>1,054,500</b>	<b>901,902</b>	<b>1,624,046</b>	<b>2,247,953</b>
Provisions for possible losses	286,546	419,482	639,250	349,732	638,945	790,770
<b>Operating Profit</b>	<b>1,312,973</b>	<b>836,436</b>	<b>415,250</b>	<b>552,170</b>	<b>985,101</b>	<b>1,457,183</b>
Non-Operating Income/ Expenses	97,738	96,200	75,880	4,483	6,021	2,875,181
Return From Loan Loss Provision	1,201,493	760,297	994,870	805,923	867,492	657,399
<b>Profit From Ordinary activities</b>	<b>2,612,204</b>	<b>1,692,933</b>	<b>1,486,000</b>	<b>1,362,576</b>	<b>1,858,614</b>	<b>4,989,763</b>
Extra ordinary Income /Expenses	(2,219)	207,062	210,450	111,902	146,681	803,842
<b>Net Profit including all activities</b>	<b>2,609,985</b>	<b>1,899,995</b>	<b>1,696,450</b>	<b>1,474,478</b>	<b>2,005,295</b>	<b>5,793,605</b>
Provision For Staff Bonus	193,332	140,740	125,660	109,220	0	429,156
Provision For Income Tax	405,966		124,580	55,143	271,904	727,166
-This Year			0	0		724,939
-Up to Last Year			0	0		0
Deferred Tax			0	55,143		0
<b>Net Profit / Loss</b>	<b>2,010,687</b>	<b>1,759,255</b>	<b>1,446,210</b>	<b>1,310,115</b>	<b>1,733,391</b>	<b>4,637,283</b>

## 3. Nabil Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	2,028,773	2,029,769	2,435,723	3,046,052	3,656,602	4,754,950
Reserves and Surplus	1,805,452	2,536,747	3,015,162	3,643,093	3,984,458	4,730,641
Debtenture & Bond	300,000	300,000	300,000	300,000	300,000	300,000
Borrowing	74,900	1,650,599	311,080	0	0	0
Deposit	46,340,701	49,696,113	55,023,695	63,609,808	75,388,791	104,237,910
Bills Payable	425,444	415,768	179,142	529,598	213,579	243,434
Proposed & Payable dividend	434,737	608,931	811,908	974,736	1,371,226	250,261
Tax Liabilities	24,904	44,104	51,107	66,872	2,510	964
Other Liabilities	644,814	859,405	1,072,481	1,071,100	2,357,453	1,467,541
<b>Total Liabilities</b>	<b>52,079,725</b>	<b>58,141,436</b>	<b>63,200,298</b>	<b>73,241,259</b>	<b>87,274,619</b>	<b>115,985,701</b>
Cash Balance	635,987	744,592	1,050,658	1,140,212	1,468,154	1,820,201
Balance With NRB	549,454	1,473,987	3,681,980	4,789,295	7,068,079	12,924,604
Bank Balance with Banks	214,656	217,971	(456,817)	(46,939)	1,457,250	1,258,934
Money At call	3,118,144	2,452,512	826,436	1,634,306	737,854	323,541
Investment	13,600,917	13,081,205	14,055,850	16,332,043	18,276,752	30,972,488
Loan and Advances	32,268,873	38,034,097	41,605,683	46,369,835	54,691,648	65,501,925
Fixed Assets	781,480	935,088	887,543	872,322	843,138	812,441
Non- Banking Assets		0	0	0	0	0
Other Assets	910,214	1,201,984	1,548,965	2,150,185	2,731,744	2,371,567
<b>Total Assets</b>	<b>52,079,725</b>	<b>58,141,436</b>	<b>63,200,298</b>	<b>73,241,259</b>	<b>87,274,619</b>	<b>115,985,701</b>
Interest Income	4,047,725	5,258,269	6,133,739	5,702,123	5,636,158	5,762,345
Interest Expenses	1,960,108	2,946,691	3,155,490	2,186,185	1,939,745	2,236,064
<b>Net Interest Income</b>	<b>2,087,617</b>	<b>2,311,578</b>	<b>2,978,249</b>	<b>3,515,938</b>	<b>3,696,413</b>	<b>3,526,281</b>
Commission and discount	215,482	290,855	364,075	393,050	459,165	480,280
Other Operating Income	169,548	183,445	201,085	209,905	267,838	240,460
Exchange Income	291,441	276,103	447,070	489,051	529,995	512,477
<b>Total Operating Income</b>	<b>2,764,088</b>	<b>3,061,981</b>	<b>3,990,479</b>	<b>4,607,944</b>	<b>4,953,411</b>	<b>4,759,498</b>
Employees Expenses	367,162	455,616	500,713	646,759	651,835	743,484
Other Operating Expenses	334,669	403,992	428,597	468,781	514,257	613,018
Exchange Loss		0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>2,062,257</b>	<b>2,202,373</b>	<b>3,061,169</b>	<b>3,492,404</b>	<b>3,787,319</b>	<b>3,402,996</b>
Provisions for possible losses	355,829	109,470	413,949	27,451	237,955	167,071
<b>Operating Profit</b>	<b>1,706,428</b>	<b>2,092,903</b>	<b>2,647,220</b>	<b>3,464,953</b>	<b>3,549,364</b>	<b>3,235,925</b>
Non-Operating Income/ Expenses	6,455	6,981	13,840	13,468	34,781	44,364
Return From Loan Loss Provision	39,791	7,101	0	24,728	14,667	2,096
<b>Profit From Ordinary activities</b>	<b>1,752,674</b>	<b>2,106,985</b>	<b>2,661,060</b>	<b>3,503,149</b>	<b>3,598,812</b>	<b>3,282,385</b>
Extra ordinary Income /Expenses	34,322	3,148	(3,037)	(17,454)	34,002	(2,925)
<b>Net Profit indulging all activities</b>	<b>1,786,996</b>	<b>2,110,133</b>	<b>2,658,023</b>	<b>3,485,695</b>	<b>3,632,814</b>	<b>3,279,460</b>
Provision For Staff Bonus	162,518	192,008	241,639	316,255	330,252	298,133
Provision For Income Tax	485,907	573,946	720,109	950,678	982,930	887,513
-This Year			728,302	946,885	980,684	896,878
-Up to Last Year			0	5,792	736	0
Deferred Tax			(8,193)	(1,999)	1,510	(9,365)
<b>Net Profit / Loss</b>	<b>1,138,571</b>	<b>1,344,179</b>	<b>1,696,275</b>	<b>2,218,762</b>	<b>2,319,632</b>	<b>2,093,814</b>

## 4. Nepal Investment Bank Limited

Amt. in Rs. '000

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	2,409,098	3,011,372	3,766,155	4,144,808	4,768,713	6,345,700
Reserves and Surplus	2,176,295	2,148,388	2,283,786	2,875,835	3,156,765	3,461,252
Debtenture & Bond	1,050,000	1,050,000	1,050,000	800,000	1,050,000	1,550,000
Borrowing	37,315	280,764	567,579	310,566	424,340	263,116
Deposit	50,094,725	50,138,122	57,010,604	62,428,845	73,831,376	90,631,487
Bills Payable	38,144	8,250	2,977	2,888	266	215
Proposed & Payable dividend	602,274	602,274	150,646	942,002	1,036,677	82,868
Tax Liabilities	37,195	0	0	0	0	0
Other Liabilities	860,367	1,117,657	924,484	1,647,209	1,905,790	2,010,798
<b>Total Liabilities</b>	<b>57,305,413</b>	<b>58,356,828</b>	<b>65,756,231</b>	<b>73,152,153</b>	<b>86,173,927</b>	<b>104,345,436</b>
Cash Balance	1,525,442	1,718,666	1,963,969	2,172,985	2,170,768	2,660,938
Balance With NRB	3,237,217	4,009,460	8,502,694	8,752,591	12,652,937	8,992,839
Bank Balance with Banks	2,053,231	2,412,245	1,337,088	2,326,511	1,921,006	2,661,271
Money At call	0	150,000	205,363	267,400	232,375	0
Investment	8,635,530	7,423,107	10,438,487	11,435,268	15,383,529	21,462,588
Loan and Advances	40,318,308	41,095,515	41,636,999	46,400,054	52,019,765	66,219,232
Fixed Assets	1,136,247	1,108,448	1,056,439	1,068,836	1,058,313	1,054,131
Non- Banking Assets	0	0	0	0	0	0
Other Assets	399,438	439,388	615,193	728,508	735,234	1,294,437
<b>Total Assets</b>	<b>57,305,413</b>	<b>58,356,828</b>	<b>65,756,232</b>	<b>73,152,153</b>	<b>86,173,927</b>	<b>104,345,436</b>
Interest Income	4,653,521	5,803,440	5,982,641	5,878,272	5,816,279	5,786,160
Interest Expenses	2,553,847	3,620,337	3,814,411	2,774,788	2,820,475	2,807,361
<b>Net Interest Income</b>	<b>2,099,674</b>	<b>2,183,103</b>	<b>2,168,230</b>	<b>3,103,484</b>	<b>2,995,804</b>	<b>2,978,799</b>
Commission and discount	242,886	269,429	319,667	336,269	478,608	497,300
Other Operating Income	168,312	152,985	157,780	199,417	211,346	237,469
Exchange Income	224,056	228,076	264,166	360,245	460,227	458,418
<b>Total Operating Income</b>	<b>2,734,928</b>	<b>2,833,594</b>	<b>2,909,843</b>	<b>3,999,415</b>	<b>4,145,985</b>	<b>4,171,986</b>
Employees Expenses	279,851	326,543	340,160	379,942	437,765	480,139
Other Operating Expenses	433,596	456,057	468,863	515,837	539,330	572,107
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>2,021,481</b>	<b>2,050,994</b>	<b>2,100,820</b>	<b>3,103,636</b>	<b>3,168,890</b>	<b>3,119,740</b>
Provisions for possible losses	93,056	267,331	743,724	958,336	277,278	573,892
<b>Operating Profit</b>	<b>1,928,425</b>	<b>1,783,662</b>	<b>1,357,096</b>	<b>2,145,300</b>	<b>2,891,612</b>	<b>2,545,848</b>
Non-Operating Income/ Expenses	10,606	8,396	14,161	10,431	11,841	15,592
Return From Loan Loss Provision	50,000	106,634	267,685	930,003	139,148	537,704
<b>Profit From Ordinary activities</b>	<b>1,989,031</b>	<b>1,898,693</b>	<b>1,638,942</b>	<b>3,085,734</b>	<b>3,042,601</b>	<b>3,099,144</b>
Extra ordinary Income /Expenses	0	(52,861)	(1,726)	(74,393)	527	0
<b>Net Profit including all activities</b>	<b>1,989,031</b>	<b>1,845,832</b>	<b>1,637,216</b>	<b>3,011,341</b>	<b>3,043,128</b>	<b>3,099,144</b>
Provision For Staff Bonus	180,821	167,803	148,837	273,758	276,648	281,740
Provision For Income Tax	542,261	501,388	449,102	822,555	826,867	855,551
-This Year		500,360	448,070	823,185	829,328	845,849
-Up to Last Year			12,675	0	295	10,493
Deferred Tax		1,028	(11,643)	631	2,756	(791)
<b>Net Profit / Loss</b>	<b>1,265,949</b>	<b>1,176,641</b>	<b>1,039,277</b>	<b>1,915,028</b>	<b>1,939,613</b>	<b>1,961,853</b>



**5. Standard Chartered Bank Nepal Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	1,608,256	1,610,168	1,851,693	2,039,290	2,245,839	2,810,201
Reserves and Surplus	1,761,453	2,067,609	2,270,476	2,578,284	2,842,252	3,138,353
Debtenture & Bond	0		0	0	0	0
Borrowing	0	350,000	0	0	0	0
Deposit	35,182,721	37,999,242	35,965,631	39,466,453	46,298,532	57,286,482
Bills Payable	89,220	65,966	86,378	49,541	67,440	177,086
Proposed & Payable dividend	769,166	805,084	724,576	741,560	847,294	431,884
Tax Liabilities	0		0	0	0	0
Other Liabilities	802,503	912,450	778,298	755,972	1,022,745	1,082,799
<b>Total Liabilities</b>	<b>40,213,319</b>	<b>43,810,519</b>	<b>41,677,052</b>	<b>45,631,100</b>	<b>53,324,102</b>	<b>64,926,805</b>
Cash Balance	509,031	610,691	509,678	687,681	613,768	785,636
Balance With NRB	819,509	1,638,277	4,833,920	4,588,270	6,862,452	9,308,116
Bank Balance with Banks	600,766	726,828	1,022,635	1,129,048	1,712,083	1,478,690
Money At call	1,669,460	4,280,888	2,126,035	3,009,064	7,960,305	11,973,546
Investment	19,847,511	17,258,682	12,938,216	12,753,518	9,391,379	12,971,232
Loan and advances	15,956,955	18,427,270	19,575,968	22,828,838	25,976,585	27,681,313
Fixed Assets	118,540	106,071	89,633	81,518	68,726	83,853
Non- Banking Assets	0		0	0	0	0
Other Assets	691,547	761,812	580,967	553,163	738,804	644,419
<b>Total Assets</b>	<b>40,213,319</b>	<b>43,810,519</b>	<b>41,677,052</b>	<b>45,631,100</b>	<b>53,324,102</b>	<b>64,926,805</b>
Interest Income	2,042,109	2,718,699	2,870,971	2,535,359	2,583,957	2,574,590
Interest Expenses	575,740	1,003,100	1,007,198	611,382	576,298	661,075
<b>Net Interest Income</b>	<b>1,466,369</b>	<b>1,715,599</b>	<b>1,863,773</b>	<b>1,923,977</b>	<b>2,007,659</b>	<b>1,913,515</b>
Commission and discount	338,298	321,771	267,766	294,968	383,611	362,964
Other Operating Income	34,479	36,753	38,354	42,726	44,156	38,010
Exchange Income	458,564	387,134	468,557	515,050	477,996	613,936
<b>Total Operating Income</b>	<b>2,297,710</b>	<b>2,461,257</b>	<b>2,638,450</b>	<b>2,776,721</b>	<b>2,913,422</b>	<b>2,928,425</b>
Employees Expenses	312,964	365,986	386,823	421,631	482,083	505,669
Other Operating Expenses	295,305	305,215	349,225	382,483	368,029	407,054
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>1,689,441</b>	<b>1,790,056</b>	<b>1,902,402</b>	<b>1,972,607</b>	<b>2,063,310</b>	<b>2,015,702</b>
Provisions for possible losses	76,974	82,739	208,251	110,125	84,401	188,682
<b>Operating Profit</b>	<b>1,612,467</b>	<b>1,707,317</b>	<b>1,694,151</b>	<b>1,862,482</b>	<b>1,978,909</b>	<b>1,827,020</b>
Non-Operating Income/ Expenses	36,268	6,445	568	1,170	51,874	63,861
Return From Loan Loss Provision	58,293	67,159	190,917	50,135	63,531	149,688
<b>Profit From Ordinary activities</b>	<b>1,707,028</b>	<b>1,780,921</b>	<b>1,885,636</b>	<b>1,913,787</b>	<b>2,094,314</b>	<b>2,040,569</b>
Extra ordinary Income /Expenses	(17,024)	(22,764)	(42,576)	2,410	(1,524)	17,525
<b>Net Profit including all activities</b>	<b>1,690,004</b>	<b>1,758,157</b>	<b>1,843,060</b>	<b>1,916,197</b>	<b>2,092,790</b>	<b>2,058,094</b>
Provision For Staff Bonus	153,637	159,832	167,551	174,200	190,254	187,099
Provision For Income Tax	450,496	479,153	506,541	524,056	565,947	580,970
-This Year		485,713	510,927	527,105	571,525	586,717
-Up to Last Year			3,609	0	2,367	7,746
Deferred Tax		(6,560)	(7,995)	(3,049)	(7,945)	(13,493)
<b>Net Profit / Loss</b>	<b>1,085,871</b>	<b>1,119,172</b>	<b>1,168,968</b>	<b>1,217,941</b>	<b>1,336,589</b>	<b>1,290,025</b>

**6. Himalayan Bank Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	2,000,000	2,400,000	2,760,000	2,898,000	3,332,700	4,499,145
Reserves and Surplus	1,439,205	1,595,478	1,872,010	2,401,708	2,750,711	2,459,755
Debtenture & Bond	500,000	500,000	500,000	1,100,000	1,100,000	600,000
Borrowing	0	10,000	0	88,429	0	0
Deposit	37,611,202	40,920,627	47,730,994	53,072,319	64,674,848	73,538,200
Bills Payable	216,159	31,655	19,003	24,268	95,187	95,873
Proposed & Payable dividend	189,473	336,842	322,106	276,000	175,404	236,797
Tax Liabilities	0	0	0	33,290	57,576	0
Other Liabilities	761,085	941,601	1,160,314	1,258,950	1,403,419	1,371,781
<b>Total Liabilities</b>	<b>42,717,124</b>	<b>46,736,203</b>	<b>54,364,427</b>	<b>61,152,964</b>	<b>73,589,845</b>	<b>82,801,551</b>
Cash Balance	514,223	632,046	951,333	865,060	1,112,466	1,349,261
Balance With NRB	2,604,791	1,390,626	3,979,164	2,427,014	3,766,154	5,873,159
Bank Balance with Banks	747,476	941,979	1,431,799	356,124	663,970	1,164,992
Money At call	308,840	734,000	264,600	2,061,831	196,100	1,063,950
Investment	8,444,910	8,769,938	10,031,580	12,992,045	19,842,060	17,113,389
Loan and Advances	27,980,629	31,566,977	34,965,434	39,723,805	45,320,360	53,476,230
Fixed Assets	1,061,871	1,187,493	1,305,364	1,308,774	1,322,814	1,321,272
Non- Banking Assets	0	0	0	0	0	0
Other Assets	1,054,384	1,513,144	1,435,153	1,418,311	1,365,921	1,439,298
<b>Total Assets</b>	<b>42,717,124</b>	<b>46,736,203</b>	<b>54,364,427</b>	<b>61,152,964</b>	<b>73,589,845</b>	<b>82,801,551</b>
Interest Income	3,148,605	4,326,140	4,724,887	4,627,335	4,742,975	4,627,751
Interest Expenses	1,553,530	2,414,807	2,816,441	2,119,062	2,248,797	1,954,263
<b>Net Interest Income</b>	<b>1,595,075</b>	<b>1,911,333</b>	<b>1,908,446</b>	<b>2,508,273</b>	<b>2,494,178</b>	<b>2,673,488</b>
Commission and discount	270,258	350,365	510,840	550,149	657,298	710,744
Other Operating Income	112,346	129,517	182,028	165,072	206,814	199,455
Exchange Income	180,278	195,528	309,898	300,469	385,101	474,312
<b>Total Operating Income</b>	<b>2,157,957</b>	<b>2,586,743</b>	<b>2,911,212</b>	<b>3,523,963</b>	<b>3,743,391</b>	<b>4,057,999</b>
Employees Expenses	414,984	517,591	634,229	682,978	713,829	897,135
Other Operating Expenses	471,102	582,210	714,436	852,112	966,119	1,067,735
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>1,271,871</b>	<b>1,486,942</b>	<b>1,562,547</b>	<b>1,988,873</b>	<b>2,063,443</b>	<b>2,093,129</b>
Provisions for possible losses	692,640	471,729	505,491	842,900	1,080,863	1,413,568
<b>Operating Profit</b>	<b>579,231</b>	<b>1,015,213</b>	<b>1,057,056</b>	<b>1,145,973</b>	<b>982,580</b>	<b>679,561</b>
Non-Operating Income/ Expenses	12,382	15,856	8,006	5,999	17,487	23,209
Return From Loan Loss Provision	265,542	228,146	859,976	369,393	774,565	895,300
<b>Profit From Ordinary activities</b>	<b>857,155</b>	<b>1,259,215</b>	<b>1,925,038</b>	<b>1,521,365</b>	<b>1,774,632</b>	<b>1,598,070</b>
Extra ordinary Income /Expenses	(25,855)	102,292	(397,038)	(7,004)	8,645	2,301
<b>Net Profit including all activities</b>	<b>831,300</b>	<b>1,361,507</b>	<b>1,528,000</b>	<b>1,514,361</b>	<b>1,783,277</b>	<b>1,600,371</b>
Provision For Staff Bonus	75,573	123,773	138,909	137,669	162,116	145,488
Provision For Income Tax	246,929	344,619	430,453	432,995	662,053	342,596
-This Year			450,548	471,706	645,799	350,763
-Up to Last Year			378	802	852	7,245
Deferred Tax			(20,473)	(39,513)	15,401	(15,412)
<b>Net Profit / Loss</b>	<b>508,798</b>	<b>893,115</b>	<b>958,638</b>	<b>943,697</b>	<b>959,108</b>	<b>1,112,287</b>

## 7. Nepal SBI Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,861,324	2,102,966	2,355,739	2,650,206	3,049,083	3,883,735
Reserves and Surplus	589,230	776,327	841,720	1,148,752	1,486,715	1,762,179
Debtenture & Bond	200,000	200,000	600,000	800,000	1,000,000	1,000,000
Borrowing	0	0	0	0	0	0
Deposit	34,896,424	42,415,443	53,337,264	59,125,729	54,492,994	51,628,222
Bills Payable	72,368	80,685	78,616	165,355	156,367	178,343
Proposed & Payable dividend	83,080	93,465	104,699	176,680	186,143	43,457
Tax Liabilities	0	0	3,469	0	0	0
Other Liabilities	345,253	419,347	738,200	729,430	711,670	781,354
<b>Total Liabilities</b>	<b>38,047,679</b>	<b>46,088,233</b>	<b>58,059,707</b>	<b>64,796,152</b>	<b>61,082,972</b>	<b>59,277,290</b>
Cash Balance	815,680	1,007,688	1,186,755	1,239,453	1,527,028	1,753,912
Balance With NRB	1,842,802	2,330,927	3,269,610	4,957,064	3,890,989	4,662,434
Bank Balance with Banks	782,780	1,539,210	1,052,018	1,516,886	1,236,953	2,019,401
Money At call	0	0	178,250	138,925	0	0
Investment	16,305,633	18,911,021	24,463,452	25,906,120	17,722,396	9,319,698
Loan and Advances	17,480,548	21,365,771	26,142,094	28,788,146	35,279,583	39,979,173
Fixed Assets	418,244	417,003	715,921	661,589	607,447	630,012
Non- Banking Assets	0	0	0	0	0	0
Other Assets	401,992	516,613	1,051,609	1,587,968	818,576	912,660
<b>Total Assets</b>	<b>38,047,679</b>	<b>46,088,233</b>	<b>58,059,709</b>	<b>64,796,151</b>	<b>61,082,972</b>	<b>59,277,290</b>
Interest Income	2,269,704	3,104,232	3,769,483	4,110,514	3,976,647	3,821,326
Interest Expenses	1,443,693	2,096,038	2,770,799	2,486,979	2,231,604	1,773,842
<b>Net Interest Income</b>	<b>826,011</b>	<b>1,008,194</b>	<b>998,684</b>	<b>1,623,535</b>	<b>1,745,043</b>	<b>2,047,484</b>
Commission and discount	131,692	247,165	255,352	313,697	320,425	340,354
Other Operating Income	78,796	95,172	141,762	157,756	217,267	307,691
Exchange Income	70,328	70,532	101,138	101,915	107,807	119,469
<b>Total Operating Income</b>	<b>1,106,827</b>	<b>1,421,063</b>	<b>1,496,936</b>	<b>2,196,903</b>	<b>2,390,542</b>	<b>2,814,998</b>
Employees Expenses	130,336	255,430	289,153	416,560	443,077	552,231
Other Operating Expenses	343,850	445,072	456,126	477,247	506,029	515,793
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>632,641</b>	<b>720,561</b>	<b>751,657</b>	<b>1,303,096</b>	<b>1,441,436</b>	<b>1,746,974</b>
Provisions for possible losses	62,350	46,308	78,012	128,041	82,967	116,641
<b>Operating Profit</b>	<b>570,291</b>	<b>674,253</b>	<b>673,645</b>	<b>1,175,055</b>	<b>1,358,469</b>	<b>1,630,333</b>
Non-Operating Income/ Expenses	2,552	3,113	2,183	(287)	8,728	10,709
Return From Loan Loss Provision	56,621	179,122	91,695	43,861	71,810	52,123
<b>Profit From Ordinary activities</b>	<b>629,464</b>	<b>856,488</b>	<b>767,523</b>	<b>1,218,629</b>	<b>1,439,007</b>	<b>1,693,165</b>
Extra ordinary Income /Expenses	(37,266)	(137,673)	(12,204)	2,326	4,132	20,040
<b>Net Profit including all activities</b>	<b>592,198</b>	<b>718,815</b>	<b>755,319</b>	<b>1,220,955</b>	<b>1,443,139</b>	<b>1,713,205</b>
Provision For Staff Bonus	53,836	65,346	68,665	110,996	131,194	155,746
Provision For Income Tax	146,620	188,904	206,549	338,488	388,961	492,023
-This Year			229,052	363,530	406,083	503,887
-Up to Last Year			730	565	0	22,992
Deferred Tax			(23,233)	(25,608)	(17,122)	(34,856)
<b>Net Profit / Loss</b>	<b>391,742</b>	<b>464,565</b>	<b>480,105</b>	<b>771,471</b>	<b>922,984</b>	<b>1,065,436</b>

## 8. Nepal Bangladesh Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,860,315	2,009,396	2,009,396	2,210,335	2,431,369	3,039,211
Reserves and Surplus	273,257	241,779	944,571	1,363,081	1,678,870	1,853,012
Debenture & Bond	0	0	0	0	0	0
Borrowing	0	0	0	0	0	176,000
Deposit	10,052,182	11,511,677	16,952,703	17,845,158	25,706,915	33,832,696
Bills Payable	15,401	14,125	27,930	17,185	6,107	14,295
Proposed & Payable dividend	0	0	0	158,636	423,876	31,992
Tax Liabilities	0	0	0	0	0	0
Other Liabilities	329,886	227,783	235,156	207,406	626,475	536,366
<b>Total Liabilities</b>	<b>12,531,041</b>	<b>14,004,760</b>	<b>20,169,756</b>	<b>21,801,801</b>	<b>30,873,612</b>	<b>39,483,572</b>
Cash Balance	422,008	533,056	569,916	852,421	965,973	948,357
Balance With NRB	1,423,257	1,563,169	4,093,782	3,748,408	6,436,850	5,702,205
Bank Balance with Banks	213,033	368,700	346,494	497,549	691,728	726,541
Money At call	0	0	0	0	50,000	0
Investment	2,112,751	2,378,269	3,868,950	3,104,021	3,020,117	5,754,939
Loan and Advances	7,809,544	8,452,739	10,330,076	12,810,147	18,640,712	25,330,818
Fixed Assets	155,327	307,504	227,990	203,201	317,956	207,432
Non- Banking Assets	0	0	0	0	0	0
Other Assets	395,121	401,323	732,548	586,054	750,276	813,280
<b>Total Assets</b>	<b>12,531,041</b>	<b>14,004,760</b>	<b>20,169,756</b>	<b>21,801,801</b>	<b>30,873,612</b>	<b>39,483,572</b>
Interest Income	1,167,627	1,436,676	1,529,045	1,623,290	2,032,467	2,351,305
Interest Expenses	476,787	745,222	1,037,815	937,066	1,179,941	1,261,070
<b>Net Interest Income</b>	<b>690,840</b>	<b>691,454</b>	<b>491,230</b>	<b>686,224</b>	<b>852,526</b>	<b>1,090,235</b>
Commission and discount	145,796	159,036	198,340	222,617	303,946	385,982
Other Operating Income	50,496	52,865	53,563	83,585	146,622	160,868
Exchange Income	49,840	59,726	63,717	61,879	91,724	113,376
<b>Total Operating Income</b>	<b>936,972</b>	<b>963,081</b>	<b>806,850</b>	<b>1,054,305</b>	<b>1,394,818</b>	<b>1,750,461</b>
Employees Expenses	146,641	181,098	201,430	237,792	314,699	331,920
Other Operating Expenses	128,766	140,402	165,457	196,224	233,560	303,798
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>661,565</b>	<b>641,581</b>	<b>439,963</b>	<b>620,289</b>	<b>846,559</b>	<b>1,114,743</b>
Provisions for possible losses	148,389	217,768	70,965	66,302	84,136	89,908
<b>Operating Profit</b>	<b>513,176</b>	<b>423,813</b>	<b>368,998</b>	<b>553,987</b>	<b>762,423</b>	<b>1,024,835</b>
Non-Operating Income/ Expenses	18,384	24,444	74,580	13,738	(13,177)	1,771
Return From Loan Loss Provision	1,318,048	323,614	1,364,306	326,114	81,627	113,812
<b>Profit From Ordinary activities</b>	<b>1,849,608</b>	<b>771,871</b>	<b>1,807,884</b>	<b>893,839</b>	<b>830,873</b>	<b>1,140,418</b>
Extra ordinary Income /Expenses	(523,481)	(714,889)	(775,179)	138,473	148,267	24,499
<b>Net Profit including all activities</b>	<b>1,326,127</b>	<b>56,982</b>	<b>1,032,705</b>	<b>1,032,312</b>	<b>979,140</b>	<b>1,164,917</b>
Provision For Staff Bonus	120,557	5,180	93,882	93,847	89,012	105,902
Provision For Income Tax	184,190	189,959	129,355	159,822	147,785	245,039
-This Year		198,200	150,350	203,576	210,047	244,814
-Up to Last Year		(896)	(1,524)	(9,469)	1,057	225
Deferred Tax		(7,345)	(19,471)	(34,285)	(63,318)	0
<b>Net Profit / Loss</b>	<b>1,021,380</b>	<b>(138,157)</b>	<b>809,468</b>	<b>778,643</b>	<b>742,343</b>	<b>813,976</b>

**9. Everest Bank Limited**

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,279,607	1,391,570	1,761,126	1,921,239	2,137,388	2,742,604
Reserves and Surplus	1,479,530	1,721,976	2,416,176	2,906,605	3,319,760	4,147,773
Debtenture & Bond	300,000	300,000	0	468,845	468,845	1,068,845
Borrowing	404,600	482,000	0	402,360	0	0
Deposit	36,932,310	41,127,914	50,006,100	57,720,465	62,108,136	83,093,790
Bills Payable	145,514	49,716	692,399	393,057	370,578	349,530
Proposed & Payable dividend	276,253	576,898	30,647	820,190	920,396	141,123
Tax Liabilities	(1,136)	26,900	9,297	23,932	0	0
Other Liabilities	566,082	559,238	897,383	1,084,457	1,119,980	7,609,141
<b>Total Liabilities</b>	<b>41,382,760</b>	<b>46,236,212</b>	<b>55,813,128</b>	<b>65,741,150</b>	<b>70,445,083</b>	<b>99,152,806</b>
Cash Balance	1,091,500	1,048,999	1,700,992	1,723,209	2,050,029	2,065,608
Balance With NRB	5,625,114	4,706,320	8,159,753	8,205,090	9,446,922	17,126,156
Bank Balance with Banks	1,102,200	367,544	502,561	1,287,495	1,675,832	5,924,719
Money At call	0	0	0	0	0	0
Investment	5,008,308	7,743,928	7,863,627	9,263,858	6,504,186	15,102,674
Loan and Advances	27,556,356	31,057,691	35,910,974	43,393,187	47,572,024	54,482,465
Fixed Assets	463,094	460,259	547,926	631,183	626,994	630,397
Non- Banking Assets	0	0	0	0	0	0
Other Assets	536,188	851,471	1,127,295	1,237,128	2,569,096	3,820,787
<b>Total Assets</b>	<b>41,382,760</b>	<b>46,236,212</b>	<b>55,813,128</b>	<b>65,741,150</b>	<b>70,445,083</b>	<b>99,152,806</b>
Interest Income	3,102,451	4,331,026	4,959,998	4,936,924	5,177,552	4,996,428
Interest Expenses	1,572,790	2,535,876	2,873,335	2,179,182	2,258,737	2,116,993
<b>Net Interest Income</b>	<b>1,529,661</b>	<b>1,795,150</b>	<b>2,086,663</b>	<b>2,757,742</b>	<b>2,918,815</b>	<b>2,879,435</b>
Commission and discount	208,123	203,468	233,570	266,821	254,882	303,619
Other Operating Income	142,311	148,062	179,822	249,385	309,475	389,007
Exchange Income	47,880	46,259	109,679	98,905	67,028	87,273
<b>Total Operating Income</b>	<b>1,927,975</b>	<b>2,192,939</b>	<b>2,609,734</b>	<b>3,372,853</b>	<b>3,550,200</b>	<b>3,659,334</b>
Employees Expenses	226,364	293,130	352,050	461,809	511,864	687,510
Other Operating Expenses	352,511	383,112	467,293	509,488	544,296	555,221
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>1,349,100</b>	<b>1,516,697</b>	<b>1,790,391</b>	<b>2,401,556</b>	<b>2,494,040</b>	<b>2,416,603</b>
Provisions for possible losses	77,010	98,299	252,054	98,807	155,974	163,963
<b>Operating Profit</b>	<b>1,272,090</b>	<b>1,418,398</b>	<b>1,538,337</b>	<b>2,302,749</b>	<b>2,338,066</b>	<b>2,252,640</b>
Non-Operating Income/ Expenses	12,338	1,433	25,156	8,337	9,934	12,484
Return From Loan Loss Provision	83,553	56,337	150,349	88	89,725	207,120
<b>Profit From Ordinary activities</b>	<b>1,367,981</b>	<b>1,476,168</b>	<b>1,713,842</b>	<b>2,311,174</b>	<b>2,437,725</b>	<b>2,472,244</b>
Extra ordinary Income /Expenses	(61,192)	(12,051)	0	(88)	(20)	0
<b>Net Profit including all activities</b>	<b>1,306,789</b>	<b>1,464,117</b>	<b>1,713,842</b>	<b>2,311,086</b>	<b>2,437,705</b>	<b>2,472,244</b>
Provision For Staff Bonus	118,799	133,101	155,804	210,099	221,609	224,750
Provision For Income Tax	356,225	596,310	467,475	629,869	666,398	673,142
-This Year			478,356	655,436	671,340	648,767
-Up to Last Year			0	107	2,173	0
Deferred Tax			(10,881)	(25,674)	(7,115)	24,375
<b>Net Profit / Loss</b>	<b>831,765</b>	<b>734,706</b>	<b>1,090,563</b>	<b>1,471,118</b>	<b>1,549,698</b>	<b>1,574,352</b>

**10. Bank of Kathmandu Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	1,359,480	1,604,187	1,684,396	1,920,212	2,120,212	2,671,468
Reserves and Surplus	714,049	831,001	1,016,441	1,384,431	1,428,346	1,182,647
Debtenture & Bond	200,000	200,000	200,000	400,000	400,000	1,000,000
Borrowing	300,000	464,900	182,900	639,323	136,000	131,000
Deposit	20,315,834	21,018,417	24,991,449	27,700,987	34,115,672	39,456,587
Bills Payable	35,702	19,051	28,144	28,761	22,487	42,475
Proposed & Payable dividend	177,324	227,713	342,013	12,411	10,526	29,013
Tax Liabilities		0	0	0	0	0
Other Liabilities	293,802	392,481	436,653	459,487	800,822	456,868
<b>Total Liabilities</b>	<b>23,396,191</b>	<b>24,757,750</b>	<b>28,881,996</b>	<b>32,545,612</b>	<b>39,034,065</b>	<b>44,970,058</b>
Cash Balance	455,181	542,371	750,870	813,492	934,366	962,745
Balance With NRB	687,582	641,694	1,970,840	2,219,214	2,828,232	3,299,135
Bank Balance with Banks	655,604	494,866	660,999	1,257,895	1,235,238	1,408,496
Money At call	931,988	479,920	518,623	0	0	13,658
Investment	3,269,205	4,286,599	5,246,683	4,757,870	4,579,798	6,027,026
Loan and Advances	16,664,931	17,468,194	18,813,937	22,555,919	28,304,225	31,894,060
Fixed Assets	491,295	501,995	545,617	560,016	566,830	574,165
Non- Banking Assets		0	0	0	0	0
Other Assets	240,405	342,111	374,427	381,206	585,376	790,773
<b>Total Assets</b>	<b>23,396,191</b>	<b>24,757,750</b>	<b>28,881,996</b>	<b>32,545,612</b>	<b>39,034,065</b>	<b>44,970,058</b>
Interest Income	1,870,847	2,386,780	2,620,894	2,450,143	2,609,428	2,844,855
Interest Expenses	902,927	1,218,790	1,484,538	1,219,400	1,390,497	1,463,506
<b>Net Interest Income</b>	<b>967,920</b>	<b>1,167,990</b>	<b>1,136,356</b>	<b>1,230,743</b>	<b>1,218,931</b>	<b>1,381,349</b>
Commission and discount	160,065	173,508	193,413	205,862	222,902	265,339
Other Operating Income	73,925	79,726	67,803	68,131	65,872	65,446
Exchange Income	140,785	117,098	137,740	125,715	145,823	161,925
<b>Total Operating Income</b>	<b>1,342,695</b>	<b>1,538,322</b>	<b>1,535,312</b>	<b>1,630,451</b>	<b>1,653,528</b>	<b>1,874,059</b>
Employees Expenses	168,513	196,170	248,506	286,344	382,057	407,403
Other Operating Expenses	294,457	285,992	308,128	341,866	376,084	393,838
Exchange Loss		0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>879,725</b>	<b>1,056,160</b>	<b>978,678</b>	<b>1,002,241</b>	<b>895,387</b>	<b>1,072,818</b>
Provisions for possible losses	119,401	152,748	95,537	112,274	531,922	941,260
<b>Operating Profit</b>	<b>760,324</b>	<b>903,412</b>	<b>883,141</b>	<b>889,967</b>	<b>363,465</b>	<b>131,558</b>
Non-Operating Income/ Expenses	2,918	5,464	3,301	9,818	8,563	4,554
Return From Loan Loss Provision	41,818	43,359	77,685	127,422	43,836	420,271
<b>Profit From Ordinary activities</b>	<b>805,060</b>	<b>952,235</b>	<b>964,127</b>	<b>1,027,207</b>	<b>415,864</b>	<b>556,383</b>
Extra ordinary Income /Expenses		(675)	0	54,462	0	14,456
<b>Net Profit including all activities</b>	<b>805,060</b>	<b>951,560</b>	<b>964,127</b>	<b>972,745</b>	<b>415,864</b>	<b>570,839</b>
Provision For Staff Bonus	73,187	86,505	87,648	88,431	37,806	49,266
Provision For Income Tax	222,610	259,903	268,817	267,224	123,617	158,092
-This Year			266,022	269,699	242,632	34,966
-Up to Last Year			840	3,778	4,503	4,946
Deferred Tax			1,955	(6,253)	(123,518)	118,180
<b>Net Profit / Loss</b>	<b>509,263</b>	<b>605,152</b>	<b>607,662</b>	<b>617,090</b>	<b>254,441</b>	<b>363,481</b>

**11. Nepal Credit and Commerce Bank Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	1,399,671	1,400,000	1,470,000	1,470,000	2,028,600	2,353,176
Reserves and Surplus	123,036	344,241	452,582	809,615	598,280	607,891
Debenture & Bond	0		0	0	0	0
Borrowing	206,900	374,800	0	651,300	0	0
Deposit	10,824,692	10,951,432	16,485,357	21,651,267	22,256,871	26,661,130
Bills Payable	30,652	8,558	14,103	13,573	6,795	3,883
Proposed & Payable dividend	0		3,684	0	29,400	17,083
Tax Liabilities	0	21,138	0	8,140	0	0
Other Liabilities	176,121	164,686	168,967	311,119	303,900	296,624
<b>Total Liabilities</b>	<b>12,761,072</b>	<b>13,264,855</b>	<b>18,594,693</b>	<b>24,915,014</b>	<b>25,223,846</b>	<b>29,939,787</b>
Cash Balance	517,662	420,536	647,208	741,900	714,256	710,924
Balance With NRB	1,483,099	1,071,726	1,339,822	3,208,178	1,781,909	3,390,928
Bank Balance with Banks	195,585	243,605	295,202	392,588	396,326	675,814
Money At call	99,951	80,295	107,756	276,543	406,112	569,717
Investment	1,947,614	2,061,348	3,080,778	4,094,445	3,588,618	2,841,246
Loan and Advances	7,994,718	8,835,194	12,443,109	15,450,752	17,266,570	20,832,232
Fixed Assets	284,166	310,144	343,224	422,249	422,138	417,189
Non- Banking Assets	0		0	0	0	0
Other Assets	238,277	242,007	337,594	328,359	647,917	501,737
<b>Total Assets</b>	<b>12,761,072</b>	<b>13,264,855</b>	<b>18,594,693</b>	<b>24,915,014</b>	<b>25,223,846</b>	<b>29,939,787</b>
Interest Income	1,042,243	1,342,865	1,519,163	1,968,137	2,081,839	1,935,407
Interest Expenses	580,165	873,283	1,050,295	1,155,267	1,298,296	1,131,520
<b>Net Interest Income</b>	<b>462,078</b>	<b>469,582</b>	<b>468,868</b>	<b>812,870</b>	<b>783,543</b>	<b>803,887</b>
Commission and discount	52,666	49,223	55,621	74,128	86,139	105,338
Other Operating Income	59,021	49,484	67,232	85,919	80,862	80,096
Exchange Income	18,767	10,343	17,552	4,615	10,266	24,685
<b>Total Operating Income</b>	<b>592,532</b>	<b>578,632</b>	<b>609,273</b>	<b>977,532</b>	<b>960,810</b>	<b>1,014,006</b>
Employees Expenses	105,112	108,314	146,304	148,295	231,168	216,155
Other Operating Expenses	111,353	122,297	156,697	176,423	204,327	223,901
Exchange Loss	0		0	0	0	0
<b>Operating Profit Before Provision</b>	<b>376,067</b>	<b>348,021</b>	<b>306,272</b>	<b>652,814</b>	<b>525,315</b>	<b>573,950</b>
Provisions for possible losses	121,088	67,031	178,910	225,421	186,666	86,178
<b>Operating Profit</b>	<b>254,979</b>	<b>280,990</b>	<b>127,362</b>	<b>427,393</b>	<b>338,649</b>	<b>487,772</b>
Non-Operating Income/ Expenses	65,199	10,683	(13,103)	3,407	18,071	31,078
Return From Loan Loss Provision	240,083	69,959	171,320	88,177	186,551	108,081
<b>Profit From Ordinary activities</b>	<b>560,261</b>	<b>361,632</b>	<b>285,579</b>	<b>518,977</b>	<b>543,271</b>	<b>626,931</b>
Extra ordinary Income /Expenses	12,022	(11,680)	(22,558)	20,226	2,992	4,528
<b>Net Profit including all activities</b>	<b>572,283</b>	<b>349,952</b>	<b>263,021</b>	<b>539,203</b>	<b>546,263</b>	<b>631,459</b>
Provision For Staff Bonus	52,026	31,814	23,911	47,883	49,660	57,405
Provision For Income Tax	96,484	97,256	61,489	136,492	104,490	225,800
-This Year		98,492	67,512	141,393	116,176	166,401
-Up to Last Year			0	0	2,273	29,483
Deferred Tax		(1,236)	(6,023)	(4,901)	(13,960)	29,916
<b>Net Profit / Loss</b>	<b>423,773</b>	<b>220,882</b>	<b>177,621</b>	<b>354,828</b>	<b>392,113</b>	<b>348,254</b>

**12. Lumbini Bank Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	1,294,548	1,430,000	1,601,600	1,729,728	2,000,787	2,300,958
Reserves and Surplus	161,039	419,169	432,001	446,572	546,614	589,583
Debtenture & Bond	0	0	0	0	0	0
Borrowing	14,972	0	0	48,000	0	0
Deposit	5,767,973	6,772,996	7,668,599	10,816,950	17,252,360	20,282,027
Bills Payable	10,303	6,229	3,631	4,412	13,877	21,720
Proposed & Payable dividend		6,842	9,032	6,743	94,377	0
Tax Liabilities		0	0	0	0	0
Other Liabilities	161,590	193,821	189,032	258,271	235,117	252,113
<b>Total Liabilities</b>	<b>7,410,425</b>	<b>8,829,057</b>	<b>9,903,895</b>	<b>13,310,676</b>	<b>20,143,132</b>	<b>23,446,401</b>
Cash Balance	198,537	293,318	269,881	335,778	464,292	456,657
Balance With NRB	561,335	720,933	1,788,306	2,959,256	4,108,930	2,358,751
Bank Balance with Banks	70,640	85,829	152,426	212,738	735,128	720,294
Money At call	147,709	0	0	0	0	250,000
Investment	1,078,895	1,332,994	538,558	442,003	363,027	2,216,688
Loan and Advances	5,107,264	6,111,977	6,890,212	9,007,731	14,011,589	16,946,095
Fixed Assets	66,622	100,647	113,443	143,791	309,724	295,687
Non- Banking Assets	0	0	0	0	0	0
Other Assets	179,423	183,359	151,069	209,379	150,442	202,229
<b>Total Assets</b>	<b>7,410,425</b>	<b>8,829,057</b>	<b>9,903,895</b>	<b>13,310,676</b>	<b>20,143,132</b>	<b>23,446,401</b>
Interest Income	713,357	942,742	1,039,199	1,078,122	1,297,249	1,593,533
Interest Expenses	336,201	519,079	626,732	582,058	765,160	918,155
<b>Net Interest Income</b>	<b>377,156</b>	<b>423,663</b>	<b>412,467</b>	<b>496,064</b>	<b>532,089</b>	<b>675,378</b>
Commission and discount	18,634	16,193	16,468	20,088	28,670	31,626
Other Operating Income	36,070	16,449	22,599	26,318	43,294	53,626
Exchange Income	16,454	11,232	14,015	12,580	24,908	52,610
<b>Total Operating Income</b>	<b>448,314</b>	<b>467,537</b>	<b>465,549</b>	<b>555,050</b>	<b>628,961</b>	<b>813,240</b>
Employees Expenses	67,357	81,531	82,585	114,198	120,501	130,944
Other Operating Expenses	78,913	115,965	110,666	115,274	125,435	157,144
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>302,044</b>	<b>270,041</b>	<b>272,298</b>	<b>325,578</b>	<b>383,025</b>	<b>525,152</b>
Provisions for possible losses	66,230	44,237	48,092	114,578	147,238	122,689
<b>Operating Profit</b>	<b>235,814</b>	<b>225,804</b>	<b>224,206</b>	<b>211,000</b>	<b>235,787</b>	<b>402,463</b>
Non-Operating Income/ Expenses	1,644	1,622	2,125	1,176	106	6,081
Return From Loan Loss Provision	344,749	382,976	62,178	36,773	134,995	88,565
<b>Profit From Ordinary activities</b>	<b>582,207</b>	<b>610,402</b>	<b>288,509</b>	<b>248,949</b>	<b>370,888</b>	<b>497,109</b>
Extra ordinary Income /Expenses	(72,234)	(96,024)	17,891	(7,572)	1,670	23,463
<b>Net Profit including all activities</b>	<b>509,973</b>	<b>514,378</b>	<b>306,400</b>	<b>241,377</b>	<b>372,558</b>	<b>520,572</b>
Provision For Staff Bonus	46,361	46,761	27,855	21,943	33,869	47,325
Provision For Income Tax	159,547	77,924	85,082	69,803	98,648	130,159
-This Year		51,408	63,018	62,982	89,039	136,866
-Up to Last Year			202	5,015	4,382	1,298
Deferred Tax		26,516	21,862	1,806	5,228	(8,005)
<b>Net Profit / Loss</b>	<b>304,065</b>	<b>389,693</b>	<b>193,463</b>	<b>149,631</b>	<b>240,041</b>	<b>343,088</b>



## 13. NIC Asia Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13*	2013-14	2014-15
Capital	1,311,552	1,311,552	1,311,552	2,311,552	2,658,285	3,695,016
Reserves and Surplus	453,400	686,793	750,685	2,076,624	2,214,747	1,803,768
Debtenture & Bond	200,000	200,000	200,000	0	500,000	500,000
Borrowing	1,723,250	773,300	132,376	204,017	0	0
Deposit	15,968,918	18,394,436	22,111,851	39,908,774	44,984,218	53,477,184
Bills Payable	17,542	17,536	39,263	88,832	46,544	41,018
Proposed & Payable dividend	345,145	262,310	327,888	462,310	346,733	54,565
Tax Liabilities	32,571	4,827	0	0	0	82
Other Liabilities	256,952	439,622	705,913	1,483,115	749,959	947,766
<b>Total Liabilities</b>	<b>20,309,330</b>	<b>22,090,376</b>	<b>25,579,528</b>	<b>46,535,224</b>	<b>51,500,486</b>	<b>60,519,399</b>
Cash Balance	530,610	405,796	609,257	872,895	776,137	1,041,566
Balance With NRB	589,322	817,946	1,659,192	4,222,058	5,186,548	4,762,955
Bank Balance with Banks	966,197	453,314	486,940	587,922	1,220,706	867,992
Money At call	100,000	0	0	9,580	0	0
Investment	4,946,778	4,868,915	3,992,730	6,811,971	6,485,371	10,124,081
Loan and Advances	12,732,014	14,933,940	17,242,307	31,559,518	36,325,070	42,144,337
Fixed Assets	297,192	354,782	405,611	465,190	523,320	566,866
Non- Banking Assets		0	0	0	0	0
Other Assets	147,217	255,683	1,183,491	2,006,190	983,334	1,011,602
<b>Total Assets</b>	<b>20,309,330</b>	<b>22,090,376</b>	<b>25,579,528</b>	<b>46,535,324</b>	<b>51,500,486</b>	<b>60,519,399</b>
Interest Income	1,777,165	2,321,406	2,431,538	2,663,452	3,995,005	3,917,759
Interest Expenses	1,031,474	1,446,635	1,621,809	1,420,129	2,196,783	2,340,288
<b>Net Interest Income</b>	<b>745,691</b>	<b>874,771</b>	<b>809,729</b>	<b>1,243,323</b>	<b>1,798,222</b>	<b>1,577,471</b>
Commission and discount	76,064	99,646	84,009	81,953	143,182	131,624
Other Operating Income	49,345	81,233	70,455	98,326	196,403	266,713
Exchange Income	90,909	68,028	91,506	109,938	101,026	126,403
<b>Total Operating Income</b>	<b>962,009</b>	<b>1,123,678</b>	<b>1,055,699</b>	<b>1,533,540</b>	<b>2,238,833</b>	<b>2,102,211</b>
Employees Expenses	118,858	139,901	179,788	224,467	378,440	421,778
Other Operating Expenses	137,749	187,989	211,293	242,449	385,366	451,821
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>705,402</b>	<b>795,788</b>	<b>664,618</b>	<b>1,066,624</b>	<b>1,475,027</b>	<b>1,228,612</b>
Provisions for possible losses	17,741	34,901	49,309	88,599	259,053	360,378
<b>Operating Profit</b>	<b>687,661</b>	<b>760,887</b>	<b>615,309</b>	<b>978,025</b>	<b>1,215,974</b>	<b>868,234</b>
Non-Operating Income/ Expenses	11,458	16,910	2,070	4,051	7,934	13,413
Return From Loan Loss Provision	56,204	740	0	1,306	134,892	183,073
<b>Profit From Ordinary activities</b>	<b>755,323</b>	<b>778,537</b>	<b>617,379</b>	<b>983,382</b>	<b>1,358,800</b>	<b>1,064,720</b>
Extra ordinary Income /Expenses	-46,204	11	0	0	(50,000)	3,039
<b>Net Profit including all activities</b>	<b>709,119</b>	<b>778,548</b>	<b>617,379</b>	<b>983,382</b>	<b>1,308,800</b>	<b>1,067,759</b>
Provision For Staff Bonus	64,465		56,125	89,398	118,982	97,069
Provision For Income Tax	194,811	70,777	169,473	251,848	358,230	290,373
-This Year		212,068	175,629	256,879	356,802	287,121
-Up to Last Year			-6,748	-5,031	1,427	3,252
Deferred Tax			592	0	0	0
<b>Net Profit / Loss</b>	<b>449,843</b>	<b>707,771</b>	<b>391,781</b>	<b>642,136</b>	<b>831,588</b>	<b>680,317</b>

**14. Machhapuchehre Bank Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	1,627,196	1,627,197	2,478,794	2,478,794	2,776,250	3,484,123
Reserves and Surplus	146,314	146,426	169,282	317,881	459,458	506,852
Debtenture & Bond	0		0	0	0	0
Borrowing	150,000	1,251,242	0	61,017	0	0
Deposit	18,535,917	16,411,426	21,546,397	27,136,655	37,132,093	44,205,637
Bills Payable	15,402	0	31,299	18,581	10,864	13,456
Proposed & Payable dividend	0	0	0	0	15,656	28,055
Tax Liabilities	0		0	0	0	0
Other Liabilities	203,961	789,488	131,482	283,275	329,636	515,372
<b>Total Liabilities</b>	<b>20,678,790</b>	<b>20,225,779</b>	<b>24,357,254</b>	<b>30,296,203</b>	<b>40,723,957</b>	<b>48,753,495</b>
Cash Balance	1,049,327	2,207,561	1,305,790	1,522,360	1,748,529	2,096,963
Balance With NRB	1,094,664	0	3,081,827	2,932,038	3,165,414	4,616,008
Bank Balance with Banks	315,726	0	1,049,619	589,782	1,632,102	1,673,573
Money At call	661,564	307,891	0	0	0	0
Investment	2,096,792	1,409,556	1,705,425	2,415,155	3,461,204	4,479,142
Loan and Advances	14,289,793	14,731,040	15,602,701	21,164,910	29,053,243	34,261,303
Fixed Assets	732,291	725,485	865,179	805,473	777,640	756,195
Non- Banking Assets	0		0	0	0	0
Other Assets	438,633	844,246	746,713	866,485	885,825	870,311
<b>Total Assets</b>	<b>20,678,790</b>	<b>20,225,779</b>	<b>24,357,254</b>	<b>30,296,203</b>	<b>40,723,957</b>	<b>48,753,495</b>
Interest Income	1,688,617	2,080,305	1,926,128	2,429,629	2,836,364	3,109,270
Interest Expenses	1,144,808	1,544,728	1,500,772	1,485,592	1,720,367	1,753,348
<b>Net Interest Income</b>	<b>543,809</b>	<b>535,577</b>	<b>425,356</b>	<b>944,037</b>	<b>1,115,997</b>	<b>1,355,922</b>
Commission and discount	49,904	44,183	45,047	58,876	61,255	91,625
Other Operating Income	60,634	72,406	68,019	148,373	181,018	179,189
Exchange Income	42,695	38,433	51,643	38,189	50,982	79,345
<b>Total Operating Income</b>	<b>697,042</b>	<b>690,599</b>	<b>590,065</b>	<b>1,189,475</b>	<b>1,409,252</b>	<b>1,706,081</b>
Employees Expenses	152,113	164,250	164,951	233,214	279,844	349,634
Other Operating Expenses	223,469	274,325	309,131	366,495	381,329	412,127
Exchange Loss	0		0	2,875	5,184	0
<b>Operating Profit Before Provision</b>	<b>321,460</b>	<b>252,024</b>	<b>115,983</b>	<b>586,891</b>	<b>742,895</b>	<b>944,320</b>
Provisions for possible losses	335,041	337,850	7,471	450,322	170,708	196,758
<b>Operating Profit</b>	<b>(13,581)</b>	<b>(85,826)</b>	<b>108,512</b>	<b>136,569</b>	<b>572,187</b>	<b>747,562</b>
Non-Operating Income/ Expenses	0	98,774	205,052	6,810	18,965	92,001
Return From Loan Loss Provision	117,796	685,546	63,372	270,852	180,746	151,198
<b>Profit From Ordinary activities</b>	<b>104,215</b>	<b>698,494</b>	<b>376,936</b>	<b>414,231</b>	<b>771,898</b>	<b>990,761</b>
Extra ordinary Income /Expenses	9,970	(685,546)	(367,412)	(175,293)	(63,483)	5,770
<b>Net Profit including all activities</b>	<b>114,185</b>	<b>12,948</b>	<b>9,524</b>	<b>238,938</b>	<b>708,415</b>	<b>996,531</b>
Provision For Staff Bonus	10,380	1,177	0	21,721	64,401	90,594
Provision For Income Tax	30,492	3,531	(28,688)	68,617	189,326	289,565
-This Year			61,270	91,804	89,969	222,702
-Up to Last Year			0		96	18,164
Deferred Tax			(89,958)	(23,188)	99,260	48,699
<b>Net Profit / Loss</b>	<b>73,313</b>	<b>8,240</b>	<b>38,212</b>	<b>148,600</b>	<b>454,688</b>	<b>616,372</b>

## 15. Kumari Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,306,016	1,603,800	1,603,800	1,828,332	2,431,682	2,699,167
Reserves and Surplus	479,743	610,037	773,275	828,374	534,924	648,150
Debenture & Bond	400,000	400,000	400,000	0	0	0
Borrowing	429,739	660,925	5,403	0	201,952	328,000
Deposit	17,432,253	16,986,279	21,985,198	25,318,569	27,578,376	33,421,911
Bills Payable	42,313	8,118	20,698	21,348	22,429	32,782
Proposed & Payable dividend	156,816	6,582	112,266	11,817	31,755	14,078
Tax Liabilities	0		0	0	0	0
Other Liabilities	275,594	216,044	230,760	214,129	219,484	230,423
<b>Total Liabilities</b>	<b>20,522,474</b>	<b>20,491,785</b>	<b>25,131,400</b>	<b>28,222,569</b>	<b>31,020,602</b>	<b>37,374,511</b>
Cash Balance	574,066	524,781	584,140	638,770	777,837	829,464
Balance With NRB	1,663,998	526,949	2,862,924	2,537,961	3,829,350	3,349,001
Bank Balance with Banks	485,765	116,794	275,563	230,152	288,499	812,510
Money At call	120,000	451,520	321,243	753,410	507,478	436,881
Investment	2,296,873	3,533,623	2,940,556	4,135,142	3,164,626	4,862,590
Loan and Advances	14,765,912	14,626,074	17,614,349	19,369,318	21,898,115	26,246,038
Fixed Assets	285,638	306,277	277,269	255,865	235,776	259,464
Non- Banking Assets	0		0	0	0	0
Other Assets	330,222	405,767	255,356	301,951	318,921	578,563
<b>Total Assets</b>	<b>20,522,474</b>	<b>20,491,785</b>	<b>25,131,400</b>	<b>28,222,569</b>	<b>31,020,602</b>	<b>37,374,511</b>
Interest Income	1,871,066	2,251,791	2,441,580	2,464,307	2,410,784	2,433,131
Interest Expenses	1,188,918	1,566,551	1,622,492	1,486,281	1,575,312	1,507,365
<b>Net Interest Income</b>	<b>682,148</b>	<b>685,240</b>	<b>819,088</b>	<b>978,026</b>	<b>835,472</b>	<b>925,766</b>
Commission and discount	100,337	99,707	110,865	138,199	188,725	154,635
Other Operating Income	41,614	53,636	48,812	41,862	56,945	47,668
Exchange Income	37,925	36,719	44,206	56,993	85,156	95,251
<b>Total Operating Income</b>	<b>862,024</b>	<b>875,302</b>	<b>1,022,971</b>	<b>1,215,080</b>	<b>1,166,298</b>	<b>1,223,320</b>
Employees Expenses	143,278	168,352	194,295	203,805	221,701	284,257
Other Operating Expenses	217,606	212,938	212,543	230,469	240,121	253,823
Exchange Loss	0		0	0	0	0
<b>Operating Profit Before Provision</b>	<b>501,140</b>	<b>494,012</b>	<b>616,133</b>	<b>780,806</b>	<b>704,476</b>	<b>685,240</b>
Provisions for possible losses	13,078	113,780	187,045	314,619	236,311	284,492
<b>Operating Profit</b>	<b>488,062</b>	<b>380,232</b>	<b>429,088</b>	<b>466,187</b>	<b>468,165</b>	<b>400,748</b>
Non-Operating Income/ Expenses	699	632	3,477	(11,134)	2,540	(7,021)
Return From Loan Loss Provision	14,824	13,788	133	5,258	76,151	228,688
<b>Profit From Ordinary activities</b>	<b>503,585</b>	<b>394,652</b>	<b>432,698</b>	<b>460,311</b>	<b>546,856</b>	<b>622,415</b>
Extra ordinary Income /Expenses	(352)	(342)	0	0	0	0
<b>Net Profit including all activities</b>	<b>503,233</b>	<b>394,310</b>	<b>432,698</b>	<b>460,311</b>	<b>546,856</b>	<b>622,415</b>
Provision For Staff Bonus	45,748	35,846	39,336	41,846	49,714	56,583
Provision For Income Tax	140,943	107,226	117,859	127,016	155,487	171,044
-This Year		100,032	116,808	126,075	148,173	169,027
-Up to Last Year		3,023	0	0	5,298	0
Deferred Tax		4,171	1,051	941	2,014	2,017
<b>Net Profit / Loss</b>	<b>316,542</b>	<b>251,238</b>	<b>275,503</b>	<b>291,449</b>	<b>341,655</b>	<b>394,788</b>

**16. Laxmi Bank Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	1,613,520	1,694,197	1,694,081	1,948,193	2,337,966	2,893,183
Reserves and Surplus	298,810	419,180	606,178	780,190	837,067	1,253,360
Debtenture & Bond	350,000	350,000	350,000	750,000	750,000	750,000
Borrowing	100,000		27,980	0	0	0
Deposit	18,082,958	18,299,627	22,831,843	25,943,598	30,592,046	39,991,815
Bills Payable	5,263	302,100	1,765	2,663	1,890	5,529
Proposed & Payable dividend	209,757	174,099	169,408	0	20,508	0
Tax Liabilities	2,802	4,678	0	0	0	0
Other Liabilities	289,139	316,010	347,273	383,029	379,684	446,274
<b>Total Liabilities</b>	<b>20,952,249</b>	<b>21,559,891</b>	<b>26,028,528</b>	<b>29,807,673</b>	<b>34,919,161</b>	<b>45,340,161</b>
Cash Balance	244,205	356,669	407,789	357,713	503,598	687,822
Balance With NRB	1,219,716	1,866,491	3,845,300	2,871,600	4,339,211	3,943,915
Bank Balance with Banks	376,782	551,432	195,585	236,425	488,386	302,936
Money at call	904,377	50,000	659,488	446,091	721,875	680,505
Investment	3,186,906	3,041,422	3,758,106	5,339,692	4,700,418	6,454,363
Loan and Advances	14,560,110	15,199,848	16,476,630	19,696,054	22,723,847	30,971,338
Fixed Assets	282,349	352,338	308,172	474,612	435,359	501,191
Non- Banking Assets	0		0	0	0	0
Other Assets	177,804	141,691	377,458	385,486	1,006,467	1,798,091
<b>Total Assets</b>	<b>20,952,249</b>	<b>21,559,891</b>	<b>26,028,528</b>	<b>29,807,673</b>	<b>34,919,161</b>	<b>45,340,161</b>
Interest Income	1,787,692	2,233,333	2,289,359	2,387,267	2,489,315	2,577,674
Interest Expenses	1,135,609	1,503,851	1,645,718	1,448,741	1,667,027	1,618,131
<b>Net Interest Income</b>	<b>652,083</b>	<b>729,482</b>	<b>643,641</b>	<b>938,526</b>	<b>822,288</b>	<b>959,543</b>
Commission and discount	46,867	67,796	149,818	140,824	194,606	216,288
Other Operating Income	60,031	69,514	56,391	89,399	103,899	151,053
Exchange Income	47,563	63,128	107,951	117,338	120,185	120,382
<b>Total Operating Income</b>	<b>806,544</b>	<b>929,920</b>	<b>957,801</b>	<b>1,286,087</b>	<b>1,240,978</b>	<b>1,447,266</b>
Employees Expenses	122,405	157,662	178,285	217,395	239,997	272,858
Other Operating Expenses	142,169	169,294	194,842	246,533	265,704	322,380
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>541,970</b>	<b>602,964</b>	<b>584,674</b>	<b>822,159</b>	<b>735,277</b>	<b>852,028</b>
Provisions for possible losses	28,766	13,635	30,808	186,050	73,655	243,945
<b>Operating Profit</b>	<b>513,204</b>	<b>589,329</b>	<b>553,866</b>	<b>636,109</b>	<b>661,622</b>	<b>608,083</b>
Non-Operating Income/ Expenses	1,325	874	5,834	17,420	25,744	23,888
Return From Loan Loss Provision	3,644	798	0	10,187	53,741	15,756
<b>Profit From Ordinary activities</b>	<b>518,173</b>	<b>591,001</b>	<b>559,700</b>	<b>663,716</b>	<b>741,107</b>	<b>647,727</b>
Extra ordinary Income /Expenses	(4,366)	2,348	0	1,200	300	0
<b>Net Profit including all activities</b>	<b>513,807</b>	<b>593,349</b>	<b>559,700</b>	<b>664,916</b>	<b>741,407</b>	<b>647,727</b>
Provision For Staff Bonus	46,710	53,941	50,882	60,079	67,400	58,884
Provision For Income Tax	140,060	164,263	152,427	181,563	199,151	172,647
-This Year		161,482	154,626	186,401	203,567	167,672
-Up to Last Year			0	0	0	222
Deferred Tax		2,781	(2,199)	(4,838)	(4,416)	4,753
<b>Net Profit / Loss</b>	<b>327,037</b>	<b>375,145</b>	<b>356,391</b>	<b>423,274</b>	<b>474,856</b>	<b>416,196</b>

## 17. Siddhartha Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,310,436	1,618,264	1,619,244	1,813,554	2,031,180	2,437,416
Reserves and Surplus	293,106	370,141	564,028	686,421	969,200	1,308,664
Debenture & Bond	227,770	227,770	627,770	931,290	931,290	1,431,290
Borrowing	345,000	45,000	45,000	787,466	106,415	65,000
Deposit	20,197,029	21,575,654	25,948,506	28,383,286	35,414,008	44,740,732
Bills Payable	35,704	2,686	7,721	13,019	104,741	12,751
Proposed & Payable dividend	131,457	200,939	136,357	163,629	202,354	21,381
Tax Liabilities	7,439	15,659	27,470	7,078	0	0
Other Liabilities	254,488	349,759	603,102	905,481	518,564	630,062
<b>Total Liabilities</b>	<b>22,802,429</b>	<b>24,405,872</b>	<b>29,579,198</b>	<b>33,691,224</b>	<b>40,277,752</b>	<b>50,647,296</b>
Cash Balance	326,868	491,249	813,180	761,813	1,121,762	1,155,857
Balance With NRB	1,027,465	1,222,412	2,925,084	2,656,847	5,953,656	3,753,172
Bank Balance With Banks	1,052,277	192,024	553,626	87,208	181,628	198,761
Money At call	699,042	882,781	647,479	1,375,253	1,150,000	1,130,000
Investment	2,452,475	2,537,909	3,393,868	4,468,621	3,327,656	6,641,682
Loan and Advances	16,653,852	18,384,033	20,217,585	23,086,563	27,186,905	36,339,796
Fixed Assets	360,426	368,174	358,713	465,019	440,491	409,852
Non- Banking Assets	0	0	0	0	0	0
Other Assets	230,024	327,290	669,663	789,900	915,654	1,018,176
<b>Total Assets</b>	<b>22,802,429</b>	<b>24,405,872</b>	<b>29,579,198</b>	<b>33,691,224</b>	<b>40,277,752</b>	<b>50,647,296</b>
Interest Income	2,018,291	2,690,294	2,906,265	2,901,914	3,056,286	3,295,250
Interest Expenses	1,406,489	1,925,243	2,048,914	1,741,467	1,708,865	1,859,407
<b>Net Interest Income</b>	<b>611,802</b>	<b>765,051</b>	<b>857,351</b>	<b>1,160,447</b>	<b>1,347,421</b>	<b>1,435,843</b>
Commission and discount	42,758	68,049	108,180	113,067	159,355	187,708
Other Operating Income	50,694	62,252	94,507	189,367	204,085	243,596
Exchange Income	12,168	38,690	115,627	156,644	132,327	142,341
<b>Total Operating Income</b>	<b>717,422</b>	<b>934,042</b>	<b>1,175,665</b>	<b>1,619,525</b>	<b>1,843,188</b>	<b>2,009,488</b>
Employees Expenses	103,680	155,803	173,884	221,530	242,446	328,131
Other Operating Expenses	175,735	265,477	336,340	386,258	436,309	459,807
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>438,007</b>	<b>512,762</b>	<b>665,441</b>	<b>1,011,737</b>	<b>1,164,433</b>	<b>1,221,550</b>
Provisions for possible losses	65,322	42,628	155,526	245,494	423,229	249,086
<b>Operating Profit</b>	<b>372,685</b>	<b>470,133</b>	<b>509,915</b>	<b>766,243</b>	<b>741,204</b>	<b>972,464</b>
Non-Operating Income/ Expenses	10,858	1,433	913	943	93,180	38,853
Return From Loan Loss Provision	0	20,871	8,100	0	266,402	197,952
<b>Profit From Ordinary activities</b>	<b>383,543</b>	<b>492,438</b>	<b>518,928</b>	<b>767,186</b>	<b>1,100,786</b>	<b>1,209,269</b>
Extra ordinary Income /Expenses	0	0	0	(12,794)	(24)	1,003
<b>Net Profit including all activities</b>	<b>383,543</b>	<b>492,438</b>	<b>518,928</b>	<b>754,392</b>	<b>1,100,762</b>	<b>1,210,272</b>
Provision For Staff Bonus	34,868	44,767	47,175	68,784	100,069	110,025
Provision For Income Tax	107,828	136,255	141,297	204,193	300,158	333,167
-This Year		136,140	146,623	214,878	305,439	348,642
-Up to Last Year		2,040	845	755	2,594	1,079
Deferred Tax		1,925	6,171	11,440	7,875	(16,554)
<b>Net Profit / Loss</b>	<b>240,847</b>	<b>311,415</b>	<b>330,456</b>	<b>481,415</b>	<b>700,535</b>	<b>767,080</b>

## 18. Agricultural Development Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	9,437,500	9,474,300	9,474,300	9,636,800	9,636,800	9,860,800
Reserves and Surplus	1,430,001	3,715,179	4,849,278	5,758,292	6,095,575	4,974,144
Debenture & Bond	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	1,840,000
Borrowing	259,562	243,701	927,172	1,138,738	694,385	678,975
Deposit	32,472,569	34,394,627	43,238,985	54,397,147	65,828,329	76,921,301
Bills Payable	0	0	0	0	0	0
Proposed & Payable dividend	276,000	276,000	0	0		0
Tax Liabilities	941,920	1,340,904	2,118,959	0	0	0
Other Liabilities	6,902,674	7,496,652	8,486,106	8,929,324	6,821,446	5,421,125
<b>Total Liabilities</b>	<b>54,020,226</b>	<b>59,241,363</b>	<b>71,394,800</b>	<b>82,160,300</b>	<b>91,376,535</b>	<b>99,696,345</b>
Cash Balance	1,366,731	4,808,954	6,285,176	9,524,004	2,693,406	11,338,838
Balance With NRB	1,759,468	0	0	0	4,005,417	
Bank Balance With Banks	1,035,206	0	0	0	1,949,371	
Money At call	1,611,342	27,289	0	131,524	134,637	142,051
Investment	4,540,084	7,267,285	10,809,005	9,187,848	13,338,543	13,521,192
Loan and Advances	33,876,957	34,459,919	39,393,095	49,770,460	57,505,271	66,601,118
Fixed Assets	968,745	1,022,894	1,442,486	1,433,617	1,454,112	1,230,783
Non- Banking Assets (*Net of Provision)	0	0	0	0	0	0
Other Assets	8,861,693	11,655,022	13,465,038	12,112,847	10,295,778	6,862,363
<b>Total Assets</b>	<b>54,020,226</b>	<b>59,241,363</b>	<b>71,394,800</b>	<b>82,160,300</b>	<b>91,376,535</b>	<b>99,696,345</b>
Interest Income	5,464,857	6,101,187	6,965,836	7,457,743	8,438,021	8,473,369
Interest Expenses	1,507,997	2,116,489	2,850,802	2,846,149	3,845,720	3,256,016
<b>Net Interest Income</b>	<b>3,956,860</b>	<b>3,984,698</b>	<b>4,115,034</b>	<b>4,611,594</b>	<b>4,592,301</b>	<b>5,217,353</b>
Commission and discount	101,727	261,741	120,544	130,144	280,070	264,459
Other Operating Income	318,804	322,224	457,779	545,806	423,282	592,199
Exchange Income	0	0	26,273	(5,441)	131,118	264,620
<b>Total Operating Income</b>	<b>4,377,391</b>	<b>4,568,663</b>	<b>4,719,630</b>	<b>5,282,103</b>	<b>5,426,771</b>	<b>6,338,631</b>
Employees Expenses	2,679,861	2,209,114	2,389,399	2,328,271	3,350,959	2,960,282
Other Operating Expenses	330,022	376,623	491,375	585,369	639,850	733,377
Exchange Loss	5,576	1,268	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>1,361,932</b>	<b>1,981,658</b>	<b>1,838,856</b>	<b>2,368,463</b>	<b>1,435,962</b>	<b>2,644,972</b>
Provisions for possible losses	2,582,234	2,504,031	2,067,858	1,033,438	619,951	930,054
<b>Operating Profit</b>	<b>(1,220,302)</b>	<b>(522,373)</b>	<b>(229,002)</b>	<b>1,335,025</b>	<b>816,011</b>	<b>1,714,918</b>
Non-Operating Income/ Expenses	19,474	105,562	80,300	185,272	151,051	76,240
Return From Loan Loss Provision	2,469,671	2,182,828	2,175,984	1,251,608	615,260	602,387
<b>Profit From Ordinary activities</b>	<b>1,268,843</b>	<b>1,766,017</b>	<b>2,027,282</b>	<b>2,771,905</b>	<b>1,582,322</b>	<b>2,393,545</b>
Extra ordinary Income /Expenses	667,292	367,166	629,152	383,694	576,455	430,540
<b>Net Profit including all activities</b>	<b>1,936,135</b>	<b>2,133,183</b>	<b>2,656,434</b>	<b>3,155,600</b>	<b>2,158,777</b>	<b>2,824,085</b>
Provision For Staff Bonus	143,417	158,013	196,773	233,748	159,909	209,191
Provision For Income Tax	(99,667)	(390,312)	598,630	661,905	489,407	738,704
-This Year		398,984		0	0	
-Up to Last Year				0	0	
Deferred Tax		789,296		0	0	
<b>Net Profit / Loss</b>	<b>1,892,385</b>	<b>2,365,482</b>	<b>1,861,031</b>	<b>2,259,947</b>	<b>1,509,461</b>	<b>1,876,190</b>

## 19. Global IME Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,473,350	1,600,000	2,250,357	2,780,858	4,976,640	6,164,267
Reserves and Surplus	47,672	108,027	286,343	449,930	1,149,657	1,159,226
Debenture & Bond	0	0	400,000	400,000	400,000	400,000
Borrowing	339,160	401,789	87,321	107,043	143,128	103,318
Deposit	15,031,548	15,066,490	26,913,765	34,111,466	52,292,058	60,175,983
Bills Payable	66,632	60,460	17,728	19,571	95,491	71,579
Proposed & Payable dividend	74,258	80,263	218,481	0	165,673	0
Tax Liabilities	0	0	0	2,671	0	0
Other Liabilities	168,795	205,679	490,118	1,146,951	795,560	1,112,115
<b>Total Liabilities</b>	<b>17,201,415</b>	<b>17,522,708</b>	<b>30,664,113</b>	<b>39,018,490</b>	<b>60,018,207</b>	<b>69,186,488</b>
Cash Balance	543,541	522,684	624,420	929,933	1,373,151	1,467,008
Balance With NRB	945,041	808,765	2,249,529	3,190,126	3,923,345	4,751,333
Bank Balance With Banks	945,756	422,997	2,095,395	1,423,922	2,444,360	1,438,499
Money At call	0	0	0	16,085	0	0
Investment	2,270,487	2,920,247	4,247,060	5,548,946	8,680,784	10,717,061
Loan and Advances	11,960,452	12,372,424	20,296,500	26,212,297	41,777,651	48,936,968
Fixed Assets	284,400	231,579	660,515	692,226	821,096	896,819
Non- Banking Assets	0	0	0	0	0	0
Other Assets	251,738	244,012	490,694	1,004,955	997,820	978,800
<b>Total Assets</b>	<b>17,201,415</b>	<b>17,522,708</b>	<b>30,664,113</b>	<b>39,018,490</b>	<b>60,018,207</b>	<b>69,186,488</b>
Interest Income	1,464,978	1,963,603	2,226,134	3,206,646	3,810,202	4,660,874
Interest Expenses	962,010	1,288,051	1,586,556	1,826,785	2,051,802	2,371,094
<b>Net Interest Income</b>	<b>502,968</b>	<b>675,552</b>	<b>639,578</b>	<b>1,379,861</b>	<b>1,758,400</b>	<b>2,289,780</b>
Commission and discount	54,618	67,518	105,040	171,896	215,016	294,209
Other Operating Income	75,488	84,979	120,544	215,796	260,705	381,504
Exchange Income	35,362	30,937	50,541	73,148	138,456	203,128
<b>Total Operating Income</b>	<b>668,436</b>	<b>858,986</b>	<b>915,703</b>	<b>1,840,701</b>	<b>2,372,577</b>	<b>3,168,621</b>
Employees Expenses	100,256	155,004	158,188	289,775	373,877	636,053
Other Operating Expenses	209,346	237,364	304,110	485,076	637,717	743,550
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>358,834</b>	<b>466,618</b>	<b>453,405</b>	<b>1,065,850</b>	<b>1,360,983</b>	<b>1,789,018</b>
Provisions for possible losses	195,065	252,931	132,796	474,397	438,798	548,613
<b>Operating Profit</b>	<b>163,769</b>	<b>213,687</b>	<b>320,609</b>	<b>591,453</b>	<b>922,185</b>	<b>1,240,405</b>
Non-Operating Income/ Expenses	440	(132)	187	-291	49,617	3,790
Return From Loan Loss Provision	0	166,245	217,993	143,339	<b>410,949</b>	472,097
<b>Profit From Ordinary activities</b>	<b>164,209</b>	<b>379,800</b>	<b>538,789</b>	<b>734,501</b>	<b>1,382,751</b>	<b>1,716,292</b>
Extra ordinary Income /Expenses	0	(93,481)	-119,535	-16,908	33,102	(175,476)
<b>Net Profit including all activities</b>	<b>164,209</b>	<b>286,319</b>	<b>419,254</b>	<b>717,593</b>	<b>1,415,853</b>	<b>1,540,816</b>
Provision For Staff Bonus	14,928	26,029	38,114	65,236	128,713	140,074
Provision For Income Tax	76,278	35,312	115,823	203,140	313,103	440,134
-This Year			126,734	219,704	366,656	415,362
-Up to Last Year			0	0	(53,534)	25,279
Deferred Tax			(10,911)	(16,564)	(19)	(507)
<b>Net Profit / Loss</b>	<b>73,003</b>	<b>224,978</b>	<b>265,317</b>	<b>449,217</b>	<b>974,037</b>	<b>960,608</b>

## 20. Citizens Bank International Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,206,950	2,040,000	2,101,840	2,101,840	2,375,079	3,065,234
Reserves and Surplus	101,319	132,119	179,916	277,885	377,734	674,649
Debtenture & Bond		0	0	0	500,000	500,000
Borrowing	651,151	805,000	88,250	336,175	457,245	902,000
Deposit	14,214,482	13,478,333	17,354,534	22,743,104	27,963,455	35,782,149
Bills Payable	2,430	3,782	1,434	3,802	4,204	15,526
Proposed & Payable dividend	126,316	170,526	176,997	315,276	125,004	26,888
Tax Liabilities		0	6,523	25,145	0	0
Other Liabilities	214,237	185,277	159,015	176,283	418,897	526,671
<b>Total Liabilities</b>	<b>16,516,885</b>	<b>16,815,037</b>	<b>20,068,509</b>	<b>25,979,510</b>	<b>32,221,618</b>	<b>41,493,117</b>
Cash Balance	626,708	831,453	692,282	784,311	1,046,350	1,462,490
Balance With NRB	1,596,432	492,519	2,635,233	2,922,825	3,828,393	2,850,444
Bank Balance with Banks	222,478	181,563	442,358	874,149	998,547	1,372,995
Money At call	234,981	226,837	21,100	243,756	121,251	95,424
Investment	2,680,168	2,401,437	1,529,903	2,719,991	2,710,414	5,667,851
Loan and Advances	10,785,658	12,271,826	14,129,603	17,561,946	22,485,420	28,480,535
Fixed Assets	163,856	192,066	324,345	554,867	587,556	907,013
Non- Banking Assets		0	0	0	0	0
Other Assets	206,604	217,336	293,683	317,665	443,687	656,365
<b>Total Assets</b>	<b>16,516,885</b>	<b>16,815,037</b>	<b>20,068,507</b>	<b>25,979,510</b>	<b>32,221,618</b>	<b>41,493,117</b>
Interest Income	1,398,830	1,795,232	1,980,319	2,211,981	2,455,752	2,766,920
Interest Expenses	950,898	1,236,322	1,405,859	1,176,910	1,382,626	1,498,517
<b>Net Interest Income</b>	<b>447,932</b>	<b>558,910</b>	<b>574,460</b>	<b>1,035,071</b>	<b>1,073,126</b>	<b>1,268,403</b>
Commission and discount	25,135	32,533	40,360	52,569	54,742	62,457
Other Operating Income	67,846	65,121	71,927	134,436	206,170	181,212
Exchange Income	15,275	13,282	23,092	55,079	80,029	98,668
<b>Total Operating Income</b>	<b>556,188</b>	<b>669,846</b>	<b>709,839</b>	<b>1,277,155</b>	<b>1,414,067</b>	<b>1,610,740</b>
Employees Expenses	63,465	81,689	108,813	144,435	165,568	247,880
Other Operating Expenses	131,632	179,151	212,723	245,299	268,855	334,468
Exchange Loss		0	0	27,908	4,195	0
<b>Operating Profit Before Provision</b>	<b>361,091</b>	<b>409,006</b>	<b>388,303</b>	<b>859,513</b>	<b>975,449</b>	<b>1,028,392</b>
Provisions for possible losses	57,124	103,368	122,822	291,988	560,524	235,883
<b>Operating Profit</b>	<b>303,967</b>	<b>305,638</b>	<b>265,481</b>	<b>567,525</b>	<b>414,925</b>	<b>792,509</b>
Non-Operating Income/ Expenses	1,173	6,730	10,470	10,300	190	45,929
Return From Loan Loss Provision		0	79,437	131,204	316,124	237,398
<b>Profit From Ordinary activities</b>	<b>305,140</b>	<b>312,368</b>	<b>355,388</b>	<b>709,029</b>	<b>731,239</b>	<b>1,075,836</b>
Extra ordinary Income /Expenses	0	0	0	(82,006)	7,422	47,608
<b>Net Profit including all activities</b>	<b>305,140</b>	<b>312,368</b>	<b>355,388</b>	<b>627,023</b>	<b>738,661</b>	<b>1,123,444</b>
Provision For Staff Bonus	27,740	28,397	32,308	57,002	67,151	102,131
Provision For Income Tax	83,839	85,617	98,285	156,775	173,417	301,004
-This Year			100,834	176,242	167,901	146,447
-Up to Last Year			403	(9)	0	1,204
Deferred Tax			(2,952)	(19,458)	5,516	153,353
<b>Net Profit / Loss</b>	<b>193,561</b>	<b>198,354</b>	<b>224,795</b>	<b>413,246</b>	<b>498,093</b>	<b>720,309</b>



## 21. Prime Commercial Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,373,755	2,245,746	2,335,576	2,574,446	3,140,053	3,705,262
Reserves and Surplus	164,645	241,112	250,527	377,033	476,894	627,527
Debenture & Bond	0	0	0	0	0	0
Borrowing	448,800	213,120	22,050	220,349	0	0
Deposit	17,883,518	18,938,903	23,990,953	28,798,028	34,045,263	41,005,754
Bills Payable	29,425	17,159	72,361	10,856	63,930	79,843
Proposed & Payable dividend	115,789	283,673	170,204	117,020	26,387	29,748
Tax Liabilities	4,889	14,603	0	0	0	0
Other Liabilities	198,008	131,786	316,305	311,452	278,437	352,758
<b>Total Liabilities</b>	<b>20,218,829</b>	<b>22,086,102</b>	<b>27,157,976</b>	<b>32,409,184</b>	<b>38,030,964</b>	<b>45,800,892</b>
Cash Balance	761,017	905,065	1,277,679	1,627,642	1,495,869	1,587,848
Balance With NRB	2,035,518	1,735,542	3,909,187	3,055,234	5,540,194	4,276,505
Bank Balance with Banks	711,944	285,218	406,083	759,098	232,296	758,521
Money At call	453,826	604,869	144,144	368,753	48,224	48,224
Investment	2,038,603	1,366,046	2,020,930	4,894,964	2,959,513	5,743,071
Loan and Advances	13,946,600	16,894,719	18,902,472	21,226,688	27,104,418	32,616,506
Fixed Assets	162,574	180,786	189,647	182,703	157,538	376,644
Non- Banking Assets	0	0	0	0	0	8,233
Other Assets	108,747	113,857	307,834	294,102	492,912	385,340
<b>Total Assets</b>	<b>20,218,829</b>	<b>22,086,102</b>	<b>27,157,976</b>	<b>32,409,184</b>	<b>38,030,964</b>	<b>45,800,892</b>
Interest Income	1,749,859	2,477,093	2,773,635	2,786,218	2,871,169	3,242,635
Interest Expenses	1,193,075	1,780,463	2,057,205	1,744,271	1,811,203	1,854,852
<b>Net Interest Income</b>	<b>556,784</b>	<b>696,630</b>	<b>716,430</b>	<b>1,041,947</b>	<b>1,059,966</b>	<b>1,387,783</b>
Commission and discount	25,662	46,341	54,490	80,114	71,049	103,924
Other Operating Income	129,949	105,375	121,275	140,437	241,470	256,920
Exchange Income	21,772	15,471	15,116	0	36,165	74,148
<b>Total Operating Income</b>	<b>734,167</b>	<b>863,817</b>	<b>907,311</b>	<b>1,262,498</b>	<b>1,408,650</b>	<b>1,822,775</b>
Employees Expenses	57,518	81,013	91,423	111,096	134,307	175,592
Other Operating Expenses	109,996	152,028	188,286	211,385	230,824	247,775
Exchange Loss	0	0	0	5,784	0	0
<b>Operating Profit Before Provision</b>	<b>566,653</b>	<b>630,776</b>	<b>627,602</b>	<b>934,233</b>	<b>1,043,519</b>	<b>1,399,408</b>
Provisions for possible losses	57,541	61,414	218,382	270,726	309,755	388,440
<b>Operating Profit</b>	<b>509,112</b>	<b>569,362</b>	<b>409,220</b>	<b>663,507</b>	<b>733,764</b>	<b>1,010,968</b>
Non-Operating Income/ Expenses	4,986	0	0	0	4,636	1,588
Return From Loan Loss Provision	21	0	15,830	87,359	131,310	215,682
<b>Profit From Ordinary activities</b>	<b>514,119</b>	<b>569,362</b>	<b>425,050</b>	<b>750,866</b>	<b>869,710</b>	<b>1,228,238</b>
Extra ordinary Income /Expenses	0	0	0	(98)	0	(55,881)
<b>Net Profit including all activities</b>	<b>514,119</b>	<b>569,362</b>	<b>425,050</b>	<b>750,768</b>	<b>869,710</b>	<b>1,172,357</b>
Provision For Staff Bonus	46,738	51,760	38,641	68,252	79,064	106,578
Provision For Income Tax	142,396	157,462	116,961	204,951	237,198	320,191
-This Year		0	130,988	221,759	235,919	324,984
-Up to Last Year	0	0	(1,052)	0	141	150
Deferred Tax			(12,975)	(16,808)	1,137,989	(4,943)
<b>Net Profit / Loss</b>	<b>324,985</b>	<b>360,140</b>	<b>269,448</b>	<b>477,565</b>	<b>553,448</b>	<b>745,588</b>

## 22.Sunrise Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,510,350	2,015,000	2,015,000	2,236,650	2,236,650	2,972,656
Reserves and Surplus	135,014	131,061	136,202	214,495	461,268	375,317
Debenture & Bond	0		0	0	0	0
Borrowing	150,000		0	0	0	0
Deposit	14,767,030	13,391,714	18,758,999	23,270,603	26,616,667	33,486,669
Bills Payable	8,736	2,700	9,481	15,676	11,823	9,221
Proposed & Payable dividend	125,000	80,600	106,053	11,666	0	27,840
Tax Liabilities	3,632	0	0	0	0	0
Other Liabilities	219,175	229,383	253,273	379,749	334,914	517,111
<b>Total Liabilities</b>	<b>16,918,937</b>	<b>15,850,458</b>	<b>21,279,008</b>	<b>26,128,839</b>	<b>29,661,322</b>	<b>37,388,814</b>
Cash Balance	395,427	587,478	668,363	606,619	862,774	867,651
Balance With NRB	974,460	890,020	3,222,751	3,757,633	4,365,631	1,890,735
Bank Balance with Banks	114,096	426,945	517,176	324,825	698,477	299,721
Money At call	126,090	323,897	100,626	679,557	113,394	0
Investment	2,465,338	1,103,343	1,808,961	2,453,581	3,054,741	7,259,794
Loan and Advances	12,045,228	11,910,059	14,306,651	17,730,592	19,938,326	26,380,083
Fixed Assets	365,088	371,731	348,597	312,767	291,870	309,656
Non- Banking Assets	0		0	0	0	0
Other Assets	433,210	236,985	305,883	261,416	336,109	381,174
<b>Total Assets</b>	<b>16,918,937</b>	<b>15,850,458</b>	<b>21,279,008</b>	<b>26,126,990</b>	<b>29,661,322</b>	<b>37,388,814</b>
Interest Income	1,546,891	1,918,745	2,001,360	2,240,203	2,423,846	2,402,657
Interest Expenses	962,288	1,221,699	1,410,696	1,251,304	1,328,712	1,296,357
<b>Net Interest Income</b>	<b>584,603</b>	<b>697,046</b>	<b>590,664</b>	<b>988,899</b>	<b>1,095,134</b>	<b>1,106,300</b>
Commission and discount	81,651	50,759	70,445	94,943	104,093	119,378
Other Operating Income	8,854	45,995	69,535	124,524	141,288	187,273
Exchange Income	42,783	34,035	38,864	50,511	63,213	80,316
<b>Total Operating Income</b>	<b>717,891</b>	<b>827,836</b>	<b>769,508</b>	<b>1,258,877</b>	<b>1,403,728</b>	<b>1,493,267</b>
Employees Expenses	124,094	140,682	194,357	217,769	263,898	271,911
Other Operating Expenses	199,803	240,267	280,048	330,593	360,549	356,471
Exchange Loss	0		0	0	0	0
<b>Operating Profit Before Provision</b>	<b>393,994</b>	<b>446,887</b>	<b>295,103</b>	<b>710,515</b>	<b>779,281</b>	<b>864,885</b>
Provisions for possible losses	83,093	372,358	289,935	368,269	466,425	458,810
<b>Operating Profit</b>	<b>310,901</b>	<b>74,529</b>	<b>5,168</b>	<b>342,246</b>	<b>312,856</b>	<b>406,075</b>
Non-Operating Income/ Expenses	74	11,494	106	3,566	2,489	2,823
Return From Loan Loss Provision	1,181	233	298,799	209,338	93,542	417,135
<b>Profit From Ordinary activities</b>	<b>312,156</b>	<b>86,256</b>	<b>304,073</b>	<b>555,150</b>	<b>408,887</b>	<b>826,033</b>
Extra ordinary Income /Expenses	0	0	(130,666)	(51,511)	(14,645)	(92,468)
<b>Net Profit including all activities</b>	<b>312,156</b>	<b>86,256</b>	<b>173,407</b>	<b>503,639</b>	<b>394,242</b>	<b>733,565</b>
Provision For Staff Bonus	28,377	7,841	15,764	45,785	35,840	66,688
Provision For Income Tax	79,428	34,175	46,450	146,245	111,629	196,019
-This Year		30,777	47,605	148,647	123,927	189,045
-Up to Last Year		1,969	801	1,312	0	1,899
Deferred tax		1,429	(1,956)	(3,714)	(12,298)	5,075
<b>Net Profit / Loss</b>	<b>204,351</b>	<b>44,239</b>	<b>111,193</b>	<b>311,609</b>	<b>246,773</b>	<b>470,858</b>

**23. Grand Bank Nepal Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14*</b>	<b>2014-15</b>
Capital	1,920,911	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Reserves and Surplus	112,058	117,884	160,656	182,960	(1,423,613)	(1,496,871)
Debtenture & Bond	0		0	0	0	0
Borrowing	0	1,070,000	0	0	0	650,000
Deposit	8,065,183	9,322,535	15,023,186	19,322,277	21,201,233	8,203,351
Bills Payable	2,650	875	575	0	0	21,769
Proposed & Payable dividend	9,191	4,162	140,000	0	0	0
Tax Liabilities	0		0	0	0	0
Other Liabilities	69,405	60,217	87,512	721,552	2,488,583	108,484
<b>Total Liabilities</b>	<b>10,179,398</b>	<b>12,575,673</b>	<b>17,411,929</b>	<b>22,226,789</b>	<b>24,266,203</b>	<b>9,486,733</b>
Cash Balance	135,515	516,203	430,011	551,900	740,103	606,305
Balance With NRB	274,339	514,100	2,419,084	2,893,881	4,836,101	551,869
Bank Balance with Banks	206,630	305,866	428,941	943,248	1,014,020	198,832
Money At call	935,615	0	0	0	0	0
Investment	882,973	1,960,260	2,469,698	2,659,728	1,571,540	269,126
Loan and Advances	7,401,715	8,797,730	11,201,752	14,526,493	15,149,947	6,424,208
Fixed Assets	248,677	322,025	341,037	334,936	535,019	527,104
Non- Banking Assets	0	0	0	0	39,756	0
Other Assets	93,934	159,489	121,406	316,603	379,717	909,289
<b>Total Assets</b>	<b>10,179,398</b>	<b>12,575,673</b>	<b>17,411,929</b>	<b>22,226,789</b>	<b>24,266,203</b>	<b>9,486,733</b>
Interest Income	930,032	1,316,982	1,522,334	1,683,435	1,704,383	1,082,515
Interest Expenses	598,033	949,934	1,122,809	1,164,773	1,319,191	827,481
<b>Net Interest Income</b>	<b>331,999</b>	<b>367,048</b>	<b>399,525</b>	<b>518,662</b>	<b>385,192</b>	<b>255,034</b>
Commission and discount	16,069	14,654	23,122	38,450	42,122	17,326
Other Operating Income	29,023	31,214	48,267	73,278	45,954	10,561
Exchange Income	10,441	8,553	12,460	55,510	72,866	8,725
<b>Total Operating Income</b>	<b>387,532</b>	<b>421,469</b>	<b>483,374</b>	<b>685,900</b>	<b>546,134</b>	<b>291,646</b>
Employees Expenses	65,649	87,616	109,447	113,472	133,408	112,680
Other Operating Expenses	50,592	90,024	107,737	115,517	136,024	129,133
Exchange Loss	0		0	0	0	0
<b>Operating Profit Before Provision</b>	<b>271,291</b>	<b>243,829</b>	<b>266,190</b>	<b>456,911</b>	<b>276,702</b>	<b>49,833</b>
Provisions for possible losses	21,982	101,773	59,143	278,731	1,930,634	1,138,636
<b>Operating Profit</b>	<b>249,309</b>	<b>142,056</b>	<b>207,047</b>	<b>178,180</b>	<b>(1,653,932)</b>	<b>(1,088,803)</b>
Non-Operating Income/ Expenses	683	0	443	188	638	2,027
Return From Loan Loss Provision	0	0	79,920	6,122	52,754	438,279
<b>Profit From Ordinary activities</b>	<b>249,992</b>	<b>142,056</b>	<b>287,410</b>	<b>184,490</b>	<b>(1,600,540)</b>	<b>(648,497)</b>
Extra ordinary Income /Expenses	2,219	0	0	0	170	0
<b>Net Profit including all activities</b>	<b>252,211</b>	<b>142,056</b>	<b>287,410</b>	<b>184,490</b>	<b>(1,600,370)</b>	<b>(648,497)</b>
Provision For Staff Bonus	22,928	12,914	26,128	16,772	0	0
Provision For Income Tax*	70,909	40,064	78,510	50,415	6,204	(197,008)
-This Year		35,376	80,214	54,213	0	97,094
-Up to Last Year		1,242	209	0	0	879
Deferred Tax		3,446	(1,913)	(3,798)	0	(294,981)
<b>Net Profit / Loss</b>	<b>158,374</b>	<b>89,078</b>	<b>182,772</b>	<b>117,303</b>	<b>(1,606,574)</b>	<b>(451,489)</b>

\* Based on Provisional Financial Statements

## 24. NMB Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,651,650	2,000,000	2,000,000	2,000,000	2,400,000	2,732,365
Reserves and Surplus	159,879	211,462	263,686	324,080	412,950	564,082
Debtenture & Bond	0		0	0	0	500,000
Borrowing	380,255	497,200	0	0	0	438,000
Deposit	10,110,690	12,866,222	15,982,555	22,185,527	27,087,258	36,722,918
Bills Payable	9,531	2,838	4,506	8,211	3,422	21,717
Proposed & Payable dividend	150,150	180,000	0	300,000	21,053	17,493
Tax Liabilities			0	0	0	0
Other Liabilities	764,423	190,470	244,083	308,167	286,980	340,888
<b>Total Liabilities</b>	<b>13,226,578</b>	<b>15,948,192</b>	<b>18,494,830</b>	<b>25,125,985</b>	<b>30,211,663</b>	<b>41,337,463</b>
Cash Balance	239,918	264,688	323,939	516,771	497,747	817,585
Balance With NRB	522,558	876,757	2,992,466	4,804,589	3,043,653	3,391,245
Bank Balance with Banks	967,358	352,443	250,578	424,968	1,027,336	2,096,712
Money At call	582,309	259,166	20,912	26,059	61,631	722,607
Investment	2,715,957	2,614,946	2,440,442	2,245,514	4,191,269	5,983,872
Loan and Advances	7,808,119	11,208,574	12,070,839	16,491,044	20,467,041	27,288,892
Fixed Assets	255,294	276,549	279,479	344,625	383,428	374,253
Non- Banking Assets			0	0	0	0
Other Assets	135,065	95,069	116,175	272,415	539,558	662,297
<b>Total Assets</b>	<b>13,226,578</b>	<b>15,948,192</b>	<b>18,494,830</b>	<b>25,125,985</b>	<b>30,211,663</b>	<b>41,337,463</b>
Interest Income	866,182	1,492,385	1,705,833	1,831,121	2,005,346	2,315,441
Interest Expenses	559,544	1,053,451	1,256,257	1,077,803	1,216,063	1,348,074
<b>Net Interest Income</b>	<b>306,638</b>	<b>438,934</b>	<b>449,576</b>	<b>753,318</b>	<b>789,283</b>	<b>967,367</b>
Commission and discount	49,953	27,982	38,505	52,727	83,497	112,616
Other Operating Income	66,524	59,472	53,700	56,355	95,520	112,270
Exchange Income	23,006	47,191	49,773	64,539	97,660	119,514
<b>Total Operating Income</b>	<b>446,121</b>	<b>573,579</b>	<b>591,554</b>	<b>926,939</b>	<b>1,065,960</b>	<b>1,311,767</b>
Employees Expenses	55,958	75,614	92,443	127,355	149,197	201,815
Other Operating Expenses	108,343	136,395	159,630	189,457	251,377	288,112
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>281,820</b>	<b>361,570</b>	<b>339,481</b>	<b>610,127</b>	<b>665,386</b>	<b>821,840</b>
Provisions for possible losses	40,253	36,531	278,300	130,832	113,305	97,074
<b>Operating Profit</b>	<b>241,567</b>	<b>325,038</b>	<b>61,181</b>	<b>479,295</b>	<b>552,081</b>	<b>724,766</b>
Non-Operating Income/ Expenses	1,983	3,903	8,303	7,235	21,671	17,352
Return From Loan Loss Provision	4,006	25,610	15,150	59,389	205,155	41,974
<b>Profit From Ordinary activities</b>	<b>247,556</b>	<b>354,551</b>	<b>84,634</b>	<b>545,919</b>	<b>778,907</b>	<b>784,092</b>
Extra ordinary Income /Expenses	1,005	14,385	2,126	(419)	(136,903)	0
<b>Net Profit including all activities</b>	<b>248,561</b>	<b>368,936</b>	<b>86,760</b>	<b>545,500</b>	<b>642,004</b>	<b>784,092</b>
Provision For Staff Bonus	22,596	33,539	7,887	49,591	58,364	71,281
Provision For Income Tax	69,892	113,891	26,648	135,515	173,717	211,822
-This Year		103,396	24,873	169,674	176,628	207,392
-Up to Last Year	(3,797)	10,495	0	(5,041)	0	0
Deferred Tax			1,775	(29,118)	(2,910)	4,430
<b>Net Profit / Loss</b>	<b>156,073</b>	<b>221,506</b>	<b>52,225</b>	<b>360,394</b>	<b>409,923</b>	<b>500,989</b>

## 25. Kist Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	3,208,885
Reserves and Surplus	89,257	143,334	243,566	(561,062)	(865,914)	484,825
Debenture & Bond			0	0		0
Borrowing	600,000	910,043	8,397	695,967		24,831
Deposit	15,962,631	15,808,486	20,173,994	21,093,025	19,835,166	42,143,974
Bills Payable	9,030	1,343	3,526	12,258	22,597	28,035
Proposed & Payable dividend	100,000		0	0		0
Tax Liabilities	7,674		9,881	15,998		0
Other Liabilities	178,626	152,047	193,529	175,146	199,117	619,575
<b>Total Liabilities</b>	<b>18,947,218</b>	<b>19,015,253</b>	<b>22,632,893</b>	<b>23,431,332</b>	<b>21,190,966</b>	<b>46,510,125</b>
Cash Balance	563,286	762,965	695,914	742,822	788,033	1,706,104
Balance With NRB	1,027,274	1,152,429	2,071,787	2,411,743	899,491	5,985,954
Bank Balance with Banks	84,769	72,957	178,447	227,523	272,473	1,623,937
Money At call	1,366,279	413,058	129,065	197,850	100,000	1,000,775
Investment	2,057,666	1,874,110	3,116,571	2,798,346	5,808,374	4,512,976
Loan and Advances	12,345,845	13,042,567	14,645,317	14,791,605	10,884,399	27,726,157
Fixed Assets	1,149,484	1,225,108	1,215,091	1,426,211	1,353,249	1,728,634
Non- Banking Assets			0	0	0	0
Other Assets	352,615	472,059	580,700	835,233	1,084,947	2,225,588
<b>Total Assets</b>	<b>18,947,218</b>	<b>19,015,253</b>	<b>22,632,892</b>	<b>23,431,332</b>	<b>21,190,966</b>	<b>46,510,125</b>
Interest Income	1,517,073	1,994,330	2,175,412	2,302,569	1865018	2814823
Interest Expenses	967,324	1,302,975	1,587,914	1,286,518	1135845	1270986
<b>Net Interest Income</b>	<b>549,749</b>	<b>691,355</b>	<b>587,498</b>	<b>1,016,051</b>	<b>729,172</b>	<b>1,543,837</b>
Commission and discount	16,766	68,038	42,565	75553	67329	70339
Other Operating Income	86,607	80,706	80,081	100347	87394	189821
Exchange Income	2,789	7,669	15,343	23557	33613	88922
<b>Total Operating Income</b>	<b>655,911</b>	<b>847,768</b>	<b>725,487</b>	<b>1,215,508</b>	<b>917,508</b>	<b>1,892,919</b>
Employees Expenses	142,974	193,639	234,648	263504	272923	495229
Other Operating Expenses	236,496	291,212	304,748	333391	358665	539479
Exchange Loss	0	0	0	0	0	0
<b>Operating Profit Before Provision</b>	<b>276,441</b>	<b>362,917</b>	<b>186,091</b>	<b>618,613</b>	<b>285,920</b>	<b>858,211</b>
Provisions for possible losses	58,890	273,205	71,641	1958652	994357	677811
<b>Operating Profit</b>	<b>217,551</b>	<b>89,712</b>	<b>114,450</b>	<b>(1,340,039)</b>	<b>(708,437)</b>	<b>180,400</b>
Non-Operating Income/ Expenses	2,405	3,596	(4,048)	-20676	66797	24787
Return From Loan Loss Provision	0		86,283	239882	222718	1809631
<b>Profit From Ordinary activities</b>	<b>219,956</b>	<b>93,308</b>	<b>196,685</b>	<b>(1,120,833)</b>	<b>(418,921)</b>	<b>2,014,818</b>
Extra ordinary Income /Expenses	0	0	(42,516)	-17093	0	-468379
<b>Net Profit including all activities</b>	<b>219,956</b>	<b>93,308</b>	<b>154,169</b>	<b>(1,137,926)</b>	<b>(418,921)</b>	<b>1,546,439</b>
Provision For Staff Bonus	19,996	8,483	14,015	0	0	140585
Provision For Income Tax	55,822	30,748	39,922	-333367	-114069	387608
-This Year		34,182	62,287	37611	157534	69714
-Up to Last Year		(265)	0	268	14159	0
Deferred Tax		(3,169)	(22,365)	371246	285763	317894
<b>Net Profit / Loss</b>	<b>144,138</b>	<b>54,077</b>	<b>100,232</b>	<b>(804,559)</b>	<b>(304,852)</b>	<b>1,018,246</b>

## 26. Janata Bank Nepal Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,400,000	1,400,000	2,000,000	2,060,000	2,060,000	2,060,000
Reserves and Surplus	46,166	76,875	60,552	62,225	147,228	297,577
Debtenture & Bond	0	0	0	0	0	0
Borrowing	0	91,054	173,310	304,515	240,500	10,992
Deposit	855,362	3,501,603	7,722,767	13,546,498	18,442,154	22,920,434
Bills Payable	10,099	2,388	11,996	4,113	29,104	11,888
Proposed & Payable dividend	0	0	73,684	108,421	0	0
Tax Liabilities	1,995	2,084	0	0	0	0
Other Liabilities	24,247	36,322	141,161	122,184	89,952	353,685
<b>Total Liabilities</b>	<b>2,337,869</b>	<b>5,110,326</b>	<b>10,183,470</b>	<b>16,207,956</b>	<b>21,008,938</b>	<b>25,654,576</b>
Cash Balance	15,246	131,094	380,886	447,135	511,499	668,597
Balance With NRB	31,418	133,536	603,149	1,210,869	2,987,794	3,120,493
Bank Balance with Banks	1,226,227	78,399	136,674	197,061	415,735	775,337
Money At call	150,176	410,000	0	0	0	0
Investment	75,000	542,029	1,291,179	1,985,906	910,511	2,300,580
Loan and Advances	602,247	3,541,267	7,386,676	11,946,302	15,730,420	18,169,022
Fixed Assets	90,688	123,609	187,809	176,134	185,016	233,519
Non- Banking Assets	0	0	0	0	0	0
Other Assets	146,867	150,392	197,097	244,549	267,963	387,028
<b>Total Assets</b>	<b>2,337,869</b>	<b>5,110,326</b>	<b>10,183,470</b>	<b>16,207,956</b>	<b>21,008,938</b>	<b>25,654,576</b>
Interest Income	47,042	393,213	809,393	1,232,637	1,489,506	1,700,540
Interest Expenses	4,590	196,818	545,702	750,007	952,379	1,095,942
<b>Net Interest Income</b>	<b>42,452</b>	<b>196,395</b>	<b>263,691</b>	<b>482,630</b>	<b>537,127</b>	<b>604,598</b>
Commission and discount	490	7,367	33,805	39,365	53,292	55,631
Other Operating Income	5,208	23,546	28,777	48,843	39,566	50,982
Exchange Income	59	3,573	14,103	555	0	51,010
<b>Total Operating Income</b>	<b>48,209</b>	<b>230,881</b>	<b>340,376</b>	<b>571,393</b>	<b>629,985</b>	<b>762,221</b>
Employees Expenses	10,417	53,677	80,667	104,828	138,030	213,379
Other Operating Expenses	16,420	87,785	135,759	142,030	176,255	223,929
Exchange Loss	0	0	0	0	62,258	0
<b>Operating Profit Before Provision</b>	<b>21,372</b>	<b>89,419</b>	<b>123,950</b>	<b>324,535</b>	<b>253,442</b>	<b>324,913</b>
Provisions for possible losses	6,083	36,960	31,570	93,179	198,294	230,100
<b>Operating Profit</b>	<b>15,289</b>	<b>52,459</b>	<b>92,380</b>	<b>231,356</b>	<b>55,148</b>	<b>94,813</b>
Non-Operating Income/ Expenses	0	67	566	507	11,385	8,535
Return From Loan Loss Provision	0	0	0	38,239	70,058	140,212
<b>Profit From Ordinary activities</b>	<b>15,289</b>	<b>52,526</b>	<b>92,946</b>	<b>270,102</b>	<b>136,591</b>	<b>243,560</b>
Extra ordinary Income /Expenses	0	0	0	0	0	0
<b>Net Profit including all activities</b>	<b>15,289</b>	<b>52,526</b>	<b>92,946</b>	<b>270,102</b>	<b>136,591</b>	<b>243,560</b>
Provision For Staff Bonus	1,390	4,775	8,450	24,555	12,417	22,142
Provision For Income Tax	4,268	17,043	27,134	75,455	39,171	71,069
-This Year			27,295	76,465	41,231	76,683
-Up to Last Year			0	0	330	8,084
Deferred Tax			(161)	(1,010)	(2,390,951)	(13,698)
<b>Net Profit / Loss</b>	<b>9,631</b>	<b>30,708</b>	<b>57,362</b>	<b>170,092</b>	<b>85,003</b>	<b>150,349</b>

## 27. Mega Bank Nepal Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	1,631,000	1,631,000	1,631,000	2,330,000	2,609,600	2,870,560
Reserves and Surplus	56,475	80,798	153,767	122,106	133,093	204,318
Debtenture & Bond	0		0	0	0	0
Borrowing	0	114,752	303,421	2,002,592	379,632	148,234
Deposit		5,373,493	9,192,557	12,533,459	17,147,649	21,130,675
Bills Payable		2,171	18,822	86,490	47,060	73,166
Proposed & Payable dividend			0	209,700	14,716	13,735
Tax Liabilities	12,052	180	0	6,895	11,084	4,937
Other Liabilities	40,084	39,335	100,212	116,497	228,404	261,578
<b>Total Liabilities</b>	<b>1,739,611</b>	<b>7,241,729</b>	<b>11,399,779</b>	<b>17,407,739</b>	<b>20,571,238</b>	<b>24,707,203</b>
Cash Balance		159,914	249,745	399,861	438,654	539,386
Balance With NRB	1,575,063	271,482	1,196,501	1,771,686	1,154,356	2,203,294
Bank Balance with Banks		58,550	154,160	304,586	238,581	293,783
Money At call		599,000	132,300	1,623,090	880,502	1,067,104
Investment		990,169	1,297,041	1,326,474	2,507,410	1,993,623
Loan and Advances		4,768,297	7,933,536	11,462,546	14,496,326	17,542,625
Fixed Assets	74,620	255,553	289,753	233,959	213,778	177,080
Non- Banking Assets		0	0	0	0	0
Other Assets	89,928	138,763	146,743	285,537	641,631	890,308
<b>Total Assets</b>	<b>1,739,611</b>	<b>7,241,729</b>	<b>11,399,779</b>	<b>17,407,739</b>	<b>20,571,238</b>	<b>24,707,203</b>
Interest Income	47,042	544,215	1,140,324	1,392,533	1,628,249	1,804,944
Interest Expenses	4,590	300,760	749,740	712,882	807,026	914,279
<b>Net Interest Income</b>	<b>42,452</b>	<b>243,455</b>	<b>390,584</b>	<b>679,651</b>	<b>821,223</b>	<b>890,665</b>
Commission and discount	490	6,609	17,808	24,397	26,811	35,282
Other Operating Income	5,208	27,380	34,372	40,752	81,976	110,153
Exchange Income	59	7,457	27,649	59,456	95,288	102,381
<b>Total Operating Income</b>	<b>48,209</b>	<b>284,902</b>	<b>470,413</b>	<b>804,256</b>	<b>1,025,298</b>	<b>1,138,481</b>
Employees Expenses	10,417	81,386	113,064	136,772	167,300	186,165
Other Operating Expenses	16,420	117,128	178,669	236,642	249,691	273,400
Exchange Loss	0		0	0	0	0
<b>Operating Profit Before Provision</b>	<b>21,372</b>	<b>86,387</b>	<b>178,680</b>	<b>430,842</b>	<b>608,307</b>	<b>678,916</b>
Provisions for possible losses	6,083	48,165	66,122	152,236	136,165	155,493
<b>Operating Profit</b>	<b>15,289</b>	<b>38,222</b>	<b>112,558</b>	<b>278,606</b>	<b>472,142</b>	<b>523,423</b>
Non-Operating Income/ Expenses	0	0	704	380	1,801	1,062
Return From Loan Loss Provision	0	0	0	0	6,316	31,205
<b>Profit From Ordinary activities</b>	<b>15,289</b>	<b>38,222</b>	<b>113,262</b>	<b>278,986</b>	<b>480,259</b>	<b>555,690</b>
Extra ordinary Income /Expenses	0	0	0	0	0	(8,765)
<b>Net Profit including all activities</b>	<b>15,289</b>	<b>38,222</b>	<b>113,262</b>	<b>278,986</b>	<b>480,259</b>	<b>546,925</b>
Provision For Staff Bonus	1,390	3,475	10,296	25,362	43,660	49,720
Provision For Income Tax	4,268	10,424	31,098	76,268	131,062	150,909
-This Year		9,172	33,962	80,235	133,255	150,787
-Up to Last Year			270	180	2	270
Deferred tax		1,253	(3,134)	(4,147)	(2,195)	(148)
<b>Net Profit / Loss</b>	<b>9,631</b>	<b>24,323</b>	<b>71,868</b>	<b>177,356</b>	<b>305,537</b>	<b>346,296</b>

## 28. Civil Bank Limited

Amt in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital		1,200,000	1,200,000	2,000,000	2,887,849	3,082,779
Reserves and Surplus		4,600	31,835	38,161	148,368	205,322
Debenture & Bond		0	0	0	0	-
Borrowing		220,754	460,629	325,890	0	-
Deposit		2,952,327	8,807,545	15,633,156	22,049,295	26,656,425
Bills Payable		1,154	1,841	5,003	14,086	15,124
Proposed & Payable dividend		0	0	115,000	40,484	10,259
Tax Liabilities		0	0	0	0	-
Other Liabilities		31,838	199,445	108,477	261,870	453,676
<b>Total Liabilities</b>	<b>0</b>	<b>4410673</b>	<b>10701295</b>	<b>18225687</b>	<b>25401952</b>	<b>30,423,585</b>
Cash Balance		50,098	207,489	355,224	498,779	567,528
Balance With NRB		227,958	828,368	2,466,434	3,450,220	1,917,903
Bank Balance with Banks		249,266	288,852	364,661	388,019	522,044
Money At call		283,917	0	184,957	0	245,000
Investment		258,842	1,328,482	2,069,794	1,534,790	3,856,118
Loan and Advances		3,123,607	7,751,524	12,367,368	18,657,191	22,534,195
Fixed Assets		181,033	221,586	275,816	360,359	313,245
Non- Banking Assets			0	0	0	-
Other Assets		35,952	74,994	141,433	512,594	467,552
<b>Total Assets</b>	<b>0</b>	<b>4410673</b>	<b>10701295</b>	<b>18225687</b>	<b>25401952</b>	<b>30,423,585</b>
Interest Income		195,968	761,973	1,255,835	1,868,369	2,192,024
Interest Expenses		97,225	562,866	815,534	1,255,592	1,341,275
<b>Net Interest Income</b>	<b>0</b>	<b>98743</b>	<b>199107</b>	<b>440301</b>	<b>612777</b>	<b>850,749</b>
Commission and discount		8,798	32,092	33,825	63,389	55,158
Other Operating Income		12,803	38,198	53,305	56,352	65,578
Exchange Income		4,092	27,222	41,634	58,511	72,233
<b>Total Operating Income</b>	<b>0</b>	<b>124436</b>	<b>296619</b>	<b>569065</b>	<b>791029</b>	<b>1,043,718</b>
Employees Expenses		42,642	87,449	115,190	157,252	207,933
Other Operating Expenses		48,413	119,627	186,838	212,199	260,350
Exchange Loss			0	0	0	-
<b>Operating Profit Before Provision</b>	<b>0</b>	<b>33381</b>	<b>89543</b>	<b>267037</b>	<b>421578</b>	<b>575,435</b>
Provisions for possible losses		31,551	46,747	76,095	279,965	385,044
<b>Operating Profit</b>	<b>0</b>	<b>1830</b>	<b>42796</b>	<b>190942</b>	<b>141,613</b>	<b>190,391</b>
Non-Operating Income/ Expenses		0	0	(289)	0	1,723
Return From Loan Loss Provision		0	0	0	232,454	174,856
<b>Profit From Ordinary activities</b>	<b>0</b>	<b>1830</b>	<b>42796</b>	<b>190653</b>	<b>374067</b>	<b>366,970</b>
Extra ordinary Income /Expenses	0	0	0	0	(600)	(4,657)
<b>Net Profit including all activities</b>	<b>0</b>	<b>1830</b>	<b>42796</b>	<b>190653</b>	<b>373,467</b>	<b>362,313</b>
Provision For Staff Bonus		166	3,891	17,332	33,951	32,938
Provision For Income Tax		499	11,672	51,997	101,416	99,355
-This Year		(1,472)	7,737	52,849	100,430	99,025
-Up to Last Year			0	0	0	-
Deferred tax		1,971	3,935	(852)	986	330
<b>Net Profit / Loss</b>	<b>0</b>	<b>1,165</b>	<b>27,233</b>	<b>121,324</b>	<b>238,100</b>	<b>230,020</b>



## 29. Century Commercial Bank Limited

Amt. in Rs. '000

Capital and Liabilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital		1,080,000	1,080,000	1,080,000	2,120,000	2,310,800
Reserves and Surplus		43,104	75,695	138,675	36,129	100,938
Debenture & Bond			0	0	0	0
Borrowing		58,361	0	400,006	67,060	0
Deposit		1,358,878	4,456,701	11,396,474	18,393,723	24,948,568
Bills Payable			8,608	1,812	6,010	13,787
Proposed & Payable dividend			0	0	69,474	10,042
Tax Liabilities		19,874	0	3,602		
Other Liabilities		60,087	33,248	130,192	119,502	218,843
<b>Total Liabilities</b>	<b>0</b>	<b>2,620,304</b>	<b>5,654,252</b>	<b>13,150,761</b>	<b>20,811,898</b>	<b>27,602,978</b>
Cash Balance		78,170	119,892	520,244	627,812	644,039
Balance With NRB		0	363,903	456,373	3,867,667	2,858,720
Bank Balance with Banks		0	30,458	230,630	185,411	813,001
Money At call		579,000	39,002	57,450	0	0
Investment		612,040	595,477	2,285,149	605,132	2,410,416
Loan and Advances		1,175,447	4,159,725	8,974,983	14,827,288	20,093,127
Fixed Assets		94,097	179,411	292,539	285,487	257,707
Non- Banking Assets			0	0	0	0
Other Assets		81,550	166,384	333,393	413,101	525,968
<b>Total Assets</b>	<b>0</b>	<b>2,620,304</b>	<b>5,654,252</b>	<b>13,150,761</b>	<b>20,811,898</b>	<b>27,602,978</b>
Interest Income		65,675	375,736	897,810	1,407,970	1,862,155
Interest Expenses		23,214	259,423	589,452	980,173	1,205,663
<b>Net Interest Income</b>	<b>0</b>	<b>42,461</b>	<b>116,313</b>	<b>308,358</b>	<b>427,797</b>	<b>656,492</b>
Commission and discount		537	7,584	22,852	51,875	67,050
Other Operating Income		9,993	26,496	61,534	92,195	103,379
Exchange Income		141	3,499	26,505	82,574	80,538
<b>Total Operating Income</b>	<b>0</b>	<b>53,132</b>	<b>153,892</b>	<b>419,249</b>	<b>654,441</b>	<b>907,459</b>
Employees Expenses		11,591	39,954	86,685	124,986	187,611
Other Operating Expenses		18,891	81,605	161,502	264,516	248,821
Exchange Loss			0	0		0
<b>Operating Profit Before Provision</b>	<b>0</b>	<b>22,650</b>	<b>32,333</b>	<b>171,062</b>	<b>264,939</b>	<b>471,027</b>
Provisions for possible losses		11,873	30,588	69,454	160,393	140,747
<b>Operating Profit</b>	<b>0</b>	<b>10,777</b>	<b>1,745</b>	<b>101,608</b>	<b>104,546</b>	<b>330,280</b>
Non-Operating Income/ Expenses		24,044	1,413	685	14,335	(611)
Return From Loan Loss Provision			0	0	28,816	78,430
<b>Profit From Ordinary activities</b>	<b>0</b>	<b>34,821</b>	<b>3,158</b>	<b>102,293</b>	<b>147,697</b>	<b>408,099</b>
Extra ordinary Income /Expenses	0	0	0	0	0	0
<b>Net Profit including all activities</b>	<b>0</b>	<b>34,821</b>	<b>3,158</b>	<b>102,293</b>	<b>147,697</b>	<b>408,099</b>
Provision For Staff Bonus		3,165	287	9,299	13,427	37,100
Provision For Income Tax		9,496	1,949	26,622	47,343	110,135
-This Year			0	26,790	49,450	117,370
-Up to Last Year			0		153	(684)
Deferred Tax			1,949	(168)	(2,260)	(6,551)
<b>Net Profit / Loss</b>	<b>0</b>	<b>22,160</b>	<b>922</b>	<b>66,372</b>	<b>86,927</b>	<b>260,864</b>

**30. Sanima Bank Limited**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital			2,016,000	2,217,600	2,550,240	3,060,288
Reserves and Surplus			113,580	206,431	283,157	370,406
Debenture & Bond			0	0	0	0
Borrowing			88,250	1,480,125	898,268	1,687,185
Deposit			11,178,734	17,789,329	24,873,849	34,045,316
Bills Payable			0	0	0	0
Proposed & Payable dividend			110,880	10,610	17,507	26,845
Tax Liabilities			0	0	0	0
Other Liabilities			215,021	272,444	753,964	1,111,157
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>13,722,465</b>	<b>21,976,539</b>	<b>29,376,985</b>	<b>40,301,197</b>
Cash Balance			256,198	312,962	538,387	690,663
Balance With NRB			1,005,249	1,283,546	2,811,039	687,276
Bank Balance with Banks			111,615	88,992	162,487	393,091
Money At call			0	364,420	0	0
Investment			2,105,770	3,848,052	3,715,502	7,744,240
Loan and Advances			9,531,505	15,093,073	20,371,444	28,264,051
Fixed Assets			479,044	469,489	502,236	614,772
Non- Banking Assets			0	0	0	0
Other Assets			233,084	516,005	1,275,890	1,907,104
<b>Total Assets</b>			<b>13,722,465</b>	<b>21,976,539</b>	<b>29,376,985</b>	<b>40301197</b>
Interest Income			1,172,200	1,678,790	2,018,505	2,548,883
Interest Expenses			753,617	1,023,257	1,199,787	1,409,493
<b>Net Interest Income</b>			<b>418,583</b>	<b>655,533</b>	<b>818,718</b>	<b>1139390</b>
Commission and discount			11,251	23,668	39,824	53,468
Other Operating Income			44,619	68,853	85,438	131,295
Exchange Income			0	27,237	146,889	178,747
<b>Total Operating Income</b>			<b>474,453</b>	<b>775,291</b>	<b>1,090,869</b>	<b>1502900</b>
Employees Expenses			79,987	99,776	134,381	182,321
Other Operating Expenses			151,864	158,730	206,382	275,445
Exchange Loss			175	0	0	0
<b>Operating Profit Before Provision</b>			<b>242,427</b>	<b>516,785</b>	<b>750,106</b>	<b>1,045,134</b>
Provisions for possible losses			52,493	57,846	95,212	119,441
<b>Operating Profit</b>			<b>189,934</b>	<b>458,939</b>	<b>654,894</b>	<b>925693</b>
Non-Operating Income/ Expenses			678	2,571	21,566	7,344
Return From Loan Loss Provision			0	19,675	1,527	41,861
<b>Profit From Ordinary activities</b>			<b>190,612</b>	<b>481,185</b>	<b>677,987</b>	<b>974898</b>
Extra ordinary Income /Expenses			0	0	308	609
<b>Net Profit including all activities</b>			<b>190,612</b>	<b>481,185</b>	<b>677,679</b>	<b>975,507</b>
Provision For Staff Bonus			17,328	43,744	61,607	88,572
Provision For Income Tax			51,515	132,379	188,476	261,376
-This Year			51,892	129,195	183,428	259,346
-Up to Last Year			109	3,531	1,774	0
Deferred Tax			486	347	3,272	2,030
<b>Net Profit / Loss</b>			<b>121,769</b>	<b>305,062</b>	<b>427,596</b>	<b>625,559</b>

**A. Consolidated Financials of the Public Banks**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	10,990,200	11,026,983	16,744,738	21,942,215	24,690,774	24,914,774
Reserves and Surplus	(13,591,576)	(10,267,052)	(8,126,316)	(5,447,291)	(2,086,801)	462,330
Debenture & Bond	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	1,840,000
Borrowing	6,424,453	6,898,914	6,004,096	5,648,653	2,472,985	1,984,320
Deposit	143,225,629	155,122,912	187,066,387	208,479,907	242,439,065	279,150,181
Bills Payable	78,460	0	74,767	0	0	14,560
Proposed & Payable dividend	364,687	276,000	0	0	0	0
Tax Liabilities	1,101,706	1,340,904	2,118,959	0	0	0
Other Liabilities	30,298,231	26,367,099	24,387,709	28,733,626	28,356,848	17,269,274
<b>Total Liabilities</b>	<b>181,191,790</b>	<b>193,065,760</b>	<b>230,570,340</b>	<b>261,657,109</b>	<b>298,172,871</b>	<b>325,635,439</b>
Cash Balance	4,615,081	22,554,225	39,611,789	26,108,877	8,268,271	18,763,192
Balance With NRB	17,374,248	0	0	11,973,729	27,934,090	17,990,163
Bank Balance with Banks	3,728,125	0	0	684,424	3,769,496	623,839
Money At call	1,611,342	510,539	512,300	811,524	522,510	1,342,060
Investment	23,345,347	30,178,150	45,701,861	49,852,227	68,063,295	65,733,710
Loan and Advances	87,677,826	98,035,906	107,512,805	136,670,653	159,556,106	192,054,943
Fixed Assets	2,187,450	2,277,897	2,853,960	2,923,364	3,020,996	2,177,982
Non- Banking Assets	634,377	526,078	126,130	379,049	345,157	199,718
Other Assets	40,017,994	38,982,965	34,251,495	32,253,262	26,692,950	26,749,832
<b>Total Assets</b>	<b>181,191,790</b>	<b>193,065,760</b>	<b>230,570,340</b>	<b>261,657,109</b>	<b>298,172,871</b>	<b>325,635,439</b>
Interest Income	12,537,567	14,864,265	16,416,978	17,922,940	19,562,480	20,054,047
Interest Expenses	3,659,377	5,997,993	8,093,529	7,502,299	8,254,987	6,924,979
<b>Net Interest Income</b>	<b>8,878,190</b>	<b>8,866,272</b>	<b>8,323,449</b>	<b>10,420,641</b>	<b>11,307,493</b>	<b>13,129,068</b>
Commission and discount	930,688	938,415	800,415	786,239	915,491	978,018
Other Operating Income	496,074	651,366	847,950	1,126,305	1,162,144	1,423,471
Exchange Income	76,815	(14,433)	186,729	79,407	313,848	306,969
<b>Total Operating Income</b>	<b>10,381,767</b>	<b>10,441,620</b>	<b>10,158,543</b>	<b>12,412,593</b>	<b>13,698,976</b>	<b>15,837,526</b>
Employees Expenses	6,875,205	5,697,213	5,732,055	6,559,276	7,783,938	7,856,821
Other Operating Expenses	1,002,668	1,248,635	1,491,500	1,783,701	1,954,172	2,174,541
Exchange Loss	18,643	1,268	0	73,908	0	14,989
<b>Operating Profit Before Provision</b>	<b>2,485,251</b>	<b>3,494,504</b>	<b>2,934,988</b>	<b>3,995,707</b>	<b>3,960,866</b>	<b>5,791,175</b>
Provisions for possible losses	2,924,380	2,959,882	2,959,166	1,747,509	1,459,447	2,163,444
<b>Operating Profit</b>	<b>(439,129)</b>	<b>534,622</b>	<b>(24,178)</b>	<b>2,248,199</b>	<b>2,501,419</b>	<b>3,627,731</b>
Non-Operating Income/ Expenses	117,212	237,497	205,206	276,147	699,804	3,464,622
Return From Loan Loss Provision	4,419,864	2,997,181	3,502,405	2,497,608	1,917,081	1,640,073
<b>Profit From Ordinary activities</b>	<b>4,097,947</b>	<b>3,769,300</b>	<b>3,683,433</b>	<b>5,021,954</b>	<b>5,118,304</b>	<b>8,732,426</b>
Extra ordinary Income /Expenses	878,973	772,806	843,288	830,642	785,908	1,296,287
<b>Net Profit including all activities</b>	<b>4,976,920</b>	<b>4,542,106</b>	<b>4,526,721</b>	<b>5,852,596</b>	<b>5,904,212</b>	<b>10,028,713</b>
Provision For Staff Bonus	336,749	345,019	338,236	454,106	159,909	638,347
Provision For Income Tax	308,499	(311,087)	704,882	1,036,923	1,265,532	2,350,770
-This Year	0	398,984	991	0	0	724,939
-Up to Last Year	0	0	0	0	0	0
Deferred Tax	0	789,296	(19,319)	55,143	0	0
<b>Net Profit / Loss</b>	<b>4,331,672</b>	<b>4,508,174</b>	<b>3,483,603</b>	<b>4,361,566</b>	<b>4,478,771</b>	<b>7,039,596</b>

**B. Consolidated Financials of the Private Banks**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	38,437,758	46,056,184	53,033,072	59,791,689	71,362,767	87,843,149
Reserves and Surplus	13,106,404	16,205,668	20,364,698	26,080,385	28,145,118	33,021,196
Debtenture & Bond	3,727,770	3,727,770	4,627,770	5,950,135	7,400,135	9,600,135
Borrowing	6,356,042	10,725,603	2,503,946	9,065,140	3,054,540	4,927,676
Deposit	475,126,283	516,278,389	659,152,481	802,551,809	961,775,006	1,183,708,026
Bills Payable	1,333,664	1,125,313	1,383,947	1,523,621	1,436,878	1,594,045
Proposed & Payable dividend	4,076,186	4,701,204	4,241,528	5,934,407	6,192,623	1,545,407
Tax Liabilities	134,017	154,047	107,745	193,623	71,170	5,983
Other Liabilities	8,098,637	9,221,833	11,052,420	14,325,895	18,940,878	24,611,823
<b>Total Liabilities</b>	<b>550,396,761</b>	<b>608,196,010</b>	<b>756,467,607</b>	<b>925,416,704</b>	<b>1,098,379,115</b>	<b>1,346,857,440</b>
Cash Balance	12,690,985	16,347,831	19,248,234	22,523,015	26,368,121	30,951,115
Balance With NRB	33,411,428	31,084,025	79,491,405	91,299,823	122,025,517	128,549,149
Bank Balance with Banks	14,311,976	11,146,545	13,946,475	16,825,047	23,614,577	32,481,397
Money At call	12,610,351	13,569,552	6,442,422	13,734,380	13,287,101	19,620,932
Investment	110,417,290	115,281,985	132,568,380	159,088,117	158,061,117	214,802,554
Loan and Advances	349,035,671	399,396,877	477,784,158	590,589,715	718,160,112	876,762,724
Fixed Assets	9,729,463	10,995,844	12,764,358	13,715,910	14,233,298	15,236,593
Non- Banking Assets	0	0	0	0	39,756	8,233
Other Assets	8,189,597	10,373,352	14,222,175	17,640,698	22,589,516	28,444,743
<b>Total Assets</b>	<b>550,396,761</b>	<b>608,196,010</b>	<b>756,467,607</b>	<b>925,416,704</b>	<b>1,098,379,115</b>	<b>1,346,857,440</b>
Interest Income	42,768,949	57,385,439	65,789,543	70,476,566	76,290,620	81,021,195
Interest Expenses	24,065,438	35,411,143	42,375,403	37,253,075	41,018,303	41,836,401
<b>Net Interest Income</b>	<b>18,703,511</b>	<b>21,974,297</b>	<b>23,414,140</b>	<b>33,223,491</b>	<b>35,272,316</b>	<b>39,184,794</b>
Commission and discount	2,370,664	2,791,531	3,390,098	3,920,927	4,815,808	5,312,264
Other Operating Income	1,662,329	1,830,083	2,188,003	2,974,001	3,769,924	4,441,295
Exchange Income	1,881,199	1,819,431	2,622,127	3,027,257	3,695,815	4,340,533
<b>Total Operating Income</b>	<b>24,617,703</b>	<b>28,415,341</b>	<b>31,614,368</b>	<b>43,145,676</b>	<b>47,553,863</b>	<b>53,278,886</b>
Employees Expenses	3,490,366	4,571,930	5,463,596	6,707,376	7,866,433	9,727,817
Other Operating Expenses	4,820,298	5,948,995	7,114,443	8,304,399	9,439,349	10,630,500
Exchange Loss	0	0	175	36,567	71,637	0
<b>Operating Profit Before Provision</b>	<b>16,307,039</b>	<b>17,894,416</b>	<b>19,036,154</b>	<b>28,097,334</b>	<b>30,176,444</b>	<b>32,920,569</b>
Provisions for possible losses	2,799,029	3,430,583	4,425,683	8,191,724	9,716,183	9,774,603
<b>Operating Profit</b>	<b>13,508,010</b>	<b>14,463,831</b>	<b>14,610,471</b>	<b>19,905,610</b>	<b>20,460,261</b>	<b>23,145,966</b>
Non-Operating Income/ Expenses	204,830	252,762	366,985	89,523	491,696	491,186
Return From Loan Loss Provision	2,696,174	2,378,238	4,101,128	3,218,844	4,084,110	7,450,187
Profit From Ordinary activities	16,409,014	17,094,832	19,078,584	23,213,977	25,036,068	31,087,339
Extra ordinary Income /Expenses	(728,436)	(1,705,802)	(1,894,430)	(243,536)	(25,662)	(643,710)
<b>Net Profit including all activities</b>	<b>15,680,578</b>	<b>15,389,030</b>	<b>17,184,154</b>	<b>22,861,517</b>	<b>25,009,790</b>	<b>30,443,629</b>
Provision For Staff Bonus	1,425,569	1,328,398	1,561,328	2,179,839	2,457,180	2,823,818
Provision For Income Tax	4,092,503	4,326,146	4,523,307	6,091,614	7,178,715	8,200,295
-This Year	0	2,155,325	4,741,534	6,734,918	7,602,962	7,764,321
-Up to Last Year	(3,797)	17,609	11,747	2,555	(8,922)	144,226
Deferred Tax	0	26,209	(217,632)	120,772	(1,080,457)	291,748
<b>Net Profit / Loss</b>	<b>10,162,506</b>	<b>9,734,486</b>	<b>11,099,519</b>	<b>14,590,064</b>	<b>15,373,895</b>	<b>19,419,516</b>

**C. Consolidated Financials of the Commercial Banks**
*Amt. in Rs. '000*

<b>Capital and Liabilities</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Capital	49,427,958	57,083,167	69,777,810	81,733,904	96,053,541	112,757,923
Reserves and Surplus	(485,172)	5,938,616	12,238,382	20,633,094	26,058,317	33,483,526
Debenture & Bond	6,027,770	6,027,770	6,927,770	8,250,135	9,700,135	11,440,135
Borrowing	12,780,495	17,624,517	8,508,042	14,713,792	5,527,525	6,911,996
Deposit	618,351,912	671,401,301	846,218,868	1,011,031,716	1,204,214,071	1,462,858,207
Bills Payable	1,412,124	1,125,313	1,458,714	1,523,621	1,436,878	1,608,605
Proposed & Payable dividend	4,440,873	4,977,204	4,241,528	5,934,407	6,192,623	1,545,407
Tax Liabilities	1,235,723	1,494,951	2,226,704	193,623	71,170	5,983
Other Liabilities	38,396,868	35,588,932	35,440,129	43,059,521	47,297,726	41,881,097
<b>Total Liabilities</b>	<b>731,588,551</b>	<b>801,261,770</b>	<b>987,037,947</b>	<b>1,187,073,813</b>	<b>1,396,551,986</b>	<b>1,672,492,879</b>
Cash Balance	17,306,066	38,902,056	58,860,023	48,631,892	34,636,393	49,714,307
Balance With NRB	50,785,676	31,084,025	79,491,405	103,273,552	149,959,606	146,539,312
Bank Balance with Banks	18,040,101	11,146,545	13,946,475	17,509,471	27,384,073	33,105,236
Money At call	14,221,693	14,080,091	6,954,722	14,545,904	13,809,611	20,962,992
Investment	133,762,637	145,460,135	178,270,241	208,940,344	226,124,412	280,536,264
Loan and Advances	436,713,497	497,432,783	585,296,963	727,260,368	877,716,218	1,068,817,667
Fixed Assets	11,916,913	13,273,741	15,618,318	16,639,274	17,254,294	17,414,575
Non- Banking Assets	634,377	526,078	126,130	379,049	384,913	207,951
Other Assets	48,207,591	49,356,317	48,473,670	49,893,960	49,282,466	55,194,575
<b>Total Assets</b>	<b>731,588,551</b>	<b>801,261,770</b>	<b>987,037,947</b>	<b>1,187,073,813</b>	<b>1,396,551,986</b>	<b>1,672,492,879</b>
Interest Income	55,306,516	72,249,704	82,206,521	88,399,506	95,853,100	101,075,242
Interest Expenses	27,724,815	41,409,136	50,468,932	44,755,374	49,273,290	48,761,380
<b>Net Interest Income</b>	<b>27,581,701</b>	<b>30,840,569</b>	<b>31,737,589</b>	<b>43,644,132</b>	<b>46,579,809</b>	<b>52,313,862</b>
Commission and discount	3,301,352	3,729,946	4,190,513	4,707,166	5,731,299	6,290,282
Other Operating Income	2,158,403	2,481,449	3,035,953	4,100,307	4,932,068	5,864,766
Exchange Income	1,958,014	1,804,998	2,808,856	3,106,664	4,009,663	4,647,502
<b>Total Operating Income</b>	<b>34,999,470</b>	<b>38,856,961</b>	<b>41,772,911</b>	<b>55,558,269</b>	<b>61,252,839</b>	<b>69,116,412</b>
Employees Expenses	10,365,571	10,269,143	11,195,651	13,266,653	15,650,371	17,584,638
Other Operating Expenses	5,822,966	7,197,630	8,605,943	10,088,100	11,393,521	12,805,041
Exchange Loss	18,643	1,268	175	110,475	71,637	14,989
<b>Operating Profit Before Provision</b>	<b>18,792,290</b>	<b>21,388,920</b>	<b>21,971,142</b>	<b>32,093,042</b>	<b>34,137,310</b>	<b>38,711,744</b>
Provisions for possible losses	5,723,409	6,390,465	7,384,849	9,939,233	11,175,630	11,938,047
<b>Operating Profit</b>	<b>13,068,881</b>	<b>14,998,454</b>	<b>14,586,293</b>	<b>22,153,809</b>	<b>22,961,680</b>	<b>26,773,697</b>
Non-Operating Income/ Expenses	322,042	490,259	572,191	365,670	1,191,500	3,955,808
Return From Loan Loss Provision	7,116,038	5,375,419	7,603,533	5,716,452	6,001,191	9,090,260
<b>Profit From Ordinary activities</b>	<b>20,506,961</b>	<b>20,864,133</b>	<b>22,762,017</b>	<b>28,235,931</b>	<b>30,154,372</b>	<b>39,819,765</b>
Extra ordinary Income /Expenses	150,537	(932,996)	(1,051,142)	587,105	760,246	652,577
<b>Net Profit including all activities</b>	<b>20,657,498</b>	<b>19,931,137</b>	<b>21,710,875</b>	<b>28,823,036</b>	<b>30,914,618</b>	<b>40,472,342</b>
Provision For Staff Bonus	1,762,318	1,673,417	1,899,564	2,633,945	2,617,089	3,462,165
Provision For Income Tax	4,401,002	4,015,059	5,228,189	7,128,538	8,444,247	10,551,065
-This Year	0	2,554,309	4,742,525	6,734,918	7,602,962	8,489,260
-Up to Last Year	(3,797)	17,609	11,747	2,555	(8,922)	144,226
Deferred Tax	0	815,505	(236,951)	175,915	(1,080,457)	291,748
<b>Net Profit / Loss</b>	<b>14,494,178</b>	<b>14,242,661</b>	<b>14,583,122</b>	<b>19,060,554</b>	<b>19,853,282</b>	<b>26,459,112</b>

## Annex 10: Useful websites for supervisors

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