

# Annual Report

Fiscal Year 2012/13



**Nepal Rastra Bank**

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## **PART – 1**

### **OVERALL ECONOMIC AND FINANCIAL SITUATION**

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## **PART – 1**

# **OVERALL ECONOMIC AND FINANCIAL SITUATION**

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## **World Economic Outlook**

### **Production**

- 1.1 World economic growth could not go up as pace even though the adverse impact of the global financial crisis is being softened. World Economy remained subdued in 2012 and 2013 due to protracted recession in the Euro Area. The world real GDP growth rate remained at 3.1 percent in 2012 compared to 3.9 percent in 2011. As per the projection of IMF, the world economy is estimated to expand by 3.1 percent in 2013 and its projection for 2014 stands at 3.8 percent. Similarly, the output of advanced economies in 2013 and 2014 is estimated to expand by 1.2 and 2.1 percent respectively.<sup>1</sup>
- 1.2 The growth of emerging and developing economies is projected to expand by 5.0 percent in 2013 while it grew by 4.9 percent in 2012. Similarly, developing Asia is expected to grow by 6.9 percent in 2013, marginally higher than the record 6.5 percent growth in 2012. The neighboring countries, India and China posted the growth rates of 3.2 percent and 7.8 percent respectively in 2012 and are estimated to grow by 5.6 percent and 7.8 percent respectively in 2013.

### **Inflation**

- 1.3 Inflation in advanced economies and emerging and developing economies remained at 2.0 percent and 6.1 percent respectively in 2012. It is estimated to be 1.5 percent and 6.0 percent respectively in 2013. In 2014, inflation in the developed countries and emerging and developing countries is projected to remain at 1.9 percent and 5.5 percent respectively.

### **Trade**

- 1.4 The imports of advanced economies and emerging and developing countries in 2012 increased by 1.1 percent and 5.0 percent respectively. Their exports rose by 2.0 percent and 3.6 percent respectively in the same period. The imports of advanced economies and emerging and developing countries is expected to increase by 1.4 percent and 6.0 percent respectively in 2013 whereas the exports of these countries is expected to increase by 2.4 percent and 4.3 percent respectively.

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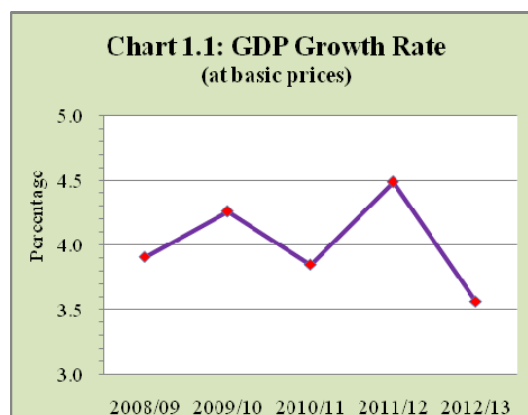
<sup>1</sup> World Economic Outlook, July 2013, IMF



## Macroeconomic and Financial Situation of Nepal

### Gross Domestic Product (GDP)

1.5 The economic growth rate of the country slackened slightly in 2012/13 compared to the previous year. As per the preliminary estimates of Central Bureau of Statistics (CBS), real gross domestic product (GDP) grew by 3.6 percent at basic prices and 3.7 percent at producers' prices in 2012/13. In the previous year, real GDP growth rate was 4.5 percent at basic prices and 4.9 percent at producers' prices. The growth rate of services sector slightly improved, whereas the agriculture and industrial sector has witnessed sluggish growth in the review year.

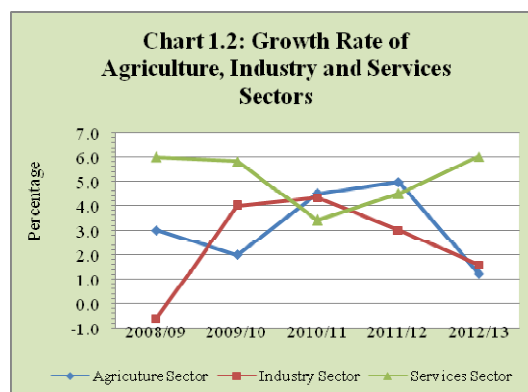


1.6 In the review year, agriculture sector expanded by 1.3 percent and non-agriculture sector by 5 percent. In the previous year, the agriculture sector had grown by 5 percent and non-agriculture sector by 4.2 percent.

1.7 Among the non-agriculture sector, the growth rates of industry and services sub-sectors stood at 1.6 percent and 6 percent respectively in the review year. Such growth rates were 3 percent and 4.5 percent respectively in the previous year.

### Sectoral Composition of GDP

1.8 The share of services sector in GDP increased marginally in the review year whereas the share of agriculture and industry sector declined. Among the agriculture sector, the share of cereal crops primarily paddy and maize, and, among the industrial sector, the share of manufacturing, construction and electricity, gas and water sub-sectors witnessed decline in the review year. Among the services sector, the share of wholesale and retail trade; transportation, communication and storage; financial intermediation and hotel and restaurant sub-sectors increased in the review year.



1.9 The contribution of broadly categorized industrial sectors, primary (agriculture and forestry, fishery, and mining and quarrying), secondary (manufacturing industry, electricity, gas and water, and construction) and tertiary (services) sectors in the real GDP stood at 34.8 percent, 14.6 percent and 50.6 percent respectively in the review

year. In the previous year, the contribution of these sectors was 35.6 percent, 14.9 percent and 49.5 percent respectively.

Table 1.1  
**Share of Primary, Secondary and Tertiary Sectors in the Real GDP**  
 (At 2000/01 Prices)

Sector	As Percentage of GDP <sup>#</sup>			Percentage Change	
	2010/11	2011/12	2012/13	2011/12	2012/13
Primary*	35.4	35.6	34.8	0.5	-2.3
Secondary**	15.1	14.9	14.6	-1.4	-2.1
Tertiary***	49.5	49.5	50.6	0.0	2.3

# GDP including financial intermediation

\* Agriculture, forestry and fishery; and mining and quarrying

\*\* Manufacturing industries; electricity, gas and water; construction

\*\*\* Services

Source: Central Bureau of Statistics

### Agriculture Sector

- 1.10 According to the preliminary estimates of CBS, among the major cereal crops, the production index of paddy and maize declined by 11.2 percent and 8.3 percent respectively in 2012/13 due to the unfavorable weather condition. In the previous year, the production index of paddy and maize had grown by 13.7 percent and 1.5 percent respectively. The production index of fruits, nuts, and beverage and spice groups rose by 20.1 percent in the review year compared to a rise of 10.9 percent in the previous year. Likewise, the production index of livestock went up by 1.1 percent in the review year. In the previous year, the index of this group had grown by 1.8 percent.
- 1.11 The production index of food and other crops sub-group declined by 4.3 percent in the review year. However, the index had risen by 6.3 percent in the previous year. Likewise, the index of vegetables, horticulture and nursery sub-group rose by 2.3 percent in the review year compared to a growth of 1.3 percent in the previous year. The production index of forest products, which witnessed a growth of 2.6 percent in the previous year, increased by 8.9 percent in the review year.
- 1.12 A significant decline in average rainfall as well and its uneven distribution adversely affected the production of major cereal crops namely paddy and maize among others in 2012/13. Generally, monsoon starts by the second week of June, however, it started lately and became weak during the harvesting season resulting to a drop in the production.

## Industrial Sector

- 1.13 The growth rate of industrial sector shrank in the review year. Problem in timely full budget, prevalence of energy crises, no improvement in industrial relations and other structural bottlenecks are major reasons behind the shrink. The growth rate of manufacturing sub-sector of the industrial sector is estimated to remain at 1.9 percent in the review year. The growth rate of this sector was 3.6 percent in the previous year. The production of electricity, gas and water has increased marginally by 0.2 percent in the review year compared to a 8.4 percent growth in the previous year. Likewise, the growth rate of construction sector has been 1.6 percent in the review year. The growth of this sector was 0.2 percent in the previous year.
- 1.14 The overall manufacturing production index increased by 3.9 percent in 2012/13. The index had grown by 3.8 percent in the previous year. Among major industrial products, the production indices of vegetable, oils and fats, dairy products, grain mill products, prepared animal feeds, other food products, beverages, tobacco products, textiles, other textiles, wearing apparel, tanning and dressing of leather, saw milling and planning of wood, products of wood, paper and paper products, basic chemical, other chemical products, plastic product, non-metallic mineral products, fabricated metal product, electric machinery apparatus, furniture manufacture sub-sectors increased whereas the production indices of refined petroleum products; casting of metals and other fabricated metal product declined during the review year.
- 1.15 Foreign investment commitment has significantly increased in 2012/13. The total number of foreign investment projects rose by 32.2 percent and investment amount soared by 171.7 percent in the review year. During the review period, Department of Industry granted approval for 300 joint venture projects with the foreign direct investments commitment of Rs. 19.39 billion. In the previous year, 227 joint venture projects had been approved with a total amount of Rs. 7.14 billion.
- 1.16 Of the total 300 foreign investment projects registered in the review year, 87 were tourism-related, 85 service-related, 77 production-related, 42 agriculture-related, 4 energy-related, 4 mining-related and 1 construction-related projects. In the review year, both the number and total amount on investment of agriculture, manufacturing and tourism-related projects have increased considerably. Despite a slight decrease in the number of service-related projects, the investment amount witnessed an increase.
- 1.17 Of the total 300 foreign investment projects approved in the review year, the countrywise analysis depicts that the largest number of projects were from China (96) followed by India (37), South Korea (24), USA (22) and 121 from other countries. The approved projects were expected to generate direct employment opportunities for 14, 895 people.

### Services Sector

- 1.18 The overall growth rate of services sector witnessed an improvement in the review year due to the expansion in the wholesale and retail trade, hotels and restaurant, transport, storage and communications and financial intermediation, among others.
- 1.19 Among the services sector, wholesale and retail trade is estimated to grow by 9.5 percent in the review year compared to the expansion of 3.1 percent in the previous year. Likewise, compared to a 6 percent growth in the previous year, hotels and restaurants sub-sector is estimated to expand by 6.8 percent in the review year. In the review year, transport, storage and communication sub-sector is estimated to increase by 6.7 percent compared to 5.7 percent growth in the previous year. Financial intermediation was estimated to grow by 6.6 percent, real estate, renting and business activities by 1.6 percent and public administration and defense sub-sectors by 3.3 percent in the review year. The growth rates of those sectors were 3.5 percent, 3 percent and 5 percent in the previous year. Compared to a growth of 5 percent in the previous year, education sub-sector is estimated to expand by 4.1 percent in the review year. Similarly, the growth rates of health and social works, and other community, social and personal services sub-sectors are estimated to increase by 7 percent and 5.2 percent respectively in the review year. The growth rates of these sectors were 9.9 percent and 6.7 percent respectively in the previous year.
- 1.20 The total number of tourists arrived by air had been 595,262 in the previous year. In the review year, the number decreased by 1.4 percent to 586,668. Of the total tourist arrivals, the share of Indian tourists accounted for 24.4 percent and the remaining 75.6 percent were from third countries.
- 1.21 The country-wise analysis shows a 15.1 percent decline in Indian tourist arrivals to 143,196 in the review year, as against a growth of 29 percent in the previous year. The tourist arrivals from third countries increased by 3.9 percent to 443,472 compared to a growth of 15.3 percent in the previous year.

### Consumption, Investment and Saving

- 1.22 The ratio of total consumption to the GDP is estimated to remain at 90.7 percent in the review year compared to 88.5 percent in the previous year. As such, the ratio of gross domestic saving to the GDP stood at 9.3 percent compared to 11.5 percent in the previous year. Public and private sector consumption increased by 1.2 percent and 15.3 percent respectively in the review year compared to the growth of 25.6 percent and 14.3 percent respectively in the previous year. Likewise, the ratio of total investment to GDP remained at 37.8 percent in the review year compared to 34.9 percent in the previous year. The ratio of gross fixed capital formation to GDP stood at 21.2 percent in the review year compared to 20 percent in the previous year.

1.23 The gross internal demand at current prices witnessed a growth of 15.3 percent in the review year compared to the growth of 11.3 percent in the previous year. Likewise, total investment which had increased by 1.6 percent in the previous year, increased by 20 percent in the review year. However, the deficit in the net export of goods and services is estimated to increase by 34.8 percent in the review year compared to an increase of 9.4 percent in the previous year.

Table 1.2

**Consumption, Investment, Internal Demand and  
Gross National Disposable Income**  
(At Current Price)

Particulars	2010/11	2011/12	2012/13	2011/12	2012/13
	Rs. in Million			Percentage Change	
Total Consumption	1176030	1359539	1542329	15.6	13.4
Total Investment	527268	535545	642910	1.6	20.0
Internal Demand	1703298	1895084	2185239	11.3	15.3
Net Export	-328345	-359084	-484045	9.4	34.8
Gross Domestic Product	1374953	1536000	1701194	11.7	10.8
Net Factor Income	7549	14785	7796	95.9	-47.3
Net Transfer	307859	422772	486837	37.3	15.2
Gross National Disposable Income	1690362	1973557	2195827	16.8	11.3

Source: Central Bureau of Statistics.

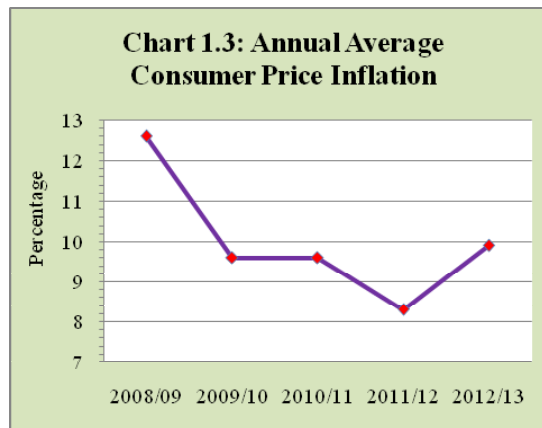
### Gross National Disposable Income

1.24 Gross National Disposable Income (GNDI) compared to the growth of 16.8 percent last year is estimated to increase by 11.3 percent in the review year. The ratio of GNDI to GDP stood at 129.1 percent in the review year. Such ratio had was 128.5 percent in the previous year.

## Inflation, and Salary and Wage Rate Index

### Consumer Price Inflation

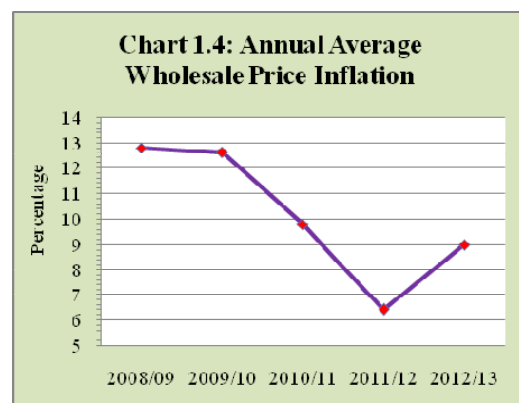
1.25 The annual average consumer price inflation increased by 9.9 percent in 2012/13 compared to an increase of 8.3 percent in 2011/12. The price index of food and beverages group increased by 9.6 percent and the index of non-food and services group increased by 10.0 percent. As a result, the annual average consumer price inflation showed the slight increment compared to previous year. The indices of food and beverages and non-food and services had increased by 7.7 percent and 9.0 percent respectively in 2011/12.



- 1.26 Under the food and beverages group, the yearly average price index of meat and fish sub-group increased by 14.4 percent in the review year whereas it had increased by 7.5 percent in the previous year. Similarly, the annual average price indices of ghee and oil sub-group and tobacco products sub-group went up at the same rate of 13.8 percent compared to their respective increments of 14.4 percent and 10.8 percent in the previous year. The annual price index of sugar and sweets sub-group, which had increased by 9.2 percent in the previous year, grew up by 13.7 percent in the review year. Likewise, the annual price indices of legume varieties sub-group, which was unchanged in the previous year, increased by 12.5 percent in the review year.
- 1.27 Under the non-food and services group, the yearly average indices of furnishing and household equipment went up by 13.3 percent compared to the rise of 13.4 percent in the previous year. Similarly, the annual price indices of clothing and footwear sub-group and education sub-group grew up at the same rate of 12.1 percent in the review year compared to their respective increments of 14.8 percent and 9.8 percent in the previous year. The annual average price index of communication, which had decreased by 8.2 percent in the previous year, has further declined by 2.0 percent during the review year.
- 1.28 Region-wise, annual average price indices of Terai, Katmandu Valley and Hills increased by 10.2 percent, 9.7 percent and 9.5 percent respectively in the review year. Such indices had grown by 8.1 percent, 7.4 percent and 9.7 percent respectively in the previous year.

### Wholesale Price Inflation

- 1.29 The annual average wholesale price inflation increased by 9.0 percent in 2012/13 compared to 6.4 percent rise in the previous year. The annual average price indices of agricultural commodities, imported commodities and domestic manufactured commodities increased by 10.6 percent, 8.4 percent and 5.2 percent respectively



compared to their corresponding rise of 2.5 percent, 12.1 percent and 9.6 percent in the previous year.

- 1.30 Within the group of agricultural commodities, the wholesale price indices of cash crops increased by 25.6 percent during the review period, which had increased by 14.0 percent in the corresponding period of the previous year. The wholesale price indices of livestock, which had increased only by 3.0 percent during the corresponding period of the previous year, has increased by 13.0 percent in the review period.
- 1.31 Under the group of domestic manufactured commodities, the wholesale price indices of food-related products and construction materials increased by 8.4 percent and 4.3 percent in the review period compared to the rise of 10.8 percent and 5.3 percent in the previous year.
- 1.32 Within the imported commodities, the wholesale price indices of petroleum products and coal sub-group and chemical fertilizers and chemical goods sub-group increased by 18.7 percent and 7.9 percent respectively during the review period. Such indices had risen by 21.2 percent and 4.2 percent respectively in the previous year.

### **National Salary and Wage Rate Index**

- 1.33 The annual average salary and wage rate index increased by 9.2 percent in 2012/13 whereas it had increased by 27.4 percent in the previous year. In the review year, there is no change in the annual average price index of salary whereas the price index of wage rate rose by 11.5 percent. In the previous year the increment in salary index and the wage rate index were 19.3 percent and 29.6 percent respectively. In the review year, the wage rate indices of agricultural laborers, industrial laborers and construction laborers have increased by 12.8 percent, 10.3 percent and 7.2 percent respectively.

## **External Sector**

### **Overall External Sector Situation**

- 1.34 In 2012/13, even though the overall performance of external sector remained normal, the trade deficit remained high due to the high growth rate of imports compared to the exports. The current account surplus remained low in the review year compared to the previous year due to the high growth in service debit and low growth rate of remittance income than that of the previous year.

### **Foreign Trade situation**

- 1.35 In 2012/13, the total exports increased by 3.6 percent (Rs. 2.65 billion) to Rs. 76.92 billion. In the previous year, such exports had increased by 15.4 percent. Total exports as percentage of GDP stood at 4.5 percent in the review year. It had remained at 4.8 percent in the previous year.

- 1.36 Exports to India increased by 2.8 percent (Rs.1.38 billion) to Rs. 51.00 billion in the review year compared to a growth of 14.4 percent in the previous year. In the review year, exports of G.I. pipe, copper wire, jute sackings, polyester yarn, ginger, wire, among others, increased considerably to India.
- 1.37 Exports to other countries increased by 5.2 percent (Rs. 1.27 billion) to Rs. 25.91 billion in the review year. Such exports had increased by 17.5 percent in the previous year. In USD terms, exports to other countries decreased by 3.8 percent to USD 293.7 million in contrast to an increase by 5.2 percent in the previous year. The exports of tanned skin, pulses, readymade leather and goods, among others, increased to other countries in the review year.
- 1.38 Total imports rose by 20.6 percent (Rs. 95.07 billion) to Rs. 556.74 billion in the review year. Such imports had increased by 16.5 percent in the previous year. Total imports as percentage of GDP rose to 32.7 percent in the review year from 30.1 percent in the previous year. Total merchandise imports surged significantly in the review year primarily due to a significant increase in the import of petroleum products and transportation equipment and parts.
- 1.39 Of the total imports, in the review year, imports from India rose by 22.6 percent (Rs. 67.64 billion) to Rs. 367.03 billion compared to a growth of 14.3 percent in the preceding year. The imports of petroleum products, transportation equipment and parts, cement, rice, chemical fertilizer, among others, increased from India. Total merchandise worth Rs. 39.69 billion (10.8 percent of total imports from India) was imported from India under the provision of imports from India against the payment of convertible currency. In the previous year, imports from India against the payment of convertible currency was Rs. 60.68 billion (20.3 percent of total imports from India).
- 1.40 In the review year, imports from other countries increased by 16.9 percent (Rs. 27.43 billion) to Rs. 189.71 billion. Such imports had increased by 20.9 percent in the previous year. In USD terms, imports from other countries went up by 7.1 percent to USD 2.15 billion in the review year compared to 7.9 percent in the previous year. The import of telecommunication equipment, silver, readymade clothes, pipe and pipe fittings, chemical goods, among others, increased from other countries.
- 1.41 In the review year, total trade deficit expanded by 23.9 percent to Rs. 479.82 billion. In the previous year, such deficit had risen by 16.7 percent. As a result, trade deficit as percentage of GDP rose to 28.2 percent in the review year from 25.2 percent in the previous year. Trade deficit with India that had gone up by 14.2 percent in the previous year rose by 26.5 percent to Rs. 316.03 billion in the review year. Likewise, trade deficit with other countries grew by 19.0 percent to Rs. 163.79 billion in the review year compared to an increase of 21.5 percent in the previous year.
- 1.42 Total trade increased by 18.2 percent to Rs. 633.66 billion in the review year. It had increased by 16.4 percent in the previous year. Total trade as percentage of GDP increased to 37.2 percent in the review year from 34.9 percent in the previous year.



Total trade with India increased by 19.8 percent to Rs. 418.03 billion in the review year compared to a growth of 14.3 percent in the previous year. Likewise, such trade with other countries rose by 15.4 percent to Rs. 215.62 billion in the review year compared to an increase of 20.4 percent in the previous year.

- 1.43 Due to the low growth rate of exports compared to imports, the ratio of exports to imports decreased to 13.8 percent in the review year from 16.1 percent in the previous year. The share of India in Nepal's total exports remained at 66.3 percent in the review year while its share was 66.8 percent in the previous year. Likewise, the share of India in total imports increased to 65.9 percent in the review year from 64.8 percent in the previous year. The share of India in total trade deficit increased to 65.9 in the review year from 64.5 percent in the previous year. Similarly, the share of India in total foreign trade stood at 66.0 percent in the review year compared to 65.1 percent in the previous year.

### Balance of Payments

- 1.44 Total exports, as per f.o.b\* valuation, increased by 5.5 percent to Rs. 85.99 billion in 2012/13. In the previous year, such exports had increased by 18.6 percent. Total imports as per f.o.b.valuation soared by 20.4 percent to Rs. 547.29 billion in the review year. As a result, trade deficit increased by 23.6 percent to Rs. 461.30 billion in the review year compared to a rise of 16.7 percent in the previous year.
- 1.45 Total service income increased by 31.6 percent to Rs. 95.19 billion compared to an increase of 36.5 percent in the previous year. Under the total service income, travel income increased by 11.4 percent to Rs. 34.21 billion in the review year compared to a growth of 24.8 percent in the previous year. Likewise, other service income increased by 34.9 percent in the review year. Transportation expenses increased by 49.3 percent whereas travel expenses increased sharply by 53.7 percent during the review year. As a result, total services payments that had decreased by 5.5 percent in the previous year increased drastically by 50.3 percent to Rs. 87.61 billion in the review year. Thus, net services income remained surplus by Rs. 7.58 billion in the review year compared to a surplus of Rs. 14.06 billion in the previous year.
- 1.46 On the income front, income receipts increased by 3.5 percent to Rs. 23.32 billion in the review year. Similarly, income payments increased marginally by 0.1 percent to Rs. 10.24 billion. Consequently, net income surged by 6.4 percent to Rs.13.07 billion in the review year compared to a remarkable growth of 62.8 percent in the previous year.
- 1.47 In the review year, grants decreased by 5.6 percent to Rs. 34.18 billion in contrast to an increase of 40.5 percent in the previous year. In comparison to its growth of 41.8 percent in the previous year, workers' remittances grew by 20.9 percent to Rs. 434.58 billion in the review year. Remittances in USD terms increased by 11.7 percent to USD 4.93 billion compared to a growth of 25.8 percent in the previous year. Pension receipts

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\* Freight and insurance is deducted while converting foreign trade data into F.O.B based data for Balance of Payment purpose.

increased by 24.6 percent to Rs. 35.33 billion in the review period. Transfer payment increased by 46.4 percent compared to an increase by 52.6 percent in the previous year. Likewise, the total transfer income increased by 18.1 percent compared to a huge growth of 37.5 percent in the previous year. Net transfer receipts rose by 17.7 percent to Rs. 497.70 billion in the review year compared to a growth of 37.3 percent in the previous year. As a result, the current account posted a surplus of Rs. 57.06 billion (3.4 percent of GDP) in the review year compared to a surplus of Rs. 75.98 billion (4.9 percent of GDP) in the previous year.

- 1.48 Under the capital account, capital transfers decreased by 43.3 percent to as surplus of Rs.10.35 billion in the review year compared to a surplus of Rs. 18.24 billion in the preceding year. Under the financial account, foreign direct investment recorded an inflow of Rs. 9.08 billion in the review year. Likewise, in the review year the inflow of government loan remained at Rs. 13.70 billion while repayment amounted to Rs. 14.92 billion.
- 1.49 From the transactions mentioned above, the overall BoP recorded a surplus of Rs. 68.94 billion in the review year. Such surplus had amounted Rs. 131.63 billion in the previous year. The BoP as percent of GDP stood at 4.1 percent in the review year, whereas it was 8.6 percent in the previous year.

### **Gross Foreign Exchange Reserves**

- 1.50 Compared to the level of mid-July 2012, the gross foreign exchange reserves increased by 21.4 percent to Rs. 533.30 billion as at mid-July 2013. Of the total reserves, the reserve of the Nepal Rastra Bank went up by 20.6 percent to Rs. 452.99 billion in the review year. Out of the total foreign exchange reserves, the share of Nepal Rastra Bank was 84.9 percent. In 2011/12 such reserves had increased by 76.2 percent to Rs. 375.52 billion of which the share of Nepal Rastra Bank was 85.5 percent. The gross foreign exchange reserves in USD rose by 13.2 percent to USD 5.61 billion as at mid-July 2013 compared to a growth of 29.3 percent in the same period of the preceding year. Normally, the level of reserves which is adequate for financing the imports of six months is considered favorable. Based on the imports of last year, the reserves are adequate for financing merchandise imports of 11.7 months and merchandise and service imports of 10.1 months.

Table 1.3  
Reserve Adequacy Indicators

	2010/11	2011/12	2012/13 <sup>P</sup>
<b>Trade Indicator (in month)</b>			
Import Capacity (Merchandise Only)	8.4	11.6	11.7
Import Capacity (Merchandise and Services)	7.3	10.3	10.1
<b>Monetary Indicators (in Percent)</b>			
Gross Foreign Exchange Reserves/Broad Money Supply	29.5	38.9	40.5
Gross Foreign Exchange Reserves/Reserve Money	116.2	137.6	150.6
Gross Foreign Exchange Reserve/ GDP	19.8	28.6	31.3

P: Provisional

1.51 The ratios of gross foreign exchange reserves to broad money supply, reserve money and GDP remained at 40.5 percent, 150.6 percent and 31.3 percent respectively as at mid-July, 2013. Such ratios had remained at 38.9 percent, 137.6 percent and 28.6 percent in the previous year.

### Exchange Rate

1.52 The exchange rate of Nepalese currency with Indian currency remained stable in 2012/13. During the review year, Nepalese currency depreciated vis-à-vis US dollar, Pound Sterling and Euro but it appreciated with Japanese Yen. Compared to mid-July 2012, Nepalese currency depreciated against USD, Pound Sterling, and Euro by 6.7 percent, 4.8 percent and 13.0 percent respectively, but it appreciated against Japanese Yen by 16.7 percent.

Table 1.4  
Exchange Rate Movement

Foreign currency	Buying rate (in Rs.)			Appreciation (+)/Depreciation (-)	
	Mid-July			Percent	
	2011	2012	2013	2012	2013
1 US dollar	70.95	88.60	95.00	-19.9	-6.7
1 Pound sterling	114.54	136.62	143.56	-16.2	-4.8
1 Euro	100.34	107.98	124.04	-7.1	-13.0
10 Japanese yen	9.00	11.20	9.60	-19.6	16.7

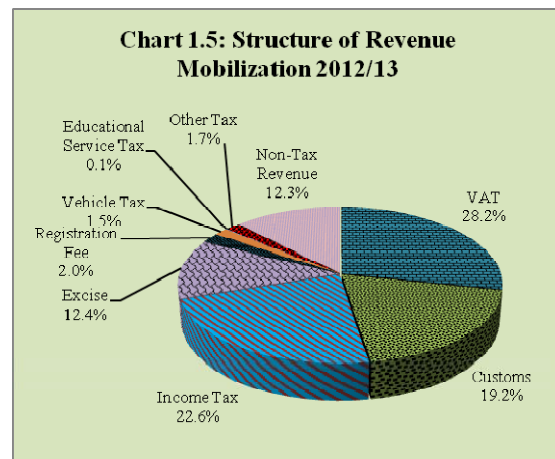
### Fiscal Situation

1.53 The full-fledged budget of 2012/13 couldn't be presented on time due to political transition of the country. An ordinance was issued on July 15, 2012 with an authority to spend one third of the total expenditure of 2011/12. As the full-fledged budget couldn't come into effect, the Government of Nepal (GoN) again promulgated another ordinance on November 20, 2012 which empowered the government to withdraw, appropriate and

spend money from Reserved Fund for services and activities for 2012/13 equivalent to total expenditure made on 2011/12. Due to these provisions of the ordinances, GoN was compelled to continue policies, programmes and projects of the previous year. Announcement of a full-sized budget with the estimate of revenue and expenditure only in the ninth month of 2012/13 was responsible for lower than expected growth rate of total expenditure during the review year. Especially, growth rate of capital expenditure remained low.

## Government Revenue

1.54 The total revenue of the Government of Nepal increased by 21.1 percent to Rs. 295.94 billion in 2012/13. Such revenue was 102.2 percent of the annual target of Rs. 289.61 billion. The revenue had risen by 22.3 percent to Rs. 244.37 billion in the 2011/12. Consequently, the revenue to GDP ratio stood at 17.4 percent during the review year compared to that of 15.9 percent in the 2011/12. Mainly remarkable increase in imports and resulting growth of custom revenue, increasing growth of income tax, tax leakage control as well as overall reforms in tax administration contributed to such an increase in revenue mobilisation.



- 1.55 Amongst the components of revenue, the Value added tax (VAT) increased by 15.7 percent to Rs. 83.51 billion in the 2012/13. Such revenue had increased by 17.1 percent in the previous year. Slower growth of VAT from domestic production, sales and services accounted for such a low growth rate of VAT revenue in 2012/13.
- 1.56 The custom revenue increased by 31.1 percent to Rs. 56.89 billion in 2012/13 compared to an increase of 21.7 percent in the previous year. The rise in imports including the import of high tax yielding vehicles and spare parts contributed to such a high growth in custom revenue. Likewise, the depreciation of Nepalese Rupee against US dollar also contributed to such an increase in customs revenue during the review year.
- 1.57 The income tax revenue increased by 28.1 percent to Rs. 67.02 billion in 2012/13 compared to an increase of 25.5 percent to Rs. 52.33 billion in the previous year. Positive impact of reform in income tax administration, tax leakage control and taxpayer education contributed to a high growth of income tax revenue.
- 1.58 During the review year, excise revenue increased by 20.6 percent to Rs. 36.66 billion compared to an increase of 15.2 percent in the previous year. Increase in imports of higher excise tax yielding vehicles, reforms in the tax administration and control of tax

leakages are mainly responsible for such a high growth rate of excise duty during the review year.

- 1.59 Of the total revenue mobilization in 2012/13, VAT constituted a share of 28.2 percent followed by income tax (22.6 percent), custom duties (19.2 percent), and excise duties (12.4 percent). In the previous year, such compositions were 29.6 percent, 21.4 percent, 17.8 percent and 12.5 percent respectively.
- 1.60 During the review year, non-tax revenue decreased by 3.7 percent to Rs. 36.40 billion against an increase of 35 percent in the previous year. The reduction in non-tax revenue collection was caused by a decrease in interest and dividend payments to the government by some public enterprises.
- 1.61 Of the total revenue, the share of tax revenue and non-tax revenue stood at 87.7 percent and 12.3 percent respectively in 2012/13. Such ratios were 84.5 percent and 15.5 percent respectively in the previous year. The share of direct tax and indirect tax revenue in total tax revenue remained at 31.7 percent and 68.3 percent respectively during the review year. Such ratios were 29.1 percent and 70.9 percent respectively in 2011/12.

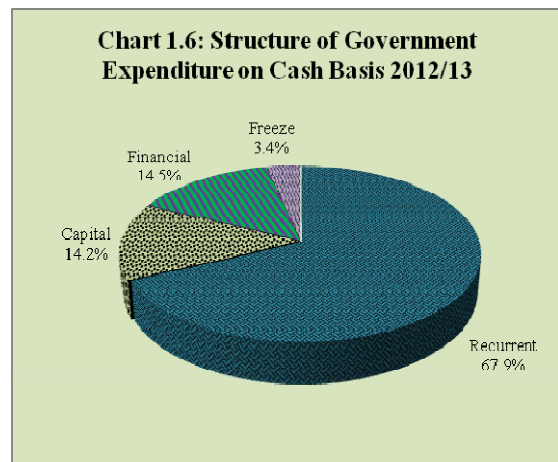
### **Foreign Cash Grants**

- 1.62 In 2012/13, the receipt of foreign cash grants was Rs. 24.43 billion. It stood at Rs. 46.57 billion in the previous year.

### **Government Expenditure**

- 1.63 Government expenditure, on cash basis, increased by 12.1 percent to Rs. 358.65 billion in 2012/13 compared to an increase of 15.2 percent to Rs. 319.85 billion in the previous year. Announcement of full budget only in the ninth month of the review year was responsible for such a decline in the growth rate of total spending during the review year.
- 1.64 During the review year, recurrent expenditure increased by 3.1 percent to Rs. 243.53 billion compared to previous year, which accounted to 87.3 percent of annual budget estimate of 2012/13.
- 1.65 In the review year, the capital expenditure increased by 12.2 percent to Rs. 50.99 billion compared to previous year, which was 77.1 percent of annual budget estimate of 2012/13. Delay in the tender process including other procedural processes due to the announcement of full budget only in the ninth month of the fiscal year was responsible for the slower growth of capital expenditure.

1.66 Of the total government expenditure on cash basis in review year, the ratios of recurrent expenditure, capital expenditure, financial and freeze expenditure stood at 67.9 percent, 14.2 percent, 14.5 percent and 3.4 percent respectively. Such ratios were 73.9 percent, 14.2 percent, 10.4 percent and 1.5 percent respectively in the previous year.



### Budget Deficit/Surplus

1.67 The government budget deficit, on cash basis, increased by 38.2 percent to Rs. 30.88 billion in 2012/13. Such deficit was Rs 22.34 billion in 2011/12. The ratio of budget deficit to GDP remained at 1.8 percent in the review year. Such ratio was 1.5 percent in the previous year.

### Sources of Financing Deficit

1.68 As a source of deficit financing, domestic borrowings of Rs. 19.04 billion has been mobilised in 2012/13, which was 1.1 percent of GDP. In the previous year, domestic borrowings of Rs. 36.42 has been mobilised.

1.69 Principal of domestic borrowings equivalent to Rs. 21.16 billion was repaid by the GoN in 2012/13. Moreover, GoN has cash balance of Rs. 516.1 million (after utilizing Rs. 1.84 billion cash balance) with Nepal Rastra Bank.

1.70 Outstanding domestic debt of GoN stood at Rs. 207.0 billion in 2012/13. After adjusting the government balance of Rs. 516.1 million, total outstanding domestic debt stood at Rs. 206.48 billion at mid-July 2013.

1.71 Foreign cash loan reached to Rs 9.54 billion in 2012/13 from Rs. 5.75 billion in the previous year.

### Tax Policy Provisions

1.72 In 2012/13, new policy provisions on revenue could be announced due to delay of full-fledged budget. Thus, the procedure, process and rates of revenue remained unchanged according to the Financial Ordinance, 2012.

### Tax Rates

1.73 In the imports duty front, the existing six custom rates of 5, 10, 15, 20, 30 and 80 percent in 2011/12 have been kept unchanged also in 2012/13. Likewise, custom rates on exports remained unchanged at 70 and 200 percent in 2012/13. Similarly, nine excise rates 5, 10, 15, 30, 35, 40, 50, 55, and 60 percent remained unchanged in 2012/13.

Table 1.5  
Tax Rates

	Description	2011/12	2012/13
1.	Import Duties (Percent)	5, 10, 15, 20, 30 and 80	5,10,15,20,30 and 80
2.	Export Duties (Percent)	70 and 200	70 and 200
3.	Excise (Percent)	5,10,15,30,35,40,50,55 and 60	5,10,15,30,35,40,50,55 and 60
4.	VAT (Percent)	13	13
5.	<u>Income Tax</u>		
	(a) Exemption Threshold		
	(i) Individual	Rs. 160,000	Rs. 160,000
	(ii) Couple or Family	Rs. 200,000	Rs. 200,000
	(b) Tax Rates (Percent)		
	(i) Upto exemption threshold of taxable income from employment,	1 percent	1 Percent
	(ii) First Rs. 100,000 after Exemption Limit	15 percent	15 percent
	(iii) On residual amount	25 percent	25 percent
	(iv) On additional 25 percent tax amount after Rs 25 lakhs	40 percent	40 percent
	<u>Corporate Tax</u>		
	(a) Flat Rate at Corporate Net Income		
	(i) Bank and Financial Institutions	30 percent	30 percent
	(ii) Others	25 percent	25 percent
	(b) Partnership Firm	25 percent	25 percent
	House Rent Tax	10 percent	10 percent
	Meeting Allowance	15 percent	15 percent
	Commission	15 percent	15 percent
	Lottery, Upahar, Prize	25 percent	25 percent
	Interest Tax	5 percent	5 percent
	Provident Fund and Pension	5 percent	5 percent
	Government Debt	5 percent	5 percent
	Bonus Tax	5 percent	5 percent

### Status of the Public Enterprises

1.74 The Public enterprises (PEs) had earned net profit of Rs. 6.69 billion in 2010/11 whereas these PEs suffered a net loss of approximately Rs. 3.50 billion in 2011/12. Due to losses of Nepal Electricity Authority and Nepal Oil Corporation amounting to Rs. 9.95 billion and Rs. 9.53 billion respectively, net loss of PEs in general has swelled. In addition, 8 PEs earning net profits in the previous fiscal year were in the state of losses in 2011/12 whereas amount of profit of other PEs operating in profit decreased in 2011/12.

- 1.75 In FY 2011/12, Government's share investment in government owned Public Enterprises increased by 11.1 percent to Rs. 102.41 billion which was Rs. 92.19 billion in the previous year. Total outstanding loan investment increased by 6.4 percent to Rs. 101.24 billion in 2011/12, which was Rs. 95.17 billion in the previous year. The loan flow from the government to PEs in fiscal year 2011/12 totaled Rs. 6.07 billion (1.8 percent of total government expenditure). The loan amount extended to PEs is equivalent to 11.8 percent of government capital expenditure. Of the total outstanding loan investment, Rs. 26.87 billion was from internal source and Rs. 74.37 billion was from external source.
- 1.76 The GoN earned dividend of Rs. 6.26 billion in 2011/12, which was Rs. 5.50 billion in the previous year. In 2011/12, the portion of dividend contributed by Public Enterprises constitutes 2.56 percent of the total revenue. The ratio of the dividend to share investment stood at 6.11 percent, which seems lower than current interest rate.
- 1.77 With a view to operate PEs in a coordinated way by enhancing their competitiveness and professionalism, the Public Enterprises Direction Board came into operation according to the decision of the GoN in Dec. 1, 2011. Accordingly Public Enterprise Direction Board Order was issued and published in Nepal Gazette on Dec. 27, 2011.

## **Monetary and Financial Situation**

### **Monetary Situation**

- 1.78 Broad money supply (M2) increased by 16.4 percent in 2012/13 compared to a growth of 22.7 percent in the previous year. The slower growth of broad money supply was on account of slowdown in the growth rate of net foreign assets in the review year. Similarly, narrow money supply (M1) increased by 14.4 percent during the review year compared to a rise of 18.6 percent in the previous year.
- 1.79 The currency in circulation, a component of narrow money supply, went up by 14.9 percent in 2012/13 compared to the growth of 20.1 percent in the previous year. In the review year, current deposit increased by 19.8 percent compared to a growth of 15.4 percent in the previous year. Saving, fixed and call deposits went up by 18.2 percent, 14.3 percent and 20.7 percent respectively in the review year compared to a growth of 31.3 percent, 13.7 percent and 32.4 percent respectively in the previous year.
- 1.80 Net foreign assets-NFA (after adjusting foreign exchange valuation gain/loss) increased by Rs. 68.94 billion (18.0 percent) in the review year compared to a growth of Rs. 131.63 billion (59.5 percent) in the previous year. A higher growth in imports relative to exports, decline in foreign grants and slower growth of remittance inflow led to a decelerated growth of NFA in the review period.
- 1.81 Domestic credit increased by 17.2 percent in 2012/13 compared to a growth of 9.3 percent in the previous year. Such a higher growth of domestic credit was due to an



accelerated growth of credit flows to private sector and credit to non-financial government enterprises in the review year.

- 1.82 In the review year, net claims on government increased by 2.8 percent (Rs. 4.57 billion). Such claims had decreased by 0.3 percent in the previous year. At the end of the review year, government deposit at the NRB stood at Rs. 516.10 million.
- 1.83 The claims on private sector grew by 20.2 percent (Rs. 163.20 billion) in the review year, which had increased by 11.3 in the previous year. Such a higher growth of claims on private sector in the review year can be attributed to the favorable liquidity situation and the policy measures undertaken by the NRB with a view to expand productive sector lending.
- 1.84 Reserve money rose by 10.9 percent in 2012/13 compared to a growth of 36.4 percent in the previous year. A slower growth of net foreign assets resulted into a decelerated growth of reserve money in the review year.

#### **Use of Standing Liquidity Facility and the Status of Inter-bank Transaction**

- 1.85 In the review year, the banks and financial institutions used standing liquidity facility amounting to Rs. 54.98 billion compared to the use of such facility of Rs. 5.57 billion last year. In 2012/13, the inter-bank transactions of commercial banks stood at Rs. 725.77 billion and those of development banks and finance companies amounted to Rs. 184.58 billion. Those figures stood at Rs. 212.77 billion and Rs. 172.90 billion respectively in the previous year.

#### **Short-term Interest Rates**

- 1.86 In 2012/13, the weighted average interest rate of 91-day treasury bills remained at 1.74 percent, which stood at 1.31 percent in the previous year. Similarly, the weighted average inter-bank transaction rate remained at 2.72 percent in the review year compared to 1.28 percent in the previous year. In the review year, the liquidity situation of overall financial system including commercial banks remained favorable.
- 1.87 In mid-July 2013, the weighted average deposit and lending rates of commercial banks remained at 5.25 percent and 12.09 percent respectively. Accordingly, the interest rate spread (lending rate less deposit rate) of commercial banks stood at 6.85 percent in mid-July 2013. Moreover, the average base rate of commercial banks remained at 9.83 percent in mid-July 2013.

#### **Foreign Exchange Transactions**

- 1.88 In 2012/13, the NRB injected net liquidity of Rs. 285.03 billion through the net purchase of USD 3.22 billion from the foreign exchange market (commercial banks). The net liquidity of Rs. 258.28 billion was injected through the purchase of USD 3.19 billion in the previous year. In the review period, Indian currency (INR) equivalent to Rs. 274.44 billion was purchased through the sale of USD 3.12 billion. In the previous year, the NRB had purchased INR equivalent to Rs. 213.95 billion through the sale of

USD 2.66 billion. Higher amount of INR against USD was purchased in the review year mainly due to the increase in the imports of petroleum products and increase in trade deficit with India.

## **Status of the Sources and Uses of Fund of Banks and Financial Institutions**

### **Commercial Banks**

- 1.89 In 2012/13, the asset/liabilities of commercial banks increased by 18.1 percent (Rs. 190.43 billion) compared to a growth of 23.3 percent (Rs.198.96 billion) in the previous year.
- 1.90 As at mid-July 2013, the deposit mobilization of commercial banks increased by 17.9 percent (Rs. 153.89 billion) to Rs. 1015.58 billion. Such deposit mobilization had increased by 26.7 percent (Rs. 181.46 billion) in the previous year. The current, saving and fixed deposits of commercial banks rose by 17.7 percent, 17.8 percent and 16.1 percent respectively in the review year. Such figures were 16.5 percent, 32.1 percent and 18.0 percent respectively in the previous year. The slower growth of deposit mobilization in the review year was due to sluggish economic growth along with the slow down in the growth rate of net foreign asset compared to the previous year.
- 1.91 The loans and advances of commercial banks increased by 19.1 percent (Rs. 150.35 billion) to Rs. 938.10 billion in the review year. Such loans and advances had increased by 17.0 percent in the previous year. Among the components of loans and advances, the share of private sector credit remained the highest standing at 45.0 percent of GDP.
- 1.92 In 2012/13, credit to private sector from commercial banks increased by 21.6 percent (Rs. 132.56 billion). In the previous year, such credit had gone up by 17.8 percent (Rs. 92.57 billion). Of the total private sector credit, the credit to production sector increased by 22.7 percent (Rs. 32.69 billion) in the review year compared to a growth of 25.0 percent in the previous year. The credit expansion to food, forest products and furniture, rubber tyre, cement and beverage items remained high in the review year. The credit to agriculture sector increased by 34.7 percent (Rs. 8.12 billion) in the review year. The credit to wholesale and retail trade; finance, insurance and fixed assets; and service sector increased by 25.0 percent (Rs. 32.34 billion), 6.3 percent (Rs. 3.89 billion) and 24.1 percent (Rs. 11.4 billion) respectively. Such credit had expanded by 18.3 percent, 7.3 percent and 25.5 percent respectively in the previous year. Similarly, the real estate credit, which had grown by 7.6 percent (Rs. 7.49 billion) in the previous year, increased by 4.8 percent (Rs. 5.1 billion) in the review year.
- 1.93 Of the total assets of commercial banks, investment on the Government securities increased by 14.1 percent (Rs. 18.24 billion) to Rs. 147.23 billion in the review year. Such investment had increased by 21.8 percent in the previous year.
- 1.94 As of mid-July 2013, the liquid assets of commercial banks amounted to Rs. 361.95 billion that accounted for 35.6 percent of the total deposit. The ratio of such asset to deposit was 36.6 percent in the previous year. Of the components of liquid assets, liquid

fund increased by 15.3 percent in the review year. While the balance of commercial banks held abroad increased by 29.5 percent (Rs. 17.62 billion) to Rs. 77.27 billion, the balance with NRB increased by 7.2 percent (Rs. 7.22 billion) to Rs. 107.35 billion in the review year.

### **Development Banks**

- 1.95 As of mid-July 2013, the total financial resources of development banks increased by 24.7 percent to Rs.199.95 billion. Of the total resources, the deposit mobilization of these banks increased by 27.1 percent to Rs. 155.22 billion. Likewise, the capital fund of development banks increased by 10.2 percent.
- 1.96 Loan and advances of development banks increased by 23.3 percent (Rs.33.20 billion) to Rs. 175.89 billion in the review year compared to the growth of 23.6 percent in the previous year. Among the components of loans and advances, the share of private sector credit increased by 27.3 percent to Rs. 131.58 billion in mid-July 2013, which accounts for 7.7 percent of GDP.

### **Finance Companies**

- 1.97 In the review year, the total financial resources of the finance companies decreased by 8.1 percent to Rs. 100.86 billion in mid-July 2013. Such a decline in the loans and advances along with the other indicators of finance companies was due to the merger of 7 finance companies into development banks. The total resources of these companies had increased by 7.5 percent in the previous year. In the review year, the total deposit, a major source of fund, decreased by 9.6 percent to Rs. 68.16 billion compared to a decline of 7.5 percent in the previous year. Similarly, the capital fund of these companies declined by 6.4 percent to Rs.16.32 billion in the review period.
- 1.98 Loan and advances of finance companies decreased by 5.8 percent (Rs.5.52 billion) to Rs. 89.51 billion in mid-July 2013. Such figures had declined by 10.6 percent in the previous year. Of the components of loans and advances, the credit to private sector increased by 2.8 percent amounted to Rs. 70.54 billion, which accounted for 4.1 percent of the GDP.

### **Microfinance Institutions**

- 1.99 In the review year, the total assets/liabilities of “D” class microfinance institutions increased by 20 percent to Rs. 35.77 billion in mid-July 2013. The total deposit mobilization of these institutions stood at Rs. 7.22 billion and the total borrowing reached Rs.20.22 billion. The total loan and investment reached Rs. 23.42 billion and Rs.2.96 billion respectively.

### **Cooperatives and NGOs**

- 1.100 The total assets/liabilities of Cooperatives licensed by the NRB amounted to Rs.15.42 billion in mid-July 2013. Likewise, the total deposits of such cooperatives reached Rs. 11.4 billion whereas their loans and advances stood at Rs. 9.46 billion. The total

investment comprising investment on government securities, fixed deposits and other investments amounted to Rs 1.05 billion in mid- July 2013.

- 1.101 The total sources and uses of NGOs licensed by the NRB to undertake limited banking transactions amounted to Rs. 5.56 billion in mid-July 2013.

#### **Insurance Companies**

- 1.102 Based on the record of the Insurance Board, the total assets/liabilities of insurance companies increased by 14.7 percent to Rs. 84.65 billion in mid-July 2013. The total premium collection is estimated at Rs. 24.85 billion (excluding National Insurance Corporation) compared to the collection of Rs. 21.93 billion in the previous year.

#### **Employees Provident Fund**

- 1.103 Functioning as a body under Ministry of Finance (GoN), the assets/liabilities of Employees Provident Fund increased by 15.5 percent to Rs. 145.28 billion in mid-July 2013. Such figure stood at Rs. 125.75 billion in the previous year. In the review year, the fund collected from the employees increased by 15.7 percent to Rs.140.51 billion in mid-July 2013. Such figure stood at Rs.121.44 billion a year ago.

#### **Citizen Investment Trust**

- 1.104 The total assets/liabilities of Citizen Investment Trust increased by 12.3 percent to Rs. 42.75 billion in mid-July 2013. Such figure stood at Rs. 38.07 billion in the previous year. Fund collection, a major component in the liabilities side of CIT increased by 28.5 percent from Rs. 31.39 billion of the previous year to Rs. 40.32 billion in mid-July 2013. On the assets side, loan/advances reached Rs. 11.74 billion in mid-July 2013 from Rs. 9.66 billion a year ago.

#### **Postal Savings Bank**

- 1.105 Of the total of 117 licensed offices of Postal Savings Banks, operating under Postal Service Department (GoN), only 68 offices mobilized deposits as of mid-July 2013. The total deposit collected by these offices reached Rs. 1.40 billion and the number of total accounts reached 60,424 in mid-July 2013. The total investment made by 59 offices was Rs. 507.3 million.

#### **Deposit and Credit Guarantee Corporation Pvt. Ltd.**

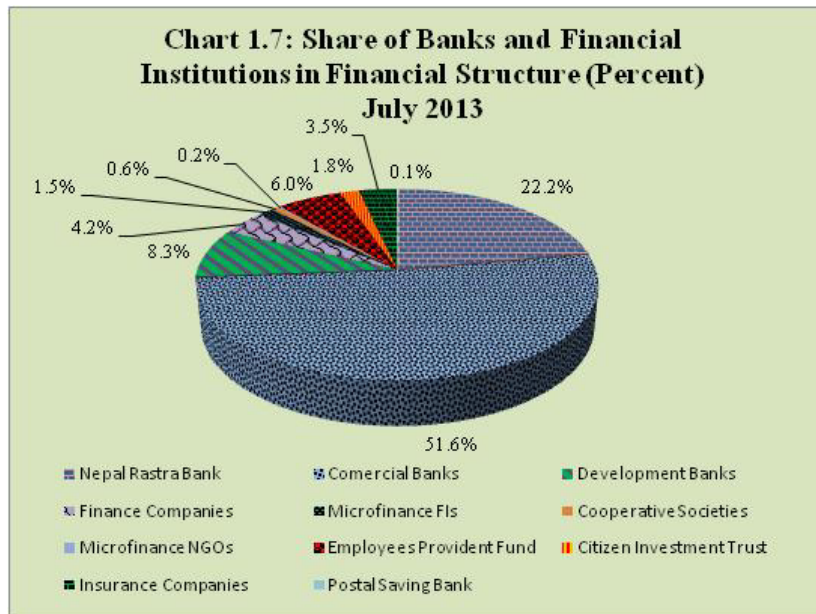
- 1.106 Deposit and Credit Guarantee Corporation has been providing credit guarantee services for priority sectors along with the livestock and vegetable farming, foreign employment, micro and deprived sector loan, and small and medium scale enterprise loan guarantee. The Corporation guaranteed the total loan of Rs. 0.54 billion and the total deposit amounted Rs. 230.96 billion up to mid-July 2013.

**Credit Information Centre Limited**

1.107 As per the information obtained from Credit Information Centre Limited, there were 4,475 blacklisted defaulters until mid-July 2013. In the review year, 690 defaulters were added and 147 borrowers were removed from the blacklist.

**Financial Structure**

1.108 Among the total assets/liabilities of banks and financial institutions, the commercial banks had the highest share (51.6 percent) followed by the NRB (22.2 percent), development banks (8.3 percent), Employee Provident Fund (6 percent), finance companies (4.2 percent) and Citizen Investment Trust (1.8 percent) in mid-July 2013.



1.109 The ratio of total assets/ liabilities of banking sector and institutions mobilizing contractual saving to GDP remained at 141.6 percent in mid-July 2013.

**Financial Institutions and Branch Network**

1.110 The number of bank and financial institutions decreased to 254 in mid-July 2013 from 266 a year ago. Although 10 new financial institutions came into operation, the number of banks and financial institutions decreased due to merger of two commercial banks into one, two development banks into one commercial bank, 10 development banks and 12 financial companies into 7 seven development banks and 2 finance companies, and cancelation of the license for financial intermediation of 5 non-government organizations (NGOs). Accordingly, the number of commercial banks remained 31, development banks 86 and the finance companies remained 59 in mid-July 2013. The number of deposit accounts and borrowers reached 11.1 million and 845 thousands respectively in A, B and C class banks and financial institutions.

1.111 Out of 9 “D” class microfinance institutions granted license in the review year, only 7 institutions initiated financial transactions. As a result, the number of such institutions

reached 31. The number of deposit accounts and borrowers reached 1.164 million and 849 thousands respectively in these institutions.

- 1.112 In the review year, the license granted for financial intermediation of three NGOs has been canceled. Likewise, one of such NGOs could not renew its license due to non-compliance of the required documents and another one registered application for self-liquidation. Consequently, the number of such NGOs remained 31 in mid-July 2013. Likewise, the number of cooperatives licensed by the NRB remained 16 in mid-July 2013.
- 1.113 Until mid-July 2013, there were 282 banks and financial institutions in operation. This figure also includes 25 insurance companies, Employee Provident Fund, Citizen Investment Trust and Postal Saving Bank.

Table 1.6  
**Number of Banks and Financial Institutions**

Banks and Financial Institutions	Mid-July 2012	Mid-July 2013
Commercial Banks	32	31
Development Banks	88	86
Finance Companies	70	59
Microfinance Development Banks	24	31
Cooperative Licensed by the NRB (limited banking transaction)	16	16
NGOs Licensed by the NRB (limited banking transaction)	36	31
Insurance Companies	25	25
Employee Provident Fund	1	1
Citizen Investment Trust	1	1
Postal Saving Bank	1	1
<b>Total</b>	<b>294</b>	<b>282</b>

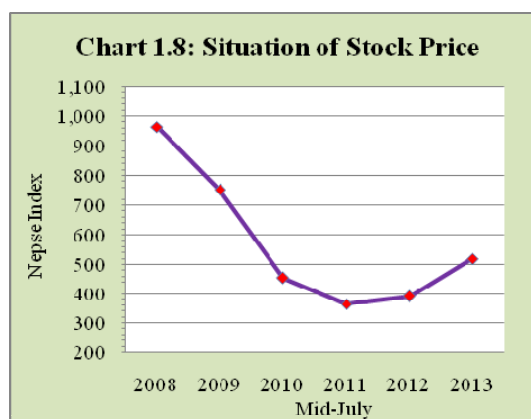
- 1.114 There was a significant increment in the branch network of banks and financial institutions in the review year. Until mid-July 2013, number of branches of commercial banks reached 1486, development banks 764, finance companies 242 and microfinance development banks 646. Such branch network of commercial banks was 1425, development banks 687, finance companies 292 and microfinance development banks 550 until mid-July 2012. As a result, the average population able to receive the services from each branch of banks and financial institutions reached 8475.

Table 1.7  
**Branch Network of Bank and Financial Institutions**

<b>Banks and Financial Institutions</b>	Mid-July 2012	Mid-July 2013
Commercial Banks	1425	1486
Development Banks	687	764
Finance Companies	292	242
Microfinance Development Banks	550	646
<b>Total</b>	<b>2954</b>	<b>3138</b>

## Securities Market

1.115 Remarkable improvement has been observed in securities market in 2012/13. On year-on-year (y-o-y) basis, the NEPSE index increased by 33 percent to 518.3 points in mid-July 2013 compared to an increase of 7.4 percent to 389.7 points a year ago. The NEPSE sensitive index stood at 130.3 points in mid-July 2013 compared to 98.8 points a year ago. Likewise, the NEPSE float index, increased by 17.1 percent in the review year to 35.8 points in mid-July 2013 from 30.6 points in mid-July 2012.



- 1.116 The securities market transaction also increased remarkably in 2012/13. The transaction value increased by 114.5 percent to Rs. 22.05 billion during 2012/13 compared to Rs. 10.28 billion in the previous year.
- 1.117 The y-o-y market capitalization increased by 39.7 percent to Rs. 514.5 billion in mid July 2013. The ratio of market capitalization to GDP stood at 30.2 percent in mid-July 2013 compared to 24 percent a year ago. Of the total market capitalization, the share of bank and financial institutions (including insurance companies) stood at 71.7 percent while that of manufacturing and processing companies, hotels, business entities, hydropower and other sectors stood at 3 percent, 1.7 percent, 0.2 percent, 6 percent and 17.4 percent respectively.
- 1.118 Total number of companies listed at the NEPSE increased from 216 in mid-July 2012 to 230 in mid-July 2013. Of the total listed companies, the number of banks and financial institutions (including insurance companies) stood at 198 followed by production and processing industries (18), hotels (4), business entities (4), hydropower (4) and other companies (2).
- 1.119 Total paid-up capital of the listed companies stood at Rs. 126.06 billion in mid-July 2013, registering an increase of 14 percent over mid-July 2012. Such an increment in the paid-up capital was due to the additional listing of securities at the NEPSE. In 2012/13, additional securities comprising ordinary share worth Rs. 8.25 billion, bonus share worth Rs. 4.02 billion and right share worth Rs. 0.28 billion were listed at the NEPSE. In addition, mutual fund of Rs.0.75 billion and commercial banks' bond of Rs.1.2 billion were also listed at the NEPSE during the review year.

**Table 1**  
**World Economic Growth, Price and Trade**  
**(Annual Percentage Change)**

	2011	2012	Projection	
			2013	2014
<b>Production</b>				
World Production	3.9	3.1	3.1	3.8
Advanced Economies	1.7	1.2	1.2	2.1
United States	1.8	2.2	1.7	2.7
Euro Area	1.5	-0.6	-0.6	0.9
Japan	-0.6	1.9	2.0	1.2
Emerging and Developing Economies	6.2	4.9	5.0	5.4
Developing Asia	7.8	6.5	6.9	7.0
China	9.3	7.8	7.8	7.7
India	6.3	3.2	5.6	6.3
<b>Price</b>				
Goods Price				
Fuel	31.6	1.0	-4.7	-4.7
Non-fuel	17.9	-9.9	-1.8	-4.3
Consumer Price				
Advanced Economies	2.7	2.0	1.5	1.9
Emerging and Developing Economies	7.1	6.1	6.0	5.5
<b>Trade</b>				
Import				
Advanced Economies	4.7	1.1	1.4	4.3
Emerging and Developing Economies	8.7	5.0	6.0	7.3
Export				
Advanced Economies	5.6	2.0	2.4	4.7
Emerging and Developing Economies	6.4	3.6	4.3	6.3

Source: International Monetary Fund, World Economic Outlook, July 2013.



**Table 2**  
**Macroeconomic Indicators**

S.N.	Description	2010/11	2011/12	2012/13
<b>Percentage Change</b>				
1	Producers' Prices			
	GDP at constant (2000/01) prices	3.4	4.9	3.7
	GDP at current prices	15.3	11.7	10.8
2	Basic Prices			
	GDP at constant (2000/01) prices	3.8	4.5	3.6
	GDP at current prices	16.0	11.1	10.3
3	GNI at Current Prices	15.0	12.2	10.2
4	Total Consumption	11.3	15.6	13.4
5	Total Investment	15.3	1.6	20.0
6	Gross National Saving	20.1	19.4	6.4
7	Gross Fixed Capital Formation	10.5	5.0	17.1
8	Gross Domestic Saving	45.6	-11.3	-10.0
9	Gross National Disposable Income	13.9	16.8	11.3
10	Money Supply (M1)	4.8	18.6	14.4
11	Broad Money Supply (M2)	12.2	22.7	16.4
12	Domestic Credit	14.3	9.3	17.2
13	Fixed Deposits	29.4	14.1	14.3
14	Total Exports	5.8	15.4	3.6
15	Total Imports	5.8	16.5	20.6
16	Gross Foreign Exchange Reserves	1.2	61.5	21.4
17	Government Revenue	11.0	22.3	21.1
18	Government Expenditure*	10.7	15.2	8.7
19	National Consumer Price Index	9.6	8.3	9.9
20	Wholesale Price Index	9.9	6.4	9.0
<b>As percentage of GDP</b>				
1	Total Consumption	85.5	88.5	90.7
2	Total Investment	38.3	34.9	37.8
3	Gross National Saving	37.4	40.0	38.4
4	Gross Fixed Capital Formation	21.3	20.0	21.2
5	Gross Domestic Saving	14.5	11.5	9.3
6	Gross National Disposable Income	122.9	128.5	129.1
7	Money Supply (M1)	16.2	17.2	17.7
8	Broad Money Supply (M2)	67.0	73.6	77.3
9	Domestic Credit	66.2	64.8	68.5
10	Fixed Deposits	21.7	22.2	22.9
11	Total Exports	4.7	4.8	4.5
12	Total Imports	28.8	30.1	32.7
13	Foreign Exchange Reserves	19.8	28.6	31.3
14	Government Revenue	14.5	15.9	17.4
15	Government Expenditure*	20.2	20.8	20.4
16	Government Budget Surplus/Deficit*	3.7	1.5	1.1
17	Internal Borrowings	2.4	2.4	1.1
18	Trade Balance	-24.1	-25.2	-28.2
19	Current Account Balance	-0.9	4.9	3.4
20	Total Outstanding External Debt**	18.9	20.1	17.6

\* On cash basis.

\*\* Total outstanding external debt of 2012/13 is based on Eight Month's data.

Source: Economic Survey 2012/13.

**Table 3**  
**Sectoral Growth Rate of Gross Domestic Product**  
(at 2000/01 prices)

(In Percentage)

Sector	2010/11	2011/12 <sup>R</sup>	2012/13 <sup>P</sup>
<b>1. Agriculture</b>	<b>4.5</b>	<b>5.0</b>	<b>1.3</b>
Agriculture and Forestry	4.5	4.9	1.2
Fishery	5.9	7.5	4.0
<b>2. Non-Agriculture</b>	<b>3.6</b>	<b>4.2</b>	<b>5.0</b>
<b>Industry</b>	<b>4.3</b>	<b>3.0</b>	<b>1.6</b>
Mining and Quarrying	2.0	5.0	5.5
Manufacturing	4.1	3.6	1.8
Electricity, Gas and Water	4.4	8.4	0.2
Construction	4.8	0.2	1.6
<b>Service</b>	<b>3.4</b>	<b>4.5</b>	<b>6.0</b>
Wholesale and Retail Trade	1.4	3.0	9.5
Hotels and Restaurant	6.2	6.0	6.8
Transport, Storage and Communication	5.2	5.7	6.7
Financial Intermediation	3.3	3.5	6.6
Real Estate, Renting and Business	2.3	3.0	1.6
Public Administration and Defence	3.9	5.0	3.3
Education	3.0	5.0	4.1
Health and Social Work	5.0	9.9	7.0
Other Community, Social and Personal Service	7.1	6.6	5.2
<b>GDP at basic price</b>	<b>3.8</b>	<b>4.5</b>	<b>3.6</b>
<b>GDP at producers' price</b>	<b>3.4</b>	<b>4.9</b>	<b>3.7</b>

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Source: Central Bureau of Statistics.

**Table 4**  
**Agriculture Production Index**

Agricultural Commodities	Weight	2010/11	2011/12 <sup>R</sup>	2012/13 <sup>P</sup>	2011/12	2012/13
		Index			Percent change	
<b>Cereals &amp; Other Crops</b>	<b>49.41</b>	<b>125.73</b>	<b>133.68</b>	<b>127.95</b>	<b>6.3</b>	<b>-4.3</b>
Paddy	20.75	105.78	120.30	106.83	13.7	-11.2
Maize	6.88	144.70	146.84	134.69	1.5	-8.3
Wheat	7.14	127.55	134.03	140.31	5.1	4.7
Millet	1.37	110.27	114.78	111.33	4.1	-3.0
Barley/Naked Barley	0.22	94.79	80.56	85.32	-15.0	5.9
Potato	4.67	190.91	193.09	197.18	1.1	2.1
Sugarcane	1.24	122.90	132.47	131.12	7.8	-1.0
Jute	0.17	87.96	87.99	88.00	0.0	0.0
Tobacco	0.06	31.16	36.17	36.17	16.1	0.0
Soyabeans	0.19	162.10	161.82	165.26	-0.2	2.1
Pulses	4.42	128.47	129.11	132.16	0.5	2.4
Others	2.29	104.34	103.70	106.86	-0.6	3.0
<b>Vegetables, Horticultural &amp; Nursery</b>	<b>9.71</b>	<b>190.67</b>	<b>193.15</b>	<b>197.57</b>	<b>1.3</b>	<b>2.3</b>
Vegetables	9.70	190.78	193.26	197.68	1.3	2.3
Others	0.01	187.93	188.18	191.29	0.1	1.7
<b>Fruit, Nuts Beverage &amp; Spice</b>	<b>7.10</b>	<b>187.23</b>	<b>207.72</b>	<b>249.53</b>	<b>10.9</b>	<b>20.1</b>
Orange	0.97	239.98	216.07	216.07	-10.0	0.0
Mango	1.56	147.24	215.65	352.99	46.5	63.7
Banana	0.40	228.41	323.96	351.08	41.8	8.4
Apple	0.42	134.27	144.47	149.17	7.6	3.3
Citrus Fruits	1.79	259.27	271.92	294.55	4.9	8.3
Tea	0.05	262.7	282.1	291.44	7.4	3.3
Coffee	0.00	451.12	477.53	488.76	5.9	2.4
Others	1.85	208.79	206.57	219.85	-1.1	6.4
<b>Animal and Dairy Production</b>	<b>23.25</b>	<b>127.13</b>	<b>129.38</b>	<b>130.85</b>	<b>1.8</b>	<b>1.1</b>
Buffaloes' Meat	4.42	134.46	137.86	139.89	2.5	1.5
Mutton	3.24	136.69	138.28	136.51	1.2	-1.3
Milk	12.36	137.96	140.54	142.53	1.9	1.4
Others	3.23	113.83	113.83	113.83	0.0	0.0
<b>Other Animal Production</b>	<b>2.43</b>	<b>168.55</b>	<b>180.70</b>	<b>190.81</b>	<b>7.2</b>	<b>5.6</b>
Pigs' Meat	0.50	117.61	119.94	125.89	2.0	5.0
Poultry Meat	0.67	250.93	284.66	298.89	13.4	5.0
Eggs	0.81	138.79	146.03	157.92	5.2	8.1
Hides & Skins	0.35	183.48	184.11	184.74	0.3	0.3
Others	0.11	87.46	86.5	86.06	-1.1	-0.5
<b>Forestry Production</b>	<b>8.10</b>	<b>74.77</b>	<b>76.73</b>	<b>83.55</b>	<b>2.6</b>	<b>8.9</b>
<b>Overall Index</b>	<b>100.00</b>	<b>133.46</b>	<b>140.05</b>	<b>141.75</b>	<b>4.9</b>	<b>1.2</b>

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Source: Central Bureau of Statistics.

**Table 5**  
**Production Index of Major Industrial Goods**

Description	Weight	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012/13
		Index			Percent change	
<b>Vegetable Oils &amp; Fats</b>	<b>9.62</b>	<b>94.81</b>	<b>84.43</b>	<b>90.42</b>	<b>-10.9</b>	<b>7.1</b>
Vegetable ghee	5.72	71.74	55.68	60.46	-22.4	8.6
Mustard oil	1.32	99.08	119.89	138.66	21.0	15.7
Sovabean oil	2.57	143.94	130.14	132.25	-9.6	1.6
<b>Dairy Products</b>	<b>1.91</b>	<b>108.17</b>	<b>110.02</b>	<b>110.55</b>	<b>1.7</b>	<b>0.5</b>
Processed Milk	1.91	108.17	110.02	110.55	1.7	0.5
<b>Grain Mill Products, Prepared Animal Feeds</b>	<b>9.35</b>	<b>99.08</b>	<b>111.28</b>	<b>112.11</b>	<b>12.3</b>	<b>0.7</b>
Rice	7.79	97.42	108.81	108.98	11.7	0.2
Wheat flour	1.39	105.57	123.73	128.70	17.2	4.0
Animal feed	0.16	122.83	123.11	120.25	0.2	-2.3
<b>Other Food Products</b>	<b>6.45</b>	<b>107.77</b>	<b>123.29</b>	<b>136.00</b>	<b>14.4</b>	<b>10.3</b>
Biscuit	0.94	94.57	76.72	95.00	-18.9	23.8
Bread	1.07	128.12	145.10	139.74	13.3	-3.7
Sugar	1.82	117.06	132.49	154.94	13.2	16.9
Chocolate	0.73	100.65	107.56	140.84	6.9	30.9
Noodles	1.17	110.50	157.29	145.69	42.3	-7.4
Processed tea	0.72	74.07	89.10	115.45	20.3	29.6
<b>Beverages</b>	<b>6.71</b>	<b>135.84</b>	<b>146.08</b>	<b>154.85</b>	<b>7.5</b>	<b>6.0</b>
Liquor rectified	2.21	132.94	144.93	127.33	9.0	-12.1
Beer	2.38	152.88	153.23	188.63	0.2	23.1
Soft drink	2.13	119.78	139.26	145.62	16.3	4.6
<b>Tobacco Products</b>	<b>6.66</b>	<b>125.08</b>	<b>119.15</b>	<b>121.72</b>	<b>-4.7</b>	<b>2.2</b>
Cigarette	6.66	125.08	119.15	121.72	-4.7	2.2
<b>Textiles</b>	<b>6.31</b>	<b>70.84</b>	<b>70.52</b>	<b>71.98</b>	<b>-0.4</b>	<b>2.1</b>
Yarn	1.50	55.97	68.69	69.36	22.7	1.0
Cotton clothes	4.81	75.47	71.09	72.80	-5.8	2.4
<b>Other Textiles</b>	<b>4.17</b>	<b>92.90</b>	<b>102.32</b>	<b>102.64</b>	<b>10.1</b>	<b>0.3</b>
Woolen carpet	2.91	78.76	91.29	83.83	15.9	-8.2
Jute goods	1.26	125.57	127.80	146.08	1.8	14.3
<b>Wearing Apparel</b>	<b>1.17</b>	<b>116.74</b>	<b>96.87</b>	<b>120.10</b>	<b>-17.0</b>	<b>24.0</b>
Garment	1.17	116.74	96.87	120.10	-17.0	24.0
<b>Tanning and Dressing of Leather</b>	<b>0.53</b>	<b>100.87</b>	<b>81.45</b>	<b>89.54</b>	<b>-19.3</b>	<b>9.9</b>
Processed leather	0.53	100.87	81.45	89.54	-19.3	9.9
<b>Saw Milling and Planning of Wood</b>	<b>0.67</b>	<b>58.66</b>	<b>52.96</b>	<b>56.96</b>	<b>-9.7</b>	<b>7.6</b>
Wood sawn	0.67	58.66	52.96	56.96	-9.7	7.6
<b>Products of Wood</b>	<b>0.60</b>	<b>116.30</b>	<b>106.48</b>	<b>118.11</b>	<b>-8.4</b>	<b>10.9</b>
Ply wood	0.60	116.30	106.48	118.11	-8.4	10.9
<b>Paper &amp; Paper Products</b>	<b>2.57</b>	<b>77.30</b>	<b>83.96</b>	<b>89.40</b>	<b>8.6</b>	<b>6.5</b>
Paper excluding newsprint	0.57	68.96	80.55	91.20	16.8	13.2
cartoon box	2.00	79.69	84.94	88.88	6.6	4.6
<b>Refined Petroleum Products</b>	<b>1.04</b>	<b>111.57</b>	<b>98.44</b>	<b>92.88</b>	<b>-11.8</b>	<b>-5.6</b>
Lube Oil	1.04	111.57	98.44	92.88	-11.8	-5.6
<b>Basic Chemical</b>	<b>1.19</b>	<b>106.51</b>	<b>80.28</b>	<b>101.14</b>	<b>-24.6</b>	<b>26.0</b>
Rosin	1.19	106.51	80.28	101.14	-24.6	26.0
<b>Other Chemical Products</b>	<b>5.35</b>	<b>110.65</b>	<b>121.08</b>	<b>133.95</b>	<b>9.4</b>	<b>10.6</b>
Paint	0.75	149.93	172.70	197.15	15.2	14.2
Medicine	1.63	113.34	128.94	147.71	13.8	14.6
Soap	2.97	99.26	103.73	110.43	4.5	6.5
<b>Plastic Product</b>	<b>5.74</b>	<b>94.10</b>	<b>112.57</b>	<b>116.73</b>	<b>19.6</b>	<b>3.7</b>
Plastic product	5.74	94.10	112.57	116.73	19.6	3.7
<b>Non Metallic Mineral Products n.e.c</b>	<b>7.92</b>	<b>133.63</b>	<b>122.98</b>	<b>128.59</b>	<b>-8.0</b>	<b>4.6</b>
Bricks	1.62	77.48	93.59	106.17	20.8	13.4
Cement	5.28	161.66	135.16	136.68	-16.4	1.1
Concrete	0.76	40.54	92.54	106.03	128.3	14.6
Hume pipe	0.26	186.46	147.75	170.08	-20.8	15.1
<b>Other Fabricated Metal Product</b>	<b>11.71</b>	<b>111.53</b>	<b>112.57</b>	<b>119.32</b>	<b>0.9</b>	<b>6.0</b>
Iron rod & billets	5.54	110.46	110.78	115.20	0.3	4.0
GI pipe	6.17	112.49	114.18	123.03	1.5	7.8
<b>Casting of Metals</b>	<b>0.86</b>	<b>115.51</b>	<b>118.31</b>	<b>110.94</b>	<b>2.4</b>	<b>-6.2</b>
Domestic metal product	0.31	84.39	87.47	83.09	3.6	-5.0
aluminum products	0.55	133.05	135.68	126.64	2.0	-6.7
<b>Other Fabricated Metal Product</b>	<b>7.17</b>	<b>110.69</b>	<b>135.94</b>	<b>122.32</b>	<b>22.8</b>	<b>-10.0</b>
Structural metal Product	7.17	110.69	135.94	122.32	22.8	-10.0
<b>Electric Machinery Apparatus</b>	<b>1.74</b>	<b>138.31</b>	<b>154.13</b>	<b>159.05</b>	<b>11.4</b>	<b>3.2</b>
Electrical wire & cable	1.74	138.31	154.13	159.05	11.4	3.2
<b>Furniture Manufacture</b>	<b>0.56</b>	<b>104.37</b>	<b>103.66</b>	<b>114.19</b>	<b>-0.7</b>	<b>10.2</b>
Furniture	0.56	104.37	103.66	114.19	-0.7	10.2
<b>Overall Manufacturing Production Index</b>	<b>100.00</b>	<b>107.49</b>	<b>111.62</b>	<b>115.98</b>	<b>3.84</b>	<b>3.91</b>

P Provisional

Source: Central Bureau of Statistics.

**Table 6**  
**National Consumer Price Index**  
**(Annual Average)**  
 (Base Year: 2005/06=100)

Groups/Sub-Groups	Weight %	2010/11	2011/12	2012/13	Percentage Change	
					2011/12	2012/13
<b>Overall Index</b>	<b>100.00</b>	<b>152.7</b>	<b>165.4</b>	<b>181.7</b>	<b>8.3</b>	<b>9.9</b>
<b>1. Food &amp; Beverage</b>	<b>46.82</b>	<b>181.3</b>	<b>195.2</b>	<b>214.0</b>	<b>7.7</b>	<b>9.6</b>
Cereal Grains & their Products	14.81	175.1	175.7	191.6	0.3	9.1
Legume Varieties	2.01	193.0	192.9	217.0	0.0	12.5
Vegetables	5.65	217.0	269.6	285.0	24.2	5.7
Meat & Fish	5.70	186.3	200.3	229.2	7.5	14.4
Milk Products & Egg	5.01	170.7	193.9	210.6	13.6	8.6
Fruits	2.70	146.7	167.9	191.0	14.4	13.8
Ghee & Oil	2.23	184.7	216.0	229.5	16.9	6.3
Sugar & Sweets	1.36	212.3	231.9	263.7	9.2	13.7
Spices	1.46	215.7	196.0	205.8	-9.1	5.0
Soft Drinks	0.96	168.5	176.0	195.4	4.4	11.0
Hard Drinks	1.72	142.1	148.6	160.5	4.6	8.0
Tobacco Products	0.85	172.7	191.4	217.8	10.8	13.8
Restaurant Food	2.35	189.7	212.3	237.5	11.9	11.9
<b>2. Non-Food &amp; Services</b>	<b>53.18</b>	<b>131.5</b>	<b>143.4</b>	<b>157.8</b>	<b>9.0</b>	<b>10.0</b>
Clothing & Footwear	8.49	141.4	162.3	182.0	14.8	12.1
Housing & Utilities	10.87	134.1	142.3	157.4	6.1	10.6
Furnishing & Household Equipment	4.89	143.4	162.6	184.2	13.4	13.3
Health	3.25	122.7	128.3	137.0	4.6	6.8
Transport	6.01	136.1	157.3	174.4	15.6	10.8
Communication	3.64	89.5	82.2	80.5	-8.2	-2.0
Recreation & Culture	5.39	120.1	129.4	140.1	7.8	8.2
Education	8.46	142.7	156.6	175.6	9.8	12.1
Miscellaneous Goods & Services	2.17	132.1	145.2	159.8	9.9	10.1
<b>Consumer Price Index - Kathmandu Valley</b>						
<b>Overall Index</b>	<b>100.0</b>	158.9	170.6	187.2	7.4	9.7
1. Food & Beverage	49.7	187.5	201.4	221.4	7.4	9.9
2. Non-Food & Services	50.3	135.7	145.7	158.0	7.4	8.4
<b>Consumer Price Index - Terai</b>						
<b>Overall Index</b>	<b>100.0</b>	147.7	159.7	176.0	8.1	10.2
1. Food & Beverage	44.5	176.8	188.4	204.9	6.6	8.7
2. Non-Food & Services	55.5	128.3	140.2	156.6	9.3	11.7
<b>Consumer Price Index - Hills</b>						
<b>Overall Index</b>	<b>100.0</b>	154	168.9	185.0	9.7	9.5
1. Food and Beverage	47.3	182.2	199.3	217.5	9.4	9.1
2. Non-Food and Services	52.7	132.5	145.9	161.0	10.1	10.4

**Table 7**  
**National Wholesale Price Index**  
**(Annual Average)**  
 (Base Year: 1999/2000=100)

Groups/Sub-Groups	Weight %	2010/11	2011/12	2012/13	Percentage Change	
					2011/12	2012/13
<b>1. Overall Index</b>	<b>100.0</b>	<b>222.8</b>	<b>237.0</b>	<b>258.3</b>	<b>6.4</b>	<b>9.0</b>
<b>1.1 Agricultural Commodities</b>	<b>49.6</b>	<b>246.7</b>	<b>252.8</b>	<b>279.6</b>	<b>2.5</b>	<b>10.6</b>
Foodgrains	16.6	214.0	203.7	222.7	-4.8	9.3
Cash Crops	6.1	245.4	279.7	351.3	14.0	25.6
Pulses	3.8	275.6	266.1	299.7	-3.4	12.6
Fruits & Vegetables	11.2	225.4	251.3	253.3	11.5	0.8
Spices	1.9	273.4	229.7	237.1	-16.0	3.2
Livestock Production	10.0	309.3	318.7	360.3	3.0	13.0
<b>1.2 Domestic Manufactured Commodities</b>	<b>20.4</b>	<b>195.2</b>	<b>213.9</b>	<b>224.9</b>	<b>9.6</b>	<b>5.2</b>
Food-Related Products	6.1	183.0	202.7	219.8	10.8	8.4
Beverages & Tobacco	5.7	207.4	231.4	238.4	11.6	3.0
Construction Materials	4.5	238.3	250.9	261.7	5.3	4.3
Others	4.1	148.8	165.3	173.1	11.1	4.7
<b>1.3 Imported Commodities</b>	<b>30.0</b>	<b>202.1</b>	<b>226.6</b>	<b>245.6</b>	<b>12.1</b>	<b>8.4</b>
Petroleum Products & Coal	5.4	364.0	441.2	523.6	21.2	18.7
Chemical Fertilizers & Chemical Goods	2.5	198.3	206.7	223.0	4.2	7.9
Transport Vehicles & Machinery Goods	7.0	172.4	185.9	188.4	7.8	1.4
Electric & Electronic Goods	1.9	99.9	111.2	110.8	11.3	-0.4
Drugs & Medicine	2.7	134.4	138.1	146.1	2.8	5.8
Textile-Related Products	3.1	135.7	167.3	171.3	23.3	2.4
Others	7.4	192.0	202.1	206.4	5.2	2.1

**Table 8**  
**National Salary and Wage Rate Index**  
(2004/05 = 100)

	Group & Sub-Group	Weight	2009/10	2010/11	2011/12	2012/13	Percentage Change	
							2011/12	2012/13
	<b>Overall Index</b>	<b>100.00</b>	<b>169.2</b>	<b>199.7</b>	<b>254.4</b>	<b>277.9</b>	<b>27.4</b>	<b>9.2</b>
<b>1.</b>	<b>Salary Index</b>	<b>26.97</b>	<b>157.0</b>	<b>157.0</b>	<b>187.3</b>	<b>187.3</b>	<b>19.3</b>	<b>0.0</b>
	Officers	9.80	150.2	150.2	177.7	177.7	18.3	0.0
	Non Officers	17.17	160.9	160.9	192.7	192.8	19.8	0.1
<b>1.1</b>	<b>Civil Service</b>	<b>2.82</b>	<b>199.3</b>	<b>199.3</b>	<b>236.5</b>	<b>236.5</b>	<b>18.7</b>	<b>0.0</b>
	Officers	0.31	171.5	171.5	215.4	215.4	25.6	0.0
	Non Officers	2.51	202.7	202.7	239.1	239.1	18.0	0.0
<b>1.2</b>	<b>Public Corporations</b>	<b>1.14</b>	<b>164.1</b>	<b>164.1</b>	<b>208.6</b>	<b>210.0</b>	<b>27.1</b>	<b>0.7</b>
	Officers	0.19	161.0	161.0	186.5	187.3	15.8	0.4
	Non Officers	0.95	164.7	164.7	213.0	214.5	29.3	0.7
<b>1.3</b>	<b>Bank &amp; Financial Institutions</b>	<b>0.55</b>	<b>204.1</b>	<b>204.1</b>	<b>290.6</b>	<b>290.6</b>	<b>42.4</b>	<b>0.0</b>
	Officers	0.10	182.3	182.3	250.0	250.0	37.1	0.0
	Non Officers	0.45	209.0	209.0	299.9	299.9	43.5	0.0
<b>1.4</b>	<b>Army &amp; Police Forces</b>	<b>4.01</b>	<b>180.2</b>	<b>180.2</b>	<b>227.9</b>	<b>227.9</b>	<b>26.5</b>	<b>0.0</b>
	Officers	0.17	152.2	152.2	194.8	194.8	28.0	0.0
	Non Officers	3.84	181.5	181.5	229.4	229.4	26.4	0.0
<b>1.5</b>	<b>Education</b>	<b>10.55</b>	<b>174.5</b>	<b>174.5</b>	<b>207.8</b>	<b>207.8</b>	<b>19.1</b>	<b>0.0</b>
	Officers	6.80	164.5	164.5	194.7	194.7	18.4	0.0
	Non Officers	3.75	192.8	192.8	231.6	231.6	20.1	0.0
<b>1.6</b>	<b>Private Institutions</b>	<b>7.90</b>	<b>102.5</b>	<b>102.5</b>	<b>111.3</b>	<b>111.3</b>	<b>8.6</b>	<b>0.0</b>
	Officers	2.24	101.4	101.4	115.3	115.3	13.7	0.0
	Non Officers	5.66	102.9	102.9	109.7	109.7	6.6	0.0
<b>2.</b>	<b>Wage Rate Index</b>	<b>73.03</b>	<b>173.8</b>	<b>215.5</b>	<b>279.2</b>	<b>311.4</b>	<b>29.6</b>	<b>11.5</b>
<b>2.1</b>	<b>Agricultural Labourer</b>	<b>39.49</b>	<b>187.3</b>	<b>247.8</b>	<b>320.0</b>	<b>360.9</b>	<b>29.1</b>	<b>12.8</b>
	Male	20.49	190.3	251.8	322.4	354.5	28.0	10.0
	Female	19.00	184.0	243.4	317.4	367.6	30.4	15.8
<b>2.2</b>	<b>Industrial Labourer</b>	<b>25.25</b>	<b>158.3</b>	<b>173.3</b>	<b>225.0</b>	<b>248.2</b>	<b>29.8</b>	<b>10.3</b>
	High Skilled	6.31	144.8	169.5	214.0	233.8	26.3	9.3
	Skilled	6.31	155.1	168.6	220.4	242.2	30.7	9.9
	Semi Skilled	6.31	161.5	169.5	221.8	246.9	30.9	11.3
	Unskilled	6.32	171.7	185.6	243.7	269.8	31.3	10.7
<b>2.3</b>	<b>Construction Labourer</b>	<b>8.29</b>	<b>156.6</b>	<b>189.9</b>	<b>250.3</b>	<b>268.2</b>	<b>31.8</b>	<b>7.2</b>
	Mason	2.76	151.3	179.2	235.3	248.9	31.3	5.8
	Skilled	1.38	149.9	177.0	226.1	240.6	27.7	6.4
	Unskilled	1.38	152.8	181.3	244.5	257.1	34.9	5.2
	Carpenter	2.76	144.6	169.8	227.5	243.6	34.0	7.1
	Skilled	1.38	141.4	167.0	217.7	235.0	30.4	7.9
	Unskilled	1.38	147.7	172.0	237.2	252.2	37.9	6.3
	Worker	2.77	173.8	220.0	288.1	312.0	31.0	8.3
	Male	1.38	171.6	221.7	292.2	315.3	31.8	7.9
	Female	1.39	176.0	219.5	283.9	308.7	29.3	8.7

**Table 9**  
**Direction of Foreign Trade\***

(Rs. in Million)

	2010/11	2011/12	2012/13 <sup>P</sup>	Percent Change	
				2011/12	2012/13
<b>TOTAL EXPORTS</b>	<b>64338.5</b>	<b>74261.0</b>	<b>76917.0</b>	<b>15.4</b>	<b>3.6</b>
To India	43360.4	49616.3	50999.8	14.4	2.8
To Other Countries	20978.1	24644.7	25917.2	17.5	5.2
<b>TOTAL IMPORTS</b>	<b>396175.5</b>	<b>461667.7</b>	<b>556740.3</b>	<b>16.5</b>	<b>20.6</b>
From India	261925.2	299389.6	367031.3	14.3	22.6
From Other Countries	134250.3	162278.1	189709.0	20.9	16.9
<b>TOTAL TRADE BALANCE</b>	<b>-331837.0</b>	<b>-387406.7</b>	<b>-479823.3</b>	<b>16.7</b>	<b>23.9</b>
With India	-218564.8	-249773.3	-316031.5	14.3	26.5
With Other Countries	-113272.2	-137633.4	-163791.8	21.5	19.0
<b>TOTAL FOREIGN TRADE</b>	<b>460514.0</b>	<b>535928.7</b>	<b>633657.2</b>	<b>16.4</b>	<b>18.2</b>
With India	305285.6	349005.9	418031.1	14.3	19.8
With Other Countries	155228.4	186922.8	215626.2	20.4	15.4

<b>1. Ratio of Export to Import</b>	16.2	16.1	13.8
India	16.6	16.6	13.9
Other Countries	15.6	15.2	13.7
<b>2. Share in Total Export</b>			
India	67.4	66.8	66.3
Other Countries	32.6	33.2	33.7
<b>3. Share in Total Import</b>			
India	66.1	64.8	65.9
Other Countries	33.9	35.2	34.1
<b>4. Share in Trade Balance</b>			
India	65.9	64.5	65.9
Other Countries	34.1	35.5	34.1
<b>5. Share in Total Trade</b>			
India	66.3	65.1	66.0
Other Countries	33.7	34.9	34.0
<b>6. Share of Export &amp; Import in Total Trade</b>			
Export	14.0	13.9	12.1
Import	86.0	86.1	87.9

\* Based on customs data

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**Table 10**  
**Exports of Major Commodities to India\***

(Rs. in Million)

	Fiscal Year			Percent Change	
	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012//13
<b>A. Major Commodities</b>	<b>34606.1</b>	<b>41468.1</b>	<b>46100.4</b>	<b>19.8</b>	<b>11.2</b>
Polyster Yarn	2640.7	3657.2	4742.0	38.5	29.7
Textiles**	3733.5	5130.3	5618.2	37.4	9.5
Thread	3351.1	2628.2	105.0	-21.6	-96.0
Jute Sackings	1866.1	2102.4	3673.1	12.7	74.7
Zinc Sheet	3894.8	3343.4	4948.4	-14.2	48.0
Juice	2363.1	3027.1	3801.6	28.1	25.6
Catechue	1114.0	1002.5	0.0	-10.0	-100.0
Cardamom	1914.5	3275.5	3849.6	71.1	17.5
Wire	1637.7	1809.6	2728.3	10.5	50.8
M.S. Pipe	943.1	797.8	0.0	-15.4	-100.0
Tooth Paste	972.7	1099.0	936.0	13.0	-14.8
Copper Wire Rod	302.6	1213.2	1184.2	300.9	-2.4
Noodles	518.1	458.3	357.3	-11.5	-22.0
Shoes and Sandles	765.7	1341.4	1695.8	75.2	26.4
G.I. pipe	806.6	1593.2	3563.0	97.5	123.6
Jute Twines	1238.3	867.8	435.3	-29.9	-49.8
Oil Cakes	510.3	642.7	637.6	25.9	-0.8
Soap	372.2	244.2	62.2	-34.4	-74.5
Stone and Sand	574.7	905.7	724.5	57.6	-20.0
Jute Hessian	893.7	1094.5	0.0	22.5	-100.0
Rosin	209.7	315.2	1117.8	50.3	254.6
Ginger	305.0	386.9	1311.6	26.9	239.0
Aluminium Section	378.6	312.2	379.6	-17.6	21.6
Readymade garment	372.7	386.0	148.4	3.6	-61.6
Skin	341.3	382.4	229.9	12.0	-39.9
Herbs	172.0	89.9	313.4	-47.7	248.6
Plastic Utensils	610.0	721.1	986.2	18.2	36.8
Cattlefeed	63.7	83.3	26.6	30.8	-68.1
Medicine (Ayurvedic)	576.0	848.3	671.0	47.3	-20.9
Ricebran Oil	77.4	191.1	133.9	146.9	-29.9
Ghee(Clarified)	321.9	371.0	135.8	15.3	-63.4
Tarpentine	98.4	81.1	240.8	-17.6	197.0
Particle Board	100.9	183.7	186.9	82.1	1.8
Brans	50.7	70.5	187.5	39.1	166.0
Raw Jute	0.0	0.0	43.7	-	-
Pashmina	46.5	41.6	55.3	-10.5	32.9
Brooms	7.6	74.8	2.6	884.2	-96.5
Paper	7.3	6.4	0.5	-12.3	-92.3
Live Animals	65.6	248.8	409.7	279.3	64.7
Marble Slab	52.9	1.9	152.1	-96.4	7902.8
Pulses	9.0	202.5	0.9	2150.0	-99.6
Cinnamon	35.1	63.1	49.8	79.8	-21.1
Chemicals	147.6	8.6	0.2	-94.2	-98.0
Vegetable	35.7	68.1	72.5	90.8	6.4
Handicraft Goods	19.7	73.2	22.1	271.6	-69.7
Mustard & Linseed	26.4	6.3	2.9	-76.1	-54.4
Ghee (Vegetable)	19.4	0.0	0.0	-100.0	-
Fruits	0.3	2.7	9.9	800.0	266.1
Turmeric	1.3	2.2	11.7	69.2	429.7
Biscuits	0.5	0.0	0.5	-100.0	-
Shampoos and Hair Oils	39.4	11.2	134.7	-71.6	-
<b>B. Others</b>	<b>8754.3</b>	<b>8148.3</b>	<b>4899.6</b>	<b>-6.9</b>	<b>-39.9</b>
<b>Total(A+B)</b>	<b>43360.4</b>	<b>49616.3</b>	<b>51000.0</b>	<b>14.4</b>	<b>2.8</b>

\* Based on customs data

\*\* Includes PP fabric

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**Table 11**  
**Imports of Major Commodities from India\***

(Rs. in Million)

	Fiscal Year			Percent Change	
	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012//13
<b>A. Major Commodities</b>	<b>209697.0</b>	<b>237116.1</b>	<b>296790.4</b>	<b>13.1</b>	<b>25.2</b>
Petroleum Products	75080.8	92255.6	107138.8	22.9	16.1
Vehicles & Spare Parts	20681.4	17051.0	26297.6	-17.6	54.2
M.S. Billet	18337.2	19437.3	22303.6	6.0	14.7
Other Machinery & Parts	9793.1	8342.0	12014.3	-14.8	44.0
Medicine	9807.8	10383.4	13337.4	5.9	28.4
Coldrolled Sheet in Coil	8235.5	7467.9	2691.9	-9.3	-64.0
M.S. Wires, Rods, Coils, Bars	5003.8	6761.0	4090.0	35.1	-39.5
Electrical Equipment	7223.7	7009.8	6574.0	-3.0	-6.2
Hotrolled Sheet in Coil	5459.4	5542.6	5688.7	1.5	2.6
Cement	4372.8	3300.1	9425.2	-24.5	185.6
Agri. Equip. & Parts	3162.3	4145.8	7380.3	31.1	78.0
Chemicals	3123.5	4072.9	2559.4	30.4	-37.2
Thread	2855.3	4132.5	3887.6	44.7	-5.9
Chemical Fertilizer	3073.4	4506.5	8485.5	46.6	88.3
Textiles	1966.1	2410.5	2899.7	22.6	20.3
Coal	3118.7	5550.4	7009.9	78.0	26.3
Tobacco	1846.8	1916.8	2068.2	3.8	7.9
Vegetables	2096.6	2589.5	4548.6	23.5	75.7
Cosmetics	1647.1	1944.8	1187.2	18.1	-39.0
Paper	2074.1	2278.1	3678.3	9.8	61.5
Rice	1954.3	4267.0	8455.8	118.3	98.2
Readymade Garments	1700.6	2991.0	2800.6	75.9	-6.4
Glass Sheet and G.Wares	1677.4	1692.7	2573.8	0.9	52.1
Aluminium Bars, Rods, Profiles, Foil etc.	1181.7	1289.6	1615.5	9.1	25.3
Tyre, Tubes & Flapes	1216.4	1780.0	2867.2	46.3	61.1
Radio, TV, Deck & Parts	972.1	1015.7	1153.2	4.5	13.5
Enamel & Other Paints	887.1	1064.5	1332.2	20.0	25.1
Books and Magazines	1040.0	801.9	1336.3	-22.9	66.6
Baby Food & Milk Products	999.1	979.1	3599.6	-2.0	267.6
Sugar	786.1	99.4	1061.2	-87.4	967.6
Pipe and Pipe Fittings	875.4	800.8	853.8	-8.5	6.6
Insecticides	855.9	942.4	1102.7	10.1	17.0
Salt	372.3	721.3	936.4	93.7	29.8
Bitumen	536.6	517.9	612.5	-3.5	18.3
Wire Products	647.4	806.6	861.7	24.6	6.8
Fruits	651.7	857.6	1305.1	31.6	52.2
Sanitaryware	916.4	1139.5	2375.6	24.3	108.5
Other Stationery Goods	489.2	461.4	250.6	-5.7	-45.7
Cuminseeds and Peppers	499.3	702.3	1160.2	40.7	65.2
Dry Cell Battery	821.2	1446.0	2900.1	76.1	100.6
Shoes & Sandles	202.8	337.6	424.3	66.5	25.7
Plastic Utensils	463.6	294.2	1727.3	-36.5	487.1
Incense Sticks	205.7	272.3	553.5	32.4	103.3
Cooking Stoves	135.0	164.9	156.9	22.1	-4.8
Live Animals	489.9	422.9	1005.9	-13.7	137.9
Raw Cotton	91.4	61.6	357.4	-32.6	480.3
Tea	27.1	29.0	50.0	7.0	72.4
Molasses Sugar	41.8	49.7	74.6	18.9	50.0
Steel Sheet	0.0	8.7	19.8	-	128.1
<b>B. Others</b>	<b>52228.2</b>	<b>62273.5</b>	<b>70240.8</b>	<b>19.2</b>	<b>12.8</b>
<b>Total (A+B)</b>	<b>261925.2</b>	<b>299389.6</b>	<b>367031.2</b>	<b>14.3</b>	<b>22.6</b>

\* Based on customs data

P Provisional

**Table 12**  
**Exports of Major Commodities to Other Countries\***

(Rs. in Million)

		Fiscal Year			Percent Change	
		2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012//13
<b>A.</b>	<b>Major Commodities</b>	<b>15236.6</b>	<b>19152.6</b>	<b>15471.4</b>	<b>25.7</b>	<b>-19.2</b>
1	Woolen Carpet	4860.4	6938.0	6075.0	42.7	-12.4
2	Pulses	3357.9	2497.0	2671.4	-25.6	7.0
3	Readymade Garments	3062.7	4006.3	3083.3	30.8	-23.0
4	Pashmina	2273.1	3230.3	1655.2	42.1	-48.8
5	Handicraft (Metal and Wooden)	457.5	510.1	214.3	11.5	-58.0
6	Nepalese Paper & Paper Products	399.0	587.3	244.2	47.2	-58.4
7	Tanned Skin	434.2	723.5	1005.5	66.6	39.0
8	Herbs	125.7	197.7	9.0	57.3	-95.5
9	Silverware and Jewelleries	90.5	110.0	76.3	21.5	-30.6
10	Tea	146.0	251.8	224.9	72.5	-10.7
11	Readymade Leather Goods	29.6	100.6	212.4	239.9	111.1
12	Nigerseed	0.0	0.0	0.0	-	-
<b>B.</b>	<b>Woolen Carpet</b>	<b>5741.5</b>	<b>5492.1</b>	<b>10446.0</b>	<b>-4.3</b>	<b>90.2</b>
	<b>Total (A+B)</b>	<b>20978.1</b>	<b>24644.7</b>	<b>25917.5</b>	<b>17.5</b>	<b>5.2</b>

\* Based on customs data

P Provisional

**Table 13**  
**Imports of Major Commodities from Other Countries\***

(Rs. in Million)

	Fiscal Year			Percent Change	
	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012/13
<b>A. Major Commodities</b>	<b>108997.2</b>	<b>119531.3</b>	<b>145602.8</b>	<b>9.7</b>	<b>21.8</b>
Gold	11357.6	25770.4	26113.9	126.9	1.3
Telecommunication Equip. Parts	9493.2	8459.0	13489.4	-10.9	59.5
Other Machinery & Parts	6409.2	7197.5	8131.0	12.3	13.0
Electrical Goods	6505.5	7311.6	5795.0	12.4	-20.7
Polythene Granules	4701.2	5786.7	4524.6	23.1	-21.8
Computer and Parts	6178.3	6150.3	4543.3	-0.5	-26.1
Crude Soyabean Oil	6507.6	9962.3	10627.5	53.1	6.7
Transport Equip. & Parts	4215.2	2859.3	3590.7	-32.2	25.6
Medicine	2135.4	1976.1	2634.3	-7.5	33.3
Betelnut	1965.3	1639.2	2774.6	-16.6	69.3
Silver	3725.6	4370.9	8783.1	17.3	100.9
Threads	1942.9	1887.1	1620.5	-2.9	-14.1
Aircraft Spareparts	2472.4	1406.1	2062.9	-43.1	46.7
Steel Rod & Sheet	299.8	288.7	36.4	-3.7	-87.4
Crude Palm Oil	6096.6	4210.6	3390.8	-30.9	-19.5
Medical Equip. & Tools	2134.4	2588.1	3203.8	21.3	23.8
Copper Wire Rod, Scrapes & Sheets	1312.8	1875.2	1229.3	42.8	-34.4
Petroleum Products	1659.9	1682.1	2261.7	1.3	34.5
Video Television & Parts	2941.6	2614.7	4143.0	-11.1	58.5
Writing & Printing Paper	1788.9	1757.8	1728.9	-1.7	-1.6
Textiles	2609.1	1275.2	2594.5	-51.1	103.5
Readymade Garments	4256.1	1047.3	5454.5	-75.4	420.8
Storage Battery	784.3	1198.2	1075.9	52.8	-10.2
P. V. C. Compound	662.9	970.5	967.8	46.4	-0.3
Raw Wool	912.7	657.2	1050.1	-28.0	59.8
Cosmetic Goods	907.9	907.6	935.2	0.0	3.0
Office Equip. & Stationary	706.1	1085.3	787.9	53.7	-27.4
Chemical Fertilizer	2368.1	2291.3	4838.7	-3.2	111.2
Edible Oil	486.7	2794.1	2606.0	474.1	-6.7
M.S. Billet	1668.5	569.5	0.0	-65.9	-100.0
Other Stationaries	794.6	559.1	909.6	-29.6	62.7
Palm Oil	360.3	312.6	353.2	-13.2	13.0
Shoes and Sandals	1489.2	426.5	2062.7	-71.4	383.6
Pipe & Pipe Fittings	603.0	126.1	2724.4	-79.1	2060.5
Synthetic Carpet	383.2	413.8	383.3	8.0	-7.4
Tyre, Tube & Flaps	424.7	584.8	626.8	37.7	7.2
Textile Dyes	1896.0	88.0	140.7	-95.4	59.9
M.S. Wire Rod	8.7	135.6	1413.2	1458.6	942.2
Zinc Ingot	96.6	234.7	95.2	143.0	-59.4
Tello	280.7	447.7	394.3	59.5	-11.9
Glasswares	845.1	776.1	583.2	-8.2	-24.8
Crude Coconut Oil	25.4	25.7	12.6	1.2	-51.0
Camera	339.5	442.5	715.3	30.3	61.7
Toys	155.9	211.0	433.7	35.3	105.6
Watches & Bands	226.7	252.1	369.6	11.2	46.6
Umbrella and Parts	178.8	220.5	254.2	23.3	15.3
Small Cardamom	147.9	286.9	603.4	94.0	110.3
Paraffin Wax	174.3	270.7	339.8	55.3	25.5
Powder Milk	107.4	300.7	207.0	180.0	-31.2
X-Ray Film	181.6	152.9	294.8	-15.8	92.8
Bags	303.9	171.8	451.8	-43.5	163.0
G.I. Wire	12.3	34.9	45.1	183.7	29.2
Synthetic & Natural Rubber	188.9	8.7	232.0	-95.4	2566.6
Insecticides	100.0	206.7	194.8	106.7	-5.7
Fastener	61.8	43.5	138.3	-29.6	218.0
Door Locks	56.7	63.2	89.4	11.5	41.4
Flash Light	28.7	54.0	85.8	88.2	58.9
Cigarette Paper	14.2	0.0	30.9	-100.0	-
Raw Silk	0.0	0.0	147.9	-	-
Clove	73.2	19.6	24.9	-73.2	27.0
Drycell Battery	199.8	46.4	208.6	-76.8	349.6
Coconut Oil	13.6	19.3	25.2	41.9	30.7
Button	18.7	5.0	15.3	-73.3	205.8
Cuminseed	0.0	0.3	0.0	-	-89.3
<b>B. Others</b>	<b>25253.1</b>	<b>42746.8</b>	<b>44106.3</b>	<b>69.3</b>	<b>3.2</b>
<b>Total (A+B)</b>	<b>134250.3</b>	<b>162278.1</b>	<b>189709.1</b>	<b>20.9</b>	<b>16.9</b>

\* Based on customs data

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**Table 14**  
**Summary of Balance of Payments**

(Rs. in Million)

Particulars	Annual			% Change	
	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012/13
<b>A. Current Account</b>	<b>-12936.4</b>	<b>75979.2</b>	<b>57060.7</b>	<b>-687.3</b>	<b>-24.9</b>
Goods: Exports f.o.b.	68701.5	81511.8	85989.8	18.6	5.5
<i>Oil</i>	0.0	0.0	0.0	-	-
<i>Other</i>	68701.5	81511.8	85989.8	18.6	5.5
Goods: Imports f.o.b.	-388371.4	-454653.1	-547294.3	17.1	20.4
<i>Oil</i>	-75076.2	-92255.6	-107138.9	22.9	16.1
<i>Other</i>	-313295.2	-362397.5	-440155.4	15.7	21.5
<b>Balance on Goods</b>	<b>-319669.9</b>	<b>-373141.3</b>	<b>-461304.5</b>	<b>16.7</b>	<b>23.6</b>
<b>Services: Net</b>	<b>-8674.6</b>	<b>14057.0</b>	<b>7585.8</b>	<b>-262.0</b>	<b>-46.0</b>
Services: Credit	53012.5	72351.5	95190.8	36.5	31.6
<i>Travel</i>	24610.7	30703.8	34210.6	24.8	11.4
<i>Government n.i.e.</i>	5534.6	10071.4	18389.7	82.0	82.6
<i>Other</i>	22867.2	31576.3	42590.5	38.1	34.9
Services: Debit	-61687.1	-58294.5	-87605.0	-5.5	50.3
<i>Transportation</i>	-18604.7	-22292.3	-33276.7	19.8	49.3
<i>Travel</i>	-27642.9	-25769.7	-39611.9	-6.8	53.7
O/W Education	-7166.7	-6371.7	-9508.5	-11.1	49.2
<i>Government Services:Debit</i>	-1154.6	-1566.4	-1177.9	35.7	-24.8
<i>Other</i>	-14284.9	-8666.1	-13538.5	-39.3	56.2
<b>Balance on Goods &amp; Services</b>	<b>-328344.5</b>	<b>-359084.3</b>	<b>-453718.7</b>	<b>9.4</b>	<b>26.4</b>
<b>Income: Net</b>	<b>7549.4</b>	<b>12291.4</b>	<b>13078.8</b>	<b>62.8</b>	<b>6.4</b>
Income: Credit	17504.0	22521.3	23320.1	28.7	3.5
Income: Debit	-9954.6	-10229.9	-10241.3	2.8	0.1
<b>Balance on Goods, Services &amp; Income</b>	<b>-320795.1</b>	<b>-346792.9</b>	<b>-440639.9</b>	<b>8.1</b>	<b>27.1</b>
<b>Transfers: Net</b>	<b>307858.7</b>	<b>422772.1</b>	<b>497700.6</b>	<b>37.3</b>	<b>17.7</b>
Current Transfers: Credit	311156.7	427805.7	505068.2	37.5	18.1
<i>Grants</i>	25780.0	36227.1	34180.5	40.5	-5.6
<i>Workers' Remittances</i>	253551.6	359554.4	434581.7	41.8	20.9
<i>Pensions</i>	28993.4	28343.6	35326.7	-2.2	24.6
<i>Other (Indian Excise Refund)</i>	2831.7	3680.6	979.3	30.0	-73.4
Current Transfers: Debit	-3298.0	-5033.6	-7367.6	52.6	46.4
<b>B. Capital Account (Capital Transfer)</b>	<b>15906.1</b>	<b>18241.7</b>	<b>10348.3</b>	<b>14.7</b>	<b>-43.3</b>
<b>Total (Group A plus B)</b>	<b>2969.7</b>	<b>94220.9</b>	<b>67409.0</b>	<b>3072.7</b>	<b>-28.5</b>
<b>C. Financial Account (Excluding Group E)</b>	<b>3212.5</b>	<b>28912.8</b>	<b>12496.3</b>	<b>800.0</b>	<b>-56.8</b>
Direct Investment in Nepal	6437.1	9195.4	9081.9	42.9	-1.2
Portfolio Investment	0.0	0.0	0.0	-	-
Other Investment: Assets	-25762.2	-15719.6	-22846.4	-39.0	45.3
<i>Trade Credits</i>	-6133.4	-5137.4	-5147.4	-16.2	0.2
<i>Other</i>	-19628.8	-10582.2	-17699.0	-46.1	67.3
Other Investment: Liabilities	22537.6	35437.0	26260.8	57.2	-25.9
<i>Trade Credits</i>	18292.5	26442.3	14434.6	44.6	-45.4
<i>Loans</i>	2612.0	1036.8	-1281.8	-60.3	-223.6
General Government	2631.6	1047.6	-1218.9	-60.2	-216.4
Drawings	13849.2	13445.3	13701.0	-2.9	1.9
Repayments	-11217.6	-12397.7	-14919.9	10.5	20.3
Other Sectors	-19.6	-10.8	-62.9	-44.9	482.4
<i>Currency &amp; Deposits</i>	1231.7	8446.2	14301.1	585.7	69.3
Nepal Rastra Bank	-7.8	37.0	-11.7	-574.4	-131.6
Deposit Money Banks	1239.5	8409.2	14312.8	578.4	70.2
<i>Other Liabilities</i>	401.4	-488.3	-1193.1	-221.6	144.3
<b>Total (Group A through C)</b>	<b>6182.2</b>	<b>123133.7</b>	<b>79905.4</b>	<b>1891.7</b>	<b>-35.1</b>
<b>D. Miscellaneous Items, Net</b>	<b>-860.8</b>	<b>16939.1</b>	<b>3335.4</b>	<b>-2067.7</b>	<b>-80.3</b>
<b>Total (Group A through D)</b>	<b>5321.4</b>	<b>140072.8</b>	<b>83240.7</b>	<b>2532.3</b>	<b>-40.6</b>
<b>E. Reserves &amp; Related Items</b>	<b>-5321.4</b>	<b>-140072.8</b>	<b>-83240.7</b>	<b>2532.3</b>	<b>-40.6</b>
Reserve Assets	-4918.7	-139587.8	-82049.0	2737.9	-41.2
<i>NEPAL RASTRA BANK</i>	-9438.4	-134787.0	-65763.4	1328.1	-51.2
<i>Deposit Money Banks</i>	4519.7	-4800.8	-16285.6	-206.2	239.2
Use of Fund Credit and Loans	-402.7	-485.0	-1191.7	20.4	-
<b>Changes in Reserve Net (- increase)</b>	<b>-4089.7</b>	<b>-131626.6</b>	<b>-68939.6</b>	<b>3118.5</b>	<b>-47.6</b>

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**Table 15**  
**Gross Foreign Exchange Reserves**

	Mid-July			Percent Change	
	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012/13
<b>Rs. in million</b>					
<b>Nepal Rastra Bank</b>	<b>213095.1</b>	<b>375524.5</b>	<b>452994.5</b>	<b>76.2</b>	<b>20.6</b>
Convertible	165257.5	285681.9	339940.0	72.9	19.0
Inconvertible	47837.6	89842.6	113054.5	87.8	25.8
<b>Commercial Bank</b>	<b>59058.0</b>	<b>63932.2</b>	<b>80302.5</b>	<b>8.3</b>	<b>25.6</b>
Convertible	55503.3	57144.0	74079.9	3.0	29.6
Inconvertible	3554.7	6788.2	6222.6	91.0	-8.3
<b>Total Reserve</b>	<b>272153.1</b>	<b>439456.7</b>	<b>533297.0</b>	<b>61.5</b>	<b>21.4</b>
Convertible	220760.8	342825.9	414019.9	55.3	20.8
Inconvertible	51392.3	96630.8	119277.1	88.0	23.4
<b>US dollar in million</b>					
<b>Nepal Rastra Bank</b>	<b>3003.45</b>	<b>4238.43</b>	<b>4768.4</b>	<b>41.1</b>	<b>12.5</b>
Convertible	2329.21	3224.40	3578.3	38.4	11.0
Inconvertible	674.24	1014.02	1190.0	50.4	17.4
<b>Commercial Bank</b>	<b>832.39</b>	<b>721.58</b>	<b>845.0</b>	<b>-13.3</b>	<b>17.1</b>
Convertible	782.29	644.97	780.0	-17.6	20.9
Inconvertible	50.10	76.62	66.0	52.9	-14.5
<b>Total Reserve</b>	<b>3835.84</b>	<b>4960.01</b>	<b>5614.0</b>	<b>29.3</b>	<b>13.2</b>
Convertible	3111.50	3869.37	4358.0	24.4	12.6
Inconvertible	724.34	1090.64	1256.0	50.6	15.1

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**Table 16**  
**Government Budgetary Operation+**  
**(On Cash Basis)**  
During the Fiscal Year

(Rs. in Million)

Heads	Amount			Percent Change	
	2010/11	2011/12	2012/13 <sup>P</sup>	2011/12	2012/13
<b>Sanctioned Expenditure</b>	<b>276252.3</b>	<b>327350.8</b>	<b>346682.8</b>	<b>18.5</b>	<b>5.9</b>
Recurrent		239833.7	243543.9	-	1.5
Capital		48488.8	51122.4	-	5.4
<i>a. Domestic Resources &amp; Loans</i>		43315.4	45012.4	-	3.9
<i>b. Foreign Grants</i>		5173.4	6110.0	-	18.1
Financial		39028.3	52016.5	-	33.3
<i>a. Domestic Resources &amp; Loans</i>		38463.1	51479.7	-	33.8
<i>b. Foreign Grants</i>		565.2	536.8	-	-5.0
<b>Unspent Government Balance</b>	<b>5195.2</b>	<b>12322.8</b>	<b>146.8</b>	<b>137.2</b>	<b>-98.8</b>
Recurrent		3563.5	17.6	-	-99.5
Capital		3041.5	129.2	-	-95.8
Financial		5717.8	0.0	-	-
<b>Actual Expenditure of Budget</b>	<b>271057.1</b>	<b>315028.0</b>	<b>346536.0</b>	<b>16.2</b>	<b>10.0</b>
Recurrent		236270.2	243526.3	-	3.1
Capital		45447.3	50993.2	-	12.2
Financial*		33310.5	52016.5	-	56.2
<b>Expenditure from Freeze Accounts</b>	<b>6557.9</b>	<b>4822.1</b>	<b>12115.6</b>	<b>-26.5</b>	<b>151.3</b>
Freeze-1 Recurrent		1452.5	3421.0	-	135.5
Freeze-2 Capital		3369.6	2976.8	-	-11.7
Freeze-3 Financial		0.0	5717.8	-	-
<b>Total Expenditure</b>	<b>277615.0</b>	<b>319850.1</b>	<b>358651.6</b>	<b>15.2</b>	<b>12.1</b>
<b>Total Resources</b>	<b>227108.7</b>	<b>297506.4</b>	<b>327775.6</b>	<b>31.0</b>	<b>10.2</b>
Revenue and Grants		290945.3	320371.2	-	10.1
Revenue		244371.8	295942.7	-	21.1
Foreign Grants		46573.5	24428.5	-	-47.5
Non-Budgetary Receipts, net		5309.6	6980.9	-	31.5
Others		100.1	80.2	-	-19.9
V. A. T.		75.0	-42.8	-	-157.1
Custom		253.9	80.2	-	-68.4
Local Authorities' Account (LAA)#		822.5	305.9	-	-62.8
<b>Deficits(-) Surplus(+)</b>	<b>-50506.3</b>	<b>-22343.7</b>	<b>-30876.0</b>	<b>-55.8</b>	<b>38.2</b>
<b>Sources of Financing</b>	<b>50506.3</b>	<b>22343.7</b>	<b>30876.0</b>	<b>-55.8</b>	<b>38.2</b>
<b>Internal Loans</b>	<b>45572.1</b>	<b>16407.4</b>	<b>20578.9</b>	<b>-64.0</b>	<b>25.4</b>
<b>Domestic Borrowings</b>	<b>33680.0</b>	<b>36418.6</b>	<b>19042.8</b>	<b>8.1</b>	<b>-47.7</b>
(i) Treasury Bills	14996.6	17283.4	19000.0	15.2	9.9
(ii) Development Bonds	8000.0	14000.0	0.0	75.0	-
(iii) National Savings Certificates	10680.0	5000.0	0.0	-53.2	-
(iv) Citizen Saving Certificates	0.0	126.6	0.0	-	-
(v) Foreign Employment Bond	3.4	8.7	42.8	156.2	394.2
<b>Overdrafts++</b>	<b>12889.3</b>	<b>-23125.1</b>	<b>1844.0</b>	<b>-279.4</b>	<b>-108.0</b>
<b>Others@</b>	<b>-997.2</b>	<b>3113.9</b>	<b>-307.9</b>	<b>-412.3</b>	<b>-109.9</b>
<b>Principal Refund and Share Divestment</b>	<b>0.0</b>	<b>187.1</b>	<b>755.3</b>	<b>-</b>	<b>303.7</b>
<b>Foreign Loans</b>	<b>4934.2</b>	<b>5749.2</b>	<b>9541.8</b>	<b>16.5</b>	<b>66.0</b>

+ Transactions based on the figures reported by 8 NRB offices, 66 RBBL branches (out of 66 branches conducting govt. transaction), 44 NBL branches (out of 44 branches conducting govt. transaction), 5 Everest Bank branches and 1-1 branch each from Nepal Bangladesh Bank Limited and Global IME Bank Limited conducting government transactions .

\* Includes internal and external debt payment and investment.

# Change in outstanding amount disbursed to VDC/DDC remaining unspent.

++ Minus (-) indicates surplus.

@ Interest from Government Treasury transactions and others.

P : Provisional.

**Note: Government budgetary operation have been reported as per the Government Finance Statistics, 2001 from the fiscal year 2011/12 that may not be consistent with the previous reporting.**

**Table 17**  
**Outstanding Domestic Debt of the Government of Nepal**

(Rs. in Million)

S.N.	Name of Bonds/Ownership	Amount			Amount Change		Percent change	
		2010/11	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
<b>1</b>	<b>Treasury Bills</b>	<b>120340.7</b>	<b>131624.1</b>	<b>136468.1</b>	<b>11283.4</b>	<b>4844.0</b>	<b>9.4</b>	<b>3.7</b>
	<i>A. Banking Sector</i>	<i>114640.0</i>	<i>127122.1</i>	<i>134460.4</i>	<i>12482.1</i>	<i>7338.2</i>	<i>10.9</i>	<i>5.8</i>
	a. Nepal Rastra Bank	28178.9	25072.9	12968.9	-3106.0	-12104.0	-11.0	-48.3
	b. Commercial Banks	86461.1	102049.2	121491.4	15588.1	19442.2	18.0	19.1
	<i>B. Non-Banking Sector</i>	<i>5700.7</i>	<i>4502.0</i>	<i>2007.8</i>	<i>-1198.7</i>	<i>-2494.2</i>	<i>-21.0</i>	<i>-55.4</i>
	a. Development Banks	1761.0	2795.0	1406.0	1034.0	-1389.0	58.7	-49.7
	b. Finance Companies	922.4	1664.5	551.8	742.1	-1112.8	80.5	-66.9
	c. Others	3017.3	42.5	50.0	-2974.8	7.5	-98.6	17.6
<b>2</b>	<b>Development Bonds</b>	<b>43519.4</b>	<b>57519.4</b>	<b>51610.9</b>	<b>14000.0</b>	<b>-5908.5</b>	<b>32.2</b>	<b>-10.3</b>
	<i>A. Banking Sector</i>	<i>19670.3</i>	<i>27162.6</i>	<i>26057.9</i>	<i>7492.3</i>	<i>-1104.7</i>	<i>38.1</i>	<i>-4.1</i>
	a. Nepal Rastra Bank	348.2	382.0	319.2	33.9	-62.8	9.7	-16.4
	b. Commercial Banks	19322.2	26780.6	25738.7	7458.4	-1041.9	38.6	-3.9
	<i>B. Non-Banking Sector</i>	<i>23849.1</i>	<i>30356.8</i>	<i>25553.0</i>	<i>6507.8</i>	<i>-4803.8</i>	<i>27.3</i>	<i>-15.8</i>
	<i>a. Development Banks</i>	<i>814.1</i>	<i>1712.2</i>	<i>1503.6</i>	<i>898.1</i>	<i>-208.6</i>	<i>110.3</i>	<i>-12.2</i>
	b. Finance Companies	1462.8	1872.5	1551.4	409.7	-321.1	28.0	-17.1
	c. Others	21572.2	26772.2	22498.1	5200.0	-4274.1	24.1	-16.0
<b>3</b>	<b>National Saving Certificates</b>	<b>10680.0</b>	<b>15680.0</b>	<b>15680.0</b>	<b>5000.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>
	<i>A. Banking Sector</i>	<i>7.6</i>	<i>15.0</i>	<i>17.4</i>	<i>7.4</i>	<i>2.4</i>	<i>-</i>	<i>16.0</i>
	a. Nepal Rastra Bank	7.6	15.0	17.4	7.4	2.4	-	16.0
	b. Commercial Banks	0.0	0.0	0.0	0.0	0.0	-	-
	<i>B. Non-Banking Sector</i>	<i>10672.4</i>	<i>15665.0</i>	<i>15662.6</i>	<i>4992.6</i>	<i>-2.4</i>	<i>-</i>	<i>-</i>
	a. Development Banks	0.0	0.0	0.0	0.0	0.0	-	-
	b. Finance Companies	0.0	0.0	0.0	0.0	0.0	-	-
	c. Others	10672.4	15665.0	15662.6	4992.6	-2.4	-	0.0
<b>4</b>	<b>Citizen Saving Bonds</b>	<b>4630.3</b>	<b>4139.1</b>	<b>3242.7</b>	<b>-491.2</b>	<b>-896.4</b>	<b>-10.6</b>	<b>-21.7</b>
	<i>A. Banking Sector</i>	<i>3136.7</i>	<i>2753.3</i>	<i>2411.2</i>	<i>-383.4</i>	<i>-342.1</i>	<i>-12.2</i>	<i>-12.4</i>
	a. Nepal Rastra Bank (Secondary Market)	3136.7	2753.3	2411.2	-383.4	-342.1	-12.2	-12.4
	b. Commercial Banks	0.0	0.0	0.0	0.0	0.0	-	-
	<i>B. Non-Banking Sector</i>	<i>1493.6</i>	<i>1385.8</i>	<i>831.5</i>	<i>-107.8</i>	<i>-554.3</i>	<i>-7.2</i>	<i>-40.0</i>
	a. Development Banks	0.0	0.0	0.0	0.0	0.0	-	-
	b. Finance Companies	0.0	0.0	13.2	0.0	13.2	-	-
	c. Others	1493.6	1385.8	818.3	-107.8	-567.5	-7.2	-41.0
	<i>(Of which Foreign Employment Bond 2072)</i>	<i>7.4</i>	<i>16.0</i>	<i>58.9</i>	<i>8.7</i>	<i>42.9</i>	<i>117.3</i>	<i>267.2</i>
<b>5</b>	<b>Special Bonds</b>	<b>158.0</b>	<b>157.6</b>	<b>0.0</b>	<b>-0.4</b>	<b>-157.6</b>	<b>-0.3</b>	<b>-100.0</b>
	a. Nepal Rastra Bank	0.0	0.0	0.0	0.0	0.0	-	-
	b. Commercial Bank (10 yrs bond of RBB)	157.6	157.6	0.0	0.0	-157.6	0.0	-100.0
	c. Others	0.4	0.0	0.0	-0.4	0.0	-100.0	-
<b>6</b>	<b>Short-term Loans &amp; Advances</b>	<b>20765.0</b>	<b>-2360.1</b>	<b>-516.1</b>	<b>-23125.1</b>	<b>1844.0</b>	<b>-111.4</b>	<b>-78.1</b>
	a. Nepal Rastra Bank	20765.0	-2360.1	-516.1	-23125.1	1844.0	-111.4	-78.1
	<b>Total Domestic Debt</b>	<b>200093.4</b>	<b>206760.1</b>	<b>206485.6</b>	<b>6666.7</b>	<b>-274.5</b>	<b>3.3</b>	<b>-0.1</b>
	<i>A. Banking Sector</i>	<i>158377.2</i>	<i>154850.5</i>	<i>162430.8</i>	<i>-3526.7</i>	<i>7580.3</i>	<i>-2.2</i>	<i>4.9</i>
	a. Nepal Rastra Bank	52436.3	25863.1	15200.6	-26573.2	-10662.5	-50.7	-41.2
	b. Commercial Banks	105940.9	128987.4	147230.2	23046.5	18242.8	21.8	14.1
	<i>B. Non-Banking Sector</i>	<i>41716.2</i>	<i>51909.6</i>	<i>44054.8</i>	<i>10193.4</i>	<i>-7854.8</i>	<i>24.4</i>	<i>-15.1</i>
	a. Development Banks	2575.0	4507.2	2909.6	1932.1	-1597.6	75.0	-35.4
	b. Finance Companies	2385.2	3537.0	2116.3	1151.8	-1420.7	48.3	-40.2
	c. Others	36756.0	43865.5	39029.0	7109.5	-4836.5	19.3	-11.0



**Table 18**  
**Monetary Survey**  
**(Mid- July)**

(Rs. in Million)

	2010/11	2011/12 <sup>P</sup>	2012/13 <sup>E</sup>	Amount Change		Percentage Change	
				2011/12	2012/13	2011/12	2012/13
<b>1. Foreign Assets, Net</b>	221265.5	383772.1	468238.0	131626.6 <sup>1</sup>	59.5	68939.6 <sup>2</sup>	18.0
1.1 Foreign Assets	284110.2	455976.8	554093.5	171866.6	60.5	98116.7	21.5
1.2 Foreign Currency Deposits	62844.7	72204.7	85855.6	9360.0	14.9	13650.9	18.9
(a) Deposits	52336.4	60465.6	74332.3	8129.2	15.5	13866.7	22.9
(b) Other	10508.2	11739.1	11523.2	1230.8	11.7	-215.8	-1.8
<b>2. Net Domestic Assets</b>	700054.6	746530.2	847138.3	77355.6 <sup>1</sup>	11.0	116134.4 <sup>2</sup>	15.6
<b>2.1 Domestic Credit</b>	910224.9	994691.5	1152524.3	84466.6	9.3	157832.8	15.9
(a) Net Claims on Government*	163439.4	162882.1	154446.3	-557.3	-0.3	-8435.8	-5.2
Claims on Government	163439.4	165254.8	167972.8	1815.5	1.1	2717.9	1.6
Government Deposits	0.0	2372.8	13526.5	2372.8		11153.7	470.1
(b) Claims on Non-Financial Govt Enterprises	6376.4	10099.4	11389.1	3723.0	58.4	1289.7	12.8
(c) Claims on Financial Enterprises	13086.7	11884.2	13662.8	-1202.5	-9.2	1778.7	15.0
Government	2226.3	1276.0	1317.4	-950.3	-42.7	41.4	3.2
Non-Government.	10860.4	10608.2	12345.5	-252.2	-2.3	1737.3	16.4
(D) Claims on Private Sector	727322.4	809825.8	973026.1	82503.4	11.3	163200.2	20.2
<b>2.2 Net Non-Monetary Liabilities</b>	210170.3	248161.3	305386.0	7111.0 <sup>1</sup>	3.4	41698.4 <sup>2</sup>	16.8
<b>3. Broad Money Supply (M2)</b>	921320.1	1130302.3	1315376.3	208982.2	22.7	185074.0	16.4
<b>3.1 Money Supply (M1+)</b>	622326.0	789269.3	925469.1	166943.3	26.8	136199.8	17.3
(a) Money Supply (M1)	222351.4	263705.7	301590.2	41354.3	18.6	37884.5	14.4
Currency	141931.5	170491.7	195874.2	28560.2	20.1	25382.5	14.9
Demand Deposits	80419.9	93214.0	105715.9	12794.2	15.9	12501.9	13.4
(b) Saving & Call Deposits	399974.5	525563.6	623878.9	125589.0	31.4	98315.3	18.7
<b>3.2 Time Deposits</b>	298994.2	341033.0	389907.1	42038.8	14.1	48874.1	14.3
<b>4. Broad Money Liquidity (M3)</b>	973656.6	1190767.9	1389708.6	217111.3	22.3	198940.7	16.7

P Provisional

E Estimates

1 Adjusting exchange valuation gain of Rs. 30880.0 million

2 Adjusting exchange valuation gain of Rs. 15526.3 million

**Table 19**  
**Condensed Assets and Liabilities of Commercial Banks**  
**(Mid-July)**

(Rs. in Million)

	2010/11	2011/12 <sup>P</sup>	2012/13 <sup>E</sup>	Amount Change		Percent Change	
				2011/12	2012/13	2011/12	2012/13
<b>1. Total Deposits</b>	<b>680230.1</b>	<b>861690.0</b>	<b>1015578.0</b>	<b>181459.9</b>	<b>26.7</b>	<b>153888.1</b>	<b>17.9</b>
1.1 Demand Deposits	78203.6	91135.2	107309.8	12931.6	16.5	16174.6	17.7
(a) Domestic Deposits	67933.2	81009.3	93604.0	13076.1	19.2	12594.6	15.5
(b) Foreign Deposits	10270.4	10125.9	13705.8	-144.5	-1.4	3579.9	35.4
1.2 Saving Deposits	230693.1	304712.3	358804.6	74019.2	32.1	54092.3	17.8
(a) Domestic Deposits	225019.4	298883.2	351736.9	73863.8	32.8	52853.7	17.7
(b) Foreign Deposits	5673.7	5829.0	7067.7	155.4	2.7	1238.6	21.2
1.3 Fixed Deposits	252137.3	297625.7	345641.9	45488.4	18.0	48016.2	16.1
(a) Domestic Deposits	222159.5	263640.8	305282.5	41481.3	18.7	41641.7	15.8
(b) Foreign Deposits	29977.8	33984.9	40359.4	4007.1	13.4	6374.5	18.8
1.4 Call Deposits	114058.7	161636.9	194933.5	47578.3	41.7	33296.5	20.6
(a) Domestic Deposits	107906.4	151193.6	181631.5	43287.2	40.1	30437.9	20.1
(b) Foreign Deposits	6152.3	10443.3	13301.9	4291.0	69.7	2858.6	27.4
1.5 Margin Deposits	5137.4	6579.8	8888.3	1442.4	28.1	2308.4	35.1
<b>2. Borrowings from NRB</b>	<b>5246.5</b>	<b>473.3</b>	<b>2187.6</b>	<b>-4773.2</b>	<b>-91.0</b>	<b>1714.3</b>	<b>362.2</b>
<b>3. Foreign Liabilities</b>	<b>1868.1</b>	<b>2175.8</b>	<b>2954.3</b>	<b>307.8</b>	<b>16.5</b>	<b>778.4</b>	<b>35.8</b>
<b>4. Other Liabilities</b>	<b>166145.9</b>	<b>188111.6</b>	<b>222161.4</b>	<b>21965.7</b>	<b>13.2</b>	<b>34049.8</b>	<b>18.1</b>
4.1 Paid-up Capital	58294.9	65983.3	77548.5	7688.5	13.2	11565.1	17.5
4.2 General Reserves	22370.4	35635.4	44174.0	13265.0	59.3	8538.5	24.0
4.3 Other Liabilities	85480.6	86492.8	100439.0	1012.2	1.2	13946.2	16.1
<b>Assets=Liabilities</b>	<b>853490.5</b>	<b>1052450.7</b>	<b>1242881.4</b>	<b>198960.2</b>	<b>23.3</b>	<b>190430.6</b>	<b>18.1</b>
<b>5. Liquid Funds</b>	<b>131518.7</b>	<b>186182.7</b>	<b>214723.3</b>	<b>54664.1</b>	<b>41.6</b>	<b>28540.6</b>	<b>15.3</b>
5.1 Cash in Hand	19786.4	25398.0	29120.1	5611.6	28.4	3722.1	14.7
5.2 Balance with NRB	54277.5	100137.8	107355.7	45860.4	84.5	7217.8	7.2
5.3 Foreign Currency in Hand	500.3	628.9	800.9	128.6	25.7	172.0	27.4
5.4 Balance Held Abroad	56794.8	59653.8	77273.9	2859.0	5.0	17620.1	29.5
5.5 Cash in Transit	159.7	364.1	172.7	204.5	128.1	-191.5	-52.6
<b>6. Loans and Advances</b>	<b>673111.0</b>	<b>787747.7</b>	<b>938102.6</b>	<b>114636.7</b>	<b>17.0</b>	<b>150354.9</b>	<b>19.1</b>
6.1 Claims on Government	105940.9	128987.4	147230.2	23046.5	21.8	18242.8	14.1
6.2 Claims on Non-financial Government Enterprises	6223.0	9762.8	11074.0	3539.8	56.9	1311.2	13.4
6.3 Claims on Financial Enterprises	14960.8	12146.4	11087.5	-2814.5	-18.8	-1058.9	-8.7
Government	2112.3	1162.0	1083.5	-950.3	-45.0	-78.5	-6.8
Non-government	12848.5	10984.4	10004.0	-1864.2	-14.5	-980.4	-8.9
6.4 Claims on Private Sector	544251.7	633360.8	766327.2	89109.1	16.4	132966.5	21.0
(a) Principal	520862.0	613434.3	745999.6	92572.3	17.8	132565.4	21.6
(b) Interest Accrued	23389.7	19926.5	20327.6	-3463.2	-14.8	401.1	2.0
6.5 Foreign Bills Purchased & Discounted	1734.6	3490.4	2383.7	1755.8	101.2	-1106.7	-31.7
<b>7. Other Assets</b>	<b>48860.9</b>	<b>78520.4</b>	<b>90055.5</b>	<b>29659.5</b>	<b>60.7</b>	<b>11535.1</b>	<b>14.7</b>

P Provisional

E Estimated

**Table 20**  
**Condensed Assets and Liabilities of Development Banks**  
**(Mid-July)**

(Rs. in Million)

	2010/11	2011/12 <sup>P</sup>	2012/13 <sup>E</sup>	Amount Change		Percent Change	
				2011/12	2012/13	2011/12	2012/13
<b>1. Total Deposits</b>	<b>91113.5</b>	<b>122128.0</b>	<b>155224.9</b>	<b>31014.5</b>	<b>34.0</b>	<b>33096.9</b>	<b>27.1</b>
1.1 Demand Deposits	2049.5	3250.9	3083.7	1201.5	58.6	-167.2	-5.1
(a) Domestic Deposits	2036.8	3237.3	3068.4	1200.5	58.9	-168.9	-5.2
(b) Foreign Deposits	12.7	13.6	15.3	1.0	7.8	1.7	12.4
1.2 Saving Deposits	42940.1	60767.3	82945.6	17827.1	41.5	22178.4	36.5
(a) Domestic Deposits	42841.3	60722.3	82861.9	17881.0	41.7	22139.7	36.5
(b) Foreign Deposits	98.8	45.0	83.7	-53.8	-54.5	38.7	86.1
1.3 Fixed Deposits	30338.7	37178.4	45028.3	6839.7	22.5	7849.9	21.1
(a) Domestic Deposits	29964.4	36951.6	44760.1	6987.2	23.3	7808.5	21.1
(b) Foreign Deposits	374.3	226.8	268.2	-147.5	-39.4	41.4	18.2
1.4 Call Deposits	15615.6	20753.4	23913.8	5137.8	32.9	3160.4	15.2
(a) Domestic Deposits	15320.4	20735.2	23848.6	5414.8	35.3	3113.4	15.0
(b) Foreign Deposits	295.2	18.2	65.2	-277.0	-93.8	47.0	257.7
1.5 Margin Deposits	169.6	177.9	253.4	8.3	4.9	75.5	42.4
<b>2. Borrowings from NRB</b>	<b>2433.7</b>	<b>0.0</b>	<b>570.0</b>	<b>-2433.7</b>	<b>-100.0</b>	<b>570.0</b>	
<b>3. Foreign Liabilities</b>	<b>359.8</b>	<b>332.1</b>	<b>0.0</b>	<b>-27.7</b>	<b>-7.7</b>	<b>-332.1</b>	<b>-100.0</b>
<b>4. Other Liabilities</b>	<b>35710.4</b>	<b>37900.2</b>	<b>44159.9</b>	<b>2189.7</b>	<b>6.1</b>	<b>6259.8</b>	<b>16.5</b>
4.1 Paid-up Capital	21006.8	21399.7	23576.8	393.0	1.9	2177.0	10.2
4.2 General Reserves	5063.8	6107.6	7340.9	1043.8	20.6	1233.3	20.2
4.3 Other Liabilities	9639.9	10392.8	13242.3	752.9	7.8	2849.5	27.4
<b>Assets=Liabilities</b>	<b>129617.4</b>	<b>160360.2</b>	<b>199954.8</b>	<b>30742.8</b>	<b>23.7</b>	<b>39594.6</b>	<b>24.7</b>
<b>5. Liquid Funds</b>	<b>6466.1</b>	<b>9850.3</b>	<b>11830.4</b>	<b>3384.2</b>	<b>52.3</b>	<b>1980.1</b>	<b>20.1</b>
5.1 Cash in Hand	2427.0	3606.6	4781.4	1179.6	48.6	1174.8	32.6
5.2 Balance with NRB	3647.8	5991.0	6773.2	2343.2	64.2	782.2	13.1
5.3 Foreign Currency in Hand	38.0	37.1	50.9	-0.9	-2.3	13.8	37.2
5.4 Balance Held Abroad	339.1	213.8	219.3	-125.4	-37.0	5.6	2.6
5.5 Cash in Transit	14.3	1.9	5.7	-12.4	-86.8	3.8	202.4
<b>6. Loans and Advances</b>	<b>115445.4</b>	<b>142695.9</b>	<b>175893.8</b>	<b>27250.5</b>	<b>23.6</b>	<b>33197.9</b>	<b>23.3</b>
6.1 Claims on Government	2575.0	4507.2	2909.6	1932.2	75.0	-1597.6	-35.4
6.2 Claims on Non-financial Government Enterprises	102.3	281.7	242.3	179.4	175.3	-39.4	-14.0
6.3 Claims on Financial Enterprises	20074.4	34576.3	41161.0	14501.9	72.2	6584.7	19.0
Government	0.0	0.0	0.0	0.0		0.0	
Non-government	20074.4	34576.3	41161.0	14501.9	72.2	6584.7	19.0
6.4 Claims on Private Sector	92693.6	103330.7	131576.4	10637.0	11.5	28245.7	27.3
(a) Principal	89467.5	100540.8	129039.3	11073.2	12.4	28498.5	28.3
(b) Interest Accrued	3226.1	2789.9	2537.1	-436.2	-13.5	-252.8	-9.1
6.5 Foreign Bills Purchased & Discounted	0.0	0.0	4.5				
<b>7. Other Assets</b>	<b>7705.9</b>	<b>7814.0</b>	<b>12230.5</b>	<b>108.1</b>	<b>1.4</b>	<b>4416.5</b>	<b>56.5</b>

P Provisional

E Estimated

**Table 21**  
**Condensed Assets and Liabilities of Finance Companies**  
**(Mid-July)**

(Rs. in Million)

	2010/11	2011/12 <sup>P</sup>	2012/13 <sup>E</sup>	Amount Change		Percent Change	
				2011/12	2012/13	2011/12	2012/13
<b>1. Total Deposits</b>	<b>81554.3</b>	<b>75398.9</b>	<b>68165.1</b>	<b>-6155.4</b>	<b>-7.5</b>	<b>-7233.8</b>	<b>-9.6</b>
1.1 Demand Deposits	3364.2	4485.2	5410.2	1121.0	33.3	925.0	20.6
(a) Domestic Deposits	3364.2	4485.2	5410.2	1121.0	33.3	925.0	20.6
(b) Foreign Deposits	0.0	0.0	0.0				
1.2 Saving Deposits	30253.4	34158.9	28930.3	3905.5	12.9	-5228.6	-15.3
(a) Domestic Deposits	30253.0	34158.9	28930.3	3905.9	12.9	-5228.6	-15.3
(b) Foreign Deposits	0.4	0.0	0.0	-0.4		0.0	
1.3 Fixed Deposits	45886.0	36066.1	32896.2	-9819.8	-21.4	-3169.9	-8.8
(a) Domestic Deposits	45884.7	36066.1	32896.2	-9818.5	-21.4	-3169.9	-8.8
(b) Foreign Deposits	1.3	0.0	0.0	-1.3		0.0	
1.4 Call Deposits	2006.3	645.8	913.2	-1360.5	-67.8	267.4	41.4
(a) Domestic Deposits	2006.3	645.8	913.2	-1360.5	-67.8	267.4	41.4
(b) Foreign Deposits	0.0	0.0	0.0	0.0		0.0	
1.5 Margin Deposits	44.5	42.9	15.2	-1.6	-3.6	-27.6	-64.5
<b>2. Borrowings from NRB</b>	<b>647.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-647.5</b>	<b>-100.0</b>	<b>0.0</b>	
<b>3. Foreign Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	
<b>4. Other Liabilities</b>	<b>36376.5</b>	<b>34288.6</b>	<b>32691.6</b>	<b>-2087.9</b>	<b>-5.7</b>	<b>-1597.0</b>	<b>-4.7</b>
4.1 Paid-up Capital	19404.1	17434.0	16323.8	-1970.1	-10.2	-1110.2	-6.4
4.2 General Reserves	7773.5	5044.4	6910.6	-2729.2	-35.1	1866.2	37.0
4.3 Other Liabilities	9198.8	11810.2	9457.2	2611.4	28.4	-2353.0	-19.9
<b>Assets=Liabilities</b>	<b>118578.2</b>	<b>109687.5</b>	<b>100856.7</b>	<b>-8890.8</b>	<b>-7.5</b>	<b>-8830.8</b>	<b>-8.1</b>
<b>5. Liquid Funds</b>	<b>3730.0</b>	<b>5288.1</b>	<b>4574.3</b>	<b>1558.1</b>	<b>41.8</b>	<b>-713.7</b>	<b>-13.5</b>
5.1 Cash in Hand	1218.2	1349.4	970.6	131.2	10.8	-378.8	-28.1
5.2 Balance with NRB	2410.0	3895.4	3601.0	1485.5	61.6	-294.5	-7.6
5.3 Foreign Currency in Hand	1.7	22.1	0.3	20.4	1225.2	-21.8	-98.8
5.4 Balance Held Abroad	99.3	18.4	0.3	-80.9	-81.5	-18.1	-98.6
5.5 Cash in Transit	0.9	2.8	2.2	1.9	205.5	-0.5	-18.9
<b>6. Loans and Advances</b>	<b>106267.7</b>	<b>95026.2</b>	<b>89508.8</b>	<b>-11241.4</b>	<b>-10.6</b>	<b>-5517.5</b>	<b>-5.8</b>
6.1 Claims on Government	2487.1	3537.0	2116.3	1049.9	42.2	-1420.7	-40.2
6.2 Claims on Non-financial Government Enterprises	22.2	26.0	41.8	3.8	17.2	15.7	60.4
6.3 Claims on Financial Enterprises	17803.6	22847.1	16815.2	5043.6	28.3	-6031.9	-26.4
Government	0.0	0.0	0.0	0.0		0.0	
Non-government	17803.6	22847.1	16815.2	5043.6	28.3	-6031.9	-26.4
6.4 Claims on Private Sector	85954.8	68616.1	70535.5	-17338.8	-20.2	1919.4	2.8
(a) Principal	84069.5	65287.5	66143.2	-18782.1	-22.3	855.7	1.3
(b) Interest Accrued	1885.3	3328.6	4392.3	1443.3	76.6	1063.6	32.0
6.5 Foreign Bills Purchased & Discounted	0.0	0.0	0.0				
<b>7. Other Assets</b>	<b>8580.5</b>	<b>9373.2</b>	<b>6773.6</b>	<b>792.6</b>	<b>9.2</b>	<b>-2599.6</b>	<b>-27.7</b>

P Provisional

E Estimated

**Table 22**  
**Outstanding Amount of Refinance Facility Provided by Nepal Rastra Bank to**  
**Banks and Financial Institutions**

(Rs. in Million)

S.N.	Institutions	2011/12	2012/13
1.	Commercial Banks	428.4	2177.6
2.	Agriculture Development Bank	0.0	0.0
3.	Nepal Industrial Development Corporation	0.0	0.0
4.	Rural Development Banks	0.0	10.0
5.	Other Development Banks	0.0	570.0
	<b>Total</b>	<b>428.4</b>	<b>2757.6</b>

**Table 23**  
**Sources and Uses of Fund of Microfinance Institutions**

(Rs. in Million)

Particulars	Mid-July			Percentage Change	
	2010/11	2011/12	2012/13 <sup>+</sup>	2011/12	2012/13
<b>Sources</b>					
Capital Funds	2279.6	2810.9	3801.3	23.3	35.2
Deposits	3543.7	5127.9	7218.4	44.7	40.8
Borrowings	13038.4	16575.0	20224.5	27.1	22.0
Others	1544.6	4723.8	3689.9	205.8	-21.9
P/L Account	456.6	577.9	840.8	26.6	45.5
<b>Sources=Uses</b>	<b>20862.9</b>	<b>29815.5</b>	<b>35774.9</b>	<b>42.9</b>	<b>20.0</b>
<b>Uses</b>					
Liquid Funds	3193.4	5648.5	6430.7	76.9	13.8
Investment	1817.1	2190.6	2963.6	20.6	35.3
Loans & Advances	14684.5	17700.0	23420.4	20.5	32.3
Others	1049.2	4158.9	2828.4	296.4	-32.0
P/L Account	118.7	117.5	131.8	-1.0	12.2

+ Unaudited

**Table 24**  
**Sources and Uses of Fund of NRB Licensed Co-operatives**

(Rs. in Million)

Particulars	Mid-July			Percentage Change	
	2010/11	2011/12	2012/13 <sup>+</sup>	2011/12	2012/13
<b>Sources</b>					
Capital Funds	672.9	809.3	1176.7	20.3	45.4
Deposits	5584.7	8727.7	11402.7	56.3	30.6
Borrowings	384.3	483.9	937.6	25.9	93.8
Others	1317.8	1250.3	1457.9	-5.1	16.6
P/L Account	190.9	381.2	440.2	99.7	15.5
<b>Sources=Uses</b>	<b>8150.6</b>	<b>11652.4</b>	<b>15415.1</b>	<b>43.0</b>	<b>32.3</b>
<b>Uses</b>					
Liquid Funds	1313.0	3332.9	3742.7	153.8	12.3
Investment	253.5	774.6	1146.9	205.6	48.1
Loans & Advances	5543.1	6558.1	9458.4	18.3	44.2
Others	969.1	918.6	1045.2	-5.2	13.8
P/L Account	71.9	68.2	21.9	-5.1	-67.9

+ Unaudited

**Table 25**  
**Sources and Uses of Fund of Insurance Companies**

(Rs. in Million)

Particulars	Mid-July			2011/12		2012/13	
	2010/11	2011/12	2012/13 <sup>+</sup>	Amount Change	Percent Change	Amount Change	Percent Change
<b>Sources</b>							
Paid-up Capital	4093.4	4342.8	4596.0	249.4	6.1	252.7	5.8
Reserve Funds	50870.0	59981.4	68692.0	9111.4	17.9	8710.4	14.5
Other Liabilities	6250.0	9500.8	11362.9	3250.8	52.0	1862.3	19.6
<b>Sources=Uses</b>	<b>61213.4</b>	<b>73825.0</b>	<b>84650.4</b>	<b>12611.6</b>	<b>20.6</b>	<b>10825.4</b>	<b>14.7</b>
<b>Uses</b>							
Bank & Cash Balances	1650.0	2706.4	3917.7	1056.4	64.0	1211.3	44.8
Investment	52693.4	60866.2	69395.0	8172.8	15.5	8528.8	14.0
Fixed Assets	3170.0	2453.8	2805.8	-716.2	-22.6	352.0	14.3
Other Assets	3700.0	7798.6	8531.9	4098.6	110.8	733.3	9.4

+ Unaudited

Source: Insurance Board Nepal

**Table 26**  
**Sources and Uses of Fund of Employees Provident Fund**

(Rs. in Million)

Particulars	Mid-July			2011/12		2012/13	
	2010/11	2011/12	2012/13 <sup>+</sup>	Amount Change	Percent Change	Amount Change	Percent Change
<b>Sources</b>							
Provident Fund	102328.2	121439.7	140507.3	19111.5	18.7	19067.6	15.7
Reserve Fund	3151.1	2971.3	3328.1	-179.8	-5.7	356.8	12.0
Other Liabilities	1105.2	1341.8	1448.0	236.6	21.4	106.2	7.9
<b>Sources=Uses</b>	<b>106584.5</b>	<b>125752.8</b>	<b>145283.4</b>	<b>19168.3</b>	<b>18.0</b>	<b>19530.6</b>	<b>15.5</b>
<b>Uses</b>							
Bank & Cash Balance	2375.4	4739.2	2897.6	2363.8	99.5	-1841.6	-38.9
Investment	40915.6	41401.5	44254.6	485.9	1.2	2853.1	6.9
<i>Fixed Deposits</i>	25980.0	23880.0	27784.8	-2100.0	-8.1	3904.8	16.4
<i>GoN Borrowings</i>	13471.3	14950.5	13800.5	1479.2	11.0	-1150.0	-7.7
<i>Housing Plan</i>	1.0	0.7	0.4	-0.3	-25.1	-0.3	-44.1
<i>Share Investment</i>	1118.5	2197.9	2198.5	1079.4	96.5	0.6	0.0
<i>Other Investment</i>	344.8	372.4	470.4	27.6	8.0	98.0	26.3
Loans and Advances	61377.3	77370.4	95086.0	15993.1	26.1	17715.6	22.9
<i>Project Loan</i>	6334.8	10738.3	15617.2	4403.5	69.5	4878.9	45.4
<i>Depositor Loan</i>	55042.5	66632.1	79468.8	11589.6	21.1	12836.7	19.3
Fixed Assets	0.0	478.3	367.3	478.3	0.0	-111.0	-23.2
Other Assets	1916.2	1763.4	2677.9	-152.6	-8.0	914.4	51.9

+ Unaudited

Source: Employees Provident Fund

**Table 27**  
**Sources and Uses of Fund of Citizen Investment Trust**

(Rs. in Million)

Particulars	Mid-July			2011/12		2012/13	
	2010/11	2011/12	2012/13 <sup>+</sup>	Amount Change	Percent Change	Amount Change	Percent Change
<b>Sources</b>							
Paid-up Capital	125.0	160.0	300.0	35.0	28.0	140.0	87.5
Reserve Fund	805.8	1169.0	1052.3	363.2	45.1	-116.8	-10.0
Borrowings	23554.0	31388.6	40324.6	7834.6	33.3	8936.0	28.5
Other Liabilities	2420.6	5350.9	1076.7	2930.3	121.1	-4274.2	-79.9
<b>Sources=Uses</b>	<b>26905.4</b>	<b>38068.5</b>	<b>42753.6</b>	<b>11163.1</b>	<b>41.5</b>	<b>4685.1</b>	<b>12.3</b>
<b>Uses</b>							
Liquid Assets	700.0	2800.0	1185.2	2100.0	300.0	-1614.9	-57.7
Investments	18986.6	18347.8	27293.4	-638.8	-3.4	8945.6	48.8
Loans & Advances	4363.8	9657.1	11741.1	5293.3	121.3	2084.0	21.6
Other Assets	2855.0	7263.6	2534.0	4408.6	154.4	-4729.6	-65.1

+ Unaudited

Source: Citizen Investment Trust

**Table 28**  
**Structure of Nepalese Financial System**

(Rs. in Million)

Particulars	2010/11			2011/12			2012/13		
	Total Assets/ Liabilities	Percentage Share in Total	Ratio of Total Assets to Nominal GDP (%)	Total Assets/ Liabilities	Percentage Share in Total	Ratio of Total Assets to Nominal GDP (%)	Total Assets/ Liabilities	Percentage Share in Total	Ratio of Total Assets to Nominal GDP (%)
<b>Financial institutions</b>	<b>1450392.2</b>	<b>88.0</b>	<b>105.5</b>	<b>1819792.8</b>	<b>88.0</b>	<b>118.5</b>	<b>2135340.7</b>	<b>88.6</b>	<b>125.5</b>
Nepal Rastra Bank	319692.6	19.4	23.3	455826.5	22.1	29.7	534897.9	22.2	31.4
Commercial Banks	853490.5	51.7	62.1	1052450.7	51.0	68.5	1242881.4	51.6	73.1
Development Banks	129617.4	7.9	9.4	160360.2	7.8	10.4	199954.8	8.3	11.8
Finance Companies	118578.2	7.2	8.6	109687.5	5.3	7.1	100856.7	4.2	5.9
Microcredit Financial Institutions	20862.9	1.3	1.5	29815.5	1.4	1.9	35774.9	1.5	2.1
Cooperatives	8150.6	0.5	0.6	11652.4	0.6	0.8	15415.1	0.6	0.9
Microcredit Non-Governmental Organizations	4667.4	0.3	0.3	4360.0	0.2	0.3	5560.0	0.2	0.3
<b>Contractual Savings institutions</b>	<b>194703.3</b>	<b>12.0</b>	<b>14.2</b>	<b>237646.3</b>	<b>12.0</b>	<b>15.5</b>	<b>272687.4</b>	<b>11.3</b>	<b>16.0</b>
Employees Provident Fund	106584.5	6.5	7.8	125752.8	6.1	8.2	145283.4	6.0	8.5
Citizen Investment Trust	26905.4	1.6	2.0	38068.5	1.8	2.5	42753.6	1.8	2.5
Insurance Companies	61213.4	3.7	4.5	73825.0	3.6	4.8	84650.4	3.5	5.0
<i>Postal Saving Bank</i>	<i>1152.4</i>	<i>0.1</i>	<i>0.1</i>	<i>1276.4</i>	<i>0.1</i>	<i>0.1</i>	<i>1397.2</i>	<i>0.1</i>	<i>0.1</i>
<b>Total</b>	<b>1650915.3</b>	<b>100.0</b>	<b>120.1</b>	<b>2063075.5</b>	<b>100.0</b>	<b>134.3</b>	<b>2409425.3</b>	<b>100.0</b>	<b>141.6</b>



**Table 29**  
**Stock Market Indicators**

S. No.	Particulars	2008/09	2009/10	2010/11	2011/12	2012/13
1	Number of Listed Companies	159	176	209	216	230
2	Paid-up Capital of the Listed Companies (Rs. in million)	61140.0	79786.0	100238.0	110610.0	126064.0
3	Total Market Capitalization (Rs. in million)	512939.0	376871.4	323484.3	368262.1	514492.1
4	Annual Turnover (Rs. in million)	21681.0	11787.3	6665.3	10279.3	22048.9
5	Market Days	234	225	231	232	232
6	Number of Companies Traded	170	198	222	230	230
7	Number of Transactions	209091	213733	302364	293489	292366
8	Number of Listed Shares (in '000)	637868	826046	1033674	1140081	1297841
9	Number of Shares Traded (in '000)	30547	26231	26240	41885	81572
10	Ratio of Paid-up Capital to GDP (%)	6.19	6.69	7.29	7.2	7.41
11	Ratio of Turnover to Paid-up Capital (%)	35.46	14.77	6.65	9.29	17.49
12	Ratio of Turnover to Market Capitalization (%)	4.23	3.13	2.06	2.79	4.29
13	Ratio of Market Capitalization to GDP (%)	51.9	31.6	23.53	23.98	30.24
14	NEPSE Index (closing)	749.1	477.73	362.85	389.74	518.33
15	NEPSE Sensitive Index (closing)	198.77	116.14	89.44	98.77	130.25
16	NEPSE Float Index (closing)	70.85	44.33	30.67	30.56	35.8

Source: Nepal Stock Exchange Ltd.

**Table 30**  
**Securities Listed at Nepal Stock Exchange Limited**

Particulars	2011/12			2012/13		
	No. of Share ('000)	Amount (Rs. In Million)	Ratio (%)	No. of Share ('000)	Amount (Rs. In Million)	Ratio (%)
<b><u>Institutionwise</u></b>						
Commercial banks	57204.7	6350.0	24.5	65846.9	8025.0	55.3
Development Banks	17898.2	1790.0	6.9	31171.9	3117.0	21.5
Insurance companies	1805.2	181.0	0.7	7408.6	741.0	5.1
Finance companies	15014.7	1501.0	5.8	8258.7	826.0	5.7
Productive and Processing companies	0.0	0.0	0.0	0.0	0.0	0.0
Hotels	2984.9	298.0	1.2	3581.9	36.0	0.2
Tradable Institutions	66.1	7.0	0.0	0.0	0.0	0.0
Hydro Power	6138.1	743.0	2.9	4435.6	444.0	3.1
Others	150565.2	15057.0	58.1	125617.9	1312.0	9.0
<b>Total</b>	<b>251677.1</b>	<b>25927.0</b>	<b>100.0</b>	<b>246321.5</b>	<b>14499.0</b>	<b>100.0</b>
<b><u>Securitywise</u></b>						
Ordinary Share	34449.0	3574.0	13.8	123860.8	8246.0	56.9
Right Share	23986.5	2399.0	9.3	2809.9	281.0	1.9
Bonus Share	42141.7	4214.0	16.3	43450.8	4022.0	27.7
Government Bond	150000.0	15000.0	57.9	0.0	0.0	0.0
Convertible Preference Share	400.0	40.0	0.2	0.0	0.0	0.0
Debenture Issued by Banks	700.0	700.0	2.7	1200.0	1200.0	8.3
Others	0.0	0.0	0.0	75000.0	750.0	5.2
<b>Total</b>	<b>251677.1</b>	<b>25927.0</b>	<b>100.0</b>	<b>246321.5</b>	<b>14500.0</b>	<b>100.0</b>

Source: Nepal Stock Exchange Ltd.

**Appendix 1.1**  
**List of Licensed Banks and Financial Institutions**  
**(Mid-July 2013)**

**1. Class A: Commercial Banks**

(Rs. in Million)

S. N.	Names	Operation Date (A.D.)	Head Office	Paid up Capital
1	Nepal Bank Ltd.	1937/11/15	Dharmapath, Kathmandu	1772.83
2	Rastriya Banijya Bank Ltd.	1966/01/23	Singhadurbarplaza, Kathmandu	8502.40
3	Nabil Bank Ltd.	1984/07/12	Kantipath, Kathmandu	2436.84
4	Nepal Investment Bank Ltd.	1986/03/09	Durbarmarg, Kathmandu	3768.01
5	Standard Chartered Bank Nepal Ltd.	1987/02/28	Nayabaneswor, Kathmandu	1853.90
6	Himalayan Bank Ltd.	1993/01/18	Thamel, Kathmandu	2760.00
7	Nepal SBI Bank Ltd.	1993/07/07	Hattisar, Kathmandu	2355.74
8	Nepal Bangladesh Bank Ltd.	1994/06/06	Nayananeshwor, Kathmandu	2009.40
9	Everest Bank Ltd.	1994/10/18	Lazimpat, Kathmandu	1761.13
10	Bank of Kathmandu Ltd.	1995/03/12	Kamaladi, Kathmandu	1684.40
11	Nepal Credit and Commerce Bank Ltd.	1996/10/14	Siddharthanagar, Rupandehi	1400.00
12	Lumbini Bank Ltd.	1998/07/17	Narayangadh, Chitawan	1601.60
13	NIC Asia Bank Ltd.* <sup>1</sup>	1998/07/21	Biaratnagar, Morang	2311.60
14	Machhapuchhre Bank Ltd.	2000/10/03	Prithwichowk, Pokhara, Kaski	2478.79
15	Kumari Bank Ltd.	2001/04/03	Durbarmarg, Kathmandu	1603.80
16	Laxmi Bank Ltd.	2002/04/03	Adarsanagar, Birgunj, Parsa	1694.08
17	Siddhartha Bank Ltd.	2002/12/24	Kamaladi, Kathmandu	1619.24
18	Agriculture Development Bank Ltd.	1968/01/21	Ramshahpath, Kathmandu	9474.30
19	Global IME Bank Ltd.* <sup>2</sup>	2007/01/02	Birgunj, Parsa	2418.10
20	Citizens Bank International Ltd.	2007/04/20	Kamaladi, Kathmandu	2101.84
21	Prime Commercial Bank Ltd	2007/09/24	Newroad, Kathmandu	2342.72
22	Sunrise Bank Ltd.	2007/10/12	Gairidhara, Kathmandu	2015.00
23	Grand Bank Nepal Ltd.	2008/05/25	Kamaladi, Kathmandu	2000.00
24	NMB Bank Ltd.	2008/06/02	Babarmahal, Kathmandu	2000.00
25	Kist Bank Ltd.	2009/05/07	Anamnagar, Kathmandu	2000.00
26	Janata Bank Nepal Ltd.	2010/04/05	Naya Baneshwor, Kathmandu	2000.00
27	Mega Bank Nepal Ltd.	2010/07/23	Kantipath, Kathmandu	1631.00
28	Commerz & Trust Bank Nepal Ltd.	2010/09/20	Kamaladi, Kathmandu	2000.00
29	Civil Bank Ltd.	2010/11/26	Kamaladi, Kathmandu	2000.00
30	Century Commercial Bank Ltd.	2011/03/10	Putalisadak, Kathmandu	1080.00
31	Sanima Bank Ltd.	2012/02/15	Nagpokhari, Kathmandu	2016.00

\*1 Existing Bank of Asia Nepal Ltd. is merged with Nepal Industrial &amp; Commercial Bank Ltd.

\*2 Existing Gulmi Bikas Bank Ltd. and Social Development Bank Ltd. are merged with Global IME Bank Ltd.

**2. Class B: Development Banks**

(Rs. in Million)

S. No.	Names	Operation Date (A.D.)	Head Office	Paid up Capital
1	NIDC Development Bank Ltd.	1959/06/15	Durbar Marg, Kathmandu	415.82
2	Malika Bikash Bank Ltd.	1999/11/11	Dhangadhi, Kailali	210.00
3	Siddhartha Development Bank Ltd.	2000/06/26	Tinkune, Kathmandu	645.00
4	Yeti Development Bank Ltd.* <sup>3</sup>	2001/06/19	Durbar Marg, Kathmandu	1386.20
5	Narayani Development Bank Ltd.	2001/10/17	Ratna Nagar, Chitawan	55.57
6	United Bikash Bank Ltd.	2001/05/06	Jeetpur, Bara	80.40
7	Pashimanchal Development Bank Ltd.	2003/04/03	Mitrapark, Rupandehi	336.52
8	Sahayogi Bikas Bank Ltd.	2003/10/23	Janakpurdham, Dhanusha	113.40
9	Axis Development Bank Ltd.	2004/01/15	Hattisar, Kathmandu	718.17
10	Karnali Bikash Bank Ltd.	2004/02/18	Nepalgunj, Banke	80.00
11	Triveni Bikas Bank Ltd.	2004/08/13	Narayangadh, Chitawan	248.06
12	Bhrikuti Bikas Bank Ltd.	2004/09/03	Butwal, Rupandehi	353.14
13	Suprim Development Bank Ltd.	2004/09/05	Tinkune, Kathmandu	772.00
14	Shubhechchha Bikas Bank Ltd.	2004/09/26	Narayangadh, Chitawan	118.68
15	Bageshowri Development Bank Ltd.	2004/10/29	Nepalgunj, Banke	242.20
16	Gaurishankar Development Bank Ltd.	2004/12/02	Kawasoti, Nawalparasi	211.92

17	Gorkha Development Bank (Nepal) Ltd.	2004/12/05	Putalisadak, Kathmandu	660.82
18	Gandaki Development Bank Ltd.	2005/01/25	Pokhara, Kaski	250.00
19	Infrastructure Development Bank Ltd.	2005/05/09	Ghantaghar, Kathmandu	827.53
20	Business Universal Development Bank Ltd.	2005/05/10	Anamnagar, Kathmandu	842.06
21	Biratlaxmi Bikas Bank Ltd.	2005/05/11	Biratnagar, Morang	173.36
22	Excel Development Bank Ltd.	2005/07/21	Birtamod, Jhapa	100.00
23	Western Development Bank Ltd.	2005/09/15	Ghorahi, Dang	60.00
24	H & B Development Bank Ltd.	2005/11/07	Kamaladi, Kathmandu	897.93
25	Arniko Development Bank Ltd.* <sup>4</sup>	2006/07/06	Dhulikhel, Kavre	212.60
26	NDEP Development Bank Ltd.	2006/07/17	Laldurbarmarga, Kathmandu	582.45
27	Clean Energy Development Bank Ltd.	2006/09/07	Sitapaila, Kathmandu	1088.00
28	Miteri Development Bank Ltd.	2006/10/13	Dharan, Sunsari	108.35
29	Tinau Bikas Bank Ltd.	2006/11/01	Butwal, Rupandehi	115.00
30	Rising Development Bank Ltd.	2006/12/18	Gaidakot, Nawalparasi	200.00
31	Muktinath Bikas Bank Ltd.	2007/01/03	Pokhara, Kaski	245.00
32	Sewa Bikas Bank Ltd.	2007/02/25	Butwal, Rupandehi	191.49
33	Kankai Bikas Bank Ltd.	2007/05/03	Damak, Jhapa	100.00
34	Public Development Bank Ltd.	2007/06/07	Birjunj, Parsa	150.00
35	Ace Development Bank Ltd.	2007/08/15	Narayanchaur, Kathmandu	797.82
36	Mahakali Bikas Bank Ltd.	2007/08/18	Mahendranagar, Kanchanpur	40.00
37	Sangrila Development Bank Ltd.	2007/08/26	Newroad Pokhara, Kaski	320.00
38	Bhargab Bikas Bank Ltd.	2007/08/30	Nepalgunj, Banke	100.00
39	Kamana Bikas Bank Ltd.	2007/10/29	Pokhara, Kaski	200.00
40	Professional Diyalo Bikas Bank Ltd.* <sup>5</sup>	2007/10/14	Banepa, Kavre	200.00
41	Country Development Bank Ltd.	2007/10/04	Banepa, Kavre	320.00
42	Vibor Bikas Bank Ltd.	2007/10/04	Tripureshwor, Kathmandu	916.77
43	Alpine Development Bank Ltd.	2007/10/05	Hetauda, Makawanpur	100.00
44	Nilgiri Bikas Bank Ltd.	2007/10/12	Beni, Myagdi	57.50
45	Kasthamandap Development Bank Ltd.	2007/10/12	New Road, Kathmandu	651.93
46	Corporate Development Bank Ltd.	2007/11/07	Birgunj, Parsa	200.00
47	City Development Bank Ltd.	2007/10/19	Pokhara, Kaski	253.73
48	Biswo Bikas Bank Ltd.	2007/12/20	Pokhara, Kaski	252.00
49	Pathibhara Bikas Bank Ltd.	2007/11/21	Urlabari, Morang	100.00
50	Garima Bikas Bank Ltd.	2007/11/04	Pokhara, Kaski	220.00
51	Kabeli Bikas Bank Ltd.	2007/12/16	Hulaktole, Dhankuta	22.00
52	Purnima Bikas Bank Ltd.	2008/05/20	Siddharthanagar, Rupandehi	100.00
53	Jyoti Bikas Bank Ltd.	2008/07/24	Kamalpokhari, Kathmandu	740.00
54	Shine Resunga Development Bank Ltd.	2009/02/22	Tamghas, Gulmi	319.86
55	Bagmati Development Bank Ltd.	2009/03/23	Hariwon, Sarlahi	50.00
56	Hamro Bikas Bank Ltd.	2009/04/19	Battar, Nuwakot	42.07
57	Kakre Bihar Bikas Bank Ltd.	2009/05/15	Birendranagar, Surkhet	30.00
58	Pacific Development Bank Ltd.	2009/07/26	Beshishahar, Lamjung	60.00
59	Civic Development Bank Ltd.	2009/08/13	Dhadingbesi, Dhading	40.00
60	International Development Bank Ltd.	2009/09/04	Teku, Kathmandu	640.00
61	Kanchan Development Bank Ltd.	2009/09/19	Mahendranagar, Kanchanpur	100.00
62	Bright Development Bank Ltd.	2009/10/08	Panauti, Kavre	140.00
63	Matribhumi Bikas Bank Ltd.	2009/10/09	Sindhulimadi, Sindhuli	28.60
64	Innovative Development Bank Ltd.	2009/11/13	Siddharthanagar, Rupandehi	100.00
65	Jhimruk Bikas Bank Ltd.	2009/12/14	Bagdula, Pyuthan	12.00
66	Metro Development Bank Ltd.	2009/12/16	Pokhara, Kaski	106.00
67	Raptibheri Bikas Bank Ltd.	2010/01/15	Nepalgunj, Banke	75.01
68	Gaumukhi Bikas Bank Ltd.	2010/01/25	Bijuwar, Pyuthan	28.00
69	Nepal Consumer Development Bank Ltd	2010/02/05	Pokhara, Kaski	200.00
70	Khandbari Development Bank Ltd.	2010/03/05	Khandbari, Sankhuwasava	50.00
71	Tourism Development Bank Ltd.	2010/03/18	New Baneshwor, Kathmandu	640.00
72	Mission Development Bank Ltd.	2010/06/15	Butwal, Rupandehi	70.00
73	Mount Makalu Development Bank Ltd.	2010/07/21	Basantapur, Terathum	14.00
74	Sindhu Bikas Bank Ltd.	2010/09/09	Barhabise, Sindhupalchowk	51.00
75	Sahara Bikas Bank Ltd.	2010/10/27	Malangawa, Sarlahi	14.00
76	Nepal Community Development Bank Ltd.	2010/11/03	Butwal, Rupandehi	70.00
77	Cosmos Development Bank Ltd.	2010/11/17	Shaktichok, Gorkha	17.50
78	Manasalu Bikash Bank Ltd.	2010/12/14	Buspark, Gorkha	84.00
79	Ekata Bikash Bank Ltd.	2011/10/24	Rupandehi, Butwal	60.00
80	Kalinchowk Development Bank Ltd.	2011/11/21	Charikot, Dolkha	51.00

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81	Kailsh Bikash Bank Ltd.	2012/04/24	Putalisadak, Kathmandu	707.62
82	Salapa Bikash Bank Ltd.	2012/07/16	Diktel, Khotang	14.00
83	Saptakoshi Development Bank Ltd.	2012/10/02	Tankisunuwari, Morang	60.00
84	Sajha Bikash Bank Ltd.	2013/04/30	Dhangadi, Kailali	51.00
85	Prabhu Bikash Bank Ltd.* <sup>6</sup>	2013/06/14	Lainchour, Kathmandu	766.00
86	Apex Development Bank Ltd.* <sup>7</sup>	2013/06/15	Durbar Marg, Kathmandu	666.60

<sup>3</sup> Existing Yeti Finance Ltd. and Valley Finance Ltd. are merged with Manakamana Development Bank Ltd.

<sup>4</sup> Existing Surya Development Bank Ltd. is merged with Arniko Development Bank Ltd.

<sup>5</sup> Existing Diyalo Bikas Bank Ltd. is merged with Professional Bikas Bank Ltd.

<sup>6</sup> Existing Samabridhdi Development Bank Ltd. and Baibhab Finance Ltd. are merged with Prabhu Finance Co. Ltd. and upgraded.

<sup>7</sup> Existing Rara Bikas Bank Ltd. and Api Finance Ltd. are merged with Royal Merchant Banking & Finance Ltd. and updated.

### 3. Class C: Finance Companies

(Rs. in Million)

S. No.	Names	Operation Date (A.D.)	Head Office	Paid up Capital
1	Nepal Aawas Finance Ltd.	1992/08/03	Bijulibazar, Kathmandu	176.10
2	Nepal Finance Ltd.	1993/01/06	Kamaladi, Kathmandu	135.80
3	NIDC Capital Markets Ltd.	1993/03/11	Kamalpokhari, Kathmandu	233.56
4	Narayani National Finance Ltd.	1993/05/07	Kalikasthan, Kathmandu	647.48
5	Nepal Share Markets and Finance Ltd.	1993/10/19	Ramshahapath, Kathmandu	2034.29
6	Peoples Finance Ltd.	1994/04/15	Mahabauddha, Kathmandu	289.01
7	Kathmandu Finance Ltd.	1994/11/10	Dillibazar, Kathmandu	154.66
8	Himalaya Finance Ltd.	1994/11/11	Sundhara, Kathmandu	140.00
9	Union Finance Ltd.	1994/12/12	Kamaladi, Kathmandu	176.58
10	Paschimanchal Finance Co.Ltd.	1995/04/09	Butawal, Rupandehi	235.64
11	Nepal Housing & Merchant Finance Ltd.	1995/04/11	Dillibazar, Kathmandu	220.30
12	Samjhana Finance Co. Ltd.* <sup>8</sup>	1995/05/03	Banepa, Kavre	-
13	Goodwill Finance Ltd.	1995/05/15	Dillibazaar, Kathmandu	310.50
14	Siddhartha Finance Ltd.	1995/05/25	Siddharthanagar, Rupandehi	181.00
15	Shree Investment & Finance Co. Ltd.	1995/06/01	Dillibazar, Kathmandu	160.00
16	Lumbini Finance & Leasing Co. Ltd.	1995/06/26	Thamel, Kathmandu	294.94
17	International Leasing & Finance Co. Ltd.	1995/10/31	Naya Baneshwor, Kathmandu	2008.80
18	Mahalaxmi Finance Ltd.	1995/12/01	Putalisadak, Kathmandu	420.00
19	Lalitpur Finance Co. Ltd.	1995/12/14	Lagankhel, Lalitpur	187.95
20	United Finance Co. Ltd.	1996/01/26	Durbarmarg, Kathmandu	350.80
21	General Finance Ltd.	1996/02/01	Chabahil, Kathmandu	132.23
22	Progressive Finance Co. Ltd.	1996/02/26	Newroad, Kathmandu	120.00
23	Nava Durga Finance Co.Ltd.	1997/02/09	Itachhe, Bhaktapur	179.38
24	Janaki Finance Co. Ltd.	1997/03/07	Janakpurdham, Dhanusha	146.25
25	Pokhara Finance Ltd.	1997/03/16	Pokhara, Kaski	312.00
26	Central Finance Ltd.	1997/04/14	Kupondole, Lalitpur	168.36
27	Premier Finance Co. Ltd.	1997/06/08	Kumaripati, Lalitpur	127.01
28	Arun Finance Ltd.	1997/08/17	Dharan, Sunsari	150.00
29	Multipurpose Finance Co. Ltd	1998/04/15	Rajbiraj, Saptari	25.00
30	Synergy Finance Ltd.	1998/06/21	Butawal, Rupandehi	474.41
31	Shrijana Finance Ltd.	1999/12/14	Biratnagar, Morang	28.00
32	Om Finance Ltd.	2000/09/17	Pokhara, Kaski	271.43
33	World Merchant Banking & Finance Ltd.	2001/08/10	Hetauda, Makawanpur	181.98
34	Capital Merchant Banking & Finance Co. Ltd.	2002/02/01	Battispatali, Kathmandu	935.07
35	Crystal Finance Ltd.	2002/03/13	Thapathali, Kathmandu	70.00
36	Guheshwori Merchant Banking & Finance Ltd.	2002/06/13	Pulchowk, Lalitpur	179.34
37	Patan Finance Co. Ltd.	2002/06/23	Pulchowk, Lalitpur	110.00
38	Fewa Finance Ltd.	2003/04/30	Pokhara, Kaski	300.30
39	Everest Finance Ltd.	2003/07/02	Siddharthanagar, Rupandehi	84.21
40	Prudential Finance Company Ltd.	2004/06/06	Nagpokhari, Kathmandu	483.13
41	ICFC Finance Ltd.	2004/07/15	Bhatbhateni, Kathmandu	356.19
42	Sagarmatha Merchant Banking and Finance Ltd.	2005/08/29	Maanvawan, Lalitpur	165.00
43	Civil Merchant Bittiya Sanstha Ltd.	2005/09/18	Kuleshwor, Kathmandu	149.50
44	Imperial Finance Ltd.	2006/03/08	Thapathali, Kathmandu	149.73
45	Kuber Merchant Finance Ltd.	2006/03/24	Kamalpokhari, Kathmandu	150.00
46	Nepal Express Finance Ltd.	2006/05/04	Sundhara, Kathmandu	178.48
47	Seti Finance Ltd.	2006/05/18	Tikapur, Kailali	40.00

48	Hama Merchant & Finance Ltd.	2006/06/16	Tripureshwor, Kathmandu	200.00
49	Reliable Finance Ltd.	2006/09/24	Sundhara, Kathmandu	241.93
50	Namaste Bittiya Sanstha Ltd..	2007/07/09	Ghorahi, Dang	15.00
51	Kaski Finance Ltd.	2007/07/30	Pokhara, Kaski	240.74
52	Zenith Finance Ltd.	2007/10/08	Newroad, Kathmandu	205.31
53	Unique Financial Institution Ltd.	2007/10/12	Putalisadak, Kathmandu	200.00
54	Manjushree Financial Institution Ltd.	2007/10/17	Nayabaneswor, Kathmandu	225.00
55	Subhalaxmi Finance Ltd.	2007/11/01	Naxal, Kathmandu	200.00
56	Jebil's Finance Ltd.	2009/10/28	Newroad, Kathmandu	102.00
57	Reliance Finance Ltd.	2009/12/03	Pradarsani Marg, Kathmandu	200.00
58	Lotus Investment Finance Ltd.	2010/04/15	Newroad, Kathmandu	120.00
59	Bhaktapur Finance Ltd.	2011/02/08	Chyamsing , Bhaktapur	125.00

<sup>8</sup> In the process of liquidation.

#### 4. Class D : Microfinance Development Banks

(Rs. in Million)

S. No.	Names	Operation Date (A.D.)	Head Office	Paid up Capital
1	Purbanchal Grameen Bikas Bank Ltd.	1993/02/28	Biratnagar, Morang	60.00
2	Sudur Pashimanchall Grameen Bikas Bank Ltd.	1993/02/28	Dhangadhi, Kailali	58.50
3	Pashimanchall Grameen Bikas Bank Ltd.	1995/04/01	Butawal, Rupandehi	100.00
4	Madhya Pashimanchal Grameen Bikas Bank Ltd.	1995/04/01	Nepalgunj, Banke	73.57
5	Madhymanchall Grameen Bikas Bank Ltd.	1996/07/08	Janakpur, Dhanusha	100.00
6	Nirdhan Utthan Bank Ltd.	1999/04/13	Siddharthanagar, Rupandehi	200.00
7	Rural Microfinance Development Centre Ltd.	1996/12/06	Putalisadak, Kathmandu	364.00
8	Deoproc Microfinance Development Bank Ltd.	2001/07/03	Ratnanagar, Chitwan	106.14
9	Chhimek Microfinance Development Banks Ltd.	2001/12/10	Hetauda, Makawanpur	157.62
10	Shawalamban Laghu Bitta Bikas Banks Ltd.	2002/02/22	Janakpur, Dhanusha	124.78
11	Sana Kisan Bikas Bank Ltd.	2002/03/11	Subidhanagar, Kathmandu	140.00
12	Nerude Laghu Bitta Bikas Bank Ltd.	2007/06/15	Biratnagar, Morang	64.40
13	Naya Nepal Laghu Bitta Bikas Bank Ltd.	2009/03/20	Dhulikhel, Kavre	14.00
14	Summit Microfinance Development Bank Ltd	2009/05/20	Anarmani, Jhapa	25.00
15	Sworojagar Laghu Bitta Bikas Bank Ltd	2009/12/01	Banepa, Kavre	15.70
16	Frist Microfinance Development Bank Ltd	2009/12/28	Gyaneshwor, Kathmandu	100.00
17	Nagbeli Microfinance Development Bank Ltd	2010/02/04	Anarmani, Jhapa	10.01
18	Kalika Microcredit Development Bank Ltd.	2010/07/21	Waling, Syangja	30.00
19	Mirmire Microfinance Development Bank Ltd.	2010/09/23	Banepa, Kavre	14.00
20	Janautthan Samudayik Microfinance Dev. Bank Ltd.	2010/11/09	Butwal, Rupandehi	11.00
21	Mithila Laghu Bitta Bikas Bank Ltd.	2009/04/29	Dhalkebar, Dhanusha	16.50
22	Womi Microfinance Bittiya Sanstha Ltd.	2012/03/08	Khanikhola, Dhading	10.20
23	Laxmi Microfinance Bittiya Sanstha Ltd.	2012/06/04	Nayabaneswor, Kathmandu	70.00
24	ILFCO Microfinance Bittiya Sanstha Ltd.	2012/07/05	Chuchepati , Kathmandu	60.00
25	Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.	2012/12/25	Chitlang, Makwanpur	77.00
26	Vijaya Laghubitta Bittiya Sanstha Ltd.	2013/03/28	Rajhar, Nawalparasi	98.00
27	Kisan Microfinance Bittiya Sanstha Ltd.	2013/01/16	Kamalbajar, Achham	12.00
28	Clean Village Microfinance Bittiya Sanstha Ltd.	2013/03/31	Hemja, Kaski	14.00
29	FORWARD Community Microfinance Bittiya Sanstha Ltd.	2013/05/17	Duhabi, Sunsari	70.00
30	Reliable Microfinance Bittiya Sanstha Ltd.	2013/05/19	Besisahar, Lamjung	14.00
31	Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	2013/06/15	Bakdhuwa, Saptari	14.00

#### 5. NRB Licensed Savings and Credit Co-operatives (undertaking limited banking transactions)

(Rs. in Thousand)

S. No.	Names	Operation Date (A.D.)	Head Office	Paid up Capital
1	Shree Nabajivan Co-operative Ltd.	1993/12/15	Dhangadi, Kailali	71117.00
2	Sagun Co-operative Society Ltd.	1994/10/9	Kathamandu	11317.00
3	Nepal Co-operative Society Ltd.	1994/12/30	Kathamandu	56741.00
4	The Sahara Loan,Savings Co-op.Soc. Ltd.	1995/04/15	Sarlahi	76124.00

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5	Bindabasini Saving & Credit Co-operative Society Ltd.	1995/06/21	Khopasi, Kavre	79952.00
6	Mahila Co-operative Society Ltd.	1995/09/27	Kathmandu	22725.00
7	Nepal Bahooddeshya Co-operative Society Ltd.	1995/12/25	Jhapa	101948.00
8	Sahakari Bittiya Sanstha Ltd.	1996/6/16	Nepalgunj, Banke	17424.00
9	Shree Manakamana Sahakari Sanstha Ltd.	1997/02/18	Banepa, Kavre	12252.00
10	Very Co-operative Sanstha Ltd.	1997/12/25	Nepalgunj, Banke	11198.00
11	Viccu Saving & Loan Co-operative Sanstha Ltd.	1997/02/18	Gaidakot, Nawalparasi	47811.00
12	Kisan Bahoo-uddesiyi Co-op. Sanstha Ltd.	1997/08/11	Lamki, Kailali	28366.00
13	Himalaya Co-operative Ltd.	1998/12/29	Puranobaneshwor, Kathmandu	51242.00
14	Star Bahoo-Uddesiyi Saving & Credit Co-op Ltd.	1998/02/13	Biratnagar, Morang	16762.00
15	Upakar Savings & Credit Co-operative So. Ltd.	1998/04/14	Walling, Syangja	38288.00

**6. NRB Licensed Non-Government Organizations (NGOs)**

S. N.	Names	Operation Date (A.D.)	Head Office
1	Nepal Sikara Grameen Bikas Karyakram	2000/06/05	Chitwan
2	Chartare Yuba Club	2000/06/05	Baglung
3	Unique Nepal	2000/06/29	Bardiya
4	Samudayik Mahila Bikas Kendra	2000/07/14	Saptari
5	Grameen Jagaran Manch	2000/09/11	Baglung
6	Dhaulagiri Community Researh Dev. Centre	2000/10/21	Baglung
7	Society of Local Volunteers Efforts Nepal (Solve)	2001/07/10	Dhankuta
8	Center for Women's Right and Development	2002/04/30	Kathmandu
9	MANUSHI	2002/05/03	Kathmandu
10	Life Development Society	2002/06/18	Morang
11	Mahila Adarsha Sewa Kendra	2002/07/02	Kathmandu
12	Patan Buisness and Professional Women	2002/07/02	Lalitpur
13	Womens Self -Relient Society	2002/07/14	Chitwan
14	Women Development Centre of Nepal	2002/07/12	Lalitpur
15	Bhagawan Youth Club	2002/07/23	Kathmandu
16	Creative Women Environment Development Association.	2002/07/24	Kathmandu
17	Shreejana Development Center	2002/08/22	Kaski
18	Cottage & Small Industries Organization	2002/09/02	Kathmandu
19	Adarsha Yuba Club	2002/09/06	Bhaktapur
20	Social Upgrade in Progress of Education Region (SUPER)	2002/10/29	Dang
21	Nepal Women Community Service Center	2002/10/30	Dang
22	Gramin Mahila Bikash Sanstha	2003/04/23	Dang
23	Gramin Mahila Utthan Kendra	2003/06/18	Dang
24	Gramin Sewa Nepal	2003/09/18	Kailali
25	Mahila Upakar Manch	2003/10/29	Banke
26	Bikash Aayojana Sewa Kendra	2004/11/01	Kathmandu
27	Gramin Swayam Sewak Samaj	2005/11/20	Hariwon, Sarlahi
28	Srijana Community Development Center	2012/11/18	Choharwa, Siraha
29	Rastriya Shaichhik Tatha Samajik Bikas Sanstha	2012/11/18	Kusma, Parbat
30	Nepal Grameen Bikas Sanstha	2012/12/13	Kathmandu
31	Women Enterprises Association of Nepal	2013/01/04	Kathmandu

**7. Other Institutions**

S. N.	Names	Office	Contact Office	Date of Approval
1	Rastriya Sahakari Bank Ltd.	Baneshwor, Kathmandu	Baneshwor, Kathmandu	2010/07/20
2	Mashreq Bank PSC	Dubai , UAE	Thapathali, Kathmandu	2010/10/12
3	Hydroelectricity Investment & Development Company Ltd.	Babarmahal	Babarmahal ,Kathmandu	2012/07/10

# Capital is based on Mid-April 2013. In case of merged Banks and Financial Institutions capital after merger is mentioned.

## **PART – 2**

### **ACTIVITIES OF NEPAL RASTRA BANK**

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## **PART – 2**

### **ACTIVITIES OF NEPAL RASTRA BANK**

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#### **Monetary Policy of 2012/13**

- 2.1 In accordance with Nepal Rastra Bank Act, 2002, the NRB has been formulating and implementing monetary policy every year with the main objectives of ensuring price stability along with external and financial sector stability for achieving high and sustainable economic growth through promoting financial sector for expanding financial access to the general public. Despite the absence of full-fledged government budget, monetary policy of 2012/13 had been publicly announced on 25 July 2012 and brought into implementation taking into account the policies and programs related to macroeconomic stability, economic growth, employment, social and inclusive development outlined in three-year plan and adopted by the government in the later period.
- 2.2 Despite the comfortable foreign exchange reserves resulting from high BOP surplus, in the context of increasing instability in price of food and petroleum products in international market and depreciation of Nepalese currency with US dollar and resulting additional inflationary pressure, monetary policy stance was made cautious and balanced with a consciousness on the fact that flexible monetary policy would increase inflationary pressure and tight monetary policy would contract the economic activities.

#### **Objectives and Targets**

- 2.3 The main objectives of monetary policy of 2012/13 were to control inflation, maintain favorable BOP situation, promote financial access and increase credit to productive sector for achieving the economic growth rate of 5.5 percent.
- 2.4 The annual average inflation rate stood at 9.9 percent in 2012/13 as against the targeted rate of 7.5 percent. The additional pressure on inflation in the review year was attributed by the increment in food and non-food inflation with the reduction in agricultural output due to unfavourable weather condition, weak supply situation, energy crisis, depreciation of Nepalese currency against US dollar, rise in petroleum price and Indian inflation.
- 2.5 The monetary policy had set another target of maintaining foreign exchange reserves sufficient to cover the import of goods and services at least for eight months. In 2012/13, the overall balance of payments and foreign exchange reserve stood at Rs. Rs. 68.94 billion and 533.3 billion respectively. Based on the import trend of the review year, such level of foreign exchange reserves was sufficient to cover the merchandise import of 11.7 months and merchandise and services import of 10.1 months.



Table 2.1  
**Inflation Rate and Balance of Payments Surplus**

	2011/12	2012/13	
	Actual	Target	Actual
Inflation (in percentage)	8.3	7.5	9.9
Balance of Payments Surplus (Rs. billion)	131.63	30.0	68.94

### **The Interim and Operating Target of Monetary Policy**

- 2.6 In the context of fixed exchange rate of Nepalese rupees with Indian currency, the exchange rate had been taken as intermediate target of monetary policy. In consistent with this, the growth rate of broad money supply was targeted at 15 percent. The fixed exchange rate of Nepalese rupees with Indian currency has been continued and the broad money supply grew by 16.4 percent in the review year.
- 2.7 Excess liquidity estimated by Liquidity Monitoring and Forecasting Framework (LMFF) and private sector credit from BFIs were taken as operating targets of monetary policy in 2012/13. To make the measurement of liquidity situation of the banking sector more realistic, the LMFF had been continued incorporating the balance sheet of development banks and finance companies in addition to the balance sheet of NRB and commercial banks. In addition, data related to deposit, credit, cash balance and inter bank rate of commercial banks along with development banks and finance companies had been collected to monitor the liquidity situation.
- 2.8 Domestic credit increased by 17.2 percent in 2012/13, which was targeted at 16 percent. In the review year, the growth of domestic credit remained at desired level due to the substantial increment in credit to private sector. During the review year, private sector credit of BFIs increased by 20.2 percent, which was initially targeted at 16 percent. Based on the budget estimates on government budgetary operations and domestic debt mobilisation, the growth rate of claims on government sector was projected at 15.8 percent in 2012/13. However, the growth rate of such claims remained only at 1.6 percent due to low level of government spending compared to resource mobilization in the review year.

Table 2.2  
**Money Supply and Domestic Credit**

Particulars	2011/12 Actual	2012/13	
		Target	Actual
Growth Rate of Broad Money Supply (in percent)	22.7	15.0	16.4
Growth Rate of Narrow Money Supply (in percent)	18.6	14.5	14.4
Domestic Credit (in percent)	9.3	16.0	17.2

2.9 Based on the assumption of positive impact of targeted economic growth, balance of payments surplus and interest rate structure, the deposit mobilization of banks and financial institutions was projected to increase by 15.1 percent to Rs. 1160 billion in 2012/13, which actually increased by 17.4 percent to Rs. 1188.09 billion in the review year.

#### **Instruments of Monetary Policy**

- 2.10 For applying bank rate as an effective instrument of money market, a provision was made to use bank rate on lender of last resort (LOLR) facility and discounting government securities. The provision was also made to provide standing liquidity facility at the prevailing (8 percent) bank rate.
- 2.11 Considering the improved liquidity situation in 2012/13 and to maintain money supply at desired limit, cash reserve ratio (CRR) to be maintained by BFIs has been revised as 6 percent for “A” class financial institutions, 5.5 percent for “B” class financial institutions and 5 percent for “C” class financial institutions
- 2.12 To encourage credit flow to productive sector, for general refinance facility provided to BFIs for the maximum period of 6 months against good loans along with the refinance provided to other specified productive sector, single refinance rate of 6 percent was fixed. Provision had been made to BFIs not to charge more than 9.0 percent from clients in such refinance. With the reduction in refinance rate, the utilisation of refinance increased in 2012/13. NRB provided refinance of Rs. 2.74 billion to BFIs in 2012/13 compared to that of Rs. 0.87 billion in the previous year. Moreover, the NRB also provided export refinance of Rs. 0.71 billion in the review year.

Table 2.3  
**Existing Bank Rate and Refinance Rate for 2012/13**

Headings	Rate (in Percentage)
Bank Rate	8.0
General Refinance Rate	6.0
Special Refiance Rate (export industry, sick industries, SMEs & foreign employment and other specified group)	1.5
Refinance Rate for Export Credit in Foreign Currency	LIBOR + 0.25

- 2.13 As specified in the monetary policy of the previous year, the commercial banks, development banks and finance companies were instructed to gradually increase the ratio of deprived sector lending in three years. Accordingly, such ratio was maintained at 4 percent, 3.5 percent and 3 percent respectively in the review year. At the end of 2012/13, commercial banks, development banks and finance companies provided deprived sector credit of 4.6 percent, 4.3 percent and 3 percent respectively of their total loan.
- 2.14 Provision was made for commercial banks to provide at least 20 percent of their total loans and advances to the productive sectors like agriculture, energy, tourism, small and cottage industries and at least 10 percent to agriculture and energy sectors only.
- 2.15 For managing liquidity through an automatic adjustment of liquid asset in asset portfolio along with growth of deposit of BFIs, the provision of statutory liquidity ratio (SLR) was continued.
- 2.16 NRB has been using open market operations as the major instrument of monetary policy. Of these instruments, the use of outright sales and outright purchase auction and repo and reverse repo auction was continued in 2012/13 as well. Considering the comfortable liquidity situation in the market, the maximum period of repo and reverse repo auction was reduced to 28 days from existing 45 days.
- 2.17 The NRB mopped up liquidity of Rs. 8.50 billion through outright sale auction in 2012/13. In the previous year, liquidity of Rs. 8.40 billion was mopped up through outright sale auction and Rs. 0.74 billion was injected through repo auction. In the beginning of the review year, the NRB mopped up liquidity through open market operation as there was comfortable liquidity situation in BFIs with the increased government expenditure at the end of the previous year.

## **Microfinance**

- 2.18 A total of 31 microfinance institutions are operating as “D” class financial institutions; including 5 Grameen Bikas Banks (Rural Development Banks), 23 replicates of Grameen Banking and 3 wholesale lending microfinance institutions.
- 2.19 "Rural Self Reliance Fund (RSRF) Operational Directive 2012" has been implemented in order to expand the investment coverage of RSRF which was established to provide the wholesale loan to cooperatives and NGOs in 1991. The total capital in Rural Self Reliance Fund (RSRF) reached Rs. 543 million with the contribution of Rs. 290 million and Rs. 253 million from GON and NRB respectively. The Fund has been providing loan on installment basis to its affiliates not exceeding 20 times at first time, and 15 times at second and third time of core capital (share capital, general reserve, and profit) amounting to Rs. 2.5 million, Rs. 3 million and Rs. 3.5 million at first, second and third time respectively.

2.20 To enhance the economic status of the deprived sector, the fund provides micro-credit maximum of Rs. 90 thousand to each member through cooperatives/NGOs. Under the mutual micro enterprise project loan, the provision of providing maximum of Rs. 1.5 million to each well renowned micro entrepreneurship project having best utilization of second time loan to operate any mutual micro enterprises has been made. Similarly, the provision of providing wholesale lending to Agriculture Development Bank and Micro-Credit Development Bank to manage capital for long-term loan to the enterprises especially related to tea, cardamom (*Aalaichi*) and cold store has been made since 2002/03.

Table 2.4

**Financial Activities of Rural Self Reliance Fund (Including Long-term Debt)**

Description	Mid-July 2012	Mid-July 2013
Loan Disbursement:		
Number of Districts	62	66
Number of Institutions	709	720
Number of Benefited Families	32,240	40,004
Loan Disbursed (Rs.in million)	919.3	1210.8
Principal Repaid (Rs.in million)	484.0	674.5
Outstanding Loan (Rs.in million)	435.3	536.3
Overdue Loan (as percentage of the loan to be repaid)	5.58	3.56
Loan Recovery (in percentage)	94.42	96.44

2.21 Rural Self-Reliance Fund has disbursed loan amounting to Rs. 1 billion 51 million 651 thousand as at mid-July 2013 to 720 institutions (667 local cooperatives and 53 financial NGOs). Of the total disbursed amount, Rs. 598 million 285 thousand has been recovered and Rs. 453 million 366 thousand stood as outstanding loan. During the same period, out of the long-term loan of Rs. 159.2 million, Rs. 76 million 180 thousand has been recovered and Rs. 83 million 66 thousand stood as outstanding.

Table 2.5  
**Loan Disbursement Situation of Rural Self Reliance Fund**  
 (As at mid-July 2013)

Particulars	NGOs	Cooperatives	Total
Loan Disbursement			
a) No. of Institutions	53	667	720
b) Loan Amount (Rs. in thousand)	22,476	10,29175	10,51651
c) No. of Benefited Families	4,004	36,000	40,004
Loan Recovery			
a) Principal Amount (Rs. in thousand)	20,457	5,77,828	5,98,285
b) Interest Amount (Rs. in thousand)	2,761	74,521	77,282
Outstanding Amount			
a) No. of Institutions	17	437	454
b) Principal Amount (Rs. in thousand)	2,019	451,347	453,366
Overdue Amount			
a) Institutions	15	70	85
b) Principal Amount (Rs. in thousand)	2,019	22,848	24,867

- 2.22 In order to provide the accessibility of cooperatives and NGOs located in the rural sector to the Fund, several seminars and programs are conducted for the continuity of the publicity.
- 2.23 Out of the grant amount of Rs 8,438,071.71 received from Raising Income of Small and Medium Farmer's Project (RISMFP), which is operated with the grant support from Asian Development Bank, Manila; Rs. 500,000.00 was invested in the cooperatives situated in Far Western Development Region.
- 2.24 As a part of financial strengthening and enhancing of rural development banks, merger process of five rural development banks is in process to establish national level rural development bank.
- 2.25 In order to issue the draft of Microfinance Authority Act, to establish microfinance authority as a Second Tier Institution for regulation, inspection and supervision of microfinance institutions and to institutionalize National Microfinance Development Fund (NMDF) as a substitute of Rural Self-Reliance Fund (RSRF) managed by Microfinance Promotion and Supervision Department of NRB, drafts of related acts have been submitted to Government of Nepal.
- 2.26 Monitoring and supervision of microfinance institutions are made more effective. On-site inspections were accomplished for 22 microfinance development banks, 7

cooperative institutions with limited banking transactions and 8 NGOs with financial intermediation transactions in 2012/13. In addition to onsite inspection, special inspection of 6 microfinance development banks, one cooperative institution with limited banking transactions and one NGO with financial intermediation transactions were also carried out in the year.

## **Foreign Exchange Management**

- 2.27 In order to enhance the onsite and offsite inspection and supervision of licensed firms/companies or institutions for foreign exchange transactions, an inspection manual has been formulated and implemented. The regular and special inspection of 353 institutions has been completed as of mid-July 2013.
- 2.28 A periodic revision has been made on Gold Import and Sales/Distribution Manual, 2011. In the new provision, banks are not allowed to charge any fees while determining the sales price of gold except the maximum of 0.50 percent mark-up in the direct cost. And, gold and silver associations are not allowed to charge any fees for their reference letter of gold distribution from their members. Likewise, the daily limit for gold import has been fixed at 20 kilograms for the months of high demand and 15 kilograms for remaining months.
- 2.29 Regarding the prevention of financial investment in money laundering and terrorist activities, separate directives have been issued and implemented for the institutions involved in remittance services and money exchange.
- 2.30 A provision has been made for foreign exchange facility on passport up to USD 2,500 each time to Nepali citizens going abroad (excluding India) through private and formal way. Likewise, Nepalese citizens going abroad for trade fairs and workshops for promoting business will be provided foreign exchange facility up to USD 5,000 each time as passport facility.
- 2.31 The existing ceiling of providing exchange facility up to USD 6,000 to the individuals and institutions for various purposes based on the necessary documents from the licensed BFIs for foreign exchange transactions has been increased to USD 10,000.
- 2.32 Existing provision of providing foreign currency pre-shipment credit has been simplified. Thus, a provision has been made to provide the refinancing facility in USD 1,00,000 or its multiples for such pre-shipment credit based on the documents related to the purchase-sales agreement between the importer and exporter.
- 2.33 A provision has been made for the national level development banks to open L/C after the fulfillment of certain criteria. In addition, a circular has been issued by incorporating various provisions related to LC transactions for imports from other countries (excluding India) on the payment of convertible foreign currency. Likewise, the existing ceiling of providing one-time exchange facility of USD 25,000 for payment of imports

- from third countries (excluding India) through draft/TT has been increased to USD 30,000.
- 2.34 The commodities that can be imported from India against the payment of foreign currency have been increased to 161 by incorporating mango pulp in the list of such goods. Likewise, on the situation that any Indian producer firm/company is selling its produced goods only through its sole agent, a provision has been made for imports of specified goods from India against payment of foreign currency from such sole agent.
- 2.35 In order to ease the exchange facility of necessary Indian currency, there is a provision to provide exchange facility through BFIs up to INR 25,000 on the basis of application by general public and up to INR 1,00,000 based on the documents for the payments of service charge to commission/association/institutions/companies in India. In addition, a provision has been made to provide exchange facility up to INR 30,00,000 through BFIs for the payment of miscellaneous services by associations/institutions/companies in Nepal based on the agreement/approval reference of respective regulatory agencies.
- 2.36 Regarding the pre-shipment and post-shipment credit in convertible foreign currency to the exporters of readymade garments, carpet, pashmina, handicrafts and other products, a provision has been made to provide refinancing facility in convertible currency from the commercial banks at the same day of demand. Under this provision, a refinancing facility of USD 4.1 million has been provided from Foreign Exchange Management Department as at mid-July 2013.
- 2.37 In order to improve the balance of payments situation by reducing trade deficit through the promotion of exports, the government of Nepal has made a provision to provide the cash incentive to the export industries based on the proof of convertible currency deposits of export income in the banks. Under such provision, the reimbursement of Rs. 279.75 million has been provided as cash incentive as of mid-July 2013. In addition, new Export Cash Incentive Manual, 2013 has been issued repealing the earlier Manual, 2011.
- 2.38 A provision has been made to allow the commercial banks, provided that they do not face adverse situation in their daily liquidity condition, to invest up to 30 percent of their balance kept in the agency banks in the instruments such as call deposit, certificate of deposit or such other instruments having low risks with the maturity period not exceeding 2 years.
- 2.39 Keeping in view the achievement obtained in the level of foreign exchange and giving priority in its security and price, investment has been diversified in instruments including gold and currencies in order to meet the objective of the maximum return.
- 2.40 By the end of 2012/13, the number of firms/companies licensed for foreign exchange transaction reached 3698; the numbers include 305 hotels, 1389 trekking agencies, 1578 travel agencies, 54 GSA/PSA of foreign airlines, 301 cargo couriers and 71 other institutions. Likewise, the number of firms/companies undertaking remittance-related

works and the number of money-changers in Kathmandu Valley reached 47 and 165 respectively.

## **Financial Sector Reform, Enhancing Financial Access and Regulations**

- 2.41 With an objective of restructuring Nepal Bank Ltd., the management of NBL has been taken under control of NRB in accordance with NRB Act, 2002, article 86(C) sub-article 1(O). Initially, the take-over plan was to continue till mid-April 2013 and now it is extended up to mid-January 2014. The NRB has deputed its own staff to run the bank which will be continued until a new provision is set up. In the process of the implementation of works specified in capital plan of the bank, GoN has already injected amount of right shares of its part. After distributing shares to its staff from OTC market, listing the shares of the bank in NEPSE and after issuing the right shares to general public, the bank's paid up capital has reached Rs. 3.71 billion.
- 2.42 To implement the capital plan of Rastriya Banijya Bank (RBB), the GoN has already injected amount of right shares as a part of additional capital share. The loan amount provided by GoN to the bank under the financial sector reform program has been converted to share capital. The bank's paid up capital has reached to Rs. 8.58 billion.
- 2.43 While evaluating an overall progress made so far from the restructuring process of NBL & RBB, they have been able to make profits, reduce negative capital fund and saving deposits have been increased significantly. Considering all these achievements made so far, the restructuring process in both banks have gone in the positive direction.
- 2.44 Financial access has been increasing with the expansion of network of financial institutions. A provision of interest free loan up to Rs. 5 million and Rs. 10 million to BFIs for opening a branch in district headquarters and outside district headquarters of 17 remote districts has been made for a specified period to enhance financial inclusion through expansion of financial institutions in areas where there is lack of access to finance. Similarly, provision to provide interest free loan up to Rs. 1.5 million for class "D" financial institutions performing financial transactions by opening branches in specified 9 districts is continued this year as well. During 2012/13, one commercial bank was provided with zero interest loan of amount Rs. 10 million.
- 2.45 Promoting financial access to general public by extending the information technology is continued. To operate the branchless banking service with the help of POT machine in rural areas, after analyzing the technical and practical aspects of it, 11 commercial banks were approved to operate branchless service in 194 spots in the review period.
- 2.46 A moratorium on accepting application for opening new 'A', 'B', and 'C', class BFIs has been continued by considering the financial sector stability. While providing license to open 'D' class financial institutions, the situation of access to financial institutions in the



proposed areas will be taken into consideration. Among the applications received under the earlier licensing policy, in the review period three development banks and nine microfinance financial institutions received license to operate as financial institutions. Among those nine microfinance institutions, two were established as subsidiary of BFIs and two were transformed to microfinance financial institution from FINGO.

Table 2.6

**Licensed Bank and Financial Institutions in 2012/13**

	<b>Name of Institutions</b>	<b>Other Details</b>
	<b>Class: "B"</b>	
1.	Salapa Bikash Bank Limited	1 district
2.	Saptakoshi Development Bank Limited	3 district
3.	Sajha Bikash Bank Limited	3 district
	<b>Class: "D"</b>	
1.	Mahila Sahayatri Microfinance Financial Institutions Limited	
2.	Vijaya Laghubitta Bittiya Sanstha Ltd.	
3.	Kisan Microfinance Bittiya Sanstha Ltd.	
4.	Clean Village Microfinance Bittiya Sanstha Ltd.	A subsidiary company of Clean Energy Development Bank Ltd.
5.	FORWARD Community Microfinance Bittiya Sanstha Ltd.	
6.	Reliable Microfinance Bittiya Sanstha Ltd.	A subsidiary company of Reliable Finance Ltd.
7.	Mahuli Samudyik Laghubitta Bittiya Sanstha Ltd.	
8.	Suryodaya Laghubitta Bittiya Sanstha Ltd.	
9.	Mero Microfinance Bittiya Sanstha Ltd.	

2.47 In the review period, five microfinance companies, Samata Microfinance Financial institutions Limited, RSDC Microfinance Financial Institution Limited, National Microfinance Financial Institution Limited, Nepal Sewa Microfinance Financial Institution Limited and Samudayik Microfinance Financial Institution Limited have received the letter of intent and in the same period two microfinance institutions have repealed their application after receiving the letter of intent to operate.

2.48 The merger and acquisition of BFIs has been encouraged to strengthen financial sector stability. After the implementation of "Merger and Acquisition Bylaws, 2011", 43 BFIs merged into 18 institutions and 13 BFIs have received the letter of intent to merge into 5 institutions.

2.49 According to prevailing rules, in the review period Muktinath Bikash Bank Limited, City Development Bank Limited, Kamana Bikash Bank Limited and Triveni Bikash

Bank Limited were given approval of extending their working area from 1-3 district to 4-10 district level.

- 2.50 Till mid July 2013, 633 complaints were submitted in the Grievances Management Committee headed by the Senior Deputy Governor of this Bank to hear the transaction between banks and borrowers. Of the total 67 grievances registered in the review period, hearing of 24 complaints was completed and necessary correspondences with the concerned bank and financial institutions is going on for other 20 complaints. The remaining 23 complaints being unrelated with this committee have been referred to corresponding departments.
- 2.51 The actions including the forfeiture of passport by the Government of Nepal against 58 among 355 loan defaulters has been released up to mid-July, 2013. In the review period, actions including forfeiting of passport against additional 7 defaulters have been requested to Government of Nepal.
- 2.52 To carry out necessary studies regarding the sick industries the working committee on Sick Industry Rehabilitation Main Committee and sub-committee in the coordination with the honorable vice-chairman of Nepal Planning Commission was formed and this committee is being represented by Nepal Rastra Bank. For effective implementation of the refinance facility provided by the bank to sick industries, a desk has been established which is further responsible for simplification of the policies and procedures of this kind of refinance facility. In addition, "Sick Industry Refinance Procedures, 2070" has been drafted and uploaded in website to collect the suggestions from the stakeholders.
- 2.53 A provision has been made where an additional capital charge of 2 to 5 percent of Gross Income of immediate previous financial year shall be levied for operational risk. Likewise, "B" & "C" class institutions are required to add 5 percent of their total assets as risk weighted assets as operational risk.
- 2.54 NRB has been issued directives for commercial banks that they should have to publish their base rate calculated by taking into account of elements of cost of fund in monthly basis on their website and quarterly basis on national dailies for general public information. Base rate is the minimum rate below which it is not viable for banks and financial institutions to lend in the market. Base rate system promotes transparency in product pricing and encourages healthy competition in the economy. While fixing the interest rate for any loan, banks should have to adjust interest rate on the basis of their base rate and normally, the rate should not to be lower than the base rate. NRB has clearly stated that it would be suicidal for banks to lend below their base rate. The base rate will be mandatory for any new and renewed loans after the publication of their second quarter financial highlight of the current fiscal year.
- 2.55 To evaluate, implement, supervise and coordinate the required policies to stabilize the financial sector, the Financial Stability Unit and Financial Stability Oversight Committee was formed. A high level Financial Sector Co-ordination Committee

headed by honorable Finance Minister has been formed in order to coordinate the regulatory bodies of the financial sector with regard to the existing challenges of the overall financial system, possible risks and their resolution. A Financial Sector Oversight Committee has been doing policy coordination and recommendations for necessary decision-making process and Financial Stability Sub-committee has been carry out regular status and challenges of the financial sector to publish financial stability report. Accordingly, two Financial Stability Report as on July, 2012 and January, 2013 has been published.

## **Banks and Financial Institutions Supervision**

- 2.56 As per the target of conducting corporate level on-site inspection of banks and financial institutions (BFIs) at least once a year, corporate level on-site inspection of 30 commercial banks, 86 development banks and 58 finance companies has been accomplished in 2012/13. In addition to corporate level onsite inspection, special inspection of 19 commercial banks, 25 development banks and 26 finance companies has also been carried out in the year. Follow up inspection is carried out on 21 finance companies as well. BFIs were suggested to correct non-compliances and weaknesses observed during the course of onsite inspection as well as offsite supervision of BFIs based on the respective reports.
- 2.57 Along with regular offsite supervision of balance sheet and other financial statements of banks and financial institutions, necessary directions are given to ensure compliance of policies and directives issued by NRB.
- 2.58 NRB has adopted the policy of assimilating and implementing international banking supervisory practices in Nepalese context. In this regard, newly developed Capital Adequacy Framework 2008 has been fully implemented since 2008/09 in commercial banks. As per the framework, ICAAP Guidelines has been issued to all banks to manage additional capital based on self-assessment of risk level and adequacy of risk management.
- 2.59 CAELS (capital, assets, earnings, liquidity and sensitivity to market risk) rating was prepared on the basis of information from offsite supervision; and continuity has been given to warn BFIs on time by preparing early warning signals.
- 2.60 To ease the policy decisions on time by identifying liquidity risk (which is taken as important risk in banking sector) in liquidity monitoring of banking sector has been carried out daily and at regular interval. Continuity has been given to monitor concentrated risk on sectoral and product-wise credit.
- 2.61 Continuity has been given for the task of monitoring Cash Reserve Ratio (CRR) on the weekly basis, Statutory Liquidity Ratio (SLR) on monthly basis and monitoring of credit to deprived sector. In 2012/13, monetary penalty was imposed to one commercial bank

and three development banks for not maintaining CRR, two development banks for not maintaining SLR and one commercial bank and seven development banks for not providing minimum deprived sector credit.

- 2.62 Risk Management Guidelines has been approved and implemented for the overall risk management of commercial banks. Risk-based Supervision Onsite Manual is prepared under the technical assistance of IMF in order to implement Risk-based Supervision Framework and thereby optimally utilize supervisory resources.
- 2.63 To fulfill the objectives of identification and management of possible risks in banks and financial institutions, such institutions mobilising the deposit more than Rs. 2 billions are required to conduct stress testing and submit the report to NRB on a regular basis.
- 2.64 In order to formulate future strategy based on the assessment of implementation of BASEL core principles, a working committee has been formed. The committee is self-assessing the implementation status of BASEL core principles.
- 2.65 According to the concept of forward looking approach, provision has been made for banks and financial institutions mobilizing the deposit more than 2 billion to submit quarterly report of stress testing to NRB. Likewise, Problem Bank Resolution Framework has been prepared with the technical assistance of World Bank and it is in the final stage of implementation process.
- 2.66 With the technical assistance of IMF and World Bank, diagnostic review on the selected Banks and Financial Institutions based on risk management, corporate governance, interconnected transactions and the quantity of credit in real estate has been completed to strengthen the monitoring and supervision system of NRB.
- 2.67 Follow up process of national level development banks related to BASEL II activities initiated from fiscal year 2010/11 has been continued in 2012/13 to bring national level development banks into BASEL II Capital Adequacy Framework.
- 2.68 Inspection and supervision process has been concentrated on loan utilization and assets quality test. In the context of onsite inspection the process has been carried forward to review credit files and to inspect collateral and projects.
- 2.69 There was no improvement observed in the financial situation of Gorkha Development Bank as expected after declaring it as Problematic bank. Therefore, NRB, with the action plan to reach final resolution process, took over the responsibility of the management and operations of the bank by appointing management team in the bank.
- 2.70 A case has been filed in Appellate Court, Hetauda for the dissolution of United Development Bank, as the bank is not found viable to operate its business professionally in competitive financial market.
- 2.71 Prompt corrective action has been taken against Narayani Development Bank Ltd. from June 6, 2012, as the bank was found unable to maintain capital fund prescribed by the bank.

- 2.72 In 2012/13, 6 finance companies including Crystal Finance Ltd., Kuber Merchant Finance Company Ltd., Himalayan Finance Ltd., Capital Merchant Banking and Finance Ltd., World Merchant Banking and Finance Ltd. and General Finance Ltd. has been declared Problematic.
- 2.73 Annual supervision reports of 2011/12 have been published based on corporate level supervision of BFIs and analysis of financial position including other pertinent issues.

## **Currency Management**

- 2.74 Even though the use of non-cash mode of payment is being increased along with the development in the payment technology, the demand for currency notes has also been increased substantially. Keeping it in mind, the bank has been managing the stock of the currency notes and the coins for fulfilling the demand for 3 years in general.
- 2.75 The procurement of 40 million pieces of 1000 denominated currency notes printed in this fiscal year have been completed. The expenses for printing the currency notes and minting coins stood at Rs. 593.2 million and Rs. 101.6 million respectively<sup>8</sup> in 2012/13. Likewise, agreements have been made with different companies for printing 200 million pieces of Rs. 5 denominated, 270 million pieces of Rs. 10 denominated, 180 million pieces of Rs. 20 denominated, 140 million pieces of Rs. 50 denominated, 110 million pieces of Rs. 100 denominated and 140 million pieces of Rs. 500 denominated currency notes.
- 2.76 During 2012/13, notes of various denominations equivalent to Rs. 47 billion 106 million 500 thousand were issued from the note stock for circulation.
- 2.77 Up to mid-July 2012, Rs. 201 billion 250 million worth of notes of different denominations were in circulation. In mid-July 2013 the amount of notes in circulation increased by 16 percent to Rs. 233 billion 460 million. In order to issue such notes, 93.31 percent of security was covered by the foreign currency deposits and the rest by foreign government's Treasury Bills.

Table 2.7  
**Details of the Notes in Circulation (Mid-July 2013)**

<b>Denomination (Rs.)</b>	<b>Pieces of Notes in Circulation (in Millions)</b>	<b>Total (Rs. in Millions)</b>
1	162.20	162.20
2	94.89	189.80
5	267.31	1336.50
10	193.76	1937.60
20	112.33	2246.50
25	2.43	60.80
50	76.04	3802.00
100	89.21	8920.50
250	0.35	88.00
500	125.80	62901.10
1000	151.82	151815.00
	<b>Total</b>	<b>233460.00</b>

- 2.78 For a smooth and effective supply of Nepalese currency in the country, NRB has set up 75 currency chests across the nation. The number of such chests comprise: this bank's one office in Kathmandu Valley and seven offices outside the valley, 43 branches of RBBL, and 24 branches/sub-branches of NBL. Supply of notes and withdrawal of non-issuable notes have been carried out through these currency chests. The access is also provided to the other private commercial banks in the transaction of currency chests. Similarly, inspection and monitoring of the currency chests is also being carried out on regular basis.
- 2.79 The “Clean Note Policy” has been continued also in the 2012/13. Currently, the policy of single staple and single label of the concerned bank or financial institution in a packet of notes is being implemented. Seminars have been conducted and audio-visual materials have been used with the aim increasing people's awareness on secure circulation and protection of Nepalese notes.
- 2.80 In the process of destroying soiled and non-issuable notes by withdrawing from commercial banks, a total such notes of Rs. 26 billion 956 million 700 thousand of various denominations have been burnt in 2012/13. Till mid July 2013, the amount of notes burnt in such a way has reached to Rs. 249 billion 444 million and 300 thousand.

## Miscellaneous

### Human Resource Management

2.81 Among 1,388 permanent employees as of mid-July 2013, there were 1,214 employees under administration category whereas 174 were under technical category. Among total employees, there were 858 officers, 364 assistants and 166 office assistants. The proportion of the officers to assistants (including office assistants) as on the date was 1:0.62. Such ratio was 1:0.73 in the previous year. Similarly, a total of 136 staff (security 92, health 11 and others 33) were performing their duties on contract basis.

Table 2.8  
Details of Working Human Resources

Level	Working Human resource as of mid-July 2013		
	Administration	Technical	Total
Officer Special	11	-	11
Officer First	47	-	47
Officer Second	152	21	173
Officer Third	569	58	627
Total	779	79	858
Assistant first	78	24	102
Assistant Second	89	41	130
Assistant Third	92	29	121
Assistant Fourth	10	1	11
Assistant Fifth	-	-	-
Total	269	95	364
Office Subordinates First	42	-	42
Office Subordinates Second	51	-	51
Office Subordinates Third	28	-	28
Office Subordinates Fourth	45	-	45
Total	166	-	166
<b>Grand Total</b>	<b>1,214</b>	<b>174</b>	<b>1,388</b>

2.82 In 2012/13, altogether 59 staff were detached from bank service. Among them, 50 left due to the provision of the compulsory retirement, 3 staff resigned and 6 were dead.

2.83 Total 18 officers were recruited as per the policy to appoint officer third and assistant second through external competition. Similarly, the process of recruiting altogether 45 assistants outside the Kathmandu Valley is under way. The details of recruitment and promotion in 2012/13 are as follows.

Table 2.9  
**Details of Recruitments in 2012/13**

S.N.	Level	Service Type	External Competition	Performance Appraisal	Internal Competition
1	Officer First	Administration	-	3	1
2	Officer Second	Administration	-	14	6
3	Officer Second	Technical	-	2	-
4	Officer Third	Administration	18	54	9
5	Assistant First	Technical	-	9	6
6	Assistant Second	Administration	-	3	4
7	Assistant Third	Technical	-	2	3
8	Assistant Third	Administration	45	-	-
<b>Total</b>			<b>63</b>	<b>87</b>	<b>29</b>

- 2.84 During the review period, "Nepal Rastra Bank, Employee Service Bylaws, 2011" has been reviewed. Central bank allowances along with other benefits and perks have been revised.
- 2.85 In 2012/13, altogether 566 staff attended the training programme conducted abroad, while study leave was granted for 4 staff. In the mean time, 5 staff have resumed their duties after completing their study leave.
- 2.86 For systematic recording of information and database related to employees, bank has purchased Human Resource Management Information System Software (HRMISS). With an aim to fully implement HRMISS by 2013/14, works on Master Data Setup, Data Entry, Software Customization and Development are on the progress.

### **Budget Management, Corporate Risk Mitigation and Strategic Plan**

- 2.87 While implementing the budget and programs for 2013/14, in order to make the budgeting process more realistic, economic, systematic, result-oriented and effective, the annual budget and programs of all departments, divisions and offices were approved with necessary directives.
- 2.88 The quarterly review of the budget and programs till the third quarter of 2012/13 has been completed.
- 2.89 To make the risk mitigation task more effective, recording of risk details and preparing semi-annual risk report is under way.
- 2.90 The second five-year strategic plan (2012-2016) is being implemented. The plan, to attain the Vision and Mission of the bank, has identified major tasks and categorized them under seven strategic pillars. To ensure the effective implementation of the strategies, performance indicators and time framework have been defined.
- 2.91 The semi-annual review (till mid-January 2012) of the strategic plan has been completed. During the review period among 161 actions, that were supposed to be



completed, 43 were fully completed, 103 were in executing stage whereas remaining 15 were yet to start.

- 2.92 In order to enhance mutual co-operation and capacity through development of international relation, International Relations Division and Technical Cooperation Unit were formed under Governor's office and Corporate Planning Division respectively. Similarly, a study is underway to establish a Customer Service Unit.

### **Information Technology**

- 2.93 The technicians from Information and Technology Department provided User Training in various departments and offices in the process of implementation of GL System. The GL System came into full-fledged operation from 15<sup>th</sup> April, 2013. This step has helped Nepal Rastra Bank to transform as a modern central bank. A committee was formed by Human Resource Management Department in order to conduct a User Acceptance Test for Fixed Asset and Inventory Management Software, which will be used by General Service Department.
- 2.94 The bandwidth capacity of the internet service has been upgraded. Moreover, to distribute the bandwidth systematically, the configuration has been completed. The NRB WAN Connectivity Implementation Project, which was aimed to establish secure and reliable communication network/mechanism among offices of the bank, has been completed.
- 2.95 For the policy formulation on creating paperless environment, a report preparation is underway by studying its technical aspects. The process of securing official documents in the digital form has been initiated. Similarly, a report has been prepared on Disaster Recovery Site (DRS) whereas technical study on establishing ICT Research and Development Unit is underway. Feasibility studies on establishing Online Data Reporting System, Data Warehouse and upgrading IT Training Lab and execution of Real Time Gross Settlement (RTGS) are in the process.
- 2.96 To mitigate the risk from the use of information and technology and to make supervision of information technology more systematic an Information Technology Guidelines has been issued.
- 2.97 Electronic cheque clearing was initiated from the Kathmandu Valley from 14<sup>th</sup> January 2013 whereas the process was started from Birgunj since 28<sup>th</sup> March 2013.

### **Financial Information Unit**

- 2.98 A provision has been made to obtain regular reporting about border transaction and suspicious transaction. During the review period, altogether 333 suspicious transactions were obtained. Among them detailed analysis of 138 transactions was completed and they were forwarded to Money Laundering Investigation Department for further investigation. The study on remaining 195 suspicious transactions is underway.

- 2.99 In order to take the action on the comments pointed out by International Cooperation Review Group under the Financial Action Task Force and to upgrade as per international standard, second amendment of Anti-Money Laundering Act, 2008 came into operation as an ordinance.
- 2.100 Periodical information on progress that Nepal made on anti-money laundering was made to International Cooperation Review Group of Financial Action Task Force and other various institutions working on Monetary Laundering Prevention. Necessary efforts were made on face-to-face program of Asia Pacific Review Group under Financial Action Task Force to avert the declaration of Nepal in negative list.
- 2.101 In 2011, Asia Pacific Group (APG) kept Nepal under Enhanced follow-up. But, since July 2013, APG has upgraded Nepal's status to Regular follow-up from the existing position. The credit goes to remarkable progress achieved by various institutions including the central bank in policy, institutional and practical implementation aspects. This has improved the image of Nepal regarding money laundering prevention in international level.
- 2.102 NRB has undertaken the responsibility as a secretariat of National Coordination Committee on money laundering. Similarly, bank has played coordinating role on the implementation of strategy on combating money laundering and financing of terrorism 2011-2016. In the process of implementing the strategy, a three-day workshop on national risk assessment in assistance of the World Bank was organized in participation of all stakeholders. The process of national risk assessment by employing methods developed by the World Bank is going on under coordinating role of the bank through sectoral committees.
- 2.103 Financial Information Unit accomplished on-site inspection and supervision of twelve cooperatives, four insurance companies and four securities agencies in 2012/13 to ensure the implementation of Money Laundering Prevention Act and the directives.

### **Legal Draft/Amendment, Advocacy**

- 2.104 A revised draft of Nepal Rastra Bank Act, 2002 is in final discussion. Similarly, Nepal Rastra Bank Procurement Bylaws, 2008 and drafts on amendments of directives came into operation. The revised draft on Negotiable Instruments Act, 1997 and Banking Offence and Punishment Act, 2008, prepared by collecting suggestions from various stakeholders, are under consideration.
- 2.105 NRB is taking defense in 64 cases: it comprises pending appeals registered against the action taken over BFIs and its officials; undecided cases registered in the courts against NRB till the last year; and some new cases registered in the court. Among the cases, 24 cases were decided in the review year of which 19 decisions were in favor, 3 were against and 2 were withdrawn by the petitioners themselves. The advocacy of the undecided cases and new cases are being carried out on regular basis.

2.106 Petitions were registered in Patan Appellate court to liquidate Nepal Development Bank and Samjhana Finance Company in Hetauda Appellate court and to liquidate United Development Bank. In the case of Nepal Development Bank and Samjhana Finance Company, the court has appointed the liquidator and the liquidation process is going on. While in the case of United Development Bank, Hetauda appellate court has appointed an investigation officer according to Insolvency Act, 2006.

### **Internal Audit**

2.107 With the aim of maintaining overall governance and sound internal control system in various departments, divisions and offices outside the Kathmandu Valley, inspection and supervision have been undertaken by Internal Audit Department of this bank. The inspection and auditing was focused on their regular activities including proper utilization and implementation of allocated budget; timely, effective and efficient work-performance; human resource management; physical asset management; employee-attendance and leave records.

2.108 Under Risk Based/Performance Based Audit, audits of imports payment settlement, payment system of retirement of employees, printing of currencies and minting of coins, compliance of procedures of letter of credit transactions, compliance of inspection bylaws have been completed. Similarly, the audit of bonds and treasury bills issue, employee pension, insurance and medical facilities, government transactions, currency chest operation, procurement, etc., have been completed.

2.109 The directives were given to concerned departments and offices to take corrective actions on the comments raised by audit committee in the report for 2012/13. In the meantime, internal audit report has been prepared as per international format.

### **General Service**

2.110 A high level committee on modern building and infrastructure development chaired by Deputy Governor was formed to provide suggestions for constructing a central office building and management of other physical infrastructures. The committee has concluded the evaluation of the proposals for preparing master plan on utilizing the land. Location has been identified to construct an office building in Thapathali and a consultancy has submitted a preliminary report on the master plan. Moreover, contract agreement was done for preparing master plan on utilizing the land at Sanothimi, Bhaktapur.

2.111 A committee formed to prepare legal documents of bank's physical properties has already submitted its report. An arrangement to systematize those legal documents through legal department has been done.

2.112 Ten solar Street/Garden lamps each on the central office and Thapathali office have been installed. A feasibility study on installing solar energy system, to provide back up for server room of IT department along with some computers, printers and lamps of

other departments, in collaboration with Alternative Energy Promotion Center is going on.

## Public Debt Management

### Internal Debt

2.113 In 2012/13, Nepal Rastra Bank has raised domestic debt of Rs. 19.04 billion. Out of total domestic debt, Rs. 19 billion was raised through Treasury Bills whereas Rs. 42.85 million was raised through Foreign Employment Bonds. In 2011/12, domestic debt of Rs. 36.42 billion was raised.

Table 2.10  
Annual Domestic Debt Issue

(Rs. in '00 Thousand)

SN	Types of Bond	2010/11		2011/12		2012/13		Percent Change	
		Amount	Share	Amount	Share	Amount	Share	2011/12	2012/13
1	Treasury Bills	149966.00	44.53	172834.25	47.46	190000	99.77	15.25	9.93
2	Development Bond	80000.00	23.75	140000	38.44	-	-	75.00	-
3	National Saving Bond	106800.00	31.71	50000	13.73	-	-	-53.18	-
4	Citizens Saving Bond	-	-	1265.66	0.35	-	-	0.35	-
5	Foreign Employment Bond	33.80	0.01	86.60	0.02	428.55	0.23	156.21	394.86
<b>Total</b>		<b>336799.80</b>	<b>100</b>	<b>364186.51</b>	<b>100</b>	<b>190428.55</b>	<b>100</b>	<b>8.13</b>	<b>-47.71</b>

2.114 The total domestic debt liabilities of GoN was decreased by 1 percent to Rs. 207 billion 1 million 709 thousand in 2012/13 against the rise of 16.6 percent in last year. The debt accounted 12.17 percent of the total GDP in the review year (based on preliminary estimation). Of the total liability, 65.9 percent was on Treasury Bills, 24.9 percent on Development Bond, 1.5 percent on Citizen Saving Bond, 0.03 percent on Foreign Employment Bond and 7.6 percent on National Saving Bond.

Table 2.11  
Total Domestic Debt Liabilities of the GoN

(Rs. in '00 Thousand)

SN	Types of Bond	2010/11		2011/12		2012/13		Percent Change	
		Amount	Share	Amount	Share	Amount	Share	2011/12	2012/13
1	Treasury Bills	1203406.83	67.1063	1316241.07	62.9418	1364681.07	65.9261	9.38	3.68
2	Development Bond	435194.00	24.2680	575194.00	27.5054	516109.00	24.9326	32.17	-10.27
3	National Saving Bond	106800.00	5.9556	156800.00	7.4981	156800.00	7.5748	46.82	-
4	Citizens Saving Bond	46228.94	2.5779	41230.57	1.9716	31838.07	1.5381	-10.81	-22.78
5	Foreign Employment Bond	73.80	0.0041	160.40	0.0077	588.95	0.0285	117.34	267.18
6	Special Bond	1580.33	0.0881	1576.00	0.0754	-	-	-0.27	-
<b>Total</b>		<b>1793283.90</b>	<b>100</b>	<b>2091202.04</b>	<b>100</b>	<b>2070017.09</b>	<b>100</b>	<b>16.61</b>	<b>-1.01</b>

### Ownership Structure of Domestic Debt

2.115 Of the total outstanding domestic debt of Rs. 207 billion 1 million 709 thousand in 2012/13, commercial banks had the largest share, 71.2 percent. NRB had 7.6 percent;

Employee Provident Fund 6.5 percent; Insurance companies 6.94 percent; development banks 1.4 percent; finance companies 1.1 percent; retirement funds 0.9 percent and general public 0.9 percent.

Table 2.12

**Institution-wise Ownership Pattern of Domestic Debt**

(Rs. in '00 Thousand)

Ownership	Dev. Bond	Share %	Foreign Emp. Bond	Share %	Treasury Bills	Share %	Cit. Sav. Bond	Share %	Nat. Saving Bond	Share %	Total	Share %
Nepal Rastra Bank	3191.75	0.62	0.10	0.02	129689.32	9.50	24112.48	75.73	173.60	0.11	157167.25	7.59
Commercial Banks	257387.25	49.87	-	-	1214914.25	89.03	-	-	1436.89	0.92	1473738.39	71.19
Development Banks	15035.75	2.91	-	-	14060.00	1.03	-	-	-	-	29095.75	1.41
Finance Companies	15513.75	3.01	0.10	0.02	5517.50	0.40	131.64	0.42	824.48	0.53	21987.47	1.06
Employee Provident Fund	66698.00	12.92	-	-	-	-	-	-	67506.12	43.05	134204.12	6.48
Citizen Invest. Trust	4325.00	0.84	-	-	-	-	-	-	14660.60	9.35	18985.60	0.92
Nepal Telecom	23912.75	4.63	-	-	-	-	-	-	13000.0	8.29	36912.75	1.78
Retirement Fund	18574.75	3.60	-	-	-	-	-	-	-	-	18574.75	0.90
Insurance Companies	98751.00	19.13	-	-	-	-	-	-	44904.68	28.64	143655.68	6.94
Public	146.75	0.03	588.75	99.96	-	-	7593.95	23.85	9459.79	6.03	17789.24	0.86
Others	12572.25	2.44	-	-	500.00	0.04	-	-	4833.84	3.08	17906.09	0.87
<b>Total</b>	<b>516109.0</b>	<b>100</b>	<b>588.95</b>	<b>100</b>	<b>1364681.07</b>	<b>100</b>	<b>31838.07</b>	<b>100</b>	<b>156800.0</b>	<b>100</b>	<b>2070017.09</b>	<b>100</b>

2.116 In terms of instrumentwise ownership structure, out of Rs. 136 billion 468 million 107 thousand Treasury Bills, the commercial banks had ownership of Rs. 121 billion 491 million 400 thousand (89.0 percent) while the share of Nepal Rastra Bank was Rs. 12 billion 968 million and 932 thousand (9.5 percent). Of total liabilities on Development Bonds of Rs. 51 billion 610 million 900 thousand, commercial banks had the largest ownership of Rs. 25 billion 738 million 725 thousand (49.9 percent). The share of Insurance companies and Employee Provident Fund was 19.1 percent and 12.9 percent respectively.

2.117 Of the total liabilities on Citizen Savings Bond of Rs. 3 billion 183 million 807 thousand, general public held Rs. 759 million 395 thousand (23.8 percent) and Nepal Rastra Bank held Rs. 2 billion 412 million 248 thousand (75.7 percent). Likewise, of the total liabilities on Foreign Employment Bond of Rs. 58 million 895 thousand, general public held Rs. 58 million 875 thousand and the finance companies and NRB held Rs. 10 thousand each.

**Debt Instruments in Nepal Rastra Bank's Holding**

2.118 Compared to the last fiscal year, the government debt in NRB's holding decreased by 44.3 percent to Rs. 15 billion 716 million 725 thousand in 2012/13. The ownership structure in terms of instrument-wise analysis showed decrease in the holding of Citizen Savings Bond, Treasury Bills and Development Bond by 12.4 percent, 48.3

percent and 16.4 percent respectively. However, due to various reasons the amount of National Saving Certificates held by NRB has increased.

Table 2.13

**Details of Government Debt Instruments Held by Nepal Rasta Bank**

(Rs. in '00 Thousand)

S N	Types of Bond	2010/11		2011/12		2012/13		Percent Change	
		Amount	Share	Amount	Share	Amount	Share	2011/12	2012/13
1	Development Bond	3481.50	1.10	3820.00	1.35	3191.75	2.03	9.72	-16.45
2	National Saving Certificates	75.60	0.02	149.60	0.05	173.60	0.11	97.88	16.04
3	Treasury Bills	281789.33	88.97	250729.32	88.84	129689.32	82.52	-11.02	-48.28
4	Citizens Saving Certificates	31366.73	9.90	27533.19	9.76	24112.48	15.34	-12.22	-12.42
<b>Total</b>		<b>316713.16</b>	<b>100</b>	<b>282232.11</b>	<b>100</b>	<b>157167.25</b>	<b>100</b>	<b>-10.89</b>	<b>-44.31</b>

**Payment of Principal and Interest of Government Debt**

- 2.119 The payment of principal and interest liability of government debt issued by the GoN after their maturity has been done regularly. As against 15.4 percent increase in 2011/12, the principal and interest amount paid in 2012/13 increased by 69.2 percent. The payment of liability of Treasury Bills in 2012/13 has gone up by 33.5 percent in comparison to previous fiscal year. Beside this, the principal and interest payment of Development Bond and National Saving Bond were increased by 191 percent and 42.5 percent respectively in comparison to the previous fiscal year.

Table 2.14

**Statement of Payments of Principal and Interest**

(Rs. in '00 Thousand)

S.N.	Types of Bonds	2010/11	2011/12	2012/13
1	Development Bond	28758.53	36333.03	105743.55
2	National Saving Certificates	87.7	10580.00	15080.00
3	Treasury Bills	125107.34	131471.71	175513.74
4	Citizen Savings Bond	9070.79	9946.05	20849.99
5	Special Bond	256.15	115.73	1686.32
6	Foreign Employment Bond	3.90	7.45	16.11
Total		163280.51	188453.97	318889.71
Change in Percent		9.6	15.42	69.21

**Domestic Debt Management Fees and Commission**

- 2.120 Management fees received by NRB through the management of domestic debt during the issue of various bonds on behalf of GoN decreased by 81.6 percent to Rs.18

million 104 thousand in 2012/13 compared to Rs 98 million 298 thousand in previous year.

Table 2.15  
**Fees and Commission of Domestic Debt Management**

(Rs. in '00 Thousand)

S.N	Fees and Commission	Rate (Of the total amount)	2010/11	2011/12	2012/13
1	Management Fees of NRB	0.03	721.07	941.64	137.06
2	Selling Agent's Commission for Primary Issues	0.25	14.981	4.65	-
3	Commission against Interest Payment to Financial Institutions and Market Makers	0.25	25.25	36.69	41.20
4	Selling Agent's Commission for Primary Issue of Foreign Employment Bond	0.65	0.169	-	2.78
Total			761.47	982.98	181.04
Change in Percent			19.06	29.09	-81.58

### **Market Maker License, Inspection and Publicity**

2.121 In 2012/13, altogether 75 banks and financial institutions were granted license to handle primary issue and secondary market transaction of mid-term and long-term savings bonds for general public. Among them, 60 licensed market makers were located in Kathmandu Valley and 15 were from outside the Valley (Annex 2.4). As per the annual action plan of 2012/13, inspection of 12 market makers each from inside and outside the Kathmandu Valley was completed.

2.122 A leaflet to increase debt instrument awareness and increase the access of government securities to rural areas was uploaded in the website and disseminated through all the offices out of Kathmandu Valley. Similarly, feasibility studies on Scripless Securities Settlement System and Primary Dealer were carried out while discussion is underway about necessary amendments on bylaws related to Public Debt Management.

### **Training, Workshop, Seminar, Tour and Interaction**

2.123 During 2012/13, Banker's Training Center of NRB organized 34 training programmes and two seminars in order to enhance knowledge, skills and capacity of staff from NRB and other BFIs. Altogether 762 participants, 540 from NRB and 222 from other institutions, took part in these programmes and seminars.

2.124 To address concerns regarding the way to make foreign exchange transaction systematic and effective, interaction programs were organized for the representatives of BFIs in Siddharthanagar, Nepalgunj, Biratnagar and Pokhara.

- 2.125 In the review period, Foreign Exchange Management Department has conducted seminars and programs on RBI's Single Account System and Settlement Procedures of GoI, Treasury Bills and ACU Standing Technical Committee.
- 2.126 Interactive Programs on good governance and internal control mechanism were organized at Biratnagar, Siddharthanagar and Nepalgunj in presence of directors and executives of development banks operating in respective areas.
- 2.127 An interactive program each with internal and external auditors was conducted with a view to strengthen internal audit and internal controlling mechanism of BFIs.
- 2.128 The role of internal auditor is crucial for internal control and maintaining good governance in BFIs. Realizing this, one-day interaction program was organized with the head of internal audit departments of BFIs. Similarly, in the process of enacting IT Guideline issued by NRB, another one-day interaction program was conducted with the chairperson of the commercial banks.
- 2.129 In order to make the reporting from BFIs more accurate, reliable and effective, NRB has conducted three different Statistics seminars for the staff of BFIs in the review period.
- 2.130 In an effort to curb money laundering and terrorist financing, an interaction program was organized with executive directors of the commercial banks. Also, three training programs were conducted in Kathmandu Valley and the one outside the valley.

### **Studies**

- 2.131 A study on "Bank and Financial Institution Investors' Survey" was completed. It is expected that the survey would be helpful on appropriate policy formulation to mitigate risks that may arise from multiple investments by promoters of BFIs.
- 2.132 An initial work was completed on preparing 'Financial Sector Development Strategy' as envisioned by monetary policy for 2012/13.
- 2.133 Nepal Macroeconomic Model has been up-dated. Moreover, different sectoral models on various sectors like monetary, government finance, real, external and price have been prepared. Similarly, discussions are underway to prepare DSGE Model.
- 2.134 Various studies like on contributions of cardamom, tea and jute business in rural economy of eastern region, feasibility of bay leaf/cinnamon cultivation in Palpa, status and promotion measures of medicine industry in Narayani zone, Impact of Beni - Jomsom-Lomangthang road in agriculture were carried. Similarly, study on status and feasibility of bee keeping in Dang district and banking activities and interest rate on Baharaich and Lucknow districts of UP, India were completed.
- 2.135 The publication of bank 'NRB Economic Review' has been upgraded. Also, all the articles published in the Review since the beginning have been published in the NRB's website.



2.136 Three different studies, namely, hurdles while exporting Nepalese products to India, Agricultural Production Cost Difference between Nepal and India and Cross-border Financial Flows between Nepal and India are going on.

### **Meeting of Board of Directors**

2.137 In 2012/13, a total of 41 meetings of Board of Directors were held; whereas, 43 such meetings were held in the previous year.

### **Activities of NRB Offices Outside Kathmandu Valley**

2.138 In 2012/13, fund transfer amounting to Rs. 87 billion 946 million and 800 thousand to 52 currency chests under seven NRB offices outside the Kathmandu Valley was carried out in 538 times; and, Rs. 5 billion 114 million was received from these currency chests as deposits in 74 times. There was no change in number of currency chests. However, insurance coverage of currency chests have been increased from previous amount of Rs. 9 billion 140 million to Rs. 9 billion 820 million in the review period.

2.139 In 2012/13, the number of Indian currency chest has been increased from 21 to 31. Similarly, insurance coverage of Indian currency chest has been increased from Rs. 80 million to Rs. 94 million. Indian Rupees (INR) worth Rs. 384 million 600 thousand was transferred from outside Kathmandu Valley to the bank branches operating Indian currency chests in 36 times and INR worth Rs. 3 billion 40 million was deposited in 15 times.

2.140 In the review period, INR equal to Rs. 375 million 400 thousand was purchased and INR equivalent to Rs. 1 billion 173 million 200 thousand was sold from offices outside Kathmandu Valley. Similarly, foreign currency worth Rs. 2 billion 372 million 300 thousand was purchased.

2.141 The Electronic cheque clearing function has been initiated from Birgunj since 28th March 2013.

**Table 31**  
**Notes in Circulation**

(Rs. in Million)

Denominations	Mid July					
	2011		2012		2013	
	Amount	Percent	Amount	Percent	Amount	Percent
1	31	0.0	162	0.1	162	0.1
2	63	0.0	191	0.1	190	0.1
5	239	0.1	1316	0.7	1337	0.6
10	559	0.3	1883	0.9	1938	0.8
20	486	0.3	2294	1.1	2247	1.0
25	386	0.3	61	0.0	61	0.0
50	3319	2.0	3761	1.9	3802	1.6
100	10001	6.0	8911	4.4	8921	3.8
250	109	0.1	88	0.1	88	0.0
500	46260	27.6	61467	30.5	62901	26.9
1000	106168	63.3	121116	60.2	151815	65.0
Total	<b>167620</b>	<b>100.0</b>	<b>201250</b>	<b>100.0</b>	<b>233460</b>	<b>100.0</b>

**Table 32**  
**Security against Note Issued**

(Rs. in Million)

Mid-July	Gold	Silver	Foreign Currency and Securities	Total	Government Securities	Security against Currency Issue	Share of Foreign Currency, Gold and Silver in Total Security
				(1+2+3)			(4+6)*100
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2006	703	-	79756	80459	4172	84631	95.1
2007	-	-	87138	87138	4172	91310	95.4
2008	-	-	108778	108778	4172	112950	96.3
2009	-	-	137038	137038	4172	141210	97.0
2010	-	-	157128	157128	4172	161300	97.4
2011	-	-	163448	163448	4172	167620	97.5
2012	-	-	197078	197078	4172	201250	97.9
2013	-	-	233460	233460	-	233460	100.0

**Table 33**  
**Trainings Conducted Internally**

S.No.	Subject	Officer/Non Officer	Training Days	No. of Participants
1	Double Tax Avoidance Agreement	Officer	1	3
2	Enhance your Administrative Skills Good to Great Be a DIY	Officer	7	1
3	Economic Activities Studies by Out of Kathmandu Valley Offices	Officer	1	14
4	Liquidity Management	Officer	2	2
5	Training of Trainers	Officer	18	1
6	Management Training for Woman Manager	Officer	6	2
7	Training of Trainers' Program	Officer	3	1
8	International Taxation & Transfer Pricing	Officer	1	1
9	Seminar on International Financial Reporting Standards (IFRSs)	Officer	3	1
10	Follow up Program on "Eviews and Macroeconomic Model"	Officer	3	1
11	Financial Transaction Analysis	Officer	3	2
12	National Conference on Improving Performance of Rural Tourism for Increasing Employment and Improving Income in Nepal	Officer	3	1
13	Confederation of Asia Pacific Chambers of Commerce and Industry (CACCI)	Officer	2	4
14	Workshop Program on Innovate Human Resources Planning Management and Excellence	Officer	4	1
15	Managing Change for Better Performance	Officer	5	1
16	Workshop on Government Finance Stastics	Officer	2	6
17	Workshop on Internal Capital Adequacy Assessment Process and Supervisory Review ( Pillar II Under Basel Accord)	Officer	5	1
18	Financial Analysis and Strategic Planning for MFLs	Officer	2	3
19	Management Information System for MFLs	Officer	5	4
20	Management Confab Programme on Learning Train: Financial Services and Banking	Officer	3	1
21	Progress Review Program with 17 Partner Financial Services Providers of Enhancing Access to Financial Services Project	Officer	2	2
22	Cash Operation NRB End Users	Officer	9	26
23	GL Operation	Both	3-6	484
24	International Conference on International Financial Standards	Officer	1	10
25	Legal Capability Enhancement of Public Enterprises' Officers	Officer	7	5
26	Public Finance	Officer	2	1
27	Financial Literacy Training of Trainers	Officer	4	2
28	Feasibility Study & Monitoring of Investment by RSRF	Officer	3	21
29	Effective Purchasing Inventory	Officer	4	1
30	Modern Human Resource Management System	Officer	2	2
31	Information System Audit (ISA)	Officer	12	5
32	32 <sup>nd</sup> National Management Convece& Annual General Meeting	Officer	1	1
33	CInteraction Program	Officer	1	1
34	NHCL-ECC	Both	6	14
35	Training on Conflict Sensitivity Tools and Techniques	Officer	4	4
36	3rd Microfinance Summit Nepal 2013	Officer	3	5
37	Child and Youth Finance Dissemination Workshop	Officer	1	3
38	Training cum Workshop on Learning of Public Organization	Officer	3	1
39	Purchase in Capacity Inhancement	Officer	3	1
40	Trainers' Training	Officer	2	15
41	RBI's Single Account System and Settlement Procedures of GOI Treasury Bill	Officer	1	11
42	Regulation and Supervision of Microfinance In Nepal	Officer	3	5
43	Regulation and Supervision of Microfinance Institution in SAARC Region	Officer	3	1
44	Official Documents Writing Training	Officer	3	3
45	Computer Assisted Auditing Technique	Officer	10	2
46	Wide Area Network Training	Officer	5	14
47	Public-Private Dialogue	Officer	2	2
48	Training on Strategic Management for Public Organization	Officer	7	1
49	Training cum Workshop on Emotional Intelligence at Work	Officer	4	1
50	IFRS	Officer	4	2
51	IFRS-INCO Terms	Officer	1	2
52	E-Learning Course on Knowledge Management for Public Sector Organization	Officer	4	2
53	Personal Assistant Skill Enhance Training	Officer	6	3
54	Risk Management Training Program	Officer	3	4
55	Training Of Ttrainer	Officer	3	5
56	Training Cum Workshop on Strategic Human Resource Management	Officer	4	1
	<b>Total</b>			<b>714</b>

**Table 34**  
**Training Conducted by Bankers' Training Centre**

S. No.	Subject	Level	Training Days	No. of Participants
1	Skill Development Training on Financial & Economic News Reporting	Officer/ Non-Officer	2	19
2	Training for Risk Officer	Officer	2	25
3	IT Infrastructure: User Training	Officer	3	25
4	Risk Based Approach in Banks/FIs Supervision	Officer	4	25
5	Procurement Management	Officer	3	20
6	AML/CFT Conceptual Framework and Supervision	Officer	2	21
7	Risk Management Process & Internal Control Mechanism	Officer	4	25
8	Monetary and Financial Sector Data Reporting	Officer	2	23
9	Pre-Service Training for Newly Recruited Officer	Officer	7	29
10	Primary & Secondary Market Operation and Management	Officer	3	22
11	Problem Bank/Financial Institution: Identification and Resolution	Officer	3	22
12	NRB: Accounting with IAS, NAS Auditing	Officer	4	22
13	Monetary and Fiscal Management	Officer	6	22
14	Customer Service Orientation	Non-Officer	3	20
15	Microfinance Management	Officer/ Non-Officer	6	22
16	Monetary and Financial Sector Data Reporting	Officer/ Non-Officer	2	22
17	Government A/C Transaction	Officer/Non-Officer	3	24
18	Planning and Budgeting in NRB	Officer	3	22
19	BOP Statistics	Officer	4	22
20	Regulatory Framework on Supervision of MFIs	Officer	3	22
21	Central Banking (Refresher)	Officer	3	22
22	Financial Literacy	Officer	2	21
23	Information Security Management System	Officer	3	22
24	BOP Statistics	Officer	3	21
25	Macro Prudential Regulation and Supervision of BFI's	Officer	4	21
26	Management Development Program	Officer	6	22
27	System Audit and IT	Officer	3	21
28	Forex Transaction, Inspection, Supervision and Data Collection	Officer	3	21
29	Notekosh Inspection, Fund Transfer and A/C Settlement	Officer	2	23
30	TOT (Training of Trainers)	Officer	3	14
31	Macroeconomic Analysis and Forecasting Technique	Officer	6	22
32	Reporting Under Basel II	Officer/Non-Officer	2	22
33	Advanced Leadership Course: Managing Change	Officer	3	22
34	Skill Enhancement of Economic Journalist on Financial and Economic Data Analysis & News Reporting		2	34
	<b>Total</b>			<b>762</b>

**Table 35**  
**Training, Seminar, Meeting and Workshop in Foreign Countries**

	Programme	No. of Participants	Host Institution	Place
1	National Asset-Liability Management Conference	1	Central Banking Events Singapore	Singapore
2	SAARC Finance Public Debt Managers' Forum	2	Central Bank of Sri Lanka	Colombo, Sri-Lanka
3	Macroeconomic Management and Financial Sector Issues (MMF)	1	IMF-STI	Singapore
4	6th SEACEN-CeMCoA/BOJ Intermediate Course on "Macroeconomic and Monetary Policy Management"	2	The SEACEN Centre	Manila, Philippines
5	24th SEACEN-FSI Regional Seminar on "Financial Stability and Macroprudential Policies"	2	The SEACEN Centre	Phuket, Thailand
6	Central Bankers Course on "Monetary Policy in Developing Countries"	1	Study Center Gerzensee	Gerzensee, Switzerland
7	14th SEACEN Conference of Directors of Supervision of the Asia Pacific Economies and 25th Meeting of SEACEN Directors of Supervision	2	The SEACEN Centre	Phuket, Thailand
8	IMF-ITP Course on "Financial Soundness Indicators (FSI)"	1	Joint India-IMF Training Program in Pune	Pune, India
9	BIS Banking Seminar 2012 on Reserve Management	1	FSI-BIS	Beatenberg, Switzerland
10	3rd Meeting of SEACEN Deputy Governors and 3rd SEACEN High Level Seminar for Deputy Governors on Financial Stability	2	The SEACEN Centre	Siem Reap, Cambodia
11	Course on "Government Finance Statistics Manual Update (GFS-M)"	1	IMF-STI	Singapore
12	BNM-IFSB-CGAP Financial Inclusion Advisers Programme and Seminar on Islamic Microfinance	3	Bank Negara Malaysia	Kuala Lumpur, Malaysia
13	Course on "Human Resources Management"	1	Deutsche Bundesbank	Frankfurt, Germany
14	Central Bankers Course on "Advanced Topics in Monetary Economics"	1	Study Center Gerzensee	Gerzensee, Switzerland
15	Workshop on "Broadening Investor Base For Local Currency Bonds"	1	ADB	Bangkok, Thailand
16	Seminar on "Cross Border Supervision and Enforcement"	3	APEC FRTI	Bangkok, Thailand
17	7th Regional Non-Resident Nepali (NRN) Conference 2012	1	Non-Resident Nepali Association (NRNA), Sydney, Australia	Sydney, Australia
18	16th SAARCFINANCE Coordinators' Meeting	1	Maldives Monetary Authority	Male, Maldives
19	34th Meeting of SEACEN Directors of Research and Training	2	The SEACEN Centre	Kuala Lumpur, Malaysia
20	The "Field Based Observation/Study Visit of Microfinance System"	1	Rural Microfinance Development Centre Ltd. Nepal	Indonesia
21	Course on "Central Banking & Financial Sector Legal Frameworks"	2	IMF-STI	Singapore
22	Course on "Economic Policies for Financial Stability"	1	IMF-STI	Singapore
23	Course on "Economic Policies for Financial Stability"	1	IMF-STI	Singapore
24	ADB Training Course on "Regional Economic and Financial Monitoring"	1	ADB	Shanghai, China
25	Regional Review Group Face to Face Meeting	2	Financial Action Task Forec (FATF), (RRG)	Sydney, Australia
26	FSI Seminar on "Applied Risk Management-Credit Risk and Asset Securitisation"	1	FSI-BIS	Beatenberg, Switzerland
27	IMF-ITP Course on "Macroeconomic Management and Fiscal Policy"	2	Joint India-IMF Training Program in Pune	Pune, India
28	Programme on "Currency Management"	4	Bank Negara Malaysia	Lanai Kijang, Malaysia
29	BIS Banking Seminar 2012 on Reserve Management	1	Bank for International Settlements	Basel, Switzerland
30	Sub-committee Meeting on the Drafting of the APRACA Strategic Plan /11th SEACEN Executive Committee (EXCO) Meeting and Seminar	1	Seoul, Busan, Korea	APRACA / The SEACEN Centre
31	Programme on "Development of Cooperatives and Rural Financing Institutions and Agencies" (Focused on Trainers Training)	1	CICTAB	Colombo, Sri-Lanka
32	BIS Banking Seminar 2012 on Reserve Management	1	Bank for International Settlements	Basel, Switzerland
33	Training Program on "Banknote Design, Product Design, Manufacturing Techniques, Know-Hows"	3	KOMSCO, Korea	Seoul, Korea

	Programme	No. of Participants	Host Institution	Place
34	Visit Program of Board Members' of NBTI	1	Indian Institute of Banking & Finance, India	Mumbai, India
35	Second Regional Forum on Investment Management of Foreign Exchange Reserves	1	ADB	Hong Kong, China
36	Parallels Summit 2012 APAC	4	Parallels Software Pte Ltd.	Singapore
37	11th SEACEN Executive Committee (EXCO) Meeting and Seminar	1	The SEACEN Centre	Busan, South Korea
38	FSI-EMEAP Renional Seminar on "Basel III Application"	3	FSI-BIS	Beijing, China
39	Seminar on "Governance in a Central Bank"	2	International Banking and Finance Institute (IBFI)	Marne-la-Vallee, France
40	34th Intermediate Central Banking Course	2	Bank Negara Malaysia	Kuala Lumpur, Malaysia
41	Strategic Analysis Course	1	The World Bank/The Egmont Group	Bangkok, Thailand
42	Second SEACEN Research Workshop on "Role of Payment and Settlement System in Monetary Policy and Financial Stability"	1	The SEACEN Centre	Kuala Lumpur, Malaysia
43	Programming on "Cyber Security in Banks" (Focus: Cyber Threats and Countermeasures)	2	National Institute of Bank Management	Pune, India
44	"Knowledge Management Conference 2012" Strengthening Organisational Performance Through KM"	4	Bank Negara Malaysia	Kuala Lumpur, Malaysia
45	SEACEN-IMF Course on "Macroeconomic Diagnostics"	2	The SEACEN Centre	Colombo, Sri Lanka
46	International Central Banking Course: Workshop on Public Relations	1	Deutsche Bundes Bank	Frankfurt, Germany
47	Training Program for NRB's GL Replacement Project	8	ERI Bancaire Luxembourg, SA	Geneva, Switzerland
48	Regional Seminar on "Basel III and Supervision of Systemically Important Banks"	3	FSI-BIS	Mumbai, India
49	Boards of Governors 2012 Annual Meeting of IMF	2	IMF/The World Bank	Tokyo, Japan
50	Invitation to United Overseas Bank for Office Visit and Banknotes Vault	2	United Overseas Bank, Singapore	Singapore
51	Programme on "Development of Managerial Skills for Agricultural Co-operatives and Rural Financing Institutions"	4	CICTAB	Gurgaon, Haryana, India
52	Workshop on "Balance of Payments and International Investment Position Manual (BPM 6)"	2	IMF	Bangkok, Thailand
53	Risk Based Supervision & Basel II Implementation Programme	5	Bank Negara Malaysia	Kuala Lumpur, Malaysia
54	National Economic Development Strategy Program for Nepal	1	Korea International Cooperation Agency (KOICA)	South, Korea
55	Project Team Member (PTM) for SEACEN Research Project on "Basel III Implementation: Challenges and Opportunities"	1	The SEACEN Centre	Kuala Lumpur, Malaysia
56	IMF-ITP Course on "Financial Market Analysis (FMA)"	2	Joint India-IMF Training Program in Pune	Pune, India
57	FSI Seminar on "Effective Implementation of Supervision and Regulation"	1	FSI-BIS	Basel, Switzerland
58	5th Central Bank Online Communications Conference (CBOCG)	1	Deutsche Bundes Bank	Munich, Germany
59	Course on Monetary and Financial Statistics	1	IMF-STI	Singapore
60	Business Research Methods & Data Analysis	2	Govt. of India, Entrepreneurship Development Institute of India	Ahmedabad, India
61	Banking Sector Reform and Development	1	Enhancing Access to Financial Services Project	Seoul, Korea
62	NRB Training Programme on "Central Banking"	34	Central Bank of Sri Lanka, Centre for Banking Studies	Colombo, Sri Lanka
63	Study related to Inward Remittance from India	2	Foreign Exchange Management Department	Delhi, Mumbai, India

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	<b>Programme</b>	<b>No. of Participants</b>	<b>Host Institution</b>	<b>Place</b>
64	SEACEN-CCBS/BOE Workshop on "Model Building and Development Using DSGE Models"	2	The SEACEN Centre	Seoul, Korea
65	Seminar on "Green Poser Empower Nepal - A Trade and Investment Opportunity in Nepal"	1	Federation of Nepalese Chambers of Commerce & Industry (FNCCI)	Seoul, Korea
66	SEACEN Course on "Assessing Market Risk of a Bank"	3	The SEACEN Centre	Taipei, Taiwan
67	Witness the Destruction Process of the Rs. 2 Coins	2	Mint of Finland	Finland
68	4th Credit Reporting and Risk Management Training	5	Bank Negara Malaysia	Lanai Kijang, Malaysia
69	APEC FRTI Regional Seminar on "Market Surveillance of Derivatives Market"	5	ADB	Kuala Lumpur, Malaysia
70	Course on "Payment and Securities Settlement Systems"	1	Deutsche Bundes Bank	Frankfurt, Germany
71	6th Biennial Conference on "Risk Management and Supervision"	1	FSI-BIS	Basel, Switzerland
72	SEACEN-CeMCoA/BOJ High-Level Seminar on "Finding Asia's New Sustainable Growth Model Post GFC: The Role of the Central Banks"	2	The SEACEN Centre	Kuala Lumpur, Malaysia
73	Resource Person for SEACEN-CCBS/BOE Workshop on "Model Building and Development using DSGE Models"	1	The SEACEN Centre	Seoul, Korea
74	FSI-SEANZA Regional Seminar on "Financial Stability and Macroprudential Supervision"	1	FSI-BIS Jointly SEANZA	Port Moresby, Papua New Guinea
75	2nd CEMLA-SEACEN Conference - "The Role of Central Banks in Macroeconomic and Financial Stability: The Challenges in an Uncertain and Volatile World"	1	The SEACEN Centre	Punta del Este, Uruguay
76	12 SPC Meeting	1	Bangladesh Bank	Dhaka, Bangladesh
77	Course on "Price and Volume Indices in Official Statistics-Theory and Practice"	1	Deutsche Bundes Bank	Frankfurt, Germany
78	Typologies Workshop and Capacity Building Workshop	2	Asia Pacific Group on Money Laundering (APG)	Hanoi, Vietnam
79	Mobile Money Global 2012	1	Integrated Solutions Pvt. Ltd.	Dubai, UAE
80	Programme on "Application of Information Technology for Development of Agricultural Cooperatives and Rural Financing Institutions (Focused on Trainers Training)"	4	CICTAB	Pune, India
81	Seminar on "Procurement Management in Banking Industry"	1	PHFR Consulting Asia Pte. Ltd.	Singapore
82	48th SEACEN Governors' Conference/High-Level Seminar and 32nd Meeting of SEACEN Board of Governors	3	Bank of Mongolia	Ulaanbaatar, Mongolia
83	Enhancing Access to Finance	1	MOF/NBTI	Indonesia and Thailand
84	SAARCFINANCE Website	2	Reserve Bank of India	Maharashtra, Pune, India
85	Financial Programming and Policies (FPP)	1	Joint India-IMF Training Program in Pune	Pune, India
86	The Valuation of Partial Acquisitions	1	The International Right of Way Association (IRWA) and Thai Real Estate Business School (TREBS)	Bangkok, Thailand
87	Course on "Payment and Securities Settlement Systems"	1	Deutsche Bundes Bank	Frankfurt, Germany
88	Exposure Visit Programme on "SHG/JLG, Farmers Club, etc"	4	CICTAB	Pune, India
89	16th MAS Banking Supervisors Training Programme	2	Monetary Authority of Singapore	Singapore
90	SBI Supervisory College Meet, 2012	2	RBI	Mumbai, India
91	ASEAN Bankers Forum 2012 and Study Visit to Central Bank of Sri Lanka	2	IDG Vietnam and Central for Banking Studies, Sri Lanka	Ho Chi Minh City, Vietnam and Colombo, Sri Lanka
92	Study Visit to Central Bank of Sri Lanka	1	Centre for Banking Studies	Colombo, Sri Lanka
93	FSI Seminar on "Financial Stability and the Revised Core Principles for Effective Banking Supervision"	1	FSI-BIS	Basel, Switzerland
94	Programme on "Women's Development Through Microfinance"	4	CICTAB	Pune, India
95	Treasury Operations and Asset & Liability Management	6	Centre for Banking Studies	Colombo, Sri Lanka
96	Official Visit and Meeting Programme	2	Peoples Bank of China	Beijing, China
97	Observation Tour of Bank Negara Malaysia & SEACEN Center	1	NRB	Malaysia
98	Visit to Regional Cash Processing Center in Singapore and Training Session on Counterfeit Detection	3	CIMB Bank, Singapore	Singapore
99	Workshop on "Reserve Management and Operations of Various Markets"	4	Standard Chartered Bank, Singapore	Singapore and Hong Kong
100	Third STI Meeting on Training	1	IMF-STI	Singapore

	Programme	No. of Participants	Host Institution	Place
101	The Future of Regulatory Data and Analytics	1	Centre for Central Banking Studies, Bank of England	London, England
102	Advance Programme for Central Bankers and Regulators on Basel III	2	Asia Pacific Group / APG, Institute of Global Economics and Finance The Chinese University of Hong Kong	Hong Kong, China
103	Training of Trainers Program	1	Indian Institute of Banking & Finance (IIBF)	Mumbai, India
104	Seminar on "Liquidity Risk"	1	FSI-BIS	Basel, Switzerland
105	Market Risk Analysis Seminar	2	Reserve Bank of India	New Delhi, India
106	Bank Stress Testing	5	The SEACEN Centre	Singapore
107	Study visit of Korean Deposit Insurance Corporation / Thailand	1	Deposit & Credit Guarantee Corporation	South Korea & Thailand
108	Macroeconomic Management and Financial Sector Issues (MMF)	1	Joint India-IMF Training Program	Pune, India
109	Second Annual Conference on Economic Transformation and Inclusive Growth in Frontier and Developing Asia	1	IMF & JICA, Bank of Thailand	Bangkok, Thailand
110	X-12-ARIMA-Seasonal Adjustment of Economic Data	1	Deutsche Bundes Bank	Frankfurt, Germany
111	Supervisory Effectiveness in the Post-Crisis World	3	Reserve Bank of India	Mumbai, India
112	Financial Stability, Systemic Risk and Macro-Prudential Policy (FSMP)	1	Joint India-IMF Training Program	Pune, India
113	Training Techniques for Trainers of Co-operative and Rural Financing Institutions	2	CICTAB	New Delhi, India
114	Seminar on "Principles for Financial Market Infrastructures and Innovations in Retail Payments"	2	RBI	New Delhi, India
115	Regional Seminar on "Technology Risk Supervision Under the Asia-Pacific Economic Cooperation (APEC)"	1	Office of the Regional Economic Integration (OREI), ADB APECFRTI	Sydney, Australia
116	SEACEN Course on "Crisis Preparedness in Interconnected Markets"	1	The SEACEN Centre	Jakarta, Indonesia
117	Nepal-Bangladesh Technical Committee Meeting of Joint-Secretary Level	1	Ministry of Commerce and Supply	Dhaka, Bangladesh
118	FATF Plenary and Working Group Meetings	2	Financial Action Task Force (FATF)	Paris, France
119	Workshop on Performance Management of Service Sector Organization	1	Asian Productivity Organization	Islamabad, Pakistan
120	Programme on Skill Development of Trainers in the Area of Promotion and Financing of Self-Help Groups and Joint Liability Groups for Financial Inclusion of Rural Poor	2	CICTAB	Lucknow, India
121	Monetary Policy and the Financial System	1	Deutsche Bundes Bank	Frankfurt, Germany
122	Risk Management for Banking Institutions	8	Centre for Banking Studies	Colombo, Sri Lanka
123	BCBS-FSI-EMEAP High Level Meeting Key Regulatory and Supervisory Issues in a Basel III World	1	FSI-BIS	Seoul, S. Korea
124	Programme on "Women's Development Through Income Generation Activities (Focused on Trainers Training)"	4	CICTAB	NIBM, Pune, India
125	11th SEACEN-CPSS Advance Course on Payment and Settlement Systems for Emerging Economies "Assessing PFMI Observance for Effective Oversight"	2	The SEACEN Centre	Sasana Kijang, Kuala Lumpur, Malaysia
126	62th Executive Committee Meeting of APRACA	2	APRACA	Bangkok, Thailand
127	Guest Speaker at UNDP's Global MGD Conference (GMC)	1	UNDP	Bogota, Colombia
128	Managing Non-Performing Advances (NPA) and Recovery Through Litigation	10	Centre For Banking Studies	Colombo, Sri Lanka
129	SAARCFINANCE Staff Exchange Training Programme	20	Bangladesh Bank Training Academy	Dhaka, Bangladesh
130	Programme on "Development of Cooperatives and Rural Financing Institutions"	1	CICTAB	Thimphu, Bhutan
131	Foreign Reserve Management	1	Deutsche Bundesbank	Frankfurt, Germany
132	Course on "Balance of Payments and International Investment Position Statistics (IIP)"	2	IMF-STI	Singapore
133	IMF-ITP Course on "Monetary and Financial Statistics (MFS-I)"	2	Joint India-IMF Training Program in Pune	Pune, India



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	<b>Programme</b>	<b>No. of Participants</b>	<b>Host Institution</b>	<b>Place</b>
134	India-OECD-World Bank Regional Conference on Financial Education	2	RBI	New Delhi, India
135	Workshop on "Basel III Monitoring"	1	FSI-BIS	Basel, Switzerland
136	5th BIMSTEC Subgroup Meeting	1	Financial Information Unit, Bangladesh Financial Intelligence Unit (BFIU)	Dhaka, Bangladesh
137	Visiting Research Economist-SEACEN Research Studies for Analytical Framework in Assessing Systemic Financial Market Infrastructure (MI)	1	The SEACEN Centre	Kuala Lumpur, Malaysia
138	Building a Peer Learning Agenda for National Strategies and SME Finance	2	Alliance for Financial Inclusion	Bangkok, Thailand
139	Mortgage Finance and Consumer Credit: Implications on Financial Stability Team Members (PTM)	1	The SEACEN Centre	Kuala Lumpur, Malaysia
140	Supply of 1 Rupee Coins and Discuss Future Business Prospects between Nepal Rastra Bank and South African Mint Company (Pty) Ltd. and Die Destruction Process	2	South African Mint Company (Pty) Ltd.	Pretoria, South Africa
141	Destruction of the Surplus Production Dies used on Contract for the Manufacture	2	South African Mint Company (Pty) Ltd.	Pretoria, South Africa
142	Project Team Member for First Research Workshop on Analytical Framework in Assessing Systemic Financial Market Infrastructure (FMI)	1	The SEACEN Centre	Kuala Lumpur, Malaysia
143	Workshop on Deposit Mobilization	6	Centre For Banking Studies	Colombo, Sri Lanka
144	Banking Supervision Under the Framework of Basel II and Basel III Basic	1	Deutsche Bundesbank	Frankfurt, Germany
145	Local Staff Training	1	IMF-STI	Singapore
146	25th SEACEN-FSI Regional Seminar on "The Basel Framework - Supervisory Review Process"	3	The SEACEN Centre	Kuala Lumpur, Malaysia
147	WHD Global 2013	1	WorldHostingDays GmbH	Europa-Park in Rust, Germany
148	FATF Standard Workshop and National Risk Assessment Workshop	1	APG & IMF	Singapore
149	7th SEACEN-CeMcoA/BOJ Intermediate Course on Macroeconomic and Monetary Policy Management	3	The SEACEN Centre	Siem Reap, Cambodia
150	Inception Workshop	1	APRACA	Bangkok, Thailand
151	Financial Market Analysis (FMA)	1	IMF-STI	Singapore
152	Workshop on "Three-year Technical Assistance Project in Government Finance Statistics (GFS) for the Asian Region"	2	IMF	Bangkok, Thailand
153	Strategic Thinking and Goal Setting for Superior Organizational Performance	8	Centre for Banking Studies	Colombo, Sri Lanka
154	Training Program	6	Mashreqbank	Dubai, UAE
155	SEACEN-Toronto Centre-CGAP Course on "Supervision of Deposit Taking Microfinance Institutions"	4	The SEACEN Centre	Kuala Lumpur, Malaysia
156	Financial Stability and Central Banks	1	Centre for Central Banking Studies	London, England
157	BIS Asian Reserve Management Workshop	1	BIS	Kunming, China
158	Central Bank Accounting and Budget	1	Banque de France	Marne-la-vallee, France
159	Budgetary Forecasting Under Severe Data Constraints And Macroeconomic Volatility	2	Joint India-IMF Training Program in Pune	Pune, India
160	APEC FRTI Regional Seminar on "Bank Analysis and Examination School"	4	APEC / FRTI	Manila, Philippines
161	"Private Cash Recycling: The Challenges for Central Bank Cash Management"	1	Deutsche Bundesbank	Frankfurt, Germany
162	Monetary Policy	1	The Bank of Korea	Seoul, Korea
163	BBVA Central Banks and Sovereign Wealth Funds Seminar: Seminar on Investment Opportunities for International Reserve Management	1	BBVA Corporate & Investment Banking	La Moraleja (Madrid), Spain
164	De La Rue South Asia Users' Conference	2	De La Rue	Cochin, Mumbai, India
165	FIS-SEANAZ Regional Seminar on Risk-Based Supervision	3	RBI	Mumbai, India

	Programme	No. of Participants	Host Institution	Place
166	Institution of Training Institute	1	National Banking Training Institute (NBIT)	Bhutan
167	Advisor Position Southeast Asia Voting Group's Office of the Executive Director	1	IMF	Washington, D.C., USA
168	ESCAP, on The Ministerial Roundtable 2013	1	UN-ESCAP	Bangkok, Thailand
169	The Second Annual Child and Youth Finance International Summit & Award Ceremony	1	Child & Youth Finance International, The Netherlands	Istanbul, Turkey
170	BIS Banking Seminars 2013 on Asset Management	1	Bank for International Settlements	Lucerne, Switzerland
171	Knowledge Exchange Visit	6	Alliance for Financial Inclusion (AFI)	Peru and Brazil
172	Course on "Macroeconomic Management and Financial Sector Issues (MMF)"	1	IMF-STI	Singapore
173	BNM-AFI Access to Financial Services for the Micro, Small and Medium Enterprise Sector (MSME)	2	Bank Negara Malaysia	Kuala Lumpur, Malaysia
174	SEACEN-IMF Course on "External Sector Issues"	3	The SEACEN Centre	Bangkok, Thailand
175	Personal Financial Services	6	Centre for Banking Studies	Colombo, Sri Lanka
176	Face to Face Meeting	2	Financial Action Task Force /ICRG/RRG and Anti-Money Laundering Office, Thailand	Bangkok, Thailand
177	Seminar on "Financial Stability"	1	De Nederlandsche Bank	Amsterdam, Netherland
178	International Central Banking Course on Controlling at Central Banks	1	Deutsche Bundesbank	Frankfurt, Germany
179	Regional Economic and Financial Monitoring	1	ADB	Shanghai, China
180	FSI Seminar on "Supervision and Regulation of Systemically Important Banks (SIBs)"	1	FSI - BIS	Basel, Switzerland
181	Workshop on "Fund Management"	5	Centre for Banking Studies	Colombo, Sri Lanka
182	Financial Stability	1	The Bank of Korea	Seoul, Korea
183	Standard Chartered Bank Insights: Transaction Banking	1	Standard Chartered Bank	New York, USA
184	SEACEN-Deutsche Bundesbank Course on Consolidated Supervision	2	The SEACEN Centre	Darussalam, Brunei
185	Observation Visit on Human Resource Management	3	Central Bank of Sri-Lanka	Colombo, Sri Lanka
186	APEC FRTI Regional Seminar on "Macroprudential Supervision"	4	ADB	Bali, Indonesia
187	Macroeconomic Management for Senior Officials (MMSO)	1	IMF-STI	Singapore
188	FATF Revised Standards and Risk Assesment / Strategic Implementation Planning (SIP) Follow-up Workshops	4	APG	Colombo, Sri Lanka
189	FSI Seminar on "Financial Stability and Stress Testing"	1	FSI-BIS	Basel, Switzerland
190	17th MAS Banking Supervisors Training Programme	2	Monetary Authority of Singapore	Singapore
191	8th SEACEN-CeMCoA/BOJ Intermediate Course on "Payment and Settlement Systems for Emerging Economics"	3	The SEACEN Centre	Hanoi, Vietnam
192	Meetings of the Managing Committee & General Council of CICTAB	2	CICTAB	New Delhi, India
193	Governance and Organisational Development	4	Bank Negara Malaysia	Kuala Lumpur, Malaysia
194	Visa APCEMEA Security Summit 2013	2	Himalayan Bank Limited	Bangkok, Thailand
195	Practical Training on "How to Determine Cost-Covering Interest Rate on Loans of MFLs"	7	Cambodia Microfinance Association	Phnom Penh, Cambodia
196	BIS Banking Seminars 2013 on Portfolio Analytics	1	Bank for International Settlements	Brunnen, Switzerland

*Activities of Nepal Rastra Bank*

	<b>Programme</b>	<b>No. of Participants</b>	<b>Host Institution</b>	<b>Place</b>
197	13th Annual International Seminar on "Policy Challenges for the Financial Sector"	1	The World Bank	Washington D.C., USA
198	Seminar on "Systemic Risk, Crisis Management and Resolution Frameworks"	1	Jointly organized by the Financial Stability Institute and the Toronto Centre	Basel, Switzerland
199	Legislation Relating to Banking and Financial Institutions	6	Centre for Banking Studies	Colombo, Sri Lanka
200	7th SEACEN Advanced Leadership Course (Signature Programme): Central Banking Leadership-Leading Transformation in Times of Uncertainty	3	The SEACEN Centre	Kuala Lumpur, Malaysia
201	Conference on "Monetary Policy in the New Normal"	1	Bank Negara Malaysia	Kuala Lumpur, Malaysia
202	Plenary Meeting of Financial Action Task Force (FATF)	1	Financial Action Task Force (FATF)	Oslo, Norway
203	SAARCFINANCE Group Meeting, Governors' Symposium ACU Meetings	5	State Bank of Pakistan	Islamabad, Pakistan
204	Assessment and Control of Credit Risk (Joint Seminar with the Federal Reserve Bank)	1	Banque de France	Marne-la-vallee, France
205	APEC / FRTI Regional Seminar on Enforcement Including Cross-Border Transactions	4	APEC/FRTI	Bangkok, Thailand
206	Financial System	1	The Bank of Korea	Seoul, Korea
207	SEACEN Bank Management School	2	The SEACEN Centre	Kuala Lumpur, Malaysia
208	Financial Statement Analysis	6	Centre for Banking Studies	Colombo, Sri Lanka
209	International Program on "Central Banking"	4	Reserve Bank of India	Chennai, India
210	AFI Transition to Independence: "Invitation to Join the Sub-Committee on Host Country Evaluation"	1	Alliance for Financial Inclusion (AFI)	Frankfurt, Germany
211	Monetary and Financial Statistics (MFS) HQ 13.06	1	IMF	Washington, D.C., USA
212	Invitation to the APEC FRTI Regional Seminar on "Regulation of New Products Including Over-The-Counter and Derivatives"	5	APEC Financial Regulators Training Initiative (FRTI) Secretariat, ADB	Seoul, Korea
213	Capacity Building Programme on Financial Inclusion	2	CICTAB	Mangalore, India
214	International Banking Seminar	1	Mashreq Bank	Shanghai, China
215	Monetary and Exchange Rate Policy (MERP) ST 13.10	1	IMF-STI	Singapore
216	15th SEACEN Conference of Directors of Supervision of the Asia Pacific Economies and 26th Meeting of SEACEN Directors of Supervision / Meeting of SEACEN Advisory Group (SEAG) for Financial Stability and Supervision	1	The SEACEN Centre	Bali, Indonesia
217	Programme on "Customer Relationship Management"	6	Centre for Banking Studies	Colombo, Sri Lanka
218	Training Programme on "Better Industrial Relationship in Nepal Rastra Bank"	12	National Institute of Bank Management	Pune, India
219	Local Staff Training on the Newly Revamped Expense Reporting (ERS)	1	IMF	Bangkok, Thailand
220	Exposure Study Tour on "Risk Management in Rural Finance in Agriculture"	1	APRACA	Bangkok, Thailand
221	2013 Mobile Money for the Unbanked Global Event"	1	GSMA	Nairobi, Kenya
222	Capacity Development Training Programme on "Central Banking and Organisation Development"	35	AIT Extension	Bangkok, Thailand
223	Courtesy Meeting and Observation	1	People's Bank of China	Beijing, China
224	Refresher Programme on "Restructuring and Strengthening of Agricultural and Rural Financing Institutions for the Trainers of CICTAB Member Institutions"	4	CICTAB	Pune, India
225	APG's 16th Annual Meeting and Technical Assistance Forum	4	Asia/Pacific Group on Money Laundering (APGML)	Shanghai and Beijing, China
226	Economic Forecasting	1	The Bank of Korea	Seoul, Korea
	<b>Total</b>	<b>566</b>		

**Table 36**  
**List of Fund Transfer and Transaction of Foreign Currency Out of Kathmandu Valley Offices in 2012/13**

S.No	Office	Fund Out and In									Transaction of Foreign Currency					
		Rs. in Million						INR (Rs. in Million)				Other Foreign Currency		INR		
		Fund Transfer			Fund In*			Fund Transfer		Fund In		Rs. in Million		Rs. in Million		
		No of Currency Chest +	Times	Amount Rs	Times	Amount Rs	Times	Amount Rs	Times	Amount Rs	Purchase	Balance @	Purchase	Sale #	Balance @	
1	Biratnagar	10	97	20380.0	8	230.0	20	195.2	3	800.0	296.4	50.1	10.9	275.9	599.7	
2	Janakpur	5	78	13450.0	7	61.5	3	20.0	2	592.0	86.4	13.3	0.0	76.2	446.5	
3	Birgunj	-	54	14235.0	5	292.8	5	131.0	3	688.0	51.8	3.9	0.0	262.7	416.0	
4	Pokhara	8	77	10390.0	6	40.8	-	-	-	-	1240.0	30.0	90.3++	50.4	71.2	
5	Siddharthanagar	5	67	10800.0	11	86.4	6	20.8	2	320.0	603.4	6.9	0.0	143.9	300.9	
6	Nepalgunj	18	118	13911.8	26	3975.1	2	17.6	3	400.0	64.1	14.8	6.0	213.7	273.5	
7	Dhangadhi	6	47	4780.0	11	427.4	0	0.0	2**	240.0**	30.2	36.5	268.2##	150.4	185.6	
	<b>Total</b>	<b>52</b>	<b>538</b>	<b>87946.8</b>	<b>74</b>	<b>5114.0</b>	<b>36</b>	<b>384.6</b>	<b>15</b>	<b>3040.0</b>	<b>2372.3</b>	<b>155.5</b>	<b>375.4</b>	<b>1173.2</b>	<b>2293.4</b>	

+ No of Currency Chest under the Office.

\* Deposit by Currency Chest Offices.

# Note Sale to the Party by Offices.

@ Balance at the end of mid-July, 2011 into the other Offices.

++ **Rs. 80 Millions received from Banking Office**

\*\* **Fund Transfer from Banking Office**

## **Including Fund Transfer from Banking Office**

## Appendix 2.1

### Main Circulars issued to Banks and Financial Institutions

Circular No.	Subject
1	<p>Licensed "A", "B" &amp; "C" class banks and financial institutions are provided by refinance facility by NRB for the loan floated under the following headings:-</p> <p><b>a) General Refinance:-</b> A provision is made whereby refinance used by BFIs for loan provided on Hydropower projects of up to 25 MW, agriculture sector and other productive sectors, tourism, infrastructures oriented industries. Refinance rate under this heading is 6 percent whereby BFIS cannot charge more than 9 percent to the clients.</p> <p><b>b) Special Refinance:-</b> Special refinance rate applicable to credit for export industry, sick industry, small and cottage industry and foreign employment for specified section of people was maintained at 1.5 percent. Under this facility, commercial banks and financial institutions cannot charge more than 4.5 percent interest to the clients.</p> <p><b>c) Export Refinance:-</b> Export refinance rate applicable for export-oriented firms/companies based on export documents was maintained at 1.5 percent. Under this facility, commercial banks and financial institutions cannot charge more than 4.5 percent interest to the clients.</p> <p><b>d) Small Industries by Women:-</b> Under this refinance provision, refinance is applicable to the loan floated up to 3 lacks in small and cottage industries under women ownership. Refinance rate under this heading is 6 percent whereby BFIs cannot charge more than 9 percent to the clients.</p>
2	<ul style="list-style-type: none"> <li>• The bank rate was fixed at 8 percent.</li> <li>• SLF to be provided against the collateral of treasury bills and development bonds on prevailing bank rate.</li> <li>• Lender of last resort facility will be provided to BFIs for maximum 6 months against the government securities, CRR and good collateral.</li> <li>• Commercial banks, development banks and finance companies shall be required to maintain deprived sector lending at 4 percent, 3.5 percent and 3 percent respectively by the end of current fiscal year.</li> <li>• CRR to be maintained by "A" class institution is 6.0 percent, "B" class institution is 5.5 percent and "C" class institution is 5.0 percent.</li> <li>• Banks to Banks' transactions are not allowed on regular basis instead they can be taken as Interbank transactions which period should not exceed maximum of 7 days.</li> <li>• Internal Capital Adequacy Assessment Process (ICAAP) Guidelines has been issued for commercial banks.</li> <li>• Guideline on Information Technology for Banks and Financial Institutions has been issued.</li> <li>• Provision has been made to submit Permanent Account Number (PAN) to BFIs by borrower borrowing Rs. 10 million or more.</li> <li>• "D class financial institutions shall provide the loan of maximum 0.1 million to deprived and poor people against group guarantee and up to Rs. 0.3 million against acceptable collateral for microenterprises.</li> </ul>
3	<ul style="list-style-type: none"> <li>• "A" class commercial banks can work as member of depository institutions according to prevailing law.</li> <li>• The provision of recognizing the loan provided against L/C opened for payment of Trust Receipt Loan wherein such provision of such loan not specified bad loan has been amended.</li> <li>• Employees Provident Fund, Citizen Investment Trust &amp; Rastriya Beema Sansthan can invest maximum up to 25 percent in promoter shares of one or more BFIs with the approval of NRB.</li> </ul>
4	<ul style="list-style-type: none"> <li>• Under the policy provision of barring promoters, chief executive officers or managerial level officials of licensed institutions from borrowing any personal loan except education loan, hire purchase loan, home loan or home appliance loan from any licensed institutions, they can take loan against government securities and credit card.</li> <li>• The policy has been made where except BFIs licensed by NRB, no other firms or companies can involve in financial intermediation activities such as hire purchase.</li> <li>• "D" class institutions can work as insurance agent with not charging additional fees except insurance premium with their credit members.</li> <li>• Firms/Companies/Institutions holding one percent or more shares of BFIs are not allowed to audit such firms.</li> </ul>

5	<ul style="list-style-type: none"> <li>• The provision on Directive No. 1 of Unified Directive "The banks should obtain written approval of NRB for including any subordinated debt instruments (like Debenture/Bonds) in supplementary (Tier-2) Capital" has been cancelled.</li> <li>• Except national level BFIs, other financial institutions are required to provide loan against the collateral within their work area.</li> </ul>
6	<ul style="list-style-type: none"> <li>• The area where there is lack of access to finance was redefined and now such specified number of districts is 17 (Bhojpur, Khotang, Okhaldhunga, Rasuwa, Manag, Rolpa, Rukum, Salyan, Jumla, Mugu, Humla, Kalikot, Dolpa, Jajarkot, Bajhang, Bajura, and Darchula). Before, such specified districts were 30 in number.</li> <li>• A provision has been made to allow BFIs to open "D" class financial institution to provide credit to deprived sector as subsidiary company only at designated geographical area with low financial access. Those nine districts are Manang, Humla, Dolpa, Kalikot, Mugu, Jajarkot, Bajhang, Bajura and Darchula.</li> <li>• A policy provision has been made to allow "D" class financial institutions established in 9 districts with limited access to finance to collect deposits from the general public up to five times of their core capital.</li> <li>• The limit of opening extension counter for "A" class commercial banks is subject to get waiver to open extension counter for revenue collection purpose.</li> </ul>
7	Due to long Dashain holidays, the week starting from 22nd October to 4th November will be considered as one week for the calculation of CRR.
8	Commercial banks are required to tie up their lending rate with their base rate according to "Base Rate Determination Procedures, 2069". They should publish their base rate in monthly basis on their website.
9	The limit of sending credit information to Credit Information Centre has been reduced to Rs 1 million from 2.5 million.
10	The loan provided to Nepal Oil Corporation, Nepal Food Corporation and Krishi Samagri Sansthan are subject to get waiver on Single Obligor Limit.
11	<ul style="list-style-type: none"> <li>• Mobile Banking service can be done with agent appointed by BFIs and the transactions should be settled in Real Time basis.</li> <li>• Provision regarding Cheque Standards and Specifications has been amended.</li> </ul>
12	<ul style="list-style-type: none"> <li>• While calculating capital adequacy, the investment in mutual fund should be calculated as risk weighted assets by providing cent percent risk weightage.</li> <li>• BFIs can invest maximum of 20 percent of their core capital in the company having own financial interest and such investment should be deducted from core capital while calculating capital adequacy.</li> <li>• To ensure reliability on "Good for Payment" cheques additional policies regarding this has been issued.</li> </ul>
13	<ul style="list-style-type: none"> <li>• "A" class commercial banks with the approval from NRB can open their agent or representative office in foreign countries.</li> <li>• BFIs are required to maintain their letters, cheques/voucher and other documents in "Devanagari" font except related to foreign transactions.</li> </ul>
14	The KYC guidelines has been amended.
15	<ul style="list-style-type: none"> <li>• A provision has been made where an additional capital charge of 2 to 5 percent of Gross Income of immediate previous financial year shall be levied for operational risk. Likewise "B" &amp; "C" class institutions are required to add 5 percent of their total assets as risk weighted assets as operational risk</li> <li>• The persons/staff associated with the government or government owned institutions or working as full time staff are prohibited to be elected or nominated in board of directors.</li> <li>• Small and medium enterprises (SMEs) has been defined.</li> </ul>
16	<ul style="list-style-type: none"> <li>• Small savers with less than Rs. 0.5 million in their deposit accounts are not required to follow stringent KYC policy.</li> <li>• To appoint the director in microfinance institutions and to appoint any institutions holding the share of BFIs are not prohibited to become director in more than one licensed institutions.</li> </ul>
17	<ul style="list-style-type: none"> <li>• Amendments on ECC policy.</li> <li>• The duration for MICR cheques is extended to mid-July, 2013.</li> </ul>
18	The prior policy regarding operational risk provision has been simplified.
19	The provision of appointing university professors and associate professors as directors of BFIs has been clarified.

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

**Appendix 2.2****Commercial Banks' Branches Inspected in 2012/13**

<b>S.N.</b>	<b>Commercial Banks</b>	<b>No. of Inspected Branch</b>
1	Nepal Bank Ltd.	21
2	Rastriya Banijya Bank Ltd.	18
3	Agriculture Development Bank	20
4	Nabil Bank Ltd.	7
5	Nepal Investment Bank Ltd.	10
6	Standard Chartered Bank Nepal Ltd.	3
7	Himalayan Bank Ltd.	11
8	Nepal SBI Bank Ltd.	12
9	Nepal Bangladesh Bank Ltd.	9
10	Everest Bank Ltd.	16
11	Bank of Kathmandu Ltd.	12
12	Nepal Credit and Commerce Bank Ltd.	9
13	Lumbini Bank Ltd.	10
14	Machhapuchchhre Bank Ltd.	8
15	Kumari Bank Ltd.	7
16	Laxmi Bank Ltd.	8
17	Siddhartha Bank Ltd.	10
18	Global Bank Ltd.	6
19	Citizens Bank International Ltd.	7
20	Sunrise Bank Ltd.	6
21	Prime Commercial Bank Ltd.	5
22	Grand Bank Ltd.	4
23	NMB Bank Ltd.	7
24	Kist Bank Ltd.	15
25	Janata Bank Ltd.	5
26	Mega Bank Ltd.	7
27	Commerce and Trust Bank Nepal Ltd.	5
28	Civil Bank Ltd.	2
29	Century Commercial Bank Ltd.	4
30	Sanima Bank Ltd.	9
	<b>Total</b>	<b>255</b>



### Appendix 2.3

#### Development Banks and Financial Institutions Inspected at Macro Level on 2012/13

##### (A) Onsite Inspection

##### Development Banks

NIDC Development Bank Ltd., Durbarmarg, Ktm.	Bageshwari Development Bank Ltd., Nepalgunj, Banke
Business Universal Development Bank Ltd., Anamnagar, Ktm.	Raptibheri Bikas Bank Ltd., Nepalgunj, Banke
Suprim Development Bank Ltd., Baneshwor, Ktm	Matribhumi Bikas Bank Ltd., Sindhulimadi, Sindhuli
Social Development Bank Ltd., Naxal, Kathmandu	Sahayogi Bikas Bank Ltd., Janakpurdam, Dhanusha
Siddhartha Development Bank Ltd. Tinkune, Ktm.	Bhrikuti Bikas Bank Ltd., Butwal, Rupandehi
Vibor Bikas Bank Ltd., TGripureshwor, Kathmandu	Innovative Development Bank Ltd., Siddharthanagar, Rupandehi
Gorkha Development Bank (Nepal) Ltd., Putalisadak, Ktm.	Purnima Bikas Bank Ltd., Siddharthanagar, Rupandehi
Diyalo Bikas Bank Ltd., Banepa	Kasthamandap Development Bank Ltd., New Road, Ktm.
Sewa Bikas Bank Ltd., Butwal	H & B Development Bank Ltd., Kamaladi, Kathmandu
Pacific Development Bank Ltd., Beshishahar, Lamjung	Corporate Development Bank Ltd., Birgunj, Parsa
Garima Bikas Bank Ltd., Pokhara, Kaski	Axis Development Bank Ltd., Hattisar, Kathmandu
Nilgiri Bikas Bank Ltd., Beni, Myagdi	Tinau Bikas Bank Ltd., Butwal, Rupandehi
Cosmos Development Bank Ltd., Shaktichok, Gorkha	Nepal Community Development Bank Ltd., Butwal, Rupandehi
Manasalu Bikash Bank Ltd., Buspark, Gorkha	Country Development Bank Ltd., Banepa, Kavre
Professional Bikas Bank Ltd., Banepa, Kavrepalanchowk	Salapa Bikash Bank Ltd., Diktel, Khotang
Muktinath Bikas Bank Ltd., Pokhara, Kaski	Manakamana Development Bank Ltd., Durbarmarg, Ktm.
Gaurishankar Development Bank Ltd., Kawasoti, Nawalparasi	Hamro Bikas Bank Ltd., Battar, Nuwakot
Kailsh Bikash Bank Ltd., Putalisadak, Kathmandu	Kabeli Bikas Bank Ltd., Hulaktole, Dhankuta
Biratlaxmi Bikas Bank Ltd., Biratnagar, Morang	Mahakali Bikas Bank Ltd., Mahendranagar, Kanchanpur
Rara Bikash Bank, Birendranagar, Surkhet	Mount Makalu Development Bank Ltd., Basantapur, Terathum
Kakre Bihar Bikas Bank Ltd., Birendranagar, Surkhet	Alpine Development Bank Ltd., Hetauda, Makawanpur
Miteri Development Bank Ltd., Dharan, Sunsari	Ekata Bikash Bank Ltd., Rupandehi, Butwal
Rising Development Bank Ltd., Narayangadh, Chitwan	Kanchan Development Bank Ltd., Mahendranagar, Kanchanpur
Resunga Bikash Bank Ltd., Tamghas, Gulmi	Gaumukhi Bikas Bank Ltd., Bijuwar, Pyuthan
Gulmi Bikash Bank Ltd., Tamghas, Gulmi	Jhimruk Bikas Bank Ltd., Bagdula, Pyuthan
Pathibhara Bikas Bank Ltd., Umlabari, Morang	Nepal Consumer Development Bank Ltd., Pokhara, Kaski
Kankai Bikas Bank Ltd., Damak, Jhapa	Sangrila Development Bank Ltd., Pokhara, Kaski
Kamana Bikas Bank Ltd., Lekhnath, Kaski	Metro Development Bank Ltd., Pokhara, Kaski
Samridhi Bikas Bank Ltd., Gajuri, Dhading	Shine Resunga Development Bank Ltd., Tamghas, Gulmi
Civic Development Bank Ltd., Dhadingbesi, Dhading	Shubhechcha Bikas Bank Ltd., Narayangadh, Chitawan
Gandaki Development Bank Ltd., Pokhara, Kaski	Sindhu Bikas Bank Ltd., Barhabise, Sindhupalchowk
Excel Development Bank Ltd., Anarmani, Jhapa	Ace Development Bank Ltd., Narayanchaur, Kathmandu
Arniko Development Bank Ltd., Dhulikhel, Kavre	NDEP Development Bank Ltd., Laldurbarmarga, Ktm.
Tourism Development Bank Ltd., Thamel, Kathmandu	City Development Bank Ltd., Pokhara, Kaski
Malika Bikash Bank Ltd., Dhangadhi, Kailali	Paschimanchal Development Bank Ltd., Mitrapark, Rupandehi
Bagmati Development Bank Ltd., Hariwon, Sarlahi	Public Development Bank Ltd., Birjunj, Parsa
Sahara Bikas Bank Ltd., Malangawa, Sarlahi	Karnali Bikash Bank Ltd., Nepalgunj, Banke
Infrastructure Development Bank Ltd., Ghantaghar, Ktm	Mission Development Bank Ltd., Butwal, Rupandehi
Narayani Development Bank Ltd., Ratna Nagar, Chitawan	International Development Bank Ltd., Teku, Ktm.
Western Development Bank Ltd., Ghorahi, Dang	Jyoti Bikas Bank Ltd., Kamalpokhari, Kathmandu
Bhargab Bikas Bank Ltd., Nepalgunj, Banke	Surya Development Bank, Charikot, Dolkha
Clean Energy Development Bank Ltd., Sitapaila, Ktm.	Kalinchowk Development Bank Ltd., Charikot, Dolkha
Bright Development Bank Ltd., Panauti, Kavre	Khandbari Development Bank Ltd., Khandbari, Sankhuwasava

##### Finance Companies

Hama Merchant Finance Ltd., Tripureshwor	Lumbini Leasing & Finance Ltd., Thamel, Kathmandu
Central Finance Ltd., Kupandole	Nawa Durga Finance Ltd., Bhaktapur
Shubhalaxmi Finance Ltd., Naksal	Jebil's Finance Ltd., New Road, Kathmandu
Nepal Express Finance Ltd., Sundhara	Manjushree Financial Institute Ltd., Kathmandu
Patan Finance Ltd., Lalitpur	Kathmandu Finance Ltd., Dillibazar, Kathmandu
Goodwill Finance Ltd., Hattishar	Jenith Finance Ltd., New Road, Kathmandu
Prabhu Finance Ltd., Lainchor	Namaste Bittiya Sanstha Ltd, Ghorahi, Dang
United Finance Ltd., Darbarmarg	Api Finance Ltd., Pokhara
Narayani National Finance Ltd., Dillibazar	Nepal Finance Ltd., Kathmandu
Baibhav Finance Ltd., New Baneshwor	Sinarji Finance Ltd., Butwal

Bhaktapur Finance Ltd., Bhaktapur	Om Finance Ltd., Pokhara
International Leasing & Finance Ltd., New Baneshwor	Reliance Finance Ltd., Pradarsanimarg, Kathmandu
Mahalaxmi Finance Ltd., Putalisadak	Reliable Finance Ltd., Sundhara, Kathmandu
Fewa Finance Ltd., Pokhara	Valley Finance Ltd., Maharajganj, Kathmandu
Seti Finance Ltd., Tikapur, Kailali	ICFC Finance Ltd., Kathmandu
Arun Finance Ltd., Dharan	Union Finance Ltd., Kathmandu
Shrijana Finance Ltd., Biratnagar	Unique Finance Ltd., Kathmandu
Progressive Finance Ltd., New Road, Kathmandu	Kaski Finance Ltd., Pokhara
Guheshwori Merchant Banking & Finance Ltd.	NIDC Capital Markets Ltd., Kathmandu
Pashchimanchal Finance Ltd., Butwal, Rupandehi	Nepal House Bitta Co. Ltd., Kathmandu
Kuber Merchant Finance Ltd., Kamalpokhari, Ktm.	Shri Investment Finance Ltd., Kathmandu
Himalaya Finance Ltd., Sundhara, Kathmandu	Everest Finance Ltd., Rupandehi
Janaki Finance Ltd., Janakpur, Dhanusha	Lotus Investment Finance Ltd., New Road, KTM
Yeti Finance Ltd., Hetauda, Makawanpur	Multipurpose Finance Ltd., Rajbiraj
Premier Finance Company Ltd., Kumaripati, Lalitpur	Siddharth Finance Ltd., Siddharthnagar
Civil Merchant Bitty Sanstha Ltd., Kuleshwor	Pokhara Finance Ltd., Pokhara
Gorkha Finance Ltd., Hattisar, Kathmandu	Royal Merchant Banking & Finance Ltd. KTM
Sagarmatha Merchant Banking & Finance Ltd.	Nepal Housing & Merchant Finance Ltd., KTM
Imperial Finance Ltd., Thapathali, Kathmandu	Prudential Finance Ltd., Kathmandu

**(B) Targeted Inspection**

**Development Banks**

Salapa Bikas Bank Ltd., Diktel, Khotang
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**(C) Special Inspection**

**Development Banks**

Manakamana Development Bank Ltd, Ktm. (2 Times)	Siddhartha Development Bank Ltd., Tinkune, Ktm.
Pashimanchal Development Bank Ltd., Mitrapark, Rupandehi	Kailsh Bikash Bank Ltd., Putalisadak, Kathmandu
Kailsh Bikash Bank Ltd., Putalisadak, Kathmandu	Manasalu Bikash Bank Ltd., Buspark, Gorkha
City Development Bank Ltd., Pokhara, Kaski	International Development Bank Ltd., Teku (2 times)
Triveni Bikas Bank Ltd., Narayangadh, Chitawan	Axis Development Bank Ltd., Hattisar, Kathmandu
Siddhartha Development Bank Ltd., Tinkune, Ktm.	Siddhartha Development Bank Ltd., Tinkune, Ktm.
Tourism Development Bank Ltd., Thamel, Kathmandu	Social Development Bank Ltd., Naxal, Kathmandu
Business Universal Development Bank Ltd., Anamnagar, Ktm.	Gaurishankar Development Bank Ltd., Kawasoti, Nawalparasi
Ace Development Bank Ltd., Narayanchaur, Kathmandu	Narayani Development Bank Ltd., Ratna Nagar, Chitawan
Public Development Bank Ltd., Birjunj, Parsa	Rising Development Bank Ltd., Bharatpur (3 times)
Biswo Bikas Bank Ltd., Branch Office, Narayangadh	Infrastructure Development Bank Ltd., Ghantaghar, Ktm.
NIDC Development Bank Ltd., Durbar Marg, Ktm.	Biswo Bikas Bank Ltd., Pokhara, Kaski
H & B Development Bank Ltd., Kamaladi, Kathmandu	

**Finance Companies**

Baibhav Finance Ltd., New Baneshwor (2 times)	Narayani National Finance Ltd., Kathmandu (2 times)
Capital Merchant Banking & Finance Ltd.	Nepal Housing & Merchant Finance Ltd., KTM
Civil Merchant Bitty Sanstha Ltd., KTM	Nepal Share Markets & Finance Ltd., Ktm. (2 times)
Crystal Finance Ltd., Bagbazar	NIDC Capital Markets Ltd., Kamalpokhari
General Finance Ltd., Chabahil (3 times)	Paschimanchal Finance Ltd., Burwal
Himalaya Finance Ltd., Sundhara, Kathmandu	Peoples Finance Ltd., Mahabauddha
Imperial Finance Ltd., Kathmandu	Prudential Finance Ltd., Kathmandu
International Leasing & Finance Ltd., New Baneshwor	Unique Finance Ltd., New Plaja, Kathmandu
Kathmandu Finance Ltd, Kathmandu	Valley Finance Ltd., Maharajganj, Kathmandu
Lalitpur Finance Ltd., Lalitpur	World Merchant Banking & Finance Ltd., KTM
Lumbini Finance & Leasing Ltd., Thamel, Kathmandu	

**(D) Follow-up Inspection**

**Development Banks**

Nepal Community Development Bank Ltd., Butwal
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**Finance Companies**

Arun Finance Ltd., Dharan	Narayani National Finance Ltd., Kalikasthan, Ktm.
Synergy Finance Ltd.	Nepal Finance Ltd., Putalisadak, Kathmandu
Capital Merchant Banking & Finance Ltd.	Nepal Housing & Merchant Finance Ltd., Dillibazar
Central Finance Ltd., Kupondel, Lalitpur	Nepal Share Markets & Finance Ltd., Ktm. (2 times)
Crystal Finance Ltd., Kathmandu	Prudential Finance Ltd., Dillibazar, Kathmandu
General Finance Ltd., Chabahil (2 times)	United Finance Ltd., Darbarmarg, Kathmandu
Lalitpur Finance Ltd., Lagankhel (3 times)	Valley Finance Ltd., Maharajganj
Mahalaxmi Finance Ltd., Putalisadak, Kathmandu	World Merchant Banking & Finance Ltd. (2 times)

**(E) Physical Infrastructure Inspection  
Development Banks**

Saptakoshi Development Bank Ltd., Morang	Infrastructure Development Bank Ltd., Kathmandu
Axis Development Bank, Kathmandu	

## Appendix 2.4

### List of Market Makers

S.N.	Name
1	Machhapuchhere Bank Ltd.
2	ICFC Finance Ltd.
3	Sunrise Bank Ltd.
4	Subhalaxmi Finance Ltd.
5	Lumbini Bank Ltd.
6	ACE Development Bank Ltd.
7	Social Development Bank Ltd.
8	Sanima Bank Ltd.
9	Prudent ial Finance Ltd.
10	Prabhu Finance Co. Ltd.
11	Lumbini Finance and Leasing Co Ltd.
12	Mega Bank Ltd.
13	Bhajuratna Fin & Saving Co Ltd.
14	CMB Finance Ltd.
15	Royal Merchant Banking & Finance Ltd.
16	NDEP Development Bank Ltd.
17	NIDC Development Bank Ltd.
18	Civil Bank Ltd.
19	Nepal Industrial & Commercial Bank Ltd.
20	Nabil Bank Ltd.
21	Siddhartha Bank Ltd.
22	Laxmi Bank Ltd.
23	Goodwill Finance Ltd. (Bittiya Sanstha)
24	Gorkha Finance Ltd.
25	NIDC Capital Markets Ltd.
26	Grand Bank Nepal Ltd.
27	Union Finance Ltd.
28	Nepal Finance Ltd. (NEFINSKO)
29	Century Commercial Bank Ltd.
30	Manjushree Financial Institute Ltd.
31	Suprime Development Bank Ltd.
32	Janata Bank Nepal Ltd.
33	Citizen Investment Trust
34	Union Finance Ltd. (Bittiya Sanstha)
35	Nepal Bangladesh Bank Ltd.
36	NMB Bank Ltd.
37	Kist Bank Ltd.
38	Clean Energy Development Bank Ltd.

S.N.	Name
39	Shree Investment & Finance Ltd.
40	Narayani National Finance Ltd.
41	Mahalaxmi Finance Ltd.
42	Unique Finance Ltd.
43	Agriculture Development Bank Ltd.
44	Crystal Finance Ltd. (Bittiya Sanstha)
45	Nepal Express Finance Ltd.
46	Progressive Finance Ltd.
47	Jebbiles Finance Ltd.
48	Kasthamandap Development Bank Ltd.
49	Civil Merchant Bittiya Sanstha Ltd.
50	International Development Bank Ltd.
51	Hama Merchant Banking & Finance Ltd.
52	Vibor Bikas Bank Ltd.
53	Emperial Finance Ltd.
54	Central Finance Ltd.
55	Guheshwori Merchant Banking & Finance Ltd.
56	Sagarmatha Merchant Banking & Finance Ltd.
57	Primier Finance Co. Ltd.
58	Lalitpur Finance Ltd.
59	Siddhartha Development Bank Ltd.
60	Navadurga Finance Co. Ltd. (Bittiya Sanstha)
61	Sindhu Bikas Bank Ltd.
62	Biratlaxmi Bikas Bank Ltd.
63	Bagmati Development Bank Ltd.
64	Sahayogi Bikas Bank Ltd.
65	Janaki Finance Company Ltd.
66	Public Development Bank Ltd.
67	Annapurna Finance Co. Ltd.
68	City Development Bank Ltd.
69	Fewa Finance Ltd.
70	Kailash Bikas Bank Ltd.
71	Paschimanchal Development Bank Ltd.
72	Butawal Finance Ltd.
73	Gulmi Bikas Bank Ltd.
74	Bageshwari Development Bank Ltd.
75	Malika Bikas Bank Ltd.

**Appendix 2.5**  
**Board of Directors**  
(Mid-July 2013)

Dr. Yuba Raj Khatiwada, Governor	Chairman
Mr. Shanta Raj Subedi, Secretary, Ministry of Finance	Member
Mr. Gopal Prasad Kaphle, Deputy Governor	Member
Mr. Maha Prasad Adhikari, Deputy Governor	Member
Prof. Dr. Shreeram Paudel	Member
Dr. Ramhari Aryal	Member
Mr. Bal Krishna Man Singh	Member

**Appendix 2.6**  
**Principal Officers and First Class Officers**  
(Mid-July 2013)

<b>Principal Officers</b>		
1	Mr. Lila P. Sitaula	Executive Director, Foreign Exchange Management Department
2	Mr. Bishnu Nepal	Executive Director, Development Bank Supervision Department
3	Mr. Ramjee Regmi	Executive Director, Financial Management Department
4	Mr. Bhaskar M. Gyanwali	Executive Director, Bank and Financial Institution Regulation Department
5	Mr. Manmohan K. Shrestha	Executive Director, Finance Company Supervision Department
6	Mr. Lok B. Khadka	Executive Director, Bank Supervision Department
7	Mr. Pradip R. Panday	Executive Director, Bankers' Training Center
8	Mr. Hari P. Kafle	Executive Director, Banking Office, Kathmandu
9	Mr. Trilochan Pangen	Executive Director, Internal Audit Department
10	Dr. Min Bahadur Shrestha	Executive Director, Research Department
11	Mr. Mahesh Bhattarai	Executive Director, Corporate Planning Department
12	Mr. Shiva R. Shrestha	Act. Executive Director, General Services Department
13	Mr. Naresh Dhakal	Act. Executive Director, Currency Management Department
14	Mr. Narayan P. Paudel	Act. Executive Director, Microfinance Promotion and Supervision Department
15	Mr. Nara B. Thapa	Act. Executive Director, Public Debt Management Department
<b>First Class Officers</b>		
1	Dr. Binod Atreya	Director, Corporate Planning Department
2	Mr. Janak B. Adhikari	Director, Human Resource Management Department
3	Mr. Purna B. Khatri	Director, Banks & Financial Institutions Regulation Dept.
4	Mr. Bhishma R. Dhungana	Director, Foreign Exchange Management Department
5	Mr. Chintamani Siwakoti	Director, Microfinance Promotion and Supervision Dept.

6	Mr. Laxmi P. Niraula	Director, Development Bank Supervision Dept.
7	Mr. Shankar P. Acharya	Manager, Nepal Rastra Bank, Birgunj Office
8	Mr. Dharma R. Sapkota	Director, Legal Division
9	Mr. Rajan B. Shah	Director, Banking Office, Kathmandu
10	Mr. Jagdishwor P. Adhikary	Director, Bankers' Training Centre
11	Mr. Parbat K. Karki	Director, Development Bank Supervision Dept.
12	Mr. Shiva N. Pandey	Director, Bank Supervision Department
13	Mr. Khyam N. Dhakal	Director, Finance Company Supervision Dept.
14	Mr. Bhuban Kandel	Director, Finance Company Supervision Dept.
15	Mr. Ramesh K. Pokharel	Director, Research Department
16	Dr. Nephil M. Maskay	Director, Office of the Governor
17	Mr. Deepak B. Thapa	Manager, Nepal Rastra Bank, Biratnagar Office
18	Mr. Upendra K. Paudel	Director, Fifth Family Budget Survey, Project Office
19	Mr. Yejindra P. Luitel	Director, Banking Office, Kathmandu
20	Dr. Bhubanesh Pant	Director, Research Department
21	Dr. Bama Dev Sigdel	Director, Microfinance Promotion and Supervision Dept.
22	Mr. Basu Dev Adhikari	Director, Bank & Financial Institutions Regulation Dept.
23	Mr. Pradhuma K. Bhattarai	Director, Financial Management Department
24	Dr. Gopal Prasad Bhatta	Director, Public Debt Management Department
25	Mrs. Neelam Dhungana (Timsina)	Director, Bank Supervision Department
26	Mr. Jhalak Sharma Acharya	Director, Human Resource Management Department
27	Mr Arjun Bahadur Adhikari	Director, Bank Supervision Department
28	Mr. Sher Jung Rana	Director, Development Bank Supervision Department
29	Mr. Dev Kumar Dhakal	Director, Financial Management Department
30	Mr. Basanta Bahadur Shakya	Director, Currency Management Department
31	Mr. Mukunda Kumar Chhetri	Manager, Nepal Rastra Bank, Nepalgunj Office
32	Mr. Kiran Bista	Director, Banks & Financial Institutions Regulation Dept.
33	Mr. Balaram Parajuli	Director, Finance Company Supervision Department
34	Mr. Ramesh Dahal (ka)	Director, Office of the Governor
35	Mr. Harisharan K.C.	Manager, Nepal Rastra Bank, Siddharthanagar Office
36	Mr. Pitambar Bhandari	Director, Research Department
37	Mr. Rajendra Pandit	Director, Foreign Exchange Management Department
38	Mr. Sunil Udas	Director, General Services Department
39	Mr. Rishikesh Bhatta	Manager, Nepal Rastra Bank, Pokhara Office
40	Mr. Mukunda Mahat	Director, Financial Information Unit
41	Mr. Pradeep Raj Poudyal	Manager, Nepal Rastra Bank, Janakpur Office
42	Dr. Gunakar Bhatta	Manager, Nepal Rastra Bank, Dhangadhi Office
43	Mr. Naresh Shakya	Act. Director, Financial Management Department
44	Mr. Suman Kumar Adhikari	Act. Director, Mint Division

**On Study Leave and Deputation**

1	Director Mr. Maheshwor Lal Shrestha	Nepal Bank Limited
2	Act. Director Mr. Shyam Prasad Khanal	Commission for the Investigation of Abuse of Authority

## **PART – 3**

# **ANNUAL FINANCIAL STATEMENTS OF NEPAL RASTRA BANK**

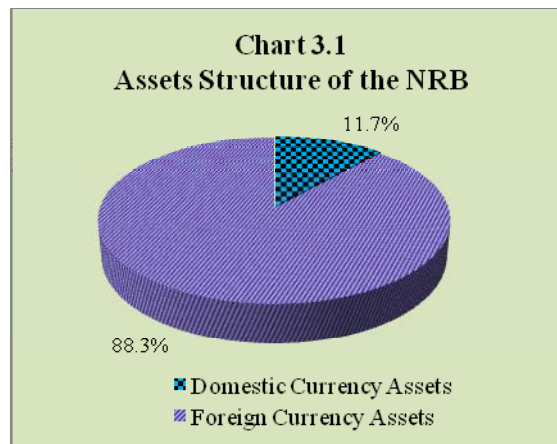
• <b>Assets and Liabilities</b>	<b>103</b>
• <b>Income Statement</b>	<b>104</b>
• <b>Financial Position</b>	<b>106</b>

## PART – 3

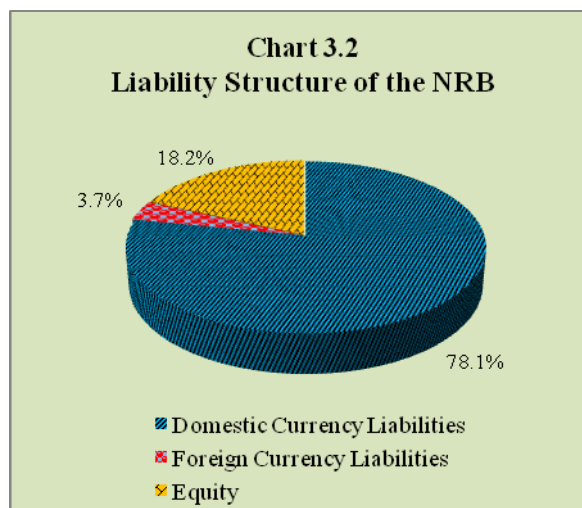
# ANNUAL FINANCIAL STATEMENTS OF NEPAL RASTRA BANK

### Assets and Liabilities

- 3.1 As per the balance sheet of mid-July 2013, the assets and liabilities of the NRB amounted to Rs. 537 billion 475 million 254 thousand registering a growth of 18.4 percent from mid-July 2012. In the previous year, the assets and liabilities of the NRB had increased by 41.5 percent to Rs.453 billion 853 million 980 thousands.
- 3.2 Of the total assets at mid-July 2013, the shares of foreign currency and local currency assets occupied 88.3 percent and 11.7 percent respectively. Last year, the shares of these assets were 87.1 percent and 12.9 percent respectively.



- 3.3 In the total liability and equity as of mid-July 2013, the share of local currency liability, equity and foreign currency liabilities stood at 78.1 percent, 18.2 percent and 3.7 percent respectively. In mid-July 2012, the shares of such liabilities had occupied 78.2 percent, 17.6 percent and 4.2 percent respectively.

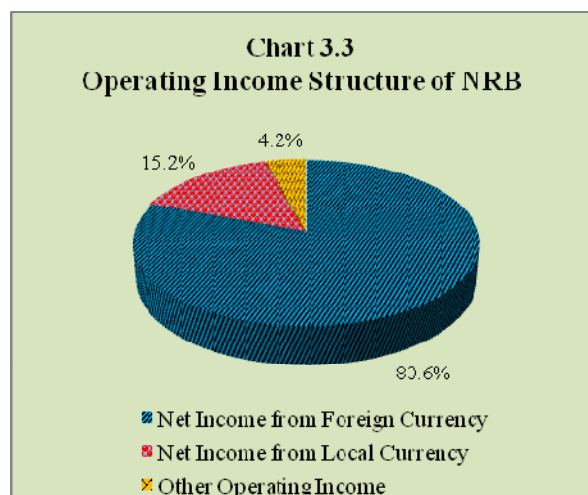




- 3.4 The Foreign currency assets at mid-July 2013 increased by 20.1 percent to Rs. 474 billion 436 million 254 thousand compared to mid-July 2012. Of the total foreign currency assets, the share of investment remained at 92.9 percent, whereas the share of cash and bank balance, SDR holdings with IMF and other receivables remained at 5.6 percent, 1.4 percent and 0.1 percent respectively.
- 3.5 In mid-July 2013, the local currency assets increased by 7.3 percent to Rs. 63 billion 39 million compared to mid-July 2012. Of the total local currency assets, the shares of investment in government securities stood at 47.4 percent, other investments stood at 23.1 percent, cash and bank balance stood at 7.4 percent, and other assets including loans and refinance stood at 22.2 percent.
- 3.6 In mid-July 2013, foreign currency liabilities compared to mid-July 2012 increased by 3.9 percent to Rs 20 billion 16 million 604 thousand. In foreign currency liabilities, the share of IMF related liabilities, and deposits from banks and other agencies remained at 91.6 percent and 8.0 percent respectively in the review year.
- 3.7 In mid-July 2013, the local currency liabilities increased by 18.2 percent to Rs. 419 billion 621 million 747 thousand compared to mid-July 2012. Among the local currency liabilities, the currency in circulation increased by 16 percent to Rs. 233 billion 460 million. Likewise, deposit liabilities, staff related liabilities, surplus payable to the government of Nepal and IMF related local currency liabilities increased by 21.7 percent, 2.6 percent, 30.1 percent and 19.6 percent respectively.
- 3.8 In comparison to mid-July 2012, the total equity increased by 22.8 percent at mid-July 2013. Of the equity, the reserve funds increased by 23.7 percent to Rs. 94 billion 836 million 903 thousand and the share capital remained at Rs. 3 billion.

### Income Statement

- 3.9 In 2012/13, the total net operating income of NRB decreased by 6.9 percent to Rs. 11 billion 692 million 594 thousand compared to the previous year. Of the net operating, the income from local currency financial assets amounted to Rs. 1 billion 778 million 210 thousand (15.2 percent), the income from foreign currency financial assets amounted to Rs. 9 billion 428 million 330 thousand (80.6 percent), and the amount from other operating income remained Rs. 486 million 53 thousand (4.2 percent).



- 3.10 Compared to previous year, the income from foreign currency financial assets increased by 8.0 percent to Rs. 9 billion 442 million 791 thousand, and the expenses under foreign currency financial liabilities reached Rs. 144 million 601 thousand. Consequently, the net income from foreign currency surged up by 8.1 percent to Rs. 9 billion 428 million 330 thousand in the review year.
- 3.11 In the review year, of the total income from foreign currency financial assets, the share of interest income and commission income stood at 99.5 percent and 0.5 percent respectively. Of the expenses from foreign currency financial liabilities, the share of interest expenses and agency and service charges remained at 48.4 percent and 51.6 percent respectively. 0
- 3.12 In the review year, while the income from local currency financial assets slackened by 42.4 percent to Rs. 2 billion 191 million 351 thousand compared to last year, the expenses under local currency financial liabilities decreased by 20.1 percent to Rs. 413 million 140 thousand. Consequently, the net income from local currency decreased by 45.9 percent to Rs. 1 billion 778 million 210 thousand in the review year.
- 3.13 In the income from local currency financial assets, the share of interest income was 97.8 percent, whereas the commission income stood only at 2.2 percent. Of the local currency financial liabilities, the share of interest expenses and agency and service charge remained at 27.8 percent and 72.2 percent respectively.
- 3.14 General administrative expenses and provisioning, compared to the previous year, decreased by 51.2 percent to Rs. 3 billion 281 million 820 thousand in 2012/13. Consequently, the net profit in the review year (prior to foreign exchange and revaluation gain/loss adjustment) increased by 44.3 percent to Rs. 8 billion 410 million 774 thousand.
- 3.15 After the adjustment of foreign exchange and revaluation gain in the review year, the net profit reached to Rs. 23 billion 172 million 782 thousand. While summing up Rs. 487 million 409 thousand of Other Comprehensive Income to such net profit, the Total Comprehensive Income amounted to Rs. 23 billion 660 million 191 thousand. In the previous year, such income had stood at Rs. 38 billion 421 million 313 thousand.

**NEPAL RASTRA BANK**  
**STATEMENT OF FINANCIAL POSITION**  
AS ON 31ST ASADH, 2070 (15TH JULY, 2013)

PARTICULARS	Note	As on 31-3-2070	As on 31-3-2069
		NRs.	NRs.
<b>ASSETS</b>			
<b>Foreign Currency Financial Assets</b>			
Cash and Bank Balances	1	26,624,082,225	21,779,942,504
IMF Related Assets : Special Drawing Right Holdings		6,636,028,947	7,368,831,080
Investments	2	440,643,635,517	364,600,510,228
Other Receivables		532,506,856	1,360,298,093
<b>Total Foreign Currency Assets</b>		<b>474,436,253,545</b>	<b>395,109,581,905</b>
<b>Local Currency Financial Assets</b>			
Cash and Bank Balances		4,635,398,459	2,167,533,092
Investments in Government Securities	3	29,856,287,801	33,686,043,566
GON Overdraft		-	-
Investments in Financial and Other Institutions	4	458,574,420	205,380,100
Other Investments	5	14,556,510,000	10,795,805,000
Loans & Receivables and Refinance	6	6,940,638,486	4,586,972,914
Other Receivables	7	4,069,624,116	4,401,259,546
<b>Sub-Total</b>		<b>60,517,033,282</b>	<b>55,842,994,218</b>
<b>Other Assets</b>			
Gold and Silver	8	413,618,489	292,612,967
Other Inventories	9	1,294,026,939	1,859,346,980
Property, Plant & Equipment	10	542,780,222	541,146,807
Intangible Assets	11	227,842,133	150,094,134
Other Assets		43,698,988	58,203,275
<b>Sub-Total</b>		<b>2,521,966,771</b>	<b>2,901,404,163</b>
<b>Total Local Currency Assets</b>		<b>63,039,000,053</b>	<b>58,744,398,381</b>
<b>Total Assets</b>		<b>537,475,253,598</b>	<b>453,853,980,286</b>

**Contingent Assets** 22c

Notes 1 to 22 are integral parts of the Statement of Financial Position

As per our report of the even date.

.....  
Ramji Regmi  
(Executive Director)

**Board of Directors:-**

.....  
Dr. Yuba Raj Khatiwada  
(Governor)

.....  
Gopal Prasad Kaphle  
(Dy. Governor)

.....  
Maha Prasad Adhikari  
(Dy. Governor)

.....  
Dr. Sri Ram Poudyal

.....  
Shanta Raj Subedi

.....  
Dr. Ram Hari Aryal

.....  
Bal Krishna Man Singh

.....  
(Bimala Subedi)  
Deputy Auditor General

.....  
(CA. Komal Bahadur Chitrakar)  
Chartered Accountant  
Kathmandu

.....  
(CA. Gopal Prasad Rajbahak)  
Chartered Accountant  
Kathmandu

Date : 2070.07.28  
Place : Kathmandu

**NEPAL RASTRA BANK**  
**STATEMENT OF FINANCIAL POSITION**  
AS ON 31ST ASADH, 2070 (15TH JULY, 2013)

PARTICULARS	Note	As on 31-3-2070 NRs.	As on 31-3-2069 NRs.
<b>LIABILITIES</b>			
<b>Foreign Currency Financial Liabilities</b>			
Deposit from Banks and Other Agencies	12	1,594,020,488	1,000,369,226
IMF Related Liabilities	13	18,343,388,194	18,261,630,791
Other Liabilities	14	79,195,123	2,373,189
<b>Total Foreign Currency Liabilities</b>		<b>20,016,603,805</b>	<b>19,264,373,206</b>
<b>Local Currency Financial Liabilities</b>			
IMF Related Deposit Liabilities	15	7,030,604,523	5,880,083,908
GON Deposit		516,084,944	10,989,296,158
Deposit and Other Balances	16	147,549,387,334	121,241,187,353
Bills Payable		734,091,342	850,219,745
Staff Liabilities	17	8,753,722,429	8,532,806,680
Other Payables	18	219,815,394	233,460,746
<b>Sub-Total</b>		<b>164,803,705,966</b>	<b>147,727,054,590</b>
<b>Other Liabilities</b>			
Currency in Circulation	19	233,460,000,000	201,250,000,000
Surplus Payable to GoN		5,500,000,000	4,227,000,000
Sundry Liabilities	20	15,858,041,251	1,708,840,609
<b>Sub-Total</b>		<b>254,818,041,251</b>	<b>207,185,840,609</b>
<b>Total Local Currency Liabilities</b>		<b>419,621,747,217</b>	<b>354,912,895,199</b>
<b>EQUITY</b>			
Capital		3,000,000,000	3,000,000,000
Reserves	21	94,836,902,576	76,676,711,881
<b>Total Equity</b>		<b>97,836,902,576</b>	<b>79,676,711,881</b>
<b>Total Liabilities and Equity</b>		<b>537,475,253,598</b>	<b>453,853,980,286</b>

**Contingent Liabilities and Commitments** 22b  
Notes 1 to 22 are integral parts of the Statement of Financial Position

As per our report of the even date.

.....  
Ramji Regmi  
(Executive Director)

**Board of Directors:-** .....

.....  
Dr. Yuba Raj Khatiwada (Governor)      Gopal Prasad Kaphle (Dy. Governor)

.....  
Maha Prasad Adhikari (Dy. Governor)      Dr. Sri Ram Poudyal

.....  
Shanta Raj Subedi      Dr. Ram Hari Aryal

.....  
Bal Krishna Man Singh

.....  
(Bimala Subedi)  
Deputy Auditor General

.....  
(CA. Komal Bahadur Chitrakar) (CA. Gopal Prasad Rajbahak)  
Chartered Accountant      Chartered Accountant  
Kathmandu      Kathmandu

Date : 2070.07.28  
Place : Kathmandu

**NEPAL RASTRA BANK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31ST ASHADH, 2070 (15TH JULY, 2013)

PARTICULARS	Note	For the Year Ended 31-3-2070 NRs.	For the Year Ended 31-3-2069 NRs.
<b>Operating Income:</b>			
<b>Income from Foreign Currency Financial Assets</b>			
Interest Income	23	9,398,346,054	8,500,428,740
Commission Income	24	44,444,998	244,800,337
<b>Sub Total</b>		<b>9,442,791,052</b>	<b>8,745,229,077</b>
<b>Expenses on Foreign Currency Financial Liabilities</b>			
Interest Expenses	25	7,004,816	18,158,791.00
Agency and Service Charge	26	7,455,852	6,089,191.00
<b>Sub Total</b>		<b>14,460,668</b>	<b>24,247,982</b>
<b>Net Income from Foreign Currency</b>		<b>9,428,330,384</b>	<b>8,720,981,095</b>
<b>Income from Local Currency Financial Assets</b>			
Interest Income	23	2,144,092,714	3,802,294,858
Commission Income	24	47,257,816	4,268,845
<b>Sub Total</b>		<b>2,191,350,530</b>	<b>3,806,563,703</b>
<b>Expenses on Local Currency Financial Liabilities</b>			
Interest Expenses	25	114,884,495	176,437,818
Agency and Service Charge	26	298,255,610	340,824,841
<b>Sub Total</b>		<b>413,140,105</b>	<b>517,262,659</b>
<b>Net Income from Local Currency Financial assets</b>		<b>1,778,210,425</b>	<b>3,289,301,044</b>
Other Operating Income	27	486,053,470	542,656,795
<b>Total Net Operating Income</b>		<b>11,692,594,279</b>	<b>12,552,938,934</b>
General, Administrative Expenses & Provisions	28	3,281,820,417	6,726,240,588
<b>Profit before Foreign Exchange and Revaluation Gain/(Loss)</b>		<b>8,410,773,862</b>	<b>5,826,698,346</b>
Net Foreign Exchange Gain		15,562,870,559	30,764,828,683
Net Gold and Silver Revaluation Gain/(Loss)		(1,653,891,818)	1,706,448,801
Securities Revaluation Gain		853,028,937	2,449,259
<b>NET PROFIT FOR THE YEAR</b>		<b>23,172,781,540</b>	<b>38,300,425,089</b>
<b>Other Comprehensive Income</b>			
Changes in Fair Value of Investment in Equity Instruments		209,851,320	120,887,600
Actuary Gain on Defined Benefit Plan of Employee Benefit		277,557,837	
<b>Other Comprehensive Income for the Year</b>		<b>487,409,157</b>	<b>120,887,600</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>23,660,190,697</b>	<b>38,421,312,689</b>

Notes 23 to 28 are integral parts of the Statement of Comprehensive Income

<p>.....  Ramji Regmi  (Executive Director)</p> <p><b>Board of Directors:-</b>  <hr/></p> <p>.....  Dr. Yuba Raj Khatiwada  (Governor)</p> <p>.....  Gopal Prasad Kaphle  (Dy. Governor)</p> <p>.....  Maha Prasad Adhikari  (Dy. Governor)</p> <p>.....  Shanta Raj Subedi</p> <p>.....  Bal Krishna Man Singh</p>	<p>As per our report of the even date.</p> <p>.....  (Bimala Subedi)  Deputy Auditor General</p> <p>.....  (CA. Komal Bahadur Chitrakar) (CA. Gopal Prasad Rajbahak)  Chartered Accountant Chartered Accountant  Kathmandu Kathmandu</p> <p>.....  Dr. Ram Hari Aryal</p> <p>Date : 2070.07.28  Place : Kathmandu</p>
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**NEPAL RASTRA BANK**  
**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31ST ASHADH, 2070 (15TH JULY, 2013)

PARTICULARS	For the Year Ended 31-3-2070 NRs.	For the Year Ended 31-3-2069 NRs.
<b>Cash Flow From Operating Activities:</b>		
Total Comprehensive Income for the Year	23,660,190,697	38,309,243,399
<b>Adjustments:</b>		
Gold and Silver Revaluation (gain)/loss (Net)	1,653,891,818	(1,706,448,801)
Revaluation (Gain) or Loss on Foreign Exchange	(15,562,870,559)	(30,767,277,942)
Securities Revaluation Gain	(1,062,880,257)	-
Actuarial Gain/Loss	(277,557,837)	-
Depreciation & Amortisation	67,581,918	57,979,367
Note Printing Expenses	593,176,992	649,863,713
Dividend Income	(6,408,531)	(639,395)
Provisions no Longer Required Written Back	(62,250,227)	-
Grant Income	(245,380)	-
Profit from Sale of Assets/ Investments	(4,245,354)	-
Assets Written Off	635,846	195,822
Interest paid on PRGF Loan & ACU	6,962,045	18,137,209
Provision for Doubtful Sundry Accruals	-	10,329,878
Provision for Doubtful Investment	-	247,900,000
Provision Others	3,775,258	3,352,949
<b>Cash Flow From Operation Before Inc / Dec in Operating Assets</b>	<b>9,009,756,427</b>	<b>6,822,636,199</b>
<b>(Increase)/Decrease in Operating Assets</b>	<b>(6,329,558,751)</b>	<b>5,179,388,064</b>
Refinance & Loans	(2,353,665,572)	10,367,932,624
Gold & Silver	(5,118,191,923)	(2,724,349,388)
Inventories	(31,632,209)	(872,706,364)
Other Receivable	1,173,930,953	(1,591,488,807)
<b>Increase/(Decrease) in Operating Liabilities</b>	<b>32,779,721,116</b>	<b>84,282,897,869</b>
Government Deposit	(10,473,211,214)	20,764,094,278
SDR Allocation	679,565,898	1,391,819,604
Deposit Liabilities	28,052,371,859	59,138,591,673
Bills Payable	(112,314,158)	143,618,391
Deferred Staff Liabilities	498,473,586	2,837,528,109
Other Liabilities	(14,365,498)	(319,590,142)
Sundry Liabilities	14,149,200,643	326,835,956
<b>Net Cash Flow From Operating Activities (A)</b>	<b>Total (A) 35,459,918,793</b>	<b>96,284,922,132</b>
<b>Cash Flow From Investing Activities:</b>		
Net Decrease in Government Securities and Bank Deposits	(113,512,249,751)	2,996,449,954
Sale/Purchase of Investment in Financial Institutions	(43,343,000)	-
Purchase of Investments-Other	(3,698,454,773)	19,591,464
Purchase of Property, Plant & Equipment	(64,133,054)	(229,777,141)
Sale of Property, Plant & Equipment	4,744,121	-
Purchase of Intangible Assets	(83,719,513)	-
Dividend Income	6,408,531	639,395
<b>Net Cash Flow From Investing Activities (B)</b>	<b>Total (B) (117,390,747,438)</b>	<b>2,786,903,671</b>
<b>Cash Flow From Financing Activities:</b>		
Bank Note Issued	32,210,000,000	33,630,000,000
Increase/Decrease in PRGF Loan & ACU	(597,808,495)	913,995,664
Interest Paid on PRGF Loan & ACU	(6,962,045)	(18,137,209)
Surplus Paid to GON	(4,227,000,000)	(3,220,000,000)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>Total (C) 27,378,229,460</b>	<b>31,305,858,455</b>
<b>Net Cash Flow for the Year (A+B+C)</b>	<b>(54,552,599,185)</b>	<b>130,377,684,258</b>
Revaluation Gain or Loss on Foreign Exchange	15,562,870,559	30,767,277,942
Cash and Cash Equivalent at the Beginning of the Year	374,043,295,908	212,898,333,708
<b>Cash and Cash Equivalent at the end of the Year (Note - 30)</b>	<b>335,053,567,282</b>	<b>374,043,295,908</b>

Note 32 is the integral part of the Statement of Cash Flows

.....  
Ramji Regmi  
(Executive Director)

**Board of Directors:-**

.....  
Dr. Yuba Raj Khatiwada  
(Governor)

.....  
Gopal Prasad Kaphle  
(Dy. Governor)

.....  
Maha Prasad Adhikari  
(Dy. Governor)

.....  
Dr. Sri Ram Poudyal

.....  
Shanta Raj Subedi

.....  
Dr. Ram Hari Aryal

.....  
Bal Krishna Man Singh

As per our report of the even date.

.....  
(Bimala Subedi)  
Deputy Auditor General

.....  
(CA. Komal Bahadur Chitrakar)  
Chartered Accountant  
Kathmandu

.....  
(CA. Gopal Prasad Rajbahak)  
Chartered Accountant  
Kathmandu

Date : 2070.07.28  
Place : Kathmandu

**NEPAL RASTRA BANK**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST ASHADH, 2070 (15TH JULY, 2013)**

NRs

PARTICULARS	Capital	Statutory Reserve			Gold & Silver Equilisation Reserve	Fair Value Reserve	Revaluation Reserve	Actuary Gain/Loss Reserve	Other Reserves	Retained Earning	Total
		General Reserve	Monetary Liability Reserve	Exchange Equilisation Fund							
<b>Balance as on 1st Shrawan 2068</b>	3,000,000,000	14,307,172,070	1,798,600,000	11,761,771,035	5,368,797,475	-	-	-	9,239,632,101	-	45,475,972,681
Adjustment for Prior Period Income										6,426,511	6,426,511
<b>Restated Balance</b>	<b>3,000,000,000</b>	<b>14,307,172,070</b>	<b>1,798,600,000</b>	<b>11,761,771,035</b>	<b>5,368,797,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,239,632,101</b>	<b>6,426,511</b>	<b>45,482,399,192</b>
Net Profit for the year										38,300,425,089	38,300,425,089
Other Comprehensive Income						120,887,600					120,887,600
<b>Appropriation of Profit:</b>											
To General Reserve		593,866,400								(593,866,400)	-
To Monetary Liability Reserve			282,378,400							(282,378,400)	-
To Exchange Equilisation Fund				30,764,828,683						(30,764,828,683)	-
To Gold & Silver Equilisation Reserve					1,706,448,801					(1,706,448,801)	-
To Revaluation Reserve							2,449,259			(2,449,259)	-
To Other Reserve								732,691,881		(732,691,881)	-
<b>Inter Fund Transfer:</b>											
Gold & Silver to General Reserve		232,727,266			(232,727,266)						-
Other Reserve to General Reserve		1,358,438,040							(1,358,438,040)		-
<b>Balance Profit Transfer to Government</b>										(4,227,000,000)	(4,227,000,000)
<b>Balance as on 1st Shrawan 2069</b>	<b>3,000,000,000</b>	<b>16,492,203,776</b>	<b>2,080,978,400</b>	<b>42,526,599,718</b>	<b>6,842,519,010</b>	<b>120,887,600</b>	<b>2,449,259</b>	<b>-</b>	<b>8,613,885,942</b>	<b>(2,811,824)</b>	<b>79,676,711,881</b>
Net Profit for the year										23,172,781,540	23,172,781,540
Other Comprehensive Income						209,851,320		277,557,837			487,409,157
<b>Appropriation of Profit:</b>											
To General Reserve		1,357,537,200								(1,357,537,200)	-
To Monetary Liability Reserve			420,398,100							(420,398,100)	-
To Exchange Equilisation Fund				15,562,870,559						(15,562,870,559)	-
To Gold & Silver Equilisation Reserve					(1,653,891,818)					1,653,891,818	-
To Revaluation Reserve							853,028,937			(853,028,937)	-
To Other Reserve								1,130,026,738		(1,130,026,738)	-
<b>Inter Fund Transfer:</b>											
Gold & Silver to General Reserve											-
Other Reserve to General Reserve		1,149,768,420							(1,149,768,420)		-
<b>Balance Profit Transfer to Government</b>										(5,500,000,000)	(5,500,000,000)
<b>Balance as on 31st Asadh 2070</b>	<b>3,000,000,000</b>	<b>18,999,509,396</b>	<b>2,501,376,500</b>	<b>58,089,470,277</b>	<b>5,188,627,192</b>	<b>330,738,920</b>	<b>855,478,196</b>	<b>277,557,837</b>	<b>8,594,144,260</b>	<b>-</b>	<b>97,836,902,577</b>

**Boar od Directos:**

As per our report of the even date.

.....  
Dr. Yuba Raj Khatiwada  
(Governor)

.....  
Gopal Prasad Kaphle  
(Dy. Governor)

.....  
Ramji Regmi  
Executive Director

.....  
(Bimala Subedi)  
Deputy Auditor General

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Shanta Raj Subedi

.....  
Dr. Ram Hari Aryal

.....  
Bal Krishna Man Singh

Date : 2070.07.28  
Place : Kathmandu

# Nepal Rastra Bank

## Notes on the Financial Statements: NFY 2069/70 (2012/13 AD)

### A. General Information

#### 1. Incorporation

Nepal Rastra Bank (NRB), the Central Bank of Nepal, was incorporated under Nepal Rastra Bank Act, 2012 as superseded by NRB Act 2058. The Bank is domiciled in Nepal and its central office is located at Baluwatar, Kathmandu. The Bank's jurisdiction is spread throughout the country. The main activities of the Bank include:

- Formulating necessary monetary and foreign exchange policies.
- Issuing of currency in circulation.
- Promoting stability and liquidity required in banking and financial sector.
- Developing a secure, healthy and efficient system of payment.
- Regulating, inspecting, supervising and monitoring the banking and financial system.
- Promoting entire banking and financial system of Nepal.

#### 2. Fiscal Year

The financial statements relate to the fiscal year 2069/70 i.e. 1st Shrawan 2069 to 31st Ashadh 2070 corresponding to Gregorian calendar 16th July 2012 to 15th July 2013. The previous year was 1st Shrawan 2068 to 31st Ashadh 2069 (17th July 2011 to 15th July 2012). The corresponding information presented in the financial statements for the previous year has been rearranged and reclassified in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", wherever necessary.

#### 3. Directors' Responsibility Statement

The Board of Directors of the Bank is responsible for preparation and presentation of the bank's financial statements and for the estimates and judgments used in them. The Board has approved the financial statements for the year ended 31st Ashadh 2070 on **Kartik 28, 2070 (November 14, 2013)**.

#### 4. Controlling Body

The controlling body of the Bank is the Government of Nepal (GoN) holding 100 percent of its capital. In the normal course of its operations, the Bank enters into following transactions with GoN and state controlled enterprises/entities:

- Acting as the fiscal agent and financial advisor of the government;
- Acting as a banker to the government;
- Acting as the agent of government or its agencies and institutions, provide guarantees, participate in loans to government and related institutions;
- Acting as agent of government, the Bank issues securities of government, purchases unsubscribe portion of any issue and amounts set aside for the Bank;
- Acting as the agent of government, the Bank manages public debt and foreign reserves.



The Bank does not ordinarily collect any commission, fees or other charges for services, which it renders, to the government or related entities except where agreement states otherwise.

Transactions with the government and state controlled enterprises/entities, outstanding balances and commitments are not disclosed in consonance with IAS 24.25.

## **5. Basis of Preparation**

The significant accounting policies applied in the preparation of financial statements are set out below. These policies are consistently applied to all the years presented, except for the changes in accounting policies presented in para 7 below.

### **Financial statements components and presentation**

The financial statements comprise the Statement of Financial Position, Statement of Comprehensive Income shown in one single statement, the Statement of Changes in Equity, the Statement of Cash flows and the notes to the accounts.

The financial statements are prepared, as far as possible, in accordance with the International Financial Reporting Standards (IFRS). The deviations, if any, from IFRS are noted wherever applicable. The standards that are not fully complied with included IAS 39 – Financial Instruments Recognition and Measurement, IAS 28 – Investment in associates, IAS 27 – Consolidated and Separate Financial statements, IAS 16 – Property, Plant and Equipment and IAS 36 – Impairment of Assets.

Assets and liabilities are presented in the Statement of Financial Position in the order of their liquidity. Expenses are classified as per their nature.

Cash flow information is prepared, on a cash basis, using the indirect method

### **Basis of Recognition and Measurement**

The financial statements are prepared on an accrual basis of accounting and interest income is recognized in the effective interest rate method.

The financial statements are prepared on the historical cost measurement basis except for the following material items in the Statement of Financial Position.

- Non-derivative financial instruments at fair value through profit or loss are measured at fair value
- ‘Available for Sale’ financial assets, except for equity investments whose fair value are not available, are measured at fair value
- Derivative financial instruments are measured at fair value
- Inventories are measured at cost or net realizable value whichever is lower.
- Gold investment assets other than Inventories are measured at fair value
- Gratuity and Pension Fund; and Staff Security Fund are measured at present value of Defined Benefits Obligation.

### **Functional and Presentation Currency**

The financial statements are presented in Nepalese Rupee, which is the Bank's functional currency. The figures are rounded to nearest integer, except otherwise indicated.

### **Use of Estimates and Judgments**

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the application of accounting policies

and reported amounts of the assets, liabilities, incomes and expenses. The actual result may differ from these estimates. Management believes that the underlying assumptions are appropriate and that the financial statements present the financial position and results fairly.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year are:

- Key assumptions used in discounted cash flow projections
- Measurement of defined benefit obligations
- Provisions and contingencies
- Determination of net realizable value
- Determination of useful life of the property, plants and equipment
- Determination of capitalization value of the intangible assets

## **6. Significant Accounting Policies**

### ***i. Revenue recognition***

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Bank and the amount of revenue can be measured reliably. Revenue is not recognized during the period in which its recoverability of income is not probable. Accordingly, interest income from certain banks and financials which are declared as problematic and receipt of interest from which is not forthcoming. Interest incomes are recognized on effective interest rate method whereas other incomes are recognized on an accrual basis of accounting.

### ***ii. Financial Instruments***

The financial instruments, consisting of financial assets and financial liabilities, are segregated between foreign currency and local currency items. Financial assets and liabilities are set off and net amount presented in the Statement of Financial Position when and only when, the Bank has a legal right to offset the amount and intends either to settle it on a net basis or to realize the asset and settle the liability simultaneously.

#### **a. Financial Assets**

All financial assets are recognized initially on trade date, which is the date when the Bank becomes a party to the contractual provisions of the instruments except for Loans and advances which is recognized on the date of origination. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the right to receive the contractual cash flow in which substantially all risk and rewards of the ownership of the financial assets is transferred. Any interest in such transferred financial assets that are created or retained by the Bank is recognized as a separate asset or liability.

Financial assets (Non-derivative) are classified into the following categories: (a) Financial assets at fair value through profit or loss, (b) Held to maturity, (c) Loans and advances and (d) Available for sale.

#### *Financial assets at fair value through profit or loss*

Financial assets are designated as at fair value through profit or loss if the Bank manages such investments and make purchase and sale decisions based on its fair value in accordance with investment strategy. Attributable transaction costs and changes in value are taken to revenue.

#### *Held-to-Maturity Financial Assets*

Held-to-maturity asset are financial assets with fixed or determinable payments and fixed maturity (e.g., debt securities) that the Bank has the positive intent and ability to hold till maturity. Held to maturity financial assets are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, held to maturity financial assets are measured at amortized cost using effective interest rate method less any impairment losses.

#### *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They typically arise when the Bank provides loans; investment in debt instruments and deposits held in other banks with no intention of trading or making short-term profit and comprise loans and advances including bonds purchased at original issuance. They are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, held to maturity financial assets are measured at amortized cost using effective interest rate method less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables, loans provided to employees.

#### *Available-for-Sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or not classified in any of the above category. Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses which are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, gain or loss accumulated in equity is reclassified to profit or loss. Available-for-sale financial assets comprise investment in equity instruments.

#### **b. Financial Liabilities**

All other financial liabilities are recognized initially on the trade date, which is the date that the bank becomes a party to the contractual provisions of the instrument except for Debt securities which are initially recognized on the date that they are issued. A financial liability is derecognized when its contractual obligations are discharged, cancelled or expires. Non derivatives financial liabilities are classified into the other financial category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized costs using effective interest method.

#### **c. Fair value**

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction. Quoted market values represent fair value when a financial instrument is traded in an organized and liquid market. Where quoted market values are

not available, fair values are estimated by other techniques such as discounted cash flows etc.

**d. Impairment Losses**

The Bank recognizes the impairment of financial assets in case there is objective evidence that the assets have been impaired. Impairment of an individual asset is tested at each balance sheet date.

**iii. *Currency in circulation***

Currency in circulation represents notes issued by the Bank as a sole currency issuing authority in Nepal. Currency notes issued by the Bank are legal tender under the NRB Act 2058. This represents the liability of the Bank towards the holder of the currency note. The liability for notes in circulation is recorded at face value in the balance sheet. These liabilities are supported by assets including foreign currency, foreign securities and government securities etc. as permitted by Nepal Rastra Bank Act 2058.

The Bank also issues coins of various denominations for circulation. However, currency circulation liability does not include the liability on account of coins in circulation because the bank does not bear any obligation towards the holder of such coins.

**iv. *Transactions on Repurchase Obligations (Repo) and Reverse Repo***

Repurchase (Repo) and reverse repo of securities are recorded as follows:

- a) Securities sold subject to repurchase arrangements (Repo) are recorded as investment in government securities. The obligation to repurchase is shown as liabilities for securities sold under agreement to repurchase and the difference between the sale and repurchase value is accrued on a pro rata basis and recorded as expense.
- b) Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the statement of financial position.

**v. *Foreign Currency transactions and balances translations***

Income and expenditure denominated in foreign currency are translated into Nepalese Rupees on the basis of exchange rate prevailing on the value date. Assets and liabilities in foreign currencies as at the yearend are translated into Nepalese Rupees on buying exchange rate prevailing on the balance sheet date. Exchange differences are taken to revenue. An amount equivalent to the net exchange gain /loss during the year is transferred to/from 'Exchange Equalization Fund' through Statement of Comprehensive Income.

**vi. *Gold Replacement Fund***

Gold Replacement Fund is created for the for the purpose of replenishing the stock of gold and silver sold. An amount equivalent to the cost price of the gold or silver purchased is transferred from Gold Replacement Fund to General Reserve account.

**vii. Gold and Silver (other than inventory)**

Gold and Silver other than those held as inventory is stated at market value and any appreciation or depreciation with respect to the cost is taken to/from “Gold and Silver Equalization Reserve” through Statement of comprehensive Income.

**viii. Gold and Silver Stock and Other Inventories**

Gold and silver stock and other inventories are carried at cost or net realizable value whichever is less. Cost for gold and silver is determined on the basis of specific identification of their individual cost (IAS 2.23). Cost for other inventories is determined under the weighted average method. Other stores except dispensary stock, various coin/metal stocks as well as printed notes are charged directly to Statement of Comprehensive Income. Durable goods with unit cost of twenty five thousand rupees or less are expensed through Statement of Comprehensive income at the time of purchase.

**ix. Property, Plant & Equipment**

Property, Plant and Equipment are measured at cost less accumulated depreciation less accumulated impairment loss if any. Cost comprises purchase price including nonrefundable duties and taxes; and any directly attributable cost incurred in bringing the asset to their present location and condition necessary for it being capable of operating in the manner intended by the management but excluding trade discounts and rebates. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Bank. Ongoing repair and maintenance are expensed as incurred.

Land is not depreciated. All other property, plant and equipment are depreciated from the date they are available for use or in respect of self-constructed assets, from the date that the construction is completed and ready for use. Depreciation is charged on straight-line method over and the estimated useful lives of current and comparative years of significant items of property, plant and equipment. Useful lives and residual values are reviewed on each reporting date and adjusted if appropriate.

Useful life of the various classes of assets is estimated as per below.

<u>Class of Assets</u>	<u>Useful Life</u>
Buildings	Over 33 Years
Furniture and Fixture	10 Years
Vehicles	5 Years
Office and Computer Equipment	5 Years
Machinery Equipment	5 Years
Others	5 Years

**x. Intangible Assets**

Intangible assets include software purchased by the bank. The intangible assets that are acquired by the Bank and have definite useful lives are measured at cost less accumulated amortization and any impairment losses. Software, useful life of which have been defined by terms of contract or conditions for use are amortized on straight-line basis over the useful life of asset.

Software, useful lives of which have not been clearly defined by terms of contract or condition of use as well have a definite useful lives due to technological obsolescence

and are amortized on straight-line basis over estimated useful life of ten years and five years respectively for business application software and other software.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognized in profit or loss as incurred.

***xi. Assets Received in Grant***

Equipment acquired under grant is recognized as "Grant Assets" and included under respective head of property, plant and equipment with corresponding credit to "Deferred Grant Income" under the head of Other Liabilities.

***xii. Employee Benefits***

**a. Short Term Employees Benefit**

Short term employees' benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b. Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entity and has no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution plans are recognized as employee benefit expense in profit or loss in the periods during which the related service are rendered by employees. Pre-paid contributions are recognized as an asset to the extent that cash refund or reduction in future payments is available. Contributions to a defined contribution plan being due for more than 12 months after the end of the period in which the employee render the service are discounted at their present value. The following are the defined contribution plan provided by the bank to its employees:

1) **Contributory Retirement Fund**

All permanent employees are entitled for participation in employee's provident fund (now Retirement Fund) wherein the employees contribute at various rates of their current drawn salaries. The bank contributes 10% of basic salary to this fund, which is separately administered as a defined contribution plan as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(a) & 1(c). The Bank's obligations for contributions to the above Fund are recognized as an expense in profit or loss as the related services are rendered.

2) **Welfare Provident Fund**

Certain amounts as prescribed by the Board are annually transferred to this fund, which is meant to be a defined contribution scheme for the welfare of the employees, as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(b) and 1(c). Contributions by the Bank are expensed in profit or loss as the related services are rendered.

3) Staff Medical Fund

Employees are eligible for medical benefits based on the specified slabs as per medical rules, last drawn salary and completed years of service, as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(d). Incremental liability is provided for and transferred to this Fund.

**c. Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on corporate bonds, that have maturity dates approximating the terms of the Bank's obligation and that are denominated in the currency in which the benefits are expected to be paid. The calculation of obligation is performed annually by a qualified actuary using projected unit credit method.

The Bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit or loss.

The following are the defined benefit plans provided by the bank to its employees:

1) Gratuity and Pension Scheme

Gratuity and Pension Scheme is a defined benefit obligation under which employees having service period for five years or more but less than twenty years are eligible for gratuity, which is based on last pay-scale of staff's existing designation and completed years of service. Similarly, employees having service period of twenty years or more are eligible for pension, which is based on last pay-scale of staff's existing designation and completed years of service. The bank measures the obligation of this plan as valued by a qualified actuary using projected credit method. All expenses related to defined benefits plans in employee benefit are expensed in profit or loss

2) Staff Security Fund

Staff Security Fund is defined benefit plan under which all the permanent employees are entitled to staff security fund at the time of retirement, death or termination from the service by any other circumstances at the predetermined factor prescribed by the bank, which is based on last drawn salary and completed years of service as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(e). Employees having service period of thirty years are eligible for maximum sixty months' salary. The bank measures the obligation of this plan as valued by a qualified actuary using projected credit method. All expenses related to defined benefits plans in employee benefit are expensed in profit or loss

3) Leave Encashment

The employees are entitled to en-cash their un-utilized accumulated leave at their retirement or after vesting of certain period. Home leave and Sick leave are defined benefit plans which are recognized when the leave does not occur. Provision is created

for liability on employees' leave based on obligation dischargeable to employees at balance sheet date

***xiii. Taxation***

Income of the NRB is exempted from taxes under section 8 of the NRB Act, 2058 as well as Income Tax Act, 2058 and as such no provision in this respect has been made.

***xiv. Cash and cash equivalents***

Cash and cash equivalents include cash at vault and agency bank account balances, short-term and highly liquid investments maturing within 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value.

***xv. Inter-office transactions***

The balance of inter-office transactions under reconciliation is presented as General Account under Sundry Liabilities.

***xvi. Unclaimed account***

Unclaimed account under Sundry Liabilities represents amount that remained unclaimed and outstanding for more than two years. Amount outstanding for more than three years in unclaimed account is transferred to miscellaneous income in Statement of Comprehensive Income.

***xvii. Impairment***

**a. Impairment of Financial Assets**

The Bank assesses at each reporting date that whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated. The criteria used to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- Breach of contract, such as default or delinquency in interest or principal payments
- It becomes probable that the borrower or issuer will enter bankruptcy or other financial reorganization;
- the Bank, for economic or legal reasons relating to the financial difficulties, grant to the borrower a concession that the lender would not otherwise considers;
- Disappearance of an active market for that financial asset because of financial difficulties; etc.

The amount of loss is measured as the difference between the asset's carrying amount and amount the management considers it as recoverable on the basis of financial position of the borrower or issuer and appropriate estimation made by the management. Appropriate provisions for possible losses on investments in shares, fixed deposits; and



loans and advances have been made. Receivables considered as bad and irrecoverable are written off from the books of account and directly charged to Statement of comprehensive income.

**b. Impairment of Non-financial Assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to less and value in use. Provision for the assets such as Numismatic and Medallion coins and Non-moving metals are made on as per the indication of impairment. An impairment loss is recognized in Statement of Comprehensive Income. Provisions against impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Changes in the provisions are recognized as income/expense in the statement of comprehensive income. Impairment loss for un-issuable note stock has been recognized during the year.

**xviii. Bills payable and Bills Receivable**

The Bank carries out the function of repayment of government securities and interest thereon on behalf of the GON. Bills Payable primarily represents the year-end undisbursed or unadjusted amount of payments received from GON in respect of interest / repayment liabilities of such securities. The year-end balance of Bills Purchased represents the amounts paid by the Bank to the security holders but the corresponding claim adjustment with Bills Payable is pending.

**xix. Consolidation of project accounts**

The Bank manages, runs and implements various projects, which are helpful in attaining its objectives, on its own by entering into project agreement with the funding agencies or subsidiary loan agreements with Government of Nepal or on behalf of Government of Nepal (GON).

The projects for which the Bank has entered in to separate subsidiary loan agreements with Government or has entered into separate project agreements with other funding agencies are consolidated with the Bank's account. For projects which are implemented by the bank on behalf of the GON, the accounts of these projects are not consolidated with bank's financial statements as the Bank has no obligation towards such projects or any other counter party and there is no rights of the Bank in assets, liabilities, equity, income and expense of such projects. However, disclosures of financial and other information of such projects is given in the notes.

**7. Changes in Accounting Policies and estimates**

The Bank changed this year the accounting policies on measurement and presentation of the following assets:

**a) Measurement of Available for Sale Financial Assets**

In the prior periods, the investment in shares that were classified as available for sale and have an active market was measured at cost price. The accounting policy was changed this year to measure the investment at fair value and the resulting change in

value was taken as other comprehensive income in accordance with IAS 39 "Recognition and Measurement of Financial Instruments".

*b) Depreciation on Property, Plant & Equipment*

In the prior periods, full depreciation was charged for the assets put to use within first nine months, no depreciation was charged on the other later addition, and no depreciation was charged on disposed asset. The accounting estimate was changed prospectively to charge depreciation on assets from the date of available to use and on disposed asset up to last day of the month preceding the month of disposal.

The management considers the changes have no material impact on the financial statements and the comparative information has not been restated.

*c) Prior Period Errors*

In the prior periods, total amount of prior period errors was presented as a separate line item in the financial statements as and when discovered. During the year, the prior period errors are presented by restating the comparative information in accordance with IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

*d) Grant Assets*

In the prior periods, the value of grant assets capitalized was credited to "Grant Assets Reserve" under the head of Capital Reserve. Depreciation charged on grant assets was transferred from grant assets reserve as income in Statement of Comprehensive Income. During the year, the balance of the assets is represented by "Deferred Grant Income" under the head of Other Liabilities.

## B. Significant Disclosures

### 8. Gold and Silver

A sum of Rs. 175,675,657 (P.Y. Rs 187,950,550) was appropriated out of net profit this year to the "Gold Replacement Fund". During the current year, the Bank bought 103,806.32 fine troy ounces of gold with cost price of Rs. 12,985,963,139. The amount of Rs. 1,149,768,420 was transferred from Gold Replacement Fund to General Reserve Account. The quantity and market value of gold and silver held as inventory at the yearend were as follows:

Particulars	As on 31st Ashadh 2070		As on 31st Ashadh 2069	
	Weight (Kg, Gm, Mg)	Total Market Value	Weight (Kg, Gm, Mg)	Total Market Value
Gold (Investment)	3633.300.459	14,202,571,494	2389.161.378	10,858,431,055
Gold held in Stock	2333.789.250	9,122,782,178	2338.888.025	10,283,688,158
Silver held in Stock	125,755.94	9,004,064,730	125990.408.691	10,854,073,709
<b>Total</b>		<b>32,329,418,402</b>		<b>31,996,192,922</b>

Market value for gold and silver was based on the closing rate prevailing in London Market and Nepal Gold & Silver Dealer's Association respectively.

## 9. Yearend exchange rates

The year-end exchange rates in Rupees for major currencies used for reinstating the balances of foreign currency assets and liabilities were as per below.

S.N.	Currency	Current year	Previous year
1	US Dollar	95.00	88.60
2	Sterling Pound	143.56	136.62
3	Euro	124.08	107.98
4	Swiss Franc	100.36	89.91
5	Australian Dollar	85.96	89.96
6	Canadian Dollar	91.39	86.97
7	Japanese Yen	0.96	1.118
8	Singapore Dollar	75.26	69.74
9	SDR	143.73	133.748
10	Chinese Yen	15.58	13.98
11	Indian Rupees	1.60	1.60

## 10. Investment in Shares

The investment in shares in some cases exceeded the statutory limit (ten percent of the paid up capital of respective company) as such investments were made before the enactment of the Nepal Rastra Bank Act 2058. The Bank is in the process of offloading the excessive investments. Further disclosures relating to the investments in shares are as per below.

- The investment in shares of Citizen Investment Trust was measured as fair value. As the market value of the other shares was not available, they were measured at cost. Impairment loss was recognized on the basis of objective evidence.
- Investment in Citizen's Investment Trust included 288,260 bonus shares out of total 288,360 shares with market value of Rs. 1,147 each (P.Y. 213,600 shares with market value of Rs. 566 each).
- Investment in Rastriya Beema Sansthan (Life-Insurance) included 41,667 bonus shares out of total 51,667 shares.
- Investment in Deposit and Credit Guarantee Corporation included 612,638 bonus shares and additional investment 412,000 shares during the year out of total 1,229,638 shares. (P.Y. 817,638 shares).
- Investment in Credit Information Centre Limited included 14,400 bonus shares out of 49,400 shares (PY 49,400 shares).
- Nepal Development Bank Ltd. and Agricultural Project Services Center were in liquidation.

The Bank did not exercise control or significant influence on the entities except for regulatory purposes.

## 11. Related parties

### 11.1 Key Management Personnel Compensation

The key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including any director. The key management of the Bank includes members of its Board of Directors and Special Class Officers. The name of the key management personnel who were holding the position in office during the year with their position are as follows:

S.N.	Name of the Key Management Personnel	Post
1	Yuba Raj Khatiwada	Governor
2	Gopal Prasad Kafle	Deputy Governor
3	Maha Prasad Adhikari	Deputy Governor
4	Santa Raj Subedi	Non-Executive Director
5	Dr. Sri Ram Poudyal	Non-Executive Director
6	Dr. Ram Hari Aryal	Non-Executive Director
7	B.K. Man Singh	Non-Executive Director
8	Lila Prakash Sitaula	Special Class Officer
9	Ashwini Kumar Thakur	Special Class Officer
10	Rameshwori Pant (retired w.e.f. 2069/06/03)	Special Class Officer
11	Shambhu Thapa (retired w.e.f. 2070/01/11)	Special Class Officer
12	Bishnu Nepal	Special Class Officer
13	Ramjee Regmi	Special Class Officer
14	Bhaskar Mani Gyawali	Special Class Officer
15	Manmohan Kumar Shrestha	Special Class Officer
16	Lok Bahadur Khadka	Special Class Officer
17	Pradeep Raj Pandey	Special Class Officer
18	Hari Prasad Kaphle	Special Class Officer
19	Trilocahn Pangen	Special Class Officer
20	Dr. Min Bahadur Shretha	Special Class Officer
21	Mahesh Bhattacharai	Special Class Officer
22	Naresh Dhakal (promoted w.e.f. 2069/04/24)	Special Class Officer
23	Shiba Raj Shrestha	Special Class Officer
24	Narayan Prasad Paudel (promoted w.e.f. 2069/06/07)	Special Class Officer
25	Nara Bahadur Thapa (promoted w.e.f. 2070/03/03)	Special Class Officer

In addition to salaries, non- cash benefits were provided to special class officers and the Board members. Special class officers and three of Board members were entitled to termination benefits including pension. The data relating to compensation paid to key management personnel were as follows:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Short term employee benefits	22,921,478	22,162,627
Post-employment benefits	10,869,596	9,653,577
Other long term benefits	3,143,993	4,149,137
Termination benefits	-	-
Share based payments	-	-
<b>Total</b>	<b>36,935,067</b>	<b>35,965,341</b>

The transactions, if any, with director-related or key management personnel – related entities which occurred in the normal course of NRB’s operations were conducted on terms no more favorable than similar transactions with other clientele.

## 12. Transactions with Related Parties

The transactions with the related parties and the status of yearend balances with them were as per below.

	Current Year (Rs.)			Previous Year (Rs.)		
	Subsidiaries	Associates	Key Management Personnel	Subsidiaries	Associates	Key Management Personnel
Employees Benefits			36,935,067			35,965,341
Sitting Fees/ Incidental Expenses to Directors			2,945,161			29,55,222
Insurance Premium paid	57,355,126			66,376,685		
<b>Balances as on 31st Ashadh</b>						
- Staff Loan (net of premium collection)			21,895,784			23,282,715
<b>Provision for Diminution in Value of Investment</b>	<b>45,050,000</b>			<b>45,050,000</b>		

## 13. Assets received in grant

The various assets in grant under the Financial Sector Restructuring Project (FSTAP phase I and II) was valued at Rs. 11,585,586, out of which there was a written down balance of Rs. 477,219 at the yearend. During the year no grant assets were received.

Depreciation recognized on grant assets during the year was Rs. 245,380 (P.Y. Rs.245,459).

## 14. Financial Instruments

### Financial Risk Management-Overview

The Bank has exposure to the following risk arising from financial instruments

- Credit Risk
- Liquidity Risk
- Market Risk

### Risk Management Framework

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Bank's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Bank's risk management policies are established to identify and analyze the risk faced by the Bank, to set appropriate risk limits and control, and to monitor risks and adherence to the limit. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Bank's activities. The Bank through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Bank Audit Committee oversees how management monitors compliance with the Bank risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit

Committee is assisted its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### A. Credit Risk

Credit Risk is risk of financial loss to a party if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Bank's credit risks in relation to a financial instrument is the risk that its customer or counter party fails to discharge its obligation in accordance with agreed terms and cause the Bank to incur a financial loss. The Bank's credit risk arises principally from the Bank's investment securities and receivable from customers. The credit risk in the bank's foreign exchange reserve is monitored and reviewed by using credit limits based on credit ratings by international rating agency.

#### *Exposure to Credit Risk*

The maximum exposure to credit risk at the yearend was as follows:

##### a) By nature of assets

	<u>Current year Rs.</u>	<u>Previous year Rs.</u>
US Government Treasury Notes	949,449,048	885,878,443
Investment in Mid Term Instruments (BIS)	8,389,781,637	10,129,211,498
Term Deposit Investments	134,427,403,708	10,795,805,000
Investment in Gold Instruments	14,201,725,639	10,858,431,055
Government of Nepal Securities	29,856,287,801	33,686,043,566
Investments in Equity Instruments	458,574,420	205,380,100
Loans and Refinance	6,940,638,486	4,586,972,914
Other Receivables	4,602,130,972	5,761,557,639
Cash and Cash Equivalent	<u>335,053,567,805</u>	<u>374,043,295,908</u>
<b>Total Financial Assets</b>	<b><u>534,879,558,992</u></b>	<b><u>450,952,576,122</u></b>

##### b) By geographical region:

	<u>Current year Rs.</u>	<u>Previous year Rs.</u>
India	226,804,744,210	138,068,903,523
USA	64,469,055,067	75,443,270,263
Germany	27,458,675,590	34,702,624,317
Switzerland	26,744,652,322	25,685,402,624
United Kingdom	37,359,215,104	21,740,770,606
France	13,890,329,893	19,720,206,836
Japan	16,276,702,297	9,849,865,374
Denmark	100,601,709	10,036,952,580
Australia	7,135,492,887	9,494,829,175
Singapore	1,965,544,374	8,711,076,932
Canada	10,490,235,445	582,846,837
Sweden	9,069,371,506	-
Hong Kong	9,096,268,329	-
U.A.E	11,213,899,821	-
Nepal	72,878,498,273	96,915,827,058
<b>Total</b>	<b><u>462,074,788,554</u></b>	<b><u>450,952,576,123</u></b>

c) By nature of the entity:

	Current year Rs.	Previous year Rs.
Central Banks	56,556,059,448	53,551,104,541
Bank for International Settlement	19,236,148,248	16,498,559,306
Foreign Government	104,558,659,210	89,659,191,421
International Monetary Fund	6,636,028,947	7,368,831,080
Foreign Commercial Banks	264,945,477,217	185,598,764,625
Domestic Banks and FIs	17,304,134,256	11,255,785,000
Government of Nepal	29,856,287,801	33,686,043,566
Equity Instruments	458,574,420	205,380,100
Cash in Hand	11,281,120,698	4,224,340,839
Other Parties	24,120,796,582	48,904,575,646
<b>Total</b>	<b>534,953,286,827</b>	<b>450,952,576,123</b>

**Government Securities**

Investment in Government securities included Nepal Government securities like treasury bills, saving certificates and bonds; and US Government treasury notes. These investments stands for around 6% of the total financial assets and these investments are risk free investments.

**Cash and Cash Equivalent**

Cash and cash equivalent comprises cash in hand, balance in demand deposit and call account of foreign banks; and treasury bills and term deposit with original maturity period of up to three months. Cash in hand and balance with bank in demand deposit and call account is classified as loans and receivables and treasury bills and term deposits are classified as held to maturity financial assets and measured at amortized cost. Cash and cash equivalent of the Banks stands for around 63% of the total financial assets. The Cash and cash equivalent held with central banks of foreign countries; and bank and financial institutions, which are rated A to AAA, based on credit rating of agency ratings.

**Impairment Losses**

The Bank recognizes the impairment of financial assets in case there is objective evidence that the assets have been impaired. Impairment of an individual asset is tested at each balance sheet date and the movement in the allowances for impairment in respect of financial assets during the year is as follows:

Particulars	Allowances for Diminution in Value of Equity Investment	Allowances for Doubtful Investment in Fixed Deposit	Allowances for Doubtful Refinance	Allowances for Doubtful Receivables
<b>Balance as on 1st Shrawan 2068</b>	<b>61,050,000</b>	<b>1,030,705,000</b>	<b>13,297,869</b>	-
Impairment Loss Recognized	-	247,900,000	-	10329878
Amount Written Off	-	-	-	-
Reversal of Impairment Loss	-	-	(3,297,869)	-
<b>Balance as on 31st Ashadh 2069</b>	<b>61,050,000</b>	<b>1,278,605,000</b>	<b>10,000,000</b>	<b>10,329,878</b>
Impairment Loss Recognized	-	-	-	-
Amount Written Off	-	-	-	-
Reversal of Impairment Loss	-	(62,250,227)	-	-
<b>Balance as on 31st Ashadh 2070</b>	<b>61,050,000</b>	<b>1,216,354,773</b>	<b>10,000,000</b>	<b>10,329,878</b>

The Bank believes that the un-impaired amounts that are past due by more than 30 days are still recoverable in full. The un-impaired past dues amount includes some loans provided to employees and other receivables.

The credit quality of counterparty of the financial assets is assessed based on credit policy (Investment Directives) established by the Board of Directors. Investment is made in the foreign counterparty whose credit rating is within the expectable standard. In case of domestic investment, investment is made in the counterparty whose meet the minimum standard level set by the credit policy like nonperforming assets of the counter party should be within the limit of 5% of the total loans and advances made by the counterparty, not declared as problematic by the Bank etc. An analysis of credit quality of financial assets not impaired is as follows:

<b>Counterparties</b>	<b>As on 31st Ashadh 2070</b>	<b>As on 31st Ashadh 2069</b>
External Credit Rating at least A/BBB- from credit rating agency	318,013,500,757	185,598,764,625
Non Rated Counterparties		
Central Banks	18,685,509,678	53,551,104,541
Bank for International Settlement	19,236,148,248	16,498,559,306
Foreign Government	89,361,185,440	89,659,191,421
International Monetary Fund	6,636,028,947	7,368,831,080
Government of Nepal	29,856,287,801	33,686,043,566
Financial Assets with Other Counterparties:		
- Party with Normal Risk	40,585,770,607	59,005,755,868
- Party with High Risk	1,297,734,651	1,359,984,878
<b>Total</b>	<b>523,672,166,129</b>	<b>446,728,235,285</b>

## **B. Liquidity Risk**

Liquidity Risk is the risk that the Bank will encounter difficulty in meeting the obligation associated with the financial liabilities that are settled by delivering cash or other financial assets. The Bank approach to managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due; to provide finance to maintain liquidity in financial market and to provide for foreign exchange to finance import of the country under both the normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank reputation. In order to control liquidity risk, the bank has maintained sufficient balance in the current account with the other central banks; demand and call deposit with foreign banks and investment in highly liquid securities. The Bank maintains cash and cash equivalents and other highly marketable securities in excess of expected cash flows on financial liabilities and other obligation as of central bank. In addition to cash and cash equivalent, the Bank also holds balance in term deposit with maturity period of 6 months in foreign banks.

Further, the bank has credit arrangement for Rapid Credit Facilities (RCF) and Extended Credit Facilities (ECF) provided by International Monetary Fund in case of stressed condition like deficit of Balance of Payment of the country. The Government of Nepal provides credit facility to the Bank in case of financial crisis.



### Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash, balances with foreign banks and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with foreign banks in the form of demand and call deposit.
- Balance with foreign central banks and banks for international settlement
- Government of Nepal and foreign Governments' bonds and other securities that are readily acceptable in repurchase agreements with central banks; and
- A secondary source of liquidity in the form of highly liquid instruments in the Bank's trading portfolios.

### Financial liabilities

The followings are the remaining contractual maturities and other forms of financial liabilities including estimated interest payments at the end of the reporting:

#### As on 31<sup>st</sup> Ashadh 2070

Particulars	Contractual and Other Cash Flows				
	Carrying Amount	2 Months or Less	2 -12 Months	1 -5 Year	More than 5 Year
Deposit from Banks and Other Agencies	147,549,387,334	143,996,012,938	-	3,553,374,396	-
IMF Related Liabilities	18,343,388,194	-	-	-	-
IMF Related Deposit	7,030,604,523	-	-	-	7,030,604,523
GON Deposit	516,084,944	-	516,084,944	-	-
Bills Payable	734,091,342	734,091,342	-	-	-
Staff Liabilities	8,753,722,429	89,111,187	803,844,187	2,827,346,249	5,033,420,806
Other Payables	219,815,394	36,635,899	183,179,495	-	-
Other Liabilities	79,195,123	79,195,123	-	-	-
<b>Total</b>	<b>183,226,289,283</b>	<b>144,935,046,489</b>	<b>1,223,108,626</b>	<b>6,226,710,006</b>	<b>12,498,035,968</b>

#### As on 31<sup>st</sup> Ashadh 2069

Particulars	Contractual and Other Cash Flows				
	Carrying Amount	2 Months or Less	2 -12 Months	1 -5 Year	More than 5 Year
Deposit from Banks and Other Agencies	122,241,556,579	118,450,540,516	-	3,791,016,063	-
IMF Related Liabilities	18,261,630,791	-	-	-	-
IMF Related Deposit	5,880,083,908	-	-	-	5,880,083,908
GON Deposit	10,989,296,158	10,989,296,158	-	-	-
Bills Payable	850,219,745	850,219,745	-	-	-
Staff Liabilities	8,532,806,680	823,112,340	732,848,257	389,483,832	6,587,362,251
Other Payables	233,460,746	38,910,124	194,550,622	-	-
Other Liabilities	2,373,189	2,373,189	-	-	-
<b>Total</b>	<b>166,991,427,796</b>	<b>131,154,452,072</b>	<b>927,398,879</b>	<b>4,180,499,895</b>	<b>12,467,446,159</b>

### C. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices and other assets prices that will affect the Bank income or the value of its holding of financial instruments. Market risk arises from open position in interest rates, currency and equity products all of which are exposed to

general and specific market movement and changes in the level of volatility of the market rates or interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposure within the acceptable parameters, while optimizing the return.

**i) Currency Risk:**

Currency risk is the risk, where the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign currency activities result mainly from the Bank's holding of foreign currency assets under its foreign exchange reserves management function. The investment committee reviews the currency composition of the reserve and monitors the Bank's compliance with the limits established for foreign currency positions by the board. The major holding of foreign currency assets are denominated in USD, INR, GBP, EURO and AUD.

The summary quantitative data about the Bank's exposure to currency risk at the reporting period was as follows:

Particulars	USD	AUD	EUR	GBP	CNY	CAD	SDR
	51.55%	7.51%	6.31%	4.97%	2.41%	1.68%	1.40%
Cash Balances	4,454,743	120,465	757,030	177,855	1,191,353	247,145	-
Demand Deposits	473,614,877	27,426,106	33,466,588	22,630,895	-	11,876,664	-
Time Deposit	1,757,854,068	315,995,115	206,705,316	141,410,785	735,309,984	74,714,650	-
Govt. & Other Debt Securities	159,985,721	-	-	-	-	-	-
Other Investments	24,982,918	69,990,745	-	-	-	-	-
SDR Holdings	-	-	-	-	-	-	46,171,067
Bills Purchased	18,100	-	-	-	-	-	-
Other Receivables	3,775,756	1,170,332	179,461	87,341	1,618,165	115,031	-
Gold Investment	11,681,332	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>2,436,367,515</b>	<b>414,702,763</b>	<b>241,108,395</b>	<b>164,306,876</b>	<b>738,119,502</b>	<b>86,953,490</b>	<b>46,171,067</b>
Deposit of Banks & FIs	14,370,646	108,616	1,199,798	360,251	-	-	-
Deposit of Other Organizations	6,039	-	-	-	-	-	-
SDR Allocation	-	-	-	-	-	-	68,099,599
Loan from IMF	-	-	-	-	-	-	59,527,000
Other Liabilities	26,427,821	-	-	-	-	-	-
Bills Payables	16,211	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>40,820,717</b>	<b>108,616</b>	<b>1,199,798</b>	<b>360,251</b>	<b>-</b>	<b>-</b>	<b>127,626,599</b>
<b>Net Financial Position Exposure</b>	<b>2,395,546,798</b>	<b>414,594,147</b>	<b>239,908,597</b>	<b>163,946,625</b>	<b>738,119,502</b>	<b>86,953,490</b>	<b>-81,455,532</b>

Majority of foreign currency reserve is also denominated in Indian currency which stands for 23.83% of total foreign currency reserve. The foreign currency reserve denominated in currencies other than stated above and INR amounted to 1.74% of the total foreign currency reserve.

### Sensitivity Analysis of Currency Risk

A strengthening (weakening) of USD, AUD, EUR, GBP, CNY, CAD and SDR against Nepalese rupee at the end of reporting period would have been affected in measurement of financial instruments denominated in a foreign currency and increased (decreased) in profit or loss by the amount shown below. This analysis is based on foreign exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast cash flows.

	Impact on Profit or Loss			
	In case of Strengthening or Weakening of Currency by 10%			
	For the Year Ended 2070		For the Year Ended 2069	
	Strengthening	Weakening	Strengthening	Weakening
USD	24,315,316,008	(24,315,316,008)	18,205,081,953	(18,205,081,953)
AUD	3,563,851,282	(3,563,851,282)	3,555,394,693	(3,555,394,693)
EUR	2,976,785,877	(2,976,785,877)	3,383,047,662	(3,383,047,662)
GBP	2,353,617,748	(2,353,617,748)	2,159,560,843	(2,159,560,843)
CNY	1,142,608,990	(1,142,608,990)		
CAD	794,667,940	(794,667,940)	415,631,221	(415,631,221)
SDR	(1,170,735,925)	1,170,735,925	(173,935,409)	173,935,409
<b>Total</b>	<b>33,976,111,922</b>	<b>(33,976,111,922)</b>	<b>27,544,780,963</b>	<b>(27,544,780,963)</b>

#### ii) Interest Rate Risk:

Interest rate risk is the risk that the value of financial assets will fluctuate due to change in market interest rate. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate re-pricing which is monitored daily by the Bank Treasury.

The Bank has kept substantial investments on short-term loans thereby controlling the interest rate risk to significant extent.

At the end of the reporting period the interest rate profile of the Bank's interest bearing financial instruments was as below:

<b>Particulars</b>	<b>Weighted Average Interest Rate %</b>	<b>As on 31<sup>st</sup> Ashadh 2070</b>	<b>As on 31<sup>st</sup> Ashadh 2069</b>
<b><u>Interest Sensitive Financial Assets</u></b>			
Bank Balance	0.25	43,144,986,902	21,779,942,504
Investment in Foreign Currency	2.57	424,122,730,840	364,600,510,228
IMF Related Assets	0.12	6,636,028,947	7,368,831,080
Government Securities		16,481,630,353	28,785,520,416
Other Investments		10,363,495,770	10,795,805,000
Refinance & Loans		6,940,638,486	459,980,000
<b>Total Interest Sensitive Financial Assets</b>		<b>507,689,511,298</b>	<b>433,790,589,228</b>
<b><u>Interest Sensitive Financial Liabilities</u></b>			
IMF Related Liabilities	0.12	18,343,388,194	18,261,630,791
<b>Total Interest Sensitive Financial Liabilities</b>		<b>18,343,388,194</b>	<b>18,261,630,791</b>
<b>Net Interest Sensitive Financial Position</b>		<b>489,346,123,104</b>	<b>415,528,958,437</b>

### **iii) Other Market Prices Risk**

Equity price risk arises from available-for-sale equity securities as well as investment as fair value through profit or loss. The Bank monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on individual basis. The bank objective for investment in equity instruments is to promote overall financial system of the country. These investments have been made under the specific directives or policies of the Government of Nepal and other relevant statutes. At the end of reporting period, the Bank has investment in equity instrument of 13 different institutions. Out of these institutions, equity instruments of only one institution is listed in stock exchange and measured at fair value. All other investments are measured at cost.

### **Accounting Classification and Fair Value**

The fair value of financial assets and liabilities together with the carrying amounts shown in the Statement of financial position are as follows:

<b>As on 31st Ashadh 2070</b>							
<b>Particulars</b>	<b>Fair Value through P/L</b>	<b>Available for Sale</b>	<b>Held to Maturity</b>	<b>Loans &amp; Receivable</b>	<b>Financial Liabilities</b>	<b>Total Carrying Amount</b>	<b>Fair Value</b>
Cash and Bank Balance				47,780,385,361		47,780,385,361	47,780,385,361
SDR of IMF				6,636,028,947		6,636,028,947	6,636,028,947
Foreign Government Securities		91,186,224,227	14,919,094,923			106,105,319,150	106,105,319,150
GON Securities		15,688,050,488	793,579,865	13,374,657,448		29,856,287,801	29,856,287,801
Equity Instruments:							-
Measured at Fair Value		330,748,920				330,748,920	330,748,920
Measured at Cost		127,825,500				127,825,500	NA
Gold Investment	14,201,725,639					14,201,725,639	14,201,725,639
Other Investment:							
Measured at Fair Value	37,107,129,476	8,389,781,637				45,496,911,113	45,496,911,113
Measured at Amortized Cost			272,621,884,938	253,400,000		272,875,284,938	272,875,284,938
Loans and Refinance				6,940,638,486		6,940,638,486	NA
Other Receivables				4,602,130,972		4,602,130,972	4,602,130,972
<b>Total Financial Assets</b>	<b>51,308,855,115</b>	<b>129,924,356,411</b>	<b>325,441,689,202</b>	<b>79,587,241,214</b>	<b>-</b>	<b>534,953,286,827</b>	
Bank & Other Agencies Deposit					145,579,073,926	145,579,073,926	145,579,073,926
Liability towards IMF					18,343,388,194	8,343,388,194	18,343,388,194
IMF Related Deposit					7,030,604,523	7,030,604,523	7,030,604,523
GON Deposit					516,084,944	516,084,944	516,084,944
Other Deposit					3,564,333,896	3,564,333,896	3,564,333,896
Staff Liabilities					8,753,722,429	8,753,722,429	8,753,722,429
Bills Payables					734,091,342	734,091,342	734,091,342
Other Liabilities					299,010,517	299,010,517	299,010,517
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,820,309,771</b>	<b>184,820,309,771</b>	<b>184,820,309,771</b>
<b>Net Financial Position</b>	<b>51,308,855,115</b>	<b>129,924,356,411</b>	<b>325,441,689,202</b>	<b>79,587,241,214</b>	<b>(184,820,309,771)</b>	<b>350,132,977,055</b>	<b>24,692,317,018</b>

**As on 31st Ashadh 2069**

<b>Particulars</b>	<b>Fair Value through P/L</b>	<b>Available for Sale</b>	<b>Held to Maturity</b>	<b>Loans &amp; Receivable</b>	<b>Financial Liabilities</b>	<b>Total Carrying Amount</b>	<b>Fair Value</b>
Cash and Bank Balance				23,947,475,596		23,947,475,596	23,947,475,596
SDR of IMF				7,368,831,080		7,368,831,080	7,368,831,080
Foreign Government Securities		23,033,736,538	87,668,050,160			110,701,786,698	110,701,786,698
GON Securities		27,967,848,265	817,672,151	4,900,523,150		33,686,043,566	33,686,043,566
Equity Instruments:							-
Measured at Fair Value		120,897,600				120,897,600	120,897,600
Measured at Cost		84,482,500				84,482,500	NA
Gold Investment	10,858,431,055					10,858,431,055	10,858,431,055
Other Investment:						-	
Measured at Fair Value	43,891,046,088	10,129,211,498				54,020,257,586	10,129,211,498
Measured at Amortized Cost			199,562,469,889	253,400,000		199,815,839,885	243,706,885,977
Loans and Refinance				4,586,972,914		4,586,972,914	NA
Other Receivables				5,761,557,639		5,761,557,639	5,761,557,639
<b>Total Financial Assets</b>	<b>54,749,477,144</b>	<b>72,194,607,455</b>	<b>331,939,208,288</b>	<b>46,818,760,379</b>	<b>-</b>	<b>450,952,576,122</b>	
Bank & Other Agencies Deposit						118,441,011,516	118,441,011,516
Liability towards IMF					18,261,630,791	18,261,630,791	18,261,630,791
IMF Related Deposit					5,880,083,908	5,880,083,908	5,880,083,908
GON Deposit					10,989,296,158	10,989,296,158	10,989,296,158
Other Deposit					3,800,545,063	3,800,545,063	3,800,545,063
Staff Liabilities					8,532,806,680	8,532,806,680	8,532,806,680
Bills Payables					850,219,745	850,219,745	850,219,745
Other Liabilities					235,833,935	235,833,935	235,833,935
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,991,427,796</b>	<b>166,991,427,796</b>	<b>166,991,427,796</b>
<b>Net Financial Position</b>	<b>54,749,477,144</b>	<b>72,194,607,455</b>	<b>331,939,208,288</b>	<b>46,818,760,379</b>	<b>(166,991,427,796)</b>	<b>283,961,148,326</b>	

#### **D. Capital Management**

The Bank policy is to maintain strong capital base to meet the legal requirement of the capital and maintain currency in circulation holder, creditors, Government and market confidence and sustain future development of the bank. Capital consists of capital and reserves under different heading. Annually, 10% of the profit is allocated to general reserve to increase the capital base of the bank and 5% of the profit is allocated to monetary liabilities reserve in order to meet financial liabilities. Foreign exchange gain or losses are allocated to foreign exchange fluctuation reserve. In addition to the above allocation, amounts are also allocated to different reserve and fund as designated by the Board of Directors of the Bank for its capital expansion. The Board of Directors also monitors the return on capital as well as level of distributions of surplus to the Government.

### **15. Employees Benefits**

#### **(I) Defined Benefit Plans**

The Bank currently offers three defined benefit post-employment plans to its employees, based on length of service and level of compensation. These post-employment benefits plans are 'Gratuity or Pension Plan', 'Staff Security Plan' and 'Leave Encashment Plan'. A defined benefit plan is post-employment benefit plan other than a defined contribution plan. The bank's net obligation in respect of defined benefits plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior period; that benefit is discounted to determine its present value. The bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset). The obligation under 'Gratuity or Pension Plan' and 'Staff Security Plan' is calculated by a qualified actuary once in every three years using projected unit credit method. The previous actuarial valuation of the obligations was done in 2010 and accordingly during the year the obligation is calculated by a qualified actuary. The discount rate used is the yield at the reporting date on high quality Government Bond having maturity dates approximating the terms of the obligations and are denominated in the Nepalese rupee in which the benefits are expected to be paid.

In case of the 'Leave Encashment Plan', employees are entitled to accumulate maximum of 120 days leave which shall be paid at the retirement and leave excess of 120 days is en-cashed by employees during the year in which the related service is rendered. The obligation in respect of leave encashment is measured by the management on the basis of best estimation.

The gratuity or pension plan and staff security plan are funded plan wherein the bank makes earmarked investment out of fund created for these plans. Interest income on gratuity or pension plan is credited the fund whereas interest income of staff security plan is recognized as income of the bank. Leave encashment is not a funded plan.

Followings are other disclosure in respect of defined benefit plans.

### The amount recognized in the statement of financial position

Particulars	As on 31st Ashadh 2070			As on 31st Ashadh 2069		
	Pension or Gratuity Plan	Staff Security Fund	Leave Encashment Plan	Pension or Gratuity Plan	Staff Security Fund	Leave Encashment Plan
	Funded		Unfunded	Funded		Unfunded
Present Value of Obligations	5,919,408,145	1,468,349,389	715,584,569	6,333,263,487	1,084,937,844	607,072,254
Fair Value of Plan Assets	6,509,211,932	1,008,401,869	-	3,683,430,000	689,090,000	-
<b>Net Asset /(Liability)</b>	<b>589,803,787</b>	<b>(459,947,520)</b>	<b>(715,584,569)</b>	<b>(2,649,833,487)</b>	<b>(395,847,844)</b>	<b>(607,072,254)</b>

### Changes in Fair Value of Defined Benefit Obligation

Particulars	For the Year Ended 31st Ashadh 2070			For the Year Ended 31st Ashadh 2069		
	Pension or Gratuity Plan	Staff Security Fund	Leave Encashment Plan	Pension or Gratuity Plan	Staff Security Fund	Leave Encashment Plan
	Funded		Unfunded	Funded		Unfunded
Opening Obligation	6,333,263,487	1,084,937,844	607,072,254	3,560,217,718	752,691,243	517,541,102
Current Service Cost	84,770,830	85,966,148	132,164,065	2,443,952,922	357,611,944	134,244,512
Interest Cost	489,396,086	82,673,336	54,636,503	320,419,595	67,742,212	46,578,699
Actuarial Losses (Gains)	(556,397,423)	317,814,348	-	-	-	-
Losses (Gains) on Curtailments	-	-	-	-	-	-
Benefits Paid	(431,624,835)	(103,042,287)	(78,288,252)		93,107,555	(91,292,059)
<b>Closing Obligation</b>	<b>5,919,408,145</b>	<b>1,468,349,389</b>	<b>715,584,569</b>	<b>6,333,263,487</b>	<b>1,084,937,844</b>	<b>607,072,254</b>

### Changes in Fair Value of Plan Assets

Particulars	For the Year Ended 31st Ashadh 2070		For the Year Ended 31st Ashadh 2069	
	Pension or Gratuity Plan	Staff Security Fund	Pension or Gratuity Plan	Staff Security Fund
	Funded		Funded	
Opening Fair Value	3,683,430,000	686,090,000	2,510,384,231	656,142,300
Expected Return	387,984,307	67,779,675	40,876,288	-
Actuarial Gains (Losses)	105,049,943	(67,779,675)	-	-
Distribution on Settlements	-	-	-	-
Contribution by Employer	2,764,372,517	425,354,156	1,164,372,517	125,354,156
Benefits Paid	(431,624,835)	(103,042,287)	(400,095,036)	(95,406,456)
<b>Closing Fair Value</b>	<b>6,509,211,932</b>	<b>1,008,401,869</b>	<b>3,683,430,000</b>	<b>686,090,000</b>

### Amount recognized in the Statement of Comprehensive Income

Particulars	For the Year Ended 31st Ashadh 2070			For the Year Ended 31st Ashadh 2069		
	Pension or Gratuity Plan	Staff Security Fund	Leave Encashment Plan	Pension or Gratuity Plan	Staff Security Fund	Leave Encashment Plan
	Funded		Unfunded	Funded		Unfunded
Current Service Cost	84,770,830	85,966,148	132,164,065	2,443,952,922	357,611,944	134,244,512
Interest Cost	489,396,086	82,673,336	54,636,503	320,419,595	67,742,212	46,578,699
Expected Return on Plan Asset	(387,984,307)	(67,779,675)	-	-	-	-
Past Service Cost	-	-	-	-	-	-
Curtailments & Settlements	-	-	-	-	-	-
<b>Total Employee Benefit Expense</b>	<b>186,182,609</b>	<b>100,859,809</b>	<b>186,800,587</b>	<b>2,764,372,517</b>	<b>425,354,156</b>	<b>180,823,211</b>



### Amount recognized in the Other Comprehensive Income

Particulars	For the Year Ended 31st Ashadh 2070		For the Year Ended 31st Ashadh 2069	
	Pension or Gratuity Plan	Staff Security Fund	Pension or Gratuity Plan	Staff Security Fund
	Funded		Funded	
Actuarial gain/(loss) on Obligation	556,397,423	(317,814,348)	-	-
Actuarial (gain)/loss on Plan Assets	(105,049,943)	67,779,675	-	-
<b>Total (gain) / loss for the year</b>	<b>(661,447,366)</b>	<b>385,594,023</b>	-	-

### Major categories of Plan Assets as a percentage of total plans

Particulars	For the Year Ended 31st Ashadh 2070		For the Year Ended 31st Ashadh 2069	
	Pension or Gratuity Plan	Staff Security Fund	Pension or Gratuity Plan	Staff Security Fund
	Funded		Funded	
Government of Nepal Securities	0%	0%	0%	0%
High quality Corporate Bonds	0%	0%	0%	0%
Equity shares of listed Companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Fixed Deposit of Banks and FIs	99.49%	98.08%	100%	100%
Others	0.41%	1.92%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Principal Actuarial Assumption at the end of the reporting period

Particulars	For the Year Ended 31st Ashadh 2070		For the Year Ended 31st Ashadh 2069	
	Pension or Gratuity Plan	Staff Security Fund	Pension or Gratuity Plan	Staff Security Fund
	Funded		Funded	
Discount Rate	8%	8%	9%	9%
Expected Return on Plan Asset	8%	8%	9%	9%
Future Salary Increases	7.5%	7.5%	5%	5%
Future Pension Increases	5%	5%	3.33%	3.33%
Withdrawal Rate	0.05%	0.05%	0.05%	0.05%

## 16. Reserves

The Bank has maintained different reserves and fund. Some of the Reserves are statutory and maintained as per the requirement of the Nepal Rastra Bank Act 2058. The purpose of these funds is specified in the Act and they shall be utilized for the said purpose. Besides these statutory funds, different other reserve and fund are maintained and an amount annually allocated by the Board of Directors out the each year's profit to that reserves and funds. The Board of Directors is authorized by Nepal Rastra Bank Act to allocate a part of profit to these reserves and funds. The details of statutory and other reserve and funds are as follows:

### I. Statutory Reserves:

#### a) Monetary Liability Reserve

This reserve is maintained as per section 41 (1) (ka) of the NRB Act and as per the provision of the section an amount equal to five percent of the net profit of each year shall be allocated from the profit and kept in such reserve unless the amount kept reaches to five percent of the total monetary liability of the Bank shown in the balance sheet. Accordingly, an amount equal to five percent of net profit available for

appreciation has been allocated to the reserve. The amount deposited in such reserve shall be used only for the purpose of fulfilling the financial liability of the Bank.

**b) General Reserve**

This reserve is maintained as per section 41 (1) (kha) of the NRB Act and as per the provision of the section, an amount prescribed by the Board not less than ten percent of the net profit of the Bank shall be allocated in the general reserve fund established by the Bank. While allocating an amount in the general reserve, an additional amount shall be appropriated to cover the capital expenditure referred to in the annual budget of the Bank. Accordingly, the Board of Directors has appropriated an amount equals to 10% of the net profit available for appropriated plus amount of capital budget of the Bank for the year. The amount allocated to this reserve shall be used only for the purpose of recovering the loss.

**c) Exchange Equalization Fund**

This fund has been maintained as per section 41 (1) (gha) of the NRB Act and per the provision of the section the amount equal to the revaluation profit shall be kept in the revaluation reserve fund. Represents net exchange gains on various foreign currency assets and liabilities. An amount equivalent to net exchange gain/loss is appropriated from/to net profit to this fund.

**d) Gold and Silver Equalization Reserve**

This fund has also been maintained as per section 41 (1) (gha) of the NRB Act. This reserve represents the gain or loss on the revaluation of gold and silver. Any appreciation or depreciation on revaluation of gold and silver is taken to/from this reserve out of net profit of the year.

**II. Other Reserve and Funds**

Board of Directors of the Bank is authorized by section 41 (2) of the NRB Act to appropriate the remaining profit in other funds as may be necessary and pay the remaining amount to Government of Nepal. Accordingly, the Bank has maintained different reserve and fund as per Accounts Directive 2065 of the Bank and the Board of Directors appropriate some part of the net profit available for distribution to these reserves and fund annually. The amount kept under these reserves and funds shall be utilized for the purpose the reserve or fund as mentioned in the Account Directive 2065. The following reserves/funds have been maintained:

**a) Development Fund**

This is the specific fund created as per Account Directive in order to provide support for loans and refinances to banks and Financial Institutions as well as to make investment in the shares and debentures of these Institutions. Earmarked investment of this fund has been made. Annually, the amount appropriated by Board of Directors has kept under this fund. Accordingly an amount of Rs. 6,400,000,000 (P.Y. Rs. 40,000,000) has been allocated to this fund during the year.

**b) Banking Development Fund:**

This fund was created to meet the expenses relating to feasibility survey to open new banks in the priority area, to provide interest free loans to such banks, to compensate the losses incurred by those banks for specified period and expenses relating to banking promotion,

work-shops and seminars. The Board of Directors of the Bank annually appropriates a part of profit to this fund. Accordingly, an amount of Rs. 74,070,681 (P.Y. Rs. 68,783,806) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

**c) Development Finance Project Mobilization Fund:**

This fund was created as a cushion to meet the probable loss on project loan. An amount equivalent to the projects' profits are appropriated and transferred to this fund. An amount equals to net profit of the projects is allocated to this fund annually. Accordingly, an amount of Rs. 14,918,300 (P.Y. Rs. 15,537,500) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

**d) Mechanization Fund:**

This fund was created to meet the amount required to develop and install modern software, hardware and allied mechanization system. An amount as required for mechanization is allocated by Board of Directors to this fund annually. Accordingly, an amount of Rs. 200,000,000 (P.Y. Rs. 400,000,000) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

**e) Scholarship Fund:**

This fund was created to meet the amount required from time to time for the development of skilled manpower by way of providing training and higher studies to the employees of the Bank. No amount has been allocated to this fund during the year. Earmarked investment of this fund has been made.

**f) Mint Development Fund:**

This fund was created to meet the heavy capital expenditure required from time to time for construction of factory building and installation of machinery for minting activities. However, no amount has been allocated to this fund during the year. Earmarked investment of this fund has been made.

**g) Gold Replacement Fund:**

This fund has been created for replacing the gold / silver sold during the year. An amount equals to profit from sale of gold and silver is appropriated to this fund annually and the amount kept under this fund is utilized for replacement of gold. Accordingly, an amount of Rs. 175,675,657 (P.Y. Rs. 187,950,550) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

**h) Rural Self Reliance Fund (GS Kosh):**

This fund was created as per the NRB Monetary Policy to meet the fund required for long term refinancing in tea, cardamom plantation and production as well as construction of cold storage etc. No amount has been appropriated to this fund during the year. Earmarked investment of this fund has been made.

**i) Employees welfare fund:**

This fund was created in Nepali FY 2015/16 for the welfare of the employees who have suffered financial and other losses due to unprecedented events and any other reasons.

**17. Prior Period Errors**

As stated in para 7 (c) of the significant accounting policy, the bank has corrected prior period errors discovered during the year by restating the comparative figures of previous years which resulted into excess booking of expense in previous year by Rs. 2,811,824

than by the reported figure of the previous year expense. This has ultimately resulted into decrease in profit of previous year by the said amount and has been shown in previous year reserve account as deficit due to restatement of prior period errors and has been adjusted with current year profit available for appropriation.

#### 18. **Currency in Circulation**

The currency in circulation at the end of the reporting period includes cash in hand of Rs 4438,298,077 (P.Y. Rs. 2,088,238,302). The denomination wise amounts of currency note issued by the bank and are in circulation at the balance sheet date is as follows:

<b>Denomination</b>	<b>As on 31st Ashadh 2070</b>	<b>As on 31st Ashadh 2069</b>
1	161,796,166	162,329,011
2	188,203,704	190,308,574
5	1,511,094,650	1,316,166,325
10	2,205,019,320	1,883,219,030
20	2,495,754,660	2,294,215,860
25	59,515,500	61,003,275
50	3,999,580,550	3,761,416,000
100	9,657,201,200	8,910,495,300
250	87,836,250	88,034,375
500	63,628,178,000	61,466,678,250
1000	149,465,820,000	121,116,134,000
<b>Total</b>	<b>233,460,000,000</b>	<b>201,250,000,000</b>

The above liability is backed by securities as mentioned in Note 19

#### 19. **Foreign Exchange Reserve**

As per section 66 of Nepal Rastra Bank Act 2058, the Bank shall maintain a Foreign Exchange Reserve. As per the provision of the section, such reserve shall be denominated in the respective foreign exchange and shall consists of Gold and Other Precious Metals, Foreign Currencies and Securities denominated in Foreign currency, Special Drawing Rights, Bill of exchange, promissory note, certificate of deposit, bonds, and other debt instrument payable in convertible foreign currencies etc. The Bank also maintains record of the foreign exchange reserve held by the licensed Banks and Financial Institutions. The gross foreign exchange reserve holding of the Banking System of Nepal at the end of the reporting period is as follows:

Particulars	(Rs. in Billion)	
	As on 31st Ashadh 2070	As on 31st Ashadh 2069
<b>Foreign Exchange Reserve:</b>		
<b>(a) Held by Nepal Rastra Bank</b>		
Convertible Foreign Currency	340.83	285.68
Non-Convertible Foreign Currency	112.17	89.83
Gold Reserve	14.20	10.85
Special Drawing Rights	6.64	7.37
<b>Sub Total</b>	<b>473.84</b>	<b>393.73</b>
<b>(b) Held by Banks and Financial Institutions</b>		
Convertible Foreign Currency	72.32	59.16
Non-Convertible Foreign Currency	6.23	5.20
<b>Sub Total</b>	<b>78.55</b>	<b>64.36</b>
<b>Total Foreign Exchange Reserve of Banking System</b>	<b>552.39</b>	<b>458.09</b>

Instrument wise Investment of Foreign Exchange Reserve of the Banking System in terms of percentage of total reserve are as follows:

Particulars	As on 31st Ashadh 2070 (in %)	As on 31st Ashadh 2069 (in %)
<b>Foreign Exchange Reserve:</b>		
US Treasury Bills	6.15	3.15
Indian Treasury Bills	18.49	19.75
BIS FIXBIS	0.95	1.67
Bonds/Notes	0.25	0.21
Mid Term Instrument	2.81	1.85
Call Deposits	15.67	13.22
Time Deposit	51.65	55.40
Gold Deposit	2.85	3.14
Special Drawing Rights	1.20	1.61
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## 20. Projects' Asset and Liability

The assets, liabilities, equity, income and expense of five projects namely Poverty Alleviation Project in Western Terai (PAPWT), Micro-Credit Project for Women (MCPW), Production Credit for Rural Women Project (PCRW), Third Livestock Development Project (TLDP) and Raising Income of Small and Medium Farmers Project (RISMFP) which were run, during the reporting period, under subsidiary loan agreements with GON or project agreements with other funding agencies were consolidated with the Bank's financial statements.

The two projects namely; Community Ground water Irrigation Sector Project (CGISP) and Rural Self Reliance Fund (RSRF) which were run by the bank on behalf of the GON. The assets, liabilities, equity, income and expense of such projects were not consolidated in the accounts of the Bank. The Financial Position and Income statements of these projects are as below:

## Statement of Financial Position

Particulars	As on 31st Ashadh 2070		As on 31st Ashadh 2069	
	CGISP	RSRF	CGISP	RSRF
<b>Equity</b>				
Capital Contribution **	17,548,370	443,400,000	17,548,370	443,400,000
Surplus	84,575,251	117,820,278	74,695,056	111,003,585
Financial Risk Fund	5,200,000		5,200,000	
<b>Long- term Liabilities</b>				
Loan from ADB - Non-Current Portion	157,229,351		163,919,961	
<b>Current Liabilities and Provision</b>				
Loan from ADB - Current Portion	43,488,969		36,798,359	
Service Charge due on Loan from ADB	14,951,427		12,944,244	
Loan Loss Provision	1,294,384	25,988,317	1,551,076	21,251,324
Accounts Payable	324,944	47,512,647	342,044	34,503,269
<b>Total Equity &amp; Liabilities</b>	<b>324,612,697</b>	<b>634,721,242</b>	<b>312,999,109</b>	<b>610,158,178</b>
<b>Assets</b>				
<b>Non Current Assets</b>				
Fixed Assets	83,730	189,466	111,640	339,609
Loan to PFI- Non Current Portion	106,449,668	453,367,139	132,485,502	97,026,405
Investment				60,000,000
<b>Current Assets</b>				
Interest Receivables	300	18,852,496	456,552	11,616,726
Loan to PFI-current portion	22,988,774	83,020,213	22,622,049	338,985,455
Cash and cash equivalents	195,090,226	79,291,928	157,323,367	102,189,983
<b>Total Assets</b>	<b>324,612,697</b>	<b>634,721,242</b>	<b>312,999,109</b>	<b>610,158,178</b>

\*\* Capital Contribution in case of RSRF includes, contribution of the Bank amounting to Rs. 253,400,000 which was shown by way of 'Other investment' under schedule 8 of the financial statements.

## Statement of Comprehensive Income

Particulars	As on 31st Ashadh 2070		As on 31st Ashadh 2069	
	CGISP	RSRF	CGISP	RSRF
<b>A. Income</b>				
<b>Interest Income:</b>	<b>11,751,679</b>	<b>31,798,270</b>	<b>18,267,463</b>	<b>35,749,333</b>
From Loan to PFIs	7,351,358	21,596,766	8,482,212	19,372,439
On deposit with banks	4,400,322	7,838,376	9,785,251	10,356,347
On Investment		2,363,128		6,020,547
Loan Loss Provision Written back	256,691	118,529	251,245	48,771
<b>Total Incomes</b>	<b>12,008,370</b>	<b>31,916,799</b>	<b>18,518,708</b>	<b>35,798,104</b>
<b>B. Expenditure</b>				
Administrative Expenses	93,082	20,212,968	107,430	16,263,646
Provision for Service Charge	2,007,183		2,007,183	
Loan Loss Provision	-	4,736,944	-	3,474,282
Depreciation	27,910	150,143	27,910	84,902
<b>Total Expenses</b>	<b>2,128,175</b>	<b>25,100,105</b>	<b>2,142,523</b>	<b>19,822,830</b>
<b>Surplus (Deficit) (A-B)</b>	<b>9,880,195</b>	<b>6,816,694</b>	<b>16,376,185</b>	<b>15,975,274</b>

## 21. Government of Nepal Treasury Position

Balance of Government of Nepal as of 31<sup>st</sup> Ashadh 2070 as records of the bank was a surplus balance of Rs. 516,084,944 (P.Y. Rs. 10,989,296,158.6). The balance is yet to be confirmed by Comptroller General's office of GON. However, based on past experience management believes that difference if any, between records of the bank and Comptroller General's office shall be insignificant and will not have material impact on financial position.

## 22. Transaction with the International Monetary Fund (IMF)

The Bank transacts with IMF as an agent of the government in respect of quota where in case of Special Drawing Rights (SDRs), Loans etc. from them it transacts in its own right. The IMF revalues quota at the end of April every year and gains or losses arising from such revaluation relating to quota are borne by government. In case of other transactions such gain/losses are borne by NRB. The Basic policies followed by the NRB on such accounts are as follows:

- Country's quota with the IMF is recorded by the Bank as depository of the Government and exchange gain/loss arising on quota are borne by government.
- Exchange gains or losses in respect of borrowings under ECF and other facilities of the IMF, allocation of SDRs and holding of SDRs are recognized in the Income Statement.

The position of Nepal's account with the IMF account is presented as below:

### **Financial Position in the Fund**

Particulars	As on 31st Ashadh 2070		As on 31st Ashadh 2069	
	Local Currency (NRs.)	SDR Equivalents	Local Currency (NRs.)	SDR Equivalents
<b><u>SPECIAL DRAWING RIGHT:</u></b>				
Net cumulative allocation	9,787,751,065	68,099,599	9,108,185,167	68,099,599
Holdings	6,636,028,947	46,171,067	7,368,831,080	55,094,888
<b><u>OUTSTANDING PURCHASES &amp; LOANS:</u></b>				
RCF Loans	4,099,094,040	28,520,000	3,814,492,960	28,520,000
ECF Arrangements	4,456,543,089	31,007,000	5,338,952,664	39,918,000
<b><u>OTHER INFORMATION</u></b>				
	<b><u>Per cent of Quota</u></b>		<b><u>Per cent of Quota</u></b>	
Quota	100.00	71,300,000	100.00	71,300,000
Currency Holding	99.98	71,283,862	99.98	71,283,862
Reserve Tranche Position	0.03	21,774	0.03	21,774

The SDR is converted into Nepalese rupees at conversion rate of NRs 143.727 (P.Y. Nrs. 133.748) per SDR.

Financial position in the IMF as on April 30, 2013 and comparative position as on April 30, 2012 has not been presented. However, such information is available in IMF website ([www.imf.org](http://www.imf.org)).

### 23. Number of Employees

The number of employees holding office at the end of the reporting period was as follows:

<b><u>2070 ASHADH</u></b>	<b><u>2069 ASHADH</u></b>
1388	1388

### 24. Events occurred after Balance Sheet Date

- i. The change in exchange rates of various foreign currencies results in decline in net foreign currency assets, exchange equalization fund and net profit/ (loss) for the period of the bank. The decrease is estimated to be around Rs. 2,374,526,710.
- ii. The estimated financial impact of changes in market price of Gold investment (other than inventories) after the balance sheet date is shown below:

S.No.	Particular	Market Price (Rs. per gram)		Increase / (Decrease)	Estimated Financial Statements Impact
		28 <sup>th</sup> Kartik 2070	31 <sup>st</sup> Ashadh 2070		
1	Gold investment	4206.64	3908.70	297.94	1,082,519,565
	<b>Total</b>				

The change in price results in increase in foreign currency financial assets (Gold), reserve (Gold and Silver equalization Reserve) and net profit/(loss) for the period of the bank. The impact is estimated to be around Rs. 1,082,519,565.

- iii. The estimated financial impact of changes in market price of investment in equity shares of Citizen Investment Trust is increase in value of investments in shares by Rs. 228,669,480 and an increase in the Fair value reserve by the equivalent amount.
- iv. In addition to above, there was no material event occurred subsequent to the balance sheet date that requires adjustments or disclosure in the financial statements.



# NEPAL RASTRA BANK

## NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION

PARTICULARS	As on 31-3-2070 NRs.	As on 31-3-2069 NRs.
<b>NOTE - 1: CASH AND BANK BALANCES</b>		
Cash in Hand	6,645,722,239	2,056,807,747
Balance with Banks in Demand Deposits	19,978,359,986	19,556,818,001
Asian Clearing Union	-	166,316,756
<b>Total</b>	<b>26,624,082,225</b>	<b>21,779,942,504</b>
<b>NOTE - 2: INVESTMENTS</b>		
<b>i. Treasury Bills</b>		
US Government Treasury Bills	14,249,194,400	22,147,858,095
GOI Treasury Bills	107,427,580,379	87,668,050,160
<b>Sub -Total</b>	<b>121,676,774,779</b>	<b>109,815,908,255</b>
<b>ii. Other</b>		
US Government Treasury Notes/Bond	949,449,048	885,878,443
Investment in Mid Term Instrument	8,389,781,637	10,129,211,498
Investment in Fixbis	7,575,023,362	3,420,298,346
Investment in Repurchase Agreement (Repo)	37,107,129,476	43,891,046,088
Balance with Banks in Time Deposits	250,743,751,576	185,599,736,543
Gold	14,201,725,639	10,858,431,055
<b>Sub -Total</b>	<b>318,966,860,737</b>	<b>254,784,601,973</b>
<b>Grand Total</b>	<b>440,643,635,517</b>	<b>364,600,510,228</b>
<b>Above investments are classified as follows:</b>		
Loans and receivables	-	-
Held-for-trading	51,308,855,115	54,749,477,144
Held-to-maturity	375,085,586,002	287,703,174,989
Available-for-sale	14,249,194,400	22,147,858,095
<b>Total</b>	<b>440,643,635,517</b>	<b>364,600,510,228</b>
<b>NOTE - 3: INVESTMENTS IN GOVERNMENT SECURITIES</b>		
Government Treasury Bills	12,968,932,488	24,846,244,265
Saving Certificates	2,719,118,000	3,121,604,000
Government Bond	13,374,657,448	4,900,523,150
Development Bond 2071 Gha	793,579,865	817,672,151
Other Bonds and securities	-	-
<b>Total</b>	<b>29,856,287,801</b>	<b>33,686,043,566</b>
<b>Above investments are classified as follows:</b>		
Loans and receivables	13,374,657,448	4,900,523,150
Held-for-trading	-	-
Held-to-maturity	793,579,865	817,672,151
Available-for-sale	15,688,050,488	27,967,848,265
<b>Total</b>	<b>29,856,287,801</b>	<b>33,686,043,566</b>

# NEPAL RASTRA BANK

## NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION

PARTICULARS	As on 31-3-2070 NRs.	As on 31-3-2069 NRs.
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### NOTE - 4: INVESTMENTS IN FINANCIAL AND OTHER INSTITUTIONS

	% of holding		
<b>(a) Investment in shares of Subsidiaries</b>			
Sudur Pashchimanchal GBB	68.46	40,050,000	40,050,000
Agricultural Project Services Center	62.50	5,000,000	5,000,000
Rastriya Beema Sansthan - Life Insurance	55.56	1,000,000	1,000,000
<b>Sub-Total</b>		<b>46,050,000</b>	<b>46,050,000</b>
<b>(b) Investment in shares of Associates</b>			
Nepal Stock Exchange Ltd.	34.60	12,080,500	12,080,500
National Productivity and Economic Development	31.52	2,500,000	2,500,000
<b>Sub-Total</b>		<b>14,580,500</b>	<b>14,580,500</b>
<b>(c) Other Investments</b>			
<b>Shares:</b>			
Deposit & Credit Guarantee Corporation	10.00	61,700,000	20,500,000
Nepal Clearing House	10.00	15,000,000	12,857,000
Rural Microfinance Development Centre	6.58	21,045,000	21,045,000
Pashchimanchal GBB	10.00	6,000,000	6,000,000
Nepal Development Bank	5.00	16,000,000	16,000,000
Credit Information Bureau	10.25	3,500,000	3,500,000
Citizen Investment Trust	13.35	330,748,920	120,897,600
National Banking Training Centre	10.00	5,000,000	5,000,000
<b>Sub-Total</b>		<b>458,993,920</b>	<b>205,799,600</b>
<b>Total</b>		<b>519,624,420</b>	<b>266,430,100</b>
Less: Provision for diminution in the value		61,050,000	61,050,000
<b>Total</b>		<b>458,574,420</b>	<b>205,380,100</b>

### NOTE - 5: OTHER INVESTMENTS

<b>Investment of funds:</b>		
Fixed deposits with commercial banks and Financial Institutions	15,519,464,773	11,821,010,000
Less: Provision for doubtful Investment	1,216,354,773	1,278,605,000
<b>Sub Total</b>	<b>14,303,110,000</b>	<b>10,542,405,000</b>
<b>Other Investments:</b>		
Investment in Rural Self Reliance Fund	253,400,000	253,400,000
<b>Sub Total</b>	<b>253,400,000</b>	<b>253,400,000</b>
<b>Grand Total</b>	<b>14,556,510,000</b>	<b>10,795,805,000</b>

**NEPAL RASTRA BANK**

**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

PARTICULARS	As on 31-3-2070 NRs.	As on 31-3-2069 NRs.
	<hr/>	<hr/>
<b>NOTE - 6: LOANS &amp; RECEIVABLES AND REFINANCE</b>		
<b>LOANS AND RECEIVABLES</b>		
Loans to Employees	4,193,014,230	4,126,992,914
<b>Sub-Total</b>	<b>4,193,014,230</b>	<b>4,126,992,914</b>
<b>REFINANCE</b>		
Refinance to Commercial Banks	2,177,624,256	458,480,000
Securities purchased under resale agreement	-	-
Refinance to Financial Institutions	580,000,000	11,500,000
	<b>2,757,624,256</b>	<b>469,980,000</b>
Less: Provision for doubtful Loans	10,000,000	10,000,000
<b>Sub-Total</b>	<b>2,747,624,256</b>	<b>459,980,000</b>
<b>Total</b>	<b>6,940,638,486</b>	<b>4,586,972,914</b>
	<hr/>	<hr/>
<b>NOTE - 7: OTHER RECEIVABLE</b>		
<b>Interest Accrued</b>	<b>1,143,366,819</b>	<b>2,919,924,329</b>
Less: Provision for doubtful amounts	-	-
Less: Interest suspense	310,165,695	182,366,083
<b>Net Interest Accrued</b>	<b>833,201,124</b>	<b>2,737,558,246</b>
<b>Advances Recoverable</b>	<b>2,852,741,559</b>	<b>1,201,871,064</b>
Less: Provision for doubtful amounts	10,329,878	10,329,878
<b>Net Advance Recoverable</b>	<b>2,842,411,681</b>	<b>1,191,541,185</b>
Deposits	1,672,504	1,664,504
Bills Purchased	392,338,808	470,495,611
<b>Total</b>	<b>4,069,624,116</b>	<b>4,401,259,546</b>
	<hr/>	<hr/>
<b>NOTE - 8: GOLD &amp; SILVER STOCK</b>		
Gold held in Stock	350,689,509	244,182,691
Silver held in Stock	62,928,980	48,430,276
<b>Total Gold and silver stock</b>	<b>413,618,489</b>	<b>292,612,967</b>
	<hr/>	<hr/>
<b>NOTE - 9: OTHER INVENTORIES</b>		
Security Note Stock	594,126,034	1,014,932,586
Coin Stock	687,462,911	820,688,275
Numismatic and Medallion coins	13,542,739	29,774,421
Other Metal Stock	33,473,187	24,665,244
Dispensory stock	379,121	468,248
<b>Total Inventories</b>	<b>1,328,983,991</b>	<b>1,890,528,774</b>
Less: Provisions for:		
Non-moving Numismatic and Medallion coins	(22,465,794)	(22,465,794)
Non-moving Other Metal stock	(8,716,000)	(8,716,000)
Unissuable Note Stock	(3,775,258)	-
<b>Total Inventories net of Provisions</b>	<b>1,294,026,939</b>	<b>1,859,346,980</b>
	<hr/>	<hr/>

**NEPAL RASTRA BANK**  
NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION

**NOTE - 10 : STATEMENT OF PROPERTY, PLANT & EQUIPMENT**

Particulars	Land	Building	Computer & Accessories	Vehicles	Machinery Equipment	Office Equipment	Furniture and Fixture	Other Assets	Capital Work in Progress	Total Assets	
<b>Depreciation Rate</b>		<b>3%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>10%</b>	<b>20%</b>			
Original Cost	Balance as on 1 <sup>st</sup> Shrawan 2068	31,349,239	561,449,546	141,987,071	174,095,275	70,821,912	85,933,917	53,431,824	4,730,257	3,488,487	1,127,287,528
	Addition during the Year	-	6,244,403	18,076,333	34,144,000	8,358,431	12,527,785	1,133,858	32,001	28,433	80,545,244
	Disposal/Write Off/Adjustment	-	(367,944)	(3,932,619)	84,524	30,727,821	208,712	(34,054,913)	(49,456)	(3,488,487)	(10,872,362)
	Balance as on 31 <sup>st</sup> Ashadh 2069	31,349,239	567,326,005	156,130,785	208,323,799	109,908,164	98,670,413	20,510,769	4,712,802	28,433	1,196,960,410
Accumulated Depreciation	Balance as on 1 <sup>st</sup> Shrawan 2068	-	184,439,206	112,084,733	127,100,417	62,349,725	71,922,388	44,375,774	4,180,972	-	606,453,214
	Depreciation for the Year	-	16,701,857	13,101,536	14,997,197	4,946,974	5,880,453	668,117	320,611	-	56,616,745
	Disposal/Write Off/Adjustment	-	(304,407)	(3,868,656)	84,524	27,012,775	(1,814,768)	(28,316,370)	(49,455)	-	(7,256,356)
	Balance as on 31 <sup>st</sup> Ashadh 2069	-	200,836,655	121,317,613	142,182,138	94,309,474	75,988,073	16,727,521	4,452,129	-	655,813,603
<b>Net Book Value as on 31<sup>st</sup> Ashadh 2069</b>	<b>31,349,239</b>	<b>366,489,350</b>	<b>34,813,173</b>	<b>66,141,661</b>	<b>15,598,690</b>	<b>22,682,340</b>	<b>3,783,248</b>	<b>260,673</b>	<b>28,433</b>	<b>541,146,807</b>	
Original Cost	Balance as on 1 <sup>st</sup> Shrawan 2069	31,349,239	567,326,005	156,130,785	208,323,799	109,908,164	98,670,413	20,510,769	4,712,802	28,433	1,196,960,410
	Addition during the Year	-	3,650,545	31,486,307	2,865,000	774,000	8,522,771	1,238,395	55,000	15,541,035	64,133,054
	Disposal/Write Off/Adjustment	(14,686)	(708,673)	(5,780,657)	(20,503,118)	(1,318,141)	(4,794,866)	(184,622)	(132,065)	-	(33,436,828)
	Balance as on 31 <sup>st</sup> Ashadh 2070	31,334,553	570,267,876	181,836,436	190,685,681	109,364,023	102,398,319	21,564,542	4,635,737	15,569,468	1,227,656,636
Accumulated Depreciation	Balance as on 1 <sup>st</sup> Shrawan 2069	-	200,836,655	121,317,613	142,182,138	94,309,474	75,988,073	16,727,521	4,452,129	-	655,813,603
	Depreciation for the Year	-	16,848,119	13,087,224	20,604,980	4,491,057	5,890,348	746,699	108,658	-	61,777,084
	Disposal/Write Off/Adjustment	-	(439,097)	(6,683,185)	(19,863,108)	(523,714)	(5,049,516)	(81,655)	(73,999)	-	(32,714,274)
	Balance as on 31 <sup>st</sup> Ashadh 2070	-	217,245,676	127,721,653	142,924,009	98,276,817	76,828,905	17,392,566	4,486,788	-	684,876,413
<b>Net Book Value as on 31<sup>st</sup> Ashadh 2070</b>	<b>31,334,553</b>	<b>353,022,200</b>	<b>54,114,783</b>	<b>47,761,671</b>	<b>11,087,206</b>	<b>25,569,414</b>	<b>4,171,976</b>	<b>148,950</b>	<b>15,569,468</b>	<b>542,780,223</b>	

Allowances for obsolescences has been made for Rs. 3,352,949 on Building under Construction which is presented under Capital Work in Progress

**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

**NOTE - 11 : INTANGIBLE ASSETS**

Particulars		Computer Software			Total Assets
		Finite Useful Life	Infinite Useful Life		
Depreciation Rate			20%	10%	
Original Cost	Balance as on 1 <sup>st</sup> Shrawan 2068	3,627,717	3,288,653		6,916,370
	Addition during the Year	2,813,035	370,495		146,315,762
	Disposal/Write Off/Adjustment				-
	Balance as on 31 <sup>st</sup> Ashadh 2069	6,440,752	3,659,148	-	146,315,762
Accumulated Amortisation	Balance as on 1 <sup>st</sup> Shrawan 2068	2,794,089	2,086,037		4,880,126
	Amortisation for the Year	726,533	881,548		1,608,081
	Disposal/Write Off/Adjustment				-
	Balance as on 31 <sup>st</sup> Ashadh 2069	3,520,622	2,967,585	-	6,488,207
<b>Net Book Value as on 31<sup>st</sup> Ashadh 2069</b>		<b>2,920,130</b>	<b>691,563</b>	<b>-</b>	<b>146,315,762</b>
Original Cost	Balance as on 1 <sup>st</sup> Shrawan 2069	6,440,752	3,659,148		146,315,762
	Addition during the Year	472,340	290,000	229,272,935	82,957,173
	Disposal/Write Off/Adjustment				(229,272,935)
	Balance as on 31 <sup>st</sup> Ashadh 2070	6,913,092	3,949,148	229,272,935	-
Accumulated Amortisation	Balance as on 1 <sup>st</sup> Shrawan 2069	3,520,622	2,967,585	-	6,488,207
	Amortisation for the Year	1,323,794	659,825	3,821,216	5,804,834
	Disposal/Write Off/Adjustment	-	-	-	-
	Balance as on 31 <sup>st</sup> Ashadh 2070	4,844,416	3,627,410	3,821,216	-
<b>Net Book Value as on 31<sup>st</sup> Ashadh 2070</b>		<b>2,068,676</b>	<b>321,738</b>	<b>225,451,719</b>	<b>-</b>
					<b>227,842,133</b>

**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

PARTICULARS	As on 31-3-2070 NRs.	As on 31-3-2069 NRs.
<b>NOTE - 12: DEPOSIT FROM BANKS AND OTHER AGENCIES</b>		
Deposit from Banks and Financial Institutions	1,593,446,797	922,928,956
Foreign Diplomatic Missions and other agencies	573,691	77,440,270
<b>Total</b>	<b>1,594,020,488</b>	<b>1,000,369,226</b>
<b>NOTE - 13: IMF RELATED LIABILITIES</b>		
<b>Special Drawing Right Allocation</b>	9,787,751,065	9,108,185,167
<b>Interest Bearing Loan :</b>		
Loan under Extended Credit Facility (ECF)	4,099,094,040	5,338,952,664
Loan under Rapid Credit Facility (RCF)	4,456,543,089	3,814,492,960
<b>Total</b>	<b>18,343,388,194</b>	<b>18,261,630,791</b>
<b>NOTE - 14: OTHER LIABILITIES</b>		
Interest Payable	1,653,043	2,373,189
Bills Payable	3,814,245	
Asian Clearing Union	73,727,835	-
<b>Total</b>	<b>79,195,123</b>	<b>2,373,189</b>
<b>NOTE -15: IMF Related Deposit Liabilities</b>		
IMF Account No 1	7,029,851,169	5,879,421,428
IMF Account No 2	753,354	662,480
<b>Total</b>	<b>7,030,604,523</b>	<b>5,880,083,908</b>
<b>NOTE -16: DEPOSIT AND OTHER BALANCES</b>		
Deposits from Banks and Financial Insitutions	138,593,070,857	99,218,954,797
Balances of Other Insitutions	5,391,982,581	18,221,687,493
Earnest Money	20,598,830	15,497,758
Money Changer	10,959,500	9,529,000
Margin against LCs	3,532,775,567	3,775,518,306
<b>Total</b>	<b>147,549,387,334</b>	<b>121,241,187,353</b>

Balances of Banks and Financial institutions also include the Cash Reserve Ratio (CRR) required to be maintained by commercial banks. Balances of Other Institutions include deposit of government corporations, companies and local authorities etc.

**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

<b>PARTICULARS</b>	<b>As on 31-3-2070</b> <b>NRs.</b>	<b>As on 31-3-2069</b> <b>NRs.</b>
<b>NOTE - 17: STAFF LIABILITIES</b>		
Medical Fund (Includes Medical earning fund, interest, etc)	434,010,639	408,603,533
Welfare Provident Fund	58,749,140	56,925,542
Gratuity and Pension Fund	5,920,434,512	6,333,263,487
Staff Security Fund	1,468,349,389	1,084,937,844
Liability for Staff Leave Encashment	715,584,569	607,072,254
Liability for Retired staff insurance premium	156,594,181	24,362,620
Other payable to staff	-	17,641,400
<b>Total</b>	<b>8,753,722,429</b>	<b>8,532,806,680</b>
<b>NOTE - 18: OTHER PAYABLES</b>		
Insurance Premium collected from Staff	219,088,414	1,590,360,703
Less: Advance Insurance Premium paid on behalf of Staff	-	(1,357,833,938)
Other Payables of Project	726,980	933,981
<b>Total</b>	<b>219,815,394</b>	<b>233,460,746</b>
<b>NOTE -19: CURRENCY IN CIRCULATION</b>		
Currency in Circulation	233,460,000,000	201,250,000,000
The Currency in Circulation liabilities are supported by following securities :		
Foreign currency balance held abroad	217,852,268,000	181,470,568,000
Foreign Securities	15,607,732,000	15,607,732,000
Government Securities	-	4,171,700,000
<b>Total</b>	<b>233,460,000,000</b>	<b>201,250,000,000</b>

**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

<b>PARTICULARS</b>	<b>For the Year Ended 31-3-2070 NRs.</b>	<b>For the Year Ended 31-3-2069 NRs.</b>
	<u>          </u>	<u>          </u>
<b>NOTE - 20: SUNDRY LIABILITIES</b>		
Sundry creditors	2,780,050,000	747,014,354
Unclaimed	3,657,045	3,253,468
Bills Collection	5,340,899	11,043,569
Less: Bills Lodged	<u>5,340,899</u>	<u>11,043,569</u>
Pension Payable to NRB Ex-Staff	39,842,185	162,526,670
General Account	484,130,342	445,019,987
Note Kosh account	-	(12,417,072)
Deferred Grand Income	477,219	722,599
Other Liabilities	12,549,884,460	362,720,603
<b>Total</b>	<b><u>15,858,041,251</u></b>	<b><u>1,708,840,609</u></b>



**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

PARTICULARS	As on 31-3-2070 NRs.	As on 31-3-2069 NRs.
<b>NOTE - 21: RESERVES</b>		
<b>Capital Reserve:</b>		
Gold and Silver Equalization Reserve	5,188,627,188	6,842,519,010
<b>Statutory Reserve:</b>		
General Reserve	17,849,740,978	16,492,203,776
Monetary Liabilites Reserve	2,501,376,500	2,080,978,400
Exchange Equalization Fund	58,089,470,277	42,526,599,718
<b>Other Reserves and Funds:</b>		
Development Fund	5,687,503,358	5,047,503,359
Banking Development Fund	781,941,806	707,871,125
Development Finance Project Mob. Fund	203,766,088	188,485,688
Liquidity Stabilization fund	87,000,000	62,000,000
Mechanisation Fund	791,316,414	591,316,414
Scholarship Fund	61,594,504	61,594,504
Mint Development Fund	547,712,943	547,712,943
Gold Replacement Fund	1,325,444,077	1,149,768,420
Investment Revaluation Reserve	855,478,196	2,449,259
Rural Self Reliance Fund (GS Kosh)	253,400,000	253,400,000
Fair Value Reserve for Equity Instruments	330,738,920	120,887,600
Actuarial Gain/Loss Fund	277,557,837	-
Project Split Interest Reserve Fund	4,233,489	4,233,489
Deficit due to Restatement of Prior Period Errors	-	(2,811,824)
<b>Total Reserves and Funds</b>	<b>94,836,902,576</b>	<b>76,676,711,881</b>

**The Board of Directors of the Bank has appropriated the following amount to different fund during the year**

<b>Net Profit for the year</b>	<b>23,172,781,540</b>	<b>38,300,425,089</b>
Transfer (to)/from Exchange Equalisation Fund	(15,562,870,559)	(30,764,828,683)
Transfer (to)/from Gold & Silver Equalisation Reserve	1,653,891,818	(1,706,448,801)
Securities Revaluation Fund	(853,028,937)	(2,449,259)
Surplus/(Deficit) due to Restatement of Prior Period Errors	(2,811,824)	6,426,511
<b>Profit available for distribution</b>	<b>8,407,962,038</b>	<b>5,833,124,857</b>
General Reserve	1,357,537,200	593,866,400
Monetary Liability Reserve	420,398,100	282,378,400
Development Fund	640,000,000	40,000,000
Dev. Fin. Projects Mob. Fund	15,280,400	15,957,525
Liquidity Stabilization Fund	25,000,000	20,000,000
Mechanization Fund	200,000,000	400,000,000
Banking Development Fund	74,070,681	68,783,806
Gold Replacement Fund	175,675,657	187,950,550
Surplus to be transferred to GON	5,500,000,000	4,227,000,000
Deficit due to Restatement of Prior Period Errors	-	(2,811,824)
<b>Total</b>	<b>8,407,962,038</b>	<b>5,833,124,857</b>

**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

**NOTE - 22a : Movement of Provisions.**

<b>Particulars</b>	<b>As on 31-3-2069</b>	<b>Addition</b>	<b>Withdrawn</b>	<b>Adjustment</b>	<b>As on 31-3-2070</b>
Leave encashment	607,072,254	186,800,567	(78,288,253)	-	715,584,569
Gratuity and Pension Fund	6,333,263,488	186,182,609	(431,624,835)	(167,386,750)	5,920,434,512
Staff Security Fund	1,084,937,843	100,859,809	(103,042,287)	385,594,024	1,468,349,389
Staff Medical Earning Fund	389,483,832	-	-	-	434,010,639
Diminution in value of investment in Shares	61,050,000	-	-	-	61,050,000
Provision for advance recoverable	10,329,878	-	-	-	10,329,878
Provision for doubtful loans	10,000,000	-	-	-	10,000,000
Nuismatic and Medallion Coins	22,465,793	-	-	-	22,465,793
Provision for non moving metal stock	8,716,000	-	-	-	8,716,000
Provision for Unissuable Note Stock	-	3,775,258	-	-	3,775,258
Provision for other investments	1,278,605,000	-	(62,250,227)	-	1,216,354,773
Provision for building in construction	3,352,949	-	-	-	3,352,949
<b>Total</b>	<b>9,809,277,037</b>	<b>477,618,243</b>	<b>(675,205,602)</b>	<b>218,207,274</b>	<b>9,874,423,759</b>

<b>PARTICULARS</b>	<b>As on 31-3-2070</b>	<b>As on 31-3-2069</b>
	<b>NRs.</b>	<b>NRs.</b>

**NOTE - 22b: Contingent Liabilities and Commitments**

Letters of Credit	39,749,417,595	1,233,905,787
Guarantees Issued	-	24,849,373
Unclaimed account transfer to P/L account	100,066,715	100,066,715
Capital Commitment	29,061,255	31,088,411
<b>Total</b>	<b>39,878,545,565</b>	<b>1,389,910,286</b>

1. Contingent liabilities in respect of Letter of Credit (L/C) are determined on the basis of LCs remaining unexpired at the Balance sheet date after adjusting therefrom the margin retained by the bank. In addition to above, Letter of Credit opened for various projects of Nepal Government for which grants is received from various donor agencies, liability of such letter of credit is met directly by the donor agencies, hence it is not shown as contingent liabilities of the bank.

**NEPAL RASTRA BANK**  
NOTES FORMING PART OF THE INCOME STATEMENT

PARTICULARS	For the Year Ended 31-3-2070 NRs.	For the Year Ended 31-3-2069 NRs.
<b>NOTE - 23: INTEREST INCOME</b>		
<b>Foreign Currency Financial Assets</b>		
Treasury bills & Deposits	9,392,957,675	8,484,984,205
SDR Holding & Asian Clearing Union	5,388,379	15,444,535
<b>Subtotal</b>	<b>9,398,346,054</b>	<b>8,500,428,740</b>
<b>Local Currency Financial Assets</b>		
Government Securities	1,417,911,882	98,003,065
Investment in financial and other institutions	669,404,505	3,479,167,403
Overdraft to Government	-	94,696,476
Loans and Refinance	56,776,327	130,427,914
<b>Subtotal</b>	<b>2,144,092,714</b>	<b>3,802,294,858</b>
<b>Total interest income from financial assets</b>	<b>11,542,438,768</b>	<b>12,302,723,598</b>
<b>NOTE - 24: COMMISSION INCOME</b>		
<b>Foreign Currency Financial Assets</b>		
On Currency exchange	44,444,998	244,800,337
<b>Local Currency Financial Assets</b>		
Government transaction & Other services	47,257,816	4,268,845
<b>Total Commission income from financial assets</b>	<b>91,702,814</b>	<b>249,069,182</b>
<b>NOTE - 25: INTEREST EXPENSES</b>		
<b>Foreign Currency Financial Liabilities</b>		
SDR Allocation & PRGF Loan	6,962,045	18,137,209
Others	42,771	21,582
<b>Sub Total</b>	<b>7,004,816</b>	<b>18,158,791</b>
<b>Local Currency Financial Liabilities</b>		
Government Securities	114,884,495	176,437,818
<b>Sub Total</b>	<b>114,884,495</b>	<b>176,437,818</b>
<b>Total Interest Expense on Financial Liabilities</b>	<b>121,889,310</b>	<b>194,596,609</b>
<b>NOTE - 26: AGENCY AND SERVICE CHARGE</b>		
<b>Foreign Currency Liabilities</b>		
Service Charge	-	-
Commission	7,455,852	6,089,191
<b>Sub Total</b>	<b>7,455,852</b>	<b>6,089,191</b>
<b>Local Currency Liabilities</b>		
Agency Expenses	298,255,610	340,824,841
<b>Sub Total</b>	<b>298,255,610</b>	<b>340,824,841</b>
<b>Total Agency and Service Charge</b>	<b>305,711,462</b>	<b>346,914,032</b>
<b>Agency Expenses includes agency commission paid to the following banks for operating government accounts.</b>		
Nepal Bank Ltd.	105,000,000	116,100,000
Rastriya Banijya Bank	177,600,000	197,100,000
Nepal Bangladesh Bank	2,700,000	2,700,000
Everest Bank Ltd	1,200,000	1,200,000
<b>Total</b>	<b>286,500,000</b>	<b>317,100,000</b>

**NEPAL RASTRA BANK**  
**NOTES FORMING PART OF THE INCOME IN STATEMENT**

<b>PARTICULARS</b>	<b>For the Year Ended 31-3-2070 NRs.</b>	<b>For the Year Ended 31-3-2069 NRs.</b>
<b>NOTE - 27: OTHER OPERATING INCOME</b>		
Income from Mint (Sale of coin)	110,845,928	145,036,677
Gain from Sale of Precious Metals and Coins	175,675,657	187,950,532
Fine/Penalty Charge	13,468,650	29,109,763
Profit from Sale of Assets	4,245,354	-
Dividend Income	6,408,531	639,395
Provision on Investment Written Back (Net)	62,250,227	-
Project Income	14,803,545	15,957,464
Grant Income	245,380	245,459
Miscellaneous	98,110,197	163,717,505
<b>Total</b>	<b>486,053,470</b>	<b>542,656,795</b>

**NEPAL RASTRA BANK**  
NOTES FORMING PART OF THE INCOME STATEMENT

PARTICULARS	Note	For the Year Ended 31-3-2070 NRs.	For the Year Ended 31-3-2069 NRs.
<b>NOTE - 28: GENERAL, ADMINISTRATIVE EXPENSES &amp; PROVISIONS</b>			
Staff Costs	28 a	1,835,851,032	4,939,823,824
Depreciation and amortization		67,581,918	58,224,826
Directors Fees and Expenses		2,945,161	2,955,222
Note Printing charges		593,176,992	649,863,713
Mint Expenses		97,314,884	256,043,131
Security charges		18,538,741	18,503,842
Remittance charges		53,750,817	59,404,083
Travelling expenses		168,663,749	132,009,655
Insurance charges		57,355,126	66,376,685
Repair & Maintenance		21,360,449	23,099,503
Provisions on loans & advances, Investments, etc.	28 b	3,775,258	265,076,010
Miscellaneous	28 c	361,506,289	254,860,094
<b>Total</b>		<b>3,281,820,417</b>	<b>6,726,240,588</b>
<b>28 a Staff Costs</b>			
Salary		482,934,742	504,378,885
Allowances		389,188,792	325,637,822
Provident Fund Contribution		49,622,143	43,568,752
Staff Welfare (Including Medical fund contribution)		62,322,546	348,586,158
Staff Welfare Provident Fund		280,000,000	260,000,000
Pension & Gratuity Fund		186,182,609	2,764,372,517
Staff Security Fund		100,859,809	425,354,156
Staff leave compensations		186,800,567	180,823,211
Others		97,939,824	87,102,323
<b>Total</b>		<b>1,835,851,032</b>	<b>4,939,823,824</b>
<b>28 b Provision on loans &amp; advances, Investments, etc.</b>			
Provision for doubtful Loans & Advances		-	-
Provision for Diminution in the value of Investments		-	-
Provision for Provision for Unissuable Note Stock		3,775,258	-
Provision for retired Staff Insurance Premium		-	3,493,183
Provision for Doubtful investment and Others		-	261,582,827
Provision for sundry Accrued		-	-
<b>Total</b>		<b>3,775,258</b>	<b>265,076,010</b>
<b>28 c Miscellaneous Expenses</b>			
Banking Promotion		22,616,260	26,560,244
Audit Fees and Expenses		1,606,998	1,142,826
Sundry Balances Written Off		-	195,822
Assets Written Off		635,846	-
Others		336,647,185	226,961,202
<b>Total</b>		<b>361,506,289</b>	<b>254,860,094</b>

**NEPAL RASTRA BANK**

**NOTES FORMING PART OF THE STATEMENT OF FINANCIAL POSITION**

<b>PARTICULARS</b>	<b>As on 31-3-2070</b>	<b>As on 31-3-2069</b>
	<b>NRs.</b>	<b>NRs.</b>
<b>NOTE - 29: CASH AND CASH EQUIVALENT</b>		
Foreign currency cash and bank balance	26,550,354,390	21,779,942,504
Foreign currency time deposits	130,872,857,869	185,599,736,543
Local currency in hand	4,635,398,459	2,167,533,092
SDR holdings	6,636,028,947	7,368,831,080
Investment in Treasury Bills/Notes	121,676,774,779	109,815,908,255
Investment in Fixbis	7,575,023,362	3,420,298,346
Investment in repurchase agreement (Repo)	37,107,129,476	43,891,046,088
<b>Total</b>	<b>335,053,567,282</b>	<b>374,043,295,908</b>

NEPAL RASTRA BANK

Table 1 : Interest Rate Risk and Maturity Profile (Foreign Currency)  
As on 31st Ashadh 2070

Particulars	Weighted Average Interest Rate %	Amount in Rs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
<b>Interest Sensitive Foreign Currency Financial Assets</b>					
Cash and Bank Balance	0.25	26,624,082,225	26,624,082,225	-	-
Investment in Foreign Currency	2.57	440,643,635,517	406,040,859,857	14,711,712,482	19,891,063,178
IMF Related Assets	0.12	6,636,028,947	6,636,028,947	-	-
<b>Total Interest Sensitive Foreign Currency Financial Assets</b>	<b>A</b>	<b>473,903,746,689</b>	<b>439,300,971,029</b>	<b>14,711,712,482</b>	<b>19,891,063,178</b>
<b>Non Interest Sensitive Foreign Currency Financial Assets</b>					
Other Receivable		532,506,856	532,506,856	-	-
Other Securities		0	0	-	0
<b>Total Non Interest Sensitive Foreign Currency Financial Assets</b>		<b>532,506,856</b>	<b>532,506,856</b>	<b>-</b>	<b>0</b>
<b>Total Foreign Currency Financial Assets</b>	<b>B</b>	<b>474,436,253,545</b>	<b>439,833,477,885</b>	<b>14,711,712,482</b>	<b>19,891,063,178</b>
<b>Interest Sensitive Foreign Currency Financial Liabilities</b>					
IMF Related Liabilities	0.12	18,343,388,194	-	-	18,343,388,194
Asian Clearing Union		-	-	-	-
<b>Total Interest Sensitive Foreign Currency Financial Liabilities</b>	<b>C</b>	<b>18,343,388,194</b>	<b>0</b>	<b>-</b>	<b>18,343,388,194</b>
<b>Non Interest Sensitive Foreign Currency Financial Liabilities</b>					
Deposit from banks and other agencies		1,594,020,488	1,594,020,488	-	-
IMF Related Liabilities		-	-	-	-
Other Liabilities		79,195,123	79,195,123	-	-
<b>Total Non Interest Sensitive Foreign Currency Financial Liabilities</b>		<b>1,673,215,611</b>	<b>1,673,215,612</b>	<b>-</b>	<b>-</b>
<b>Total Foreign Currency Financial Liabilities</b>	<b>D</b>	<b>20,016,603,805</b>	<b>1,673,215,612</b>	<b>-</b>	<b>18,343,388,194</b>
<b>Foreign Currency Interest Rate Sensitivity Gap (A-C)</b>		<b>455,560,358,495</b>	<b>439,300,971,029</b>	<b>14,711,712,482</b>	<b>1,547,674,984</b>
<b>Total Gap (B-D)</b>		<b>454,419,649,740</b>	<b>438,160,262,273</b>	<b>14,711,712,482</b>	<b>1,547,674,984</b>

Table 1 : Interest Rate Risk and Maturity Profile (Foreign Currency)  
As on 31st Ashadh 2069

Particulars	Weighted Average Interest Rate %	Amount in Rs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
<b>Interest Sensitive Foreign Currency Financial Assets</b>					
Cash and Bank Balance	0.15	21,779,942,504	21,779,942,504	-	-
Investment in Foreign Currency	2.63	364,600,510,228	343,612,867,675	9,444,818,055.24	11,542,824,497
IMF Related Assets	0.12	7,368,831,080	7,368,831,080	-	-
<b>Total Interest Sensitive Foreign Currency Financial Assets</b>	<b>A</b>	<b>393,749,283,812</b>	<b>372,761,641,259</b>	<b>9,444,818,055</b>	<b>11,542,824,497</b>
<b>Non Interest Sensitive Foreign Currency Financial Assets</b>					
Other Receivable		1,360,298,093	1,360,298,093	-	-
Other Securities		-	-	-	-
<b>Total Non Interest Sensitive Foreign Currency Financial Assets</b>		<b>1,360,298,093</b>	<b>1,360,298,093</b>	<b>-</b>	<b>-</b>
<b>Total Foreign Currency Financial Assets</b>	<b>B</b>	<b>395,109,581,905</b>	<b>374,121,939,352</b>	<b>9,444,818,055</b>	<b>11,542,824,497</b>
<b>Interest Sensitive Foreign Currency Financial Liabilities</b>					
IMF Related Liabilities	0.12	18,261,630,791	-	-	18,261,630,791
Asian Clearing Union		-	-	-	-
<b>Total Interest Sensitive Foreign Currency Financial Liabilities</b>	<b>C</b>	<b>18,261,630,791</b>	<b>-</b>	<b>-</b>	<b>18,261,630,791</b>
<b>Non Interest Sensitive Foreign Currency Financial Liabilities</b>					
Deposit from banks and other agencies		1,000,369,226	1,000,369,226	-	-
IMF Related Liabilities		0	-	-	-
Other Liabilities		2,373,189	2,373,189	-	-
<b>Total Non Interest Sensitive Foreign Currency Financial Liabilities</b>		<b>1,002,742,415</b>	<b>1,002,742,415</b>	<b>-</b>	<b>-</b>
<b>Total Foreign Currency Financial Liabilities</b>	<b>D</b>	<b>19,264,373,206</b>	<b>1,002,742,415</b>	<b>0</b>	<b>18,261,630,791</b>
<b>Foreign Currency Interest Rate Sensitivity Gap (A-C)</b>		<b>375,487,653,021</b>	<b>372,761,641,259</b>	<b>9,444,818,055</b>	<b>(6,718,806,294)</b>
<b>Total Gap (B-D)</b>		<b>375,845,208,699</b>	<b>373,119,196,937</b>	<b>9,444,818,055</b>	<b>(6,718,806,294)</b>

NEPAL RASTRA BANK

Table 1: Interest Rate Risk and Maturity Profile (Local Currency)  
As on 31st Ashadh 2070

Particulars	Weighted Average Interest Rate %	2011-12 Total NRs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
<b>Interest Sensitive Local Currency Financial Assets</b>					
Investment in Government Securities		16,481,630,353	19,350,822,141	793,579,865	2,719,118,000
GON Overdraft		0	-	-	-
Other Investments	7.42	10,363,495,770	-	-	10,363,495,770
Refinance & Loans		6,940,638,486	6,940,638,486	-	-
<b>Total Interest Sensitive Local Currency Financial Assets</b>	<b>E</b>	<b>33,785,764,609</b>	<b>26,291,460,627</b>	<b>793,579,865</b>	<b>13,082,613,770</b>
<b>Non Interest Sensitive Local Currency Financial Assets</b>					
Cash in Hand		4,635,398,459	4,635,398,459	-	-
Investment in Government Securities		13,374,657,448	-	-	13,374,657,448
Investment in Financial & Other Institutions		458,574,420	-	-	458,574,420
Refinance & Loans (Loans to employees)		4,193,014,230	-	-	4,193,014,230
Other Receivables		4,069,624,116	4,464,752,096	-	-
<b>Total Non Interest Sensitive Local Currency Financial Assets</b>		<b>26,731,268,673</b>	<b>9,100,150,555</b>	<b>-</b>	<b>18,026,246,098</b>
<b>Total Local Currency Financial Assets</b>	<b>F</b>	<b>60,517,033,282</b>	<b>35,391,611,182</b>	<b>793,579,865</b>	<b>31,108,859,868</b>
<b>Interest Sensitive Local Currency Financial Liabilities</b>					
<b>Total Interest Sensitive Local Currency Financial Liabilities</b>	<b>G</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Interest Sensitive Local Currency Financial Liabilities</b>					
Deposit and Other Balances		155,096,076,801	155,096,076,801	-	-
Bills Payable		734,091,342	734,091,342	-	-
Staff Liabilities		8,753,722,429	-	-	8,753,722,429
Other Payables		219,815,394	219,815,394	-	-
<b>Total Non Interest Sensitive Local Currency Financial Liabilities</b>		<b>164,803,705,966</b>	<b>156,049,983,537</b>	<b>-</b>	<b>8,753,722,429</b>
<b>Total Local Currency Financial Liabilities</b>	<b>H</b>	<b>164,803,705,966</b>	<b>156,049,983,537</b>	<b>-</b>	<b>8,753,722,429</b>
<b>Local Currency Interest Rate Sensitivity Gap (E-G)</b>		<b>33,785,764,609</b>	<b>26,291,460,627</b>	<b>793,579,865</b>	<b>13,082,613,770</b>
<b>Total Gap (F-H)</b>		<b>(104,286,672,684)</b>	<b>(120,658,372,355)</b>	<b>793,579,865</b>	<b>22,355,137,439</b>

Table 1: Interest Rate Risk and Maturity Profile (Local Currency)  
As on 31st Ashadh 2069

Particulars	Weighted Average Interest Rate %	2010-11 Total NRs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
<b>Interest Sensitive Local Currency Financial Assets</b>					
Investment in Government Securities	5.58	28,785,520,416	19,350,822,141	6,138,319,333	3,296,378,942
GON Overdraft		0	-	-	-
Other Investments	9.66	10,795,805,000	-	-	10,390,905,000
Refinance & Loans	6.70	459,980,000	459,980,000	-	-
<b>Total Interest Sensitive Local Currency Financial Assets</b>	<b>E</b>	<b>40,041,305,416</b>	<b>19,810,802,141</b>	<b>6,138,319,333</b>	<b>13,687,283,942</b>
<b>Non Interest Sensitive Local Currency Financial Assets</b>					
Cash in Hand		2,167,533,092	2,167,533,092	-	-
Investment in Government Securities		4,900,523,150	-	-	4,900,523,150
Investment in Financial & Other Institutions		205,380,100	-	-	205,380,100
Refinance & Loans (Loans to employees)		4,126,992,914	-	-	4,126,992,914
Other Receivables		4,401,259,546	4,401,259,546	-	-
<b>Total Non Interest Sensitive Local Currency Financial Assets</b>		<b>15,801,688,802</b>	<b>6,568,792,638</b>	<b>-</b>	<b>9,232,896,164</b>
<b>Total Local Currency Financial Assets</b>	<b>F</b>	<b>55,842,994,218</b>	<b>26,379,594,779</b>	<b>6,138,319,333</b>	<b>22,920,180,106</b>
<b>Interest Sensitive Local Currency Financial Liabilities</b>					
<b>Total Interest Sensitive Local Currency Financial Liabilities</b>	<b>G</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Interest Sensitive Local Currency Financial Liabilities</b>					
Deposit and Other Balances		138,224,548,212	138,224,548,212	-	-
Bills Payable		729,902,615	729,902,615	-	-
Staff Liabilities		8,532,806,680	-	-	8,532,806,680
Other Payables		232,526,765	232,526,765	-	-
<b>Total Non Interest Sensitive Local Currency Financial Liabilities</b>		<b>147,719,784,272</b>	<b>139,186,977,592</b>	<b>-</b>	<b>8,532,806,680</b>
<b>Total Local Currency Financial Liabilities</b>	<b>H</b>	<b>147,719,784,272</b>	<b>139,186,977,592</b>	<b>-</b>	<b>8,532,806,680</b>
<b>Local Currency Interest Rate Sensitivity Gap (E-G)</b>		<b>40,041,305,416</b>	<b>19,810,802,141</b>	<b>6,138,319,333</b>	<b>13,687,283,942</b>
<b>Total Gap (F-H)</b>		<b>(91,876,790,054)</b>	<b>(112,807,382,813)</b>	<b>6,138,319,333</b>	<b>14,387,373,426</b>



**NEPAL RASTRA BANK**

**Table 2 : Foreign Exchange Exposure by Credit Rating**

Particulars	Credit Rating	As on 31st Ashadh 2070		As on 31st Ashadh 2069	
		NRs.	% Financial Assets	NRs.	% Financial Assets
<b>Foreign Currency Financial Assets</b>					
	A-	18,372,840,461	3.43%	10,036,952,580	2.23%
	A1(ICRA)	28,799,501,065	5.38%	23,870,730,499	5.30%
	A+	31,321,126,522	5.85%	23,591,166,000	5.24%
	A	37,580,890,300	7.03%	55,224,277,668	12.25%
	AA	-	0.00%		0.00%
	AA+	52,309,216,106	9.78%		0.00%
	AA-	54,152,438,724	10.12%	36,211,647,194	8.04%
	AAA	758,807,434	0.14%	93,060,383,549	20.65%
	BB	-	0.00%		0.00%
	BBB	-	0.00%		0.00%
	BBB+	-	0.00%		0.00%
	BBB-	91,071,392,644	17.02%	47,522,779,189	10.55%
	NR *	160,070,040,288	29.92%	105,592,002,676	23.43%
<b>Total Foreign Currency Financial Assets</b>		<b>474,436,253,545</b>	<b>88.69%</b>	<b>395,109,581,906</b>	<b>87.62%</b>
<b>Local Currency Financial Assets</b>	NR *	60,517,033,282	11.31%	55,842,994,218	12.32%
<b>Total Local Currency Financial Assets</b>		<b>60,517,033,282</b>	<b>11.31%</b>	<b>55,842,994,218</b>	<b>12.38%</b>
<b>Total Financial Assets</b>		<b>534,953,286,827</b>	<b>100.00%</b>	<b>450,952,576,124</b>	<b>100.00%</b>

\* NR represents not rated.

\*\*ICRA represents Indian Credit Rating Agency

**NEPAL RASTRA BANK**

**Table 3a : Concentrations of Funding**

As on 31st Ashadh 2070

The Bank's significant end-of-year concentrations of funding as at 31st Ashadh 2070 were as follows:

	Total NRs.	GON NRs.	Domestic Bills NRs.	Employees NRs.	Banks & F.I. NRs.	Foreign Bank NRs.	Foreign Govt. NRs.	Supernational F.I. NRs.	Others NRs.
<b>Foreign Currency</b>									
<b>Financial Assets</b>									
Cash and Bank Balances	26,624,082,225	-	-	-	-	19,978,359,986	-	-	6,645,722,239
SDR holdings - with IMF	6,636,028,947	-	-	-	-	-	-	6,636,028,947	-
Investments in Foreign Currency	440,643,635,517	-	-	-	-	318,017,411,690	122,626,223,827	-	-
Other receivables	532,506,856	-	-	-	-	-	-	-	532,506,856
<b>Total Foreign Currency Assets</b>	<b>474,436,253,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337,995,771,676</b>	<b>122,626,223,827</b>	<b>6,636,028,947</b>	<b>7,178,229,095</b>
<b>Local Currency</b>									
<b>Financial Assets</b>									
Cash in hand	4,635,398,459	-	-	-	197,100,382	-	-	-	4,438,298,077
Investments in Government Securities	29,856,287,801	29,856,287,801	-	-	-	-	-	-	-
GON Overdraft	-	-	-	-	-	-	-	-	-
Investments in Financial and Other Ins	458,574,420	-	-	-	458,574,420	-	-	-	-
Other Investments	14,556,510,000	-	-	-	14,556,510,000	-	-	-	-
Refinance & Loans	6,940,638,486	-	-	4,193,014,230	2,747,624,256	-	-	-	-
Other Receivables	4,069,624,116	-	392,338,808	-	-	-	-	-	3,677,285,308
<b>Sub-Total</b>	<b>60,517,033,282</b>	<b>29,856,287,801</b>	<b>392,338,808</b>	<b>4,193,014,230</b>	<b>17,959,809,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,115,583,385</b>
<b>Other Assets</b>									
Gold & Silver	413,618,489	-	-	-	-	-	-	-	413,618,489
Other Inventories	1,294,026,939	-	-	-	-	-	-	-	1,294,026,939
Property, Plant & Equipment	542,780,222	-	-	-	-	-	-	-	542,780,222
Intangible Assets	227,842,133	-	-	-	-	-	-	-	227,842,133
Other Assets	43,698,988	-	-	-	-	-	-	-	43,698,988
<b>Sub-Total</b>	<b>2,521,966,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,521,966,771</b>
<b>Total Local Currency Assets</b>	<b>63,039,000,053</b>	<b>29,856,287,801</b>	<b>392,338,808</b>	<b>4,193,014,230</b>	<b>17,959,809,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,637,550,156</b>
<b>Total Assets</b>	<b>537,475,253,598</b>	<b>29,856,287,801</b>	<b>392,338,808</b>	<b>4,193,014,230</b>	<b>17,959,809,058</b>	<b>337,995,771,676</b>	<b>122,626,223,827</b>	<b>6,636,028,947</b>	<b>17,815,779,251</b>

**NEPAL RASTRA BANK**

**Table 3a : Concentrations of Funding**

As on 31st Ashadh 2069

The Bank's significant end-of-year concentrations of funding as at 31st Ashadh, 2069 were as follows:

	Total NRs.	GON NRs.	Domestic Bills NRs.	Employees NRs.	Banks & F.I. NRs.	Foreign Bank NRs.	Foreign Govt. NRs.	Supernational F.I. NRs.	Others NRs.
<b>Foreign Currency</b>									
<b>Financial Assets</b>									
Cash and Bank Balances	21,779,942,504	-	-	-	-	19,723,134,757	-	-	2,056,807,747
SDR holdings - with IMF	7,368,831,080	-	-	-	-	-	-	7,368,831,080	-
Investments in Foreign Currency	364,600,510,228	-	-	-	-	253,898,723,530	110,701,786,698	-	-
Other receivables	1,360,298,093	-	-	-	-	-	-	-	1,360,298,093
<b>Total Foreign Currency Assets</b>	<b>395,109,581,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,621,858,287</b>	<b>110,701,786,698</b>	<b>7,368,831,080</b>	<b>3,417,105,840</b>
<b>Local Currency</b>									
<b>Financial Assets</b>									
Cash in hand	2,167,533,092	-	-	-	79,344,789	-	-	-	2,088,188,303
Investments in Government Securities	33,686,043,566	33,686,043,566	-	-	-	-	-	-	-
GON Overdraft	-	-	-	-	-	-	-	-	-
Investments in Financial and Other Ins	205,380,100	-	-	-	205,380,100	-	-	-	-
Other Investments	10,795,805,000	-	-	-	10,795,805,000	-	-	-	-
Refinance & Loans	4,586,972,914	-	-	4,126,992,914	459,980,000	-	-	-	-
Other Receivables	4,401,259,546	-	470,495,611	-	-	-	-	-	3,930,763,935
<b>Sub-Total</b>	<b>55,842,994,218</b>	<b>33,686,043,566</b>	<b>470,495,611</b>	<b>4,126,992,914</b>	<b>11,540,509,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,018,952,238</b>
<b>Other Assets</b>									
Gold & Silver	292,612,967	-	-	-	-	-	-	-	292,612,967
Other Inventories	1,859,346,980	-	-	-	-	-	-	-	1,859,346,980
Property, Plant & Equipment	541,146,807	-	-	-	-	-	-	-	541,146,807
Intangible Assets	150,094,134	-	-	-	-	-	-	-	150,094,134
Other Assets	58,203,275	-	-	-	-	-	-	-	58,203,275
<b>Sub-Total</b>	<b>2,901,404,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,901,404,163</b>
<b>Total Local Currency Assets</b>	<b>58,744,398,381</b>	<b>33,686,043,566</b>	<b>470,495,611</b>	<b>4,126,992,914</b>	<b>11,540,509,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,920,356,401</b>
<b>Total Assets</b>	<b>453,853,980,286</b>	<b>33,686,043,566</b>	<b>470,495,611</b>	<b>4,126,992,914</b>	<b>11,540,509,889</b>	<b>273,621,858,287</b>	<b>110,701,786,698</b>	<b>7,368,831,080</b>	<b>12,337,462,241</b>

**NEPAL RASTRA BANK**  
**Table 3b : Concentrations of Funding**  
**As on 31st Ashadh 2070**

The Bank's significant end-of-year concentrations of funding as at 31st Ashadh 2070 were as follows:

	Total NRs.	GON NRs.	Public NRs.	Comm.Banks & FI NRs.	Supernational F.I. NRs.	Others NRs.
<b>Foreign currency Financial Liabilities</b>						
Deposit from banks and other agencies	1,594,020,488	-	-	1,593,446,797	-	573,691
IMF Related Liabilities	18,343,388,194	-	-	-	18,343,388,194	-
Others	79,195,123	-	-	79,195,123	-	-
<b>Total Foreign Currency Financial Liabilities</b>	<b>20,016,603,805</b>	<b>-</b>	<b>-</b>	<b>1,672,641,920</b>	<b>18,343,388,194</b>	<b>573,691</b>
<b>Local Currency Financial Liabilities</b>						
IMF Related Deposit Liabilities	7,030,604,522	-	-	-	7,030,604,523	-
GON Deposit	516,084,944	516,084,944	-	-	-	-
Deposit and Other Balances	147,549,387,334	-	-	138,593,070,857	-	8,956,316,477
Bills Payable	734,091,342	-	734,091,342	-	-	-
Staff Liabilities	8,753,722,429	-	-	-	-	8,753,722,429
Other Payables	219,815,394	-	-	-	-	219,815,394
<b>Total Local Currency Financial Liabilities</b>	<b>164,803,705,965</b>	<b>516,084,944</b>	<b>734,091,342</b>	<b>138,593,070,857</b>	<b>7,030,604,523</b>	<b>17,929,854,300</b>
<b>Total Financial Liabilities</b>	<b>184,820,309,770</b>	<b>516,084,944</b>	<b>734,091,342</b>	<b>140,265,712,777</b>	<b>25,373,992,717</b>	<b>17,930,427,991</b>
<b>Other Liabilities</b>						
Currency in circulation	233,460,000,000	-	229,021,701,923	-	-	4,438,298,077
Surplus payable to GON	5,500,000,000	5,500,000,000	-	-	-	-
Sundry Liabilities	15,858,041,251	-	-	-	-	15,858,041,251
<b>Total Other Liabilities</b>	<b>254,818,041,251</b>	<b>5,500,000,000</b>	<b>229,021,701,923</b>	<b>-</b>	<b>-</b>	<b>20,296,339,328</b>
<b>Total Liabilities</b>	<b>439,638,351,021</b>	<b>6,016,084,944</b>	<b>229,755,793,265</b>	<b>140,265,712,777</b>	<b>25,373,992,717</b>	<b>38,226,767,319</b>

As on 31st Ashadh 2069

Comparative figures as at 31st Ashadh 2069 for significant end-of-year concentration of funding were as follows:

	Total NRs.	GON NRs.	Public NRs.	Comm.Banks & FI NRs.	Supernational F.I. NRs.	Others NRs.
<b>Foreign currency Financial Liabilities</b>						
Deposit from banks and other agencies	1,000,369,226	-	-	922,928,956	-	77,440,270
IMF Related Liabilities	18,261,630,791	-	-	-	18,261,630,791	-
Others	2,373,189	-	-	2,373,189	-	-
<b>Total Foreign Currency Financial Liabilities</b>	<b>19,264,373,206</b>	<b>-</b>	<b>-</b>	<b>925,302,145</b>	<b>18,261,630,791</b>	<b>77,440,270</b>
<b>Local Currency Financial Liabilities</b>						
IMF Related Deposit Liabilities	5,880,083,908	-	-	-	5,880,083,908	-
GON Deposit	10,989,296,158	10,989,296,158	-	-	-	-
Deposit and Other Balances	121,241,187,353	-	-	99,218,954,797	-	22,022,232,556
Bills Payable	850,219,745	-	850,219,745	-	-	-
Staff Liabilities	8,532,806,680	-	-	-	-	8,532,806,680
Other Payables	233,460,746	-	-	-	-	233,460,746
<b>Total Local Currency Financial Liabilities</b>	<b>147,727,054,590</b>	<b>10,989,296,158</b>	<b>850,219,745</b>	<b>99,218,954,797</b>	<b>5,880,083,908</b>	<b>30,788,499,982</b>
<b>Total Financial Liabilities</b>	<b>166,991,427,796</b>	<b>10,989,296,158</b>	<b>850,219,745</b>	<b>100,144,256,942</b>	<b>24,141,714,699</b>	<b>30,865,940,252</b>
<b>Other Liabilities</b>						
Currency in circulation	201,250,000,000	-	199,161,811,697	-	-	2,088,188,303
Surplus payable to GON	4,227,000,000	4,227,000,000	-	-	-	-
Sundry Liabilities	1,708,840,609	-	-	-	-	1,708,840,609
<b>Total Other Liabilities</b>	<b>207,185,840,609</b>	<b>4,227,000,000</b>	<b>199,161,811,697</b>	<b>-</b>	<b>-</b>	<b>3,797,028,912</b>
<b>Total Liabilities</b>	<b>374,177,268,405</b>	<b>15,216,296,158</b>	<b>200,012,031,442</b>	<b>100,144,256,942</b>	<b>24,141,714,699</b>	<b>34,662,969,164</b>