

One Bank
Endless Opportunities...

“**Water**, a precious gift of nature, signifies the beauty and caliber that no other elements on Earth can substitute. Its **dynamism** - that molds in any shape, size and color; **nature** - that can fridge, flow and fly; and the **purity** - that cleanseto keep healthy and tidy.

We are inspired by this dynamic nature of water and promise to deliver seamless banking solutions for your prosperity.





One Bank Endless Opportunities...

Siddhartha Bank Limited came into operation a decade ago on December 25, 2002. As a growing commercial bank, it focused initially on building a strong base to support the growth the Bank would register in later years, while emphasizing on change and innovation to meet the dynamic requirements of its diverse clientele and to ensure sustainability in future. »

The Bank focuses on business growth, human resource development and reaching out to its customers in various ways by ensuring full compliance with the regulatory requirements. Besides, the Bank is constantly identifying and creating opportunities for itself to serve the needs of its customers in an efficient and effective manner. The Bank also provides ample opportunities for its customers, capitalizing on which they can ensure a better future for themselves and the country. The Bank understands the dynamics of customer needs, and constantly directs its efforts to innovate new products/services and update existing ones so as to truly justify the motto: **“One Bank: Endless Opportunities”**.

Modern IT capabilities and competent human resources help the Bank to Innovate for Change. The Bank has upgraded its IT infrastructure to provide international standard technology- based banking services like Internet Banking (iConnect), Mobile Banking

(mConnect), Branchless Banking (Sajilo Banking Sewa), Mobile Wallet Service (Siddhartha Hello Paisa Service) and various card products.

The Bank firmly believes on improving the quality of its employees to be amongst the best in the industry, with rigorous training programs. The employees are equitably rewarded for their performance and are encouraged to take initiatives for new ideas that greatly enhance the quality of new services delivered.

The Bank stands out in competitive business environment with a distinctive competitive edge to win the hearts of its customers with a wide range of innovative products/service. Siddhartha Bank has thus created a distinctive identity of its own in the industry in a quest to becoming the “Bank for your Prosperity” by providing endless opportunities for its customers, employees and other stakeholders, thus truly justifying its slogan: “One Bank, Endless Opportunities”.





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An Overview

Siddhartha Bank commenced its operations from December 25, 2002 as the 17th commercial bank of Nepal. Within a decade, the Bank has created a distinctive identity in serving the people through a network of 43 branches and 52 ATMs spread around Chandragadhi of Mechi to Mahendranagar of Mahakali zones.

Siddhartha Bank is a “customer- oriented” and “growth driven” bank. The Bank’s dynamic product offerings, technology use, competent human resources and dedicated management team, have always been directed towards best quality service delivery to its valued customers. The core values of the Bank are customer focus, shareholder’s prosperity, employee’s growth and economic welfare in general.

Throughout its journey, the Bank has transformed itself in ways that ensure delivery of best available banking services to its customers. The change of corporate logo on April 8, 2009 reflected the Bank’s renewed promise and commitment to its customers and evolution. Adoption of FLEXCUBE Universal Banking

system also reflected the Bank’s intent of providing modern banking facilities in competitive environment. The Bank has ventured out to serve rural populace through Branchless Banking (Sajilo Banking Sewa) service through various agents, whereby the transaction is authenticated through biometric POS machines. Over these ten years, the Bank has been in constant search for opportunities to better serve the customers and has tapped every viable opportunity effectively.

In the highly competitive banking environment of Nepal, Siddhartha Bank has successfully met the challenges and is pursuing a healthy and organic growth. The Bank has stood tall on the trust of its valued customers and other stakeholders and most importantly, this trust has inspired the Bank to focus on the needs of its valued customers. The decade long journey of success and significant achievements are the foundation upon which the Bank is creating and identifying new opportunities for its customers and other stakeholders in the years to come.

Vision

Siddhartha Bank runs with a vision to be financially sound, operationally efficient and to keep abreast with technological developments.

Mission

The Bank desires to be one of the leading banks of the industry by fulfilling the interest of the stakeholders and also aims to provide total customer satisfaction by way of offering innovative products and by developing and retaining highly motivated and committed staffs. The following mission statement is a guide to meet the Vision of the Bank:

- Be one of the leading banks of the industry in terms of profitability, productivity and innovation.
- Aim at total customer satisfaction by rendering efficient and diversified financial services through improved technology.
- Build a highly motivated and committed team of staffs by nurturing a good work culture to achieve superior individual performance aiming to enhance organizational effectiveness.
- Be the place of pride to all its stakeholders.

Core Values of the Bank

- Customer focus
- Shareholder prosperity
- Employee growth
- Economic welfare

Our Customers

The Bank has a rich clientele with a good mix of individuals and institutions. Individual customers, belonging to different economic strata come from diverse background. Majority of the individual customers are self-employed while others include doctors, engineers, lawyers, teachers, civil servants, and employees working in NGOs, INGOs, private offices, agrarians and people in the rural area who had been out of the formal banking system. Similarly, the Bank has institutional customers coming from different sectors. Majority of the big government institutions have been enjoying various banking services through us. In addition, hospitals, schools, colleges, universities, manufacturing industries, corporate houses, NGOs, INGOs, travel agencies, money changers and SMEs form the core of our loyal customer base.

Our Brand Identity

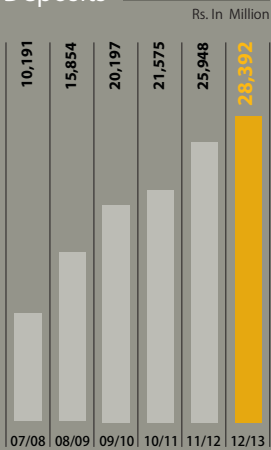
The logo of the Bank has been a catalyst in enabling the customers to identify the brand Siddhartha. The corporate color 'Yellow' instills optimism and energy which sparks creative thoughts which is precisely the work culture of the Bank. The quadrilateral box enclosing the letter 'S' is a rhombus. Rhombus is also referred to as diamond; and like the diamond, the Bank believes in adding decor to people and institutions associated with it, primarily the customers. The four vertices of the rhombus carry four beliefs of the Bank:

- Security
- Returns
- Work Ethics & Professionalism
- Corporate Social Responsibility

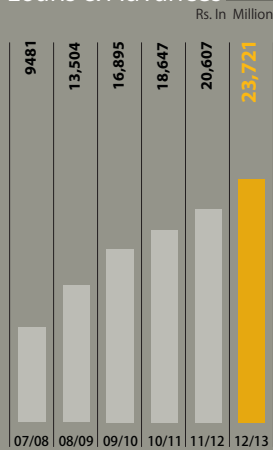


Financial Highlights for the year 2012/13

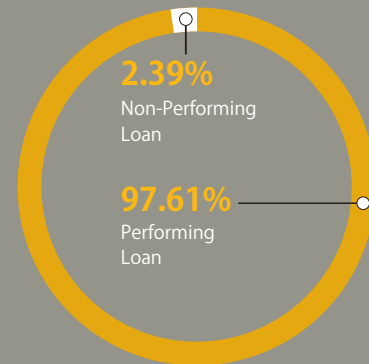
Deposits



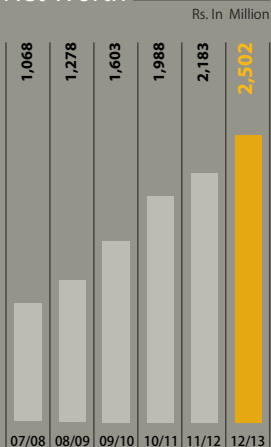
Loans & Advances



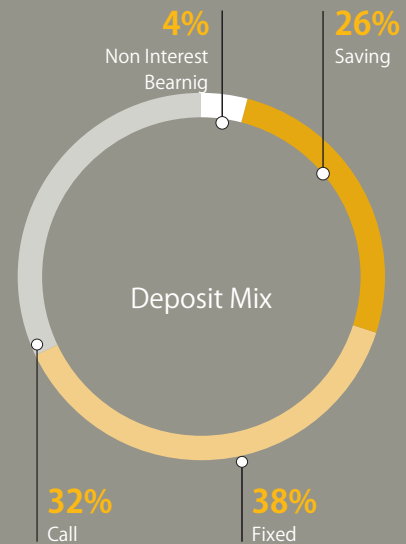
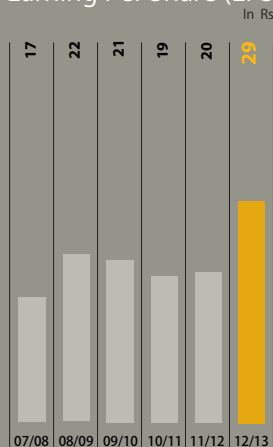
Quality of Asset



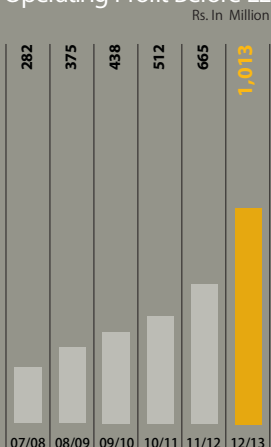
Net Worth



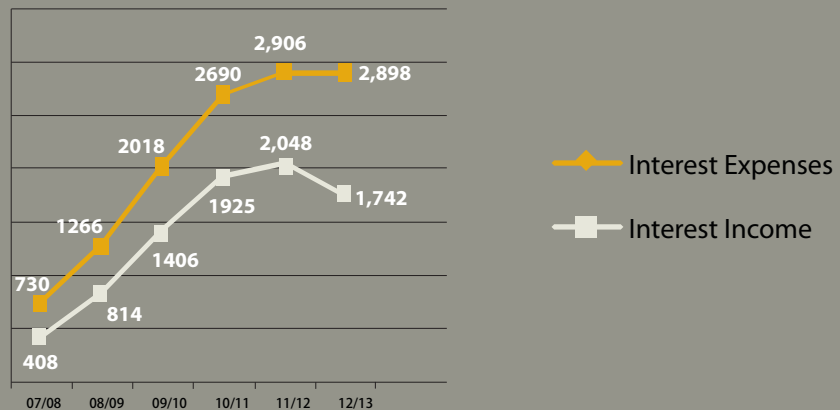
Earning Per Share (EPS)

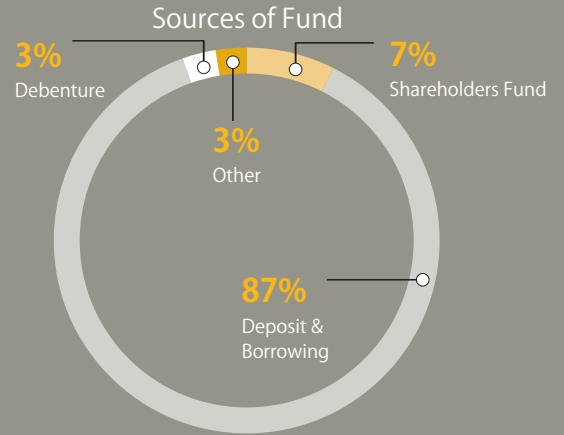
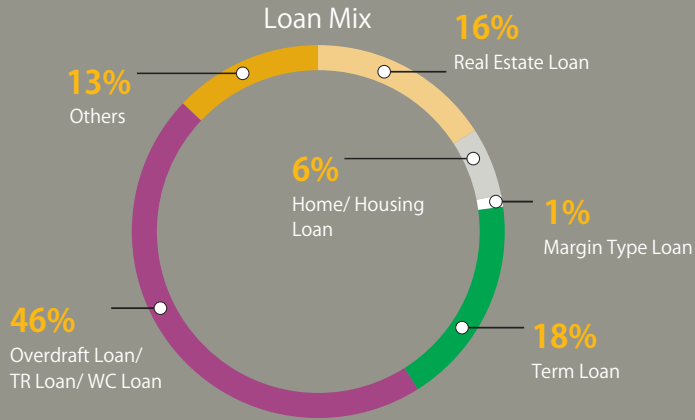


Operating Profit Before LLP

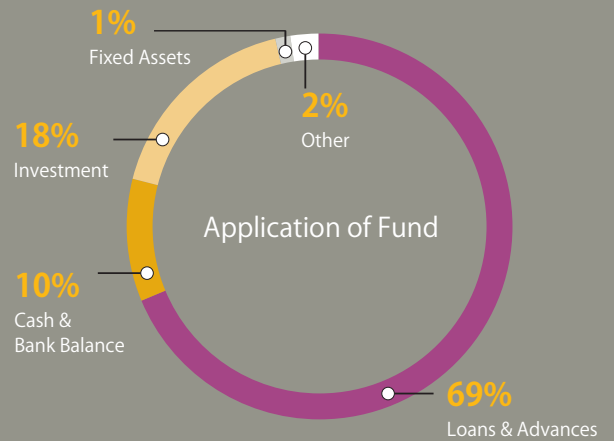


Interest Income & Expenses





Attracting customers of all types and growing revenues are the key drivers to move with changing times



Bank is **performing** well to reach its goal within the time.



Safety & Security are the growing concerns while moving with changing times

Board of Directors

From left to right:

Mr. Subodh Todi, *Director*

Mr. Mahesh Prasad Pokharel, *Director*

Mr. Chiranjilal Agrawal, *Chairman*

Mr. Rajesh Kumar Kedia, *Director*

Mr. Bhagat Bista, *Director*



From left to right:

Mr. Poonam Chanda Agrawal, *Director*

Mr. Manoj Kumar Kedia, *Director*

Mr. Ratan Lal Kedia, *Director*

Mr. Hemant Gyawali, *Director*



Chairman's Statement

Dear Shareholders,


This year marked the 10th Anniversary of Siddhartha Bank, a milestone attributable to the trust and support of our shareholders, directors, customers and employees throughout the decade. It is because of your trust and support that we have grown from a startup organization to a promising commercial bank of Nepal with an array of product offerings, strong financials, high brand value and extensive network of branches and ATMs around the country. The Bank has achieved significant growth year after year because of your faith upon us, and the Bank's ability to identify market opportunities that ensures delivery of best possible financial services to cater the diverse needs of our valued customers. »



“Trust and support of our stakeholders has enabled us to create high brand value and strong financials.”

The world economic outlook was largely positive in the fiscal year 2012-13, with improvement in the economy of European Union nations post Eurozone Crisis and substantial reduction in the after effects of Financial Crisis in the US economy. However, the challenges of inflation control, economic expansion and financial stability are still prevalent in global economy. India experienced low economic growth due to deteriorated business sentiments with rising current account deficit, stalled investment due to governance issues and depreciation of rupee against the US dollar.

The Nepalese economy showed satisfactory results in overall economic indicators in the fiscal year 2012-13. The economic growth rate was higher than in the past 2-3 years, while inflation and budget deficit was contained to certain extent. Based on preliminary estimates, the country's GDP grew at a modest rate of 3.6%, compared to 4.5% in the previous year. Consumer Price Inflation in the year stood at around 9.9% compared to 8.3% in the previous year. Liquidity crisis in the banking sector ended with substantial increase in deposit base of Banks and Financial Institutions. The country observed merger between commercial banks and multiple mergers between commercial, development banks and finance companies. With 31 commercial banks in the country, the competition for market share has substantially increased. The introduction of various regulations by Nepal Rastra Bank has further presented tough challenges in the banking industry in a bid to strengthen the Banking system of the country.



The net interest income of the Bank increased by **34.78%**, as the Bank managed to successfully reduce the cost of fund.

Despite intense competition and challenges in the banking industry, I am pleased to report to you yet another year of growth and achievement of Siddhartha Bank Limited. In FY 2012-13, Siddhartha Bank has achieved a milestone figure of Rs. 1 billion in terms of operating profit before provision. The Bank recorded a net profit of Rs.482.55 million, which is 46.02% higher than the previous year's Rs.330.46 million profit. The Bank's deposits amounted to Rs. 28.39 billion, a substantial increase of 9.42 %, as compared to Rs. 25.95 billion of the previous year. Similarly, loan portfolio has reached a record Rs.23.72 billion, which is 15% increase over previous year's loan portfolio of Rs.20.22 billion.

The net interest income of the Bank increased by 34.78%, as the Bank managed to successfully reduce the cost of fund. The net worth of the Bank stood at Rs. 2.67 billion in the FY 2012-13, a growth of 22% compared to that of FY 2011-12. Our total income recorded an impressive growth of 36.72%, amounting to Rs. 1.60 billion. The Bank's commitment to maintain superior asset quality has been well justified by its Non Performing Assets (NPA) of 2.39% this year, which is well below the Nepal Rastra Bank (NRB) ceiling of 5 %. The Bank is committed to continue its efforts to adopt measures to effectively manage its NPA in the future years as well. This year the Bank issued debentures worth Rs.30.3 million, which has assisted the Bank not only to strengthen its capital base but also to expand its business.

In a business environment characterized by high degree of uncertainty, increased competition among banks and financial institutions, stringent regulations and similar market offerings, the year ahead is going to be a tough and challenging one. At Siddhartha Bank, we are confident to overcome the challenges and meet its shareholders' expectations with utmost sincerity and dedication, while innovating unmatched products and services, high customer focus, enthusiastic management team, dedicated workforce and strict adherence to NRB regulations.

Finally, I would like to express my sincere appreciation to the Board of Directors of the Bank for their insight and support to take Siddhartha Bank to the greater height. I extend my sincere thanks to Nepal Rastra Bank and all other regulatory authorities for their valuable guidance and cooperation. Also, my sincere thanks goes to all the employees who have instilled the Bank's core values, philosophy and culture and have continued their dedicated efforts in serving the customers with unmatched grace and efficiency.

Thank you.

Chiranjilal Agrawal

Chairman

CEO's Message

The financial year 2012/13 marked the Siddhartha Bank's decade long journey of serving the diverse banking needs of its customers. On this occasion, I express my sincere gratitude to our shareholders, board of directors, customers, management team, employees and all other stakeholders for their constant trust and support that helped the Bank to overcome the challenges and stand tall in the competitive environment.

The year faced several challenges, however the Bank made its sincere efforts to overcome them and capitalize on the opportunities. We have continued reaching out to our customers located in different parts of the country through the establishment of branches even in the rural areas of Dailekh and Namche as well as by the expansion of our 'Branchless Banking (Sajilo Banking)' to a total of 23 locations spread around the country. »



“Our proactive approach has enabled us to provide better service and enhanced control mechanism.”

We have properly understood the changing banking needs of our valued clientele which has led us to introduce innovative technology based banking products like Siddhartha VISA Credit Card, Siddhartha mConnect, Club Siddhartha, Siddhartha VISA Student Prepaid Card, Siddhartha Prepaid Travel Card, Siddhartha Medical Prepaid Card and the recent mobile wallet service named 'Siddhartha Hello Paisa Sewa'. Besides these technology- based products, the Bank has focused constantly on reinventing various deposits, loans and other banking products that best address the diverse needs of our valued customers.

We understand the significance of a healthy portfolio for a commercial bank and as such we adhered to various underlying principles for maintaining a diverse yet well managed deposit and credit portfolio. As a result of this, we have been successful to maintain our Non Performing Assets at 2.31 % which is lower than the NRB requirement. The Bank has also generated outstanding results on deposits, loans, foreign exchange, remittance and profitability year after year.

With a decade long operations, Siddhartha Bank has not only become a creditable financial institution but has also become a responsible commercial bank with utmost priority to serving customer needs effectively and ensuring our shareholders' welfare through our proactive approaches to any opportunity for improvement, innovation and efficiency.

Siddhartha Bank is always in the quest to identify opportunities to serve the customers better, enhance internal control mechanisms, improve operational efficiency and provide greater value to its stakeholders. In the years to come, the Bank shall strive to identify/create opportunities for human resource and entrepreneurship development and constant innovation of products and services along with new ways of serving our customers in a bid to ensure that their banking needs are addressed in the best possible way, realizing fully well that it is the reason for our existence.

Surender Bhandari

Chief Executive Officer

The Bank has been able to record significant growth year after year because of your faith upon the Bank and the Bank's ability to identify market opportunities that ensures delivery of best possible financial services to cater the diverse and dynamic needs of our valued customers.

Management Team *(Standing From left to right:)*



Ashish Kumar Sharma
Head - Payment Solution

Biplavi Singh
Branch Manager - New Road

Rudra Nath dhungana
Relationship Manager -
SME and Consumer Banking

Laxman Subba
Head - SME & Consumer Banking

Pradeep Pant
Relationship Manager – Valley Resources

Ram Chandra Khanal
Head - Finance & Accounts

Surya Bahadur Tamang
Head - Corporate Credit

Srijan Krishna Malla
Head - Information Technology

Sundar Prasad Kadel
Chief Operation Officer

Shambhu Nath Gautam
Chief Business Officer

Surender Bhandari
Chief Executive Officer

Rameshwar Prasad BASHYAL
Senior Business Officer

Arjun Bhadra Khanal
Head - Business Support

Sher Bahadur Budhathoki
Senior Business Officer

Pravin Nidhi Tiwari
Manager - Branch Operations

Shailaja Gyawali
Head - Valley Resources

Rabeen Malla
Manager Payment Solutions

Saroj Kafle
Information Security Officer

Anindra Raj Acharya
Head - Internal Audit & Control & Compliance

Ira Pradhan
Relationship Manager - Credit

Prabin Dhungel
Head - Credit Risk Admin
Compliance & Recovery

Bhola Nath Dhungana
Manager Legal & Company Secretary

Chandan Karki
Head Treasury

Products and Services

1. Loans & Advances

- Consumer/ Retail Loans
- Business/Corporate Loans
- SME Loans
- Loan Syndication

2. Deposit Products

- Fixed Deposits
- Savings Deposits
- Current Accounts
- Call Accounts

3. Remittance Products

- SBL Remit
- Global Payment Services (SWIFT, Demand Draft)
- Local Payment Services (ABBS)

4. Payment Solutions

- Internet Banking (iConnect)
- Mobile Banking (mConnect)
- SMS Alert
- Card Services:
 - Debit Card
 - Credit Card
 - Prepaid Card
 - International Travel Card
 - Student VISA Prepaid Card
 - Medical Prepaid Card
- Branchless Banking

5. Trade Finance

- Advance Payment
- Documentary Collection
- Import Letter of Credit
- Export Letter of Credit
- Forward Contract

6. Treasury and Correspondent Banking

- Treasury Services
- Correspondent Banking Services
- Bullion Trading
- Market Making for Local Bond Market

7. Bank Guarantee

- Bid Bond
- Performance Bond
- Advance Payment Guarantee
- Shipping Indemnity

8. Wealth Management Services

- Bancassurance
- Safe Deposit Locker
- Mutual Fund

Siddhartha Bank offers a wide variety of financial products and services to meet the varied needs of its diverse clientele. The Bank believes in constantly reinventing and innovating products and services so as to best serve the needs of its existing customers as well as potential customers.



Deposit products

The Bank offers multitude of deposit products to meet the unique requirements of its diverse clientele. The products range from a current/call account that caters to the needs of the business community, fixed deposits accounts with varying tenures meant for both individuals and institutions to a number of savings accounts meant for different customer categories. All these accounts come with a bundle of other banking services such as internet banking, mobile banking, SMS alert, Any Branch Banking Services (ABBS), utility payment, locker services, etc.

The deposit products of the Bank are developed keenly considering the needs and requirements of the

customers. The Bank boasts a wide range of savings accounts for different customer groups. The savings account include Siddhartha Bachat (zero balance account), Sarvottam Bachat (high interest bearing account), Jestha Nagarik Bachat (for senior citizens aged 50 & above), Nari Bachat (for women), Bal Bachat (for minors), Bishesh Bachat (with insurance coverage), Investors Savings (for those investing in share market), Remit Account (for individuals working/deputed abroad and their family members). The Bank also manages salary accounts on behalf of its valued customers and facilitates payment of utility bills for various institutional customers.

Loans and Advances

Our credit facilities range from consumer loans to meet requirements of households, SME loans for small and medium sized enterprises to big project financing in sectors such as hydro power, infrastructure development, airlines, etc. Besides, a number of credit facilities such as overdraft facilities, project financing, term loans and short term loans are offered by the Bank.

Consumer Loan includes Home Loans, Auto Loans, Education Loans, Personal Loans, and Loans against Fixed Deposit Receipt. Small and Medium Enterprises (SME) Loans includes loans to meet the financial needs of small and medium sized enterprises. Business Loans, on the other hand include loans provided for project financing in sectors such as manufacturing, construction, service, infrastructure development, airlines, etc.

Trade finance

In order to facilitate business houses, particularly traders of the country, the Bank has been providing trade finance related loans and advances. The Bank facilitates the business requirements of business houses/traders through Import Letter of Credit, Export Letter of Credit, Advance Payment, Documentary Collection and Forward Contract. Our wide network with International Banks facilitates our customers to execute international trade transactions effectively and efficiently without any hassles.

Payment Solutions

Siddhartha Bank offers various alternative payment solutions to facilitate its customers. The various alternative payment solutions of the Bank are:

Internet Banking (iConnect)

The Customers can view account information, transfer funds and make payments with ease from anywhere by using the Bank's iConnect service.

Card Services

Siddhartha Bank offers variety of card services to serve various requirements of its customers. It offers, Debit Card, Credit Card, Student VISA Prepaid Card and Domestic & International Prepaid Card.

With prepaid cards, customers can load money in their card and use it for cash withdrawal or merchant payment, without the hassle of carrying paper money or opening an account. Domestic VISA Prepaid Cards can be used in Nepal and India, whereas the International VISA Prepaid Card (Travel Cards) can be used in any country of the world. VISA Prepaid Travel Card is designed targeting customers who travel abroad as a replacement for Traveler's Check and shortage of foreign currency. With Student VISA Prepaid Card the parents or students themselves can load money in the card and use it for cash withdrawal or merchant payments.

Siddhartha Bank accepts withdrawal from all major payment platforms like VISA, SCT, China Union Pay (CUP), National Payment Network (NPN), MasterCard, Diners Club, Discover Network, and JCB.

Mobile Banking (mConnect):

Through mConnect customers can carry out the general banking transactions like balance inquiry, fund transfer, mini bank statement, utility payment, recharge top up and merchant payment using their mobile. Customers can use mConnect either through a web based interface (using GPRS or 3G) or a simple text-messaging (SMS) interface.

SMS Alert Service

The SMS alert service will inform the customers by sending SMS when account is debited or credited by NPR 1,000 or above.

Branchless Banking

"Sajilo Banking Sewa" is a branchless banking initiative of Siddhartha Bank Limited, aimed at enhancing access of financial services to people in rural parts of Nepal. Initially started as a cash distribution program in collaboration with World Food Programme (WFP), Sajilo Banking Sewa targets the large population of the country, who are outside the banking net to provide basic financial services.

Siddhartha Bank- Hello Paisa Sewa

Under Siddhartha Hello Paisa Service, the customers can open mobile account and link it to their respective Bank account. With the service, the customers can transfer funds from bank account to mobile account and vice-versa. The fund can be used for utility payment, merchant payments as well as transferring fund to account of person availing such services under Siddhartha Bank or other Banks associated with Hello Paisa.

Siddhartha Bank Medical Prepaid Card:

Useful for medical checkups in Nepal and India, the card can be used by customers in hospitals as well as in ATMs and POS machines. Since devised for medical purposes the transaction limit for ATM/POS uses is slightly higher than other prepaid cards.

Remittance

The Bank boasts an exclusive remittance payment portal named SBL Remit, primarily to serve the Nepalese workforce residing in foreign countries and to facilitate local online payment solution throughout Nepal. The Bank has more than 2700 active payout locations throughout Nepal. In the pursuit to accomplish service delivery excellence, the Bank has established full-fledged Remittance Business Unit (RBU), which is run by team of competent and experienced staff. RBU team works dexterously 365 days with commitment to quality and value thereby providing instant updates and solutions on any issues related to payment to ensure prompt processing. The Bank has made an arrangement for separate full time dedicated Help Desk with toll free number. At present, SBL Remit has its presence in Saudi Arabia, Qatar, Kuwait, Bahrain, Malaysia, UAE and Korea, Russia and India. In the near future, the Bank is planning to cater the remittance service to the Nepalese Migrants from London, Lebanon and Singapore.

Siddhartha Bank has also launched its global brand SBL Remit. Siddhartha Bank is the first Nepali Bank to offer remittance service globally from multiple corridors in collaboration with its overseas remittance partners.

Treasury Operations

The Bank maintains a full-fledged treasury department which has a state-of-the-art dealing room and is an active player in the local interbank & foreign exchange market. The Bank's treasury department has three major desks; Money Market, Foreign Exchange and Bullion (Gold & Silver). The Bank carries out money market transactions in the local market including borrowing/lending, meeting statutory requirements, investments in government securities etc. Similarly, fundamental and technical analysis for forecasting the exchange rate of major currencies including EUR, GBP,

JPY, AUD etc as well as INR is carried out by the Bank along with prompt and competitive pricing of exchange rates as allowed to be printed by the NRB. The Bank deals in local as well as international markets via highly secured online trading platforms as well as facilitates as a market maker for bond market. The department also carries out spot and forward transactions for sales/purchase of foreign currencies as per the requirement and selling gold /silver to registered traders as per the guidelines of NRB.

Other Services

In addition to the aforementioned products, the Bank provides a number of ancillary services such as Safe Deposit Locker Facilities, Bancassurance, and Utility Bill Payments. The Bank offers safe deposit lockers of different sizes which ensure safe keeping of our customers' jewellery, important documents and other valuables. Through the Bank, customers can pay their NTC (Landline & Mobile) Bills, Ncell Mobile Bills and pay Dish Home recharge fees.

Siddhartha Mutual Fund

Siddhartha Bank Limited has established a separate subsidiary unit, Siddhartha Capital Limited (SCL) for offering investment products to its customers. The first investment product launched by SCL is a mutual fund scheme named 'Siddhartha Investment Growth Scheme - I'. The scheme was a five years, closed end scheme with an objective of providing regular and balanced return over the scheme period with focus on higher possible capital appreciation at the end of the maturity. The scheme was open to individuals, bank and financial institutions, investment companies, insurance companies, merchant bankers, different funds such as pension funds, retirement funds, employee welfare funds, NRN's holding NRN certificate issued by Government of Nepal, trusts, and other institutions etc.



Customer Proximity

Siddhartha Bank has always believed in reaching out to its customers. In line with its belief, the Bank has enhanced its customer proximity through expansion of branches and ATM networks in different areas of the country. With a network of 43 branches and 52 ATMs located at urban, semi-urban and rural areas over the country, our valued customers can enjoy quality banking service with Siddhartha Bank in close proximity.

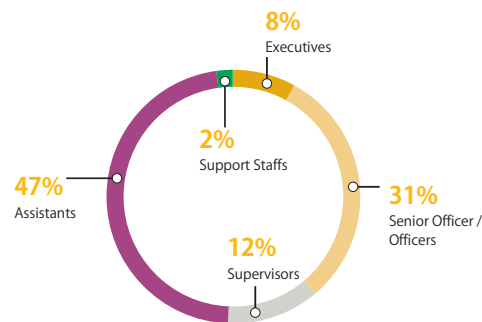
Apart from the formal banking network, the Bank also serves its customers through its innovative Branchless Banking Service branded as "Sajilo Banking Sewa" so that the rural populace can also enjoy the basic banking facilities. Till now, the branchless banking has been extended to 17 different rural locations of the country with further plans of expansion. Siddhartha Bank, a pioneer of Branchless Banking service in Nepal, is thus, well serving the financial needs of the rural customers at their doorsteps.

The customer proximity, varied product offerings and an intense customer focus has helped Siddhartha Bank to be the preferred partner of its customers ranging from individual households, small and medium enterprises to educational institutes, corporate houses, INGOs, NGOs, government offices/corporations etc. Services like iConnect, mConnect and Hello Paisa has further enhanced the proximity with the customers.

With the successful completion of its ten years of service operations, the Bank is even more determined to enhance the closeness with the customers through more points of representation in the country, physically and technologically. The Bank is ever more committed to be the 'Bank for Your Prosperity' to its valued customers.



Capitalizing on Human Resource



Siddhartha Bank believes in attracting and retaining the best human resources in the industry. It is because of the talent, commitment and efficiency of its human resources and their collective efforts that the Bank has been able to position itself as one of the consistently growing commercial banks of the country in a span of ten years.

Siddhartha Bank offers an encouraging work environment with ample prospects of knowledge sharing and career development. Our human resource management policy is uncompromising in that it

ensures performance based growth and compensation. The employees practice high level of ethics, integrity and transparency, which is paramount to our business philosophy.

In order to enhance the skills and expertise of its human resource, the Bank regularly conducts various training and development programs for its employees. In the FY 2012/13, 322 participants were trained in 76 in-house and outhouse training programs. The Bank also offers ample opportunities to the employees to participate in various recreational activities. The employees participate in various individual and team based sports events organized by different corporate houses.

With increased branches the number of staffs to serve the customers need has been proportionately increased. As of FY 2012/13 the total number of employees of the Bank stood at 370.

Information Technology

Siddhartha Bank has always been proactive to keep itself updated with technological developments. It has always welcomed new technologies so that it can deliver high quality service to its diverse clientele. The high-end core banking software, FLEXCUBE developed by ORACLE Financial Services Software (OFSS) which is ranked as one of the TOP Core Banking Application in the world, has assisted the Bank to enhance its overall efficiency. The Bank has also upgraded its hardware system to ensure smooth delivery of various IT related products like card products, internet banking, mobile banking, POS, SMS alert etc. In addition the Bank is

using various ISO Standard Network and Communication Security devices as well as monitoring tools to ensure system, data security, data integrity and supports to its ever-widening branch, branchless and ATM networks. In a bid to become energy efficient, the Bank has emphasized on the use of energy sources. The Bank, till date, has been one of the first private banks to launch solar hybrid system in its branches. This system is already deployed at more than 14 branches and ATMs at different parts of the country.

Risk Management

At Siddhartha Bank, we understand the significance of proper risk management ability in determining the success of the Bank. The Bank thus, follows a systematic approach to identify, monitor and control key risks involved in the business.

Credit Risk:

Credit risk management is crucial for any bank because of its impact on the assets (loans and advances) and liability (deposits) sides of the balance sheet. Since the primary business of the Bank is to manage depositors' funds and to be the custodian of their deposits, Siddhartha Bank places high emphasis on the management of credit risks so that we can create high quality assets. The Bank has comprehensive Credit Policy Guidelines (CPG) and Credit Manuals which serve as a basis for executing its lending operations. While the credit manual defines the processes and procedures associated with credit creation, the credit policy guidelines clearly defines the credit policies of the Bank in terms of credit concentration, obligor limits, credit analysis, approving authorities, etc.

The Bank has segregated the business generation and credit administration operations for ensuring necessary checks and balances. Thus, the business transactions are generated by one unit of the Bank while the administration of the credit transactions namely documentations, compliance, disbursement, monitoring and control of credit exposures are done by another separate unit. For ensuring a robust loan approval process, the Bank has a system whereby all loan applications are to be reviewed by at least two approving authorities before the final approval.

Further, lending/approving limits are granted only to the staff possessing vast credit knowledge as well as experience.

The loan approving authorities are also segregated at three levels; namely management level, credit committee level and BOD level. Decisions on credit applications are made at different levels on the basis of the requested loan amount. Approved limits are put into the system by the Credit Administration Division only after ensuring that documentations are fully complied with and that drawing power of the borrower is reviewed.

The Bank has a separate recovery unit to look into recovery of both corporate and retail loans. Also, there is a red flag system whereby each credit account is pro-actively monitored; doubtful payments are identified and immediate actions are taken to prevent further loss. We also have in place, a comprehensive MIS system for regular monitoring and review of credit accounts. The entire credit portfolio is reviewed regularly by the BOD for ensuring a healthy mix of exposures thus reducing the credit concentration risk. A regular review of various sectors is done time and again. Also, the interest and principal repayment are closely monitored on a daily basis and any delinquency/deficiency is immediately reported to the management for necessary corrective actions.

Similarly, the Bank also closely monitors the credit worthiness of various financial institutions that share nostro/vostro relationship with the Bank. Credit limits are sanctioned and set only after detailed financial analysis of the FIs and limit reviews are done regularly. All of the aforementioned mechanisms have helped the Bank to consistently maintain its non-performing assets (NPA) within the prescribed limit. As of FY end 2012-13 the NPA of the Bank stood at 2.31 %. Considering the size of the Bank's loan portfolio, we believe our NPA level is one of the lowest in the industry. Likewise, the Bank's loan loss provisioning to loans/advances ratio is consistently maintained which justifies its prime concern to safeguard the interests of its stakeholders. The Bank has a sound Investment Policy, Assets – Liabilities Management Policy and Treasury Operational Manual to maintain the healthy investment portfolio of the Bank.

Market risk:

Market risk basically refers to the risk arising from the adverse fluctuations in market rates or prices that ultimately affect earnings from various asset and liability holdings of the Bank. Interest rate, foreign exchange and securities are prone to market risks.

Banks' earnings are affected by changes in the interest rate environment especially when such changes are unanticipated. For Siddhartha Bank also, the primary source of income is the differential or 'spread' between the interest earned on loans, securities and other interest earning assets, and interest paid on deposits, borrowings and other interest bearing liabilities. Any changes in interest rates affect the interest spreads because of the difference between the maturities and re-pricing characteristics of interest earning assets and interest bearing liabilities. Interest rate changes also affect the loan volume and yields. For instance, a sharp increase in interest rate results in lower loan originations and ultimately affects earnings. Sometimes it also affects borrowers' repayment capacity.

Similarly, the Bank is exposed to foreign exchange rates fluctuations that are subject to market movements. These fluctuations affect values of different assets, liabilities and overall off balance sheet items denominated in foreign currencies. Siddhartha Bank has specified dealers' limit and limits on overnight position for ensuring proper management of market risks. The foreign currency positions are revalued daily on mark-to-market basis and counter party limits are also determined based on the credit worthiness of the parties. The management of market risks is carried out by the Treasury department.

Siddhartha Bank has been successfully maintaining minimum level of market risks, with the help of an effective Asset and Liability Committee (ALCO) that operates as per the ALCO charter. Interest rate risk is managed through funding gap and earnings sensitivity analysis. The Bank carefully monitors the interest rate movements in the market and takes up necessary proactive measures. The Bank also has an equally well managed foreign exchange risk management system. All foreign exchange transactions are monitored by the Treasury department.



Operational Risk

Necessary Checks and Balances at all ends.

Operational risk is one of the vital risk categories for a bank. Operational risk arises because of various factors such as human errors, frauds, technological breakdowns, etc. Lack of proper management of operational risk may result in significant losses. Siddhartha Bank fully understands the implications of operational risks and thus, has a robust system to avert operational risks. It has a robust internal control mechanism with clear lines of authorities and reporting. All operational procedures are well defined through operating manuals. Internal audits are carried out periodically to ensure compliance of the Bank's activities with various internal, regulatory and statutory requirements.

Various training and development programs are conducted regularly for enhancing the skills and expertise of the staff and reduce the operational errors. The Bank has segregated front and back office operations for proper check and balance system that ultimately assists to strengthen the Bank's internal control. Apart from this, various operational manuals and its strict compliance help to ensure smooth workflow. . The Bank has a dedicated Control and Compliance unit for monitoring of the overall bank operations. There is an independent Internal Audit department that consists of professionals with expertise in risk identification and management. The Audit Committee reviews the audit comments raised by the internal audit department and advises the management to implement the recommendations.



Liquidity Risk:

Matching assets and liabilities:

Liquidity risk refers to any undue risk to a bank's earnings and capital arising from the bank's inability to meet its obligations when they are due. Siddhartha Bank has a well-structured ALM Policy for governing the liquidity risk management. The Bank's Asset Liability Committee (ALCO) monitors the liquidity risk. Liquidity is managed using a total balance sheet perspective analyzing both funding capacity available via increase of liabilities and through liquidation of assets- all this is analyzed with reference to projected demands for liquidity. The primary sources of liquidity for the Bank include core deposits, asset liquidation, including securities sold under repurchase agreements, and wholesale funding, which includes funds raised from sources such as inter bank borrowing. The Bank's Treasury Department is

involved in liquidity management through funding and investment functions. ALCO also periodically reviews the liquidity position of the Bank and plans for necessary actions to be taken in case of unforeseen event which might adversely affect the Bank's normal funding activities.

Strict Adherence to AML Norms:

Siddhartha Bank has a separate Control and Compliance department which is responsible for ensuring compliance to the regulatory and legal requirements of Nepal as well as International Standards. The department is basically focused on prevention of money laundering. The Bank has highly focused on compliance with the 'Know Your Customer' policy for maintaining greatest possible transparency in business relationships and financial transactions. As required by this policy, the Bank verifies the documents relating to the identification of its clients and also acquires a risk-based classification of their source of assets and liabilities.

Basel II Compliance:

The Bank has fully complied with the regulatory capital adequacy framework. As per the central bank's regulation to implement Basel II frame work from fiscal year 2008/09, the Bank has been stringently ensuring that the standards are met. As required by the Basel II, the Bank's Capital Adequacy Ratio (CAR) throughout the year has been well above the minimum capital requirement of 10%. At the end of the FY 2012/13, the Bank's CAR stood at 12.30%.

The Bank has adopted simplified standardized model of capital adequacy framework under Basel II as regulated by NRB, and has developed internal mechanisms to ensure that it complies with the standard. Effective MIS system to monitor the risk elements, strong product documentation, standard operating procedures and trained human resources about the regulatory requirement has helped the Bank to ensure compliance with the standards.

The net interest
income of the Bank
increased by
34.78%, as the
Bank managed to
successfully reduce
the cost of fund.

A pair of black-rimmed glasses with clear lenses is resting on the spine of a red book. The book is embossed with the words 'CORPORATE GOVERNANCE' in a serif font. The background is blurred, showing what appears to be a library or office setting with other books on shelves.

CORPORATE
GOVERNANCE

Corporate Governance

High standards of 'Corporate Governance' is an integral part of Siddhartha Bank's work culture. The Bank is fully committed to the various principles of sound corporate governance. For Siddhartha Bank, growth and capitalizing on opportunities is equally matched by uncompromising compliance to legal, statutory and regulatory requirements. The Bank has a robust control mechanism to contain operational risk events and a team of independent auditors to ensure full compliance to policies and operating manuals.

Siddhartha Bank has instilled proper policies, guidelines and operating manuals to ensure smooth and compliant operations. Our employees have high standards of ethical behavior & professionalism as they well understand that their conduct greatly determines the Bank's reputation. With a view to protect all our stakeholders, we pursue transparent business management. The periodic publication of financials ensures proper dissemination of the Bank's financial health to all its stakeholders.

The Bank's structure is designed in a way that ensures all the objectives are met and that all company affairs are well overseen by the respective authorities. A strong and sound internal control mechanism has been instilled to ensure that Bank obligations are correctly and completely identified and discharged accordingly. The Bank has developed systems to ensure effective management of various types of risks facing the Bank. Compliance to these very systems

and mechanisms guarantee identification, monitoring and controlling of various types of risks the Bank has to deal with. Besides the internal audit department, the Bank has also appointed reputed external auditor that is independent of any financial interests in the company. All these efforts reflect the Bank's understanding and emphasis of sound corporate governance.



Corporate Social Responsibility

Siddhartha Bank is fully aware of its Corporate Social Responsibility as a responsible member of the Nepalese society. The Bank places utmost priority in ensuring that it operates with sincere commitment to its corporate social responsibility. In the FY 2012-13, the Bank has been involved in various social welfare programs and social events directly or through sponsorship to other social initiatives. The Bank has carried out CSR in areas such as education, sports, social welfare, health care and local/regional events and exhibitions.



In FY 2012-13, the Bank organized Dental Camp, at Dahachowk, its Branchless Banking Location, whereby 180 patients were provided free dental checkups. The Bank also contributed Rs. 50,000 towards the higher education and accommodation of underprivileged girls of Kalikot and Sindhupalchowk area under RHEST (Rural Health and Education Service Trust), an INGO working for preventing girls trafficking, violence

against women, and education of girls and improvement of woman's reproductive health in Nepal for the last 21 years.

The Bank also donated Rs. 50,000 to Traffic Police Building Construction Committee (TPBCC) for the construction of building at Durbarmarg, Kathmandu. General Banking Awareness Program was carried out

by different branches of the Bank throughout the country, whereby the Bank staffs provided lectures on general banking at different reputed colleges near their locality. The Bank also provided financial support to organizations relating to veteran athletes, local events that promote cohesion and collaboration in the community, school projects that promote community welfare, health camps organized by various institutions.

The Bank has a dedicated mechanism for ensuring the effectiveness of its CSR activities and also to carry out future CSR related activities that promote welfare of the society. As a responsible institution, the Bank has been aggressively implementing solar hybrid system in its branches and ATMs in order to be energy efficient. In the days to come as well, the Bank is focused to carry out CSR activities on a branch level that promotes welfare of the locality.

The Bank has a dedicated mechanism for ensuring the effectiveness of its CSR activities and also to carry out future CSR related activities that promote welfare of the society.



Event Participation

Siddhartha Bank has been actively participating in and supporting several events organized by multiple institutions. In the FY 2012/13, the Bank participated in Indrajatra Festival, in association with Ganga Club, Newroad, whereby the Bank sponsored for the T-shirts for volunteers and preparation of ritual foods (Samay Bazi).

The Bank also participated in Soaltee Super Sixes, organized by Soaltee Crowne Plaza, and reached pre-quarter finals.

The Bank participated in the "Lalitpur Mahotsav 2069", jointly organized by Lalitpur Chamber of Commerce and Industry (LCCI), Lalitpur Sub-Metropolitan City and Jyapu Samaj Yala, as the 'Official Banker'. The Mahotsav promoted various aspects of the diverse and rich culture of Patan as well as its economic strength and the Bank promoted its various products and services through its dedicated stall at the mega event.

Siddhartha Bank Participated in the CAN Infotech 2013, as the Official Banker. In the 6 day event the Bank managed ticket counter, and promoted its products in the event.

Director's Report

Economic Review

In the FY 2012-13, the impact of economic downturn in the global economy post Eurozone Crisis was reduced to greater extent and signs of improvement were seen in the European economies. The after effects of the financial crisis were hardly visible on the U.S. economy. However, there exists a big challenge of containing inflation, ensuring economic expansion and maintaining financial stability. Indian Economy experienced low economic growth and substantial depreciation of rupee against the dollar, due to deteriorated business sentiments with rising current account deficit and stalled investment due to governance issues. Chinese Economy growth rate has not been as expected.



The outlook of the Nepalese Economy was on the brighter side in fiscal year 2012-13. The economic growth rate was higher than in the recent, while inflation and budget deficit was contained to certain extent. Based on preliminary estimates, the country's GDP grew at a modest rate of 3.6% compared to the GDP growth rate of 4.5% in the previous year. Consumer Price Inflation in the FY 2012/13 stood at about 9.9% compared to 8.3% in the previous year. With substantial increase in deposit base of Banks and Financial Institutions, the liquidity crisis in the Banking Industry has ended. With decrease in lending rates subsequent to increased liquidity, the environment has become investment friendly.

New Initiatives

During the review year, the Bank capitalized on various opportunities in a bid to enhance its customer service, increase operational efficiency and to be socially responsible.

Network Expansion

In order to enhance access to formal banking services in rural parts of the country, the Bank established branches in Namche Bazaar, Solukhumbu and Dailekh Bazaar, Dailekh. The Branch in Namche, the gateway to Mt. Everest, was inaugurated by the Governor of Nepal Rastra Bank, Dr. Yuba Raj Khatriwada in a special ceremony. In the same period the Bank opened a branch in Kalaiya, Bara and an extension counter in the premises of B.P. Eye Foundations' initiative "Children's Hospital for Eye Ear and Rehabilitation Services (CHEERS)" at Manahara, Bhaktapur. The total number of Bank's branches, now stands at 43. Similarly, the Bank boasts a network of 53 ATMs spread all over the country. The Bank is planning to install additional ATMs in the FY 2013-14.

Deposit Schemes

In the review period, the Bank co-branded with Kantipur Publications for the publication's 'Sun Chandi Mahotsav' & 'Dream Big Win Big' subscription scheme. Under these schemes, the Bank offered 'Siddhartha Kantipur Savings Account' to the subscribers of

'Kantipur' daily and 'The Kathmandu Post' and offered them the NTC/Ncell recharge card worth Rs. 200 on opening of new accounts. Besides, the Bank has continued and revised features of its deposit products namely; Sarvottam Bachat, Jestha Nagarik Bachat, Bal Bachat, Nari Bachat, Remit Account, Investors Savings Account, Super Salary Accounts.

Credit Card

In the review period, the Bank launched its VISA Credit Card in order to facilitate its valued customers. The subscribers of Siddhartha Bank VISA Credit Card will have 15-45 days credit facility and can withdraw cash up to 90% of the credit limit.

VISA Prepaid Card

The Bank launched Domestic and International VISA Prepaid Card in the review period. Domestic VISA Prepaid Cards can be used in Nepal and India, whereas the International VISA Prepaid Card (Travel Cards) can be used in any country of the world. With prepaid cards, customers can load money in their card and can use it for cash withdrawal or merchant payment, without the hassle of carrying paper money or opening an account.

Student VISA Prepaid Card

The Bank launched Student VISA Prepaid Card, targeting students studying in colleges. With this card, the parents of the students or students themselves can load money in the card and use it for cash withdrawal or merchant payments.

Expansion of Branchless Banking Service

The Bank's Branchless Banking Service (Sajilo Banking Sewa), which provides financial transaction facilities (primarily deposit and withdrawal) to rural population deprived of formal banking system, has expanded to 23 locations of the country. Under Sajilo Banking Service, rural customers are facilitated financial transaction facilities through various agent locations using cards and biometric authentication.

Siddhartha Hello Paisa Service

Under Siddhartha Hello Paisa Service, the customers can open mobile account and link it to their respective Bank account. With the service, the customers can push funds from Bank Account to Mobile and vice-versa. The fund can be used for utility payment, merchant payments as well as transferring fund to account of person availing such services under Siddhartha Bank or other Banks associated with Hello Paisa.

SBL Remit

The Bank further expanded the reach of its remittance service 'SBL Remit' through appointment of additional payment agents. During the review period, the total number of payout agents had crossed 2,700. At present, the Bank has been providing remittance facility through Saudi Arabia, Qatar, Kuwait, Bahrain, Malaysia, UAE and Korea. In the near future, the Bank is planning to cater the remittance service to the Nepalese Migrants from Russia, London, Lebanon and Singapore. The Bank has also tied up with major remittance companies Western Union and MoneyGram thus facilitating customers' to send and receive money transmitted through these networks. The Bank has also tied up with State Bank of India, ensuring easy remittance of money by Nepali working in India. The Bank is also planning to develop SBL Remit as a Global Channel of Remittance rather than just a medium of receiving money remitted from abroad.

Bancassurance

The Bank has been offering both life and non-life insurance policies to its customers through its branches and facilitating premium payments through standing debit instructions of customers' accounts.

Siddhartha Capital

Siddhartha Bank ventured into Capital Market, by establishing its subsidiary company, "Siddhartha Capital Limited (SCL)". SCL is licensed by Securities Board of Nepal as a Mutual Fund Manager and Depository as per the Mutual Fund Regulation, 2010. Siddhartha Capital has launched close-end

"Siddhartha Investment Growth Scheme -I" worth Rs. 50 crores, operated under Siddhartha Mutual Fund. The objective of offering such schemes is to provide regular and balanced return over the scheme period with focus on higher possible capital appreciation at the end of the maturity.

Acquisition of Land

In the FY 2012/13 the Bank acquired 40 Ana of Land at Naxal, for the purpose of Head Office building construction.

Business and Financial Achievements

Consistent with its past track record, the Bank delivered superior profitability and maintained healthy assets quality during the year 2012-13. Cashing on its strong capital, size of the portfolio and healthy credit culture, the Bank has managed to gain market share consistently during the past years amidst maintaining high profitability and assets quality standards. The Bank's total deposits registered a growth of 9.42% to reach Rs. 28.39 Billion while its loans and advances grew by 15% to stand at Rs. 23.72 Billion.

Assets Quality

Even though the Bank has grown at a faster pace, it has sustained the excellent asset quality standards containing its non-performing asset at 2.39%. Attributable to the prudence maintained in the Bank's lending, the Bank has been successful in containing the NPA ratio well below NRB requirement.

Profitability of the Bank

Living up to the expectations of the investors, the Bank maintained healthy growth rate in its profitability during the FY 2012-13 and registered milestone operating profit (before provision) of Rs. 1 Billion. The Bank registered a growth of 55.43% in the net operating profit at Rs. 768 million.

Total Income

The total income of the Bank increased to Rs. 1.60 billion in FY 2012-13 from Rs. 1.18 billion in the previous year.

Interest Income

The Bank's net interest income increased substantially from Rs. 857 million in FY 2011-12 to Rs. 1.15 billion in FY 2012-13.

Shareholders' Equity

The net worth of the Bank stood at Rs. 2.67 Billion in the FY 2012-13, a growth of 22% compared to the previous year.

Going Ahead

Siddhartha Bank has been continuously focusing on three key aspects – Growth, Infrastructure Development and Human Resource Development. The Bank has rightly achieved all objectives in line with its plans. The portfolio of the Bank has registered encouraging growth in the last few years with its deposit portfolio crossing the Rs. 28 billion marks while its loan portfolio is well over Rs. 23 billion mark in the FY 2012/13.

In its quest to provide efficient and effective banking services to the customers, the Bank has emphasized on constantly innovating new products/services, redesigning existing products/services and re-engineering the process of service delivery. The Bank

has already rolled out a number of products and services that best addresses the dynamic needs of the customers. With services like mobile banking, internet banking, branchless banking, the customers can carry out banking transactions without having to physically visit the Bank. Besides, strong encryption mechanisms have been adopted by the Bank so as to ensure security and confidentiality of technology based services.

On the human resources front, the total numbers of staffs have crossed 400 mark and the Bank is committed to provide ample opportunities and equitable compensation to grow and retain the best talents of the industry. Geographical expansion through branch expansion and ATMs has been one of the areas that the Bank has been focusing on in the past few years. This has helped the Bank to build a network of 43 Branches and 53 ATMs throughout the country. This strategy will continue to be a part of the Bank's overall strategy in the days to come.

In the years to come, the Bank is committed to search for opportunities to deliver wide array of banking products and services to its customers and at the same time fulfill the expectation of its stakeholders through strong financial performance and activities as a socially responsible member of the society.





**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
Siddhartha Bank Ltd.**

1. We have audited the accompanying financial statements of **Siddhartha Bank Ltd.** ("the bank") comprising of Balance sheet as at 31st Ashad 2070 (corresponding to 15th July 2013), the Profit & Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date and the consolidated financial statements of the bank incorporating the financial statements of its subsidiary Siddhartha Capital Ltd. (referred to as "subsidiary company" and "the group" collectively for bank and subsidiary company) of F.Y.2069/70.

Responsibility of Financial Statements

2. These financial statements are the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope of Work

3. We conducted our audit in accordance with Nepal Standards on Auditing or relevant practices. Those Standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion on Financial Statement

4. In our opinion, and to the best of our information and according to the explanation given to us, read together with Significant Accounting Policies and Notes to Accounts forming part of financial statements,
 - in case of the bank, the financial statements give a true and fair view of the financial position of the bank as of Ashad 31, 2070, and of the results of its operations and its cash flows for the year then ended in accordance with Nepal Accounting Standards or relevant practices, so far as applicable in compliance with prevailing laws; and
 - in case of the group, the consolidated financial statements give a true and fair view of the financial position of the bank and its subsidiary as of Ashad 31, 2070, and of the results of the operations and cash flows for the year then ended in accordance with Nepal Accounting Standards or relevant practices, so far as applicable in compliance with prevailing laws.

Other Reporting

5. Based on our examination of the financial statements, we report that
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. The accounts and records of the Bank have been maintained as required by law and practice.



- c. The Balance Sheet, Profit & Loss Account, Cash Flow Statement & Statement of Change in Equity dealt with by this reports are in agreement with the books of account.
- d. As per the requirement of Institute of Chartered Accountants of Nepal, our audit included the audit of branches of the bank whose deposit or loan exceeded 2% of total deposit or gross loan and advances of the bank. In case of other branches, though the branches were not independently audited, the details received were adequate for purpose of audit.
- e. In our opinion and to the best of our information and according to the explanation given to us, the Board of Directors, the representative or any employee of the Bank has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Bank deliberately and have not violated Directives issued by the Nepal Rastra Bank or acted in a manner that would jeopardized the interest and security of the bank and its depositors and the business of the Bank appears to have been conducted satisfactorily.
- f. The capital fund, risk bearing fund and the provisions for possible impairment of assets of the bank are adequate as per the Directives issued by Nepal Rastra Bank.
- g. Without qualifying our opinion, we report that auditor's report as required by Sec. 143 (1) (kha) of Companies Act 2063 is not available for Financial Statements of Siddhartha Capital Ltd., due to pending approval of financial statements by the Board of Directors of the subsidiary company. So, the consolidated financial statement of the bank is prepared on basis of management prepared financial statements of the subsidiary. We have reviewed the consolidation process and the management prepared financial statement of subsidiary company and concluded that there are no adjustments that could materially affect the consolidated financial statements of the bank.


Mukunda Dev Adhikari, FCA
Partner
For Dev Associates
Chartered Accountants



Date: 1 December 2013
Place: Lalitpur

Consolidated Balance Sheet

as at 31 Ashad 2070 (15 July 2013)

Capital & Liabilities	This Year Rs.	Previous Year Rs.
1. Share Capital	1,813,553,616	1,619,244,300
2. Reserves and Surplus	686,420,835	563,471,962
3. Non- Controlling Interest	47,904,768	48,465,575
4. Debenture and Bonds	931,290,000	627,770,000
5. Borrowings	787,465,822	45,000,000
6. Deposit Liabilities	28,383,286,527	25,948,505,780
7. Bills Payables	13,018,950	7,721,141
8. Proposed Dividend	163,628,898	136,357,415
9. Income Tax Liabilities	7,078,003	27,470,539
10. Other Liabilities	857,576,372	604,724,965
TOTAL CAPITAL & LIABILITIES	33,691,223,791	29,628,731,676

Assets	This Year Rs.	Previous Year Rs.
1. Cash Balance	761,812,599	813,180,196
2. Balance with Nepal Rastra Bank	2,656,846,863	2,925,084,335
3. Balance with Banks & Financial Institutions	87,207,904	592,642,645
4. Money at Call & Short Notice	1,375,253,337	647,479,500
5. Investment	4,468,620,808	3,392,868,133
6. Loans, Advances & Bills Purchased	23,086,563,330	20,217,584,589
7. Fixed Assets	465,018,998	369,222,798
8. Non- Banking Assets		
9. Other Assets	789,899,952	670,669,480
TOTAL ASSETS	33,691,223,791	29,628,731,676

Ram Chandra Khanal
Head - Finance

Sundar Prasad Kadel
Chief Operating Officer

Shambhu Nath Gautam
Deputy Chief Executive Officer

Surender Bhandari
Chief Executive Officer

Poonam Chand Agrawal
Manoj Kumar Kedia
Subodh Todi
Ratan Lal Kedia
Mahesh P. Pokharel
Hemant Gyawali
Rajesh Kumar Kedia
Bhagat Bista

Chiranjilal Agrawal
Chairman

As Per our report
of even date

Mukunda Dev
Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Consolidated Profit & Loss Accounts

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particular	This Year Rs.	Previous Year Rs.
1. Interest Income	2,901,913,856	2,906,265,458
2. Interest Expenses	1,741,467,061	2,048,913,705
Net Interest Income	1,160,446,795	857,351,753
3. Commission & Discount	113,066,701	108,180,648
4. Other Operating Income	189,367,484	94,506,710
5. Exchange Fluctuation Gain	156,644,586	115,626,926
Total Operating Income	1,619,525,566	1,175,666,036
6. Employees Expenses	221,530,340	174,854,154
7. Other Operating Expenses	386,257,627	338,421,423
8. Exchange Fluctuation Loss	-	-
Operating Profit Before Provision for Possible Loan Loss	1,011,737,599	662,390,459
9. Provisions for possible losses	245,494,574	155,526,474
Operating Profit	766,243,025	506,863,984
10. Non- Operating Income/(Expenses)	943,581	2,518,835
11. Possible Loss Provision Written Back	-	8,100,000
Profit from Regular Activities	767,186,606	517,482,819
12. Income/Expenses from Extraordinary Activities	12,794,019	-
Net Profit after including all activities	754,392,588	517,482,819
13. Provision for Staff Bonus	68,784,341	47,175,331
14. Provision for Income Tax (a+b-c)	205,286,966	140,941,769
a. This year provision	214,877,704	146,623,063
b. Provision upto last year	754,835	844,589
c. Deferred Tax Income/(Expenses)	10,345,574	6,525,884
15. Share of Non-Controlling interest in the Profit/Loss of Subsidiary	(1,095,232)	(534,425)
NET PROFIT/ (LOSS)	481,416,512	329,900,145

Ram Chandra Khanal
Head - Finance

Sundar Prasad Kadel
Chief Operating Officer

Shambhu Nath Gautam
Deputy Chief Executive Officer

Surender Bhandari
Chief Executive Officer

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Hemant Gyawali
Rajesh Kumar Kedia
Bhagat Bista

Chiranjilal Agrawal
Chairman

As Per our report
of even date

Mukunda Dev
Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Consolidated Profit & Loss Appropriation Accounts

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particulars	This Year Rs.	Previous Year Rs.
Income		
1. Accumulated restated Profit upto Previous Year	103,072,222	32,291,519
2. This Year's Profit	481,416,512	329,900,145
3. Exchange Equalisation Fund		
4. Transfer from Capital Adjustment Fund		
5. Share Premium		
TOTAL	584,488,735	362,191,664
Expenditures		
1. Accumulated loss upto Previous Year	-	
2. Current year's loss	-	
3. General Reserve	96,511,289	66,091,277
4. Contingent Reserves	-	-
5. Institutional Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employees Related Reserve Fund	-	-
8. Proposed Dividend	163,628,898	136,357,415
9. Proposed Bonus Share	194,309,316	-
10. Specific Reserve Fund	-	-
11. Exchange Fluctuation Fund	4,090,114	3,925,625
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Investment Adjustment Reserve	4,750,799	1,041,700
15. Deferred Tax Reserve	10,345,574	6,170,725
15. Others	-	-
a. Debenture Redemption Reserve	96,452,716	45,532,701
TOTAL	570,088,706	259,119,441
15. Accumulated Profit/ (Loss)	14,400,029	103,072,222

Ram Chandra Khanal
Head - Finance

Sundar Prasad Kadel
Chief Operating Officer

Shambhu Nath Gautam
Deputy Chief Executive Officer

Surender Bhandari
Chief Executive Officer

Poonam Chand Agrawal
Manoj Kumar Kedia
Subodh Todi
Ratan Lal Kedia
Mahesh P. Pokharel
Hemant Gyawali
Rajesh Kumar Kedia
Bhagat Bista

Chiranjilal Agrawal
Chairman

As Per our report
of even date

Mukunda Dev
Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Consolidated Statement of Changes in Equity

as at 31 Asadh 2070 (15 July 2013)

Particulars	Share Capital	Accumulated Profit & Loss	General Reserve	Capital Adjustment Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax Reserve	Debenture Redemption Reserve	Investment Adjustment Reserve	Total Amount
Balance at 16 July 2012	1,619,244,300	103,072,222	294,929,235	-	-	11,264,692	9,715,699	143,148,415	1,341,700	2,182,716,262
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Restated Opening Balance	1,619,244,300	103,072,222	294,929,235	-	-	11,264,692	9,715,699	143,148,415	1,341,700	2,182,716,262
Transfer from share premium	-	-	-	-	-	-	-	-	-	-
Transfer from Capital adjustment reserve	-	-	-	-	-	-	-	-	-	-
Currency Translation Difference	-	-	-	-	-	-	-	-	-	-
Net Gains & Losses Not Recognised in the Income Statement	-	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	481,416,512	-	-	-	-	-	-	-	481,416,512
Transfer to General Reserve	-	(96,511,289)	96,511,289	-	-	-	-	-	-	-
Proposed dividend	-	(163,628,898)	-	-	-	-	-	-	-	(163,628,898)
Proposed bonus share	194,309,316	(194,309,316)	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-
Deficit on Revaluation of Properties	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Investments	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	(4,090,114)	-	-	-	4,090,114	-	-	-	-
Capital Adjustment Fund	-	-	-	-	-	-	-	-	-	-
Investment Adjustment Reserve	-	(4,750,799)	-	-	-	-	-	-	4,750,799	-
Deferred Tax Reserve	-	(10,345,574)	-	-	-	-	10,345,574	-	-	-
Debenture Redemption Reserve	-	(96,452,716)	-	-	-	-	-	96,452,716	-	-
BALANCE AT 15 JULY 2013	1,813,553,616	14,400,028	391,440,524	-	-	15,354,805	20,061,272	239,601,131	6,092,499	2,500,503,877

Balance Sheet

as at 31 Ashad 2070 (15 July 2013)

Capital & Liabilities	Schedule	This Year Rs.	Previous Year Rs.
1. Share Capital	4.1	1,813,553,616	1,619,244,300
2. Reserves and Surplus	4.2	688,646,434	564,028,200
3. Debenture and Bonds	4.3	931,290,000	627,770,000
4. Borrowings	4.4	787,465,822	45,000,000
5. Deposit Liabilities	4.5	28,392,822,287	25,948,505,780
6. Bills Payables	4.6	13,018,950	7,721,141
7. Proposed Dividend		163,628,898	136,357,415
8. Income Tax Liabilities		7,078,003	27,470,539
9. Other Liabilities	4.7	856,351,748	603,101,514
TOTAL CAPITAL & LIABILITIES		33,653,855,758	29,579,198,888

Assets	Schedule	This Year Rs.	Previous Year Rs.
1. Cash Balance	4.8	761,809,818	813,180,031
2. Balance with Nepal Rastra Bank	4.9	2,656,846,863	2,925,084,336
3. Balance with Banks & Financial Institutions	4.10	67,119,493	553,626,399
4. Money at Call & Short Notice	4.11	1,375,253,337	647,479,500
5. Investment	4.12	4,472,790,408	3,393,868,133
6. Loans, Advances & Bills Purchased	4.13	23,086,563,330	20,217,584,589
7. Fixed Assets	4.14	453,510,172	358,712,869
8. Non- Banking Assets	4.15	-	-
9. Other Assets	4.16	779,962,337	669,663,031
TOTAL ASSETS		33,653,855,758	29,579,198,888

Contingent Liabilities	Schedule 4.17
Declaration of Directors	Schedule 4.29
Capital Adequacy Table	Schedule 4.30
Details of Risk Weighted Exposure Table	Schedule 4.30 (A)
Principal Indicators	Schedule 4.31
Significant Accounting Policies	Schedule 4.32
Notes to Accounts	Schedule 4.33

Schedule 4.1 to 4.17 form integral part of the Balance Sheet.

Ram Chandra Khanal
Head - Finance

Sundar Prasad Kadel
Chief Operating Officer

Shambhu Nath Gautam
Deputy Chief Executive Officer

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Subodh Todi
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Hemant Gyawali
Rajesh Kumar Kedia
Bhagat Bista

Chiranjilal Agrawal
Chairman

As Per our report
of even date

Mukunda Dev Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Profit & Loss Accounts

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particulars	Schedule	This Year Rs.	Previous Year Rs.
1. Interest Income	4.18	2,898,414,698	2,906,265,458
2. Interest Expenses	4.19	1,742,838,625	2,048,913,705
Net Interest Income		1,155,576,072	857,351,753
3. Commission & Discount	4.20	113,066,701	108,180,648
4. Other Operating Income	4.21	182,092,830	94,506,710
5. Exchange Fluctuation Gain	4.22	156,644,586	115,626,926
Total Operating Income		1,607,380,190	1,175,666,036
6. Employees Expenses	4.23	216,516,361	173,883,774
7. Other Operating Expenses	4.24	376,891,063	336,339,828
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit Before Provision for Possible Loan Loss		1,013,972,766	665,442,433
9. Provisions for possible losses	4.25	245,494,574	155,526,474
Operating Profit		768,478,192	509,915,959
10. Non- Operating Income / (Expenses)	4.26	943,581	912,683
11. Possible Loss Provision Written Back	4.27	-	8,100,000
Profit from Regular Activities		769,421,773	518,928,642
12. Income/Expenses from Extraordinary Activities	4.28	12,794,019	-
Net Profit after including all activities		756,627,755	518,928,642
13. Provision for Staff Bonus		68,784,341	47,175,331
14. Provision for Income Tax (a+b-c)		205,286,966	141,296,928
a. This year provision		214,877,704	146,623,063
b. Provision upto last year		754,835	844,589
c. Deferred Tax Income/(Expenses)		10,345,574	6,170,725
NET PROFIT/ (LOSS)		482,556,447	330,456,383

Schedule 4.18 to 4.28 form integral part of this profit & loss account

Ram Chandra Khanal
Head - Finance

Sundar Prasad Kadel
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Deputy Chief Executive Officer

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Rajesh Kumar Kedia
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of even date

Mukunda Dev
Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Profit & Loss Appropriation Accounts

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particular	Schedule	This Year Rs.	Previous Year Rs.
Income			
1. Accumulated restated Profit upto Previous Year		103,628,460	32,291,519
2. This Year's Profit		482,556,447	330,456,383
3. Exchange Equalisation Fund		-	-
4. Transfer from Capital Adjustment Fund		-	-
5. Share Premium		-	-
TOTAL		586,184,907	362,747,902
Expenditures			
1. Accumulated loss upto Previous Year		-	-
2. Current year's loss		-	-
3. General Reserve		96,511,289	66,091,277
4. Contingent Reserves		-	-
5. Institutional Development Fund		-	-
6. Dividend Equalization Fund		-	-
7. Employees Related Reserve Fund		-	-
8. Proposed Dividend		163,628,898	136,357,415
9. Proposed Bonus Share		194,309,316	-
10. Specific Reserve Fund		-	-
11. Exchange Fluctuation Fund		4,090,114	3,925,625
12. Capital Redemption Reserve Fund		-	-
13. Capital Adjustment Fund		-	-
14. Investment Adjustment Reserve		4,750,799	1,041,700
15. Deferred Tax Reserve		10,345,574	6,170,725
15. Others		-	-
a. Debenture Redemption Reserve		96,452,716	45,532,701
TOTAL		570,088,706	259,119,442
15. Accumulated Profit/ (Loss)		16,096,201	103,628,460

Ram Chandra Khanal
Head - Finance

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of even date

Mukunda Dev
Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Statement of Changes in Equity

as at 31 Asadh 2070 (15 July 2013)

Particulars	Share Capital	Accumulated Profit & Loss	General Reserve	Capital Adjustment Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax Reserve	Debtore Redemption Reserve	Investment Adjustment Reserve	Total Amount
Balance at 16 July 2012	1,619,244,300	103,628,460	294,929,235	-	-	11,264,692	9,715,699	143,148,415	1,341,700	2,183,272,500
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Restated Opening Balance	1,619,244,300	103,628,460	294,929,235	-	-	11,264,692	9,715,699	143,148,415	1,341,700	2,183,272,500
Transfer from share premium	-	-	-	-	-	-	-	-	-	-
Transfer from Capital adjustment reserve	-	-	-	-	-	-	-	-	-	-
Currency Translation Difference	-	-	-	-	-	-	-	-	-	-
Net Gains & Losses Not Recognised in the Income Statement	-	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	482,556,447	-	-	-	-	-	-	-	482,556,447
Transfer to General Reserve	-	(96,511,289)	96,511,289	-	-	-	-	-	-	-
Proposed dividend	-	(163,628,898)	-	-	-	-	-	-	-	(163,628,898)
Proposed bonus share	194,309,316	(194,309,316)	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-
Deficit on Revaluation of Properties	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Investments	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	(4,090,114)	-	-	-	4,090,114	-	-	-	-
Capital Adjustment Fund	-	-	-	-	-	-	-	-	-	-
Investment Adjustment Reserve	-	(4,750,799)	-	-	-	-	-	-	4,750,799	-
Deferred Tax Reserve	-	(10,345,574)	-	-	-	-	10,345,574	-	-	-
Debtore Redemption Reserve	-	(96,452,716)	-	-	-	-	-	96,452,716	-	-
BALANCE AT 15 JULY 2013	1,813,553,616	16,096,201	391,440,524	-	-	15,354,805	20,061,272	239,601,131	6,092,499	2,502,200,050

Cash Flow Statement

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particular	This Year Rs.	Previous Year Rs.
A. CASH FLOWS FROM OPERATING ACTIVITIES	(792,266,158)	2,263,408,919
1. Cash Receipts	3,351,556,258	3,220,020,269
1.1 Interest Income	2,899,268,060	2,901,346,203
1.2 Commission & Discount Income	113,066,701	108,180,648
1.3 Exchange Fluctuation Gain	156,644,586	115,626,926
1.4 Recovery of Loans Written Off	80,000	-
1.5 Other Income	182,496,911	94,866,493
2. Cash Payments	2,572,024,150	2,655,162,458
2.1 Interest Expenses	1,757,983,487	2,051,561,824
2.2 Staff Expenses	285,300,702	218,650,828
2.3 Office Operating Expenses	290,186,440	249,293,593
2.4 Income Tax Paid	225,679,501	135,656,213
2.5 Other Expenses	12,874,019	-
CASH FLOWS before Changes in Working Capital	779,532,108	564,857,811
Increase/(Decrease) in Current Assets	(5,032,273,501)	(2,932,918,311)
1. (Increase)/Decrease in Money at Call and Shortnotice	(727,773,837)	235,301,884
2. (Increase)/Decrease in Short-term Investments	(1,078,922,275)	(855,958,707)
3. (Increase)/Decrease in Loan and Bills Purchased	(3,114,318,622)	(1,980,977,970)
4. (Increase)/Decrease in Other Assets	(111,258,767)	(331,283,518)
Increase/(Decrease) in Current Liabilities	3,460,475,234	4,631,469,420
1. Increase/(Decrease) in Deposits	2,444,316,507	4,372,851,798
2. Increase/(Decrease) in Certificate of Deposits	-	-
3. Increase/(Decrease) in Short-term Borrowings	742,465,822	-
4. Increase/(Decrease) in Other Liabilities	273,692,905	258,617,621
B. CASH FLOWS FROM INVESTING ACTIVITIES	(180,962,426)	(77,032,570)
1. (Increase)/Decrease in Long-term Investments	-	-
2. (Increase)/Decrease in Fixed Assets	(181,501,926)	(77,585,470)
3. Interest Income from Long term Investments	-	-
4. Dividend Income	539,500	552,900
5. Others	-	-

Continue...Cash Flow Statement

Continue...Cash Flow Statement

Particular	This Year Rs.	Previous Year Rs.
C. CASH FLOWS FROM FINANCING ACTIVITIES	167,113,991	199,829,439
1. Increase/(Decrease) in Long-term Borrowings (Bond, debentures etc.)	303,471,406	400,000,000
2. Increase/(Decrease) in Share Capital		
3. Increase/(Decrease) in Other Liabilities		-
4. Increase/(Decrease) in Refinance/facilities received from NRB		
5. Increase/(Decrease) in Proposed dividends and Dividend Payables	(136,357,415)	(200,170,561)
D. Income/Expenses from changes in exchange rate on Cash and Bank Balances	-	-
E. Net Cash Flow For The Year from all activities (A+B+C+D)	(806,114,593)	2,386,205,788
F. Opening Cash and Bank Balance	4,291,890,766	1,905,684,978
G. Closing Cash and Bank Balance	3,485,776,173	4,291,890,766

Ram Chandra Khanal
Head - Finance

Sundar Prasad Kadel
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Chiranjilal Agrawal
Chairman

As Per our report
of even date

Mukunda Dev
Adhikari, FCA
For Dev Associates
Chartered Accountants

Directors

Date: **29 November 2013**
Place: **Kathmandu, Nepal**

Share Capital & Ownership

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.1

Particulars	This Year Rs.	Previous Year Rs.
1. Share Capital	-	-
1.1 Authorized Capital	3,000,000,000	3,000,000,000
a. 30,000,000 Ordinary shares of Rs. 100 each share	3,000,000,000	3,000,000,000
b. Non-redeemable Preference Shares of Rs.....each	-	-
c. Redeemable Preference Shares of Rs.....each	-	-
1.2 Issued Capital	1,619,244,300	1,619,244,300
a. 16,192,443 Ordinary shares of Rs.100 each share	1,619,244,300	1,619,244,300
b. Non-redeemable Preference Shares of Rs.....each	-	-
c. Redeemable Preference Shares of Rs.....each	-	-
1.3 Paid up Capital	1,619,244,300	1,619,244,300
a. 16,192,443 Ordinary shares of Rs.100 each share	1,619,244,300	1,619,244,300
b. Non-redeemable Preference Shares of Rs.....each	-	-
c. Redeemable Preference Shares of Rs.....each	-	-
1.4 Proposed Bonus Share	194,309,316	
1.5 Calls in Advance	-	
1.6 TOTAL AMOUNT(1.3+1.4+1.5)	1,813,553,616	1,619,244,300

Share Ownership Details

as at 31 Asadh 2070 (15 July 2013)

Share Ownership Details	This Year Rs.		Previous Year Rs.	
	%	Share Capital	Share Capital	%
1. Domestic Ownership	100	1,619,244,300	1,619,244,300	100
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institutions	-	-	-	-
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Entities	-	-	-	-
1.5 General Public	49	793,429,700	793,429,700	49
1.6 Others (Promoter)	51	825,814,600	825,814,600	51
2. Foreign Ownership	-	-	-	-
TOTAL	100	1,619,244,300	1,619,244,300	100

List of Shareholders' holding more than 0.5 % Share Capital

Schedule 4.1.1

S. N.	Name	No. of shares	Paid Amount Rs.	%
1.	NARENDRA KUMAR AGRAWAL	792,950	79,295,000	4.90%
2.	PRUDENTIAL INVESTMENT CO. PVT.LTD.	648,658	64,865,800	4.01%
3.	CHIRANJILAL AGRAWAL	647,305	64,730,500	4.00%
4.	HIRALAL KEDIA	537,266	53,726,600	3.32%
5.	RATANLAL KEDIA	534,026	53,402,600	3.30%
6.	MAHAVIR INVESTMENT PVT. LTD	485,481	48,548,100	3.00%
7.	SUBODH TODI	407,802	40,780,200	2.52%
8.	GOMATI DEVI KEDIA	356,019	35,601,900	2.20%
9.	PAWAN KUMAR AGRAWAL	353,707	35,370,700	2.18%
10.	DINANATH KEDIA	349,546	34,954,600	2.16%
11.	NARPAT SINGH JAIN	329,512	32,951,200	2.03%
12.	ASHOK KUMAR BAHETI	323,654	32,365,400	2.00%
13.	RAMAUTAR KEDIA	297,761	29,776,100	1.84%
14.	MADANLAL KEDIA	297,761	29,776,100	1.84%
15.	SAVITA KEDIA	291,836	29,183,600	1.80%
16.	PUNAM CHANDA AGRAWAL	260,807	26,080,700	1.61%
17.	SURESH KUMAR RUNGTA	242,742	24,274,200	1.50%
18.	SANTOSH RATHI	242,742	24,274,200	1.50%
19.	SANJAY KUMAR SHARDA	242,742	24,274,200	1.50%
20.	PUSHPANJALI INTERNATIONAL PVT.LTD.	200,724	20,072,400	1.24%
21.	SURESH CHANDA AGRAWAL	196,557	19,655,700	1.21%
22.	BINOD KUMAR AGRAWAL	191,799	19,179,900	1.18%
23.	SHYAM SUNDER AGRAWAL	181,580	18,158,000	1.12%
24.	BISHWONATH SHAH	161,828	16,182,800	1.00%
25.	RAJ KUMAR TIBREWALA	161,828	16,182,800	1.00%
26.	RAJENDRA AGRAWAL	161,828	16,182,800	1.00%
27.	NIKITA KUMARI BHIMSARIA	147,116	14,711,600	0.91%
28.	RABINDRANATH SHARMA	144,110	14,411,000	0.89%
29.	MANISH JAIN	143,266	14,326,600	0.88%
30.	KRISHNA MURARI AGRAWAL	138,557	13,855,700	0.86%
31.	PAWAN KUMAR AGRAWAL	131,774	13,177,400	0.81%
32.	BINAY KUMAR SHAH MARWARI	126,100	12,610,000	0.78%
33.	KABINDRA BAHADUR SHRESTHA	123,633	12,363,300	0.76%
34.	SAROJ SHARMA	120,755	12,075,500	0.75%
35.	SATIS AND DAMODAR PRASAD GAUTAM	113,691	11,369,100	0.70%
36.	JAGADISH KUMAR AGRAWAL	113,280	11,328,000	0.70%
37.	BIRENDRA KUMAR SHAH	112,789	11,278,900	0.70%
38.	NIRMAL PRADHAN	109,271	10,927,100	0.67%
39.	SHAMBHU KUMAR KANDOI	94,198	9,419,800	0.58%
40.	ANIL KUMAR SHRESTHA	87,387	8,738,700	0.54%
41.	OM PRAKASH RUNGTA	80,915	8,091,500	0.50%

Reserves and Surplus

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.2

Particulars	This Year Rs.	Previous Year Rs.
1. General Reserve Fund	391,440,524	294,929,235
2. Capital Reserve Fund	-	-
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund		
5. Other Reserves and Fund	265,754,903	154,205,813
5.1. Contingent Reserve	-	-
5.2. Institution Development Fund	-	-
5.3. Dividend Equalization Fund	-	-
5.4. Specific reserve Fund	-	-
5.5. Assets Revaluation Reserve	-	-
5.6. Investment Adjustment Reserve	6,092,499	1,341,700
5.7. Deferred Tax Reserve	20,061,272	9,715,699
5.8. Other Free Reserves	-	-
5.9. Other Reserve Funds	-	-
5.10. Debenture Redemption Reserve	239,601,131	143,148,414
5.11. Share Premium		-
6. Accumulated Profit/ Loss	16,096,201	103,628,460
7. Exchange Fluctuation Fund	15,354,805	11,264,692
TOTAL	688,646,434	564,028,200

Debentures and Bonds

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.3

Particulars	This Year Rs.	Previous Year Rs.
1. 8.5% of SBL Debentures 2072 of Rs. 1,000 each	227,770,000	227,770,000
Issued on 2065.07.29 and to be redeemed on 2072.07.28	227,770,000	227,770,000
(Outstanding balance of Redemption Reserve Rs 162,692,856.86)		
2. 11 % of SBL Debentures 2075 of Rs 1,000each	400,000,000	400,000,000
Issued 2069.01.12 and to be redeemed on 2076.01.13	400,000,000	400,000,000
(Outstanding balance of Redemption Reserve Rs 70,136,986.30)		
3. 8 % of SBL Debentures 2076 of Rs 1,000 each	303,520,000	-
Issued 2070.02.06 and to be redeemed on 2077.02.05	303,520,000	
(Outstanding balance of Redemption Reserve Rs 6,771,287.67)		
(57 days For this FY 2069/70)		
TOTAL (1+2+3)	931,290,000	627,770,000

Borrowings

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.4

Particulars	This Year Rs.	Previous Year Rs.
A. Local		
1. Government of Nepal	-	-
2. Nepal Rastra Bank	183,846,915	-
3. Repo - Liabilities	-	-
4. Inter Bank & Financial Institution	603,618,908	45,000,000
5. Other Organized Institutions	-	-
6. Others	-	-
Total	787,465,822	45,000,000
B. Foreign		
1. Banks	-	-
2. Others	-	-
Total	-	-
TOTAL (A + B)	787,465,822	45,000,000

Deposits

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.5

Particulars	This Year Rs.	Previous Year Rs.
1. NON-INTEREST BEARING DEPOSIT ACCOUNTS		
A. Current Deposits	895,029,086	702,674,456
1. Local Currency	811,703,771	546,233,677
1.1 Government of Nepal	88,780,311	88,789,833
1.2 "A" Class Licensed Institutions	1,478,383	55,751,731
1.3 Other Licensed Financial Institutions	50,773,780	43,212,647
1.4 Other Organized Institutions	590,539,098	315,593,257
1.5 Individuals	80,024,037	42,169,403
1.6 Others	108,161	716,805
2. Foreign Currency	83,325,315	156,440,779
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	-	-
2.4 Other Organized Institutions	83,325,315	156,440,779
2.5 Individuals	-	-
2.6 Others	-	-
B. Margin Deposits	259,446,137	294,753,923
1. Employees Guarantee	2,501,837	2,424,683
2. Guarantees Margin	114,077,079	93,239,248
3. Letters of Credit Margin	142,867,221	199,089,992
C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institutions	-	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts	1,154,475,223	997,428,379

Continue...Deposits

Continue...Deposits

Particulars	This Year Rs.	Previous Year Rs.
2. INTEREST BEARING ACCOUNTS		
A. Savings Deposits	7,385,578,203	5,661,716,649
1. Local Currency	7,350,399,839	5,636,451,093
1.1 Organized Institutions	-	-
1.2 Individuals	7,186,997,090	5,484,053,243
1.3 Others	163,402,748	152,397,850
2. Foreign Currency	35,178,365	25,265,557
2.1 Organized Institutions	-	-
2.2 Individuals	35,178,365	25,265,557
2.3 Others	-	-
B. Fixed Deposits	10,708,836,223	10,966,949,025
1. Local Currency	10,325,636,223	9,996,749,025
1.1 Organized Institutions	7,617,429,160	6,896,603,324
1.2 Individuals	1,934,587,590	2,482,298,229
1.3 Others	773,619,473	617,847,472
2. Foreign Currency	383,200,000	970,200,000
2.1 Organized Institutions	383,200,000	970,200,000
2.2 Individuals	-	-
2.3 Others	-	-
C. Call Deposit	9,143,932,637	8,322,411,726
1. Local Currency	8,918,454,561	8,184,638,405
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Financial Institutions	3,121,074,160	3,329,332,096
1.3 Other Organized Institutions	4,199,617,020	3,434,949,861
1.4 Individuals	1,335,208,305	1,224,832,913
1.5 Others	262,555,076	195,523,536
2. Foreign Currency	225,478,077	137,773,321
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Financial Institutions	-	-
2.3 Other Organizations	225,478,077	137,773,321
2.4 Individuals	-	-
2.5 Others	-	-
D. Certificate of Deposit	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	27,238,347,064	24,951,077,401
(1 + 2) TOTAL DEPOSIT	28,392,822,287	25,948,505,780

Bills Payable

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.6

Particulars	This Year Rs.	Previous Year Rs.
1. Local currency	1,644,643	7,721,141
2. Foreign currency	11,374,306	-
TOTAL	13,018,950	7,721,141

Other Liabilities

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.7

Particulars	This Year Rs.	Previous Year Rs.
1. Pension/Gratuity Fund	14,530,955	6,604,237
2. Employees Provident Fund		
3. Employees Welfare Fund	-	-
4. Provision for Staff Bonus	68,784,341	47,175,331
5. Interest Payable on Deposits	43,165,852	74,144,287
6. Interest Payable on Borrowings	16,767	
7. Unearned Discount & Commission	4,995,059	4,608,041
8. Sundry Creditors	9,197,242	68,846,580
9. Branch Adjustment Account		
10. Deferred Tax Liability	-	-
11. Dividend Payable	30,885,784	26,223,631
12. Others	684,775,747	375,499,407
a. Provision for Audit expenses	604,550	565,000
b. Provision for Leave Encashment	37,812,985	26,852,206
c. Interest Payable on Debentures	35,543,573	19,726,767
d. Provision for Teller Allowance	367,362	553,336
e. Payable for Bullion	170,229,688	123,317,264
f. Payable for Remittance	67,547,210	87,002,228
g. TDS payable	45,976,223	-
h. Forward Payable	208,168,478	-
i. Others	118,525,679	117,482,607
TOTAL	856,351,748	603,101,514

Cash Balance

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.8

Particular	This Year Rs.	Previous Year Rs.
1. Local Currency (Including Coins)	725,772,440	790,537,972
2. Foreign Currency	36,037,378	22,642,059
TOTAL	761,809,818	813,180,031

Balance with Nepal Rastra Bank

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.9

Particulars	Local Currency Rs.	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		INR	Convertible FCY	Total		
1. Nepal Rastra Bank						
a. Current Account	2,641,219,074		15,627,788	15,627,788	2,656,846,863	2,925,084,336
b. Other Accounts	-			-	-	-
TOTAL					2,656,846,863	2,925,084,336

Balance as per balance confirmation certificates is Rs. 2,683,811,120.23

Balance with Bank & Financial Institutions

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.10

Particulars	Local Currency Rs.	Foreign Currency			Total Rs.	Previous Year Rs.
		INR	Convertible FCY	Total		
1. Local Licensed Institutions	34,194,419	-	46,402	46,402	34,240,820	484,440,164
a. Current Account	34,194,419	-	46,402	46,402	34,240,820	484,440,164
b. Other Accounts	-	-	-	-	-	-
2. Foreign Banks	-	-	32,878,673	32,878,673	32,878,673	69,186,236
a. Current Account	-	-	32,878,673	32,878,673	32,878,673	69,186,236
b. Other Accounts	-	-	-	-	-	-
TOTAL	34,194,419	-	32,925,075	32,925,075	67,119,493	553,626,399

Balance as per balance confirmation certificates is Rs 147,999,946.81

Money at Call & Short Notice

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.11

Particulars	This Year Rs.	Previous Year Rs.
1. Local Currency	1,300,000,000	290,000,000
2. Foreign Currency	75,253,337	357,479,500
TOTAL	1,375,253,337	647,479,500

Investments

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.12

Particulars	Purpose		This Year Rs.	Previous Year Rs.
	Trading	Other		
1. Govt. of Nepal Treasury Bills	-	1,762,729,750	1,762,729,750	1,184,467,100
2. Govt. of Nepal Saving Bonds	-	-	-	-
3. Govt. of Nepal Other Securities	-	1,435,470,683	1,435,470,683	1,488,806,033
4. Nepal Rastra Bank Bonds	-	-	-	-
5. Foreign Securities	-	-	-	-
6. Local Licensed Institutions	-	28,740,000	28,740,000	-
7. Foreign Banks	-	744,366,000	744,366,000	320,342,400
8. Corporate's Shares	-	223,495,739	223,495,739	72,392,600
9. Corporate's Bonds /Debentures/Mutual Fund	-	86,436,830	86,436,830	-
10. Other Investment	-	191,600,000	191,600,000	327,860,000
Total Investment	-	4,472,839,002	4,472,839,002	3,393,868,133
Provision	-	48,594	48,594	-
NET INVESTMENT	-	4,472,790,408	4,472,790,408	3,393,868,133

Investment in Shares, Debentures & Bonds

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.12 (a)

Particulars	Cost Price Rs.	Market Price Rs.	Provision Amount Rs.	This Year Rs.	Previous Year Rs.
1. Investment in Shares					
1.1 Credit Information Center Limited 29,100 Ordinary Share (including bonus shares) of Rs.100 paid up	1,607,600	Not listed		1,607,600	1,607,600
1.2 Siddhartha Insurance Limited 150,000 Ordinary Share of Rs. 100 paid up	15,000,000	30,600,000		15,000,000	15,000,000
1.3 Nepal Clearing House Limited 25,000 Ordinary Shares of Rs.100 Paid up	2,500,000	Not listed		2,500,000	2,500,000
1.4 National Banking Training Institute 12,000 Ordinary Shares of Rs.100 paid up	1,200,000	Not listed		1,200,000	1,200,000
1.5 Siddhartha Capital Ltd 510,000 Ordinary Shares of Rs.100 each	51,000,000	Not listed		51,000,000	51,000,000
1.6 ICRA Nepal Ltd 7,600 Ordinary Shares of Rs.100 each	760,000	Not listed		760,000	760,000
1.7 Mero Micro Finance Bittiya Sanstha Ltd 65,000 Ordinary Shares of Rs.100 each	6,500,000	Not listed		6,500,000	325,000
1.8 Paschimanchal Grameen Bikash Bank 24,268 Ordinary Shares of Rs.100 each	2,426,800	listed		2,426,800	
1.9 Rural Micro Finance Development Center 140,000 Ordinary Shares	39,480,000	Not listed		39,480,000	
1.10 Nepal Electronic Payment System Ltd 25,000 Ordinary Shares of Rs. 100 each	2,500,000	Not listed		2,500,000	
1.11 NLG Insurance Company Limited 783 Ordinary Shares of Rs. 100 each	78,300	215,325		78,300	
1.12 Bidding NCM Mutual Fund					
1.12.a Nepal Insurance Company Limited 7,142 Ordinary Shares of Rs. 100 Paid up	1,107,422	1,664,086		1,107,422	
1.12.b National Life Insurance Company Ltd 75,278 Ordinary Shares of Rs. 100 Paid up	43,366,908	44,865,688		43,366,908	
1.12.c NLG Insurance Company Limited 8,533 Ordinary Shares of Rs. 100 Paid up	1,177,554	2,346,575		1,177,554	
1.12.d United Insurane Co Nepal Ltd 4,795 Ordinary Shares of Rs. 100 Paid up	1,096,248	1,155,595		1,096,248	
1.12.e Life Insurance Co. Nepal 8,750 Ordinary Shares of Rs. 100 Paid up	7,287,992	11,550,000		7,287,992	

Continue...Investment in Shares, Debentures & Bonds

Continue...Investment in Shares, Debentures & Bonds

Particulars	Cost Price Rs.	Market Price Rs.	Provision Amount Rs.	This Year Rs.	Previous Year Rs.
1.12.f Butwal Power Co. Limited	1,362,070	1,626,800		1,362,070	
1,960 Ordinary Shares of Rs. 100 Paid up					
1.12.g UniLever Nepal Limited	10,766,960	12,757,640		10,766,960	
1,288 Ordinary Shares of Rs. 100 Paid up					
1.12.h Bottlers Nepal P. Ltd	4,602,275	5,891,200		4,602,275	
4,480 Ordinary Shares of Rs. 100 Paid up					
1.12.i Nepal Lube oil Limited	1,050	1,050	1,050	1,050	
1,050 Ordinary Shares of Rs. 100 Paid up					
1.12.j Soaltee Hotel Limited	29,549,311	34,312,320		29,549,311	
124,320 Ordinary Shares of Rs. 10 Paid up					
1.12.k Nepal Film Dev. Company Limited	539	539	539	539	
539 Ordinary Shares of Rs. 100 Paid up					
1.12.l Nepal Doorsanchar Co. Ltd	77,705	80,500		77,705	
140 Ordinary Shares of Rs. 100 Paid up					
1.12.m Jyoti Spennings Mills Company Ltd	1,302	1,302	1,302	1,302	
1,302 Ordinary Shares of Rs. 100 Paid up					
1.12.n Birat Shoe Company Limited	14,028	14,028	14,028	14,028	
14,028 Ordinary Shares of Rs. 100 Paid up					
1.12.o Necon Air Limited	10,143	10,143	10,143	10,143	
10,143 Ordinary Shares of Rs. 100 Paid up					
1.12.p Ace Labrotories Nepal Ltd	966	966	966	966	
966 Ordinary Shares of Rs. 100 Paid up					
1.12.q Himal Cement Ltd	2,170	2,170	2,170	2,170	
2,170 Ordinary Shares of Rs. 100 Paid up					
1.12.r Lethreage Bansbari Co. Ltd.	18,396	18,396	18,396	18,396	
18,396 Ordinary Shares of Rs. 100 Paid up					
Total Investment	223,495,739	147,114,323	48,594	223,495,739	72,392,600
2. Investment in Debentures/ Bonds/Mutual Funds	-				-
2.1 Siddhartha Growth Scheme	-				-
7,500,000 Ordinary Shares of Rs. 10 each	75,000,000	82,500,000.00		75,000,000	
2.2 NABIL Balance Fund I	-				-
1,143,683 Ordinary Shares of Rs. 10 each	11,436,830	11,436,830.00		11,436,830	
2.3	-				-
Total Investment	86,436,830	93,936,830		86,436,830	-
3. Provision for Loss					
3.1 Up to Previous Year	-				
3.2 Additions/Deductions of this year	-				
Total Provision	-	-	48,594	48,594	-
NET INVESTMENT	309,932,569	241,051,153	48,594	309,883,975	-

Held for Trading

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.12.1

Particulars	Cost price	Previous Market Price (A)	Current Market Price (B)	This Year gain/loss (Rs) (B-A)	Previous Year gain/loss Rs.	Remarks
1. Govt. of Nepal Treasury Bills	-	-	-	-	-	
2. Govt. of Nepal Saving Bonds	-	-	-	-	-	
3. Govt. of Nepal Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Local Licensed Institutions Shares	-	-	-	-	-	
7. Local Licensed Institutions Debenture & Bonds	-	-	-	-	-	
8. Local Corporate's Shares, Debenture & Bonds	-	-	-	-	-	
9. Investment(Placement) in Foreign Banks	-	-	-	-	-	
10. Interbank Lending	-	-	-	-	-	
11. Other Investment	-	-	-	-	-	
TOTAL INVESTMENT	-	-	-	-	-	

Held to Maturity

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.12.2

Particulars	Cost Price (a)	Loss upto current year (b)	This year Loss (c)	This Year Gain/(Loss) (a-b-c)	Previous Year Gain/(Loss) (Rs.)	Remarks
1. Govt. of Nepal Treasury Bills	1,762,729,750	-	-	-	-	
2. Govt. of Nepal Saving Bonds	-	-	-	-	-	
3. Govt. of Nepal Other Bonds	1,435,470,683	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Local Licensed Institutions Shares	28,740,000	-	-	-	-	
7. Local Licensed Institutions Debenture & Bonds	-	-	-	-	-	
8. Local Corporate's Shares, Debenture & Bonds	-	-	-	-	-	
9. Investment(Placement) in Foreign Banks	744,366,000	-	-	-	-	
10. Other Investment	191,600,000	-	-	-	-	
TOTAL INVESTMENT	4,162,906,433	-	-	-	-	

Available for Sale

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.12.2

Particulars	Cost price	Previous Market Price (A)	Current Market Price (B)	This Year Fund adjustment amount (B-A)	Previous Year gain/ loss Rs.	Remarks
1. Govt. of Nepal Treasury Bills	-	-	-	-	-	
2. Govt. of Nepal Saving Bonds	-	-	-	-	-	
3. Govt. of Nepal Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Local Licensed Institutions Shares	-	-	-	-	-	
7. Local Licensed Institutions Debenture & Bonds	-	-	-	-	-	
8. Local Corporate's Shares, Debenture, Bonds & Mutual Fund	309,932,569	-	-	-	-	
9. Investment(Placement) in Foreign Banks	-	-	-	-	-	
10. Other Investment	-	-	-	-	-	
TOTAL INVESTMENT	309,932,569	-	-	-	-	

Classification of Loans and Bills Purchased and Provisioning

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.13

Particulars	Loan & Advances Rs.						Bills Purchased and Discounted Rs.			This Year Rs.	Previous Year Rs.
	Domestic			Foreign	Total	Domestic	Foreign	Total			
	Insured	Deprived Sector							Others		
		Uninsured									
1. Performing Loans	-	839,960,009	21,682,789,576	-	22,522,749,584	120,332,000	510,668,866	631,000,866	23,153,750,451	20,294,393,557	
1.1 Pass Loan	-	839,960,009	21,682,789,576	-	22,522,749,584	120,332,000	510,668,866	631,000,866	23,153,750,451	20,294,393,557	
2. Non Performing Loan	-	139,621	565,728,706	-	565,868,328	2,000,000	-	2,000,000	567,868,328	312,906,599	
2.1 Rescheduled/Restructured Loan	-	-	-	-	-	-	-	-	-	85,659	
2.2 Sub standard	-	-	186,220,670	-	186,220,670	-	-	-	186,220,670	22,812,858	
2.3 Doubtful	-	-	53,832,587	-	53,832,587	-	-	-	53,832,587	218,275,719	
2.4 Loss	-	139,621	325,675,449	-	325,815,071	2,000,000	-	2,000,000	327,815,071	71,732,363	
(A) Total Loans (1+2)	-	840,099,630	22,248,518,282	-	23,088,617,912	122,332,000	510,668,866	633,000,866	23,721,618,779	20,607,300,156	
3. Loan Loss Provision	-	-	-	-	-	-	-	-	-	-	
3.1 Pass Loan	-	8,399,600	219,059,308	-	227,458,908	1,203,320	5,106,689	6,310,009	233,768,917	203,131,423	
3.2 Rescheduled / Restructured Loan	-	-	-	-	-	-	-	-	-	10,707	
3.3 Sub standard	-	-	46,555,167	-	46,555,167	-	-	-	46,555,167	5,703,215	
3.4 Doubtful	-	-	26,916,294	-	26,916,294	-	-	-	26,916,294	109,137,860	
3.5 Loss	-	139,621	325,675,449	-	325,815,071	2,000,000	-	2,000,000	327,815,071	71,732,363	
(B) Total Loan Loss Provision	-	8,539,222	618,206,218	-	626,745,440	3,203,320	5,106,689	8,310,009	635,055,448	389,715,567	
4. Provision upto Previous Year	-	-	-	-	-	-	-	-	-	-	
4.1 Pass	-	5,934,469	192,275,739	-	198,210,208	1,501,502	3,419,714	4,921,216	203,131,423	184,994,545	
4.2 Rescheduled / Restructured Loan	-	-	10,707	-	10,707	-	-	-	10,707	3,246,449	
4.3 Sub standard	-	-	5,703,215	-	5,703,215	-	-	-	5,703,215	9,520,892	
4.4 Doubtful	-	-	109,137,860	-	109,137,860	-	-	-	109,137,860	18,285,339	
4.5 Loss	-	139,621	71,592,741	-	71,732,363	-	-	-	71,732,363	47,115,226	
(C) Total Provision upto Previous Year	-	6,074,090	378,720,262	-	384,794,352	1,501,502	3,419,714	4,921,216	389,715,567	263,162,450	
(D) Written Back from Previous Year's Provision	-	-	-	-	-	-	-	-	-	8,100,000	
(E) Additional Provision of This Year	-	2,465,131	239,485,957	-	241,951,088	1,701,818	1,686,975	3,388,793	245,339,881	147,424,563	
Net Additions/Deductions of This Year	-	8,539,222	618,206,218	-	626,745,440	3,203,320	5,106,689	8,310,009	635,055,448	389,715,567	
NET LOAN (A-B)	-	831,560,409	21,630,312,064	-	22,461,872,473	119,128,680	505,562,178	624,690,858	23,086,563,330	20,217,584,589	

Securitywise Loans, Advances & Bills Purchased

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.13 (a)

Particulars	This Year Rs.	Previous Year Rs.
A. Secured	23,997,090,573	20,799,055,040
1. Collateral of Movable/Immovable Assets	22,613,705,147	19,228,131,679
2. Guarantee of Local Licensed institutions	-	-
3. Government Guarantee	135,050,000	135,050,000
4. Internationally Rated Bank Guarantee	-	-
5. Collateral of Export Documents	178,730,000	2,300,000
6. Fixed Deposit Receipts	275,471,794	191,754,883
(a) Own FDR	275,471,794	191,754,883
(b) FDR of Other Licensed Institutions	-	-
7. Government Bonds	-	-
8. Counter Guarantee	-	-
9. Personal Guarantee	2,501,837	937,438
10. Other Securities	516,160,000	1,049,126,157
B. Unsecured	-	-
TOTAL(A+B)	23,721,618,779	20,607,300,156

Fixed Assets

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.14

Particulars	Assets Rs.				This Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office Equipment		
1. At Cost						
(a) Previous Year's Balance	49,457,203	85,407,712	-	232,297,955	367,162,870	284,188,977
(b) Addition This Year	1,947,750	21,827,600		20,426,553	44,201,903	96,447,535
(c) Revaluation/Re-Written of This Year					-	-
(d) This Year's Sold		(14,130,900)			(14,130,900)	(14,648,031)
(e) This Year's written off				(5,557,835)	(5,557,835)	-
(f) Net Transfer					-	1,174,390
Total Cost (a+b+c+d+e)	51,404,953	93,104,412	-	247,166,673	391,676,039	367,162,870
2. Depreciation						
(a) Upto Previous Year	529,804.69	30,594,309		110,755,635	141,879,748	107,314,908
(b) For This Year	2,515,120.00	11,902,607		32,197,335	46,615,062	43,615,147
(c) Depreciation on Revaluation/ Re-written					-	(9,050,306)
(d) Depreciation Adjustment/Written Back		(9,091,011)		(5,120,820)	(14,211,831)	-
Total Depreciation(a+b+c+d)	3,044,924.69	33,405,904	-	137,832,150	174,282,979	141,879,748
3. Book Value (WDV*) (1-2)	48,360,028	59,698,508	-	109,334,523	217,393,060	225,283,122
4. Land	-	-	-	-	169,457,419	41,955,600
5. Capital Construction (Pending Capitalization)	-	-	-	-	-	1,650,000
6. Leasehold Assets	-	-	-	-	66,659,694	89,824,147
TOTAL (3+4+5+6)	48,360,028	59,698,508	-	109,334,523	453,510,172	358,712,869

Non-Banking Assets

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.15

Name and Address of Borrower/Party	Date of assuming of non-banking assets	Total Non Banking Assets Rs.	Loss Provision		Net Non Banking Assets Rs.	Previous Year Rs.
			Percent	Amount Rs.		
1. S Trade Link Pvt Ltd	15/05/2012	5,748,755	100%	5,748,755	-	-
2. Singh Medi Link Pvt Ltd	15/05/2012	2,351,245	100%	2,351,245	-	-
TOTAL		8,100,000		8,100,000	-	-

Other Assets

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.16

Particulars	This Year Rs.	Previous Year Rs.
1. Stock of Stationery	3,669,984	3,545,340
2. Income Receivable on Investments	49,213,735	50,067,097
3. Accrued Interest on Loan	193,380,948	34,617,270
Less: Interest Suspense Amount	(147,305,051)	-
4. Commission Receivable	-	-
5. Sundry Debtors	120,395,653	135,859,635
6. Staff Loans and Advances	306,447,761	241,087,603
7. Advance/Prepayments	17,537,127	15,534,206
8. Cash in Transit	-	-
9. Other Transit Items (including cheques)	3,708,673	1,040,760
10. Draft Paid Without Notice	-	-
11. Expenses Not Written-off	24,659,654	33,502,274
12. Branch Adjustment Account	-	-
13. Deferred Tax	20,061,272	9,715,699
14. Bullion (Gold)	168,334,092	123,317,264
15. Others	19,858,487	21,375,883
TOTAL	779,962,337	669,663,031

Other Assets (Additional Statements)

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.16 (a)

Particulars	This Year Rs.				Previous Year Rs.
	Up to 1 Year	1 to 3 Years	Above 3 Years	Total	
1. Accrued Interest on Loans	89,760,173	98,236,070	5,384,706	193,380,948	116,366,521
2. Drafts Paid without notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Domestic/Foreign Agency Balance	-	-	-	-	-
TOTAL	89,760,173	98,236,070	5,384,706	193,380,948	116,366,521

Contingent Liabilities

as at 31 Asadh 2070 (15 July 2013)

Schedule 4.17

Particulars	This Year Rs.	Previous Year Rs.
1. Claims on bank but not accepted by the Bank	-	-
2. Letters of Credit (Full Amount)	1,428,792,075	1,603,492,546
(a) Less than 6 months maturity	815,663,422	1,011,055,482
(b) More than 6 months maturity	613,128,653	592,437,064
3. Rediscounted bills	-	-
4. Unmatured Guarantees/Bonds	2,210,400,693	2,033,643,160
(a) Bid Bonds	95,774,342	79,387,722
(b) Performance Bonds	2,114,626,350	1,954,255,438
(c) Other Guarantees/ Bonds	-	-
5. Unpaid Shares in Investment	-	-
6. Forward Exchange Contract Liabilities	-	-
7. Bills Under Collection	29,641,780	36,995,558
8. Acceptance & Endorsements	743,936,370	768,695,785
9. Underwriting Commitment	-	-
10. Irrevocable Loan Commitment	1,559,525,638	1,721,100,363
11. Counter guarantees against the guarantees of Internationally Rated Bank	-	-
12. Advance Payment Guarantee	148,353,124	119,576,577
13. Financial Guarantee	-	-
14. Contingent Liabilities on Income Tax	8,580,390	6,465,696
15. Others	-	-
TOTAL	6,129,230,069	6,289,969,686

Interest Income

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.18

Particulars	This Year Rs.	Previous Year Rs.
A. On Loan, Advances and Overdraft	2,734,011,743	2,733,416,020
1) Loan and Advances	1,653,698,889	1,639,537,233
2) Overdraft	1,080,312,853	1,093,878,786
B. On Investment	138,802,625	162,910,843
1. Government of Nepal Securities	108,278,128	119,204,073
a) Treasury Bills	42,088,396	82,428,752
b) Development Bonds	66,189,733	36,775,321
c) National Saving Bonds	-	-
2. Foreign Securities	-	-
a)		
b)		
3. Nepal Rastra Bank Bonds	-	-
4. Debenture and Bonds		
5. Interest on Inter Bank Lendings	30,524,497	43,706,770
a) Banks/ Financial Institutions	30,524,497	43,706,770
b) Other Institutions	-	-
C. On Agency Balances	298,232	178,254
1. Local Banks/ Financial Institution		
2. Foreign Banks	298,232	178,254
D. On Money at Call and Short Notice	19,983,837	4,686,733
1. Local Banks/ Financial Institutions	19,971,153	2,716,190
2. Foreign Banks	12,684	1,970,543
E. On Others	5,318,261	5,073,608
1. Certificate of Deposits	-	-
2. Inter Bank/ Financial Institution Loan	-	-
3. Others	5,318,261	5,073,608
TOTAL	2,898,414,698	2,906,265,458

Interest Expenses

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.19

Particulars	This Year Rs.	Previous Year Rs.
A. On Deposit Liabilities	1,665,282,194	2,015,524,724
1. Fixed Deposits	877,060,038	1,171,860,295
1.1 Local Currency	861,854,737	1,141,569,117
1.2 Foreign Currency	15,205,301	30,291,178
2. Saving Deposits	344,369,134	285,761,343
2.1 Local Currency	343,734,446	285,382,296
2.2 Foreign currency	634,688	379,046
3. Call Deposits	443,853,022	557,903,086
3.1 Local Currency	442,259,474	557,216,688
3.2 Foreign Currency	1,593,548	686,398
4. Certificate of Deposits	-	-
B. On Borrowings	77,556,431	33,388,982
1. Debenture & Bonds	67,152,371	29,365,929
2. Loan from NRB	-	-
3. Inter Bank/Financial Institutions Loan	10,404,060	4,023,052
4. Other Corporate Body	-	-
5. Other Loans	-	-
C. On Others	-	-
1.	-	-
2.	-	-
TOTAL	1,742,838,625	2,048,913,705

Commission & Discount

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.20

Particulars	This Year Rs.	Previous Year Rs.
A. Bills Purchased & Discounted	7,703,071	1,920,369
1. Local	7,703,071	1,920,369
2. Foreign	-	-
B. Commission	104,717,833	105,846,353
1. Letters of Credit	17,854,519	12,570,728
2. Guarantees	24,707,435	20,943,262
3. Collection Fee	1,996,575	8,277,191
4. Remittance Fee	55,423,191	57,203,593
5. Credit Cards	-	-
6. Share Underwriting/Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	4,736,113	6,788,037
9. Exchange Fee	-	63,542
C. Others	645,797	413,925
TOTAL	113,066,701	108,180,648

Other Operating Income

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.21

Particulars	This Year Rs.	Previous Year Rs.
1. Rental Charges of Safe Deposit Vault	948,510	642,250
2. Issue and Renewal of Credit Cards	1,069,800	-
3. Issue and Renewal of ATM Cards	54,765,820	20,502,647
4. Telex / T.T.	4,678,140	3,918,294
5. Services Charges	70,311,901	62,919,133
6. Renewal Fees	-	-
7. Others	50,318,659	6,524,386
a. Rent Income	-	-
b. Postage & Courier	484,050	366,577
c. Bullion Income	31,741,133	-
d. Miscellaneous Income	18,093,476	6,157,808
TOTAL	182,092,830	94,506,710

Exchange Fluctuation Gain/Loss

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.22

Particulars	This Year Rs.	Previous Year Rs.
1. Revaluation Gain / (Loss)	16,360,455	15,702,498
2. Trading Gain (Except Exchange Fee)	140,284,132	99,924,427
TOTAL GAIN/(LOSS)	156,644,586	115,626,926

Staff Expenses

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.23

Particulars	This Year Rs.	Previous Year Rs.
1. Salary	95,950,545	77,834,917
2. Allowance	69,613,954	59,434,602
3. Contribution to Provident Fund	8,855,424	7,080,333
4. Training Expenses	1,900,378	976,643
5. Uniform	755,818	3,629,256
6. Medical	3,716,348	3,424,551
7. Insurance	3,718,816	2,638,864
8. Pension and Gratuity Provision	14,931,256	6,782,946
9. Others	17,073,823	12,081,661
a. Leave Encashment Expenses	16,030,369	11,505,164
b. Staff Incentives	-	144,000
c. Other	1,043,454	432,497
TOTAL	216,516,361	173,883,774

Other Operating Expenses

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.24

Particulars	This Year Rs.	Previous Year Rs.
1. House Rent	46,534,285	45,246,822
2. Electricity and Water	10,142,851	8,820,144
3. Repairs and Maintenance	10,261,281	9,669,018
a) Building	22,871	24,189
b) Vehicles	1,744,320	1,720,734
c) Others	8,494,090	7,924,094
c.1) Software	5,020,535	5,777,488
c.2) Other	3,473,555	2,146,607
4. Insurance	10,857,135	7,053,040
5. Postage, Telex, Telephone, Fax, SWIFT	14,480,497	15,160,081
a. Postage & Courier Expenses	628,128	976,744
b. Internet & Connectivity	6,469,194	6,045,312
c. Telephone & Fax Expenses	5,020,774	4,447,272
d. SWIFT Expenses	2,362,400	3,690,753
6. Repair & Maintenance of Office Equipment, Furniture & Fixtures	3,305,785	2,646,951
7. Traveling Allowances and Expenses	5,185,319	4,344,653
8. Stationery and Printing	7,482,380	4,786,889
9. Periodicals and Books	449,423	365,157
10. Advertisements	2,545,459	4,046,626
11. Legal Expenses	299,200	325,500
12. Donations	109,225	242,826
13. Expenses relating to Board of Directors	3,925,420	3,755,158
a) Meeting Fees	1,258,000	1,346,000
b) Other Board related Expenses	2,667,420	2,409,158
b.1) Travelling Expenses	261,915	302,867
b.2) Communication & Newspaper	540,000	535,000
b.3) Other Committee Fees & Expenses	752,000	691,000
b.4) Other Expenses	1,113,505	880,291
14. Annual General Meeting Expenses	366,651	609,129
15. Expenses relating to Audit	650,849	684,409
a) Audit Fees	604,550	565,000
b) Other Expenses	46,299	119,409
16. Commission & Promotional Expenses on Remittances	41,026,518	38,109,539
a) Remittance Business Commission Expenses	8,548,852	3,304,097

Continue...Other Operating Expenses

Continue...Other Operating Expenses

Particulars	This Year Rs.	Previous Year Rs.
b) Remittance Business Promotion Expenses	32,477,666	34,805,442
17. Depreciation on Fixed Assets	46,615,062	46,177,127
18. Amortization of Deferred Expenses		
19. Share Issue Expenses	2,172,404	1,993,939
a) Share & Debenture Annual/Listing/Registration Fee	1,871,200	1,669,488
b) Other share related expenses	301,204	324,451
20. Technical Services Reimbursement	-	-
21. Entertainment, Business Promotion and Development Expenses	6,819,101	4,356,495
a. Business Entertainment Expenses	1,347,200	1,143,126
b. Business Promotion & Development Expenses	5,471,902	3,213,368
22. Expenses Write off	40,089,561	40,869,108
23. Security Expenses	25,795,471	27,416,966
24. Credit Guarantee Premium	-	-
25. Commission and Discount	1,891,303	1,927,941
26. Other Expenses	95,885,884	67,732,309
26.a Professional Fees-Internal Audit	1,464,480	1,220,400
26.b Professional Fees-Other	2,319,434	2,135,392
26.c Fuel (Petrol/Diesel) & Gas	18,689,769	14,654,431
26.d Rates & Taxes	1,762,582	1,599,830
26.e SCT Expenses		
26.f Other Card Related Expenses	30,631,159	16,364,159
26.g Janitorial Expenses\Wages\Cleaning\ Gardening etc.	6,374,890	8,047,945
26.h Subscriptions & Membership Fees	3,308,000	2,314,749
26.i Non Capitalized Items	1,187,663	1,030,168
26.j Error, fines & losses	28,200	6,311
26.k Recruitment Expenses	118,170	311,568
26.l Vehicle Rental Expenses	8,601,076	8,879,468
26.m Inaguration Expenses	1,137,492	717,517
26.n Outsourcing Expenses (Driver & Messenger)	13,024,055	6,262,384
26.o Other Office Expenses	2,224,367	1,901,960
26.p Branchless Banking Related Expenses	1,304,318	735,245
26.q Miscellaneous	3,710,229	1,550,782
TOTAL	376,891,063	336,339,828

Provision for Possible Losses

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.25

Particulars	This Year Rs.	Previous Year Rs.
1. Loans and Advances	245,339,881	147,424,563
2. Investments	48,594	-
3. Non- Banking Assets		8,100,000
4. Other Assets	106,099	1,911
TOTAL	245,494,574	155,526,474

Non-operating Income/(Loss)

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.26

Particulars	This Year Rs.	Previous Year Rs.
1. Profit (Loss) on sale of Investment	-	-
2. Profit (Loss) on sale of assets	404,081	359,783
3. Dividend	539,500	552,900
4. Subsidies Received from Nepal Rastra Bank	-	-
a. Reimbursement of losses of specified branches	-	-
b. Interest Subsidy	-	-
c. Exchange Counter	-	-
5. Others	-	-
a. Gain on Sale of NBA	-	-
TOTAL NON-OPERATING INCOME / (LOSS)	943,581	912,683

Loss Provision Written Back

Fiscal Year 2069/70 (2012/13)

Schedule- 4.27

Particulars	This Year Rs.	Previous Year Rs.
1. Loan Loss Provision Written Back		8,100,000
2. Provision against Non- Banking Assets' Written Back		-
3. Provision on Investment Written Back	-	-
4. Provision against Other Assets Written Back	-	-
TOTAL	-	8,100,000

Income/(Expenses) From Extraordinary Activities

For the period from 01 Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule- 4.28

Particulars	This Year Rs.	Previous Year Rs.
1. Recovery of Written off Loan	80,000	-
2. Volunteering Retirement Scheme Expenses	-	-
3. Irrecoverable Loans Written Off (4.28 a)	12,874,019	-
4. Other (Expenses)/Income	-	-
TOTAL	12,794,019	-

Statement of Loans written off

Fiscal Year 2069/70 (2012/13)

Schedule 4.28 (a)

Loan Category	Written off Amount Rs.	Types of Security & Amount Rs.	Basis of Security Valuation	Loan Sanctioning Official/ Rank	Efforts made for Recovery	Remarks
Working Capital Loan	-	-	-	-	-	-
Project Loan	-	-	-	-	-	-
Fixed Capital Loan	-	-	-	-	-	-
Personal Loan	-	-	-	-	-	-
Other Loans	12,874,019	-	-	D.C.Khanna, S.N.Gautam & S.B. Budathoki	Written followups is continued & Notice publised in Newpapers.	-
TOTAL LOANS	12,874,019	-	-	-	-	-

Statement of Loans and Advances Extended to Directors/ Chief Executive/ Promoter/ Employees and Shareholders

as at 31 Asadh 2070 (15 July 2013)

The Statement of loans under total amount of Bills Purchased and Discounted, Loans, Advances and Overdraft provided to the Directors, Chief Executive, Promoters, Employees, Shareholders and the individuals members of "their undivided family" or against the guarantee of such person or to the organization or companies in which such individuals are "managing agent" are as follows. OR

Schedule 4.29

Name of Promoter/ Director/Chief Executive	Previous Year's Balance		This Year's Recovery		This Year Additions	Balance as of Ashad end	
	Principal	Interest	Principal	Interest		Principal	Interest
(A) Directors							
1							
2							
(B) Chief Executive							
1							
2							
(C) Promoters							
1							
2							
(D) Employees							
1							
2							
(E) Shareholders							
1							
2							
Total	-	-	-	-	-	-	-

Note: Loan given to employees as per Employees' Service Rules not presented above

Capital Adequacy Table

As on Asadh end 2070

Schedule 4.30 (A1)

Rs. in '000

1.1 Risk Weighted Exposures	2070 Asadh end	2069 Asadh end
A. Risk Weighted Exposure for Credit Risk	27,723,423	24,513,068
B. Risk Weighted Exposure for Operational Risk	1,444,553	1,124,821
C. Risk Weighted Exposure for Market Risk	25,596	24,233
Total RWE before adjustment under Pillar II	29,193,573	25,662,122
Adjustments under Pillar II		
Add: 2% of Gross income of last FY due to supervisor is not satisfied with sound practice of management of operational risk (6.4 a 7)	241,008	189,959
Add: 2% of the total RWE due to inadequate risk management policies and procedures of the Bank (6.4 a 9)	583,871	513,242
TOTAL RWE (AFTER BANKS' ADJUSTMENTS OF PILLAR II)	30,018,453	26,365,323
1.2 Capital	Current Period	Previous Period
Core Capital (Tier I)	2,465,753	2,155,666
A. Paid Up Equity Share Capital	1,619,244	1,619,244
B. Irredeemable non-cumulative preference shares	-	-
C. Share Premium	-	-
D. Proposed Bonus Equity shares	194,309	-
E. Statutory General Reserves	391,441	294,929
F. Retained Earnings	16,096	103,628
G. Current year cumulative profit/(Loss)		
H. Capital Redemption Reserve	-	-
I. Capital Adjustment Reserve	-	-
J. Dividend Equalisation Reserves	-	-
K. Debenture Redemption Reserves	239,601	143,148
L. Other Free Reserves (Deferred Tax Reserve)	20,061	9,716
Less:		
A. Goodwill	-	-
B. Not written off miscellaneous assets	-	-
C. Investment in equity in licensed Financial institutions	-	-
D. Investment in equity of institutions with financial interest	15,000	15,000
E. Investment in equity of institutions in excess of limits	-	-
F. Investments arising out of underwriting commitments	-	-
G. Reciprocal crossholdings	-	-
H. Other Deductions	-	-

Continue...Capital Adequacy Table

Continue...Capital Adequacy Table

1.2 Capital	Current Period	Previous Period
Supplementary Capital (Tier II)	1,047,813	752,400
A. Cumulative and/or Redeemable preference share	-	-
B. Subordinated Term Debt	794,628	536,662
C. Hybrid Capital Instruments	-	-
D. General loan loss provision	231,737	203,131
E. Exchange Equalisation Reserve	15,355	11,265
F. Investment Adjustment Reserve	6,092	1,342
G. Asset Revaluation Reserve	-	-
H. Other Reserves	-	-
TOTAL CAPITAL FUND (TIER I AND TIER II)	3,513,565	2,908,066
1.3 Capital Adequacy Ratio	Current Period	Previous Period
Core Capital to Total Risk Weighted Assets (Tier I)	8.21	8.18
Capital Fund to Total Risk Weighted Assets (Tier I & Tier II)	11.70	11.03

Credit Risk

As on Asadh end 2070

Schedule 4.30 (B)

Amount in '000

Assets	As of Asadh end 2070					Previous Fiscal Year		
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount
	a	b	c	d=a-b-c	e	f=d*e		
On Balance Sheet Exposures								
Cash Balance	761,810			761,810	0%	-	813,180	813,180
Balance With Nepal Rastra Bank	2,656,847			2,656,847	0%	-	2,925,084	2,925,084
Gold	168,334				0%	-	123,317	
Investment in Nepalese Government Securities	3,198,200			3,198,200	0%	-	2,673,273	2,673,273
All claims on Government of Nepal	342,850			342,850	0%	-	254,203	254,203
Investment in Nepal Rastra Bank securities	-			-	0%	-	0	-
All other claims on Nepal Rastra Bank	-			-	0%	-	0	-
Investment in Foreign Government Securities and Central Bank (ECA rating 0-1)				-	0%	-		-
Investment in Foreign Government Securities and Central Bank (ECA rating 2)				-	20%	-		-
Investment in Foreign Government Securities and Central Bank (ECA rating 3)				-	50%	-		-
Investment in Foreign Government Securities and Central Bank (ECA rating 4-6)				-	100%	-		-
Investment in Foreign Government Securities and Central Bank (ECA rating 7)				-	150%	-		-
Claims on BIS,IMF, ECB, EC and Multilateral Development Bank recognised by the framework				-	0%	-		-
Claims on other Multilateral Development Banks				-	100%	-		-
Claims on Public Sector Entity (ECA 0-1)				-	20%	-		-
Claims on Public Sector Entity (ECA 2)				-	50%	-		-
Claims on Public Sector Entity (ECA3-6)				-	100%	-		-
Claims on Public Sector Entity (ECA 7)				-	150%	-		-
Claims on domestic banks that meet								

Continue...Credit Risk

Assets	As of Asadh end 2070						Previous Fiscal Year	
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount
	a	b	c	d=a-b-c	e	f=d*e		
On Balance Sheet Exposures								
capital adequacy requirements	1,535,741	-	-	1,535,741	20%	307,148	1,412,766	1,412,766
Claims on domestic banks that do not meet capital adequacy requirements	26,044			26,044	100%	26,044	37,929	37,929
Claims on foreign bank (ECA Rating 0-1)	732,431			732,431	20%	146,486	344,557	344,557
Claims on foreign bank (ECA Rating 2)	6,464			6,464	50%	3,232	-	-
Claims on foreign bank (ECA Rating 3-6)	7,185			7,185	100%	7,185	3,438	3,438
Claims on foreign bank (ECA Rating 7)				-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	99,214			99,214	20%	19,843	50,618	50,618
Claims on Domestic Corporates	12,882,606	-	226,064	12,656,542	100%	12,656,542	10,851,720	10,686,733
Claim on Foreign Corporates (ECA 0-1)				-	20%	-	-	-
Claim on Foreign Corporates (ECA 2)				-	50%	-	-	-
Claim on Foreign Corporates (ECA 3-6)				-	100%	-	-	-
Claim on Foreign Corporates (ECA 7)				-	150%	-	-	-
Regulatory Retail Portfolio(Not Overdue)	5,518,658	-	49,407.88	5,469,250	75%	4,101,937	4,313,586	4,242,054
Claims fulfilling all criterion of regulatory retail except granularity				-	100%	-	-	-
Claims secured by residential properties				-	60%	-	-	-
Claims not fully secured by residential properties				-	150%	-	-	-
Claims secured by residential properties(overdue)				-	100%	-	-	-
Claims secured by Commercial real estate	1,337,974			1,337,974	100%	1,337,974	1,677,681	1,677,681
Past due claims (except for claim secured by residential properties)	610,519	363,970	-	246,550	150%	369,824	433,305	252,434
High Risk claims	3,242,161	15,999	-	3,226,162	150%	4,839,243	3,195,959	3,192,202
Investments in equity of institutions listed in the stock exchange & other investment in capital instruments	86,437			86,437	100%	86,437	-	-
Investments in equity of institutions not listed in the stock exchange & other investment in capital instruments	157,496			157,496	150%	236,244	57,393	57,393

Continue...Credit Risk

Amount in '000

Assets	As of Asadh end 2070				Previous Fiscal Year			
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount
On Balance Sheet Exposures	a	b	c	d=a-b-c	e	f=d*e		
Investments in Mutual fund	51,000			51,000	100%	51,000		
Staff Loan secured by residential property	259,714			259,714	60%	155,828	205,906	205,906
Interest Receivable/ Claim on Government Securities	36,119			36,119	0%	-	44,192	44,192
Cash In transit and other cahs items in the process of collection	3,709			3,709	20%	742	1,041	1,041
Other Assets	1,186,507	505,726		680,781	100%	680,781	861,519	548,017
TOTAL	34,908,019	885,695	275,472	33,578,519		25,026,490	30,280,667	29,422,702
Off Balance Sheet Exposures								
Revocable Commitments				-	0%	-		-
Bills Collection	29,642			29,642	0%	-	36,996	36,996
Forward Exchange Contract Liabilities	-			-	10%	-	-	-
LC Commitments With Original Maturity Up to 6 months								
Domestic Counterparty	815,663		49,856	765,808	20%	153,162	1,011,055	935,459
ECA Rating 0-1			-	-	20%	-		-
ECA Rating 2			-	-	50%	-		-
ECA Rating 3-6			-	-	100%	-		-
ECA Rating 7			-	-	150%	-		-
L C Commitments With Original Maturity Over 6 months								
Domestic Counterparty	613,129		-	613,129	50%	306,564	592,437	592,437
ECA Rating 0-1			-	-	20%	-		-
ECA Rating 2			-	-	50%	-		-
ECA Rating 3-6			-	-	100%	-		-
ECA Rating 7			-	-	150%	-		-
Bid Bond and Performance Bond and Counter guarantee								
Domestic Counterparty	2,210,401		100,504	2,109,896	50%	1,054,948	2,033,643	1,942,610
ECA Rating 0-1			-	-	20%	-		-
ECA Rating 2			-	-	50%	-		-
ECA Rating 3-6			-	-	100%	-		-
ECA Rating 7			-	-	150%	-		-
Underwriting commitments								
Lending of Bank's Securities or Posting of Securities as collaetra								
					50%	-		-
					100%	-		-

Continue...Credit Risk

Continue...Credit Risk

Amount in '000

Assets	As of Asadh end 2070				Previous Fiscal Year			
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount
On Balance Sheet Exposures	a	b	c	d=a-b-c	e	f=d*e		
Repurchase Agreements, Assets sale with recourse (including repo,reverse repo)			-	-	100%	-		-
Advance Payment Guarantee	148,353		11,036	137,317	100%	137,317	119,577	110,683
Financial Guarantee			-	-	100%	-		-
Acceptances and Endorsements	743,936		19,480	724,456	100%	724,456	768,696	723,361
Unpaid portion of partly paid shares & Securities			-	-	100%	-		-
Irrevocable Credit Commitments (short term)	1,559,526		-	1,559,526	20%	311,905	1,721,100	1,721,100
Irrevocable Credit Commitments (long term)			-	-	50%	-		-
Other Contingent Liabilities	8,580		-	8,580	100%	8,580	6,466	6,466
Claim lodge on guarantee			-	-	200%	-		-
Total	6,129,230	-	180,876	5,948,354		2,696,933	6,289,970	6,069,111
Total Credit Risk	41,037,249	885,695	456,348	39,526,873		27,723,423	36,570,636	35,491,814
Adjustment under Pillar II								
Add: 10% of the loan and facilities in excess of Single Obligor Limits (6.4 a 3)	-	-	-	-	-	-	-	-
Add: 1% of the contract (sale) value in case of the sale of credit with resource (6.4 a 4)	-	-	-	-	-	-	-	-
TOTAL CREDIT RISK AFTER ADJUSTMENT UNDER PILLAR II	41,037,249	885,695	456,348	39,526,873		27,723,423	36,570,636	35,491,814

Credit Risk Mitigation (CRM)

As on Asadh end 2070

Schedule 4.30 (c)

Amount in '000

Credit exposures	Deposits with Bank	Deposits with other banks/ FI	Gold	GON & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
On Balance Sheet Exposures										
Cash Balance										-
Balance With Nepal Rastra Bank										-
Gold										-
Investment in Nepalese Government Securities										-
All claims on Government of Nepal										-
Investment in Nepal Rastra Bank securities										-
All other claims on Nepal Rastra Bank										-
Claims on Foreign Government and Central Bank (ECA rating 0-1)										-
Claims on Foreign Government and Central Bank (ECA rating-2)										-
Claims on Foreign Government and Central Bank (ECA rating-3)										-
Claims on Foreign Government and Central Bank (ECA rating 4-6)										-
Claims on Foreign Government and Central Bank (ECA rating-7)										-
Claims on BIS, IMF, ECB, EC and Multilateral Development Bank recognised by the framework										-
Claims on other Multilateral Development Banks										-
Claims on Public Sector Entity (ECA 0-1)										-
Claims on Public Sector Entity (ECA 2)										-
Claims on Public Sector Entity (ECA 3-6)										-
Claims on Public Sector Entity(ECA 7)										-
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that donot meet capital adequacy requirements										-
Claims on foreign bank (ECA Rating 0-1)										-
Claims on foreign bank (ECA Rating 2)										-
Claims on foreign bank (ECA Rating 3-6)										-

Continue... Credit Risk Mitigation (CRM)

Continue... Credit Risk Mitigation (CRM)

Amount in '000

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	GON & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
Claims on foreign bank (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates	226,064	-								226,064
Claims on Foreign Corporates(ECA 0-1)										-
Claims on Foreign Corporates(ECA 2)										-
Claims on Foreign Corporates(ECA 3-6)										-
Claims on Foreign Corporates(ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)	49,408									49,408
Regulatory Retail Portfolio (Overdue)										-
Claims fulfilling all criterion of regulatory retail except granularity										-
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties(overdue)										-
Claims secured by Commercial real estate										-
Past due claims(except for claim secured by residential properties)										-
High Risk Claims										-
Investments in equity of institutions listed in stock exchange & other capital instruments										-
Investments in equity of institutions not listed in stock exchange & other capital instruments										-
Other Assets										-
TOTAL	275,472	-	-	-	-	-	-	-	-	275,472

Continue... Credit Risk Mitigation (CRM)

CREDIT EXPOSURES	DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/FI	GOLD	GOIN & NRB SECURITIES	G'TEE OF GOVT. OF NEPAL	SEC/G'TEE OF OTHER SOVEREIGNS	G'TEE OF DOMESTIC BANKS	G'TEE OF IMBBS	SEC/G'TEE OF FOREIGN BANKS	TOTAL
Off Balance Sheet Exposures										
Revocable Commitments										-
Bills Collection										-
Forward Exchange Contract Liabilities										
LC Commitments With Original Maturity										
Up to 6 months domestic counterparty	49,856									49,856
Foreign Counterparty ECA Rating 0-1										-
Foreign Counterparty ECA Rating 2										-
Foreign Counterparty ECA Rating 3-6										-
Foreign Counterparty ECA Rating 7										-
L C Commitments With Original Maturity										
Over 6 months domestic counterparty	-									-
Foreign Counterparty ECA Rating 0-1										-
Foreign Counterparty ECA Rating 2										-
Foreign Counterparty ECA Rating 3-6										-
Foreign Counterparty ECA Rating 7										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty	100,504									100,504
Foreign Counterparty ECA Rating 0-1										-
Foreign Counterparty ECA Rating 2										-
Foreign Counterparty ECA Rating 3-6										-
Foreign Counterparty ECA Rating 7										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty										
Foreign Counterparty ECA Rating 0-1										
Foreign Counterparty ECA Rating 2										
Foreign Counterparty ECA Rating 3-6										
Foreign Counterparty ECA Rating 7										

Continue... Credit Risk Mitigation (CRM)

Amount in '000

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	GN & NRB Securities	Govt. of Nepal	Sec/G'tee of Other Sovereigns	Gov'tee of domestic banks	Gov'tee of IMDBs	Sec/G'tee of Foreign Banks	Total
Claim lodge on guarantee										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)										-
Advance Payment Guarantee	11,036									11,036
Financial Guarantee										-
Acceptances and Endorsements	19,480									19,480
Unpaid portion of Partly paid shares and securities										-
Irrevocable Credit Commitments (short term)										-
Irrevocable Credit Commitments (long term)										-
Other Contingent Liabilities										-
Total	180,876	-	-	-	-	-	-	-	-	180,876
TOTAL CREDIT RISK	456,348	-	-	-	-	-	-	-	-	456,348

Operational Risk

As on Asadh end 2070

Schedule 4.30 (D)

Rs. in '000

Particulars	Preceding Year of Current Fiscal Year			As of Asadh end 2069
	FY 2068/69	FY 2067/68	FY 2066/67	
Net Interest Income	857,352	765,051	611,802	857,352
Commission & Discount Income	108,181	68,049	42,758	108,181
Other Operating Income	94,507	62,252	50,694	94,507
Exchange Fluctuation Income	115,627	38,690	12,168	115,627
Additional Interest Suspense during the period	29,375	15,753	16,848	29,375
Gross Income(a)	1,205,041	949,795	734,271	1,205,041
Alfa (b)	15%	15%	15%	
Fixed Percentage of Gross Income[c=(a*b)] (c)	180,756	142,469	110,141	142,469
Capital Requirement for operational risk(d) (average of c)			144,455	112,482
Risk Weight(reciprocal of capital requirement of 10%) in times (e)			10	10
Equivalent Risk Weight Exposure for Operational Risk [f=(d*e)]				
PILLAR-II ADJUSTMENTS				
If Gross Income for all the last three years is negative (6.4 a 8)				
Total Credit and Investment (net of Specific Provision)				
Capital requirement for operational risk (5%)				
Risk Weight (reciprocal of capital requirement of 10%) in times				
Equivalent Risk Weight Exposure (g)				
EQUIVALENT RISK WEIGHT EXPOSURE (H=F+G)			1,444,553	1,124,821

Market Risk

As on Asadh end 2070

Schedule-4.30 (E)

Rs. in '000

Particulars	2070 Asadh End			Relevant Net Open Position as of Asadh end 2069 (NPR)
	Net Open Position (FCY)	Net Open Position (NPR)	Relevant Net Open Position (NPR)	
1. INR	10,303.96	16,494.07	16,494.07	11,400.69
2. USD	(211.00)	(20,214.09)	20,214.09	27,192.69
3. EUR	14.32	1,783.33	1,783.33	1,365.84
4. GBP	1.58	227.84	227.84	2,215.44
5. JPY	980.06	934.49	934.49	780.33
6. AUD	10.14	878.08	878.08	647.20
7. QAR	51.86	1,360.91	1,360.91	589.74
8. SGD	2.95	222.52	222.52	154.06
9. CNY	15.96	243.71	243.71	175.92
10. SAR	214.37	5,466.44	5,466.44	1,470.82
11. HKD	3.29	40.60	40.60	4.54
12. MYR	9.45	282.37	282.37	617.26
13. AED	53.23	1,383.32	1,383.32	133.95
14. CAD	3.02	277.50	277.50	781.16
15. CHF	11.17	1,122.39	1,122.39	936.89
16. DKK	-	-	-	
17. KRW	11.00	91.63	91.63	
18. THB	19.81	59.83	59.83	
19. SEK	7.69	109.81	109.81	
20.				
Total Open Position (a)			51,193	48,467
Fixed Percentage (b)			5%	5%
Capital Requirement for Market Risk[c=(a*b)]			2,560	2,423
Risk Weight (reciprocal of capital requirement of 10%) in times(d)			10	10
Equivalent Risk Weight Exposure for Market Risk[e=(c*d)]			25,596	24,233

Operational Risk

As on Asadh end 2070

Schedule 4.30 (D)

Rs. in '000

Particulars	Preceding Year of Current Fiscal Year			As of Asadh end 2069
	FY 2068/69	FY 2067/68	FY 2066/67	
Net Interest Income	857,352	765,051	611,802	857,352
Commission & Discount Income	108,181	68,049	42,758	108,181
Other Operating Income	94,507	62,252	50,694	94,507
Exchange Fluctuation Income	115,627	38,690	12,168	115,627
Additional Interest Suspense during the period	29,375	15,753	16,848	29,375
Gross Income(a)	1,205,041	949,795	734,271	1,205,041
Alfa (b)	15%	15%	15%	
Fixed Percentage of Gross Income[c=(a*b)] (c)	180,756	142,469	110,141	142,469
Capital Requirement for operational risk(d) (average of c)			144,455	112,482
Risk Weight(reciprocal of capital requirement of 10%) in times (e)			10	10
Equivalent Risk Weight Exposure for Operational Risk [f=(d*e)]			1,444,553	1,124,821
PILLAR-II ADJUSTMENTS				
If Gross Income for all the last three years is negative (6.4 a 8)				
Total Credit and Investment (net of Specific Provision)				
Capital requirement for operational risk (5%)				
Risk Weight (reciprocal of capital requirement of 10%) in times				
Equivalent Risk Weight Exposure (g)				
EQUIVALENT RISK WEIGHT EXPOSURE (H=F+G)			1,444,553	1,124,821

Principal Indicators

From the Beginning Year of the Bank

Schedule-4.31

Particulars	Indicators	FY 2008/2009	FY 2009/2010	FY 2010/2011	FY 2011/2012	FY 2012/2013
1. Percent of Net Profit/Gross Income	Percent	15.75%	11.34%	10.89%	10.25%	14.40%
2. Earning Per Share	Rs	22.89	21.99	19.82	20.41	29.80
3. Market Value Per Share	Rs	1,000.00	444.00	270.00	345.00	300.00
4. Price Earning Ratio	Ratio	43.70	20.19	13.62	16.91	10.07
5. Dividend on Share Capital (Including Bonus)	Percent	15.79%	10.03%	15.79%	8.42%	22.11%
6. Cash Dividend on Share Capital	Percent	0.79%	10.03%	12.79%	8.42%	10.11%
7. Interest Income/Loan and Advances	Percent	8.41%	10.86%	13.01%	13.26%	11.53%
8. Staff Expenses/Total Operating Expenses	Percent	7.88%	6.15%	6.64%	6.79%	9.27%
9. Interest Expenses/Total Deposit & Borrowing	Percent	6.12%	7.66%	9.13%	7.88%	6.32%
10. Exchange Gain/Total Income	Percent	2.80%	0.57%	1.35%	3.59%	4.68%
11. Staff Bonus/ Total Staff Expenses	Percent	38.42%	33.63%	28.73%	27.13%	31.77%
12. Net Profit/ Loan and Advances	Percent	1.63%	1.43%	1.67%	1.60%	2.03%
13. Net Profit/ Total Assets	Percent	1.22%	1.06%	1.28%	1.12%	1.43%
14. Total Credit/ Deposit	Percent	85.18%	83.65%	86.43%	79.42%	83.55%
15. Total Operating Expenses/Total Assets	Percent	5.64%	7.39%	9.61%	8.65%	6.94%
16. Adequacy of Capital Fund on Risk Weighted Assets					0	-
a) Core Capital	Percent	8.26%	800.14%	9.05	8.18	8.21
b) Supplementary Capital	Percent	2.42%	203.59%	1.73	2.85	3.49
c) Total Capital Fund	Percent	10.69%	1003.73%	10.78	11.03	11.70
17. Liquidity (CRR)	Percent	6.36%	5.66%	5.61%	11.86%	9.60%
18. Non-performing Credit/Total Credit	Percent	0.45%	0.53%	0.79%	1.52%	2.39%
19. Weighted Average Interest Rate Spread	Percent	3.45%	3.94%	3.94%	3.82%	4.39%
20. Book Net - worth Per Share	Rs.	134	146	127	135	155
21. Total Shares	Nos.	9,522,000	10,950,300	15,711,300	16,192,443	16,192,443
22. Total Staff	Nos.	168	329	375	363	370
23. Other						

Principal Accounting Policies

Schedule- 4.32

1. Corporate Information

Siddhartha Bank Limited ("the Bank") is a limited liability company domiciled in Nepal with its registered office at Hattisar, Kathmandu. The Bank's shares are listed and actively traded in Nepal Stock Exchange Limited.

The Bank is licensed by Nepal Rastra Bank, (The Central Bank of Nepal) as Class "A" institution to carry out commercial banking activities in Nepal under the Bank and Financial Institution Act, 2063. The Financial Statements are authorized for issue by the Board of Directors and approved by the central bank.

2. Consolidated financial statement

The consolidated financial statement of the Bank for the year ended on July 15, 2013 comprises of the accounts of the Bank and its subsidiary, Siddhartha Capital Limited. The Bank consolidates the financial statements of subsidiary(ies) in which it holds directly or indirectly, more than 50% of voting rights or where it exercises control.

Siddhartha Capital Ltd. (Siddhartha Capital in short) is a subsidiary incorporated on 2068-11-02 as a public limited company as per the Company Act 2006. Siddhartha Bank Ltd. as at the Balance Sheet date holds 51 % of total paid up capital in Siddhartha Capital.

The financial year of the subsidiary has a common financial year with that of Siddhartha Bank (parent company) that ended on July 15, 2013. The Bank and its subsidiary are jointly called as the Group.

3. Principal Activities

■ The principal activities of the Bank are to provide all commercial banking services, trade finance services including wide areas of products and services backed

by cutting-edge technology through its wide branch network.

■ The principal activities of its subsidiary are to operate the mutual fund services that include management of public offerings, portfolio management, underwriting of securities and administration and record keeping of securities of its clients.

4. Approval of Financial Statement by Board of Directors

The accompanied financial statements including consolidated financial statements have been approved by the Board of Directors for ratification of AGM, vide its meeting held on 29 November 2013 (14th Mangsir 2070).

5. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards ("NAS") issued by the Nepal Accounting Standard Board (except otherwise stated), Generally Accepted Accounting Principles ("GAAP"), Banks & Financial Institutions Act, 2063, presentation requirement of NRB Directives and in conformity with the Company Act 2063.

5.2 Basis of Preparation

The financial statements are presented in NPR, rounded to the nearest Rupee. They are prepared on the historical cost basis. The preparation of financial

statements in conformity with NAS and GAAP requires the use of certain critical accounting estimates. It also requires management to exercise judgment in process of applying the Bank's accounting policies.

5.3 Interest Income

Interest income on loans and advances are recognized on cash basis as per the Nepal Rastra Bank Directive although this practice is not in accordance with the Nepal Accounting Standard, NAS 7 (Revenue Accounting), which prescribes that the revenue should be recognized on accrual basis. The practice followed by the Bank (as per NRB Directives) is more conservative. Bank has recognized the interest income on loan which was accrued till ashad end and collected within 15 Shrawan as income due to facility given by Nepal Rastra Bank. Interest income on Investments and money market placements are accounted for on accrual basis.

5.4 Fees and Commission Income

Guarantee commission incomes in excess of Rs. 100,000 and having a maturity in the next fiscal year is accounted for on accrual basis. All other fees and commission income is recognized at the time of the transaction.

5.5 Dividend Income

Dividend income is recognized with net of withholding tax when the right to receive dividend is established. When bonus shares are received, only numbers of shares are increased without changing the cost price of shares.

5.6 Interest Expense

Interest expenses on deposit liabilities, debenture/bonds and borrowings from other banks are accounted for on accrual basis.

5.7 Foreign Exchange Transactions

a) Assets and liabilities denominated in foreign currencies are converted into Nepalese Rupees at mid rates as on Balance Sheet date.

b) Profit or loss arising from difference between buying and selling rates of foreign currencies is accounted as trading gain or loss on foreign exchange.

c) Profit or Loss arising due to change in the value of FCY assets or liabilities and owing to fluctuation in exchange rate is accounted as revaluation gain or loss. Twenty five percent of such revaluation gain is transferred to Exchange Fluctuation Fund charging Profit & Loss Appropriation Account as per the Nepal Rastra Bank Directive.

5.8 Loans, Advances, Overdrafts and Bills Purchased

Loans and advances, overdrafts and bills purchased include direct finance provided to customers. These include overdrafts, term loans, consumer loans, working capital and loans given to priority and deprived sectors. All credit exposures are classified as per Nepal Rastra Bank's Directives into performing and non-performing loans. Performing loans are further classified as pass loan and non-performing loans are classified as re-structured/rescheduled loans, substandard, doubtful and loss based on the criteria stipulated by NRB directives. Loans and advances, overdrafts and bills purchased are shown net of provisions for loan losses.

5.9 Staff Loans

Loans and advances to staff are granted in accordance with the policy of the Bank and are shown under Other Assets.

5.10 Provision for Possible Losses

The provision for possible losses from loans and advances and bills purchased are provided at the rates ranging from 1% to 100% according to the classification of such risk assets as per Nepal Rastra Bank Directives.

5.11 Loan & Advance Write Off

Wherever it is felt that the loan accounts graded 'Loss' according to the Nepal Rastra Bank Directives, is unrecoverable, are written off in the books as per criteria/policy approved by the Board, without

prejudice to Bank's right to recovery.

Amounts recovered against loans written off in earlier years are recognized as income in the year of recovery.

5.12 Investments

The Bank has categorized its investment portfolio into the following three categories:

a) Held for Trading: Investments that are made for the purpose of generating profit from short term fluctuations in price are classified under this category. These investments are marked to market on a daily basis and differences to be reflected in the profit and loss account.

b) Held to Maturity: The investments made with positive intent and ability of the bank to hold till maturity is classified under this category. These investments are valued at amortized cost i.e. the cost price less any impairment which is included in the profit and loss accounts for the period.

c) Available for Sale: All other investments that are neither "Held for Trading" nor "Held to Maturity" are classified under this category. These investments are marked to market on a regular basis and the differences are adjusted through reserves. The Bank maintains Investment adjustment reserve (eligible as tier 2 capital) to the extent of 2 % of available for sale portfolio.

All Investments are regularly reviewed as required by Nepal Rastra Bank Directives.

5.13 Fixed Assets and Depreciation

a) Fixed Assets are stated at cost less accumulated depreciation.

b) Fixed assets are depreciated on diminishing balance method over the useful life of the assets based on the management's estimates. Land is not depreciated. The depreciation rates applied for various categories of assets are as follows:

Assets	Rate of Depreciation
Building	5%
Office Equipments	25%
Computers and Accessories	25%
Furniture & Fixtures	25%
Vehicles	20%
Other Assets	15%

a) Fixed assets under construction, advances paid towards acquisition of fixed assets and costs of assets not ready for use before year end are shown as capital work in progress (Pending capitalization).

5.14 Non Capitalized Assets

Non-Consumable item normally having life less than 1 year and/or costing less than Rs 5,000 is expensed off during the year of purchase.

5.15 Software Expenses

Software expense is recorded at cost incurred during the purchase and implementation of the software and amortized over a period of 5 years, the estimated useful life.

5.16 Amortization

Amortization is charged to Profit and Loss Account on a straight line basis over the estimated useful lives of the intangible assets. Intangible assets are recognized from the date they are available for use. Leasehold improvements are amortized over a period of 5 years or lease period, whichever is earlier on straight line basis.

5.17 Non Banking Assets

Non-Banking assets are valued at receivable amount (Principal and Interest) due from borrower or prevailing market price of the asset whichever is lower. Provision for non-banking assets is provided as per the directives of Nepal Rastra Bank.

Retirement Benefits

The Bank offers retirement benefits to its employees mainly provident fund, gratuity & accumulated leave payable at the time of separation from services.

a) Provident fund

Provident fund expense is recognized at the time of contribution to the fund.

b) Gratuity

Gratuity liability towards staff accrues only after completion of a fixed period of full time employment with the Bank in accordance with the personnel policies of the Bank. Bank has created 100% provisions required to meet its gratuity liabilities as at 15 July 2013.

c) Accumulated leave

The Bank has practice of making full provision for accumulated leave on accrual basis and if accumulated leave exceeds 60 days as on mid April is en-cashed each year.

5.18 Stationery Stock

Stationery purchased for consumption are valued at cost or net realizable value whichever is lower and are expensed at the time of consumption. This practice is in accordance with NAS04.

5.19 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Provision for taxation has been made on the basis of the Income Tax Act 2058 and amendments thereto. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax bases using the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income in the period that includes the enactment date.

5.20 Lease

Assets held under finance leases are initially recognized as assets of the Bank at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statement as a finance lease obligation. However the Bank has no such assets as on the Balance Sheet date.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

5.21 Provisions, Contingent Liabilities and contingent Assets

The Bank creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

All known contingent liabilities provided in the schedule forming part of the Balance Sheet.

6. Previous Year's Figures, Rounding Off & Comparative Figures

The Financial Statements are presented in Nepalese Rupees, rounded off to the nearest rupee. Previous year's figures are grouped or regrouped wherever necessary in order to facilitate comparison.

Notes to Accounts

Schedule- 4.33

1. Interest Suspense

Interest receivable on loans and advances outstanding as of yearend after deduction of interest collected up to 15 Shrawan 2070 amounting to Rs. 147,305,051 is transferred to interest suspense account.

2. Provision for Staff Bonus

Provision for staff bonus is computed at 10% of net profits before tax after bonus.

3. Staff Housing Fund

As the Bank's personnel policies have a provision for extending housing loans to the eligible staff, a separate housing fund has not been created as required under the Labour Act, 2048.

4. Paid up Share Capital

Paid up share capital of the Bank from beginning of its operation has moved as follows:

Fiscal Year	Cumulative Paid up Capital (Rs.)	Remarks
2059/60 (2002/03)	350,000,000	
2060/61 (2003/04)	350,000,000	
2061/62/ (2004/05)	350,000,000	
2062/63 (2005/06)	500,000,000	IPO of Rs.150 million
2063/64 (2006/07)	600,000,000	20% Bonus Share
2064/65 (2007/08)	828,000,000	15% Bonus Share & then 20% Right Share
2065/66 (2008/09)	952,200,000	15% Bonus Share
2066/67 (2009/10)	1,095,030,000	15% Bonus Share
2067/68 (2010/11)	1,571,130,000	50% right share on FY 2065/66 Paid up Capital
2068/69 (2011/12)	1,619,244,300	3 % Bonus share on FY 2067/68
2069/70 (2012/13)	1,813,553,616	12% Bonus share on FY 2069/70

5. General Reserve

20 percent of the profit is transferred to General Reserves as per the requirement of Banks and Financial Institutions Act 2063.

6. Exchange Fluctuation Fund

25% of the revaluations gain on foreign exchange being transferred to exchange fluctuation fund.

7. Investment Adjustment Reserve

Investment Adjustment reserve has been created by transferring Rs. 47,50,799 (2% of the investment in shares available for sale) from Profit and Loss Appropriation Account as per the directive of Nepal Rastra Bank during the fiscal year. Total outstanding investment adjustment reserve till this fiscal year is Rs 60,92,499. Total amount of Rs. 309,932,569 has been segregated as available for sale out of which investment of Rs. 5,307,600 comprising of investment in Credit Information Centre Limited, Nepal Clearing House Limited & National Banking Training Institute do not require Investment Adjustment Reserve.

8. Gratuity Fund

Employee gratuity has been calculated and provided as per the Bank's policy on accrual liability basis. Amount equal to the liability has been deposited in the Bank's approved retirement fund Account.

9. Borrowing against its own assets

None of the Bank's borrowings are against the collateral of its own assets except collateral of T-Bills.

10. Tax Assessment

The Large Taxpayer's Office (LTO) has raised the additional demand of Rs 0.96 million for FY 2061/62, Rs.3.21 million for FY 2062/63, Rs 1.66 Million for FY 2063/64 and Rs. 0.96 million for FY 2064/65; the Bank has disputed the demand and filed the case in the Revenue Tribunal. Pending final assessment, no

provision for additional demand has been made but disclosed as contingent liabilities.

Amended Tax Assessment by the Large Taxpayer's Office (LTO) raised additional demand of Rs.2.50 million for FY 2065/66 on the balance sheet date; the Bank has disputed the demand and filed the case for administrative review, which is shown as Contingent Liabilities after deduction of payment of tax at the time of filling the case as a subsequent event and no provision for additional demand has been made. Annual income tax returns filed by the Bank under self-assessment procedure for the years 2066/67 2067/68 and 2068/69 are pending final assessment by tax authorities.

11. Investment in Share Capital of other Corporate

Bank has made an investment of Rs.15,000,000 (150,000 ordinary shares of Rs 100 each fully paid up) in Siddhartha Insurance Limited. This investment is valued at cost, which is lower than the market price. Investment made in Credit Information Centre Limited amounting Rs. 1,607,600 (29,100 shares including bonus shares) has been valued at cost as the company is not listed in the stock exchange.

Investment made in Nepal Clearing House Limited of Rs. 2,500,000 (25,000 shares) has been valued at cost as the company is not listed in the stock exchange.

Investment made in National Banking Training Institute of Rs. 1,200,000 (12,000 shares) has been valued at cost as the company is not listed in the stock exchange.

Likewise, the bank has also made investment of Rs. 51,000,000 (510,000 shares) in its subsidiary company Siddhartha Capital Limited. The bank's investment in ICRA Nepal Limited and Mero Micro Finance Bittiya Sanstha Limited are Rs.760,000 (7600 shares) and Rs.6,500,000 (65000 shares) respectively. These investments have been valued at cost as the companies are not listed in stock exchange. Investment in Credit Information Centre Limited, Nepal Clearing House Limited and National Banking Training Institute do not require Investment Adjustment Reserve.

In addition to the above, The Bank has also invested share auctioned by NCM Mutual fund at Rs

100,443,039 to the share of the various companies as mentioned in Schedule No 4.12(a) and Bank has made provision of Rs 48,594 on such investment during the review period.

12. Debenture Redemption Reserve Fund

Debenture Redemption Fund has been created as per directive of NRB and Rs. 96,452,716 has been set aside for the fund from this year's profit. Total debenture redemption reserve after this year's addition is Rs.239,601,131.

13. Unpaid Dividend

As on balance sheet date, some of the shareholders have not collected their dividend of FY 2009/10, FY 2010/11 and FY 2011/12 amounting Rs.30,885,784 which has been shown in schedule 4.7.

14. Proposed Bonus Share & Cash Dividend

The Bank has proposed 12 % Bonus Share and 10.11 % cash dividend (including corporate dividend tax on bonus share and cash dividend) from retained earning including current year profit.

15. Provision for accumulated leave liability

In order to fully provide for the liabilities against staff accumulated leave, the Bank has made a provision of Rs. 10.55 million in the current year 2069-70.

16. Lease

Finance Lease

The Bank has not entered into any finance lease and does not have any obligations in respect of finance lease.

Operating Lease

The Bank has entered into a lease arrangement for office premises and ATM space outside of the branch for different periods, which can be terminated by either party giving prior notice as stipulated in the contract/agreement. The future minimum lease payment under non-cancellable operating leases, where the Bank is lessee is NIL. There is no rental expense under non-cancellable operating leases.

17. Deferred Taxes

Deferred tax assets and liabilities have been computed in accordance with NAS 9, Income Taxes and are attributable to the following:

(Amount in Rs.)

Particulars	Carrying Amount as on 15 July 2013	Tax Base as on 15 July 2013	Difference
Fixed Assets	308,712,408	323,239,376	4,358,090.47
Provision for staff gratuity	14,530,955	-	4,359,286.50
Provisions for leave liability	37,812,985	-	11,343,895.44
Total			66,870,908.04
Applicable Tax Rate			30%
Deferred Tax Assets as on 15 July 2013			20,061,272.41
Deferred Tax Assets as on 15 July 2012			9,715,698.79
Deferred tax recognized in the income statement			10,345,573.62

18. Reconciliation Status

Bank has carried-out the reconciliation between branches and other agency accounts regularly. The difference has been identified, reviewed and reconciled and it has been or will be adjustment in due course of business.

(Rs in 000)

Reconciliation Status	Total Amount Rs.	< 3 months	>3<9 months	>9 months
Branch Reconciliation	-	-	-	-
Agency Accounts	217,792	221,434	(3,445)	(198)

19. Summary of Loans and Advances Disbursed, Recovered and Principal & Interest Written-off:

Bank has carried-out the reconciliation between branches and other agency accounts regularly. The difference has been identified, reviewed and reconciled and it has been or will be adjustment in due course of business.

(Rs in million)

Particulars	Amount
Loans Disbursed	23,159.85
Loans Recovered	18,998.61.
Loans Written off	-
Interest written off	-

20. Summary status of the of Deposit Liabilities

(Rs in million)

Particulars	Current Year	Previous Year	Change %
Current /Margin deposit	1,154	997	2%
Local Currency	1,071	841	2%
Foreign Currency	83	156	(1)%
Saving Deposits	7,386	5,662	17%
Local Currency	7,350	5,636	17%
Foreign Currency	35	25	0.10%
Call Deposits	9,144	8,322	8%
Local Currency	8,918	8,185	7%
Foreign Currency	225	138	1%
Fixed deposits	10,709	10,967	(3%)
Local Currency	10,326	9,997	3%
Foreign Currency	383	970	(6%)
Total	28,393	25,949	24%

21. Weighted Average Interest Rate Spread

Particulars	Rate (%)
Average Rate of return from loans and advances & Investments	10.73
Average Rate of interest on deposits & borrowings	6.34
Net Spread	4.39

22. Particulars of Expenses yet to be Expensed-off

The Bank has charged off the Pre-Operating expenses to the Profit and Loss account. There is no deferred revenue expenditure / fictitious assets to be written off.

(Amount in Rs.)

	Original Value Rs.	Written Off Rs.	Book Value Rs.
Software	49,785,126.92	25,125,472.51	24,659,654.41
Leasehold Improvement	171,496,206.53	104,836,513.53	66,659,693.00

23. Summary of Concentration of Exposure

Rs. In "000"

Particulars	Loans and Advances and Bills Purchased	Deposits and Borrowings	Contingents
Total Amount as on 15 July 2013	23,721,619	28,397,844	6,127,115
Highest exposure to a single unit	278,692	1,001,071	626,448
Percentage of exposure to/from single unit (%)	1.17%	3.52%	10.22%

24. Classification of Assets and Liabilities based on Maturity

(Rs. In (millions))

	1-90 days	91-180days	181-270 days	271-365days	Over 1 Year	Total
A) ASSETS						
Cash Balance	762					762
Balance With Banks	2,724					2,724
Investment in Foreign Banks	677			96		773
GON Securities	890	146	192	534		1,763
Investment in Shares					310	310
Nepal Rastra Bank Bonds				201	1,234	1,435
Other Investment	192					192
Inter Bank Lending	1,375					1,375
Loans & Advances	8,851	2,397	2,075	2,749	7,649	23,722
Other Assets	780				454	1,233
Total Assets	16,251	2,544	2,267	3,580	9,647	34,289
A) LIABILITIES						
Borrowings	-	-		787	-	787
Current Deposits & Margins	1,154					1,154
Savings Deposit & Call Deposits	16,530					16,530
Fixed Deposits	1,488	2,106	3,956	2,677	482	10,709
Debentures					931	931
Other Liabilities	1,675					1,675
Capital & Reserves					2,502	2,502
Total Liabilities	20,847	2,106	3,956	3,465	3,915	34,289
Net Financial Assets	(4,596)	437	(1,689)	116	5,731	0
Cumulative Net Financial Assets	(4,596)	(4,158)	(5,847)	(5,731)	0	

25. Related Parties

- The Bank has invested in the 150,000 equity shares of Siddhartha Insurance Limited where one of the directors has financial interests.
- The Bank has invested in the 510,000 equity shares of Siddhartha Capital Limited and hold 51 % share of the Siddhartha Capital Limited.
- The Bank has invested in the 75,00,000 unit of Siddhartha Growth Scheme I, mutual fund issued and managed by Siddhartha Capital Ltd as seed capital.
- The Bank has paid Insurance Premium to Siddhartha Insurance Company Limited.
- The Bank has approved retirement fund which is managed by the staff level committee where staff provident fund and gratuity fund has been deposited
- Total of key management personnel compensation:

Details of Key Management Personnel	Total Compensation (NPR)	Remarks
Short-term employee benefits	48,055,627	Salary, PF and allowances of management level staff (Management level staff comprises of all staff of manager level and above)
Post employee benefits	Nil	
Terminal benefits	7,243,602	Gratuity benefits of eligible management staff
Share based payments	Nil	
Other long term benefits	Nil	

- Bank also provides meeting fee and other benefits to directors as approved by Annual General Meeting.

Disclosures of Basel-II

1. Capital Structure and Capital Adequacy:

Tier 1 capital and a breakdown of its components:

Rs. In "000"

Particulars	Amount
a. Paid up Equity Share Capital	1,619,244
b. Share Premium	
c. Proposed Bonus Equity Share	194,309
d. Statutory General Reserve	391,441
e. Retained Earnings	16,096
f. Unaudited current year cumulative profit	
g. Capital Redemption Reserve	-
h. Capital Adjustment Reserve	-
i. Dividend Equilization Reserves	-
j. Debenture Redemption Reserve	239,601
k. Deffered Tax Reserve	20,061
l. Other Reserves	-
m. Less:Investment in equity of institutions with financial interests	(15,000)
Total Tier 1 Capital	2,465,753

Tier 2 capital and a breakdown of its components:

Rs. In "000"

Particulars	Amount
a. Cumulative and/or Redeemable preference Share	-
b. Subordinated Term Debt	794,628
c. Hybrid Capital Instruments	-
d. General Loan Loss Provision	231,737
e. Investment Adjustment Reserve	15,355
f. Assets Revaluation Reserve	-
g. Exchange Equilisation Reserve	6,092
h. Other Reserves	
Total Tier 2 Capital	1,047,813

Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital funds:

The Bank issued Siddhartha Bank Limited Debenture 2072 in FY 2008/09 for Rs.228 million having face value of Rs. 1,000. Main features of Siddhartha Bank Limited Debenture 2072 are as follows:

- Maturity period: 7 Years.
- Interest rate: 8.5% per annum.
- Interest Payment frequency: Half Yearly.
- Claim in case of liquidation: After depositors.
- Debenture Redemption Reserve shall be created to redeem the Bond at Maturity.
- The debenture can be pledged with other Banks and financial institution.
- Listed with Nepal Stock Exchange

Likewise, the Bank issued SBL Debenture 2075 in FY 2011/12 for Rs.400 million with face value of Rs.1000. The salient features of SBL Debenture 2075 are as follows:

- Maturity period: 7 Years.
- Interest rate: 11% per annum.
- Interest Payment frequency: Half Yearly.
- Claim in case of liquidation: After depositors.
- Debenture Redemption Reserve shall be created to redeem the Bond at Maturity.
- The debenture can be pledged with other Banks and financial institution.
- Listed with Nepal Stock Exchange

Likewise, the Bank issued SBL Debenture 2076 in FY 2011/12 for Rs. 303 million with face value of Rs.1000. The salient features of SBL Debenture 2076 are as follows:

- Maturity period: 7 Years.
- Interest rate: 8% per annum.
- Interest Payment frequency: Half Yearly.
- Claim in case of liquidation: After depositors.
- Debenture Redemption Reserve shall be created to redeem the Bond at Maturity.
- The debenture can be pledged with other Banks and financial institution.
- Listed with Nepal Stock Exchange

Deductions from Capital:

The Bank has investments of Rs.15 million in the equity shares of Siddhartha Insurance Limited, which has been deducted from the core capital while computing capital adequacy.

Total Qualifying Capital:

Rs. In "000"

Particulars	Amount
Core Capital	2,465,753
Supplementary Capital	1,047,813
Total Capital Fund	3,513,565

Summary of the Bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:

Siddhartha Bank is committed to comply with the regulatory guidelines in every aspect of its business and operations. Accordingly for the capital adequacy purpose also, the Bank has an approved capital plan in place in order to meet the capital requirement of Rs. 2 billion by the end of FY 2070/71. In line with this, the Bank raised its paid up capital to Rs.1,619 million through issuance of 3 % Bonus shares of Rs. 48.11 million as declared in previous year's AGM. Further, The Bank follows prudential norms to maintain a healthy capital adequacy to support its current and future business plans. Bank regularly reviews its exposures in different risk areas including Credit Risk, Market Risk and Operational Risk. In accordance with NRB guidelines, the Bank has adopted Simplified Standardized Approach (SSA) to measure credit risk while Basic Indicator Approach and indigenous Net Open Position Approach for measurement of Operational Risk and Market Risk respectively. The Bank continues to apply Basel II with prescribed approaches by NRB with effect from Mid July 2008 (FY 2065/66). Nepal Rastra Bank prescribes Banks to maintain a minimum capital to Risk Weighted Exposure of 10% with regard to credit risk, market risk and operational risk on an ongoing basis. The Bank has followed the NRB guidelines in force, to arrive at the eligible capital, risk weighted assets and CAR. The sufficient headroom available for the Bank for mobilizing Tier I and Tier II capital shall additionally support capital structure to meet the required CAR against future activities.

Bank's activities are weighted in terms of risk and return in light of capital requirement. Bank has established a culture whereby return on capital is justified in light of risk involved in each investing and operating activity. In order to assess the adequacy of capital, all major risks such as credit, credit concentration, operational, market, liquidity, reputational etc are identified, measured and reported on periodic basis. These are monitored by the Bank's Board, Assets Liability Management Committee and senior management periodically in addition to the monthly review and certification by the Internal Audit and Compliance Department of the Bank.

Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.

For subordinated term debts, described as above.

2. Risk Exposures

Risk weighted exposures for Credit Risk, Market Risk and Operational Risk:

Rs. In "000"

Particulars	Amount
Risk Weighted Exposure for Credit Risk	27,723,423
Risk Weighted Exposure for Operational Risk	1,444,553
Risk Weighted Exposure for Market Risk	25,596
Adjustments under Pillar II:	
Add: 2% of Gross income of last FY due to supervisor is not satisfied with sound practice of management of operational risk (6.4 a 7)	241,008
Add: 2% of the total RWE due to supervisor is not satisfied with the overall risk management policies and procedures of the bank (6.4 a 9)	583,871
Total Risk Weighted Exposure (After Pillar II Adjustment)	30,018,453

Risk Weighted Exposures under each of 11 categories of Credit Risk:*Rs. In "000"*

Categories	Risk Weighted Exposure
1. Claims on Government & Central Bank	-
2. Claims on Other Financial Entities	-
3. Claims on Domestic Banks that meet CAR	307,148
4. Claims on Domestic banks that do not meet CAR	26,044
5. Claims on Foreign Banks (ECA 0-1)	146,486
6. Claims on foreign bank (ECA 2)	3,232
7. Claims on foreign bank (ECA Rating 3-6)	7,185
8. Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	19,843
9. Claims on Domestic Corporates	12,656,542
10. Claims on Regulatory Retail Portfolio (Not Overdue)	4,101,937
11. Claims fulfilling all criterion of regulatory retail except granularity	
12. Claims secured by residential properties(overdue)	-
13. Claims Secured by Commercial Real Estate	1,337,974
14. Past due claims(except for claim secured by residential properties)	369,824
15. High Risk Claims	4,839,243
16. Investments in equity & other capital instruments of institutions listed in the stock exchange	86,437
17. Investment in Equity of Institution not listed in the Stock Exchange	236,244
18. Investments in Mutual Fund	51,000
19. Staff Loan secured by residential property	155,828
20. Cash In transit and other cash items in the process of collection	742
21. Other Assets	680,781
22. Off Balance Sheet Items	2,696,933
Total	27,723,423

Total Risk Weighted Exposure calculation table:*Rs. In "000"*

Particulars	Amount
Total Risk Weighted Exposures	30,018,453
Total Core Capital Fund	2,465,753
Total Capital Fund	3,513,565
Total Core Capital to Total Risk Weighted Exposures %	8.21
Total capital to Total Risk Weighted Exposures %	11.70

Amount of Non performing Assets (both Gross and Net)*Rs. In "000"*

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured/Rescheduled	-	-	-
Sub-Standard	186,221	46,555	139,666
Doubtfull	53,833	26,916	26,916
Loss	327,815	327,815	-
Total	567,868	401,287	166,582

NPA Ratios

Particulars	in %
Gross NPA to Gross Advances	2.39
Net NPA to Net Advances	0.72

Movement in Non Performing Assets*Rs. In "000"*

Particulars	This Year	Previous Year	Change (%)
Non-Performing Assets	567,868	312,907	81.48

Written Off Loans and Interest Suspense*Rs. In "000"*

Particulars	Amount
Loan Written Off	-
Interest Suspense	-

Movements in Loan Loss Provision and Interest Suspense:*Rs. In "000"*

Particulars	This Year	Previous Year	Change (%)
Loan Loss Provision	635,055	389,716	62.95
Interest Suspense	147,305	81,749	80.19

Details of Additional Loan Loss Provisions:*Rs. In "000"*

Particulars	This Year
Pass	30,837
Restructured/Rescheduled	(11)
Sub-Standard	40,852
Doubtfull	(82,222)
Loss	256,083
Total	245,540

Segregation of Investment Portfolio:*Rs. In "000"*

Particulars	This Year
Held for Trading	-
Held to Maturity	4,162,906
Available for Sale	309,884
Total Investment	4,472,790

3. Risk Management Function:

■ Siddhartha Bank has specific internal review mechanism to assess its position regarding each separate risk area including Credit Risk, Market Risk and Operational Risk.

Credit Risk

The Bank has its own Credit Policy Guidelines to handle the Credit Risk Management philosophy that involves a continual measurement of probability of default/loss; identification of possible risks and mitigations. The provisions of Capital Adequacy Framework -2007 updated July, 2008 are complied in line to line basis to overcome the Credit Risk. In order to manage and eliminate the credit risk, the Bank has a practice of maintaining the best quality assets in its book. The Bank's Credit Policy elaborates detailed procedures for proper risk management. The Bank has delegated credit approval limits to various officials to approve and sanction various amount of credit request based on their individual expertise and risk judgement capability.

As a check and balance mechanism, each credit case requires dual approval. Regular monitoring of the credit portfolio ensures that the Bank does not run the risk of concentration of portfolio in a particular business sector or a single borrower. Similarly the Bank also exercises controlled investment policy with adequately equipped resource looking after the investment decisions.

To cap these all, the Bank has a strong Credit Committee in place comprising of various Directors from the Board of the Bank which reviews all credit proposals beyond a specified amount

Market Risk

As for the monitoring of market and liquidity risk, the Bank has an active Assets and Liability Management Committee (ALCO) in place which meets regularly and takes stock of the Bank's assets and liability position and profile of assets & liabilities, monitors risks arising from changes in exchange rates in foreign currencies. All foreign exchange positions are managed by treasury consisting of front office dealers with specific dealing limits and an independent back office. The back office executes the deals made by the dealers and also monitors the liquidity position of the Bank. For the purpose of proper check and control, the front dealing room of treasury and the back office have different reporting line.

Operational Risk

As a part of monitoring operational risks, the Bank has devised operational manuals for various Banking functions, which are reviewed and modified time to time as per the changing business context.

The Bank has adopted dual control mechanism in its all operational activities where each and every financial and non financial transaction is subject to approval from an authority higher than the transaction initiator. Regular review meetings are conducted to assess the adequacy of risk monitoring mechanism and required changes are made as and when felt necessary. Independent reconciliation unit is established to conduct daily reconciliation of all Nostro/agency accounts, Inter-Branch and Inter-Department account under direct supervision of Head of Finance, Head Office. The Bank has independent internal audit, which reports to the Audit Committee of the Bank. The Audit Committee meets frequently and reviews the business process and financial position of the Bank. In order to have better focus on managing operational risks across branches and to monitor them from Head Office level, the Bank has separate Branch Operation and Control & Compliance Department at Head Office. The Bank has strong MIS in place to monitor the regular operational activities.

■ Types of eligible credit risk mitigants used and the benefits availed under CRM

Particulars	Eligible CRM(Rs 000)
Deposit with Bank	275,472
Deposit with Other Bank/FI	-
Total	275,472

Statements of Loans availed by promoters/ shareholders classified under promoter's group from other banks and financial institutions by pledging shares under their ownership

End of 31 Ashad 2070

Schedule 4.34

Promoters/Shareholders classified under Promoter group	Promoter's Share Ownership		Loan details			Remarks
	Total No. of Shares	% of Total paid up capital	Name of the Bank & Financial Institutions	Loan Amount	Total no. of Pledged Shares	
1. Narendra Kumar Agrawal	577,721	3.57%	Global IME Bank Ltd		245,000	
2. Pushpanjali International Pvt.Ltd.	108,881	0.67%	Himalayan Bank & NDEP Bank		85,000	
3. Raj Kumar Tibrewala	117,903	0.73%	Laxmi Bank Ltd		117,903	
4. Rajendra Agrawal	117,903	0.73%	NMB Bank Ltd		117,903	
5. Shyam Sunder Agrawal	149,959	0.93%	Sanima Bank Ltd		91,575	
6. Sunil Agrawal	14,292	0.09%	Imperial Finance Institution Ltd		14,292	
7. Shambhu Kumar Kondo	80,887	0.50%	Sunrise Bank Ltd		80,887	
8. Rubika Agrawal	32,615	0.20%	United Finance Ltd		32,615	
9. Sudha Agarwal	30,900	0.19%	United Finance Ltd		30,900	

Comparison of Unaudited and Audited Financial Statement

As of Asadh End 2070

Schedule 4.35

Rs in '000

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In Amount	In %	
1 Total Capital and Liabilities (1.1 to 1.7)	33,670,547	33,653,856	(16,691)	(0.05)	Due to below changes
1.1. Paid Up Capital	1,619,244	1,813,554	194,309	12.00	Due to proposed Bonus Share
1.2. Reserve and Surplus	1,054,516	688,646	(365,870)	(34.70)	Due to increase in Profit
1.3. Debenture and Bond	931,290	931,290	-	-	
1.4. Borrowings	787,466	787,466	-	-	
1.5. Deposits (a+b)	28,392,822	28,392,822	-	-	
a. Domestic Currency	27,665,641	27,665,641	-	-	
b. Foreign Currency	727,182	727,182	-	-	
1.6. Income Tax Liability	13,648	7,078	(6,570)	(48.14)	Due to change in Profit
1.7. Other Liabilities	871,561	1,033,000	161,439	18.52	Due to proposed cash dividend
2. Total Assets (2.1 to 2.7)	33,670,547	33,653,856	(16,691)	(0.05)	
2.1. Cash and Bank Balance	3,485,776	3,485,776	-	-	
2.2. Money at Call and Short Notice	1,375,253	1,375,253	-	-	
2.3. Investments	4,472,839	4,472,790	(49)	(0.00)	Due to provision on investment
2.4. Loans and Advances (a+b+c+d+e+f)	23,110,604	23,086,563	(24,040)	(0.10)	Due to additional LLP
a. Real Estate Loan	3,646,283	3,646,283	-	-	
1. Residential Real Estate Loan (Except Personal Home Loan upto Rs.100 Lacs)	-	-	-	-	
2. Business Complex & Residential Apartment Construction Loan	1,389,709	1,389,709	-	-	
3. Income generating Commercial Complex Loan	566,094	566,094	-	-	
4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,690,481	1,690,481	-	-	
b. Personal Home Loan of Rs. 100 Lacs or Less	1,283,290	1,283,290	-	-	
c. Margin Type Loan	300,060	300,060	-	-	
d. Term Loan	4,260,045	4,260,045	-	-	
e. Overdraft Loan/ TR Loan/ WC Loan	10,531,531	10,507,490	(4,250)	(0.4)	Due to additional LLP
f. Others	3,089,394	3,089,394	-	-	
2.5. Fixed Assets (Net)	453,510	453,510	-	-	
2.6. Non- Banking Assets	-	-	-	-	
2.7. Other Assets	772,564	779,962	7,398	0.96	Due to Change in Deferred Tax Assets

Continue...Comparison of Unaudited and Audited Financial Statement

Continue...Comparison of Unaudited and Audited Financial Statement

Rs in '000

Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In Amount	In %	
3 Profit and Loss Account				-	
3.1. Interest Income	2,898,415	2,898,415	-	-	
3.2. Interest Expenses	1,742,839	1,742,839	-	-	
A. Net Interest Income (3.1 -3.2)	1,155,576	1,155,576	-	-	
3.3. Fees, Commission and Discount	113,067	113,067	-	-	
3.4. Other Operating Income	182,093	182,093	-	-	
3.5. Foreign Exchange Gain/Loss (Net)	156,645	156,645	-	-	
B. Total Operating Income (A.+3.3+3.4+3.5)	1,607,380	1,607,380	-	-	
3.6. Staff Expenses	216,516	216,516	-	-	
3.7. Other Operating Expenses	376,891	376,891	-	-	
C. Operating Profit Before Provision (B.-3.6-3.7)	1,013,973	1,013,973	-	-	
3.8. Provision for Possible Losses	221,406	245,495	24,089	10.88	Due to Increase in LLP
D. Operating Profit (C.-3.8)	792,567	768,478	(24,089)	(3.04)	Due to Increase in LLP
3.9. Non- Operating Income/Expenses (Net)	944	944	-	-	
3.10. Write Back of Provision for Possible Loss	-	-	-	-	
E. Profit from Regular Activities (D+3.9+3.10)	793,511	769,422	(24,089)	(3.04)	Due to Increase in LLP
3.11. Extraordinary Expenses (Net)	12,794	12,794	-	-	
F. Profit Before Bonus and Taxes (E+3.11)	780,717	756,628	(24,089)	(3.09)	Due to Increase in LLP
3.12. Provision for Staff Bonus	70,974	68,784	(2,190)	(3.09)	Due to Increase in LLP
3.13. Provision for Taxes	219,255	205,287	(13,968)	(6.37)	Due to creation of More Deferred Tax Assets
G. Net Profit/Loss (F- 3.12-3.13)	490,488	482,556	(7,931)	(1.62)	

Unaudited Financial Results (Quarterly)

As at 4th Quarter (15/07/2013) of the Fiscal Year 2069/70

Rs in '000

Particulars	This Quarter Ending		Previous Quarter Ending		Corresponding Previous Year	
	15.07.2013		13.04.2013		Quarter Ending 16.07.2012	
	Siddhartha Bank	Group	Siddhartha Bank	Group	Siddhartha Bank	Group
1. Total Capital and Liabilities (1.1 to 1.8)	33,670,547	33,707,915	31,351,031	31,385,889	29,579,199	29,628,732
1.1. Paid Up Capital*	1,619,244	1,619,244	1,619,244	1,619,244	1,619,244	1,619,244
1.2. Reserve and Surplus	1,054,516	1,052,290	848,196	844,340	564,028	563,472
1.3. Debenture and Bond	931,290	931,290	692,770	692,770	627,770	627,770
1.4. Borrowings	787,466	787,466	180,000	180,000	45,000	45,000
1.5. Deposits (a+b)	28,392,822	28,383,287	27,231,820	27,223,497	25,948,506	25,948,506
a. Domestic Currency	27,665,641	27,656,105	26,529,557	26,521,234	24,658,826	24,658,826
b. Foreign Currency	727,182	727,182	702,263	702,263	1,289,680	1,289,680
1.6. Income Tax Liability	13,648	13,648	-	-	27,471	27,471
1.7. Other Liabilities	871,561	872,785	779,001	779,695	747,180	748,804
1.8. Non Controlling Interest	-	47,905	-	46,343	-	48,466
2. Total Assets (2.1 to 2.7)	33,670,547	33,707,915	31,351,031	31,385,889	29,579,199	29,628,732
2.1. Cash and Bank Balance	3,485,776	3,505,867	2,508,776	2,533,179	4,291,891	4,330,907
2.2. Money at Call and Short Notice	1,375,253	1,375,253	620,019	620,019	647,480	647,480
2.3. Investments	4,472,839	4,468,669	4,853,254	4,848,885	3,393,868	3,392,868
2.4. Loans and Advances (a+b+c+d+e+f)**	23,110,604	23,110,604	22,210,921	22,210,921	20,217,585	20,217,585
a. Real Estate Loan	3,646,283	3,646,283	3,760,985	3,760,985	4,242,072	4,242,072
1. Residential Real Estate Loan (Except Personal Home Loan upto Rs.100 Lacs)	-	-	-	-	-	-
2. Business Complex & Residential Apartment Construction Loan	1,389,709	1,389,709	1,439,143	1,439,143	1,754,772	1,754,772
3. Income generating Commercial Complex Loan	566,094	566,094	597,247	597,247	732,395	732,395
4. Other Real Estate Loan (Including Land purchase & plotting)	1,690,481	1,690,481	1,724,595	1,724,595	1,754,905	1,754,905
b. Personal Home Loan of Rs. 100 Lacs or Less	1,283,290	1,283,290	1,135,671	1,135,671	937,490	937,490
c. Margin Type Loan	300,060	300,060	336,968	336,968	357,428	357,428
d. Term Loan	4,260,045	4,260,045	3,940,874	3,940,874	3,769,454	3,769,454
e. Overdraft Loan/ TR Loan/ WC Loan	10,531,531	10,531,531	10,282,743	10,282,743	8,580,380	8,580,380
f. Others	3,089,394	3,089,394	2,753,680	2,753,680	2,330,761	2,330,761
2.5. Fixed Assets (Net)	453,510	465,019	351,657	363,382	358,713	369,223
2.6. Non- Banking Assets	-	-	-	-	-	-
2.7. Other Assets	772,564	782,502	806,404	809,504	669,663	670,669

Continue...Unaudited Financial Results

Continue... Unaudited Financial Results

3. Profit and Loss Account	Up to this		Up to Previous		Up to corresponding	
	Quarter		Quarter		Previous Year Quarter	
3.1. Interest Income	2,898,415	2,901,914	2,072,760	2,075,421	2,906,265	2,906,265
3.2. Interest Expenses	1,742,839	1,741,467	1,300,194	1,298,961	2,048,914	2,048,914
A. Net Interest Income (3.1 -3.2)	1,155,576	1,160,447	772,566	776,460	857,352	857,352
3.3. Fees, Commission and Discount	113,067	113,067	81,078	81,708	108,181	108,181
3.4. Other Operating Income	182,093	189,367	108,876	109,474	94,507	94,507
3.5. Foreign Exchange Gain/Loss (Net)	156,645	156,645	130,931	130,931	115,627	115,627
B. Total Operating Income (A+3.3+3.4+3.5)	1,607,380	1,619,526	1,093,451	1,098,572	1,175,666	1,175,666
3.6. Staff Expenses	216,516	221,530	145,977	149,593	173,884	174,854
3.7. Other Operating Expenses	376,891	386,258	275,112	282,040	336,340	338,421
C. Operating Profit Before Provision (B-3.6-3.7)	1,013,973	1,011,738	672,362	666,939	665,442	662,390
3.8. Provision for Possible Losses	221,406	221,406	213,434	213,434	155,526	155,526
D. Operating Profit (C-3.8)	792,567	790,332	458,928	453,506	509,916	506,864
3.9. Non- Operating Income/Expenses (Net)	944	944	404	404	913	2,519
3.10. Write Back of Provision for Possible Loss	-	-	-	-	8,100	8,100
E. Profit from Regular Activities (D+3.9+3.10)	793,511	791,275	459,332	453,910	518,929	517,483
3.11. Extraordinary Income/Expenses (Net)	12,794	12,794	12,794	12,794	-	-
F. Profit Before Bonus and Taxes (E+3.11)	780,717	778,481	446,538	441,116	518,929	517,483
3.12 Provision for Staff Bonus	70,974	70,974	40,594	40,594	47,175	47,175
3.13. Provision for Taxes	219,255	219,255	121,783	121,783	141,297	140,942
3.14. Share of Non-Controlling interest in the Profit/Loss of Subsidiary	-	(1,095)	-	(2,657)	-	(534)
G. Net Profit/Loss (F- 3.12-3.13)	490,488	488,253	284,161	278,738	330,456	329,366
4. Ratios	At the end of This Quarter		At the end of Previous Quarter		At the end of corresponding Previous Year Quarter	
4.1. Capital Fund to RWA	12.28%	12.30%	11.12%	11.14%	11.03%	11.05%
4.2. Non- Performing Loan (NPL) to Total Loan	2.31%	2.31%	2.46%	2.46%	1.52%	1.52%
4.3. Total Loan Loss Provision to Total NPL	111.66%	111.66%	107.50%	107.50%	124.55%	124.55%
4.4. Cost of Funds	6.34%	6.34%	6.40%	6.40%	8.88%	8.88%
4.5. Credit to Depoist Ratio (Calculated as per NRB Directive)	76.53%	76.53%	77.26%	77.26%	75.40%	75.40%
4.6. Base Rate %	10.25%	10.25%	10.22%	10.22%		0.00%
Additional Information						
a. Average Yield	10.73%	10.73%	10.51%	10.51%	12.70%	12.70%
b. Average Cost	6.40%	6.40%	6.47%	6.47%	9.18%	9.18%
c. Net Interest Spread	4.39%	4.39%	4.11%	4.11%	3.82%	3.82%
d. Return on Equity	18.56%	18.56%	15.36%	15.36%	14.25%	14.25%
e. Return on Assets	1.48%	1.48%	1.21%	1.21%	1.12%	1.12%



नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग
गैर-स्थलगत सुपरिवेक्षण महाशाखा

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
पोष्ट बक्स नं. : ७७
फोन नं. : ४४१७४९७
आन्तरिक: २०४, २०५, र २०६
फ्याक्स नं. : ४४१२३०६
E-mail : bsdoffice@nrb.org.np
Web Site : www.nrb.org.np

पत्रसंख्या:- बै.सु.वि./अफसाइट/एजिएम/२०/२०७०-७१

मिति २०७०/९/०७

सिद्धार्थ बैंक लिमिटेड
हात्तीसार, कमलादी, काठमाडौं।



विषय: लाभांश घोषणा/वितरण स्वीकृति तथा वित्तीय विवरण प्रकाशनको सहमति सम्बन्धमा।

महाराज्य,

तर्जाबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ को दफा ४६ को उपदफा (१) का प्रावधानहरु पालना गरेको देखिएको हुँदा, ऐ. ऐनको उपदफा (२) बमोजिम प्रस्तावित रु. १६,३६,२८,८९८/- (चुक्ता पूँजीको १०.११ प्रतिशत) नगद लाभांश तथा रु. १९,४३,०९,३१६/- (चुक्ता पूँजीको १२ प्रतिशत) बोनस शेयर वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्रै वितरण गर्न स्वीकृतिका साथै आ.व. २०६९/७० को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न मात्र सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१. यस बैंकबाट जारी गरीएको निर्देशन नं. १० को बुँदा नं. ७ मा उल्लेखित व्यवस्था भन्दा बढी हुनेगरी संस्थापक शेयर धारण गर्ने संस्थापक शेयर धनीहरुलाई सो सीमा भित्र नल्याए सम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने।
२. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैंफियतहरु पूर्ण रूपले सुधार गर्न तथा त्यस्ता कैंफियतहरु पुनः दोहोरिन नदिने व्यवस्था मिलाउनु हुन।

उपरोक्त निर्देशनलाई कार्यान्वयन एव त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु।

भवदीय


5/6
(विमलराज खनाल)
उप निर्देशक

बोधार्थ :

१. नेपाल राष्ट्र बैंक
बैंक तथा वित्तीय संस्था नियमन विभाग।
२. बैंक सुपरिवेक्षण विभाग
प्रतिवेदन कार्यान्वयन इकाई
सिद्धार्थ बैंक लिमिटेड।

BRANCH LIST

Inside Valley :-

Hattisar

Branch Manager - Jit Adhikari
Phone: 01-4442919/4442920
Fax: 1-4442921

New Road

Branch Manager - Biplavi Singh
Phone: 01-4224616/4239535
Fax: 01-4239590

Tripureshwor

Branch Manager - Pankaj Pant
Phone: 01-4232504/4232509
Fax: 01-4232521

Gwarko (B & B) Extension Counter

Branch Manager - Usha Acharya
Phone: 01-5007621

Patan

Branch Manager - Anant Shrestha
Phone: 01-5005531/ 5005533
Fax: 01-5005532

Old Baneshwor

Branch Manager - Ajay Singh Bhandari
Phone: 01-4484996/4492850
Fax: 01-4484997

Thamel

Branch Manager - Prajwal Kumar Subedi
Phone: 01-4701340/4701342
Fax: 01-4701341

Tinkune

Branch Manager - Binu Bhandary
Phone: 01-4111941/4111881
Fax: 01-4111754

Kumaripati

Branch Manager - Shila Tajya
Phone: 01-5008648/ 5008650
Fax: 01-5552648

Gongabu

Branch Manager - Subash Shrestha
Phone: 01-4389227 / 4389226
Fax: 01-4389203

Kalanki

Branch Manager - Bidur Puri
Phone: 01-4272570
Fax: 01-4276122

Gatthaghar

Branch Manager - Rajiv Ranjit
Phone: 01-5639435 / 6630302
Fax: 01-5639788

Satdobato

Branch Manager - Gyanendra Maharjan
Phone: 01-5553027 / 5553028
Fax: 01-5553029

Bouddha

Branch Manager - Saroja Regmi
Phone: 01-4490797
Fax: 01-4486516

Sankhamul

Branch Manager - Sunil Maharjan
Phone: 01-4781516 / 4781396
Fax: 01-4781616

Swoyambhu

Branch Manager - Pravin Amatya
Phone: 01-4033606 / 4033607
Fax: 01-4033608

Maharajgunj

Branch Manager - Neema Nepal
Phone: 01-4374909 / 4374974
Fax: 01-4375413

Manahara Extension Counter

Branch Manager - Gopi Krishna Regmi
Phone: 01-5639109

Outside Valley :-

Birgunj

Branch Manager - Dilli Raj Lekhak
Phone: 051-531011/531022
Fax: 051-531055

Biratnagar

Branch Manager - Kamal Basnet
Phone: 021-532901/532902
Fax: 021-532904

Pokhara

Branch Manager - Hari Prasad Timalsena
Phone: 061-551338/551405
Fax: 061-551339

Damak

Branch Manager - Subash Shrestha
Phone: 023-585206/585127
Fax: 023-585128

Narayangarh

Branch Manager - Ramji Baniya
Phone: 056-571127/571128
Fax: 056-571129

Tikapur

Branch Manager - Mahendra Rawal
Phone: 091-561163/561164
Fax: 091-561165

Dhangadhi

Branch Manager - Tej Raj Timilsina
Phone: 091-527463
Fax: 091-527465

Mahendranagar

Branch Manager - Mohan Bahadur Shah
Phone: 099-520163/520164
Fax: 099-520165

Butwal

Branch Manager - Sushil Nepal
Phone: 071-551540/551541
Fax: 071-551539

Bhairahwa

Branch Manager - Babuji Thapa
Phone: 071- 523645/523646
Fax: 071- 523733

Nepalgunj

Branch Manager - Pawan Chandra Adhikari
Phone: 081-527933 / 527934
Fax: 081-527932

Tulsipur

Branch Manager - Megha Nath Dhakal
Phone: 082-521707 / 521708
Fax: 082-521709

Ghorahi

Branch Manager - Ranjan Koirala
Phone: 082-563174 / 563175
Fax: 082-563176

Janakpur

Branch Manager - Jiwan Kumar Chalise
Phone: 041-528081 / 528082
Fax: 041-528083

Bardibas

Branch Manager - Ujwal Shahi
Phone: 044-550640 / 550641
Fax: 044-550642

Sindhuli

Branch Manager - Arjun Pokhrel
Phone: 047-520747 / 520748
Fax: 047-520647

Chandragadi

Branch Manager - Milan Koirala
Phone: 023-456939 / 456998
Fax: 023-456940

Hetauda

Branch Manager - Utsab Raj Parajuli
Phone: 057-526767 / 526768
Fax: 057-526769

Dharan

Branch Manager - Suman Dahal
Phone: 025-520655 / 534022
Fax: 025-534024

Bagar

Branch Manager - Kiran Adhikari
Phone: 061-527747 / 527748
Fax: 061-527749

Krishnanagar

Branch Manager - Kapil Kafle
Phone: 076- 520655 / 520656
Fax: 076-520660

Namche Branch

Branch Manager - Ujjwol Shrestha
Phone: 038-540451 / 540452
Fax: 038-540453

Dailekh

Branch Manager - Laxmi Narayan Sharma
Phone: 089-420560
Fax: 089-420561

UPCOMING BRANCHES

Birtamode / Itahari / Dadeldhura

ATM LOCATIONS

Inside Valley :-

Hattisar
Civil Mall (ATM Lounge)
New Road (ATM Lounge)
Thamel (Branch & ATM Lounge)
Tinkune
Gatthaghar
Old Baneshwor
Patan
Maharajgunj
Halchowk
New Baneshwor (ATM Lounge)
Chabahil (ATM Lounge)
Satdobato
Gongabu
Gwarko
Kalanki
Kumaripati (ATM Lounge)
Bouddha
Budhanilkantha
(Park Village Resort)
Maharajgunj (Bhairabnath Gan)
Manahara (B.P. Eye Foundation's CHEERS)
Sundarijal
Balkhu (Vayodha Hospital)
Banasthali (Siddhartha Vanasthali Institute)

Outside Valley :-

Bardibas
Bhairahawa
Biratnagar
Birgunj
Butwal (Lumbini Zonal Hospital)
Chandragadi
Damak
Dhangadhi
Dharan
Ghorahi
Hetauda
Janakpur
Krishnanagar
Mahendranagar
Narayangarh
Nepalgunj
Pokhara (Branch, Lakeside and Halanchowk)
Sindhuli
Tikapur
Tulsipur
Namche
Dailekh
Kalaiya
Sunauli (Mamata Hotel)



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