



BALANCE SHEET AS ON 16 JULY 2002 (32 ASHAD 2059)

Capital and Liabilities				Assets			
Previous Year Rs.		Sched- ule	This Year Rs.	Previous Year Rs		Sched- ule	This Year Rs.
300,000,000	1. Share Capital	1	390,000,000	149,958,611	1. Cash Balance	7	462,776,725
420,591,358	2. Reserve Funds	2	468,114,868	1,285,216,186	2. Balance with Banks	8	801,895,073
79,527,445	3. Borrowings	3	534,013,018	4,057,654,500	3. Money at call and Short Notice	9	352,350,000
17,636,846,816	4. Deposit Accounts	4	18,619,375,076	4,083,159,986	4. Investments	10	9,157,106,656
25,918,729	5. Bills Payable	5	55,576,127	8,537,666,084	5. Loan Advances and Bills Purchase	11	8,913,723,565
407,919,617	6. Other Liabilities	6	605,354,765	201,678,937	6. Fixed Assets	12	318,843,964
				555,469,661	7. Other Assets	13	665,737,871
18,870,803,965	Total Liabilities		20,672,433,854	18,870,803,965	Total Assets		20,672,433,854

Contingent Liabilities	Schedule 14
Directors Declaration	Schedule 23
Capital Adequacy	Schedule 24
Principal Indicators	Schedule 25
Cash Flow Statement	Schedule 26
Principal Accounting Policies	Schedule 27
Notes to Accounts	Schedule 28

Schedules 1 to 14 form integral part of the Balance Sheet

Sd. Shshiel Joshi
Dy. General Manager

Sd. Shahid M. Loan
Senior General Manager

Directors
 1. Sd. Rajesh Rajkarnikar
 2. Sd. Prem Prakash Khetan
 3. Sd. Prachanda Bahadur Shrestha
 4. Sd. Lal Mani Joshi
 5. Sd. Balananda Paudyal

Sd. Manoj Bahadur Shrestha
Second Vice Chairman

Sd. Himalaya SJB Rana
Chairman

As per our report of even date attached
 Sd. Sundar Man Shrestha, FCA
 Chartered Accountant
 Date: Dec. 11, 2002



हिमालयन बैंक लिमिटेड

Himalayan Bank Limited

(A Joint Venture with Habib Bank Limited - Pakistan)

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 16 JULY 2001 TO 16 JULY 2002 (32 ASHAD 2059)

Previous Year Rs.		Sched-ule	This Year Rs.	Previous Year Rs.		Sched-ule	This Year Rs.
734,517,574	1. Interest Expenses	15	578,133,464	1,326,378,121	1. Interest Income	18	1,148,998,491
85,574,746	2. Employees Expenses	16	101,537,710	96,064,795	2. Commission and Discount	19	101,704,124
141,115,681	3. Office Overhead Expenses	17	155,786,297	119,260,825	3. Exchange Gain	20	104,601,011
-	4. Exchange Loss	20	-	2,302,689	4. Non-Operating Income	21	2,450,921
-	5. Non-Operating Expenses	21	-	31,220,359	5. Other Income	22	32,037,501
-	6. Bad Debts Written off		-	-	6. Net Loss Carried Down		-
134,320,430	7. Provision for loan Loss		166,505,530				
48,335,594	8. Provision for Staff Bonus		38,782,905				
154,322,590	9. Provision for Income Tax		114,022,632				
277,040,174	10. Net Profit Carried Down		235,023,510				
1,575,226,789	Total		1,389,792,048	1,575,226,789	Total		1,389,792,048

Schedules 15 to 22 form integral part of the Profit and Loss Account

Sd. Shshiel Joshi
Dy. General Manager

Sd. Shahid M. Loan
Senior General Manager

Directors
1. Sd. Rajesh Rajkarnikar
2. Sd. Prem Prakash Khetan
3. Sd. Prachanda Bahadur Shrestha
4. Sd. Lal Mani Joshi
5. Sd. Balananda Paudyal

Sd. Manoj Bahadur Shrestha
Second Vice Chairman

Sd. Himalaya SJB Rana
Chairman

As per our report of even date attached
Sd. Sundar Man Shrestha, FCA
Chartered Accountant
Date: Dec. 11, 2002



PROFIT AND LOSS APPROPRIATION ACCOUNT FISCAL YEAR 2001/02 (F.Y. 2058-2059)

Previous Year Rs.		This Year Rs.	Previous Year Rs.		This Year Rs.
-	1. Accumulated loss upto last year	-	25,450,752	1. Accumulated Profit upto Last Year	68,912,074
-	2. This year's Loss	-	277,040,174	2. This Year's Profit	235,023,510
57,117,348	3. General Reserve Fund	47,004,702	-	3. Accumulated Loss	-
-	4. Contingent Reserve	-			
-	5. Bank Development Fund	-			
-	6. Dividend Equalization Fund	-			
-	7. Employees Related Fund	-			
82,500,000	8. Interim and Proposed Dividend	97,500,000			
90,000,000	9. Issue of Bonus Share	39,000,000			
-	10. Special Reserve Fund	-			
3,961,504	11. Exchange Fluctuation Reserve	900,514			
68,912,074	12. Accumulated Profit	119,530,368			
302,490,926	Total	303,935,584	302,490,926	Total	303,935,584

Sd. Shshiel Joshi
Dy. General Manager

Sd. Shahid M. Loan
Senior General Manager

Directors
 1. Sd. Rajesh Rajkarnikar
 2. Sd. Prem Prakash Khetan
 3. Sd. Prachanda Bahadur Shrestha
 4. Sd. Lal Mani Joshi
 5. Sd. Balananda Paudyal

Sd. Manoj Bahadur Shrestha
Second Vice Chairman

Sd. Himalaya SJB Rana
Chairman

As per our report of even date attached
 Sd. Sundar Man Shrestha, FCA
 Chartered Accountant
 Date: Dec. 11, 2002



Schedule 1 : Share Capital and Ownership

Previous Year Rs.	Particulars	This Year Rs.
-	1. Share Capital	-
600,000,000	1.1 Authorized Capital	1,000,000,000
600,000,000	a. 10,000,000 ordinary shares of Rs. 100 each. (Last Year 6,000,000 ordinary shares of 100 each)	1,000,000,000
	b. Non-redeemable shares of Rs. each	
	c. Redeemable shares of Rs. each	
300,000,000	1.2 Issued Capital	650,000,000
300,000,000	a. 6,500,000 Ordinary Shares of Rs. 100 each (Last year 3,000,000 ordinary shares of 100 each)	650,000,000
	b. Non-redeemable shares of Rs. each	
	c. Redeemable shares of Rs. each	
300,000,000	1.3 Paid up Capital	390,000,000
300,000,000	a. 3,900,000 Ordinary Shares of Rs. 100 each (Last year 3,000,000 ordinary shares of 100 each)	390,000,000
	b. Non-redeemable shares of Rs. each	
	c. Redeemable shares of Rs. each	

Share Ownership

Previous Year Rs.	Particulars	%	This Year Rs.
240,000,000	1. Local Ownership	80	312,000,000
	1.1 His Majesty's Government	-	-
	1.2 Commercial Banks	-	-
	1.3 Financial Institutions	15.36	59,886,500
	1.4 Organized Institution	50.93	198,651,300
	1.5 General Public	13.58	52,955,200
	1.6 Others	0.13	507,000
60,000,000	2. Foreign Ownership	20.00	78,000,000
300,000,000	Total	100.00	390,000,000

3,900,000 ordinary shares of Rs. 100 each fully paid up, which includes:

Year	Particulars
F.Y. 1994-95	Rs. 60,000,000 capitalized
F.Y. 1997-98	Issued 720,000 Bonus Shares of Rs. 100 each fully paid up
F.Y. 1998-99	Issued 480,000 Bonus Shares of Rs. 100 each fully paid up
F.Y. 1990-00	Issued 600,000 Bonus Shares of Rs. 100 each fully paid up
F.Y. 2000-01	Issued 900,000 Bonus Shares of Rs. 100 each fully paid up



Schedule 2 : Reserve Funds

Previous Year Rs.	Particulars		This Year Rs.
239,747,868	1. General Reserve Fund		286,752,570
-	2. Capital Reserve Fund		-
-	3. Share Premium		-
111,931,416	4. Other Reserve Fund		61,831,930
-	a. Contingent Reserve	-	
-	b. Bank Development Fund	-	
-	c. Dividend Equalization Fund	-	
21,161,416	d. Exchange Fluctuation Reserve	22,061,930	
-	e. Special Reserve Fund	-	
90,000,000	f. Proposed Bonus Share	39,000,000	
770,000	g. Other Free Reserves (Interest Spread Reserve Fund)	770,000	
68,912,074	5. Accumulated Profit/Loss		119,530,368
420,591,358	Total		468,114,868

Schedule 3 : Borrowings

Previous Year Rs.	Particulars		This Year Rs.
	A. Local		
-	1. His Majesty's Government		-
-	1.1 Earth Quake affected Sector reconstruction		-
	2. Nepal Rastra Bank		47,581,956
-	2.1 Local	-	
-	2.2 Refinance	47,581,956	
2,297,088	3. Inter Bank		19,733,391
-	3.1 Overdraft	-	
-	3.2 Loan	-	
2,297,088	3.3 Agency Account Overdrawn	19,733,391	
5,434,268	4. Other Financial Institutions		625,000
-	5. Other (8.5% HBL BOND 2066)		360,000,000
7,731,356	Total (1+2+3+4+5)		427,940,347
71,796,089	B. Foreign		106,072,671
	1. Banks	-	
-	1.1 Overdraft	-	
71,796,089	1.2 Agency Account Overdrawn	106,072,671	
71,796,089	Total		106,072,671
79,527,445	Total (A+B)		534,013,018



Schedule 4 : Statement of Deposits

Previous Year Rs.	Particulars			This Year Rs.
	1. Non Interest Bearing accounts			
2,287,150,892	A. Current Deposits		2,634,369,951	
1,514,364,252	1. Local Currency		1,724,182,004	
–	1.1 His Majesty's Government	152,535,492		
–	1.2 Commercial Banks	14,873,335		
–	1.3 Financial Institutions	118,721,104		
–	1.4 Other Organized Institutions	1,179,621,642		
–	1.5 Individuals	157,077,386		
–	1.6 Others	101,353,045		
772,786,640	2 Foreign Currency		910,187,947	
–	2.1 His Majesty's Government	–		
–	2.2 Commercial Banks	136,113,388		
–	2.3 Financial Institutions	21,348,841		
–	2.4 Other Organized Institutions	702,197,591		
–	2.5 Individuals	19,931,155		
–	2.6 Others	30,596,972		
467,706,807	B. Margin Deposit		434,752,897	
–	1. Employees Guarantee	–		
–	2. Guarantee Margin	135,547,311		
–	3. Letters of Credit Margin	299,205,586		
50,448,716	C. Others		21,862,404	
13,653,972	1. Local Currency		–	
–	1.1 Financial Institutions	–		
–	1.2 Other Organized Institution	–		
–	1.3 Individual	–		
36,794,744	2. Foreign Currency	21,862,404		
–	2.1 Financial Institutions	5,702,325		
–	2.2 Other Organized Institutions	16,160,079		
–	2.3 Individual	–		
2,805,306,415	Total of Non-Interest Bearing Accounts			3,090,985,252



Previous Year Rs.	Particulars			This Year Rs.
–	2. Interest Bearing Accounts			
9,163,443,557	A. Saving Deposit		9,163,946,405	
8,612,333,390	1. Local Currency		8,188,172,194	
–	1.1 Organized Institutions	699,363,161		
–	1.2 Individuals	5,780,429,507		
–	1.3 Others	1,708,379,526		
551,110,167	2. Foreign Currency		975,774,211	
–	2.1 Organized Institutions	420,305,013		
–	2.2 Individuals	537,286,358		
–	2.3 Others	18,182,840		
4,927,374,835	B. Fixed Deposit		5,480,843,515	
2,090,881,900	1. Local Currency	1,749,973,973		
–	1.1 Organized Institutions	544,122,639		
–	1.2 Individuals	1,156,539,825		
–	1.3 Others	49,311,509		
2,836,492,935	2. Foreign Currency		3,730,869,539	
–	2.1 Organized Institutions	3,480,041,777		
–	2.2 Individuals	113,823,222		
–	2.3 Others	137,004,541		
740,722,009	C. Call Deposit		883,599,905	
368,139,827	1. Local Currency		356,446,693	
–	1.1 Organized Institutions	270,047,151		
–	1.2 Individuals	15,730,895		
–	1.3 Others	70,668,647		
372,582,182	2. Foreign Currency		527,153,212	
–	2.1 Organized Institutions	318,290,516		
–	2.2 Individuals	20,472,896		
–	2.3 Others	188,389,800		
	D. Certificate of Deposit	–		
14,831,540,401	Total of Interest Bearing Accounts			15,528,389,823
17,636,846,816	Total Deposit			18,619,375,076



Schedule 5 : Bills Payable

Previous Year Rs.	Particulars	This Year Rs.
18,630,307	1. Local Currency	43,524,481
7,288,422	2. Foreign Currency	12,051,646
25,918,729	Total	55,576,127

Schedule 6 : Other Liabilities

Previous Year Rs.	Particulars	This Year Rs.
13,542,380	1. Pension/Gratuity Fund	21,071,655
-	2. Employees Provident Fund	-
-	3. Employees Welfare Fund	-
48,335,594	4. Provision for Staff Bonus	38,782,905
14,717,809	5. Unpaid Dividend	6,439,179
-	6. Provision for Income Tax (less advance tax paid)	-
4,735,919	7. Interest Payable on Deposit	9,910,923
-	8. Interest Payable on Borrowings	912,202
-	9. Unearned Discount and Commission	-
22,500,000	10. Proposed Dividend	97,500,000
188,617,140	11. Interest Suspense	249,586,857
5,254,853	12. Sundry Creditors	6,087,709
22,882,315	13. Branch Adjustment Account	43,202,728
87,333,607	14. Others	131,860,607
407,919,617	Total	605,354,765

Schedule 7 : Cash Balance

Previous Year Rs.	Particulars	This Year Rs.
131,709,113	1. Local Currency (Including coin)	426,412,692
18,249,498	2. Foreign Currency	36,364,033
149,958,611	Total	462,776,725



Schedule 8 : Balance with Banks

Previous Year Rs.	Particulars		This Year Rs.
1,073,225,390	1. Nepal Rastra Bank		695,378,654
1,073,225,390	a. Current Account	695,378,654	
-	b. Other Account	-	
14,197,918	2. Other Local Bank		37,545,578
14,197,918	a. Current Account	37,545,578	
-	b. Other Account	-	
197,792,878	3. Foreign Bank		68,970,841
197,792,878	a. Current Account	68,970,841	
-	b. Other Account	-	
1,285,216,186	Total		801,895,073

Schedule 9 : Money At Call and Short Notice

Previous Year Rs.	Particulars	This Year Rs.
150,000,000	1. Local Currency	-
3,907,654,500	2. Foreign Currency	352,350,000
4,057,654,500	Total	352,350,000



Schedule 10 : Investments

Previous Year Rs.	Particulars	Purpose		This Year Rs.
		Trading	Other	
2,025,252,250	1. HMG Securities			2,588,562,224
2,025,252,250	a. Treasury Bills	-	2,588,562,224	
-	b. Development Bonds	-	-	
-	c. National Saving Bonds	-	-	
-	2. Foreign Govt. Securities	-	-	-
199,043,500	3. Nepal Rastra Bank Bonds	-	-	459,193,135
10,691,075	4. Shares, Debentures and Bonds	-	-	34,265,797
1,848,173,161	5. Other Investments	-	-	6,075,085,500
93,353,882	a. Certificate of Deposits	-	21,625,000	
-	b. Mutual Fund	-	-	
-	c. Local Banks	-	-	
1,754,819,279	d. Foreign Banks	-	6,053,460,500	
	e. Others			
4,083,159,986	Total Investment	-	-	9,157,106,656
-	Provision	-	-	-
4,083,159,986	Net Investment	-	-	9,157,106,656

Schedule 10 (A) : Investments in Shares, Debentures and Bonds

Previous Year Rs.	Particulars	This Year Rs.
	1. Investment Shares	
-	1.1 Himalayan Distillery Ltd. 223,560 Shares @ 100	22,356,000
5,195,000	1.2 Rural Microfinance Dev. Centre 51,950 Shares @ 100	5,195,000
3,000,000	1.3 Western Rural Development Bank 30,000 Shares @ 100	3,000,000
1,200,000	1.4 Nirdhan Utthan Bank Ltd. 12,000 Share @ 100	1,200,000
1,200,000	1.4 Neighbourhood Society Service 12,000 Shares @ 100	1,200,000
-	1.6 Centre For Self Help Dev. 12,000 Shares @ 100	1,200,000
96,075	1.7 Swift SC 1 Share @ BEF 61,000	114,797
-	2. Investment in Debentures and Bonds	-
10,691,075	Total Investment	34,265,797
-	3. Provision for Loss	-
-	3.1 Upto previous year	-
-	3.2 Addition this year	-
-	Total Provision	-



SCHEDULE 11 : Classification of Loan and Bills Purchase and Provisioning

Previous Year Rs.	Particulars	Advances					Bills Purchased / Discounted				This Year Rs.	
		Domestic			Foreign	Total	Domestic		Foreign	Total		
		Priority		Other			Priority					Other
		Insured	Uninsured		In-sured	Un-insured						
	1. Performing Loan	178,436,630	497,258,402	7,462,615,286		8,138,310,318			262,786,224		262,786,224	8,401,096,542
	Pass Loan	178,436,630	497,258,402	7,462,615,286		8,138,310,318			262,786,224		262,786,224	8,401,096,542
	2. Non-Performing Loan	52,804,646	-	1,103,236,816		1,156,041,462			-		-	1,156,041,462
	2.1 Restructured	1,670,000		356,761,428		358,431,428						358,431,428
	2.2 Sub-Standard	14,360,948	-	232,385,214		246,746,162						246,746,162
	2.3 Doubtful	6,662,307		133,793,320		140,455,627						140,455,627
	2.4 Loss	30,111,391		380,296,854		410,408,245			-		-	410,408,245
9,015,347,195	(A) Total Loan	231,241,276	497,258,402	8,565,852,102		9,294,351,780			262,786,224		262,786,224	9,557,138,004
	3. Loan Loss Provision											
	3.1 Pass	446,092	4,972,584	75,076,639		80,495,315			2,627,862		2,627,862	83,123,176
	3.2 Restructured	208,750		44,595,179		44,803,929						44,803,929
	3.3 Sub-Standard	897,559	-	59,035,623		59,933,182						59,933,182
	3.4 Doubtful	832,788		66,896,660		67,729,448						67,729,448
	3.5 Loss	7,527,848		380,296,855		387,824,703			-		-	387,824,703
344,484,396	(B) Total Provisioning	9,913,037	4,972,584	625,900,956		640,786,577			2,627,862		2,627,862	643,414,439
	4. Provision upto previous year											
	4.1 Pass											
	4.2 Sub-Standard											
	4.3 Doubtful											
	4.4 Loss											
	(C) Total Previous year provisioning											477,681,111
133,196,715	(D) Adjustment this year											166,505,530
8,537,666,084	Net Loan (A-B)	221,328,239	492,285,818	7,939,951,146		8,653,565,203			260,158,362		260,158,362	8,913,723,565



Schedule 12 : Fixed Assets

Previous Year Rs.	Particulars	Assets					This Year Rs.
		Building	Vehicles	Machinery	Office Equipment	Others (Land)	
	1. At Cost						
247,317,960	(a) Previous Year Balance	23,744,875	42,051,807	87,179,896	70,180,640	54,610,124	277,767,342
40,080,224	(b) Addition this year	8,212,538	13,032,540	6,673,275	6,648,062	109,357,360	143,923,775
(9,630,843)	(c) Revaluation/Written back this year	-	-	-	-	-	-
-	(d) This year sold	-	(4,902,909)	(485,000)	(252,950)	-	(5,640,859)
-	(e) This Year written off	-	-	-	-	-	-
277,767,341	Total Cost (a+b+c+d+e)	31,957,413	50,181,438	93,368,171	76,575,752	163,967,484	416,050,258
	2. Depreciation						
57,020,486	(a) Upto previous year	2,177,745	14,263,071	36,370,775	26,025,287	-	78,836,878
22,704,768	(b) For this year	1,419,868	5,390,733	10,519,241	6,408,301	-	23,738,142
(888,378)	(c) Depreciation on sale of Assets	-	(2,886,447)	(339,238)	(84,510)	-	(3,310,194)
78,836,876	Total Depreciation	3,597,613	16,767,357	46,550,778	32,349,078	-	99,264,826
198,930,465	3. Book Value (WDV) (1-2)	28,359,800	33,414,081	46,817,393	44,226,674	163,967,484	316,785,432
2,748,472	4. Capital Construction (Pending Capitalization)	2,058,532	-	-	-	-	2,058,532
-	5. Leasehold assets	-	-	-	-	-	-
201,678,937	Total (3+4+5)	30,418,332	33,414,081	46,817,393	44,226,674	163,967,484	318,843,964

Schedule 12 (A) : Securities Against Loan, Advances and Bills Purchased

Previous Year Rs.	Particulars	This Year Rs.
9,015,347,195	(A) Secured	9,557,138,004
-	1. Collateral of Movable / Immovable Assets	8,124,981,004
-	2. Local bank and Financial Institutions Guarantee	15,249,000
-	3. HMG Guarantee	-
-	4. Foreign Banks Guarantee	26,431,000
-	5. Export Documents	139,277,000
-	6. Fixed Deposit Receipts	525,163,000
-	(a) Own FDR	518,111,000
-	(b) FDR of other Banks	7,052,000
-	7. Government Bonds	235,323,000
-	8. Counter Guarantee	-
-	9. Personal Guarantee	14,432,000
-	10. Other Securities	476,282,000
-	(B) Unsecured	-
9,015,347,195	Total	9,557,138,004



Schedule 13 : Other Assets

Previous Year Rs.	Particulars		This Year Rs.
4,833,600	1. Stock of Stationery		6,372,270
38,994,521	2. Income Receivable on Investments		54,993,975
296,751,437	3. Accrued Interest on Loan		330,384,478
-	4. Receivable commission		-
24,174,604	5. Sundry Debtors		2,411,069
17,228,906	6. Staff Loan and Advances		27,044,432
7,888,985	7. Prepayments		10,134,923
-	8. Cash in Transit		-
-	9. Other Transit items (Including Cheques)		-
2,369,434	10. Drafts Paid without notice		-
41,230,727	11. Expenses not written off		37,723,759
39,386,655	12. Non-Banking Assets		41,191,655
-	13. Branch Adjustment account		-
82,610,792	14. Others		155,481,310
	a. Advance Income tax deposited	79,796,657	
	b. Others	75,684,653	
555,469,661	Total		665,737,871

Schedule 13 (A) : Other Assets (Additional Statement)

Previous Year Rs.	Particulars	This Year (Rs.)			Total
		Upto 1 year	1 to 3 Year	Above 3 Years	
296,751,437	1. Accrued Interest on Loan	250,975,420	48,853,380	30,555,678	330,384,478
2,369,434	2. Drafts Paid without Notice	-	-	-	-
-	3. Branch Adjustment A/c	-	-	-	-



Schedule 14 : Contingent Liabilities

Previous Year Rs.	Particulars		This Year Rs.
37,437,770	1. Claims on Bank not accepted by the Bank		37,437,770
1,965,317,666	2. Letters of credit (full amount)		2,445,699,429
	a. Less than 6 months maturity	2,344,503,105	
	b. More than 6 months maturity	101,196,324	
-	3. Rediscounted Bills		-
1,992,945,994	4. Unmatured Guarantees / Bonds		1,174,026,628
-	5. Unpaid Shares in Investment		-
1,096,561,671	6. Forward Exchange contract liabilities		224,348,635
-	7. Bills under collection		81,420,336
-	8. Acceptance & Endorsements		-
-	9. Underwriting Commitment		-
-	10. Irrevocable Loan Commitments		-
-	11. Counter Guarantee of Internationally Rated Banks		1,179,345,640
-	12. Advance Payment Guarantee		218,244,369
-	13. Financial Guarantee		414,852
20,975,483	14. Contingent Liabilities on Income Tax		20,975,483
-	15. Others		3,140,765
5,113,238,584	Total		5,385,053,907

Schedule 15 : Interest Expenses

Previous Year Rs.	Particulars		This Year Rs.
	A. On Deposit Liabilities		
297,776,625	1. Fixed Deposits		220,119,110
157,328,240	1.1 Local Currency	117,161,876	
140,448,385	1.2 Foreign Currency	102,957,234	
352,118,520	2. Saving Deposits		308,210,899
160,997,927	2.1 Local Currency	298,305,159	
191,120,593	2.2 Foreign Currency	9,905,740	
73,728,147	3. Call Deposits		43,312,914
37,054,874	1.1 Local Currency	29,600,994	
36,673,273	1.2 Foreign Currency	13,711,920	
-	4. Certificate of Deposits		-
10,894,282	B. On Borrowings		5,358,882
-	1. Overdraft	-	
1,585,243	2. Loan from Nepal Rastra Bank	254,202	
9,309,039	3. Inter Bank Borrowing	5,104,680	
-	4. Other Loan and Refinances	-	
-	C. Others		1,131,659
	1. HBL Bond	1,131,659	
734,517,574	Total		578,133,464

**Schedule 16 : Expenses Relating to Employees**

Previous Year Rs.	Particulars	This Year Rs.
36,301,547	1. Salary	45,697,479
26,475,824	2. Allowances	34,530,757
3,300,116	3. Contribution to Provident Fund	4,150,230
3,522,415	4. Training Expenses	2,305,176
1,337,973	5. Uniform	1,316,545
-	6. Medical	-
3,090,129	7. Insurance	3,403,223
3,657,580	8. Pension and Gratuity	8,224,935
7,889,162	9. Others	1,909,365
85,574,746	Total	101,537,710

Schedule 17 : Office Overhead Expenses

Previous Year Rs.	Particulars		This Year Rs.
16,998,372	1. House Rent		20,190,037
6,050,153	2. Electricity and Water		7,268,833
-	3. Repair and Maintenance		8,935,185
2,381,324	a. Building	2,650,259	
703,439	b. Vehicles	646,636	
3,347,123	c. Others	5,638,290	
5,221,313	4. Insurance		6,874,923
12,803,340	5. Postage, Telex, Telephone, Fax		11,420,611
464,541	6. Office Equipment, Furniture Repair		397,067
5,173,550	7. Travelling Allowances and Expenses		2,828,787
7,626,106	8. Stationery and Printing		8,137,468
432,079	9. Books and Periodicals		338,373
8,753,299	10. Advertisements		10,471,172
688,235	11. Legal Expenses		968,438
87,000	12. Donations		63,750
-	13. Expenses Relating to Board of Directors		906,204
277,200	a. Meeting Fees	269,200	
858,807	b. Other Expenses	637,004	
904,831	14. Annual General Meeting Expenses		966,418
103,500	15. Expenses Relating to Audit		135,000
-	a. Audit Fees	115,000	
-	b. Other Expenses	20,000	
-	16. Commission on remittances		-
22,704,768	17. Depreciation on Fixed Assets		23,738,143
-	18. Amortization of Preliminary Expenses		-
-	19. Share Issue Expenses		-
8,715,761	20. Technical Services Fee		9,140,476
1,540,214	21. Entertainment		1,834,826
-	22. Written off Expenses		-
2,171,209	23. Security Expenses		2,861,809
2,241,050	24. Credit Guarantee Premium		2,149,405
4,087,087	25. Commission and Discount		3,963,652
-	26. Others		32,195,720
5,938,840	A. Registration Fee and Charges	10,467,059	
10,068,705	B. Amortization	11,669,599	
10,773,835	C. Others	10,059,062	
141,115,681	Total		155,786,297



Schedule 18 : Interest Income

Previous Year Rs.	Particulars		This Year Rs.
850,359,792	A. On Loan, Advances and Overdraft		853,429,379
590,927,528	1. Loan and Advances	634,678,468	
259,432,264	2. Overdraft	218,750,911	
	B. On Investment		79,894,549
64,960,822	1. HMG Securities	79,894,549	
64,960,822	a. Treasury Bills	79,894,549	
-	b. Development Bonds	-	
-	c. National Saving Certificate	-	
-	2. Foreign Securities		-
1,124,506	3. Nepal Rastra Bank Bonds		-
-	4. Debenture and Bonds		-
	a. Financial Institutions	-	
	b. Other Organizations	-	
-	C. On Agency Balance		19,829
-	1. Local Banks	19,829	
-	2. Foreign Banks	-	
409,933,001	D. On Money at Call and Short Notice		22,706,749
25,028,201	1. Local Banks	19,703,548	
384,904,800	2. Foreign Banks	3,003,201	
-	E. On Others		192,947,985
	1. Certificate of Deposits	1,461,393	
	2. Inter-Bank Loan	-	
	3. Others	191,486,592	
1,326,378,121	Total		1,148,998,491

Schedule 19 : Commission and Discount

Previous Year Rs.	Particulars		This Year Rs.
28,328,275	A. Bills Purchase and Discount		25,190,738
-	1. Local	1,230,650	
-	2. Foreign	23,960,088	
54,740,397	B. Commission		60,326,038
23,814,179	1. Letters of Credit	23,533,030	
15,217,286	2. Guarantees	19,008,623	
3,278,007	3. Collection Fees	2,774,679	
6,861,217	4. Remittance Fees	8,300,935	
5,130,208	5. Credit Cards	6,496,126	
439,500	6. Share Underwriting/Issues	38,475	
-	7. Government Transactions	174,170	
-	8. Agency Commissions	-	-
-	9. Exchange Fees	-	-
12,996,123	C. Others		16,187,348
95	Total		101,704,124



Schedule 20 : Exchange Gain / Loss

Previous Year Rs.	Particulars	This Year Rs.
15,846,018	(A) Revaluation Gain	3,602,054
103,414,807	(B) Trading Gain (Except Exchange Fee)	100,998,957
119,260,825	Total Income (Loss)	104,601,011

Schedule 21 : Non Operating Income/Loss

Previous Year Rs.	Particulars	This Year Rs.
-	1. Profit (Loss) on Sale on Investment	-
1,566,497	2. Profit (Loss) on Sale of Assets	1,098,140
-	3. Dividend	-
	a. Commercial Banks	-
	b. Grameen Banks	-
	c. Financial Institutions	-
	d. Other Organized Institutions	-
	1. Subsidiary companies	-
	2. Others	-
-	4. Subsidies received from Nepal Rastra Bank	-
	a. Reimbursement of losses of specified branches	-
	b. Interest subsidy	-
	c. Exchange Counter	-
736,192	5. Others	1,352,781
2,302,689	Total Non-Operating Income (Loss)	2,450,921

Schedule 22 : Other Income

Previous Year Rs.	Particulars	This Year Rs.
2,209,850	1. Rental on Safe Deposit Lockers	3,764,870
2,832,478	2. Issue and Renewals of Credit Cards	3,071,645
324,200	3. Issue and Renewals of ATM Cards	297,900
17,615,262	4. Telex / T.T.	15,593,513
-	5. Service Charges	-
-	6. Renewal Fees	-
-	7. Loss Provision Written Back	-
8,238,569	8. Others	9,309,573
31,220,359	Total	32,037,501



Schedule 23 : Statement of Loan and Advances Extended to Directors/Chief Executive/ Promoters/Employees and Shareholders Holding more than 1% Share

Name of Promoter/ Director/CEO	Outstanding upto Last Year		Recovered in Current Year		Additional Lending in this Current Year	Outstanding upto This Year	
	Principal	Interest	Principal	Interest		Principal	Interest
A. Director							
B. Chief Executive							
C. Promoter	2,953,000	-	20,116,000	2,975,580	54,017,844	36,854,844	-
Sykar Company Pvt. Ltd.	2,953,000	-	20,116,000	2,975,580	54,017,844	36,854,844	-
D. Employees							
E. Shareholders holding more than 1% Shares							
Total	2,953,000	-	20,116,000	2,975,580	54,017,844	36,854,844	-

Schedule 24: Capital Adequacy Ratio

Particulars	Previous Year Rs.	This Year Rs.
A. Core Capital	698,659,942	834,552,939
1. Paid Up Capital	300,000,000	390,000,000
2. Share Premium	-	-
3. Non-Redeemable Preference Share	-	-
4. General Reserve Fund	239,747,868	286,752,570
5. Cumulative Profit/Loss (Upto previous year)	25,450,752	68,912,074
6. Current Year Profit/Loss as per Balance Sheet	133,461,322	89,618,295
7. Excess Investment in Shares	-	(730,000)
B. Supplementary Capital	499,612,527	638,421,665
1. Loan Loss Provision	477,681,111	255,589,735
2. Exchange Equalization Reserve	21,161,416	22,061,930
3. Assets Revaluation Reserve	-	-
4. Hybrid Capital Instruments	-	-
5. Unsecured Subordinated Term Debt	-	360,000,000
6. Interest Rate Fluctuation Fund	770,000	770,000
7. Other Free Reserves	-	-
C. Total Capital Fund (A+B)	1,198,272,469	1,472,974,604
D. Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets		
Capital Fund	8.01	11.56
Core Capital	4.67	6.55
Capital Fund Excess / Short	0.01	2.56
Core Capital Excess / Short	0.67	2.05



Schedule 24 : Total of Risk Weighted Assets Statement

On-Balance-sheet Assets	Weight Age	Previous year Rs.		This Year Rs.	
		Amount	Risk Weighted Assets	Amount	Risk Weighted Assets
Cash Balance	0%	149,958,610	–	462,776,725	–
Gold (Tradable)	0%	–	–	–	–
Balance with Nepal Rastra Bank	0%	1,073,225,389	–	695,378,654	–
Investment in Govt. Securities	0%	2,224,295,750	–	2,588,562,224	–
Investment in NRB Bonds	0%	–	–	459,193,135	–
Fully secured loan against own Fixed Deposit Receipt	0%	–	–	525,163,000	–
Fully secured loan against Govt. Securities	0%	–	–	235,323,000	–
Balance with Domestic Banks and Financial Institutions	20%	–	–	59,170,578	11,834,116
Fully secured FDR loan against FDR of Other Banks	20%	–	–	–	–
Balance with Foreign Banks	20%	–	–	68,970,841	13,794,168
Money at call	20%	4,057,654,500	405,765,450	352,350,000	70,470,000
Loan against the Guarantee of Internationally Rated Bank	20%	–	–	26,431,000	5,286,200
Other Investments in Intl rated banks	20%	–	–	6,053,460,500	1,210,692,100
Investment in Shares, Debentures and Bonds	100%	10,691,075	5,345,538	34,265,797	34,265,797
Other Investments	100%	2,060,163,958	1,890,571,321	–	–
Loans, Advances and Bills Purchased / Discounted	100%	9,015,347,195	9,015,347,195	8,770,221,003	8,770,221,003
Fixed Assets	100%	201,678,937	201,678,937	318,843,964	318,843,964
All other assets	100%	707,557,302	707,557,302	665,737,871	665,737,871
Total (A)		19,500,572,716	12,226,265,743	21,315,848,292	11,101,145,219
Off - Balance Sheet items					
Bills Collection	0%	–	–	81,420,336	–
Forward Foreign Exchange Contract	10%	1,096,561,671	1,096,561,671	224,348,635	22,434,864
Letters of Credit with maturity of less than 6 months	20%	1,732,621,609	346,524,322	2,344,503,105	468,900,621
Guarantees provided against counter guarantee of internationally rated foreign banks	20%	–	–	1,179,345,640	235,869,128
Letter of Credit with more than 6 months	50%	–	–	101,196,324	50,598,162
Bid Bond	50%	–	–	199,056,539	99,528,270
Performance Bond	50%	–	–	974,970,089	487,485,045
Advance Payment Guarantee	100%	–	–	218,244,369	218,244,369
Financial Guarantee	100%	–	–	414,852	414,852
Other Guarantee	100%	1,992,945,994	996,472,997	–	–
Irrevocable Loan Commitment	100%	–	–	–	–
Contingent Liabilities in Respect of Income Tax	100%	–	–	20,975,483	20,975,483
All other Contingent Liabilities	100%	291,109,310	291,109,310	40,578,535	40,578,535
Total (B)		5,113,238,584	2,730,668,300	5,385,053,907	1,645,029,329
Total Risk Weighted Assets		24,613,811,300	14,956,934,043	26,700,902,199	12,746,174,548



Schedule 25 : Major Indicators for Last Five Years

Particulars	Unit	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.
		1997/98 2054/2055	1998/99 2055/2056	1999/00 2056/2057	2000/01 2057/2058	2001/02 2058/2059
1. Net Profit / Total Income Percent	Percent	31.47	32.98	30.77	33.39	28.96
2. Per Share Income	Rs.	113.31	86.07	83.08	93.57	60.26
3. Per Share Market Value	Rs.	755.00	1000.00	1700.00	1500.00	1000.00
4. Price Earning Ratio	Ratio	6.66	11.62	20.46	16.03	16.59
5. Dividend in Share Capital (Including Bonus)	Percent	110.00	75.00	75.00	57.50	35.00
6. Cash Dividend in Share Capital	Percent	50.00	50.00	50.00	27.50	25.00
7. Interest Income/Loan and Advances	Percent	17.85	16.43	14.31	14.71	12.89
8. Staff Expenses / Total Operating Expenses	Percent	0.44	0.41	0.42	0.46	0.48
9. Interest Expenses in Total Deposit	Percent	6.15	5.50	4.24	4.19	3.11
10. FX Fluctuation Gain/Total Income	Percent	27.11	19.47	19.90	19.30	12.89
11. Staff Bonus / Total Staff Expenses	Percent	34.76	37.10	36.79	38.60	27.63
12. Net Profit / Loan and Advances	Percent	3.22	3.15	2.76	3.11	2.64
13. Net Profit / Total Assets	Ratio	1.56	1.47	1.26	1.44	1.14
14. Total Loan / Deposits	Percent	54.75	53.68	51.45	51.42	47.89
15. Total Operating Expenses / Total Income	Percent	30.79	31.35	29.70	26.43	21.31
16. Capital Adequacy Ratio:						
a. Core Capital	Percent	5.33	5.06	4.44	4.67	6.55
b. Supplementary Capital	Percent	3.44	3.36	3.59	3.34	5.01
c. Total Capital Fund	Percent	8.77	8.42	8.03	8.01	11.56
17. Liquidity (CRR)	Percent			10.47	11.77	11.69
18. Non-performing Loan/Total Loan	Percent					12.10
19. Weighted Average Interest Rate Spread	Percent	5.13	4.15	3.87	4.05	3.53
20. Book Network	Rs.	469.51	362.03	362.70	399.42	393.34
21. Total Share	Number	1,200,000	1,920,000	2,400,000	3,000,000	3,900,000
22. Total Staff	Number	248	290	311	359	357



Schedule 26 : Cash Flow Statement

Previous Year Rs.	Particulars	This Year Rs.
650,449,841	A. Cash Flow from Banking Transactions	589,742,318
1,575,249,089	1 Cash Receipt	1,389,792,048
1,326,378,121	1.1 Interest Income	1,148,998,491
125,974,697	1.2 Commission and Discount	101,704,124
114,216,836	1.4 Exchange Income	104,601,011
2,324,989	1.5 Non - Operating Income	2,450,921
6,354,446	1.6 Other Income	32,037,501
924,799,248	2. Cash Payment	800,049,730
734,517,574	2.1 Interest Expenses	578,133,464
76,899,989	2.2 Staff Expenses	101,537,710
113,359,385	2.3 Operating Expenses	120,378,556
–	2.4 Exchange Fluctuation Loss	–
22,300	2.5 Non Operating Expenses	–
–	2.6 Other Expenses	–
3,673,573,981	B. Cash Flow from Investments	1,524,219,516
537,236,190	1. Increase/(Decrease) in Bank Balances	(483,321,115)
(625,107,812)	2. Increase/(Decrease) in Money at call	(3,705,304,500)
1,866,743,592	3. Increase/(Decrease) in Investments	5,073,946,670
1,790,620,120	4. Increase/(Decrease) in Loan and Advances and BP	376,057,481
31,337,761	5. Increase/(Decrease) in Fixed Assets	140,903,170
72,744,130	6. Increase/(Decrease) in Other Assets	121,937,810
3,019,155,990	C. Cash Flow From Financial Sources	1,247,295,312
(49,118,262)	1. Increase/(Decrease) in Borrowing	454,485,573
3,489,307,485	2. Increase/(Decrease) in Deposits	982,528,261
(42,903,300)	3. Increase/(Decrease) in Bills Payable	29,657,398
(378,129,933)	4. Increase/(Decrease) in Other Liabilities	(219,375,920)
(3,968,150)	D. This Year's Net Cash Flow	312,818,114
153,926,761	E. Opening Cash Balance	149,958,611
149,958,611	F. Closing Cash Balance	462,776,725



Schedule 27 : Accounting Policies

The Financial Statements are prepared on historical cost basis that are in conformity with generally accepted accounting principles and unless stated otherwise comply with the guidelines and directives of Nepal Rastra Bank. The significant accounting policies, applied consistently unless specially stated, are summarized below:

1. Depreciation

- i) Items of a capital nature costing more than Rs. 5,000 are capitalized whereas those costing Rs. 5,000 or less are expensed under the heading " Office Equipment, Furniture and Repair". Accordingly, the Bank has expensed a sum of Rs. 397,067 during the year.
- ii) Fixed Assets are stated cost of acquisition plus expenses incidental thereon.
- iii) Depreciation on fixed assets is charged on diminishing balance method at the following rates. Depreciation on additions during the year is charged from the month subsequent to the date of acquisition.

Particulars of Assets	Rates
Building	5%
Vehicles	15%
Furniture –Wood	15%
Furniture – Metal	10%
Office Equipment	15%
Computers	20%
Generators	15%

2. Provision for Income Tax

Provision for Income Tax (Rs. 114,022,632) is created as per the applicable rate of tax. For the purpose taxable profit is worked out after considering all allowable / disallowable expenses and other adjustments on the profit of the Bank.

3. All investments made by Bank are not listed in the stock exchange. Accordingly, they are valued at their face value as per the directives of Nepal Rastra Bank.

4. Foreign Exchange Transaction

- i) Foreign currency assets and liabilities as on 16 July 2002 (Ashad 32, 2059) are converted into Rupees at the prevailing middle exchange rate (i.e. the average of the buying and selling rate) as on the year end date.



- ii) The difference arising on the previous day balance of foreign currency assets and liabilities converted at the current day's average market buying and selling rates for foreign currency is accounted as revaluation gain/loss. Difference arising on the current day's transaction, converted at the day's average buying and selling rates, is considered as foreign currency trading gain/loss.
- iii) During the year Rs. 900,514 being 25% of Foreign Exchange Revaluation Gain, has been transferred to the Exchange Equalization Fund as per the directive of Nepal Rastra Bank.

5. Non-Banking Assets

The land and buildings under the security of loan advances brought in the possession of the Bank during the course of recovery of loan and interest are shown under the non-banking assets. These assets are valued at **Panchakrit Mulya**.

6. Interest on deposits and loans is computed on the basis of 365 days a year.
7. Commission and fees on guarantees, L/Cs and bills purchased and discounted are accounted for on cash basis of accounting.

8. Interest Recognized as Revenue

Interest on loan and advances are recognized on Cash Basis of accounting. However, the interest realized after the year-end date upto Shrawan end 2059 (16 Aug. 2002) is also taken to income account as per the directives of Nepal Rastra Bank.

9. The Provision for possible loan losses has been made as per the directives of Nepal Rastra Bank and to cover specially identified doubtful receivable.
10. Expenses incurred by way of construction and other improvement on the leased banking premises, expenses incurred on acquisition of software and furnishing of bank offices are capitalized under the head "Expenses not written off". These expenses were amortized as follows:

Expenses on construction/improvement of lease banking premises	During the lease period
Expenses on acquisition of banking software	Five years
Expenses on furnishing of bank office	Three years

Details of amount amortized during the year and outstanding unamortized balances are given in "**Notes to Account**".

11. Provision for Staff Gratuity

The provision for staff gratuity to the Bank staff has been created through the charge to the Profit on the basis of completed number of service years assuming the year-end date as retirement date.



Schedule 28 : Notes to the Accounts

1. Branch Reconciliation

A sum of Rs. 43,202,728 is outstanding in Inter Branch Account. Major part of these pending pertains to LC payments made by the branches through Head Office Nostro Accounts, inter-branch transfers etc. All these pending items are reconciled and identified. Following is the age of reconciliation pending item:

Pending period	Amount
Upto three months	38,984,130
Three months to six months	4,039,862
Six months to one year	7,691
Above one year	171,045
Total	43,202,728

2. Amortization of expenses not written off

- i) Expenses incurred by way of construction and other improvement on the leased banking premises are capitalized as "Leasehold Improvements". The Bank has adopted the policy of amortizing the same on a yearly basis in equal installments during the lease period. Accordingly, Rs. 7,142,765 has been amortized during the year, leaving a balance of Rs. 25,767,316 for future amortization (Previous year amortized Rs. 5,756,226 and balance Rs.28,494,950).
- ii) The computer software program has been capitalized as Deferred Revenue Expenditure for amortization within five years effective from the date of commencement of operation and from the date of purchase for any subsequent purchase. Accordingly, a sum of Rs. 4,329,716 has been amortized during the year, leaving a balance of Rs. 11,635,943 for future amortization (Previous year amortized Rs. 3,773,022 and balance Rs. 12,320,552).
- iii) Expenses incurred on office furnishing are capitalized as deferred revenue expenditure for amortization in three years effective from the date of purchase. Accordingly, a sum of Rs. 197,117 has been amortized during the year under review, leaving a balance of Rs. 320,501 (Previous year amortized Rs. 539,457 and balance Rs. 415,525).

2. Staff Bonus

Bonus to staff is provided at 10% of the net profit before tax.

3. Employees' Housing Scheme

In view of the Bank providing housing loan facilities to its employees and as per the practice followed by other financial institutions, provision for Employees' Housing Fund as required under the Labor Act 2048 has not been provided for.



4. **Capital Commitment**

Commitment for capital construction on 16th July 2002, amounting to Rs. 3,140,765 is net of advances.

5. **Corporate Income Tax**

The Bank has been assessed to income tax upto the FY 1999/2000 (2056/57). There is a contingent liability of Rs. 20,975,483 on account of tax assessment made by Income Tax Authority on income for the fiscal years 1996/97 (2053/54), FY 1997/98 (2054/55) and 1998/99 (2055/56) against which, Bank has filed appeals. Matter is still pending with the authorities. Tax Provision for the current year is provided for after taking into consideration provision for doubtful debts and other contingencies. This provision could differ with the actual tax liability on final assessment.

6. **Claim made but not accepted by the Bank**

During the process of recovery of loan and interest due to the Bank, the District Court has passed the verdict in favor of the borrower to compensate a total of Rs. 37,437,770 on account of the business loss and court fee.

As the verdict has been challenged in the Appellate Court, the Bank has not accepted the claim.

7. **Write off of bad loans and interest**

During the year the following amounts have been written off from the accumulated Loan Loss Provision.

Bad Debts Rs. 772,204

8. **Regrouping**

Previous year's figures have been regrouped/rearranged where necessary for comparison with those of the current year.

9. **Format of Balance Sheet**

The format of Balance sheet has been completely changed from this year requiring a number of disclosure / detail requirements. The details of the previous years are also worked out accordingly. However, where the figures for sub-columns are not available, only the figures of the main columns are exhibited in the previous year's statements.

10. **Rounding Off**

Figures have been rounded off to the nearest rupee.



Directives issued by Nepal Rastra Bank in relation to the Balance Sheet, Profit and Loss account, Profit and Loss Appropriation account and annexures thereto for the fiscal year 2001/02

1. Improve observations pointed out by the Auditor and inform point wise.
2. Provide clarification for non-compliance of the directives issued by this bank for re-structuring / re-scheduling of loan.
3. As placement of more than 98% of is made in one single bank, diversify the portfolio and incorporate the same in bank policy by due inform to this bank.
4. Recover the loan granted to the party, holding more than one - percent share of the Bank to comply the Directive 6 of this Bank.
5. Provide justification for renewing the bridge gap loan and thus classifying it into pass loan.
6. Attention drawn towards accounting of non-banking assets to realize interest income without adjusting the loan outstanding in full.



10 Years' Financial Summary

BALANCE SHEET

(Rs. '000)

PARTICULARS	2049/50 1992/93 (6 MONTHS)	2050/51 1993/94	2051/52 1994/95	2052/53 1995/96	2053/54 1996/97	2054/55 1997/98	2055/56 1998/99	2056/57 1999/00	2057/58 2000/01	2058/59 2001/02
Assets										
Cash & Bank Balance	1 25,203	535,248	566,822	575,822	1,001,734	1,029,104	802,208	901,907	1,435,175	1,264,672
Placement	-	55,130	327,517	694,030	855,107	2,146,929	4,125,854	4,682,762	4,057,654	352,350
Investment	188,640	214,545	392,800	693,552	1,352,181	973,980	468,945	2,216,416	4,083,160	9,157,107
Loan, Advances & Bills Purchased	510,993	1,068,271	2,053,976	2,863,324	3,321,420	4,223,067	5,245,975	7,224,727	9,015,347	9,557,137
Fixed Assets	22,089	29,994	67,160	87,191	100,766	110,602	171,313	193,046	201,679	318,844
Other Assets	21,626	30,983	73,891	90,894	159,208	250,861	429,801	644,882	707,557	665,738
Total Assets	868,551	1,934,171	3,482,166	5,004,813	6,790,416	8,734,543	11,244,096	15,863,740	19,500,572	21,315,848
Liabilities										
Borrowings	1,293	33,327	5,094	-	264,768	-	232,653	128,646	79,527	534,013
Deposit Liabilities	790,375	1,743,029	3,028,188	4,518,004	5,839,043	7,713,601	9,772,736	14,043,097	17,532,404	18,619,375
Other Liabilities	10,606	48,835	234,866	165,938	254,244	457,527	543,604	821,462	690,369	660,931
Total Liabilities	802,274	1,825,191	3,268,148	4,683,942	6,358,055	8,171,128	10,548,993	14,993,205	18,302,300	19,814,319
Net Assets	66,277	108,980	214,018	320,871	432,361	563,415	695,103	870,535	1,198,272	1,501,529
Shareholders' Equity										
Paid up Capital	60,000	60,000	120,000	120,000	120,000	120,000	192,000	240,000	300,000	390,000
Proposed Capitalisation of Profit-Bonus Share	-	-	-	-	-	72,000	48,000	60,000	90,000	39,000
Reserves	233	6,668	32,666	59,132	85,322	122,895	157,144	200,600	261,697	309,585
Reserve for Doubtful Debts	5,110	23,748	60,975	86,068	121,464	179,349	243,919	344,484	477,681	643,414
Retained Earnings	934	18,564	377	55,671	105,575	69,171	54,040	25,451	68,912	119,530
Total Shareholders' Equity	66,277	108,980	214,018	320,871	432,361	563,415	695,103	870,535	1,198,272	1,501,529
Total Capital + Liabilities	868,551	1,934,171	3,482,166	5,004,813	6,790,416	8,734,543	11,244,096	15,863,740	19,500,572	21,315,848
Contingent Liabilities										
Letters of Credit	390,020	529,694	572,690	784,661	852,358	1,298,878	1,933,970	2,413,461	1,965,318	2,445,699
Guarantees	56,139	303,941	629,381	837,367	1,055,049	1,478,562	2,029,963	2,078,969	19,929,446	2,572,031
Forward Exchange Contract	-	-	-	-	-	380,763	844,294	780,093	1,096,562	224,349
Other LContingent Liabilities	-	-	-	-	-	-	-	37438	58,413	142,975
Total Contingent Liabilities	446,159	833,635	1,202,071	1,622,028	1,907,407	3,158,203	4,808,227	5,272,523	5,113,239	5,385,054



10 Years' Financial Summary
PROFIT & LOSS ACCOUNT

(Rs. '000)

PARTICULARS	2049/50 1992/93 (6 MONTHS)	2050/51 1993/94	2051/52 1994/95	2052/53 1995/96	2053/54 1996/97	2054/55 1997/98	2055/56 1998/99	2056/57 1999/00	2057/58 2000/01	2058/59 2001/02
Income										
Interest Income	23,219	134,291	281,532	460,048	640,255	753,973	862,054	1,033,660	1,326,378	1,148,998
Interest Expenses	11,186	72,331	152,409	249,659	365,162	474,490	533,590	594,800	734,518	578,134
Net Interest Income	12,033	61,960	129,123	210,389	275,093	279,483	328,464	438,860	591,860	570,864
Commission & Discounts	9,354	37,663	52,039	64,026	60,145	71,682	101,983	110,330	96,065	101,704
Foreign Exchange Income	4,333	19,460	31,595	31,782	22,429	75,775	63,958	87,327	119,261	104,601
Other Income	4	62	360	1,677	5,548	4,391	5,624	9,685	31,220	32,038
Non-Operating Income	-	-	-	-	21	625	1,061	1,695	2,303	2,451
Total Income	25,724	119,145	213,117	307,874	363,236	431,956	501,090	647,897	840,709	811,658
Expenses										
Staff Expenses	3,004	9,703	16,573	22,888	29,811	45,252	47,364	59,880	85,575	101,537
Operating Expenses	14,850	38,387	43,835	61,747	72,146	87,735	109,746	132,545	141,116	155,786
Provision for Doubtful Debts	5,110	18,638	37,227	25,093	35,396	57,885	64,570	103,249	134,320	166,506
Provision for Staff Bonus	787	5,242	11,548	19,814	22,574	24,108	27,941	34,855	48,336	38,783
Non-Operating Expenses	-	-	-	-	144	-	-	3,672	-	-
Total Expenses	23,751	71,970	109,183	129,542	160,071	214,980	249,621	334,201	409,347	462,612
Profit before Tax	1,973	47,175	103,934	178,332	203,165	216,976	251,469	313,696	431,362	349,046
Income Tax Provision	806	17,006	34,924	54,217	65,072	81,007	86,221	114,316	154,323	114,023
Net Profit after Tax	1,167	30,169	69,010	124,115	138,093	135,969	165,248	199,380	277,039	235,023
P/L Appropriation										
Profit/Loss carried down	-	31,103	87,574	124,492	193,764	241,544	234,419	253,420	302,491	303,936
Statutory General Reserve	233	6,034	23,802	24,823	27,618	27,194	33,050	39,876	57,117	47,005
Exchange Equalization Fund	-	401	2,196	-	(1,429)	10,379	429	3,580	3,962	901
Interest Spread Reserve Fund	-	-	-	-	-	-	770	-	0	-
Interim Dividend	-	6,000	-	12,000	18,000	18,000	28,800	36,000	60,000	-
Proposed Dividend	-	-	-	30,000	42,000	42,000	67,200	84,000	22,500	97,500
Transfer to Paid up Capital	-	-	60,000	-	-	-	-	-	0	-
Proposed Capitalisation of Profit-Bonus Share	-	-	-	-	-	72,000	48,000	60,000	90,000	39,000
Income Tax of last year	-	104	1,199	-	-	-	-	813	-	-
Staff Gratuity Fund	-	-	-	1,998	2,000	2,800	2,130	3,700	-	-
Profit Transfer to Balance Sheet	934	18,564	377	55,671	105,575	69,171	54,040	25,451	68,912	119,530