

ANNUAL REPORT  
**2009/10**



**WE ARE**  **MILES AHEAD**  
in Service & Satisfaction



हिमालयन बैंक लिमिटेड  
**Himalayan Bank Limited**  
The Power to Lead

Himalayan Bank is always there in your time of need.

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We aim to provide  
sound operations and  
enhanced diversification  
of products and services.

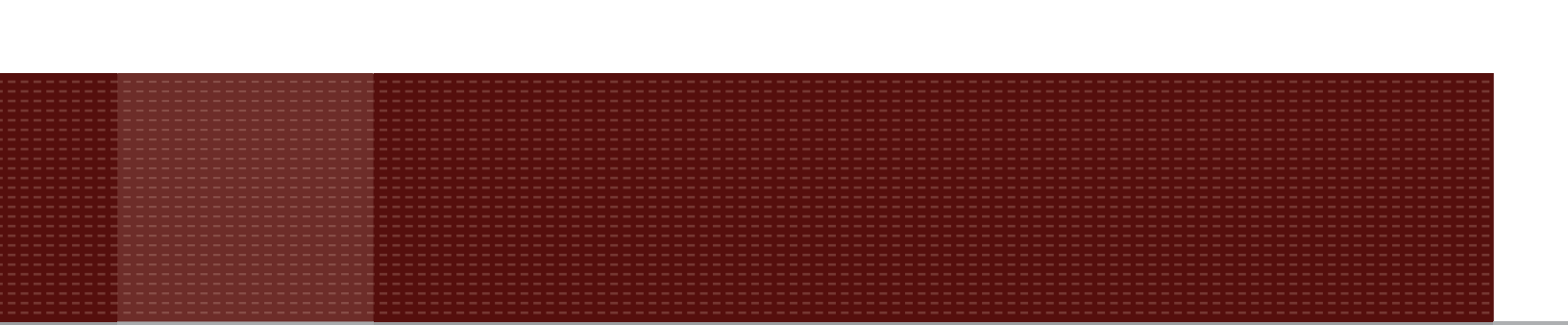
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■ happiness may be a state  
of mind but...ours lies in yours

I have been a regular customer for quite some time now and I have never had a reason to complain. The staff are really courteous and treat me with respect.





I have been working here for the last 10 years and seeing the satisfied smiles on our customers' faces is my greatest reward.

## our vision

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Himalayan Bank Limited has the vision of becoming a leading Bank of the country by gaining substantial business growth through provision of premium products and services to customers, thus ensuring attractive and substantial returns to all our stakeholders.

## our mission

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HBL's mission is to become the preferred provider of quality financial services in the country. There are two components to our mission: 'preferred provider' and 'quality financial services'. We believe that this mission will be accomplished only by satisfying these two important components with the customer at the focal point of all our efforts.

## customers

We have always focussed on understanding our valued customers needs. We understand that needs and wants differ from individual to individual. Therefore, we design our products and services catering to the individual needs and wants of our customers.

## shareholders

Our Bank leaves no stone unturned to ensure that our esteemed shareholders get the best returns year after year and towards this, our efforts will always remain determined.

## community

We understand that our responsibilities go beyond just business and that we have a bigger role to play in society. Thus, we are committed to fulfill our social obligations as a responsible corporate citizen.

## staff

Our Bank has a conducive and encouraging working environment, one in which all employees can improve their capabilities and skills and achieve their full potential.



# a sound foundation a solid pedigree

## **Always ready to help**

We at Himalayan Bank believe that we are much a part of society as any other and we have a proactive role to play for those who are striving to rise above their circumstances on the basis of enterprise and effort to pursue their dreams. With a helping hand to assist along the path of progress, these dreams could be achieved. We believe we have a strong role to play in these endeavors for growth by stepping in to help financially. Whether it is for business establishment or business growth, manageable social obligation, children's education, housing needs, medical expenses etc., we can step in as a helping hand.

With so many banks and financial institutions in the market, what makes us so different? Himalayan Bank being one of the most experienced banks in the country was established as one of the first four private commercial banks and has a solid portfolio of commendable and unimpeachable achievements. We have helped many people to stand on their own feet. We have assisted many entrepreneurs to set up their businesses and have supported many people in their time of need. Our products have the flexibility to be tailored as per requirement of our clientele.

## **Himalayan Bank is always there in your time of need.**

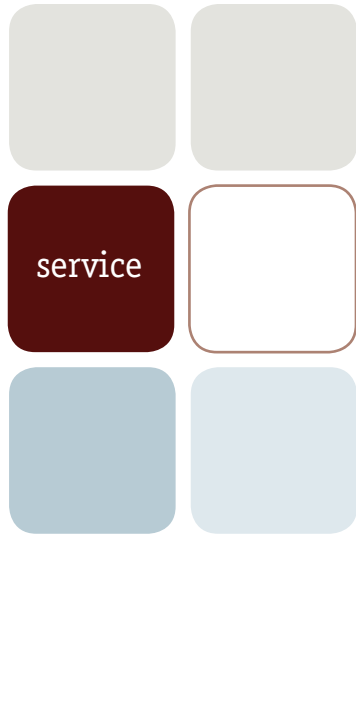
Himalayan Bank Ltd (HBL) was established in 1993 in joint venture with Habib Bank Limited of Pakistan. Despite the

cut-throat competition in the Nepalese banking sector, we have been able to maintain a lead in the primary banking activities-loans and deposits. Besides this, our leading position in the card business with world class quality at reasonable price is remarkable & holds high value to our stakeholders. We are proud to stand in the market as an institution known for our innovative approaches to merchandising and customer services. We are the first financial institution in Nepal to introduce innovative products like Premium Savings Account, HBL Proprietary Credit Card and Millionaire Deposit Scheme besides modern technical services like ATMs and tele-banking. Thus, we can claim to have played a leading role in modernizing the nation's banking sector. All of our branches are integrated into Globus (developed by Temenos), the single banking software where we have made substantial investments. This has helped us in providing wide range of integrated Banking service to our clients.

In order to provide excellent services for Nepalese workers abroad, we have developed exclusive and proprietary online money transfer software - HimalRemitTM. By deputing our staff to local exchange houses and banks with which we have technical tie-ups in the Middle East and Gulf region, we have become the biggest inward remittance handling bank in Nepal. To ensure the safety of our operations, we have arranged for a dedicated offsite 'Disaster Recovery Management System'.

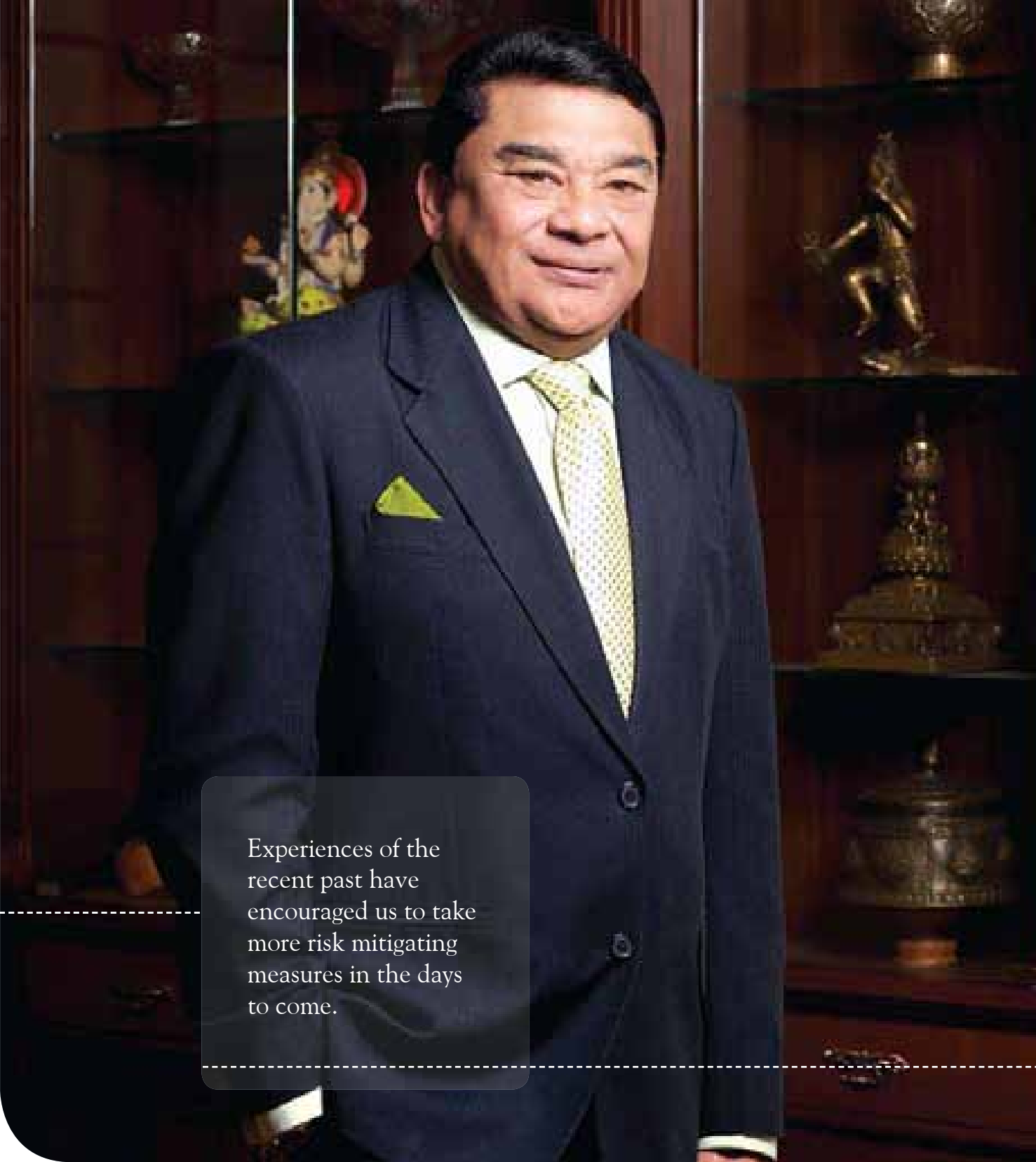


HBL believes that it leads the banking sector of Nepal due to certain reasons: being one of the banks having the highest deposit base and loan portfolio amongst private sector banks, extension of guarantees to correspondent banks, and coverage of exposure of other local banks under its credit standing with foreign correspondent banks.



We are confident enough to state that we are a leading player in the banking sector of Nepal for glorious reasons: being one of the banks having the highest deposit base and loan portfolio amongst private sector banks, extension of guarantees to correspondent banks and coverage of exposure of other local banks under our credit standing with foreign correspondent banks. In addition to this, we are not only a bank with business objectives, but also a committed Corporate Citizen. We take Corporate Social Responsibility (CSR) activities very seriously and have always engaged ourselves in social welfare activities. Every year we allocate a significant portion of our sponsorship & donation budget towards activities that contribute to social, cultural and sports development in the country.

# remittance growth is significant



Experiences of the recent past have encouraged us to take more risk mitigating measures in the days to come.

# Chairman's Message

## Ladies and gentlemen,

It is my pleasure to present the recent financial update of Himalayan Bank's progress and achievement to our esteemed shareholders. During the FY 2009-2010, HBL was able to mobilize its deposits to Rs. 37.611 billion with a growth of 8.44 percent and loans and advances to Rs. 29.124 billion with a growth of 14.12 percent. However, I would like to clarify that in spite of the failure of some big borrowers to pay back their dues on schedule, we could make an operating profit of Rs. 579.231 million during the review period. Thus, the net profit of HBL reached Rs. 508.231 million. Though HBL had a very good growth in the review period in terms of deposit mobilization, extension of loans and advances and various sources of income, we could not achieve the profit as per our target. Instability in the political system, multiple banking practices, lack of clear-cut policy and a protective atmosphere for industrial and trading sectors, severe energy shortages, labour problems and, to some extent, oversight of industries in setting their annual sales targets have also affected a number of industries and trading houses, which in turn, has brought some turbulence to banking sector as well. Such experiences of the recent past have encouraged us to take more risk mitigating measures in the days to come. At the same time, we are committed to recovering the overdue loans and advances as vigorously as possible.

If we go through the recent financial indicators of Himalayan Bank (as of December 15, 2010, i.e. the first five months of the current financial year), the deposit has further gone up to reach Rs. 39.466 billion, and the loan portfolio Rs. 32.535 billion. The operating profit has already equalled that of the review period at Rs. 574.857 million. This goes on to show that the overall performance of HBL will be better in the current financial year.

As in the past, Himalayan Bank opened new branches in various strategic areas. During the review period we opened three branches in the Kathmandu valley, and four branches outside the valley. Likewise, an additional 10 automated telling machine (ATM) outlets were established in different parts of the country for the convenience of our valued customers. As of today, we have a total of 33 branches and 53 ATM outlets all over the country. HBL is in the process of opening three more branches (Barahbise, Old Baneshwar and Kawasoti) in the near future. HBL has plans to add 13 more ATM outlets and six branches in the current financial year. HBL has also planned to introduce the everyday banking service by providing morning and evening counter services from all its branches.

On the remittance service front, Himalayan Bank has assigned additional representative officers to various countries, and the growth is significant. The process is under way to explore other areas of remittance and to upgrade our HimalRemit system. We have plans to expand remittance business to additional markets in Asia, Europe and America. Recently, HBL has been certified as the 19th participant in "Workers' Remittance Service" going live through SWIFT.

During the review period, Himalayan Bank introduced many new deposit products – Super Premium Savings Account, Himal Remit Savings Account, Card Merchant Loan and Non-Profit Organization Current Call Account. At the same time, HBL also made necessary adjustments and improvements in its other existing products.

As per its commitment to introducing latest banking technology for its valued customers, Himalayan Bank has recently adopted EMV (chip-based) card acquiring business technology in its Point of Sales (POS) terminals. Again, HBL has become the number one financial institution in the country to apply this kind of latest technology. HBL will start to issue chip-based EMV debit and credit cards very soon and has plans to introduce some more technology-driven new products and services.

I am glad to inform you that we have recently signed an agreement with Bank of Bhutan to provide professional, technical, gateway and card-related consultancy services.

As the first and foremost bank to have a sense of corporate social responsibility, Himalayan Bank has, in the recent past, also made financial contributions to many cultural, social, health, educational and sports activities. HBL also provided financial assistance to the Embassy of Pakistan in Kathmandu as a humanitarian aid to conduct rescue and relief operations in the flood affected areas of Pakistan.

Living up to its legacy, Himalayan Bank has once again aimed at registering healthy growth in all operational sectors during the current fiscal year 2010-2011. With the clear vision of the Board of Directors and strategic planning, I am very confident that HBL will be able to achieve the targets set in terms of sound operations, enhanced business and diversification of products and services.

Thank you.

**Manoj Bahadur Shrestha**  
Chairman



# Board of Directors





From left

Mr. Manoj Bahadur Shrestha, Chairman

Mr. Ashraf M. Wathra, First Vice Chairman

Mr. Himalaya SJB Rana, Chief Advisor to the Board

Mr. Sushil Bikram Thapa, Director

Mr. Bijay Bahadur Shrestha, Director

Mr. Upendra Keshari Poudyal, Professional Director

Dr. Ramesh Kumar Bhattarai, Director

Mr. Prachanda Bahadur Shrestha, Director

Mr. Prem Prakash Khetan, Second Vice Chairman

we have always stayed  
on our chosen path

What pillared Himalayan?  
It comprises of all  
stakeholders- customers,  
regulators, the Board,  
shareholders, the staff  
and the community at  
large. The bank progressed  
through partnership with all  
these stakeholders.





# CEO's Message

The year gone by has been one of the most unpredictable in recent times for the financial sector as a whole. This has made it a very challenging period indeed. 'Business as usual' has been a catchphrase rarely put to use in this period of turmoil, uncertainty and change. The global economy witnessed ups and downs and the national economy also witnessed many kinds of difficulties, including the liquidity crisis, making it heavy going for all banks to achieve projected growth targets. The year also saw some new rules coming into effect to offset potential future troubles, such as those relating to investment in real estate.

All this has compelled banks to modify strategies for doing business and to be more innovative in managing their day-to-day affairs. The global financial meltdown vis-a-vis credit risk has been a lesson for all banks here, including the central bank (Nepal Rastra Bank). The role of supervisory bodies has come under a scanner and their responsibilities are now seen in a new light. Banks have had to conform to more stringent regulations, which, in turn, has made it necessary for them to apply better and more effective tools to manage both internal and external risks.

In such a scenario, we at Himalayan Bank consider ourselves to be among the more fortunate ones, in the sense that we have always stayed on our chosen path based on the principles of prudence, transparency and steady growth, and this has made us capable of handling all such changes with ease. For instance, even when most banks were jumping on the bandwagon of real estate investment, HBL stayed true to its principles and was never tempted to follow suit with the result that while most others are making frantic efforts to adjust their real estate investment in line with the new directive, we at Himalayan Bank are in a most comfortable position. This has enabled us to have the upper hand over others in case things get better in the country's political and economical sectors.

The year gone by was marked by a liquidity crunch in the financial market which led to many banks, including this Bank, to develop new ways to mobilize deposits, the absence of which would have made money very dear. Among other causes such as political instability and a dismal economy, the introduction of newer regulations like those relating to Anti-Money Laundering (AML) also appears to have hampered the growth of deposits during the review period. Unfortunately, the liquidity crunch is still there and so deposit mobilization will still be a challenge for this year as well. This scarcity of money in the market forced HBL to rethink its planned growth in lending and HBL had to be even more discreet and selective in this area of its business.

All this has made Himalayan Bank more conscious of the need to strengthen its marketing management. In this regard, HBL is determined to reach out to new customers with attractive products on the coattails of excellent delivery processes. As it stands, HBL already has a well-stocked portfolio of

products and services tailor-made for every individual and designed to meet their individual requirements. As far as delivery of services is concerned, HBL has now an extensive network of branches throughout the country and a large number of ATM outlets that make it convenient for customers to avail themselves of its various services. The use of technology in HBL's advancement of service delivery has been a focal point.

In the business sector, Himalayan Bank has been rendering its services not only to a few select clients but also to many small and medium enterprises (SMEs) throughout the country. In the field of remittance, HBL was amongst the first in the financial sector to recognize its importance to the economy, and so it has always been a major player in this area as well. One example of HBL's deep involvement and its leading role in remittance business is HimalRemit, a state-of-the-art web-based online money transfer system that is easily accessible through HBL's main web domain [www.himalayanbank.com](http://www.himalayanbank.com). HimalRemit is a fast and reliable service with a large payment network covering over one thousand locations in all cities, towns and villages of Nepal.

Keeping in mind the ever-increasing number of financial institutions in the country, Himalayan Bank aims at maintaining its premier standing among all other banks in Nepal. To ensure this, HBL will continue to enhance the competitive advantage by consistently making efforts to improve the quality of its human resources by providing regular training and creating an environment in which productivity goes hand in hand with a feeling of pride in a job well done. Additionally, HBL will continue to further develop new and more innovative products, the delivery of which will be through services that will provide comfort, convenience and security for all its customers.

To conclude, Himalayan Bank has been successful in riding out the storm of the year gone by and is set to scale new heights this year. It is not that the times are not challenging and fraught with many problems; it is just that HBL believes it has the right values to abide by, and the right people to implement decisions based on principles of transparency, productivity and sustained growth, thus making HBL confident in its ability to overcome every kind of hurdle on the way. In the process, HBL is committed to exploring and capitalizing on new opportunities without in any way deviating from its empirical and time-tested methods of risk management so that all stakeholders' interests are secure and profitable.

I, on behalf of Himalayan Bank, would like to thank all stakeholders for their confidence in the Bank and would like to assure them that HBL will never lag behind in living up to its reputation as the leading and most trusted bank in the country.

**Ashoke SJB Rana**  
Chief Executive Officer

executive  
team





**From Left**

**Mr. Basu Dahal**  
Chief Manager  
Executive Administrative Officer

**Mr. Ashoke SJB Rana**  
Chief Executive Officer

**Mr. Rabindra Narayan Pradhan**  
Senior Manager  
Risk Management Dept

**Mr. Ujjal R. Rajbhandary**  
Chief Manager  
Executive Marketing Officer

**Mr. Masood Ul Hasan**  
Senior General Manager

**Mr. Banshidhar Sharma**  
Senior Manager  
Information Technology & SWIFT Department

**Mr. Muhammad Siddique**  
Chief Internal Auditor  
Internal Audit & Inspection Dept

**Mr. Anup Maskey**  
Chief Manager  
Executive Credit Officer

**Mr. Sushiel Joshi**  
General Manager

**Mr. Pradeep N. Rayamajhi**  
Senior Manager

**Mr. Maheshwor P. Joshi**  
Senior Manager  
Legal & Share Dept



We aim to provide  
sound operations and  
enhanced diversification  
of products and services.

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# management team

From Left to Right (Top)

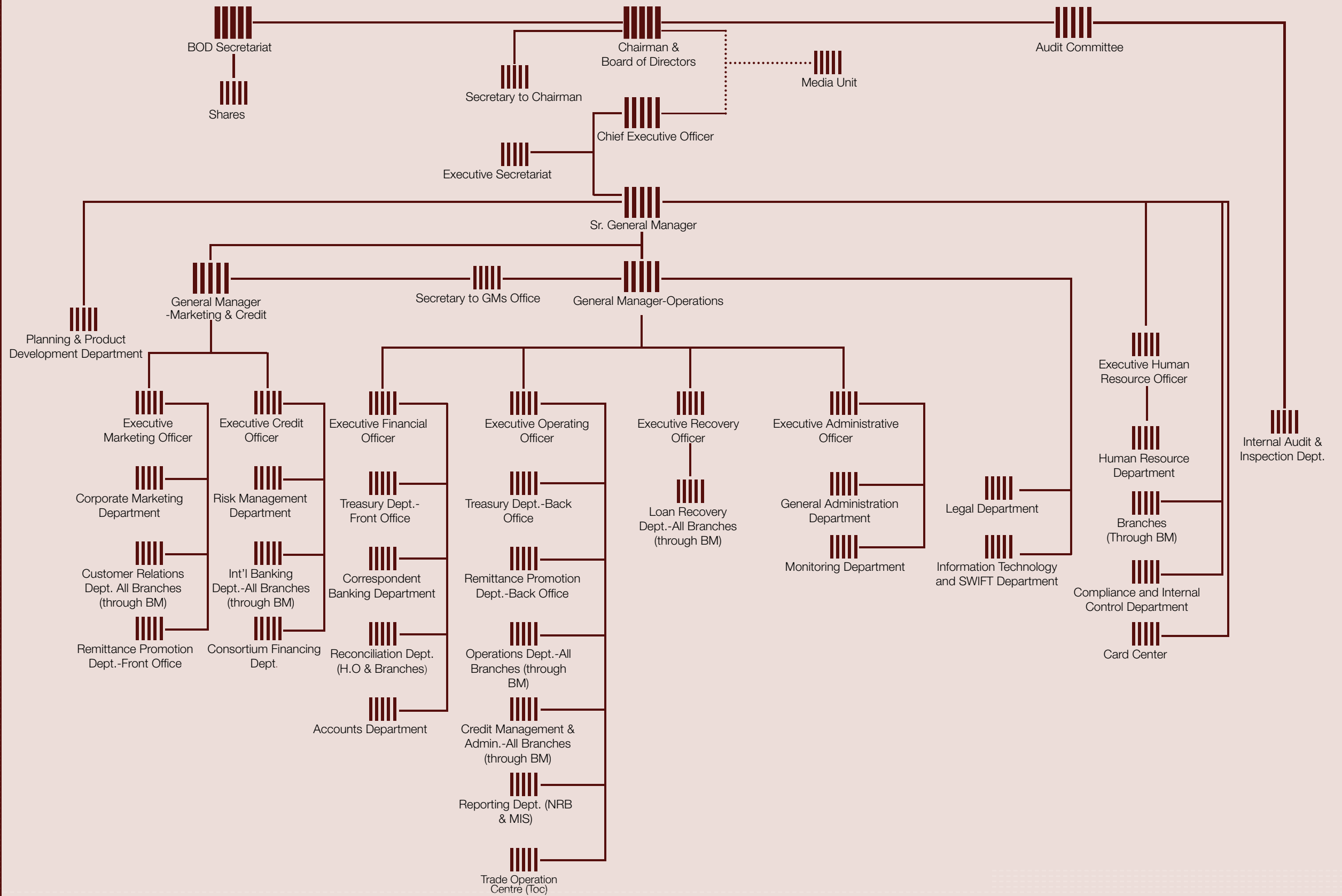
Mr. Ananta Rajbhandary  
Mr. Mrigendra Pradhan  
Mr. Sunil Prasad Gorkhali  
Mr. Bipin Hada  
Mr. Sulap Raj Aryal  
Mr. Bijaya Man Nakarmi

From Left to Right (Bottom)

Mr. Rajesh Bhattarai  
Mr. Satish Raj Joshi  
Ms. Sisam Pradhanang Joshi  
Ms. Bina Pandey  
Ms. Sunita Shrestha  
Mr. Naveen Poudyal  
Mr. Kapil Lohani



# Organizational structure



We aim to provide  
sound operations and  
enhanced diversification  
of products and services.

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# report of the board of directors to the 18th annual general meeting

## Dear Shareholders,

On behalf of Board of Directors, we cordially welcome all the shareholders present at this Eighteenth Annual General Meeting of Himalayan Bank Limited. I would like to present the Balance Sheet as on July 16, 2010, the Profit and Loss Account for the fiscal year 2009-10, the Profit and Loss Appropriation Account and other financial statements for approval by the Annual General Meeting.

Since its establishment, Himalayan Bank Limited has been well-known as one of the most secure and reliable banks in the country. In the fiscal year 2009-10, the Bank's deposit base reached Rs. 37.61 billion, and loans and advances Rs. 29.12 billion.

During the period under review, the Bank opened 3 additional branches in the Kathmandu valley and 4 branches outside the Kathmandu valley. Likewise, the Bank installed 10 ATMs in various locations. The number of the Bank's branches totalled 30, and that of ATMs 50.

It is noteworthy that during the period under review, the Bank signed a Service Agreement with Bank of Bhutan Limited (BOBL). As per the Agreement, the Bank agreed to provide professional, technical, gateway and consultancy services for BOBL, enabling the latter to introduce acquiring and issuing services of card products relating to Master Card and VISA International for its customers. The Bank believes that this agreement will pave the way for further mutual co-operation with BOBL in extending other banking services as well in the future.

## Review of the Bank's Operations

During the period under review, the Bank's total deposit reached Rs. 37.61 billion, recording an increase of 8.44 percent over

the previous year. Similarly, the loans and advances reached Rs. 29.12 billion during the period under review, recording an increase of 14.12 percent over the previous year.

The net assets of the Bank increased by 10.24 percent, reaching Rs. 3.44 billion during the review period, while the gross assets increased by 9.50 percent and were valued at Rs. 43.86 billion.

The Bank was able to make an operating profit of Rs. 579.23 million during the review period. The net profit of the Bank reached Rs. 508.80 million. During the period under review, the Bank's operating profit and net profit declined by 43.74 percent and 32.42 percent respectively.

The financial status of the Bank as on October 17, 2010 (first quarter-end) is given below:

S.N. Particulars	(Rs. million)		
	2010 As on Oct 17	2011 As on Oct 17	Increase (Decrease) %
1. Gross Assets	43,202.8	46,759.9	8.23
2. Deposits	37,979.9	39,883.2	5.01
3. Loans, Overdrafts and Bills Purchased and Discounted	26,262.4	31,239.4	18.95
4. Investments	11,074.8	8,095.3	(26.90)

During the year under review, the Bank, pursuant to the directives of Nepal Rastra Bank, wrote off loans to the tune of Rs. 43 million. During the year under review, the NPA of the Bank was 3.52 percent, which was 2.16 percent during the previous year. Despite implementing scientific procedures for loan disbursement and management and actively taking sound steps towards recovery, the Bank has incurred some bad debt due to a hike in loan loss provisions in some cases. However, I would to assure our shareholders that the Bank will gradually reduce the bad debt.



### Comparative Financial Indicators of the Bank

The comparative financial indicators of the fiscal years 2008-09 and 2009-10 are presented below:

The following graphs/charts are presented as annexes to give information about the comparative compositions of the

S.N. Particulars	(In Rs. million)		
	2009 As on July 16	2010 As on July 16	Increase (Decrease) %
1. Net Assets (Net Worth)	3,119.8	3,439.2	10.24
2. Gross Assets	40,056.4	43,860.2	9.50
3. Deposits	34,682.3	37,611.2	8.44
4. Loans, Overdrafts and Bills Purchased and Discounted	25,519.5	29,123.7	14.12
5. Investments	8,710.6	8,444.9	(3.05)
6. Net Interest Income	1,407.4	1,595	13.33
7. Other Income	724.3	815	12.52
8. Operating and Staff Expense	759.2	886	16.69
9. Operating Profit	1,029.5	579.2	(43.74)
10. Net Profit	752.8	508.8	(32.41)

deposit, credit, income and expenditure of the Bank during the fiscal year 2008-09 and the year under review:

Deposit composition	: Annex A
Credit composition	: Annex B
Income composition	: Annex C
Expenditure composition	: Annex D

### National and International Events and their Impact on the Bank

Although the adverse effect of the credit crisis originating from America and Europe in the past has now slightly receded, various countries are still reeling under the imbalance triggered off by its impact. As a result of the worldwide economic meltdown, the rate of global productivity remained negative on an unprecedented scale. As per the projection made by

the International Monetary Fund, the world economy is now in a position to grow. Taking into account the unfavorable conditions in the preceding years, the Bank made some amendments to its annual strategies and put a curb on making loans in the risky sectors. Now, the situation has turned somewhat better and all the sectors of the economy, barring some sectors, are expected to gather momentum.

As per the economic survey of FY 2009-10 published by Nepal Rastra Bank, the gross domestic product (GDP) has witnessed a growth of 3.5 percent at the base price. The growth rate of GDP was 3.9 percent in the previous year. The annual average consumer price index was 10.5 percent during the period under review due to some improvement vis-à-vis an index of 13.2 percent in the previous year. Nepal's merchandise exports under foreign trade declined by 9.7 percent during the period under review as against a growth of 14.2 percent during the previous year. Likewise, merchandise imports grew by 33.2 percent vis-à-vis a growth of 28.2 percent in the previous year. The imbalance between imports and exports has further increased the foreign trade deficit. The overall balance of payments, which showed a surplus in the previous year, posted a huge loss during the review period. Similarly, the gross foreign exchange reserves dropped by 7 percent as in mid-July 2010 as compared to a rise of 34.8 percent as in mid-July 2009. The broad money supply expanded by 14.5 percent during the year under review as compared to 27.1 percent in the previous year. According to Nepal Rasta Bank, it was due to the internal assets growing at a relatively low rate and of the net foreign assets declining as well.

During the year under review, the total deposits in the banking sector registered a growth of 12.6 percent to reach Rs. 618.86 billion. In the previous year, the total

deposits in the banking sector registered a growth of 30.4 percent. Similarly, the private-sector loans and advances of the commercial banks registered a growth of 16.1 percent as compared to 32.3 percent in the previous year. Out of such loans, the productive-sector loans and advances also declined. The credit-deposit ratio of the Bank stood at 82.5 percent as compared to 81.6 percent in the previous year. The liquidity ratio of the Bank dropped to 34.2 percent from 35.4 percent recorded in the previous year.

### **Current Financial and Banking Environment**

Due to the mixed economic situation of the country in the previous year and no remarkable improvement at present as well, there will be no encouraging signs in the banking sector in the days to come. It is obvious that credit flow will shrink due to industrial production not growing as expected and the import-export scenario, too, not improving. The tourism industry has, however, improved considerably with a remarkable increase in tourist arrivals in the country and the Nepal Tourism Year 2011 has also engendered much more enthusiasm. Although Nepal Rastra Bank has slightly relaxed some provisions regarding credit flow through its monetary policy, it is not adequate. It is imperative for banks to explore new avenues of investment. But it is easier said than done.

During the fiscal year 2009-10, an additional one commercial bank, 16 development banks, two finance companies and three micro-finance companies were incorporated. With the addition of these banks and financial institutions, the number of banks and financial institutions reached 264. There was a considerable increase in the number of branches of these banks and financial institutions. However, conditions and restrictions recently imposed by Nepal Rastra Bank on expansion of branches are

expected to slow down the expansion of unnecessary branches. However, licensing of banks and financial institutions will go on unabated and competition will go on escalating.

### **Board of Directors**

In the fiscal year 2009-10, there were no changes in the structure of Board of Directors of the Bank.

Mr. Manoj Bahadur Shrestha, representing N. Trading; Mr. Ashraf M. Wathra, representing Habib Bank Limited, Pakistan and Mr. Prem Prakash Khetan, representing Mutual Trading Company continued to chair the Board as Chairman, First Vice Chairman and Second Vice Chairman respectively. Mr. Prachand Bahadur Shrestha representing Chhaya International; Dr. Ramesh Kumar Bhattarai, representing Employees Provident Fund and Mr. Bijay Bahadur Shrestha, representing the general public continued to chair the Board as Directors. Similarly, Mr. Uppendra Keshari Poudyal representing as a Professional Director continued to chair the Board as Director. Likewise, during the year under review, Mr. Sushil Bikram Thapa representing Ava International and Mr. Amar SJB Rana representing Ava International continued to chair the Board as Alternate Director and Director.

In a similar vein, Miss Menuka Shrestha representing Chhaya International; Mrs. Ranjana Shrestha representing N. Trading; Mr. Surendra Silwal representing Mutual Trading Company and Mr. Rajendra Kafle representing Employees Provident Fund continued to chair the Board as Alternate Directors. Further, Mr. Himalaya SJB Rana is still on the Board in the capacity of Chief Advisor.

Effective from 27th Kartik 2067, there have been some changes in the structure of Board of Directors. Mr. Sushil Bikram Thapa has been appointed as Director in place of Mr. Amar SJB Rana



on behalf of Ava International and Mr. Sunil Bahadur Thapa, representing Ava International has been appointed as Alternate Director in place of Mr. Sushil Bikram Thapa.

I would like to welcome the newly appointed Director and Alternate Director to the Board and expect their future cooperation towards the Bank's progress and prosperity. Further, the Board, on this occasion, expresses its firm commitment to continue working towards the welfare of the Bank. The Board also expresses its gratitude to Mr. Amar SJB Rana, the former Director of the Board for his contribution to the Bank.

#### **Implementation Status of the Strategies and Programs of the Bank during the FY 2009-2010**

1. NPA limited to 3.52 percent.
2. Branches established at Damak, Dhangadi, Parsa, Baglung New Baneshwor, Dillibazar and Sorhakutte as per the Bank's policy of establishing branches in various parts of the country. The total number of branches of the Bank reached 30.
3. ATMs installed at Damak, Dhangadi, Parsa, Baglung, Dillibazar, Sorhakutte, Maitidevi, Putalisadak, Hotel Annapurna-Durbarmarg and Mangalbazar. The total number of ATMs installed by the Bank reached 50.
4. Extended remittance business to Asian, European, American, Australian and Singaporean markets with a focus on excellent services.
5. Introduced Super Premium Savings Account, Card Merchant Loan, Himal Remit Savings Account and Non-Profit Organization Current Call Account (NPO Current Call).
6. Installed an additional 131 POS machines for the convenience of debit and credit card customers.
7. Continuity given to the recovery of written-off loans in an active manner.
8. Rendered evening counter service from Bharatpur, Palpa and Patan branches as well.
9. Rendered holiday counter service from Bharatpur branch as well.
10. Entered into a service agreement with Bank of Bhutan Limited.

#### **Strategies and Programs for FY 2010-2011**

1. To limit NPA to 3 percent.
2. To establish six new branches in and outside the valley. (Till now, three branches already established at Gorkha, Kalanki and Satdobato.)
3. To further extend remittance business to Asian, American and European markets with a focus on excellent services.
4. To place Himal center flagship counters at strategic locations for the promotion of remittance business.
5. To introduce Loyalty Card for remittance customers to further streamline remittance payment.
6. To install an additional 120 POS machines for the further convenience of debit and credit card customers.
7. To set up an additional 13 ATMs in various places. (Till now, three ATMs already installed at Gorkha, Kalanki and Satdobato.)
8. To make the ATM booths of the Bank more attractive. (Work is now in progress in the Kathmandu ATM booths.)
9. To install CCTV cameras and surveillance systems at all its ATM terminals.
10. To introduce new deposit and credit products. ('Everyday Easy Banking Service' already introduced by now.)
11. To give continuity to recovery of written-off loans in an active manner.
12. To make deposit, credit and ancillary services more attractive as per the demand of the general public.

13. To make savings accounts, loans and advances and other services more attractive and bring them into operation.
14. To place webcams at all the customer service desks of the Bank to take photographs, at the Bank's expense, required for opening accounts.
15. To provide Bancassurance services for the Bank's customers by entering into agreements with various life and non-life insurance companies.
16. To introduce chip-based EMV cards.
17. To provide card-related consultancy and other services such as transaction routing and card printing in accordance with the agreement with Bank of Bhutan Limited.
18. To upgrade Globus Internet Banking software to Temenos Arc Internet Banking.
19. To make available morning and evening counter services from all the branches of the Bank. (Till now, such services have been made available from Maharajgunj, Chabahil, New Road, Thamel, Patan, Teku, Bhaktapur, Pokhara, Nepalgunj, Butwal, Bhairahawa, Bharatpur, Tandil, Parsa, Palpa and Itahari branches. The 365 days banking service has been made available by providing services even on public holidays.)
20. To upgrade the available web-based version of the T24 server technically.
21. To take the initiative, utilizing the Bank's technical and economic capacity, in the establishment of a commercial bank in Bhutan as a joint venture with the country's established private-sector business group.
22. To complete the construction of the corporate office building that is going on at an estimated cost of Rs. 220 million by this year-end and to relocate ICT infrastructure to the said building.

23. To make the ambience of various branches convenient and eco-friendly.
24. To introduce the Fixed Assets Monitoring Web Based System for the management of fixed assets.

### **Corporate Social Responsibility**

Since its establishment, the Bank has been discharging its social responsibilities through various social and allied institutions. The main services being rendered by the Bank on this front include those relating to education, healthcare, sports, culture and sponsorship of programs in aid of natural disaster victims and support to relief efforts aimed at benefiting such victims. This year, the Bank provided financial assistance for the construction of Mata Tripura Sundari Temple in Lalitpur. The Bank also provided financial assistance for the disabled community to publish booklets and magazines as part of the intellectual development activities organized for them. The Bank played an active role in the promotion of Nepal Tourism Year 2011 by displaying national flags and banners in its branches. Some staff members from the Chabahil branch also participated in the national-level rally organized in Kathmandu. The Bank has been continuously involved in the development of sports in the country by sponsoring various sports events such as cricket, football, basketball, golf and badminton. Likewise, the Bank also sponsored some cultural and musical programs-dancing, painting and songfests. The Bank sponsored a Pakistani exhibition named 'Made in Pakistan'. This exhibition was organized to promote the goods produced in Pakistan.

The Bank is committed to fulfilling its role towards society and the nation by discharging its corporate social responsibilities

### **Audit, Balance Sheet and Other Financials**

The Balance Sheet as on July 16, 2010, the Profit and Loss Account for fiscal year 2009-10, the Profit and Loss Appropriation Account for the fiscal year 2009-10, the Cash Flow Statement for the fiscal year 2009-10, relevant annexes and the Auditors' Report are enclosed with this report. Further, the information required to be disclosed as per the Company Act 2063, Chapter 7, Clause 109, Sub-Clause (4) is presented at annex E.

### **Profit and Loss Appropriation**

The net profit of the Bank for the fiscal year 2009-10 amounted to Rs. 508.80 million. Besides, the retained earnings of Rs. 36.53 million and the Special Reserve Fund of Rs. 356 million, which we posted to the Balance Sheet during the previous year, are also available for appropriation. Out of the net profit, 20 percent of it, i.e. Rs. 101.76 million, has been appropriated to the Statutory General Reserve Fund. It is a matter of glory that the Bank had already fulfilled the paid-up capital requirements, which need to be fulfilled by the end of Asar, 2070, in the year before the previous year. I would like to declare a resolution on giving a 25 percent bonus share on the paid-up capital to the shareholders in line with the Bank's policy of increasing its paid-up capital and also an 11.8421 percent cash dividend to them for the fiscal year 2009-10. For the bonus shares and dividends, an amount of Rs. 589.47 million has been earmarked. After the distribution of the bonus shares, the paid-up capital of the Bank will reach Rs. 2 billion. As per the directive of Nepal Rastra Bank, an amount of Rs. 1.479

million has been appropriated to the Investment Adjustment Fund. As in the previous year, during the year under review too an amount of Rs. 71.43 million has been appropriated to the Reserve Fund for repayment of Himalayan Bank Bond 2072 and the remaining amount of Rs. 136.59 million has been posted to the Balance Sheet.

### **Vote of Thanks**

On behalf of the Board of Directors, I would like to extend sincere thanks to the shareholders, esteemed customers and officials of the Government of Nepal and Nepal Rastra Bank. I would also like to place on record special thanks to the management of our partner Habib Bank Limited, Pakistan, the Bank's Chief Executive Officer, Senior General Manager, General Manager, senior executives, other staff and associates for making dynamic contributions to the progress and prosperity of the Bank. Finally, I would like to extend hearty thanks to the media for giving wide coverage to our activities and to all our well-wishers.

Thank you.

On behalf of the Board of Directors

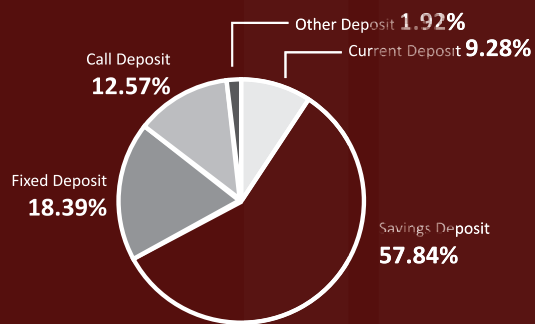
P. P. Khetan  
Second Vice-Chairman

Manoj Bahadur Shrestha  
Chairman



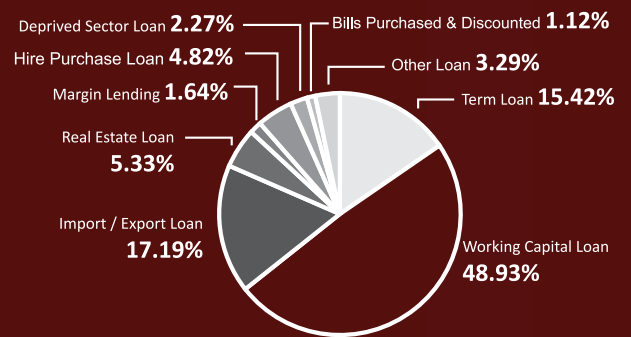
# financial highlights

## Deposit Composition Annex A

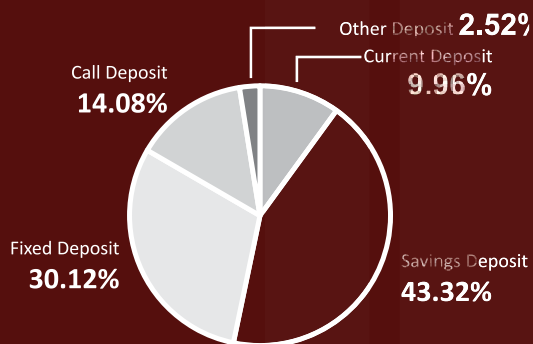


Financial Year 2065/66

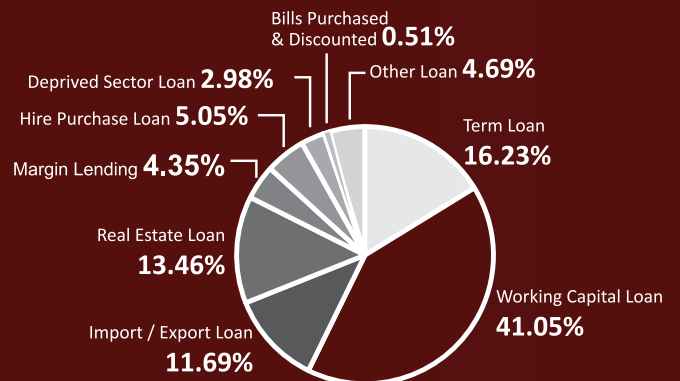
## Loan Composition Annex B



Financial Year 2065/66

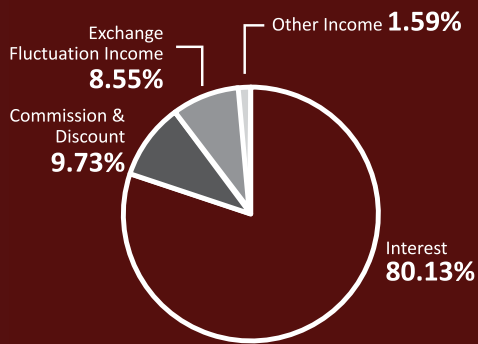


Financial Year 2066/67

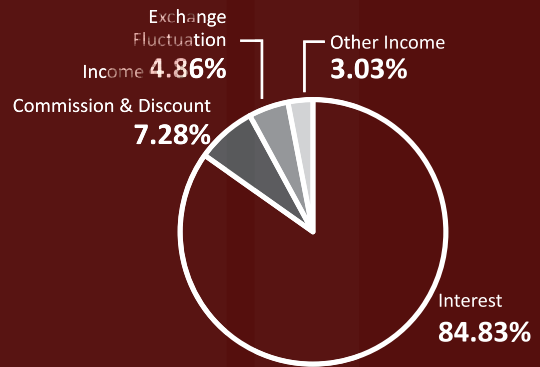


Financial Year 2066/67

## Income Composition Annex C

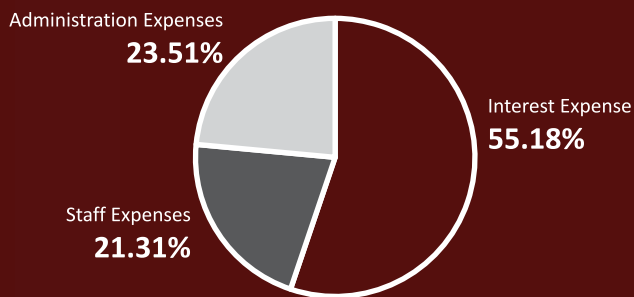


Financial Year 2065/66

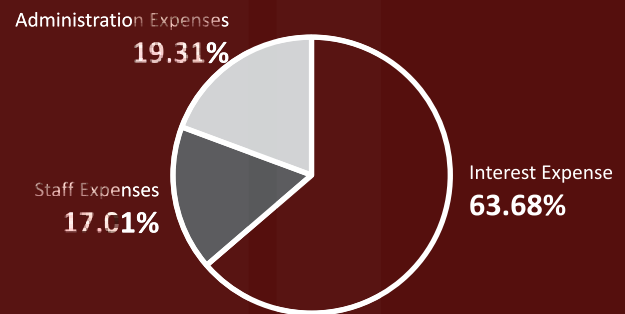


Financial Year 2066/67

## Expense Composition Annex D



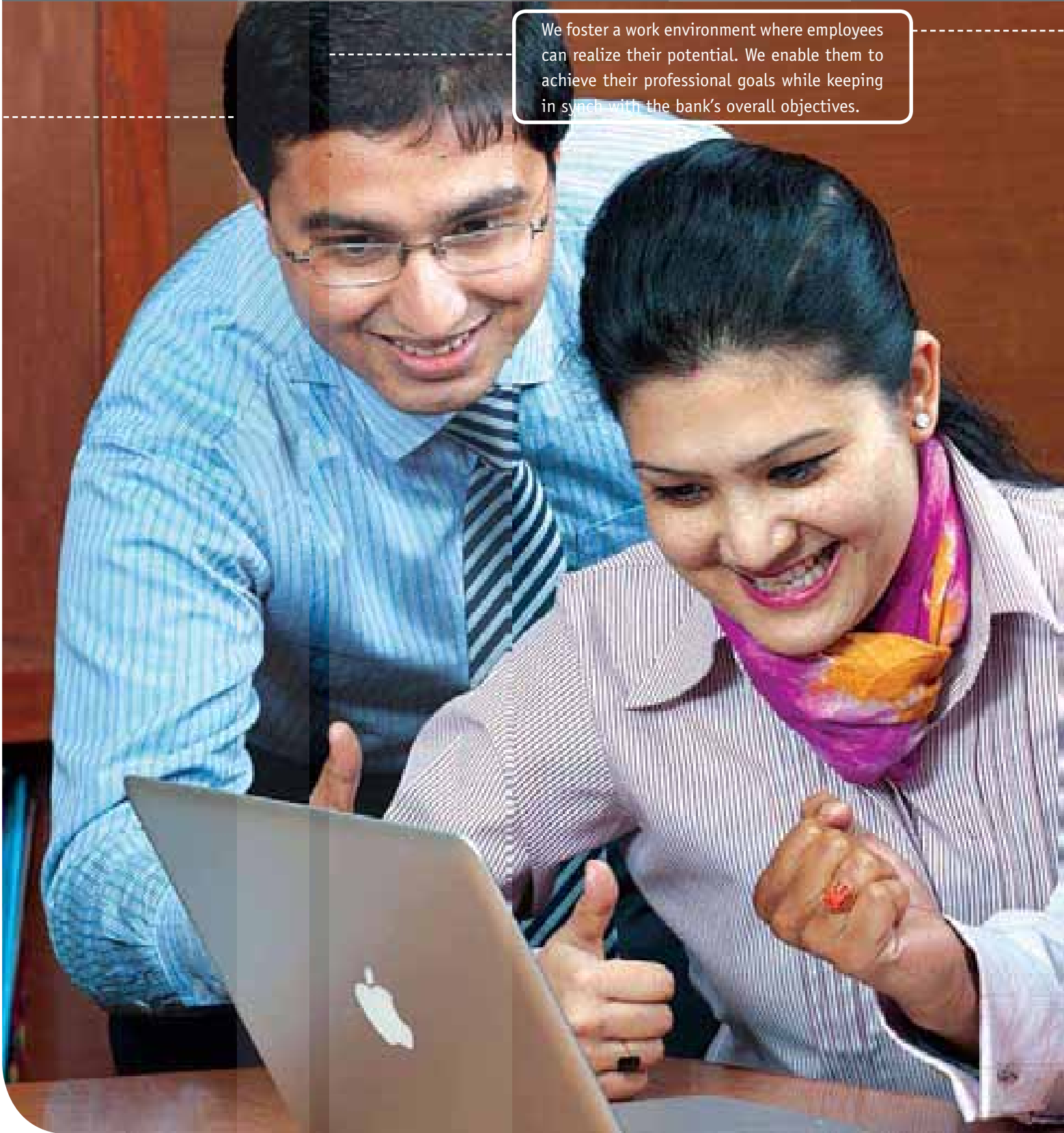
Financial Year 2065/66



Financial Year 2066/67

■ the going has been good ...  
& surely can only get better

We foster a work environment where employees can realize their potential. We enable them to achieve their professional goals while keeping in synch with the bank's overall objectives.









# making technology work for you

We at Himalayan Bank offer variety of products and services to our customers focusing on their diversified and varied kind of financial needs and wants. Our product development and modification process is directly targeted to cater to the needs of our existing as well as potential customers in the market and continuously enrolling our research unit in studying their behaviors. We believe that the study of existing customer behavior is very crucial to understand customer satisfaction regarding existing products and services offered by the financial institutions in the market. Likewise, we are convinced that this study has enabled us to explore varied kind of financial needs and wants emerging in the market. Besides this, we are also on a constant look out on emerging trends in the market. This has facilitated us time and again in capturing hints for tapping the untouched niche in the market. Such behavior has facilitated us in capitalizing our potentials for achieving comparative advantage as a stepping stone for earning the fame of pioneer move among our competitors & counterparts. We feel proud to be recognized as a pioneer in introducing many innovative products & services. We are well known in the market as a convenient Bank for performing financial transactions. Our customers and stakeholders enjoy secure financial transactions with us. Our innovative and quick learning approach in the technical field has enabled us to stand as a techno savvy bank in the market. In short, we literally bring banking services to our customers' doorsteps.

## Deposit Products

We offer a choice of deposit products that customers can choose from to suit their individual requirements. Savings products offered by us include Normal Saving Account, Premium Savings Account (with exclusive counter services), Super Premium Savings Account (with high returns), Himal Savings

Account (zero balance account), Himal Remit Savings Account (customized for remitters), Bishesh Savings Account (for minors, senior citizens, the physically handicapped and the illiterate) and Shareholders' Savings Account (for the convenience of its shareholders).

We offer Current Account for daily business transactions. Call Account gives an earning opportunity for businesses in their current account, while Non-Profit Organization Current Call Accounts are designed for NGOs, INGOs and charitable trusts and have attractive interest rates. Fixed Deposit products include Fixed Term Deposit, Three-Year Recurring Deposit (for monthly deposits) and Jumbo Term Deposit (for those willing to park funds for 3 to 5 years and earn attractive returns).

## Credit Services

We offer a wide range of tailor-made funded and non-funded credit facilities to individuals and companies to meet their different funding requirements. Such facilities include Corporate Lending (including Project Financing and Consortium Financing), Fixed Term Loan, Working Capital Financing, Trade Financing and Loan against First-Class Bank Guarantee.

Similarly, Retail/Consumer Lending includes Hire Purchase Loan, Mortgage Loan, Credit Card Loan, Housing Loan, Subidha Loan (a hassle-free loan) and FD with an OD facility. Retail Lending also includes Card Merchant Loan, Educational Institution Financing, Loan against Fixed Deposit Receipt, Loan against Government Bonds/Securities and Loan against Shares. Specialized Lending is directed towards providing credit facilities for small and medium enterprises (SMEs), while Trade Services include LC (Advising, Confirmation, Negotiation and Reimbursement) and Guarantee (Bid Bond, Performance Bond, Advance Payment and Counter-Guarantee).



## Card Services

We are the first financial institution to introduce Credit Card in the domestic market - HBL Card. It was the most popular card in the country at one time. Now, we are offering Visa and MasterCard, a further reflection of our commitment to providing products tailored to match clients' requirements. The various card services include HBL SCT/Visa /Master Debit Card, HBL Visa Credit Card, HBL Master Credit Card and HBL Prepaid Visa Card.

## HimalRemit

We are the pioneer in the field of retail money transfer business with over a decade-long customized service delivery experience in the field. We conduct this business through HimalRemit, a state-of-the-art web-based online money transfer system that is easily accessible through our main web domain [www.himalayanbank.com](http://www.himalayanbank.com). It can be directly accessed by all our branches and network, thus ensuring prompt execution of remittance payment. The product is monitored and serviced by our Remittance Promotion Department dedicated to delivering fast and reliable services for the customers. HimalRemit has the largest payment network covering all cities, towns and villages of the country and over one thousand locations across Nepal

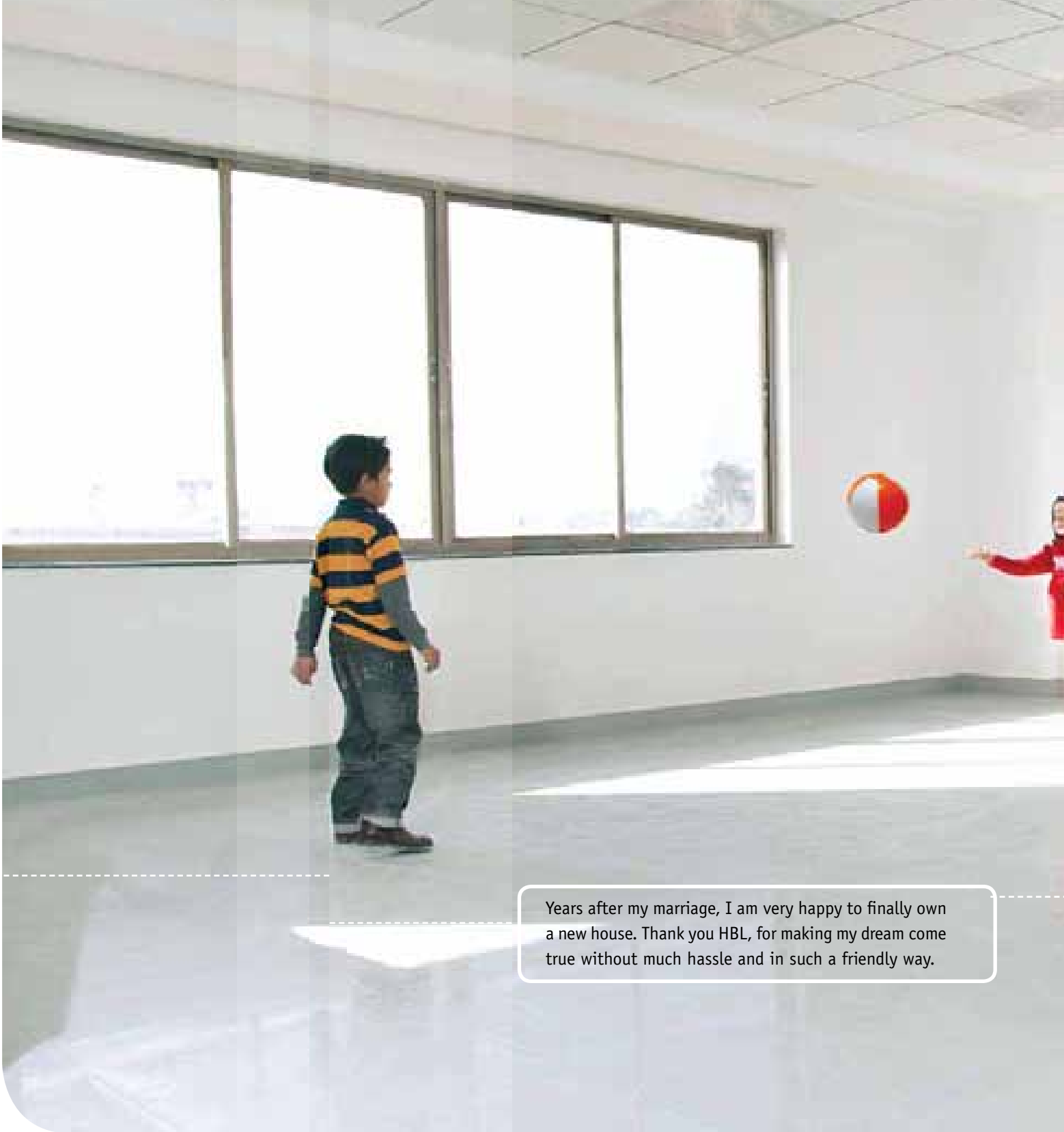
rely on this service for remittance payment. In fact, we have representatives in major remittance originating countries to facilitate and assist our remittance customers.

## Ancillary Services

We offer a host of ancillary services that provide convenience, security and comfort for our customers. They are::

- Safe Deposit Lockers: Locker facility of various sizes as per our customers' preference and convenience of location.
- SMS Banking: Allows our customers to check their balance, status of cheque (encashed or not), HBL's foreign exchange rate and contact numbers of branches.
- Internet Banking: Banking can be done safely and securely from wherever there is a connection at all times of the day.
- TC sales/purchase.
- 24/7 Automated Teller Machines (ATMs): in more than 50 locations.
- Everyday Easy Banking Service.
- Any Branch Banking Services.
- Funds Transfer: Within and outside the country.
- Fee Collection/Payment Services: For educational institutions.
- Service Package for Students: For those going abroad for higher studies.

# relationships that are lasting



Years after my marriage, I am very happy to finally own a new house. Thank you HBL, for making my dream come true without much hassle and in such a friendly way.



In my six years with HBL, I have rarely come across any customer complaints. Even in those rare cases where we do, we take extra care to see that it is mitigated immediately.



# safeguarding your interests

We at Himalayan Bank fully recognize that management of both banking and non banking risk is an integral part of banking business. Our continuous risk mitigation approach is always concentrated on identifying, measuring, monitoring and controlling the inherent risks faced by the Bank. In the current day scenario, we have taken specific steps to manage both seen and unforeseen risk. Our risk management system constitutes of an effective internal control mechanism under the guideline of the Board of Directors. This control mechanism covers the aspects related to financial operations and compliance control directly associated to safeguarding our assets and ensuring our stakeholder's interests.

Adopting a holistic approach, we at Himalayan Bank have continuously engaged in detailed evaluation of the risk management framework in all the areas of our banking activity. We have formulated separate policies, guidelines and operational manuals on Credit Risk, Market Risk and Operational Risk. Cases related to each distinct type of risks are monitored, supervised and managed by respective Executive Officers and their teams. The primary goal of all these efforts is to have appropriate balance between risk and return. We at Himalayan Bank attempt to maintain this balance by minimizing risks and optimizing high yield giving returns. Therefore, we feel comfortable to climb financial ladder with secure harnesses. We always strive to correct assessment on the type intensity of taking risk. Our investment decision depends on our current status, desired

goals, expected return, past & present trend and foresighted future scenario.

Moreover, we have a longstanding reputation as a bank with outstanding risk mitigating approach in place. This is possible with our ability to take right moves at right time. That is why, even when there are worries about many banks being too deeply bogged down in real estate lending, which has prompted the central bank to issue a directive curtailing banks' investment to just 25 percent of their loan portfolios, our involvement in the real estate lending is only 13.46 percent. We follow the path of prudent risk management. Moreover, we understand the fact that risks are an inherent part of banking; so we are always ready to take bold steps even for achieving successful endgames. But, nevertheless, we are also flexible enough to choose our dimension as per the need of the time without compromising stakeholders' interests at any cost.

It is a matter of pride for us to have adopted and successfully implemented strict internal control mechanism. Our internal control mechanism is one among the best in the industry. Our internal audit measures ensure that our various committees on credit risk management, operational risk management, market risk management and other risk management functions in the smoothest manner possible and with full transparency and high ethics in getting out 'The Best Returns' on our diverse investments. In conclusion, we can claim to have adhered to the highest principles of risk management in all our business dealings.

# deserved accolades

## Awards and Recognitions received by Himalayan Bank Limited



### Snooker's Trophy: 1st Runner -Up

This award was grabbed by Mr. Raywant Bahadur Singh,  
Officer, Thamel Branch

Event: Republica Daily Newspaper Corporate Snooker  
Week

Dec 5-10, 2010



'Best Presented Accounts Award 2008' for the Annual  
Report 2007-08 granted by Institute of Chartered  
Accountants of Nepal (ICAN)



'Merit Award' for the year 2008 in the category - 'Banking  
Sector Subject to Prudential Supervision' awarded to the  
Annual Report 2007-08 by 'South Asian Federation of  
Accountants'

# bringing smiles back home

We ensure that benefactors get access to remittance sent from abroad in the quickest time as possible because we understand its importance in their lives.







# humane endeavours

Corporate Social Responsibility (CSR) is a very important aspect of Himalayan Bank. Since its commencement, HBL has been discharging its social responsibilities in association with various social and allied institutions. Being one of the active and responsible corporate citizens of the country, HBL has always promoted social welfare activities directed primarily towards sectors relating to education, healthcare, sports, culture and social services. HBL allocates a significant portion of its 'Annual Sponsorship and Donation Budget' to fulfil its social responsibilities.

A glimpse on the recent CSR activities of HBL:

- 2009: Bank Got associated with National Children Eye Hospital and Rehabilitation Center, Bhaktapur as a founder member.
- 2009: Bank Provided Financial assistance for the renovation/ construction of various temples and historical places in Kathmandu.

- 2010: Bank Provided Financial Assistance to Spinal Injury Rehabilitation Center, Kavre



2010: Chabahil Branch actively participated in the opening ceremony of Nepal Tourism Year-2011.



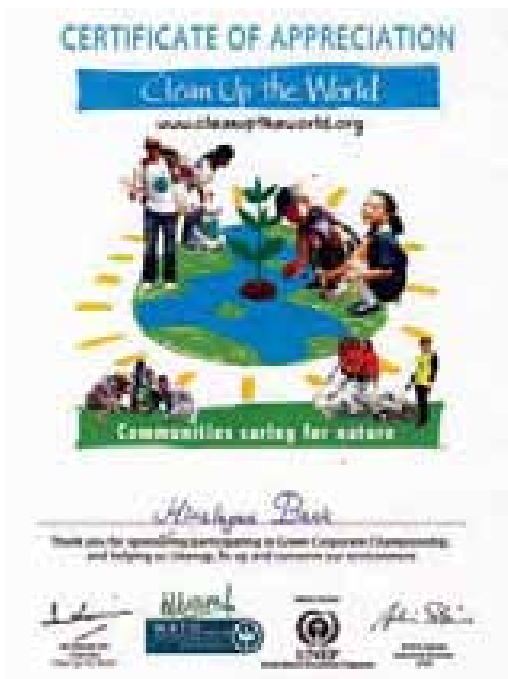




2009: Bank provided donation to the flood Victims of Nepal.



2009: Bank sponsored Volkswagen Bugs Rally from Kathmandu to Pokhara on 27th August 2009. The event was organized by Association of Nepal Beetle Users Group (ANBUG). Funds collected from the rally was donated to Sahara Club of Pokhara. Sahara Club is a rehabilitation center for street children. This club also supports and helps underprivileged cleft-lip children for corrective surgery.



2010: Bank sponsored Cricket tournament organized by WATO Nepal aimed at raising funds for the purpose of planting 2000 trees in Kathmandu. WATO Nepal is a member of "Clean up the World" which, in partnership with United Nation Environment Program (UNEP), works for inspiring and empowering Communities to clean up and conserve the environment through waste renewable, tree plantation and water energy Conservation projects.



2010: Bank provided donation to Embassy of Pakistan, Kathmandu as a humanitarian aid to carry out rescue and relief operation in the flood affected areas of Pakistan.

Besides this, we have been supporting other activities like financial help to orphanages, hospitals, schools & colleges, government bodies, Non government organizations (NGOs), environment conservation projects, physically challenged poor children, health check up and blood donation camps.

# working together for you



Our efforts are to provide the best services possible and this is why we have a large customer base primarily through referrals from satisfied clients.



Making business deals with HBL is not only a matter of business transaction but the beginning of a long and mutually rewarding relationship.



# better business through good corporate governance

We are committed to carry on all our operations in full compliance with Nepal Rastra Bank (NRB)'s guidelines and our own sets of internal guidelines and policies for maintaining good corporate governance, some of which goes beyond mandatory directives. Similarly, all the Board members and Bank employees fully adhere to the code of ethics as prescribed by NRB. We have adopted adequate internal control system in place in different areas of our operations. This has helped us to ensure the implementation of good corporate governance. Executive Officers, Branch Managers, Department Heads and Management Team members are always intact with the level of responsibility and accountability designated to them for monitoring and managing internal control mechanism in the Bank. Apex to this, we have Internal Audit Department headed by an Internal Auditor that reports directly to the Audit Committee. The Audit Committee is responsible for monitoring and ensuring the compliance of NRB directives/guidelines/circulars by all the units of the Bank. It also maintains impartial check and balance for the compliance of set standards, internal policies, guidelines, and manuals in the daily course of action of all the units of the Bank. Audit department conducts frequent visit to various units and surveys the actual performance with the set standards. It provides grades to the units on the basis of the outcome achieved on the survey. It takes initiatives for formulating work friendly policies and corrective measures, if found necessary after the survey. Based on the feedback from Internal Audit Department, the Audit Committee reviews HBL's financial position and the adequacy of its internal control systems and provides needed guidelines.

Furthermore, we are in compliance with directives laid down by Nepal Rastra Bank for the prevention of Money Laundering. We have KYC due diligence and Anti Money Laundering Policy where customer identification procedures (CIP), Customer acceptance policy (CAP) and Customer Transaction Monitoring Procedures (CTMP) is well defined and are being followed. We categorize the client as high risk, medium risk or low risk at the time of account opening. Account grading is reviewed periodically based on the transaction/ volume in the account. Source of fund for deposit/remittance above the threshold is ascertained and transactions above the threshold are regularly reviewed/monitored for assurance of legitimate business.

The past and present environment of the country with instable government, hindering government policies, disruptions in power supply due to power shortages, union problem in the industries, slow GDP growth, inclining inflation, declining exports, worsening trade deficit situation, fostering hundi (illegal fund transfers) business and outflow of enormous amount of money in the foreign land depicts no sign of desirable level of progress in the economic sector of the country. However, we have an excellent record of steady growth through which we have been able to hold our brand image in the market and we are confident enough that we can weather any storm with this. We have planned our course of action inline to consolidating our efforts for performing every business activity that is directly routed towards maintaining leading position in the country. We are intact in all our efforts & endeavors for making and maintaining

our well- deserved reputation as a reliable and prudent institution in the market arena. At the same time, we are continuously exploring for new business opportunities at full swing. Side by side, we are continuously striving for the enhancement of customer network, transaction size & volume by discovering new and widened service delivery channels. Providing the financial products and services exactly desired by the customers with excellent customer-friendly approach is the main reason behind our customer retaining ability. We are very much committed towards maintaining this position.

In the coming days too, Bank will be dedicated towards maintaining its lead as a customer centric bank by utilizing world class technological advances. We have been and will be maintaining all our efforts for developing excellent customer

relationship through our customized superior quality services. We believe in serving our customers in an outstanding fashion with more than what they expect to get.

The single most important thing that we believe in is the 'customer satisfaction' from all our customer contact points. All our units are dedicated towards getting the end result of 'Satisfied Customers'. The wisdom of wise and years of experience of our entire workforce has empowered us with 'The Power To Lead'. We want to share this power with our customers and make them feel like next home with the comfort zone for conducting their financial transactions.

# Additional Disclosure

as per Section 109 (4) of Companies Act, 2063

- 1) Detail of Share Forfeiture:  
No shares were forfeited during the year.
- 2) Transaction with Subsidiaries:  
The Bank has no subsidiaries
- 3) Information provided to the Company by its Substantial Shareholders:  
NIL
- 4) Shares purchased by Directors and Officials of the Company during the year:  
No such transaction was reported to the Bank.
- 5) Information received on the personal interest of Directors and their close relatives in any Agreement/Contract entered into by the Company:  
No such information was received during the year.
- 6) Detail of Share Buy-Back during the year:  
The Bank didn't buy-back its own shares during the year.
- 7) Detail of Internal Control System:  
The Bank has a very effective Internal Control System in operation which has the following major components:
  - a) Strong internal checks and controls
  - b) Operation Manuals, Comprehensive policies, procedures and guidelines for orderly conduct of operations.
  - c) Credit Policy Guidelines and various manuals
  - d) Compliance & Internal Control Department for monitoring compliance of & periodic review of internal control system
  - e) Independent Internal Audit & Inspection Department
  - f) Periodic review of internal controls and significant audit issues by Audit Committee.
- 8) Total Management expenses during the year:
 

Employee Expenses	NPR. 414,983,894
Administrative Expenses	NPR. 471,102,966
Total:	NPR. 886,086,860
- 9) List of Audit Committee members, their remuneration and facilities and description (and suggestions if any) of the Committee's performance during the year:
 

Audit Committee members:

1) Mr. Ashraf M Wathra	Chairman
2) Dr. Ramesh Kumar Bhattarai	Member
3) Mr. Upendra Keshari Poudyal	Member
3) Mr. Muhammad Siddique	Member & Secretary

The Committee members have been paid no other remuneration/facility other than the under-mentioned per meeting fees:

Chairman	4,000
Members	3,400

The Committee conducted 7 meetings during the FY 2009/10 during which it, among others:

  - a) Reviewed the Internal Audit Reports and gave necessary instruction to the Management for resolution of audit issues.
  - b) Reviewed investigation reports and made various recommendations to the management.
  - c) Reviewed Annual Accounts and Auditors Preliminary Audit Report issued by Statutory Auditors and recommended their adoption by the Board of Directors after incorporation of the directives/instructions issued by the Committee by the Management.
  - d) Directed the Management to improve Internal Control systems and procedures and recommended Manuals, Policies and procedures for improvement and effective control, wherever necessary.
- 10) Amount receivable by the Company from Directors, Managing Director, Substantial Shareholders and their close relatives and associated firms, Companies etc:  
NIL

11) Remuneration, Allowances and facilities given to Directors, Managing Director, Chief Executive Officer and Officials during the year:

SN	Particulars	Directors	CEO	Managers
1	Meeting Fees	883,800		
2	Salary		5,164,027	62,756,126
3	Allowances		5,137,893	31,800,937
4	PF Contribution		516,403	5,087,274
5	Telephone / Mobile	200,609	275,208	777,300
6	Others	1,811,765	316,396	6,047,244
	<b>Total</b>	<b>2,896,174</b>	<b>11,409,927</b>	<b>106,468,881</b>
7	Car Facility	No	Yes	Yes
8	Accommodation	No	No	No*
9	Insurance Coverage	Yes	Yes	Yes
	Number of persons	13	1	75

Notes:

- 1) Office Car with driver, fuel and maintenance is provided to the CEO, General Manager and Ex-Pats (Sr. General Manager & Chief Internal Auditor). The Managers are given Car facility with fuel as per the Bank's policy.
- 2) \*Fully furnished accommodation at Bank's cost is provided to the Ex-pats.
- 3) (a) Directors are covered with medical insurance of Rs. 200,000 for self, spouse and dependent children and Accident at Insurance policy of Rs. 3,000,000.

b) CEO and Managers (except Ex-pats) are covered for Accidental Insurance, Medical Insurance and Life Insurance as per the Bank's Staff Rules. Ex-pat staffs are covered for Accidental Insurance and Medical Insurance as per their terms of contract.

- 4) Mobile bill is paid by the Bank on actual basis for CEO, SGM and CIA. In case of Managers, reimbursement, as per policy, upto a maximum of Rs. 2,000 per month is done by the Bank.
- 5) Water and Electricity bill is reimbursed on actual basis to the CEO and GM.
- 6) Bonus as per Bonus Act, 1974 was paid to all employees except the ex-pats. The ex-pat staff were paid cash gift in lieu of Bonus amounting to Rs. 1,174,493 to Sr. General Manager and Rs. 743,500 to the Chief Internal Auditor.

12) Amount of Dividend remaining unpaid:

Total Unpaid Dividend : Rs.15,397,544 as on July 16,2010

- 13) Others matters required to be disclosed in the Directors' Report by this Ordinance or others Laws in force:  
NIL
- 14) Other relevant issues:  
NIL

Manoj Bahadur Shrestha  
Chairman

P.P. Khetan  
2nd Vice Chairman





**नेपाल राष्ट्र बैंक**  
**बैंक सुपरिवेक्षण विभाग**  
 वीर-स्वयम्भार सुपरिवेक्षण महाशाखा

केन्द्रीय कार्यालय  
 काठमाडौं, काठमाडौं  
 पेशा बजार नं. : ७४  
 फोन नं. : ४४४७७७७  
 कार्यालय : २०४७, २०४८, २०४९  
 काठमाडौं नं. : ४४४७७७७  
 E-mail : [bsb@nrb.org.np](mailto:bsb@nrb.org.np)  
 Web Site: [www.nrb.org.np](http://www.nrb.org.np)

पत्रांक/संख्या- बैंक सु वि. / अकाउन्ट/एनिएम/२६/२०७७-७८

दिनांक २०७७/०८/२९

**हिमालयन बैंक लिमिटेड**  
 टाभेल, काठमाडौं।

**विषय: वित्तीय विवरण प्रकाशनको स्वीकृति तथा आभास विवरण सम्बन्धमा।**

महोदय,


तपाईंको दिनांक डिसेम्बर १, २०७७ को पत्रको सम्बन्धमा संक्षिप्त।

त्यस बैंकको वार्षिक वर्ष २०७६-७७ को वार्षिक/माध्यम लेखापत्र विवरण र सोबीत सम्बन्धित अनुसूचित सङ्केतको वित्तीय विवरणहरू देखावटको निर्देशन सहित प्रकाशित गर्न स्वीकृति तथा तथ्यांक प्रस्ताव को वार्षिक वृत्त नं. १९.८४२१ प्रतिशत माथि माथ्यांक र २३ प्रतिशत सोभल रोफ वार्षिक साधारण सभाबाट स्वीकृति भएको साधारण वितरण गर्न आभास प्रदान गरिएको व्यहोरा निर्देशनानुसार सुचीयत गर्दछु।

- क) बचत खाता सम्बन्धित सम्बन्धमा यस बैंकबाट जारी इ.प्र. निर्देशन नं. १६/०६७ को बुँदा नं. ३४३ को पूर्ण पालना गर्ने व्यवस्था मिलाउनु हुन।
- ख) डाइक परिधान (Know Your Customer) सम्बन्धमा यस बैंकबाट जारी इ.प्र. निर्देशन नं. १६/०६७ को बुँदा नं. ३ अनुसार पूर्ण गर्नुपर्ने प्रस्तावित पूर्ण गर्नुहुन।
- ग) कार्ज सुचना तथा कार्जसूची सम्बन्धमा यस बैंकबाट जारी इ.प्र. निर्देशन नं. १२/०६७ को बुँदा नं. २ को २.४ अनुसार डाइक/सूचीको सम्बन्धमा निम्नको विवरणहरू अनिवार्य रूपमा मिलाउनु हुन।
- घ) बैंकका साक्षात्कर्मा आन्तरिक विवरण प्रयोगी कम्प्युटर रोको चारकोले कोको सुदिकरणको आवश्यक व्यवस्था मिलाउनु हुन।
- ङ) लेखापरीक्षाको औन्तिका अन्य कैफियतहरू सुझाव गर्ने तथा त्यस्ता कैफियतहरू पुनः रोतोरेन गर्ने व्यवस्था मिलाउनु हुन।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको सुद्धि पत्रमा प्रकाशित गर्नु हुन अनुसूचित गर्दछु।

भवदीय,

  
 (समन्वय सौतम)  
 जन-निर्देशक

स्रोतार्थ :

१. नेपाल राष्ट्र बैंक  
 बैंक तथा वित्तीय संस्था विवरण विभाग।
२. हिमालयन बैंक लि., टाभेल।

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HIMALAYAN BANK LIMITED**

We have audited the accompanying Balance Sheet of **Himalayan Bank Limited** (*hereinafter referred to as 'the Bank'*), as at July 16, 2010 (*Ashadh 32, 2067*) and the related Profit & Loss Account and Cash Flow Statement for the year then ended. 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.

We conducted our audit in accordance with Nepal Standards of Auditing and 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 examination 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Based on our examination of the financial statements as aforesaid, we report that:

1. We have obtained all information and explanations required for the purpose of our audit.
2. The Balance Sheet, Profit & Loss Account and Cash Flow Statement thereto are presented in conformity with the formats prescribed by Nepal Rastra Bank and are in agreement with the accounts maintained by the Bank.
3. The account and records of the Bank have been maintained as required by law and practice.
4. Returns received from the branch offices of the Bank are adequate for the purpose of our audit.
5. The capital fund and risk bearing fund of the bank are adequate considering the Directives issued by the Nepal Rastra Bank.

6. To the best of our information and according to the explanation given to us and from our examination of the books of accounts of the Bank, we have not come across any case where the Board or Directors or any office bearer of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Bank and violated Directives issued by Nepal Rastra Bank or acted in a manner, as would jeopardize the interest and security of the Bank and its depositors.
7. The business of the Bank has been conducted satisfactorily and found within its authority.
8. In our opinion and to the best of our information and according to the explanation given to us, the said financial statements read together with the Significant Accounting Policies (*Schedule 32*) and Notes thereon (*Schedule 33*), give a true and fair view -
  - ~ in case of Balance Sheet, of the state of affairs of the Bank as at July 16, 2010 (*Ashadh 32, 2067*),
  - ~ in case of Profit & Loss Account, of the operating results of the Bank for the year ended on that date, and
  - ~ in case of Cash Flow Statement, the cash flows of the Bank for the year ended on that date,

in accordance with Nepal Accounting Standards or relevant practices, the directives from Nepal Rastra Bank, Bank and Financial Institution Act, 2063 and Company Act, 2063.



**Gopal P. Rajbahak, FCA**  
For, G. P. Rajbahak & Co.  
Chartered Accountants

Date: *November 28, 2010*  
Place: *Kathmandu*

## Balance Sheet

As at 16 July 2010 (32 Ashadh 2067)

Amount in NPR

CAPITAL & LIABILITIES	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
1. Share Capital	1	2,000,000,000	1,600,00,000
2. Reserves and Funds	2	1,439,205,130	1,519,880,537
3. Debentures and Bonds	3	500,000,000	500,000,000
4. Borrowings	4	-	-
5. Deposits	5	37,611,202,274	34,682,306,863
6. Bills Payables	6	216,158,879	31,847,391
7. Proposed Dividend		189,473,600	162,096,954
8. Income Tax Liabilities		-	10,163,115
9. Other Liabilities	7	761,084,730	823,836,963
<b>Total Capital &amp; Liabilities</b>		<b>42,717,124,613</b>	<b>39,330,131,823</b>

ASSETS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
1. Cash Balance	8	514,223,569	473,759,695
2. Balance with Nepal Rastra Bank	9	2,604,790,901	2,328,405,821
3. Balance with Banks / Financial Institutions	10	747,476,214	246,361,272
4. Money at Call and Short Notice	11	308,840,000	1,170,793,650
5. Investments	12	8,444,910,165	8,710,690,646
6. Loan Advances and Bills Purchase	13	27,980,628,760	24,793,155,269
7. Fixed Assets	14	1,061,870,757	952,196,395
8. Non - Banking Assets	15	-	22,694,688
9. Other Assets	16	1,054,384,247	632,074,387
<b>Total Assets</b>		<b>42,717,124,613</b>	<b>39,330,131,823</b>

Contingent Liabilities	Schedule 17
Statement of Loans advanced to Promoters, Directors, CEO, Employees and Shareholders holding more than 1% shares	Schedule 29
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Unaudited Financial Results	Schedule 36

Schedules 1 to 17 & 32 and 33 form an integral part of this Balance Sheet

**Satish Raj Joshi**  
Executive Financial Officer

**Sushiel Joshi**  
General Manager

**Masood Ul Hasan**  
Senior General Manager

**Ashoke S. Rana**  
Chief Executive Officer

**Manoj Bahadur Shrestha**  
Chairman

As per our report of even date.

Ashraf M. Wathra, Vice Chairman  
Prem Prakash Khetan, Second Vice Chairman  
Prachanda Bahadur Shrestha  
Bijaya Bahadur Shrestha  
Rajendra Kafle  
Sushil Bikram Thapa  
Upendra Keshari Poudyal

**Gopal P. Rajbahak, FCA**  
For and on behalf of  
G. P. Rajbahak & Co.  
Chartered Accountants

**Date:** November 28, 2010

## Profit and loss account

For the period from July 16, 2009 to July 16, 2010 (Shrawan 1, 2066 to Ashadh 32, 2067 )

Amount in NPR

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
1. Interest Income	18	3,148,605,196	2,342,198,179
2. Interest Expenses	19	1,553,530,687	934,778,015
<b>Net Interest Income</b>		<b>1,595,074,509</b>	<b>1,407,420,164</b>
3. Commission and Discount	20	270,258,732	284,302,277
4. Other Operating Incomes	21	112,346,425	46,342,872
5. Exchange Fluctuation Income	22	180,278,743	249,982,606
<b>Total Operating Income</b>		<b>2,157,958,409</b>	<b>1,988,047,919</b>
6. Staff Expenses	23	414,983,894	360,980,641
7. Other Operating Expenses	24	471,102,966	398,316,566
8. Exchange Fluctuation Loss	22	-	-
<b>Operating Profit before Provision for Possible Losses</b>		<b>1,271,871,549</b>	<b>1,228,750,712</b>
9. Provision for Possible Losses	25	692,640,089	199,214,970
<b>Operating Profit</b>		<b>579,231,460</b>	<b>1,029,535,742</b>
10. Non-Operating Income/(Loss)	26	12,382,440	3,810,145
11. Loan Loss Provision Written-Back	27	265,542,038	149,894,111
<b>Profit from Regular Operations</b>		<b>857,155,938</b>	<b>1,183,239,998</b>
12. Profit/(Loss) from Extra-ordinary Activities	28	(25,855,926)	(9,973,406)
<b>Net Profit after considering all Activities</b>		<b>831,300,012</b>	<b>1,173,266,592</b>
13. Staff Bonus Provision		75,572,728	106,660,599
14. Tax Provision		246,929,091	313,771,258
a) Current Years		246,070,406	340,776,052
b) Previous Year's Additional Tax		1,454,373	568,826
c) Deferred Tax		(595,688)	(27,573,620)
<b>Net Profit/(Loss)</b>		<b>508,798,193</b>	<b>752,834,735</b>

Schedules 18 to 28 & 32 and 33 form an integral part of this Profit and Loss Account

**Satish Raj Joshi**  
Executive Financial Officer

**Sushiel Joshi**  
General Manager

**Masood UI Hasan**  
Senior General Manager

**Ashoke S. Rana**  
Chief Executive Officer

**Manoj Bahadur Shrestha**  
Chairman

As per our report of even date.

Ashraf M. Wathra, Vice Chairman  
Prem Prakash Khetan, Second Vice Chairman  
Prachanda Bahadur Shrestha  
Bijaya Bahadur Shrestha  
Rajendra Kafle  
Sushil Bikram Thapa  
Upendra Keshari Poudyal

**Gopal P. Rajbahak, FCA**  
For and on behalf of  
G. P. Rajbahak & Co.  
Chartered Accountants

**Date:** November 28, 2010

## Profit And Loss Appropriation Account

For the period from July 16, 2009 to July 16, 2010 (Shrawan 1, 2066 To Ashadh 32, 2067 )

Amt. in NPR

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>Income</b>		
1. Accumulated Profit up to Last Year	36,525,513	96,842,268
2. Current Year's Profit	508,798,193	752,834,735
3. Transfer from Bond Adjustment Reserve	356,000,000	360,000,000
<b>Total</b>	<b>901,323,706</b>	<b>1,209,677,003</b>
<b>Expenses</b>		
1. Accumulated Loss up to Last Year	-	-
2. Current year's Loss	-	-
3. General Reserve	101,759,639	150,566,947
4. Contingent Reserve	-	-
5. Institutional Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Staff Related Reserve Fund	-	-
8. Proposed Dividend	189,473,600	145,945,800
9. Proposed Issue of Bonus Share	400,000,000	383,785,000
10. Special Reserve Fund	-	360,000,000
11. Exchange Fluctuation Fund	-	2,237,067
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Bond Redemption Reserve	71,428,571	122,857,143
15. Deferred Tax Reserve	595,688	7,759,533
16. Investment Adjustment Reserve	1,478,939	-
<b>Total</b>	<b>764,736,437</b>	<b>1,173,151,490</b>
Accumulated Profit	136,587,269	36,525,513

**Satish Raj Joshi**  
Executive Financial Officer

**Sushiel Joshi**  
General Manager

**Masood Ul Hasan**  
Senior General Manager

**Ashoke S. Rana**  
Chief Executive Officer

**Manoj Bahadur Shrestha**  
Chairman

As per our report of even date.

Ashraf M. Wathra, Vice Chairman  
Prem Prakash Khetan, Second Vice Chairman  
Prachanda Bahadur Shrestha  
Bijaya Bahadur Shrestha  
Rajendra Kafle  
Sushil Bikram Thapa  
Upendra Keshari Poudyal

**Gopal P. Rajbahak, FCA**  
For and on behalf of  
G. P. Rajbahak & Co.  
Chartered Accountants

**Date:** November 28, 2010

# Statement of Changes In Equity

For The Period From July 16, 2009 To July 16, 2010 (Shrawan 1, 2066 To Ashadh 32, 2067 )

Amount in NPR

PARTICULARS	SHARE CAPITAL	ACCUMULATED PROFIT/(LOSS)	GENERAL RESERVE	PROPOSED BONUS SHARE	CAPITAL ADJUSTMENT RESERVE	SPECIAL		EXCHANGE		OTHER		DEFERRED TAX RESERVE	INVESTMENT ADJUSTMENT RESERVE	TOTAL AMOUNT
						RESERVE FUND	RESERVE FUND	RESERVE FLUCTUATION RESERVE	RESERVE FLUCTUATION RESERVE	RESERVE FUND	RESERVE FUND			
Opening Balance as at 16 July 2009	1,216,215,000	36,525,513	911,040,771	383,785,000	38,610,000	360,000,000	360,000,000	23,087,577	142,857,143	7,759,533	-	-	3,119,880,537	
Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated Balance as at 16 July 2009	1,216,215,000	36,525,513	911,040,771	383,785,000	38,610,000	360,000,000	360,000,000	23,087,577	142,857,143	7,759,533	-	-	3,119,880,537	
Net Profit for the year	-	508,798,193	-	-	-	-	-	-	-	-	-	-	508,798,193	
Transfer to General Reserve	-	(101,759,639)	101,759,639	-	-	-	-	-	-	-	-	-	-	
Bond Redemption Fund transferred	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proposed Dividend	-	(189,473,600)	-	-	-	-	-	-	-	-	-	-	(189,473,600)	
Issue of Bonus Share	383,785,000	-	-	(383,785,000)	-	-	-	-	-	-	-	-	-	
Proposed Issue of Bonus Shares	-	(400,000,000)	-	400,000,000	-	(356,000,000)	-	-	-	-	-	-	-	
Transfer from Special Reserve Fund	-	356,000,000	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Deferred Tax Reserve	-	(595,688)	-	-	-	-	-	-	-	595,688	-	-	-	
Transfer to Exchange Fluctuation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Bond Redemption Fund	-	(71,428,571)	-	-	-	-	-	-	71,428,571	-	-	-	-	
Investment Adjustment Reserve	-	(1,478,939)	-	-	-	-	-	-	-	-	-	1,478,939	-	
Closing Balance	1,600,000,000	136,587,269	1,012,800,410	400,000,000	38,610,000	4,000,000	4,000,000	23,087,577	214,285,714	8,355,221	1,478,939	1,478,939	3,439,205,130	

## Cash Flow Statement

For The Period From July 16, 2009 To July 16, 2010 (Shrawan 1, 2066 To Ashadh 32, 2067 )

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>A. Cash Flow from Operating Activities</b>	<b>1,158,165,935</b>	<b>978,388,741</b>
<b>1. Cash Received</b>	<b>3,725,806,343</b>	<b>2,909,793,503</b>
1.1 Interest Income	3,156,864,066	2,324,173,095
1.2 Commission and Discount Income	270,258,732	284,302,277
1.3 Income from Foreign Exchange Transaction	180,278,743	249,982,606
1.4 Recovery of Loan Written off	6,058,377	4,992,653
1.5 Other Income	112,346,425	46,342,872
<b>2. Cash Payment</b>	<b>(2,567,640,408)</b>	<b>(1,931,404,763)</b>
2.1 Interest Expenses	(1,418,373,200)	(832,463,329)
2.2 Staff Expenses	(401,203,232)	(345,418,184)
2.3 Office Overhead Expenses	(366,232,241)	(305,661,329)
2.4 Income Tax Paid	(275,171,136)	(352,978,035)
2.5 Other Expenses	(106,660,599)	(94,883,886)
<b>Cash Flow before Changes in Working Capital</b>	<b>(291,939,156)</b>	<b>(3,255,079,634)</b>
<b>(Increase) / Decrease of Current Assets</b>	<b>(3,407,394,497)</b>	<b>(6,057,661,056)</b>
1. (Increase) / Decrease in Money at Call and Short Notice	861,953,650	(652,264,150)
2. (Increase) / Decrease in Short-term Investment	(197,305,000)	-
3. (Increase) / Decrease in Loan & Bills Purchases	(3,647,325,111)	(5,378,904,089)
4. (Increase) / Decrease in Others Assets	(424,718,036)	(26,492,817)
<b>Increase (Decrease) of Current Liabilities</b>	<b>3,115,455,341</b>	<b>2,802,581,422</b>
1. Increase / (Decrease) in Deposits	2,928,895,411	2,838,555,823
2. Increase / (Decrease) in Certificate of Deposits	-	-
3. Increase / (Decrease) in Short Term Borrowing	184,311,488	(83,177,973)
4. Increase / (Decrease) in Others Liabilities	2,248,442	47,203,572
<b>B. Cash Flow from Investment Activities</b>	<b>296,685,024</b>	<b>4,385,907,130</b>
1. (Increase) / Decrease in Long Term Investments	1,168,469,288	4,629,311,020
2. (Increase) / Decrease in Fixed Assets	(224,388,290)	(273,114,148)
3. Interest Income from Long Term Investment	23,166,496	19,719,773
4. Dividend Income	6,996,002	3,442,800
5. Others	(677,558,472)	6,547,685
<b>C. Cash Flow from Financing Activities</b>	<b>(344,947,907)</b>	<b>(508,832,339)</b>
1. Increase/(Decrease) in Long Term Borrowings ( Bond, Debentures etc)	(198,248,497)	(261,907,174)
2. Increase/(Decrease) in Share Capital	-	-
3. Increase/(Decrease) in Other Liabilities	(146,699,410)	(246,925,165)
4. Increase/(Decrease) in Refinance/facilities received from NRB.	-	-
<b>D. Income/Loss from change in exchange rate in Cash and Bank Balances</b>	<b>-</b>	<b>-</b>
<b>E. Current Year's Cash Flow from All Activities</b>	<b>817,963,896</b>	<b>1,600,383,897</b>
<b>F. Opening Balance of Cash and Bank Balances</b>	<b>3,048,526,788</b>	<b>1,448,142,891</b>
<b>G Closing Balance of Cash and Bank Balances</b>	<b>3,866,490,684</b>	<b>3,048,526,788</b>



## Schedule I: Share Capital & Ownership

(Amount in NPR.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>I. Share Capital</b>	-	-
<b>I.1 Authorized Capital</b>	<b>3,000,000,000</b>	<b>2,000,000,000</b>
a. 30,000,000 Ordinary Shares of Rs 100 each.	3,000,000,000	2,000,000,000
b. Non-redeemable Preference Shares	-	-
c. Redeemable Preference Shares	-	-
<b>I.2 Issued Capital</b>	<b>1,600,000,000</b>	<b>1,216,215,000</b>
a. 16,000,000 Ordinary Shares of Rs 100 each (Previous year 12,162,150 Ordinary Shares of Rs. 100 each)	1,600,000,000	1,216,215,000
b. Non-redeemable Preference Shares	-	-
c. Redeemable Preference Shares	-	-
<b>I.3 Paid up Capital</b>	<b>1,600,000,000</b>	<b>1,216,215,000</b>
a. 16,000,000 Ordinary Shares of Rs 100 each fully paid up (Previous year 12,162,150 Ordinary Shares of Rs 100 each fully paid up)	1,600,000,000	1,216,215,000
b. Non-redeemable Preference Shares	-	-
c. Redeemable Preference Shares	-	-
<b>I.4 Proposed Bonus Shares</b>	<b>400,000,000</b>	<b>383,785,000</b>
<b>I.5 Calls-in-advance</b>		

## SHARE OWNERSHIP

(Amount in NPR.)

PARTICULARS	%	CURRENT YEAR	%	PREVIOUS YEAR
<b>I. Domestic Ownership</b>	<b>80.00</b>	<b>1,280,000,000</b>	<b>80.00</b>	<b>972,972,000</b>
I.1 Nepal Government	-	-	-	-
I.2 "A" Classs Licensed Institutions	-	-	-	-
I.3 Other Licensed Institutions	-	-	-	-
I.4 Other Entities	65.00	1,040,000,000	65.00	790,539,750
I.5 General Public	15.00	240,000,000	15.00	182,432,250
I.6 Others	-	-	-	-
<b>2. Foreign Ownership</b>	<b>20.00</b>	<b>320,000,000</b>	<b>20.00</b>	<b>243,243,000</b>
<b>Total</b>	<b>100.00</b>	<b>1,600,000,000</b>	<b>100.00</b>	<b>1,216,215,000</b>

## Particulars of Individual/Group/Firm/Company holding 0.5% or above are as follows:

(Amount in NPR.)

NAME OF SHAREHOLDER	NUMBER OF SHARES	%	SHARE CAPITAL
Habib Bank Limited	3,200,000	20.00	320,000,000
Karmachari Sanchaya Kosh	2,240,000	14.00	224,000,000
N.Trading Co. Pvt. Ltd.	2,033,335	12.71	203,333,500
Mutual Trading Co. Pvt. Ltd.	2,019,200	12.62	201,920,000
Ava International Pvt. Ltd.	1,821,498	11.38	182,149,800
Chhaya International Pvt. Ltd.	1,422,138	8.89	142,213,800
Sumit Kumar Agrawal	423,895	2.65	42,389,500
Syakar Co. Ltd.	158,400	0.99	15,840,000
Sharma & Co. Pvt. Ltd.	105,600	0.66	10,560,000
<b>Total</b>	<b>13,424,066</b>	<b>83.90</b>	<b>1,342,406,600</b>

## Schedule 2: Reserves and Funds

(Amount in NPR.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. General Reserve Fund	1,012,800,410	911,040,771
2. Capital Reserve Fund	-	-
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	38,610,000	38,610,000
5. Other Reserve Fund	228,119,874	510,616,676
a. Contingent Reserve	-	-
b. Institution Development Fund	-	-
c. Dividend Equalization Fund	-	-
d. Special Reserve Fund	4,000,000	360,000,000
e. Assets Revaluation Reserve	-	-
f. Deferred Tax Reserve	8,355,221	7,759,533
g. Other Free Reserves	-	-
h. Bond Redemption Reserve	214,285,714	142,857,143
i. Other Reserve (Investment Adjustment Reserve)	1,478,939	-
6. Accumulated Profit / (Loss)	136,587,269	36,525,513
7. Exchange Fluctuation Fund	23,087,577	23,087,577
<b>Total</b>	<b>1,439,205,130</b>	<b>1,519,880,537</b>

## Schedule 3: Debentures and Bonds

(Amount in NPR.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. 8 Percent HBL Bond 2072 of Rs 1,000 each (Issued in July 2008 and maturing in July 2015 ) [Balance in Redemption Reserve Rs 214,285,714 (Previous Year Rs. 142,857,143) ]	500,000,000	500,000,000
<b>Total</b>	<b>500,000,000</b>	<b>500,000,000</b>

## Schedule 4: Borrowings

(Amount in NPR.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>A. Local</b>		
1. Nepal Government	-	-
2. Nepal Rastra Bank	-	-
3. Repo Obligation	-	-
4. Inter Bank and Financial Institutions	-	-
5. Other Financial Institutions	-	-
6. Others	-	-
<b>Total</b>	-	-
<b>B. Foreign</b>		
1. Banks	-	-
2. Others	-	-
<b>Total</b>	-	-
<b>Total (A+B)</b>	-	-

## Schedule 5: Deposits

(Amount in NPR.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
I. Non Interest Bearing Accounts		
A. Current Deposits	<b>3,745,624,493</b>	<b>3,218,224,894</b>
1. Local Currency	<b>2,885,401,105</b>	<b>2,453,294,891</b>
1.1 Nepal Government	137,280,881	189,376,791
1.2 "A" Classs Licensed Institutions	72,981,395	102,540,509
1.3 Other Licensed Institutions	303,714,106	279,012,758
1.4 Other Organized Institutions	1,409,944,595	990,776,453
1.5 Individuals	814,891,065	726,721,250
1.6 Others	146,589,063	164,867,130
2. Foreign Currency	<b>860,223,388</b>	<b>764,930,003</b>
2.1 Nepal Government	70,110,875	36,245,561
2.2 "A" Classs Licensed Institutions	49,402	51,415
2.3 Other Licensed Institutions	268,267,485	160,551,884
2.4 Other Organized Institutions	277,301,761	212,155,265
2.5 Individuals	155,210,899	284,136,950
2.6 Others	89,282,967	71,788,928
B. Margin Deposits	<b>946,871,896</b>	<b>666,135,188</b>
1. Employees Guarantee	-	-
2. Guarantee Margin	150,133,199	132,752,329
3. Letters of Credit Margin	796,738,697	533,382,859
C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institution	-	-
1.3 Individual	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individual	-	-
<b>Total of Non-Interest Bearing Accounts</b>	<b>4,692,496,389</b>	<b>3,884,360,082</b>

## Schedule 5: Deposits (contd..)

(Amount in NPR.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>2. Interest Bearing Accounts</b>		
<b>A. Saving Deposits</b>	<b>16,294,680,337</b>	<b>20,061,047,700</b>
<b>1. Local Currency</b>	<b>15,494,591,313</b>	<b>18,477,515,548</b>
1.1 Organized Institutions	234,974,920	1,059,560,090
1.2 Individuals	15,259,510,199	17,381,790,626
1.3 Others	106,194	36,164,832
<b>2. Foreign Currency</b>	<b>800,089,024</b>	<b>1,583,532,152</b>
2.1 Organized Institutions	20,504,449	842,068,388
2.2 Individuals	770,360,409	731,225,028
2.3 Others	9,224,167	10,238,736
<b>B. Fixed Deposits</b>	<b>11,328,635,821</b>	<b>6,377,132,497</b>
<b>1. Local Currency</b>	<b>10,153,602,555</b>	<b>5,054,193,891</b>
1.1 Organized Institutions	6,203,841,187	2,541,015,844
1.2 Individuals	3,838,959,968	2,429,053,895
1.3 Others	110,801,400	84,124,152
<b>2. Foreign Currency</b>	<b>1,175,033,266</b>	<b>1,322,938,606</b>
2.1 Organized Institutions	728,219,395	401,407,869
2.2 Individuals	274,201,940	695,526,349
2.3 Others	172,611,931	226,004,388
<b>C. Call Deposits</b>	<b>5,295,389,727</b>	<b>4,359,766,584</b>
<b>1. Local Currency</b>	<b>3,834,098,227</b>	<b>3,172,411,638</b>
1.2 "A" Class Licensed Institutions	173,756,169	-
1.3 Other Licensed Institutions	2,092,524,585	145,375,304
1.4 Other Organized Institutions	1,384,401,206	1,145,044,480
1.5 Individuals	183,416,267	604,030,354
1.6 Others	-	1,277,961,500
<b>2. Foreign Currency</b>	<b>1,461,291,500</b>	<b>1,187,354,946</b>
2.1 "A" Class Licensed Institutions	3,225,854	-
2.2 Other Licensed Institutions	1,207,986,979	5,859,003
2.3 Other Organized Institutions	250,078,668	718,153,451
2.4 Individuals	-	281,839,844
2.5 Others	-	181,502,648
<b>D. Certificate of Deposits</b>	-	-
1. Other Organized Institutions	-	-
2. Individual	-	-
3. Other	-	-
<b>Total of Interest Bearing Accounts</b>	<b>32,918,705,886</b>	<b>30,797,946,781</b>
<b>Total Deposits</b>	<b>37,611,202,274</b>	<b>34,682,306,863</b>

## Schedule 6: Bills Payables

(Amount in NPR)

PARTICULARS	(Amount in NPR)	
	CURRENT YEAR	PREVIOUS YEAR
1. Local Currency	212,665,093	1,916,138
2. Foreign Currency	3,493,786	29,931,253
<b>Total</b>	<b>216,158,879</b>	<b>31,847,391</b>

## Schedule 7: Other Liabilities

(Amount in NPR)

PARTICULARS	(Amount in NPR)	
	CURRENT YEAR	PREVIOUS YEAR
1. Pension / Gratuity Fund	-	-
2. Employees Provident Fund	-	-
3. Employees Welfare Fund	-	-
4. Provision for Staff Bonus	75,572,728	106,660,599
5. Interest Payable on Deposit	172,598,332	77,440,845
6. Interest Payable on Borrowings/Bonds	23,031,523	29,652,720
7. Unearned Discount & Commission	-	-
8. Sundry Creditors	74,282,439	25,387,833
9. Branch Adjustment Account	103,494,371	68,993,804
10. Deferred Tax Liability	-	-
11. Dividend Payable	15,397,544	-
12. Others		
a. Provision for Audit Fee	678,000	678,000
b. Provision for leave encashment	62,268,078	33,078,408
c. Matured HBL Bond Payable	3,965,000	155,592,300
d. Provision for Gratuity	30,928,751	46,337,759
e. Interest Suspense on NBA	892,259	892,259
f. Others	197,975,705	279,122,436
<b>Total</b>	<b>761,084,730</b>	<b>823,836,963</b>

## Schedule 8: Cash Balance

(Amount in NPR)

PARTICULARS	(Amount in NPR)	
	CURRENT YEAR	PREVIOUS YEAR
1. Local Currency (Including coins)	478,067,207	415,043,342
2. Foreign Currency	36,156,362	58,716,353
<b>Total</b>	<b>514,223,569</b>	<b>473,759,695</b>

## Schedule 9: Balance with Nepal Rastra Bank

(Amount in NPR)

PARTICULARS				CURRENT YEAR	PREVIOUS YEAR
	LOCAL CURRENCY	FOREIGN CURRENCY INR CONVERTIBLE CURRENCY	TOTAL		
1. Nepal Rastra Bank	2,572,714,091	-	32,076,810	2,604,790,901	2,328,405,821
a. Current Account	2,572,714,091	-	32,076,810	2,604,790,901	2,328,405,821
b. Other Account	-	-	-	-	-
<b>Total</b>	<b>2,572,714,091</b>	<b>-</b>	<b>32,076,810</b>	<b>2,604,790,901</b>	<b>2,328,405,821</b>

Note: Total balance as per the statement received from respective bank is Rs 2,580,084,300

## Schedule I0: Balance with Banks / Financial Institutions

(Amount in NPR)

PARTICULARS	LOCAL CURRENCY	INR	FOREIGN CURRENCY		CURRENT YEAR	PREVIOUS YEAR
			CONVERTIBLE CURRENCY	TOTAL		
1. Local Licensed Institutions	369,547,149	-	13,814,072	13,814,072	383,361,221	80,135,785
a. Current Account	369,547,149	-	13,814,072	13,814,072	383,361,221	80,135,785
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	- 52,418,147	311,696,846	364,114,993	364,114,993	364,114,993	166,225,487
a. Current Account	- 52,418,147	311,696,846	364,114,993	364,114,993	364,114,993	166,225,487
b. Other Account	-	-	-	-	-	-
<b>Total</b>	<b>369,547,149</b>	<b>52,418,147</b>	<b>325,510,918</b>	<b>377,929,065</b>	<b>747,476,214</b>	<b>246,361,272</b>

Note: Total balance as per the statements received from respective banks is Rs 805,401,248

## Schedule I1: Money at Call and Short Notice

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Local Currency	100,000,000	700,000,000
2. Foreign Currency	208,840,000	470,793,650
<b>Total</b>	<b>308,840,000</b>	<b>1,170,793,650</b>

## Schedule I2: Investments

(Amount in NPR)

PARTICULARS	PURPOSE		CURRENT YEAR	PREVIOUS YEAR
	TRADING	OTHER		
1. Nepal Government Treasury Bills	-	3,455,030,155	3,455,030,155	3,907,341,932
2. Nepal Government Saving Bond	-	1,010,342,254	1,010,342,254	304,958,447
3. Nepal Government Other Securities	-	-	-	-
4. NRB Bonds	-	-	-	-
5. Foreign Bonds	-	-	-	-
6. Local Licensed Institutions	-	197,305,000	197,305,000	-
7. Foreign Banks	-	3,703,350,297	3,703,350,297	4,404,506,908
8. Corporate Shares	-	78,882,459	78,882,459	93,883,359
9. Corporate Bonds and Debentures	-	-	-	-
10. Other Investments	-	-	-	-
<b>Total Investment</b>	-	<b>8,444,910,165</b>	<b>8,444,910,165</b>	<b>8,710,690,646</b>
<b>Provision</b>	-	-	-	-
<b>Net Investment</b>	-	-	<b>8,444,910,165</b>	<b>8,710,690,646</b>

## Schedule 12(A): Investments in Shares, Debentures and Bonds

(Amount in NPR)

PARTICULARS	COST PRICE	MARKET VALUE	PROVISION	CURRENT YEAR	PREVIOUS YEAR
I. Investment in Shares					
1.1 Himalayan Distillery Ltd.	-	-	-	-	22,356,000
1.2 Rural Microfinance Dev Centre 480,000 Shares @ Rs. 100 per share, fully paid up	48,000,000	48,000,000	-	48,000,000	48,000,000
1.3 Western Rural Development Bank 33,000 Shares (including 3,000 bonus shares) @ Rs. 100 per share, fully paid up	3,000,000	3,300,000	-	3,000,000	3,000,000
1.4 Nirdhan Utthan Bank Ltd. 121,416 Shares (including 43,896 bonus shares) @ Rs. 100 per share, fully paid up	7,752,000	39,460,200	-	7,752,000	7,752,000
1.5 Chhimek Bikas Bank Ltd. 113,402 Shares (including 39,601 bonus shares) @ Rs. 100 per share, fully paid up	7,380,100	38,896,690	-	7,380,100	3,600,000
1.6 Swabalamban Bikas Bank Ltd. 84,150 Shares (including 18,150 bonus shares) @ Rs. 100 per share, fully paid up	6,600,000	30,217,500	-	6,600,000	6,600,000
1.7 Swift SC 6 Shares	1,214,859	1,214,859	-	1,214,859	1,214,859
1.8 Credit Information Corporation Limited 14,120 shares (including 1,765 bonus shares) @ Rs. 100 per share, fully paid up	1,235,500	1,412,000	-	1,235,500	1,235,500
1.9 Nepal Clearing House (100% of committed equity)	2,500,000	2,500,000	-	2,500,000	125,000
1.10 VISA Card International 5,860 nos. of Common Stock	-	-	-	-	-
1.11 Nepal Bankers' Training Institute (100% Of committed equity)	1,200,000	1,200,000	-	1,200,000	-
2. Investment in Debentures and Bonds					
2.1 .....					
2.2 .....					
2.3 .....					
Total Investment	78,882,459	166,201,249	-	78,882,459	93,883,359
3. Provision for Loss					
3.1 Up to previous year	-	-	-	-	-
3.2 Addition this year	-	-	-	-	-
Total Provision	-	-	-	-	-
<b>Net Investment</b>	<b>78,882,459</b>			<b>78,882,459</b>	<b>93,883,359</b>

Note : Shares of Chhimek Bikas Bank Limited, Nirdhan Utthan Bank Limited and Swabalamban Bikas Bank Limited are listed in Nepal stock Exchange. Companies except RMDC, Chhimek Bikas Bank Limited, Nirdhan Utthan Bank Limited, Western Rural Development Bank and Swabalamban Bikas Bank Limited have not declared dividend in the last three years.



## Schedule 12.1: Held for Trading Investments

(Amount in NPR)

PARTICULARS	COST PRICE	MARKET PRICE AS AT		PROFIT / LOSS		REMARKS
		16-JUL-2010	15-JUL-2009	THISYEAR	PREVIOUSYEAR	
1. Nepal Government Treasury Bills	-	-	-	-	-	-
2. Nepal Government Saving Bonds	-	-	-	-	-	-
3. Nepal Government Other Securities	-	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Bonds	-	-	-	-	-	-
6. Shares of Local Licensed Institutions	-	-	-	-	-	-
7. Debentures and Bonds of Local Licensed Institution	-	-	-	-	-	-
8. Shares, Debentures and Bonds of Local Organised Institutions	-	-	-	-	-	-
9. Placement in Foreign Banks	-	-	-	-	-	-
10. Inter Bank Lending	-	-	-	-	-	-
11. Other Investments	-	-	-	-	-	-
<b>Total Investments</b>	-	-	-	-	-	-

## Schedule 12.2: Held to Maturity Investments

(Amount in NPR)

PARTICULARS	COST PRICE	IMPAIRED AMOUNT TILL		PROFIT / LOSS		REMARKS
		16-JUL-2010	15-JUL-2009	THISYEAR	PREVIOUSYEAR	
1. Nepal Government Treasury Bills	3,455,030,155	-	-	-	-	-
2. Nepal Government Saving Bonds	1,010,342,254	-	-	-	-	-
3. Nepal Government Other Securities	-	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Bonds	-	-	-	-	-	-
6. Shares of Local Licensed Institutions	-	-	-	-	-	-
7. Debentures and Bonds of Local Licensed Institution	-	-	-	-	-	-
8. Shares, Debentures and Bonds of Local Organised Institutions	-	-	-	-	-	-
9. Placement in Foreign Banks	3,703,350,297	-	-	-	-	-
11. Other Investments	197,305,000	-	-	-	-	-
<b>Total Investments</b>	<b>8,366,027,706</b>	-	-	-	-	-

## Schedule 12.3: Available for Sale Investments

(Amount in NPR)

PARTICULARS	COST PRICE	MARKET PRICE AS AT		THIS YEAR INVESTMENT ADJUSTMENT	PREVIOUS YEAR PROFIT/ LOSS	REMARKS
		15-JUL-2009 (A)	16-JUL-2010 (B)			
1. Nepal Government Treasury Bills	-	-	-	-	-	-
2. Nepal Government Saving Bonds	-	-	-	-	-	-
3. Nepal Government Other Securities	-	-	-	-	-	-
4. Nepal Rastra Bank Bonds	-	-	-	-	-	-
5. Foreign Bonds	-	-	-	-	-	-
6. Shares of Local Licensed Institutions	72,732,100	-	159,874,390	-	-	-
7. Debentures and Bonds of Local Licensed Institution	-	-	-	-	-	-
8. Shares, Debentures and Bonds of Local Organised Institutions	4,935,500	-	5,112,000	-	-	-
9. Placement in Foreign Banks	-	-	-	-	-	-
10. Other Investments	1,214,859	-	1,214,859	-	-	-
<b>Total Investments</b>	<b>78,882,459</b>	-	<b>166,201,249</b>	-	-	-

\*For the shares, which are not listed in Nepal Stock Exchange, cost of acquisition is considered as the market price.

## Schedule 13: Classification of Loans & Bills Purchased and Provisioning

(Amount in NPR)

PARTICULARS	PRIORITY		LOANS & ADVANCES		BILLS PURCHASED & DISCOUNTED			CURRENT YEAR	PREVIOUS YEAR		
	INSURED	UN-INSURED	DOMESTIC	OTHER	FOREIGN	TOTAL	LOCAL			FOREIGN	TOTAL
<b>1. Performing Loan</b>	-	-	<b>27,951,907,095</b>	-	-	<b>27,951,907,095</b>	-	<b>147,015,832</b>	<b>147,015,832</b>	<b>28,098,922,927</b>	<b>24,968,209,447</b>
1.1 Pass Loan	-	-	27,768,621,231	-	-	27,768,621,231	-	147,015,832	147,015,832	27,915,637,063	24,666,641,209
1.2 Re-structured	-	-	183,285,864	-	-	183,285,864	-	-	-	183,285,864	301,568,238
<b>2. Non-Performing Loan</b>	-	-	<b>1,024,665,271</b>	-	-	<b>1,024,665,271</b>	-	<b>166,691</b>	<b>166,691</b>	<b>1,024,831,962</b>	<b>551,309,634</b>
2.1 Substandard	-	-	122,760,170	-	-	122,760,170	-	-	-	122,760,170	167,831,185
2.2 Doubtful	-	-	220,519,809	-	-	220,519,809	-	-	-	220,519,809	194,699,043
2.3 Loss	-	-	681,385,292	-	-	681,385,292	-	166,691	166,691	681,551,983	188,779,406
<b>(A) Total Loan</b>	-	-	<b>28,976,572,366</b>	-	-	<b>28,976,572,366</b>	-	<b>147,182,523</b>	<b>147,182,523</b>	<b>29,123,754,889</b>	<b>25,519,519,081</b>
<b>3. Loan Loss Provision</b>	-	-	-	-	-	-	-	-	-	-	-
3.1 Pass	-	-	281,013,641	-	-	281,013,641	-	1,470,158	1,470,158	282,483,799	247,686,763
3.2 Re-structured	-	-	22,910,733	-	-	22,910,733	-	-	-	22,910,733	117,613,270
3.3 Substandard	-	-	46,818,580	-	-	46,818,580	-	-	-	46,818,580	74,157,874
3.4 Doubtful	-	-	110,259,905	-	-	110,259,905	-	-	-	110,259,905	99,025,370
3.5 Loss	-	-	680,486,421	-	-	680,486,421	-	166,691	166,691	680,653,112	187,880,535
<b>(B) Total Provisioning</b>	-	-	<b>1,141,489,280</b>	-	-	<b>1,141,489,280</b>	-	<b>1,636,849</b>	<b>1,636,849</b>	<b>1,143,126,129</b>	<b>726,363,812</b>
<b>4. Provisioning up to Previous Year</b>	-	-	-	-	-	-	-	-	-	-	-
4.1 Pass	-	426,725	244,426,735	-	-	244,853,460	1,274,357	1,558,946	2,833,303	247,686,763	196,490,075
4.2 Re-structured	-	-	117,613,270	-	-	117,613,270	-	-	-	117,613,270	156,137,866
4.3 Substandard	-	-	74,157,874	-	-	74,157,874	-	-	-	74,157,874	13,479,995
4.4 Doubtful	-	338,961	98,686,409	-	-	99,025,370	-	-	-	99,025,370	107,238,157
4.5 Loss	-	-	185,865,613	-	-	185,865,613	1,760,000	254,922	2,014,922	187,880,535	208,746,594
<b>(C) Total Provision up to Last Year</b>	-	<b>765,686</b>	<b>720,749,901</b>	-	-	<b>721,515,587</b>	<b>3,034,357</b>	<b>1,813,868</b>	<b>4,848,225</b>	<b>726,363,812</b>	<b>682,092,687</b>
<b>(D) Provision written back this year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>(E) This year's additional provision</b>	-	-	-	-	-	-	-	-	-	-	-
<b>(F) Net adjustment during the year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Net Loan (A - B)</b>	-	-	-	-	-	-	-	-	-	<b>27,980,628,760</b>	<b>24,793,155,269</b>

## Schedule 13 (A): Security Wise Detail of Loans, Advances and Bills Purchased

(Amount in NPR)

PARTICULARS		
	CURRENT YEAR	PREVIOUS YEAR
<b>(A) Secured</b>	<b>29,123,754,889</b>	<b>25,519,519,081</b>
1. Movable / Immovable Assets	24,253,403,675	21,495,440,411
2. Guarantee of Local Licensed Institutions	-	-
3. Government Guarantee	-	-
4. Internationally Rated Bank Guarantee	16,863,773	76,836,619
5. Export Documents	147,182,522	285,345,168
6. Fixed Deposit Receipts	937,402,686	298,437,756
a. Own FDR	889,571,575	286,446,126
b. FDR of other Licensed Institutions	47,831,111	11,991,630
7. Nepal Government Bonds	18,024,266	13,021,058
8. Counter Guarantee	867,350,325	548,747,432
9. Personal Guarantee	13,409,886	5,101,755
10. Other Securities	2,870,117,756	2,796,588,882
<b>(B) Unsecured</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29,123,754,889</b>	<b>25,519,519,081</b>

## Schedule 14: Fixed Assets

(Amount in NPR)

PARTICULARS	ASSETS				CURRNET YEAR	PREVIOUS YEAR
	BUILDING	VEHICLES	MACHINERY	OFFICE EQUIPMENT		
<b>1. At Cost</b>						
a. Previous Year Balance	52,578,280	139,048,479	256,651,996	265,110,638	713,389,393	622,149,482
b. Addition this year	-	18,918,912	42,931,760	47,500,320	109,350,993	107,732,615
c. Revaluation / Written back this year					-	-
d. This year sold		(10,140,208)	(2,426,266)	(213,082)	(12,779,557)	(16,423,450)
e. This Year written off			(562,684)	(671,177)	(1,233,861)	(178,893)
<b>Total Cost (a + b + c + d + e)</b>	<b>52,578,280</b>	<b>147,827,183</b>	<b>296,594,807</b>	<b>311,726,699</b>	<b>808,726,968</b>	<b>713,279,754</b>
<b>2. Depreciation</b>						
a. Up to previous year	12,341,741	49,614,654	162,816,536	117,582,870	342,355,801	292,669,953
b. For this year	2,038,769	14,422,406	22,157,028	23,915,002	62,533,206	57,422,384
c. Depreciation on revaluation/written back					-	-
d. Depreciation Adjusted/Written Back		(4,333,581)	(2,537,629)	(231,610)	(7,102,820)	(7,846,175)
<b>Total Depreciation</b>	<b>14,380,510</b>	<b>59,703,479</b>	<b>182,435,935</b>	<b>141,266,263</b>	<b>397,786,187</b>	<b>342,246,162</b>
<b>3. Book Value (WDV)(1-2)</b>	<b>38,197,770</b>	<b>88,123,704</b>	<b>114,158,872</b>	<b>170,460,436</b>	<b>410,940,781</b>	<b>371,033,592</b>
<b>4. Land</b>					325,671,342	325,671,342
<b>5. Capital Construction (WIP)</b>					233,057,056	166,697,949
<b>6. Leasehold Assets</b>					92,201,577	88,793,512
<b>Total (3+4+5+6)</b>					<b>1,061,870,757</b>	<b>952,196,395</b>

## Schedule 15: Non Banking Assets

(Amount in NPR)

NAME & ADDRESS OF BORROWER	DATE OF ASSUMING NON-BANKING ASSETS	TOTAL AMOUNT OF NON-BANKING ASSETS		LOSS PROVISION % IN AMOUNT		CURRENT YEAR	PREVIOUS YEAR
Nepal F.P. Information	2003.03.18			-		-	3,879,000
Ayusha Garment	2005.05.29			-		-	112,500
Pasupati Agrochem	2005.07.23			-		-	4,900,000
Kalika English Sec. School (Bhaktapur)	2008.07.06			-		-	9,341,200
Bageshwari Suupliers	2008.12.03			-		-	1,924,504
Nepal Teppich	2008.12.03			-		-	537,500
BRD Traders	2009.03.12		3,000,000	100	3,000,000	-	3,000,000
Yuyutsuva Packaging	2009.07.06		14,940,464	100	14,940,464	-	14,940,464
Ravi International	2009.07.09		790,400	100	790,400	-	855,400
Dhaneswari Cotton Mills	2009.07.09			-		-	1,368,000
Sagarmatha Printing	2009.07.15			-		-	1,406,250
<b>Addition during the year:</b>							
Blue Man Fashion	2010.01.04		11,175,000	100	11,175,000	-	
<b>Grand Total</b>			<b>29,905,864</b>		<b>29,905,864</b>	-	<b>42,264,818</b>
<b>Opening Balance of NBA Provision</b>			<b>19,570,130</b>				<b>14,520,396</b>
Addition during the year			10,335,734				5,049,734
Closing provision on NBA			29,905,864				19,570,130
<b>Net Non-banking Assets</b>			<b>-</b>				<b>22,694,688</b>

## Schedule 16: Other Assets

(Amount in NPR)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR
1. Stock of Stationery		13,785,619	12,861,701
2. Income Receivable on investments		72,011,804	103,437,170
3. Accrued Interest on Loan	500,244,635		376,747,505
Less : Interest Suspense Amount	(500,244,635)	-	(376,747,505)
4. Commission Receivable		-	-
5. Sundry Debtors		-	-
6. Staff Loan and Advances		524,161,889	230,899,575
7. Prepayments		42,681,000	28,151,614
8. Cash in Transit		-	-
9. Other Transit Items(Including Cheques)		122,438,330	52,647,667
10. Drafts Paid without Notice		-	-
11. Expenses not written off		63,483,585	49,737,122
12. Branch Adjustment Account		-	-
13. Deferred Tax Assets		8,355,221	7,759,533
14. Others		207,466,799	146,580,005
a. Advance for capital works	60,291,162		26,514,824
b. Advance Corporate Tax	17,483,242		
c. Others	187,252,222		179,694,927
Less: Provision for possible losses	(57,559,827)		(59,629,746)
<b>Total</b>		<b>1,054,384,247</b>	<b>632,074,387</b>

## Schedule 16 (A): Other Assets (Additional Statement)

(Amount in NPR)

PARTICULARS	CURRENT YEAR				PREVIOUS YEAR
	UPTO 1 YEAR	1 TO 3 YEAR	ABOVE 3 YEARS	TOTAL	
1. Accrued interest on Loan	190,455,121	119,676,066	190,113,448	500,244,635	376,747,505
2. Drafts Paid without Notice	-	-	-	-	-
3. Branch Adjustment A/c	-	-	-	-	-
4. Agency Balance					
<b>Total</b>	<b>190,455,121</b>	<b>119,676,066</b>	<b>190,113,448</b>	<b>500,244,635</b>	<b>376,747,505</b>

## Schedule 17: Contingent Liabilities

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Claims on Institution but not accepted by Institution	25,890,000	9,597,071
2. Letters of Credit (full amount)	<b>5,294,496,264</b>	<b>7,042,307,302</b>
a. Less than 6 months maturity	2,991,720,160	4,690,089,174
b. More than 6 months maturity	2,302,776,104	2,352,218,128
3. Rediscounted Bills		
4. Unmatured Guarantees/Bonds	<b>1,363,751,841</b>	<b>1,701,267,747</b>
a. Bid Bond	176,711,709	239,347,026
b. Performance Bond	865,968,032	1,038,087,151
c. Other Guarantees/ Bonds	321,072,100	423,833,570
5. Unpaid Shares in Investment	-	2,375,000
6. Forward Exchange Contract Liabilities	5,603,339	169,911,061
7. Bills under collection	374,167,438	411,605,554
8. Acceptance and Endorsements	645,610,771	418,388,461
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	2,467,703,643	2,077,974,689
11. Counter Guarantee of Internationally Rated Banks	2,451,496,514	2,609,495,204
12. Advance Payment Guarantee	289,382,806	285,810,367
13. Financial Guarantee	-	-
14. Contingent Liabilities on Income Tax	-	20,975,483
15. Others	-	-
<b>Total</b>	<b>12,918,102,616</b>	<b>14,749,707,939</b>

## Schedule 18: Interest Income

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>A. On Loan, Advances and Overdraft</b>	<b>2,836,250,975</b>	<b>1,861,044,726</b>
1. Loan and Advances	2,003,145,512	1,449,886,617
2. Overdraft	833,105,463	411,158,109
<b>B. On Investment</b>	<b>216,035,586</b>	<b>354,949,455</b>
1. Nepal Government Securities	216,035,586	354,949,455
a. Treasury Bills	192,869,090	335,229,682
b. Development Bonds	23,166,496	19,719,773
c. National Saving Certificate	-	-
2. Foreign Securities	-	-
a. ....	-	-
b. ....	-	-
3. Nepal Rastra Bank Bonds	-	-
4. Debenture and Bonds	-	-
5. Interest on Inter Bank Lending	-	-
a. Bank/Financial Institutions	-	-
b. Other Organizations	-	-
<b>C. On Agency Balances</b>	<b>481,828</b>	<b>6,781,593</b>
1. Local Banks	410,959	-
2. Foreign Banks	70,869	6,781,593
<b>D. On Money at Call and Short Notice</b>	<b>9,258,974</b>	<b>7,733,909</b>
1. Local Banks	9,200,947	3,824,965
2. Foreign Banks	58,027	3,908,944
<b>E. On Others</b>	<b>86,577,833</b>	<b>111,688,496</b>
1. Certificate of Deposits	-	-
2. Inter-Bank Loan	8,926,075	3,436,385
3. FCY Placements	77,651,758	108,252,111
<b>Total</b>	<b>3,148,605,196</b>	<b>2,342,198,179</b>

## Schedule 19: Interest Expenses

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>A. On Deposit Liabilities</b>		
1. Fixed Deposits	<b>709,662,939</b>	<b>260,932,125</b>
1.1 Local Currency	687,201,288	212,676,014
1.2 Foreign Currency	22,461,651	48,256,111
2. Saving Deposits	<b>560,238,241</b>	<b>433,809,243</b>
2.1 Local Currency	551,660,582	422,797,883
2.2 Foreign Currency	8,577,659	11,011,360
3. Call Deposit	<b>205,670,132</b>	<b>144,811,239</b>
3.1 Local Currency	187,603,970	122,693,356
3.2 Foreign Currency	18,066,162	22,117,883
4. Certificate of Deposits	-	-
<b>B. On Borrowings</b>	<b>77,959,375</b>	<b>95,225,408</b>
1. Debentures and Bonds	40,000,000	70,264,657
2. Loan from Nepal Rastra Bank	26,105,543	2,980,197
3. Inter Bank/Financial Institutions Borrowing	11,853,832	21,980,554
4. Other Corporate Bodies	-	-
5. Other Loans	-	-
<b>C. Others</b>	-	-
<b>Total</b>	<b>1,553,530,687</b>	<b>934,778,015</b>

## Schedule 20: Commission and Discount Income

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>A. Bills Purchased and Discounted</b>	<b>16,501,290</b>	<b>21,978,566</b>
1. Local	16,304,133	19,726,224
2. Foreign	197,157	2,252,342
<b>B. Commission</b>	<b>180,201,381</b>	<b>209,335,294</b>
1. Letters of Credit	40,276,536	64,670,167
2. Guarantees	51,766,899	48,958,868
3. Collection Fees	10,929,607	9,490,295
4. Remittance Fees	49,921,094	50,940,107
5. Credit Cards Fee	27,307,245	35,275,857
6. Share Underwriting /Issue	-	-
7. Government Transactions	-	-
8. Agency Commissions	-	-
9. Exchange Fees	-	-
<b>C. Others</b>	<b>73,556,061</b>	<b>52,988,417</b>
<b>Total</b>	<b>270,258,732</b>	<b>284,302,277</b>

## Schedule 21: Other Operating Income

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Safe Deposit Lockers Rental	8,214,273	8,597,296
2. Issue and Renewal of Credit Cards	43,595,966	19,520,532
3. Issue and Renewals of ATM Cards	2,419,335	1,702,253
4. Telex/ T.T	11,998,618	9,769,637
5. Service Charges	-	-
6. Renewal Fees	-	-
7. Others	46,118,233	6,753,154
<b>Total</b>	<b>112,346,425</b>	<b>46,342,872</b>

## Schedule 22: Exchange Gain / (Loss)

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A. Revaluation Gain/(Loss)	(10,045,679)	8,948,268
B. Trading Gain (including exchange Fee on INR)	190,324,422	241,034,338
<b>Total Income / (Loss)</b>	<b>180,278,743</b>	<b>249,982,606</b>

## Schedule 23: Staff Expenses

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Salary	170,466,049	167,339,208
2. Allowances	151,089,543	111,135,739
3. Contribution to Provident Fund	15,162,643	13,604,947
4. Training Expenses	3,176,851	5,538,572
5. Uniform	5,397,018	3,633,996
6. Medical	-	-
7. Insurance	11,988,099	8,449,942
8. Pension and Gratuity	30,928,751	46,337,759
9. Others	26,774,940	4,940,478
<b>Total</b>	<b>414,983,894</b>	<b>360,980,641</b>



## Schedule 24: Other Operating Expenses

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Office Rent	63,493,567	51,558,878
2. Electricity & Water	13,109,944	9,929,846
3. Repairs and Maintenance	36,951,270	31,798,053
a. Building	440,023	451,136
b. Vehicles	1,092,520	950,752
c. Others	35,418,727	30,396,165
4. Insurance	10,708,504	10,045,893
5. Postage Telex, Telephone, Fax	17,309,966	14,973,073
6. Office Equipment & Furniture- Repairs	799,796	699,150
7. Travelling Allowances and Expenses	16,111,266	12,505,322
8. Printing and Stationery	15,665,683	15,279,909
9. Periodicals and Books	706,943	622,720
10. Advertisements	38,090,485	27,720,226
11. Legal Expenses	229,350	280,371
12. Donations	21,400	1,241,584
13. Expenses Relating to Board of Directors	4,739,988	3,075,956
a. Meeting Fees	883,800	748,800
b. Other Expenses	3,856,188	2,327,156
14. Annual General Meeting Expenses	722,656	1,066,761
15. Expenses Relating to Audit	1,052,623	980,920
a. Audit Fees	678,000	678,000
b. Other Expenses	374,623	302,920
16. Commission on Remittances		
17. Depreciation on Fixed Assets	62,533,206	57,422,384
18. Amortization	39,162,479	33,048,802
19. Share Issue Expenses	-	-
20. Technical Services Fee	-	-
21. Entertainment	1,011,295	2,532,447
22. Written off Expenses	3,175,040	2,184,051
23. Security Expenses	14,867,166	10,187,950
24. Credit Guarantee Premium	-	132,978
25. Commission and Discount	26,972,288	28,412,567
26. Others	103,668,051	82,616,725
a. Registration Fee and Charges	19,727,348	6,967,115
b. Card Membership and other expenses	50,974,985	43,518,961
c. Committee Meeting Fees	830,310	817,600
d. Fuel, Janitorial & Cleaning	20,304,453	20,818,635
e. Others	11,830,955	10,494,414
<b>Total</b>	<b>471,102,966</b>	<b>398,316,566</b>

## Schedule 25: Provision for Possible Losses

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Increase in Loan Loss Provision	667,416,941	189,646,640
2. Increase in Provision for Loss on Investment	-	-
3. Provision against Non-Banking Assets	25,223,148	9,568,330
4. Provision against Other Assets	-	-
<b>Total</b>	<b>692,640,089</b>	<b>199,214,970</b>

## Schedule 26: Non Operating Income / (Loss)

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Profit/(Loss) on Sale on Investment	-	-
2. Profit / (Loss) on Sale of Assets [Includes profit on sale of NBA Rs. 4,291,381 (Previous year loss of Rs. 221,813)]	5,386,438	367,345
3. Dividend	6,996,002	3,442,800
4. Subsidies received from Nepal Rastra Bank	-	-
a. Reimbursement of losses of specified branches	-	-
b. interest subsidy	-	-
c. Exchange counter	-	-
5. Others	-	-
<b>Total Non- Operating Income (Loss)</b>	<b>12,382,440</b>	<b>3,810,145</b>

## Schedule 27: Loss Provisions Written Back

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Loan Loss Provision Written Back	250,654,624	145,375,515
2. Provision against Non-Banking Assets Written Back	14,887,414	4,518,596
3. Investment Provision Written Back	-	-
4. Provision against Other Assets Written Back	-	-
<b>Total</b>	<b>265,542,038</b>	<b>149,894,111</b>

## Schedule 28: Profit / (Loss) from Extra-ordinary Activities

(Amount in NPR)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Recovery of Writen off Loan	17,233,377	4,992,653
2. Voluntary Retirement Scheme Expenses	-	-
3. Loan Write/offs [Schedule 28 (A)]	(43,089,303)	(14,966,059)
4. Other Expenses/Income	-	-
<b>Total</b>	<b>(25,855,926)</b>	<b>(9,973,406)</b>

## Schedule 28 (A): Statement of Loans Written-off

(Amount in NPR)

S. N.	Type of Loan	Amount Written off	Security Detail	Basis of valuation	Approving authority	Recovery steps taken	Remarks
1	Packing credit	1,000,000	Mortgaged properties have already been transferred in the name of the Bank.	Weighted average of 70% Market value and 30% Government rate.	SGM/Executive Committee	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
2	BLC	4,425,800	Mortgaged properties have already been transferred in the name of the Bank.	Weighted average of 70% Market value and 30% Government rate.	DGM/GM	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
3	Overdraft Loan	5,132,989	Mortgaged properties have already been transferred in the name of the Bank.	30% of the rate adopted by Government and 70% of the prevailing Market rate.	General Manager/Executive Committee	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
4	Trust Receipt Loan	3,672,895	Mortgaged properties have already been transferred in the name of the Bank.	70% market rate, 30% Government rate.	DGM/GM/BM	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
5	Credit Card Loan	14,099,132			SGM	Follow-up through telephonic calls and written notices served to the card holders. 35 days notice published in newspaper along with the photographs.	
6	Bills Purchase	1,760,000			SGM/Executive Committee	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
7	Post shipment	3,505,162	Mortgaged properties have already been transferred in the name of the Bank.	70% market rate, 30% Government rate.	Branch Manager	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
8	Structured Loan	1,312,496	Mortgaged properties of land & bulding located at Janakpur value NPR 4.675M	70% market rate, 30% Government rate.	LRC/Board	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
9	Time Loan	8,180,829	Mortgaged properties have already been transferred in the name of the Bank.	70% market rate, 30% Government rate.	Branch Manager/SGM/EC	Served various follow-up letters, 35 days notice published in newspaper. Auction and re-auction notice published in newspaper. Promoters of the borrower and PG holders have been blacklisted.	
	Total Loan	43,089,303					

## Schedule 29 : Statement of Loans & Advances given to Directors / CEO / Promoters / Employees and Shareholders

The amounts included under total amount of Bills Purchased and Discounted, Loans, Advances and Overdraft, provided to the Directors, Chief Executive, Promoters Employees, Shareholders and to the individual members of their undivided family or against the guarantee of such persons or to the organizations or companies in which such individuals are managing agent, are as follows:

(Amount in NPR)

Name of Promoters / Directors /Chief Executive	Previous Years's Balance		This Year Recovery		This Year Additions	Current Year	
	Principal	Interest	Principal	Interest		Principal	Interest
<b>(A) Directors</b>							
1. ....	-	-	-	-	-	-	-
2. ....	-	-	-	-	-	-	-
3. ....	-	-	-	-	-	-	-
<b>(B) Chief Executives</b>							
1. ....	-	-	-	-	-	-	-
2. ....	-	-	-	-	-	-	-
3. ....	-	-	-	-	-	-	-
<b>(C) Promoters</b>							
1. ....	-	-	-	-	-	-	-
2. ....	-	-	-	-	-	-	-
3. ....	-	-	-	-	-	-	-
<b>(D) Employees</b>							
1. ....	-	-	-	-	-	-	-
2. ....	-	-	-	-	-	-	-
3. ....	-	-	-	-	-	-	-
<b>(E) Shareholders</b>							
1. ....	-	-	-	-	-	-	-
2. ....	-	-	-	-	-	-	-
3. ....	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

Note: The Bank has various Staff Loan Schemes and the loans availed under such schemes by the Staffs are included under "Schedule 16 - Other Assets"

## Schedule 30(AI): Table of Capital Fund

(Amount in NPR)

<b>I.1 RISK WEIGHTED EXPOSURES</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
a Risk Weighted Exposure for Credit Risk	36,049,314,954	32,628,846,005
b Risk Weighted Exposure for Operational Risk	2,434,296,290	2,152,741,888
c Risk Weighted Exposure for Market Risk	56,451,697	124,301,950
Adjustment under Pillar II		
Add 2% of gross income for operational risk	431,591,682	-
Add: 1% of total RWE for overall risk	385,400,629	-
<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>39,357,055,251</b>	<b>34,905,889,843</b>
<b>I.2 CAPITAL</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>Core Capital (Tier I)</b>	<b>3,414,638,614</b>	<b>3,074,436,960</b>
a Paid up Equity Share Capital	1,600,000,000	1,216,215,000
b Irredeemable Non-cumulative preference shares	-	-
c Share Premium	-	-
d Proposed Bonus Equity Shares	400,000,000	383,785,000
e Statutory General Reserves	1,012,800,410	911,040,771
f Retained Earnings	136,587,269	36,525,513
g Current year profit/(loss)	-	-
h Capital Redemption Reserve	-	-
i Capital Adjustment Reserve	38,610,000	38,610,000
j Dividend Equalization Reserves	-	-
k Debenture Redemption Reserve	214,285,714	142,857,143
l Special Reserve	4,000,000	360,000,000
m Deferred Tax Reserve	8,355,221	7,759,533
n Less: Goodwill	-	-
o Less: Miscellaneous Expenditure not written off	-	-
p Less: Investment in equity in licensed Financial Institutions	-	-
q Less: Investment in equity of institutions with financial interests	-	-
r Less: Investment in equity of institutions in excess of limits	-	-
s Less: Investments arising out of underwriting commitments	-	(22,356,000)
t Less: Reciprocal crossholdings	-	-
u Less: Other Deductions	-	-
Adjustment under Pillar II		
Less: shortfall in Provision		
Less: loans and facilities extended to related parties and restricted lending		
<b>Supplementary Capital (Tier 2)</b>	<b>803,722,886</b>	<b>770,774,340</b>
a Cumulative and/or Redeemable Preference Shares	-	-
b Subordinated Term Debt	500,000,000	500,000,000
c Hybrid Capital Instruments	-	-
d General loan loss provision	279,156,371	247,686,763
e Exchange Equalization Reserve	23,087,577	23,087,577
f Investment Adjustment Reserve	1,478,939	-
g Assets Revaluation Reserve	-	-
h Other Reserves	-	-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>4,218,361,500</b>	<b>3,845,211,300</b>
<b>I.3 CAPITAL ADEQUACY RATIOS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Tier I Capital to Total Risk Weighted Exposures	8.68	8.81
Tier I and Tier 2 Capital to Total Risk Weighted Exposures	10.72	11.02

## Schedule 30(B): RISK WEIGHTED EXPOSURE FOR CREDIT RISK

(Amount in NPR)

	CURRENT YEAR					PREVIOUS YEAR		
	BOOK VALUE A	SPECIFIC PROVISION B	ELIGIBLE CRM C	NET VALUE D=A-B-C	RISK WEIGHT E	RISK WEIGHTED EXPOSURES F=D*E	NET VALUE	RISK WEIGHTED EXPOSURES
Cash Balance	514,223,569	-	-	514,223,569	0%	-	473,759,695	-
Balance With Nepal Rastra Bank	2,604,790,901	-	-	2,604,790,901	0%	-	2,328,405,821	-
Gold	-	-	-	-	0%	-	-	-
Investment in Nepalese Government Securities	4,465,372,409	-	-	4,465,372,409	0%	-	304,958,447	-
All Claims on Government of Nepal	255,195,221	-	-	255,195,221	0%	-	4,014,116,532	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	-	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-	-	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized 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 (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 7)	517,882,524	-	139,047,600	378,834,924	150%	568,252,385	-	-
Claims on domestic banks that meet capital adequacy requirements	634,352,875	-	-	634,352,875	20%	126,870,575	750,518,159	150,103,632
Claims on domestic banks that do not meet capital adequacy requirements	46,313,346	-	-	46,313,346	100%	46,313,346	35,047,376	35,047,376
Claims on foreign bank (ECA Rating 0-1)	1,827,836,035	-	-	1,827,836,035	20%	365,567,207	2,181,255,680	436,251,136
Claims on foreign bank (ECA Rating 2)	15,695,405	-	-	15,695,405	50%	7,847,703	111,219,975	55,609,988
Claims on foreign bank (ECA Rating 3-6)	6,273,911	-	-	6,273,911	100%	6,273,911	-	-
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	2,465,964,501	-	-	2,465,964,501	20%	493,192,900	2,814,905,029	562,981,006
Claims on Domestic Corporates	18,038,471,068	-	176,839,854	17,861,631,214	100%	17,861,631,214	18,013,736,535	18,013,736,535
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	2,622,309,636	375,171	104,992,352	2,516,942,112	75%	1,887,706,584	1,734,358,831	1,300,769,123
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	956,029,354	973,000	-	955,056,354	60%	573,033,812	716,609,540	429,965,724
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	6,548,750	1,128,265	-	5,420,485	100%	5,420,485	4,512,942	4,512,942
Claims secured by Commercial real estate	1,563,858,214	-	6,659,854	1,557,198,360	100%	1,557,198,360	722,309,464	722,309,464
Past due claims (except for claim secured by residential properties)	1,339,627,470	844,892,338	66,779,383	427,955,749	150%	641,933,623	577,750,861	866,626,292
High Risk claims	3,823,832,654	16,600,984	138,032,185	3,669,199,484	150%	5,503,799,226	2,534,840,057	3,802,260,086
Investments in equity and other capital instruments of institutions listed in the stock exchange	21,732,100	-	-	21,732,100	100%	21,732,100	40,308,000	40,308,000
Investments in equity and other capital instruments of institutions not listed in the stock exchange	57,150,359	-	-	57,150,359	150%	85,725,539	53,575,359	80,363,039
Other Assets (as per attachment)	3,303,745,601	1,271,610,663	-	2,032,134,939	100%	2,032,134,939	1,519,210,586	1,519,210,586
<b>TOTAL</b>	<b>45,087,205,900</b>	<b>2,135,580,421</b>	<b>632,351,229</b>	<b>42,319,274,250</b>		<b>31,784,633,908</b>	<b>38,931,398,889</b>	<b>28,020,054,927</b>

**Schedule 30(B): RISK WEIGHTED EXPOSURE FOR CREDIT RISK (contd..)**

(Amount in NPR)

	CURRENT YEAR					PREVIOUS YEAR		
	BOOK VALUE A	SPECIFIC PROVISION B	ELIGIBLE CRM C	NET VALUE D=A-B-C	RISK WEIGHT E	RISK WEIGHTED EXPOSURES F=D*E	NET VALUE	RISK WEIGHTED EXPOSURES
Revocable Commitments	-	-	-	-	0%	-	-	-
Bills Under Collection	374,167,438	-	-	374,167,438	0%	-	411,605,554	-
Forward Exchange Contract Liabilities	5,603,339	-	-	5,603,339	10%	560,334	169,911,061	16,991,106
LC Commitments With Original Maturity Upto 6 months	2,991,720,160	-	497,165,557	2,494,554,603	20%	498,910,921	4,370,689,624	874,137,925
domestic counterparty foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months	2,302,776,104	-	138,840,902	2,163,935,201	50%	1,081,967,601	2,327,865,664	1,163,932,832
domestic counterparty foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	1,363,751,841	-	127,178,358	1,236,573,483	50%	618,286,742	1,584,990,435	792,495,218
foreign counterparty (ECA Rating 0-1)	129,201,217	-	103,360,974	25,840,243	20%	5,168,049	41,021,819	8,204,364
foreign counterparty (ECA Rating 2)	2,299,939,693	-	1,149,969,847	1,149,969,847	50%	574,984,923	1,197,625,900	598,812,950
foreign counterparty (ECA Rating 3-6)	22,355,604	-	-	22,355,604	100%	22,355,604	8,397,161	8,397,161
foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-
Underwriting commitments	-	-	-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-	-	-
Advance Payment Guarantee	289,382,806	-	17,867,432	271,515,374	100%	271,515,374	269,291,499	269,291,499
Financial Guarantee	-	-	-	-	100%	-	-	-
Acceptances and Endorsements	645,610,771	-	-	645,610,771	100%	645,610,771	418,388,461	418,388,461
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	-	-
Irrevocable Credit commitments (short term)	2,467,703,643	-	-	2,467,703,643	20%	493,540,729	2,077,974,689	415,594,938
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-	-	-
Other Contingent Liabilities	-	-	-	-	100%	-	23,350,483	23,350,483
Claims on guarantee	25,890,000	-	-	25,890,000	200%	51,780,000	9,597,071	19,194,142
<b>TOTAL</b>	<b>12,918,102,616</b>	<b>-</b>	<b>2,034,383,069</b>	<b>10,883,719,546</b>		<b>4,264,681,046</b>	<b>12,910,709,421</b>	<b>4,608,791,078</b>
<b>Total RWE for credit Risk (A) +(B)</b>	<b>58,005,308,516</b>	<b>2,135,580,421</b>	<b>2,666,734,298</b>	<b>53,202,993,797</b>		<b>36,049,314,954</b>	<b>51,842,108,310</b>	<b>32,628,846,005</b>



## Schedule 30(C): ELIGIBLE CREDIT RISK MITIGANTS AS AT JULY 16, 2010 (ASHAD 32, 2067)

(Amount in NPR)

	WITH BANK	WITH OTHER BANKS/FI	NRB SECU RITIES	GOVT. OF NEPAL	OTHER SOVERE IGNS	DOMESTIC BANKS	MDBS	FOREIGN BANKS	TOTAL
	(A)	(B) (C)	(D)	(E)	(F)	(G)	(H)	(I)	
A. On Balance sheet Exposures									
Gold									-
Investment in Nepalese Government Securities									-
All Claims on Government of Nepal									-
Investment in Nepal Rastra Bank securities									-
All claims on Nepal Rastra Bank									-
Claims on Foreign Government and Central Bank (ECA 0-1)									-
Claims on Foreign Government and Central Bank (ECA -2)									-
Claims on Foreign Government and Central Bank (ECA -3)									-
Claims on Foreign Government and Central Bank (ECA-4-6)									-
Claims on Foreign Government and Central Bank (ECA -7)									-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized 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)	139,047,600								139,047,600
Claims on domestic banks that meet capital adequacy requirements									-
Claims on domestic banks that do not 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)									-
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	161,259,938		12,149,999					3,429,917	176,839,854
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)	102,159,076		2,833,275						104,992,352
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	6,659,854								6,659,854
Past due claims (except for claim secured by residential properties)	65,203,483		1,575,900						66,779,383
High Risk claims	122,220,688		6,534,266					9,277,232	138,032,185
Investments in equity and other capital instruments of institutions listed in the stock exchange									-
Investments in equity and other capital instruments of institutions not listed in the stock exchange									-
Other Assets									-
<b>TOTAL</b>	<b>596,550,640</b>	<b>- -</b>	<b>23,093,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,707,149</b>	<b>632,351,229</b>

**Schedule 30(C): ELIGIBLE CREDIT RISK MITIGANTS (contd..)****AS AT JULY 16, 2010 (ASHAD 32, 2067)***(Amount in NPR)*

	WITH BANK	WITH OTHER BANKS/FI	NRB SECU RITIES	GOVT. OF NEPAL	OTHER SOVERE IGNS	HOME STIC BANKS	MDBS	FOREIGN BANKS	TOTAL
	(A)	(B) (C)	(D)	(E)	(F)	(G)	(H)	(I)	
B. Off Balance Sheet Exposures									
Revocable Commitments									-
Bills Under Collection									-
Forward Exchange Contract Liabilities									-
LC Commitments With Original	497,165,557								497,165,557
Maturity Upto 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)									-
LC Commitments With Original	138,840,902								138,840,902
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, Performance Bond	127,178,358								127,178,358
and Counter guarantee									
domestic counterparty									
foreign counterparty (ECA Rating 0-1)								103,360,974	103,360,974
foreign counterparty (ECA Rating 2)								1,149,969,847	1,149,969,847
foreign counterparty (ECA Rating 3-6)									-
foreign counterparty (ECA Rating 7)									-
Underwriting commitments									-
Lending of Bank's Securities or									-
Posting of Securities as collateral									-
Repurchase Agreements,									-
Assets sale with recourse									-
Advance Payment Guarantee	17,867,432								17,867,432
Financial Guarantee									-
Acceptances and Endorsements									-
Unpaid portion of Partly									-
paid shares and Securities									-
Irrevocable Credit commitments									-
(short term)									-
Irrevocable Credit commitments									-
(long term)									-
Other Contingent Liabilities									-
Claims on guarantee									-
<b>TOTAL</b>	<b>781,052,249</b>	<b>- -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,253,330,820</b>	<b>2,034,383,069</b>
<b>Total RWE for credit Risk (A) +(B)</b>	<b>1,377,602,8890</b>	<b>- -</b>	<b>23,093,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,266,037,968</b>	<b>2,666,734,298</b>

## Schedule 30(D): Risk Weighted Exposure for Operational Risk

(Amount in NPR)

PARTICULARS	JULY 16, 2007	JULY 15, 2008	JULY 15, 2009	PREVIOUS YEAR
Net Interest Income	1,008,171,370	1,139,902,634	1,407,420,164	-
Commission and Discount Income	193,224,228	187,819,983	284,302,277	-
Other Operating Income	40,328,872	62,103,241	46,342,872	-
Exchange Fluctuation Income	151,637,322	207,669,178	249,982,606	-
Additional/Deduction in Interest Suspense during the period	(151,240,143)	10,917,784	30,010,191	-
<b>Gross Income (a)</b>	<b>1,242,121,649</b>	<b>1,608,412,820</b>	<b>2,018,058,110</b>	-
Alfa (b)	0.15	0.15	0.15	-
<b>Fixed percentage of Gross Income [c=(a*b)]</b>	<b>186,318,247</b>	<b>241,261,923</b>	<b>302,708,717</b>	-
Capital Requirement for operational risk (d) (average of c)	243,429,629			215274189
Risk Weight (reciprocal of capital requirement of 10% in times (e))	10			10
<b>Equivalent Risk Weight Exposure [f=(d*e)]</b>	<b>2,434,296,290</b>			<b>2,152,741,888</b>

## Schedule 30(E): Risk Weighted Exposure for Market Risk

(Amount in NPR)

S.NO.	CURRENCY	OPEN POSITION (FCY)	OPEN POSITION (NPR)	CURRENT YEAR	PREVIOUS YEAR
				RELEVANT OPEN POSITION	RELEVANT OPEN POSITION
1	AED	(27,535)	(519,172)	519,172	343,536
2	AUD	(58,314)	(3,811,434)	3,811,434	752,731
3	CAD	(38,591)	(2,753,501)	2,753,501	1,520,765
4	CHF	(2,527)	(180,817)	180,817	2,285,847
5	CNY	(7,572)	(83,103)	83,103	591,505
6	DKK	(4,200)	(53,865)	53,865	244,460
7	EUR	(18,487)	(1,785,165)	1,785,165	9,979,397
8	GBP	(23,083)	(2,671,812)	2,671,812	3,416,443
9	HKD	(135,347)	(1,287,828)	1,287,828	970,542
10	INR	(57,199,059)	(91,561,394)	91,561,394	146,237,928
11	JPY	267,348	228,850	228,850	27,974,335
12	MYR	(7,489)	(159,928)	159,928	111,485
13	NOK	(35,661)	(418,306)	418,306	1,432,327
14	QAR	(7,770)	(147,824)	147,824	224,401
15	SAR	(65,126)	(1,204,831)	1,204,831	965,195
16	SEK	-	-	-	980
17	SGD	2,588	141,021	141,021	2,343,268
18	THB	(1,700)	(3,893)	3,893	128,250
19	USD	(78,699)	(5,890,650)	5,890,650	49,080,495
<b>Total Open Position (a)</b>				<b>112,903,393.44</b>	<b>248,603,890</b>
<b>Fixed Percentage (b)</b>				<b>5%</b>	<b>5%</b>
<b>Capital Charge for Market Risk [c=(a*b)]</b>				<b>5,645,170</b>	<b>12,430,195</b>
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (d)</b>				<b>10</b>	<b>10</b>
<b>Equivalent Risk Weight Exposure [e=(c*d)]</b>				<b>56,451,697</b>	<b>124,301,950</b>

### Schedule 3 I : Principal Indicators for Last Five Years

PARTICULARS	UNIT	FY	FY	FY	FY	FY
		2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Net Profit/Total Income	Percent	35.16	34.90	41.58	39.96	22.13
Per Share Income	Rs.	59.24	60.66	62.74	61.90	31.80
Per Share Market Value	Rs.	1100	1740	1980	1760	816
Price Earning Ratio	Ratio	18.57	28.69	31.56	28.43	25.66
Dividend in Share Capital (Including Bonus)	Percent	35.00	40.00	45.00	43.56	36.84
Cash Dividend in Share Capital	Percent	30.00	15.00	25.00	12.00	11.84
Interest Income/Loan and Advances	Percent	10.32	9.98	9.73	9.18	10.81
Staff Expenses/Total Operating Expenses	Percent	41.57	47.40	45.91	47.54	46.83
Interest Expenses to Total Deposit	Percent	2.45	2.55	2.59	2.70	4.13
FX Fluctuation Gain/Total Income	Percent	9.42	6.71	8.27	8.51	4.80
Staff Bonus/Total Staff Expenses	Percent	22.28	19.78	24.51	22.81	15.41
Net Profit/Loan and Advances	Percent	3.12	2.89	3.26	3.04	1.82
Net Profit/Total Assets	Percent	1.55	1.47	1.76	1.91	1.19
Total Loan/Deposits	Percent	55.27	56.57	61.23	71.49	74.39
Total Operating Expenses/Total Income	Percent	30.02	30.32	29.14	29.49	25.60
<b>Capital Adequacy Ratio:</b>						
A. Core Capital	Percent	8.65	9.61	9.36	8.81	8.68
B. Supplementary Capital	Percent	2.62	1.51	3.06	2.21	2.04
C. Total Capital Fund	Percent	11.26	11.13	12.42	11.02	10.72
Liquidity ( CRR )	Percent	5.92	5.92	5.13	6.76	6.76
Non-performing Loan/Total Loan	Percent	6.60	3.61	2.36	2.16	3.52
Weighted Average Interest Rate Spread	Percent	3.80	3.57	3.66	3.66	4.21
Book Networth per share	Rs.	228.72	264.74	247.95	256.52	226.79
Total Share	Number	7,722,000	8,108,100	10,135,125	12,162,150	16,000,000
Total Staff	Number	561	584	591	591	577

# Schedule 32

## Significant Accounting Policies

### 1. General Information

Himalayan Bank Limited ("the Bank") is a public limited liability company domiciled in Nepal, with its registered office as G.P.O. Box No. 20590, Karmachari Sanchaya Kosh Building, Thamel, Kathmandu, Nepal. The Bank is a Joint-venture of Habib Bank Limited, Pakistan & is licensed by Nepal Rastra Bank, the central bank of Nepal, to carry out commercial banking activities in Nepal as a class 'A' licensed financial institution under the Bank and Financial Institution Act, 2063. The Bank is listed in Nepal Stock Exchange Limited.

### 2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation & presentation of the financial statements of the Bank are stated herein below. The said policies have been consistently applied to all the years presented, unless stated otherwise.

#### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) except as otherwise stated; generally accepted accounting principles; Banks and Financial Institutions Act, 2063; directives issued by Nepal Rastra Bank and the Company Act, 2063.

#### 2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention. The preparation of the financial statements in conformity with NAS and generally accepted accounting principles requires the use of certain critical accounting estimates as well as management's judgement & discretion in the process of applying the Bank's accounting policies.

#### 2.3 Interest Income

Interest income on loans and advances is recognised on cash basis as per the directives issued by Nepal Rastra Bank, which however is not in conformity with Nepal Accounting Standards that requires income recognition on accrual basis.

Interest income on Investments, however, is recognized on accrual basis.

#### 2.4 Fees and Commission Income

Commission and fee income on bills purchased and discounted, guarantees and documentary credit are booked at the time of transaction.

#### 2.5 Dividend Income

Dividend income is accounted for on cash basis net of withholding tax.

#### 2.6 Foreign Exchange Transactions

Foreign currency assets and liabilities are translated into local currency at mid exchange rate prevailing on the Balance Sheet date. Net differences arising from such conversion is accounted for as "Revaluation gain/(Loss)". As required by NRB Directives, 25% of such revaluation gain during the accounting year is transferred to Exchange Fluctuation Reserve by charging to Profit and Loss Appropriation Account. Income/(expenses) arising due to the differences between buying and selling rates of foreign currencies are accounted for as trading gain/(loss).

#### 2.7 Interest Expenses

Interest expenses on deposit liabilities & borrowings from other banks are accounted for on accrual basis.

#### 2.8 Loans and Advances, Overdraft and Bills Purchased

Loans and advances, overdrafts and bills purchased represent direct financing provided to the customers & include all long / short term loans, consumer loans, credit card facilities & loans given to the deprived sector. Such loans are subject to regular review and are classified as per the directives issued by Nepal Rastra Bank. Loans and advances including bills purchased are shown net of loan loss provision.

#### 2.9 Staff Loans

Loans and advances provided to staff in accordance with the Bank's policies are shown under Other Assets.

#### 2.10 Loan Loss Provision

Provision for possible losses on loans and advances & bills purchased is provided at 1% to 100% on the basis of assets classification in accordance with NRB Directives. Additional provision over the prescribed requirement is provided at the discretion of the management on prudent basis.

#### 2.11 Loans & Advances Write off

Loans and advances classified as loss loan for at least a year and deemed irrecoverable are written off in accordance with the by-laws of the Bank duly approved by Nepal Rastra Bank.

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

#### 2.12 Investments

The investments held by the Bank comprise following 3 categories as per NRB Directives:

**a) Held For Trading:** These investments are held primarily with an intention of resale over a short period of time. Any gain or loss arising from trading/ revaluation are recognised in Profit and Loss Account.

**b) Held Till Maturity:** These investments are purchased with positive intent and ability to hold till maturity and are recorded at cost or at cost adjusted for amortisation of premiums or discounts. Premiums paid on acquiring these investments are subsequently amortized as reversal of interest income on proportionate basis till the maturity date. Any impairment losses arising in such investments are provisioned and charged in the Profit or Loss Account.

**c) Available for Sale:** These investments are held for sale rather than continuing to hold and are initially measured at cost and subsequently recognised at market value. Gains or losses arising from sale / revaluation are recognised on Investment Adjustment Reserve / Retained Earning. The investments classified under this category but not listed in the stock exchange, are carried at cost at the Balance Sheet. Amount equivalent to at least 2% of such investments are earmarked as Investment Adjustment Reserve from the Retained Earnings in line with NRB Directives.

### 2.13 Fixed Assets and Depreciation

a. Fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that are directly attributable to the acquisition of the assets.

b. Non-consumable items normally having useful life of less than one year and / or costing less than Rs.5,000 are expensed off in the year of purchase.

c. Fixed assets other than freehold land are depreciated on diminishing balance method at the following rates:

Nature of Assets	Rates
1. Building	5%
2. Vehicles	15%
3. Furniture-Wood	15%
4. Furniture-Steel	10%
5. Office Equipment	15%
6. Computers	20%
7. Generators	15%

Depreciation on the assets acquired during the accounting year is charged from the month subsequent to the date of acquisition, whereas depreciation on the assets disposed off during the year is charged up to the month prior to disposal.

Depreciation for Income Tax purpose is calculated at the rates and manners prescribed by the Income Tax Act, 2058.

### 2.14 Amortization

Software applications purchased by the Bank are amortized over a period of 5 years from the month of purchase. Licence fees paid by the Bank are amortized over the period of the licence.

Leasehold improvements are amortized in equal annual instalments over the period of lease.

### 2.15 Lease Rental

All leases entered into by the Bank are operating leases. Total payments made under operating leases are charged to profit and loss account as 'Other Operating Expenses' on monthly basis.

### 2.16 Retirement Benefits

The Bank has provision of Gratuity and Provident Fund as retirement benefits to the employees. Expenses on account of Gratuity and Provident Fund are recognised on accrual basis with contributions made in accordance with the provisions of the Bank's Staff Service By-Laws. Such contributions are transferred to the Approved Retirement Fund (an entity independent of the Bank) on regular basis as per the rules and regulations of the said Retirement Fund.

### 2.17 Staff Leave Encashment Provision

Accumulated staff leave liability is accounted for on accrual basis. Leave balance in excess of 120 days of annual leave & 90 days of sick leave as on mid April is encashed each year as per the amendment in the Staff Service By-Laws.

### 2.18 Employees' Housing Scheme

In view of the Bank providing housing loan facilities to its employees, Bank does not make provision for Employees' Housing Fund as required under the Labour Act, 2048.

### 2.19 Income and Deferred Taxes

#### a. Corporate Tax:

Corporate Income Tax liability has been calculated as per the provisions of Income-Tax Act, 2058.

#### b. Deferred Tax:

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities are recognized where the carrying amount of the assets exceeds its tax base so that taxable economic benefits arising in future will exceed the amount that will be allowed as deduction for tax purposes.

Deferred tax reserve has been appropriated for deferred tax assets balance as at the year end, as required by NRB Directives.

### 2.20 Non- Banking Assets

Non-Banking Assets are the assets obtained as security for loans & advances subsequently taken over by the Bank in the course of loan recovery. Such assets are valued at fair market value (Panchakrit Mulya) or total amount due from the borrower, whichever is lower as per NRB directives.

Provision for possible losses on non banking assets is made as per the directives of Nepal Rastra Bank.

# Schedule 33 : Notes to Accounts

For the Financial Year July 16, 2009 to July 16, 2010 (Shrawan 01, 2066 to Ashadh 32, 2067)

## I. Status of Bank Reconciliation

### With Nepal Rastra Bank

(Amount in NPR)

PARTICULARS	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
Up to 1 month	1,056,560	43,975,294	11,265,658	2,259,778
1 to 3 months	1,809,460	19,154,472	7,147,957	19,569,080
3 to 6 months	15,612,597	63,129,766	6,382,633	7,648,754
6 to 12 months	482	3,075,165	1,985,228	2,494,746
1 to 2 years		1,421,695		
above 2 years			54,877	
<b>Total</b>	<b>18,479,099</b>	<b>130,756,392</b>	<b>26,836,353</b>	<b>31,972,358</b>

### With Other Authorized Local Financial Institutions

(Amount in NPR)

PARTICULARS	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
Up to 1 month	8,306,898	324,428	326,708	7,464,274
1 to 3 months	3,731,616	361,727	4,400	511,567
3 to 6 months	100,000	244,308	104,072	1,517
6 to 12 months		13,441	33,544	212,368
1 to 2 years		19,950	99	52,468
<b>Total</b>	<b>12,138,514</b>	<b>963,854</b>	<b>468,823</b>	<b>8,242,194</b>

### With Foreign Banks

(Amount in NPR)

PARTICULARS	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
Up to 1 month	153,634,073	247,874,905	269,374,173	236,368,739
1 to 3 months	85,997,913	22,069,200	11,737,061	51,125,332
3 to 6 months	65,788,399	29,952,608	5,319,002	41,378,376
6 to 12 months	18,304,007	71,071,888	1,248,084	235,386,805
1 to 2 years	16,332	1,314,255	18,534	8,259,129
above 2 years		11,976	715	917,891
<b>Total</b>	<b>323,740,723</b>	<b>372,294,832</b>	<b>287,697,569</b>	<b>573,436,272</b>

A sum of Rs. 103,494,371 (Credit Balance) is outstanding in Inter Branch Account. Major part of these pending pertains to payments made by the branches through Head Office, inter-branch transfers etc.

## 2. Amortization of expenses not written off

Expenses incurred by way of construction and other improvements 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 instalments over the lease period. Accordingly, Rs.20,013,512 has been amortized during the year, leaving a balance of Rs.92,201,577 for future amortization (Previous year amortized Rs.18,565,110 and balance Rs.88,793,512).

The computer software 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 including any subsequent purchase. Accordingly, a sum of Rs.19,027,124 has been amortized during the year, leaving a balance of Rs.63,359,278 for future amortization (Previous year amortized Rs. 14,107,352 and balance Rs. 49,615,296).

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.121,842 has been amortized during the year under review, leaving a balance of Rs.124,306 (Previous year amortized Rs 376,341 and balance Rs 121,826)

## 3. Summary of Loans and Advances

<i>(Amount in NPR '000)</i>			
<b>PARTICULARS</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CHANGE %</b>
Loan & Advances outstanding as at the year end	25,519,519	29,123,755	14.12
Loan Written-off during the year	14,966	43,089	187.91

## 4. Summary of Changes in Deposit Liabilities

<i>(Amount in NPR '000)</i>			
<b>PARTICULARS</b>	<b>2008-09</b>	<b>2009-10</b>	<b>CHANGE %</b>
Interest Free Deposits	3,884,360	4,692,496	20.80
Interest Bearing Deposits	30,797,947	32,918,706	6.89
<b>Total</b>	<b>34,682,307</b>	<b>37,611,202</b>	<b>8.45</b>

## 5. Weighted Average Interest Rate Spread

<b>PARTICULARS</b>	<b>RATE %</b>
Weighted Average Interest Rate on Loans and Investments	8.31
Weighted Average Interest Rate on Deposits, Bonds and Borrowing	4.10
<b>Net Spread</b>	<b>4.21</b>

## 6. Details of Deferred Expenses

<i>(Amount in NPR)</i>		
<b>PARTICULARS</b>	<b>2008-09</b>	<b>2009-10</b>
1. At Cost	140,343,077	173,239,756
a) Upto Last Year	102,234,103	140,343,077
b) Addition this year	38,226,149	32,896,679
c) Deduction this year	117,175	-
2. Amortization	90,605,955	109,756,172
<b>3. Remaining Value</b>	<b>49,737,122</b>	<b>63,483,584</b>

## 7. Summary of Concentration of Exposure

<i>Figure in NPR Millions</i>		
<b>PARTICULARS</b>	<b>LOAN AND ADVANCES</b>	<b>CONTINGENT</b>
Total Amount as on 16 July 2010	29,124	10,050
Highest Exposure to single unit	702	207
Highest % of exposure to single unit	2.41%	2.06%



## 8. Classification of Assets and Liabilities based on Maturity

*Figures in NPR Millions*

PARTICULARS	UPTO 90 DAYS	91 TO 180 DAYS	181 TO 270 DAYS	271 TO 365 DAYS	ABOVE 1 YR.	TOTAL
<b>Assets</b>						
Cash Balance	514.20	-	-	-	-	514.20
Balance with Banks	1,572.00	-	-	-	1,780.20	3,352.20
Money at Call	308.80	-	-	-	-	308.80
Investment in Local Banks	197.30	-	-	-	-	197.30
Investment in Foreign Banks	182.30	792.60	1,346.30	785.90	596.20	3,703.40
Treasury Bills	1,412.30	819.80	185.00	1,038.00	-	3,455.00
Govt. Bonds	-	-	-	-	1,010.30	1,010.30
Inter Bank Lending	-	-	-	-	-	-
Loans & Advances /Bills purchase	12,526.40	3,209.40	2,557.00	2,023.80	8,807.20	29,123.80
Fixed Assets	-	-	-	-	1,061.90	1,061.90
Other Assets	269.80	50.40	33.30	34.10	744.70	1,132.40
<b>Total Assets (A)</b>	<b>16,983.20</b>	<b>4,872.20</b>	<b>4,121.60</b>	<b>3,881.90</b>	<b>14,000.50</b>	<b>43,859.40</b>
<b>Liabilities</b>						
Borrowings	-	-	-	-	-	-
Current Deposits	936.40	749.10	936.40	936.40	187.30	3,745.60
Call Deposits	1,326.40	1,058.20	1,322.80	1,323.20	264.80	5,295.40
Saving Deposits	4,073.70	1,629.50	814.70	4,073.70	5,703.10	16,294.70
Fixed Deposits	1,897.20	1,093.70	2,880.10	3,918.20	1,539.40	11,328.60
Margin Deposits	946.90	-	-	-	-	946.90
Bills Payable	216.20	-	-	-	-	216.20
Bonds	-	-	-	-	500.00	500.00
Share Capital & Reserves	-	-	-	-	3,628.70	3,628.70
Other Liabilities	494.90	164.40	2.50	2.50	1,238.90	1,903.30
<b>Total Liabilities (B)</b>	<b>9,891.70</b>	<b>4,694.90</b>	<b>5,956.50</b>	<b>10,254.00</b>	<b>13,062.20</b>	<b>43,859.40</b>
<b>Net Financial Assets (A-B)</b>	<b>7,091.50</b>	<b>177.30</b>	<b>(1,834.90)</b>	<b>(6,372.10)</b>	<b>938.30</b>	<b>-</b>
<b>Cumulative Net Financial Assets</b>	<b>7,091.50</b>	<b>7,268.80</b>	<b>5,433.80</b>	<b>(938.30)</b>	<b>-</b>	<b>-</b>

NOTE: A) Loan has been categorized in Gross amount & provision provided is included in other liabilities under above 1 year bucket.

B) The Bank has no borrowings against the collateral of its own assets.

## 9. Paid up Share Capital

**Paid up share capital of the Bank has moved over the years as follows:**

FINANCIAL YEAR	CUMULATIVE PAID UP CAPITAL RS.	REMARKS
<b>Initial capital</b>	<b>60,000,000.00</b>	
F.Y.1994-95 (BS 2051-52)	120,000,000.00	Issue of 100% bonus share
F.Y. 1997-98 (BS 2054-55)	192,000,000.00	Issue of 60% bonus share
F.Y. 1998-99 (BS 2055-56)	240,000,000.00	Issue of 25% bonus share
F.Y. 1999-00 (BS 2056-57)	300,000,000.00	Issue of 25% bonus share
F.Y. 2000-01 (BS 2057-58)	390,000,000.00	Issue of 30% bonus share
F.Y. 2001-02 (BS 2058-59)	429,000,000.00	Issue of 10% bonus share
F.Y. 2002-03 (BS 2059-60)	536,250,000.00	Issue of 25% bonus share
F.Y. 2003-04 (BS 2060-61)	643,500,000.00	Issue of 20% bonus share
F.Y. 2004-05 (BS 2061-62)	772,200,000.00	Issue of 20% bonus share
F.Y. 2005-06 (BS 2062-63)	810,810,000.00	Issue of 5% bonus share
F.Y. 2006-07 (BS 2063-64)	1,013,512,500.00	Issue of 25% bonus share
F.Y. 2007-08 (BS 2064-65)	1,216,215,000.00	Issue of 20% bonus share
F.Y. 2008-09 (BS 2065-66)	1,600,000,000.00	Issue of 31.56% bonus share

### 10. Dividend and Bonus

The Board of Directors has recommended 11.8421% cash dividend & 25% stock dividend for the financial year.

### 11. Unpaid Dividend

As on the balance sheet date, unpaid dividend over five years amounts to Rs. 3,003,964.

### 12. Deferred Tax

Deferred income taxes are calculated on temporary differences using an effective tax rate of 30%.

## The items attributable to deferred income tax assets and liabilities and their movement are as follows:

(Amount in NPR)

	BALANCE 15 JUL 2008	BALANCE 16 JUL 2010
Deferred Tax Assets / (Liabilities)		
On fiscal allowance of fixed assets	(21,936,356)	(19,296,961)
On other temporary differences	29,695,889	27,652,182
<b>Deferred Tax Assets / (Liabilities)</b>	<b>7,759,533</b>	<b>8,355,221</b>

The movement during the year is credited to the profit and loss account.

## Explanation of the relationship between tax expense and accounting profit is presented below:

(Amount in NPR)

<b>Accounting Profit Before Tax</b>	<b>755,727,284</b>
Tax at the applicable rate of 30%	226,718,185
<b>Tax effect of expenses/(income) that are not deductible/included in determining taxable profit</b>	
Donation	6,420
Dividend Income	(2,098,801)
Profit on Sale of Assets	(1,615,931)
Expenses for Capital Items	239,939
Prior Period Tax	1,454,373
<b>Tax expenses before adjustment of temporary differences</b>	<b>(2,014,000)</b>
<b>Tax effect of expenses/(income) that are deductible/included in determining taxable profit</b>	<b>22,224,906</b>
<b>Deferred tax adjustment</b>	<b>(595,688)</b>
<b>Tax Expense</b>	<b>246,929,091</b>

### 13. Provision for Gratuity

During the year, the Bank has provided Rs.30,928,751 (Previous Year Rs.46,337,759) on account of gratuity .

### 14. Provision for Bonus

Provision for bonus has been made as per the Bonus Act, 2030 and provided for at 10% of net profit, after making adjustments for loan loss provision and bonus.

### 15. Staff Leave Encashment Provision

Provision for staff leave expenses amounting to Rs 31,127,150 has been charged to the profit and loss account during the year. Out of the said amount, Rs. 25,376,877 has been provided for the first time for accumulated sick leave as per the amendment in Staff By-Laws.

### 16. Restatement of Fixed Assets and Accumulated Depreciation

Opening Balance of Fixed Assets (Office Equipment) and related accumulated depreciation is restated by Rs. 109,639. However, it has no impact on profit and loss of current period as well as prior periods.

### 17. Investments in Visa Card International

Visa Card International on conversion into a private stock corporation allocated its franchisee class C common stock to members in recognition of their membership interest. The bank currently holds 5,860 units of class C common stock.

### 18. Interest suspense

Accrued interest amounting to Rs.892,259 pertaining to NBA is included in other liabilities. The interest suspense related to NBA is recognized as income only on realization of NBA.

### 19. Contingent Liability

Beneficiaries of bank guarantees have claimed Rs.25,890,000, which the bank has not accepted as debt.

Self assessment returns filed by the bank for the financial years 2006-07 (2063-64 BS) & 2007-08 (2064-65 BS) are pending assessment at the Inland Revenue Office. Assessments of the years prior to those mentioned above have been completed and taxes fully settled.

### 20. Related Parties Disclosure

Habib Bank Ltd. is a joint venture partner with the bank holding 20% of total share capital. During the review period Rs.23,891,852 has been repatriated to Habib Bank on account of dividend payable for F.Y. 2008-09.

### Key Management Personnel

Key Management Personnel of the Banks includes Directors of the Board and Chief Executive Officer and are as follows:

- Mr. Manoj Bahadur Shrestha - Chairman
- Mr. Ashraf M. Wathra - Vice Chairman
- Mr. Prem Prakash Khetan - Second Vice Chairman
- Mr. Prachanda Bahadur Shrestha - Director
- Mr. Bijaya Bahadur Shrestha - Director
- Dr. Ramesh Kumar Bhattarai - Director
- Mr. Sushil Bikram Thapa - Director
- Mr. Upendra Keshari Poudyal - Director
- Mrs. Ranjana Shrestha - Alternate Director
- Mr. Surendra Silwal – Alternate Director
- Mrs. Menuka Shrestha – Alternate Director
- Mr. Rajendra Kafle – Alternate Director
- Mr. Sunil Bahadur Thapa – Alternate Director
- Mr. Ashoke S. Rana – Chief Executive Officer

### ►► Compensation to Key Management Personnel of the Bank

Total of Compensation paid to Chief Executive Officer for the year is Rs. 11,409,927 comprising of the following -

A) Short Term Employment Benefits	Rs. 11,409,927 (Salary, Allowance, PF, Telephone/Mobile,)
B) Post Employment Benefits	NIL
C) Other Long Term Benefits	NIL
D) Termination Benefits	NIL
E) Share Based Payment	NIL

#### Chief Executive Officer is also provided the following benefits:

- i) Benefits as per Staff Service Bye-laws,
- ii) Bonus to local staff as per Bonus Act,
- iii) Vehicle Facility

### ►► Transaction with Key Management Personnel of the Bank

The following provides transactions between the Bank and Key Management Personnel of the Bank during the year.

<i>(Amount in NPR)</i>	
NATURE OF TRANSACTION	CURRENT YEAR
Meeting Fees Paid	883,800
Allowance and other fees	3,856,188

**21. Operating Lease Commitment**

The future minimum lease payment under non-cancellable operating leases with the bank as lessee is NIL.

**22. Disclosure under New Capital Adequacy Framework****I. Capital structure and capital adequacy****a. Tier 1 capital and breakdown of its components :**

		(Amount in NPR)
<b>SN</b>	<b>PARTICULARS</b>	
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>3,414,638,614</b>
1	Paid up Equity Share Capital	1,600,000,000
2	Statutory General Reserves	1,012,800,410
3	Retained Earnings	136,587,269
4	Proposed Bonus Equity Shares	400,000,000
5	Capital Adjustment Reserve	38,610,000
6	Debenture Redemption Reserve	214,285,714
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	8,355,221

**b. Tier 2 capital and breakdown of its components :**

		(Amount in NPR)
<b>SN</b>	<b>PARTICULARS</b>	
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>803,722,886</b>
1	Subordinated Term Debt	500,000,000
2	General loan loss provision	279,156,371
3	Exchange Equalization Reserve	23,087,577
4	Investment Adjustment Reserve	1,478,939

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

Bond Issued	HBL Bond 2072
Outstanding amount	NPR 500,000,000
Interest rate	8%
Maturity Date	July 2015
Interest payment	Half yearly basis
Tenor	7 years
Amount to be reckoned as capital	NPR 500,000,000

**d. Total qualifying capital :**

		(Amount in NPR)
<b>SN</b>	<b>PARTICULARS</b>	
1	Core Capital (Tier 1)	3,414,638,614
2	Supplementary Capital (Tier 2)	803,722,886
	<b>Total</b>	<b>4,218,361,500</b>

**e. Capital adequacy ratio :**

<b>CAPITAL ADEQUACY RATIOS</b>	
Tier 1 Capital to Total Risk Weighted Exposures	8.68
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.72

**II. Risk exposures**  
**a. Risk weighted exposures for Credit Risk, Market Risk and Operational Risk**

		(Amount in NPR)
<b>RISK WEIGHTED EXPOSURES</b>		
a	Risk Weighted Exposure for Credit Risk	36,049,314,954
b	Risk Weighted Exposure for Operational Risk	2,434,296,290
c	Risk Weighted Exposure for Market Risk	56,451,697
<b>Adjustment under Pillar II</b>		
	Add 2% of gross income for operational risk	431,591,682
	Add: 1% of total RWE for overall risk	385,400,629
<b>Total Risk Weighted Exposures</b>		<b>39,357,055,251</b>

**b. Risk Weighted Exposures under each of 11 categories of Credit Risk**

		(Amount in NPR)
<b>SN</b>	<b>PARTICULARS</b>	
1	Claims on government & central bank	-
2	Claims on other official entities	568,252,385
3	Claims on banks	1,046,065,641
4	Claims on domestic corporate and securities firms	17,861,631,214
5	Claims on regulatory retail portfolio	1,887,706,584
6	Claims secured by residential properties	573,033,812
7	Claims secured by commercial real estate	1,557,198,360
8	Past due claims	647,354,108
9	High risk claims	5,503,799,226
10	Other assets	2,139,592,577
11	Off balance sheet items	4,264,681,046
<b>TOTAL</b>		<b>36,049,314,954</b>

**c. Total Risk Weighted Exposures calculation table:**

		(Amount in NPR)
<b>SN</b>	<b>PARTICULARS</b>	
1	Total Risk Weighted Exposure	39,357,055,251
2	Total Core Capital Fund (Tier 1)	3,414,638,614
3	Total Capital Fund (Tier 1 & Tier 2)	4,218,361,500
4	Total Core Capital to Total Risk Weighted Exposures	8.68
<b>5</b>	<b>Total Capital to Total Risk Weighted Exposures</b>	<b>10.72</b>

**d. Amount of NPA**

		(Amount in NPR)		
<b>SN</b>	<b>LOAN CLASSIFICATION</b>	<b>GROSS AMOUNT</b>	<b>PROVISION HELD</b>	<b>NET NPA</b>
1	Substandard Loan	122,760,170	46,818,580	75,941,590
2	Doubtful Loan	220,519,809	110,259,905	110,259,904
3	Loss Loan	681,551,983	680,653,112	898,871
<b>Total</b>		<b>1,024,831,962</b>	<b>837,731,597</b>	<b>187,100,365</b>

**e. NPA Ratios**

<b>PARTICULARS</b>	<b>PERCENTAGE</b>
Gross NPA to Gross Advances	3.52%
Net NPA to Net Advance	0.67%

**f. Movement of Non Performing Assets**

*(Amount in NPR)*

S.N	LOAN CLASSIFICATION	PREVIOUS YEAR	CURRENT YEAR	MOVEMENT
1	Substandard Loan	167,831,185	122,760,170	-26.85%
2	Doubtful Loan	194,699,043	220,519,809	13.26%
3	Loss Loan	188,779,406	681,551,983	261.03%
<b>Total</b>		<b>551,309,634</b>	<b>1,024,831,962</b>	<b>85.89%</b>

**g. Write off of Loans and Interest Suspense**

*(Amount in NPR)*

SN	PRINCIPAL	INTEREST	TOTAL
1	43,089,303	17,572,666	60,661,969

**h. Movements in Loan Loss Provisions and Interest Suspense**• **Movement in Loan Loss Provision**

*(Amount in NPR)*

SN	LOAN LOSS PROVISION	PREVIOUS YEAR	CURRENT YEAR	MOVEMENT IN LOAN LOSS
1	Pass	247,686,763	282,483,799	14.05%
2	Restructured/ Rescheduled Loan	117,613,270	22,910,733	-80.52%
3	Substandard Loan	74,157,874	46,818,580	-36.87%
4	Doubtful Loan	99,025,370	110,259,905	11.35%
5	Loss Loan	187,880,535	680,653,112	262.28%
<b>Total</b>		<b>726,363,812</b>	<b>1,143,126,129</b>	<b>57.38%</b>

• **Movement in Interest Suspense**

*(Amount in NPR)*

PARTICULAR	PREVIOUS YEAR	CURRENT YEAR	MOVEMENT IN INTEREST SUSPENSE
1 Interest Suspense	377,639,764	501,136,894	32.70%

**i. Segregation of Investment Portfolio**

PARTICULARS	AMOUNT IN NPR
<b>Available for sale:</b>	
Investment in equity	78,882,459
<b>Held to maturity:</b>	
Investment in treasury bills	3,455,030,155
Investment in Govt. bonds	1,010,342,250
	<b>4,465,372,405</b>

### III. Risk Management

New Capital Adequacy Framework based on Basel II accord duly accommodated to suit Nepalese environment has been made mandatory with effect from FY 2008/09. HBL accordingly has set up a mechanism to ensure compliance with the requirements of the said framework & at the same time achieve systematic risk assessment & management through strong internal control systems defining rights, authorities, roles and responsibilities and detailed working procedures.

Credit Risk at HBL is being managed through implementation of Credit Policy Guidelines, Credit Policy Manual, and specific Product Documents developed for each banking product. The Risk Management Department reporting to the senior management through Executive Credit Officer identifies deviations and exceptions to these defined policies and procedures and processes them for approval of competent authorities after ascertaining justification for all such deviations & exceptions. A Portfolio Management Committee has been formed with the objective of monitoring the Bank's existing credit exposure in terms of portfolio diversification & assessing the potential for growth or realignment of credit portfolio in various sectors. A comprehensive credit risk assessment process has been defined which involves individual appraisal of all borrowers including corporate, institutional & SME borrowers against stipulated criteria & also encompasses assignment of credit ratings. The Executive Committee which is headed by a non-executive director reviews the overall credit risk, analyses the possible impact of internal and external factors and updates the Board of Directors periodically.

The bank recognizes operational risk as a potential risk faced by banks. For proper management of the risk, the bank has developed and implemented different operation manuals like Cash & Customer Service Manual, Bills and Remittance Manual, Funds Transfer Manual, SMS and Internet Banking Manual, IT Policy, Document Retention Manual, Record & Reconciliation Manual etc. which define policy as well as procedural matters for the operation of banking activities at different levels. Compliance to these policy & procedures, prudential guidelines and other directives and circulars issued by Nepal Rastra Bank is monitored centrally by Compliance & Internal Control Department. Heads of each business units and branch managers further collect data related to operational risks at local level and make reports to the Executive Operation Officer and General Manager at the Head Office. The management analyses these data, assesses risk and related internal control systems and takes corrective & preventive actions to remedy any breakdown in the system. Capital charge on account of exposure to operational risk is measured and reviewed by the senior management of the bank. The management is strongly committed towards maintaining a strong internal control system at all levels of banking activities in order to mitigate operational risks.

Risks associated with adverse movements in exchange rates, interest rates, liquidity and investment in equity are covered under market risk management. This risk is continuously monitored by the Treasury Department under direct supervision of the Executive Financial Officer & General Manager. A comprehensive treasury manual is in place which defines procedures & authority aimed at regulating the related activities including setting up of various risk limits, maintaining liquidity levels & risk hedging. Treasury Department further prepares net open position of all currencies on daily basis and reports to the management for further review & risk / return assessment. Periodic reporting is done to Assets Liabilities Management Committee which reviews the associated risks and returns, assesses the impact of the exposure on the bank's capital adequacy position and reports to the Board of Directors.

In addition to the credit, operational and market risk, the bank gives due significance to legal, reputation & other risks associated with banking activities as well. These risks are identified, assessed and monitored at regular intervals by the senior management. The Board of Directors & its Committees also review these risk & issue necessary instructions to the management. An effective MIS is in place which provides factual data on all risks, including credit, operational and market exposures which is instrumental in analysis & management of the risks & assessment of capital requirement.

A strong & effective internal control system continuously in operation is inevitable for smooth functioning of any organization. Management is primarily entrusted with the responsibility of ensuring that all control systems are in place & are functioning as required within the bank. Compliance & Internal Control Department at Head Office monitors the day to day functioning of the bank through off-site & on-site reviews with particular emphasis on proper functioning of internal control systems & makes reporting to the senior management along with recommendations for necessary corrective actions. Internal Audit function within the bank is fully independent with the department directly reporting to the Audit Committee of the Board. Any lapses or non-compliance with the stipulated control systems as identified during the audit of various business units, branches & departments is reported by the department to the Audit Committee & the Board where upon instructions are issued to the management to remedy such reported instances.

### 23. Rounding off and Comparative Figures

The financial statements are presented in Nepalese Rupees, rounded off to the nearest rupee. Previous year figures have been reclassified / re-arranged to facilitate fair comparison, where necessary.

## Schedule 34 : Statement of loans availed by promoters / shareholders falling under promoters' group from other banks and financial institutions by pledging shares of the Bank under their ownership

S.N.	PROMOTERS / SHAREHOLDERS CLASSIFIED UNDER PROMOTERS GROUP	SHARES REGISTERED IN THE NAME OF PROMOTERS		PARTICULARS OF LOAN			REMARKS
		TOTAL NO. OF SHARES	% OF PAID UP CAPITAL	NAME OF BANK / FINANCIAL INSTITUTION PROVIDING LOAN	LOAN AMOUNT (RS.)	NO. OF SHARES PLEDGED	
1	Ilu Sharma	21,119	0.13	Global Bank Ltd.	319,460	5,758	
				Sunrise Bank Limited	3,616,173	14,821	
2	Marwadi Sewa Samiti	20,800	0.13	Siddhartha Bank Ltd	-	10,038	
3	Sumit Kumar Agrawal	423,895	2.65	Nepal Bank Ltd	113,300,000	320,056	
4	Suman Rajbhandari	6,664	0.042	ICFC Bittiya Sanstha	-	6,664	

## Schedule 35: Comparison of Unaudited and Audited Financial Statements

(Amount in NPR '000)

S.N.	PARTICULARS	AS PER UNAUDITED FINANCIAL STATEMENTS	AS PER AUDITED FINANCIAL STATEMENTS	VARIANCE	VARIANCE %	REASONS FOR VARIANCE
<b>1.</b>	<b>TOTAL CAPITAL AND LIABILITIES (1.1 TO 1.7)</b>	<b>43,929,068</b>	<b>42,717,125</b>	<b>(1,211,943)</b>	<b>(2.75)</b>	
1.1	Paid Up Capital	1,600,000	2,000,000	400,000	25.00	Bonus shares proposed @ 25%
1.2	Reserve And Surplus	2,042,741	1,439,205	(603,536)	(29.55)	Additional tax liability after audit, adjustment of proposed bonus shares & cash dividend
1.3	Debenture And Bond	500,000	500,000	-	-	
1.4	Borrowings	-	-	-	-	
1.5	Deposits (A + B)	37,665,526	37,611,202	(54,324)	(0.14)	Regrouping of account balances
	A. Domestic Currency	33,039,028	33,314,565	275,537	0.83	
	B. Foreign Currency	4,626,498	4,296,637	(329,861)	(7.13)	
1.6	Income Tax Liability	-	-	-	-	
1.7	Other Liabilities	2,120,801	1,166,718	(954,083)	(44.98)	Regrouping of account balances, provision for loan loss netted off with loans & advances, adjustment of proposed cash dividend
<b>2.</b>	<b>TOTAL ASSETS (2.1 TO 2.7)</b>	<b>43,929,068</b>	<b>42,717,125</b>	<b>(1,211,943)</b>	<b>(2.75)</b>	
2.1	Cash And Bank Balance	3,864,250	3,866,491	2,241	0.06	Regrouping of account balances
2.2	Money At Call And Short Notice	308,840	308,840	-	-	
2.3	Investments	8,444,910	8,444,910	0	0.00	
2.4	Loans And Advances	29,123,755	27,980,629	(1,143,126)	(3.93)	Netting off of loans & advances with provision made for possible losses
2.5	Fixed Assets	1,061,882	1,061,871	(11)	(0.00)	Charging of depreciation short provided
2.6	Non Banking Assets	-	-	-	-	
2.7	Other Assets	1,125,431	1,054,384	(71,047)	(6.31)	Regrouping of account balances, additional tax liability provided
<b>3.</b>	<b>PROFIT AND LOSS ACCOUNT</b>					
3.1	Interest Income	3,149,198	3,148,605	(593)	(0.02)	Booking of interest income earlier omitted, adjustment of interest suspense
3.2	Interest Expense	1,553,355	1,553,531	176	0.01	Booking of interest expense earlier omitted
	<b>A. Net Interest Income (3.1 - 3.2)</b>	<b>1,595,843</b>	<b>1,595,075</b>	<b>(768)</b>	<b>(0.05)</b>	
3.3	Fees, Commission And Discount	277,356	270,259	(7,097)	(2.56)	Regrouping of account balances
3.4	Other Operating Income	110,013	112,346	2,333	2.12	Regrouping of account balances
3.5	Foreign Exchange Gain/Loss (Net)	180,279	180,279	-	-	
	<b>B. Total Operating Income (A. + 3.3 + 3.4 + 3.5)</b>	<b>2,163,491</b>	<b>2,157,958</b>	<b>(5,533)</b>	<b>(0.26)</b>	
3.6	Staff Expenses	424,349	414,984	(9,365)	(2.21)	Reversal of excess provision made for gratuity & leave encashment
3.7	Other Operating Expenses	475,196	471,103	(4,093)	(0.86)	Reversal of excess provision made for expenses
	<b>C. Operating Profit Before Provision (B. - 3.6 - 3.7)</b>	<b>1,263,946</b>	<b>1,271,872</b>	<b>7,926</b>	<b>0.63</b>	
3.8	Provision For Possible Losses	487,070	692,640	205,570	42.21	Additional provision shown as gross amount
	<b>D. Operating Profit (C. - 3.8)</b>	<b>776,876</b>	<b>579,232</b>	<b>(197,644)</b>	<b>(25.44)</b>	
3.9	Non Operating Income / Expenses (Net)	12,640	12,382	(258)	(2.04)	Regrouping of account balances
3.10	Write Back Of Provision For Possible Loss	59,590	265,542	205,952	345.62	Provision written back shown as gross amount
	<b>E. Profit From Regular Activities (D. + 3.9 + 3.10)</b>	<b>849,106</b>	<b>857,156</b>	<b>8,050</b>	<b>0.95</b>	
3.11	Extraordinary Income / Expenses (Net)	(27,469)	(25,856)	1,613	(5.87)	Adjustment of loan written off
	<b>F. Profit Before Bonus And Taxes (E. + 3.11)</b>	<b>821,637</b>	<b>831,300</b>	<b>9,663</b>	<b>1.18</b>	
3.12	Provision For Staff Bonus	74,694	75,573	879	1.18	
3.13	Provision For Tax	224,083	246,929	22,846	10.20	Change in income tax liability & deferred tax after audit
<b>G.</b>	<b>Net Profit / Loss (F. - 3.12 - 3.13)</b>	<b>522,860</b>	<b>508,798</b>	<b>(14,062)</b>	<b>(2.69)</b>	



## Schedule 36: Unaudited Financial Results

Amt. in NPR '000

S.N. PARTICULARS	THIS QUARTER ENDING	PREVIOUS QUARTER ENDING	CORRESPONDING PREVIOUS YEAR QUARTER ENDING
<b>I. Total capital and liabilities (1.1 To 1.7)</b>	<b>43,929,068</b>	<b>44,140,503</b>	<b>41,186,386</b>
1.1 Paid up capital	1,600,000	1,600,000	1,216,215
1.2 Reserve and surplus	2,042,741	1,879,397	2,039,203
1.3 Debenture and bond	500,000	500,000	500,000
1.4 Borrowings	-	750,000	-
1.5 Deposits (a + b)	37,665,526	38,047,576	34,746,301
A. Domestic currency	33,039,028	31,429,251	29,708,867
B. Foreign currency	4,626,498	6,618,325	5,037,434
1.6 Income tax liability	-	31,148	318,183
1.7 Other liabilities	2,120,801	1,332,382	2,366,484
<b>2. Total assets (2.1 To 2.7)</b>	<b>43,929,068</b>	<b>44,140,503</b>	<b>41,186,386</b>
2.1 Cash and bank balance	3,864,250	5,361,412	3,048,527
2.2 Money at call and short notice	308,840	637,192	700,000
2.3 Investments	8,444,910	5,587,661	9,181,484
2.4 Loans and advances	29,123,755	30,622,847	25,519,137
A. Real estate loan	2,944,546	2,856,762	-
B. Home/housing loan	975,338	969,647	-
C. Margin type loan	1,266,161	1,333,111	-
D. Erm loan	4,727,100	4,244,929	-
E. Overdraft loan/tr loan/wc loan	15,359,186	17,315,089	-
F. Others	3,851,424	3,903,309	-
2.5 Fixed assets	1,061,882	1,025,227	1,205,067
2.6 Non banking assets	-	-	42,265
2.7 Other assets	1,125,431	906,165	1,489,906
<b>3. Profit and loss account</b>			
3.1 Interest income	3,149,198	2,161,146	2,347,086
3.2 Interest expense	1,553,355	1,081,635	934,346
<b>A. Net interest income (3.1 - 3.2)</b>	<b>1,595,843</b>	<b>1,079,511</b>	<b>1,412,740</b>
3.3 Fees, commission and discount	277,356	230,661	273,206
3.4 Other operating income	110,013	45,172	60,593
3.5 Foreign exchange gain/loss (net)	180,279	135,138	228,865
<b>B. Total operating income (a.3.3+3.4+3.5)</b>	<b>2,163,491</b>	<b>1,490,481</b>	<b>1,975,404</b>
3.6 Staff expenses	424,349	282,986	360,099
3.7 Other operating expenses	475,196	331,852	401,120
<b>C. Operating profit before provision (B-3.6-3.7)</b>	<b>1,263,946</b>	<b>875,643</b>	<b>1,214,185</b>
3.8 Provision for possible losses	487,070	334,775	56,303
<b>D. Operating profit (c. - 3.8)</b>	<b>776,876</b>	<b>540,868</b>	<b>1,157,882</b>
3.9 Non operating income / expenses (net)	12,640	10,245	3,795
3.10 Write back of provision for possible losses	59,590	27,851	10,546
<b>E. Profit from regular activities (D + 3.9 + 3.10)</b>	<b>849,106</b>	<b>578,964</b>	<b>1,172,223</b>
3.11 Extraordinary income / expenses (net)	(27,469)	(11,724)	(5,553)
<b>F. Profit before bonus and taxes (E. + 3.11)</b>	<b>821,637</b>	<b>567,240</b>	<b>1,166,670</b>
3.12 Provision for staff bonus	74,694	51,567	106,061
3.13 Provision for tax	224,083	154,702	318,183
<b>G. Net profit / loss (f. - 3.12 - 3.13)</b>	<b>522,860</b>	<b>360,971</b>	<b>742,426</b>

## 10 Year's Financial Summary

### Balance Sheet

Amt. In NPR '000

PARTICULARS	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
<b>Assets</b>										
Cash & Bank Balances	1,435,175	1,264,672	1,979,209	2,001,184	2,014,471	1,717,352	1,757,341	1,448,143	3,048,527	3,866,491
Placements	4,057,654	352,350	150,100	368,900	441,081	1,005,280	1,710,024	518,530	1,170,794	308,840
Investments	4,083,160	9,157,107	10,175,435	9,292,103	11,692,342	10,889,031	11,822,985	13,340,177	8,710,691	8,444,910
Loans, Advances & Bills Purchased	9,015,347	9,557,137	10,844,599	12,919,631	13,451,168	15,761,977	17,793,724	20,179,613	25,519,519	29,123,755
Fixed Assets	201,679	318,844	229,871	299,643	295,822	540,825	574,060	795,310	952,196	1,061,871
Other Assets	707,557	665,738	818,760	848,326	976,459	665,343	656,734	575,852	644,959	1,054,384
<b>Total Assets</b>	<b>19,500,572</b>	<b>21,315,848</b>	<b>24,197,974</b>	<b>25,729,787</b>	<b>28,871,343</b>	<b>30,579,808</b>	<b>34,314,868</b>	<b>36,857,624</b>	<b>40,046,686</b>	<b>43,860,251</b>
<b>Liabilities</b>										
Borrowings	79,527	534,013	645,840	659,006	506,048	504,625	595,968	943,178	500,000	500,000
Deposit Liabilities	17,532,404	18,619,375	21,007,379	22,010,333	24,814,012	26,490,852	30,048,418	31,842,789	34,681,345	37,611,202
Reserve for Doubtful Debts	477,663	643,414	842,751	967,762	1,026,648	1,119,417	795,727	682,093	726,364	1,143,126
Other Liabilities	690,369	660,931	638,872	768,520	982,888	698,738	728,256	876,573	1,019,096	1,166,717
<b>Total Liabilities</b>	<b>18,779,963</b>	<b>20,457,733</b>	<b>23,134,842</b>	<b>24,405,621</b>	<b>27,329,596</b>	<b>28,813,632</b>	<b>32,168,368</b>	<b>34,344,633</b>	<b>36,926,805</b>	<b>40,421,046</b>
<b>Net Assets</b>	<b>720,609</b>	<b>858,115</b>	<b>1,063,132</b>	<b>1,324,166</b>	<b>1,541,747</b>	<b>1,766,176</b>	<b>2,146,500</b>	<b>2,512,992</b>	<b>3,119,881</b>	<b>3,439,205</b>
<b>Shareholders' Equity</b>										
Paid up Capital	300,000	390,000	429,000	536,250	643,500	772,200	810,810	1,013,513	1,216,215	1,600,000
Proposed capitalisation of profits	90,000	39,000	107,250	107,250	128,700	38,610	202,703	202,703	383,785	400,000
Reserves	261,697	309,585	404,389	510,698	611,372	798,808	948,601	1,199,934	1,483,355	1,302,618
Retained Earnings	68,912	119,530	122,493	169,968	158,175	156,558	184,386	96,842	36,526	136,587
<b>Total Shareholders' Equity</b>	<b>720,609</b>	<b>858,115</b>	<b>1,063,132</b>	<b>1,324,166</b>	<b>1,541,747</b>	<b>1,766,176</b>	<b>2,146,500</b>	<b>2,512,992</b>	<b>3,119,881</b>	<b>3,439,205</b>
<b>Total Capital + Liabilities</b>	<b>19,500,572</b>	<b>21,315,848</b>	<b>24,197,974</b>	<b>25,729,787</b>	<b>28,871,343</b>	<b>30,579,808</b>	<b>34,314,868</b>	<b>36,857,624</b>	<b>40,046,686</b>	<b>43,860,251</b>
<b>Contingent Liabilities</b>										
Letter of Credit	1,965,318	2,445,699	2,008,618	2,420,343	3,469,134	3,068,891	2,916,470	6,125,565	7,042,307	5,294,496
Guarantees	1,992,446	2,572,031	3,394,050	3,315,942	3,451,242	3,423,337	3,449,207	1,644,703	1,701,268	4,104,631
Forward Exchange Contract	1,096,562	224,349	19,995	116,132	2,818	-	165,278	13,998	169,911	5,603
Other Contingent Liabilities	58,413	142,975	106,733	377,482	795,554	86,880	322,681	3,087,675	5,836,222	3,513,372
<b>Total Contingent Liabilities</b>	<b>5,112,739</b>	<b>5,385,054</b>	<b>5,529,396</b>	<b>6,229,899</b>	<b>7,718,748</b>	<b>6,579,108</b>	<b>6,853,636</b>	<b>10,871,941</b>	<b>14,749,708</b>	<b>12,918,103</b>

## 10 Year's Financial Summary

Profit and Loss A/c

Amt. IN NPR '000

PARTICULARS	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
<b>Income</b>										
Interest Income	1,326,378	1,148,998	1,201,233	1,245,895	1,446,468	1,626,474	1,775,583	1,963,647	2,342,198	3,148,605
Interest Expense	734,518	578,134	554,128	491,543	561,964	648,842	767,411	823,745	934,778	1,553,531
<b>Net Interest Income</b>	<b>591,860</b>	<b>570,864</b>	<b>647,105</b>	<b>754,352</b>	<b>884,504</b>	<b>977,632</b>	<b>1,008,171</b>	<b>1,139,903</b>	<b>1,407,420</b>	<b>1,595,075</b>
Commission & Discount	96,065	101,704	102,562	123,929	132,816	165,448	193,224	187,820	284,302	270,259
Foreign Exchange Income	119,261	104,601	109,599	112,419	137,301	198,130	151,637	207,669	249,983	180,279
Other Income	31,220	32,038	30,154	34,076	41,301	52,325	40,329	62,103	46,343	112,346
Non Operating Income	2,303	2,451	10,760	3,299	2,795	1,887	3,493	9,700	3,810	12,382
<b>Total Income</b>	<b>840,709</b>	<b>811,658</b>	<b>900,180</b>	<b>1,028,075</b>	<b>1,198,717</b>	<b>1,395,422</b>	<b>1,396,855</b>	<b>1,607,196</b>	<b>1,991,858</b>	<b>2,170,341</b>
<b>Expenses</b>										
Staff Expenses	85,575	101,537	120,145	152,509	178,589	234,589	290,921	292,213	360,981	414,984
Operating Expenses	141,116	155,786	177,131	211,047	277,375	329,699	322,865	344,321	398,317	471,103
Provision for Doubtful Debts	134,320	166,506	202,873	186,226	147,139	88,593	90,689	6,008	68,806	692,640
Provision for Staff Bonus	48,336	38,783	40,003	46,731	58,060	67,240	71,740	94,884	106,661	75,573
Non-Operating Expenses	-	-	-	10,988	15,012	2,902	(96,763)	(79,069)	(9,511)	(239,686)
<b>Total Expenses</b>	<b>409,347</b>	<b>462,612</b>	<b>540,152</b>	<b>607,501</b>	<b>676,175</b>	<b>723,023</b>	<b>679,452</b>	<b>658,357</b>	<b>925,252</b>	<b>1,414,614</b>
Profit before Tax	431,362	349,046	360,028	420,574	522,542	672,399	717,404	948,839	1,066,606	755,727
Income Tax provision	154,323	114,023	147,896	157,522	214,265	214,941	225,580	312,970	313,771	246,929
<b>Net Profit after Tax</b>	<b>277,039</b>	<b>235,023</b>	<b>212,132</b>	<b>263,052</b>	<b>308,277</b>	<b>457,458</b>	<b>491,823</b>	<b>635,869</b>	<b>752,835</b>	<b>508,798</b>
<b>P/L Appropriation</b>										
Profit/Loss carried down	302,490	303,934	331,660	385,546	478,244	615,633	648,380	820,254	849,676	901,324
Interest Spread Reserve reversed	-	-	770	-	-	-	-	-	-	-
Statutory General Reserve	57,117	47,005	42,426	52,611	61,655	91,492	98,365	127,174	150,567	101,760
Exchange Equalisation Fund	3,962	901	1,720	2,270	-	5,906	-	1,302	2,237	-
Interest Spread Reserve Fund	-	-	-	-	-	-	-	-	-	-
HBL Bond 2066 redemption fund	-	-	51,429	51,429	51,429	51,429	51,429	122,857	122,857	71,429
Interim Dividend	60,000	-	-	-	-	-	-	-	-	-
Proposed Dividend	22,500	97,500	5,645	-	74,511	231,660	121,622	253,378	145,946	189,474
Transfer to Paid up Capital	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Adjustment A/c	-	-	-	-	-	38,610	-	-	-	-
Proposed capitalisation of profit-Bonus Share	90,000	39,000	107,250	107,250	128,700	38,610	202,703	202,703	383,785	400,000
Income Tax of last year	-	-	1,466	2,018	3,774	1,369	(10,122)	15,998	-	-
Deferred Tax Reserve	-	-	-	-	-	-	-	-	7,760	596
Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	1,479
<b>Profit Transferred to Balance Sheet</b>	<b>68,911</b>	<b>119,528</b>	<b>122,494</b>	<b>169,967</b>	<b>158,175</b>	<b>156,557</b>	<b>184,385</b>	<b>96,842</b>	<b>36,525</b>	<b>136,587</b>

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