

Your **NEEDS**
Your **EXPECTATIONS**
Your **BANK**



Your **NEEDS** Your **EXPECTATIONS** Your **BANK**

The global banking and financial scenario has witnessed a lot of transformations in the last few decades and the Nepalese banking and finance industry is no exception to this. The Nepalese banking system, that began with the establishment of a government owned bank in 1937 AD, has progressed significantly to come to the present stage where the local banks and financial institutions are delivering world class services to the customers. This change in the Nepalese banking system can be attributed to numerous factors, namely: economic and financial liberalization, foreign investment, establishment of industries and expansion of trade, advancement in information and communication technology and many more. However, it is an inevitable fact that among all other aforementioned factors, one major cause for the acceleration of the Nepalese banking and financial industry is – the changing needs and expectations of the customers and all other associated stakeholders.

The Nepalese banking scenario, where customers visited banks for the simple transactions of depositing their savings and seeking loans to meet their financial requirements, has transformed into a stage where banks and financial institutions are viewed as a financial partner rendering comprehensive and reliable banking services and facilities whenever and wherever they need. Ever since its establishment in the year 2002, Siddhartha Bank Limited (SBL) has recognized the dynamic needs and expectations

of its stakeholders and has adopted a flexible and proactive approach, be it in terms of offering banking products and facilities as per the changing customers' requirement or in streamlining of internal procedures and mechanisms to ensure efficient and hassle free operational systems or in addressing the changes necessitated by various national and international regulatory authorities. On the one hand, the Bank has justified its shareholders' expectations by maintaining a diversified, healthy

and growing business portfolio, strong financials and justifiable returns. On the other hand it has nurtured the career development needs of its staff members through personality-job fit, performance based appraisals and ample training and development programs directed to enhance the technical and soft skills of its staff members. In the days ahead, SBL shall face its own share of opportunities and challenges in the extremely competitive banking industry of the country. Even

so, the Bank shall be persistent in its efforts so as to identify, acknowledge and satisfy the distinct needs of its stakeholders. Furthermore, the Bank shall initiate appropriate actions and implement proper measures so as to fulfill the expectations of its stakeholders. SBL shall continue embarking on a prosperous journey with its stakeholders, thereby justifying its intent of being able to say 'Your Needs, Your Expectations, Your Bank' to all its stakeholders.



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OVERVIEW OF SIDDHARTHA BANK

Established in the year 2002, Siddhartha Bank Limited (SBL) has been serving the country with comprehensive, innovative and quality banking services for the last thirteen years. The Bank, which entered the Nepalese banking scenario as the 17th commercial bank of the country, has developed a



country wide network of 48 branches, 3 extension counters and 63 ATMs.

The Bank has successfully identified and fulfilled the distinct banking needs of its valued customers through an assortment of dynamic products and services, dedicated and competent staff members and, above all, a superior service experience. Apart from the regular banking products and services, the Bank has been serving numerous rural customers in various nooks and corners of the country. Through its innovative branchless banking service – ‘Sajilo Banking Sewa’ it has been addressing the needs of those who were earlier devoid of any kind of access with the formal banking system. Sajilo Banking Sewa is a biometric POS machine based service that enables the customers to carry out basic banking transactions from their vicinity. Currently, the Bank has been serving the rural populace in 64 different locations all over the country through this one of a kind service.

SBL has always appreciated and accepted the fact that each customer comes into the Bank with a unique need and different levels of expectations. At the same time, the Bank is equally aware that it is the prime responsibility of the Bank to acknowledge and address this need while adhering to set regulations, policies and guidelines. This philosophy has guided the Bank throughout its operating history of more than a decade. At the moment, this philosophy has also been transcended into fulfilling the needs and justifying the expectations of all other stakeholders of the Bank. Consequently, the Bank has been successfully offering innovative products and services, dependable and efficient service delivery and dedicated and competent staff members. In the coming days also, the Bank shall continue its thrust to identify and especially to efficiently fulfill the diverse needs of its stakeholders and shall continue adopting proactive measures to further justify the expectations of its stakeholders.

Vision

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

Mission

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

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

Core Values of the Bank

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

Our Customers

Siddhartha Bank possesses a diversified and rich customer base comprised of both individuals as well as institutional customers belonging to different socio-economic backgrounds. The Bank's individual customer base is comprised of professionals from different sectors such as government employees, teachers, doctors, engineers, lawyers, farmers, employees working in INGOs/NGOs etc. The Bank has also been serving the rural customers who were earlier devoid of formal banking services at their locality. The Bank also boasts a diverse composition of institutional as well as corporate customers. It has successfully maintained strong business relationships with various government institutions, manufacturing industries, corporate houses, multilateral organizations, NGOs, INGOs, universities, hospitals, schools, colleges, small and medium enterprises and so on.

Our Brand Identity

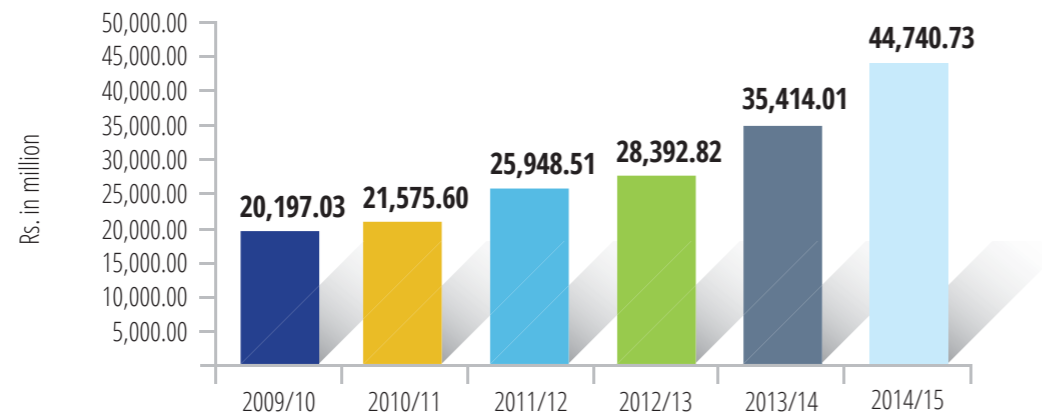
Siddhartha Bank's logo has played a significant role in enhancing the recognition and visibility of the Bank's brand. The Bank's corporate color: yellow, signifies optimism, energy and creativity which are the core philosophy of its work culture. The mnemonics in the Bank's logo is a rhombus with a 'S' engraved inside it. The rhombus which is commonly referred to as a diamond exemplifies not only the décor but also the value that Siddhartha Bank adds to its customers and stakeholders. The four vertices of the rhombus carry four beliefs of the Bank:

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

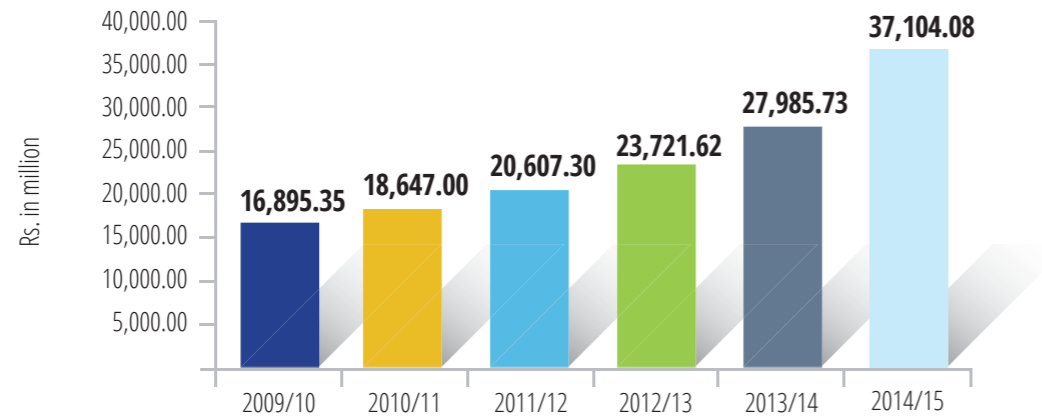
FINANCIAL HIGHLIGHT

for the year 2014/2015

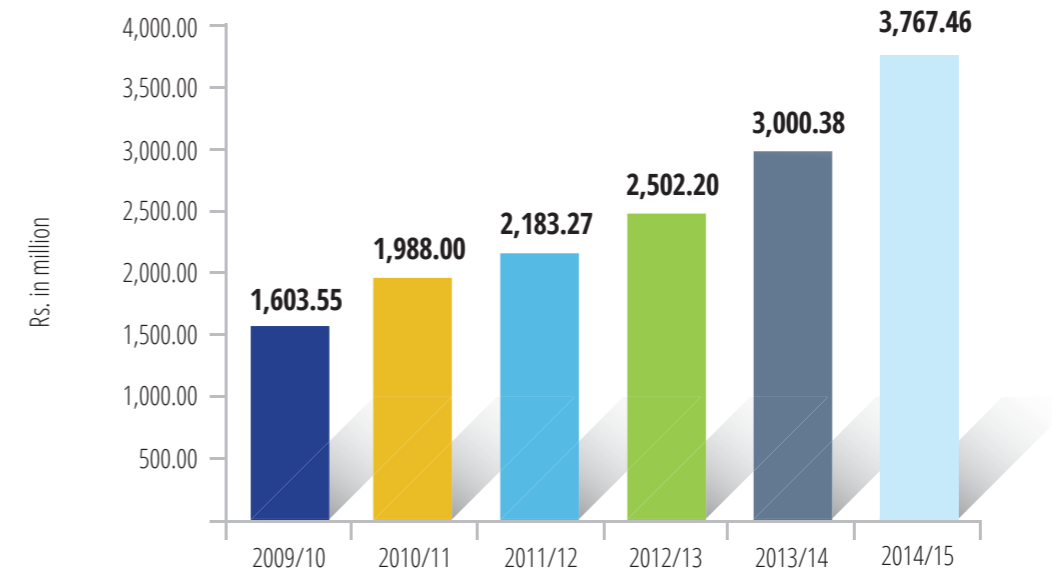
DEPOSITS



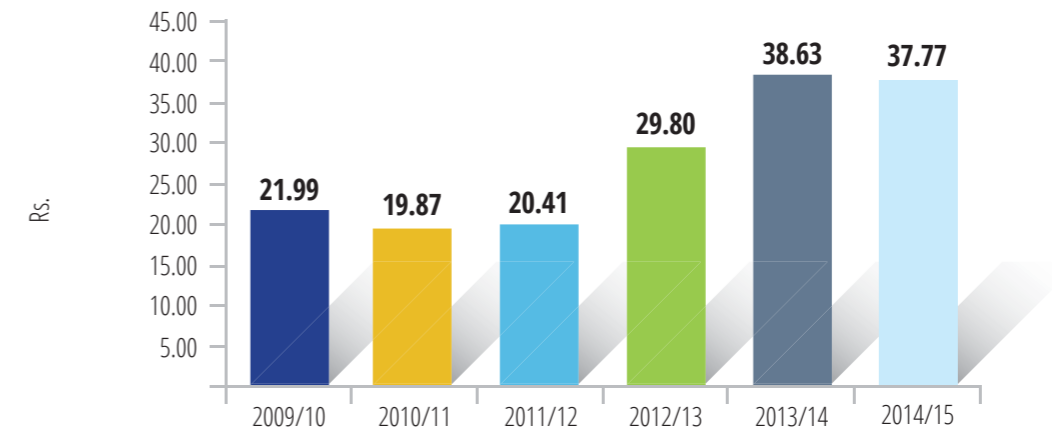
LOAN & ADVANCES



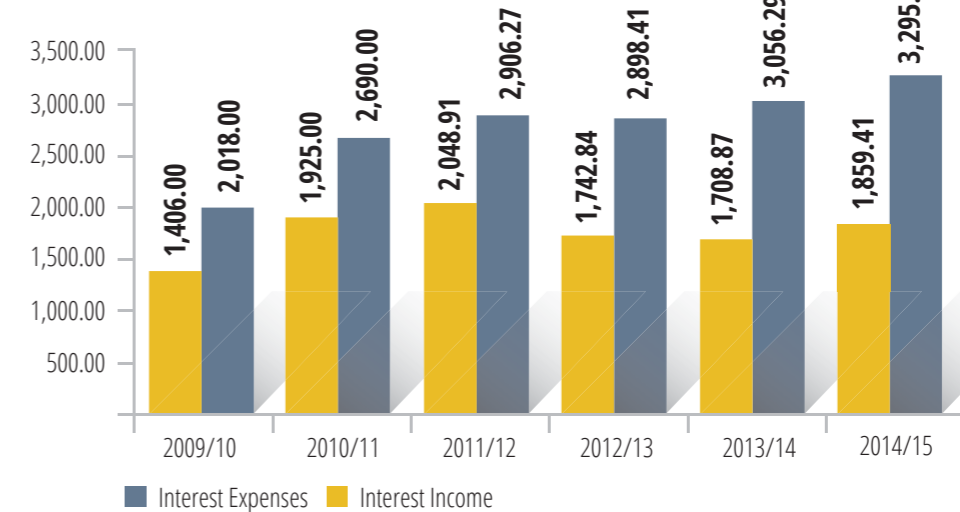
NET WORTH



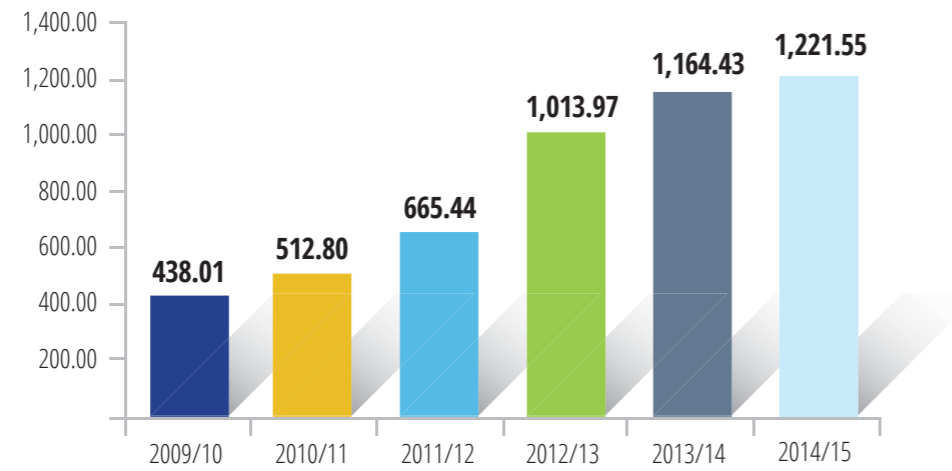
EARNING PER SHARE (EPS)



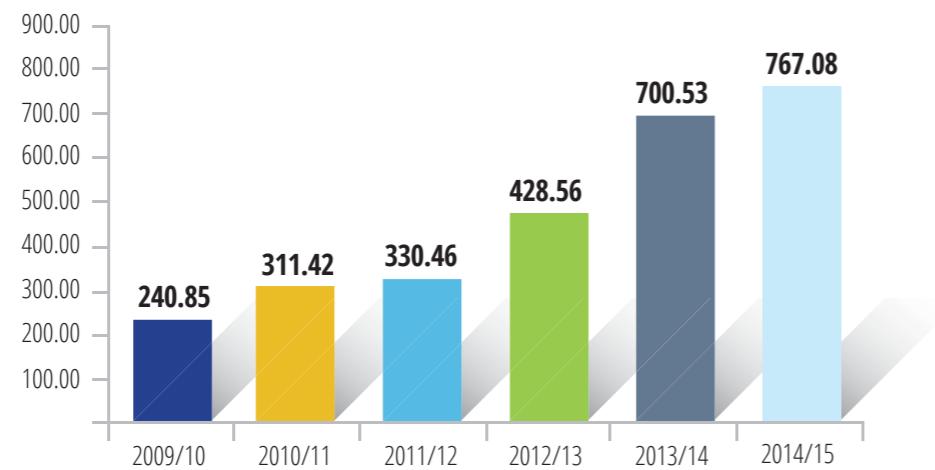
INTEREST INCOME & EXPENSES



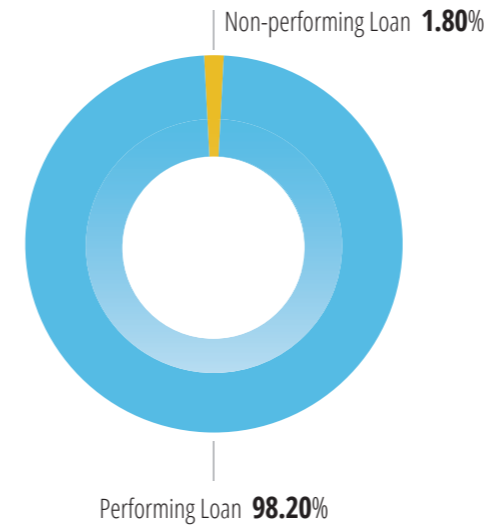
OPERATING PROFIT BEFORE LLP



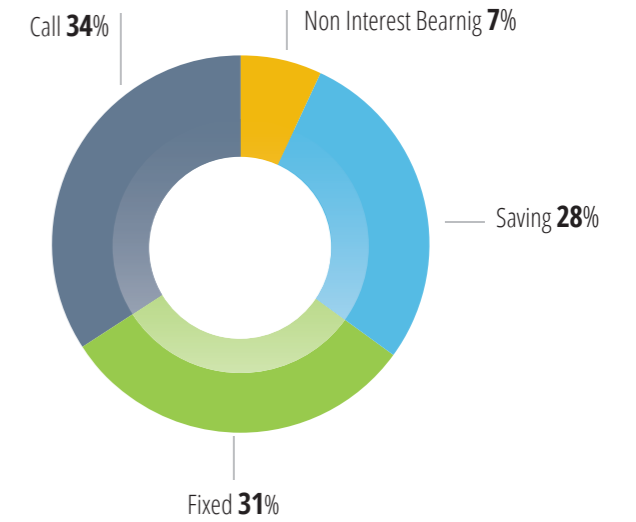
NET PROFIT



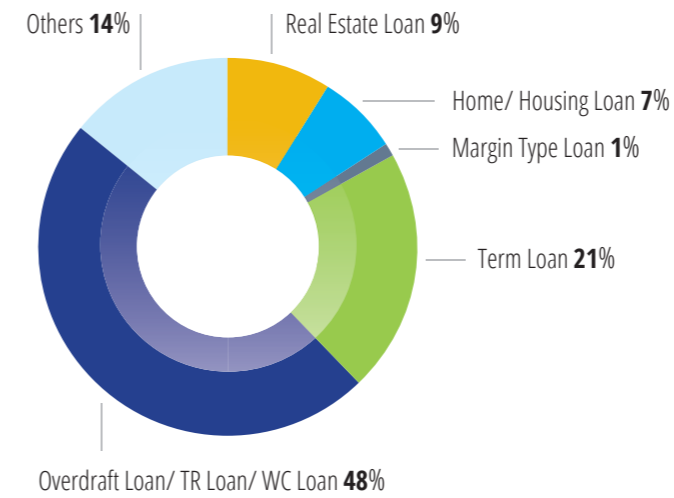
QUALITY OF ASSEST



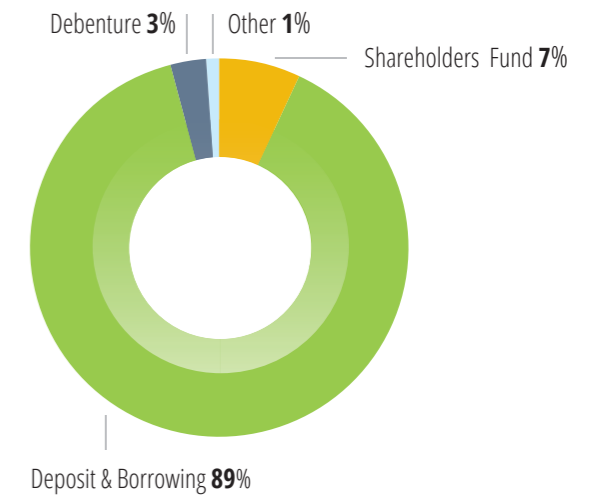
DEPOSIT MIX



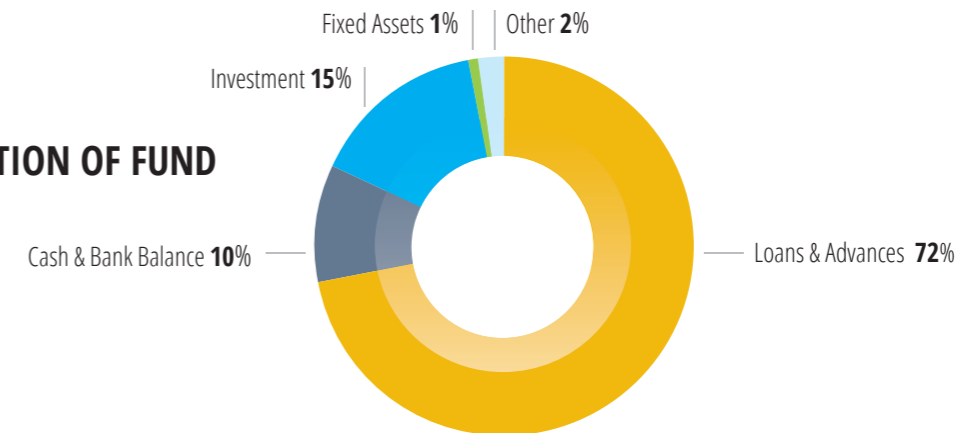
LOAN MIX



SOURCES OF FUND



APPLICATION OF FUND



Board of Directors



MR. MAHESH PRASAD POKHAREL

Director, Public Shareholder

Mr. Pokharel has been involved in the field of investment business for the last 18 years. He has been associated with Siddhartha Bank Limited as a Director from January 2006.

MR. POONAM CHAND AGRAWAL

Director

Mr. Agrawal is a pioneer industrialist of the country with an experience of more than 45 years. He is associated with Ashok Steel Industries Pvt. Ltd, one of the pioneer steel industries of Nepal. Mr. Agrawal has been with the Bank as a Director from May 2011. He is also the Convener of Audit Committee of the Bank.

MR. RATAN LAL KEDIA

Director

Mr. Kedia has been involved in the industrial sector of the country for the past 30 years. He has been associated with Siddhartha Bank Limited as a Director since April 2014. He is also associated with various business organizations like Sushil Banaspati Ghee Pvt. Ltd., Yeti Fabrics Pvt. Ltd., Sitaram Gokul Mills Kathmandu Ltd etc.

MR. RAJESH KUMAR KEDIA

Director, Public Shareholder

Mr. Kedia is one of the renowned industrialists of the country and possesses an experience of more than 25 years in the field of industry and commerce. He has been associated with Siddhartha Bank Limited as a Director from January 2014. He is associated with several other organizations namely Indu Shankar Sugar Mills Pvt. Ltd., Brij Cement Industries Pvt. Ltd., Yagyashree Trades Pvt. Ltd., MB Kedia Dental College Pvt. Ltd., Sushil Soap and Chemical Industries Pvt. Ltd etc.

MR. BIRENDRA KUMAR SHAH

Director

Mr. Shah is a familiar name in the business and industrial arena in Nepal. He possesses an extensive experience of 15 years in the sectors of manufacturing, trading, and hydropower. He has been associated with Siddhartha Bank Limited as a Director from September 2015. Mr. Shah is also the Managing Director of ST Fabric Pvt. Ltd and has also been associated as director/partner in several other industries and trading institutions.

MR. CHIRANJILAL AGRAWAL

Chairman

Mr. Agrawal is a highly prestigious name in the industry and commerce field in Nepal. He possesses an experience of more than 50 years in the field of industry, trade and commerce. Mr. Agrawal is the Chairman of Siddhartha Bank Limited since its inception in the year 2002.

MR. MANOJ KUMAR KEDIA

Director

Representing to Prudential Investment Co. Ltd Mr. Kedia is a renowned industrialist of Nepal with more than 20 years of experience. He has been associated with the Bank as a Director from April 2011. He is also Chairman of Siddhartha Insurance Limited and is associated with various organizations like Brij Cement Industries Pvt. Ltd., Kedia Investment Corporation Pvt. Ltd etc., and many other business firms related to industry and trade as a Director/Promoter.

MR. BHAGAT BISTA

Professional Director (Expert)

Mr. Bista is a renowned name in the banking and finance sector in Nepal. He possesses an experience of more than 30 years in various departments of Nepal Rastra Bank namely: Micro Finance Department, Research Department, Foreign Exchange Department, and Banking Department. He was also one of the members of a Task Force on the World Financed Project on Monitoring and Implementation of Commercial Bank Problem Analysis and Strategic Study (CBPASS); Member-Secretary of Nepal Rural Credit Review Board; Director of Eastern Rural Development Bank, Biratnagar; Founder Director of Far Western Rural Development Bank, Dhangadhi; Member of Management Committee (Board of Directors) of Nepal Bank Limited. He has been associated with Siddhartha Bank Limited as a Professional Director from April 2013.

MR. HEMANT GYAWALI

Director, Public Shareholder

Mr. Gyawali possesses an extensive experience of more than 15 years in the field of public enterprises as well as in various financial institutions in the capacity of Director and General Manager. He has been associated with the Bank as a Director from January 2006.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Like any other financial year, the fiscal year 2014/15 brought several challenges for the Nepalese banks and financial institutions. Being an active player of the industry, Siddhartha Bank Limited (SBL) also had to confront these issues so as to address the changing market dynamics. As a result of the Bank's visionary team, robust internal mechanisms, well defined policies and procedures and committed employees, SBL has been successful to achieve impressive results both in the business and financial front in the FY 2014/15 as well.

As far as the international economic scenario is concerned, IMF has forecasted possibilities of improvement in the economic activities of the developed economies while that of the emerging and developing economies are expected to deteriorate. The 'World Economic Outlook' published by the International Monetary Fund (IMF) on July 2015 projects a growth of 3.30 percent in the world output growth for the year 2015, which stood at a growth of 3.40 percent in the previous year. Specifically, a growth rate of 2.50 percent, 1.50 percent and 0.80 percent has been forecasted for the US economy, Eurozone and Japan respectively in the year 2015. Also, emerging and developing economies are expected to record economic growth of 4.20 percent and low income countries' economic growth is expected to be 6 percent this year. Similarly, economic growth rate of India and China are expected to be 7.50 percent and 6.80 percent respectively for the year 2015.

In the year 2015, the decline in oil prices as well as weak domestic demand is expected to result zero inflation in the developed economies and the inflation rate of emerging and developing countries is forecasted to be 5.50 percent. The inflation rate of India and China is projected to be 6.10 percent and 1.20 percent respectively.



In the FY 2014/15, the Nepalese economy has achieved satisfactory results in terms of various economic indicators. However, the economy experienced visible contraction in the economic activities of the country in the last quarter of the FY 2014/15, after the massive earthquake on April 25, 2015, resulting in a relatively lower economic growth rate than the targeted rate. The preliminary estimates of the Central Bureau of Statistics depict a growth of 3 percent in the real GDP at basic price and 3.40 percent at producers' price in the FY 2014/15 as compared to 5.10 percent and 5.40 percent respectively in the preceding year.

In the fiscal year 2014/15, the Nepalese banking sector witnessed merger and acquisition of different financial institutions resulting in decreased number of financial players in the market. Still, the overall financial access of the nation has widened because of several initiatives of the financial institutions in the areas of network expansion, upgrade of easily accessible banking services like branchless banking, mobile banking and so on.

As compared to the previous fiscal year, the total deposits of Banking and Financial Institutions (BFIs) stood at Rs. 1,623.18 billion with a growth of 15.40 percent in the FY 2014/15. Categorically, the deposits of commercial banks, development banks and finance companies increased by 17 percent, 5 percent and 3 percent respectively in the same period. On the other hand, BFIs loans and advances portfolio reached a total of Rs. 1,514.11 billion in the eleven months of 2014/15, which is an increment of 15.30 percent as compared with the corresponding period of the preceding fiscal year. Specifically, the loans and advances of commercial banks, development banks and finance companies increased by 16.70 percent, 6.80 percent and 5.90 percent respectively in the same period.

Siddhartha Bank Limited (SBL) continued delivering exemplary performance in the FY 2014/15 as well. The Bank's deposit portfolio totalled Rs. 44.74 billion, which is an increment of 26 percent in the total deposit volume as compared to previous fiscal year. Similarly, the Bank's total loans and advances volume reached a total of Rs. 37.10 billion, indicating a growth of 33 percent than that of last fiscal year. Despite the continuously growing lending portfolio, the Bank has been able to contain its NPA level at 1.80% in the FY 2014/15 which is well below the NPA

level of 5% defined by Nepal Rastra Bank. The Bank's financial achievements are also noteworthy in the FY 2014/15, given the highly competitive scenario of the banking industry of Nepal. The Bank successfully generated a total operating income of Rs. 2.05 billion while its net interest income reached a total of Rs. 1.43 billion in the FY 2014/15. The Bank recorded an Operating Profit before Provision of Rs. 1.24 billion while the Net Profit of the Bank totalled Rs. 776.97 million. In the same period, the Bank was able to achieve a growth of 25.56 percent in its net worth which has created a net worth of Rs. 3.76 billion. The Bank also distributed 20 percent bonus shares to its shareholders in the FY 2014/15.

In the present scenario, where a new paid up capital requirement has been defined by Nepal Rastra Bank, the upcoming fiscal year is going to be a transformational and challenging year for the Bank as well. It shall continue to face the direct and indirect effects resulted by market competition, limited product differentiation, bargaining power of customers and several national and international standards and regulatory requirements. Also, the Bank shall need to test the waters so that it can devise and implement its short term and long term strategies in the context of the changed market scenario. Even in this challenging context, it is hopeful that it shall continue receiving valuable insights and constant support from its customers, shareholders, board of directors, management team and all the staff members, and thereby, successfully take on the challenges on its way.

My sincere appreciation goes to the members of the Board for their enthusiasm and continuous support that has enabled the Bank to steadily enhance its coverage, customer base, business portfolio and financial stature every year. I am also grateful to Nepal Rastra Bank and all other regulatory authorities for their valuable guidance and assistance. Last but not the least, I would also like to extend my sincere thanks to all the staff members of the Bank for their uncompromising attention and dedicated efforts to deliver commendable services to the Bank's valued clientele.

Thank you.

Chiranjilal Agrawal
Chairman



FROM THE CEO'S DESK

The fiscal year 2014/15 has bid farewell and Siddhartha Bank has successfully confronted the challenges presented by this year and has once again justified the support of all of its stakeholders through a growing and diverse business portfolio, country wide coverage and strong financial position. My sincere appreciation goes to the undoubted trust of the Bank's shareholders, visionary insights and guidance of the board of directors, constructive feedback of our customers and undoubtedly the rigorous efforts and dedication of our employees- it is because of them that the Bank has been able to register significant growth each year and to establish itself as a dependable financial institution of the country.

Similar to prior fiscal years, the FY 2014/15 tested our wills in many ways, be it additional regulations from the governing authorities, heightened competition among the market players, liquidity management, portfolio diversification and also resuming the Bank's operations at the earliest after the disastrous earthquake of April 25, 2015. Despite all the constraints and the challenges, SBL has achieved significant growth in its business portfolio, enhanced its financial standing as well as corporate governance, streamlined its operations and processes, further upgraded the quality of its assets, developed a team of dedicated and competent staff members and most of all fully addressed the numerous banking requirements of its diverse customer base regardless of their geographical area.

In the FY 2014/15, the Bank successfully contained its Non Performing Assets at 1.80 percent which is quite nominal when compared to both the regulatory requirement as well as the Bank's credit portfolio. The Bank continued upgrading its various products and services to effectively address the changing market dynamics and the customers' requirements.

In the same year, Siddhartha Bank introduced an innovative service – Siddhartha Mobile ATM, which is a movable ATM that can reach anytime anywhere and assist the customers for easy cash withdrawal using debit and credit cards of various national and international payment gateways.

The Bank also signed an agreement with Central Renewable Energy Fund (CREF) as a Partner Bank for CREF's 'Financial Management Mechanism'. As a partner bank, the Bank shall be offering credit facilities for installation of renewable energy technologies to end users as well as manufacturers, distributors, installers etc.

In the changed scenario post the Monetary Policy 2015/16, the upcoming fiscal year is going to be a transformative phase in the journey of Siddhartha Bank. The Bank shall need to identify newer avenues to meet the demands of the new regulation as well as to embark new strategies and course of action so as to ensure further growth in its portfolio as well as financial stature in the days to come. It shall not be an easy task and the Bank shall be exposed to several kinds of risks but the Bank is enthusiastic to take on the challenges ahead as an opportunity to grow bigger and better. The Bank is confident that it shall continue to be endowed with full support and trust by its stakeholders to take on this challenging period.

Ever since the Bank commenced its services in the year 2002 AD, it has always welcomed the evolving needs and expectations of its stakeholders and has adopted proactive measures to fully satisfy these various needs and expectations so as to truly justify its intent of becoming the trusted financial partner for all its stakeholders. The Bank has always been in the forefront when it comes to offering customer driven products and services, creating dependable and efficient service delivery platform/mechanisms, enhancing the skills and competence of staff members, streamlining policies and procedures and abiding by the market/economy driven regulations of several national and international regulatory authorities.

In the coming fiscal year as well, the Bank might face several challenges on its journey to sustainable growth in its capital base, business portfolio and profitability. Still, the Bank is confident that the Bank's undeterred commitment to identify and most importantly address the market trends as well as the needs and expectations of its stakeholders shall empower it to face every challenge on its way.

The Bank shall go on creating better financial future for its customers by serving them with appropriate products and services in the way they desire, for its shareholders by enhancing business volume and shareholders' welfare and for the dedicated staff members by enhancing their skills and creating abundant growth and development opportunities. Above all, the Bank shall undertake all the necessary measures so that it can proudly say 'Your Needs, Your Expectations, Your Bank' to all its stakeholders.

Surender Bhandari
Chief Executive Officer

SENIOR MANAGEMENT TEAM

IRA PRADHAN

Relationship Manager - Credit

SURESH RAJ MAHARJAN

Head – Payment Solutions

PANKAJ PANT

Head - RBU

SRIJAN KRISHNA MALLA

Head - Information Technology

SURYA TAMANG

Head-Corporate Credit



LAXMAN SUBBA

Head - SME & Consumer Banking

SHAMBHU NATH GAUTAM

Chief Business Officer

SHER BAHADUR BUDHATHOKI

Senior Business Officer

SUNDAR PRASAD KADEL

Chief Operating Officer

RAMESHWAR PRASAD BASHYAL

Senior Business Officer

SURENDER BHANDARI

Chief Executive Officer

SHAILAJA GYAWALI

Head - Valley Resources

ARJUN BHADRA KHANAL

Head - Business Support

MANAGEMENT TEAM



KAMAL BASNET
Branch Manager - Biratnagar



BIPLAVI SINGH
Branch Manager - New Road



AMIT SHRESTHA
Relationship Manager –
Corporate Credit



PRABIN DHUNGEL
Head - Credit Risk, Administration,
Compliance & Recovery



PRADEEP PANT
Relationship Manager –
Valley Resources



ANINDRA RAJ ACHARYA
Head - Internal Audit



RAM CHANDRA KHANAL
Head - Finance & Treasury



BHOLA NATH DHUNGANA
Head- Legal & Company
Secretary



PRAVIN NIDHI TIWARI
Manager – Branch Operations



CHANDAN KARKI
On Deputation at Siddhartha Capital Limited
as Chief Operating Officer



UPENDRA PRAKASH GARTAULA
Branch Manager - Birgunj



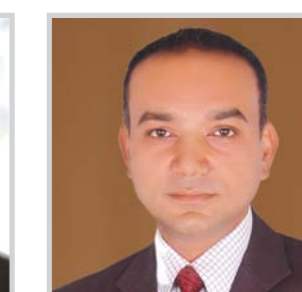
RUDRA NATH DHUNGANA
Relationship Manager -
SME & CBD



TEJ RAJ TIMILSINA
Branch Manager - Nepalgunj



RABEEN MALLA
Manager-Payment Solutions



SUSHIL NEPAL
Branch Manger – Butwal



SAROJ KAFLE
Head - Compliance and
Corporate Governance



AJAY SINGH
Branch Manager - Old
Baneshwar



ANANT SHRESTHA
Branch Manager - Patan



ARCHANA POUDEL
Relationship Manager-
New Road



GYANENDRA KARKI
Administration Manager



HARI PRASAD TIMALSENA
Branch Manager - Pokhara



RAMJI BANIYA
Branch Manager - Narayangarh



SUBASH SHRESTHA
Branch Manager - Birtamod



PRODUCT & SERVICES

Siddhartha Bank has always abided by the fact that each customer has a distinct banking need, and thus they require appropriate banking products and services to fulfill that need. In fact, this notion has always been a guiding philosophy of the Bank to develop various innovative and customer oriented products and services.

The Bank not only offers a range of various primary and secondary banking products and services but also updates and upgrades them based on the market scenario and the changing customers' needs.

Deposit Products

Siddhartha Bank offers a variety of deposit products targeting its diverse clientele of individual and institutional customers. The Bank has been offering current/call accounts, primarily targeted for the business community while at the same time, offering fixed deposit accounts with different maturity periods to cater to both the individual and institutional customer segments. In addition to this, SBL also offers an assortment of customized saving deposit products to cater to the distinct banking needs of various customer segments such as female customers, senior citizens, children/minors, students, investors, salaried professionals and so on.

The Bank's range of Savings Deposit includes Siddhartha Bachat (zero balance account), Sarvottam Bachat (high interest bearing account), Jestha Nagarik Bachat (for senior citizens aged 50 & above), Nari Bachat (for women), Bal Bachat (for minors), Siddhartha Students' Savings (for students), Siddhartha Super Salary (for salaried professionals/payroll management of corporate houses), Siddhartha Investors' Savings (for the customers investing in share market), Remit Account (for individuals working/deputed abroad and their family members) and so on. The deposit products of the Bank come with an assortment of ancillary banking services including debit card, credit card, internet banking, mobile banking, mobile wallet, SMS alert, Any Branch Banking Services (ABBS), utility payment, locker services, etc.

Siddhartha Bank has also been offering customized salary accounts for assisting the payroll management of its valued clientele. The Bank also offers utility bills payment facility for its various institutional customers including NTC, Ncell, Dish Home etc, to name a few.

The Bank is a pioneer in the Nepalese banking industry when it comes to developing various customized Application Interfaces (AIs) to fully address the unique needs of its customers. It has developed application under the name EI App that assists in fees management of the educational institutes. Currently, this application is being used by Institute of Engineering (Tribhuvan University). It plans to further improvise and upgrade these application interfaces in the future as well.

Loans and Advances

Siddhartha Bank boasts a diversified range of products and services in the Loans and Advances category as well. The Bank offers customized credit products and services to cater to the requirements of various sectors namely individual borrowers, small and medium enterprises, corporate houses, development and infrastructure projects and so on. The array of the Bank's credit products comprises

Consumer Financing (Home Loan, Auto Loan, Personal Loan, Education Loan, Loan against Fixed Deposit Receipt and so on), SME loans, Corporate Lending (working capital loan, long term loan, bridge-gap financing, trade financing, structured loan and so on). The Bank has also been offering syndicated credit facilities especially for mega project financing through consortium of financial institutions.

The Bank has been successfully maintaining a healthy credit portfolio with diversified clientele from various sectors of the economy encompassing agriculture, cement, iron/steel, aviation, medical college, hospital, printing/packaging, pharmaceuticals, communications/media, hotel, education, hydropower, real estate, import/export and local trading etc. to name some of them.

Trade Finance

In order to deliver comprehensive solutions to our clients engaged in international and domestic trade transactions, we, at Siddhartha Bank, offer an entire gamut of trade finance services including Import, Export and Bank Guarantee services backed by a team of dedicated trade specialist and a wide network of overseas correspondents. Moreover, the Bank has a centralized trade processing unit called Central Trade Operations (CTO) at its Head Office that caters to the entire trade finance needs and services of Bank's clientele. This centralization of the trade operations of the Bank has been envisaged for improved service delivery, compliance and operational risk management of the Bank.

ANCILLARY SERVICES

Siddhartha Bank has been a pioneer bank to introduce customized, technologically driven ancillary products and services compared to other market players in the Nepalese banking industry. The Bank has developed various technologically advanced ancillary products and services to address the unique requirements of its diverse customer segments.

Some of these various ancillary products and services offered by the Bank include:

ATM

Siddhartha Bank currently boasts a network of 63 ATMs scattered all over the country. The Bank is constantly identifying additional feasible locations for expanding its ATM coverage in the future as well. The Bank's ATMs accept major payment card brands such as Visa, MasterCard, etc.

SIDDHARTHA MOBILE ATM

SBL has launched an innovative service, Siddhartha Mobile ATM for the first time in the history of Nepalese banking industry. Siddhartha Mobile ATM is a dedicated ATM stationed inside a vehicle that enables customers to withdraw money wherever they are. It is an ATM on the move that is stationed at various locations inside and outside Kathmandu valley such as shopping malls, exhibitions, trade fairs, local festivals, and tourist areas etc. where there is high footfall or flow of customers for limited period. Like any other ATMs of the Bank, this Mobile ATM accepts national and international debit and credit cards of various payment card brands such as Visa, MasterCard, etc.

CARD SERVICES:

Siddhartha Bank offers a variety of card services to fully address the distinct needs of its diverse customer segments. The Bank offers, SBL Visa Debit Card, SBL Visa Credit Card, SBL Round Table UNO Cobranded Credit Card, SBL Student Prepaid Card, SBL Medical Prepaid Card and SBL Prepaid Domestic Card & SBL Prepaid Travel Card (International).

The prepaid cards enable the customers to load money in their card for cash withdrawals or merchant payments without the need of opening an account for subscribing to a card service. The Bank offers different categories of prepaid cards: Domestic VISA Prepaid Cards usable in Nepal and India and International VISA Prepaid Card or Travel Cards usable worldwide.

The VISA Prepaid Travel Card aims to cater to the customers travelling abroad as a replacement for Travellers' Cheque as well as foreign currency notes while Student VISA Prepaid Card can be used by the parents or students for cash withdrawals or merchant payments.

The Bank has recently launched SBL Round Table UNO Credit Cards in coordination with Round Table Nepal and UNO Cards. Unlike general credit cards, this card represents identity card of Round Table Nepal members. Besides, this card can also be used as Discount card in merchant locations of UNO cards.

INTERNET BANKING (iConnect)

Siddhartha Bank's internet banking service –branded as iConnect enables the customers to easily view their account information, to carry out fund transfer and to make payments regardless of their physical location.

MOBILE BANKING (mConnect)

mConnect is a mobile banking service of the Bank that assists its customers to conduct basic banking transactions like balance inquiry, fund transfer, mini statement, utility payment, recharge top up and merchant payment using their mobile. mConnect can be used both through a web based interface (using GPRS or 3G) or a simple text-messaging (SMS) interface.

SMS ALERT SERVICE

The SMS alert service informs the customers of their banking transaction with value of Rs. 1,000 or above by sending an SMS to them.

BRANCHLESS BANKING

Apart from the regular banking products and services, the Bank has been serving its rural customers in various nooks and corners of the country through its innovative branchless banking service – 'Sajilo Banking Sewa'. Sajilo Banking Sewa was initially started as a cash distribution program in collaboration with World Food Program (WFP) and has now extended to 64 different locations of the country. This innovative service allows the

customers, especially the rural populace who were outside the formal banking system, to perform basic banking services such as cash deposit and withdrawal through the authorized branchless banking agents of the Bank.

SIDDHARTHA BANK- HELLO PAISA SEWA

Siddhartha Bank- Hello Paisa Sewa is a mobile wallet service of the Bank through which the customers can open mobile account and link it to their respective bank account in a hassle free manner. Once they subscribe to this service, they can easily transfer funds from their bank account to their mobile account and vice versa. Similarly, they can also carry out other transactions such as utility payments, merchant payments, funds transfer to other similar SBL accounts or accounts of other Banks associated with Hello Paisa and so on.

SIDDHARTHA BANK MEDICAL PREPAID CARD

Siddhartha Bank offers Siddhartha Bank Medical Prepaid Card targeting the customers undergoing medical checkups and treatments both in Nepal and India. The card can be easily used in hospitals as well as in ATMs, POS machines etc. The card also has a higher transaction limit for ATM/POS uses, as compared to other prepaid cards, so as to assist the customers to easily meet the financial requirements associated with their medical checkups.

Remittance

Siddhartha Bank has been serving the Nepalese workforce stationed in various foreign countries as well as facilitating local online payment solution all over the country through its dedicated remittance service –SBL Remit. Currently, there are more than 4,200 payment agents all over Nepal. SBL is also the first Nepalese bank to offer remittance service globally, from multiple corridors, in collaboration with its overseas remittance partners.

The Bank has an extensive Remittance Business Center, with an energetic team of competent and seasoned staffs, that has been providing uncompromised and customer focused services to

the Bank's valued customer groups. In addition to this, there is a dedicated round the clock Help Desk with a toll free number for addressing the customer queries and feedbacks in a timely and an efficient manner.

Currently, SBL Remit has its presence in various nations including Saudi Arabia, Qatar, United Kingdom, Oman, Malaysia, UAE, South Korea, Japan, Russia and India. The Bank plans to further expand its remittance service to Nepalese migrants residing in cities like Kuwait, Bahrain, Lebanon, Israel and Singapore.

Treasury Operations

Siddhartha Bank has always been an active player when it comes to transactions related to local interbank and foreign exchange market, bullion trading and other various kinds of money market instruments. For this, the Bank has a dedicated 'Treasury and Correspondent Banking Department' backed by a team of competent employees as well as a state-of-the-art dealing room.

The Department has been successfully executing the functions associated with treasury as well as correspondent banking relationship and at the same time makes judicious investments so as to enhance the profit earning capability of the Bank. The Department is guided by the Bank's Investment Policy, operations specific Standard Operating Procedures and most importantly guidelines and circulars issued by Nepal Rastra Bank from time to time.

There are four major desks in Treasury Department namely Money Market, Foreign Exchange, Bullion and Equity trading. The Money Market Desk is responsible for interbank borrowing/lending, monitoring the money market & forecasting associated trends, market making for Government Bonds, local currency asset-liability management and compliance with various statutory ratios. The Foreign Exchange Desk oversees the exchange rate and manages the foreign currency assets and liabilities while the Bullion Desk is involved in

importing precious metals from trusted suppliers from different parts of the globe so as to meet the local requirement under the periphery of NRB regulations. The Bank's Equity Trading Desk invests in several capital market instruments such as shares, debentures, mutual funds units, etc. These investments are made considering the industry specific as well as company specific risk-return profile and profitability as well as NRB guidelines relating to the same.

Treasury Department is also responsible for initiating and maintaining correspondent banking relationship with different renowned local and international correspondent banks so as to facilitate trade business all over the world.

Other Services

Apart from the regular banking products and services, the Bank has been offering various other services including Safe Deposit Locker Facilities, Utility Bill Payments (NTC Landline & Mobile Bills, Ncell Mobile Bills, Dish Home recharge fees etc), and Bancassurance and so on. In addition to this, the Bank also offers specialized service, to dematerialize their securities (shares, debentures etc), branded as 'Siddhartha Demat Account' from all of its branches as well as its subsidiary company – Siddhartha Capital Limited.

Siddhartha Capital Limited

SBL has also established a separate subsidiary unit, Siddhartha Capital Limited (SCL), which offers investment banking products to its customers. The bank's core objective of establishing the subsidiary is to make its presence in the area of capital market. SCL launched the first mutual fund of Nepal – 'Siddhartha Mutual Fund' registered with SEBON, as per the Mutual Fund Regulation, 2010. The first investment scheme launched was "Siddhartha Investment Growth Scheme – I (SIGS –I)" in the year 2012. SCL has also launched its second scheme "Siddhartha Equity Oriented Scheme (SEOS)" in the year 2014. Both of the schemes operated by SCL are a 5 year close end schemes and is of a basic size of Rs. 500 million and Rs. 1 billion respectively. The total Net Asset Value of both schemes has already reached Rs. 1.88 billion.

Siddhartha Capital Limited has obtained the license of Depository Participant as per the CDS Regulation 2010 and is the market leader in providing its services. In June 2015, SCL has also acquired the merchant banking license from SEBON and is making its mark in the merchant banking industry. As a merchant banker, SCL is providing various services like Registrar to Shares, Issue Management, Underwriting and Portfolio Management.

With its paid up capital of Rs. 100 million, SCL has commenced its business operation in Sep 2012. Coming to the FY 2013/14, it has been able to make a profit of Rs. 3.78 million while in the FY 2014/15 it has made a net profit of Rs. 19.4 million. SCL has distributed Rs. 10.53 million (10.53%) as cash dividend to its shareholders out of the profit made in the year 2014/15. SCL further aims to provide other capital market services in the area of Venture Capital, Equity Management, Financial Restructuring, Loan Syndication etc.

Products and Services offered by the Bank

Deposit Products	Loans and Advances	Remittance Services	Ancillary Services
Savings Deposits	Consumer Loans:	SBL Remit (International)	Cards:
Siddhartha Bal Bachat	Siddhartha Home Loan	SBL Remit (Domestic)	Debit Card - SBL Debit Card - SBL KCM Cobranded Debit Card
Siddhartha Nari Bachat	Siddhartha Auto Loan	Inward Remittance	Credit Card - SBL Credit Card - SBL RTN UNO Cobranded Credit Card
Siddhartha Sarvottam Bachat	Siddhartha Personal EMI Loan	Demand Draft	Prepaid Card - International Travel Card - SBL Prepaid Card - Student Prepaid Card - Medical Prepaid Card
Siddhartha Jestha Nagarik Bachat	Siddhartha Mortgage Loan	SWIFT Payment	
Siddhartha Bishes Bachat	Education Loan	Manager's Check	
Siddhartha Bachat	Loan Against Fixed Deposit Receipt/Government Bonds/ Other Marketable Securities	Sale/Purchase of Foreign Currency	Branchless Banking (Sajilo Banking Sewa)
Siddhartha Students' Savings Account	Small and Medium Enterprises (SME) Loans	Advance Payment	Internet Banking (iConnect)
Remit Account	Business Loans:		Mobile Banking (mConnect)
Siddhartha Investor's Savings Account	Overdraft/Cash Credit		Club Siddhartha
Siddhartha Super Salary Account	Import Loan		Siddhartha Hello Paisa Service
Siddhartha Mega Savings	Working Capital Loan		SMS Banking: -SMS Alert
Siddhartha Kantipur Savings Account	Term Loan		Siddhartha Online Payment
	Export Finances		International Card Acquired: - VISA - VISA Electron, - Plus - Union Pay
Fixed Deposit	Deprived Sector		
Current Deposit			
Call Deposit			
Trade Finance	Treasury and Correspondent Banking	Bank Guarantee	Other Customer Service
Advance Payment	Treasury Services	Bid Bond	Siddhartha Safe Deposit Locker
Documentary Collection	Correspondent Banking Services	Performance Bond	Balance Certificate
Import Letter of Credit	FX Trading	Advance Payment Guarantee	Bancassurance
Export Letter of Credit	Bullion Trading	Shipping Indemnity Bond	Siddhartha Demat Account
Forward Contract	Market Maker for Local Bond Market		
Bills Purchase/Collection	Equity Trading		



CUSTOMER PROXIMITY

Reaching out to customers at their doorsteps and serving them with best possible financial products and services has always been a top priority at Siddhartha Bank. This intent has been truly exemplified by establishment and expansion of the Bank's branches, ATMs, branchless banking locations and remittance payout agents in different locations throughout the country. Currently, SBL has a nationwide network of 51 branches, 63 ATMs, 64 branchless banking locations and 4,200 remittance agents that have been providing top notch banking services to the diverse customer segments.

Apart from the general banking products and services, the Bank is virtually connected to its customers through a range of technology based products and services namely like iConnect, mConnect, SMS Alert, Hello Paisa etc.

The Bank shall continue identifying and implementing newer and improved ways of enhancing its customer proximity in the near future as well.



COMPETENT AND DEDICATED HUMAN RESOURCE BASE

One of the key strengths of Siddhartha Bank is that the Bank has a pool of competent, dedicated and experienced human resource. This has empowered the Bank not only to deliver qualitative and reliable service to its customers but also to register significant achievements year after year in the fiercely competitive banking industry of Nepal. The Bank's work culture encourages knowledge sharing, ethical business practices, integrity and transparency in actions among employees across all levels. The human resource management policy of the Bank highly emphasizes performance based growth and compensation.

The encouraging work environment backed by substantial career development prospects has enabled the Bank to position itself as one of the best places to work with, as compared to its competitors. As of FY 2014/15, the Bank has developed a workforce base of 496 people in different levels.

The Bank understands the value of enhancing the knowledge of its employees in various technical and soft skills and has been regularly conducting numerous training and development programs to enhance the skill sets of its employees. A total of 278 employees were trained through 60 different training and development programs in the FY 2014/15. In addition to this, the employees also participated in various recreational activities/events organized by other organizations.

Designation	No. of Staffs
Executives	5
Senior Manager/Manager/ Deputy Manager/Assistant Manager	32
Senior Officer/Officer	173
Management Trainee	9
Supervisor	43
Senior Assistant/Assistant/Trainee Assistant	224
Support Staff	10

INFORMATION TECHNOLOGY

Siddhartha Bank laid the foundation of its structure and processes on the cutting edge Information and Communication Technology (ICT) infrastructure to manage its overall efficiency and especially to service its valued customers. The setup has ensured every operation/transaction/dynamic business strategies to be carried out via utmost speed, flexibility, accuracy, convenience and security for the concerned. Harnessing the changes with digital ICT revolution, the Bank has successfully streamlined and developed its operation to cater to new demands from its clientele.

The Bank currently uses a centralized Core Banking System (CBS) from OFSS which is flexible, scalable and can efficiently be interfaced with various authorized ancillary products and services. Being ubiquitous, e-Banking products like Internet Banking, Mobile Banking, Alert Services, Branchless Banking, Remittance, Utility Payment and various other customized applications are also serviced through the Bank. To suffice the 24x7 banking services (including physical cash) the Bank has deployed 63 ATMs (including vehicle lodged Mobile ATM) and various payment card service solutions.

Coupling the Business Continuity Plan (BCP) and Disaster Recovery the Bank's data has been maintained at different geographical locations under the professionally managed Data Center and redundant communication. **With the current power crisis, Siddhartha Bank has pioneered the mass usage of renewable solar hybrid energy to efficiently operate 28 branches and 7 ATMs throughout the country thus saving the cost and mitigating the downtime risk.**





RISK MANAGEMENT

A commercial bank is exposed to various kinds of risk in its course of business. In fact, risks are an inevitable part of banking with the potential to leave multiple effects in the different areas of operation. Siddhartha Bank is well aware of the significance of robust risk management mechanism in minimizing the associated risks and enhancing the profitability and success of the Bank. The Bank possesses an efficient system to identify, monitor and most importantly, control the inherent risks in the Bank's business operations, procedures and systems.

Credit Risk

Credit risk can be defined as the risk created due to the inability/unwillingness of a borrower to fulfill its obligations towards the Bank as per the terms and conditions specified in the credit agreement of the borrower. Credit risk has a direct impact on the assets and liability side of a bank's balance sheet and that is why credit risk management is always a crucial part of any bank's overall risk management.

Being a primary custodian of the depositors' funds, Siddhartha Bank understands its responsibility of effective management of credit risks so as to create high quality assets of the Bank. The Bank's lending operations are guided by an extensive Credit Policy Guidelines, commonly referred to as CPG. The CPG highlights the Bank's credit policies covering major aspects of lending such as credit analysis, credit concentration, obligor limits, approving authorities and so on. Similarly, the Bank's Credit Manuals clearly state the inherent processes and procedures for credit creation.

In order to ensure a proper check and balance mechanism, the Bank has segregated the business generation and credit administration aspects of its credit operations. As a result of this, one unit of the Bank generates the business transactions while another separate unit undertakes the administrative operations associated with the lending such as documentations, compliance, disbursement, monitoring and control of credit exposures and so on.

The Bank has always prioritized a robust loan approval process under which each credit facility application is reviewed by at least two approving authorities before it is finally approved. The decision making for the credit application occurs at different levels based on the loan amount of the application. All lending decisions are made with dual signatures of appropriate lending authority delegated amongst the staff having expertise in the area of credit. Credit applications which require board approval are presented to the Board for final approval. Also, only the staffs possessing comprehensive credit knowledge and substantial experience associated with credit operations are provided with the approval/lending limits. The approved limits are loaded in the Bank's system by the Credit Administration Division only after ensuring full compliance of the necessary documentations as well as review of the drawing power of the borrower.

To ensure efficient monitoring as well as proper recovery of the loans sanctioned by the Bank, it not only has a red flag system that proactively monitors each and every credit account, identifies doubtful payments and initiates immediate action for preventing further loss but also has a dedicated recovery unit that is responsible for recovery of both corporate and retail loans. The Bank's comprehensive MIS system also regularly monitors and reviews all the credit accounts of the Bank. The interest and principal repayment of each credit account is closely monitored on a daily basis and any lapses/irregularities are promptly reported to the management to initiate and implement appropriate corrective actions.

Apart from the individual and corporate borrowers, the Bank meticulously monitors the credit worthiness of various financial institutions sharing nostro/vostro relationship with it. It sanctions the credit limits for these kinds of institutions and the limits are reviewed on a regular basis.

In order to ensure a healthy credit portfolio and a lower credit concentration risk, the BOD regularly

review the overall credit portfolio of the Bank along with sectoral reviews of the credit portfolio. The Bank's utmost emphasis to create a healthy portfolio has enabled it to maintain a much lower level of its Non-Performing Assets. As of end of the FY 2014/15, it was successful to contain its NPA at 1.80 percent which is well below the acceptable NPA level of 5 percent as defined by the regulatory authorities. In addition to this, it has consistently maintained a better loan loss provisioning to total loans and advances ratio, thereby highlighting its priority to safeguard its stakeholders' interest. The Bank has also developed and implemented an extensive Investment Policy, Assets – Liabilities Management Policy and Treasury Operational Manual for further enhancing its investment portfolio.

Market Risk

Siddhartha Bank recognizes market risk as the potential for loss of earnings or economic value in on and off-balance sheet positions arising from adverse changes in market level of interest rates or prices of securities, foreign exchange, commodities and equities, as well as the volatilities of those changes.

Interest rate risk is the risk of negative effects on the financial result and capital of the bank caused by changes in interest rates. The major source of income for any bank is the interest spread i.e. the differential between the interest received from loans, securities and other interest earning assets and the interest paid on deposits, borrowings and other interest bearing liabilities of the Bank. Due to this, any alterations, especially the unanticipated alterations, in the interest rate environment directly affect the earnings of the Bank. It is because any fluctuations in interest rates changes the spread of the Bank due to the difference between the maturities and re-pricing characteristics of interest earning assets and interest bearing liabilities. Siddhartha Bank manages interest rate risk through funding gap and earnings sensitivity analysis. For this, the Bank rigorously monitors the interest rate

movements in the market and initiates suitable measures.

Foreign exchange risk is the risk of negative effects in the financial result and capital of the bank caused by adverse movements in the currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. As a result, banks may suffer losses due to changes in rate of the currencies concerned. Dealer Specific Limit, Overnight Limits, various standard operating procedures and proactive back office ensures Foreign Exchange Risk is effectively managed at Siddhartha Bank Limited. The Bank has a well-managed foreign exchange risk management system and all the foreign exchange transactions are monitored by the Treasury Department.

Equity Price Risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Bank arising from changes in stock prices, stock index prices. The equity investments are classified into shares Held for Trading (HFT), Available for Sales (AFS) and Held Till Maturity (HTM) and are marked to market on a timely basis, and reported to ALCO. The investments are made after in-depth companies and industry analysis within the limit approved by the Board and stated by NRB guidelines from time to time. Commodity risk is the risk that a Bank may suffer losses as a result of adverse commodity price movements during a period in which it has an open position in commodities. The Bank proactively manages commodity risk by generally keeping closed positions on positions arising from sale of precious metals to customers.

Siddhartha Bank has adopted a systematic approach regarding management of market risks. The Bank's Investment Policy along with various other Standard Operating Procedures (SOPs), Dealer Specific Limits, Overnight limits, stress testing and sensitivity analysis helps in ensuring that market risk is effectively managed at Siddhartha Bank. The Bank has been effectively managing market risk

since its inception, even during turbulent market scenario, which can be attributed to the Bank's Asset and Liability Management Committee (ALCO) that operates as per the ALCO charter.

Operational Risk

Operational risk can be referred to risks created by inadequate or faulty internal processes, people, and systems or by external events. Operational risk exists in all products, processes and business activities of a bank. It can arise from various sources such as human error, system failures and inadequate procedures and controls, inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems.

Siddhartha Bank is well aware of the operational risks and their implications in the Bank's performance. The Bank has in place a robust system that ensures that the probable operational risks are avoided to the maximum possible extent. There is a strong and well defined internal control mechanism with clear demarcation of lines of authorities and reporting. The Bank has developed and implemented Standard Operating Procedures (SOPs) for various functions being carried out by the Bank. These SOPs precisely define various operational processes of the Bank and assist in ensuring a smooth workflow. The Bank understands the dynamics of the modern banking practices and accordingly updates its policies and procedures to accommodate and address the latest changes in the industry practices. The Bank also conducts internal audits on a periodic basis so as to ensure that the Bank's operations and activities comply with various international accounting and auditing standards, as well as different internal, regulatory and statutory requirements.

The Bank regularly analyses the skill gap of its employees and regularly conducts various training and development programs so as to enhance the skills and competencies of the staffs, thereby ultimately minimizing the possibilities of operational errors.

In order to identify, analyze and address the dynamic market trends and scenario and to review and update the Bank's business processes and operational procedures to incorporate these changes, the Bank has established a dedicated department – Branch Operations Department at its Head Office. The Department not only reviews the Bank's various operational procedures in the context of the latest market developments but also initiates and implements appropriate corrective actions if needed. Furthermore, it supports and facilitates the Bank's branches to address their daily operational issues.

Siddhartha Bank places utmost priority on compliance with various national and international standards and regulatory requirements. A dedicated Control and Compliance unit is in place for continuously monitoring the Bank's adherence to these standards and regulatory requirements. In addition to this, the Bank has a dedicated Internal Audit Department that complies with international audit norms and is backed up with professionals with significant expertise in risk identification. The comments and findings of this Department are reviewed by the Audit Committee. The committee then advises the Bank's management team to implement the recommendations set forth by the Internal Audit Department.

Liquidity Risk

Liquidity risk is the risk arising from a bank's inability to meet its certain or unforeseen obligations once they are due. It may also arise when an investment portfolio cannot be converted into cash, cash equivalent before its maturity or may have to be converted at a value lower than the value of the investment. Siddhartha Bank has well defined policies and procedures for the effective management of Liquidity Risk.

The Bank has a well-defined policy that governs the management of liquidity risk. Asset Liability Committee (ALCO) of the Bank has the major responsibility for the management of liquidity risk. The ALCO periodically reviews the liquidity position of the Bank, plans and initiates appropriate strategies/actions to be taken in case of occurrence of any unanticipated events that might hamper the Bank's normal funding activities. The Bank has an effective Management Information System, which generates various reports associated with the liquidity of the Bank, that is presented to the ALCO members on a regular basis.

The Bank adopts a total balance sheet perspective for managing liquidity under which the Bank projected demand for liquidity is analyzed taking into consideration available funding capacity through increment of liabilities as well as liquidation of assets. Besides, the Bank carries out maturity gap analysis, placing ideal buffer while maintaining Statutory Liquidity Ratios, diversifying investments, carrying out analysis of deposit and withdrawal patterns and stress testing so as to manage liquidity risk. Under the guidance of ALCO, the Bank's Treasury Department also oversees liquidity management through funding and investment functions.

Compliance and Corporate Governance

COMPLIANCE TO VARIOUS NATIONAL AND INTERNATIONAL NORMS

The Bank has institutionalized a strong compliance culture across the organization, pursuant to its strategic goals of transparency and trust, among all its stakeholders. The Bank has a dedicated Compliance Department for ensuring regulatory compliance, across all its businesses and operations.

The key functions of this Department includes: dissemination of key regulatory updates affecting the various businesses of the Bank, review of new products and processes from a regulatory compliance perspective, provide guidance on compliance-related matters, impart knowledge to employees on compliance aspects through training, newsletters, e-learning initiatives and other means of communication apart from direct interaction. It evaluates the adequacy of internal controls and examines the systemic correction required, based on its analysis and interpretation of the regulatory doctrine and the deviations observed during compliance monitoring and testing programme.

It also ensures that internal policies address the regulatory requirements comprehensively. The Bank has SOPs (Standard Operating Procedures) for all businesses of the Bank. All the activities are undertaken in line with the set criteria in the Standard Operating Procedures, policies and guidelines including directives and circulars from the Central Bank.

As the focal point of contact with NRB and other regulatory entities, the Compliance Department periodically appraises both the Bank's management as well as the Board of Directors on the status of compliance in the Bank and the changes in regulatory environment. The Bank is registered with United States Internal Revenue Service (USIRS) for Foreign Accounts Tax Compliance Act (FATCA) during the year and has actively pursued all FATCA compliance activities.

AML AND KYC

Siddhartha Bank views money laundering prevention as an integral part of the Bank's risk management strategy with the vision of ensuring compliance to the regulatory and legal requirements of Nepal as well as international standards.

The Bank has highly focused on compliance with the 'Know Your Customer' and 'Anti-Money Laundering' policy for maintaining greatest possible transparency in business relationships and financial transactions with the spotlight on prevention of money laundering. In adherence with this policy, the Bank verifies the documents relating to the identification of its clients and also acquires a risk-based classification of account relationship into high, medium and low to streamline the process of customer screening for their source of assets and liabilities. Moreover, employee awareness campaign on KYC framework is organized on regular basis for the effective enforcement of Anti Money Laundering norms.

Furthermore, the Bank has registered to the standardized SWIFT's global KYC registry utility for effective and efficient KYC compliance with its correspondents. In addition to this, it is also a pilot member Bank in the goAML project for online reporting of suspicious and threshold transaction initiated by the Financial Information Unit of the Central Bank.

BASEL II

Siddhartha Bank has fully abided by the regulatory capital adequacy framework. Ever since the implementation of the Basel II framework in the FY 2008/09, the Bank has devoted uncompromised attention to ensure that all the standards, necessitated by the framework, are maintained by the Bank.

To ensure effective compliance to the various standards prescribed by the Basel II framework, the Bank has implemented a standard model of capital adequacy framework along with an effective MIS system for risk monitoring, strong product documentation and SOPs, trained human resources and so on which has enabled the Bank to comply with these standards.



CORPORATE GOVERNANCE

Ever since its inception, Siddhartha Bank is committed in achieving the highest standards of corporate governance and it aspires to benchmark itself with international corporate governance practices. The Bank has never compromised its compliance towards several statutory, regulatory and legal requirements and it has always maintained an efficient and up-to-the-mark compliance and control mechanism.

Furthermore, the Bank boasts a team independent auditors who ensure that it complies with all the relevant policies and standard operating procedures while carrying out various banking operations. In addition to this, it has appointed reputed external auditor, independent of any financial interests in the Bank.

The Bank's strength lies not only in the elaborate policies, guidelines and standard operating

procedures but also in the competent employee base who give top priority to ethics and professionalism in their actions and behavior, thereby, enhancing the Bank's dependability and goodwill in the market. The Bank practices transparent management of its business operation and emphasizes welfare of all stakeholders. The Bank regularly communicates pertinent financial information to its stakeholders through accurate and understandable notices and publications.

It also has a well defined organizational structure that effectively addresses its objectives and also ensures that the respective authorities are efficiently supervising their area of operations.

Apart from the efficient and extensive internal control mechanism, the Bank has in place a proactive and systematic risk management system that enables the Bank to timely identify the various risks to which the Bank is exposed to, monitor these risks on a regular basis and implement corrective actions for reducing the impact of these several risks in the Bank's operations as well as profitability.

The Bank has always maintained a proactive approach when it comes to maintaining an effective corporate governance mechanism by identifying relevant issues, developing and implementing appropriate programs and strategies and monitoring the Bank's compliance towards various national and international rules and regulations.



CORPORATE SOCIAL RESPONSIBILITY



Siddhartha Bank has always abided by its Corporate Social Responsibility (CSR) and has been involved in various corporate social responsibility events organized by different national and international organizations. Similarly, the Bank has assisted several organizations to conduct their social programs by sponsoring the programs.

During the massive landslide, resulted by Sunkoshi River, in the Jure village of Sindhupalchowk district, Siddhartha Bank donated Rs. 1 million through Prime Minister Disaster Relief Fund for the rehabilitation and resettlement of the victims as a part of its corporate social responsibility. The donated amount included contribution of Rs. 225,000 by the Bank's



employees while the remaining amount was contributed by the Bank itself.

When the entire nation was traumatized by the massive earthquake on April 25, 2015, SBL was actively involved in the distribution of relief materials for the earthquake victims. For this, the Bank partnered with Helping Hands, a local organization, to distribute relief materials in the affected areas. The Bank handed over relief materials worth Rs. 250,000 through Helping Hands. Numerous staffs of the Bank also volunteered in distributing these relief materials in coordination with Helping Hands.

Apart from the relief materials, the Bank also contributed an amount of Rs.10.48 million in the Prime Minister Disaster Relief Fund for the rehabilitation and resettlement of the earthquake victims.

Siddhartha Bank has in place a dedicated mechanism that focuses on identification of viable corporate social responsibility initiatives and on the effectiveness of various programs conducted as a part of the Bank's corporate social responsibility. The Bank has placed utmost priority to identify and conduct various kinds of CSR activities not only at the corporate level but also at the individual branch level in the years ahead.

EVENT PARTICIPATION

In the FY 2014/15 also, Siddhartha Bank continued participating in various kinds of events conducted by various national and international organizations. In this fiscal year, it continued its participation in the celebration of Indrajatra Festival in association with Ganga Club, one of the renowned clubs of Basantapur area. It had sponsored t-shirts for the volunteers of the Club and for the preparation of Samay Bazi – a famous ritual food prepared during the festival. Welcome banners were also placed at various prominent locations throughout

the Basantapur Durbar Square.

The Bank also organized blood donation program at the Bank's Head Office, Hattisar in coordination with Blood Bank and Association of Siddhartha Bank Limited Staff. The program was a successful one with blood donation by more than 80 participants.

In the FY 2014/15, the Bank continued its participation as an "Official Bank" in the annual events of Computer Association of Nepal namely CAN SofTech 2014, CAN Infotech 2015 and CAN ICT Conference 2015. As an official bank, the Bank managed ticket counters for CAN SofTech 2014, CAN Infotech 2015 and also placed a dedicated stall that was branded with various products and services of the Bank during all the three events.

SBL had also participated in the 'Global Money Week Rally 2015' organized by Nepal Rastra Bank on March 14, 2015. More than 30 participants attended the rally that started from Basantapur Durbar Square and ended at Bhrikutimandap. The participants carried banners and placards displaying different banking awareness messages.

Siddhartha Bank also participated in the 100th week of Bagmati Safai Abhiyan organized by Kathmandu Metropolitan City. More than 60 participants from various departments, divisions and branches inside valley were actively involved in cleaning the Bagmati River in the vicinity of the United Nations Park area in Kathmandu.

Apart from the aforementioned major events, the Bank participated in several trade fairs and local events organized in the vicinity of its branches in the FY 2014/15.



DIRECTOR'S REPORT

INTERNATIONAL ECONOMIC OUTLOOK

According to the World Economic Outlook published by International Monetary Fund (IMF) in April 2014, the global economic growth rate is expected to remain at 3.60 percent in 2014 and 3.90 percent in 2015. As per IMF, the American economy is expected to grow by 2.80 percent while the economies of Eurozone and developing nations are expected to grow by 1.20 percent and 4.90 percent respectively. The Indian and Chinese economies which had experienced a growth of 4.40 percent and 7.70 percent respectively in the year 2013 are expected to grow by 5.40 percent and 7.50 percent respectively in 2014.

In the year 2015, the economic activities of the developed economies are expected to witness an improvement while the economic activities of

emerging and developing economies are expected to decline. The 'World Economic Outlook', published by the International Monetary Fund (IMF) on July 2015, has projected a world output growth of 3.30 percent in the year 2015 as compared to a growth rate of 3.40 percent in 2014. Specifically, IMF has projected growth rate of 2.50 percent for the US economy in the year 2015 as compared to 2.40 percent in the preceding year. Similarly, the economic growth rate for the economies of Eurozone and Japan are expected to be at 1.50 percent and 0.80 percent respectively in 2015.

IMF has also projected an expansion of 4.20 percent in the emerging and developing economies, which stood at 4.60 percent in 2014 while the economic growth rate in low income countries is expected to contract in 2015 from 6.0 percent in 2014 to 5.10 percent in 2015.

In case of the neighbouring economies of India and China, IMF has forecasted economic growth rate of 7.50 percent and 6.80 percent respectively for the year 2015 as compared to 7.30 percent and 7.40 percent respectively last year.

As a result of the decline in oil prices as well as weak domestic demand, the developed economies are expected to witness zero inflation in the year 2015. The inflation rate of these economies was 1.40 percent in the preceding year. Similarly, the inflation rate of emerging and developing countries is forecasted to be 5.50 percent in 2015, which stood at 5.10 percent in 2014. In case of the economies of India and China, IMF has projected an inflation rate of 6.10 percent and 1.20 percent respectively.

AN INSIGHT INTO THE DOMESTIC ECONOMY

The Nepalese economy has shown satisfactory performance in terms of various economic indicators in the FY 2014/15. However, the massive earthquake on April 25, 2015, that jolted the entire nation and resulted in huge loss of lives and properties also left its visible impact in the nation's economy. Hence, in the last quarter of the FY 2014/15, there was significant contraction in the economic activities of the country which led to a lower economic growth rate as compared to the targeted economic growth rate.

As per the preliminary estimates of the Central Bureau of Statistics, the real GDP of the country grew by 3.00 percent at basic price and 3.40 percent at producers' price in the review period as compared to 5.10 percent and 5.40 percent respectively last year. Similarly, the growth rate estimates for agriculture and non-agriculture sectors are 1.90 percent and 3.60 percent respectively in the review period. These rates stood at 2.90 percent and 6.30 percent respectively last year. Also, the growth rate estimates for industry and service sub-sectors in the review period are 2.60 percent and 3.90 percent respectively as compared to 6.20 percent and 6.40 percent respectively in the previous year.

The CPI (Consumer Price Index based) average inflation rate stood at 7.20 percent in the eleven months of 2014/15 while the year on year (y-o-y) CPI inflation rate witnessed an increment of 7.40 percent in mid-June 2015 in comparison to 9.50 percent in the corresponding month of the preceding year. The annual inflation for the year 2014/15 has been estimated to have remained around 7.50 percent, which is attributable to monetary expansion in the economy as expected, decline in the price of petroleum products and contained inflation in the neighbouring economy.

Based on the available cash flow data stated in the Monetary Policy 2015/16, the total government spending has increased by Rs. 440.99 billion or 18.90 percent as compared to an increment of 9.60 percent in the corresponding period of the previous year.

BANKING AND FINANCE SECTOR

In the fiscal year 2014/15, the Nepalese banking sector has experienced a decline in the number of banks and financial institutions (BFIs) due to merger and acquisition. However, the overall financial access has been widened because of network expansion by BFIs as well as further expansion and update of innovative banking products and services such as mobile banking and branchless banking.

In the FY 2014/15, the total deposits at BFIs reached a total of Rs. 1,623.18 billion, which is an increment of 15.40 percent i.e. Rs. 216.41 billion. The total deposits at BFIs had increased by 12.50 percent i.e. Rs. 148.23 billion last year. On a year-on-year basis, the deposits at BFIs expanded by 21.50 percent in mid-June 2015. On the basis of the type of financial institution, the deposits of commercial banks, development banks and finance companies increased by 17 percent, 5 percent and 3 percent respectively in the FY 2014/15.

In case of loans and advances category, the total loans and advances of BFIs reached Rs. 1,514.11 billion in the eleven months of 2014/15. This illustrates an increment of 15.30 percent i.e. Rs. 200.78 billion as compared to an increment of 13.20 percent i.e. Rs. 151.15 billion in the corresponding period of the preceding fiscal year. Specifically, the loans and advances of commercial banks, development banks and finance companies increased by 16.70 percent, 6.80 percent and 5.90 percent respectively in the FY 2014/15.

In the FY 2014/15, the credit extended by BFIs to the private sector increased by 17.80 percent i.e. Rs. 198.47 billion in comparison to an increment of 15.70 percent i.e. Rs. 147.42 billion last year. On a year-to-year basis, the credit extended by BFIs to private sector increased by 20.90 percent in mid-June 2015. Of this, total credit extended to the private sector, the share of lending done by commercial banks, development banks and finance companies registered a growth of 20 percent, 10.30 percent and 6.50 percent respectively.

In the FY 2014/15, there has been noteworthy growth in the credit exposure of BFIs' to various sectors namely industrial production, construction, wholesale and retail. There has been growth of 13.70 percent in the credit to the industrial production sector while the credit to the wholesale and retail trade sector has increased by 18.90 percent. Similarly, BFIs credit to construction sector has gone up by 27.40 percent while the credit to transportation, communication and public service sectors has experienced an increment of 22.30 percent in the FY 2014/15. Likewise, credit extended by BFIs to the agriculture sector has recorded a growth of 23 percent as compared to that of last year.

NEW INITIATIVES

Siddhartha Bank's core business philosophy has always

been guided by identification of new or unexplored business avenues and capitalizing these opportunities so as to gain a distinctive edge in the market. In the review period also, the Bank identified and capitalized several such initiatives with respect to its market offerings, service experience, operational efficiency, technology upgrade, corporate social responsibility and so on.

LAUNCH OF AN INNOVATIVE SERVICE- SIDDHARTHA MOBILE ATM

SBL also launched its innovative and visionary service- Siddhartha Mobile ATM in the FY 2014/15, which is the first-of-its-kind service in the country. The Mobile ATM consists of an ATM stationed inside a vehicle and can reach anywhere anytime so as to enable the customers to carry out ATM transactions. The Bank has been placing the mobile ATM at various locations inside Kathmandu valley with high footfall or gathering of people such as shopping malls, exhibitions, trade fairs, local festivals, tourist areas etc. The ATM is also deployed to large scale social and corporate events and exhibitions outside the Kathmandu valley on an approval basis. Like any other ATM of the Bank, Siddhartha mobile ATM also accepts Debit and Credit cards of various networks such as VISA, Union Pay, VISA Electron etc.

Apart from the mobile ATM, the Bank also added an ATM in Namche in the FY 2014/15. Following the expansion of the Bank's branch as well as ATM network, the total number of branches and ATMs of the Bank at the end of the FY 2014/15 reached 51 and 59 respectively. The Bank shall constantly look out for additional avenues of expanding its network coverage in the future as well.

DEPOSIT SCHEMES

Siddhartha Bank has been continuously catering to various kinds of deposit products to efficiently address the unique requirements of its varied customer segments. In the review period also, the Bank continued to offer different deposit products of the Bank namely Siddhartha Bachat, Siddhartha Sarvottam Bachat, Siddhartha Nari Bachat, Siddhartha Jestha Nagarik Bachat, Siddhartha Students' Savings, Remit Account, Super Salary Accounts, Siddhartha Investors Savings etc to address the banking needs of its customers. In addition to the wide range of deposit products, the Bank has also been serving the special requirements of its organizational customers by developing customized application interfaces for these organizations. Currently,

the Bank has been facilitating fees management of various educational institutions as well as utility bills payment of various organizations by developing these kinds of specialized application interfaces. The Bank shall identify prospects of expanding this service in the days to come as well.

AGREEMENT FOR CENTRAL RENEWABLE ENERGY FUND'S FINANCIAL MANAGEMENT MECHANISM

In the FY 2014/15, Siddhartha Bank was selected as a partner bank for Central Renewable Energy Fund's Financial Management Mechanism. As a partner bank, SBL will be offering credit facilities for installation of renewable energy technologies to end users as well as manufacturers, distributors, installers etc.

ADHERENCE TO VARIOUS REGULATORY REQUIREMENTS

Similar to prior fiscal years, SBL has practiced undeterred adherence to the requirements prescribed by various national and international regulatory bodies. The Bank has ensured full compliance to the requirements stated by the existing acts and guidelines related to Know Your Customer (KYC), Anti Money Laundering (AML), Foreign Accounts Tax Compliance Act (FATCA), Right to Information Act 2064 (2007) etc in the FY 2014/15. The Bank is fully committed to adhering to these various regulatory requirements in the near future as well.

BUSINESS AND FINANCIAL ACHIEVEMENTS

In the FY 2014/15 also, the Bank has been able to register remarkable business and financial achievements despite the challenging market conditions. In the FY 2014/15, it successfully registered a growth of 26 percent in its deposit volume thereby creating a deposit portfolio of Rs. 44.74 billion while the Bank's lending portfolio reached Rs. 37.10 billion – a growth of 33 percent as compared to last year's lending portfolio.

In the review period, the Bank was able to generate total operating income of Rs. 2.05 billion, which is an increment of 10.34 percent than that of FY 2013/14. Similarly, the Bank's net interest income reached a total of Rs. 1.43 billion, signalling a growth of 4 percent as compared to the preceding fiscal year. It was able to register an Operating Profit before

Provision of Rs. 1.24 billion while the Net Profit of the Bank reached a total of Rs. 776.97 million

In the FY 2014/15, the net worth of Siddhartha Bank Limited stood at Rs. 3.76 billion that signifies a growth of 25.56 percent as compared to preceding fiscal year. The Bank also provided 20 percent bonus shares to its shareholders.

ASSETS QUALITY

Maintaining an excellent quality of assets has always been the utmost priority for Siddhartha Bank. As a result of this, the Bank has been able to maintain high asset quality with respect to its business portfolio and growth. The Bank's undeterred focus and judicious lending has enabled the Bank to maintain a NPA level of 1.80%, which is far below the NPA rate of 5 percent defined by NRB.

GOING AHEAD

Siddhartha Bank has always been a customer oriented bank that gives utmost priority to deliver excellent service experience to the customers while abiding by the principles of transparency, integrity and corporate governance. The Bank has given uncompromising attention to fulfilling various national and international regulatory requirements so that the stakeholders of the Bank are benefitted in the long run. The Bank's proactive approach and innovative ideas has enabled it to deliver some of the unique products and services in the Nepalese banking industry.

Right from its inception in the year 2002 the Bank has well justified the trust and support of its several stakeholders through a continuously growing business portfolio, expansive points of representation, wider correspondent networks, comprehensive array of products and services, strong financial position and a pool of responsible and dedicated staff members.

With the advent of new regulatory requirements for commercial banks in the country, the year ahead is going to be a challenging one. Even so, Siddhartha Bank shall continue identifying newer and broader avenues of business expansion, exploring better opportunities of serving its customers and other stakeholders and at the same time contributing back to the society through viable corporate social responsibility initiatives. Above all, the Bank shall continue serving all of its stakeholders as 'Bank for Your Prosperity'.

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF
SIDDHARTHA BANK LIMITED**

We have audited the accompanying consolidated financial statements of Siddhartha Bank Ltd (the "Bank") and its consolidated subsidiary (collectively referred to as the "Group"), which comprise the consolidated balance sheet as at 16 July 2015, the consolidated profit and loss account, statements of changes in equity and cash flow for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Nepal Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We did not audit the financial statements and other financial information of its subsidiary Siddhartha Capital Ltd whose financial statements reflect total assets of Rs 142.10 million as at 16 July 2015, total revenues of Rs 51.30 million and net cash outflows of Rs 13.87 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, are based solely on the report of the other auditors.

The Bank has not followed the applicable Nepal Accounting Standards and the provision of Nepal Rastra Bank Unified Directives for treatment of the following transactions:

- The recognition of interest income on loans and advances on cash basis as per NRB Directives and not accrual basis as required by NAS 7 – Revenue. (Refer Note 5.3 in Schedule 4.32)
- Depreciating fixed assets using the rates specified in the Income Tax Act on Diminishing Balance Method without determining the useful lives of the assets to depreciate such assets over the useful lives as per NAS 6 – Property Plant & Equipment. (Refer Note 5.13 in Schedule 4.32)





- The recognition of interest income of Rs 30,965,128 collected after the balance sheet date up to Shrawan 15, 2072 in the income of the 2071-72 on the basis of 'AGM Clearance and Dividend Approval Guidelines' issued by NRB. The recognition interest collected after the balance sheet date as income of the current year is not an adjusting event as per NAS 5 – Events After the Balance Sheet Date. The Bank followed a similar practice in the previous year. (Refer Note 8 in Schedule 4.33)
- The Bank has not measured the investment made in shares of a listed company categorised as Available for Sale on 'Mark to Market' Basis, which in our opinion, is not in accordance with Nepal Rastra Bank Unified Directives. (Refer Note 15 in Schedule 4.33)

In addition to above, the auditor of Subsidiary company has qualified the audit report for inappropriately claiming withholding taxes relating to Siddhartha Investment Growth Scheme 1 amounting to Rs 3.74 million by Siddhartha Capital Limited. (Refer Note 4 of Audit report of Siddhartha Capital Ltd for FY 2014-15)

Opinion

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, except for the effects of the matters stated in the preceding paragraphs, we are of the opinion that the attached consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 16 July 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Accounting Standards.

Shashi Satyal
Managing Partner

T R Upadhy & Co.
Chartered Accountants

Kathmandu,
11 October 2015

CONSOLIDATED BALANCE SHEET

as at 31 Ashad 2072 (16 July 2015)

Capital & Liabilities	This Year Rs.	Previous Year Rs.
1. Share Capital	2,437,416,038	2,031,180,032
2. Reserves and Surplus	1,319,078,193	969,721,030
3. Non- Controlling Interest	59,005,541	49,493,795
4. Debenture and Bonds	1,431,290,000	931,290,000
5. Borrowings	65,000,000	106,415,000
6. Deposit Liabilities	44,722,073,261	35,408,654,296
7. Bills Payables	12,750,802	104,740,547
8. Proposed Dividend	21,380,842	202,354,402
9. Income Tax Liabilities	-	-
10. Other Liabilities	651,750,509	525,001,022
Total Capital & Liabilities	50,719,745,186	40,328,850,124

Assets	This Year Rs.	Previous Year Rs.
1. Cash Balance	1,155,856,879	1,116,413,036
2. Balance with Nepal Rastra Bank	3,753,171,906	5,953,656,422
3. Balance with Banks & Financial Institutions	203,555,252	191,206,673
4. Money at Call & Short Notice	1,130,000,000	1,150,000,000
5. Investment	6,664,934,845	3,343,285,438
6. Loans, Advances & Bills Purchased	36,339,796,450	27,186,905,349
7. Fixed Assets	418,222,933	450,416,738
8. Non- Banking Assets	-	-
9. Other Assets	1,054,206,921	936,966,468
Total Assets	50,719,745,186	40,328,850,124

CONSOLIDATED PROFIT & LOSS ACCOUNTS

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particular	This Year Rs.	Previous Year Rs.
1. Interest Income	3,295,249,733	3,056,286,677
2. Interest Expenses	1,859,406,575	1,708,119,486
Net Interest Income	1,435,843,157	1,348,167,192
3. Commission & Discount	233,371,669	176,689,684
4. Other Operating Income	243,595,715	205,317,871
5. Exchange Fluctuation Gain	142,341,336	132,327,198
Total Operating Income	2,055,151,877	1,862,501,945
6. Employees Expenses	337,409,697	249,148,116
7. Other Operating Expenses	473,408,044	446,987,120
8. Exchange Fluctuation Loss	-	-
Operating Profit Before Provision for Possible Loan Loss	1,244,334,137	1,166,366,708
9. Provisions for possible losses	249,086,366	423,229,271
Operating Profit	995,247,771	743,137,437
10. Non- Operating Income/(Expenses)	44,493,951	96,819,665
11. Possible Loss Provision Written Back	197,952,367	266,402,956
Profit from Regular Activities	1,237,694,090	1,106,360,059
12. Income/Expenses from Extraordinary Activities	1,002,663	(24,285)
Net Profit after including all activities	1,238,696,753	1,106,335,774
13. Provision for Staff Bonus	112,608,796	100,575,979
14. Provision for Income Tax (a+b-c)	339,608,426	301,446,551
a. Current Year Tax	355,303,829	306,068,243
b. Prior Period Tax	1,079,030	2,594,250
c. Deferred Tax Income/(Expenses)	16,774,433	7,215,942
15. Share of Non-Controlling interest in the Profit/Loss of Subsidiary	9,505,519	1,851,340
Net Profit/ (Loss)	776,974,011	702,461,904

CONSOLIDATED PROFIT & LOSS APPROPRIATION ACCOUNTS

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particular	This Year Rs.	Previous Year Rs.
Income		
1. Accumulated restated Profit upto Previous Year	16,088,086	14,400,029
2. This Year's Profit	776,974,011	706,164,584
3. Exchange Equalisation Fund	-	-
4. Transfer from Capital Adjustment Fund	-	-
5. Share Premium	-	-
Total	793,062,097	720,564,612
Expenditures		
1. Accumulated loss upto Previous Year	-	-
2. Current year's loss	-	-
3. General Reserve	155,733,829	140,107,000
4. Contingent Reserves	-	-
5. Institutional Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employees Related Reserve Fund	-	-
8. Proposed Dividend	21,380,842	202,354,402
9. Proposed Bonus Share	406,236,006	217,626,432
10. Specific Reserve Fund	-	-
11. Exchange Fluctuation Fund	3,897,247	2,149,504
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Investment Adjustment Reserve	8,066,387	1,321,789
15. Deferred Tax Reserve	16,774,433	7,875,971
15. Others	-	-
a. Debenture Redemption Reserve	167,288,004	133,041,429
Total	779,376,748	704,476,526
15. Accumulated Profit/ (Loss)	13,685,349	16,088,086

CONSOLIDATED CASH FLOW STATEMENT

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
A. Cash Flows From Operating Activities	(1,139,847,110)	4,003,827,874
1. Cash Receipts	3,917,654,925	3,679,953,848
1.1 Interest Income.	3,295,249,733	3,074,528,538
1.2 Commission & Discount Income	466,198,907	378,399,685
1.3 Exchange Fluctuation Gain	142,341,336	132,327,198
1.4 Recovery of Loans Written Off	-	-
1.5 Other Income	13,864,949	94,698,426
2. Cash Payments	3,030,543,492	2,663,966,476
2.1 Interest Expenses	1,830,556,988	1,708,819,079
2.2 Staff Expenses	437,479,022	280,433,100
2.3 Office Operating Expenses	384,935,658	355,646,906
2.4 Income Tax Paid	345,778,339	318,539,617
2.5 Other Expenses	31,793,485	527,773
Cash Flows before Changes in Working Capital	887,111,433	1,015,987,372
Increase/(Decrease) in Current Assets	(11,280,109,951)	(3,041,184,563)
1. (Increase)/Decrease in Money at Call and Shortnotice	20,000,000	225,253,337
2. (Increase)/Decrease in Short-term Investments	(2,013,932,079)	1,145,135,370
3. (Increase)/Decrease in Loan and Bills Purchased	(9,165,581,074)	(4,264,110,849)
4. (Increase)/Decrease in Other Assets	(120,596,798)	(147,462,421)
Increase/(Decrease) in Current Liabilities	9,253,151,407	6,029,025,065
1. Increase/(Decrease) in Deposits	9,326,724,193	7,021,185,304
2. Increase/(Decrease) in Certificate of Deposits	(41,415,000)	-
3. Increase/(Decrease) in Short-term Borrowings	-	(681,050,822)
4. Increase/(Decrease) in Other Liabilities	(32,157,785)	(311,109,417)
B. Cash Flows From Investing Activities	(1,337,885,227)	(85,399,246)
1. (Increase)/Decrease in Long-term Investments	(1,311,592,543)	(16,800,412)
2. (Increase)/Decrease in Fixed Assets	(56,278,580)	(76,725,249)
3. Interest Income from Long term Investments	-	-
4. Dividend Income	29,985,897	8,126,416
5. Others	-	-
C. Cash Flows from Financing Activities	323,674,242	(172,555,621)
1. Increase/(Decrease) in Long-term Borrowings (Bond, debentures etc.)	500,000,000	-
2. Increase/(Decrease) in Share Capital	-	(16)
3. Increase/(Decrease) in Other Liabilities	-	-
4. Increase/(Decrease) in Refinance/facilities received from NRB	-	-
5. Increase/(Decrease) in Proposed dividends and Dividend Payables	(176,325,758)	(172,555,605)
D. Income/Expenses from changes in exchange		
rate on Cash and Bank Balances/ Previous Year Adj	12,706	-
E. Net Cash Flow For The Year from all activities (A+B+C+D)	(2,154,045,389)	3,745,873,007
F. Opening Cash and Bank Balance	7,266,629,427	3,515,403,124
G. Closing Cash and Bank Balance	5,112,584,037	7,261,276,131

BALANCE SHEET

as at 31 Ashad 2072 (16 July 2015)

CAPITAL AND LIABILITIES	Schedule	This Year Rs.	Previous Year Rs.
1. Share Capital	4.1	2,437,416,038	2,031,180,032
2. Reserves and Surplus	4.2	1,308,664,263	969,200,600
3. Debenture and Bonds	4.3	1,431,290,000	931,290,000
4. Borrowings	4.4	65,000,000	106,415,000
5. Deposit Liabilities	4.5	44,740,731,784	35,414,007,591
6. Bills Payables	4.6	12,750,802	104,740,547
7. Proposed Dividend		21,380,842	202,354,402
8. Income Tax Liabilities		-	-
9. Other Liabilities	4.7	630,061,887	518,564,027
Total Capital & Liabilities		50,647,295,616	40,277,752,199
ASSETS	Schedule	This Year Rs.	Previous Year Rs.
1. Cash Balance	4.8	1,155,856,745	1,121,761,910
2. Balance with Nepal Rastra Bank	4.9	3,753,171,906	5,953,656,422
3. Balance with Banks & Financial Institutions	4.10	198,760,605	181,628,032
4. Money at Call & Short Notice	4.11	1,130,000,000	1,150,000,000
5. Investment	4.12	6,641,681,645	3,327,655,038
6. Loans, Advances & Bills Purchased	4.13	36,339,796,450	27,186,905,349
7. Fixed Assets	4.14	409,852,296	440,491,043
8. Non- Banking Assets	4.15	-	-
9. Other Assets	4.16	1,018,175,969	915,654,405
Total Assets		50,647,295,616	40,277,752,199

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

PROFIT & LOSS ACCOUNTS

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particular	Schedule	This Year Rs.	Previous Year Rs.
1. Interest Income	4.18	3,295,249,733	3,056,286,677
2. Interest Expenses	4.19	1,859,406,575	1,708,865,575
Net Interest Income		1,435,843,157	1,347,421,102
3. Commission & Discount	4.20	187,707,740	159,355,124
4. Other Operating Income	4.21	243,595,715	204,085,093
5. Exchange Fluctuation Gain	4.22	142,341,336	132,327,198
Total Operating Income		2,009,487,949	1,843,188,517
6. Employees Expenses	4.23	328,131,103	242,446,594
7. Other Operating Expenses	4.24	459,806,993	436,309,023
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit Before Provision for Possible Loan Loss		1,221,549,852	1,164,432,900
9. Provisions for possible losses	4.25	249,086,366	423,229,271
Operating Profit		972,463,487	741,203,629
10. Non- Operating Income/(Expenses)	4.26	38,853,623	93,180,277
11. Possible Loss Provision Written Back	4.27	197,952,367	266,402,956
Profit from Regular Activities		1,209,269,477	1,100,786,862
12. Income/Expenses from Extraordinary Activities	4.28	1,002,663	(24,285)
Net Profit after including all activities		1,210,272,140	1,100,762,577
13. Provision for Staff Bonus		110,024,740	100,069,325
14. Provision for Income Tax (a+b-c)		333,166,888	300,158,253
a. Current Year Tax		348,641,794	305,439,974
b. Prior Period Tax		1,079,030	2,594,250
c. Deferred Tax Income/(Expenses)		16,553,936	7,875,971
Net Profit/ (Loss)		767,080,512	700,534,999

PROFIT & LOSS APPROPRIATION ACCOUNTS

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particular	Schedule	This Year Rs.	Previous Year Rs
Income			
1. Accumulated restated Profit upto Previous Year		12,154,675	16,096,201
2. This Year's Profit		767,080,512	700,534,999
3. Exchange Equalisation Fund		-	-
4. Transfer from Capital Adjustment Fund		-	-
5. Share Premium		-	-
Total		779,235,186	716,631,201
Expenditures			
1. Accumulated loss upto Previous Year		-	-
2. Current year's loss		-	-
3. General Reserve		153,416,102	140,107,000
4. Contingent Reserves		-	-
5. Institutional Development Fund		-	-
6. Dividend Equalization Fund		-	-
7. Employees Related Reserve Fund		-	-
8. Proposed Dividend		21,380,842	202,354,402
9. Proposed Bonus Share		406,236,006	217,626,432
10. Specific Reserve Fund		-	-
11. Exchange Fluctuation Fund		3,897,247	2,149,504
12. Capital Redemption Reserve Fund		-	-
13. Capital Adjustment Fund		-	-
14. Investment Adjustment Reserve		8,066,387	1,321,789
15. Deferred Tax Reserve		16,553,936	7,875,971
16. Others		-	-
a. Debenture Redemption Reserve		167,288,004	133,041,429
Total		776,838,525	704,476,526
15. Accumulated Profit/ (Loss)		2,396,661	12,154,675

STATEMENT OF CHANGES IN EQUITY

as at 31 Asadh 2072 (17 July 2015)

Particulars	Share Capital	Accumulated Profit & Loss	General Reserve	Capital Adjustment Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax Reserve	Debenture Redemption	Investment Adjustment	Total Amount
Balance at 17 July 2014	2,031,180,032	12,154,675	531,547,524	-	-	17,504,309	-	372,642,560	7,414,288	2,972,443,388
Deferred Tax Reserve Adjustment for fraction bonus share	-	-	-	-	-	-	27,937,244	-	-	27,937,244
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Restated Opening Balance	2,031,180,032	12,154,675	531,547,524	-	-	17,504,309	27,937,244	372,642,560	7,414,288	3,000,380,632
Transfer from share premium	-	-	-	-	-	-	-	-	-	-
Transfer from Capital adjustment reserve	-	-	-	-	-	-	-	-	-	-
Currency Translation Difference	-	-	-	-	-	-	-	-	-	-
Net Gains & Losses Not Recognised in the Income Statement	-	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	767,080,512	-	-	-	-	-	-	-	767,080,512
Transfer to General Reserve	-	(153,416,102)	153,416,102	-	-	-	-	-	-	-
Proposed dividend	-	(21,380,842)	-	-	-	3,897,247	-	-	-	(21,380,842)
Proposed bonus share	406,236,006	(406,236,006)	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-
Deficit on Revaluation of Properties	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation of Investments	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	(3,897,247)	-	-	-	-	-	-	-	-
Capital Adjustment Fund	-	-	-	-	-	-	-	-	-	-
Investment Adjustment Reserve	-	(8,066,387)	-	-	-	-	-	-	8,066,387	-
Deferred Tax Reserve	-	(16,553,936)	-	-	-	-	16,553,936	-	-	-
Debenture Redemption Reserve	-	(167,288,004)	-	-	-	-	-	167,288,004	-	-
Balance at 16 July 2015	2,437,416,038	2,396,661	684,963,626	-	-	21,401,556	44,491,180	539,930,564	15,480,675	3,746,080,301

CASH FLOW STATEMENT

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
A. Cash Flows From Operating Activities	(1,136,063,165)	4,012,613,048
1. Cash Receipts	3,882,759,473	3,663,949,098
1.1 Interest Income	3,295,249,733	3,073,782,448
1.2 Commission & Discount Income	431,303,455	363,440,217
1.3 Exchange Fluctuation Gain	142,341,336	132,327,198
1.4 Recovery of Loans Written Off	-	-
1.5 Other Income	13,864,949	94,399,234
2. Cash Payments	3,002,633,697	2,645,019,177
2.1 Interest Expenses	1,830,556,988	1,708,072,989
2.2 Staff Expenses	428,200,428	273,731,578
2.3 Office Operating Expenses	374,142,133	347,574,610
2.4 Income Tax Paid	338,447,316	315,112,227
2.5 Other Expenses	31,286,831	527,773
Cash Flows before Changes in Working Capital	880,125,776	1,018,929,920
Increase/(Decrease) in Current Assets	(11,256,172,603)	(3,039,735,011)
1. (Increase)/Decrease in Money at Call and Shortnotice	20,000,000	225,253,337
2. (Increase)/Decrease in Short-term Investments	(2,013,932,079)	1,145,135,370
3. (Increase)/Decrease in Loan and Bills Purchased	(9,165,581,074)	(4,264,110,849)
4. (Increase)/Decrease in Other Assets	(96,659,450)	(146,012,870)
Increase/(Decrease) in Current Liabilities	9,239,983,661	6,033,418,138
1. Increase/(Decrease) in Deposits	9,326,724,193	7,021,185,304
2. Increase/(Decrease) in Certificate of Deposits	-	-
3. Increase/(Decrease) in Short-term Borrowings	(41,415,000)	(681,050,822)
4. Increase/(Decrease) in Other Liabilities	(45,325,531)	(306,716,344)
B. Cash Flows From Investing Activities	(1,336,868,184)	(68,787,236)
1. (Increase)/Decrease in Long-term Investments	(1,307,833,409)	-
2. (Increase)/Decrease in Fixed Assets	(55,026,112)	(75,715,284)
3. Interest Income from Long term Investments	-	-
4. Dividend Income	25,991,337	6,928,048
5. Others	-	-
C. Cash Flows from Financing Activities	323,674,242	(172,555,621)
1. Increase/(Decrease) in Long-term Borrowings (Bond, debentures etc.)	500,000,000	-
2. Increase/(Decrease) in Share Capital	-	(16)
3. Increase/(Decrease) in Other Liabilities	-	-
4. Increase/(Decrease) in Refinance/facilities received from NRB	-	-
5. Increase/(Decrease) in Proposed dividends and Dividend Payables	(176,325,758)	(172,555,605)
D. Income/Expenses from changes in exchange rate on Cash and Bank Balances	-	-
E. Net Cash Flow For The Year from all activities (A+B+C+D)	(2,149,257,107)	3,771,270,191
F. Opening Cash and Bank Balance	7,257,046,363	3,485,776,173
G. Closing Cash and Bank Balance	5,107,789,256	7,257,046,363

SHARE CAPITAL & OWNERSHIP

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Share Capital	-	-
1.1 Authorized Capital	3,000,000,000	3,000,000,000
a. 30,000,000 Ordinary shares of Rs. 100 each share	3,000,000,000	3,000,000,000
b. Non-redeemable Preference Shares of Rs.....each	-	-
c. Redeemable Preference Shares of Rs.....each	-	-
1.2 Issued Capital	2,031,180,032	2,031,180,032
a. 20,311,800.32 Ordinary shares of Rs.100 each share	2,031,180,032	2,031,180,032
b. Non-redeemable Preference Shares of Rs.....each	-	-
c. Redeemable Preference Shares of Rs.....each	-	-
1.3 Paid up Capital	2,031,180,032	1,813,553,600
a. 20,311,800.32 Ordinary shares of Rs.100 each share *	2,031,180,032	1,813,553,600
b. Non-redeemable Preference Shares of Rs.....each	-	-
c. Redeemable Preference Shares of Rs.....each	-	-
1.4 Proposed Bonus Share	406,236,006	217,626,432
1.5 Calls in Advance	-	-
1.6 Total Amount(1.3+1.4+1.5)	2,437,416,038	2,031,180,032

* There is fraction share in our accounting books as approved by AGM due to bonus share issued on FY 2070/71.

SHARE OWNERSHIP DETAILS

as at 31 Asadh 2072 (16 July 2015)

Share Ownership Details	This Year Rs.		Previous Year Rs.	
	%	Share Capital	Share Capital	%
1. Domestic Ownership	100	2,031,180,032	2,031,180,032	100
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institutions	-	-	-	-
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Entities	-	-	-	-
1.5 General Public	49	995,278,216	995,278,216	49
1.6 Others (Promoter)	51	1,035,901,816	1,035,901,816	51
2. Foreign Ownership	-	-	-	-
Total	100	2,031,180,032	2,031,180,032	100

LIST OF SHAREHOLDERS' HOLDING ≥ 0.5 % OF SHARE CAPITAL

as at 31 Asadh 2072 (16 July 2015)

Name	No. of shares	Amount Rs.	%
PRUDENTIAL INVESTMENT CO. PVT.LTD.	813,675	81,367,500	4.01%
CHIRANJILAL AGRAWAL	811,978	81,197,800	4.00%
NARENDRA KUMAR AGRAWAL	742,584	74,258,400	3.66%
HIRALAL KEDIA	673,946	67,394,600	3.32%
RATANLAL KEDIA	669,881	66,988,100	3.30%
MAHAVIR INVESTMENT PVT.LTD	608,987	60,898,700	3.00%
SUBODH TODI	511,546	51,154,600	2.52%
PAWAN KUMAR AGRAWAL	443,690	44,369,000	2.18%
DINANATH KEDIA	438,470	43,847,000	2.16%
ASHOK KUMAR BAHETI	393,671	39,367,100	1.94%
NARPAT SINGH JAIN	384,429	38,442,900	1.89%
MADANLAL KEDIA	373,511	37,351,100	1.84%
ADITYA KEDIA	373,509	37,350,900	1.84%
SAVITA KEDIA	366,078	36,607,800	1.80%
POONAM CHAND AGRAWAL	327,155	32,715,500	1.61%
SURESH KUMAR RUNGTA	304,494	30,449,400	1.50%
SANTOSH RATHI	304,494	30,449,400	1.50%
SANJAY KUMAR SHARDA	297,480	29,748,000	1.46%
BINOD KUMAR AGRAWAL	238,256	23,825,600	1.17%
RAJ KUMAR TIBREWALA	202,996	20,299,600	1.00%
RAJENDRA AGRAWAL	202,996	20,299,600	1.00%
SHYAM SUNDER AGRAWAL	188,108	18,810,800	0.93%
NIKITA KUMARI BHIMSARIA	185,230	18,523,000	0.91%
RABINDRANATH SHARMA	184,541	18,454,100	0.91%
MANISH JAIN	180,771	18,077,100	0.89%
SURESH CHANDA AGRAWAL	179,712	17,971,200	0.88%
SHASHI KALA AGRAWAL	179,360	17,936,000	0.88%
PUSHPANJALI INTERNATIONAL PVT.LTD.	165,297	16,529,700	0.81%
BINAY KUMAR SHAH MARWARI	162,924	16,292,400	0.80%
SAROJ SHARMA	158,179	15,817,900	0.78%
SHAMBHU KUMAR KANDOI	151,474	15,147,400	0.75%
KABINDRA BAHADUR SHRESTHA	148,805	14,880,500	0.73%
SATIS AND DAMODAR PRASAD GAUTAM	142,613	14,261,300	0.70%
KRISHNA MURARI AGRAWAL	141,515	14,151,500	0.70%
BISHWONATH SHAH	140,827	14,082,700	0.69%
SANJAY KUMAR KEDIYA	111,646	11,164,600	0.55%
SUBODH KUMAR KEDIYA	111,646	11,164,600	0.55%
BIRENDRA KUMAR SHAH	107,194	10,719,400	0.53%
JAGADISH KUMAR AGRAWAL	103,528	10,352,800	0.51%
OM PRAKASH RUNGTA	101,499	10,149,900	0.50%

RESERVES AND SURPLUS

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. General Reserve Fund	684,963,627	531,547,525
2 Capital Reserve Fund	-	-
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserves and Fund	599,902,418	407,994,091
5.1. Contingent Reserve	-	-
5.2. Institution Development Fund	-	-
5.3. Dividend Equalization Fund	-	-
5.4. Specific reserve Fund	-	-
5.5. Assets Revaluation Reserve	-	-
5.6. Investment Adjustment Reserve	15,480,675	7,414,288
5.7. Deferred Tax Reserve	44,491,180	27,937,244
5.8. Other Free Reserves	-	-
5.9. Other Reserve Funds	-	-
5.10. Debenture Redemption Reserve	539,930,563	372,642,559
5.11. Share Premium	-	-
6. Accumulated Profit/ Loss	2,396,661	12,154,675
7. Exchange Fluctuation Fund	21,401,557	17,504,310
Total	1,308,664,263	969,200,600

DEBENTURES AND BONDS

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. 8.5% of SBL Debentures 2072 of Rs. 1,000 each Issued on 2065.07.29 and to be redeemed on 2072.07.28 (Redemption Reserve till date Rs 227,770,000)	227,770,000 227,770,000	227,770,000 227,770,000
2. 11 % of SBL Debentures 2075 of Rs 1,000each Issued 2069.01.12 and to be redemeed on 2076.01.13 (Redemption Reserve till date Rs 184,422,701)	400,000,000 400,000,000	400,000,000 400,000,000
3. 8 % of SBL Debentures 2076 of Rs 1,000 each Issued 2070.02.06 and to be redemeed on 2077.02.05 (Redemption Reserve till date Rs 93,491,288)	303,520,000 303,520,000	303,520,000 303,520,000
4. 7 % of SBL Debentures 2078 of Rs 1,000 each Issued 2071.10.09 and to be redemeed on 2078.10.08 (Redemption Reserve till date Rs 34,246,575)	500,000,000 500,000,000	- -
Total (1+2+3)	1,431,290,000	931,290,000

BORROWINGS

as at 31 Asadh 2072 (16 July 2015)

Particular	This Year Rs.	Previous Year Rs.
A. Local		
1. Government of Nepal	-	-
2. Nepal Rastra Bank-Refinance	65,000,000	92,000,000
3. Repo - Liabilities	-	-
4. Inter Bank & Financial Institution	-	14,415,000
5. Other Organized Institutions	-	-
6. Others	-	-
Total	65,000,000	106,415,000
B. Foreign		
1. Banks	-	-
2. Others	-	-
Total	-	-
Total (A + B)	65,000,000	106,415,000

DEPOSITS

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Non-Interest Bearing Deposit Accounts		
A. Current Deposits	2,589,936,175	2,166,994,386
1. Local Currency	2,370,395,970	1,937,354,763
1.1 Government of Nepal	807,311,657	355,088,225
1.2 "A" Class Licensed Institutions	6,521,924	8,727,005
1.3 Other Licensed Financial Institutions	165,834,207	71,758,683
1.4 Other Organized Institutions	1,207,942,960	1,398,603,583
1.5 Individuals	150,495,800	101,029,245
1.6 Others	32,289,422	2,148,023
2. Foreign Currency	219,540,205	229,639,623
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	36,068,971	-
2.4 Other Organized Institutions	183,469,886	229,639,623
2.5 Individuals	-	-
2.6 Others	1,348	-
B. Margin Deposits	385,753,465	337,640,290
1. Employees Guarantee	5,416,116	3,194,533
2. Guarantees Margin	194,591,675	196,166,152
3. Letters of Credit Margin	185,745,673	138,279,605
C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institutions	-	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts	2,975,689,640	2,504,634,676

Particulars	This Year Rs.	Previous Year Rs.
2. Interest bearing accounts		
A. Savings Deposits	12,418,043,803	9,523,215,715
1. Local Currency	12,345,516,983	9,473,870,698
1.1 Organized Institutions	38,311,175	66,912,060
1.2 Individuals	12,209,355,396	9,405,945,855
1.3 Others	97,850,413	1,012,783
2. Foreign Currency	72,526,821	49,345,017
2.1 Organized Institutions	4,075,907	3,803,096
2.2 Individuals	68,112,945	45,541,921
2.3 Others	337,969	-
B. Fixed Deposits	14,034,643,827	11,876,223,355
1. Local Currency	13,310,084,577	11,491,823,355
1.1 Organized Institutions	8,856,394,230	8,672,989,686
1.2 Individuals	3,522,852,954	2,808,333,668
1.3 Others	930,837,393	10,500,000
2. Foreign Currency	724,559,250	384,400,000
2.1 Organized Institutions	710,850,000	384,400,000
2.2 Individuals	13,709,250	-
2.3 Others	-	-
C. Call Deposit	15,312,354,514	11,509,933,846
1. Local Currency	15,057,930,095	11,341,575,971
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Financial Institutions	6,164,151,137	3,324,739,146
1.3 Other Organized Institutions	6,878,114,717	6,551,146,486
1.4 Individuals	1,583,359,362	1,407,099,777
1.5 Others	432,304,879	58,590,563
2. Foreign Currency	254,424,419	168,357,875
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Financial Institutions	-	-
2.3 Other Organizations	254,219,486	168,357,875
2.4 Individuals	204,933	-
2.5 Others	-	-
D. Certificate of Deposit	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	41,765,042,144	32,909,372,916
(1 + 2) Total Deposit	44,740,731,784	35,414,007,591

BALANCE WITH NEPAL RASTRA BANK

as at 31 Asadh 2072 (16 July 2015)

Particulars	Local Currency Rs.	Foreign Currency in Rs.			Total Rs.	Previous Year Rs.
		INR	Convertible FCY	Total		
1. Nepal Rastra Bank						
a. Current Account	3,736,880,683		16,291,223	16,291,223	3,753,171,906	5,953,656,422
b. Other Accounts	-			-	-	-
Total	3,736,880,683	-	16,291,223	16,291,223	3,753,171,906	5,953,656,422

Balance as per balance confirmation certificates is Rs. 3,811,655,479

MONEY AT CALL & SHORT NOTICE

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Local Currency	1,130,000,000	1,150,000,000
2. Foreign Currency	-	-
Total	1,130,000,000	1,150,000,000

INVESTMENTS

as at 31 Asadh 2072 (16 July 2015)

Particulars	Purpose		This Year Rs.	Previous Year Rs.
	Trading	Others		
1. Govt. of Nepal Treasury Bills	-	898,613,850	898,613,850	-
2. Govt. of Nepal Saving Bonds	-	-	-	-
3. Govt. of Nepal Other Securities	-	3,102,000,000	3,102,000,000	2,135,831,110
4. Nepal Rastra Bank Bonds	-	-	-	-
5. Foreign Securities	-	-	-	-
6. Local Licensed Institutions	-	30,465,000	30,465,000	28,830,000
7. Foreign Banks	-	590,005,500	590,005,500	517,135,993
8. Corporate's Shares	-	667,552,502	667,552,502	325,887,984
9. Corporate's Bonds /Debentures/Mutual Fund	-	-	-	128,275,029
10. Others	-	1,361,288,750	1,361,288,750	192,200,000
Total Investment	-	6,649,925,602	6,649,925,602	3,328,160,115
Provision	-	8,243,957	8,243,957	505,077
Net Investment	-	6,641,681,645	6,641,681,645	3,327,655,038

INVESTMENT IN SHARES, DEBENTURES & BONDS

as at 31 Asadh 2072 (16 July 2015)

Particulars	Cost Price Rs.	Market Price Rs.	Provision Amount Rs.	This Year Rs.	Previous Year Rs.
1. Investment in Shares					
1.1 Credit Information Center Limited 41,904 Ordinary Share (including bonus shares) of Rs.100 paid up	1,607,600	Not listed		1,607,600	1,607,600
1.2 Siddhartha Insurance Limited 413,820 Ordinary Share of Rs. 100 paid up	32,820,000	268,569,180		32,820,000	32,820,000
1.3 Nepal Clearing House Limited 25,000 Ordinary Shares of Rs.100 Paid up	2,500,000	Not listed		2,500,000	2,500,000
1.4 National Banking Training Institute 12,000 Ordinary Shares of Rs.100 paid up	1,200,000	Not listed		1,200,000	1,200,000
1.5 Siddhartha Capital Ltd 510,000 Ordinary Shares of Rs.100 each	51,000,000	Not listed		51,000,000	51,000,000
1.6 ICRA Nepal Ltd 7,600 Ordinary Shares of Rs.100 each	760,000	Not listed		760,000	760,000
1.7 Mero Micro Finance Bittiya Sanstha Ltd 130,000 Ordinary Shares of Rs.100 each	13,000,000	Not listed		13,000,000	6,500,000
1.8 Nepal Grameen Bikash Bank 24,268 Ordinary Shares of Rs.100 each	2,426,800	listed		2,426,800	2,426,800
1.9 Rural Micro Finance Development Center 154,000 Promoters Shares & 26,389 Ordinary Shares	59,533,961	118,154,795		59,533,961	59,533,961
1.10 Nepal Electronic Payment System Ltd 150,000 Ordinary Shares of Rs. 100 each	15,000,000	Not listed		15,000,000	15,000,000
2 Others					
2.1 Nepal Insurance Company Limited 21,170 Ordinary Shares of Rs. 100 Paid up	6,233,997	8,235,130		6,233,997	4,399,519
2.2 National Life Insurance Company Limited 8,540 Ordinary Shares of Rs. 100 Paid up	14,896,455	15,713,600		14,896,455	23,618,055
2.3 NLG Insurance Company Limited 24,120 Ordinary Shares of Rs. 100 Paid up	10,217,663	13,483,080		10,217,663	11,323,300
2.4 Gurans Life Insurance Co Nepal Ltd 8,250 Ordinary Shares of Rs. 100 Paid up	3,462,694	4,801,500		3,462,694	3,462,694
2.5 Life Insurance Co. Nepal 688 Ordinary Shares of Rs. 100 Paid up				-	68,800
2.6 Butwal Power Co. Limited 9,658 Ordinary Shares of Rs. 100 Paid up	4,842,104	5,958,986		4,842,104	4,842,104
2.7 Prabhu Insurance Co. Ltd 30,040 Ordinary Shares of Rs. 100 Paid up	11,161,097	10,514,000	647,097	11,161,097	4,914,897
2.8 Bottlers Nepal Ltd 4,480 Ordinary Shares of Rs. 100 Paid up	4,602,275	9,896,320		4,602,275	4,602,275

Particulars	Cost Price Rs.	Market Price Rs.	Provision Amount Rs.	This Year Rs.	Previous Year Rs.
2.9 Nepal Lube oil Limited 1,050 Ordinary Shares of Rs. 100 Paid up	1,080	-	1,080	1,080	1,080
2.10 Himalayan General Insurance 53,496 Ordinary Shares of Rs. 100 Paid up	23,715,495	20,381,976	3,333,519	23,715,495	21,623,762
2.11 Nepal Film Dev. Company Limited 539 Ordinary Shares of Rs. 100 Paid up	569	-	569	569	569
2.12 Nepal Doorsanchar Co. Ltd 63,460 Ordinary Shares of Rs. 100 Paid up	39,619,706	40,360,560		39,619,706	37,146,790
2.13 Ridi Hydropower 94 Ordinary Shares of Rs. 100 Paid up				-	9,400
2.14 Chilime Hydro Power Limited 28,295 Ordinary Shares of Rs. 100 Paid up	47,855,175	47,620,485	234,690	47,855,175	16,527,518
2.15 United Insurance Limited 120 Ordinary Shares of Rs. 100 Paid up	30,949	47,040		30,949	30,949
2.16 Sana Kisan Bank Ltd 6,613 Ordinary Shares of Rs. 100 Paid up	5,702,044	10,197,246		5,702,044	10,935,840
2.17 Neco Insurance Ltd 12,946 Ordinary Shares of Rs. 100 Paid up	10,008,054	5,981,052	4,027,002	10,008,054	9,032,071
2.18 Shikar Insurance Ltd 1,800 Ordinary Shares of Rs. 100 Paid up	1,079,087	1,242,000			
Total Investment	363,276,804	581,156,950	8,243,957	362,197,718	325,887,984
3. Investment in Debentures/ Bonds/Mutual Funds	-				-
3.1 Siddhartha Growth Scheme 7,500,000 Mutual Fund Unit of Rs. 10 each	75,000,000	111,000,000		-	75,000,000
3.2 Siddhartha Equity Oriented Scheme 15,000,000 Mutual Fund Unit of Rs. 10 each	150,000,000	152,700,000		-	53,275,029
3.3 Nabil Balance Fund 44,07,067 Nabil Balance Fund Unit of Rs. 10 each	53,275,028	59,495,405			
3.4 NMB Sulav Investment Fund 9,13,499 Mutual Fund Unit of Rs. 10 each	9,134,990	9,134,990			
3.5 NIBL Mutual Fund 1,043,347 Mutual Fund Unit of Rs. 10 each	10,433,470	10,537,805			
3.6 Laxmi Value Fund -I 643,221 Mutual Fund Unit of Rs. 10 each	6,432,210	6,432,210			-
Total Investment	304,275,698	349,300,409	-	-	128,275,029
4. Provision for Loss					
4.1 Up to Previous Year			505,077		
4.2 Additions/Deductions of this year			7,738,880		
Total Provision	-	-	8,243,957	8,243,957	505,077
Net Investment	667,552,502	930,457,359	8,243,957	659,308,545	453,657,936

HELD FOR TRADING

as at 31 Asadh 2072 (16 July 2015)

Particulars	Cost Price	Previous Market Price (a)	Current Market Price (b)	This Year Gain/(Loss) (Rs.) (b-a)	Previous Year Gain/(Loss) (Rs.)	Remarks
1. Govt. of Nepal Treasury Bills	-	-	-	-	-	
2. Govt. of Nepal Saving Bonds	-	-	-	-	-	
3. Govt. of Nepal Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Local Licensed Institutions Shares	-	-	-	-	-	
7. Local Licensed Institutions Debenture & Bonds	-	-	-	-	-	
8. Local Corporate's Shares, Debenture & Bonds	24,935,458	-	-	-	-	
9. Investment /Placement in Foreign Banks	-	-	-	-	-	
10. Interbank Lending	-	-	-	-	-	
11. Other Investment	-	-	-	-	-	
Total Investment	24,935,458	-	-	-	-	

HELD TO MATURITY

as at 31 Asadh 2072 (16 July 2015)

Particulars	Cost Price (a)	Loss upto current year (b)	This year Loss (c)	This Year Gain/(Loss) (a-b-c)	Previous Year Gain/(Loss) (Rs.)	Remarks
1. Govt. of Nepal Treasury Bills	898,613,850	-	-	-	-	
2. Govt. of Nepal Saving Bonds	-	-	-	-	-	
3. Govt. of Nepal Other Bonds	3,102,000,000	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Local Licensed Institutions	30,465,000	-	-	-	-	
7. Local Licensed Institutions Debenture & Bonds	-	-	-	-	-	
8. Local Corporate's Shares, Debenture & Bonds	304,275,698	-	-	-	-	
9. Investment / Placement in Foreign Banks	590,005,500	-	-	-	-	
10. Other Investments	1,361,288,750	-	-	-	-	
Total Investment	6,286,648,798	-	-	-	-	

AVAILABLE FOR SALE

as at 31 Asadh 2072 (16 July 2015)

Particulars	Cost Price	Previous Market Price (a)	Current Market Price (b)	This Year Fund adjustment amount (b-a)	Previous Year Gain/ (Loss) (Rs.)	Remarks
1. Govt. of Nepal Treasury Bills	-	-	-	-	-	
2. Govt. of Nepal Saving Bonds	-	-	-	-	-	
3. Govt. of Nepal Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Local Licensed Institutions Shares	-	-	-	-	-	
7. Local Licensed Institutions Debenture & Bonds	-	-	-	-	-	
8. Local Corporate's Shares, Debenture, Bonds & Mutual Fund	338,341,346	-	-	-	-	
9. Investment/ Placement in Foreign Banks	-	-	-	-	-	
10. Other Investment	-	-	-	-	-	
Total Investment	338,341,346	-	-	-	-	

CLASSIFICATION OF LOANS AND BILLS PURCHASED AND PROVISIONING

as at 31 Asadh 2072 (16 July 2015)

Particulars	Loan & Advances Rs.						Bills Purchased and Discounted Rs.			Previous Year Rs.
	Domestic			Foreign	Total	Domestic	Foreign	Total	This Year Rs.	
	Deprived Sector		Others							
	Insured	Uninsured								
1. Performing Loans	-	1,302,125,887	34,457,984,666	-	35,760,110,553	29,565,000	692,151,568	721,716,568	36,481,827,121	27,217,440,431
1.1 Pass Loan	-	1,302,125,887	33,049,272,342	-	34,351,398,229	29,565,000	692,151,568	721,716,568	35,073,114,797	27,217,440,431
1.2 Watch List	-	-	1,408,712,324	-	1,408,712,324	-	-	-	1,408,712,324	-
2. Non Performing Loan	-	139,621	669,343,959	-	669,483,580	-	-	-	669,483,580	768,289,196
2.1 Rescheduled/ Restructured Loan	-	-	60,962,000	-	60,962,000	-	-	-	60,962,000	61,140,000
2.2 Sub standard	-	-	123,111,832	-	123,111,832	-	-	-	123,111,832	35,836,583
2.3 Doubtful	-	-	182,540,286	-	182,540,286	-	-	-	182,540,286	324,594,469
2.4 Loss	-	139,621	302,729,841	-	302,869,462	-	-	-	302,869,462	346,718,144
(A) Total Loans (1+2)	-	1,302,265,509	35,127,328,625	-	36,429,594,133	29,565,000	692,151,568	721,716,568	37,151,310,701	27,985,729,627
3. Loan Loss Provision	-	-	-	-	-	-	-	-	-	-
3.1 Pass Loan	-	13,021,259	330,563,768	-	343,585,026	295,650	6,921,516	7,217,166	350,802,192	273,207,254
3.2 Watch List	-	-	28,174,246	-	28,174,246	-	-	-	28,174,246	-
3.3 Rescheduled Restructured Loan	-	-	7,620,250	-	7,620,250	-	-	-	7,620,250	7,642,500
3.4 Sub standard	-	-	30,777,958	-	30,777,958	-	-	-	30,777,958	8,959,146
3.5 Doubtful	-	-	91,270,143	-	91,270,143	-	-	-	91,270,143	162,297,235
3.6 Loss	-	139,621	302,729,841	-	302,869,462	-	-	-	302,869,462	346,718,144

Particulars	Loan & Advances Rs.					Bills Purchased and Discounted Rs.			Previous Year Rs.		
	Deprived Sector		Domestic			Foreign	Total	Foreign		Total	
	Insured	Uninsured	Others	Foreign	Total						
(B) Total Loan Loss Provision	-	13,160,880	791,136,206	-	804,297,086	-	295,650	6,921,516	7,217,166	811,514,252	798,824,279
4. Provision upto Previous Year	-	-	-	-	-	-	-	-	-	-	-
4.1 Pass	-	10,390,820	259,699,193	-	270,090,013	-	3,443,226	479,962	3,923,189	274,013,202	233,768,917
4.2 Watch List	-	-	-	-	-	-	-	-	-	-	-
4.3 Rescheduled/Restructured Loan	-	-	7,642,500	-	7,642,500	-	-	-	-	7,642,500	-
4.4 Sub standard	-	-	8,959,146	-	8,959,146	-	-	-	-	8,959,146	46,555,167
4.5 Doubtful	-	-	162,297,235	-	162,297,235	-	-	-	-	162,297,235	26,916,294
4.6 Loss	-	139,621	329,833,522	-	329,973,144	-	16,745,000	-	16,745,000	346,718,144	327,815,071
(C) Total Provision upto Previous Year	-	10,530,441	768,431,596	-	778,962,038	-	20,188,226	479,962	20,668,189	799,630,226	635,055,448
(D) Written Back from Previous Year's Provision	-	-	-	-	-	-	-	-	-	197,952,367	258,255,951
(E) Additional Provision of This Year	-	2,630,439	22,704,609	-	25,335,048	-	(19,892,576)	6,441,553	(13,451,023)	209,836,393	422,024,781
Net Additions/											
Deductions of This Year	-	13,160,880	791,136,206	-	804,297,086	-	295,650	6,921,516	7,217,166	11,884,025	163,768,830
Net Loan (A+B)	-	1,289,104,628	34,336,192,419	-	35,625,297,047	-	29,269,350	685,230,052	714,499,402	36,339,796,450	27,186,905,349

SECURITYWISE LOANS, ADVANCES & BILLS PURCHASED

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
A. Secured	37,565,354,021	28,241,564,335
1. Collateral of Movable/Immovable Assets	32,706,614,095	25,192,764,672
2. Guarantee of Local Licensed institutions	695,693,815	466,339,442
3. Government Guarantee	135,050,000	135,050,000
4. Internationally Rated Bank Guarantee		
5. Collateral of Export Documents	721,971,604	285,666,563
6. Fixed Deposit Receipts	414,043,319	255,834,707
(a) Own FDR	414,043,319	255,834,707
(b) FDR of Other Licensed Institutions		
7. Government Bonds		
8. Counter Guarantee		
9. Personal Guarantee	52,510,118	15,164,250
10. Other Securities	2,425,427,750	1,634,909,992
B. Unsecured	-	-
Total(A+B)	37,151,310,701	27,985,729,627

FIXED ASSETS

as at 31 Asadh 2072 (16 July 2015)

Particulars	Assets Rs.				This Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office Equipments		
1. At Cost						
(a) Previous Year's Balance	51,404,953	105,761,412		280,992,141	438,158,506	391,676,038
(b) Addition This Year	323,125	13,185,898		18,821,784	32,330,807	59,589,251
(c) Revaluation/Re-Written of This Year					-	-
(d) This Year's Sold		(2,226,473)		(1,282,538)	(2,226,473)	(12,800,000)
(e) This Year's written off					(1,282,538)	(306,784)
Total Cost (a+b+c+d+e)	51,728,078	116,720,837	-	298,531,387	466,980,302	438,158,506
2. Depreciation						
(a) Upto Previous Year	5,462,926.05	41,007,824		168,547,484	215,018,234	174,282,978
(b) For This Year	2,396,950.95	13,532,113		30,039,682	45,968,746	47,856,499
(c) Depreciation on Revaluation/ Re-written					-	-
(d) Depreciation Adjustment/Written Back		(1,749,184)		(1,117,077)	(2,866,261)	(7,121,242)
Total Depreciation(a+b+c+d)	7,859,877.00	52,790,753	-	197,470,089	258,120,719	215,018,234
3. Book Value (WDV*) (1-2)	43,868,201	63,930,084	-	101,061,298	208,859,584	223,140,272
4. Land	-	-	-	-	169,457,419	169,457,419
5. Capital Construction (Pending Capitalization)	-	-	-	-	6,115,063	992,230
6. Leashold Assets	-	-	-	-	25,420,230	46,901,123
Total (3+4+5+6)	43,868,201	63,930,084	-	101,061,298	200,992,712	440,491,043

NON-BANKING ASSETS

as at 31 Asadh 2072 (16 July 2015)

Name & Address of Borrower/Party	Date of assuming of Non-Banking Assets	Total Non-Banking Assets Rs.	Loss Provision		Net Non-Banking Assets Rs.	Previous Year Rs.
			Percent	Amount Rs.		
1. Pashupati Prasad Baral	25-Jul-14	31,286,831	100%	31,286,831	-	-
					-	-
Total		31,286,831		31,286,831	-	-

OTHER ASSETS

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Stock of Stationery	4,834,802	4,469,060
2. Income Receivable on Investments	17,432,058	31,717,963
3. Accrued Interest on Loan	163,771,723	21,218,242
Less: Interest Suspense Amount	(132,806,595)	-
4. Commission Receivable	-	-
5. Sundry Debtors	-	14,275,897
6. Staff Loans and Advances	441,189,862	372,306,833
7. Advance/Prepayments	358,714,442	366,150,168
8. Cash in Transit	-	-
9. Other Transit Items (including cheques)	-	-
10. Draft Paid Without Notice	-	-
11. Expenses Not Written-off	5,651,111	15,474,777
12. Branch Adjustment Account	-	-
13. Deferred Tax	44,491,180	27,937,244
14. Account Receivable Card	10,351,227	29,626,778
15. Others	104,546,159	17,949,633
Total	1,018,175,969	901,126,594

OTHER ASSETS (ADDITIONAL STATEMENTS)

as at 31 Asadh 2072 (16 July 2015)

Particular	This Year Rs.				Previous Year Rs.
	Upto 1 Year	1 to 3 Years	Above 3 Years	Total	
1. Accrued Interest on Loans	105,680,388	46,204,384	11,886,951	163,771,723	141,207,608
2. Drafts Paid without notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Domestic/Foreign Agency Balance	-	-	-	-	-
Total	105,680,388	46,204,384	11,886,951	163,771,723	141,207,608

CONTINGENT LIABILITIES

as at 31 Asadh 2072 (16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Claims on bank but not accepted by the Bank	-	-
2. Letters of Credit (Full Amount)	3,288,588,964	2,442,112,029
(a) Less than 6 months maturity	2,819,767,235	1,881,618,766
(b) More than 6 months maturity	468,821,729	560,493,263
3. Rediscounted bills	-	-
4. Unmatured Guarantees/Bonds	3,459,905,244	2,357,423,377
(a) Bid Bonds	152,612,720	173,476,367
(b) Performance Bonds	3,307,292,524	2,183,947,010
(c) Other Guarantees/ Bonds	-	-
5. Unpaid Shares in Investment	-	-
6. Forward Exchange Contract Liabilities	-	-
7. Bills Under Collection	55,723,755	53,093,651
8. Acceptance & Endorsements	981,687,004	445,494,938
9. Underwriting Commitment	-	-
10. Irrevocable Loan Commitment	2,430,866,292	1,893,340,302
11. Counter guarantees against the guarantees of Internationally Rated Bank	-	-
12. Advance Payment Guarantee	142,842,032	130,799,843
13. Financial Guarantee	-	-
14. Contingent Liabilities on Income Tax	19,627,250	12,952,930
15. Others	-	-
Total	10,379,240,542	7,335,217,070

INTEREST INCOME

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
A. On Loan, Advances and Overdraft	3,152,447,109	2,909,851,862
1) Loan and Advances	1,995,322,263	1,815,324,659
2) Overdraft	1,157,124,847	1,094,527,203
B. On Investment	98,003,518	123,751,594
1. Government of Nepal Securities	83,457,840	110,841,370
a) Treasury Bills	5,966,131	24,883,832
b) Development Bonds	77,491,709	85,957,538
c) National Saving Bonds	-	-
2. Foreign Securities	-	-
a)	-	-
b)	-	-
3. Nepal Rastra Bank Bonds	-	-
4. Debenture and Bonds	-	-
5. Interest on Inter Bank Lendings	14,545,678	12,910,224
a) Banks/ Financial Institutions	14,545,678	12,910,224
b) Other Institutions	-	-
C. On Agency Balances	245,155	298,188
1. Local Banks/ Financial Institution	-	-
2. Foreign Banks	245,155	298,188
D. On Money at Call and Short Notice	30,679,037	13,101,876
1. Local Banks/ Financial Institutions	30,679,037	13,101,876
2. Foreign Banks	-	-
E. On Others	13,874,914	9,283,157
1. Certificate of Deposits	-	-
2. Inter Bank/ Financial Institution Loan	-	-
3. Others	13,874,914	9,283,157
Total	3,295,249,733	3,056,286,677

INTEREST EXPENSES

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
A. On Deposit Liabilities	1,750,408,695	1,612,538,222
1. Fixed Deposits	803,629,964	803,646,834
1.1 Local Currency	794,519,858	791,328,031
1.2 Foreign Currency	9,110,105	12,318,803
2. Saving Deposits	393,071,025	358,496,255
2.1 Local Currency	392,082,523	357,625,701
2.2 Foreign currency	988,502	870,553
3. Call Deposits	553,707,707	450,395,133
3.1 Local Currency	550,869,435	447,996,547
3.2 Foreign Currency	2,838,272	2,398,585
4. Certificate of Deposits	-	-
B. On Borrowings	108,997,880	96,327,354
1. Debenture & Bonds	106,388,625	87,695,092
2. Loan from NRB/Refinance	422,778	7,992,127
3. Inter Bank/Financial Institutions Loan	2,186,477	640,134
4. Other Corporate Body	-	-
5. Other Loans	-	-
C. On Others	-	-
1.	-	-
2.	-	-
Total	1,859,406,575	1,708,865,575

COMMISSION & DISCOUNT

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
A. Bills Purchased & Discounted	8,446,491	7,326,828
1. Local	8,446,491	7,326,828
2. Foreign	-	-
B. Commission	177,637,445	150,792,321
1. Letters of Credit	30,184,671	20,111,318
2. Guarantees	31,820,764	37,192,073
3. Collection Fee	2,938,224	2,066,556
4. Remittance Fee	97,322,594	81,464,097
5. Credit Cards	-	-
6. Share Underwriting/Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	15,308,578	9,918,005
9. Exchange Fee	62,614	40,271
C. Others	1,623,804	1,235,976
Total	187,707,740	159,355,124

OTHER OPERATING INCOME

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Rental Charges of Safe Deposit Vault	67,000	1,388,750
2. Issue and Renewal of Credit Cards	3,735,000	3,260,450
3. Issue and Renewal of ATM Cards	69,046,457	51,769,134
4. Telex / T.T.	9,222,486	6,240,283
5. Services Charges	119,896,184	90,402,658
6. Renewal Fees	-	-
7. Others	41,628,587	51,023,818
a. Rent Income	-	-
b. Postage & Courier	482,351	368,038
c. Bullion Income	10,606,384	25,369,530
d. Miscellaneous Income	30,539,852	25,286,250
Total	243,595,715	204,085,093

EXCHANGE FLUCTUATION GAIN/LOSS

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Revaluation Gain / (Loss)	15,588,989	8,598,015
2. Trading Gain (Except Exchange Fee)	126,752,348	123,729,183
Total Gain/(Loss)	142,341,336	132,327,198

STAFF EXPENSES

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Salary	140,782,577	110,890,246
2. Allowance	99,191,649	79,445,671
3. Contribution to Provident Fund	13,147,190	10,140,653
4. Training Expenses	1,743,440	1,405,408
5. Uniform	2,765,550	2,662,350
6. Medical	4,693,289	4,072,970
7. Insurance	5,652,186	4,524,368
8. Pension and Gratuity Provision	29,828,307	14,202,591
9. Others	30,326,915	15,102,336
a. Leave Encashment Expenses	28,796,383	13,699,366
b. Staff Incentives	-	-
c. Other	1,530,532	1,402,971
Total	328,131,103	242,446,594

OTHER OPERATING EXPENSES

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1 House Rent	59,178,470	54,230,729
2 Electricity and Water	10,902,376	10,416,347
3 Repairs and Maintenance	13,966,568	12,562,410
a) Building	33,169	35,768
b) Vehicles	2,074,458	1,996,364
c) Others	11,858,941	10,530,279
c.1 Software	5,993,110	5,465,523
c.2 Other	5,865,831	5,064,756
4 Insurance	14,290,756	13,933,217
5 Postage, Telex, Telephone, Fax, SWIFT	15,073,882	15,084,577
a. Postage & Courier Expenses	743,417	998,696
b. Internet & Connectivity	6,644,958	6,633,332
c. Telephone & Fax Expenses	4,927,953	5,125,941
d. SWIFT Expenses	2,757,554	2,326,608
6 Repair & Maintenance of Office Equipment, Furniture & Fixtures	3,295,432	3,637,292
7 Traveling Allowances and Expenses	6,093,384	5,446,479
8 Stationery and Printing	10,244,688	10,915,174
9 Periodicals and Books	568,243	523,739
10 Advertisements	1,686,940	2,916,986
11 Legal Expenses	536,600	409,108
12 Donations	10,919,142	47,210
13 Expenses relating to Board of Directors	3,935,507	3,957,259
a) Meeting Fees	1,084,000	1,380,000
b) Other Board related Expenses	2,851,507	2,577,259
b.1 Travelling Expenses	457,128	314,539
b.2 Communication & Newspaper	510,000	527,500
b.3 Other Committee Fees & Expenses	838,000	745,000
b.4 Other Expenses	1,046,379	990,220
14 Annual General Meeting Expenses	642,742	755,413
15 Expenses relating to Audit	1,224,019	709,209
a) Audit Fees	997,500	649,750
b) Other Expenses	226,519	59,459
16 Commission & Promotional Expenses on Remittances	60,711,869	61,501,352

Particulars	This Year Rs.	Previous Year Rs.
a) Remittance Business Commission Expenses	26,893,825	27,445,829
b) Remittance Business Promotion Expenses	33,818,045	34,055,523
17 Depreciation on Fixed Assets	45,876,158	47,853,647
18 Amortization of Deferred Expenses	-	-
19 Share Issue Expenses	3,052,103	1,071,658
a) Share & Debenture Annual/Listing/Registration Fee	2,566,509	547,342
b) Other share related expenses	485,594	524,316
20 Technical Services Reimbursement	-	-
21 Entertainment, Business Promotion and Development Expenses	7,444,889	7,484,619
22 Expenses Write off	39,788,702	40,880,766
23 Security Expenses	32,265,832	30,667,321
24 Credit Guarantee Premium	-	-
25 Commission and Discount	2,302,390	1,864,326
26 Other Expenses	115,806,303	109,440,185
26.a Professional Fees-Internal Audit	423,750	1,695,000
26.b Professional Fees-Other	1,780,736	2,440,695
26.c Fuel (Petrol/Diesel) & Gas	16,132,853	19,434,833
26.d Rates & Taxes	1,938,541	3,210,669
26.e SCT Expenses	-	-
26.f Other Card Related Expenses	43,690,367	34,433,257
26.g Janitorial Expenses\Wages\Cleaning\ Gardening etc.	9,971,763	7,138,256
26.h Subscriptions & Membership Fees	2,415,295	2,746,478
26.i Non Capitalized Items	1,415,075	1,548,334
26.j Error, Fines & Losses	-	-
26.k Recruitment Expenses	264,171	424,449
26.l Vehicle Rental Exepnses	10,250,570	9,928,259
26.m Inaguration Expenses	2,540	454,167
26.n Outsourcing Expenses (Driver & Messenger)	17,016,586	16,305,749
26.o Other Office Expenses	2,370,193	2,220,658
26.p Branches Banking Related Expenses	2,820,015	2,895,643
26.q Miscellaneous	5,313,848	4,563,738
Total	459,806,993	436,309,023

PROVISION FOR POSSIBLE LOSSES

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Loans and Advances	209,836,393	422,024,781
2. Investments	7,738,880	503,488
3. Non- Banking Assets	31,286,831	-
4. Other Assets	224,262	701,001
Total	249,086,366	423,229,271

NON-OPERATING INCOME/(LOSS)

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Profit (Loss) on sale of Investment	11,884,037	85,702,909
2. Profit (Loss) on sale of assets	978,249	549,320
3. Dividend	25,991,337	6,928,048
4. Subsidies Received from Nepal Rastra Bank	-	-
a. Reimbursement of losses of specified branches	-	-
b. Interest Subsidy	-	-
c. Exchange Counter	-	-
5. Others	-	-
a. Gain on Sale of NBA	-	-
Total Non-Operating Income/(Loss)	38,853,623	93,180,277

LOSS PROVISION WRITTEN BACK

Fiscal Year 2071/72 (2014/15)

Particulars	This Year Rs.	Previous Year Rs.
1. Loan Loss Provision Written Back	197,952,367	258,255,951
2. Provision against Non- Banking Assets' Written Back	-	8,100,000
3. Provision on Investment Written Back	-	47,005
4. Provision against Other Assets Written Back	-	-
Total	197,952,367	266,402,956

INCOME/(EXPENSES) FROM EXTRAORDINARY ACTIVITIES

For the period from 01 Shrawan 2071 to 31 Ashad 2072 (17 July 2014 to 16 July 2015)

Particulars	This Year Rs.	Previous Year Rs.
1. Recovery of Written off Loan	1,002,663	
2. Volunteering Retirement Scheme Expenses	-	-
3. Irrecoverable Loans Written Off (4.28 a)	-	24,285
4. Other (Expenses)/Income		-
Total	1,002,663	24,285

STATEMENT OF LOANS WRITTEN OFF

Fiscal Year 2071/72 (2014/15)

S.N.	Loan Category	Written off Amount Rs.	Types of Security and Amount Rs.	Basis of Security Valuation	Loan Sanctioning Official/Rank	Efforts made for Recovery	Remarks
1	Working Capital Loan	-	-	-	-	-	-
2	Project Loan	-	-	-	-	-	-
3	Fixed Capital Loan	-	-	-	-	-	-
4	Personal Loan	-	-	-	-	-	-
5	Other Loans	-	-	-	-	-	-
Total Loans		-	-	-	-	-	-

STATEMENT OF LOANS AND ADVANCES EXTENDED TO DIRECTORS/ CHIEF EXECUTIVE/ PROMOTER/ EMPLOYEES AND SHAREHOLDERS

as at 31 Asadh 2072 (16 July 2015)

The Statement of loans under total amount of Bills Purchased and Discounted, Loans, Advances and Overdraft, provided to the Directors, Chief Executive, Promoters, Employees, Shareholders and 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:

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

Note: Loan given to employees as per Employees' Service Rules are presented in other Assets Schedule -4.16

CAPITAL ADEQUACY TABLE

As on Asadh end 2072

Rs. in "000"

1.1 Risk Weighted Exposures	2072 Asadh end	2071 Asadh end
A. Risk Weighted Exposure for Credit Risk	42,745,941	31,937,169
B. Risk Weighted Exposure for Operational Risk	2,346,925	1,913,886
C. Risk Weighted Exposure for Market Risk	88,705	38,073
Total RWE before adjustment under Pillar II	45,181,571	33,889,128
Adjustments under Pillar II		
Add: 4% of Gross income of last FY due to supervisor is not satisfied with sound practice of management of operational risk (6.4 a 7)	726,349	501,881
Add: 2% of the total RWE due to inadequate risk management policies and procedures of the Bank (6.4 a 9)	903,631	677,783
Add: 1% of the total RWE due to supervisor is not satisfied with disclosure policy of the bank (6.4 a 10)	451,816	
Total RWE (after Banks' adjustments of Pillar II)	47,263,368	35,068,791

1.2 Capital	Current Period	Previous Period
Core Capital (Tier I)	3,580,887	2,942,642
A. Paid Up Equity Share Capital	2,031,180	1,813,554
B. Irredeemable non-cumulative preference shares	-	-
C. Share Premium	-	-
D. Proposed Bonus Equity shares	406,236	217,626
E. Statutory General Reserves	684,964	531,548
F. Retained Earnings	2,397	12,155
G. Current year cumulative profit/(Loss)		
H. Capital Redemption Reserve	-	-
I. Capital Adjustment Reserve	-	-
J. Dividend Equalisation Reserves	-	-
K. Debenture Redemption Reserves	539,931	372,643
L. Other Free Reserves (Deferred Tax Reserve)	44,491	27,937
Less:		
A. Goodwill	-	-
B. Deferred Tax Assets	44,491	
C. Not written off Fictitious Assets	-	-
D. Investment in equity in licensed Financial institutions	-	-

E. Investment in equity of institutions with financial interest	83,820	32,820
F. Investment in equity of institutions in excess of limits	-	-
G. Investments arising out of underwriting commitments	-	-
H. Reciprocal crossholdings	-	-
I. Other Deductions	-	-
Supplementary Capital (Tier II)	1,663,751	1,053,132
A. Cumulative and/or Redeemable preference share	-	-
B. Subordinated Term Debt	1,249,074	749,074
C. Hybrid Capital Instruments	-	-
D. General loan loss provision	377,795	279,139
E. Exchange Equalisation Reserve	21,402	17,504
F. Investment Adjustment Reserve	15,481	7,414
G. Asset Revaluation Reserve	-	-
H. Other Reserves	-	-
Total Capital Fund (Tier I and Tier II)	5,244,638	3,995,774

1.3 Capital Adequacy Ratio	Current Period	Previous Period
Core Capital to Total Risk Weighted Assets (Tier I)	7.58	8.39
Capital Fund to Total Risk Weighted Assets (Tier I & Tier II)	11.10	11.39

CREDIT RISK

As on Asadh end 2072

Assets	As of Asadh end 2072						Previous Fiscal Year	
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount
On Balance Sheet Exposures	a	b	c	d=a-b-c	e	f=d*e		
Cash Balance	1,155,857			1,155,857	0%	-	1,121,762	-
Balance With Nepal Rastra Bank	3,753,172			3,753,172	0%	-	5,953,656	-
Gold	313,466			313,466	0%	-	602,288	-
Investment in Nepalese Government Securities	4,000,614			4,000,614	0%	-	2,135,831	-
All claims on Government of Nepal	499,702			499,702	0%	-	456,661	-
Investment in Nepal Rastra Bank securities	-			-	0%	-	0	-
All other claims on Nepal Rastra Bank	-			-	0%	-	0	-
Investment in Foreign Government Securities and Central Bank (ECA rating 0-1)				-	0%	-	0	-
Investment in Foreign Government Securities and Central Bank (ECA rating 2)				-	20%	-	0	-
Investment in Foreign Government Securities and Central Bank (ECA rating 3-6)				-	100%	-	0	-
Investment in Foreign Government Securities and Central Bank (ECA rating 7)				-	150%	-	0	-
Claims on BIS,IMF, ECB, EC and Multilateral Development Bank recognised by the framework				-	0%	-	0	-
Claims on other Multilateral Development Banks				-	100%	-	0	-
Claims on Public Sector Entity (ECA 0-1)				-	20%	-	0	-
Claims on Public Sector Entity (ECA 2)				-	50%	-	0	-
Claims on Public Sector Entity (ECA3-6)				-	100%	-	0	-
Claims on Public Sector Entity (ECA 7)				-	150%	-	0	-
Claims on domestic banks that meet capital adequacy requirements	2,380,290	-		2,380,290	20%	476,058	1,404,570	280,914
Claims on domestic banks that do not meet capital adequacy requirements	15,598			15,598	100%	15,598	83,612	83,612
Claims on foreign bank (ECA Rating 0-1)	649,071			649,071	20%	129,814	539,709	107,942

Assets	As of Asadh end 2072						Previous Fiscal Year	
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount
On Balance Sheet Exposures	a	b	c	d=a-b-c	e	f=d*e		
Claims on foreign bank (ECA Rating 2)	27,783			27,783	50%	13,891	1,283	642
Claims on foreign bank (ECA Rating 3-6)	3,238			3,238	100%	3,238	3,082	3,082
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	84,540			84,540	20%	16,908	37,537	7,507
Claims on Domestic Corporates	20,439,437	-	364,341	20,075,096	100%	20,075,096	15,113,049	15,113,049
Claim on Foreign Corporates (ECA 0-1)				-	20%	-	-	-
Claim on Foreign Corporates (ECA 2)				-	50%	-	-	-
Claim on Foreign Corporates (ECA 3-6)				-	100%	-	-	-
Claim on Foreign Corporates (ECA 7)				-	150%	-	-	-
Regulatory Retail Portfolio(Not Overdue)	9,106,008		136,750.45	8,969,258	75%	6,726,943	6,746,973	5,060,229
Claims fulfilling all criterion of regulatory retail except granularity				-	100%	-	-	-
Claims secured by residential properties	689,080			689,080	60%	413,448	458,529	275,117
Claims not fully secured by residential properties				-	150%	-	-	-
Claims secured by residential properties(overdue)	3,000.00	3,000.00		-	100%	-	2,853	2,853
Claims secured by Commercial real estate	984,391			984,391	100%	984,391	1,265,637	1,265,637
Past due claims(except for claim secured by residential properties)	916,278	426,688		489,590	150%	734,386	293,042	439,563
High Risk claims	4,866,597	2,895		4,863,702	150%	7,295,553	3,266,236	4,899,353
Investments in equity of institutions listed in the stock exchange & other investment in capital instruments	498,665	7,538		491,126	100%	491,126	86,437	86,437
Investments in equity of institutions not listed in the stock exchange & other investment in capital instruments	85,068			85,068	150%	127,601	283,906	425,859
Staff Loan secured by residential property	384,429			384,429	60%	230,657	322,574	193,544
Interest Receivable/ Claim on Government Securities	11,273			11,273	0%	-	26,743	-
Cash In transit and other cabs items in the process of collection				-	20%	-	-	-
Other Assets	1,666,228	663,681		1,002,547	100%	1,002,547	959,406	959,406
Total	52,533,784	1,103,802	501,091	50,928,891		38,737,256	41,165,377	29,204,748

CREDIT RISK

As on Asadh end 2072

Assets	As of Asadh end 2072							Previous Fiscal Year	
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount	
On Balance Sheet Exposures	a	b	c	d=a-b-c	e	f=d*e			
Revocable Commitments				-	0%	-	-	-	
Bills Collection	55,724			55,724	0%	-	53,094	-	
Forward Exchange Contract Liabilities	-			-	10%	-	-	-	
LC Commitments With Original Maturity Up to 6 months domestic counterparty	2,819,767		117,065	2,702,702	20%	540,540	1,771,264	354,253	
ECA Rating 0-1			-	-	20%	-	-	-	
ECA Rating 2			-	-	50%	-	-	-	
ECA Rating 3-6			-	-	100%	-	-	-	
ECA Rating 7			-	-	150%	-	-	-	
LC Commitments With Original Maturity Over 6 months domestic counterparty	468,822		-	468,822	50%	234,411	560,493	280,247	
ECA Rating 0-1			-	-	20%	-	-	-	
ECA Rating 2			-	-	50%	-	-	-	
ECA Rating 3-6			-	-	100%	-	-	-	
ECA Rating 7			-	-	150%	-	-	-	
Bid Bond and Performance Bond and Counter guarantee domestic counterparty	3,459,905		145,286	3,314,620	50%	1,657,310	2,232,060	1,116,030	
ECA Rating 0-1			-	-	20%	-	-	-	
ECA Rating 2			-	-	50%	-	-	-	

Assets	As of Asadh end 2072							Previous Fiscal Year	
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Amount	Risk Weighted Amount	
On Balance Sheet Exposures	a	b	c	d=a-b-c	e	f=d*e			
ECA Rating 3-6			-	-	100%	-	-	-	
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(including repo,reverse repo)			-	-	100%	-	-	-	
Advance Payment Guarantee	142,842		9,284	133,558	100%	133,558	121,805	121,805	
Financial Guarantee			-	-	100%	-	-	-	
Acceptances and Endorsements	981,687		44,622	937,065	100%	937,065	417,466	417,466	
Unpaid portion of partly paid shares & Securities			-	-	100%	-	-	-	
Irrevocable Credit Commitments (short term)	2,430,866		-	2,430,866	20%	486,173	1,893,340	378,668	
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement					20%	-	-	-	
Irrevocable Credit Commitments (long term)					50%	-	-	-	
Other Contingent Liabilities	19,627		-	19,627	100%	19,627	12,953	12,953	
Claim lodge on guarantee				-	200%	-	-	-	
Total	10,379,241		316,257	10,062,984		4,008,685	7,062,474	2,681,421	
Total Credit Risk	62,913,025	1,103,802	817,348	60,991,875		42,745,941	48,227,851	31,886,169	
Adjustment under Pillar II									
Add: 10% of the loan and facilities in excess of Single Obligor Limits (6.4 a 3)					-				
Add: 1% of the contract (sale) value in case of the sale of credit with resource (6.4 a 4)					-				
Total Credit Risk after adjustment under Pillar II	62,913,025	1,103,802	817,348	60,991,875		42,745,941	48,227,851	31,886,169	

CREDIT RISK MITIGATION (CRM)

AS on Asadh end 2072

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

Credit Exposures	Deposits with Banks	Deposits with other Banks/FI	Gold	GON & NRB Sec.	G'tee of Govt of Nepal	Sec/G'tee of other Sovereigns	G'tee of Domestic Banks	G'tee of MDBS	Sec/ G'tee of Foreign Banks	Total
On Balance Sheet Exposures										
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	364,341	-								364,341
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)	136,750									136,750
Regulatory Retail Portfolio (Overdue)										-
Claims fulfilling all criterion of regulatory retail except granularity										-
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties(overdue)										-
Claims secured by Commercial real estate										-
Past due claims(except for claim secured by residential properties)										-
High Risk Claims										-
Investments in equity of institutions listed in stock exchange & other capital instruments										-
Investments in equity of institutions not listed in stock exchange & other capital instruments										-
Other Assets										-
Total	501,091	-	-	-	-	-	-	-	-	501,091

Credit Exposures	Deposits with Banks	Deposits with other Banks/FI	Gold	HMG/N & NRB Sec.	G'tee of GON	Sec/G'tee of other Sovereigns	G'tee of Domestic Banks	G'tee of MDBS	Sec/ G'tee of Foreign Banks	Total
Off Balance Sheet Exposures										
Revocable Commitments										-
Bills Collection										-
Forward Exchange Contract Liabilities										
LC Commitments With Original Maturity Up to 6 months domestic counterparty	117,065									117,065
Foreign Counterparty ECA Rating 0-1										-
Foreign Counterparty ECA Rating 2										-
Foreign Counterparty ECA Rating 3-6										-
Foreign Counterparty ECA Rating 7										-
L C Commitments With Original Maturity Over 6 months domestic counterparty	-									-
Foreign Counterparty ECA Rating 0-1										-
Foreign Counterparty ECA Rating 2										-
Foreign Counterparty ECA Rating 3-6										-
Foreign Counterparty ECA Rating 7										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty	145,286									145,286
Foreign Counterparty ECA Rating 0-1										-
Foreign Counterparty ECA Rating 2										-
Foreign Counterparty ECA Rating 3-6										-
Foreign Counterparty ECA Rating 7										-
Bid Bond and Performance Bond and Counter guarantee domestic counterparty										
Foreign Counterparty ECA Rating 0-1										
Foreign Counterparty ECA Rating 2										
Foreign Counterparty ECA Rating 3-6										

Credit Exposures	Deposits with Banks	Deposits with other Banks/FI	Gold	HMG/N & NRB Sec.	G'tee of GON	Sec/G'tee of other Sovereigns	G'tee of Domestic Banks	G'tee of MDBS	Sec/ G'tee of Foreign Banks	Total
Off Balance Sheet Exposures										
Foreign Counterparty ECA Rating 7										
Claim lodge on guarantee										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets sale with recourse(including repo/reverse repo)										-
Advance Payment Guarantee	9,284									9,284
Financial Guarantee										-
Acceptances and Endorsements	44,622									44,622
Unpaid portion of Partly paid shares and securities										-
Irrevocable Credit Commitments (short term)										-
Irrevocable Credit Commitments (long term)										-
Other Contingent Liabilities										-
Total	316,257	-	-	-	-	-	-	-	-	316,257
Total Credit Risk	817,348	-	-	-	-	-	-	-	-	817,348

OPERATIONAL RISK

As on Asadh end 2072

Particulars	Preceding Year of Current Fiscal Year			As of Asadh end 2071
	FY 2070/71	FY 2068/69	FY 2067/68	
Net Interest Income	1,347,421	1,155,576	857,352	1,155,576
Commission & Discount Income	159,355	113,067	108,181	113,067
Other Operating Income	204,085	182,093	94,507	182,093
Exchange Fluctuation Income	132,327	156,645	115,627	156,645
Additional Interest Suspense during the period	(27,316)	65,556	29,375	65,556
Gross Income(a)	1,815,873	1,672,936	1,205,041	1,672,936
Alfa (b)	15%	15%	15%	
Fixed Percentage of Gross Income[c=(a*b)] (c)	272,381	250,940	180,756	250,940
Capital Requirement for operational risk(d) (average of c)			234,693	191,389
Risk Weight(reciprocal of capital requirement of 10%) in times (e)			10	10
Equivalent Risk Weight Exposure for Operational Risk [f=(d*e)]			2,346,925	1,913,886
PILLAR-II ADJUSTMENTS				
If Gross Income for all the last three years is negative (6.4 a 8)				
Total Credit and Investment (net of Specific Provision)				
Capital requirement for operational risk (5%)				
Risk Weight (reciporcal of capital requirement of 10%) in times				
Equivalent Risk Weight Exposure (g)				
Equivalent Risk Weight Exposure (h=f+g)				

MARKET RISK

As on Asadh end 2072

S.N	Particulars	2072 Asadh End			Relevant Net Open Position as of Asadh end 2071 (NPR)
		Net Open Position (FCY)	Net Open Position (NPR)	Relevant Net Open Position (NPR)	
1	INR	99,321.04	158,988.16	158,988.16	46,245.65
2	USD	66.05	6,707.72	6,707.72	7,213.45
3	GBP	0.17	27.00	27.00	1,976.55
4	EUR	9.36	1,036.43	1,036.43	831.71
5	THB	8.03	23.45	23.45	8.85
6	CHF	1.65	175.77	175.77	1,071.50
7	AUD	20.20	1,503.58	1,503.58	1,824.47
8	CAD	8.84	694.18	694.18	1,131.97
9	SGD	1.97	145.69	145.69	1,422.09
10	JPY	1,894.67	1,553.63	1,553.63	3,658.95
11	HKD	-	-	-	118.57
12	DKK	-	-	-	8.71
13	SEK	3.00	35.76	35.76	58.45
14	SAR	26.91	725.49	725.49	2,240.83
15	QAR	6.10	169.25	169.25	370.24
16	AED	15.76	431.98	431.98	341.52
17	MYR	47.89	1,273.74	1,273.74	817.86
18	KRW	-	-	-	4,269.62
19	CNY	3.13	50.10	50.10	413.53
20	BDT	2,885.67	3,780.22	3,780.22	2,120.74
21	KWD	0.26	88.12	88.12	-
22	BHD	-	-	-	0.25
23				
Total Open Position (a)				177,410	76,146
Fixed Percentage (b)				5%	5%
Capital Requirement for Market Risk[c=(a*b)]				8,871	3,807
3,807 Risk Weight (reciprocal of capital requirement of 10%) in times(d)				10	10
10 Equivalent Risk Weight Exposure for Market Risk[e=(c*d)]				88,705	38,073

NET LIQUID ASSETS TO TOTAL DEPOSIT RATIO

As on Asadh end 2072

Particulars	Amount
Total Deposit & Borrowing (A)	44,805,731,784
Total Deposit (as per NRB Ni.Fa.9.1)	44,740,731,784
Total Borrowing (as per NRB Ni.Fa.9.1)	65,000,000
Liquid Assets (B)	11,010,488,106
Cash (9.1)	1,155,856,745
Bank Balance (9.1)	3,951,932,512
Money at call and short notice (9.1)	1,130,000,000
Investment in government Securities (9.1)	4,701,613,850
Placement upto 90 days	71,085,000
Borrowings payable upto 90 days (C)	-
Net Liquid Assets (D)=(B-C)	11,010,488,106
Net Liquid Assets to Total Deposit	24.61%
Shortfall in Ratio	0.00%
Amount to be added to Risk Weighted Exposures	-

PRINCIPAL INDICATORS

From the Beginning Year of the Bank

S.N.	Particulars	Indicators	F.Y 2010/2011	F.Y 2011/2012	F.Y 2012/2013	F.Y 2013/2014	F.Y 2014/2015
1	Percent of Net Profit/Gross Income	Percent	10.89%	10.25%	14.40%	19.72%	19.83%
2	Earning Per Share	Rs	19.82	20.41	29.80	38.63	37.77
3	Market Value Per Share	Rs.	270.00	345.00	300.00	810.00	678.00
4	Price Earning Ratio	Ratio	13.62	16.91	10.07	20.97	17.95
5	Dividend on Share Capital (Including Bonus)	Percent	15.79%	8.42%	22.11%	23.16%	21.05%
6	Cash Dividend on Share Capital	Percent	12.79%	8.42%	10.11%	11.16%	1.05%
7	Interest Income/Loan and Advances	Percent	13.01%	13.26%	11.53%	10.40%	8.49%
8	Staff Expenses/Total Operating Expenses	Percent	6.64%	6.79%	9.27%	10.15%	12.39%
9	Interest Expenses/Total Deposit & Borrowing	Percent	9.13%	7.88%	5.97%	5.28%	4.63%
10	Exchange Gain/Total Income	Percent	1.35%	3.59%	4.68%	3.73%	3.68%
11	Staff Bonus/ Total Staff Expenses	Percent	28.73%	27.13%	31.77%	41.27%	33.53%
12	Net Profit/ Loan and Advances	Percent	1.67%	1.60%	2.03%	2.50%	2.06%
13	Net Profit/ Total Assets	Percent	1.28%	1.12%	1.43%	1.74%	1.51%
14	Total Credit/ Deposit	Percent	86.43%	79.42%	83.55%	79.02%	83.04%
15	Total Operating Expenses/Total Assets	Percent	9.61%	8.65%	6.94%	5.93%	5.23%
16	Adequacy of Capital Fund on Risk Weighted Assets			-	-	0	-
	a) Core Capital	Percent	9.05	8.18	8.28	8.39	7.58
	b) Supplementary Capital	Percent	1.73	2.85	3.52	3.00	3.52
	c) Total Capital Fund	Percent	10.78	11.03	11.80	11.39	11.10
17	Liquidity (CRR)	Percent	5.61%	11.86%	9.60%	17.22%	8.63%
18	Non-performing Credit/Total Credit	Percent	0.79%	1.52%	2.39%	2.75%	1.80%
19	Weighted Average Interest Rate Spread	Percent	3.94%	3.82%	4.39%	4.65%	3.86%
20	Book Net - worth Per Share	Rs.	126.56	134.83	154.53	165.44	184.43
21	Total Shares	Nos.	15,711,300	16,192,443	16,192,443	20,311,800	20,311,800
22	Total Staff	Nos.	375	363	370	401	525
23	Other						

NOTES TO ACCOUNTS

1. Paid up Share Capital

Nepal Rastra Bank (NRB) has prescribed Rs. 2 Billion minimum paid up capital requirement for class "A" licensed commercial banks as at the Balance sheet. The Bank's paid up equity capital stands at Rs. 2,031,180,032 before proposed bonus share for FY 2071/72. As on reporting date, there is fractional share unit of 10,991.32 on account of issue of Bonus share capital of the Bank.

2. General Reserve

20 percent of the profit is transferred to General Reserves as per Section 44 of Banks and Financial Institutions Act 2063. In FY 2071/72, the Bank has transferred Rs. 153,416,102 to the General Reserve Fund from the current year 's profit .

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

Schedule- 4.33

Fiscal Year	Cumulative Paid up Capital (Rs.)	Remarks
2059/60 (2002/03)	350,000,000	-
2060/61 (2003/04)	350,000,000	-
2061/62/ (2004/05)	350,000,000	-
2062/63 (2005/06)	500,000,000	IPO of Rs.150 million
2063/64 (2006/07)	600,000,000	20% Bonus Share
2064/65 (2007/08)	828,000,000	15% Bonus Share and then 20% Right Share
2065/66 (2008/09)	952,200,000	15% Bonus Share
2066/67 (2009/10)	1,095,030,000	15% Bonus Share
2067/68 (2010/11)	1,571,130,000	50% right share on FY 2065/66 Paid up Capital
2068/69 (2011/12)	1,619,244,300	3 % Bonus share on FY 2067/68
2069/70 (2012/13)	1,813,553,600	12% Bonus share on FY 2069/70
2070/71 (2013/14)	2,031,180,032	12% Bonus share on FY 2070/71
2071/72 (2014/15)	2,437,416,038	20% Bonus share on FY 2071/72

3. Exchange Fluctuation Fund

25% of the revaluations gain on foreign exchange is transferred to exchange fluctuation fund as per Section 45 of Banks and Financial Institutions Act 2063. In FY 2071/72, the Bank has transferred Rs. 3,897,247 to Exchange fluctuation Fund from the current year Profit. The Bank has able to book the Rs 46,070,416 from NDF transaction during the fiscal year which has shown under Schedule no 4.22.

4. Investment Adjustment Reserve

Investment adjustment reserve has been created on Investment classified as 'available for sale' transferring Rs. 8,051,187 from Profit and Loss Appropriation Account during financial year except for investment in Credit Information Centre Limited, Nepal Clearing House Limited.& National Banking Training Institute as per Nepal Rastra Bank Directive. Total outstanding investment adjustment reserve as at Balance Sheet date is Rs 15,480,475. The details of Investment adjustment reserves are as follows.

Particulars	Amount in "Rs"	% of Reserve	Investment Adjustment Reserve
Credit Information Center Limited	1,607,600	Exemption by NRB	-
Siddhartha Insurance Limited	32,820,000	2%	656,400
Nepal Clearing House Limited	2,500,000	Exemption by NRB	-
National Banking Training Institute	1,200,000	Exemption by NRB	-
Siddhartha Capital Ltd	51,000,000	2%	1,020,000
ICRA Nepal Ltd	760,000	2%	15,200
Mero Micro Finance Bittiya Sanstha Ltd	13,000,000	2% and 100%	6,630,000
Nepal Grameen Bikash Bank	2,426,800	2%	48,536
Rural Micro Finance Development Center	59,533,961	2%	1,190,679
Nepal Electronic Payment System Ltd	15,000,000	2% and 100%	2,750,000
Nepal Insurance Company Limited	6,233,997	2%	124,680
NLG Insurance Company Limited	10,217,663	2%	204,353
Gurans Life Insurane Co Nepal Ltd	3,462,694	2%	69,254
Butwal Power Co. Limited	4,842,104	2%	96,842
Prabhu Insurance Co. Ltd	11,161,097	2%	223,222
Bottlers Nepal Ltd	4,602,275	2%	92,045
Nepal Lube oil Limited	1,080	2%	22
Himalayan General Insurance	23,715,495	2%	474,310
Nepal Film Dev. Company Limited	569	2%	11
Nepal Doorsanchar Co. Ltd	39,619,706	2%	792,394
Chilime Hydro Power Limited	47,855,175	2%	957,103
Sana Kisan Bank Ltd	5,702,044	2%	114,041
Shikar Insurance Ltd	1,079,087	2%	21,582
Total	338,341,346		15,480,675

5. Debenture Redemption Reserve Fund

Debenture Redemption Fund has been created as per Nepal Rastra Bank Directive 16. The Bank has appropriated Rs. 167,288,004 to redemption reserve from current year's profit. Total Debenture Redemption Reserve as at Balance Sheet date is Rs.539,930,564. The details of the debenture along with redemption fund details are as mentioned in the table.

Debentures	" Deb -2072	" Deb -2075	" Deb -2076	" Deb -2078	Total
UP to FY 2070/71	195,231,428	127,279,843	50,131,288	-	372,642,559
FY 2071/72	32,538,572	57,142,857	43,360,000	34,246,575	167,288,004
FY 2072/73	-	57,142,857	43,360,000	71,428,571	171,931,429
FY 2073/74	-	57,142,857	43,360,000	71,428,571	171,931,429
FY 2074/75	-	57,142,857	43,360,000	71,428,571	171,931,429
FY 2075/76	-	44,148,728	43,360,000	71,428,571	158,937,299
FY 2076/77	-	-	36,588,712	71,428,571	108,017,284
FY 2077/78	-	-	-	71,428,571	71,428,571
FY 2078/79	-	-	-	37,181,996	37,181,996
Total	227,770,000	400,000,000	303,520,000	500,000,000	1,431,290,000

6. Deferred Tax Reserve

Deferred Tax Reserve of the Bank has increased by Rs. 16,553,935.98 in the current year 2071-72. As of Balance Sheet date, the Bank's deferred tax reserve stands at Rs. 44,491,179.86.

7. Proposed Bonus Share & Cash Dividend

The Bank has proposed 20 % Bonus Share and 1.05 % cash dividend for corporate dividend tax on bonus share from retained earning including current year profit.

8. Interest income and interest Suspense

The Bank has recognised the interest income on loan which was accrued till Ashad end 2072 and collected within 15 Shrawan 2072 as income due to facility given by Nepal Rastra Bank. Interest receivable on loans and advances outstanding as of yearend Rs 132,806,595 (after deduction of interest collected up to 15th Shrawan 2072 amounting Rs 30,965,128) has transferred to interest suspense account.

9. Provision for Staff Bonus

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

10. Staff Housing Fund

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

11. Gratuity Fund

The Bank has provided Rs 29,828,307 on account of staff gratuity calculated as per Staff Service Rule in current year 2071-72.

12. Accumulated Leave

The Bank has provided Rs 63,859,528 on account of accrued leave encashment calculated as per Staff Service Rule in current year 2071-72 and Rs 8,963,100 was paid from the provisions.

13. Borrowing against its own assets

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

14. Tax Assessment

Case filed by or to organized institution during the Year: The bank has filed the pending case of income tax for FY 2065/66 & FY 2066/67 at tax settlement commission in current year 2071-72.

15. Investment in Share Capital of other Corporate

The investments categorised under AFS should be marked to market on a regular basis and the difference to be adjusted through reserves as required under NRB Directives 4 and 8. The bank has deviated from this measurement method and continues to recognize AFS portfolio at historical cost net of impairment loss. However, the shares that are held for earning from short term price fluctuation and intent to sale within 3 months are classified as Held for Trading (HTF).

Investment in Paschimanchal Grameen Bikash Bank has been shown under Schedule 12.1 of the financial statements at original cost of investment since final allotment of share capital of the merged financial institution (i.e. Nepal Grameen Bikash Bank) is pending till the reporting date.

16. Unpaid Dividend

Unclaimed Dividend for FY 2009/10 to FY 2013/14 amounting Rs.26,028,644 has been shown as unpaid dividend in Schedule 4.7 of the financial statements.

17. Lease

Finance Lease

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

Operating Lease

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

18. Deferred Taxes

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

(Amount in Rs.)			
Particulars	Carrying Amount as on 16 July 2015	Tax Base as on 16 July 2015	Temporary Difference
Fixed Assets	239,930,925	294,676,611	54,745,686
Provision for staff gratuity	29,698,718	-	29,698,718
Provisions for leave liability	63,859,528	-	63,859,528
Total			148,303,932
Applicable Tax Rate			30%
Deferred Tax Assets as on 16 July 2015			44,491,180
Deferred Tax Assets as on 16 July 2014			27,937,244
Deferred tax recognized in the income statement			16,553,936

19. Bullion Stock:

Since the Bank trade the bullion based on consignment basis with the custody of the Bank and ownership remained with the supplier, the outstanding balance of 59 KG gold has not shown as a stock of the bank.

20. Reconciliation Status

The Bank reconciles branches and other agency accounts regularly. The difference has been identified, reviewed and reconciled and it has been or will be adjustment in due course of business.

Rs. in "000"

Reconciliation Status	Total Amount	< 3 months	>3<9 months	>9 months
Branch Reconciliation	-	-	-	-
Agency Accounts	22,348.20	21,427.63	591.90	328.68

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

The loan disbursed, recovered and written off during the year is given below:

Particulars	Amount
Loans Disbursed	9,487.87
Loans Recovered	369.53
Loans Written off	N/A
Interest written off	N/A

22. Summary status of the of Deposit Liabilities

(Rs. In millions)

Particulars	Current Year	Previous Year	Change %
Current /Margin deposit	2,976	2,505	19%
Local Currency	2,756	2,275	21%
Foreign Currency	220	230	-4%
Saving Deposits	12,418	9,523	30%
Local Currency	12,346	9,474	30%
Foreign Currency	73	49	47%
Call Deposits	15,312	11,510	33%
Local Currency	15,058	11,342	33%
Foreign Currency	254	168	51%
Fixed deposits	14,035	11,876	18%
Local Currency	13,310	11,492	16%
Foreign Currency	725	384	88%
Total	44,741	35,414	26%

23. Weighted Average Interest Rate Spread

Particulars	Rate (%)
Average Rate of return from loans and advances & Investments	8.48
Average Rate of interest on deposits & borrowings	4.62
Net Spread	3.86

24. Particulars of Expenses yet to be Expensed-off

Software & Leasehold Improvement costs are amortized and the remaining to be amortized is given below,

Particulars	Original Value Rs.	Written Off Rs.	Book Value Rs.
Software	50,622,456.92	44,971,345.96	5,651,100.96
Leasehold Improvement	190,950,768.97	165,530,538.56	25,420,230.41

25. Summary of Concentration of Exposure

Rs. in "000"

Particulars	Loans and Advances and Bills Purchased	Deposits and Borrowings	Contingents
Total Amount as on 16 July 2015	37,104,076	44,805,731	7,872,498
Highest exposure to a single unit	545,580	1,531,548	1,117,050
Percentage of exposure to/from single unit (%)	1.47%	3.42%	14.19%

26. Classification of Assets and Liabilities based on Maturity

(Rs. In millions)

a) Assets	1-90 days	91-180days	181-270 days	271-365days	Over 1 Year	Total
Cash Balance	1,156					1,156
Balance With Banks	3,952					3,952
Investment in Foreign Banks	175	448	102			725
GON Securities	899					899
Investment in Shares	668					668
Nepal Rastra Bank Bonds					3,102	3,102
Other Investment					1,361	1,361
Inter Bank Lending	254	152			611	1,017
Loans & Advances	9,699	5,883	5,053	3,506	13,011	37,151
Other Assets	1,018				410	1,428
Total Assets	17,820	6,483	5,155	3,506	18,495	51,459
b) Liabilities						
Borrowings	65					65
Current Deposits & Margins	1,940				1,036	2,976
Savings Deposit & Call Deposits	13,865				13,865	27,730
Fixed Deposits	2,600	2,964	3,587	4,585	298	14,035
Debentures					1,431	1,431
Other Liabilities	1,476					1,476
Capital & Reserves					3,746	3,746
Total Liabilities	19,945	2,964	3,587	4,585	20,377	51,459
Net Financial Assets	(2,126)	3,519	1,568	(1,079)	(1,882)	(0)
Cumulative Net Financial Assets	(2,126)	1,393	2,961	1,882	(0)	

27. Related Parties

a) Transaction with related party

S.N.	Name	Nature of Transaction	Current Year Rs.	Previous Year Rs.
1	Siddhartha Insurance Ltd	Investment in Share	32,820,000	32,820,000
2	Siddhartha Capital Ltd	Equity Investment in Mutual Fund	51,000,000	51,000,000
3	Siddhartha Growth Scheme 1st	Equity Investment in Seed Capital	75,000,000	75,000,000
4	Siddhartha Equity Oriented Scheme	Equity Investment in Seed Capital	150,000,000	-

b) Key Managerial Personnel

Details of Key Management Personnel	Total Compensation (Rs.)	Remarks
Short-term employee benefits	61,777,585	Salary, PF and allowances of management level staff (Management level staff comprises of all staff of assistant manager level and above)
Post employee benefits	Nil	
Terminal benefits	69,75,170	Gratuity benefits of eligible management staff
Share based payments	Nil	
Other long term benefits	Nil	

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

28. Agreement with IFC

The Bank has signed an Agreement with International Finance Corporation (IFC) - a member of World Bank Group, as an Issuing Bank for the Corporations' Global Trade Finance Program. As an Issuing Bank, IFC shall provide the Bank the agreed Confirmation Facility, which shall be used to enhance the Bank's capacity to meet the trade finance needs of various local enterprises as well as development projects of the country.

DISCLOSURES OF BASEL-II

Capital Structure and Capital Adequacy:

Tier 1 capital and a breakdown of its components

		Rs. In "000"
S.N.	Particulars	Amount
a	Paid up Equity Share Capital	2,031,180
b	Share Premium	-
c	Proposed Bonus Equity Share	406,236
d	Statutory General Reserve	684,964
e	Retained Earnings	2,397
f	Unaudited current year cumulative profit	
g	Capital Redemption Reserve	
h	Capital Adjustment Reserve	
i	Dividend Equalization Reserves	-
j	Debenture Redemption Reserve	539,931
k	Deffered Tax Reserve	44,491
l	Other Reserves	
m	Less : Deferred Tax Assets	(44,491)
n	Less:Investment in equity of institutions with financial interests	(83,820)
Total Tier 1 Capital		3,580,887

Tier 2 capital and a breakdown of its components

		Rs. In "000"
S.N.	Particulars	Amount
a	Cumulative and/or Redeemable preference Share	-
b	Subordinated Term Debt	1,249,074
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	377,795
e	Investment Adjustment Reserve	15,465
f	Assets Revaluation Reserve	
g	Exchange Equilisation Reserve	21,402
h	Other Reserves	-
Total Tier 2 Capital		1,663,736

Subordinated Term Debts:

1) The Bank issued SBL Debenture 2072 in FY 2008/09 for Rs.228 million. As per NRB Directives, 80% of the subordinated term debt has been amortized till this Year. Main features of Siddhartha Bank Limited Debenture 2072 are as follows:

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

Likewise, The Bank issued SBL Debenture 2075 in FY 2011/12 for Rs.400 million with face value Rs 1,000. Main features of Siddhartha Bank Limited Debenture 2075 are as follows:

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

At the same, the bank issued SBL Debenture 2076 in FY 2012/13 for Rs. 303 million with face value of Rs.1000. The salient features of SBL Debenture 2076 are as follows:

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

At the same, the bank issued SBL Debenture 2078 in FY 2014/15 for Rs. 500 million with face value of Rs.1000. The salient features of SBL Debenture 2078 are as follows:

- Maturity period: 7 Years.
- Interest rate: 7.50% per annum.
- Interest Payment frequency: Half Yearly.
- Claim in case of liquidation: After depositors.
- Debenture Redemption Reserve shall be created to redeem the Bond at Maturity.
- The debenture can be pledged with other Banks and financial institution.
- Listed with Nepal Stock Exchange

Deductions from Capital:

The Bank has investments of Rs.32.82 million in the equity shares of Siddhartha Insurance Limited and Rs. 51 million in Siddhartha Capital, which has been deducted from the core capital while computing capital adequacy.

Total Qualifying Capital:

Rs. In "000"	
Particulars	Amount
Core Capital	3,580,887
Supplementary Capital	1,663,751
Total Capital Fund	5,244,638

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

Rs. In "000"	
Particulars	Amount
Risk Weighted Exposure for Credit Risk	42,745,941
Risk Weighted Exposure for Operational Risk	2,346,925
Risk Weighted Exposure for Market Risk	88,705
Adjustments under Pillar II:	
Add: 4% of Gross income of last FY due to supervisor is not satisfied with sound practice of management of operational risk (6.4 a 7)	726,349
Add: 2% of the total RWE due to supervisor is not satisfied with the overall risk management policies and procedures of the bank (6.4 a 9)	903,631
Add: 1% of the total RWE due to supervisor is not satisfied with disclosure policy of the bank (6.4 a 10)	451,816
Total Risk Weighted Exposure (After Pillar II Adjustment)	47,263,368

Risk Weighted Exposures under different categories of Credit Risk

Rs. In "000"		
1	Claims on Government & Central Bank	Amount
2	Claims on Other Financial Entities	
3	Claims on Domestic Banks that meet CAR	-
4	Claims on Domestic banks that do not meet CAR	476,058
5	Claims on Foreign Banks (ECA 0-1)	15,598
6	Claims on foreign bank (ECA 2)	129,814
7	Claims on foreign bank (ECA Rating 3-6)	13,891
8	Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	3,238
9	Claims on Domestic Corporates	16,908
10	Claims on Regulatory Retail Portfolio (Not Overdue)	20,075,096
11	Claims secured by residential properties	6,726,943
12	Claims secured by residential properties(overdue)	413,448
13	Claims Secured by Commercial Real Estate	-
14	Past due claims(except for claim secured by residential properties)	984,391
15	High Risk Claims	734,386
16	Investments in equity and other capital instruments of institutions listed in the stock exchange	7,295,553
17	Investment in Equity of Institution not listed in the Stock Exchange	491,126
18	Staff Loan secured by residential property	127,601
19	Cash In transit and other cash items in the process of collection	230,657
20	Other Assets	-
21	Off Balance Sheet Items	1,002,547
22	Off Balance Sheet Items	4,008,685
Total		42,745,941

Total Risk Weighted Exposure calculation table:

Rs. In "000"	
Particulars	Amount
Total Risk Weighted Exposures	47,263,368
Total Core Capital Fund	3,580,887
Total Capital Fund	5,244,638
Total Core Capital to Total Risk Weighted Exposures %	7.58
Total capital to Total Risk Weighted Exposures %	11.10

NPA Ratios

Particulars	in %
Gross NPA to Gross Advances	1.80
Net NPA to Net Advances	0.65

Movement in Non Performing Assets

Rs. In "000"

Particulars	This Year	Previous Year	Change (%)
Non-Performing Assets	669,484	768,289	(12.86)

Written Off Loans and Interest Suspense

Rs. In "000"

Particulars	Amount
Loan Written Off	
Interest Suspense	

Movements in Loan Loss Provision and Interest Suspense:

Rs. In "000"

Particulars	This Year	Previous Year	Change (%)
Loan Loss Provision	811,514	798,824	1.59
Interest Suspense	132,807	119,989	10.68

Details of Additional Loan Loss Provisions:

Rs. In "000"

Particulars	This Quarter
Pass	105,769
Restructured/Rescheduled	(22)
Sub-Standard	21,819
Doubtfull	(71,027)
Loss	(43,849)
Total	12,690

Segregation of Investment in Corporate Share Portfolio:

Rs. In "000"

Particulars	This Quarter
Held for Trading	24,935
Held to Maturity	304,276
Available for Sale	338,341
Total Investment	667,553

3. Risk Management Function:

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

Credit Risk

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

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

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

Market Risk

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

Operational Risk

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

The Bank has adopted dual control mechanism in its all operational activities where each and every financial and non financial transaction is subject to approval from an authority higher than the transaction initiator. Regular review meetings are conducted to assess the adequacy of risk monitoring mechanism and required changes are made as and

when felt necessary. Independent reconciliation unit is established to conduct daily reconciliation of all Nostro/agency accounts, Inter-Branch and Inter-Department account under direct supervision of Head of Finance, Head Office. The Bank has independent internal audit, which reports to the Audit Committee of the Bank. The Audit Committee meets frequently and reviews the business process and financial position of the Bank. In order to have better focus on managing operational risks across branches and to monitor them from Head Office level, the Bank has separate Branch Operation and Control & Compliance Department at Head Office. The Bank has strong MIS in place to monitor the regular operational activities.

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

Particulars	Eligible CRM(Rs 000)
Deposit with Bank	501,091
Deposit with Other Bank/Fl	-
Total	501,091

STATEMENTS OF LOANS AVAILED BY PROMOTERS/SHAREHOLDERS CLASSIFIED UNDER PROMOTER'S GROUP FROM OTHER BANKS AND FINANCIAL INSTITUTIONS BY PLEDGING SHARES UNDER THEIR OWNERSHIP

End of 31 Ashad 2072

S.N.	Promoters/ Shareholders classified under Promoter group	Promoter's Share Ownership		Loan Details			Remarks
		Total No. of Shares	% of Total Paid up Capital	Name of the Bank & Financial Institutions	Loan Amount	Total no. of Pledged Shares	
1	Pushpanjali Internatiol Pvt.Ltd	101,627	0.50%	Himalayan Bank/Ndep Bank		45,000	
2	Ashok Kumar Baheti	295,792	1.46%	Nepal Investment Bank Ltd.		17,349	
3	Rajendra Agrawal	147,897	0.73%	NMB Bank Limited		117,903	
4						
5						
6						

COMPARISON OF UNAUDITED AND AUDITED FINANCIAL STATEMENT

Schedule 4.35

As of Asadh End 2072

Rs.in '000

S.N.		As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In Amount	in %	
1	Total Capital and Liabilities (1.1 to 1.7)	50,655,110	50,647,296	(7,814)	(0.02)	Due to below changes
1.1	Paid Up Capital	2,031,180	2,437,416	406,236	20.00	Due to proposed Bonus share
1.2	Reserve and Surplus	1,732,962	1,308,664	(424,298)	(24.48)	Due to Changes in LLP & Others
1.3	Debtenture and Bond	1,431,290	1,431,290	-	-	
1.4	Borrowings	65,000	65,000	-	-	
1.5	Deposits (a+b)	44,740,732	44,740,732	-	-	
	a. Domestic Currency	43,469,681	43,469,681	-	-	
	b. Foreign Currency	1,271,051	1,271,051	-	-	
1.6	Income Tax Liability	-	-	-	-	
1.7	Other Liabilities	653,946	664,194	10,248	1.57	Due to change in staff bouns due to profit
2	Total Assets (2.1 to 2.7)	50,655,110	50,647,296	(7,814)	(0.02)	Due to below changes
2.1	Cash and Bank Balance	5,257,789	5,107,789	(150,000)	(2.85)	Regrouping of Bank Balance
2.2	Money at Call and Short Notice	1,130,000	1,130,000	-	-	
2.3	Investments	6,491,682	6,641,682	150,000	2.31	Regrouping of Investment
2.4	Loans and Advances (a+b+c+d+e+f)	36,296,594	36,339,796	43,203	0.12	Due to Changes in LLP
	a. Real Estate Loan	3,419,347	3,419,347	-	-	
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs.100 Lacs)	168,152	168,152	-	-	
	2. Business Complex & Residential Apartment Construction Loan	938,630	938,630	-	-	
	3. Income generating Commercial Complex Loan	479,175	479,175	-	-	
	4. Other Real Estate Loan (Including Land purchase & plotting)	1,833,391	1,833,391	-	-	

	b. Personal Home Loan of Rs. 100 Lacs or Less	2,441,667	2,441,667	-	-	
	c. Margin Type Loan	464,032	464,032	-	-	
	d. Term Loan	7,554,274	7,554,274	-	-	
	e. Overdraft Loan/ TR Loan/ WC Loan	17,317,363	17,316,227	(1,137)	(0.01)	Due to Changes in LLP
	f. Others	5,099,910	5,144,249	44,339	0.87	Regrouping of Loan & Advances
2.5	Fixed Assets (Net)	409,852	409,852	-	-	
2.6	Non- Banking Assets	-	-	-	-	
2.7	Other Assets	1,069,193	1,018,176	(51,017)	(4.77)	Due to Change in Deferred Tax Assets
3	Profit and Loss Account					
3.1	Interest Income	3,295,250	3,295,250	-	-	
3.2	Interest Expenses	1,859,407	1,859,407	-	-	
	A. Net Interest Income (3.1 -3.2)	1,435,843	1,435,843	-	-	
3.3	Fees, Commission and Discount	178,708	187,708	9,000	5.04	Due to booked of additional income
3.4	Other Operating Income	243,541	243,596	55	0.02	Due to booked of additional income
3.5	Foreign Exchange Gain/Loss (Net)	142,341	142,341	-	-	
	B. Total Operating Income (A.+3.3+3.4+3.5)	2,000,433	2,009,488	9,055	0.45	Due to booked of additional income
3.6	Staff Expenses	328,131	328,131	-	-	
3.7	Other Operating Expenses	459,807	459,807	-	-	
	C. Operating Profit Before Provision (B.-3.6-3.7)	1,212,495	1,221,550	9,055	0.75	Due to booked of additional income
3.8	Provision for Possible Losses	247,726	249,086	1,361	0.55	Due to Changes in LLP
	D. Operating Profit (C.-3.8)	964,769	972,463	7,694	0.80	Due to Changes in LLP
3.9	Non- Operating Income/Expenses (Net)	38,168	38,854	685	1.80	Due to booking of tax on dividend
3.10	Write Back of Provision for Possible Loss	197,952	197,952	-	-	
	E. Profit from Regular Activities (D+3.9+3.10)	1,200,890	1,209,269	8,380	0.70	Due to above changes
3.11	Extraordinary Expenses (Net)	1,003	1,003	-	-	
	F. Profit Before Bonus and Taxes (E+3.11)	1,201,893	1,210,272	8,380	0.70	Due to above changes
3.12	Provision for Staff Bonus	109,263	110,025	762	0.70	Due to above changes
3.13	Provision for Taxes	328,868	333,167	4,299	1.31	Due to creation of More Deferred Tax Assets
	G. Net Profit/Loss (F.- 3.12-3.13)	763,762	767,081	3,319	0.43	Due to all above changes

UNAUDITED FINANCIAL RESULTS (QUARTERLY)

As at 4th Quarter (16/07/2015) of the Fiscal Year 2071/72

Schedule 4.4a
Rs.in '000

S.N.	Particulars	This Quarter Ending 16.07.2015		Previous Quarter Ending 13.04.2015		*Audited * Corresponding Previous Year Quarter Ending 16.07.2014	
		Siddhartha Bank	Group	Siddhartha Bank	Group	Siddhartha Bank	Group
1	Total Capital and Liabilities (1.1 to 1.8)	50,655,110	50,727,581	48,003,072	48,068,357	40,277,752	40,328,850
1.1	Paid Up Capital*	2,031,180	2,031,180	2,031,180	2,031,180	2,031,180	2,031,180
1.2	Reserve and Surplus	1,732,962	1,733,983	1,515,068	1,524,141	969,201	969,715
1.3	Debtenture and Bond	1,431,290	1,431,290	1,431,290	1,431,290	931,290	931,290
1.4	Borrowings	65,000	65,000	60,000	60,000	106,415	106,415
1.5	Deposits (a+b)	44,740,732	44,722,073	41,856,105	41,834,409	35,414,008	35,408,654
	a. Domestic Currency	43,469,681	43,451,023	40,830,241	40,808,546	34,582,265	34,576,912
	b. Foreign Currency	1,271,051	1,271,051	1,025,863	1,025,863	831,743	831,743
1.6	Income Tax Liability	-	-	-	-	-	-
1.7	Other Liabilities	653,946	675,629	1,109,429	1,130,588	825,659	832,102
1.8	Non Controlling Interest	-	68,426	-	56,749	-	49,494
2	Total Assets (2.1 to 2.7)	50,655,110	50,727,581	48,003,072	48,068,357	40,277,752	40,328,850
2.1	Cash and Bank Balance	5,257,789	5,262,584	5,853,505	5,857,463	7,257,046	7,261,276
2.2	Money at Call and Short Notice	1,130,000	1,130,000	1,665,000	1,665,000	1,150,000	1,150,000
2.3	Investments	6,491,682	6,514,935	3,756,933	3,790,063	3,327,655	3,343,285
2.4	Loans and Advances (a+b+c+d+e+f)**	36,296,594	36,296,594	34,973,562	34,973,562	27,186,905	27,186,905
	a. Real Estate Loan	3,419,347	3,419,347	3,354,982	3,354,982	3,449,851	3,449,851
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs.100 Lacs)	168,152	168,152	68,089	68,089	26,542	26,542
	2. Business Complex & Residential Apartment Construction Loan	938,630	938,630	999,413	999,413	1,214,944	1,214,944
	3. Income generating Commercial Complex Loan	479,175	479,175	493,310	493,310	501,104	501,104
	4. Other Real Estate Loan (Including Land purchase & plotting)	1,833,391	1,833,391	1,794,170	1,794,170	1,707,262	1,707,262

S.N.	Particulars	This Quarter Ending 16.07.2015		Previous Quarter Ending 13.04.2015		*Audited * Corresponding Previous Year Quarter Ending 16.07.2014	
		Siddhartha Bank	Group	Siddhartha Bank	Group	Siddhartha Bank	Group
	b. Personal Home Loan of Rs. 100 Lacs or Less	2,441,667	2,441,667	2,328,966	2,328,966	1,687,881	1,687,881
	c. Margin Type Loan	464,032	464,032	447,738	447,738	262,407	262,407
	d. Term Loan	7,554,274	7,554,274	7,215,406	7,215,406	5,513,143	5,513,143
	e. Overdraft Loan/ TR Loan/ WC Loan	17,317,363	17,317,363	16,805,503	16,805,503	12,739,474	12,739,474
	f. Others	5,099,910	5,099,910	4,820,966	4,820,966	3,534,149	3,534,149
2.5	Fixed Assets (Net)	409,852	418,279	413,010	421,483	440,491	450,417
2.6	Non- Banking Assets	-	-	-	-	-	-
2.7	Other Assets	1,069,193	1,105,190	1,341,063	1,360,786	915,654	936,966
3	Profit and Loss Account	Up to this Quarter		Up to Previous Quarter		Up to corresponding Previous Year Quarter	
3.1	Interest Income	3,295,250	3,335,795	2,336,974	2,336,423	3,056,287	3,056,287
3.2	Interest Expenses	1,859,407	1,858,506	1,326,510	1,325,959	1,708,866	1,708,119
	A. Net Interest Income (3.1 -3.2)	1,435,843	1,477,289	1,010,464	1,010,464	1,347,421	1,348,167
3.3	Fees, Commission and Discount	178,708	178,708	139,046	139,046	159,355	176,690
3.4	Other Operating Income	243,541	247,759	181,127	216,437	204,085	205,318
3.5	Foreign Exchange Gain/Loss (Net)	142,341	142,341	96,538	96,538	132,327	132,327
	B. Total Operating Income (A+3.3+3.4+3.5)	2,000,433	2,046,097	1,427,175	1,462,485	1,843,189	1,862,502
3.6	Staff Expenses	328,131	337,410	227,003	233,519	242,447	249,148
3.7	Other Operating Expenses	459,807	473,341	326,107	335,838	436,309	446,987
	C. Operating Profit Before Provision (B-3.6+3.7)	1,212,495	1,235,346	874,066	893,128	1,164,433	1,166,367
3.8	Provision for Possible Losses	247,726	247,726	62,684	62,684	423,229	423,229
	D. Operating Profit (C-3.8)	964,769	987,621	811,382	830,444	741,204	743,137
3.9	Non- Operating Income/Expenses (Net)	38,168	43,809	22,199	26,330	93,180	96,820

S.N.	Particulars	This Quarter Ending 16.07.2015		Previous Quarter Ending 13.04.2015		*Audited * Corresponding Previous Year Quarter Ending 16.07.2014	
		Siddhartha Bank	Group	Siddhartha Bank	Group	Siddhartha Bank	Group
3.10	Write Back of Provision for Possible Loss	197,952	197,952	23,208	23,208	266,403	266,403
	E. Profit from Regular Activities (D+3.9+3.10)	1,200,890	1,229,382	856,788	879,982	1,100,787	1,106,360
3.11	Extraordinary Income/Expenses (Net)	1,003	1,003	1,003	1,003	(24)	(24)
	F. Profit Before Bonus and Taxes (E+3.11)	1,201,893	1,230,384	857,791	880,985	1,100,763	1,106,336
3.12	Provision for Staff Bonus	109,263	111,853	77,981	80,090	100,069	100,576
3.13	Provision for Taxes	328,868	335,343	233,943	239,214	300,158	301,447
3.14	Share of Non-Controlling interest in the Profit/Loss of Subsidiary	-	9,519	-	7,749	-	1,851
	G. Net Profit/Loss (F- 3.12-3.13)	763,762	783,188	545,867	561,681	700,535	704,313
4	Ratios	At the end of This Quarter		At the end of Previous Quarter		At the end of corresponding Previous Year Quarter	
4.1	Capital Fund to RWA	11.19%	11.29%	11.30%	11.32%	11.39%	11.41%
4.2	Non- Performing Loan (NPL) to Total Loan	1.80%	1.80%	2.30%	2.30%	2.75%	2.75%
4.3	Total Loan Loss Provision to Total NPL	121.04%	121.04%	97.73%	97.73%	103.97%	103.97%
4.4	Cost of Funds	4.62%	4.62%	4.65%	4.65%	5.40%	5.40%
4.5	Credit to Depositor Ratio (Calculated as per NRB Directive)	76.71%	76.71%	78.35%	78.35%	73.34%	73.34%
4.6	Base Rate %	7.87%	7.87%	7.87%	7.87%	8.81%	8.81%
4.7	Net Interest Spread (Calculated as per NRB Directives)	4.35%	4.35%	4.98%	4.98%	4.94%	4.94%
	Additional Information						
a	Average Yield	8.48%	8.48%	8.39%	8.39%	10.06%	10.06%
b	Average Cost	4.61%	4.61%	4.69%	4.69%	5.37%	5.37%
d	Return on Equity	20.29%	20.29%	19.61%	19.61%	23.35%	23.35%
e	Return on Assets	1.51%	1.51%	1.45%	1.45%	1.74%	1.74%

SBL BRANCH LOCATIONS

Inside Valley Branches

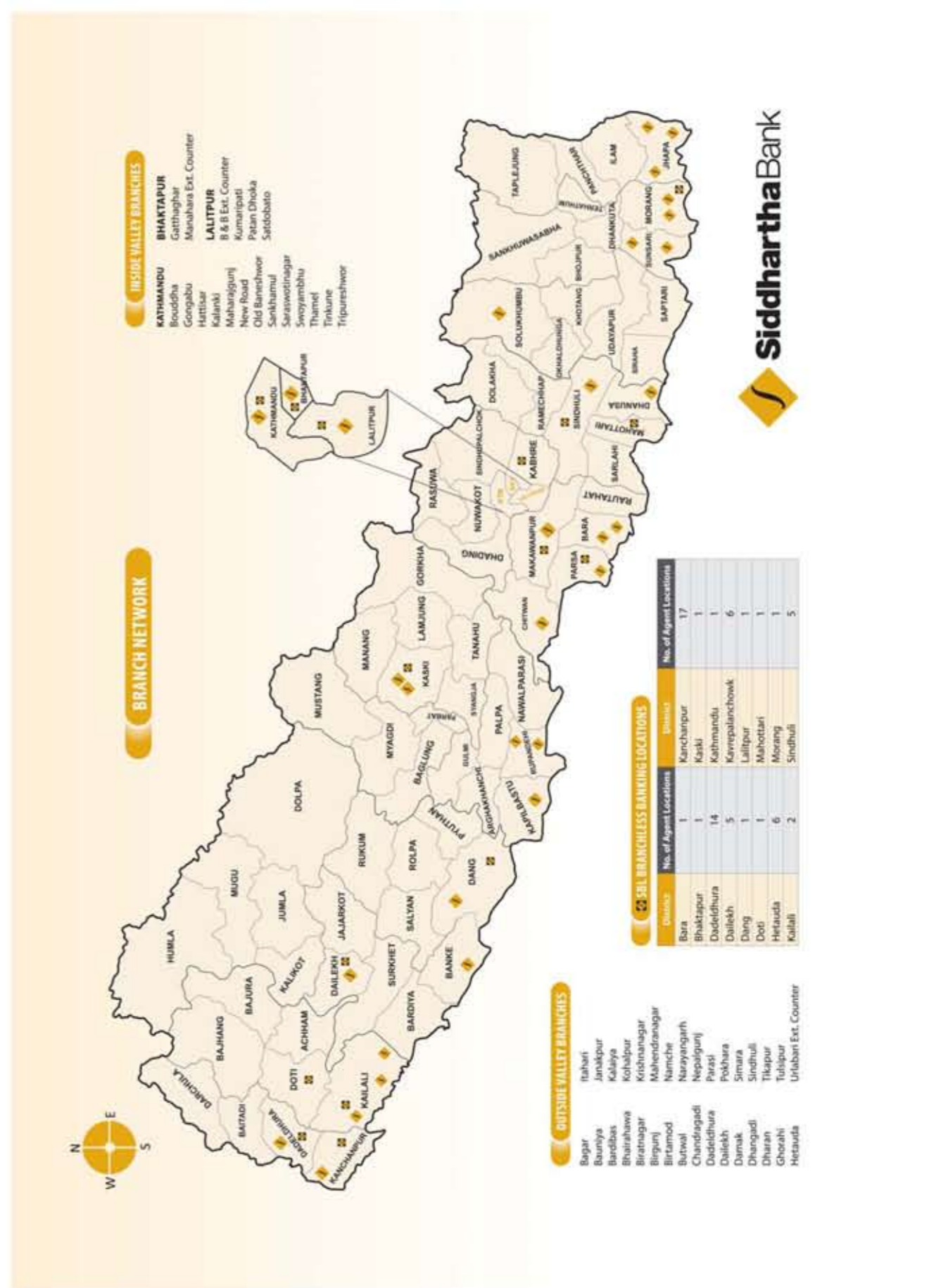
S.N.	Branches	Branch Manager	Telephone No.	Fax
1.	Bouddha	Saroja Regmi	01-4490797	01-4486516
2.	Gatthaghar	Ujjwal Nepal	01-5639435 / 6630302	01-5639788
3.	Gongabu	Sunil Maharjan	01-4389227 / 4389226	01-4389203
4.	Gwarko (B & B) Extension Counter	Usha Acharya	01-5007621	
5.	Hattisar	Jit Bahadur Adhikari	01-4442919/4442920	1-4442921
6.	Kalanki	Purnima Dangol	01-4272570	01-4276122
7.	Kumaripati	Sheela Tajhya	01-5008648/ 5008650	01-5552648
8.	Maharajgunj	Neema Nepal	01-4374909 / 4374974	01-4375413
9.	Manahara Extension Counter	Chiranjibi Aryal	01-5639109	
10.	New Road	Biplavi Singh	01-4224616/4239535	01-4239590
11.	Old Baneshwor	Ajay Singh Bhandari	01-4484996/4492850	01-4484997
12.	Patan	Anant Shrestha	01-5005531/ 5005533	01-5005532
13.	Sankhamul	Puja Shrestha	01-4781516 / 4781396	01-4781616
14.	Saraswotnagar	Jyotsna Kunwar	01-4822730 / 4822728	01-4822729
15.	Satdobato	Milan Koirala	01-5151828 / 5151327	01-5151829
16.	Swoyambhu	Pravin Amatya	01-4033606 / 4033607	01-4033608
17.	Thamel	Gyanendra Maharjan	01-4701340/4701342	01-4701341
18.	Tinkune	Binu Bhandari	01-4111941/4111881	01-4111754
19.	Tripureshwar	Navaraj Karki	01-4232504/4232509	01-4232521

Outside Valley Branches

S.N.	Branches	Branch Manager	Telephone No.	Fax
1.	Bagar	Kiran Adhikari	061-527747/527748	061-527749
2.	Bardibas	Ujjwal Shahi	044-550640/550641	044-550642
3.	Bauniya	Sandesh Joshi	091-404118/404119	
4.	Bhairahawa	Babuji Thapa	071- 523645/523646	071- 523733
5.	Biratnagar	Kamal Basnet	021-532901/532902	021-532904
6.	Birgunj	Upendra Prakash Gadtaula	051-531011/531022	051-531055
7.	Birtamod	Subash Shrestha	023- 545760	023- 545760
8.	Butwal	Sushil Nepal	071-551540/551541	071-551539
9.	Chandragadhi	Sudhir Bhandari	023-456939/456998	023-456940
10.	Dadeldhura	Mukunda Prasad Bhatta	096-410014/410015	
11.	Dailekh	Prakriti Shant Thakurathi	089-420560	089-420561
12.	Damak	Prajwal Kumar Subedi	023-585206/585127	023-585128
13.	Dhangadhi	Mahendra Rawal	091-527463	091-527465
14.	Dharan	Suman Dahal	025-520655/534022	025-534024
15.	Ghorahi	Ranjan Koirala	082-563174/563175	082-563176
16.	Hetauda	Shankar KC	057-526767/526768	057-526769
17.	Itahari	Megh Nath Dhakal	025- 584721/584722	025 -584205
18.	Janakpur	Akhilesh Prasad Yadav	041-528081 / 528082	041-528083
19.	Kalैया	Sanjan Kumar Singh		
20.	Khandbari	Nilesh Acharya	029-561172/ 561173	
21.	Kohalpur	Vijaya Kumar Rasaili	081-542040/542041	
22.	Krishnanagar	Shiva Kumar Yadav	076- 520655 / 520656	076-520660
23.	Kshireswor	Govinda Mahirjan	041- 540428 / 540487	
24.	Mahendranagar	Mohan Bahadur Shah	099-520163/520164	099-520165
25.	Namche	Ujjwol Shrestha	038-540451 / 540452	038-540453
26.	Narayangarh	Ramji Baniya	056-571127/571128	056-571129
27.	Nepalgunj	Tej Raj Timilsina	081-527933 / 527934	081-527932
28.	Parasi	Kapil Kafle	078-520547/520647	078-520847
29.	Pokhara	Hari Prasad Timalena	061-551338/551405	061-551339
30.	Simara	Krishna Prasad Gautam	053-521940/521941	
31.	Sindhuli	Arjun Pokhrel	047-520747 / 520748	047-520647
32.	Tikapur	Bishnu Prasad Kusi	091-561163/561164	091-561165
33.	Tulsipur	Samartha Upreti	082-521707 / 521708	082-521709
34.	Urlabari Extension Counter	Roshan Parajuli	021-540617/540618	

Inside Valley	Outside Valley
<p>Bhaktapur</p> <p>B.P. Eye Hospital (CHEERS), Manahara Dattatraya Durbar Square Gatthaghar Branch</p>	<p>Bardibas Branch Bauniya Branch Bhairahawa Branch Biratnagar Branch Birgunj Branch Birtamode Branch Butwal (Lumbini Zonal Hospital) Chandragadhi Branch Dadeldhura Branch Dailekh Branch Damak Branch Dhangadhi Branch Dharan Branch Ghorahi Branch Hetauda Branch Itahari Branch Janakpur Branch Kalaiya Branch Kohalpur Branch Krishnanagar Branch Mahendranagar Branch Namche Branch Namche Bazaar Narayangarh Branch Nepalgunj Branch Parasi Branch Pokhara Branch Pokhara Center Point Pokhara, Halanchowk Pokhara, Lakeside Simara Branch Sindhuli Branch Sunauli, Hotel Mamata Tikapur Branch Tulsipur Branch Urlabari, Branch</p>
<p>Kathmandu</p> <p>Bouddha Branch Budhanilkantha, Park Village Resort Chabahil , ATM Lounge Civil Mall, ATM Lounge Gongabu Branch Hattisar, 1 Head Office Hattisar, 2 Head Office Kalanki Branch Maharajgunj Branch Maharajgunj, Bhairab Nath Gan New Baneshwor, ATM Lounge New Road , ATM Lounge Old Baneshwor Branch Sundarijal Chowk, Bus Park Swoyambhu Branch Thamel Branch Thamel, ATM Lounge, Narsing Chowk Thamel , ATM Lounge Chaksibari Marga Tinkune Branch</p>	
<p>Lalitpur</p> <p>Gwarko, B&B Ext Counter Kumaripati , ATM Lounge Patan Branch Satdobato Branch</p>	

Siddhartha Mobile ATM





HEAD OFFICE:

Hattisar, Kathmandu

P.O.Box. 13806

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Fax: 977-1-14442921

SWIFT: SIDDNPKA

Email: sbl@siddharthabank.com

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