



# Bank Supervision Report

2021/22



**Nepal Rastra Bank**

**Bank Supervision Department**

**Kathmandu, Nepal**

**2021/2022**



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The Bank Supervision Report, 2021/2022 is the annual report of the Bank Supervision Department of the Nepal Rastra Bank. It reviews policy and operational issues affecting the banking sector and its regulators/supervisors and aims at disseminating information on the supervision of commercial banks and other issues affecting the financial sector. The annual Bank Supervision Report aims to disseminate information on the commercial banks of Nepal and focuses mainly on the developments in FY 2021/22. However, selected developments up to the time of report finalization have also been incorporated in the report.

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## **MESSAGE FROM THE EXECUTIVE DIRECTOR**

**Dear Valued Readers,**

Banking sector is central to a country's economy due to its crucial role in channelling resources from the surplus sector to the deficit sector. Sound and effective banking system is one of the major backbones of financial stability. Nepal Rastra Bank (NRB) is committed in fulfilling its objective of maintaining financial stability through effective supervision of Banks and Financial Institutions (BFIs). Safe, sound and self-regulated BFIs, transparent and consumer friendly banking transactions, adoption of international best prudential norms and best supervisory practices, mitigation of the systemic risks through advanced approach of supervision, and ultimately achieving the financial stability have always been the aim of NRB as regulator and supervisor.

NRB's Bank Supervision Department is mandated for inspection and supervision of 'A' class licensed institutions and Nepal Infrastructure Bank Ltd. and has been continuously endeavouring to adopt best practices in the areas of supervision. BSD conducts both onsite inspection and offsite surveillance to examine the risks faced by the banks and their ability to manage those risks. It also checks for compliance with the acts, rules and regulations as well as adherence to banks' own policies and procedures. Maintaining safety and soundness of individual banks and the overall banking system through adoption of regulatory and supervisory practices based on best international norms and current domestic conditions are the major fundamentals of these prudential policies.

The Covid-19 and the post Covid scenarios have posed an unprecedented challenge to the economy and the banking system. Despite the challenges posed by Covid-19, the overall performance of commercial banks remained sound during the review year. The Bank Supervision department has been monitoring the situation in banking system thorough continuous offsite and onsite supervision of commercial banks in Nepal. This report disseminates information in this regard.

I would like to express my sincere thanks to my colleagues at the Policy and Planning Unit for their effort in bringing this report in the present form. I would also like to thank all staffs of the department for their continuous effort in fulfilling their responsibilities.

Thank you,

**Dev Kumar Dhakal**

**Executive Director**

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# CHAPTER I

## 1. NEPALESE BANKING INDUSTRY

The establishment of Nepal Bank Limited in 1937 AD marked the beginning of the formal banking sector in Nepal. Since then, the Nepalese banking industry has undergone significant changes in terms of size, complexity, functions, and roles in the economy.

In the late 1980s, financial liberalization policies were introduced in Nepal to spur the country's economic growth. Foreign investments poured in soon after, which led to the establishment of several joint venture banks in the country. Likewise, a large number of domestic investors also started investing in the banking industry. As a result, Banks and financial institutions (BFIs) proliferated after that with 218 BFIs by the end of the fiscal year 2011, (*Refer to Annex 1: Growth of Financial Institutions (numbers) for details*). However, a significant consolidation in the banking industry has taken place with the moratorium on new licenses, introduction of merger and acquisition policy and a mandatory provision to increase paid-up capital almost by four-fold.

As of mid-July 2022, there are a total of 126 BFIs in operation as licensed by NRB: 26 Commercial Banks, 17 Development Banks, 17 Finance Companies, 65 Microfinance Financial Institutions and 1 Infrastructure Development Bank. Similarly, the number of BFIs branches stands at 11,528 in mid-July 2022.

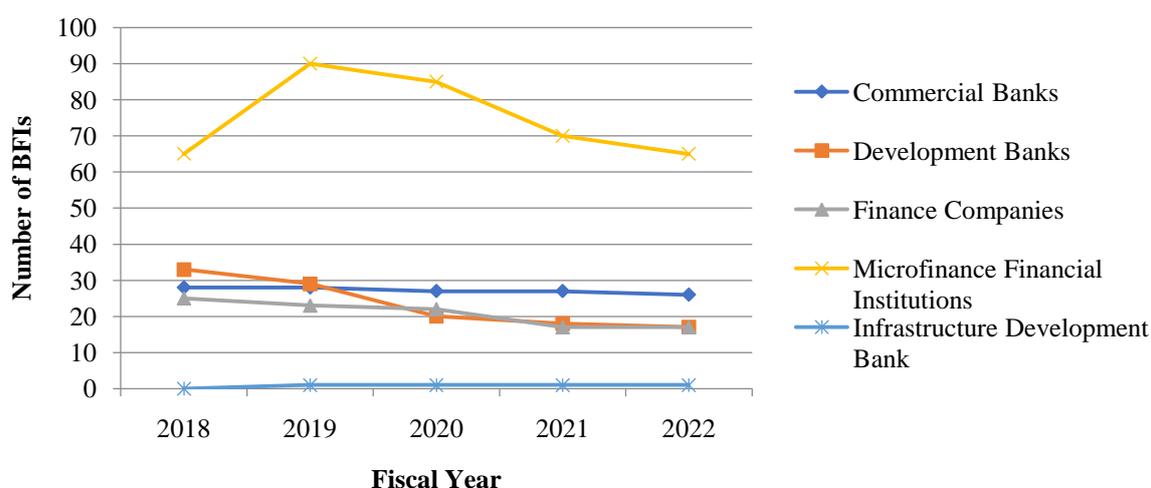
In FY 2021/22, the number of BFIs decreased from 133 to 126 and the total number of branches had increased from 10,683 to 11,528. After introduction of merger and acquisition policy, the number of BFIs involved in this process reached 245 as of mid-July 2022 and licenses of 178 BFIs were revoked thereby forming 67 BFIs. And during F/Y 2021/22, 14 BFIs have been involved in the process of merger/acquisition, out of which license of 7 BFIs was revoked forming 7 BFIs.

There is a dominance of the banking sector in Nepal's financial system and several large projects are financed through bank loans. Likewise, banks' role is essential for the import and export of goods and services. With technological advancement, people are adopting electronic cards, digital wallets, internet, quick response (QR) code and mobile banking services to perform financial transactions. Nepal is thus moving towards a less cash economy.

**Table 1-1: Number of BFIs in last five years in Nepal (mid-July)**

BFIs	2018	2019	2020	2021	2022
Commercial Banks	28	28	27	27	26
Development Banks	33	29	20	18	17
Finance Companies	25	23	22	17	17
Microfinance Financial Institutions	65	90	85	70	65
Infrastructure Development Bank	0	1	1	1	1

**Chart 1-1: Number of BFIs in last five years in Nepal**



*(Source: Bank and Financial Institutions Regulation Department, NRB)*

### **1.1. Nepal Rastra Bank as a Regulator and Supervisor**

Nepal Rastra Bank has been entrusted with carrying out the duties of regulating and supervising banks and financial institutions in the country. The Nepal Rastra Bank Act, 2002, has entrusted NRB to regulate and supervise Nepalese banking industry. Similarly, the Bank and Financial Institution Act, 2017 empowers NRB to regulate and supervise institutions established under the Act. NRB has issued various directives, guidelines, and policies to the licensed institutions, considering domestic banking conditions and international best practices. There is a separate department named Banks and Financial Institutions Regulation Department (BFIRD) assigned with such responsibility.

NRB supervises Banks and Financial Institutions (BFIs) based on the existing legal framework, regulations issued through BFIRD, internal manuals, guidelines issued by the Basel Committee on Banking Supervision (BCBS). There are four supervision departments among which Bank Supervision Department (BSD) supervises commercial banks as well as Infrastructure Development Bank. Additionally, Financial Institutions Supervision Department (FISD) supervises development banks and finance companies; Micro Finance Supervision Department (MFSD) supervises microfinance institutions; and Non-Bank Financial Institutions Supervision Department supervises institutions involved in foreign exchange transactions, Hydroelectricity Investment and Development Company Ltd., hire purchase companies and co-operative bank.

BSD conducts onsite inspection and offsite surveillance of commercial banks with a Risk Based Supervision (RBS) since 2014. NRB aims to further strengthen the supervision and regulation function through full implementation of Supervisory Information System (SIS).

## 1.2. The Commercial Banking

As on mid-July 2022, 26 Commercial banks comprise the largest share of assets in the banking industry. Due to the size and importance of these banks, they undergo regular onsite supervision with offsite support in a pre-approved supervision plan. The following table summarizes the list of commercial banks in Nepal as on mid July 2022.

**Table 1-2: List of Commercial banks in Nepal (mid-July, 2022)**

S.No.	Name	Operation Date (A.D.)	Head Office
1	Nepal Bank Ltd.	1937/11/15	Dharmapath, Kathmandu
2	Agricultural Development Bank Ltd.	1968/01/21	Ramshahpath, Kathmandu
3	Nabil Bank Ltd.	1984/07/12	Beena Marg, Kathmandu
4	Nepal Investment Bank Ltd.	1986/03/09	Durbarmarg, Kathmandu
5	Standard Chartered Bank Nepal Ltd.	1987/02/28	NayaBaneshwor, Kathmandu
6	Himalayan Bank Ltd.	1993/01/18	Kamaladi, Kathmandu
7	Nepal SBI Bank Ltd.	1993/07/07	Kesharmahal, Kathmandu
8	Everest Bank Ltd.	1994/10/18	Lazimpat , Kathmandu
9	Kumari Bank Ltd.	2001/04/03	Tangal, Kathmandu
10	Laxmi Bank Ltd.	2002/04/03	Hattisar, Kathmandu
11	Citizens Bank International Ltd.	2007/04/20	Narayanhitipath, Kathmandu
12	Prime Commercial Bank Ltd.	2007/09/24	Kamalpokhari, Kathmandu
13	Sunrise Bank Ltd.	2007/10/12	Gairidhara, Kathmandu
14	Century Commercial Bank Ltd.	2011/03/10	Putalisadak , Kathmandu
15	Sanima Bank Ltd.	2012/02/15	Naxal, Kathmandu
16	Machhapuchhre Bank Ltd.	2012/07/09*	Lazimpat, Kathmandu
17	NIC Asia Bank Ltd.	2013/06/30*	Thapathali, Kathmandu
18	Global IME Bank Ltd.	2019/09/04*	Kamaladi, Kathmandu
19	NMB Bank Ltd.	2019/09/28*	Babarmahal, Kathmandu
20	Prabhu Bank Ltd.	2016/02/12*	Babarmahal, Kathmandu
21	Siddhartha Bank Ltd.	2016/07/21*	Hattisar, Kathmandu
22	Bank of Kathmandu Ltd.	2016/07/14*	Kamalpokhari, Kathmandu
23	Civil Bank Ltd.	2016/10/17*	Sundhara, Kathmandu
24	Nepal Credit and Commerce Bank Ltd.	2017/01/01*	Bagbazar, Kathmandu
25	RastriyaBanijya Bank Ltd.	2018/05/02*	Singhadurbar Plaza, Kathmandu
26	Mega Bank Nepal Ltd.	2018/05/13*	Kamaladi, Kathmandu
	*Joint operation date after merger/acquisition.		

(Source: Bank and Financial Institutions Regulation Department, NRB)

## 1.3. Ownership and Control

Based on ownership and control, commercial banks in Nepal can be broadly categorized into two groups as public (state- owned) and private banks (non-state-owned). As of mid-July 2022, there are 3 public (state-owned) and 23 private (non-state-owned) banks. Among the 3 public banks, Government of Nepal (GoN) owns 99.97 percent equity shares of Rastriya

Banijya Bank Limited, 51 percent in the equity capital of Nepal Bank Limited (NBL) and Agricultural Development Bank Limited (ADBL) each.

Also, Private banks in Nepal can be further re-grouped into domestically owned banks and foreign joint venture banks. Public holding of equity is assured by Section 9, Sub-section 1 of Bank and Financial Institution Act (BAFIA), 2073, which require banks to issue minimum of 30 percent of the issued share capital to the general public.

#### 1.4. Scope of Operations: Public vs. Private

Although the number of commercial banks has slightly decreased in the last few years due to the consolidation policy (merger and acquisition policy) adopted by NRB, substantial increment in minimum capital requirement, increase in bank branches and the total volume of loans and deposits demonstrate a considerable increase in access/outreach and business. Total deposits of the commercial banks have increased from Rs.4,086.20 billion in FY 2020/21 to Rs.4,461.96 billion in the FY 2021/22. The deposits of public (state-owned) banks grew by 5.32 percent while those of private (non-state-owned) banks have increased by 9.85 percent.

Similarly, loans and advances of the commercial banks have reached to Rs.4,153.45 billion as of mid-July 2022, compared to a total of Rs.3,687.65 billion as of mid-July 2021 with increment of 12.63 percent. The loans and advances of public banks grew by 19.72 percent while those of private banks have increased by 11.56 percent.

The total assets of commercial banks have increased by 10.88 percent to Rs.5,791.58 billion when compared to Rs.5,223.07 billion of the previous years. Total assets grew by 10.78 percent in public banks while it grew by 10.90 percent in private banks.

#### 1.5. Branch Network

The total number of branches of commercial banks increased from 4,753 in mid-July 2021 to 5,009 in mid-July 2022 (*Refer to Annex 2: Province-Wise Distribution of BFIs branches (Mid-July FY 2021/22) for details*) and it has reached to 5,045 at the mid-February 2023. NRB has been promoting financial access through policies that encourage banks to open a larger number of branches in rural areas. While the increase in bank branches is overwhelming, most banking services are still concentrated in/to the urban and semi-urban areas.

**Table 1-3: Branches of Commercial Banks**

S.No.	Name of Banks	2018	2019	2020	2021	2022	2023
		Mid-July					Mid-Feb
1	Nepal Bank Limited (NBL)	140	173	211	252	266	279
2	RastriyaBanijya Bank Limited (RBBL)	212	245	271	278	293	312
3	NABIL Bank Limited (NABIL)	74	81	124	153	247	264
4	Nepal Investment Bank Limited (NIBL)	89	105	109	116	121	357
5	Standard Chartered Bank Nepal Ltd. (SCBN)	15	15	15	15	15	15
6	Himalayan Bank Limited (HBL)	58	54	67	77	81	83
7	Nepal SBI Bank Limited (NSBI)	83	108	108	108	113	115
8	Nepal Bangladesh Bank Limited (NBBL) <sup>1</sup>	72	97	105	108	0	0

9	Everest Bank Limited (EBL)	90	95	99	107	122	128
10	Bank of Kathmandu Limited (BOK) <sup>2</sup>	83	96	99	101	114	0
11	Nepal Credit and Commerce Bank Limited (NCCBL) <sup>3</sup>	108	129	133	143	170	0
12	NIC Asia Bank Limited (NICA)	237	330	424	427	462	466
13	Machhapuchchhre Bank Limited (MBL)	88	132	165	168	174	177
14	Kumari Bank Limited (KBL)	88	93	186	203	212	350
15	Laxmi Bank Limited (LBL)	96	110	126	138	155	158
16	Siddhartha Bank Limited (SBL)	121	156	186	189	190	194
17	Agriculture Development Bank (ADBL)*	250	264	268	282	286	287
18	Global IME Bank Limited (GIBL)	132	163	294	321	341	429
19	Citizens Bank International Limited (CBIL)	79	75	110	190	179	185
20	Prime Commercial Bank Limited (PCBL)	63	67	198	186	181	188
21	Sunrise Bank Limited (SRBL)	92	118	145	152	153	153
22	NMB Bank Limited (NMB)	118	114	172	190	212	212
23	Janata Bank Nepal Limited (JBNL)	121	145	-	0	0	0
24	Mega Bank Nepal Limited (MBNL) <sup>4</sup>	105	121	236	211	233	0
25	Civil Bank Limited (CBL)	69	90	115	123	127	128
26	Century Commercial Bank Limited (CCBL) <sup>5</sup>	103	121	123	136	155	0
27	Sanima Bank Limited (SBL)	74	79	88	103	127	130
28	Prabhu Bank Limited (PRVU)	164	214	259	276	280	435
	<b>Total</b>	<b>3,024</b>	<b>3,590</b>	<b>4,436</b>	<b>4,753</b>	<b>5,009</b>	<b>5,045</b>

1-Nepal Bangladesh Bank Ltd. merged with Nabil Bank Ltd.

2-Bank of Kathmandu Ltd. merged with Global IME Bank Ltd.

3-Nepal Credit and Commerce Bank Ltd. merged with Kumari Bank Ltd.

4-Mega Bank Nepal Ltd. merged with Nepal Investment Bank Ltd.

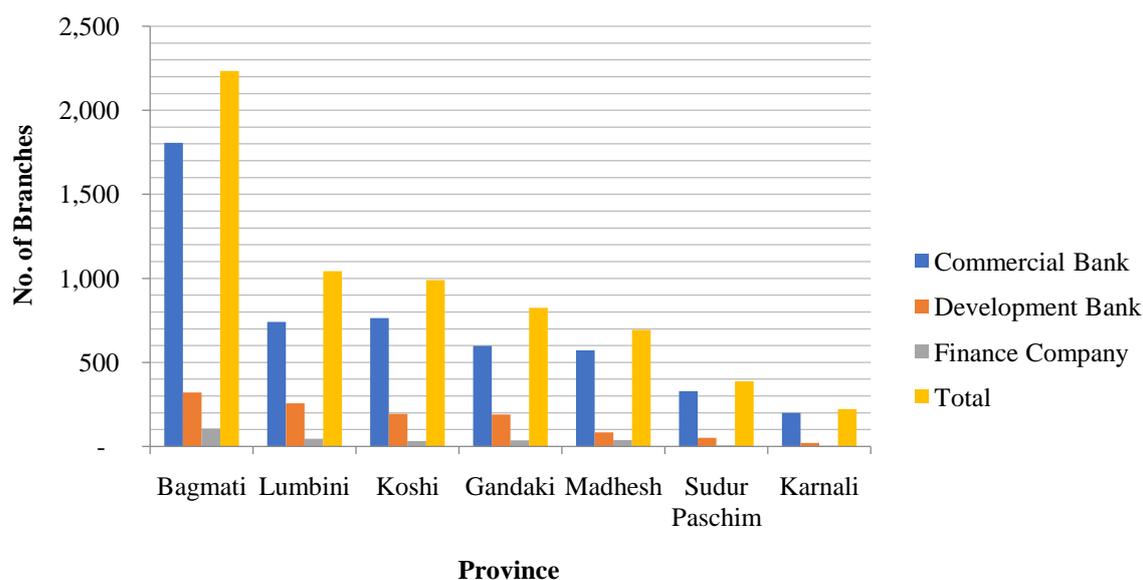
5-Century Commercial Bank Ltd. merged with Prabhu Bank Ltd.

Note: The above data includes Commercial Banks' Banking Branch, City Office, Corporate Office, Extension Counter and Head Office.

(Source: Bank and Financial Institutions Regulation Department, NRB)

Table 1-3 shows that as on mid-July 2022, NIC Asia Bank Ltd. has the largest number of branches i.e. 462 branches followed by Global IME Bank Ltd. with 341 branches. The public banks (Rastriya Banijya Bank Ltd., Agriculture Development Bank Ltd. and Nepal Bank Ltd) have 293, 286 and 266 branches respectively. Commercial banks branches are concentrated in Bagmati province with 1,807 branches (36.08 percent of total branches of commercial banks) followed by Koshi province with 763 and Lumbini province with 740 branches. Karnali province has the lowest number of branches of commercial banks i.e. 199 (only 3.97 percent of total commercial banks' branches). The chart below demonstrates the province-wise presence of BFIs.

**Chart 1-2: Number of BFIs Branches Province-wise(As of mid-July 2022)**



## 1.6. Asset Share of Banks and Financial Institutions

The shares of banks and financial institutions in the total assets of the banking industry as of mid-July for eight consecutive years are depicted in the Table 1-4.

**Table 1-4: Asset Share of Banks and Financial Institutions (mid-July, 2015 to 2022)**

Bank and Financial Institutions	Percent Share as on mid-July							
	2015	2016	2017	2018	2019	2020	2021	2022
Commercial Banks	78.73	79.74	83.41	82.76	80.88	83.61	83.21	82.42
Development Banks	13.34	12.81	9.71	9.99	10.67	7.83	8.01	8.39
Finance Companies	4.79	3.78	2.63	2.56	2.47	2.40	1.94	2.08
Micro Finance Institutions	3.14	3.68	4.26	4.69	5.99	6.16	6.84	7.11
Total	100	100	100	100	100	100	100	100

(Source: Bank and Financial Institutions Regulation Department, NRB)

Table 1-4 shows the dominance of commercial banks, with the share of 82.42 percent of total assets of the Nepalese banking industry. Share of development banks has increased from 8.01 percent in FY 2020/2021 to 8.39 percent in FY 2021/2022. Likewise, the share of finance companies has increased to 2.08 percent from 1.94 percent during the review period. The share of microfinance financial institutions increased from 6.84 percent to 7.11 percent in mid-July 2022.

### **1.7. Employment in the Banking Industry**

Commercial banks have employed 46,408 individuals as of mid-July 2022. The private (non-state-owned) banks employ approximately 85 percent while three public (state-owned) banks employ approximately 15 percent.

### **1.8. Review of the Guiding Documents**

The following are the key documents, which guide the NRB's regulatory and supervisory function:

- Nepal Rastra Bank Act, 2002,
- Bank and Financial Institutions Act, 2017
- Company Act, 2017
- Nepal Rastra Bank, Inspection and Supervision Bylaws, 2074 (First Amendment 2079)
- Unified Directives published annually, and Circulars issued from time to time
- Capital Adequacy Frameworks
- Nepal Rastra Bank, Prompt Corrective Actions Bylaws, 2012
- Monetary Policy Announcements
- Assets (Money) Laundering Prevention Act, 2008
- Several Guidelines issued by Nepal Rastra Bank
- Risk-Based Supervision Manual, Volume I & II
- Off-site Supervision Manual, 2022

### **1.9. Access to Banking Services and Financial Inclusion**

As of mid-July 2022, commercial banks have their presence in 752 out of 753 local levels. All commercial banks have been directed to open/expand their branches in all local bodies of the country. A provision has been made to allow BFIs to open a branch in Kathmandu valley only after opening three branches outside the Kathmandu valley. Two out of these three branches must be opened in municipality or rural municipality. Further, BFIs do not need to take permission from NRB to open a new branch in places other than metropolitan and sub-metropolitan cities. As of mid-July 2022, 1,526 branchless banking centres of commercial banks are in operation and the number of mobile-banking customers crossed 16 million. The total number of branches of commercial banks has reached 5,009 and population per branch (served by A, B and C class BFIs) stood at 4,566<sup>1</sup> as of mid-July 2022. The population per branch when considering all categories of BFIs stood at 2,532 in the given period, which was 2,844 in the previous year.

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<sup>1</sup> Population 29,192,480 based on preliminary population report 2078 (Census Nepal 2021) Source :Central Bureau of Statistics

## CHAPTER II

### 2. BANK SUPERVISION

#### 2.1. Supervision Function

As mandated by the Nepal Rastra Bank Act, 2002 and the Bank and Financial Institution Act, 2017, NRB regulates and supervises banks and financial institutions to increase the access of the financial service and increase the public confidence towards the banking and financial system by maintaining stability of the banking and financial sectors.

#### 2.2. Bank Supervision Department (BSD)

BSD is responsible for executing the supervisory policies and practices as per governing laws, regulations, and policies to all Commercial banks (Class 'A' Banks) and Infrastructure Development Bank. The Department prepares an annual supervision plan and supervises banks as per the approved plan. The supervisory process includes full-scope on-site inspection, targeted inspection, special inspection and inspection related to the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). The on-site inspection is supported by an off-site supervision function, which is responsible for the analysis of data submitted by banks.

#### 2.3. Supervision Methodology

BSD continues to adopt and implement the core principles and guidelines recommended by the Basel Committee. Supervision is done through both on-site and off-site programs. The Risk Based Supervision approach adopted since 2014 emphasizes on assessing the quantity of risks and the quality of risk management of Banks and Financial Institutions. This approach replaced NRB's previous approach based on compliance check and CAMELS (Capital Adequacy, Asset Quality, Management competence, Earning, Liquidity, and Sensitivity to Market Risk) ratings. As part of Risk Based supervision, the team of on-site examiners also examines other key areas including capital adequacy, AML/CFT, consumer grievances issues and compliance to prudential norms issued by NRB from time to time. Further, on-site examiners also propose additional risk weights, provisioning and capital charge if required, under the Supervisory Review Process (SRP).

Risk based supervision is conducted based on guidelines set by the Risk Based Supervision manual which guides supervisors for Bank's risk assessment and profiling. Risk profiling enables NRB to decide upon the supervisory regime for each bank and helps NRB to channel its resources in high-risk areas. Subsequent on-site inspections are being planned and conducted in accordance with the risk profile of the banks. The onsite inspection is supported by an offsite surveillance function which involves continuous monitoring of the banks by analysing the returns/reports received from banks. Likewise, the enforcement function oversees implementation of supervisory directions given for corrective action on issues identified during the on-site inspection process.

## **2.4. Organization Structure of BSD**

The Department comprises four divisions: Policy and Planning, Special Inspection and Internal Administration Division; Off-site Supervision and Supervisory Information System Division; On-site Inspection and Enforcement Division; and Money Laundering Prevention and Special Inspection Division. (*Refer to Annex 3: Organisation Chart of BSD*). These divisions are further divided into various units to facilitate effective execution of the department's functions.

### **2.4.1 Onsite Inspection and Enforcement Division**

On-site inspections of banks are conducted as per the approved annual plan of the department. Based on the bank's risk profile and the relative asset size of the bank, a full scope or a targeted onsite inspection is conducted at least once a year for each bank.. Onsite inspections are carried out as per Risk Based Supervision (RBS) manual. Supervisory inspection is conducted as:

- Initial Inspection: Conducted within six months of the commencement of operation by a new bank.
- Routine full-scope Inspection: Regular inspection, generally carried out at least once a year for each bank – targeted or full scope based on risk profile and relative size of the bank.
- Targeted Inspection: Addresses specific areas of risks/operation of a bank e.g. credit, trade finance, etc. that have been identified as major risk areas in the previous full scope onsite inspection and is conducted as per the approved plan of the department.
- Special Inspection: Ad-hoc basis as per situation and need.

Onsite Inspection and Enforcement Division is currently staffed with twelve officers (including deputy director and assistant director) working in three units of Onsite Inspection and Enforcement Division. All three units are headed by a Deputy Director, who oversees works related to banks assigned to the given units.

Similarly, Enforcement function of the division ensures the compliance of supervisory directions given to the individual banks through the onsite reports; directions given to banks while approving proposed dividend and providing NRB's consent on bank's financial statement to present it in the Annual General Meeting (AGM) for approval; and other directions, if any, given to bank from time to time. This division prepares periodic enforcement reports to communicate the status of compliance by each bank. Each unit under the division also prepares quarterly report of the individual banks focusing on the major financial indicators and the compliance status of the given directions.

## 2.4.2 Off-site Supervision and Supervisory Information System (SIS) Division

Off-site Supervision and Supervisory Information System (SIS) Division comprises four units. They are:

### Compliance Unit

Compliance Unit is responsible for supervising bank operations based on data and reports submitted by banks. This section ensures that banks comply with the provisions such as cash reserve ratio (CRR), statutory liquidity ratio (SLR), credit to deposit ratio (CD), capital adequacy ratio (CAR), interest rate spread, priority/targeted sector lending (agriculture, energy and small and medium enterprises sector lending) and deprived sector lending (DSL) and also initiate regulatory action for non-compliance. It also provides feedback to the onsite inspection teams and identifies red flag areas that need to be focused during onsite inspections.

- **Cash Reserve Ratio (CRR)**

As an indirect monetary instrument, NRB uses CRR to control money supply in the economy, which was set at minimum 3 percent of total local currency deposit liabilities in the review period. While the minimum is to be kept for every two weeks, 70 percent of the minimum requirement (i.e. 3 percent) has to be kept by each bank on daily basis. The average CRR maintained by the commercial banks in the last period of the review year is 3.58 percent. Banks that fail to maintain such reserves face monetary penalties based on the bank rate. During the review period, 3 banks were penalised for not maintaining the required CRR.

- **Deprived Sector Lending (DSL)**

Commercial banks are required to disburse 5 percent of their total loan portfolio in the deprived sector. The average deprived sector lending of the commercial banks stood at 7.14 percent in the last quarter of the review year. Banks that fail to maintain the minimum requirement in deprived sector lending as prescribed by the NRB are imposed monetary penalty on the basis of highest lending rate of the bank during the quarter in which shortfall are observed.

- **Statutory Liquidity Ratio (SLR)**

Banks are required to maintain SLR of 10 percent of their total domestic deposit liabilities. Failing to meet such obligation results in monetary penalties computed on the basis of the bank rate. During the review year, all banks complied with the SLR standard. The average SLR of the commercial banks in the last month of the review year was 19.88 percent.

- **Capital Adequacy Ratio (CAR)**

New Capital Adequacy Framework requires banks to maintain minimum capital requirements based on total risk weighted assets. As per the framework, Commercial banks need to maintain at least 8.5 percent Tier I capital including Capital Conservation

Buffer and 11 percent Total Capital Fund (Tier I & Tier II). The minimum capital adequacy requirements are based on the risk-weighted exposures (RWE) of banks to credit risk, market risk and operational risk. The capital adequacy ratios of banks are monitored on a monthly basis. The average capital adequacy ratio of the commercial banks in the last month of the review year was 13.53 percent.

*Refer to Annex 6: Capital Adequacy Ratios of Commercial Banks during the last month of the review period.*

### **Financial Analysis Unit**

Financial Analysis Unit reviews and analyses the financial performance of banks using prudential reports, statutory returns and other relevant information. It monitors the trend and development of financial indicators of the banking sector as a whole and generates industry reports on a quarterly basis. This unit assesses health of individual bank and overall commercial banks. This unit monitors, reviews, and analyses return of banks and prepare reports to detect emerging problems and early warning indicators/signals. The returns are used to evaluate the exposure to risks and the effect this could have on profits. The statutory returns are the basis for computing basic ratios to analyse capital adequacy, assets quality, earnings, liquidity and sensitivity to market risk (CAELS). The unit also compiles and analyses financial data and prepare reports on a regular, as well as specific case basis. Further, this unit is also responsible for approving dividend proposal of commercial banks and providing consents to present their annual financial statement in Annual General Meeting (AGM).

### **Evaluation and Monitoring Unit**

Evaluation and Monitoring unit reviews the data submitted by Banks in the Supervisory Information System (SIS) to ascertain the quality and adequacy of data submitted by the banks. As an analytical wing, it analyses returns submitted by banks, monitors key banking indicators and prepares prudent supervisory information aimed at supporting decision-making. The unit is also responsible to review the Risk Management Report and Internal Capital Adequacy Report submitted by banks and conducts meetings with the board and senior management of banks at regular interval as a part of Supervisory Review and Evaluation Process.

### **SIS Unit**

NRB has recently developed Supervisory Information System (SIS) with the primary objective of strengthening the offsite supervisory capacity of all supervision departments. As on mid-July 2022, significant components under this project have been developed, tested, and some of the modules are in operation in parallel with the existing platform. Moreover, SIS Monitoring Committee headed by Deputy Governor has been formed on 2021/10/22 to monitor the development and implementation of SIS. Similarly, Support Agreement has been made with vendor of SIS (IRIS Business Services Ltd., India) on June 9, 2022.

It is considered as initial step of NRB's effort to develop a fully-functional sup-tech within NRB. Presently, SIS is capable of capturing all the required information of licensed BFIs along with required policies, guidelines, product papers etc. so that onsite team can be well informed before starting the inspection. Similarly, BFIs are successfully submitting the reporting requirements in Extensible Business Reporting Language (XBRL) framework so that the system itself can recognize the data value and generate standard reports as well as ad-hoc reports from within the system. Offsite surveillance and onsite inspection of BFIs will be more robust with the implementation of SIS on full-scale basis. The project team includes six staffs (including two deputy directors), who coordinate with other NRB staffs, support the staff of BFIs and coordinate with the vendor for the development of remaining activities and fixing the bugs.

### **2.4.3 Money Laundering Prevention Supervision Division**

Money Laundering Prevention Supervision Division is a newly formed division that is responsible for overseeing AML/CFT related compliance and risk assessment. The division consists of two Deputy Directors and six Assistant Directors. The division is responsible for developing ML/CFT risk profile of Banks and Financial Institutions, conducting risk-based onsite inspections, and supporting the national risk assessment task.

This division comprises two units i.e. Onsite Inspection Unit; and Off-site Supervision and Enforcement Unit. Onsite Inspection Unit conducts onsite inspection of BFIs based on approved annual inspection plan to ensure the compliance of AML/CFT related national and international regulatory provisions and assesses the risk associated with the non-compliance of these provisions. Off-site Supervision and Enforcement Unit analyses and ensures the compliance of AML/CFT related provisions based on the data and reports submitted by BFIs and also initiates regulatory action for non-compliance. Similarly, this unit also ensures the compliance of supervisory directions given to banks and financial institutions through onsite reports.

Money Laundering Prevention Supervision Division also coordinates with Financial Information Unit (FIU), Office of the Prime Minister, Department of Money Laundering Investigation and other public sector agencies and public sector entities for their works.

### **2.4.4 Policy and Planning, Special Inspection and Internal Administration Division**

This Division comprises of three units. They are:

#### **Policy and Planning Unit**

The Policy and Planning Unit regularly monitors the developments in international financial environment, the guidelines issued by the Basel Committee of Banking Supervision and emerging issues in banking regulation and supervision. It incorporates the findings to propose required changes in the existing policies and in preparing the annual plan of the Department, as well. The unit also undertakes studies for improving supervisory tools and techniques and coordinates with international regulators and supervisory agencies to share knowledge and bring best practices in the banking supervision in the country. The unit exchanges

information with international regulators and supervisors in matters related to banking supervision.

Further, the unit reviews and formulates the annual plans of the department in line with NRB's strategic plan, conducts and coordinates interaction programs, seminars and workshops on the supervision-related issues. It also prepares the annual report of the department as prescribed in the Inspection and Supervision Bylaw.

### **Internal Administration Unit**

The Internal Administration Unit performs the functions related to management of human resources and internal administration within the department. Its tasks include providing logistics within the department, issuance of travel orders, maintaining leave records and also serving as the back office. It also keeps the records of the staff participation in international trainings and seminars. This unit is responsible for looking after procurement for the BSD such as supply of office logistics and stationary in coordination with the Asset and Service Management Department of NRB. This unit also helps in coordination between other units to carry out the functions more smoothly and effectively.

### **Special Inspection Unit**

Special inspection unit inquires and follows up on the banking-related complaints made directly at NRB, coming through public, media and government authorities as well as upon the findings of off-site surveillance and as per need assessment of NRB. The unit arranges special inspection teams for onsite examination if found necessary. It also keeps the records of the special inspection reports. (*Refer to Annex 7: Special Inspection of Commercial Banks in FY 2021/2*).

The following table shows important directives for compliance during the review year:

*Refer to Annex 5: Circulars issued in FY 2021/22*

**Table 2-1: Important Directives regarding Capital, Credit and Liquidity (Effective for FY 2021-22)**

<b>S. No.</b>	<b>Particulars</b>	<b>Current Rate or Percentage</b>	<b>Days/Month</b>	<b>Remarks I</b>	<b>Remarks II</b>
1.	Minimum Capital fund "IDB" and "A" class	<ul style="list-style-type: none"> <li>• Core Capital = 6%</li> <li>• Capital Fund including capital conservation buffer= 11% of Total Risk Weighted Exposure</li> </ul>		Minimum capital fund to be maintained based on the risk-weight assets (percent)	<p>There are different Capital Adequacy Frameworks for A class banks, IDB, B, and C class institutions as follows:</p> <ul style="list-style-type: none"> <li>• For IDB, Capital Adequacy Framework, 2018</li> </ul>

	"B" class & "C" class	<ul style="list-style-type: none"> <li>• Core Capital = 6%</li> <li>• Capital Fund = 10% of Total Risk Weighted Exposure</li> </ul>			<ul style="list-style-type: none"> <li>• for A class banks, Capital Adequacy Framework 2015</li> <li>• for B and C class institutions, Capital Adequacy Framework, 2007 (Updated July 2008)</li> </ul>
2.	<u>Refinance Facility</u> (i) Micro, Cottage & Small Enterprises Refinance (limit up to 1.5 million)	4%	Max. 1 year	Cannot charge more than 7%	<p>i. Max. Limit per client is 50 million for wholesale refinance facilities provided via BFIs.</p> <p>ii. Max. Limit per client is 200 million for client specific refinance facilities provided via BFIs.</p> <p>iii. Max. 10 % of total refinance facilities are provided to MFIs.</p>
	(ii) Special Refinance - Export, Small business run by women, deprived community, differently able person and sectors affected by the natural calamities etc.	2%	For Covid-19 affected sector: Min. 6 months to max. 1 year.	Cannot charge more than 5%	
	(iii) General Refinance Refinances not included in (i) and (ii) and all other refinances which this bank asks to categorize into.	5%		Cannot charge more than 7%	
3.	Bank Rate	7%			
4.	SLF Rate (For A, B & C)	Bank rate (7%)	Max. 5 days		Upto 90% Against Govt. T-Bills and Govt. Bonds
5.	Lender of Last Resort	Bank rate (7%)	Max. 6 months		Against deposit at NRB for CRR Purpose / Govt. Securities and Pass Loan

6	Net Liquid asset to Total Deposit Ratio	20%			
7.	Repo & Reverse Repos	As determined by Open Market Operation Committee.			
8.	CRR "IDB" Class "A" class "B" class "C" class	1% 3% 3% 3%			
9.	SLR "IDB" Class "A" class "B" class (taking call and current deposit) "C" class (taking call and current deposit)	12% 10% 8% 7%			
10.	Deprived Sector "A" class, "B" class, "C" class	5%			
11.	Specified Sector lending	<ul style="list-style-type: none"> <li>• 11% in Agriculture; 6% in Energy ;11% in MSME for "A" Class</li> <li>• 16% in Agriculture, MSME, Energy and Tourism for "B" Class</li> <li>• 11% in Agriculture, MSME, Energy and Tourism for "C" Class</li> </ul>			

## CHAPTER III

### 3. OPERATIONAL PERFORMANCE OF COMMERCIAL BANKS

Nepal started practice of publishing financial statements in conformity with the International Financial Reporting Standards (IFRS) from 2013 onwards. Local accounting standards have been converged with IFRS to form new standards- Nepal Financial Reporting Standards (NFRS). NFRS is issued by Accounting Standard Board (ASB) and made effective by The Institute of Chartered Accountants of Nepal (ICAN).

NFRS currently practiced in Nepal comprises of broad standards covering Nepal Accounting Standards (NAS) developed by ASB before 2013, Nepal Financial Reporting Standards (NFRS) developed after 2013, Standard Interpretation Committee's (SIC) Interpretations by the then Standard Interpretation Committee (SIC) under IFRS Foundation and International Financial Reporting Interpretation Committee's (IFRIC) interpretations published by IFRIC. As per the direction of NRB, commercial banks have started to publish their financial statements in accordance to NFRS standard from FY 2017/18.

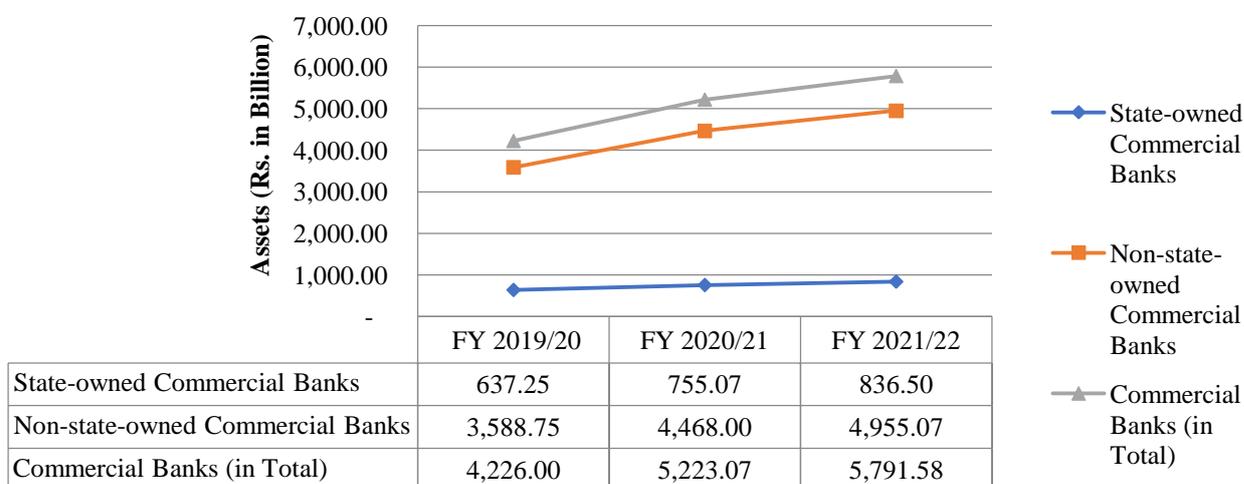
The operational performance of the BFIs reported to and compiled by Off-site Supervision and Supervisory Information System (SIS) Division of BSD are as follows:

#### 3.1. Assets of Commercial Banks

The total assets of the commercial banks have increased by 10.88 percent to Rs. 5,791.58 billion in the FY 2021/22 compared to a growth of 23.59 percent in FY 2020/21. In the review year, the total assets increased by 10.78 percent in state-owned banks and by 10.90 percent in the non-state-owned banks. The major contribution in the increment in total assets of the commercial banks was from the increment in the total loan portfolio.

*Refer to Annex8.1: Banking Operation for details.*

**Chart 3-1: Total Assets of Commercial Banks (mid-July, 2020 to 2022)**

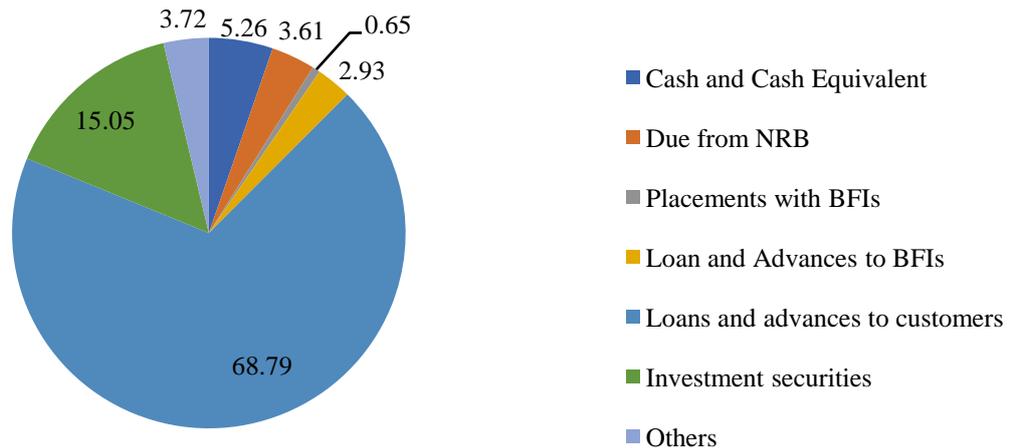


### 3.2. Composition of Assets

Loans & advances to customers are the major assets of commercial banks. As on mid-July 2022, it amounted to Rs.3,983.99 billion, which was 68.79 percent of total assets. Similarly, the second and third largest components were investment in securities and cash & cash equivalents, which were 15.05 percent and 5.26 percent of total assets respectively.

*Refer to Annex 8.2: Composition of Assets for details.*

**Chart 3-2: Composition of Assets of Commercial Banks (mid-July 2022)**

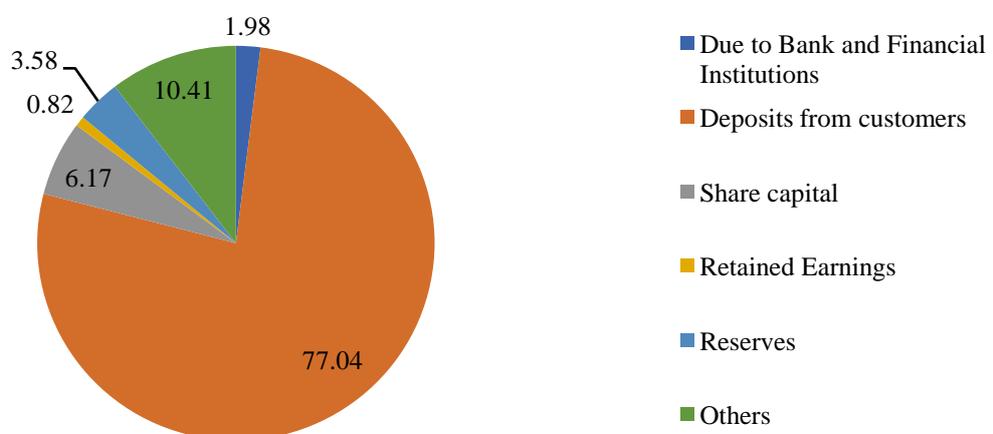


### 3.3. Composition of Liabilities

The largest source of fund of the commercial banks is deposit from customers. It stood at Rs.4,461.96 billion as of mid-July 2022, which was 77.04 percent of total sources of fund. The second and third largest sources were share capital and reserves, which were 6.17 percent and 3.58 percent respectively in the given period.

*Refer to Annex 8.3: Composition of Liabilities and Equity for details.*

**Chart 3-3: Composition of Liabilities of Commercial Banks (mid-July 2022)**

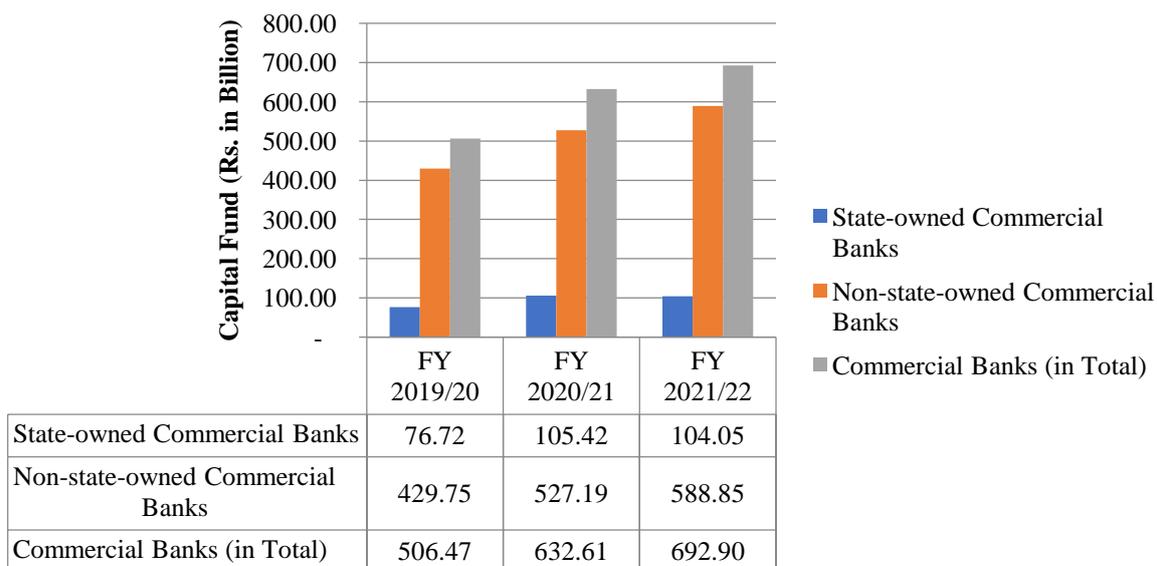


### 3.4. Capital Fund

The consolidated capital fund of the commercial banks showed growth of 9.53 percent to Rs.692.90 billion in the review year. Capital fund of state-owned banks had slightly declined by 1.30 percent to Rs.104.05 billion whereas it increased by 11.70 percent to Rs.588.85 billion in case of non-state-owned banks. The growth in capital fund was mostly due to increment in profit of BFIs.

*Refer to Annex 8.4: Capital Fund for Details.*

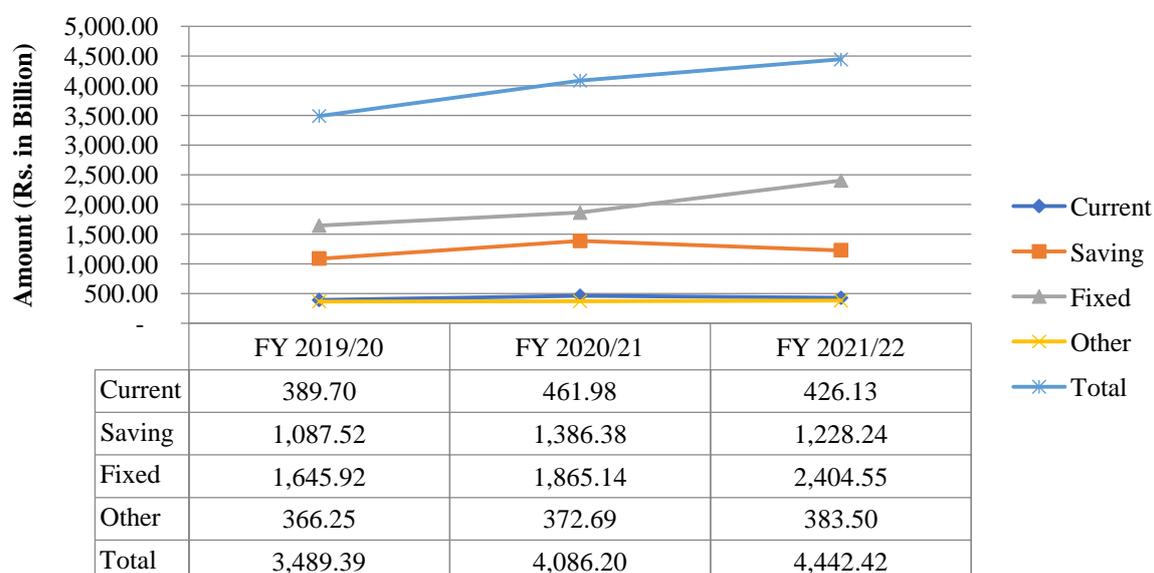
**Chart 3-4: Capital Fund of Commercial Banks (mid-July, 2020 to 2022)**



### 3.5. Deposit

Total deposits of the commercial banks increased by 8.72 percent to Rs. 4,442.42 billion in the review year compared to a growth of 17.10 percent in the previous fiscal year.

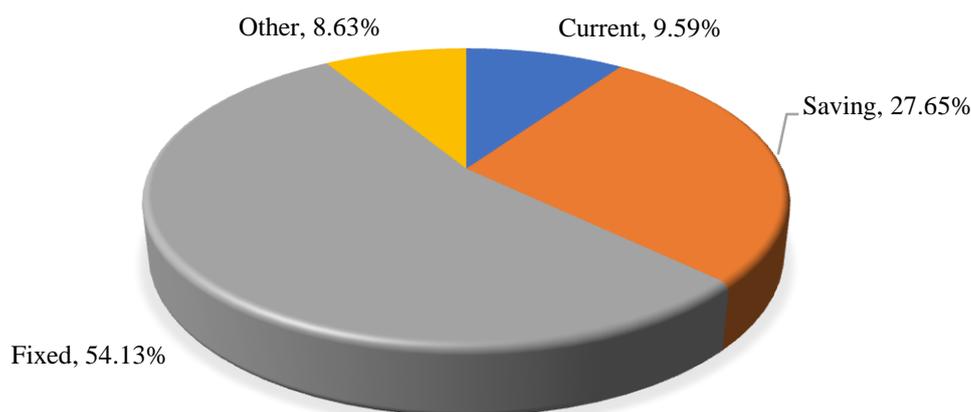
**Chart 3-5 (A): Deposit Mix of Commercial Banks (mid-July, 2020 to 2022)**



Fixed and saving deposits are the major components in the deposits of the Commercial banks. In the review year, the fixed deposits increased with the highest rate i.e., by 28.92 percent to Rs.2,404.55 billion followed by other deposits which increased by 2.90 percent to Rs.383.50 billion. Across all the three years presented, fixed deposits have covered the highest portion of commercial banks' total deposits.

*Refer to Annex 8.5: Deposit Mix for details.*

**Chart 3-5 (B): Deposit Mix of Commercial Banks (mid-July 2022)**

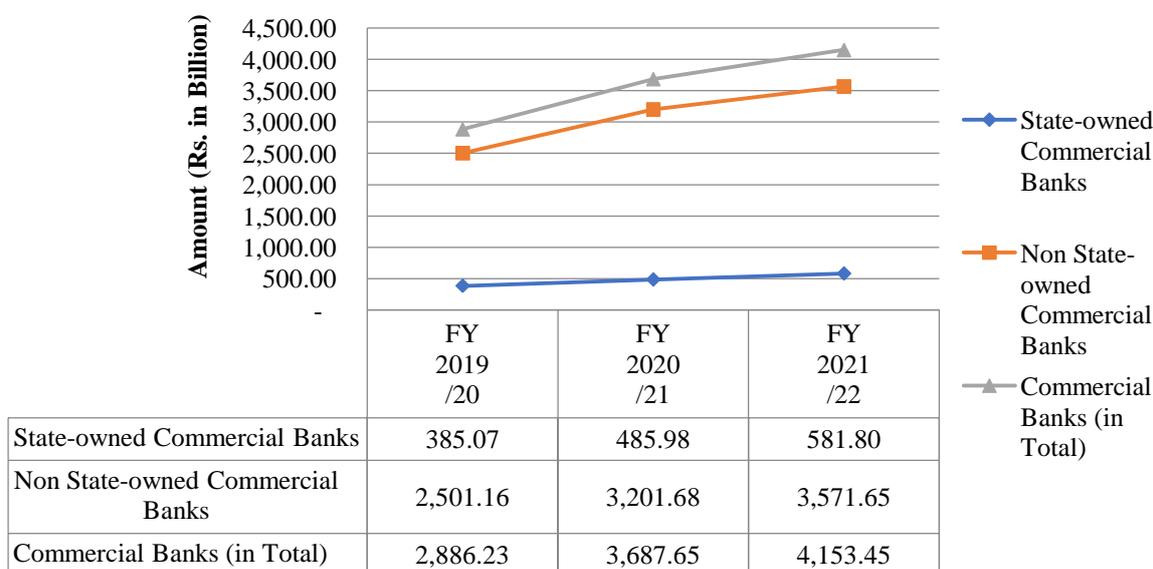


### 3.6. Loan and Advances

The total Loan and advances of the commercial banks increased by 12.63 percent to Rs.4,153.45 billion in the FY 2021/22. Loans and advances of state-owned banks increased by 19.72 percent to Rs.581.80 billion and that of non-state-owned banks rose by 11.56 percent to Rs.3,571.65 billion during the review year.

*Refer to Annex 8.6: Loans and Advances for details.*

**Chart 3-6: Loan and Advances of Commercial Banks (mid-July, 2020 to 2022)**



### 3.6.1 Sector-wise Loan and Advances

Commercial banks have disbursed the loans and advances to the different sectors of the economy. Based on sector-wise lending data of commercial banks as on mid-July 2022, Wholesalers & Retailers sector was the dominant sector of lending with 20.75 percent share on total loans and advances, followed by 18.14 percent in Consumable Loans sector and 11.60 percent in Non-food Production Related sector.

**Table 3-1: Sector-wise loan and advances of Commercial Banks**

S.N.	Sector	Percent of Total Loan (mid-July)		
		FY 2019/20	FY 2020/21	FY 2021/22
1	Agriculture Forest	5.75	6.52	7.18
2	Fishery	0.16	0.21	0.28
3	Mining	0.21	0.22	0.20
4	Agriculture, Forestry & Beverage Prod. Related	5.43	5.48	5.25
5	Non-food Production Related	13.17	12.32	11.60
7	Construction	10.16	9.56	3.71
8	Power, Gas and Water	5.40	5.45	5.74
9	Metal Products, Machineries, Elec. and Installation	1.48	1.61	1.68
10	Transport, Warehousing and Communication	2.60	2.12	1.99
11	Wholesalers and Retailers	20.84	20.55	20.75
12	Finance, Insurance and Real Estate	7.66	7.74	7.55
13	Hotel and Restaurant	4.61	4.44	4.21
14	Other Services	4.73	4.40	4.25
15	Consumable Loans	4.75	5.52	18.14
16	Local Government	0.05	0.04	0.03
17	Others	12.99	13.82	7.45
	<b>Total Loan</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Offsite Supervision Unit, BSD

### 3.6.2 Collateral-wise Loan and Advances

Loans and advances of commercial banks are secured by some forms of collaterals. As of mid-July 2022, about 87.99 percent of the total loans and advances were secured by the property. This category includes all those loans and advances having security of fixed assets like real estate and current assets like stocks and receivables as well.

**Table 3-2: Collateral-wise Loan and Advances of Commercial Banks**

S.N.	Security	Percent of Total Loan (mid-July)		
		FY 2019/20	FY 2020/21	FY 2021/22
1	Gold and Silver	1.18	1.04	1.15
2	Government Securities	0.02	0.02	0.02
3	Non-Governmental Securities	1.10	1.98	1.15
4	Fixed Deposit Receipts	0.58	0.67	1.18
5	Collateral of Properties	89.50	87.97	87.99

6	Against security of Bill	1.16	1.28	0.47
7	Against Guarantee	3.02	3.51	3.41
8	Credit Card	0.06	0.06	0.08
9	Others	3.38	3.48	4.56
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Offsite Supervision Unit, BSD

### 3.6.3 Product-wise Loan and Advances

As of mid-July 2022, commercial banks have provided 25.11 percent of term loan out of total loan and advances. Such loans were 21.54 percent in the previous year. Similarly, 23.70 percent and 14.85 percent of loans were extended as demand and other working capital loan and overdraft respectively.

**Table 3-3: Product-wise Loan and Advances of Commercial Banks**

S.N.	Loan Products	Percent of Total Loan (mid-July)		
		FY 2019/20	FY 2020/21	FY 2021/22
1	Term Loan	21.47	21.54	25.11
2	Overdraft	14.51	14.76	14.85
3	Trust Receipt Loan/Import Loan	4.76	5.53	1.88
4	Demand and Other Working Capital Loan	23.58	23.04	23.70
5	Personal Residential Home Loan	7.18	6.70	6.68
6	Real Estate Loan	4.87	4.28	4.78
7	Margin Nature Loan	1.42	2.45	1.55
8	Hire Purchase Loan	4.99	3.63	3.15
9	Deprived Sector Loan	5.82	6.45	6.70
10	Bills Purchased	0.11	0.12	0.07
11	Other Product	11.28	11.51	11.53
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

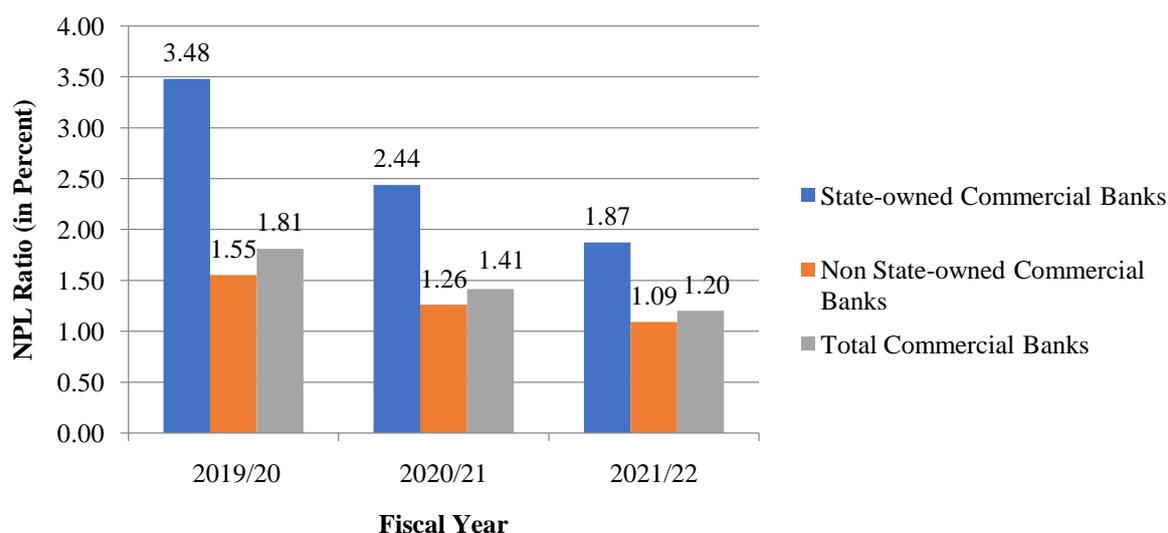
Source: Offsite Supervision Unit, BSD

### 3.7. Non-Performing Loans (NPL)

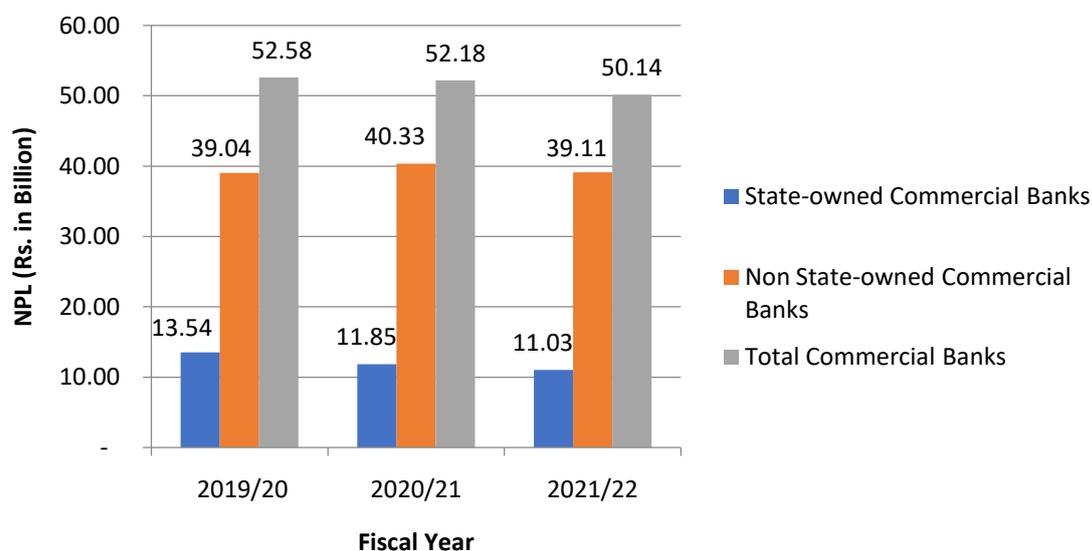
The total volume of non-performing loans of the commercial banks decreased by 3.91 percent in the fiscal year 2021/22 and reached to Rs.50.14 billion. Non-performing loans of state-owned banks decreased by 6.95 percent to Rs.11.03 billion and that of non-state-owned banks decreased by 3.02 percent to Rs. 39.11 billion during the review period. The NPL ratio of commercial banks decreased to 1.20 percent from 1.41 percent during the review period.

*Refer to Annex 8.7: Non Performing Loans for details.*

**Chart 3-7 (A): NPL Ratio of Commercial Banks (mid-July, 2020 to 2022)**



**Chart 3-7 (B): NPL (Rs. in billion) of Commercial Banks (mid-July, 2020 to 2022)**

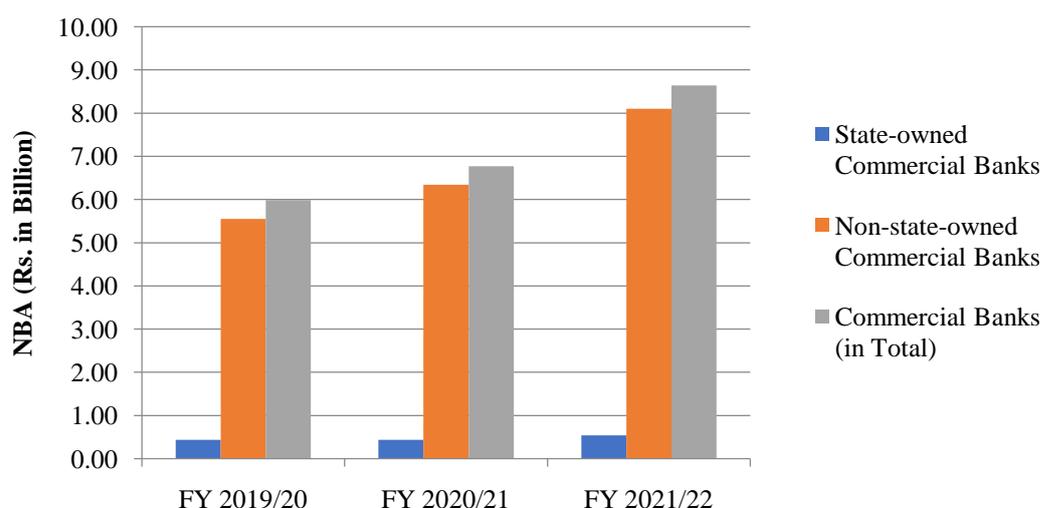


### 3.8. Non-Banking Assets (Investment in Property)

The level and structure of Non-Banking Assets (NBA) during last three years is presented in the Chart 3-8. The overall NBA of the commercial banks has increased by 27.5 percent in FY 2021/22 compared to previous year. State-owned banks accounted for the increase in NBA by 24.18 percent whereas the amount of NBA of non-state-owned bank increased by 27.73 percent.

*Refer to Annex 8.8: Non-Banking Assets for details.*

**Chart 3-8: NBA of Commercial Banks (mid-July 2020 to mid-July 2022)**

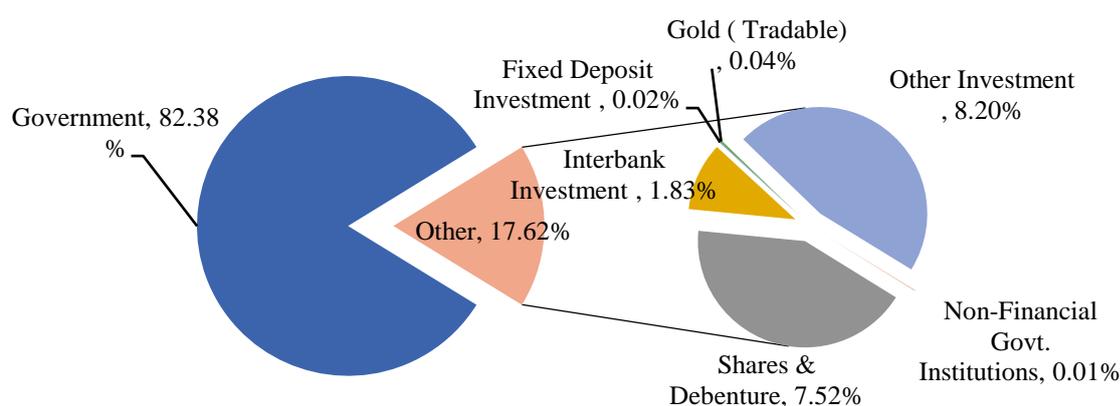


### 3.9. Investment

The composition of investment of commercial banks shows a high concentration in government securities, which was 82.38 percent of the total investment, while shares and debentures, interbank investment, gold (tradable), fixed deposit investment and other investment accounted for 7.52 percent, 1.83 percent, 0.04 percent, 0.02 percent and 8.20 percent respectively in the review period. The investment pattern in the portfolio was similar to that of the previous year. Banks are not allowed to invest in shares and debentures of BFIs licensed by the NRB, except that of “D” class financial institutions. Chart 3-9 shows the investment portfolio of the commercial banks as of mid-July 2022.

*Refer to Annex 8.9: Investment Portfolios for details.*

**Chart 3-9: Investment Portfolio of Commercial Banks (mid-July 2022)**



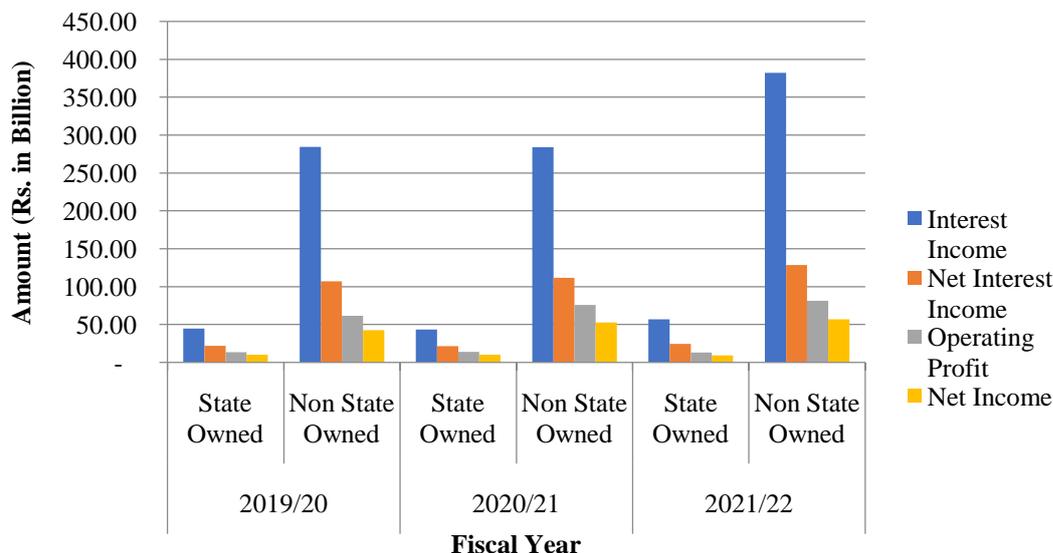
### 3.10. Earnings

The total net profit of commercial banks increased by 5.89 percent and reached to Rs.66.25 billion in FY 2021/22 from Rs.62.56 billion in FY 2020/21. The net profit of state-owned

banks decreased by 4.75 percent while that of non-state-owned banks increased by 7.90 percent in the review period. The total interest income, which is the largest component of total gross income, showed a growth of 34.01 percent. The total net interest income rose by 15 percent, whereas the operating profit increased by 5.02 percent in the review period.

Refer to Annex 8.10: Operating Efficiency

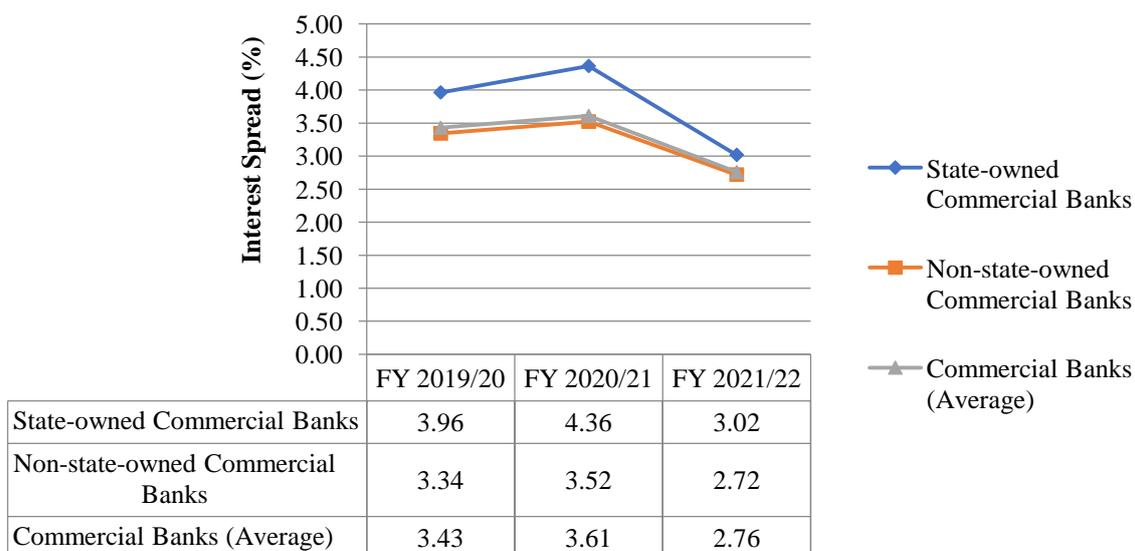
**Chart 3-10 (A): Operating Efficiency of Commercial Banks (mid-July, 2020 to 2022)**



Interest income of the commercial banks is the main factor that contributes to their profitability. The net interest spread of the commercial banks decreased from 3.61 percent to 2.76 percent in the FY 2021/22. The net interest spread of state-owned banks and non-state-owned banks were 3.02 percent and 2.72 percent respectively in the review period.

Refer to Annex 8.11: Net Interest spread for details.

**Chart 3-10 (B): Net Interest Spread of Commercial Banks (mid-July, 2020 to 2022)**



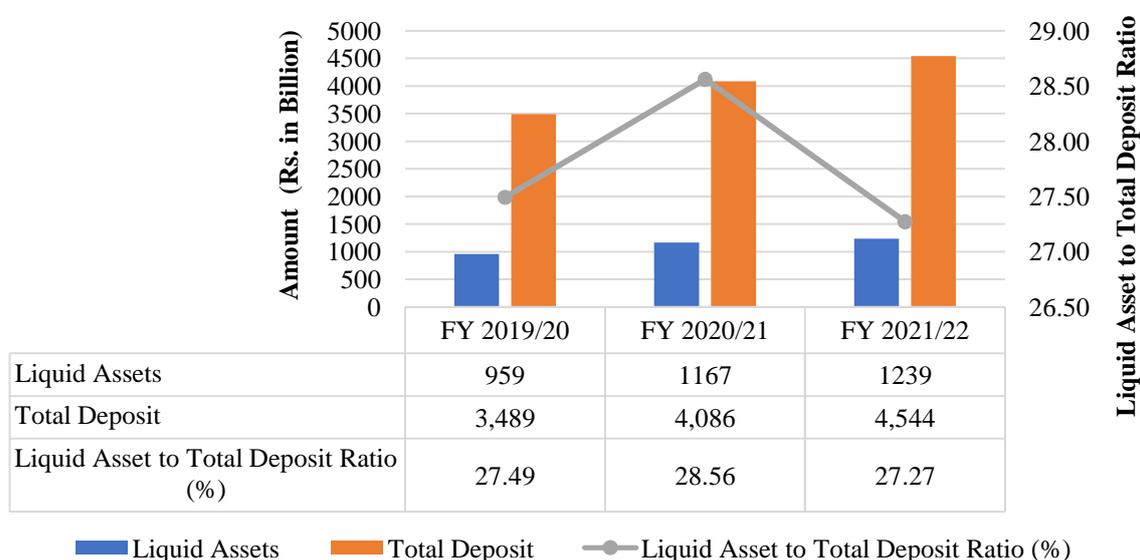
Note: Net interest spread refers to total interest income less total interest expenses

### 3.11. Liquidity

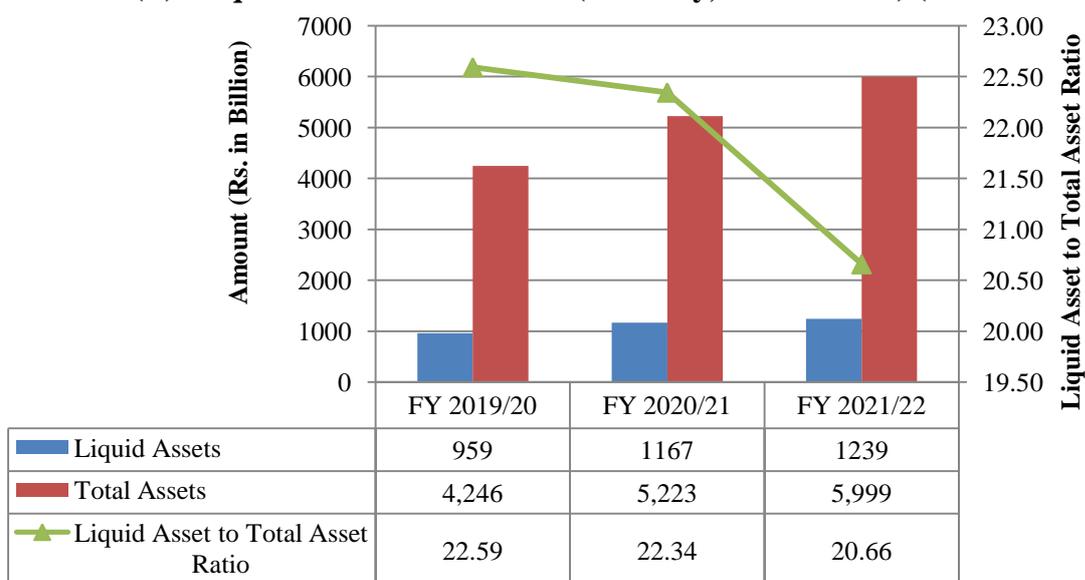
The cash balance, bank balance with NRB and other BFIs, money at call and the investment in the government securities are considered as liquid assets of the commercial banks. The total liquid assets of the commercial banks increased from Rs.1,167 billion to Rs. 1,239 billion in FY 2021/22. Also, the total liquid assets to deposit ratio decreased from 28.56 percent to 27.27 percent in the review period. Likewise, total liquid assets to total assets ratio decreased from 22.34 percent to 20.66 percent in the review period. Chart 3-11 (A) and (B) show the liquidity position of the commercial banks to its total assets and total deposits respectively.

Detailed figures are shown in Annex 8.12: Liquid Assets to Total Deposit and Annex 8.13: Liquid Assets to Total Assets.

**Chart 3-11 (A): Liquid Asset to Total Deposit (mid-July, 2020 to 2022)**



**Chart 3-11 (B): Liquid Asset to Total Asset (mid-July, 2020 to 2022) (**



### 3.12. Deprived Sector Lending

Deprived sector lending of commercial banks for the last quarter of the FY 2021/22 was 7.14 percent. The deprived sector lending is above the NRB minimum requirement of 5 percent in the review year.

*Refer to Annex 8.14: Deprived Sector Lending of Commercial Banks for details*

### 3.13. Electronic Banking

Nepalese commercial banks are providing following types of electronic banking services:

- Internet Banking
- Mobile Banking
- Card Services (Debit Cards, Credit Cards, Prepaid Cards)
- Cash and Cheque Deposit Kiosks
- Automated Teller Machines (ATMs)
- Branchless Banking

Table below shows the present status of electronic banking in Nepalese commercial banking industry. This depicts a growing trend in the use of electronic banking services in the industry.

**Table 3-4: Electronic Banking in Nepalese Commercial Banking Industry**

S.N.	Particulars	Mid-July				
		2018	2019	2020	2021	2022
1	Number of branchless banking centre	1248	1529	1574	1,706	1,526
2	Number of mobile banking customer	4,711,097	7,406,802	10,115,313	12,638,366	16,091,464
3	Number of Internet banking customer	810,674	888,268	1,001,866	1,115,532	1,279,475
4	Total number of ATM	2,252	2,951	3,759	3,983	4,235
5	Number of debit card holder	5,307,970	6,454,285	7,062,472	8,459,435	10,274,413
6	Number of credit card holder	104,721	123,146	160,297	192,370	238,794
7	Number of prepaid card holder	96,816	67,386	63,775	65,786	105,121

*Source: Bank and Financial Institutions Regulation Department, NRB*

#### 3.13.1 Internet Banking

Kumari Bank Limited was the first bank to introduce internet banking in Nepal (in 2002). Currently, all commercial banks are offering internet-banking services to their customers. As on mid-July 2022, there were 1,279,475 internet-banking users of commercial banks in Nepal. So far, commercial banks in Nepal are providing the service of mobile top up, utility payments, fund transfers within and between BFIs and the generation of account statements as internet banking services.

### **3.13.2 Mobile Banking**

Nepalese banks are providing services like balance inquiry, mini statement, last transactions information, withdrawal alerts, cheque book inquiry/request, inter-bank and intra-bank fund transfer, utility bill payments, payment via Quick Response (QR) code etc. through mobile banking. As of mid-July 2022, there were 16.09 million users of mobile banking, which were 12.63 million in the previous year. Since mobile service has a very high penetration ratio in the Nepalese population, it can be a very effective way to provide financial services to the domestic consumers.

### **3.13.3 Debit Card**

All commercial banks are providing debit card services to their customers. There were 10.27 million debit card users in the commercial banks as on mid-July, 2022 an increase from 8.45 million in the previous year.

### **3.13.4 Automated Teller Machines (ATMs)**

Himalayan Bank Limited introduced the first ATM in Nepal in the year 1995. All commercial banks have their own ATMs installed. Through ATMs, customers can withdraw cash up to certain limit at any time free of charge or at minimal charge. As on mid-July 2022, there were 4,235 ATMs of commercial banks installed across the country, which were 3,983 as on mid-July 2021.

### **3.13.5 Credit Card**

Credit card service was first introduced by Nabil Bank Ltd (then Nepal Arab Bank Ltd) in Nepal in the early 1990s. As on mid-July 2022, there were 238,794 active credit card customers in the Nepalese banking industry. There were 192,370 credit card customers as on mid-July 2021.

### **3.13.6 Branchless Banking**

Branchless banking is a distribution channel strategy used for delivering financial services without relying on bank branches. It is an agent-based service. The services include deposit, withdrawal, balance enquiry, and fund transfer. As on mid-July 2022, there were 1,526 branchless banking centres in Nepal, which were 1,706 in the previous year.

## CHAPTER IV

### 4. CURRENT INITIATIVES IN SUPERVISION

This chapter presents the initiatives taken in the field of banking supervision and regulation in both domestic as well as international arena. It provides a brief outlook to valued readers about the developments on financial system oversight.

#### 4.1. International Initiatives

##### 4.1.1 Initiatives by Basel Committee on Banking Supervision (BCBS)<sup>2</sup>

###### a) Principles for the effective management and supervision of climate-related financial risks

The Basel Committee on Banking Supervision (The Committee or BCBS) issued principles for the effective management and supervision of climate-related financial risks on 15<sup>th</sup> June 2022. The principles seek to improve banks' risk management and supervisors' practices related to climate-related financial risks. The publication of the principles is part of the Committee's holistic approach to addressing climate-related financial risks to the global banking system. The paper sets out 18 principles covering corporate governance, internal controls, risk assessment, management and reporting. They seek to achieve a balance in improving practices and providing a common baseline for internationally active banks and supervisors, while retaining sufficient flexibility given the degree of heterogeneity and evolving practices in this area.

###### b) Prudential Treatment of Crypto Asset Exposures:

On December 16, 2022, BCBS finalized a standard for banks to monitor and manage their exposure to crypto-assets (the “Crypto Standard”). The Crypto Standard amends the Basel Committee’s comprehensive framework for prudential regulation to set out the prudential treatment of banks’ exposures to crypto assets. The Committee has agreed to implement the set-out standards by January 1, 2025.

Under the standard, banks are required to classify crypto-assets on an ongoing basis into two groups:

- **Group 1 crypto-assets:** Those that meet in full a set of classification conditions. Group 1 crypto-assets include tokenized traditional assets (Group 1a) and crypto-assets with effective stabilization mechanisms (Group 1b). Group 1 crypto-assets are subject to capital requirements based on the risk weights of underlying exposures as set out in the existing Basel Framework.
- **Group 2 crypto-assets:** Those that fail to meet any of the classification conditions. As a result, they pose additional and higher risks compared with Group 1 crypto-assets and consequently are subject to a newly prescribed conservative capital treatment. In addition to any tokenized traditional assets and stable coins that fail the classification conditions, Group 2 includes all un-backed crypto-assets. A set of hedging recognition

criteria is used to identify those Group 2 crypto-assets where a limited degree of hedging is permitted to be recognized (Group 2a) and those where hedging is not recognized (Group 2b).

Additional key elements of the standard include:

- **Infrastructure risk add-on:** An add-on to risk-weighted assets (RWA) to cover infrastructure risk for all Group 1 crypto-assets that authorities can activate based on any observed weaknesses in the infrastructure on which crypto-assets are based.
- **Redemption risk test and a supervision/regulation requirement:** This test and requirement must be met for stable coins to be eligible for inclusion in Group 1. They seek to ensure that only stable coins issued by supervised and regulated entities that have robust redemption rights and governance are eligible for inclusion.
- **Group 2 exposure limit:** A bank's total exposure to Group 2 crypto-assets must not exceed 2% of the bank's Tier 1 capital and should generally be lower than 1%. Banks breaching the 1% limit will apply the more conservative Group 2b capital treatment to the amount by which the limit is exceeded. Breaching the 2% limit will result in the whole of Group 2 exposures being subject to the Group 2b capital treatment.
- **Other elements:** Other elements of the standard include descriptions of how the operational risk, liquidity, leverage ratio and large exposures requirements should be applied to banks' crypto-asset exposures. The supervisory review process and a specific set of disclosure requirements are also prescribed.

#### 4.1.2 Major Initiatives taken by SAARC Countries Central Banks

##### a) **Bangladesh Bank:**

The Bangladesh Bank (BB), on June 2022, published the updated version of its guideline on environmental and social risk management (ESRM) for banks and financial institutions to help the country attain development goals and address the sustainability agenda in the financial sector. ESRM guideline was previously issued by BB in 2017. As per the updated guideline, a third-party environmental and social impact assessment (ESIA) is required for financing in all infrastructure projects. The ESIA will generally be arranged by the client at their own cost and submitted along with the loan application. The guideline includes an Excel-based Environmental and Social Due Diligence (ESDD) checklist to facilitate the due diligence process and a sector-specific guidance note for 10 vulnerable sectors has been incorporated. The sectors are textile and apparel, cement, tanning and leather finishing, ceramic tile and sanitary ware, pharmaceuticals, power, fertilizer, pulp and paper, steel re-rolling, and ship-breaking. The loan categories for which the guideline is applicable are financing for agriculture, cottage, micro, small, and medium enterprises (CMSMEs), retail and trading enterprises, consumer, large manufacturing and service enterprises, and infrastructure segments.

**b) Reserve Bank of India**

Reserve Bank of India launched a new Suptech initiative DAKSH – the bank’s advanced supervisory monitoring system, which is expected to make the supervisory process more robust. DAKSH means ‘efficient’ & ‘competent’, reflecting the underlying capabilities of the application. DAKSH is a web-based end-to-end workflow application through which RBI monitors compliance requirements in a more focused manner with the objective of further improving the compliance culture in Supervised Entities (SEs) like Banks, Non-Bank Financial Companies (NBFCs), etc. The application also enables seamless communication, inspection planning and execution, cyber incident reporting and analysis, provision of various MIS reports etc., through a platform, which enables anytime-anywhere secure access.

**c) Central Bank of Sri Lanka**

With a view to facilitating the sustainable economic revival of businesses affected by the Covid-19 pandemic and to mitigate the increase in impaired assets of licensed banks, Central Bank of Sri Lanka (CBSL) in its “Six Month Road Map for Ensuring Macroeconomic and Financial System Stability” announced the need for establishment of Post Covid-19 Revival Units in the licensed banks. Accordingly, CBSL issued guidelines on establishment of post Covid-19 revival units in licensed banks. The purpose of establishment of the unit is to identify and assist underperforming and non-performing borrowers of licensed banks, who are affected by Covid-19 and are facing financial difficulties due to reduction of income or sales, reduction or impairment of business operations or the closure of business.

**d) State Bank of Pakistan:**

The State Bank of Pakistan (SBP) launched Environmental and Social Risk Management (ESRM) implementation manual on November 9, 2022 to help banks and Development Finance Institutions (DFIs) identify and manage environment and social risk by having the right policies, procedures and tools. The SBP has issued this manual with an aim to ensure compliance of minimum standard for environmental and social risk management in the financial sector under Green Banking Guidelines (GBGs) issued in 2017 to safeguard against environmental risks emerging from banks and DFIs businesses and operations.

**e) Maldives Monetary Authority**

Maldives Monetary Authority (MMA) issued “Risk Management Guidelines for Banks, Finance Companies, and Insurance Companies” on March 10, 2022, to provide guidance to the banks, insurance and finance companies on minimum standards of risk management.

**f) Royal Monetary Authority of Bhutan**

Royal Monetary Authority of Bhutan issued “Fit and proper guidelines for key responsible persons of regulated entities, 2022”. The guideline has identified directors of the boards, senior management and control functions having the primary responsibility for sound corporate governance, risk management and oversight of the regulated entities as ‘Key Responsible Persons’. Furthermore, it provides guidance to the regulated entities in assessing

whether the key responsible persons are fit and proper in carrying out their required duties and responsibilities.

## **4.2. National Initiatives**

### **4.2.1 Focus on Environmental and Social Risk Management Guideline**

Nepal Rastra Bank issued guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions on May 2018. The guideline was revised on February 2022. The core objective of the ESRM Guideline is to require BFIs to integrate environmental & social risk management into the overall credit risk management process in order to fully inform about E&S risks to the credit authority prior to the financing decision regarding the credit. After publication of the revised guideline, the banks have started reporting their annual statement on ESRM. Moreover, compliance of ESRM guideline is also being monitored/ checked stringently during onsite bank supervision of the banks.

### **4.2.2 Supervisory Information System**

NRB has developed a Supervisory Information System (SIS) with the financial assistance of DFID to enhance the timeliness and effectiveness of supervisory data collection and analysis process. SIS is an advanced reporting platform, which does not only consolidate the data of the banking industry, but also has the capability to analyse those data and prepare various useful reports for decision making process. Nepal Rastra Bank (NRB) has directed bank and financial institutions (BFIs) to submit various returns through Supervisory Information System (SIS).

### **4.2.3 Risk Based Offsite Supervision Manual**

The Off-site Supervision Manual of NRB guides the objectives and procedures of offsite inspection by Bank Supervision Department (BSD). The bank has revised its existing Offsite Supervision Manual 2060 to Offsite Supervision Manual 2022 with an updated CAELS rating system. The updated risk based offsite supervision manual is expected to utilize the data from SIS and enhance the effectiveness of offsite supervision of the banks.

### **4.2.4 AML/CFT**

Nepal Rastra Bank (NRB) has established separate Money Laundering Prevention Supervision Division at Bank Supervision Department (BSD) to ensure more effective compliance of AML/CFT related guidelines and provisions by BFIs and non-banking financial institutions (NBFIs). In the process of conducting targeted inspection focusing on AML/CFT, the division has completed first round of targeted inspection in all commercial banks till the end of FY 2021/22.

## CHAPTER V

### 5. KEY ONSITE OBSERVATIONS, ISSUES AND CHALLENGES

#### 5.1. Key Onsite Observations

##### 5.1.1. Board and Senior Management Oversight

- a) Most of the board agenda is related to credit appraisal/ approval. The board has spent less time on discussion of issues of compliance of NRB directives/ prevalent laws, implementation of directions of previous NRB inspection, Status and Implementation of comments from internal and external report.
- b) There is inadequate discussion on issues related to identification, measurement, monitoring, and controlling of inherent risks that the bank faces as guided by NRB Internal Capital Adequacy Assessment Process (ICAAP) guideline.
- c) Board minutes reveal that excessive waivers (to its internal policies) have been provided to borrowers.
- d) Implementation status of decisions made and directions given to the management are rarely reviewed by Banks' Board.
- e) Some of the Banks have not appraised the performance of the CEO as per the contract/agreement between the bank and CEO.

##### 5.1.2. Capital and Earnings

- a) Some of the banks have not assigned the risk weight to loan exposures as per Capital Adequacy Framework, 2015, which has resulted into overstatement of Capital Adequacy Ratio.
- b) Few Banks has breached the minimum regulatory requirement of Tier 1 Capital Ratio. Consequently, they were not allowed to distribute dividend.

##### 5.1.3. Audit Function

- a) The Audit committee has not performed its functions/ duties as directed by BAFIA 2073/ Company Act/ NRB Unified Directive.
- b) Banks have not implemented suggestions and findings from the Internal Audit Report.
- c) Some of the banks lacks adequate skilled staffs in audit function.
- d) In some banks, the performance appraisal of head of Internal Audit was found to be done by DGM/CEO (or authorities in business function) involved in Credit Administration. This is in violation of NRB Directive 2078 (6)(7) (1) (Jha) which requires performance appraisal of internal audit head to be done by the Audit Committee. Similarly, some banks have not instituted an independent audit function.
- e) Section 61(e) of Bank and Financial Institution Act, 2073, requires audit committee to recommend three auditors to AGM for appointment of Statutory Auditor. However, in some banks the audit committee has selected one auditor and then recommended that particular audit firm to the AGM for approval.

- f) Some of the banks have not conducted information security and system audit as required by NRB Unified Directives.

#### **5.1.4. Credit Risk**

- a) Loans disbursed were not found to be used for the intended purpose but were classified as pass category which is non-compliance of NRB Unified Directives. For example: New loans were disbursed to settle existing demand Loans/term loan/forced loans, settlement of interest in quarter end, transferred to the account of sister concern without business transaction and used to settle loan of sister concern in another bank etc.
- b) Ad-hoc loans are regularly used to settle the existing dues/interest of the loan.
- c) Covid Loan disbursed to the clients has been used to pay overdue interest and principal of other loans resulting in non-compliance of NRB Unified Directives.
- d) Banks have weak post-disbursement monitoring mechanism resulting in poor monitoring of utilization of loan after disbursement and so loan has been used in the purpose other than intended.
- e) In many cases, borrower's requirement has not been assessed properly and instances of over financing are observed.
- f) Some of the banks have provided personal loans above Rs.5 million without any specific purpose, which is non-compliance of the provision of NRB Unified Directives.
- g) Revolving loans are being renewed without obtaining basic documents required for credit appraisal such as audited financials tax clearance certificate, firm renewal documents, business inspection report etc.
- h) Self-declaration of the income by the borrowers is considered to assess the repayment capacity. Valid documents substantiating the income are not obtained.
- i) Bridge-gap loan has been extended frequently.
- j) The Swap procedure, as stated by NRB Unified Directives 2079#2(14), has not been properly followed during the swap of loan from other banks.
- k) Guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institution, 2022 is not duly followed during the credit appraisal. Initial Environment Examination (IEE) and Environment Impact Assessment (EIA) report are obtained at many instances.
- l) Numbers of discrepancies are observed in reporting the loan exposures to NRB through Borrower-wise Credit (2.2) and NRB03 returns. Errors on PAN of the borrower, sector-wise classification, address of the borrower, risk weight assigned, loan loss provision etc. are noted.
- m) The internal credit rating of the borrower is not reflected in the pricing of the loan.
- n) Many banks lack adequate system that auto generate report on the risk profile of the bank and structure of loan exposures including off-balance sheet exposures.

### **5.1.5. Liquidity Risk**

- a) Contingent funding plan as required by NRB Unified Directives 2078#5(6)(9) has not been prepared.
- b) In many banks have large amount of deposits are from few depositors. Sudden withdrawal from these depositors could lead to extreme liquidity stress in the banks.
- c) Assets Liability Committees (ALCO) of the banks is found more in status reporting activities and lack proactive orientation regarding assets liability management. Off-balance sheet items are not generally considered while assessing liquidity position.

### **5.1.6. Market Risk (including Interest Rate Risk and Foreign Exchange Risk)**

- a) Board oversight is weak regarding the market risks, foreign exchange and interest rate risk.
- b) Many banks have changed the interest premium to the loan clients against the provision of NRB Unified Directives 2078#15(3)(8).
- c) Most of the ALCO meetings are focused on the revision of interest rate on deposits and loans, publication of interest rates, comparative analysis of market interest rates and approval of deviation of commission and fees of individual clients rather than on strategic aspects like review of investment portfolio, divestment strategy.
- d) The banks do not have a separate comprehensive policy for assessing and addressing the risk emanating from the interest risk fluctuation.
- e) Banks do not have defined criteria for the FCY placement in terms of instrument / tenor. Only the bank wise/country wise lump sum risk limit has been set.
- f) The banks do not have practice of including Indian currency exposure arising from Non-Delivery Forward (NDF) deals in calculating net open position.
- g) While calculating net open position on a daily basis, the banks are found to net off long position of one currency with short position of another currency thereby understating overall net open position and foreign exchange risk.
- h) The banks do not have practice of obtaining quotations of interest rate from more than one counter party while making FCY placement in international banks.
- i) Duties and functions are not properly defined and segregated in treasury management function of few banks.
- j) Banks do not use interest rate risk measurement system, except Gap Analysis as prescribed by the Nepal Rastra Bank. Further, few banks do not have practice of monitoring Risk Sensitive Assets (RSA), Risk Sensitive Liabilities (RSL) and its trend so as to analyse interest sensitivity accurately. Moreover, certain banks do not have clear assumptions while determining RSA and RSL.

### **5.1.7. Operational Risk**

- a) Trainee Interns are found to be assigned to work in sensitive areas with user access in Core Banking System (CBS), which is against the provision of NRB Unified Directives 2078#6(17).

- b) Remittance fixed deposit has been opened by taking self-declaration from the client without valid document substantiating the remittance source.
- c) System printed advices in deposit voucher are not generated in branches of some banks as per NRB Unified Directives 2079#21(32).
- d) Record books such as cheque issuance register, ATM issuance register, etc. are not found to be properly maintained.
- e) ATM and PIN number are in the custody of single staffs in many branches of the banks.
- f) CCTVs are not properly managed. Issues like back up less than 90 days, blur visibility, impaired camera etc. are noted in many banks.
- g) Few banks do not have clear policy/guideline on key handover and takeover.
- h) Some banks have not formulated Business Continuity Plan.
- i) In many cases account opening forms are not duly filled and additional documentation such as PEP verification, self-declaration forms, etc. are missing.

#### **5.1.8. AML/CFT**

- a) Know Your Customer (KYC) forms are not duly filed up. Information such as nominee details, location map, annual expected turnover, risk categorization etc. is missing at many instances.
- b) Enhanced Customer Due Diligence (ECDD) of high-risk customers is not conducted in periodic manner.
- c) Staff responsible for compliance function is unaware about generic terms related to compliance in most of the banks e.g. Politically Exposed Persons (PEPs), Suspicious Transaction Reporting (STR), Threshold Transaction Reporting (TTR), and Risk Categorization. The serious issue of KYC update is entrusted to interns in most of the banks, who are completely unknown about the gravity and seriousness of the AML/CFT issues.
- d) Current Core Banking System (CBS) of certain banks does not generate live indicators (red flags, alerts) to detect suspicious transactions. Real time transaction surveillance is yet to be adopted. There is no appropriate software which can monitor day to day STR transactions on real time basis and generate red flags or alerts whenever unusual transactions take place. This is non-compliance of NRB Unified Directives 2079#19(6)(1)(kha).
- e) Few banks do not have adequate mechanism of assessing the ML/TF risks associated with the lending activities. Risk management process does not assess adequately the way the launderers could exploit the lending facilities.
- f) Customer risk classification mechanism of some of the banks does not completely satisfy the provision of Unified Directive #19 (9).

## **5.2. Issues**

### **5.2.1. Capital Adequacy**

The excessive growth of risk assets in last few years, rising level of non-performing loans in recent years and revision on risk weights of some products has led to stress on capital adequacy, specifically Tier 1 capital, of the banks. Few banks have Tier 1 capital ratio very near to minimum regulatory threshold and some banks have already breached the minimum capital conservation buffer (CCB) in FY 2021/22 and consequently, prohibited to distribute dividend to shareholder by NRB.

### **5.2.2. Liquidity**

Liquidity crunch has been a regular phenomenon in the Nepalese banking industry. The banking sector has faced severe liquidity problem last year, which is still not ease out in the present time. As a result of stress on liquidity, the bank has massively used Standing Liquidity Facility (SLF) from NRB; inter-bank rate has increased by higher percentage; and bank has been racing in attracting deposits by introducing various depository schemes.

One of the major causes of liquidity crunch was the pressure on external sector (balance of payment). Major chunk of credit flows to import of goods from foreign country and huge imports have outflow the foreign currency reserve of the country in significant volume. Low inflow of tourist due to the Covid 19 pandemic further impacted the foreign currency income adding stress to liquidity.

### **5.2.3. Increasing Non-Performing Loan (NPL) and Non-Banking Assets (NBA)**

The growing non-performing loan and non-banking assets are another issue in Nepalese financial sector at present. Excessive lending, especially to non-productive sectors, slow-down of economic activities post Covid- 19, slowdown in construction sector, overfinancing and use of loan in other than intended purpose, increment in interest rate have reduced the repayment capacity of the borrower. This has resulted in rising NPL level.

### **5.2.4. Over Financing on Working Capital Requirement**

It has been noted from onsite inspection of the banks that the requirement of working capital has not been properly assessed and the case of over financing was observed at many instances. Due to such over financing, the loans are found to be used in the purpose other than intended such as real estate sector, stock investment etc. So, the borrower cash flow could not serve the debt obligations and booking of loan into non-performing loan is increasing. Therefore, this is one of the emerging issues in the banking industry. NRB has recently issued Working Capital Guideline, 2079 to address this issue.

### **5.2.5. Increasing Banking Fraud**

With the increase in size and scope of banking business, risk of banking fraud is also in increasing trend. The malafide intention of customer, staff, management and even board members have led to number of incidents of banking fraud. Fake collateral, misuse of client's deposit and vault cash, bribery from client etc. are few of the examples of banking fraud.

Such frauds lead to risk at both individual and institutional level. Many of those involved in banking fraud are behind the bar and many are facing court cases. Similarly, at institutional level, bank has to face legal and reputational risk. There have been the cases of management takeover and even liquidation of the financial institutions by NRB due to banking frauds in the past.

NRB is continuously encouraging the banks to strengthen their risk management to address such issues and has also issued various provisions on a regular basis to minimize them.

#### **5.2.6. Digital Banking and Technology Risk**

The use of digital banking has increased tremendously post covid pandemic. Digital banking has made it easier and cheaper to expand the consumer base for financial services providers. It is believed that the promotion of digital banking will discourage the growth of the informal economy which has become the major challenge for the Nepalese economy. Mobile banking, internet banking, QR payment, digital wallets etc. are popular among financial service users.

With the growing use of digital banking, technology risk is also rising. Digital banking exposes less financially literate customers to greater risks. The issue of the digital dividend and consumer privacy are also evolving as a major issue with the growth in the digital banking. There exists a possibility of cybercrimes such as ATM hacking, phishing, server crash, spyware, viruses etc. in digital banking services. Such technology risk results into financial and reputational risk.

NRB is continuously encouraging the banks to invest in cyber security, training of staffs and awareness programs to reduce the cyber and technology risk.

### **5.3. Challenges**

#### **5.3.1. Enhancing Consumer Protection**

It is a well-known fact that the banking industry is built on trust and confidence. The unshakeable belief and trust towards the banking sector is very important for the financial sector stability and for overall economic growth. In this regard, NRB has the major responsibility of the consumer protection which ensures that there is equitable and fair treatment, adequate complaints handling and redressal mechanisms, protection of consumer data and privacy and broad-based financial education and information dissemination mechanism in functioning of banks' operation.

To enhance financial consumer protection, NRB has launched online grievance and complaint register portal where the financial service users can lodge a complaint about any issue related with the banks and such issues will be looked forward and dealt by NRB. In the same way, NRB is also conducting supervision with a focus on consumer protection issue during onsite inspection of the banks. Enhancing public confidence towards the financial system by protecting the interest of financial consumers is a challenge.

#### **5.3.2. Promoting Green financing**

Building the sustainable economy is of paramount importance. To build resilient and sustainable economy, greening the financial system is the issue that needs to be addressed

promptly. Risk posed by the climate change and environmental risk may have direct impact on the price stability, infrastructure and business risk. Nepalese banks have most of their assets invested in the brown sectors such as construction, and real estate, all with environmental hazards and high climate risk. NRB has already issued Guidelines on Environment and Social Risk Management (ESRM) 2022 for BFIs and exercising for defining green taxonomy. Implementation of green initiatives for greening the financial system is a challenge.

### **5.3.3. AML/CFT Compliance**

The entire global community has depicted its serious concerns on establishing a sound AML/CFT system to fight against common global problems of money laundering, terrorism financing and proliferation financing. Having a relation with Financial Action Task Force (FATF) through Asia/Pacific Group (APG), Nepal has also committed to strengthen the AML/CFT system. Based on FATF recommendations, Nepal has also formulated numbers of AML/CFT related regulatory provisions and guidelines. However, the compliance of these provisions and guidelines does not seem to be satisfactory as expected. Though AML/CFT compliance is somewhat in the par with the expectation in commercial banks, other sectors are far behind in compliance. So, AML/CFT compliance is one of the major concerns/challenges for NRB.

### **5.3.4. Enhancing Supervisory Skills**

The scope of banking business has widened and becoming more complex due to globalization and use of advance digital technology. New risks are emerging. It's been a great challenge for central bank to supervise and inspect the complex activities of the banks. The supervisors must understand the risk associated with the banking activities and their management, in order to ascertain whether the bank has prudent system to manage the risk or not. For that, they must be well trained and have updated knowledge of national and international regulatory laws, guidelines, and policies. Information technology risk supervision is another challenge for the supervisors as the staffs in supervision department are basically from management and accounting background. In the same way, conduct supervision is emerging as a new avenue for the supervisor, which specially focuses on consumer protection issue. So, developing skills to have insight over emerging risks and ensuring effective supervision is another challenge for the supervisor.

### **5.3.5. Regulatory Compliance**

The central bank issue number of directives, policies and guidelines to regulate the banking activities. Compliance of such regulatory provisions helps the bank to manage and mitigate the various risks directly and indirectly. However, offsite surveillance and onsite inspection of NRB shows the non-compliance of regulatory provision by the banks at many instances. One of the reasons for such non-compliance is lack of knowledge and carelessness of bank's staffs of regulatory provision. Secondly, the bank seeks for the loopholes in regulatory provisions and plays in the lapses to get benefit out of it rather than working in the spirit of such provisions. NRB has taken action against banks for non-compliance and published the

details of such actions in its website on a regular basis. But still, the issue of non-compliance persists. Similarly, discrepancies are observed in data reported by banks to NRB. Such false reporting may mislead NRB in decision making. Therefore, ensuring regulatory compliance from the banks is a challenge for NRB.

### **5.3.6. Minimization of Informal/Shadow Banking**

In Nepal, shadow banking is moving side by side with formal banking system. Shadow banking activities are less regulated or not regulated at all. It operates under the shadow of the traditional banking system. Shadow banking products are mainly appreciated by households who are deprived of formal banking services. The shadow banking system represents a special policy challenge for central banks, since its growth is closely linked to the regulation of the banking system. Some of the shadow banking has been observed due to transactions made under legal framework but not under the purview of NRB's regulation and supervision. For example, banking transaction created by Saving and Credit cooperatives, and non-banking but monetary transactions under non-bank financial institutions like Employee Provident Fund (EPF), Citizen Investment Trust (CIT), Social Security Fund (SSF) etc. have been undertaken based on license/permit from Government of Nepal but still not covered under broad money aggregates.

Most importantly, shadow banking due to illegal financial activities such as dhukuti and hundi are posing real threat to the stability of financial system as a whole. Easily accessible of the general public has made these activities prone to the money laundering. The transmission of monetary policy is also affected by the size and behaviour of the shadow banking system.

### **5.3.7. Implementation of Basel-III**

Implementation of Basel-III on full scale is another challenge for NRB. Although Basel-III has been applicable to commercial banks, few aspects/provisions of Basel-III such Liquidity Coverage Ratio, Net Stable Funding Ratio, SIFI and DSIB Measures, etc. are yet to be implemented by NRB. For the effective implementation of Basel-III on full scale, NRB is continuously striving to develop necessary policies, guidelines and infrastructures.

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# BANK SUPERVISION REPORT, 2021/2022

## ANNEXURES

### Annex 1: Growth of Financial Institutions (numbers)

Types of Financial Institutions	Mid-July												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Commercial Banks	27	31	32	31	30	30	28	28	28	28	27	27	26
Development Banks	79	87	88	86	84	76	67	40	33	29	20	18	17
Finance Companies	79	79	69	59	53	48	42	28	25	23	22	17	17
Micro-finance Financial Institutions	18	21	24	31	37	38	42	53	65	90	85	70	65
Infrastructure Development Bank	-	-	-	-	-	-	-	-	-	1	1	1	1
<b>Total</b>	<b>203</b>	<b>218</b>	<b>213</b>	<b>207</b>	<b>204</b>	<b>192</b>	<b>179</b>	<b>149</b>	<b>151</b>	<b>172</b>	<b>155</b>	<b>133</b>	<b>126</b>

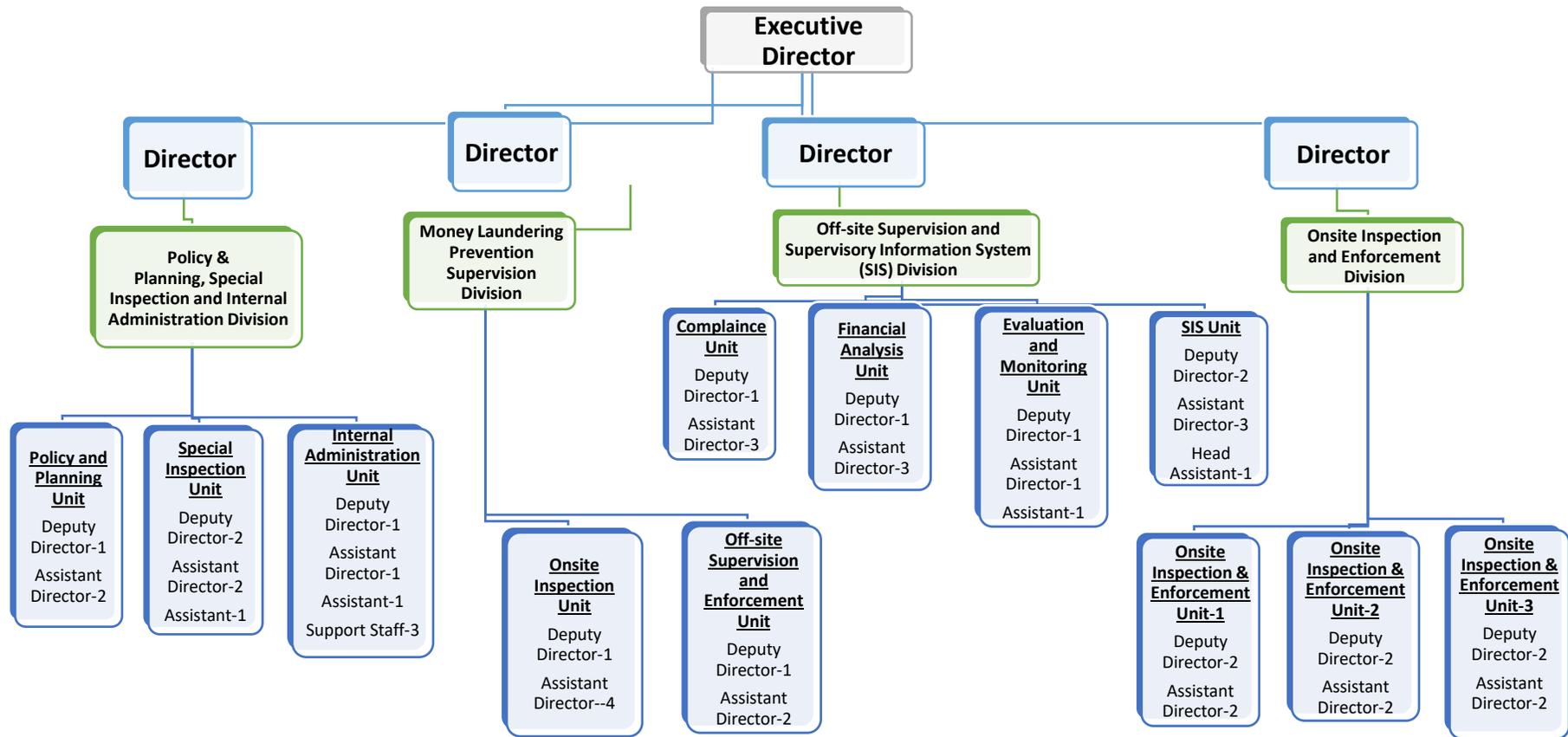
Source: Bank and Financial Institutions Regulation Department, NRB

### Annex 2: Province-Wise Distribution of BFIs branches (Mid-JulyFY 2021/22)

S. N.	Province	Class A	Class B	Class C	Class D
1	Koshi	763	194	32	868
2	Madhesh	572	84	38	1,051
3	Bagmati	1,807	321	106	769
4	Gandaki	599	190	36	591
5	Lumbini	740	256	46	1,170
6	Karnali	199	21	3	232
7	SudurPaschim	329	52	6	453
	Total	5,009	1,118	267	5,134

Source: Bank and Financial Institutions Regulation Department, NRB

### Annex 3: Organisation Chart of BSD



## Annex 4: Onsite Inspections in FY 2021/22

### a) Full-Scope Onsite Inspection

S.N.	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1	Prabhu Bank Ltd.	Sunrise Bank Ltd.	Himalayan Bank Ltd.	Agriculture Development Bank Ltd.
2	NIC Asia Bank Ltd.	NMB Bank Ltd.	MachhapuchchhreBank Ltd.	Siddhartha Bank Ltd.
3	Nepal SBI Bank Ltd.	Sanima Bank Ltd.	Mega Bank Ltd.	Nepal Investment Bank Ltd.
4	RastriyaBanijya Bank Ltd.	Everest Bank Ltd.	Nepal Bank Ltd.	Prime Commercial Bank Ltd.
5	Kumari Bank Ltd.			

### b) Targeted Onsite Inspection

S.N.	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1		Nepal Infrastructure Bank Ltd.	Global IME Bank Ltd.	Citizens Bank International Ltd.
2		Standard Chartered Bank Nepal Ltd.		Civil Bank Ltd.
3				Century Commercial Bank Ltd.

## Annex 5: Circulars issued in FY 2021/22

S.N.	Name and Link to the Circular Issued to A, B & C Class Financial Institutions
1	Circular 01- Interim Financial Statements Related
2	Circular 01 (Infrastructure)- Amendment in Unified Directives for Infrastructure Development Bank, 2075
3	Circular 01 (A,B,C) – Amendment in Unified Directives, 2077
4	Circular 02 (Infrastructure) - Unified Directives for Infrastructure Development Bank, 2078
5	Circular 02 (A,B,C) – Amendment in Unified Directives, 2077
6	Circular 03 (Infrastructure) - Amendment in Unified Directives for Infrastructure Development Bank, 2078
7	Circular 03 (A,B,C) – Amendment in Unified Directives, 2077
8	Circular 04 (A,B,C) – Amendment in Unified Directives, 2077
9	Circular 05 (A, B, C)-Amendment in Unified Directives, 2077
10	Circular 06 (A, B, C)-Amendment in Unified Directives, 2077
11	Circular 07 (A, B, C)-Issue of Unified Directives, 2078
12	Circular 08 (A, B, C)- Amendment in Unified Directives, 2078
13	Circular 09 (A, B, C)- Amendment in Unified Directives, 2078
14	Circular 10-Half-Yearly Review of Monetary Policy 2078/79
15	Circular 11- Amendment in Unified Directives, 2078

## Annex 6: Capital Adequacy Ratios of Commercial Banks

S.N.	Name of Bank	Mid-July 2020 (in Percent)		Mid-July 2021 (in Percent)		Mid-July 2022 (in Percent)	
		Core Capital	Total Capital Fund	Core Capital	Total Capital Fund	Core Capital	Total Capital Fund
1	Nepal Bank Ltd.	15.93	16.68	14.64	17.91	12.09	15.04
2	RastriyaBanijya Bank Ltd.	12.00	12.68	11.90	14.31	11.63	13.97
3	Nabil Bank Ltd.	10.69	12.81	10.82	12.69	10.89	13.44
4	Nepal Investment Bank Ltd.	11.52	13.23	11.03	14.64	12.41	15.99
5	Standard Chartered Bank Nepal Ltd.	16.92	18.54	15.53	17.17	14.45	16
6	Himalayan Bank Ltd.	11.76	14.89	11.16	13.85	10.45	11.63
7	Nepal SBI Bank Ltd.	12.28	15.42	11.09	13.93	10.44	13.32
8	Nepal Bangladesh Bank Ltd.*	10.45	13.17	11.04	13.94	-	-
9	Everest Bank Ltd.	11.86	13.32	11.26	12.51	10.84	11.95
10	Bank of Kathmandu Ltd.	13.27	14.16	11.73	14.02	11.93	12.94
11	Nepal Credit and Commerce Bank Ltd.	12.38	13.40	10.35	13.8	9.2	12.12
12	NIC Asia Bank Ltd.	8.18	13.16	7.51	12.41	8.93	13.51
13	Machhapuchchhre Bank Ltd.	9.54	13.00	8.64	12	8.81	13.47
14	Kumari Bank Ltd.	11.13	14.42	10.53	13.69	10.01	12.98
15	Laxmi Bank Ltd.	10.02	12.62	9.27	11.85	9.09	12.76
16	Siddhartha Bank Ltd.	9.06	12.97	8.56	13.45	9.14	13.09
17	Agricultural Development Bank Ltd.	17.63	20.46	14.76	23.31	14.02	16.34
18	Global IME Bank Ltd.	10.96	12.41	10.52	13.17	10.3	12.72
19	Citizens Bank International Ltd.	12.10	15.45	11.24	13.89	10.73	13.02
20	Prime Commercial Bank Ltd.	12.71	13.40	12.58	15.1	12.26	13.13
21	Sunrise Bank Ltd.	10.21	14.60	9.79	13.75	9.18	12.45
22	NMB Bank Ltd.	12.51	14.56	11.4	15.09	10.53	13.76
23	Prabhu Bank Ltd.	9.76	11.59	8.66	13.07	8.9	13.16
24	Mega Bank Nepal Ltd.	12.02	12.88	11.8	12.98	11.2	12.32
25	Civil Bank Ltd.	13.83	15.00	10.75	11.93	11.76	16.05
26	Century Commercial Bank Ltd.	13.80	14.53	11.18	12.34	10.4	13.54
27	Sanima Bank Ltd.	10.33	12.97	9.21	13.54	9.66	13.75

\*Nepal Bangladesh Bank Ltd. merged with Nabil Bank Ltd.

## Annex 7: Special Inspection of Commercial Banks in FY 2021/22

S.N.	Name of Bank	No. of Inspections
1	Nepal Bangladesh Bank Ltd.	3
2	Kumari Bank Ltd.	2
3	Siddhartha Bank Ltd.	1
4	RastriyaBanijya Bank Ltd.	1
5	Laxmi Bank Ltd.	1

6	Everest Bank Ltd.	2
7	Nepal Investment Bank Ltd.	3
8	Global IME Bank Ltd.	2
9	Mega Bank Nepal Ltd.	2
10	Nabil Bank Ltd.	2
11	NCC Bank Ltd.	1
12	Himalayan Bank Ltd.	1
13	Prime Commercial Bank Ltd.	1
14	Standard Chartered Bank Nepal Ltd.	1
15	Bank of Kathmandu	2
16	Prabhu Bank Ltd.	2

## Annex 8: Financial Figures of Banks

### Annex 8.1: Banking Operation

	Amount (Rs. in Billion)			Percentage Change	
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
<b>Deposits</b>					
State-owned Commercial Banks	516.06	589.47	620.81	14.22	5.32
Non State-owned Commercial Banks	2,851.91	3,496.73	3,841.15	22.61	9.85
Commercial Banks (in Total)	3,367.97	4,086.20	4,461.96	21.33	9.2
<b>Loans and Advances</b>					
State-owned Commercial Banks	385.066	485.976	581.796	26.21	19.72
Non State-owned Commercial Banks	2,501.16	3,201.68	3,571.65	28.01	11.56
Commercial Banks (in Total)	2,886.23	3,687.65	4,153.45	27.77	12.63
<b>Assets</b>					
State-owned Commercial Banks	637.25	755.07	836.5	18.49	10.78
Non State-owned Commercial Banks	3,588.75	4,468.00	4,955.07	24.5	10.9
Commercial Banks (in Total)	4,226.00	5,223.07	5,791.58	23.59	10.88

Source: Audited Financial Report of Commercial Banks

### Annex 8.2: Composition of Assets

Assets Category	FY 2020/21 (Amount-Rs. in Billion)	FY 2021/22 (Amount-Rs. in Billion)	Percentage Change
Cash and Cash Equivalent	267.71	304.70	13.82
Due from NRB	262.14	209.12	-20.23
Placements with BFIs	67.47	37.36	-44.62
Loan and Advances to BFIs	151.61	169.45	11.77
Loans and advances to customers	3,536.05	3,984.00	12.67
Investment securities	711.32	871.78	22.56
Others	226.78	215.16	-5.12
Total Assets	5,223.07	5,791.58	10.88

Source: Audited Financial Reports of Commercial Banks

### Annex 8.3: Composition of Liabilities and Equity

Assets Category	FY 2020/21 (Amount-Rs. in Billion)	FY 2021/22 (Amount-Rs. in Billion)	Percentage Change
Due to Bank and Financial Institutions	143.42	114.83	-19.94
Deposits from customers	4,086.20	4,461.96	9.20
Share capital	316.20	357.10	12.93
Retained Earnings	52.06	47.36	-9.04
Reserves	181.76	207.31	14.05
Others	443.43	603.03	35.99
Total Liabilities and Equity	5,223.07	5,791.58	10.88

Source: Audited Financial Reports of Commercial Banks

### Annex 8.4: Capital Fund

Banks	Capital Fund (Amount-Rs. in Billion)			Percentage Change	
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
State-owned Commercial Banks	76.72	105.42	104.05	37.41	-1.30
Non State-owned Commercial Banks	429.75	527.19	588.85	22.67	11.70
Commercial Banks (in Total)	506.47	632.61	692.90	24.91	9.53

Source: Unaudited figures from Offsite Supervision Unit, BSD

### Annex 8.5: Deposit Mix

Deposit Mix	Amount (Rs. in Billion)			Percentage Change	
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
Current	389.7	461.98	426.13	18.55	-7.76
Saving	1,087.52	1,386.38	1,228.24	27.48	-11.41
Fixed	1,645.92	1,865.14	2,404.55	13.32	28.92
Other	366.25	372.69	383.5	1.76	2.90
Total	3,489.39	4,086.20	4,442.42	17.10	8.72

Source: Unaudited figures from Offsite Supervision Unit, BSD

### Annex 8.6: Loans and Advances

Banks	Loan and Advances (Amount-Rs. in Billion)			Percentage Change	
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
State-owned Commercial Banks	385.07	485.98	581.8	26.21	19.72
Non State-owned Commercial Banks	2,501.16	3,201.68	3,571.65	28.01	11.56
Commercial Banks (in Total)	2,886.23	3,687.65	4,153.45	27.77	12.63

Source: Audited Financial Reports of Commercial Banks

### Annex 8.7: Non Performing Loans

Banks	Non-Performing Loan (Amount-Rs. in Billion)			Percentage Change	
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
State-owned Commercial Banks	13.54	11.85	11.03	-12.43	-6.92
Non State-owned Commercial Banks	39.04	40.33	39.11	3.31	-3.01
Commercial Banks (in Total)	52.57	52.18	50.15	-0.75	-3.90

Source: Unaudited figures from Offsite Supervision Unit, BSD

### Annex 8.8: Non-Banking Assets

Banks	Non-Banking Assets (Amount-Rs. in Billion)			Percentage Change	
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22
State-owned Commercial Banks	0.43	0.43	0.54	0.11	24.18
Non State-owned Commercial Banks	5.55	6.34	8.10	14.23	27.73
Commercial Banks (in Total)	5.98	6.77	8.64	13.21	27.51

Source: Unaudited figures from Offsite Supervision Unit, BSD

### Annex 8.9: Investment Portfolios

Investment	FY 2021/22	
	Amount (Rs. in Billion)	Proportion (in Percent)
Government	818.42	82.38
NRB Bonds	0	0.00
Bonds	0	0.00
Non-Financial Govt. Institutions	0.1	0.01
Shares & Debenture	74.73	7.52
Interbank Investment	18.15	1.83
Fixed Deposit Investment	0.22	0.02
Gold (Tradable)	0.41	0.04
Other Investments	81.50	8.20
Total Investments	993.52	100.00

Source: Unaudited figures from Offsite Supervision Unit, BSD

## Annex 8.10: Operating Efficiency

Income	FY 2020/21				FY 2021/22			
	State-owned Commercial Banks		Non State-owned Commercial Banks		State-owned Commercial Banks		Non State-owned Commercial Banks	
	Amount (Rs. in Billion)	Percent on Total Operating Income	Amount (Rs. in Billion)	Percent on Total Operating Income	Amount (Rs. in Billion)	Percent on Total Operating Income	Amount (Rs. in Billion)	Percent on Total Operating Income
Interest Income	43.24	155.59	284.15	184	56.71	196.78	382.04	230.28
Net Interest Income	21.50	77.35	111.46	72.17	24.37	84.55	128.53	77.47
Operating Profit	13.88	49.95	75.83	49.11	13.06	45.31	81.16	48.92
Net Income	9.91	35.67	52.65	34.09	9.44	32.76	56.80	34.24

Source: Audited Financial Reports of Commercial Banks

## Annex 8.11: Net Interest Spread

Banks	Interest Spread (in Percent)		
	FY 2019/20	FY 2020/21	FY 2021/22
State-owned Commercial Banks	3.96	4.36	3.02
Non State-owned Commercial Banks	3.34	3.52	2.72
Commercial Banks (in Average)	3.43	3.61	2.76

Note: Net interest spread refers to total interest income less total interest expenses

Source: Unaudited figures from Offsite Supervision Unit, BSD

## Annex 8.12: Liquid Assets to Total Deposits

Particulars	Amount (Rs. in Billion)		
	FY 2019/20	FY 2020/21	FY 2021/22
Liquid Assets	959	1167	1239
Total Deposit	3,489	4,086	4,544
Liquid Asset to Total Deposit Ratio (in Percent)	27.49	28.56	27.27

Source: Unaudited figures from Offsite Supervision Unit, BSD

## Annex 8.13: Liquid Assets to Total Assets

Particulars	Amount (Rs. in Billion)		
	FY 2019/20	FY 2019/20	FY 2019/20
Liquid Assets	959	1167	1239
Total Assets	4,246	5,223	5,999
Liquid Asset to Total Asset Ratio (in Percent)	22.59	22.34	20.66

Source: Unaudited figures from Offsite Supervision Unit, BSD

### Annex 8.14: Deprived Sector Lending of Commercial Banks as of Mid-July 2022

S.N.	Bank	Total Outstanding Loan Prior to 6 Months (Rs. In Million)	Minimum Required Deprived Sector Lending (5%)	Actual Lending in Deprived Sector (Rs. In Million)	Actual Lending in Deprived Sector (%)	Excess/ (Shortfall) in %
1	Nepal Bank Ltd.	172,913	8,646	11,058	6.40	1.40
2	RastriyaBanijya Bank Ltd.	206,649	10,332	16,439	7.96	2.96
3	Nabil Bank Ltd.	298,863	14,943	18,174	6.08	1.08
4	Nepal Investment Bank Ltd.	178,513	8,926	11,716	6.56	1.56
5	Standard Chartered Bank Ltd.	83,774	4,189	5,141	6.14	1.14
6	Himalayan Bank Ltd.	159,142	7,957	8,298	5.21	0.21
7	Nepal SBI Bank Ltd.	113,340	5,667	6,714	5.92	0.92
8	Everest Bank Ltd.	152,381	7,619	8,853	5.81	0.81
9	Bank of Kathmandu Ltd.	108,219	5,411	4,901	4.53	-0.47
10	Nepal Credit and Commerce Bank Ltd.	118,910	5,945	7,034	5.92	0.92
11	NIC Asia Bank Ltd	273,458	13,673	14,485	5.30	0.30
12	Machhapuchhre Bank Ltd.	133,529	6,676	6,918	5.18	0.18
13	Kumari Bank Ltd.	161,738	8,087	8,410	5.20	0.20
14	Laxmi Bank Ltd.	129,639	6,482	10,136	7.82	2.82
15	Siddharth Bank Ltd.	184,618	9,231	12,270	6.65	1.65
16	Agriculture Development Bank Ltd.	175,014	8,751	33,274	19.01	14.01
17	Global IME Bank Ltd.	271,026	13,551	15,257	5.63	0.63
18	Citizens Bank International Ltd.	132,408	6,620	15,159	11.45	6.45
19	Prime Commercial Bank Ltd.	162,343	8,117	10,415	6.42	1.42
20	Sunrise Bank Ltd.	125,375	6,269	9,067	7.23	2.23
21	NMB Bank Ltd.	179,232	8,962	9,390	5.24	0.24
22	Prabhu Bank Ltd.	148,403	7,420	9,811	6.61	1.61
23	Mega Bank Nepal Ltd.	146,985	7,349	8,400	5.71	0.71
24	Civil Bank Ltd.	87,572	4,379	7,438	8.49	3.49
25	Century Commercial Bank Ltd.	88,171	4,409	4,780	5.42	0.42
26	Sanima Bank Ltd.	140,495	7,025	8,912	6.34	1.34
	Total	3,957,695	197,885	282,450	7.14	2.14

Source: Unaudited figures from Offsite Supervision Unit, BSD

## Annex 9: Audited Financial Details of Commercial Banks as on mid-July

1. Nepal Bank Limited	Amount (Rs. in Millions)		
Statement of Financial Position	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>			
Cash and cash equivalents	4,971.64	6,528.39	6,391.60
Due from Nepal Rastra Bank	6,125.28	6,803.87	6,841.25
Placement with Bank and Financial Institutions	6,117.45	4,319.42	491.03
Derivative financial instruments	6,590.49	8,516.61	491.91
Other trading assets	-	101.20	105.28
Loans and advances to B/FIs	3,521.19	6,538.59	6,159.62
Loans and advances to customers	103,303.75	135,420.47	171,480.50
Investment securities	32,596.09	30,009.31	42,786.91
Current tax assets	1,580.92	1,642.24	1,950.39
Investment in subsidiaries	-	-	-
Investment in associates	-	-	-
Investment property	103.11	111.03	108.55
Property and equipment	12,008.02	12,240.08	13,243.16
Goodwill and Intangible assets	39.45	45.84	35.44
Deferred tax assets	-	-	-
Other assets	14,205.42	10,368.43	9,992.24
<b>Total Assets</b>	<b>191,162.82</b>	<b>222,645.48</b>	<b>260,077.88</b>
	-	-	-
<b>Liabilities</b>	<b>161,131.83</b>	<b>189,430.33</b>	<b>224,614.26</b>
Due to Bank and Financial Institutions	1,458.87	809.13	1,090.68
Due to Nepal Rastra Bank	23.92	6,062.64	5,888.87
Derivative Financial Instrument	6,473.08	8,474.69	508.07
Deposits from customers	141,530.38	162,813.38	196,076.15
Borrowings	1,000.00	-	7,304.18
Current Tax Liabilities	-	-	-
Provisions	56.84	80.22	65.97
Deferred tax liabilities	3,825.76	4,435.21	4,269.15
Other liabilities	6,762.98	3,261.14	5,917.39
Debt securities issued	-	3,493.92	3,493.81
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>30,030.99</b>	<b>33,215.15</b>	<b>35,463.61</b>
Share Capital	11,282.82	12,636.76	14,405.90
Share premium	1,789.92	431.88	-
Retained earnings	3,102.72	3,732.37	3,422.20
Reserves	13,855.54	16,414.13	17,635.51

<b>Total Liabilities and Equity</b>	<b>191,162.82</b>	<b>222,645.48</b>	<b>260,077.88</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	11,526.84	11,887.17	16,439.95
Interest Expense	5,908.02	5,466.72	9,725.36
Net Interest Income	5,618.82	6,420.44	6,714.59
Fees and commission income	790.34	953.78	968.76
Fees and commission expense	43.96	67.35	81.81
Net fee and commission income	746.39	886.43	886.94
Net interest, fee and commission income	6,365.21	7,306.87	7,601.53
Net trading income	412.56	456.85	198.14
Other operating income	394.11	425.28	270.19
Total operating income	7,171.88	8,189.00	8,069.86
Impairment charge/(reversal) for loans and other losses	879.63	497.62	853.66
Net operating income	6,292.25	7,691.38	7,216.20
Personnel expenses	2,224.85	2,353.46	2,451.90
Other operating expenses	668.68	813.08	787.73
Depreciation and Amortisation	150.80	177.18	339.10
Operating Profit	3,247.92	4,347.66	3,637.46
Non-operating income	327.25	224.76	219.33
Non-operating expense	-	-	-
Profit before income tax	3,575.17	4,572.42	3,856.79
Income Tax Expense			-
Current Tax	820.47	1,275.94	983.65
Deferred Tax	421.81	335.25	(50.14)
<b>Profit for the Period</b>	<b>2,332.89</b>	<b>2,961.23</b>	<b>2,923.28</b>

<b>2. Agricultural Development Bank Ltd.</b>	<b>Amount (Rs. in Million)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	8,489.43	10,636.73	6,559.90
Due from Nepal Rastra Bank	12,567.11	9,740.61	6,208.95
Placement with Bank and Financial Institutions	5,007.61	4,117.58	127.90
Derivative financial instruments	133.76	70.86	103.88
Other trading assets	17.42	1,666.53	1,047.49
Loan and advances to B/FIs	1,137.56	113.67	4,123.68
Loans and advances to customers	121,849.39	150,598.36	173,314.97
Investment securities	24,422.06	37,880.07	45,922.12
Current tax assets	897.72	1,214.56	966.32
Investment in subsidiaries	28.84	28.84	28.84
Investment in associates	69.38	69.38	69.38

Investment property	220.93	198.28	252.59
Property and equipment	1,293.54	1,480.62	2,225.08
Goodwill and Intangible assets	289.80	262.01	229.77
Deferred tax assets	-	-	52.15
Other assets	2,896.29	4,362.25	4,951.22
<b>Total Assets</b>	<b>179,320.86</b>	<b>222,440.35</b>	<b>246,184.24</b>
	-	-	-
<b>Liabilities</b>	<b>150,849.64</b>	<b>190,935.23</b>	<b>212,827.21</b>
Due to bank and financial institutions	103.13	175.32	7,998.74
Due to Nepal Rastra Bank	9.67	8,716.36	9,781.71
Derivative financial instruments	-	-	-
Deposits from customers	143,628.52	162,814.93	166,590.27
Borrowing	10.94	538.53	1,777.21
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	177.08	327.59	-
Other liabilities	4,425.33	3,886.28	6,210.24
Debt securities issued	2,494.95	14,476.21	20,469.04
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>28,471.22</b>	<b>31,505.12</b>	<b>33,357.03</b>
Share capital	9,556.46	10,989.93	18,620.63
Share premium	5,432.71	5,432.71	-
Retained earnings	2,273.77	3,654.51	3,521.79
Reserves	11,208.28	11,427.96	11,214.61
<b>Total Liabilities and Equity</b>	<b>179,320.86</b>	<b>222,440.35</b>	<b>246,184.24</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	15,821.70	15,124.05	19,582.60
Interest Expense	9,105.58	8,258.33	11,226.66
Net Interest Income	6,716.12	6,865.72	8,355.94
Fee and commission income	1,901.63	1,612.95	1,464.29
Fee and commission expense	25.81	46.88	56.19
Net Fee and commission income	1,875.82	1,566.07	1,408.10
Net Interest, Fee and commission income	8,591.94	8,431.79	9,764.04
Net trading income	392.18	994.30	232.46
Other operating income	35.93	452.41	234.76
Total operating income	9,020.05	9,878.50	9,766.34
Impairment charge/(reversal) for loans and other losses	517.22	121.43	992.76
Net operating income	8,502.83	9,757.07	8,773.58
Personnel expenses	3,025.47	3,311.39	3,823.92

Other operating expenses	942.16	1,132.68	872.31
Depreciation and amortization	216.59	275.69	472.95
Operating Profit	4,318.60	5,037.32	3,604.41
Non-operating income	81.28	28.24	87.53
Non-operating expense	0.04	3.21	51.55
Profit before income tax	4,399.85	5,062.34	3,640.39
Income Tax Expense	-	-	-
Current Tax	1,027.22	1,344.77	1,684.70
Deferred Tax	40.89	190.04	(270.07)
<b>Profit for the Period</b>	<b>3,331.74</b>	<b>3,527.54</b>	<b>2,225.77</b>

<b>3. Nabil Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	4,799.63	7,285.64	11,051.54
Due from Nepal Rastra Bank	20,021.03	8,024.17	13,037.24
Placement with Bank and Financial Institutions	10,230.58	9,865.21	8,870.90
Derivative financial instruments	10,859.60	13,615.33	1,373.61
Other trading assets	-	-	29.73
Loan and advances to B/FIs	5,836.37	8,601.57	10,366.94
Loans and advances to customers	148,054.07	198,021.42	300,205.65
Investment securities	33,633.40	39,889.09	62,455.04
Current tax assets	260.80	307.01	606.48
Investment in subsidiaries	78.00	78.00	298.00
Investment in associates	80.00	80.00	80.00
Investment property	8.22	8.75	1,318.60
Property and equipment	1,318.11	1,692.63	3,536.10
Goodwill and Intangible assets	71.75	62.65	291.72
Deferred tax assets	-	-	-
Other assets	2,428.48	3,534.74	6,296.55
<b>Total Assets</b>	<b>237,680.03</b>	<b>291,066.22</b>	<b>419,818.10</b>
	-	-	
<b>Liabilities</b>	<b>211,824.37</b>	<b>257,208.12</b>	<b>366,836.35</b>
Due to bank and financial institutions	2,228.86	4,502.71	3,353.61
Due to Nepal Rastra Bank	53.29	5,450.39	4,657.44
Derivative financial instruments	10,764.20	13,634.23	1,390.74
Deposits from customers	190,806.47	223,474.47	326,222.31
Borrowing	-	-	10,720.73
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	1,438.83	1,346.34	1,778.50



Due from Nepal Rastra Bank	14,321.97	7,417.25	5,637.28
Placement with Bank and Financial Institutions	7,964.99	8,136.78	8,778.71
Derivative financial instruments	133.98	36.75	-
Other trading assets	-	-	-
Loan and advances to B/FIs	4,920.06	5,094.85	7,659.34
Loans and advances to customers	135,082.10	156,816.68	157,157.09
Investment securities	26,078.44	35,168.05	44,572.88
Current tax assets	715.88	586.04	436.40
Investment in subsidiaries	171.50	171.50	171.50
Investment in associates	82.36	82.36	82.36
Investment property	265.98	601.85	573.02
Property and equipment	4,010.98	4,076.39	4,536.01
Goodwill and Intangible assets	124.62	112.24	75.35
Deferred tax assets	-	-	-
Other assets	1,613.01	2,616.67	3,620.61
<b>Total Assets</b>	<b>203,023.90</b>	<b>227,930.13</b>	<b>244,448.79</b>
<b>Liabilities</b>	<b>175,850.73</b>	<b>195,695.22</b>	<b>210,456.88</b>
Due to Bank and Financial Institutions	2,462.22	4,840.27	1,973.92
Due to Nepal Rastra Bank	2.72	3,575.65	6,470.87
Derivative financial instruments	-	-	5.24
Deposits from customers	166,362.13	174,557.70	184,791.07
Borrowing	-	-	3,825.00
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	968.73	1,792.92	1,099.51
Other liabilities	2,804.94	4,178.68	6,291.27
Debt securities issued	3,250.00	6,750.00	6,000.00
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>27,173.16</b>	<b>32,234.91</b>	<b>33,991.91</b>
Share capital	14,248.95	16,257.33	18,307.54
Share premium	32.60	4.80	-
Retained earnings	2,622.39	1,836.62	1,307.67
Reserves	10,269.22	14,136.17	14,376.71
<b>Total Equity and Liabilities</b>	<b>203,023.90</b>	<b>227,930.13</b>	<b>244,448.79</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest income	15,201.33	13,712.05	16,703.93
Interest expense	9,423.66	8,118.99	10,884.94
Net interest income	5,777.67	5,593.05	5,818.99
Fees and Commission income	1,513.16	1,362.04	1,592.63

Fees and Commission expense	316.00	245.40	319.60
Net fee and commission income	1,197.17	1,116.64	1,273.04
Net interest, fee and commission income	6,974.83	6,709.69	7,092.03
Net trading income	871.87	747.86	667.25
Other operating income	230.12	937.46	307.97
<b>Total Operating Income</b>	<b>8,076.83</b>	<b>8,395.02</b>	<b>8,067.25</b>
Impairment charges/(reversals) for loans & other losses	1,997.25	441.67	(1,306.89)
Net operating income	6,079.59	7,953.35	9,374.15
Personnel Expenses	1,442.95	1,708.09	1,874.39
Other Operating Expenses	862.10	865.49	722.55
Depreciation and Amortization	259.30	260.24	487.55
Operating profit	3,515.24	5,119.52	6,289.66
Non-operating income	3.32	4.08	2.90
Non-operating expense	6.29	64.73	904.11
Profit before income tax	3,512.27	5,058.87	5,388.45
Income tax expense	-	-	-
Current Tax	1,087.06	1,531.31	1,620.51
Deferred Tax	2.02	(31.05)	(29.66)
<b>Profit for the Period</b>	<b>2,423.19</b>	<b>3,558.61</b>	<b>3,797.60</b>

5. Standard Chartered Bank Limited	Amount (Rs. in Millions)		
	FY 2019/20	FY 2020/21	FY 2021/22
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Cash and cash equivalent	39,244.05	26,856.98	19,139.90
Due from Nepal Rastra Bank	1,985.45	2,236.48	2,380.23
Placement with bank and financial institutions	4,210.50	-	2,567.37
Derivative financial instruments	41.75	0.27	22.00
Other trading assets	-	-	-
Loan and advances to B/FIs	4,124.86	9,065.23	10,217.35
Loans and advances to customers	52,810.89	62,408.70	79,197.40
Investment securities	13,058.68	12,816.34	7,910.85
Current tax assets	171.94	124.72	113.13
Investment in subsidiaries	-	-	-
Investment in associates	-	-	-
Investment property	-	-	-
Property and equipment	187.15	277.10	612.94
Goodwill and Intangible assets	-	-	-
Deferred tax assets	36.49	-	51.17
Other assets	566.51	952.94	1,143.36
<b>Total Assets</b>	<b>116,438.27</b>	<b>114,738.76</b>	<b>123,355.71</b>

<b>Liabilities</b>	<b>101,335.78</b>	<b>98,516.64</b>	<b>105,220.61</b>
Due to Bank and Financial Institutions	4,246.47	8,426.45	8,223.67
Due to Nepal Rastra Bank	-	621.51	514.99
Derivative financial instruments	1.17	20.81	0.19
Deposits from customers	95,020.84	87,564.22	93,721.92
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	37.40	19.60	-
Deferred tax liabilities	-	20.07	-
Other liabilities	2,029.90	1,844.00	2,759.85
Debt securities issued	-	-	-
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>15,102.50</b>	<b>16,222.12</b>	<b>18,135.10</b>
Share capital	8,011.43	8,572.23	9,429.45
Share premium	-	-	-
Retained earnings	1,517.92	1,776.75	2,197.90
Reserves	5,573.14	5,873.13	6,507.75
<b>Total Liabilities and Equity</b>	<b>116,438.27</b>	<b>114,738.76</b>	<b>123,355.71</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	6,569.46	5,320.63	7,527.92
Interest Expense	3,113.44	2,726.84	3,787.46
Net Interest Income	3,456.02	2,593.79	3,740.46
Fee and commission income	797.74	739.04	989.62
Fee and commission expense	40.96	38.74	56.98
Net Fee and commission income	756.78	700.30	932.64
Net Interest, Fee and commission income	4,212.79	3,294.10	4,673.11
Net trading income	580.80	759.05	657.44
Other operating income	179.23	10.52	2.92
Total operating income	4,972.83	4,063.66	5,333.47
Impairment charge/(reversal) for loans and other losses	439.07	408.38	134.31
Net operating income	4,533.76	3,655.28	5,199.16
Personnel expenses	1,104.24	1,052.26	1,268.00
Other operating expenses	530.30	526.33	542.07
Depreciation and amortization	51.86	64.11	148.64
Operating Profit	2,847.37	2,012.59	3,240.45
Non-operating income	-	-	-
Non-operating expense	9.85	5.00	8.49
Profit before income tax	2,837.51	2,007.59	3,231.96
Income Tax Expense			-
Current Tax	810.79	598.72	1,019.49

Deferred Tax	39.34	10.04	(43.47)
<b>Profit for the Period</b>	<b>1,987.39</b>	<b>1,398.84</b>	<b>2,255.93</b>

<b>6. Himalayan Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and Cash Equivalents	7,231.14	8,910.94	11,391.81
Due from Nepal Rastra Bank	12,407.82	7,535.70	7,133.56
Placements with Bank and Financial Institutions	6,342.17	3,780.74	3,322.40
Derivative financial instruments	115.62	92.63	17.10
Other trading assets	-	-	-
Loans & Advances to BFIs	4,998.08	6,045.81	7,851.03
Loans & Advances to Customers	101,728.47	126,048.13	147,121.80
Investment securities	18,241.67	20,433.63	31,900.98
Current tax assets	351.50	418.40	459.91
Investments in Subsidiaries	200.00	200.00	200.00
Investments in Associates	195.79	185.06	192.71
Investment property	379.80	379.80	239.10
Property & Equipment	2,411.79	2,519.64	3,814.32
Goodwill and Intangible assets	151.10	222.39	199.11
Deferred tax assets	-	-	-
Other assets	1,129.98	1,718.04	2,442.45
<b>Total Assets</b>	<b>155,884.92</b>	<b>178,490.93</b>	<b>216,286.27</b>
<b>Liabilities</b>	<b>138,295.67</b>	<b>158,358.21</b>	<b>194,276.08</b>
Due to Bank and Financial Institutions	6,595.87	8,360.64	3,067.88
Due to Nepal Rastra Bank	155.74	3,025.60	14,807.90
Derivative financial instruments	75.54	52.94	25.73
Deposits from customers	125,264.38	141,021.07	168,419.49
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	95.90	114.57	90.52
Other liabilities	3,544.58	3,090.59	5,170.99
Debt securities issued	2,563.66	2,692.81	2,693.57
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>17,589.25</b>	<b>20,132.71</b>	<b>22,010.20</b>
Share Capital	9,372.28	10,684.40	12,968.73
Share premium	-	-	-
Retained earnings	2,496.76	2,938.20	2,567.79

Reserves	5,720.21	6,510.11	6,473.68
<b>Total Liabilities and Equity</b>	<b>155,884.92</b>	<b>178,490.93</b>	<b>216,286.27</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	12,178.99	10,370.84	16,565.85
Interest Expense	7,357.29	6,582.12	11,622.53
Net Interest Income	4,821.70	3,788.72	4,943.32
Fee and commission income	748.84	778.66	1,019.04
Fee and Commission Expenses	62.10	80.48	105.47
Net Fee and commission income	686.74	698.18	913.57
Net Interest, Fee and commission income	5,508.44	4,486.90	5,856.89
Net trading income	764.97	655.01	595.91
Other operating income	145.40	2,227.73	126.40
Total Operating Income	6,418.81	7,369.63	6,579.20
Impairment charges/(reversal) for Loans and Other losses	305.63	145.32	1,280.86
Net operating income	6,113.18	7,224.31	5,298.33
Personnel expenses	1,651.12	1,859.37	1,628.05
Other operating expenses	870.17	870.90	758.71
Depreciation & Amortization	180.32	186.18	355.28
Operating Profit	3,411.57	4,307.87	2,556.28
Non-operating income	398.08	18.34	860.05
Non-operating expense	251.26	66.89	19.50
Profit before income tax	3,558.39	4,259.31	3,396.83
Income Tax Expense			-
Current Tax	979.25	1,277.00	1,054.86
Deferred Tax	(7.59)	(16.31)	(25.57)
<b>Profit for the Period</b>	<b>2,586.72</b>	<b>2,998.62</b>	<b>2,367.54</b>

<b>7. Nepal SBI Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	15,111.52	8,426.35	10,160.63
Due from Nepal Rastra Bank	7,580.53	3,272.98	4,519.93
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	-	-	33.91
Other trading assets	50.98	90.56	60.44
Loan and advances to B/FIs	4,819.69	4,586.77	5,183.05
Loans and advances to customers	89,615.50	96,951.27	105,394.04
Investment securities	12,350.07	21,246.99	23,575.97
Current tax assets	294.39	410.02	403.89



Personnel expenses	1,677.34	1,567.06	1,828.05
Other operating expenses	793.03	740.91	615.91
Depreciation & Amortization	180.05	186.30	354.46
Operating Profit	2,207.61	1,351.39	2,365.48
Non-operating income	27.52	9.78	13.82
Non-operating expense	3.33	0.64	-
Profit before income tax	2,231.80	1,360.53	2,379.29
Income Tax Expense	-	-	-
Current Tax	721.01	451.97	783.43
Deferred Tax	(32.56)	(54.92)	(42.45)
<b>Profit for the Period</b>	<b>1,543.35</b>	<b>963.48</b>	<b>1,638.31</b>

<b>8. Everest Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	10,368.15	9,163.41	14,024.36
Due from Nepal Rastra Bank	19,972.67	28,838.57	11,105.03
Placement with Bank and Financial Institutions	2,404.00	2,144.70	2,875.50
Derivative financial instruments	14.54	-	15.77
Other trading assets	-	-	-
Loan and advances to B/FIs	6,857.50	7,486.02	9,573.31
Loans and advances to customers	112,211.74	127,687.22	145,480.53
Investment securities	28,813.51	31,460.03	35,674.34
Current tax assets	226.71	441.08	548.67
Investment in subsidiaries	-	-	-
Investment in associates	379.02	502.32	713.66
Investment property	21.04	2.20	2.20
Property and equipment	2,151.05	2,737.91	3,635.57
Goodwill and Intangible assets	46.14	32.84	23.08
Deferred tax assets	-	-	111.96
Other assets	1,557.12	1,153.94	1,597.35
<b>Total Assets</b>	<b>185,023.19</b>	<b>211,650.25</b>	<b>225,381.32</b>
<b>Liabilities</b>	<b>166,397.70</b>	<b>190,966.64</b>	<b>202,586.77</b>
Due to Bank and Financial Institutions	1,182.83	678.98	733.07
Due to Nepal Rastra Bank	32.89	2,112.18	2,919.26
Derivative financial instruments	-	27.93	-
Deposits from customers	143,545.48	160,220.26	172,739.18
Borrowing	-	-	2,556.00
Current Tax Liabilities	-	-	-
Provisions	-	-	-

Deferred tax liabilities	127.37	410.46	-
Other liabilities	20,428.42	27,047.99	22,313.62
Debt securities issued	1,068.85	468.85	1,325.63
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>18,637.36</b>	<b>20,683.61</b>	<b>22,794.55</b>
Share capital	8,510.21	8,933.72	9,467.34
Share premium	238.47	238.47	238.47
Retained earnings	1,793.07	2,364.21	3,877.12
Reserves	8,095.61	9,147.21	9,211.63
<b>Total Liabilities and Equity</b>	<b>185,023.19</b>	<b>211,650.25</b>	<b>225,381.32</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	13,956.19	11,515.53	15,467.18
Interest expense	8,645.78	7,559.21	10,285.76
Net Interest Income	5,310.41	3,956.32	5,181.42
Fee and commission income	1,144.66	978.90	1,294.96
Fee and commission expense	128.50	210.74	263.07
Net Fee and commission income	1,016.15	768.16	1,031.88
Net Interest, Fee and commission income	6,326.56	4,724.48	6,213.30
Net trading income	263.57	367.24	299.49
Other operating income	122.21	214.28	294.29
Total operating income	6,712.34	5,306.00	6,807.08
Impairment charge/(reversal) for loans and other losses	548.47	262.37	325.45
Net operating income	6,163.87	5,043.64	6,481.63
Personnel expenses	1,646.84	1,611.06	2,045.47
Other operating expenses	784.50	724.31	592.22
Depreciation & Amortization	149.84	159.86	293.19
Operating Profit	3,582.69	2,548.41	3,550.75
Non-operating income	-	-	-
Non-operating expense	0.61	0.09	2.51
Profit before income tax	3,582.08	2,548.32	3,548.24
Income Tax Expense			-
Current Tax Expenses	1,079.44	790.24	1,055.44
Deferred Tax (Expenses)/Income	(13.61)	(12.86)	13.40
<b>Profit for the Period</b>	<b>2,516.24</b>	<b>1,770.94</b>	<b>2,479.40</b>

<b>9. Kumari Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			

Cash and cash equivalent	9,154.31	7,580.24	17,609.89
Due from Nepal Rastra Bank	5,821.52	8,486.45	5,475.31
Placement with Bank and Financial Institutions	852.45	4,840.71	1,949.48
Derivative financial instruments	46.52	-	-
Other trading assets	-	-	-
Loan and advances to B/FIs	3,796.21	5,123.68	5,846.26
Loans and advances to customers	110,717.26	137,897.93	152,562.93
Investment securities	12,757.71	22,697.94	22,815.09
Current tax assets	328.29	257.14	454.70
Investment in subsidiaries	220.00	220.00	420.00
Investment in associates	130.06	155.02	185.02
Investment property	60.35	128.11	144.49
Property and equipment	1,383.66	1,258.56	1,179.75
Goodwill and Intangible assets	206.83	197.57	161.44
Deferred tax assets	10.00	-	-
Other assets	486.77	939.46	3,304.07
<b>Total Assets</b>	<b>145,971.94</b>	<b>189,782.82</b>	<b>212,108.44</b>
<b>Liabilities</b>	<b>128,703.77</b>	<b>170,890.59</b>	<b>191,106.32</b>
Due to Bank and Financial Institutions	7,475.89	14,731.92	6,194.53
Due to Nepal Rastra Bank	225.36	5,088.97	1,345.59
Derivative financial instrument	-	3.27	39.33
Deposits from customers	116,547.03	145,838.23	176,767.67
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	2.31	2.33	2.50
Deferred tax liabilities	-	145.63	75.21
Other liabilities	1,458.06	2,084.80	3,685.70
Debt securities issued	2,995.12	2,995.44	2,995.80
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>17,268.17</b>	<b>18,892.22</b>	<b>21,002.12</b>
Share capital	12,520.05	13,878.47	14,711.18
Share premium	571.63	88.80	88.80
Retained earnings	1,317.54	1,247.10	1,872.57
Reserves	2,858.95	3,677.85	4,329.56
<b>Total Liabilities and Equity</b>	<b>145,971.94</b>	<b>189,782.82</b>	<b>212,108.44</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	10,569.83	12,776.39	18,355.16
Interest Expense	6,996.63	7,698.87	12,137.99
Net Interest Income	3,573.20	5,077.51	6,217.17

Fee and commission income	529.32	822.62	962.86
Fee and commission expense	35.83	38.90	144.68
Net Fee and commission income	493.49	783.72	818.17
Net Interest, Fee and commission income	4,066.69	5,861.23	7,035.34
Net trading income	355.32	420.83	377.87
Other operating income	15.44	390.33	527.95
Total operating income	4,437.45	6,672.39	7,941.16
Impairment charge/(reversal) for loans and other losses	461.79	475.28	812.10
Net operating income	3,975.66	6,197.11	7,129.06
Personnel expenses	1,408.60	2,023.92	2,332.99
Other operating expenses	703.07	884.10	683.39
Depreciation & Amortization	177.91	283.30	535.21
Operating Profit	1,686.08	3,005.79	3,577.48
Non-operating income	23.34	33.90	18.32
Non-operating expense	0.03	0.29	1.98
Profit before income tax	1,709.38	3,039.40	3,593.81
Income Tax Expense	-	-	-
Current Tax	560.13	929.31	1,029.42
Deferred Tax	(9.26)	139.36	(15.42)
<b>Profit for the Period</b>	<b>1,158.51</b>	<b>1,970.73</b>	<b>2,579.81</b>

<b>10. Laxmi Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	9,423.98	10,940.57	11,194.74
Due from Nepal Rastra Bank	9,443.37	7,256.23	6,340.17
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	6,224.51	6,073.91	362.81
Other trading assets	16.12	-	10.09
Loan and advances to B/FIs	1,590.27	3,272.95	5,956.15
Loans and advances to customers	88,452.55	105,213.37	126,767.90
Investment securities	9,029.22	13,004.41	16,816.56
Current tax assets	114.15	72.56	87.58
Investment in subsidiaries	417.00	417.00	417.00
Investment in associates	1,396.41	2,818.22	1,186.20
Investment property	108.98	105.94	70.54
Property and equipment	1,391.83	1,335.67	2,394.75
Goodwill and Intangible assets	90.19	76.49	76.84
Deferred tax assets	-	-	-
Other assets	1,200.00	1,653.54	1,702.63
<b>Total Assets</b>	<b>128,898.57</b>	<b>152,240.86</b>	<b>173,383.95</b>

<b>Liabilities</b>	<b>114,923.51</b>	<b>135,344.10</b>	<b>156,442.94</b>
Due to Bank and Financial Institutions	2,979.39	2,826.27	1,182.34
Due to Nepal Rastra Bank	500.46	4,364.95	2,569.07
Derivative financial instruments	6,181.98	6,050.42	363.51
Deposits from customers	98,370.76	114,605.49	139,537.10
Borrowing	3,634.80	3,591.57	6,433.11
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	235.55	888.96	234.18
Other liabilities	1,012.39	1,008.23	2,107.41
Debt securities issued	2,008.20	2,008.22	4,016.22
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>13,975.06</b>	<b>16,896.76</b>	<b>16,941.02</b>
Share capital	9,812.56	10,695.69	11,551.35
Share premium	-	-	-
Retained earnings	1,310.24	1,262.94	1,200.80
Reserves	2,852.26	4,938.13	4,188.87
<b>Total Liabilities and Equity</b>	<b>128,898.57</b>	<b>152,240.86</b>	<b>173,383.95</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	10,182.24	9,377.43	13,060.13
Interest Expense	6,720.07	5,920.59	9,299.76
Net Interest Income	3,462.17	3,456.84	3,760.37
Fee and commission income	809.23	979.86	1,156.58
Fee and commission expense	101.13	104.30	199.46
Net Fee and commission income	708.10	875.56	957.11
Net Interest, Fee and commission income	4,170.26	4,332.40	4,717.48
Net trading income	332.90	340.54	270.71
Other operating income	103.18	500.37	338.50
Total operating income	4,606.34	5,173.31	5,326.69
Impairment charge/(reversal) for loans and other losses	475.24	492.21	554.17
Net operating income	4,131.10	4,681.10	4,772.52
Personnel expenses	1,232.79	1,573.59	1,610.73
Other operating expenses	706.64	682.48	677.87
Depreciation & Amortization	166.91	188.94	329.80
Operating Profit	2,024.75	2,236.09	2,154.12
Non-operating income	15.63	4.45	10.46
Non-operating expense	47.94	11.45	36.90
Profit before income tax	1,992.44	2,229.09	2,127.67
Income Tax Expense			-

Current Tax	598.33	674.67	674.31
Deferred Tax	(17.43)	(21.34)	(60.09)
<b>Profit for the Period</b>	<b>1,411.55</b>	<b>1,575.76</b>	<b>1,513.45</b>

<b>11. Citizens Bank International Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	10,841.97	11,563.04	17,892.74
Due from Nepal Rastra Bank	2,430.00	3,796.49	4,266.51
Placement with Bank and Financial Institutions	302.68	2,874.87	1,233.63
Derivative financial instruments	1.03	47.01	2.66
Other trading assets	90.62	596.89	327.34
Loan and advances to B/FIs	1,534.10	3,247.17	3,299.92
Loans and advances to customers	78,976.40	118,912.04	131,344.33
Investment securities	11,828.33	22,017.42	28,153.43
Current tax assets	142.49	288.46	348.14
Investment in subsidiaries	167.20	167.20	167.20
Investment in associates	18.95	16.00	375.65
Investment property	195.53	141.15	208.65
Property and equipment	2,554.05	2,880.20	3,704.21
Goodwill and Intangible assets	75.32	83.56	196.84
Deferred tax assets	-	-	-
Other assets	1,391.99	1,697.54	2,891.41
<b>Total Assets</b>	<b>110,550.68</b>	<b>168,329.05</b>	<b>194,412.65</b>
<b>Liabilities</b>	<b>97,132.96</b>	<b>149,441.03</b>	<b>174,003.36</b>
Due to Bank and Financial Institutions	3,688.90	2,765.00	4,063.05
Due to Nepal Rastra Bank	567.58	1,205.56	11,070.25
Derivative financial instruments	-	-	-
Deposits from customers	88,496.23	140,638.41	152,801.49
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	5.31	5.31	5.31
Deferred tax liabilities	13.61	217.49	63.31
Other liabilities	1,386.95	2,133.18	3,522.07
Debt securities issued	2,974.38	2,476.08	2,477.88
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>13,417.72</b>	<b>18,888.02</b>	<b>20,409.29</b>
Share capital	9,089.82	12,576.92	14,200.97
Share premium	4.12	-	-
Retained earnings	931.16	1,422.78	1,329.46
Reserves	3,392.62	4,888.32	4,878.85
<b>Total Liabilities and Equity</b>	<b>110,550.68</b>	<b>168,329.05</b>	<b>194,412.65</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>

Interest Income	9,489.53	10,839.53	15,967.65
Interest Expenses	6,604.77	7,189.14	(10,974.16)
Net Interest Income	2,884.75	3,650.40	4,993.49
Fee and commission income	582.21	825.37	998.10
Fee and commission expense	57.73	73.36	(129.04)
Net Fee and commission income	524.48	752.01	869.07
Net Interest, Fee and commission income	3,409.24	4,402.41	5,862.56
Net trading income	270.84	418.47	224.28
Other operating income	112.45	153.11	177.23
Total operating income	3,792.52	4,973.98	6,264.06
Impairment charge/(reversal) for loans and other losses	640.13	394.04	552.42
Net operating income	3,152.39	4,579.94	5,711.64
Personnel expenses	933.49	1,229.75	(1,785.43)
Other operating expenses	506.34	650.05	(803.85)
Depreciation & Amortization	211.68	244.88	(413.10)
Operating Profit	1,500.87	2,455.27	2,709.25
Non-operating income	167.87	130.44	123.34
Non-operating expense	-	-	-
Profit before income tax	1,668.74	2,585.70	2,832.60
Income Tax Expense			-
Current Tax	469.45	780.30	890.24
Deferred Tax	0.78	1.06	(63.25)
<b>Profit for the Period</b>	<b>1,198.50</b>	<b>1,804.34</b>	<b>2,005.61</b>

12. Prime Commercial Bank Limited	Amount (Rs. in Millions)		
	FY 2019/20	FY 2020/21	FY 2021/22
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Cash and Cash Equivalents	10,379.97	7,864.97	11,620.91
Due from Nepal Rastra Bank	8,716.15	10,497.99	8,860.33
Placement with Bank and Financial Institutions	2,260.12	4,766.88	144.90
Derivative financial instruments	-	-	-
Other trading assets	-	-	-
Loans and Advances to B/FIs	4,116.32	6,097.77	6,672.76
Loans and advances to customers	110,435.79	135,383.78	147,053.90
Investment securities	13,684.28	23,426.85	31,402.84
Current tax assets	136.77	288.06	640.05
Investment in Subsidiaries	-	-	-
Investment in associates	60.02	46.02	46.02
Investment property	496.49	365.78	529.81
Property and equipment	1,076.21	1,048.08	1,973.69
Goodwill and Intangible assets	16.00	22.77	379.54
Deferred tax assets	11.95	34.94	123.17
Other assets	792.93	693.32	913.96
<b>Total Assets</b>	<b>152,182.99</b>	<b>190,537.22</b>	<b>210,361.90</b>
	-	-	-
<b>Liabilities</b>	<b>131,656.14</b>	<b>166,595.71</b>	<b>183,356.19</b>
Due to Bank and Financial Institutions	10,350.29	6,042.37	6,096.83

Due to Nepal Rastra Bank	121.20	2,360.81	4,556.14
Derivative financial instruments	-	-	-
Deposits from customers	119,441.61	154,139.51	160,203.35
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	1,743.04	1,612.04	3,354.35
Debt securities issued	-	2,440.97	9,145.52
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>20,526.85</b>	<b>23,941.51</b>	<b>27,005.71</b>
Share Capital	13,985.25	16,083.04	18,656.32
Share premium	0.64	-	-
Retained earnings	1,888.97	2,719.16	1,738.85
Reserves	4,651.99	5,139.31	6,610.53
<b>Total Liabilities and Equity</b>	<b>152,182.99</b>	<b>190,537.22</b>	<b>210,361.90</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	12,233.26	14,009.66	18,301.36
Interest Expense	7,592.64	8,060.77	12,114.39
Net Interest Income	4,640.62	5,948.89	6,186.97
Fee and commission income	902.77	1,408.06	1,230.74
Fee and commission expense	71.33	105.27	142.55
Net Fee and Commission Income	831.43	1,302.79	1,088.19
Net Interest, Fee and Commission Income	5,472.05	7,251.68	7,275.16
Net trading income	267.53	321.27	231.16
Other operating income	61.91	269.72	156.91
Total operating income	5,801.49	7,842.66	7,663.23
Impairment Charge/ (Reversal) for Loans and Other Losses	766.21	769.30	1,239.84
Net operating income	5,035.28	7,073.37	6,423.39
Personnel expenses	1,093.78	1,591.34	1,670.36
Other operating expenses	532.52	612.31	471.91
Depreciation & Amortization	140.44	184.38	329.68
Operating Profit	3,268.54	4,685.33	3,951.43
Non-operating income	-	-	-
Non-operating expense	-	-	-
Profit before income tax	3,268.54	4,685.33	3,951.43
Income Tax Expense	-	-	-
Current Tax	993.52	1,502.61	1,260.32
Deferred Tax	23.55	(85.67)	(96.22)
<b>Profit for the Period</b>	<b>2,251.48</b>	<b>3,268.40</b>	<b>2,787.34</b>

13. Sunrise Bank Limited	Amount (Rs. in Millions)		
Statement of Financial Position	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>			
Cash and cash equivalents	8,011.84	4,145.73	9,454.67

Due from Nepal Rastra Bank	7,806.30	2,980.81	4,896.29
Placement with Bank and Financial Institutions	1,206.00	4,646.44	-
Derivative financial instruments	68.02	-	1.14
Other trading assets	-	-	-
Loans and Advances to BFIs	2,395.07	1,906.58	2,979.43
Loans and advances to customers	81,018.60	100,490.66	120,076.03
Investment in Securities	13,112.82	20,860.09	28,329.19
Current tax assets	206.80	262.56	466.50
Investment in Subsidiaries	157.14	261.31	261.31
Investment in associates	-	-	-
Investment property	433.36	404.14	844.10
Property and equipment	1,064.58	1,026.71	815.62
Goodwill and Intangible assets	48.07	25.93	8.18
Deferred tax assets	-	-	-
Other assets	769.92	752.47	2,120.03
<b>Total Assets</b>	<b>116,298.52</b>	<b>137,763.42</b>	<b>170,252.48</b>
<b>Liabilities</b>	102,904.74	<b>122,993.71</b>	<b>153,676.74</b>
Due to Bank and Financial Institutions	5,191.81	6,286.48	3,327.18
Due to Nepal Rastra Bank	743.47	2,995.98	7,292.46
Derivative financial instruments	-	10.47	-
Deposits from customers	90,223.27	106,432.37	131,606.26
Borrowings	1,202.50	1,192.50	3,655.08
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	94.35	220.38	33.19
Other liabilities	1,462.84	1,867.17	3,772.15
Debt securities issued	3,986.50	3,988.37	3,990.42
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>13,393.79</b>	<b>14,769.71</b>	<b>16,575.73</b>
Share Capital	8,967.81	9,487.94	10,118.89
Share premium	-	-	-
Retained earnings	743.61	668.86	205.68
Reserves	3,682.37	4,612.90	6,251.15
<b>Total Liabilities and Equity</b>	<b>116,298.52</b>	<b>137,763.42</b>	<b>170,252.48</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	10,020.93	8,960.72	13,800.26
Interest Expense	6,161.73	5,436.64	9,459.39
Net Interest Income	3,859.21	3,524.08	4,340.88
Fee and commission income	990.02	1,143.79	1,194.80
Fee and commission expense	129.65	178.62	261.11
Net Fee and commission income	860.36	965.17	933.69
Net Interest, Fee and Commission Income	4,719.57	4,489.24	5,274.57
Net trading income	222.77	242.21	247.91
Other operating income	73.67	194.48	234.58
Total operating income	5,016.01	4,925.93	5,757.05
Impairment Charge/ (Reversal) for Loans and Other Losses	849.83	254.68	560.32

Net operating income	4,166.18	4,671.25	5,196.73
Personnel expenses	1,359.17	1,518.14	1,842.76
Other operating expenses	684.95	689.33	560.05
Depreciation & Amortization	179.15	186.06	333.53
Operating Profit	1,942.91	2,277.72	2,460.40
Non-operating income	4.03	45.83	32.89
Non-operating expense	-	65.76	4.28
Profit before income tax	1,946.94	2,257.78	2,489.01
Income Tax Expense			-
Current Tax	591.85	750.25	644.91
Deferred Tax	(4.39)	60.99	(117.71)
<b>Profit for the Period</b>	<b>1,359.48</b>	<b>1,446.55</b>	<b>1,961.81</b>

14.Century Commercial Bank Limited Statement of Financial Position	Amount (Rs. in Millions)		
	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>			
Cash and Cash Equivalents	5,340.43	5,062.73	7,922.30
Due from Nepal Rastra Bank	7,549.39	10,282.85	4,375.88
Placement with Bank and Financial Institutions	604.06	837.30	-
Derivative financial instruments	-	-	-
Other trading assets	-	70.49	-
Loans and Advances to BFIs	2,373.90	2,227.27	2,123.81
Loans and advances to customers	58,152.21	78,078.29	88,281.19
Investment securities	6,821.38	12,356.26	13,946.97
Current tax assets	130.03	258.29	202.85
Investment in Subsidiaries	171.50	171.50	171.50
Investment in associates	27.50	27.50	27.50
Investment property	17.66	17.66	17.66
Property and equipment	632.84	628.08	1,510.05
Goodwill and Intangible assets	11.94	12.04	10.74
Deferred tax assets	9.84	55.92	120.34
Other assets	1,245.91	1,542.03	2,129.88
<b>Total Assets</b>	<b>83,088.59</b>	<b>111,628.20</b>	<b>120,840.68</b>
	-	-	-
<b>Liabilities</b>	72,523.05	100,717.31	108,983.45
Due to Bank and Financial Institutions	5,053.84	3,500.21	3,199.07
Due to Nepal Rastra Bank	417.14	1,994.80	2,910.28
Derivative financial instruments	157.11	241.16	-
Deposits from customers	65,314.89	93,496.63	98,202.93
Borrowings	-	-	-
Current Tax Liabilities	-	-	-
Provisions	88.67	86.74	84.86
Deferred tax liabilities	-	-	-
Other liabilities	1,491.40	1,397.77	2,386.31
Debt securities issued	-	-	2,200.00
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>10,565.54</b>	<b>10,910.89</b>	<b>11,857.23</b>

Share Capital	8,415.47	9,034.43	9,553.91
Share premium	34.37	-	-
Retained earnings	926.59	551.80	511.65
Reserves	1,189.11	1,324.66	1,791.67
<b>Total Liabilities and Equity</b>	<b>83,088.59</b>	<b>111,628.20</b>	<b>120,840.68</b>
<b>Statement of Profit or Loss</b>			
	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	7,845.89	7,608.42	10,140.06
Interest Expense	5,150.65	5,176.09	6,950.47
Net Interest Income	2,695.24	2,432.33	3,189.59
Fee and commission income	274.27	413.97	516.93
Fee and commission expense	25.40	35.80	57.98
Net Fee and commission income	248.87	378.17	458.95
Net Interest, Fee and commission income	2,944.11	2,810.50	3,648.55
Net trading income	174.50	176.56	111.51
Other operating income	54.74	67.03	102.64
Total operating income	3,173.35	3,054.09	3,862.70
Impairment (Charge)/ Reversal for Loans and Other Losses	422.71	638.57	440.97
Net operating income	2,750.65	2,415.52	3,421.72
Personnel expenses	902.91	940.52	1,203.69
Other operating expenses	490.88	523.02	463.43
Depreciation & Amortization	141.17	146.54	314.29
Operating Profit	1,215.69	805.43	1,440.32
Non-operating income	41.43	53.12	89.78
Non-operating expense	5.57	15.65	69.02
Profit before income tax	1,251.56	842.90	1,461.09
Income Tax Expense			-
Current Tax	440.10	285.29	490.41
Deferred Tax	6.93	(71.71)	(46.00)
<b>Profit for the Period</b>	<b>804.53</b>	<b>629.32</b>	<b>1,016.67</b>

<b>15. Sanima Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	5,190.30	4,771.14	5,224.72
Due from Nepal Rastra Bank	5,325.68	6,053.73	13,516.14
Placement with Bank and Financial Institutions	2,827.09	1,740.71	371.16
Derivative financial instruments	40.22	16.02	-
Other trading assets	443.45	224.41	500.75
Loan and advances to B/FIs	2,844.21	4,094.02	5,167.87
Loans and advances to customers	90,850.35	119,071.40	136,518.04
Investment securities	15,018.42	20,922.51	26,468.40
Current tax assets	-	-	-
Investment in subsidiaries	250.00	250.00	250.00
Investment in associates	-	-	-
Investment property	-	-	72.93
Property and equipment	1,177.21	1,196.39	1,344.61



<b>16. Machhapuchchhre Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	9,778.03	8,679.17	11,494.02
Due from Nepal Rastra Bank	4,552.00	8,908.18	6,047.35
Placement with Bank and Financial Institutions	81.14	477.09	-
Derivative financial instruments	67.42	21.85	-
Other trading assets	212.02	17.41	507.98
Loan and advances to B/FIs	2,471.15	3,714.54	2,607.54
Loans and advances to customers	92,529.23	113,572.01	128,573.15
Investment securities	11,932.41	19,603.81	24,127.40
Current tax assets	275.81	419.11	646.42
Investment in subsidiaries	200.00	200.00	200.00
Investment in associates	-	-	-
Investment property	174.95	273.91	244.18
Property and equipment	1,335.80	1,474.09	1,583.51
Goodwill and Intangible assets	65.13	126.03	127.06
Deferred tax assets	35.23	35.14	49.25
Other assets	809.25	691.21	2,519.43
<b>Total Assets</b>	<b>124,519.57</b>	<b>158,213.55</b>	<b>178,727.31</b>
	-	-	-
<b>Liabilities</b>	112,934.87	145,349.42	164,241.54
Due to Bank and Financial Institutions	2,649.48	2,863.54	5,072.84
Due to Nepal Rastra Bank	13.72	4,159.29	3,612.52
Derivative financial instruments	-	-	1.78
Deposits from customers	104,098.90	131,617.96	145,026.05
Borrowing	1,202.50	1,202.31	1,286.24
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	1,823.14	2,358.67	3,749.35
Debt securities issued	3,147.12	3,147.64	5,492.76
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>11,584.70</b>	<b>12,864.13</b>	<b>14,485.77</b>
Share capital	8,458.48	9,053.09	10,257.16
Share premium	30.88	30.88	30.88
Retained earnings	981.27	1,271.64	597.24
Reserves	2,114.08	2,508.52	3,600.49
<b>Total Liabilities and equity</b>	<b>124,519.57</b>	<b>158,213.55</b>	<b>178,727.31</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	11,352.89	11,155.48	15,232.37
Interest Expense	7,490.99	6,803.99	10,354.33
Net Interest Income	3,861.90	4,351.49	4,878.04

Fee and commission income	947.49	1,142.90	1,354.17
Fee and commission expense	100.67	131.04	191.03
Net Fee and commission income	846.82	1,011.86	1,163.14
Net Interest, Fee and commission income	4,708.71	5,363.35	6,041.18
Net trading income	282.16	258.09	216.65
Other operating income	70.13	196.39	95.05
Total operating income	5,061.01	5,817.83	6,352.88
Impairment charge/(reversal) for loans and other losses	587.92	497.80	501.23
Net operating income	4,473.08	5,320.03	5,851.65
Personnel expenses	1,502.91	1,769.51	1,923.72
Other operating expenses	888.44	890.79	1,096.38
Depreciation & Amortization	161.26	190.20	376.43
Operating Profit	1,920.47	2,469.53	2,455.11
Non-operating income	8.07	9.77	34.47
Non-operating expense	67.52	198.96	62.89
Profit before income tax	1,861.02	2,280.34	2,426.69
Income Tax Expense			-
Current Tax	612.52	676.12	746.99
Deferred Tax	(16.65)	(3.25)	(6.95)
<b>Profit for the Period</b>	<b>1,265.15</b>	<b>1,607.47</b>	<b>1,686.66</b>

17. NIC Asia Bank Limited	Amount (Rs. in Millions)			
	Statement of Financial Position	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>				
Cash and cash equivalent	12,294.51	23,902.66	27,813.32	
Due from Nepal Rastra Bank	18,721.48	9,072.90	12,654.49	
Placement with Bank and Financial Institutions	-	-	-	
Derivative financial instruments	5,636.25	5,359.38	-	
Other trading assets	9.44	11.80	162.82	
Loan and advances to B/FIs	12,708.08	14,289.46	14,099.44	
Loans and advances to customers	160,184.31	248,770.35	252,448.48	
Investment securities	29,317.24	33,293.73	39,048.16	
Current tax assets	3,627.91	297.11	140.56	
Investment in subsidiaries	1,264.50	1,264.50	1,264.50	
Investment in associates	-	-	-	
Investment property	496.06	1,275.46	722.53	
Property and equipment	3,223.64	3,038.16	3,093.07	
Goodwill and Intangible assets	112.85	91.55	132.65	
Deferred tax assets	-	-	-	
Other assets	2,994.10	5,480.46	6,989.81	
<b>Total Assets</b>	<b>250,590.38</b>	<b>346,147.52</b>	<b>358,569.84</b>	
	-	-	-	
<b>Liabilities</b>	<b>233,348.21</b>	<b>325,243.90</b>	<b>333,726.69</b>	
Due to Bank and Financial Institutions	9,271.52	13,329.47	6,754.20	
Due to Nepal Rastra Bank	-	3,238.62	19,727.76	
Derivative financial instruments	5,601.04	5,337.92	-	
Deposits from customers	201,630.38	287,024.80	289,903.96	
Borrowing	-	-	-	

Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	298.13	459.54	267.77
Other liabilities	6,891.49	4,884.18	6,346.64
Debt securities issued	9,655.64	10,969.37	10,726.36
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>17,242.17</b>	<b>20,903.62</b>	<b>24,843.15</b>
Share capital	9,717.65	11,564.01	11,564.01
Share premium	-	-	-
Retained earnings	1,975.81	1,599.55	3,427.07
Reserves	5,548.71	7,740.06	9,852.07
<b>Total Liabilities and Equity</b>	<b>250,590.38</b>	<b>346,147.52</b>	<b>358,569.84</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	20,723.32	23,562.13	32,771.91
Interest expense	13,118.48	14,334.63	21,482.31
Net Interest Income	7,604.83	9,227.50	11,289.60
Fees and commission income	2,642.78	1,840.70	2,369.65
Fees and commission expense	159.90	216.90	347.08
Net Fee and commission income	2,482.87	1,623.81	2,022.58
Net Interest, Fee and commission income	10,087.70	10,851.31	13,312.18
Net trading income	339.61	277.78	200.93
Other operating income	255.90	225.28	304.41
Total operating income	10,683.21	11,354.37	13,817.52
Impairment charge/(reversal) for loans and other losses	1,113.71	1,225.62	865.26
Net operating income	9,569.51	10,128.75	12,952.26
Personnel expenses	2,910.17	3,347.94	4,500.75
Other operating expense	1,971.78	1,614.43	2,101.54
Depreciation & Amortization	252.74	368.15	384.72
Operating Profit	4,434.83	4,798.23	5,965.25
Non-operating income	19.85	6.15	62.03
Non-operating expense	57.38	158.22	31.07
Profit before income tax	4,397.29	4,646.17	5,996.20
Income Tax Expense	-	-	-
Current Tax	1,268.43	1,388.70	1,793.28
Deferred Tax	30.32	(1.47)	(12.00)
<b>Profit for the Period</b>	<b>3,098.54</b>	<b>3,258.93</b>	<b>4,214.93</b>

<b>18. Global IME Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	20,083.66	15,593.94	18,221.95
Due from Nepal Rastra Bank	11,775.49	25,336.11	11,930.87
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	8,876.12	5,663.65	1,265.94
Other trading assets	-	-	-

Loan and advances to B/FIs	7,672.04	10,367.18	10,751.32
Loans and advances to customers	190,336.85	228,651.43	258,087.53
Investment securities	26,401.40	48,901.73	46,513.51
Current tax assets	1,639.87	2,232.79	2,238.65
Investment in subsidiaries	557.10	370.70	370.70
Investment in associates	404.22	644.19	652.92
Investment property	335.30	354.65	559.45
Property and equipment	2,543.21	3,252.01	5,884.77
Goodwill and Intangible assets	240.27	239.74	495.78
Deferred tax assets	281.57	279.39	180.13
Other assets	2,729.48	3,535.75	3,383.71
<b>Total Assets</b>	<b>273,876.59</b>	<b>345,423.26</b>	<b>360,537.22</b>
			-
<b>Liabilities</b>	<b>245,042.19</b>	<b>312,702.84</b>	<b>322,797.76</b>
Due to Bank and Financial Institutions	14,327.70	14,914.79	9,594.87
Due to Nepal Rastra Bank	1,339.36	10,894.00	14,438.91
Derivative financial instruments	8,773.44	5,440.37	1,271.01
Deposits from customers	212,315.39	268,433.79	276,964.91
Borrowing	2,404.00	2,371.77	5,747.23
Current Tax Liabilities	1,294.60	1,845.21	2,203.84
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	3,090.64	4,310.91	8,084.12
Debt securities issued	1,497.06	4,492.00	4,492.87
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>28,834.40</b>	<b>32,720.42</b>	<b>37,739.46</b>
Share capital	18,975.88	21,632.50	23,795.75
Share premium	5.39	-	-
Retained earnings	1,673.61	2,990.20	<b>3,239.23</b>
Reserves	8,179.51	8,097.71	10,704.48
<b>Total Liabilities and Equity</b>	<b>273,876.59</b>	<b>345,423.26</b>	<b>360,537.22</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	20,489.40	21,693.58	29,058.37
Interest Expenses	12,267.39	12,554.46	18,768.81
Net Interest Income	8,222.01	9,139.13	10,289.56
Fee and commission income	1,472.14	1,914.29	2,217.83
Fee and commission expense	242.01	380.25	535.52
Net Fee and commission income	1,230.13	1,534.04	1,682.31
Net Interest, Fee and commission income	9,452.14	10,673.16	11,971.87
Net trading income	579.52	666.46	594.21
Other operating income	196.81	611.28	472.85
Total operating income	10,228.47	11,950.90	13,038.92
Impairment charge/(reversal) for loans and other losses	1,954.43	1,125.26	466.43
Net operating income	8,274.04	10,825.64	12,572.49
Personnel expenses	2,474.64	3,164.82	3,290.73
Other operating expenses	1,248.83	1,369.43	1,446.86
Depreciation & Amortization	304.12	333.86	647.13

Operating Profit	4,246.46	5,957.53	7,187.77
Non-operating income	0.64	10.55	3.27
Non-operating expense	79.21	-	164.46
Profit before income tax	4,167.89	5,968.08	7,026.58
Income Tax Expense			-
Current Tax	1,294.60	1,844.54	2,165.53
Deferred Tax	(35.38)	(41.62)	(98.17)
<b>Profit for the period</b>	<b>2,908.66</b>	<b>4,165.15</b>	<b>4,959.22</b>

19. NMB Bank Limited	Amount (Rs. in Millions)		
	FY 2019/20	FY 2020/21	FY 2021/22
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Cash and cash equivalent	11,098.35	13,887.37	12,787.64
Due from Nepal Rastra Bank	15,250.00	19,218.51	13,747.31
Placement with Bank and Financial Institutions	3,304.23	2,717.15	3,782.29
Derivative financial instruments	10,066.30	17,161.39	5,293.77
Other trading assets	266.89	2.66	-
Loan and advances to B/FIs	4,665.86	5,194.47	5,920.09
Loans and advances to customers	115,668.47	151,014.12	174,948.36
Investment securities	14,998.76	17,453.56	31,724.85
Current tax assets	61.46	92.75	55.33
Investment in subsidiaries	372.49	372.49	372.49
Investment in associates	-	-	-
Investment property	79.65	97.94	295.16
Property and equipment	1,755.79	1,741.91	1,764.13
Goodwill and Intangible assets	125.85	112.54	226.51
Deferred tax assets	264.42	249.01	338.96
Other assets	1,473.39	2,230.98	3,893.71
<b>Total Assets</b>	<b>179,451.91</b>	<b>231,546.86</b>	<b>255,150.61</b>
			-
<b>Liabilities</b>	<b>158,516.53</b>	<b>207,603.08</b>	<b>228,279.65</b>
Due to Bank and Financial Institutions	3,150.01	1,964.52	2,082.44
Due to Nepal Rastra Bank	4,832.50	7,597.98	8,996.37
Derivative financial instrument	10,008.21	17,127.04	5,351.10
Deposits from customers	131,660.37	164,489.29	184,817.11
Borrowing	3,416.31	7,443.81	12,997.40
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	3,169.29	3,686.46	5,907.39
Debt securities issued	2,279.83	5,293.99	8,127.85
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>20,935.39</b>	<b>23,943.77</b>	<b>26,870.96</b>
Share capital	13,950.99	16,325.96	18,366.71
Share premium	120.17	-	-
Retained earnings	1,737.22	2,515.34	1,550.78
Reserves	5,127.01	5,102.47	6,953.47

<b>Total Liabilities and Equity</b>	<b>179,451.91</b>	<b>231,546.86</b>	<b>255,150.61</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	14,442.97	13,983.69	19,168.86
Interest Expense	8,946.75	8,323.03	12,781.32
Net Interest Income	5,496.22	5,660.66	6,387.54
Fee and commission income	914.37	1,177.64	1,689.47
Fee and commission expense	107.92	138.02	216.24
Net Fee and commission income	806.45	1,039.62	1,473.23
Net Interest, Fee and commission income	6,302.67	6,700.28	7,860.77
Net trading income	384.16	364.11	272.41
Other operating income	215.36	351.97	406.77
Total operating income	6,902.19	7,416.36	8,539.94
Impairment charge/(reversal) for loans and other losses	1,627.17	382.41	(37.23)
Net operating income	5,275.03	7,033.95	8,577.17
Personnel expenses	1,647.50	2,089.70	2,539.35
Other operating expenses	935.57	853.75	1,087.92
Depreciation & Amortization	241.68	269.48	290.52
Operating Profit	2,450.27	3,821.02	4,659.39
Non-operating income	18.51	39.07	2.66
Non-operating expense	33.98	15.21	46.76
Profit before income tax	2,434.80	3,844.88	4,615.29
Income Tax Expense			-
Current Tax	725.59	1,185.62	1,435.20
Deferred Tax expense/(Income)	(3.56)	(51.82)	(111.01)
<b>Profit for the Period</b>	<b>1,712.78</b>	<b>2,711.07</b>	<b>3,291.09</b>

<b>20. Prabhu Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalents	8,446.07	8,371.90	7,664.02
Due from Nepal Rastra Bank	20,184.42	16,537.18	13,514.39
Placement with Bank and Financial Institutions	-	595.75	12.80
Derivative financial instruments	5,353.76	6,116.14	1,523.80
Other trading assets	-	237.86	124.28
Loans and Advances to BFIs	3,897.66	7,362.45	6,411.86
Loans and advances to customers	99,397.72	135,117.77	145,381.57
Investment securities	20,318.13	33,356.50	49,700.75
Current tax assets	156.81	159.31	109.06
Investment in Subsidiaries	524.23	524.23	524.23
Investment in associates	-	-	-
Investment property	512.41	349.03	458.75
Property and equipment	2,358.89	2,305.37	3,545.39
Goodwill and Intangible assets	180.22	143.71	115.16

Deferred tax assets	302.96	427.34	458.99
Other assets	5,884.02	3,908.98	3,207.95
<b>Total Assets</b>	<b>167,517.30</b>	<b>215,513.53</b>	<b>232,753.00</b>
		-	-
<b>Liabilities</b>	152,129.53	<b>198,402.26</b>	<b>213,605.25</b>
Due to Bank and Financial Institutions	8,280.43	5,591.19	4,308.72
Due to Nepal Rastra Bank	4,794.41	11,261.51	16,083.28
Derivative financial instruments	5,311.76	6,082.41	1,516.66
Deposits from customers	128,740.77	164,850.50	178,652.18
Borrowings	-	-	-
Current Tax Liabilities	-	-	-
Provisions	23.32	23.32	23.32
Deferred tax liabilities	-	-	-
Other liabilities	3,980.52	4,956.25	7,383.32
Debt securities issued	998.32	5,637.07	5,637.77
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>15,387.77</b>	<b>17,111.27</b>	<b>19,147.75</b>
Share Capital	10,315.51	11,347.06	12,708.70
Share premium	-	-	-
Retained earnings	1,216.50	1,599.39	1,032.97
Reserves	3,855.76	4,164.83	5,406.07
<b>Total Liabilities and Equity</b>	<b>167,517.30</b>	<b>215,513.53</b>	<b>232,753.00</b>
		-	-
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	11,797.45	12,899.28	17,030.03
Interest Expense	7,276.49	7,875.97	11,287.22
Net Interest Income	4,520.96	5,023.30	5,742.81
Fee and commission income	926.17	1,140.53	1,376.88
Fee and commission expense	104.58	120.30	83.64
Net Fee and commission income	821.59	1,020.24	1,293.25
Net Interest, Fee and Commission Income	5,342.55	6,043.54	7,036.06
Net trading income	393.48	507.23	249.47
Other operating income	94.75	163.30	243.19
Total operating income	5,830.77	6,714.07	7,528.72
Impairment Charge/ (Reversal) for Loans and Other Losses	536.66	115.97	430.58
Net operating income	5,294.12	6,598.10	7,098.14
Personnel expenses	2,156.70	2,509.06	2,702.89
Other operating expenses	1,058.20	1,185.56	1,033.48
Depreciation & Amortization	273.89	300.21	509.54
Operating Profit	1,805.32	2,603.28	2,852.23

Non-operating income	4.45	47.09	14.37
Non-operating expense	48.02	194.36	120.22
Profit before income tax	1,761.75	2,456.01	2,746.38
Income Tax Expense	-	-	-
Current Tax	594.87	895.32	1,013.37
Deferred Tax	(27.32)	(160.19)	(169.01)
<b>Profit for the Period</b>	<b>1,194.20</b>	<b>1,720.87</b>	<b>1,902.02</b>

21. Siddhartha Bank Limited	Amount (Rs. in Millions)		
	FY 2019/20	FY 2020/21	FY 2021/22
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Cash and cash equivalent	5,959.19	5,976.06	7,928.99
Due from Nepal Rastra Bank	9,507.95	7,740.64	5,730.45
Placement with Bank and Financial Institutions	1,067.07	3,308.71	320.31
Derivative financial instruments	110.72	52.42	19.69
Other trading assets	147.02	-	-
Loan and advances to B/FIs	4,004.35	6,027.86	6,403.39
Loans and advances to customers	123,572.73	158,579.24	178,587.36
Investment securities	22,502.83	41,825.29	57,368.16
Current tax assets	159.62	127.22	221.07
Investment in subsidiaries	51.00	51.00	51.00
Investment in associates	-	-	-
Investment property	136.61	291.04	213.31
Property and equipment	1,422.34	1,451.93	3,077.07
Goodwill and Intangible assets	101.99	81.50	71.49
Deferred tax assets	-	-	-
Other assets	1,841.75	3,429.05	4,334.73
<b>Total Assets</b>	<b>170,585.16</b>	<b>228,941.96</b>	<b>264,327.02</b>
	-	-	-
<b>Liabilities</b>	<b>154,573.89</b>	<b>208,540.15</b>	<b>242,729.15</b>
Due to Bank and Financial Institutions	6,759.24	7,717.01	7,234.64
Due to Nepal Rastra Bank	20.05	5,859.91	24,965.10
Derivative financial instruments	-	-	19.36
Deposits from customers	139,609.50	180,924.01	191,550.64
Borrowing	-	-	1,022.80
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	159.22	966.72	239.22
Other liabilities	2,863.33	4,909.95	6,034.82
Debt securities issued	5,162.56	8,162.56	11,662.56
Subordinated Liabilities	-	-	-

<b>Equity</b>	<b>16,011.27</b>	<b>20,401.81</b>	<b>21,597.87</b>
Share capital	9,787.77	10,962.30	12,524.43
Share premium	-	-	-
Retained earnings	1,245.99	1,808.63	1,359.87
Reserves	4,977.52	7,630.88	7,713.58
<b>Total Liabilities and Equity</b>	<b>170,585.16</b>	<b>228,941.96</b>	<b>264,327.02</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	15,432.15	14,949.21	20,677.56
Interest Expenses	9,858.01	9,439.00	14,080.72
Net Interest Income	5,574.14	5,510.21	6,596.85
Fee and commission income	1,073.84	1,337.10	1,505.59
Fee and commission expense	151.30	204.49	285.89
Net Fee and commission income	922.53	1,132.61	1,219.70
Net Interest, Fee and commission income	6,496.67	6,642.81	7,816.55
Net trading income	511.72	777.64	442.93
Other operating income	161.59	1,042.36	532.49
Total operating income	7,169.98	8,462.82	8,791.97
Impairment charge/(reversal) for loans and other losses	686.42	793.07	607.47
Net operating income	6,483.55	7,669.75	8,184.50
Personnel expenses	2,156.19	2,368.24	2,685.02
Other operating expenses	962.77	932.14	827.86
Depreciation & Amortization	196.95	202.64	405.07
Operating Profit	3,167.65	4,166.73	4,266.55
Non-operating income	0.21	0.54	8.61
Non-operating expense	39.22	0.02	16.69
Profit before income tax	3,128.64	4,167.24	4,258.47
Income Tax Expense			
Current Tax	997.72	1,327.72	1,396.82
Deferred Tax	(12.69)	(15.30)	(40.81)
<b>Profit for the Period</b>	<b>2,143.61</b>	<b>2,854.83</b>	<b>2,902.46</b>

<b>22. Bank of Kathmandu</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalents	2,373.97	2,994.91	5,395.10
Due from Nepal Rastra Bank	9,363.29	6,974.37	5,569.15
Placement with Bank and Financial Institutions	2,361.19	2,721.37	2,073.82
Derivative financial instruments	67.30	32.54	-



Net trading income	322.27	309.28	193.88
Other operating income	52.22	109.59	113.80
Total operating income	4,439.03	4,241.34	4,644.37
Impairment Charge/ (Reversal) for Loans and Other Losses	563.66	(127.15)	(808.35)
Net operating income	3,875.36	4,368.49	5,452.72
Personnel expenses	1,111.88	1,154.87	1,427.91
Other operating expenses	554.08	564.38	545.03
Depreciation & Amortization	115.45	121.37	213.61
Operating Profit	2,093.95	2,527.86	3,266.18
Non-operating income	12.50	11.86	69.20
Non-operating expense	-	-	7.22
Profit before income tax	2,106.45	2,539.72	3,328.15
Income Tax Expense			-
Current Tax	669.80	840.38	998.50
Deferred Tax Expenses/(Income)	(24.04)	(27.07)	7.11
<b>Profit for the Period</b>	<b>1,460.70</b>	<b>1,726.41</b>	<b>2,322.54</b>

<b>23. Civil Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		
<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	4,725.49	5,027.71	4,149.60
Due from Nepal Rastra Bank	3,949.89	4,480.09	5,832.08
Placement with Bank and Financial Institutions	803.36	630.68	157.41
Derivative financial instruments	3,361.08	2,564.82	6.40
Other trading assets	-	-	-
Loan and advances to B/FIs	1,770.05	3,698.02	4,366.92
Loans and advances to customers	52,204.26	79,037.70	83,026.92
Investment securities	8,199.00	12,712.81	17,075.54
Current tax assets	99.87	97.03	248.08
Investment in subsidiaries	260.06	260.06	260.06
Investment in associates	-	-	-
Investment property	115.10	57.79	87.05
Property and equipment	611.00	587.00	1,424.55
Goodwill and Intangible assets	33.94	30.99	25.81
Deferred tax assets	-	-	-
Other assets	712.42	778.26	921.59
<b>Total Assets</b>	<b>76,845.52</b>	<b>109,962.96</b>	<b>117,581.99</b>
	-	-	-
<b>Liabilities</b>	<b>66,675.52</b>	<b>99,269.25</b>	<b>105,877.35</b>
Due to Bank and Financial Institutions	3,130.18	1,710.05	1,547.77
Due to Nepal Rastra Bank	728.57	3,624.71	2,866.50

Derivative financial instruments	3,376.68	2,583.71	6.39
Deposits from customers	57,512.41	88,634.88	94,490.97
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	82.98	55.65	-
Deferred tax liabilities	113.71	75.35	50.09
Other liabilities	1,731.00	2,584.90	3,931.30
Debt securities issued	-	-	2,984.31
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>10,170.00</b>	<b>10,693.71</b>	<b>11,704.64</b>
Share capital	8,003.39	8,643.66	9,075.84
Share premium	-	-	-
Retained earnings	723.00	493.70	818.90
Reserves	1,443.61	1,556.35	1,809.89
<b>Total Liabilities and Equity</b>	<b>76,845.52</b>	<b>109,962.96</b>	<b>117,581.99</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	6,199.06	7,065.78	10,680.27
Interest Expenses	3,962.53	4,849.59	7,207.23
Net Interest Income	2,236.53	2,216.19	3,473.04
Fee and commission income	300.68	411.51	485.55
Fee and commission expense	27.03	34.53	73.46
Net Fee and commission income	273.66	376.98	412.09
Net Interest, Fee and commission income	2,510.19	2,593.17	3,885.13
Net trading income	229.85	226.43	126.45
Other operating income	97.70	166.09	28.55
Total operating income	2,837.74	2,985.70	4,040.12
Impairment charge/(reversal) for loans and other losses	223.65	344.69	358.87
Net operating income	2,614.10	2,641.01	3,681.25
Personnel expenses	1,040.79	1,098.91	1,346.46
Other operating expenses	554.66	540.46	460.44
Depreciation & Amortization	109.84	118.34	261.07
Operating Profit	908.81	883.29	1,613.28
Non-operating income	-	29.72	0.53
Non-operating expense	29.75	157.17	123.22
Profit before income tax	879.06	755.85	1,490.59
Income Tax Expense			-
Current Tax	368.93	281.96	501.60
Deferred Tax	(44.93)	(53.90)	(11.91)
<b>Profit for the Period</b>	<b>555.06</b>	<b>527.78</b>	<b>1,000.90</b>
<b>24. Nepal Credit and Commerce Bank Limited</b>	<b>Amount (Rs. in Millions)</b>		

<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and Cash Equivalents	8,606.16	6,928.20	10,651.34
Due from Nepal Rastra Bank	8,472.93	8,491.31	8,604.54
Placement with Bank and Financial Institutions	-	1,609.88	217.35
Derivative financial instruments	1,192.39	1,506.03	43.71
Other trading assets	-	-	-
Loans and Advances to BFIs	2,797.52	3,735.16	3,988.29
Loans and advances to customers	65,021.93	94,582.17	120,886.04
Investment securities	7,502.69	13,885.83	17,293.06
Current tax assets	120.42	9.42	51.19
Investment in Subsidiaries	-	-	-
Investment in associates	54.66	20.00	20.00
Investment property	956.78	902.95	981.80
Property and equipment	917.96	994.49	1,037.58
Goodwill and Intangible assets	11.78	14.48	15.69
Deferred tax assets	69.35	-	11.14
Other assets	1,157.60	2,050.12	3,283.98
<b>Total Assets</b>	<b>96,882.16</b>	<b>134,730.02</b>	<b>167,085.71</b>
			-
<b>Liabilities</b>	<b>83,721.16</b>	<b>120,085.73</b>	<b>150,962.36</b>
Due to Bank and Financial Institutions	6,801.22	4,134.08	6,932.12
Due to Nepal Rastra Bank	975.71	2,225.27	2,586.89
Derivative financial instruments	1,134.47	1,500.84	89.19
Deposits from customers	72,815.83	106,667.15	134,576.01
Borrowings	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	52.51	-
Other liabilities	1,993.93	2,435.04	3,640.58
Debt securities issued	-	3,070.85	3,137.56
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>13,161.00</b>	<b>14,644.29</b>	<b>16,123.34</b>
Share Capital	9,353.92	10,314.52	11,139.68
Share premium	-	-	-
Retained earnings	1,048.16	868.86	1,226.79
Reserves	2,758.93	3,460.91	3,756.88
<b>Total Liabilities and Equity</b>	<b>96,882.16</b>	<b>134,730.02</b>	<b>167,085.71</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest income	8,456.94	8,575.66	13,010.13
Interest expense	5,247.39	5,425.77	8,979.17
Net interest income	3,209.55	3,149.89	4,030.95
Fee and commission income	592.29	682.41	1,083.79
Fee and commission expense	23.98	30.32	83.13
Net Fee and commission income	568.30	652.10	1,000.67
Net Interest, Fee and Commission Income	3,777.85	3,801.98	5,031.62

Net trading income	184.76	241.02	267.46
Other operating income	70.98	437.28	158.01
Total operating income	4,033.59	4,480.28	5,457.09
Impairment charge/ (reversal) for loans and other losses	405.62	313.35	759.86
Net operating income	3,627.97	4,166.93	4,697.23
Personnel expenses	1,249.76	1,555.07	1,571.65
Other operating expenses	567.40	555.09	561.39
Depreciation & amortization	137.69	136.75	296.65
Operating profit	1,673.12	1,920.03	2,267.53
Non-operating income	1.50	-	136.20
Non-operating expense	-	-	1.88
Profit before income tax	1,674.62	1,920.03	2,401.86
Income tax expense			-
Current tax	507.15	557.28	733.30
Deferred tax	58.99	32.13	(3.30)
<b>Profit for the Period</b>	<b>1,108.47</b>	<b>1,330.63</b>	<b>1,671.85</b>

25. RastriyaBaniija Bank Ltd.	Amount (Rs. in Millions)		
	FY 2019/20	FY 2020/21	FY 2021/22
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Cash and cash equivalent	7,093.86	15,735.16	7,880.10
Due from Nepal Rastra Bank	17,934.76	20,128.50	16,423.32
Placement with Bank and Financial Institutions	48.12	-	-
Derivative financial instruments	-	1.50	-
Other trading assets	-	-	-
Loan and advances to B/FIs	4,456.75	15,434.07	16,533.78
Loans and advances to customers	150,797.85	177,870.98	210,183.76
Investment securities	74,769.66	71,061.22	65,377.12
Current tax assets	2,648.12	3,341.89	3,636.50
Investment in subsidiaries	200.00	200.00	200.00
Investment in associates	97.86	206.11	206.11
Investment property	109.38	124.57	177.27
Property and equipment	1,555.72	1,844.29	3,167.48
Goodwill and Intangible assets	42.89	57.87	52.41
Deferred tax assets	647.03	-	-
Other assets	6,364.26	3,981.29	6,404.96
<b>Total Assets</b>	<b>266,766.26</b>	<b>309,987.46</b>	<b>330,242.80</b>
			-
<b>Liabilities</b>	<b>243,736.72</b>	<b>281,313.16</b>	<b>297,563.87</b>
Due to Bank and Financial Institution	2,278.45	2,369.24	4,748.84
Due to Nepal Rastra Bank	281.07	3,794.08	24,060.74
Derivative financial instruments	-	-	-
Deposits from customers	230,902.64	263,836.77	258,144.30

Borrowing	60.06	60.00	60.00
Current Tax Liabilities	-	-	-
Provisions	375.14	436.94	375.72
Deferred tax liabilities	-	847.76	320.00
Other liabilities	9,839.36	7,450.91	7,247.15
Debt securities issued	-	2,517.47	2,607.12
Subordinated Liabilities	-	-	-
<b>Equity</b>	23,029.54	28,674.30	32,678.94
Share capital	9,004.80	10,184.89	14,940.36
Share premium	-	-	-
Retained earnings	761.61	3,453.80	1,863.44
Reserves	13,263.13	15,035.60	15,875.14
<b>Total Liabilities and Equity</b>	<b>266,766.26</b>	<b>309,987.46</b>	<b>330,242.80</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	17,160.17	16,229.11	20,689.74
Interest Expense	7,711.77	8,019.66	11,393.79
Net Interest Income	9,448.40	8,209.45	9,295.95
Fees and commission income	828.48	978.00	1,019.60
Fees and commission expense	174.58	258.24	349.34
Net Fee and commission income	653.90	719.76	670.26
Net Interest, Fee and commission income	10,102.30	8,929.21	9,966.21
Net trading income	54.73	161.28	27.27
Other operating income	541.22	633.44	993.97
Total operating income	10,698.26	9,723.93	10,987.44
Impairment charge/(reversal) for loans and other losses	160.53	723.38	355.72
Net operating income	10,537.73	9,000.55	10,631.72
Personnel expenses	3,103.92	3,031.78	3,200.13
Other operating expense	1,276.22	1,234.09	1,055.09
Depreciation & Amortization	217.93	237.69	559.10
Operating Profit	5,939.66	4,496.99	5,817.40
Non-operating income	295.10	391.04	430.43
Non-operating expense	-	-	120.78
Profit before income tax	6,234.76	4,888.03	6,127.05
Income Tax Expense	-	-	-
Current Tax	1,304.37	589.44	1,499.40
Deferred Tax	553.07	874.96	334.82
<b>Profit for the Period</b>	<b>4,377.32</b>	<b>3,423.63</b>	<b>4,292.82</b>

<b>26. Mega Bank Nepal Limited</b>	<b>Amount (Rs. in Millions)</b>
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<b>Statement of Financial Position</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
<b>Assets</b>			
Cash and cash equivalent	18,741.58	17,870.22	<b>19,923.51</b>
Due from Nepal Rastra Bank	3,599.95	3,825.79	4,475.40
Placement with Bank and Financial Institutions	51.20	58.69	63.01
Derivative financial instruments	77.12	18.91	24.78
Other trading assets	-	-	-
Loan and advances to B/FIs	3,333.68	2,638.09	2,761.83
Loans and advances to customers	110,493.34	137,355.43	146,338.31
Investment securities	15,466.89	15,089.72	41,979.14
Current tax assets	325.41	157.84	151.18
Investment in subsidiaries	200.00	200.00	200.00
Investment in associates	38.60	-	-
Investment property	219.90	116.46	510.99
Property and equipment	1,589.88	1,458.99	4,408.16
Goodwill and Intangible assets	276.31	284.70	268.30
Deferred tax assets	42.81	11.08	-
Other assets	989.30	2,139.16	2,064.63
<b>Total Assets</b>	<b>155,446.00</b>	<b>181,225.08</b>	<b>223,169.25</b>
			-
<b>Liabilities</b>	137,434.42	160,917.64	<b>200,926.79</b>
Due to Bank and Financial Institutions	4,214.93	10,700.58	7,446.15
Due to Nepal Rastra Bank	614.53	3,802.24	26,281.43
Derivative financial instruments	-	-	-
Deposits from customers	127,894.61	136,893.59	153,482.28
Borrowing	2,440.27	7,185.84	10,283.60
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	9.10
Other liabilities	2,270.07	2,335.40	3,424.23
Debt securities issued	-	-	-
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>18,011.58</b>	<b>20,307.44</b>	<b>22,242.46</b>
Share capital	13,138.62	14,654.96	16,120.46
Share premium	235.75	306.37	207.85
Retained earnings	1,710.94	1,673.67	1,263.06
Reserves	2,926.27	3,672.43	4,651.09
<b>Total Liabilities and Equity</b>	<b>155,446.00</b>	<b>181,225.08</b>	<b>223,169.25</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	10,389.43	13,301.68	16,717.54
Interest Expense	6,212.02	7,508.60	10,910.15
Net Interest Income	4,177.41	5,793.08	5,807.39
Fee and commission income	522.73	673.59	627.77
Fee and commission expense	51.43	74.94	161.80
Net Fee and commission income	471.30	598.65	465.97
Net Interest, Fee and commission income	4,648.71	6,391.73	6,273.36

Net trading income	328.09	297.13	213.94
Other operating income	163.02	390.18	311.21
Total operating income	5,139.82	7,079.04	6,798.51
Impairment charge/(reversal) for loans and other losses	806.44	820.93	485.37
Net operating income	4,333.38	6,258.11	6,313.14
Personnel expenses	1,260.16	1,858.64	2,148.40
Other operating expenses	692.33	879.01	848.05
Depreciation & Amortization	145.61	231.83	224.20
Operating Profit	2,235.28	3,288.63	3,092.49
Non-operating income	17.53	39.30	17.72
Non-operating expense	8.15	44.54	124.21
Profit before income tax	2,244.66	3,283.39	2,986.00
Income Tax Expense			886.51
Current Tax	669.78	1,010.97	929.13
Deferred Tax	(11.33)	(53.00)	(42.62)
<b>Profit for the Period</b>	<b>1,586.21</b>	<b>2,325.43</b>	<b>2,099.48</b>

## Annex 10: Consolidated Audited Financials of Commercial Banks as on Mid-July

1. Consolidated Financials of the State-owned Banks	Amount (Rs. in Millions)			
	Statement of Financial Position	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>				
Cash and cash equivalent	20,554.93	32,900.28	20,831.60	
Due from Nepal Rastra Bank	36,627.15	36,672.98	29,473.52	
Placement with Bank and Financial Institutions	11,173.18	8,437.00	618.93	
Derivative financial instruments	6,724.25	8,588.97	595.79	
Other trading assets	17.42	1,767.74	1,152.77	
Loan and advances to B/FIs	9,115.50	22,086.33	26,817.09	
Loans and advances to customers	375,950.99	463,889.80	554,979.24	
Investment securities	131,787.82	138,950.60	154,086.14	
Current tax assets	5,126.76	6,198.68	6,553.20	
Investment in subsidiaries	228.84	228.84	228.84	
Investment in associates	167.24	275.50	275.50	
Investment property	433.41	433.89	538.40	
Property and equipment	14,857.29	15,564.98	18,635.72	
Goodwill and Intangible assets	372.14	365.71	317.61	
Deferred tax assets	647.03	-	52.15	
Other assets	23,465.98	18,711.98	21,348.42	
<b>Total Assets</b>	<b>637,249.94</b>	<b>755,073.28</b>	<b>836,504.92</b>	
<b>Liabilities</b>	555,718.19	661,678.72	735,005.34	
Due to Bank and Financial Institutions	3,840.45	3,353.69	13,838.26	
Due to Nepal Rastra Bank	314.66	18,573.08	39,731.31	
Derivative financial instruments	6,473.08	8,474.69	508.07	
Deposits from customers	516,061.54	589,465.08	620,810.71	
Borrowing	1,071.00	598.53	9,141.39	
Current Tax Liabilities	-	-	-	
Provisions	431.98	517.16	441.68	
Deferred tax liabilities	4,002.84	5,610.56	4,589.16	
Other liabilities	21,027.68	14,598.33	19,374.78	
Debt securities issued	2,494.95	20,487.60	26,569.97	
Subordinated Liabilities	-	-	-	
<b>Equity</b>	81,531.75	93,394.56	101,499.59	
Share capital	29,844.08	33,811.58	47,966.89	
Share premium	7,222.63	5,864.60	-	
Retained earnings	6,138.10	10,840.69	8,807.43	
Reserves	38,326.95	42,877.70	44,725.26	
<b>Total Liabilities And Equity</b>	<b>637,249.94</b>	<b>755,073.28</b>	<b>836,504.92</b>	
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>	
Interest Income	44,508.72	43,240.32	56,712.29	
Interest Expenses	22,725.38	21,744.71	32,345.82	
Net Interest Income	21,783.34	21,495.61	24,366.47	

Fee and commission income	3,520.46	3,544.73	3,452.64
Fee and commission expense	244.35	372.47	487.34
Net Fee and commission income	3,276.11	3,172.26	2,965.30
Net Interest, Fee and commission income	25,059.45	24,667.86	27,331.78
Net trading income	859.47	1,612.43	457.87
Other operating income	971.27	1,511.13	1,498.92
Total operating income	26,890.19	27,791.42	28,823.64
Impairment charge/(reversal) for loans and other losses	1,557.38	1,342.43	2,202.14
Net operating income	25,332.81	26,449.00	26,621.50
Personnel expenses	8,354.24	8,696.63	9,475.95
Other operating expenses	2,887.06	3,179.85	2,715.14
Depreciation & Amortization	585.33	690.55	1,371.15
Operating Profit	13,506.18	13,881.97	13,059.27
Non-operating income	703.63	644.04	737.29
Non-operating expense	0.04	3.21	172.33
Profit before income tax	14,209.77	14,522.79	13,624.23
Income Tax Expense	-	-	-
Current Tax	3,152.06	3,210.15	4,167.75
Deferred Tax	1,015.77	1,400.25	14.62
<b>Profit for the Period</b>	<b>10,041.94</b>	<b>9,912.40</b>	<b>9,441.87</b>

2. Consolidated Financials of the Non-state-owned Banks	Amount (Rs. in Millions)			
	Statement of Financial Position	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>				
Cash and cash equivalent	247,921.60	234,812.28	283,865.95	
Due from Nepal Rastra Bank	242,244.86	225,470.84	179,649.93	
Placement with Bank and Financial Institutions	49,376.73	59,029.71	36,741.03	
Derivative financial instruments	52,384.23	58,418.82	10,007.08	
Other trading assets	1,352.94	1,372.37	1,827.16	
Loan and advances to B/FIs	98,656.43	129,520.13	142,631.56	
Loans and advances to customers	2,402,504.91	3,072,155.43	3,429,019.30	
Investment securities	392,243.50	572,366.52	717,698.16	
Current tax assets	9,769.80	7,592.20	8,693.17	
Investment in subsidiaries	5,670.61	5,728.38	5,928.38	
Investment in associates	3,015.28	4,576.68	3,562.03	
Investment property	5,406.60	6,339.60	8,136.70	
Property and equipment	38,406.06	40,153.77	57,312.10	
Goodwill and Intangible assets	2,116.25	2,098.11	3,026.80	
Deferred tax assets	1,415.81	1,482.80	1,905.32	
Other assets	36,264.72	46,879.02	65,067.33	
<b>Total Assets</b>	<b>3,588,750.34</b>	<b>4,467,996.64</b>	<b>4,955,072.00</b>	
<b>Liabilities</b>	<b>3,188,936.74</b>	<b>4,004,675.11</b>	<b>4,444,245.00</b>	
Due to Bank and Financial Institutions	123,121.70	140,064.61	100,989.21	
Due to Nepal Rastra Bank	16,530.45	102,608.92	188,358.67	
Derivative financial instruments	51,406.21	58,133.67	10,156.63	
Deposits from customers	2,851,905.67	3,496,729.98	3,841,149.06	
Borrowing	14,300.38	25,973.29	66,858.72	

Current Tax Liabilities	1,296.95	1,907.67	2,239.06
Provisions	290.52	238.10	175.93
Deferred tax liabilities	3,739.34	7,413.52	4,398.40
Other liabilities	75,338.99	92,830.56	125,286.00
Debt securities issued	50,994.67	78,774.81	104,633.31
Subordinated Liabilities	-	-	-
<b>Equity</b>	399,825.47	463,321.52	491,679.25
Share capital	249,533.82	282,384.79	309,128.56
Share premium	1,274.10	828.19	566.18
Retained earnings	35,869.06	41,222.79	38,552.00
Reserves	113,148.49	138,885.77	162,580.27
<b>Total Liabilities and Equity</b>	<b>3,588,750.34</b>	<b>4,467,996.64</b>	<b>4,955,072.00</b>
<b>Statement of Profit or Loss</b>			
	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	284,319.62	284,153.81	382,035.47
Interest Expenses	177,297.14	172,695.78	231,559.37
Net Interest Income	107,022.47	111,458.03	128,527.79
Fee and commission income	22,255.50	25,184.84	28,626.09
Fee and commission expense	2,275.64	2,796.74	4,194.73
Net Fee and commission income	19,979.86	22,388.11	24,173.29
Net Interest, Fee and commission income	127,002.34	133,846.13	152,701.07
Net trading income	9,048.25	10,245.23	7,668.79
Other operating income	3,049.20	10,337.84	5,531.95
Total operating income	139,099.79	154,429.20	165,901.81
Impairment charge/(reversal) for loans and other losses	18,139.64	10,844.21	10,519.37
Net operating income	120,960.14	143,585.00	155,382.44
Personnel expenses	36,232.76	43,653.28	43,864.27
Other operating expenses	18,956.69	19,292.00	16,942.43
Depreciation & Amortization	4,171.21	4,805.77	7,413.41
Operating Profit	61,599.49	75,833.95	81,157.55
Non-operating income	774.60	585.03	1,515.60
Non-operating expense	730.88	1,016.73	1,760.18
Profit before income tax	61,643.21	75,402.25	80,912.98
Income Tax Expense	-	-	886.51
Current Tax	18,909.03	23,736.21	25,188.45
Deferred Tax	(24.49)	(979.45)	(1,079.26)
<b>Profit for the Period</b>	<b>42,758.68</b>	<b>52,645.49</b>	<b>56,803.78</b>

3. Consolidated Financials of Commercial Banks	Amount (Rs. in Millions)			
	Statement of Financial Position	FY 2019/20	FY 2020/21	FY 2021/22
<b>Assets</b>				
Cash and cash equivalent	268,476.54	267,712.56	304,697.55	
Due from Nepal Rastra Bank	278,872.01	262,143.82	209,123.45	
Placement with Bank and Financial Institutions	60,549.91	67,466.71	37,359.96	
Derivative financial instruments	59,108.48	67,007.79	10,602.87	
Other trading assets	1,370.37	3,140.11	2,979.93	

Loan and advances to B/FIs	107,771.93	151,606.46	169,448.64
Loans and advances to customers	2,778,455.90	3,536,045.23	3,983,998.53
Investment securities	524,031.32	711,317.12	871,784.30
Current tax assets	14,896.56	13,790.88	15,246.37
Investment in subsidiaries	5,899.45	5,957.22	6,157.22
Investment in associates	3,182.52	4,852.18	3,837.53
Investment property	5,840.01	6,773.49	8,675.10
Property and equipment	53,263.35	55,718.75	75,947.82
Goodwill and Intangible assets	2,488.39	2,463.82	3,344.41
Deferred tax assets	2,062.84	1,482.80	1,957.48
Other assets	59,730.70	65,591.00	86,415.75
<b>Total Assets</b>	<b>4,226,000.28</b>	<b>5,223,069.92</b>	<b>5,791,576.93</b>
<b>Liabilities</b>	<b>3,744,654.93</b>	<b>4,666,353.83</b>	<b>5,179,250.34</b>
Due to Bank and Financial Institutions	126,962.15	143,418.30	114,827.47
Due to Nepal Rastra Bank	16,845.11	121,182.00	228,089.99
Derivative financial instruments	57,879.29	66,608.36	10,664.70
Deposits from customers	3,367,967.21	4,086,195.06	4,461,959.77
Borrowing	15,371.38	26,571.82	76,000.10
Current Tax Liabilities	1,296.95	1,907.67	2,239.06
Provisions	722.50	755.26	617.61
Deferred tax liabilities	7,742.18	13,024.08	8,987.56
Other liabilities	96,366.66	107,428.89	144,660.78
Debt securities issued	53,489.62	99,262.40	131,203.29
Subordinated Liabilities	-	-	-
<b>Equity</b>	<b>481,357.22</b>	<b>556,716.09</b>	<b>593,178.84</b>
Share capital	279,377.89	316,196.37	357,095.45
Share premium	8,496.73	6,692.78	566.18
Retained earnings	42,007.17	52,063.47	47,359.43
Reserves	151,475.43	181,763.47	207,305.53
<b>Total Liabilities and Equity</b>	<b>4,226,000.28</b>	<b>5,223,069.92</b>	<b>5,791,576.93</b>
<b>Statement of Profit or Loss</b>	<b>FY 2019/20</b>	<b>FY 2020/21</b>	<b>FY 2021/22</b>
Interest Income	328,828.33	327,394.13	438,747.76
Interest Expenses	200,022.52	194,440.50	263,905.19
Net Interest Income	128,805.82	132,953.64	152,894.26
Fee and commission income	25,775.96	28,729.57	32,078.73
Fee and commission expense	2,519.99	3,169.21	4,682.07
Net Fee and commission income	23,255.97	25,560.36	27,138.59
Net Interest, Fee and commission income	152,061.79	158,514.00	180,032.85
Net trading income	9,907.72	11,857.66	8,126.66
Other operating income	4,020.47	11,848.97	7,030.86
Total operating income	165,989.98	182,220.63	194,725.45
Impairment charge/(reversal) for loans and other losses	19,697.03	12,186.63	12,721.51
Net operating income	146,292.95	170,033.99	182,003.94
Personnel expenses	44,587.00	52,349.91	53,340.21
Other operating expenses	21,843.75	22,471.85	19,657.57
Depreciation & Amortization	4,756.54	5,496.32	8,784.56

Operating Profit	75,105.67	89,715.92	94,216.82
Non-operating income	1,478.24	1,229.07	2,252.89
Non-operating expense	730.92	1,019.94	1,932.51
Profit before income tax	75,852.99	89,925.04	94,537.21
Income Tax Expense	-	-	886.51
Current Tax	22,061.09	26,946.36	29,356.20
Deferred Tax	991.28	420.80	(1,064.64)
<b>Profit for the Period</b>	<b>52,800.62</b>	<b>62,557.88</b>	<b>66,245.65</b>

## Annex 11: Useful websites for supervisors

Name of Agency	Web address
Australian Prudential Regulatory Authority	<a href="http://www.apra.gov.au">www.apra.gov.au</a>
Asian Development Bank	<a href="http://www.adb.org">www.adb.org</a>
Association for financial professionals	<a href="http://www.afponline.org">www.afponline.org</a>
American Bankers Association	<a href="http://www.aba.com">www.aba.com</a>
Association of German Banks	<a href="http://www.german-banks.com">www.german-banks.com</a>
Asian Clearing Union	<a href="http://www.asianclearingunion.org">www.asianclearingunion.org</a>
Bank Administration Institute (BAI)	<a href="http://www.bai.org">www.bai.org</a>
Banking Federation of the European Union	<a href="http://www.fbe.be">www.fbe.be</a>
Bank for International Settlement	<a href="http://www.bis.org">www.bis.org</a>
Bank Negara Malaysia	<a href="http://www.bnm.gov.my">www.bnm.gov.my</a>
Conference of State Bank Supervisors, USA	<a href="http://www.csbsdal.org">www.csbsdal.org</a>
China Banking Regulatory Commission	<a href="http://www.cbrc.gov.cn">www.cbrc.gov.cn</a>
European Committee for Banking Standards (ECBS)	<a href="http://www.ecbs.org">www.ecbs.org</a>
European Bank for Reconstruction and Development	<a href="http://www.ebrd.org">www.ebrd.org</a>
European Banking Authority	<a href="http://www.eba.europa.eu">www.eba.europa.eu</a>
Financial Services Authority UK	<a href="http://www.fsa.gov.uk">www.fsa.gov.uk</a>
Federal Reserve Board USA	<a href="http://www.federalreserve.gov">www.federalreserve.gov</a>
Federal Reserve Bank Boston	<a href="http://www.bos.frb.org">www.bos.frb.org</a>
Federal Reserve Bank St. Louis	<a href="http://www.stls.frb.org">www.stls.frb.org</a>
Federal Reserve Bank Kansas City	<a href="http://www.kc.frb.org">www.kc.frb.org</a>
Federal Reserve Bank Philadelphia	<a href="http://www.phil.frb.org">www.phil.frb.org</a>
Federal Reserve Bank Minneapolis	<a href="http://www.mpls.frb.fed.us">www.mpls.frb.fed.us</a>
Federal Reserve Bank San Francisco	<a href="http://www.frbsf.org">www.frbsf.org</a>
Federal Reserve Bank Richmond	<a href="http://www.richmondfed.org">www.richmondfed.org</a>
Federal Reserve Bank Atlanta	<a href="http://www.frbatlanta.org">www.frbatlanta.org</a>
Federal Reserve Bank New York	<a href="http://www.newyorkfed.org">www.newyorkfed.org</a>
Federal Reserve Bank Dallas	<a href="http://www.dallasfed.org">www.dallasfed.org</a>
Federal Reserve Bank Cleveland	<a href="http://www.clevelandfed.org">www.clevelandfed.org</a>
Federal Deposit Insurance Corporation, USA	<a href="http://www.fdic.gov">www.fdic.gov</a>
Federal Financial Institutions Examination Council, USA	<a href="http://www.ffeic.gov">www.ffeic.gov</a>
Financial Services Agency, Japan	<a href="http://www.fsa.go.jp">www.fsa.go.jp</a>
FSI Connect	<a href="http://www.fsiconnect.org">www.fsiconnect.org</a>
International Accounting Standard Board	<a href="http://www.iasb.org">www.iasb.org</a>
International Monetary Fund (IMF)	<a href="http://www.imf.org">www.imf.org</a>
Korea Financial Supervisory Commission	<a href="http://www.fsc.go.kr">www.fsc.go.kr</a>
Monetary Authority of Singapore	<a href="http://www.mas.gov.sg">www.mas.gov.sg</a>
Office of the superintendent of financial institutions, Canada	<a href="http://www.osfi-bsif.gc.ca">www.osfi-bsif.gc.ca</a>
Office of the Comptroller of the Currency, USA	<a href="http://www.occ.treas.gov">www.occ.treas.gov</a>
Reserve Bank of India	<a href="http://www.rbi.org.in">www.rbi.org.in</a>
SEACEN Center, Malaysia	<a href="http://www.seacen.org">www.seacen.org</a>
The Risk Management Association, USA	<a href="http://www.rmahq.org">www.rmahq.org</a>
World Bank Group	<a href="http://www.worldbank.org">www.worldbank.org</a>
State Bank of Pakistan	<a href="http://www.sbp.org.pk">www.sbp.org.pk</a>
Bangladesh Bank	<a href="http://www.bb.org.bd">www.bb.org.bd</a>
Central Bank of Srilanka	<a href="http://www.cbsl.gov.lk">www.cbsl.gov.lk</a>
Maldives Monetary Authority	<a href="http://www.mma.gov.mv">www.mma.gov.mv</a>
Royal Monetary Authority of Bhutan	<a href="http://www.rma.org.bt">www.rma.org.bt</a>

End of Document