



NEPAL RASTRA BANK

Annual Financial Statements

For the year ended 31st Ashadh, 2069
(15th July 2012)



नेपाल राष्ट्र बैंक



डा. युवराज खतिवडा
गभर्नर तथा अध्यक्ष



श्री शान्तराज सुवेदी
संचालक



श्री गोपालप्रसाद काफ्ले
डेपुटी गभर्नर तथा संचालक



श्री महा प्रसाद अधिकारी
डेपुटी गभर्नर तथा संचालक



डा. श्रीराम पौड्याल
संचालक



डा. रामहरि अर्याल
संचालक



श्री रामजी रेग्मी
कार्यकारी निर्देशक
वित्त व्यवस्थापन विभाग



नेपाल राष्ट्र बैंक NEPAL RASTRA BANK

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं।
Central Office
Babunatar, Kathmandu

Foreword

This financial report on Nepal Rastra Bank's Annual Accounts for the fiscal year 2068/69 B.S. (2011/12) has been prepared and presented hereby in accordance with the international norms, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and National Accounting Standards (NAS) as far as practicable in our context.

This report consists of the audited balance sheet of the Bank as of 31st Ashadh 2069 (15th July 2012), related income statement, cash flow statement and statement of changes in equity for the fiscal year together with explanatory notes to the accounts forming the part thereof.

As usual, the Bank is committed to make the financial information more transparent, credible and relevant to the external users as per the requirement of Nepal Rastra Bank Act, 2058.

I express my heartfelt gratitude to the statutory auditors - Office of the Auditor General of Nepal, Fellow Chartered Accountants Mr. Komal Bahadur Chitracar and Mr. Bijay Kumar Agrawal along with their team for their valuable suggestions and observations. I throughout would also like to thank all the concerned staffs and expert committees for their explicit contributions to the timely preparation and publication of current fiscal year annual report.

It is my firm belief that annual publication of the financial statements along with relevant informations would enhance transparency and trustworthiness of the Bank among its stakeholders.

(Dr. Yuba Raj Khatiwada)



महालेखापरीक्षकको कार्यालय
Office of the Auditor General



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Babar Mahal, Kathmandu, Nepal

Ref - 2069/70/169

AUDITORS' REPORT

Date : January 27, 2013 (2069.10.14)

The Governor
Nepal Rastra Bank
Baluwatar, Kathmandu.

1. Report on the Annual Financial Statements

We have audited the accompanying Statement of Financial Position of Nepal Rastra Bank (NRB) as of 31st Asadh 2069 (15th July 2012), the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) and for such internal control, as management determines, is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Nepal Standards on Auditing (NSA) and relevant practices and International Standards on Auditing (ISA) wherever applicable and also the guidelines issued by the Office of Auditor General of Nepal (OAGN). Those standards or relevant practices require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

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

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

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4. Basis for Qualified Opinion

The following are issues those have impact on financial position and operating results of NRB and provide the bases for issue of qualified audit opinion:

4.1 Compliance with Act and Bye-Laws- Following provisions of the NRB Act 2058 and its Bye-Laws are not complied with:

- 4.1.1 **Investment in share-** Investments made in shares of various financial institutions and other organizations in excess of 10% of their paid-up share capital amounting to Rs.269 million 997 thousand as disclosed in Note 5 to the Financial Statements are not disposed off. (Section 7.1 & 7.2).
- 4.1.2 **Standards and Practices** - NRB is required to prepare Financial Statements as per internationally recognized standards and practices but the Financial Statements are not prepared in conformity with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS). (Section 40 & 90).
- 4.1.3 **Coin in circulation** - Coin in circulation should be treated as monetary liability; it has been instead treated as income of the NRB (Section 59).
- 4.1.4 **Profit Appropriation** - Appropriation of profit should be done on the basis of net profit where as NRB appropriated profit on the basis of the balance of profit (Profit available for distribution) after transferring certain items to related reserve funds, which included exchange gain, gain on sales of Gold/ silver and revaluation of investment. (Section 41)
- 4.1.5 **Government Bond Investment** - Investment in Government bonds amounting to Rs.4 billion 871 million 051 thousand issued by Ministry of Finance , Government of Nepal (GoN) for the fund made available to International Monetary Fund (IMF) on behalf of GoN is free of interest. (Section 75.1 & 4).
- 4.1.6 **Pension Reimbursement** - NRB has disbursed the pension to Government Staff, Nepal Army and Government Teachers as reimbursable from the government i.e. Rs. 494 million 350 thousand as of 15th July 2012 inclusive of Rs. 64 million 625 thousand shown under Sundry Debtors but found pending for long period, which tantamount to the interest free loans provided to GON. (Section 75.1 & 4).
- 4.1.7 **Seed Money** - The investment of Rs.253 million 400 thousand has been made for the establishment of Rural Self Reliance Fund (RSRF) as seed capital in the earlier year with the purpose of long term financing to the financial institutions for the priority sector in terms of Monetary Policy 2060, is tantamount to interest free loan provided to GON. (Section 75).

4.2 Compliance with accounting standards:- Following IFRS/IAS are not complied with:

4.2.1 Framework for Preparation and Presentation of Financial Statements:

- Community Ground Water Irrigation Sector Project (CGWISP), Rural Self Reliance Fund (RSRF) and Priority Sector Development Committee (PDSC) Project being managed by the Micro Finance Department of NRB have not been consolidated in the Financial Statements of NRB.
- The net assets and liabilities of the four projects were (explained in 4.9) consolidated on the face of the Balance Sheet showing separately as project assets and liabilities instead of consolidating assets, liabilities, equity, income, expenses and cash flow statement line by line and by offsetting NRB's balance with the Projects.

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- Pursuant to accounting Policies, Changes in Accounting Estimates and Errors (IAS – 8); prior year net expenses amounting to Rs. 6 million 426 thousand has been presented on the face of the Income Statement instead of reinstatement of the comparative amounts of the prior period.
- Pursuant to property, plant and Equipment (IAS-16) the following provisions are not complied with:
 - Breakdown of land along with corresponding value of total land is not available. Land ownership certificates of certain plots of land are not available.
 - Buildings included a written down value of Rs. 1 million 288 thousand without disclosing details of buildings.
 - Assets reported as short/missing in the physical verification report have not been eliminated/adjusted, as a result the value of fixed assets is under/over stated than actual. The amount for such short/missing assets have not been ascertained and quantified.

4.2.2 Employees Benefits (IAS -19)

- Liability of Rs.2 billion 764 million 372 thousand (consisting of Rs 1 billion 600 million extra provision made in addition to actuarial valuation) was provided for gratuity and pension based on the actuarial valuation carried out for the period up to 16th July 2010. The shortfall, if any, had there been in valuation as of 15th July 2012 could not be quantified.
- Liability of Rs.425 million 354 thousand (consisting of Rs.300 million extra provision made in addition to actuarial valuation) was provided for Staff Security Fund based on the actuarial valuation carried out as of 16th July 2010. The shortfall, if any, had there been in valuation as of 15th July 2012 could not be quantified.

4.2.3 Impairment of Assets (IAS – 36)

NRB is required to assess at the end of each reporting period whether there is any indication that an assets may be impaired. Impairment loss should be immediately recognized in the income statement. However, the impairment of assets had not been assessed and its impact could not be quantified.

4.2.4 Provisions, Contingent Liabilities and Contingent Assets (IAS-37)

Adequate provision was not made to meet the various liabilities and losses as follows:

- Out of total non-moving metal in stock of Rs. 11 million 273 thousand, provision of Rs. 8 million 716 thousand for non-moving stock was made in FY 2061/62 and provision for balance amount of Rs.2 million 557 thousand has not been made.
- Provision for un-issuable portion of Note Stock bearing print of “His Majesty Government of Nepal” amounting to Rs. 3 million 375 thousand (Face Value of Rs. 6 million 350 thousand) has not been made.
- Provision for un-issuable coin as well as stock of commemorative coins amounting to Rs. 8 million 071 thousand under coin stock and Numismatics stock for value of Rs. 7 million 289 thousand have not been made.
- Doubtful dues of principle and interest amounting to Rs. 326 million 489 thousand in Bills purchase (Government Bonds) has not been provided for.

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- Reimbursement claim of Teachers' Pension for earlier years paid by various branches amounting to Rs. 18 million 887 thousand have been rejected by Kaushi Tosha Khana on the ground of double payment. The rejection has neither been contested, nor provision is made as it seems irrecoverable.
- Provision for expenses incurred for abroad study attending training programs and seminars and travel are not made in the year that actual expenses is related.

4.2.5 Financial Instruments: Presentation and Recognition & Measurement (IAS – 32, 28 and 39)

- Domestic Government Treasury Bills amounting to Rs.24 billion 846 million 244 thousand have been reclassified as "Held to Maturity" but has not been measured at amortized cost using effective interest rate method.
- Government Bonds (Domestic) have been reclassified as "Loans & Receivables" but has not been measured at amortized cost since these bonds are interest free.
- Investments in Financial & Other Institutions amounting to Rs. 398 million 943 thousand, though categorized as "Available for Sale", has not been measured and presented at "Fair Value" and accordingly its effect could not be quantified. Out of above figures, Rs. 35 million 081 thousand investment made in associates has not been measured using the equity method (IAS 28).
- Summarized financial information of associates has not been disclosed as required under IAS 28.

4.2.6 Disclosures- Pursuant to Financial Instruments: Disclosures (IFRS – 7); Disclosure requirements to be presented by category of instrument based on IAS 39 "Measurement Categories" and other disclosures required by class of financial instruments regarding the significance of financial instruments and the nature of extent of risks arising from financial instruments have not been fully complied with.

4.3 Staff Welfare Provident Fund- Provision of Rs. 260 million (Previous year Rs 230 million) for Staff Welfare Provident Fund as staff incentive has been made on adhoc basis in addition to Rs. 56 million 926 thousand charged at the rate of 12 percent of salaries.

4.4 Exchange Loss- Foreign exchange loss of Rs. 29 million 136 thousand incurred on the account of delay in accounting as well as non revaluation of foreign currency in transit at the year end has not been provided for.

4.5 Tax Deduction- Tax deduction at source on differential interest on loan provided to staff has not been made except for "Staff loan-uninsured 2068". Further the prevailing market rate considered at 7% for calculation of tax deduction at source for "Staff loan-uninsured 2068" is said to be based on bank rate used by NRB while refinancing commercial banks.

4.6 Tax Liability- TDS and VAT liability of Rs 21 million 187 thousand and Rs. 15 million 608 thousand respectively in an aggregate of Rs 36 million 795 thousand on Computer Software- GL has not been booked. As a result, liability and CWIP has been understated by the same amount.

4.7 Interest on Overdraft- As the net balance of Rs.10 billion 989 million 296 thousand in the account of GoN was pending for confirmation, interest charged on Overdraft for initial five months (from Shrawan 2068 to Mangshir 2068) amounting to Rs. 94 million 696 thousand could not be considered as confirmed.

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4.8 Reconciliation- The general accounts representing interoffice transactions pending for reconciliation have credit balance of Rs. 445 million 020 thousand. We are not able to quantify the impact on the Equity of the transaction not reconciled with branches.

4.9 Consolidation of Projects- The Financial Statements of the four projects namely Third Livestock Development Project (TLDP), Micro-Credit Project for Women (MCPW), Poverty Alleviation Project in Western Terai (PAPWT) and Production Credit for Rural Women Project (PCRW) are consolidated from unaudited financial statement of the projects.

The Financial Statements of Financial Sector Restructuring Projects (FSRP) and Financial Sector Technical Assistance Project (FSTAP) have not been audited and same has not been consolidated in the financial statement of NRB.

4.10. Management Letter- A separate Management Letter consisting of additional audit observations has been issued to the management for improvement.

5 Audit Opinion

In our opinion, except for the effects of the matters described in above paragraphs-point no 4.1 to 4.10, the Financial Statements give true and fair view of the financial position of Nepal Rastra Bank as of 31st Ashad 2069 (15th July, 2012) and its financial performance and its Cash flows for the year then ended in accordance with IAS/IFRS, relevant practices and prevailing Laws.



Som Raj Pokharel
Deputy Auditor General



NEPAL RASTRA BANK
STATEMENT OF FINANCIAL POSITION AS ON 31st ASHADH, 2069 (15th JULY, 2012)

Particulars	Note	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
ASSETS			
Foreign Currency Financial Assets			
Cash and Bank Balances	3	21,779,942,504	16,337,109,975
IMF Related Assets : Special Drawing Right Holdings		7,368,831,080	6,730,704,535
Investments	3a	364,600,510,228	203,545,377,189
Other Receivables		1,360,298,093	448,199,792
Total Foreign Currency Assets		395,109,581,905	227,061,391,491
Local Currency Financial Assets			
Cash in Hand		2,088,188,303	3,730,978,127
Investments in Government Securities	4	33,656,571,458	36,509,216,412
GON Overdraft		-	20,764,094,278
Investments in Financial and Other Institutions	5	337,892,500	337,892,500
Other Investments	6	10,390,905,000	10,782,610,000
Loans & Receivables and Refinance	7a,b	4,586,972,914	14,951,607,667
Other Receivables	8	4,464,752,096	3,795,691,468
Sub-Total		55,525,282,271	90,872,090,452
Other Assets			
Gold and Silver	9	292,612,967	309,091,119
Other Inventories	10	1,859,346,980	1,636,700,152
Property, Plant & Equipment	11a	540,424,208	519,867,158
Intangible Assets	11b	150,094,134	2,206,358
Assets received in grant	11c	722,599	968,058
Project Assets	12	369,041,001	409,480,104
Sub-Total		3,212,241,889	2,878,312,949
Total Local Currency Assets		58,737,524,160	93,750,403,401
Total Assets		453,847,106,065	320,811,794,892

Contingent Assets

23c

The above statement is to be read in conjunction with the notes 1 to 31.

As per our report of the even date.

.....
(Ramjee Regmi)
Executive Director

.....
(Dr. Yuba Raj Khatiwada)
Governor

.....
(Som Raj Pokharel)
Deputy Auditor General

Board of Directors :-

.....
Shanta Raj Subedi

.....
Gopal Prasad Kaphle
(Dy. Governor)

.....
(C.A. Komal Bahadur Chitrakar)
Chartered Accountant
Kathmandu

.....
(C.A. B.K.Agrawal)
Chartered Accountant
Kathmandu

.....
Maha Prasad Adhikari
(Dy. Governor)

.....
Dr. Sri Ram Poudyal

.....
Dr. Ram Hari Aryal

Date : 2069.07.24
Place : Kathmandu



NEPAL RASTRA BANK
STATEMENT OF FINANCIAL POSITION AS ON 31st ASHADH, 2069 (15th JULY, 2012)

Particulars	Note	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
LIABILITIES			
Foreign Currency Financial Liabilities			
Deposit from Banks and Other Agencies	13	1,000,369,226	523,025,693
IMF Related Liabilities	14	18,261,630,791	15,955,815,523
Other Liabilities	15	2,373,189	406,992,510
Total Foreign Currency Liabilities		19,264,373,206	16,885,833,726
Local Currency Financial Liabilities			
IMF Related Deposit Liabilities	16	5,880,083,908	5,880,083,908
Deposit and Other Balances	16a	132,344,464,304	73,683,216,162
Bills Payable		729,902,615	586,284,224
Staff Liabilities	17	8,532,806,680	5,695,278,571
Other Payables	18	232,526,765	144,199,719
Sub-Total		147,719,784,272	85,989,062,584
Other Liabilities			
Currency in Circulation	19	201,250,000,000	167,620,000,000
Surplus payable to GoN		4,227,000,000	3,220,000,000
Sundry Liabilities	20	1,462,202,396	1,214,711,228
Project Liability	21	369,041,001	409,480,104
Sub-Total		207,308,243,397	172,464,191,332
Total Local Currency Liabilities		355,028,027,669	258,453,253,916
EQUITY			
Share Capital		3,000,000,000	3,000,000,000
Reserves	22	76,554,705,190	42,472,707,250
Total Equity		79,554,705,190	45,472,707,250
Total Liabilities and Equity		453,847,106,065	320,811,794,892

Contingent Assets

23b

The above statement is to be read in conjunction with the notes 1 to 31.

As per our report of the even date.

.....
(Ramjee Regmi)
Executive Director

.....
(Dr. Yuba Raj Khatiwada)
Governor

.....
(Som Raj Pokharel)
Deputy Auditor General

Board of Directors :-

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Shanta Raj Subedi

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(Dy. Governor)

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Maha Prasad Adhikari
(Dy. Governor)

.....
Dr. Sri Ram Poudyal

.....
Dr. Ram Hari Aryal

Date : 2069.07.24
Place : Kathmandu



NEPAL RASTRA BANK

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st ASHADH, 2069 (15th JULY, 2012)**

Particulars	Note	2068-69 NRs.	2067-68 NRs.
Operating Income:			
Income from Foreign Currency Financial Assets			
Interest Income	24	8,500,428,740	3,761,628,272
Commission Income	25	244,800,337	278,047,354
		8,745,229,077	4,039,675,626
Expenses on Foreign Currency Financial Liabilities			
Interest Expenses	26	18,158,791	33,124,217
Agency and Service Charge	27	6,089,191	4,636,947
		24,247,982	37,761,164
Net Income from Foreign Currency		8,720,981,095	4,001,914,462
Income from Local Currency Financial Assets			
Interest Income	24	3,802,294,858	5,525,830,565
Commission Income	25	4,268,845	5,671,983
		3,806,563,703	5,531,502,548
Expenses on Local Currency Financial Liabilities			
Interest Expenses	26	176,437,818	69,787,799
Agency and Service Charge	27	340,824,841	363,431,242
		517,262,659	433,219,041
Net Income from Local Currency Financial assets		3,289,301,044	5,098,283,507
	28	561,170,169	2,582,975,198
Total Net Operating Income		12,571,452,308	11,683,173,167
General, Administrative Expenses & Provisions	29	6,742,362,163	4,977,550,254
Profit for the year before Foreign Exchange, Gold and Silver Revaluation Gain/(Loss) and prior year adjustment		5,829,090,145	6,705,622,913
Foreign Exchange Gain/(Loss) (Net)		30,764,828,683	1,858,159,100
Gold and Silver Revaluation Gain/(Loss) (Net)			
- Amount Transferred from Gold & Silver Equalisation Reserve	31(XIX)(i)	1,706,448,801	1,184,717,792
- Securities Revaluation			
- other		2,449,259	
Prior Year Adjustment		6,426,511	(18,579,822)
Net Profit/(Loss) for the year		38,309,243,399	9,729,919,983



NEPAL RASTRA BANK

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st ASHADH, 2069 (15th JULY, 2012)

Particulars	Note	2068-69 NRs.	2067-68 NRs.
Net Profit/(Loss) for Appropriation			
Net Profit/(Loss) for the year		38,309,243,399	9,729,919,983
Amount Transferred (to)/from Exchange Equalisation Fund (EEF)		(30,764,828,683)	(1,858,159,100)
Amount Transferred (to)/from Gold & Silver Equalisation Reserve	31(XIX)(i)	(1,706,448,801)	(1,184,717,792)
Gold Replacement Fund	31(XIX)(ii)	(187,950,550)	(2,307,013,551)
Securities Revaluation Fund		-	-
Investment Revaluation Fund		(2,449,259)	-
Profit available for distribution		5,647,566,106	4,380,029,540
General Reserve		593,866,400	491,929,540
Monetary Liability Reserve		282,378,400	219,000,000
Development Fund		40,000,000	172,000,000
Dev. Fin. Projects Mob. Fund		15,537,500	43,100,000
Liquidity Stabilization Fund		20,000,000	22,000,000
Mechanization Fund		400,000,000	100,000,000
Banking Development Fund		68,783,806	112,000,000
Surplus to be transferred to GON		4,227,000,000	3,220,000,000
Total		5,647,566,106	4,380,029,540

The above statement is to be read in conjunction with the notes 1 to 31.

As per our report of the even date.

.....
(Ramjee Regmi)
Executive Director

.....
(Dr. Yuba Raj Khatiwada)
Governor

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(Som Raj Pokharel)
Deputy Auditor General

Board of Directors :-

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Shanta Raj Subedi

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Kathmandu

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Maha Prasad Adhikari
(Dy. Governor)

.....
Dr. Sri Ram Poudyal

.....
Dr. Ram Hari Aryal

Date : 2069.07.24
Place : Kathmandu



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st ASHADH, 2069 (15th JULY, 2012)**

Particulars	Note	2068-69 NRs.	2067-68 NRs.
Cash flow from operating activities:			
Profit for the Year		38,309,243,399	9,729,919,983
Adjustments			
Gold and Silver revaluation gain/(loss) (Net)		(1,706,448,801)	(1,184,717,792)
- Other			
- Revaluation gain or loss on foreign exchange		(30,767,277,942)	(1,858,159,100)
Securities revaluation			
Depreciation		57,979,367	56,644,483
Prior period adjustment		(6,426,511)	18,579,822
Note printing expenses		649,863,713	611,333,378
Dividend Income		(639,395)	(2,735,850)
Profit from sale of assets/ investments			
Sundry balances written off		195,822	-
Interest paid on PRGF Loan & ACU		18,137,209	31,941,819
Provision for :			
Loan and advances		-	-
Diminution in value of investment		-	-
Doubtful of recovery on sundry accrued		10,329,878	-
Provision for doubtful investment		247,900,000	1,030,705,000
Provision others		3,352,949	-
Cash flow from operation before inc / dec in operating assets		6,816,209,687	8,433,511,743
(Increase) / Decrease in operating assets		25,943,482,342	(14,311,860,898)
GON overdraft		20,764,094,278	(4,052,602,667)
Refinance & loans		10,367,932,624	(6,839,442,424)
Other receivable		(1,591,488,807)	(763,205,210)
Gold & silver		(2,724,349,388)	(1,031,209,589)
Inventories		(872,706,364)	(1,625,401,008)
Increase/(Decrease) in operating liabilities		63,439,458,803	9,590,857,880
SDR Allocation		1,391,819,604	15,935,306
Deposit liabilities		59,138,591,673	10,955,852,258
Bills payable		143,618,391	(335,310,529)
Deferred staff liabilities		2,837,528,109	1,200,614,247
Other liabilities		(319,590,142)	345,410,746
Sundry liabilities		247,491,168	(2,591,644,148)
Operating cash flow before prior period adjustment		96,199,150,832	3,712,508,725
Prior period adjustment		6,426,511	(18,579,822)
Cash flow from operating activities	Total (A)	96,205,577,343	3,693,928,903
Cash flow from investing activities:			
Net Decrease in Government Securities and Bank Deposits		2,996,449,954	(18,452,149,353)
Sale/purchase of Investment in Financial Institutions		-	(12,857,000)
Purchase of Investments-other		19,591,464	(1,467,694,008)
Fixed assets including WIP		(229,777,141)	(52,666,402)
Dividend income		639,395	2,735,850
	Total (B)	2,786,903,671	(19,982,630,913)
Cash flow from financing activities:			
Bank note issued		33,630,000,000	6,320,000,000
Increase/decrease in PRGF Loan & ACU		913,995,664	(305,477,208)
Interest paid on PRGF Loan & ACU		(18,137,209)	(31,941,819)
Surplus transferred to GON		(3,220,000,000)	(3,110,000,000)
	Total (C)	31,305,858,455	2,872,580,973
Net cash flow for the year (A+B+C)		130,298,339,469	(13,416,121,037)
Revaluation gain or loss on foreign exchange		30,767,277,942	1,858,159,100
Cash and cash equivalent at the beginning of the year		212,898,333,708	224,456,295,645
Cash and cash equivalent at the end of the year (Note - 30)		373,963,951,119	212,898,333,708

The above statement is to be read in conjunction with the notes 1 to 31.

As per our report of the even date.

.....
(Ramjee Regmi)
Executive Director

.....
(Dr. Yuba Raj Khatiwada)
Governor

.....
(Som Raj Pokharel)
Deputy Auditor General

Board of Directors :-

.....
Shanta Raj Subedi

.....
Gopal Prasad Kaphle
(Dy. Governor)

.....
(C.A. Komal Bahadur Chitrakar)
Chartered Accountant
Kathmandu

.....
(C.A. B.K.Agrawal)
Chartered Accountant
Kathmandu

.....
Maha Prasad Adhikari
(Dy. Governor)

.....
Dr. Sri Ram Poudyal

.....
Dr. Ram Hari Aryal

Date : 2069.07.24
Place : Kathmandu



NEPAL RASTRA BANK

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st ASHADH, 2069 (15th JULY, 2012)

NRs.

Particulars	Balance as at 32.03.2068	Amount transferred from / (to) profit	Inter fund transfer	Balance as at 31.03.2069
Capital	3,000,000,000	-		3,000,000,000
General Reserve	14,307,172,070	593,866,400	1,591,165,306	16,492,203,776
Monetary Liability Reserve	1,798,600,000	282,378,400		2,080,978,400
Exchange Equilisation Fund	11,761,771,035	30,764,828,683		42,526,599,718
Gold & Silver Equilisation Reserve	5,368,797,475	1,706,448,801	(232,727,266)	6,842,519,010
Grants assets reserve	968,058	-	(245,459)	722,599
Grameen Swabalamban Kosh	253,400,000	-		253,400,000
Investment Revaluation Fund	-	2,449,259	-	2,449,259
Other Reserve Funds	8,981,998,612	732,271,856	(1,358,438,040)	8,355,832,428
Security Revaluation Fund	-	-		-
Total	45,472,707,250	34,082,243,399	(245,459)	79,554,705,190

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 32nd ASHADH, 2068 (16th JULY, 2011)

NRs.

Particulars	Balance as at 32.03.2067	Amount transferred from / (to) profit	Inter fund transfer	Balance as at 32.03.2068
Capital	3,000,000,000	-		3,000,000,000
General Reserve	12,794,127,005	491,929,540	1,021,115,525	14,307,172,070
Monetary Liability Reserve	1,579,600,000	219,000,000		1,798,600,000
Exchange Equilisation Fund	9,903,611,935	1,858,159,100		11,761,771,035
Gold & Silver Equilisation Reserve	4,184,079,683	1,184,717,792		5,368,797,475
Grants assets reserve	656,648	-	311,410	968,058
Grameen Swabalamban Kosh	253,400,000	-		253,400,000
Other Reserve Funds	7,246,188,059	2,756,113,551	(1,020,302,998)	8,981,998,612
Security Revaluation Fund	-	-		-
Total	38,961,663,330	6,509,919,983	1,123,937	45,472,707,250

The above statement is to be read in conjunction with the notes 1 to 31.

As per our report of the even date.

.....
(Ramjee Regmi)
Executive Director

.....
(Dr. Yuba Raj Khatriwada)
Governor

.....
(Som Raj Pokharel)
Deputy Auditor General

Board of Directors :-

.....
Shanta Raj Subedi

.....
Gopal Prasad Kaphle
(Dy. Governor)

.....
(C.A. Komal Bahadur Chitrakar)
Chartered Accountant
Kathmandu

.....
(C.A. B.K.Agrawal)
Chartered Accountant
Kathmandu

.....
Maha Prasad Adhikari
(Dy. Governor)

.....
Dr. Sri Ram Poudyal

.....
Dr. Ram Hari Aryal

Date : 2069.07.24
Place : Kathmandu



NEPAL RASTRA BANK

Notes to be read as part of the Financial Statements

1 General information

These are the financial statements of Nepal Rastra Bank, the central bank of Nepal, incorporated under the NRB Act, 2012 repealed by NRB Act 2058 (2002 AD). In these financial statements Nepal Rastra Bank has been referred as “NRB” or the “Bank”.

The central office of the NRB is located at Baluwatar, Kathmandu, Nepal and the Bank’s jurisdiction is spread throughout Nepal.

The main activities of the Bank include:

- Formulating necessary monetary and foreign exchange policies.
- Issuing of currency.
- Promoting stability and liquidity required in banking and financial sector.
- Developing a secure, healthy and efficient system of payment.
- Regulating, inspecting, supervising and monitoring the banking and financial system.
- Promoting entire banking and financial system of Nepal.

These financial statements apply to the financial year ended 31st Ashadh, 2069 (15th July, 2012).

2 Directors’ responsibility statement

The Board of Directors of the Bank is responsible for preparation of the annual financial statements and for the estimates and judgments used in them.

The Board of Directors of the Bank has approved these financial statements on **24 Kartik 2069 (November 9, 2012)**.

3 Summary of significant Accounting Policies

3.1 Basis of preparation

These financial statements have been prepared in accordance with the Nepal Accounting Standards (NAS) as well as International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), with the exception of following Standards partly complied (pending certain improvements and refinements given hereinafter under respective paras):

IAS 1	: Presentation of Financial Statements
IAS 8	: Accounting Policies, Changes in Accounting Estimates and Errors.
IAS 16	: Property, Plant and Equipments
IAS 19	: Employee Benefits
IAS 28	: Investment in Associates
IAS 32	: Financial Instruments Presentation
IAS 36	: Impairment of Assets
IAS 37	: Provisions, Contingent Liabilities and Contingent Assets
IAS 39	: Financial Instruments Recognition and Measurement
IFRS 5	: Non-current Assets held for sale and discontinued operation
IFRS 7	: Financial Instruments Disclosure

3.2 Accounting Convention

These financial statements have been prepared under historical cost except for certain items e.g. gold (other than inventory), certain investments shown hereunder specifically, which have been carried at revalued/fair value and amortized cost.

3.3 Currency in circulation

Currency notes issued by the Bank are legal tender under the NRB Act 2058. This represents the liability of the Bank towards the holder of the currency note at its face value. The assets stated in Note 19 of these financial statements back these liabilities.

The Bank also issues coins of different denomination for circulation but such coins are not included in currency circulation liability of the bank. Since coins issued by NRB have not been treated as liability the bank has not kept records of coins issued so far. Therefore, total coins in circulation up to the Current fiscal year have not been quantified.



NEPAL RASTRA BANK

3.4 Financial assets / Instruments

Financial assets/instruments are segregated between foreign currency and local currency items to reflect more objective presentation of the bank's financial position and performance.

3.4.1 Classification

Instruments at fair value through profit or loss

Instruments at fair value through profit or loss are financial instruments either financial asset or financial liability that meets either of following conditions:

- a) It is classified as held for trading.
- b) Upon initial recognition it is designated by the entity as at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They typically arise when the Bank provides loans; investment in debt instruments and deposits held in other banks with no intention of trading the receivable or making short-term profit and comprise loans and advances including bonds purchased at original issuance.

Held-to-maturity investments

Held-to-maturity asset are financial assets with fixed or determinable payments and fixed maturity (e.g., debt securities) that the Bank has the positive intent and ability to hold till maturity. These include certain purchased loans and advances, certain debt instruments, and foreign treasury bills.

Available-for-sale financial assets

All financial assets that are not classified in another category are classified as available-for-sale. These include investment in certain saving certificates, and investment in financial and other institutions.

3.4.2 Recognition

The Bank recognizes financial assets held for trading and available-for-sale assets on the date the asset is transferred to the Bank. Any gains and losses arising from changes in fair value of the assets such as gold are recognized.

Held-to-maturity assets and originated loans and receivables are recognized on the day the asset is acquired.

3.4.3 Measurement

All financial assets are initially recognized at cost, being the fair value of the consideration given and including acquisition charges. After initial recognition, subsequent measurement bases are described below.

Subsequent to initial recognition, Investment in Gold has been measured at fair value and gains and losses are recognized in equity through Statement of comprehensive income. Investment in instruments that do not have a quoted market price in an active market or fair value cannot be reliably measured are stated at cost, including transaction costs, less impairment losses. Gains and losses arising from a change in the fair value of trading instruments are recognized in the Statement of Comprehensive Income. Investments in subsidiaries, associates and other entities made under the specific directives or policies of the government and other relevant statutes are also valued at cost less impairment loss.

Loans and receivables include Loans to employees. GON Treasury Bills are recognized initially at cost. However, subsequent measurement at amortized cost using effective interest method, with possible impairment losses has not been considered and the impact of such measurement is yet to be ascertained at this stage.

3.4.4 Fair value

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Quoted market values represent fair value when a financial instrument is traded in an organized and liquid market. Where quoted market values are not available, the fair values are estimated by other techniques such as discounted cash flows etc.



NEPAL RASTRA BANK

3.4.5 De-recognition

A financial asset is de-recognized when the Bank loses control over the contractual rights that comprise the asset. This occurs when the rights are realized, expire or surrendered. Financial liabilities are de-recognized when extinguished.

Available-for-sale assets and assets held for trading are de-recognized when sold and corresponding receivables from the buyer for the payment are recognized when the asset is transferred to the buyer.

Held-to-maturity instruments and loans and receivables are de-recognized on receipt of money or money's worth there against.

3.5 Transactions on repurchase obligations (Repo) and reverse repo

The Bank enters into transaction of repurchase (Repo) and reverse repo of securities at agreed rates for specified periods of time. These are recorded as follows:

- i) Securities sold under arrangements to repurchase recorded as investment in government securities. The obligation to repurchase is shown as liabilities for securities sold under agreement to repurchase and the difference between the sale and repurchase value is accrued on a pro rata basis and recorded as expense.
- ii) In case of purchase under resale obligations, the securities are recorded as loans at the purchase price and the difference between the purchase and resale price is accrued over the period and recorded as income.

3.6 Foreign Currency Transactions

Income and expenditure denominated in foreign currency are translated into Nepalese Rupees on the basis of exchange rates prevailing on the value date. Assets and liabilities in foreign currency as at the year-end are converted into Nepalese Rupees on buying exchange rate prevailing on the balance sheet date. Exchange differences are taken to the Income Statement. An amount equivalent to the net exchange gain /loss during the year is transferred to/from 'Exchange Equalization Fund' through Statement of comprehensive Income.

3.7 Gold and Silver (other than inventory)

Gold and Silver other than those held as inventory is stated at market value and any appreciation or depreciation with respect to the cost is taken to/from "Gold and Silver Equalization Reserve" through Statement of comprehensive Income.

3.8 Gold and silver stock and other inventories

Gold and silver stock and other inventories are carried at cost or net realizable value whichever is less. Cost for Gold and Silver is determined on the basis of specific identification of their individual cost (As per para 23 of IAS 2) where as for other inventories is determined under the Weighted average method. Other assets (store items) except dispensary stock, various coin/metal stocks as well as printed notes are charged directly to Statement of Comprehensive Income from F.Y. 2064/065. Entire purchase of Items with non-durable nature as well as durable items costing per unit cost of NRs. Twenty five thousand or less are expensed through Statement of Comprehensive income at the time of purchase.

3.9 Property, Plant & Equipment

Property, Plant and Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation. Such cost includes the cost of replacing part of such Property, Plant and Equipment when that cost is incurred if the recognition criteria are met.

Depreciation is calculated using the straight-line method over the following estimated useful lives.

Class of Assets	Useful Life
Buildings	Over 33 Years
Furniture and Fixture	10 Years
Vehicles	5 Years
Office and Computer Equipments	5 Years
Machinery Equipments	5 Years
Others	5 Years

Depreciation on additions is charged for the whole year, if the asset is put to use within first nine months of the accounting year. No depreciation is charged on the assets purchased and/or put to use in the later three months of the year. Similarly, no depreciation is charged in the year in which assets are deleted.



NEPAL RASTRA BANK

Fixed assets having value of NRs. Twenty five thousand or less (previously Rs. 1000 or less) are charged directly to expenses in Statement of Comprehensive Income.

During current fiscal year depreciation has been charged on Property, Plant and Equipment based on estimated useful life as per Account Manual 2065. Accordingly, useful life of machinery and equipment as well as other fixed assets has been revised to '5 years' from earlier 'Over 6 years'.

3.9.1 Intangible assets

Intangible assets include software purchased by the bank. Software, useful life of which have been defined by terms of contract or conditions for use, have been classified as "Software with defined useful life" and are amortized on straight-line basis over the useful life of asset.

Software, useful lives of which have not been clearly defined, are classified as "Software with indefinite useful life". Since, useful life of software is usually short due to technological obsolescence, "Software with indefinite useful life" have been amortized on straight-line basis over estimated useful life of ten years and five years respectively for business application software and other software. Amendment in Account Manual 2065 has been made with respect to intangible assets having value of rupees twenty five thousand or less to be charged directly to expenses in Statement of Comprehensive Income.

3.10 Assets received in grant

Grants or donation on account of capital expenditure are recorded as "grant assets" with corresponding credit to "grant assets reserve" under the head of Capital Reserve. Depreciation on such assets has been recorded on the expenses side and reversal of grant assets reserve has been recorded on the income side in Statement of Comprehensive Income.

3.11 Employee benefits

3.11.1 Contributory Retirement Fund

All permanent employees are entitled for participation in employee's provident fund (now Retirement Fund) wherein the employees contribute at various rates of their current drawn salaries. The bank contributes 10% of salary to this fund, which is separately administered as a defined contribution plan as per Nepal Rastra Bank Staff By-Law 2068 : Rule 78 Sub-rule 1(a) & 1(c). The Bank's obligations for contributions to the above Fund are recognized as an expense in the Statement of Comprehensive Income as incurred.

3.11.2 Gratuity and Pension Scheme

Employees having service period for five years or more but less than twenty years are eligible for gratuity, which is based on last pay-scale of staff's existing designation and completed years of service as per Nepal Rastra Bank Staff By-Law 2068 : Rule 116. Similarly, employees having service period of twenty years or more are eligible for pension, which is based on last pay-scale of staff's existing designation and completed years of service, as per Nepal Rastra Bank Staff By-Law 2068 : Rule 117.

3.11.3 Welfare Provident Fund

Certain amounts as prescribed by the Board are transferred to this fund, which is meant to be a defined benefit scheme for the welfare of the employees, as per Nepal Rastra Bank Staff By-Law 2068 : Rule 78 Sub-rule 1(b) and 1(c). Contributions by the Bank are expensed on actual incurrence.

3.11.4 Staff Medical Fund

Employees are eligible for medical benefits based on the specified slabs as per medical rules, last drawn salary and completed years of service, as per Nepal Rastra Bank Staff By-Law 2068 : Rule 78 Sub-rule 1(d). This year incremental liability has been provided for.

3.11.5 Staff Security Fund

All the permanent employees are entitled to staff security fund at the time of retirement, death or termination from the service by any other circumstances at the predetermined factor prescribed by the bank, which is based on last drawn salary and completed years of service as per Nepal Rastra Bank Staff By-Law 2068 : Rule 78 Sub-rule 1(e). Employees having service period of thirty years are eligible for maximum sixty months salary.



NEPAL RASTRA BANK

3.11.6 Leave encashment

The Bank makes annual provision in respect of liability for employee's leave based on obligation dischargeable to employees at balance sheet date and considered it as short-term employee benefit as per as per Nepal Rastra Bank Staff By-Law 2068 : Rule 86, 87 and 91.

3.12 Revenue recognition

Incomes and expenses are recognized on accrual basis.

3.13 Taxation

Income of the NRB is exempted from taxes under section 8 of the NRB Act, 2058 as well as Income Tax Act, 2058 and as such no provision in this respect has been made.

3.14 Cash and cash equivalents

Cash includes cash at vault and agency bank account balances. Similarly cash equivalents include short-term, highly liquid investments maturing within 3 months from the balance sheet date and are readily convertible to cash, and are subject to an insignificant risk of changes in value.

3.15 Impairment

Provision for the assets such as Numismatic and Medallion coins and Non-moving metals are made on as per the indication of impairment. An impairment loss is recognized in Statement of Comprehensive Income whenever the carrying amount of an asset or a group of assets exceeds its recoverable amount. Provisions for possible losses on loans and advances have been provided on the basis of financial position of borrower and appropriate estimation made by the management. Receivables considered as bad and irrecoverable are written off from the books of account and directly charged to Statement of comprehensive income. Provisions against impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Changes in the provisions are recognized as income/expense in the statement of comprehensive income.

3.16 Segment reporting

The Bank presents assets and liabilities, and their associated income and expense streams, by distinguishing between foreign currency and local currency. The Bank considers that this reporting approach provide appropriate segmental reporting of the Bank's activities.



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 3: CASH AND BANK BALANCES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Cash in Hand	2,056,807,747	1,965,227,222
Balance with Banks in Demand Deposits	19,556,818,001	14,371,882,753
Asian Clearing Union	166,316,756	-
Total	21,779,942,504	16,337,109,975

NOTE - 3a: INVESTMENTS	Ason31-3-2069 NRs.	Ason32-3-2068 NRs.
i. Treasury Bills		
US Government Treasury Bills ^{^^^^}	22,147,858,095	28,376,502,733
German Bubbils ^{^^^}	-	3,989,811,594
GOI Treasury Bills ^{###}	87,668,050,160	46,328,091,962
Sub -Total	109,815,908,255	78,694,406,289
ii. Other		
US Government Treasury Notes/Bond ^{###}	885,878,443	708,940,235
Investment in Mid Term Instrument ^{###}	10,129,211,498	10,325,741,169
Investment in Fixbis ^{###}	3,420,298,346	7,738,532,218
Investment in Repurchase Agreement (Repo) ^{**}	43,891,046,088	9,339,154,059
Balance with Banks in Time Deposits ^{###}	185,599,736,543	90,327,448,504
Gold ^{###}	10,858,431,055	6,411,154,715
Sub -Total	254,784,601,973	124,850,970,900
Total	364,600,510,228	203,545,377,189
Above investments are classified as follows:		
Loans and receivables	-	-
Held-for-trading ^{**}	43,891,046,088	9,339,154,059
Held-to-maturity ^{###}	298,561,606,045	161,839,908,803
Available-for-sale ^{^^^^}	22,147,858,095	32,366,314,327
Total	364,600,510,228	203,545,377,189

Amortized cost of Time deposits, GOI Treasury Bills and Investment in Fixbis have not been subsequently measured at amortized cost using effective interest rate, which is insignificantly different from costs as maturity period of these instruments is less than six months. Foreign Government Treasury Bills has been regrouped based on Sovereign Country. Repurchase agreements (Repo) has been reclassified as 'held for trading' from current fiscal year from earlier 'held to maturity'. Similarly Investment in Gold has been regrouped from foreign currency Other Asset at face of balance sheet to annex 3a as 'held for trading'.

Interest on time deposit (where ever applicable) were earned at various rates ranging from 0.01% to 4.97% per annum (P.Y. 0.05% to 2.02% per annum). Time deposits with banks are for the period less than six months.

NOTE - 4: INVESTMENTS IN GOVERNMENT SECURITIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Government Treasury Bills ^{** ###}	24,846,244,265	28,174,457,369
Saving Certificates ^{^^^^}	3,121,604,000	3,463,708,000
Government Bond [*]	4,871,051,042	4,871,051,043
Development Bond 2071 Gha ^{###}	817,672,151	-
Other Bonds and securities [*]	-	-
Total	33,656,571,458	36,509,216,412



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 4: INVESTMENTS IN GOVERNMENT SECURITIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Above investments are classified as follows:		
Loans and receivables *	4,871,051,042	4,871,051,043
Held-for-trading **	-	-
Held-to-maturity ###	25,663,916,416	28,174,457,369
Available-for-sale ^^^^	3,121,604,000	3,463,708,000
Total	33,656,571,458	36,509,216,412

GON Treasury Bills underwritten under primary issue has been categorized 'held for trading' where as GON Treasury Bills against GON overdraft and Outright purchase are categorized as 'held to maturity'. Government Bond represent the bonds issued by GON in favour of Nepal Rastra Bank for the discharge of GON obligation to the IMF, which has been reclassified as 'loans and receivables' from current fiscal year from earlier 'held to maturity'. These bonds are non- interest bearing. During current fiscal year investment has been made in Development Bond 2071 Gha which has been earmarked against 'development fund investment' of the bank.

NOTE - 5: INVESTMENTS IN FINANCIAL AND OTHER INSTITUTIONS	% of holding	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
(a) Investment in shares of Subsidiaries			
Sudur Pashchimanchal GBB	68.46	40,050,000	40,050,000
Agricultural Project Services Center	62.50	5,000,000	5,000,000
Rastriya Beema Sansthan - Life Insurance	55.56	1,000,000	1,000,000
Sub-Total		46,050,000	46,050,000
(b) Investment in shares of Associates			
Deposit & Credit Guarantee Corporation	22.58	20,500,000	20,500,000
Nepal Stock Exchange Ltd.	34.60	12,080,500	12,080,500
National Productivity and Economic Development	31.52	2,500,000	2,500,000
Sub-Total		35,080,500	35,080,500
(c) Other Investments			
Shares:			
Nepal Clearing House	10.00	12,857,000	12,857,000
Rural Microfinance Development Centre	6.58	21,045,000	21,045,000
Pashchimanchal GBB	10.00	6,000,000	6,000,000
Nepal Development Bank	5.00	16,000,000	16,000,000
Credit Information Bureau	10.25	3,500,000	3,500,000
Citizen Investment Trust	20.01	10,000	10,000
Rural Self Reliance Fund (Seed Capital)		253,400,000	253,400,000
National Banking Training Centre	10.00	5,000,000	5,000,000
Sub-Total		317,812,000	317,812,000
Total		398,942,500	398,942,500
Less: Provision for diminution in the value		61,050,000	61,050,000
Total		337,892,500	337,892,500

Investment in shares of all the above institutions have been recognised as "Available-for-sale".

- According to NRB Act 2058, NRB is not eligible to hold investment in share in excess of 10 percent of their share capital.
- The Bank has already offloaded the investments in Rastriya Beema Sansthan (Non-Life Insurance), Madhyamanchal Gramin Bikas Bank (GBB) and Madhya Paschimanchal Gramin Bikas Bank and is in the process of offloading all those investments/ loans that are in excess of limit prescribed by section 7 (2) (a) of NRB Act 2058. In this regard, the investments in Citizen Investment Trust has been partially offloaded .
- The investment in Grameen Bikas Banks (GBB) were initially made for the development of rural banking and now the bank has off loaded the holding in these institutions except in Sudur Pashchimanchal GBB .
- Investment in Rastriya Beema Sansthan (Life-Insurance): NRB has received 41,667 Bonus Shares of Rs. 100 each in this investment which makes total shareholding of NRB 51,667 shares.
- Investment in Citizen's Investment Trust: NRB has received 133400 bonus shares of Rs 100 each for Financial Years 2062/63, 2063/64 and 2064/65 with which NRB has total 133500 shares in its possession with market value of NRs. 7,55,61,000 (NRs.566 quoted price on F/Y 2068/69 last trading date of year end).
- Investment in Deposit and Credit Guarantee Corporation (DCGC): NRB has received 6,12,638 bonus shares of Rs 100 each which makes total shareholding of 10,83,898 shares.
- Nepal Development Bank is in liquidation.
- Investment in Credit Information Centre Limited (CICL): NRB has received 14,400 bonus shares of Rs 100 each during current fiscal year.



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 6: OTHER INVESTMENTS	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Investment of funds		
Fixed deposits with commercial banks and Financial Institutions	11,669,510,000	11,813,315,000
Less: Provision for doubtful Investment	1,278,605,000	1,030,705,000
Total	10,390,905,000.00	10,782,610,000.00

The above investments have been recognised and valued as "Held-to-maturity".

The above investments are earmarked against employees funds, development related and other funds of the bank. Interest earned on investments related to the employees funds (other than staff security fund) are credited to the respective funds.

NOTE - 7(a): LOANS AND RECEIVABLES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Loans to Employees	4,126,992,914	4,054,947,667
Sub-Total	4,126,992,914	4,054,947,667

NOTE - 7(b): REFINANCE	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Refinance to Commercial Banks	458,480,000	2,096,500,000
Securities purchased under resale agreement	-	6,231,180,000
Refinance to Financial Institutions	11,500,000	2,582,277,869
	469,980,000	10,909,957,869
Less: Provision for doubtful Loans	10,000,000	13,297,869
Sub-Total	459,980,000	10,896,660,000
Total	4,586,972,914	14,951,607,667

NOTE - 8: OTHER RECEIVABLE	Ason31-3-2069 NRs.	Ason32-3-2068 NRs.
Interest Accrued 2,914,490,904		
Less: Provision for doubtful amounts -		
Less: Interest suspense 182,366,083	2,732,124,821	2,453,202,180
Deposits	1,664,504	1,755,604
Advances Recoverable 1,201,871,064		
Less: Provision for doubtful amounts 10,329,878	1,191,541,185	878,413,427
Project income recoverable	68,925,975	53,388,537
Bills Purchased	470,495,611	408,931,720
Total	4,464,752,096	3,795,691,468

NOTE - 9: GOLD & SILVER STOCK	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Gold held in Stock	244,182,691	248,143,154
Silver held in Stock	48,430,276	60,947,965
Total Gold and silver stock	292,612,967	309,091,119

NOTE - 10: OTHER INVENTORIES	Ason31-3-2069 NRs.	Ason32-3-2068 NRs.
Security Note Stock	1,014,932,586	1,179,680,636
Coin Stock	820,688,275	431,583,571
Numismatic and Medallion coins 29,774,421		
Less: Provision for non-moving coins 22,465,794	7,308,627	22,261,940
Other Metal Stock 24,665,244		
Less: Provision for non-moving stock 8,716,000	15,949,244	2,795,026
Dispensory stock 468,248		
Less: Provision for non-moving items -	468,248	378,979
Total Inventories	1,859,346,980	1,636,700,152



NEPAL RASTRA BANK

Notes forming part of the statement of financial position

NOTE - 11(a): STATEMENT OF PROPERTY, PLANT & EQUIPMENT

Particulars	Rate	Cost				Depreciation			Net Block				
		As at 32 Ashadh 2068	Transfer from other Office	Addition during the year	Reclassification / Adjustment / Transfer	As at 31 Ashadh 2069	Upto 32 Ashadh 2068	Transfer from other Office	Current Year Depreciation	Reclassification / Adjustment / Transfer	Upto 31 Ashadh 2069	As at 31 Ashadh 2069	As at 32 Ashadh 2068
Land		31,349,239	-	-	-	31,349,239	-	-	-	-	-	31,349,239	
Building	3	561,448,546	132,890	6,244,404	(500,837)	567,326,003	184,439,206	3,987	-	-	200,836,655	366,489,348	31,349,239
Furniture and Fixture	10	53,431,824	-	1,133,858	-	54,565,682	44,375,774	-	688,117	(28,316,368)	16,727,523	3,783,245	377,011,235
Vehicles	20	174,095,275	4,538,024	34,144,000	(4,453,500)	208,323,799	127,100,417	4,538,022	14,997,197	(4,453,498)	142,182,138	66,141,661	9,056,049
Machinery, Office & Computer Equipments	20	288,160,628	36,044,965	38,962,549	(9,041,181)	354,126,962	236,742,632	31,175,306	23,683,504	(9,846,079)	281,755,362	72,371,600	51,417,996
Miscellaneous	20	4,730,266	-	32,001	(49,456)	4,712,811	4,180,972	-	320,611	(49,455)	4,452,129	260,683	549,294
Total		1,113,216,778	40,715,879	80,516,812	(14,044,973)	1,220,404,496	596,839,000	39,879,845	39,669,429	(42,665,400)	645,953,807	540,395,775	516,378,671
Capital Work-in-Progress		3,488,487	-	28,433	(3,488,487)	28,433	-	-	-	-	-	28,433	3,488,487
Grand Total		1,116,705,265	40,715,879	80,545,245	(17,533,461)	1,220,432,929	596,839,000	39,879,845	39,669,429	(42,665,400)	645,953,807	540,424,208	519,867,158
Previous Year		1,089,155,183	879,742	56,898,836	(30,228,494)	1,116,705,265	566,748,224	-	55,208,201	(25,115,421)	598,839,000	519,867,158	

Note: Capital work in progress includes Rs.3,352,949 as provision for building in construction.

NOTE - 11(b): INTANGIBLE ASSETS (COMPUTER SOFTWARE)

Particulars	Rate	Cost				Amortization			Net Block				
		As at 32 Ashadh 2068	Transfer from other Office	Addition during the year	Adjustment / Transfer	As at 31 Ashadh 2069	Upto 32 Ashadh 2068	Transfer from other Office	Current Year Amortization	Adjustment / Transfer	Upto 31 Ashadh 2069	As at 31 Ashadh 2069	As at 32 Ashadh 2068
Software with Defined useful life		3,627,717	-	2,813,035	-	6,440,752	2,623,974	-	1,103,934	-	3,727,908	2,712,844	1,003,743
Software with indefinite useful life		-	-	-	-	-	-	-	-	-	-	-	-
- Business application softwares	10	3,268,653	-	370,495	8,588	3,650,560	2,086,037	-	504,148	5,153	2,585,033	1,065,528	1,202,616
- Other softwares	20	6,916,370	-	3,183,530	8,588	10,091,312	4,710,011	-	1,608,082	5,153	6,312,940	3,778,372	2,206,358
Total		9,875,941	-	5,996,565	16,731,673	146,315,762	7,333,985	-	2,712,022	10,311,791	10,039,848	6,491,216	3,209,101
Capital Work-in-Progress		-	-	149,499,293	8,588	156,407,074	4,710,011	-	1,608,082	5,153	6,312,940	150,094,134	2,206,358
Grand Total		9,875,941	-	6,146,058	16,748,261	156,407,074	11,423,996	-	4,320,104	15,316,944	16,352,780	6,645,350	5,415,459
Previous Year		6,916,370	-	-	-	6,916,370	3,273,732	-	1,436,283	-	4,710,012	2,206,358	

Note 11(c): Assets received in grant

Particulars	Rate	Cost				Amortization			Net Block				
		As at 32 Ashadh 2068	Transfer from other Office	Addition during the year	Adjustment / Transfer	As at 31 Ashadh 2069	Upto 32 Ashadh 2068	Transfer from other Office	Current Year Amortization	Adjustment / Transfer	Upto 31 Ashadh 2069	As at 31 Ashadh 2069	As at 32 Ashadh 2068
Office Equipment	20	706,331	-	-	-	706,331	663,359	-	12,656	-	681,015.0	25,316	37,972
Computer Equipments	20	987,5941	-	0	-	9,875,941	894,5855	-	232,803	-	9,178,658.2	697,283	930,086
Grand Total		1,693,925	0	0	0	10,582,272	9,612,144	0	245,459	0	9,859,673	722,599	968,058
Previous Year		1,000,3147	0	579,125	0	10,582,272	9,346,499	0	267,715	0	9,614,214	968,058	



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 12: PROJECTS ASSTES: *

(Amount in NRs.)

Assets	MCPW	TLDP	PCRW	PAPWT	TOTAL
Current account	40,162,543.67	7,328,503.46	6,051,795.54	57,630,719.23	111,173,562
	923,699.00	2,144,433.00	5,558,732.00	6,056,738.00	14,683,602
Imprest Account	-	-	-	-	-
	-	-	-	-	-
Investment in fixed deposit and GON bonds	55,438,663.51	145,369,098.36	36,892,116.50	15,000,000.00	252,699,878
	100,817,949.00	151,251,293.00	36,761,373.00	65,742,200.00	354,572,815
Loans to Banks, Fls, and NGOs	-	2,186,525.00	44,785,152.50	20,450,604.00	67,422,282
	-	2,186,525.00	52,927,908.00	28,299,352.00	83,413,785
Fixed assets	-	-	-	-	-
	-	-	-	-	-
Interest receivables	1,045,648.33	3,617,327.86	526,013.70	685,157.02	5,874,147
	1,935,042.00	4,131,093.00	1,103,196.00	1,966,298.00	9,135,629
Principal (Instalment) receivables	-	-	-	-	-
	-	-	-	-	-
Expenses not written off	797,107.65	-	-	-	797,108
	1,062,810.00	-	-	-	1,062,810
Less : Project (Profit)/Loss to be transferred to NRB upto C/Y	(17,743,724.39)	(31,831,514.17)	(12,726,669.08)	(6,624,067.51)	(68,925,975)
Less : Project (Profit)/Loss to be transferred to NRB upto P/Y	(12,758,436.17)	(22,024,844.50)	(9,461,660.57)	(9,143,595.33)	(53,388,537)
Current Year Total	79,700,238.77	126,669,940.51	75,528,409.16	87,142,412.74	369,041,001
Previous Year Total	91,981,063.83	137,688,499.50	86,889,548.43	92,920,992.67	409,480,104

Figures in shaded area represents the corresponding figures of the previous year.

*These figures have been taken from unaudited financial statements of the projects for the F/Y 2068/69. These projects are run by NRB under separate subsidiary loan agreements signed by the NRB with GON.

Figures in shaded area represents the corresponding figures of the previous year.

- MCPW = Micro Credit Project for Women
 TLDP = Third Livestock Development Project
 PCRW = Production Credit for Rural Women
 PAPWT = Poverty Alleviation Project for Western Tarai
 RMP = Rural Microcredit Project



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 13: DEPOSIT FROM BANKS AND OTHER AGENCIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Deposit from Banks and Financial Institutions	922,928,956	482,583,336
Foreign Diplomatic Missions and other agencies	77,440,270	40,442,358
Total	1,000,369,226	523,025,694

NOTE - 14: IMF RELATED LIABILITIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Special Drawing Right Allocation	9,108,185,167	7,716,365,563
Interest Bearing Loan :		
Loan under Extended Credit Facility (ECF) #	5,338,952,664	5,007,848,760
Loan under Rapid Credit Facility (RCF)	3,814,492,960	3,231,601,200
Total	18,261,630,791	15,955,815,523

The Bank transacts with IMF as an agent of the government in respect of quota where in case of SDRs, Loans etc from them it transacts in its own right. The IMF revalues quota at the end of April every year and gains or losses arising from such revaluation relating to quota are borne by government. In case of other transactions such gain/losses are borne by NRB. The Basic policies followed by the NRB on such accounts are as follows:

- (1) country's quota with the IMF is recorded by the NRB as depository of the Government and exchange gain/loss arising on quota are borne by government.
- (2) exchange gains or losses in respect of borrowings under ECF and other facilities of the IMF, allocation of SDRs and holding of SDRs are recognized in the Income Statement.

Formerly Poverty Reduction and Growth Facility (PRGF)

**THE POSITION OF THE IMF ASSETS AND LIABILITIES
FINANCIAL POSITION IN THE FUND AS ON JULY 15, 2012**

Particlars	Local Currency (NRs.)	SDR Equivalents
SPECIAL DRAWING RIGHT:		
Net cumulative allocation	9,108,185,167	68,099,599
Holdings	7,368,831,080	55,094,888
OUTSTANDING PURCHASES & LOANS:		
RCF Loans	3,814,492,960	28,520,000
ECF Arrangements	5,338,952,664	39,918,000
OTHER INFORMATION	Per cent of Quota	
Quota	100.00	71,300,000
Currency Holding	99.98	71,283,862
Reserve Tranche Position	0.03	21,774
1. Converted into NRs 133.748 at the rate of SDR per currency unit .		



NEPAL RASTRA BANK

FINANCIAL POSITION IN THE FUND AS ON JULY 16, 2011

Particulars	Local Currency (NRs.)	SDR Equivalents
SPECIAL DRAWING RIGHT:		
Net cumulative allocation	7,716,365,563	68,099,599
Holdings	6,730,704,535	59,400,799
OUTSTANDING PURCHASES & LOANS:		
RCF Loans	3,231,604,200	28,520,000
ECF Arrangements	5,007,848,760	44,196,000
OTHER INFORMATION	Percent of Quota	
Quota	100.00	71,300,000
Currency Holding	99.98	71,283,862
Reserve Tranche Position	0.03	21,774
1. Converted into NRs 113.31 at the rate of SDR per currency unit .		

Financial position in the IMF as on April 30, 2012 and comparative position as on April 30, 2011 has not been presented from current fiscal year. However, such information is available in IMF website (www.imf.org).

Notes forming part of the statement of financial position

NOTE - 15: OTHER LIABILITIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Accrued Interest	2,373,189	9,010,181
Asian Clearing Union	-	397,982,329
Total	2,373,189	406,992,510

NOTE -16: IMF Related Deposit Liabilities	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
IMF Account No 1	5,879,421,428	5,879,421,428
IMF Account No 2	662,480	662,480
Total	5,880,083,908	5,880,083,908

NOTE -16 (a): DEPOSIT AND OTHER BALANCES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Balances of GON	10,989,296,158	-
Deposits from Banks and Financial Institutions	99,218,954,797	56,752,564,852
Balances of Other Institutions	18,335,668,285	14,548,254,834
Earnest Money	15,497,758	1,261,375
Money Changer	9,529,000	8,717,100
Margin against LCs	3,775,518,306	2,372,418,001
Total	132,344,464,304	73,683,216,162

Balances of Banks and Financial institutions also include the Cash Reserve Ratio (CRR) required to be maintained by commercial banks. Balances of Other Institutions include deposit of government corporations, companies and local authorities etc.



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 17: STAFF LIABILITIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Medical Fund (Includes Medical earning fund, interest, etc)	408,603,533	531,179,903
Welfare Provident Fund	56,925,542	271,433,264
Gratuity and Pension Fund	6,333,263,487	3,560,217,718
Staff Security Fund	1,084,937,844	752,691,243
Liability for Staff Leave Encashment	607,072,254	517,541,102
Liability for Retired staff insurance premium	24,362,620	45,709,684
Other payable to staff	17,641,400	16,505,657
Total	8,532,806,680	5,695,278,571

NOTE - 18: OTHER PAYABLES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Insurance Premium collected from Staff	1,590,360,703	1,403,890,484
Less: Advance Insurance Premium paid on behalf of Staff	(1,357,833,938)	(1,259,690,765)
Total	232,526,765	144,199,719

NOTE -19: CURRENCY IN CIRCULATION	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Currency in Circulation	201,250,000,000	167,620,000,000

Currency in circulation represents notes issued by NRB, as a sole currency issuing authority in Nepal, which includes cash in hand NRs 2,088,238,302 (P.Y. NRs. 3,730,978,127).

The liability for notes in circulation is recorded at face value in the balance sheet. These liabilities are supported by assets including foreign currency, foreign securities and government securities as follows :

	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Foreign currency balance held abroad	181,470,568,000	147,840,568,000
Foreign Securities	15,607,732,000	15,607,732,000
Government Securities	4,171,700,000	4,171,700,000
	201,250,000,000	167,620,000,000

The amount of currency note issued by the bank and in circulation at the balance sheet date are as follows:

Denomination Notes	As on 31-3-2069	As on 32-3-2068
	Face Value (NRs.)	Face Value (NRs.)
1	162,329,011	31,000,000
2	190,308,574	62,900,000
5	1,316,166,325	238,900,000
10	1,883,219,030	558,500,000
20	2,294,215,860	486,500,000
25	61,003,275	385,500,000
50	3,761,416,000	3,319,000,000
100	8,910,495,300	10,000,700,000
250	88,034,375	109,000,000
500	61,466,678,250	46,260,000,000
1000	121,116,134,000	106,168,000,000
	201,250,000,000	167,620,000,000



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 20: SUNDRY LIABILITIES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Sundry creditors	744,270,328	664,423,414
Unclaimed	3,253,468	2,200,235
Bills Collection	10,453,109	11,043,569
Less: Bills Lodged	<u>10,453,109</u>	<u>11,043,569</u>
Pension Payable to NRB Ex-Staff	-	-
General Account	162,526,670	140,886,791
Payorder Balance	445,019,987	348,713,649
MBL Non Operative Account	120,317,130	58,632,805
Note Kosh account	(768,115)	(85,666)
	(12,417,072)	(60,000)
Total	1,462,202,396	1,214,711,228

Note : NRB general account represents NRB inter-office transactions and the year end balances are under reconciliation.

Note : Kosh account represents NRB interoffice transactions pending for settlement as on 31-3-2069.

NOTE - 21: PROJECTS LIABILITIES: *

(Amount in NRs.)

Liabilities	MCPW	TLDP	PCRW	PAPWT	TOTAL
Loans from IFAD/ADB	79,303,720	124,300,000	70,377,883	80,300,000	354,281,603
	91,504,292	132,775,000	82,107,530	91,250,000	397,636,822
ADB grants	-	-	-	-	-
Exchange fluctuation account	-	-	-	-	-
Split interest reserve	-	-	4,233,489	-	4,233,489
	-	-	4,233,489	-	4,233,489
Sundry Payables	396,519	476	469,186	-	866,181
	476,771	2,726,974	19,250	1,388,000	4,610,995
Interest Suspense	-	182,939	-	257,782	440,722
Provisions	-	-	-	-	-
	-	2,186,525	447,852	6,584,630	9,219,007
	-	2,186,525	529,279	282,994	2,998,798
Current Year Total	79,700,239	126,669,941	75,528,409	87,142,413	369,041,001
Previous Year Total	91,981,063	137,688,499	86,889,548	92,920,994	409,480,104

Figures in shaded area represents the corresponding figures of the previous year.

*These figures have been taken from unaudited financial statements of the projects for the F/Y 2068/69. These projects are run by NRB under separate subsidiary loan agreements signed by the NRB with GON.

Figures in shaded area represents the corresponding figures of the previous year.

MCPW = Micro Credit Project for Women

TLDP = Third Livestock Development Project

PCRW = Production Credit for Rural Women

PAPWT = Poverty Alleviation Project for Western Tarai



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 22: RESERVES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Capital Reserve:		
Gold and Silver Equalization Reserve	6,842,519,010	5,368,797,475
Grants assets reserve	722,599	968,058
Statutory Reserve:		
General Reserve	16,492,203,776	14,307,172,070
Monetary Liabilities Reserve	2,080,978,400	1,798,600,000
Exchange Equalization Fund	42,526,599,718	11,761,771,035
Other Reserves and Funds:		
Development Fund	5,047,503,359	5,007,503,358
Banking Development Fund	707,871,125	639,087,319
Development Finance Project Mob. Fund	188,065,663	172,528,164
Liquidity Stabilization fund	62,000,000	42,000,000
Mechanisation Fund	591,316,414	191,316,414
Scholarship Fund	61,594,504	61,594,504
Mint Development Fund	547,712,943	547,712,943
Gold Replacement Fund	1,149,768,420	2,320,255,910
Investment Revaluation Reserve	2,449,259	-
Rural Self Reliance Fund (GS Kosh)	253,400,000	253,400,000
Total Reserves and Funds	76,554,705,190	42,472,707,250

1. Reserves/ Funds other than capital reserve (gold and silver equalization reserve and Grant assets reserve) represent appropriation out of the profits, which are statutory or specific in nature. All the specific funds / reserve are created with the approval of the Board.
2. **Gold and Silver Equalization Reserve**
This represents the gain or loss on the revaluation of gold and silver. Any appreciation or depreciation on revaluation of gold and silver is taken to/from this reserve through income statement.
3. **Exchange Equalization Fund**
Represents net exchange gains on various foreign currency assets and liabilities. An amount equivalent to net exchange gain/loss is appropriated from/to income statement and adjusted in the opening balance of such reserve.
4. **General reserve**
Under Section 41 (kha) of the NRB Act, 2058, the NRB has to transfer to the general reserve fund not less than 10 percent of the net profit plus penalty income every year.
5. **Monetary Liabilities Reserve**
Under Section 41 (ka) of the NRB Act, 2058, the Bank is required to maintain a monetary liability reserve to meet its financial liability. Accordingly, five percent of the net profit is transferred to this reserve.
6. **Development Fund**
Specific fund created in order to provide support for loans and refinances to banks and Financial Institutions as well as to make investment in the shares and debentures of these Institutions.
7. **Banking Development Fund:**
This fund was created to meet the expenses relating to feasibility survey to open new banks in the priority area, to provide interest free loans to such banks, to compensate the losses incurred by those banks for specified period and expenses relating to banking promotion, work-shops and seminars.



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

- 8. Development Finance Project Mobilization Fund**
This fund was created as a cushion to meet the probable loss on project loan. An amount equivalent to the projects' profits are appropriated and transferred to this fund.
- 9. Mechanization Fund**
This fund was created to meet the amount required to develop and install modern software, hardware and allied mechanization system.
- 10. Scholarship Fund**
This fund was created to meet the amount required for the development of skilled manpower by way of providing training and higher studies to the employees of the Bank.
- 11. Mint Development Fund**
This fund was created to meet the heavy capital expenditure required for construction of factory building and installation of machinery for minting activities.
- 12. Employees welfare fund**
This fund was created in FY 2015/16 for the welfare of the employees who have suffered financial and other losses due to unprecedented events and any other reasons.
- 13. Gold Replacement Fund**
This fund has been created for replacing the gold / silver sold during the year.
- 14. Rural Self Reliance Fund (GS Kosh)**
This fund was created as per the NRB Monetary Policy to meet the fund required for long term refinancing in tea, cardamom plantation and production as well as construction of cold storage etc.
- 15. Grants assets reserve**
This reserve represents assets received in grant with corresponding effect in fixed assets. Equivalent amount of depreciation charged on these assets is transferred to income from this reserve.



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 23(a) : Movement of Provisions.

Particulars	As on 31.3.2018 NRs. 1	Addition 2	Adjustments 3	Payment/ Writeback 4	As on 31.3.2019 NRs. 5=1+2+3-4
Leave encashment	517,541,102	180,823,211		(91,292,059)	607,072,254
Gratuity and Pension Fund	3,560,217,718	3,173,750,651		(400,704,881)	6,333,263,488
Staff Security Fund	752,691,243	125,354,156	300,055,000	(93,162,556)	1,084,937,843
Staff Medical Earning Fund	498,977,454	275,953,467		(385,447,090)	389,483,832
Diminution in value of investment in Financial and other institutions	61,050,000	-	-	-	61,050,000
Provision for advance recoverable		10,329,878	-	-	10,329,878
Provision for doubtful loans	13,297,869	-	-	(3,297,869)	10,000,000
Nuismatic and Medallion Coins	22,465,793	-	-	-	22,465,793
Provision for non moving metal stock	8,716,000	-	-	-	8,716,000
Provision for other investments	1,030,705,000	247,900,000	-	-	1,278,605,000
Provision for building in construction	-	3,352,949	-	-	3,352,949
Total	6,465,662,179	4,017,464,313	300,055,000	(973,904,455)	9,809,277,037



NEPAL RASTRA BANK
Notes forming part of the statement of financial position

NOTE - 23(b): Contingent Liabilities and Commitments	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Letters of Credit	1,233,905,787	1,121,110,806
Guarantees Issued	2,48,49,373.11	-
Claims not acknowledged as debt	-	155,370
Unclaimed account transfer to P/L account	100,066,715	99,979,211
Land where Janakpur office is situated	-	14,371,094
Capital commitment towards ERI Bancaire	31,088,411	-
Claims by KUKL not acknowledged as debt	545,995	-
Total	1,365,606,909	1,235,616,481

1. Contingent liabilities in respect of Letter of Credit (L/C) are determined on the basis of LCs remaining unexpired at the Balance sheet date after adjusting therefrom the margin retained by the bank. In addition to above, Letter of Credit opened for various projects of Nepal Government for which grants is received from various donor agencies, liability of such letter of credit is met directly by the donor agencies, hence it is not shown as contingent liabilities of the bank.
2. Claims not acknowledged as debt consist of legal and other claims pending against the Bank as at 32nd Ashadh, 2067. No provision on such claims have been made, as the Bank is of the opinion that it is unlikely that any significant liabilities with respect to these will arise.
3. Contingent liability in respect of possible payment of Rs. 14,371,094 to obtain ownership on 50 % land having total area of 1-15-7-2 bigha where janakpur office is situated is included in the head 'other' .
4. Capital commitment outstanding towards ERI Bancaire, Luxumberg for GL Software is US\$ 350,885 (NRs.31,088,411) out of contract value US\$ 2,187,830.

NOTE - 23(c): Contingent Assets	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Land where Janakpur office is situated.		14,371,094
Total	-	14,371,094

1. This contingent asset is in respect of possible ownership of 50 % of land where janakpur office is situated. The land has total area of 1-15-7-2. bigha and Nepal Rastra Bank may require to pay Rs.14,371,094 to obtain remaining 50% ownership of the land.



NEPAL RASTRA BANK
Notes forming part of the Income Statement

NOTE - 24: INTEREST INCOME	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Foreign Currency Financial Assets		
Treasury bills & Deposits	8,484,984,205	3,755,868,665
SDR Holding & Asian Clearing Union	15,444,535	5,759,607
Interest income from Foreign Currency Financial Assets	8,500,428,740	3,761,628,272
Local Currency Financial Assets		
Government Securities	98,003,065	76,666,566
Investment in financial and other institutions	3,479,167,403	4,705,328,286
Overdraft to Government	94,696,476	509,430,494
Loans and Refinance	130,427,914	234,405,219
Interest income from Local Currency Financial Assets	3,802,294,858	5,525,830,565
Total interest income from financial assets	12,302,723,598	9,287,458,837

NOTE - 25: COMMISSION INCOME	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Foreign Currency Financial Assets		
On Currency exchange	244,800,337	278,047,354
Local Currency Financial Assets		
Government transaction & Other services	4,268,845	5,671,983
Total Commission income from financial assets	249,069,182	283,719,337

NOTE - 26: INTEREST EXPENSES	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Foreign Currency Financial Liabilities		
SDR Allocation & PRGF Loan	18,137,209	31,941,819
Others	21,582	1,182,398
Sub Total	18,158,791	33,124,217
Local Currency Financial Liabilities		
Government Securities	176,437,818	69,787,799
Sub Total	176,437,818	69,787,799
Total Interest Expense on Financial Liabilities	194,596,609	102,912,016



NEPAL RASTRA BANK
Notes forming part of the Income Statement

NOTE - 27: AGENCY AND SERVICE CHARGE	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Foreign Currency Liabilities		
Service Charge	-	-
Commission	6,089,191	4,636,947
Sub Total	6,089,191	4,636,947
Local Currency Liabilities		
Agency Expenses	340,824,841	363,431,242
Sub Total	340,824,841	363,431,242
Total Agency and Service Charge	346,914,032	368,068,189

Agency Expenses includes agency commission paid to the following banks for operating government accounts.

	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Nepal Bank Ltd.	116,100,000	214,350,000
Rastriya Banijya Bank	197,100,000	132,150,000
Nepal Bangladesh Bank	2,700,000	2,700,000
Everest Bank Ltd	1,200,000	1,200,000
Total	317,100,000	350,400,000

NOTE - 28: OTHER OPERATING INCOME	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Income from Mint (Sale of coin)	145,036,677	142,493,012
Gain from sale of precious metals and coins	187,950,532	2,277,950,530
Fine/Penalty charge	29,109,763	11,999,391
Profit from sale of investments	0	-
Dividend Income	639,395	2,735,850
Provision on Investment written back (Net)	0	-
Provision on Loans & Advances written back (Net)	0	-
Interest suspense written back (Net)	0	-
Project income 28a	34,470,838	42,882,170
Provision no longer required written back	0	-
Grants assets reserve	245,459	267,715
Grants received for expenses	0	260,804
Miscellaneous	163,717,505	104,385,726
Total	561,170,169	2,582,975,198



NEPAL RASTRA BANK
Notes forming part of the Income Instatement

28 (a): Income from Projects account run by Micro Finance Department are as follows:

(Amount in NRs.)

Income	MCPW	TLDP	PCRW	PAPWT	TOTAL
Interest income	7,825,862	14,930,420	5,218,519	6,337,609	34,312,410
	9,863,680	17,376,445	7,091,120	8,550,925	42,882,170
Other income	19,250	19,250	100,678	19,250	158,428
	-	-	-	-	
Current Year Total	7,845,112	14,949,670	5,319,197	6,356,859	34,470,838
Previous Year Total	9,863,680	17,376,445	7,091,120	8,550,925	42,882,170

Figures in shaded area represents the corresponding figures of the previous year.

*These figures have been taken from unaudited financial statements of the projects for the FY 2068/69.

NOTE - 29: GENERAL, ADMINISTRATIVE EXPENSES & PROVISIONS	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Staff Costs	29a 4,939,823,824	2,544,849,564
Depreciation and amortization	58,224,826	56,912,198
Directors Fees and Expenses	2,955,222	2,929,686
Note Printing charges	29b 649,863,713	611,333,378
Mint Expenses	256,043,131	250,861,961
Security charges	18,503,842	18,503,842
Remittance charges	59,404,083	65,839,251
Travelling expenses	132,009,655	81,177,840
Insurance charges	66,376,685	69,484,901
Repair & Maintenance	23,099,503	16,424,905
Provisions on loans & advances, Investments, etc.	29c 265,076,010	1,039,216,592
Project expenses	29e 18,933,399	12,607,482
Miscellaneous	29d 253,304,270	207,408,654
Total	6,743,618,163	4,977,550,254

29(a): Staff Costs	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Salary	504,378,885	345,588,785
Allowances	325,637,822	306,388,629
Provident Fund Contribution	43,568,752	34,388,530
Staff Welfare (Including Medical fund contribution)	348,586,158	131,552,466
Staff Welfare Provident Fund	260,000,000	230,000,000
Pension & Gratuity Fund	2,764,372,517	1,164,372,517
Staff Security Fund	425,354,156	125,354,156
Staff leave compensations	180,823,211	132,613,850
Others	87,102,323	74,590,631
Total	4,939,823,824	2,544,849,564

29(b): Unissued currency stocks are recorded as inventory at the cost of acquisition and expensed when issued.



NEPAL RASTRA BANK
Notes forming part of the Income Instatement

29(c): Provision on loans & advances, Investments, etc.	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Provision for retired Staff Insurance Premium	3,493,183	6,565,268
Provision for Doubtful investment and Others	261,582,827	1,032,651,324
Total	265,076,010	1,039,216,592

29(d): Miscellaneous Expenses	As on 31-3-2069 NRs.	As on 32-3-2068 NRs.
Banking Promotion	26,560,244	12,298,552
Audit Fees and Expenses	1,142,826	874,425
Sundry balances written off	195,822	-
Others	225,405,378	194,235,677
Total	253,304,270	207,408,654

29(e): Expenses from Projects account run by Micro Finance Department are as follows:

(Amount in NRs.)

Expenses	MCPW	TLDP	PCRW	PAPWT	TOTAL
Interest IFAD	-	-	2,052,688	2,573,250	4,625,938
	-	-	1,192,514	2,792,250	3,984,764
Interest ADB	2,592,622	5,141,500	-	-	7,734,122
	2,958,639	5,367,500	-	-	8,326,139
Audit Fee	-	-	-	-	-
	3,500	3,500	3,500	3,500	14,000
Meeting, training and others	1,500	1,500	1,500	1,500	6,000
	1,500	1,500	1,500	1,500	6,000
Depreciation	-	-	-	-	-
	265,702	-	-	-	265,702
Loan loss provision and other provisions	265,703	-	-	6,301,637	6,567,339
	-	10,877	-	-	10,877
Current Year Total	2,859,824	5,143,000	2,054,188	8,876,387	18,933,399
Previous Year Total	3,229,341	5,383,377	1,197,514	2,797,250	12,607,482

Figures in shaded area represents the corresponding figures of the previous year.

*These figures have been taken from unaudited financial statements of the projects for the F/Y 2068/69.

NOTE - 30: CASH AND CASH EQUIVALENT	As on 31-3-2069	As on 32-3-2068
Foreign currency cash and bank balance	21,779,942,504	16,337,109,976
Foreign currency time deposits	185,599,736,543	90,327,448,504
Local currency in hand	2,088,188,303	3,730,978,127
SDR holdings	7,368,831,080	6,730,704,535
Investment in Treasury Bills/Notes	109,815,908,255	78,694,406,288
Investment in Fixbis	3,420,298,346	7,738,532,219
Investment in repurchase agreement (Repo)	43,891,046,088	9,339,154,059
Total	373,963,951,119	212,898,333,708

NOTE - 31: EXPLANATORY NOTES

I. Fiscal Year

The financial statements relate to the fiscal year i.e. 1st Shrawan 2068 to 31st Ashadh 2069 corresponding to Gregorian calendar 17th July 2011 to 15th July 2012. The previous year was 1st Shrawan 2067 to 32nd Ashadh 2068 (17th July 2010 to 16th July 2011). The corresponding information presented in the financial statements for the previous year has been rearranged and reclassified, wherever necessary, in order to facilitate comparison.

II. Currency of Presentation

All amounts in Nepalese Rupees (NRs.) are rounded to nearest rupees.

III. Bills payable and Bills Receivable

The Bank carries out the function of repayment of government securities and interest thereon on behalf of the GON. Bills Payable primarily represents the year-end un-disbursed or unadjusted amount of payments received from GON in respect of interest / repayment liabilities of such securities. The year-end balance of Bills Purchased represents the amounts paid by the Bank to the security holders but the corresponding claim adjustment with Bills Payable is pending.

IV. Quantity and market value of gold and silver

During the current year bank has made investment on 20,000 fine troy ounces of gold. The quantity and market value of gold and silver including those held as inventory are as follows:

Particulars	Period	Weight (Kg, gm, mg)	Market Price (NRs.) Per Grams	Total market Value (NRs.)
Gold	As on 31.3.2069	2389.161.378	4396.828	10,858,431,055.24
	As on 32.3.2068	1767.091.843	3628.082	6,411,154,714.07
Gold held in Stock	As on 31.3.2069	2338.888.025	4396.828	10,283,688,158.30
	As on 32.3.2068	2378.404.070	3628.082	8,629,044,995.09
Silver held in Stock	As on 31.3.2069	125990.408.691	86.150	10,854,073,708.73
	As on 32.3.2068	126279.094.219	86.613	10,937,435,806.91
Current Year Total				31,996,192,922.27
Previous Year Total				25,977,635,516.08

Market value for gold and silver has been based on closing rate prevailing on last working day of the bank's fiscal year in London Market and Nepal Gold & Silver Dealer's Association respectively.

**Figures in shaded area represent the corresponding figures of the previous year.*

V. Year end exchange rates

The year-end exchange rates for major currencies considered for realignment of foreign currency assets and liabilities were as follows:

S.No.	Currency	31st Ashadh 2069	32nd Ashadh 2068
1	US Dollar	88.60	70.95
2	Sterling Pound	136.62	114.54
3	Euro	107.98	100.34
4	Swiss Frank	89.91	86.93
5	Australian Dollar	89.96	75.71
6	CAD	86.97	73.85
7	JPY	1.118	0.895
8	Singapore	69.74	58.26
9	SDR	133.748	113.310

VI. NRB general account

NRB general account represents NRB inter-office transactions and balances under reconciliation of the entries in progress.

VII. Unclaimed account

Unclaimed account represents amount that remained unclaimed and outstanding for more than two years in sundry creditors being transferred to unclaimed account as per policy of Nepal Rastra Bank. Amount transferred from sundry creditors to Unclaimed account during F.Y. 2068/69 is NRs. 11,40,737.62 (P.Y. NRs. 2,51,342.69) .

Amount outstanding for more than three years in unclaimed account is transferred to miscellaneous income in Statement of Comprehensive Income. Amount transferred from unclaimed account to miscellaneous income during F.Y. 2068/69 in Statement of Comprehensive Income is NRs. 87,504.37 (P.Y. NRs. 1,35,895.67).

VIII. Consolidation of Subsidiaries

The Bank's investments in three entities as mentioned in Note 5 (a) are in excess of 50% of the capital of those entities. These investments have been made under the specific directives or policies of the Government and other relevant statutes.

The management of the Bank as such does not exercise significant influence or control over these entities except for any regulatory purposes.

With regard to consolidation of accounts, International Accounting Standard (IAS) 27 para 10 states that a parent need not present consolidated financial statements if and only if:

- (a) the parent is itself a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to the parent not presenting consolidated financial statements.
- (b) the parent's debt or equity instruments are not traded in public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets,.
- (c) the parent did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instrument in a public market, and
- (d) the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

Keeping in view above facts Nepal Rastra Bank has not prepared consolidated financial statements for these subsidiaries.

IX. Related Parties

i. Government:

In the normal course of its operations, the Bank enters into transactions with related parties. Related Parties include GON; as ultimate owner of the Bank, various Government Departments and state controlled enterprises/entities.

Transactions entered into with GON include:

- (a) Acting as the fiscal agent and financial advisor of the government;
- (b) Acting as the agent of government or its agencies and institutions, provide guarantees, participate in loans to government and related institutions;
- (c) Acting as agent of government, the Bank issues securities of government, purchases unsubscribe portion of any issue and amounts set aside for the Bank;
- (d) Acting as the agent of government, the Bank manages public debt and foreign reserves.

The Bank doesn't ordinarily collect any commission, fees or other charges for services, which it renders, to the government or related entities except where agreement has stated otherwise.

ii. Financial and other institutions:

The Bank does not exercise significant influence or control over its subsidiaries, associates and other entities except for any regulatory purposes where substantial investments have been made. These subsidiaries, associates and other entities are

incorporated under relevant act of Government of Nepal and are carrying out the business activities in domestic market only. These investments have been made under the specific directives or policies of the Government and other relevant statutes. Investments made in these entities along with percentage of holdings have been disclosed in Note 5. There are no any transactions of bank with its subsidiaries, associates and other entities. Banks investment in its subsidiaries, associates and other entities along with respective provision for diminution in value of such investment are as under.

S. No	Financial and Other Institutions	NRB's Investment At Cost NRs.	Provision As on 31-3-2069 NRs.
a.	Investment in share of Subsidiaries		
	Sudur Pashchimanchal GBB	40,050,000.00	40,050,000.00
	Agriculture Project Service Centre	5,000,000.00	5,000,000.00
b.	Other Investments:		
	Nepal Bikash Bank	16,000,000.00	16,000,000.00
	Total	61,050,000.00	61,050,000.00

During current fiscal year Rs. 14,00,088.41 has been paid to Rastriya Bima Sansthan-Life insurance as Staff Insurance premium.

iii. Board Of Directors:

During current fiscal year Rs. 29,55,222 has been paid to directors as fees and allowances.

iv. Key Management Personnel:

S.No.	Name of the Key Management Personnel	Designation
1.	Yuba Raj Khatiwada	Governor
2.	Gopal Prasad Kafle	Deputy Governor
3.	Maha Prasad Adhikari	Deputy Governor
4.	Lila Prakash Sitaula	Executive Director
5.	Ashwini Kumar Thakur	Executive Director
6.	Bishnu Nepal	Executive Director
7.	Ramjee Regmi	Executive Director
8.	Bhaskar Mani Gyawali	Executive Director
9.	Manmohan Kumar Shrestha	Executive Director
10.	Lok Bahadur Khadka	Executive Director
11.	Pradeep Raj Pandey	Executive Director
12.	Hari Prasad Kaphle	Executive Director
13.	Siddhi Krishna Joshi	Executive Director
14.	Trilochan Pangen	Executive Director
15.	Dr. Min Bahadur Shrestha	Executive Director
16.	Shambhu Thapa	Executive Director
17.	Mahesh Bhattarai	Executive Director
18.	Rameshwori Pant	Executive Director
19.	Shiba Raj Shrestha	Act. Executive Director

Salary and related expenses to key management personnel are NRs. 3,16,42,722.09 (P.Y. NRs 2,41,30,502). As on 31-3-2069 an amount of NRs 6,78,47,640.81 (P.Y. NRs. 6,43,28,217.55) was receivable from key managerial personnel as approved loan and advances made by the Bank at the same standard rate of interest with that of other loan and advances provided to employees.

There were no other related-party transactions with key management personnel; transactions, if any, with director-related or key management personnel – related entities which occurred in the normal course of NRB's operations were conducted on terms no more favorable than similar transactions with other clientele.

The above information has been compiled to the extent ascertainable and available from the records of the Bank.

X. Property, Plant and Equipment

Property, Plant and Equipment were reclassified for value NRs. 2,07,12,490 to machinery and equipment during current fiscal year from NRs. 1,90,66,163 furniture & fixture and NRs. 16,46,327 office equipment.

Capital work in progress includes NRs.33,52,949 as provision for building in construction.

XI. Intangible assets

GL Software has been shown as 'Capital assets under construction' under this head.

Window server STD media categorized under "Software with indefinite useful life" with original cost NRs. 8,588 and book value NRs. 3,435.20 has been written off to miscellaneous furniture in Statement of Comprehensive Income during current F/Y 2068/69 with respect to amendment in account manual 2065. As per the amendment, intangible assets having value of rupees twenty five thousand or less should be charged directly to expenses in Statement of Comprehensive Income.

XII. Assets received in grant

Nepal Rastra Bank has received assets in grant from the Financial Sector Technical Assistance Project Phase I and Financial Sector Restructuring Project (Phase II) in Financial years 2060/61, 2061/62, 2062/63, 2063/64, 2066/67 and 2067/68. Financial Sector Restructuring Project (Phase II) has already been closed in 2065/66. However, these assets were not booked in Nepal Rastra Bank's books of account till F.Y.2065/66, even though the assets were in use by NRB.

Assets received in grant include Computer Equipments, Office Equipments and miscellaneous furniture. Assets costing upto NRs.25000/- has been classified as miscellaneous furniture.

Miscellaneous furniture up to NRs. 25000 acquired till F.Y.2067/68 amounting to Rs10,03,315 are not adjusted in the financial statements of F.Y.2066/67. Miscellaneous furniture acquired in F.Y.2067.68 amounting to Rs 2,60,804 has been shown in income side as the grants received for expenses under non operating income and on the expenses side as Miscellaneous Furniture account in General administrative expenses and provisions in Statement of comprehensive Income. However, no such miscellaneous assets have been acquired during current F/Y 2068/69.

Computer Equipments and Office equipments acquired uptill F.Y.2067/68 has been booked in Financial Statement. Assets acquired uptill F.Y.2067/68 have been recorded as "Grant Assets" with corresponding credit to "Grant Assets Reserve" under the head of Capital Reserve. However, no such grant asset has been acquired during current F/Y 2068/69. Depreciation has been recorded on the expenses side and reversal of grant assets reserve has been recorded on the income side for NRs 2,45,459 each in the Statement of Comprehensive Income of the F.Y.2068/69. Grants for training expenses have not been received during current year.

Details of Assets acquired on grant/donation and depreciation chargeable over the years of use by Nepal Rastra Bank is given as under:

Fiscal Year	Original cost of assets acquired in the given year				Depreciation recorded		
	Computer Equipments	Office equipments	Miscellaneous furniture	Total (NRs)	Computer Equipments	Office equipments	Total (NRs)
2060/61	-	-	1,69,853	1,69,853	-	-	-
2061/62	81,74,045	4,90,501	4,11,470	90,76,016	16,34,809	98,100	17,32,909
2062/63	-	-	16,157	16,157	16,34,809	98,100	17,32,909
2063/64	5,37,880	1,52,550	35,449	7,25,879	17,42,385	1,28,610	18,70,995
2064/65	-	-	-	-	17,42,385	1,28,610	18,70,995
2065/66	-	-	-	-	17,42,363	1,28,608	18,70,971
2066/67	5,84,891	63,280	1,09,582	7,57,753	2,24,554	43,166	2,67,720
2067/68	5,79,125	-	2,60,804	8,39,929	2,24,550	43,165	2,67,715
2068/69	-	-	-	-	232,803	12,656	2,45,459
Total	98,75,941	7,06,331	10,03,315	1,15,85,586	91,78,659	681,016	98,59,675

XIII. Prior Year Adjustment

This includes adjustments relating to SEACEN operation cost, Kuth amount incurred in acquisition of Mohi certificate of Janakpur land, other revenue income and expenses not booked in previous years.

XIV. Risk Management

The Bank is primarily subject to interest rate risk, credit risk, foreign currency risk and liquidity risk. Nepal Rastra Bank, being the central bank of the country, is largely instrumental in policy related matters, and accordingly the risk management framework differs from the risk management framework for most other financial institutions. The key risk from the Bank's prospective includes risk on foreign currency assets and interest rate risk on the foreign and local currency assets.

Interest Rate Risk: Interest rate risk is the risk that the value of financial assets will fluctuate due to change in market interest rate. The Bank's exposure to interest rate risks and the maturities of assets and liabilities are provided in **Table 1** annexed. The Bank has kept substantial investments on short-term loans thereby controlling the interest rate risk to significant extent.

Credit Risk: Credit risks in relation to a financial instrument is the risk that one party fails to discharge an obligation in accordance with agreed terms and cause the other party to incur a financial loss. The credit risk in the bank's foreign exchange reserve is monitored and reviewed by using credit limits based on credit ratings by international rating agency viz. Standard & Poor credit ratings. Under Standard & Poor credit ratings, AAA is the highest quality rating possible and indicates that the entity has an extremely strong capacity to pay interest and principal; AA is the high grade rating, indicating a strong capacity, and A is an upper medium grade indicating a strong capacity; BBB is the lowest investment grade, indicating a medium capacity to pay interest and principal. Ratings lower than AAA can be modified by + or – signs to indicate relative standing within the major categories. NR indicates the entity/issuer has not been rated. The concentration of credit risk of the Bank's foreign exchange reserve is provided in **Table 2** annexed.

Foreign Currency Risk: Currency risk is the risk, where the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign currency activities result mainly from the Bank's holding of foreign currency assets under its foreign exchange reserves management function. The investment committee reviews the currency composition of the reserve and monitors the Bank's compliance with the limits established for foreign currency positions by the board.

Liquidity Risk: Liquidity risks are the risks that the Bank will encounter difficulty in raising funds to meet commitments associated with the financial instruments. In order to control liquidity risk, the bank has maintained sufficient balance in the current account with the other central banks and investment in very high liquid securities.

XV. Concentration of funding

The details of year-end concentration of funding are provided in **Table 3** annexed.

XVI. Fair values

The carrying value of agency bank balances, investments in foreign currency treasury bills, other held for trading/available for sale investments, deposits and other balances are considered to approximate their fair value. The cost of investment in US Government Treasury Notes/Bonds and US Treasury Bills along with its' fair value are as under.

Name of Instruments	Cost of Investment As on 31.3.2069	NRs.
		Fair Value As on 31.3.2069
US Government Treasury Notes/Bonds	885,878,442.57	886,536,473.00
US Government Treasury Bills	22,145,408,836.60	22,147,858,095.00

Name of Instruments	Cost of Investment As on 32.3.2068	NRs.
		Fair Value As on 32.3.2068
US Government Treasury Notes/Bonds	708,568,596.78	710,650,170.45
US Government Treasury Bills	28,376,502,732.60	28,379,827,449.60

XVII. Disclosure of obligation under pension and gratuity

Before F.Y. 2061/62, liability under pension and gratuity of employees would be provided for on the basis of best estimation made by management. During the F.Y. 2061/62 the liability of Rs 2,269,949,046 was determined for the first time based on actuarial valuation and deficit in the gratuity and pension fund has been provided for on straight-line basis over the period of 5 years commencing from F.Y. 2061/62 till F.Y. 2065/66.

During F.Y. 2066/67 actuarial valuation of liability on account of pension and gratuity fund has been made for the second time. Accordingly, total liability of Rs 4,813,771,862 had been determined. Out of which remaining one-third of the deficit liability amount of NRs 3,493,117,552 has been transferred to the Gratuity and Pension Fund during current fiscal year. The status has been replicated in under-mentioned table.

NRs.

Present value of liability as on 32-3-2067	Liability as per books as on 32-3-2067	Total Deficit	Recognized in F.Y. 2066/67	Recognized in F.Y. 2067/68	Recognized during Current F.Y. 2068/69
4,813,771,862	1,320,654,310	3,493,117,552	1,164,372,517.33	1,164,372,517.33	1,164,372,517.33

In addition to remaining one third, additional provision of Rs. 1,60,00,00,000 has been provided in current F.Y. 2068/69.

XVIII. Disclosure of obligation under staff security fund

During F.Y. 2066/67 actuarial valuation of liability on account of Staff security fund has been made for the first time. Accordingly, total liability of NRs. 982,667,117 had been determined. Out of which remaining one-third of the deficit liability amount of NRs. 376,062,469 and additional provision of NRs. 30,00,00,000 has been provided as expenses and transferred to the Staff Security Fund during current fiscal year. The status has been replicated in under-mentioned table.

NRs.

Present value of liability as on 32-3-2067	Liability as per books as on 32-3-2067	Total Deficit	Recognized in F.Y.2066/67	Recognized in F.Y.2067/68	Recognized during Current F.Y. 2068/69
982,667,117	606,604,648	376,062,469	125,354,156.33	125,354,156.33	125,354,156.33

XIX. Gold and Silver

i. Gold (other than inventory) till the F.Y. 2060/61 was valued at a price revalued in year 2043. In terms of the board resolution dated 2062/09/18 the said gold has been valued at price prevailing in London Bullion Market at the close of the year. Increase in value thereof amounting to NRs. 1,706,448,800.67 has been taken to "Gold and Silver Equalizations Reserve" through Statement of Comprehensive Income. Excess in Gold and Silver Equalization Reserve NRs. 232,727,265.71 carried forward from earlier years other than gold investment revaluation reserve has been transferred to General Reserve during current F.Y. 2068/69.

ii. An amount of Rs 18,79,50,550 has been appropriated from the Statement of Comprehensive Income and kept in "Gold Replacement Fund" for replacing the Gold/Silver sold during the year (out of reserves).

XX. Projects' Asset and Liability

The total Asset and Liability of projects run by Nepal Rastra Bank (NRB) under separate subsidiary loan agreement signed by the NRB with Government of Nepal and project income and expenses have been incorporated in financial statement without netting it off from F.Y. 2063/64 onwards. Separate disclosures of asset, liability, income and expenses of projects have been made in Note 12, Note 21, Note 28(a) and Note 29(e) of the financial statement respectively. Further details of assets acquired on grant/donation have been disclosed in 'Notes to be read as part of financial statement: point 3.10'. Project assets (Note:12) and project liability (Note:21) has been restated in current fiscal year to the extent of Project income recoverable disclosed in Note 8 as project assets and liability had been overstated in previous fiscal years.

XXI. Government of Nepal Overdraft

Balances of Government of Nepal Deposit of NRs. 10,989,296,158.6 as on F.Y. 2068/69 and interest accrued on overdraft positions during the F.Y.2068/69 of NRs. 94,696,476.15 are yet to be confirmed by Mahalekha Niyantarak Karyalaya (Comptroller General's office of GON). However, management believes that difference if any, between records of NRB and Mahalekha Niyantarak Karyalaya shall be insignificant and will not have material impact on financial position.

XXII. Change in accounting policies:

US Government Treasury bills have been classified as 'Available for sale' from F.Y. 2067/68 which were earlier classified as Held to maturity up to F.Y.2066/67, same has been measured in fair value in financial statement from current fiscal year. As a result investment in US Government Treasury Bills has been increased by NRs.24,49,259 with effect of same in

Investment Revaluation Fund. Repurchase agreement (Repo) has been reclassified as 'held for trading' from earlier 'held to maturity'. Similarly Investment in Gold has been regrouped from *foreign currency Other Asset* at face of balance sheet to Note: 3a investment and classified as 'held for trading'. Government Bond issued by GON to discharge IMF obligation has been reclassified as 'loans and receivables' from earlier 'held to maturity' category.

During current fiscal year depreciation has been charged on Property, Plant and Equipment based on estimated useful live as per Account Manual 2065. Accordingly, useful live of machinery and equipment as well as other fixed assets has been revised to '5 years' from earlier 'Over 6 years'. During current fiscal year an amendment in Account Manual 2065 has been made with respect to charging intangible assets upto value of NRs. 25,000 directly in Statement of Comprehensive Income and capitalizing exceeding NRs. 25,000 only.

XXIII. Measurement of Amortized cost of MTI:

Interest accrued from the last interest pay date to the date of purchase on Medium Term Instruments has been capitalized in the carrying cost of investments and amortized it using effective interest method.

XXIV. Measurement of Saving Certificates:

Investment in Government of Nepal (GoN) Saving Certificates has been classified as Available for sale. In the absence of actively trading market for Government Saving Certificates it has been valued at cost.

XXV. Number of employees

<u>2069 ASHADH</u>	<u>2068 ASHADH</u>
1388	1372

XXVI. Events occurred after Balance Sheet Date

- i. The change in exchange rate of Nepalese currency vis-à-vis major other foreign currencies having impact in the current financial statement are shown below:

NRs.					
S.No.	Currency	24 th Kartik 2069	31 st Ashadh 2069	Increase / (Decrease)	Estimated Financial Statements Impact
1	US Dollar	86.78	88.60	-1.82	(3,739,644,374.00)
2	Sterling Pound	138.64	136.62	2.02	319,302,657.19
3	Euro	110.8	107.98	2.82	883,514,947.96
4	Swiss Frank	91.87	89.91	1.96	3,798,117.01
5	Australian Dollar	90.39	89.96	0.43	169,944,388.41
6	CAD	87.1	86.97	0.13	6,212,723.78
7	JPY	1.085	1.118	-0.033	(37,029,554.86)
8	Singapore	70.88	69.74	1.14	426,519.83
9	SDR	132.291	133.748	-1.457	18,947,863.93
Total					(2,374,526,710.77)

This change in exchange rate results in decline in net foreign currency assets, exchange equalization fund and net profit/(loss) for the period of the bank. The decrease is estimated to be around NRs. 2,374,526,710.77.

- ii. Gold prices have also changed after the balance sheet date. The change in price of the gold and silver with its estimated financial impact are shown below:

NRs.					
S.No.	Particular	24 th Kartik 2069	31 st Ashadh 2069	Increase / (Decrease)	Estimated Financial Statements Impact
1	Gold per gram	4674.35	4396.828	277.52	1,312,141,978.00

The change in price results in increase in foreign currency financial assets (Gold), reserve (Gold and Silver equalization Reserve) and net profit/(loss) for the period of the bank. The impact is estimated to be around NRs. 1,312,141,978.

- iii. In addition to above, there was no material event occurred subsequent to the balance sheet date that requires adjustments or disclosure in the financial statements.



NEPAL RASTRA BANK

Table 1 : Interest Rate Risk and Maturity Profile (Foreign Currency)

Particulars	Weighted Average Interest Rate %	2011-12 Total NRs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
Interest Sensitive Foreign Currency Financial Assets					
Cash and Bank Balance	0.15	21,779,942,504	21,779,942,504	-	-
Investment in Foreign Currency	2.63	364,600,510,228	343,612,867,675	9,444,818,055	11,542,824,497
IMF Related Assets	0.12	7,368,831,080	7,368,831,080	-	-
Total Interest Sensitive Foreign Currency Financial Assets	A	393,749,283,812	372,761,641,259	9,444,818,055	11,542,824,497
Non Interest Sensitive Foreign Currency Financial Assets					
Other Receivable		1,360,298,093	1,360,298,093	-	-
Other Securities		0	0	-	0
Total Non Interest Sensitive Foreign Currency Financial Assets	B	1,360,298,093	1,360,298,093	-	0
Total Foreign Currency Financial Assets		395,109,581,905	374,121,939,353	9,444,818,055	11,542,824,497
Interest Sensitive Foreign Currency Financial Liabilities					
IMF Related Liabilities		18,261,630,791	-	-	18,261,630,791
Asian Clearing Union	0.12	-	-	-	-
Total Interest Sensitive Foreign Currency Financial Liabilities	C	18,261,630,791	0	-	18,261,630,791
Non Interest Sensitive Foreign Currency Financial Liabilities					
Deposit from banks and other agencies		1,000,369,226	1,000,369,226	-	-
IMF Related Liabilities		-	-	-	-
Other Liabilities		2,373,189	2,373,189	-	-
Total Non Interest Sensitive Foreign Currency Financial Liabilities	D	1,002,742,416	1,002,742,416	-	-
Total Foreign Currency Financial Liabilities		19,264,373,207	1,002,742,416	-	18,261,630,791
Foreign Currency Interest Rate Sensitivity Gap (A-C)		375,487,653,021	372,761,641,259	9,444,818,055	(6,718,806,294)
Total Gap (B-D)		375,845,208,698	373,119,196,936	9,444,818,055	(6,718,806,294)



NEPAL RASTRA BANK

Comparative Figure as on 16 July 2011 of Table 1 : Interest Rate Risk and Maturity Profile (Foreign Currency)

Particulars	Weighted Average Interest Rate %	2010-11 Total NRs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
Interest Sensitive Foreign Currency Financial Assets					
Cash and Bank Balance	0.74	16,337,109,976	16,337,109,976	-	-
Investment in Foreign Currency	1.49	203,545,377,189	178,758,581,538	3,743,994,565.56	21,042,801,085
IMF Related Assets	0.31	6,730,704,535	6,730,704,535	-	-
Total Interest Sensitive Foreign Currency Financial Assets	A	226,613,191,700	201,826,396,050	3,743,994,566	21,042,801,085
Non Interest Sensitive Foreign Currency Financial Assets					
Other Receivable		448,199,792	448,199,792	-	-
Other Securities		-	-	-	-
Total Non Interest Sensitive Foreign Currency Financial Assets	B	448,199,792	448,199,792	-	-
Total Foreign Currency Financial Assets		227,061,391,492	202,274,595,842	3,743,994,566	21,042,801,085
Interest Sensitive Foreign Currency Financial Liabilities					
IMF Related Liabilities	0.31	15,955,815,523	-	-	15,955,815,523
Asian Clearing Union		-	-	-	-
Total Interest Sensitive Foreign Currency Financial Liabilities	C	15,955,815,523	-	-	15,955,815,523
Non Interest Sensitive Foreign Currency Financial Liabilities					
Deposit from banks and other agencies		523,025,694	523,025,694	-	-
IMF Related Liabilities		0	-	-	-
Other Liabilities		406,992,510	406,992,510	-	-
Total Non Interest Sensitive Foreign Currency Financial Liabilities	D	930,018,203	930,018,203	-	-
Total Foreign Currency Financial Liabilities		16,885,833,726	930,018,203	0	15,955,815,523
Foreign Currency Interest Rate Sensitivity Gap (A-C)		210,657,376,177	201,826,396,050	3,743,994,566	5,086,985,562
Total Gap (B-D)		210,175,557,765	201,344,577,638	3,743,994,566	5,086,985,562



NEPAL RASTRA BANK

Table 1: Interest Rate Risk and Maturity Profile (Local Currency)

Particulars	Weighted Average Interest Rate %	2010-11 Total NRs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
Interest Sensitive Local Currency Financial Assets					
Investment in Government Securities	5.58	28,785,520,416	19,350,822,141	6,138,319,333	3,296,378,942
GON Overdraft		0	-	-	-
Other Investments	11.17	10,390,905,000	-	-	10,390,905,000
Refinance & Loans	6.70	459,980,000	459,980,000	-	-
Total Interest Sensitive Local Currency Financial Assets	E	39,636,405,415	19,810,802,141	6,138,319,333	13,687,283,942
Non Interest Sensitive Local Currency Financial Assets					
Cash in Hand		2,088,188,303	2,088,188,303	-	-
Investment in Government Securities		4,871,051,042	-	-	4,871,051,042
Investment in Financial & Other Institutions		337,892,500	-	-	337,892,500
Refinance & Loans (Loans to employees)		4,126,992,914	-	-	4,126,992,914
Other Receivables		4,464,752,096	4,464,752,096	-	-
Total Non Interest Sensitive Local Currency Financial Assets	F	15,888,876,855	6,552,940,399	-	9,335,936,456
Total Local Currency Financial Assets		55,525,282,271	26,363,742,540	6,138,319,333	23,023,220,398
Interest Sensitive Local Currency Financial Liabilities	G	-	-	-	-
Total Interest Sensitive Local Currency Financial Liabilities	G	-	-	-	-
Non Interest Sensitive Local Currency Financial Liabilities					
Deposit and Other Balances		138,224,548,212	138,224,548,212	-	-
Bills Payable		729,902,615	729,902,615	-	-
Staff Liabilities		8,532,806,680	-	-	8,532,806,680
Other Payables		232,526,765	232,526,765	-	-
Total Non Interest Sensitive Local Currency Financial Liabilities	H	147,719,784,272	139,186,977,592	-	8,532,806,680
Total Local Currency Financial Liabilities		147,719,784,272	139,186,977,592	-	8,532,806,680
Local Currency Interest Rate Sensitivity Gap (E-G)		39,636,405,415	19,810,802,141	6,138,319,333	13,687,283,942
Total Gap (F-H)		(92,194,502,001)	(112,823,235,052)	6,138,319,333	14,490,413,718



NEPAL RASTRA BANK

Comparative Figure as on 16 July 2011 of Table 1: Interest Rate Risk and Maturity Profile (Local Currency)

Particulars	Weighted Average Interest Rate %	2010-11 Total NRs.	Upto 6 Months NRs.	6 to 12 Months NRs.	Above 12 Months NRs.
Interest Sensitive Local Currency Financial Assets					
Investment in Government Securities	6.52	31,638,165,369	16,472,249,923	12,208,625,446	2,957,290,000
GON Overdraft		20,764,094,278	20,764,094,278	-	-
Other Investments	13.52	10,782,610,000	4,913,097,500	6,261,000,000	-
Refinance & Loans	8.49	10,896,660,000	10,896,660,000	-	-
Total Interest Sensitive Local Currency Financial Assets	E	74,081,529,647	53,046,101,701	18,469,625,446	2,957,290,000
Non Interest Sensitive Local Currency Financial Assets					
Cash in Hand		3,730,978,127	3,730,978,127	-	-
Investment in Government Securities		4,871,051,043	-	-	4,871,051,043
Investment in Financial & Other Institutions		337,892,500	-	-	337,892,500
Refinance & Loans (Loans to employees)		4,054,947,667	-	-	4,054,947,667
Other Receivables		3,795,691,468	3,795,691,468	-	-
Total Non Interest Sensitive Local Currency Financial Assets		16,790,560,805	7,526,669,595	-	9,263,891,210
Total Local Currency Financial Assets	F	90,872,090,452	60,572,771,296	18,469,625,446	12,221,181,210
Interest Sensitive Local Currency Financial Liabilities	G	-	-	-	-
Total Interest Sensitive Local Currency Financial Liabilities	G	-	-	-	-
Non Interest Sensitive Local Currency Financial Liabilities					
Deposit and Other Balances		79,563,300,071	79,563,300,071	-	-
Bills Payable		586,284,224	586,284,224	-	-
Staff Liabilities		5,695,278,571	-	-	5,695,278,571
Other Payables		144,199,718	144,199,718	-	-
Total Non Interest Sensitive Local Currency Financial Liabilities		85,989,062,584	80,293,784,013	-	5,695,278,571
Total Local Currency Financial Liabilities	H	85,989,062,584	80,293,784,013	-	5,695,278,571
Local Currency Interest Rate Sensitivity Gap (E-G)		74,081,529,647	53,046,101,701	18,469,625,446	2,957,290,000
Total Gap (F-H)		4,883,027,868	(19,721,012,717)	18,469,625,446	6,525,902,639



NEPAL RASTRA BANK
Table 2 : Foreign Exchange Exposure by Credit Rating

Particulars	Credit Rating	2011/12		2010/11	
		NRs.	% Financials Asset	NRs.	% Financial Assets
Foreign Currency Financial Assets					
	A-	10,036,952,580	2.23%	10,989,806,227	3.46%
	A1(ICRA)	23,870,373,049	5.30%	11,057,968,463	3.48%
	A+	23,591,166,000	5.24%	19,012,140,766	5.98%
	A	55,224,277,668	12.25%	7,687,351,167	2.42%
	AA		0.00%	11,203,059,791	3.52%
	AA+		0.00%	-	0.00%
	AA-	36,211,647,194	8.04%	18,347,664,406	5.77%
	AAA	93,060,383,549	20.65%	-	0.00%
	BB		0.00%	-	0.00%
	BBB		0.00%	-	0.00%
	BBB+		0.00%	0	0.00%
	BBB-	47,522,779,189	10.55%	18,350,612,399	5.77%
	NR*	105,592,002,676	23.43%	130,412,788,272	41.02%
Total Foreign Currency Financial Assets		395,109,581,906	87.68%	227,061,391,492	71.42%
Local Currency Financial Assets	NR*	55,525,282,271	12.32%	90,872,090,452	28.58%
Total Local Currency Financial Assets		55,525,282,271	12.32%	90,872,090,452	28.58%
Total Financial Assets		450,634,864,176	100.00%	317,933,481,943	100.00%

* NR represents not rated.

**ICRA represents Indian Credit Rating Agency



NEPAL RASTRA BANK

Table 3a : Concentrations of Funding
The Bank's significant end-of-year concentrations of funding as at 15th July, 2012 were as follows:

	Total NRs.	GON NRs.	Domestic Bills NRs.	Employees NRs.	Banks & F.I. NRs.	Foreign Bank NRs.	Foreign Govt. NRs.	Supernational F.I. NRs.	Others NRs.
Foreign Currency									
Financial Assets									
Cash and Bank Balances	21,779,942,504	-	-	-	19,723,134,757	-	-	-	2,056,807,747
SDR holdings - with IMF	7,368,831,080	-	-	-	-	-	-	7,368,831,080	-
Investments in Foreign Currency	364,600,510,228	-	-	-	-	253,898,723,530	110,701,786,698	-	-
Other receivables	1,360,298,093	-	-	-	-	-	-	-	1,360,298,093
Total Foreign Currency Assets	395,109,581,905	-	-	-	19,723,134,757	253,898,723,530	110,701,786,698	7,368,831,080	3,417,105,841
Local Currency									
Financial Assets									
Cash in hand	2,088,188,303	-	-	-	-	-	-	-	2,088,188,303
Investments in Government Securities	33,656,571,458	33,656,571,458	-	-	-	-	-	-	-
GON Overdraft	-	-	-	-	-	-	-	-	-
Investments in Financial and Other Ins.	337,892,500	-	-	-	337,892,500	-	-	-	-
Other Investments	10,390,905,000	-	-	-	10,390,905,000	-	-	-	-
Refinance & Loans	4,586,972,914	-	-	4,126,992,914	459,980,000	-	-	-	-
Other Receivables	4,464,752,096	-	470,495,611	-	-	-	-	-	3,994,256,485
Sub-Total	55,525,282,271	33,656,571,458	470,495,611	4,126,992,914	11,188,777,500	-	-	-	6,082,444,788
Other Assets									
Gold & Silver	292,612,967	-	-	-	-	-	-	-	292,612,967
Other Inventories	1,859,346,980	-	-	-	-	-	-	-	1,859,346,980
Property, Plant & Equipment	540,424,208	-	-	-	-	-	-	-	540,424,208
Intangible Assets	150,094,134	-	-	-	-	-	-	-	150,094,134
Project Asset & Grant Assets	369,763,600	-	-	-	-	-	-	-	369,763,600
Sub-Total	3,212,241,889	-	-	-	-	-	-	-	3,212,241,889
Total Local Currency Assets	58,737,524,160	33,656,571,458	470,495,611	4,126,992,914	11,188,777,500	-	-	-	9,294,686,677
Total Assets	453,847,106,065	33,656,571,458	470,495,611	4,126,992,914	30,911,912,256	253,898,723,530	110,701,786,698	7,368,831,080	12,711,792,518



NEPAL RASTRA BANK

Table 3a : Concentrations of Funding
Comparative figures as at 16th July, 2011 for significant end-of-year concentration of funding were as follows:

	Total NRs.	GON NRs.	Domestic Bills NRs.	Employees NRs.	Banks & F.I. NRs.	Foreign Bank NRs.	Foreign Govt. NRs.	Supernational F.I. NRs.	Others NRs.
Foreign Currency									
Financial Assets									
Cash and Bank Balances	16,337,109,976	-	-	-	14,371,882,753	-	-	-	1,965,227,223
SDR holdings - with IMF	6,730,704,535	-	-	-	-	-	-	6,730,704,535	-
Investments in Foreign Currency	203,545,377,189	-	-	-	-	124,142,030,665	79,403,346,523	-	-
Other receivables	448,199,792	-	-	-	-	-	-	-	448,199,792
Total Foreign Currency Assets	227,061,391,492	-	-	-	14,371,882,753	124,142,030,665	79,403,346,523	6,730,704,535	2,413,427,015
Local Currency									
Financial Assets									
Cash in hand	3,730,978,127	-	-	-	-	-	-	-	3,730,978,127
Investments in Government Securities	36,509,216,412	36,509,216,412	-	-	-	-	-	-	-
GON Overdraft	20,764,094,278	20,764,094,278	-	-	-	-	-	-	-
Investments in Financial and Other Ins.	337,892,500	-	-	-	337,892,500	-	-	-	-
Other Investments	10,782,610,000	-	-	-	10,782,610,000	-	-	-	-
Refinance & Loans	14,951,607,667	-	-	4,054,947,667	10,896,660,000	-	-	-	-
Other Receivables	3,795,691,468	-	408,931,720	-	-	-	-	-	3,386,759,748
Sub-Total	90,872,090,452	57,273,310,690	408,931,720	4,054,947,667	22,017,162,500	-	-	-	7,117,737,875
Other Assets									
Gold & Silver	309,091,119	-	-	-	-	-	-	-	309,091,119
Other Inventories	1,636,700,152	-	-	-	-	-	-	-	1,636,700,152
Property, Plant & Equipment	519,867,158	-	-	-	-	-	-	-	519,867,158
Intangible Assets	2,206,358	-	-	-	-	-	-	-	2,206,358
Project Asset & Grant Asset	410,448,162	-	-	-	-	-	-	-	410,448,162
Sub-Total	2,878,312,949	-	-	-	-	-	-	-	2,878,312,949
Total Local Currency Assets	93,802,355,658	57,273,310,690	408,931,720	4,054,947,667	22,017,162,500	-	-	-	10,048,003,081
Total Assets	320,863,747,150	57,273,310,690	408,931,720	4,054,947,667	36,389,045,253	124,142,030,666	79,403,346,523	6,730,704,535	12,461,430,096



NEPAL RASTRA BANK

Table 3b : Concentrations of Funding

The Bank's significant end-of-year concentrations of funding as at 15th July 2012 were as follows:

	Total NRs.	GON NRs.	Public NRs.	Comm. Banks & FI NRs.	Supernational F.I. NRs.	Others NRs.
Foreign currency Financial Liabilities						
Deposit from banks and other agencies	1,000,369,226	-	-	922,928,956	-	77,440,270
IMF Related Liabilities	18,261,630,791	-	-	-	18,261,630,791	-
Others	2,373,189	-	-	2,373,189	0	-
Total Foreign Currency Financial Liabilities	19,264,373,207	-	-	925,302,146	18,261,630,791	77,440,270
Local Currency Financial Liabilities						
Deposit and other balances	138,224,548,211	-	-	99,218,954,797	5,880,083,908	33,125,509,507
Bills payables	729,902,615	-	729,902,615	-	-	-
Staff Liabilities	8,532,806,680	-	-	-	-	8,532,806,680
Other payables	232,526,765	-	-	-	-	232,526,765
Total Local Currency Financial Liabilities	147,719,784,271	-	729,902,615	99,218,954,797	5,880,083,908	41,890,842,952
Total Financial Liabilities	166,984,157,478	-	729,902,615	100,144,256,942	24,141,714,699	41,968,283,222
Other Liabilities						
Currency in circulation	201,250,000,000	-	199,161,811,697	-	-	2,088,188,303
Surplus payable to GON	4,227,000,000	4,227,000,000	-	-	-	-
Sundry Liabilities	1,462,202,396	-	-	-	-	1,462,202,396
Project liability	369,041,001	-	-	-	-	369,041,001
Total Other Liabilities	207,308,243,397	4,227,000,000	199,161,811,697	-	-	3,919,431,700
Total Liabilities	374,292,400,875	4,227,000,000	199,891,714,312	100,144,256,942	24,141,714,699	45,887,714,922



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Table 3a : Concentrations of Funding
Comparative figures as at 16th July 2011 for significant end-of-year concentration of funding were as follows:

	Total NRs.	GON NRs.	Public NRs.	Comm. Banks & FI NRs.	Supernational F.I. NRs.	Others NRs.
Foreign currency Financial Liabilities						
Deposit from banks and other agencies	523,025,694	-	-	482,583,336	-	40,442,358
IMF Related Liabilities	15,955,815,523	-	-	-	15,955,815,523	-
Others	406,992,510	-	-	406,992,510	-	-
Total Foreign Currency Financial Liabilities	16,885,833,727	-	-	889,575,846	15,955,815,523	40,442,358
Local Currency Financial Liabilities						
Deposit and other balances	79,563,300,071	-	-	56,752,564,852	5,880,083,908	16,930,651,311
Bills payables	566,284,224	-	566,284,224	-	-	-
Staff Liabilities	5,695,278,571	-	-	-	-	5,695,278,571
Other payables	144,199,718	-	-	-	-	144,199,718
Total Local Currency Financial Liabilities	85,989,062,584	-	566,284,224	56,752,564,852	5,880,083,908	22,770,129,600
Total Financial Liabilities	102,874,896,311	-	566,284,224	57,642,140,698	21,835,899,431	22,810,571,958
Other Liabilities						
Currency in circulation	167,620,000,000	-	163,889,021,873	-	-	3,730,978,127
Surplus payable to GON	3,220,000,000	3,220,000,000	-	-	-	-
Sundry Liabilities	1,214,711,228	-	-	-	-	1,214,711,228
Project liability	409,480,104	-	-	-	-	409,480,104
Total Other Liabilities	172,464,191,332	3,220,000,000	163,889,021,873	-	-	5,355,169,459
Total Liabilities	275,392,476,180	3,220,000,000	164,475,306,097	57,642,140,698	21,835,899,431	28,219,129,954



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