

Annex -1
Nepal Bank Limited

Rs . in Million

Indicators	Before Restructuring Program			After Restructuring Program					
	2057 Ashad	2058 Ashad	2059 Ashad	2060 Ashad	2061 Ashad	2062 Ashad	2063 Ashad	2063 Ashwin	2063 Paush
1. Capital Adequacy									
a. Required Capital Adequacy Ratio (%)	8%	8%	9%	10%	11%	11%	11%	11%	11%
b. Required Capital Fund (Rs.)	2448	2962	3286	3345	3885	4230	2007	2055	2253
c. Excess (Shortfall) in Capital Fund (Rs.)	-4495	-9418	-12895	-13093	-12786	-11357	-7861	8997	-8992
d. Net Change in Capital Fund	0	-4923	-3477	-198	306	1429	0	181	366
e. Retained earning (Loss)	0	0	0	-10888	-10332	-9024	-6682	-6614	-6350
2. Profitability									
a. Net profit (loss) for the year (Rs.)	-2698	-2178	-3071	-252	710	1730	1207	158	332
b. Operating Profit(loss)	-2698	-2298	-3196	-384	511	279	-389	-16	68
c. Non-operating income	0	121	125	132	646	1451	1837	174	277
d. Non-operating expenses	-	-	-	-	447	-	-119	0	-13
3. Quality of Assets									
a. Total Assets (Rs.)	46,200	50,092	50,008	48,923	44,162	47,045	35,919	36,793	36,162
b. Risk Weighted Assets (RWA) (Rs.)	30,597	37,270	36,514	33,451	35,317	38,454	18,245	18,681	20,482
c. Non-Performing Loans (Rs.)	10,233	10,373	10,834	10,965	9,640	8,372	2,262	1,840	2,033
d. NPA Ratio in %	48.2	50.8	56.27	60.47	53.74	49.64	18.18	15.26	15.74
4. Recovery									
Cash Recovery from NPA	0	0	0	2380	1790	1534	1138	142	229
Restructuring	0	0	0	1620	1040	90	134	0	34
5 Others									
a. Total Deposit (Rs.)	35,768	35,619	34,265	35,014	35,735	35,932	35830	35499	36774
b. Total Loan (Rs.)	21,230	20,419	19,253	18,132	17,938	16,867	12442	12064	12921
c. Total Loan Loss Provision (Rs.)	6,308	8,500	10,614	10,161	9,056	8,648	-2685	-2283	-2549
d. C/D Ratio (Ratio)	59.4	57.33	56.19	51.78	50.2	46.94	35	34	35
6. Staff Level	6279	6030	5652	5250	3818	2912	2960	2960	2955

Note : Data on above table will be updated as and when new data is obtained .

FINANCIAL PERFORMANCE INDICATORS OF NEPAL BANK LIMITED

Rs. in million

	Target July -04	Actual July -04	Target July-05	Actual July-05	Target Jan-06	Actual Jan-06	Target Jul-06	Actual Jul-06	Actual Oct-06	Target Jan-07	Actual Jan-07
<u>Debt Recoveries</u>											
NPA Level											
a. Actual	9558	9640	7198	8868	6228	7627	5008	2262	1840	4257	2033
b. % of Total NPA to Total Loans	57.21%	53.74%	45.71%	52.57%	40.24%	46.58%	32.93%	18.18	15.25%	27.90%	15.64%
Recovery of Non-Performing Debt in Cash											
Principal	1075	1225	1156	911	770	745	1020	1138	142	551	229
Interest	428	562	408	623	234	348	333	655	67	135	131
<u>Business/Revenue Growth</u>											
a. Good Loans (Pass)	7149	8298	8549	8000	9249	8748	10199	10180	10223	10999	10964
b. Net Interest Income	879	918	1070	1242	458	642	1048	1275	244	414	433
c. Non-Funded Income	302	406	392	324	225	147	505	443	(15)	255	194
d. Deposit	35225	35735	35800	35916	36100	34295	36400	35830	35499	36700	36850
e. Non-Interest Bearing Deposit as a % of Total Deposit	13.9%	17.2%	14.2%	16.6%	14.4%	14.6%	14.6%	18.1%	15.3%	14.7%	15.5%
<u>Operating Efficiency</u>											
a. Net Spread (half year figure annualized)	4.2%	3.7%	5.8%	6.4%	5.2%	6.1%	6.3%	8.4%	6.3%	5.0%	5.6%
b. Net-Interest-Margin(half-year- annualized)	0.6%	0.6%	1.2%	1.7%	0.8%	1.5%	1.2%	1.6%	0.8%	0.6%	0.7%
c. Net Operating Income to Total Assets	7.7%	7.7%	8.3%	7.8%	7.6%	8.0%	8.1%	4.1%	6.4%	7.0%	3.5%
d. Cost to income ratio Before extraord. Items)	76.7%	62.6%	60.1%	55.0%	68.8%	56.5%	60.5%	64.6%	107.0%	75.6%	96.7%
<u>Profitability</u>											
a. NPBT (after LLP before Extraordinary Item)	1283	1600	1752	705	932	343	2400	2421	147	1008	233
b. Return on Assets (half year figure annualized)	0.3%	1.7%	6.8%	3.0%	4.4%	1.5%	4.7%	3.4%	1.5%	4.6%	1.7%
<u>Staff Efficiency</u>											
a. Staffing Level	3813	3818	3126	2912	3126	2979	3100	2960	2960	3100	2955
b. Income per Staff (half year figure annualized)	0.58	0.62	0.76	0.79	0.72	0.79	0.79	0.84	0.28	0.72	0.35
c. Staff Expenses to Income	31%	27%	27%	28%	30%	29%	28%	27%	44%	34%	36%
d. Staff Cost as a % of Total Operating cost	35%	34%	35%	40%	37%	41%	37%	36%	43%	39%	36%
<u>Capital Fund</u>											
a. Net Worth	(9727)	(9015)	(6904)	(7757)	(5972)	(7073)	(4840)	(6302)	(6234)	(3831)	(6163)
b. General Loan Loss Provision	71	208	481	208	686	381	894	484	409	902	506
<u>Computerization of Branch</u> Covering % of Total											
- Deposit	49%		85%	50%	85%	74%	85%	75%	77%	85%	80%
- Loans	42%		84%	70%	84%	85%	84%	85%	87%	85%	85%
<u>Disclosure Requirement</u>											
a. Annual Audit Statement by	5 months	5 months	4 months	4 months	-		4 months	4 months			-
b. Quarterly Provision by	1 month	1 month	1 month	1 month	2 weeks		15 Days	15 days	2 weeks	2 weeks	15 days

Note: NPA figure mentioned since July 2006 are after write off adjustment.