सिभिल बैंक लिमिटेड

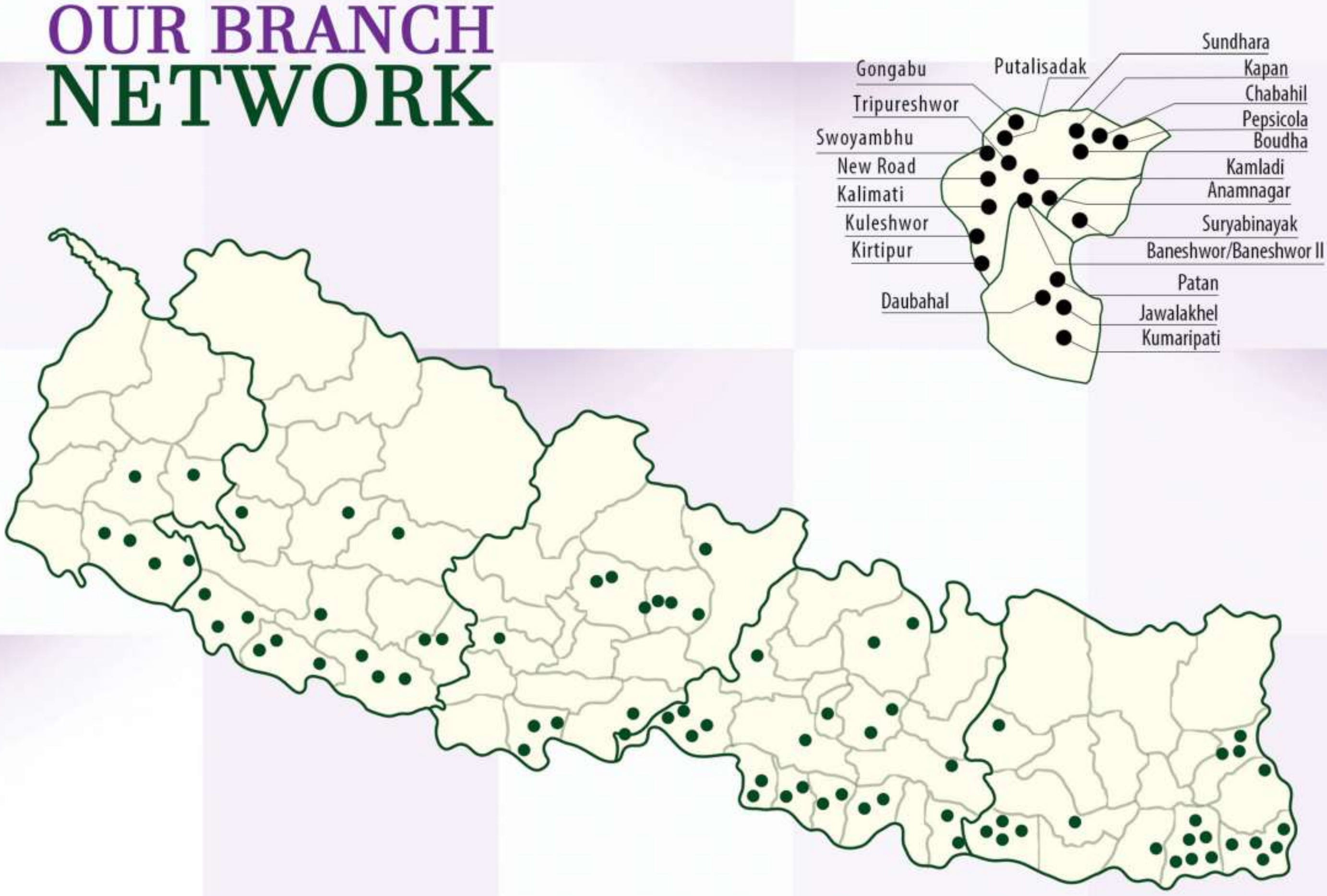
CIVIL BANK LTD.

ENDEAVOR AND CONQUER

दशौं वार्षिक प्रतिवेदन

आर्थिक वर्ष २०७६/७७

OUR BRANCH NETWORK



Head Office/ Main Branch; Civil Trade Center, Sundhara, Kathmandu
P.O. Box: 9799; Tel No: 4251015, 4251087, Fax No: 4251036

INSIDE VALLEY BRANCHES

- Tripureshwor : 01-4249503/4216482
- New Road : 01-4232291/92
- Mid-Baneshwor : 01-4104269/70
- New-Baneshwor : 01-4782010/4786946
- Daubahal, Patan: 015555791/93
- Gongabu : 01-4020112/13
- Anamnagar : 015705019/015706215
- Kuleshwor : 01-4289524/4671916
- Swayambhu : 01-4670448/49
- Tokha : 01 5110435/ 5110416
- Patan : 01-5547932/5548682
- Kirtipur : 01-4334458/67
- Boudha : 01-4917410/11
- Kalimati : 01-4289406/07
- Ason : 01-5906611/5906612
- Kapan : 01-4823825/26
- Jawalakhel : 01-5009147/93
- Chabahil : 01-4499300/4490028
- Suryabinayak : 01-6619544/45
- Attarkhel : 01-4913500/01-4914515
- Kumaripati : 01-5008621/22
- Putalisadak : 01-4440955/56/58
- Kamaladi : 014169040/014169033
- Kadaghari, Pepsicola: 01-4991688/01-4992683
- Nakhipot : 01-5171128/ 01-5171129

OUTSIDE VALLEY BRANCHES

- Birgunj : 051-529943/59
- Biratnagar : 021-521981/84
- Pokhara : 061-539767/68
- Lekhnath : 061-560251/52
- Bhairahawa : 071-521161/62
- Nepalgunj : 081-525578/79/80
- Kawasoti : 078-540770
- Hetauda : 057-526901/902
- Kailali : 091500093 (Janaki Branch)
- Dailekh : 9848245644 (Bhairabi Branch)
- Besisahar : 066-521433/434/435
- Dhalkebar : 041560223/249/224
- Lahan : 033-561652/53/54
- Dhangadhimai : 033-545121/22/23
- Arjundhara : 023-465618/465621
- Surunga : 023-550645/650/660
- Lamachaur : 061-440430
- Jitpur, Simara : 053-412061/053-412062
- Manigram : 071-562673/74/75
- Birtamod : 023-545405/06
- Dhading Besi : 010-521068/984144147
- Banepa : 011-660383/84/85
- Barhabise : 011-489283/489284
- Melamchi : 011-401055
- Dhulikhel : 011-490847/49
- Arughat : 061-622688/064-410102
- Shivalaya : 9811676517
- Morang : 021-433017/18/19 (Sunbarshi Branch)
- Rabi : 024-412184/85
- Golbazar : 033-540613/614/615
- Garuda : 055565202
- Chhinchu : 083-540323/324/325
- Dharche : 9751045516, 9849978657
- Thakurdwara : 084-402103/4/5
- Kalaiya : 053-550738/053-550739
- Narayangadh : 056-570029/39
- Dhangadi : 091-417699/6799
- Khurkhure : 056-419191/092
- Parbatipur : 056-591515/591774
- Sindhuli : 047-521081
- Phidim : 024-520788/988
- Bijuwar : 086-460506
- Gaighat : 035-421384
- Panchthar : 9751099817 (Hilihang Branch)
- Adarsha : 9751099960
- Bannigadhi : 9751099958
- Mahagadhimai : 053-401104/5/6
- Sitalabazar : 084-411184/ 86/ 90
- Lamkichuha : 091540562/3/4
- Bhajani : 091-580171
- Lamahi : 082-540901/902/903
- Malangawa : 046-521841/046-521842
- Tandi : 056-560380
- Janakpur: 041-530320/21
- Tulsipur : 082-523197
- Ghorahi : 082-563153/54
- Rainas : 9751027422
- Bhulbhule : 9751026422
- Maling : 9751028422/9849083349
- Gauda : 9751025422
- Panchthar : 024-410059/60 (Yangbwarak Branch)
- Damauali: 9846043074
- Nijgadh: 053540386/387/027
- Urlabari : 021-541119
- Duhabi : 023-470325/26/27
- Lalmatiya : 082-580322/323/324
- Dudhe : 023-470325/26/27
- Pakahamainpur : 9755001219/18
- Dharan : 02-5531262/02-5531263
- Butwal : 071-550564/65
- Okhaldhunga : 037-520615/16
- Biratchowk : 021-545704/705
- Illam : 027-411060/61(Maijogmai Branch)
- Itahari : 025-587186/209
- Salyan : 088-400178/79
- Musikot : 088-530305/9847865062
- Damak : 023-582794/795/796
- Pyuthan : 9845107958(Mandevi Branch)
- Chandranigahpur : 055-540762/736/781
- Birendranagar : 083-521167/68/69
- Dhankaul : 9751097265, 9844249186
- Kohalpur : 081-542133/542134/542135
- Puspalalchowk : 021-461041/42/722
- Bhadrapur : 023-520487
- Shivachowk : 061-536948/49/50
- Sunwal : 078-570570
- Jitpur, Kapilvastu : 076-550462\076-550464

Extension Counter

- Bhairahawa (Gautam Buddha International Airport) : 071-521161/62
- Kakani : 014020113
- Khairahari, Chitwan : 056-419191
- Yatayat Karyalaya, Ekantakuna : 015008622
- Banijya Bibhag, Babarmahal : 01-4104269
- Thulo Damar Chowk, Harnamadi, Hetauda : 057-526901

सिभिल बैंक लिमिटेडको
दशौं वार्षिक साधारण सभा सम्बन्धी सूचना

यस बैंकको मिति २०७७/१०/१५ गते बसेको सञ्चालक समितिको ३२८ औ बैठकको निर्णयानुसार बैंकको दशौं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा देहायका विषयहरु उपर छलफल गरी निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ बमोजिम शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ । सम्पूर्ण शेयरधनी महानुभावहरुलाई उल्लेखित मिति, स्थान र समयमा उपस्थितिको लागि हार्दिक अनुरोध गर्दछु ।

सभा हुने मिति, स्थान र समय :

सभा हुने मिति : २०७७ साल फाल्गुन महिना ९ गते (तदनुसार २१, फेब्रुअरी, २०२१) आईतबार ।

स्थान : सिभिल बैंक लिमिटेड, केन्द्रिय कार्यालय, सुन्धारा काठमाडौं ।

सभा शुरु हुने समय : विहान ११.०० बजेदेखि ।

(कोभिड १९ को महामारीको जोखिमको कारण साधारण सभामा अनलाईन (भर्चुअल) प्रविधि मार्फत सहभागी हुनसक्ने गरी शेयरधनी महानुभावहरुलाई Meeting को ID तथा Passcode उपलब्ध गराउने व्यवस्था गरिएको छ ।)

वार्षिक साधारण सभाको छलफलको विषयहरू :

(क) साधारण प्रस्तावहरू:

१. अध्यक्षज्यूको प्रतिवेदन सहित सञ्चालक समितिको वार्षिक प्रतिवेदन २०७६/०७७ पारित गर्ने ।

२. आर्थिक वर्ष २०७६/०७७ लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफानोक्सान हिसाव तथा नगद प्रवाह विवरण लगायतका वितीय विवरणहरुमा छलफल गरी पारित गर्ने ।

३. कम्पनी ऐन, २०६३ दफा १११ अनुसार आर्थिक वर्ष २०७७/०७८ को लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने । (कम्पनी ऐन, २०६३ दफा १११(३) बमोजिम बहालवाला लेखापरीक्षक NBSM & Associates पुन: नियुक्त हुन योग्य हुनुहुन्छ)

४. सञ्चालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०७६/०७७ को मुनाफाबाट कर प्रयोजनको लागि प्रतिशेयर ०.४२% का दरले हुन आउने रु.३,३६,९८,४८२।८४ (अक्षरेपी तिन करोड छतीस लाख अन्ठानब्बे हजार चार सय बयासी रुपैया चैरासी पैसा मात्र) नगद लाभांश वितरण गर्न स्वीकृत गर्ने ।

(ख) विशेष प्रस्तावहरू :

१. सञ्चालक समितिले प्रस्ताव गरे बमोजिम बैंकको चुक्ता पूँजीको ८% का दरले हुन आउने रु.६४,०२,७१,१७३।९१ (अक्षरेपी चौसठ्ठी करोड दुई लाख एकहत्तर हजार एक सय त्रिहतर रुपैया एकानब्बे पैसा मात्र) बराबरको बोनश शेयर वितरण गर्न स्वीकृत गर्ने ।

२. सिभिल बैंक लिमिटेड र अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा गाभ्ने/गाभिन (मर्जर) वा प्राप्ति (एक्विजिसन) गर्न/हुन वा स्वदेशी/विदेशी रणनीतिक साझेदारीमा जान आवश्यक सहमती र सम्झौता गर्ने लगायत प्रचलित नियम, कानून अनुसार बैंकको तर्फबाट गर्नुपर्ने सम्पूर्ण कार्य गर्न सञ्चालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने ।

३. प्रबन्धपत्र तथा नियमावलीमा समसामयिक संशोधन गर्ने ।

४. बैंकको प्रबन्धपत्र तथा नियमावलीको संशोधनको सम्बन्धमा नियमनकारी निकायहरुबाट, संशोधन, परिमार्जन तथा थपघट गर्न कुनै निर्देशन प्राप्त भएमा प्राप्त निर्देशन बमोजिम सो समेत मिलाई संशोधन वा परिमार्जन समेतका सम्पूर्ण कार्यहरु गर्न बैंक सञ्चालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने सम्बन्धमा ।

(ग) विविध

पुनश्च : सभामा छलफल गरिने सञ्चालक समितिको वार्षिक प्रतिवेदन तथा लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाब, साधारण सभा सम्बन्धी जानकारी, प्रोक्सी फारम र प्रवेशपत्र यस बैंकको केन्द्रीय कार्यालय सुन्धारा, काठमाण्डौमा वा बैंकको शेयर रजिष्ट्रार सिभिल क्यापिटल मार्केट लिमिटेड, सुन्धारा काठमाण्डौंमा आई निरीक्षण गर्न वा प्राप्त गर्न सकिनेछ । संक्षिप्त आर्थिक विवरण तथा वार्षिक प्रतिवेदन लगायत साधारण सभामा पेश हुने प्रस्तावहरु बैंकको website: www.civilbank.com.np बाट जानकारी प्राप्त गर्नु हुन सम्बन्धित शेयरधनीहरुमा अनुरोध छ ।

सञ्चालक समितिको आज्ञाले,
हिरा काजी बस्नेत
कम्पनी सचिव

साधारण सभासम्बन्धी थप जानकारीहरू :

१. वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०७७।१०।२३ गते एकदिन बैंकको शेयरधनी दर्ता किताब बन्द रहनेछ । नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०७७।१०।२२ गतेसम्म कारोबार भई शेयर खरीद गर्नुभई नियमानुसार निजहरुको नाममा नामसारी भई आएका शेयरधनीहरु सो सभामा भाग लिन तथा बोनश शेयर तथा नगद लाभांश पाउन योग्य हुनुहुन्छ ।

२. बैंकको वार्षिक साधारणसभाको सूचना, सञ्चालक समितिको प्रतिवेदन, आर्थिक विवरण सम्पूर्ण शेयरधनी महानुभावहरुलाई यथासमयमा पठाइनेछ । कारणवस कसैलाई उक्त प्रतिवेदनहरु प्राप्त हुन नसकेमा बैंकको केन्द्रीय कार्यालय, सिभिल ट्रेड सेन्टर सुन्धारा, काठमाण्डौबाट शेयरधनीको प्रमाण प्रस्तुत गरी प्राप्त गर्न सक्नु हुनेछ । सभामा उपस्थित हुने शेयरधनी महानुभावहरुले प्रवेश पत्रका साथै शेयर प्रमाण पत्र वा शेयर अभौतिकरण गरिसकेका शेयरधनीशरुको हकमा हितग्राही (DMAT Account) परिचय नम्बर (Bo ID Statement) शेयर कित्ता संख्या तथा आफ्नो परिचय खुल्ने (जस्तै नागरिकताको प्रमाण पत्र वा अन्य कुनै परिचयपत्र) अनिवार्य रुपमा साथमा लिई सहभागि हुन अनुरोध छ ।

३. कोरोना भाइरस (COVID-19) महामारीको जोखिमका साथै नेपाल सरकारको स्वस्थ्य सम्बन्धी मापदण्ड पालना गर्नुपर्ने भएकोले साधारण सभा भिडियो कन्फ्रेन्स (Zoom Meeting) मार्फत गरिने भएकोले शेयरधनी महानुवाभहरुलाई भिडियो कन्फ्रेन्सको माध्यमबाट सभामा भाग लिन अनुरोध छ ।

४. भिडियो कन्फ्रेन्स (Zoom Meeting) मार्फत आफ्नो मन्तब्य राख्न तथा उपस्थित हुन चाहने शेयरधनी महानुभावहरुले कम्पनी सचिबको कार्यालय वा 9860143082 तथा 9841633055 मा सम्पर्क गरी वा mamitablon.tamang@civilbank.com.np, dipa.pokhrel@civilbank.com.np मा email गरी सभा हुनु भन्दा ४८ घण्टा अगावै आफ्नो नाम र इमेल ठेगाना टिपाउनु पर्नेछ । यसरी सम्पर्क गर्नु हुने शेयरधनी महानुभावहरुलाई Meeting ID/ Passcode उपलब्ध गराई सभामा सहभागी हुने व्यवस्था मिलाइनेछ ।

५. सभा हुने दिन सभामा उपस्थिति हाजिरीको लागि विहान १०.०० बजे देखि २: ०० बजे सम्म भिडियो कम्फ्रेन्स (Zoom Meeting) खुला गरिने छ । उक्त समय भित्र सभामा सहभागी शेयरधनीहरुले दिईएको Meeting Id/Passcode को माध्यमबाट Zoom Login गरी आफ्नो परिचय, डिम्याट खाता नं शेयर कित्ता संख्या सहित उपस्थितिको जानकारी सभालाई दिनुपर्नेछ। शेयरधनीको उपस्थितिबाट कम्पनी ऐनको व्यवस्था बमोजिम सभाका लागि आवश्यक गणपुरक संख्या पुरा भए पश्चात सभाको कारवाही अगाडी बढाइने छ ।

६. शेयरधनीले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफु जुन समुहको शेयरधनी हो सोही समुहको शेयरधनीलाई मात्र प्रोक्सी दिन पाईनेछ ।

७. प्रतिनिधि (प्रोक्सी) ले मतदान गर्न पाउने अधिकतम हद वा सीमा त्यस्तो शेयरधनीले लिन पाउने बैंकको अधिकतम शेयर हिस्साको सीमाभन्दा बढी हुने छैन ।

८. प्रतिनिधिपत्र (प्रोक्सी फारम) सभा सुरु हुनभन्दा कम्तीमा ७२ घण्टा अगावै अर्थात मिति २०७७/११/०६ गते ११.०० बजे भित्र संस्थापकको हकमा बैंकको केन्द्रीय कार्यालयमा दर्ता गरिसक्नु पर्नेछ ।

९. शेयरधनीले एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन। यसरी दिइएको प्रोक्सी बदर हुनेछ ।

१०. एक जना शेयरधनीले एकभन्दा बढी शेयरधनीलाई प्रतिनिधि (प्रोक्सी) मुकरर गरेमा त्यस्तो प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ । तर, पहिला दिएको प्रतिनिधिपत्र (प्रोक्सी फाराम) बदर गरी पछि दिईएको प्रतिनिधिपत्रलाई मात्र मान्यता दिन अनुरोध गरी छुटै पत्र साथ प्रतिनिधिपत्र (प्रोक्सी फाराम) दर्ता गर्न ल्याएमा भने छुटै पत्र साथ प्राप्त पछिल्लो प्रतिनिधिपत्र (प्रोक्सी फाराम) लाई मान्यता दिईनेछ ।

११. बुँदा नं. ८ बमोजिम नियुक्त गरेको प्रतिनिधिलाई बदर गरी अर्को प्रतिनिधि मुकरर गर्न चाहेमा सोको लिखित सूचना सभा हुनु भन्दा कम्तिमा ७२ घण्टा अगावै बैंकको केन्द्रीय कार्यालय सुन्धारा काठमाण्डौमा दर्ता गरिसक्नु पर्नेछ ।

१२. प्रतिनिधि नियुक्त गरिसकेको शेयरधनी, सभाको काम कारबाही सुरु हुनुभन्दा अगावै आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा त्यस्तो शेयरधनीले दिएको प्रतिनिधि पत्र (प्रोक्सी फारम) स्वतः बदर हुनेछ ।

१३. बैंकको छाप र कम्पनी सचिवको दस्तखत भएको प्रतिनिधिपत्र (प्रोक्सी फारम) मात्र मान्य हुनेछ ।

१४. कुनै संगठित संस्था वा कम्पनी शेयरधनीको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन सक्नु हुनेछ । यसरी प्रतिनिधि पठाउँदा बैंकलाई लिखित रुपमा जानकारी दिनुपर्नेछ ।

१५. नाबालक वा अशक्त शेयरधनीहरुको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा मतदान गर्न वा प्रतिनिधि (प्रोक्सी) तोक्न सक्नुहुनेछ ।

१६. स्वदेश तथा विदेशमा रही साधारण सभामा स्वयं उपस्थित हुन नसक्ने शेयरधनी महानुभावहरुले बैंकको वेवसाइट wwww.civilbank.com.np मा रहेको प्रोक्सी फाराममलाई डाउनलोड गरी हस्ताक्षर गरी Scan Copy प्रोक्सी फाराम बैंकको civilbank.com.np मा पठाउन सक्नुहुनेछ ।

१७. शेयरधनी महानुभावहरुलाई सूचित गराउन सकियोस् भन्ने दृष्टिले कुनै शेयरधनी महानुभावहरुलाई बैंक सम्बन्धी केही जिज्ञासा भए छलफलको विषय सूची मध्ये विविध शिर्षक अन्तर्गत त्यस्तो जिज्ञासा लिखित रुपमा सभा हुनुभन्दा ७ (सात) दिन अगावै कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई बुझाउनु हुन अनुरोध छ । तर त्यस्ता जिज्ञासालाई छलफल र पारित हुने प्रस्तावको रुपमा समावेश गरिने छैन ।

१८. साधारण सभा सम्बन्धी थप जानकारीको लागि बैंकको केन्द्रिय कार्यालयको फोन नं ०१-४२५१०१५, ४२५१०८७ वा बैंकको शेयर रजिष्ट्रारको कार्य गर्ने सिभिल क्यापिटल मार्केटस लिमिटेड, सुन्धारा काठमाण्डौंमा कार्यालय समय भित्र सम्पर्क राख्न हुन अनुरोध छ ।

प्रतिनिधिपत्र (प्रोक्सी फारम)

श्री सञ्चालक समिति
सिभिल बैंक लिमिटेड
सुन्धारा, काठमाण्डौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.... जिल्ला .... न.पा./गा.वि.स. वडा नं. .... बस्ने म/हामी .... ले त्यस बैंकको शेयर धनीको हैसियतले मिति २०७७/११/०९ गते आईतबारका दिन हुने दशौं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णय प्रक्रियामा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको लागि .... जिल्ला .... न.पा./गा.वि.स. वडा नं. ..... बस्ने त्यस बैंकको शेयरधनी श्री .... लाई मेरो /हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु /छौं ।

प्रतिनिधिको
दस्तखत :
नाम :
शेयरधनी परिचय नं. :
हितग्राही(डिम्याट) खाता नं.:
मिति :

निवेदकको
दस्तखत :
नाम :
ठेगाना :
शेयरधनी परिचय नं. :
हितग्राही(डिम्याट) खाता नं.:
शेयर संख्या :
मिति :

द्रष्टब्य : प्रोक्सी दिँदा लिँदा आफ्नो समुह भित्र सिमित रही लिनु दिनु पर्नेछ । यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ७२ घण्टा अगावै बैंकको रजिष्टर्ड कार्यालयमा पेश गरिसक्नु पर्नेछ ।

प्रवेश -पत्र

शेयरधनीको नाम : ....

शेयरधनी नम्बर र हितग्राही परिचय नं. .... शेयर संख्या : ....

२०७७/११/०९ गते आइतबारका दिन हुने सिभिल बैंक लिमिटेडको दशौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेशपत्र ।

शेयरधनीको दस्तखत :

हिरा काजी बस्नेत
कम्पनी सचिव

द्रष्टब्य : सभा कक्षमा प्रवेश गर्न यो प्रवेशपत्र अनिवार्य रुपमा प्रस्तुत गर्नु पर्नेछ ।

विषय सूची

ई. इच्छा राज तामाङ्ग
अध्यक्ष

अध्यक्षको मन्तब्य

आदरणीय शेयरधनी महानुभावहरू,

सिभिल बैंक लिमिटेडको दशौं वार्षिक साधारण सभामा हाम्रो निमन्त्रणालाई स्वीकार गरी स्वयं तथा भर्चुअल माध्यमबाट उपस्थित हुनुभएका आदरणीय शेयरधनी महानुभावहरु, नियमनकारी निकायका प्रतिनिधिज्यूहरु, अतिथिज्युहरु, पर्यवेक्षक, पत्रकार मित्रहरु तथा बैंकमा कार्यरत कर्मचारीहरुलाई बैंकको सञ्चालक समितिको तर्फबाट र मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु । बैंक स्थापनाको दशौं वर्ष पार गरी एघारौ वर्षमा प्रवेश गरेको छ । यस बैंकको १० वर्षे यात्रामा बिभिन्न चुनौतिहरुका बाबजुद यहाँसम्मको यात्रामा हामीलाई निरन्तर रुपमा असीम विश्वास र आत्मिय सहयोगको लागि बैंक परिवार यहाँहरुप्रति हार्दिक आभार समेत प्रकट गर्दछौ । साथै आगामी दिनहरुमा पनि बैंकलाई सहि दिशातर्फ अगाडि बढाउन यहाँहरुको सहयोग र सद्भाव निरन्तर रुपमा रहनेछ भन्ने विश्वास लिएको छु ।

शेयरधनी महानुभावहरू,
बैंकिङ्ग क्षेत्रमा रहेको तीव्र प्रतिस्पर्धाका बीच पूँजी, खर्च र व्यवसाय विस्तारलाई समुचित व्यवस्थापन गरी दिगो तथा सुरक्षित दीर्घकालीन लक्ष्य प्राप्तिका लागि हामी समस्त बैंकका परिवार अगाडी बढिरहेका छौ । बिज्ञान प्रविधिको नयाँ नयाँ अन्वेषणहरुलाई आत्मसाथ गर्दै डिजिटल बैंकिङ्ग मार्फत परिमार्जित र अझ परिष्कृत सेवा उन्मुख हुने क्रममा बैंक अगाडि बढिरहेको छ । बैंकलाई आधुनिक बैंकिङ्ग सेवाका सबै प्रविधिहरु प्रयोग गरी बैंकिङ्ग सेवाको लागि Technology Driven Bank को रुपमा स्थापित गर्ने उद्देश्यका साथ अगाडि बढिरहेको छ । जोखिम व्यवस्थापन, कर्मचारी व्यवस्थापन, तथा आन्तरिक नियन्त्रण प्रणालीलाई सबल बनाउनुका साथै प्रभावकारी सेवा सुविधाहरु दिने तर्फ यस बैंकले जोड दिएको छ ।

कोभिड १९ को महामारीको कारणले विश्वव्यापी रुपमा श्रृजित असहज अवस्थाले समग्र विश्व एवं नेपालको अर्थतन्त्रमा समेत प्रतिकूल प्रभाव परेको अवस्थामा बैंकिङ्ग क्षेत्र समेत यसको प्रभावबाट अछुतो रहन सकेन । यसको प्रत्यक्ष प्रभाव हाम्रो बैंकलाई पनि परेको छ । गत आ.व.को झण्डै चार महिना बैंकलाई एकातिर व्यापार विस्तारमा अवरोध खडा भयो भने अर्को तर्फ कोभिड १९ महामारीले प्रभावित उद्योग, व्यापार र व्यवसायहरुलाई राहत प्रदान गर्न ल्याइएका विभिन्न कार्यक्रमहरुका कारणले बैंकको आम्दानीमा समेत ह्रास आयो ।

कोभिड १९ को महामारीको डर त्रासको बाबजुद पनि अत्यावश्यक सेवा अन्तरगत रहेको बैंकलाई सुचारु राख्नुपर्ने दायित्व रहेको हुनाले सुरक्षाका सम्पूर्ण उपायहरु अवलम्वन गर्दै यस बैंकले आफ्ना ग्राहकहरुलाई प्रदान गर्नुपर्ने सम्पूर्ण सेवाहरुलाई निरन्तरता दिँदै आएका छौं । सबै पक्षको साथ सहयोग एवं प्रभावकारी कर्जा असुलीको कारण बैंकले आ. व. २०७६/०७७ को मुनाफाबाट शेयरधनी महानुभावहरुलाई ८ प्रतिशत बोनश शेयर तथा ०.४२ प्रतिशत नगद लाभांश (कर प्रयोजनका लागि) वितरण गर्न स्वीकृतिका लागि यस गरीमामय सभा समक्ष प्रस्ताव पेश गरेका छौं । बैंकले हालसम्म हासिल गरेका उपलब्धिहरु तथा गतिविधिहरुका बारेमा सञ्चालक समितिको वार्षिक प्रतिवेदनमा विस्तृत रुपमा उल्लेख गरिएको छ । सञ्चालक समिति, शेयरधनीहरु, बैंक व्यवस्थापन, कर्मचारी र नियमनकारी निकाय तथा अन्य सरोकारवाला बीच आवश्यक समन्वय गरी ग्राहकहरुलाई उत्कृष्ट सेवा प्रदान गर्दै बैंकको सर्वोपरि हितका लागि कार्य गर्नु यस बैंकको नीति रहेको छ ।

बैकिङ्ग क्षेत्रले देशको समग्र अर्थतन्त्रमा अहम भूमिका खेल्ने हुनाले हाम्रा समस्त ग्राहकहरुलाई आवश्यक सेवाहरु छिटो छरितो ढंङ्गले प्रदान गर्दै नेपाल सरकारले लिएको निति अनुरुप आर्थिक क्षेत्रमा टेवा पुऱ्याउन प्रतिवद्ध रहेका छौं । बैंकले संस्थागत सामाजिक उत्तरदायित्व अन्तरगत समाजको विभिन्न वर्गका व्यक्तिहरुको लागि आर्थिक एवं अत्यावश्यक सामाग्रीहरु सहयोग गरी देशको आर्थिक तथा समाजिक विकासमा योगदान गर्दै आएका छौं । यसलाई आगामी दिनहरुमा समेत निरन्तरता दिईनेछ ।

बैंक आजको दिनसम्म आइपुग्दा संस्थागत सुशासनमा कुनै पनि कमी कमजोरी नगरेको र आगामी दिनहरुमा समेत संस्थागत सुशासन र अनुपालनालाई शुन्य सहनशीलताको नीति अवलम्वन गर्दै अगाडि बढ्ने प्रतिवद्धता व्यक्त गर्दछौं । स-साना बचतकर्ताहरुलाई प्राथामिकतामा राखी निक्षेप वृद्धि गर्ने योजनाका साथ अगाडि बढिरहेको यस बैंक कर्जा विस्तारमा पनि अत्यन्त सुक्ष्म विश्लेषण र सजगताका साथ अगाडि बढिरहेको छ । नयाँ कर्जा प्रवाह गर्दा भविष्यमा हुन सक्ने कुनै प्रकारको खराबी हुन नदिन यस बैंकले कठोर नीति लिएको छ । बैंकले गर्ने लगानीलाई अझ बढि सुरक्षित, नियमित र पारदर्शी बनाइनेछ । अघिल्ला वर्षहरुका खराब कर्जाहरुको असुली कार्यलाई विशेष प्राथामिकतामा राखेकै कारण बैंकको अवस्था सुदृढ हुदै गएको छ । आगामी वर्षहरुमा लगानीकर्ताहरुलाई दुई अंकको प्रतिफल वितरण गर्न सक्ने क्षमता बनाउने उद्धेश्यका साथ बैंकको व्यवसायको आकारलाई आक्रामक रुपमा अगाडि बढाउने व्यहोरा समेत यस साधारण सभा समक्ष राख्न चाहन्छु ।

बैंकलाई आजको अवस्थासम्म ल्याई पुऱ्याउन अनवरत रुपमा जुटिरहनु भएका संचालकज्यूहरु, बैंकका संस्थापकज्यूहरु, शेयरधनी महानुभावहरु, नियमनकारी निकाय, बैंकका निक्षेपकर्ता तथा ग्राहक महानुभावहरू, शुभेच्छुक, सहयोगी तथा बैंक व्यवस्थापनमा रही महत्वपूर्ण योगदान गर्दै आउनु भएका प्रमुख कार्यकारी अधिकृत तथा उहाँको नेतृत्वमा रहेको व्यवस्थापन समूह एवं सम्पूर्ण कर्मचारीहरूबाट प्राप्त सहयोगप्रति हार्दिक कृतज्ञता प्रकट गर्दै यस गरिमामय साधारण सभामा यहाँहरुलाई पुनः स्वागत गर्दै सदा झैं निरन्तर सहयोग प्राप्त हुनेमा दृढ विश्वास लिएको छु ।

धन्यवाद,

ई. इच्छा राज तामाङ्ग
अध्यक्ष
मिति : २०७७/१०/१५

श्री गोविन्द गुरुङ
प्रमुख कार्यकारी अधिकृत

प्रमुख कार्यकारी अधिकृतको मन्तब्य

यस सम्मानित सभाका अध्यक्ष एवं सिभिल बैंकको सञ्चालक समितिका अध्यक्षज्यू, बैंकका संचालकज्यूहरु, आदरणीय शेयरधनी महानुभावहरु, हाम्रो निमन्त्रणालाई स्वीकार गरी पाल्नुभएका नियमनकारी निकायका प्रतिनिधिज्यूहरु, बैंकका बाह्य लेखापरीक्षकज्यू, बैंकमा कार्यरत सम्पूर्ण कर्मचारीहरु एवं समग्र बैंक परिवार लगायत उपस्थित हुनुभएका महानुभावहरुमा हार्दिक स्वागत तथा अभिवादन टक्र्याउन चाहन्छु ।

विश्वभरि महामारीको रुपमा फैलिएको कोभिड-१९ को प्रभावबाट समग्र विश्व एवं नेपालको अर्थतन्त्रमा समेत प्रतिकूल प्रभाव परेको अवस्थामा बैंकिङ्ग क्षेत्र पनि यस बाट अछुतो रहने अवस्था रहेन । आर्थिक वर्ष २०७६/०७७ को शुरुको नौ महिना देशको अर्थतन्त्र राम्रै अवस्थामा रहेको भएतापनि बाँकी अवधि निकै प्रतिकूल रहन गयो । हामी सबैको जनजीवन पनि आर्थिक र सामाजिक दुवै स्तरमा प्रभावित हुनपुग्यो । विगत वर्षहरुमा जस्तै यहाँहरु समक्ष प्रत्यक्ष रुपमा सभामा भाग लिई छलफल गर्ने अवसर वर्तमान परिस्थितिले नदिएको कारण आज हामीलाई विघुतीय माध्यमबाट सभा सञ्चालन गर्नु पर्ने अवस्था सृजना भएको व्यहोरा यहाँहरुलाई अवगत नै छ ।

२०७६ चैत्र ११ देखि शुरु भएको बन्दाबन्दी र सो बीचमा भएका निषेधाज्ञा तथा जोर बिजोर प्रणाली लगायत कारणबाट प्रभावित भएको आर्थिक क्रियाकलापहरु हालसम्म पनि सबै क्षेत्र पूर्ण रुपमा सञ्चालनमा आउन सकेका छैनन् । बन्दाबन्दी पश्चात् बैंकिङ्ग क्षेत्रले ठूलो क्षति व्यहोरेको छ । बैंकको गैह्रब्याज आम्दानीमा असर परेको छ भने ब्याज आम्दानीको ठूलो रकम असुलीमा समेत समस्या भैरहेको छ । बैंकिङ्ग क्षेत्रको निष्क्रिय कर्जा बढ्ने क्रम रहेको अवस्थाको कारण बैंकहरुमा जोखिमको तह बढेको अवस्था छ। कोभिड-१९ बाट प्रभावित ऋणीहरुलाई सहुलियत प्रदान गर्ने लक्ष्य राखी नियामक निकाय नेपाल राष्ट्र बैंकबाट जारी भएका निर्देशन अनुरुप बैंकबाट ऋणीहरुलाई प्रदान गरिएको ब्याजमा छूट तथा सहुलियतका कारण पनि बैंक तथा वित्तीय संस्थाहरुको नाफा संकुचित हुनगएको छ ।

बैंकले खर्च र पूँजी दुवैको व्यवस्थापनमा कुशलता तथा कर्जा असुलीमा व्यापक सुधार तथा मेहेनतको कारण उल्लेखित समस्या र चुनौतिका बाबजुद लगानीकर्तालाई विगत भन्दा तुलनात्मक रुपमा उच्च दरले प्रतिफल दिन सकेका छौं । यसका लागि आ-आफ्नो ठाँउबाट महत्वपूर्ण योगदान पुर्‍याउनु हुने सम्पूर्ण शेयर धनी महानुभाव, ग्राहकवर्ग, बैंकका सम्पूर्ण कर्मचारी, शुभेच्छुक तथा अन्य सम्पूर्ण सम्बद्ध निकायहरुलाई धन्यवाद तथा आभार प्रकट गर्दछु ।

बैंकले समीक्षा अवधीमा बैंकको आन्तरिक नियन्त्रण प्रणाली, कर्जा नियन्त्रण प्रणाली, डिजिटल बैंकिङ्ग प्रणाली शाखा सञ्जाल विस्तार लगायत बैंकको समग्र जोखिम न्यूनीकरणका साथ साथै ग्राहक सेवा आधुनिकिकरणलाई प्राथमिकतामा राखी कार्यहरु भएको छ । कोभिड १९ महामारीको प्रभाव अझै कहिले सम्म कुन रुपमा कायम रहन्छ भन्ने यकिन गर्न सकिने अवस्था नभएको हुँदा चालु आर्थिक वर्षको व्यवसायमा समेत यसको प्रत्यक्ष प्रभाव पर्न जाने देखिन्छ । तथापि हालै मात्र खोप कार्यक्रम संचालनमा आएको हुनाले सकारात्मक रुपमा अगाडि बढन मद्दत मिल्नेमा आशावादी रहेका छौ । कोभिड १९ को विषम परिस्थितिमा पनि अत्यावश्यक सेवा अन्तरगतको हाम्रो सेवालाई कर्मचारी तथा ग्राहक महानुभावहरु लगायत बैंकसंग प्रत्यक्ष सम्पर्कमा आउने सम्पूर्ण महानुभावहरुको स्वास्थ्य सुरक्षाका लागि सम्पूर्ण उपायहरु अपनाई निरन्तरता दिन सफल भएका छौं । विषम अवस्थामा हामी विशेष गरी डिजिटल सेवाहरुमा केन्द्रित भएको कारणले गर्दा डिजिटल कारोबारहरुमा उल्लेख्य वृद्धि हाँसिल गर्न सफल भयौं जसले भोलिका दिनमा ग्राहकहरुलाई बैंकिंङ्ग सुविधा सहज हुने र बैंकको पनि संचालन लागत कम हुने अपेक्षा राखेका छौं । हामीले डिजिटाइजेसनका अतिरिक्त विभिन्न ग्राहक मैत्री सेवा तथा योजनाहरुलाई समेत तिब्र रुपमा अगाडि बढाइरहेका छौं ।

बैंकिङ्ग क्षेत्रमा देखिएको प्रतिकुल अवस्थाको बाबजुद समिक्षा अवधीमा बैंकले गरेको व्यवसायिक उपलब्धी तथा आर्जन गरेको मुनाफा सन्तोषजनक नै रहेको छ । बिषम परिस्थितिका बाबजुद बैंकले लिएको प्रभावकारी व्यवसाय विस्तार योजनाको कारणले बैंकले निक्षेप तथा कर्जामा उल्लेख्य वृद्धि गर्न सफल भएका छौ । आर्थिक वर्ष २०७६/७७ मा बैंकले कुल निक्षेप तर्फ रु. ६०.१४ अर्व र कुल कर्जा लगानी रु. ५५.४२ अर्व पुर्‍याउन सफल भएको छ । चालु आर्थिक वर्षको छ महिनामा उल्लेख्य रुपमा व्यवसाय विस्तार भएको कुरा अवगत गराउदै पौष मसान्त सम्ममा कुल निक्षेप तर्फ २९.२५ प्रतिशतले वृद्धि भई. ७७.७३ अर्व पुगेको छ भने कर्जा तर्फ २५.१४ प्रतिशतले वृद्धि भई ६९.३५ अर्व पुगेको छ ।

बैंकंको शाखा सञ्जाल विस्तार गरी सर्वसाधारणको लागि बैंकिङ्ग पहुच वृद्धि गरी स-साना वचतकर्ताहरुलाई प्रथामिकतामा राखी निक्षेप वृद्धि गर्ने योजना अनुरुप बैंकको शाखा विस्तार गर्दै लगिएको हुनाले समिक्षा अवधि सम्ममा बैंकको कुल शाखा ११४ पुगेको छ । बैंकले व्यवसायिक आवश्यकता तथा संभाव्यताको अध्ययन गरी थप शाखा बिस्तार गर्ने योजना बनाएको भएतापनि अहिलेको बिषम अवस्थालाई मध्यनजर गरी चालु आ.व.मा थप शाखा विस्तार गरिएको छैन । तथापि बैंकले एक्सटेन्सन काउण्टर विस्तारलाई निरन्तरता दिने योजना रहेको छ ।

बैंकले प्रदान गर्ने सेवा र आन्तरिक काम कारवाही सबल एवं प्रभावकारी भएकै कारणबाट समीक्षा अवधीमा समेत पुन: बैंक ISO 9001:2015 प्रमाणित हुन सफल भएको छ । बैंकले गुणस्तरीय सेवालाई प्राथमिकतामा राखी सेवाको गुणस्तरको बारेमा अनलाईन प्रतिक्रिया दिन सक्ने व्यवस्था गरेका छौ । ग्राहक सेवा केन्द्र तथा २४ घण्टा कार्ड सपोर्ट सेन्टर स्थापना गरी सेवा प्रदान गरीरहेका छौं । बैंकको दैनिक कार्यहरुलाई स्वचालित तथा कागज रहित बनाउने तर्फ हामी अगाडि बढिरहेका छौं ।

बैंकले स-साना वचतकर्ताहरुलाई प्रमुख प्राथामिकतामा राखी निक्षेप वृद्धि गर्ने तथा कर्जा विस्तारमा पनि अत्यन्तै सजगताका साथ अगाडि बढिरहेको छ । कर्जा लगानी तर्फ बैंकले अधिकेन्द्रीत जोखिम कम गर्न एवं कर्जा विविधिकरण गरी असुली जोखिमलाई न्यूनिकरण गर्न र व्याजदर अन्तरलाई सुदृढ गर्न साना तथा मझौला, खुद्रा तथा विपन्न वर्ग कर्जाहरुलाई प्राथमिकतामा राखी लगानी विस्तार गरी अगाडि बढिरहेको छ । गहन चुनौतिका रुपमा रहेको खराब कर्जाहरुको असुली कार्यलाई विशेष प्रथामिकतामा राखी असुली कार्य अगाडि बढाई रहेको फलस्वरुप १.९० प्रतिशतमा झार्न सफल भएको छ । चालु आ.व. मा कर्जा असुली कार्यलाई थप प्रभावकारी बनाई निष्कृय कर्जालाई १ प्रतिशत भित्रै राख्ने लक्ष्यका साथ बैंक अगाडि बढेको छ ।

बैंकले सुचना प्रविधिको सुरक्षा प्रणालीमा विशेष ध्यान दिदै जाने नीति अनुरुप बैकको कोर बैंकिङ्ग सिस्टमलाई सोहि अनुरुप स्तरन्नोति गर्न सफल भएका छौ । समीक्षा अवधिमा Civil Mobile Banking System (CIVIL SMART Bank), Missed Call Service, TAB Banking लाई थप प्रभावकारी बनाईएको छ । मोबाईल बैंकिङ्गबाट बिजुलिको बिल, टेलिफोन बिल, मोवाईल रिचार्ज तथा टपअप लगायतका सेवाहरु लिन सकिने व्यवस्था मिलाईएको छ । साथै डिजिटल

कारोवारलाई विभिन्न व्यवसायहरुसँग समन्वय गरी बैंकका ग्राहकहरुलाई बैंकको एटिएम तथा सिभिल स्मार्टबाट भुक्तानी गर्दा छुट पाउने व्यवस्था मिलाईएको छ । बैंकले किसानहरुलाई लक्षित गरी किसान ओभरड्राफ्ट कार्ड संचालनमा ल्याएको छ भने डिजिटल पेमेन्टलाई बढावा दिन QR Merchant Network विस्तार गर्दै लगिएको छ ।

बैंकलाई सफल रुपमा अगाडि बढाउनको लागि मानव संशाधन प्रमुख तत्व रहेको कुरालाई मध्यनजर गरी कर्मचारीको सेवा सुविधामा समयानुकुल वृद्धि गर्दै लगिएको भएतापनी तिब्र प्रतिस्पर्धात्मक बैंकिङ्ग बजारमा दक्ष कर्मचारीको नियुक्ति र सेवामा कार्यरत कर्मचारीको सेवा निरन्तरता निकै चुनौतिपूर्ण रहेको छ । तथापि कर्मचारीको मनोवललाई उच्च राख्दै उत्पादकत्वमा अभिवृद्धि गर्नको लागि कर्मचारी वृत्ति विकास तालीम/सीप विकास, प्रोत्साहन लगायत तलब भत्ता सुविधामा समेत समय सापेक्ष रुपमा परिमार्जन तथा व्यवस्थापन गर्दै लगिएको छ ।

बैंकले निक्षेप वृद्धि गर्ने रणनीति अनुरुप ग्राहकहरुलाई दुर्घटना बीमा सहितको सिभिल सम्मान बचत खाता लाई निरन्तरता दिएका छौं । बैंकले ग्राहकहरुको सेवालाई प्राथामिकतामा राखी छिटो छरितो एवं गुणस्तरीय सेवा दिनको लागि सदैव केन्द्रित भएर अगाडि बढेको तथा सोहि अनुरुप आगामी दिनहरुमा नयाँ नयाँ योजनाहरु बनाई अगाडि बढ्ने रणनीति लिएको छ ।

बैंकलाई थप सवलिकरण गर्दै अन्य पुराना एवं स्थापित बैंकहरुसँग प्रतिस्पर्धा गरी व्यवसाय विस्तारलाई दिगो तथा दीर्घकालीन लक्ष्य प्राप्तिका लागि बैंक अगाडि बढिरहेको र चालु आ.व. मा व्यवसायको आकार वृद्धिलाई मुख्य प्रथामिकतामा राखी आक्रामक रुपमा अगाडि बढ्ने योजना रहेको छ ।

संस्थागत शुसाशन तथा अनुपालन तथा उच्च स्तरीय ग्राहक सेवालाई व्यवसाय विस्तारको केन्द्र बिन्दुमा राखी बैंकले आफ्नो कार्ययोजना तथा रणनीति बनाई लागु गर्दै आएको छ । व्यवस्थापकीय सुधार मार्फत सबल संरचनात्मक प्रणालीबाट बैंक संचालन गर्ने अभिप्रायका साथ असल व्यावसयिक नैतिकता, पारदर्शी कर्जा संस्कृति, ग्राहक केन्द्रित सेवा तथा गुणस्तरीय सेवा लगायत बैंकको समग्र प्रणालीलाई गति दिन हामी सफल भएका छौं ।

अन्तमा,

यस बैंकको उद्देश्य प्राप्तिको लागि सहयोग पुऱ्याउन हुने बैंकका अध्यक्षज्यू, संचालकज्यूहरु, बैंकका संस्थापक, शेयरधनी महानुभावहरु, नियमनकारी निकाय, बैंकका निक्षेपकर्ता तथा ग्राहकवर्गहरु, व्यवसायिक प्रतिष्ठानहरु, शुभेच्छुक, सहयोगी महानुभावहरुलाई यस बैंकको तर्फबाट हार्दिक धन्यवाद एवं कृतज्ञता ज्ञापन गर्दछु । साथै बैंकको व्यवस्थापन समूह एवं आ आफ्नो स्थानबाट आफ्नो क्षमता अनुसार सदैव बैंकको हित हुने गरी कार्य गर्नुहुने सम्पूर्ण कर्मचारी साथीहरुलाई अमुल्य साथ सहयोगको लागि हार्दिक धन्यवाद एवं आभार प्रकट गर्दछु । साथै आगामी दिनहरुमा समेत सबै पक्षहरुबाट सदा झै निरन्तर साथ सहयोग प्राप्त हुने आशा एवं विश्वास लिएको छु ।

धन्यवाद ।

गोविन्द गुरुङ
प्रमुख कार्यकारी अधिकृत
मिति : २०७७/१०/१५

सिभिल बैंक लिमिटेडको

दशौं वार्षिक साधारण सभाको लागि सञ्चालक समितिको प्रतिवेदन
आ.व. २०७६/०७७

आदरणीय शेयरधनी महानुभावहरू,

यस सिभिल बैंक लिमिटेडको दशौं वार्षिक साधारण सभामा स्वयं तथा भर्चुअल माध्यमबाट उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरु, अन्य आमन्त्रित अतिथिहरु एवं पत्रकार मित्रहरुलाई बैंकको सञ्चालक समितिको तर्फबाट तथा मेरो व्यक्तिगत तर्फबाट आभार व्यक्त गर्दै हार्दिक स्वागत अभिवादन व्यक्त गर्दछु । यस गरिमामय सभामा सञ्चालक समितिको तर्फबाट बैंकको आ. व. २०७६/०७७ को समीक्षा अवधिमा भएको समग्र कारोबार, बैंकले हासिल गरेको उपलब्धी र भावी योजनाहरुको विषयलाई समेटेर कम्पनी ऐन, २०६३, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ तथा नेपाल राष्ट्र बैंकको निर्देशनको परिधि भित्र रही यो प्रतिवेदन सञ्चालक समितिको तर्फबाट बैंकको दशौं वार्षिक साधारण सभामा छलफल तथा पारित गर्नको लागि पेश गरेको छु ।

सिभिल बैंक लिमिटेडले आर्थिक वर्ष २०७६/०७७ को समीक्षा अवधिमा गरेको कार्यसम्पादनलाई निम्नानुसार प्रस्तुत गरिएको छ :

(१) समीक्षा अवधिको संक्षिप्त वित्तीय झलक :

सिभिल बैंक पछिल्लो पुस्ताको बैंक रहेको भएतापनि पछिल्लो समयमा प्रभावकारी रणनीतिका साथ अगाडि बढिरहेको हुनाले बिगत भन्दा तुलनात्मक रुपमा सुधार गर्दै अझ अगाडि पुऱ्याउनको लागि प्रयत्नरत छौं । बिगत वर्षहरु भन्दा केही सहज रुपमा व्यापार व्यवसाय संचालन भैरहेको अवस्थाकै बीचमा विश्वव्यापी महामारीको रुप फैलिएको कोभिड १९ संक्रामक रोगको असर नेपालमा चैत्र महिनाबाट प्रत्यक्ष रुपमा शुरु भई नेपाल सरकारबाट मिति २०७६ चैत्र ११ गते देखि देशभर गरिएको लकडाउनको असर समग्र अर्थतन्त्रका साथै बैंकिङ्ग क्षेत्रमा समेत पर्न गएको अवस्था रहयो । साथै रोगको बढ्दो असरलाई मध्यनजर गरी समय समयमा गरिएको लकडाउन तथा निषेधाज्ञाको कारणले समेत समग्र क्षेत्रमा असर पारी नै रहयो । हाल सम्म समेत यसको बढ्दो संक्रमणको कारणबाट आर्थिक क्रियाकलाप सहज संचालन हुन नसकिरहेको अवस्था छ । यद्यपी विषम परिस्थितिका बाबजुद पनि बैंकले व्यवसायमा वृद्धि गर्दै राज्यको नियमित अत्यावश्यक सेवा अन्तरगत पर्ने बैंकिङ्ग सेवालाई पूर्ण सजगता तथा सुरक्षाका उपायहरु अपनाई बैंकले सेवाग्राहीलाई सहज ढंगबाट सेवा पुऱ्याउदै आएको छ ।

आर्थिक वर्ष २०७६/७७ मा वाणिज्य बैंकहरुको निक्षेप वृद्धि ६१० अर्व तथा कर्जा वृद्धि ४१० अर्व रहेकोमा सिभिल बैंकले निक्षेपमा १३ अर्व तथा कर्जामा ९ अर्वको बृद्धि गर्न सकेको छ । तर, यस्तो कठिन परिस्थितिका बावजुद पनि बैंकले गरेको व्यापार तथा मुनाफालाई संतोषजनक मान्न सकिन्छ । बैंकको समीक्षा अवधिको प्रमुख वित्तीय सुचकांङ्कहरु निम्न बमोजिम रहेका छन् ।

(क) प्रमुख उपलब्धि/नतिजा :

रु. हजारमा

विवरण	२०७५/०७६	२०७६/०७७	वृद्धि (प्रतिशतमा)
संचालन आम्दानी	२,६७३,०६०	२,८६४,७६८	७.१७
संचालन खर्च	१,४३९,५४६	१,७३२,३१०	२०.३४
संचालन मुनाफा (व्यवस्था अधिको)	१,११५,७२९	६८५,१६६	(३८.५९)
खुद मुनाफा (कर पछिको)	७०७,४१२	५५५,०६३	(२१.५४)

(ख) प्रमुख कारोवार तथा सुचकांकहरू :

रु. हजारमा

विवरण	२०७५/०७६	२०७६/०७७	वृद्धि (प्रतिशतमा)
चुक्ता पूँजी	८,००३,३९०	८,००३,३९०	–
निक्षेप	४७,०६०,३५७	६०,१४२,५९०	२७.८०
कर्जा	४५,७०१,३४४	५५,४१७,६२३	२१.२६
निष्कृय कर्जा प्रतिशत	२.३७	१.९०	(१९.८३)
स्थिर सम्पत्ति (खुद)	५३९,३९१	६४४,९३६	१९.५७
कूल सम्पत्ति	६२,४६७,७४२	७६,८४५,५२१	२३.०२

(ग) प्रमुख सूचकांक :

विवरण	२०७५/०७६	२०७६/०७७
खुद मुनाफा/कुल आम्दानी	११.३८%	८.१३%
सञ्चालन खर्च/संचालन आम्दानी	५३.८५%	६०.४७%
सम्पत्तिमा प्रतिफल	१.१३%	०.७२%
प्रति शेयर आम्दानी	८.८४	६.९४
स्थायी कर्मचारी	९९१	९४४
शाखाहरु	९६	११३
तरलता (CRR) अनुपात	४.६१%	३.७४%
पूँजीकोष अनुपात	१७.२३%	१५.१२%

(२) निक्षेप परिचालन (Deposit Mobilization)

विगतका वर्षहरुमा जस्तै समीक्षा वर्षको पूर्वार्धमा पनि बैंकको निक्षेप परिचालनमा चुनौतीहरु देखापरेको थियो । सरकारी पूँजीगत खर्चहरु समयमा हुन नसक्नु तथा बैंकहरुद्वारा तीव्र गतिमा कर्जा विस्तार गरिनुले बैंकहरुको निक्षेप अनुपातमा दबाब पर्न गई निक्षेप परिचालन असहज हुन गएको थियो । तर समीक्षा वर्षको पछिल्लो समयमा विश्वव्यापी महामारीको रुपमा फैलिएको कोभिड-१९ को कारण देशको समग्र वित्तीय क्षेत्रमा नै प्रतिकूल प्रभाव पर्न गयो । बजार चलायमान हुन नसक्दा कर्जाको माग घट्न गइ बैंकमा अधिक निक्षेप थपिन गयो जसको फलस्वरुप निक्षेपको व्याजदर घट्न गएको छ ।

आर्थिक वर्ष २०७६/०७७ मा कुल निक्षेप रु. ६०.१४ अर्ब पुऱ्याउन सफल भएको छ । जस अन्तरगत स्वदेशी मुद्राको निक्षेप रु. ५८.२४ अर्ब र विदेशी मुद्राको निक्षेप रु. १.९० अर्ब रहेको छ । साधारण वचत निक्षेपलाई आकर्षित गर्ने उदेश्यले विभिन्न प्रकारका खाताहरु मार्फत निक्षेप संकलन गर्ने गरिएको छ । बैंकमा रहेको निक्षेपलाई विविधिकरण गरी निक्षेपको लागतलाई कम गर्दै लैजाने योजना अनुरुप बैकले समीक्षा वर्षमा बचत तथा चल्ती निक्षेप परिचालनमा विशेष जोड दिंदै आएको छ । तर, ग्राहकहरु व्याज संवेदनशील हुने भएकाले चल्ती तथा बचत निक्षेपमा ग्राहकहरुको आकर्षण तुलनात्मक रुपमा वृद्धि हुन सकेको छैन। तसर्थ आगामी दिनहरुमा लागत कम हुने यी निक्षेपहरुमा अझ बढी सुधारका लागि विभिन्न किसिमका प्रवर्द्धनात्मक योजनाहरु सञ्चालनमा ल्याउने कार्यक्रम रहेको छ ।

(३) कर्जा तथा कर्जा व्यवस्थापन (Credit & Credit Management)

समीक्षा अवधिमा बैंकको कुल कर्जा रकममा अघिल्लो वर्षको तुलनामा २१.२६ प्रतिशतले वृद्धि भई कुल कर्जा रु. ५५.४२ अर्ब पुगेको छ । सो अवधिमा बाणिज्य बैंकहरुको औसत वृद्धि १६.४१ प्रतिशत रहेको छ ।

बैंकले विगतको वर्षहरु झै विशेष प्राथामिकतामा राखी कृषि, पर्यटन, जलविद्युत लगायत अन्य कर्जा लगानी गर्दै आएको छ । त्यसैगरी विपन्न वर्ग कर्जालाई पनि प्राथामिकतामा राखी नेपाल सरकार र नेपाल राष्ट्र बैंकको नीति निर्देशन बमोजिम कर्जा विस्तार गर्दै आएका छौं । त्यस बाहेक कर्जा विस्तारका क्रममा बैंकले विशेष प्राथामिकतामा राखि व्यक्तिगत धितो कर्जा, शैक्षिक कर्जा, सवारी कर्जा, सुन चाँदी कर्जा, शेयर कर्जा, मुद्दति रसिद कर्जा, घर कर्जा, शौर्य शक्ति कर्जा आदि जस्ता उपभोक्तामुखी कर्जा र अन्य व्यापार कर्जाहरुको माध्यमबाट कर्जाको विस्तार गरिएको छ ।

बैंकले अर्थतन्त्रको मूल आधारको रुपमा रहेको कृषि क्षेत्र लगायत सानो व्यवसायहरुमा संलग्न ठूलो संख्यामा रहेको विपन्न वर्गलाई लक्षित गरी देशका विभिन्न स्थानहरुमा लघु बैंकिङ्ग (Micro Banking) कार्यक्रम र शाखारहित सेवा (Branchless Banking) संचालनलाई निरन्तरता प्रदान गरिएको छ । बैंकले कृषकहरुको समृद्धिको लागि "किसान समृद्धि कार्ड" चालु आ.व.मा शुरुवात गरिएको छ ।

बैंकले कर्जा लगानीको क्षेत्रलाई विविधिकरण गरी क्षेत्रगत कर्जा प्रवाह योजना (Sectoral Credit Expansion Planning) बनाई लागू गरिएको छ । आ.व. २०७६/०७७ को आषाढ मसान्तमा बैंकको कुल लगानीको कृषि तथा बन क्षेत्रमा ४.८५ प्रतिशत, माछा पालनमा ०.०३ प्रतिशत, खानीमा ०.०२ प्रतिशत, कृषि, बन तथा पेय पदार्थमा २.८२ प्रतिशत, गैरखाद्य बस्तु उत्पादनमा १९.०१ प्रतिशत, निर्माणमा ५.१६ प्रतिशत विद्युत, ग्यास र पानीमा ७.५८ प्रतिशत, धातुका उत्पादन, मेसिनरी तथा इलेक्ट्रोनिक औजार तथा जडानमा ०.९५ प्रतिशत, यातायात, भण्डार र संचारमा ३.०५ प्रतिशत, थोक तथा खुद्रा विक्रेतामा १९.०५ प्रतिशत, वित, बीमा तथा अचल सम्पत्तिमा १२.८३ प्रतिशत, पर्यटनमा ३.५८ प्रतिशत, अन्य सेवाहरुमा ३.५३ प्रतिशत, उपभोक्ता कर्जा ७.४४ प्रतिशत र अन्यमा १०.०२ प्रतिशत कर्जा लगानी गरिएको छ ।

(४) मानव संसाधन व्यवस्थापन (Human Resource Management)

कर्मचारीको व्यवस्थापन र सेवामा निरन्तरता कायम गर्ने कार्य चुनौतिपूर्ण रहेको छ । आ.व. २०७६/०७७ को आषाढ मसान्तमा कुल ९६० जना स्थायी तथा करारका कर्मचारीहरु विभिन्न तहमा रहेर बैंकको सेवामा जुटेका थिए । समीक्षा अवधिमा यस बैंकबाट १२२ जना कर्मचारीहरुले राजिनामा गरेका छन् । बैंकले गरेको आम्दानी र कर्मचारीको सेवा सुविधामा सामञ्जस्यता कायम गर्न तथा प्रतिस्प्रर्धात्मक परिस्थिति तथा व्यवसायिक विस्तार संगसंगै दक्ष कर्मचारीको नियुक्ति र सेवामा कार्यरत कर्मचारीको सेवा निरन्तरता निकै चुनौतिपूर्ण रहेको छ । कर्मचारीको छनौट, सरुवा, वढुवा तथा बृत्ती विकासमा बैंकले पारदर्शी नीति बनाई लागू गरेको छ । आ.व. २०७६/०७७ मा विश्वभर फैलिएको कोभिड १९ सक्रामक रोगको असर नेपालमा २०७६ चैत्र महिना देखि शूरुवात भएको अवस्थामा बैंकका कर्मचारीहरुलाई सुरक्षित वातावरण सहितको सेवा प्रदान गर्ने व्यवस्था गरिएको भएतापनि यसको असरबाट बैंक अछुतो रहन भने सकेन । तथापि बैंकको कर्मचारीहरुको स्वास्थ तथा सुरक्षालाई मध्यनजर गरी कोभिड बीमा तथा लक्षण देखिएका र संक्रमितको नजिक भएका कर्मचारीहरुको पिसिआर गराई पूर्ण शतर्कता अपनाईएको थियो । यसको असर चालु आ.व.मा झन बढ्दो देखिदै आएको अवस्थामा अझ बढि सचेत र सुरक्षित सहित कार्य गर्ने व्यवस्था मिलाईएको छ ।

(५) शाखा विस्तार (Branch Expansion)

बैंकले हाल मुलुकभर रहेका आफ्ना कुल ११४ शाखा कार्यालयहरु ८८ ए.टि.एम ६ एक्सटेन्सन काउन्टर (थप तिन वटाको स्वीकृती प्राप्त भइसकेको) मार्फत प्रभावकारी बैकिङ्ग सेवा प्रवाह गरिरहेको छ । बैंकका सबै शाखाहरु आधुनिक प्रविधिको माध्यमबाट केन्द्रीकृत तथ्यांक प्रणालीमा सञ्चालन भइरहेका छन् । साथै आगामी दिनहरुमा यस बैंकले प्रदान गर्ने सेवालाई व्यवसायिक विविधता र गहनता दुवै दृष्टिले सम्भाव्य क्षेत्रमा प्रतिस्पर्धात्मक रुपमा फाइदा र तुलनात्मक लाभ हुनेगरी आफ्नो शाखा सञ्जाल तथा एक्सटेन्सन काउन्टर विस्तार गर्दै लैजाने योजना समेत रहेको छ ।

(६) संस्थागत सुशासन (Corporate Governance)

यस बैंकले संस्थागत सुशासनको स्तरलाई उच्चतम रुपमा राखी दीर्घकालीन सफलताको अभिन्न अंगको रुपमा राखी संस्थागत सुशासनको उल्लंघनलाई शुन्य सहनसिलता (Zero Tolerance) को नीति अवलम्बन गर्दै आएको छ । नेपाल राष्ट्र बैंक तथा अन्य नियमक निकायहरुवाट संस्थागत सुशासन सम्वन्धमा जारी भएका नीति, नियम, निर्देशन तथा सो को मर्म र भावना समेतमा बैंकको सञ्चालक समिति दृढ संकल्पित छ । संस्थागत सुशासनका मापदण्डहरुलाई अधिकतम प्रयोग गरी नेपालको वित्तीय क्षेत्रमा उदाहरणीय बैंक बन्ने हाम्रो लक्ष्य हो । सञ्चालक समिति तथा बैंकका सबै कार्यहरुको पारदर्शीतामा विशेष जोड दिदै संस्थागत सुशासनलाई अझ सुदृढ गर्दै लैजान बैंक सदैव क्रियाशिल रहेको छ ।

नेपाल राष्ट्र बैंकबाट तोकिए बमोजिम बिभिन्न समिति/उप-समिति बनाई संस्थागत सुशासनको पालना गराई जोखिम व्यवस्थापन गर्न कटिबद्ध रहेका छन् । हामी हाम्रा नियामक निकाय, ग्राहक बर्ग तथा सरोकारवालाहरुको सम्बन्धलाई सम्मान गर्दै दिर्घकालीन रुपमा संस्थागत सुशासनबाट सम्बन्ध प्रगाढ बनाउन निरन्तर प्रयत्नशील रहेका छौ ।

संस्थागत सुशासन कार्यान्वयन गर्नको लागि बैंकमा सञ्चालक समितिको अलावा देहाय बमोजिमको समिति तथा उप-समितिहरु गठन गरिएको छ ।

सञ्चालकस्तरको समितिहरु :

नेपाल राष्ट्र बैंकको निर्देशन तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा २६, २७, ६० र ६१ को व्यवस्था अनुसार सञ्चालक समितिले आफ्नो जवाफदेहिमा लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, मानव संसाधन व्यवस्थापन समिति र सम्पत्ति शुद्धिकरण निवारण समिति गठन गरेको छ ।

(क) लेखापरीक्षण समिति (Audit Committee)

सञ्चालक समितिले गैर कार्यकारी सञ्चालक श्री प्रकाश तायलज्यूको संयोजकत्वमा सञ्चालक श्री युगेश बहादुर मल्ल सदस्य र आन्तरिक लेखापरीक्षण विभागका प्रमुख सदस्य सचिव भएको तीन सदस्यीय लेखापरीक्षण समिति गठन गरेको छ । सो समितिले संस्थाको समग्र वितीय अवस्था, आन्तरिक नियन्त्रण, लेखापरीक्षणा योजना, आन्तरिक तथा बाह्य लेखापरीक्षकले पेश गरेको लेखापरीक्षण प्रतिवेदनमा औल्याईएका बुँदा/कैफियतहरु उपर समीक्षा गरी सुधारात्मक कदम चाल्न व्यवस्थापनलाई निर्देशन दिने तथा राय सुझाव तथा थप निर्देशनको लागि सञ्चालक समितिमा पेश गर्ने व्यवस्था गरिएको छ । साथै बैंकको वार्षिक वितीय विवरणलाई सही र यथार्थपरक बनाउन व्यवस्थापनलाई सहयोग गर्ने, बैंकको काम कारवाहीमा नियमितता, मितव्ययिता, औचित्यता, प्रभावकारिता जस्ता कुराहरु अवलम्बन भए/नभएको बारे समीक्षा गरी सञ्चालक समितिलाई आवश्यक सुझाव दिने कार्यहरु समितिले सम्पन्न गर्ने गरेको छ । आ.व. २०७६/०७७ मा १६ वटा बैठक बसेको थियो ।

(ख) जोखिम व्यवस्थापन समिति

सञ्चालक समितिले गैर कार्यकारी सञ्चालक श्री प्रताप जङ्ग पाण्डेज्यूको संयोजकत्वमा जोखिम ब्यवस्थापन समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा सञ्चालक श्री प्रकाश तायल, प्रमुख संचालन अधिकृत र एकिकृत जोखिम व्यवस्थापन तथा अनुपालना विभागका प्रमुख सदस्य सचिव रहनु भएको छ । यस समितिले बैंकको समग्र जोखिम अवस्थाको बारेमा अध्ययन तथा मुल्यांकन गरी सञ्चालक समिति समक्ष प्रतिवेदन पेश गर्ने तथा सो सम्बन्धमा बैंक व्यवस्थापनलाई आवश्यक सुझाव दिने गर्दछ । आ.व. २०७६/०७७ मा ८ वटा बैठक बसेको थियो । उल्लेखित बैठकबाट सञ्चालक समितिलाई बैंकको कर्जा जोखिम, संचालन जोखिम, तरलता जोखिम, बजार जोखिम लगायतका जोखिम न्यूनिकरणको लागि उपयोगि सुझाव तथा रायहरु प्राप्त भएको थियो । प्राप्त राय सुझावलाई तत्काल कार्यान्वयन समेत गरिएको छ । कोभिड १९ रोगको कारण अनलाईन माध्यमबाट समेत बैठकहरु सम्पन्न गरिएको छ ।

(ग) मानव संसाधन व्यवस्थापन समिति

सञ्चालक समितिले गैर कार्यकारी सञ्चालक श्री अम्बीर बोगटीज्यूको संयोजकत्वमा मानव संसाधन ब्यवस्थापन समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा सञ्चालक श्री प्रताप जङ्ग पाण्डेज्यू, प्रमुख कार्यकारी अधिकृत, प्रमुख वित अधिकृत सदस्य र मानव संसाधन विभाग प्रमुख सदस्य सचिव रहनु भएको छ । समितिले बैंकमा कर्मचारीको नियुक्ति, सरुवा, बढुवा, बृद्धि विकास, पदस्थापना, कार्यसम्पादन मुल्यांकन, पुरस्कार, सजाय र श्रम सम्बन्ध, पारिश्रमिक आदिको नियमित रुपले अध्ययन गरी उपयुक्त नीति निर्माण गर्न सञ्चालक समितिलाई राय सुझाव पेश गर्ने गरेको छ। साथै यस समितिको सिफारिशमा बैंकमा कर्मचारीको कार्यसम्पादन मुल्यांकन निर्देशिका तथा अन्य कर्मचारीसम्बन्धी नीति नियमहरु निर्माण गरी लागु गरिएको छ । आ.व. २०७६/०७७ मा यस समितिको २ वटा बैठक बसेको थियो ।

(घ) सम्पत्ति शुद्धिकरण निवारण समिति

सञ्चालक समितिले गैर कार्यकारी सञ्चालक श्री भिमानन्द ढुङ्गानाज्यूको संयोजकत्वमा सम्पती शुद्धिकरण निवारण समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा सञ्चालक श्री शम्भु प्रसाद पन्तज्यू, एकीकृत जोखिम व्यवस्थापन तथा अनुपालना विभाग प्रमुख सदस्य र प्रमुख अनुपालना इकाइ सदस्य सचिव रहनु भएको छ। यस समितिले सम्पति शुद्धीकरण (मनि लाउन्डरिङ्ग) निवारण ऐन, २०६४, सम्पति शुद्धीकरण (मनी लाउन्डरिङ्ग) निवारण नियमावली, २०७३, नेपाल राष्ट्र बैंकबाट जारी निर्देशन (इ.प्रा.निर्देशन नं. १९) बमोजिम भए/गरेका काम कारवाहीको समीक्षा गरी प्रतिवेदन सञ्चालक समितिमा पेश गर्ने, बैंकको समग्र अनुपालनाको अवस्था, बैंकमा रहेका ग्राहकको जोखिमको स्तर निर्धारण गर्ने तथा AML/CFTको जोखिम व्यवस्थापन सम्वन्धी प्रतिवेदनको त्रैमासिक रुपमा छलफल गर्ने, राष्ट्रिय एवं अन्तर्राष्ट्रिय क्षेत्रमा सम्पत्ति शुद्धीकरण तथा आतंकवादी क्रियाकलापमा वितीय लगानी सम्बन्धी भएको विषयहरु/घटनाहरु र त्यसबाट बैंकलाई पर्न सक्ने असरहरुको विश्लेषण गरी जोखिम व्यवस्थापन गर्न के कस्तो नीतिगत व्यवस्था गर्नुपर्ने हो सो सम्बन्धमा आवश्यक सुझाव सञ्चालक समिति समक्ष पेश गर्ने लगायत नेपाल राष्ट्र बैंकको एकिकृत निर्देशन अनुरुप तोकिएको कार्यहरु समितिले गर्ने गरेको छ । आ.व. २०७६/०७७ मा ५ वटा बैठक बसेको थियो ।

(७) गाभ्ने गाभिने र प्राप्ति

यस बैंकलाई बैंक तथा वितीय संस्थाहरु एक आपसमा गाभ्ने/गाभिन (मर्जर) वा प्राप्ति (एक्विजिसन) गर्नको लागि उपयुक्त बैंक वितीय संस्था खोजी गर्नको लागि गैर कार्यकारी सञ्चालक श्री अम्बीर बोगटीज्यूको संयोजकत्वमा मर्जर समिति गठन गरिएको छ । सो समितिका अन्य सदस्यहरुमा सञ्चालक श्री प्रकाश तायल, र श्री प्रताप जङ्ग पाण्डेज्यू रहनु भएको छ । नेपाल राष्ट्र बैंकले लिएको मर्जर नीति अनुरुप बैंकलाई अझ सबल तथा पूँजीगत हिसावले थप मजबुत बनाउनको लागि यस बैंकले अन्य उपयुक्त बैंक तथा वितीय संस्थाहरु एक आपसमा गाभ्ने/गाभिन (मर्जर) वा प्राप्ति (एक्विजिसन) गर्न/हुन वा स्वदेशी/विदेशी रणनीतिक साझेदारीमा जान आवश्यक सहमती र सम्झौता लगायतका आवश्यक सम्पूर्ण कार्यहरु गर्न/गराउने सम्बन्धी विशेष प्रस्ताव नवौं साधारण सभाबाट पारीत भैसकेको जानकारी गराउदै सो लाई यस सम्मानित सभाबाट निरन्तरता दिने गरी पारित गरी सो सम्बन्धी आवश्यक सबै कार्य गर्नको लागि सञ्चालक समितिलाई अख्तियारी प्रदान गर्नु हुन अनुरोध गर्दछौ ।

(८) जोखिम व्यवस्थापन (Risk Management)

बैंकिङ्ग व्यवसायमा निहित जोखिम, बजार जोखिम, व्याजदर जोखिम, संचालन जोखिम, तरलता जोखिम लगायतका समग्र बैंकिङ्ग जोखिमहरुको आकलन व्यवसायमा उत्पन्न हुने विविध जोखिमहरुलाई न्यूनिकरण गर्न आन्तरिक नियन्त्रण प्रणाली मजबुत बनाउने नीति लिएको छ । कारोबारमा हुने समग्र जोखिम न्यूनिकरण गर्नको लागि छुट्टै एकिकृत जोखिम व्यवस्थापन विभागको स्थापना गरिएको छ । यसका अतिरिक्त लेखापरीक्षण समिति, जोखिम व्यवस्थापन समितिले नियमित प्रतिवेदन अध्ययन गरी आवश्यक नियन्त्रण गर्ने कार्य गर्दै आएको छ । यस बाहेक बैंक व्यवस्थापनका विभिन्न समितिहरु , अनुपालना विभाग, आन्तरिक लेखापरीक्षण विभाग, शाखा संचालन विभाग, कानून विभाग आदि जस्ता संस्थागत संरचनाको माध्यमबाट व्यवसायमा उत्पन्न हुने जोखिमको निरन्तर अनुगमन तथा सोको न्यूनिकरण गर्ने व्यवस्था गरिएको छ ।

(९) डिजिटल बैंकिङ्ग (Digital Banking)

नविनतम प्रविधिहरुलाई आत्मसात गर्दै बैंकका दैनिक कार्यहरुलाई स्वचालित र कागज रहित बनाउदै लैजाने बैंकको नीति रहेको छ । सूचना प्रविधिको बढ्दो उपयोगका साथै हुनसक्ने जोखिम बैंकिङ क्षेत्रमा ठूलो जोखिमको रुपमा आएकाले सोको न्यूनिकरणको लागि निरन्तर रुपमा सुरक्षाका उपायहरु अबलम्बन गर्ने तर्फ आवश्यक व्यवस्था गर्दै लगिएको छ । यसका साथै डिजिटल बैंकिङ्गको क्षेत्रमा आएका नयाँ प्रविधिहरुलाई अवलम्बन गर्दै स्रोत र साधनले भ्याए सम्म तथा नियामक निकायको स्वीकृतिको

परिधिमा रही प्रविधिहरु सञ्चालनमा ल्याउने योजना रहेको छ ।

(१०) विद्युतीय बैंकिङ्ग (E-banking)

बैंकलाई प्रविधिमा आधारित बैंक (IT Driven Bank) को रुपमा स्थापित गराउन व्यवस्थापन तथा सञ्चालक समितिको नीति रहेको छ । बैंकले MasterCard को सदस्यता प्राप्त भई ग्राहकहरुलाई डेबिट कार्ड जारी गरेको छ साथै डेबिट कार्ड, सिभिल ओभरड्राफ्ट कार्ड ,इन्टरनेट बैंकिङ्ग, SMS Banking, Civil Smart Bank जस्ता सेवा संचालनमा निरन्तरता दिईएको छ । विधुतीय कारोबारबाट ग्राहकवर्गमा हुन सक्ने Electronic Fraud को जोखिम न्यूनिकरण गर्नको लागि सूचना प्रविधि संरचनाको स्तरोन्नती गर्ने कार्यलाई सम्पन्न गरिएको छ । बैंकले हालै मात्र सिभिल किसान समृद्धि कार्ड संचालनमा ल्याएको छ । यसका साथै बैंकले चाडैनै कार्डलेस सेवा संचालन गर्ने योजना रहेको छ । साथै अन्य नविनतम प्रविधिहरुको अध्ययन गरी स्रोत र साधनले भ्याए सम्मका नयाँ नयाँ विधुतीय बैंकिङ्ग सेवा ल्याउने योजना रहेको छ ।

(११) विप्रेषण कारोबार (Remittance Transaction)

बैंकले संचालनमा ल्याएको सिभिल बैंक रेमिट सेवाको देश भरमा भुक्तानी एजेन्टहरु रहेको र अन्य नेपालमा ख्यातिप्राप्त विप्रेषण सेवाहरु मनिग्राम, प्रभु मनि, आईएमई, आईपि, इजीलिङ्क रेमिटेन्स, हिमाल रेमिट, सिटि एक्सप्रेस, वेष्टर्न युनियन मनि ट्रान्सफर, समशरा रेमिट, जिएमई रेमिट, इसेवा मनिट्रान्सफर, नेपाल रेमिट, भाटभटेनी मनिट्रान्सफर, पृथ्वी रेमिट, कुमारी रेमिट, मुक्तिनाथ रेमिट, सानिमा ऐक्सप्रेस र विदेशी कम्पनीहरु मावारिड एक्स्चेञ्ज दुवई, अलअन्सारी एक्स्चेञ्ज दुवई, वल्डवाईड क्यास ऐक्सप्रेस दुवई, स्मल वल्ड युके, आईसेन्द सिङ्गापुर, ट्रानक्यास पितिवाई लि. अष्ट्रेलिया, द गोरखाज ट्राभल्स् एण्ड टुर्स् अष्ट्रेलिया, कुकमिन बैंक कोरिया, एक्सिस बैंक लि. भारतको विप्रेषण भुक्तानी प्रतिनिधि भई आन्तरिक तथा वाह्य विप्रेषण कारोबार गर्दै आएको छ ।

बैकले आफ्नो सबै एजेन्टहरुको सिस्टम् Application Programming Interface (API) मार्फत बैंकको सिभिल बैंक रेमिट सिस्टम्मा नै सामिल गराई एउटै सफ्टवेयरबाट सबै एजेन्टहरुको भुक्तानी गरिरहेको छ। साथै बैकले API मार्फत Connect IPS पनि सिभिल बैंक रेमिट सिस्टम्मा सामिल गराई सिधै तेस्रो पक्षले सम्बन्धित निक्षेपकर्ताको खातामा सोजै रकम जम्मा गर्न मिल्ने प्रणालीको विकास गरी कार्यान्वयन गर्न लागेको छ । जसबाट छिटो, सहज र सुरक्षित माध्यमबाट ग्राहकहरुले रकम एक बैक खाताबाट अन्य बैंक खातामा ट्रान्सफर गर्न सक्छ ।

(१२) संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility)

सिभिल बैंकले संस्थागत सामाजिक उत्तरदायित्व कार्यको निरन्तरतालाई विगतको वर्ष झै यस समीक्षा आर्थिक वर्षमा पनि निरन्तरता दिई विभिन्न कार्यहरु गरिएको थियो । बैंकको सानो सहयोगले मात्र समाजमा ठूलो परिवर्तन हुन नसक्ने भएतापनी त्यसले समाजको लागि सकारात्मक सन्देश प्रदान गर्ने कुरामा हामी विश्वस्त छौं । समीक्षा आ.व. मा शिक्षा, स्वास्थ्य, पर्यावरण संरक्षण, संस्कृति संरक्षण, प्राकृतिक विपतमा परेका व्यक्तिहरुलाई सहयोग गरिएको छ । बैंकले आर्थिक वर्ष २०७६/०७७ मा बैंकको संस्थागत सामाजिक उत्तरदायित्व कोषबाट कोरोना भाइरस संक्रमण रोकथाम, नियन्त्रण तथा उपचारको लागि केन्द्रिय सरकारको कोषमा रु.३५,००,०००।- (अक्षरेपी पैतीस लाख मात्र) र सातै प्रदेशमा रु. ५,००,०००।- (अक्षरेपी सात लाख मात्र) का दरले रु. ३५,००,०००।- (अक्षरेपी पैतीस लाख मात्र) गरी कोरोना भाइरस संक्रमण रोकथाम, नियन्त्रण तथा उपचार कोषमा कुल रकम रु. ७०,००,०००।- (अक्षरेपी सत्तरी लाख मात्र) सहयोग प्रदान गरेको छ । यसका अलावा बैंकले देशको बिभिन्न स्थानिय निकायहरुमा कोभिड १९ सक्रामक रोगको लागि आवश्यक सामाग्री तथा आर्थिक सहयोग गरेको छ । बैंकले आर्थिक वर्ष २०७६।०७७ मा विभिन्न स्थानिय निकाय र संघ संस्थाहरु मार्फत देहाय बमोजिमको सामाजिक उत्तरदायित्व कार्य गरेको छ ।

- ललितपुर महानगरपालिका वडा नं १६ को सहयोगमा वडाका जेष्ठ नागरिकहरुको नि:शुल्क स्वास्थ्य परिक्षण ।
- छहारी नेपाल, नयाँवानेश्वरका असहाय वालबालिकाको लागि स्कूल व्याग र स्टेशनरी सामान वितरण गरिएको ।
- युनिक युथ क्लव, रत्ननगर १०, चितवनलाई सार्वजनिक स्थानमा समाजिक जनचेतना फैलाउनको लागि टासिने पोस्टरहरु छाप्नको लागि आर्थिक सहायता प्रदान गरिएको ।
- क्यन्सर फ्रि सोसाइटीलाई नि:शुल्क स्वास्थ्य परिक्षण अभियानको लागि आर्थिक सहयोग प्रदान ।
- भरतपुर खानेपानी आपूर्ती व्यवस्थापन बोर्ड, भरतपुर, चितवनमा आगन्तुकको लागि बस्ने कुर्सी प्रदान गरिएको ।
- ओम डिसेवल चाइल्ड केयर होम्स, स्यूचाटार, चितवनका वालवालिकालाई दशैको लागि नयाँ लुगा खरिद गर्नको लागि आर्थिक सहायता प्रदान गरिएको ।
- श्री दुर्गा मन्दिर निर्माण तथा पूजा मेला समिति, धनगढिमाई, सिराहाको दुर्गा मन्दिर निर्माणको लागि आर्थिक सहयोग प्रदान गरिएको ।
- महिला जागृति तथा बृद्ध आश्रम पुष्पलालचोक विराटनगरको बृद्ध आश्रम संचालनको लागि आर्थिक सहयोग प्रदान गरिएको ।
- इन्फिनाइट एविलिटी सेन्टर, पेप्सीकोलालाई अशक्त वालबालिकाको लागि आवासीय स्कूल निर्माणको लागि आर्थिक सहयोग पदान गरिएको ।
- नेपाली धोवी प्रा.ली. को सहयोगमा लुगा बैंकमा जम्मा भएको लुगा धुने कार्यको लागि आर्थिक सहयोग प्रदान गरिएको ।
- पिठुवा खानेपानी तथा सरसफाई उपभोक्ता संस्था, पिठुवा, चितवन कार्यालयमा सिसिटिभि जडानको लागि आर्थिक सहयोग प्रदान गरिएको ।
- षष्टी नेवा: पूचदाई बौद्ध यरियामा विभिन्न सामाजिक अभियान संचालनको लागि आर्थिक सहयोग प्रदान गरिएको ।
- शिव पार्वती मन्दिर भरतपुर नगरपालीका, २१ को कार्यालयमा १००० लिटरको पानी ट्रयाङ्की खरिदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- भृकुटी बोर्डिङ हाई स्कूल, बौद्धको छात्रावासको बालबालिकाको लागि म्याट्रेस खरिदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- श्री त्रिभुवन शान्ती नमुना माध्यामिक विधालय, लेखनाथ, पोखरालाई डस्टविन हस्तान्तरण गरिएको ।
- सुनौलो नेपाल अभियान, चन्द्रनिगाहपुर, रौतहटलाई धर्मशाला निर्माणको लागि आर्थिक सहयोग प्रदान गरिएको ।
- डिसेवल केयर नेपाल, काठमाण्डौलाई नेत्र विहिन मानिसका लागि सेतो छडी खरीदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- श्री सत्यश्वर शिवशक्ति प्राथमिक स्कूल, निजगढलाई प्रिन्टर हस्तान्तरण गरिएको ।
- श्री नारायण प्राइमरी स्कूल धरमबाध रोड, विराटनगरका ५० सिमान्तकृत विधार्थीहरुको लागि स्कूल पोशाक खरीदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- कोहलपुर नगरपालीकालाई खुला मैदान निर्माणको लागि आर्थिक सहयोग प्रदान गरिएको ।

- व्यास नगरपालीका, दमौलीको कार्यालयलाई डस्टविन हस्तान्तरण गर्ने प्रयोजनको लागि आर्थिक सहयोग प्रदान गरिएको
- उपत्यका सरसफाई महाअभियानको सहयोगमा काठमाण्डौ क्षेत्रमा सफाई अभियान संचालन सहयोगको लागि आर्थिक सहयोग प्रदान गरिएको ।
- पुकार डिसेबल सोसल सर्भिस, झापालाई एक वर्षको खाधान्न पूर्तीको लागि आर्थिक सहायता प्रदान गरिएको ।
- श्री शारदा आधारभूत विद्यालय माईजोगमाई-१, लप्सीबोटे इलामका सम्पूर्ण सिमान्तकृत विधार्थीहरुको लागि स्वेटर खरिदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- लमही खानेपानी उपभोक्ता तथा सरसफाई संस्था, लमहीको लागि ३० थान डस्टविन प्रदान गरिएको ।
- श्री जंग बटालियन बेसिशहर, लमजुङको लागि कम्प्युटर सेट प्रदान गरिएको ।
- श्री आदर्श नमुना माध्यामिक विधालय लालमटिया, दाङ को लागि १ थान रंगिन प्रिन्टर प्रदान गरिएको ।
- नेपाल बैंकर्स एसोसिएसनको सहयोगमा प्रधानमन्त्री कार्यालयको "खोलौ बैंक खाता" अभियानको लागि आर्थिक सहयोग गरिएको ।
- श्री जन जागृति बेसिक स्कूल, धार्चेको पुस्तकालयको लागि १ थान कम्प्युटर सेट प्रदान गरिएको ।
- श्री बैधनाथ क्षेत्र विकास संस्था, अछामलाई आयुर्वेदिक स्कूल स्थापनाको लागि आर्थिक सहयोग गरिएको ।
- ग्वाडी डेभलपमेन्ट सोसाइटलाई ग्वाडी माध्यामिक विद्यालयमा सूचना प्रविधी सम्बन्धी कार्यक्रमको लागि आर्थिक सहयोग गरिएको ।
- श्री फकिरा गिरी राजेश्वर गिरी माध्यामिक विद्यालय, नगौल, जीतपुरलाई कम्प्युटर प्रदान गरिएको ।
- धन धान्याञ्चल महोत्सव मुल समारोह समिति, चितवनको आयोजनामा धुर्मुस सुन्तली रंगशाला निर्माणको लागि रकम संकलनको लागि आयोजना गरिएको धन धान्याञ्चल महोत्सव संचालनको लागि आर्थिक सहयोग प्रदान गरिएको ।
- सिद्धेश्वर संस्कृत माध्यामिक विद्यालय र सिद्धेश्वरनाथ मन्दिरमा २ थान सिसि क्यामेरा प्रदान गरिएको ।
- परोपकार आदर्श सेकेन्डरी स्कुल, भिमसेनस्थान मार्फत सन्नी राईको दैनिकी संचालनको लागि आर्थिक सहयोग प्रदान गरिएको ।
- श्री कैलाशेश्वरी शिवालय तथा १०८ शिवलिङ्ग संरक्षण संस्था सुनवलको लागि रेफ्रिजेरेटर प्रदान गरिएको ।
- स्वेता श्री फाउण्डेशनको सहयोगमा माझी गाउँ सिन्धुपाल्चोकमा सार्वजनिक धारो निर्माणको लागि आर्थिक सहयोग प्रदान गरिएको ।
- शुशिल कोइराला फाउण्डेशनको सहयोगमा अमरटोल विराटनगरमा वृक्षारोपण तथा ढल निकासको लागि आर्थिक सहयोग प्रदान गरिएको ।
- चाइल्ड डेभलपमेन्ट सोसाइटी, काठमाण्डौको सहयोगमा दैनिक ज्यालादारी मजदुर बालबालिकाको हेरचाहको लागि आर्थिक सहयोग प्रदान गरिएको ।
- प्रभात सेकेन्डरी स्कुल, बाङगेमुढालाई खेलकुद मैदान र नर्सरी कक्षा मर्मतको लागि आर्थिक सहयोग प्रदान गरिएको ।
- कम्युनिटी चाइल्ड केयर सेन्टर नखिपोटको लागि ब्लयाङ्केट वितरण गरिएको ।
- टोखा नगरपालिकाको लागि डस्टविन वितरण गरिएको ।
- माण्डवी गाउँपालिकाको लागि कोभिड -१९ को रोकथाम तथा उपचारको लागि आवाश्यक सामाग्री खरीदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- जनकपुर नगरपालिकाको लागि कोभिड -१९ को रोकथाम तथा उपचारको लागि आवाश्यक सामाग्री खरीदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- द आर्ट अफ लिभिङको सहयोगमा कोभिड -१९ को प्रभावले समस्यामा परेका व्यक्ति तथा परिवारको लागि सेवा कार्य गर्नको लागि आर्थिक सहयोग प्रदान गरिएको ।
- विरगन्ज महानगरपालीकालाई कोभिड -१९ को रोकथाम तथा उपचारको लागि आवाश्यक सामाग्री खरीदको लागि आर्थिक सहयोग प्रदान गरिएको ।
- त्रियुगा नगरपालिका वडा नं. १० गाईघाटलाई कोभिड -१९ को रोकथाम तथा उपचारको लागि आवाश्यक सामाग्री खरीदको लागि आर्थिक सहयोग प्रदान गरिएको
- ओखरेनी माध्यामिक विद्यालय अत्तरखेल काठमाण्डौलाई १ थान कम्प्युटर प्रदान गरिएको ।
- नेपाल संस्कृत विश्वविद्यालय बेलझुण्डी दाङ लाई २ थान कम्प्युटर प्रदान गरिएको ।
- Volunteer Corp Nepal(VCN) को सहयोगमा रुकुम जिल्लामा खाद्य तथा स्वास्थ्य सामाग्रीको लागि आर्थिक सहयोग प्रदान गरिएको ।
- धार्चे गाउँपालीकाको माछाखोला एरियालाई बनविनाश र पहिरोबाट जोगाउनको लागि वृक्षारोपण कार्यको लागि आर्थिक सहयोग प्रदान गरिएको ।
- नेशनल सेन्टर फर इन्भारोमेन्ट एण्ड लेवर स्टडी नेपालमा विभिन्न स्वास्थ्य सामाग्री वितरणको लागि आर्थिक सहयोग प्रदान गरिएको ।
- श्री ढल्केश्वर माहादेव बैदिक सनातन धर्म संरक्षण संस्था, ठेचोमा माहादेव मन्दिर वरिपरि वृक्षारोपण कार्य आयोजनाको लागि आर्थिक सहयोग प्रदान गरिएको ।
- श्री गोर्खा बहादुर बटालियन, बानेश्वरलाई कोभिड-१९ सुरक्षाको लागि आवाश्य स्वास्थ्य सामाग्रीको लागि आर्थिक सहयोग प्रदान गरिएको ।
- सशस्त्र प्रहरी बल बाहिनी नं. २ बर्दिबास र कम्युनिटी स्कुल शार्खुँलाई दैनिक कार्य संचालनको लागि कम्प्युटर प्रदान गरिएको ।
- मुसिकोट नगरपालिका वडा नं. २, गुल्मीमा पहिरोबाट प्रभावित क्षेत्रमा खाधान्न वितरण गरिएको ।
- इश्मा गाउँपालीका गुल्मीमा गएको पहिरोबाट प्रभावित क्षेत्रमा खाधान्न वितरण गरिएको ।

आगामी दिनहरुमा समेत बैंकले संस्थागत सामाजिक उत्तरदायित्व कार्यलाई निरन्तरता दिदै अझ बढि समाजिक तथा समावेशी बनाउदै लगिनेछ ।

(१३) निष्कृय कर्जाको व्यवस्थापन (Management of Non Performing Loan)

आ.व. २०७६/०७७ को आषाढ मसान्तमा निष्कृय कर्जा अनुपात १.९० प्रतिशत रहेको छ । गत आ.व.मा कर्जा असुलीको कारवाहीबाट बैंकको निष्कृय कर्जा व्यवस्थापनमा उल्लेखित सफलता प्राप्त भएको छ । साथै यस अवधिमा बैंकको गैह्र बैकिङ्ग सम्पतिको विक्रीमा समेत राम्रो परिणाम प्राप्त भएको छ । यस आ.व. मा समेत कर्जा असुलीमा सोही अनुरुपको सफलता प्राप्त भई बैंकको निष्कृय कर्जा तथा गैर बैकिङ्ग सम्पतिको व्यवस्थापनमा थप सुधार हुने अपेक्षा गरिएको छ ।

(१४) मुनाफा तथा लाभांशको बाँडफाँड (Profit and Dividend Distribution)

आ.व. २०७६/०७७ मा संचित मुनाफाबाट चुक्ता पूँजीको ८% का दरले हुन आउने रु.६४,०२,७१,१७३।९१ (अक्षरेपी चौसठ्ठी करोड दुई लाख एकहत्तर हजार एक सय त्रिहत्तर रुपैयाँ एकानब्बे पैसा मात्र) बराबरको बोनश शेयर तथा कर प्रयोजनको लागि प्रतिशेयर ०.४२% का दरले हुन आउने रु.३,३६,९८,४८२।८४ (अक्षरेपी तिन करोड छत्तीस लाख अन्ठानब्बे हजार चार सय बयासी रुपैया चौरासी पैसा मात्र) नगद लाभांश वितरण गर्ने प्रस्तावलाई यस गरिमामय साधारण सभाबाट पारित गरिदिनु हुन अनुरोध गर्दछौ ।

(१५) लेखापरीक्षक नियुक्ति

लेखापरीक्षण समितिको सिफारिस अनुसार अघिल्लो साधारण सभाबाट बैंकको लेखापरीक्षण गर्नको लागि NBSM & Associates लाई बैंकको आ. व. २०७६/०७७ को लेखापरीक्षणको लागि बाह्य लेखापरीक्षक नियुक्त गरिएको थियो । चालु आ.व. को लागि कम्पनी ऐन, २०६३ दफा १११(३) बमोजिम NBSM & Associates लेखापरीक्षकमा पुन: नियुक्त हुन योग्य भएकोले लेखापरीक्षणा समितिको सिफारिस बमोजिम लेखापरीक्षक नियुक्त गर्ने प्रस्तावलाई यस गरिमामय साधारण सभा समक्ष प्रस्तुत गरिएको छ ।

अन्त्यमा बैंकलाई विभिन्न माध्यमवाट सहयोग तथा सुझाव प्रदान गर्ने सम्पूर्ण शेयरधनी, ग्राहकवर्ग महानुभावहरू, कर्मचारीवर्ग, नेपाल सरकारका सम्बन्धित निकायहरू, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल स्टक एक्सचेन्ज लिमिटेड, नेपाल बैंकर्स संघ, वाह्य लेखापरीक्षक, पत्रकारवर्ग तथा सम्पूर्ण शुभेच्छुकहरुमा सञ्चालक समितिको तर्फवाट म हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु । साथै विश्वभर सङ्क्रामक रोगको रुपमा फैलिरहेको कोभिड १९ बाट सुरक्षित रही सबै पक्षबाट हालसम्म पाइरहेको सहयोग तथा सुझाव आगामी दिनहरुमा समेत निरन्तर पाउने विश्वास सहित बैंकको सबै पक्षहरुको हित हुने गरी दिगो प्रगतिका लागि सदैव प्रतिबद्ध रहेको विश्वास दिलाउन चाहन्छौं ।

धन्यवाद !

सञ्चालक समितिको तर्फबाट
ई. इच्छा राज तामाङ्ग
अध्यक्ष

मिति : २०७७/१०/१५

कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ बमोजिमको विवरण

(१) विगत वर्षको कारोवारको सिंहावलोकन : बैंकको सञ्चालक समितिको प्रतिवेदनमा यस सम्बन्धमा उल्लेख गरिएको छ ।

(२) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोवारलाई कुनै असर परेको भए सो असर ।

अन्तराष्ट्रिय परिस्थिति :

सन् २०२० मा समग्र विश्व अर्थतन्त्र कोभिड-१९ बाट प्रभावित भएको छ । सन् २०१९ मा २.८ प्रतिशतले विस्तार भएको विश्व अर्थतन्त्र सन् २०२० मा ४.४ प्रतिशतले संकुचन हुने अन्तर्राष्ट्रिय मुद्रा कोषको प्रक्षेपण छ । सन् २०२१ मा भने विश्व अर्थतन्त्र ५.२ प्रतिशतले विस्तार हुने प्रक्षेपण रहेको छ ।

सन् २०२१ मा विश्व अर्थतन्त्र पुनरुत्थान हुने अनुमान छ । सन् २०२१ मा विकसित मुलुकहरुको मुद्रास्फीती १.१ प्रतिशत र उदीयमान तथा विकासोन्मुख मुलुकहरुको मुद्रास्फीति ४.५ प्रतिशतमा सिमित हुने प्रक्षेपण छ ।

राष्ट्रिय परिस्थिति:

नेपाल सरकारले आर्थिक वर्ष २०७६/७७ को बजेटमा ८.५ प्रतिशत आर्थिक वृद्धिको लक्ष्य तोकेको थियो । आर्थिक वर्ष २०७७/७८ मा ७ प्रतिशतको हाराहारीमा आर्थिक वृद्धि हासिल हुने लक्ष्य रहेको छ ।

आर्थिक वर्ष २०७६/७७ मा कोभिड-१९ का कारण आर्थिक गतिविधिहरु प्रभावित भई आर्थिक वृद्धिदर न्यून रहन गयो । कोरोना संक्रमण नियन्त्रणका लागि गरिएका बन्दाबन्दी लगायतका नियन्त्रणात्मक उपायका कारण पर्यटन, निर्माण, औद्योगिक उत्पादन, शैक्षिक संस्था लगायतका गतिविधिहरु बढी प्रभावित हुन पुगे ।

आर्थिक वर्ष २०७७/७८ मा वार्षिक औसत उपभोक्ता मुद्रास्फीति ७ प्रतिशतको सीमाभित्र राख्ने लक्ष्य रहेकोमा पहिलो तीन महिनामा औसत उपभोक्ता मुद्रास्फीति ३.९३ प्रतिशत रहेको छ । समीक्षा अवधिमा खाद्य मुद्रास्फीति केही बढी रहेता पनि गैरखाद्य मुद्रास्फीति न्यून रहेका कारण मुद्रास्फीति कम रहन गएको हो ।

समीक्षा अवधिमा चालु खाता रु. ३४ अर्ब ३६ करोडले र शोधनान्तर स्थिति रु. १०१ अर्ब ९ करोडले बचतमा रहेको छ । आयातमा आएको संकुचन र विप्रेषण आप्रवाहमा भएको वृद्धिका कारण चालु खातामा सुधार हुनुका साथै शोधनान्तर स्थिति बचतमा रहेको हो ।

आर्थिक वर्ष २०७७/७८ मा कम्तिमा ७ महिनाको वस्तु तथा सेवा आयात धान्न पर्याप्त हुने गरी विदेशी विनिमय सञ्चिति कायम गर्ने मौद्रिक नीतिको लक्ष्य रहेकोमा २०७७ असोज मसान्तमा १४.१ महिनाको वस्तु तथा सेवा आयात धान्न पुग्ने विदेशी मुद्रा सञ्चिति रहेको छ ।

कोभिड-१९ बाट अति प्रभावित हवाइ उड्यन व्यवसाय, यातायात, होटल, रेष्टुरेन्ट लगायतका पर्यटन क्षेत्रका उद्यम-व्यवसाय पुनरुत्थानका लागि चालु पुँजी कर्जा, सहुलियतपूर्ण कर्जा र पुनरकर्जा प्रवाहमा प्राथमिकता दिइएको छ ।

कोभिड-१९ ले अर्थतन्त्रमा पारेको प्रभावलाई न्यूनीकरण गर्दै उद्योग, पेशा, व्यवसायको पुनरुत्थानमा सहयोग पुऱ्याउने, पुनरकर्जामा पहुँच अभिवृद्धि गर्ने र विद्यमान पुनरकर्जा सुविधालाई थप व्यवस्थित र प्रभावकारी बनाउने उद्देश्यले पुनरकर्जा कार्यविधि लागु गरी उपलब्ध कोषको ५ गुणासम्म पुनरकर्जा उपलब्ध गराउने व्यवस्था गरिएको छ ।

नेपाल सरकारले आर्थिक वर्ष २०७७/७८ को बजेटमा ७ प्रतिशत आर्थिक वृद्धिको लक्ष्य राखेको छ । धान रोपाईका लागि मनसुन अनुकुल रहेको,कृषि कर्जा विस्तारलाई प्राथमिकतामा राखिएको र श्रमशक्ति थपिएका कारण कृषि क्षेत्र बिस्तार हुने देखिन्छ । यसैगरी कोभिड १९ को संक्रमण चाडो भन्दा चाडो नियन्त्रणमा आएमा उद्योग र सेवा क्षेत्र समेत विस्तार हुने अनुमान छ ।

(३) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :

(क) चालु आर्थिक वर्षको दोश्रो त्रयमास अन्तर्गत प्रतिवेदन तयार पार्दा सम्ममा बैंकको कारोबारको स्थिति देहाय बमोजिम रहेको छ ।

रु. हजारमा

विवरण	२०७६/०७७ पौष मसान्त
चुक्ता पूँजी	८०,०३,३९०
निक्षेप	७,७७,३४,०११
कर्जा	६,७९,६५,१२१
तरलता (CRR) अनुपात	७.०७%
पूँजीकोष अनुपात	१३.६७
निष्कृय कर्जा अनुपात	१.७०
आधार दर (Base Rate)	८.४५

(ख) बैंकको उन्नति प्रगतिको लागि भविष्यमा गर्नु पर्ने कार्यको सम्बन्धमा सञ्चालक समितिको धारणा :

बैंकले आगामी वर्षमा प्रमुख रुपमा व्यवसाय वृद्धिलाई मुख्य रणनीति बनाई निम्न बमोजिमका कार्यक्रमहरुलाई प्राथमिकतामा राखेको छ ।

- निक्षेप तथा कर्जाको वृद्धिको लागि विभिन्न नवीनतम बैंकिङ सेवाहरु प्रचलनमा ल्याउने ।
- निक्षेपको औसत व्याजदरमा कमी ल्याउनका लागि CASA निक्षेप बढाई र व्यक्तिगत निक्षेपकर्ताहरुको आधार वृद्धि गर्दै संस्थागत निक्षेप तर्फको निर्भरता कम गर्दै लैजाने । साथै बैंकको Customer Base बढाउदै लैजाने ।
- बैंकको व्यवसाय विस्तारको लागि शाखा तथा एक्सटेन्सन काउण्टरको संजाल क्रमिक रुपमा विस्तार गर्दै लगिने
- शाखारहित सेवा (Branchless Banking) लाई अन्य स्थानहरुमा सेवा विस्तार गर्दै लगिनेछ ।
- कर्जाको गुणस्तरमा सुधार गर्दै लैजाने तथा बैंकले आफ्नो लगानीलाई अर्थव्यवस्थाको तल्लो तहसम्म पुऱ्याउनको लागि उपभोक्ता कर्जा तथा लघुवित्त कर्जालाई प्राथमिकता दिई साना तथा मझौला कर्जामा जोड दिई ठोस रणनीतिका साथ कार्य गर्ने ।
- विप्रेषण सेवाको पहुँच विस्तार गर्न सिभिल बैंक रेमिटका एजेण्ट तथा काउण्टरहरु थप गर्ने ।
- आधुनिक बैंकिङ्ग सेवाका सबै प्रविधिहरु प्रयोग गरी बैंकिङ्ग सेवाको लागि Technology Driven Bank को रुपमा स्थापित गर्ने ।
- बैंकको जोखिम व्यवस्थापनलाई थप सुदृढीकरण गर्दै लगिने र कारोबारसंग सम्बन्धित विविध जोखिम न्यूनिकरण गर्नको लागि आवश्यक पूर्व सतर्कताहरु अपनाउने ।
- अधिकेन्द्रीत जोखिम कम गर्न एवं वजार विविधिकरण गर्न बैंकले साना तथा मझौला प्रकृतिको व्यवसायमा लगानी गर्ने उद्देश्यले SME Banking लाई विस्तार गरिनेछ ।
- बैंकले पिछडिएको तथा ग्रामीण क्षेत्रका जनतालाई लक्षित गरी संचालनमा ल्याएको Micro Banking कार्यक्रमलाई अझ विस्तार गर्दै लगिनेछ ।
- व्यापारका नयाँ नयाँ क्षेत्रहरुको पहिचान गर्ने तथा ग्राहक सेवालाई अझ प्रभावकारी बनाउदै लगिनेछ ।
- कर्मचारीलाई दक्षता अभिवृद्धि गर्नको लागि उपयुक्त तालिमहरु दिईनेछ ।
- बैंकको खराब कर्जालाई थप प्रभावकारी रुपमा व्यवस्थापन गरिनेछ ।

साथै, नियामक निकायको नीति अनुरुप बैंकले मर्जर/प्राप्तिका लागि उपयुक्त

साझेदारको पहिचान गरी आगामी दिनमा मर्जर/प्राप्तिको प्रकृया अघि बढाउने योजना समेत रहेको छ ।

यस वाहेकका सञ्चालक समितिको अन्य धारणाहरु सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।

(४) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :

ग्राहकका आयात निर्यात तथा अन्तराष्ट्रिय कारोबारलाई सहजता प्रदान गर्न अन्तराष्ट्रिय स्तरमा राम्रो संजाल र राम्रो वित्तीय अवस्था भएका बैंक तथा वित्तीय संस्थासंग सम्वन्ध स्थापना गर्नुपर्ने हुन्छ । त्यसका अतिरिक्त विदेशमा रहेका नेपालीहरुलाई सहज रुपमा विप्रेषण मार्फत रकम पठाउनको लागि समेत विभिन्न अन्तराष्ट्रियस्तरमा राम्रो संजाल भएका रेमिटान्स तथा एक्सचेन्ज कम्पनीहरुसंग समेत सम्वन्ध स्थापना गर्नुपर्ने हुन्छ । सो अनुरुप बैंकले भारतको Standard Chartered Bank, Axis Bank तथा HDFC Bank, बेलायतको Standard Chartered Bank UK, जर्मनीको Commerz Bank, अमेरिकाको Standard Chartered Bank, Mashreq Bank, Habib American Bank, अस्ट्रेलियाको National Australia Bank, कोरियाको Kookmin Bank, दुबईको Standard Chartered Bank जस्ता बैंकहरुसंग Correspondent Banking सम्बन्ध स्थापना गरी कारोबार गरी आएको छ । विप्रेषण सम्बन्धी कारोवार गर्न Mawarid Exchange LLC, Al Ansari Exchange, Worldwide Cash Express, Small World, iSend, Trancash PTY Ltd, The Gurkhas Travels & Tours लगायतका अन्तर्राष्ट्रिय कम्पनीहरुसंग सम्बन्ध स्थापना गरी कारोबार गरी आएको छ ।

यसका साथै इन्टरनेशनल लिजिङ्ग एण्ड फाईनान्स कम्पनी लिमिटेड यस बैंकमा गाभिए पछि उक्त संस्थाको विदेशी लगानी कर्ता KDB Capital Corporation, Korea संग बैंकको सम्बन्ध स्थापना भएको छ ।

(५) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

आर्थिक वर्ष २०७६/७७ मा बैंकको सञ्चालक समितिमा कुनै हेरफेर भएको छैन ।

(६) कारोबारलाई असर पार्ने मुख्य कुराहरू :

- राष्ट्रिय पूँजी निर्माणमा सिमितता , विप्रेषणमा कमी, सरकारी खर्चमा निरन्तरताको अभावले निक्षेप परिचालनमा अभाव तथा अस्थिरता ।
- नेपाल सरकार तथा नियमनकारी निकायबाट बैंक सम्बन्धी नीतिमा परिवर्तन हुन सक्ने जोखिमहरु ।
- बैंकबाट प्रदान गरिने कर्जा तथा गैह्र कोषमा आधारित सेवाहरु उपलब्ध गराउँदा हुन सक्ने जोखिमहरु ।
- तरलतामा हुने उतार चढाव तथा सोको कारणबाट सम्पति र दायित्व तथा निक्षेप तथा कर्जाको व्याजदर व्यवस्थापनमा चुनौतिहरु ।
- यथासमयमा कर्जा असुली नभई उत्पन्न हुने जोखिमहरु ।
- कोभिड-१९ को संक्रमणका कारणले ब्याजदरमा छुट दिन र कर्जाको भाखामा व्यवस्थित गर्दा हुनसक्ने अनपेक्षित चुनौतीहरु ।
- विदेशी विनिमय कारोवार गर्दा विनिमय दरमा हुने परिवर्तनबाट हुन सक्ने संभावित जोखिमहरु ।
- राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट हुन सक्ने संभावित जोखिमहरु ।
- पूँजी बजारमा आउन सक्ने उतार चढावबाट हुन सक्ने संभावित जोखिमहरु ।
- अन्तराष्ट्रिय बजारमा हुने मन्दीबाट नेपाली बजारमा पर्न सक्ने असरबाट हुन सक्ने आर्थिक जोखिमहरु ।
- विभिन्न प्राकृतिक प्रकोपबाट श्रृजना हुनसक्ने जोखिमहरु ।
- बैंकिङ्ग प्रतिस्पर्धाको कारणले कर्जा तथा लगानीको दायरा साँघुरिएर लगानीकर्ताहरुलाई निरन्तर प्रतिफल प्रदान गरिरहने चुनौति ।
- कोभिड १९ को असर समीक्षा वर्ष तथा चालु आ.व.मा समग्र क्षेत्रको साथै बैकिङ्ग क्षेत्रमा समेत असर पर्न जाने सम्भावना देखिएको छ ।

(७) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सोउपर सञ्चालक समितिको प्रतिकृया :

समीक्षा आर्थिक वर्षको लेखापरीक्षण प्रतिवेदनमा सारभुत कैफियत नभएको । बैंकको नियमित बैंकिङ्ग कारोवारको सिलसिलामा हुने सामान्य कैफियत (टिप्पणी) हरु उपर सञ्चालक समितिको ध्यानाकर्षण भएको र सुधारात्मक कदमहरु चाल्न र भविष्यमा नदोहोरिने व्यवस्था मिलाउन बैंक व्यवस्थापनलाई निर्देशन समेत दिईएको छ ।

(८) लाभांश बांडफांड गर्न सिफारिस गरिएको रकम :

आ.व. २०७६/०७७ मा संचित मुनाफाबाट चुक्ता पूँजीको ८% का दरले हुन आउने रु.६४,०२,७१,१७३।९१ (अक्षरेपी चौसठ्ठी करोड दुई लाख एकहत्तर हजार एक सय त्रिहत्तर रुपैया एकानब्बे पैसा मात्र) बराबरको बोनश शेयर तथा कर प्रयोजनको लागि प्रतिशेयर ०.४२% का दरले हुन आउने रु.३,३६,९८,४८२।८४ (अक्षरेपी तिन करोड छत्तीस लाख अन्ठानब्बे हजार चार सय बयासी रुपैया चैरासी पैसा मात्र) नगद लाभांश दिने प्रस्ताव गरिएको छ ।

(९) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरण :

समीक्षा अवधिमा कुनै शेयर जफत गरिएको छैन ।

(१०) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :

समीक्षा अवधिमा बैंकले सिभिल क्यापिटल मार्केट लिमिटेडको ६९.७४ प्रतिशत शेयर खरिद गरी सहायक कम्पनीको रुपमा संचालन गर्दै आएको छ । आ. व. २०७६/०७७ को मुनाफाबाट ५.०० प्रतिशत नगद लाभांश वितरण गरेको थियो । सिभिल लघुवित्त वित्तीय संस्थाको नामबाट यस बैंकको सहायक कम्पनीको रुपमा संचालन हुदै आएको छ । सो कम्पनीको ५१ प्रतिशत शेयर यस बैंकको सवामित्वमा रहेको छ । आ. व. २०७६/०७७ मा ३.५० प्रतिशत वोनश शेयर तथा ०.१८४२१ प्रतिशत नगद लाभांश वितरण गर्नको लागि प्रस्ताव गरिएको छ ।

(११) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :

बैंकले समीक्षा अवधिमा गरेको कारोबारहरु माथि उल्लेख भइसकेको ।

(१२) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी:

आधारभूत शेयरधनीहरुले कुनै जानकारी उपलब्ध नगराएको ।

(१३) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :

यस बैंकका निम्न संचालकहरुको देहाय बमोजिम शेयर स्वामित्व कायम रहेको र बैंकका अन्य पदाधिकारीहरुले कर्मचारी शेयर अन्तर्गत प्राथमिक शेयर जारी गर्दा शेयर धारण गरेको तर शेयर कारोबारमा संलग्न भएको कुनै जानकारी बैंकलाई प्राप्त नभएको ।

संचालकको नाम, थर	पद	शेयर समूह	जम्मा कित्ता
ई. ईच्छा राज तामाङ्ग	अध्यक्ष (संस्थापक शेयरधनी समूह)	संस्थापक	२६,३४,९०८
		सर्वसाधारण	४,४८,६००

श्री अम्बीर बोगटी	सञ्चालक (संस्थापक शेयरधनी समूह)	संस्थापक	१,७०४,९१
		सर्वसाधारण	३९,५०२
श्री प्रताप जङ्ग पाण्डे	सञ्चालक (संस्थापक शेयरधनी समूह)	संस्थापक	९,४८३
		सर्वसाधारण	११०
श्री प्रकाश तायल	सञ्चालक (सर्वसाधारण शेयरधनी समूह- प्रतिनिधि बाला इन्भेष्टमेन्ट प्रा.लि.)	सर्वसाधारण	८७०
श्री भीमानन्द ढुङगाना	स्वतन्त्र सञ्चालक	सर्वसाधारण	२७६
श्री युगेश बहादुर मल्ल	सञ्चालक (सर्वसाधारण शेयरधनी समूह)		१,१०२
श्री शम्भु प्रसाद पन्त	सञ्चालक (सर्वसाधारण शेयरधनी समूह)		५८८

(१४) विगत आर्थिक वर्षमा कम्पनीसंग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा: केही नभएको ।

(१५) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम :

बैंकले समिक्षा अवधिमा आफ्नो शेयर आफैले खरीद गरेको छैन ।

(१६) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :

सञ्चालक समितिले नेपाल राष्ट्र बैंकको एकिकृत निर्देशन, बैंक तथा वितीय संस्था सम्बन्धी ऐन तथा कम्पनी ऐनको अधिनमा रही लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, मानव संसाधन व्यवस्थापन समिति तथा सम्पति शुद्धीकरण निवारण सम्बन्धी समिति गठन गरिएको छ । समितिहरुले समय समयमा बैठक बसी निर्देशनमा भएका व्यवस्थाहरुको आधारमा काम तथा जिम्मेवारी पुरा गर्दछन ।

बैंकमा आन्तरिक नियन्त्रण प्रणाली व्यवस्था बमोजिम बैंकको लेखापरीक्षण समितिको मातहतमा स्वतन्त्र आन्तरिक लेखापरीक्षण विभागको व्यवस्था रहेको छ । यस विभागले लेखापरीक्षण गरी समिति समक्ष आफ्नो प्रतिवेदन पेश गर्दछ । साथै कर्जा तथा कानूनी जोखिमहरु न्यूनिकरण गर्ने उद्धेश्यले IRMD, जोखिम नियन्त्रण (Risk Control) तथा कानून विभागको प्रत्यक्ष संलग्नतामा कर्जा प्रशोधन कार्य गर्ने प्रबन्ध गरिएको छ । बैंकमा छुटै अनुपालना विभाग (Compliance Department) को व्यवस्था भएकोले सो विभागवाट नियमित अनुपालनाको अनुगमन गर्ने गरिएको छ । यसै गरी संचालन जोखिम व्यवस्थापनको लागि Branch Operation control तथा RMD को संरचना कायम गरिएको छ ।

(१७) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

आ.व. २०७५/०७६ तथा २०७६/०७७ मा भएको कुल व्यवस्थापन खर्चको विवरण निम्नानुसार रहेको छ :-

विवरण	आ.व. २०७५/०७६	आ.व. २०७६/०७७
कर्मचारी खर्च	रु. ७९,२९,१८,१७९	रु. १,०४,०७,८६,२०४
कार्यालय सञ्चालन खर्च	रु. ६४,६६,२७,७६२	रु. ६९,१५,२३,७१७
कुल व्यवस्थापन खर्च	रु. १,४३,९५,४५,९४१	रु. १,७३,२३,०९,९२२

(१८) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

बैंकको लेखापरीक्षण समितिका सदस्यहरु निम्न बमोजिम रहेको छ

क) श्री प्रकाश तायल	- सञ्चालक	-	संयोजक,
ख) श्री युगेश बहादुर मल्ल	- सञ्चालक	-	सदस्य
ग) आन्तरिक लेखापरीक्षण विभाग प्रमुख		-	सदस्य सचिव

लेखापरीक्षण समितिका सञ्चालक सदस्यलाई बैठक भत्ता सञ्चालक समितिको बैठकमा उपस्थित भए वापत प्रदान गरिने भत्ता बराबरको भत्ता प्रदान गरिएको र अन्य कुनै सुविधा प्रदान गरिएको छैन । आ.व. २०७६/०७७ मा समितिको बैठक १६ पटक बसेको छ र बैठक भत्ता रु.२,३२,०००।- प्रदान गरिएको छ ।

(१९) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठीत संस्थाले कम्पनीलाई कुनै रकम बुझाउन बांकी भए सो कुरा : नभएको ।

(२०) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

- प्रवन्ध सञ्चालक पद नभएको । संचालकहरुले सञ्चालक समितिको वैठकमा उपस्थित भए बापत प्रति बैठक सञ्चालक समितिका अध्यक्षले रु. १०,०००/- र संचालकहरुले रु. ८,०००/- बैठक भत्ता प्रदान गर्ने गरिएको छ ।

- कार्यकारी प्रमुख तथा अन्य कार्यकारी पदाधिकारी/व्यवस्थापकहरूको आर्थिक वर्ष २०७६/७७ को वार्षिक तलव, भत्ता सुविधाहरु :

क्र.सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी /व्यवस्थापक
१.	तलब	६,५०४,०००	५८,५४५,९१५
२.	भत्ता	३,४७८,७००	४१,७२०,२५२
३.	दशैं खर्च	७६७,९००	६,७१०,३८८
४.	संचय कोष	६५०,४००	५८,५४,५९१
५.	बोनश	३,१५८,५९५	२३,५००,०२६

(२१) शेयरधनीहरुले बुझिलिन बांकी रहेको लाभांशको रकम :

आर्थिक वर्ष ०७६/०७७ सम्ममा शेयरधनीहरुले रु. ३,५९,९४,७११।२५ नगद लाभांस रकम बुझिलिन बांकी रहेको छ । (यो रकम साविकको पशुपति डेभलपमेण्ट बैंक, उधम विकास बैंक, एक्सिस डेभलपमेण्ट बैंक, सिभिल मर्चेन्ट वितीय संस्था लिमिटेड, इन्टरनेशनल लिजिङ्ग एण्ड फाइनान्स कम्पनी लिमिटेड तथा युनिक फाईनान्स लिमिटेडले घोषणा गरेको लाभांश समेत हो)।

क्र.सं.	विवरण	भुक्तानी गर्न बांकी रकम
१.	सिभिल बैंक लि.	१,४६,६२,८८१।५०
२.	साविकको सिभिल मर्चेन्ट वितीय संस्था लि.	७,२१,६४९।७०
३.	साविकको एक्सिस डेभलपमेण्ट बैंक लि.	२,७२,८१५।८२
४.	साविकको इन्टरनेशनल लिजिङ्ग एण्ड फाइनान्स कम्पनी लि.	१,७३,४५१३८।६४
५.	साविकको युनिक फाईनान्स लि	२९,९२,२२५।५९

(२२) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :

समीक्षा अवधिमा बैंकिङ्ग कारोबारको लागि आवश्यक सम्पति बाहेक अन्य सम्पतिहरु खरिद वा बिक्री नभएको ।

(२३) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :

समीक्षा अवधिसम्म यस बैंकको सहायक कम्पनीसंग भएको कारोबारको विवरण सम्बन्धित अनुसूचीमा उल्लेख गरिएको छ ।

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६ को उपनियम २ संग सम्बन्धित अनुसूची-१५ बमोजिमको वार्षिक विवरण

१. सञ्चालक समितिको प्रतिवेदन : वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

२. लेखापरीक्षकको प्रतिवेदन : वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरण: वार्षिक प्रतिवेदनको सम्बन्धित शिर्षक अन्तर्गत राखिएको ।

४. कानूनी कारवाही सम्बन्धी विवरण

क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए :

आर्थिक वर्ष २०७६।७७ मा बैंकले वा बैंकको विरुद्ध बैकिङ्ग कारोवारको सिलसिलामा २७ वटा मुद्दा विभिन्न अदालतहरुमा विचाराधिन रहेको छ । जस मध्ये, कर्जा असुलीसँग सम्बन्धित मुद्दा २१ र अन्य मुद्दा ६ वटा रहेका छन् ।

ख) संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्ध प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए :

यस सम्बन्धमा बैंकलाई कुनै जानकारी प्राप्त नभएको ।

ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए :

यस सम्बन्धमा बैंकलाई कुनै जानकारी प्राप्त नभएको ।

५. संगठित संस्थाको शेयर कारोवार तथा प्रगतिको विश्लेषण :

क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा :

नेपाल धितोपत्र वोर्डको रेखदेखमा धितोपत्र बजारमा खुल्ला बजारले निर्धारण गरे अनुरुप कारोबार हुने हुंदा बैंक व्यवस्थापन तटस्थ छ ।

ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन :

गत आर्थिक वर्षमा शेयरको अधिकतम, न्यूनतम, अन्तिम मुल्य, कारोबार संख्या र कारोवार भएको दिनको विवरण (नेपाल स्टक एक्सचेन्ज लिमिटेडको वेभसाइट अनुसार) निम्न बमोजिम रहेको छ :

आ. व. २०७६/०७७

क्र.सं.	विवरण	पहिलो त्रैमास	दोश्रो त्रैमास	तेश्रो त्रैमास	चौथो त्रैमास
१	अधिकतम मुल्य	१६४	१४४	१६२	१४०
२	न्यूनतम मुल्य	१४१	१३४	१३८	१२९
३	अन्तिम मुल्य	१४३	१४०	१३८	१३९
४	कारोबार दिन	६३	५९	४६	१४
५	कारोबार संख्या	५,३१३	३,५१६	९,६३४	८६२

६. समस्या तथा चुनौतीहरू :

(१) आन्तरिक समस्या र चुनौती :

(क) COVID-19 ले हाल विश्व नै आक्रान्त रहेको अवस्थामा नेपाल लगायत संसारकै अर्थतन्त्र चुनौतीपूर्ण अवस्थामा रहेको छ । यस्तो अवस्थामा निष्कृय कर्जा बढ्नु, व्याज मुल्तवीमा वृद्धि हुनु, आम्दानीमा कमी आउने जस्ता जोखिम हुने र यस्तो स्थितिमा बैंकका ऋणीहरुको हितलाई पनि ध्यानमा राख्दै बैंकको मुनाफालाई कायम राख्नु चुनौतीपूर्ण रहेको छ ।

(ख) तीव्र बजार प्रतिस्पर्धाका कारण कर्जा निक्षेप अनुपात घट्न गई खुद व्याज आम्दानीमा प्रतिकुल असर पर्न गएको र यसलाई नेपाल राष्ट्र बैंकद्वारा निर्दिष्ट अनुपातमा राखेर मुनाफालाई बढाउनु चुनौतीपूर्ण रहेको छ ।

(२) बाह्य चुनौतीहरू :

(क) बजारमा देखिएको अत्याधिक तरलताका कारण कर्जाको व्याजदर समेत उल्लेख्य मात्रामा घटेको छ । यसले गर्दा नयाँ तथा पुराना कर्जाहरुमा व्याजदर घटाउनु परेकोले बैंकको व्याजदर अन्तर समेत उल्लेख्य घटेको छ ।

(ख) पूँजीको वृद्धि संगै बढेको पूँजीलाई बजार सुहाउँदो प्रतिफल दिनका लागि द्रुत गतिमा कारोवारको वृद्धि तथा विस्तार गर्नु चुनौतिपूर्ण रहेको छ ।

(ग) प्रविधिको माध्यमबाट बैंकलाई हुनसक्ने सम्भावित हानी नोक्सानीलाई नियन्त्रण गर्ने कार्य चुनौतीको रुपमा रहेको छ। बैंकले यस्ता घटना हुन नदिनको लागि समग्र बैंकिङ्ग प्रणालीमा विशेष सावधानी अपनाउँदै जोखिम नियन्त्रण गर्दै आएको छ ।

७. संस्थागत सुशासन :

(क) संस्थागत सुशासनको उल्लंघनलाई शुन्य सहनशिलताको नीति अवलम्बन गरिएको छ । बैंकको शेयरधनीहरु, सर्वसाधारण निक्षेपकर्ताहरु, कर्मचारी, ऋणी लगायत सम्बद्ध सबै सरोकारवालाहरुको हितको संरक्षणमा विशेष प्राथमिकता दिदैं आएको छ ।

(ख) प्रचलित नेपाल कानून, नेपाल राष्ट्र बैंक लगायतका नियमनकारी निकायबाट जारी भएका निर्देशन परिपत्रहरुको अक्षरस: परिपालना गर्दै आएको छ ।

(ग) संस्थागत सुशासन परिपालनाको प्रत्याभुति गर्न तथा सोको प्रभावकारिताको अनुगमन गर्नको लागि छुटै अनुपालना विभाग (Compliance Department) र आन्तरिक लेखापरीक्षण विभाग (Internal Audit) को गठन गरिएको छ । यी विभागहरुबाट नियमित रुपमा बैंकको संस्थागत सुशासनको अनुगमन, निरीक्षण तथा परीक्षण गरी आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ गरिएको छ ।

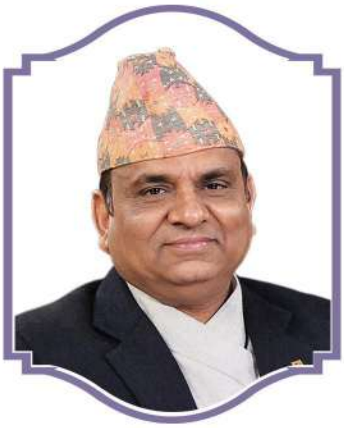
(घ) AML/CFT को अनुपालना तथा अनुगमनको लागि छुटै software जडान गरिएको साथै थप software जडान गर्ने प्रक्रियामा बैंक रहेको । यसको अनुपालना तथा अनुगमनमा संलग्न कर्मचारीहरुलाई तालिम प्रदान गरिएको र यसमा निरन्तरता दिइ अनुपालनाको सुनिश्चित गरिएको छ ।

(ङ) सञ्चालक समितिको प्रत्येक बैठकमा विगतमा भएको निर्णयको कार्यान्वयन र बैंकको कारोबारको अवस्थाको बारेमा बैंक व्यवस्थापनबाट जानकारी लिई आवश्यकता अनुसार बैंकको हितमा कार्य गर्न व्यवस्थापनलाई निर्देशन दिने गरिएको छ ।

सञ्चालक समिति

ई. इच्छा राज तामाङ्ग
अध्यक्ष

श्री अम्बीर बोगटी
सञ्चालक



श्री प्रकाश तायाल
सञ्चालक

श्री प्रताप जङ्ग पाण्डे
सञ्चालक

श्री भिमानन्द ढुङ्गाना
सञ्चालक

श्री युगेश बहादुर मल्ल
सञ्चालक

श्री शम्भु प्रसाद पन्त
सञ्चालक

श्री हिरा काजी बस्नेत
कम्पनी सचिव

व्यवस्थापन समूह

श्री गोविन्द गुरुङ
प्रमुख कार्यकारी अधिकृत

श्री सुनिल कुमार पोखरेल
नायव प्रमुख कार्यकारी अधिकृत

श्री सचिन जङ्ग रायमाझी
प्रमुख कर्जा अधिकृत

श्री सुमन आचार्य
प्रमुख कर्जा व्यवसाय

ANNUAL FINANCIAL STATEMENTS

Annual Report 2019/20

N. B. S. M. & Associates
Chartered Accountants
6th Floor, Block A, Four Square Complex
Narayan Chaur, Naxal, Kathmandu, Nepal

T +977.1.4433069
T +977.1.4415242
info@nbsm.com.np
www.nbsm.com.np

INDEPENDENT AUDITOR'S REPORT
The Shareholders of M/s Civil Bank Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of M/s Civil Bank Limited, Kathmandu, Nepal and its subsidiaries (hereinafter referred as "the Group") which comprise the consolidated statement of financial position as at Ashad 31, 2077 [July 15, 2020], the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity & consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at Ashad 31, 2077 (July 15, 2020) and its consolidated financial performance and its consolidated cash flows for the year then ended on that date in accordance with Nepal Financial Reporting Standards(NFRSs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Institute of Chartered Accountant of Nepal's code of ethics for professional accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N	Key Audit Matters	Our Audit Apporach and Response
1.	**Interest Recognition**	
	The interest income of the Bank has to be recognized on accrual basis and following the Interest Income Recognition Guidelines 2019 issued by NRB. However in case of bad loans and advances(overdue for more than 12 months), this guidelines require cessation of interest recognition on accrual basis. This requires careful observation and calculation for interest recognition, hence we have considered it as key audit matter.	Our audit approach regarding verification of process of interest recognition included: a. Obtaining clear understanding of the process of accrual of interest income on loans and advances in the Core Banking Software of the bank. b. Test check of the interest income booking with manual computation.

N. B. S. M. & Associates Chartered Accountants Kathmandu Nepal

S.N	Key Audit Matters	Our Audit Apporach and Response
2.	**Investment Valuation, Identification, and Impairment** Investment of the bank comprises of investment in government bonds, T-bils, development bonds and investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NAS 39 read with NFRS 9 and Directive no. 8 of NRB Unified Directive 2076. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income. Given the varieties of treatments recommended for valuation of investmentbased on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.	Our audit approach regarding verification of process of investment valuation, identification and impairment included: a. Review of the investment of the bank and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and NRB Directive 4 read with 8. b. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidences/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment. c. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis. d. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 15.07.2020 and for the unquoted investment the fair value has been taken as the NPR 100.
3.	**Impairment of Loans and Advances** As per NRB Directive 4, bank shall measure impairment loss on loans and advances at the higher of: ▪ Amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provisioning; and ▪ Amount determined as per para 63 of NAS 39 adopting Incurred Loss Model. As per the norms prescribed by NRB, provision at prescribed rate should be created on loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of security, borrower's whereabouts etc. As per NAS 39 read with NFRS 9, impairment of loans and advances should be made on individual impairment basis for loans and advances that are individually significant and collective impairment basis for homogeneous groups of loans that are not considered individually significant. Collective impairment, loss is determined	Our audit approach regarding verification of impairment ofloans and advances included: a. Review of the overdue status of loans and advances by obtaining data from the system and matched the same with the NRB 2.2 report. b. Sample credit files were reviewed, among other things, from the perspective of utilization of loans and advances for intended purpose by way of scrutiny of financial statements, account movement, account turnover etc. c. Expected future cash flows from the individually significant loans and advances with indication of impairment are assessed on the basis of realizable value of collateral securities based on management estimate. d. Grouping of homogeneous group of loans was assessed on the basis of nature and purpose of loans and data of historical loss experience in portfolios are assessed on the basis of past due data from the system as well as data of loan loss provisions of the defined group in the past.

S.N	Key Audit Matters	Our Audit Apporach and Response
	after taking into account the Historical Loss Experience in portfolios of similar credit risk and Management's experienced judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is like to be greater or less than that suggested by historical experience. Given the fact that impairment of loans and advances under incurred loss model require assessment of future cash flows as well as historical loss experiences of portfolios. Further, impairment of loans and advances under NRB norms for loan loss provisioning will require assessment of overdue status of loans and advances and proper utilization of loan for intended purpose. Hence, assessment of availability and accuracy of required data for impairment of loans and advances under incurred loss model as well as NRB provisioning norms is regarded as key audit matters.	
4.	**Information Technology General Controls** IT controls with respect to recording of transactions, generating various reports in compliance with NRB guidelines and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders and regulators.	Our audit approach regarding Information technology of the bank is based upon the Information Technology Guidelines 2012 issued by NRB and it included: a. Understanding the coding system adopted by the bank for various categories of customers. b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the bank. c. Checking of the user requirements for any changes in the regulations/policy of the bank. d. Reviewed the reports generated by the system on sample basis. We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS or the bank. e. We relied on the IT audit conducted by the bank. f. We verified the provisioning of the loan and advances based on ageing on the test check basis.

N.B.S.M. & Associates * Chartered Accountants * Kathmandu Nepal

S.N	Key Audit Matters	Our Audit Apporach and Response
5.	**Modified Audit Procedures carried out in light of COVID-19 outbreak:** Due to outbreak of global COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and the NRB directions to Bank to carrying out Banking operations with minimum staff engagement, audit could not be conducted by visiting the premises of certain Branches /Business. As we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Branches, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely.	Wherever physical access was not possible, necessaryrecords/reports/documents/certificates were made available to us by the Bank through digital medium, emails and remote access to CBS, EDMS /MIS and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period. Accordingly, we modified our audit procedures as follows: a. Conducted verification of necessary records/documents through CBS; EDMS or MIS software electronically through remote access/emails in respect of some of the Branches of the Bank wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.
6.	**COVID-19 impact on the Bank and NRB circular compliance thereon.** On March 2020, the COVID-19 outbreak was declared a global pandemic and later the Government of Nepal has announced a strict nationwide lockdown which continued till july 2020. Due to restrictions and nationwide lockdowns, the revenue of the Bank was impacted. Further, NRB has issued various Circular to mitigate the risk posed by the pandemic. NRB has issued Circular directing the Banks to provide 10% discount on interest paid till 12th April 2020 and 2% rebate on applicable interest as at 12th April, 2020 for	We have modified our audit procedures as follows regarding compliance of circulars issued by NRB till the date of our review. a. Making enquiries and gathering necessary details to verify the compliance made by Bank in respect of discount on Interest paid till 12th April, 2020. b. Verification and crosschecking of the rebate provide by Bank to the customer in sample basis with analysis of details provided by the Credit Administaration Department and rebate provided in Customer Statement.

N. B. S. & Associates Chartered Accountants Kathmandu Nepal

S.N	Key Audit Matters	Our Audit Apporach and Response
	fourth Quarter e.tc. Since these matters affected profitability of the Bank, we have considered this as our Key Audit matter.	c. Verification on test basis the levy of penal charges to the customer in compliance to relaxation provide by the NRB.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements, including the disclosures, represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes pubic disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such comment.

Report on the requirements of Banks and Financial Insitutitions Act, 2073 and Company Act, 2063

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the branch offices of the bank, though the statements are indendpendently not audited, were adequate for the purpose of the audit; the consolidated financial statement including the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of Company Act, 2063, and they are in agreement with the books of accounts maintained by the bank; and the accounts and records of the Bank are properly maintained in accordance with the prevailing laws.

In our opinion, so far as appeared from our examination of the books, the bank has maintained adequate capital funds and adequate provision for possible impairment of assets in accordance with the directives issued by Nepal Rastra Bank.

To the best of our knowledge and according to the explanation given to us and from the examination of the books of accounts of the bank, we have not come across any case where the board of directors or any employee of the bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the bank or its property and violated any directives of Nepal Rastra Bank or acted in a manner to jeopardize the interest and security of the bank, its depositors and it's investors.

For N. B. S. M. & Associates
Chartered Accountants

CA. Nil Bahadur Saru Magar
Partner
Date: 2077.09.28

Place: Kathmandu, Nepal
UDIN: 210112CA00432nwbH4

Consolidated Statement of Financial Position
As on 31st Ashadh 2077

Particulars	Note	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Assets					
Cash and Cash Equivalents	4.1	4,958,917,573	4,147,793,768	4,725,485,858	3,958,585,185
Due from Nepal Bank	4.2	3,956,888,344	3,529,581,285	3,949,888,344	3,525,081,285
Placement with Bank and Financial Institutions	4.3	956,070,625	742,748,016	803,364,430	659,095,583
Derivative Financial Instruments	4.4	3,361,079,484	1,732,495,818	3,361,079,484	1,732,495,818
Other Trading Assets	4.5	-	-	-	-
Loans and Advances to	4.6	1,485,557,520	1,600,120,423	1,770,050,840	1,805,005,743
Loans and Advances to Customers	4.7	53,477,079,976	43,598,403,361	52,204,257,192	42,593,685,746
Investment Securities	4.8	8,238,599,538	6,802,447,745	8,199,003,042	6,755,977,489
Current Tax Assets	4.9	97,639,897	14,350,265	99,869,000	16,883,054
Investment in Subsidiaries	4.10	-	-	260,063,200	201,865,000
Investment in Associates	4.11	-	-	-	-
Investment Property	4.12	115,102,257	227,981,351	115,102,257	227,981,351
Property and Equipment	4.13	631,184,643	519,811,970	610,999,656	501,011,061
Goodwill and Intangible Assets	4.14	35,402,054	39,728,661	33,936,117	38,380,140
Deferred Tax Assets	4.15	-	-	-	-
Other Assets	4.16	733,886,509	469,603,324	712,421,089	451,694,957
Total Assets		**78,047,408,420**	**63,425,065,986**	**76,845,520,508**	**62,467,742,412**

Particulars	Note	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Liabilities					
Due to Bank and Financial Institutions	4.17	2,943,016,953	6,281,122,919	3,130,182,705	6,517,055,806
Due to Nepal Rastra Bank	4.18	728,565,709	531,249,097	728,565,709	531,249,097
Derivative Financial Instruments	4.19	3,376,676,328	1,673,810,051	3,376,676,328	1,673,810,051
Deposits from Customers	4.20	57,914,773,897	42,264,427,056	57,512,407,224	41,993,301,316
Borrowings	4.21	548,859,204	615,253,911	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	82,983,005	-	82,983,005	-
Deferred Tax Liabilities	4.15	108,679,045	151,028,276	113,707,761	155,434,082
Other Liabilities	4.23	1,998,187,950	1,591,440,134	1,730,995,163	1,445,551,354
Debt Securities Issued	4.24	-	-	-	-
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		**67,701,742,091**	**53,108,331,444**	**66,675,517,894**	**52,316,401,706**
Equity					
Share Capital	4.26	8,003,389,674	8,003,389,674	8,003,389,674	8,003,389,674
Share Premium		-	-	-	-
Retained Earnings		755,865,216	567,050,868	722,998,889	540,232,455
Reserves	4.27	1,443,614,051	1,607,718,580	1,443,614,051	1,607,718,580
Total Equity Attributable to Equity Holders		**10,202,868,941**	**10,178,159,122**	**10,170,002,614**	**10,151,340,709**
Non Controlling Interest		142,797,388	138,575,421	-	-
Total Equity		**10,345,666,329**	**10,316,734,543**	**10,170,002,614**	**10,151,340,709**
Total Liabilities and Equity		**78,047,408,420**	**63,425,065,986**	**76,845,520,508**	**62,467,742,412**
Contingent Liabilities and Commitments	**4.28**	**27,682,441,654**	**28,491,591,417**	**27,682,441,654**	**28,491,591,417**
Net Assets Value per share		**129.27**	**128.90**	**127.07**	**126.84**

Sachin Newa
Head - Finance

Govinda Gurung
Chief Executive Officer

Shambhu Prasad Panta
Director

Yugesh Bahadur Malla
Director

Bhimananda Dhungana
Director

Pratap Jung Pandey
Director

Prakash Tayal
Director

As per our attached report of even date

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

CA Nil Bahadur Saru Magar
Partner
N.B.S.M & Associates.
Chartered Accountants

Date: 2077/09/27
Place: Kathmandu

Consolidated Statement of Profit or Loss

For the year ended 31st Ashadh 2077

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Interest Income	4.29	6,383,321,560	5,852,891,606	6,199,060,280	5,727,885,560
Interest Expense	4.30	4,021,163,690	3,569,028,439	3,962,529,827	3,526,410,764
Net Interest Income		**2,362,157,870**	**2,283,863,167**	**2,236,530,452**	**2,201,474,796**
Fee and Commission Income	4.31	336,295,867	255,527,660	300,680,336	221,887,552
Fee and Commission Expense	4.32	27,453,025	23,823,916	27,025,125	24,001,186
Net Fee and Commission Income		**308,842,842**	**231,703,744**	**273,655,211**	**197,886,366**
Net Interest, Fee and Commission Income		**2,671,000,712**	**2,515,566,911**	**2,510,185,663**	**2,399,361,162**
Net Trading Income	4.33	229,853,155	197,957,315	229,853,155	197,957,315
Other Operating Income	4.34	108,039,118	63,511,920	97,704,288	51,740,258
Total Operating Income		**3,008,892,985**	**2,777,036,146**	**2,837,743,106**	**2,649,058,736**
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	240,469,340	64,477,292	223,645,931	58,892,716
Net Operating Income		**2,768,423,645**	**2,712,558,854**	**2,614,097,175**	**2,590,166,019**
Operating Expense					
Personnel Expenses	4.36	1,121,914,441	847,463,909	1,040,786,204	792,918,179
Other Operating Expenses	4.37	589,115,198	586,810,226	554,661,671	556,107,298
Depreciation & Amortisation	4.38	116,864,093	71,786,557	109,836,921	66,519,278
Operating Profit		**940,529,914**	**1,206,498,162**	**908,812,378**	**1,174,621,265**
Non Operating Income	4.39	-	16,952,956	-	16,952,956
Non Operating Expense	4.40	29,747,540	120,844,644	29,747,540	120,844,644
Profit Before Income Tax		**910,782,374**	**1,102,606,474**	**879,064,838**	**1,070,729,576**
Income Tax Expense	4.41				
Current Tax		378,846,129	359,649,500	368,934,197	350,520,547
Deferred Tax		(45,555,575)	12,721,331	(44,932,665)	12,796,606
Profit for the Period		**577,491,820**	**730,235,643**	**555,063,306**	**707,412,423**
Profit Attributable to:					
Equity-holders of the Bank		568,569,675	720,265,457		
Non-Controlling Interest		8,922,145	9,970,186		
Profit for the Period		**577,491,820**	**730,235,643**	**555,063,306**	**707,412,423**
Earnings per Share					
Basic Earnings per Share		6.88	8.77	6.94	8.84
Diluted Earning per Share		6.88	8.77	6.94	8.84
Restated Earnings per Share		-	-	-	-

Sachin Newa
Head - Finance

Govinda Gurung
Chief Executive Officer

Shambhu Prasad Panta
Director

Yugesh Bahadur Malla
Director

Bhimananda Dhungana
Director

Pratap Jung Pandey
Director

Prakash Tayal
Director

As per our attached report of even date

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

CA Nil Bahadur Saru Magar
Partner
N.B.S.M & Associates.
Chartered Accountants

Date: 2077/09/27
Place: Kathmandu

Consolidated Statement of Other Comprehensive Income

For the year ended 31st Ashadh 2077

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Profit for the Period		**577,491,820**	**730,235,643**	**555,063,306**	**707,412,423**
Other Comprehensive Income, Net of Income Tax					
a) Items that will not be reclassified to profit or loss					
Gains/(losses) from investment in equity instruments measured at fair value		10,687,814	(8,977,720)	10,687,814	(8,977,720)
Gains/(losses) on revaluation		-	-	-	-
Actuarial gains/(losses) on defined benefit plans		(3,383,623)	(12,308,927)	(3,383,623)	(12,308,927)
Income tax relating to above items		(3,206,344)	6,385,994	(3,206,344)	6,385,994
Net other comprehensive income that will not be reclassified to profit or loss		**4,097,847**	**(14,900,653)**	**4,097,847**	**(14,900,653)**
b) Items that are or may be reclassified to profit or loss					
Gains/(losses) on cash flow hedge		-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)		-	-	-	-
Income tax relating to above items		-	-	-	-
Reclassify to profit or loss		-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-	-
c) Share of other comprehensive income of associate accounted as per equity method		-	-	-	-
Other Comprehensive Income for the year, Net of Income Tax		**4,097,847**	**(14,900,653)**	**4,097,847**	**(14,900,653)**
Total Comprehensive Income for the Period		**581,589,667**	**715,334,990**	**559,161,153**	**692,511,770**
Total Comprehensive Income attributable to:					
Equity-Holders of the Bank		572,667,522	705,364,804	-	-
Non-Controlling Interest		8,922,145	9,970,186	-	-
Total Comprehensive Income for the Period		**581,589,667**	**715,334,990**	**559,161,153**	**692,511,770**

Sachin Newa
Head - Finance

Govinda Gurung
Chief Executive Officer

Shambhu Prasad Panta
Director

Yugesh Bahadur Malla
Director

Bhimananda Dhungana
Director

Pratap Jung Pandey
Director

Prakash Tayal
Director

As per our attached report of even date

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

CA Nil Bahadur Saru Magar
Partner
N.B.S.M & Associates.
Chartered Accountants

Date: 2077/09/27
Place: Kathmandu

Consolidated Statement of Changes in Equity (Group)
For the year ended 31 Ashadh 2077

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Reval-uation Reserve	Retained Earning	Other Reserve	Total	Non Controlling Interest	Total Equity
	Attributable to Equity-Holders of the Bank											
Balance at Shrawan 01, 2075	7,259,310,362	36,390,992	729,651,351	16,162,975	637,942,783	(1,238,777)	-	1,097,681,113	102,078,328	9,877,979,127	131,290,521	10,009,269,648
Adjustment	-	-	-	-	-	-	-	(29,895,372)	-	(29,895,372)	-	(29,895,372)
Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	706,166,960	-	706,166,960	-	706,166,960
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	(6,284,404)	-	(6,284,404)	-	(6,284,404)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	(8,616,249)	-	(8,616,249)	-	(8,616,249)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	**691,266,307**	-	**691,266,307**	-	**691,266,307**
Transfer to Reserves during the year	-	(36,390,992)	141,482,485	2,212,238	68,747,961	(9,508,626)	-	(114,757,725)	(79,812,138)	(28,026,798)	7,284,900	(20,741,898)
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	744,079,312	-	-	-	-	-	-	(744,079,312)	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	–	(333,164,139)	-	(333,164,139)		(333,164,139)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	**744,079,312**	**(36,390,992)**	**141,482,485**	**2,212,238**	**68,747,961**	**(9,508,626)**	**-**	**(500,734,869)**	**(79,812,138)**	**330,075,370**	**7,284,900**	**337,360,270**
Balance at Ashadh 31, 2076	**8,003,389,674**	**-**	**871,133,836**	**18,375,213**	**706,690,744**	**(10,747,403)**	**-**	**567,050,872**	**22,266,190**	**10,178,159,125**	**138,575,421**	**10,316,734,546**
Balance at Shrawan 01, 2076	8,003,389,674	-	871,133,836	18,375,213	706,690,744	(10,747,403)	-	567,050,872	22,266,190	10,178,159,125	138,575,421	10,316,734,546
Adjustment	-	-	-	-	-	3,224,220	-	(3,224,220)	-	-	-	-
Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	**577,491,820**	-	**577,491,820**	-	**577,491,820**
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	7,481,470	-	-	-	7,481,470	-	7,481,470
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(2,368,536)	(2,368,536)	-	(2,368,536)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	–	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	**7,481,470**	-	**577,491,820**	**(2,368,536)**	**582,604,754**	-	**582,604,754**
Transfer to Reserves during the year	-	-	111,012,662	1,206,011	(274,965,619)	-	-	140,815,710	(10,141,000)	(32,072,236)	4,221,967	(27,850,268)
Transfer from Reserves during the year	-	-	-	-	-	446,262	-	(446,262)	-	-	-	-
Transactions with Owners, directly recognized in Equity	-		-	-		-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-		-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	**(525,822,702)**	-	**(525,822,702)**	-	**(525,822,702)**
Other	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	**-**	**-**	**111,012,662**	**1,206,011**	**(274,965,619)**	**7,927,732**	**-**	**192,038,567**	**(12,509,536)**	**24,709,817**	**4,221,967**	**28,931,784**
Balance at Ashadh 31, 2077	**8,003,389,674**	**-**	**982,146,498**	**19,581,224**	**431,725,125**	**404,551**	**-**	**755,865,219**	**9,756,654**	**10,202,868,942**	**142,797,388**	**10,345,666,330**

Consolidated Statement of Changes in Equity (Bank)

For the year ended 31 Ashadh 2077

	Attributable to Equity-Holders of the Bank											
Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Reval-uation Reserve	Retained Earning	Other Reserve	Total	Non Controlling Interest	Total Equity
Balance at Shrawan 01, 2075	7,259,310,362	36,390,992	729,651,351	16,162,975	637,942,783	(1,238,776)	-	1,069,617,233	102,078,328	9,849,915,248	-	9,849,915,248
Adjustment	-	-	-	-	-	-	-	(29,895,372)	-	(29,895,372)	-	(29,895,372)
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**707,412,423**	**-**	**707,412,423**	**-**	**707,412,423**
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	(6,284,404)	-	(6,284,404)	-	(6,284,404)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	(8,616,249)	-	(8,616,249)	-	(8,616,249)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**692,511,770**	**-**	**692,511,770**	**-**	**692,511,770**
Transfer to Reserves during the year	-	(36,390,992)	141,482,485	2,212,238	68,747,961	(9,508,626)	-	(114,757,725)	(79,812,137)	(28,026,798)	-	(28,026,798)
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	744,079,312	-	-	-	-	-	-	(744,079,312)	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(333,164,139)	-	(333,164,139)	-	(333,164,139)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	**744,079,312**	**(36,390,992)**	**141,482,485**	**2,212,238**	**68,747,961**	**(9,508,626)**	**-**	**(499,489,406)**	**(79,812,137)**	**331,320,833**	**-**	**331,320,833**
Balance at Ashadh 31, 2076	**8,003,389,674**	**-**	**871,133,835**	**18,375,213**	**706,690,743**	**(10,747,402)**	**-**	**540,232,455**	**22,266,190**	**10,151,340,709**	**-**	**10,151,340,709**
Balance at Shrawan 01, 2076	8,003,389,674	-	871,133,835	18,375,213	706,690,743	(10,747,402)	-	540,232,455	22,266,190	10,151,340,709	-	10,151,340,709
Adjustment	-	-	-	-	-	3,224,220	-	(3,224,220)	-	-	-	-
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**555,063,306**	**-**	**555,063,306**	**-**	**555,063,306**
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	7,481,470	-	-	-	7,481,470	-	7,481,470
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(2,368,536)	(2,368,536)	-	(2,368,536)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**7,481,470**	**-**	**555,063,306**	**(2,368,536)**	**560,176,240**	**-**	**560,176,240**
Transfer to Reserves during the year	-	-	111,012,662	1,206,011	(274,965,619)	-	-	157,196,312	(10,141,000)	(15,691,634)	-	(15,691,634)
Transfer from Reserves during the year	-	-	-	-	-	446,262	-	(446,262)	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(525,822,702)	-	(525,822,702)	-	(525,822,702)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	**-**	**-**	**111,012,662**	**1,206,011**	**(274,965,619)**	**7,927,732**	**-**	**185,990,654**	**(12,509,536)**	**18,661,904**	**-**	**18,661,904**
Balance at Ashadh 31, 2077	**8,003,389,674**	**-**	**982,146,497**	**19,581,224**	**431,725,125**	**404,551**	**-**	**722,998,889**	**9,756,654**	**10,170,002,613**	**-**	**10,170,002,613**

Consolidated Statement of Cash Flows

For the year ended 31 Ashadh 2077

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	6,383,321,560	5,852,891,606	6,199,060,280	5,727,885,560
Fee and Other Income Received	336,295,867	255,527,660	300,680,336	221,887,552
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	274,005,777	258,183,414	265,751,857	246,411,752
Interest Paid	(4,021,163,690)	(3,569,028,439)	(3,962,529,827)	(3,526,410,764)
Commissions and Fees Paid	(27,453,025)	(23,823,916)	(27,025,125)	(24,001,186)
Cash Payment to Employees	(1,121,914,441)	(847,463,909)	(1,040,786,204)	(792,918,179)
Other Expenses Paid	(859,332,077)	(772,132,162)	(808,055,142)	(735,844,659)
Operating Cash Flows before Changes in Operating Assets and Liabilities	**963,759,971**	**1,154,154,253**	**927,096,174**	**1,117,010,076**
(Increase) Decrease in Operating Assets				
Due from Nepal Rastra Bank	(427,307,059)	(1,189,459,826)	(424,807,059)	(1,187,459,826)
Placement with Banks and Financial Institutions	(213,322,609)	(79,049,952)	(144,268,847)	4,602,481
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	114,562,903	(31,970,469)	34,954,903	63,144,211
Loans and Advances to Customers	(9,878,676,615)	(4,766,863,099)	(9,610,571,446)	(4,338,891,864)
Other Assets	(1,976,156,483)	(293,405,003)	(1,972,295,744)	(308,674,395)
Increase (Decrease) in Operating Liabilities				
Due to Banks and Financials Institutions	(3,338,105,966)	(312,652,957)	(3,386,873,101)	(32,720,070)
Due to Nepal Rastra Bank	197,316,612	(17,474,890)	197,316,612	(17,474,890)
Deposit from Customers	15,650,346,841	7,950,849,988	15,519,105,908	7,770,704,303
Borrowings	(66,394,707)	614,607,957	-	-
Other Liabilities	2,150,247,867	910,631,363	2,029,566,770	974,041,024
Net Cash Flow from Operating Activities before Tax Paid	**3,176,270,756**	**3,939,367,366**	**3,169,224,170**	**4,044,281,050**
Income Tax Paid	(333,290,554)	(372,459,416)	(324,001,532)	(363,317,153)
Net Cash Flow from Operating Activities	**2,842,980,202**	**3,566,907,950**	**2,845,222,638**	**3,680,963,897**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investment Securities	(1,436,151,793)	(1,189,819,631)	(1,501,223,753)	(1,310,753,151)
Receipts from Sale of Investment Securities	-	-	-	-
Purchase of Property and Equipment	(218,121,204)	(287,750,710)	(210,349,833)	(281,529,909)
Receipts from Sale of Property and Equipment	3,405,692	4,153,006	1,830,581	4,153,006
Purchase of Intangible Assets	(9,228,521)	(16,635,487)	(7,962,921)	(27,904,555)
Purchase of Investment Properties	-	-	-	-
Receipts from Sale of Investment Properties	162,896,906	(50,366,766)	162,896,906	(50,366,766)
Interest Received	-	-	-	-
Dividend Received	9,078,517	6,782,642	8,064,413	6,782,642
Net Cash Used in Investing Activities	**(1,488,120,403)**	**(1,533,636,945)**	**(1,546,744,607)**	**(1,659,618,732)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from Issue of Debt Securities	-	-	-	
Repayments of Debt Securities	-	-	-	-
Receipts from Issue of Subordinated Liabilities	-	-	-	-
Repayments of Subordinated Liabilities	-	-	-	-
Receipt from Issue of Shares	-	744,079,312	-	744,079,312
Dividends Paid	(525,822,702)	(333,164,139)	(525,822,702)	(333,164,139)
Interest Paid	-	-	-	-
Other Receipts/Payments	(22,737,331)	(834,097,476)	(10,578,697)	(816,902,137)
Net Cash from Financing Activities	**(548,560,033)**	**(423,182,303)**	**(536,401,399)**	**(405,986,964)**
Net Increase (Decrease) in Cash and Cash Equivalents	**806,299,766**	**1,610,414,178**	**762,076,633**	**1,615,358,200**
Cash and Cash Equivalents at Shrawan 01	4,147,793,768	2,528,530,639	3,958,585,185	2,334,378,031
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	4,824,041	8,848,953	4,824,041	8,848,953
Cash and cash equivalents at 31st Ashah 2077	**4,958,917,573**	**4,147,793,768**	**4,725,485,858**	**3,958,585,185**

Sachin Newa
Head - Finance

Govinda Gurung
Chief Executive Officer

Shambhu Prasad Panta
Director

Yugesh Bahadur Malla
Director

Bhimananda Dhungana
Director

Pratap Jung Pandey
Director

Prakash Tayal
Director

As per our attached report of even date

Date: 2077/09/27
Place: Kathmandu

Ambir Bogati
Director

Er. Ichchha Raj Tamang
Chairman

CA Nil Bahadur Saru Magar
Partner
N.B.S.M & Associates.
Chartered Accountants

1. CIVIL BANK LIMITED

1.1 General Information

Civil Bank Limited ("The Bank") is a public limited company established in Nepal with its registered office at CTC, Sundhara, Kathmandu. The Bank is licensed by Nepal Rastra Bank (NRB) to carry out commercial banking activities in Nepal as a Class "A" licensed financial institution under Bank and Financial Institutions Act, 2073. The Bank has commenced its operation on November 26, 2010 (Mangsir 10, 2067).The Bank is listed on Nepal Stock Exchange and its stock symbol is "CBL"

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held on 11th January 2021.

1.2 Financial Statements

The Financial Statements of the Bank for the year ended 15th July 2020 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Statement of Distributable Profit or Loss, Notes to the Financial Statements, Significant Accounting Policies .

The Consolidated Financial Statement of the bank for the year ended 15th July 2020, comprises of its subsidiaries namely Civil Capital Market Limited and Civil Microfinance Bittiya Sanstha Limited. The Financial of Civil Microfinance Bittiya Sanstha Limited is under process of approval from Nepal Rastra Bank.

1.3 Principal Activities and Operations

Bank

The Bank's business comprises, accepting deposits, granting credit facilities, retail banking, corporate banking, consumer banking, dealing in Government Securities, credit card operations, agency services, trade finance services, investment and treasury operations, card services, e-banking products, remittances, foreign currency operations and other financial services to its customers through its branches and extension counters and ATMs networks.

Subsidiary

The Bank owns 69.74 % stake on its subsidiary company, Civil Capital Market Limited, with an investment of NPR 150,865,000. The Bank also owns 51% stake in another subsidiary company, Civil Microfinance Bittiya Sanstha Limited (former ILFCO Microfinance Bittiya Sanstha Ltd.), with an investment of NPR 109,198,200.

2. Basis of Preparations

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Rastra Bank Directives, Nepal Financial Reporting Standard, Nepal Accounting Standards (NAS) and it's carve-outs issued by the Institute of Chartered Accountants of Nepal (ICAN), provisions of Banks and Financial Institutions Act (BAFIA), 2073 and in conformity with the Company Act, 2063.

The carve-outs issued by the Institute of Chartered Accountants of Nepal on September 20, 2018 on NFRS requirement, which allowed alternative treatments and the bank adopted following carve outs:

1	NFRS 10: Para 19	A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.	A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances unless it is impracticable to do so
2	NAS 39: Para 58	An entity shall assess at the end of each reporting period whether there is any objectives evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss.	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss unless the entity is bank or financial institutions registered as per Bank and Financial Institution Act, 2073. Such entities shall measure impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63; and shall apply paragraph 63 to measure the impairment loss on financial assets other than loan and advances. The entity shall disclose the impairment loss as per this carve-out and the amount of impairment loss determined as per paragraph 63.
3	NAS 39: Para 9 Definitions relating to recognition and measurement	The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all	The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call

		contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life or a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments)	and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instrument can be estimated reliable. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments). The entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).
4	NAS 39: Para AG93 Interest income after impairment recognition	Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairments.	Once a financial asset or group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income shall be calculated by applying effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

2.2 Reporting period and approval of Financial Statements

2.2.1 Reporting Period

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

The Bank follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Relevant Financial Statement	Date in B.S.	Date in A.D.
Current Period	1st Shrawan 2076 to 31st Ashadh 2077	17thJuly 2019 to 15th July 2020
Previous Period	1st Shrawan 2075 to 31st Ashadh 2076	17th July 2018 to 16th July 2019

*NFRS = Nepal Financial Reporting Standards

2.2.2 Responsibility for Financial Statements

The Board of Directors acknowledges the responsibility for the preparation and presentation of Financial Statements of Civil Bank Limited as per the provisions of the Companies Act, 2006.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Nepalese Rupees (NPR), which is the Bank's both functional currency and presentation currency. Financial information are presented in Nepalese Rupees unless indicated otherwise.

2.4 Use of estimates, assumptions and judgments

The preparation of the financial statements is in line with NFRS and its carve out issued by Institute of Chartered Accountants of Nepal which includes management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect in the Financial Statements are as follows:

2.4.1 Going Concern

The Board of Directors has made an assessment of the Bank's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon Bank's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4.2 Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position can be derived from active markets, they are derived from observable market data. However, if this is not available, judgment is required to establish fair values. The valuation of financial instruments is described in more details in Note 5.1.1 under "Fair Value of financial assets and liabilities".

2.4.3 Impairment of Financial Assets – Loans and Receivables

The Bank reviews its individually significant loans and advances at each reporting period to assess whether an impairment loss shall be recorded in the statement of profit or loss. In particular, judgment of the management is required in the estimation of the amount and timing of future cash flows when determining the impairment.

These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

Loans and advances that have not been assessed individually and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes in to account data from the loan portfolio such as levels of arrears, credit quality, portfolio size etc. and judgments based on current economic conditions.

The bank has opted to apply carve-out on impairment of loans and advance. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no.2, higher of the amount derived from these measures is taken as impairment loss for loans and advance.

2.4.4 Impairment of Fair value through OCI Investments

Bank reviews its securities classified as Fair value through OCI, at each reporting date to assess whether they are impaired. Objective evidence that a Fair value through OCI security is impaired includes among other things significant financial difficulty of the issuer, a breach of contract such as a default or delinquency in interest or principal payments etc. Bank also records impairment charges on Fair value through OCI equity investments where there is significant or prolonged decline in fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. Bank generally treats 'significant' as 20% and 'prolonged' as greater than six months. In addition, Bank evaluates, among other factors, historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

2.4.5 Taxation

The Banks subject to income tax and judgment is required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of the applicable tax laws, at the time of preparation of these Financial Statements.

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

2.4.6 Defined Benefit Plans

The cost of the defined benefit obligations and the present value of their obligations are determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, future salary increments, mortality rates and possible future pension increments if any. Due to the long-term nature of these plans, such estimates are subject to uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Nepal government Citizen Saving bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on Nepali Assured Mortality Table, 2009. Future salary escalation rates are based on expected future salary increment rates of the Bank based on past data.

2.4.7 Useful Life-time of the Property and Equipment

The Bank is following the cost model for recognition of Property and Equipment. The Bank reviews the residual values, useful lives and methods of depreciation of property and equipment at each reporting date.

Land is not depreciated. Depreciation of other assets is calculated using the diminishing value method to amortize their cost over their estimated useful lives, as follows:

Rate of Depreciation per annum (%)

S.N.	Particulars	Rates
1.	Computer & Accessories	20%
2.	Computer & Accessories-Staff	25%
3.	Vehicles	15%
4.	Furniture and Fixture (Metal)	10%
5.	Furniture and Fixture (Wood)	15%
6.	Machinery	15%
7.	Equipment & others	15%
8.	Leasehold Assets	SLM over the remaining Lease Period

Depreciation of newly acquired fixed asset is charged based upon the date of invoice and Assets valuing 5,000 or less are directly charged to the profit and loss account as expenses for capital items

2.4.8 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

2.4.9 Classification of Investment Properties

Management requires using its judgment to determine whether a property qualifies as an investment property. The Bank has developed criteria so it can exercise its judgment consistently. A property that is held to earn rentals or for capital appreciation or both and which generates cash flows largely independently of the other assets held by the Bank are accounted for as investment properties. On the other hand, a property that is used for operations or in the process of providing services or for administrative purposes and which do not directly generate cash flows as a standalone assets are accounted for as property and equipment. The Bank assesses on an annual basis the accounting classification of its properties taking into consideration the current use of such properties. Currently, land and land &building hold by bank as Non-Banking Assets is categorized as investment property.

2.5 Changes in accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the bank in preparing and presenting financial statements. The bank is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows. The bank uses the same accounting policies in its opening NFRS statement of financial position and throughout all periods presented in its first NFRS financial statements. Those accounting policies comply with each NFRS effective at the end of its first NFRS reporting period.

2.6 New Standards in issue but not yet effective

Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Bank will adopt these standards when they become effective.

NFRS 9- Financial Instruments:

NFRS 9 states a logical principle base to classify financial assets and financial liabilities which is driven by cash flow characteristics and the business model in which an assets or liability is held. Further this standard recommends the assessment of impairment based on more timely recognition of incurred losses as referred in NAS 39 and entities are required to account for incurred credit losses from the initial recognition of financial instruments.

IFRS 9 became effective on 1 January 2018 and will have an effect on classification and measurement of the Bank's financial assets. NFRS 9, as issued reflects the first phase of work on replacement of NAS 39 and applies to classification and measurement of financial assets and liabilities.

IFRS-15: Revenue from contract with customers:

The IASB issued a new standard for revenue recognition which overhauls the existing revenue recognition standards. The standard requires the following five step model framework to be followed for revenue recognition:

a) Identification of the contracts with the customer
b) Identification of the performance obligations in the contract
c) Determination of the transaction price
d) Allocation of the transaction price to the performance obligations in the contract (as identified in step b)
e) Recognition of revenue when the entity satisfies a performance obligation.

The new standard would be effective for annual periods starting from 1 January 2018 and early application is allowed. The management is assessing the potential impact on its financial statements resulting from application of IFRS 15.

IFRS -16: Leases:

IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019. IFRS 16 is the new accounting standard for leases and will replace IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. The new standard removes the distinction between operating or finance leases for lessee accounting, resulting in all leases being treated as finance leases. All leases will be recognized on the statement of financial position with the optional exceptions for short-term leases with a lease term of less than 12 months and leases of low value assets (for example mobile phones or laptops). A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The main reason for this change is that this approach will result in a more comparable representation of a lessee's assets and liabilities in relation to other companies and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. The standard permits a lessee to choose either a full retrospective or a modified retrospective transition approach.

IFRS 16 Leases has not yet been adopted by the Accounting Standard Board of Nepal.

2.7 New Standards and interpretation not adopted

The bank has adopted applicable Nepal Financial Reporting Standards which are effective as on the date of preparation of this financial statement.

2.8 Discounting

When the realization of assets and settlement of obligation is for more than one year, the Bank considers the discounting of such assets and liabilities where the impact is material. Various internal and external factors have been considered for determining the discount rate to be applied to the cash flows of company.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

3.1 Basis of Measurement

The Financial Statements of the Bank have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

a) Fair value through OCI investments (quoted) are measured at fair value.
b) Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
c) Financial assets and financial liabilities held at amortized cost are measured using a rate that is a close approximation of effective interest rate.

However, the bank has opted to apply carve-out and measure the financial assets and liabilities at carrying amount i.e. amount disbursed to borrower and amount received from the lender.

3.2 Basis of consolidation

3.2.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 3 (Business Combinations). The Bank measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquire, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Bank elects on a transaction-by transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Bank incurs in connection with a business combination are expenses as incurred.

3.2.2 Non-Controlling Interest (NCI)

The group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent. The group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests.

The group also attributes total comprehensive income to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.2.3 Subsidiaries

Subsidiaries are entities that are controlled by the Bank. The Bank is presumed to control an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. At each reporting date the Bank reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control mentioned above.

3.2.4 Loss of Control

When the Bank loses control over a Subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Bank recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant NFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with relevant NFRS or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Bank recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.2.5 Special Purpose Entity (SPE)

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitization of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. Currently, the Bank does not have any special purpose entity.

3.2.6 Transaction elimination on consolidation

In consolidating a subsidiary, the group eliminates full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the subsidiary and the bank (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

3.3 Cash and cash equivalents

Cash and cash equivalents include cash at vault and agency Bank account balances and placement to other BFIs which are maturing within 3 months which are subject to an insignificant risk of changes in value. Fair value of cash and cash equivalent amount is the carrying amount.
Details of the Cash and Cash Equivalents are given in Note 4.1 to the Financial Statements.

3.4 Financial assets and Financial Liabilities

3.4.1 Initial Recognition

A) Date of Recognition

All financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes 'regular way trades'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the market place.

B) Recognition and Initial Measurement of Financial Instruments

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments except in the case of such financial assets and liabilities at fair value through profit or loss, as per the Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement). Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with the Statement of Profit or Loss.

3.4.2 Classification and Subsequent Measurement of Financial Instruments

Classification and Subsequent Measurement of Financial Assets

At the inception, a financial asset is classified into one of the following:

a) Financial assets at fair value through profit or loss
i. Financial Assets held for trading
ii. Financial Assets designated at fair value through profit or loss
b) Financial Assets at amortized cost
c) Financial Assets at fair value through OCI

The subsequent measurement of financial assets depends on their classification.

(a) Financial Assets at Fair Value through Profit or Loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

i) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by Bank that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standards (NAS) 39 "Financial Instruments: Recognition and Measurement".

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognized in 'Net trading income'. Dividend income is recorded in 'Net trading income' when the right to receive the payment has been established.

Bank evaluates its held for trading asset portfolio, other than derivatives, to determine whether the intention to sell them in the near future is still appropriate. When Bank is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Bank may elect to reclassify these financial assets.
Financial assets held for trading include instruments such as government securities and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term. Currently, bank has not categorized its financial assets in this category.

ii) Financial Assets Designated at Fair Value through Profit or Loss

Bank designates financial assets at fair value through profit or loss in the following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- The assets are part of a group of Financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The assets contain one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

Financial assets designated at fair value through profit or loss is recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial instruments designated at fair value through profit or losses' in the Statement of Profit or Loss. Interest earned is accrued under 'Interest income', using the effective interest rate method, while dividend income is recorded under 'Other Operating Income' when the right to receive the payment has been established.

The Bank has not designated any financial assets upon initial recognition as designated at fair value through profit or loss.

(b) Loans and Receivables from Customers

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as fair value through profit or loss.
- Those that the Bank, upon initial recognition, designates as Fair value through OCI
- Those for which the Bank may not recover substantially all of its initial investment through contractual cash flows, other than because of credit deterioration.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less allowance for impairment. The amortization is included in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment are recognized in 'Impairment charge / reversal for loans and other losses' in the Statement of Profit or Loss.

However, the bank has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest income at the coupon rate and continually measured the carrying amount of loans and advance at cost/fair value less repayment and allowance for impairment.

(c) Financial Assets at fair value through OCI

Financial assets at fair value through OCI include equity and debt securities. Equity Investments classified as 'Fair value through OCI' are those which are neither classified as 'Held for Trading 'nor 'Maturity'.

Securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, fair value through OCI financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Fair value reserve'. When the investment is disposed off the cumulative gain or loss previously recognized in equity is transferred to Retained Earning. Interest earned whilst holding 'Financial asset at fair value through OCI' is reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding 'Financial asset at fair value through OCI' are recognized in the Statement of Profit or Loss as 'other operating income' when the right to receive the payment has been established.

Financial assets under Fair value through OCI that are monetary securities denominated in a foreign currency translation differences related to changes in the amortized cost of the security are recognized in statement of profit or loss and other changes in the carrying amount are recognized in other comprehensive income.

In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield, option volatilities and currency rates. When such evidence exists, the Bank recognizes a trading gain or loss on inception of the financial instrument, being the difference between the transaction price and fair value on initial recognition recognized as trading gain/loss in PL.

When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value from the transaction price as indicated by the valuation model is not recognized immediately in the statement of profit or loss. Instead, it is recognized over the life of the transaction on an appropriate basis, when the inputs become observable, the transaction matures or is closed out, or when the Bank enters into an offsetting transaction.

Classification and Subsequent Measurement of Financial Liabilities

At the inception, Bank determines the classification of its financial liabilities. Accordingly financial liabilities are classified as:

a) Financial liabilities at fair value through profit or loss
i. Financial liabilities held for trading
ii. Financial liabilities designated at fair value through profit or loss
b) Financial liabilities at amortized cost

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

i) Financial Liabilities Held for Trading

Financial liabilities are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category includes derivative financial instrument entered into by Bank that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standard NAS 39 (Financial Instruments: Recognition and Measurement).

ii) Financial Liabilities Designated at Fair Value through Profit or Loss

Bank designates financial liabilities at fair value through profit or loss at following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the liabilities.
- The liabilities are part of a group of Financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

- The liability contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

(b) Financial Liabilities at Amortized Cost

Financial instruments issued by Bank that are not classified as fair value through profit or loss are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in Bank having an obligation either to deliver cash or another financial asset to another Bank, or to exchange financial assets or financial liabilities with another Bank under conditions that are potentially unfavorable to the Bank or settling the obligation by delivering variable number of Bank's own equity instruments.

After initial recognition, such financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Within this category, deposits and debt instruments with fixed maturity period have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Expenses' in the Statement of Profit or Loss. Gains and losses are recognized in the Statement of Profit or Loss when the liabilities are derecognized.

However, the banks has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest expense at the coupon rate and continually measured the carrying amount of loans and advance at cost/fair value less repayment.

3.4.3 De-recognition of Financial Assets and Liabilities

a) De-recognition of Financial Assets

Bank derecognizes a financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired; or
- Bank has transferred its rights to receive cash flows from the asset or
- Bank has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either Bank has transferred substantially all the risks and rewards of the asset or it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in other comprehensive income is transferred to retained earnings.

When Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Bank has retained.

When Bank's continuing involvement that takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received by Bank that Bank could be required to repay.

b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid is transferred to retained earnings.

c) Repurchase and Reverse Repurchase Agreements

Securities sold under agreement to repurchase at a specified future date are not de-recognized from the Statement of Financial Position as the Bank retains substantially all of the risks and rewards of ownership.

The corresponding cash received is recognized in the Statement of Financial Position as a liability with a corresponding obligation to return it, including accrued interest under 'Securities sold under repurchase agreements', reflecting the transaction's economic substance to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest rate. When the bank has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its Statement of Financial Position as 'Financial assets held for trading pledged as collateral or 'Financial assets at Fair value through OCI pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at future date are not recognized in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, under "Reverse repurchase agreements' reflecting the transaction's economic substance to the Bank. The difference between the purchase and resale prices is recorded as 'Interest income' and is accrued over the life of the agreement using the effective interest rate. If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net trading income'.

3.4.4 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of liability reflects its non-performance risk. When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument (Level 01 valuation). A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis on an arm's length basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation)nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Bank believes a third-party market participant would take them into account in pricing a transaction.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.4.5 Impairment of Financial Assets

The bank has prepared separate Policy for Impairment of Financial Assets under NFRS in which Financial Assets are assessed at each reporting date, whether there is any objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired. A financial asset or group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events, that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

a) Impairment of Financial Assets carried at Amortized Cost

For financial assets carried at amortized cost, such as amounts due from banks, Amortized cost investments etc., Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. In the event Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics such as collateral type, past due status and other relevant factors and collectively assesses them for impairment. However, assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

i) Individually Assessed Financial Assets

The criteria used to determine whether there is objective evidence of impairment include and not limited to:

- Known Cash Flow difficulties experienced by the borrowers:
- Past due contractual payments of either principal or interest;
- Breach of loan covenants or conditions;
- The probability that the borrower will enter bankruptcy or other financial reorganization; and
- A significant downgrading in credit rating by an external credit rating agency.

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured by discounting the expected future cash flows of a financial asset at its original effective interest rate and comparing the resultant present value with the financial asset's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly when circumstances require. This normally encompasses re-assessment of the enforceability of any collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of reduction in the established loss estimate. Interest on impaired assets continues to be recognized through the unwinding of the discount.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write off is later recovered, the recovery is credited to the impairment charges for loans and other losses.

When impairment losses are determined for those financial assets where objective evidence of impairment exists, the following common factors are considered:

- Bank's aggregate exposure to the customer;
- The viability of the customer's business model

and their capacity to trade successfully out of financial difficulties and generate sufficient cash flows to service debt obligations;

- The amount and timing of expected receipts and recoveries;
- The extent of other creditor's commitments ranking ahead of, or pari-pasu with the Bank and the likelihood of other creditors continuing to support the company;
- The realizable value of security and likelihood of successful repossession;

The basis for the individual impairment assessment test considered is around 80% of the total loans and advances classified as 'Bad' as per NRB Directive for the fiscal year. The recoverable value of loan is estimated on the basis of realizable value of the collateral.

ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

- To cover losses which have been incurred but have not yet been identified on loans subject to individual assessment; and
- For homogeneous groups of loans those are not considered individually significant.

Incurred but not yet been identified impairments

Individually assessed financial assets for which no evidence of loss has been specifically identified on an individual basis are grouped together according to their credit risk characteristics for the purpose of calculating an estimated collective loss. This reflects impairment losses that the bank has incurred as a result of events occurring before the reporting date, which the Bank is not able to identify on an individual loan basis and that can be reliably estimated.

These losses will only be individually identified in the future. As soon as information becomes available which identifies losses on individual financial assets within the group, those financial assets are removed from the group and assessed on an individual basis for impairment.

The collective impairment allowance is determined after taking into account:

- Historical Loss Experience in portfolios of similar credit risk; and
- Management's experience and judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is likely to be greater or less than that suggested by historical experience.

Homogeneous groups of Financials Assets

Statistical methods are used to determine impairment losses on a collective basis for homogenous groups of financial assets. Losses in these groups of financial assets are recorded on an individual basis when individual financial assets are written off, at which point they are removed from the group.

Bank uses the following method to calculate historical loss experience on a collective basis:

After grouping of loans on the basis of homogeneous risks, the Bank uses net flow rate method. Under this methodology; the movement in the outstanding balance of customers into default categories over the periods; are used to estimate the amount of financial assets that will eventually be irrecoverable, as a result of the events occurring before the reporting date which the Bank is not able to identify on an individual loan basis.

Under this methodology, loans are grouped into ranges according to the number of days in arrears and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency and ultimately prove irrecoverable.

Current economic conditions and portfolio risk factors are also evaluated when calculating the appropriate level of allowance required covering inherent loss. These additional macro and portfolio risk factors may include:

- Recent loan portfolio growth and product mix
- Unemployment rates
- Gross Domestic Production (GDP) Growth
- Inflation
- Interest rates
- Changes in government laws and regulations
- Property prices
- Overdue days

The Bank has categorized total loan into 5 products namely Term Loan, Personal Loan, Home Loan, Hire Purchase, Short Term Loan. The loan has been classified into various periods on the basis of due days as follows:

Ageing
Current
01-30 Days
31-60 Days
61-90 Days
91-120 Days
121-150 Days
151-180 Days
180 Days and Above

The Loss rate on each period has been calculated by multiplying Probability of Default (PD) with Loss Given Default (LGD). Probability of Default has been calculated on the basis of probability matrix by taking 96 months loan data as the basis. For the purpose of calculation of Loss Given Default (LGD), the loan which has been categorized as loss as per NRB directive, has been taken and the recovery history of the same has been analyzed upon to reach the LGD. The individually impaired loan has been subtracted from the total loan and the same has been multiplied by loss rate to calculate collective impairment. Total impairment is the sum of the collective and individual impairment.

The bank has opted to apply carve-out on impairment of loans and receivables. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no. 2, higher of the amount derived from these measures is taken as impairment loss for loans and receivables.

iii) Reversal of Impairment

If the amount of an impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized, the excess is written back by reducing the financial asset impairment allowance account accordingly. The write-back is recognized in the Statement of Profit or Loss.

iv) Write-off of Financial Assets Carried At Amortized Cost

Financial assets (and the related impairment allowance accounts) are normally written off either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realization of security.

v) Impairment of Rescheduled Loans and Advances

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan’s original effective interest rate (EIR).

vi) Collateral Valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Nepal Rastra Bank. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuator and audited financial statements.

vii) Legally Repossessed Collateral

Legally Repossessed Collateral represents Non Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognized at cost when acquired. The Bank’s policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. The proceeds are used to reduce or repay the outstanding claim. The immovable property acquired by foreclosure of collateral from defaulting customers, or which has devolved on the Bank as part settlement of debt, has not been occupied for business use.

These assets are shown as Legally Repossessed Collateral under "Investment Properties."

b) Impairment of Financial Assets at fair value through OCI

For Fair value through OCI financial investments, Bank assesses at each reporting date whether there is objective evidence that an investment is impaired.

In the case of debt instruments, Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized, the impairment loss is reversed through the statement of profit or loss.

In the case of equity investments classified as fair value through OCI, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss is removed from equity and recognized in the Statement of profit or loss. However, any subsequent increase in the fair value of an impaired Fair value through OCI equity security is recognized in other comprehensive income.

Bank writes-off certain Fair value through OCI financial investments when they are determined to be uncollectible.

3.4.6 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when and only when Bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under NFRSs or for gains and losses arising from a group of similar transaction such as in trading activity.

3.4.7 Amortized Cost Measurement

The Amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

3.5 Trading Assets

All financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short term profit taking are trading assets. Trading assets are measured at fair value with changes in fair value being recognized in Profit or Loss.

3.6 Derivatives assets and derivative liabilities

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

Forward contracts are the contracts to purchase or sell a specific quantity of a financial instrument, a commodity, or a foreign currency at a specified price determined at the outset, with delivery or settlement at a specified future date. Settlement is at maturity by actual delivery of the item specified in the contract, or by a net cash settlement.

All freestanding contacts that are considered derivatives for accounting purposes are carried at fair value on the statement of financial position regardless of whether they are held for trading or non-trading purposes. Changes in fair value on derivatives held for trading are included in net gains/ (losses) from financial instruments in fair value through profit or loss on financial assets/ liabilities at fair value through profit or loss.

3.7 Properties and Equipment

3.7.1 Recognition

Property and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Bank applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for these assets. Property and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably.

3.7.2 Measurement

An item of property and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add, to replace part of an item of property & equipment. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of computer equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

3.7.3 Cost Model

Property and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

3.7.4 Revaluation Model

The Bank has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognized GAAP Amount.

On revaluation of an asset, any increase in the carrying amount is recognized in ‘Other comprehensive income’ and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.

The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

3.7.5 Subsequent Cost

The subsequent cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within that part will flow to the Bank and it can be reliably measured. The cost of day to day servicing of property and equipment are charged to the Statement of Profit or Loss as incurred.

3.7.6 Depreciation

Fixed assets are depreciated on Diminishing Value Method, at the rates determined on the basis of useful life of assets. Depreciation rates applicable to assets of the bank are as follows.

Rate of Depreciation per annum (%)

S.N.	Particulars	Rates
1.	Computer & Accessories	20%
2.	Computer & Accessories-Staff	25%
3.	Vehicles	15%
4.	Furniture and Fixture (Metal)	10%
5.	Furniture and Fixture (Wood)	15%
6.	Machinery	15%
7.	Equipment & others	15%
8.	Leasehold Assets	* SLM over the remaining Lease Period

*SLM: Straight Line Method

Depreciation on newly acquired fixed assets is charged from the date of invoice. Fixed Assets valuing 5,000 or less are directly charged to the profit or loss account as expenses for capital items

Amortization of Leasehold Assets

Costs incurred in respect of Leasehold Property are capitalized as leasehold assets and amortized on Straight Line Method (SLM) basis over the remaining Lease period.

3.7.7 Changes in Estimates

The asset's methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

3.7.8 Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

3.7.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Bank incurs in connection with the borrowing of funds.

3.7.10 De-recognition

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or losses arising from de-recognition of an item of property and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.8 Goodwill and Intangible Assets

3.8.1 Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, or for administrative purposes. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Expenditure incurred on an intangible item that was initially recognized as an expense by the Bank in previous annual Financial Statements or interim Financial Statements are not recognized as part of the cost of an intangible asset at a later date.

3.8.2 Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the Bank, which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category 'Intangible assets' and carried at cost less accumulated amortization and any accumulated impairment losses.

3.8.3 Subsequent Expenditure

Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

3.8.4 Amortization of Intangible Assets

Intangible Assets, except for goodwill, are amortized on a straight–line basis in the Statement of Profit or Loss from the date when the asset is available for use, over the best of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the bank. Amortization methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Bank assumes that there is no residual value for its intangible assets.

The Core Banking Software is amortized on SLM basis over the period of 10 years while other intangible assets are amortized on lower of

i. 60 month or
ii. License Period

Goodwill is measured at cost less accumulated impairment losses if any.

3.8.5 De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising on de-recognition of an item of intangible assets is included in the Statement of Profit or Loss when the item is derecognized.

3.9 Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business.

Land or land and building other than those classified as property and equipment; and non-current assets held for sale under relevant accounting standard shall be presented under this account head. This shall include land, land and building acquired as non-banking assets by the Bank but not sold.

Hence, Legally Repossessed Collateral represents Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognized as per NRB Directive when acquired and subsequently measured at cost. The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. The proceeds are used to reduce or repay the outstanding claim. The immovable property acquired by foreclosure of collateral from defaulting customers, or which has devolved on the Bank as part settlement of debt, has not been occupied for business use.

3.10 Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

3.10.1 Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

3.10.2 Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in Subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference will be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

3.11 Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the Bank's sources of funding. Deposits include non-interest bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The fair value of fixed interest-bearing deposits is considered as carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt securities issued.

3.12 Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Provisions are not recognized for future operating losses.

Before a provision is established, the Bank recognizes any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

3.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

3.13.1 Interest Income

For all financial assets measured at amortized cost, interest bearing financial assets classified as Fair value through OCI and financial assets designated at fair value through profit or loss, EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

The bank has opted to apply carve-out and recognize interest income on accrual basis applying the coupon rate, which is variable rate of interest.

3.13.2 Fee and Commission Income

Fees earned for the provision of services over a period of time are accrued over that period. These fees include Service fees and commission income. Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory fees and service distribution fees are recognized based on the applicable contracts, usually on a time apportionment basis.

3.13.3 Dividend Income

Dividend income on equity instruments are recognized in the statement of profit and loss within other income when the Bank's right to receive payment is established.

3.13.4 Net Trading Income

Net trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as wells as unrealized changes in fair value of trading assets and liabilities.

3.13.5 Net Income from other financial instrument at fair value through Profit or Loss

Trading assets such as equity shares and mutual fund are recognized at fair value through profit or loss. No other financial instruments are designated at fair value through profit or loss.

3.14 Interest Expense

For financial liabilities measured at amortized cost using the rate that closely approximates effective interest rate, interest expense is recorded using such rate. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

However, the banks has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest expense at the coupon rate and continually measure the carrying amount of financial liability at cost/fair value less repayment.

3.15 Employee Benefits

Employee Benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.
Employee benefits include:

- Short term employee benefits
- Post employee benefits
- Other long term employee benefits
- Termination benefits

3.15.1 Short Term Employee Benefits

Short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:

i. Wages, salaries and social security contributions;
ii. Paid annual leave and paid sick leaves;
iii. Profit sharing and bonuses;
iv. Non-monetary benefits (such as medical care, housing, cars) for current employees

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Bank has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.15.2 Post-Employment Benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment such as the following:

i. Retirement benefits (e.g.: gratuity, lump sum payments on retirement); and
ii. Other post-employment benefits such as post-employment life insurance.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Bank pays fixed contribution into a separate Bank Account (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to Bank by the employees and is recorded as an expense under 'Personnel expense' as and when they become due. Unpaid contributions are recorded as a liability under 'Other Liabilities'.

Bank contributed 10% on the salary of each employee to the Employees' Provident Fund. The above expenses are identified as contributions to 'Defined Contribution Plans' as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

a) Gratuity

Bank's obligation in respect of defined benefit obligationis calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets to determine the net amount to be shown in the Statement of Financial Position. The value of a defined benefit asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reduction on the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that apply to any plan in Bank. An economic benefit is available to Bank if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Bank determines the interest expense on the defined benefit liability by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligations.
The increase in gratuity liabilities attributable to the services provided by employees during the year ended 15th July, 2020 (current service cost) has been recognized in the Statement of Profit or Loss under 'Personnel Expenses' together with the net interest expense. Bank recognizes the total actuarial gain and loss that arises in calculating Bank's obligation in respect of gratuity in other comprehensive income during the period in which it occurs.

b) Unutilized Accumulated Leave

Bank's liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee benefits. Bank's net obligation towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

3.15.3 Other Long Term Employee Benefits

Other long term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

3.15.4 Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

i. An entity's decision to terminate an employee's employment before the normal retirement date or
ii. An employee's decision to accept an offer of benefits in exchange for the termination of employment

3.16 Leases

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

3.16.1 Finance Lease

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance lease. When Bank is the lessor under finance lease, the amounts due under the leases, after deduction of unearned interest income, are included in 'Loans to & receivables from other customers', as appropriate. Interest income receivable is recognized in 'Net interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

When Bank is a lessee under finance leases, the leased assets are capitalized and included in 'Property and equipment' and the corresponding liability to the lesser is included in 'Other liabilities'. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or if lower, the present value of the minimum lease payments. Finance charges payable are recognized in 'Interest expenses' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

The bank does not have finance lease transactions at the reporting date.

3.16.2 Operating Lease

All other leases are classified as operating leases. When acting as lesser, Bank includes the assets subject to operating leases in 'Property and equipment' and accounts for them accordingly. Impairment losses are recognized to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired.

When Bank is the lessee, leased assets are not recognized on the Statement of Financial Position.

3.17 Foreign Currency Translation, Transactions and Balances

All foreign currency transactions are translated into the functional currency, which is Nepalese Rupees, using the exchange rates prevailing at the dates when the transactions were affected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Nepalese Rupees using the spot foreign exchange rate ruling at that date and all differences arising on non-trading activities are taken to 'Other Operating Income' in the Statement of Profit or Loss. The foreign currency gains or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the rates of exchange prevailing at the end of the reporting period.
Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange differences arising on the settlement or reporting of monetary items at rates different from those which were initially recorded are dealt with in the Statement of Profit or Loss.

3.18 Financial guarantee and loan commitment

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts may have various legal forms, such as a guarantee, some types of letter of credit, etc. where the bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts etc. whether cancellable or not and the bank had not made payments at the reporting date, those instruments are included in these financial statements as commitments.

3.19 Share capital and reserves

Share capital and reserves are different classes of equity claims. Equity claims are claims on the residual interest in the assets of the entity after deducting all its liabilities. Changes in equity during the reporting period comprise income and expenses recognized in the statement of financial performance; plus, contributions from holders of equity claims, minus distributions to holders of equity claims.

3.20 Earnings per share

Bank presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

Earnings per share is calculated and presented in Statement of Profit or Loss.

Particulars	Units	Amount
Profit attributable to equity shareholders (a)	Rs	555,063,307
Weighted average of number of equity shares used in computing basic earnings per share (b)	Number	80,033,897
Basic and diluted earnings per equity share of Rs 100 each (a/b)	Rs	6.94

3.21 Segment reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

The bank has identified the key segments of business on the basis geographical presence throughout the country.

3.22 Impairment of Non-Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the fair value of the Cash Generating Units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, appropriate valuation model is used.

3.23 Dividend on Ordinary Shares

Dividend on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date. Interim Dividend is deducted from equity when they are declared and is no longer at the discretion of the Bank.

3.24 Cash Flow Statement

The cash flow statement has been prepared using 'The Direct Method', whereby gross cash receipts and gross cash payments of operating activities, finance activities and investing activities have been recognized.

3.25 Comparative Figures

The figures have been regrouped /rearranged wherever necessary in order to facilitate comparison.

Consolidated Notes to Financial Statements

As on 31st Ashadh 2077

4.1 Cash and Cash Equivalent

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Cash in Hand	1,778,242,252	2,022,763,727	1,778,124,081	2,022,360,878
Balances with BFIs	1,022,648,241	848,043,777	789,334,697	659,238,043
Money at Call and Short Notice	-	300,015,616	-	300,015,616
Other.	2,158,027,080	976,970,648	2,158,027,080	976,970,648
Total	**4,958,917,573**	**4,147,793,768**	**4,725,485,858**	**3,958,585,185**

Other items in cash and cash equivalent includes interbank placements and other investments with maturity above 7 days and within 3 months, based on original maturity

4.2 Due from Nepal Rastra Bank

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Statutory Balances with NRB	2,902,016,147	2,731,686,346	2,895,016,147	2,727,186,346
Securities purchased under Resale Agreement	-	-	-	-
Other Deposit and Receivable from NRB	1,054,872,197	797,894,939	1,054,872,197	797,894,939
Total	**3,956,888,344**	**3,529,581,285**	**3,949,888,344**	**3,525,081,285**

Other deposit and receivables from NRB includes balance at NRB in foreign currency and "C" category government transaction related receivables.

4.3 Placements with Banks and Financial Instutions

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Placement with Domestic BFIs	152,706,195	83,652,433	-	-
Placement with Foreign BFIs	803,364,430	659,095,583	803,364,430	659,095,583
Less: Allowances for Impairment	-	-	-	-
Total	**956,070,625**	**742,748,016**	**803,364,430**	**659,095,583**

Placement with domestic as well as foreign BFIs with original maturities more than three months from the purchase date are presented above.

4.4 Derivative Financial Instruments

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Held for Trading	-		-	
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
Held for Risk Management	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	3,361,079,484	1,732,495,818	3,361,079,484	1,732,495,818
Others	-	-	-	-
Total	**3,361,079,484**	**1,732,495,818**	**3,361,079,484**	**1,732,495,818**

4.5 Other Trading Assets

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Treasury Bills	-	-	-	-
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate Bonds	-	-	-	-
Equities	-	-	-	-
Other Trading Assets	-	-	-	-
Total	**-**	**-**	**-**	**-**
Pledged	-	-	-	-
Non Pledged	-	-	-	-

4.6 Loans and Advances to BFIs

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Loans to Micro-Finance Institutions	1,503,366,705	1,618,267,984	1,787,860,026	1,823,153,304
Other	-	-		-
Less: Allowances for Impairment	(17,809,185)	(18,147,561)	(17,809,185)	(18,147,561)
Total	**1,485,557,520**	**1,600,120,423**	**1,770,050,840**	**1,805,005,743**

Particulars	Current Year	Previous Year	Current Year	Previous Year
Loans to Micro-Finance Institutions	1,496,425,208	1,609,870,752	1,780,918,529	1,814,756,071
Total	**1,496,425,208**	**1,609,870,752**	**1,780,918,529**	**1,814,756,071**
Interest Receivable	6,941,497	8,397,232	6,941,497	8,397,232
Total	**1,503,366,705**	**1,618,267,984**	**1,787,860,026**	**1,823,153,304**

4.6.1 Allowances for Impairment

Balance at Shrawan 01	18,147,561	19,948,015	18,147,561	19,948,015
Impairment Losss for the year:				
Charge for the year	-	-	-	-
Recoveries/Reversal	(338,376)	(1,800,454)	(338,376)	(1,800,454)
Amount Written Off	-	-	-	-
Balance at Ashadh End	**17,809,185**	**18,147,561**	**17,809,185**	**18,147,561**

4.7 Loans and Advances to Customers

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Loans and Advances measured at Amortized Cost	54,937,900,616	44,900,735,801	53,629,763,074	43,878,190,325
Less: Impairment Allowances				
Collective Impairment	(493,307,918)	(407,286,009)	(488,836,825)	(397,398,713)
Individual Impairment	(967,512,722)	(895,046,431)	(936,669,056)	(887,105,866)
Net Amount	**53,477,079,976**	**43,598,403,361**	**52,204,257,192**	**42,593,685,746**
Loans and Advances measured at FVTPL	-	-	-	-
Total	**53,477,079,976**	**43,598,403,361**	**52,204,257,192**	**42,593,685,746**

4.7.1 Analysis of Loans and Advances - By Product

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Product				
Term Loans	12,978,344,744	10,170,985,256	12,978,344,744	10,170,985,256
Overdraft	8,312,195,480	6,950,192,049	8,312,195,480	6,950,192,049
Trust Receipt/Import Loans	5,787,942,693	3,343,323,964	5,787,942,693	3,343,323,964
Demand and other Working Capital Loans	10,137,153,309	10,408,553,067	10,137,153,309	10,408,553,067
Personal Residential Loans	1,806,200,716	1,905,088,036	1,806,200,716	1,905,088,036
Real Estate Loans	4,173,453,050	2,887,077,226	4,173,453,050	2,887,077,226
Margin Lending Loans	2,026,522,880	1,545,503,774	2,026,522,880	1,545,503,774
Hire Purchase Loans	2,270,710,877	2,418,308,661	2,270,710,877	2,418,308,661
Deprived Sector Loans	2,321,889,477	1,786,712,484	1,018,912,401	765,154,422
Bills Purchased	-	-	-	-
Staffs Loans	459,624,611	291,911,421	458,556,423	290,924,007
Other	3,545,501,585	2,564,142,961	3,545,501,585	2,564,142,961
Sub-Total	**53,819,539,423**	**44,271,798,898**	**52,515,494,158**	**43,249,253,422**
Interest Receivable	1,118,361,193	628,936,903	1,114,268,916	628,936,903
Grand Total	**54,937,900,616**	**44,900,735,801**	**53,629,763,074**	**43,878,190,325**

4.7.2 Analysis of Loans and Advances - By Currency

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Nepalese Rupee	50,490,327,527	42,423,491,284	49,182,189,984	41,400,945,808
Indian Rupee	-	-	-	-
United States Dollar	4,447,573,090	2,477,244,517	4,447,573,090	2,477,244,517
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Grand Total	**54,937,900,616**	**44,900,735,801**	**53,629,763,074**	**43,878,190,325**

4.7.3 Analysis of Loans and Advances - By Collateral

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Secured				
Moveable/Immoveable Assets	50,304,157,393	41,503,998,534	50,304,157,393	41,503,998,534
Gold and Silver	214,819,605	223,129,971	214,819,605	223,129,971
Guarantee of Domestic BFIs	-	-	-	-
Government Guarantee	16,469,085	16,465,325	16,469,085	16,465,325
Guarantee of International Rated Bank	-	-	-	-
Collateral of Export Document	-	-	-	-
Collateral of Fixed Deposit Receipt	148,752,726	165,926,535	148,752,726	165,926,535
Collateral of Government Securities	-	-	-	-
Counter Guarantee	-	-	-	-
Personal Guarantee	3,636,322	94,403,355	3,636,322	94,403,355
Other Collateral	4,250,065,485	2,896,812,080	2,941,927,942	1,874,266,604
Subtotal	**54,937,900,616**	**44,900,735,801**	**53,629,763,074**	**43,878,190,325**
Unsecured	-	-	-	-
Grand Total	**54,937,900,616**	**44,900,735,801**	**53,629,763,074**	**43,878,190,325**

4.7.4 Allowance for Impairment

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Individual Allowance for Impairment				
Balance at Shrawan 01	895,046,431	860,992,012	887,105,866	858,311,390
Impairment Loss for the year	-	-	-	-
Charge for the year	72,466,291	34,054,420	49,563,190	28,794,477
Recoveries/Reversals during the year	-	-	-	-
Write-Offs	-	-	-	-
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
Balance at Ashadh End	**967,512,722**	**895,046,431**	**936,669,056**	**887,105,866**
Collective Allowances for Impairment				
Balance at Sharawan 01	407,286,009	371,328,162	397,398,713	365,500,019
Impairment Loss for the year	-	-	-	-
Charge/(Reversal) for the year	91,438,112	35,957,847	91,438,112	31,898,694
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
Balance at Ashadh End	**493,307,918**	**407,286,009**	**488,836,825**	**397,398,713**
Total Allowances for Impairment	**1,460,820,640**	**1,302,332,440**	**1,425,505,881**	**1,284,504,580**

4.8 Investment Securities

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Investment Securities measured at Amortized Cost	8,107,133,296	6,698,845,657	8,107,133,296	6,698,845,657
Investment in Equity measured at FVTOCI	131,466,242	103,602,088	91,869,746	57,131,832
Total	**8,238,599,538**	**6,802,447,745**	**8,199,003,042**	**6,755,977,489**

4.8.1 Investment Securities Measured at Amortized Cost

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Debt Securities	-	-	-	-
Government Bonds	7,615,846,179	6,560,748,972	7,615,846,179	6,560,748,972
Government Treasury Bills	491,287,117	138,096,686	491,287,117	138,096,686
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposit Instruments	-	-	-	-
Other(Foreign Share)	-	-	-	-
Less: Specific Allowances for Impairment	-	-	-	-
Total	**8,107,133,296**	**6,698,845,657**	**8,107,133,296**	**6,698,845,657**

4.8.2 Investment in Equity Measured at FVTOCI

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Equity Instruments	-	-	-	-
Quoted Equity Securities	121,502,142	95,346,788	81,905,646	48,876,532
Unquoted Equity Securities	9,964,100	8,255,300	9,964,100	8,255,300
Total	**131,466,242**	**103,602,088**	**91,869,746**	**57,131,832**

4.8.3 Information Relating to Investment in Equities

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in Quoted Equity								
1.1 Mahila Saha Yatra Micro Finance Bitiya Sanstha Ltd. 40,000 Ordinary Shares Per Share 100 Paid Up (Bonus Share 4,000)	4,000,000	16,720,000	4,000,000	9,702,000	4,000,000	16,720,000	4,000,000	9,702,000
1.2 Jalvidhyut Lagani Tatha Bikas Company Ltd. 31,860 Ordinary Shares Per Share 100 Paid Up (Bonus Share 3186)	3,186,000	4,661,118	3,186,000	5,642,406	3,186,000	4,661,118	3,186,000	5,642,406
1.3 Nepal Life Insurance Company Ltd. 1,741 Ordinary Shares Per Share 1,425 Paid Up (Bonus Share1349)	2,480,925	3,893,400	2,480,925	2,784,090	2,480,925	3,893,400	2,480,925	2,784,090
1.4 Mero Microfinance Bittiya Sanstha Ltd. 173 Ordinary Shares Per Share 100 Paid Up (Bonus Share 65)	10,800	116,602	10,800	70,756	10,800	116,602	10,800	70,756
1.5 Khanikhola Hydropower Company Ltd. 16 Ordinary Shares Per Share 100 Paid Up	1,600	784	1,600	1,056	1,600	784	1,600	1,056
1.6 National Microfinance Bittiya Sanstha Ltd. 50 Ordinary Shares Per Share 100 Paid Up (Bonus Share 31)	1,900	82,500	1,900	42,920	1,900	82,500	1,900	42,920
1.7 RSDC Laghubitta Bittiya Sanstha Ltd. 95 Ordinary Shares Per Share 100 Paid Up (Bonus Share 17)	7,800	51,490	7,800	19,208	7,800	51,490	7,800	19,208
1.8 Suryodaya Laghubitta Bittiya Sanstha Ltd. 36 Ordinary Shares Per Share 100 Paid Up (Bonus Share 19)	1,700	19,116	1,700	14,274	1,700	19,116	1,700	14,274
1.9 Arun Kagbeli Power Company Ltd. 295 Ordinary Shares Per Share 100 Paid Up	29,500	34,220	29,500	55,460	29,500	34,220	29,500	55,460
1.10 Synergy Power Company Ltd. 587 Ordinary Shares Per Share 100 Paid Up	58,700	57,526	58,700	52,830	58,700	57,526	58,700	52,830
1.11 Forward Microfinance Bittiya Sanstha Ltd. 49 Ordinary Shares Per Share 100 Paid Up (Bonus Share 23)	2,600	78,351	2,600	51,792	2,600	78,351	2,600	51,792
1.12 United Modi Hydropower Company Ltd. 337 Ordinary Shares Per Share 100 Paid Up	33,700	35,048	33,700	36,733	33,700	35,048	33,700	36,733
1.13 Chilimepower Company Ltd. 19,842 Ordinary Shares Per Share 1,776.46 Paid Up (Bonus 7860)	21,285,514	7,897,116	21,285,514	8,615,256	21,285,514	7,897,116	21,285,514	8,615,256
1.14 Soaltee Hotel 1,000 Ordinary Shares Per Share 603.886 Paid Up (Bonus Share 392)	603,887	214,368	603,887	339,526	603,887	214,368	603,887	339,526
1.15 Nepal Life Insurance Company Ltd. 2325 Ordinary Shares Per Share 3,921.69 Paid Up (Bonus Share 1625)	2,745,183	2,929,500	2,745,183	1,119,042	2,745,183	2,929,500	2,745,183	1,119,042
1.16 National Life Insurance Company Ltd. 3018 Ordinary Shares Per Share 2623.84 Paid Up (Bonus share 747)	3,500,516	1,997,916	3,500,516	1,518,075	3,500,516	1,997,916	3,500,516	1,518,075
1.17 NLG Insurance Company Ltd. 1867 Ordinary Shares Per Share 1,730.27 Paid Up (Bonus Share 233)	1,684,446	1,226,619	1,614,346	888,492	1,684,446	1,226,619	1,614,346	888,492
1.18 Prudential Insurance Company Ltd. 2,340 Ordinary Shares Per Share 1,607.54 Paid Up (Bonus Share 572)	2,136,607	1,153,620	2,136,607	1,298,700	2,136,607	1,153,620	2,136,607	1,298,700
1.19 Nabil Equity Fund 1,126,504 Ordinary Shares Per Share 100 Paid Up	11,265,040	10,510,282	11,265,040	10,510,282	11,265,040	10,510,282	11,265,040	10,510,282
1.20 Laxmi Laghubitta Bittiya Sanstha Ltd. (LLBS) 4 Ordinary share @ Rs 1098 (Bonus Share 4)	-	4,856	-	2,644	-	4,856	-	2,644
1.21 Laxmi Value Fund I 100,000 Ordinary Shares Per Share 16.575 Paid Up	-	-	1,657,517	1,020,000	-	-	1,657,517	1,020,000

4.8.3 Continued...

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
1.22 Citizens Mutual Fund 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	5,030,000	5,000,000	5,090,000	5,000,000	5,030,000	5,000,000	5,090,000
1.23 Neco Insurance Company Ltd. 1 Ordinary Shares Per Share 10 Paid Up (Bonus Share 1)	100	1,214	100	990	100	1,214	100	990
1.24 NIC Asia Balanced Fund 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	5,190,000	-	-	5,000,000	5,190,000	-	-
1.25 NMB 50 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
1.26 Siddhartha Investment Growth Scheme 2 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	10,000,000	-	-	10,000,000	10,000,000	-	-
1.27 Sunrise First Mutual Fund 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
1.28 Nadep Laghubitta Bittiya Sansta Ltd. Share (529 Ordinary Share @ Rs.723.33)	382,640	382,640	382,640	382,640	-	-	-	-
1.29 Butwal Power Company Ltd. (21,517 Units@ Rs. 550.67)	11,848,828	11,848,828	14,580,896	14,580,896	-	-	-	-
1.30 Century Commercial Bank Ltd. 1,000 Ordinary Share @ Rs. 177	-	-	177,000	177,000	-	-	-	-
1.31 Citizen Bank International Ltd (28,854 Ordinary Share @ Rs.308.96)	8,914,683	8,914,683	10,753,840	10,753,840	-	-	-	-
1.32 Forward Microfinace Bittya Sanstha Ltd 135 Share Ordinary share@Rs.1868.01	252,182	252,182	252,182	252,182	-	-	-	-
1.33 Jebils Finance Limited 3248 Ordinary Shares @ Rs. 99.21	-	-	322,221	322,221	-	-	-	-
1.34 Global IME Bank Ltd (46 Ordinary Share @ Rs.215.18)	9,898	9,898	388,000	388,000	-	-	-	-
1.35 Prime Commercial Bank Ltd. (1090 Ordinary Share @ Rs.208.26)	227,000	227,000	227,000	227,000	-	-	-	-
1.36 Kamana Sewa Bikas Bank Ltd. 3200 Share@Rs.157.88	-	-	505,200	505,200	-	-	-	-
1.37 Mithila Laghubitta Bikas Bank Ltd 144 Ordinay Share @ Rs. 340.3	-	-	4,900	4,900	-	-	-	-
1.38 Nagbeli Laghubitta Bittya Sanstha Ltd. (1 Ordinary Share@Rs.100	100	100	100	100	-	-	-	-
1.39 Neco Insurance Company Limited Share (980 Ordinary Share @ Rs.501.14)	491,113	491,113	2,806,400	2,806,400	-	-	-	-
1.40 Nepal Investment Bank Ltd. (2290 Ordinary Share @ Rs.380.01)	870,221	870,221	548,000	548,000	-	-	-	-
1.41 Sahara Bikash Bank Ltd. Share (5,000 Share@Rs.153.37)	766,850	766,850	766,850	766,850	-	-	-	-
1.42 NLG Insurance Co. Ltd. (1 Ordinary Share @ Rs.606.01)	606	606	302,618	302,618	-	-	-	-
1.43 Prabhu Bank Ltd. (13,436 Ordinary Share @ Rs.253.45)	3,405,401	3,405,401	6,203,988	6,203,988	-	-	-	-
1.44 Nabil Balance Fund 2. (50,000 Ordinary Share@Rs.10)	500,000	500,000	500,000	500,000	-	-	-	-
1.45 Samudayik Laghubitta Sanstha Ltd 703 Shares Ordinary @1200)	843,600	843,600	843,600	843,600	-	-	-	-
1.46 Sana Kisan Bikas Bank Ltd. (198 Ordinary Share @ Rs.32.44)	6,423	6,423	32,035	32,035	-	-	-	-
1.47 Siddhartha Bank Limited Ltd. (1250 Ordinary Share@Rs.318.6)	-	-	398,250	398,250	-	-	-	-

4.8.3 Continued...

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
1.48 Nabil Bank Ltd. (4054 Ordinary Share @ Rs.893.84)	3,623,622	3,623,622	791,000	791,000	-	-	-	-
1.49 Laxmi Bank Limited (2016 Ordinary Share @ Rs.221.86)	447,266	447,266	227,000	227,000	-	-	-	-
1.50 Sunrise Bank Ltd Share (3294 Ordinary Share @ Rs.225.81)	743,803	743,803	701,097	701,097	-	-	-	-
1.51 Nepal Bank Limited (4824 Ordinary Share @ Rs.283.19)	1,366,100	1,366,100	1,865,680	1,865,680	-	-	-	-
1.52 Nepal Credit & Commerce Bank Ltd. Share (1999 Ordinary Share @ Rs.185.34)	370,500	370,500	120,500	120,500	-	-	-	-
1.53 NIC Asia Bank Ltd. Share (1600 Ordinary Share @ Rs.618.44)	989,500	989,500	2,121,800	2,121,800	-	-	-	-
1.54 Sanima Bank Ltd. Share (1506 Ordinary Share @ Rs.389.77)	587,000	587,000	363,460	363,460	-	-	-	-
1.55 Shangrila Development Bank Ltd. Share (1,000 Share@Rs. 159)	-	-	159,000	159,000	-	-	-	-
1.56 Shine Resunga Dev. Bank Ltd. Share (500 Share@Rs. 250)	-	-	125,000	125,000	-	-	-	-
1.57 Nmb 50 (NMB FIFTY) Units (2500 Ordinary Share @ Rs.10)	25,000	25,000	-	-	-	-	-	-
1.58 Rasuwagadhi Hydropower Co. Ltd. (1000 Ordinary Share @ Rs.206)	206,000	206,000	-	-	-	-	-	-
1.59 Mega Bank Ltd. (1000 Ordinary Share @ Rs.241)	241,000	241,000	-	-	-	-	-	-
1.60 Nica Balance Fund (NICABF) (25000 Ordinary Share @ Rs.10)	250,000	250,000	-	-	-	-	-	-
1.61 Nepal Doorsanchar Company Ltd. (500 Ordinary Share @ Rs.693)	346,500	346,500	-	-	-	-	-	-
1.62 Sanjen Jalvidhyut Company Ltd. (4990 Ordinary Share @ Rs.221.98)	1,107,660	1,107,660	-	-	-	-	-	-
1.63 Nepal Sbi Bank Ltd. (1500 Ordinary Share @ Rs.515.33)	773,000	773,000	-	-	-	-	-	-
Fair value recognition of Previous GAAP provision								
Total Investment in Quoted Equity	**122,633,012**	**121,502,142**	**106,094,190**	**95,346,788**	**83,036,517**	**81,905,646**	**59,623,934**	**48,876,532**
Investment in Unquoted Equity								
1.1 Nepal Clearing House Limited 61,564 Ordinary Shares of Rs. 100 Paid up	5,130,300	6,156,400	5,130,300	5,130,300	5,130,300	6,156,400	5,130,300	5,130,300
1.2 General Insurance Company (Pvt. Ltd. / Ltd.) 30000 Ordinary Shares Per Share 100 Paid Up	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1.3 Credit Information Bureau 8,077 Ordinary Shares Per Share 100 Paid Up	125,000	807,700	125,000	125,000	125,000	807,700	125,000	125,000
Total Investment in Unquoted Equity	**8,255,300**	**9,964,100**	**8,255,300**	**8,255,300**	**8,255,300**	**9,964,100**	**8,255,300**	**8,255,300**
Total	**130,888,312**	**131,466,242**	**114,349,490**	**103,602,088**	**91,291,817**	**91,869,746**	**67,879,234**	**57,131,832**

4.9 Current Tax Assets

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Current Tax Assets	**476,486,026**	**367,403,601**	**468,803,197**	**367,403,601**
Current year Income Tax Assets	476,486,026	367,403,601	468,803,197	367,403,601
Tax Assets of Prior Periods	-	-	-	-
Current Tax Liabilities	**378,846,129**	**353,053,336**	**368,934,197**	**350,520,547**
Current year Income Tax Liabilities	378,846,129	353,053,336	368,934,197	350,520,547
Tax Liabilities of Prior Periods	-	-	-	-
Total	**97,639,897**	**14,350,265**	**99,869,000**	**16,883,054**

4.10 Investment in Subsidiaries

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Investment in Quoted Subsidiaries	-	-	109,198,200	51,000,000
Investment in Unquoted Subsidiaries	-	-	150,865,000	150,865,000
Total Investment	**-**	**-**	**260,063,200**	**201,865,000**
Less: Impairment Allowances	-	-	-	-
Net Carrying Amount	**-**	**-**	**260,063,200**	**201,865,000**

4.10.1 Investment in Quoted Subsidiaries

	Group		Bank	
	Current Year		**Previous Year**	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Civil Laghubitta Bittiya Sanstha Ltd.				
510,000 Shares of Rs. 100 Each (Bonus Share 49,597.50)	51,000,000	-	51,000,000	-
581,982 Shares of Rs. 100 Each(Calls in advance for Right Issue)	58,198,200	-	-	-
Total	**109,198,200**	**-**	**51,000,000**	**-**

4.10.2 Investment in Unquoted Subsidiaries

	Group		Bank	
	Current Year		**Previous Year**	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Civil Capital Market Ltd.				
1,348,000 Shares (535,500Shares @130 each and 812,500 Shares @100 each) (Bonus Share 133,875)	150,865,000	-	150,865,000	-
Total	**150,865,000**	**-**	**150,865,000**	**-**

4.10.3 Information Relating to Subsidiaries of the Bank

	Bank	
	Percentage of Ownership held by Bank	
	Current Year	**Previous Year**
Civil Laghubitta Bittiya Sanstha Ltd.	51%	51%
Civil Capital Market Ltd.	69.74%	69.74%
Total		

4.10.4 Non Controlling Interest of the Subsidiaries

	Group	
	Current Year	
	Civil Capital	Capital Laghubitta
Equity Interest held by NCI (%)	30.26%	49%
Profit (Loss) allocated during the year	3,338,977	5,583,168
Accumulated Balances of NCI as on Ashadh End	68,128,084	74,669,304
Dividend Paid to NCI		
	Previous Year	
	Civil Capital	Capital Laghubitta
Equity Interest held by NCI (%)	30.26%	49%
Profit (Loss) allocated during the year	2,106,905	7,883,306
Accumulated Balances of NCI as on Ashadh End	66,876,288	71,578,510
Dividend Paid to NCI		

4.11 Investment in Associates

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Investment in Quoted Associates	-	-	-	-
Investment in Unquoted Associates	-	-	-	-
Total Investment	-	-	-	-
Less: Impairment Allowances	-	-	-	-
Net Carrying Amount	-	-	-	-

4.11.1 Investment in Quoted Associates

	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
..........Ltd.	-	-	-	-	-	-	-	-
.........Shares of Rs. ..... Each	-	-	-	-	-	-	-	-
..........Ltd.	-	-	-	-	-	-	-	-
.........Shares of Rs. ..... Each	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

4.11.2 Investment in Unquoted Associates

	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
..........Ltd.	-	-	-	-	-	-	-	-
.........Shares of Rs. ..... Each	-	-	-	-	-	-	-	-
..........Ltd.	-	-	-	-	-	-	-	-
.........Shares of Rs. ..... Each	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

4.11.3 Information Relating to Associates of the Bank

	Group		Bank	
	Percentage of Ownership held by Bank		Percentage of Ownership held by Bank	
	Current Year	Previous Year	Current Year	Previous Year
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-
........Ltd.	-	-	-	-

4.11.4 Equity Value of Associates

	Group	
	Percentage of Ownership held by Bank	
	Current Year	Previous Year
........Ltd.	-	-
........Ltd.	-	-
........Ltd.	-	-
........Ltd.	-	-
........Ltd.	-	-

4.12 Investment Properties

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Investment Properties measured at Fair Value	**-**	**-**	**-**	**-**
Balance as on Shrawan 01.	-	-	-	-
Addition/(Disposal) during the year.	-	-	-	-
Net Changes in fair value during the year.	-	-	-	-
Adjustment/Transfer.	-	-	-	-
Net Amount	**-**	**-**	**-**	**-**
Investment Properties measured at Cost				
Balance as on Shrawan 01	227,981,351	177,160,409	227,981,351	177,160,409
Addition/(Disposal) during the year	(112,879,094)	50,820,942	(112,879,094)	50,820,942
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Accumulated depreciation	-	-	-	-
Accumulated impairment loss	-	-	-	-
Net Amount	**115,102,257**	**227,981,351**	**115,102,257**	**227,981,351**
Total	**115,102,257**	**227,981,351**	**115,102,257**	**227,981,351**

4.13 Property and Equipment

Particulars	Group								
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashadh end 2077	Total Ashadh end 2076
Cost										
As on Shrawan 01, 2075	**-**	**-**	**201,147,483**	**104,280,752**	**79,662,634**	**96,635,124**	**58,150,324**	**152,712,071**	**-**	**692,588,388**
Addition during the year										
Acquisition	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	110,066,878	32,737,525	47,341,000	33,956,426	24,571,000	73,388,702	-	322,061,531
Disposal during the year	-	-	(56,397,665)	(880,360)	(27,770,794)	(824,858)	-	(6,762,294)	-	(92,635,971)
Adjustment/Revaluation	-	-	-	153,720	-	-	-	(153,720)	-	-
Balance as on Ashadh end 2076	**-**	**-**	**254,816,696**	**136,291,637**	**99,232,840**	**129,766,692**	**82,721,324**	**219,184,759**	**-**	**922,013,948**
Addition during the Year	-	-								
Acquisition	-	-								-
Capitalization	-	-	84,014,765	22,901,208	10,125,879	30,746,235	25,924,110	44,409,006	218,121,204	-
Disposal during the year	-	-	(1,546,433)	(2,488,832)	(2,633,863)	(2,161,848)	-	(5,466,117)	(14,297,094)	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2077	**-**	**-**	**337,285,029**	**156,704,012**	**106,724,856**	**158,351,078**	**108,645,434**	**258,127,648**	**1,125,838,058**	**922,013,948**
Depreciation and Impairment										
As on Shrawan 01, 2075	**-**	**-**	**125,917,310**	**69,025,532**	**53,349,032**	**53,169,167**	**36,016,769**	**81,826,265**	**-**	**419,304,075**
Depreciation charge for the year	-	-	19,810,290	8,016,636	7,266,220	5,893,482	3,422,316	15,403,874	-	59,812,817
Impairment for the year	-	-	(49,413,896)	(445,196)	(21,779,751)	(603,635)	-	(4,672,437)	-	(76,914,914)
Disposals	-	-	-	38,343	-	-	-	(38,343)	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Ashadh end 2076	**-**	**-**	**96,313,704**	**76,635,314**	**38,835,501**	**58,459,014**	**39,439,085**	**92,519,360**	**-**	**402,201,978**
Impairment for the year										
Depreciation charge for the year	-	-	34,633,343	15,066,749	10,187,469	10,671,355	8,720,897	24,029,152	103,308,965	-
Disposals	-	-	(1,141,168)	(1,635,573)	(1,713,362)	(1,837,527)	-	(4,529,899)	(10,857,528)	-
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Ashadh end 2077	**-**	**-**	**129,805,879**	**90,066,490**	**47,309,609**	**67,292,842**	**48,159,981**	**112,018,614**	**494,653,415**	**402,201,978**
Capital Work in Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value										
As on Ashadh end 2075	**-**	**-**	**75,230,172**	**35,255,221**	**26,313,601**	**43,465,958**	**23,666,764**	**69,352,596**	**273,284,312**	**-**
As on Ashadh end 2076	**-**	**-**	**158,502,993**	**59,656,323**	**60,397,338**	**71,307,678**	**43,282,239**	**126,665,399**	**519,811,970**	**-**
As on Ashadh end 2077	**-**	**-**	**207,479,150**	**66,637,522**	**59,415,248**	**91,058,235**	**60,485,453**	**146,109,035**	**631,184,643**	**-**

4.13 Continued...

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashadh end 2077	Total Ashadh end 2076
						Bank				
Cost										
As on Shrawan 01, 2075	-	-	**194,979,867**	**100,808,391**	**71,331,083**	**94,568,304**	**58,150,325**	**137,108,263**	-	**656,946,233**
Addition during the year										
Acquisition	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	110,066,878	32,707,025	46,502,800	33,831,743	24,571,000	68,161,285	-	315,840,731
Disposal during the year	-	-	(56,397,665)	(880,360)	(27,770,794)	(824,858)	-	(6,762,294)	-	(92,635,971)
Adjustment/Revaluation	-	-	-	153,720	-	-	-	(153,720)	-	-
Balance as on Ashadh end 2076	-	-	**248,649,080**	**132,788,776**	**90,063,089**	**127,575,188**	**82,721,325**	**198,353,534**	-	**880,150,993**
Addition during the Year										
Acquisition	-	-	-	-	-	-	-	-	-	
Capitalization	-	-	84,014,765	22,892,308	4,175,700	30,710,084	25,924,110	42,632,866	210,349,833	-
Disposal during the year	-	-	(1,546,433)	(2,488,832)	(2,125,559)	(2,161,848)	-	(5,466,117)	(13,788,790)	-
Adjustment/Revaluation	-	-	(374,354)	-	-	-	-	16,744	(357,610)	-
Balance as on Ashadh end 2077	-	-	**330,743,059**	**153,192,252**	**92,113,230**	**156,123,424**	**108,645,435**	**235,537,027**	**1,076,354,426**	**880,150,993**
Depreciation and Impairment										
As on Shrawan 01, 2075	-	-	**124,193,144**	**66,936,057**	**47,952,604**	**51,712,160**	**34,483,560**	**75,776,885**	-	**401,054,411**
Depreciation charge for the year	-	-	18,589,764	7,665,148	6,674,756	5,725,347	4,955,525	11,389,895	-	55,000,434
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(49,413,896)	(445,196)	(21,779,751)	(603,635)	-	(4,672,437)	-	(76,914,914)
Adjustments	-	-	-	38,343	-	-	-	(38,343)	-	-
As on Ashadh end 2076	-	-	**93,369,012**	**74,194,352**	**32,847,609**	**56,833,872**	**39,439,085**	**82,456,001**	-	**379,139,931**
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	33,412,817	14,800,294	8,866,396	10,525,666	8,720,897	21,103,907	97,429,977	-
Disposals	-	-	(1,141,168)	(1,635,573)	(1,713,362)	(1,837,527)	-	(4,529,899)	(10,857,528)	-
Adjustments	-	-	(374,354)	-	-	-	-	16,744	(357,610)	-
As on Ashadh end 2077	-	-	**125,266,307**	**87,359,073**	**40,000,643**	**65,522,011**	**48,159,982**	**99,046,753**	**465,354,770**	**379,139,931**
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value										
As on Ashadh end 2075	-	-	**70,786,723**	**33,872,334**	**23,378,479**	**42,856,143**	**23,666,764**	**61,331,378**	**255,891,822**	-
As on Ashadh end 2076	-	-	**155,280,068**	**58,594,424**	**57,215,480**	**70,741,317**	**43,282,240**	**115,897,533**	**501,011,061**	-
As on Ashadh end 2077	-	-	**205,476,751**	**65,833,178**	**52,112,587**	**90,601,412**	**60,485,453**	**136,490,274**	**610,999,656**	-

4.14 Goodwill and Intangible Assets

	Group					
		Software				
Particulars	**Goodwill**	**Purchased**	**Developed**	**Other**	**Total Ashadh end 2077**	**Total Ashadh end 2076**
Cost						
As on Shrawan 01, 2075	**12,029,559**	**99,576,924**	**-**	**-**	**-**	**111,606,483**
Addition during the year.						
Acquisition.	-	-	-	-	-	-
Capitalization.	-	10,075,282	-	-	-	10,075,282
Disposal during the year.	-	-	-	-	-	-
Adjustment/Revaluation.	-	-	-	-	-	-
Balance as on Ashadh end 2076	**12,029,559**	**109,652,206**	**-**	**-**	**-**	**121,681,765**
Addition during the Year						
Acquisition	-	9,228,521	-	-	9,228,521	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2077	**12,029,559**	**99,576,924**			**130,910,286**	**121,681,765**
Amortisation and Impairment						
As on Shrawan 01, 2075	**-**	**57,949,804**	**-**	**-**	**-**	**57,949,804**
Acquisition	-		-	-	-	-
Amortisation charge for the year	12,029,559	11,973,741	-	-	-	24,003,300
Impairment for the year	-	-	-	-	-	
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2076	**12,029,559**	**69,923,545**	**-**	**-**	**-**	**81,953,104**
Impairment for the year						
Amortisation charge for the year	-	13,555,127	-	-	13,555,127	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2077	**12,029,559**	**83,478,672**	**-**	**-**	**95,508,232**	**81,953,104**
Capital Work in Progress **Net Book Value**	-	-	-	-	-	-
As on Ashadh end 2075	**12,029,559**	**41,627,120**	**-**	**-**	**53,656,679**	**-**
As on Ashadh end 2076	**-**	**29,653,379**	**-**	**-**	**39,728,661**	**-**
As on Ashadh end 2077	**-**	**16,098,252**	**-**	**-**	**35,402,054**	**-**

4.14 Continued...

Particulars	Goodwill	Software		Other	Total Ashadh end 2077	Total Ashadh end 2076
		Bank				
		Purchased	Developed			
Cost						
As on Shrawan 01, 2075	**-**	**97,777,325**	**-**	**-**	**-**	**97,777,325**
Addition during the year						**-**
Acquisition	-	-	-	-	-	-
Capitalization	-	9,314,792	-	-	-	9,314,792
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2076	**-**	**107,092,117**	**-**	**-**	**-**	**107,092,117**
Addition during the Year					-	
Acquisition	-	-	-	-	-	-
Capitalization	-	7,962,921	-	-	7,962,921	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2077		**115,055,038**			**115,055,038**	**107,092,117**
Amortisation and Impairment						
As on Shrawan 01, 2075	**-**	**57,193,133**	**-**	**-**	**-**	**57,193,133**
Acquisition	-	-	-	-	-	-
Amortisation charge for the year	-	11,518,844	-	-	-	11,518,844
Impairment for the year	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2076	-	**68,711,977**	-	-	-	**68,711,977**
Impairment for the year						
Amortisation charge for the year	-	12,406,944	-	-	12,406,944	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2077	**-**	**81,118,921**	**-**	**-**	**81,118,921**	**68,711,977**
Capital Work in Progress	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value						
As on Ashadh end 2075	**-**	**40,584,193**	**-**	**-**	**40,584,193**	**-**
As on Ashadh end 2076	**-**	**38,380,140**	**-**	**-**	**38,380,140**	**-**
As on Ashadh end 2077	**-**	**33,936,117**	**-**	**-**	**33,936,117**	**-**

4.15 Deferred Tax

Particulars	Group: Deferred Tax Assets	Group: Deferred Tax Liabilities	Group: Current Year Net Deferred Tax Assets / (Liabilities)	Bank: Deferred Tax Assets	Bank: Deferred Tax Liabilities	Bank: Current Year Net Deferred Tax Assets / (Liabilities)
Deferred tax on temporary differences on following items						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	129,203,447	(129,203,447)	-	129,203,447	(129,203,447)
Investment Properties	-	34,530,677	(34,530,677)	-	34,530,677	(34,530,677)
Investment Securities	-	-	-	-	-	-
Property and Equipment	-	22,183,007	(22,183,007)	-	21,988,538	(21,988,538)
Employees' Defined Benefit Plan	68,470,985	-	68,470,985	66,169,247	-	66,169,247
Lease Liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other Temporary Differences	2,921,446	-	2,921,446	-	-	-
Deferred tax on temporary differences	**71,392,431**	**185,917,131**	**(114,524,700)**	**66,169,247**	**185,722,662**	**(119,553,416)**
Deferred tax on carry forward of unused tax losses	-	-	5,845,655			5,845,655
Deferred tax due to changes in tax rate	-	-	-			
Net Deferred Tax Asset (Liabilities) as on year end of 2077	**-**	**-**	**(108,679,045)**	**-**	**-**	**(113,707,761)**
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2076	-	-	(151,028,276)	-	-	(155,434,082)
Origination/(Reversal) during the year	-	-	(42,349,231)	-	-	(41,726,321)
Deferred Tax expense (income) recognized in profit or loss	-	-	(45,555,575)	-	-	(44,932,665)
Deferred Tax expense (income) recognized in OCI	-	-	3,206,344	-	-	3,206,344
Deferred Tax expense (income) recognized directly in Equity	–	–	–	–	–	–

Particulars	Group: Deferred Tax Assets	Group: Deferred Tax Liabilities	Group: Previous Year Net Deferred Tax Assets / (Liabilities)	Bank: Deferred Tax Assets	Bank: Deferred Tax Liabilities	Bank: Previous Year Net Deferred Tax Assets / (Liabilities)
Deferred tax on temporary differences on following items						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	129,203,447	(129,203,447)	-	129,203,447	(129,203,447)
Investment Properties	-	68,394,405	(68,394,405)	-	68,394,405	(68,394,405)
Investment Securities	-	-	-	-	-	-
Property and Equipment	-	16,131,559	(16,131,559)	-	16,066,624	(16,066,624)
Employees' Defined Benefit Plan	47,315,941	-	47,315,941	45,965,450	-	45,965,450
Lease Liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other Temporary Differences	6,540,802	-	6,540,802	3,420,550	-	3,420,550
Deferred tax on temporary differences	**53,856,743**	**213,729,412**	**(159,872,669)**	**49,386,001**	**213,664,476**	**(164,278,475)**
Deferred tax on carry forward of unused tax losses	-	-	8,844,393			8,844,393
Deferred tax due to changes in tax rate	-	-	-	-	-	
Net Deferred Tax Asset (Liabilities) as on year end of 2076	**-**	**-**	**(151,028,276)**	**-**	**-**	**(155,434,082)**
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2075	-	-	(144,692,939)	-	-	(149,023,470)
Origination/(Reversal) during the year	-	-	6,335,337	-	-	6,410,612
Deferred Tax expense (income) recognized in profit or loss	-	-	12,721,331	-	-	12,796,606
Deferred Tax expense (income) recognized in OCI	-	-	(6,385,994)	-	-	(6,385,994)
Deferred Tax expense (income) recognized directly in Equity	-	-	-	-	-	-

4.16 Other Assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Assets held for Sale	-	-	-	-
Other Non-Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	221,212,940	107,368,720	218,561,388	104,222,911
Accrued Income	-	-	-	-
Prepayments and Deposits	31,078,492	25,870,702	29,069,713	24,041,293
Income Tax Deposit	46,340,128	42,268,574	33,109,075	32,328,086
Deferred Employee Expenditure	348,119,803	212,259,940	348,119,803	212,259,940
Other Assets	87,135,145	81,835,389	83,561,109	78,842,726
Total	**733,886,509**	**469,603,324**	**712,421,089**	**451,694,957**

4.17 Due to Banks and Financial Institutions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Money Market Deposits	-	-	-	-
Interbank Borrowing	441,249,810	1,214,067,113	500,000,000	1,450,000,000
Other Deposits from BFIs	2,501,767,143	5,067,055,806	2,630,182,705	5,067,055,806
Settlement and Clearing Accounts	-	-	-	-
Total	**2,943,016,953**	**6,281,122,919**	**3,130,182,705**	**6,517,055,806**

4.18 Due to NRB

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Refinance from NRB	728,565,709	531,249,097	728,565,709	531,249,097
Standing Liquidity Facility	-	-	-	-
Lender of Last Resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other Payable to NRB	-	-	-	-
Total	**728,565,709**	**531,249,097**	**728,565,709**	**531,249,097**

4.19 Derivative Financial Instruments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Held for Trading	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
Held for Risk Management	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	3,376,676,328	1,673,810,051	3,376,676,328	1,673,810,051
Others	-	-	-	-
Total	**3,376,676,328**	**1,673,810,051**	**3,376,676,328**	**1,673,810,051**

4.20 Deposits From Customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Institutional Customers:	**31,193,080,975**	**20,457,821,182**	**31,193,080,975**	**20,457,821,182**
Term Deposits	21,875,413,027	13,702,423,825	21,875,413,027	13,702,423,825
Call Deposits	5,417,505,973	4,207,944,617	5,417,505,973	4,207,944,617
Current Deposits	3,536,747,313	2,092,841,568	3,536,747,313	2,092,841,568
Others	363,414,663	454,611,172	363,414,663	454,611,172
Individual Customers:	**26,721,692,922**	**21,806,605,873**	**26,319,326,249**	**21,535,480,134**
Term Deposits	12,575,699,407	10,772,807,520	12,575,699,407	10,772,807,520
Saving Deposits	13,840,712,939	10,790,658,929	13,438,346,266	10,519,533,189
Current Deposits	211,142,812	172,738,619	211,142,812	172,738,619
Others	94,137,764	70,400,805	94,137,764	70,400,805
Total	**57,914,773,897**	**42,264,427,056**	**57,512,407,224**	**41,993,301,316**

4.20.1 Currency Wise Analysis of Deposit From Customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Nepalese Rupee	56,433,509,284	41,860,364,089	56,031,142,611	41,589,238,349
Indian Rupee	-	-	-	-
United States Dollar	1,479,303,747	402,491,867	1,479,303,747	402,491,867
Great Britain Pound	77,958	2,643	77,958	2,643
Euro	1,882,909	1,568,457	1,882,909	1,568,457
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	**57,914,773,897**	**42,264,427,056**	**57,512,407,224**	**41,993,301,316**

4.21 Borrowings

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Domestic Borrowings	-	-	-	-
Nepal Government	-	-	-	-
Other Institutions.	197,158	424,029	-	-
Other	548,662,046	614,829,882	-	-
Sub Total	**-**	**-**	**-**	**-**
Foreign Borrowings	-	-	-	-
Foreign Banks and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub Total	**-**	**-**	**-**	**-**
Total	**548,859,204**	**615,253,911**	**-**	**-**

4.22 Provisions

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Provisions for Redundancy	-	-	-	-
Provisions for Restructuring	-	-	-	-
Pending Legal Issues and Tax Litigation	-	-	-	-
Onerous Contracts	-	-	-	-
Other Provisions	82,983,005	-	82,983,005	-
Total	**82,983,005**	**-**	**82,983,005**	**-**

4.22.1 Movement in Provision

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Balance at Shrawan 01	-	-	-	-
Provisions made during the year	82,983,005	-	82,983,005	-
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
Unwind of Discount	-	-	-	-
Balance at Ashadh end	**82,983,005**	**-**	**82,983,005**	**-**

4.23 Other Liabilities

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Liabilities for emloyees defined benefit obligations	156,826,530	109,393,262	153,499,156	108,077,133
Liabilities for long service leave	71,410,088	46,794,745	67,065,000	45,141,035
Short term employee benefits	-	-	-	-
Bills payable	11,690,729	33,094,260	11,690,729	33,094,260
Creditors and accruals	258,835,447	143,238,986	258,835,447	143,238,986
Interest payable on deposits	30,316,638	25,397,580	6,701,458	11,339,893
Interest payable on borrowing	9,549,646	5,596,567	9,549,646	5,596,567
Liabilities on defferred grant income	-	-	-	-
Unpaid Dividend	35,994,711	36,178,761	35,994,711	36,178,761
Liabilities under Finance Lease	-	-	-	-
Employee bonus payable	101,030,298	122,315,666	97,673,871	118,969,954
Other Liabilities	1,322,533,864	1,069,430,307	1,089,985,145	943,914,766
Total	**1,998,187,950**	**1,591,440,134**	**1,730,995,163**	**1,445,551,354**

4.23.1 Defined Benefit Obligation

The amounts recognised in the statements of financials positions are as follows :

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Present value of unfunded obligations	220,564,156	153,218,168	220,564,156	153,218,168
Present value of funded obligations	-	-	-	-
Total present value of obligations	**220,564,156**	**153,218,168**	**220,564,156**	**153,218,168**
Fair value of plan assets	-	-	-	-
Present value of net obligations	220,564,156	153,218,168	220,564,156	153,218,168
Recognised liability for defined benefit obligations	**220,564,156**	**153,218,168**	**220,564,156**	**153,218,168**

All the Defined benefit obligation(Gratuity and leave) are unfunded obligation as the bank has not maintained any plan assets.

4.23.2 Plan Assets

Plan assets comprise

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	-	-	-	-
Other	-	-	-	-
Total	-	-	**-**	-

Actual return on plan assets

4.23.3 Movement in the Present Value of Defined Benefit Obligations

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Defined benefit obligations at Shrawan 1	153,218,168	108,492,151	153,218,168	108,492,151
Actuarial losses	14,114,012	13,029,959	14,114,012	13,029,959
Benefits paid by the plan	(8,648,906)	(14,830,962)	(8,648,906)	(14,830,962)
Current service costs and interest	61,880,882	46,527,020	61,880,882	46,527,020
Defined benefit obligations at Ashadh end	**220,564,156**	**153,218,168**	**220,564,156**	**153,218,168**

4.23.4 Movement in the Fair Value of Plan Assets

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Fair value of plan assets at Shrawan 1	-	-	-	-
Contributions paid into the plan	-	-	-	-
Benefits paid during the year	-	-	-	-
Actuarial (losses) gains	-	-	-	-
Expected return on plan assets	-	-	-	-
Fair value of plan assets at Ashadh end	**-**	**-**	**-**	**-**

4.23.5 Amount Recognised in Profit or Loss

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Current service costs	22,479,076	37,397,248	22,479,076	37,397,248
Interest on obligation	39,401,806	9,129,772	39,401,806	9,129,772
Expected return on plan assets	-	-	-	-
Total	**61,880,882**	**46,527,020**	**61,880,882**	**46,527,020**

4.23.6 Amount Recognised in Other Comprehensive Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Acturial (gain)/loss	3,383,623	12,308,927	3,383,623	12,308,927
Total	**3,383,623**	**12,308,927**	**3,383,623**	**12,308,927**

Note:- Only acturial gains and losses relating to gratuity has been recognised in other comprehensive income.

4.23.7 Actuarial Assumptions

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Discount rate	9%	9%	9%	9%
Expected return on plan asset	-	-	-	-
Future salary increase	10%	10%	10%	10%
Withdrawal rate	15%	15%	15%	15%

4.24 Debt Securities Issued

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	-	-	-	-
Total	**-**	**-**	**-**	**-**

4.25 Subordinated Liabilities

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Redeemable preference shares	-	-	-	-
Irredemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

4.26 Share Capital

	Group		Bank	
Particulars	Current Year	Previous Year	Current Year	Previous Year
Ordinary shares	8,003,389,674	8,003,389,674	8,003,389,674	8,003,389,674
Convertible preference shares (equity component only)	-	-	-	-
Irredemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	**8,003,389,674**	**8,003,389,674**	**8,003,389,674**	**8,003,389,674**

4.26.1 Ordinary Shares

	Bank	
Particulars	Current Year	Previous Year
Authorized Capital		
100,000,000.00 Ordinary share of Rs. 100 each	10,000,000,000	10,000,000,000
Issued capital		
80,033,896 Ordinary share of Rs. 100 each	8,003,389,674	8,003,389,674
Subscribed and paid up capital		
80,033,896 Ordinary share of Rs. 100 each	8,003,389,674	8,003,389,674
Total	**8,003,389,674**	**8,003,389,674**

4.26.2 Ordinary Share Ownership

Particulars	Bank			
	Current Year		Previous Year	
	Percent	Amount	Percent	Amount
Domestic ownership	**98.92%**	**7,916,855,662**	**98.92%**	**7,916,855,662**
Nepal Government	-	-	-	-
'A' class licensed institutions	-	-	-	-
Other licensed intitutions	-	-	-	-
Other Institutions	23.85%	1,908,808,437	12.11%	969,153,507
Public	74.92%	5,996,042,140	86.81%	6,947,702,155
Other	0.15%	12,005,085	-	-
Foreign ownership	**1.08%**	**86,534,012**	**1.08%**	**86,534,012**
Total	**100%**	**8,003,389,674**	**100%**	**8,003,389,674**

4.27 Reserves

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory general reserve	982,146,497	871,133,835	982,146,497	871,133,835
Exchange equilisation reserve	19,581,224	18,375,213	19,581,224	18,375,213
Corporate social responsibility reserve	6,935,522	16,061,435	6,935,522	16,061,435
Capital redemption reserve	-	-	-	-
Regulatory reserve	431,725,125	706,690,743	431,725,125	706,690,743
Investment adjustment reserve	3,000,000	3,000,000	3,000,000	3,000,000
Capital reserve	-	-	-	-
Assets revaluation reserve	-	-	-	-
Fair value reserve	404,551	(10,747,402)	404,551	(10,747,402)
Dividend equalisation reserve	-	-	-	-
Actuarial gain	(38,342,974)	(34,959,351)	(38,342,974)	(34,959,351)
Special reserve	-	-	-	-
Other reserve	38,164,106	38,164,106	38,164,106	38,164,106
Capital Adjustment Fund	*35,536,834*	*35,536,834*	*35,536,834*	*35,536,834*
Employee Training Reserve	*2,627,272*	*2,627,272*	*2,627,272*	*2,627,272*
Total	**1,443,614,051**	**1,607,718,580**	**1,443,614,051**	**1,607,718,580**

Statutory General Reserve

General reserve maintained as per the regulatory requirements. The regulatory requirement to set aside 20% of net profit until the reserve is twice the paid up capital and thereafter minimum 10% of the net profit

Exchange Equalization Reserve

Exchange equalization is maintained as per requirement of NRB Directive, which is set at 25% of foreign exchange revaluation gain on the translation to the reporting currency. This reserve is accumulation of such gains over the years

Corporate Social Responsibility Reserve

Corporate Social Responsibility Reserve is created as per NRB directive, which is set aside of 1% of net profit of previous year. The balance in the reserve is the amount which is not exhausted in the current fiscal year to be utilized for Corporate Social Responsibility Objective in the coming years. For details refer note no 5.7(g)

Regulatory Reserve

Regulatory Reserve is created due to the changes in the NFRS conversion and adoption with effect in the retained earnings of the bank

Investment Adjustment Reserve

Investment Adjustment Reserve is created as per the directive of NRB created against the quoted as well as unquoted investments

Fair Value Reserve

The fair value reserve is created against the valuation of the investment of the bank as per the fair valuation of the investment made, quoted as available for sale investments. For details refer note no 5.7(j)

Actuarial gain/(losses)

The reserve created against the actuarial valuation of gratuity benefit to the employee of the bank. For details refer note no 5.7(i)

Other Reserves

Other Reserves include reserve created for the Employee Training Reserve created as per the NRB directive, the allocation is utilized in the current year and remaining balances is transferred to training reserve which is created to be utilized for training expenses in coming years. It also includes Capital Adjustment Reserve created against the income recognition by capitalization in loans, for which capitalization is allowed by NRB, but distribution is not done till the settlement of the capitalized interest part. For details refer note no 5.8

4.28 Contingent Liabilities and Commitments

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Contingent liabilities	10,008,373,155	8,840,302,953	10,008,373,155	8,840,302,953
Undrawn and undisbursed facilities	17,596,322,796	19,575,982,507	17,596,322,796	19,575,982,507
Capital commitment	-	-	-	-
Lease Commitment	-	-	-	-
Litigation	77,745,703	75,305,957	77,745,703	75,305,957
Total	**27,682,441,654**	**28,491,591,417**	**27,682,441,654**	**28,491,591,417**

4.28.1 Contingent Liabilities

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Acceptance and documentary credit	2,534,677,186	4,000,943,043	2,534,677,186	4,000,943,043
Bills for collection	222,959	603,681	222,959	603,681
Forward exchange contracts	3,381,454,940	1,673,810,051	3,381,454,940	1,673,810,051
Guarantees	4,092,018,070	3,164,946,178	4,092,018,070	3,164,946,178
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
Total	**10,008,373,155**	**8,840,302,953**	**10,008,373,155**	**8,840,302,953**

4.28.2 Undrawn and Undisbursed Facilities

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Undisbursed amount of loans	4,938,515,096	3,622,449,633	4,938,515,096	3,622,449,633
Undrawn limits of overdrafts	6,496,018,521	9,228,958,826	6,496,018,521	9,228,958,826
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	5,192,402,035	5,533,972,260	5,192,402,035	5,533,972,260
Undrawn limits of guarantee	969,387,144	1,190,601,788	969,387,144	1,190,601,788
Total	**17,596,322,796**	**19,575,982,507**	**17,596,322,796**	**19,575,982,507**

4.28.3 Capital Commitments

Capital expenditure approved by relevant authority of the bank but provision has not been made in Financial Statements.

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Capital commitments in relation to Property and Equipment	-	-	-	-
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Capital commitments in relation to Intangible assets	-	-	-	-
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

4.28.4 Lease Commitments

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Operating lease commitments	-	-	-	-
Future minimum lease payments under non cancellable operating lease, where the bank is lessee	-	-	-	-
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Finance lease commitments	-	-	-	-
Future minimum lease payments under non cancellable operating lease, where the bank is lessee	-	-	-	-
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Grand total	**-**	**-**	**-**	**-**

4.28.5 Litigation

	Group		Bank	
Particulars	**Current Year**	**Previous Year**	**Current Year**	**Previous Year**
Income Tax Liability	77,745,703	75,305,957	77,745,703	75,305,957
Grand total	**77,745,703**	**75,305,957**	**77,745,703**	**75,305,957**

Large Tax Payers' Office (LTPO) conducts its assessment of each year's tax filing within four years of the completion of income year (generally). Following its assessment, LTPO can issue its reassessment order revising tax liability of the Bank. However, the Bank may choose to contest against such decisions by applying for administrative review from Director General at Inland Revenue Department (IRD) level, case filing at Revenue Tribunal and case filing at Supreme Court. Till the balance sheet date, the Bank's corporate tax liability up to income year 2067-68 has been cleared by the tax authority. Further, reassessment from LTPO has been completed up to fiscal year 2072/73. The Bank has contested against the upward revision in tax liability as issued by LTPO in their reassessment order.

4.29 Interest Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Cash and cash equivalent	28,599,818	32,227,807	28,599,818	32,227,807
Due from Nepal Rastra Bank	-	6,627,801	-	6,627,801
Placement with bank and financial institutions	2,596,469	5,451,613	1,131,431	4,358,784
Loan and advances to bank and financial institutions	-	-	-	-
Loans and advances to customers	5,817,115,040	5,424,452,280	5,663,569,927	5,314,735,480
Investment securities	356,246,077	260,406,291	356,246,077	260,406,291
Loan and advances to staff	149,464,204	109,529,396	149,464,204	109,529,396
Other Interest Income	29,299,951	14,196,418	48,822	-
Total interest income	**6,383,321,560**	**5,852,891,606**	**6,199,060,280**	**5,727,885,560**

4.30 Interest Expenses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Due to bank and financial institutions	41,937,356	40,643,555	41,922,607	63,851,054
Due to Nepal Rastra Bank	20,687,522	32,376,010	20,687,522	32,376,010
Deposits from customers	3,874,958,691	3,446,951,431	3,899,919,698	3,430,183,700
Borrowing	83,580,121	49,057,443	-	-
Debt securities issued	-	-	-	-
Subordinated liabilities	-	-	-	-
Other Charges	-	-	-	-
Total Interest expense	**4,021,163,690**	**3,569,028,439**	**3,962,529,827**	**3,526,410,764**

4.31 Fees and Commission Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Loan administration fees	164,989,292	94,743,481	164,989,292	94,743,481
Service fees	45,702,816	39,063,474	14,250,218	9,092,795
Consortium fees	-	-	-	-
Commitment fees	-	-	-	-
DD/TT/Swift fees	7,858,265	6,632,306	7,858,265	6,632,306
Credit card/ATM issuance and renewal fees	9,091,054	7,612,725	9,091,054	7,612,725
Prepayment and swap fees	5,216,081	17,488,664	5,216,081	17,488,664
Investment banking fees	-	-	-	-
Asset management fees	-	-	-	-
Brokerage fees	5,897,997	7,258,106	5,897,997	7,258,106
Remittance fees	6,391,868	6,102,557	6,391,868	6,102,557
Commission on letter of credit	29,773,705	38,461,765	29,773,705	38,461,765
Commission on guarantee contracts issued	38,401,812	30,584,010	38,401,812	30,584,010
Commission on share underwriting/issue	-	-	-	-
Locker rental	1,627,949	1,568,731	1,627,949	1,568,731
Other fees and commision income	21,345,028	6,011,840	17,182,095	2,342,412
Total Fees and Commission Income	**336,295,867**	**255,527,660**	**300,680,336**	**221,887,552**

4.32 Fees and Commission Expense

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
ATM management fees	3,423,786	3,424,236	3,423,786	3,424,236
VISA/Master card fees	16,751,948	13,879,128	16,751,948	13,879,128
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees.	6,561,211	5,723,643	6,561,211	5,723,643
Remittance fees and commission	-	-	-	-
Other fees and commission expense	716,080	796,910	288,180	974,180
Total Fees and Commission Expense	**27,453,025**	**23,823,916**	**27,025,125**	**24,001,186**

4.33 Net Trading Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Changes in fair value of trading assets	-	-	-	-
Gain/loss on disposal of trading assets	-	-	-	-
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	-	-	-	-
Gain/loss foreign exchange transation	229,853,155	197,957,315	229,853,155	197,957,315
Other	-	-	-	-
Net trading income	**229,853,155**	**197,957,315**	**229,853,155**	**197,957,315**

4.34 Other Operating Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Foreign exchange revauation gain	4,824,041	8,848,953	4,824,041	8,848,953
Gain/loss on sale of investment securities	83,348	-	(20,000)	-
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	9,078,517	6,782,642	8,064,413	6,782,642
Gain/loss on sale of property and equipment	(33,873)	4,153,006	(1,100,680)	4,153,006
Gain/loss on sale of investment property	50,017,812	454,176	50,017,812	454,176
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	3,035,235	7,578,329	3,035,235	7,578,329
Other Operating Income	41,034,039	35,694,813	32,883,468	23,923,152
Total	**108,039,118**	**63,511,920**	**97,704,288**	**51,740,258**

4.35 Impairment Charge/(Reversal) for Loan and Other Losses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	-	-	-	-
Impairment charge/(reversal) on loan and advances to customers	158,149,825	68,211,812	140,662,926	58,892,716
Impairment charge/(reversal) on financial Investment	82,319,515	(3,734,521)	82,983,005	-
Impairment charge/(reversal) on placement with BFIs	-	-	-	-
Impairment charge/(reversal) on property and equipment	-	-	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-	-	-
Impairment charge/(reversal) on investment properties	-	-	-	-
Total	**240,469,340**	**64,477,292**	**223,645,931**	**58,892,716**

4.36 Personnel Expenses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Salary	446,918,722	304,272,784	400,394,478	297,616,160
Allowances	308,788,686	215,448,391	287,784,456	175,632,584
Gratuity Expense	46,245,518	32,765,694	44,808,692	32,145,275
Provident Fund	42,333,115	30,409,396	39,220,423	28,722,978
Uniform	5,990,350	5,487,505	5,250,350	5,197,505
Training & development expense	12,174,477	15,118,910	10,721,863	14,125,125
Leave encashment	35,570,582	18,965,201	32,190,054	17,850,653
Medical	4,756,815	3,466,613	4,756,815	3,466,613
Insurance	338,575	288,014	203,545	202,552
Employees incentive	136,101	4,441,325	136,101	4,441,325
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	109,783,608	85,959,334	109,783,608	85,959,334
Other expenses related to staff	7,861,950	8,588,123	7,861,950	8,588,123
Subtotal	**1,020,898,497**	**725,211,289**	**943,112,334**	**673,948,226**
Employees Bonus	101,015,944	122,252,619	97,673,871	118,969,953
Grand total	**1,121,914,441**	**847,463,909**	**1,040,786,204**	**792,918,179**

4.37 Other Operating Expense

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Directors' fee	2,549,000	2,076,550	1,926,000	1,782,000
Directors' expense	432,202	1,878,624	425,478	327,025
Auditors' remuneration	1,666,750	1,356,000	1,073,500	1,073,500
Other audit related expense	852,775	689,935	616,657	482,357
Professional and legal expense	4,154,628	2,477,512	3,875,784	2,477,512
Office administration expense	237,518,461	267,038,049	215,552,674	247,079,227
Operating lease expense	167,121,178	139,025,446	155,278,844	129,758,449
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	15,000	11,998	15,000	11,998
Onerous lease provisions	-	-	-	-
Other Expenses	174,805,203	172,256,113	175,897,734	173,115,231
Total	**589,115,198**	**586,810,226**	**554,661,671**	**556,107,298**

4.37.1 Office Administration Expense

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Water and Electricity	22,682,606	17,666,424	21,835,778	16,802,898
Repair and Maintenance				
(a) Building	-	-	-	-
(b) Vehicle	3,563,968	3,061,219	3,381,057	2,743,644
(c) Computer and Accessories	44,717	300	-	-
(d) Office Equipment and Furnitures	2,658,075	4,977,755	2,597,862	4,894,163
(e) Others	2,549,936	3,625,886	2,300,904	3,321,960
Insurance	9,732,129	7,667,098	8,984,631	5,971,433
Postage, telex,Telephone,Fax	9,617,904	8,353,065	8,815,119	7,504,406
Printing and Stationery	15,919,512	18,095,169	14,467,844	16,286,855
Newspaper,Books,Journals	480,044	495,950	451,144	470,190
Advertisement	27,653,305	74,224,881	27,542,677	74,080,826
Donation	10,000	-	-	-
Security Expenses	101,052,532	81,665,267	100,877,382	81,437,572
Deposit And Loan Guarantee Premium	10,480,184	8,399,794	10,480,184	8,399,794
Travel Allowance and Expense	8,376,525	13,262,498	5,555,687	10,619,763
Entertainment	596,273	592,007	365,521	402,885
Annual/Special General Meeting Expense	1,397,760	2,156,845	1,202,613	1,977,878
Other	20,702,993	22,793,892	6,694,273	12,164,960
Total	**237,518,461**	**267,038,049**	**215,552,674**	**247,079,227**

4.38 Depreciation and Amortisation

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Depreciation on property and equipment	103,308,965	41,223,052	97,429,977	36,410,670
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	13,555,127	30,563,505	12,406,944	30,108,608
Total	**116,864,093**	**71,786,557**	**109,836,921**	**66,519,278**

4.39 Non Operating Income

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Recovery of loan written off	-	16,952,956	-	16,952,956
Other income	-	-	-	-
Total	**-**	**16,952,956**	**-**	**16,952,956**

4.40 Non Operating Expenses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Loan written off	29,263,129	108,906,579	29,263,129	108,906,579
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense.	484,411	11,938,066	484,411	11,938,066
Total	**29,747,540**	**120,844,644**	**29,747,540**	**120,844,644**

4.41 Income Tax Expenses

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Current tax expense	**378,846,129**	**359,649,500**	**368,934,197**	**350,520,547**
Current year	378,846,129	359,649,500	368,934,197	350,520,547
Adjustments for prior years	-	-	-	-
Deferred tax expense	**(45,555,575)**	**12,721,331**	**(44,932,665)**	**12,796,606**
Origination and reversal of temporary differences	(45,555,575)	12,721,331	(44,932,665)	12,796,606
Changes in tax rate	-	-	-	
Recognition of previously unrecognised tax losses	-	-	-	
Total income tax expense	**333,290,554**	**372,370,831**	**324,001,532**	**363,317,153**

4.41.1 Reconciliation of Tax Expense and Accounting Profit

Particulars	Group Current Year	Group Previous Year	Bank Current Year	Bank Previous Year
Profit before tax	910,782,374	1,102,606,474	879,064,838	1,070,729,576
Tax amount at tax rate of 30%	273,234,712	330,781,942	263,719,451	321,218,873
Add: Tax effect of expenses that are not deductible for tax purpose	82,816,089	67,563,062	82,816,089	67,563,062
Less: Tax effect on exempt income	8,064,413	10,935,649	8,064,413	10,935,649
Add/less: Tax effect on other items	14,730,915	(50,042,469)	14,334,244	(49,197,037)
Total income tax expense	**378,846,129**	**359,649,500**	**368,934,197**	**350,520,547**
Effective tax rate	**41.6%**	**32.58%**	**41.97%**	**32.74%**

Statement of Distributable Profit or Loss

For the year ended 31 Ashadh 2077

(As per NRB Regulation)

Particulars	Bank Current Year	Bank Previous Year
Net profit or (loss) as per statement of profit or loss.	**555,063,306**	**707,412,423**
Appropriations:		
a. General reserve	(111,012,662)	(141,482,485)
b. Foreign exchange fluctuation fund	(1,206,011)	(2,212,238)
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(5,550,634)	(7,074,124)
e. Employees' training fund	-	(2,627,272)
f. Other	-	-
- Investment Adjustment Reserve	-	69,615,000
Profit or (loss) before regulatory adjustment	**437,293,999**	**623,631,304**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	112,134,912	(15,307,880)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	155,466,928	(50,820,942)
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(3,383,623)	(19,104,054)
i. Fair Value Reserve recognised (-)/reversal (+)	10,747,402	(10,747,402)
Distributable profit or (loss)	**712,259,618**	**527,651,026**

5. DISCLOSURES AND ADDITIONAL INFORMATION

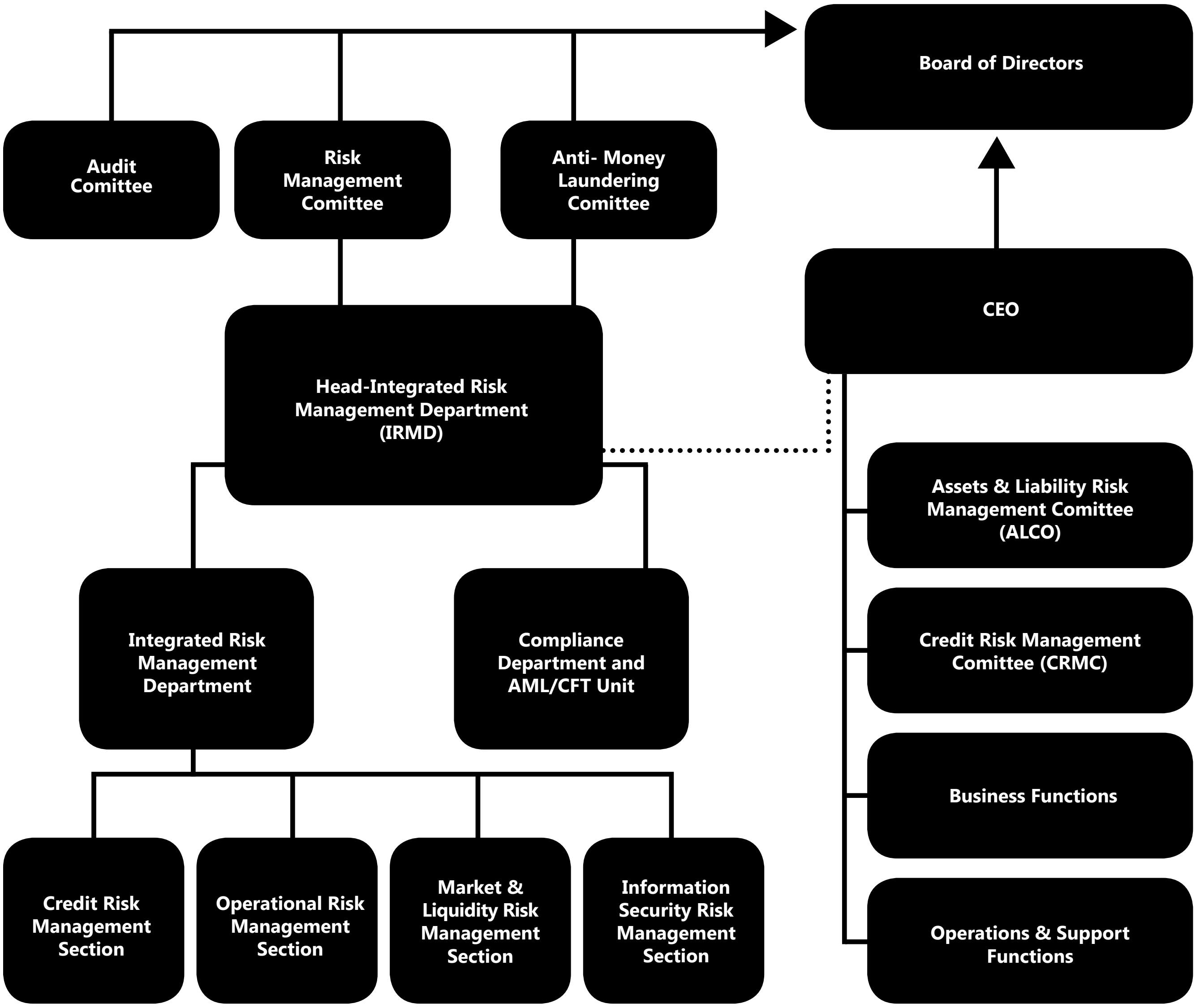
Risk is inevitable in the Bank's activities and risk taking is an inherent element of Banking. Profits are the reward for successful risk taking, however, it shall be noted that excessive and poorly managed risk can lead to losses and thus endanger the safety of a shareholders and depositors of Banks. The Bank may be exposed to various kinds of risks. Operation risk, credit risk, market and liquidity risk, and information security risks are the major risks that a Bank may face.

Civil strongly believes in creation of value through strong and robust risk management culture and the Board of Directors (the Board) has supreme role for that purpose. The Board of the Bank sets overall risk management strategy in line with business strategy and sets various risk limits and appetite levels as applicable for sound risk management of the Bank. Risk Management Committee (RMC) is a board level committee that comprises of two non-executive directors, chief business officer and Head- IRMD, which continuously oversees and monitors risk management practices and issues of the Bank.

For effective management of all type of risks, a robust and independent risk management function namely Integrated Risk Management Department (IRMD) is in place which is led by Head-IRMD. IRMD is involved in the management of risk through identification, measurement, monitoring and controlling of risks to which banks are exposed. IRMD is independent of the management of the Bank and reports directly to RMC through Head- IRMD (with dotted line reporting to the CEO). The department acts as second line of defense in risk management framework and is purely independent of business and operations function of the Bank. IRMD oversees the macro, micro, departmental, branches level risks in Bank on various intervals like; on-going, monthly, quarterly, annual basis and are put to the oversight of the senior management, Risk Management Committee as well as Board.

Bank has Operation Risk Management Committee (ORMC), Credit Risk Management Committee (CRMC) & Assets Liability Committee (ALCO) for the management of various risks. Minutes and decisions of these committees are reviewed directly by RMC at least on quarterly basis.

Overall risk management framework of the Bank for the management of different risks is shown below:



A. Management of Credit Risk:

Credit Risk is most simply defined as the potential that a Bank's borrower or counterparty (obligor) will fail to meet its obligations in accordance with agreed terms. For most banks, loans are the largest and most obvious source of credit risk; however, credit risk could stem from activities both on and off balance sheet. Credit risk management is an integrated effort of business function, credit support function and control function of the Bank. Credit related policies of the Bank including Credit Risk Management Framework, Credit Policy Guidelines, Product Papers and other guidelines, manuals act as guiding document for credit risk management.

Credit Risk Management Section of the IRMD is assigned with the responsibility of overall credit risk management. Credit risk management framework of the Bank aims at managing credit risk inherent in the entire portfolio maintained by the Bank as well as risks in individual credits or transactions with due consideration of the relationship between credit risk and other risks.

The Bank approaches Credit Risk Management at following three levels:

- **Strategic / Policy Level:** It encompasses risk management functions performed by Board of Directors, Board level committees and senior management.

- **Policy / Procedural Level:** Credit policies and procedures which provide a minimum standards and prudent framework for credit activities to foster a common approach to credit risk management.
- **Management / Functional Level:** Implementation of policies/procedures and credit risk management strategy. The Bank has a management level Credit Risk Management Committee (CRMC) which oversees and discusses credit risk management related issues at a regular interval.

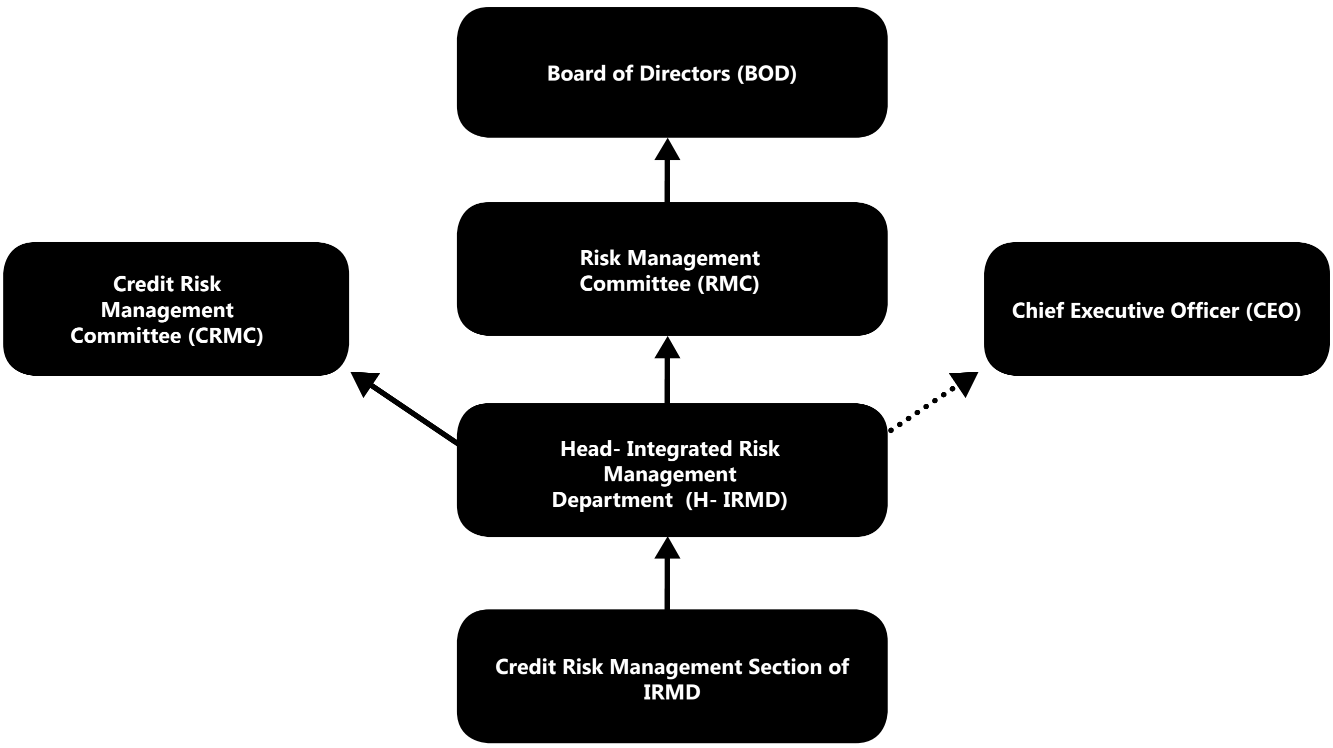
Bank's robust credit risk management system consists of:

- *Oversight of BOD and Board Level Committee, Senior Management;*
- *Internal Credit Risk Grading System;*
- *Credit Risk Assessment And Measurement;*
- *Credit Risk Monitoring And Review.*

Credit Risk Management Section regularly conducts review of portfolio and monitors slippage and deterioration of portfolio, portfolio at risk, yield analysis, etc. The section performs the following activities for the management of credit risk:

- Post facto review of credit files either on quarterly or on-going basis
- Portfolio review reporting
- Credit Risk review reporting
- Irregularity reporting
- Risk tolerance and trigger level monitoring
- Early overdue assessment
- Credit concentration monitoring
- Industry scanning and profiling
- Credit stress test/ Threshold test
- Share loan monitoring, etc.

Credit Risk Reporting structure of the Bank is as presented below:



B. Management of Market & Liquidity Risk:

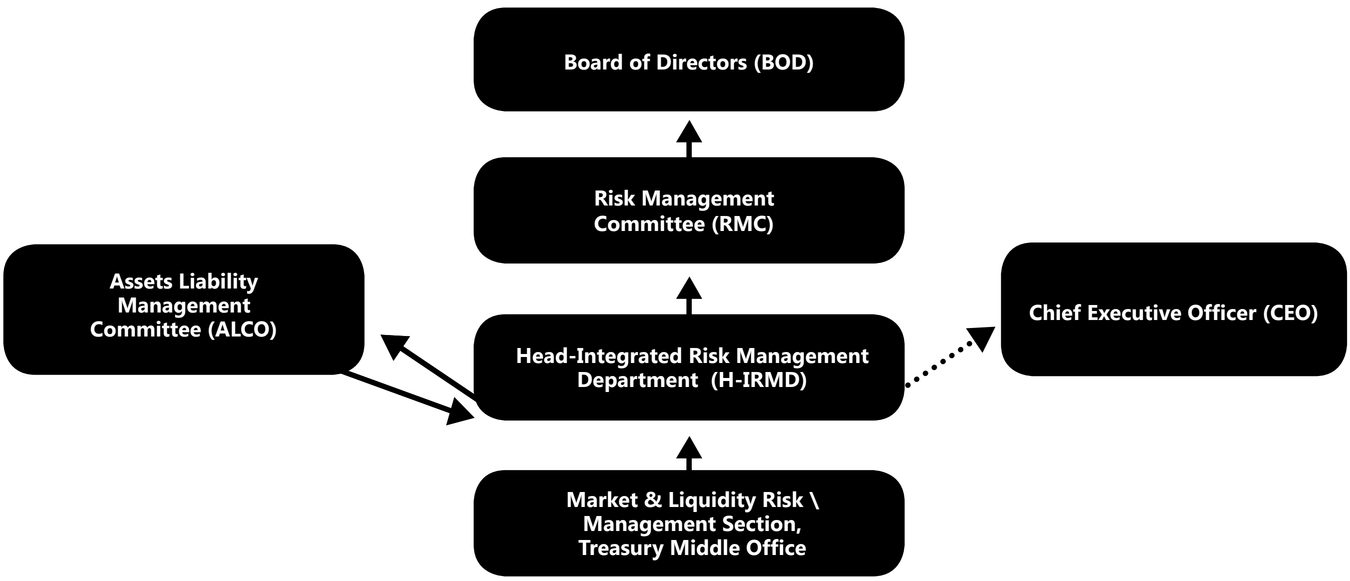
Market risk is the risk of losses in on- balance sheet and off-balance sheet positions arising from adverse movements in market rates or prices. It includes Interest Rate Risk, Equity Price Risk, Foreign Exchange Risk, and Commodity Price Risk. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet obligations on a timely manner.

Market and Liquidity Risk Management Section of IRMD oversees the issues relating to market and liquidity risks. The section also functions as the Treasury Middle Office. Treasury Middle Office which is monitoring/control function reports independently to H-IRMD. Assets and Liabilities Management Committee (ALCO) is the management level committee which regularly oversees and monitors market and liquidity risk related issues. Market and Liquidity Risk Management Framework and Contingency Funding Plan are in effect for the management of market and liquidity risk of the Bank.

There is regular analysis of maturity/repricing schedule and gap analysis, net interest income impact analysis and stress tests. Net open position is monitored daily and appropriate decision is taken for Foreign Exchange Risk Management. Similarly, equity price monitoring is done and its impact to the financial position of the Bank is assessed regularly. Derivative exposures including forwards, futures, etc. shall be monitored on a regular basis and reported to senior management, ALCO and RMC as appropriate. Market and Liquidity Risk Management Section performs the following activities for the management of market and liquidity risk on on-going, monthly or quarterly basis as per the requirement:

- Review Market and Liquidity risk limits
- Periodic review of market and liquidity risk appetite and tolerance level
- Interest Rate Maturity/Re-pricing Schedule
- Review of Net Open Position
- Monitoring of Notional Gain/Loss in Equity Portfolio
- Liquidity Gap Analysis
- Market & Liquidity Risk Reporting
- Concentration Monitoring
- Internal Capital Adequacy Assessment Report
- Monitoring of Treasury Transactions like NDF, Forward Contracts, etc.
- Market study and analysis
- Review of Market and Liquidity Stress Test
- Review of Policies/Guidelines relating to Market Risk

The reporting framework of market and liquidity risk management of the Bank is as mentioned below:



Classification of Assets and Liabilities based on Maturity (As per NRB Report) as on Ashadh end 2077

S.N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
	Assets						
1	Cash Balance	1,778.12	-	-	-	-	1,778.12
2	Balance with Banks & FIs	3,708.70	-	-	-	-	3,708.70
3	Investment in Foreign Banks	2,838.95	-	120.55	-	-	2,959.50
4	Call Money	-	-	-	-	-	-
5	Government Securities	293.89	600	293.01	-	6,840.63	8,027.52
6	Nepal Rastra Bank Bonds	-	-	-	-	-	-
7	Inter Bank & FI Lending	-	-	-	-	-	-
8	Loans & Advances	16,010.38	7,239.55	3,412.09	3,825.44	21,605.73	52,093.17
9	Interest Receivable	883.53	-	0.08	-	-	883.61
10	Reverse Repo	-	-	-	-	-	-
11	Receivables from other Institutions under Commitment	-	-	-	-	-	-
12	Payment to be made for facilities under s.no 20,21 & 22	-	-	-	-	-	-
13	Others	1,516.60	147.56	467.89	42.97	1,983.20	4,158.22
	Total Assets (A)	**27,030.18**	**7,987.10**	**4,293.61**	**3,868.40**	**30,429.55**	**73,608.84**
	Liabilities						
14	Current Deposits	2,949.80	589.96	589.96	589.96	1,179.92	5,899.61
15	Saving Deposits	6,441.55	1,348.80	-	-	12,488.01	20,278.37
16	Fixed Deposits	10,624.75	9,544.51	4,694.62	4,303.77	5,705.40	34,873.04
17	Debentures	-	-	-	-	-	-
18	Borrowings:	500	724.02	4.54	-	-	1,228.57
	(a) Call/Short Notice	-	-	-	-	-	-
	(b) Inter-bank/Financial Institutions	500	-	-	-	-	500
	(c) Refinance	-	724.02	4.54	-	-	728.57
	(d) Others	-	-	-	-	-	-
19	Other Liabilities and Provisions	721.33	247.33	-	65.84	252.14	1,286.63
	(a) Sundry Creditors	-	65.84	-	65.84	-	131.68
	(b) Bills Payable	11.69	-	-	-	-	11.69
	(c) Interest Payable	16.25	-	-	-	-	16.25
	(d) Provisions	-	63.77	-	-	242.26	306.03
	(e) Others	693.38	117.72	-	-	9.88	820.98
20	Payable to other institutions under Commitment	235.73	55.99	27.97	-	-	319.68
21	Unutilized Approved Facilities	455.86	442.43	476.24	332.81	6.21	1,713.56
22	Letter of Credit/Guarantee (Net of Margin)	2,380.93	1,079.20	340.82	720.67	2,096.84	6,618.47
23	Repo	-	-	-	-	-	-
24	Payment to be made for facilities under S.No 11	-	-	-	-	-	-
25	Others	-	-	-	-	10,138.11	10,138.11
	Total Liabilities (B)	**24,309.94**	**14,032.24**	**6,134.15**	**6,013.06**	**31,866.63**	**82,356.03**
	Net Financial Assets (A-B)	**2,720.23**	**(6,045.14)**	**(1,840.54)**	**(2,144.66)**	**(1,437.08)**	**(8,747.19)**
	Cumulative Net Financial Assets	**2,720.23**	**(3,324.91)**	**(5,165.45)**	**(7,310.11)**	**(8,747.19)**	**-**

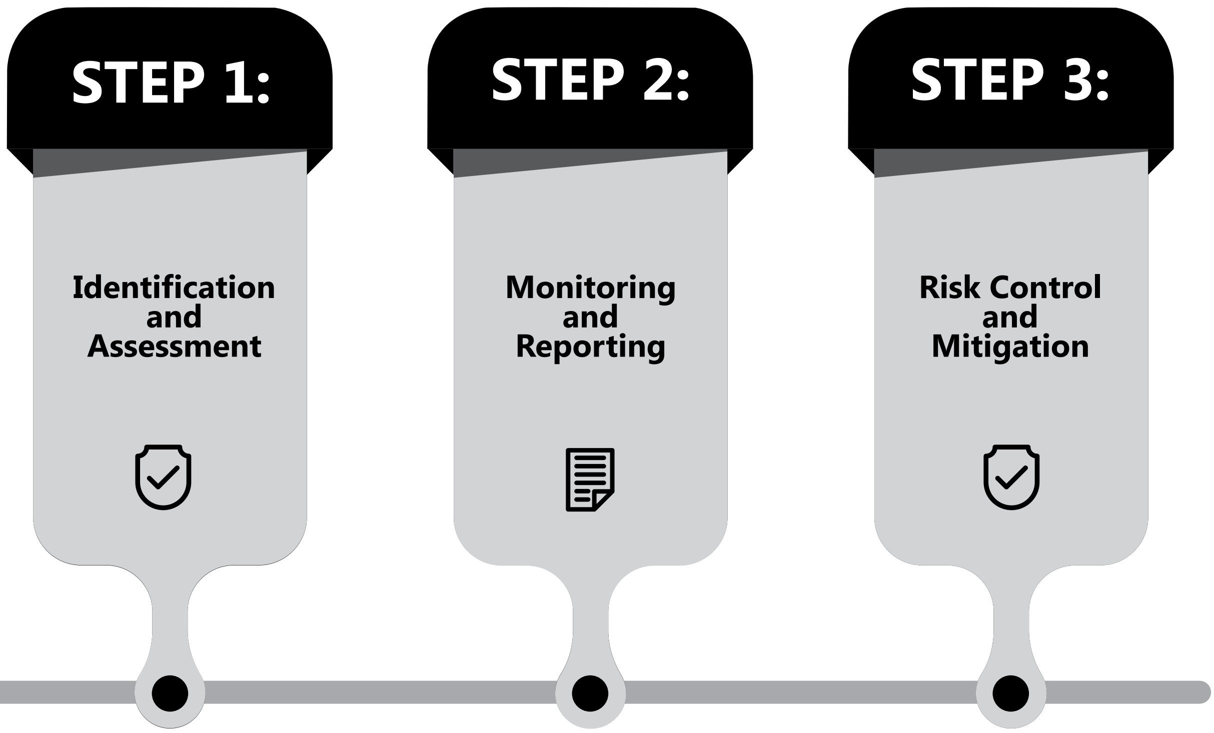
C. Operational Risk Management:

Operational Risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. Basel Committee on Banking Supervision defines operational risk as "the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events." Operational Risk is pervasive across all functions of the Bank and is influenced by all resources, including human resources, systems and procedural designs deployed by a bank to carry out those functions. Operational risk of a bank may arise from different expected and unexpected events. The risk events include internal fraud; external fraud; employment practice and workplace safety; damage to physical assets; business disruption and system failure; execution, delivery and process management.

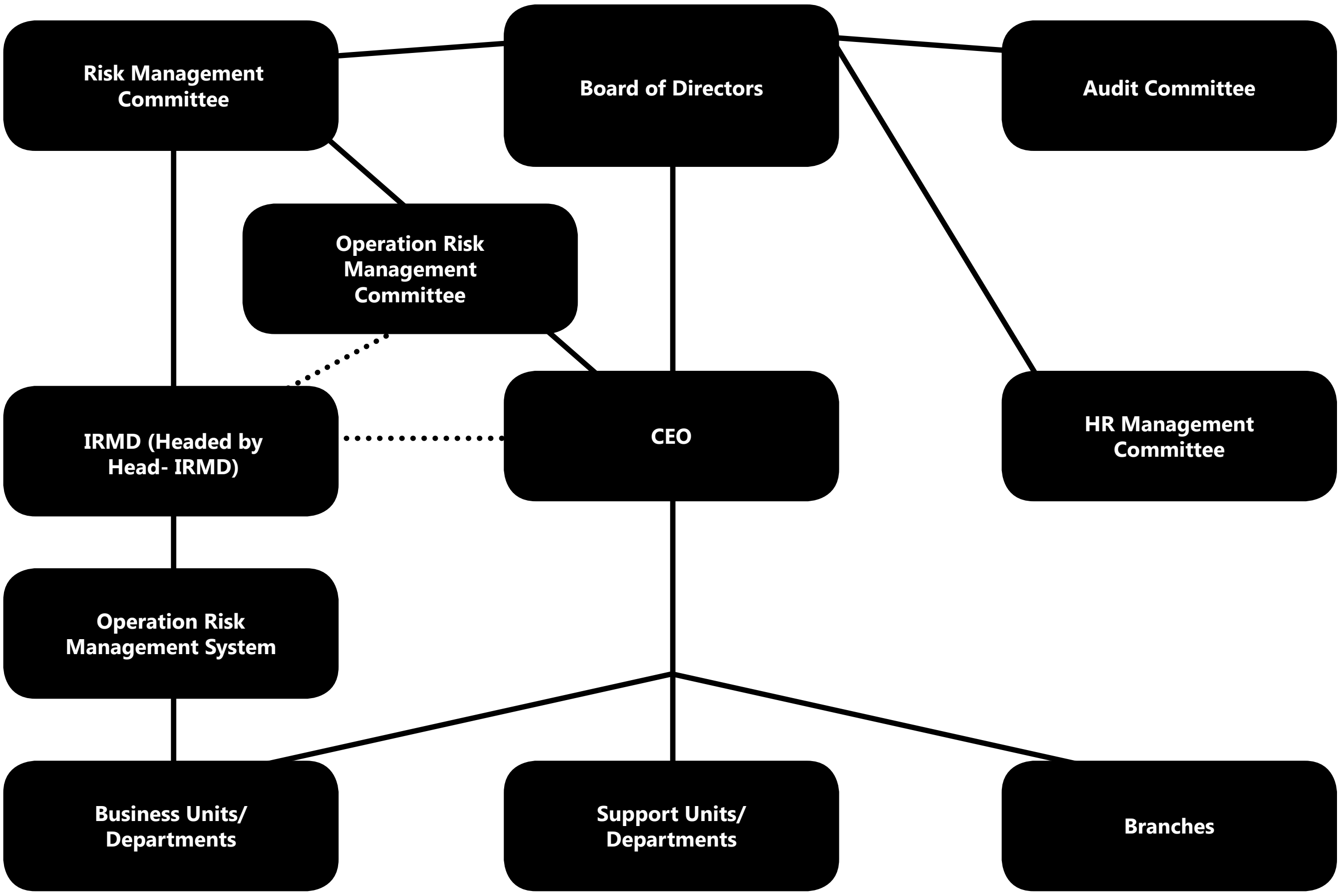
Operational Risk Management Section of IRMD oversees the management of risks arising from operational issues. The section reports to H-IRMD and works independent of operational functions of the Bank. As operational risks may sometimes cause huge and unprecedented negative impact on the performance, the Bank has given high level of priority in its management and monitoring. Civil has formulated and implemented an Operational Risk Management Policy, Business Continuity Plan, KYC policy, AML Policy, Compliance Policy to provide guidelines and direction for operational risk management. All the operating functions of the Bank are guided by standard procedures or manuals and such procedures are reviewed by operational risk management section as per necessity. Moreover, Bank has approved Business Continuity Planning (BCP) and Disaster Recovery Planning which are the guiding documents in case of business disruptions or system failure. Regular drills and trainings are conducted for proper implementation of these policies. Further, the Bank has rolled out "BCP for Contagious Infections, Lockdown or Similar Restrictions" to continue business during pandemic situations. There is on-going, monthly and quarterly monitoring and reporting of operational risk as per the prescribed terms of reference. Such risks are presented in the Operational Risk Report.

Human Resources Management is overseen by Human Resources Department and guided by Policies and Procedures approved by the Board and other appropriate authorities. Legal department is responsible for overseeing legal risk. The risks associated with these functions are regularly monitored by Operational Risk Management Section.

The Bank's Operational Risk Management model consists of well-defined organizational responsibilities for risk management, typically referred as three lines of defense: first line of defense, second line of defense and third line of defense. For Operational Risk Management, Bank follows the following steps that, when undertaken in sequence, enable continual improvement in decision-making:-



Following is the structure for Management of Operational Risks:



Operational Risk Management Section performs following activities for the management of operational risk of the Bank:

- Reviews Daily Exception Report submitted by branches and/or departments and generated by CBS and notifies the concerned units for corrective action
- Reviews Monthly Operational Risk Register on the basis of Self-Assessment by Concerned units and reports the observations to executive level OMRC and board level RMC and disseminates instructions thereof
- Provides Quarterly Branch Risk Assessment/Grading report
- Reviews audit and compliance reports from risk perspective on need basis
- Conducts Onsite Risk Review of branches and departments
- Reviews reports of Branches updated in BIMS portal in e-Sarathi
- Performs follow-up on the status of the error/findings (solved/not-solved/under-process)
- Conducts Operational Risk Awareness Activities and escalates Risk Events
- Prepares and reviews Operational Risk related policies and guidelines

Proposed Improvements to Existing System

Over the long run, the Bank intends to make following improvements in existing practices for strengthening operational risk management:

- Development of operational risk reporting system in the intranet portal (i.e. e-Sarathi) under Guidelines for Operational Risk Reporting, 2020 which provides a basis for quantification of operational risk losses (User Acceptance Testing under process)
- Integration of risk management practices to day-to-day operations by enhancing reliance on technology for improving control mechanism.

- Familiarizing first line of defense with the terminologies of risk related policies/guidelines to improve accuracy in reporting
- Aggregation of operational risk data and modeling of losses based on frequency and severity to statistically determine the level of expected losses, unexpected losses and establish economic capital for operational risk

D. Management of Information Security Risk:

For Banks, as purveyor of money in physical form or in bits and bytes, reliable information is vital for its smooth operations as well as success and so is the risk area related to its security. Information Technology Department and Digital Banking Department oversee the operations and management of core banking system and other peripheral system of the Bank. Information Security Section of IRMD monitors and reviews the risks related to information technology. IT Policy has been formulated for the management of IT risks. Bank has appointed Information Security Officer (ISO) who reports to H- IRMD and performs the following activities:

- Monitor network traffic, privileged access logins, user-access logins, antivirus, and threat activities in IT Systems.
- Review privileged access roles to critical IT systems, user access roles, backup and restore, changes made to any Information Systems, DR planning and drill.
- Review of Data Center, Disaster Recovery Sites and other critical IT assets locations in terms of cyber security risks.
- IT Security Risk Reporting
- Coordinate to conduct Vulnerability Assessment, Penetration Testing and Information System Audit.
- IT Security Awareness program
- Security Review of IT system before its implementation
- Advise/inform the management about new threats and the external environment
- Review & Enhancement of IT Policy- As per NRB IT Guidelines, Industry Standard & IS Audit

E. Management of Other Risks:

Bank is exposed to emerging risks like Reputational Risk; Strategic Risk; AML/CFT related risks and has also developed most of the related frameworks for managing such risks.

E1. Reputational Risk

Reputational risk is monitored by Operational Risk Management Section on a regular manner.

E2. Strategic Risk

Bank has formulated and implemented strategies for each department and units for the management of strategic risk. There is the practice of regular and on-going monitoring as well as reviewing of the proper implementation of the strategies.

E3. AML/CFT Risk

AML/CFT risk is overseen by AML/CFT unit operating under Compliance Function of the Bank. The Compliance Function is guided by well-established AML and KYC related policies and procedures.

E4. Environment and Social Risk

Environment and social risks are the potential negative consequences to the environment/ or communities that results from business or projects financed by the Bank. As the Bank has always valued and pursued prudent risk management practices, Environmental and Social Risk Management Policy has been formulated and implemented to integrate Environmental & Social risk management into overall risk management framework of the Bank. The

Policy prescribes identification of Environmental & Social risks prior to financing decisions and lays down requirements and standards regarding Environmental & Social due diligence of borrowers which are financed by the Bank.

F. Major Emerging Risk Area:

The Bank is working continuously towards identifying, monitoring and measuring other emerging and developing risk areas and aims to internalize and integrate management of identified risks in overall organizational culture of the Bank. The Bank has identified following emerging risk areas, among others as a proactive approach in overall risk management.

i. Talent Risk

Banking industry is facing struggle in attracting, training and retaining talented personnel. The industry is also facing competition from other sectors. Additionally, average stay period of an employee at a particular bank is showing a decreasing trend. In such a situation, the Bank realizes that it has two choices - to develop strategies aimed at increasing retention at the organization or to develop strategies for changing its course of action towards achieving its long term objectives realizing the fact that high employee turnover is inevitable and its long term strategies need to be segregated into smaller parts that can be achieved within a short duration.

ii. Cyber-security Threat

As banking activities are moving continuously towards digitization, cyber threat is ever increasing. Data breaches at financial institutions are typically carried out by intruders for accomplishing variety of malicious objectives. Since technology is changing globally, banks are exposed to newer type of risks, which have to be addressed adequately. The rise in the threat level clearly requires a concerted response. The Bank is committed to continue reinforcing and safeguarding the security of the Information Systems.

iii. Aggressive Business Expansion

The country is witnessing aggressive expansion in banking business in the recent periods. The Bank recognizes that such business expansion and a high level of competition can lead to accumulation of systemic risks which might, in future, bring stressed business environment. The Bank has incorporated such uncertain scenario and build-up of systemic risks in its business strategy as well as risk strategy.

iv. Agility Risk

Banks may not be agile enough to adapt to rapid changes in internal as well as external environment. As the culture, system and practices of bank are deep-rooted since many years, it may be difficult to manage change in the bank in response to changing environment.

v. Risks from Social Media

Social media is an information source for many individuals. Any negative publicity of the Bank in social media may reach to numerous users in different platforms. Hence, the Bank needs to be aware about its image being depicted in the digital platform as the implications of negative digital publicity are manifold.

5.1.1 Fair value of financial assets and liabilities

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability or
• In the absence of principal market, in the most advantageous market for asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Fair values are determined according to the following hierarchy:

Level 1 input

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Fair value through Profit or loss and Fair value through OCI investments have been recorded using Level 1 inputs.

Level 2 inputs

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability.

Fair Value Hierarchy of Financial Assets and Financial Liabilities

Particulars	Carrying amount	Fair Value	Quoted market prices (Level 1)	Observable Inputs (Level 2)	Unobservable inputs (Level 3)
Financial Assets					
Cash and cash equivalent	4,725,485,858	4,725,485,858	-	-	4,725,485,858
Due from Nepal Rastra Bank	3,949,888,344	3,949,888,344	-	-	3,949,888,344
Placement with Bank and Financial Institutions	803,364,430	803,364,430	-	-	803,364,430
Loans and advances to customers	52,204,257,192	52,204,257,192	-	-	52,204,257,192
Loan and advances to BFIs	1,770,050,840	1,770,050,840	-	-	1,770,050,840
Investment securities	8,198,425,113	8,199,003,042	91,869,746	8,107,133,296	
Other Financial Asset	712,421,089	712,421,089	-	-	712,421,089
Derivative financial instruments	3,361,079,484	3,361,079,484	-	-	3,361,079,484
Investment in subsidiaries	260,063,200	260,063,200	-	-	260,063,200
Financial Liabilities			-	-	
Due to Bank and Financial Institutions	3,130,182,705	3,130,182,705	-	-	3,130,182,705
Due to Nepal Rastra Bank	728,565,709	728,565,709	-	-	728,565,709
Deposits from customers	57,512,407,224	57,512,407,224	-	-	57,512,407,224
Other Financial Liabilities	1,730,995,163	1,730,995,163	-	-	1,730,995,163
Derivative financial instruments	3,376,676,328	3,376,676,328	-	-	3,376,676,328

5.1 Capital management

a) Qualitative Disclosures

i. Objectives

The Bank actively manages its capital to meet regulatory norms and current and future business needs considering the risks in its businesses, expectation of rating agencies, shareholders and investors, and the available options of raising capital.

ii. Organizational Set-up

The capital management framework of the Bank is administered by the Finance Department and the Risk Management Department under the supervision of the Board and the Risk Committee.

iii. Regulatory Capital

Nepal Rastra Bank has issued Basel III transaction arrangement for capital ratios with effect from Mid-July, 2016 (Shrawan 2073). Capital ratios and deduction from common equity will be fully phased-in and implemented as on mid July 2019. The phase in arrangement for banks is indicated in the following table:

Basel III in Nepal

Transition Period

	Mid July 2018	Mid July 2019
Minimum Common Equity Capital Ratio	4.50%	4.50%
Capital Conservation Buffer	2.00%	2.00%
Minimum common equity plus capital conservation buffer	6.50%	7.00%
Minimum Tier 1 Capital (Excluding conservation buffer)	6.00%	6.00%
Minimum Total Capital Excluding conservation buffer)	9.00%	8.50%
Minimum Total Capital (including conservation buffer)	11.00%	11.00%
Counter Cyclical Buffers	0-2.5%	0-2.5%
Leverage Ratio	Offsite Monitoring 4.00%	Migration to Pillar 1
Liquidity coverage ratio	LCR 100%	LCR 100%
Net stable funding ratio	Implemented	
SIFI Measures	NRB will issue Guidelines	

iv. Internal Assessment of Capital

The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually which determines the adequate level of capitalization for the Bank to meet regulatory norms and current and future business needs, including under stress scenarios. The ICAAP is formulated at bank level and the consolidated group level. The ICAAP encompasses capital planning for a year time horizon, identification and measurement of material risks and the relationship between risk and capital. The element of ICAAP does internal assessment of capital as follows:

Board and senior management oversight

The Board of Directors (Board) is responsible for setting the risk appetite of the bank, and ensuring that the bank's business remains within the desired limits. Management should understand the nature and level of various risks that the bank is confronting in the course of different business activities and how this risk relates to capital levels.

Bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels. It is also responsible for ensuring that the form and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position. The decisions made by the management are regularly reviewed by the BOD.

Sound capital assessment

Crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment, the bank has the following:

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks
- A process that relates capital to the level of risk;
- A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- A process of internal control reviews and audits to ensure the integrity of the overall management process.

Comprehensive assessment of risks

IRMD Head, along with his team, is responsible for overall risk management of the Bank which includes managing, assessing, identifying, monitoring and reducing pertinent global, macro and micro-economic level business risks that could interfere with Banks objective and goals and whether the Bank is in substantial compliance with its internal operating policies and other applicable regulations and procedures, external, legal, regulatory or contractual requirements on a continuous basis. Further, IRMD Head ensures integration of all major risk in capital assessment process.

Risk Management Committee (RMC)

Board level risk management committee has been set up under NRB Directive for ensuring/reviewing bank's risk appetite is in line with the policies.

Monitoring

Monitoring and reporting of all risks, including credit, operational and market risks are identified, escalated, monitored and mitigated to the satisfaction of the risk type owner. The risk type owner is responsible for ensuring that all the risks are adequately identified, escalated, monitored and mitigated. The Bank has an adequate system in place for monitoring and reporting risk exposures and assessing how the changing risk profile affects the need for capital. The senior management and board of directors on a regular basis receive the report regarding the risk profile of the bank and its capital needs. All the material risks are identified, measured, monitored and reported by the respective risk type owner.

Internal Control Review

The internal control structure of the Bank is essential for sound capital assessment process. Effective control of the capital assessment process includes an independent review and involvement of both internal as well as external audits wherever appropriate. The Bank is committed to conduct the regular re view of its risk management process to ensure its integrity, accuracy, and reasonableness. The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, Management and Internal Audit.

The Internal Audit monitors compliance with policies and standards and the effectiveness of internal control structures across the Bank through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports regularly to the Audit Committee. The findings of all adverse audits are reported to the Chief Executive Officer and Business Heads for immediate corrective actions.

- **Assets and Liability Committee (ALCO)**

The ALCO, chaired by Chief Executive Officer, ensures functioning of the banking business in line with the set procedures and processes and recommends for necessary steps to address the risk associated with liquidity, movement in interest rate, exchange rate and equity price and other risks.

- **Stress and Scenario Testing**

Description of method

Stress Test is done as per Stress Testing Guidelines issued by the Nepal Rastra Bank as well as internally assessed stress levels on a quarterly basis. Credit Risk Stress, Market Risk Stress, and Liquidity Risk Stress are assessed for different scenario are assessed calibrating the results of the test to the capital adequacy ratio (CAR), non-performing loans (NPL) and other factor related to each risk driver of the bank.

Stress and Scenario Analysis:

Stress test has been conducted for the categories - Credit Shock, Interest Rate Shock, Exchange Rate Shock, Equity Price Shock and Liquidity Shock.

Stress test aims to assess bank's capital adequacy ratio (CAR), level of nonperforming loan (NPL) and liquidity ratio under different scenarios and bank's maximum level of tolerance capacity under each category.

a. Credit shock is assessed mainly under following scenarios:

i. Downgrading overall loan exposures
ii. Default in real estate exposures
iii. Default by bank's top exposures

b. Market shock is assessed mainly under following scenarios:

i. Changes in Interest Rate of Deposit & Loan
ii. Exchange Rate Depreciation & Appreciation
iii. Fall in Equity Prices

c. Liquidity Shock is assessed mainly under following scenarios:

- Withdraw of Deposit by Top Depositors
- Withdraw of Deposit by Certain percentage of Total exposure

b) Quantitative Disclosures

1. Summary of Bank's internal approach to assess Capital Adequacy to support current and future activities:

The Bank has planned the business volume so as to maintain the Capital Adequacy Ratio (CAR) well above minimum required.

The Bank regularly assesses the Capital Adequacy Ratio as per the Internal Capital Adequacy Assessment Process (ICAAP) approved by the BOD. The Risk Management Committee, formed as per directives of Nepal Rastra Bank, also assesses the maximum risk appetite of the Bank to maintain adequate CAR.

2. Summary of the terms, conditions and main features of all capital instruments, especially in the case of Subordinated Term Debts including hybrid capital instruments

There are no subordinated term debts and hybrid capital instruments as of Ashadh end 2077.

3. BASEL Disclosure

CAPITAL ADEQUACY TABLE (Summary)
As on 31st Ashad 2077 (15th July 2020)

1.1	Particulars	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a	Common Equity Tier 1 Capital	9,450,072,577	9,210,047,659
b	Tier 1 Capital	9,450,072,577	9,210,047,659
c	Tier 2 Capital	526,227,235	528,205,292
d	Total Capital	9,976,299,812	9,738,252,951
e	Risk Weighted Exposures	65,986,060,142	56,510,893,665
	Regulatory Ratios		
a	Leverage Ratio (Regulatory Requirement >= 4%)	10.09%	11.08%
b	Common Equity Tier 1 to Risk Weighted Exposure Ratios	14.32%	16.30%
c	Tier 1 to Risk Weighted Exposure Ratios	14.32%	16.30%
d	Total Capital to Risk Weighted Exposure Ratio	15.12%	17.23%

CAPITAL ADEQUACY TABLE
As on 31st Ashadh 2076 (16th July 2019)

1.1	RISK WEIGHTED EXPOSURE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a	Risk Weighted Exposure for Credit Risk	60,520,731,317	51,823,596,407
b	Risk Weighted Exposure for Operational Risk	2,704,201,935	2,335,586,670
c	Risk Weighted Exposure for Market Risk	80,965,930	80,307,980
	Adjustments under Pillar II		
	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	20,701,100	13,212,945
	Add .....% of the total deposit due to insufficient Liquid Assets	-	-
	Add RWE equivalent to reciprocal of capital charge of 5 % of gross income.	127,223,894	88,610,021
	Overall risk management policies and procedures are not satisfactory. Add 4% of RWE	2,532,235,967	2,169,579,642
	If desired level of disclosure requirement has not been achieved, Add .....% of RWE	-	-
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**65,986,060,142**	**56,510,893,665**

		CURRENT YEAR NPR	PREVIOUS YEAR NPR
	Tier 1 Capital (Core Capital) (CET 1 + AT1)	**9,450,072,577**	**9,210,047,659**
	Common Equity Tier 1 (CET 1)	**9,450,072,577**	**9,210,047,659**
a	Paid up Equity Share Capital	8,003,389,674	8,003,389,674
b	Equity Share Premium	-	-
c	Proposed Bonus Equity Shares	-	-
d	Statutory General Reserves	982,146,497	871,133,835
e	Retained Earnings	722,998,889	540,232,455
f	Un-audited current year cumulative profit	-	-
g	Capital Redemption Reserve	-	-
h	Capital Adjustment Reserve	35,536,834	35,536,834
i	Dividend Equalization Reserves	-	-
j	Bargain Purchase Gain	-	-
k	Other Free Reserve	-	-
l	Less: Goodwill	-	-
m	Less: Intangible Assets	(33,936,117)	(38,380,140)
n	Less: Deferred Tax Assets	-	-
o	Less: Fictitious Assets	-	-
p	Less: Investment in equity in licensed Financial Institutions	-	-
q	Less: Investment in equity of institutions with financial interests	(260,063,200)	(201,865,000)
r	Less: Investment in equity of institutions in excess of limits	-	-
s	Less: Investments arising out of underwriting commitments	-	-
t	Less: Reciprocal crossholdings	-	-
u	Less: Purchase of land & building in excess of limit and unutilized	-	-
v	Less: Cash Flow Hedge	-	-
w	Less: Defined Benefit Pension Assets	-	-
x	Less: Unrecognized Defined Benefit Pension Liabilities	-	-
y	Less: Negative Balance of Reserve Accounts	-	-

z	Less: Other Deductions	-	-
	Adjustments under Pillar II		
a	Less: Shortfall in Provision (6.4 a 1)	-	-
b	Less: Loans & Facilities extended to Related Parties & Restricted lending (6.4 a 2)	-	-
	Additional Tier 1 (AT1)		
a	Perpetual Non Cumulative Preference Share Capital	-	-
b	Perpetual Debt Instruments	-	-
c	Stock Premium	-	-
	Supplementary Capital (Tier 2)	**526,227,235**	**528,205,292**
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	Stock Premium	-	-
e	General loan loss provision	506,646,011	509,830,079
f	Exchange Equalization Reserve	19,581,224	18,375,213
g	Investment Adjustment Reserve	-	-
h	Assets Revaluation Reserve	-	-
i	Other Reserves	-	-
	TOTAL CAPITAL FUND (Tier 1 & Tier 2)	**9,976,299,812**	**9,738,252,951**

1.3	CAPITAL ADEQUACY RATIOS	CURRENT YEAR	PREVIOUS YEAR
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	14.32%	16.30%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	15.12%	17.23%

RISK WEIGHTED EXPOSURE FOR CREDIT RISK
As on 31st Ashad 2077 (15th July 2020)

	Current Year						Previous Year	
A. BALANCE SHEET EXPOSURE	**GROSS BOOK VALUE (A)**	**SPECIFIC PROVISION & VALUATION ADJUSTMENTS (B)**	**ELIGIBLE CRM(C)**	**NET VALUE (D) (A-B-C)**	**RISK WEIGHT (E)**	**RISK WEIGHT EXPOSURE (D *E)**	**Net Value**	**Risk Weighted Exposures**
Cash Balance	1,778,124,081	-	-	1,778,124,081	0%	-	2,022,360,878	-
Balance With Nepal Rastra Bank	2,895,016,147	-	-	2,895,016,147	0%	-	2,727,186,346	-
Gold	-	-	-	-	0%	-	-	-
Investment in Nepalese Government Securities	7,541,935,000	-	-	7,541,935,000	0%	-	6,505,110,000	-
All Claims on Government of Nepal	116,336,414	-	-	116,336,414	0%	-	33,168,981	-
Investment in Nepal Rastra Bank securities	485,584,830	-	-	485,584,830	0%	-	138,075,300	-
All claims on Nepal Rastra Bank	1,054,872,197	-	-	1,054,872,197	0%	-	797,894,939	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-	-	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-	-	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Public Sector Entity (ECA 3-6)	615,130,000	6,151,300	-	608,978,700	100%	608,978,700	494,414,070	494,414,070
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	3,106,712,247	17,809,185	-	3,088,903,061	20%	617,780,612	2,392,499,413	478,499,883
Claims on domestic banks that do not meet capital adequacy requirements	2,788,450	2,788,450	-	-	100%	-	-	-
Claims on foreign bank (ECA Rating 0-1)	788,859,734	-	-	788,859,734	20%	157,771,947	914,989,553	182,997,911
Claims on foreign bank (ECA Rating 2)	554,573,997	-	-	554,573,997	50%	277,286,999	489,881,625	244,940,813
Claims on foreign bank (ECA Rating 3-6)	368,844,831	-	-	368,844,831	100%	368,844,831	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	707,976,467	-	-	707,976,467	20%	141,595,293	590,217,511	118,043,502
Claims on Domestic Corporates	30,033,138,585	425,693,705	-	29,607,444,880	100%	29,607,444,880	25,161,938,437	25,161,938,437
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Foreign Corporates (ECA-2)	-	-	-	-	50%	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	9,659,057,761	145,457,164	-	9,513,600,597	75%	7,135,200,448	7,908,192,257	5,931,144,192
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	2,178,506,898	29,653,596	-	2,148,853,302	60%	1,289,311,981	2,176,518,752	1,305,911,251
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	196,161,320	57,847,807	-	138,313,513	100%	138,313,513	82,851,244	82,851,244
Claims secured by Commercial real estate	1,155,996,139	23,524,534	-	1,132,471,605	100%	1,132,471,605	591,407,095	591,407,095
Past due claims (except for claim secured by residential properties)	2,050,646,552	951,423,672	-	1,099,222,880	150%	1,648,834,320	1,129,453,175	1,694,179,763
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	3,689,318,705	58,067,019	421,233,561	3,210,018,125	150%	4,815,027,187	2,218,914,605	3,328,371,908
Lending against securities (bonds & shares)	2,462,514,362	28,890,855	-	2,433,623,507	100%	2,433,623,507	1,515,934,165	1,515,934,165
Investments in equity and other capital instruments of institutions listed in the stock exchange	81,905,646	-	-	81,905,646	100%	81,905,646	48,876,532	48,876,532
Investments in equity and other capital instruments of institutions not listed in the stock exchange	8,255,300	-	-	8,255,300	150%	12,382,950	9,964,100	14,946,150
Staff Loan secured by residential property	559,564,600	-	-	559,564,600	60%	335,738,760	368,288,804	220,973,283
Interest receivable/claim on government securities	79,613,466	-	-	79,613,466	0%	-	55,660,357	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-	-	-
Other Assets	1,783,064,604	97,429,977	-	1,685,634,627	100%	1,685,634,627	2,865,877,395	2,865,877,395
TOTAL	**73,954,498,333**	**1,844,737,263**	**421,233,561**	**71,688,527,509**	**-**	**52,488,147,807**	**61,239,675,536**	**44,281,307,594**

RISK WEIGHTED EXPOSURE FOR CREDIT RISK
Continued...

B. OFF BALANCE SHEET EXPOSURE	Current Year						Previous Year	
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)	Net Value	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-	-	-
Bills Under Collection	222,959	-	-	222,959	0%	-	603,681	0
Forward Exchange Contract Liabilities	3,381,454,940	-	-	3,381,454,940	10%	338,145,494	1,673,810,051	167,381,005
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	1,785,866,436	-	57,445,087	1,728,421,349	20%	345,684,270	2,284,755,272	456,951,054
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	0	0
Foreign counterparty (ECA Rating- 2)	-	-	-	-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	0	0
Foreign counterparty (ECA Rating-7)	-	-	-	-	150%	-	0	0
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	526,669,638	-	9,746,081	516,923,557	50%	258,461,779	922,144,599	461,072,299
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	0	0
Foreign counterparty (ECA Rating-2)	-	-	-	-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	0	0
Foreign counterparty (ECA Rating-7)	-	-	-	-	150%	-	0	0
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	2,453,105,120	-	178,574,443	2,274,530,677	50%	1,137,265,338	1,684,451,012	842,225,506
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	0	0
Foreign counterparty (ECA Rating-2)	-	-	-	-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)	1,457,474,959	-	9,802,500	1,447,672,459	100%	1,447,672,459	876,841,192	876,841,192
Foreign counterparty (ECA Rating -7)	-	-	-	-	150%	-	0	0
Underwriting commitments	-	-	-	-	50%	-	0	0
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-	0	0
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	-	-	-	-	100%	-	0	0
Advance Payment Guarantee	395,349,803	-	25,534,869	369,814,934	100%	369,814,934	375,901,700	375,901,700
Financial Guarantee	-	-	-	-	100%	-	0	0
Acceptances and Endorsements	319,684,507	-	30,352,227	289,332,280	100%	289,332,280	629,593,516	629,593,516
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	0	0
Irrevocable Credit commitments (Short term)	6,496,018,521	-	-	6,496,018,521	20%	1,299,203,704	9,228,958,826	1,845,791,765
Irrevocable Credit commitments (long term)	4,938,515,096	-	-	4,938,515,096	50%	2,469,257,548	3,622,449,633	1,811,224,816
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	0.2	-	0	0
Other Contingent Liabilities	77,745,703	-	-	77,745,703	100%	77,745,703	75,305,957	75,305,957
Unpaid Guarantee Claims	-	-	-	-	200%	-	0	0
TOTAL	**21,832,107,682**	**-**	**311,455,207**	**21,520,652,475**	**-**	**8,032,583,509**	**21,374,815,441**	**7,542,288,813**
Total RWE for credit Risk (A) +(B)	**95,786,606,015**	**1,844,737,263**	**732,688,768**	**93,209,179,984**	**-**	**60,520,731,317**	**82,614,490,976**	**51,823,596,407**
Adjustments under Pillar II								
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)	-	-	-	-	-	-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-	-	-	-	-
Total RWE for credit Risk (After Bank's adjustments of Pillar II)	**95,786,606,015**	**1,844,737,263**	**732,688,768**	**93,209,179,984**	**-**	**60,520,731,317**	**82,614,490,976**	**51,823,596,407**

ELIGIBLE CREDIT RISK MITIGANTS
As on 31st Ashad 2077 (15th July 2020)

CREDIT EXPOSURES	DEPOSITS WITH BANK	DEPOSITS WITH OTHER BANKS/ FI	GOLD	GOVT.& NRB SECURITIES	G'TEE OF GOVT. OF NEPAL	SEC/G'TEE OF OTHER SOVEREIGNS	G'TEE OF DOMESTIC BANKS	G'TEE OF MDBS	SEC/G'TEE OF FOREIGN BANKS	TOTAL
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash Balance	-	-	-	-	-	-	-	-	-	-
Balance with Nepal Rastra Bank	-	-	-	-	-	-	-	-	-	-
Gold	-	-	-	-	-	-	-	-	-	-
Investment in Nepalese Government Securities	-	-	-	-	-	-	-	-	-	-
All Claims on Government of Nepal	-	-	-	-	-	-	-	-	-	-
Investment in Nepal Rastra Bank securities	-	-	-	-	-	-	-	-	-	-
All claims on Nepal Rastra Bank	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government Securities (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA -7)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims no fully secured by residential properties	-	-	-	-	-	-	-	-	-	-

ELIGIBLE CREDIT RISK MITIGANTS
Continued...

Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial real estate	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claim secured by residential properties)	-	-	-	-	-	-	-	-	-	-
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	210,480,816	-	210,752,745	-	-	-	-	-	-	421,233,561
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-
Total (A)	**210,480,816**	**-**	**210,752,745**	**-**	**-**	**-**	**-**	**-**	**-**	**421,233,561**
Off Balance Sheet Exposures										**-**
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	57,445,087	-	-	-	-	-	-	-	-	57,445,087
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating-2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	9,746,081	-	-	-	-	-	-	-	-	9,746,081
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating -7)	-	-	-	-	-	-	-	-	-	-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	178,574,443	-	-	-	-	-	-	-	-	178,574,443
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating -2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	9,802,500	9,802,500
Foreign counterparty (ECA Rating- 7)	-	-	-	-	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	25,534,869	-	-	-	-	-	-	-	-	25,534,869
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	30,352,227	-	-	-	-	-	-	-	-	30,352,227
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (Short term)	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Total (B)	**301,652,707**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,802,500**	**311,455,207**
Grand Total (C=A+B)	**512,133,523**	**-**	**210,752,745**	**-**	**-**	**-**	**-**	**-**	**9,802,500**	**732,688,768**

RISK WEIGHTED EXPOSURE FOR OPERATION RISK

As on 31st Ashad 2077 (15th July 2020)

PARTICULARS	2073/74	2074/75	2075/76	For Previous Year
Net Interest Income	1,122,837,953	1,321,294,527	2,070,110,000	1,321,294,527
Commission and Discount Income	87,072,068	96,102,757	89,830,000	96,102,757
Other Operating Income	114,854,747	170,480,345	162,420,000	170,480,345
Exchange Fluctuation Income	99,107,064	170,110,388	206,810,000	170,110,388
Addition/Deduction in Interest Suspense during the period	209,289,102	14,212,395	15,307,880	14,212,395
Gross income (a)	**1,633,160,934**	**1,772,200,412**	**2,544,477,880**	**1,772,200,412**
Alfa (b)	**15%**	**15%**	**15%**	**15%**
Fixed Percentage of Gross Income [c=(a×b)]	**244,974,141**	**265,830,062**	**381,671,682**	**265,830,062**
Capital Requirement for operational risk (d) (average of c)	-	-	**297,491,962**	**233,558,667**
Risk Weight (reciprocal of capital requirement of 11%) in times (e)	-	-	**11**	**10**
Equivalent Risk Weight Exposure [f=(d×e)]	-	-	**2,704,201,935**	**2,335,586,670**
PILLAR-II ADJUSTMENTS				
If Gross Income for all the last three years is negative(6.4 a 8)	-	-	-	-
Total Credit and Investment (net of Specific Provision)	-	-	-	-
Capital Requirement for operational risk (5%)	-	-	-	-
Risk Weight (reciprocal of capital requirement of 11%) in times	-	-	-	-
Equivalent Risk Weight Exposure [g]	-	-	-	-
Equivalent Risk Weight Exposure [h=f+g)]	-	-	**2,704,201,935**	**2,335,586,670**

RISK WEIGHTED EXPOSURE FOR MARKET RISK

As on 31st Ashad 2077 (15th July 2020)

	Current Year				Previous Year
CURRENCY	**Open Position (FCY)**	**Rate**	**Open Position (LCY)**	**Relevant Open Position**	**Relevant Open Position**
INR	95,195,969.55	1.6008	152,384,948	152,384,948	128,842,041
USD	(81,393.92)	120.5500	(9,812,037)	9,812,037	24,207,155
GBP	16,367.43	151.4975	2,479,624	2,479,624	1,303,520
EUR	27,155.21	137.3931	3,730,938	3,730,938	2,094,856
THB	50,400.00	3.8896	196,036	196,036	18,751
CHF	7,475.04	128.2626	958,768	958,768	270,536
AUD	6,340.00	84.3029	534,480	534,480	246,332
CAD	13,080.00	88.6915	1,160,085	1,160,085	728,695
SGD	9,315.00	86.6537	807,179	807,179	821,051
JPY	138,954.00	1.1286	156,823	156,823	502,242
HKD	38,340.00	15.4167	591,074	591,074	224,498
DKK	57,000.00	18.4750	1,053,072	1,053,072	-
SEK	-	13.3350	-	-	-
SAR	27,607.00	31.5466	870,906	870,906	367,560
QAR	12,665.00	33.3041	421,796	421,796	192,932
AED	65,376.55	32.6250	2,132,907	2,132,907	282,635
MYR	9,556.00	28.2954	270,391	270,391	98,253
KRW	912,000.00	0.1004	91,519	91,519	111,620
CNY	22,153.00	17.2170	381,407	381,407	207,202
KWD	237.00	391.8333	92,864	92,864	81,525
BHD	50.00	319.8281	15,991	15,991	14,553
Total Open position (a)				**178,142,847**	**160,615,957**
Fixed Percentage (b)				**5%**	**5%**
Capital Charge for Market Risk [c=(axb)]				**8,907,143**	**8,030,798**
Risk weight (reciprocal of capital requirement of 11%) in times (d)				**11**	**10**
Equivalent Risk Weight Exposure[e=(cxd)]				**80,965,930**	**80,307,980**

Form No.5 Other Assets

As on 31st Ashad 2077 (15th July 2020)

		Current Year			Previous Year
S.N.	Assets	Gross Amount	Specific Provision & Valuation Adjustments	Net Balance	Net Balance
1	Cash and Cash Items in Transit	-	-	-	-
2	Expense not Written off	-	-	-	-
3	Fixed Assets	708,429,633	97,429,977	610,999,656	501,011,061
4	Interest Receivable on Other Investment	-	-	-	-
5	Interest Receivable on Loan	-	-	-	-
6	Non Banking Assets	115,102,257	-	115,102,257	227,981,351
7	Reconciliation Account	-	-	-	-
8	Draft Paid Without Notice	-	-	-	-
9	Sundry Debtors	-	-	-	-
10	Advance payment and Deposits	218,561,388	-	218,561,388	104,222,911
11	Staff Advance	247,111,625	-	247,111,625	164,954,148
12	Stationery	-	-	-	-
13	Advance tax Deposit	33,109,075	-	33,109,075	-
14	Other	460,750,625	-	460,750,625	1,867,707,924
	Total	**1,783,064,604**	**97,429,977**	**1,685,634,627**	**2,865,877,395**

5.2 Classification of financial assets and financial liabilities

NAS 39 requires financial assets to be classified in one of the following categories:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through OCI
- Financial assets at amortized cost

Financial assets at fair value through profit or loss have two sub-categories:

- Financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- Held for trading

NAS 39 recognizes two classes of financial liabilities:

- Financial liabilities at fair value through profit or loss
- Other financial liabilities measured at amortized cost using the effective interest rate method

The category of financial liability at fair value through profit or loss has two sub-categories:

- Financial liability that is designated by the entity as a liability at fair value through profit or loss upon initial recognition
- Held for trading

Classification of Financial Asset and Financial Liabilities

Particulars	Carrying Value	Fair value
Financial Assets		
Assets carried at Amortised Cost		
Cash and cash equivalent	4,725,485,858	4,725,485,858
Due from Nepal Rastra Bank	3,949,888,344	3,949,888,344
Placement with Bank and Financial Institutions	803,364,430	803,364,430
Loans and advances to customers	52,204,257,192	52,204,257,192
Loan and advances to BFIs	1,770,050,840	1,770,050,840
Investment securities	8,107,133,296	8,107,133,296
Other Financial Asset	712,421,089	712,421,089
Fair Value through Profit and Loss (FVTPL)		
Derivative financial instruments	3,361,079,484	3,361,079,484
Fair Value through Other Comprehensive Income (FVTOCI)		
Investment securities	91,291,817	91,869,746
Investment in subsidiaries	260,063,200	260,063,200
Total	**75,985,035,550**	**75,985,613,479**
Financial Liabilities		
Liabilities carried at Amortised Cost		
Due to Bank and Financial Institutions	3,130,182,705	3,130,182,705
Due to Nepal Rastra Bank	728,565,709	728,565,709
Deposits from customers	57,512,407,224	57,512,407,224
Other Financial Liabilities	1,730,995,163	1,730,995,163
Fair Value through Profit and Loss (FVTPL)		
Derivative financial instruments	3,376,676,328	3,376,676,328
Total	**66,478,827,128**	**66,478,827,128**

5.3 Operating Segment Information

5.3.1 General Information

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

Not every part of an entity is necessarily an operating segment or part of an operating segment. For example, a corporate office or some functional departments may not earn revenues or may earn revenues that are only incidental to the activities of the Bank and would not be operating segments. For the purposes of this NFRS, the Bank's post-employment benefit plans are not operating segments.

5.3.2 Information about profit or loss, assets and liabilities

Amount in 000

Particulars	Province 1	Province 2	Province 3	Gandaki Province	Province 5	Other	Total
Interest Income	441,987	240,886	4,611,627	291,528	469,722	143,311	6,199,060
Interest Expense	252,629	79,267	3,226,723	142,505	207,601	53,805	3,962,530
Net Interest Income	**189,358**	**161,619**	**1,384,904**	**149,023**	**262,121**	**89,506**	**2,236,530**
Fee and Commission Income	30,825	22,209	190,918	13,413	36,409	6,906	300,680
Fee and Commission Expense	6,417	-	20,608	-	-	-	27,025
Net Fee and Commission Income	**24,409**	**22,209**	**170,309**	**13,413**	**36,409**	**6,906**	**273,655**
Net Interest, Fee and Commission Income	**213,767**	**183,829**	**1,555,213**	**162,436**	**298,529**	**96,412**	**2,510,186**
Net Trading Income	22,765	18,119	184,958	384	3,623	3	229,853
Other Operating Income	(7,257)	(877)	105,707	297	(999)	834	97,704
Total Operating Income	**229,275**	**201,070**	**1,845,878**	**163,117**	**301,154**	**97,249**	**2,837,743**
Impairment Charge/ (Reversal) for Loans and Other Losses	(67,011)	50,701	212,399	2,477	26,168	(1,089)	223,646
Net Operating Income	**296,286**	**150,370**	**1,633,478**	**160,640**	**274,986**	**98,338**	**2,614,097**
Operating Expense							**-**
Personnel Expenses	171,817	114,636	454,724	92,170	122,974	84,465	1,040,786
Other Operating Expenses	81,866	52,378	270,962	43,747	61,560	44,149	554,662
Depreciation & Amortization	16,604	14,014	47,850	8,071	13,487	9,812	109,837
Operating Profit	**25,999**	**(30,658)**	**859,942**	**16,653**	**76,964**	**(40,088)**	**908,812**
Non Operating Income	-	-	-	-	-	-	-
Non Operating Expense	125	-	29,623	-	-	-	29,748
Profit Before Income Tax	**25,875**	**(30,658)**	**830,319**	**16,653**	**76,964**	**(40,088)**	**879,065**
Income Tax Expense	**-**	**-**	**-**	**-**	**-**	**-**	**324,002**
Profit for the Period	**25,875**	**(30,658)**	**830,319**	**16,653**	**76,964**	**(40,088)**	**555,063**

5.3.3 Measurement of operating segment profit or loss, assets and liabilities

The bank has identified the key segments of business on the basis of nature of operations that assists the Executive Committee of the bank in decision making process and to allocate the resources. It will help the management to assess the performance of the business segments. The Segment has been identified on the basis of geographic location of the branches.

Income, Expenses, Assets, and Liabilities of Head office has been apportioned to various Segments on proportionate basis.

5.3.4 Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

(a) Revenue

Amount in 000

Total revenues for reportable segments	**6,827,298**
Other revenues	-
Elimination of intersegment revenues	-
Banks net revenue from reportable segments	**6,827,298**

(b) Profit or Loss

Amount in 000

Total profit or loss for reportable segments	**879,065**
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	-
Other operating expenses	-
Profit before tax	**879,065**

(c) Assets

Amount in 000

Total asset for reportable segments	**76,845,521**
Other assets	-
Unallocated amounts	-
Entity's assets	**76,845,521**

(d) Liabilities

Amount in 000

Total liabilities for reportable segments	**76,845,521**
Other Liabilities	-
Unallocated liabilities	-
Entity's liabilities	**76,845,521**

5.3.5 Information about geographical areas

Revenue from following geographical areas is as follows:

Province	Revenue
Province 1	488,321
Province 2	280,337
Province 3	5,093,209
Gandaki Province	305,622
Province 5	508,755
Other	151,054
Total	**6,827,298**

5.3.6 Information about Major Customer

If revenues from transactions with a single external customer amount to 10 percent or more of the banks revenues, the bank shall disclose that fact, the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues. The banks revenue from single customer doesn't exceed 10% of total revenue.

5.4 Share options and share based payment

A share-based payment is a transaction in which the bank receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The bank does not have any share option and share based payment.

5.5 Contingent liabilities and commitment

5.5.1 Contingent Liabilities:

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Bank's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

5.5.2 Commitments:

Where the Bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Bank has not made payments at the reporting date, those instruments are included in these financial statement as commitments.
Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 15th July 2020.

5.5.3 Litigations:

Litigations are anticipated in the context of business operations due to the nature of the transactions involved. The Bank and the Group are involved in various such legal actions and the controls have been established to deal with such legal claims. There are pending litigations existing as at the end of the reporting period against the Large Taxpayers Office, resulting through normal business operations.
The details of litigations are presented in 4.28.5.

5.6 Related parties disclosures

(a) Board Member Allowances and Facilities

The Board of Directors has been paid meeting fees of NPR 1,454,000, during the fiscal year. There were 27 Board Meeting conducted during the fiscal year.

The Chairperson and other members of the Board are paid NPR 10,000 and NPR 8,000 per meeting respectively for Board and Board Level Committees.

Meeting fees paid to four Board Level Committees are as follows:

Board Level Committees	No of Meetings	Meeting Allowance (NPR)
Audit Committee	16	232,000
Risk Management Committee	8	112,000
Human Resource Management Committee	2	32,000
AML Committee	5	80,000

Existing members of the Board are:

Er. Mr. Ichchha Raj Tamang	Chairman
Mr. Ambir Bogati	Member
Mr. Prakash Tayal	Member
Mr. Shambhu Prasad Panta	Member
Mr. Pratap Jung Pandey	Member
Mr.Yugesh Bahadur Malla	Member
Mr. Bhimananda Dhungana	Independent Director

(b) Loans and Advances extended to Promoter

The Bank has not provided any Loans and Advances to Promoters.

(c) Compensation Details for Key Management Personnel

Key Management Personnel includes members of Executive Committee of the Bank.

S. No	Particulars	Amount
A	Short Term Employee Benefits	35,376,333
B	Post-Employment Benefits	1,616,407
C	Other Long Term Benefits	-
D	Termination Benefits (Gratuity and Sick Leave Encashment)	255,573
E	Share Based Payment	-
	Total of Key Management Personnel Compensation	**37,248,313**

The Salary and benefits paid to CEO is as follow:

Particulars	Basic Salary	Provident Fund	Allowance	Bonus & Welfare	Other Perqui-sites	Total Income
Govinda Gurung	6,504,000	650,400	2,710,800	3,158,595	1,535,800	14,559,595

Key management personnel are also provided with the following benefits:

i) Benefits as per the Employee Terms of Service By-laws,
ii) Bonus to staff as per the Bonus Act,
iii) Vehicle Fuel Expenses as per the Bank's Staff Vehicle Scheme.

Executive Management includes:

Name	Designation
Govinda Gurung	CEO
Sunil Kumar Pokharel	DCEO
Sachin Jung Rayamajhi	CCO/CIO
Suman Acharya	CCB

(d) Transaction with Subsidiaries

S. N.	Particulars	Civil Capital	CIVIL Laghubitta
1	Deposit	128,415,562	58,750,190
2	Loans and Advances	-	284,493,321
3	Interest Income	-	38,083,755
4	Interest Expenses	7,685,977	5,116
5	Commission Income	-	-
6	RTS Expenses	1,312,482	-
7	Investment by CIVIL Bank	150,865,000	109,198,200

5.7 Other Disclosures

a) Loans and Advances

Loans and advances measured at amortized cost under the NFRS are inclusive of Loans to BFI's, Loans to customer and Staff Loans & advances provided according to the Employee Bylaws of the bank is presented under this head. Accrued Interest Receivable on loans has been considered under Loans and Advances measured at Amortized Cost. Loans and advances are assessed individually and collectively as per incurred loss model which is compared with the loss provision prescribed by NRB directive no. 2. Higher of the loss as per incurred loss model and NRB directive is considered for impairment. The bank has recovered interest amounting NPR 563,840,095 till Aswin end 2077.

b) Staff Loans measured at fair value

Under previous NAS, staff loans were recorded at cost less repayments net of loan loss provision, if any. Under NFRS, the Bank has to measure the staff loans granted below the market interest rate at their fair value, based on the market interest rate of similar products.

The difference between the fair value and NAS carrying amount of staff Loan as at Ashadh 31 2077 (15th July 2020) was NPR 348,119,803 which has been netted off against staff loans & recognized as pre-paid staff cost in other assets.

c) Adjustment on loan impairment

In compliance with the NRB Directives and subsequent amendment there to, specific loan loss provision was made based on the arrears time period and General provision were made at a specified rate directed by NRB time to time. Thus, total provision under Pass Loan as per NRB Directive No. 2 is categorized as Collective Impairment and remaining are categorized as Individual Impairment.

As at Ashadh 31, 2077 the impairment provision was increased to NPR 1,443,315,067. The movement between the impairment balances of respective years was recognized in the statement of profit or loss as an impairment charge on loan and advances to customer and BFIs.
Impairment calculations are presented hereunder;

Amount in NPR

Particulars	As at 31 Ashadh 2077
Total Impairment as per NFRS	1,205,161,146
Loan loss provision as per NRB directive	1,443,315,067
Loan loss provision as per ICAN Crave-out No. 5	1,443,315,067

The bank has opted to apply carve-out on impairment of loans and advance. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no. 2, higher of the amount derived from these measures is taken as impairment loss for loans and receivables.

d) Financial assets at Fair value through OCI

Under previous NAS, the Bank recognized its investment portfolios which are not held for trading activities at their cost. Under NFRS, the Bank has designated such investments as Fair value through OCI and measured at fair value. Such investment includes equity investments and Mutual Funds. The valuation of Promoter share whose transactions are not active in the market, 50% of quoted price of ordinary share of the same entity has been taken as fair value.

As at Ashadh 31 2077 the difference between the instruments fair value and NAS carrying amount was NPR 10,687,814 has been reversed from the Fair value reserve and movement was charged to Other Comprehensive Income.

e) Interest Income

Interest Income amounting to NPR 6,199,060,280 was recognized for financial year 2076/77 for accrual of interest on loans, Interest benefit for staff loans and amortization of development bonds as an impact of interest unwinding.

f) Personnel Cost

An additional expense of NPR 8,229,107 was charged to Personnel expenses as a result of actuarial valuation of gratuity, reversal of NPR 8,392,553 on Leave Encashment and NPR 85,959,334 was recognized as Personal expenses as amortization of prepaid staff loan for Financial Year 2076/77.

g) Corporate Social Responsibility

As per NRB Directive No. 6 (16), 1% of Net Profit of the year is required to be created as Corporate Social Responsibility (CSR) Fund. The bank has set aside NPR 5,550,634 from NFRS Profit and Loss as CSR fund during this fiscal year.

Particular	Amount
Opening Balance	16,061,435
Transfer during the year	5,550,634
Expense during the year	(14,676,547)
Closing Balance	**6,935,522**

h) Employee Training and Development Fund

As per NRB Directive No. 6 (6) the bank is required to incur expenses at least 3% of its preceding year's total staff expenses towards employee training and development. Any shortfall in meeting this mandatory expense in the FY 2076-77, will have to create a reserve fund to be spent on subsequent year. The Bank does not meet the statutory requirement of spending 3% of its preceding year's total staff expenses towards employee training and development. However the same is not required to be apportioned for FY 2076/77 via point no 4 of NRB circular no 14/076/77. Hence, additional Employee Training and Development Fund has not been created during the Fiscal year.

Particular	Amount
Opening Balance	2,627,272
Transfer during the year	-
Expense during the year	-
Closing Balance	**2,627,272**

i) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

	FY 2076-077	
Particular	**Gratuity**	**Annual Leave Encashment**
PV of Obligation at beginning of the year	**108,077,133**	**45,141,035**
Interest Cost	35,603,650	3,798,156
Current Service Cost	9,205,042	13,274,034
Acquisitions (credit)/ cost	-	-
Benefit paid	(2,770,292)	(5,878,614)
Actuarial (Gain)/ Loss	3,383,623	10,730,389
Past Service Cost	-	-
Liability at the end of the year	**153,499,156**	**67,065,000**

j) Fair Value Reserve

Fair value reserve is created for the investment classified as the available for sale through OCI. The movement during the year is as below:

Particular	Amount
Opening Balance	(10,747,402)
Transfer during the year	11,151,953
Expense during the year	-
Closing Balance	**404,551**

k) Movement of various statutory reserve for the year 2076/77 is stated below:

Fair value reserve is created for the investment classified as the available for sale through OCI. The movement during the year is as below:

Particulars	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Total
Opening Balance	**871,133,835**	**18,375,213**	**706,690,743**	**(10,747,402)**	**-**	**1,585,452,390**
Transfer to Reserves during the year	111,012,662	1,206,011	(274,965,619)	11,151,953	-	(151,594,993)
Transfer from Reserves during the year	-	-	-	-	-	-
Closing Balance	**982,146,497**	**19,581,224**	**431,725,125**	**404,551**	**-**	**1,433,857,397**

5.8 Other Reserve

The details of other reserve movement during the fiscal year are as below:

Particulars	Actuarial Reserve	Capital Adjustment Fund	CSR Reserve	Investment Adjustment Reserve	Employee Training and Dev. Fund	Total
Opening Balance	**(34,959,351)**	**35,536,834**	**16,061,435**	**3,000,000**	**2,627,272**	**22,266,190**
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Transfer to Reserves during the year	(3,383,623)	-	5,550,634	-	-	2,167,011
Transfer from Reserves during the year	-	-	14,676,547	-	-	14,676,547
Closing Balance	**(38,342,974)**	**35,536,834**	**6,935,522**	**3,000,000**	**2,627,272**	**9,756,654**

5.9 Compliance with Directive/Circulars related to COVID-19

The bank has complied with all circulars and Directive issued by Nepal Rastra Bank in order to minimize various effects resulted due to COVID-19.

5.10 Provision for investment

The bank has created provision amounting NPR. 82,983,005 for possible loss in investment. The provision has been disclosed as other provisions under schedule no 4.22

5.11 Details of Loan write off

S.No.	Product	Write Off Date	Amount	Type of Security	Basis of Valuation of Collateral	Loan Approved By/ Designation	Initiations Made for Recovery
1	Fixed Term Loan	12-Apr-20	4,236,842	Land and building	20% Govt. value and 80% market value	CEO	35 days public notice on 2072/10/29 at Rajdhani ,35 days auction notice on 2073/06/07 at Annapurna , 35 days auction notice on 2073/10/11 at Annapurna
2	Demand Loan Revolving	12-Apr-20	22,256,863	Land and building	20% Govt. value and 80% market value	CEO	NBA booked on 2017.07.09 with Board meeting no 222. NBA amount 28,311,000
3	Demand Loan Revolving	12-Apr-20	2,453,730	Land and building	20% Govt. value and 80% market value	CEO	15 days auction notice on 2074/09/24 at Nagarik , 15 days auction notice on 2075/02/7 at Nagarik, 7 days auction notice on 2075/03/03 at Nagarik
4	Overdraft	12-Apr-20	152,312	Land and building	20% Govt. value and 80% market value	CEO	7 days auction notice 2075/03/25 at Rajdhani, 15 days auction notice on 2075/08/17 at Nagarik and 15 days auction notice on 2076/07/28 at Nagarik
5	Overdraft	18-Aug-20	40,742	Land	20% Govt. value and 80% market value	CEO	7 days internal letter 2072.06.07, internal 35 days letter 2072.07.18, Internal letter 07.01.2014, 35 days public notice 2072.09.15, Kantipur, 35 days auction notice 2073.07.30 Kantipur, 15 days auction notice 2073.12.16, 15 days auction notice on 2074.10.12 Annapurna.
6	Overdraft	18-Aug-20	122,640	Land and building	30% Govt. value and 70% market value	CEO	7 days letter 2073.10.24, 35 days letter 2073.11.05, recovery letter 2074.11.08, 35 days public notice 2074.01.03 Kantipur, 35 days auction notice 2074.02.14, 15 days auction notice 2074.06.24.
	Total		**29,263,129**				

5.12 Loans and Advances Extended to Promoter/Group of Promoters against Promoter Shares by Other BFI's

S.N	Promoter's/Shareholders's Name	Total Shares	% of Paid-up	Number of Share Pledge	Loan Amount (Rs.)	Lending Bank	% of Pledge Share on Total Share
1	Ram Kaji Silwal	25,000	0.03124	25,000	40,075,589	Citizens Bank International Ltd.	100
2	Binita Adhikari	110,354	0.13788	110,354	3,891,799	Citizens Bank International Ltd.	100
3	Rishi Prasad Subedi	133,848	0.16724	95,953	Settled	Century Commercial Bank Ltd.	71.69
4	Himalay Bikram Malla Thakuri	256,037	0.31991	232,234	8,800,000	Century Commercial Bank Ltd.	90.70
5	Shiva Hari Dangal	83,849	0.10477	76,054	2,196,444	NIC Asia Bank Ltd.	90.70
6	Vijaya International Pvt Ltd.	1,175,738	1.46905	166,397	80,558,868	Prime Commercial Bank Ltd.	14.15
7	Anu Piya	110,708	0.13833	97,500	5,259,074	Mahalaxmi Bikas Bank Ltd.	88.07
8	Binaya Upadhyaya	59,892	0.07483	54,324	2,190,905	Mahalaxmi Bikas Bank Ltd.	90.70
9	Navin Man Shrestha	7,748	0.00968	7,028	Settled	Mahalaxmi Bikas Bank Ltd.	90.71
10	Ishwor Lal Shreshta	154,990	0.19366	110,706	6,830,000	Univest Saving and Credit Co-operative Ltd.	71.43
11	Ashok Budhathoki	10,194	0.01274	10,194	729,000	Kailash Bikas Bank Ltd.	100
12	Jeevan Raj Bajracharya	5,534	0.00691	5,534	3,459,208	Kailash Bikas Bank Ltd.	100
13	Girendra Man Sing Shrestha	147,196	0.18392	88,511	5,000,000	Kailash Bikas Bank Ltd.	60.13
14	Kamala Regmi	5,622	0.00702	5,622	213,805	Garima Bikas Bank Ltd.	100
15	Ram Agrawal	73,748	0.09215	69,350	1,700,000	Global IME Bank Ltd.	94.04
16	Anil Kumar Agrawal	27,677	0.03458	26,902	2,500,000	Global IME Bank Ltd.	97.20
17	Suman Devi Agrawal	27,677	0.03458	26,902	2,500,000	Global IME Bank Ltd.	97.20
18	Puna Prasad Subedi	74,218	0.09273	62,000	2,294,000	Global IME Bank Ltd.	83.54
19	Puna Prasad Subedi	74,218	0.09273	5,021	530,000	Manjushree Finance Ltd.	6.77
20	Bhasker Shrestha	55,907	0.06985	55,907	-	Global IME Bank Ltd.	100
21	Amir Shrestha	209,745	0.26207	199,326	199,800,000	Nepal Credit and commerce Bank Ltd.	95.03
22	Bala Krishna Shrestha	275,255	0.34392	275,255	2,800,000	Nepal Credit and commerce Bank Ltd.	100
23	Rajan Krishna Shrestha	24,772	0.03095	24,772	2,800,000	Nepal Credit and commerce Bank Ltd.	100
24	Deepak Kumar Malhotra	38,748	0.04841	35,146	13,886,166	Nepal Credit and commerce Bank Ltd.	90.70
25	Sabita Malhotra Pradhan	154,990	0.19366	140,581	10,000,000	Nepal Credit and commerce Bank Ltd.	90.70
26	Dikesh Malhotra	103,845	0.12975	94,191	8,007,300	Nepal Credit and commerce Bank Ltd.	90.70
27	Ashok Kumar Shrestha	55,353	0.06916	55,353	2,650,000	Jyoti Bikas Bank Ltd.	100
28	Shakuntal Pokharel Ghimire	2,739	0.00342	2,739	Settled	ICFC Finance Ltd..	100
29	Yeshaswika International Pvt Ltd	2,499,407	3.12294	700,000	25,231,500	Laxmi Bank Limited	28.01
30	Yeshaswika International Pvt Ltd	2,499,407	3.12294	500,000	17,827,500	Muktinath Bikas Bank	20
31	Amit Agrawal	38,748	0.04841	35,146	2,506,261	Muktinath Bikas Bank	90.70
32	Bimal Kumar Agrawal	38,748	0.04841	38,748	1,418,000	Mega Bank Nepal Ltd.	100
33	Prem Dhoj Lama	183,664	0.22948	166,589	6,099,000	Mega Bank Nepal Ltd.	90.70
34	Subhash Kumar Khetan	15,498	0.01936	15,498	1,200,000	Pragati Bahuudeshyiya Sahakari Sanstha Ltd	100
35	Seema Marwadi	114,989	0.14368	100,414	6,000,000	Prabhu Bank Ltd.	87.32
36	Achyut Raj Regmi	5,512	0.00689	5,000	6,000,000	Lumbini Bikas Bank Ltd.	90.71
37	Kalu Gurung	54,246	0.06778	54,246	6,000,000	Lumbini Bikas Bank Ltd.	100
38	Jagdish Kumar Agrawal	154,989	0.19365	154,989	54,595,346	Kumari Bank Ltd.	100
39	Saila Shrestha	31,000	0.03873	31,000	20,000,000	Kumari Bank Ltd.	100
40	Gopal Shrestha	30,000	0.03748	30,000	6,991,213	Kumari Bank Ltd.	100
41	Vivek Agrawal	116,243	0.14524	105,436	Lower 9 digit	Nabil Bank Ltd.	90.70
42	Manish Kumar Agrawal	15,508	0.01938	10,081	Settled	Himalayan Bank Ltd.	65.01
43	Mahendra Kumar Goyal	116,244	0.14524	116,244	49,122,900	Himalayan Bank Ltd.	100

44	Abhishek Agrawal	38,747	0.04841	38,747	3,081,000	Himalayan Bank Ltd.	100
45	Pramila Shrestha	6,881	0.00860	6,881	2,300,000	Machhapuchchhre Bank Ltd	100
46	Ram Prakash Shrestha	13,762	0.01720	13,762	6,700,000	Machhapuchchhre Bank Ltd	100
47	Bhim Prasad Timalsina	40,000	0.04998	40,000	1,500,000	Siddhartha Bank ltd	100
48	Sajjan Kumar Khetan	15,500	0.01937	15,500	15,477,453	Siddhartha Bank ltd	100
49	Prem Kaji Khaiju	30,000	0.03748	30,000	1,800,000	Shivashree Multipurpose co-operative ltd	100

5.13 Shareholders Holding 0.5% or more Share of the Total Shares

S.No.	Name of Shareholder	Number of Shares	% of Paid up Capital	Amount
1	Employees Provident Fund	6,813,832	8.51%	681,383,200
2	Pradeep Jung Pandey	3,504,868	4.38%	350,486,800
3	Er. Ichchha Raj Tamang	3,083,508	3.85%	308,350,800
4	National Life Insurance Company Limited	2,796,719	3.49%	279,671,900
5	Yeshaswika International Private Limited	2,499,407	3.12%	249,940,700
6	Asian Investment And Trading Company Pvt Ltd.	1,735,252	2.17%	173,525,200
7	Prabha Goenka Bhimsaria	1,555,467	1.94%	155,546,700
8	Ambika Shah	1,392,936	1.74%	139,293,600
9	Vijaya Inernational Pvt.Ltd	1,223,056	1.53%	122,305,600
10	KDB Capital Corporation	865,339	1.08%	86,533,900
11	Rana Bahadur Shah	710,576	0.89%	71,057,600
12	Birendra Kumar Shah	671,566	0.84%	67,156,600
13	Prabhu Life Insurance Ltd	581,099	0.73%	58,109,900
14	Meena Maharjan	481,949	0.60%	48,194,900
15	Bala Krishna Shrestha	444,047	0.55%	44,404,700
16	Prakash Tayal	408,102	0.51%	40,810,200
	Total	**28,767,723**		**2,876,772,300**

5.14 Principal Indicators

		As per Previous GAAP Report		As per NFRS		
Indicators	**Unit**	**F/Y 2072/073**	**F/Y 2073/074**	**F/Y 2074/075**	**F/Y 2075/076**	**F/Y 2076/77**
1. Net Profit/ Gross Income	Percent	7.30	33.10	12.79	11.38	8.13
2. Earnings Per Share	Rs.	6.03	29.68	9.69	8.84	6.94
3. Market Value Per Share	Rs.	255	246	153	158	139
4. Price Earning Ratio	Ratio	42.32	8.29	15.79	17.88	20.04
5. Dividend (including bonus) on Share Capital	Percent	3.03	10.79	4.05	6.57	8.42
6. Cash Dividend on Share Capital	Percent	0.15	0.54	4.05	6.57	0.42
7. Interest Income/ Loans and Advances	Percent	9.46	10.16	9.97	12.90	11.49
8. Staff Expenses/ Total Operating Expenses	Percent	50.04	13.11	13.87	15.97	18.28
9. Interest Expenses/ Total Deposits and Borrowings	Percent	4.86	6.02	7.44	7.27	6.53
10. Exchange Gain/ Total Income	Percent	3.39	1.86	3.18	3.18	3.37
11. Staff Bonus/ Total Staff Expenses	Percent	10.22	11.99	16.03	15.00	9.38
12. Net Profit/Total Loans and advances	Percent	0.73	4.88	1.52	1.59	1.03
13. Net Profit/ Total Assets	Ratio	0.01	0.04	0.01	1.13	0.72
14. Total Loans & Advances/ Total Deposits	Percent	84.05	92.04	103.38	94.34	89.74
15. Total Operating Expenses/ Total Assets	Percent	1.45	6.55	7.75	7.95	7.41
16. Capital Adequacy (On Risk Weighted Assets)						
a. Core Capital	Percent	11.07	17.85	19.45	16.30	14.32
b. Supplementary Capital	Percent	1.11	0.96	0.86	0.93	0.80
c. Total Capital Fund	Percent	12.19	18.82	20.32	17.23	15.12

17. Liquidity (CRR)	Percent	8.50	7.13	6.34	4.61	3.74
18. Non-Performing Loan/ Total Loans & advances	Percent	4.49	3.96	2.63	2.37	1.90
19. Weighted Average Interest Rate Spread	Percent	3.43	2.66	2.65	3.76	3.92
20. Book Net Worth (In Million)	Rs.	3,473	7,127	9,850	10,151	10,170
21. Book Net Worth per Share	Rs.	108.04	137.45	135.69	126.84	127.07
22. Number of Shares	Nos.	32,147,929	51,852,217	72,593,104	80,033,897	80,033,897
23. Number of Staff	Nos.	404	526	685	991	960
24. Base Rate	Percent	7.85	11.59	11.84	11.11	9.84
25. Others	-	-	-	-	-	-

5.15 Merger and acquisition

The Group has not entered into any merger and acquisition activities in the reporting period.

5.16 Additional Disclosures of non-consolidated entities

The Group does not have any non-consolidated entities to report for the reporting period and in the comparative previous period.

5.16.1 Figures are regrouped and rearranged

The figures have been regrouped/ rearranged wherever necessary in order to facilitate comparison.

5.17 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the end of reporting period (adjusting events after the reporting period); and

(b) Those that is indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Non adjusting Event-Disclosure

There are no material Non-adjusting events that have occurred subsequent to 15th July, 2020 till the signing of this financial statement on 11th January 2021.

Adjusting Event

There are no material adjusting events that have occurred subsequent to 15th July, 2020 till the signing of this financial statement on 11th January 2021.

The Board has decided to propose 8% Bonus Share amounting NPR 640,271,173.91 and 0.42% Cash Dividend for tax purpose amounting NPR. 33,698,482.84 which shall be approved by the Annual General Meeting of the Bank.

Comparison Unaudited and Audited Financial Statements
as of FY 2076/77

Statement of Financial Position / Assets	As per unaudited Financial Statement	As per Audited Financial Statement	Variance In amount	Variance In %	Reasons for Variance
Cash and Cash Equivalents	4,725,485,858	4,725,485,858	-	-	
Due from Nepal Rastra Bank	3,949,888,344	3,949,888,344	-	-	
Placement with Bank and Financial Institutions	803,364,430	803,364,430	-	-	
Derivative Financial Instruments	3,361,079,484	3,361,079,484	-	-	
Other Trading Assets	-	-	-	-	
Loans and Advances to BFIs	1,767,327,983	1,770,050,840	2,722,857	0.15%	Due to effect of Changes in LLP and Interest Recovery
Loans and Advances to Customers	51,512,715,070	52,204,257,192	691,542,122	1.34%	Due to effect of Changes in LLP and Interest Recovery
Investment Securities	8,197,294,242	8,199,003,042	1,708,800	0.02%	Due to Fair Value Adjustment
Current Tax Assets	274,526,085	99,869,000	(174,657,085)	-63.62%	Due to Changes in Income Tax Liability
Investment in Subsidiaries	260,063,200	260,063,200	-	-	
Investment in Associates	-	-	-	-	
Investment Property	208,577,623	115,102,257	(93,475,366)	-44.82%	Due to changes in value of Investment Property
Property and Equipment	611,865,033	610,999,656	(865,377)	-0.14%	Due to changes in Depreciation
Goodwill and Intangible Assets	34,022,838	33,936,117	(86,721)	-0.25%	Due to changes in Amortization
Deferred Tax Assets	-	-	-	-	
Other Assets	1,493,083,221	712,421,089	(780,662,132)	-52.29%	Due to regrouping & reclassification
Total Assets	**77,199,293,411**	**76,845,520,508**	**(353,772,903)**	**-0.46%**	
Liabilities					
Due to Bank and Financial Institutions	3,130,182,705	3,130,182,705	-	-	
Due to Nepal Rastra Bank	728,565,709	728,565,709	-	-	
Derivative Financial Instruments	3,381,454,940	3,376,676,328	(4,778,612)	-0.14%	Due to regrouping & reclassification
Deposits from Customers	57,512,407,224	57,512,407,224	-	-	
Borrowings	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	82,983,005	82,983,005	100%	Due to possible loss in investment
Deferred Tax Liabilities	151,482,836	113,707,761	(37,775,075)	-24.94%	Due to changes in value of Investment Property, Changes in Depreciation
Other Liabilities	2,222,994,547	1,730,995,163	(491,999,384)	-22.13%	Due to regrouping & reclassification
Debt Securities Issued	-	-	-	-	
Subordinated Liabilities	-	-	-	-	
Total Liabilities	**67,127,087,960**	**66,675,517,894**	**(451,570,066)**	**-0.67%**	
Equity					
Share Capital	8,003,389,674	8,003,389,674	-	-	
Share Premium	-	-	-	-	
Retained Earnings	264,735,975	722,998,889	458,262,914	173.10%	Due to Change in profit
Reserves	1,804,079,802	1,443,614,051	(360,465,751)	-19.98%	Due to following effects 1. Addition of defined benefit obligation due to actuarial valuation. 2. Change in deferred tax liabilities 3. Regrouping & reclassification.
Total Capital and Liabilities	**77,199,293,411**	**76,845,520,508**	**(353,772,903)**	**-0.46%**	
Statement of Profit or Loss					
Interest Income	6,198,103,110	6,199,060,280	957,169	0.02%	Due to adjustment in Interest Income
Interest Expense	3,959,670,471	3,962,529,827	2,859,356	0.07%	Due to adjustment in Interest Expense
Net Interest Income	**2,202,202,030**	**2,236,530,452**	**34,328,422**	**1.56%**	
Fee and Commission Income	299,045,438	300,680,336	1,634,897	0.55%	Due to adjustment in Fee and Commission Income
Fee and Commission Expense	27,025,125	27,025,125	-	-	
Net Fee and Commission Income	**272,020,314**	**273,655,211**	**1,634,897**	**0.60%**	
Net Interest, Fee and Commission Income	**2,510,452,953**	**2,510,185,663**	**35,963,320**	**1.43%**	
Net Trading Income	229,853,155	229,853,155	-	-	
Other Operating Income	50,875,145	97,704,288	46,829,143	92.05%	Due to adjustment in Other Operating Income
Total Operating Income	**2,791,181,253**	**2,837,743,106**	**46,561,853**	**1.67%**	
Impairment Charge/ (Reversal) for Loans and Other Losses	442,031,370	223,645,931	(218,385,439)	-49.40%	Due to changes in Loan loss provision
Net Operating Income	**2,349,149,883**	**2,614,097,175**	**264,947,292**	**11.28%**	
Operating Expense					
Personnel Expenses	1,014,728,179	1,040,786,204	26,058,025	2.57%	Due to Changes in Employeee Bonus and adjustments on staff benefits
Other Operating Expenses	551,346,727	554,661,671	3,314,944	0.60%	Due to regrouping & reclassification and Effects of NFRS adjustment of operating Lease
Depreciation & Amortisation	108,784,824	109,836,921	1,052,097	0.97%	Due to Changes in Depreciation
Operating Profit	**674,290,152**	**908,812,378**	**234,522,225**	**34.78%**	
Non Operating Income	-	-	-	-	
Non Operating Expense	29,747,540	29,747,540	-	-	
Profit Before Income Tax	**644,542,613**	**879,064,838**	**234,522,225**	**36.39%**	Due to reasons as mentioned above
Income Tax Expense					
Current Tax	193,362,784	368,934,197	175,571,413	90.80%	Due to Changes in Income Tax Liability
Deferred Tax	(5,821,118)	(44,932,665)	(39,111,547)	671.89%	Due to Changes in Deferred Tax Liability
Profit for the Period	**457,000,947**	**555,063,306**	**98,062,359**	**21.46%**	

सिभिल बैंक लिमिटेडको
प्रबन्धपत्रमा संशोधन, तीन महले

दफा	हालको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्ने कारण
दफा ६ ख	बैंकको जारी पूँजी रु. ८,००,३३,८९,६७३/८८ (आठ अर्ब तेत्तिस लाख उन्नानब्बे हजार छ सय त्रिहत्तर रुपैया अठासी पैसा) हुनेछ ।	बैंकको जारी पूँजी रु. ८,६४,३६,६०,८४७/७९ (आठ अर्ब चौसट्ठी करोड छत्तीस लाख साठी हजार आठ सय सइचाली रुपैया उनासी पैसा) हुनेछ ।	बोनस शेयर जारी तथा प्राप्ति पश्चात बैंकको जारी पूँजी बृद्धि हुने भएकोले ।
दफा ६ ग	बैंकको जारी पूँजी रु. ८,००,३३,८९,६७३/८८ (आठ अर्ब तेत्तिस लाख उन्नानब्बे हजार छ सय त्रिहत्तर रुपैया अठासी पैसा) हुनेछ ।	बैंकको चुक्ता पूँजी रु. ८,६४,३६,६०,८४७/७९ (आठ अर्ब चौसट्ठी करोड छत्तीस लाख साठी हजार आठ सय सइचाली रुपैया उनासी पैसा) हुनेछ ।	बोनस शेयर जारी तथा प्राप्ति पश्चात बैंकको जारी पूँजी बृद्धि हुने भएकोले ।

सिभिल बैंक लिमिटेडको
नियमावलीको तीन महले

३२(१) ख	३२. सञ्चालक पारिश्रमिक, भत्ता तथा सुबिधा सम्बन्धी व्यवस्था : १(ख) सञ्चालक समितिको बैंठकमा उपस्थित भए बापत अध्यक्षले पाउने प्रति बैंठक भत्ता कर समेत रु.१०,०००।- तथा अन्य सञ्चालकले पाउने प्रति बैंठक भत्ता कर समेत रु ८,०००।- हुनेछ ।	३२. सञ्चालक पारिश्रमिक, भत्ता तथा सुबिधा सम्बन्धी व्यवस्था : (ख) बैठक भत्ता : अध्यक्ष : रु.१६,०००।- प्रति बैठक कर समेत सञ्चालक : रु.१३,०००।- प्रति बैठक कर समेत	समय सापेक्ष रुपमा सञ्चालकको बैठक भत्ता बृद्धि गर्न आवश्यक भएकोले ।
३२(१) ग	बैंकको कामको सिलसिलामा सञ्चालकलाई प्रदान गरिने दैनिक तथा भ्रमण भत्ता देहाय बमोजिम हुनेछ : (अ) स्वदेशमा दैनिक भत्ता रु.१,०००।- (आ) भारतमा दैनिक भत्ता भा.रु.१,५००।- (इ) भारत बाहेकका अन्य विदेशी मुलुकमा दैनिक भत्ता अमेरिकी डलर १००।-	बैंकको कामको सिलसिलामा सञ्चालकलाई प्रदान गरिने दैनिक तथा भ्रमण भत्ता देहाय बमोजिम हुनेछ : (अ) स्वदेशमा दैनिक भत्ता रु.१०,०००।- (आ) भारतमा दैनिक भत्ता भा.रु.१५,०००।- (इ) भारत बाहेकका अन्य विदेशी मुलुकमा दैनिक भत्ता अमेरिकी डलर ७००।-	समय सापेक्ष रुपमा सञ्चालकको दैनिक तथा भ्रमण भत्ता बृद्धि गर्न आवश्यक भएकोले ।
३२(१) घ	हाल नभएको	**घ. अन्य सुविधाहरु :** अध्यक्ष तथा सञ्चालकलाई पत्रपत्रिका तथा टेलिफोन/ मोबाईल भत्ता बापत एकमुष्ट रु.१३,०००।- प्रति महिना ।	समय सापेक्ष रुपमा मासिक भत्ता उपलब्ध गराउन वाञ्छनीय भएकोले ।

नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग

दरबारमार्ग, काठमाडौं।
फोन नं.: ४४१९८०५,७
फ्याक्स नं.: ४४१०१५९
Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोष्ट बक्स:७३

प.सं:बै.सु.वि./अफसाइट/एजिएम/२८/२०७७-७८ मितिः २०७७/१०/१२

सिभिल बैंक लिमिटेड,
सिटिसीमल सुन्धारा, काठमाडौं।

विषयः लाभांश घोषणा/वितरण तथा वित्तीय विवरण प्रकाशन सम्वन्धमा।

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरु पालना गरेको देखिएको हुँदा, ऐ. ऐनको उपदफा (१) बमोजिम बैंकले संचित मुनाफा रु.७२,२९,९८,८९०।- बाट शेयरधनीहरुलाई रु.६४,०२,७१,१७३।९१ बराबरको बोनस शेयर र रु.३,३६,९८,४८२।८४ नगद लाभांश (बोनस शेयरमा लाग्ने कर प्रयोजनको लागि) गरी कुल **रु.६७,३९,६९,६५६।७५ (अक्षरेपी सत्सठ्ठी करोड उनान्चालीस लाख उनान्सत्तरी हजार छ सय छपन्न र पैसा पचहत्तर मात्र)** लाभांश अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी कर दाखिला गर्ने दायित्व त्यस बैंकको हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्रै वितरण गर्न स्वीकृतिका साथै आ.व. २०७६/७७ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु।

१. प्रारम्भिक लेखापरिक्षण प्रतिवेदन तथा सो उपर व्यवस्थापनको जवाफमा उल्लेख गरिएका सम्पूर्ण कैफियतहरु पूर्ण रुपले सुधार गर्न तथा त्यस्ता कैफियतहरु पुन: दोहोरिन नदिने आवश्यक व्यवस्था मिलाउनु हुन।

२. यस बैंकबाट जारी गरिएको एकीकृत निर्देशनको निर्देशन नं. १० को बुँदा नं. ७ बमोजिम इजाजतपत्रप्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पुँजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरुमा चुक्ता पुँजीको बढीमा १ प्रतिशतसम्ममात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरु रहेमाती संस्थापक शेयरधनीहरुले आफ्नो शेयर सो सीमा भित्र नल्याएसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन।

३. बैंक तथा वित्तीय संस्था सम्वन्धि ऐन २०७३ को दफा ११ को उपदफा ३ मा बैंकको चुक्ता पूंजीको २ प्रतिशतभन्दा बढी शेयर धारण गरेका संस्थापकहरुले आफुले धारण गरेको शेयर बिक्री तथा धितोबन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफुले धारण गरेको शेयर धितो

क्रमशः .2

नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग

दरबारमार्ग, काठमाडौं।
फोन नं.: ४४१९८०५,७
फ्याक्स नं.: ४४१०१५९
Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोष्ट बक्स:७३

बन्धक राखी अन्य बैंक तथा वित्तीय संस्थाबाट कर्जा उपयोग गरेका संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुलाई सोको स्वीकृति नलिएसम्म वा शेयर धितो बन्धक राखी उपयोग गरेको कर्जा पूर्ण रुपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित नगद लाभांश एवं बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन ।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन ।

भवदीय,

(पिताम्बर पोख्रेल)
उप-निर्देशक

बोधार्थ :

१. नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
२. बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, सिभिल बैंक लिमिटेड ।

वार्षिक वित्तीय विवरण प्रकाशनको स्वीकृति प्रदान गर्ने क्रममा नेपाल राष्ट्र बैंकबाट स्वीकृति पत्रमा उल्लेखित निर्देशनहरुको कार्यान्वयन सम्बन्धमा बैंकको प्रतिक्रिया :

१. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरुमा क्रमशः सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाइनेछ ।

२. निर्देशन अनुसार गरिनेछ ।

३. निर्देशन अनुसार गरिएको छ ।

विभागीय प्रमुखहरू

सागर पौड्याल
प्रमुख-सूचना प्रविधि विभाग

भोला बहादुर बिष्ट
प्रमुख-निक्षेप कारोबार बैंकिङ्ग विभाग

प्रकाश राज पन्त
प्रमुख-क्रेडिट कन्ट्रोल विभाग

युवराज गुरागाई
प्रमुख-माईक्रो बैंकिङ्ग विभाग

शिलु अर्याल
प्रमुख-मानव संसाधन विभाग

गोवर्धन अधिकारी
प्रमुख- शाखा संचालन तथा नियमन विभाग

सचिन नेवा
प्रमुख-वित्त विभाग

विष्णु पाण्डे
प्रमुख-कर्जा अनुगमन तथा असुली विभाग

उपेन्द्र मानन्धर
प्रमुख-जोखिम अधिकृत

आँचल ढकाल
प्रमुख रिटेल क्रेडिट विभाग

पवित्र मान श्रेष्ठ
प्रमुख-लेखा विभाग

अनिजा तुलाधार
प्रमुख- सेन्ट्रल अपरेशन तथा अन्तराष्ट्रिय बैंकिङ्ग विभाग

किरण पाण्डे
प्रमुख-सामान्य प्रशासन विभाग

सुदीप श्रेष्ठ
प्रमुख-रिसर्च एण्ड डेभलपमेन्ट विभाग

किरण खड्का
प्रमुख-एस.एम.ई बैंकिङ्ग विभाग

बिजय राम कशजू
प्रमुख-ब्राण्डिङ्ग तथा कर्पोरेट कम्यूनिकेसन्स विभाग

हिरा काजी बस्नेत
कम्पनी सचिव

बिनु कुमार श्रेष्ठ
प्रमुख-कानुन विभाग

मनोज बस्नेत
प्रमुख-कर्जा प्रशासन विभाग

शशी नेपाल
प्रमुख-अनूपालना विभाग

प्रविन घिमिरे
प्रमुख-कर्जा निरीक्षण तथा अनुगमन विभाग

सुनिल महर्जन
प्रमुख-आन्तरिक लेखा परीक्षण विभाग

सागर पौडेल
नि. प्रमुख-डिजिटल बैंकिङ्ग विभाग

प्रदेश प्रमुखहरू

राजेश ढकाल
प्रमुख-प्रदेश नं. १

विश्वास राज अर्याल
प्रमुख-प्रदेश नं. २

सुरज दाहाल
प्रमुख- बागमती प्रदेश

समीर के.सी.
प्रमुख-गण्डकी प्रदेश

किरण धमला
प्रमुख- लुम्बिनी प्रदेश

अभिजित श्रेष्ठ
प्रमुख- कर्णाली प्रदेश

दिपक जोशी
प्रमुख-सुदुरपश्चिम प्रदेश

सिभिल बैंक लिमिटेड
CIVIL BANK LTD.
Class "A" Institution Licensed by Nepal Rastra Bank

Head Office:
Civil Trade Center (CTC) Sundhara,
PO Box: 9799 | Fax: 977-1-4251036
Tel: 977-1-4251087 / 4251015
Email: info@civilbank.com.np
Website: www.civilbank.com.np