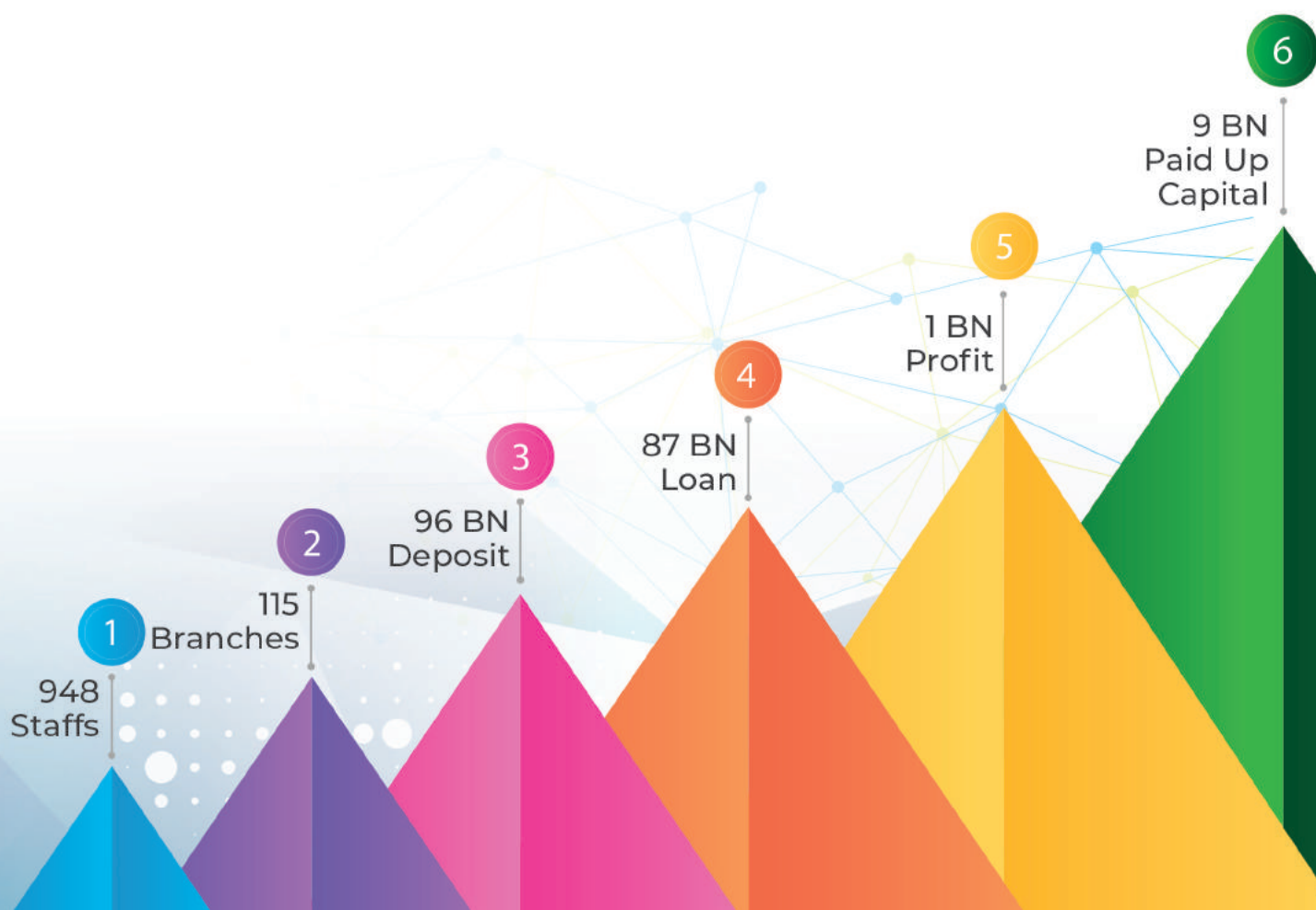


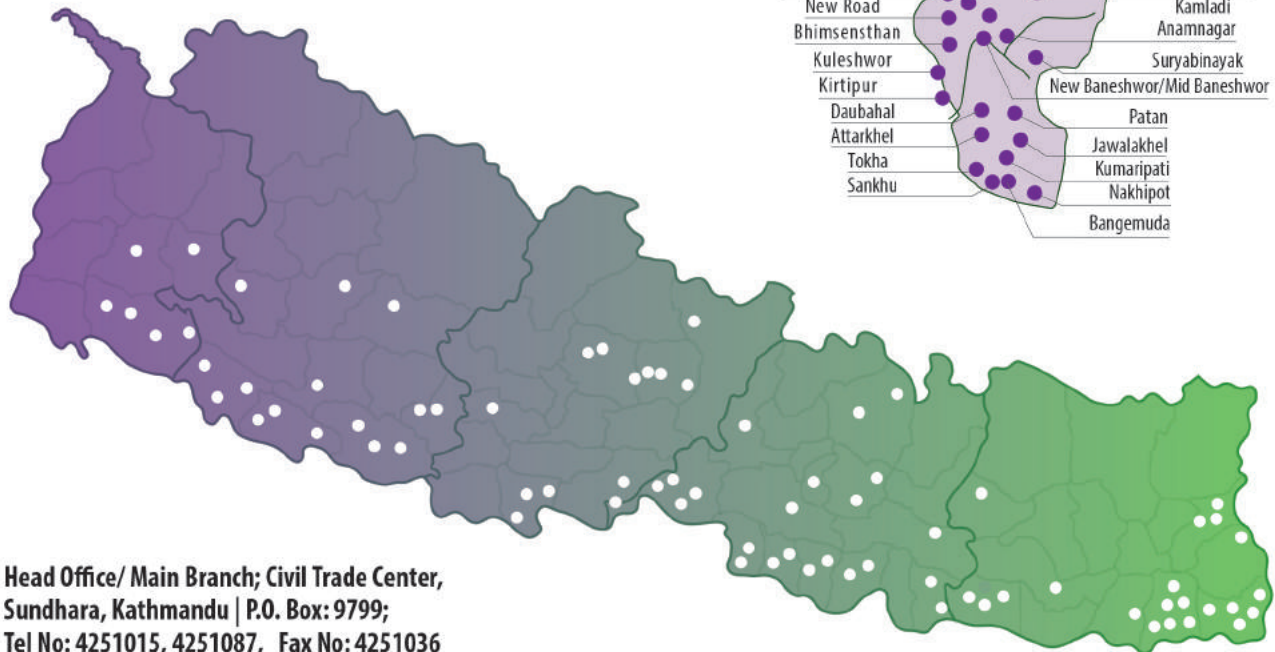


12th ANNUAL REPORT

Fiscal Year 2078/79



OUR BRANCH NETWORK



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

PROVINCE 1

Branch	Contact	Branch	Contact
Biratnagar	021-511981 / 511984	Hilihang	9751099817
Biratchowk	021-545704 / 545705	Surunga	023-552650 / 552660
Birtamod	023-590405 / 545406	Arjundhara	023-465618 / 465621
Damak	023-572794 / 572795	Dudhe	023-470325
Gaighat	035-423384 / 423383	Rabi, Miklajung	024-412184 / 412185
Itahari	025-587186 / 587209	Uriabari	021-541119 / 541219
Okhaldhunga	037-520615 / 520616	Duhabi	025-542419 / 543079
Phidim	024-522788 / 522988	Bhadrapur	023-523487
Yangwarak	024-410059 / 410060	Pushpalal Chowk	021-461041 / 461042
Maijogmai	027-411061 / 411060	Dharan	025-531262 / 531263
Sunwarshi	021-433017 / 433018		

MADHESH PROVINCE

Branch	Contact	Branch	Contact
Birgunj	051-529943 / 529959	Dhangadhimai	033-545121 / 545122
Janakpur	041-590320 / 590321	Ganj Bhawanipur	053-401104 / 401106
Pakaha Mainpur	9824239324	Chandrapur	055-540762 / 540781
Dhankaul	9854038002	Nijgadh	053-540386 / 540387
Dhalkebar	041560223 / 560224	Jitpur Simara	053-412061 / 412062
Golbazar	033-540614 / 540615	Kalैया	053-550738 / 550739
Lahan	033-564653 / 564654	Malangwa	046-521841 / 521842
Garuda	055-565202		

BAGMATI PROVINCE

Branch	Contact	Branch	Contact
Gongabu	01-4979112 / 4979113	Putalisadak	01-4540955 / 4540938
Patan, Sundhara	01-5547932 / 5548682	Main Branch-CTC	01-4251015 / 4250420
Jawalakhel	01-5409193 / 5409147	Daubahal	01-5455791 / 5455795
Kumaripati	01-5408622 / 5408621	Nakhipot	01-5171128 / 5171129
New Road	01-5713378 / 5713410	Attarkhel	01-4913500 / 4914515
Mid Baneshwor	01-4104269 / 4104270	Bangemudha	01-5906611 / 5906612
Anamnagar	01-5706317 / 5706215	Gothatar	01-4991688 / 4992683
Boudha	01-4917410 / 4917411	Banepa	011-660383 / 660384
Kirtipur	01-4334458 / 4334467	Dhulikhel	011-490847 / 490849
Kuleshwar	01-4671916	Barhabise	011-489283 / 489284
Swoyambhu	01-5249476 / 5249477	Melamchi	011-401054 / 401055
Kapan	01-4823825 / 4823826	Dhading Besi	010-521068 / 521069
Kamaladi	01-4169244 / 4169245	Hetauda	057-526901 / 526902
New Baneshwor	01-4792145 / 4792010	Khurkhure	056-419092 / 419191
Suryabinayak	01-6619544 / 6619545	Naryangadh	056-598039 / 598040
Tokha	01-5110435 / 5110416	Parbatipur	056-591515 / 591774
Chabahil	01-4499300 / 4499028	Tandi	056-560380
Bhimsesthan	01-4254931 / 4254933	Sindhuli	047-521081
Tripureshwor	01-4249503 / 4256504	Sankhu	01-4451804 / 4451805

GANDAKI PROVINCE

Branch	Contact	Branch	Contact
Kawasoti	078-540770 / 540776	Rainas	9856087422
Arughat	064-410102 / 410103	Besisahar	066-521433 / 521434
Lekhnath	061-560251 / 560252	Dharce	9751045516
Pokhara	061-589767 / 589768	Damauli	065-564518 / 564519
Maling	9751028422	Shiva Chowk	061-536948 / 536949
Gauda	9856075422	Lamachaur	061-440430
Bhulbuhle	9851326422		

LUMBINI PROVINCE

Branch	Contact	Branch	Contact
Bhairahawa	071-571161 / 571162	Lalmatiya	082-580322 / 580323
Butwal	071-553564 / 553565	Thakurdwara	084-402103 / 402104
Manigram	071-562673 / 071-562674	Sitalabazar	084-411184 / 411186
Bijuar	091-580171	Lamahi	082-540901 / 540902
Ghorahi	082-563153 / 563154	Kohalpur	081-542134 / 542135
Tulsipur	082-523197 / 523198	Sunwal	078-570570
Nepalgunj	081-531579 / 531580	Jitpur	076-550462 / 550464
Mandavi	9842232915		

KARNALI PROVINCE

Branch	Contact	Branch	Contact
Musikot	088-530305	Shivalaya	9751024765
Salyan	088-400178 / 400179	Surkhet	078-570570
Bhairabi	9751061398	Chhinchu	083-540323 / 540324

SUDURPASCHIM PROVINCE

Branch	Contact	Branch	Contact
Dhangadhi	091-417699 / 416399	Lamki Chuha	091-540562 / 540564
Janaki	091-500082 / 500093	Bhajani	09-1580171
Adarsha	9751099960	Mahendranagar	099-590025 / 590005
Bannigadhi	9751099958		

EXTENSION COUNTER

Counter	Contact	Branch	Contact
Biratchowk	021-545704	Okhaldhunga	037-520615
Gautam Buddha International Airport	071-507140	Sinam	024-410059
Harnamadi	057-526901	Taulihawa	076-550462
Kakani (Nuwakot)	01-497912	Yatayat, Ekantakuna	01-5408622
Khairahani	056-583231	Banijya Bibhag, Babarmahal	01-5907749
Rumjatar	037-520615		
Gachhiya	021-430040		
Fikkal	027-590345		

प्रतिनिधिपत्र (प्रोक्सी फारम)

श्री सञ्चालक समिति
सिभिल बैंक लिमिटेड
सुन्धारा, काठमाण्डौ ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला न.पा./गा.वि.स. वडा नं. बस्ने म/हामी ले त्यस बैंकको शेयर धनीको हैसियतले मिति २०७९/०९/२८ गते बिहिबारका दिन हुने बान्हौं 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 :

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

प्रवेश -पत्र

शेयरधनीको नाम :

शेयरधनी नम्बर र हितग्राही परिचय नं. शेयर संख्या :

२०७९/०९/२८ गते बिहिबारका दिन हुने सिभिल बैंक लिमिटेडको बान्हौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेशपत्र ।

शेयरधनीको दस्तखत :

हिरा काजी बस्नेत
कम्पनी सचिव

द्रष्टव्य : सभा कक्षमा प्रवेश गर्न यो प्रवेशपत्र अनिवार्य रूपमा प्रस्तुत गर्नु पर्नेछ ।

विषय सूची

- ०१ बाह्रौं वार्षिक साधारण सभासम्बन्धी सूचना
- ०५ अध्यक्षको मन्तव्य
- ०८ प्रमुख कार्यकारी अधिकृतको मन्तव्य
- ११ संचालक समितिको प्रतिवेदन
- १५ कम्पनी ऐन २०६३ को दफा १०९ अनुसारको अतिरिक्त विवरण
- १८ धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६ को उपनियम २ सँग सम्बन्धित अनुसूची १५ बमोजिमको वार्षिक विवरण
- २५ लेखापरीक्षकको प्रतिवेदन
- ३१ एकीकृत वित्तीय अवस्थाको विवरण (वासलात)
- ३२ एकीकृत नाफा नोक्सान विवरण
- ३३ एकीकृत अन्य विस्तृत आम्दानीको विवरण
- ३४ एकीकृत इक्विटीमा भएको परिवर्तनको विवरण
- ३६ एकीकृत नगद प्रवाह विवरण
- ३७ लेखा सम्बन्धी टिप्पणीहरू तथा प्रमुख लेखा नीतिहरू
- ८८ प्रकटीकरण तथा थप जानकारी
- १२७ बैंकको वित्तीय विवरण प्रकाशन गर्न नेपाल राष्ट्र बैंकको स्वीकृती पत्र

सिभिल बैंक लिमिटेडको

बाह्रौं वार्षिक साधारण सभासम्बन्धी सूचना

श्री शेयरधनी महानुभावहरु,

सिभिल बैंक लिमिटेडको मिति २०७९/०९/०६ गते बसेको संचालक समितिको बैठक नं. ४०४ को निर्णयानुसार यस बैंकको बाह्रौं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा निम्न प्रस्तावहरु उपर छलफल गरी निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ बमोजिम सम्पूर्ण शेयरधनी महानुभावहरुको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, स्थान र समय :

सभा हुने मिति : २०७९ पौष २८ गते (तदनुसार १२, जनवरी, २०२३)

स्थान : अमृतमोग, कालिकास्थान काठमाडौं ।

समय : बिहान ११:०० बजे ।

वार्षिक साधारण सभाको छलफलको विषयहरु :

(क) साधारण प्रस्तावहरु :

१. अध्यक्षज्यूको प्रतिवेदन सहित संचालक समितिको वार्षिक प्रतिवेदन २०७८/०७९ पारित गर्ने ।
२. आर्थिक वर्ष २०७८/०७९ को लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफानोक्सान हिसाब तथा नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरुमा छलफल गरी पारित गर्ने ।
३. कम्पनी ऐन, २०६३ दफा १११ अनुसार आर्थिक वर्ष २०७९/८० को लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने । (कम्पनी ऐन, २०६३ दफा १११(३) बमोजिम बहालवाला लेखापरीक्षक NBSM & Associates पुनः नियुक्त हुन योग्य नभएको ।)
४. संचालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०७८/०७९ को मुनाफाबाट कर प्रयोजनको लागि प्रतिशेयर ०.२६% का दरले हुन आउने रु.२,३८,८३,७९९।७९ (अक्षरेपी दुई करोड अठ्तीस लाख त्रियासी हजार सात सय उनान्सय रुपैया एकहत्तर पैसा मात्र) लाभांश वितरण गर्न स्वीकृत गर्ने ।

(ख) विशेष प्रस्तावहरु :

१. संचालक समितिले प्रस्ताव गरे बमोजिम बैंकको चुक्ता पूँजी रु. ९,०७,५८,४३,८९०।३१ (नौ अर्ब सात करोड अठ्ठाउन लाख त्रिचालीस हजार आठ सय नब्बे रुपैया एकतीस पैसा) को ५% का दरले हुन आउने रु. ४५,३७,९२,१९४।५२ (अक्षरेपी पैतालीस करोड सैतीस लाख बयानब्बे हजार एक सय चौरानब्बे रुपैया बाउनन पैसा मात्र) बराबरको बोनस शेयर वितरण गर्न स्वीकृत गर्ने ।
२. विशेष प्रस्ताव १ बमोजिम बोनस जारी गरेपश्चात बैंकको पूँजी वृद्धि हुने भएकोले सोही बमोजिम बैंकको प्रबन्धपत्र/नियमावली संशोधनको प्रस्तावलाई स्वीकृति प्रदान गर्ने ।
३. सिभिल बैंक लिमिटेडलाई हिमालयन बैंक लिमिटेडले प्राप्त (एक्विजिशन) गर्ने प्रयोजनको लागि मूल्याङ्कनकर्ता CSC & CO. बाट प्राप्त सम्पति दाखित्व तथा कारोबारको मूल्याङ्कन प्रतिवेदन (Due Diligence Audit Report) तथा अन्य सम्बद्ध व्यवस्था समेतका आधारमा संयुक्त प्राप्त समितिको सिफारिशमा यस बैंकको सञ्चालक समितिले स्वीकृत गरे बमोजिम यस सिभिल बैंक लिमिटेडको १०० किता शेयर बराबर हिमालयन बैंक लिमिटेडको ८०.२८ किता शेयर प्राप्त हुने गरी शेयर आदान प्रदान अनुपात (१००:८०.२८) कायम गरी प्राप्त (एक्विजिशन) कार्यलाई अन्तिम स्वीकृति प्रदान गर्ने ।
४. सिभिल बैंक लि लाई हिमालयन बैंक लि. ले प्राप्त (एक्विजिशन) गर्ने सम्बन्धमा भएको सम्पत्ती तथा दाखित्वको मूल्याङ्कनकर्ताको नियुक्ती र निजलाई मुक्तानी गरिएको पारिश्रमिक, सम्पति दाखित्व तथा कारोबारको मूल्याङ्कन प्रतिवेदन (Due Diligence of Audit Report), समझदारीपत्र, (Memorandum of Understanding), तथा अन्तिम सम्झौता पत्र (Final Scheme of Arrangement) लगायतका सम्पूर्ण काम कारबाहीहरुलाई अनुमोदन गर्ने ।
५. सिभिल बैंक लि. लाई हिमालयन बैंक लि. ले प्राप्त (एक्विजिशन) गर्ने प्रक्रियामा नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, धितोपत्र बोर्ड लगायतका नियमनकारी निकायहरुबाट स्वीकृति लिने /अभिलेख गर्ने क्रममा भए गरेका काम कारबाही वा पूँजी संरचना वा प्रबन्धपत्र नियमावलीको संशोधनको सम्बन्धमा नियमनकारी निकायहरुबाट संशोधन, परिमार्जन तथा थपघट गर्न कुनै निर्देशन प्राप्त भएमा प्राप्त निर्देशन बमोजिम मिलाई संशोधन वा परिमार्जन समेतका सम्पूर्ण कार्यहरु गर्न संचालक समितिलाई पूर्ण अस्तीयाारी प्रदान गर्ने ।

(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 शेयर शाखा, सुन्धारा काठमाण्डौमा वा बैंकको शेयर रजिष्ट्रार सिभिल क्यापिटल मार्केट लिमिटेड, सुन्धारा काठमाण्डौमा 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 सम्बन्धीत शेयरधनीहरुमा अनुरोध छ ।

सञ्चालक समितिको आज्ञाले,
हिरा काजी बस्नेत
कम्पनी सचिव

साधारण सभासम्बन्धी थप जानकारीहरु :

१. यस विशेष साधारण सभा प्रयोजनको लागि बैंकको शेयरधनी दर्ता पुस्तिका मिति २०७९/०९/१९ गते १ दिनको लागि बन्द रहनेछ । मिति २०७९/०९/१९ गते सम्म नेपाल स्टक एक्सचेंज लि. मा कारोबार भएका शेयर कारोबार सम्बन्धी लिखत एवं कागजातहरु मिति २०७९/०९/२१ गते भित्र यस बैंकको शेयर रजिष्ट्रार सिभिल क्यापिटल मार्केट लिमिटेड मार्फत नामसारी दाखिल खाते गराई शेयरधनी दर्ता किताबमा कायम हुन आएका शेयरधनीहरु सभामा भाग लिन सक्नेछन् ।
२. सभा हुने दिन सभामा उपस्थितिका लागि हाजिर पुस्तिका बिहान ९:३० बजे देखि खुल्ला रहने छ । परिचय नं. (शेयरधनी नं./डिभ्याट नं.) को आधारमा हाजिरी जनाउने व्यवस्था गरिएको हुँदा शेयरधनी महानुभावले आफ्नो परिचय नं. अनिवार्य रूपमा प्रस्तुत गर्नु पर्नेछ ।
३. शेयरधनीले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफू जुन समुह/उपसमुहको शेयरधनी हो सोही समुह/उपसमुहको शेयरधनीलाई मात्र प्रोक्सी दिन पाईनेछ ।
४. प्रतिनिधि (प्रोक्सी) ले मतदान गर्न पाउने अधिकतम हद वा सीमा त्यस्तो शेयरधनीले लिन पाउने बैंकको अधिकतम शेयर हिस्साको सीमामन्दा बढी हुने छैन ।
५. प्रतिनिधिपत्र (प्रोक्सी फारम) सभा सुरु हुनभन्दा कम्तीमा ७२ घण्टा अगावै अर्थात् मिति २०७९/०९/२५ गते विहान ११.०० बजे भित्र बैंकको केन्द्रीय कार्यालय शेयर शाखामा दर्ता गरिसक्नु पर्नेछ ।
६. शेयरधनीले एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन । यसरी दिइएको प्रोक्सी बदर हुनेछ ।
७. एक जना शेयरधनीले एकभन्दा बढी शेयरधनीलाई प्रतिनिधि (प्रोक्सी) मुकरर गरेमा त्यस्तो प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ । तर, पहिला दिइएको प्रतिनिधिपत्र (प्रोक्सी फारम) बदर गरी पछि दिइएको प्रतिनिधिपत्रलाई मात्र मान्यता दिन अनुरोध गरी छुट्टै पत्र साथ प्रतिनिधिपत्र (प्रोक्सी फारम) दर्ता गर्न ल्याएमा भने पछिल्लो प्रतिनिधिपत्र (प्रोक्सी फारम) लाई मान्यता दिइनेछ ।
८. प्रतिनिधि नियुक्त गरिसकेको शेयरधनीले, सभाको काम कारबाही सुरु हुनुभन्दा अगावै आफैं सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा त्यस्तो शेयरधनीले दिइएको प्रतिनिधि पत्र (प्रोक्सी फारम) स्वतः बदर हुनेछ ।
९. बैंकको छाप र कम्पनी सचिवको दस्तखत भएको प्रतिनिधिपत्र (प्रोक्सी फारम) मात्र मान्य हुनेछ ।
१०. 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 लिखितरूपमा जानकारी दिनुपर्नेछ ।
११. अन्य जानकारीको लागि बैंकको केन्द्रीय कार्यालय तथा शेयर रजिष्ट्रारको कार्यालयमा सम्पर्क गर्नु हुन अनुरोध छ ।



सञ्चालक समिति



श्री प्रताप जङ्ग पाण्डे
अध्यक्ष



ई. इच्छा राज तामाङ्ग
सञ्चालक



श्री अम्बीर बोगटी
सञ्चालक



श्री प्रकाश थाकुर
सञ्चालक



श्री शम्भु प्रसाद पन्त
सञ्चालक



श्री हिरा काजी बस्नेत
कम्पनी सचिव

प्रताप जङ्ग पाण्डे

अध्यक्ष



अध्यक्षको मन्तव्य

आदरणीय शेयरधनी महानुभावहरू,

सिमिल बैंक लिमिटेडको बाह्रौं वार्षिक साधारण सभामा हाम्रो निमन्त्रणालाई स्वीकार गरी उपस्थित हुनुभएका आदरणीय शेयरधनी महानुभावहरू, नियमनकारी निकायका प्रतिनिधिज्यूहरू, अतिथिज्यूहरू, पर्यवेक्षक, पत्रकार मित्रहरू तथा बैंकमा कार्यरत कर्मचारीहरूलाई बैंकको सञ्चालक समितिको तर्फबाट र मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत एवं अभिवादन व्यक्त गर्दछु । बाह्रौं वर्ष पार गरी तेह्रौं वर्षको यात्रासम्म हामीलाई निरन्तर दिनुभएको असीम विश्वास र आत्मीय सहयोगको लागि बैंक परिवार यहाँहरूप्रति हार्दिक आभार प्रकट गर्दछौं ।

शेयरधनी महानुभावहरू,

बैंकिङ्ग इतिहासमा पछिल्लो समय स्थापित यस बैंकको सुरुवाती यात्रा चुनौतीपूर्ण रहेको कारणले सोचेअनुरूप प्रगति नदेखिए तापनि पछिल्लो समय बैंकले एउटा सही गति लिइरहेको अवस्था रहेको छ । विगतको तुलनामा बैंकको अधिकांश सूचकमा उल्लेख्य सुधार भएको देखिन्छ । मध्यम स्तरको बैंकसँग समानस्तरको भूमिका राख्न सक्ने अवस्थामा पुगेको छ । बैंकलाई यो अवस्थामा पुऱ्याउन बैंकको कुशल नेतृत्व, प्रभावकारी व्यवस्थापन पक्ष र सक्षम कर्मचारीको भूमिका प्रशंसनीय रहेको छ ।

बैंकिङ्ग क्षेत्रमा रहेको तीव्र प्रतिस्पर्धाका बीच पूँजी, स्वर्च र व्यवसाय विस्तारलाई समुचित व्यवस्थापन गरी दिगो तथा सुरक्षित र दीर्घकालीन लक्ष्य प्राप्तिका लागि समस्त बैंक परिवार प्रयत्नशील रहेको छ । हाल संचालनमा रहेका वाणिज्य बैंकहरूको बजार, ग्राहक, लक्ष्य, उद्देश्य लगभग एकै किसिमका छन् । यस्तो अवस्थामा पछिल्लो समयमा स्थापित यस बैंकले पुराना बैंकसँग प्रतिस्पर्धा गर्न ग्राहक केन्द्रीत भएर आकर्षक बैंकिङ्ग सुविधा प्रदान गर्दै अगाडि बढेको छ । हामीले बैंकको आन्तरीक काम कारवाहीहरू सोहीअनुसार व्यवस्थापन गर्दै आएका छौं, डिजिटल बैंकिङ्गमा विशेष जोड दिएका छौं ।

आर्थिक स्थायित्व र अर्थतन्त्रको दिगो विकासको निमित्त मूल्य र शोधनान्तर स्थिरता कायम गर्न मूल्यमा परेको चाप र बढ्दो चालु खाता एवम् शोधनान्तर घाटाका कारण बाह्य क्षेत्रमा परेको दबाव नियन्त्रण गर्न ब्याजदर करिडोरअन्तर्गतको दरहरू बृद्धि गरेर मूल्य र विदेशी विनिमय संचितीमा परेको चाप न्यूनीकरण गर्न मौद्रिक नीतिले लिएको नीतिगत व्यवस्थाहरूले गर्दा बैंकहरूको व्याजदर बढेको छ । व्याज बढ्नु र आयातमा पनि कडाई गर्दा व्यवसायहरूको गतिशिलता सुस्त रहेको प्रभावस्वरूप बैंकिङ्ग साधन परिचालनमा कमी आउँदा फि कमिसन आमदानीमा प्रभाव परेको छ । यद्यपि यो व्यवस्थाले आन्तरीक उत्पादन बृद्धिमा जोड दिएकोले सक्षमता अभिवृद्धि गराई दिगो अर्थतन्त्र निर्माणमा सहयोग पुगी बैंकिङ्ग व्यवसाय समेत दिगो हुने आशा लिएका छौं ।

आर्थिक वर्ष २०७८/०७९ मा आयातको बढ्दो प्रवृत्ति र विदेशी विनिमय सञ्चितिमा आएको कमीले बाह्य क्षेत्र व्यवस्थापनमा दबाव सिर्जना भएको छ । चालु खाता एवम् शोधनान्तर घाटाले गर्दा विदेशी विनिमय सञ्चिति घट्दै जाँदा बैंकिङ्ग प्रणालीको तरलतामा चाप पर्नुको साथै ब्याजदरमा वृद्धि भएको छ । व्याजदर बृद्धिले अधिल्ला वर्षहरूमा भएका लगानीको व्याज बढ्दै जाने र ऋणीको ऋण तिर्न सक्ने क्षमतामा ह्रास आउने सम्भावना मध्यनजर गर्दै त्यस्ता लगानीको व्यवस्थापनमा बढी जोड दिइएको छ । हामीले अधिल्लो वर्ष नै बैंकिङ व्यवसाय व्यापकरूपमा बिस्तार गरिसकेको र अहिलेको अवस्थामा पहिला बिस्तारित व्यवसाय व्यवस्थापन गर्न सक्नु नै उपलब्धिमूलक हुने कुरा मनन गर्दै बैंक व्यवस्थापनलाई सोहीअनुरूप सुझाव तथा निर्देशन दिनुका साथै अनुगमन गरिरहेका छौं ।

बैंकिङ्ग क्षेत्रले देशको समग्र अर्थतन्त्रमा अहम् भूमिका खेल्ने हुनाले हाम्रा समस्त ग्राहकहरूलाई आवश्यक सेवाहरू छिटो छरितो ढङ्गले प्रदान गर्दै नेपाल सरकारले लिएको नीतिअनुरूप आर्थिक क्षेत्रमा टेवा पुऱ्याउन प्रतिबद्ध रहेका छौं । बैंकले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत समाजका विभिन्न वर्गका व्यक्तिहरूको लागि आर्थिक एवम् अत्यावश्यक सामग्रीहरू सहयोग गरी देशको आर्थिक तथा सामाजिक विकासमा योगदान गर्दै आएको छ ।

बैंकलाई निरन्तर सफल बनाउँदै लैजाने सर्वोपरी उद्देश्य पूरा गर्न हामीले संस्थागत सुशासनलाई उच्च प्राथमिकतामा राखी कार्य गर्ने नीति लिएका छौं । बैंकले गर्ने लगानी सुरक्षित, नियमित र पारदर्शी रहेको छ । बैंकले आ.व. २०७८/०७९ मा गरेका व्यवसायको बिस्तार तथा चालु आ.व. को पहिलो त्रैमासमा गरेको मुनाफाले हामीलाई उत्साहित बनाएको छ तर अहिले रहेको तरलता अभावको कारणले व्यवसाय बिस्तारमा थप चुनौती उत्पन्न गरेको अवस्था छ । अधिल्लो वर्षको बिस्तारित व्यवसायलाई यस वर्ष व्यवस्थापनमा जोड दिँदै कर्जा असुली कार्यलाई विशेष प्राथमिकतामा राखी कार्य भैरहेको छ ।

बैंकले आ. व. २०७८/०७९ को मुनाफाबाट शेयरधनी महानुभावहरूलाई ५ प्रतिशत बोनस शेयर तथा ०.२६ प्रतिशत नगद लाभांश (कर प्रयोजन) वितरण गर्न स्वीकृतिका लागि यस गरिमामय सभा समक्ष प्रस्ताव पेश गरिएको छ ।

समग्र सूचकहरू सकारात्मकरूपमा अगाडि बढ्ने क्रममा रहेको भए तापनि वित्तीय प्रणालीको पूँजीगत आधार सुदृढ गरी प्रतिस्पर्धात्मक क्षमता विकास गर्नेलगायतका विभिन्न उद्देश्य राखेर नेपाल राष्ट्र बैंकले लिएको मर्जर नीतिलाई सहयोग गर्ने हेतुले मिति २०७९ आषाढ २९ गते हिमालयन बैंक लिमिटेडले सिमिल बैंक लिमिटेडलाई प्राप्त गर्ने गरी समझदारी पत्रमा हस्ताक्षर भई उक्त प्रक्रिया अन्तिम चरणमा पुगेको छ । हामीले आफ्नो

व्यक्तिगत स्वार्थभन्दा माथि उठेर सम्पूर्ण शेयरधनीहरू तथा कर्मचारीको हितको लागि यो प्राप्ति प्रक्रिया अगाडि बढाएको कुरा यस सम्मानित सभा समक्ष जानकारी गराउन चाहन्छु । यस प्राप्तिले दुवै बैंकका सरोकारवालाहरू लाभान्वित भई समग्र बैकिङ्ग तथा वित्तीय प्रणालीको संबर्द्धन हुने, सर्वसाधारणको विश्वसनियता अभिवृद्धि भई मुलुकको बैकिङ्ग तथा वित्तीय प्रणाली सुशासित, सुरक्षित तथा सक्षम भई वित्तीय क्षेत्रको स्थायित्व कायम हुने, संस्थाको मानव संसाधन प्राविधिक एवम् अन्य क्षमता अभिवृद्धि भई सर्वसाधारणलाई आधुनिक गुणस्तरीय तथा भरपर्दो बैकिङ्ग सुविधा प्रदान गरी संस्थाका निक्षेपकर्ता, लगानीकर्तालगायत सरोकारवालाहरूको हित संरक्षण भई बैंकको पूँजीगत आधार सुदृढ भई प्रतिस्पर्धात्मक क्षमता विकास हुने विश्वास लिएका छौं ।

बैंकको उच्च व्यवस्थापनलगायतका सम्पूर्ण कर्मचारीहरूको अथक प्रयासस्वरूप बैंकको समग्र परिसूचकमा आएको सकारात्मक परिवर्तनले हामी सम्मानपूर्वक मर्जर/एक्विजिशन मा जान सफल भएका छौं । हामीले पाएको स्वाप रेसियो सम्मानजनक रहेको र कर्मचारी व्यवस्थापनसमेत सम्मानपूर्वक गराइएको जानकारी गराउन चाहन्छु । यसका लागि सम्पूर्ण कर्मचारी साथीहरूलाई हार्दिक धन्यवाद दिन चाहन्छु । साथै एक्विजिशन पछि बन्ने हिमालयन बैंक लिमिटेडमा पनि यहाँहरूको उत्तिकै योगदान एवम् सहकार्यको अपेक्षा गरेको छु ।

बैंक तथा वित्तीय संस्थासम्बन्धी ऐन, २०७३ को दफा १४(३) बमोजिम नियुक्त स्वतन्त्र संचालक श्री भीमानन्द ढुंगानाज्यूको कार्यकाल मिति २०७९/०४/०५ गतेबाट समाप्त भएको हुनाले उहाँले आफ्नो कार्यकालमा बैंकको संचालक पदमा रही पुन्याउनुभएको योगदानको उच्च कदर गर्दै अमूल्य योगदानको लागि हार्दिक धन्यवाद प्रकट गर्न चाहन्छु ।

शेयरधनी महानुभावहरू, दुख्द कुरा यस वर्ष बैंकको संचालक समितिका एक इमान्दार असल एवम् युवा सदस्य युगेश बहादुर मल्ललाई हामीले गुमाएका छौं । मिति २०७९/०८/२५ गते भएको उहाँको अकल्पनीय निधनले हामीलाई अत्यन्तै मर्माहित बनाएको छ । उहाँले आफ्नो कार्यकालमा यस बैंकको संचालक पदमा रही पुन्याउनु भएको योगदानको उच्च कदर गर्दै उहाँको निधनप्रति गहिरो शोक व्यक्त गर्दछौं, उहाँको अभाव हामीलाई सदैव हुनेछ ।

अन्ततः यस बैंकलाई आजको अवस्थासम्म ल्याई पुन्याउन अनवरतरूपमा जुटिरहनु भएका संचालकज्यूहरू, पूर्व संचालकज्यूहरू, बैंकका संस्थापकज्यूहरू, शेयरधनी महानुभावहरू, 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 एवम् सम्पूर्ण कर्मचारीहरूबाट प्राप्त सहयोगप्रति हार्दिक कृतज्ञता प्रकट गर्दै यस गरिमामय साधारण सभामा यहाँहरूलाई पुनः स्वागत गर्न चाहन्छु ।

धन्यवाद,

प्रताप जङ्ग पाण्डे

अध्यक्ष

मिति : २०७९/०९/०६



व्यवस्थापन समूह



श्री सुनिल कुमार पोखरेल
प्रमुख कार्यकारी अधिकृत



श्री सचिन जङ्ग रायमाझी
नायब प्रमुख कार्यकारी अधिकृत



श्री सुमन आचार्य
प्रमुख कर्जा अधिकृत

सुनिल कुमार पोखरेल

प्रमुख कार्यकारी अधिकृत



प्रमुख कार्यकारी अधिकृतको मन्तव्य

यस सम्मानित सभाका अध्यक्ष एवम् सिमिल बैंकको संचालक समितिका अध्यक्षज्यू, बैंकका संचालकज्यूहरू, आदरणीय शेयरधनी महानुभावहरू, हाम्रो निमन्त्रणा स्वीकार गरी पाल्नुभएका नियमनकारी निकायका प्रतिनिधिज्यूहरू, बैंकका बाह्य लेखापरीक्षकज्यू, बैंकका कार्यरत सम्पूर्ण कर्मचारीहरू एवम् समग्र बैंक परिवारलगायत उपस्थित हुनुभएका महानुभावहरूमा हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु।

सिमिल बैंक लिमिटेडले स्थापनादेखि आजसम्मको यात्रामा विभिन्न चुनौतीहरू सामना गर्दै आउनु पर्‍यो। यसको स्थापना नै अन्य धेरै बैंकहरूको उपस्थिति हुँदा नेपाली अर्थतन्त्रमा बैंकहरूको संख्या पर्याप्त भइसकेको सोच केन्द्रीय बैंकलाई लागेको अवस्थामा भयो। पुराना बैंकले सेवा तथा बजार अंश बनाइसकेको तर नयाँ बैंकलाई उस्तै खालको सेवा व्यापारको लागि यही बजारबाट आफ्नो ग्राहक ल्याउनुपर्ने चुनौती सुरुवाती दिनमै देखिएको थियो। त्यसैले बैंकिङ पहुँच नपुगेका ठाउँमा शाखा विस्तार गरी वित्तीय समावेशीकरण गर्ने लक्ष्यका साथ विभिन्न ठाउँमा शाखा कार्यालयहरू समेत सोल्दै जाँदा संचालन खर्च बढी हरेक वर्ष नाफा प्रभावित हुन पुग्यो। बैंकहरूको सेवा व्यापार लगभग उस्तै किसिमका भए पनि प्रतिस्पर्धात्मक बजारमा ग्राहकलाई सिमिल बैंक नै किन रोज्ने भन्ने प्रश्नको जबाफको लागि हामीले बैंकको हरेक क्रियाकलाप डिजिटलाइज गर्दै लगेका छौं। एक विलकले बैंकिङ गर्न सकिने, पहुँचयोग्य, कम खर्चिलो, व्यस्त समयको सदुपयोग, सरल एवम् सहज सेवा प्रवाह आदिले गर्दा सिमिल बैंकको सेवा स्मार्ट महसुस हुन थालेको छ। यो बैंक युवा पुस्ताको रोजाइको बनेको छ। विगतको तुलनामा बैंक सफल एवम् गुणस्तरीय बनेको छ। बैंकका धेरै वित्तीय परिसूचकमा सुधार भएको छ तथापि केन्द्रीय बैंकले लिइएको मार्जर नीतिको सम्मान गर्दै हामी हिमालयन बैंक लिमिटेडले प्राप्त गर्ने प्रक्रियाको अन्तिम चरणमा पुगिसकेको अवस्थामा छौं र दुई बैंकहरूको मिलनबाट नयाँ परिणाम ल्याउन सकिने सकारात्मक विश्वासले हाम्रो यो ऊर्जा एवम् कार्यशैली यथावत् रही दुई बैंकबीचको Synergy प्रभावकारी हुने विश्वास लिइएको छ।

बैंकको आन्तरिक व्यवस्थापनदेखि लिएर सर्वसाधारणको विश्वासमा पनि सुधार आएको छ। सुरुमा सामना गर्नु परेको कोभिडको असर र त्यसपछि अर्थव्यवस्थामा आएको तरलता अभावले पारेको प्रभाव सन्तुलित बनाउँदै व्यवसाय बिस्तार सफल बनाइएको कुरा बैंकको प्रकाशित वित्तीय विवरणबाट पनि देख्न सकिन्छ। सबै पक्षको अथक प्रयास र बैंकले लिइएका नीतिका कारण बैंक सबल बन्दै गइरहेको अवस्था रहे पनि बैंकलाई थप सबल र सक्षम बनाई समग्र सरोकारवालाहरूको हित हुने गरी सम्मानजनक मार्जर/प्राप्ति प्रक्रियासमेत बढाउँदै लगिएको परिणामस्वरूप आज हिमालयन बैंकसँग सबै पक्षको हित हुने गरी प्राप्ति प्रक्रिया अन्तिम चरणमा पुगेको छ।

समीक्षा अवधिमा हामीले हाम्रो व्यवसाय व्यापकरूपमा बिस्तार गर्‍यौं। निक्षेप तथा लगानीको अड्डा उत्साहजनक रहेको छ। चालु आ.व. मा हामी लगानी बढाउने भन्दा पनि लगानीको व्यवस्थापनमा बढी केन्द्रित रहेका छौं। असूलीलाई प्राथमिकता दिई फि, कमिशन आम्दानीलाई प्राथमिकतामा राखेका छौं। ठूला कर्परेट कर्जामन्दा साना तथा मझौला (एसएमइ) कर्जा लगानीमा प्राथमिकता दिएका छौं। यसप्रकार बैंकलाई सवलीकरण गर्दै अन्य पुराना एवम् स्थापित बैंकहरूसँग प्रतिस्पर्धात्मक हुनेगरी व्यवसायको दिगो तथा दीर्घकालीन लक्ष्य प्राप्तिका लागि हामी अगाडि बढिरहेको कारण बैंक दैनिकरूपमा सबल बन्दै गएको छ।

बैंकको आन्तरिक नियन्त्रण प्रणाली थप सबल बनाई, नियमनकारी निकायहरूसँग जारी निर्देशनहरू पालन गर्दै संस्थागत सुशासन तथा अनुपालनालाई उच्च प्राथमिकतामा राखी उच्चस्तरीय ग्राहक सेवालाई व्यवसाय विस्तारको केन्द्र बिन्दुमा राखी बैंकले आफ्नो कार्ययोजना तथा रणनीति बनाई लागू गर्दै आएको छ। डिजिटलाइजेशन तथा व्यवस्थापकीय सुधारमार्फत सक्षम संरचनात्मक प्रणाली बनाउँदै बैंक संचालन गरी असल व्यावसायिक नैतिकता, पारदर्शिता, इमान्दारिता, उच्च नैतिक चरित्र तथा गुणस्तरीय सेवालगायत समग्र प्रणालीलाई गति दिँदै सफलतातर्फ अगाडि बढिरहेको छ। ती सबै पक्षहरूलाई प्राप्त प्रक्रिया सम्पन्न भएपश्चात् समेत निरन्तरता दिई अगामी दिनमा अझ प्रभावकारीरूपमा अगाडि बढी देशको एक सबल एवम् सक्षम बैंकको रूपमा स्थापित हुने विश्वास लिइएको छ।

अन्तमा,

यस बैंकले लिइएको उद्देश्य प्राप्तिको लागि आजसम्म सहयोग पुऱ्याउनुहुने बैंकका अध्यक्षज्यू, संचालकज्यूहरू, बैंकका संस्थापक, शेयरधनी महानुभावहरू, नियमनकारी निकाय, बैंकका निक्षेपकर्ता तथा ग्राहकवर्गहरू, व्यावसायिक प्रतिष्ठानहरू, शुभेच्छुक, सहयोगी महानुभावहरूलाई यस बैंकको तर्फबाट हार्दिक धन्यवाद एवम् कृतज्ञता ज्ञापन गर्दछु। साथै बैंकको व्यवस्थापन समूह एवम् सम्पूर्ण कर्मचारी साथीहरूलाई अमूल्य साथ सहयोगको लागि हार्दिक धन्यवाद तथा आगामी दिनहरूमा समेत सबै पक्षहरूसँग सदाभै निरन्तर सहयोगको अपेक्षा गरेको छु।

धन्यवाद।

सुनिल कुमार पोखरेल
प्रमुख कार्यकारी अधिकृत
मिति : २०७९/०९/०६

सिमिल बैंक लिमिटेडको

बाह्रौं वार्षिक साधारण सभाको लागि संचालक समितिको प्रतिवेदन

आ.व. २०७८/०७९

आदरणीय शेयरधनी महानुभावहरू,

यस सिमिल बैंक लिमिटेडको बाह्रौं वार्षिक साधारण सभामा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरू, अन्य आमन्त्रित अतिथिहरू एवं पत्रकार मित्रहरूलाई संचालक समिति तथा समस्त बैंकको तर्फबाट म हार्दिक स्वागत अभिवादन व्यक्त गर्दछु । यस गरिमामय सभामा सञ्चालक समितिको तर्फबाट बैंकको आ. व. २०७८/०७९ मा भएको समग्र कारोबार, बैंकले हासिल गरेको उपलब्धी र भावी योजनाहरूको विषयलाई समेटेर कम्पनी ऐन, २०६३, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ तथा नेपाल राष्ट्र बैंकको निर्देशनको परिधि भित्र रही यो प्रतिवेदन संचालक समितिको तर्फबाट बैंकको बाह्रौं वार्षिक साधारण सभामा छलफल तथा पारित गर्नको लागि पेश गरेको छु ।

सिमिल बैंक लिमिटेडले आर्थिक वर्ष २०७८/०७९ को समीक्षा अवधिमा गरेको कार्यसम्पादनलाई निम्नानुसार प्रस्तुत गरिएको छ :

(१) समीक्षा अवधिको संक्षिप्त वित्तीय मलक :

आर्थिक वर्ष २०७८/०७९ मा वाणिज्य बैंकहरूको निक्षेप वृद्धि ३४०.२४ अर्ब तथा कर्जा वृद्धि ४६२.२४ अर्ब रहेकोमा सिमिल बैंकले निक्षेपमा ५.६९ अर्ब तथा कर्जामा ४.०५ अर्बको वृद्धि हासिल गर्न सकेको छ । अघिल्लो वर्षको वाणिज्य बैंकहरूको तुलनामा यो क्रमश ९.६७ र ०.८८ प्रतिशतको वृद्धि हो ।

(क) प्रमुख उपलब्धि/नतिजा :

रु. हजारमा

विवरण	२०७७/०७८	२०७८/०७९	वृद्धि (प्रतिशतमा)
संचालन आम्दानी	३,०२०,२२४	४,९९३,५८०	३६।२०
संचालन स्वर्च	१,७९२,२४४	२,९४९,४३२	१९।४८
संचालन मुनाफा (व्यवस्था अधिको)	५३८,६०९	१,२५४,४९५	१३२।९०
सुद मुनाफा (कर पछिको)	५२७,७८४	१,०००,९०४	८९।६४

(ख) निक्षेप परिचालन

बैंक तथा वित्तीय संस्थाहरूको आर्थिक वर्ष २०७८/०७९ मा निक्षेप परिचालन ६.३० प्रतिशतले वृद्धि भई रु. ९६ अर्ब ४ करोड पुगेको छ । यस अवधिमा यस बैंकले निक्षेपमा ५.६९ अर्बको वृद्धि गर्न सकेको छ । जस अन्तर्गत स्वदेशी मुद्राको निक्षेप रु. ९४.२७ अर्ब र विदेशी मुद्राको निक्षेप रु. ९.७७ अर्ब रहेको छ । समीक्षा अवधिमा विद्युतीय कारोवारलाई प्रोत्साहित गर्ने केन्द्रिय बैंकको प्राथमिकता र कोभिड-१९ संक्रमणको जोखिम कम गर्न नगदरहित कारोवार गर्नुपर्ने आवश्यकताले गर्दा पछिल्लो समय कारोवारको क्षुत्कालीन विद्युतीय माध्यमको प्रयोग तीव्र रूपमा बिस्तार भएको छ । यसबाट क्षुत्कालीन प्रणालीको विकास र आधुनिकीकरणमा सहयोग पुऱ्नुको साथै वित्तीय पहुँच बढ्दै गएको अवस्था छ ।

(३) कर्जा तथा कर्जा व्यवस्थापन

समीक्षा अवधिमा बैंकको कुल कर्जा रकममा अघिल्लो वर्षको तुलनामा ४.८८ प्रतिशतले वृद्धि भई कुल कर्जा रु. ८७.०९ अर्ब पुगेको छ । सो अवधिमा बाणिज्य बैंकहरूको औसत वृद्धि ९२.४४ प्रतिशत रहेको छ ।

बैंकले कर्जा लगानीको क्षेत्रलाई विविधिकरण गरी क्षेत्रगत कर्जा प्रवाह योजना (Sectoral Credit Expansion Planning) बनाई लागू गरेको छ । आ.व. २०७८/०७९ को आषाढ मसान्तमा बैंकको कुल लगानीको कृषि तथा बन क्षेत्रमा ७.३४ प्रतिशत, माछा पालनमा ०.९२ प्रतिशत, खानीमा ०.२२ प्रतिशत, कृषि, बन तथा पेय पदार्थमा ३.६३ प्रतिशत, गैरखाद्य बस्तु उत्पादनमा ९.५९ प्रतिशत, निर्माणमा ९.७० प्रतिशत विद्युत, ज्यास र पानीमा ६.२८ प्रतिशत, धातुका उत्पादन, मेसिनरी तथा इलेक्ट्रोनिक औजार तथा जडानमा ९.९९ प्रतिशत, यातायात, भण्डार र संचारमा ३.९७ प्रतिशत, थोक तथा खुद्रा विक्रेतामा २९.२३ प्रतिशत, वित्त, बीमा तथा अचल सम्पत्तिमा ९३.९९ प्रतिशत, पर्यटनमा ४.३६ प्रतिशत, अन्य सेवाहरूमा ४.०० प्रतिशत, उपभोक्ता कर्जा २९.०८ प्रतिशत, स्थानीय सरकार ०.०२ र अन्यमा ९.४५ प्रतिशत कर्जा लगानी गरिएको छ ।

(४) मानव संसाधन व्यवस्थापन

कर्मचारीको व्यवस्थापन र सेवामा निरन्तरता कायम गर्ने कार्य चुनौतिपूर्ण रहेको छ । आ.व. २०७८/०७९ को आषाढ मसान्तमा कुल ९४८ जना स्थायी तथा करारका कर्मचारीहरू विभिन्न तहमा रहेर बैंकको सेवामा जुटेका थिए । समीक्षा अवधिमा यस बैंकबाट ७९ जना कर्मचारीहरूले राजिनामा गरेका छन् । बैंकले गरेको आम्दानी र

(ख) प्रमुख कारोवार तथा सूचकांकहरू :

रु. हजारमा

विवरण	२०७७/०७८	२०७८/०७९	वृद्धि (प्रतिशतमा)
चुका पूजा	८,६४३,६६९	९,०७५,८४४	५।००
निक्षेप	९०,३४४,९२८	९६,०३८,७४९	६।३०
कर्जा	८३,०३७,७७०	८७,०९२,२६९	४।८८
निष्कृत्य कर्जा प्रतिशत	९।०५	९।६०	५.२०
स्थिर सम्पत्ति (सुद)	६९७,९८५	९,४५०,३५६	१३४।६९
कुल सम्पत्ति	१०९,९६२,९६०	१९७,५८९,९८६	६।९३

(ग) प्रमुख सूचकांक :

विवरण	२०७७/०७८	२०७८/०७९
सुद मुनाफा/कुल आम्दानी	६.६८%	८.८४%
सञ्चालन स्वर्च/संचालन आम्दानी	५९।३४	५२।०६
सम्पत्तिमा प्रतिफल	०.४८%	०.८५%
प्रति शेयर आम्दानी	६.९९	१९.०३
स्थायी कर्मचारी	९.५६	९.४८
शाखाहरू	१९४	१९५
तरलता (CRR) अनुपात	३.७७%	३.२८%
पूजीकोष अनुपात	१९.९७%	१५.५६%

वृद्धि ९२.४४ प्रतिशत रहेको छ ।

कर्मचारीको सेवा सुविधामा सामञ्जस्यता कायम गर्न तथा प्रतिस्पर्धीत्मक परिस्थिति तथा व्यवसायिक विस्तार संगसंगै दक्ष कर्मचारीको नियुक्ति र सेवामा कार्यरत कर्मचारीको सेवा निरन्तरता निकै चुनौतिपूर्ण रहेको छ । कर्मचारीको छनौट, सरुवा, बढुवा तथा बृत्ती विकासमा बैंकले पारदर्शी नीति बनाई लागू गरेको छ ।

५) शाखा विस्तार

बैंकले हाल मुलुकभर रहेका आफ्ना कूल ११५ शाखा कार्यालयहरु १०२ ए.टि.एम, १३ एक्सटेन्सन काउन्टर मार्फत प्रभावकारी बैकिङ्ग सेवा प्रवाह गरिरहेको छ । बैंकका सबै शाखाहरु आधुनिक प्रविधिको माध्यमबाट केन्द्रीकृत तथ्यांक प्रणालीमा सञ्चालन भइरहेका छन् ।

६) संस्थागत सुशासन

यस बैंकले संस्थागत सुशासनको स्तरलाई दीर्घकालिन सफलताको अभिन्न अंगको रूपमा राखी संस्थागत सुशासनलाई उच्च प्राथमिकतामा राखी शुन्य सहनसिलता (Zero Tolerance) को नीति अवलम्बन गर्दै आएको छ । नेपाल राष्ट्र बैंक तथा अन्य नियामक निकायहरुबाट संस्थागत सुशासन सम्बन्धमा जारी भएका नीति, नियम, निर्देशन तथा सो को मर्म र भावना समेतमा बैंकको संचालक समिति दृढ संकल्पित रहेको छ ।

नेपाल राष्ट्र बैंकबाट तोकिए बमोजिम बिभिन्न समिति/उप-समिति बनाई संस्थागत सुशासनको पालना गराई जोखीम व्यवस्थापन गर्न कटिबद्ध रहेका छौं । संस्थागत सुशासन कार्यान्वयन गर्नको लागि बैंकमा संचालक समितिको अलावा देहाय बमोजिमको समिति तथा उप-समितिरु 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 संचालक समितिले आफ्नो जवाफदेहितामा लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, मानव संसाधन व्यवस्थापन समिति, सम्पत्ति शुद्धिकरण निवारण समिति तथा मर्जर समिति गठन गरेको छ ।

(क) लेखापरीक्षण समिति

संचालक समितिले गैर कार्यकारी संचालक श्री प्रकाश तायलज्यूको संयोजकत्वमा संचालक श्री युगेश बहादुर मल्ल सदस्य र आन्तरिक लेखापरीक्षण विभागका प्रमुख सदस्य सचिव भएको तीन सदस्यीय लेखापरीक्षण समिति गठन गरेको छ । सो समितिले संस्थाको समग्र वित्तीय अवस्था, आन्तरिक नियन्त्रण, लेखापरीक्षण 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 संचालक समितिमा पेश गर्ने व्यवस्था गरिएको छ । साथै बैंकको वार्षिक वित्तीय विवरणलाई सही र यथार्थपरक बनाउन व्यवस्थापनलाई सहयोग गर्ने, बैंकको काम कारवाहीमा नियमितता, मितव्ययिता, औचित्यता, प्रभावकारिता जस्ता कुराहरु अवलम्बन भए/नभएको बारे समीक्षा गरी संचालक समितिलाई आवश्यक सुझाव दिने कार्यहरु समितिले सम्पन्न गर्ने गरेको छ । आ.व. २०७८/०७९ मा १९ वटा बैठक बसेको थियो ।

(ख) जोखिम व्यवस्थापन समिति

जोखिम व्यवस्थापन समितिले बैंकको समग्र जोखिम अवस्थाको बारेमा अध्ययन तथा मुल्यांकन गरी संचालक समिति समक्ष प्रतिवेदन पेश गर्ने तथा सो सम्बन्धमा बैंक व्यवस्थापनलाई आवश्यक सुझाव दिने गरेको छ । आ.व. २०७८/०७९ मा यस समितिको ६ वटा बैठक बसेको थियो । उल्लेखित बैठकबाट संचालक समितिलाई बैंकको कर्जा जोखिम, संचालन जोखिम, तरलता जोखिम, बजार जोखिम लगायतका जोखिम न्यूनिकरणको लागि उपयोगी सुझाव तथा रायहरु प्राप्त भएको थियो । प्राप्त राय सुझावलाई तत्काल कार्यान्वयन समेत गरिएको छ ।

(ग) मानव संसाधन व्यवस्थापन समिति

संचालक समितिले गैर कार्यकारी संचालक श्री अम्बीर बोगटीज्यूको संयोजकत्वमा मानव संसाधन व्यवस्थापन समिति गठन गरेको छ । यस समितिले बैंकमा कर्मचारीको नियुक्ति, सरुवा, बढुवा, बृत्ति विकास, पदस्थापना, कार्यसम्पादन मुल्यांकन, पुरस्कार, सजाय र श्रम सम्बन्ध, पारिश्रमिक आदिको नियमित रूपले अध्ययन गरी उपयुक्त नीति निर्माण गर्न संचालक समितिलाई राय सुझाव पेश गर्ने गरेको छ । साथै यस समितिको सिफारिशमा बैंकमा कर्मचारीको कार्यसम्पादन मुल्यांकन निर्देशिका तथा अन्य कर्मचारीसम्बन्धी नीति नियमहरु निर्माण गरी लागू गरिएको छ । आ.व. २०७८/०७९ मा यस समितिको ३ वटा बैठक बसेको थियो ।

(घ) सम्पत्ति शुद्धिकरण निवारण समिति

संचालक समितिले गैर कार्यकारी संचालक श्री भिमानन्द ढुङ्गानाज्यूको संयोजकत्वमा सम्पत्ति शुद्धिकरण निवारण समिति गठन गरेको छ । सो समितिका अन्य सदस्यहरुमा संचालक श्री शम्शु प्रसाद पन्तज्यू, एकीकृत जोखिम व्यवस्थापन तथा अनुपालना विभाग प्रमुख सदस्य र प्रमुख अनुपालना इकाई सदस्य सचिव रहनु भएको छ । यस समितिले सम्पत्ति शुद्धीकरण (मनि लाउन्डरिङ्ग) निवारण ऐन, २०६४, सम्पत्ति शुद्धीकरण (मनी लाउन्डरिङ्ग) निवारण नियमावली, २०७३, नेपाल राष्ट्र बैंकबाट जारी निर्देशन (इ.प्रा.निर्देशन नं. १९) बमोजिम भए/गरेका काम कारवाहीको समीक्षा गरी प्रतिवेदन संचालक समितिमा पेश गर्ने, बैंकको समग्र अनुपालनाको अवस्था, बैंकमा रहेका ग्राहकको जोखिमको स्तर निर्धारण गर्ने तथा AML/CFT को जोखिम व्यवस्थापन सम्बन्धी प्रतिवेदनको त्रैमासिक रूपमा छलफल गर्ने, राष्ट्रिय एवं अन्तर्राष्ट्रिय क्षेत्रमा सम्पत्ति शुद्धीकरण तथा आतंकवादी क्रियाकलापमा वित्तीय 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 एकीकृत निर्देशन अनुरूप तोकिएको कार्यहरू समितिले गर्ने गरेको छ । आ.व. २०७८/०७९ मा यो समितिको ५ वटा बैठक बसेको थियो ।

(७) गान्धे गामिने/प्राप्ति

यस बैंकलाई बैंक तथा वित्तीय संस्थाहरू एक आपसमा गाभ्ने/गाभिने (मर्जर) वा प्राप्ति (एक्विजिसन) गर्नको लागि उपयुक्त बैंक वित्तीय संस्था खोजी गर्न गैर कार्यकारी संचालक श्री अम्बर बोराटीज्यू संयोजक रहनु भएको मर्जर समिति गठन गरिएको छ । नेपाल राष्ट्र बैंकले लिएको मर्जर नीति अनुरूप बैंकलाई अझ सबल तथा पूँजीगत हिसावले थप मजबुत बनाउनको लागि यस बैंकले अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरू एक आपसमा गाभ्ने/गाभिने (मर्जर) वा प्राप्ति (एक्विजिसन) गर्न/हुन वा स्वदेशी/विदेशी रणनीतिक साझेदारीमा जान आवश्यक सहमती र समझौता लगायतका आवश्यक सम्पूर्ण कार्यहरू गर्न/गराउने सम्बन्धमा बैंकको पछाडि साधारणसभाबाट संचालक समितिलाई प्राप्त अख्तियारी बमोजिम हिमालयन बैंक लिमिटेडसँग एक्विजिसन प्रक्रिया अगाडी बढाइएको छ ।

(८) जोखिम व्यवस्थापन

बैंकिङ व्यवसायमा निहित जोखिम, बजार जोखिम, ब्याजदर जोखिम, संचालन जोखिम, तरलता जोखिम लगायतका समग्र बैंकिङ जोखिमहरूको आँकलन तथा व्यवसायमा उत्पन्न हुने विविध जोखिमहरूलाई न्यूनीकरण गर्न आन्तरिक नियन्त्रण प्रणाली मजबुत बनाई कारोबारमा हुने समग्र जोखिम न्यूनीकरण गर्नको लागि छुट्टै एकीकृत जोखिम व्यवस्थापन विभागको स्थापना गरिएको छ । यसका अतिरिक्त लेखापरीक्षण समिति, जोखिम व्यवस्थापन समितिले नियमित पेश गरेको प्रतिवेदन अध्ययन गरी आवश्यक निर्देशन तथा नियन्त्रण दिने गरिएको छ । यस बाहेक बैंक व्यवस्थापनका विभिन्न समितिहरू, अनुपालना विभाग, आन्तरिक लेखापरीक्षण विभाग, शाखा संचालन विभाग, कानून विभाग आदि जस्ता संस्थागत संरचनाको माध्यमबाट व्यवसायमा उत्पन्न हुने जोखिमको निरन्तर अनुगमन तथा सोको न्यूनीकरण गर्ने व्यवस्था गरिएको छ ।

(९) डिजिटल बैंकिङ

नविनतम प्रविधिहरूलाई आत्मसात गर्दै बैंकका दैनिक कार्यहरूलाई स्वचालित र कागज रहित बनाउँदै लैजाने बैंकको नीति अनुरूप सूचना प्रविधिको बढ्दो उपयोगका साथै हुनसक्ने जोखिम बैंकिङ क्षेत्रमा ठूलो जोखिमको रूपमा आएकोले सोको न्यूनीकरणको लागि निरन्तर रूपमा सुरक्षाका उपायहरू अबलम्बन गर्ने तर्फ आवश्यक व्यवस्था गर्दै लगेको छ ।

(१०) विद्युतीय बैंकिङ

बैंकलाई प्रविधिमा आधारित बैंक (IT Driven Bank) को रूपमा स्थापित गराउने व्यवस्थापन तथा संचालक समितिको नीति अनुरूप बैंकले MasterCard को सदस्यता प्राप्त भई ग्राहकहरूलाई डेबिट कार्ड जारी गरेको छ साथै डेबिट कार्ड, सिमिल ओभरड्राफ्ट कार्ड, इन्टरनेट बैंकिङ, SMS Banking, Civil Smart Bank जस्ता सेवा संचालनमा निरन्तरता दिईएको छ । विद्युतीय कारोबारबाट ग्राहकवर्गमा हुन सक्ने Electronic Fraud को जोखिम न्यूनीकरण गर्नको लागि सूचना प्रविधि संरचनाको स्तरोन्नती गर्दै नविनतम प्रविधिहरूको अध्ययन गरी स्रोत र साधनले ठ्याक्कै सम्मका नयाँ नयाँ विद्युतीय बैंकिङ सेवा ल्याइएको छ ।

(११) विप्रेषण कारोबार

बैंकले संचालनमा ल्याएको सिमिल बैंक रेमिट सेवाको देश भरमा भुक्तानी एजेन्टहरू रहेको र अन्य नेपालमा ख्यातिप्राप्त विप्रेषण सेवाहरू मनिग्राम, प्रभु मनि, आईएमई, आईपे, इजीलिङ्क रेमिटेन्स, हिमाल रेमिट, सिटी एक्सप्रेस, वेष्टर्न युनियन मनि ट्रान्सफर, समशरा रेमिट, जिष्टमई रेमिट, इसेवा मनिट्रान्सफर, नेपाल रेमिट, माटमटेनी मनिट्रान्सफर, पृथ्वी रेमिट, कुमारी रेमिट, मुक्तिनाथ रेमिट, सानिमा एक्सप्रेस र विदेशी कम्पनीहरू मावारिड एक्सप्रेस दुवै, अलअन्सारी एक्सप्रेस दुवै, वल्डवाईड क्यास एक्सप्रेस दुवै, स्मल वल्ड युके, आईसेन्ड सिङ्गापुर, ट्रानक्यास पितिवाई लि. अष्ट्रेलिया, द गोरसाज ट्रान्स एण्ड दुर्स अष्ट्रेलिया, कुकमिन बैंक कोरिया, एक्सिस बैंक लि. भारतको विप्रेषण भुक्तानी प्रतिनिधि भई आन्तरिक तथा वाह्य विप्रेषण कारोबार गर्दै आएको छ ।

(१२) संस्थागत सामाजिक उत्तरदायित्व

वित्तीय संस्थाले आफ्ना सबै सरोकारवालाको हित संरक्षणमा पर्याप्त ध्यान दिनुपर्ने भएकोले मुलुक र समाज प्रति संस्थाको उत्तरदायित्व रहने गर्दछ । सामाजिक तथा बाह्य वातावरणलाई स्वच्छ, समावेशी, दिगो बनाई भावी पुस्ताको लागि समेत बस्न योग्य तुल्याउने कर्तव्य सरकार, सामाजिक अभियन्ता र समाजमा रहेका प्रत्येक नागरिकको भए जस्तै समाजमा स्थापित बैंक तथा वित्तीय संस्थाको समेत कर्तव्य रहेकोले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत बैंकले समाज र मुलुक प्रतिको सामाजिक उत्तरदायित्व पूरा गर्न शिक्षा, स्वास्थ्य, वित्तीय साक्षरता, वित्तीय पहुँच साथै पिछडिएका वर्गको उत्थानमा योगदान गर्दै आएको छ । यस्तो योगदानमा गरिएको स्वर्च पारदर्शी, प्रभावकारी र अक्षयमूलक होस् र त्यसको उपयोग मुलुकको वृहत्तर हितमा होस् भन्ने अभिप्रायले यस्ता कार्यहरू गरिएको छ ।

(१३) निष्कृय कर्जाको व्यवस्थापन

आ.व. २०७८/०७९ को आषाढ मसान्तमा निष्कृय कर्जा अनुपात १.६० प्रतिशत रहेको छ । गत आ.व.मा कर्जा असुली कारवाहीबाट बैंकको निष्कृय कर्जा व्यवस्थापनमा उल्लेखित सफलता प्राप्त भएको भएता पनि अधिल्लो वर्ष कोभिड महामारीबाट प्रभावित व्यवसायलाई ब्याज सहूलियत लगायत कर्जा पुनरतालिकरण तथा पुनरसंरचनाको सुविधा हटाइएको, बैंकको ब्याजदर बढ्दै गएको र आयातमा गरिएको कडाइले व्यवसाय परिचालन गतिशिल हुन नसक्दा बैंकको असुली कार्य प्रभावित हुन पुगेको छ । यद्यपि धितो

प्रयाप्त लिष्टर कर्जा प्रवाह भएको हुँदा गैर बैकिङ्ग सम्पत्तिको विक्रीबाट असूली कार्य प्रभावकारी रहेको छ साथै असूलीका नियमित उपायहरु अवलम्बन गरी निष्कृय कर्जा अनुपात घटाउन कर्जा असूली विभागका अतिरिक्त “वीन टिम” गठन गरी सो टिमबाट किर्जाको नियमित निगरानी गरी असूली कार्यलाई प्रभावकारी रुपमा अगाडी बढाइएको छ ।

(१४) मुनाफा तथा लाभको बाँडफाँड

आ.व. २०७८/०७९ मा संचित मुनाफाबाट चुक्ता पूँजीको ५% का दरले हुन आउने रु.४५,३७,९२,९२४।५२ (अक्षरेपी पैतालीस करोड सैतीस लाख बयानबे हजार एक सय चौरानबे रुपैया वाउन्न पैसा मात्र) बराबरको बोनश शेयर तथा कर प्रयोजनको लागि प्रतिशेयर ०.२६% का दरले हुन आउने रु.२,३८,८३,७९९।७९ (अक्षरेपी दुई करोड अइतीस लाख त्रीयासी हजार सात सय उनान्सय रुपैया एकहतर पैसा मात्र) नगद लाभान्श वितरण गर्ने प्रस्तावलाई यस गरिमामय साधारण सभाबाट पारित गरिदिनु हुन अनुरोध गर्दछु ।

(१५) लेखापरीक्षक नियुक्ति

लेखापरीक्षण समितिको सिफारिस अनुसार अधिल्लो साधारण सभाबाट बैंकको लेखापरीक्षण गर्नको लागि NBSM & Associates लाई बैंकको आ. व. २०७८।०७९ को लेखापरीक्षणको लागि बाह्य लेखापरीक्षक नियुक्त गरिएको थियो। आ.व. २०७९/०८० को लागि कम्पनी ऐन, २०६३ दफा १११(३) बमोजिम NBSM & Associates लेखापरीक्षकमा पुनः नियुक्त हुन नमिल्ने भएकोले लेखापरीक्षण समितिको सिफारिस बमोजिम S. Rai & Associates लाई लेखापरीक्षकको रुपमा नियुक्त गर्ने प्रस्ताव यस गरिमामय साधारण सभा समक्ष प्रस्तुत गरिएको छ ।

अन्त्यमा बैंकलाई विभिन्न माध्यमबाट सहयोग तथा सुझाव प्रदान गर्ने सम्पूर्ण शेयरधनी, ग्राहकवर्ग महानुभावहरु, कर्मचारीवर्ग, नेपाल सरकारका सम्बन्धित निकायहरु, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल स्टक एक्सचेन्ज लिमिटेड, नेपाल बैंकर्स संघ, बाह्य लेखापरीक्षक, पत्रकारवर्ग तथा सम्पूर्ण शुभेच्छुकहरुमा संचालक समितिको तर्फबाट र मेरो व्यक्तिगत तर्फबाट हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु ।

धन्यवाद !

सञ्चालक समितिको तर्फबाट
प्रताप जङ्ग पाण्डे
अध्यक्ष

मिति : २०७९/ ०९ /०६

कम्पनी ऐन, २०६३ को दफा १०८ को उपदफा ४ बमोजिमको विवरण

- (१) विगत वर्षको कारोबारको सिंहावलोकन : बैंकको संचालक समितिको प्रतिवेदनमा यस सम्बन्धमा उल्लेख गरिएको छ ।
- (२) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोवारलाई कुनै असर परेको भए सो असर ।

अन्तराष्ट्रिय परिस्थिति :

१. रुस-यूक्रेन युद्धका कारण विश्व अर्थतन्त्रको वृद्धिदरमा गिरावट आउने देखिएको छ । अन्तराष्ट्रिय मुद्रा कोषका अनुसार सन् २०२१ मा ६.१ प्रतिशतले विस्तार भएको विश्व अर्थतन्त्रको वृद्धिदर सन् २०२२ मा ३.६ प्रतिशतमा सीमित हुने देखिएको छ । विकसित अर्थतन्त्रको वृद्धिदर अधिल्लो वर्षको ५.२ प्रतिशतको तुलनामा सन् २०२२ मा ३.३ प्रतिशतमा सीमित हुने र उदीयमान अर्थतन्त्रको वृद्धिदर अधिल्लो वर्षको ६.८ प्रतिशतको तुलनामा सन् २०२२ मा ३.८ प्रतिशतमा सीमित हुने कोषको प्रक्षेपण छ ।
२. विगत एक दशकमा विकसित मुलुकहरुको औसत मुद्रास्फीति १.५ प्रतिशत रहेकोमा सन् २०२२ मा ५.७ प्रतिशत पुग्ने अन्तराष्ट्रिय मुद्रा कोषको प्रक्षेपण छ । यसैगरी उदीयमान तथा विकासशील मुलुकहरुमा विगत एक दशकको औसत मुद्रास्फीति ५.१ प्रतिशत रहेकोमा सन् २०२२ मा ८.७ प्रतिशत पुग्ने कोषको प्रक्षेपण छ ।
३. रुस-यूक्रेन युद्धका कारण अन्तराष्ट्रिय व्यापार समेत प्रभावित भएको छ । सन् २०२१ मा १०.१ प्रतिशतले विस्तार भएको विश्व व्यापार आयतनको वृद्धिदर सन् २०२२ मा ५.० प्रतिशतमा सीमित हुने अन्तराष्ट्रिय मुद्रा कोषको प्रक्षेपण रहेको छ ।
४. उच्च मूल्य वृद्धिलाई नियन्त्रण गर्न विभिन्न मुलुकका केन्द्रीय बैंकहरुले कसिलो मौद्रिक नीतिको कार्यदिशाअनुरूप ब्याजदरमा वृद्धि गरेका छन् । अमेरिकी फेडरल रिजर्व, बैंक अफ क्यानाडा, भारतीय रिजर्व बैंक लगायतले ब्याजदरमा हालका महिनाहरुमा पटक पटक वृद्धि गरेका छन् । अमेरिकी फेडरल रिजर्वले जुन २०२२ मा फेडरल फण्ड रेटमा ७५ आधार बिन्दुले वृद्धि गरी १.५-१.७५ प्रतिशत पुऱ्याएको छ । भारतीय रिजर्व बैंकले नीतिगत दरमा २०२२ मे महिनामा ४० आधार बिन्दुले तथा जुन महिनामा ५० आधार बिन्दुले वृद्धि गरी ४.९० प्रतिशत पुऱ्याएको छ ।

राष्ट्रिय परिस्थिति:

१. आर्थिक वर्ष २०७८/७९ मा नेपालको आर्थिक वृद्धिदर ५.८४ प्रतिशत रहने केन्द्रीय तथ्याङ्क विभागको अनुमान रहेको छ । आर्थिक वृद्धिमा मुख्य रुपमा विद्युत उत्पादन, निर्माण जातिविधिमा भएको विस्तार र पर्यटन क्षेत्रको पुनरुत्थानले सहयोग पुऱ्याएको छ । आर्थिक वर्ष २०७७/७८ मा आर्थिक वृद्धिदर ४.२५ प्रतिशत रहेको थियो ।
२. आर्थिक वर्ष २०७८/७९ मा कूल गार्हस्थ्य उत्पादनसँग कूल गार्हस्थ्य बचतको अनुपात १.२७ प्रतिशत र कूल राष्ट्रिय बचतको अनुपात ३१.९५ प्रतिशत रहेको अनुमान छ । अधिल्लो आर्थिक वर्ष यी अनुपातहरु क्रमशः ७.७१ प्रतिशत र ३३.३० प्रतिशत रहेका थिए ।
३. आर्थिक वर्ष २०७८/७९ मा कूल स्थिर पूँजी निर्माणको कूल गार्हस्थ्य उत्पादनसँगको अनुपात २९.३७ प्रतिशत रहेको अनुमान छ । अधिल्लो आर्थिक वर्ष यस्तो अनुपात २९.८५ प्रतिशत रहेको थियो ।
४. वार्षिक बिन्दुगत आधारमा २०७९ जेठमा उपभोक्ता मुद्रास्फीति ८.५६ प्रतिशत रहेको छ । तथापि आर्थिक वर्ष २०७८/७९ को छहार महिनामा औसत उपभोक्ता मुद्रास्फीति ६.०९ प्रतिशत रहेको हुँदा वार्षिक औसत उपभोक्ता मुद्रास्फीति भने लाक्षित सीमाभित्रै रहने देखिन्छ ।
५. २०७८ असारमा ९१-दिने ट्रेजरी बिलको भारित औसत ब्याजदर ४.५५ प्रतिशत रहेकोमा २०७९ असारमा यस्तो ब्याजदर १०.६६ प्रतिशत पुगेको छ ।
६. वाणिज्य बैंकहरुको औसत आधार दर २०७८ जेठमा ६.६६ प्रतिशत रहेकोमा २०७९ जेठमा ९.३९ प्रतिशत कायम भएको छ । २०७८ जेठमा निक्षेपको भारित औसत ब्याजदर ४.७२ प्रतिशत रहेकोमा २०७९ जेठमा ७.३४ प्रतिशत कायम भएको छ । त्यसैगरी, २०७८ जेठमा कर्जाको भारित औसत ब्याजदर ८.४६ प्रतिशत रहेकोमा २०७९ जेठमा ११.५४ प्रतिशत कायम भएको छ ।

७. अमेरिकी डलरसँग नेपाली मुद्रा अवमूल्यन भइरहेको कारण मुद्रास्फीति नियन्त्रणमा थप दबाव सिर्जना भएको छ । २०७८ असार मसान्तको तुलनामा २०७९ असार मसान्तमा अमेरिकी डलरसँग नेपाली रुपैयाँ ६.६४ प्रतिशतले अवमूल्यन भएको छ ।

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

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

रु. हजारमा

विवरण	२०७९/०८० आश्विन मसान्त
चुक्ता पूँजी	९,०७,५८,४४
निक्षेप	९४,३५,६४,५९
कर्जा	८६,९८,४०,२२
तरलता (CRR) अनुपात	४.२७
पूँजीकोष अनुपात	१६.००
निष्कृय कर्जा अनुपात	१.४१
आधार दर (Base Rate)	११.०९

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

सिमिल बैंक लिमिटेडलाई हिमालयन बैंकले प्राप्त गरेपछि हिमालयन बैंकको संचालक समितिले गरेको निर्णय मान्य हुनेहुदाँ सोही बमोजिम गर्नु गराउनु हुनेछ भन्ने आशा लिएका छौं ।

(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 संस्थासँग सम्बन्ध स्थापना गर्नुपर्ने हुन्छ । त्यसका अतिरिक्त विदेशमा रहेका नेपालीहरुलाई सहज रुपमा विप्रेषण मार्फत रकम पठाउनको लागि समेत विभिन्न अन्तराष्ट्रियस्तरमा राम्रो संजाल भएका रेमिटान्स तथा एक्सचेंज कम्पनीहरुसँग समेत सम्बन्ध स्थापना गर्नुपर्ने हुन्छ । सो अनुरूप बैंकले भारतको Standard Chartered Bank, Axis Bank तथा HDFC Bank, बेलायतको Standard Chartered Bank, जर्मनीको Commerz Bank, अमेरिकाको Standard Chartered Bank, Mashreq Bank, कोरियाको Kookmin Bank, दुबईको Standard Chartered Bank जस्ता बैंकहरुसँग Correspondent Banking सम्बन्ध स्थापना गरी कारोबार गरी आएको छ । विप्रेषण सम्बन्धी कारोवार गर्न Mawarid Exchange LLC, Al Ansari Exchange, Worldwide Cash Express, Samil World, iSend, Trancash PTY Ltd, The Gurkhas Travels & Tours लगायतका अन्तराष्ट्रिय कम्पनीहरुसँग सम्बन्ध स्थापना गरी कारोबार गरी आएको छ ।

(५) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

संचालक समितिका सदस्यहरुमध्ये स्वतन्त्र संचालक श्री मिमानन्द ढुङ्गानाज्यूको कार्यकाल मिति २०७९/०८/०५ गते समाप्त भएको र अर्का संचालक श्री युगेश बहादुर मल्लको मिति २०७९/०८/२५ गते असामयिक निधन भएकोले हाल दुवै पद साली रहेको तर सिमिल बैंक लिमिटेडलाई हिमालयन बैंक लिमिटेडले प्राप्ती गर्ने प्रक्रियाको करीब अन्तिम चरणमा रहेकोले उक्त पदहरुमा संचालक नियुक्ति

नगरिएको ।

संचालक युगेश बहादुर मल्लको मिति २०७९/०८/२५ गते असामयिक निधन भई उहाँको पद हाल खाली रहेता पनि समिक्षा अवधिमा संचालक स्तरीय विभिन्न समिति एवं उप समितिहरूमा उहाँको सदस्यता रहेकोले ती समितिहरूमा उहाँको नाम उल्लेख गरिएको छ । उहाँको निधन प्रति संचालक समिति एवं बैंक परिवार जाहिरा समवेत दना प्रकट गर्दछ ।

(६) कारोबारलाई असर पार्ने मुख्य कुराहरू :

- ▶ राष्ट्रिय पूँजी निर्माणमा सिमितता, विप्रेषणमा कमी, सरकारी स्वर्धमा निरन्तरताको अभावले निक्षेप परिचालनमा अभाव तथा अस्थिरता ।
- ▶ नेपाल सरकार तथा नियामक निकायबाट बैंक सम्बन्धी नीतिमा परिवर्तन हुन सक्ने जोखिमहरू ।
- ▶ बैंकबाट प्रदान गरिने कर्जा तथा गैर कोषमा आधारित सेवाहरू उपलब्ध गराउदा हुन सक्ने जोखिमहरू ।
- ▶ तरलतामा हुने उतार चढाव तथा सोको कारणबाट संपति र दायित्व तथा निक्षेप तथा कर्जाको व्याजदर व्यवस्थापनमा चुनौतिहरू ।
- ▶ यथासमयमा कर्जा असुली नभई उत्पन्न हुने जोखिमहरू ।
- ▶ विदेशी विनिमय कारोवार गर्दा विनिमय दरमा हुने परिवर्तनबाट हुन सक्ने संभावित जोखिमहरू ।
- ▶ राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट हुन सक्ने संभावित जोखिमहरू ।
- ▶ पूँजी बजारमा आउन सक्ने उतार चढावबाट हुन सक्ने संभावित जोखिमहरू ।
- ▶ अन्तर्राष्ट्रिय बजारमा हुने मन्दीबाट नेपाली बजारमा पर्न सक्ने असरबाट हुन सक्ने आर्थिक जोखिमहरू ।
- ▶ विभिन्न प्राकृतिक प्रकोपबाट श्रृजना हुनसक्ने जोखिमहरू ।
- ▶ बैंकिङ्ग प्रतिस्पर्धाको कारणले कर्जा तथा लगानीको दायरा सँघुस्रिएर लगानीकर्ताहरूलाई निरन्तर प्रतिफल प्रदान गरिरहने चुनौति ।
- ▶ देशको राजनीतिक अस्थिरताले पर्न सक्ने असरहरू ।
- ▶ सुचना प्रविधिको विकासको साथ साथै यससँग जोडिएका संचालन जोखिमहरू ।
- ▶ तिब्र बैंकिङ्ग प्रतिस्पर्धात्मक बजारबाट उत्पन्न हुने जोखिमहरू ।

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

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

(८) लामांश बाँडफाँड गर्न सिफारिस गरिएको रकम :

आ.व. २०७८/०७९ मा संचित मुनाफाबाट चुक्ता पूँजी रु.९,०७,५८,८३,८९०।३९ (नौ अर्ब सात करोड अठ्ठाउन लाख त्रिचालीस हजार आठ सय नब्बे रुपैयाँ एकतीस पैसा) को ५% का दरले हुन आउने रु.४५,३७,९२,९२४।५२ (अक्षरेपी पैतालीस करोड सैतीस लाख बयानबबे हजार एक सय चौरानबबे रुपैयाँ वाउन्न पैसा मात्र) बराबरको बोनस शेयर तथा कर प्रयोजनको लागि प्रतिशेयर ०.२६% का दरले हुन आउने रु.२,३८,८३,७९९।७९ (अक्षरेपी दुई करोड अड्तीस लाख त्रिचालीस हजार सात सय उनान्सय रुपैयाँ एकहतर पैसा मात्र) नगद लामांश दिने प्रस्ताव गरिएको छ ।

(९) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुमन्दा 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 । साथै सिभिल लघुवित्त वित्तीय संस्थाको नामबाट यस बैंकको सहायक कम्पनीको रुपमा संचालन हुदै आएको छ । सो कम्पनीको ५९ प्रतिशत शेयर यस बैंकको स्वामित्वमा रहेको 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 कारोबारहरू माथि उल्लेख भइसकेको ।

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

आधारभूत शेयरधनीहरूले कुनै जानकारी उपलब्ध नगराएको ।

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

यस बैंकका निम्न संचालकहरूको देहाय बनेजिम शेयर स्वामित्व कायम रहेको र बैंकका अन्य पदाधिकारीहरूले कर्मचारी शेयर अर्न्तगत प्राथमिक शेयर जारी गर्दा शेयर धारण गरेको तर शेयर कारोबारमा संलग्न भएको कुनै जानकारी बैंकलाई प्राप्त नभएको ।

संचालकको नाम, थर	पद	शेयर समूह	जम्मा किता
श्री प्रताप जङ्ग पाण्डे	अध्यक्ष (संस्थापक शेयरधनी समूह)	संस्थापक	१०,७५३
		सर्वसाधारण	१२३
श्री ई. ईच्छा राज तामाङ्ग	संचालक (संस्थापक शेयरधनी समूह)	संस्थापक	२,९८७,९८५
		सर्वसाधारण	५०८,७९२
श्री अम्बीर बोगटी	संचालक (संस्थापक शेयरधनी समूह)	संस्थापक	१९३,३३६
		सर्वसाधारण	४४,७९५
श्री प्रकाश तायल	संचालक (सर्वसाधारण शेयरधनी समूह- प्रतिनिधि बाला इन्वेष्टमेन्ट प्रा.लि.)	सर्वसाधारण	९८५
श्री युगेश बहादुर मल्ल	संचालक (सर्वसाधारण शेयरधनी समूह)	सर्वसाधारण	१,२४९
श्री शम्भु प्रसाद पन्त	संचालक (सर्वसाधारण शेयरधनी समूह)	सर्वसाधारण	६६६

(१४) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा 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 समीक्षा अवधिमा आफ्नो शेयर आफैले खरिद गरेको छैन ।

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

संचालक समितिले नेपाल राष्ट्र बैंकको एकीकृत निर्देशन, बैंक तथा वित्तीय संस्था सठबन्धी ऐन तथा कम्पनी ऐनको अधिनमा रही लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, मानव संसाधन व्यवस्थापन समिति तथा संपत्ति शुद्धीकरण निवारण सठबन्धी समिति गठन गरिएको छ । समितिले समग्र समयमा बैठक बसी निर्देशनमा भएका व्यवस्थाहरूको 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 जोखिमहरू न्यूनीकरण गर्ने उद्देश्यले IRMD, जोखिम नियन्त्रण (Risk Control) तथा कानून विभागको प्रत्यक्ष संलग्नतामा कर्जा प्रशोधन कार्य गर्ने प्रबन्ध गरिएको छ । बैंकमा छुट्टै अनुपालना विभाग (Compliance Department) को व्यवस्था भएकोले सो विभागबाट 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. २०७७/०७८ तथा २०७८/०७९ मा भएको कुल व्यवस्थापन खर्चको विवरण निम्नानुसार रहेको छ :-

विवरण	आ.व. २०७७/०७८	आ.व. २०७८/०७९
कर्मचारी खर्च	रु. १,०९,८९,१३,१६९	रु. १,३४,६४,६२,०३८
कार्यालय सञ्चालन खर्च	रु. ६९,३३,३०,९५०	रु. ७२,१५,०६,५५४
कुल व्यवस्थापन खर्च	रु. १,७९,२२,४४,११९	रु. २,०६,७९,६८,५९२

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

बैंकको लेखापरीक्षण समितिका सदस्यहरू 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 संचालक सदस्यलाई बैठक भत्ता संचालक समितिको बैठकमा उपस्थित भए वापत प्रदान गरिने भत्ता बराबरको भत्ता प्रदान गरिएको र अन्य कुनै सुविधा प्रदान गरिएको छैन । आ.व. २०७८/०७९ मा समितिको बैठक १९ पटक बसेको छ र बैठक भत्ता रु.४,९४,०००/- प्रदान गरिएको छ ।

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

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

▶ प्रबन्ध संचालक पद नभएको । संचालकहरूले संचालक समितिको बैठकमा उपस्थित भए बापत प्रति बैठक संचालक समितिका अध्यक्षले रु.१६,०००/- र संचालकहरूले रु. १३,०००/- बैठक भत्ता प्रदान गर्ने गरिएको छ । साथै अध्यक्ष तथा संचालकहरूलाई पत्रपत्रिका तथा टेलिफोन/ मोबाईल भत्ता बापत एकमुष्ट रु.१३,०००/- प्रति महिना प्रदान गर्ने गरिएको छ ।

▶ कार्यकारी प्रमुख तथा अन्य कार्यकारी पदाधिकारी/व्यवस्थापकहरूको आर्थिक वर्ष २०७८/७९ को वार्षिक तलव, भत्ता सुविधाहरू :

क्र.सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी /व्यवस्थापक
१.	तलब	६,४८०,०००	६९,४७२,१२०
२.	भत्ता	५,२२०,०००	५२,५६३,९९७
३.	दर्शन खर्च	९००,०००	७,११०,४४०
४.	संचय कोष	६४८,०००	६,९४७,२१२
५.	बोनस	८७७,४०९	१२,२५९,१२८

(२१) शेयरधनीहरूले बुझिलिन बाँकी रहेको लामांशको रकम :

आर्थिक वर्ष २०७८/०७९ सम्ममा शेयरधनीहरूले रु. ३,५८,४४,३०९।९३ नगद लामांश रकम बुझिलिन बाँकी रहेको छ । (यो रकम साविकको पशुपति डेभलपमेण्ट बैंक, उद्यम विकास बैंक, एक्सिस डेभलपमेण्ट बैंक, सिमिल मर्चेन्ट वित्तीय संस्था लिमिटेड, इन्टरनेशनल लिजिङ्ग एण्ड फाइनेन्स कम्पनी लिमिटेड तथा युनिक फाइनेन्स लिमिटेडले घोषणा गरेको लामांश समेत हो) ।

क्र.सं.	विवरण	भुक्तानी गर्ने बाँकी रकम
१.	सिमिल बैंक लि.	१,४५,२१,५७३।५०
२.	साविकको एक्सिस डेभलपमेण्ट बैंक लि.	२,६३,९३६।८८
३.	साविकको सिमिल मर्चेन्ट वित्तीय संस्था लि.	७,२१,६४९।७०
४.	साविकको इन्टरनेशनल लिजिङ्ग एण्ड फाइनेन्स कम्पनी लि.	१,७३,४४,९२४।२६
५.	साविकको युनिक फाइनेन्स लि.	२९,९२,२२५।५९

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

समीक्षा अवधिमा बैंकिङ्ग कारोबारको लागि आवश्यक सम्पत्ति बाहेक अन्य सम्पत्तिहरू खरिद वा बिक्री नभएको ।

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

समीक्षा अवधिसम्म यस बैंकको सहायक कम्पनीसंग भएको कारोबारको विवरण सठबन्धित 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 शीर्षक अन्तर्गत राखिएको ।

४. कानूनी कारवाही सम्बन्धी विवरण

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

आर्थिक वर्ष २०७८।७९ मा बैंकले वा बैंकको विरुद्ध बैकिङ्ग कारोवारको सिलसिलामा ४२ वटा मुद्दा विभिन्न अदालत राजश्व न्यायाधिकरण तथा ऋण असुली न्यायाधिकरणमा विचाराधिन रहेको छ ।

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 :

संचालक समितिका पूर्व अध्यक्ष श्री इच्छा राज तामाङ्ग विरुद्ध मुद्दा अदालतमा विचाराधिन रहेको भएता पनि बैंकको विषयलाई लिएर कुनै पनि संचालक तथा संस्थापक विरुद्ध मुद्दा दायर भएको जानकारीमा नआएको ।

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

संचालक समितिका पूर्व अध्यक्ष श्री इच्छा राज तामाङ्ग विरुद्ध मुद्दा अदालतमा विचाराधिन रहेको भएता पनि बैंकको विषयलाई लिएर कुनै पनि संचालक तथा संस्थापक विरुद्ध मुद्दा दायर भएको जानकारीमा नआएको ।

५. संगठित संस्थाको शेयर कारोवार तथा प्रगतिको विश्लेषण :

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

नेपाल धितोपत्र बोर्डको रेखदेखमा धितोपत्रबजारमा खुल्ला बजारले निर्धारण गरे अनुरूप कारोबार हुने हुँदा 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 मूल्य, कारोबार संख्या र कारोबार भएको दिनको विवरण (नेपाल स्टक एक्सचेन्ज लिमिटेडको वेबसाइट अनुसार) निम्न बमोजिम रहेको छ :

आ. व. २०७८/०७९

क्र.सं.	विवरण	पहिलो त्रैमास	दोस्रो त्रैमास	तेस्रो त्रैमास	चौथो त्रैमास
१	अधिकतम मूल्य	३१६	२८१	२८५।४	२२४।९
२	न्यूनतम मूल्य	२३७	२२६	२०६।९	१९।४

३	अन्तिम मूल्य	२४३	२५५	२१७	२१३
४	कारोबार संख्या	४८,७५२	२१,५२१	१८,७८३	१४,७९०
५	कारोबार दिन	५७	५९	५८	६२

६. समस्या तथा चुनौतीहरू :

(१) आन्तरिक समस्या र चुनौती :

- (क) उच्च मूल्य वृद्धिका कारण संचालन खर्च बढ्न गएको ।
- (ख) तरलता अभावका कारण निक्षेप संकलन गर्न र व्यवसाय विस्तार गर्न चुनौतीको रूपमा रहेको छ ।

(२) बाह्य चुनौतीहरू :

- (क) देशको समग्र अर्थतन्त्रको पुनरावलोकन गर्दा निर्यात भन्दा आयात उच्च मात्रामा वृद्धि भएको र विश्व भूराजनीतिमा देखिएको असहजताले निर्यातको संकटकाल कारण अत्यधिक मात्रामा मूल्यवृद्धि भएको जसले गर्दा आयातको लागतमा समेत उच्च वृद्धि भएकोले देशको विदेशी मुद्रा संचितिमा प्रतिकूल असर पर्न गएको छ । सोही कारण आयातलाई नियन्त्रणमा राख्न आवश्यक रहेकोले हाल प्रतिपत्र कारोबारमा कमी आएको छ र यसले बैंकको मुनाफामा समेत प्रतिकूल असर पर्ने देखिन्छ ।
- (ख) प्रविधिको माध्यमबाट बैंकलाई हुनसक्ने सम्भावित हानी नोक्सानीलाई नियन्त्रण गर्ने कार्य चुनौतीको रूपमा रहेको छ । बैंकले यस्ता घटना हुन नदिनको लागि समग्र बैकिङ्ग 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 सभबद्ध सवै सरोकारवालाहरुको हितको संरक्षणमा विशेष प्राथमिकता दिदै आएको छ ।
- (ख) प्रचलित नेपाल कानून, नेपाल राष्ट्र बैंक लगायतका नियमनकारी निकायबाट जारी भएका निर्देशन परिपत्रहरुको अक्षरसः परिपालना गर्दै आएको छ ।
- (ग) संस्थागत सुशासन परिपालनाको प्रत्याभुति गर्न तथा सोको प्रभावकारिताको अनुगमन गर्नको लागि छुट्टै 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 छुट्टै कयातधबचम जडान गरिएको छ । यसको अनुपालना तथा अनुगमनमा संलग्न कर्मचारीहरुलाई तालिम प्रदान गरिएको र यसमा निरन्तरता दिइ अनुपालनाको सुनिश्चित गरिएको छ ।
- (ङ) संचालक 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 ।

८. विवरणपत्रमा प्रक्षेपण गरिएका र लेखापरीक्षण भएको विवरणहरुमा बीस प्रतिशत वा सो भन्दा बढी फरक सम्बन्धी विवरण :

सम्पति दायित्व हिसाव

विवरण	प्रक्षेपित	लेखापरीक्षण पश्चात	फरक		कारण
			रकम	प्रतिशत	
नगद तथा नगद समान	५,५०२,७७१	४,१४९,६००	(१,३५३,१७१)	(२४।५९)	गत आर्थिक वर्षमा बजारमा तरलता अभावका कारण प्रक्षेपित अनुसारको निक्षेप संकलन नभएकोले अनिवार्य नगद मौज्दात (CRR) लगायत बैधानिक तरलता अनुपात (SLR) समेत कम मात्र व्यवस्था गर्नुपर्ने भएकोले
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	५,५७२,८०४	५,८३२,०८०	२५९,२७६	४।६५	
बैंक तथा वित्तीय संस्थामा गरेको लगानी (प्लेसमेन्ट)	६४६,४५२	१५७,४०८	(४८९,०४४)	(७५।६५)	गत आर्थिक वर्षमा बजारमा तरलता अभावका कारण प्रक्षेपित अनुसारको निक्षेप संकलन नभएकोले
डेरिभेटिभ (व्यूल्पन्न) वित्तीय उपकरण	२,४९०,४६९	६,३९५	(२,४८४,०७४)	(९९।७५)	नेपाली रुपैयाँको व्याजदर अमेरिकी डलरको ब्याजदरको तुलनामा प्रक्षेपित भन्दा धेरै बढ्न गएकोले डेरिभेटिभ कारोबार फाइदाजनक नभएकोले
अन्य व्यापारिक सम्पत्तिहरु	-	-	-	-	
बैंक तथा वित्तीय संस्थालाई दिएको कर्जा तथा सापटी	३,१७२,७०७	४,३६६,९१५	१,१९४,२०८	३७।६४	प्रक्षेपित अनुसारको निक्षेप संकलन नभएकोले
ग्राहकलाई दिएको कर्जा तथा सापटी	१०२,६५८,४९२	८३,०२६,९२२	(१९,६३१,५७०)	(१९।१२)	
लगानी	१४,४२७,३९८	१७,०७५,५३६	२,६४८,१३७	१८।३५	
यस आ.व. को आयकर सम्पति	-	२४८,०७७	२४८,०७७	१००।००	प्रक्षेपण गरिएको बखत अग्रिम आयकर नपुग भएकोले दायित्व सिर्जना भएको तर लेखापरीक्षण पश्चात आयकर दायित्व नभई आयकर सम्पति हुँन गएको
सहायक कम्पनीको लगानी	२६०,०६५	२६०,०६३	(२)	(०।००)	
सर्वद्वय कम्पनीमा लगानी	-	-	-	-	
लगानी सम्पति (इन्भेष्टमेन्ट प्रोपर्टी)	-	८७,०४६	८७,०४६	१००।००	गैर बैकिङ सम्पति लिलामी गर्न सुचना निकालिएको तर बिक्रि हुन नसकेको
सम्पति तथा उपकरण (स्थिर सम्पति)	५४२,५३७	१,४२४,५५०	८८२,०१३	१६२।५७	NFRS १६ अनुसार प्रयोग अधिकार (Right to Use Assets) अनुसार सम्पतिको लेखांकन गरिएकोले
गुडविल (रूचाति) र अमूर्त सम्पति	२८,९७४	२४,८०६	(३,१६८)	(१०।९४)	
स्थगन कर सम्पति	...	...	...	...	
अन्य सम्पति	२,०७३,५१७	९२१,५८८	(१,१५१,९२९)	(५५।५५)	प्रक्षेपणमा समान प्रकारको सम्पति र दायित्व छुट्टा छुट्टै राखिएको तर लेखापरीक्षण पश्चात नेटअफ गरि दर्शाइएको
जग्गा सम्पति	१३७,४७६,१८७	११७,५८१,९८६	(१९,८९४,२०१)	(१४।४७)	
दायित्व					
बैंक तथा वित्तीय संस्थालाई तिर्न बाँकी	३,४२८,५९०	१,५४७,७७१	(१,८८०,८१९)	(५४।८६)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार निक्षेप तथा कर्जा दुबै बढ्न नसकेकोले समग्र व्यवसाय बिस्तारमा असर पर्न गएको र प्रक्षेपित अनुसार अन्तर बैंक कारोबार नभएको

नेपाल राष्ट्र बैंकलाई तिर्न बाँकी	३,९१४,६९१	२,८६६,५०४	(१,०४८,१८७)	(२६।७८)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार निक्षेप तथा कर्जा दुवै बढ्न नसकेकोले समग्र व्यवसाय बिस्तारमा असर पर्न गएको
डेबिटोडिबिट (व्युत्पन्न) वित्तिय अपकरण	२,६०९,५४४	६,३९१	(२,६०३,१५३)	(९९।७६)	नेपाली रुपैयाँको व्याजदर अमेरिकी डलरको व्याजदरको तुलनामा प्रक्षेपित भन्दा धेरै बढ्न गएकोले डेबिटोडिबिट कारोबार फाइदाजनक नभएकोले ।
ग्राहकबाट निक्षेप दायित्व	११०,८५७,७४४	९४,४९०,९७१	(१६,३६६,७७३)	(१४।७६)	
सापटी	-	-	-	-	
चस वर्षको आयकर दायित्व	१३८,६९७	-	(१३८,६९७)	(१००।००)	प्रक्षेपन गरिएको बसत अग्रिम आयकर नपुग भएकोले दायित्व रिजना भएको तर लेखापरिक्षण पश्चात आयकर दायित्व नभई आयकर सम्पत्ति हुँन गएको
व्यवस्थाहरु	५८,१४३	-	(५८,१४३)	(१००।००)	प्रक्षेपन गरिएको बसत पहिले नै रहेको व्यवस्था फिर्ता हुँन्छ भनि निक्षिप्त नभएको तर आव को अन्त्यमा असुल हुनु पर्ने रकम असुली भएकोले व्यवस्था नरहेको
स्थागन कर दायित्व	७६,४३७	५०,०९२	(२६,३४५)	(३४।४७)	NFRS १६ अनुसार प्रयोग अधिकार (Right to Use Assets) र लिज दायित्वको अन्तरले गर्दा साधै स्थिर सम्पत्तिको कर अनुसार र वासलात अनुसार गणना गर्दा भएको फरक, जेर बैकिङ सम्पत्ति बिटि नभएको
अन्य दायित्व	१,१९९,९६३	३,९३१,३०५	२,७३१,३४१	२२।७६२	NFRS १६ अनुसार आएको लिज दायित्व (Lease Liability) को रकम लेखांकन गरिएको र स्थानीय सरकारको २० प्रतिशत निक्षेप जुन कुल निक्षेपमा समावेश नहुने रकममा बूढी, समान प्रकारको सम्पत्ति र दायित्व नेटअफ गारे दर्शाइएको
जारी गरिएको ऋणपत्र	३,०००,०००	२,९८४,३१४	(१५,६८६)	(०।५२)	
सुरक्षण नराखिएको सहायक आवधिक दायित्व	-	-	-	-	
कुल दायित्व	१२५,२८३,८१०	१०५,८७७,३४७	(१९,४०६,४६३)	(१५।४९)	
पूँजी					
शेयर पूँजी	९,०४५,२९५	९,०४५,८४४	३०,५४९	०।३४	
शेयर प्रिमियम	-	-	-	-	
संचित मुनाफा	१,२१९,५४९	८१८,९०५	(४००,६४५)	(३२।८५)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार व्यवसाय बिस्तार गर्न नसकेकोले आम्दानीमा असर पर्न गएकोले
जोडन कोषहरु	१,९२७,५३३	१,८०९,८९०	(११७,६४३)	(६।१०)	
कुल इक्विटी	१२,१९२,३७७	११,७०४,६३८	(४८७,७३९)	(४।००)	
कुल दायित्व र इक्विटी	१३७,४७६,१८७	११७,५८१,९८६	(१९,८९४,२०१)	(१४।४७)	

सम्पत्ति दायित्व हिसाब

विवरण	प्रक्षेपित	लेखापरिक्षण पश्चात	फरक		कारण
			रकम	प्रतिशत	
व्याज आम्दानी	१०,६५४,७००	१०,६८०,२७४	२५,५७४	०।२४	
व्याज खर्च	६,८३९,७७१	७,२०७,२३४	३६७,४६३	५।३७	
सुद व्याज आम्दानी	३,८१४,९३०	३,४७३,०४०	(३४१,८९०)	(८।९६)	
शुल्क तथा कमिशन आम्दानी	४२७,३२२	४८५,५४९	५८,२२७	१३।६३	
शुल्क तथा कमिशन खर्च	३४,७८४	७३,४६३	३८,६७९	१११।२०	शिर्षक पुनर्वगीकरण गरिएको कारण
सुद शुल्क र कमिशन आम्दानी	३९२,५३८	४१२,०८६	१९,५४८	४।९८	
सुद व्याज, शुल्क र कमिशन आम्दानी	४,२०७,४६८	३,८८५,१२६	(३२२,३४२)	(७।६६)	
सुद व्यापारिक आम्दानी	२४९,०७६	१२६,४४६	(१२२,६३०)	(४९।२३)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार व्यवसाय बिस्तार गर्न नसकेकोले आम्दानीमा असर पर्न गएको

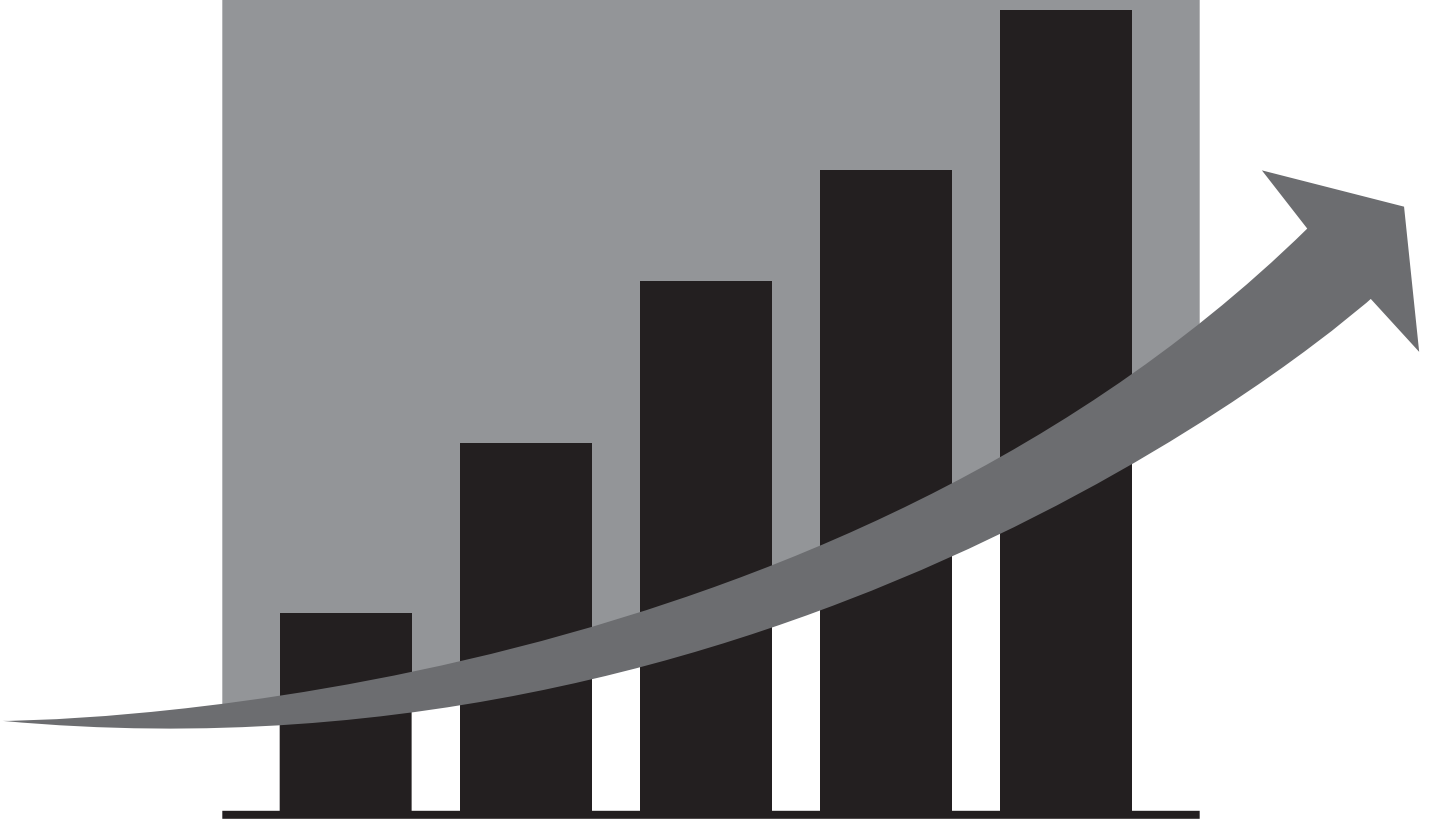
अन्य संचालन आम्दानी	१४६,३८३	२८,५४६	(११७,८३८)	(८०५०)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार व्यवसाय बिस्तार गर्न नसकेकोले आम्दानीमा असर पर्न गएको
जम्मा संचालन आम्दानी	४,६०२,९२७	४,०४०,११७	(५६२,८१०)	(१२१३)	
कर्जा जोखिम व्यवस्था/(फिती) तथा अन्य नोक्सानी	३१४,०४५	३५८,८६७	४४,८२२	१४१२७	
खुद संचालन आम्दानी	४,९१६,८८२	४,३९९,०८४	(५१७,७९८)	(१४१७)	
संचालन खर्च					
कर्मचारी खर्च	१,३४७,२९९	१,३४६,४६२	(८३७)	(०१०६)	
अन्य संचालन खर्च	छट्ठ, टण्ड	द्विद्व, द्विद्व	(सण्ड, सण्ड)	(सण्ड, सण्ड)	
ह्रास कटौती र परिशोधन	१०९,५१५	२६१,०६९	१५१,५५४	१३८३९	NFRS १६ अनुसार प्रयोग अधिकार सम्पत्ति (Right to Use Assets) को ह्रास खर्च सलण्ड रहेकोले
संचालन मुनाफा	२,२७०,४६७	१,६९३,२८२	(५७७,१८५)	(२८१४)	
गैर संचालन आम्दानी	३२,६९३	५३२	(३२,१६१)	(९८३७)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार व्यवसाय बिस्तार गर्न नसकेकोले आम्दानीमा असर पर्न गएको
गैर संचालन नोक्सान	१४९,४८७	१२३,२२५	(२६,२६२)	(१७५७)	
आयकर अधिको मुनाफा	२,१५३,६७३	१,४९०,५८९	(६६३,०८४)	(३०१७९)	
आय कर खर्च	-	-	-	-	
चालु कर	६४६,१०२	५०१,५९६	(१४४,५०६)	(२२३७)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार व्यवसाय बिस्तार गर्न नसकेकोले आम्दानीमा असर पर्न गएको
स्थगन कर	(३६,५८३)	(११,९११)	२४,६७२	(६७४४)	NFRS १६ अनुसार प्रयोग अधिकार (Right to Use Assets) र लिज दायित्वको अन्तरले गर्दा साथै स्थिर सम्पत्तिको कर अनुसार र वासलात अनुसार गणना गर्दा भएको फरक, गैर बैकिङ सम्पत्ति बिक्रि नभएको
यस अवधिको मुनाफा	१,४४४,१५४	१,०००,९०४	(४४३,२५०)	(३५१८)	प्रतिकूल बजार अवस्थाका कारण प्रक्षेपित अनुसार व्यवसाय बिस्तार गर्न नसकेकोले आम्दानीमा असर पर्न गएको

८. नियम २६ को उपनियम (५) संग सम्बन्धित विशेष घटना वा परिस्थिति सम्बन्धी विवरण आर्थिक वर्षको अवधीमा उल्लेख भए बमोजिमका विशेष घटना वा परिस्थिति सिजित भएका भए निम्न विवरणहरू समावेश गर्ने :

सिमिल बैंक लिमिटेडलाई हिमालयन बैंक लिमिटेडले प्राप्ती गर्ने गरी मिति २०७९/०३/२९ गते प्रारम्भिक सहमति पत्र (MOU) हस्ताक्षर भएको। हिमालयन बैंकसँग प्राप्ति (एक्विजिशन) हुने प्रयोजनको लागि मूल्याङ्कनकर्ता CSC & CO. बाट प्राप्त यस बैंकको सम्पत्ति दायित्व तथा कारोबारको मूल्याङ्कन प्रतिवेदन (Due Diligence Audit Report) तथा अन्य सम्बद्ध व्यवस्था समेतका आधारमा संयुक्त प्राप्ती समितिको सिफारीसमा यस बैंकको सञ्चालक समितिले स्वीकृत गरे बमोजिम यस सिमिल बैंक लिमिटेडको १०० किता शेयर बराबर हिमालयन बैंक लिमिटेडको ८०.२८ किता शेयर प्राप्त हुने गरी शेयर आदान प्रदान अनुपात (१००: ८०.२८) कायम हुने गरी एक्विजिशन प्रक्रियालाई अन्तिम स्वीकृतिको लागि साधारण सभा समक्ष स्वीकृतिको लागि पेश गरिएको छ ।

ANNUAL FINANCIAL STATEMENTS

ANNUAL REPORT 2021/22



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 comprises the consolidated statement of financial position as at Ashad 32, 2079 [July 16, 2022], 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 32, 2079 (July 16, 2022) 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.

Other Matters

1. We did not audit the financial statements of the subsidiary company namely M/s Civil Capital Market. The financial statement is audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of other auditors.

We did not audit the financial statements of the subsidiary company namely M/s Civil Laghubitta Bittiya Sanstha Limited. The financial statements of M/s Civil Laghubitta Bittiya Sanstha Limited has not been audited and have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the unaudited financial statements being certified by the Management.

2. One of the Subsidiary of the the Bank M/s Civil Capital Market Limited's Auditors Report was qualified by the Auditor on the following ground:

"The Company has deposits of NPR 117,131,804.44 in Civil Savings and Credit Co-operative Ltd. The recovery from Civil Savings and Credit Co-operative Ltd in this current scenario is doubtful. Management has done provisions of only Rs. 29,282,951.00 which is 25% of the deposit instead of full provision. As a result, Reserve and Surplus and Bank Balance are overstated by Rs. 87,848,853.44 each."

Auditor of this Subsidiary had also drew attention in Auditor's report in Other Matters para as "In respect of recovery of amount kept in M/s Civil Savings and Credit Co-Operative Ltd, the company had filed a

case against cooperative on Kathmandu District Court on date 14.08.2078 and lands of cooperative were prevented in use, transfer or pledged by the district court order on 10/11/2078 (Chalani No. 23756 and 23757). Also additional lands were identified and an appeal was made to the court in relation to additional lands for prevented in use, transfer or pledge and as per the letter received from Kathmandu District Court (Challani No: 7214, 079.80, Case NO: 078-CP-3302) on date 09.05.2079."

In our opinion and according to the information and explanations given to us by the Management, the impact of these financial information are not material to the Group. Our opinion on the consolidated financial statements is not modified in respect of the above matters.

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 Approach 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. c. For Fair value of Collateral, we relied on the latest available valuation report of the collateral and have test-checked it as per NRB Interest Recognition guidelines 2019.
2.	Investment Valuation, Identification, and Impairment	
	Investment of the bank comprises of investment in government bonds, T-bills, 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 2078. 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.	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



S.N	Key Audit Matters	Our Audit Approach and Response
	Given the varieties of treatments recommended for valuation of investment based 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.	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 16.07.2022 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 adopting incurred loss model as per Carve out Provided on NFRS 9, Financial Instruments- Impairment.

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 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

Our audit approach regarding verification of impairment of loans 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 Approach and Response**

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.

Information Other Than the Consolidated Financial Statements and Auditor's Report thereon

The Bank's management is responsible for preparation of the other information. The other information comprises the information included in management report, report of Board of Directors and Chairman's Statement but does not include the consolidated financial statement and our Auditor's Report thereon. Our opinion on the consolidated financial statement does not cover the other information and we do not express any formal assurance conclusion thereon.

In connection with our audit of the consolidated financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained during the course of our Audit or otherwise appears to be materially misstated. As the other information documents are in the process of completion, the



management has provided written representation that final version of the documents will be provided when available thus we have nothing to report in this regard.

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.

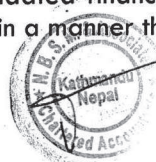
Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 public 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 Institutions 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 independently 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 its investors.

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

CA. Nil Bahadur Saru Magar
Partner

Date: 2079.09.05

Place: Kathmandu, Nepal
UDIN: 221220CA00432rgpgt



Consolidated Statement of Financial Position

As on 32nd Ashadh 2079

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Assets					
Cash and Cash Equivalents	4.1	4,444,016,946	5,272,814,309	4,149,600,206	5,027,708,900
Due from Nepal Rastra Bank	4.2	5,852,080,154	4,492,089,896	5,832,080,154	4,480,089,896
Placement with Bank and Financial Institutions	4.3	399,549,364	944,236,347	157,407,662	630,684,610
Derivative Financial Instruments	4.4	6,395,000	2,564,820,722	6,395,000	2,564,820,722
Other Trading Assets	4.5	-	-	-	-
Loans and Advances to BFIs	4.6	4,021,022,141	3,426,754,661	4,366,915,014	3,698,022,933
Loans and Advances to Customers	4.7	86,883,133,017	81,463,558,008	83,026,921,510	79,037,696,966
Investment Securities	4.8	17,142,279,896	12,773,074,063	17,075,535,697	12,712,812,343
Current Tax Assets	4.9	235,353,501	81,657,664	248,076,936	97,033,124
Investment in Subsidiaries	4.10	-	-	260,063,200	260,063,200
Investment in Associates	4.11	-	-	-	-
Investment Property	4.12	87,045,951	57,786,448	87,045,951	57,786,448
Property and Equipment	4.13	1,484,498,808	607,793,845	1,424,550,272	586,998,821
Goodwill and Intangible Assets	4.14	26,740,428	32,138,145	25,806,122	30,986,307
Deferred Tax Assets	4.15	-	-	-	-
Other Assets	4.16	946,312,996	802,581,134	921,588,055	778,255,817
Total Assets		121,528,428,202	112,519,305,241	117,581,985,779	109,962,960,087
Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Liabilities					
Due to Bank and Financial Institutions	4.17	1,547,146,659	1,565,804,425	1,547,770,547	1,710,051,470
Due to Nepal Rastra Bank	4.18	2,866,504,141	3,624,714,199	2,866,504,141	3,624,714,199
Derivative Financial Instruments	4.19	6,391,000	2,583,707,370	6,391,000	2,583,707,370
Deposits from Customers	4.20	95,353,068,995	89,254,950,667	94,490,970,943	88,634,876,689
Borrowings	4.21	2,166,735,308	1,358,864,389	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	106,531	55,651,885	-	55,651,885
Deferred Tax Liabilities	4.15	33,992,418	71,980,508	50,091,896	75,352,297
Other Liabilities	4.23	4,414,682,330	2,938,940,577	3,931,304,566	2,584,895,677
Debt Securities Issued	4.24	2,984,314,231	-	2,984,314,231	-
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		109,372,941,613	101,454,614,021	105,877,347,323	99,269,249,587
Equity					
Share Capital	4.26	9,075,843,890	8,643,660,848	9,075,843,890	8,643,660,848
Share Premium		-	-	-	-
Retained Earnings		968,593,019	603,008,801	818,904,642	493,702,432
Reserves	4.27	1,809,889,924	1,556,347,219	1,809,889,924	1,556,347,219
Total Equity Attributable to Equity Holders		11,854,326,833	10,803,016,868	11,704,638,456	10,693,710,499
Non Controlling Interest		301,159,757	261,674,352	-	-
Total Equity		12,155,486,590	11,064,691,221	11,704,638,456	10,693,710,499
Total Liabilities and Equity		121,528,428,202	112,519,305,241	117,581,985,779	109,962,960,087
Contingent Liabilities and Commitments	4.28	27,420,603,834	29,473,749,036	27,420,603,834	29,473,749,036
Net Assets Value per share		133.93	128.01	128.96	123.72

Sachin Newa
Chief Finance Officer

Sunil Kumar Pokharel
Chief Executive Officer

Shambhu Prasad Panta
Director

Prakash Tayal
Director

Ambir Bogati
Director

As per our attached report of even date

CA Nil Bahadur Saru Magar
Partner

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

Date: 2079/09/05
Place: Kathmandu

Er. Ichchha Raj Tamang
Director

Pratap Jung Pandey
Chairman

Consolidated Statement of Profit or Loss

For the year ended 32nd Ashadh 2079

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Interest Income	4.29	11,195,347,352	7,348,283,910	10,680,274,229	7,065,782,271
Interest Expense	4.30	7,431,288,878	4,933,787,433	7,207,234,091	4,849,590,143
Net Interest Income		3,764,058,473	2,414,496,477	3,473,040,139	2,216,192,128
Fee and Commission Income	4.31	620,635,191	469,818,427	485,548,964	411,505,773
Fee and Commission Expense	4.32	97,671,515	34,528,377	73,463,135	34,528,377
Net Fee and Commission Income		522,963,676	435,290,050	412,085,830	376,977,397
Net Interest, Fee and Commission Income		4,287,022,150	2,849,786,528	3,885,125,968	2,593,169,525
Net Trading Income	4.33	126,445,709	226,432,795	126,445,709	226,432,795
Other Operating Income	4.34	30,576,498	219,617,985	28,545,507	166,093,047
Total Operating Income		4,444,044,357	3,295,837,308	4,040,117,185	2,985,695,367
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	387,071,542	334,280,050	358,866,651	344,685,278
Net Operating Income		4,056,972,815	2,961,557,257	3,681,250,534	2,641,010,089
Operating Expense					
Personnel Expenses	4.36	1,512,160,883	1,209,847,222	1,346,462,038	1,098,913,169
Other Operating Expenses	4.37	525,694,108	594,581,284	460,437,242	540,461,987
Depreciation & Amortisation	4.38	279,218,140	125,078,733	261,069,312	118,340,586
Operating Profit		1,739,899,684	1,032,050,018	1,613,281,942	883,294,347
Non Operating Income	4.39	532,000	29,720,732	532,000	29,720,732
Non Operating Expense	4.40	123,246,865	157,166,644	123,224,845	157,166,644
Profit Before Income Tax		1,617,184,819	904,604,106	1,490,589,097	755,848,435
Income Tax Expense	4.41				
Current Tax		551,983,922	325,094,518	501,596,353	281,962,721
Deferred Tax		(22,579,748)	(52,014,313)	(11,911,009)	(53,898,652)
Profit for the Period		1,087,780,645	631,523,901	1,000,903,753	527,784,366
Profit Attributable to:					
Equity-holders of the Bank		1,045,536,670	587,504,436	-	-
Non-Controlling Interest		42,243,975	44,019,465	-	-
Profit for the Period		1,087,780,645	631,523,901	1,000,903,753	527,784,366
Earnings per Share					
Basic Earnings per Share		11.36	6.88	11.03	6.11
Diluted Earning per Share		11.36	6.88	11.03	6.11
Restated Earnings per Share		-	-	-	-

Sachin Newa
Chief Finance Officer

Sunil Kumar Pokharel
Chief Executive Officer

Shambhu Prasad Panta
Director

Prakash Tayal
Director

Ambir Bogati
Director

As per our attached report of even date

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

Date: 2079/09/05
Place: Kathmandu

Er. Ichchha Raj Tamang
Director

Pratap Jung Pandey
Chairman

Consolidated Statement of Other Comprehensive Income

For the year ended 32nd Ashadh 2079

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Profit for the Period		1,087,780,645	631,523,901	1,000,903,753	527,784,366
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		(9,098,234)	36,952,549	(4,488,631)	36,952,549
Gains/(losses) on revaluation					
Actuarial gains/(losses) on defined benefit plans		(42,262,906)	14,637,283	(40,009,343)	14,858,078
Income tax relating to above items		15,408,342	(15,410,711)	13,349,392	(15,543,188)
Net other comprehensive income that will not be reclassified to profit or loss		(35,952,798)	36,179,121	(31,148,582)	36,267,439
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		(35,952,798)	36,179,121	(31,148,582)	36,267,439
Total Comprehensive Income for the Period		1,051,827,847	667,703,022	969,755,171	564,051,805
Total Comprehensive Income attributable to:					
Equity-Holders of the Bank		1,009,583,873	623,683,557	-	-
Non-Controlling Interest		42,243,975	44,019,465	-	-
Total Comprehensive Income for the Period		1,051,827,847	667,703,022	969,755,171	564,051,805

Sachin Newa
Chief Finance Officer

Sunil Kumar Pokharel
Chief Executive Officer

Shambhu Prasad Panta
Director

Prakash Tayal
Director

Ambir Bogati
Director

As per our attached report of even date

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

Date: 2079/09/05
Place: Kathmandu

Er. Ichchha Raj Tamang
Director

Pratap Jung Pandey
Chairman

Consolidated Statement of Changes in Equity (Group)

For the year ended 32nd Ashadh 2079

Attributable to Equity-Holders of the Bank												
Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non Controlling Interest	Total Equity
Balance at Shrawan 01, 2077	8,003,389,674	-	982,146,498	19,581,224	431,725,125	404,550	-	755,578,981	11,008,000	10,203,834,050	143,216,146	10,347,050,197
Adjustment	-	-	-	-	-	-	-	(11,502,892)	11,502,892	-	-	-
Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	631,523,899	-	631,523,899	-	631,523,899
Other Comprehensive Income, Net of Tax												
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	25,866,785	-	-	-	25,866,785	-	25,866,785
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	10,400,655	10,400,655	-	10,400,655
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	25,866,785	-	631,523,899	10,400,655	667,791,338	-	667,791,338
Transfer to Reserves during the year	-	-	105,556,874	2,289,091	(68,400,322)	-	-	(99,872,873)	25,517,194	(34,910,036)	118,458,209	83,548,173
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	640,271,174	-	-	-	-	-	-	(640,271,174)	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(33,698,483)	-	(33,698,483)	-	(33,698,483)
Other	-	-	-	-	-	-	-	1,251,343	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	640,271,174	-	105,556,874	2,289,091	(68,400,322)	25,866,785	-	(141,067,287)	35,917,849	599,182,820	118,458,209	717,641,029
Balance at Ashadh 31, 2078	8,643,660,848	-	1,087,703,372	21,870,315	363,324,803	26,271,334	-	603,008,801	58,428,741	10,803,016,870	261,674,355	11,064,691,221
Balance at Shrawan 01, 2078	8,643,660,848	-	1,087,703,372	21,870,315	363,324,803	26,271,334	-	603,008,801	58,428,741	10,803,016,870	261,674,355	11,064,691,226
Adjustment	-	-	-	-	-	-	-	69,380,853	-	69,380,853	-	69,380,853
Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	1,087,780,645	-	1,087,780,645	-	1,087,780,645
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(3,142,042)	-	-	-	(3,142,042)	-	(3,142,042)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(28,006,540)	(28,006,540)	-	(28,006,540)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(3,142,042)	-	1,087,780,645	(28,006,540)	1,056,632,063	-	1,056,632,063
Transfer to Reserves during the year	-	-	214,056,922	3,956,615	47,998,065	-	-	(336,647,763)	18,679,685	(51,956,476)	39,485,404	(12,471,071)
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	432,183,042	-	-	-	-	-	-	(432,183,042)	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(22,746,476)	-	(22,746,476)	-	(22,746,476)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	432,183,042	-	214,056,922	3,956,615	47,998,065	(3,142,042)	-	296,203,364	(9,326,855)	981,929,111	39,485,404	1,021,414,516
Balance at Ashadh 32, 2079	9,075,843,890	-	1,301,760,294	25,826,930	411,322,867	23,129,292	-	968,593,019	49,101,886	11,854,326,835	301,159,759	12,155,486,590

Consolidated Statement of Changes in Equity (Bank)

For the year ended 32nd Ashadh 2079

Particulars	Attributable to Equity-Holders of the Bank								Non Controlling Interest		Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	
Balance at Shrawan 01, 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	-
Adjustment	-	-	-	-	-	-	-	(11,502,892)	11,502,892	-	-
Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	527,784,366	-	527,784,366	-
Other Comprehensive Income, Net of Tax											
Gains/(losses) from investment in equity instruments	-	-	-	-	-	-	-	-	-	-	-
measured at fair value	-	-	-	-	-	25,866,785	-	-	-	25,866,785	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	10,400,655	10,400,655	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year											
Transfer to Reserves during the year	-	-	105,556,874	2,289,091	(68,400,322)	25,866,785	-	527,784,366	10,400,655	564,051,805	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	(71,608,274)	25,517,194	(6,645,437)	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	640,271,174	-	-	-	-	-	-	(640,271,174)	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(33,698,483)	-	(33,698,483)	-
Other	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year											
Total Contributions by and Distributions											
Balance at Ashadh 31, 2078	8,643,660,848	-	1,087,703,371	21,870,315	363,324,802	26,271,335	-	493,702,432	57,177,395	10,693,710,499	-
Balance at Shrawan 01, 2078	8,643,660,848	-	1,087,703,371	21,870,315	363,324,802	26,271,335	-	493,702,432	57,177,395	10,693,710,499	-
Adjustment	-	-	-	-	-	-	-	69,380,853	-	69,380,853	-
Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	1,000,903,753	-	1,000,903,753	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(3,142,042)	-	-	-	(3,142,042)	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(28,006,540)	(28,006,540)	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year											
Transfer to Reserves during the year	-	-	214,056,922	3,956,615	47,998,065	(3,142,042)	-	1,000,903,753	(28,006,540)	969,755,171	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	(290,152,878)	18,679,685	(5,461,591)	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	432,183,042	-	-	-	-	-	-	(432,183,042)	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(22,746,476)	-	(22,746,476)	-
Other	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year											
Total Contributions by and Distributions											
Balance at Ashadh 32, 2079	9,075,843,890	-	1,301,760,293	25,826,930	411,322,867	23,129,293	-	818,904,642	47,850,540	11,704,638,456	-
Balance at Shrawan 01, 2079	9,075,843,890	-	1,301,760,293	25,826,930	411,322,867	23,129,293	-	818,904,642	47,850,540	11,704,638,456	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	255,821,356	(9,326,855)	941,547,104	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year											
Transfer to Reserves during the year	-	-	214,056,922	3,956,615	47,998,065	(3,142,042)	-	1,000,903,753	(28,006,540)	969,755,171	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	(290,152,878)	18,679,685	(5,461,591)	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	432,183,042	-	-	-	-	-	-	(432,183,042)	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(22,746,476)	-	(22,746,476)	-
Other	-	-	-	-	-	-	-	-	-	-	-
Income Tax Adjustment for Last Fiscal Year											
Total Contributions by and Distributions											
Balance at Ashadh 32, 2079	9,075,843,890	-	1,301,760,293	25,826,930	411,322,867	23,129,293	-	818,904,642	47,850,540	11,704,638,456	-

Consolidated Statement of Cash Flows

For the year ended 32 Ashadh 2079

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	11,195,347,352	7,348,283,910	10,680,274,229	7,065,782,271
Fee and Other Income Received	620,635,191	469,818,427	485,548,964	411,505,773
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	142,843,937	428,973,939	141,140,037	375,853,155
Interest Paid	(7,431,288,878)	(4,933,787,433)	(7,207,234,091)	(4,849,590,143)
Commissions and Fees Paid	(97,671,515)	(34,528,377)	(73,463,135)	(34,528,377)
Cash Payment to Employees	(1,512,160,883)	(1,212,638,620)	(1,346,462,038)	(1,098,913,169)
Other Expenses Paid	(1,036,012,514)	(1,086,374,030)	(942,528,738)	(1,042,313,909)
Operating Cash Flows before Changes in Operating Assets and Liabilities	1,881,692,689	979,747,817	1,737,275,229	827,795,602
(Increase) Decrease in Operating Assets				
Due from Nepal Rastra Bank	(1,359,990,258)	(535,201,552)	(1,351,990,258)	(530,201,552)
Placement with Banks and Financial Institutions	544,686,983	11,834,278	473,276,948	172,679,820
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	(594,267,480)	(1,941,197,141)	(668,892,081)	(1,927,972,093)
Loans and Advances to Customers	(5,419,575,009)	(27,986,478,032)	(3,989,224,544)	(26,833,439,774)
Other Assets	2,260,998,023	743,546,370	2,264,049,672	733,259,910
Increase (Decrease) in Operating Liabilities				
Due to Banks and Financial Institutions	(18,657,766)	(1,377,212,528)	(162,280,923)	(1,420,131,235)
Due to Nepal Rastra Bank	(758,210,058)	2,896,148,490	(758,210,058)	2,896,148,490
Deposit from Customers	6,098,118,328	31,340,176,770	5,856,094,254	31,122,469,465
Borrowings	807,870,919	810,005,185	-	-
Other Liabilities	(1,195,108,062)	95,237,140	(1,311,819,768)	(4,755,027)
Net Cash Flow from Operating Activities before Tax Paid	2,247,558,310	5,036,606,797	2,088,278,471	5,035,853,606
Income Tax Paid	(529,404,174)	(272,388,128)	(489,685,344)	(228,064,069)
Net Cash Flow from Operating Activities	1,718,154,136	4,764,218,669	1,598,593,127	4,807,789,537
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investment Securities	(4,369,205,833)	(4,542,078,094)	(4,362,723,354)	(4,513,809,301)
Receipts from Sale of Investment Securities	-	-	-	-
Purchase of Property and Equipment	(1,146,958,475)	(90,132,305)	(1,090,476,066)	(83,352,471)
Receipts from Sale of Property and Equipment	(4,337,467)	(6,387,526)	(4,337,467)	(6,387,526)
Purchase of Intangible Assets	(3,566,912)	(8,291,721)	(2,964,512)	(8,037,471)
Receipt from the sale of intangible assets	-	-	-	-
Purchase of Investment Properties	-	-	-	-
Receipts from Sale of Investment Properties	(28,987,642)	90,072,491	(28,987,642)	90,072,491
Interest Received	-	-	-	-
Dividend Received	2,949,419	11,272,056	2,622,329	10,867,902
Net Cash Used in Investing Activities	(5,550,106,909)	(4,545,545,099)	(5,486,866,712)	(4,510,646,375)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from Issue of Debt Securities	2,984,314,231	-	2,984,314,231	-
Repayments of Debt Securities	-	-	-	-
Receipts from Issue of Subordinated Liabilities	-	-	-	-
Repayments of Subordinated Liabilities	-	-	-	-
Receipt from Issue of Shares	432,183,042	640,271,174	432,183,042	640,271,174
Dividends Paid	(22,746,476)	(33,698,483)	(22,746,476)	(33,698,483)
Interest Paid	-	-	-	-
Other Receipts/Payments	(406,421,842)	(520,505,886)	(399,412,362)	(610,649,172)
Net Cash from Financing Activities	2,987,328,955	86,066,805	2,994,338,434	(4,076,481)
Net Increase (Decrease) in Cash and Cash Equivalents	(844,623,819)	304,740,376	(893,935,151)	293,066,682
Cash and Cash Equivalents at Shrawan 01	5,272,814,309	4,958,917,573	5,027,708,900	4,725,485,858
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	15,826,456	9,156,360	15,826,456	9,156,360
Cash and cash equivalents at 32nd Ashadh 2079	4,444,016,946	5,272,814,309	4,149,600,206	5,027,708,900

Sachin Newa
Chief Finance Officer

Sunil Kumar Pokharel
Chief Executive Officer

Shambhu Prasad Panta
Director

Prakash Tayal
Director

Ambir Bogati
Director

As per our attached report of even date

CA Nil Bahadur Saru Magar
Partner

Date: 2079/09/05
Place: Kathmandu

Er. Ichchha Raj Tamang
Director

Pratap Jung Pandey
Chairman

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, and 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 December 20, 2022

1.2 Financial Statements

The Financial Statements of the Bank for the year ended 16th July 2022 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 Ashadh end 2079 comprises of its subsidiaries namely Civil Capital Market Limited and Civil Microfinance Bittiya Sanstha Limited.

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 its 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. These policies have been consistently applied to all the years presented except otherwise stated. The bank has applied certain carve-outs which are as described in Notes to Accounts.

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 2078 to 32nd Ashadh 2079	16th July 2021 to 16th July 2022
Previous Period	1st Shrawan 2077 to 31st Ashadh 2078	16th July 2020 to 15th July 2021

*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 is 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 New Standards in issue but not yet effective

There has been amendment to the Standards issued by IASB and applicability of the new Standards has been notified for IFRS. But the amendments and new standards become applicable only when ASB-Nepal pronounces them. The new 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 expected credit losses and entities are required to account for expected credit losses from the initial recognition of financial instruments and it lowers the threshold for recognition of full life time expected losses by aligning financial accounting treatment with risk management activities. NFRS 9 full-fledged has become effective from 1 July 2021 and has an effect on classification and measurement of the Bank's financial assets. IFRS 9, as issued reflects the first phase of work on replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities. The bank is assessing on the impact of the changes.

Other Standards

IFRS 17 Insurance contracts is out of scope and so this Standard is not expected to have a significant impact on the Bank.

2.4.3 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".

2.4.4 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.

2.4.5 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.

2.4.6 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.

2.4.7 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.

2.4.8 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 or loss account as expenses for capital items.

2.4.9 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.

2.4.10 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 is 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 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:

- Fair value through OCI investments (quoted) are measured at fair value.
- Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- Financial assets and financial liabilities held at amortized cost are measured using a rate that is a close approximation of effective interest rate opting the available Carve Out pronounced by Institute of Chartered Accountants of Nepal.

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.

Previous year figure in group financial statements has been regrouped and restated due to first time adoption of NFRS by Civil Laghubitta Bittiya Sanstha Limited as per the directives of Nepal Rastra Bank.

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 BFLs 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. Financial Assets held for trading
 - 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. Loans and advances to the customers have been recognized at amortized cost using the method that very closely approximates effective interest rate method opting the Carve Out pronounced by Institute of Chartered Accountants of Nepal (ICAN); implementation of which has been extended for a year till 2020/21 by ICAN through notice issued by regarding the implementation of effective interest rate.

(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.

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 recover 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 creditors' 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 like to be greater or less than that suggested by historical experience.

Homogeneous groups of Financial 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 119 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 contracts 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

Interest income on available-for-sale assets and financial assets held at amortized cost shall be recognized using the bank's normal interest rate which is very close to effective interest rate using effective interest rate method.

For income from loans and advances to customers, initial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have been derived under effective interest rate method. The difference is not considered material. The Bank considers that

the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that 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, the Bank estimates cash flows considering all contractual terms of the financial Instrument (for example, prepayment options) but does not consider future credit losses. As per the Carve-out Notice issued by ICAN, the calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Contractual interest income and expense on financial instruments held at fair value through profit or loss is recognized within net interest income.

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 or 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.

Expenses incurred on acquisition of deposits are not included in the calculation of effective interest rate because of the immaterial nature and impracticability of apportionment of such expenses to individual deposit.

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 expenses 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 a 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 obligation is 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 16th July, 2022 (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:

- An entity's decision to terminate an employee's employment before the normal retirement date or
- 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'.

At the commencement date of lease, the Bank shall recognize Right of Use asset. The cost of Right of Use asset shall comprise the amount of initial measurement of lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the lessee. Right of Use Assets shall be measured at cost less any accumulated depreciation and any accumulated impairment and adjusted for any re measurement of the lease liability. The Bank shall depreciate the Right of Use Asset from the commencement date to the end of useful life of the underlying assets on the straight line basis. At the commencement date, the Bank shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payment shall include fixed payments less any lease incentives receivable, variable lease payments, amounts expected to be payable by the Bank under residual value guarantee, the exercise price of a purchase option if the Bank is reasonably certain to exercise that option and payments of penalties for terminating the lease.

The details of Right to use asset and Lease Liability are stated below:

Particulars	Right of Use Asset	Lease Liability
Opening Balance	-	-
Addition During The year	991,503,816	991,503,816
Interest Cost	-	64,679,108
Depreciation on Right of Use Asset	151,074,777	-
Lease Payment in Accrual basis	-	167,104,442
Closing Balance	840,429,039	889,078,482

The Right to Use Assets has been shown in schedule 4.13 Property and Equipment under Equipment & Others heading and the Lease Liability in schedule 4.23 Other Liabilities under Other Liability heading.

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 or 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 or 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	1,000,903,753
Weighted average of number of equity shares used in computing basic earnings per share (b)	No.	90,758,439
Basic and diluted earnings per equity share of Rs 100 each (a/b)	Rs	11.03

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 32nd Ashadh 2079

4.1 Cash and Cash Equivalent

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Cash in Hand	1,805,026,443	1,847,181,786	1,804,830,824	1,846,979,966
Balances with BFLs	1,473,680,238	695,730,360	1,179,459,117	450,826,771
Money at Call and Short Notice	750,383,014	-	750,383,014	-
Other.	414,927,251	2,729,902,163	414,927,251	2,729,902,163
Total	4,444,016,946	5,272,814,309	4,149,600,206	5,027,708,900

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory Balances with NRB	4,071,575,403	2,877,873,019	4,051,575,403	2,865,873,019
Securities purchased under Resale Agreement	-	-	-	-
Other Deposit and Receivable from NRB	1,780,504,751	1,614,216,876	1,780,504,751	1,614,216,876
Total	5,852,080,154	4,492,089,896	5,832,080,154	4,480,089,896

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 Institutions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Placement with Domestic BFLs	242,141,702	313,551,737	-	-
Placement with Foreign BFLs	157,407,662	630,684,610	157,407,662	630,684,610
Less: Allowances for Impairment	-	-	-	-
Total	399,549,364	944,236,347	157,407,662	630,684,610

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

4.4 Derivative Financial Instruments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
<i>Held for Trading</i>	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
<i>Held for Risk Management</i>	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	6,395,000	2,564,820,722	6,395,000	2,564,820,722
Others	-	-	-	-
Total	6,395,000	2,564,820,722	6,395,000	2,564,820,722

4.5 Other Trading Assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	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		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loans to Micro-Finance Institutions	4,078,113,370	3,475,379,046	4,424,006,243	3,746,647,319
Other	-	-	-	-
Less: Allowances for Impairment	(57,091,229)	(48,624,385)	(57,091,229)	(48,624,385)
Total	4,021,022,141	3,426,754,661	4,366,915,014	3,698,022,933

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loans to Micro-Finance Institutions	4,045,740,092	3,468,694,432	4,391,632,965	3,739,962,704
Total	4,045,740,092	3,468,694,432	4,391,632,965	3,739,962,704
Interest Receivable	32,373,278	6,684,614	32,373,278	6,684,614
Total	4,078,113,370	3,475,379,046	4,424,006,243	3,746,647,319

4.6.1 Allowances for Impairment

Balance at Shrawan 01	48,624,385	17,809,185	48,624,385	17,809,185
Impairment Losss for the year:				
Charge for the year	8,466,844	30,815,200	8,466,844	30,815,200
Recoveries/Reversal	-	-	-	-
Amount Written Off	-	-	-	-
Balance at Ashadh End	57,091,229	48,624,385	57,091,229	48,624,385

4.7 Loans and Advances to Customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loans and Advances measured at Amortized Cost	89,088,640,288	83,264,091,646	85,199,680,282	80,804,404,046
Less: Impairment Allowances	-	-	-	-
Collective Impairment	(999,556,360)	(973,562,281)	(982,479,313)	(966,801,285)
Individual Impairment	(1,205,950,910)	(826,971,357)	(1,190,279,459)	(799,905,795)
Net Amount	86,883,133,017	81,463,558,008	83,026,921,510	79,037,696,966
Loans and Advances measured at FVTPL	-	-	-	-
Total	86,883,133,017	81,463,558,008	83,026,921,510	79,037,696,966

4.7.1 Analysis of Loans and Advances - By Product

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Product				
Term Loans	23,773,205,874	21,242,929,459	23,773,205,874	21,242,929,459
Overdraft	17,934,659,098	15,009,741,754	17,934,659,098	15,009,741,754
Trust Receipt/Import Loans	293,721,189	5,543,702,116	293,721,189	5,543,702,116
Demand and other Working Capital Loans	19,409,488,574	17,667,259,006	19,409,488,574	17,667,259,006
Personal Residential Loans	4,170,797,779	2,540,482,721	4,170,797,779	2,540,482,721
Real Estate Loans	6,842,307,302	4,161,604,768	6,842,307,302	4,161,604,768
Margin Lending Loans	2,330,265,754	3,830,339,601	2,330,265,754	3,830,339,601
Hire Purchase Loans	2,650,174,360	2,717,862,498	2,650,174,360	2,717,862,498
Deprived Sector Loans	6,789,936,513	4,781,697,290	2,933,497,247	2,327,728,612
Bills Purchased	162,562,500	13,900,000	162,562,500	13,900,000
Staffs Loans	1,314,447,762	801,504,804	1,309,479,695	795,785,882
Other	2,199,948,145	4,242,256,484	2,199,948,145	4,242,256,484
Sub-Total	87,871,514,848	82,553,280,501	84,010,107,516	80,093,592,901
Interest Receivable	1,217,125,439	710,811,145	1,189,572,766	710,811,145
Grand Total	89,088,640,288	83,264,091,646	85,199,680,282	80,804,404,046

4.7.2 Analysis of Loans and Advances - By Currency

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Nepalese Rupee	88,811,662,379	78,740,117,124	84,922,702,374	76,280,429,524
Indian Rupee	-	-	-	-
United States Dollar	276,977,908	4,523,974,522	276,977,908	4,523,974,522
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Grand Total	89,088,640,288	83,264,091,646	85,199,680,282	80,804,404,046

4.7.3 Analysis of Loans and Advances - By Collateral

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
<i>Secured</i>				
Moveable/Immoveable Assets	79,240,987,802	74,887,855,112	79,240,987,802	74,887,855,112
Gold and Silver	627,480	122,425,765	627,480	122,425,765
Guarantee of Domestic BFIs	-	-	-	-
Government Guarantee	16,538,792	16,544,486	16,538,792	16,544,486
Guarantee of International Rated Bank	-	-	-	-
Collateral of Export Document	-	-	-	-
Collateral of Fixed Deposit Receipt	1,469,551,190	517,053,368	1,469,551,190	517,053,368
Collateral of Government Securities	-	81,608,055	-	81,608,055
Counter Guarantee	-	-	-	-
Personal Guarantee	11,027,321	62,162,971	11,027,321	62,162,971
Other Collateral	8,349,907,703	7,576,441,889	4,460,947,698	5,116,754,289
Subtotal	89,088,640,288	83,264,091,646	85,199,680,282	80,804,404,046
<i>Unsecured</i>	-	-	-	-
Grand Total	89,088,640,288	83,264,091,646	85,199,680,282	80,804,404,046

4.7.4 Allowance for Impairment

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Individual Allowance for Impairment				
Balance at Shrawan 01	826,971,357	967,512,722	799,905,795	936,669,056
Impairment Loss for the year	-	-	-	-
Charge for the year	378,979,553	-	390,373,664	-
Recoveries/Reversals during the year	-	(140,541,366)	-	(136,763,261)
Write-Offs	-	-	-	-
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
Balance at Asar End	1,205,950,910	826,971,357	1,190,279,459	799,905,795
Collective Allowances for Impairment	973,562,281	498,724,121	966,801,285	488,836,825
Balance at Sharawan 01	-	-	-	-
Impairment Loss for the year	-	-	-	-
Charge/(Reversal) for the year	25,994,079	474,838,161	15,678,028	477,964,460
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
Balance at Asar End	999,556,360	973,562,281	982,479,313	966,801,285
Total Allowances for Impairment	2,205,507,270	1,800,533,638	2,172,758,772	1,766,707,080

4.8 Investment Securities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Investment Securities measured at Amortized Cost	16,959,014,400	12,561,984,136	16,915,636,400	12,549,606,136
Investment in Equity measured at FVTOCI	183,265,496	211,089,927	159,899,297	163,206,207
Total	17,142,279,896	12,773,074,063	17,075,535,697	12,712,812,343

4.8.1 Investment Securities Measured at Amortized Cost

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Debt Securities	43,378,000	12,378,000	-	-
Government Bonds	11,874,937,304	10,781,469,719	11,874,937,304	10,781,469,719
Government Treasury Bills	5,040,699,097	1,768,136,417	5,040,699,097	1,768,136,417
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposit Instruments	-	-	-	-
Other(Foreign Share)	-	-	-	-
Less: Specific Allowances for Impairment	-	-	-	-
Total	16,959,014,400	12,561,984,136	16,915,636,400	12,549,606,136

4.8.2 Investment in Equity Measured at FVTOCI

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Equity Instruments				
Quoted Equity Securities	167,681,896	189,380,427	144,315,697	141,496,707
Unquoted Equity Securities	15,583,600	21,709,500	15,583,600	21,709,500
Total	183,265,496	211,089,927	159,899,297	163,206,207

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 National Microfinance Laghubitta Bittiya Sanstha Ltd 52,684 Ordinary Shares Per Share 100 Paid Up	4,000,000	49,036,770	4,000,000	33,237,600	4,000,000	49,036,770	4,000,000	33,237,600
1.2 Chilimepower Company Ltd. 23,465 Ordinary Shares Per Share 1,776.46 Paid Up	21,285,514	9,573,720	21,285,514	14,995,836	21,285,514	9,573,720	21,285,514	14,995,836
1.3 Soaltee Hotel 1,601 Ordinary Shares Per Share 603.886 Paid Up	603,887	324,203	603,887	419,462	603,887	324,203	603,887	419,462
1.4 Prudential Insurance Company Ltd 2,704 Ordinary Shares Per Share 1,607.54 Paid Up	2,136,607	940,992	2,136,607	1,895,400	2,136,607	940,992	2,136,607	1,895,400
1.5 Siddhartha Investment Growth Scheme 2 3,00,000 Ordinary Shares Per Share 10 Paid Up	3,000,000	2,937,000	3,000,000	4,260,000	3,000,000	2,937,000	3,000,000	4,260,000
1.6 General Insurance Company Ltd. 30,000 Ordinary Shares Per Share 100 Paid Up	3,000,000	5,550,000	3,000,000	10,395,000	3,000,000	5,550,000	3,000,000	10,395,000
1.7 Nepal Insurance Company Ltd. 8695 Ordinary Shares Per Share 100 Paid Up	9,951,042	3,877,101	9,951,042	8,886,290	9,951,042	3,877,101	9,951,042	8,886,290
1.8 Deprosc Laghubitta Bittiya Sanstha Ltd. 3275 Ordinary Shares Per Share 100 Paid Up	-	258,500	2,467,754	2,318,250	-	258,500	2,467,754	2,318,250
1.9 Laxmi Unnati Kosh 3,00,000 Ordinary Shares Per Share 10 Paid Up	3,000,000	2,868,000	3,000,000	3,786,000	3,000,000	2,868,000	3,000,000	3,786,000
1.10 Kumari Equity Fund 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	10,070,000	10,000,000	10,500,000	10,000,000	10,070,000	10,000,000	10,500,000
1.11 Sunrise Blue chip Fund 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	8,740,000	10,000,000	10,160,000	10,000,000	8,740,000	10,000,000	10,160,000
1.12 NIBL samriddhi Fund II 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	8,670,000	10,000,000	10,810,000	10,000,000	8,670,000	10,000,000	10,810,000
1.13 Prabhu Select fund 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	9,610,000	10,000,000	10,140,000	10,000,000	9,610,000	10,000,000	10,140,000
1.14 Nic Asia Select 30 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	8,770,000	-	-	10,000,000	8,770,000	-	-
1.15 Rbb Mutual Fund 1 1,000,000 Ordinary Shares Per Share 10 Paid Up	10,000,000	9,270,000	-	-	10,000,000	9,270,000	-	-
1.16 Mega Mutual Fund 1 436,340 Ordinary Shares Per Share 10 Paid Up	4,363,400	3,486,357	-	-	4,363,400	3,486,357	-	-
1.17 Nmb Saral Bachat 9,500 Ordinary Shares Per Share 10 Paid Up	95,000	95,000	-	-	95,000	95,000	-	-
1.18 Nabil Balanced Fund - 3 1,667 Ordinary Shares Per Share 10 Paid Up	166,700	157,198	-	-	166,700	157,198	-	-
1.19 Nic Asia Flexi Capital Fund 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
1.20 Kumari Dhnabrdi Yojana 500,000 Ordinary Shares Per Share 10 Paid Up	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
1.21 Nepal Life Insurance Company Limited 136 Ordinary Shares Per Share 100 Paid Up	-	78,472	-	-	-	78,472	-	-
1.22 Forward Microfinance Limited 1 Ordinary Shares Per Share 100 Paid Up	-	2,385	-	-	-	2,385	-	-
1.23 Mero Microfinance Bittiya Sanstha Ltd. 29 Ordinary Shares Per Share 100 Paid Up	-	-	-	44,834	-	-	-	44,834
1.24 RSDC Laghubitta Bittiya Sanstha Ltd. 3 Ordinary Shares Per Share 100 Paid Up	-	-	-	2,601	-	-	-	2,601
1.25 National Life Insurance Company Ltd. 75 Ordinary Shares Per Share 100 Paid Up	-	-	-	131,214	-	-	-	131,214
1.26 NLG Insurance Company Ltd. 1 Ordinary Shares Per Share 100 Paid Up	-	-	-	1,220	-	-	-	1,220

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
1.27 Bishal Bazar Company Limited								
500 Ordinary Shares Per Share 100 Paid Up	-	-	3,295,940	2,800,000	-	-	3,295,940	2,800,000
1.28 Premier Insurance Co. Ltd.								
5000 Ordinary Shares Per Share 100 Paid Up	-	-	6,277,050	5,850,000	-	-	6,277,050	5,850,000
1.29 Grameen Bikas Laghubitta Bittiya Sanstha Ltd.								
5000 Ordinary Shares Per Share 100 Paid Up	-	-	6,767,795	6,125,000	-	-	6,767,795	6,125,000
1.30 Nirdhan Utthan Bank Limited								
2080 Ordinary Shares Per Share 100 Paid Up	-	-	3,524,170	3,328,000	-	-	3,524,170	3,328,000
1.31 Nabil Balanced Fund-2								
1,000,000 Ordinary Shares Per Share 10 Paid Up	-	-	1,110,670	1,410,000	-	-	1,110,670	1,410,000
1.32 Nadeb Laghubitta Bittiya Sansta Ltd.								
5,857 Ordinary Share@Rs.826.95 per Share	4,843,428	6,085,423	4,843,428	5,071,359	-	-	-	-
1.33 Citizen Bank International Ltd.								
917 Ordinary Share@Rs.253.59 per Share	232,543	185,693	232,543	313,818	-	-	-	-
1.34 Global IME Bank Ltd.								
1102 Ordinary Share@Rs.388.38 per Share	428,000	277,043	428,000	440,880	-	-	-	-
1.35 Garima Bikash Bank Ltd.								
5513 Ordinary Share@Rs.139.1 per Share	766,850	2,133,531	766,850	2,300,000	-	-	-	-
1.36 Prabhu Bank Ltd.								
2000 Ordinary Share@ Rs.353.966	-	-	707,932	916,000	-	-	-	-
1.37 Nabil Balance Fund 2.								
45000 Ordinary Share@ Rs.10	450,000	485,100	450,000	634,500	-	-	-	-
1.38 Nabil Bank Ltd.								
4444 Ordinary Share@ Rs.1297.728	-	-	5,767,104	6,039,396	-	-	-	-
1.39 Nepal Bank Limited								
578 Ordinary Share@ Rs.253.287	-	-	146,400	255,476	-	-	-	-
1.40 Nica Balance Fund								
10,000 Ordinary Share@Rs.10 per unit	100,000	107,100	100,000	137,300	-	-	-	-
1.41 Nepal Doorsanchar Company Ltd.								
504 Ordinary Share@ Rs.1204.748	-	-	607,193	662,256	-	-	-	-
1.42 Nepal Sbi Bank Ltd.								
1590 Ordinary Share@ Rs.486.164	-	-	773,000	651,900	-	-	-	-
1.43 Nmb Bank Ltd.								
4814 Ordinary Share@ Rs.383.769	-	-	1,847,462	2,113,346	-	-	-	-
1.44 Nepal Infrastructure Dev. Bank Ltd.								
4992 Ordinary Share@ Rs.548.831	-	-	2,739,766	2,456,064	-	-	-	-
1.45 Reliable Lotus Finance Ltd.								
1500 Ordinary Share@ Rs.256.4	-	-	384,600	798,000	-	-	-	-
1.46 Samriddhi Finance Company Ltd.								
600 Ordinary Share@ Rs.468	-	-	280,800	281,400	-	-	-	-
1.47 Himalayan Power Partner Ltd.								
4000 Ordinary Share@Rs.629.4 per Share	2,517,600	1,288,000	1,760,424	1,800,000	-	-	-	-
1.48 Mountain Hydro Nepal Ltd.								
3000 Ordinary Share@ Rs.361.115	-	-	1,083,345	1,020,000	-	-	-	-
1.49 Nepal Insurance Co. Ltd.								
1703 Ordinary Share@ Rs.1183.89	-	-	2,016,164	1,737,060	-	-	-	-
1.50 National Life Insurance Co. Ltd.								
2100 Ordinary Share@ Rs.1113.857	-	-	2,339,100	2,417,100	-	-	-	-
1.51 Premier Insurance Ltd.								
3500 Ordinary Share@ Rs.1226.99	-	-	4,294,466	4,095,000	-	-	-	-
1.52 Everest Insurance Ltd.								
1080 Ordinary Share@ Rs.629.63	-	-	680,000	810,000	-	-	-	-

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
1.53 Prime Life Insurance Co. Ltd. 2300 Ordinary Share@Rs.816.07 per Share	1,876,950	1,308,700	850,000	954,000	-	-	-	-
1.54 Lumbini General Insurance Co. Ltd. 3307 Ordinary Share@Rs.707.88 per Share	2,340,974	1,263,274	2,441,745	2,340,000	-	-	-	-
1.55 Nibl Samriddhi Fund II 50000 Ordinary Share@ Rs.10	500,000	433,500	500,000	540,500	-	-	-	-
1.56 NMB 50 2500 Ordinary Share@Rs.10 per Share	25,000	32,250	25,000	37,375	-	-	-	-
1.57 Nic Asia Dynamic Debt Fund 50,000 Ordinary Share@ Rs.10	500,000	534,000	500,000	500,000	-	-	-	-
1.58 Kumari Mutual Fund 50,000 Ordinary Share@ Rs.10	500,000	503,500	500,000	524,500	-	-	-	-
1.59 Sanima Large Cap Fund 100,000 Ordinary Share@ Rs.10	1,000,000	932,000	1,000,000	1,050,000	-	-	-	-
1.60 Sunrise Blue Chip Fund 50,000 Ordinary Share@ Rs.10	500,000	437,000	500,000	508,000	-	-	-	-
1.61 Prabhu Select Fund 100,000 Ordinary Share@ Rs.10	1,000,000	961,000	1,000,000	1,014,000	-	-	-	-
1.62 Chhimek Laghubitta Bikash Bank Ltd. 2 Ordinary Share	-	1,100	228,626	370,620	-	-	-	-
1.63 Grameen Bikas Laghubitta Bittiya Sanstha Ltd. 1000 Ordinary Share@ Rs.1293	-	-	1,293,000	1,215,000	-	-	-	-
1.64 Nirdhan Utthan Bank Ltd. 2000 Ordinary Share@ Rs.1720.725	-	-	3,441,450	3,198,000	-	-	-	-
1.65 Rural Micro Finance Dev. Centre Ltd. 350 Ordinary Share@ Rs.1065.503	-	-	372,926	478,450	-	-	-	-
1.66 Citizen Investment Trust 63 Ordinary Share@Rs.4098.85 per Share	258,227	158,445	258,227	202,420	-	-	-	-
1.67 Everest Bank Ltd. 2120 Ordinary Share@Rs.649.04 per Share	1,375,959	930,680	-	-	-	-	-	-
1.68 Kumari Bank Ltd. 12 Ordinary Share	-	2,292	-	-	-	-	-	-
1.69 Corporate Dev Bank Ltd. 2500 Ordinary Share@Rs.414.4 per Share	1,036,000	780,000	-	-	-	-	-	-
1.70 Kalika Laghubitta Bitty Sanstha Ltd. 1 Ordinary Share	-	1,199	-	-	-	-	-	-
1.71 IME General Insurance 1 Ordinary Share	100	370	-	-	-	-	-	-
1.72 Mega Mutual Fund 200,000 Ordinary Unit@Rs.10 per Unit	2,000,000	1,598,000	-	-	-	-	-	-
1.73 NIC Asia Flexi Cap Fund 150000 Ordinary Unit@Rs.10 per Unit	1,500,000	1,500,000	-	-	-	-	-	-
1.74 Kumari Dhana Briddhi Yojana 50,000 Ordinary Unit@Rs.10 per Unit	500,000	500,000	-	-	-	-	-	-
1.75 Rbb Mutual Fund 100,000 Ordinary Unit@Rs.10 per Unit	1,000,000	927,000	-	-	-	-	-	-
Fair value recognition of Previous GAAP provision	-	-	-	-	-	-	-	-
Total Investment in Quoted Equity	146,853,780	167,681,896	155,579,978	189,380,427	121,602,149	144,315,697	110,420,428	141,496,707

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
Investment in Unquoted Equity								
1.1 Nepal Clearing House Limited								
140,691 Ordinary Shares of Rs. 100 Paid up (Bonus Share 50,647)	5,130,300	14,069,100	5,130,300	10,195,000	5,130,300	14,069,100	5,130,300	10,195,000
1.2 Credit Information Bureau								
15,145 Ordinary Shares Per Share 100 Paid Up (Bonus Share 6,827)	125,000	1,514,500	125,000	1,514,500	125,000	1,514,500	125,000	1,514,500
1.3 NIC Asia Select 30								
1,000,000 Ordinary Shares Per Share 10 Paid Up	-	-	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Total Investment in Unquoted Equity	5,255,300	15,583,600	15,255,300	21,709,500	5,255,300	15,583,600	15,255,300	21,709,500
Total	152,109,080	183,265,496	170,835,278	211,089,927	126,857,449	159,899,297	125,675,728	163,206,207

4.9 Current Tax Assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current Tax Assets	787,337,423	406,752,182	749,673,289	378,995,845
Current year Income Tax Assets	787,337,423	406,752,182	749,673,289	378,995,845
Tax Assets of Prior Periods	-	-	-	-
Current Tax Liabilities	551,983,922	325,094,518	501,596,353	281,962,721
Current year Income Tax Liabilities	551,983,922	325,094,518	501,596,353	281,962,721
Tax Liabilities of Prior Periods	-	-	-	-
Total	235,353,501	81,657,664	248,076,936	97,033,124

4.10 Investment in Subsidiaries

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

4.10.1 Investment in Quoted Subsidiaries

Particulars	Group		Bank	
	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Civil Laghubitta Bittiya Sanstha Ltd.				
887,452 Shares of Rs. 100 Each (Bonus Share 377,452)	51,000,000	-	51,000,000	-
581,982 Shares of Rs. 100 Each (Right Share)	58,198,200	-	58,198,200	-
Total	109,198,200	-	109,198,200	-

4.10.2 Investment in Unquoted Subsidiaries

	Group		Bank	
	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Civil Capital Market Ltd. 1,481,875 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	525,921	41,718,053
Accumulated Balances of NCI as on Ashadh End	76,193,835	224,965,922
Dividend Paid to NCI	-	-
	Previous Year	
	Civil Capital	Capital Laghubitta
Equity Interest held by NCI (%)	30.26%	49%
Profit (Loss) allocated during the year	11,000,989	31,820,244
Accumulated Balances of NCI as on Ashadh End	76,759,589	183,691,876
Dividend Paid to NCI	-	-

4.11 Investment in Associates

Particulars	Group		Bank	
	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

Particulars	Group		Bank	
	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	57,786,448	115,102,257	57,786,448	115,102,257
Addition/(Disposal) during the year	29,259,503	(57,315,809)	29,259,503	(57,315,809)
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Accumulated depreciation	-	-	-	-
Accumulated impairment loss	-	-	-	-
Net Amount	87,045,951	57,786,448	87,045,951	57,786,448
Total	87,045,951	57,786,448	87,045,951	57,786,448

4.13 Property and Equipment

Particulars	Group										Total Ashadh end 2078
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashadh end 2079		
Cost											
As on Shrawan 01, 2077	-	-	337,285,029	156,704,012	106,724,856	158,351,078	108,645,434	258,127,648	-	-	1,125,838,058
Addition during the year	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	36,987,766	10,329,513	16,218,715	8,160,499	1,464,535	29,022,806	-	-	102,183,833
Disposal during the year	-	-	(4,156,010)	(9,840,615)	(14,885,090)	(7,253,085)	(3,791,407)	(18,773,426)	-	-	(58,699,635)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2078	-	-	370,116,784	157,192,910	108,058,481	159,258,492	106,318,562	268,377,028	-	-	1,169,322,256
Addition during the Year	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	34,229,979	11,014,791	19,258,167	10,580,414	18,035,708	1,060,138,105	1,153,257,165	-	-
Disposal during the year	-	-	(2,574,461)	(2,491,648)	(1,747,800)	(3,102,000)	(10,626,901)	(7,152,192)	(27,695,001)	-	-
Adjustment/Revaluation	-	-	-	(153,720)	-	-	-	153,720	-	-	-
Balance as on Ashadh end 2079	-	-	401,772,303	165,562,333	125,568,848	166,736,906	113,727,369	1,321,516,661	2,294,884,421	-	1,169,322,256
Depreciation and Impairment											
As on Shrawan 01, 2077	-	-	129,805,879	90,066,490	47,309,609	67,292,842	48,159,981	112,018,614	-	-	494,653,415
Depreciation charge for the year	-	-	42,393,422	14,909,317	10,707,555	11,483,430	9,120,053	24,909,326	-	-	113,523,105
Impairment for the year	-	-	(3,975,214)	(8,217,660)	(12,398,246)	(5,141,632)	(3,265,274)	(13,650,083)	-	-	(46,648,108)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As on Ashadh end 2078	-	-	168,224,087	96,758,147	45,618,918	73,634,641	54,014,761	123,277,857	-	-	561,528,412
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	39,565,169	14,553,047	10,776,199	12,668,356	8,901,215	183,789,527	270,253,511	-	-
Disposals	-	-	(2,560,904)	(1,916,774)	(1,410,261)	(2,560,642)	(7,622,522)	(5,325,208)	(21,396,310)	-	-
Adjustment	-	-	-	(38,343)	-	-	-	38,343	-	-	-
As on Ashadh end 2079	-	-	205,228,352	109,356,077	54,984,857	83,742,354	55,293,454	301,780,518	810,385,613	-	561,528,412
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
Net Book Value											
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	-	-
As on Ashadh end 2078	-	-	201,892,697	60,434,763	62,439,563	85,623,850	52,303,801	145,099,171	607,793,845	-	-
As on Ashadh end 2079	-	-	196,543,951	56,206,256	70,583,992	82,994,552	58,433,915	1,019,736,143	1,484,498,808	-	-

4.13 Continued...

Particulars	Bank									
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashadh end 2079	Total Ashadh end 2078
Cost										
As on Shrawan 01 2077	-	-	330,743,059	153,345,972	92,113,230	156,123,423	108,645,435	235,383,307	-	1,076,354,426
Addition during the year	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	36,987,766	10,263,113	15,284,800	8,061,059	1,464,535	23,342,725	-	95,403,998
Disposal during the year	-	-	(4,156,010)	(9,840,615)	(14,885,090)	(7,253,085)	(3,791,407)	(18,773,426)	-	(58,699,635)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2078	-	-	363,574,814	153,768,469	92,512,940	156,931,397	106,318,562	239,952,606	-	1,113,058,788
Addition during the Year										
Acquisition	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	34,229,979	7,579,416	19,231,667	7,937,096	18,035,708	1,009,738,871	1,096,752,737	-
Disposal during the year	-	-	(2,574,461)	(2,453,981)	(1,747,800)	(3,034,990)	(10,626,901)	(7,082,313)	(27,520,446)	-
Adjustment/Revaluation	-	-	-	(153,720)	-	-	-	153,720	-	-
Balance as on Ashadh end 2079	-	-	395,230,333	158,740,184	109,996,807	161,833,502	113,727,370	1,242,762,884	2,182,291,080	1,113,058,788
Depreciation and Impairment										
As on Shrawan 01 2077	-	-	125,266,307	87,397,416	40,000,643	65,522,011	48,159,982	99,008,410	-	465,354,770
Depreciation charge for the year	-	-	41,172,896	14,708,231	9,096,482	11,356,794	9,120,053	21,898,848	-	107,353,306
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(3,975,214)	(8,217,660)	(12,398,246)	(5,141,632)	(3,265,274)	(13,650,083)	-	(46,648,108)
Adjustments	-	-	-	-	-	-	-	-	-	-
As on Ashadh end 2078	-	-	162,463,990	93,887,987	36,698,880	71,737,174	54,014,761	107,257,176	-	526,059,968
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	38,783,296	12,951,037	9,449,182	10,587,213	8,901,215	172,252,671	252,924,615	-
Disposals	-	-	(2,560,904)	(1,884,056)	(1,410,261)	(2,497,444)	(7,622,522)	(5,268,589)	(21,243,775)	-
Adjustments	-	-	-	(38,343)	-	-	-	38,343	-	-
As on Ashadh end 2079	-	-	198,686,383	104,916,626	44,737,801	79,826,943	55,293,455	274,279,601	757,740,808	526,059,968
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value										
As on Ashadh end 2077	-	-	205,476,751	65,948,555	52,112,587	90,601,412	60,485,453	136,374,897	610,999,655	-
As on Ashadh end 2078	-	-	201,110,824	59,880,482	55,814,060	85,194,223	52,303,801	132,695,430	586,998,821	-
As on Ashadh end 2079	-	-	196,543,950	53,823,558	65,259,006	82,006,559	58,433,915	968,483,283	1,424,550,272	-

Note: There is opening adjustment of NRs. 153,720 on Computer and Accessories due to prior period error

4.14 Goodwill and Intangible Assets

Group						
Particulars	Goodwill	Software		Other	Total Ashadh end 2079	Total Ashadh end 2078
		Purchased	Developed			
Cost						
As on Shrawan 01 2077	-	118,880,726	-	-	-	118,880,726
Addition during the year.						-
Acquisition.	-	-	-	-	-	-
Capitalization.	-	8,291,721	-	-	-	8,291,721
Disposal during the year.	-	-	-	-	-	-
Adjustment/Revaluation.	-	-	-	-	-	-
Balance as on Ashadh end 2078	-	127,172,447	-	-	-	127,172,447
Addition during the Year						
Acquisition	-	-	-	-	-	-
Capitalization	-	3,566,912	-	-	3,566,912	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2079	-	130,739,359	-	-	130,739,359	127,172,447
Amortisation and Impairment						
As on Shrawan 01 2077	-	83,478,672	-	-	-	83,478,672
Acquisition	-	-	-	-	-	-
Amortisation charge for the year	-	11,555,630	-	-	-	11,555,630
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2078	-	95,034,302	-	-	-	95,034,302
Impairment for the year	-	-	-	-	-	-
Amortisation charge for the year	-	8,964,629	-	-	8,964,629	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2079	-	103,998,931	-	-	103,998,931	95,034,302
Capital Work in Progress	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	-
As on Ashadh end 2077	-	35,402,054	-	-	35,402,054	-
As on Ashadh end 2078	-	32,138,145	-	-	32,138,145	-
As on Ashadh end 2079	-	26,740,428	-	-	26,740,428	-

4.14 Continued...

		Bank				
Particulars	Goodwill	Software		Other	Total Ashadh end 2079	Total Ashadh end 2078
		Purchased	Developed			
Cost						
As on Shrawan 01 2077	-	115,055,038	-	-	-	115,055,038
Addition during the year						
Acquisition	-	-	-	-	-	-
Capitalization	-	8,037,471	-	-	-	8,037,471
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2078	-	123,092,508	-	-	-	123,092,508
Addition during the Year					-	
Acquisition	-	-	-	-	-	-
Capitalization	-	2,964,512	-	-	2,964,512	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2079		126,057,021			126,057,021	123,092,508
Amortisation and Impairment						
As on Shrawan 01. 2077	-	81,118,921	-	-	-	81,118,921
Acquisition	-	-	-	-	-	-
Amortisation charge for the year	-	10,987,280	-	-	-	10,987,280
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2078	-	92,106,201	-	-	-	92,106,201
Impairment for the year						
Amortisation charge for the year	-	8,144,697	-	-	8,144,697	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2079	-	100,250,899	-	-	100,250,899	92,106,201
Capital Work in Progress	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	-
As on Ashadh end 2077	-	33,936,117	-	-	33,936,117	-
As on Ashadh end 2078	-	30,986,307	-	-	30,986,307	-
As on Ashadh end 2079	-	25,806,122	-	-	25,806,122	-

4.15 Deferred Tax

Particulars	Group			Bank		
	Deferred Tax Assets	Deferred Tax Liabilities	Current Year Net Deferred Tax Assets / (Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	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	-	26,113,785	(26,113,785)	-	26,113,785	(26,113,785)
Investment Securities	-	(8,529,674)	(8,529,674)	-	9,912,554	(9,912,554)
Property and Equipment	-	20,811,712	(20,811,712)	-	20,668,562	(20,668,562)
Employees' Defined Benefit Plan	124,729,115	-	124,729,115	119,267,219	-	119,267,219
Right to Use Assets	278,825,670	-	278,825,670	-	252,128,712	(252,128,712)
Lease Liabilities	-	263,617,870	(263,617,870)	266,723,545	-	266,723,545
Provisions	-	-	-	-	-	-
Other Temporary Differences	8,784,885	-	8,784,885	-	-	-
Deferred tax on temporary differences	412,339,670	431,217,141	(35,936,818)	385,990,764	438,027,060	(52,036,296)
Deferred tax on carry forward of unused tax losses	-	-	1,944,400	-	-	1,944,400
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2079	-	-	(33,992,418)	-	-	(50,091,896)
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2078	-	-	(71,980,508)	-	-	(75,352,297)
Origination/(Reversal) during the year	-	-	(37,988,090)	-	-	(25,260,401)
Deferred Tax expense (income) recognized in profit or loss	-	-	(22,579,748)	-	-	(11,911,009)
Deferred Tax expense (income) recognized in OCI	-	-	(15,408,342)	-	-	(13,349,392)
Deferred Tax expense (income) recognized directly in Equity	-	-	-	-	-	-

Particulars	Group			Bank		
	Deferred Tax Assets	Deferred Tax Liabilities	Previous Year Net Deferred Tax Assets / (Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	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	-	17,335,934	(17,335,934)	-	17,335,934	(17,335,934)
Investment Securities	-	11,903,016	(11,903,016)	-	11,085,765	(11,085,765)
Property and Equipment	-	25,670,419	(25,670,419)	-	25,444,998	(25,444,998)
Employees' Defined Benefit Plan	87,669,925	-	87,669,925	83,006,489	-	83,006,489
Right to Use Assets	-	-	-	-	-	-
Lease Liabilities	20,814,256	-	20,814,256	20,814,256	-	20,814,256
Provisions	-	-	-	-	-	-
Other Temporary Differences	-	-	-	-	-	-
Deferred tax on temporary differences	108,484,181	184,112,816	(75,628,635)	103,820,745	183,070,144	(79,249,400)
Deferred tax on carry forward of unused tax losses	-	-	3,897,103	-	-	3,897,103
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2078	-	-	(71,980,508)	-	-	(75,352,297)
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2077	-	-	(108,066,892)	-	-	(113,707,761)
Origination/(Reversal) during the year	-	-	(36,086,384)	-	-	(38,355,464)
Deferred Tax expense (income) recognized in profit or loss	-	-	(52,014,313)	-	-	(53,898,652)
Deferred Tax expense (income) recognized in OCI	-	-	(15,410,711)	-	-	15,543,188
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	113,026,039	136,397,498	106,118,066	131,817,279
Accrued Income	-	-	-	-
Prepayments and Deposits	37,286,278	37,709,617	34,438,145	33,100,906
Income Tax Deposit	49,813,897	49,280,361	39,000,580	35,071,276
Deferred Employee Expenditure	677,443,620	438,597,133	676,920,861	438,597,133
Other Assets	68,743,163	140,596,525	65,110,404	139,669,223
Total	946,312,996	802,581,134	921,588,055	778,255,817

4.17 Due to Banks and Financial Institutions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Money Market Deposits	-	-	-	-
Interbank Borrowing	-	-	-	-
Other Deposits from BFIs	1,547,146,659	1,565,804,425	1,547,770,547	1,710,051,470
Settlement and Clearing Accounts	-	-	-	-
Total	1,547,146,659	1,565,804,425	1,547,770,547	1,710,051,470

4.18 Due to NRB

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Refinance from NRB	2,866,504,141	3,624,714,199	2,866,504,141	3,624,714,199
Standing Liquidity Facility	-	-	-	-
Lender of Last Resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other Payable to NRB	-	-	-	-
Total	2,866,504,141	3,624,714,199	2,866,504,141	3,624,714,199

4.19 Derivative Financial Instruments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
<i>Held for Trading</i>	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
<i>Held for Risk Management</i>	-	-	-	-
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	6,391,000	2,583,707,370	6,391,000	2,583,707,370
Others	-	-	-	-
Total	6,391,000	2,583,707,370	6,391,000	2,583,707,370

4.20 Deposits From Customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Institutional Customers:	49,093,838,390	50,006,286,406	49,209,579,359	50,006,286,406
Term Deposits	41,300,525,083	38,920,499,406	41,300,525,083	38,920,499,406
Call Deposits	4,143,653,085	7,027,523,711	4,143,653,085	7,027,523,711
Current Deposits	3,239,424,077	3,513,992,819	3,239,424,077	3,513,992,819
Others	410,236,145	544,270,471	525,977,114	544,270,471
Individual Customers:	46,259,230,606	39,248,664,261	45,281,391,583	38,628,590,283
Term Deposits	28,431,098,147	19,234,149,023	28,431,098,147	19,234,149,023
Saving Deposits	17,539,849,263	19,672,401,536	16,562,010,241	19,052,327,558
Current Deposits	201,416,162	220,949,022	201,416,162	220,949,022
Others	86,867,034	121,164,680	86,867,034	121,164,680
Total	95,353,068,995	89,254,950,667	94,490,970,943	88,634,876,689

4.20.1 Currency Wise Analysis of Deposit From Customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Nepalese Rupee	93,584,586,402	87,287,572,586	92,722,488,350	86,667,498,608
Indian Rupee	-	-	-	-
United States Dollar	1,757,290,636	1,963,981,565	1,757,290,636	1,963,981,565
Great Britain Pound	5,596	70,771	5,596	70,771
Euro	11,186,361	3,325,746	11,186,361	3,325,746
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	95,353,068,995	89,254,950,667	94,490,970,943	88,634,876,689

4.21 Borrowings

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Domestic Borrowings	-	-	-	-
Nepal Government	-	-	-	-
Other Institutions.	-	-	-	-
Other	2,166,735,308	1,358,864,389	-	-
Sub Total	-	-	-	-
Foreign Borrowings	-	-	-	-
Foreign Banks and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub Total	-	-	-	-
Total	2,166,735,308	1,358,864,389	-	-

4.22 Provisions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Provisions for Redundancy	-	-	-	-
Provisions for Restructuring	-	-	-	-
Pending Legal Issues and Tax Litigation	-	-	-	-
Onerous Contracts	-	-	-	-
Other Provisions	106,531	55,651,885	-	55,651,885
Total	106,531	55,651,885	-	55,651,885

4.22.1 Movement in Provision

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Balance at Shrawan 01	55,651,885	82,983,005	55,651,885	82,983,005
Provisions made during the year	106,531	-	-	-
Provisions used during the year	(55,651,885)	(27,331,120)	(55,651,885)	(27,331,120)
Provisions reversed during the year	-	-	-	-
Unwind of Discount	-	-	-	-
Balance at Ashadh end	106,531	55,651,885	-	55,651,885

4.23 Other Liabilities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Liabilities for employees defined benefit obligations	287,759,742	199,800,809	272,521,942	189,750,552
Liabilities for long service leave	134,589,974	92,620,167	125,035,456	86,937,743
Short term employee benefits	816,363	-	-	-
Bills payable	24,335,442	27,151,822	24,335,442	27,151,822
Creditors and accruals	355,012,366	516,913,271	345,018,455	516,913,271
Interest payable on deposits	59,679,576	43,792,785	8,403,288	6,863,264
Interest payable on borrowing	51,704,034	38,633,141	43,504,180	38,633,141
Liabilities on deferred grant income	-	-	-	-
Unpaid Dividend	35,995,097	35,873,333	35,844,310	35,873,333
Liabilities under Finance Lease	-	-	-	-
Employee bonus payable	179,687,202	100,194,396	165,621,011	83,983,159
Other Liabilities	3,285,102,533	1,883,960,852	2,911,020,481	1,598,789,391
Total	4,414,682,330	2,938,940,577	3,931,304,566	2,584,895,677

Other Liabilities includes Lease liability amounting NRs. 889,078,482

4.23.1 Defined Benefit Obligation

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Present value of unfunded obligations	287,759,742	199,800,809	272,521,942	189,750,552
Present value of funded obligations	-	-	-	-
Total present value of obligations	287,759,742	199,800,809	272,521,942	189,750,552
Fair value of plan assets	-	-	-	-
Present value of net obligations	287,759,742	199,800,809	272,521,942	189,750,552
Recognised liability for defined benefit obligations	287,759,742	199,800,809	272,521,942	189,750,552

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		Bank	
	Current Year	Previous Year	Current Year	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		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligations at Shrawan 1	199,800,809	153,499,156	189,750,552	153,499,156
Actuarial losses	41,395,571	(14,858,078)	40,009,343	(14,858,078)
Benefits paid by the plan	(10,827,280)	(3,222,484)	(10,783,571)	(3,222,484)
Current service costs and interest	67,440,899	64,382,215	53,545,618	54,331,958
Defined benefit obligations at Ashadh end	297,809,999	199,800,809	272,521,942	189,750,552

4.23.4 Movement in the Fair Value of Plan Assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	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		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current service costs	64,779,836	65,763,479	62,676,960	65,763,479
Interest on obligation	22,987,372	18,780,407	22,665,162	18,780,407
Expected return on plan assets	-	-	-	-
Total	87,767,208	84,543,886	85,342,122	84,543,886

4.23.6 Amount Recognised in Other Comprehensive Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Actuarial (gain)/loss	37,755,780	(20,783,298)	40,009,343	(20,783,298)
Total	37,755,780	(20,783,298)	40,009,343	(20,783,298)

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

4.23.7 Actuarial Assumptions

Particulars	Group		Bank	
	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

Particulars	Group		Bank	
	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	2,984,314,231	-	2,984,314,231	-
Total	2,984,314,231	-	2,984,314,231	-

4.25 Subordinated Liabilities

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

4.26 Share Capital

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Ordinary shares	9,075,843,890	8,643,660,848	9,075,843,890	8,643,660,848
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	9,075,843,890	8,643,660,848	9,075,843,890	8,643,660,848

4.26.1 Ordinary Shares

Particulars	Bank	
	Current Year	Previous Year
Authorized Capital		
100,000,000 Ordinary share of Rs. 100 each		
Issued capital	10,000,000,000	10,000,000,000
90,758,438 Ordinary share of Rs. 100 each		
Subscribed and paid up capital	9,075,843,890	8,643,660,848
90,758,438 Ordinary share of Rs. 100 each	9,075,843,890	8,643,660,848
Total	9,075,843,890	8,643,660,848

4.26.2 Ordinary Share Ownership

Particulars	Bank			
	Current Year		Previous Year	
	Percent	Amount	Percent	Amount
Domestic ownership	98.92%	8,977,714,290	98.92%	8,550,309,310
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed institutions	-	-	-	-
Other Institutions	23.98%	2,176,354,455	23.54%	2,034,717,764
Public	74.72%	6,781,640,255	75.19%	6,499,168,592
Other	0.22%	19,719,580	0.19%	16,422,956
Foreign ownership	1.08%	98,129,600	1.08%	93,351,537
Total	100%	9,075,843,890	100%	8,643,660,848

4.27 Reserves

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory general reserve	1,301,760,293	1,087,703,371	1,301,760,293	1,087,703,371
Exchange equalisation reserve	25,826,930	21,870,315	25,826,930	21,870,315
Corporate social responsibility reserve	10,115,375	5,567,929	10,115,375	5,567,929
Capital redemption reserve	-	-	-	-
Regulatory reserve	411,322,867	363,324,802	411,322,867	363,324,802
Investment adjustment reserve	-	-	-	-
Capital reserve	-	-	-	-
Assets revaluation reserve	-	-	-	-
Fair value reserve	23,129,293	26,271,335	23,129,293	26,271,335
Dividend equalisation reserve	-	-	-	-
Actuarial gain	(44,445,967)	(16,439,427)	(44,445,967)	(16,439,427)
Special reserve	-	-	-	-
Other reserve	82,181,132	68,048,893	82,181,132	68,048,893
Capital Adjustment Fund	65,421,621	65,421,621	65,421,621	65,421,621
Employee Training Reserve	16,759,511	2,627,272	16,759,511	2,627,272
Total	1,809,889,924	1,556,347,219	1,809,889,924	1,556,347,219

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Contingent liabilities	8,606,659,799	13,226,379,388	8,606,659,799	13,226,379,388
Undrawn and undisbursed facilities	18,444,184,252	16,169,623,945	18,444,184,252	16,169,623,945
Capital commitment	-	-	-	-
Lease Commitment	-	-	-	-
Litigation	369,759,783	77,745,703	369,759,783	77,745,703
Total	27,420,603,834	29,473,749,036	27,420,603,834	29,473,749,036

4.28.1 Contingent Liabilities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Acceptance and documentary credit	2,941,311,815	5,062,651,435	2,941,311,815	5,062,651,435
Bills for collection	1,421,211	-	1,421,211	-
Forward exchange contracts	6,391,000	2,583,707,370	6,391,000	2,583,707,370
Guarantees	5,657,535,772	5,580,020,583	5,657,535,772	5,580,020,583
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
Total	8,606,659,799	13,226,379,388	8,606,659,799	13,226,379,388

4.28.2 Undrawn and Undisbursed Facilities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Undisbursed amount of loans	4,373,097,057	1,104,036,562	4,373,097,057	1,104,036,562
Undrawn limits of overdrafts	6,502,176,526	12,664,205,672	6,502,176,526	12,664,205,672
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	6,087,947,963	2,357,190,734	6,087,947,963	2,357,190,734
Undrawn limits of guarantee	1,480,962,706	44,190,977	1,480,962,706	44,190,977
Total	18,444,184,252	16,169,623,945	18,444,184,252	16,169,623,945

4.28.3 Capital Commitments

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

Particulars	Group		Bank	
	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

Particulars	Group		Bank	
	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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Income Tax Liability	369,759,783	77,745,703	369,759,783	77,745,703
Grand total	369,759,783	77,745,703	369,759,783	77,745,703

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 2074/75. 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		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Cash and cash equivalent	24,084,084	14,944,320	24,084,084	14,944,320
Due from Nepal Rastra Bank	203,058	2,837,334	203,058	2,837,334
Placement with bank and financial institutions	1,550,136	2,566,830	526,027	188,135
Loan and advances to bank and financial institutions	-	-	-	-
Loans and advances to customers	10,187,369,162	6,604,046,294	9,697,768,228	6,347,680,106
Investment securities	670,499,032	468,244,569	670,499,032	468,244,569
Loan and advances to staff	288,052,885	229,575,801	287,193,801	229,575,801
Other Interest Income	23,588,995	26,068,761	-	2,312,006
Total interest income	11,195,347,352	7,348,283,910	10,680,274,229	7,065,782,271

4.30 Interest Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Due to bank and financial institutions	27,457,512	8,784,070	27,457,512	8,775,716
Due to Nepal Rastra Bank	136,519,970	44,547,960	136,519,970	44,547,960
Deposits from customers	6,804,026,923	4,812,903,305	6,809,612,569	4,796,266,468
Borrowing	229,640,433	67,552,098	-	-
Debt securities issued	168,964,932	-	168,964,932	-
Subordinated liabilities	-	-	-	-
Other Charges	64,679,108	-	64,679,108	-
Total Interest expense	7,431,288,878	4,933,787,433	7,207,234,091	4,849,590,143

4.31 Fees and Commission Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loan administration fees	201,668,674	245,114,249	201,668,674	245,114,249
Service fees	140,712,782	67,411,066	67,035,609	13,454,895
Consortium fees	50,000	-	50,000	-
Commitment fees	441,866	-	441,866	-
DD/TT/Swift fees	12,689,559	10,032,681	12,689,559	10,032,681
Credit card/ATM issuance and renewal fees	39,970,111	7,075,733	39,970,111	7,075,733
Prepayment and swap fees	9,517,699	3,573,979	9,517,699	3,573,979
Investment banking fees	-	-	-	-
Asset management fees	-	-	-	-
Brokerage fees	11,242,544	5,407,103	11,242,544	5,407,103
Remittance fees	6,557,073	6,877,811	6,557,073	6,877,811
Commission on letter of credit	63,164,190	45,418,123	63,164,190	45,418,123
Commission on guarantee contracts issued	57,738,804	54,437,923	57,738,804	54,437,923
Commission on share underwriting/issue	-	-	-	-
Locker rental	1,929,975	1,857,475	1,929,975	1,857,475
Other fees and commission income	74,951,912	22,612,286	13,542,859	18,255,804
Total Fees and Commission Income	620,635,191	469,818,427	485,548,964	411,505,773

4.32 Fees and Commission Expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
ATM management fees	1,434,361	2,401,187	1,434,361	2,401,187
VISA/Master card fees	53,913,526	23,450,192	53,913,526	23,450,192
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees.	6,208,084	7,285,657	6,208,084	7,285,657
Remittance fees and commission	-	-	-	-
Other fees and commission expense	36,115,544	1,391,341	11,907,165	1,391,341
Total Fees and Commission Expense	97,671,515	34,528,377	73,463,135	34,528,377

4.33 Net Trading Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	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 transaction	126,445,709	226,432,795	126,445,709	226,432,795
Other	-	-	-	-
Net trading income	126,445,709	226,432,795	126,445,709	226,432,795

4.34 Other Operating Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Foreign exchange revaluation gain	15,826,456	9,156,360	15,826,456	9,156,360
Gain/loss on sale of investment securities	(4,074,109)	79,110,874	(5,592,850)	59,082,084
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	2,949,419	11,272,056	2,622,329	10,867,902
Gain/loss on sale of property and equipment	(4,337,467)	(6,387,526)	(4,337,467)	(6,387,526)
Gain/loss on sale of investment property	271,861	32,756,682	271,861	32,756,682
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	12,020,146	8,022,741	12,020,146	8,022,741
Other Operating Income	7,920,192	85,686,797	7,735,032	52,594,802
Total	30,576,498	219,617,985	28,545,507	166,093,047

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	-	-	-	-
Impairment charge/(reversal) on loan and advances to customers	413,440,476	370,528,196	414,518,536	372,016,398
Impairment charge/(reversal) on financial Investment	(26,368,934)	(36,248,145)	(55,651,885)	(27,331,120)
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	387,071,542	334,280,050	358,866,651	344,685,278

4.36 Personnel Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Salary	528,146,689	456,892,142	467,525,311	400,835,885
Allowances	395,035,805	322,351,521	327,366,598	295,788,619
Gratuity Expense	58,482,066	57,897,799	53,545,618	54,331,958
Provident Fund	52,632,375	44,054,327	46,577,676	39,873,882
Uniform	1,600,000	940,000	-	-
Training & development expense	9,205,240	1,339,374	6,766,497	1,222,876
Leave encashment	58,670,782	33,378,353	52,008,381	30,234,658
Medical	4,180,445	3,687,316	4,180,445	3,687,316
Insurance	1,305,874	362,689	148,354	174,074
Employees incentive	10,066,984	10,000,166	10,066,984	10,000,166
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	206,973,122	173,843,789	206,480,863	173,843,789
Other expenses related to staff	6,174,300	4,936,787	6,174,300	4,936,787
Subtotal	1,332,473,681	1,109,684,261	1,180,841,027	1,014,930,009
Employees Bonus	179,687,202	100,162,961	165,621,011	83,983,159
Grand total	1,512,160,883	1,209,847,222	1,346,462,038	1,098,913,169

4.37 Other Operating Expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Directors' fee	5,264,500	4,496,000	4,161,000	3,763,000
Directors' expense	1,318,550	396,276	1,235,443	379,506
Auditors' remuneration	1,525,500	1,463,350	1,186,500	1,073,500
Other audit related expense	864,897	897,244	332,138	487,152
Professional and legal expense	5,445,172	3,910,340	4,728,729	3,682,532
Office administration expense	337,881,512	240,305,415	282,388,000	200,873,479
Operating lease expense	4,666,299	172,522,571	-	159,025,709
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	312,331	100,000	-	100,000
Onerous lease provisions	-	-	-	-
Other Expenses	168,415,346	170,490,087	166,405,433	171,077,108
Total	525,694,108	594,581,284	460,437,242	540,461,987

4.37.1 Office Administration Expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Water and Electricity	26,505,083	24,673,571	25,255,680	23,704,664
Repair and Maintenance				
(a) Building	-	-	-	-
(b) Vehicle	3,702,445	2,501,823	3,013,386	2,337,590
(c) Computer and Accessories	266,046	120,576	-	-
(d) Office Equipment and Furnitures	5,791,744	3,902,548	5,747,214	3,864,108
(e) Others	3,950,909	2,867,231	3,306,083	2,443,288
Insurance	14,613,368	12,568,301	14,008,258	11,688,228
Postage, telex, Telephone, Fax	9,663,461	8,393,241	7,159,269	7,572,305
Printing and Stationery	24,711,205	23,215,025	20,536,780	19,836,266
Newspaper, Books, Journals	195,616	223,195	172,240	200,695
Advertisement	40,722,596	18,908,375	40,240,416	18,886,340
Donation	-	5,000	-	-
Security Expenses	103,146,409	88,621,987	103,146,409	88,481,867
Deposit And Loan Guarantee Premium	39,624,585	15,525,678	24,434,045	15,525,678
Travel Allowance and Expense	12,473,008	5,865,320	4,673,273	1,929,873
Entertainment	1,279,443	676,033	838,104	406,177
Annual/Special General Meeting Expense	1,342,012	1,073,575	777,440	819,594
Other	49,893,582	31,163,936	29,079,404	3,176,805
Total	337,881,512	240,305,415	282,388,000	200,873,479

4.38 Depreciation and Amortisation

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation on property and equipment	270,253,511	113,523,103	252,924,615	107,353,306
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	8,964,629	11,555,630	8,144,697	10,987,280
Total	279,218,140	125,078,733	261,069,312	118,340,586

4.39 Non Operating Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Recovery of loan written off	532,000	29,720,732	532,000	29,720,732
Other income	-	-	-	-
Total	532,000	29,720,732	532,000	29,720,732

4.40 Non Operating Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loan written off	91,166,901	120,248,017	91,166,901	120,248,017
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense.	32,079,964	36,918,628	32,057,944	36,918,628
Total	123,246,865	157,166,644	123,224,845	157,166,644

4.41 Income Tax Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current tax expense	551,983,922	325,094,518	501,596,353	281,962,721
Current year	551,983,922	325,094,518	501,596,353	281,962,721
Adjustments for prior years	-	-	-	-
Deferred tax expense	(22,579,748)	(52,014,313)	(11,911,009)	(53,898,652)
Origination and reversal of temporary differences	(22,579,748)	(52,014,313)	(11,911,009)	(53,898,652)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Total income tax expense	529,404,174	273,080,205	489,685,344	228,064,069

4.41.1 Reconciliation of Tax Expense and Accounting Profit

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Profit before tax	1,617,184,819	901,466,656	1,490,589,097	755,848,435
Tax amount at tax rate of 30%	485,155,446	270,439,997	447,176,729	226,754,531
Add: Tax effect of expenses that are not deductible for tax purpose	73,132,915	60,417,113	73,132,915	60,417,113
Less: Tax effect on exempt income	17,482,264	11,459,707	17,482,264	11,459,707
Add/less: Tax effect on other items	11,177,826	5,697,115	1,231,026	6,250,784
Total income tax expense	551,983,922	325,094,518	501,596,353	281,962,721
Effective tax rate	34.13%	36.06%	33.65%	37.30%

Statement of Distributable Profit or Loss

For the year ended 32 Ashadh 2079

(As per NRB Regulation)

Particulars	Bank	
	Current Year	Previous Year
Opening balance in Retained Earnings.	108,153,767	
Net profit or (loss) as per statement of profit or loss.	1,000,903,753	527,784,366
Appropriations:		
a. General reserve	(214,056,922)	(105,556,874)
b. Foreign exchange fluctuation fund	(3,956,615)	(2,289,091)
c. Capital redemption reserve		
d. Corporate social responsibility fund	(10,009,038)	(5,277,844)
e. Employees' training fund	(14,132,238)	-
f. Other	-	-
- Investment Adjustment Reserve	-	3,000,000
- Capital Adjustment Reserve	-	(29,884,787)
- Capital Reserve	-	-
- Deferred tax Reserve	-	-
- Cash dividend	-	-
- Bonus share	-	-
- Income Tax Liability of Prior Year	-	-
- Merger	-	-
- Share premium	-	-
Profit or (loss) before regulatory adjustment	866,902,707	387,775,770
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(1,558,038)	10,387,816
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 (+)	(18,433,487)	36,108,960
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(28,006,540)	21,903,547
i. Fair Value Reserve recognised (-)/reversal (+)	-	-
Distributable profit or (loss)	818,904,642	456,176,092

5. DISCLOSURES AND ADDITIONAL INFORMATION

Risk Management

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.

Risk management is a part of internal governance involving all areas of financial institutions. There is a strong link between good corporate governance and sound risk management. Without proper risk management, the various functions in a financial institution cannot work together to achieve the institution's objectives. It is an essential part of helping the financial institution grow and promote sustainability and resilience. Risk management is a discipline at the core of every enterprise and encompasses all activities that affect its risk profile. The definition of a sound or adequate risk management system is ever changing, as new technology accommodates innovation and better information and as market efficiency grows. Each financial institution should put in place a comprehensive risk management program tailored to its needs and the circumstances under which it operates.

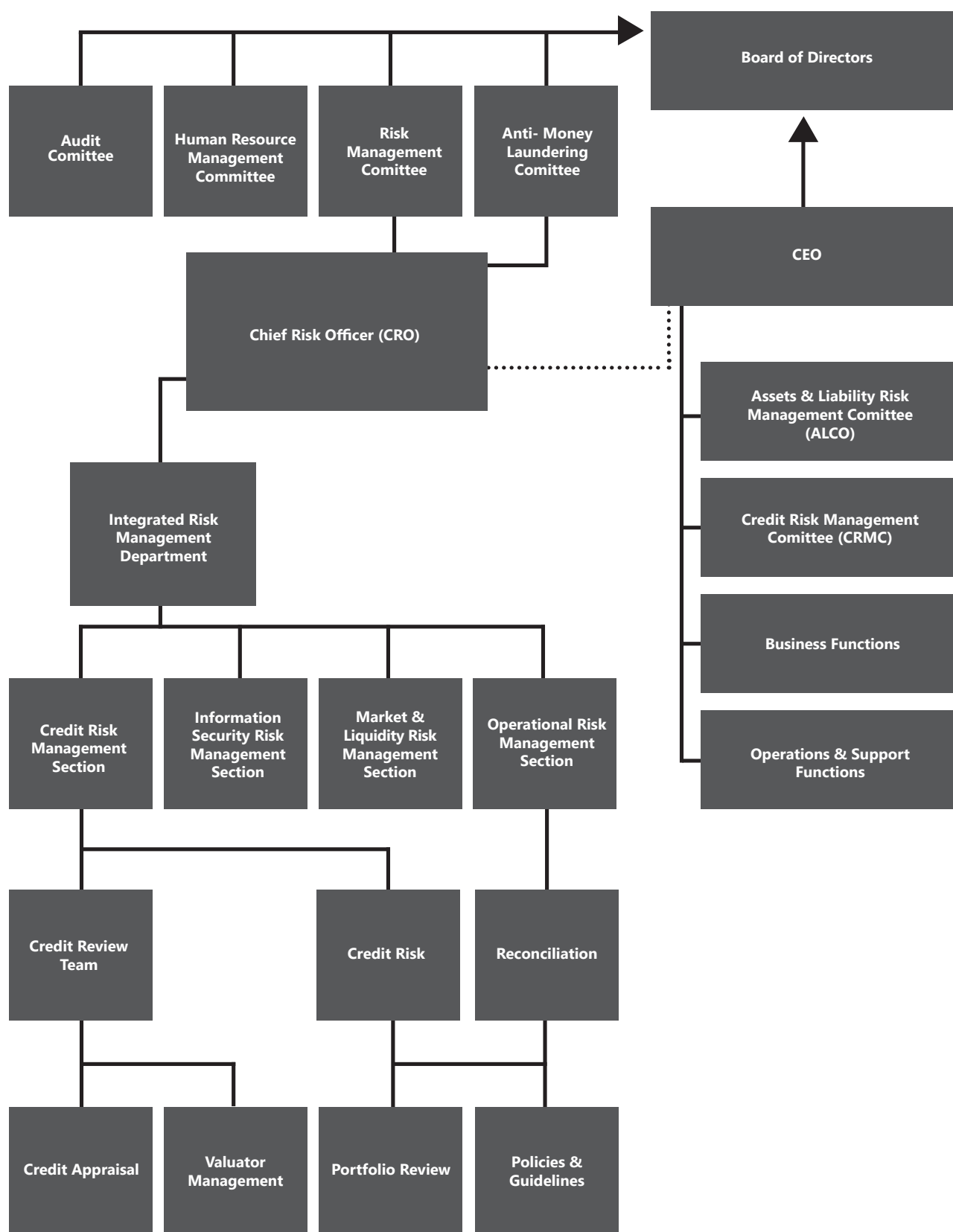
Civil Bank strongly believes in creation of value through strong and robust risk management culture and the Board of Directors (the Board) has supreme role for that purpose. The Board of the Bank sets overall risk management strategy in line with business strategy and sets various risk limits and appetite 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 CRO, 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 CRO. 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 CRO (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; daily, 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. 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.

In line with the regulatory requirement, we have two separate units looking after credit risk. Credit review unit reviews credit appraisals during approval while we have valuator management unit which looks after valuator management as bank's credit decisions are influenced by the value and conditions of the underlying securities which are mortgaged/pledged and/or hypothecated to the Bank. Thus, the valuation mechanism is of critical importance to the core activities of the Bank.

While credit risk unit monitors portfolio in a regular basis while also reviewing policies and guidelines as and when required.

MANAGEMENT OF CREDIT RISK

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 Framework of the Bank consists of:

- Definition of credit risk
- Credit Risk Management
- Board of Directors and Board Level Committee Oversight
- Senior Management Oversight
- Organization Structure for Credit Risk Management
- Internal Credit Grading System
- Credit Risk Assessment and Measurement at pre-approval stage and post-approval stage
- Credit Risk Monitoring and Review
- Trigger and Tolerance Levels

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:** Strategic level of credit risk management of the Bank encompasses risk management functions performed by Board of Directors, Board level committees and senior management. It includes direction and orientation of business, definition of risk, ascertaining risk appetite, formulating strategy and policies for managing risk; and establishing adequate systems and controls to ensure the overall risk remain within acceptable level and the reward compensate for the risks taken.
- ▶ **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 The Bank establishes credit policies and procedures which provide a minimum standard for credit activities and foster a common approach to credit risk management by individual units/branches/departments. These are established to provide a prudent framework for individual staff to operate within.
- ▶ **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:

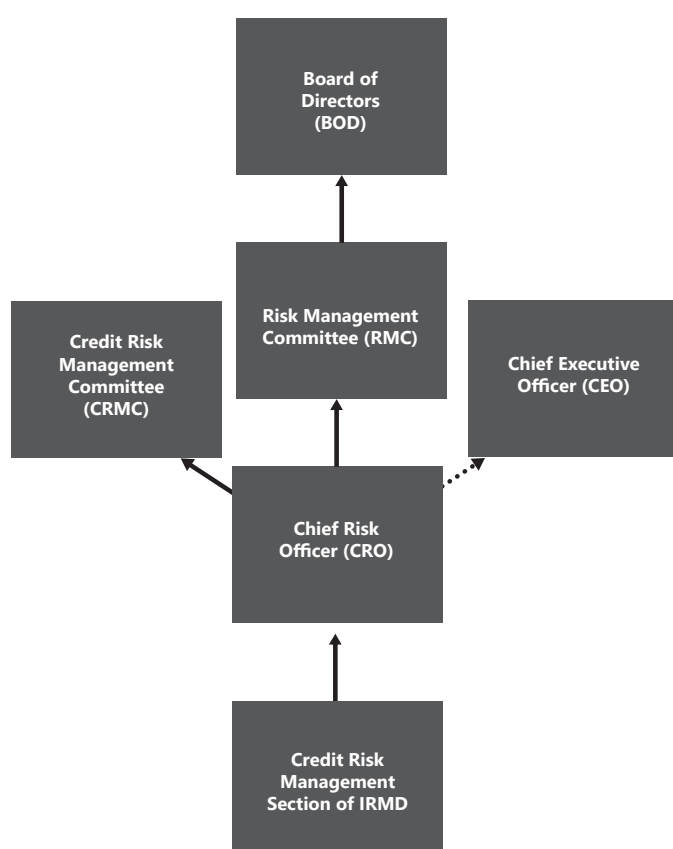
- Oversight of BOD and Board Level Committee, Senior Management;
- Internal Credit Risk Grading System;
- Environmental and Social Risk Management

- *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. It monitors the risks without any influence on the risk taking units and business units of the Bank. The section performs the following activities for the management of credit risk:

- ▶ Credit Appraisals
- ▶ Valuator Management
- ▶ Portfolio review reporting
- ▶ Credit Risk review reporting
- ▶ Irregularity/Delinquency 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:



CREDIT RISK GRADING

Bank has already developed and implemented the practice of credit risk grading of the customers. There is alpha-numeric scoring practice with one numeric score ranging from 0 to 10 and two alphabetical values in which the upper case letter represents collateral security type and the lower case letter represents collateral security coverage ratio. Bank is further working on the integration of the credit risk score for the pricing purpose to be used as risk-based pricing.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Bank is in the verge of developing environment and social risk grading platform which will grade the customer based on various E&S compliance documents and the adverse/favorable impact the customer has on environment. Grading score of Low to High risk will be graded to customer base on its activities and impact to environment. Further, bank is planning to be more stringent on environment management by adding extra covenants to customers in case they fail to comply with environment, social and climate management.

CREDIT LIMIT AND INDICATORS

In order to ensure diversification of risks and limit the concentration risk, limits on credit exposures should be set for all the relevant activities. It includes;

- Limits on exposure of specific activities or type of products, including off balance sheet items;
- Limits on single counterparties and groups of connected counterparties, including other banks and financial institutions, domestic and foreign;
- Limits on specific industries and/or economic sectors/ subsectors;
- Limits on exposure to type of collateral;
- Limits on exposures to related parties;
- Limits on branches and/or exposures to geographic regions, including other countries;
- Limits on the credit that may be granted by approving managers.

Credit risk management section under IRMD monitors such limits. Bank also monitors whether there is an increased exposure to specific components of credit risk, and responds to these indicators by assessing whether they point to potential problems in credit quality. assessing whether they point to potential problems in credit quality.

B. 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. Market risk takes various forms;

- ▶ Foreign exchange risk, commodities risk throughout the institution
- ▶ Position risk arising from interest rate related financial instruments and equities
- ▶ Concentration risk in the trading book as well as in the banking book.

Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet obligations on a timely manner. Liquidity risk encompasses various aspects;

- ▶ Intraday liquidity risk is the risk the financial institution becomes unable to settle its financial obligations in due time during the day.
- ▶ Funding liability risk is the risk that the financial institution is unable to settle obligations when due without seriously affecting either its daily operations or financial condition.
- ▶ Market liquidity risk is the risk that a financial institution cannot easily cover its liquidity needs by liquidating a position through securities lending or selling at the market price because of inadequate market depth, price deterioration or market disruption. Market liquidity risk materializes in asset and derivative markets.
- ▶ Funding cost risk is the risk that a financial institution can replace maturing funding only at higher costs to fund its assets.

MANAGEMENT OF MARKET & LIQUIDITY RISK

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. It is a monitoring/control function which reports independently to CRO. Assets and Liabilities Management Committee (ALCO) is the management level committee which regularly oversees and monitors market and liquidity risk related issues.

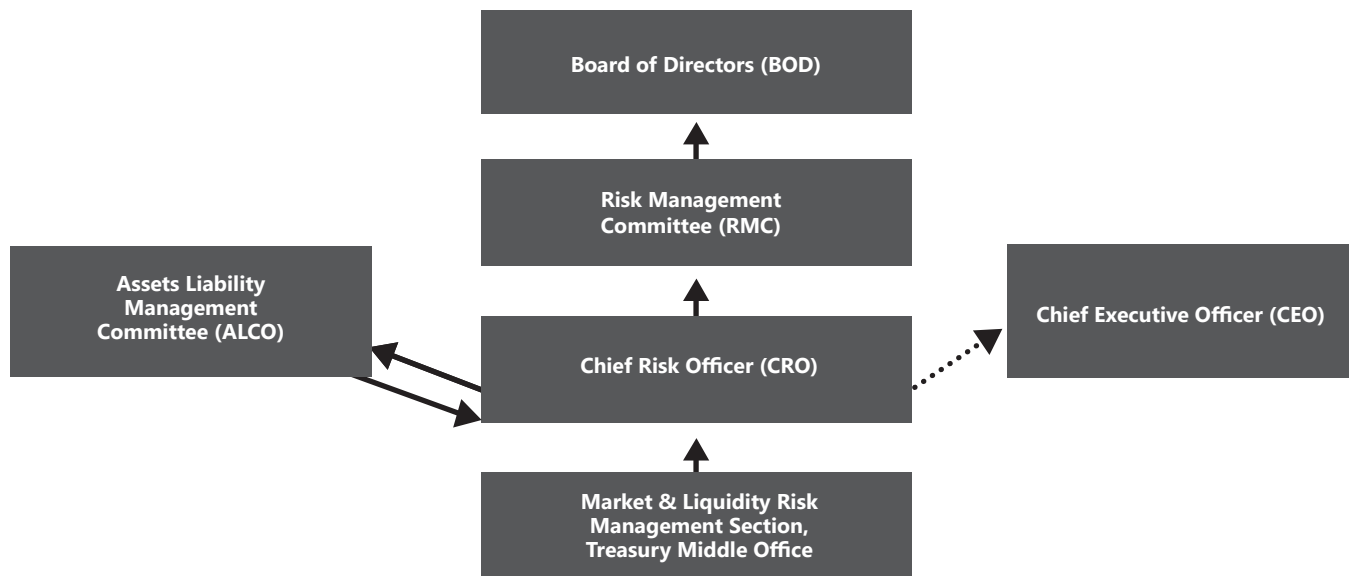
Market and Liquidity Risk Management Framework and Contingency Funding Plan are in effect for the management of market and liquidity risk of the Bank.

There is regular analysis of maturity/re-pricing 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.
- ▶ 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 2079

		Amount in Million					
S.N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
Assets							
1	Cash Balance	1,804.83	-	-	-	-	1,804.83
2	Balance with Banks & FIs	5,278.69	-	-	-	-	5,278.69
3	Investment in Foreign Banks	571.77	-	-	-	-	571.77
4	Call Money	750.00	-	-	-	-	750.00
5	Government Securities	677.01	1,478.26	297.85	3,180.45	10,459.04	16,092.60
6	Nepal Rastra Bank Bonds	-	-	-	-	-	-
7	Inter Bank & FI Lending	-	-	-	-	-	-
8	Loans & Advances	17,479.30	11,206.38	9,898.27	5,046.51	41,645.15	85,275.61
9	Interest Receivable	848.02	3.21	-	-	49.96	901.19
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	3,334.36	1,902.55	45.91	353.82	1,331.90	6,968.52
Total Assets (A)		30,743.98	14,590.39	10,242.03	8,580.77	53,486.05	117,643.22
Liabilities							
14	Current Deposits	5,324.61	411.75	-	-	3,907.30	9,643.66
15	Saving Deposits	4,184.50	836.90	-	-	11,716.61	16,738.01
16	Fixed Deposits	22,197.45	15,110.60	12,218.50	8,922.55	11,219.02	69,668.12
17	Debentures	-	-	-	-	3,000.00	3,000.00
18	Borrowings:	-	779.83	1,806.67	280.00	-	2,866.50
	(a) Call/Short Notice	-	-	-	-	-	-
	(b) Inter-bank/Financial Institutions	-	-	-	-	-	-
	(c) Refinance	-	779.83	1,806.67	280.00	-	2,866.50
	(d) Others	-	-	-	-	-	-
19	Other Liabilities and Provisions	3,996.87	-	-	33.88	86.85	4,117.61
	(a) Sundry Creditors	7.81	-	-	-	-	7.81
	(b) Bills Payable	24.35	-	-	-	-	24.35
	(c) Interest Payable	51.91	-	-	-	-	51.91
	(d) Provisions	325.42	-	-	33.68	86.85	445.95
	(e) Others	3,587.39	-	-	0.20	-	3,587.59
20	Payable to other institutions under Commitment	557.23	133.87	-	-	39.03	730.13
21	Unutilized Approved Facilities	3,089.36	1,289.34	1,363.31	732.37	1,329.43	7,803.81
22	Letter of Credit/Guarantee (Net of Margin)	3,469.19	970.54	1,882.98	1,086.36	459.65	7,868.72
23	Repo	-	-	-	-	-	-
24	Payment to be made for facilities under S.No 11	-	-	-	-	-	-
25	Others	-	-	-	-	11,609.32	11,609.32
Total Liabilities (B)		42,819.22	19,532.84	17,271.45	11,055.16	43,367.20	134,045.87
Net Financial Assets (A-B)		(12,075.24)	(4,942.45)	(7,029.42)	(2,474.39)	10,118.84	(16,402.65)
Cumulative Net Financial Assets		(12,075.24)	(17,017.69)	(24,047.11)	(26,521.50)	(16,402.65)	-

Operational Risk

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 function 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.

Legislative and Regulatory framework on Operational Risk Management

- a. Unified Directives 1, 5, 6 issued by Nepal Rastra Bank
- b. Risk Management Guidelines, 2018 issued by Nepal Rastra Bank
- c. Information Technology Guidelines, 2012 issued by Nepal Rastra Bank.

MANAGEMENT OF OPERATIONAL RISK

Operational Risk Management Section of IRMD oversees the management of risks arising from operational issues. The section reports to CRO 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.

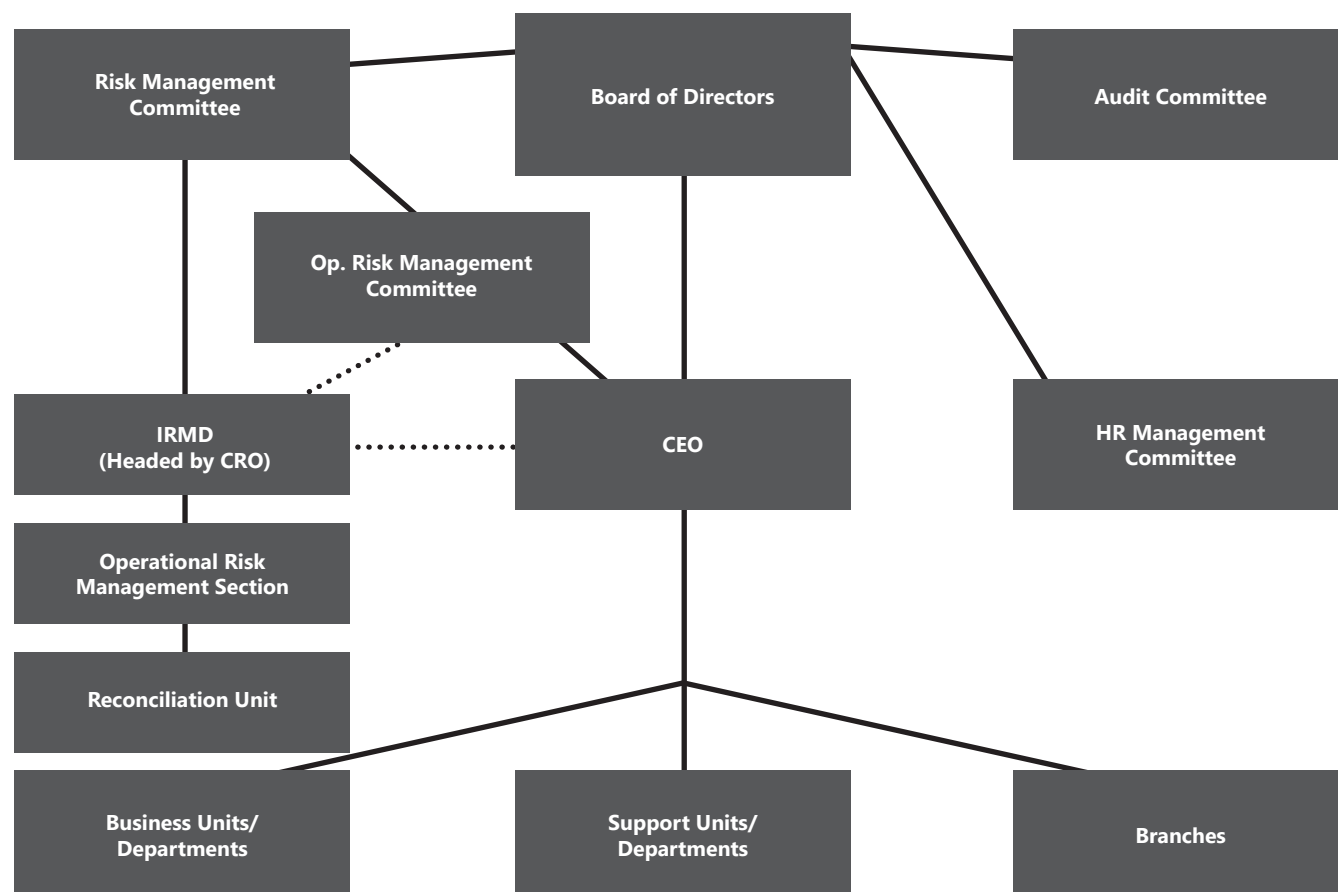
The Bank’s Operational Risk Management model consists of well-defined organizational responsibilities for risk management, typically referred as three lines of defense: first line of defense, second line of defense and third line of defense. For Operational Risk Management, Bank follows the following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



Bank has developed an “**Operational Risk Reporting System**” in the intranet portal (i.e. e-Sarathi) under Guidelines for Operational Risk Reporting, 2021 which provides a basis for quantification of operational risk losses and near misses. Further, bank has developed Key Risk Indicator (KRI) to provide effective monitoring tool to track changes in risk levels and keep managed appraisal of shifts in thresholds and provide a homogenous monitoring tool to quantify risk appetite of the bank.

FRAMEWORK

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 ORMC 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 (Branch Issue Management System) 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
- ▶ Management of Reconciliation unit

C. 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 CRO and performs the following activities:

- ▶ Monitor and risk assessment of network traffic privileged access management; user-access management; and threats such as virus, malware, ransomware, etc.
- ▶ 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

D. 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.

D1. Reputational Risk

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

D2. 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.

D3. 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.

D4. 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.

E. 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.

F. RISKS FROM COVID-19

The COVID-19 pandemic is a global stress event that is testing all businesses' financial, operational and commercial resilience. Against this backdrop, the financial services sector is having to adapt rapidly and at scale to current constraints and market conditions.

► **Fraud**

The financial services industry is at risk from heightened levels of fraud, including cyber fraud, as criminals attempt to exploit the COVID-19 pandemic.

► **Cyber resilience**

Cyber-attacks have surged, ranging from phishing attempts that play on people's concerns and desire for information, to more sophisticated attacks on networks and information flows.

► **Data and security**

As remote working becomes the norm, extra consideration is required around ways in which data is accessed. VPNs should be made more secure. Alongside the cyber security issues, employees are now potentially working with sensitive data in less secure home-based environments.

► **Competition**

Market competition has peaked among the bank and financial institutions.

► **Credit Risk**

Covid-19 pandemic has affected the overall economies globally. Lending aspect of the Bank is no exception. Central Bank has also provided relief packages to the covid affected sectors.

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	4,149,600,206	4,149,600,206	-	-	4,149,600,206
Due from Nepal Rastra Bank	5,832,080,154	5,832,080,154	-	-	5,832,080,154
Placement with Bank and Financial Institutions	157,407,662	157,407,662	-	-	157,407,662
Loans and advances to customers	83,026,921,510	83,026,921,510	-	-	83,026,921,510
Loan and advances to BFIs	4,366,915,014	4,366,915,014	-	-	4,366,915,014
Investment securities	17,042,493,849	17,075,535,697	159,899,297	16,915,636,400	-
Other Financial Asset	921,588,055	921,588,055	-	-	921,588,055

Derivative financial instruments	6,395,000	6,395,000	-	-	6,395,000
Investment in subsidiaries	260,063,200	260,063,200	-	-	260,063,200
Financial Liabilities					
Due to Bank and Financial Institutions	1,547,770,547	1,547,770,547	-	-	1,547,770,547
Due to Nepal Rastra Bank	2,866,504,141	2,866,504,141	-	-	2,866,504,141
Deposits from customers	94,490,970,943	94,490,970,943	-	-	94,490,970,943
Other Financial Liabilities	3,931,304,566	3,931,304,566	-	-	3,931,304,566
Derivative financial instruments	6,391,000	6,391,000	-	-	6,391,000

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

In order to ensure smooth migration to Basel III without aggravating any near-term stress, appropriate transitional arrangements have been made by Nepal Rastra Bank. The phase-in arrangements are indicated in the following table:

	Transition Period		
	2023	2024	2025
Leverage Ratio	4%	4%	Migration to pillar 1
Liquidity coverage ratio	Introduce minimum Standard	Offsite monitoring	Migration to pillar 1
Net stable funding ratio	Introduce minimum Standard	Offsite monitoring	Migration to pillar 1
SIFI & DSIB 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**

CRO, 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, CRO 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 review 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
- iv. Fall in share price in overall sector and specific sector

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:

- i. Withdraw of Deposit by Top Depositors
- ii. 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**

The Bank has issued 10 years Civil Bank Debenture 2088 amounting NPR 3,000,000,000 (Three Billion) on Mangsir 24, 2078

▶ Outstanding Amount	NPR 3.00 Billion
▶ Outstanding Unit	3.00 Million units
▶ Face Value	NPR 1000 per unit
▶ Maturity Period	10 Years
▶ Interest Rate	10.25% p.a. (Before TDS)
▶ Interest Payment Frequency	Quarterly
▶ Amount Eligible for Capital FundNPR	3.00 billion (Tier 2)

3. BASEL Disclosure

CAPITAL ADEQUACY TABLE (Summary)

As on 32nd Ashadh 2079 (16th July 2022)

1.1	Particulars	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a	Common Equity Tier 1 Capital	11,085,259,324	10,108,636,966
b	Tier 1 Capital	11,085,259,324	10,108,636,966
c	Tier 2 Capital	4,049,711,702	1,037,295,986
d	Total Capital	15,134,971,027	11,145,932,951
e	Risk Weighted Exposures	97,284,726,538	93,096,352,057
Regulatory Ratios			
a	Leverage Ratio (Regulatory Requirement $\geq 4\%$)	8.23%	7.85%
b	Common Equity Tier 1 to Risk Weighted Exposure Ratios	11.39%	10.86%
c	Tier 1 to Risk Weighted Exposure Ratios	11.39%	10.86%
d	Total Capital to Risk Weighted Exposure Ratio	15.56%	11.97%

CAPITAL ADEQUACY TABLE

As on 32nd Ashadh 2079 (16th July 2022)

1.1	RISK WEIGHTED EXPOSURE	CURRENT YEAR NPR	PREVIOUS YEAR NPR
a	Risk Weighted Exposure for Credit Risk	89,906,279,540	86,298,319,144
b	Risk Weighted Exposure for Operational Risk	3,717,165,992	3,269,733,021
c	Risk Weighted Exposure for Market Risk	77,909,808	36,404,005
	Adjustments under Pillar II		
	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	20,591,700	19,080,564
	Add% of the total deposit due to insufficient Liquid Assets	-	-
	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	751,738,838	784,681,638
	Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	2,811,040,660	2,688,133,685
	If desired level of disclosure requirement has not been achieved, Add% of RWE	-	-
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	97,284,726,538	93,096,352,057

	CURRENT YEAR NPR	PREVIOUS YEAR NPR
Tier 1 Capital (Core Capital) (CET 1 + AT1)	11,085,259,324	10,108,636,966
Common Equity Tier 1 (CET 1)	11,085,259,324	10,108,636,966
a Paid up Equity Share Capital	9,075,843,890	8,643,660,848
b Equity Share Premium	-	-
c Proposed Bonus Equity Shares	-	-
d Statutory General Reserves	1,301,760,293	1,087,703,371
e Retained Earnings	818,904,642	493,702,432
f Un-audited current year cumulative profit	-	-
g Capital Redemption Reserve	-	-
h Capital Adjustment Reserve	65,421,621	65,421,621
i Dividend Equalization Reserves	-	-
j Bargain Purchase Gain	-	-
k Other Free Reserve	-	-
l Less: Goodwill	-	-
m Less: Intangible Assets	(25,806,122)	(30,986,307)
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	(150,865,000)	(150,865,000)
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)	4,049,711,702	1,037,295,986
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	2,984,314,231	-
c	Hybrid Capital Instruments	-	-
d	Stock Premium	-	-
e	General loan loss provision	1,039,570,542	1,015,425,670
f	Exchange Equalization Reserve	25,826,930	21,870,315
g	Investment Adjustment Reserve	-	-
h	Assets Revaluation Reserve	-	-
i	Other Reserves	-	-
	TOTAL CAPITAL FUND (Tier 1 & Tier 2)	15,134,971,027	11,145,932,951
1.3	CAPITAL ADEQUACY RATIOS	CURRENT YEAR	PREVIOUS YEAR
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	11.39%	10.86%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	15.56%	11.97%

RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As on 32nd Ashadh 2079 (16th July 2022)

A. BALANCE SHEET EXPOSURE	Current Year						Previous Year	
	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	1,804,830,824	-	-	1,804,830,824	0%	-	1,778,124,081	-
Balance With Nepal Rastra Bank	4,051,575,403	-	-	4,051,575,403	0%	-	2,895,016,147	-
Gold	-	-	-	-	0%	-	-	-
Investment in Nepalese Government Securities	11,734,109,000	-	-	11,734,109,000	0%	-	7,541,935,000	-
All Claims on Government of Nepal	264,614,265	214,985	-	264,399,280	0%	-	116,336,414	-
Investment in Nepal Rastra Bank securities	4,990,737,964	-	-	4,990,737,964	0%	-	485,584,830	-
All claims on Nepal Rastra Bank	1,780,504,751	-	-	1,780,504,751	0%	-	1,054,872,197	-
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	227,010,553	2,951,137	-	224,059,416	100%	224,059,416	608,978,700	484,248,021
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)	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	4,391,632,965	57,091,229	-	4,334,541,736	20%	866,908,347	3,088,903,061	892,358,506
Claims on domestic banks that do not meet capital adequacy requirements	2,790,000	2,790,000	-	-	100%	-	-	-
Claims on foreign bank (ECA Rating 0-1)	742,100,000	-	-	742,100,000	20%	148,420,000	788,859,734	511,453,665
Claims on foreign bank (ECA Rating 2)	-	-	-	-	50%	-	554,573,997	140,060,000
Claims on foreign bank (ECA Rating 3-6)	32,540,000	-	-	32,540,000	100%	32,540,000	368,844,831	1,755,186
Claims on foreign bank (ECA Rating 7)	43,590,000	-	-	43,590,000	150%	65,385,000	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	67,760,000	-	-	67,760,000	20%	13,552,000	707,976,467	20,676,533
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	50%	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	70%	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	80%	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	2,270,657,117	30,073,543	-	2,240,583,575	100%	2,240,583,575	-	3,699,719,906
Claims on Domestic Corporates (Unrated)	45,345,310,785	719,040,201	-	44,626,270,584	100%	44,626,270,584	29,607,444,880	42,272,886,929
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)	18,342,457,672	225,630,433	-	18,116,827,239	75%	13,587,620,429	9,513,600,597	12,917,744,796
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	3,363,473,237	44,799,672	-	3,318,673,564	60%	1,991,204,139	2,148,853,302	1,779,458,541
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	102,778,580	15,845,726	-	86,932,855	100%	86,932,855	138,313,513	76,098,071
Claims secured by Commercial real estate	2,057,385,148	29,706,007	-	2,027,679,141	100%	2,027,679,141	1,132,471,605	778,088,574
Past due claims (except for claim secured by residential properties)	1,840,269,940	968,859,096	-	871,410,843	150%	1,307,116,265	1,099,222,880	1,147,800,306
High Risk claims	6,718,598,083	104,228,029	1,258,099,201	5,356,270,853	150%	8,034,406,279	3,210,018,125	7,291,365,363
Lending against securities (bonds)	2,329,791,376	30,287,288	-	2,299,504,088	100%	2,299,504,088	2,433,623,507	3,776,975,604
Trust Receipt Loans for Trading Firms	86,358,000	1,122,654	-	85,235,346	120%	102,282,415	-	-
Investments in equity and other capital instruments of institutions listed in the stock exchange	144,315,697	-	-	144,315,697	100%	144,315,697	81,905,646	141,496,707
Investments in equity and other capital instruments of institutions not listed in the stock exchange	265,318,500	-	-	265,318,500	150%	397,977,750	8,255,300	22,882,950
Staff Loan secured by residential property	1,352,268,000	-	-	1,352,268,000	50%	676,134,000	559,564,600	279,782,300
Interest receivable/claim on government securities	190,719,187	-	-	190,719,187	0%	-	79,613,466	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-	-	-
Other Assets	3,320,241,449	624,107,339	-	2,696,134,110	100%	2,696,134,110	1,685,634,627	1,670,152,711
TOTAL	117,863,738,497	2,856,747,340	1,258,099,201	113,524,832,540	-	81,344,966,674	71,688,527,509	77,905,004,669

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	1,421,211	-	-	1,421,211	0%	-	222,959.23	-
Forward Exchange Contract Liabilities	6,391,000	-	-	6,391,000	10%	639,100	3,381,454,940	258,370,737
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	1,153,512,384	-	108,221,332	1,045,291,052	20%	209,058,210	1,728,421,349	691,246,044.6
foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
foreign counterparty (ECA Rating- 2)	-	-	-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
foreign counterparty (ECA Rating-7)	-	-	-	-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	1,057,670,752	-	11,089,468	1,046,581,283	50%	523,290,642	516,923,557.2	302,891,542.9
foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
foreign counterparty (ECA Rating-2)	-	-	-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
foreign counterparty (ECA Rating-7)	-	-	-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	3,880,038,940	-	199,449,012	3,680,589,928	40%	1,472,235,971	2,274,530,677	1,434,549,085
foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
foreign counterparty (ECA Rating-2)	-	-	-	-	50%	-	-	-
foreign counterparty (ECA Rating 3-6)	1,306,204,170	-	-	1,306,204,170	100%	1,306,204,170	1,447,672,459	1,254,928,997
foreign counterparty (ECA Rating -7)	-	-	-	-	150%	-	-	-
Underwriting commitments	-	-	-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-	-	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	-	-	-	-	100%	-	-	-
Advance Payment Guarantee	403,092,662	-	21,560,000	381,532,662	100%	381,532,662	369,814,934.1	509,642,387.1
Financial Guarantee	-	-	-	-	100%	-	-	-
Acceptances and Endorsements	730,128,679	-	46,076,185	684,052,494	100%	684,052,494	289,332,280.4	779,080,563.3
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	-	-
Irrevocable Credit commitments (Short term)	6,502,176,526	-	-	6,502,176,526	20%	1,300,435,305	6,496,018,521	2,532,841,134
Irrevocable Credit commitments (long term)	4,373,097,057	-	-	4,373,097,057	50%	2,186,548,529	4,938,515,096	552,018,281.1
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-	-	-
Other Contingent Liabilities	369,759,783	-	-	369,759,783	100%	369,759,783	77,745,702.68	77,745,702.68
Unpaid Guarantee Claims	68,200,000	-	4,422,000	63,778,000	200%	127,556,000	-	-
TOTAL	19,851,693,165	-	390,817,997	19,460,875,167	-	8,561,312,867	21,520,652,475	8,393,314,475
Total RWE for credit Risk (A) +(B)	137,715,431,661	2,856,747,340	1,648,917,198	132,985,707,707	-	89,906,279,540	93,209,179,984	86,298,319,144
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)	137,715,431,661	2,856,747,340	1,648,917,198	132,985,707,707	-	89,906,279,540	93,209,179,984	86,298,319,144

ELIGIBLE CREDIT RISK MITIGANTS

As on 32nd Ashadh 2079 (16th July 2022)

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 and Central Bank (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government and Central Bank(ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government and Central Bank(ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Government and Central Bank(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 Domestic Public Sector Entities	-	-	-	-	-	-	-	-	-	-
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 (Credit rating score equivalent to AAA)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Unrated)	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-	-
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial real estate	-	-	-	-	-	-	-	-	-	-

ELIGIBLE CREDIT RISK MITIGANTS

Continued...

Past due claims (except for claim secured by residential properties)	-	-	-	-	-	-	-	-	-	-
High Risk claims	-	-	-	-	-	-	-	-	-	-
Lending against securities (bonds)	-	-	-	-	-	-	-	-	-	-
Trust Receipt Loans for Trading Firms	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in the stock exchange	1,257,488,176	-	611,025	-	-	-	-	-	-	1,258,099,201
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Staff Loan secured by residential property	-	-	-	-	-	-	-	-	-	-
Interest receivable/claim on government securities	-	-	-	-	-	-	-	-	-	-
Cash in transit and other cash items in the process of collection	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Total (A)	1,257,488,176	-	611,025	-	-	-	-	-	-	1,258,099,201
Off Balance Sheet Exposures										
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	108,221,332	-	-	-	-	-	-	-	-	108,221,332
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)	11,089,468	-	-	-	-	-	-	-	-	11,089,468
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)	199,449,012	-	-	-	-	-	-	-	-	199,449,012
foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
foreign counterparty (ECA Rating -2)	-	-	-	-	-	-	-	-	-	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
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	21,560,000	-	-	-	-	-	-	-	-	21,560,000
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	46,076,185	-	-	-	-	-	-	-	-	46,076,185
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	4,422,000	-	-	-	-	-	-	-	-	4,422,000
Unpaid Guarantee Claims	-	-	-	-	-	-	-	-	-	-
Total (B)	390,817,997	-	-	-	-	-	-	-	-	390,817,997
Grand Total (C=A+B)	1,648,306,174	-	611,025	-	-	-	-	-	-	1,648,917,198

RISK WEIGHTED EXPOSURE FOR OPERATION RISK

As on 32nd Ashadh 2079 (16th July 2022)

PARTICULARS	2075/76	2076/77	2077/78	Previous Year
Net Interest Income	2,070,110,000	1,908,056,447	2,059,170,000	1,908,056,447
Commission and Discount Income	89,830,000	103,245,438	137,210,000	103,245,438
Other Operating Income	162,420,000	268,825,899	341,170,000	268,825,899
Exchange Fluctuation Income	206,810,000	234,677,195	235,590,000	234,677,195
Additional/Deduction in Interest Suspense during the period	15,307,880	362,648,771	(16,488,596)	362,648,771
Gross income (a)	2,544,477,880	2,877,453,751	2,756,651,404	2,877,453,751
Alfa (b)	15%	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	381,671,682	431,618,063	413,497,711	431,618,063
Capital Requirement for operational risk (d) (average of c)	-	-	408,929,152	359,706,603
Risk Weight (reciprocal of capital requirement of 9.09%) in times (e)	-	-	9.09	9.09
Equivalent Risk Weight Exposure [f=(d×e)]	-	-	3,717,165,992	3,269,733,021
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]	-	-	3,717,165,992	3,269,733,021

RISK WEIGHTED EXPOSURE FOR MARKET RISK

As on 32nd Ashadh 2079 (16th July 2022)

CURRENCY	Open Position (FCY)	Current Year			Previous Year
		Rate	Open Position (LCY)	Relevant Open Position	Relevant Open Position
INR	52,962,118.17	1.6008	84,779,111	84,779,111	63,510,380
USD	58,950.09	127.9000	7,539,717	7,539,717	6,118,010
GBP	18,447.62	151.2440	2,790,092	2,790,092	1,879,083
EUR	25,344.35	128.1709	3,248,407	3,248,407	35,342
THB	26,740.00	3.5318	94,439	94,439	84,355
CHF	6,998.03	130.1285	910,643	910,643	627,718
AUD	(20,600.01)	86.2197	(1,776,126)	1,776,126	1,469,296
CAD	2,450.00	97.6705	239,293	239,293	1,602,177
SGD	9,449.00	91.1507	861,283	861,283	826,077
JPY	857,560.00	0.9234	791,828	791,828	80,895
HKD	18,910.00	16.1512	305,419	305,419	268,185
DKK	59,600.00	17.2436	1,027,719	1,027,719	921,034
SEK	800.00	12.1438	9,715	9,715	11,098
SAR	39,267.00	33.4419	1,313,161	1,313,161	705,692
QAR	3,211.00	35.1405	112,836	112,836	3,310
AED	1,848,856.92	34.6150	63,998,182	63,998,182	496,095
MYR	14,397.00	28.7738	414,256	414,256	380,207
KRW	60,000.00	0.0967	5,802	5,802	95,350
CNY	51,626.00	18.9104	976,266	976,266	864,626
KWD	370.00	415.7902	153,842	153,842	102,069
BHD	208.00	339.3276	70,580	70,580	15,814
Total Open position (a)				171,418,716	80,096,813
Fixed Percentage (b)				5%	5%
Capital Charge for Market Risk [c=(axb)]				8,570,936	4,004,841
Risk weight (reciprocal of capital requirement of 9.09%) in times (d)				9.09	9.09
Equivalent Risk Weight Exposure[e=(cxd)]				77,909,808	36,404,005

Form No.5 Other Assets

As on 32nd Ashadh 2079 (16th July 2022)

S.N.	Assets	Gross Amount	Current Year	Previous Year	
			Specific Provision & Valuation Adjustments	Net Balance	Net Balance
1	Cash and Cash Items in Transit	-	-	-	-
2	Expense not Written off	-	-	-	-
3	Fixed Assets	1,677,474,887	252,924,615	1,424,550,272	586,998,821
4	Interest Receivable on Other Investment	-	-	-	-
5	Interest Receivable on Loan	-	-	-	-
6	Non Banking Assets	87,045,951	-	87,045,951	57,786,448
7	Reconciliation Account	-	-	-	-
8	Draft Paid Without Notice	-	-	-	-
9	Sundry Debtors	-	-	-	-
10	Advance payment and Deposits	106,118,066	-	106,118,066	131,817,279
11	Staff Advance	634,132,556	-	634,132,556	247,111,625
12	Stationery	-	-	-	-
13	Advance tax Deposit	39,000,580	-	39,000,580	35,071,276
14	Other	776,469,410	-	776,469,410	611,367,262
Total		3,320,241,449	252,924,615	3,067,316,834	1,670,152,711

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 Amortized Cost		
Cash and cash equivalent	4,149,600,206	4,149,600,206
Due from Nepal Rastra Bank	5,832,080,154	5,832,080,154
Placement with Bank and Financial Institutions	157,407,662	157,407,662
Loans and advances to customers	83,026,921,510	83,026,921,510
Loan and advances to BFls	4,366,915,014	4,366,915,014
Investment securities	16,915,636,400	16,915,636,400
Other Financial Asset	921,588,055	921,588,055
Fair Value through Profit or Loss (FVTPL)		
Derivative financial instruments	6,395,000	6,395,000
Fair Value through Other Comprehensive Income (FVTOCI)		
Investment securities	126,857,449	159,899,297
Investment in subsidiaries	260,063,200	260,063,200
Total	115,763,464,650	115,796,506,498
Financial Liabilities		
Liabilities carried at Amortized Cost		
Due to Bank and Financial Institutions	1,547,770,547	1,547,770,547
Due to Nepal Rastra Bank	2,866,504,141	2,866,504,141
Deposits from customers	94,490,970,943	94,490,970,943
Other Financial Liabilities	3,931,304,566	3,931,304,566
Fair Value through Profit or Loss (FVTPL)		
Derivative financial instruments	6,391,000	6,391,000
Total	102,842,941,196	102,842,941,196

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	979,766	512,507	7,651,026	493,132	725,122	318,722	10,680,274
Interest Expense	568,095	178,856	5,781,118	252,737	300,039	126,388	7,207,234
Net Interest Income	411,670	333,651	1,869,907	240,395	425,083	192,333	3,473,040
Fee and Commission Income	43,773	35,428	334,157	14,121	45,599	12,471	485,549
Fee and Commission Expense	527	196	72,040	134	364	201	73,463
Net Fee and Commission Income	43,246	35,233	262,116	13,987	45,235	12,269	412,086
Net Interest, Fee and Commission Income	454,916	368,884	2,132,024	254,382	470,318	204,603	3,885,126
Net Trading Income	7,943	2,782	113,491	186	1,870	174	126,446
Other Operating Income	(45,562)	(20,324)	46,796	1,220	17,054	29,361	28,546
Total Operating Income	417,298	351,343	2,292,311	255,787	489,241	234,137	4,040,117
Impairment Charge/ (Reversal) for Loans and Other Losses	99,510	26,852	110,803	965	89,601	31,136	358,867
Net Operating Income	317,788	324,491	2,181,508	254,822	399,640	203,001	3,681,251
Operating Expense							-
Personnel Expenses	239,100	159,668	539,356	129,291	162,494	116,554	1,346,462
Other Operating Expenses	66,055	49,105	220,264	37,203	50,578	37,232	460,437
Depreciation & Amortization	43,734	33,226	109,507	20,879	32,025	21,699	261,069
Operating Profit	(31,101)	82,491	1,312,381	67,450	154,543	27,517	1,613,282
Non-Operating Income	-	-	532	-	-	-	532
Non-Operating Expense	-	-	123,225	-	-	-	123,225
Profit Before Income Tax	(31,101)	82,491	1,189,688	67,450	154,543	27,517	1,490,589
Income Tax Expense	-	-	-	-	-	-	489,685
Profit for the Period	(31,101)	82,491	1,189,688	67,450	154,543	27,517	1,000,904

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	11,321,346
Other revenues	-
Elimination of intersegment revenues	-
Banks net revenue from reportable segments	11,321,346

(b) Profit or Loss

	Amount in 000
Total profit or loss for reportable segments	1,490,589
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	-
Other operating expenses	-
Profit before tax	1,490,589

(c) Assets

	Amount in 000
Total asset for reportable segments	117,581,986
Other assets	-
Unallocated amounts	-
Entity's assets	117,581,986

(d) Liabilities

	Amount in 000
Total liabilities for reportable segments	117,581,986
Other Liabilities	-
Unallocated liabilities	-
Entity's liabilities	117,581,986

5.3.5 Information about geographical areas

Revenue from following geographical areas is as follows:

Province	Revenue
Province 1	985,920
Province 2	530,394
Province 3	8,146,002
Gandaki Province	508,658
Province 5	789,645
Other	360,727
Total	11,321,346

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 16th July 2022.

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 3,147,000 during the fiscal year. There were 38 Board Meeting conducted during the fiscal year.

The Chairperson and other members of the Board are paid NPR 16,000 and NPR 13,000 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	19	494,000
Risk Management Committee	6	156,000
Human Resource Management Committee	3	78,000
AML Committee	5	130,000
Merger Committee	4	156,000

Existing members of the Board are:

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

(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	25,443,440
B	Post-Employment Benefits	1,270,162
C	Other Long Term Benefits	
D	Termination Benefits (Gratuity and Sick Leave Encashment)	64,034
E	Share Based Payment	
Total of Key Management Personnel Compensation		26,777,636

The Salary and benefits paid to CEO is as follow:

Particulars	Basic Salary	Provident Fund	Allowance	Bonus & Welfare	Other Perquisites	Total Income
Sunil Kumar Pokharel	6,480,000	648,000	4,320,000	877,409	1,800,000	14,125,409

Key management personnel are also provided with the following benefits:

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

Executive Management includes:

Name	Designation
Sunil Kumar Pokharel	CEO
Sachin Jung Rayamajhi	DCEO
Suman Acharya	CCB

(d) Transaction with Subsidiaries

S. N.	Particulars	Civil Capital	Civil Laghubitta
1	Deposit	115,740,969	623,888
2	Loans and Advances	-	345,892,873
3	Interest Income	-	36,867,243
4	Interest Expenses	8,759,966	270
5	Commission Income	-	-
6	RTS Expenses	1,610,912	-
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.

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 32 2079 (16th July 2022) was NPR 676,920,861 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 32 2079 the impairment provision was increased to NPR 2,229,850,000. 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;

Particulars	Amount in NPR
	As at 32 Ashadh 2079
Total Impairment as per NFRS	756,564,251
Loan loss provision as per NRB directive	2,229,850,000
Loan loss provision as per ICAN Crave-out	2,229,850,000

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 32 2079 the difference between the instruments fair value and NAS carrying amount was NPR 33,041,848 has been transferred to Fair value reserve and movement was charged to Other Comprehensive Income.

e) Interest Income

Interest Income amounting to NPR 10,680,274,229 was recognized for financial year 2078/79 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 expense of NPR 13,568,952 was reversed from Personnel expenses as a result of actuarial valuation of gratuity, charge of NPR 4,027,756 on Leave Encashment and NPR 206,480,863 was recognized as Personal expenses as amortization of prepaid staff loan for Financial Year 2078/79.

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 10,009,038 from NFRS Profit or Loss as CSR fund during this fiscal year.

Particular	Amount
Opening Balance	5,567,929
Transfer during the year	10,009,038
Expense during the year	(5,461,591)
Closing Balance	10,115,376

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 2078-79, 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. Hence, additional Employee Training and Development Fund has been created during the Fiscal year.

Particular	Amount
Opening Balance	2,627,272
Transfer during the year	14,132,238
Expense during the year	-
Closing Balance	16,759,511

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).

Particular	FY 2078-079	
	Gratuity	Annual Leave Encashment
PV of Obligation at beginning of the year	189,750,552	86,937,743
Interest Cost	15,466,745	7,198,417
Current Service Cost	38,078,873	24,598,087
Acquisitions (credit)/ cost	-	-
Benefit paid	(10,783,571)	(13,910,668)
Actuarial (Gain)/ Loss	40,009,343	20,211,877
Past Service Cost	-	-
Liability at the end of the year	272,521,942	125,035,456

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	26,271,335
Transfer during the year	(3,142,042)
Expense during the year	-
Closing Balance	23,129,293

k) Movement of various statutory reserve for the year 2078/79 is stated below:

Particulars	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Total
Opening Balance	1,087,703,371	21,870,315	363,324,802	26,271,335	-	1,499,169,824
Transfer to Reserves during the year	214,056,922	3,956,615	47,998,065	(3,142,042)	-	262,869,560
Transfer from Reserves during the year	-	-	-	-	-	-
Closing Balance	1,301,760,293	25,826,930	411,322,867	23,129,293	-	1,762,039,384

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	(16,439,427)	65,421,621	5,567,929	-	2,627,272	57,177,395
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Transfer to Reserves during the year	(28,006,540)	-	10,009,038	-	14,132,238	(3,865,264)
Transfer from Reserves during the year	-	-	5,461,591	-	-	5,461,591
Closing Balance	(44,445,967)	65,421,621	10,115,375	-	16,759,511	47,850,540

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 COVID related Disclosure

Table no. 1

Particulars	As of Ashad end 2079	
	No. of Customers	Amount (NRs.)
Accrued Interest Received after Ashadh 2079 till 15 Shrawan 2079	15,928	609,408,879
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	22,246	247,605,747
Extension of moratorium period of loan provided to Industry or Project under construction	3	783,089,853
Restructured/ Rescheduled Loan with 5% Loan Loss Provision	11	275,479,414
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	NA	NA
Enhancement of Term Loan by 10% to COVID affected borrowers	455	175,500,488
Expiry Date of Additional 20% Working Capital Loan (COVID Loan) extended for up to 1 year with 5% provisioning	NA	NA
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for up to 1 year with 5% provisioning	NA	NA
Time Extension provided for repayment of Principal and Interest for up to two years as per clause 41 of NRB Directives 2	NA	NA

Table no. 2

Particulars	During FY 2078/2079	
	No. of Customers	Amount (NRs.)
Refinance Loan	576	2,227,515,144
Business Continuity Loan	1	9,500,000

Table no. 3

Particulars	During FY 2078/2079	
	No. of Customers	Amount (NRs.)
Subsidized Loan	3,367	4,087,350,092

5.11 Regulatory Reserve:

Particulars	Interest receivable	Short loan loss provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Good-will	Gain on Bargain Purchase	Actuarial Loss Recognized	Total Regulatory Reserve	Fair Value Loss Recognized in OCI
Closing Balance 2074/75	444,927,078	-	-	177,160,409	-	-	-	15,855,297	637,942,784	(1,238,777)
Net Transfer to/From Reserve	(11,924,440)	-	-	50,820,942	-	-	-	19,104,054	58,000,556	(9,508,626)
Closing Balance 2075/76	433,002,638	-	-	227,981,351	-	-	-	34,959,351	695,943,340	(10,747,403)
Net Transfer to/From Reserve	(112,134,910)	-	-	(155,466,929)	-	-	-	3,383,623	(264,218,216)	11,151,953
Closing Balance 2076/77	320,867,728	-	-	72,514,422	-	-	-	38,342,974	431,725,124	404,550
Net Transfer to/From Reserve	(10,387,816)	-	-	(36,108,960)	-	-	-	(21,903,547)	(68,400,322)	25,866,785
Closing Balance 2077/78	310,479,913	-	-	36,405,462	-	-	-	16,439,427	363,324,802	26,271,335
Net Transfer to/From Reserve	1,558,038	-	-	18,433,487	-	-	-	28,006,540	47,998,065	(3,142,042)
Closing Balance 2078/79	312,037,950	-	-	54,838,949	-	-	-	44,445,967	411,322,867	23,129,293

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	Overdraft	7/16/2022	599,553	Land	70/30	CEO	35 days public notice on 2075/04/21 at Nagarik, 35 days auction notice on 2075/06/02 at Nagarik and 7 days auction notice on 2075/09/28 at Nagarik.
2	Overdraft	7/16/2022	619,834	Land	70/30	CBO	35 days public notice on 2076/07/27 at Nagarik, 35 days auction notice 202076/10/021 at Nagarik, 21 days auction notice on 2076/11/29 at Naya Patrika, 21 days auction notice on 2077/07/3 at Nagarik, 7 days auction notice on 2077/10/05 at Naya Patrika.
3	Overdraft	7/16/2022	2,769,611	Land and Building	70/30	CEO	35 days Public notice on 2076/02/01 at Nagarik, 15 days auction notice on 2076/10/03 at Nayapatrika, 35 days auction notice on 2076/08/24 at Karobar, 35 days auction notice at 2076/10/17 at Naya Patrika.
4	Fixed Term Loan	7/16/2022	4,361,027	Land and Building	70/30	CEO	35 days Public notice on 2076/02/01 at Nagarik, 15 days auction notice on 2076/10/03 at Nayapatrika, 35 days auction notice on 2076/08/24 at Karobar, 35 days auction notice at 2076/10/17 at Naya Patrika.
5	Demand Loan Revolving	7/16/2022	310,453	Land and Building	70/30	CEO	35 days Public notice on 2076/02/01 at Nagarik, 15 days auction notice on 2076/10/03 at Nayapatrika, 35 days auction notice on 2076/08/24 at Karobar, 35 days auction notice at 2076/10/17 at Naya Patrika.
6	Overdraft	7/16/2022	37,314,298	Apartment/ land/ Hypothecation/ Assignment of Receivable	70/30	CEO	35 days public notice at Nagarik on dated 2076/04/08, 35 days auction notice 2076/05/11 at Nagarik, 7 days auction notice 2077/06/20 at Nagarik, 7 days auction notice at 2077/09/22 at Himalaya Times, 15 days auction notice at Naya patrika on 2078/04/20.
7	Demand Loan Revolving	7/16/2022	44,577,167	Apartment/ land/ Hypothecation/ Assignment of Receivable	70/30	CEO	35 days public notice at Nagarik on dated 2076/04/08, 35 days auction notice 2076/05/11 at Nagarik, 7 days auction notice 2077/06/20 at Nagarik, 7 days auction notice at 2077/09/22 at Himalaya Times, 15 days auction notice at Naya patrika on 2078/04/20.
8	Overdraft	7/16/2022	614,958	Land	70/30	CEO	35 days public notice at Nagarik on dated 2074/10/18, 21 days auction notice at Nagarik on dated 2074/12/04, 15 days auction Notice at Nagarik at 2075/02/08, 21 days auction notice at Nagarik on dated 2076/01/22, 15 days auction notice at Naya Patrika on dated 2078/04/16.
Total			91,166,901				

5.13 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	Pawan Kumar Agrawal	92,271	0.10	87,877	2,700,000	Bank of Kathmandu Ltd	95.24%
2	Binita Adhikari	125,141	0.14	110,354	39,860,977	Citizens Bank International Ltd.	88.18%
3	Shanta Man Shrestha	15,387	0.02	13,569	38,086,176	Citizens Bank International Ltd.	88.19%
4	Anu Piya	125,542	0.14	97,500	3,199,404	Mahalaxmi Bikas Bank Ltd.	77.66%
5	Ishwor Lal Shrestha	175,758	0.19	110,706	8,320,000	Univest Saving and Credit Co-operative Ltd.	62.99%
6	Vijaya International Pvt Ltd.	1,333,287	1.47	166,397	69,969,248	Prime Commercial Bank Ltd.	12.48%
7	Seema Marwadi	62,357	0.07	54,989	81,450,793	Prime Commercial Bank Ltd.	88.18%
8	Girendra Man Singh Shrestha	118,158	0.13	112,531	7,000,000	Prime Commercial Bank Ltd.	95.24%
9	Amrit Sagar Kansakar	6,275	0.01	5,976	798,997	Prime Commercial Bank Ltd.	95.24%
10	Raju Kumar Amatya	46,016	0.05	40,579	1,400,000	Garima Bikas Bank Ltd.	88.18%
11	Ram Agrawal	83,628	0.09	83,628	40,000,000	Global IME Bank Ltd.	100.00%
12	Anil Kumar Agrawal	31,386	0.03	24,401	2,500,000	Global IME Bank Ltd.	77.75%
13	Suman Devi Agrawal	31,386	0.03	24,401	2,500,000	Global IME Bank Ltd.	77.75%
14	Puna Prasad Subedi	84,163	0.09	62,000	3,376,000	Global IME Bank Ltd.	73.67%
15	Deepak Kumar Malhotra	43,939	0.05	35,146			
16	Sabita Malhotra Pradhan	175,758	0.19	140,581	14,000,000	Nepal Credit and Commerce Bank Ltd.	79.99%
17	Dikesh Malhotra	117,760	0.13	94,191			
18	Ashok Kumar Baidhya	43,940	0.05	35,147	8,250,000	Sanima Bank Limited	79.99%
19	Jeewan Kumar Agrawal	43,940	0.05	35,409	21,000,000	Sanima Bank Limited	80.58%
20	Jyoti Bastola	1,037	0.00	-	1,000,000	Sanima Bank Limited	0.00%
21	Madan Lal Kedia	34,020	0.04	2,400	11,000,000	Sanima Bank Limited	7.05%
22	Surendra Kumar Goel	228,485	0.25	193,233	45,000,000	Everest Bank limited	84.57%
23	Umesh Lal Amatya	18,529	0.02	16,340	679,244	Nepal Investment Bank Ltd	88.18%
24	Parikshit Khemaka	11,386	0.01	10,041	650,000,000	Nepal Investment Bank Ltd	88.19%
25	Navin Man Shrestha	8,785	0.01	7,748	285,000	Laxmi Bank Limited	88.19%
26	Dipendra Kumar Ghimire	1,250	0.00	1,190	3,999,580	Muktinath Bikas Bank Ltd.	95.24%
27	Manoj Pun	8,315	0.01	7,333	3,995,895	Muktinath Bikas Bank Ltd.	88.19%
28	Yeshwaswika International Pvt. Ltd	2834,327	3.12	700,000	40,000,000	Muktinath Bikas Bank Ltd.	24.70%
29	Bimal Kumar Agrawal	43,939	0.05	38,748	2,470,000	Mega Bank Nepal Ltd.	88.19%
30	Prem Dhoj Lama	208,275	0.23	166,589	12,381,000	Mega Bank Nepal Ltd.	79.99%
31	Bachchu Ram Rimal	28,350	0.03	25,000	928,000	Mega Bank Nepal Ltd.	88.18%
32	Himalaya Bikram Malla Thakuri	290,345	0.32	256,037	12,930,000	Mega Bank Nepal Ltd.	88.18%
33	Amit Agrawal	43,939	0.05	42,002	2,627,000	Mega Bank Nepal Ltd.	95.59%
34	Subhash Kumar Khetan	17,574	0.02	15,498	1,200,000	Pragati Bahuudeshjiya Sahakari Sanstha Ltd	88.19%
35	Kalu Gurung	61,514	0.07	58,585	13,349,035	Lumbini Bikas Bank Ltd.	95.24%
36	Gopal Shrestha	34,020	0.04	30,000	1,437,000	Kumari Bank Ltd.	88.18%
37	Vivek Agrawal	131,819	0.15	105,436	70,100,703	Nabil Bank Ltd.	79.99%
38	Dharma Bhakta Balla	175,757	0.19	154,989	30,000,000	Nabil Bank Ltd.	88.18%
39	Sarba Kalyan Kandel	17,575	0.02	15,499	5,000,000	Nabil Bank Ltd.	88.19%
40	Achyut Raj Regmi	6,250	0.01	5,512	9,340,000	Nabil Bank Ltd.	88.20%
41	Subarna Man Rajbhandari	43,938	0.05	38,747	2,450,000	Nabil Bank Ltd.	88.19%
42	Narayan Prasad Rimal	79,341	0.09	69,966	3,750,000	Nabil Bank Ltd.	88.18%
43	Mahendra Kumar Goyal	131,820	0.15	125,543	28,000,000	Himalayan Bank Ltd.	95.24%
44	Abhishek Agrawal	43,938	0.05	38,747	2,186,000	Himalayan Bank Ltd.	88.19%
45	Kedar Manandhar	13,885	0.02	13,224	11,000,000	Shangrila Development Bank Ltd.	95.24%
46	Prem Kaji Khajju	34,020	0.04	30,000	1,887,559	Siddhartha Bank Ltd.	88.18%
47	Bhim Prasad Timalisina	45,360	0.05	40,000	1,500,000	Siddhartha Bank Ltd.	88.18%
48	Sajjan Kumar Khetan	17,577	0.02	15,500	14730.33	Siddhartha Bank Ltd.	88.18%

49	Ram Kaji Silwal	28,350	0.03	25,000	1,029,000	Shivashree Multipurpose Co-operative Ltd.	88.18%
50	Mohan Krishna Shrestha	21,508	0.02	17,203	1,536,719	Sincere Savings & credit Co-Operative Ltd.	79.98%
51	Narayan Kumar Shrestha	10,067	0.01	9,588	539,565	Former Nepal Bangladesh Bank Ltd.	95.24%
52	Deepak Kunwar	125,540	0.14	125,540	7,064,763	Former Nepal Bangladesh Bank Ltd.	100%
53	Bala Krishna Shrestha	624,278	0.69	594,550	97,064,927	Global IME Bank Ltd.	95.24%
54	Amir Shrestha	237,850	0.26	226,524			

5.14 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	7,726,884	8.51%	772,688,400
2	Pradeep Jung Pandey	3,974,518	4.38%	397,451,800
3	Ichchha Raj Tamang	3,496,697	3.85%	349,669,700
4	National Life Insurance Company Limited	3,171,478	3.49%	317,147,800
5	Yeshaswika International Private Limited	2,834,326	3.12%	283,432,600
6	Asian Investment And Trading Company Pvt Ltd.	1,967,774	2.17%	196,777,400
7	Prabha Goenka Bhimsariya	1,745,093	1.92%	174,509,300
8	Ambika Shah	1,579,588	1.74%	157,958,800
9	Vijaya International Pvt. Ltd.	1,386,944	1.53%	138,694,400
10	Kdb Capital Corporation	981,296	1.08%	98,129,600
11	Bala Krishna Shrestha	826,810	0.91%	82,681,000
12	Rana Bahadur Shah	805,791	0.89%	80,579,100
13	Birendra Kumar Shah	766,835	0.84%	76,683,500
14	Prabhu Life Insurance Limited	669,073	0.74%	66,907,300
15	Gauri Shrestha	654,549	0.72%	65,454,900
16	Meena Maharjan	546,529	0.60%	54,652,900
17	Prakash Tayal	462,786	0.51%	46,278,600
Total		33,596,971		3,359,697,100

5.15 Principal Indicators

Indicators	Unit	F/Y 2074/075	F/Y 2075/076	F/Y 2076/77	F/Y 2077/78	F/Y 2078/79
1. Net Profit/ Gross Income	Percent	12.79	11.38	8.13	6.68	8.84
2. Earnings Per Share	Rs.	9.69	8.84	6.94	6.11	11.03
3. Market Value Per Share	Rs.	153	158	139	286	213
4. Price Earnings Ratio	Ratio	15.79	17.88	20.04	46.84	19.31
5. Dividend (including bonus) on Share Capital	Percent	4.05	6.57	8.42	5.2632	5.2632
6. Cash Dividend on Share Capital	Percent	4.05	6.57	0.42	0.2632	0.2632
7. Interest Income/ Loans and Advances	Percent	9.97	12.90	11.49	8.54	12.22
8. Staff Expenses/ Total Operating Expenses	Percent	13.87	15.97	18.28	16.55	14.40
9. Interest Expenses/ Total Deposits and Borrowings	Percent	7.44	7.27	6.53	5.37	7.50
10. Exchange Gain/ Total Income	Percent	3.18	3.18	3.37	2.87	1.12
11. Staff Bonus/ Total Staff Expenses	Percent	16.03	15.00	9.38	7.64	12.30
12. Net Profit/Total Loans and advances	Percent	1.52	1.59	1.03	0.64	1.15
13. Net Profit/ Total Assets	Ratio	0.01	1.13	0.72	0.48	0.85
14. Total Loans & Advances/ Total Deposits	Percent	103.38	94.34	89.74	91.58	91.00
15. Total Operating Expenses/ Total Assets	Percent	7.75	7.95	7.41	6.04	7.95
16. Capital Adequacy (On Risk Weighted Assets)						
a. Core Capital	Percent	19.45	16.30	14.32	10.86	11.39
b. Supplementary Capital	Percent	0.86	0.93	0.80	1.11	4.16

c. Total Capital Fund	Percent	20.32	17.23	15.12	11.97	15.56
17. Liquidity (CRR)	Percent	6.34	4.61	3.74	3.77	3.28
18. Non-Performing Loan/ Total Loans & advances	Percent	2.63	2.37	1.90	1.05	1.60
19. Weighted Average Interest Rate Spread	Percent	2.65	3.76	3.92	2.52	4.29
20. Book Net Worth (In Million)	Rs.	9,850	10,151	10,170	10,694	11,705
21. Book Net Worth per Share	Rs.	135.69	126.84	127.07	123.72	128.96
22. Number of Shares	Nos.	72,593,104	80,033,897	80,033,897	86,436,608	90,758,439
23. Number of Staff	Nos.	685	991	960	956	948
24. Base Rate	Percent	11.84	11.11	9.84	7.83	10.69
25. Others	-	-	-	-	-	-

5.16 Interest Capitalization

The list of credit facilities whose interest accrued at Ashadh end 2079 has been capitalized are listed below.

S. No.	Borrower Name	Total Interest Capitalization
1	Mabilung Energy Ltd.	496,265
2	Energy Engineering Ltd. (6.42MW)	19,724,069
3	Nilgiri Khola Hydropower Ltd. (62 MW)	24,822,445
4	Nilgiri Khola Hydropower Ltd. (38 MW)	20,578,967

5.17 Merger and acquisition

A Memorandum of Understanding has been signed on 2079/03/29 with Himalayan Bank Limited for the acquisition of Civil Bank Ltd.

5.18 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.

5.18.1 Figures are regrouped and rearranged

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

5.19 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:

- Those that provide evidence of conditions that existed at the end of reporting period (adjusting events after the reporting period); and
- Those that is indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Non Adjusting Event-Disclosure

Large Tax Payers Office (LTPO) has provided the upward revision final tax assessment order for the FY 2074-075 amounting to NPR 292,014,080.14. The Bank has filed an appeal for Administrative Review in the Inland Revenue Department against the LTPO's assessment order.

Adjusting Event

There are no material adjusting events that have occurred subsequent to 16th July, 2022 till the signing of this financial statement on December 20, 2022

The Board has decided to propose 5% Bonus share amounting NPR 453,792,194.52 and 0.2632 % Cash Dividend for tax purpose amounting NPR 23,883,799.71 which shall be approved by the Annual General Meeting of the Bank.

Comparison Unaudited and Audited Financial Statements as of FY 2078/79

Assets	As per unaudited Financial Statement	As per Audited Financial Statement	Statement of Financial Position Variance		Reasons for Variance
			In amount	In %	
Cash and Cash Equivalents	4,149,600,206	4,149,600,206	-	-	
Due from Nepal Rastra Bank	5,832,080,154	5,832,080,154	-	-	
Placement with Bank and Financial Institutions	157,407,662	157,407,662	-	-	
Derivative Financial Instruments	6,395,000	6,395,000	-	-	
Other Trading Assets	-	-	-	-	
Loans and Advances to BFIs	4,366,915,014	4,366,915,014	-	-	
Loans and Advances to Customers	83,440,120,469	83,026,921,510	(413,198,959)	-0.50%	Due to effect of Changes in LLP and Interest Recovery
Investment Securities	17,075,535,697	17,075,535,697	-	-	
Current Tax Assets	150,321,066	248,076,936	97,755,870	65.03%	Due to Changes in Income Tax Liability
Investment in Subsidiaries	260,063,200	260,063,200	-	-	
Investment in Associates	-	-	-	-	
Investment Property	86,852,837	87,045,951	193,114	0.22%	Due to changes in value of Investment Property
Property and Equipment	586,728,955	1,424,550,272	837,821,317	142.80%	Due to booking of asset under Finance Lease
Goodwill and Intangible Assets	25,637,855	25,806,122	168,267	0.66%	Due to booking of fixed asset missed out previously
Deferred Tax Assets	-	-	-	-	
Other Assets	908,172,898	921,588,055	13,415,157	1.48%	Due to regrouping & reclassification
Total Assets	117,045,831,013	117,581,985,779	536,154,766	0.46%	
Liabilities					
Due to Bank and Financial Institutions	1,547,770,547	1,547,770,547	-	-	
Due to Nepal Rastra Bank	2,866,504,141	2,866,504,141	-	-	
Derivative Financial Instruments	6,391,000	6,391,000	-	-	
Deposits from Customers	94,490,970,943	94,490,970,943	-	-	
Borrowings	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	70,722,821	50,091,896	(20,630,925)	-29.17%	Due to changes in value of Investment Property, Changes in Depreciation
Other Liabilities	3,044,432,633	3,931,304,566	886,871,932	29.13%	Due to regrouping & reclassification
Debt Securities Issued	3,000,000,000	2,984,314,231	(15,685,769)	-0.52%	Due to application of Effective interest Rate
Subordinated Liabilities	-	-	-	-	
Total Liabilities	105,026,792,086	105,877,347,323	850,555,237	0.81%	
Equity					
Share Capital	9,075,843,890	9,075,843,890	-	-	
Share Premium	-	-	-	-	
Retained Earnings	1,006,308,890	818,904,642	(187,404,248)	-18.62%	Due to Change in profit
Reserves	1,936,886,147	1,809,889,924	(126,996,223)	-6.56%	Due to following effects 1. Addition of defined benefit obligation due to actuarial valuation. 2. Change in deferred tax liabilities 3. Due to Change in profit
Total Capital and Liabilities	117,045,831,013	117,581,985,779	536,154,766	0.46%	
Statement of Profit or Loss					
Interest Income	10,783,661,934	10,680,274,229	(103,387,705)	-0.96%	Due to adjustment in Interest Income
Interest Expense	7,142,127,739	7,207,234,091	65,106,352	0.91%	Due to adjustment in Interest Expense
Net Interest Income	3,641,534,195	3,473,040,139	(168,494,056)	-4.63%	
Fee and Commission Income	413,836,847	485,548,964	71,712,117	17.33%	Due to adjustment in Fee and Commission Income
Fee and Commission Expense	42,334,155	73,463,135	31,128,979	73.53%	Due to adjustment in Fee and Commission Expense
Net Fee and Commission Income	371,502,692	412,085,830	40,583,138	10.92%	
Net Interest, Fee and Commission Income	4,013,036,887	3,885,125,968	(127,910,919)	-3.19%	
Net Trading Income	126,445,709	126,445,709	-	-	
Other Operating Income	107,534,188	28,545,507	(78,988,680)	-73.45%	Due to adjustment in Other Operating Income
Total Operating Income	4,247,016,784	4,040,117,185	(206,899,599)	-4.87%	
Impairment Charge/ (Reversal) for Loans and Other Losses	(54,332,308)	358,866,651	413,198,959	-760.50%	Due to changes in Loan loss provision
Net Operating Income	4,301,349,092	3,681,250,534	(620,098,558)	-14.42%	
Operating Expense					
Personnel Expenses	1,402,641,644	1,346,462,038	(56,179,607)	-4.01%	Due to Changes in Employee Bonus and adjustments on staff benefits
Other Operating Expenses	675,286,690	460,437,242	(214,849,447)	-31.82%	Due to regrouping & reclassification and Effects of NFRS
Depreciation & Amortisation	110,149,351	261,069,312	150,919,961	137.01%	adjustment of operating Lease Due to effect of NFRS 16 Lease (Right to Use assets) Depreciation
Operating Profit	2,113,271,407	1,613,281,942	(499,989,466)	-23.66%	
Non Operating Income	532,000	532,000	-	-	
Non Operating Expense	123,224,844	123,224,845	-	-	
Profit Before Income Tax	1,990,578,563	1,490,589,097	(499,989,466)	-25.12%	Due of reasons as mentioned above
Income Tax Expense	-	-	-	-	
Current Tax	597,173,569	501,596,353	(95,577,216)	-16.00%	Due to Changes in Income Tax Liability
Deferred Tax	8,719,917	(11,911,009)	(20,630,926)	-236.60%	Due to Changes in Deferred Tax Liability
Profit for the Period	1,384,685,077	1,000,903,753	(383,781,324)	-27.72%	

सिमिल बैंक लिमिटेडको प्रबन्धपत्रमा प्रस्तावित संशोधन/थपको तीन महले विवरण

दफा	हालको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्ने कारण
दफा ६ स	बैंकको जारी पूँजी रु. ९,०७,५८,४३,८९०/३९ (नौ अर्ब सात करोड अठ्ठाउन लाख त्रिचालीस हजार आठ सय नब्बे रुपैया एकतीस पैसा) रहेको छ ।	बैंकको जारी पूँजी रु. ९,५२,९६,३६,०८४/८३ (नौ अर्ब बाउन करोड छयानब्बे लाख छतीस हजार चौरासी रुपैया त्रियासी पैसा) हुनेछ ।	बोनश शेयर जारी पश्चात बैंकको जारी पूँजी बृद्धि हुने भएकोले ।
दफा ६ ज	बैंकको चुक्ता पूँजी रु. ९,०७,५८,४३,८९०/३९ (नौ अर्ब सात करोड अठ्ठाउन लाख त्रिचालीस हजार आठ सय नब्बे रुपैया एकतीस पैसा) रहेको छ ।	बैंकको चुक्ता पूँजी रु. ९,५२,९६,३६,०८४/८३ (नौ अर्ब बाउन करोड छयानब्बे लाख छतीस हजार चौरासी रुपैया त्रियासी पैसा) हुनेछ ।	बोनश शेयर जारी पश्चात बैंकको चुक्ता पूँजी बृद्धि हुने भएकोले ।



नेपाल राष्ट्र बैंक

बैंक सुपरिवेक्षण विभाग



दरबारमार्ग, काठमाडौं ।
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प.सं: बै.सु.वि./अफसाइट/एजिएम/१४६/२०७९-८०
सिभिल बैंक लिमिटेड
सुनधारा, काठमाडौं ।

मिति: २०७९/०९/०६

विषय: लाभांश घोषणा/वितरण तथा वित्तीय विवरण प्रकाशन सम्बन्धमा ।

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, उक्त दफाको उपदफा (१) बमोजिम त्यस बैंकले प्रस्ताव गरे बमोजिम रु.४५,३७,९२,१९४।५२ (अक्षरेपी पैतालिस करोड सैतिस लाख बयानब्बे हजार एक सय चौरानब्बे रुपैया र बाउन्न पैसा मात्र, चुक्ता पुँजीको ५ प्रतिशत) तथा रु.२,३८,८३,७९९।७१ (अक्षरेपी दुई करोड अड़तिस लाख त्रियासी हजार सात सय उनान्सय रुपैया र एकहत्तर पैसा मात्र, चुक्ता पुँजीको ०।२६ प्रतिशत) नगद लाभांश (बोनस शेयरमा लाग्ने कर प्रयोजनको लागि) गरी कूल रकम रु.४७,७६,७५,९९४।२३ (अक्षरेपी सत्तालिस करोड छयत्तर लाख पचहत्तर हजार नौ सय चौरानब्बे रुपैया र तेईस पैसा मात्र) शेयरधनीहरुलाई वितरण गर्न अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट पारित भएको अवस्थामा मात्र शेयरधनीहरुलाई लाभांश वितरण गर्न स्वीकृति प्रदान गरिएको तथा आ.व. २०७८/७९ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशनहरु सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु ।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका सम्पूर्ण कैफियतहरु पूर्ण रुपले सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाउनु हुन ।
- यस बैंकबाट जारी गरिएको निर्देशन नं. १० को वृद्धा 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 प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरुलाई सो सीमाभित्र नल्याएसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन ।
- बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ को दफा ११ को उपदफा ३ मा बैंकको चुक्ता पुँजीको २ प्रतिशत वा सो भन्दा बढी शेयर धारण गरेका संस्थापकहरुले आफुले धारण गरेको शेयर बिक्री तथा धितो बन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफुले धारण गरेको शेयर धितो 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 तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन ।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन ।

भवदीय,

(विवेक दाहाल)

सहायक निर्देशक

बोधार्थ

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

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

१. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरूमा क्रमशः सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाइनेछ ।
२. निर्देशन अनुसार गरिनेछ ।
३. निर्देशन अनुसार गरिएको छ ।

[illegible]

[illegible]

विभागीय प्रमुखहरू



सागर पौड्याल
प्रमुख- सूचना प्रविधि विभाग



सरोज श्रेष्ठ
प्रमुख- कर्पोरेट बैंकिङ्ग



मोला बहादुर बिष्ट
प्रमुख- व्यवसाय निक्षेप तथा बैंकिङ्ग विभाग



प्रकाश राज पन्त
प्रमुख- क्रेडिट कन्ट्रोल विभाग



युवराज गुरागाई
का.मु प्रमुख- संचालन अधिकृत



शिलु अर्याल
प्रमुख- मानव संसाधन विभाग



गोवर्धन अधिकारी
प्रमुख- लेखा विभाग



सचिन नेवा
प्रमुख- वित्त विभाग



विष्णु पाण्डे
प्रमुख- कर्जा अनुगमन तथा असुली विभाग



उपेन्द्र मानन्धर
प्रमुख- जोखिम अधिकृत



आँचल दकाल
प्रमुख- रिटेल क्रेडिट विभाग



पवित्र मान श्रेष्ठ
प्रमुख- सेन्ट्रल अपरेशन विभाग



अनिजा तुलाधार
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शैलेश कार्की
प्रमुख- अनुपालन विभाग



किरण खड्का
प्रमुख- एस.एम.ई बैंकिङ्ग विभाग



बिजय राम कशत्रु
प्रमुख- ब्राण्डिङ्ग तथा कर्पोरेट कन्सुल्टेन्सिज विभाग/ प्रायोरीटी बैंकिङ्ग



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इन्नोवेशन तथा डेभलपमेन्ट विभाग



बिनु कुमार श्रेष्ठ
प्रमुख- कानून विभाग



मनोज बस्नेत
प्रमुख- कर्जा प्रशासन विभाग



प्रतीक्षा श्रेष्ठ
प्रमुख- कर्जा निरीक्षण तथा अनुगमन विभाग



सुनिल महर्जन
प्रमुख- आन्तरिक लेखा परीक्षण विभाग



प्रवीन कार्की
प्रबन्धक- एकिकृत जोखिम व्यवस्थापन/ रणनीतिक व्यवस्थापन



मिलन कुमार मास्के
प्रमुख - ट्रेड फाईनान्स विभाग



अमनराज श्रेष्ठ
प्रबन्धक- सेन्ट्रल लोन प्रोसेसिङ्ग



मनिता श्रेष्ठ
प्रमुख- सेन्ट्रल अकाउन्ट सर्विसेज

प्रदेश प्रमुखहरू



राजेश दकाल
प्रमुख- प्रदेश नं. १



विश्वास राज अर्याल
प्रमुख- मधेश प्रदेश



सुरज दाहाल
प्रमुख- बागमती प्रदेश



समीर कोसी
प्रमुख- जाण्डकी प्रदेश



किरण घिमला
प्रमुख- लुम्बिनी प्रदेश



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