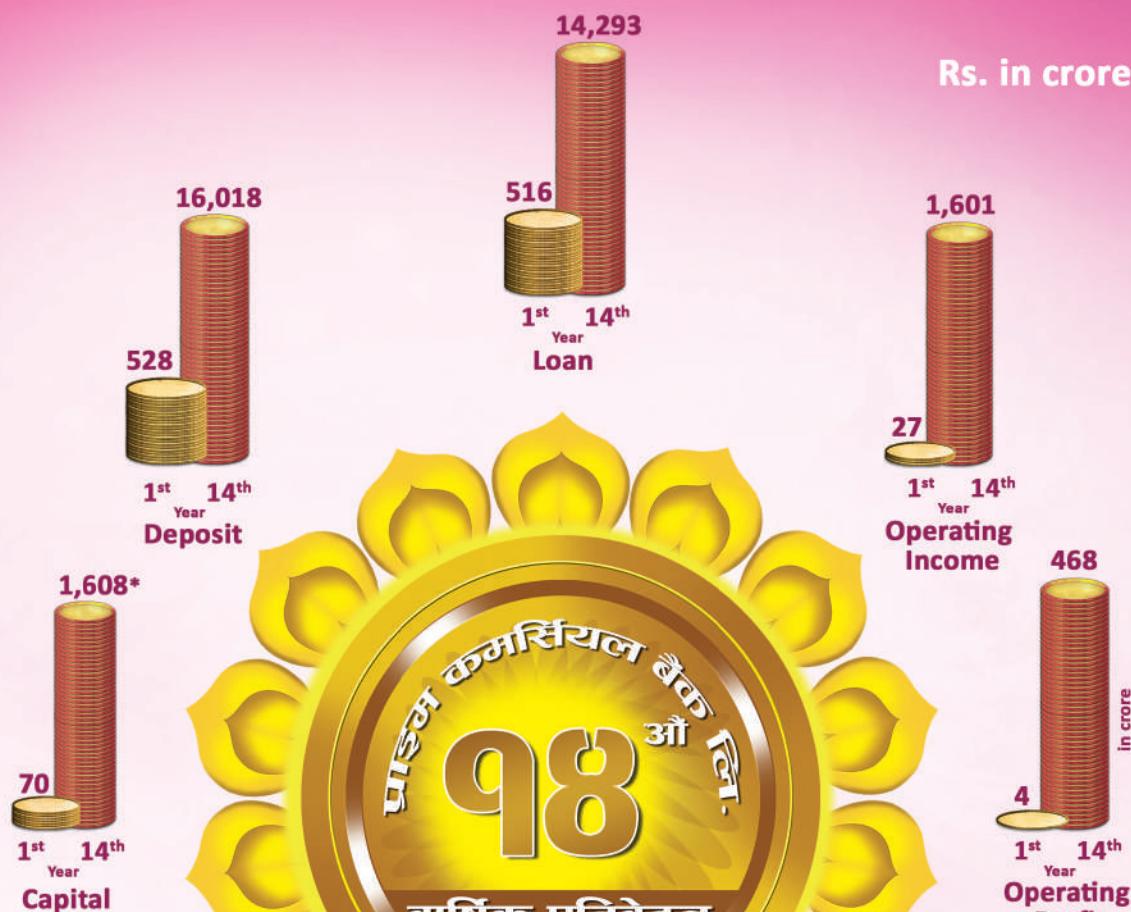


१४ औं वार्षिक प्रतिवेदन २०७७/२०७८



* प्रत्यापित बोर्ड सेवा योग



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विषय-सूची

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केन्द्रीय कार्यालय: कमलपोखरी, काठमाडौं
को

चौधौ वार्षिक साधारणसभा सम्बन्धी सूचना

मिति २०७८/०८/१० गते (तदनुसार २६ नोभेम्बर, २०२१) मा बसेको सञ्चालक समितिको ४३४ औं बैठकको निर्णयानुसार यस बैकको चौधौ वार्षिक साधारणसभा निम्न लिखित मिति, स्थान र समयमा निम्न विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा आदरणीय सम्पूर्ण शेयरधनी महानुभावहस्तको उपस्थितिकोलागि हार्दिक अनुरोध गर्दछु ।

सभा हुने मिति, स्थान र समयः

सभा हुने मिति : २०७८/०९/०६ गते, मंगलबार (तदनुसार २१ डिसेम्बर, २०२१) ।

स्थान : प्राइम कमर्सियल बैंक लिमिटेड केन्द्रीय कार्यालय, कमलपोखरी, काठमाडौं ।

सभा शुरू हुने समय : बिहान ११:०० बजेदेखि ।

(कोमिटि-१९ महामारीको जोखिमका कारण साधारणसभामा अनलाइन (भर्चुअल) प्रविधि मार्फतसमेत सहभागी हुनसक्ने गरी शेयरधनी महानुभावहस्ताई : **Meeting ID** तथा **Password** उपलब्ध गराउने व्यवस्था गरिएको छ ।)

छलफलका विषयहरू :

(क) सामान्य प्रस्तावहरू :

- आर्थिक बर्ष २०७७/७८ को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- लेखापरीक्षकको प्रतिवेदन सहित २०७८ आषाढ मसान्ताको वासलात, मिति २०७७/०४/०९ देखि २०७८/०३/३१ सम्मको नाफा नोक्सान हिसाव र सोही अवधिको नगद प्रवाह लगायतका विवरणहरू उपर छलफल गरी स्वीकृत गर्ने ।
- बैक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ तथा कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक बर्ष २०७८/७९ को लागि लेखापरीक्षण गर्न लेखापरीक्षण समितिले सिफारिस गरे बमोजिम लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक अनुमोदन गर्ने ।
(★ बर्तमान लेखापरीक्षक श्री सुजन काफ्ले एण्ड एसोसियट्स, चार्टर्ड एकाउन्टेण्टस् पूनः नियुक्त हुन पनि योग्य हुनुहुन्छ ।)
- बैकको नियमावली अनुसार समूह “ख” सर्वसाधारण शेयरधनीहस्तकोत्पर्बाट सञ्चालक समितिमा प्रतिनिधित्व हुने सञ्चालक पद - १ (एक) को निर्वाचन, मनोनयन वा नियुक्त गर्ने ।
- सञ्चालक समितिले प्रस्ताव गरे बमोजिम बैकको चुक्ता पूँजीको ०.६३१३ प्रतिशतका दरले हुने नगद लाभांश (रु १०,१५,३२,२१२/- बिगतका आर्थिक वर्षहस्तका बोनस शेयर तथा नगद लाभांशमा तिर्न बाँकी कर फछ्यौट गर्ने र हाल कर तिर्नु पर्न शेयरधनीको कर समायोजन गर्ने प्रयोजनका लागि समेत) वितरण गर्न स्वीकृत गर्ने ।

(ख) विशेष प्रस्तावहरू :

- सञ्चालक समितिले प्रस्ताव गरे बमोजिम बैकको चुक्ता पूँजीको १६% (सोह वितरण)का दरले हुन आउने (रु २,५७,३२,८५,१०४/-) बोनस शेयर जारी गर्न र सोही बमोजिम बैकको प्रवन्ध-पत्र तथा नियमावलीमा संशोधन गर्ने ।
(★ बैक तथा वित्तीय संस्था एक आपसमा गाभ्ने वा गाभिने सम्बन्धी विनियमावली, २०६८ समेतका आधारमा यस बैकले साविकको कैलाश विकास बैक लिमिटेडलाई प्राप्ति गरेको कारण मिति २०७६ फागुन २९ गतेसम्म कायम शेयरधनीलाई लाग्ने लाभांशमा कर छुट पाउने भएकाले सो छुट पाउने शेयरधनी बाहेक अन्यलाई लाभांश कर लाग्ने ।)
- धितोपत्र व्यवसाय सम्बन्धी कार्य गर्नकालागि प्रवन्धपत्रको उद्देश्यमा आवश्यक संशोधन गरी उद्देश्य थप गर्ने ।
- निम्न बमोजिम बैकको प्रवन्धपत्रमा संशोधन/थप गर्ने
 - बैकले बोनस शेयर जारी गरे पश्चात बैकको जारी पूँजी तथा चुक्ता पूँजी बृद्धि हुने भएको हुनाले प्रवन्ध पत्र को दफा ६(ख) र ६(ग) मा संशोधन गर्ने ।
 - प्रवन्धपत्रको दफा ४(४) मा संशोधन थप गर्ने ।
- यस बैक तथा अन्य कुनै बैक तथा वित्तीय संस्था एक आपसमा मर्ज हुने (गाभ्ने/गाभिने), प्राप्ति (एक्विजिशन) गर्ने सन्दर्भमा आवश्यक सम्पूर्ण प्रक्रिया अवलम्बन गरी एक आपसमा मर्ज (गाभ्ने/गाभिने), प्राप्ति (एक्विजिशन) गर्नकालागि सञ्चालक समितिलाई सम्पूर्ण अखिलायार प्रदानगर्ने ।
- प्रबन्ध पत्र र नियमावलीमा भएको संशोधनमा नियमनकारी निकायहरू (कम्पनी रजिष्ट्रारको कार्यालय, नेपाल राष्ट्र बैक, नेपाल धितोपत्र बोर्ड आदि) ले कुनै फेरवदल/संशोधन/परिमार्जन गर्न वा मिलाउन कुनै सुभाव वा निर्देशन दिएमा सोही अनुस्य आवश्यक समायोजन गर्न बैकको सञ्चालक समितिलाई अखिलायारी प्रदान गर्ने ।

(ग) विविध ।

आज्ञाले,
कम्पनी सचिव

साधारणसभा सम्बन्धी सामान्य जानकारीहरू :

- यस साधारणसभा प्रयोजनका लागि मिति २०७८/०८/२२ गतेका दिन एक दिन बैंकको शेयर दाखिल खारेज दर्ता बन्द (BOOK CLOSE) रहनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०७८/०८/२१ गते सम्म कारोबार भई ७ कार्य दिनभित्र यस बैंकको शेयर रजिस्ट्रार, सिमिल क्यापिटल मार्केट्स लि, काठमाडौंमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले सो सभामा भाग लिन, एवं लाभांश पाउन सक्नु हुनेछ ।
- विश्वव्यापी रूपमा फैलिएको कोरोना भाइरस (कोभिड- ९९) महामारी रोकथाम तथा नियन्त्रणका लागि नेपाल सरकारबाट जारी गरिएका स्वास्थ्य सम्बन्धी निर्देशन एवं मापदण्डहरूको सम्मान एवं परिपालना गर्दै अनलाईन (भर्चुअल) (ZOOM) को माध्यमबाट सभामा सहभागी हुने, आफ्नो मन्त्रव्य राख्न सक्ने व्यवस्था समेत मिलाइएको हुँदा कोरोना भाइरस (कोभिड- ९९) को संक्रमणबाट बच्न र बचाउन यथासक्य अनलाईन (भर्चुअल) (ZOOM) माध्यमबाट उपरिथित भैदिनु हुन सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध छ ।
- अनलाईन (भर्चुअल) (ZOOM) माध्यमबाट उपरिथित भई साधारणसभामा सहभागी हुन तथा मन्त्रव्य राख्न चाहनु हुने शेयरधनी महानुभावहरूले सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै आफ्नो परिचयपत्रसहित बैंकले जारी गरेको शेयर प्रमाणपत्र/DEMAT खाता खोलिएको प्रमाणको स्क्यानकपी समावेश गरी कम्पनी सचिवको ईमेल ठेगाना rajkumar.karki@pcbl.com.np मा ईमेल पठाउनु पर्नेछ । यसरी प्राप्त भएका ईमेलमा अनलाईन (भर्चुअल) (ZOOM) माध्यमबाट सभामा सहभागी हुनका लागि आवश्यक हुने Meeting ID / Password उपलब्ध गराइने छ । यस प्रक्रियाबाट उपरिथित हुनुहुने शेयरधनी महानुभावहरूलाई सभास्थलमा उपरिथित भएसरह मान्यता दिने व्यवस्था गरिएको छ । सभामा आफ्नो राय सुभाव दिन चाहनुहुने महानुभावले लिखित रूपमा आफ्नो राय/सुभाव कम्पनी सचिवको ईमेल ठेगानामासमेत दिनसक्ने व्यवस्था मिलाइएको छ ।
- वार्षिक साधारणसभामा भौतिक रूपमा भाग लिन इच्छुक शेयरधनी महानुभावहरूले शेयर प्रमाणपत्र/हितग्राही (DEMAT) खाता खोलिएको प्रमाण र आफ्नो परिचय खुल्ने प्रमाण वा सोको प्रतिलिपि (जस्तै नागरिकता प्रमाणपत्र वा अन्य कुनै फोटो सहितको परिचयपत्र) अनिवार्य रूपमा साथमा लिई आउनुहुन अनुरोध छ । कोरोना भाइरस (कोभिड -९९) महामारीको कारण सभामा उपरिथित हुँदा २ मिटरको सामाजिक दुरी कायम हुने गरी हाजिरी तथा सभास्थलमा बस्ने व्यवस्था कायम गरिएको हुँदा भाइरस संक्रमणबाट बच्न/बचाउनको लागि आवश्यक पर्ने मास्क/पज्जा लगायतका न्युनतम सुरक्षाको उपकरणहरू प्रयोग गर्न सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध छ । अन्यथा सभा कक्ष भित्र प्रवेश पाइने छैन । हाजिरी पुरितिका बिहान ९० बजे देखि सभा चालू रहन्जेलसम्म खुल्ला रहनेछ ।
- प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले मतदान गर्न पाउने अधिकतम हद वा सीमासम्म त्यस्तो शेयरधनीले लिन पाउने बैंकको अधिकतम शेयर हिस्साको मतदान सीमा हुने गरी प्रतिनिधि-पत्र (प्रोक्सी फाराम) भरी बैंककै शेयरधनीलाई प्रतिनिधि (प्रोक्सी) नियुक्त गरी बैंकको केन्द्रीय कार्यालय, कमलपोखरीमा सभा शुरू हुनुभन्दा कम्तिमा ७२ घण्टा अगाडि दर्ता गरी सक्नु पर्नेछ ।
- “मैले यस अधि दिएको सबै प्रतिनिधि-पत्र (प्रोक्सी) बदर गरी यो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिईयोस्” भनी छुटै पत्र लेखी पठाएको अवस्थामा अन्य सबै प्रतिनिधिहरू (प्रोक्सी) बदर भई सोही पत्रसाथ प्राप्त प्रतिनिधि-पत्र (प्रोक्सी) लाईमात्र मान्य हुनेछ । एकै
- शेयरधनीले एक भन्दा बढि व्यक्तिलाई कुनै किसिमबाट विभाजन गरी वा नगरी प्रतिनिधि (प्रोक्सी) नियुक्त गरेको सक्कल दस्तखत भएमा त्यस्तो सबै प्रतिनिधि (प्रोक्सी) बदर हुनेछ । नाबालक वा मानसिक सन्तुलन ठीक नभएको शेयरधनीहरूको तर्फबाट बैंकको शेयर लगत दर्ता किताबमा संरक्षकको रूपमा नाम दर्ता भएको महानुभावहरूले सभामा भाग लिन, प्रतिनिधि तोक्न सक्नु हुनेछ ।
- संयुक्त रूपमा शेयर खरीद गरिएको अवस्थामा शेयरधनीको लगत दर्ता किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतबाट प्रतिनिधि नियुक्त गरिएको सो एक व्यक्तिले मात्र सभामा भाग लिन पाउनुहुनेछ ।
- सभामा भाग लिन प्रतिनिधि नियुक्त गरिसकेपछि सम्बन्धित शेयरधनीले आफैले भाग लिन वा प्रतिनिधि फेरबदल गर्न चाहेमा सभा शुरू हुनुभन्दा कम्तीमा २४ घण्टा अगावै सो को सूचना बैंकको रजिस्टर्ड कार्यालय, कमलपोखरी, काठमाडौंमा दर्ता गरिसक्नु पर्नेछ । अन्यथा प्रतिनिधि फेरबदल हुन सक्ने छैन । तर सभामा सम्बन्धित शेयरधनी स्वयं उपरिथित हुन आएमा शेयरधनीले गरिदिएको अस्तियारनामा स्वतः बदर हुनेछ ।
- सर्वसाधारण समूहको सञ्चालक निर्वाचन सम्बन्धी जानकारी साधारणसभा हुनु भन्दा १५ दिन अगावै बैंकको केन्द्रीय कार्यालय रिथित निर्वाचन अधिकृतको कार्यालयबाट निर्वाचन सम्बन्धी कार्यक्रमको सूचना बैंकको सूचना पाटीमा प्रकाशित गरिनेछ ।
- सञ्चालक निर्वाचन सम्बन्धी कार्यक्रम सञ्चालक निर्वाचन निर्देशिका बमोजिम निर्वाचन अधिकृतले तोके बमोजिम हुनेछ ।
- सञ्चालक हुनको लागि बैंकको कम्तिमा १०० कित्ता साधारण शेयरधारण गरी मतदाता नामावलीमा नाम उल्लेख भएको सर्वसाधारण शेयरधनी हुनु पर्नेछ र कम्पनी ऐन, २०६३, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, नेपाल राष्ट्र बैंकले जारी गरेको निर्देशन तथा बैंकले जारी गरेको सञ्चालक निर्वाचन निर्देशिका बमोजिम अयोग्य नभएको व्यक्तिले मात्र उम्मेदवारी दर्ता गर्न सक्नेछ ।
- सञ्चालक पदमा उम्मेदवार हुन चाहने शेयरधनीले माथि उल्लेख भए बमोजिम बैंकको केन्द्रीय कार्यालयमा प्रकाशित निर्वाचन सम्बन्धी कायक्रमको सूचनामा उल्लेखित मितिमा निर्धारित समय भित्र बैंकको सर्वसाधारण समूहको एकजना शेयरधनी प्रस्तावक र अर्को एकजना शेयरधनी समर्थक सहित तोकिएको ढाँचा बमोजिम आफनो उम्मेदवारीको दरखास्त दर्ता गर्नु पर्नेछ । उम्मेदवारीबाट आफनो नाम फिर्ता लिन चाहेमासमेत सोही निर्वाचन सम्बन्धी कार्यक्रम बमोजिम आफनो नाम फिर्ता लिन दरखास्त दर्ता गर्नुपर्नेछ । सञ्चालक पदमा उम्मेदवारी दिने शेयरधनी अन्य उम्मेदवारको प्रस्तावक र समर्थक हुन सक्ने छैन ।
- सञ्चालकको निर्वाचनमा भाग लिन चाहने उम्मेदवारले बैंकको निर्वाचन निर्देशिकाको अनुसूचीमा उल्लेखित ढाँचाको मनोनयनपत्र तथा सोको दस्तुर रु १०,०००/- (दश हजार) (पछि फिर्ता नहुने) सहित निर्वाचन तालिकामा उल्लेखित मिति भित्रमा निर्वाचन अधिकृत समक्ष व्यक्तिगत स्पमा आफै उपरिथित भई मनोनयन पत्र दाखिला गर्नु पर्नेछ ।
- छलफलको विषय मध्ये विविध शीर्षक अन्तर्गत कुनै विषयमा साधारणसभामा छलफल गर्नुपर्ने भए इच्छुक शेयरधनीले सभा हुनुभन्दा ७ (सात) दिन अगावै सो विषय कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनुहुन अनुरोध छ ।
- सभा शुरू भन्दा १ (एक) घण्टा अगावै अनलाईन (भर्चुअल) (ZOOM) माध्यम खुला गरिने छ । साथै, निर्वाचन कार्यक्रमका सम्बन्धमा निर्वाचन अधिकृतको कार्यालयबाट प्रकाशित सूचना बमोजिम हुनेछ ।

प्रोक्सी फाराम

श्री सञ्चालक समिति
 प्राइम कॉमर्सियल बैंक लिमिटेड
 कमलपोखरी, काठमाण्डौ ।

तिष्य : प्रतिनिधि नियुक्त गरेको वारे ।

महाशय,

.....जिल्लामा.न.पा./उ.म.न.पा./न.पा./गाऊपालिका वडा नं..... बस्ने म/हामी ले
 त्यस बैंकको संस्थापक/सर्वसाधारण शेयरधनीको हैसियतले मिति २०७८ साल पौष महिना ६ गते मंगलबारका दिन हुने १४ औ
 वार्षिक साधारण सभामा म/हामी स्वयम् उपस्थित भई छलफल तथा निर्णयमा तथा निर्वाचनमा सहभागी हुन नसक्ने भएको
 हुनाले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिनका लागि.....जिल्लामा.न.पा./उ.म.न.पा./ न.पा./गाऊपालिका
 वडा नं..... बस्ने श्री..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएको छु/छौ ।

प्रतिनिधिको

दस्तखत	:	दस्तखत	:
नाम	:	नाम	:
ठेगाना	:	ठेगाना	:
(शेयरधनी नं.	:	शेयरधनी नं.	:
हितग्राही खाता नं.	:	हितग्राही खाता नं.	:
मिति	:	संस्थापक शेयर संख्या	:

निवेदकको

बैंकको छाप

कम्पनी सचिबको दस्तखत

द्रष्टव्य: यो प्रोक्सी फाराम साधारण सभा हुनु भन्दा ७२ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, कमलपोखरी, काठमाण्डा मा दर्ता गरीसक्नु पर्नेछ ।



प्रवेश पत्र

मिति : २०७८/०९/०६

शेयरधनीको नाम :

शेयर संख्या :

हितग्राही खाता नं. :

शेयरधनी नं :

चौधौ वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र

शेयरधनीको दस्तखत



कम्पनी सचिबको दस्तखत

द्रष्टव्य: उल्लेखित फाराम शेयरधनी आफैले भर्नुहोला । सभाकक्षमा प्रवेश गर्न यो प्रवेश पत्र अनिवार्य छ ।



प्राइम कमर्सियल बैंक लिमिटेडको चौधौ वार्षिक साधारण सभामा सञ्चालक समितिको अद्यक्षको आ.व. २०७७/७८ को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू

यस प्राइम कमर्सियल बैंक लिमिटेडको चौधौ वार्षिक साधारण सभामा स्वयं तथा भर्चुअल माध्यमबाट उपस्थित भै सभाको गरिमा बढाइदिनु भएकोमा सम्पूर्ण शेयरधनी महानुभावहरूलाई बैंक सञ्चालक समितिको तर्फबाट म हार्दिक स्वागत एवं अभिवादन गर्न चाहन्छु । बैंक रथापना भएको चौधौ वर्ष पूरा हुँदा सम्म बैंकका शेयरधनी महानुभावहरू, ग्राहकवर्ग, नियमन निकाय एवं सम्पूर्ण शुभेच्छुकहरूको सदाशयता र मार्ग निर्देशनका कारण बैंकले आफ्नो व्यवसायलाई विस्तार गरी निरन्तररूपमा दिगो प्रगति गर्दै आएको छ । यस प्राइम बैंकलाई नेपालकै एक अग्रणी वाणिज्य बैंकको रूपमा स्थापित गराउन यहाँहस्ताट प्राप्त सम्पूर्ण सहयोग एवं सदाशयता प्रति हार्दिक आभार प्रकट गर्न चाहन्छु ।

विगत दुई वर्षयता विश्वभर महामारीको रूपमा फैलिएको कोभिड-१९ र यसका पछिला भैरियन्टका श्रृंखला मानव स्वास्थ्यको लागि अझै गम्भीर चुनौतीको रूपमा खडा छन् । यस महामारीको संक्रमणबाट नागरिकहरूलाई आधारभूत स्वास्थ्य सामग्रीको अभाव हुन नदिन प्राइम बैंकले मुलुकको विभिन्न भागहरूमा जीवन रक्षाका लागि आवश्यक अक्सिजन सिलिण्डर लगायत अति आवश्यक स्वास्थ्य सामग्रीहरू वितरण गरी सामाजिक उत्तरदायित्व निर्वाह गरेको यहाँहरू समक्ष जानकारी गराउन चाहन्छु ।

संक्रमण फैलिनबाट रोक्न नेपाल सरकारले गरेको लामो अवधिको लकडाउनका कारणले समग्र उद्योग, व्यवसाय, कलकारखाना र बैंकिङ्ग क्षेत्रमा समेत अत्यन्त नकारात्मक प्रभाव परेको यहाँहरूलाई विदितै छ । यस सन्दर्भमा नेपाल सरकार र नेपाल राष्ट्र बैंक द्वारा घोषणा गरिएका विभिन्न राहत तथा अन्य सुविधाहरूलाई ग्राहकवर्गको आवश्यकता अनुसार प्रदान गरी प्रभावित व्यवसायहरूको पुनरुत्थानका लागि यस बैंकले विशेष प्रयत्न गर्दै आएको छ । ऋणीहरू यस बैंकको महत्वपूर्ण आधार स्तम्भ भएकोले आगामी दिनमा पनि उनीहरूको व्यापार व्यवसायमा कोभिड-१९ ले पारेको प्रभावको सुक्ष्म विश्लेषण गरी सदाशयताका साथ राहत र सुविधा प्रदान गर्दै जाने नीति लिएका छौं । यस महामारीका कारण अर्थतन्त्रमा बढ़ै गएको जोखिमलाई दृष्टिगत गरी बैंकले सचेतापूर्वक र सावधानीपूर्वक लगानी गर्दै आएको पनि यहाँहरू समक्ष जानकारी गराउन चाहन्छु ।

महामारीको यस चुनौतीका बीच उपलब्ध स्रोतको अधिकतम् उपयोग गरी तुलनात्मक रूपमा उच्च प्रतिफल आर्जन गर्नुपर्ने अवस्थामा उभिएका छौं । यस विषम परिस्थितिमा समेत बैंकले विगत वर्षहरूमा अवलम्बन गर्दै आएको जोखिम व्यवस्थापनका उत्कृष्ट रणनीति र कार्यशैलीका कारण आर्थिक सूचकांकहरू अत्यन्त उत्साहजनक छन् । आ.व. २०७७/७८ मा गत वर्षको तुलनामा निक्षेपमा २३.४१ प्रतिशतले बृद्धि गरी कुल रु १ खर्ब ६० अर्ब संकलन गर्न बैंक सफल भएको छ । साथै कर्जा प्रवाह पनि कुल रु १ खर्ब ४३ अर्ब पुगेको छ । यो गत वर्ष भन्दा २३.७८ प्रतिशतले बढी हो । बैंकले संचालन मुनाफामा गत वर्ष भन्दा ४३.३५ प्रतिशतले बृद्धि गरी रु ४ अर्ब ६८ करोड आर्जन गर्न सफल भएको छ । सो अवधिमा खुद नाफामा गत वर्ष भन्दा ४५.१७ प्रतिशत बृद्धि गरी रु ३ अर्ब २६ करोड आर्जन गरेको छ । आ.व. २०७७/७८ मा आर्जन गरेको खुद मुनाफाबाट १६ प्रतिशत बोनश शेयर र ०.६३१३ प्रतिशत नगद लाभांश वितरण गर्ने प्रस्ताव यस सभामा प्रस्तुत गरेका छौं ।

चालु आर्थिक वर्षको पहिलो त्रैमासमा बैंकिङ्ग क्षेत्रले चरम तरलता अभावको सामना गर्नु परेको छ । अन्तर्राष्ट्रिय बजारमा पेट्रोलियम पदार्थमा भएको मूल्य बृद्धि, अन्तर्राष्ट्रिय आपूर्ति श्रृंखलामा देखिएको व्यवधान लगायतका कारणले आयातमा तीव्र चाप परेको छ । निर्यातमा गिरावाट र मुलुकमा भित्रिने विप्रेषणमा अपेक्षाकृत बृद्धि नभएको कारणले शोधनान्तर घाटा बढ़ै गएको छ । विदेशी मुद्रा संचितिमा समेत ठूलो ह्वास आएको छ । मुलुकले धान्नै नसक्ने आयातमा भएको बृद्धिलाई न्यूनीकरण गर्नका लागि आयातित बस्तुहरूलाई कमश स्वदेशमै उत्पादित वस्तुबाट प्रतिस्थापन नगर्ने हो भने आगामी दिनहरूमा मुलुकको अर्थतन्त्र अझै असन्तुलित हुने देखिन्छ । कृषि प्रधान मुलुक नेपालले अहिले सय अर्ब भन्दा बढीको फलफूल, तरकारी, दाल, चामल, माछा मासु लगायतका कृषिजन्य बस्तुको आयात गरिरहेको अवस्था छ । कृषिलाई व्यवसायीकरण र यान्त्रीकरण गर्न सकेमा उक्त परिमाण बराबरको आयात प्रतिस्थापन हुन सक्छ । साथै उपयुक्त ग्रेडिङ, प्याकेजिङ र प्रशोधन गर्ने हो भने निर्यातको पनि प्रवल संभावना देखिन्छ । त्यसैले उपरोक्त परिदृश्यलाई अध्ययन र विश्लेषण गरी यस बैंकले आयातित बस्तुहरू प्रतिस्थापन गर्ने कृषिका विभिन्न मूल्य श्रृंखलाका साथै अन्य यस्तै उद्योग व्यवसायलाई विशेष प्राथमिकताका साथ लगानी गर्ने नीति लिएको छ ।

कोम्पिउ-१९ महामारीले समग्र व्यापार व्यवसायमा परेको नकारात्मक प्रभाव एवं बैंकिङ् क्षेत्रमा सिर्जित चरम तरलता अभावको बाबजुत, बैंकले चालु आर्थिक वर्षको पहिलो त्रैमासमा सन्तोषजनक प्रगति हासिल गरेको छ । बैंकले चालु आ.व. को पहिलो त्रैमासको अन्त्यमा १ खर्ब ६४ अर्ब ६६ करोड निक्षेप संकलन गरी १ खर्ब ५० अर्ब ८० करोड कर्जा प्रवाह गरेको छ । सो अवधिमा बैंकले १ अर्ब ४० करोड ९० लाख संचालन मुनाफा आर्जन गर्नुका साथै ९७ करोड ७९ लाख खुद मुनाफा आर्जन गरेको छ । चालु आ.व.मा मुलुकको अर्थतन्त्र एवं बैंकिङ् क्षेत्रमा देखिएको प्रतिकूल अवस्थामा समेत सन्तोषजनक नतिजा हासिल गर्न बैंक पूर्ण रूपमा प्रयासरत छ ।

अन्त्यमा,

यस बैंकको प्रगतिमा प्रत्यक्ष एवं परोक्ष रूपले सहयोग पुऱ्याउनु हुने सम्पूर्ण शेयरधनी महानुभावहरू, ग्राहकवर्ग, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लीयरिङ लि., नेपाल सरकारका सम्बन्धित नियमन निकायहरू एवं अन्य सरोकारवालाहरूलाई यस अवसरमा हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु । बैंकको उन्नति र प्रगतिमा निरन्तर लगनशीलताका साथ योगदान पुऱ्याउने बैंक व्यवस्थापन तथा कर्मचारीहरूलाई विशेष धन्यवाद दिन चाहन्छु । साथै बैंकको हरेक गतिविधिहरूलाई यथार्थपरक, वस्तुगत तथा सकारात्मक ढंगले आम जनसमुदाय समक्ष सम्प्रेषण गरिदिने संचार जगत लगायत अन्य सम्पूर्ण शुभेच्छुकहरू प्रति हार्दिक आभार प्रकट गर्दछु ।

धन्यवाद ।

राजेन्द्र दास श्रेष्ठ
अध्यक्ष

सञ्चालक समिति,
प्राइम कमर्सियल बैंक लिमिटेड
मिति: २०७८/०९/०६

प्राइम कमर्सियल बैंक लिमिटेडको चौधौ वार्षिक साधारण समाप्ति सञ्चालक समितिबाट प्रस्तुत आ. व. २०७७/७८ को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस प्राइम कमर्सियल बैंक लिमिटेडको चौधौ वार्षिक साधारण समाप्ति स्वयं पाल्नु भएका एवं भर्चुअल माध्यमबाट उपरिथित हुनुभएका सम्पूर्ण शेयरधनी एवं अतिथि महानुभावहरूमा यस बैंकको सञ्चालक समिति हार्दिक स्वागत तथा अभिवादन गर्दछ । आर्थिक वर्ष २०७७/७८ मा बैंकले हासिल गरेको उपलब्धिहरू, बैंक सञ्चालनमा देखिएका चुनौतिहरू एवं भविष्यमा बैंकले अखित्यार गर्न रणनीति एवं दीर्घकालिन योजनाहरूको बारेमा यस प्रतिवेदनमा संक्षिप्त रूपमा प्रस्तुत गरिएको छ ।

१. राष्ट्रिय/अन्तर्राष्ट्रिय अर्थतन्त्र

(क) विश्व अर्थतन्त्र

विश्वव्यापी महामारी कोभिड-१९ संक्रमणका कारण विश्व अर्थतन्त्रका अधिकांश क्षेत्र प्रभावित छन् । कोभिड-१९ संक्रमणको असरबाट विश्व अर्थतन्त्र निरन्तर पुर्नउत्थानको चरणमा छ । तर कोभिड-१९ को डेल्टा संस्करणले पुर्नउत्थानको गति सुस्ताता ल्याएको छ । अन्तर्राष्ट्रिय मुद्रा कोषको अनुसार विश्व अर्थतन्त्र सन् २०२२ को बीचदेखि महामारी पूर्वको अवस्थामा फर्किने अनुमान गरिएको छ । कोभिड-१९ महामारीका कारण प्रभावित भई सन् २०२० को विश्व अर्थतन्त्रको वृद्धिदर ३.१ प्रतिशतले ऋणात्मक रहेकोमा विश्व अर्थतन्त्रको वृद्धिदर सन् २०२१ मा ५.९ प्रतिशत र सन् २०२२ मा ४.९ प्रतिशत रहने अन्तर्राष्ट्रिय मुद्रा कोषको प्रक्षेपण रहेको छ ।

सन् २०२० मा -४.५ प्रतिशतले संकुचन भएको विकसित अर्थतन्त्र सन् २०२१ मा ५.२ प्रतिशतले र सन् २०२२ मा ४.५ प्रतिशतले वृद्धि हुने कोषको प्रक्षेपण छ । यसैगरी, उदीयमान तथा विकासशील अर्थतन्त्र सन् २०२० मा -२.१ प्रतिशतले संकुचन भएकोमा सन् २०२१ मा ६.४ प्रतिशतले र सन् २०२२ मा ५.१ प्रतिशतले वृद्धि हुने कोषको प्रक्षेपण छ । उदीयमान तथा विकासशील एसियाली अर्थतन्त्र सन् २०२० मा -०.८ प्रतिशतले संकुचन भएकोमा सन् २०२१ मा ७.२ प्रतिशतले र सन् २०२२ मा ६.३ प्रतिशतले वृद्धि हुने कोषको प्रक्षेपण छ । चीन र भारतको आर्थिक वृद्धिदर सन् २०२० मा क्रमशः २.३ प्रतिशत र -७.३ प्रतिशत रहेकोमा सन् २०२१ मा दुबै अर्थतन्त्रको वृद्धिदर ८.० प्रतिशत र १.५ प्रतिशत रहने कोषको प्रक्षेपण छ । यसैगरी, सन् २०२२ मा चीनको वृद्धिदर ५.६ प्रतिशत र भारतको ८.५ प्रतिशत रहने कोषको प्रक्षेपण छ ।

सन् २०२० मा विकसित र उदीयमान तथा विकासशील मुलुकहरूको मुद्रास्फीति क्रमशः ०.७ प्रतिशत र ५.१ प्रतिशत रहेकोमा सन् २०२१ मा क्रमशः २.८ प्रतिशत र ५.५ प्रतिशत रहने कोषको प्रक्षेपण छ । सन् २०२२ को बीचदेखि मुद्रास्फीति महामारी पूर्वको अवस्थामा फर्किई विकसित र उदीयमान तथा विकासशील मुलुकहरूको मुद्रास्फीति क्रमशः २.३ प्रतिशत र ४.९ प्रतिशत रहने कोषको प्रक्षेपण छ ।

सन् २०२० मा आयात तथा निर्यात दुबैमा संकुचन आई विश्व व्यापार आयतन ८.२ प्रतिशतले घटेकोमा सन् २०२१ मा ९.७ प्रतिशत तथा सन् २०२२ मा ६.७ प्रतिशतले विश्व व्यापार वृद्धि हुने कोषको प्रक्षेपण रहेको छ । विश्व व्यापारमा भएको संकुचनले सन् २०२० मा विश्वको कुल गार्हस्थ्य उत्पादन ३.१ प्रतिशतले घटेकोमा विश्व व्यापारको वृद्धि सँगै सन् २०२१ मा ५.९ प्रतिशत तथा सन् २०२२ मा ४.९ प्रतिशतले विश्वको कुल गार्हस्थ्य उत्पादन वृद्धि हुने कोषको प्रक्षेपण रहेको छ ।

(स्रोत: अन्तर्राष्ट्रिय मुद्रा कोषको सन् २०२१ अक्टोबरको आर्थिक प्रतिवेदन)

(ख) राष्ट्रिय अर्थतन्त्र

कोभिड - १९ का प्रभावका सन्दर्भमा

विश्वव्यापी महामारी कोभिड-१९ संक्रमणका कारण सम्पूर्ण विश्व अर्थतन्त्र प्रभावित हुदौ त्यसबाट नेपालको अर्थतन्त्र पनि अछुतो रहन सकेन । कोभिड-१९ संक्रमणको असरबाट प्रभावित विश्व अर्थतन्त्रको निरन्तर पुर्नउत्थान सँगै नेपालको अर्थतन्त्र पनि क्रमिक पुर्नउत्थानको चरणमा छ । तर हाल कोभिड-१९ को डेल्टा संस्करणले पुर्नउत्थानको गति सुस्ताता ल्याएको छ ।

विश्व अर्थतन्त्रमा क्रमिक पुर्नउत्थानका हुदै गर्दा विश्व श्रम बजार पनि क्रमिक खुल्ला तथा विस्तार हुने क्रम जारी छ । श्रम शक्तिले अन्तर्राष्ट्रिय श्रम बजार पाए सँगै विप्रेषण आप्रवाह विगत वर्ष भन्दा बृद्धि भएको छ । विश्वव्यापी महामारी कोभिड-१९ को बन्दाबन्दी आशिंक खुल्ला सँगै पूर्जीबजार भए वैकल्पिक लगानीको कमीका कारण जगेडा रहेको स-साना पूर्जी लिई साना लगानिकिर्ता बढेसँगै संकुचित रहेको पूर्जीबजार नेप्से ऐतिहासिक अधिक ३२२६.५४ विन्दुसम्म पुगेको थियो । प्रमुख वैदेशीक रोजगारीमा जाने क्रमसँगै विप्रेषण आप्रवाहमा सामान्य वृद्धि देखिएको छ । कोभिड-१९ महामारीको असर देशको राजस्व परिचालन तथा पुँजिगत खर्च र बैंकिङ क्षेत्रको कर्जा लगानीमा बढी परेको छ ।

कोभिड-१९ ले अर्थतन्त्रमा पारेको असर व्यवस्थापन गर्न मौद्रिक नीतिले मूल्य र वाट्य क्षेत्र रथायित्व कायम राख्न आर्थिक पुनरुत्थानमा जोड दिनका निम्ती तथा आर्थिक गतिविधिलाई चलायमान बनाउन कोभिड-१९ बाट अति प्रभावित क्षेत्रको कर्जा व्यवस्थापन र पहुँचमा चौधौ वार्षिक प्रतिवेदन २०७७/७८ सहजिकरण गर्न र वित्तीय साधनलाई उद्यमशीलता अभिवृद्धि र रोजगारी सिर्जना गर्न गरि मौद्रिक नीति जारी गरिएको छ ।

कुल गार्हस्थ्य उत्पादन र आर्थिक वृद्धि

नेपाल सरकारले आर्थिक वर्ष २०७७/७८ को बजेटमा ७ प्रतिशतले आर्थिक वृद्धि हुने लक्ष्य राखेकोमा केन्द्रीय तथ्याङ्क विभागको प्रारम्भिक आर्थिक वृद्धि ४.०९ प्रतिशत हुन सक्ने

अनुमान छ । अधिल्लो आर्थिक वर्ष यस्तो वृद्धिदर -२.०९ प्रतिशत रहेको थियो । कृषि क्षेत्रको वृद्धि २६४ प्रतिशत, उद्योग क्षेत्रको ५०५ प्रतिशत तथा सेवा क्षेत्रको वृद्धि ४४३ प्रतिशत रहेको अनुमान छ । आर्थिक वर्ष २०७७/७८ मा कुल गार्हस्थ उत्पादनमा कृषि, उद्योग र सेवा क्षेत्रको अंश क्रमशः २५८३ प्रतिशत, १३.११ प्रतिशत र ६१.०६ प्रतिशत रहेको छ । अधिल्लो वर्ष कुल गार्हस्थ उत्पादनमा कृषि, उद्योग र सेवा क्षेत्रको अंश क्रमशः २६.२१ प्रतिशत, १३.३७ प्रतिशत र ६०.४२ प्रतिशत रहेको थियो ।

केन्द्रीय तथ्याङ्क विभागका अनुसार आर्थिक वर्ष २०७७/७८ मा कुल गार्हस्थ बचत कुल गार्हस्थ उत्पादनको ६.६२ प्रतिशत पुगेको छ । कुल रिस्त्र युँजी निर्माण र कुल राष्ट्रिय बचतको कुल गार्हस्थ उत्पादनसँगको अनुपात क्रमशः २७.२६ प्रतिशत र ३२.३० प्रतिशत रहेको छ ।

मुद्रास्फीति

आर्थिक वर्ष २०७७/७८ मा वार्षिक औसत उपभोक्ता मुद्रास्फीति ३.६० प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्षमा यस्तो मुद्रास्फीति ६.१५ प्रतिशत रहेको थियो । आर्थिक वर्ष २०७७/७८ मा खाद्य तथा पेय पदार्थ समूहको वार्षिक औसत मुद्रास्फीति ५.०० प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्षमा उक्त समूहको मुद्रास्फीति ८.१६ प्रतिशत रहेको थियो । आर्थिक वर्ष २०७७/७८ मा गैर-खाद्य तथा सेवा समूहको वार्षिक औसत मुद्रास्फीति २.५१ प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्ष उक्त समूहको मुद्रास्फीति ४.६१ प्रतिशत रहेको थियो । २०७८ असारमा वार्षिक बिन्दुगत उपभोक्ता मुद्रास्फीति नेपालमा ४.९९ प्रतिशत र सन् २०२१ को जुलाईमा भारतमा ५.५९ प्रतिशत रहेको छ । आर्थिक वर्ष २०७७/७८ मा वार्षिक औसत थोक मुद्रास्फीति ७.६१ प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्ष यस्तो मुद्रास्फीति ६.८७ प्रतिशत रहेको थियो ।

वैदेशी व्यापार

आर्थिक वर्ष २०७७/७८ मा कुल वस्तु निर्यात ४४.४ प्रतिशतले वृद्धि भई रु. १ खर्ब ४१ अर्ब १२ करोड पुगेको छ । अधिल्लो वर्ष यस्तो निर्यात ०.६ प्रतिशतले वृद्धि भएको थियो । आर्थिक वर्ष २०७७/७८ मा कुल वस्तु आयात २८.७ प्रतिशतले वृद्धि भई रु. १५ खर्ब ३९ अर्ब ८४ करोड पुगेको छ । अधिल्लो वर्ष यस्तो आयात १५.६ प्रतिशतले घटेको थियो । आर्थिक वर्ष २०७७/७८ मा कुल वस्तु व्यापार घाटा २७.३ प्रतिशतले वृद्धि भई रु. १३ खर्ब १८ अर्ब ७१ करोड पुगेको छ । अधिल्लो वर्ष यस्तो घाटा १६.८ प्रतिशतले घटेको थियो । समिक्षा वर्षमा निर्यात-आयात अनुपात १.२ प्रतिशत पुगेको छ । अधिल्लो वर्ष यस्तो अनुपात ८.२ प्रतिशत रहेको थियो ।

विप्रेषण आप्रवाह

आर्थिक वर्ष २०७७/७८ मा विप्रेषण आप्रवाह ९.८ प्रतिशतले वृद्धि भई रु. ९ खर्ब ६१ अर्ब ५ करोड पुगेको छ । अधिल्लो वर्ष विप्रेषण आप्रवाह ०.५ प्रतिशतले घटेको थियो । अमेरिकी डलरमा विप्रेषण आप्रवाह ८.२ प्रतिशतले वृद्धि भई ८ अर्ब १५ करोड पुगेको छ । अधिल्लो वर्ष यस्तो आप्रवाह ३.३ प्रतिशतले घटेको थियो ।

चालु खाता एवम् शोधनान्तर स्थिति

आर्थिक वर्ष २०७७/७८ मा चालु खाता रु. ३ खर्ब ३३ अर्ब ६७ करोडले घाटामा रहेको छ । अधिल्लो वर्ष चालु खाता रु. ३३ अर्ब ७६ करोडले घाटामा रहेको थियो । अमेरिकी डलरमा अधिल्लो वर्ष ३३ करोड ९८ लाखले घाटामा रहेको चालु खाता समीक्षा वर्षमा २ अर्ब ८४ करोडले घाटामा रहेको छ । आर्थिक वर्ष २०७७/७८ मा शोधनान्तर स्थिति रु. १ अर्ब २३ करोडले बचतमा रहेको छ । अधिल्लो वर्ष शोधनान्तर स्थिति रु. २ खर्ब ८२ अर्ब ४१ करोडले बचतमा रहेको थियो ।

आर्थिक वर्ष २०७७/७८ मा पुँजीगत ट्रान्सफर ७.४ प्रतिशतले वृद्धि भई रु. १५ अर्ब २६ करोड पुगेको छ भने खुद प्रत्यक्ष वैदेशिक लगानी ०.२ प्रतिशतले वृद्धि भई रु. १९ अर्ब ५१ करोड कायम भएको छ । अधिल्लो वर्ष पुँजीगत ट्रान्सफर रु. १४ अर्ब २१ करोड र खुद प्रत्यक्ष वैदेशिक लगानी रु. १९ अर्ब ४८ करोड रहेको थियो ।

कुल विदेशी विनियम सञ्चिति

२०७७ असार मसान्तमा रु. १४ खर्ब १ अर्ब ८४ करोड बराबर रहेको कुल विदेशी विनियम सञ्चिति ०.२ प्रतिशतले कमी आई २०७८ असार मसान्तमा रु. १३ खर्ब १९ अर्ब ३ करोड कायम भएको छ । अमेरिकी डलरमा यस्तो सञ्चिति २०७७ असार मसान्तमा रु. ११ अर्ब ६५ करोड रहेकोमा २०७८ असार मसान्तमा ०.९ प्रतिशतले वृद्धि भई ११ अर्ब ७५ करोड पुगेको छ । आर्थिक वर्ष २०७७/७८ को आयातलाई आधार मान्दा बैकिङ्ग क्षेत्रसँग रहेको विदेशी विनियम सञ्चिति ११.२ महिनाको वस्तु आयात र १०.२ महिनाको वस्तु तथा सेवा आयात धान पर्याप्त रहने देखिन्छ । २०७८ असार मसान्तमा विदेशी विनियम सञ्चितिको कुल गार्हस्थ उत्पादन, कुल आयात र विस्तृत मुद्राप्रदायसँगका अनुपातहरू क्रमशः ३२.८ प्रतिशत, ८४.७ प्रतिशत र २७.१ प्रतिशत रहेका छन् । २०७७ असार मसान्तमा यी अनुपातहरू क्रमशः ३५.८ प्रतिशत, १०५.७ प्रतिशत र ३३.१ प्रतिशत रहेका थिए ।

बाह्य लगानी स्थिति

२०७८ असार मसान्तमा मुलुकको वैदेशिक सम्पत्ति रु. १४ खर्ब ८१ अर्ब १२ करोड तथा दायित्व रु. १३ खर्ब १५ अर्ब ४ करोड रहेको छ । फलस्वरूप, खुद वैदेशिक सम्पत्ति र दायित्वको स्थिति (Net International Investment Position) रु. ८६ अर्ब ८ करोड रहेको छ । २०७७ असारमा यस्तो रकम रु. २ खर्ब ४८ अर्ब ६७ करोड रहेको थियो ।

विनियम दर

२०७७ असार मसान्तको तुलनामा २०७८ असार मसान्तमा अमेरिकी डलरसँग नेपाली रूपैयाँ १.१ प्रतिशतले अधिमूल्यन भएको छ । अधिल्लो वर्ष नेपाली रूपैयाँ १.१ प्रतिशतले अवमूल्यन भएको थियो । २०७८ असार मसान्तमा अमेरिकी डलर एकको खरिद विनियम दर रु. ११९.०४ पुगेको छ । २०७७ असार मसान्तमा उक्त विनियम दर रु. १२०.३७ रहेको थियो ।

ब्याजदर

२०७७ असारमा ११-दिने ट्रेजरी बीलको भारित औसत ब्याजदर १.२७ प्रतिशत रहेकोमा २०७८ असारमा ४.५५ प्रतिशत रहेको छ । वाणिज्य बैंकहरूबीचको अन्तर-बैंक कारोबारको भारित औसत ब्याजदर २०७७ असारमा ०.३५ प्रतिशत रहेकोमा २०७८ असारमा ४.१२ प्रतिशत रहेको छ । मौद्रिक नीतिको सञ्चालन लक्ष्यको रूपमा लिइने औसत अन्तर-बैंक ब्याजदर २०७८ असारमा ४.१४ प्रतिशत रहेको छ ।

वाणिज्य बैंकहरूको औसत आधार दर २०७७ असारमा ८.५० प्रतिशत रहेकोमा २०७८ असारमा ६.८६ प्रतिशत कायम भएको छ । २०७८ असारमा वाणिज्य बैंकहरूको निक्षेपको भारित औसत ब्याजदर ४.६५ प्रतिशत र कर्जाको भारित औसत ब्याजदर ८.४३ प्रतिशत रहेको छ । अधिल्लो वर्ष यस्ता दरहरू क्रमशः ६.०१ प्रतिशत र १०.११ प्रतिशत रहेका थिए ।

मर्जर र प्राप्ति

वित्तीय स्थायित्व सुदूरीकरण गर्न उद्देश्यले यस बैंकले बैंक तथा वित्तीय संस्था गाभ्ने/गाभिने तथा प्राप्ति सम्बन्धी प्रक्रिया शुरू गराए पश्चात २०७८ असार मसान्तसम्म कुल २२९ बैंक तथा वित्तीय संस्थाहरू मर्जर/प्राप्ति प्रक्रियामा सामेल भएका छन् । यसमध्ये १७१ संस्थाहरूको इजाजत खारेज हुन गई ५८ संस्था कायम भएका छन् ।

निक्षेप संकलन तथा कर्जा प्रवाह

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको निक्षेप २१.४ प्रतिशतले बढेको छ । अधिल्लो वर्ष यस्तो निक्षेप १८.७ प्रतिशतले बढेको थियो । २०७८ असारमा बैंक तथा वित्तीय संस्थाहरूको कुल निक्षेपमा चल्ती, बचत र मुद्दीको अंश क्रमशः १०.४ प्रतिशत, ३४.२ प्रतिशत र ४७.० प्रतिशत रहेको छ । अधिल्लो वर्ष यस्तो अंश क्रमशः १० प्रतिशत, ३१.९ प्रतिशत र ४८.६ प्रतिशत रहेको थियो । २०७८ असार मसान्तमा बैंक तथा वित्तीय संस्थाहरूको कुल निक्षेपमा संस्थागत निक्षेपको अंश ४२.७ प्रतिशत रहेको छ । २०७७ असार मसान्तमा यस्तो निक्षेपको अंश ४४.३ प्रतिशत रहेको थियो ।

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा २७.३ प्रतिशतले बढेको छ । अधिल्लो वर्ष यस्तो कर्जा १२ प्रतिशतले बढेको थियो । समीक्षा वर्षमा निजी क्षेत्रफल प्रवाहित कर्जामध्ये वाणिज्य बैंकहरूको कर्जा प्रवाह २७.८ प्रतिशतले, विकास बैंकहरूको कर्जा प्रवाह ३०.५ प्रतिशतले बढेको छ भने वित्त कम्पनीहरूको कर्जा प्रवाह ६.३ प्रतिशतले घटेको छ ।

२०७८ असार मसान्तमा बैंक तथा वित्तीय संस्थाहरूको लगानीमा रहेको कर्जामध्ये ६६.१ प्रतिशत कर्जा घर जग्गाको धितोमा र १२.७ प्रतिशत कर्जा चालु सम्पत्ति (कृषि तथा गैर-कृषिजन्य वस्तु) को धितोमा प्रवाह भएको छ । २०७७ असार मसान्तमा यस्तो धितोमा प्रवाहित कर्जाको अनुपात क्रमशः ६५.७ प्रतिशत र १३ प्रतिशत रहेको थियो । आर्थिक वर्ष २०७७/७८ मा बैंक तथा वित्तीय संस्थाहरूको कृषि क्षेत्रफलको कर्जा ४३.६ प्रतिशतले, औद्योगिक उत्पादन क्षेत्रफलको कर्जा २०.६ प्रतिशतले, निर्माण क्षेत्रफलको कर्जा

१८.४ प्रतिशतले, यातायात, संचार तथा सार्वजनिक सेवा क्षेत्रफलको कर्जा २०.४ प्रतिशतले, थोक तथा खुद्रा व्यापार क्षेत्रफलको कर्जा २६.२ प्रतिशतले र सेवा उद्योग क्षेत्रफलको कर्जा २०.९ प्रतिशतले बढेको छ ।

तरलता व्यवस्थापन

समीक्षा वर्षमा रिभर्स रिपोमार्फत रु. १ खर्ब ९ अर्ब ५४ करोड र निक्षेप संकलन बोलकबोल मार्फत् रु. १ खर्ब १३ अर्ब ७५ करोड गरी कुल रु. ३ खर्ब ३ अर्ब २९ करोड तरलता प्रशोचन गरिएको छ । अधिल्लो वर्षको सोही अवधिमा रु. ७८ अर्ब तरलता प्रशोचन भएको थियो । आर्थिक वर्ष २०७७/७८ मा रिपोमार्फत् रु. ६७ अर्ब ९४ करोड र स्थायी तरलता सुविधामार्फत् रु. ३७० अर्ब ३४ करोड गरी कुल रु. ४ खर्ब ३८ अर्ब २८ करोड तरलता प्रवाह गरिएको छ । अधिल्लो वर्ष रु. २ खर्ब १९ अर्ब १६ करोड तरलता प्रवाह भएको थियो ।

समीक्षा वर्षमा यस बैंकले विदेशी विनियम बजार (वाणिज्य बैंकहरू) बाट अमेरिकी डलर ३ अर्ब ६२ करोड खूद खरिद गरी रु. ४ खर्ब २८ अर्ब ५४ करोड तरलता प्रवाह गरेको छ । अधिल्लो वर्ष विदेशी विनियम बजारबाट अमेरिकी डलर ४ अर्ब २१ करोड खरिद गरी रु. ४ खर्ब ९२ अर्ब २४ करोड तरलता प्रवाह गरिएको थियो ।

वित्तीय पहुँच

कुल ७५३ स्थानीय तहमध्ये २०७८ असारसम्म ७५० तहमा वाणिज्य बैंकहरूका शाखा विस्तार भएका छन् । २०७७ असारसम्म ७४७ स्थानीय तहमा वाणिज्य बैंकहरूका शाखा विस्तार भएका थिए । यस बैंकबाट इजाजतप्राप्त बैंक तथा वित्तीय संस्थाहरूको संख्या २०७८ असार मसान्तमा १३३ रहेको छ । यस मध्ये २७ वाणिज्य बैंक, १८ विकास बैंक, १७ वित्त कम्पनी, ७० लघुवित्त वित्तीय संस्था र १ पूर्वाधार विकास बैंक सञ्चालनमा रहेका छन् । बैंक तथा वित्तीय संस्थाहरूको शाखा संख्या २०७७ असार मसान्तमा १७६५ रहेकोमा २०७८ असार मसान्तमा १०,६८३ पुगेको छ ।

(चोत: नेपाल राष्ट्र बैंक, देशको वर्तमान आर्थिक तथा वित्तीय स्थिति)

२. आर्थिक वर्ष २०७७/७८ मा बैंकको कारोबारको सिंहावलोकन

कोभिड-१९ संक्रमणका कारण सृजित प्रतिकुल परिस्थितीमा समेत यस बैंकले आफ्नो सेवाग्राहीहरूलाई प्रभावकारी बैकिङ सेवा सुविधा प्रदान गर्दै आएको छ । यस आर्थिक वर्षमा बैंकले आफ्नो प्राप्ति मार्फत शाखा संजाल र ग्राहकआधार विस्तार गर्दै शेयरधनीहरूलाई उच्च प्रतिफल दिन सफल भएको छ । यस बैंकको काठमाण्डौ उपत्यका भित्र ४९ तथा उपत्यका बाहिर १३८ गरी जम्मा १८७ वटा शाखा कार्यालय तथा १०७ वटा एटिएम पुगेका छन् ।

आर्थिक वर्ष २०७७/७८ को वित्तीय विवरण Nepal Financial Reporting Standard (NFRS) बमोजिमको सर्वमान्य लेखाको सिद्धान्तका आधारमा तयार गरिएको छ । समीक्षा अवधि र अधिल्लो आर्थिक वर्षको वित्तीय विवरण अनुसार यस बैंकको वित्तीय स्थितिको तुलनात्मक अवस्था देहाय बमोजिम रहेका छन् ।

तुलनात्मक प्रगति विवरण

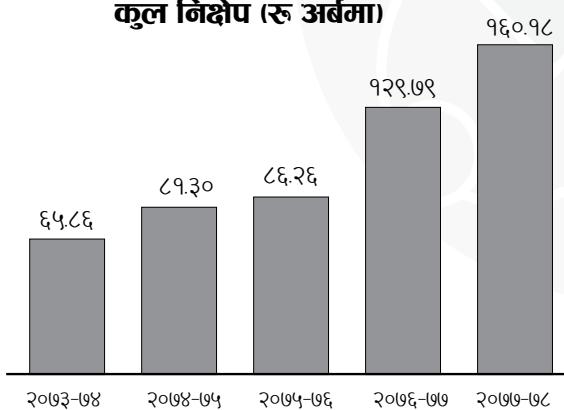
विवरण	आ.व. २०७७/७८	आ.व. २०७६/७७	बढी/ (घटी)	प्रतिशत
चुक्ता पैंची *	१६,०८३,०३६,९००	१३,९८५,२४९,५०४	२,०९७,७८७,३९६	१५.००%
कुल सम्पत्ति	१९०,५३७,२९८,७३२	१५२,१८२,१९३,१७५	३८३,५४,२२४,७५७	२५.२०%
कुल निक्षेप	१६०,१८१,८८७,६३०	१२९,७९९,१०५,०३५	३०,३८१,१८२,५९४	२३.४१%
कुल कर्जा	१४२,९३०,६८५,५५३	११५,४७०,४९३,८६३	२७,४६०,२७१,६९०	२३.७८%
कुल लगानी	२३,४७२,८७७,३२१	१३,७४४,३०३,२९०	१,७२८,५७४,०३१	७०.७८%
खुद व्याज आमदानी	५,९४८,८९०,५५०	४,६४०,६२९,०८०	१,३०८,२६९,४७१	२८.१९%
कर्मचारी खर्च	१,५९१,३४२,५२५	१,०९३,७७६,९०४	४१७,५६५,६२१	४५.४१%
अन्य संचालन खर्च	७९६,६९१,९२७	६७२,९६१,९८४	१२३,७३०,७४३	१८.३९%
कुल संचालन खर्च	२,३८८,०३४,४५२	१,७६६,७३८,०८९	६२१,२९६,३६४	३५.१७%
संचालन मुनाफा	४,६८५,३३३,८४२	३,२६८,५४२,९६९	१,४१६,७९०,८७३	४३.३५%
खुद नाफा/(नोक्सान)	३,२६८,४००,६८७	२,२५१,४७८,३००	१,०१६,९२२,३८७	४५.१७%

*प्रस्तावित बोनश शेयर बाहेक

(क) निक्षेप परिचालन

यस बैंकले गत आर्थिक वर्षको भन्दा २३.४१ प्रतिशतले बृद्धि गरी यस आ. ब. मा कुल निक्षेप रु. १ खर्ब ६० अर्ब १८ करोड परिचालन गरेको छ । साथै संस्थागत एवं ठूला निक्षेपको अंशलाई सिमामा राखी ऋमिक रूपले साना निक्षेपकर्ता हस्ताई बढाएको छ । बिगत पाँच वर्षको निक्षेप संकलन यस प्रकार रहेको छ ।

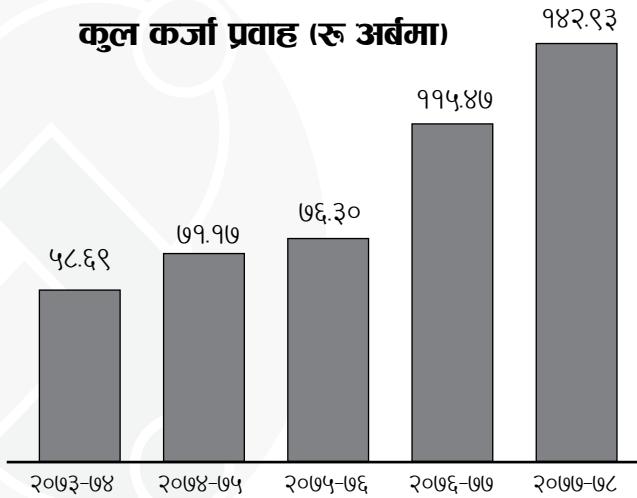
कुल निक्षेप (रु अर्बमा)



(ख) कर्जा प्रवाह

गत वर्षको तुलनामा यस आर्थिक वर्षमा बैंकले कर्जा प्रवाहमा २३.७८ प्रतिशतले बृद्धि गर्दै रु. १ खर्ब ४२ अर्ब १३ करोड पुऱ्याएको छ । मुलुकले उच्च प्राथमिकताका साथ महत्व दिइएको कृषि क्षेत्रमा व्याबसायिक कृषि खेती, पशुपालन तथा मत्स्यपालनमा लगानी बढाउने नीति अवलम्बन गरी सोही बमोजिम लगानीको पूर्वाधार तयार गरिरहेको छ । प्राथमिकता प्राप्त क्षेत्रमा नेपाल राष्ट्र बैंकले तोके बमोजिम आफ्नो लगानी बिस्तार गर्दै आएको छ । यसै गरी बैंकले सहुलियतपूर्ण कर्जालाई पनि प्रथमिकताका साथ लगानी गर्दै आएको छ । बैंकले विगत पाँच वर्षहरूमा प्रवाह गरेको कर्जाको निम्न बमोजिम समिक्षा गरिएको छ ।

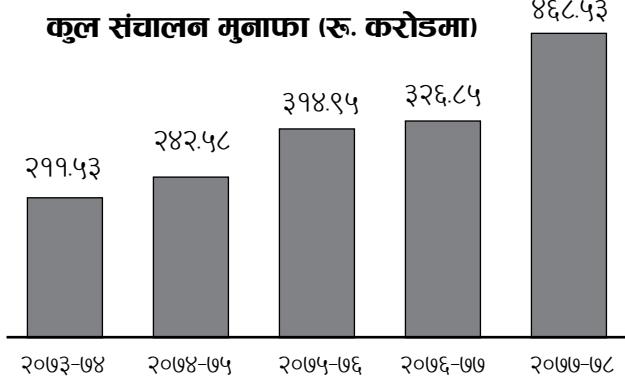
कुल कर्जा प्रवाह (रु अर्बमा)



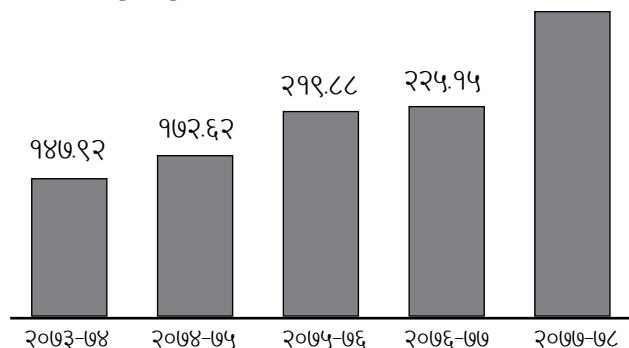
(ग) संचालन र खुद मुनाफा

गत वर्षमा बैंकले रु. ३ अर्ब २६ करोड सञ्चालन मुनाफा आर्जन गरेकोमा यस आ.व. मा संचालन मुनाफा ४३.३५ प्रतिशतले बृद्धि गरि रु. ४ अर्ब ६८ करोड आर्जन गरेको छ । यसै गरी गत वर्ष खुद मुनाफा रु. २ अर्ब २५ करोड रहेकोमा यस आ.व. मा खुद मुनाफा रु. ३ अर्ब २६ करोड रहेको छ जुन अधिल्लो बर्षको तुलनामा ४५.१७ प्रतिशतले बढि हो ।

कुल संचालन मुनाफा (रु. करोडमा)



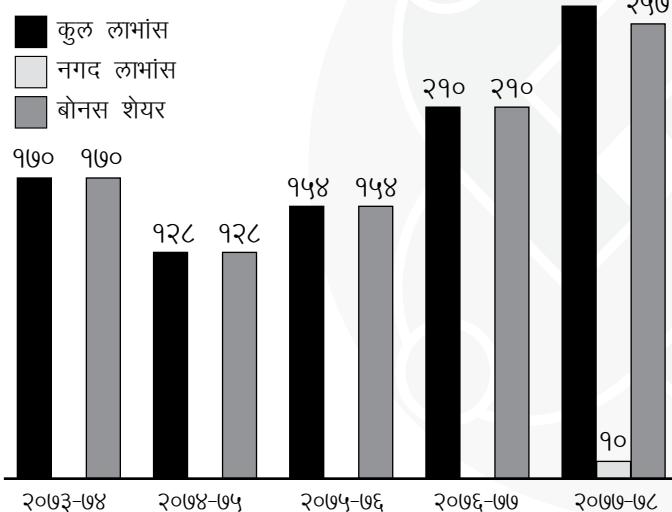
खुद मुनाफा (रु. करोडमा)



घ) लाभांस/बोनस शेयर

यस बैंकले आफ्ना लगानीकर्ताहरू लाई उच्चतम प्रतिफल प्रदान गर्न विशेष प्राथमिकता दिँदै आव. २०७७/७८ मा नेपाल राष्ट्र बैंकबाट स्वीकृत भए अनुसार असार मसान्तमा कायम रहेको कूल पूँजी रु. १६,०८३,०३६,९००/- को १६ प्रतिशतले रु. २,५७३,२८५,९०४/- बोनस शेयर तथा विगत बर्षहरूको र यसै वर्षको कर समायोजनका लागि ०.६३१३ प्रतिशतले हुने रु.१०९,५३२,२९२/- वितरण गर्ने प्रस्ताव यहाँहरू समक्ष स्वीकृतिको लागि पेश गर्दछौं ।

लाभांस (रु करोडमा)



(ड) शाखा सञ्जालमा विस्तार

नेपाल राष्ट्र बैंकको एकीकृत निर्देशनको पालना गर्दै बैंकको व्यवसाय वृद्धि गर्ने र सरकारी कारोबार गर्ने गरी बैंकका शाखाहरू सातै प्रदेशहरूमा अवस्थित छन् । प्रदेशिक मातहातका शाखाहरूको कामकारबाहीको अनुगमन र निरीक्षण गर्न सातै प्रदेशमा छुटै प्रादेशिक कार्यालयको व्यवस्था समेत गरिएको छ । विगत वर्षमा बैंकले ५ नयाँ शाखा विस्तार तथा एकै स्थानमा भएको एक भन्दा बढी शाखाहरू समायोजन गरी बैंकको जम्मा शाखा सञ्जाल १८९ पुगेका छन् ।

३. विविध

(क) आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन

बैंकिङ्क्षेत्रमा केहि समयबाट बढ्दै गएको संचालन जोखिम र अनलाईन सुविधाहरूबाट बैंकको समग्र जोखिम व्यवस्थापनमा

थप चुनौतिहरू देखिएका छन् । यस बैंकले संचालन जोखिम न्यूनीकरणका लागि प्रत्येक कारोबार क्षेत्रको नीति, नियम र कार्यविधि तयार गरी प्रभावकारी रूपमा लागु गर्दै आउने क्रममा IS Audit लाई निरन्तरता दिँदै आएको छ । यसका साथै विभिन्न कारोबारको संचालनमा संलग्न कर्मचारीहरूको कारोबारको प्रकृति अनुसार अधिकार प्रत्यायोजन गरिएको छ । संचालन जोखिम न्यूनीकरणका लागि Steering Committee गठन गरी हरेक दिनको कारोबारलाई निगरानी गरिएको छ । यस्ता जोखिम न्यूनिकरणका लागि अबलम्बन गरिएका उपायहरूको विषयमा जोखिम व्यवस्थापन समितिमा छलफल गरी आवश्यक नीतिहरू तर्जुमा गर्ने गरिएको छ । बैंकका सम्पूर्ण कामकारबाहीहरू प्रचलित कानुन बमोजिम भए गरेको छ छैन त्यसको यकिन गर्ने उद्देश्यले बैंकमा एउटा स्वतन्त्र आन्तरिक लेखापरिक्षण विभाग गठन गरी त्यस विभागलाई गैरकार्यकारी सञ्चालकको संयोजकत्वमा गठित लेखापरिक्षण समिति मातहत राखिएको छ । बैंकले आन्तरिक नियन्त्रण प्रणाली मजबूत गर्ने तथा जोखिम व्यवस्थापन प्रणाली प्रभावकारी बनाउन Risk Based Internal Audit को अवधारणामा आन्तरिक लेखापरीक्षण विभागबाट लेखापरिक्षण गर्ने गरिएको छ । विभिन्न बैंकिङ्क्षेत्रमा जोखिमहरू व्यवस्थापनका लागि बैंकले सधै अग्रिम सतर्कता अपनाउँदै आएको छ ।

(ख) संस्थागत सुशासन

संस्थाको लक्ष्य प्राप्ति तथा दीर्घकालीन सफलताको लागि संस्थागत सुशासन कायम रहनु अपरिहार्य भएकोले यसको परिपालनामा बैंक सदैव प्रतिवद्व रहेको छ । संस्थागत सुशासनको मार्ग दर्शक भनेको नेपाल राष्ट्र बैंक तथा अन्य नियामक निकाय बाट जारी हुने निर्देशन तथा नीति नियमहरू भएकोले यस्ता नीति निर्देशनहरूलाई अक्षरण पालना गर्दै अधि बढ्ने नीति यस बैंकले लिएको छ । बैंकमा संस्थागत सुशासन कायम गरी सम्पूर्ण सरोकार वाला पक्षहरूको हितलाई सर्वोपरि बनाउन बैंकको दैनिक कार्य सञ्चालन प्रणाली नियन्त्रित एवं चुस्तदुरुस्त ढङ्गले सञ्चालित हुने वाताबारण श्रृजना गरिएको छ । यसका निमित्त व्यवस्थापन तथा सञ्चालक स्तरका आन्तरिक लेखापरीक्षण, जोखिम व्यवस्थापन, मानव संसाधन जस्ता विभिन्न समितिहरू निर्माण गरी नियमित अनुगमन तथा आवश्यक निर्देशन गर्ने गरिएको छ ।

(ग) मानव संशाधन

यस बैंकको “कर्मचारी व्यवस्थापन तथा सेवा सुविधा” समितिले समय सापेक्ष कर्मचारीको सेवा सुविधाको पुनरावलोकन गरी आवश्यक बृद्धि गर्न तथा कर्मचारीहरूको पारदर्शी ढंगले स्तर बृद्धि गर्नका साथै दक्ष जनशक्तिको भर्ना, छनौट, नियुक्ति, पदस्थापना, सरलवा, वृत्ति विकास, कार्यसम्पादन मूल्याङ्कन, पुरस्कार तथा सजाय लागि आवश्यक नीति तयार पारी प्रभावकारी ढङ्गले कार्यान्वयन गर्दै आएको छ । बैंकले आफ्नो प्रगतिका लागि रचनात्मक भूमिका खेल्ने कर्मचारीको योगदानलाई उच्च मूल्याङ्कन गर्दै आफ्ना जनशक्तिलाई थप दक्षता प्रदान गर्न समय सापेक्ष आवश्यक आन्तरिक, वाह्य तथा अर्तराष्ट्रिय तालिम प्रदान गर्दै आएको छ । यसैक्रममा बैंकले यस आर्थिक

वर्षमा ७६ वटा विभिन्न तालिम, सेमिनार तथा अन्तरक्रियामा कार्यक्रममा १,०६२ कर्मचारीहरूलाई समावेश गयो । साथै समीक्षा वर्षमा बैंकमा १,५३७ जना कर्मचारीहरू कार्यरत रहेकोमा १०४ पुरुष कर्मचारी छन् भने ६३३ जना महिला कर्मचारी रहेका छन् ।

(घ) संस्थागत सामाजिक उत्तरदायित्व

नेपाल राष्ट्र बैंकको निर्देशन अनुसार प्रत्येक आर्थिक वर्षको खुद मुनाफाबाट १ प्रतिशत रकम संस्थागत सामाजिक उत्तरदायित्वको प्रयोजनको लागि छुट्याउनु पर्न व्यवस्था रहे बमोजिम कोष खडा गरी आगामी आर्थिक वर्षमा परिचालन गरिने छ । बैंकले आफ्नो संस्थागत सामाजिक उत्तरदायित्व नियमावली अनुरूप विभिन्न कार्यक्रमहरू गरिरहेको छ । यस विसम घडीमा बैंकले सामाजिक उत्तरदायित्व बहन गर्दै नेपाल नेत्रज्योति संघ, नेपाल क्यान्सर केयर, कोरोना भाइरस रोकथाम तथा नियन्त्रण कोष, विभिन्न स्थानीय निकायमा खडा गरिएको कोषहरू, विभिन्न स्वास्थ्य संस्था र अञ्चल अस्पतालहरूको लागि प्रत्यक्ष तथा अप्रत्यक्ष रूपमा योगदान गर्दै आएको छ । समीक्षा वर्षमा बैंकले आफ्ना कर्मचारीको लागि कोभिड-१९ को महामारीबाट सुरक्षित राख्न, रोकथाम गर्न तथा उपचार बापत रु ५५,७९०,३९८/- यस कोषबाट खर्च गरेको छ । साथै रु. २,७०३,५९३/- बराबरको बीर अस्पताललाई कोभिड उपचारार्थ सामान उपलब्ध गराएको, रु. २,२३०,३५५/- को सेती र महाकाली अस्पताललाई अक्सीजन सिलिन्डर उपलब्ध गराएको, रु. ६००,०००/- को भक्तपुर जिल्ला CCTV जडानको लागि उपलब्ध गराएको, रु. ४९९,७९१/- को ट्राफिक प्रहरी, कमलपोखरीको लागि ट्राफिक लाईट जडान गरिएको र रु. ४७०,५८८/- को श्री रामजानकी गारी गुरुकुलमलाई योगा हल निर्माणको लागि सहयोग गरिएको छ ।

(घ) सरकारी राजस्वमा योगदान

आ.व. २०७७/७८ मा बैंकले अग्रिम आयकर बापत रु. १ अर्ब ६० करोड र विभिन्न भुक्तानीमा कर कट्टी गरे बापत रु. ८० कारोड गरी कुल रु. २ अर्ब ४० करोड ठूला करदाता कार्यालयमा दाखिला गरेको छ ।

(च) बैंकको भावी योजना र रणनीति

मुलुकमा कोरोना भाइरसको महामारी एवं लकडाउनका कारण अधिकांश उद्योग व्यवसायहरूको संचालनमा अवरोध भई र केही व्यवसायहरूमा अल्पकालिन एवं दीर्घकालिन असर परेको देखिएको छ । बैंकले विभिन्न क्षेत्रका व्यवसायहरूमा परेका असरबारे विस्तृत अध्ययन गरी ऋणीहरूलाई श्री नेपाल राष्ट्र बैंकको निर्देशनको समेत अधिनमा रही आवश्यक सुविधा प्रदान गरी समस्या सम्बोधन गर्ने रणनीति तर्जुमा गरी सोहि अनुरूप कर्यान्वयन भझरहेको छ ।

बैंकले उपलब्ध निक्षेप तथा पूँजीलाई दीर्घकालिन योजना तर्जुमा गरी बचतकर्ता तथा सम्पूर्ण सरोकारवाला पक्षहरूलाई नियमनकारी निकायको नीति नियम भित्र रहि सरोकारवालाहरूलाई उच्चतम प्रतिफल प्रदान गर्ने रणनीति बैंकले अवलम्बन गर्दै आएकोमा बैंकले आगामी वर्षहरूमा समेत सो कमलाई निरन्तरता दिनेछ । बैंकले आफ्नो पूँजी, ग्राहक संख्या र शाखा संज्ञाल अभ मजबूत बनाउने उद्देश्यले

आफ्नो रणनीति अनुरूप आगामी वर्षहरूमा पनि अन्य बैंक तथा वित्तीय संस्थाहरूलाई प्राप्ति गर्नेछ ।

बैंकले आफ्नो लगानी विस्तार गरी मुलुकको पूर्वाधार विकासका लागि महत्वपूर्ण योगदान गर्दै आएको छ र यसलाई आगामी वर्षहरूमा पनि निरन्तरता दिइनेछ । नविकरणीय उर्जालाई विषेश प्राथमिकता दिई, देशको पूर्वाधार विकास एवं अन्य विकास निर्माण कार्यलाई अवसरको रूपमा सदुपयोग गरी लगानी विस्तार गर्दै जाने नीति बैंकले अवलम्बन गर्नेछ । निक्षेप र कर्जा लगानीमा प्रतिस्पर्धी ब्याज दर कायम गरी आफ्ना ग्राहकवर्गलाई गुणस्तरीय तथा आधुनिक बैंकिङ सेवा प्रदान गर्दै जाने रणनीति बैंकले लिएको छ । उपलब्ध लगानी योग्य पूँजीलाई सम्भाव्यता भएका औद्योगिक, व्यावसायिक एवं सेवा क्षेत्रमा लगानी गर्ने नीतिलाई निरन्तरता दिइने छ । कर्जाको गुणस्तरलाई कायम गर्न समय समयमा ऋणीको व्यवसाय, परियोजना तथा धितोको स्थलगत निरीक्षण एवं अन्य जोखिम न्यूनीकरणका उपायहरू पहिल्याई उक्त उपायहरूको कडाईकासाथ परिपालना गराउने कार्यलाई निरन्तरता दिइनेछ ।

नेपाल राष्ट्र बैंकले विगत वर्षहरूदेखि नै उत्पादनशील क्षेत्र, जलविद्युत परियोजना, कृषि क्षेत्र एवं साना तथा मझौला उद्योगमा लगानी बढाउनका लागि विशेष प्रोत्साहन गर्दै आएकोमा यस बैंकले समेत यी क्षेत्रहरूलाई विशेष प्राथमिकता दिई प्रत्येक कृषि क्षेत्रलाई सुहाउँदो थप विविध कर्जा योजनाहरू विस्तार गर्ने छ ।

कृषि, उर्जा, पर्यटन एवम् साना तथा मझौला उद्योगमा कर्जा प्रवाह विस्तार गरी वित्तीय साधनको उत्पादनशील उपयोगलाई प्रोत्साहन गरी राष्ट्र विकासमा टेवा पुर्याउने लक्ष्य बमोजिम कर्जा प्रवाह गर्ने गरिएको छ र यसलाई निरन्तरता दिइनेछ । साथै, सेयर बजार तथा रियल स्टेट क्षेत्रमा हुने कर्जा प्रवाहलाई निरन्तर अनुगमन गर्दै जोखिम न्यूनीकरण गर्न समेत बैंक सजग रहेको छ । नेपाल राष्ट्र बैंकले प्रदान गर्दै आएको सहुलियत कर्जा मार्फत पुनर्निर्माण पुनरकर्जा लिई कर्जा उपलब्ध गराउने कार्य प्राथमिकताका साथ गर्दै आएको छ ।

अन्त्यमा,

यस बैंकको प्रगतिमा प्रत्यक्ष वा अप्रत्यक्ष रूपले सहयोग पुऱ्याउनु हुने सम्पूर्ण शेयरधनी महानुभावहरू, ग्राहकवर्ग, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, नेपाल सरकारका सम्बन्धित नियमन निकायहरू एवं अन्य सरोकारवालाहरूलाई हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छौं । बैंकको उन्नति र प्रगतिमा निरन्तर लगानशीलताका साथ योगदान पुऱ्याउने बैंक व्यवस्थापन तथा कर्मचारीहरूलाई विशेष धन्यवाद दिन चाहन्छौं । साथै बैंकको हरेक गतिबिधिहरूलाई सकारात्मक ढंगले आम जनसमुदाय समक्ष सम्प्रेषण गरिदिने संचार जगत लगायत अन्य सम्पूर्ण शुभेच्छुकहरू प्रति हार्दिक आभार प्रकट गर्दछौं ।

धन्यवाद ।

सञ्चालक समिति
 मिति : २०७८/०९/०६

प्राइम कमर्सियल बैंक लिमिटेड

कम्पनी ऐन. २०६३ को दफा १०८ संग सम्बन्धित

अतिरिक्त वार्षिक आर्थिक विवरण

(क) विगत वर्षको कारोबारको सिंहावलोकन:-
 सञ्चालक समितिको वार्षिक प्रतिवेदनमा उल्लेख गरिएको ।

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर बैंकको कारोबारलाई देहाएका बुँदाहरूले असर पारेको छ:-

- बैंकझ क्षेत्रमा विद्यमान बढ्दो प्रतिस्पर्धा
- विदेशी विनियम दरमा हुने जोखिम
- बहुमूल्य धातुको मूल्यमा उतारचढाब

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा:-
 सञ्चालक समितिको वार्षिक प्रतिवेदनमा प्रस्तुत गरिएको ।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध:-
 बैंकले आफ्ना सबै सरोकारवालाहरूसँग सौहाद्रपूर्ण र व्यावसायिक सम्बन्ध विस्तार गरेको छ । यस सम्बन्धलाई व्यावसायिक तथा पारदर्शिताका आधारमा विकसित गर्दै लैजानु फलदायी हुने र बैंकको प्रगतिकालागि उपयुक्त माध्यम हुने बैंकको विश्वास छ ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण:-
 यस आ.ब.मा सञ्चालक समितिमा कुनै पनि हेरफेर नभएको ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरू:-

- विश्वव्यापी रूपमा फैलिरहेको कोरोनाको महामारीको कारणले विश्व अर्थतन्त्रमा नै परेको नकारात्मक प्रभावबाट सम्पूर्ण बैंकिङ क्षेत्र नै अझ प्रभावित हुन सक्ने प्रक्षेपण ।
- अन्तरराष्ट्रिय जगतमा प्रतिस्पधात्मक रूपमा आएको विभिन्न online बैंकिङ उपकरणहरू र त्यसले निस्त्याउने जोखिमहरू
- निक्षेप तथा कर्जा लगानीको व्याजदरमा हुने परिवर्तन
- विनियमदरमा हुने परिवर्तन
- पूँजी बजारमा आउन सक्ने उतारचढाब

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिकृया:-
 सबै कैफियतहरूलाई यथाशिव्र सुधार गरिसकिएका आवस्था रहेको छ ।

(ज) लाभांश बॉडफॉड गर्न सिफारिस गरिएको रकम:-
 आ.व. २०७७/७८ को वितरण योग्य मुनाफाबाट असार मसान्तमा कायम रहेको यस बैंकको चुक्ता पूँजी रु. १६,०८३,०३६,९००।- को १६ प्रतिशतले रु. २,५७३,२८५,९०४।- बोनश शेयर र ०.६३१३ प्रतिशतले रु. १०९,५३२,२९२।- नगद लाभांश (कर प्रयोजनको लागि) दिने प्रस्ताव गरिएको छ ।

**(झ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरण:-
 कुनै पनि शेयर जफत नभएको ।**

**(ज) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन:-
 बैंकको यस आ.व.को प्रगति विवरण यसै प्रतिवेदनमा बुँदागत रूपमा प्रस्तुत गरिएको छ र यस बैंकको सहायक कम्पनी हाल नभएको ।**

**(झ) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन:-
 कुनै पनि सहायक कम्पनी नभएको ।**

**(झ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी:-
 आधारभूत शेयरधनीहरूले कुनै पनि जानकारी उपलब्ध नगराएको ।**

(झ) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सोसम्बन्धमा निजहरूस्थाट कम्पनीले प्राप्त गरेको जानकारी:-

सि.नं.	नाम	धारण गरेको पद	शेयर संख्या
१.	राजेन्द्र दास श्रेष्ठ	सञ्चालक/अधिकृत	२८५,०९९
२.	उदय मोहन श्रेष्ठ	सञ्चालक	७४९,०५०
३.	नरेन्द्र बज्राचार्य	सञ्चालक	१,०९४,४८१
४.	गजेन्द्र विष्ट	सञ्चालक	१५,४५८
५.	प्रो. डा. मंगला श्रेष्ठ	स्वतन्त्र सञ्चालक	-
६.	प्रचण्ड मान श्रेष्ठ	सञ्चालक	१,५४६
७.	मनोज पौडेल	सञ्चालक	१,५४६
८.	सुजन काफ्ले एण्ड एसोसियट्स	वाह्य लेखा परीक्षक	-
९.	नारायण दास मानन्धर	प्रमुख कार्यकारी अधिकृत	३३८,६०५
१०.	संजिव मानन्धर	महाप्रबन्धक	५११,३२८
११.	अंगूत चरण श्रेष्ठ	महाप्रबन्धक	-

**(झ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा:-
 नभएको ।**

(ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंडित मूल्य तथा त्यसरी शेयरखरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम:-

समीक्षा वर्षमा शेयरहस्को पूनः खरिद कार्य नभएको ।

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

बैकले आन्तरिक नियन्त्रण प्रणाली चुस्त र मजबुद बनाउन देहाएको व्यवस्था गरिएको छ :

- आन्तरिक लेखापरिक्षण विभागको स्वतन्त्र काम कारबाही
- लेखापरिक्षण समितिको नियमित अनुगमन
- जोखिम व्ययवस्थापन समितिको स्वतन्त्र काम कारबाही
- संचालन जोखिम न्यूनिकरणको लागि विभिन्न नियमावली तथा विनियमावलीको अक्षरस पालना गरिएको

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण:-

शीर्षक	रकम रु.
कर्मचारी खर्च	१,५९९,३४२,५२५
संचालन खर्च	६१२,३१०,८०४
हस्सकहि खर्च	१८४,३८१,१२४
कुल	२,३८८,०३४,४५२

(द) लेखापरीक्षण समितिका सदस्यहस्को नामावली, निजहस्को प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुभाव दिएको भए सोको विवरण:- बैकको सञ्चालक श्री उदयमोहन श्रेष्ठको संयोजनामा गठित लेखापरीक्षण समितिमा सञ्चालक श्री प्रचण्डमान श्रेष्ठ र श्री गजेन्द्र विष्ट सदस्य रहनु भएको तथा बैकका आन्तरिक लेखापरीक्षण विभागका प्रमुख श्री मिलन चन्द्र महर्जन सचिव रहनुभएको छ । यस समितिका सचिवलाई बाहेक सदस्यहस्को बैठक भत्ता मात्र प्रदान गरिएको छ । समीक्षा वर्षमा समिताको बैठक सात (७) पटक बसेको छ ।

समितिले बैकको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानून र नियमहरू पालना, लेखापरीक्षण कार्यक्रम आदिबारे नियमित समीक्षा गर्दै आएको छ । आन्तरिक साथै बाह्य लेखापरीक्षण प्रतिवेदनमा उल्लिखित कैफियतहस्ताथि विस्तृत छलफल गरी समितिले आवश्यक सुधारका कामहरू समेत गर्दै आएको छ । त्यसको नियमित स्पमा सञ्चालक समितिलाई जानकारी गराउने गरिएको छ ।

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

(न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहस्को भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:-

सि. नं.	विवरण	सञ्चालक	प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहस्को
१	बैठक भत्ता	३,४३५,०००	-	-
२	तलब	-	१०,०८०,०००	८,४०९,६००
३	भत्ता	-	८,९२०,०००	६,४२०,८००
४	दशै भत्ता	-	१,४००,०००	१,१४०,८००
५	सञ्चयकोष	-	१,००८,०००	८४०,९६०
६	बोनस	-	प्रचलित बोनश ऐन अनुरूप	प्रचलित बोनश ऐन अनुरूप
७	गाडी सुविधा	छैन	छ	छ
८	मोवाइल	छ	छ	छ
९	इम्बन	छ	छ	छ

*सञ्चालक समितिको सदस्यहस्को टेलिफोन/ मोवाइल/ पत्रपत्रिका तथा अन्य खर्चहरू वापत रु. १,४६०,०९० खर्च गरिएको छ ।

- प्रमुख कार्यकारी अधिकृतलाई कार्यालय प्रयोजनको लागि चालक इन्धन र मर्मतसंभार सहित गाडी सुविधाको व्यवस्था गरिएको छ । अन्य प्रमुख पदाधिकारीहस्को बैकको नियमानुसार गाडी सुविधा उपलब्ध गराइएको छ ।
- प्रमुख कार्यकारी अधिकृत लगायत कार्यकारी तहका अधिकृतहस्को बैकको नियमानुसार मोवाइल विलको भुक्तानी बैकले गरिदिने व्यवस्था गरिएको छ ।

(प) शेयरधनीहस्को बुफिलिन बाँकी रहेको लाभांशको रकम:- रु. १००,५३५,७९६/-

(फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण:-
नभएको ।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण:-
नभएको ।

(भ) यस ऐन तथा प्रचलित कानूनबमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा:-
नभएको ।

(म) अन्य आवश्यक कुराहरू:-
नभएको ।

धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को
(नियम २६ को उपनियम (२) साग सम्बन्धित)
अनुसूची - १५ तमोजिम

१. सञ्चालक समितिको प्रतिवेदन:-

१४ औं वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

२. लेखापरिक्षकको प्रतिवेदन:-

१४ औं वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

३. लेखापरिक्षण भएको वित्तीय विवरण:-

१४ औं वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

४. कानूनी कारबाही सम्बन्धी विवरण:-

देहाय अनुसारको मुद्दा दायर भएको भए, मुद्दा दायर भएको मिति, विषय, मुद्दा दायर भएको संस्थापक वा सञ्चालकको नाम र सम्भाव्य कानूनी सम्बन्धी विवरण समावेश गरिनुपनः-

क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भएः-

यस त्रैमासिक अवधिमा यस बैकले वा बैकको विरुद्धमा कुनै मुद्दा दायर नगरेको अवस्था छ ।

ख) संगठित संस्थाको संस्थापक वा सञ्चालकल वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौज्दारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भएः-

समीक्षा अवधिमा बैकको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौज्दारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर नभएको ।

ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भएः-

हालसम्म बैकको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमका अवज्ञा वा फौज्दारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर नभएको ।

५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण:-

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

शेयरको कारोबार खुल्ला बजारद्वारा प्रतिपादन गरेको मूल्य तथा मान्यता अनुरूप हुने गरेको हुनाले बैकको कारोबार सन्तोषजनक रहेको ।

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

विवरण	पहिलो त्रैमास	दोश्रो त्रैमास	तेस्रो त्रैमास	चौथो त्रैमास
अधिकतम मूल्य (रु.)	३९६	४६८	४९५	४९८
न्यूनतम मूल्य (रु.)	२५७	२८५	४०९	४९३
अन्तिम मूल्य (रु.)	२८७	४४२	४५१	४०९
कारोबार संख्या	१८,०७७	४६,५५५	३२,४९८	४६,८९४
कारोबार दिन	६४	५८	५१	६५
कारोबार शेयर संख्या	४,७७८,३१०	१५,७७९,१०९	१०,०७९,२९७	१,१६,८०३

६. समस्या तथा चुनौती:-

आन्तरिक समस्या र चुनौती

- बैंकिङ्ग क्षेत्रमा देखिएको आर्थिक तरलताको उचित व्यवस्थापनका लागि देखिएका चुनौतिहरू ।
- महामारीका कारणले पुर्वाधारमा आधारित परियोजना लगाएतका अन्य लगानीका अवसरहरूमा कमी आउनु ।
- महामारीका कारणले बैकका कर्मचारीहरूमा बढ्दो स्वास्थ्य सम्बन्धि जोखिम ।

बाह्य समस्या र चुनौती

- विश्वव्यापी रूपमा फैलिरहेको कोरोनाको महामारीको कारणले विश्व अर्थतन्त्रको कुल ग्राहस्थ्य उत्पादनमा ह्लास आउनुका साथै मुलुकको अर्थतन्त्रमा समेत परेको नकारात्मक प्रभावबाट सम्पूर्ण बैंकिङ्ग क्षेत्र नै प्रभावित हुन गएको ।
- महामारीका कारण बैदेशिक रोजगारीमा रहेका कामदारहरू परेको असरले दीर्घकालिन रूपमा मुलुकमा भित्रिने विप्रेषणमा कमी हुने देखिएको ।
- विभिन्न व्यापार व्यवसायहरू सामान्य ढंगले सुचारू हुन नसकेको कारणले व्याज तथा ऋण असुली अत्यन्त चुनौतिपूर्ण रहेको ।
- देशको राजनैतिक अस्थिरताका कारण आउन सक्ने जोखिमहरू ।

७. संस्थागत सुशासन:-

सम्बन्धि विवरण सञ्चालक समितिको १४ औं वार्षिक प्रतिवेदनको बुदा नं. ३(ख) मा उल्लेख गरिएको ।

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PRIME COMMERCIAL BANK LIMITED
Report on the Audit of Financial Statements**

Qualified Opinion¹

We have audited the financial statements of Prime Commercial Bank Limited, (herein after 'the bank/company') which comprise the statement of financial position as at Ashad 31, 2078 (corresponding to July 15, 2021) and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information prepared in accordance with Nepal Financial Reporting Standards (NFRS).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of the bank and the financial statements of the bank present fairly, in all material respects, the financial position of the bank and the bank as at Ashad 31, 2078 (corresponding to July 15, 2021) and its financial performance, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended in accordance with the Nepal Financial Reporting Standards.

Basis of Qualified Opinion

During the last financial year, our audit opinion was qualified on the ground of departure of Nepal Financial Reporting Standard 3: Business Combinations and Carve-Out issued by The Institute of Chartered Accountants of Nepal dated 2078/07/25 BS in relation to acquisition of M/S Kankai Bikas Bank Ltd and M/S Kailash Bikas Bank Ltd made during the fiscal year 2076-77 and effects of the departure in the Financial Statements are still unresolved in case of corresponding figures of that fiscal year end.

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 Financial Statements* section of our report. We are independent of the bank in accordance with the ICAN's *Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of the financial statement in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's *Handbook of Code of Ethics for Professional Accountants*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



¹ As per NSA 705

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of the other information, we are required to report that fact.

Key Audit Matters²

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except the matters described in the basis of qualified opinion, we have determined that there are no key audit matters for the current period to communicate in our report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the prevailing accounting practices, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

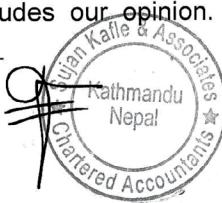
In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Bank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

The Audit committee composed of supervisory board of directors as members is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

² As per NSA 701



assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

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

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence 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 bank.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

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 compiled 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.



Report on the requirements of Bank and Financial Institutions Act, 2073 and Companies Act, 2063

As per Section 66(3) of Bank and Financial Institutions Act, 2073 we declare that-

- replies to the queries as per the demand were provided,
- the balance sheet, off-balance sheet transactions, profit and loss account, cash flow statement and other financial statements, as well, have been prepared in such format and in accordance with such procedures as prescribed by the Rastra Bank, and whether or not they actually matched with the accounts, records, books and ledgers maintained by the bank and financial institution,
- the accounts, records, books and ledgers have been maintained accurately in accordance with prevailing laws,
- any official of the bank or financial institution has not committed any act contrary to the prevailing laws or committed any irregularity or caused any loss or damage to the bank or financial institution,
- credits have been written off as per the Credit Write-off Byelaws or directives of the Rastra Bank,
- the transactions of the financial institution have been carried on in a satisfactory manner as prescribed by the Rastra Bank,
- matters to be informed to the shareholders have been adequately provided in notes to accounts and other disclosure,

We did not come across cases, based on our audit, of accounting related fraud and the cases where the board of directors or any director or any office bearer of the bank has acted contrary to the provisions of law or caused loss or damage to the bank or committed any misappropriation of the funds of bank and materially complied with the provisions of the Companies Act 2063 as well.


 Kathmandu
 Nepal
 Chartered Accountants
 Association of Nepal

Sujan Kumar Kafle, FCA
 Managing Partner

Place: Kathmandu,
 Date: November 08, 2021
 UDIN: 211109CA002750GdjC

Prime Commercial Bank Limited Statement of Financial Position

As on 31 Ashadh 2078

Amount in NPR

Particulars	Note	Current Year	Previous Year
Assets			
Cash and Cash Equivalents	4.1	7,864,971,018	10,379,968,108
Due from Nepal Rastra Bank	4.2	10,497,986,812	8,716,147,441
Placement with Bank and Financial Institutions	4.3	4,766,883,849	2,260,117,991
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to B/FIs	4.6	6,097,765,504	4,116,319,738
Loans and Advances to Customers	4.7	135,383,783,808	110,435,793,069
Investment Securities	4.8	23,426,854,321	13,684,280,290
Current Tax Assets	4.9	288,058,641	136,770,124
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	46,023,000	60,023,000
Investment Property	4.12	365,775,958	496,489,981
Property and Equipment	4.13	1,048,084,951	1,076,214,783
Goodwill and Intangible Assets	4.14	22,773,971	15,995,334
Deferred Tax Assets	4.15	34,938,030	11,946,088
Other Assets	4.16	693,318,870	792,928,030
Total Assets		190,537,218,732	152,182,993,975
Liabilities			
Due to Bank and Financial Institutions	4.17	6,042,373,556	10,350,291,413
Due to Nepal Rastra Bank	4.18	2,360,808,929	121,197,355
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	154,139,514,074	119,441,613,623
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred Tax Liabilities	4.15	-	-
Other Liabilities	4.23	1,612,039,976	1,743,037,097
Debt Securities Issued	4.24	2,440,968,911	-
Subordinated Liabilities	4.25	-	-
Total Liabilities		166,595,705,446	131,656,139,487
Equity			
Share Capital	4.26	16,083,036,900	13,985,249,504
Share Premium		-	644,823
Retained Earnings		2,719,161,525	1,888,969,218
Reserves	4.27	5,139,314,861	4,651,990,943
Total Equity Attributable to Equity Holders		23,941,513,286	20,526,854,488
Non Controlling Interest		-	-
Total Equity		23,941,513,286	20,526,854,488
Total Liabilities and Equity		190,537,218,732	152,182,993,975
Contingent Liabilities and Commitments	4.28	83,387,413,838	65,437,349,876
Net Assets Value per share		148.86	146.78

As per our Report of even date

Sweachha Karki Head - Finance	Narayan Das Manandhar Chief Executive Officer	Rajendra Das Shrestha Chairman	Sujan Kumar Kafle, FCA Managing Partner
Udaya Mohan Shrestha Director	Narendra Bajracharya Director	Gajendra Bista Director	Sujan Kafle and Associates Chartered Accountants
Prof. Dr. Mangala Shrestha Director	Prachanda Man Shrestha Director	Manoj Paudel Director	

Prime Commercial Bank Limited

Statement of Profit or Loss

For the year ended 31 Ashadh 2078

Amount in NPR

Particulars	Note	Current Year	Previous Year
Interest Income	4.29	14,009,655,970	12,233,257,785
Interest Expense	4.30	8,060,765,419	7,592,636,706
Net Interest Income		5,948,890,550	4,640,621,080
Fee and Commission Income	4.31	1,408,058,182	902,766,630
Fee and Commission Expense	4.32	105,269,669	71,334,334
Net Fee and Commission Income		1,302,788,513	831,432,295
Net Interest, Fee and Commission Income		7,251,679,063	5,472,053,375
Net Trading Income	4.33	321,266,753	267,526,501
Other Operating Income	4.34	269,718,604	61,914,593
Total Operating Income		7,842,664,420	5,801,494,468
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	769,296,125	766,213,411
Net Operating Income		7,073,368,295	5,035,281,058
Operating Expense			
Personnel Expenses	4.36	1,591,342,525	1,093,776,904
Other Operating Expenses	4.37	612,310,804	532,520,434
Depreciation & Amortisation	4.38	184,381,124	140,440,750
Operating Profit		4,685,333,842	3,268,542,969
Non Operating Income	4.39	-	-
Non Operating Expense	4.40	-	-
Profit Before Income Tax		4,685,333,842	3,268,542,969
Income Tax Expense	4.41		
Current Tax		1,502,607,145	993,515,491
Deferred Tax		(85,673,990)	23,549,178
Profit for the Year		3,268,400,687	2,251,478,300
Profit Attributable to:			
Equity-holders of the Bank		3,268,400,687	2,251,478,300
Non-Controlling Interest		-	-
Profit for the Year		3,268,400,687	2,251,478,300
Earnings per Share			
Basic Earnings per Share		20.32	16.10
Diluted Earnings per Share		20.32	16.10

As per our Report of even date

Sweachha Karki Head - Finance	Narayan Das Manandhar Chief Executive Officer	Rajendra Das Shrestha Chairman	Sujan Kumar Kafle, FCA Managing Partner
Udaya Mohan Shrestha Director	Narendra Bajracharya Director	Gajendra Bista Director	Sujan Kafle and Associates Chartered Accountants
Prof. Dr. Mangala Shrestha Director	Prachanda Man Shrestha Director	Manoj Paudel Director	

Prime Commercial Bank Limited

Statement of Other Comprehensive Income

For the year ended 31 Ashadh 2078

Amount in NPR

Particulars	Note	Current Year	Previous Year
Profit for the year		3,268,400,687	2,251,478,300
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		196,179,218	136,225,242
Gains/(losses) on revaluation		-	-
Actuarial gains/(losses) on defined benefit plans		12,760,940	35,047,710
Income tax relating to above items		(62,682,047)	(51,381,886)
Net other comprehensive income that will not be reclassified to profit or loss		146,258,110	119,891,066
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		146,258,110	119,891,066
Total Comprehensive Income for the Year		3,414,658,798	2,371,369,367
Total Comprehensive Income attributable to:		-	-
Equity-Holders of the Bank		3,414,658,798	2,371,369,367
Non-Controlling Interest		-	-
Total Comprehensive Income for the Period		3,414,658,798	2,371,369,367

As per our Report of even date

Sweachha Karki
Head - Finance
 Udaya Mohan Shrestha
Director
 Prof. Dr. Mangala Shrestha
Director

Narayan Das Manandhar
Chief Executive Officer
 Narendra Bajracharya
Director
 Prachanda Man Shrestha
Director

Rajendra Das Shrestha
Chairman
 Gajendra Bista
Director
 Manoj Paudel
Director

Sujan Kumar Kafle, FCA
Managing Partner
Sujan Kafle and Associates
Chartered Accountants

Date: 8th November 2021
 Place: Kamalpokhari, Kathmandu

Prime Commercial Bank Limited
Statement of Changes in Equity
For the year ended 31 Ashadh 2078

Amount in NPR

Particulars	Attributable to Equity-Holders of the Bank								Total
	Share Capital	Share Premium	General Reserve	Capital Reserve	Exchange Rate Reserve	Equity Reserve	Fair Value Reserve	Revaluation Reserve	
Balance at Shrawan 01, 2076	9,318,626,700	-	2,030,151,750	-	2,709,748	456,653,653	(21,612,669)	-	13,403,989,292
Adjustment/Restatement	-	-	-	-	-	-	-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2076	9,318,626,700	-	2,030,151,750	-	2,709,748	456,653,653	(21,612,669)	-	13,403,989,292
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	2,251,478,300
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	2,251,478,300
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	-	-	-	-	-	-	-	-	2,371,369,367
Transfer to Reserves during the year	-	450,295,660	879,041	260,174,364	95,357,669	-	2,000,000	(855,754,915)	47,048,180
Transfer from Reserves during the year	-	-	-	-	(139,999,367)	-	(631,943)	204,002,024	(63,370,714)
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	1,549,896,272	-	-	-	-	-	-	(1,549,896,272)	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-
Transfer from acquired entities	3,116,776,532	644,823	876,889,649	322,211,268	595,932	298,514,928	(14,028,006)	-	631,943
Total Contributions by and Distributions	4,666,622,804	644,823	1,327,185,309	322,211,268	1,474,973	418,689,926	81,329,663	2,000,000	313,323,585
Balance at Asar 31, 2077	13,985,249,504	644,823	3,357,337,059	322,211,268	4,184,721	875,343,578	59,716,994	3,500,000	1,888,969,218
									29,667,324
									20,526,854,488

Particulars	Attributable to Equity-Holders of the Bank											
	Share Capital	Share Premium	General Reserve	Capital Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair value Reserve	Revaluation Reserve	Investment Adjustment Reserve	Retained Earning	Other Reserve	Total
Balance at Shrawan 01, 2077	13,985,249,504	644,823	3,357,337,059	322,211,268	4,184,721	875,343,578	59,716,994	-	3,500,000	1,888,969,218	29,697,324	20,526,854,488
Adjustment/ Restatement	-	-	-	-	-	-	-	-	-	(14,029,194)	14,029,194	-
Adjustment/Restated Balance as at Shrawan 01, 2077	13,985,249,504	644,823	3,357,337,059	322,211,268	4,184,721	875,343,578	59,716,994	-	3,500,000	1,874,940,025	43,726,517	20,526,854,488
Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	3,268,400,687	-	3,268,400,687
Other Comprehensive Income, Net of Tax												
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	137,325,452	-	137,325,452	
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	8,932,658	-	8,932,658	
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	3,414,658,798	-	3,414,658,798	
Transfer to Reserves during the year	-	-	653,680,137	-	648,095	-	137,325,452	-	(833,270,349)	41,616,665	-	
Transfer from Reserves during the year	-	-	-	-	-	(13,811,727)	-	-	37,764,357	(23,952,630)	-	
Transactions with Owners, directly recognised in Equity	-	-	-	-	-	-	-	-	-	-	-	
Share Issued	-	-	-	-	-	-	-	-	-	-	-	
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	
Dividend to Equity-Holders												
Bonus Shares Issued	2,097,787,396	(644,823)	-	(322,211,268)	-	-	-	-	(1,774,931,305)	-	-	
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	
Total Contributions by and Distributions	2,097,787,396	(644,823)	653,680,137	(322,211,268)	648,095	(13,811,727)	137,325,452	-	844,221,500	17,664,035	3,414,658,798	
Balance at Asar 31, 2078	16,083,036,900	-	4,011,017,197	-	4,832,816	861,531,851	197,042,446	-	3,500,000	2,719,161,525	61,330,552	23,941,513,286

As per our Report of even date

Sweachha Karki
Head - Finance
 Udaya Mohan Shrestha
Director
 Prof. Dr. Mangala Shrestha
Director

Narayan Das Manandhar
Chief Executive Officer
 Narendra Bajracharya
Director
 Prachanda Man Shrestha
Director

Sujan Kumar Kafle, FCA
Managing Partner
 Sujan Kafle and Associates
Chartered Accountants

Date: 8th November 2021
 Place: Kamalpokhari, Kathmandu

Prime Commercial Bank Limited

Statement of Cash Flows

For the year ended 31 Ashadh 2078

Amount in NPR

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	13,288,583,574	10,987,829,334
Fee and Other Income Received	1,126,237,095	1,038,502,575
Dividend Received	-	-
Receipts from Other Operating Activities	385,306,280	298,929,201
Interest Paid	(7,991,030,431)	(7,634,285,899)
Commissions and Fees Paid	(105,269,669)	(71,334,334)
Cash Payment to Employees	(1,442,892,323)	(951,540,236)
Other Expenses Paid	(595,857,903)	(529,780,162)
Operating Cash Flows before Changes in Operating Assets and Liabilities	4,665,076,622	3,138,320,478
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(1,781,839,371)	(908,166,265)
Placement with Banks and Financial Institutions	(2,508,253,539)	(1,142,848,657)
Other Trading Assets	-	-
Loans and Advances to BFIs	(2,020,314,943)	(1,101,511,468)
Loans and Advances to Customers	(25,701,276,990)	(37,896,150,705)
Other Assets	99,609,160	284,383,490
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financials Institutions	(4,307,917,857)	1,132,528,089
Due to Nepal Rastra Bank	2,239,611,574	(1,148,151,970)
Deposit from Customers	34,697,900,451	42,401,539,248
Borrowings	-	-
Other Liabilities	(8,745,780)	148,688,620
Net Cash Flow from Operating Activities before Tax Paid	5,373,849,328	4,908,630,861
Income Tax Paid	(1,653,895,662)	(1,017,753,403)
Net Cash Flow from Operating Activities	3,719,953,666	3,890,877,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(10,043,182,120)	(3,600,991,252)
Receipts from Sale of Investment Securities	613,600,468	196,437,363
Purchase of Property and Equipment	(181,332,301)	(451,528,306)
Receipts from Sale of Property and Equipment	59,992,149	6,458,789
Purchase of Intangible Assets	(37,242,410)	(31,882,990)
Receipts from Sale of Intangible Assets	-	-
Purchase of Investment Properties	(3,613,945)	(271,662,594)
Receipts from Sale of Investment Properties	148,305,858	15,760,000
Interest Received	745,419,380	486,434,697
Dividend Received	19,166,233	14,610,483
Net Cash Used in Investing Activities	(8,678,886,688)	(3,636,363,810)

CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from Issue of Debt Securities		2,441,385,678	-
Repayments of Debt Securities		-	-
Receipts from Issue of Subordinated Liabilities		-	-
Repayments of Subordinated Liabilities		-	-
Receipt from Issue of Shares		-	-
Dividends Paid	(42,125)	65,679,192	
Interest Paid	-	-	
Other Receipts/Payments Trf from Acquired Entities	-	4,751,495,828	
Net Cash from Financing Activities	2,441,343,553	4,817,175,020	
Net Increase (Decrease) in Cash and Cash Equivalents	(2,517,589,469)	5,071,688,667	
Cash and Cash Equivalents at Shrawan 01, 2077	10,379,968,108	5,304,763,277	
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	2,592,379	3,516,164	
Cash and Cash Equivalents at Ashadh 31, 2078	7,864,971,018	10,379,968,108	

 Sweachha Karki
Head - Finance

 Udaya Mohan Shrestha
Director

 Prof. Dr. Mangala Shrestha
Director

 Narayan Das Manandhar
Chief Executive Officer

 Narendra Bajracharya
Director

 Prachanda Man Shrestha
Director

 Rajendra Das Shrestha
Chairman

 Gajendra Bista
Director

 Manoj Paudel
Director

 Sujan Kumar Kafle, FCA
Managing Partner
Sujan Kafle and Associates
Chartered Accountants

 Date: 8th November 2021
 Place: Kamalpokhari, Kathmandu

1. PRIME COMMERCIAL BANK LIMITED

1.1 General Information

Prime Commercial Bank Limited is an "A" class commercial bank licensed by Nepal Rastra Bank. It was registered as Public Limited Company on 1st Shrawan 2064 under the Company Act, 2063.

The registered (corporate) office of the bank is located at Kamalpokhari, Kathmandu, Nepal. The bank started its commercial operation from 7th Ashwin 2064 corresponding to 24th September 2007.

On April 30, 2017 (Baisakh 17, 2074), the bank has acquired two "B" class Development Banks Birat Laxmi Bikash Bank Limited and Country Development Bank Limited. Further, the bank has acquired "B" class financial institution, Kankai Bikas Bank Limited on 15th September 2019 (Bhadra 29, 2076) and Kailash Bikas Bank Limited on 12th March 2020 (Falgun 29, 2076).

The Bank is listed with Nepal Stock Exchange Ltd. with the code of PCBL for public shares and PCBLP for promoter shares. Currently, the bank is spread across the country with 189 branches and 107 ATMs.

1.2 Financial Statements

The Financial Statements of the Bank for the year ended 31st Ashadh 2078 corresponding to 15 July 2021 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 and other disclosures required by regulatory bodies.

Since the bank does not have any subsidiary, the Financial Statement of the bank for the year ended Ashadh end 2078, does not comprises any subsidiaries.

1.3 Principal Activities and Operations

Bank

The Banks 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 ATMs networks.

Subsidiary

The Bank has no any Subsidiary.

Associates

Mero Micro Finance Lagubitta Bittiya Santha Limited and Swabhimaan Laghubitta Bittiya Santha Limited are the Associates of the Bank.

Mero Micro Finance is joint initiative of 10 institutions with 8 commercial banks and 2 development banks. It has been incorporated and registered as a 'D' class national level financial institution and started formal microfinance operation from June 18 July, 2013 through its first branch office Battar located in Nuwakot district. The paid up capital of Mero Microfinance Lagubitta Bittiya

Sanstha is NRs. 1 billion.

Swabhimaan Laghubitta Bittiya Sanstha Limited (SLBSL) registered as a public limited company in August 17, 2016 and received the operation license in May 09, 2017 from Nepal Rastra Bank to function as a "D" Class financial Institution. It has been working with the license in 10 districts ie. Rupandehi, Kapilvastu, Palpa, Salyan, Rolpa, Pyuthan, Nawalparasi, Gulmi, Syangja and Arghakhanchi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

The carve-outs issued by the Institute of Chartered Accountants of Nepal on 2077/07/25, on NFRS requirement, which allowed alternative treatments and the bank adopted following carve outs:

S. No.	NFRS/ NAS	Particulars
1	NAS 39: Para 58	Incurred Loss Model to measure the Impairment Loss on Loan and Advances
2	NAS 39: Para 9	Impracticability to determine transaction cost of all previous years which is the part of effective interest rate

Disclosure of carve-outs is provided in Para 2.4.3, 3.4.2, and 3.4.6 for Financial Instruments: Recognition and measurement (NAS 39).

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:

Financial Statement	Date in B.S.	Date in A.D.
Statement of financial position date		
Current Year	31 st Ashadh 2078	15 th July 2021
Previous Year	31 st Ashadh 2077	15 th July 2020
Statement of Profit and Loss Account		
Current Year	1 st Shrawan 2077 - 31 st Ashadh 2078	16 th July 2020 - 15 th July 2021
Previous Year	1 st Shrawan 2076 - 31 st Ashadh 2077	17 th July 2019 - 15 th July 2020

2.2.2 Approval of Financial Statement

The accompanied Financial Statements have been authorized by the 433rd Board of Directors meeting vide its resolution dated 8th November 2021 (22nd Kartik 2078) and recommended for its approval by the Annual General Meeting of the shareholders.

2.3 Functional and Presentation Currency

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

2.4 Use of estimates, assumptions and judgments

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

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

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

2.4.1 Going Concern

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

2.4.2 Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position can be derived from active markets, they are derived from observable market data. However, if this is not available, judgment is required to establish fair values. The valuation of financial instruments is described in more details in Note 5.1.6 under "Fair Value of financial assets and liabilities".

2.4.3 Impairment of Financial Assets – Loans and Receivables

The Bank reviews its individually significant loans and advances at each reporting period to assess whether an impairment loss shall be recorded in the income statement. 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 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 advances. Accordingly, the bank has applied paragraph 63 to determine the amount of any impairment loss. It has separately calculated individual and collective impairment loss amount and 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 advances.

2.4.4 Impairment of Available for Sale Investments

Bank reviews its securities classified as available for sale, at each reporting date to assess whether they are impaired. Objective evidence exists in available-for-sale securities if it identifies 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 available for sale 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 twelve months. In addition, Bank evaluates, among other factors, historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

2.4.5 Taxation

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

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

2.4.6 Defined Benefit Plans

The cost of the defined benefit obligations and the present value of their obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increments, mortality rates and possible future increments if any. Due to the long-term nature of these plans, such estimates are subject to uncertainty. All assumptions are reviewed at each reporting date.

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

2.4.7 Fair Value of Property and Equipment

The freehold land and buildings of the bank are not reflected at fair value and no revaluation has been carried at the reporting date. After recognition as an asset, an item of property and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

2.4.8 Useful Life-time of the Property, Plant and Equipment

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

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, plant 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 or 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 throughout

all periods presented in its financial statements. Those accounting policies comply with each NFRS effective at the end of reporting period.

2.6 New Standards and interpretation not adopted

For the reporting of Financial Instruments, NAS 32 Financial Instrument Presentation, NAS 39 Financial Instrument Recognition and Measurements and NFRS 7 Financial Instruments-Disclosures have been applied.

All Standards and pronouncement issued by Accounting Standard Board Nepal as on reporting period has been adopted. However, IFRS 9: Impairment, IFRS 15: Revenue from Contract with Customers, IFRS 16: Lease are effective internationally, and these standards will be adopted when they are pronouncement of Accounting Standard Board, Nepal.

2.7 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.

2.8 Presentation of Financial Statement

The assets and liabilities of Bank presented in the Statement of Financial Position are grouped in an order of liquidity. An analysis on recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

2.9 Materiality and Aggregation

In compliance with NAS 1, the bank has each material class of similar items are presented separately in the Financial Statement. Similarly, items of dissimilar nature or functions are presented separately unless they are immaterial. Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by an Accounting Standard.

2.10 Comparative Information

The Financial Statement of the Bank provides comparative information in respect of previous periods. The accounting policies have been consistently applied by the Bank with those of the previous financial year in accordance with NAS 1 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRS. Furthermore, comparative information is reclassified and restated wherever necessary to comply with the current presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of Measurement

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

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

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

3.2 Basis of consolidation

3.2.1 Business Combinations and Goodwill

Business combinations shall be accounted using the pooling of interest method as per the requirements of Nepal Rastra Bank Merger and Acquisition Bylaws, 2073 which is binding on all bank and financial institution of the country. Accordingly, the resulting difference amount on share swap of the entities shall be transferred to Capital Reserve as per the provisions of the NRB Bylaws. The Bank shall also measure identifiable assets acquired and liabilities assumed on cost basis and purchase consideration shall be transferred at face value.

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. Currently, the bank has no such NCIs.

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. Currently, the Bank does not have any subsidiaries.

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 (eg. 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).

Currently, the Bank does not have any subsidiary, thus consolidation is not applicable.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash at vault and cash in transit, balances with other bank and financial institutions, money at call and short notice and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair 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 measured at fair value through profit or loss
 - i. Financial Assets held for trading
 - ii. Financial Assets designated at fair value through profit or loss
- b) Financial Asset measured at amortized cost
 - i. Financial Assets -Held to Maturity
 - ii. Financial Assets - Loans and Receivables
- c) Financial assets measured at fair value through OCI

The subsequent measurement of financial assets depends on their classification.

a) Financial Assets measured 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) Financial Assets measured at amortized Cost

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 the Statement of Profit or Loss.

i. Held to Maturity Financial Assets

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Bank has the intention and ability to hold to maturity.

ii. Loans and Receivables

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 available for sale
- Those for which the Bank may not recover substantially

all of its initial investment through contractual cash flows, other than because of credit deterioration.

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

c) Financial Assets measured at fair value through OCI

Financial assets measured at fair value through OCI are Available for sale financial assets. It includes equity and debt securities. Equity Investments classified as 'Available for Sale' are those which are neither classified as 'Held for Trading' nor 'Designated at fair value through profit or loss'. 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, financial assets measured at fair value through OCI 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 of the cumulative gain or loss previously recognized in equity is recognized in the Statement of Profit or Loss under 'Other operating income'. Interest earned whilst holding these assets are reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding these assets 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 this category that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortized cost of the security are recognized in income statement 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.

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 income statement. 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 Reclassification of Financial Instruments

a) Reclassification of Financial Instruments 'At fair value through profit or loss',

Bank does not reclassify derivative financial instruments out of the fair value through profit or loss category when it is held or issued.

Non-derivative financial instruments designated at fair value through profit or loss upon initial recognition is not reclassified subsequently out of fair value through profit or loss category.

Bank may, in rare circumstances reclassify financial instruments out of fair value through profit or loss category if such instruments are no longer held for the purpose of selling or repurchasing in the near term notwithstanding that such financial instruments may have been acquired principally for the purpose of selling or repurchasing in the near term. Financial assets classified as fair value through profit or loss at the initial recognition which would have also met the definition of 'Loans and Receivables' as at that date is reclassified out of the fair value through profit or loss category only if Bank has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortized cost of the financial instrument after reclassification. Any gain or loss already recognized in respect of the reclassified financial instrument until the date of reclassification is not reversed to the Statement of Profit or Loss.

If a financial asset is reclassified, and if Bank subsequently increases its estimates of the future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

b) Reclassification of 'Available for sale' Financial Instruments

Bank may reclassify financial assets out of available for sale category as a result of change in intention or ability or in rare circumstances that a reliable measure of fair value is no longer available.

A financial asset classified as available for sale that would have met the definition of loans and receivables at the initial recognition may be reclassified out of available for sale category to the loans and receivables category if Bank has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortized cost of the financial instrument after reclassification. Difference between the new amortized cost and the

maturity value is amortized over the remaining life of the asset using the effective interest rate. Any gain or loss already recognized in Other Comprehensive Income in respect of the reclassified financial instrument is accounted as follows:

i) Financial assets with fixed maturity :

Gain or loss recognized up to the date of reclassification is amortized to profit or loss over the remaining life of the investment using the effective interest rate. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

ii) Financial assets without fixed maturity :

Gain or loss recognized up to the date of reclassification is recognized in profit or loss only when the financial asset is sold or otherwise disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

If a financial asset is reclassified, and if Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

c) Reclassification of 'Held to Maturity' Financial Instruments

As a result of a change in intention or ability, if it is no longer appropriate to classify an investment as held to maturity, Bank may reclassify such financial assets as available for sale and re-measured at fair value. Any difference between the carrying value of the financial asset before reclassification and fair value is recognized in equity through other comprehensive income.

However, if Bank were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity [other than in certain specific circumstances permitted in Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement)], the entire category would be tainted and would have to be reclassified as 'Available for sale'. Furthermore, Bank would be prohibited from classifying any financial assets as 'Held to Maturity' during the following two years.

3.4.4 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 recognized in profit or loss.

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.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to income statement as gains and losses from investment securities.

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 recognized in profit or loss.

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 available for

sale 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'.

3.4.5 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. 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. The hierarchy of Fair Value is described in 5.1.6.

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. Initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

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.

3.4.6 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 faults.

a) Impairment of Financial Assets carried at Amortized Cost

For financial assets carried at amortized cost, such as amounts due from banks, held to maturity 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 income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

i) Individually Assessed Financial Assets

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

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

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured by discounting the expected future cash flows of a financial asset at its original effective interest rate and comparing the resultant present value with the financial asset's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly when circumstances require. This normally encompasses re-assessment of the enforceability of any

collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of reduction in the established loss estimate. Interest on impaired assets continues to be recognized through the unwinding of the discount.

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

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

- Bank's aggregate exposure to the customer;
- The viability of the customer's business model and their capacity to trade successfully out of financial difficulties and generate sufficient cash flows to service debt obligations;
- The amount and timing of expected receipts and recoveries;
- The extent of other creditors' 'commitments ranking ahead of, or pari-pas with the Bank and the likelihood of other creditors continuing to support the company;
- The realizable value of security and likelihood of successful repossession;

ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

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

Incurred but not yet been identified impairments

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

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

The collective impairment allowance is determined after taking into account:

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

Homogeneous groups of 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 to cover inherent losses. These additional macro and portfolio risk factors may include:

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

However, 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.

b) Impairment of Financial Assets – Available for Sale

For available for sale 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 Income Statement. 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 Income Statement.

In the case of equity investments classified as available for sale, 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 available for sale equity security is recognized in other comprehensive income.

Bank writes-off certain available for sale financial investments when they are determined to be uncollectible.

3.4.7 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.

3.4.8 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

One of the categories of financial assets at fair value through profit or loss is “held for trading” financial 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.

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 and measurement

The Bank applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for the 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 measured. 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, plant & 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.

3.7.2 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.

3.7.3 Revaluation Model

The Bank has not applied the revaluation model to the any class of freehold land and buildings or other assets.

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.

3.7.4 Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant 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, plant and equipment are charged to the Statement of Profit or Loss as incurred.

3.7.5 Depreciation

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

S.N.	Particulars	Rates
1	Buildings	2.50%
2	Furniture & fixtures	20%
3	Office Equipments	20%
4	Vehicles	20%
5	Computers	20%

Rate of Depreciation per annum (%)

Depreciation on newly acquired fixed assets is charged from the month of booking or when the fixed asset is ready to use, whichever is earlier. Fixed assets booked before 15th of the month are depreciated for the whole month and after 15th are depreciated for half month. Fixed Assets valuing Rs. 5,000 or less are directly charged to the profit and 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 at the rate of 10% on straight line basis

3.7.6 Changes in Estimates

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

3.7.7 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.

3.7.8 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.

3.7.9 De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property, plant 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, plant 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 expenditures are charged to the Statement of Profit or Loss as incurred.

Goodwill is measured at cost less accumulated impairment losses. Bank doesn't have any goodwill in its books of accounts.

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.

License fees for the software paid by the Bank are amortized over the period of the license. Profit or loss on disposal of fixed assets is recognized in the profit and loss of the year.

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 has been presented under this account head. This shall include land, land and building acquired as non banking assets by the Bank but not sold.

Hence, Investment Properties represent Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognized at fair value when acquired. The Bank's policy is to determine whether the 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. Hence, investment property is measured at fair value.

After initial measurement, investment properties are subsequently measured at fair value. Unrealized gains and losses are recognized directly under "Fair value gain/loss on investment properties" in "other operating income". When the investment properties are disposed off, the gains or losses are recognized in the Statement of Profit or Loss under 'Other operating income' in "Gain/loss on sale of investment property". The fair value measurement of level I is applied for subsequent measurement of Investment Property.

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 the interest receivable on these deposits plus carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt

securities issued. Subordinated liabilities are liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors.

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

As per NAS 18 para 20 Revenue is recognized to the extent that it is probable that the economic benefits will flow to Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

3.13.1 Interest Income

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

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

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable. Similarly, once the recorded value of a financial asset or a group of similar financial assets has been reduced due to payment delinquency for more than 365 days, interest income shall be discontinued to be recognized. Similarly, the interest recognition is suspended as per "Guideline on Recognition of Interest Income 2019" issued by Nepal Rastra Bank.

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

3.13.2 Fee and Commission Income

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

3.13.3 Dividend Income

Dividend income is on equity instruments are recognized in the statement of profit and loss within other operating 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 well 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.

Currently, the bank has no income under the heading net income from other financial instrument 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.

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 (eg: 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 '4.23 Other Liabilities'.

Bank contributed 10% on the basic 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

In compliance with Labor Act, 2017, provision is made in the account year of service, for gratuity payable to employees who joined bank on a permanent basis before 3rd September 2017. Similarly, the employees who joined the bank after 3rd September 2017, the contributory plan is made. An actuarial valuation is carried out every year to ascertain the full liability under gratuity obligation.

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 to the defined benefit liability at the beginning of the annual period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligations.

The increase in gratuity liabilities attributable to the services provided by employees during the year ended 15th July, 2021 (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 Actuarial Method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

3.15.3 Other Long Term Employee Benefits

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

3.15.4 Termination Benefits

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

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

3.16 Leases

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

3.16.1 Finance Lease

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

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

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

3.16.2 Operating Lease

All other leases are classified as operating leases. When acting as lessor, Bank includes the assets subject to operating leases in 'Property, plant 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. The lease payments are recognized as an expense on straight line basis over the lease term.

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 gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the rates of exchange prevailing at the end of the reporting period.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

3.18 Financial guarantee and loan commitment

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

3.19 Share capital and reserves

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

3.20 Earnings per share

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

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

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

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 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.

Currently, the bank has categorized its segment as:

- Banking Operation
- Treasury
- Card
- Others

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

As per NAS 7, 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 Information

The Financial Statement of the Bank provides comparative information in respect of previous periods. The accounting policies have been consistently applied by the Bank with those of the previous financial year in accordance with NAS 1 Presentation of Financial Statements. Furthermore, comparative information is reclassified and restated wherever necessary to comply with the current presentation.

4. NOTES TO FINANCIAL STATEMENTS

4.1 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	3,779,068,089	4,168,588,700
Balances with BFIs	984,525,487	4,106,384,065
Money at Call and Short Notice	1,000,027,397	-
Other	-	-
Placement less than 3 month	2,101,350,045	2,104,995,343
Total	7,864,971,018	10,379,968,108

Cash and cash equivalents include cash at vault and agency bank account balances and placement to other BFIs which are maturing within 3 months which are subject to an insignificant risk of changes in value. Fair value of cash and cash equivalent amount is the carrying amount. Money at call includes Lending to Himalyan Finance Ltd of Rs. 48,224,484 for which 100% provisioned has been made by the bank on FY 2070-71.

4.2 Due from Nepal Rastra Bank

Particulars	Current Year	Previous Year
Statutory Balances with NRB	4,296,368,180	3,627,941,231
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	6,201,618,632	5,088,206,210
Total	10,497,986,812	8,716,147,441

Minimum Statutory balances as prescribed by NRB which is 3% of minimum CRR balance to be maintained with NRB is included in Statutory Balance with NRB and remaining balance is shown in Other Deposit and Receivable from NRB. The fair value of balance with the Nepal Rastra Bank is the carrying amount.

4.3 Placements with Banks and Financial Institutions

Particulars	Current Year	Previous Year
Placement with Domestic BFIs	2,950,237,620	30,770,978
Placement with Foreign BFIs	1,816,646,228	2,229,347,013
Less: Allowances for Impairment	-	-
Total	4,766,883,849	2,260,117,991

Placement whose maturity date is more than 3 months as on reporting date is shown in this category. The fair value of balance includes Principal amount and Account Receivable as on reported date.

4.4 Derivative Financial Instruments

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

4.5 Other Trading Assets

Particulars	Current Year	Previous Year
Treasury Bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate Bonds	-	-
Equities	-	-
Other Trading Assets	-	-
Total	-	-

4.6 Loans and Advances to BFIs

Particulars	Current Year	Previous Year
Loans to Micro-Finance Institutions	6,178,079,925	4,157,764,982
Other	-	-
Less: Allowances for Impairment	80,314,421	41,445,244
Total	6,097,765,504	4,116,319,738

4.6.1 Allowances for Impairment

Particulars	Current Year	Previous Year
Balance at Shrawan 01	41,445,244	30,428,790
Impairment Loss for the year:		
Charge for the year	39,933,161	13,062,629
Recoveries/Reversal	1,063,984	2,046,175
Amount Written Off	-	-
Balance at Ashadh End	80,314,421	41,445,244

Loan and advances provided to microfinance financial institution are presented under this head.

4.7 Loans and Advances to Customers

Particulars	Current Year	Previous Year
Loans and Advances measured at Amortized Cost	138,542,606,692	112,864,189,005
Less: Impairment Allowances		
Collective Impairment	1,626,267,843	998,614,257
Individual Impairment	1,532,555,041	1,4297,81,679
Net Amount	135,383,783,808	110,435,793,069
Loans and Advances measured at FVTPL	-	-
Total	135,383,783,808	110,435,793,069

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. Accrued Interest Receivable on loans have been considered under Loans and Advances measured at Amortized Cost. Loan to employees and its AIR provided according to the Employee Bylaws of the bank is presented under this head. Total provision under Pass Loan as per NRB Directive No. 2 is categorized as Collective Impairment and remaining are categorized as Individual Impairment.

4.7.1 Analysis of Loans and Advances - By Product

Particulars	Current Year	Previous Year
Product		
Term Loans	38,650,766,886	21,925,886,834
Overdraft	37,525,729,886	28,345,188,623
Trust Receipt/Import Loans	2,313,143,324	1,447,311,748
Demand and other Working Capital Loans	17,594,392,360	14,774,994,722
Personal Residential Loans	7,265,473,866	6,934,030,070
Real Estate Loans	12,130,262,004	9,280,485,782
Margin Lending Loans	4,276,877,412	2,947,232,471
Hire Purchase Loans	6,928,660,067	7,382,048,042
Deprived Sector Loans	1,344,393,715	1,671,882,844
Bills Purchased	325,884,859	510,952,817
Staffs Loans	669,175,071	407,854,827
Other	8,397,068,821	16,105,875,515
Sub-Total	137,421,828,272	111,733,744,295
Interest Receivable	1,120,778,420	1,130,444,710
Grand Total	138,542,606,692	112,864,189,005

4.7.2 Analysis of Loans and Advances - By Currency

Particulars	Current Year	Previous Year
Nepalese Rupee	137,352,016,738	112,362,707,062
Indian Rupee	-	-
United States Dollar	1,190,589,954	501,481,943
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	138,542,606,692	112,864,189,005

4.7.3 Analysis of Loans and Advances - By Collateral

Particulars	Current Year	Previous Year
Secured		
Moveable/Immoveable Assets	121,727,707,070	98,864,681,874
Gold and Silver	4,970,912,330	4,832,902,585
Guarantee of Domestic BFIs	-	-
Government Guarantee	153,815,773	154,909,056
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	714,500,300	425,898,567
Collatereal of Government Securities	-	2,520,000
Counter Guarantee	-	-
Personal Guarantee	96,530,959	118,622,310
Other Collateral	9,758,361,840	7,334,209,903
Subtotal	137,421,828,272	111,733,744,295
Unsecured(AIR)	1,120,778,420	1,130,444,710
Grand Total	138,542,606,692	112,864,189,005

Gross Loans and Advances to customers excluding Impairment has been considered for 4.7.3 analysis.

4.7.4 Allowance for Impairment

Particulars	Current Year	Previous Year
Specific Allowance for Impairment		
Balance at Shrawan 01	1,429,781,679	597,593,253
Impairment Loss for the year		
Charge for the year	360,806,130	1,004,108,178
Recoveries/Reversals during the year	258,586,941	171,919,752
Write-Offs		
Exchange Rate Variance on Foreign Currency		
Other Movement		
Balance at Ashadh End	1,532,000,867	1,429,781,679
Collective Allowances for Impairment		
Balance at Sharawan 01	998,614,257	708,166,404
Impairment Loss for the year		
Charge/(Reversal) for the year	628,207,760	290,447,853
Exchange Rate Variance on Foreign Currency		
Other Movement		
Balance at Ashadh End	1,626,822,017	998,614,257
Total Allowances for Impairment	3,158,822,884	2,428,395,936

4.8 Allowance for Impairment

Particulars	Current Year	Previous Year
Investment Securities measured at Amortized Cost	22,798,775,583	12,891,708,168
Investment in Equity measured at FVTOCI	628,078,738	792,572,123
Total	23,426,854,321	13,684,280,290

4.8.1 Investment Securities measured at Amortized Cost

Particulars	Current Year	Previous Year
Debt Securities		
Government Bonds	19,284,383,962	11,780,095,075
Government Treasury Bills	1,651,697,368	-
Nepal Rastra Bank Bonds	-	-
Nepal Rastra Bank Deposit Instruments	-	-
Other	1,246,578,000	-
Government Bond Foreign	616,116,253	1,111,613,093
Less: Specific Allowances for Impairment	-	-
Total	22,798,775,583	12,891,708,168

4.8.2 Investment in Equity measured at FVTOCI

Particulars	Current Year	Previous Year
Equity Instruments		
Quoted Equity Securities	587,270,398	742,661,783
Unquoted Equity Securities	40,808,340	49,910,340
Total	628,078,738	792,572,123

4.8.3 Information relating to Investment in Equities

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
1. Investment in Quoted Equity				
1.1 Chilime Hydro power Company Limited 54,216 Public shares of Rs. 100 each fully paid	33,511,687	37,246,392	33,511,687	19,616,624
1.2 Civil Laghubitta Bittiya Sanstha Limited 7 Public shares of Rs. 100 each fully paid	500	11,900	-	1,534
1.3 Deprosc Laghubitta Bittiya Sanstha Limited 0.41 fraction share Rs. 100 each fully paid	-	690	-	354
1.4 Global IME Laghubitta Bittiya Sanstha Limited 13 Public shares of bonus received	1,055	36,595	1,055	1,318
1.5 Kisan Laghubitta Bittiya Sanstha NRN Laghubitta Bittiya Sanstha (Divya Laghubitta) 0.41 fraction share Rs. 100 each fully paid	11,770,000	17,254,820	-	-
1.6 Life Insurance Corporation Nepal Limited 12,402 Public shares of Rs. 100 each fully paid	-	-	16,166,526	16,494,660
1.7 National Microfinance Laghubitta Bittiya Sanstha Ltd. 126,711 Promoter shares of Rs. 100 each fully paid	14,000,000	29,611,094	-	-
1.8 National Microfinance Laghubitta Bittiya Sanstha Ltd. 2 Public shares of Rs. 100 each fully paid	-	7,206	-	-
1.9 NECO Insurance Company Ltd. 172,913 Ordinary shares of Rs. 100 each fully paid	-	-	105,899,056	104,958,191
1.10 Nepal Life Insurance Company Ltd. 1 Public shares of bonus received	1,022	1,919	116,326	147,420
1.11 Nepal Doorsanchar Comapany Limited 1,19,439 ordinary shares of Rs. 100 each fully paid			79,934,830	78,232,545
1.12 Nerude Lagubitta Bittiya Sanstha Ltd. 559,287 Promoter shares of Rs. 100 each fully paid	12,457,203	149,329,800	13,386,254	148,582,416
1.13 Nirdhan Uthan Laghubitta Bittiya Sanstha Limited 5 Ordinary shares of Rs. 100 each fully paid	-	8,000	-	-
1.14 NLG Insurance Company Ltd. 4 Public shares of bonus received	2,705	4,880	135,554,098	115,260,138
1.15 Prime Life Insurance Company Limited 24 Ordinary shares of Rs. 100 each fully paid	-	22,896	-	1,062
1.16 Ridi Hydropower Development Company Limited 16 Public shares of bonus received	564	9,216	564	1,344
1.17 RMDC Laghubitta Bittiya Sanstha Limited 299 Public shares of bonus received	-	410,527	-	23,834
1.18 Sana Kisan Laghubitta Bittiya Sanstha Limited 116 Public shares of bonus received	-	190,240	-	94,973
1.19 Siddhartha Insurance Limited 28 ordinary share of Rs. 100 each fully paid	-	29,624	-	2,900
1.20 Soaltee Hotel Ltd. 9,879 ordinary shares of Rs. 100 each fully paid	2,121,780	2,588,298	2,121,780	1,521,366
1.21 Surya Life Insurance Company Limited 25,237 Promoter shares of Rs. 100 each fully paid	2,181,745	6,940,175	-	-
1.22 Surya Life Insurance Company Limited Promoter Share 4,206 Public shares of Rs. 100 each fully paid	363,610	3,877,932	2,545,355	4,290,273
1.23 Womi Laghubitta Bittiya Sanstha Limited 1 Public shares of Rs. 100 each fully paid	-	1,620	-	-
Total	76,411,871	247,583,823	389,237,532	489,230,952

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
2. Investment in Unquoted Equity				
2.1 Annapurna Developers	2,000,000	2,000,000	2,000,000	2,000,000
20,000 Promoter shares of Rs. 100 each fully paid				
2.2 Banking Finance & Insurance Institution	3,000,000	3,300,000	3,000,000	3,300,000
33,000 Promoter shares of Rs. 100 each fully paid				
2.3 Divya Laghubitta Bittiya Sanstha Limited			11,770,000	11,770,000
117,700 Promoter shares of Rs. 100 each fully paid				
2.4 Jalpa Laghubitta Bittiya Sanstha Limited	7,000,000	6,580,000	7,000,000	7,000,000
65,800 Promoter shares of Rs. 100 each fully paid				
2.5 Karja Suchana Kendra	94,500	1,181,300	94,500	1,181,300
11,813 Promoter shares of Rs. 100 each fully paid				
2.6 Nepal Clearing House Ltd.	4,089,300	11,214,240	4,089,300	8,126,240
112,142 Promoter shares of Rs. 100 each fully paid				
2.7 Nepal Electronic Payment System Limited	15,000,000	15,000,000	15,000,000	15,000,000
150,000 Promoter shares of Rs. 100 each fully paid				
2.8 Prabhu Capital Limited	1,500,000	1,532,800	1,500,000	1,532,800
65,800 Promoter shares of Rs. 100 each fully paid				
Total	32,683,800	40,808,340	44,453,800	49,910,340
3. Investment in Mutual Funds				
3.1 Citizen Mutual Fund-1	12,503,090	15,728,774	12,503,065	12,578,018
1,250,300 units of Rs. 10 each fully paid				
3.2 Global IME Samunnat Scheme-1	-	-	42,725,266	36,658,256
4,272,524 units of Rs. 10 each fully paid				
3.3 Laxmi Equity Fund	58,460,297	80,676,001	58,460,297	51,270,183
5,846,087 units of Rs. 10 each fully paid				
3.4 NABIL Equity Fund	22,642,720	33,058,371	22,642,720	21,125,658
2,264,272 units of Rs. 10 each fully paid				
3.5 Nabil Balance Fund-2	2,500,000	3,525,000	2,500,000	2,475,000
250,000 units of Rs. 10 each fully paid				
3.6 NIC Asia Balance Fund	2,500,000	3,432,500	2,500,000	2,595,000
250,000 units of Rs. 10 each fully paid				
3.7 NIC Asia Dynamic Debt Fund	6,648,300	7,485,986	-	-
664,830 units of Rs. 10 each fully paid				
3.8 NIC Asia Growth Fund	2,500,000	3,750,000	2,500,000	2,547,500
250,000 units of Rs. 10 each fully paid				
3.9 NIBL Pragati Fund	20,587,398	30,577,100	20,587,398	16,781,372
2,059,064 units of Rs. 10 each fully paid				
3.10 NIBL Samriddhi Fund 1	27,882,036	40,039,342	27,882,036	27,603,725
2,788,255 units of Rs. 10 each fully paid				
3.11 NMB 50	2,500,000	3,737,500	2,500,000	2,500,000
250,000 units of Rs. 10 each fully paid				
3.12 NMB Hybrid Fund-1	25,413,078	34,688,472	25,413,078	24,142,160
2,541,280 units of Rs. 10 each fully paid				
3.13 Sanima Equity Fund	29,000,000	48,691,000	29,000,000	28,797,000
2,900,000 units of Rs. 10 each fully paid				
3.14 Siddhartha Equity Fund	19,356,940	27,196,529	19,356,940	19,356,960
1,935,696 units of Rs. 10 each fully paid				
3.15 Siddhartha Investment Growth Scheme-2	5,000,000	7,100,000	5,000,000	5,000,000
500,000 units of Rs. 10 each fully paid				
Total	237,493,860	339,686,575	273,570,800	253,430,831

4.9 Current Tax Assets

Particulars	Current Year	Previous Year
Current Tax Assets		
Current year Income Tax Assets	1,731,477,449	1,130,285,615
Tax Assets of Prior Periods	59,188,337	-
Current Tax Liabilities		
Current year Income Tax Liabilities	1,443,418,808	993,470,491
Tax Liabilities of Prior Periods	59,188,337	45,000
Total	288,058,641	136,770,124

4.10 Investment in Subsidiaries

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

The bank does not have any subsidiary companies.

4.10.1 Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.	-	-	-	-
.....Shares of Rs. Each				
.....Ltd.	-	-	-	-
.....Shares of Rs. Each				
Total	-	-	-	-

4.10.2 Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.	-	-	-	-
.....Shares of Rs. Each				
.....Ltd.	-	-	-	-
.....Shares of Rs. Each				
Total	-	-	-	-

4.10.3 Information relating to Subsidiaries of the Bank

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

4.10.4 Non Controlling Interest of the Subsidiaries

Particulars	Percentage of Ownership held by Bank	
	Current Year	Previous Year
.....Ltd.Ltd.Ltd.
Equity Interest held by NCI (%)	-	-
Profit (Loss) allocated during the year	-	-
Accumulated Balances of NCI as on Asar End	-	-
Dividend Paid to NCI	-	-
Ltd.Ltd.
Equity Interest held by NCI (%)	-	-
Profit (Loss) allocated during the year	-	-
Accumulated Balances of NCI as on Asar End	-	-
Dividend Paid to NCI	-	-

4.11 Investment in Associates

Particulars	Current Year	Previous Year
Investment in Quoted Associates	46,023,000	60,023,000
Investment in Unquoted Associates	-	-
Total Investment	46,023,000	60,023,000
Less: Impairment Allowances	-	-
Net Carrying Amount	46,023,000	60,023,000

4.11.1 Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
1 Mero Microfinance Bittiya Sansatha Limited 699,999 Promoter shares of Rs. 100 each fully paid	37,023,000	69,999,900	37,023,000	403,455,052
2 Mahila Sahayatra Microfinance Bittiya Sanstha Limited 154,000 Promoter shares of Rs. 100 each fully paid	-	-	14,000,000	15,400,000
3 Swabhimaan Laghubitta Bittiya Sanstha Limited 133,920 Promoter shares of Rs. 100 each fully paid	9,000,000	13,392,000	9,000,000	109,368,000
Total	46,023,000	83,391,900	60,023,000	528,223,052

4.11.2 Investment in Unquoted Associates

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.	-	-	-	-
.....Shares of Rs. Each				
Total	-	-	-	-

4.11.3 Information relating to Associates of the Bank

Particulars	Percentage of Ownership held by Bank	
	Current Year	Previous Year
1 Mero Microfinance Bittiya Sansatha Limited	7.00%	7.00%
2 Swabhimaan Microfinance Bittiya Sanstha Ltd	14.55%	14.55%

4.11.4 Equity Value of Associates

Particulars	Current Year		Previous Year	
	No of Share	Market Value	No of Share	Market Value
1 Mero Microfinance Bittiya Sansatha Limited	598,598	69,999,900	598,598	403,455,052
2 Mahila Sahayatra Microfinance Bittiya Sanstha Ltd	-	-	154,000	15,400,000
3 Swabhimaan Microfinance Bittiya Sanstha Ltd	111,600	13,392,000	111,600	109,368,000

4.12 Investment Properties

Particulars	Current Year	Previous Year
Investment Properties measured at Fair Value		
Balance as on Shrawan 01.	496,489,981	242,559,537
Addition/(Disposal) during the year.	(130,714,023)	253,930,444
Net Changes in fair value during the year.	-	-
Adjustment/Transfer.	-	-
Net Amount	365,775,958	496,489,981
Investment Properties measured at Cost		
Balance as on Shrawan 01.	-	-
Addition/(Disposal) during the year	-	-
Adjustment/Transfer	-	-
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Net Amount	-	-
Total	365,775,958	496,489,981

4.13 Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashadh end 2078	Total Ashadh End 2077
Cost										
As on Shrawan 01, 2076										
Addition during the year										
Acquisition	304,884,106	163,610,457	204,186,228	91,987,744	88,939,402	126,114,758	-	285,816,557	1,265,539,253	1,055,851,848
Capitalization	6,412,300	34,601,734	102,590,378	64,111,172	50,829,081	51,748,124	-	34,343,199	344,635,989	
Disposal during the year	-	4,190,987	35,397,227	11,510,730	16,449,300	8,341,364	-	47,874,191	123,763,798	214,267,702
Adjustment/Revaluation	-	-	(860,724)	(695,026)	(13,297,758)	(634,452)	-	(559,182)	(16,047,141)	(4,055,156)
Balance as on Ashadh end 2077	311,296,406	202,403,178	341,313,109	166,914,621	142,920,026	185,569,795	-	367,474,764	1,717,891,899	1,265,539,253
Addition during the Year										
Acquisition	-	-	-	-	-	-	-	-	-	344,635,989
Capitalization	38,690,000	16,010,800	25,613,464	6,008,263	26,193,015	12,022,177	-	28,948,306	153,486,025	123,763,798
Disposal during the year	-	-	(6,807,581)	(1,176,503)	(13,602,148)	(3,159,522)	-	(4,042,751)	(28,788,505)	(16,047,141)
Adjustment/Revaluation	-	4,193,697	64,442,721	69,556,292	33,263,068	49,847,535	-	69,502,483	290,805,795	-
Balance as on Ashadh end 2078	349,986,406	222,607,675	424,561,713	241,302,673	188,773,961	244,279,985	-	461,882,801	2,133,395,214	1,717,891,899
Depreciation and Impairment										
As on Shrawan 01, 2076	-	(10,312,706)	(138,571,844)	(69,393,860)	(56,486,110)	(77,558,234)	-	(169,239,874)	(521,562,627)	(449,088,570)
Depreciation charge for the year	-	(4,554,434)	(23,427,344)	(16,857,728)	(18,611,960)	(22,221,845)	-	(46,855,162)	(132,528,473)	(76,429,687)
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	37,772	324,665	12,479,490	277,703	-	419,706	13,539,337	3,955,630
Adjustments	-	-	-	(533,912)	(257,925)	(282,675)	-	(50,841)	(1,125,353)	-
As on Ashadh end 2077	-	(14,867,140)	(161,961,415)	(86,460,835)	(62,876,505)	(99,785,051)	-	(215,726,171)	(641,677,116)	(521,562,627)
Impairment for the year										
Depreciation charge for the year	(4,878,265)	(28,829,181)	(26,040,826)	(28,926,574)	(29,941,518)	(54,240,525)		(172,856,889)	(132,528,473)	
Disposals	-	4,115,015	675,749	11,396,097	1,814,240	2,989,146		20,990,246	13,539,337	
Adjustments	(4,152,983)	(64,100,630)	(72,016,996)	(32,987,479)	(51,130,439)	(67,377,977)		(291,766,504)	(1,125,353)	
As on Ashadh end 2078	-	(23,998,388)	(250,776,211)	(183,842,908)	(113,394,461)	(179,042,768)	-	(334,355,527)	(1,085,310,264)	(641,677,116)
Capital Work in Progress										
Net Book Value	349,986,406	198,709,287	173,785,502	57,459,765	75,379,499	65,237,217	-	127,527,275	1,048,084,951	1,076,214,783
As on Ashadh end 2076	304,884,106	153,297,751	65,614,385	22,593,885	32,453,293	48,556,524	-	116,576,683	743,976,625	
As on Ashadh end 2077	311,296,406	187,536,038	179,351,694	80,453,786	80,043,521	85,784,744	-	151,748,594	1,076,214,783	
As on Ashadh end 2078	349,986,406	198,709,287	173,785,502	57,459,765	75,379,499	65,237,217	-	127,527,275	1,048,084,951	

4.14 Goodwill and Intangible Assets

Particulars	Goodwill	Software		Other	Total Ashadh end 2078	Total Ashadh end 2077
		Purchased	Developed			
Cost						
As on Shrawan 01, 2076	-	28,802,022	-	-	28,802,022	21,884,697
Addition during the year						
Acquisition	-	8,270,102	-	-	8,270,102	-
Capitalization	-	7,928,530	-	-	7,928,530	7,110,640
Disposal during the year	-	-	-	-	-	(193,315)
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2077	-	45,000,654	-	-	45,000,654	28,802,022
Addition during the Year						
Acquisition	-	-	-	-	-	8,270,102
Capitalization	-	18,417,143	-	-	18,417,143	7,928,530
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	9,089,698	-	-	9,089,698	-
Balance as on Ashadh end 2078	-	72,507,495	-	-	72,507,495	45,000,654
Amortisation and Impairment		-				
As on Shrawan 01. 2076	-	(21,093,042)	-	-	(21,093,042)	(16,606,480)
Amortisation charge for the year	-	(7,912,278)	-	-	(7,912,278)	(4,487,132)
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	570
Adjustment due to Acquisition	-	-	-	-	-	-
As on Ashadh end 2077	-	(29,005,320)	-	-	(29,005,320)	(21,093,042)
Impairment for the year	-	-	-	-	-	-
Amortisation charge for the year	-	(11,524,234)	-	-	(11,524,234)	(7,912,278)
Disposals	-	-	-	-	-	-
Adjustments	-	(9,203,969)	-	-	(9,203,969)	-
As on Ashadh end 2078	-	(49,733,524)	-	-	(49,733,524)	(29,005,320)
Capital Work in Progress	-	-	-	-	-	-
Net Book Value	-	22,773,971	-	-	22,773,971	15,995,334
As on Ashadh end 2076	-	7,708,980	-	-	7,708,980	
As on Ashadh end 2077	-	15,995,334	-	-	15,995,334	
As on Ashadh end 2078	-	22,773,971	-	-	22,773,971	

4.15 Deferred Tax

Ashadh End 2078			
Particulars	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 (AIR)	-	-	-
Investment Properties	-	-	-
Investment Securities (Fair Value)	-	(84,446,762)	(84,446,762)
Property and Equipment	37,160,098	-	37,160,098
Employees' Defined Benefit Plan	69,810,958	-	69,810,958
Lease Liabilities	12,413,736	-	12,413,736
Provisions	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	119,384,792	(84,446,762)	34,938,030
Deferred tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
Net Deferred Tax Asset (Liabilities) as on year end of 2078			34,938,030
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2077			11,946,088
Origination/(Reversal) during the year			22,991,943
Deferred Tax expense (income) recognized in profit or loss			85,673,990
Deferred Tax expense (income) recognized in OCI			(62,682,047)
Deferred Tax expense (income) recognized directly in Equity			-

Ashadh End 2077			
Particulars	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 (AIR)	-	-	-
Investment Properties	-	-	-
Investment Securities (Fair Value)	-	(40,867,573)	(40,867,573)
Property and Equipment	22,360,711	-	22,360,711
Employees' Defined Benefit Plan	29,416,668	-	29,416,668
Lease Liabilities	1,036,282	-	1,036,282
Provisions	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	52,813,661	(40,867,573)	11,946,088
Deferred tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
Net Deferred Tax Asset (Liabilities) as on year end of 2077			11,946,088
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2076			86,877,151
Origination/(Reversal) during the year			(74,931,064)
Deferred Tax expense (income) recognized in profit or loss			(23,549,178)
Deferred Tax expense (income) recognized in OCI			(51,381,886)
Deferred Tax expense (income) recognized directly in Equity			-

4.16 Other Assets

Particulars	Current Year	Previous Year
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	199,786,426	159,943,934
Accrued Income	-	-
Prepayments and Deposits	39,078,342	33,965,467
Income Tax Deposit	-	-
Deferred Employee Expenditure	148,211,968	109,994,662
Other Assets	306,242,134	489,023,967
Stock of Stationery	18,024,302	7,371,323
Advance Others	55,781,731	32,411,465
Receivable Remittance	9,917,321	19,144,574
Receivable VISA A/C	20,017,693	19,944,172
Khandbari-Tumlingtar Rec	2,834,370	2,834,370
Transit Items (including Cheques)	41,364,024	149,195,140
Receivable from GON	112,859,590	136,432,285
Bullion Stock	393,721	17,666,283
Advance for Bullion Stock	-	-
Spot Deal Receivable	242,023	-
NDF receivable	-	102,165,421
Others Asset	44,807,358	1,858,933
Total	693,318,870	792,928,030

4.17 Due to Banks and Financial Institutions

Particulars	Current Year	Previous Year
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	6,042,373,556	10,350,291,413
Settlement and Clearing Accounts	-	-
Others.	-	-
Total	6,042,373,556	10,350,291,413

4.18 Due to Nepal Rastra Bank

Particulars	Current Year	Previous Year
Refinance from NRB		
a. Reconstruction Refinancing	2,360,808,929	121,197,355
b. Project Refinancing	-	121,197,355
Standing Liquidity Facility	2,360,808,929	-
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	2,360,808,929	121,197,355

4.19 Derivative Financial Instruments

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

4.20 Deposits from Customers

Particulars	Current Year	Previous Year
Institutional Customers:		
Term Deposits.	62,039,121,385	44,522,974,096
Call Deposits	10,254,218,254	18,677,938,979
Current Deposits.	10,529,540,342	1,066,782,576
Others.	2,788,569,305	1,610,674,325
Individual Customers:		
Term Deposits	31,109,139,755	24,997,525,173
Saving Deposits	36,523,156,747	27,956,167,595
Current Deposits	794,692,364	521,275,117
Others	101,075,922	88,275,762
Total	154,139,514,074	119,441,613,623

4.20.1 Currency wise analysis of deposit from customers

Particulars	Current Year	Previous Year
Nepalese Rupee	152,239,634,131	115,549,933,770
Indian Rupee	6,176,654	6,176,654
United States Dollar	1,893,047,996	3,884,186,091
Great Britain Pound	49,211	45,190
Euro	606,082	1,271,918
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	154,139,514,074	119,441,613,623

4.21 Borrowings

Particulars	Current Year	Previous Year
Domestic Borrowings		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
Sub Total	-	-
Foreign Borrowings		
Foreign Banks and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub Total	-	-
Total	-	-

4.22 Provisions

Particulars	Current Year	Previous Year
Provisions for Redundancy	-	-
Provisions for Restructuring	-	-
Pending Legal Issues and Tax Litigation	-	-
Onerous Contracts	-	-
Other Provisions	-	-
Total	-	-

4.22.1 Movement in Provision

Particulars	Current Year	Previous Year
Balance at Shrawan 01	-	-
Provision transferred from acquisition	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of Discount	-	-
Balance at Ashadh end	-	-

4.23 Other Liabilities

Particulars	Current Year	Previous Year
Liabilities for employees defined benefit obligations	5,841,970	(49,300)
Liabilities for long service leave	116,474,351	98,104,860
Short term employee benefits	75,772,029	61,876,908
Bills payable	115,125,498	100,899,580
Creditors and accruals	35,257,297	39,982,667
Interest payable on deposits	83,505,750	13,353,995
Interest payable on borrowing	-	-
Liabilities on defered grant income	-	-
Unpaid Dividend	100,535,716	100,577,840
Liabilities under Finance Lease	-	-
Employee bonus payable	520,678,799	423,145,418
Other Liabilities	558,848,566	905,145,129
<i>Audit Fee</i>	1,695,000	1,356,000
<i>Provision for expenses</i>	26,762,036	30,770,786
<i>Visa Debit Card Payable</i>	8,859,000	6,652,619
<i>Unearned Discount & Commission</i>	178,899,011	460,720,099
<i>Tax deducted at source payable</i>	169,054,239	170,894,695
<i>Retention amount</i>	7,220,363	8,565,586
<i>Account Payable</i>	68,073,940	100,747,549
<i>Card Related Payable</i>	22,557,650	24,191,756
<i>Gold Loan Commission Payable</i>	3,551,630	2,627,618
<i>NDF Payable</i>	12,433,892	-
<i>Remittance Payable</i>	-	-
<i>Spot Deal Payable</i>	-	1,575,476
<i>Liabilities under Operating Lease</i>	41,379,119	21,256,468
<i>Other Liability</i>	18,362,687	75,786,477
Total	1,612,039,976	1,743,037,097

4.23.1 Defined Benefit Obligation

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

Particulars	Current Year	Previous Year
Present value of unfunded obligations	116,474,350	98,104,860
Present value of funded obligations	162,265,120	153,482,480
Total present value of obligations	278,739,470	251,587,340
Fair value of plan assets	156,423,140	153,531,780
Present value of net obligations	-	-
Recognised liability for defined benefit obligations	122,316,330	98,055,560

4.23.2 Plan Assets

Particulars	Current Year	Previous Year
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other-	156,423,140	153,531,780
Total	156,423,140	153,531,780

4.23.3 Movement in the present value of defined benefit obligations

Particulars	Current Year	Previous Year
Defined benefit obligations at Shrawan 1	251,587,340	159,040,110
Actuarial (Gain)/Losses	(16,834,010)	(46,181,010)
Benefits paid by the plan	(9,728,980)	(3,062,810)
Current service costs and interest	53,715,120	141,791,050
Defined benefit obligations at Ashadh end	278,739,470	251,587,340

4.23.4 Movement in the fair value of plan assets

Particulars	Current Year	Previous Year
Fair value of plan assets at Shrawan 1	153,531,780	41,737,720
Acquisition Adjustment	-	47,728,190
Contributions paid into the plan	-	61,635,700
Benefits paid during the year	(5,112,130)	(2,698,160)
Actuarial (losses) gains	(4,932,060)	(973,390)
Expected return on plan assets	12,935,550	6,101,720
Fair value of plan assets at Ashadh end	156,423,140	153,531,780

4.23.5 Amount recognised in profit or loss

Particulars	Current Year	Previous Year
Current service costs	14,343,960	19,185,750
Interest on obligation	26,435,610	21,224,850
Expected return on plan assets	-	(6,101,720)
Actuarial (Gain)/Loss on Leave Encashment	-	-
Immediate recognition of (gains)/losses – other long term employee benefit plans	858,980	(10,159,910)
Total	41,638,550	24,148,970

4.23.6 Amount recognised in other comprehensive income

Particulars	Current Year	Previous Year
Actuarial (gain)/loss	(12,760,940)	(35,047,710)
Total	(12,760,940)	(35,047,710)

4.23.7 Actuarial assumptions

Particulars	Current Year	Previous Year
Discount rate	8.00%	8.50%
Expected return on plan asset	5.00%	5.00%
Future salary increase	6.00%	7.00%
Withdrawal rate		
Less than 35 years	5.00%	5.00%
More than 35 years	1.00%	1.00%

4.24 Debt securities issued

Particulars	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	2,440,968,911	-
Total	2,440,968,911	-

As per the NRB Directive 2077, the bank has no mandatory requirement of reserve creation for first year. Hence, the bank has not appropriated any amount for debenture redemption reserve.

4.25 Subordinated Liabilities

Particulars	Current Year	Previous Year
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Others	-	-
Total	-	-

4.26 Share capital

Particulars	Current Year	Previous Year
Ordinary shares	16,083,036,900	13,985,249,504
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	16,083,036,900	13,985,249,504

4.26.1 Ordinary Shares

Particulars	Current Year	Previous Year
Authorized Capital		
220,000,000 Ordinary share of Rs. 100 each	22,000,000,000	22,000,000,000
Issued capital		
160,830,369 Ordinary share of Rs. 100 each	16,083,036,900	13,985,249,504
Subscribed and paid up capital		
160,830,369 Ordinary share of Rs. 100 each	16,083,036,900	13,985,249,504
Total	16,083,036,900	13,985,249,504

4.26.2 Ordinary Shares

Particulars	Ashadh End 2077	
	Percent	Amount
Domestic ownership		
Nepal Government	-	-
"A" class licensed institutions	-	-
Other licensed intitutions	-	-
Other Institutions	-	-
Public	49.00%	7,880,688,081
Other (Promoter)	51.00%	8,202,348,819
Foreign ownership	-	-
Total	100.00%	16,083,036,900

4.27 Reserves

Particulars	Current Year	Previous Year
Statutory general reserve	4,011,017,196	3,357,337,059
Exchange equilisation reserve	4,832,816	4,184,721
Corporate social responsibility reserve	33,819,226	25,087,849
Capital redemption reserve	-	-
Regulatory reserve	861,531,851	875,343,578
Investment adjustment reserve	3,500,000	3,500,000
Capital reserve	-	322,211,268
Assets revaluation reserve	-	-
Fair value reserve	197,042,446	59,716,994
Dividend equalisation reserve	-	-
Actuarial gain	23,618,721	656,870
Special reserve	-	-
Other reserve	-	-
Training and Development Fund	3,952,605	3,952,605
Deferred Tax Reserve	-	-
Total	5,139,314,861	4,651,990,943

4.28 Contingent liabilities and commitments

Particulars	Current Year	Previous Year
Contingent liabilities	66,067,973,415	53,861,358,357
Undrawn and undisbursed facilities	15,974,799,597	10,303,977,599
Capital commitment	8,558,844	29,895,897
Lease Commitment	1,306,653,936	1,221,081,932
Litigation	29,428,047	21,036,091
Total	83,387,413,838	65,437,349,876

4.28.1 Contingent Liabilities

Particulars	Current Year	Previous Year
Acceptance and documentary credit	169,402,527	147,885,277
Bills for collection (Letter of Credit)	8,712,182,199	6,992,926,271
Forward exchange contracts	7,240,376,197	5,691,057,029
Guarantees	44,751,225,930	39,324,478,781
Underwriting commitment	-	-
Other commitments	5,194,786,561	1,705,011,000
Total	66,067,973,415	53,861,358,357

4.28.2 Undrawn and undisbursed facilities

Particulars	Current Year	Previous Year
Undisbursed amount of loans	9,185,231,936	5,901,949,944
Undrawn limits of overdrafts	6,479,480,548	3,974,477,069
Undrawn limits of credit cards	310,087,113	427,550,585
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
Total	15,974,799,597	10,303,977,599

4.28.3 Capital commitments

Particulars	Current Year	Previous Year
Capital commitments in relation to Property and Equipment		
Approved and contracted for	8,558,844	29,895,897
Approved but not contracted for	-	-
Sub total	8,558,844	29,895,897
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Total	8,558,844	29,895,897

4.28.4 Lease commitments

Particulars	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	163,708,799	156,440,259
Later than 1 year but not later than 5 years	656,030,534	591,270,340
Later than 5 years	486,914,602	473,371,333
Sub total	1,306,653,936	1,221,081,932
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	1,306,653,936	1,221,081,932

4.28.5 Litigation

Disputed tax payable amount filed for tax administration review in Inland Revenue Department has been disclosed as litigation Contingent liabilities. The total contingent liability till FY 2073-74 is NPR. 76,915,895 amongst which Rs. 47,487,848 has been already paid by the bank. After the final tax assessment from LTO the disputed cases of FY 2073-74 is in administrative review and the bank has filed case in Revenue Tribunal Office for the FY 2071-72 and 2072-73.

4.29 Interest Income

Particulars	Current Year	Previous Year
Cash and cash equivalent	25,898,782	10,443,542
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	66,808,999	115,292,733
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	13,109,768,788	11,608,488,038
Investment securities	745,419,380	486,434,697
Loan and advances to staff	61,854,358	37,379,685
Other Interest Income	(94,338)	(24,780,909)
Total interest income	14,009,655,970	12,233,257,785

Income from Loan and Advances to customer includes cash interest income, accrued interest receivable from the customers whose overdue does not exceed 365 days.

4.30 Interest Expenses

Particulars	Current Year	Previous Year
Due to bank and financial institutions	80,822	8,053,908
Due to Nepal Rastra Bank	31,116,186	2,874,720
Deposits from customers	7,971,887,974	7,581,708,078
Borrowing	-	-
Debt securities issued	57,680,438	-
Subordinated liabilities	-	-
Other Charges	-	-
Total Interest expense	8,060,765,419	7,592,636,706

4.31 Fees and Commission Income

Particulars	Current Year	Previous Year
Loan administration fees	486,566	1,450,642
Service fees	521,711,555	350,490,771
Consortium fees	17,463,782	39,938,912
Commitment fees	3,472,498	190,377
DD/TT/Swift fees	13,716,771	13,256,271
Credit card/ATM issuance and renewal fees	53,573,004	38,771,030
Prepayment and swap fees	19,102,506	7,970,299
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	23,950,449	16,465,925
Commission on letter of credit	81,148,708	38,641,687
Commission on guarantee contracts issued	620,610,895	371,444,672
Commission on share underwriting/issue	-	-
Locker rental	3,703,775	3,020,875
Others	49,117,674	21,125,167
Bancassurance Commission	-	-
DP related Fees	-	-
ATM Commission	-	-
Mobile Banking Commission	-	-
Other fees and commission income	49,117,674	21,125,167
Total Fees and Commission Income	1,408,058,182	902,766,630

4.32 Fees and Commission Expense

Particulars	Current Year	Previous Year
ATM management fees	-	-
VISA/Master card fees	37,688,258	29,309,655
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	6,669,374	6,704,671
Remittance fees and commission	9,620	230
Other fees and commission expense	60,902,417	35,319,778
Total Fees and Commission Expense	105,269,669	71,334,334

4.33 Net Trading income

Particulars	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	321,266,753	267,526,501
Other	-	-
Net trading income	321,266,753	267,526,501

4.34 Other Operating Income

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	2,592,379	3,516,164
Gain/loss on sale of investment securities	168,240,509	10,344,641
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	19,166,233	14,610,483
Gain/loss on sale of property and equipment	4,447,366	4,012,755
Gain/loss on sale of investment property	11,232,589	(1,972,150)
Operating lease income	-	-
Gain/loss on sale of gold and silver	78,312	5,899,199
Other Operating Income	63,961,215	25,503,502
Total	269,718,604	61,914,593

4.35 Impairment charge/(reversal) for loan and other losses

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	38,869,177	11,016,454
Impairment charge/(reversal) on loan and advances to customers	730,426,948	755,196,957
Impairment charge/(reversal) on financial Investment	-	-
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	769,296,125	766,213,411

4.36 Personnel Expenses

Particulars	Current Year	Previous Year
Salary	428,976,117	311,182,783
Allowances	303,520,677	222,883,876
Gratuity Expense	46,843,291	18,064,240
Provident Fund	42,921,482	32,001,465
Uniform	14,422,100	472,500
Training & development expense	4,849,496	9,571,946
Leave encashment	22,986,340	6,084,730
Medical	44,490	603,127
Insurance	5,335,112	3,304,785
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	38,217,306	16,952,406
Other expenses related to staff	162,633,465	109,483,605
Dashain Expense	57,990,164	31,979,083
Outsourced Staff Expenses	48,135,764	26,026,070
Other employee expenses	56,507,537	51,478,452
Subtotal	1,070,749,876	730,605,463
Employees Bonus	520,592,649	363,171,441
Grand total	1,591,342,525	1,093,776,904

4.37 Other Operating Expense

Particulars	Current Year	Previous Year
Directors' fee	2,535,000	2,520,000
Directors' expense	1,329,851	1,536,462
Auditors' remuneration	1,695,000	1,356,000
<i>Statutory Audit</i>	1,695,000	1,356,000
<i>Revenue Audit</i>	-	-
Other audit related expense	52,844	428,893
Professional and legal expense	177,914	-
Office administration expense	363,071,825	310,370,089
Operating lease expense	189,954,941	121,499,490
Operating expense of investment properties	-	-
Corporate social responsibility expense	23,952,630	61,446,748
Onerous lease provisions	-	-
Other Expenses	29,540,799	33,362,752
<i>Other committee meeting Fees & Expenses</i>	1,030,160	964,934
<i>Share Related Expenses</i>	6,451,010	13,682,722
<i>Debenture Related Expenses</i>	-	-
<i>Written Off Expenses</i>	-	-
<i>Merger Related Expenses</i>	-	-
<i>Other Expenses</i>	22,059,630	18,715,097
Total	612,310,804	532,520,434

4.37.1 Office Administrative Expenses

Particulars	Current Year	Previous Year
Water and Electricity	31,540,376	23,639,375
Repair and Maintenance	22,810,909	16,094,123
a. Building	1,656,084	701,100
b. Vehicle	2,645,505	2,462,934
c. Computer and accessories	877,383	540,499
d. Office Equipment and Furniture	15,462,863	9,885,785
e. Others	2,169,074	2,503,805
Insurance	41,326,184	25,660,603
Postage, Telex, Telephone, Fax	47,948,936	38,714,734
Printing and Stationery	21,082,679	24,543,811
Newspaper, Books and Journals	388,654	387,064
Advertisement	1,837,205	2,475,943
Donation	18,000	26,000
Security Expenses	115,978,225	93,532,899
Deposit and Loan Guarantee Premium	14,089,065	14,089,065
Travel Allowance and Expenses	4,166,642	5,881,502
Entertainment	-	-
Annual/Special General Meeting Expenses	494,977	2,319,005
Others	61,389,973	63,005,964
a. Power & Fuel	10,601,043	10,072,689
b. Business Promotion	1,348,944	4,864,275
c. Cleaning Expenses	11,429,160	9,402,595
d. Rates and Taxes	10,671,055	5,767,698
e. Technical & Consultancy Fee	2,334,726	7,982,517
f. Expenses for Capital Items	3,098,838	2,441,493
g. Others	21,906,207	22,474,699
Total	363,071,825	310,370,089

4.38 Depreciation and Amortisation

Particulars	Current Year	Previous Year
Depreciation on property and equipment	172,856,889	132,528,473
Depreciation on investment property	-	-
Amortisation of intangible assets	11,524,234	7,912,278
Total	184,381,124	140,440,750

4.39 Non Operating Income

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income-Gain on Bargain Purchase	-	-
Total	-	-

4.40 Non Operating Expenses

Particulars	Current Year	Previous Year
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	-	-

4.41 Income Tax Expenses

Particulars	Current Year	Previous Year
Current tax expense		
Current year	1,443,418,808	993,470,491
Adjustments for prior years	59,188,337	45,000
Deferred tax expense		
Origination and reversal of temporary differences	(85,673,990)	23,549,178
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	1,416,933,155	1,017,064,669

4.41.1 Reconciliation of tax expense and accounting profit

Particulars	Current Year	Previous Year
Profit before tax	4,685,333,842	3,268,542,969
Tax amount at tax rate of 30%	1,405,600,153	980,562,891
Add: Tax effect of expenses that are not deductible for tax purpose	90,290,395	63,053,798
Less: Tax effect on exempt income	-	-
Add/less: Tax effect on other items	(53,805,994)	(50,146,198)
Other Tax adjustment	1,334,254	-
Adjustment of Prior Years Tax and temporary Difference	59,188,337	45,000
Total income tax expense	1,502,607,145	993,515,491
Effective tax rate	32.07%	30.40%

Prime Commercial Bank Limited
Statement of Distributable Profit or Loss
 For the year ended 31 Ashadh 2078
(As per NRB Regulation)

Amount in NPR

Particulars	Current Year	Previous Year
Net profit or (loss) as per statement of profit or loss	3,268,400,687	2,251,478,300
Appropriations:		
a. General reserve	(653,680,137)	(450,295,660)
b. Foreign exchange fluctuation fund	(648,095)	(879,041)
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(32,684,007)	(22,514,783)
e. Employees' training fund	-	-
f. Other	23,952,630	61,446,748
Profit or (loss) before regulatory adjustment	2,605,341,078	1,839,235,564
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(45,546,165)	(100,831,946)
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 (-)/resersal (+)	82,349,834	(159,342,418)
e. Deferred tax assets recognised (-)/ reversal (+)	(22,991,943)	74,931,064
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	23,876,528
i. Other (+/-)	-	41,191,775
Distributable profit or (loss)	2,619,152,805	1,719,060,566

5. DISCLOSURES AND ADDITIONAL INFORMATION

5.1 Risk Management

As a financial intermediary, the Bank is exposed to array of risks through its daily operations. The Bank's key risk exposures include credit, market, liquidity and operational risks. However, with the rapid technological innovations/IT based products and solutions introduced by the bank, due consideration should be given to information systems risk as well. Proactive identification of such risk exposures is of high importance to ensure the sustainability and profitability of the Bank. In response to an increasingly dynamic and competitive operating landscape, evolving risks and significant regulatory developments, there is an ongoing imperative to enhance risk management.

Bank's Risk Management is the process by which management satisfied these needs by identifying key risks, obtaining consistent, understandable, operation risk measures, choosing which risk to reduce and which to increase and what means and establishing procedures to monitor the resulting risk position.

A robust risk management framework is in place which supports the efficient management and mitigation of the said risk exposure.

Risk Management Framework

Risk is identified and managed as part of a Risk Management Framework. The Board of Directors has ultimate responsibility for the oversight of risk, determining risk appetite levels, formulating risk policies and ensuring the effectiveness of the risk management processes and procedures in place. The Risk Management Committee assists the Board in the discharge of its risk related duties and provides independent oversight of all risk related aspects by ensuring the adequacy and effectiveness of the implementation of risk governance structures, policy frameworks, standards and processes. Furthermore, the Credit Committee, Anti Money Laundering Committee and Audit Committee support the Board in discharging its risk related duties. Executive committees namely, the Assets and Liabilities Management Committee and the Risk Management Committee play a critical role in ensuring the effective implementation of the bank's risk management processes. The overall Risk Management Framework is divided into following five processes:

- Risk Identification
- Risk Measurement
- Risk Pricing
- Risk Monitoring and Control
- Risk Mitigation

5.1.1 Credit Risk

Credit risk is the potential loss that arises from customers/borrowers and counterparties failing to honor their financial or contractual obligations to the bank.

The bank has a guideline to assess and grade individual counterparties based on risk. The principal objectives of credit risk measurement is to produce the most assurance possible assessment of the credit risk to which the bank is exposed, from the level of individual facilities up to the total portfolio in segment as well as in totality; although

the qualitative aspect of the credit worthiness is also not ignored.

Regular monitoring of the credit portfolio ensures that the bank does not run the risk of concentration of portfolio in a particular business sector or a single borrower. Similarly, the bank also exercises controlled investment policy with adequately equipped resource looking after the investment decisions. The organization structure created for Credit Risk Management is as follows:

- The Board of Directors
- The Risk Management Committee
- Credit Risk Management Unit under Risk Management Department

5.1.2 Market Risk

Among various components of market risks, foreign exchange risk is the predominant risk, which incorporates the volatility of relevant foreign exchange and the correlation of their movements with the home currency. The net open position taking is done with-in the prescribed authority limits delegated to the treasury dealers / bank's management. Similarly, an effective interest risk management process is placed to mitigate gap risk and price risk.

Bank risk management committee has approved the market risk policy of the Bank. As for the monitoring of market and liquidity risk, the Bank has an active Assets and Liability Management Committee (ALCO) in place which meets regularly and takes stock of the Bank's assets and liability position and profile of assets & liabilities, monitors risks arising from changes in exchange rates in foreign currencies. All foreign exchange positions are managed by treasury consisting of front office dealers with specific dealing limits and an independent back office. The back office executes the deals made by the dealers and also monitors the liquidity position of the Bank. For the purpose of proper check and control, the front dealing room of treasury and the back office has different reporting line. Different types of Management report such as Gap analysis of different interest sensitive assets and liability, sensitive analysis of interest sensitive assets and liabilities is prepared and discuss in Assets and Liability Management Committee (ALCO) to monitor interest rate risk of the bank.

5.1.3 Liquidity Risk

Liquidity Risk is that a bank is unable to fund the increase in assets and/or meet its obligations as they come due. Management of liquidity risk is not only crucial to the ongoing viability of a bank; but also has series of impact on whole banking system. A series of measures and market information are used across the Bank to monitor both short and long term liquidity. Liquidity and Market Risk are monitored by ALCO and Senior Management Team on a regular basis.

The board has ensured that the bank has necessary liquidity risk management framework and bank is capable of confronting uneven liquidity scenarios. The bank has formulated liquidity policies, contingency funding planning which are recommended by senior management/ALCO and approved by the Board of Directors. The bank utilizes flow measures to determine

its cash position. A maturity ladder analysis estimates a bank's inflows and outflows and thus net deficit or surplus (GAP) over a time horizon. A maturity ladder is a useful device to compare cash inflows and outflows both on a day-to-day basis and over a series of specified time periods as presented in the NRB Ni.Fa.No.5.1 under NRB Directives No. 5. Similarly different tolerance limits (Loan to Deposit Ratio, Loan to Capital Ratio etc.) are set to Manage liquidity risk.

5.1.4 Operational Risk

Operational risk is the risk of negative effects on the financial result and capital of the bank caused by omissions in the work of employees, inadequate internal procedures and processes, inadequate management of information and other systems, and unforeseeable external events.

Bank has created one separate unit of operational risk under Risk Management Department. Operational Risk Policy and Operation Manual has been developed to make its operation secure through a system of procedural in each operational transaction. There is a compliance department which regularly monitors regarding AML/CFT issues.

The Bank has developed Business Continuity plan to ensure continued operation in to face the emergency, disaster, and crisis. The Bank has maintained in-house cold site for disaster recovery. The disaster recovery site and production server site have been kept in well-maintained and in separate geographic location. Periodic drill is conducted to assess the functioning of DRS.

The bank has also performed IS audit in periodic basis to identify Vulnerability Assessment and Penetration testing.

The Bank has adopted dual control mechanism in its all operational activities where each and every financial and non financial transaction is subject to approval from an authority higher than the transaction initiator. Regular review meetings are conducted to assess the adequacy of risk monitoring mechanism and required changes are made as and when felt necessary. Independent reconciliation unit is established to conduct daily reconciliation of all Nostro/agency accounts, Inter-Branch and Inter-Department account under direct supervision of Head of Finance. The Bank has independent internal audit, which reports to the Audit Committee of the Bank. The Audit Committee meets frequently and reviews the business process and financial position of the Bank. In order to have better focus on managing operational risks across branches and to monitor them from central level, the Bank has separate branch coordinator.

5.1.5 Capital Risk

The bank's regulatory capital is divided into two tiers defined by Nepal Rastra Bank. Tier 1 capital comprises mainly shareholders equity. Tier 2 capital comprises subordinated debts and provisions/ reserves. The Bank has developed procedures meant to ensure that compliance with both current and potential future requirements are understood and that capital plans are aligned to business need. The bank has regularly issued bonus shares and right shares to strengthen its capital base to support business growth. The bank has also acquired other financial institutions to strengthen its capital base.

5.1.6 Fair value of financial assets and liabilities

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair values are determined according to the following hierarchy:

Level 1

Those derived from unadjusted quoted price in active markets for identical assets or liabilities that the bank can access at the measurement date. Held for trading and available for sale investments have been recorded using Level 1 inputs.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets

Level 3

Inputs not based on observable data and where the unobservable inputs have a significant effect on assets and liability. It includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

5.2 Capital management

5.2.1 Qualitative Disclosures

a) 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.

b) 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.

c) Regulatory Capital

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

d.) 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 encompasses capital planning, 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 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 Board.

● 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

Head of Risk Department, along with his team, is responsible for overall risk management of the Bank which includes managing, assessing, identifying, monitoring and reducing pertinent 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, Head of Risk Department 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, operation, market, liquidity and funding and interest rate risks are identified, escalated and monitored. 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 board of directors and senior management 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 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 non-performing loan (NPL) and liquidity ratio under different scenarios and bank's maximum level of tolerance capacity under each category.

a) Credit shock is assessed mainly under following scenarios:

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

b) Market shock is assessed mainly under following scenarios:

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

c) Liquidity Shock is assessed mainly under following Scenarios:

- i. Withdraw of Deposit by Top Depositors
- ii. Withdraw of Deposit by Certain percentage of Total exposure
- iii. Default of top counter parties in lending

5.2.2 Quantitative Disclosures

1. Tier 1 capital and a breakdown of its components:

Core Capital (Tier 1)	Amount	Amount in NPR
Paid up Equity Share Capital		16,083,036,900
Statutory General Reserves		4,011,017,197
Proposed Bonus Equity Shares		-
Share Premium		-
Retained Earnings		2,719,161,524
Un-audited current year cumulative profit		-
Capital Redemption Reserve		-
Other Free Reserve		-
Less: Fictitious Assets		-
Less: Intangible Assets		(22,773,971)
Less: Deferred Tax Assets		(34,938,030)
Less: Investment in equity in licensed Financial Institutions		(46,023,000)
Total Core Capital (Tier I)		22,709,480,621

2. Tier 2 capital and a breakdown of its components:

Supplementary Capital (Tier 2)	Amount
Subordinated Term Debt	2,447,963,000
General loan loss provision	2,241,878,768
Exchange Equalization Reserve	4,832,816
Investment Adjustment Reserve	3,500,000
Total Supplementary Capital (Tier II)	4,698,174,584

3. Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital funds:

Bank has issued "8.75% Prime Debenture 2085" of Rs 1000 each during this period of Rs. 3,500 million out of which Rs. 2,447.963 million has been subscribed.

Detailed information about the subordinated term debt:

Name	O/S Amt(In Mio)	Maturity Date	Interest Rate	Eligible for Capital Fund(Mio)
8.75% Prime Debenture 2085	2,447.963	8 th April 2029	8.75%	2,447.963

4. Deductions from Capital:

The bank has deducted the following items in calculation of Tier I Capital:

Deduction from Tier I Capital	Amount
Intangible Assets	22,773,971
Deferred Tax Assets	34,938,030
Investment in equity in licensed Financial Institutions	46,023,000
Total Deduction from Tier I Capital	103,735,001

5. Total Qualifying Capital:

Total Qualifying Capital	Amount
Core Capital (Tier 1)	22,709,480,621
Supplementary Capital (Tier 2)	4,698,174,584
Total qualifying capital	27,407,655,205

6. Capital Adequacy Ratio:

Capital Adequacy Ratio	Percentage
Tier 1 Capital to Total Risk Weighted Exposures	12.28%
Tier 1 & Tier 2 Capital to Total Risk Weighted Exposures	14.82%

7. Risk weighted exposures for credit risk, operational risk and market risk

Risk Weighted Exposures	Amount
Risk weighted Exposures for Credit Risk	171,345,483,468
Risk weighted Exposures for Operational Risk	6,492,192,307
Risk weighted exposures for Market Risk	135,363,980
Total Risk Weighted Exposures (Before adjustments of Pillar II)	177,973,039,755
Adjustment under Pillar II	
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	-
Add% of the total deposit due to insufficient Liquid Assets	-
Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	1,611,293,400
Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	5,339,191,193
If desired level of disclosure requirement has not been achieved, Add.....% of RWE	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	184,923,524,346

8. Risk weighted exposure under each of 12 categories

Credit Risk	Claim	RWE
Claims on Govt. and Central Bank	35,261,155,500	-
Claims on Other Financial Entities	-	-
Claims on Banks	15,646,935,384	3,767,339,219
Claims on Corporate and Securities Firm	71,012,830,845	70,820,006,811
Claims on Regulatory Retail Portfolio	31,447,114,751	21,477,554,665
Claims on Secured by Residential Properties	8,804,429,989	5,378,927,993
Claims on Secured by Commercial Real Estate	9,563,871,358	9,563,871,358
Past due Claims	3,667,263,829	4,040,808,024
High Risk Claims	7,832,406,110	7,724,889,767
Lending against Securities (Bond & Shares)	4,271,382,410	4,271,382,410
Other Assets	6,257,109,882	4,985,042,862
Off Balance Sheet Items	83,387,413,838	39,315,660,360
Total	277,151,913,897	171,345,483,468

9. Total risk weighted exposure calculation table:

i. Risk Weighted Exposure of Credit Risk

A. Balance Sheet Exposures	Book Value (a)	Specific provisions (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk weight (e)	Risk Weighted Exposures (f=d*e)
Cash Balance	3,779,068,089	-	-	3,779,068,089	0%	-
Balance With Nepal Rastra Bank	10,497,986,812	-	-	10,497,986,812	0%	-
Gold	393,721	-	-	393,721	0%	-
Investment in Nepalese Government Securities	20,717,493,380	-	-	20,717,493,380	0%	-
All Claims on Government of Nepal	266,213,498	-	-	266,213,498	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central	-	-	-	-	20%	-
Bank (ECA -2)	-	-	-	-	-	-
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 MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	11,428,298,603	-	-	11,428,298,603	20%	2,285,659,721
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	1,662,417,210	-	-	1,662,417,210	20%	332,483,442
Claims on foreign bank (ECA Rating 2)	2,126,507,139	-	-	2,126,507,139	50%	1,063,253,569
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	429,712,432	-	-	429,712,432	20%	85,942,486
Claims on Domestic Corporates	-	-	-	-	50%	-
(Credit rating score equivalent to AAA)	-	-	-	-	0%	-
Claims on Domestic Corporates	-	-	-	-	70%	-
(Credit rating score equivalent to AA+ to AA-)	-	-	-	-	-	-

A. Balance Sheet Exposures	Book Value (a)	Specific provisions (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk weight (e)	Risk Weighted Exposures (f=d*e)
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	-	80%
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	10,163,876,905	-	-	10,163,876,905	100%	10,163,876,905
Claims on Domestic Corporates	60,848,953,940	-	192,824,034	60,656,129,905	100%	60,656,129,905
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)	31,447,114,751	-	2,810,375,197	28,636,739,553	75%	21,477,554,665
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	8,504,088,181	-	-	8,504,088,181	60%	5,102,452,908
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	300,341,808	23,866,724	-	276,475,085	100%	276,475,085
Claims secured by Commercial real estate	9,563,871,358	-	-	9,563,871,358	100%	9,563,871,358
Past due claims (except for claims secured by residential properties)	3,667,263,829	973,391,813	-	2,682,479,598	150%	4,040,808,024
High Risk claims	7,832,406,110	-	-	5,149,926,512	150%	7,724,889,767
Lending against securities (bonds & shares)	4,271,382,410	-	-	4,271,382,410	100%	4,271,382,410
Investments in equity and other capital instruments of institutions listed in stock exchange	587,270,399	-	-	587,270,399	100%	587,270,399
Investments in equity and other capital instruments of institutions not listed in the stock exchange	1,298,231,436	-	-	1,298,231,436	150%	1,947,347,154
Staff loan secured by residential property	506,711,586	91,879,021	-	414,832,564	50%	207,416,282
Interest Receivable/claim on government securities	207,742,854	-	-	207,742,854	0%	-
Cash in transit and other cash items in the process of collection	41,364,024	-	-	41,364,024	20%	8,272,805
Other Assets (as per attachment)	3,615,789,584	1,381,053,362	-	2,234,736,222	100%	2,234,736,222
TOTAL (A)	193,764,500,059	2,470,190,920	5,685,678,830	185,608,630,309	-	132,029,823,109
B. Off-Balance Sheet Exposures	Book Value (a)	Specific provisions (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk weight (e)	Risk Weighted Exposures (f=d*e)
Revolving Commitments	-	-	-	-	-	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	7,240,376,197	-	-	7,240,376,197	10%	724,037,620
LC Commitments With Original Maturity Upto 6 months domestic counterparty	4,824,259,991	-	194,849,931	4,629,410,060	20%	925,882,012

B. Off-Balance Sheet Exposures		Book Value (a)	Specific provisions (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk weight (e)	Risk Weighted Exposures (f=d*e)
Foreign counterparty [ECB Rating 0-1]		-	-	-	-	20%	-
Foreign counterparty [ECB Rating 2]		-	-	-	-	50%	-
Foreign counterparty [ECB Rating 3-6]		-	-	-	-	100%	-
Foreign counterparty [ECB Rating 7]		-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty		3,887,922,209	-	48,523,015	3,839,399,194	50%	1,919,699,597
Foreign counterparty [ECB Rating 0-1]		-	-	-	-	20%	-
Foreign counterparty [ECB Rating 2]		-	-	-	-	50%	-
Foreign counterparty [ECB Rating 3-6]		-	-	-	-	100%	-
Foreign counterparty [ECB Rating 7]		-	-	-	-	150%	-
Bid Bond, Performance bond and Counter guarantee domestic counterparty		34,130,892,842	-	1,226,649,501	32,904,243,341	40%	13,161,697,336
Foreign counterparty [ECB Rating 0-1]		-	-	-	-	20%	-
Foreign counterparty [ECB Rating 2]		-	-	-	-	50%	-
Foreign counterparty [ECB Rating 3-6]		-	-	-	-	100%	-
Foreign counterparty [ECB Rating 7]		-	-	-	-	150%	-
Underwriting commitments		10,620,333,089	-	72,888,292	10,547,444,796	100%	10,547,444,796
Lending of Bank's Securities or Posting of Securities as collateral		-	-	-	-	100%	-
Repurchase Agreements / Assets sale with recourse		-	-	-	-	100%	-
Advance Payment Guarantee		-	-	-	-	100%	-
Financial Guarantee		-	-	-	-	100%	-
Acceptances and Endorsements		169,402,527	-	169,402,527	169,402,527	100%	169,402,527
Unpaid portion of Party paid shares and Securities		-	-	-	-	100%	-
Irrevocable Credit commitments (short term)		9,513,724,256	-	9,513,724,256	20%	1,902,744,851	
Irrevocable Credit commitments (long term)		6,461,075,341	-	6,461,075,341	50%	3,230,537,670	
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement		-	-	-	20%	-	
Other Contingent Liabilities		6,344,640,827	-	6,344,640,827	100%	6,344,640,827	
Unpaid Guarantee Claims		194,786,561	-	194,786,561	200%	389,573,123	
Total (B)		83,387,413,838		1,542,910,739	81,844,503,099	39,315,660,360	
Total RWA for credit risk Before Adjustment (A+B)		277,151,913,897		2,470,190,920	7,228,589,568	267,453,133,408	171,345,483,468
Adjustment under Pillar II		-	-	-	-	-	-
Add: 10% of the loan and facilities in excess of Single Obligor Limits to RWA [6.4 a 3]		-	-	-	-	-	-
Add: 1% of the contract (size) value in case of the sale of credit with recourse to RWA [6.4 a 4]		-	-	-	-	-	-
Total RWA for credit risk (After Bank's Adjustment of Pillar II)		277,151,913,897		2,470,190,920	7,228,589,568	267,453,133,408	171,345,483,468

ii. Risk Weighted Exposure of Operational Risk

Particulars	Year 1	Year 2	Year 3
Net Interest Income	2,665,915,437	3,584,607,187	4,640,621,080
Commission and Discount Income	666,788,096	766,872,082	902,766,630
Other Operating Income	153,885,690	67,075,129	58,398,429
Exchange Fluctuation Income	185,077,297	237,775,405	271,042,665
Additional Interest Suspense during the period	4,990,560	42,488,949	35,946,837
Gross Income (a)	3,676,657,081	4,698,818,752	5,908,775,641
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a*b)]	551,498,563	704,822,813	886,316,347
Capital Requirement for operational risk (d) (average of c)			714,212,575
Risk Weight (reciprocal of capital requirement of 11%) in times (e)			9.09
Equivalent Risk Weight Exposure[f=(d*e)]			6,492,192,307
PILLAR II ADJUSTMENT			-
If Gross Income for all the last three years is negative (6.4 a 8)			-
Total Credit and Investment (net of Specific Provisions)			-
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]			6,492,192,307

iii. Risk Weighted Exposure of Market Risk

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
INR	168,700,767	1.60	269,921,228	269,921,228
USD	167,250	119.00	19,902,706	19,902,706
GBP	2,390	163.97	391,965	391,965
EUR	23,361	140.32	3,278,033	3,278,033
THB	3,203	3.63	11,628	11,628
CHF	151	129.62	19,541	19,541
AUD	11,351	88.44	1,003,906	1,003,906
CAD	6,664	94.75	631,420	631,420
SGD	2,957	87.67	259,278	259,278
JPY	1,612,077	1.079	1,739,431	1,739,431
HKD	3,811	15.31	58,349	58,349
DKK	101	18.86	1,896	1,896
SEK	753	13.75	10,354	10,354
SAR	6,808	31.48	214,317	214,317
QAR	207	32.42	6,722	6,722
AED	7,428	32.14	238,743	238,743
MYR	2,476	28.14	69,675	69,675
KRW	10,043	0.1039	1,044	1,044
CNY	2,395	18.38	44,028	44,028
KWD	67	392.48	26,263	26,263
BHD	-	313.53	-	-
Total Open Position (a)				297,830,527
Fixed Percentage (b)				5%
Capital Charge for Market Risk [c=(a*b)]				14,891,527
Risk Weight (reciprocal of capital requirement of 11%) in times (d)				9.09
Equivalent Risk Weight Exposure [e=(c*d)]				135,363,980

10. Amount of NPAs

Classification of Loan	Gross NPA	Net NPA
Restructured/Rescheduled Loan	78,403,018	68,602,640
Sub-Standard Loan	274,751,844	206,063,883
Doubtful Loan	281,689,095	140,844,547
Loss Loan	777,925,651	-

11. NPA ratios

Ratios	Percentage
Gross NPA to Gross Loan & Advance	0.99%
Net NPA to Net Loan & Advances	0.30%

12. Movement of Non-performing Assets

Particulars	Opening Balance	Closing Balance	Difference
Restructured Loan	-	78,403,018	78,403,018
Sub-standard Loan	612,266,866	274,751,844	(337,515,022)
Doubtful Loan	613,665,186	281,689,095	(331,976,091)
Loss Loan	482,058,721	777,925,651	295,866,931

13. Write off of loans and interest suspense

Particulars	Opening Balance	Closing Balance	Difference
Loan and Interest Suspense write-off	-	-	-

14. Movements in loan loss provisions and Interest suspense

i. Movement of Loan Loss Provision

Particulars	Opening Balance	Closing Balance	% Change
Pass Loan	1,040,059,501	1,698,589,547	63.32%
Watch list	487,823,649	542,727,131	11.25%
Restructured Loan	-	9,800,377	100.00%
Sub-standard Loan	153,066,716	68,687,961	-55.13%
Doubtful Loan	306,832,593	140,844,547	-54.10%
Loss Loan	482,058,721	777,925,651	61.38%
Personal Guarantee	-	562,090	0.00%

ii. Movement of Interest Suspense

Particulars	Opening Balance	Closing Balance	% Change
Interest Suspense	229,463,343	229,516,356	-0.02%

15. Details of additional loan loss provisions

Particulars	Opening Balance	Closing Balance	Additional Provision
Pass Loan	1,040,059,501	1,698,589,547	658,530,046
Watch List	487,823,649	542,727,131	54,903,482
Restructured Loan	-	9,800,377	9,800,377
Sub-standard Loan	153,066,716	68,687,961	(84,378,756)
Doubtful Loan	306,832,593	140,844,547	(165,988,046)
Loss Loan	482,058,721	777,925,651	295,866,931
Personal Guarantee	-	562,090	562,090

16. Segregation of investment portfolio into held for trading, held to maturity and available for sale and Investment in associates

Investment Portfolio	Amount Rs	AIR	Amount at Amortized Cost
Held for Trading	-	-	-
Held to Maturity	-	-	-
Investment Securities at Amortized cost			
<i>Treasury Bills</i>	1,648,733,380	2,963,988	1,651,697,368
<i>Development Bond</i>	19,068,760,000	204,778,866	19,273,538,866
<i>Debenture and Bonds</i>	1,246,578,000	10,845,096	1,257,423,096
<i>Other Investments</i>	601,573,386	14,542,866	616,116,253
Grand Total	22,565,644,766	233,130,816	22,798,775,583

Available for Sale -Investment in Equity measured at FVTOCI

Particulars	Amount(Rs.)	Fair Value(Rs.)
Annapurna Developers Ltd.	2,000,000	2,000,000
Banking, Finance & Insurance Institute of Nepal Ltd.	3,000,000	3,300,000
Chilime Hydro power Company Ltd.	33,511,687	37,246,392
Citizens Mutual Fund 1	12,503,090	15,728,774
Civil Laghubitta Bittiya Sanstha Ltd.	500	11,900
Deprosc Laghubitta Bittiya Sanstha Ltd.	-	690
Global IME Laghubitta Bittiya Sanstha Ltd.	1,055	36,595
Jalpa Laghubitta Bittiya Sanstha Ltd.	7,000,000	6,580,000
Karja Suchana Kendra Ltd.	94,500	1,181,300
Kisan Laghubitta Bittiya Sanstha Ltd.	11,770,000	17,254,820
Laxmi Equity Fund	58,460,297	80,676,001
Nabil Balance Fund-2	2,500,000	3,525,000
NABIL Equity Fund	22,642,720	33,058,371
National Microfinance Laghubitta Bittiya Sanstha Ltd. (Promoter)	14,000,000	29,611,094
National Microfinance Laghubitta Bittiya Sanstha Ltd. (Public)	-	7,206
Nepal Clearing House Ltd.	4,089,300	11,214,240
Nepal Electronic Payment System Ltd.	15,000,000	15,000,000
Nepal Life Insurance Company Ltd.	1,022	1,919
Nerude Laghubitta Bittiya Sanstha Ltd.	12,457,203	149,329,800
NIBL Pragati Fund	20,587,398	30,577,100
NIBL Samriddhi Fund 1	27,882,036	40,039,342
NIC Asia Balance Fund	2,500,000	3,432,500
NIC Asia Dynamic Debt Fund	6,648,300	7,485,986
NIC Asia Growth Fund	2,500,000	3,750,000
Nirdhan Uthan Laghubitta Bittiya Sanstha Ltd.	-	8,000
NLG Insurance Company Ltd.	2,705	4,880
NMB 50	2,500,000	3,737,500
NMB Hybrid Fund 1	25,413,078	34,688,472
Prabhu Capital Ltd.	1,500,000	1,532,800
Prime Life Insurance Company Ltd.	-	22,896
Ridi Hydropower Development Company Ltd.	564	9,216
RMDC Laghubitta Bittiya Sanstha Ltd.	-	410,527
Sana Kisan Laghubitta Bittiya Sanstha Ltd.	-	190,240
Sanima Equity Fund	29,000,000	48,691,000
Siddhartha Equity Fund	19,356,940	27,196,529
Siddhartha Insurance Ltd.	-	29,624

Siddhartha Investment Growth Scheme-2	5,000,000	7,100,000
Soaltee Hotel Ltd.	2,121,780	2,588,298
Surya Life Insurance Company Ltd. (Promoter)	2,181,745	6,940,175
Surya Life Insurance Company Ltd. (Public)	363,610	3,877,932
Womi Laghubitta Bittiya Sanstha Ltd.	-	1,620
Grand Total	346,589,530	628,078,738

Investment in Associates

Particulars	Amount (Rs.)
Mero Mircofinance Bittiya Sanstha Ltd.	37,023,000
Swabhimaan Laghubitta Bittiya Sanstha Ltd.	9,000,000
TOTAL	46,023,000

17. Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities:

- Overall risk of the bank is monitored by risk management committee and Audit Committee where the board members are involved.
- To ensure sound capital assessment process; the board, management, audit committee, internal audit and compliance frequently monitor and review quality and effectiveness of the control and mitigate risk to protect the assets of the bank regularly.
- The bank has established sound credit appraisal system and formation of committees with at least 3 members in various levels of approval of final credit disbursement. Regular site visits, analysis of market trend, value of collaterals and adjustments in its policy accordingly, will minimize credit risks.
- The bank has set up Assets Liability Management Committee chaired by CEO to manage interest rate risk, liquidity risk, exchange risk, market risk etc. The bank periodically performs gap analysis of its Assets and Liabilities to manage the liquidity risks.

Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments Nil

5.3 Classification of financial assets and financial liabilities

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

- a) Financial assets at fair value through profit or loss
 - i) Held for Trading
 - ii) Designated at fair value through profit or loss
- b) Financial assets at fair value through OCI
- c) Financial assets measured at amortized cost
 - i) Held to maturity investments
 - ii) Loan and Advances

NAS 39 recognizes two classes of financial liabilities:

- a) Financial liabilities at fair value through profit or loss
- b) 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:

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

The classification of financial assets or liabilities is given in detail in Note 3.4 above.

5.4 Operating Segment Information

5.4.1 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.

5.4.2 Information about profit or loss, assets and liabilities

Amount in Million.

S.N.	Particulars	Banking	Treasury	Cards	Others	Total
(a)	Revenue from external customers	13,843.66	1,349.47	105.22	710.35	16,008.70
(b)	Intersegment revenues	-	-	-	-	-
(c)	Net Revenue	13,843.66	1,349.47	105.22	710.35	16,008.70
(d)	Interest Revenue	-	-	-	-	-
(e)	Interest Expense	8,060.68	0.08	-	-	8,060.77
(f)	Net interest revenue	5,782.97	1,349.39	105.22	710.35	7,947.93
(g)	Depreciation and Amortization	184.38	-	-	-	184.38
(h)	Segment profit/(loss)	5,598.59	1,349.39	105.22	710.35	7,763.55
(i)	Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-
(j)	Other material non-cash items:	-	-	-	-	-
(k)	Impairment of assets	766.23	-	3.06	-	769.30
(l)	Segment assets	160,171.53	30,318.47	41.64	5.58	190,537.22
(m)	Segment liabilities	163,437.37	48.22	46.51	3,063.60	166,595.71

5.4.3 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. Investment balances, NRB balance, income from investment, forex income are reported in Corporate Office under Province 3. Segment wise depreciation is not separated and shown in Banking as it is impracticable to segregate.

Since, there is no policy regarding Intra segment revenue and costs, Inter-segment accounting has not been done.

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

a) Revenue Amount in Mn.

Total revenues for reportable segments	15,298.35
Other revenues	710.35
Elimination of intersegment revenues	-
Banks net revenue from reportable segments	16,008.70

b) Profit or Loss Amount in Mn.

Total profit or loss for reportable segments	7,763.55
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	2,308.92
Other operating expenses	769.30
Profit before tax	4,685.33

c) Assets

Amount in Mn.

Total assets for reportable segments	190,531.85
Other assets	-
Unallocated amounts	5.58
Entity's assets	190,537.22

d) Liabilities

Amount in Mn.

Total liabilities for reportable segments	163,532.10
Other Liabilities	-
Unallocated liabilities	3,063.60
Entity's liabilities	166,595.71

5.4.5 Information about product and services

The bank's Revenue is basically derived from 3 major segments as defined by management as mentioned below:

Segment	Amount
Banking Operation	13,843.66
Treasury	1,349.47
Cards	105.22
Other services	710.35
Total Revenue	16,008.70

5.4.6 Information about geographical areas

Revenue from following geographical areas is as follows:

Amount in Mn.

Geographical Areas	Amount
Domestic	15,994.70
Province 1	1,667.89
Province 2	439.04
Province 3	11,487.41
Province 4	1,443.27
Province 5	732.71
Province 6	44.58
Province 7	179.79
Foreign	14.00
Total	16,008.70

5.4.7 Information about Major Customer

If revenues from transactions with a single external customer amount to 10 percent or more of the bank's 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 bank's revenue from single customer doesn't exceed 10% of total revenue.

5.5 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 as on reporting date.

5.6 Contingent liabilities and commitment

5.6.1 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.

5.6.2 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 statements as commitments.

Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 31st Ashadh 2078.

5.6.3 Litigations:

Litigations are anticipated in the context of business operations due to the nature of the transactions involved. The Bank is 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.

5.7 Related parties disclosures

The related parties of the bank as per the definition of NAS 24 "Related Party Disclosures" are as follows:

5.7.1 Associate Companies

S.No.	Particulars	Bank's holding
1	Mero Mirco-finance Bittiya Sanstha Limited	7%
2	Swabhimaan Laghubitta Bittiya Sanstha Limited	14.55%

Investments in Associates have been reported in the statement of financial position as investment in Associate and the Bank's incomes received from the associates have been reported in the income statement. The existence of significant influence is evidenced as there is representation of the bank's KMP on the board. The Bank's General Manager Mr. Sanjeev Manandhar is Chairman of Mero Microfinance Bittiya Sansthan Limited and Deputy Manager Mr. Krishna Prasad Aryal is board director in Swabhimaan Laghubitta Sanstha Limited.

5.7.2 Key Managerial Personnel

The key management personnel (KMP) are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including any directors. Key Management Personnel of the Bank include members of the Board, Chief Executive Officer and top level executive managers. Followings are a list of KMP as at 31st Ashadh 2078.

S.No.	Key Management Personnel	Relation
1	Mr. Rajendra Das Shrestha	Chairman
2	Mr. Udaya Mohan Shrestha	Director
3	Mr. Narendra Bajracharya	Director
4	Mr. Gajendra Bista	Director
5	Prof.Dr. Mangala Shrestha	Director
6	Mr. Prachanda Man Shrestha	Director
7	Mr. Manoj Paudel	Director
8	Mr. Narayan Das Manandhar	Chief Executive Officer
9	Mr. Sanjeev Manandhar	General Manager
10	Mr. Amrit Charan Shrestha	General Manager

5.7.3 Compensation to Board of Directors and Key Management Personnel

All members of the Board are paid meeting fees and monthly allowances. Specific non-executive allowances paid to directors during FY 2077/78 are as under:

Particulars	Amount in NPR
Board Meeting Fee	3,435,000
Other Expenses	1,460,011
Total	4,895,011

Total financial benefit provided to Key Management Personnel ie. Chief Executive Officer, General Manager and Deputy General Managers of the bank during FY 2077/78 are presented below:

S. No.	Particulars	Amount
1	Short term employee benefit	56,559,445.34
2	Post employment benefit*	Defined contribution plan and benefit plan
3	Other long term employee benefit	-
4	Termination benefits	-
5	Share based payment	-

*Post Employment benefit comprises defined contribution plan and defined benefit plan. Under defined contribution plan Provident fund is provided at 10% of basic salary. Defined benefit plan includes gratuity and accumulated leave encashment which is provisioned as per actuarial valuation. Gratuity fund is deposited in independent planned assets.

Further, all the key management personnel are provided with vehicle facility and mobile facility as per the staff rule of the Bank.

5.8 Merger and acquisition

The bank has not entered into any merger and acquisitions deal during the reporting period.

5.9 Additional Disclosures of non consolidated entities

5.9.1 Investment in Associates and Joint Ventures

Associates are those entities in which the Bank has significant influence, but not control over the financial and operating policies. Investments in associate entities are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

As per NAS 28 para 44 An investment in an associate or a joint venture shall be accounted for in the entity's separate financial statements in accordance with para 10 of NAS 27 which states that when an entity prepares separate financial statement, it shall account for investments in subsidiaries, joint venture and associates either:

- a) At cost or

- b) In accordance with NFRS 9

The Bank has used NFRS 9 for accounting of associates. Investment in Mero MicroFinance Bittiya Sanstha Ltd and Swabhimaan Laghubitta Bittiya Sanstha Limited are shown in investment in associated due to significance influence and accounted at Cost as per NAS 27 para 10. The bank does not have any Joint venture.

5.10 Events after reporting period

Bank monitors and assesses events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

Non adjusting Event-Disclosure

There are no material non adjusting events that have occurred subsequent to 31st Ashadh 2078 till the signing of this financial statement.

Adjusting Event

There were no other material events after Balance Sheet date affecting financial status of the Bank.

5.11 Disclosure effect of transition from previous GAAP to NFRSs

The bank has already adopted NFRSs in mid July 2018. Hence, the disclosure effect of transition from Previous GAAP to NFRSs is not applicable in this reporting period.

5.12 Other Disclosures

5.12.1 Adjustment on loan Impairment

In compliance with the NRB Directives and subsequent amendment there to, specific loan loss provision were 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.

S. N.	Particulars	Current Year	Previous Year
i	Loan and Advances at Amortized Cost	144,720,686,617	117,021,953,987
ii	Impairment as per NFRS 39	455,628,139	397,529,967
iii	LLP as per NRB Directive No 2	3,239,137,304	2,469,639,420
iv	Higher of the above (ii & iii)	3,239,137,304	2,469,639,420
	Charge to P/L	769,296,125	766,004,586

5.12.2 Financial Assets measured at fair value through OCI

The Bank has invested in the financial assets measured at fair value through OCI. Such investment includes

equity investments and Mutual Funds. The valuation of Promoter share whose transactions are not active in the market, per unit cost price is assumed to be fair value.

The difference between instruments Fair Value and Carrying Amount has been recognized in Fair Value Reserve and movement is charged to Other Comprehensive Income.

Particulars	Cost Price	Market Value	Movement
Investment in Listed Equity	76,411,871	247,583,825	171,171,954
Investment in Unlisted Equity	32,683,800	40,808,340	8,124,540
Investment in Mutual Funds	237,493,860	339,686,575	102,192,715
Total	281,489,209		
Less: Previous Year's Reserve	85,309,991		
Gain from Investment measured at Fair Value through OCI	196,179,218		

5.12.3 Interest Income

As per NAS 18 para 20 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 cash interest income and AIR having overdue date less than 365 days are recognized as Interest Income. Similarly, the bank has complied with the Guideline issued by NRB "Guideline on Recognition of Interest Income, 2019" which was effective from 2018/2019.

Particulars	Current Year	Previous Year
Total AIR on Ashadh end	1,349,776,764	1,372,448,907
Interest recovered as per NRB Directive 4(3)(ka)(a) till 29 th Shrawan 2078	292,398,479	387,419,136
Remaining AIR	1,057,378,285	985,029,771
AIR calculated but suspended to recognize in Interest Income	229,516,357	229,463,343
AIR recognized as income	827,861,928	755,566,428
Income recognized to P/L	72,295,500	160,050,708

Accrued Interest Outstanding as on Ashadh end 2078 which have been recovered from 1st Shrawan to 29th Shrawan 2078 amounting to Rs. 292,398,479 has been recognized as interest income by the bank in FY 2077-78. The Amount of Rs. 72,295,500 has been recognized as Income in Statement of Profit and Loss and duly transferred to Regulatory Reserve after deducting Employee Bonus and applicable taxes.

5.12.4 Transfers in Regulatory Reserve

As per the NRB Directive no 4 clause 3(kha)(a), the bank has deducted its retained earnings and transferred to regulatory reserve for Accrued Interest Receivables and Loan loss provision on Non Banking Assets after deduction of Employee bonus and applicable taxes.

5.12.5 Statutory Reserves and Funds

The reserves of the Bank include statutory reserves and

funds set aside for specific purpose as per Banks and Financial Institutions Act, 2017 and NRB Directives. The various reserves and funds are as below:

i. General Reserve

As per Section 44 of Bank and Financial Institution Act 2017, 20% of net profit is to be added in the general reserve fund of the bank. During this year the bank has transferred Rs. 653,680,137 from its Retained Earnings to General Reserve Fund.

ii Exchange Equalization Reserve

As per Section 45 of Bank and Financial Institution Act 2017, the reserve of 25% of the foreign exchange gain realized on the translation of foreign currency to reporting currency during the year, other than Indian Currency is to be created. The bank has transferred Rs. 648,095 as Exchange Equalization Reserve from its Retained Earnings.

iii. Corporate Social Responsibility Reserve

As per NRB Directive 6/077, clause (16), 1% of Net Profit of the year is required to be created as Corporate Social Responsibility (CSR) Fund. Balance in this fund will be reclassified to Retained Earnings after the expenses are incurred in the subsequent years. The movement of the fund is shown as per below

Particulars	Current Year	Previous Year
Total Opening Fund	25,087,849	46,620,195
Less: Expenses in current year	(23,952,630)	(61,446,748)
Fund created during the year	32,684,007	22,514,783
Fund transferred from acquired entities	-	17,399,620
Remaining Fund	33,819,226	25,087,849

iv. Employee Training and Development Reserve

The Bank is required to incur expenses towards employee training and development at least 3% of the preceding year's salary and allowance expenses. Any shortfall amount in meeting this mandatory expense requirement in the current year will have to be transferred to this reserve fund debiting retained earnings and the amount shall accumulate in the fund available for related expenses in the subsequent year. Balance in this fund is directly reclassified to retained earnings in the subsequent year to the extent of expenses made for employees training related activities. However during this year, NRB Directive 6/077, clause (6), no such reserve is mandatory. Thus bank has not created the fund during the period.

Particulars	Current Year	Previous Year
Total Opening Fund	3,952,605	3,541,620
Fund created during the year	-	
Fund transferred from acquired entities	-	410,985
Remaining Fund	3,952,605	3,952,605

v. Investment Adjustment Reserve

Investment Adjustment Reserve is to be created as per the regulatory requirement of NRB Directive no 8. During the year there was no such provision to be made.

Particulars	Amount
Prabhu Capital Ltd. Promoter Share	1,500,000
Annapurna Developers	2,000,000
Total Opening Balance	3,500,000
Add: During the period	-
Total Fund	3,500,000

vi. Fair Value Reserve

During this year, fair value gain of Rs. 281,489,209 has been recognized where by net amount of Rs. 137,325,452 has been transferred to reserve from Retained Earnings.

vii. Actuarial Gain/Loss

During this year, actuarial gain of Rs. 12,760,940 has been recognized in Other Comprehensive Income and transferred net amount to Reserve of Rs. 8,932,658 from Retained Earnings.

Disclosure of prior period error

The cumulative Actuarial gain/loss recognized in Other Comprehensive income has been adjusted during the year in Other Reserve in Statement of Change in Equity as Adjustment/Restatement of prior period error.

Particulars	Previous Year	Current Year	Total
Cumulative Actuary (Gain)/Loss	(20,980,090)	(12,760,940)	(33,741,030)
Net of Tax	(14,686,063)	(8,932,658)	(23,618,721)
Opening Balance	-	-	656,870
Prior Period Adjustment	-	-	14,029,194
Current Year Reserve created	-	-	8,932,658

viii. Debenture Redemption Reserve

During this year, the bank has issued Subordinated Debt as "8.75% Prime Debenture 2085" of Rs. 2,447,963,000. The bank has not created debenture redemption reserve for the first year as per the NRB Directive 2077/16/10/7ka.

ix Regulatory Reserve

The details of regulatory reserve as on Ashadh 2078 is shown in below mentioned table

Particulars	Interest Receivable	Short Loan Loss Provision	Short Provision on Possible Losses on Investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial Loss Recognized	Fair Value Loss Recognized in OCI	Others	Total	
FY 2074-75	171,891,654	-	-	15,528,305	33,163,681	-	-	-	-	-	220,583,641	
Addition	20,411,087	-	-	143,029,676	41,169,246	-	-	9,847,334	21,612,669	-	236,070,012	
FY 2075-76	192,302,741	-	-	158,557,981	74,332,927	-	-	9,847,334	21,612,669	-	456,653,653	
Addition	-	-	-	-	-	-	-	-	-	-	-	
Kailash Bikash Bank	237,521,703	-	-	633,761	7,983,141	-	-	13,700,534	16,832,615	-	276,671,754	
Kankai Bikash Bank	14,206,940	-	-	-	-	4,561,083	-	-	328,659	2,746,491	-	21,843,173
PCBL	100,831,946	-	-	159,342,418	(74,931,064)	-	-	(23,876,528)	(41,191,775)	-	120,174,998	
FY 2076-77	544,863,330	-	-	318,534,161	11,946,088	-	-	-	-	-	875,343,578	
Transfer to RE from Regulatory Reserve against NBA	-	-	-	(82,349,834)	-	-	-	-	-	-	(82,349,834)	
Transfer from RE to Regulatory Reserve against Deferred Tax	-	-	-	-	-	22,991,943	-	-	-	-	22,991,943	
Transfer from RE to Regulatory Reserve against Interest Receivable	45,546,165	-	-	-	-	-	-	-	-	-	45,546,165	
Balance at Ashadh 31, 2078	590,409,495	-	-	236,184,326	34938030	-	-	-	-	-	861,531,851	

5.12.6 COVID Impact and Relief provided by the bank

A second wave of COVID-19 has been hit hard with second phase of lockdown and has seriously affected loan recovery resulting delinquent loan account in large scale. Beyond the obvious health concerns the spread of corona virus presents major challenges for many of the borrowers have faced several hardships to meet the loan commitment of the bank. Central bank has also assisted the stabilization of the financial market by issuing several circulars/directives for providing relaxation to the borrowers such as lower interest rate, working capital funding and etc.

The bank has complied with the notices, circulars and directives of Nepal Rastra Bank to mitigate the COVID impact in the economy. The bank has not charge penal interest and interest on interest as per NRB Notice Bai.Bi.Ni.Bi./Nitiparipatra/kakhaga/2/ 2078-79.

a) Covid Impact during the year

Particulars	As of Ashad End 2078	
	No of Customers	Amount (Rs)
Accured Interest Received after Ashad end 2078 till 29th Shrawan 2078	3,088.00	292,398,479
Additional 0.3% Loan Loss Provision Created on Pass Loan Portfolio	43,435.00	392,006,158
Extension of moratorium period of loan provided to industry or project under construction	-	-
Restructured/ Reschedule Loan with 5% Loan Loss Provision	2,024.00	4,107,924,715
Enhancement of Working Capital Loan by 20% to Covid affected borrowers	729.00	1,261,492,776
Enhancement of Term Loan by 10% to Covid affected borrowers	309.00	224,583,102
Expiry Date of Additional 20% Working Capital Loan (Covid Loan)extended for upto 1 year with 5% provisioning	-	-
Expiry Date of Additional 10% Term Loan(Covid Loan) extended for upto 1 year with 5% provisioning	-	-
Time Extension provided for repayment of principal and interest for upto two years as per clause 41 of NRB Directives 2	4.00	540,937,820

b) Refinance and Business Continuity Loan as on Ashadh 2078

Particulars	Count	Approved amount	Disbursed amount
Refinance Loan	2048	2,360,808,929	2,360,808,929
Business Continuity Loan	-	-	-

c) Subsidized Loan as on Ashadh 2078

Particulars	No. of Total Loan	Approved Credit	Total Outstanding Amount
Subsidized Loan	3,289	9,706,241,030	8,563,608,422

5.12.7 Proposed Dividend

The Board of Directors has proposed dividend of 16.6313% (16% Bonus Share Rs. 2,573,285,904 and 0.6313% cash dividend Rs. 101,532,212 for previous year tax purpose) on the existing paid up capital Rs. 16,083,036,900 of the bank amounting Rs. 2,674,818,116 to all the shareholders vide 433rd Board Meeting date 8th November 2021 which shall be approved by the Annual General Meeting. The dividend shall be distributed to the shareholders as on book close date. Upon approval from AGM the paid up capital of the bank will reach to 18,656,322,804.

As per Section 47(ka) of Income Tax Act 2058, dividend tax shall not be levied on the dividend distributed by the bank to the existing shareholders at the time of acquisition within 2 years after the date of acquisition. So, the existing shareholder's as on 29th Falgun 2076 (12th March 2020) are exempted on dividend tax of this fiscal year.

Prime Commercial Bank Limited
List of shareholders holding 0.5% and above shares
 For the year ended 31 Ashadh 2078

S.No.	Shareholder's Name	Total Share holdings	Percentage
1	Umesh Shrestha	4,889,988	3.04%
2	Nirmal Pradhan	3,456,869	2.15%
3	Vinod Chandra Varal	1,746,093	1.09%
4	Krishna Puri	1,654,716	1.03%
5	Birkram Pandey	1,392,565	0.87%
6	Tejendra Man Malla	1,214,922	0.76%
7	Anjalee Pradhan	1,173,604	0.73%
8	Sushila Mittal	1,170,021	0.73%
9	Sundar Narayan Joshi	1,140,074	0.71%
10	Shailaja Bajracharya	1,128,680	0.70%
11	Shyam Bahadur Shrestha	1,128,679	0.70%
12	Narendra Bajracharya	1,094,481	0.68%
13	Manohar Das Mool	1,083,075	0.67%
14	Sanendra Bajracharya	1,083,074	0.67%
15	Mahesh Raj Karnikar	895,161	0.56%
16	Rajesh Shrestha	892,754	0.56%
17	Naresh Lal Shrestha	854,644	0.53%
18	Life Insurance Corporation (Nepal) Limited	840,763	0.52%
19	Mahendra Ratna Shakya	830,883	0.52%
20	Chiranjivi Dwa	814,160	0.51%

Prime Commercial Bank Limited

List of Promoter Share Pledged

As on 31 Ashadh 2078

S.No.	Shareholder's Name	Held Shares	Pledged Shares	Free Balance	S.No.	Shareholder's Name	Held Shares	Pledged Shares	Free Balance
1	Adya Prasad Subedi	21,139	21,139	-	36	Dinesh Prasad Shrestha	83,319	65,702	17,617
2	Alok Agrawal	70,598	70,598	-	37	Dipak Raj Sigdel	31,539	31,538	1
3	Amar Gurung	15,768	15,768	-	38	Dipak Tuladhar	74,623	62,071	12,552
4	Ananda Bahadur Shrestha	83,320	83,320	-	39	Diwas Rai	66,484	65,288	1,196
5	Ang Dendi Sherpa	327,386	240,000	87,386	40	Durga Prasad Prasai	198,171	194,606	3,565
6	Ang Dendi Sherpa	231,967	26,075	205,892	41	Fadindra Acharya	22,956	22,955	1
7	Anil Kumar Shrestha	62,491	62,487	4	42	Gajendra Lal Shrestha	24,870	15,870	9,000
8	Anil Prasad Shrama	138,034	138,000	34	43	Gandhi Pandit	34,048	29,607	4,441
9	Anita Kumari Saunthalia	195,857	146,740	49,117	44	Ganesh Sharma	31,539	29,601	1,938
10	Anjalee Pradhan	780,636	730,636	50,000	45	Geeta Shrestha	29,477	29,477	-
11	Anju Sharma	294,598	256,173	38,425	46	Gita Devi Subedi	81,566	81,566	-
12	Arjun Kumar Shrestha	47,179	47,179	-	47	Global Trading Concern P Ltd	126,111	126,111	-
13	Arjun Prasad Joshi	83,320	36,226	47,094	48	Gopal Agrawal	48,135	48,135	-
14	Ashok Kumar Baidya	83,320	83,319	1	49	Guna Raj Adhikari	98,415	85,579	12,836
15	Bandana Thapaliya	208,301	44,958	163,343	50	Gyanendra Man Manandhar	41,651	41,644	7
16	Basanta Kumar Ligal	27,426	27,426	-	51	Hari Prasad Baral	584,714	330,608	254,106
17	Basanta Nath Pant	13,553	13,553	-	52	Hari Raj Bimali	146,048	146,048	-
18	Basanta Poudel	72,829	72,829	-	53	Hem Nidhi Sharma	6,924	5,969	955
19	Bayan Bahadur Godar	24,229	24,227	2	54	Jagan Bahadur Gurung	83,320	83,320	-
20	Bhogendra Gurung	33,002	33,002	-	55	Jamuna Krishna Tamrakar	9,861	8,575	1,286
21	Bholeshwor Dulal	61,626	61,626	-	56	Janak Kumar Shrestha	9,861	9,861	-
22	Bhupendra Man Pradhan	362,531	248,400	114,131	57	Janani Shrestha	141,640	141,639	1
23	Bidhya Sharma Luitel	33,892	33,892	-	58	Jayandra Chudal	133,596	133,060	536
24	Bijay Rajbhandari	132,678	63,643	69,035	59	Jeewan Kumar Agrawal	82,597	77,792	4,805
25	Birendra Bajracharya	275,713	23,099	252,614	60	Jip Tshiring Lama	416,604	416,604	-
26	Bishnu Prasad Subedi	124,022	1,289	122,733	61	Kalpana Kumari Joshi	3,460	3,460	-
27	Captive Investment Company Pvt. Ltd.	183,204	149,464	33,740	62	Kalpana Nepal	3,460	388	3,072
28	Chanda Shahi Khadgi	166,641	97,750	68,891	63	Kamala Devi Shrestha	416,603	416,603	-
29	Chandra Bir Singh Tuladhar	59,506	51,745	7,761	64	Keshab Kumar Basnet	13,522	13,517	5
30	Chandra Singh Saud	103,156	88,924	14,232	65	Khushboo Shrestha	291,622	291,618	4
31	Damu Adhikari	15,768	15,761	7	66	Kiran Kumar Ghimire	2,403	2,007	396
32	Deepak Man Shrestha	107,259	92,459	14,800	67	Kishor Thapa	7,282	7,282	-
33	Devendra Joshi	31,541	31,349	192	68	Krishna Bahadur Adhikari	11,035	11,035	-
34	Dharma Bhakta Balla	235,921	235,921	-	69	Kumar Bahadur Khatri	83,320	83,320	-
35	Dinesh Bhakta Shrestha	83,303	49,764	33,539	70	Kumud Kumar Dugar	520,502	452,611	67,891

S.No.	Shareholder's Name	Held Shares	Pledged Shares	Free Balance
71	Laxman Bhandari	23,319	20,278	3,041
72	Laxman Thapa	83,320	58,352	24,968
73	Laxmi Prasad Dumre	11,662	10,761	901
74	Madan Kumar Shrestha	89,771	40,020	49,751
75	Madhav Prasad Parajuli	382,858	382,857	1
76	Mahesh Bahadur Basnet	3,491	2,901	590
77	Mahesh Kumar Murarka	76,302	7,253	69,049
78	Malati Bajracharya	83,324	25,426	57,898
79	Man Bahadur Budha-thoki	180,919	155,965	24,954
80	Manju Agarwal	624,289	473,631	150,658
81	Manoj Kumar Shrestha	61,236	61,233	3
82	Min Man Shrestha	291,667	291,667	-
83	Mukti Natha Bhattarai	172,919	149,068	23,851
84	Nabin Kumar Gauli	21,223	18,455	2,768
85	Narayan Prasad Paudel	262,919	262,919	-
86	Naresh Dugar	520,502	452,611	67,891
87	Navin Baidya	4,596	4,594	2
88	Navin Baidya	72,826	71,836	990
89	Parshuram Kunwar Chhetri	235,920	235,920	-
90	Pramila Devkota Pandey	166,641	153,038	13,603
91	Pramila Maharjan	105,387	102,524	2,863
92	Pramod Agrawal	59,308	59,308	-
93	Pratibha Poudel	41,263	5,382	35,881
94	Prudential Capital Management Company Pvt. Ltd	196,751	124,000	72,751
95	Prudential Capital Management Company Pvt. Ltd	5,817	464	5,353
96	Purushottam Manandhar	150,088	102,080	48,008
97	Raj Kumar Rai	31,599	31,599	-
98	Rajan Kumar Pokharel	39,367	39,367	-
99	Rajani Pradhan	85,516	85,513	3
100	Rajaram Parajuli	30,276	26,100	4,176
101	Rajesh Lal Shrestha	28,416	24,496	3,920
102	Rajesh Shrestha	888,286	888,286	-
103	Raju Kumar Shrestha	787,536	769,250	18,286
104	Rajuram Silawal	124,984	107,738	17,246
105	Ram Bahadur Koirala	31,541	31,541	-
106	Ram Chandra Thapa	153,155	130,659	22,496

S.No.	Shareholder's Name	Held Shares	Pledged Shares	Free Balance
107	Ram Prasad Shrestha	208,300	152,454	55,846
108	Ramesh Kumar Agrawal	73,734	62,000	11,734
109	Rameshor Bade Shrestha	41,651	41,651	-
110	Ratnakaji Maharjan	83,320	83,320	-
111	Ritesh Kumar Agarwal (Saraf)	266,704	204,960	61,744
112	Rojena Shrestha (Shaha)	291,619	291,619	-
113	Roshan Shrestha	602,454	356,978	245,476
114	Sabita Agrawal	131,132	87,503	43,629
115	Sabita Agrawal	17,049	16,057	992
116	Sanendra Bajracharya	791,554	791,554	-
117	Saroj Prasad Pandey	83,320	83,320	-
118	Satish Shrestha	83,320	71,828	11,492
119	Shambhu Sharan Sah	3,461	3,461	-
120	Sharad Chenka	614,234	371,454	242,780
121	Shiva Sharma	33,005	33,005	-
122	Shova Mishra	230,000	230,000	-
123	Shyam Bahadur Shrestha	824,885	355,000	469,885
124	Srijana Pandey	41,649	35,903	5,746
125	Subash Chandra Bhattarai	279,164	275,752	3,412
126	Subash Shrestha	550,601	550,600	1
127	Subash Shrestha	36,719	36,718	1
128	Sumir Kumar Rimal	72,456	72,456	-
129	Sunita Shrestha	143,927	143,927	-
130	Suraj Sangachhe	83,320	83,320	-
131	Suresh Kumar Agrawal	173,405	170,285	3,120
132	Suresh Vaidya	157,984	155,142	2,842
133	Surya Narayan Sahu Teli	39,367	39,367	-
134	Surya Prasad Subedi	83,538	83,538	-
135	Sushil Kumar Ojha	20,059	13,617	6,442
136	Sushma Rathi	230,000	200,000	30,000
137	Sushma Rathi	22,418	22,418	-
138	Tejendra Man Malla	816,392	634,481	181,911
139	Thakur Prasad Paudel	41,651	41,651	-
140	Uma Nath Baral	31,541	27,427	4,114
141	Uma Shah	35,068	34,197	871
142	Umesh Shrestha	3,632,804	1,579,480	2,053,324
143	Usha Thapa Silwal	208,301	208,300	1
144	Vikas Dugar	520,502	452,611	67,891
145	Vinod Chandra Varal	1,707,095	742,215	964,880

Prime Commercial Bank Limited
Interim Financial Results (Quarterly)
Condensed Statement of Financial Position

As on Quarter Ended Ashadh 2078

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets		
Cash and Cash Equivalents	7,864,971,018	10,379,968,108
Due from Nepal Rastra Bank	10,497,986,812	8,716,147,441
Placement with Bank and Financial Institutions	4,766,883,849	2,260,117,991
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to B/FIs	6,097,717,932	4,116,319,738
Loans and Advances to Customers	135,376,649,719	110,435,793,069
Investment Securities	23,426,854,321	13,684,280,290
Current Tax Assets	331,561,840	136,770,124
Investment in Subsidiaries	-	-
Investment in Associates	46,023,000	60,023,000
Investment Property	365,775,958	496,489,981
Property and Equipment	1,014,001,256	1,076,214,783
Goodwill and Intangible Assets	22,781,269	15,995,334
Deferred Tax Assets	-	11,946,088
Other Assets	739,695,412	792,928,030
Total Assets	190,550,902,385	152,182,993,975
Liabilities		
Due to Bank and Financial Institutions	6,040,221,001	10,350,291,413
Due to Nepal Rastra Bank	2,360,808,929	121,197,355
Derivative Financial Instruments	-	-
Deposits from Customers	154,149,965,445	119,441,613,623
Borrowings	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred Tax Liabilities	49,368,548	-
Other Liabilities	1,584,870,159	1,743,037,097
Debt Securities Issued	2,440,968,911	-
Subordinated Liabilities	-	-
Total Liabilities	166,626,202,994	131,656,139,487
Equity		
Share Capital	16,083,036,900	13,985,249,504
Share Premium	-	644,823
Retained Earnings	2,777,225,036	1,888,969,218
Reserves	5,064,437,456	4,651,990,943
Total Equity Attributable to Equity Holders	23,924,699,391	20,526,854,488
Non Controlling Interest	-	-
Total Equity	23,924,699,391	20,526,854,488
Total Liabilities and Equity	190,550,902,385	152,182,993,975

Prime Commercial Bank Limited
Interim Financial Results (Quarterly)
Condensed Statement of Profit or Loss

For the Quarter Ended Ashadh 2078

Amount in NPR

Particulars	Current Year		Previous Year Corresponding (Audited)	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest Income	3,740,498,752	14,012,734,443	3,614,020,525	12,233,257,785
Interest Expense	2,194,808,941	8,060,623,432	2,314,257,112	7,592,636,706
Net Interest Income	1,545,689,811	5,952,111,012	1,299,763,412	4,640,621,080
Fee and Commission Income	311,287,744	1,405,298,567	184,823,722	902,766,630
Fee and Commission Expense	47,261,202	105,566,561	35,562,527	71,334,334
Net Fee and Commission Income	264,026,542	1,299,732,005	149,261,196	831,432,295
Net Interest, Fee and Commission Income	1,809,716,353	7,251,843,017	1,449,024,608	5,472,053,375
Net Trading Income	104,142,076	321,266,753	74,072,127	267,526,501
Other Operating Income	110,477,939	289,061,550	10,657,307	61,914,593
Total Operating Income	2,024,336,368	7,862,171,320	1,533,754,043	5,801,494,468
Impairment Charge/ (Reversal) for Loans and Other Losses	709,104,745	775,792,432	562,923,286	766,213,411
Net Operating Income	1,315,231,623	7,086,378,888	970,830,756	5,035,281,058
Operating Expense				
Personnel Expenses	404,234,388	1,589,035,692	314,172,122	1,093,776,904
Other Operating Expenses	197,355,935	613,384,481	228,590,295	532,520,434
Depreciation & Amortisation	48,381,995	184,743,025	55,860,955	140,440,750
Operating Profit	665,259,305	4,699,215,690	372,207,384	3,268,542,969
Non Operating Income	-	-	-	-
Non Operating Expense	-	-	-	-
Profit Before Income Tax	665,259,305	4,699,215,690	372,207,384	3,268,542,969
Income Tax Expense	228,158,274	1,444,438,269	151,404,244	1,017,064,669
Current Tax	228,158,274	1,444,438,269	127,855,065	993,515,491
Deferred Tax		-	23,549,178	23,549,178
Profit/(Loss) for the Period	437,101,031	3,254,777,421	220,803,141	2,251,478,300
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	437,101,031	3,254,777,421	220,803,141	2,251,478,300
Other Comprehensive Income	26,361,759	143,067,482	58,772,248	119,891,066
Total Comprehensive Income	463,462,789	3,397,844,903	279,575,389	2,371,369,367
Basic Earnings per Share		20.24	-	16.10
Diluted Earnings per Share		20.24	-	16.10
Profit Attributable to:				
Equity-holders of the Bank	437,101,031	3,254,777,421	220,803,141	2,251,478,300
Non-Controlling Interest	-	-	-	-
Total	437,101,031	3,254,777,421	220,803,141	2,251,478,300

Prime Commercial Bank Limited
Interim Financial Results (Quarterly)
Ratio as per NRB Directives

For the Quarter Ended Ashadh 2078

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter(YTD)	This Quarter	Upto This Quarter(YTD)
Capital Fund to RWA		15.10%		13.84%
Non-Performing Loan (NPL) to total Loan		1.45%		1.48%
Total Loan Loss Provision to Total NPL		157.05%		144.59%
Cost of Funds		5.74%		7.14%
Credit to Deposit Ratio		79.60%		74.54%
Base Rate		7.21%		8.62%
Interest Rate Spread (as per NRB directive)		4.09%		4.22%

Notes to Interim Financial Statements

1. Above financial statements has been prepared as per NRB format and are NFRS compliant. The bank has applied carve-out issued by ICAN.
2. Previous period figure have been regrouped / rearranged / restated wherever necessary.
3. Loan and Advances include interest receivables, staff loan and are presented net of impairment charges.
4. Equity Investment and Mutual Fund are categorized as available for sale and are measured at fair value through OCI.
5. Above figures are subject to change upon otherwise instructions of Statutory Auditor and/or Regulatory Authorities .
6. The detail interim financial report has been published in the Bank's website: www.primebank.com.np

Prime Commercial Bank Limited

Comparison of Unaudited and Audited Financial Statements

As on Year Ended FY 2077-78

Amount in NPR'000'

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and Cash Equivalents	7,864,971	7,864,971	-	-	
Due from Nepal Rastra Bank	10,497,987	10,497,987	-	-	
Placement with Bank and Financial Institutions	4,766,884	4,766,884	-	-	
Derivative Financial Instruments	-	-	-	-	
Other Trading Assets	-	-	-	-	
Loans and Advances to B/FIs	6,097,718	6,097,766	48	0.00%	Re-classification of assets.
Loans and Advances to Customers	135,376,650	135,383,784	7,134	0.01%	Changes in Loan Loss Provision after statutory audit and regulatory requirement.
Investment Securities	23,426,854	23,426,854	-	-	
Current Tax Assets	331,562	288,059	(43,503)	-13.12%	Tax calculation adjustment as per Income Tax Act, 2058.
Investment in Subsidiaries	-	-	-	-	
Investment in Associates	46,023	46,023	-	-	
Investment Property	365,776	365,776	-	-	
Property and Equipment	1,014,001	1,048,085	34,084	3.36%	Reversal of accounting entries of land & building.
Goodwill and Intangible Assets	22,781	22,774	(7)	-0.03%	
Deferred Tax Assets	-	34,938	34,938	100%	Finalization of deferred tax after statutory audit.
Other Assets	739,695	693,319	(46,377)	-6.27%	Regrouping and reclassification of assets.
Total Assets	190,550,902	190,537,219	(13,684)		
Capital and Liabilities					
Due to Bank and Financial Institutions	6,040,221	6,042,374	2,153	0.0%	Regrouping and reclassification of liabilities.
Due to Nepal Rastra Bank	2,360,809	2,360,809	-	-	
Derivative Financial Instruments	-	-	-	-	
Deposits from Customers	154,149,965	154,139,514	(10,451)	0%	Regrouping and reclassification of liabilities.
Borrowings	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	49,369	-	(49,369)	0%	Finalization of deferred tax after statutory audit.
Other Liabilities	1,584,870	1,612,040	27,170	2%	Changes after actuarial valuation.
Debt Securities Issued	2,440,969	2,440,969	-	-	
Subordinated Liabilities	-	-	-	-	
Total Liabilities	166,626,203	166,595,705	(30,498)	0%	
Equity					
Share Capital	16,083,037	16,083,037	-	-	
Share Premium	-	-	-	-	
Retained Earnings	2,777,225	2,719,162	(58,064)	-2%	Change in profit after adjustment of income and expenses.
Reserves	5,064,437	5,139,315	74,877	1%	Change in profit after statutory audit and other regulatory adjustments.
Total Capital and Liabilities	190,550,902	190,537,219	13,684		

Prime Commercial Bank Limited

Comparison of Unaudited and Audited Financial Statements

For the Year Ended FY 2077-78

Amount in NPR'000'

Statement of Profit or Loss	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Interest Income	14,012,734	14,009,656	(3,078)	-0.02%	Adjustment of interest income after regulatory adjustments.
Interest Expense	8,060,623	8,060,765	142	0.00%	
Net Interest Income	5,952,111	5,948,891	(3,220)		Due to change in interest income.
Fee and Commission Income	1,405,299	1,408,058	2,760	0.20%	Adjustment of accounting entries in related head.
Fee and Commission Expense	105,567	105,270	(297)	-0.28%	
Net Fee and Commission Income	1,299,732	1,302,789	3,057		
Net Interest, Fee and Commission Income	7,251,843	7,251,679	(164)		
Net Trading Income	321,267	321,267	-	-	
Other Operating Income	289,062	269,719	(19,343)	-6.69%	Reversal of accounting entries of land & building.
Total Operating Income	7,862,171	7,842,664	(19,507)	-0.25%	
Impairment Charge/ (Reversal) for Loans and Other Losses	775,792	769,296	(6,496)	-0.84%	Additional provision made.
Net Operating Income	7,086,379	7,073,368	(13,011)		
Operating Expense					
Personnel Expenses	1,589,036	1,591,343	2,307	0.15%	Due to changes in profit before bonus and tax.
Other Operating Expenses	613,384	612,311	(1,074)	-0.18%	
Depreciation & Amortisation	184,743	184,381	(362)	-0.20%	Adjustment after statutory audit.
Operating Profit	4,699,216	4,685,334	(13,882)		
Non Operating Income	-	-	-	-	
Non Operating Expense	-	-	-	-	
Profit Before Income Tax	4,699,216	4,685,334	(13,882)		
Income Tax Expense					
Current Tax	1,444,438	1,502,607	58,169	4.03%	Recalculation of tax as per Income Tax Act 2058.
Deferred Tax	-	(85,674)	(85,674)	-100%	Tax calculation as per Income Tax Act, 2058.
Profit for the Year	3,254,777	3,268,401	13,623	0.42%	Due to change in above heads.

नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशिका २०७७ को निर्देशन नं २० बुंदा नं ८ सँग सम्बन्धी विवरण

सेवाग्राहीलाई पर्ने असुविधा तथा सर्वसाधारणको गुनासो सुनुवाई गर्न यस बैंकले “सूचना तथा गुनासो सुनुवाई डेस्क” स्थापना गरी सेवाग्राही तथा सर्वसाधारणको गुनासो सुनुवाई गर्दै आएको छ । सेवाग्राही तथा सर्वसाधारणको गुनासो सुनुवाईका लागि बैंकले विभिन्न माध्यमहरूको व्यवस्था गरी गुनासो सुनुवाई गरि रहेको छ । यस बैंकले गुनासोहरूको सुनुवाईको लागि निम्न व्यवस्था गरेको छ :

वेबसाईट : <https://www.primebank.com.np/grievance/user/index>

ईमेल : info@primebank.com.np

बैंकको गुनासो सुन्ने अधिकारीको विवरण बैंकको वेबसाईट तथा बैंकका शाखा कार्यालयहरूमा राखिएको छ । गुनासो सुन्ने अधिकारीको विवरण देहाय वमोजिम रहेको छ ।

नाम : श्री प्रशान्त राज डंगोल
पद : कायममुकायम सहायक महाप्रबन्धक
फोन नम्बर : ०१-४४२३२९५ EXT २९६५
मोबाईल नम्बर : ९७७-९८५९०९९६०२

आ.व. २०७७/७८ मा सेवाग्राही तथा सर्वसाधारणबाट प्राप्त भएको गुनासोहरूको विवरण

सेवाग्राही तथा सर्वसाधारणको गुनासो सुनुवाईका लागि बैंकले व्यवस्था गरेको विभिन्न माध्यमहरूबाट आ.व. २०७७/७८ मा ग्राहकबाट प्राप्त भएको गुनासा १५३ वटा रहेकोमा १५३ वटै गुनासो सुनुवाई भइसकेको छ ।

Prime Commercial Bank Limited

Principal Indicators

As on 31 Ashadh 2078

S.N.	Particulars	Unit	Fiscal Year				
			2077/78 (NFRS)	2076/77 (NFRS)	2075/76 (NFRS)	2074/75 (NFRS)	2073/74
1	Net Profit/Total Income	Percent	20.42	16.72	20.18	18.01	22.84
2	Earnings Per Share	Rs.	20.32	16.10	23.60	21.49	23.21
3	Market Value Per Share	Rs.	479	255	278	287	421
4	Price Earning Ratio	Ratio	23.57	15.84	11.78	13.36	18.14
5	Dividend in Share Capital (Including Bonus)	Percent	16.00	15.00	16.00	16.00	27.00
6	Cash Dividend in Share Capital	Percent	0.6313	-	-	-	-
7	Interest Income/Loan and Advances	Percent	9.17	10.05	12.16	11.51	8.63
8	Staff Expenses/Total Operating Expenses	Percent	57.34	52.05	55.49	52.96	48.75
9	Interest Expenses in Total Deposit	Percent	5.03	5.85	7.23	7.25	4.98
10	FX Fluctuation Gain/Total Income	Percent	2.02	2.01	2.18	1.93	1.91
11	Staff Bonus/Total Staff Expenses	Percent	32.71	33.20	39.39	38.75	42.92
12	Net Profit/Loan and Advances	Percent	2.29	1.95	2.86	2.43	2.50
13	Net Profit/Total Assets	Percent	1.72	1.48	2.15	1.82	1.89
14	Total Loan/Deposits	Percent	89.23	88.97	89.15	87.53	89.12
15	Total Operating Expenses/Total Assets	Percent	1.25	1.16	1.29	1.03	0.74
16	Capital Adequacy Ratio:						
	A. Core Capital	Percent	12.28	12.83	11.97	11.43	12.45
	B. Supplementary Capital	Percent	2.54	1.01	0.80	0.80	0.83
	C. Total Capital Fund	Percent	14.82	13.84	12.76	12.24	13.28
17	Liquidity (CRR)	Percent	7.18	7.25	9.83	11.42	13.27
18	Non-performing Loan/Total Loan (as per NRB)	Percent	0.99	1.48	1.00	0.85	0.88
19	Weighted Average Interest Rate Spread	Percent	4.14	4.22	4.32	4.23	3.45
20	Book Net worth	Rs.	148.86	146.78	143.84	139.52	149.16
21	Total Share of PCBL	Number	160,830,369	139,852,495	93,186,267	80,332,989	63,254,322
22	Total Staff	Number	1548	1469	725	691	571
23	Base Rate	Percent	7.21	8.62	10.03	10.47	10.64
24	No of Branches (including EC)	Number	192	184	73	64	55
25	No of ATM	Number	107	103	46	36	33



नेपाल राष्ट्र बैंक

बैंक सुपरिवेक्षण विभाग



प.सं: वै.सु.वि. / अफसाइट/एजिएम/१४/२०७८/७९

केन्द्रीय कार्यालय
बालबाटार, काठमाडौं।
फोन नं.: ४४९९८०५, ७
फ्याक्स नं.: ४४०९५९९

Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोस्ट बक्स: ७३

मिति : २०७८/०८/०६

प्राइम कमर्सियल बैंक लिमिटेड,
कमलपोखरी, काठमाडौं

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

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरु पालना गरेको देखिएको हुँदा सो ऐनको उपदफा (१) बमोजिम सचित मुनाफा रु. २,७१,९९,६९,५२४।- बाट शेयरधनीहरुलाई रु. २,५७,३२,८५,९०४।- (चुक्ता पुँजीको १६ प्रतिशत) बरावरको बोनस शेयर वितरण गर्न र रु. १०,९५,३२,२१२।- (चुक्ता पुँजीको ०.६३१३ प्रतिशत) नगद लाभांश (बोनस शेयर तथा नगद लाभांशमा लाग्ने करसमेत) गरी कुल रु. २,६७,४८,१८,११६।- (अक्षरेपी दुइ अर्व सतसष्ठी करोड अडचालिस लाख अठार हजार एक सय सोहँ मात्र) आयकर ऐन लगायत अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट पारित भएको अवस्थामा मात्र वितरण गर्न बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (१) अनुसार स्वीकृतिका साथै आ.व. २०७९/७८ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा तिर्णयानुसार जानकारी गराउँदछु।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु पूर्णरूपले सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाउनु हुन।
- यस बैंकबाट जारी गरिएको एकीकृत निर्देशनको नं.१० को बुदा 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 शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुले आफ्नो शेयर सो सीमाभित्र नल्याएसम्म प्रस्तावित बोनस शेयर वितरण रोकका 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 संस्थापक शेयर विक्री तथा धितो बन्धक राख्ना 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 रूपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित बोनस शेयर वितरण रोकका राख्ने व्यवस्था मिलाउनु हुन।

उपरोक्त निर्देशनहरुलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुटै पानामा प्रकाशित गर्नुहुन।

भवदीय,

(मोहन पुडासैनी)
उप निर्देशक

बोधार्थ

- नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग।
- बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाइ।

बैंकको प्रबन्धपत्र तथा नियमावलीमा प्रस्तावित संशोधन प्रबन्धपत्रमा प्रस्तावित संशोधन

सि. न.	हालको व्यवस्था	प्रस्तावित संशोधन	संशोधनगनु परेको कारण
१.	दफा ६ (ख) बैंकले तत्काल जारी गर्ने शेयर पूँजी रु. १६,०८,३०,३६,९००/- (सोहँ अर्ब आठ करोड तीस लाख छत्तीस हजार नौ सय रुपैया) हुनेछ । सो पूँजीलाई रु. १००/- को दरका १६,०८,३०,३६९ थान साधारण शेयरमा विभाजन गरिएको छ ।	दफा ६ (ख) बैंकले तत्काल जारी गर्ने शेयर पूँजी रु. १८,६५,६३,२२,८००/- (अठार अर्ब पैसाहुँ करोड त्रिसहुँ लाख बाइस हजार आठ सय रुपैया) हुनेछ । सो पूँजीलाई रु. १००/- दरका १८,६५,६३,२२८ थान साधारण शेयरमा विभाजन गरिएको छ ।	बोनस शेयर जारी गरी बैंकको जारी तथा चुक्ता पूँजी बृद्धि गर्ने ।
२.	दफा ६(ग) बैंकको तत्काल चुक्ता गर्न कबुल गरेको पूँजी रु. १६,०८,३०,३६,९००/- (सोहँ अर्ब आठ करोड तीस लाख छत्तीस हजार नौ सय रुपैया) हुनेछ । सो पूँजीलाई रु. १००/-को दरका १६,०८,३०,३६९ थान साधारण शेयरमा विभाजन गरिएको छ ।	दफा ६(ग) बैंकको तत्काल चुक्ता गर्न कबुल गरेको शेयर पूँजी रु. १८,६५,६३,२२,८००/- (अठार अर्ब पैसाहुँ करोड त्रिसहुँ लाख बाइस हजार आठ सय रुपैया) हुनेछ । सो पूँजीलाई रु. १००/- दरका १८,६५,६३,२२८ थान साधारण शेयरमा विभाजन गरिएको छ ।	बोनस शेयर जारी गरी बैंकको जारी तथा चुक्ता पूँजी बृद्धि गर्ने ।
३.	नभएको	बैंकको मुख्य उद्देश्य : (४) प्रचलित धितोपत्र सम्बन्धी ऐन, नियम र कानूनी व्यवस्था तथा विद्यमान नीतिगत व्यवस्थाको अधिनमा रही छुट्टै सहायक कम्पनी स्थापना गरी सो मार्फत नेपाल धितोपत्र बोर्डको अनुमति लिई धितोपत्र व्यवसाय सम्बन्धी कार्य गर्ने ।	धितोपत्र व्यवसाय सम्बन्धी कार्य गर्न सहायक कम्पनी स्थापना गर्ने ।

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प्रमुख कार्यकारी अधिकृत



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