



वार्षिक प्रतिवेदन

२०७९/२०८०



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राजेन्द्र दास श्रेष्ठ
अध्यक्ष



उदय मोहन श्रेष्ठ
सञ्चालक



नरेन्द्र बज्राचार्य
सञ्चालक



डा. गजेन्द्र विष्ट
सञ्चालक (सर्वसाधारण)



प्रचण्ड मान श्रेष्ठ
सञ्चालक (सर्वसाधारण)



मनोज पौडेल
सञ्चालक (सर्वसाधारण)



प्रा.डा. तारा देवी चित्रकार
सञ्चालक (स्वतन्त्र)



राजकुमार कार्की
कम्पनी सचिव
तथा
प्रमुख-कानून विभाग

लेखापरीक्षक:

रन्जिव एण्ड एसोसियट्स, चार्टर्ड एकाउन्टेन्ट्स

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सोह्रौ वार्षिक साधारणसभा सम्बन्धी सूचना

मिति २०८०/०९/०६ गते (तदनुसार २२ डिसेम्बर, २०२३) मा बसेको सञ्चालक समितिको ४८८ औं बैठकको निर्णयानुसार यस बैंकको १६ औं वार्षिक साधारणसभा निम्न लिखित मिति, स्थान र समयमा निम्न विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा आदरणीय सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिकोलागि हार्दिक अनुरोध गर्दछौं ।

सभा हुने मिति, स्थान र समय:

सभा हुने मिति	:	२०८०/०९/२९ गते, आइतबार (तदनुसार १४ जनवरी, २०२४) ।
स्थान	:	अमृतभोग क्याटर्स, कालिकास्थान, डिल्लीबजार, काठमाडौं ।
सभा शुरू हुने समय	:	विहान ११:०० बजेदेखि ।

छलफलका विषयहरू :

क. सामान्य प्रस्तावहरू :

१. आर्थिक वर्ष २०७९/८० को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित २०८० आषाढ मसान्तको वासलात, मिति २०७९/०४/०१ देखि २०८०/०३/३१ सम्मको नाफा नोक्सान हिसाव, सोही अवधिको नगद प्रवाह लगायतका विवरणहरू र नेपाल चार्टर्ड एकाउन्टेण्ट्स संस्था (ICAN) ले तोकेको न्यूनतम पारिश्रमिक भन्दा कम नहुने गरी सञ्चालक समितिले थपि दिएको पारिश्रमिक उपर छलफल गरी स्वीकृत र अनुमोदन गर्ने ।
३. बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ तथा कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०८०/८१ को लागि लेखापरीक्षण गर्न लेखापरीक्षण समितिले सिफारिस गरे बमोजिम लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक अनुमोदन गर्ने ।

ख. विशेष प्रस्तावहरू :

१. यस बैंक तथा अन्य कुनै बैंक 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 अख्तियार प्रदान गर्ने ।
२. साधारणसभाको काम कारवाहीका सम्बन्धमा बैंकले प्रस्तुत गरेका कुनै कागजपत्रमा नियमनकारी निकायहरू (कम्पनी रजिष्ट्रारको कार्यालय, नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड आदि) ले कुनै फेरवदल/संशोधन/परिमार्जन गर्न वा मिलाउन कुनै सुझाव वा निर्देशन दिएमा सोही अनुरूप आवश्यक समायोजन गर्न बैंकको सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने ।

ग. विविध ।

आज्ञाले,
कम्पनी सचिव

साधारणसभा सम्बन्धी सामान्य जानकारीहरू :

१. यस साधारणसभा प्रयोजनका लागि मिति २०८०/०९/१९ गतेका दिन एक दिन बैंकको शेयर दाखिल खारेज दर्ता बन्द (Book Close) रहनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०८०/०९/१८ गतेसम्म कारोबार भई ७ दिनभित्र यस बैंकको शेयर रजिष्ट्रार, हिमालयन क्यापिटल लि. (साविक सिभिल क्यापिटल मार्केट्स लि., काठमाडौं) काठमाडौंमा प्राप्त शेयर नामसारी, दाखिल खारेजीको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले सो सभामा भाग लिन सक्नु हुनेछ ।
२. वार्षिक साधारणसभामा भौतिक रूपमा भाग लिंदा 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 सभास्थलमा आउनुहुन अनुरोध छ । हाजिरी पुस्तिका बिहान १०:०० बजेदेखि सभा चालु रहन्जेलसम्म खुल्ला रहनेछ ।
३. प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले मतदान गर्न पाउने अधिकतम हद वा सीमासम्म त्यस्तो शेयरधनी हकमा रहेको 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 ४८ घण्टा अगाडि दर्ता गराई सक्नु पर्नेछ ।
४. “मैले यस अधि दिएको सबै प्रतिनिधि-पत्र (प्रोक्सी) बदर गरी यो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिईयोस्” भनी छुट्टै पत्र लेखी पठाएको अवस्थामा अन्य सबै प्रतिनिधिहरू (प्रोक्सी) बदर भई सोही पत्रसाथ प्राप्त प्रतिनिधि-पत्र (प्रोक्सी)लाई मात्र 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 ।
५. संयुक्त रूपमा शेयर खरीद गरिएको अवस्थामा शेयरधनीको लगत दर्ता किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन पाउनु हुनेछ ।
६. सभामा भाग लिन प्रतिनिधि नियुक्त गरिसकेपछि सम्बन्धित शेयरधनीले आफैले भाग लिन वा प्रतिनिधि फेरबदल गर्न चाहेमा सभा सुरु हुनुभन्दा कम्तीमा २४ घण्टा अगावै सो को सूचना बैंकको रजिष्टर्ड कार्यालय, कमलपोखरी, काठमाडौंमा दर्ता गरिसक्नु पर्नेछ । अन्यथा प्रतिनिधि फेरबदल हुन सक्ने छैन । तर, सम्बन्धित शेयरधनी स्वयं सभामा उपस्थित हुन आएमा शेयरधनीले गरिदिएको अख्तियारनामा स्वतः बदर हुनेछ ।
७. 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 ।
८. शेयरधनी महानुभावहरूको सुरक्षा सुनिश्चित गर्न सुरक्षा जाँच हुने व्यवस्था मिलाइएको हुँदा सुरक्षाकर्मीले आगन्तुक सबैको सुरक्षा जाँच गर्न सक्नेछ । शेयरधनी महानुभावहरूले पनि अति आवश्यक नभए, छाता, भोला, प्याकेट जस्ता सुरक्षा जाँचमा जटिलता ल्याउने सामग्री नलिई आउनु हुन र सुरक्षाकर्मीको जाँचमा सहयोग गर्नु हुन अनुरोध छ ।

प्रोक्सी फाराम

श्री सञ्चालक समिति,
 प्राइम कमर्सियल बैंक लिमिटेड,
 कमलपोखरी, काठमाडौं ।

विषय : प्रतिनिधि (प्रोक्सी) नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला, म.न.पा./उ.म.न.पा./न.पा./ गाउँपालिका वडा नं. बस्ने म/हामी ले त्यस बैंकको संस्थापक/सर्वसाधारण शेयरधनीको हैसियतले मिति २०८० साल पौष महिना २९ गते आइतबारका दिन हुने १६औं वार्षिक साधारणसभामा म/हामी स्वयम् उपस्थित भई छलफल, निर्णय तथा सञ्चालक निर्वाचनमा सहभागी हुन नसक्ने भएको हुनाले उक्त सभामा मेरो/हाम्रो तर्फ....बाट भाग लिइ उक्त कार्य गर्नका लागि जिल्ला, म.न.पा./उ.म.न.पा./न.पा./गाउँपालिका वडा नं. बस्ने श्री..... लाई मेरो/हाम्रो प्रतिनिधि (प्रोक्सी) नियुक्त गरी पठाएको छु/छौं ।

प्रतिनिधिको

दस्तखत नमूना :

नाम :

ठेगाना :

शेयरधनी नं./हितग्राही खाता नं. :

मिति :

बैंकको छाप :

निवेदकको

दस्तखत :

नाम :

ठेगाना :

शेयरधनी नं./हितग्राही खाता नं. :

शेयर संख्या :

कम्पनी सचिवको दस्तखत :

द्रष्टव्य : यो प्रोक्सी फाराम साधारणसभा हुनु भन्दा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, कमलपोखरी, काठमाडौंमा दर्ता गरिसक्नु पर्नेछ ।



PRIME BANK LTD.
 प्राइम कमर्सियल बैंक लिमिटेड

प्रवेश पत्र

मिति : २०८०/०९/२९

शेयरधनीको नाम :

शेयर संख्या :

हितग्राही खाता नं. :

शेयरधनी नं. :

१६ औं वार्षिक साधारणसभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र

Kamirij

शेयरधनीको दस्तखत

कम्पनी सचिवको दस्तखत

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



प्राइम कमर्सियल बैंक लिमिटेडको सोह्रौं वार्षिक साधारण सभामा प्रस्तुत सञ्चालक समितिका अध्यक्षको आ.व. २०७९/८० को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

यस प्राइम कमर्सियल बैंक लिमिटेडको सोह्रौं वार्षिक साधारण सभामा उपस्थित भई सभाको गरिमा बढाइदिनु भएकोमा सम्पूर्ण शेयरधनी महानुभावहरुलाई बैंक सञ्चालक समितिको तर्फबाट म हार्दिक स्वागत तथा अभिवादन गर्न चाहन्छु। स्थापनाकालदेखि नै बैंकका शेयरधनी महानुभावहरु, ग्राहकवर्ग, नियमन निकाय एवं सम्पूर्ण शुभेच्छुकहरुको सदाशयता र मार्ग निर्देशनका कारण बैंकले आफ्नो व्यवसायलाई सावधानीपूर्वक एवं संयमित ढंगले विस्तार गरी निरन्तररूपमा दिगो प्रगति हासिल गर्दै आएको छ।

विश्वभर फैलिएको महामारी एवं रुस युक्रैन युद्धका कारण बिगत केही वर्षयता विश्वका शक्तिशाली अर्थतन्त्रहरु समेत नराम्ररी प्रभावित बन्न पुगेका छन्। यो असरबाट अल्पविकसित मुलुक नेपालको अर्थतन्त्रले पनि इतिहासमै पहिलोपल्ट अत्यन्तै नौलो कठिनाई र चुनौतीपूर्ण अवस्थाको सामना गर्नुपरिरहेको यहाँहरुलाई विदितै छ। आर्थिक गतिविधिहरुमा सर्वत्र मन्दी छाएका कारण उद्योग व्यवसाय, आयात निर्यात, सरकारी राजस्व, बैंक तथा वित्तीय संस्थाहरुको व्यवसाय, कर्जा असुली र आम्दानीमा समेत ठूलो चुनौतीको अवस्था देखापरेको छ। अर्थतन्त्रलाई सही अवस्थामा ल्याउन सरकारी तथा अन्य नियमन निकायहरुले थुप्रै प्रयास गरिरहे पनि ती पर्याप्त हुन सकिरहेका छैनन्। यसले गर्दा समीक्षा वर्षमा बैंकिङ क्षेत्रमा तरलताको अभूतपूर्व समस्या देखापऱ्यो। तरलताको अभावका कारण कर्जाको ब्याजदर उच्च हुँदा उद्योग व्यवसायले लागत वृद्धिको दोहोरो मार भोग्नुपऱ्यो। आर्थिक संकुचनको अवस्थाले तरलताको थप समस्या र सरकारी राजस्व असुलीमा समेत न्यूनता र निर्माणाधीन परियोजनाहरु तथा अन्य व्यापार व्यवसायहरुमा आवश्यक स्रोतको अभाव रहिरह्यो। नेपाल राष्ट्र बैंकबाट पछिल्लो समयमा जारी निर्देशनका कारण आर्थिक गतिविधिहरु सुचारु हुनसक्ने र उपभोग, उद्योग व्यवसाय, आयात निर्यात लगायत अर्थतन्त्रका विभिन्न आयामहरुमा क्रमिक सुधार हुँदै जाने विश्वास बढ्न थालेको छ। अर्थतन्त्रको यो असाधारण, प्रतिकूल एवं चुनौतीपूर्ण अवस्थाबाट निकास पाउन यस बैंकले ऋणी तथा व्यवसायीहरूसँग सहकार्य एवं हातेमालो गर्ने समय सापेक्ष नीति र कार्यक्रमहरु तय गरी कार्यान्वयनमा ल्याइसकेको छ। यसका लागि सरकारी निकायहरुबीच समुचित संयोजन भै समस्याको जडमा पुगेर समाधान निकाल्ने गम्भीर प्रयास भएको खण्डमा अर्थतन्त्र छिटो लयमा र पुनः सामान्य अवस्थामा फर्किनेछ।

अर्थतन्त्रमा देखिएका उल्लेखित समस्याका कारण समीक्षा अवधिमा बैंकको व्यवसाय विस्तार एवं मूनाफा आर्जनमा केही प्रभाव परेता पनि बैंकले अवलम्बन गर्दै आएको जोखिम व्यवस्थापनको प्रभावकारी नीति, पूँजीको बलियो आधार, संचालन खर्चमा अपनाइएको मितव्ययिता, गैह्र कोषमा आधारित आम्दानीको बलियो स्रोत एवं दक्ष जनशक्तिको बलियो आधारस्तम्भका कारण हामी सहज अवस्थामा रहेका छौं। यस प्रतिकूल परिस्थितिलाई हामीले बेलाबखत अर्थतन्त्रमा देखिने यस्ता उतारचढावबाट पार पाउने विशिष्ट अनुभव र थप सशक्त रणनीतिका साथ बैंकलाई नयाँ उचाईमा पुऱ्याउन दृढ संकल्पित भएर अगाडि बढ्ने अवसरको रूपमा सदुपयोग गर्दै अघि बढिसकेको जानकारी गराउन चाहन्छु।

बैंकले आ.व. २०७९/८० मा कुल रु. १ खर्ब ७८ अर्ब निक्षेप संकलन गरी कुल रु. १ खर्ब ६३ अर्ब कर्जा प्रवाह गरेको छ। अत्यन्त प्रतिकूल अवस्थामा समेत बैंकले कर्जा नोक्सानी अधिको सञ्चालन मुनाफा गत वर्ष भन्दा रु. ७४ करोड ९६ लाख (१३.३१%) ले वृद्धि गरी कुल रु. ६ अर्ब ३७ करोड पुऱ्याएको छ र मुनाफा आर्जन गर्ने दायरा र क्षमतालाई थप सशक्त बनाउँदै लैजान सफल भएको छ। बैंकको कर्जा असुली एवं ब्याज असुली सन्तोषजनक अवस्थामा रहेता पनि भविष्यमा कर्जा जोखिमलाई न्यूनिकरण गर्न, सम्पत्तिको गुणस्तरलाई मजबुत गर्न एवं नेपाल राष्ट्र बैंकको निर्देशनलाई अनुपालना गर्ने क्रममा यस आ.व. मा रु. ४ अर्ब १० करोड कर्जा नोक्सानी व्यवस्था थप गरिएको कारण खुद मुनाफामा नकारात्मक असर पर्न गएको छ। परिणाम स्वरुप गत वर्ष भन्दा ६३.१२ प्रतिशतले खुद मुनाफामा कमी भई समीक्षा वर्षमा बैंकले रु. १ अर्ब २ करोड मात्र मुनाफा आर्जन गरेको छ। बैंकले प्रवाह गरेको कर्जाहरुमा पर्याप्त मात्रामा धितो सुरक्षण भएका कारण नोक्सानी व्यवस्था हाल बढी भएपनि आगामी आर्थिक वर्षहरुमा यस्ता निष्कृत्य कर्जाहरु असुलउपर हुनुका साथै कर्जा नोक्सानी बापत राखेको रकम फिर्ता भई बैंकको खुद मुनाफामा सुधार आउने र शेयरधनी महानुभावहरुको अपेक्षा अनुरूप नै लाभांश वितरण गर्नेतर्फ बैंक प्रयासरत रहेको यस गरिमामय सभा समक्ष जानकारी गराउन चाहन्छु।

बैंकले विगतका वर्षहरुमा आर्जन गरेको मुनाफाबाट बोनस शेयर जारी गर्दै पूँजीको आकार वृद्धि गर्ने नीति अवलम्बन गरेकाले हाल बैंकको प्राथमिक पूँजी पर्याप्तता अनुपात बलियो अवस्थामा रहेको छ। चालु आर्थिक वर्षमा बैंकले थप ऋणपत्र जारी गरी पूरक पूँजीलाई सशक्त बनाउँदै लैजाने र यसबाट लगानी गर्ने क्षमता अभिवृद्धि भई बैंकले व्यवसायको आकार ठूलो बनाउँदै समग्र आम्दानीको स्रोतलाई मजबुत बनाउने लक्ष्य लिएको छ।

चालु आर्थिक वर्षमा मुलुकमा भित्रिने विप्रेषणमा वृद्धि भएसँगै विदेशी मुद्रा सञ्चितमा उल्लेख्य सुधार आएको छ। यसले बैंकिङ क्षेत्रमा आएको तरलताको सुधारसँगै कर्जाको ब्याजदर घट्ने क्रममा दबाव सिर्जना गर्नेछ। मुलुकको अर्थतन्त्र र बैंकिङ क्षेत्रमा सुधारको संकेत देखापरेसँगै बैंकले आफ्नो व्यवसाय विस्तारमा ध्यान केन्द्रित गरेको छ। यस क्रममा बैंकले चालु आ.व. को पहिलो त्रैमासमा रु. २१ अर्ब ५९ करोडले निक्षेप वृद्धि गरी कुल रु. २ खर्ब १६ करोड पुऱ्याएको छ। यसैगरी चालु आ.व. को प्रथम त्रैमासमा बैंकले करिव रु. १३ अर्बले कर्जा वृद्धि गरी कुल रु. १ खर्ब ७६ अर्ब कर्जा विस्तार गरेको छ। बैंकले समग्र आम्दानीमा समेत उल्लेख्य सुधार गर्दै रु. २ अर्ब ४ करोड कर्जा नोक्सानी व्यवस्था अधिको संचालन मुनाफा आर्जन गरेको छ। निष्कृत्य

कर्जाको असुलीमा सुधार भएसँगै सो अवधिमा बैंकले रु. १ अर्ब १५ करोड खुद मुनाफा आर्जन गरेको छ। सो मुनाफा आर्जनका लागि रु ६५ करोड ३८ लाख बराबरको गैह्र कोषमा आधारित आम्दानीको योगदान रहेको छ। बैंकले चालु आ.व.मा हासिल गरेको व्यवसायिक प्रगतिबाट यस आ.व.मा आफ्ना शेयरधनीहरूलाई उचित प्रतिफल प्रदान गर्न सकिने विश्वास व्यक्त गर्न चाहन्छु।

अन्त्यमा,

यस बैंकको प्रगतिमा प्रत्यक्ष एवं परोक्षरूपले सहयोग पुऱ्याउनु हुने सम्पूर्ण शेयरधनी महानुभावहरू, ग्राहकवर्ग, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरिङ 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 कर्मासियल बैंक लिमिटेड
मिति: २०८०/०९/२९



प्राइम कमर्सियल बैंक लिमिटेडको

सोहो वार्षिक साधारण सभामा

संचालक समितिबाट प्रस्तुत आ.व. २०७९/८० को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस प्राइम कमर्सियल बैंक लिमिटेडको १६औं वार्षिक साधारण सभामा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी एवं अतिथि महानुभावहरूमा यस बैंकको सञ्चालक समिति हार्दिक स्वागत तथा अभिवादन गर्दछ। आर्थिक वर्ष २०७९/८० मा बैंकले हासिल गरेको उपलब्धिहरू, बैंक सञ्चालनमा देखिएका चुनौतिहरू एवं भविष्यमा बैंकले अख्तियार गर्ने रणनीति एवं दीर्घकालिन योजनाहरूको बारेमा यस प्रतिवेदनमा संक्षिप्त रूपमा प्रस्तुत गरिएको छ।

१. राष्ट्रिय/अन्तर्राष्ट्रिय अर्थतन्त्र

क. विश्व अर्थतन्त्र

कोभिड महामारी, भू-राजनीतिक तनाव र मुद्रास्फीति नियन्त्रणका लागि अवलम्बन गरिएको कसिलो मौद्रिक नीतिका कारण विश्व अर्थतन्त्र शिथिल बनेको छ। सन् २०२२ मा ३.५ प्रतिशतले विस्तार भएको विश्व अर्थतन्त्र सन् २०२३ मा ३.० प्रतिशत र सन् २०२४ मा २.९ प्रतिशतले वृद्धि हुने प्रक्षेपण रहेको छ। सन् २०२२ मा २.६ प्रतिशतले विस्तार भएको विकसित अर्थतन्त्रको वृद्धिदर सन् २०२३ मा १.५ प्रतिशतमा सीमित हुने र सन् २०२२ मा ४.१ प्रतिशतले विस्तार भएको उदयमान तथा विकासोन्मुख अर्थतन्त्रको वृद्धिदर सन् २०२३ मा ४.० प्रतिशतले वृद्धि हुने प्रक्षेपण रहेको छ। सन् २०२२ मा ५.१ प्रतिशतले विस्तार भएको विश्व व्यापार आयतन सन् २०२३ मा ०.९ प्रतिशतले र सन् २०२४ मा ३.५ प्रतिशतले विस्तार हुने अन्तर्राष्ट्रिय मुद्रा कोषको प्रक्षेपण छ।

विकसित एवम् उदयमान मुलुकहरूका केन्द्रीय बैंकले अवलम्बन गरेको कसिलो मौद्रिक नीतिको कार्यदिशाका कारण मुद्रास्फीति घट्ने क्रममा रहेको छ। फलस्वरूप, कोभिड महामारी र अन्तर्राष्ट्रिय भू-राजनीतिक तनावका कारण विश्वव्यापी रूपमा उच्च रहेको मुद्रास्फीति क्रमशः कम हुँदै जान थालेको छ। सन् २०२२ मा विश्वको औसत उपभोक्ता मुद्रास्फीति ८.७ प्रतिशत रहेको मा सन् २०२३ मा ६.९ प्रतिशत र सन् २०२४ मा ५.८ प्रतिशत रहने कोषको प्रक्षेपण छ। सन् २०२२ मा विकसित र विकासोन्मुख मुलुकहरूको मुद्रास्फीति क्रमशः ७.३ प्रतिशत र ९.८ प्रतिशत रहेको मा सन् २०२३ मा क्रमशः ४.६ प्रतिशत र ८.५ प्रतिशत तथा सन् २०२४ मा क्रमशः ३.० प्रतिशत र ७.८ प्रतिशत रहने प्रक्षेपण छ। तर, पिछिल्लो समय इजरायल-हमासबीच शुरु भएको युद्धका कारण विश्व आपूर्ति प्रणाली थप प्रभावित हुने जोखिम भने बढेको छ।

मुद्रास्फीति नियन्त्रणका लागि विश्वका अधिकांश केन्द्रीय बैंकहरूले अवलम्बन गरेको मौद्रिक नीतिको कसिलो कार्यदिशा केही समय अझै कायम रहने देखिन्छ। अमेरिकी फेडरल रिजर्भले सन् २०२३ जुलाईमा फेडरल फण्ड रेट वृद्धि गरी ५.२५-५.५० प्रतिशत पुऱ्याएकोमा सन् २०२३ सेप्टेम्बरमा पनि सोही नीतिगत दरलाई निरन्तरता दिएको छ। बैंक

अफ इंग्ल्याण्डले पिछिल्लो पटक सन् २०२३ अगष्टमा बैंक दर ०.२५ प्रतिशतले वृद्धि गरी ५.२५ प्रतिशत पुऱ्याएकोमा सन् २०२३ सेप्टेम्बरमा पनि सो दरलाई निरन्तरता दिएको छ। भारतीय रिजर्भ बैंकले सन् २०२३ फेब्रुअरीदेखि रिपो रेटलाई ६.५० प्रतिशत र स्थायी तरलता सुविधाको ब्याजदरलाई ६.७५ प्रतिशत कायम गरेकोमा सो दरहरूलाई सन् २०२३ अक्टुबरको मौद्रिक नीतिको समीक्षा गर्दा समेत यथावत नै राखेको छ।

रुस-युक्रेन युद्ध, पेट्रोलियम पदार्थको मूल्य वृद्धि र आपूर्ति व्यवधान लगायतका कारण मुद्रास्फीति उच्च रहन गएको पृष्ठभूमिमा हुन गएको ब्याजदरको बढोत्तरीले विश्व अर्थतन्त्रको वृद्धिदर सुस्त भएको छ। अन्तर्राष्ट्रिय मुद्राकोषले विश्व अर्थतन्त्र र विकसित एवं उदयमान अर्थतन्त्रको वृद्धिदर सन् २०२३ मा न्यून रहने र सन् २०२४ मा सामान्य सुधार आउने प्रक्षेपण गरेको छ।

(स्रोत: अन्तर्राष्ट्रिय मुद्रा कोषको सन् २०२३ को आर्थिक प्रतिवेदन)

ख. राष्ट्रिय अर्थतन्त्र

कुल ग्राहस्थ उत्पादन र आर्थिक वृद्धि

केन्द्रीय तथ्याङ्क विभागका अनुसार आर्थिक वर्ष २०७९/८० मा १.८६ प्रतिशत आर्थिक वृद्धि हुने अनुमान रहेको अनुमान मा कुल ग्राहस्थ उत्पादनमा कृषि, उद्योग र सेवा क्षेत्रको अंश क्रमशः २४.१२ प्रतिशत, १३.४५ प्रतिशत र ६२.४३ प्रतिशत रहेको छ। आर्थिक वर्ष २०७९/८० मा कुल ग्राहस्थ बचत कुल ग्राहस्थ उत्पादनको ६.४१ प्रतिशत पुगेको छ। कुल स्थिर पुँजी निर्माण र कुल राष्ट्रिय बचतको कुल ग्राहस्थ उत्पादनसँगको अनुपात क्रमशः २५.२१ प्रतिशत र ३१.६६ प्रतिशत रहेको छ। आर्थिक वर्ष २०७९/८० मा कुल पर्यटक आगमन संख्यामा उल्लेख्य वृद्धि भएको छ। समीक्षा वर्षमा आगमन पर्यटक संख्या ८,६२,९९२ रहेको छ। आर्थिक वर्ष २०७८/७९ मा उक्त संख्या ३,७४,१४७ रहेको थियो। आर्थिक वर्ष २०७९/८० मा कुल विद्युतको जिडित क्षमता वृद्धि भई २,६८४.४ मेगावाट पुगेको छ। जसमध्ये जलविद्युतको २,५३७.९ मेगावाट, सोलारको ८७ मेगावाट, कोजेनेरेसनको ६.० मेगावाट र थर्मलको ५३.४ मेगावाट विद्युत उत्पादन क्षमता रहेको छ।

मुद्रास्फीति

आर्थिक वर्ष २०७९/८० मा वार्षिक औसत उपभोक्ता मुद्रास्फीति ७.७४ प्रतिशत रहेको छ। अघिल्लो आर्थिक वर्ष यस्तो मुद्रास्फीति ६.३२ प्रतिशत रहेको थियो। अघिल्लो आर्थिक वर्षको तुलनामा आर्थिक वर्ष २०७९/८० मा खाद्य तथा पेय पदार्थ समूह अन्तर्गत रेष्टुरेण्ट तथा होटल उप-समूहको मूल्यवृद्धि १४.४२ प्रतिशत, मरमसलाको १२.५० प्रतिशत, खाद्य तथा खाद्यजन्य पदार्थको १०.७० प्रतिशत, सुर्तीजन्य पदार्थको ९.८८ प्रतिशत र दुग्ध पदार्थ तथा अण्डाको ९.२३ प्रतिशत रहेको छ।

साथै, गैर-खाद्य तथा सेवा समूह अन्तर्गत यातायात उप-समूहको मूल्यवृद्धि १३.५० प्रतिशत, मनोरञ्जन तथा संस्कृतिको १०.१८ प्रतिशत, स्वास्थ्यको १०.०१ प्रतिशत, शिक्षाको ८.७९ प्रतिशत र घरायसी उपयोगका वस्तुहरूको ८.६५ प्रतिशत रहेको छ। २०८० असार महिनामा वार्षिक विन्दुगत उपभोक्ता मुद्रास्फीति ७.४४ प्रतिशत रहेको छ। २०७९ असार महिनामा यस्तो मुद्रास्फीति ८.०८ प्रतिशत रहेको थियो।

वैदेशिक व्यापार

आर्थिक वर्ष २०७९/८० मा कुल वस्तु निर्यातमा २१.४ प्रतिशतले कमी आई रु.१५७ अर्ब कायम भएको छ। अधिल्लो वर्ष यस्तो निर्यात ४१.७ प्रतिशतले बढेको थियो। गन्तव्यका आधारमा भारततर्फ भएको निर्यात ३१.३ प्रतिशतले घटेको छ भने चीन तथा अन्य मुलुकतर्फ भएको निर्यात क्रमशः ११.८.३ प्रतिशत र १०.७ प्रतिशतले वृद्धि भएको छ। वस्तुगत आधारमा जिंक शिट, पार्टिकल बोर्ड, अलैची, ऊनी गलैचा, पोलिष्टर धागो लगायतका वस्तुको निर्यात बढेको छ भने सोयाविन तेल, पाम तेल, पिना, लत्ताकपडा, सुन चाँदीका सामान तथा गरगहना लगायतका वस्तुको निर्यात घटेको छ।

समीक्षा वर्षमा कुल वस्तु व्यापार घाटा १५.५ प्रतिशतले कमी आई रु.१४ खर्ब ५४ अर्ब ५९ करोड कायम भएको छ। अधिल्लो वर्ष यस्तो घाटा २३.० प्रतिशतले बढेको थियो। समीक्षा वर्षमा निर्यात-आयात अनुपात ९.७ प्रतिशत रहेको छ। समीक्षा वर्षमा भारतबाट परिवर्त्य विदेशी मुद्रा भुक्तानी गरी रु.१ खर्ब ५४ अर्ब ४२ करोड बराबरको वस्तु आयात भएको छ। अधिल्लो वर्ष यस्तो आयात रु.२ खर्ब १३ अर्ब ५३ करोड बराबरको भएको थियो।

विप्रेषण आप्रवाह

आर्थिक वर्ष २०७९/८० मा विप्रेषण आप्रवाह २१.२ प्रतिशतले वृद्धि भई रु. १२ खर्ब २० अर्ब पुगेको छ। अधिल्लो वर्ष विप्रेषण आप्रवाह ४.८ प्रतिशतले बढेको थियो। अमेरिकी डलरमा विप्रेषण आप्रवाह १२.१ प्रतिशतले वृद्धि भई ९ अर्ब पुगेको छ। अधिल्लो वर्ष यस्तो आप्रवाह २.२ प्रतिशतले बढेको थियो।

समीक्षा वर्षमा वैदेशिक रोजगारीका लागि अन्तिम श्रम स्वीकृति (संस्थागत तथा व्यक्तिगत-नयाँ) लिने नेपालीको संख्या ४०.३ प्रतिशतले वृद्धि भई ४,९७,७०४ पुगेको छ। अधिल्लो वर्ष यस्तो संख्या ३९२.० प्रतिशतले बढेको थियो। त्यसैगरी, वैदेशिक रोजगारीका लागि पुनः श्रम स्वीकृति लिने नेपालीको संख्या समीक्षा वर्षमा १.८ प्रतिशतले कमी आई २,७७,२७२ पुगेको छ। अधिल्लो वर्ष यस्तो संख्या १९८.५ प्रतिशतले बढेको थियो। समीक्षा वर्षमा खुद ट्रान्सफर २०.६ प्रतिशतले वृद्धि भई रु. १३ खर्ब ४८ अर्ब पुगेको छ। अधिल्लो वर्ष यस्तो ट्रान्सफर ४.३ प्रतिशतले बढेको थियो।

चालु खाता एवं शोधनान्तर स्थिति

आर्थिक वर्ष २०७९/८० मा चालु खाता रु.७२ अर्ब १६ करोडले घाटामा रहेको छ। अधिल्लो वर्ष चालु खाता रु.६ खर्ब २३ अर्बले घाटामा रहेको थियो। अमेरिकी डलरमा अधिल्लो वर्ष ५ अर्बले घाटामा रहेको चालु खाता समीक्षा वर्षमा ५५ करोडले घाटामा रहेको छ।

समीक्षा वर्षमा पुँजीगत ट्रान्सफर २४.५ प्रतिशतले कमी आई रु.७ अर्ब ५४ करोड रहेको छ भने खुद प्रत्यक्ष वैदेशिक लगानी रु.५ अर्ब

९६ करोड कायम भएको छ। अधिल्लो वर्ष पुँजीगत ट्रान्सफर रु.९ अर्ब ९९ करोड र खुद प्रत्यक्ष वैदेशिक लगानी रु.१८ अर्ब ५६ करोड रहेको थियो।

समीक्षा वर्षमा शोधनान्तर स्थिति रु.२९० अर्बले बचतमा रहेको छ। अधिल्लो वर्ष शोधनान्तर स्थिति रु.२ खर्ब ५५ अर्बले घाटामा रहेको थियो। अमेरिकी डलरमा अधिल्लो वर्ष २ अर्ब १५ करोडले घाटामा रहेको शोधनान्तर स्थिति समीक्षा वर्षमा २ अर्ब २१ करोडले बचतमा रहेको छ।

विनिमय दर र सञ्चित

२०७९ असार मसान्तको तुलनामा २०८० असार मसान्तमा अमेरिकी डलरसँग नेपाली रुपैयाँ २.७९ प्रतिशतले अवमूल्यन भएको छ। अधिल्लो वर्ष नेपाली रुपैयाँ ६.६४ प्रतिशतले अवमूल्यन भएको थियो। २०८० असार मसान्तमा अमेरिकी डलर एकको खरिद विनिमय दर रु.१३१.१७ पुगेको छ। २०७९ असार मसान्तमा उक्त विनिमय दर रु. १२७.५१ रहेको थियो।

२०७९ असार मसान्तमा रु.१,२१५ अर्ब बराबर रहेको कुल विदेशी विनिमय सञ्चित २६.६ प्रतिशतले वृद्धि भई २०८० असार मसान्तमा रु.१५ खर्ब ३९ अर्ब पुगेको छ। अमेरिकी डलरमा यस्तो सञ्चित २०७९ असार मसान्तमा ९ अर्ब ५४ करोड रहेकोमा २०८० असार मसान्तमा २३.१ प्रतिशतले वृद्धि भई ११ अर्ब ७४ करोड कायम भएको छ।

कुल विदेशी विनिमय सञ्चितमध्ये नेपाल राष्ट्र बैंकमा रहेको सञ्चित २०७९ असार मसान्तमा रु. १० खर्ब ५६ अर्ब रहेकोमा २०८० असार मसान्तमा २७.४ प्रतिशतले वृद्धि भई रु. १३ खर्ब ४५ अर्ब कायम भएको छ। बैंक तथा वित्तीय संस्था (नेपाल राष्ट्र बैंक बाहेक) सँग रहेको विदेशी विनिमय सञ्चित २०७९ असार मसान्तमा रु. १ खर्ब ५९ अर्ब रहेकोमा २०८० असार मसान्तमा २१.४ प्रतिशतले वृद्धि भई रु. १ खर्ब ९३ अर्ब पुगेको छ। २०८० असार मसान्तको कुल विदेशी विनिमय सञ्चितमा भारतीय मुद्राको अंश २२.५ प्रतिशत रहेको छ।

ब्याजदर

२०७९ असारमा ९१-दिने ट्रेजरी बिलको भारित औसत ब्याजदर १०.६६ प्रतिशत रहेकोमा २०८० असारमा ६.३५ प्रतिशत रहेको छ। वाणिज्य बैंकहरू बीचको अन्तर-बैंक कारोबारको भारित औसत ब्याजदर २०७९ असारमा ६.९९ प्रतिशत रहेकोमा २०८० असार मा २.९८ प्रतिशत रहेको छ। मौद्रिक नीतिको सञ्चालन लक्ष्यको रूपमा लिइने औसत अन्तर-बैंक ब्याजदर २०८० असारमा ३.१४ प्रतिशत वाणिज्य बैंकहरूको औसत आधार दर २०७९ असारमा ९.५४ प्रतिशत रहेकोमा २०८० असारमा १०.०३ प्रतिशत कायम भएको छ। २०८० असारमा वाणिज्य बैंकहरूको निक्षेपको भारित औसत ब्याजदर ७.८६ प्रतिशत र कर्जाको भारित औसत ब्याजदर १२.३० प्रतिशत रहेको छ। अधिल्लो वर्षको सोही महिनामा यस्ता दरहरू क्रमशः ७.४१ प्रतिशत र ११.६२ प्रतिशत रहेका थिए।

मर्जर र प्राप्ति

आर्थिक वर्ष २०७९/८० मा १२ वटा वाणिज्य बैंकहरू मर्जर/प्राप्ति प्रक्रियामा सामेल भई ६ वाणिज्य बैंक बनेका छन्। त्यसैगरी, १६ वटा लघुवित्त वित्तीय संस्थाहरू मर्जर/प्राप्ति प्रक्रियामा सामेल भएर ८ संस्था कायम भएका छन्।

निक्षेप संकलन तथा कर्जा प्रवाह

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको निक्षेप १२.३ प्रतिशतले बढेको छ। अधिल्लो वर्ष यस्तो निक्षेप ९.० प्रतिशतले बढेको थियो। २०८० असार मसान्तमा बैंक तथा वित्तीय संस्थाहरूको कुल निक्षेपमा चल्ती, बचत र मुद्दती निक्षेपको अंश क्रमशः ७.७ प्रतिशत, २६.६ प्रतिशत र ५८.९ प्रतिशत रहेको छ। अधिल्लो वर्ष यस्तो अंश क्रमशः ८.९ प्रतिशत, २७.६ प्रतिशत र ५५.८ प्रतिशत रहेको थियो। २०८० असार मसान्तमा बैंक तथा वित्तीय संस्थाहरूको कुल निक्षेपमा संस्थागत निक्षेपको अंश ३६.६ प्रतिशत रहेको छ। २०७९ असार मसान्तमा यस्तो निक्षेपको अंश ३८.३ प्रतिशत रहेको थियो। समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा ३.८ प्रतिशतले बढेको छ। अधिल्लो वर्ष यस्तो कर्जा १३.१ प्रतिशतले बढेको थियो।

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जामध्ये गैर-वित्तीय संस्थागत क्षेत्रतर्फ प्रवाह भएको कर्जाको अंश ६२.७ प्रतिशत र व्यक्तिगत तथा घरपरिवार क्षेत्रतर्फ प्रवाह भएको कर्जाको अंश ३७.३ प्रतिशत रहेको छ। अधिल्लो वर्षको सोही अवधिमा यस्तो अंश क्रमशः ६३.३ प्रतिशत र ३६.७ प्रतिशत रहेको थियो। समीक्षा वर्षमा निजी क्षेत्रतर्फ प्रवाहित कर्जामध्ये वाणिज्य बैंकहरूको कर्जा प्रवाह ३.५ प्रतिशतले, विकास बैंकहरूको कर्जा प्रवाह ७.६ प्रतिशतले र वित्त कम्पनीहरूको ०.६ प्रतिशतले बढेको छ। आर्थिक वर्ष २०७९/८० मा बैंक तथा वित्तीय संस्थाहरूको कृषि क्षेत्रतर्फको कर्जा ६.८ प्रतिशतले, औद्योगिक उत्पादन क्षेत्रतर्फको कर्जा ८.३ प्रतिशतले, यातायात, संचार तथा सार्वजनिक सेवा क्षेत्रतर्फको कर्जा २१.० प्रतिशतले, थोक तथा खुद्रा व्यापार क्षेत्रतर्फको कर्जा ३.९ प्रतिशतले र सेवा उद्योग क्षेत्रतर्फको कर्जा ३.७ प्रतिशतले बढेको छ।

तरलता व्यवस्थापन

आर्थिक वर्ष २०७९/८० मा रिपोमार्फत रु.४ खर्ब १४ अर्ब ४७ करोड, सोभै खरिदमार्फत रु.८९ अर्ब ७० करोड, स्थायी तरलता सुविधामार्फत रु.२७ खर्ब २७ अर्ब ११ करोड र ओभरनाइट तरलता सुविधामार्फत रु.२२ खर्ब ८६ अर्ब ९० करोड गरी कुल रु.५५ खर्ब १८ अर्ब १९ करोड (कारोबारमा आधारित) तरलता प्रवाह भएको छ भने रिभर्स रिपोमार्फत रु.८८ अर्ब २० करोड र निक्षेप संकलन बोलकबोलमार्फत रु.२० अर्ब गरी कुल रु.१ खर्ब ८ अर्ब २० करोड तरलता प्रशोचन गरिएको छ। अधिल्लो वर्षको सोही अवधिमा विभिन्न उपकरणहरूमार्फत पटकपटक गरी खुद रु.९६ खर्ब ४२ अर्ब ४१ करोड तरलता प्रवाह भएको थियो।

समीक्षा वर्षमा यस बैंकले विदेशी विनिमय बजार (वाणिज्य बैंकहरू) बाट अमेरिकी डलर ५ अर्ब ४५ करोड खूद खरिद गरी रु.७ खर्ब १२ अर्ब ५० करोड तरलता प्रवाह गरेको छ। अधिल्लो वर्ष विदेशी विनिमय बजारबाट अमेरिकी डलर २ अर्ब ९१ करोड खूद खरिद गरी रु.३ खर्ब ५५ अर्ब ५७ करोड तरलता प्रवाह गरिएको थियो। समीक्षा वर्षमा अमेरिकी डलर ४ अर्ब ५६ करोड बिक्री गरी रु.५ खर्ब ९६ अर्ब ३७ करोड बराबरको भारतीय रुपैयाँ खरिद भएको छ। अधिल्लो वर्ष अमेरिकी डलर ४ अर्ब ९२ करोड बिक्री गरी रु.५ खर्ब ९५ अर्ब २३ करोड बराबरको भारतीय रुपैयाँ खरिद भएको थियो।

वित्तीय पहुँच

इजाजतप्राप्त बैंक तथा वित्तीय संस्थाहरूको संख्या २०८० असार मसान्तमा ११२ रहेको छ। यस मध्ये २० वाणिज्य बैंक, १७ विकास बैंक, १७ वित्त कम्पनी, ५७ लघुवित्त वित्तीय संस्था र १ पूर्वाधार विकास बैंक रहेका छन्। बैंक तथा वित्तीय संस्थाहरूको शाखा संख्या २०७९ असार मसान्तमा १०,५२८ रहेकोमा २०८० असार मसान्तमा ११,५८९ पुगेको छ। २०७९ असार मसान्तमा प्रतिशाखा जनसंख्या २,५३२ रहेकोमा २०८० असार मसान्तमा २,५१७ कायम भएको छ।
(स्रोत: नेपाल राष्ट्र बैंक, देशको वर्तमान आर्थिक तथा वित्तीय स्थिति)

२. आर्थिक वर्ष २०७९/८० मा बैंकको कारोबारको सिंहावलोकन

विश्वव्यापी रूपमा नै आर्थिक गतिविधिमा संकुचन आएकोले प्रत्यक्ष र अप्रत्यक्ष प्रभाव नेपाली अर्थतन्त्रमा पनि परेको छ। समीक्षा वर्ष २०७९/८० मा मुलुकको अर्थतन्त्र एवं उद्योग व्यवसायहरूमा परेको नकारात्मक प्रभावलाई न्यूनिकरण गर्दै आफ्नो सेवाग्राहीहरूलाई प्रभावकारी बैंकिङ्ग सेवा सुविधा प्रदान गर्दै आएको छ र आफ्नो आर्थिक अवस्थालाई मजबुत बनाउन यथेष्ट कर्जा नोक्सानी व्यवस्था गरेकाले मुनाफामा नकारात्मक असर परेता पनि चालु आर्थिक वर्षमा कर्जा असुली गरी खुद मुनाफामा उल्लेख्य सुधार गर्ने अपेक्षा गरेको छ।

आर्थिक वर्ष २०७९/८० को वित्तीय विवरण Nepal Financial Reporting Standard (NFRS) बमोजिमको सर्वमान्य लेखाको सिद्धान्तका आधारमा तयार गरिएको छ। समीक्षा अवधि र अधिल्लो आर्थिक वर्ष २०७८/७९ को वित्तीय विवरण अनुसार यस बैंकको वित्तीय स्थितिको तुलनात्मक अवस्था देहाय बमोजिम रहेका छन्।

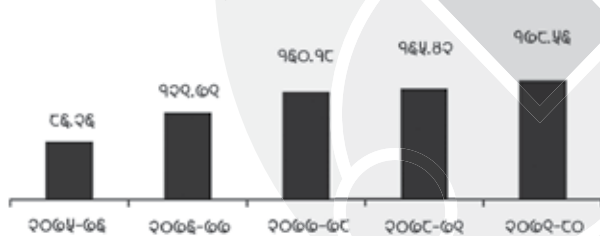
तुलनात्मक प्रगति विवरण

विवरण	आ.व. २०७९/८०	आ.व. २०७८/७९	बढी/ (घटी)	प्रतिशत
चुक्ता पूँजी	१९,४०,२५,७५,७१६	१८,६५,६३,२२,८०४	७४,६२,५२,९१२	४.००%
कुल सम्पत्ति	२,२०,८२,७८,०६,३३६	२,१०,३६,१८,९५,३९५	१०,४६,५९,१०,९४१	४.९८%
कुल निक्षेप	१,७८,५६,९६,९५,०८२	१,६५,४१,७६,७०,१९०	१३,१५,२०,२४,८९२	७.९५%
कुल कर्जा	१,६३,०६,९७,८४,१९०	१,५४,९१,९८,२१,२०८	८,१४,१९,६६,९८२	५.२६%
कुल लगानी	२९,११,३६,८४,६३७	३१,४४,८८,६७,५८३	(२,३३,५१,८२,९४६)	(७.४३%)
खुद व्याज आमदानी	७,१४,०७,४७,९९४	६,१८,६९,६५,७०८	९५,३७,८२,२८६	१५.४२%
कर्मचारी खर्च	१,६०,०४,१८,२५१	१,६७,०३,६३,०५५	(६,९९,४४,८०४)	(४.१९%)
अन्य संचालन खर्च	८४,९९,८९,६३६	८०,१५,९३,५२९	४,८३,९६,१०७	६.०४%
कुल संचालन खर्च	२,४५,०४,०७,८८६	२,४७,१९,५६,५८४	(२,१५,४८,६९८)	(०.८७%)
संचालन मुनाफा	२,०५,३६,२९,३१२	३,९५,१४,३४,०२१	(१,८९,७८,०४,७०९)	(४८.०३%)
खुद नाफा/ (नोक्सान)	१,०२,७८,९९,१०६	२,७८,७३,३६,३४७	(१,७५,९४,३७,२४०)	(६३.१२%)

क. निक्षेप परिचालन

मुलुकमा देखिएको तरलता अभावका कारण यस बैंकले गत आर्थिक वर्षको भन्दा ७.९५ प्रतिशतले मात्र बृद्धि गरी यस आ.व. मा कुल निक्षेप रु. १ खर्ब ७८ अर्ब ५६ करोड संकलन गरेको छ । साथै संस्थागत एवं ठूला निक्षेपको अंशलाई सिमामा राखी क्रमिक रूपले साना तथा व्यक्तिगत निक्षेपकर्ताहरूलाई प्रोत्साहन गरिएको छ । बिगत पाँच वर्षको निक्षेप संकलन यस प्रकार रहेको छ ।

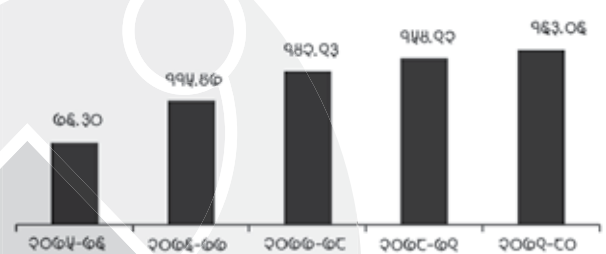
कुल निक्षेप (रु. अर्बमा)



ख. कर्जा प्रवाह

केन्द्रिय बैंकको कसिलो मौद्रिक नीतिका कारण गत वर्षको तुलनामा यस आर्थिक वर्षमा बैंकले कर्जा प्रवाह ५.२६ प्रतिशतले बृद्धि गर्दै रु. १ खर्ब ६३ अर्ब ६ करोड पुगेको छ । यस बैंकले मुलुकले उच्च प्राथमिकताका साथ महत्व दिइएको कृषि क्षेत्रमा व्यावसायिक 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 लाने क्रममा छ । यसै गरी बैंकले सहूलियतपूर्ण कर्जालाई पनि प्राथमिकताका साथ लगानी गर्दै आएको छ । बैंकले विगत पाँच वर्षहरूमा प्रवाह गरेको कर्जाको निम्न बमोजिम समीक्षा गरिएको छ ।

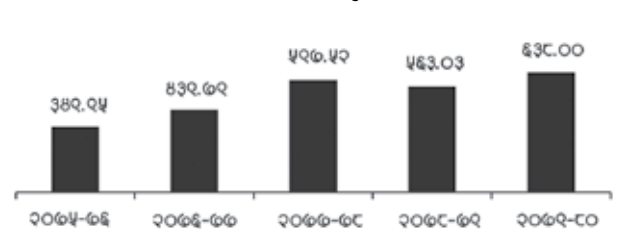
कुल कर्जा प्रवाह (रु. अर्बमा)



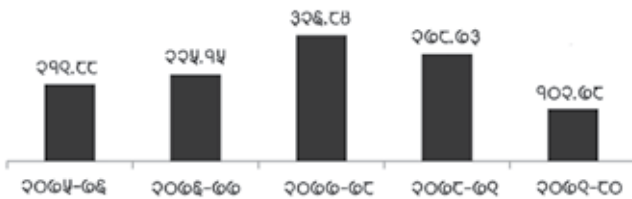
ग. संचालन र खुद मुनाफा

विश्व अर्थतन्त्र सँगै मुलुकको अर्थतन्त्रमा पनि नकारात्मक असर परेसँगै समग्र आर्थिक क्रियाकलाप सुस्ताएको अवस्था देखिएको छ । बैंकले गत वर्षमा रु. ५ अर्ब ६३ करोड कर्जा व्यवस्था अधिको सञ्चालन मुनाफा आर्जन गरेकोमा यस आ.व. मा उल्लेख्य वृद्धि गरी रु. ६ अर्ब ३७ करोड आर्जन गरेको छ । नेपाल राष्ट्र बैंकको निर्देशनमा बैंकको कर्जा जोखिमलाई नियन्त्रण गर्न र सम्पत्तिको गुणस्तरलाई कायम राखी थप मजबुत बनाउन बैंकले यस समीक्षा वर्षमा यथेष्ट कर्जा नोक्सानी व्यवस्था गरेको कारण खुद मुनाफा रु. १ अर्ब २ करोडमा सिमित रहेको छ जुन अघिल्लो वर्षको तुलनामा ६३.१२ प्रतिशतले घटी हो ।

व्यवस्था अधिको सञ्चालन मुनाफा (रु. करोडमा)



खुद मुनाफा (रु. करोडमा)



घ. 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 मातहतका शाखाहरूको कामकारबाहीको अनुगमन र निरीक्षण गर्न सातै प्रदेशमा छुट्टै प्रादेशिक कार्यालयको व्यवस्था समेत गरिएको छ । समीक्षा वर्षमा बैंकले २ नयाँ शाखा र १ एक्सटेन्सन काउन्टर विस्तार गरेकोमा यस आर्थिक वर्षमा थप ३ वटा एक्सटेन्सन काउन्टर विस्तार गरी बैंकको जम्मा १८९ शाखा सञ्जाल र ३ एक्सटेन्सन काउन्टर एवं १३१ ए.टि.एम. रहेका छन् ।

३. विविध

क. आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन

बैंकिङ क्षेत्रमा 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 न्यूनीकरणका लागि अबलम्बन गरिएका उपायहरूको विषयमा जोखिम व्यवस्थापन समितिमा छलफल गरी आवश्यक नीतिहरू तर्जुमा गर्ने गरिएको छ । बैंकका सम्पूर्ण कामकारबाहीहरू प्रचलित कानून बमोजिम भए गरेको छ छैन त्यसको यकिन गर्ने उद्देश्यले बैंकमा एउटा स्वतन्त्र आन्तरिक लेखापरीक्षण विभाग गठन गरी त्यस विभागलाई गैरकार्यकारी सञ्चालकको संयोजकत्वमा गठित लेखापरीक्षण समितिको मातहत राखिएको छ । बैंकले आन्तरिक नियन्त्रण प्रणाली मजबुत गर्न तथा जोखिम व्यवस्थापन प्रणाली प्रभावकारी बनाउन Risk Based Internal Audit को अवधारणामा आन्तरिक लेखापरीक्षण विभागबाट लेखापरीक्षण गर्ने गरिएको छ । विभिन्न बैंकिङ जोखिमहरू व्यवस्थापनका लागि बैंकले सधैं अग्रिम सतर्कता अपनाउन बैंक प्रतिबद्ध रहेको छ ।

ख. संस्थागत सुशासन

संस्थाको लक्ष्य प्राप्त तथा दीर्घकालीन सफलताको लागि संस्थागत सुशासन तथा अनुपालनको अवस्थालाई थप सवल तथा सुदृढ बनाउँदै जाने तर्फ बैंक सदैव प्रतिबद्ध 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 अक्षरशः पालना गर्दै अघि बढ्ने नीति यस बैंकले लिएको छ । बैंकमा संस्थागत सुशासन कायम गरी सम्पूर्ण सरोकारवाला पक्षहरूको हितलाई सर्वोपरि बनाउन बैंकको दैनिक कार्य सञ्चालन प्रणाली नियन्त्रित एवं चुस्तदुरुस्त ढङ्गले सञ्चालित हुने वातावरण श्रृजना गरिएको छ । जसका 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 संसाधन

यस बैंकको कर्मचारी व्यवस्थापन तथा सेवा सुविधा समितिले समय सापेक्ष कर्मचारीको सेवा सुविधाको पुनरावलोकन गरी आवश्यक बृद्धि गर्ने तथा कर्मचारीहरूको पारदर्शी ढंगले स्तर बृद्धि गर्नका साथै दक्ष जनशक्तिको भर्ना, छनौट, नियुक्ति, पदस्थापना, सरुवा, वृत्ति विकास, कार्यसम्पादन मूल्याङ्कन, पुरस्कार तथा सजायका लागि आवश्यक नीति तयार पारी प्रभावकारी ढङ्गले कार्यान्वयन गर्दै आएको छ । बैंकले आफ्नो प्रगतिका लागि रचनात्मक भूमिका खेल्ने कर्मचारीको योगदानलाई उच्च मुल्याङ्कन गर्दै आफ्ना जनशक्तिलाई थप दक्षता प्रदान गर्न समय सापेक्ष आवश्यक आन्तरिक, वाह्य तथा अन्तर्राष्ट्रिय तालिम प्रदान गर्दै आएको छ । यसैक्रममा बैंकले यस आर्थिक वर्षमा २४६ वटा विभिन्न तालिम, सेमिनार तथा अन्तरक्रिया कार्यक्रममा १,४८६ कर्मचारीहरूलाई समावेश गर्‍यो । साथै समीक्षा वर्षमा बैंकमा १,६३९ जना कर्मचारीहरू कार्यरत रहेकोमा ९४९ पुरुष कर्मचारी छन् भने ६९० 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 पर्ने व्यवस्था रहे बमोजिम कोष खडा गरी आगामी आर्थिक वर्षमा परिचालन गरिने छ । बैंकले आफ्नो संस्थागत सामाजिक उत्तरदायित्व नियमावली अनुरूप विभिन्न कार्यक्रमहरू गरिरहेको छ । यस आर्थिक वर्षमा बैंकले सामाजिक उत्तरदायित्व बहन गर्दै मनकामना क्षेत्र विकास कोष, नेपाल आर्मी, कर्मचारीहरूको कोरोना भाइरस रोकथाम व्यवस्थापन, काठमाडौं विश्वविद्यालय, पोखरा विश्वविद्यालय, विभिन्न स्थानीय निकायमा खडा गरिएको कोषहरू, विभिन्न स्वास्थ्य संस्था र अञ्चल अस्पतालहरूको लागि प्रत्यक्ष तथा अप्रत्यक्ष रूपमा योगदान गर्दै आएको छ । बैंकले समीक्षा अवधिमा संस्थागत सामाजिक उत्तरदायित्वमा कुल रकम रु. १,००,७९,८६१ खर्च गरेको छ ।

साथै, यस बैंकले क्षेत्रगत रूपमा दिगो विकासका लक्षहरू अन्तर्गत रु. ७२,५५,०४५ बराबरको आर्थिक सहयोग, प्रत्यक्ष अनुदान तर्फ रु. २,२४,०७,७२९, सामाजिक परियोजना अन्तर्गत रु. २,४३,५१७ खर्च गरिएको छ । साथै, अनाथालय, बालमन्दिर, बृद्धाश्रमलाई रु. २१,८०० र खोलौं खाता अन्तर्गत रु. ३,५२९ आर्थिक सहयोग स्वरूप यस बैंकले संस्थागत सामाजिक उत्तरदायित्वमा खर्च गरेको छ ।

इ. सरकारी राजस्वमा योगदान

आ.व.२०७९/८० मा बैंकले अग्रिम आयकर बापत रु. ६० करोड र विभिन्न भुक्तानीमा कर कट्टी गरे बापत रु. १ अर्ब २२ करोड गरी कुल रु. १ अर्ब ८२ करोड ठूला करदाता कार्यालयमा दाखिला गरेको छ ।

च. बैंकको भावी योजना र रणनीति

कोभिड-१९ र पूर्वी यूरोपेली देशमा देखिएको द्धन्द पछिको प्रभावका कारण विश्व अर्थतन्त्र सँगै मुलुकको अर्थतन्त्रमा समेत नकारात्मक प्रभाव परेसँगै समग्र आर्थिक क्रियाकलाप सुस्ताएको अवस्था देखिएको छ । यस परिस्थितिमा मुलुकको अर्थतन्त्र एवं व्यवसायीहरूमा परेको असर न्यूनीकरण गर्नका लागि ऋणीको व्यवसाय निरन्तरताका लागि वित्तीय व्यवस्थापनको असरबारे विस्तृत अध्ययन गरी नेपाल राष्ट्र बैंकको निर्देशनको समेत अधीनमा रही ऋणीहरूलाई आवश्यक सुविधा प्रदान गरी समस्या सम्बोधन गर्ने रणनीति कार्यान्वयन भइरहेको 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 क्रमलाई निरन्तरता दिनेछ । आगामी वर्षहरूमा पनि बैंकले आफ्नो पूँजी, ग्राहक संख्या र शाखा संञ्जाल अभ्र मजबुत बनाउने रणनीति लिएको छ ।

बैंकले आफ्नो लगानी विस्तार गरी मुलुकको पूर्वाधार विकासका लागि महत्वपूर्ण योगदान गर्दै आएको छ र यसलाई आगामी वर्षहरूमा पनि निरन्तरता दिइनेछ । नविकरणीय उर्जालाई विशेष प्राथमिकता दिँदै, 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 खुद ब्याज र शुल्क तथा कमिसन आम्दानी वृद्धि गरी आम्दानीको दायरा बढाउनुका साथै आफ्ना ग्राहकवर्गलाई गुणस्तरीय तथा आधुनिक बैकिङ्ग सेवा प्रदान गर्दै जाने रणनीति बैंकले लिएको छ ।

बैंकले विगतका वर्षहरूमा आर्जन गरेको मुनाफाबाट बोनस शेयर जारी गर्दै पूँजीको आकार वृद्धि गर्ने नीति अवलम्बन गरेकाले हाल बैंकको प्राथमिक पूँजी पर्याप्तता अनुपात बलियो अवस्थामा रहेको छ । चालु आर्थिक वर्षमा बैंकले थप ऋणपत्र जारी गरी

पूरक पूँजीलाई सशक्त बनाउदै लैजाने र यसबाट लगानी गर्ने क्षमता अभिवृद्धि भई बैंकले व्यवसायको आकार ठूलो बनाउदै समग्र आम्दानीको स्रोतलाई मजबुत बनाउने लक्ष्य लिएको छ ।

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

कृषि, उर्जा, पर्यटन एवं साना तथा मझौला उद्योगमा कर्जा प्रवाह विस्तार गरी वित्तीय साधनको उत्पादनशिल उपयोगलाई प्रोत्साहन गरी राष्ट्र विकासमा टेवा पुऱ्याउने 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 ।

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 लगनशीलताका 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 : २०८०/०९/२९

प्राइम कर्मासियल बैंक लिमिटेड

प्राइम कमर्सियल बैंक लिमिटेड

कम्पनी ऐन, २०६३ को दफा १०८ सँग सम्बन्धित

अतिरिक्त वार्षिक आर्थिक विवरण

- क. विगत वर्षको कारोबारको सिंहावलोकन**
संचालक समितिको वार्षिक प्रतिवेदनमा उल्लेख गरिएको ।
- ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबार लाई कुनै असर परेको भए सो असर**
बैंकको कारोबारलाई देहाएका बुँदाहरूले असर पारेको छ :
 - बैकिङ्ग क्षेत्रमा विद्यमान बढ्दो प्रतिस्पर्धा ।
 - विदेशी विनिमय दर र व्याज दर परिवर्तनमा हुने जोखिम ।
 - बहुमूल्य धातुको मूल्यमा उतारचढाव ।
- ग. प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा**
संचालक समितिको वार्षिक प्रतिवेदनमा प्रस्तुत गरिएको ।
- घ. कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध**
बैंकले आफ्ना सबै सरोकारवालाहरूसँग सौहार्द्रपूर्ण 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. संचालक समितिमा भएको हेरफेर र सोको कारण,**
यस आ.व. मा संस्थापक शेयरधनीतर्फ ३ र सर्वसाधारण शेयर धनीतर्फ २ गरी ५ सञ्चालकहरूको पदावधि समाप्त भएकाले, मिति २०७९/०९/२८ मा बसेको १५ औं वार्षिक साधारणसभाबाट संस्थापक शेयरधनीतर्फ श्री राजेन्द्र दास श्रेष्ठ, श्री उदय मोहन श्रेष्ठ र श्री नरेन्द्र बज्राचार्य तथा सर्वसाधारण शेयरधनीतर्फ श्री प्रचण्ड मान श्रेष्ठ र श्री मोनज पौडेल निर्वाचित हुनु भएको ।
- च. कारोबारलाई असर गर्ने मुख्य कुराहरू,**
 - विश्व अर्थतन्त्रमा परेको नकारात्मक आर्थिक वृद्धिले यस मुलुकको अर्थतन्त्रमा पनि प्रभावित हुन सक्ने प्रक्षेपणले गर्दा यथा समयमा कर्जा असुली नहुने जोखिमहरू ।
 - अन्तर्राष्ट्रिय जगतमा प्रतिस्पर्धात्मक रूपमा आएको विभिन्न online बैकिङ्ग उपकरणहरू र त्यसले निम्त्याउने जोखिमहरू ।
 - निक्षेप तथा कर्जा लगानीको व्याजदरमा हुने परिवर्तन ।
 - विनिमयदरमा हुने परिवर्तनको जोखिमहरू ।
 - पूँजी बजारमा आउने उतारचढावका जोखिमहरू ।
- छ. लेखापरीक्षण प्रतिवेदनमा कुनै कौफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया**
सबै कौफियतहरूलाई यथाशिघ्र सुधार गरिसकिएका अवस्था रहेको छ ।
- ज. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम**
बैंकले यस आर्थिक वर्षमा कुनै लाभांश घोषणा गरेको छैन ।

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

बैंकले हालसम्म कुनै पनि शेयर जफत गरेको छैन ।

- ञ. 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 ।
- ट. 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 ।
- ड. विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी**
आधारभूत शेयरधनीहरूले कुनै पनि जानकारी उपलब्ध नगराएको ।
- ड. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सोसम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी**

सि.नं.	नाम	धारण गरेको पद	शेयर संख्या
१.	राजेन्द्र दास श्रेष्ठ	सञ्चालक/अध्यक्ष	३,४२,६३९
२.	उदय मोहन श्रेष्ठ	सञ्चालक	८,९४,०००
३.	नरेन्द्र बज्राचार्य	सञ्चालक	१३,२०,३८१
४.	डा. गजेन्द्र विष्ट	सञ्चालक	१९,१५९
५.	प्रचण्ड मान श्रेष्ठ	सञ्चालक	१,८६५
६.	मनोज पौडेल	सञ्चालक	१,८६५
७.	प्रा. डा. तारा चित्रकार	सञ्चालक	-
८.	रन्जिव एण्ड एसोसिएट्स, चार्टर्ड एकाउण्टेण्ट्स	वाह्य लेखापरीक्षक	-
९.	नारायण दास मानन्धर	प्रमुख कार्यकारी अधिकृत *	४,०८,४९१
१०.	संजीव मानन्धर	महाप्रबन्धक *	६,१६,८६६
११.	अमृत चरण श्रेष्ठ	महाप्रबन्धक	-

* यस बैंकका प्रमुख कार्यकारी अधिकृत श्री नारायण दास मानन्धरको मिति २०८० साल साउन १६ गते कार्यकाल समाप्त भएको हुनाले तत्कालिन महाप्रबन्धक श्री संजीव मानन्धरलाई मिति २०८० साल साउन १७ गतेबाट कायममुकायम प्रमुख कार्यकारी अधिकृत पदमा नियुक्ति गरी २०८० साल भाद्र ८ गतेबाट प्रमुख कार्यकारी अधिकृत पदमा नियुक्ति गरिएको ।

- ब. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा कुनै जानकारी प्राप्त नभएको ।
- ग. कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अङ्कित मूल्य तथा त्यसरी शेयरखरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम समीक्षा वर्षमा शेयरहरुको पूनः खरिद कार्य नभएको ।

- त. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण
बैंकले आन्तरिक नियन्त्रण प्रणाली चुस्त र मजबुद बनाउन देहाएको व्यवस्था गरिएको छ :
- आन्तरिक लेखापरीक्षण विभागको स्वतन्त्र काम कारवाही ।
 - लेखापरीक्षण समितिको नियमित अनुगमन ।
 - जोखिम व्यवस्थापन समितिको स्वतन्त्र काम कारवाही ।
 - संचालन जोखिम न्यूनीकरणको लागि विभिन्न नियमावली तथा विनियमावलीको अक्षरसः पालना गरिएको ।

थ. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण

शीर्षक	रकम रु.
कर्मचारी खर्च *	१,६०,०४,१८,२५१
संचालन खर्च	५२,७८,८०,२९५
हासकष्टी खर्च	३२,२९,०९,३४९
जम्मा खर्च	२,४५,०४,०७,८९५

* कर्मचारी बोनस समेत

- द. लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण

बैंकको सञ्चालक श्री नरेन्द्र बज्राचार्यको संयोजत्वमा गठित लेखापरीक्षण समितिमा सञ्चालक श्री गजेन्द्र बिष्ट सदस्य रहनु भएको तथा बैंकका आन्तरिक लेखापरीक्षण विभागका प्रमुख श्री मिलन चन्द्र महर्जन सचिव रहनुभएको छ । यस समितिका सचिवलाई बाहेक सदस्यहरुलाई बैठक भत्ता मात्र प्रदान गरिएको छ । समीक्षा वर्षमा समितिको बैठक सात (७) पटक बसेको छ ।

समितिले बैंकको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानून र नियमहरु पालना, लेखापरीक्षण कार्यक्रम आदि बारे नियमित समीक्षा गर्दै आएको छ । आन्तरिक साथै बाह्य लेखापरीक्षण प्रतिवेदनमा उल्लिखित कैफियतहरुमाथि विस्तृत छलफल गरी समितिले आवश्यक सुधारका कामहरु समेत गर्दै आएको छ । त्यसको नियमित रूपमा सञ्चालक समितिलाई जानकारी गराउने गरिएको छ ।

- घ. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा नभएको ।
- च. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम

सि.नं.	विवरण	सञ्चालक	प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहरु
१	बैठक भत्ता	३१,३५,०००	-	-
२	तलब	-	१,००,८०,०००	६६,४२,०००
३	भत्ता	-	८५,२७,०००	५४,६६,८००
४	दशैं भत्ता	-	१४,००,०००	९,१३,५००
५	सञ्चयकोष	-	१०,०८,०००	६,६४,२००
६	बोनस	-	प्रचलित बोनस ऐन अनुरूप	प्रचलित बोनस ऐन अनुरूप
७	गाडी सुविधा	छैन	छ	छ
८	मोवाइल	छ	छ	छ
९	इन्धन	छ	छ	छ

* सञ्चालक समितिको सदस्यहरुलाई टेलिफोन/मोबाइल/ पत्रपत्रिका तथा अन्य खर्चहरु बापत रु. १६,०१,९१७।८८ खर्च गरिएको छ ।

- प्रमुख कार्यकारी अधिकृतलाई कार्यालय प्रयोजनको लागि चालक इन्धन र मर्मतसंभार सहित गाडी सुविधाको व्यवस्था गरिएको छ । अन्य प्रमुख पदाधिकारीहरुलाई बैंकको नियमानुसार गाडी सुविधा उपलब्ध गराइएको छ ।
 - प्रमुख कार्यकारी अधिकृत लगायत कार्यकारी तहका अधिकृतहरुलाई बैंकको नियमानुसार मोवाइल विलको भुक्तानी बैंकले गरिदिने व्यवस्था गरिएको छ ।
- प. शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांशको रकम, रु. १९,९५,५३,५४८/-
- फ. दफा १४१ बमोजिम सतपति खरिद वा बिक्री गरेको कुराको विवरण, नभएको ।
- ब. दफा १०५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण, नभएको ।
- ग. यस ऐन तथा प्रचलित कानूनबमोजिम सञ्चालक समितिको प्रतिवेदनमा सुलाउनु पर्ने अन्य कुनै कुरा, नभएको ।
- घ. अन्य आवश्यक कुराहरु नभएको ।

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को अनुसूची १५ बमोजिम
(नियम २६ को उपनियम (२) सँग सम्बन्धित)

प्राइम कमर्सियल बैंक लिमिटेडको

आर्थिक वर्ष २०७९/८० को विवरण

१. सञ्चालक समितिको प्रतिवेदन
१६ औं वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
२. लेखापरीक्षकको प्रतिवेदन
१६ औं वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
३. लेखापरिक्षण भएको वितीय विवरण
१६ औं वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको

४. कानुनी कारवाही 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 गरिनुपर्ने :

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

यस त्रैमासिक अवधिमा यस बैंकले वा बैंकको विरुद्धमा कुनै मुद्दा दायर नगरेको अबस्था छ ।

ख) संजाठित संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा को विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए

समीक्षा अवधिमा बैंकको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको थाहा नभएको ।

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

हालसम्म बैंकको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको थाहा नभएको ।

५. संजाठित संस्थाको शेयर कारोवार तथा प्रजातिको विश्लेषण

क) धितोपत्र बजारमा भएको संजाठित संस्थाको शेयरको कारोवार सम्बन्धमा व्यवस्थापनको धारणा :

शेयरको कारोवार खुल्ला बजारद्वारा प्रतिपादन गरेको मूल्य तथा मान्यता अनुरूप हुने गरेको हुनाले बैंकको कारोवार सन्तोषजनक रहेको ।

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

विवरण	पहिलो त्रैमास	दोश्रो त्रैमास	तेस्रो त्रैमास	चौथो त्रैमास
अधिकतम मूल्य (रु.)	२७१.९०	२४७.००	२३४.६०	२०५.००
न्यूनतम मूल्य (रु.)	२०९.५०	२०९.६०	१८९.९०	१८६.००
अन्तिम मूल्य (रु.)	२२१.५०	२३०.००	२०२.८०	१९५.००
कारोवार संख्या	२२,९०३	१५,५२५	१४,७३१	१३,९६५
कारोवार दिन	६५	५६	५६	६२
कारोवार शेयर संख्या	४३,३७,८९४	३२,८०,६१५	२९,००,९६६	२७,५४,२९०

६. समस्या तथा चुनौती

आन्तरिक समस्या र चुनौती

- बैंक तथा वित्तिय संस्थाहरूको तरलतामा आउने उतारचढावको कारणले ब्याजदरमा भइरहेको परिवर्तनले हुन सक्ने जोखिम ।
- देशको अर्थतन्त्रमा आएको सुस्तताका कारणले पूर्वाधारमा आधारित परियोजना लगाएतका अन्य लगानीका अवसरहरूमा कमी आउने र बैंकको निष्कृत्य कर्जा समेत बढ्दै जाने जोखिम ।

बाह्य समस्या र चुनौती

- कोरोनाको महामारीले थलिएको विश्व अर्थतन्त्र माथि उठ्न नपाउँदै रुस युकेन युद्धका कारण विश्व अर्थतन्त्रको कुल ग्राहस्थ्य उत्पादनमा हास आउनुका साथै मुलुकको अर्थतन्त्रमा समेत परेको नकारात्मक प्रभावबाट सम्पूर्ण बैंकिङ क्षेत्र नै प्रभावित हुन गएको र अनिश्चित समय सम्म प्रभाव पर्न सक्ने चुनौति रहेको ।
- मुद्रास्फीति, आयातमुखी अर्थतन्त्र, शोधान्तर घाटाका कारण वैदेशिक मुद्रा सञ्चितमा हास आए सँगै समग्र अर्थतन्त्रमा देखिएको सुस्तता जोखिमहरू ।
- कोभिड-१९ महामारीबाट पर्यटन क्षेत्रमा अत्यन्त नकारात्मक असर परेको र कोभिड-१९ महामारीको प्रभावबाट अन्य व्यवसायहरू समेत सामान्य ढंगले संचालन हुन नसकेको कारणले ब्याज तथा ऋण असुली अत्यन्त चुनौतिपूर्ण रहेको ।
- देशको आर्थिक तथा राजनैतिक उतारचढावबाट उत्पन्न हुन सक्ने नीतिगत जोखिमहरू ।
- कृत्रिम बुद्धिमत्ता जस्ता नविनतम सूचना प्रविधिको विकासले सिर्जना हुन सक्ने चुनौती ।

७. संस्थागत सुशासन

यस सम्बन्धी विवरण सञ्चालक समितिको १६ औं वार्षिक प्रतिवेदनको बुँदा नं. ३(ख) मा उल्लेख गरिएको ।

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF
PRIME COMMERCIAL BANK LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Prime Commercial Bank Limited**, which comprise the Statement of Financial Position as at Ashadh 31, 2080 (*July 16, 2023*), and the Statement of Profit or Loss, and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Financial Position of the Bank as at Ashadh 31, 2080 (*July 16, 2023*) and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing [NSA]. 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 ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

S.N.	Key Audit Matters	Auditor's Response
1)	<p>Interest Income: The interest income of the bank has been recognized on accrual basis and following the 'Interest Income Guidelines 2019' issued by NRB. The Guidelines specify the condition for collateral testing in case of the interest overdue for 3-12 months, and reversal of accrued interest on overdue for more than 12 months. Furthermore, the guidelines specify conditions for collective impairment of the loan. In case of improper application of the guidelines and determination of the Fair Value of the collateral, it imposes risk on the part of interest income. Thus, we have considered it as key audit matters.</p>	<p>Our audit approach included a clear understanding of the Core Banking System of the bank i.e. how the interest income is accrued daily regarding the loans and advances. Furthermore, we have relied on the engineer's valuation of the collateral for determination of fair value regarding collateral testing. Also, we have test checked the interest income booking with manual computation and we did not find any deviation. Furthermore, we have test checked the haircut regarding collateral fair value as per the NRB Income recognition guidelines.</p>



2)	<p>Investment valuation, identification and impairment:</p> <p>Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted securities. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and Directive number 8 of NRB Unified Directive 2079. The investment in the government bond, NRB bonds and T-bills has been done on Amortized cost and rest have been valued through Fair Value through Other Comprehensive Income. The valuation of the investment requires special attention and further in view of the significance of the amount of the investment in the financial statement the same has been considered as Key Audit Matters in our audit.</p>	<p>Our audit approach regarding Investment of the bank is based on the NRB Directive and NFRS issued by the Accounting Standard Board of Nepal.</p> <p>For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis.</p> <p>For the investment valued through OCI i.e. for quoted investment, we relied on the Last transaction price in NEPSE as on 16.07.2023 and for the unquoted investment the fair value has been taken as NRs. 100. Further, the income and bonus have been cross verified from the Demat statement of the bank wherever applicable.</p>
3)	<p>Impairment of Loans and Advances:</p> <p>As per NFRS 9 (carve-out issued by ICAN), bank shall measure impairment loss on loans and advances at the higher of:</p> <ul style="list-style-type: none"> - Amount derived as per norms prescribed by NRB for loan loss provisioning and; - Amount determined as per para 5.5 of NFRS 9 adopting the incurred loss model. <p>As per the norms prescribed by the NRB, provision at the prescribed rate shall be created on the loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of the security etc.</p> <p>As per NFRS 9, impairment of loans and advances should be made on individual impairment basis for loans and advances that are individually significant and collective impairment for homogeneous groups of loan that are not considered individually significant.</p> <p>On individual impairment, amount of the loss is measured as the difference between asset's carrying amount and present value of the estimated future cash flows.</p>	<p>Our audit approach included reviewing the overdue status of loans and advances by obtaining data from the system and matching the same with NRB 2.2 report. Sample credit files were reviewed for the purpose of assuring the utilization of loan & advances for the intended purpose, account movement and account turnover.</p> <p>We also assessed the expected future cash on the loans and facility, flows on the basis of the realizable value of collateral securities based on the management estimate from the individually significant loans and advances with the indication of the impairment of the assets. Similarly, homogeneous group of loans were assessed on the basis of nature and purpose of loans and data of historical loss experience in the portfolios were assessed on the basis of the past due date from the system as well as data of loan loss provision of the defined group in the past.</p>



	<p>Under collective impairment, loss is determined after taking into account the historical loss experience in portfolios of similar credit risk and management's experienced judgement as to whether economic and credit conditions are such that actual level of inherent losses at the reporting date is likely to be greater or less than suggested by historical experience.</p> <p>Given the fact that the impairment of loans and advances under incurred loss model require assessment of future cash flows as well historic loss experience of portfolios and also the impairment of loan loss under NRB norms require assessment of overdue status of loans and advances and proper utilization of loans for intended purpose. Hence assessment of availability and accuracy of required data for impairment of loans and advances under incurred loss model as well as under NRB provisioning norms is regarded as a key audit matter.</p>	
4)	<p>Information Technology: Since most of the information of the bank is digitally stored and transactions are carried out digitally/electronically in today's scenario, we have considered the information technology status of the bank as our key audit areas.</p>	<p>We verified the interest income and expense booking regarding loan and deposit on test basis with the Core Banking System of the bank.</p> <p>We relied on the IT audit conducted by the bank.</p> <p>We verified the provisioning of the loan and advances based on ageing on the test check basis as on 16.07.2023.</p>

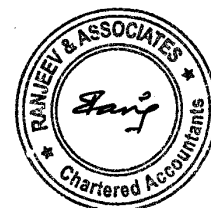
Other Information

Management is responsible for the preparation of other information. The other information comprises the information included in the Annual Report of the bank such as the Chairman's Report, Director's report etc. but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. 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 course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



In preparing the financial statements, 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether caused due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists.

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

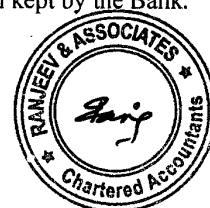
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on bank's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosure is inadequate, to modify our audit 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 as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the bank to express an opinion on Financial Statements.

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.

Report on Other Legal and Regulatory Requirements

We have determined to communicate following matters in accordance with the requirements of NRB Directives, Companies Act 2063, BAFIA 2073 and other regulatory requirements: -

- We have obtained all the information and the explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- Based on our audit, proper books of accounts as required by law have been kept by the Bank.



- The Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts maintained by the Bank.
- Returns received from the branch offices of the Bank were adequate for the purpose of our audit though the statements are not independently audited.
- The capital fund, risk bearing fund and the provisions for possible impairment of assets of the bank are adequate considering the Directives issued by Nepal Rastra Bank.
- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the Bank, we have not come across any case where the Board of Directors or any office bearer of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Bank and violated Directives issued by Nepal Rastra Bank or acted in a manner, as would jeopardize the interest and security of the Bank, its shareholders and its depositors.
- The business of the Bank has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per NRB Directives.


CA. Ranjeev Shrestha
Proprietor
Ranjeev & Associates
Chartered Accountants

Date: December 19, 2023

Place: Kathmandu

UDIN: 231219CA00494McxPo

Prime Commercial Bank Limited

Statement of Financial Position

As on 31 Ashadh 2080 (16 July 2023)

Amount in NPR

Particulars	Note	Current Year	Previous Year
Assets			
Cash and Cash Equivalents	4.1	14,305,373,289	11,620,911,866
Due from Nepal Rastra Bank	4.2	12,049,737,956	8,860,332,435
Placement with Bank and Financial Institutions	4.3	-	144,901,159
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to B/FIs	4.6	6,515,726,428	6,672,760,600
Loans and Advances to Customers	4.7	153,067,870,306	147,053,901,572
Investment Securities	4.8	29,067,661,637	31,402,844,583
Current Tax Assets	4.9	458,584,132	640,047,029
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	46,023,000	46,023,000
Investment Property	4.12	1,413,049,718	529,813,300
Property and Equipment	4.13	2,055,349,370	1,973,692,537
Goodwill and Intangible Assets	4.14	371,835,677	379,539,830
Deferred Tax Assets	4.15	270,513,439	123,167,702
Other Assets	4.16	1,206,081,382	913,959,782
Total Assets		220,827,806,336	210,361,895,395
Liabilities			
Due to Bank and Financial Institutions	4.17	4,511,658,408	6,096,829,391
Due to Nepal Rastra Bank	4.18	-	4,556,140,870
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	174,058,036,674	160,203,350,799
Borrowing	4.21	2,630,000,000	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred Tax Liabilities	4.15	-	-
Other Liabilities	4.23	3,302,475,719	3,354,346,258
Debt Securities Issued	4.24	9,152,213,243	9,145,519,492
Subordinated Liabilities	4.25	-	-
Total Liabilities		193,654,384,044	183,356,186,810
Equity			
Share Capital	4.26	19,402,575,716	18,656,322,804
Share Premium		-	-
Retained Earnings		(666,951,154)	1,738,854,392
Reserves	4.27	8,437,797,730	6,610,531,389
Total Equity Attributable to Equity Holders		27,173,422,293	27,005,708,585
Non Controlling Interest		-	-
Total Equity		27,173,422,293	27,005,708,585
Total Liabilities and Equity		220,827,806,336	210,361,895,395
Contingent Liabilities and Commitments	4.28	85,199,333,310	82,856,782,932
Net Assets Value per Share		140.05	144.75

As per our report of even date

Sweachha Karki
Head FinanceSanjeev Manandhar
Chief Executive OfficerRajendra Das Shrestha
ChairmanUdaya Mohan Shrestha
DirectorRanjeev Shrestha, FCA
Proprietor
Ranjeev & Associates
Chartered AccountantsNarendra Bajracharya
DirectorDr. Gajendra Bista
DirectorPrachanda Man Shrestha
DirectorManoj Paudel
DirectorProf. Dr. Tara Chitrakar
Director

Date: 19th December 2023 | Place: Kamalpokhari, Kathmandu

Prime Commercial Bank Limited

Statement of Profit or Loss

For the year ended 31 Ashadh 2080 (16 July 2023)

Amount in NPR

Particulars	Note	Current Year	Previous Year
Interest Income	4.29	23,159,247,664	18,301,356,511
Interest Expense	4.30	16,018,499,671	12,114,390,803
Net Interest Income		7,140,747,994	6,186,965,708
Fee and Commission Income	4.31	1,354,544,226	1,230,738,396
Fee and Commission Expense	4.32	178,312,827	142,548,201
Net Fee and Commission Income		1,176,231,399	1,088,190,195
Net Interest, Fee and Commission Income		8,316,979,393	7,275,155,903
Net Trading Income	4.33	150,351,334	231,163,380
Other Operating Income	4.34	142,896,659	156,907,726
Total Operating Income		8,610,227,387	7,663,227,009
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	4,106,190,188	1,239,836,403
Net Operating Income		4,504,037,198	6,423,390,606
Operating Expense			
Personnel Expenses	4.36	1,600,418,251	1,670,363,055
Other Operating Expenses	4.37	527,880,295	471,909,882
Depreciation & Amortisation	4.38	322,109,341	329,683,646
Operating Profit		2,053,629,312	3,951,434,021
Non Operating Income	4.39	-	-
Non Operating Expense	4.40	72,077,294	-
Profit Before Income Tax		1,981,552,018	3,951,434,021
Income Tax Expense	4.41		
Current Tax		1,125,661,113	1,260,318,248
Deferred Tax		(172,008,202)	(96,220,573)
Profit for the Year		1,027,899,106	2,787,336,347
Profit Attributable to:			
Equity-holders of the Bank		1,027,899,106	2,787,336,347
Non-Controlling Interest		-	-
Profit for the Year		1,027,899,106	2,787,336,347
Earnings per Share			
Basic Earnings per Share		5.30	14.94
Diluted Earnings per Share		5.30	14.94

As per our Report of even date

Sweachha Karki
Head Finance

Sanjeev Manandhar
Chief Executive Officer

Rajendra Das Shrestha
Chairman

Udaya Mohan Shrestha
Director

Ranjeev Shrestha, FCA
Proprietor
Ranjeev & Associates
Chartered Accountants

Narendra Bajracharya
Director

Dr. Gajendra Bista
Director

Prachanda Man Shrestha
Director

Manoj Paudel
Director

Prof. Dr. Tara Chitrakar
Director

Date: 19th December 2023 | Place: Kamalpokhari, Kathmandu

Prime Commercial Bank Limited

Statement of Other Comprehensive Income

For the year ended 31 Ashadh 2080 (16 July 2023)

Particulars	Note	Amount in NPR	
		Current Year	Previous Year
Profit for the year		1,027,899,106	2,787,336,347
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		74,793,625	46,874,469
Gains/(losses) on revaluation		-	-
Actuarial gains/(losses) on defined benefit plans		7,414,590	(20,238,130)
Income tax relating to above items		(24,662,464)	(7,990,902)
Net other comprehensive income that will not be reclassified to profit or loss		57,545,750	18,645,437
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		57,545,750	18,645,437
Total Comprehensive Income for the Year		1,085,444,857	2,805,981,784
Total Comprehensive Income attributable to:			
Equity-Holders of the Bank		1,085,444,857	2,805,981,784
Non-Controlling Interest		-	-
Total Comprehensive Income for the Period		1,085,444,857	2,805,981,784

As per our Report of even date

Sweachha Karki
Head Finance

Sanjeev Manandhar
Chief Executive Officer

Rajendra Das Shrestha
Chairman

Udaya Mohan Shrestha
Director

Ranjeev Shrestha, FCA
Proprietor
Ranjeev & Associates
Chartered Accountants

Narendra Bajracharya
Director

Dr. Gajendra Bista
Director

Prachanda Man Shrestha
Director

Manoj Paudel
Director

Prof. Dr. Tara Chitrakar
Director

Date: 19th December 2023 | Place: Kamalpokhari, Kathmandu

Prime Commercial Bank Limited

Statement of Changes in Equity

For the year ended 31 Ashadh 2080 (16 July 2023)

Amount in NPR

Particulars	Share Capital	Share Premium	General Reserve	Capital Reserve	Exchange Equalization Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Investment Adjustment Reserve	Retained Earning	Other Reserves	Total
Balance at Shrawan 01, 2078	16,083,036,900	-	4,011,017,197	-	4,832,816	1,221,277,179	197,042,446	-	3,500,000	2,719,161,524	61,390,552	24,301,258,614
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	400	400
Adjusted/Restated Balance as at Shrawan 01, 2078	16,083,036,900	-	4,011,017,197	-	4,832,816	1,221,277,179	197,042,446	-	3,500,000	2,719,161,524	61,390,952	24,301,259,014
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	2,787,336,347	-	2,787,336,347
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	32,812,128	-	32,812,128
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	(14,166,691)	-	(14,166,691)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	2,805,981,784	-	2,805,981,784
Transfer to Reserves during the year	-	-	557,467,269	-	481,102	501,334,095	32,812,128	-	-	(1,121,207,086)	29,112,492	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	9,736,286	(9,736,286)	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	2,573,285,904	-	-	-	-	-	-	-	-	(2,573,285,904)	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	(101,532,212)	-	(101,532,212)
Total Contributions by and Distributions	2,573,285,904	-	557,467,269	-	481,102	501,334,095	32,812,128	-	-	(980,307,132)	19,376,206	2,704,449,572
Balance at Ashad 32, 2079	18,656,322,804	-	4,568,484,466	-	5,313,918	1,722,611,274	229,854,574	-	3,500,000	1,738,854,392	80,767,159	27,005,708,585

Particulars	Share Capital	Share Premium	General Reserve	Capital Reserve	Exchange Equilization Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Investment Adjustment Reserve	Retained Earning	Other Reserves	Total
Balance at Shrawan 01, 2079	18,656,322,804	-	4,568,484,466	-	5,313,918	1,722,611,274	229,854,574	-	3,500,000	1,738,854,392	80,767,159	27,005,708,585
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	5,756,829	-	5,756,829
Adjusted/Restated Balance as at Shrawan 01, 2079	18,656,322,804	-	4,568,484,466	-	5,313,918	1,722,611,274	229,854,574	-	3,500,000	1,744,611,221	80,767,159	27,011,465,414
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	1,027,899,106	-	1,027,899,106
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	52,355,537	-	57,545,750
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	5,190,214	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	1,085,444,857	-	1,085,444,857
Transfer to Reserves during the year	-	-	205,579,821	-	-	1,554,642,778	52,355,537	-	3,000,000	(1,837,346,202)	21,768,066	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	10,079,861	(10,079,861)	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	746,252,912	-	-	-	-	-	-	-	-	(746,252,912)	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	(923,487,979)	-	(923,487,979)
Total Contributions by and Distributions	746,252,912	-	205,579,821	-	-	1,554,642,778	52,355,537	-	3,000,000	(2,411,562,375)	11,688,205	161,956,879
Balance at Ashadh 31, 2080	19,402,575,716	-	4,774,064,287	-	5,313,918	3,277,254,051	282,210,112	-	6,500,000	(666,951,154)	92,455,363	27,173,422,293

As per our Report of even date

Sweachha Karki
Head FinanceSanjeev Manandhar
Chief Executive OfficerRajendra Das Shrestha
ChairmanUdaya Mohan Shrestha
DirectorRanjeev Shrestha, FCA
Proprietor
Ranjeev & Associates
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DirectorDr. Gajendra Bista
DirectorPrachanda Man Shrestha
DirectorManoj Paudel
DirectorProf. Dr. Tara Chitrakar
Director

Date: 19th December 2023 | Place: Kamalpokhari, Kathmandu

Prime Commercial Bank Limited

Statement of Cash Flows

For the year ended 31 Ashadh 2080 (16 July 2023)

Particulars	Amount in NPR	
	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	19,705,986,862	16,020,293,826
Fee and Other Income Received	1,504,275,285	1,285,371,750
Dividend Received	-	-
Receipts from Other Operating Activities	244,146,100	255,441,173
Interest Paid	(16,000,482,703)	(12,163,170,930)
Commissions and Fees Paid	(178,312,827)	(142,548,201)
Cash Payment to Employees	(1,794,476,015)	(1,697,170,781)
Other Expenses Paid	(580,274,108)	(467,416,187)
Operating Cash Flows before Changes in Operating Assets and Liabilities	2,900,862,594	3,090,800,650
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(3,189,405,521)	1,637,654,377
Placement with Banks and Financial Institutions	144,015,400	4,619,427,896
Other Trading Assets	-	-
Loans and Advances to BFIs	175,710,740	(582,569,113)
Loans and Advances to Customers	(8,425,276,303)	(11,681,972,416)
Other Assets	(245,522,057)	(220,640,913)
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financial Institutions	(1,585,170,983)	54,455,835
Due to Nepal Rastra Bank	(4,556,140,870)	2,195,331,941
Deposit from Customers	13,854,685,875	6,063,836,726
Borrowings	2,630,000,000	-
Other Liabilities	(112,004,941)	1,735,054,394
Net Cash Flow from Operating Activities before Tax Paid	1,591,753,933	6,911,379,377
Income Tax Paid	(944,198,216)	(1,612,306,637)
Net Cash Flow from Operating Activities	647,555,717	5,299,072,740
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(4,779,223,429)	(10,690,404,777)
Receipts from Sale of Investment Securities	7,189,200,000	2,802,601,412
Purchase of Property and Equipment	(388,733,600)	(1,247,969,337)
Receipts from Sale of Property and Equipment	13,814,969	8,000,038
Purchase of Intangible Assets	(5,561,759)	(8,698,882)
Receipts from Sale of Intangible Assets	-	-
Purchase of Investment Properties	(904,314,032)	(289,873,222)
Receipts from Sale of Investment Properties	25,500,000	129,681,821
Interest Received	1,685,070,790	1,063,209,743
Dividend Received	30,781,043	81,903,575
Net Cash Used in Investing Activities	2,866,533,982	(8,151,549,629)

Particulars	Current Year	Previous Year
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issue of Debt Securities	-	6,704,550,581
Repayments of Debt Securities	-	-
Receipts from Issue of Subordinated Liabilities	-	-
Repayments of Subordinated Liabilities	-	-
Receipt from Issue of Shares	-	-
Dividends Paid	(827,945,109)	(98,057,250)
Interest Paid	-	-
Net Cash from Financing Activities	(827,945,109)	6,606,493,330
Net Increase (Decrease) in Cash and Cash Equivalents	2,686,144,590	3,754,016,442
Cash and Cash Equivalents at Shrawan 01, 2079	11,620,911,866	7,864,971,018
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	(1,683,167)	1,924,406
Cash and Cash Equivalents at Ashadh 31, 2080	14,305,373,289	11,620,911,866

As per our report of even date

Sweachha Karki
Head FinanceSanjeev Manandhar
Chief Executive OfficerRajendra Das Shrestha
ChairmanUdaya Mohan Shrestha
DirectorRanjeev Shrestha, FCA
Proprietor
Ranjeev & Associates
Chartered AccountantsNarendra Bajracharya
DirectorDr. Gajendra Bista
DirectorPrachanda Man Shrestha
DirectorManoj Paudel
DirectorProf. Dr. Tara Chitrakar
Director

Date: 19th December 2023 | 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 30th April, 2017 (17th Baisakh, 2074), the Bank has acquired two ‘B’ class Development Banks viz. Birat Laxmi Bikash Bank Limited and Country Development Bank Limited. Further, the Bank has acquired ‘B’ class financial institution viz. Kankai Bikas Bank Limited on 15th September 2019 (29th Bhadra, 2076) and Kailash Bikas Bank Limited on 12th March 2020 (29th Falgun 2076).

The Bank is listed in 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 along with 2 extension counter and 132 ATMs.

1.2 Financial Statements

The Financial Statements of the Bank for the year ended 31st Ashadh 2080 corresponding to 16th July 2023 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 31st Ashadh 2080, does not comprise 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 Sanstha 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 18th July, 2013 through its first branch office ‘Battar’ located in Nuwakot district. The paid up capital of Mero Microfinance Lagubitta Bittiya Sanstha is NPR 1.32 billion.

Swabhimaan Laghubitta Bittiya Sanstha Limited (SLBSL) registered as a public limited company in 17th August, 2016 and received the operation license in 9th May, 2017 from Nepal Rastra Bank to function as a ‘D’ class financial institution. It has been working with the license in 10 districts i.e. Rupandehi, Kapilvastu, Palpa, Salyan, Rolpa, Pyuthan, Nawalparasi, Gulmi, Syangja and Arghakanchi.

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 2nd Shrawan 2079, on NFRS requirement, which allowed alternative treatments and the bank has adopted following carve outs:

S. No.	NFRS/NAS	Particulars
1	NFRS 9: Para 5.4 Financial Instruments	Impracticability to determine transaction cost of all previous years which is the part of effective interest rate
2	NFRS 9: Para 5.5 Recognition of Expected Credit Loss	Impairment and collectability of financial assets measured at amortized cost.

2.2 Reporting Period and Approval of Financial Statements

2.2.1 Reporting Period

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The Bank follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Relevant Financial Statement	Date in B.S.	Date in A.D.
Statement of Financial Position Date		
Current Year	31 st Ashadh 2080	16 th July 2023
Previous Year	32 nd Ashadh 2079	16 th July 2022
Statement of Profit and Loss Account		
Current Year	1 st Shrawan 2079 – 31 st Ashadh 2080	17 th July 2022 – 16 th July 2023
Previous Year	1 st Shrawan 2078 – 32 nd Ashadh 2079	16 th July 2021 - 16 th July 2022

2.2.2 Approval of Financial Statement

The accompanied Financial Statements have been authorized by the 487th Board of Directors meeting vide its resolution dated 19th December 2023 (3rd Poush 2080) 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 (NPR), which is the Banks both functional currency and presentation currency. Financial information is presented in Nepalese Rupees unless indicated otherwise.

2.4 Use of Estimates, Assumptions and Judgments

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

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

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

2.4.1 Going Concern

The Board of Directors have 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 are 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 as per Para 5.5 NFRS 9 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 Unified Directive 02/079, 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

The 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, land and building acquired as Non-Banking Assets by the Bank but not sold are 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:

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

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 Explanatory Note on Accounting for Business Combination issued by Institute of Chartered Accountants of Nepal.

Para 18 of NFRS 3 states that 'The acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.' It is clarified that the identifiable assets and liabilities are measured at their individual fair values as on acquisition date. Those assets and liabilities acquired are brought in the books of the acquirer at same values as at the acquisition date.

Para 32 of NFRS 3 states that 'The acquirer shall recognize goodwill as of the acquisition date measured as the excess of (a) over (b) below:

- The aggregate of:
 - The consideration transferred measured in accordance with this NFRS, which generally requires acquisition-date fair value (paragraph 37)
 - The amount of any non-controlling interest in the acquiree measured in accordance with this NFRS; and
 - In a business combination achieved in stages (paragraphs 41 and 42), the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with NFRS.

Goodwill may be measured in a business combination effected through exchange of equity interest of the acquirer by considering the business valuation of acquiree computed based on the similar terms as for the purpose of computing swap ratio. The excess of consideration paid by the acquirer over the business value of the acquiree is only considered as goodwill because it represents the expected synergies and other benefits arising from combining the businesses.

The bank uses other observable inputs such as the value determined for the purpose of determining swap ratio between the acquirer and acquiree to determine the fair value of the equity instruments to be issued by the acquirer to the owners of acquiree.

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

i) 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.

ii) 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/minus 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 Financial Reporting Standard NFRS 9 (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

3.4.2.1 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 the 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.

3.4.2.2 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 Financial Reporting Standard- NFRS 9 (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 Financial Reporting Standard - NFRS 9 (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.

i) 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-pasu with the Bank and the likelihood of other creditors continuing to support the company;
- The realizable value of security and likelihood of successful repossession;

ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

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

Incurred but not yet been identified impairments

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

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

The collective impairment allowance is determined after taking into account:

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

Homogeneous groups of Financials Assets

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

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

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

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

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

- Recent loan portfolio growth and product mix
- Unemployment rates

- Gross Domestic Production (GDP) Growth
- Inflation
- Interest rates
- Changes in government laws and regulations
- Property prices
- Overdue days

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 Derivative 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 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 Equipment	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 5,000 or less are directly charged to the profit and loss account as expenses for capital items.

3.7.6 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 or lease period.

3.7.7 Changes in Estimates

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

3.7.8 Capital Work in Progress

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

3.7.9 Borrowing Costs

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

3.7.10 De-recognition

The carrying amount of an item of property, 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.

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 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. Thus,

initial and subsequent measurements are done as per regulatory requirement.

When the investment properties are disposed off, the gains or losses are recognized in the Statement of Profit or Loss under 'Other operating income' as 'Gain/loss on sale 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

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 on EIR 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 on equity instruments are recognized in the statement of profit and loss within other operating income when the Bank's right to receive the 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 and 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:

- a. Short term employee benefits
- b. Post employment benefits

- c. Other long term employee benefits
- d. 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:

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

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

3.15.2 Post-Employment Benefits

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

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

i) Defined Contribution Plan

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

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

Bank contributed 10% on the 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).

ii) 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 16th July, 2023 (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/s and the arrangement conveys a right to use the asset.

When Bank is a lessee under Operating leases, the Bank recognizes right-of-use assets (ROU) for the leased assets and included in 'Property, plant and equipment' and the corresponding lease liability to the lesser is included in 'Other Liabilities'.

3.16.1 Right-of-Use Assets (ROU)

The ROU asset is initially measured at cost at the amount of the lease liability plus any initial direct costs incurred by the bank and depreciated using the straight-line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. Subsequently the bank measures the right of use (ROU) assets applying cost model where the bank shall measure right of use assets at cost less any accumulated depreciation and any accumulated impairments losses; and adjusted re-measurement of lease liability.

3.16.2 Lease Liability

When Bank is a lessee under Operating leases at the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments that are not paid at the date. The lease payments are discounted using the lessee's incremental borrowing rate. Subsequently, the bank measures the lease liability by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or revised in substance fixed lease payments.

Interest on lease liability is 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.

3.16.3 Short-term Lease and Leases of Low Value Assets

The Bank has elected not to recognize ROU assets and lease liabilities for leases of low value assets and short term leases for which the lease term ends within 12 months of the date of initial application.

3.17 Foreign Currency Translation, Transactions and Balances

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

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

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

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

3.18 Financial Guarantee and Loan Commitment

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

3.19 Share Capital and Reserves

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

3.20 Earnings Per Share

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

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

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

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. Recoverable amount is the higher of (a) fair value less costs to sell and (b) value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

3.23 Dividend on Ordinary Shares

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

3.24 Cash Flow Statement

The Statement of Cash Flows has been prepared using 'The Direct Method' in line with NAS 7, 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

Cash and Cash Equivalent

4.1

Particulars	Current Year	Previous Year
Cash in Hand	3,620,241,497	4,152,938,425
Balances with BFIs	3,247,196,832	6,558,731,612
Money at Call and Short Notice	-	-
Other	-	-
Placement less than 3 month	7,437,934,960	909,241,829
Total	14,305,373,289	11,620,911,866

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.

Due from Nepal Rastra Bank

4.2

Particulars	Current Year	Previous Year
Statutory Balances with NRB	6,604,288,041	4,630,395,839
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	5,445,449,915	4,229,936,595
Total	12,049,737,956	8,860,332,435

Minimum Statutory balances as prescribed by NRB which is 4% 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.

Placements with Banks and Financial Institutions

4.3

Particulars	Current Year	Previous Year
Placement with Domestic BFIs	-	16,127,105
Placement with Foreign BFIs	-	128,774,053
Less: Allowances for Impairment	-	-
Total	-	144,901,159

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.

Derivative Financial Instruments

4.4

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	-	-

Other Trading Assets 4.5

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

Loans and Advances to BFIs 4.6

Particulars	Current Year	Previous Year
Loans to Micro-Finance Institutions	6,601,330,626	6,760,649,038
Other	-	-
Less: Allowances for Impairment	85,604,198	87,888,437
Total	6,515,726,428	6,672,760,600

4.6.1 Allowances for Impairment

Particulars	Current Year	Previous Year
Balance at Shrawan 01	87,888,437	80,314,421
Impairment Losses for the year:		
Charge for the year	6,674,000	23,415,910
Recoveries/Reversal	8,958,239	15,841,893
Amount Written Off		
Balance at Ashadh End	85,604,198	87,888,437

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

Loans and Advances to Customers 4.7

Particulars	Current Year	Previous Year
Loans and Advances measured at Amortized Cost	161,567,430,005	151,444,986,843
Less: Impairment Allowances		
Collective Impairment	2,049,491,162	1,763,106,503
Individual Impairment	6,450,068,537	2,627,978,767
Net Amount	153,067,870,306	147,053,901,572
Loans and Advances measured at FVTPL	-	-
Total	153,067,870,306	147,053,901,572

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	54,231,709,925	40,509,112,787
<i>Personal</i>	8,711,255,136	-
<i>Business</i>	37,520,028,710	-
<i>Working Capital</i>	8,000,426,078	-
Overdraft	-	43,005,655,885
Overdraft (Personal)	9,473,132,368	-
Cash Credit Loan	32,755,909,409	-
Trust Receipt/Import Loans	937,647,579	325,548,242
Short Term WC/Demand Loan	13,029,012,778	17,379,563,898
Personal Residential Loans	7,384,330,705	8,077,206,962
Real Estate Loans	15,173,333,400	13,325,539,086
Margin Lending Loans	3,216,638,703	3,466,905,646
Hire Purchase Loans	5,836,224,106	6,833,878,646
Deprived Sector Loans	3,352,721,783	3,654,304,705
Bills Purchased	686,637,343	514,251,745
Staffs Loans	1,019,733,141	944,580,945
Other	10,407,547,796	11,067,204,568
Sub-Total	157,504,579,034	149,103,753,115
Interest Receivable	4,062,850,971	2,341,233,728
Grand Total	161,567,430,005	151,444,986,843

4.7.2 Analysis of Loans and Advances - By Currency

Particulars	Current Year	Previous Year
Nepalese Rupee	161,476,685,262	151,365,107,009
Indian Rupee	-	-
United States Dollar	90,744,743	79,879,834
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	161,567,430,005	151,444,986,843

4.7.3 Analysis of Loans and Advances - By Collateral

Particulars	Current Year	Previous Year
Secured		
Moveable/Immoveable Assets	140,781,189,390	132,294,785,814
Gold and Silver	6,505,924,249	6,954,496,465
Guarantee of Domestic BFIs	-	-
Government Guarantee	155,012,026	155,323,335
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	1,487,961,784	1,418,310,192
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	44,164,536	175,951,885
Other Collateral	8,530,327,049	8,104,885,423
Subtotal	157,504,579,034	149,103,753,115
Unsecured(AIR)	4,062,850,971	2,341,233,728
Grand Total	161,567,430,005	151,444,986,843

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	2,627,978,767	1,532,000,867
Impairment Loss for the year	-	-
Charge for the year	3,928,516,155	1,218,194,705
Recoveries/Reversals during the year	106,426,385	122,216,805
Write-Offs	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Ashadh End	6,450,068,537	2,627,978,767
Collective Allowances for Impairment		
Balance at Sharawan 01	1,763,106,504	1,626,822,017
Impairment Loss for the year	-	-
Charge/(Reversal) for the year	286,384,658	136,284,487
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Ashadh End	2,049,491,162	1,763,106,504
Total Allowance for Impairment	8,499,559,698	4,391,085,270

Investment Securities

4.8

Particulars	Current Year	Previous Year
Investment Securities measured at Amortized Cost	28,063,184,935	30,753,161,506
Investment in Equity measured at FVTOCI	1,004,476,702	649,683,077
Total	29,067,661,637	31,402,844,583

4.8.1 Investment Securities measured at Amortized Cost

Particulars	Current Year	Previous Year
Debt Securities	-	-
Government Bonds	24,232,073,033	24,177,538,225
Government Treasury Bills	1,639,176,062	2,192,634,757
Nepal Rastra Bank Bonds	-	-
Nepal Rastra Bank Deposit Instruments	-	-
Other	2,191,935,840	4,382,988,524
Government Bond Foreign	-	-
Less: Specific Allowances for Impairment	-	-
Total	28,063,184,935	30,753,161,506

4.8.2 Investment in Equity measured at FVTOCI

Particulars	Current Year	Previous Year
Equity Instruments		
Quoted Equity Securities	916,670,794	582,514,283
Unquoted Equity Securities	87,805,908	67,168,795
Total	1,004,476,702	649,683,077

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 62,654 Public shares of NPR 100 each fully paid	33,511,687	33,626,402	33,511,687	23,779,464
1.2 Deprosc Laghubitta Bittiya Sanstha Limited 0.41 fraction share NPR 100 each fully paid	-	-	-	385.40
1.3 Global IME Laghubitta Bittiya Sanstha Limited 22 Public shares of bonus received	1,055	23,342	1,055	25,980.00
1.4 Himalayan Laghubitta Bittiya Sanstha Limited 8 Public shares of NPR 100 each fully paid	500	6,032	500	6,192
1.5 Himalayan Life Insurance Limited 1 Public Share of NPR 100 bonus share	-	507	-	-
1.6 Hydroelectricity Investment and Development Company Limited 525,000 Public Share of NPR 100 each	50,000,000	53970000	-	-
1.5 Jalpa Laghubitta Bittiya Sanstha Limited 65,800 Promoter shares of NPR 100 each fully paid	7,000,000	14,295,050	7,000,000	22,456,882
1.6 Kisan Laghubitta Bittiya Sanstha Limited. 151,127 Promoter share NPR 100 each fully paid	11,770,000	19,105,475	11,770,000	23,053,899
1.6 National Life Insurance Company Limited 1 Public Share of NPR 100 bonus share	-	645	-	-
1.7 National Microfinance Laghubitta Bittiya Sanstha Ltd. 204,005 Promoter shares of NPR 100 each fully paid	14,000,000	42,579,924	14,000,000	38,450,453
1.8 National Microfinance Laghubitta Bittiya Sanstha Ltd. 2 Public shares of NPR 100 each fully paid	-	2,732	-	3,870
1.9 NECO Insurance Company Ltd. 2 Ordinary shares bonus received	-	1,782	-	1,388
1.10 Nepal Life Insurance Company Ltd. 3 Public shares bonus received	1,022	2,232	1,022	2,241.00
1.11 Nerude Lagubitta Bittiya Sanstha Ltd. 703,705 Promoter shares of NPR 100 each fully paid	10,861,843	282,185,705	10,861,843	231,876,805
1.12 Ngadi Group Power Limited 1 Public shares bonus received	-	234	-	297.00
1.13 Nirdhan Uthan Laghubitta Bittiya Sanstha Limited 40 Ordinary shares bonus received	-	30,600	-	36,267.00
1.14 NLG Insurance Company Ltd. 4 Public shares of bonus received	2,705	3,360	2,705	1,912.00
1.17 RMDC Laghubitta Bittiya Sanstha Limited 3 Public shares of bonus received	-	2,325	-	1,676
1.19 Siddhartha Insurance Limited 4 ordinary share of NPR 100 each fully paid		3,114	-	1,631
1.20 Soaltee Hotel Ltd. 8,798 ordinary shares of NPR 100 each fully paid	1,799,610	4,267,030	1,799,610	1,696,748
1.21 Suryajyoti Life Insurance Company Limited 24,176 Promoter shares of NPR 100 each fully paid	1,854,506	8,485,776	1,854,508	8,993,509
1.22 Suryajyoti Life Insurance Company Limited 9,006 Public shares of NPR 100 each fully paid	690,849	5,493,660	690,847	3,485,385
1.23 Suryodaya Womi Laghubitta Bittiya Sanstha Limited 1 Public shares of NPR 100 each fully paid	-	733	-	783
1.24 Vijaya Laghubitta Bittiya Sanstha Ltd 2 Public shares bonus received	-	1,426	-	-
Investment in Quoted Equity	131,493,777	464,088,086	81,493,777	353,875,766
2. Investment in Unquoted Equity				
2.1 Annapurna Developers Limited 20,000 Promoter shares of NPR 100 each fully paid	2,000,000	2,000,000	2,000,000	2,000,000

2.2	Banking, Finance & Insurance Institute of Nepal 33,000 Promoter shares of NPR 100 each fully paid	3,000,000	4,759,920	3,000,000	3,949,770
2.3	Karja Suchana Kendra Limited 11,813 Promoter shares of NPR 100 each fully paid	94,500	1,181,300	94,500	1,181,300
2.4	Nepal Clearing House Limited 216,563.42 Promoter shares of NPR 100 each fully paid	4,089,300	54,407,416	4,089,300	34,561,738
2.5	Nepal Electronic Payment System Limited 150,000 Promoter shares of NPR 100 each fully paid	15,000,000	23,412,000	15,000,000	22,429,500
2.6	Prabhu Capital Limited 18,758 Promoter shares of NPR 100 each fully paid	1,500,000	2,045,272	1,500,000	3,046,487
Investment in Unquoted Equity		25,683,800	87,805,908	25,683,800	67,168,795
3.	Investment in Mutual Funds				
3.1	Citizen Mutual Fund-1 1,250,300 units of NPR 10 each fully paid	12,503,090	11,727,814	12,503,090	11,002,640
3.2	Citizens Super 30 Mutual Fund 1,000,000 units of NPR 10 each fully paid	10,000,000	10,230,000	-	-
3.3	Laxmi Equity Fund 5,846,087 units of NPR 10 each fully paid	58,460,297	56,063,974	58,460,297	57,876,261
3.4	MEGA Mutual Fund - 1 (MEGAMF) 436,330 units of NPR 10 each fully paid	4,363,300	3,486,277	4,363,300	3,486,277
3.5	Nabil Balance Fund-2 250,000 units of NPR 10 each fully paid	2,500,000	2,200,000	2,500,000	2,695,000
3.6	Nabil Balance Fund 3(NBF3) 16,670 units of NPR 10 each fully paid	166,700	126,192	166,700	157,198
3.7	NABIL Equity Fund 2,264,272 units of NPR 10 each fully paid	22,642,720	21,759,654	22,642,720	22,642,720
3.8	Nabil Flexi Cap Fund 3,000,000 units of NPR 10 each fully paid	30,000,000	29,700,000	-	-
3.9	NIBL Growth Fund (NIBLGF) 3,000,000 units of NPR 10 each fully paid	30,000,000	31,920,000	-	-
3.10	NIBL Pragati Fund 2,059,064 units of NPR 10 each fully paid	20,587,398	19,993,511	20,587,398	20,631,821
3.11	NIC Asia Balance Fund 250,000 units of NPR 10 each fully paid	2,500,000	2,332,500	2,500,000	2,677,500
3.12	NIC Asia Dynamic Debt Fund 664,830 units of NPR 10 each fully paid	6,648,300	7,386,261	6,648,300	7,120,329
3.13	NIC Asia Growth Fund 250,000 units of NPR 10 each fully paid	2,500,000	2,572,500	2,500,000	2,787,500
3.14	NMB 50 250,000 units of NPR 10 each fully paid	2,500,000	2,625,000	2,500,000	3,225,000
3.15	NMB Hybrid Fund-1 2,541,280 units of NPR 10 each fully paid	25,413,078	27,420,411	25,413,078	33,341,594
3.16	NMB SULAV INVESTMENT FUND-2 4,000,000 units of NPR 10 each fully paid	40,000,000	44,840,000	-	-
3.17	Prabhu Smart Fund (PRVUSF) 5,000,000 units of NPR 10 each fully paid	50,000,000	49,500,000	-	-
3.18	RBB Mutual Fund 2,000,000 units of NPR 10 each fully paid	20,000,000	20,160,000	-	-
3.19	Sanima Equity Fund 2,900,000 units of NPR 10 each fully paid	29,000,000	34,220,000	29,000,000	36,975,000
3.20	Siddhartha Equity Fund 1,935,696 units of NPR 10 each fully paid	19,356,940	18,253,613	19,356,940	19,124,676
3.21	Siddhartha Investment Growth Scheme-2 500,000 units of NPR 10 each fully paid	5,000,000	4,515,000	5,000,000	4,895,000
3.22	Siddhartha Investment Growth Scheme-3 5,000,000 units of NPR 10 each fully paid	50,000,000	51,550,000	-	-
Investment in Mutual Fund		444,141,824	452,582,708	214,141,824	228,638,517

Current Tax Assets

4.9

Particulars	Current Year	Previous Year
Current Tax Assets		
Current year Income Tax Assets	1,248,671,630	1,881,160,145
Tax Assets of Prior Periods	335,573,615	19,205,132
Current Tax Liabilities		
Current year Income Tax Liabilities	790,087,498	1,241,113,116
Tax Liabilities of Prior Periods	335,573,615	19,205,132
Total	458,584,132	640,047,029

Investment in Subsidiaries

4.10

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 NPR Each	-	-	-	-
.....Ltd.	-	-	-	-
.....Shares of NPR Each	-	-	-	-
Total	-	-	-	-

4.10.2 Investment in Unquoted Subsidiaries

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

4.10.3 Information relating to Subsidiaries of the Bank

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

4.10.4 Non Controlling Interest of the Subsidiaries

Particulars	Current Year	Previous Year
Equity Interest held by NCI (%)	-	-
Profit (Loss) allocated during the year	-	-
Accumulated Balances of NCI as on Ashadh End	-	-
Dividend Paid to NCI	-	-
Total	-	-

Investment in Associates

4.11

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

4.11.1 Investment in Quoted Associates

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
1.1 Mero Microfinance Bittiya Sansatha Limited 924,000 Promoter shares of NPR 100 each fully paid	37,023,000	92,400,000	37,023,000	83,999,980
1.2 Swabhimaan Laghubitta Bittiya Sanstha Limited 212,613 Promoter shares of NPR 100 each fully paid	9,000,000	21,261,300	9,000,000	17,717,716
Total	46,023,000	113,661,300	46,023,000	101,717,696

4.11.2 Investment in Unquoted Associates

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

4.11.3 Information relating to Associates of the Bank

Particulars	Percentage of Ownership held by Bank	
	Current Year	Previous Year
3.1 Mero Microfinance Bittiya Sansatha Limited	7.00%	7.00%
3.2 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
4.1 Mero Microfinance Bittiya Sansatha Limited	924,000	92,400,000	840,000	83,999,980
4.2 Swabhimaan Microfinance Bittiya Sanstha Ltd	212,613	21,261,300	177,177	17,717,716

Investment Properties

4.12

Particulars	Current Year	Previous Year
Investment Properties measured at Fair Value		
Balance as on Shrawan 01	529,813,300	365,775,958
Addition/(Disposal) during the year	877,479,589	169,794,172
Net Changes in fair value during the year	5,756,829	(5,756,829)
Adjustment/Transfer	-	-
Net Amount	1,413,049,718	529,813,300
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	1,413,049,718	529,813,300

Property and Equipment

4.13

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Right to Use Assets (ROU)	Total Ashadh end 2080	Total Ashadh End 2079
Cost											
As on Shrawan 01 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
Addition during the year	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	1,065,874,008	1,065,874,008	-
Capitalization	62,663,716	8,260,958	26,353,065	13,380,203	25,104,000	7,910,508	-	39,872,769	-	183,545,219	153,486,025
Disposal during the year	-	-	(14,401,538)	(2,259,892)	(13,987,302)	(4,302,872)	-	(9,880,298)	(6,556,759)	(51,388,661)	(28,788,505)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	290,805,795
Balance as on Ashadh end 2079	412,650,122	230,868,632	436,513,240	252,422,985	199,890,659	247,887,621	-	491,875,272	1,059,317,249	3,331,425,780	2,133,395,214
Addition during the Year	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-	-	1,065,874,008
Capitalization	124,744,566	29,761,353	29,259,945	27,829,158	23,883,812	8,011,272	-	36,792,146	129,572,120	409,854,372	183,545,219
Disposal during the year	-	-	(575,501)	(5,427,920)	(41,541,623)	(1,503,598)	-	(7,348,251)	(34,702,644)	(91,099,537)	(51,388,662)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2080	537,394,688	260,629,985	465,197,684	274,824,223	182,232,847	254,395,295	-	521,319,167	1,154,186,725	3,650,180,615	3,331,425,779
Depreciation and Impairment											
As on Shrawan 01 2078	-	(23,898,388)	(250,776,211)	(183,842,908)	(113,394,461)	(179,042,768)	-	(334,355,527)	-	(1,085,310,264)	(641,677,116)
Depreciation charge for the year	-	(5,580,459)	(28,500,269)	(25,724,949)	(29,687,982)	(27,458,541)	-	(53,959,520)	(147,093,575)	(318,005,295)	(172,856,889)
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	13,356,763	1,922,198	13,011,321	3,328,895	-	7,406,380	6,556,759	45,582,317	20,990,246
Adjustments	-	-	-	-	-	-	-	-	-	-	(291,766,505)
As on Ashadh end 2079	-	(29,478,847)	(265,919,716)	(207,645,659)	(130,071,122)	(203,172,414)	-	(380,908,667)	(140,536,816)	(1,357,733,242)	(1,085,310,264)
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(5,992,056)	(29,293,333)	(24,790,247)	(30,186,569)	(21,168,471)	-	(48,001,329)	(149,411,423)	(308,843,429)	(318,005,295)
Disposals	-	-	575,489	5,422,859	40,991,383	1,395,411	-	7,348,159	15,962,093	71,695,393	45,582,317
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As on Ashadh end 2080	-	(35,470,904)	(294,637,561)	(227,013,047)	(119,266,309)	(222,945,473)	-	(421,561,837)	(273,986,146)	(1,594,881,277)	(1,357,733,242)
Capital Work in Progress	-	50,033	-	-	-	-	-	-	-	50,033	-
Net Book Value	537,394,688	225,209,114	170,560,123	47,811,176	62,966,538	31,449,821	-	99,757,330	880,200,579	2,055,349,370	1,973,692,537
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	-	1,048,084,950	-
As on Ashadh end 2079	412,650,122	201,389,785	170,593,524	44,777,325	69,819,536	44,715,207	-	110,966,605	918,780,433	1,973,692,537	-
As on Ashadh end 2080	537,394,688	225,209,114	170,560,123	47,811,176	62,966,538	31,449,821	-	99,757,330	880,200,579	2,055,349,370	-

Deferred Tax

4.15

Particulars	Current Year		
	Deferred Tax Assets	Deferred Tax Liabilities	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)	-	(22,438,087)	(22,438,087)
Property and Equipment	54,202,762	(264,060,173)	(209,857,411)
Employees' Defined Benefit Plan	54,595,794	(2,224,377)	52,371,417
Lease Liabilities	298,867,003	-	298,867,003
Provisions	149,531,398	-	149,531,398
Other Temporary Differences	2,039,120	-	2,039,120
Deferred tax on temporary differences	559,236,077	(288,722,637)	270,513,439
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 Ashadh 2080			270,513,439
Recognized in Profit or Loss			295,175,904
Recognized in other comprehensive income			(24,662,464)
Recognized directly in equity			-
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2079			123,167,702
Origination/(Reversal) during the year			147,345,738
Deferred Tax expense (income) recognized in profit or loss			172,008,202
Deferred Tax expense (income) recognized in OCI			(24,662,464)
Deferred Tax expense (income) recognized directly in Equity			-
Particulars	Previous Year		
	Deferred Tax Assets	Deferred Tax Liabilities	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)	-	(14,062,341)	(14,062,341)
Property and Equipment	48,530,311	-	48,530,311
Employees' Defined Benefit Plan	61,869,624	-	61,869,624
Lease Liabilities	26,615,983	-	26,615,983
Provisions	-	-	-
Other Temporary Differences	214,124	-	214,124
Deferred tax on temporary differences	137,230,043	(14,062,341)	123,167,702
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 2079			123,167,702
Recognized in Profit or Loss			131,158,603
Recognized in other comprehensive income			(7,990,902)
Recognized directly in equity			-
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2078			34,938,030
Origination/(Reversal) during the year			88,229,672
Deferred Tax expense (income) recognized in profit or loss			96,220,573
Deferred Tax expense (income) recognized in OCI			(7,990,902)
Deferred Tax expense (income) recognized directly in Equity			-

Other Assets 4.16

Particulars	Current Year	Previous Year
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	660,201,373	437,204,102
Accrued Income	-	-
Prepayments and Deposits	36,311,447	41,415,499
Income Tax Deposit	-	-
Deferred Employee Expenditure	243,750,441	202,907,727
Other Assets	265,818,122	232,432,532
<i>Stock of Stationery</i>	24,186,274	14,293,166
<i>Advance Others</i>	128,938,659	52,082,347
<i>Receivable Remittance</i>	25,312,638	2,841,466
<i>Receivable VISA A/C</i>	40,068,299	47,121,441
<i>Khandbari-Tumlingtar Rec</i>	2,834,370	2,834,370
<i>Transit Items (including Cheques)</i>	-	15,669,844
<i>Receivable from GON</i>	6,248,340	35,851,729
<i>Bullion Stock</i>	-	-
<i>Advance for Bullion Stock</i>	-	-
<i>Spot Deal Receivable</i>	-	1,320,882
<i>NDF receivable</i>	14,776,077	-
<i>Others Asset</i>	23,453,465	60,417,210
Total	1,206,081,382	913,959,860

Due to Banks and Financial Institutions 4.17

Particulars	Current Year	Previous Year
Money Market Deposits	-	-
Interbank Borrowing	-	882,510,000
Other Deposits from BFIs	4,511,658,408	5,214,319,391
Settlement and Clearing Accounts	-	-
Others	-	-
Total	4,511,658,408	6,096,829,391

Due to Nepal Rastra Bank 4.18

Particulars	Current Year	Previous Year
Refinance from NRB	-	3,056,140,870
<i>a. Reconstruction Refinancing</i>	-	-
<i>b. Project Refinancing</i>	-	3,056,140,870
Standing Liquidity Facility	-	1,500,000,000
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	-	4,556,140,870

Derivative Financial Instruments		4.19
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	-	-

Deposits from Customers		4.20
Particulars	Current Year	Previous Year
Institutional Customers:		
Term Deposits.	68,298,276,925	62,062,285,494
Call Deposits	10,992,267,038	8,803,337,714
Current Deposits.	7,772,398,671	2,578,218,212
Others	2,060,462,098	55,268,288
Individual Customers:		
Term Deposits	51,442,215,972	45,903,712,463
Saving Deposits	32,457,435,321	30,526,188,201
Current Deposits	940,711,886	5,807,162,341
Others	94,268,763	4,467,178,086
Total	174,058,036,674	160,203,350,799

4.20.1 Currency-wise Analysis of Deposit from Customers

Particulars	Current Year	Previous Year
Nepalese Rupee	170,196,417,058	157,848,915,723
Indian Rupee	7,316,788	6,176,654
United States Dollar	3,851,576,244	2,347,519,673
Great Britain Pound	51,340	45,152
Euro	2,675,244	693,597
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	174,058,036,674	160,203,350,799

Borrowings		4.21
Particulars	Current Year	Previous Year
Domestic Borrowings		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
Sub Total	-	-
Foreign Borrowings		
Foreign Banks and Financial Institutions	2,630,000,000	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub Total	2,630,000,000	-
Total	2,630,000,000	-

Provisions
4.22

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	-	-

Other Liabilities
4.23

Particulars	Current Year	Previous Year
Liabilities for employees defined benefit obligations	14,420,030	37,457,960
Liabilities for long service leave	167,565,950	148,535,990
Short term employee benefits	93,806,751	87,069,228
Bills payable	112,871,404	206,918,897
Creditors and accruals	15,498,564	187,794,527
Interest payable on deposits	2,609,024	2,337,772
Interest payable on borrowing	50,133,566	32,387,851
Liabilities on deferred grant income	-	-
Unpaid Dividend	199,553,548	104,010,677
Liabilities under Finance Lease	-	-
Employee bonus payable	220,258,596	439,134,374
Other Liabilities	2,425,758,286	2,108,698,982
<i>Audit Fee</i>	2,825,000	2,825,000
<i>Provision for expenses</i>	43,115,462	30,125,731
<i>Visa Debit Card Payable</i>	41,759,009	39,960,027
<i>Unearned Discount & Commission</i>	383,263,424	233,532,365
<i>Tax deducted at source payable</i>	166,536,152	167,095,902
<i>Retention amount</i>	7,175,754	6,063,152
<i>Account Payable</i>	720,404,852	365,028,700
<i>Card Related Payable</i>	55,845,061	57,326,932
<i>Gold Loan Commission Payable</i>	4,188,414	2,913,906
<i>NDF Payable</i>	-	71,155,224
<i>Remittance Payable</i>	-	-
<i>Spot Deal Payable</i>	461,763	-
<i>Liabilities under Operating Lease</i>	996,223,344	1,007,500,376
<i>Other Liability</i>	3,960,051	125,171,665
Total	3,302,475,719	3,354,346,258

4.23.1 Defined Benefit Obligation

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

Particulars	Current Year	Previous Year
Present value of unfunded obligations	167,565,950	148,535,990
Present value of funded obligations	234,962,755	210,860,040
Total present value of obligations	402,528,705	359,396,030
Fair value of plan assets	220,542,725	173,402,080
Present value of net obligations	181,985,980	185,993,950
Recognised liability for defined benefit obligations	181,985,980	185,993,950

4.23.2 Plan Assets

Particulars	Current Year	Previous Year
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	220,542,725	173,402,080
Total	220,542,725	173,402,080

4.23.3 Movement in the Present Value of Defined Benefit Obligations

Particulars	Current Year	Previous Year
Defined benefit obligations at Shrawan 1	359,396,030	278,739,470
Actuarial (Gain)/Losses	125,270	39,825,150
Benefits paid by the plan	(21,538,965)	(11,225,520)
Current service costs and interest	64,546,370	52,056,930
Defined Benefit Obligations at Ashadh end	402,528,705	359,396,030

4.23.4 Movement in the Fair Value of Plan Assets

Particulars	Current Year	Previous Year
Fair value of plan assets at Shrawan 1	173,402,080	156,423,140
Acquisition Adjustment	-	-
Contributions paid into the plan	37,457,960	5,841,980
Benefits paid during the year	(5,830,065)	(4,670,050)
Actuarial (losses) gains	-	-
Expected return on plan assets	15,512,750	15,807,010
Fair value of plan assets at Ashadh end	220,542,725	173,402,080

4.23.5 Amount Recognised in Profit or Loss

Particulars	Current Year	Previous Year
Current service costs	36,644,090	30,454,170
Interest on obligation	12,682,980	8,954,600
Expected return on plan assets	-	-
Actuarial (Gain)/Loss on Leave Encashment	-	-
Immediate recognition of (gains)/losses – other long term employee benefit plans	7,246,410	16,428,160
Total	56,573,480	55,836,930

4.23.6 Amount Recognised in other Comprehensive Income

Particulars	Current Year	Previous Year
Actuarial (gain)/loss	(7,414,590)	20,238,130
Total	(7,414,590)	20,238,130

4.23.7 Actuarial Assumptions

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

Debt Securities Issued

4.24

Particulars	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	9,152,213,243	9,145,519,492
Total	9,152,213,243	9,145,519,492

Subordinated Liabilities

4.25

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

Share Capital

4.26

Particulars	Current Year	Previous Year
Ordinary shares	19,402,575,716	18,656,322,804
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	19,402,575,716	18,656,322,804

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		
19,402,575 Ordinary share of Rs. 100 each	19,402,575,716	18,656,322,804
Subscribed and paid up capital		
19,402,575 Ordinary share of Rs. 100 each	19,402,575,716	18,656,322,804
Total	19,402,575,716	18,656,322,804

4.26.2 Ordinary Share Ownership

Particulars	Current Year		Previous Year	
	%	Amount	%	Amount
Domestic ownership				
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed intitutions	-	-	-	-
Other Institutions	-	-	-	-
Public	49%	9,507,262,101	49%	9,141,598,174
Other (Promoter)	51%	9,895,313,615	51%	9,514,724,630
Foreign ownership	-	-	-	-
Total	100%	19,402,575,716	100%	18,656,322,804

Reserves

4.27

Particulars	Current Year	Previous Year
Statutory general reserve	4,774,064,287	4,568,484,466
Exchange equilisation reserve	5,313,918	5,313,918
Corporate social responsibility reserve	52,155,834	51,956,704
Capital redemption reserve	-	-
Regulatory reserve	3,277,254,052	1,722,611,274
Investment adjustment reserve	6,500,000	3,500,000
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	282,210,111	229,854,574
Dividend equalisation reserve	-	-
Actuarial gain	14,642,243	9,452,030
Special reserve	-	-
Other reserve	-	-
<i>Training and Development Fund</i>	25,657,286	19,358,424
<i>Deferred Tax Reserve</i>	-	-
Total	8,437,797,730	6,610,531,389

Contingent Liabilities and Commitments

4.28

Particulars	Current Year	Previous Year
Contingent liabilities	73,172,102,227	68,733,763,158
Undrawn and undisbursed facilities	10,646,196,374	12,719,219,265
Capital commitment	34,672,288	24,858,688
Lease Commitment	1,287,254,940	1,314,505,482
Litigation	59,107,481	64,436,338
Total	85,199,333,310	82,856,782,932

4.28.1 Contingent Liabilities

Particulars	Current Year	Previous Year
Acceptance and documentary credit	119,943,037	161,712,053
Bills for collection (Letter of Credit)	9,897,527,552	8,006,529,807
Forward exchange contracts	3,603,100,000	4,062,407,704
Guarantees	52,944,138,180	47,272,000,781
Underwriting commitment	-	-
Other commitments	6,607,393,458	9,231,112,812
Total	73,172,102,227	68,733,763,158

4.28.2 Undrawn and Undisbursed Facilities

Particulars	Current Year	Previous Year
Undisbursed amount of loans	5,119,469,807	7,665,386,741
Undrawn limits of overdrafts	4,863,976,700	4,448,904,975
Undrawn limits of credit cards	662,749,867	604,927,548
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	10,646,196,374	12,719,219,265

4.28.3 Capital Commitments

Capital expenditure approved by relevant authority of the bank but provision has not been made in financial statements

Particulars	Current Year	Previous Year
Capital commitments in relation to Property and Equipment		
Approved and contracted for	32,977,288	24,858,688
Approved but not contracted for	-	-
Sub total	32,977,288	24,858,688
Capital commitments in relation to Intangible assets		
Approved and contracted for	1,695,000	-
Approved but not contracted for	-	-
Sub total	1,695,000	-
Total	34,672,288	24,858,688

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	192,219,724	176,781,542
Later than 1 year but not later than 5 years	764,856,855	719,539,619
Later than 5 years	330,178,360	418,184,321
Sub total	1,287,254,940	1,314,505,482
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	1,287,254,940	1,314,505,482

4.28.5 Litigation

Currently, the bank has filed appeal for review at Office of Revenue Tribunal against Administrative Review Decision of Inland Revenue Department for Amended Tax Assessment by Large Tax Payer Office for the fiscal year 2072-73. Similarly, the bank has applied for Administrative Review at Inland Revenue Department against Amended Tax Assessment by Large Tax Payer Office for the fiscal year 2073-74. After payment of tax dues for the fiscal year 2067-68, 2068-69, 2069-70 and 2071-72, the bank has applied for concession as per the Fiscal Ordinance 2077 and 2078.

Interest Income**4.29**

Particulars	Current Year	Previous Year
Cash and cash equivalent	13,468,951	45,825,260
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	135,408,853	29,688,329
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	21,256,344,267	17,066,970,728
Investment securities	1,685,070,790	1,063,209,743
Loan and advances to staff	68,954,803	95,662,451
Other Interest Income	-	-
Total Interest Income	23,159,247,664	18,301,356,511

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

Interest Expenses**4.30**

Particulars	Current Year	Previous Year
Due to bank and financial institutions	62,704,380	43,875,643
Due to Nepal Rastra Bank	87,947,165	258,966,130
Deposits from customers	14,773,759,001	11,477,933,048
Borrowing	115,104,741	-
Debt securities issued	902,068,942	257,459,297
Subordinated liabilities	-	-
Other Charges	76,915,441	76,156,684
<i>Lease Liability</i>	76,915,441	76,156,684
Total Interest expense	16,018,499,671	12,114,390,803

Fees and Commission Income**4.31**

Particulars	Current Year	Previous Year
Loan administration fees	425,700	436,250
Service fees	461,025,649	435,684,211
Consortium fees	24,899,588	34,200,512
Commitment fees	273,069	1,260,870
DD/TT/Swift fees	15,509,613	17,562,967
Credit card/ATM issuance and renewal fees	135,160,096	105,005,842
Prepayment and swap fees	11,100,596	7,467,140
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	23,365,890	22,923,040
Commission on letter of credit	81,769,361	74,351,087
Commission on guarantee contracts issued	412,608,090	395,849,654
Commission on share underwriting/issue	-	-
Locker rental	6,681,763	5,106,768
Others	181,724,811	130,890,055
<i>Bancassurance Commission</i>	-	-
<i>DP related Fees</i>	-	-
<i>ATM Commission</i>	-	-
<i>Mobile Banking Commission</i>	114,144,181	74,059,709
<i>Other fees and commission income</i>	67,580,630	56,830,346
Total Fees and Commission Income	1,354,544,226	1,230,738,396

Fees and Commission Expense
4.32

Particulars	Current Year	Previous Year
ATM management fees	-	24,611
VISA/Master card fees	85,641,842	70,356,882
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	9,814,519	12,365,719
Remittance fees and commission	-	1,745,800
Other fees and commission expense	82,856,466	58,055,189
Total Fees and Commission Expense	178,312,827	142,548,201

Net Trading Income
4.33

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 transition	150,351,334	231,163,380
Other	-	-
Net Trading income	150,351,334	231,163,380

Other Operating Income
4.34

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	(1,683,167)	1,924,406
Gain/loss on sale of investment securities	-	41,312,428
Fair value gain/loss on investment properties	-	(5,756,829)
Dividend on equity instruments	30,781,043	81,903,575
Gain/loss on sale of property and equipment	15,581,630	3,643,583
Gain/loss on sale of investment property	4,422,386	3,845,941
Operating lease income	-	-
Gain/loss on sale of gold and silver	2,329,690	-
Other Operating Income	91,465,076	30,034,622
Total	142,896,659	156,907,726

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

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	(2,284,240)	7,574,017
Impairment charge/(reversal) on loan and advances to customers	4,108,474,428	1,232,262,386
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	4,106,190,188	1,239,836,403

Personnel Expenses**4.36**

Particulars	Current Year	Previous Year
Salary	579,287,220	496,144,508
Allowances	399,886,101	345,755,536
Gratuity Expense	50,775,849	40,684,136
Provident Fund	57,915,110	49,330,631
Uniform	14,886,993	14,129,602
Training & development expense	18,958,139	6,569,084
Leave encashment	34,738,858	38,617,110
Medical	1,744,787	183,034
Insurance	4,922,820	6,306,684
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	14,673,871	52,881,552
Other expenses related to staff	202,456,056	180,712,954
<i>Dashain Expense</i>	77,371,879	62,253,268
<i>Outsourced Staff Expenses</i>	52,210,950	51,959,810
<i>Other employee expenses</i>	72,873,228	66,499,876
Subtotal	1,380,245,804	1,231,314,831
Employees Bonus	220,172,446	439,048,225
Grand Total	1,600,418,251	1,670,363,055

Other Operating Expense**4.37**

Particulars	Current Year	Previous Year
Directors' fee	2,370,000	2,220,000
Directors' expense	2,534,870	1,652,375
Auditors' remuneration	2,825,000	2,825,000
<i>Statutory Audit</i>	2,825,000	2,825,000
<i>Revenue Audit</i>	-	-
Other audit related expense	331,228	755,803
Professional and legal expense	49,225	229,809
Office administration expense	486,652,589	424,063,655
Operating lease expense	527,964	166,443
Operating expense of investment properties	-	-
Corporate social responsibility expense	10,079,861	9,736,286
Onerous lease provisions	-	-
Other Expenses	22,509,559	30,260,511
<i>Other committee meeting Fees & Expenses</i>	855,350	853,927
<i>Share Related Expenses</i>	2,761,681	7,420,562
<i>Debenture Related Expenses</i>	-	-
<i>Written Off Expenses</i>	-	-
<i>Merger Related Expenses</i>	-	-
<i>Other Expenses</i>	18,892,528	21,986,023
Total	527,880,295	471,909,882

4.37.1 Office Administrative Expenses

Particulars	Current Year	Previous Year
Water and Electricity	38,102,092	36,304,693
Repair and Maintenance	31,006,263	32,160,705
<i>a. Building</i>	2,471,839	3,425,839
<i>b. Vehicle</i>	3,967,247	3,456,808
<i>c. Computer and accessories</i>	771,674	914,013
<i>d. Office Equipment and Furniture</i>	18,744,867	18,375,194
<i>e. Others</i>	5,050,636	5,988,850
Insurance	37,827,020	33,166,849
Postage, Telex, Telephone, Fax	45,671,060	46,890,367
Printing and Stationery	38,212,307	32,053,180
Newspaper, Books and Journals	461,613	435,463
Advertisement	3,999,124	3,574,694
Donation	2,000	500
Security Expenses	142,613,112	128,712,411
Deposit and Loan Guarantee Premium	41,695,726	31,325,370
Travel Allowance and Expenses	8,566,003	6,863,762
Entertainment	-	-
Annual/Special General Meeting Expenses	1,739,428	1,011,552
Others	96,756,840	71,564,111
<i>a. Power & Fuel</i>	22,267,048	17,555,373
<i>b. Business Promotion</i>	7,238,392	3,347,096
<i>c. Cleaning Expenses</i>	13,492,616	12,128,783
<i>d. Rates and Taxes</i>	15,125,809	8,473,400
<i>e. Technical & Consultancy Fee</i>	2,191,636	2,944,285
<i>f. Expenses for Capital Items</i>	4,238,682	2,983,224
<i>g. Others</i>	32,202,657	24,131,950
Total	486,652,589	424,063,655

Depreciation and Amortisation 4.38

Particulars	Current Year	Previous Year
Depreciation on property and equipment	308,843,429	318,005,295
Depreciation on investment property	-	-
Amortisation of intangible assets	13,265,912	11,678,351
Total	322,109,341	329,683,646

Non Operating Income 4.39

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income-gain on bargain purchase	-	-
Total	-	-

Non Operating Expenses**4.40**

Particulars	Current Year	Previous Year
Loan written off	72,077,294	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	-	-
Total	72,077,294	-

Income Tax Expenses**4.41**

Particulars	Current Year	Previous Year
Current tax expense		
Current year	790,087,498	1,241,113,116
Adjustments for prior years	335,573,615	19,205,132
Deferred tax expense		
Origination and reversal of temporary differences	(172,008,202)	(96,220,573)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total Income Tax Expenses	953,652,911	1,164,097,675

4.41.1 Reconciliation of Tax Expense and Accounting Profit

Particulars	Current Year	Previous Year
Profit before tax	1,981,552,018	3,951,434,021
Tax amount at tax rate of 30%	594,465,605	1,185,430,206
Effect of NFRS remeasurement	-	-
Add: Tax effect of expenses that are not deductible for tax purpose	584,680,146	164,842,078
Less: Tax effect on exempt income	-	-
Add/less: Tax effect on other items	(389,058,254)	(109,159,168)
Adjustment of prior years tax and temporary difference	335,573,615	19,205,132
Total Income Tax Expenses	1,125,661,113	1,260,318,248
Effective Tax Rate	56.81%	31.90%

Prime Commercial Bank Limited

Statement of Distributable Profit or Loss

For the year ended 31 Ashadh 2080 (16 July 2023)
 (As per NRB Regulation)

Particulars	Current Year	Previous Year
Net profit or (loss) as per statement of profit or loss	1,027,899,106	2,787,336,347
Appropriations:		
a. General reserve	(205,579,821)	(557,467,269)
b. Foreign exchange fluctuation fund	-	(481,102)
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(10,278,991)	(27,873,363)
e. Employees' training fund	(6,298,862)	(15,405,820)
f. Other	7,079,861	9,736,286
Investment Adjustment Reserve	(3,000,000)	-
CSR expense	10,079,861	9,736,286
Profit or (loss) before regulatory adjustment	812,821,293	2,195,845,079
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(823,396,976)	(315,506,370)
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 (+)	(556,438,944)	(97,598,053)
e. Deferred tax assets recognised (-)/ reversal (+)	(172,008,202)	(88,229,672)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	(2,798,656)	-
Interest Capitalized Reserve	(2,798,656)	-
Net profit for the Year End Ashadh 2080 available for distribution	(741,821,485)	1,694,510,985
Opening Retained Earning as on Shrawan 01, 2079	1,738,854,392	2,719,161,524
Adjustment(+/-)	5,756,829	-
Distribution		
Bonus Shares Issued	(746,252,912)	(2,573,285,904)
Cash Dividend Paid	(923,487,979)	(101,532,212)
Total Distributable profit or Loss as on Ashadh end 2080	(666,951,154)	1,738,854,392
Annualised Distributable Profit/Loss per Share (%)	-	9.32

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 arise 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 are 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:

- i) The Board of Directors
- ii) The Risk Management Committee
- iii) 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 the risk 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 order 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 well-maintained and kept 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 co-ordinator.

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 shareholder's 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:

i) 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.

ii) 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.

iii) 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.

iv) 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.

v) 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.

vi) 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.

vii) 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.

viii) 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

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

Particulars	Amount (NPR)
Paid up Equity Share Capital	19,402,575,716
Statutory General Reserves	4,774,064,287
Proposed Bonus Equity Shares	-
Share Premium	-
Retained Earnings	(666,951,154)
Un-audited current year cumulative profit	-
Capital Redemption Reserve	-
Other Free Reserve	-
Less: Fictitious Assets	-
Less: Intangible Assets	(12,090,349)
Less: Deferred Tax Assets	-
Less: Investment in equity in licensed Financial Institutions	(46,023,000)
Total Core Capital (Tier I)	23,451,575,501

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

Particulars	Amount (NPR)
Subordinated Term Debt	-
General loan loss provision	2,800,941,085
Exchange Equalization Reserve	5,313,918
Investment Adjustment Reserve	6,500,000
Total Supplementary Capital (Tier II)	2,812,755,003

c. 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: Nil

d. Deductions from Capital:

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

Particulars	Amount (NPR)
Intangible Assets	12,090,349
Deferred Tax Assets	-
Investment in equity in licensed Financial Institutions	46,023,000
Total Deduction from Tier I Capital	58,113,349

e. Total Qualifying Capital:

Particulars	Amount (NPR)
Core Capital (Tier 1)	23,451,575,501
Supplementary Capital (Tier 2)	2,812,755,003
Total Qualifying Capital	26,264,330,503

f. Capital Adequacy Ratio:

Particulars	Percentage
Tier 1 Capital to Total Risk Weighted Exposures	10.80%
Tier 1 & Tier 2 Capital to Total Risk Weighted Exposures	12.10%

g. Risk Weighted Exposures for Credit Risk, Operational Risk and Market Risk

Risk Weighted Exposures	Amount (NPR)
Risk weighted Exposures for Credit Risk	196,723,825,816
Risk weighted Exposures for Operational Risk	9,869,738,300
Risk weighted exposures for Market Risk	131,805,191
Total Risk Weighted Exposures (Before adjustments of Pillar II)	206,725,369,307
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.	2,143,103,775
Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	8,269,014,772
If desired level of disclosure requirement has not been achieved, Add.....% of RWE	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	217,137,487,854

h. Risk Weighted Exposure under each of 11 categories

Credit Risk	Claim	RWE
Claims on Govt. and Central Bank	41,945,084,548	-
Claims on Other Financial Entities	-	-
Claims on Banks	19,374,273,130	5,031,700,992
Claims on Corporate and Securities Firm	79,739,736,691	79,622,753,430
Claims on Regulatory Retail Portfolio	26,355,716,628	16,244,767,599
Claims on Secured by Residential Properties	8,322,711,132	4,987,003,397
Claims on Secured by Commercial Real Estate	10,971,718,760	10,971,718,760
Past due Claims	9,841,353,967	6,285,327,784
High Risk Claims	20,221,525,283	25,581,997,510
Lending against Shares(up to NPR2.5 Million)	278,184,752	278,184,752
Trust Receipt Loans for Trading Firms	598,954,013	718,744,816
Other Assets	7,695,543,030	3,501,194,980
Off Balance Sheet Items	85,199,333,310	43,439,233,818
Adjustment under Pillar II	-	61,197,978
Total	310,544,135,243	196,723,825,816

i. 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	3,620,241,497	-	-	3,620,241,497	0%	-
Balance With Nepal Rastra Bank	12,049,737,956	-	-	12,049,737,956	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	25,622,234,700	-	-	25,622,234,700	0%	-
All Claims on Government of Nepal	652,870,394	-	-	652,870,394	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 Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and 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	11,409,299,120	-	-	11,409,299,120	20%	2,281,859,824
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	3,545,309,349	-	-	3,545,309,349	20%	709,061,870
Claims on foreign bank (ECA Rating 2)	3,856,154,554	-	-	3,856,154,554	50%	1,928,077,277
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	563,510,107	-	-	563,510,107	20%	112,702,021
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	17,500,996,072	-	-	17,500,996,072	100%	17,500,996,072
Claims on Domestic Corporates	62,238,740,619	-	116,983,261	62,121,757,358	100%	62,121,757,358
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)	26,355,716,628	-	4,696,026,496	21,659,690,132	75%	16,244,767,599
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	8,006,550,921	-	-	8,006,550,921	60%	4,803,930,553
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	316,160,211	133,087,367	-	183,072,844	100%	183,072,844
Claims secured by Commercial real estate	10,971,718,760	-	-	10,971,718,760	100%	10,971,718,760
Past due claims (except for claims secured by residential properties)	9,841,353,967	5,651,135,444	-	4,190,218,523	150%	6,285,327,784
High Risk claims	20,221,525,283	-	3,166,860,277	17,054,665,006	150%	25,581,997,510
Lending against Shares(up to NPR2.5 Million)	278,184,752	-	-	278,184,752	100%	278,184,752
Trust Receipt Loans for Trading Firms	598,954,013	-	-	598,954,013	120%	718,744,816
Investments in equity and other capital instruments of institutions listed in stock exchange	916,670,794	-	-	916,670,794	100%	916,670,794
Investments in equity and other capital instruments of institutions not listed in the stock exchange	87,805,908	-	-	87,805,908	150%	131,708,862
Staff loan secured by residential property	922,313,505	177,932,129	-	744,381,376	50%	372,190,688
Interest Receivable/claim on government securities	249,014,395	-	-	249,014,395	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	5,519,738,428	3,439,113,793	-	2,080,624,636	100%	2,080,624,636
TOTAL	225,344,801,933	9,401,268,733	7,979,870,033	207,963,663,168		153,223,394,020

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)
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	3,603,100,000	-	-	3,603,100,000	10%	360,310,000
LC Commitments With Original Maturity Upto 6 months domestic counterparty	5,081,541,804	-	219,580,881	4,861,960,923	20%	972,392,185
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	4,815,985,748	-	70,557,438	4,745,428,310	50%	2,372,714,155
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-

Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	40,986,351,235	-	1,426,613,163	39,559,738,071	40%	15,823,895,229
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse	6,119,797,789	-	-	6,119,797,789	100%	6,119,797,789
Advance Payment Guarantee	11,957,786,945	-	35,858,083	11,921,928,862	100%	11,921,928,862
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	119,943,037	-	-	119,943,037	100%	119,943,037
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	6,436,905,574	-	-	6,436,905,574	20%	1,287,381,115
Irrevocable Credit commitments (long term)	4,209,290,800	-	-	4,209,290,800	50%	2,104,645,400
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	1,381,034,708	-	-	1,381,034,708	100%	1,381,034,708
Unpaid Guarantee Claims	487,595,669	-	-	487,595,669	200%	975,191,338
Total	85,199,333,310	-	1,752,609,565	83,446,723,745		43,439,233,818
Total RWE for credit risk Before Adjustment (A)+(B)	310,544,135,243	9,401,268,733	9,732,479,598	291,410,386,913		196,662,627,838
Adjustment under Pillar II	-	-	-	-		-
Add: 10% of the Loan and facilities in excess of Single Obligor Limits (6.4 a 3)	-	-	-	-		-
Add: 1% of the contract (sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-		61,197,978
Total RWE for credit risk (After Bank's Adjustment of Pillar II)	310,544,135,243	9,401,268,733	9,732,479,598	291,410,386,913		196,723,825,816

ii) Risk Weighted Exposure of Operational Risk

Particulars	Year 1	Year 2	Year 3
Net Interest Income	4,640,621,080	5,948,890,550	6,186,965,708
Commission and Discount Income	902,766,630	1,450,286,023	1,230,738,396
Other Operating Income	58,398,429	224,898,384	154,983,320
Exchange Fluctuation Income	271,042,665	323,859,132	233,087,786
Additional Interest Suspense during the period	35,946,837	53,014	53,057,848
Gross Income (a)	5,908,775,641	7,947,987,103	7,858,833,058
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a*b)]	886,316,346	1,192,198,065	1,178,824,959
Capital Requirement for operational risk (d) (average of c)			1,085,779,791
Risk Weight (reciprocal of capital requirement of 11%) in times (e)			9.09
Equivalent Risk Weight Exposure[f=(d*e)]			9,869,738,300
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]			9,869,738,300

iii) Risk Weighted Exposure of Market Risk

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
INR	116,564,561	1.60	186,503,297	186,503,297
USD	622,187	131.20	81,630,936	81,630,936
GBP	22,601	171.49	3,875,897	3,875,897
EUR	39,065	146.92	5,739,487	5,739,487
THB	24,939	3.78	94,268	94,268
CHF	5,959	151.41	902,220	902,220
AUD	4,719	89.33	421,517	421,517
CAD	6,693	98.74	660,872	660,872
SGD	5,332	98.77	526,621	526,621
JPY	2,856,369	0.94	2,694,413	2,694,413
HKD	28,424	16.70	474,680	474,680
DKK	5,024	19.68	98,875	98,875
SEK	754	12.75	9,611	9,611
SAR	52,904	34.79	1,840,539	1,840,539
QAR	31,584	35.82	1,131,351	1,131,351
AED	44,674	35.53	1,587,266	1,587,266
MYR	41,957	28.82	1,209,196	1,209,196
KRW	60,262	0.10	6,201	6,201
CNY	25,853	18.28	472,595	472,595
KWD	187	426.10	79,857	79,857
BHD	118	346	40,710	40,710
Total Open Position (a)			290,000,409	290,000,409
Fixed Percentage (b)				5%
Capital Charge for Market Risk [c=(a*b)]				14,500,021
Risk Weight (reciprocal of capital requirement of 11%) in times (d)				9.09
Equivalent Risk Weight Exposure [e=(c*d)]				131,805,191

j. Amount of NPAs

Classification of Loan	Gross NPA	Net NPA
Restructured/Rescheduled Loan	62,164,568	54,393,997
Sub-Standard Loan	1,593,433,779	1,195,075,334
Doubtful Loan	1,743,561,306	871,780,653
Loss Loan	4,345,628,849	-

k. NPA ratios

Particulars	Percentage
Gross NPA to Gross Loan & Advance	4.85%
Net NPA to Net Loan & Advances	1.37%

l. Movement of Non-Performing Assets

Particulars	Opening Balance	Closing Balance	Difference
Restructured Loan	67,130,468	62,164,568	(4,965,900)
Sub-standard Loan	927,553,788	1,593,433,779	665,879,990
Doubtful Loan	245,398,792	1,743,561,306	1,498,162,515
Loss Loan	1,500,625,854	4,506,313,143	3,005,687,288

m. Write off of Loans and Interest Suspense

Particulars	Opening Balance	Closing Balance	Difference
Loan and Interest Suspense write-off	-	72,077,294	72,077,294

n. Movements in Loan Loss Provisions and Interest Suspense

i) Movement of Loan Loss Provision

Particulars	Opening Balance	Closing Balance	% Change
Pass Loan	1,853,570,200	2,146,038,904	15.78%
Watch list	761,798,502	654,902,181	-14.03%
Restructured Loan	8,391,308	7,770,571	-7.40%
Sub-standard Loan	231,888,447	398,358,445	71.79%
Doubtful Loan	122,699,396	871,780,653	610.50%
Loss Loan	1,500,625,854	4,506,313,143	200.30%
Personal Guarantee	-	-	0.00%

ii) Movement of Interest Suspense

Particulars	Opening Balance	Closing Balance	% Change
Interest Suspense	282,574,204	575,893,631	103.80%

o. Details of Additional Loan Loss Provisions

Particulars	Opening Balance	Closing Balance	Additional Provision
Pass Loan	1,853,570,200	2,146,038,904	292,468,704
Watch List	761,798,502	654,902,181	(106,896,321)
Restructured Loan	8,391,308	7,770,571	(620,738)
Sub-standard Loan	231,888,447	398,358,445	166,469,998
Doubtful Loan	122,699,396	871,780,653	749,081,257
Loss Loan	1,500,625,854	4,506,313,143	3,005,687,288
Personal Guarantee	-	-	-

p. Segregation of Investment Portfolio into Held for Trading, Held to Maturity and Available for Sale and Investment in Associate category

Particulars	Amount NPR	AIR	Amount at Amortized Cost
Held for Trading	-	-	-
Held to Maturity	-	-	-
Investment Securities at Amortized Cost			
Treasury Bills	1,619,634,700	19,541,362	1,639,176,062
Development Bond	24,002,600,000	229,473,033	24,232,073,033
Debenture	2,146,578,000	45,357,840	2,191,935,840
Grand Total	27,768,812,700	294,372,235	28,063,184,935

Available for Sale -Investment in Equity measured at FVTOCI

Particulars	Amount (NPR)	Fair Value (NPR)
Annapurna Developers Ltd.	2,000,000	2,000,000
Banking, Finance & Insurance Institute of Nepal Ltd.	3,000,000	4,759,920
Chilime Hydro power Company Ltd.	33,511,687	33,626,402
Citizens Mutual Fund 1	12,503,090	11,727,814
Citizens Super 30 Mutual Fund	10,000,000	10,230,000
Himalayan Laghubitta Bittiya Sanstha Ltd.	500	6,032
Global IME Laghubitta Bittiya Sanstha Ltd.	1,055	23,342
Hydorelectricity Investment and Development Company Ltd.	50,000,000	53,970,000
Himalayan Life Insurance Ltd.	-	507
Jalpa Samudayik Laghubitta Bittiya Sanstha Ltd.	7,000,000	14,295,050
Karja Suchana Kendra Ltd.	94,500	1,181,300
Kisan Laghubitta Bittiya Sanstha Ltd.	11,770,000	19,105,475
Laxmi Equity Fund	58,460,297	56,063,974
Mega Mutual Fund 1	4,363,300	3,486,277
Nabil Balance Fund-2	2,500,000	2,200,000
Nabil Balance Fund-3	166,700	126,192
Nabil Equity Fund	22,642,720	21,759,654
Nabil Flexi Cap Fund	30,000,000	29,700,000
National Microfinance Laghubitta Bittiya Sanstha Ltd. Promoter	14,000,000	42,579,924
National Microfinance Laghubitta Bittiya Sanstha Ltd. Public	-	2,732
National Life Insurance Company Ltd.	-	645
Neco Insurance Ltd.	-	1,782
Nepal Clearing House Ltd.	4,089,300	54,407,416
Nepal Electronic Payment System Ltd.	15,000,000	23,412,000
Nepal Life Insurance Company Ltd.	1,022	2,232
Nerude Lagubitta Bittiya Sanstha Ltd.	10,861,843	282,185,705
Ngadi Group Power Limited	-	234
NIBL Growth Fund	30,000,000	31,920,000
NIBL Pragati Fund	20,587,398	19,993,511
NIC Asia Balance Fund	2,500,000	2,332,500
NIC Asia Dynamic Debt Fund	6,648,300	7,386,261
NIC Asia Growth Fund	2,500,000	2,572,500
Nirdhan Uthan Laghubitta Bittiya Sanstha Ltd.	-	30,600
NLG Insurance Company Ltd.	2,705	3,360
NMB 50	2,500,000	2,625,000
NMB Hybrid Fund 1	25,413,078	27,420,411
NMB SULAV INVESTMENT FUND-2	40,000,000	44,840,000
Prabhu Capital Ltd.	1,500,000	2,045,272
Prabhu Smart Fund (PRVUSF)	50,000,000	49,500,000
RBB Mutual Fund	20,000,000	20,160,000
Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd.	-	2,325
Sanima Equity Fund	29,000,000	34,220,000
Siddhartha Equity Fund	19,356,940	18,253,613
Siddhartha Investment Growth Scheme-2	5,000,000	4,515,000
Siddhartha Investment Growth Scheme-3	50,000,000	51,550,000
Siddhartha Premier Insurance Ltd.	-	3,114
Soaltee Hotel Ltd.	1,799,610	4,267,030
Suryajyoti Life Insurance Company Ltd. Promoter	363,609	5,166,420
Suryajyoti Life Insurance Company Ltd.	2,181,746	8,813,016
Suryodaya Womi Laghubitta Bittiya Sanstha Ltd.	-	733
Vijaya Laghubitta Bittiya Sanstha Ltd	-	1,426
Grand Total	601,319,401	1,004,476,702

Investment in Associates

Particulars	Amount (NPR)
Mero Mircofinance Bittiya Sanstha Ltd.	37,023,000.00
Swabhimaan Laghubitta Bittiya Santha Ltd.	9,000,000.00
TOTAL	46,023,000.00

q. 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.

5.3 Classification of Financial Assets and Financial Liabilities

Financial assets to be classified in one of the following categories:

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

Financial liabilities are recognized in two classes:

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

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

- 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 Segement Profit or Loss, Assets and Liabilities

Amount in Million.

S. No.	Particulars	Banking	Treasury	Cards	Others	Total
(a)	Revenue from external customers	22,016.62	2,015.73	271.53	503.16	24,807.04
(b)	Intersegment revenues	-	-	-	-	-
(c)	Net Revenue	22,016.62	2,015.73	271.53	503.16	24,807.04
(d)	Interest Revenue	21,325.30	1,833.95	-	-	23,159.25
(e)	Interest Expense	15,955.80	62.70	-	-	16,018.50
(f)	Net interest revenue	5,369.50	1,771.24	-	-	7,140.75
(g)	Depreciation and Amortization	322.11	-	-	-	322.11
(h)	Segment profit/(loss)	5,738.71	1,953.02	271.53	503.16	8,466.43
(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	4,108.47	-	(2.28)	-	4,106.19
(l)	Segment assets	184,125.27	36,566.40	108.36	27.78	220,827.81
(m)	Segment liabilities	188,163.91	2,728.82	153.60	2,608.05	193,654.38

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

Particulars	Amount (NPR in Million)
Total revenues for reportable segments	24,303.88
Other revenues	503.16
Elimination of intersegment revenues	-
Banks net revenue from reportable segments	24,807.04

b. Profit or Loss

Particulars	Amount (NPR in Million)
Total profit or loss for reportable segments	8,466.43
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	2,306.61
Other operating expenses	4,178.27
Profit before tax	1,981.55

c. Assets

Particulars	Amount (NPR in Million)
Total assets for reportable segments	220,800.03
Other assets	-
Unallocated amounts	27.78
Entity's assets	220,827.81

d. Liabilities

Particulars	Amount (NPR in Million)
Total liabilities for reportable segments	191,046.33
Other Liabilities	-
Unallocated liabilities	2,608.05
Entity's liabilities	193,654.38

e. Information about Product and Services

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

Particulars	Amount (NPR in Million)
Banking Operation	22,016.62
Treasury	2,015.73
Cards	271.53
Other services	503.16
Total Revenue	24,807.04

f. Information about Geographical Areas

Revenue from following geographical areas is as follows:

Particulars	Amount (NPR in Million)
Domestic	24,807.04
Province 1	2,727.78
Province 2	908.99
Province 3	17,677.04
Province 4	1,952.52
Province 5	1,024.73
Province 6	92.55
Province 7	423.43
Foreign	-
Total	24,807.04

g. Information about Major Customer

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

5.5 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:

Here the Bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Bank has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

Refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 31st Ashadh 2080.

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 Assistant General Manager Mr. Nepal Bhusan Shrestha is board director of Mero Microfinance Bittiya Sansthan Limited and Assistant Manager Mr. Kush Sudan Singh 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 2080.

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	Mr. Prachanda Man Shrestha	Director
6	Mr. Manoj Paudel	Director
7	Dr. Tara Devi Chitrakar	Director
8	Mr. Narayan Das Manandhar	Chief Executive Officer*
9	Mr. Sanjeev Manandhar	General Manager
10	Mr. Amrit Charan Shrestha	General Manager

Mr. Narayan Das Manandhar completed his tenure as Chief Executive Officer on 1st August 2023. Subsequently, Mr. Sanjeev Manandhar was appointed as CEO of the bank effective from 25th August 2023.

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 and expenses made to directors during FY 2079-80 are as under:

Particulars	Amount in NPR
Meeting Fee	3,135,000.00
Other Expenses	2,625,220.38
Total	5,760,220.38

Total financial benefit provided to Key Management Personnel ie. Chief Executive Officer, General Manager and Deputy General Managers of the bank during FY 2079-80 are presented below:

S. No.	Particulars	Amount
1	Short term employee benefit	48,025,775
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 or prescribed as per Employee Bylaw of the bank. 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:

- At cost or
- In accordance with NFRS 9

Investment in Mero Micro Finance 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 2080 till the signing of this financial statement.

Adjusting Event

The bank was in the process of filing a writ application at Supreme Court jointly along with other banks concerning Section 26 and 27 of Fiscal Act 2080. These sections granted an exemption from fees and interest if payments were made by Mangsir 2080. Unfortunately, the Supreme Court dismissed the writ application during the last hearing on 28th Mangsir 2080. The bank has settled the tax amount of NPR. 280, 960, 966 related to the difference in swap ratio from acquisition and share premium received from auction of right shares. Except this, there were no other material events after Balance Sheet date affecting financial status of the Bank.

Equity			-	0%	
Share Capital	19,402,576	19,402,576	-	0%	
Share Premium	-	-	-	0%	
Retained Earnings	204,840	(666,951)	(871,791)	-426%	Change in profit due to increase in LLP, Previous year tax, Change in measurement on Investment Properties.
Reserves	8,807,716	8,437,798	(369,918)	-4%	Change in profit after statutory audit and other regulatory adjustments
Total Capital and Liabilities	221,951,884	220,827,806	1,124,078		

Statement of Profit or Loss	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In Amount	In %	
Interest Income	23,299,301	23,159,248	(140,054)	-0.60%	Adjustment of interest income from amortization of staff loan as per NFRS, increase in AIR from interest subsidy loan and decrease in AIR recognition in income.
Interest Expense	16,019,558	16,018,500	(1,058)	-0.01%	Adjustment of expenses during this period.
Net Interest Income	7,279,744	7,140,748	(138,996)		
Fee and Commission Income	1,238,595	1,354,544	115,949	9.36%	Regrouping of mobile banking income from other operating income.
Fee and Commission Expense	177,660	178,313	653	0.37%	Regrouping of expense head.
Net Fee and Commission Income	1,060,936	1,176,231	115,296		
Net Interest, Fee and Commission Income	8,340,679	8,316,979	(23,700)		
Net Trading Income	150,351	150,351	-	0%	
Other Operating Income	421,732	142,897	(278,835)	-66.12%	Regrouping of mobile banking income to fees & commission income, Change in measurement of Investment Properties.
Total Operating Income	8,912,762	8,610,227	(302,535)	-3.39%	
Impairment Charge/ (Reversal) for Loans and Other Losses	2,919,681	4,106,190	1,186,509	40.64%	
Net Operating Income	5,993,081	4,504,037	(1,489,044)		
Operating Expense					
Personnel Expenses	1,736,168	1,600,418	(135,750)	-7.82%	Adjustment of amortization of deferred employee expenditure and decrease in employee bonus.
Other Operating Expenses	527,673	527,880	207	0.04%	Regrouping of expense head.
Depreciation & Amortisation	322,500	322,109	(391)	-0.12%	Adjustment of expenses after statutory audit
Operating Profit	3,406,740	2,053,629	(1,353,110)		
Non Operating Income	-	-	-	0%	
Non Operating Expense	72,077	72,077	-	0%	
Profit Before Income Tax	3,334,662	1,981,552	(1,353,110)		
Income Tax Expense					
Current Tax	1,101,543	1,125,661	24,118	2.19%	Change in carrying amount and tax base of Assets and Liabilities and payment of previous year tax as per Section 26 and 27 Finance Act 2080
Deferred Tax	(30,034)	(172,008)	(141,974)	472.71%	
Profit for the Year	2,263,154	1,027,899	(1,235,255)	-54.58%	

5.12 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.

5.13 Other Disclosures

5.13.1 Adjustment on Loan Impairment

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

Particulars	Current Year	Previous Year
Loan and Advances at Amortized Cost	168,168,760,630	158,205,635,880
Impairment as per NFRS 39	2,081,401,452	375,984,121
LLP as per NRB Directive No 2	8,585,163,896	4,478,973,708
Higher of the above (ii & iii)	8,585,163,896	4,478,973,708
Charge to P/L	4,106,190,188	1,239,836,403

5.13.2 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, Net worth per Share or Net Assets Value 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	131,493,777	464,088,086	332,594,309
Investment in Unlisted Equity	25,683,800	87,805,908	62,122,108
Investment in Mutual Funds	444,141,824	452,582,708	8,440,884
Total	601,319,401	1,004,476,702	403,157,301
Less: Previous Year's Reserve			328,363,677
Gain from Investment measured at Fair Value through OCI			74,793,625

5.13.3 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	4,574,316,494	2,622,078,012
Interest recovered as per NRB Directive 4(3) (kha)(a) till 15 th Shrawan 2080	1,253,481,845	901,542,117
Remaining AIR	3,320,834,649	1,720,535,895
AIR calculated but suspended to recognize in Interest Income	575,893,631	282,574,204
AIR recognized as income	2,744,941,018	1,437,961,690
Income recognized to P/L	1,306,979,327	610,099,762

Accrued Interest Outstanding as on Ashadh end 2080 which have been recovered from 1st Shrawan to 15th Shrawan 2080 amounting to NPR 1,253,481,845 has been recognized as interest income by the bank in the Fiscal Year 2080-81. The amount of NPR 1,306,979,327 has been recognized as Income in Statement of Profit and Loss and duly transferred NPR. 823,396,976 to Regulatory Reserve after deducting Employee Bonus and applicable taxes.

5.13.4 Lease

NFRS 16: Leases has come into force on 1 Shrawan 2078 BS (corresponding to 16 July 2021 AD), as adopted by the Institute of Chartered Accountants of Nepal (ICAN). The Bank applied NFRS 16 Lease for Operating Lease Contracts from being effective from 1 Shrawan 2078 BS (corresponding to 16 July 2021 AD) in its financial statements where the Bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental

borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease by lease basis.

Right-of-Use Assets (ROU)

The Bank recognizes right-of-use assets at the date of initial application of NFRS 16. The ROU asset is initially measured at cost at the amount of the lease liability plus any initial direct costs incurred by the lessee and depreciated using the straight line methods from the commencement date (from 1 Shrawan 2078 BS corresponding to 16 July 2021 AD) to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Lease Liability

At the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

Discount Rate

At Initial Recognition, the lease liability is measured at present value of remaining lease payments discounted at incremental borrowing interest rate at 8%.

Short-Term Lease and Leases of Low Value Assets

The Bank has considered lease payment NPR. 527,964.80 for lease of space for branch for the period less than 12 months as short term leases for consideration. The Bank recognizes lease payments associated with these lease as an expense.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities;
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease;
- A shift in lease expense classification from rental expenses to interest expense and depreciation

The detail of Right of Use (ROU) Assets is as follows:

Particular	Amount (NPR)
Right Of Use (ROU) Assets at Cost	
Opening Balance	1,059,317,249
Addition (Initial Recognition)	129,572,120
Disposal	(34,702,644)
Closing ROU Balance	1,154,186,725
Right Of Use (ROU) Assets-Accumulated Depreciation	
Opening Accumulated depreciation	140,536,816
Depreciation	149,411,423
Disposal	(15,962,093)
Closing Accumulated depreciation	273,986,146
Closing WDV (ROU)	880,200,579

The Right of Use (ROU) Assets has been shown as Property Plant and Equipment and further disclosed at Notes 4.13.

The detail of lease liability is as follows:

Particular	Amount (NPR)
Opening Lease Liability	1,007,500,376
Addition (Initial Recognition)	129,572,120
Finance Cost	76,915,441
Payment	(196,821,231)
Disposal	(20,943,363)
Closing Lease Liability	996,223,344

5.13.5 Goodwill generated through Business Combination

The Bank accounts for goodwill in accordance with NFRS 3 and explanatory notes issued by ICAN. Goodwill arises from the acquisition of then Kailash Bikas Bank Limited and then Kankai Bikash Bank Limited of NPR. 306,107,048 and NPR. 53,638,280 respectively.

Impairment Test of Goodwill

The goodwill resulting from a business combination is tested for impairment in accordance with the provision of NAS 36 Impairment of Assets. During the years ended 31st Ashadh 2080 (July 16, 2023), the bank did not record any significant impairment charges with respect to Goodwill.

5.13.6 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.

5.13.7 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:

a. 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 NPR 205,579,821 from its Retained Earnings to General Reserve Fund.

b. 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. Since, the bank has loss on foreign exchange no amount is transferred to Exchange Equalization Reserve from its Retained Earnings in the current year.

c. Corporate Social Responsibility Reserve

As per NRB Directive 6, 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	51,956,704	33,819,226
Add: Adjustments	-	400
Total Opening Fund	51,956,704	33,819,626
Less: Expenses in current year	(10,079,861)	(9,736,286)
Fund created during the year	1,0,278,991	27,873,363
Remaining Fund	52,155,834	51,956,704

d. 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.

Particulars	Current Year	Previous Year
Total Opening Fund	19,358,425	3,952,605
Fund created during the year	6,298,862	15,405,820
Remaining Fund	25,657,287	19,358,425

e. 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 additional provision made of NPR. 3,000,000 against the investment of Banking Finance and Insurance Institute of Nepal.

Particular	Amount (NPR)
Prabhu Capital Ltd. Promoter Share	1,500,000
Annapurna Developers	2,000,000
Total Opening Balance	3,500,000
Add: During the period	3,000,000
Total Fund	6,500,000

f. Fair Value Reserve

During this year, fair value gain of NPR. 74,793,625 has been recognized where by net amount of NPR. 52,355,537 has been transferred to reserve from Retained Earnings.

g. Actuarial Gain/Loss

During this year, actuarial gain of NPR. 7,414,590 has been recognized in Other Comprehensive Income and transferred net amount to Reserve of NPR. 5,190,213 from Retained Earnings.

Particulars	Previous Year	Current Year	Total
Cumulative Actuary (Gain)/Loss	(13,502,900)	(7,414,590)	(20,917,490)
Net of Tax	(9,452,030)	(5,190,213)	(14,642,243)

h. Debenture Redemption Reserve

The bank has not created debenture redemption reserve as per the NRB Directive 16/5/2(kha) where the bank has opted to issue the debenture as Resource mobilization purpose.

S. No.	Particulars	Term in Years	Issued Date	Maturity Date	Subscribed Amount (NPR)
1	8.75% Debenture 2085	8	2077/12/26	2085/12/25	2,447,963,000
2	10 % Debenture 2088	10	2079/01/13	2089/01/12	1,741,884,000
3	10.15% Debenture 2084	5	2079/03/23	2084/03/22	5,000,000,000

i. Regulatory Reserve

The details of regulatory reserve as on Ashadh 2080 is shown in below mentioned table

Particulars	Interest Receivable	Interest Capitalized Reserve	Short Provision on NBA	Deferred Tax Assets	Others	Regulatory Reserve
Regulatory Reserve as on Shrawan 1, 2078	590,409,495	-	236,184,326	34,938,030	359,745,328	1,221,277,179
Transfer to Regulatory Reserve						
Against Interest Receivable	315,506,370	-	-	-	-	315,506,370
Against Provision for NBA	-	-	97,598,053	-	-	97,598,053
Against Deferred Tax	-	-	-	88,229,672	-	88,229,672
Balance at Ashadh 32, 2079	905,915,865	-	333,782,379	123,167,702	359,745,328	1,722,611,274
Transfer to Regulatory Reserve						
Against Interest Receivable	926,701,367	-	-	-	-	926,701,367
Against ICR	-	2,798,656	-	-	-	2,798,656
Against NBA	-	-	556,438,944	-	-	556,438,944
Against Deferred Tax Assets	-	-	-	172,008,202	-	172,008,202
Balance at Ashadh 31, 2080	1,729,312,841	2,798,656	890,221,323	295,175,904	359,745,328	3,277,254,051

5.13.8 COVID Impact

The bank has complied with the notices, circulars and directives of Nepal Rastra Bank to mitigate the COVID impact in the economy.

i) Status of NRB Forbearance COVID Related

Particulars	As of Ashadh End 2080	
	No of Customers	Amount (NPR)
Accrued Interest Received after Ashadh end 2078 till 15 Bhadra 2078	-	-
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	-	-
Extension of moratorium period of loan provided to Industry or Project under construction	-	-
Restructured/Rescheduled Loan with 5% Loan Loss Provision	-	-
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	-	-
Enhancement of Term Loan by 10% to COVID affected borrowers	-	-
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	-	-
TOTAL	-	-

ii) Refinance and Business Continuity Loan as on Ashadh 2080

Particulars	Count	Approved Amount	Disbursed Amount
Refinance Loan	-	-	-
Business Continuity Loan	-	-	-

iii) Subsidized Loan as on Ashadh 2080

Particulars	No. of Total Loan	Approved Credit	Total Outstanding Amount
Subsidized Loan	4,236	11,256,953,242	8,946,579,655

5.13.9 Loan Written Off during the Year

Type of Loan	Amount in NPR	Type of Collateral	Basis of Collateral Valuation	Approval Authority	Recovery Process
Term Loan	3,528,553	All collaterals of the borrowers were sold through the auction process and remaining amount to be recovered were written off	Independent Valuator appointed by the bank	Management Level Credit Committee and Board of Directors	Frequent verbal follow-ups, issuance of 7 days notice, 35 days notice published in newspaper for recovery, 15 days and 7 days auction notice published in national daily newspapers
Cash Credit Loan	49,477,281				
Short Term Loan	1,000				
Overdraft	1,033,401				
Hire Purchase	15,196,210				
Others	2,840,849				
Total	72,077,294				

Prime Commercial Bank Limited

Condensed Statement of Financial Position

Interim Financial Results (Quarterly)

As on Quarter Ended Ashadh End 2080 (16 July 2023)

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets		
Cash and Cash Equivalents	14,305,373,289	11,620,911,866
Due from Nepal Rastra Bank	12,049,737,956	8,860,332,435
Placement with Bank and Financial Institutions	-	144,901,159
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to B/FIs	6,499,334,100	6,672,760,600
Loans and Advances to Customers	154,475,391,779	147,053,901,572
Investment Securities	29,085,105,908	31,402,844,583
Current Tax Assets	200,229,750	640,047,029
Investment in Subsidiaries	-	-
Investment in Associates	46,023,000	46,023,000
Investment Property	1,639,671,339	529,813,300
Property and Equipment	2,055,602,305	1,973,692,537
Goodwill and Intangible Assets	371,835,678	379,539,830
Deferred Tax Assets	123,306,272	123,167,702
Other Assets	1,100,272,906	913,959,782
Total Assets	221,951,884,283	210,361,895,395
Liabilities		
Due to Bank and Financial Institutions	4,511,658,408	6,096,829,391
Due to Nepal Rastra Bank	-	4,556,140,870
Derivative Financial Instruments	-	-
Deposits from Customers	174,058,036,674	160,203,350,799
Borrowings	2,630,000,000	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred Tax Liabilities	-	-
Other Liabilities	3,185,160,943	3,354,346,258
Debt Securities Issued	9,151,896,824	9,145,519,492
Subordinated Liabilities	-	-
Total Liabilities	193,536,752,850	183,356,186,810
Equity		
Share Capital	19,402,575,716	18,656,322,804
Share Premium	-	-
Retained Earnings	204,839,981	1,738,854,392
Reserves	8,807,715,736	6,610,531,389
Total Equity Attributable to Equity Holders	28,415,131,433	27,005,708,585
Non Controlling Interest	-	-
Total Equity	28,415,131,433	27,005,708,585
Total Liabilities and Equity	221,951,884,283	210,361,895,395

Prime Commercial Bank Limited

Condensed Statement of Profit or Loss

Interim Financial Results (Quarterly)

For the Quarter Ended Ashadh 2080 (16 July 2023)

Amount in NPR

Particulars	Current Year		Previous Year Corresponding (Audited)	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	6,058,172,622	23,299,301,305	5,175,608,320	18,301,356,511
Interest Expense	4,251,002,091	16,019,557,603	3,623,779,528	12,114,390,803
Net Interest Income	1,807,170,531	7,279,743,701	1,551,828,792	6,186,965,708
Fee and Commission Income	344,611,277	1,238,595,279	295,112,984	1,230,738,396
Fee and Commission Expense	77,111,479	177,659,618	55,224,612	142,548,201
Net Fee and Commission Income	267,499,798	1,060,935,661	239,888,372	1,088,190,195
Net Interest, Fee and Commission Income	2,074,670,329	8,340,679,363	1,791,717,164	7,275,155,903
Net Trading Income	33,089,178	150,351,334	45,512,969	231,163,380
Other Operating Income	253,693,604	421,731,584	(40,369,687)	156,907,726
Total Operating Income	2,361,453,111	8,912,762,281	1,796,860,446	7,663,227,009
Impairment Charge/ (Reversal) for Loans and Other Losses	1,920,984,995	2,919,681,442	1,139,664,388	1,239,836,403
Net Operating Income	440,468,116	5,993,080,839	657,196,058	6,423,390,606
Operating Expense				
Personnel Expenses	335,103,424	1,736,167,980	399,632,705	1,670,363,055
Other Operating Expenses	27,518,444	527,672,975	12,520,473	471,909,882
Depreciation & Amortisation	195,050,221	322,500,161	193,494,365	329,683,646
Operating Profit	(117,203,973)	3,406,739,723	51,548,515	3,951,434,021
Non Operating Income	-	-	-	-
Non Operating Expense	72,077,294	72,077,294	-	-
Profit Before Income Tax	(189,281,267)	3,334,662,428	51,548,515	3,951,434,021
Income Tax Expense				
Current Tax	45,155,896	1,101,542,657	82,452,939	1,260,318,248
Deferred Tax	(30,034,315)	(30,034,315)	(96,220,573)	(96,220,573)
Profit/(Loss) for the Period	(204,402,848)	2,263,154,087	65,316,150	2,787,336,347

Condensed Statement of Comprehensive Income

Profit/(Loss) for the period	(204,402,848)	2,263,154,087	65,316,150	2,787,336,347
Other Comprehensive Income	18,708,496	69,756,740	(26,315,226)	18,645,437
Total Comprehensive Income	(185,694,352)	2,332,910,826	39,000,925	2,805,981,784
Basic Earnings per Share	-	11.66	-	14.94
Diluted Earnings per Share	-	11.66	-	14.94
Profit Attributable to:				
Equity-holders of the Bank	(204,402,848)	2,263,154,087	65,316,150	2,787,336,347
Non-Controlling Interest	-	-	-	-
Total	(204,402,848)	2,263,154,087	65,316,150	2,787,336,347

Prime Commercial Bank Limited

Ratio as per NRB Directives

Interim Financial Results (Quarterly)

For the Quarter Ended Ashadh 2080 (16 July 2023)

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter(YTD)	This Quarter	Upto This Quarter(YTD)
Capital Fund to RWA		12.28%		13.12%
Non-Performing Loan (NPL) to total Loan		4.23%		1.77%
Total Loan Loss Provision to Total NPL		107.25%		163.42%
Cost of Funds		8.67%		8.31%
Credit to Deposit Ratio		88.72%		87.20%
Base Rate		10.57%		9.99%
Interest Rate Spread (as per NRB directive)		3.98%		4.37%

Notes to Interim Financial Statements

1. Previous period figures are regrouped/restated wherever necessary.
2. All lease contracts have been accounted as per NFRS 16.
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. Provision for Defined Benefit Obligation has been made as per Actuary Valuation report.
6. Above figures are subject to change upon otherwise instructions of Statutory Auditor and/or Regulatory Authorities.
7. The detail interim financial report has been published in the Bank's website: www.primebank.com.np

Prime Commercial Bank Limited

List of Shareholders holding 0.5% and above shares

As on 31 Ashadh 2080

S.No	Name	Total Shareholding	Percentage
1	Umesh Shrestha	4,773,137	2.46%
2	Vinod Chandra Varal	2,051,149	1.06%
3	Krishna Puri	1,996,248	1.03%
4	Employees Provident Fund	1,947,434	1.00%
5	Bikram Pandey	1,679,988	0.87%
6	Sushila Mittal	1,411,511	0.73%
7	Sundar Narayan Joshi	1,375,383	0.71%
8	Shailaja Bajracharya	1,361,638	0.70%
9	Shyam Bahadur Shrestha	1,361,637	0.70%
10	Sweta Maskey Shrestha	1,329,488	0.69%
11	Narendra Bajracharya	1,320,380	0.68%
12	Manohar Das Mool	1,306,621	0.67%
13	Sanendra Bajracharya	1,306,620	0.67%
14	Mahesh Raj Karnikar	1,088,180	0.56%
15	Naresh Lal Shrestha	1,030,048	0.53%
16	Mahendra Ratna Shakya	1,002,375	0.52%
17	Rajesh Shrestha	990,847	0.51%
18	Chiranjivi Dwa	982,202	0.51%
19	Santosh Narayan Shrestha	973,220	0.50%

Prime Commercial Bank Limited

List of Promoter Share Pledged

As on 31 Ashadh 2080

S. N.	Share Holder's Name	Held Shares	Pledged Shares	Free Balance	S. N.	Share Holder's Name	Held Shares	Pledged Shares	Free Balance
1	Adya Prasad Subedi	25,501	845	24,656	45	Ganesh Sharma	38,048	30,785	7,263
2	Ananda Bahadur Shrestha	100,517	86,650	13,867	46	Gita Devi Subedi	98,400	98,400	-
3	Ang Dendi Sherpa	342,957	329,600	13,357	47	Gopal Agrawal	58,069	50,060	8,009
4	Anil Kumar Shrestha	75,388	64,977	10,411	48	Govinda Gadtaula	2,412	2,412	-
5	Anil Prasad Sharma	166,523	148,720	17,803	49	Guna Raj Adhikari	118,727	89,002	29,725
6	Anita Kumari Saunthalia	236,281	152,609	83,672	50	Gyanendra Man Manandhar	50,247	49,965	282
7	Anjalee Pradhan	56,758	41,758	15,000	51	Hari Prasad Baral	714,238	655,832	58,406
8	Anju Sharma	355,402	306,381	49,021	52	Hari Raj Bimali	176,191	162,888	13,303
9	Arjun Kumar Shrestha	56,916	56,866	50	53	Hem Nidhi Sharma	8,352	4,712	3,640
10	Arjun Prasad Joshi	100,517	100,516	1	54	Hemanta Nahata	115,861	99,880	15,981
11	Arun Raj Shrestha	497,979	82,500	415,479	55	Indra Kumar Shrestha	28,695	28,695	-
12	Ashok Kumar Baidya	100,517	86,648	13,869	56	Jagan Bahadur Gurung	100,517	89,215	11,302
13	Basant Kumar Karanjit	11,895	280	11,615	57	Janak Kumar Shrestha	11,895	8,918	2,977
14	Basanta Nath Pant	10,318	10,318	-	58	Janani Pradhan (Shrestha)	281,998	278,497	3,501
15	Basanta Paudel	87,860	75,742	12,118	59	Jayandra Chudal	140,169	138,373	1,796
16	Bayan Bahadur Godar	29,229	25,194	4,035	60	Jayendra Das Shrestha	351,810	351,809	1
17	Bharat Singh Thapa	100,418	86,567	13,851	61	Jeewan Kumar Agrawal	100,512	80,889	19,623
18	Bhogendra Gurung	39,813	39,812	1	62	Jip Tshiring Lama	502,590	433,267	69,323
19	Bidhya Sharma Luitel	40,886	40,885	1	63	Jyoti Bastola	4,173	4,173	-
20	Bidya Man Shakya	100,517	93,680	6,837	64	Kalpana Nepal	4,173	403	3,770
21	Bijay Rajbhandari	190,092	128,569	61,523	65	Kamala Devi Shrestha	502,589	376,754	125,835
22	Bijaya Prakash Sainju	50,252	43,322	6,930	66	Keshab Kumar Basnet	16,312	14,052	2,260
23	Birendra Bajracharya	474,864	79,204	395,660	67	Khushboo Shrestha	351,812	351,809	3
24	Bishnu Prasad Subedi	149,620	50	149,570	68	Kiran Kumar Ghimire	2,883	2,086	797
25	Captive Investment Company Pvt.Ltd	221,017	221,017	-	69	Kishor Thapa	8,784	7,572	1,212
26	Chanda Shahi Khadgi	201,035	173,306	27,729	70	Krishna Bahadur Adhikari	13,313	13,311	2
27	Chandra Singh Saud	124,446	124,446	-	71	Krishna Bhagat Pradhan	58,891	58,891	-
28	Chiranjivi Dwa	982,202	124,800	857,402	72	Kumar Bahadur Khatri Poudel	100,517	86,652	13,865
29	Chop Narayan Shrestha	247,330	160,000	87,330	73	Laxman Bhandari	28,132	28,132	-
30	Chudamani Chaulagain	127,250	127,250	-	74	Laxman Thapa	100,517	74,000	26,517
31	Deg Raj Basnet	56,326	56,326	-	75	Lila Bahadur Baniya	99,653	99,653	-
32	Devendra Joshi	38,050	32,602	5,448	76	Madan Kumar Shrestha	113,900	41,618	72,282
33	Dharma Bhakta Balla	284,614	284,613	1	77	Madhav Prasad Parajuli	97,879	97,879	-
34	Dil Sundar Shrestha	251,293	250,000	1,293	78	Mahesh Bahadur Basnet	4,210	3,013	1,197
35	Dinesh Bhakta Shrestha	100,496	61,753	38,743	79	Malati Bajracharya	99,987	1,011	98,976
36	Dinesh Prasad Shrestha	100,516	86,646	13,870	80	Man Bahadur Budhathoki	218,260	136,202	82,058
37	Dipak Raj Sigdel	38,048	38,046	2	81	Manoj Kumar Shrestha	73,874	73,874	-
38	Dipak Tuladhar	91,690	77,607	14,083	82	Milan Kumar Shrestha	184,137	104,000	80,137
39	Diwas Rai	80,205	80,204	1	83	Min Man Shrestha	308,538	263,768	44,770
40	Durga Prasad Prasai	109,106	109,105	1	84	Mukti Nath Bhattarai	208,609	155,030	53,579
41	Fadindra Acharya	27,693	23,872	3,821	85	Nabin Kumar Gauli	25,602	25,602	-
42	Gandhi Pandit	41,074	30,791	10,283	86	Narayan Prasad Paudel	427,727	427,727	-
43	Ganesh Bahadur Shrestha	11,923	1,644	10,279	87	Naresh Lal Shrestha	1,005,186	460,000	545,186
44	Ganesh Bahadur Shrestha	10,660	1,469	9,191					

S. N.	Share Holder's Name	Held Shares	Pledged Shares	Free Balance	S. N.	Share Holder's Name	Held Shares	Pledged Shares	Free Balance
88	Navin Vaidya	10,938	5,392	5,546	126	Satish Chand Shrestha	197,440	197,440	-
89	Nirakar Shrestha	11,355	11,355	-	127	Satish Shrestha	100,517	96,651	3,866
90	Parshuram Kunwar Chhetri	284,613	245,355	39,258	128	Shambhu Sharan Sah	4,174	3,599	575
91	Prakash Karki	18,997	16,377	2,620	129	Sharad Chenka	741,011	741,010	1
92	Pramila Devkota Pandey	201,035	201,034	1	130	Sharan Manandhar	69,368	45,240	24,128
93	Pramila Maharjan	107,837	107,836	1	131	Shiva Sharma	39,816	34,325	5,491
94	Pramod Agrawal	71,548	71,548	-	132	Shova Mishra	277,472	277,472	-
95	Pratibha Paudel	24,779	24,779	-	133	Shyam Bahadur Shrestha	995,140	995,140	-
96	Premlal Shrestha	43,720	43,720	-	134	Sona Shrestha	19,133	19,133	-
97	Purushottam Manandhar	180,105	129,000	51,105	135	Sony Pradhan	251,291	216,629	34,662
98	Rabindra Baidar	4,173	4,173	-	136	Srijana Pandey	50,246	31,412	18,834
99	Raj Kumar Rai	38,120	38,119	1	137	Subash Acharya	52,300	46,517	5,783
100	Rajan Kumar Pokharel	47,491	40,941	6,550	138	Subash Chandra Bhattarai	336,783	336,783	-
101	Rajani Baidhya Pradhan	13,925	13,924	1	139	Subash Shrestha	664,244	652,621	11,623
102	Rajani Pradhan	33,165	33,163	2	140	Subash Shrestha	44,062	38,187	5,875
103	Rajesh Lal Shrestha	34,280	19,342	14,938	141	Sudhir Kumar Palanchoke	4,173	3,598	575
104	Rajesh Shrestha	985,000	982,056	2,944	142	Sulochana Shrestha	127,725	127,725	-
105	Raju Kumar Shrestha	950,082	950,082	-	143	Sumit Shrestha	121,857	121,857	-
106	Ram Bahadur Koirala	38,050	32,802	5,248	144	Sunil Bhakta Shrestha	100,523	100,523	-
107	Ram Chandra Sharma	56,918	54,729	2,189	145	Sunil Parajuli	42,695	42,694	1
108	Ram Chandra Thapa	143,165	84,800	58,365	146	Sunita Shrestha	173,633	133,923	39,710
109	Ram Prasad Shrestha	67,155	67,077	78	147	Suraj Sangachhe	100,517	100,516	1
110	Ramesh Kumar Agrawal	88,952	70,720	18,232	148	Suresh Kumar Agrawal	209,194	208,414	780
111	Ramesh Kumar Silwal	634,245	634,245	-	149	Suresh Vaidya	190,591	190,589	2
112	Rameshor Bade Shrestha	50,247	50,246	1	150	Surya Narayan Sahu Teli	47,491	40,941	6,550
113	Ratnakaji Maharjan	100,517	86,652	13,865	151	Surya Prasad Subedi	100,780	100,244	536
114	Richa Chenka	120,640	120,640	-	152	Sushil Kumar Gurung	38,050	38,050	-
115	Ritesh Kumar Agarwal (Saraf)	321,751	90,000	231,751	153	Sushma Rathi	112,195	44,720	67,475
116	Rojena Shrestha (Shaha)	351,810	351,809	1	154	Tej Prakash Prasai	17,696	17,695	1
117	Roshan Shrestha	123,211	123,211	-	155	Tejendra Man Malla	69,914	59,200	10,714
118	Roshan Shrestha	726,799	726,799	-	156	Thakur Prasad Paudel	50,247	43,316	6,931
119	Roshan Shrestha	26,372	22,735	3,637	157	Uddhav Prasad Rijal	85,958	85,958	-
120	Rupak Nandan Singh Pradhan	100,517	100,516	1	158	Uma Nath Baral	38,050	36,524	1,526
121	Sabita Agrawal	158,197	108,302	49,895	159	Uma Shah	31,593	30,926	667
122	Sabita Agrawal	20,567	16,698	3,869	160	Usha Bhusal	25,183	24,642	541
123	Sanendra Bajracharya	954,931	954,255	676	161	Usha Thapa Silwal	251,294	162,393	88,901
124	Santosh Narayan Shrestha	717,516	2,600	714,916	162	Vijaya Vaidya	50,247	50,247	-
125	Saroj Prasad Pandey	100,517	86,652	13,865	163	Vikas Dugar	639,085	541,322	97,763
					164	Vinay Kumar Todi	87,028	87,028	-
					165	Vinod Chandra Varal	2,004,103	1,000,000	1,004,103

नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशिका २०७८ को निर्देशन नं १० बुंदा नं ८ सँग सम्बन्धी वितरण

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 : सहायक महाप्रबन्धक
 फोन नम्बर : ०१-४४२३२१५
 एक्टेन्सन : २१६५
 मोबाईल नम्बर : ९७७ -९८५१०९१६०२

आ.व. २०७९/८० मा सेवाग्राही तथा सर्वसाधारणबाट प्राप्त भएको गुनासोहरूको विवरण सेवाग्राही तथा सर्वसाधारणको गुनासो सुनुवाईका लागि बैंकले व्यवस्था गरेको विभिन्न माध्यमहरूबाट आ.व. २०७९/८० मा ग्राहकबाट प्राप्त भएको गुनासा ९३ वटा रहेकोमा ९३ वटै गुनासो सुनुवाई भइसकेको छ।

Prime Commercial Bank Limited

Principal Indicators

As on 31st Ashadh 2080 (16 July 2023)

S.N	Particulars	Unit	FY	FY	FY	FY	FY
			2079/80	2078-79	2077-78	2076/77	2075/76
1	Net Profit/Total Income	Percent	4.14	13.99	20.42	16.72	20.18
2	Earnings Per Share	NPR	5.30	14.94	20.32	16.10	23.60
3	Market Value Per Share	NPR	195.00	265.00	479.00	255.00	278.00
4	Price Earning Ratio	Ratio	36.81	17.74	23.57	15.84	11.78
5	Dividend in Share Capital (Including Bonus)	Percent	-	4.00	16.00	15.00	16.00
6	Cash Dividend in Share Capital	Percent	-	4.95	0.63	-	-
7	Interest Income/Loan and Advances	Percent	12.64	10.79	9.17	10.05	12.16
8	Staff Expenses/Total Operating Expenses	Percent	61.89	60.57	57.34	52.05	55.49
9	Interest Expenses in Total Deposit	Percent	8.97	7.28	5.03	5.85	7.23
10	FX Fluctuation Gain/Total Income	Percent	0.60	1.17	2.02	2.01	2.18
11	Staff Bonus/Total Staff Expenses	Percent	13.76	26.28	32.71	33.20	39.39
12	Net Profit/Loan and Advances	Percent	0.61	1.76	2.29	1.95	2.86
13	Net Profit/Total Assets	Percent	0.47	1.33	1.72	1.48	2.15
14	Total Loan/Deposits	Percent	91.32	93.65	89.23	88.97	89.15
15	Total Operating Expenses/ Total Assets	Percent	1.11	1.18	1.25	1.16	1.29
16	Capital Adequacy Ratio:						
	A. Core Capital	Percent	10.80	11.87	12.28	12.83	11.97
	B. Supplementary Capital	Percent	1.30	1.25	2.54	1.01	0.80
	C. Total Capital Fund	Percent	12.10	13.12	14.82	13.84	12.76
17	Liquidity (CRR)	Percent	7.29	5.51	7.18	7.25	9.83
18	Non-performing Loan/Total Loan (as per NRB)	Percent	4.85	1.77	0.99	1.48	1.00
19	Weighted Average Interest Rate Spread	Percent	3.98	4.37	4.09	4.22	4.32
20	Book Net Worth	NPR	140.05	144.75	148.86	146.78	143.84
21	Total Share of PCBL	Number	194,025,757	186,563,228	160,830,369	139,852,495	93,186,267
22	Total Staff	Number	1,639	1,600	1,548	1,469	725
23	Base Rate	Percent	10.57	9.99	7.21	8.62	10.03
24	No of Branches (including EC)	Number	190.00	187.00	192.00	184.00	73.00
25	No of ATM	Number	131.00	108.00	107.00	106.00	46.00

Classification of Loan & Advances and Provisioning

Particulars	Loans & Advances				Bills Purchased/Discounted			Current Year Total
	Domestic		Foreign	Total	Domestic	Foreign	Total	
	Deprived Sector	Other						
1 Performing Loan and Advances	8,674,909,712	145,861,218,496	-	154,536,128,208	628,183,187	-	628,183,187	155,164,311,395
1.1 Pass Loan	8,627,708,178	132,881,051,785	-	141,508,759,963	557,507,814	-	557,507,814	142,066,267,777
1.2 Watch List	47,201,535	12,980,166,710	-	13,027,368,245	70,675,374	-	70,675,374	13,098,043,619
2 Non-Performing Loan and Advances	35,626,280	7,811,392,359	-	7,847,018,639	58,454,155	-	58,454,155	7,905,472,795
2.1 Restructured / Rescheduled	-	62,164,568	-	62,164,568	-	-	-	62,164,568
2.2 Sub-standard	10,709,685	1,582,724,093	-	1,593,433,779	-	-	-	1,593,433,779
2.3 Doubtful	17,095,236	1,726,466,070	-	1,743,561,306	-	-	-	1,743,561,306
2.4 Loss	7,821,359	4,440,037,628	-	4,447,858,987	58,454,155	-	58,454,155	4,506,313,143
3 Total Loan and Advances (1+2)	8,710,535,993	153,672,610,855	-	162,383,146,847	686,637,343	-	686,637,343	163,069,784,190
4 Total Loan Loss Provision	133,566,681	8,382,361,689	-	8,515,928,371	69,235,526	-	69,235,526	8,585,163,896
4.1 Pass	112,160,206	1,696,326,642	-	1,808,486,848	7,247,602	-	7,247,602	1,815,734,450
4.2 Watch List	2,360,077	649,008,336	-	651,368,412	3,533,769	-	3,533,769	654,902,181
4.3 Restructured / Rescheduled	-	7,770,571	-	7,770,571	-	-	-	7,770,571
4.3.1 Restructured / Rescheduled Others	-	7,770,571	-	7,770,571	-	-	-	7,770,571
4.4 Sub-standard	2,677,421	395,681,023	-	398,358,445	-	-	-	398,358,445
4.5 Doubtful	8,547,618	863,233,035	-	871,780,653	-	-	-	871,780,653
4.6 Loss	7,821,359	4,440,037,628	-	4,447,858,987	58,454,155	-	58,454,155	4,506,313,143
4.7 Additional	-	330,304,454	-	330,304,454	-	-	-	330,304,454
5 Total Provision Upto Previous Year	146,891,080	4,315,483,817	-	4,462,374,897	16,598,811	-	16,598,811	4,478,973,708
5.1 Pass	134,685,668	1,533,479,572	-	1,668,165,240	6,235,759	-	6,235,759	1,674,400,999
5.2 Watch List	1,886,728	759,567,898	-	761,454,627	343,876	-	343,876	761,798,502
5.3 Restructured / Rescheduled	-	8,391,308	-	8,391,308	-	-	-	8,391,308
5.3.1 Restructured / Rescheduled Others	-	8,391,308	-	8,391,308	-	-	-	8,391,308
5.4 Sub-standard	1,776,163	225,880,485	-	227,656,648	4,231,799	-	4,231,799	231,888,447
5.5 Doubtful	1,136,007	116,577,495	-	117,713,502	4,985,894	-	4,985,894	122,699,396
5.6 Loss	7,406,514	1,492,417,857	-	1,499,824,371	801,484	-	801,484	1,500,625,854
5.7 Additional	-	179,169,201	-	179,169,201	-	-	-	179,169,201
6 Provision Write back of this year	-	-	-	-	-	-	-	-
7 Additional Provision for this year	(13,324,399)	4,066,877,872	-	4,053,553,474	52,636,714	-	52,636,714	4,106,190,188
8 Addition/ Write Back of Provision	-	-	-	-	-	-	-	-
9 Total Loan Loss Provision (5-6+7)	133,566,681	8,382,361,689	-	8,515,928,371	69,235,526	-	69,235,526	8,585,163,896
Net Loan (3-4)	8,576,969,312	145,290,249,165	-	153,867,218,477	617,401,817	-	617,401,817	154,484,620,294



नेपाल राष्ट्र बैंक

बैंक सुपरिवेक्षण विभाग



दरबारमार्ग, काठमाडौं।
फोन नं.: ४४९९८०५, ७
फ्याक्स नं.: ४४९०९५९
Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोष्ट बक्स: ७३

प.सं:बै.सु.वि./अफसाइट/एजिएम/ /२०८०/०८१
च.नं. ९०३

मिति: २०८०/०९/०६

प्राइम कमर्सियल बैंक लिमिटेड
कमलपोखरी, काठमाडौं।

विषय: वित्तीय विवरण प्रकाशन सम्बन्धमा।

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा यस बैंकद्वारा जारी गरिएको एकीकृत निर्देशन नं. ४/०८० को बुँदा नं.१(भ) मा भएको व्यवस्था बमोजिम आ.व. २०७९/८० को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु।

१. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु पूर्णरूपले सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने आवश्यक दृढबस्था मिलाउनुहुन।

उपरोक्त निर्देशनहरुलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन।

भवदीय,

(आकृति के.सी)
सहायक निर्देशक

बोधार्थ :

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

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Kamalpokhari, Kathmandu, Nepal
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KOSHI PROVINCE OFFICE

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प्रमुख कार्यकारी अधिकृत



अमृत चरण श्रेष्ठ
महाप्रबन्धक



नेपाल भूषण श्रेष्ठ
सहायक महाप्रबन्धक



सुरेश मान सिंह
सहायक महाप्रबन्धक



अनन्त कुमार चापागाईं
सहायक महाप्रबन्धक



प्रशान्त राज डंगोल
सहायक महाप्रबन्धक



नारायण प्रसाद श्रेष्ठ
का.मु. सहायक महाप्रबन्धक



कमलेश रत्न कोनाजो
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कम्प्लायन्स



धिरेन्द्र दाहाल
प्रमुख
शाखा सेल २



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कन्स्ट्रक्सन विजनेस



सुनिल महर्जन
प्रमुख
सूचना प्रविधि



मिलन चन्द्र महर्जन
प्रमुख
आन्तरीक लेखापरिषाण



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शाखा सेल ३



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डिजिटल बैकिङ्ग



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प्रमुख
संचालन



वन्दना मानन्धर
प्रमुख
मानव संशाधन



दिल बहादुर काफ्ले
प्रमुख
के.का. संचालन



स्वेच्छा कार्की
प्रमुख
वित्त



सन्तोष बराल
प्रमुख
कर्जा असुली



अर्पणा लाकौल
प्रमुख
ट्रेड फाइनेन्स



अनिल बस्न्यात
प्रमुख
कर्जा प्रशासन



सिर्जना शाह
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बजेट प्लानिङ्ग एण्ड
आर. एण्ड डी.



भोला सापकोटा
प्रमुख
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