



२७ औं वार्षिक प्रतिवेदन (२०७७/७८)

ANNUAL REPORT

Mid July 2020 - Mid July 2021

 एभरेष्ट बैंक लिमिटेड 
EVEREST BANK LIMITED
(A Joint-Venture with **punjab national bank**, India)

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EVEREST BANK LIMITED

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प्रवेश-पत्र

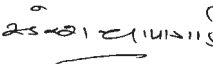
शेयरधनीको नाम:..... शेयरधनी नं.

शेयर संख्या शेयरधनीको दस्तखत:

(मिति २०७८ साल पौष १ गते बिहीवारका दिन हुने एभरेष्ट बैंक लिमिटेडको २७ औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र)

द्रष्टव्य:

- १) शेयरधनी आफैले खाली कोष्ठहरू भर्नु होला ।
- २) सभा कक्षमा प्रवेश गर्न यो प्रवेश-पत्र प्रस्तुत गर्नु अनिवार्य छ ।


(सुरेश चापागाईं)
 कम्पनी सचिव

प्रोक्सी फाराम

श्री संचालक समिति
एभरेष्ट बैंक लिमिटेड

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला न.पा./गाउँपालिका
 वडा नं. बस्ने म/हामी ले
 त्यस बैंकको शेयरधनीको हैसियतले २७ औं वार्षिक साधारण सभामा उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि
 जिल्ला न.पा./गा.पा. वडा नं. बस्ने त्यस बैंकका शेयरधनी श्री
 शेयरधनी नं./BOID No.
 लाई मेरो/हाम्रो प्रतिनिधि मनोनयन गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको

निवेदक

दस्तखत:.....
 शेयरधनी नं./BOID No.:
 शेयर संख्या:
 मिति:

दस्तखत:
 नाम:
 ठेगाना:
 शेयरधनी नं./BOID No.:
 शेयर संख्या:
 मिति:

कम्पनी सचिवको दस्तखत

बैंकको छाप

द्रष्टव्य:

- १) प्रतिनिधि (प्रोक्सी) मुकरर गर्दा शेयरधनी बाहेक अरुलाई गर्न पाइने छैन ।
- २) प्रोक्सी फाराम साधारण सभा हुनुभन्दा ४८ घण्टा अगावै निर्वाचन कार्यालयमा दर्ता भएको हुनुपर्नेछ ।

एभरेष्ट बैंक लिमिटेडको २७ औं वार्षिक साधारण सभा सम्बन्धी सूचना

यस बैंकको मिति २०७८ साल मार्ग ८ गते बसेको संचालक समितिको ३३५ औं बैठकको निर्णय अनुसार २७ औं वार्षिक साधारण सभा देहायको मिति, स्थान र समयमा निम्न प्रस्ताव उपर छलफल गर्न बस्ने भएको हुँदा सबै शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति : २०७८ साल पौष १ गते बिहीबार (१६ डिसेम्बर २०२१) ।

स्थान : एभरेष्ट बैंक लिमिटेड, केन्द्रीय कार्यालय, लाजिम्पाट, काठमाडौं ।

समय : बिहान ११:३० बजे ।

(साधारण सभा ZOOM मार्फत सहभागी हुने शेयरधनी महानुभावहरूलाई MEETING ID र PASSWORD उपलब्ध गराउने व्यवस्था गरिएको छ ।)

बैंकको २७ औं वार्षिक साधारण सभाको छलफलको विषयसूची:

१. संचालक समितिको तर्फबाट अध्यक्षज्यूको प्रतिवेदन ।
२. लेखापरीक्षकको प्रतिवेदन सहितको लेखापरीक्षण गरिएको २०७८ साल आषाढ ३१ गतेको वासलात, सोही मितिमा समाप्त आ.व. २०७७/७८ को नाफा नोक्सान हिसाव तथा सोही अवधिको नगद प्रवाह विवरण छलफल गरी पारित गर्ने ।
३. मिति २०७८/०७/१२ मा बसेको संचालक समितिको ३३४ औं बैठकले, शेयरधनीहरूलाई निम्न बमोजिम नगद लाभांश तथा बोनस शेयर प्रदान गर्न सिफारिश गरेकोले सो प्रस्ताव छलफल गरी पारित गर्ने ।
 - (क) हालको चुक्ता पूँजीको ६% का दरले हुने रु. ५३,३६,२३,०३१/- बराबरको बोनस शेयर जारी गर्ने - विशेष प्रस्ताव,
 - (ख) हालको चुक्ता पूँजीको ४.३२% का दरले हुने रु. ३८,४२,०८,५८३/- बराबरको नगद लाभांश (बोनस शेयर र नगद लाभांशमा लाग्ने कर समेत) वितरण गर्न गरेको सिफारिशलाई छलफल गरी पारित गर्ने,
४. प्रबन्धपत्र संशोधन सम्बन्धी विशेष प्रस्ताव पारित गर्ने,
 जारी तथा चुक्ता पूँजी बृद्धि:
 बैंकले प्रस्तावित रु. ५३,३६,२३,०३१/- बराबरको बोनस शेयर वितरण पश्चात् हालको जारी र चुक्ता पूँजी रु. ८,८९,३७,१७,१७८/- बाट बृद्धि भई रु. ९,४२,७३,४०,२०९/- हुने भएकोले जारी र चुक्ता पूँजी बृद्धि गर्न प्रबन्धपत्र संशोधन गर्ने ।
५. आ.व. २०७८/७९ को लागि लेखापरीक्षकको नियुक्ति र निजको पारिश्रमिक तोक्ने ।
७. विविध ।

संचालक समितिको आज्ञाले,
कम्पनी सचिव

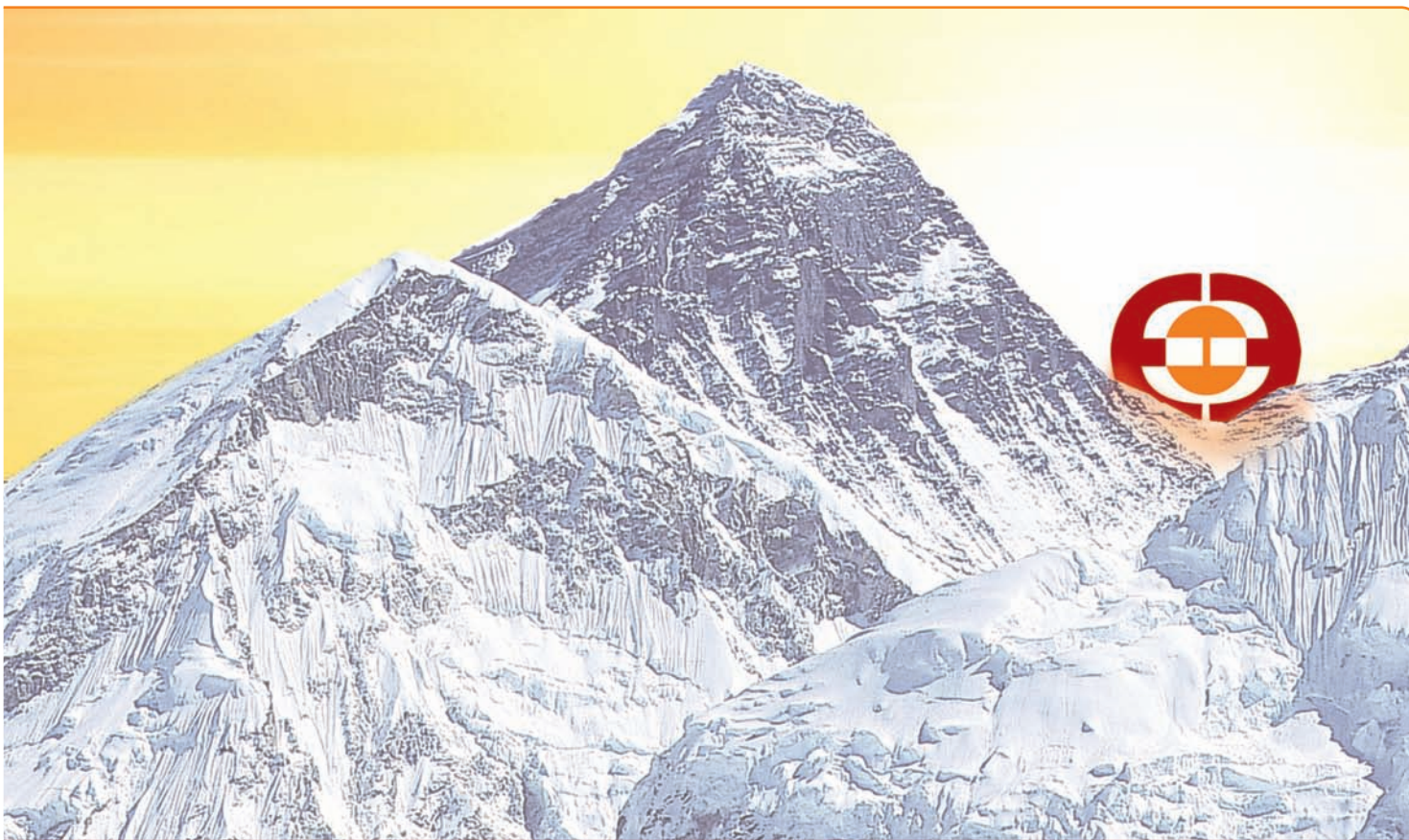
वार्षिक साधारण सभा सम्बन्धी सामान्य जानकारी

शेयर दाखिल खारेज किताब बन्द रहने

साधारण सभा प्रयोजनको लागि मिति २०७८/०८/१७ गते एक दिन बैंकको शेयरधनी दर्ता किताब बन्द गरिने छ ।

नोट:

- (१) विश्वव्यापी रूपमा फैलिएको कोरोना भाइरस महामारी रोकथाम तथा नियन्त्रणका लागि नेपाल सरकारबाट जारी गरिएका स्वास्थ्य सम्बन्धी निर्देशन र मापदण्डहरूको सम्मान र परिपालना गर्दै अनलाईन ZOOM मार्फत् सभामा सहभागी हुने र आफ्नो मन्तव्य राख्न सक्ने व्यवस्था मिलाइएको हुँदा कोरोना भाइरसको संक्रमणबाट बच्न र बचाउन यथासक्य अनलाईन ZOOM मार्फत् उपस्थित भइदिनु हुन सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध छ ।
- (२) ZOOM मार्फत् साधारण सभामा सहभागी हुने शेयरधनी महानुभावहरूले सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै आफ्नो शेयर प्रमाणपत्र वा शेयर अभैतिकरण गरिसकेका शेयरधनीहरूको हकमा हितग्राही (DMAT Account) नम्बर, BOID Statement र आफ्नो परिचय खुल्ने (जस्तै: नागरिकताको प्रमाणपत्र वा अन्य कुनै परिचय पत्र) कम्पनी सचिवको कार्यालय वा ईमेल ठेगाना suresh.chapagain@ebl.com.np मा पठाउनु पर्ने छ । यी उल्लेखित कागजात प्राप्त भए पश्चात शेयरधनी महानुभावहरूलाई ZOOM मार्फत् साधारण सभामा उपस्थित हुनका लागि आवश्यक हुने MEETING ID र PASSWORD उपलब्ध गराइने छ । साधारण सभा सम्बन्धी अन्य कुनै जिज्ञासा भएमा शेयरधनी महानुभावहरूले कम्पनी सचिवको सम्पर्क नं ९८५११०७७६६ मा सम्पर्क गर्न सक्नु हुनेछ ।
- (३) साधारण सभा शुरू हुनु भन्दा १ घण्टा अगाडिबाट ZOOM खुल्ला गरिनेछ ।



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अध्यक्षको वक्तव्य

कोभिड-१९ (Covid -19) महामारीको प्रकोपले पूरै विश्वको अर्थतन्त्रमा ठूलो क्षति भयो । यसबाट नेपालको अर्थतन्त्र पनि अछुतो रहन सकेन । उक्त महामारीका कारण नेपालमा पनि धेरै उद्योगहरू विस्थापित भए । नेपालको विदेशी मुद्राको प्रमुख श्रोत पर्यटन र वैदेशिक रोजगार हो र यस महामारीले दुवै क्षेत्रलाई धेरै नराम्रो प्रभाव पारेको छ । साथै, आर्थिक संकुचन सहित महामारीले देशमा सामाजिक र रोजगारीको अवस्थामा समेत प्रतिकूल असर परेको छ ।

हालको अवस्थामा खोपको मद्दतले महामारीमा केही नियन्त्रण आए संगै खुम्चिएको अर्थतन्त्र पनि विस्तारै उकासिदै छ । यस परिस्थितिमा बन्द भएका उद्योग धन्दा पुनः संचालनमा आउँदै छन् भने बजार विस्तारको अवसर पनि श्रृजना हुँदैछ । एकातर्फ उद्योगहरू पुनः संचालन हुँदा कच्चा पदार्थको आयातमा

वृद्धि भएको छ भने अर्कोतर्फ वैदेशिक रोजगारमा कमी आउँदा नेपालको व्यापार घाटा वृद्धि हुँदै विदेशी मुद्रा संचितिमा समेत दबाव श्रृजना हुन गएको छ । हालको अवस्था सुधारको निमित्त नेपाल सरकारलाई रोजगारी श्रृजना गर्नु, आयात प्रतिस्थापन गर्ने उद्योग संचालन गर्नु र विदेशी लगानीलाई आकर्षित गर्नु प्रमुख चुनौतीका रूपमा रहका छन् ।

भारतमा विदेशी कम्पनीहरू आकर्षित हुनुको प्रमुख कारण त्यहाँको वृहत बजार हो र भारतको छिमेकी राष्ट्रहरूमध्ये भारतसंग धेरै सहज पहुँच भएको देश नेपाल मात्र हो । त्यस्तो भए तापनि भारतीय कम्पनी तथा भारतमा संचालित विदेशी कम्पनीहरू (जस्तै जापानका कार तथा मोटरसाइकल उत्पादकहरू) नेपालमा लगानी गर्न आकर्षित भएको पाइँदैन ।

नेपाल सरकारले (विशेषतः राजनीतिज्ञ तथा उच्च पदस्थ अधिकृत) यस परिस्थितिलाई समुचित उपयोग गरेको पाइँदैन । नेपालले निम्न कुराहरूलाई ध्यान दिएर



आफ्नो नीतिमा आवश्यक परिमार्जन गरेको खण्डमा भारतीय कम्पनीहरू तथा भारतमा संचालित विदेशी कम्पनीहरू नेपालमा लगानी गर्न आकर्षित हुन सक्दछन् ।

नेपालको दक्षिण सीमा भारतको उत्तर प्रदेश, बंगाल र बिहार संग जोडिएको छ र त्यहाँ कारखाना स्थापना गरी उत्पादन गर्नु भारतमा उत्पादन गर्नु सरह हो । अर्कोतर्फ नेपालमा उत्पादन गरी भारतमा बिक्री गर्दा ५०% अतिरिक्त मुनाफा हुने गर्दछ । यसको मुख्य कारण नेपालमा उत्पादन गरेर भारतमा बिक्री वितरण गर्दा भारतमा आयकर तथा जि.एस.टि (वस्तु तथा सेवा कर) लाग्दैन । जि.एस.टि कर लागु हुनुपूर्व विभिन्न राज्यहरूले विभिन्न दरमा बिक्री कर लगाउँथे तर हाल सो करलाई समायोजन गरी एक दर कायम गरिएको छ । दुवै करलाई जोड्दा सोको प्रतिफल ५०% जति हुन आउँछ ।

यस परिस्थितिलाई नेपालले विशेष सन्धि वा सम्झौता मार्फत औपचारिकता पूरा गरी दुवैतर्फ यसको व्यापक प्रचारप्रसार गर्न आवश्यक छ ।

भारतीय सरकारले भारतीय कम्पनीहरूलाई उत्तरपूर्वमा (North East Region) कारखाना स्थापना गर्न विभिन्न कर छुट, पूँजी लगानी अनुदान प्रदान गरी प्रोत्साहन गरेको छ । उत्तरपूर्वमा स्थापित कम्पनीहरूलाई भौतिक पूर्वाधार जस्तै जग्गा प्राप्तदेखि भारतको विभिन्न स्थानबाट कच्चा पदार्थको आपूर्ति तथा तयारी वस्तुको ढुवानीमा धेरै कठिनाईहरूको सामना गर्नु पर्दछ ।

भारतको एक राज्य सिक्किमले भारतीय कम्पनीहरूलाई जग्गा भाडामा उपलब्ध गराएको छ जसको फलस्वरूप त्यहाँ आधा दर्जनभन्दा बढी ठूला औषधि कम्पनीहरूले कारखाना स्थापना गरी उत्पादन गरिरहेका छन् । यद्यपि सिक्किममा राम्रो पूर्वाधारको व्यवस्था नभए तापनि सिक्किम नजिकको प्रमुख व्यापारिक केन्द्र सिलिगुडीसँग राम्रो परिवहन सुविधा छ र सिलिगुडीबाट भारतको विभिन्न स्थान जोड्ने परिवहनको पनि राम्रो व्यवस्था छ ।

नेपाल दुई विशाल देशहरूको बीचमा अवस्थित एक भूपरिवेष्टित मुलुक हो । नेपालको उत्तरतर्फ चीन छ

भने बाँकी तीनै तर्फबाट भारतले घेरिएको छ । नेपालको परापूर्वकालदेखि नै भारतसँग सामाजिक, सांस्कृतिक तथा आर्थिक अटुट र गहिरो सम्बन्ध रहेको छ । तसर्थ नेपालको कुनै पनि क्षेत्रबाट भारत विरोधी अभिव्यक्तिहरू दिने वा गतिविधिहरू नगर्नु उपयुक्त हुन्छ । भारत विरोधी वातावरण वा मानसिकता रहँदासम्म भारतीय कम्पनी वा भारतमा संचालित विदेशी कम्पनीले नेपालमा लगानी गर्ने कल्पना गर्न सक्दैनन् । वर्तमान सरकारको भारतसँग राम्रो सम्बन्ध रहेको छ । भारतसँग सुमधुर सम्बन्ध कायम हुनुपर्छ भन्ने कुरालाई हृदयङ्गम गरी वर्तमान सरकारले सही कदम चालेमा नेपालमा पनि भारतीय कम्पनी वा भारतमा संचालित विदेशी कम्पनीको लगानी आकर्षित गर्न सकिन्छ ।

मलाई विश्वास छ, यस महत्त्वपूर्ण विषयले नेपाल सरकारको ध्यानाकर्षण गरी आवश्यक कदम लिन सहयोग गर्नेछ ।

विष्णु कृष्ण श्रेष्ठ
 अध्यक्ष

२७ औं वार्षिक साधारण सभाका लागि

संचालक समितिको प्रतिवेदन

महिला तथा सज्जनवृन्द,

तपाईंको बैंकको २७ औं वार्षिक साधारण सभामा उपस्थित आदरणीय शेयरधनी महानुभावहरूलाई हार्दिक स्वागत गर्न पाउँदा मलाई खुशी लागेको छ । अब म तपाईंको बैंकको २०७८ आषाढ ३१ गतेको वासलात र सोही मितिमा समाप्त आर्थिक वर्ष २०७७/७८ को नाफा-नोक्सान हिसाब एवं नगद प्रवाह विवरण र सो उपर लेखापरीक्षकको प्रतिवेदन सहितको वार्षिक प्रतिवेदन यहाँहरू समक्ष पेश गर्दछु ।

१. कार्य समीक्षा र कोभिड-१९ को असर

क) गत २ वर्षदेखि नै कोभिड-१९ को महामारीले विश्वव्यापी मानवीय र आर्थिक संकट देखिएको छ । कोभिड-१९ महामारीको कारण परेको आर्थिक मन्दीको प्रभाव व्यापक र अति उच्च रहेको छ र यसले गर्दा नेपाल सहित विश्वका लगभग सबै देशको प्रतिव्यक्ति कुल ग्राहस्थ उत्पादनमा संकुचन आएको अनुमान छ । विश्व अर्थतन्त्र मन्दीतर्फ धकेलिएको भए तापनि कोभिड-१९ को नियन्त्रण, रोकथाम तथा उपचारका साथै आर्थिक पुनरुत्थानको लागि हरेक मुलुकले अवलम्बन गरेका नीतिगत व्यवस्थाको कारण विश्व अर्थतन्त्र थप मन्दीतर्फ जानबाट रोकिएको अन्तर्राष्ट्रिय मुद्राकोष (IMF) ले जनाएको छ ।

ख) कोभिड-१९ को महामारीबाट देशका समग्र आर्थिक क्षेत्रमा नकारात्मक प्रभाव भए तापनि पर्यटन क्षेत्र सबैभन्दा बढी प्रभावित भएको देखिन्छ र वर्ष २०१९ को तथ्यांक अनुसार पर्यटन क्षेत्रले नेपालको कुल GDP मा ६.७% को योगदान गरेको छ । नेपालको आर्थिक सर्वेक्षण प्रतिवेदन अनुसार सन् २०२० पर्यटक आगमन र पर्यटन क्षेत्रबाट हुने आय ८०.८०% घटेको छ र सोही अवधिमा पर्यटन क्षेत्रबाट आर्जन हुने विदेशी मुद्रामा करीब ७०% ले कमी

आएको छ । पर्यटन क्षेत्रमा परेको नकारात्मक प्रभावको chain reaction भई अर्थतन्त्रको अन्य पाटाहरूमा समेत नकारात्मक प्रभाव पर्दछ जसले समग्र अर्थतन्त्रको संकुचनलाई बढाउँछ । सन् २०२१ मा भने पर्यटक आगमनमा उच्च संकुचन रहरिहने देखिएको छ ।

ग) आर्थिक वर्ष २०७७/७८ मा बन्दाबन्दी र बढ्दो कोभिड-१९ का कारण बैकिङ्ग उद्योगले प्रारम्भिक अवधिमा उच्च तरलताको सामना गर्नु परेको थियो । राष्ट्र बैंकको प्रतिवेदन अनुसार २०७७/२०७८ को पहिलो ६ महिनासम्म ९१ दिनको ट्रेजरी बिल र अन्तर बैंक ब्याजदरको भारित औसत ०.२५% भन्दा कम थियो । निजी क्षेत्रबाट ऋणको माग पनि अति नै कम थियो । यस्तोमा उच्च तरलताले गर्दा कर्जाको ब्याजदरमा दबाव भई ऋणीहरूको कारोबार आफैसंग कायम राख्न ब्याजदर घटाउने बैंकहरू बीच प्रतिस्पर्धा नै भयो । २०७७/७८ को अन्त्यमा ९१ दिनको ट्रेजरी बिलको ब्याजदर बढेर ४.५५% पुग्यो र अन्तर बैंक ब्याजदर बढेर ४.१४% पुगेको थियो । तरलताको यस्तो अस्थिरताले तपाईंहरूको बैंकको आम्दानीमा परेको असर, निक्षेप संकलन तथा ऋण कर्जा प्रवाहमा भएको दबावलाई दर्शाउँछ ।

कोभिड महामारीको असरलाई मत्थर गर्न र आर्थिक पुनरुत्थानको लागि नेपाल राष्ट्र बैंकले अवलम्बन गरेका विभिन्न कदम जस्तै साधारण कर्जा नोक्सानी व्यवस्था ०.३% ले थप गरी कुल १.३% कर्जा नोक्सानी व्यवस्था कायम गर्ने, पुनर्कर्जा प्राप्त गर्दा ग्राहक/ऋणीहरूबाट लिने ब्याजदर घट्ने, आदिले देशको बैकिङ्ग क्षेत्रको नाफामा पनि असर पर्न गएको छ ।

आर्थिक वर्ष २०७७/७८ मा बैंकको संचालन मुनाफा रु. २५४.८४ करोड पुगेको छ र यो

रकम गत वर्षको भन्दा २८.८७% ले घटेको छ । कर पछिको खुद मुनाफा रु. १७७.०९ करोड रहेको छ, जुन गत वर्षको भन्दा २९.६२% ले घटेको छ । कोभिड-१९ को महामारीले गर्दा आर्थिक क्षेत्रमा परेको प्रभाव तपाईंहरूको बैंकको नाफामा पनि परेको स्पष्ट रूपमा राख्ने देखिन्छ ।

घ) उपरोक्त बाहेक कोभिड-१९ को यस्तो विषम परिस्थितिमा पनि तपाईंहरूको बैंकका अन्य प्रदर्शन सूचकहरू सकारात्मक रहेका छन् ।

बैंकको कुल निक्षेप रु. १६,०८९.९२ करोड (गत वर्ष भन्दा ११.१७% ले बढी) र कुल कर्जा सापट रु. १३,४८२.५२ करोड (गत वर्षभन्दा १३.५२% ले बढी) पुगेको छ । यस बैंकको कुल व्यवसायले रु. २९,५७२.४५ करोडको आँकडा नाघेको छ ।

ड) विगत पाँच वर्षको तुलनामा शेयरधनी कोष (Shareholder's Fund) रु. ६६५.०२ करोडबाट बढेर रु. २०६८.३६ करोड पुगेको छ ।

च) यस्तो कठिन परिस्थितिमा समेत तपाईंहरूको बैंकले गैर बैकिङ्ग सम्पत्ति (NPA) गत वर्ष २०७७ आषाढ मसान्तमा ०.२२% रहेकोमा यस वर्ष ०.१२% मा कायम राख्न सफल भएको छ जुन वित्तीय संस्थाहरूमध्ये सबैभन्दा कम रहेको छ ।

छ) चालु आर्थिक वर्ष २०७८/७९ मा आर्थिक गतिविधि बढेको देखिन्छ र यस आर्थिक वर्षको पहिलो ४ महिनामा बैंकको प्रगति हेर्दा गत वर्षको कार्तिक मसान्तको तुलनामा सञ्चालन नाफा ४६% ले बृद्धि भई रु. १०७.५९ करोड पुगेको छ । त्यसैगरी सो अवधिमा तपाईंहरूको बैंकको खुद नाफा पनि ४५% बृद्धि भई रु. ७४.६१ करोड पुगेको छ । उपरोक्त ४ महिनाको आम्दानीका आधारमा, गत वर्षको तुलनामा यस आर्थिक वर्षमा बैंकको नाफामा राम्रो बृद्धि हुने संभावना देखिन्छ ।

ज) भावी योजना अन्तर्गत, कर्जा विस्तारका लागि बैंकले रिटेल र SME (साना तथा मझौला उद्योग) मा केन्द्रित गरी व्यापार वृद्धि गर्ने योजना गरेको छ ।

२. शाखा विस्तार

आर्थिक वर्ष २०७७/७८ मा तपाईंको बैंकले १० वटा शाखा थप गरी कुल शाखा संख्या १०५ पुऱ्याएको छ । यसका साथै बैंकले ३१ सरकारी कर संकलन केन्द्र र ३ एक्सटेन्सन काउन्टरहरूबाट पनि सेवा प्रदान गर्दै आइरहेको छ । तपाईंको बैंकले यस आर्थिक वर्षमा पनि शाखा विस्तारको क्रम बढाउँदै जानेछ । शाखा विस्तार क्रममा, लुम्बिनी प्रदेशमा ६ शाखा र काठमाडौं उपत्यका भित्र ५ शाखा खोल्ने प्रक्रियामा रहेका छन् ।

३. बैंकको क्रियाकलापहरू

क) २०७७/७८ मा कोभिड-१९ को महामारीको सामाजिक एवं आर्थिक रूपमा नकारात्मक असर रहँदा बैंक सञ्चालनमा कर्मचारीको स्वास्थ्य र संक्रमणको बचावतर्फ बैंकको ध्यान केन्द्रित रहयो । २०७७/७८ अर्धवार्षिक पक्ष पछि कोभिड विरुद्धको खोपले बैंक सञ्चालनमा केही सहजता रहयो । यस्तो विषम परिस्थितिमा पनि तपाईंको बैंकले आफ्नो ग्राहकवर्गलाई सेवा प्रदान गर्न सफल रहेको थियो ।

ख) ग्राहकको बैंकसंग प्रत्यक्ष उपस्थितिमा कारोबार गर्दा संक्रमण फैलिने जोखिम बढ्ने संभावनाको स्थितिमा, बैंकले ग्राहकहरूलाई वैकल्पिक सेवा प्रवाह माध्यम (Alternate Delivery Channels) बाट सेवा उपलब्ध गराई सहज बैकिङ्गको अवस्था महसुस गराउने प्रयासमा सफल रह्यो ।

सोही क्रममा परिवर्तनशील प्रविधि र ग्राहकका आकांक्षा र आवश्यकता अनुसार थप वैकल्पिक सेवा प्रवाह च्यानलहरू पनि अद्यावधिक गरिएको छ । तपाईंको बैंकले एटीएम र कार्डहरूको

- आफ्नै नेटवर्क बढाएको छ । बैंकले आफ्नो २ लाख ५० हजारभन्दा बढी ग्राहकहरूलाई डेबिट कार्ड जारी गरेको छ । EBL डेबिट कार्ड बैंकको आफ्नै १३८ ATM टर्मिनलहरू र Visa/UPI आवद्ध सबै बैंकका देश भरिमा सबै ATM टर्मिनलहरूमा प्रयोग गर्न सकिन्छ । त्यसै गरी, बैंकले जारी गरिएका कार्डहरू नेपाल र भारतमा सामान खरिदका लागि प्वाइन्ट अफ सेल्स (POS) टर्मिनलहरूमा प्रयोग गर्न सकिन्छ र e-commerce कारोबारका लागि पनि प्रयोग गर्न सकिन्छ । यसका अतिरिक्त, बैंकले यसै वर्ष देखि ग्राहकहरूलाई भिसा डलर प्रिपेड कार्ड प्रदान गर्न थालेको छ र दुई महिनामा लगभग २०० वटा यस्ता कार्ड वितरण भई नतिजा प्रोत्साहनजनक छ । साथै, विद्युतीय कारोबारमा सुरक्षा पनि अति आवश्यक रहेकोले बैंकले अनलाइन कारोबार अर्थात् ई कमर्स कारोबार गर्न आवश्यक हुने 3DS सुरक्षित सेवा उपलब्ध गराउन थालेको छ । बैंकले चिपको सुरक्षा सुविधा सहितको आन्तरिक डेबिट तथा क्रेडिट कार्ड र अन्तर्राष्ट्रिय प्रिपेड कार्डहरू जारी गर्दै आएको छ ।
- ग) साथै, बैंकले आफ्ना ग्राहकहरूलाई विभिन्न प्रकारका इलेक्ट्रोनिक बैंकिङ्ग सेवाहरू उपलब्ध गराउँदै आएको छ । बैंकले ई बैंकिङ्ग, एसएमएस बैंकिङ्ग, QR Payments, मोबाइल बैंकिङ्ग सेवाहरू उपलब्ध गराउँदै आएको छ । ग्राहकले घरमै बसेर बैंक खाता खोल्ने, आफ्नो खातामा रकम हेर्ने आफ्नो तथा अन्य बैंकको खातामा भुक्तानी रकमान्तर गर्ने, मोबाइल रिचार्ज गर्ने, बिजुली, टेलिफोन आदिको बिल (Utility Payments) भुक्तानी गर्ने जस्ता बैंकिङ्ग कारोबारहरू गर्न सक्छन् । मोबाइल बैंकिङ्ग अन्तर्गत कारोबारको संख्या गत वर्षको दैनिक औसत ५६६८ बाट आषाढ २०७८ मा बहुगुणा वृद्धि भई सो दैनिक औसत १४,००७ पुगेको छ ।
- घ) बैंकले आफ्ना मूल्यवान ग्राहकहरूलाई टेलिफोन, इमेल, एसएमएस र सामाजिक सञ्जालको माध्यमबाट आफ्ना जिज्ञासा, सुझाव र गुनासोहरू आदान प्रदान गर्नका लागि ग्राहक सेवा केन्द्र पनि स्थापना गरेको छ । तपाईंको बैंकले आफ्ना ग्राहकहरूलाई सहज, छिटो, भरपर्दो र भन्फटमुक्त सेवाहरू उपलब्ध गराउन सधैं अग्रसर छ ।
- ङ) बैंकले सधैं ग्राहक वर्गहरूको गुणस्तर सेवा वृद्धि, प्रविधि मार्फत उहाँहरूको आवश्यकता र विस्तार सेवाहरू दिन प्रयास गरिरहेको छ । हाम्रो न्यूरोड, नयाँ बानेश्वर र अन्य शाखा मार्फत लामो विदामा पनि बैंकिङ्ग सेवा प्रदान गरिरहेको छ ।
- च) थप, हाम्रो बैंकले आफ्नै उत्पादन वेब आधारित online remittance सुविधा “Everest Remit” प्रदान गरेको छ । यो Remittance को सुविधा UAE, Qatar, Bahrain, Oman, Malaysia, UK, USA South Korea, Japan, Seychelles, Singapore and Malaysia मा काम गर्ने नेपालीहरूको लागि उपलब्ध छ । यो सुविधा केही समयपछि विभिन्न ठाउँको कुना-कुनामा विस्तार गरिदै लगिने छ । Inward remittance र विदेशी व्यापार सुविधा दिनका लागि हामीले विभिन्न देशका विदेशी बैंक/एजेन्सीहरूसँग सहकार्य गरेका छौं ।
- छ) त्यसै गरी, भारतबाट विप्रेषण भित्र्याउन हाम्रो साभेदार पञ्जाब नेशनल बैंक (PNB) बाट “INDO NEPAL” रेमिट्यान्स सफलतापूर्वक संचालन भइरहेको छ । यस सुविधा अन्तर्गत भारतमा काम गर्ने र बसिरहेका नेपालीहरूले PNB को कुनै पनि शाखा वा PNB को मोबाइल र इन्टरनेट बैंकिङ्ग सुविधा र व्यापार साभेदार (Business Correspondents) स्थानहरू मार्फत नेपालमा भुक्तानीका लागि तुरुन्तै पैसा पठाउन सक्छन् । नेपालमा तपाईंको

बैंकका शाखाहरू बाहेक ३७८ शाखा रहित बैंकिङ (BLB) र लगभग ९,००० भन्दा बढी Remittance Paying Agents मार्फत नगद भुक्तानी पनि लिन सकिन्छ ।

४. मानव संसाधन विकास र प्रति कर्मचारी व्यवसाय

आर्थिक वर्ष २०७७/७८ को अन्तमा बैंकको कर्मचारी संख्या ९,४५ रहेको छ जुन अघिल्लो वर्ष ८,६५ थियो । आर्थिक वर्ष २०७७/७८ को अन्तमा कुल निक्षेप तथा कर्जा र सापट १२.२५% ले बृद्धि भई रु. २९,५७२.४५ करोड रहँदा प्रति कर्मचारी व्यवसाय गत वर्षको भन्दा ३% ले बढेर रु. ३१.२९ करोड रहेको छ ।

कुनै पनि संस्थाको विकास तथा सफलताको आधार नै त्यस संस्थामा कार्यरत कर्मचारीहरूको ज्ञान, सीप तथा प्रेरणाको स्तरमा निहित हुन्छ । यस बैंकले आफ्ना कर्मचारीको विकासमा विशेष चासो राखी बैंकसंग सम्बन्धित विभिन्न विषयवस्तुमा आधारित तालिमहरूमा सहभागी गराई रहेको छ । साथै कर्मचारीहरूको काम प्रति लगाव र बैंकप्रति आफ्नोपन बढाउनका लागि motivational/soft skills को तालिम समेत उपलब्ध गराउने गरेको छ ।

५. अनुपालन

बैंकले उच्च स्तरको अनुपालनको व्यवस्था गरेको छ र सो सम्बन्धमा नेपाल राष्ट्र बैंक र अन्य नियमनकारी निकायद्वारा जारी गरिएका निर्देशनहरूका पूर्ण पालना गर्नुका साथै अन्तर्राष्ट्रिय स्तरमा हुने अभ्यासको अङ्गीकरण गर्ने पथमा समेत अग्रसर रहेको छ । अनुपालनका लागि यस बैंकको विभागहरू, उच्च व्यवस्थापन, संचालक समितिका उपसमिति र संचालक समिति समेत सजग रहेको छ ।

६. सामाजिक उत्तरदायित्व

नेपाल राष्ट्र बैंकको निर्देशिका अनुसार बैंकले संस्थागत सामाजिक उत्तरदायित्व कोष खडा

गरी संस्थागत सामाजिक उत्तरदायित्व सम्बन्धी गतिविधिमा आफ्नो खुद नाफाको कम्तिमा १% विनियोजन गर्नुपर्ने हुन्छ ।

बैंकले हालसम्म समाजको विभिन्न वर्गको उत्थानमा सहयोग हुने गरी र नेपाल राष्ट्र बैंकद्वारा तोकिएको क्षेत्रहरूमा निर्देशनको पालना गर्दै संस्थागत सामाजिक उत्तरदायित्वबाट खर्च विनियोजन गरिएको छ ।

समिक्षा वर्षमा कोभिड महामारीको रोकथाम व्यवस्थापनका कार्यक्रमहरूका अन्तर्गत सबैभन्दा बढी रकम विनियोजन गरिएको छ ।

तसर्थ, संस्थागत सामाजिक उत्तरदायित्व कोष मात्र खडा गर्ने वा कर कार्यालयले व्यावसायिक खर्चका रूपमा अनुमति नदिए पनि सो रकम पनि बैंकले खर्च गर्ने भन्नेबारे बोर्डले विचार गर्नुपर्नेछ ।

७. लाभांश/बोनस शेयर

मिति २०७८ कार्तिक १२ गते बसेको बैंकको संचालक समितिको बैठकले शेयरधनीहरूलाई नेपाल राष्ट्र बैंकको स्वीकृति लिई ६.००% का दरले बोनस शेयर र ४.३२% (कर सहित) का दरले नगद लाभांश वितरण गर्न शेयरधनीहरू समक्ष सिफारिस गर्ने निर्णय गरेको छ ।

बोनस शेयर तथा नगद लाभांश सम्बन्धी प्रस्ताव यहाँहरूको समर्थनको लागि पेश गरिएको छ ।

८. पूँजी पर्याप्तता

BASEL III को रूपरेखा बमोजिम नेपाल राष्ट्र बैंकले तोकेको न्यूनतम पूँजी कोष पर्याप्तता ११% रहेको छ । प्रस्तावित लाभांश पश्चात् बैंकको कुल पूँजीकोष अनुपात २०७८ आषाढ मसान्तमा १२.४८% (गत वर्ष १३.३८%) रहेको व्यहोरा प्रतिवेदन गरिएको छ ।

९. संचालक समिति

यो आर्थिक वर्षमा संचालक समितिमा केही परिवर्तन भएको छैन ।

१०. प्रबन्धपत्र र नियमावली संशोधन

वार्षिक साधारण सभाको प्रस्ताविक एजेन्डा पत्रमा संशोधित प्रबन्धपत्र र नियमावली संशोधनलाई कारण सहित छुट्टै एजेन्डाको रूपमा समावेश गरिएको छ ।

११. कर्मचारी सम्बन्ध

समीक्षा वर्षमा व्यवस्थापन र कर्मचारी बीचको सम्बन्ध सुमधुर रहेको प्रतिवेदन गर्न पाउँदा हर्षित छु । बैंकको विस्तारको लागि आवश्यक थप जनशक्ति भर्ना गर्नुको साथै हाल रहेका कर्मचारीको मनोबलको स्तर पनि सधैं उच्च राख्ने कार्य भई नै रहेको छ ।

१२. संस्थागत सुशासन

शेयरधनी महानुभावहरू कुनै पनि संस्था बलियो र दिगो हुनुमा सो संस्थाको संस्थागत सुशासन अवस्थाले ठूलो भूमिका खेलेको हुन्छ । हामी यस प्रति सदा सजग र सचेत छौं । तपाईंको बैंकले नेपाल राष्ट्र बैंकले जारी गरेको सम्बन्धित ऐन, नियम र निर्देशनको सम्बन्धित प्रावधानहरूको पालना गरेको छ ।

१३. वैधानिक लेखा परीक्षकको नियुक्ति

बैंकको लेखापरीक्षण समितिले आर्थिक वर्ष २०७८/७९ का लागि बैंकको वैधानिक लेखा परीक्षकको सिफारिस गरे बमोजिम नियुक्ति गर्नका लागि छुट्टै एजेन्डाको रूपमा समावेश गरिएको छ ।

१४. धन्यवाद ज्ञापन

यस अवसरमा, प्रत्यक्ष वा अप्रत्यक्ष रूपले बैंकलाई बहुमूल्य सहयोग तथा सुझाव दिई बैंकको कार्य दक्षतामा वृद्धि गर्न मद्दत गर्ने सम्पूर्ण शेयरधनी महानुभावहरू, ग्राहकहरू, नेपाल सरकारका सम्बन्धित निकायका पदाधिकारीहरू, नेपाल राष्ट्र बैंकका सम्बन्धित अधिकृतहरू, पंजाब नेशनल बैंकका सम्बन्धित अधिकृतहरू र बैंकप्रति समर्पण र कडा परिश्रमका साथ काम गर्ने बैंकका सम्पूर्ण कर्मचारीवर्गलाई धन्यवाद दिन चाहन्छु । साथै, हाम्रा शुभचिन्तक तथा पत्रकार मित्रहरूलाई वहाँहरूको

सहयोग र बहुमूल्य सुझावहरूका लागि संचालक समितिका तर्फबाट म हार्दिक धन्यवाद दिन चाहन्छु ।

अन्त्यमा, मलाई विश्वास छ आगामी दिनहरूमा पनि यहाँहरू सबैबाट सदा भैं सहयोग तथा सद्भाव पाउने अपेक्षा राखेको छु जसले आउने दिनहरूमा बैंकलाई नयाँ उचाईको सफलता हासिल गर्न प्रेरणाको स्रोत हुनेछ ।

धन्यवाद ।

संचालक समितिका तर्फबाट

विष्णु कृष्ण श्रेष्ठ

अध्यक्ष

SUNDAR & CO.
Chartered Accountants

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Independent Auditor's Report to the Members of Everest Bank Limited

Opinion on the Financial Statements

We have audited the accompanying financial statements of Everest Bank Ltd. ("the Bank") which comprise the Statement of Financial Position as at 31 Ashadh 2078 corresponding to 15 July 2021, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above present fairly, in all material respects, the financial position of the bank as of 31 Ashadh 2078 (15 July, 2021), and its financial performances, changes in equity and its cash flows for the year ended on that date in accordance with Nepal Financial Reporting Standards (NFRS) as mentioned under section (b) of Report on Other Legal and Regulatory Requirements (Bank & Financial Institution Act and Company Act)

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the bank in accordance with the ethical requirement that are relevant to our audit of the financial statements, 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 basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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:

Key Audit Matters	How our Audit addressed the Key Audit Matters
Impairment of Loans and Advances to Customers	
Total Loans and Advances to Customers: Rs. 129,172,202 thousand as on 15 th July 2021 (NPR. 113,153,811 thousand as on 15 th July 2020)	
Total Impairment: NPR 1,978,024 thousand as on 15 th July 2021 (NPR. 1,744,988 thousand as on 15 th July 2020)	
Total accrued interest income is NRS. 9,823,538 thousand (NPR. 11,986,031 thousand in F/Y 2076/77)	

<p>Bank's policy for the allowance for impairment of loans and advances to customers have been based on the application of incurred loss model, giving impact of COVID -19, and Nepal Rastra Bank regulations, as applicable.</p> <p>It involves significant management judgement and estimation. In addition, assessment of allowances for impairment is important as carve out provides for higher of the incurred loss model or NRB's directive.</p> <p>The carrying value of the loans & advances to customers can be materially misstating if management's judgement and estimation are inappropriate.</p> <p>In addition to above, interest income of the bank has been recognized on accrual basis as calculated by the Bank's core banking system and following the interest income recognition Guidelines 2019 issued by NRB. Recognition of interest income on non-performing loans and advances involves judgement and estimation on calculating net realizable value of the loans & advances.</p> <p>Therefore, considering the significance of the above matter to the financial statements, we have identified this as a key audit matter.</p>	<p>We tested the Bank's operating effectiveness of key controls to identify loss events and for determining the extent of provisioning required against non-performing loans & advances.</p> <p>The testing of control included testing of:</p> <ul style="list-style-type: none"> • Controls over correct identification and classification of non – performing loans and advances on time-based criteria • Control over accurate computation and recording of provisions • Control over statistical model used to calculate the incurred loss in accordance with incurred loss model. • Control over the monitoring of loans and advances to customers with higher risk default • Control over the governance and approval process for provisions including ongoing reassessment by the Bank's Management <p>In carrying out the substantive procedures, we selected sample of loans & advances to customers and checked the repayment schedules and tested the classification of non-performing loans based on overdue period. Assessed the Management's assumption and judgement for classification of loans & advances based on repayment pattern, documentation, assessment of control over mortgage value of loans & advances, inspection and discussion with management.</p> <p>Our Result:</p> <p>We considered the impairment charges on loans & advances to customers and interest recognition to be acceptable.</p>
<p>Information Technology System</p> <p>The Bank's Information Technology, involving a huge number of independent and interdependent IT systems that are used to process and record a large volume of transactions in the Bank's activities.</p> <p>As a result, the Bank's financial accounting and reporting procedures place a significant level of reliance and rely on such IT systems.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p>	<p>Our audit approach regarding Information Technology of the Bank is based upon the Information Technology Guidelines 2012 issued by NRB and it included:</p> <ul style="list-style-type: none"> • We conducted the detail understating and testing regarding the existing system via enquiry, re-performance and inspection to the extent of our knowledge. • All the core banking activities are fully computerized allowing all the customer transactions as well as internal transactions routed through the computerized system. <p>On a sample basis, reviewed the reports generated by the system. On a test basis, we verified interest revenue and expense booking for loans and deposits using the bank's Core Banking System.</p> <ul style="list-style-type: none"> • Verification of loan and advance impairment (provision) based on aging on a test check basis.

<p>Due to the importance of the impact of the IT systems and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter.</p>	<ul style="list-style-type: none"> The bank has setup its own Disaster Recovery Center with online replication of its core banking system enabling bank to provide basic banking system in shorted possible time. <p>Our Result:</p> <p>We considered the IT systems and their relevant controls to be adequate.</p>
<p>Investment Valuation, Identification and Impairment</p> <p>The Bank's investment portfolio includes Government Bonds, Treasury Bills, Development Bonds, and quoted and unquoted equity instruments. These instruments were valued in accordance with NAS 39 read with NFRS 9 and NRB Directive 8.</p> <p>Government bond and Treasury bill are measured at amortized cost. Investment in an equity instrument that is not held for trading are measured at fair value through Other Comprehensive Income (FVOCI).</p> <p>Given there are different methods recommended for the treatment of investments based on the nature of cash flow, the business model adopted, complexity of calculation and the significance of amount involved in such investments, same has been considered as Key Audit matter.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ul style="list-style-type: none"> Review of the Bank's investment and its valuation having reference to NFRS and NRB Directive. For investment valued at amortized cost, on test check basis, we checked the effective interest rate (EIR) and amortization schedule. For the investments measured at Fair Value through Other Comprehensive Income (FVTOCI) for quoted investment, we ensured that fair valuation done at the closing transaction rate in NEPSE as on 15th July 2021. Income and Bonus received have been verified through DEMAT statement maintained by the Bank wherever applicable. Also, party confirmation has been taken regarding number of equity shares held. <p>Our Result:</p> <p>We agreed with the Bank's recognition, disclosures, and valuation.</p>
<p>Investment Properties (Non-Banking Assets)</p> <p>Investment Properties includes land, land and building acquired by the Bank as non-banking assets but not sold as on the reporting date.</p> <p>The Bank holds investment property that has been acquired through enforcement of security over the loans and advances.</p> <p>Investment property is to be measured at fair value model or cost model.</p>	<p>During the course of audit, we verified the Non-Banking Assets as per Nepal Rastra Bank's Directive.</p> <p>This specific item has been found included under investment property without being mentioning the mode of subsequent measurement.</p>

Other Information

The Bank's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statement and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during 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.

Management's Responsibility and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Nepal Financial Reporting Standards (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, the management is responsible for assessing the bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- 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 the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements (Bank & Financial Institution Act and Company Act)

On examination of the financial statements as aforesaid, we report that:

- a. We have obtained all information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our examination.
- b. In our opinion, proper books of account as required by law have been kept by the bank, in so far as appears from our examination of those books of account and the financial statements dealt with by this report are prepared in conformity with the NFRS based format prescribed by Nepal Rastra Bank.
- c. In our opinion, the returns received from the respective bank's branches are adequate for the audit purpose, though the statements are independently not audited.
- d. In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the bank, we have not come across the cases where the Board of Directors or any member thereof or any employee of the bank has acted contrary to the provisions of the law relating to accounts or caused loss or damage to the bank or committed any misappropriation or violated any directive of Nepal Rastra Bank.
- e. In our opinion, the loans and advances are charged off as per the write off policy and with the approval of the authority concern.
- f. In our opinion, the business of the bank has been conducted within its authority.




CA. Anila Shrestha

Partner

Sundar & Co.,

Chartered Accountants

UDIN # 211031CA00225XFum2

Date: October 31, 2021

Kartik 14, 2078

वित्तीय अवस्थाको विवरण (तासलात)

२०७८ साल आषाढ मसान्तको

सम्पत्ति	नोट	३१ आषाढ २०७८	३१ आषाढ २०७७
नगद तथा नगद समान	४.१	९,१६३,४०८,२८९	१०,३६८,१४७,७१२
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	४.२	२८,८३८,५७२,१७८	१९,९७२,६७४,८८९
बैंक तथा वित्तीय संस्थामा रहेको मौज्दात	४.३	२,१४४,७००,०००	२,४०४,०००,०००
व्युत्पन्न वित्तीय उपकरण	४.४	-	१४,५३७,२९१
अन्य व्यापारिक सम्पत्तिहरू	४.५	-	-
बैंक तथा वित्तीय संस्थालाई कर्जा तथा सापट	४.६	७,४८६,०२३,६०५	६,८५७,४९९,८५१
ग्राहकलाई कर्जा तथा सापट	४.७	१२७,६८७,२२४,५६८	११२,२११,७३८,३३८
लगानी सुरक्षण पत्र	४.८	३१,४६०,०३३,४४४	२८,८१३,५१०,०२६
चालु आयकर सम्पत्ति	४.९	४४१,०७९,५९२	२२६,७१२,८३९
सहायक कम्पनीमा लगानी	४.१०	-	-
सम्बद्ध कम्पनीमा लगानी	४.११	५०२,३१५,६९६	३७९,०२२,९०६
लगानी सम्पत्ति	४.१२	२,२०२,७४५	२१,०४०,१७४
सम्पत्ति तथा उपकरण	४.१३	२,७३७,९१२,६३५	२,१५१,०५४,१८५
ख्याती र अमुर्त सम्पत्ति	४.१४	३२,८३७,०३७	४६,१३६,४५७
स्थगन कर सम्पत्ति	४.१५	-	-
अन्य सम्पत्ति	४.१६	१,१५३,९३९,६४९	१,५५७,११५,०३७
कुल सम्पत्ति		२११,६५०,२४९,४३८	१८५,०२३,१८९,७०४

दायित्व	नोट	३१ आषाढ २०७८	३१ आषाढ २०७७
बैंक तथा वित्तीय संस्थालाई तिर्न बाँकी	४.१७	६७८,९७५,२१९	१,१८२,८३४,३३८
नेपाल राष्ट्र बैंकलाई तिर्न बाँकी	४.१८	२,११२,१८४,४४१	३२,८८६,३३२
व्युत्पन्न वित्तीय उपकरण	४.१९	२७,९२५,२०६	-
ग्राहकबाट निक्षेप	४.२०	१६०,२२०,२५६,९४०	१४३,५४५,४७५,१८४
तिर्न बाँकी सापट	४.२१	-	-
चालु आयकर दायित्व	४.२२	-	-
व्यवस्थाहरू	४.२२	-	-
स्थगन कर दायित्व	४.१५	४१०,४६३,५४६	१२७,३७०,२२२
अन्य दायित्व	४.२३	२७,०४७,९९३,३२०	२०,४२८,४२२,१६८
जारी गरिएका ऋणपत्र	४.२४	४६८,८४५,०००	१,०६८,८४५,०००
सहायक आवाधिक दायित्व	४.२५	-	-
कुल दायित्व		१९०,९६६,६४३,९७३	१६६,३८५,८३३,२४४

पूँजी			
शेयर पूँजी	४.२६	८,९३३,७१७,१७८	८,५१०,२०६,८३६
शेयर प्रिमियम		२३८,४६९,८८४	२३८,४६९,८८४
संचित मुनाफा		२,३६४,२०७,७१८	१,७९३,०६५,९६२
जगेडा तथा कोषहरू	४.२७	९,१४७,२१०,६८५	८,०९५,६१३,७७८
शेयरधनीहरूलाई बाँडफाँड योग्य पूँजी		२०,६८३,६०५,४६६	१८,६३७,३५६,४६०
गैर नियन्त्रित स्वार्थ			-
कुल पूँजी		२०,६८३,६०५,४६६	१८,६३७,३५६,४६०
कुल दायित्व तथा पूँजी		२११,६५०,२४९,४३८	१८५,०२३,१८९,७०४
संभावित दायित्व तथा प्रतिवद्धता	४.२८	६१,३००,१२०,९६३	४५,६६८,१५४,९६९
प्रति शेयर खुद सम्पत्ति		२३२.५६	२२०.०२

सुदेश खालिङ
प्रमुख कार्यकारी अधिकृत

डा. बाल गोपाल बैद्य
संचालक

विष्णु कृष्ण श्रेष्ठ
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

गौरव कुमार
नायब महाप्रबन्धक

अरूण मान शेरचन
संचालक

अनिल बन्सल
पंजाब नेशनल बैंक सञ्चालक

राजन कायस्थ
लेखा प्रमुख

नविन भक्त श्रेष्ठ
संचालक

उर्मिला श्रेष्ठ
संचालक

अनिला श्रेष्ठ, एफ.सि.ए.
साभेदार
सुन्दर एण्ड कं.
चार्टर्ड एकाउन्टेण्ट्स

स्थान: काठमाडौं, नेपाल
मिति: २०७८ कार्तिक १२

नाफा नोक्सान हिसाब

१ आतण २०७७ देखि ३१ आषाढ २०७८ सम्म

	नोट	३१ आषाढ २०७८	३१ आषाढ २०७७
व्याज आम्दानी	४.२९	११,५१५,५२७,५५६	१३,९५६,१८८,९१३
व्याज खर्च	४.३०	७,५५९,२०८,९१४	८,६४५,७७८,४१८
खुद व्याज आम्दानी		३,९५६,३१८,६४२	५,३१०,४१०,४९५
शुल्क तथा कमिशन आम्दानी	४.३१	९७८,९०२,०८३	१,१४४,६५६,७९६
शुल्क तथा कमिशन खर्च	४.३२	२१०,७३७,४०६	१२८,५०२,७७१
खुद शुल्क तथा कमिशन आम्दानी		७६८,१६४,६७७	१,०१६,१५३,९२५
खुद व्याज, शुल्क तथा कमिशन आम्दानी		४,७२४,४८३,३१९	६,३२६,५६४,४२०
खुद व्यापारिक आम्दानी	४.३३	३६७,२३९,०४३	२६३,५६५,६०७
अन्य संचालन आम्दानी	४.३४	२१४,२८१,८०९	१२२,२०६,७५८
कुल संचालन आम्दानी		५,३०६,००४,१७१	६,७१२,३३६,८०४
कर्जा तथा अन्य सम्पत्तिमा हानी/नोक्सानीको व्यवस्था/(फिर्ता)	४.३५	२६२,३६७,६८०	५४८,४७०,४८३
खुद संचालन आम्दानी		५,०४३,६३६,४९१	६,१६३,८६६,३२१
संचालन खर्च			
कर्मचारी खर्च	४.३६	१,६११,०६१,७९४	१,६४६,८३९,९६४
अन्य संचालन खर्च	४.३७	७२४,३०९,८३६	७८४,४९९,४०१
चासकट्टी र परिपोधन	४.३८	१५९,८५६,५१३	१४९,८३५,१८०
संचालन मुनाफा		२,५४८,४०८,३४८	३,५८२,६९१,७७६
गैर संचालन आम्दानी	४.३९	-	-
गैर संचालन खर्च	४.४०	८६,६८८	६१२,६६३
आयकर अधिको मुनाफा		२,५४८,३२१,६६०	३,५८२,०७९,११४
आयकर खर्च/(आम्दानी)	४.४१		
चालु आयकर		७९०,२४३,९९७	१,०७९,४४१,४१८
स्थगन कर		१२,८६१,८३४	१३,६०६,०१४
यस वर्षको मुनाफा		१,७४०,९३९,४२९	२,५१६,२४३,७१०
नाफा बाँडफाँड			
बैंकको शेयरधनी		१,७४०,९३९,४२९	२,५१६,२४३,७१०
गैर नियन्त्रित स्वार्थ		-	-
यस वर्षको मुनाफा		१,७४०,९३९,४२९	२,५१६,२४३,७१०
प्रति शेयर आम्दानी			
आधारभूत प्रति शेयर आम्दानी		१९.९१	२९.७१
डाइलुटेड प्रति शेयर आम्दानी		१९.८२	२९.५७

सुदेश खालिङ
प्रमुख कार्यकारी अधिकृत

डा. बाल गोपाल बैद्य
संचालक

विष्णु कृष्ण श्रेष्ठ
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

गौरव कुमार
नायब महाप्रबन्धक

अरुण मान शेरचन
संचालक

अनिल बन्सल
पंजाब नेशनल बैंक सञ्चालक

राजन कायस्थ
लेखा प्रमुख

नविन भक्त श्रेष्ठ
संचालक

उर्मिला श्रेष्ठ
संचालक

अनिला श्रेष्ठ, एफ.सि.ए
साम्प्रदाय
सुन्दर एण्ड कं.
चार्टर्ड एकाउन्टेण्ट्स

स्थान: काठमाडौं, नेपाल
मिति: २०७८ कार्तिक १२

अन्य विस्तृत आम्दानीको विवरण

१ आठवण २०७७ देखि ३१ आषाढ २०७८ सम्म

	३१ आषाढ २०७८	३१ आषाढ २०७७
यस वर्षको मुनाफा	१,७७०,९३९,४९७	२,५१६,२४३,७१०
आयकर पछिको अन्य विस्तृत आम्दानी		
क) नाफा/(नोक्सान) मा पुनःवर्गीकरण गर्न नसकिने बुँदाहरू		
इक्वीटी उपकरण लगानीलाई फेयर भ्याल्युमा मूल्याङ्कन गरिदा भएका नाफा/(नोक्सान)	१,११९,६८६,८१४	१४०,८३९,३६२
पुनःमूल्यांकनबाट भएका नाफा/(नोक्सान)	३,५५३,५३०	-
परिभाषित लाभ योजनाबाट विमाडिक नाफा/(नोक्सान)	(८१,०८५,३००)	१९,४७७,३३०
माथि उल्लेख गरिएका बुँदाको आयकर	(३१२,६४६,५१३)	(४८,०९५,००८)
नाफा/(नोक्सान) मा पुनःवर्गीकरण नगरिएका अन्य खुद विस्तृत आम्दानी	७२९,५०८,५३९	११२,२२१,६८४
ख) नाफा/(नोक्सान)मा पुनःवर्गीकरण गरिएका वा गर्न सकिने बुँदाहरू		
नगद प्रवाहको हेजिडबाट भएको नाफा/(नोक्सान)	-	-
विदेशी विनिमय संचालनको वित्तीय सम्पत्ति विनिमयबाट भएको सटही नाफा/(नोक्सान)	-	-
माथि उल्लेख गरिएका बुँदाको आयकर	-	-
नाफा/(नोक्सान) मा वर्गीकरण गरिएका	-	-
नाफा/(नोक्सान) मा पुनःवर्गीकरण गरिएका वा गर्न सकिने अन्य खुद विस्तृत आम्दानी	-	-
ग) इक्वीटी तरिकाबाट लेखांकन गरिएको सम्बद्ध संस्थाको अन्य विस्तृत आम्दानीमा हिस्सा	-	-
यस वर्षको आयकर पछिको अन्य विस्तृत आम्दानी	-	-
यस वर्षको कुल विस्तृत आम्दानी	२,५००,४४८,०२८	२,६२८,४६५,३९४
कुल विस्तृत आम्दानीको बाँडफाँड		
बैंकको इक्वीटी शेयरधनी	२,५००,४४८,०२८	२,६२८,४६५,३९४
गैर नियन्त्रित स्वार्थ	-	-
यस वर्षको कुल विस्तृत आम्दानी	२,५००,४४८,०२८	२,६२८,४६५,३९४

सुदेश खालिङ
प्रमुख कार्यकारी अधिकृत

डा. बाल गोपाल बैद्य
संचालक

विष्णु कृष्ण श्रेष्ठ
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

गौरव कुमार
नायब महाप्रबन्धक

अरूण मान शेरचन
संचालक

अनिल बन्सल
पंजाब नेशनल बैंक सञ्चालक

राजन कायस्थ
लेखा प्रमुख

नविन भक्त श्रेष्ठ
संचालक

उर्मिला श्रेष्ठ
संचालक

अनिता श्रेष्ठ, एफ.सि.ए.
साभेदार
सुन्दर एण्ड कं.
चार्टर्ड एकाउन्टेण्ट्स

स्थान: काठमाडौं, नेपाल
मिति: २०७८ कार्तिक १२

इक्वीटीमा भएको परिवर्तन सम्बन्धी विवरण

१ आवाण २०७७ देखि ३१ आषाढ २०७८ सम्म

शेयर	शेयर	साधारण जोड	स्टडी समीकरण	नियन्त्रकारी कोष	रेजर भ्यान्स	सापानी	ईदनी	अण एन	पुनः प्रत्याकान कोष	संचित मुलाका	अन्य कोष	कुल शेयरधनी	शेयर लिमिटेड	कुल इक्वीटी
(रु.) (रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)	(रु.)
साउन १, २०७६ सासको मौज्जात	८,१०६,८६३,३४७	३,८८५,०४४,२८२	३०,१६१,४३९	४,९४,४४३,२२१	४,८२,०२२,३६४	१,४४३,२६६	४७,४६२,९०७	८०८,१९४,०००	९६८,९४३,४२१	१,३२४,४८०,९६८	१,०७,६३३,२०४	१७,६२४,०६३,४०४	-	१७,६२४,०६३,४०४
समायोजन, पुनःस्थापन														
साउन १, २०७६ सासको मौज्जात	८,१०६,८६३,३४७	३,८८५,०४४,२८२	३०,१६१,४३९	४,९४,४४३,२२१	४,८२,०२२,३६४	१,४४३,२६६	४७,४६२,९०७	८०८,१९४,०००	९६८,९४३,४२१	१,३२४,४८०,९६८	१,०७,६३३,२०४	१७,६२४,०६३,४०४	-	१७,६२४,०६३,४०४
यस वर्षको विस्तृत आवधिक														
यस वर्षको मुलाका														
यस वर्षको आवधिक पछिको														
अन्य विलुप्त आवधिक														
इक्वीटी उपकरण समीक्षाई केयर														
भ्यान्समा मूल्यांकन गरिदा भएको नाफा / (तोसमान)														
पुनः मूल्यांकनबाट भएको नाफा / (तोसमान)														
परिभाषित लाभ खोलाबाट विमादिक नाफा / (तोसमान)														
नगद प्रवाहको हेरिडनाट भएको नाफा / (तोसमान)														
विदेशी विनिमय संचालनको वितीय सम्यति														
विनिमयबाट भएको स्टडी नाफा / (तोसमान)														
यस वर्षको विस्तृत आवधिक	-	-	-	-	९८,४८७,४४३	-	-	-	-	१३,६३४,१३१	१३,६३४,१३१	१३,६३४,१३१	-	१३,६३४,१३१
कुलमा सारिएका रकम		४,०३,२४८,७४२	४,९०४,७३७	३,८४,१२२,१८४	९८,४८७,४४३	१,३२०,०००	-	१६६,८८४,०००	-	१३,६३४,१३१	१३,६३४,१३१	२,९२८,४६४,३९४	-	२,९२८,४६४,३९४
कुलबाट पित्त गरिएको रकम														
सिधै इक्वीटीमा देखाइएको शेयरधनी संसको कारोबार														
हकअधिकार शेयर जारी														
शेयर जारी खर्च														
शेयरमा आधारित भुतानी														
शेयरधनीलाई लाभमा	४०३,२४८,७४२													
बोनस शेयर														
नगद लाभमा														
शेयरधनीलाई लाभमा (साधारण)														
शेयरधनीलाई लाभमा (अधारित)														
कुल योगदान र वितरण	४०३,२४८,७४२	-	-	-	-	-	-	-	-	-	-	-	-	-
आषाढ २०७७ को अन्तिम मौज्जात	८,४९०,२०६,८३६	४,३१८,३०३,०२४	३०,०६७,२०६	९,७८,६७४,४०६	६,८०,६०९,९१८	२,७७३,२६६	४७,४६२,९०७	९,७४,०८०,०००	९६८,९४३,४२१	१,३२४,४८०,९६८	१,०७,६३३,२०४	१८,६३७,३४६,४६०	-	१८,६३७,३४६,४६०

इक्वीटीमा भएको परिवर्तन सम्बन्धी विवरण

१ आठ्ठा २०७७ देखि ३१ आषाढ २०७८ सम्म

शेयर	शेयर	साधारण जोड	स्टडी समीकरण	निष्कर्षारी कोष	सेवर प्राम्य	सातौँ	ईती	अण्डा एष	पूर्ण: सुचालन कोष	संविन मुलाका	अन कोष	कुल शेयरधनी	शेर निम्निक	कुल इक्वीटी
ईती (रु.)	निम्निक (रु.)	कोष (रु.)	कोष (रु.)	(रु.)	कोष (रु.)	समायोजन कोष	समायोजन कोष	विर्ता कोष		(रु.)	(रु.)	कोष (रु.)	म्यार्य (रु.)	(रु.)
साउन १, २०७७ सम्मको मौज्जात	८,५४०,२०६,८३६	४,३१८,३०७,०२४	३८,०६७,२७६	९७८,६७४,४०६	६८०,६०६,९१८	२,७७३,२६६	४७३,५६२,९०७	९७४,०८०,०००	९६८,९४३,४८१	१,७७३,०६७,९६२	८८,५६८,५६०	१८,६३७,३५६,४६०	-	१८,६३७,३५६,४६०
समायोजन पुन:स्थापन														
समायोजन, पुन:स्थापन	८,५४०,२०६,८३६	४,३१८,३०७,०२४	३८,०६७,२७६	९७८,६७४,४०६	६८०,६०६,९१८	२,७७३,२६६	४७३,५६२,९०७	९७४,०८०,०००	९६८,९४३,४८१	१,७७३,०६७,९६२	८८,५६८,५६०	१८,६३७,३५६,४६०	-	१८,६३७,३५६,४६०
यस बाँकेको मुलाका										१,७७३,०६७,९६२		१,७७३,०६७,९६२		१,७७३,०६७,९६२
यस बाँकेको आबकर अर्पणको विवृत आम्दानी														
इक्वीटी उपकरण सपानीलाई सेवर प्र्यान्सुमा														
मुलाकात गरिदा भएको नाफा/(तोसमान)														
पूर्ण: मुलाकातबाट भएको नाफा/(तोसमान)														
परिभाषित लाभ योजनाबाट विमाई नाफा/(तोसमान)														
नगद प्रवाहको हेरिडबाट भएको नाफा/(तोसमान)														
विदेकी निम्निक संचालनको वितीय समर्पित														
निम्निकबाट भएको स्टडी नाफा/(तोसमान)														
यस बाँकेको विवृत आम्दानी	-	-	-	-	-	-	-	-	२,४८७,४७१	१,७७३,०६७,९६२	(४६,७४६,७४०)	-	-	-
कोसमा सरिल्लो रकम	३४४,४८०,८९९	२,९९३,९१८	(३६,५४८,४८९)	(३६,५४८,४८९)	(३६,५४८,४८९)	(१०,५२०)	६००,०००,०००	(४२३,९१४,०००)	२,४८७,४७१	१,७७३,०६७,९६२	(४६,७४६,७४०)	२,४००,४४८,०८८	-	२,४००,४४८,०८८
कोषबाट विर्ता गरिएका रकम	१९,१२७,५७०									४४,५७०,२८२	(१०,५२०,४४४)	१९,६९६,३६६	-	१९,६९६,३६६
सिर्ध इक्वीटीमा देखाइएको शेयरधनी सौको कारोबार														
हकअधिकार शेयर जारी														
शेयर जारी बाँचे														
शेयरमा आधारित भुक्तानी														
शेयरधनीलाई लाभमा	४२३,५१०,३४२													
तोसमान शेयर														
नगद लाभमा														
शेयरधनीलाई लाभमा (साधारण)														
शेयरधनीलाई लाभमा (अप्राधिकार)														
कुल योगदान र विवरण	४२३,५१०,३४२	-	-	-	-	-	-	-	-	(४६,७४६,७४०)	-	(४७३,८९०,३४२)	-	(४७३,८९०,३४२)
आषाढ २०७८ को अन्त्य मौज्जात	८,९६३,७१७,१७८	४,६८३,६१८,४९४	३८,०६७,२७६	९७८,६७४,४०६	६८०,६०६,९१८	२,७७३,२६६	४७३,५६२,९०७	९७४,०८०,०००	९६८,९४३,४८१	२,४८७,४७१	१४,६९६,०६४	२०,९६३,६०६,४६६	-	२०,९६३,६०६,४६६

सुदेश खालिङ
प्रमुख कार्यकारी अधिकृत

गौरव कुमार
नायब महाप्रबन्धक

राजन कायस्थ
लेखा प्रमुख

स्थान: काठमाडौँ, नेपाल
मिति: २०७८ कार्तिक १२

डा. बाल गोपाल बैद्य
संचालक

अरुण मान शेरचन
संचालक

नविन भक्त श्रेष्ठ
संचालक

विष्णु कृष्ण श्रेष्ठ
अध्यक्ष

अनिल बत्सल
पंजाब नेशनल बैंक सञ्चालक

उर्मिला श्रेष्ठ
संचालक

हाम्रो सलरन प्रतिवेदन अनुसार

अनिला श्रेष्ठ, एफ.सि.ए.
साभेदार
सुन्दर एण्ड कं.
चाटर्ड एकाउन्टेन्ट्स

नगद प्रवाह वितरण

१ आठवण २०७७ देखि ३१ आषाढ २०७८ सम्म

	३१ आषाढ २०७८	३१ आषाढ २०७७
संचालन गतिविधिबाट नगद प्रवाह		
व्याज प्राप्ति	१०,३३८,३५७,५६६	१२,०९२,७०७,४०२
शुल्क तथा अन्य आम्दानी प्राप्ति	९७८,९०२,०८३	१,१४४,६५६,७१६
लाभांश प्राप्ति	-	-
अन्य संचालन गतिविधिबाट प्राप्ति	४०९,७०१,५४०	२९३,९९४,९२१
व्याज भुक्तानी	(७,४६२,७६२,६५३)	(८,५५४,१२८,२४०)
कमिशन तथा शुल्क भुक्तानी	(२१०,७३७,४०६)	(१२८,५०२,७७१)
कर्मचारीलाई भुक्तानी	(१,६३४,००८,९२६)	(१,७९६,९४१,२५८)
अन्य खर्च भुक्तानी	(७१२,८३७,१४१)	(७६६,८७५,८५५)
संचालन सम्पत्ति/दायित्वमा परिवर्तन अधिको नगद प्रवाह	१,७०६,६१५,०६४	२,२८४,९१०,९१४
संचालन सम्पत्तिमा कमि/(वृद्धि)		
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	(८,८६५,८९७,२८९)	३,३३१,८९३,६३७
बैंक तथा वित्तीय संस्थाहरूमा रहेको मौज्दात	२५९,३००,०००	(१,८५५,५००,०००)
अन्य व्यापारिक सम्पत्ति	-	-
बैंक तथा वित्तीय संस्थाहरूलाई दिइएको कर्जा तथा सापटी	(६५७,८५६,१८७)	५१०,५८७,२५२
ग्राहकलाई दिइएको कर्जा तथा सापटी	(१५,७९१,४९३,८६६)	(७,७३४,८०६,०८३)
अन्य सम्पत्ति	१३४,५७२,३४९	(२८०,८९९,२२४)
संचालन दायित्वमा कमी/(वृद्धि)		
बैंक तथा वित्तीय संस्थाहरूलाई तिर्न बाँकी रकम	(५०३,८५९,११९)	५७३,६१९,०९४
नेपाल राष्ट्र बैंकलाई तिर्न बाँकी रकम	२,०७९,२९८,४०९	(१,१७३,१८२,७६२)
निक्षेप दायित्व	१६,६७४,७८१,७५६	१३,९७७,३२२,२८९
तिर्न बाँकी सापटी	-	-
अन्य दायित्व	६,६५३,३६४,५५९	२,१२७,०४७,३०६
आयकर अधिको संचालन गतिविधिबाट खुद नगद प्रवाह	१,६८८,८२५,६७६	११,७६०,९९२,४२३
आयकर भुक्तानी	(१,००४,६१०,७५०)	(१,२३१,०६३,५३१)
संचालन गतिविधिबाट खुद नगद प्रवाह	६८४,२१४,९२७	१०,५२९,९२८,८९२
लगानी गतिविधिबाट नगद प्रवाह		
लगानी उपकरणको खरिद	(१,५८३,०००,४६६)	(७,२३८,४७१,६५७)
लगानी उपकरणको बिक्री	१२४,३७२,५१६	-
स्थिर सम्पत्तिको खरिद	(७१२,०७०,१५६)	(१,७४,४५३,६०७)
स्थिर सम्पत्तिको बिक्री	१,०६०,०००	१,६९५,३९३
अमूर्त सम्पत्तिको खरिद	(३६,०००)	(१९,७९१,८३८)
अमूर्त सम्पत्तिको बिक्री	-	-
लगानी सम्पत्तिको खरिद	-	-
लगानी सम्पत्तिको बिक्री	५८२,०२९	-
व्याज प्राप्ति	१,४४४,१६८,६१०	१,१४२,२७७,१०७
लाभांश प्राप्ति	१०,१६०,५४९	३१,५३६,६८५
लगानी गतिविधिमा प्रयोग भएको खुद नगद	(७१४,७६२,९१८)	(६,२५७,२०७,९१८)

वित्तीय गतिविधिबाट नगद प्रवाह		
ऋणपत्र निष्काशनबाट प्राप्त	-	-
ऋणपत्रको भुक्तानी	(६००,०००,०००)	-
आवधिक दायित्वको निष्काशनबाट प्राप्त	-	-
आवधिक दायित्वको भुक्तानी	-	-
शेयर निष्काशनबाट प्राप्त	-	-
लाभांश भुक्तानी	(४८५,९४३,६२२)	(९,५७३,२७५,९६२)
व्याज भुक्तानी	(९०९,०२०,४७९)	(९९०,०४२,४२९)
अन्य प्राप्त/भुक्तानी	-	-
वित्तीय गतिविधिबाट नगद	(९,९८६,९६४,९०२)	(९,६८३,३९७,५८३)
नगद तथा नगद समानमा भएको खुद (घट)/बढ	(९,२९६,७९२,०९३)	२,५८९,४०३,३९२
श्रावण १, २०७७ मा रहेको नगद तथा नगद समान	९०,३६८,९४७,७९२	७,७५९,९२९,३७४
नगद तथा नगद समानमा विनिमय दरको उतारचढावको असर	९९,९७२,६७९	९९,६२२,९४७
३१ आषाढ २०७८ मा रहेको नगद तथा नगद समान	९,९६३,४०८,२८९	९०,३६८,९४७,७९२

सुदेश खालिङ
प्रमुख कार्यकारी अधिकृत

डा. बाल गोपाल बैद्य
संचालक

विष्णु कृष्ण श्रेष्ठ
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

गौरव कुमार
नायब महाप्रबन्धक

अरूण मान शेरचन
संचालक

अनिल बन्सल
पंजाब नेशनल बैंक सञ्चालक

राजन कायस्थ
लेखा प्रमुख

नविन भक्त श्रेष्ठ
संचालक

उर्मिला श्रेष्ठ
संचालक

अनिला श्रेष्ठ, एफ.सि.ए
साभेदार
सुन्दर एण्ड कं.
चार्टर्ड एकाउन्टेण्ट्स

स्थान: काठमाडौं, नेपाल
मिति: २०७८ कार्तिक १२

Notes to the Financial Statements of Everest Bank Limited (Amount in Nepalese Rupees except otherwise stated) For the Year ended 31 Ashadh 2078 (15 July 2021)

1. Reporting entity

Everest Bank Limited (Bank) is a public limited company registered under the Companies act of Nepal. The Bank is licensed by the Nepal Rastra Bank (NRB) to perform all banking operations provided for in the Banking and Financial Institutions Act (BAFIA) and the Articles and Memorandum of the Bank.

The Head Office of the Bank is located at Lazimpat, Kathmandu, Nepal. At the end of the reporting period i.e. at 15 July 2021, the Bank had 103 branches (15 July 2020: 95 branches). As at 15 July 2021 the Bank had 945 employees (15 July 2020: 868 employees).

The Bank accepts deposits, issues loans, makes money transfers and documentary settlements, exchanges currencies for its clients, issues and processes debit and credit cards, is engaged in trade finance and is investing and trading securities, as well as performs other activities set forth in the BAFIA and the Articles and Memorandum of the Bank. The Bank offers full range of banking products and services to wide range of clients encompassing individuals, midmarket, local corporate, multinationals, large public sector companies, Nepal Government & government corporations, airlines & hotels, aid agencies, INGOs and NGOs etc. as authorized by Nepal Rastra Bank.

The Bank's shares are listed with Nepal Stock Exchange Ltd. and its stock symbol is EBL.

The Bank has entered into Technical Services Agreement (TSA) for the equity & management participation with Punjab National Bank, New Delhi, India. The bank has a representative office in New Delhi.

2. Basis of Preparation

The Financial statements of the Bank have been prepared on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

The preparation and presentation of the Financial Statements are in compliance with the requirements of format issued by Nepal Rastra Bank in Directive No. 4 of Unified NRB Directives, 2077.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown in a single statement, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1 Statement of Compliance

The financial statements have been prepared and approved by Board of Directors in accordance with Nepal Financial Reporting Standards (NFRSs) as published by the Nepal Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountant of Nepal (ICAN) and in the format issued by Nepal Rastra Bank in Directive No. 4 of Unified NRB Directives, 2077.

The significant accounting policies applied in the preparation of financial statements are set out in Note 3. These policies have been consistently applied to all the years presented except otherwise stated.

2.2 Reporting period and approval of financial statements

2.2.1 Reporting Dates

The Bank follows the Nepalese financial year based on the Nepalese calendar starting from first day of Shrawan (Mid July) of each year to the last day of Ashadh (Mid July) of the next year.

2.2.2 Approval of financial statements

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its 334th Board Meeting dated 29th October 2021 and the Board acknowledges the responsibility of preparation of financial statements of the Bank. The approved financial statements have been recommended for approval by the shareholders in the 27th Annual General Meeting of the Bank.

2.3 Functional and presentation currency

Financial statements are denominated in Nepalese Rupees (NPR), which is the functional and presentation currency of the Bank. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

2.4 Use of Estimates, assumptions and judgments

The preparation of the financial statements in accordance with NFRS requires management to make judgments, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses.

Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgments and assumptions are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Further information about key assumptions concerning the future, and other key sources of estimation uncertainty and judgment, are set out in the relevant disclosure notes for the following areas:

2.4.1 Going Concern

The Management has made an assessment on 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, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4.2 Commitment and Contingent Liabilities

All discernible risks are accounted for in determining the amount of all known and measurable 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 recognised in the Statement of Financial Position but are disclosed unless its considered remote that the Bank will be liable to settle the possible obligation.

2.4.3 Fair Value of Financial Instruments

When the fair value of financial assets and financial liabilities, recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, however, if such data are not available, a degree of judgment is exercised in establishing fair values which minimises the effect of use of unobservable inputs. The valuations of financial instruments are described comprehensively in Note 3.4.4

2.4.4 Impairment Losses on Loans and Advances

Impairment loss on financial assets – loans and advances are determined at the higher of:

- Loan loss provision amount derived as prescribed in directive no. 02/77 of Nepal Rastra Bank; and
- Impairment loss amount determined as per Incurred Loss Model specified in para 63 of NAS 39.

There arise a need for the Bank's management to apply judgment and estimation in assessing and determining the amount of impairment loss on financial assets measured at amortized cost. Some of the areas that require management judgment and estimation are listed herein below:

- Selection of appropriate impairment assessment tool;
- Defining individually significant assets;
- Designing impairment assessment questionnaire;
- Estimating future recoverable cash flows on financial asset; and
- Adjusting results of historical data

Analysis to incorporate the economic conditions and portfolio factors that existed at the reporting date. Exercise of judgment is an integral part of the impairment assessment process and the Bank exercises its experienced judgment to adjust observable data for a group of financial assets to reflect current circumstances. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. The Bank's policy in accounting for impairment of financial assets is explained in note 3.4.5

2.4.5 Impairment of Investment in Associates, Other Financial Assets and Non-Financial Assets

The Bank follow the guidance of NAS 36 – "Impairment of Assets" and NAS 39 – "Financial Instruments: Recognition and Measurement" in determining whether an investment or a financial asset is impaired. Determination and identification of impairment indicators require the Bank to evaluate duration and extent to which the fair value of an investment for a financial asset is less than its cost and the financial stability of the near term business outlook of the investment or the financial asset, considering the factors such as performance of the sector and industry, technology and operational environmental changes along with future cash flows. This process involves with significant judgment in aforesaid areas and details are given under respective Notes.

2.4.6 Defined Benefit Obligation

The cost of the defined benefit plans and other post-employment benefit plans are determined using an actuarial valuation. An actuarial valuation involves making various assumptions determining the discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date and assumptions used in the year are given in Note 3.15

2.4.7 Fair Value of Land and Buildings

The land and buildings of the Bank are reflected at fair value less accumulated depreciation. The Bank engaged independent valuation specialists to determine fair value of such properties at appropriate time interval in terms of the NFRS 13 – "Fair Value Measurement".

2.4.8 Useful Life of the Property and Equipment and Intangible Assets

The Bank reviews the residual values, useful lives and methods of depreciation of Property and Equipment and intangible assets at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. The details of the depreciation methods and rates used for each assets category are given in note 3.7 & 3.8

2.4.9 Taxation

The bank is subject to income tax under Income Tax Act 2002 A.D. and amendments thereto, and due to the potential differences that may exist between the Bank and the Income Tax Authorities with regard to the interpretation of complex tax provisions, management judgment is required to determine the total provision for current tax and deferred tax amounts. 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 such 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. Additional disclosure on tax is mentioned in note 3.10

2.5 Changes in Accounting policies

The principal accounting policies adopted in the preparation of financial statements are set out in relevant notes for each items of the financial statements. Accounting policies have been consistently applied to all the years presented, unless otherwise stated. There are no changes in accounting policies in current fiscal year.

2.6 New standards in use but not yet effective

Standards as pronounced by the Accounting Standards Board Nepal (ASB Nepal) has been used in the preparation of financial statements. Any departure from the requirements of NFRS, if any, has been separately disclosed in the Notes to Accounts/ Explanatory Notes.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates within NFRS.

2.7 New standards and interpretation not adapted

There have been amendments to the standards issued by IASB and applicability of the new standards have been notified for IFRS. These amendments and new standards become applicable only when ASB-Nepal pronounces them.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 also replaces the existing 'incurred loss' impairment approach with an expected credit loss approach, resulting in earlier recognition of credit losses. The IFRS 9 impairment model has three stages. Entities are required to recognize a 12 month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk (stage 2). The assessment of whether a significant increase in credit risk has occurred is a key aspect of the IFRS 9 methodology and involves quantitative measures, such as forward looking probabilities of default, and qualitative factors and therefore requires considerable management judgment. Stage 3 requires objective evidence of impairment, which is similar to the guidance on incurred losses in IAS 39. IFRS 9 requires the use of more forward-looking information including reasonable and supportable forecasts of future economic conditions. The need to consider multiple economic scenarios and how they could impact the loss allowance is a very subjective feature of the IFRS 9 impairment model. Loan commitments and financial guarantees not measured at fair value through profit or loss are also in scope.

These changes may result in a material increase in the Bank's balance sheet provisions for credit losses although the extent of any increase will depend upon, amongst other things, the composition of the Bank's lending portfolios and forecast economic conditions at the date of implementation. The requirement to transfer assets between stages and to incorporate forward looking data into the expected credit loss calculation, including multiple economic scenarios, is likely to result in impairment charges being more volatile when compared to the current IAS 39 impairment model.

The IFRS 9 expected credit loss model principally differs from the regulatory model of incurred loss model.

In 2015, the Basel Committee on Banking Supervision published finalized guidance on credit risk and accounting for expected credit losses. The paper sets out supervisory guidance on how expected credit loss accounting models should interact with a bank's credit risk practices. The existing impairment processes, controls and governance will be reviewed and changed where necessary to reflect the increased demands of an expected credit loss impairment model. These are yet to be included in the regulatory requirements of Nepal Rastra Bank.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. The new standard introduces

the core principle that revenue must be recognized when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognized if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalized and amortized over the period when the benefits of the contract are consumed.

Financial instruments, leases and insurance contracts are out of scope of IFRS 15, and so this standard is not expected to have a significant impact on the Bank. IFRS 15 is effective for annual periods beginning on or after 1 January 2018.

2.8 Provisions of carve-out adapted by the Bank

The Institute of Chartered Accountants of Nepal (ICAN) issued “Notice regarding Decision on Carve-outs in NFRS with Alternative Treatments” on 20 September 2018 and alternative treatments as per carve-outs has been adapted while preparing the financial statements. The details of carve-out provisions adapted by the Bank is given hereunder.

2.8.1 Accounting for Investment in Associates as per equity method using uniform accounting policies (NAS 28: Investment in Associates and Joint Ventures, Para 35)

As per carve out prescribed for fiscal year 2017-18, 2018-19, 2019-20 and 2020-21, “The entity’s financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances unless, in case of an associate, it is impracticable to do so.”

2.8.2 Incurred Loss Model to measure the Impairment Loss on Loan and Advances (NAS 39: Financial Instruments: Recognition and Measurement, Para 58)

As per carve out prescribed for fiscal year 2017-18, 2018-19, 2019-20 and 2020-21, “An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss unless the entity is bank or financial institutions registered as per Bank and Financial Institutions Act, 2073. Such entities shall measure impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63: and shall apply paragraph 63 to measure the impairment loss on financial assets other than loan and advances. The entity shall disclose the impairment loss as per this carve -out and the amount of impairment loss determined as per paragraph 63.

Further, Bank and Financial Institutions shall measure impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 to measure the impairment loss on financial assets and other assets other than loan and advances. The Bank and Financial Institutions shall disclose the impairment loss as per this carve-out and the amount of impairment loss determined as per paragraph 63.”

2.8.3 Impracticability to determine transactions cost of all previous years which is the part of effective interest rate (NAS 39: Financial Instruments: Recognition and Measurement, Para 9)

As per carve out prescribed for fiscal year 2017-18, 2018-19, 2019-20 and 2020-21, “The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instruments (for example, prepayment call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated

reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).”

2.8.4 Impracticability to determine interest income on amortized cost (NAS 39: Financial Instruments: Recognition and Measurement, Para AG93)

As per carve-out prescribed for fiscal year 2017-18, 2018-19, 2019-20 and 2020-21, “Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.”

2.9 Discounting

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

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on historical cost basis except for following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value.
- Derivative financial instruments are measured at fair value.
- Inventories are measured at cost or net realizable value whichever is lower.
- Net defined benefit liabilities are measured at Present Value of Defined Benefits Obligation less the Total Plan Assets.
- Investment property is measured at fair value.

3.2 Basis of Consolidation

The bank does not have control over any other entity for consolidation of financial statements. Investments in associates are accounted for in financial statements as per equity method by opting carve out as applicable.

3.3 Cash and Cash Equivalent

Cash and cash equivalent comprise the total amount of cash-in -hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities period of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the bank in the management of its short-term commitments.

Cash and Cash equivalents are measured at amortized cost in the statement of financial position.

3.4 Financial assets and Financial liabilities

The bank classifies its financial assets into the following measurement categories: a) financial assets held at fair value through profit or loss; b) financial assets held at fair value through Other Comprehensive Income, and c) financial assets held at amortized cost.

Financial liabilities are classified as either a) held at fair value through profit or loss, or b) held at amortized cost.

3.4.1 Recognition

The Bank initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of an instrument. The Bank initially recognize loans and advances, deposits; and debt securities/subordinated liabilities issued on the date that they are originated which is the date that the Bank becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Bank commits to purchase/ acquire the financial assets. Regular purchase and sale of financial assets are recognized on trade date.

3.4.1.1 Financial Assets

The Bank classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The two classes of financial assets are as follows:

A. Financial assets recognized at amortized cost

The Bank classifies a financial asset measured at amortized cost if both of the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. Financial asset recognized at fair value

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

- a. Financial assets at fair value through profit or loss
Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.
- b. Financial assets at fair value through other comprehensive income
Investment in an equity instrument that is not held for trading and at the initial recognition, the Bank makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value through other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

3.4.1.2 Financial Liabilities

The Bank classifies the financial liabilities as follows:

a) Financial liabilities recognized at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at Statement of Profit or Loss.

b) Financial liabilities recognized at amortized cost

All financial liabilities other than measured at fair value through Statement of Profit or Loss are classified as subsequently measured at amortized cost using effective interest method.

3.4.2 Measurement

Initial Measurement

At initial recognition, the bank measures a financial assets or financial liability at its fair value plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction cost that are incremental and directly attributable to the acquisition or issue of the financial assets or financial liability, such as commission and fees. The transaction cost of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an Expected Credit Loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI.

Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability.

Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method. The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

In case of Loans and Advances measured at amortised cost, the processing charge and documentation charges received from customers which are directly attributable to the acquisition or issue of such financial assets are booked as income in the Statement of Profit and Loss in the reporting period in which they are received. The effective interest rate method is not applied as it is impracticable to determine reliably.

Further, once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter calculated by applying effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

3.4.3 Derecognition

3.4.3.1 Derecognition of Financial Assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset, and the sum of

- a. the consideration received and
- b. any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in Statement of Profit or Loss.

The Bank enters into transactions whereby it transfers assets recognized on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them.

If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example repurchase transactions.

3.4.3.2 Derecognition of Financial Liabilities

A financial liability is derecognized when, and only when it is extinguished (i.e. when the obligation specified in contract is discharged, cancelled or expired). If the liability is renegotiated with the original lender on substantially different contractual terms, the original liability is derecognized and new liability is recognized.

The difference between the carrying amount of a liability (or portion) extinguished or transferred to another party (including related unamortized cost) and the amount paid for it (including any noncash assets transferred or liability assumed), should be included in Statement of Profit or Loss for the period.

3.4.4 Determination of Fair Value

‘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 Group has access at that date.

The fair value of a 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.

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

The fair value measurement hierarchy is as follows:

Level 1

These are quoted prices in active markets for identical assets or liabilities that the bank can access at the measurement date.

Level 2

These are the inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

These would include prices for the similar, but not identical, assets or liabilities that were then adjusted to reflect the factors specific to the measured asset or liability.

Level 3

These are unobservable inputs for the assets or liability.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out. In case the fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 01 valuation), the difference between the transaction price and fair value is recognized in The Statement of Profit or Loss immediately.

3.4.5 Impairment

At each reporting date, the Bank assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through The Statement of Profit or Loss are impaired.

A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter Bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. In case of financial difficulty of the borrower, the Bank considers to restructure loans rather than take possession of collateral. This may involve extending the payment arrangements and 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 an individual or collective impairment assessment, calculated using the loan's original EIR.

However, in case of loans and advances, impairment loss is measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per NAS 39 para 63.

3.4.5.1 Impairment of financial assets measured at amortized cost

Impairment of loans and advances portfolios is based on the judgments of past experience of portfolio behavior. In assessing collective impairment, the Bank uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Further, management has taken additional external risk (inflation, market risk and risk of data incompleteness) for the impairment of loans and advances.

Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on assets measured at amortized cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. 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 write off is later recovered, the recovery is recognized in the 'Impairment charges/(reversal) for loan and other losses' under Note no. 4.35.

However, in case of loans and advances, impairment loss is measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per NAS 39 para 63.

3.4.5.2 Impairment of investment in equity instrument classified as fair value through other comprehensive income

Objective evidence of impairment of investment in an equity instrument is a significant or prolonged decline in its fair value below its cost. Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and the current fair value, less any impairment loss recognized previously in profit or loss.

3.5 Trading Assets

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognized in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

3.6 Derivatives assets and derivative liabilities

Derivatives are financial instruments that derive their value in response to changes in interest rates, financial instrument prices, commodity prices, foreign exchange rates, credit risk and indices. Derivatives are categorized as trading unless they are designated as hedging instruments.

Derivatives are initially recognized and subsequently measured at fair value, with revaluation gains recognized in profit and loss (except where cash flow or net investment hedging has been achieved, in which case the effective portion of changes in fair value is recognized within other comprehensive income).

Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Where the initially recognized fair value of a derivative contract is based on a valuation model that uses inputs which are not observable in the market, it follows the same initial recognition accounting policy as for other financial assets and liabilities.

3.7 Property and Equipment

All Property and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably.

At each balance sheet date, the assets' residual values and useful lives are reviewed, and adjusted if appropriate, including assessing for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down to the recoverable amount. Gains and losses on disposals are included in the Statement of Profit or Loss.

The value of land is not depreciated although it is subject to impairment testing.

Repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate the difference between the cost and the residual value over their estimated useful lives, as follows:

Asset Code	Asset Detail Category	Useful Life
AP	Furniture & Fixtures - Others	5
CA	Computer & Accessories	5
EE	Office Equipment	5
FF	Furniture & Fixtures - Others	5
KE	Office Equipment	5
LB	Building	20
LD	Land	Unlimited
LE	Leasehold Property	10
MS	Office Equipment - Others	5
MY	Machinery	5
OE	Office Equipment	5
SF	Furniture & Fixtures - Metal	7
SR	Vault	10
VH	Vehicles	7
WF	Furniture & Fixtures - Wooden	5

Low value assets costing upto NPR 5,000 each are charged as operational expenses in the year of purchase.

Land properties, under the ownership and control of the bank, have been revalued to reflect the value of those properties. The excess of the market value over carrying value is taken to the equity as revaluation reserve.

Capital work in progress

Capital work in progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, awaiting capitalization.

3.8 Goodwill and Intangible assets

3.8.1 Intangible Assets

Intangible assets include externally generated capitalized software enhancements. Intangible assets, which have been determined to have a finite useful life are amortized on a straight-line basis over their estimated useful life. Intangible assets with finite useful lives are reviewed at each reporting date to assess whether there is any indication that they are impaired. If any such indication exists the recoverable amount of the asset is determined and, in the event, that the asset's carrying amount is greater than its recoverable amount, it is written down immediately.

3.8.1.1 Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Amortization on computer software is calculated using the straight-line method to allocate the difference between the cost and the residual value over their estimated useful lives, as follows:

Asset Code	Asset Detail Category	Useful Life (yrs.)
SW	Software	5

3.9 Investment Property and Noncurrent Assets held for sale

3.9.1. Investment Property

Investment properties include land or land and buildings other than those classified as property and equipment and non-current assets held for sale. Generally, it includes land, land and building acquired by the Bank as non-banking assets but not sold as on the reporting date.

The Bank holds investment property that has been acquired through enforcement of security over the loans and advances.

3.9.2. Non-Current Assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and carried at lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortized while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognized as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognized) is recognized in the statement of Profit or Loss.

3.10 Income Tax

3.10.1 Current income tax

Current income tax which is payable on taxable profits is recognized as an expense in the period in which the profits arise.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in Nepal.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Current tax related to gains and losses on the fair value re-measurement of assets and liabilities classified through other comprehensive income also recognized in other comprehensive income. Such tax is subsequently transferred to the Statement of Profit or Loss together with the gain or loss.

Current tax assets and liabilities are offset only when there is both a legal right of offset and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.10.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

- b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against the deductible temporary differences. The carry forward of unused tax credits and unused tax losses can be utilized, except:

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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 differences can be utilized.

Deferred tax related to gains and losses on the fair value re-measurement of assets and liabilities classified through other comprehensive income, is also recognized in other comprehensive income. Such tax is subsequently transferred to the Statement of Profit or Loss together with the gain or loss.

3.11 Deposit, Debt Securities issued and subordinated liabilities

The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits and other borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity period.

Debentures are recognized at amortized cost using effective interest rates. The coupon rates of these instruments represent the effective interest rates. Effective Interest Rate is expected to cover for the credit risk and time value of money on these instruments as these are solely for the purpose of principal and interest.

3.12 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Bank determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in Statement of Profit or Loss net of any reimbursement in other operating expenses

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A provision for onerous contract is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

3.13 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. In some cases, this may not be probable until the consideration is received or until an uncertainty is removed.

Revenue comprises of interest income, fees and commission, foreign exchange income, cards income, disposal income, etc. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The bases of income recognition are as below:

a. Interest income

Interest income on financial assets held at amortised cost other than loan and advances are recognized using the bank's normal interest rate which is very close to effective interest rate using effective interest rate method.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

As per the Carve-out Notice issued by ICAN, the calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Contractual interest income and expense on financial instruments held at fair value through profit or loss is recognized within net interest income.

b. Fees and Commission

Fees and commission income that are integral to the effective interest rate on a financial asset are included in measurement of effective interest rate. Other fees and commission income including management fee, service charges, syndication fee and forex transaction commission are recognized as the related services are performed.

c. Dividend Income

Dividend on investment in resident company is recognized when the right to receive payment is established. Dividend income are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity instruments.

d. Net trading income

Gain and losses arising in changes in fair value of financial instrument held at fair value through profit or loss are included in Statement of Profit or Loss in the period in which they arise.

These includes the net gain/(loss) on translation of period end balances carried in foreign exchange to the Nepalese Rupees.

e. Net income from other financial instrument at fair value through profit or loss

Gains and losses arising from changes in the fair value of other financial instruments held at fair value through profit or loss are included in the Statement of Profit or Loss in the period in which they arise.

f. Grant Income

Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that: (a) the entity will comply with the conditions attaching to them; and (b) the grants will be received. A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

Grants related to income are presented as part of profit or loss, are adjusted in reporting the related expense.

3.14 Interest Expenses

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method. Interest expense on all trading liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

3.15 Employees Benefits

Short-term employee benefits, such as salaries, paid absences, performance-based cash awards and social security costs are recognized over the period in which the employees provide the related services.

The Bank operates a number of post-retirement benefit schemes for its employees including both defined benefit and defined contribution plans. A defined benefit scheme is a plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and salary. A defined contribution plan is a pension plan into which the Bank pays fixed contributions; there is no legal or constructive obligation to pay further contributions.

Full actuarial valuations of the Bank's defined benefit schemes are carried out periodically with interim reviews in the intervening years; these valuations are updated by qualified independent actuaries.

For the purposes of these annual updates scheme assets are included at their fair value and scheme liabilities are measured on an actuarial basis using actuarial assumptions. The defined benefit scheme liabilities are discounted using rates equivalent to the market yields at the reporting date.

The Bank's Statement of Profit or Loss includes the current service cost, past service costs, net interest expense (income), and plan administration costs that are not deducted from the return on plan assets.

Re-measurements, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest expense (income) and net of the cost of managing the plan assets), and the effect of changes to the asset ceiling (if applicable) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Re-measurements recognized in other comprehensive income are reflected immediately in retained profits and will not subsequently be reclassified to Statement of other Comprehensive income.

The Bank's Statement of Financial Position includes the net surplus or deficit, being the difference between the fair value of scheme assets and the discounted value of scheme liabilities at the reporting date.

Surpluses are only recognized to the extent that they are recoverable through reduced contributions in the future or through refunds from the schemes. In assessing whether a surplus is recoverable, the Bank considers its current right to obtain a refund or a reduction in future contributions and does not anticipate any future acts by other parties that could change the amount of the surplus that may ultimately be recovered.

Employees Provident Fund

In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre-determined rate (currently, 10% of the basic salary plus grades). Bank does not assume any future liability for provident fund benefits other than its annual contribution.

Leave Salary

The employees of the Bank are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees can encash unavailed/unutilized leave partially in terms of Employee Service Byelaws of the Bank. The Bank accounts for the liability for entire accumulated outstanding leave balance on accrual basis as per actuarial valuation report.

Termination Benefits

Termination benefits are recognized as expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal plan to provide termination benefits to employees as a result of an offer made to encourage voluntary redundancy. Termination benefits are recognized if the Bank has made an offer for voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be measured reliably. If the benefits are payable in more than 12 months after the reporting date, they are discounted to their present value.

3.16 Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- a. Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Majority of lease agreements entered by the Banks are with the clause of increment which the management assumes are in line with the lessor's expected inflationary cost increases.

Hence, Lease payment under an operating lease has been recognized as an expense on a straight-line basis over the lease term.

3.17 Foreign Currency Translation

The financial statements are presented in Nepalese Rupees, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit or Loss, except when recognized in other comprehensive income.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on equities and similar non-monetary items held at fair value through profit and loss are recognized in Statement of Profit or Loss as part of the fair value gain or loss.

3.18 Financial Guarantee and Loan Commitment

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflow of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognized in financial statements but are disclosed unless they are remote.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs. Details of financial guarantee and commitments provided by the bank on the reporting date is given as note 4.28.

3.19 Share Capital and Reserve

The Bank applies NAS 32, Financial Instruments: Presentation, to determine whether funding is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the bank having a present obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument.

Dividends and other returns to equity holders are recognized when paid or declared by the members at the AGM and treated as a deduction from equity.

3.20 Earning per share including diluted

Basic earnings per share are calculated by dividing the net profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

For the calculation of diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares that arise in respect of convertible preference shares.

3.21 Segment Reporting

An operating segment is a component of the bank that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relating to transactions with any of the bank's other components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance.

The bank manages its branch networks under regional demarcation for supervision, monitoring and control. Inter unit charges and revenues are applied to assess the performance of the business units. These charges are nullified at the overall bank's level. The bank has identified segments on the basis of each geographical presence in seven provinces of the country.

Segment results that are reported by the Bank include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Bank's corporate building), head office expenses, and tax assets and liabilities that are categorized as banking assets/liabilities.

4. Notes to Accounts

Note 4.1- Cash and cash equivalent

Cash and cash equivalent comprise the total amount of cash-in-hand, balances with other bank and financial institutions, money at call and short notice, treasury bills having original maturity of less than three months and cash in transit is presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Cash in hand	2,460,085,257	2,415,923,890
Balances with B/FIs	3,693,229,357	3,200,707,372
Money at call and short notice	1,300,000,000	721,200,000
Other	-	-
3 months Treasury bills	1,710,093,675	4,030,316,450
Cash In Transit	-	-
TOTAL	9,163,408,289	10,368,147,712

Note 4.2- Due from Nepal Rastra Bank

Balances held with Nepal Rastra Bank including balance for compulsory cash reserve is presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Statutory balances with NRB	4,453,823,434	5,473,440,234
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	24,384,748,744	14,499,234,654
TOTAL	28,838,572,178	19,972,674,889

Note 4.3- Placement with bank and financial institutions

Placements with domestic as well as foreign bank and financial institutions with original maturities of more than three months from the acquisition date are presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Placement with domestic B/FIs	2,144,700,000	-
Placement with foreign B/FIs	-	2,404,000,000
Less: Allowances for impairment	-	-
TOTAL	2,144,700,000	2,404,000,000

Note 4.4- Derivative financial instruments

Derivatives are financial instruments that derive their value in response to changes in interest rates, financial instrument prices, commodity prices, foreign exchange rates, credit risk, indices etc. Derivatives are categorised as trading unless they are designated as hedging instruments. All derivatives are initially recognised and subsequently measured at fair value, with all revaluation gains or losses recognised in the Statement of Profit or Loss under Net trading Income. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value is determined using the forward market rates ruling on the reporting date.

	31 ASHADH 2078	31 ASHADH 2077
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	14,537,291
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
TOTAL	-	14,537,291

Note 4.5- Other trading assets

The bank does not have any trading assets.

Note 4.6- Loan and advances to bank and financial institutions

Loan and advances given to microfinance financial institutions as deprived sector lending is presented under this head after providing required impairment allowances.

	31 ASHADH 2078	31 ASHADH 2077
Loans to microfinance institutions	7,584,623,713	6,926,767,527
Other	-	-
Less: Allowances for impairment	98,600,108	69,267,675
TOTAL	7,486,023,605	6,857,499,851

4.6.1: Allowances for impairment

	31 ASHADH 2078	31 ASHADH 2077
Balance at Shrawan 1	69,267,675	74,373,548
Impairment loss for the year:	-	-
Charge for the year	29,332,433	-
Recoveries/(reversal)	-	(5,105,873)
Amount written off	-	-
BALANCE AT ASHADH END	98,600,108	69,267,675

Note 4.7- Loan and advances to customers

Sum of the outstanding amount of all loans and advances extended to the customers other than BFIs, bills purchased and discounted and amortized cost of staff loans; less the amount of impairment allowances is presented under this head.

The difference between the average yield of the bank and concessional rate of interest being provided to the bank is recognized as the amortized cost of staff loan.

	31 ASHADH 2078	31 ASHADH 2077
Loan and advances measured at amortized cost	129,665,248,320	113,956,726,844
Less: Impairment allowances		
Collective impairment	1,863,802,919	1,596,706,688
Individual impairment	114,220,833	148,281,818
Net amount	127,687,224,568	112,211,738,338
Loan and advances measured at FVTPL	-	-
TOTAL	127,687,224,568	112,211,738,338

4.7.1: Analysis of loan and advances - By Product

	31 ASHADH 2078	31 ASHADH 2077
Product		
Term loans	28,558,254,647	27,108,550,513
Overdraft	29,508,038,774	24,598,708,765
Trust receipt/Import loans	9,373,930,350	5,690,960,974
Demand and other working capital loans	19,372,167,031	19,911,395,233
Personal residential loans	21,450,313,664	22,584,889,128
Real estate loans	3,576,166,549	2,109,933,995
Margin lending loans	2,698,205,316	103,482,723
Hire purchase loans	4,212,833,422	6,025,767,608
Deprived sector loans	601,796,997	483,727,573
Bills purchased	-	-
Staff loans	1,931,596,400	1,368,664,266
Other	7,888,898,763	3,167,729,760
SUB TOTAL	129,172,201,913	113,153,810,537
Interest receivable	493,046,407	802,916,307
GRAND TOTAL	129,665,248,320	113,956,726,844

4.7.2: Analysis of loan and advances - By Currency

	31 ASHADH 2078	31 ASHADH 2077
Nepalese rupee	122,491,485,919	108,790,423,410
Indian rupee	-	-
United State dollar	7,173,762,401	5,166,303,434
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese Yuan	-	-
Other	-	-
TOTAL	129,665,248,320	113,956,726,844

4.7.3: Analysis of loan and advances - By Collateral

	31 ASHADH 2078	31 ASHADH 2077
Secured		
Movable/immovable assets	113,104,966,385	112,363,236,783
Gold and silver	-	-
Guarantee of domestic B/FIs	-	-
Government guarantee	198,727,573	198,736,624
Guarantee of international rated bank	-	-
Collateral of export document	78,011,898	50,484,000
Collateral of fixed deposit receipt	826,297,735	894,043,859
Collateral of Government securities	1,410,792	113,942,674
Counter guarantee	-	-
Personal guarantee	1,053,015,448	232,800,181
Other collateral	14,402,818,489	103,482,723
SUBTOTAL	129,665,248,320	113,956,726,844
Unsecured	-	-
GRANT TOTAL	129,665,248,320	113,956,726,844

4.7.4: Allowances for impairment

	31 ASHADH 2078	31 ASHADH 2077
Specific allowances for impairment		
Balance at Shrawan 1	148,281,818	122,030,073
Impairment loss for the year:	-	-
Charge for the year	-	26,251,745
Recoveries/reversal during the year	(34,060,984)	-
Write-offs	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
Balance at Ashadh end	114,220,833	148,281,818
Collective allowances for impairment		
Balance at Shrawan 1	1,596,706,688	1,069,382,078
Impairment loss for the year:	-	-
Charge/(reversal) for the year	267,096,231	527,324,610
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
Balance at Ashadh end	1,863,802,919	1,596,706,688
TOTAL ALLOWANCES FOR IMPAIRMENT	1,978,023,752	1,744,988,506

Impairment loss on Loans and Advances to BFIs and Customers are measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per NAS 39 of Para 63. The details of loan loss provision as per Nepal Rastra Bank and impairment loss as per NAS 39 of Para 63 are as follows:

PARTICULARS	31 ASHADH 2078	31 ASHADH 2077
Loans and advances to BFIs	-	9,958
Loans and advances to customers	287,330,466	759,037,388
Total Impairment as per para 63 of NAS 39	287,330,466	759,047,346
Total impairment as per NRB norms	2,076,623,861	1,814,256,181
Higher of impairment as per para 63 of NAS 39 or NRB Norms	2,076,623,861	1,814,256,181

DETAILS OF LOAN WRITTEN OFF DURING THE F/Y 2077/78

S.No.	Type of Loan	Amount Written off	Nature of security & Amount	Basis of Valuation of Security	Sanctioning Authority/ Level	Action taken to Recover the Loan	Remarks
1	Working Capital	-					
2	Project Finance	-					
3	Fixed Term Loan	-					
4	Personal Loan	-					
5	Others	-					
TOTAL		-					

Everest Bank has complied with the directives/circulars issued by Nepal Rastra Bank on account of reducing impact of COVID-19.

Details of Forbearance/relaxation on loans and advance provided to our borrowers as per NRB directives are presented in below Tables 1, 2 & 3:

TABLE NO. 1

PARTICULARS	AS OF ASADH END 2078	
	NO. OF CUSTOMERS	AMOUNT (NRS.)
Accrued Interest Received after Asadh end 2078 till 15 Bhadra 2078	19942	45,446,397
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	29947	O/s Loan Amt: 129,389,050,966 Additional Prov Amt: 388,167,153
Extension of moratorium period of loan provided to Industry or Project under construction	15	O/s Loan Amt: 4,158,379,142
Restructured/Rescheduled Loan with 5% Loan Loss Provision	709	4,330,749,792
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	1	19,615,127

TABLE NO. 2

PARTICULARS	NO. OF CUSTOMERS	AMOUNT (NRS.)
Refinance Loan Business Continuity Loan	4	132,800,000

TABLE NO. 3

PARTICULARS	DURING FY 2077/78	
	NO. OF CUSTOMERS	AMOUNT (NRS.)
Subsidized Loan	2171	2,757,728,363

Note 4.8- Investments securities

Investments made by Bank in financial instruments has been presented under this account head in three categories i.e. investment securities designated at fair value through profit or loss, investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income which is as follows:

	31 ASHADH 2078	31 ASHADH 2077
Investment securities measured at amortized cost	29,329,976,951	27,746,976,485
Investment in equity measured at FVTOCI	2,130,056,494	1,066,533,542
TOTAL	31,460,033,444	28,813,510,026

The bank has investment in government bonds and NRB treasury bills which are measured at amortized cost. Disclosure in respect of investment in government bond are as follows:

4.8.1: Investment securities measured at amortized cost

	31 ASHADH 2078	31 ASHADH 2077
Debt securities	-	-
Government bonds	23,260,600,000	20,672,600,000
Government treasury bills	5,280,473,951	7,074,376,485
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	788,903,000	-
Less: specific allowances for impairment	-	-
TOTAL	29,329,976,951	27,746,976,485

There is no impairment allowance to be provided on the investment instruments measured at amortized cost. Investments made by the bank in shares and debentures/bonds of other companies/institutions is presented under this head.

Disclosure in respect of investment in shares of other companies are presented as follows:

4.8.2: Investment in equity measured at fair value through other comprehensive income

	31 ASHADH 2078	31 ASHADH 2077
Equity instruments		
Quoted equity securities	2,110,901,534	1,048,746,557
Unquoted equity securities	19,154,960	17,786,985
TOTAL	2,130,056,494	1,066,533,542

4.8.3: Information relating to investment in equities

	31 ASHADH 2078		31 ASHADH 2077	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity				
Rural Microfinance Development Ltd.				
328274 shares including 31200 shares @ 100 each, 5000 share @ 350, 200,000 @ 330 each and 92074 bonus shares)	70,870,000	221,665,261	70,870,000	106,454,493
Nirdhan Utthan Bank Ltd.	12,267,290	1,869,236,273	12,793,300	932,942,063
(1824181 shares including 1,701,508 bonus shares)				
Taragaon Regency Hotel	5,000,000	20,000,000	5,000,000	9,350,000
(50,000 shares of Rs. 100)				
Investment in unquoted equity				
Nepal Clearing House Ltd.	2,500,000	4,968,000	2,500,000	3,600,000
(49,680 shares of Rs. 100 each including 11,000 bonus shares)				
Credit Information Center Ltd.	1,235,500	12,352,100	1,235,500	12,352,125
(123,521 shares of Rs. 100 each, including 111,166 bonus share)				
National banking Training Institute	1,834,860	1,834,860	1,834,860	1,834,860
(18,348 shares of Rs. 100 each)				
TOTAL	93,707,650	2,130,056,494	94,233,660	1,066,533,542

Note 4.9- Current tax assets/liabilities

Advance tax deposited by the bank less tax liabilities are presented under this head.

Liabilities recognized for the purpose of current income tax, including fees, penalties are presented under this head.

	31 ASHADH 2078	31 ASHADH 2077
Current tax assets		
Current year income tax assets	1,004,610,750	1,231,063,531
Tax assets of prior periods	9,578,299,020	8,347,235,489
Current tax liabilities		
Current year income tax liabilities	(790,243,997)	(1,079,441,418)
Tax liabilities of prior periods	(9,351,586,181)	(8,272,144,763)
TOTAL	441,079,592	226,712,839

Note 4.10- Investment in Subsidiaries

The bank does not have any subsidiary company.

	31 ASHADH 2078	31 ASHADH 2077
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
Total Investment		
Less: Impairment allowances	-	-
Net carrying amount	-	-

Note 4.11- Investment in Associates

The bank holds 25% equity of investment in Forward Community Micro Finance Limited as investment in shares, which has been accounted for using equity accounting as under. The post-acquisition results of the associate are based on the unaudited financial highlights as published by the associate company.

Forward Community Micro Finance Limited has not prepared its financial statements as per NFRS therefore the investment in associates is based on its financial statement prepared as per previous GAAP i.e. Nepal Accounting Standards.

The net effect of gain arise on valuation of the investment amounting to Rs. 123,292,790 (Previous year Rs. 40,686,601) has been transferred to Regulatory Reserve from Retained Earning during the year.

	31 ASHADH 2078	31 ASHADH 2077
Investment in quoted associates	502,315,696	379,022,906
Investment in unquoted associates	-	-
Total investment		
Less: Impairment allowances	-	-
NET CARRYING AMOUNT	502,315,696	379,022,906

4.11.1: Investment in quoted associates

	31 ASHADH 2078		31 ASHADH 2077	
	Cost	Fair Value	Cost	Fair Value
Forward Community Micro Finance Ltd. (500,000 shares of Rs. 100 each)	50,000,000	502,315,696	50,000,000	379,022,906
TOTAL	50,000,000	502,315,696	50,000,000	379,022,906

4.11.2: Investment in unquoted associates

	31 ASHADH 2078		31 ASHADH 2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
.....shares of Rs.each				
.....Ltd.				
.....shares of Rs.each				
.....				
TOTAL				

4.11.3: Information relating to associates of the Bank

PERCENTAGE OF OWNERSHIP HELD BY THE BANK			
	31 ASHADH 2078	31 ASHADH 2077	
Forward Community Micro Finance Ltd.	25%	25%	

4.11.4: Equity value of associates

	31 ASHADH 2078	31 ASHADH 2077
Forward Community Micro Finance Ltd.	502,315,696	379,022,906
TOTAL	502,315,696	379,022,906

Note 4.12- Investment properties

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.

The bank has no investment properties other than non-banking assets as on 31 Ashad 2078. The position of the Non-banking Assets of the bank is as under:

	31 ASHADH 2078	31 ASHADH 2077
Investment properties measured at cost		
Balance as on Shrawan 1	21,040,174	21,040,174
Addition/disposal during the year	(582,029)	-
Adjustment/transfer	(18,255,400)	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
Net amount	2,202,745	21,040,174
TOTAL	2,202,745	21,040,174

DETAILS OF NON-BANKING ASSETS

S.N.	NAME OF THE PARTY/BORROWER, ADDRESS	NBA BOOKED DATE	31 ASHADH 2078	31 ASHADH 2077
1	Joshi Food Processing, Mechinagar	27 Jestha 2073	2,202,745	2,202,745
2	Gaurab Suppliers And Traders	19 Ashwin 2076	-	18,837,428
	TOTAL		2,202,745	21,040,174

Note 4.13- Property and Equipment

Details of property & equipment are presented as follow:

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	TOTAL 31 Ashadh 2078	TOTAL 31 Ashadh 2077
Cost										
As on Ashad end 2076	1,393,031,020	206,860,757	284,800,592	174,299,958	139,270,942	182,965,884	264,191,709	232,531,947	2,877,952,809	2,609,746,773
Addition during the Year										
Acquisition	-	29,358,712	17,186,380	23,002,870	1,561,500	19,026,162	13,002,948	48,002,814	151,141,388	363,331,634
Capitalization										
Disposal during the year	-	-	(15,317,867)	(4,313,912)	(1,500,000)	(2,586,161)	(7,218,112)	(9,550,180)	(40,486,232)	(95,725,597)
Adjustment/Revaluation										
Balance as on Ashadh end 2077	1,393,031,020	236,219,469	286,669,105	192,988,916	139,332,442	199,405,885	269,976,546	270,984,582	2,988,607,965	2,877,952,809
Addition during the Year										
Acquisition	553,943,702	71,074,485	21,398,949	17,720,259	1,719,300	27,440,683	19,546,630	32,266,792	745,110,800	151,141,388
Capitalization										
Disposal during the year	-	-	(7,011,518)	(6,241,570)	(219,900)	(2,316,581)	(4,747,102)	(6,247,027)	(26,783,698)	(40,486,232)
Adjustment/Revaluation	3,553,530	-	-	-	-	-	-	-	3,553,530	-
Balance as on Ashadh end 2078	1,950,528,252	307,293,955	301,056,535	204,467,605	140,831,842	224,529,987	284,776,074	297,004,347	3,710,488,597	2,988,607,965
Depreciation and Impairment										
As on Ashad end 2076	-	29,576,598	148,849,828	114,804,900	66,620,397	102,348,438	185,949,357	149,095,914	797,245,432	770,185,755
Depreciation charge for the Year	-	11,488,528	20,021,196	19,587,513	16,864,157	18,325,437	24,267,075	27,856,337	138,410,243	118,147,704
Impairment for the year										
Disposals	-	-	(14,766,608)	(4,191,467)	(1,292,759)	(2,533,528)	(7,218,112)	(9,499,437)	(39,501,911)	(91,088,028)
Adjustment										
As on Ashad end 2077	-	41,065,126	154,104,415	130,200,946	82,191,795	118,140,348	202,998,321	167,452,814	896,153,763	797,245,432
Depreciation charge for the Year	-	11,948,590	20,200,622	21,657,643	15,859,418	20,322,823	23,647,930	32,884,067	146,521,093	138,410,243
Impairment for the year										
Disposals	-	-	(7,007,809)	(6,109,610)	(93,296)	(2,229,529)	(4,747,102)	(6,096,810)	(26,284,156)	(39,501,911)
Adjustment										
As on Ashad end 2078	-	53,013,716	167,297,229	145,748,979	97,957,916	136,233,642	221,899,148	194,240,071	1,016,390,700	896,153,763
Capital Work in Progress										
Net Book Value									43,814,738	58,599,983
As on Ashad end 2076	1,393,031,020	177,284,159	135,950,764	59,495,057	72,650,545	80,617,446	78,242,352	83,436,034	2,115,995,141	1,862,232,350
As on Ashad end 2077	1,393,031,020	195,154,344	132,564,690	62,787,971	57,140,647	81,265,538	66,978,225	103,531,768	2,151,054,185	2,115,995,141
As on Ashad end 2078	1,950,528,252	254,280,239	133,759,307	58,718,626	42,873,926	88,296,346	62,876,925	102,764,276	2,737,912,635	2,151,054,185

Note 4.14- Goodwill and intangible assets

The bank doesn't have any goodwill.
Software that are integral and necessary in operating office equipment are recognized with such office equipment Details presented as follows:

Particulars	Goodwill	Purchased	Software Developed	Other	TOTAL 31 Ashadh 2078	TOTAL 31 Ashadh 2077
Cost						
As on Shrawan 1, 2076	-	121,151,627	-	-	121,151,627	87,117,839
Addition during the Year						
Acquisition	-	19,791,838	-	-	19,791,838	34,133,788
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	(100,000)
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2077	-	140,943,465	-	-	140,943,465	121,151,627
Addition during the Year						
Acquisition	-	36,000	-	-	36,000	19,791,838
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2078	-	140,979,465	-	-	140,979,465	140,943,465
Amortization and Impairment						
As on Shrawan 1, 2076		83,382,071	-	-	83,382,071	74,185,895
Amortization charge for the Year	-	11,424,937	-	-	11,424,937	9,296,176
Impairment for the year	-	-	-	-	-	(100,000)
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashad end 2077	-	94,807,008	-	-	94,807,008	83,382,071
Amortization charge for the Year	-	13,335,420	-	-	13,335,420	11,424,937
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashad end 2078	-	108,142,428	-	-	108,142,428	94,807,008
Capital Work in Progress Net Book Value						
As on Ashad end 2076	-	37,769,556	-	-	37,769,556	12,931,944
As on Ashad end 2077	-	46,136,457	-	-	46,136,457	37,769,556
As on Ashad end 2078	-	32,837,037	-	-	32,837,037	46,136,457

Note 4.15- Deferred tax assets

The bank doesn't have deferred tax assets as on reporting date.

Note 4.16- Other Assets

Other Asset include accounts receivable, interest receivable, accrued income, prepayments, deposit, deferred employee benefits and stationery stock details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Assets held for sale	-	-
Other non-banking assets	-	-
Bills receivable	-	-
Accounts receivable	129,736,318	115,547,229
Accrued income	323,955,647	365,661,175
Prepayments and deposit	36,071,016	36,890,664
Income tax deposit (For Legal Cases)	104,142,000	83,042,000
Deferred employee expenditure	438,352,818	665,250,327
Other assets*	121,681,850	290,723,641
TOTAL	1,153,939,649	1,557,115,037

* The other assets includes INR 653,000 of the Bank and INR 7,112,500 collected from customers sent to NRB for exchange but the same have not been exchanged by NRB yet.

Note 4.17- Due to bank and financial institutions

Deposits from other BFIs is shown under this head. Details as follows:

	31 ASHADH 2078	31 ASHADH 2077
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFIs	678,975,219	1,182,834,338
Settlement and clearing accounts	-	-
Other deposits from BFIs	-	-
TOTAL	678,975,219	1,182,834,338

Note 4.18- Due to Nepal Rastra Bank

The bank has only refinance facilities due to Nepal Rastra Bank, presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Refinance from NRB	2,112,184,741	32,886,332
Standing Liquidity Facility	-	-
Lender of last report facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	-	-
TOTAL	2,112,184,741	32,886,332

Note 4.19- Derivative financial instruments

Derivatives are financial instruments that derive their value in response to changes in interest rates, financial instrument prices, commodity prices, foreign exchange rates, credit risk, indices etc. Derivatives are categorised as trading unless they are designated as hedging instruments. All derivatives are initially recognised and subsequently measured at fair value, with all revaluation gains or losses recognised in the Statement of Profit or Loss under Net trading Income. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value is determined using the forward market rates ruling on the reporting date.

	31 ASHADH 2078	31 ASHADH 2077
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward Exchange Contract	27,925,206	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
TOTAL	27,925,206	-

Note 4.20- Deposits from customers

All deposits account other than deposit from bank and financial institutions (local and foreign bank and NRB) is presented under this head. Details are presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Institutions customers:		
Term deposits	42,340,433,885	41,318,107,078
Call deposits	16,052,151,987	10,431,558,724
Current deposits	12,604,976,396	10,756,311,470
Other	3,581,082,663	1,000,096,330
Individual customers:		
Term deposits	26,382,641,788	31,555,272,901
Saving deposits	58,710,384,728	47,391,279,466
Current deposits	344,749,168	365,472,198
Other	203,836,326	727,377,017
TOTAL	160,220,256,940	143,545,475,184

4.20.1: Currency wise analysis of deposit from customers

	31 ASHADH 2078	31 ASHADH 2077
Nepalese rupee	158,198,233,978	137,209,088,788
Indian rupee	34,506,847	134,727,535
United State dollar	1,858,156,891	6,112,484,307
Great Britain pound	620,547	799,902
Euro	128,735,697	88,371,573
Japanese Yen	2,980	3,079
Chinese Yuan	-	-
Other	-	-
TOTAL	160,220,256,940	143,545,475,184

Note 4.21- Borrowing

The bank does not have any borrowings as on reporting date.

	31 ASHADH 2078	31 ASHADH 2077
Domestic Borrowing		
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing		
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub total	-	-
TOTAL	-	-

Note 4.22- Provisions

Entire provisions for expenses made by the bank as on 31 Ashadh 2078 are classified under other liabilities.

	31 ASHADH 2078	31 ASHADH 2077
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
TOTAL	-	-

Note 4.15- Deferred tax liabilities

Deferred tax is calculated on temporary differences between the book values of financial assets/liabilities and tax bases of assets/liabilities using the statutory tax of 30%. Details as follows:

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	31 ASHADH 2078 NET DEFERRED TAX ASSETS/ (LIABILITIES)
Deferred tax on temporary differences on following items			
Investment properties (NBA)	-	(660,824)	(660,824)
Forward Exchange contract		-	-
Investment securities	-	(610,904,653)	(610,904,653)
Investment in associates	-	(135,694,709)	(135,694,709)
Properties, Plants & equipment & intangible Assets	1,794,229	-	1,794,229
Employees' defined benefit plan	315,867,279	-	315,867,279
Lease liabilities	15,974,465	-	15,974,465
Other temporary differences	3,160,667		3,160,667
Deferred tax on temporary differences			(410,463,546)
Deferred tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
Net Deferred tax asset/(liabilities) as on year end of 2078			(410,463,546)
Deferred tax (asset)/liabilities as on Shrawan 1, 2077			(127,370,222)
Origination/(Reversal) during the year			(283,093,324)
Deferred tax expense/(income) recognised in profit or loss			12,861,834
Deferred tax expense/(income) recognised in other comprehensive income			(312,646,513)
Deferred tax expense/(income) recognised in directly in equity			16,691,356
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	31 ASHADH 2077 NET DEFERRED TAX ASSETS/ (LIABILITIES)
Deferred tax on temporary differences on following items			
Investment properties (NBA)	-	(660,824)	(660,824)
Investment securities (Government Bond)	-	(125,214)	(125,214)
Investment securities	-	(291,689,964)	(291,689,964)
Forward Exchange contract		(4,361,187)	(4,361,187)
Investment in associates	-	(98,706,872)	(98,706,872)
Properties, Plants & equipment & intangible Assets	504,171		504,171
Employees' defined benefit plan	255,011,797	-	255,011,797
Lease liabilities	12,532,657		12,532,657
Deferred tax on temporary differences			(127,370,222)
Deferred tax on carry forward of unused tax losses	-		-
Deferred tax due to changes in tax rate			-
Net Deferred tax asset/(liabilities) as on year end of 2077			(127,370,222)
Deferred tax (asset)/liabilities as on Shrawan 1, 2076			(92,881,229)
Origination/(Reversal) during the year			(34,488,993)
Deferred tax expense/(income) recognised in profit or loss			13,606,014
Deferred tax expense/(income) recognised in other comprehensive income			(48,095,008)
Deferred tax expense/(income) recognised in directly in equity			-

Note 4.23- Other liabilities

The details of other liabilities are as follows:

	31 ASHADH 2078	31 ASHADH 2077
Liability for employees defined benefit obligations	303,635,092	266,107,125
Liability for long-service leave	389,051,939	338,156,608
Short-term employee benefits	-	-
Bills payable	441,979,403	164,232,431
Creditors and accruals	1,459,490,972	828,893,153
Interest payable on deposit	65,790,873	73,737,344
Interest payable on borrowing	3,372,253	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	160,871,018	175,124,262
Liabilities under operating Lease	53,248,216	41,775,520
Employee bonus payable	283,146,851	398,008,790
Other	-	-
a) Government Revenue Payable	23,094,151,554	17,564,862,604
b) Agency Account	11,644,687	10,542,100
c) Branch Adjustment Account	10,033,596	6,473,596
d) Remittance Payable	243,611,099	201,802,095
e) Audit Fee	395,500	395,500
f) Others payables	527,570,267	358,311,041
TOTAL	27,047,993,320	20,428,422,168

4.23.1: Defined benefit obligations

The amounts recognized in the statement of financial position are as follows:

	31 ASHADH 2078	31 ASHADH 2077
Present value of unfunded obligations	-	-
Present value of funded obligations	1,222,886,187	1,089,638,467
Total present value of obligations	1,222,886,187	1,089,638,467
Fair value of plan assets	937,959,650	823,531,340
Present value of net obligations	284,926,537	266,107,127
Recognised liability for defined benefit obligations	284,926,537	266,107,127

4.23.2: Plan assets

Plan assets comprise

	31 ASHADH 2078	31 ASHADH 2077
Equity securities	-	-
Government bonds	-	-
Bank deposit	937,959,650	823,531,340
Other	-	-
TOTAL	937,959,650	823,531,340

4.23.3: Movement in the present value of defined benefit obligations

	31 ASHADH 2078	31 ASHADH 2077
Defined benefit obligations at Shrawan 1	1,089,638,467	1,054,177,927
Actuarial losses	11,085,140	(76,063,320)
Benefits paid by the plan	(45,347,320)	(54,278,180)
Current service costs and interest	167,509,900	165,802,040
DEFINED BENEFIT OBLIGATIONS AT ASHAD END	1,222,886,187	1,089,638,467

4.23.4: Movement in the fair value of plan assets

	31 ASHADH 2078	31 ASHADH 2077
Fair value of plan assets at Shrawan 1	823,531,340	665,714,490
Contributions paid into the plan	159,775,630	212,095,020
Benefits paid during the year	(45,347,320)	(54,278,180)
Actuarial (losses) gains	(70,000,160)	(56,585,990)
Expected return on plan assets	70,000,160	56,586,000
FAIR VALUE OF PLAN ASSETS AT ASHAD END	937,959,650	823,531,340

4.23.5: Amount recognised in profit or loss

	31 ASHADH 2078	31 ASHADH 2078
Current service costs	75,569,860	76,852,930
Interest on obligation	91,940,040	88,949,110
Expected return on plan assets	(70,000,160)	(56,586,000)
TOTAL	97,509,740	109,216,040

4.23.6: Amount recognised in other comprehensive income

	31 ASHADH 2078	31 ASHADH 2078
Actuarial (gain)/loss	81,085,300	(19,477,330)
TOTAL	81,085,300	(19,477,330)

4.23.7: Actuarial assumptions

	31 ASHADH 2078	31 ASHADH 2077
Discount rate	8.50%	8.50%
Expected return on plan asset	8.50%	9.00%
Future salary increase	8.00%	8.00%
	Till age 35 years-3%	Till age 35 years-3%
Withdrawal rate	Thereafter-1%	Thereafter-1%

Note 4.24- Debt securities issued

8% redeemable debenture issued by the bank has been presented under this head. Details as follows:

- 8% Debenture of Rs. 46.88 crores for a period of 10 years and maturing on Jestha 2080 has been issued on Jestha 31, 2070.
- During the year Rs. 4.69 crores has been appropriated through Profit & Loss Appropriation Account to Debenture Redemption Reserve for 8% Debenture of Rs. 46.88 crores maturing on 13.6.2023. The 8% debenture of Rs. 60 crores has matured on 31st Ashad 2078 and the accumulated debenture redemption reserve balance of Rs. 60 crores has been transferred to Capital Adjustment Reserve.
- The balance of Debenture Redemption Reserve as on Ashad 31, 2078 is Rs. 42.20 crores (Previous Year Rs. 97.51 crores).

	31 ASHADH 2078	31 ASHADH 2077
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	468,845,000	1,068,845,000
TOTAL	468,845,000	1,068,845,000

Note 4.25- Subordinated Liabilities

The bank does not have any subordinate liabilities as on reporting date.

	31 ASHADH 2078	31 ASHADH 2077
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
TOTAL	-	-

Note 4.26- Share Capital

The amount of share capital includes paid up equity share capital and convertible preference share capital. 7% Cumulative Convertible Preference Share worth Rs. 20 crores was issued on Aswin 2064, which is convertible into Ordinary Share @ 20% after completion of each third year. On this basis preference shares worth Rs. 16 Crore have been converted into ordinary shares so far. The balance of Convertible Preference Share as on 31 Ashad 2078 (July 15, 2021) is Rs. 4.00 Crore (Previous Year Rs. 4.00 Crore)

The bank is required to maintain the capital adequacy ratio imposed by the regulator. The ratio is fixed at 11% for the current year and the bank has maintained the required ratio.

Details of shares (equity and preference) presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Ordinary shares	8,893,717,178	8,470,206,836
Convertible preference shares (equity component only)	40,000,000	40,000,000
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
TOTAL	8,933,717,178	8,510,206,836

4.26.1: Ordinary shares

	31 ASHADH 2078	31 ASHADH 2077
Authorized Capital		
10,00,00,000 nos. of Ordinary Shares of Rs. 100 each (Previous 10,00,00,000 nos. of Ordinary Shares of Rs. 100 each)	10,000,000,000	10,000,000,000
Issued capital		
8,89,37,171.78 nos. of Ordinary Shares of Rs. 100 each (Previous 8,47,02,068 nos. of Ordinary Shares of Rs. 100 each)	8,893,717,178	8,470,206,836
Subscribed and paid up capital		
8,89,37,171.78 nos. of Ordinary Shares of Rs. 100 each (Previous 8,47,02,068 nos. of Ordinary Shares of Rs. 100 each)	8,893,717,178	8,470,206,836
TOTAL	8,893,717,178	8,470,206,836

4.26.2: Ordinary share ownership

	31 ASHADH 2078		31 ASHADH 2077	
	Percent	Amount	Percent	Amount
Domestic ownership	79.97	7,112,374,678	79.97	6,773,690,236
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed institutions	-	-	-	-
Other Institutions	11.21	996,618,600	10.78	912,828,600
Public	68.76	6,115,756,078	69.19	5,860,861,636
Other				
Foreign ownership	20.03	1,781,342,500	20.03	1,696,516,600
TOTAL	100.00	8,893,717,178	100.00	8,470,206,836

Note 4.26.1- Share premium

Any premium collected on issue of share to public is credited to this reserve. This reserve is utilized only for issue of bonus share. During the F/Y 2074-75, the Bank had issued 15,088,087 right shares at the rate of Rs. 100. The unsubscribed shares of right issue were auctioned and the excess amount collected over the par value on auctioned shares are booked under Share Premium Account which is equivalent to Rs. 238,469,884.

Note 4.27- Reserves

Following reserves are maintained by the bank.

	31 ASHADH 2078	31 ASHADH 2077
Statutory general reserve	4,683,618,494	4,318,303,024
Exchange equalisation reserve	38,060,443	35,067,276
Corporate social responsibility reserve	17,869,967	30,410,213
Capital redemption reserve	-	-
Reserve for Staff Training	5,263,397	10,322,905
Regulatory reserve	942,126,916	978,675,406
Investment adjustment reserve	2,762,746	2,773,266
Capital Adjustment reserve	647,562,907	47,562,907
Assets revaluation reserve	971,430,892	968,943,421
Fair value reserve	1,425,444,191	680,609,918
Dividend equalisation reserve	-	-
Actuarial gain	(97,071,479)	(40,311,769)
Debenture Redemption reserve	421,965,000	975,080,000
Other reserve	88,177,211	88,177,211
TOTAL	9,147,210,685	8,095,613,778

a) General Reserve

There is regulatory requirement by the central bank to set aside 20% of the net profit after tax as general reserve to build up the capital until the reserve fund balance is twice the paid-up share capital. This is the restricted reserve and cannot be freely used.

During the year, bank has appropriated Rs. 365,315,470 (Previous year Rs. 503,248,742) to this reserve being 20% of net profit.

b) Exchange Equalization reserve

Central banks regulatory directive requires the bank to transfer 25% of exchange revaluation gain on foreign currency other than the Indian currency to this reserve.

During the year, bank has appropriated Rs. 2,993,168 (Previous year Rs. 4,905,737) being 25% of exchange gain to this reserve.

c) Assets Revaluation Reserve

Reserve created from revaluation of assets (such as Property & Equipment, Intangible Assets and Investment Property) is presented under this account head.

The bank has revalued the entire class of land property and increased value of land above the cost price has been presented under this account head. During the reporting period, the reserve has been increased to Rs. 971,430,892 (Previous year Rs. 968,943,421).

d) Fair Value Reserves

The fair value reserve comprises the cumulative net change in the fair value of financial assets that are measured at fair value and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized. The cumulative amount of changes in fair value of those financial assets is presented under this account head. During the reporting period, this reserve has been increased to Rs. 1,425,444,191 (Previous year Rs. 680,609,918)

e) Capital Reserve

The capital reserve represents the amount of those reserves which are in nature of capital and which shall not be available for distribution of cash dividend. No such reserve has been created by the bank.

f) Corporate Social Responsibility Fund

As per NRB Circular Bai.Bi.Ni.Bi./Niti/Paripatra/KaKhaGa/11/073/74, CSR fund shall be created for CSR activities of the Bank in the next fiscal year as per Corporate Social Responsibility Manual of the Bank.

During the year, CSR Fund of Rs. 17,709,395 (Previous year Rs. 25,162,437) has been appropriated being 1% of net profit and the CSR expenses incurred during the year amounting to Rs. 30,249,641 (Previous year Rs. 45,199,659) has been reversed from CSR fund. Hence, CSR fund during the year has been reduced in total by Rs. 12,540,246 (Previous year 20,037,222). The detail of expenses incurred during the period are as follows:

Particulars	31 Ashadh 2078	31 Ashadh 2077
Education, health, natural calamities, environment conservation, cultural promotion, infra development in remote areas	20,484,166	23,636,906
Income generation of socially discarded section, Financial Literacy, Financial Protection	939,000	2,782,672
Grant in education and health for ultra-poor or for organization engaged in such activities	186,000	16,804,982
Expenses incurred in areas specified in SDG	500,000	-
Expenses incurred for bank's staff on COVID 19 related disease on actual bill basis	5,588,973	-
Grant for orphanages, old age home and Balmandir	0	1,937,500
Amount deposited in Lets open Bank Account Campaign 2076	100	37,600
Expenditure incurred upto 5% of its CSR Fund in order to promote the contactless payment services like QR code.	721,402	-
Others (COVID 19 Related)	1,830,000	-
Total	30,249,641	45,199,660

g) Capital Redemption Reserve

There is no any balance in capital redemption reserve as opening balance of this reserve was nil and no amount has been allocated to this reserve during the reporting period.

h) Capital Adjustment Fund

Any amount that is allocated from retained profit to a reserve that is created for the raising capital of the Bank as well as calls is advance amount to make up minimum paid up capital amount is presented under this account head.

During the year, the accumulated debenture redemption reserve related to 8% debenture matured on 31 Ashad 2078 of Rs. 60 crores has been transferred to Capital Adjustment Reserve. The balance as on reporting date is Rs. 647,562,907 (Previous year Rs. 47,562,907)

i) Dividend Equalization Fund

For the purpose of maintaining uniformity in dividend payment, certain amount of profit during the year of profit making is transferred and presented under this account head. No such fund has been created by the bank.

j) Special Reserve

Any special reserve that is created as per the specific requirement of NRB directive or special instruction of NRB is presented as special reserve. There is neither any opening balance in special reserve nor has any amount been allocated to this reserve during the reporting period.

k) Employee training cost and employee capacity development Fund

As per clause 6 of NRB Directive no. 6/074, 3% of previous year employee cost is required to be expended towards employee training and development in the current financial year. However as per circular no. 2/078/79 dated 2078-05-08, it is not mandatory to expend for the F/Y 2077-78. Therefore, the bank has not transferred any amount to this reserve for this F/Y year and expended amount during this F/Y Rs. 5,059,509 (Previous year Rs. 12,631,554) has been reversed from this reserve.

l) Investment Adjustment Reserve

It is a regulatory reserve created as a cushion for adverse price movements in bank's investments as directed by the Directives of Nepal Rastra Bank. As per NFRS 9 investment securities available for sale category is classified as financial assets through other comprehensive income.

During the year, bank has reversed Rs. 10,520 from this reserve (Previous year Rs. 1,320,000 transferred to this reserve). The balance as on reporting date is Rs. 2,762,746 (Previous Year Rs. 2,773,266)

m) Regulatory Reserve

The amount that is allocated from profit or retained earnings of the Bank as per the Directive of NRB for the purpose of implementation of NFRS is presented under this account head. The amount in this reserve is not free for distribution of dividend (cash as well as bonus shares). The amount allocated to this reserve include interest income recognized but not received in cash, difference of loan loss provision as per NRB directive and impairment on loan and advance as per NFRS (in case lower impairment is recognized under NFRS), amount equals to deferred tax assets, actual loss recognized in other comprehensive income, amount of goodwill recognized under NFRS etc. Amount of Rs. 36,548,489 has been transferred from this reserve during the reporting period (Previous year Rs. 384,122,185 transferred to this reserve).

The details of regulatory reserve are presented below:

PARTICULARS	31 ASHAD 2078	31 ASHAD 2077
Opening Retained Earning	901,465,242	307,435,130
Net profit or (loss) as per statement of profit or loss	1,770,939,497	2,516,243,710
Appropriations:		
a. General reserve	354,187,899	503,248,742
b. Foreign exchange fluctuation fund	2,993,168	4,905,737
c. Debenture redemption reserve	(553,115,000)	166,885,000
d. Corporate social responsibility fund	(12,540,246)	(20,037,222)
e. Employees' training fund	(5,059,509)	(12,631,554)
f. Capital Adjustment Reserve	600,000,000	.
g. Investment Adjustment Reserve	(10,520)	1,320,000
h. Other	.	.
1. Dividend on Preference Share	2,800,000	2,800,000
2. Profit from sale of Shares	(44,510,282)	.
Profit or (loss) before regulatory adjustment	1,426,193,987	1,869,753,007
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	195,308,247	(362,912,914)
b. Short loan loss provision on Non Banking Assets (-)/reversal (+)	.	.
c. Deferred tax assets recognised (-)/ reversal (+)	.	.
d. Actuarial loss recognised (-)/reversal (+)	(81,085,300)	19,477,330
e. Other (+/-)	.	.
Investment in associates	(77,674,458)	(40,686,601)
Regulatory Reserve for the year	36,548,489	(384,122,185)
Distributable profit or (loss)	2,364,207,718	1,793,065,963

Detail of Changes in Regulatory Reserve

FY	Interest receivable	Short Provision on NBA	Deferred Tax Assets	Actuarial Loss Recognized	Other Investment in Associates	Total
From 74/75 till reporting period	376,050,054	21,040,173	52,109,351	110,125,280	382,802,058	942,126,916

The balance of regulatory reserve as on reporting date is Rs. 942,126,916 (Previous year Rs. 978,675,406).

n) Actuarial Gain/Loss Reserve

Actuarial gain or loss that represents change in actuarial assumptions used to value employee obligations is presented under this account head. During the year, the company has transferred Rs. 56,759,710 from this reserve (Previous year Rs. 13,634,131 transferred to this reserve). The balance of this reserve as on reporting date is Rs. -97,071,479 (Previous year Rs. -40,311,769).

o) Retained earnings

The accumulated profits which has not been distributed to shareholders and has been ploughed back in the licensed institution's operations and is free for distribution of dividend to the shareholders is presented under this heading. The balance as on reporting date is Rs. 2,364,207,718 (Previous Year Rs. 1,793,065,962)

Note 4.28- Contingent liabilities and commitments

The table below shows the contract or underlying principal amounts of unmatured off-balance sheet transactions as on reporting date.

	31 ASHADH 2078	31 ASHADH 2077
Contingent liabilities	28,871,907,137	20,093,121,309
Undrawn and undisbursed facilities	30,684,666,585	24,175,647,295
Capital commitment	156,554,347	99,419,304
Lease Commitment	1,199,349,154	1,054,687,994
Litigation	387,643,740	245,279,067
TOTAL	61,300,120,963	45,668,154,969

4.28.1: Contingent liabilities

	31 ASHADH 2078	31 ASHADH 2077
Acceptance and documentary credit	17,735,409,581	10,737,206,382
Bills for collection	2,279,678,344	2,146,328,827
Forward exchange contracts	-	-
Guarantees	8,856,819,213	7,209,586,100
Underwriting commitment	-	-
Other commitments	-	-
TOTAL	28,871,907,137	20,093,121,309

4.28.2: Undrawn and undisbursed facilities

	31 ASHADH 2078	31 ASHADH 2077
Undisbursed amount of loans	4,646,972,799	5,524,308,226
Undrawn limits of overdrafts	16,584,258,824	10,783,310,113
Undrawn limits of credit cards	448,883,961	80,958,111
Undrawn limits of letter of credit	6,996,158,806	5,847,018,545
Undrawn limits of guarantee	2,008,392,196	1,940,052,300
TOTAL	30,684,666,585	24,175,647,295

4.28.3: Capital commitments

	31 ASHADH 2078	31 ASHADH 2077
Capital commitments in relation to Property and Equipment		
Approved and contracted for	156,554,347	99,419,304
Approved but not contracted for	-	-
Sub total	156,554,347	99,419,304
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
TOTAL	156,554,347	99,419,304

4.28.4: Lease commitments

	31 ASHADH 2078	31 ASHADH 2077
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	152,258,994	148,245,400
Later than 1 year but not later than 5 years	660,072,559	640,161,528
Later than 5 years	387,017,601	266,281,066
Sub total	1,199,349,154	1,054,687,994
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	1,199,349,154	1,054,687,994

4.28.5: Litigation

Large Tax Payer office has reassessed the income tax for the year 2063-64, 2064-65, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73 and 2073-74 demanding total additional tax of Rs. 38.76 Crores (including VAT, Fine, Interest & TDS) (Previous year is Rs. 24.53 Crores). The bank has disputed remaining said assessment and is under with the Revenue Tribunal/Supreme Court.

Note 4.29- Interest income

Interest income include interest income on loan and advance, investment securities except on those investment securities measure at fair value through profit or loss, cash and cash equivalent, due from BFIs, loan and advances to staff etc. Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Cash and cash equivalent	66,730,645	69,198,311
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	42,680,363	11,551,144
Loan and advances to bank and financial institutions	289,526,024	715,637,382
Loans and advances to customers	9,346,237,482	11,871,762,659
Investment securities	1,293,052,073	1,173,770,844
Loan and advances to staff	477,300,969	114,268,573
Other	-	-
TOTAL INTEREST INCOME	11,515,527,556	13,956,188,913

Note 4.30- Interest expense

Interest expenses include interest accrued on deposits collected and debt securities issued. Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Due to bank and financial institutions	5,687,626	3,105,211
Due to Nepal Rastra Bank	15,512,879	16,261,162
Deposits from customers	7,452,500,809	8,540,904,445
Borrowing	-	-
Debt securities issued	85,507,600	85,507,600
Subordinated liabilities	-	-
Other	-	-
TOTAL INTEREST EXPENSE	7,559,208,914	8,645,778,418

Note 4.31- Fees and commission income

Fees and commission income include management fee, service charges, syndication fee, forex transaction commission etc.

Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Loan administration fees	68,912,850	160,766,034
Service fees	226,376,678	368,405,546
Consortium fees	-	-
Commitment fees	5,850,916	18,538,845
DD/TT/Swift fees Income	11,388,544	22,090,677
Credit card/ATM issuance and renewal fees	109,650,168	127,035,917
Prepayment and swap fees	18,020,903	15,561,916
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	90,591,420	55,714,757
Commission on letter of credit	111,305,746	85,212,060
Commission on guarantee contracts issued	124,613,152	96,165,323
Commission on share underwriting/issue	-	-
Locker rental	15,748,720	14,105,440
Other fees and commission income	196,442,986	181,060,201
TOTAL FEES AND COMMISSION INCOME	978,902,083	1,144,656,716

Note 4.32- Fees and commission expense

Fees and commission expense include ATM management fees, card related fees, remittance fees & commissions/TT/swift charges etc.

Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
ATM management fees	32,994,250	27,017,687
VISA/Master card fees	76,832,296	23,341,555
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees Expenses	9,029,316	8,390,459
Remittance fees and commission	42,885,837	29,148,128
Other fees and commission expense	48,995,707	40,604,941
TOTAL FEES AND COMMISSION EXPENSE	210,737,406	128,502,771

Note 4.33- Net trading income

Net trading income includes gain/loss on foreign exchange transactions is included under this head. Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange transaction	367,239,043	263,565,607
Other	-	-
NET TRADING INCOME	367,239,043	263,565,607

Note 4.34- Other operating income

Other operating income includes foreign exchange revaluation gain, fair value gain/loss on investment properties, dividend on equity instruments, gain/loss on sale of property and equipment etc. Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Foreign exchange revaluation gain	11,972,671	19,622,947
Gain/loss on sale of investment securities	68,208,654	-
Fair value gain/loss on investment properties	129,549,161	72,219,631
Dividend on equity instruments	3,904,178	23,898,960
Gain/loss on sale of property and equipment	647,145	1,323,735
Gain/loss on sale of investment property	-	-
Operating lease income	-	5,141,486
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	-	-
TOTAL	214,281,809	122,206,758

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

Detail presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Impairment charge/(reversal) on loan and advances to B/FIs	29,332,433	5,105,873
Impairment charge/(reversal) on loan and advances to customer	233,035,247	543,364,610
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
TOTAL	262,367,680	548,470,483

Note 4.36- Personnel expenses

All expenses related to employees of a bank are included under this head.

Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Salary	642,273,352	638,396,793
Allowances	283,011,360	298,382,050
Gratuity expense	116,218,294	109,216,040
Provident fund	60,954,666	60,237,469
Uniform	104,300	9,837,720
Training & development expense	5,059,509	12,631,554
Leave Expenses	84,383,150	46,653,060
Medical	6,242,250	6,409,000
Insurance	19,842,414	9,422,693
Employees Incentive	-	-
Cash-settled share-based payments	-	-
Pension Expenses	-	-
Finance expense under NFRS	84,576,808	32,091,656
Other expenses related to staff	25,248,840	25,553,139
SUBTOTAL	1,327,914,942	1,248,831,174
Employees bonus	283,146,851	398,008,790
GRAND TOTAL	1,611,061,794	1,646,839,964

During the year, the average yield rate for calculation of interest subsidy on staff loan is 6.59% (Previous year 8.00%).

Note 4.37- Other Operating expenses

Operating expense other than those relating to personnel expense are recognized are presented in this head. Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Directors' fee	975,000	965,000
Directors' expense	788,092	998,820
Auditors' remuneration	395,500	395,500
Other audit related expense	706,250	1,299,410
Professional and legal expense	3,933,166	5,696,162
Office administration expense	501,207,922	517,107,552
Operating lease expense	175,876,560	186,235,293
Operating expense of investment properties	-	-
Corporate social responsibility expense	30,249,641	45,199,659
Onerous lease provisions	-	-
Other expenses	10,177,705	26,602,006
TOTAL	724,309,836	784,499,401

4.37.1 Office administration expense

	31 ASHADH 2078	31 ASHADH 2077
Water & Electricity	28,784,455	29,326,819
Repair & Maintenance		
(a) Building	679,858	1,218,163
(b) Vehicle	3,713,386	2,829,064
(c) Computer & Accessories	320,913	325,935
(d) Office Equipment and furniture	18,219,089	18,168,585
(e) Other	3,400,645	3,008,555
Insurance Premium	14,186,508	19,091,614
Postage, Telex, Telephone, Fax	43,832,363	43,331,383
Printing and Stationery	27,861,909	27,626,555
News Paper, Books and Journals	405,660	655,201
Advertisement	32,724,040	25,552,611
Donation	-	12,755
Security Expense	95,146,789	90,891,930
Deposit and loan guarantee premium	47,352,880	38,602,216
Travel allowance and expenses	6,785,706	13,375,855
Entertainment	14,019,601	14,587,105
Annual/Special general meeting expenses	843,311	2,645,361
Other		
a) Business Promotion	6,785,146	18,892,025
b) TSA fee and expenses reimbursement	32,534,746	48,372,601
c) Registration/Renewals	13,243,772	9,862,624
d) Fuel & Lubricant	28,024,734	28,926,920
e) Software Contract Expenses	28,324,969	23,027,427
f) Branch Less Banking & Mobile ATM	2,109,537	1,786,244
g) Disaster Recovery Sites	6,511,170	7,020,015
h) Temporary staff wages	45,312,157	47,835,956
i) Misc.	84,575	134,031
TOTAL	501,207,922	517,107,552

Note 4.38- Depreciation and amortization

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Depreciation and amortization include depreciation on plant and equipment & amortization of intangible assets. Details presented as follows:

	31 ASHADH 2078	31 ASHADH 2077
Depreciation on property and equipment	146,521,093	138,410,243
Depreciation on investment property	-	-
Amortisation of intangible assets	13,335,420	11,424,937
TOTAL	159,856,513	149,835,180

Note 4.39- Non-operating income

The incomes that have no direct relationship with the operation of transactions are presented under this head.

	31 ASHADH 2078	31 ASHADH 2077
Recovery of loan written off	-	-
Other income	-	-
TOTAL	-	-

Note 4.40- Non-operating Expenses

The expenses that have no direct relationship with the operation of transactions are presented under this head.

	31 ASHADH 2078	31 ASHADH 2077
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other non-operating expenses	86,688	612,663
TOTAL	86,688	612,663

Note 4.41- Income tax expense

The bank has calculated current tax on the basis of self-assessment as per income tax act 2058.

	31 ASHADH 2078	31 ASHADH 2077
Current tax expense	790,243,997	1,079,441,418
Current year	786,774,797	1,079,165,651
Adjustments for prior years	3,469,200	275,767
Deferred tax expense	(12,861,834)	(13,606,014)
Origination and reversal of temporary differences	(12,861,834)	(13,606,014)
Changes in tax rate	-	-
Recognition of previously unrecognized tax losses	-	-
TOTAL INCOME TAX EXPENSE	777,382,163	1,065,835,404

4.41.1: Reconciliation of tax expense and accounting profit

	31 ASHADH 2078	31 ASHADH 2077
Profit before tax	2,603,959,512	3,582,079,114
Tax amount at tax rate of 30 %	781,187,854	1,074,623,734
Add: Tax effect of expenses that are not deductible for tax purpose	-	150,000
Less: Tax effect on exempt income	(3,048,165)	(8,979,248)
Add/less: Tax effect on other items	(757,526)	40,918
TOTAL INCOME TAX EXPENSE	777,382,163	1,065,835,404
EFFECTIVE TAX RATE	30%	30%

5. Disclosure and Additional Information

Note 5.1 - Risk Management

Risk Management

Board Level Risk Committee

The Board is the one who set policy, strategy and objectives, and oversee the executive function. It sets risk appetite and ensures that it is reflected in business strategy and cascaded throughout the organization.

For the effective risk management, Board has formed a board level committee called Risk Management Committee (RMC) which assists the board in setting risk strategy policies, including risk tolerance and appetite levels, as stipulated by Nepal Rastra Bank. It devises the risk management policy of the bank including credit, market and operational risk, risk integration, implementation of best risk management practices and setting up various risk limits of the bank. The Committee receives reports from management and after discussion and deliberations reaches in a conclusion that existing action taken by the management are appropriate or elevate the situations to the Board where further action is required with its recommendation.

Risk Governance

The risk management framework which consists of board set risk appetite, clear organization setup, well defined roles, well developed tools and processes and well defined policy on each risk areas.

Risk Management framework is supervised by Risk Management Committee (RMC), a committee of Board and supported by functional committees namely Credit Risk Management Committee (CRMC), Asset and Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC). Bank has separate Risk Management Department for managing, mitigating and controlling different risk which acts as second line of defense whereas all business functions lies on first line of defense and Internal Audit and Audit Committee on third line of defense. Further, the bank has different policies which directs/supplements the framework. The bank has Board approved operational instructions, book of instructions and clear role definition of each unit makes the process simple and robust. Bank has also set tolerance limits on different parameters above the regulatory requirement maintaining extra caution level in managing these risks.

Credit Risk

Credit risk is defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. For measurement of Credit Risk bank has adopted Simplified Standardized Approach (SSA) and for Management of Credit Risk Bank has formulated various policies, procedure and internal guideline that is approved by Board in recommendation of Risk Management Committee (RMC). Bank has a clear guiding document related to loaning power approved by the Board.

The Risk Management department is individually reviewing the business loan having limit Rs.5 crore and above. Assessment ground for sanctioning of new loan, renewal of loan or enhancement of existing loan is defined in book of instruction/ Credit & Credit Risk Management Policy of the bank. A separate vertical Credit Administration department in HO and Branches are administrating loan related documents, examining loan repayment, record keeping of loan files and related security documents.

All revolving loans are reviewed/ renewed annually. Quarterly Review for all loans of Rs. 1 Crore and above is conducted. Separate Recovery Cell has been created and bank has recovery/ write off Policy approved by the Board. Bank is doing comprehensive risk assessment by assessing the loan from internally developed rating model

Operational Risk

Operational Risk is loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risks. For measurement of Operation risk Bank has adopted Basic Indicator Approach (BIA) and for management of Operation risk Bank has policies in place, 3 line of defense in

practice, risk identification, assessment and monitoring tools are defined, Risk Control and Mitigation tools are in place. Formal channel is defined where by various policies, procedure and internal guidelines are approved by Board in recommendation of Risk Management Committee (RMC).

Bank has effective Internal Control System and Information System for managing Operational Risk. Risk Based Internal Audit (RBIA) has been started in the bank. IT/System Audit is been done annually by expert external agency and report is submitted to concerned Supervision Department of NRB.

Risk events of the Bank are compiled and instructed the related function to take corrective measures wherever necessary. Such risk events are presented in ORMC, RMC. Bank has Disaster Recovery Policy and Business Continuity Plan incorporated in IT Policy. Further, drill operation has been performed twice in a year and updated if necessary. Human Resource Department of the bank is placing and transferring the employees periodically.

Market Risk

Market risk refers to the risk to a bank resulting from movements in market prices, in particular, changes in liquidity, interest rates, foreign exchange rates, and equity prices. For measurement of Market Risk Bank has adopted Net Open Position Approach and for management of the Market Risk guiding policies such as Assets/Liabilities Management policy, Investment Policy and Treasury management policy and procedure are in place.

Bank has established middle office under the regulatory guidelines for monitoring exposures based on limit set up by the board and NRB including regulatory norms, prudential ceiling and delegation of authorities on Liquidity and Market Risk. Middle office is also conducting ALCO meetings and market risk reporting to ALCO.

Bank is assessing interest rate risk, foreign exchange risk and equity price risk at a regular interval as per the NRB guidelines and the internal policy in managing market risk and reporting to RMC and the Board on quarterly basis.

Liquidity Risk

Liquidity risk is the potential that the bank may be unable to meets its obligations due or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Bank has been maintaining CRR, SLR, net liquidity ratio and credit to core capital and deposit ratios within the limit approved by the Board and are being monitored on continuous basis. Further, maturity wise structural liquidity table are being prepared as per the regulatory guidelines on monthly basis and reported to the Board on quarterly basis. Bank has also addressed contingency liquidity plan in its policy that is being reviewed annually or on requirement basis.

Reputational Risk

Reputational risk is the current or prospective indirect to earnings and capital arising from adverse perception of the image of the financial institution on the part of customers, counterparties, shareholders, investors or regulators. We call it indirect risk, as reputational risk has an indirect impact on capital and profitability. Its effect is mainly manifested in the deterioration of goodwill and lost makings. For management of the reputational risk bank has developed the model for collection and assessment of data.

Compliance Risk

Compliance Risk is the current and prospective risk to earnings or capital arising from violations of or non-conformance with laws, rules, regulations and prescribed practices and it exposes the bank to fines, penalties and payment of damages etc. It culminates into reputational risk. Bank has separate department that is handling the compliance of the Bank.

Internal Control

Internal Control System i.e Audit, Compliance has been reinforcing on the effective implementation of laid down Policies and Procedure. Regular banking activities are being closely monitored through internal control mechanism. Bank is having an appropriate control structure with well-defined control activities at every business level. Duties of officials and staff members of the bank are well defined at all level to avoid conflicting responsibilities. Bank has already placed Code of Ethics and Conflict of Interest Policy for Board Directors and staff. These laid down system are being monitored & reviewed periodically to identify the areas of potential conflicts of interest to minimize Operational Risk at all level. Information system of the bank is upgrading continuously and place to cover activities of the Bank. Internal Audit Department independently evaluates the adequacy and compliance of the bank's established guidelines for internal control system. Risk Based Internal Audit (RBIA) has been started in the bank, where internal auditor incorporates the measures initiated by branch/ department/ office to manage operational risk. System audit is being done through outsiders till the Capability buildup of internal personnel and report is submitted to concern Supervision Department of NRB.

5.2- Capital Management

1. Capital Structure and Capital Adequacy

• Tier 1 capital and a breakdown of its components :	In Rs. '000
Core Capital (Tier 1)	17,194,480
a Paid up Equity Share Capital	8,893,717
b Proposed Bonus Equity Shares	-
c Equity Share Premium	238,470
d Irredeemable Non- cumulative preference shares	-
e Statutory General Reserves	4,683,618
f Retained Earnings	2,364,208
g Reserve for Deferred Tax	-
h Un-audited current year cumulative profit	-
i Debenture Redemption Reserve	421,965
j Capital Adjustment Reserve	647,563
k Capital Redemption Reserve	-
l Other Free Reserve	106,047
m Calls in Advance	-

Less :

a Goodwill and Intangible Assets	(32,837)
b Deferred Tax Assets	-
c Less: Fictitious Assets	-
d Less: Investment in Equity in licensed Financial Institutions	-
e Less: Investment in Equity of Institutions with financial interests	-
f Less: Investment in Equity of institutions with excess of limits	-
g Less: Investments arising out of underwriting commitments	-
h Less: Reciprocal crossholdings	-
i Less: Purchase of land & building in excess of limit & unutilised	(31,200)
j Less: Cash Flow Hedge	-
k Less: Define Benefit Pension Assets	-
l Less: Unrecognised Define benefit Pension Liabilities	-
m Less: Negative balance of reserve accounts	(97,071)
n Less: other deduction	-
Adjustments under Pillar II	-
Less: Shortfall in Provision (6.4 a 1)	-
Less: Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)	-

Supplementary Capital (Tier 2)	1,894,841
a Cumulative and/or Redeemable Preference Share	40,000
b Subordinated Term Debt	93,769
c Hybrid Capital Instruments	-
d General Loan Loss provision	1,714,986
e Investment Adjustment Reserve	2,763
f Assets Revaluation Reserve	-
g Exchange Equalization Reserve	38,060
h Additional Loan Loss Provision	-
i Other Reserves	5,263
Total Capital Fund (Tier I and II)	19,089,321

• **Tier 2 capital and a breakdown of its components**

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.

- Deductions from capital : 161,109 thousand
- Total qualifying capital : 19,089,321 thousand
- Capital adequacy ratio : 12.48%

• **Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable :**

Bank assesses the adequacy of capital on a regular basis taking into consideration of the present total risk exposure and expected future increase in this respect. Bank is aiming to maintain a proper mix of different types of capital so that there would not be pressure on dividend policy as well as inadequacy of total capital funds against the risk exposure. In the past, bank had issued convertible preference share of Rs. 20 crore at a premium of 100% convertible into ordinary share @ 20% on completion of each third year. Further, the bank has issued debenture of Rs. 46.88 Crores in F.Y. 2069/70 for the period of 10 years.

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

As of 15th July 2021, Bank has the following capital structure:

Paid up ordinary capital	Rs. 889.37 crores
Convertible preference share	Rs. 4.00 crores (Rs. 16 Crore out of Rs. 20 Crores already converted into Ordinary shares)

The salient features of each instrument are as under:

i) **Cumulative Convertible Preference Shares of Rs. 20 crore:**

These shares were issued at 100% premium with the terms and condition of 7% fixed dividend on the face value on unconverted portion. These shares are convertible into ordinary shares @ 20% after completion of every three years. Rs. 16 Crore has already been converted into ordinary share so far.

ii) **EBL Debenture Rs. 46.88 crore: (Issued on 14.06.2013 and maturing on 13.06.2023)**

These debentures were issued for 10 years with a fixed interest of 8% p.a. These debentures are redeemable after expiry of its' fixed period of ten years.

2. Risk Exposures

- Risk weighted exposures for Credit Risk, Market Risk and Operational Risk.

Particulars	Amount ('000) NPR
1. Credit Risk	137,834,692
2. Market Risk	1,155,135
3. Operational Risk	9,137,438
4. Adjustment under Pillar III	4,828,042
TOTAL	152,955,307

- Risk weighted exposures under each of 11 categories of Credit Risk:

Particulars	Amount ('000) NPR
1. Claims on other official entities	-
2. Claims on banks	3,045,418
3. Claims on Domestic corporate & securities firms	69,006,362
4. Claims on regulatory retail portfolio	19,297,430
5. Claims secured by residential properties	11,171,416
6. Claims secured by commercial real estate	2,526,987
7. Past due claims	54,540
8. High risk claims	13,026,235
9. Investment in Equity of Institutions	2,844,698
10. Other assets	4,326,972
11. Off balance sheet items	12,534,634
TOTAL	137,834,692

- Total risk weighted exposure calculation table :
Enclosed as an Annexure:

- Amount of NPAs (both Gross and Net) NPR in '000

Category	Gross	Provision	Net
Substandard Loan	50,868	12,717	38,151
Doubtful Loan	12,356	6,178	6,178
Loss Loan	95,326	95,326	-
TOTAL	158,549	114,221	44,329

- NPA Ratios

- ☼ Gross NPA to gross advances : 0.12%
- ☼ Provision to NPA : >100%

- Movement of Non-Performing Assets :

NPR in '000

Particulars	Amount	Provision
Opening balance	265,716	148,282
Addition during the year	9,181	40,430
Recovered during the year	116,347	74,491
BALANCE AS AT 15 JULY 2021	158,549	114,221

• **Write off of Loans and Interest Suspense :** NPR in '000

Particular	Amount
Loan	-
Interest Suspense	74,222

• **Movements in Loan Loss Provisions and Interest Suspense:** Rs in '000

Particulars	Loan loss provision	Interest suspense
Opening balance	1,814,256	815,445
Write back /off in the year	384,367	74,222
Addition in the year	646,735	(328,919)
BALANCE AS AT 15 JULY 2021	2,076,624	412,304

• **Details of additional Loan Loss Provisions:** NPR in '000

Loan Category	Amount
1. Substandard	-
2. Doubtful	-
3. Loan against PG	-
4. Deprived Sector Loan	-
5. Retail Lending	-
6. Other	16,464
TOTAL	16,464

5.3- Classification and fair value of financial asset and financial liabilities

Categories of financial assets and liabilities are presented as follows:

A. Financial assets and liabilities at fair value through profit and loss

The following table contains detail of the carrying amount of the financial assets and liabilities as on reporting date:

Current year

Particulars	Carrying amount (Rs.)		
	Level 1	Level 2	Level 3
Derivative financial instruments (Liabilities)			27,925,206

Previous year

Particulars	Carrying amount (Rs.)		
	Level 1	Level 2	Level 3
Derivative financial instruments (Assets)			14,537,291

B. Financial assets and liabilities measured at amortized cost

The following table contains detail of the carrying amount of the financial assets and liabilities as on reporting date:

Current year

Particulars	Carrying amount (Rs.)		
	Level 1	Level 2	Level 3
Treasury bills		6,990,567,626	
Government bonds		23,260,600,000	
Loan and advances to B/FIs			7,584,623,713
Loans and advances to customers			129,665,248,320

Previous year

Particulars	Carrying amount (Rs.)		
	Level 1	Level 2	Level 3
Treasury bills		7,074,376,485	
Government bonds		20,672,600,000	
Loan and advances to B/FIs			6,926,767,527
Loans and advances to customers			113,956,726,844

C. Financial asset measured at fair value through other comprehensive income

The following table contains detail of the carrying amount and based on the hierarchy of fair value measurement of financial assets as on reporting date:

Current year

Particulars	Carrying amount (Rs.)		
	Level 1	Level 2	Level 3
Investment securities			
Quoted Equity			
Rural Microfinance Development Ltd.		221,665,261	
Nirdhan Utthan Bank Ltd.	853,640,000	1,015,596,274	
Taragaon Regency Hotel	20,000,000		
Unquoted Equity			
Nepal Clearing House Ltd.			4,968,000
Credit Information Center Ltd.			12,352,100
National banking Training Institute			1,834,860
TOTAL	873,640,000	1,237,261,535	19,154,960

Previous year

Particulars	Carrying amount (Rs.)		
	Level 1	Level 2	Level 3
Investment securities			
Quoted Equity			
Rural Microfinance Development Ltd.		106,454,493	
Nirdhan Utthan Bank Ltd.	439,546,765	493,395,299	
Taragaon Regency Hotel	9,350,000		
Unquoted Equity			
Nepal Clearing House Ltd.			1,834,860
Credit Information Center Ltd.			12,352,125
National banking Training Institute			1,200,000
TOTAL	448,896,765	599,849,792	15,386,985

Note 5.4 - Segment Analysis

The bank has identified segments on the basis of each geographical presence in seven provinces of the country. Segment profit or loss, revenue and expenses, assets and liabilities, and the basis of measurement are presented as follows:

Information about profit or loss, assets and liabilities

(in NPR '000)

Particulars	Province 1		Province 2		Bagmati Province		Gandaki Province		Lumbini Province		Karnali Province		Sudur Pashchim Province		Total	
	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year	Current Quarter	Corresponding Previous Year Quarter
Revenues from external Customers	940,068	1,158,198	920,454	1,036,563	8,762,056	9,779,338	686,055	821,900	1,149,146	1,371,036	157,285	178,802	520,424	556,874	13,135,488	14,902,711
Intersegment Revenue	16,943	14,716	106,838	126,338	7,628,012	8,852,993	35,205	6,500	53,535	48,613	-	-	9,273	16,081	7,849,806	9,065,241
Gross Revenue	957,011	1,172,914	1,027,292	1,162,901	16,390,068	18,632,331	721,260	828,400	1,202,681	1,419,649	157,285	178,802	529,697	572,955	20,985,294	23,967,952
Interest Revenue	838,433	1,037,396	811,375	921,221	7,584,997	8,819,095	639,330	758,851	1,020,236	1,209,360	147,104	164,201	477,934	504,918	11,519,409	13,415,042
Interest Expenses	290,513	320,881	299,846	331,062	6,153,682	7,017,850	264,299	294,558	402,625	472,049	32,804	37,469	115,440	136,721	7,559,209	8,610,589
Net Interest Revenue	547,920	716,515	511,529	590,158	1,431,315	1,801,245	375,031	464,293	617,611	737,311	114,300	126,732	362,494	368,197	3,960,200	4,804,453
Depreciation & Amortisation	16,035	13,760	12,973	11,989	90,013	84,760	11,928	11,323	13,992	12,543	1,871	1,972	13,045	13,489	159,857	149,835
Segment Profit/(Loss)	225,796	326,995	360,168	350,365	1,605,815	2,204,582	204,308	206,824	362,484	454,639	37,249	39,092	111,801	118,668	2,907,620	3,701,165
Impairment of assets	8,280	(14,103)	26,351	33,745	173,184	430,396	7,565	29,136	32,354	52,976	453	7,518	20,661	8,802	268,847	548,470
Segment assets	15,147,178	14,379,491	14,831,138	12,869,348	141,181,756	121,414,440	111,054,307	10,204,220	18,516,030	17,021,966	2,534,318	2,219,904	8,385,523	6,913,821	211,650,249	185,023,190
Segment Liabilities	13,666,914	12,931,048	13,381,759	11,573,020	127,384,712	109,184,383	9,974,020	9,176,351	16,706,543	15,307,346	2,286,650	1,996,293	7,566,045	6,217,393	190,966,644	166,385,833

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

a. Revenue

NPR in '000

	Current Year	Corresponding Previous Year
Total revenues for reportable segments	20,985,294	23,967,952
Other revenues	-	-
Elimination of intersegment revenues	(7,909,344)	(9,065,241)
Entity's revenues	13,075,950	14,902,711

b. Profit or loss

NPR in '000

	Current Year	Corresponding Previous Year
Total profit or loss for reportable segments	2,907,620	3,701,165
Other profit or loss	-	-
Elimination of intersegment profits	-	-
Unallocated amounts:	-	-
Bonus expenses	(283,147)	(398,009)
Other adjustments	(87)	278,923
Profit before income tax	2,548,322	3,582,079

Note 5.5 - Share option and share based payment

The bank doesn't have arrangements of share-based payment and share option as on reporting date.

Note 5.6 - Contingent Liabilities and commitments

The details of contingent liabilities and commitments has been presented in notes 4.28 above.

Note 5.7- Related party disclosure

Entity with significant influence over the bank

Followings have been identified as related parties for Everest Bank Limited under NAS 24 Related parties:

- 1) Punjab National Bank Limited – this is the joint-venture partner of the investors who established the bank
- 2) Key Management Personnel of the Bank – Bank is managed by three expatriates seconded from PNB group to oversee the management of the bank's functioning under a technical service agreement and two higher level employee of the bank.
- 3) Units and companies under PNB Group
- 4) Directors of the Bank
- 5) Relatives of directors and key management personnel
- 6) Forward Community Microfinance Limited
- 7) EBL Employee Retirement Fund

Transactions during the period

PARTICULARS	31 ASHADH 2078	31 ASHADH 2077
Directors:		
Director's Sitting Fees	1,695,000	1,790,000
Other Expenses	68,092	305,926
Interest Paid to directors on deposits	156,568,583	117,210,071
Key Management Personnel (KMP):		
Remuneration and benefits Paid	37,031,484	41,138,150
Interest on account balances	415,601	711,958
PNB Group		
TSA Paid	11,390,400	11,390,400
Dividend Paid	94,287,093	324,210,482
Bonus Share Paid (No. of Share)	848,258	807,865
Forward Community Microfinance Limited		
Dividend Received	6,256,370	7,637,725
Bonus Share Received (No. of Share)	312,756	306,858

Terms and conditions of transaction with related parties

The related party transactions are made at terms equivalent to those that prevail in arm's length transactions

The following table provides the total amount of transaction that has been entered into with related parties for during the reporting period.

Transactions	Current Year		Previous Year	
	Transaction (RS.)	Nature of relationship	Transaction (RS.)	Nature of relationship
Deposit	2,486,550,870	Director	1,686,610,645	Director
Deposit	13,844,740	KMP	5,282,812	KMP
Loan	13,566,352	KMP	6,058,900	KMP

Details of Directors

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Chairman	Mr. Bishnu Krishna Shrestha	Mr. Bishnu Krishna Shrestha
Directors	Mr. Arun Man Sherchan Dr. Bal Gopal Baidya Mr. Nabin Bhakta Shrestha Dr. Nirmal Kumar Bista Ms. Urmila Shrestha Mr. Anil Bansal	Mr. Arun Man Sherchan Dr. Bal Gopal Baidya Mr. Nabin Bhakta Shrestha Mr. Sunil Gopal Shrestha Dr. Nirmal Kumar Bista Ms. Urmila Shrestha

Details of Key Managerial Personnel

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Chief Executive Officer	Dr. Sandhir Kumar (Acting) Mr. Gajendar Kumar Negi	Mr. Gajendar Kumar Negi Mr. Someswor Seth
Dy. General Manager	Mr. Gaurav Kumar Mr. Girish Kohli	Mr. Girish Kohli Mr. Rajiv Jain Dr. Sandhir Kumar
Assistant General Manager	Mr. Keshab Poudel Mr. Ashutosh Sharma	Mr. Keshab Poudel Mr. Ashutosh Sharma

Note 5.8- Merger and acquisition

During the reporting period, there is no merger and acquisition.

Note 5.9- Additional disclosures of non consolidated entities

The bank has no subsidiary for consolidation.

5.10 Events after Reporting date

The events after the reporting date are all those events, whether favorable or unfavorable, which have occurred between the reporting date and the date of preparation or approval of the financial statements for its disclosure. During the review year there are no such events after reporting date.

Note 5.12- Departure from NFRS:

The management of bank has concluded that the financial statements fairly present the bank's financial position, performance and cash flows. The Institute of Chartered Accountants of Nepal (ICAN) issued "Notice regarding Decision on Carve-outs in NFRS with Alternative Treatments" on 20 September 2018 and alternative treatments as per carve-outs has been adapted while preparing the financial statements.

Note 5.13- Limitations of NFRS:

During NFRS implementation, wherever the information is not adequately available and the cost to develop the same would exceed the benefit derived, if any, has been noted and disclosed in respective sections.

Note 5.14- Reclassification, Regrouping and rounding off:

Previous year figure has been reclassified and regrouped wherever necessary to make the same comparable with the current year's figure. Figures in financial statements are rounded off to the nearest rupee.

CAPITAL ADEQUACY TABLE

(RS. IN '000)

As At Ashadh 31, 2078 (July 15, 2021)

	CURRENT YEAR	PREVIOUS YEAR
1.1 RISK WEIGHTED EXPOSURES	148,127,264	128,179,603
a. Risk Weighted Exposure for Credit Risk - Form No. 2	137,834,692	119,235,095
b. Risk Weighted Exposure for Operational Risk -Form No.5	9,137,438	8,195,200
c. Risk Weighted Exposure for Market Risk	1,155,135	749,309
Adjustments under Pillar II		
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE (6.4 a 7)	2,962,545	2,563,592
Add RWE equivalent to reciprocal of capital charge of 3 % of gross income. (6.4 a 9)	1,865,497	2,139,016
Add: ...% of the total deposit due to insufficient liquid Assets (6.4 a 6)	-	-
Total Risk Weighted Exposures (After Adjustment under Pillar II)	152,955,307	132,882,211
1.2 CAPITAL		
Core Capital (Tier 1)	17,194,480	15,843,628
a Paid up Equity Share Capital	8,893,717	8,470,207
b Equity Share Premium	238,470	238,470
c Irredeemable Non- cumulative preference shares		
d Statutory General Reserves	4,683,618	4,318,303
e Retained Earnings	2,364,208	1,793,066
f Reserve for Deferred Tax	-	-
g Un-audited current year cumulative profit	-	-
h Debenture Redemption Reserve	421,965	975,080
i Capital Adjustment Reserve	647,563	47,563
j Capital Redemption Reserve	-	-
k Other Free Reserve	106,047	118,587
l Calls in Advance	-	-
Less :	-	-
a Goodwill and Intangible Assets	(32,837)	(46,136)
b Deferred Tax Assets	-	-
c Less: Fictitious Assets	-	-
d Less: Investment in Equity in licensed Financial Institutions	-	-
e Less: Investment in Equity of Institutions with financial interests	-	-
f Less: Investment in Equity of institutions with excess of limits	-	-
g Less: Investments arising out of underwriting commitments	-	-
h Less: Reciprocal crossholdings	-	-
i Less: Purchase of land & building in excess of limit & unutilised	(31,200)	(31,200)
j Less: Cash Flow Hedge	-	-
k Less: Define Benefit Pension Assets	-	-
l Less: Un recognised Define benefit Pension Liabilities	-	-
m Less: Negative balance of reserve accounts	(97,071)	(40,312)
n Less: other deduction	-	-
Adjustments under Pillar II	-	-
Less: Shortfall in Provision (6.4 a 1)	-	-
Less: Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)	-	-
Supplementary Capital (Tier 2)	1,894,841	1,936,729
a Cumulative and/or Redeemable Preference Share	40,000	40,000
b Subordinated Term Debt	93,769	187,538
c Hybrid Capital Instruments	-	-
d General Loan Loss provision	1,698,522	1,644,564
e Investment Adjustment Reserve	2,763	2,773
f Assets Revaluation Reserve	-	-
g Exchange Equalization Reserve	38,060	35,067
h Additional Loan Loss Provision	16,464	16,464
i Other Reserves	5,263	10,323
Total Capital Fund (Tier I and II)	19,089,321	17,780,357
1.3 CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Risk Weighted Exposures	11.24	11.92
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	12.48	13.38

RISK WEIGHTED EXPOSURE FOR CREDIT RISK

RS. '000



A. Balance Sheet Exposures	Current Year				Previous Year		
	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e	Risk Weighted Exposures
Cash Balance	2,460,085	-	-	2,460,085	0%	-	2,415,924
Balance With Nepal Rastra Bank	28,838,572	-	-	28,838,572	0%	-	19,972,675
Gold	-	-	-	-	0%	-	-
Investment in Nepalese Government Securities	30,251,168	-	-	30,251,168	0%	-	31,777,293
All other Claims on Government of Nepal	220,269	-	-	220,269	0%	-	437,377
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	-
All other Claims on Nepal Rastra Bank	-	-	-	-	0%	-	-
Claims on Foreign Government Securities (ECA Rating 0-1)	-	-	-	-	0%	-	-
Claims on Foreign Government Securities (ECA- 2)	-	-	-	-	20%	-	-
Claims on Foreign Government Securities (ECA-3)	-	-	-	-	50%	-	-
Claims on Foreign Government Securities (ECA-4-6)	-	-	-	-	100%	-	-
Claims on Foreign Government Securities (ECA-7)	-	-	-	-	150%	-	-
Claims On BIS MIFECBEC and on Multilateral Development Banks	-	-	-	-	-	-	-
(MDB's) recognized by the framework	-	-	-	-	0%	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	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	11,891,170	-	-	11,891,170	20%	2,378,234	1,913,434
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-	-
Claims on Foreign Bank (ECA Rating 0-1)	401,806	-	-	401,806	20%	80,361	189,787
Claims on Foreign Bank (ECA Rating 2)	-	-	-	-	50%	-	-
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	2,934,114	-	-	2,934,114	20%	586,823	316,522
Claims on Domestic Corporates	69,832,660	-	826,298	69,006,362	100%	69,006,362	59,136,094
Claims on Foreigns Corporates (ECA 0-1)	-	-	-	-	20%	-	-
Claims on Foreigns Corporates (ECA 2)	-	-	-	-	50%	-	-
Claims on Foreigns Corporates (ECA 3-6)	-	-	-	-	100%	-	-
Claims on Foreigns Corporates (ECA 7)	-	-	-	-	150%	-	-
Regulatory Retail Portfolio (Not Overdue)	25,729,907	-	-	25,729,907	75%	19,297,430	16,605,052
Claims fulfilling all criterion of regulatory retail except granularity	17,681,823	-	-	17,681,823	100%	10,609,094	10,510,114
Claims secured by residential properties	-	-	-	-	60%	-	-
Claims not fully secured by residential properties	-	-	-	-	150%	-	-
Claims secured by residential properties (overdue)	26,263	18,295	-	7,968	100%	7,968	14,708
Claims secured by Commercial real estate	2,526,987	-	-	2,526,987	100%	2,526,987	4,268,186
Past due claims (except for claim secured by residential properties)	132,286	95,926	-	36,360	150%	54,540	154,724
High Risk claims (Venture capital private equity investments personal loans and credit card receivables)	8,684,156	-	-	8,684,156	150%	13,026,235	12,094,597
Lending against securities (bonds & shares)	2,698,205	-	-	2,698,205	100%	2,698,205	103,483
Investment in equity of institutions listed in the stock exchange	138,137	-	-	138,137	100%	138,137	138,663
Investment in equity of institutions not listed in the stock exchange	5,570	-	-	5,570	150%	8,356	8,356
Staff Loan Secured by Residential Property	1,108,707	-	-	1,108,707	50%	554,353	554,353
Interest Receivable/Claim on Government Securities	316,371	-	-	316,371	0%	-	365,114
Cash in transit and other cash items in process of collection	-	-	-	-	20%	-	12,425
Other Assets (As per Attachment)	4,326,972	-	-	4,326,972	100%	4,326,972	3,655,104
TOTAL	210,205,228	114,221	826,298	209,264,710		125,300,057	109,665,663

RISK WEIGHTED EXPOSURE FOR CREDIT RISK

RS. '000

B. Off Balance Sheet Exposures	Current Year				Previous Year		
	Gross Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-	-
Bills under Collection	2,279,678	-	-	2,279,678	0%	-	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-	-
LC Commitments with Original Maturity Up to 6 months (domestic)	11,296,300	-	634,194	10,662,106	20%	2,132,421	1,143,671
ECA Rating 0-1	-	-	-	-	20%	-	-
ECA Rating 2	-	-	-	-	50%	-	-
ECA Rating 3-6	-	-	-	-	100%	-	-
ECA Rating 7	-	-	-	-	150%	-	-
LC Commitments with Original Maturity Over 6 months (domestic)	5,585,173	-	98,409	5,486,764	50%	2,743,382	1,916,716
ECA Rating 0-1	-	-	-	-	20%	-	-
ECA Rating 2	-	-	-	-	50%	-	-
ECA Rating 3-6	-	-	-	-	100%	-	-
ECA Rating 7	-	-	-	-	150%	-	-
Bid Bond Performance Bond and Counter guarantee (domestic)	8,194,794	-	1,917,470	6,277,324	40%	2,510,930	2,801,573
ECA Rating 0-1	-	-	-	-	20%	-	-
ECA Rating 2	-	-	-	-	50%	-	-
ECA Rating 3-6	-	-	-	-	100%	-	-
ECA Rating 7	-	-	-	-	150%	-	-
Underwriting commitments	-	-	-	-	50%	-	-
Leading of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-	-
Repurchase Agreements Assets sale with recourse (including repo/reverse repo)	-	-	-	-	100%	-	-
Advance Payment Guarantee	662,025	-	72,555	589,470	100%	589,470	513,674
Financial Guarantee	-	-	-	-	100%	-	-
Acceptances and Endorsements	853,936	-	-	853,936	100%	853,936	775,665
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	-
Irrevocable Credit commitments (Short Term)	16,584,259	-	-	16,584,259	20%	3,316,852	2,172,854
Irrevocable Credit commitments (Long Term)	-	-	-	-	50%	-	-
* Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement*	-	-	-	-	20%	-	-
Other Contingent Liabilities	387,644	-	-	387,644	100%	387,644	245,279
Unpaid Guarantee Claims	-	-	-	-	200%	-	-
TOTAL	45,843,810	-	2,722,629	43,121,181			
Total RWE for credit Risk Before Adjustment (A)+ (B)	256,049,038	114,221	3,548,926	252,385,891			
Adjustments under Pillar II	-	-	-	-			
Add: 10% of the loan and facilities in excess of Single Obligor limits (6.4 a 4)	-	-	-	-			
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)	-	-	-	-			
Total RWE for credit Risk (After Bank's Adjustment of Pillar II)						137,834,692	119,235,095

RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK

(RS. IN '000)

Particulars	2078 Asadh End		
	Year 1	Year 2	Year 3
	2074/075	2075/076	2076/077
Net Interest Income	4,869,764	5,698,592	5,310,410
Commission and Discount Income	945,375	1,025,000	1,144,657
Other Operating Income	92,641	99,537	122,207
Exchange Fluctuation Income	195,902	306,924	263,566
Additional Interest Suspense during the period	29,799	-	-
Gross income (a)	6,133,480	7,130,054	6,840,840
Alfa (b)	15%	15%	15%
Fixed percentage of Gross Income [c=(axb)]	920,022	1,069,508	1,026,126
Capital Requirement for operational risk (d) (average of c)	1,005,219		753,460
Risk Weight (reciprocal of capital requirement of 10%)in times (e)	9.09		10
Equivalent Risk Weight Exposure [f=(d + d1)xe]	9,137,438		7,534,595

RISK WEIGHTED EXPOSURE FOR MARKET RISK

(RS. IN '000)

	Current Year			Previous Year
	Open Position (FCY)	Open Position (NPR)	Relevant Open Position	Relevant Open Position
U.S. Dollar	(827)	(98,483)	98,483	281,682
Euro	(1)	(71)	71	26,200
Pound Sterling	3	484	484	67,246
Swish Frank
Australian Dollar	402	36,063	36,063	4,507
Canadian Dollar	0	9	9	178
Singapore Dollar	0	1	1	5
Japanese Yen	2,005	2,181	2,181	6,968
Hongkong Dollar	1	15	15	106
Chinese Yuan	17	307	307	407
Thailand Bhat	.	.	.	9
Qatari Rial
Saudi Rial	12	393	393	899
Korean Won	13	1	1	154
Malasian Ringget	2	43	43	115
UAE Dirham	329	10,637	10,637	54,142
Indian Rupees	1,495,539	2,392,862	2,392,862	1,206,027
Total Open Position (a)	1,497,494	2,344,443	2,541,551	1,648,644
Fixed % (b)			5%	5%
Capital Charge for Market Risk c= aXb			127,078	82,432
Risk Weight (reciprocal of capital requirement of 10%) in times (d)			9.09	9
Equivalent Risk Weight Exposure (cXd) = (e)			1,155,135	749,309

Unaudited Financial Results (Quarterly)

Forth Quarter ended of Fiscal Year 2077/78

Rs. in '000'

Statement of Financial Position	This Quarter Ending	Immediate Previous year Ending
Assets		
Cash and cash equivalent	7,863,408	9,646,948
Due from Nepal Rastra Bank	28,838,572	19,972,675
Placement with Bank and Financial Institutions	3,444,700	3,125,200
Derivative financial instruments	-	14,537
Other trading assets	-	-
Loan and advances to B/FIs	7,486,024	6,857,500
Loans and advances to customers	127,681,524	112,211,738
Investment securities	31,460,033	28,813,510
Current tax assets	442,820	226,713
Investment in subsidiaries	-	-
Investment in associates	502,316	379,023
Investment property	2,203	21,040
Property and Equipment	2,737,913	2,151,054
Goodwill and Intangible assets	32,837	46,136
Deferred tax assets	-	-
Other assets	1,153,958	1,557,115
Total Assets	211,646,308	185,023,190
Liabilities		
Due to Bank and Financial Institutions	678,975	1,182,834
Due to Nepal Rastra Bank	2,112,185	32,886
Derivative financial instruments	27,925	-
Deposits from customers	160,220,257	143,545,475
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	423,325	127,370
Other liabilities	27,029,490	20,428,422
Debt securities issued	468,845	1,068,845
Subordinated Liabilities	-	-
Total liabilities	190,961,003	166,385,833
Equity		
Share capital	8,933,717	8,510,207
Share premium	238,470	238,470
Retained earnings	2,364,965	1,793,066
Reserves	9,148,153	8,095,614
Total equity attributable to equity holders	20,685,305	18,637,356
Non-controlling interest	-	-
Total equity	20,685,305	18,637,356
Total liabilities and equity	211,646,308	185,023,190

UNAUDITED FINANCIAL RESULTS (QUARTERLY)

Forth Quarter ended of Fiscal Year 2077/78

(RS. IN '000)

Statement of Profit Or Loss	Current Year		Previous Year	
			Corresponding	
Particulars	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	2,911,706	11,519,409	3,247,724	13,956,189
Interest expense	1,765,852	7,559,209	2,283,679	8,645,778
Net interest income	1,145,854	3,960,201	964,045	5,310,410
Fee and commission income	260,820	978,902	261,078	1,144,657
Fee and commission expense	68,172	210,737	44,905	128,503
Net fee and commission income	192,648	768,165	216,174	1,016,154
Net interest, fee and commission income	1,338,502	4,728,365	1,180,219	6,326,564
Net trading income	115,853	367,239	69,555	263,566
Other operating income	160,922	269,938	26,349	122,207
Total operating income	1,615,277	5,365,542	1,276,124	6,712,337
Impairment charge/(reversal) for loans and other losses	448,820	268,847	440,787	548,470
Net operating income	1,166,457	5,096,695	835,337	6,163,866
Operating expense				
Personnel expenses	447,297	1,595,262	330,486	1,646,840
Other operating expenses	208,277	724,710	241,461	784,499
Depreciation & Amortisation	47,437	159,857	41,788	149,835
Operating Profit	463,446	2,616,867	221,603	3,582,692
Non operating income	-	-	-	-
Non operating expense	160	87	462	613
Profit before income tax	463,286	2,616,780	221,141	3,582,079
Income tax expense				
Current Tax	142,455	788,503	71,160	1,079,441
Deferred Tax	-	-	13,606	13,606
Profit for the period	320,832	1,828,277	163,587	2,516,244
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	320,831	1,828,277	163,587	2,516,244
Other Comprehensive Income	(633,636)	690,562	57,287	112,222
Total Comprehensive Income	(312,806)	2,518,839	220,874	2,628,465
Earnings per share				
Basic earnings per share		20.56		29.71
Diluted earnings per share		20.46		29.57
Profit attributable to:				
Equity holders of the Bank	320,832	1,828,277	163,587	2,516,244
Non-controlling interest	-	-	-	-
Profit for the period	320,832	1,828,277	163,587	2,516,244

COMPARISON UNAUDITED AND AUDITED FINANCIAL STATEMENTS AS OF FY 2077/78

(RS. IN '000)

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and cash equivalent	7,863,408	9,163,408	1,300,000	.	
Due from NRB	28,838,572	28,838,572	.	.	
Placement with Bank and Financial Institutions	3,444,700	2,144,700	(1,300,000)	.	
Derivative financial instruments	.	.	.	0.00%	
Loan and advances to B/FIs	7,486,024	7,486,024	.	0.00%	
Loans and advances to customers	127,681,524	127,687,225	5,700	0.00%	Audit Adjustment
Investments Securities	31,460,033	31,460,033	.	0.00%	
Current tax assets	442,820	441,080	(1,741)	-0.39%	Audit Adjustment
Investment in associates	502,316	502,316	.	0.00%	Audit Adjustment
Investment property	2,203	2,203	.	.	
Property and Equipment	2,737,913	2,737,913	.	0.00%	Audit Adjustment
Goodwill and intangible assets	32,837	32,837	.	0.00%	Audit Adjustment
Other assets	1,153,958	1,153,940	(18)	0.00%	Audit Adjustment
Total Assets	211,646,308	211,650,249	3,941	0.00%	
Capital and Liabilities					
Due to Bank and Financial Institutions	678,975	678,975	.	0.00%	
Due to Nepal Rastra Bank	2,112,185	2,112,185	.	0.00%	
Derivative financial instruments	27,925	27,925	.	0.00%	
Deposits from customers	160,220,257	160,220,257	.	0.00%	
Deferred tax liabilities	423,325	410,464	(12,862)	-3.04%	Audit Adjustment
Other liabilities	27,029,490	27,047,993	18,503	0.07%	Audit Adjustment
Debt securities issued	468,845	468,845	.	0.00%	
Total liabilities	190,961,003	190,966,644	5,641	0.00%	
Equity					
Share capital	8,933,717	8,933,717	.	.	
Share premium	238,470	238,470	.	.	
Retained earnings	2,364,965	2,364,208	(757)	-0.03%	Audit Adjustment
Reserves	9,148,153	9,147,211	(942)	-0.01%	Audit Adjustment
Total equity attributable to equity holders	20,685,305	20,683,605	(1,700)	-0.01%	
Total equity	20,685,305	20,683,605	(1,700)	-0.01%	
Total liabilities and equity	211,646,308	211,650,249	3,941	0.00%	
Statement of Profit or Loss					
Interest income	11,519,409	11,515,528	(3,882)	-0.03%	
Interest expense	7,559,209	7,559,209	.	0.00%	
Net interest income	3,960,201	3,956,319	(3,882)	-0.10%	
Fee and commission income	978,902	978,902	.	0.00%	Audit Adjustment
Fee and commission expense	210,737	210,737	.	0.00%	
Net fee and commission income	768,165	768,165	.	0.00%	
Net trading income	367,239	367,239	.	0.00%	
Other operating income	269,938	214,282	(55,656)	-20.62%	Audit Adjustment
Total operating income	5,365,542	5,306,004	(59,538)	-1.11%	
Impairment charge/(reversal) for loans and other losses	268,847	262,368	(6,479)	-2.41%	
Net operating income	5,096,695	5,043,636	(53,059)	-1.04%	
Personnel expenses	1,595,262	1,611,062	15,800	0.99%	Audit Adjustment
Other operating expenses	724,710	724,310	(400)	-0.06%	Audit Adjustment
Depreciation & Amortisation	159,857	159,857	.	0.00%	
Operating profit	2,616,867	2,548,408	(68,459)	-2.62%	
Non operating income/expense	87	87	.	0.00%	Audit Adjustment
Profit before tax	2,616,780	2,548,322	(68,459)	-2.62%	
Income tax	788,503	777,382	(11,121)	-1.41%	Audit Adjustment
Profit /(loss) for the period	1,828,277	1,770,939	(57,337)	-3.14%	
Other comprehensive income	690,562	729,509	38,946	5.64%	
Total comprehensive income	2,518,839	2,500,448	(18,391)	-0.73%	
Distributable Profit					
Net profit/(loss) as per profit or loss	1,828,277	1,770,939	(57,337)	-3.14%	
Add/Less: Regulatory adjustment as per NRB Directive	364,777	308,197	(56,580)	-15.51%	Audit Adjustment
Free profit/(loss) after regulatory adjustments	1,463,500	1,462,742	(757)	-0.05%	

Main Indicators

S.No.	Particulars	Indicator	Financial Years				
			2016/17	2017/18	2018/19	2019/20	2020/21
1	Net Profit/Total Income	%	26.75	22.86	21.13	16.25	13.54
2	Per share Earning (after tax income)	Rs.	32.48	32.78	38.05	29.71	19.91
3	Market price per share	Rs.	1353	663	666	675	738
4	Price/Earning Ratio		41.66	20.23	17.50	22.72	37.06
5	Dividend on share- Bonus share	%	33.00	.	5.00	5.00	6.00
6	Cash Dividend	%	.	20.00	20.00	5.53	4.32
7	Interest Income/Loans & advances	%	8.13	9.89	10.66	10.51	7.37
8	Employee expenses/Total operating expenses	%	23.96	19.97	16.60	14.50	15.69
9	Interest expenses on deposit & borrowing	%	3.13	4.41	5.53	5.93	4.62
10	Exchange Income/total Income	%	1.97	1.36	2.12	1.81	3.26
11	Staff bonus/total employee expenses	%	32.64	37.76	41.28	31.87	21.32
12	Net Profit/Loans & advances	%	2.65	2.71	2.70	2.08	1.29
13	Net Profit/Total Assets	%	1.83	1.97	1.94	1.42	0.89
14	Total Loans & advances/Total Deposits	%	84.05	81.86	87.01	83.52	85.30
15	Total operating expenses/total Assets	%	4.15	5.16	5.86	6.14	4.85
16	Capital Adequacy Ratio:						
	a) Core Capital	%	12.58	12.65	12.38	11.92	11.24
	b) Supplementary Capital	%	1.97	1.55	1.36	1.46	1.24
	c) Total Capital Funds	%	14.54	14.20	13.74	13.38	12.48
17	Cash Reserve Ratio (CRR)	%	16.52	17.75	18.56	14.43	18.15
18	NPAs/Total Loans & advances	%	0.25	0.20	0.16	0.22	0.12
19	Base Rate	%	7.68	8.45	8.12	8.05	5.99
20	Weighted Average Interest Rate Spread	%	4.48	4.72	4.29	3.59	3.24
21	Book Network (Rs in Lacs)	Rs.	131275	160545	175451	185974	206436
	Total Shares	Number	45264269	80268633	80268633	84702068	88937172
	Total Employee	Number	748	836	885	868	945
22	Others						
23	Per Employee Business (Rs. in Lakh)	Rs.	2342	2533	2751	3060	3129
24	Employee expenses/Total Income	%	14.69	13.22	11.44	10.63	12.32

Note : i) CRR have been calculated on the basis of year end figures.

ii) Total Loan and Advances to Total Deposit does not include Core Capital and CCD Ratio as per NRB is 72.52%.

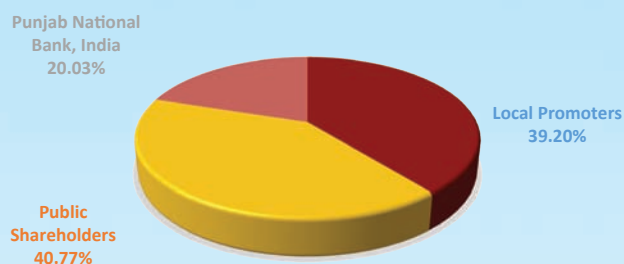
Established in 1994, Everest Bank Limited (EBL) is a name you can depend on for professionalized & efficient banking services. Everest bank Limited is a joint venture with Punjab National Bank, India and is a consistently growing commercial bank of Nepal. The Bank has been rendering professionalized & efficient banking services to various segment of the society through its widest domestic network and many correspondents across the globe. Deriving strength from joint-venture partner, it has been steadily growing in size & operation and has established itself as one of the leading private sector bank of the country. The Bank has recorded commendable performance with consistent growth in net-worth and profit having one of the lowest non-performing assets in the industry. The bank is a symbol of consistency strength and dependability in the Nepalese Banking Industry.

ABOUT US

Shareholding Pattern

39.20%	Local Promoters
40.77%	Public Shareholders
20.03%	Punjab National Bank, India

SHAREHOLDING PATTERN



Shareholding Pattern of Everest Bank Ltd.

S.N.	Name of Promoter	Total number of shares	% of Total Shares
Group A (Promoter)			
1	PRATIMA SHRESTHA	13,195,952.00	14.84
2	HOTEL SNOW LION P. LTD.	8,277,119.00	9.31
3	BISHNU KRISHNA SHRESTHA	8,166,631.00	9.18
4	NEPAL KRISHNA SHRESTHA	3,338,811.00	3.75
5	SHANTA DEV PATHAK	1,050,327.00	1.18
6	ARUN MAN SHERCHAN	835,994.00	0.94
	Total	34,864,834.00	39.20
Group B (Public)			
	Total Shares	36,258,912.78	40.77
Group C (PNB)			
	PUNJAB NATIONAL BANK	17,813,425.00	20.03
		88,937,171.78	100.00

JOINT VENTURE PARTNER

Punjab National Bank (PNB), joint venture partner (holding 20.03% equity) is the second largest Public Sector Bank in India with Global Gross Business at Rs. 30 lacs crore. With its presence virtually in all important centers in India, PNB offers a wide range of banking services which include corporate & personal banking, industrial finance, agricultural finance, financing of trade & international banking. Currently Bank has total 36,514 delivery channels with a network of 10,528 branches, 2 International branches, 13,506 ATMs & 12,478 Business Correspondents spread all across the India. As a joint-venture partner, PNB has been providing top management support to EBL under Technical Service Agreement.

CUSTOMER BASE

Everest Bank is one of the banks with largest customer bases of more than 10 lacs satisfied customers. With clients from all walks of life, the Bank has helped the nation to develop corporately, agriculturally & industrially.

NETWORK

Everest Bank provides customer-friendly services through its widest network all connected through core banking solution, which enables customers for operational transactions from any branches. The bank has 105 Branches, 7 Province Offices, 138 ATMs, 31 Revenue Collection counters, 3 extension counters & more than 9000 payout agents across the country making it a very efficient & accessible bank for its customers, anytime, anywhere.

HANDLING REVENUE ACCOUNTS OF GOVERNMENT

Owing to its strong credibility, Everest bank has been authorized to collect revenue of Nepal Government through its 31 revenue collection counter spread across the country. It is the only private sector commercial bank handling all kinds of accounts of Nepal Government and having special counter inside Singhadurbar. Everest Bank is responsible for collecting more than 50% of the total government revenue of our country.

VISION, MISSION, MOTTO AND STRATEGIC FOCUS



VISION

To be a Leading Commercial Bank with Pan Nepal presence and become a household name, providing wide range of financial products & services under one roof.



MISSION

Growth through Banking for ALL



MOTTO

Consistent in term of Performance & Growth

Strong in terms of its System & Procedures

Dependable in terms of Return to all Stakeholders

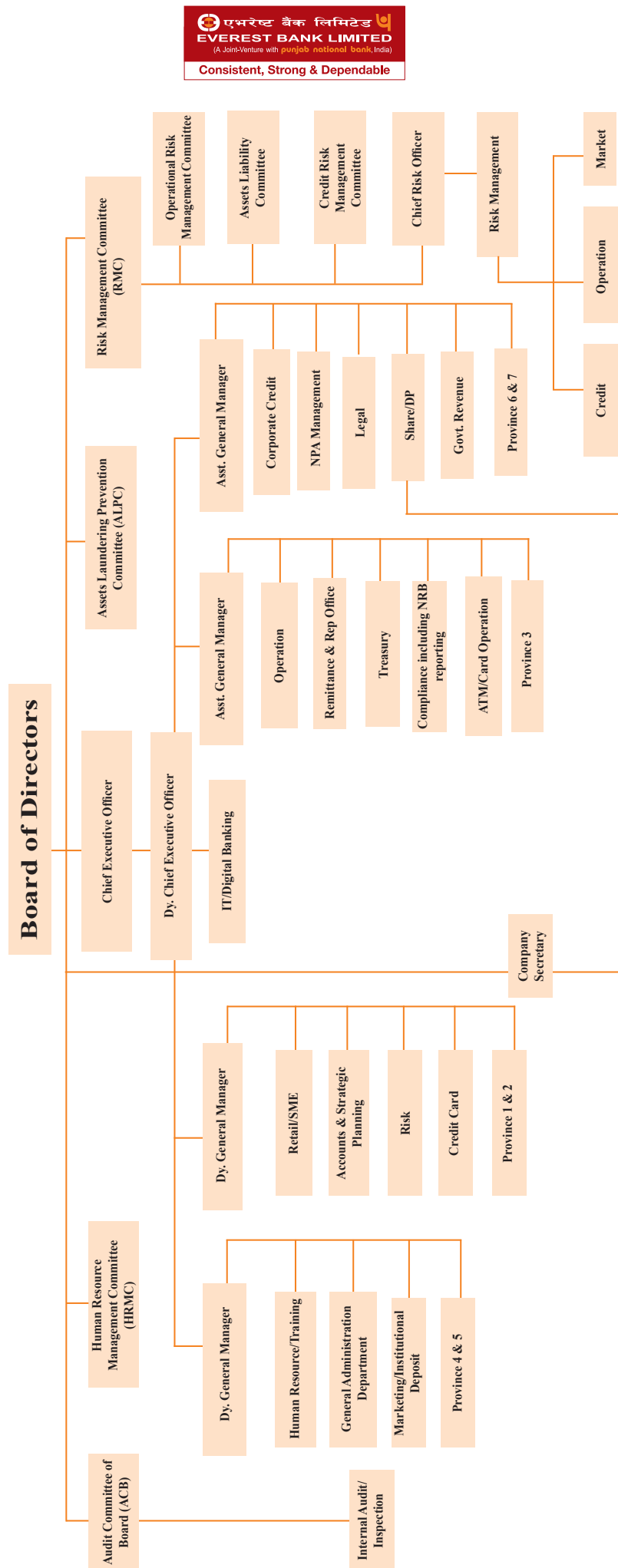


STRATEGIC FOCUS

The Bank has set itself the following broad goals:

- » Mobilize Deposits through Current, Savings, Term & Call Deposit accounts and other instruments.
- » Grant loans & advances with special thrust on Productive as well as the Retail Segment
- » Provide Treasury Services following best international practices
- » Facilitate cross border payment services so as to strengthen remittance inflow
- » Provide custody services
- » Provide cash management services and insurance products and other financial planning services
- » Provide any other service businesses that NRB prescribes from time to time.

ORGANIZATION STRUCTURE



AWARDS and ACHIEVEMENTS

- The Bank was conferred with the “Best Managed Commercial Bank” by *NEWBIZ BUSINESS Award 2019*.
- The Bank was declared 2nd Best Managed Commercial Bank by Abhiyan National daily in 2018.
- KAROBAR national daily adjudged Everest Bank as Number 2 Bank under CAMELS rating in 2018.
- The Bank was conferred with the “Best Managed Commercial Bank” by *ASIAN PAINT NEWBIZ Award 2013*.
- The Bank was acknowledged as the “Highest Tax Payer among Commercial Banks” by Nepal Government for FY 2068/69.
- The bank was adjudged as “*Number 1 Bank*” under CAMELS rating conducted by KAROBAR national daily in 2012.
- The bank was conferred with “Bank of the Year 2006, Nepal” by the Banker, a publication of Financial Times, London.
- The bank was bestowed with the “NICCI Excellence Award” by Nepal India Chamber of Commerce for its spectacular performance under finance sector.



PIONEERING ACHIEVEMENTS



- Recognizing the value of offering a complete range of services, the bank pioneered in extending various customer friendly products such as Home Loan, Education Loan, Vehicle Loan, Professional loan etc.
- Everest Bank is one of the first banks to introduce Any Branch Banking System (ABBS) in Nepal.
- Everest Bank has introduced Mobile Vehicle Banking service (Bank on Wheel) to serve the segment deprived of proper banking facilities through its Birtamod Branch, which is the first of its kind.
- Everest Bank has introduced branchless banking system first time in Nepal to cover unbanked sector of Nepalese society through biometric machine.
- Everest Bank is first bank that launched e-ticketing system in Nepal using which customers can buy tickets (Airline, Movie etc.) through internet.
- Everest Bank has introduced online payment of NTC Mobile/PSTN/ADSL bill or from the counter as well.
- Everest Bank is the first bank to introduce agro-specialized branch "KRISHI UDHYAM BIKASH SAKHA" at Rajbiraj.
- Everest Bank has introduced Cash Deposit Kiosk for the first time in Nepal through which the Customers can deposit Cash conveniently.
- Everest Bank introduced "FREEDOM Savings Account" which allows a minor to operate their account independently which is the first of its kind in Nepal.
- Reckoning the importance of digitization in banking system, the bank has established E-lobby at its Head Office premises.

PRODUCT AND SERVICES

1. NAARI BACHAT KHATA

With the objective to encourage the small savings of women from household and professions we have introduced Naari Bachat Khata, where the customer can make small saving and get the higher rate of interest.

The features of this account is

- Highly attractive interest Rate
- Issuance and renewal of Debit Card at NPR 50/-
- Issuance of Free Cheque Book
- Pay Bill Registration Facility
- 25% discount on Annual locker rent (Small Locker Only)
- i-Banking (Internet Banking) service facility

2. FREEDOM SAVINGS ACCOUNT

This unique deposit product has been introduced with an objective to inculcate saving habits in the minors (who are in the age between 10 to 16 years) and help them in becoming responsible by allowing them to operate this account independently.

A special savings scheme for minors, who have attained 10 years of age but not crossed 16 years can open this Savings account in their own name singly. No cheque book will be issued to this Account holder; however the minor is allowed to withdraw money from his/her account using ATM card or through withdrawal slip.

3. EVEREST SPECIAL SAVING

This scheme is designed to satisfy the need of different customer groups having expectations of wide range of facilities along with highly attractive interest rate.

Features of the account are as follows:

- Medical (Hospitalization) Insurance of Rs. 1.00 Lac.
- Accidental Death Insurance of Rs. 5.00 Lac.
- Free ATM Card (Issuance)
- Free C-ASBA Facility
- Free mobile banking
- Free DMAT AC Opening Charge
- 50% Dis on Rent of Small Size Locker (One Time)
- 50% Dis on Issuance of Credit Card (One Time)



आजको बचत... भोलिको भरोसा

नारी बचत खाता

बिशेषताहरू:

१. लकर सुविधा
२. डेबिट कार्ड
३. न्यूनतम ब्यालेन्स


EVEREST BANK LIMITED
 (A joint-Venture with **punjab national bank, India**)



freedom savings account

मेरो पहिलो ATM Card मेरो साथ हरदम

10 देखि 16 वर्ष सम्मका नागरिकले मूलतः रु 100 वा बढीको रकम जम्मा गर्न सक्दा निम्न सीमामा Freedom Savings Account खोल्न सक्छन् र निम्नका ATM सुविधा पाउँछन् ।


EVEREST BANK LIMITED
 (A joint-Venture with **punjab national bank, India**)
 Consistent, Strong & Dependable



EVEREST SPECIAL SAVINGS

- ACCIDENTAL DEATH INSURANCE: RS 5 LAKHS
- MEDICAL INSURANCE: RS 1 LAKH
- ISSUANCE OF DEBIT CARD: FREE
- SMS BANKING: FREE
- DEMAT A/C OPENING CHARGE: FREE
- ASBA: FREE
- INTERNET BANKING: FREE
- LOCKER RENT: 50% DISCOUNT
- ISSUANCE OF CREDIT CARD: 50% DISCOUNT
- Attractive Interest Rate*


EVEREST BANK LIMITED
 (A joint-Venture with **punjab national bank, India**)

4. HATEMALO SAVINGS ACCOUNTS

The main objective of this deposit account is to bring the people in rural areas into the banking arena. So as to join hands to the people residing in places other than metropolitan and sub-metropolitan cities 50% of minimum deposit is contributed by the bank itself. This deposit account is mainly focused on Individual residing in places other than Metropolitan and sub-Metropolitan cities.

Features:

- Highly attractive Interest Rate
- Free issuance of Debit Card (One Time)
- Free Internet and SMS Banking
- Free ASBA facility

5. MATRI-BHUMI SAVINGS ACCOUNT

In order to cater to the need of Nepalese migrant workers living and working abroad, Everest Bank launched new saving scheme with key objective to mobilize regular saving from Nepalese migrant workers & motivate to develop the saving habit. With no requirement of minimum balance this account has been launched in order to target Nepalese Migrant Workers residing abroad.

Features:

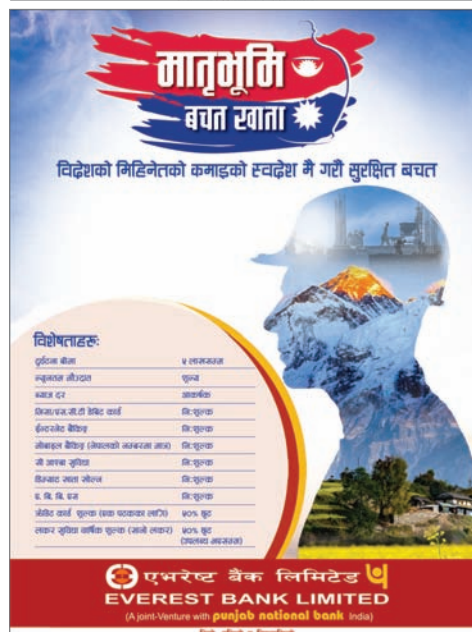
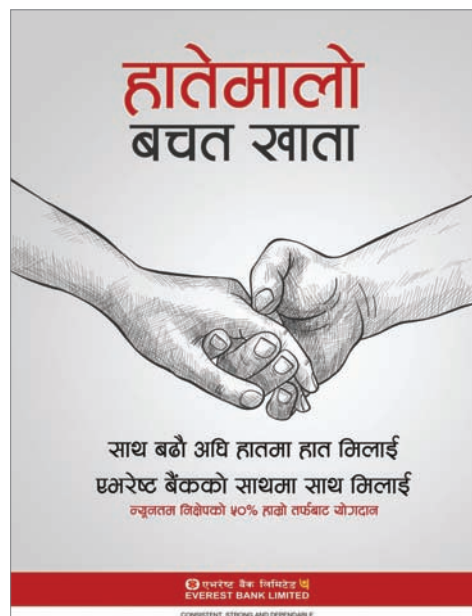
- Highly attractive Interest Rate
- Medical (Hospitalization) Insurance of Rs. 1.00 Lac.
- Accidental Death Insurance of Rs. 5.00 Lac.
- Free ATM Card (Issuance)
- Free C-ASBA Facility
- Free mobile banking
- Free DMAT AC Opening Charge
- 50% Discount on Rent of Small Size Locker (One Time)
- 50% Discount on Issuance of Credit Card (One Time)

6. EBL CORPORATE SALARY ACCOUNT

In order to cater to the need of payroll management of the profit-making business organization bank has launched saving scheme with key objective to mobilize Salary Accounts from public/private institutions.

Features:

- Highly attractive interest rate
- Free ATM Card (Issuance)
- Free SMS banking
- Free C-ASBA facility
- 50% Discount on credit card charge issuance
- Free DMAT AC Opening Charge
- Accidental Death Insurance of Rs. 5.00 Lac
- 50% Discount on Issuance of Credit Card (One Time)
- One month advance salary (Max Limit- Rs. 100,000)



MAJOR FIXED DEPOSIT ACCOUNTS

1. EVEREST PIZZA DEPOSIT

This scheme has been launched with an objective to mobilize small & medium sized deposits from individuals/institutions intended to have liquidity feature with flexibility in long-term investment. Further, it also caters to the needs of persons/entities want to have higher returns than a regular savings account with varying level of liquidity. The main feature of this product is its flexibility. It allows withdrawal (up to 50% of original deposits, in multiple of Rs.10,000.00 not more

than 5 times) even before the maturity, without any penal charge. The Interest on such premature withdrawal will be paid at the rate applicable to the period for which the deposit has remained with the Bank. Depositors may borrow up to 90% of their deposit at interest rate of 2% above the deposit rate.

2. SUNAULO BHAWISHYA YOJANA

This products caters people who have the habit to save on a regular basis and avail the bulk sum at the end with a high yielding interest rate. The deposit is targeted among the middle-class families who save for specific purpose like purchase of items, marriage etc.

The best way to plan for your future needs is by way of opting Sunaulo Bhavishya Yojana which is most suitable for accumulating regular small savings into the substantial amount. You can plan and provide for a large investment amount at a future date out of regular small savings.

On maturity, you shall get the principal amount (i.e. the installments) along with quarterly compounded interest. With minimum balance of Rs. 500 only, this product allows our customer to deposit amounts in multiple of Rs. 100 each month from 12 months to 60 months. Premature withdrawal is also facilitated in this product. Furthermore, depositors may borrow up to 90% of their deposit at interest rate of 2% above the published interest rate.



MAJOR LOAN SCHEMES

MAJOR RETAIL LOAN

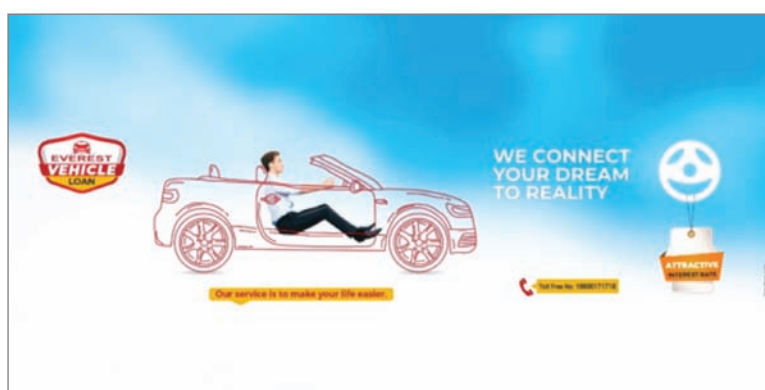
1. HOME LOAN

Everest bank aims to fulfill the dream of its customers to own a house by providing home loan in an attractive interest rate. Our bank provides a complete financial assistance for the construction & purchase of house/ apartments, Repairs / renovation / additions / alteration to the house/ flat and purchase of land for our customers to help turn their dream into reality.



2. VEHICLE LOAN

Owning a vehicle has been made easier and convenient with Everest Vehicle Loan. Everest bank aids to purchase car / van / jeep/ Multi Utility Vehicles/ Sports Utility Vehicle (non-commercial purpose only) for individual and business concerns at an attractive interest rate with repayment upto 7 years.



3. EDUCATION LOAN

Everest bank provides loan facilities to help students to achieve their ambition to pursue higher education in Nepal as well as abroad. Everest education loan covers Admission Fee, Books and stationery, Instruments required for the course undertaken by the borrowing scholar, Monthly fees/Tuition fees, Examination Fees, Caution deposit/building fund/refundable deposit supported by Institution bills/receipts, Any other expenses required completing the course like study tours, project work, thesis etc., Boarding and lodging expenses. Repayment shall start one year after the completion of study by the borrower or one-month after getting employment whichever is earlier.

The interest shall be regularly paid on quarterly basis. After the completion of the course, the principal shall be payable in maximum 84 equal monthly installments.



4. LOAN AGAINST LIFE INSURANCE POLICY

EBL has policy of Advancing against the security of Life Insurance Policies (LIP). It considered in individual cases on merits after ensuring the following:

- There are no encumbrances on the relative policy.
- The age of the assured stands admitted in the book of the respective companies.
- Premium is paid up to date

Companies approved for allowing advance against LIP

- Rastriya Beema Sansthan
- National Life Insurance Company
- Life Insurance Corporation (Nepal) Ltd. &
- METLIFE Insurance Company.
- Nepal Life Insurance Corporation.

SME LOANS

Small and medium enterprises are backbone of any developing economy. They are considered as important engine room for creation of employment and enhancement of economic growth. With an aim to promote SME development in country, Everest Bank Ltd. provides SME loan up to Rs. 5.00 Crores with an attractive interest rate. All three sectors of economy; manufacturing, trading and service sectors can avail SME loan for financing working capital and fixed assets. The bank has already set up dedicated SME Cell in February 2019 to provide special attention to this segment by formulating innovative loan products and streamlining procedures.



AGRICULTURAL LOAN

Loan for undertaking various agricultural/allied activities for production (credit required for raising crops, short term credit for allied agricultural activities) / investment and other activities as define by NRB to meet the credit and consumption requirements of the farmers.

- Cereal & cash crops, vegetable and fruit cultivation, floriculture and herbs production.
- Post harvesting (storage of food crops)
- Livestock, Poultry, fishery and insects keeping.
- Animal husbandry / Slaughter house
- Irrigation and irrigation equipment (all culverts, canals, hand pump, captive generator, roar pump), pipelines, pumps etc.
- Agriculture tools and machinery. (Tractor, Thresher, harvester, modern plough, hoe, cultivator, rotovator, tiller and other motor or manually operated agricultural equipment)
- Infrastructure/sheds for livestock/birds/fishery etc.
- Infrastructure for agro farming with special technology i.e. tunnel farming/sprinkle irrigation etc.
- Cold storage construction and management
- Other activities defined by NRB under agricultural sector from time to time

MAJOR CORPORATE LOAN

1. WORKING CAPITAL FINANCE

The bank provides working capital finance to trading firms, industries and other business entities by assessing current assets and liabilities. The business can draw up to the limit determined by the drawing power which is appraised on a regular basis.

Bank offers working capital finance to meet short-term fund requirement for managing the day to day operation of the business. Bank's working capital finance is extended to meet the different demands from all segments of industry, trade and the services sector. Assistance is extended by way of Fund based and Non-Fund Based facilities to business entities and public sector undertakings (PSUs). Funded facilities include Overdraft, Demand Loan, Bill Discounting, etc. Non-funded instruments comprise Letters of Credit as well as Bank Guarantees to cover advance payments, bid bonds, performance bond, etc.

2. PROJECT FINANCE AND INFRASTRUCTURE FINANCE

Bank provides fund based and non-fund base credit facilities for new project as well as expansion, diversification, and modernization of existing projects in Infrastructure and Non-Infrastructure Sector.

Some of the Major Areas of Project Finance & Infrastructure Finance:

- Power Sector including Renewal Energy Projects in Solar and Hydro Power.
- Aviation Sector
- Telecommunication
- Manufacturing Unit – Cement, Steel, beverage, pipes, poultry /cattle feed, etc.
- Hotels/Resorts
- Hospitals

3. TRADE FINANCE

Through an extensive global network that aid domestic and international transaction, the bank facilitates export and import in local and foreign market through offering facilities like LCs, SWIFT transfers and Guarantees etc. The bank also offers Trust Receipt, Pre-shipment & Post Shipment loans as a part of import/export finance.

4. CONSORTIUM FINANCE

We have been arranging financial closure for Capital Intensive Projects like Hydropower, Manufacturing industries, Hospital, Airlines, Hotels etc. under our lead. We are open to exploring of such possibilities of finance as a lead as well as member bank in the future as well.

देशको सम्पूर्ण कृषि विकासमा **एभरेष्ट बैंक** को साभेदारी

PRODUCTIVE SECTOR LENDING



**बिउँ बिजन आयातकर्ता नेशनल
सिङ्लाई कर्जा प्रदान गरी नेपालमा
कृषि विकास गर्दै ।**



**कृषकहरुलाई ३०० भन्दा बढी ट्रयाक्टर
कर्जा उपलब्ध गराई नेपालमा
कृषि विकास गर्दै ।**



**मल आयातकर्ता एग्रीकल्चर इनपुट
कर्पोरेशनलाई ३३ करोड भन्दा बढी ऋण
प्रदान गरी नेपालमा कृषि विकास गर्दै ।**

ATM SERVICE

Bank has maintained a network of ATM machines driven by bank's own EBL Switch Solution and the ATMs are located in diversified locations.

- Beside of services of Cash withdrawal, Balance Inquiry, Account Statement and PIN change, EBL is providing specific services to EBL cardholders through its ATM terminals.
- EBL cardholders can generate own PIN number through "GREEN PIN" option available in ATM screen.
- EBL cardholders can draw cash without using physical card by using "CARDLESS WITHDRAWAL" option available in ATM screen.

DEBIT CARD

A strong commitment toward delivering service excellence, convenience and flexibility, Everest Bank is offering Alternate Payment Mode in the form of "**EBL Debit Card**" to its valued customers. "EBL Debit Card" acts as an electronic Cheque, which enables you to have direct access to your bank account, for fulfilling your daily payment and cash requirements. It is an alternative payment method to cash and cheques, which enable you to pay directly during purchases of goods and services from merchants (POS Outlets) or draw cash from ATM outlets.

The bank is serving two brands of card product, namely **Visa brand Debit Card** and **SCT – UPI brand Debit Card** to its customers, which can be used at ATM, POS Networks & online payment on e-commerce platform, affiliated with Visa Worldwide & SmartChoice Technologies (SCT) plus Union Pay International (UPI) respectively, scattered throughout Nepal and India.

Acceptance of Visa brand Debit Card:

- Can be used to withdraw cash from almost all Visa affiliated ATMs in Nepal and India.
- Accepted as mode of payment at almost all Visa affiliated merchant locations (POS Outlets) within territory of Nepal & India.
- Can be used for payment on online E-commerce platform.

Acceptance of SCT – UPI brand Debit Card:

- Can be used to withdraw cash from almost all SCT/UPI affiliated ATMs in Nepal and India.
- Accepted as mode of payment at almost all UPI affiliated merchant locations (POS Outlets) within territory of Nepal & India.

Features of EBL Debit Card:

- Instant Issuance and economical charges.
- Round the clock service.
- No charges are levied for using EBL Debit card at EBL ATM terminals and other domestic ATM terminals.
- Services can be used from Punjab National Bank (PNB) ATM terminals with lower transaction charges.
- No charges are levied for purchase of goods and services from merchant (POS) outlets.
- Debit cards are issued free of cost to all Saving Premium account holders.
- Offering of Discount of variable percentages, on shopping from selected stores, restaurants, hotels, hospitals etc. using Debit Card.

CREDIT CARD

Everest Bank Credit Card is an electronic Cheque, which enable you to pay on purchase of goods and services from merchant outlets or draw cash from ATM outlets. The bank creates a revolving account and grants a line of credit to cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance.

Everest Bank is serving "EBL VISA Domestic Credit Card" to its customers, which can be used at ATM, POS Networks & online payment on e-commerce platform, affiliated with Visa Worldwide, scattered throughout Nepal and India.

Features of EBL Domestic Credit Card

- EBL Credit Card can be used in POS and ATM terminals in Nepal & India.
- Can be used for payment on online E-commerce platform.
- Chip based card with CHIP verification method for POS transactions.

- Accepted as mode of payment at Visa merchant locations (POS).
- Can withdraw cash from Visa accepting ATMs.
- Offering of Discount of variable percentages, on shopping from selected stores, restaurants, hotels, hospitals etc.
- Flexible payment option of NPR 1,000 or 10% of debit balance, whichever is higher to 100% of debit balance.
- Interest free credit period of minimum 15 days to maximum 45 days for Purchase transactions.
- Competitive interest rate @ 2% per month.
- Credit limit between NPR 50,000 to 5 Lac.
- Cash limit of 10% of Credit Limit.
- Monthly E-Statement in customer's registered e-mail ID.

Cardholders can use it worldwide (except Nepal & India), in all Visa networked ATM/POS outlets for drawing cash and purchasing goods and services. Individuals, who are eligible for foreign currency exchange facility as per guidelines of the bank/regulatory bodies. The cardholders can use dollar cash balance pre-loaded in card accounts, up-to the permitted limits. The privilege of re-loading the balance within the expiry period is also allowed.

The card is of great use to customers, who are visiting to foreign countries (except India), for the purpose of medical treatment, travelling, pilgrimage, business, shopping etc. and residing there for the purpose of pursuing education, employment etc.

WORLD TRAVEL CARD

Everest Bank's "EBL World Travel Card" is VISA brand US Dollar card for the purpose of using in foreign countries (except India). The card is introduced with objective to enable cardholders to use it worldwide (except Nepal & India), in all Visa networked ATM/POS outlets for drawing cash and purchasing goods and services.

E-COM DOLLAR (PHYSICAL/VIRTUAL) CARD

Everest Bank's "EBL E-Com Dollar (Physical/Virtual) Card" is VISA brand dollar prepaid card for the purpose of using in E-Commerce platform on dollar payments. Cardholders can use it worldwide in E-Commerce platform (i.e. online payments) in Dollar currency. The cardholders can use dollar cash balance pre-loaded in card accounts, up-to the permitted limits.

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Corporate governance is an underpinning factor for the proper operation of the banking sector and the economy as a whole. Effectiveness of the corporate governance in an institution ensures financial stability and builds social credibility which ultimately leads to the long term sustainability of the bank.

Everest bank aims to strive for an effective corporate governance, subsequently safeguarding the interest of shareholders strengthening accountability to its stakeholders, credibility of the bank, transparency and trust. We are always conscious about the good governance in Everest bank and always complied with the related provisions of Acts, Rules and Directives issued by Nepal Rastra Bank and the Government of Nepal.

The Board of directors

The Board is being collectively accountable to stakeholders for the long-term success and financial soundness of the Bank accordingly, approving and overseeing implementation of the Bank's overall strategic direction, risk appetite, strategies, and related policies to establish corporate culture, values and a strong control environment.

Director's Profile

1. Mr. Bishnu Krishna Shrestha

Mr. Shrestha was appointed as chairman of the bank on 2054/11/03. Mr. Shrestha has completed MBA from USA. He has more than 40 years of experience in Trading, Manufacturing and Financial Management.

2. Mr. Arun Man Sherchan

Mr. Sherchan is the Promoter of Malpi College, Baluwatar and is engaged in Pashupati Paper Mart Private Limited.

3. Dr. Bal Gopal Baidya

Dr. Baidya holds Ph.D in Economics from Philippines and is the Chairperson of New Era, a research institute based in Kathmandu. He was a former member of National Planning Commission and was also involved as a member of Board of Trustee, Poverty Alleviation Fund of Nepal.

4. Mr. Anil Bansal

Mr. Bansal has completed Masters in Commerce and is a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Bansal is currently the General Manager of Punjab National Bank and has more than 35 years of banking experience in Punjab National Bank.

5. Mr. Nabin Bhakta Shrestha

Mr. Shrestha has completed Bachelor in Commerce and has more than 18 years of experience in Business and Trade sector.

6. Ms. Urmila Shrestha

Mrs. Shrestha holds Masters Degree in Economics from Tribhuvan University. Mrs. Shrestha was the Promoter/Chairperson of Mahila Sahayatra Laghubitta Bittiya Sanstha Limited.

7. Dr. Nirmal Kumar Bista

Dr. Bista holds Ph.D in Management, International Trade. Dr. Bista was the former Director General of Family Planning Association

Composition of Board of Directors:

S.N.	Name of Director	Address	No. of Share	Representation on Board	Date of Appointment
1.	Mr. B.K. Shrestha	Pulchowk, Lalitpur	8,166,631	Chairman	2052/10/09
2.	Mr. Arun Man Sherchan	Sanepa, Lalitpur	835,994	Promoter Director	2054/03/27
3.	Dr. Bal Gopal Baidya	Sitapaila, Kathmandu	**	Promoter Director	2060/03/06
4.	Mr. Anil Bansal	India	***	Punjab National Bank Nominee Director	2077/04/28
5.	Mr. Nabin Bhakta Shrestha	Bolachhen, Bhaktapur	2,025	Public Director	2077/09/27
6.	Ms. Urmila Shrestha	Sanepa, Lalitpur	1,808	Public Director	2077/09/27
7.	Dr. Nirmal Kumar Bista	Pulchowk, Lalitpur	-	Independent Director	2074/10/26

** Dr. Baidya has been representing Hotel Snowlion in the Board Committee. Hotel Snowlion holds 8,277,119 no. of share of the bank.

*** Mr. Bansal has been representing Punjab National Bank in the Board Committee. Punjab National Bank holds 17,813,425 no. of share of the bank.

of Nepal (FPAN) and former General Manager Nepal Food Corporation. Dr. Bista is also the Past President of Management Association of Nepal.

Change in the board of directors

There is no change in the board of directors in Fiscal Year 2077-78.

Details of Board meeting:-

Director	No of Meetings
Mr. B. K. Shrestha	5
Mr. Arun Man Sherchan	12
Dr. Bal Gopal Baidya	12
Mr. Nabin Bhakta Shrestha	12
Ms. Urmila Shrestha	12
Dr. Nirmal Kumar Bista	12

The Total expenditure on account of meeting fee was incurred Rs. 1,695,000 and other expenses related to Board meetings was Rs. 68,092.23.

Roles and Responsibilities of the Board

1. No director shall do anything to derive personal benefit through the bank or financial institution or in the course of performing the functions of the bank or financial institution.
2. If any person who is appointed as a director has any personal or financial interest in the business of the bank or financial institution or in an agreement or involvement with the bank or financial institution, such person shall, prior to assuming the duties of his or her office, disclose such matter to the Board.
3. If any director is found to have derived a personal benefit in the course of business of the bank or financial institution, the bank or financial institution shall recover that amount from such director.
4. The bank or financial institution shall not be responsible for any action taken or function performed by any person working as its director by acting beyond his or her jurisdiction.
5. If any person carries on any transaction with any director or representative even while knowing or having reasons to believe that the director or representative is carrying on the transaction to serve his or her personal interests or to cause any loss or damage to the bank or financial institution, such person shall not be entitled to make any claim against the bank or financial institution in relation to such transaction.

6. No director shall interfere with the routine business relating to the management of the bank or financial institution.
7. Every director of the bank or financial institution shall comply with such directives issued by the Rastra Bank from time to time as required to be complied with by the directors of the bank or financial institution.

**As per BAFIA 2073*

Board Level Committees

The Board has delegated the authority to make decisions to Board committees in line with NRB Directives and prevailing market scenarios but bears the ultimate responsibility. Major Sub committees of the Board to oversee the bank's function are as under:-

- (i) Audit Committee of Board
- (ii) Assets Laundering Prevention Committee
- (iii) Human Resource Management committee
- (iv) Risk Management Committee

The terms of reference for the Board and the Board committees are set out clearly. The Board has established communication procedures between the Board and Board committees, and across Board committees. The Board committees are periodically reporting to the full Board on a regular basis and as and when the need or urgency arises.

The Board has approved the Bank's organizational structure and to ensure adequate corporate governance frameworks and systems. The Board is also ensuring that senior management formulates policies that promote fair practices and professionalism, with respect to internal dealings and external transactions, including situations where there are real or potential conflicts of interests.

The Board level committee conducted 31 meetings during the financial year which can be segregated as below:-

Committee	No of meetings
Audit Committee	13
Human Resource Management Committee	5
Risk Management Committee	8
Assets Laundering Prevention Committee	5
Total	31

The senior management is bearing the general executive responsibility for the day-to-day conduct of business and affairs of the institution. It is responsible for creating an accountability framework for the staff, but cognisant that it is ultimately accountable to the Board for the performance of the Bank. Senior management is providing the Board with information on all potentially material risks the Bank is facing, including those relevant to the Bank's risk profile, capital and liquidity needs.

1. Audit Committee Board

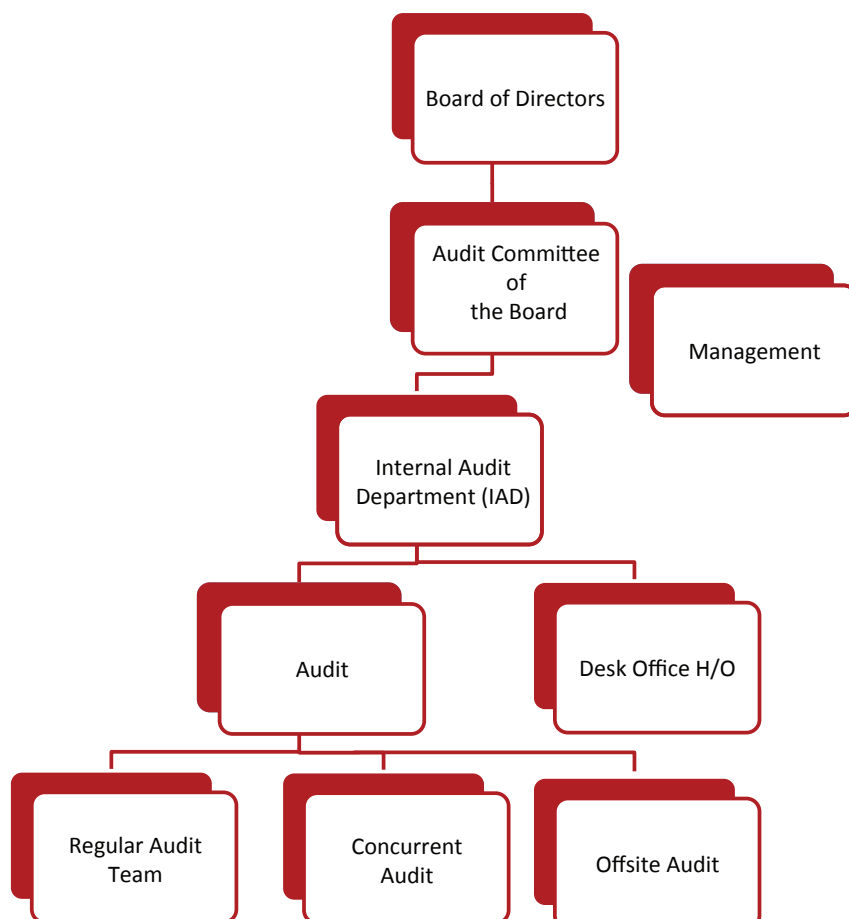
Nepal Rastra Bank, Directive No. 6, Point No. 7, Sub Point No. (1), states that as per provisions of Banks and Financial Institution act, 2073, Clause 22, 26, 27, 60 and 61, the Board shall, under its accountability, constitute Committee/Sub Committee with specific Roles, Rights and Responsibility. As such, the board has constituted Audit Committee of the Board (ACB), a board level sub-committee to ensure that the Audit Function of the bank is effectively and adequately undertaken to maintain financial as well as organizational soundness of the bank.

The ACB comprised of the following members for FY 2077/78:

1. Mr Nabin Bhakta Shrestha - (Member Director)	Acted as chairman of Committee from 12 th Aug, 2020 to 27 th Jan, 2021
2. Mr. Bal Gopal Baidya - (Member Director)	Acted as chairman of Committee from 16 th March, 2021
3. Compliance Head -	Member
4. Head-Internal Audit -	Member Secretary

The ACB reviews periodical issues related to bank's overall financial condition, internal controls and audit program in accordance to prevailing laws and provide necessary suggestions to the management on actions to be taken on the same. ACB reviews Quarterly Financial reports of the Bank and guide the management in preparing Yearly Financial Report in a correct and realistic manner.

ACB supervise and report to the management whether actions under taken on managerial and operational activities are as per the rules/regulations/guidelines/policies and directives which are issued as per prevailing Bank guidelines, directives of NRB and Bank and Financial Institution Act (BAFIA).



ACB discuss/review the observations/remarks contained in NRB inspection & Supervision report, audit report of the external/statutory auditors and internal audit reports and suggest the management to take necessary corrective measures. ACB reviews/prepares policy, guideline and audit plan for carrying out effective and adequate internal audit work. ACB ensures Internal Audit Department of the bank is performing in line with the Internal Audit Policy of the Bank.

Apart from above, ACB also recommend names of three auditors for appointment of external auditor.

The ACB reports to the Board on progress of activities undertaken, including but not limited to, minutes of its meetings on quarterly basis and any matter relating to the Banks affair as deemed necessary.

The ACB along with IAD forms the overall Audit Function vertical of the Bank under the following structure:

The major highlights of the activities during the Fiscal Year 2077/078 are as below:

1. Completed Risk Based audit of 89 branches including Corporate Credit Cell under RBIA and one representative Office, New Delhi.
2. Conducted twice half yearly Risk Based Audit of Treasury Department and LC audit of 29 branches.
3. Review of Banks financial report for FY 2077/078 and submitted the same to the Board for approval.
4. Conducted 13 ACB meetings.
5. Recommended reappointment of Statutory Auditor M/S Sundar & Company for the Fiscal year 2077/78.
6. Provided support to conduct statutory audit for FY 2077/78.
7. Approval of new audit plan for FY 2077/78.

2. Assets Laundering Prevention Committee (ALPC)

Assets Laundering Prevention Committee (ALPC) of the Board has been constituted under the chairmanship of a non-executive director in line with the provision of Unified Directives of Nepal Rastra Bank. The Committee oversees implementation of Assets (Money) Laundering Prevention Act, 2064, Assets (Money) Laundering Prevention Rules, 2073, NRB Unified Directives and other legal and regulatory requirements related to Know Your Customer/ Anti-Money Laundering (KYC/AML) and combating financing of Terrorism (CFT).

1. Nabin Bhakta Shrestha (Director)	Coordinator
2. Ms. Urmila Shrestha (Director)	Member
3. Ms. Jamuna Tarmrakar, Head - Risk Management Dept	Member
4. Mr. Raju Gauli, Head - Compliance Department	Member
5. Mr. Nar Bahadur Rawal, Compliance Officer	Member Secretary

The members of the ALPC of the Board are as follows:-
The Committee was reconstituted on February 15, 2021 after completion of tenure of directors. Director Dr. Bal Gopal Baidya, Director Mr. Nabin Bhakta Shrestha and Director Ms. Urmila Shrestha were members of the Committee during FY 2077/2078.

The Committee meets at least once in quarter or as per the requirement of the bank. The Committee met 5 times during the Fiscal Year 2077/2078.

The committee has been provided with Board Approved Terms of Reference (TOR). As per the TOR, the major roles and responsibilities of the committee are as under:

1. Review KYC/AML/CFT related policies and programs put up by the Management and further recommend to the Board for its review/approval as required.
2. Review the quarterly reports placed on implementation status of the KYC/AML/CFT framework in the Bank and appraise at least once in a quarter.
3. Provide recommendations/feedbacks to the Board and the Management on issues pertaining to KYC/AML/CFT
4. Accomplish any other additional responsibilities that may be entrusted upon the Committee from time to time as per the stipulations of prevailing laws, instructions/directions of the regulatory authority or Board of Directors of the Bank.
5. Discuss the international news and events related to AML/CFT and update the board after making an assessment of risk in the Bank's perspective.
6. Miscellaneous roles and responsibilities in line with related Act, Rules, NRB Directives and Board approved TOR.

The major agendas discussed in the meeting of Assets Laundering Prevention Committee:

1. Annual Review and Revision of KYC and AML/ CFT Policy of Everest Bank Limited.
2. Annual Risk Assessment of Bank related to Money Laundering and Financing of Terrorism.

3. Institutional and Sector-wise Risk Assessment of Bank related to Money Laundering and Financing of Terrorism.
4. Quarterly report on Implementation status of KYC/AML and CFT Framework of the Bank
5. Implementation Status of various activities and development under KYC/AML/CFT
6. AML/CFT Targeted On-site Inspection Report 2077 of Nepal Rastra Bank

Recommendations of the Committee to the Board:

1. The Committee reviewed KYC and AML/CFT Policy of Everest Bank Limited and recommended the same to the board for approval.
2. The Committee emphasized on the timely periodic review and customer due diligence.
3. The Committee reviewed and approved the Annual Risk Assessment of Bank related to Money Laundering and Financing of Terrorism and appraised the same to the Board.
4. The Committee reviewed and approved the Institutional and Sector-wise Risk Assessment of Bank related to Money Laundering and Financing of Terrorism and appraised the same to the Board.
5. The Committee emphasized on the need for regular online training programs on KYC/AML/CFT to be provided to staffs on an ongoing basis.
6. The Committee emphasized on taking Directions/ Suggestions mentioned in NRB's inspection report as a guideline and work on development and enhancement of existing internal control mechanism of the Bank.

3. Human Resource Management Committee

Human Resource Management Committee has been constituted under the NRB Directive which governs policies level plans, manuals, directions and amendments pertaining to human resource aspects of the Bank. Keeping proper Human Resources Strategies, Policies and Planning to maintain congenial working environment at the Bank is its main objective where it recommends and provide suggestions to the Management and the Board as and when required. The HRMC comprises of a director of Everest Bank Limited signifies the importance in maintaining better Industrial Relations of the Bank and has remain one of a major actors in maintain good HR systems through continuous interventions.

Composition:

1. Dr. Nirmal Kumar Bista (Independent Director)	Chairperson
2. Chief Executive Officer	Member
3. Head - Human Resource Department	Member Secretary
4. Head- Finance Department	Member

Responsibilities:

- a. **HR Planning:** Review the existing human resource position of the Bank. Suggest management to forecast future HR requirement as per corporate strategies and business/expansion plan of the bank. Also, suggest management for optimization of staff on the basis of branch categorization, horizontal and vertical expansion requirement of the bank.
- b. **Recruitment and Selection:** Suggest management to prepare the parameters relating to recruitment, selection, appointment, placement, transfer, promotion, skills development and submit to the board for approval.
- c. **Performance Appraisal:** Review the existing promotion policy and performance appraisal system of the bank by setting up the performance standard guidelines to meet the productivity target of the bank. Any changes in HR policies/ promotion policy shall be approved by the BOD upon recommendation of the HRMC.
- d. **Career Development:** Suggest management to prepare career development plans and placement of staff as per need of the bank.
- e. **Remuneration and benefit:** Review employee remuneration and benefits, which may be required due to various reasons, such as, changes in the structure of remuneration in the industry, inflation etc. if requested by the management.
- f. **Training and Development:** Review the training policies and programs of the bank prepared by the management to ensure increase in knowledge level, skills and changes in attitude of employees to improve their performance level.
- g. **Organization structure:** HRMC shall provide guidelines for preparing organization structure of the bank and recommend changes to the board as and when necessary. Also submit to the board the policies and procedures relating

to succession planning of all employees/overall management level prepared by the management in due course.

4. Risk Management Committee

For the effective risk management, Bank has formed a board level committee called Risk Management Committee (RMC) which assists the board in setting risk strategy policies, including risk tolerance and appetite levels, as stipulated by Nepal Rastra Bank. It devises the risk management policy of the bank including credit, market and operational risk, risk integration, implementation of best risk management practices and setting up various risk limits of the bank. The Committee discuss and ensures that existing action taken by the management are appropriate and elevates the situations to the Board where further action is required with its recommendation. Risk Management Committee meeting is held at least once in three months. During FY 2077/78, 8 meetings of Risk Management Committee had been conducted. The composition of the Committee is:

Mr. Arun Man Sherchan, Director	Chairman
Mr. Bal Gopal Baidya, Director	Ex-Officio Member
Ms. Priti Lama, Deputy Manager - Operation	Member
Ms. Jamuna Tamrakar Chief Risk Officer	Member Secretary

Responsibilities

- Report to the board regarding adequacy and suitability of the system for identification, analysis and management of inherent risk of the bank and at the same time recommend for development of a suitable policies and strategies.
- Set effective internal control system with the Banks internal risk Tolerance limit and Risk appetite.
- Periodic review of level of inherent risk, risk appetite, tolerance and risk management strategies of the bank and reporting to the board regarding adequacy of the same.
- To ensure that appropriate policies & plans are developed by the Management for risk management and approved by the Board are effectively implemented.
- To review the adequacy and suitability of the bank's capital corresponding to its risk assets,

ICAAP, Strategic policies, risk tolerance and risk appetite and recommend the board accordingly.

- Recommend the board regarding development of adequate structure or framework for risk management commensurate with the NRB directives and guidelines, Bank's internal policies and general practices.
- To regularly conduct stress testing and analyse the results thereof and accordingly recommend the board for necessary actions.
- To review and analyse the relevance and limits of authority delegated by the board and report to the board on the same with necessary recommendations.
- Review and report to the board, on quarterly basis, regarding the bank's asset structure, state of their mobilization, expected earnings from these assets, change in assets quality and actions/proceedings of ALCO
- Analyse the possible effect of any changes or problems arising in various economic sectors on the financial health of the bank and recommend the board regarding necessary actions or policies required to mitigate the same.
- To review the risk bearing capacity of the bank in light of its reserve funds (capital).
- To assist the board in its responsibility for disclosure in relation to risk management in the annual report.

There are three sub committees under the RMC as under:

- Operation Risk Management Committee
- Credit Risk Management Committee
- Asset Liability Management Committee (ALCO)

RISK MANAGEMENT



Risk are usually defined as adverse impact on profitability, present or future, as an outcome of actions or events within or outside the organization. The bank during the course of business continuation process cannot avoid or eliminate risks, so the bank has to assume some risks in order to maintain existing healthy growth and good returns to the shareholders. Risk management is the process by which a bank identifies, measures, monitors and controls its risk exposures to ensure that:

- Risks are understood.
- Risks are within tolerances set by the board of directors.
- Decisions having inherent risks are consistent with strategic business objectives.
- Risk taking decisions are explicit and clear.
- The expected returns compensate for the risk taken.
- Capital allocation is consistent with risk exposure.
- The bank's performance incentives are aligned with risk tolerances.

Risk Management is the application of proactive strategy to plan, organize, and control different types of risks which are faced by a business organization. In times of volatility and fluctuations in the market, financial institutions need to prove their mettle by withstanding the market variations and achieve

sustainability in terms of growth maintaining a stable share value. Hence, an essential component of risk management framework would be to mitigate all the risks and rewards of the products and service offered by the bank. Thus the need for an efficient risk management framework is paramount in order to factor in internal and external risks.

Basel Committee, on Risk Management Process mentions that "banks and banking groups must have comprehensive risk management processes (including board and senior management oversight) to identify, evaluate, monitor and control or mitigate all material risks and to assess their overall capital adequacy in relation to their risk profile. These processes should be commensurate with size and complexity of the bank".

The bank shall not only view the risk management function as a process of eliminating all kinds of identified risks to the greatest extent possible but a more holistic approach shall be taken whereby risk retention is considered appropriate after giving due consideration to factors such as specific risk characteristics of the obligor, inter relationship between risk variable and corresponding return and achievement of various business objectives within the controlled operational risk environment.

The objective of risk management is not to prohibit or prevent risk taking activity, but to ensure that the risks are consciously taken with full knowledge, clear purpose and understanding so that it can be measured and mitigated.

The risk management shall continue to be viewed as a journey, not a destination. The Bank recognizes the need to understand and manage the risk inherent in various underlying activities. All analytical, decision making and implementation processes should be oriented towards prudently managing the risk before focusing on the potential reward.

Board Level Risk Committee

The Board sets policy, strategy and objectives and oversees the executive function. It sets risk appetite and ensures that it is reflected in business strategy and cascaded throughout the organization.

For the effective risk management, Board has formed a board level committee called Risk Management Committee (RMC) which assists the board in setting risk strategy/policies as stipulated by Nepal Rastra Bank. It formulates the risk management policy of the bank including credit, market and operational risk, risk integration, ensures the implementation of best risk management practices and sets various risk

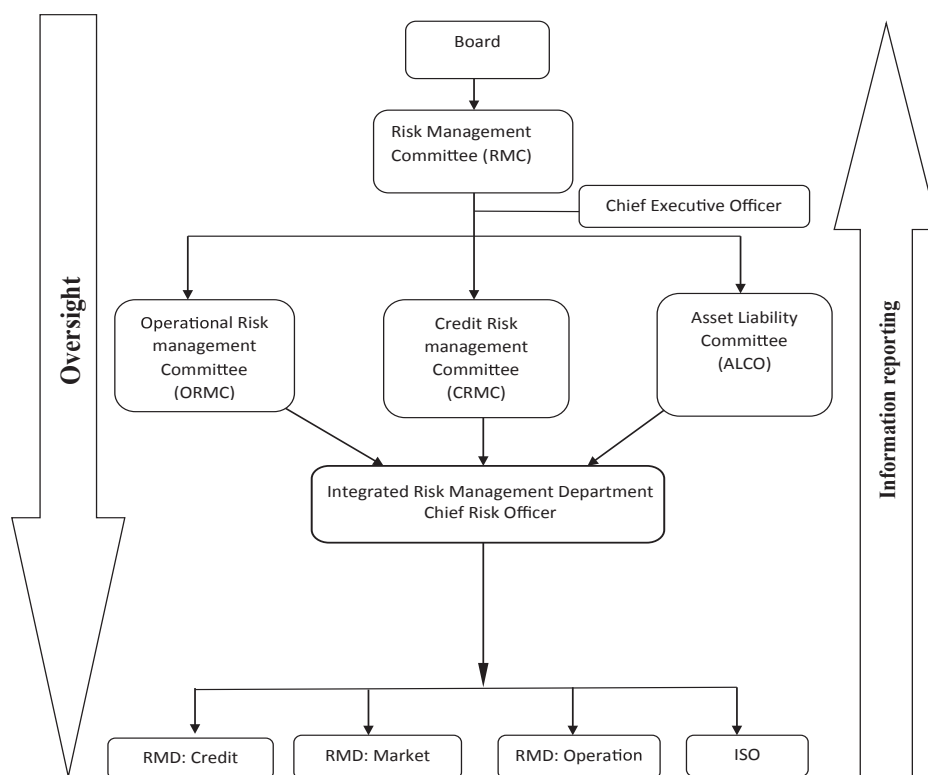
limits of the bank. The Committee discuss on various reports and ensures that the existing action taken by the management are appropriate or suggests the Management for better approach for risk management or elevate the situations to the Board where further action is required with its recommendation. In FY 2077/78, the RMC meeting is conducted 8 times.

Risk Governance

The risk management framework which consists of board set risk appetite, clear organization setup, well defined roles, well developed tools and processes and well defined policy on each risk areas.

Risk Management framework is supervised by Risk Management Committee (RMC), a committee of Board and supported by functional committees namely Credit Risk Management Committee (CRMC), Asset and Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC). Bank has separate Risk Management Department for identifying, managing, mitigating and controlling potential risk which acts as second line of defense whereas all business functions lies on first line of defense and Internal Audit and Audit Committee on third line of defense. Further, the bank has different policies which directs/supplements the framework. The bank has Board approved operational instructions,

Functional structure of Risk Management



book of instructions and clear role definition of each unit makes the process simple and robust. Bank has also set tolerance limits on different parameters above/below the regulatory requirement maintaining extra caution level in managing these risks.

Asset Liability Committee (ALCO)

The committee is entrusted to implement all policy decisions related to market, liquidity and Interest rate risk. It looks after the pricing of assets and liabilities and short/long term strategic decision on balance sheet of the bank. The proceedings of the committee are reported quarterly to the RMC and Board.

The committee is headed by CEO. During FY 2077/78, 15 ALCO meetings were conducted.

Credit Risk Management Committee (CRMC)

The committee is entrusted to appliance of all policy decision related to credit risk. It is responsible for implementation of credit risk policy/strategy approved by Board/RMC. The Committee is assigned with the work of reviewing the guideline, policies, reports related to Credit Risk Management. The proceedings of the committee are regularly reported to RMC and Board.

The committee is headed by Senior Executive of the Bank. During the FY 2077/78, 6 CRMC meeting were conducted.

Operational Risk Management Committee (ORMC)

The committee is entrusted to implement policy/strategies for operational risk management and monitoring compliance of various policies. The proceedings of the committee are regularly reported to RMC and Board.

The committee is headed by Senior Executive of the Bank and during FY 2077/78, 8 ORMC meeting were conducted.

Credit Risk

Credit risk is defined as the potential that a bank borrower or counter party will fail to meet its obligations in accordance with agreed terms. For measurement of Credit Risk bank has adopted Simplified Standardized Approach (SSA) and for Management of Credit Risk Bank has formulated various policies, procedure and internal guideline that is approved by Board in recommendation of Risk Management Committee (RMC). Bank has a clear guiding document related to loaning power approved by the Board.

Bank is the first to introduce risk based pricing in Nepal. Bank is presently doing annual risk rating of the Borrowers for Rs. 1.00 crore and above which helps on credit decision making.

The assessment ground for sanctioning of new loan, renewal of loan or enhancement of existing loan is defined in book of instruction/Credit & Credit Risk Management Policy of the bank. A separate vertical Credit Administration department in HO and Branches are administrating loan related documents, examining loan repayment, record keeping of loan files and related security documents.

All revolving loans are reviewed/renewed annually. Quarterly Review for all loans of Rs. 1 Crore and above is conducted. Bank is doing comprehensive risk assessment by assessing the loan from internally developed rating models. A Separate Recovery Cell has been created and bank has recovery/write off Policy approved by the Board.

Operational Risk

Operational Risk is the loss, resulting from inadequate or failed internal processes, people and systems or from external events, including legal risks. For measurement of Operation risk Bank has adopted Basic Indicator Approach (BIA) and for management of Operation risk, bank has policies in place, 3 line of defense in practice, risk identification, assessment and monitoring tools are defined. Formal channel is defined where by various policies, procedure and internal guidelines are approved by Board in recommendation of Risk Management Committee (RMC).

Bank has effective Internal Control System and Information System for managing Operational Risk. Risk Based Internal Audit (RBIA) has been started in the bank. IT/System Audit is being done annually by expert from external agency and report is submitted to concerned Supervision Department of NRB.

The various Risk events of the Bank are collected and recorded. Such risk events reports are discussed in Operation Risk Management Committee (ORMC), Risk Management Committee (RMC) and proactive measures are identified to reduce such risk events and related functions are instructed to take corrective measures wherever necessary. Bank has Disaster Recovery Policy and Business Continuity Planning (BCP) comprising of Business Process, People and Information Technology. Bank also has "Covid 19 Contingency Plan 2077" in line with Business

Continuity Plan to minimize risk in health and safety of the bank employees, customers and all other stakeholder. Further, drill operation has been performed twice in a year and updated if necessary. Human Resource Department of the bank is placing and transferring the employees periodically.

Market Risk & Liquidity Risk

Market risk refers to the risk to a bank resulting from movements in market prices, in particular, changes in liquidity, interest rates, foreign exchange rates, and equity prices. For measurement of Market Risk Bank has adopted Net Open Position Approach and for management of the Market Risk guiding policies such as Assets/Liabilities Management policy, Investment Policy and Treasury management policy and procedure are in place.

Bank is assessing interest rate risk, foreign exchange risk and equity price risk at a regular interval as per the NRB guidelines and the internal policy in managing market risk and reporting to RMC and the Board on quarterly basis.

Liquidity risk is the potential that the bank may be unable to meet its obligations due or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Bank has been maintaining CRR, SLR, net liquidity ratio and credit to deposit ratio (previously CCD ratio) within the limit approved by the Board and are being monitored on continuous basis. Further, maturity wise structural liquidity table are being prepared as per the regulatory guidelines on monthly basis and reported to the Board on quarterly basis. Bank has also addressed contingency liquidity plan in its policy that is being reviewed annually or on requirement basis. In order to strengthen the liquidity risk management, Bank has set risk appetite/internal benchmark on different parameters related to liquidity which are being monitored on regular basis.

Bank has established treasury middle office under the regulatory guidelines for monitoring exposures based on limit set up by the board and NRB including regulatory norms, prudential ceiling and delegation of authorities on Liquidity and Market Risk. Treasury Middle office is also conducting ALCO meetings and market risk reporting to ALCO.

Compliance Risk

Compliance Risk is the current and prospective risk to earnings or capital arising from violations of or non-conformance with laws, rules, regulations and prescribed practices and it exposes the bank to fines, penalties and payment of damages etc. The bank has separate compliance department which oversee the possible compliance risk of the bank and assist for mitigation of same by developing the policies, guidelines upon approval of the Board.

Internal Control

Internal Control System i.e Audit, Compliance has been reinforcing on the effective implementation of laid down Policies and Procedure. Regular banking activities are being closely monitored through internal control mechanism. Bank is having an appropriate control structure with well-defined control activities at every business level. Duties of officials and staff members of the bank are well defined at all level to avoid conflicting responsibilities. Bank has already placed Code of Ethics and Conflict of Interest Policy for Board Directors and staff. These laid down system are being monitored & reviewed periodically to identify the areas of potential conflicts of interest to minimize Operational Risk at all level. Information system of the bank is upgrading continuously and place to cover activities of the Bank. Internal Audit Department independently evaluate the adequacy and compliance of the bank's established guidelines for internal control system. Risk Based Internal Audit (RBIA) has been started in the bank, where internal auditor incorporates the measures initiated by branch/department/office to manage operational risk. System audit is being done through outsiders till the capability buildup of internal personnel and report is submitted to concern Supervision Department of NRB.

Human Resource Management

With ever changing business scenario and pandemic situation, bigger task of HR is to understand the challenges employees faced inside and outside work environment. Keeping employee wellbeing and sustaining the business has remain utmost important. Similarly employee learning, development, growth and retention has never been compromised, as at Everest Bank, we understand the value of human capital.

In order to manage human resource effectively, Everest Bank has developed comprehensive Human Resource Development Plan. The main objectives of EBL human resources development policy are;

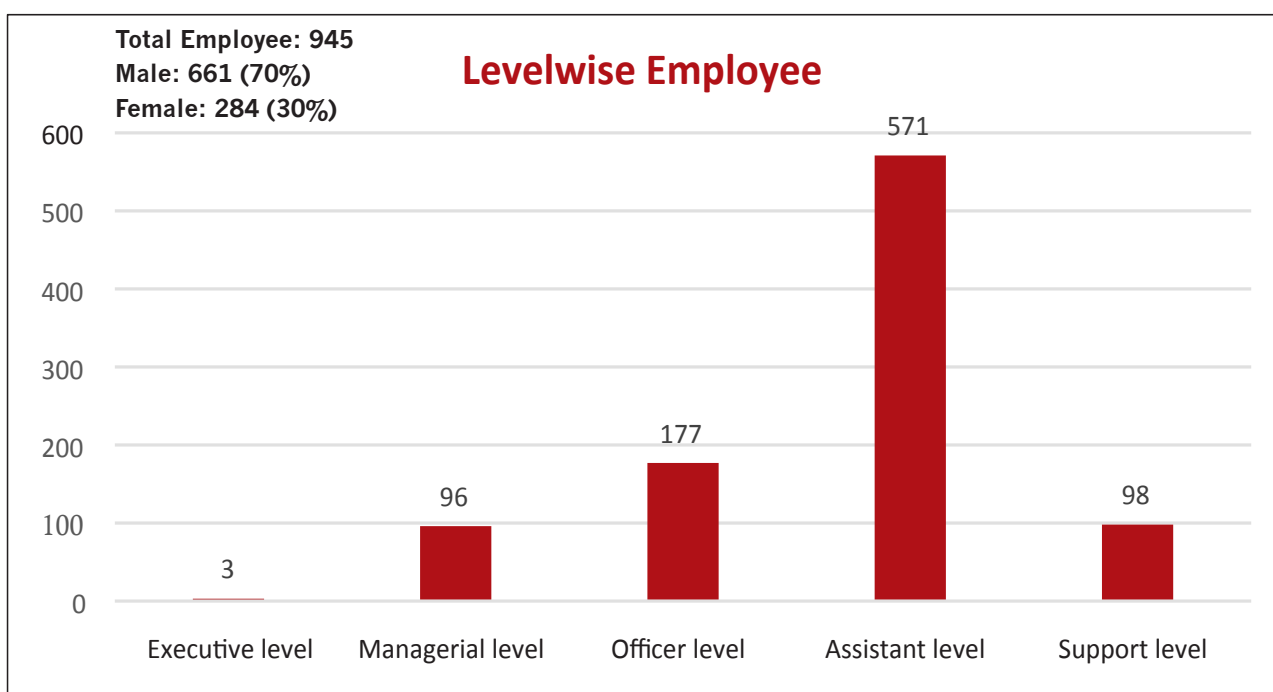
- To build and maintain a team of motivated and committed workforce with high work ethics capable of responding to modern day competitive banking services.
- To prepare human resources to take advantage

of state-of-the art technology for becoming more effective and efficient, so that customers' satisfaction is best assured.

- To provide enabling environment to workforce, where staffs enjoy working with EBL and assured of their career and vertical progression as per their qualification, experience and commitment so that they discharge their responsibilities in a competent manner.

A manpower plan shall has been formulated to ensure that Bank has right number and right kind of people, who are capable of effectively and efficiently accomplishing tasks assigned to them in order to enable the Bank to achieve its goals and targets. Manpower Plan shall be linked to the Bank's overall strategy.

The staff strength of the Bank at the end of Fiscal Year 2077-78 has been presented below:



The Bank has/shall introduced various incentives/welfare schemes with an objective to

- Motivate and encourage employees to perform better by way of recognition of their achievement.
- Encouraging employees for feedbacks to improve Bank's systems and procedures.

Bank provides training opportunities to all level of employees for enhancing the capacities, and has retention policy in place to make sure that the proper systems and procedures are carried out in a fair and transparent manner in order to attract and retain capable workforce in the Bank.

The succession management strategy has helped to develop talent pools within the Bank itself. Everest Bank believes in nurturing our own culture from the day new employees join at entry level.

Everest Bank is committed to provide a healthy and safe environment for every staff member and is responsible for protecting and promoting the health and safety of employees at workplace. The Occupational Health and Safety Policy is applicable to EBL staff members in all of its locations.

Learning and Development

Learning and development is one of the core function of HR and Everest Bank Limited emphasized in competency based learning and development. The goal of learning and development is to develop the behavior of employees, sharing knowledge and insights which enable them to do their work better and cultivate attitudes to help them perform better. Hence, Annual Training Calendar is prepared based on the comprehensive Training Need Assessment and accordingly the trainings and development programs are administered.

Training during FY 2077/78 were primarily focused on Compliance and Regulations aspects of banking, such

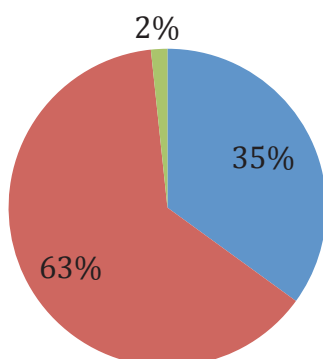
as KYC/AML/CFT, Foreign Exchange Management, Advance Credit, Risk Management, Customer Service, Digital banking and banking certification courses like KYC and Anti-fraud Certification etc.

Similarly, Memorandum of Understanding (MOU) with National Banking Institutes had been signed to take care of learning and development part of the Bank, where exclusive and online learning courses were conducted.

60 trainings (in-house and external) were conducted on various area of banking functions and also soft skill development where total number of 2584 participated.

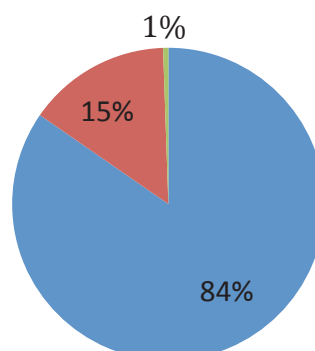
Trainings

■ In house ■ External ■ International



Participants

■ In house ■ External ■ International



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Nrb. Directive No: 06, Section 16

Corporate social responsibility (CSR), in recent times, has become an integral part of business. The contribution of banks in this regard is of paramount importance considering their unique position in the economy. It is believed that through CSR, the Bank's business will grow consistently and responsibly, benefitting those who directly serve while also promoting the conservation of natural environment and the community at large. The objective of the banks is to pro-actively support meaningful socio-economic development in the country and enable a larger number of people to participate in and benefited through the bank's CSR activities.

CSR has been evolved as an important tool to increase competitive advantage through enhanced reputation, raise brand awareness and build trust with customers and other stakeholders. Besides, NRB via its recent circular has advised for the allocation of 1% of Net Profit towards the CSR activities. Further, the areas of CSR activities prescribed by NRB include:

- Direct and indirect expenditure in social projects namely Education, Health, Natural calamities management, Environment Preservation, Cultural Promotion, Basic Infrastructure improvement in rural areas, Income earning capability enhancement of socially backward community, financial literacy, Customer Protection programs.
- Focus on Toilet Facility and Drinking Water

Facility: Bank shall focus on providing Toilet facility and Drinking water facility where there are no availability of same. Bank shall prepare the list of such community based schools and colleges located in rural and remote areas.

- Sustainable Development Goals: The areas identified by Nepal's Sustainable Development Goals, 2016-2030, direct and indirect expenses assisting for its achievement.
- Direct Donation Expenses for Education and health expenses for people living under extreme poverty. Child Day Care Center: Expenses incurred for Child Day Care Center for the sake of employees working in the organization.

The Bank has been conducting different activities for CSR related activities. Those CSR activities helped the community for betterment of living standard of the people. The CSR activities enhanced the brand visibility of the bank as well as help to create a strong bonding with the community.

During the year, CSR Fund of NPR 17,709,395 (Previous year NPR 20,037,222) has been appropriated being 1% of net profit. The CSR expenses incurred during the year amounting to NPR 30,249,641 (Previous year NPR 45,199,659) has been charged to statement of profit and loss with corresponding reduction from CSR fund. The detail of expenses incurred during the period are as follows:

Education, health, natural calamities, environment conservation, cultural promotion, infra development in remote areas	20,484,166
Income generation of socially discarded section, Financial Literacy, Financial Protection	939,000
Grant in health and education for ultra poor or for organization engaged in such activities	186,000
Expenses incurred in areas specified in SDG	500,000
Expenses incurred for bank's staff on COVID 19 related disease on actual bill basis	5,588,973
Amount deposited in Lets open Bank Account Campaign 2076	100
Expenditure incurred upto 5% of its CSR Fund in order to promote the contactless payment services like QR code.	721,402
Others (COVID 19 Related)	1,830,000
TOTAL	30,249,641

Glimpses of 27th Annivesary of the Bank



K2 Climber felicitation program

Bank flag unfurled on top of Mt. Everest

Glimpses of 26th Annual General Meeting



COMPLIANCE



Compliance in conjunction with Risk and Good Governance is the top most priority for the Bank. In order to further strengthen the Compliance function in the bank, the bank has set up a separate Compliance Department headed by Head of Compliance Department. It has two wings namely General Compliance Unit under the direct supervision of Head of Compliance Department and KYC/AML/CFT Unit headed by Designated Compliance Officer of the Bank. Further, it has designated compliance officer at all Head Office functional departments, Province Office, each branch office and Representative Office as an extended arm of Compliance Department to ensure meticulous compliance across the Bank. The bank has also in place the board approved Compliance Policy and KYC/AML/CFT Policy which used to be reviewed once in a year or as per the requirement.

Further, the Assets Laundering Prevention Committee of the Board has been formed under the chairmanship of Non-Executive Director in line with the provision of Directives of Nepal Rastra Bank. The Committee oversees implementation of Assets (Money) Laundering Prevention Act, 2064, Assets (Money) Laundering Prevention Rules, 2073, NRB Unified Directives and other legal and regulatory requirements related to Money Laundering Prevention. For smooth functioning of the Committee, the bank has also placed the board approved Terms of Reference. The Committee reviews the quarterly reports on implementation status of the AML/CFT framework in the Bank and place the report to the Board. The Committee met five times during the fiscal year 2077/2078 and discussed the KYC/AML/CFT related status of the bank.

प्रस्तुत छ एभरेष्ट MOBILE ATM
हाम्रो सम्बन्ध अझै नजिक भएको छ

एभरेष्ट बैंक लिमिटेड
EVEREST BANK LIMITED
(A Joint-Venture with Punjab National Bank, India)

थप जानकारीका लागि
९६६००९७९७९७ निःशुल्क डायल गर्नुहोस् ।

दिगो, दरिलो र विश्वासिलो

MOBILE ATM
www.everestbankltd.com

BRANCHLESS BANKING

Bank is providing Branchless Banking (BLB) facility based on Internet and Mobile Banking service through agents. Main objective of the bank under this product is to provide banking services through business correspondents as per NRB guidelines to the most remote, low bank segment and unbanked areas where potentiality of financial activity is high. EBL has always envisioned serving its customers with new and advanced technologies. Therefore, we always strive to incorporate and reflect the interests of our customers in the products and make it more efficient and convenient. EBL currently provides BLB services in all provinces via 378 Business Correspondents (BCs).

Further, with a view to reach the rural/semi-rural areas as well as to increase our customer base and core deposit, we have started a mobile/tab based service under the name "Branchless Banking" or "MOBILE ATM" for our customers. Currently, we have more than sixteen thousands customers who have been

benefiting from this service. The Account holder after registering his/her mobile in the system can transfer funds within the Bank without visiting the Branch. Besides, the customer can also withdraw cash from our Business Correspondents by generating coded transfer message in places where the branch network is not available. In order to upgrade the Bank's product and provide efficient service to the customers through Branchless Banking, we have introduced the Tab based Banking under Branchless Banking during this year. Tab banking device is integrated with following features:

1. Biometric authentication
2. Card Reader
3. Printer
4. Camera & Scanner

By using the Integrated Tab Device, customer can initiate the account opening process, withdraw cash and deposit cash in the concerned Everest bank account.

अब EVEREST TAB BANKING

व्यावसायिक प्रतिनिधि मार्फत

अब घर आगनमा एभरेस्ट बैंकको बैंकिङ्ग सेवा
शाखा रहित बैंकिङ्ग मार्फत



खाता खोल्न सकिने



बचत गर्न र पैसा
मिक्न सकिने



साँझ, बिहान,
तथा बिदामा पनि
सेवा लिन सकिने



अब जानु पर्दैन बैंकमा, घरबाट
खोलौं खाता अनलाईनमा



www.everestbankltd.com वेबसाइटमा गएर अनलाईन खाता
खोल्ने लिंकमा क्लिक गर्नुहोस्।



एभरेस्ट बैंकको MISSED CALL सेवा



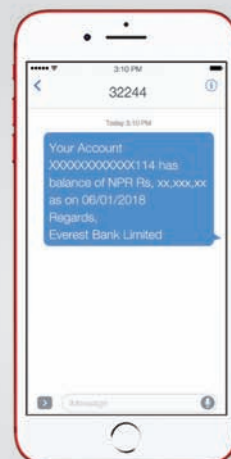
०१-८८८३३७८

नं मा रजिस्टर्ड गरिएको मोबाइलबाट Missed Call गर्नुहोस् र
तुरुन्तै S.M.S मार्फत आफ्नो Bank Balance को जानकारी
पाउनुहोस् साथै प्रत्येक महिना इमेल मार्फत आफ्नो खाताको
Statement प्राप्त गर्नुहोस्।

* MISSED CALL सेवा प्रयोग गर्नको लागि ग्राहकले मोबाइल
अथवा S.M.S सुविधा अनिवार्य रूपमा लिइएको हुनु पर्नेछ।

* मोबाइल बैंकिङ्ग सेवा लिनु भएका ग्राहक महानुभावहरुले बिना
कुनै शुल्क यो सुविधा प्रयोग गर्न सक्नुहुनेछ।

फोन नं. : ९७७-१-४४४३३७८ टोल फ्री नं. : १६६००१७१७७



*जर्निट लाग्नु हुनेछ।

एभरेस्ट बैंक लिमिटेड
EVEREST BANK LIMITED
 (A joint-Venture with punjab national bank, India)

DIGITAL EVEREST

Digital Everest is an initiative of Everest Bank towards the Digital Nepal campaign of Government of Nepal. Digital Everest initiative has been started to optimum utilization of information technology and integrate the technological advancement for enforcing and enhancing Digital payments and financial inclusion through digitization of banking services. It aims at ensuring that the services are made available to customers by increasing the use of information technology and reducing traditional paperwork.

Everest Bank is now catering to more than 12 lacs customers. Founded in 1994, the Bank has been one of the leading banks of the country and has been pioneer in introducing various digital services in the history of banking in Nepal.

- Any Branch Banking System (ABBS) in Nepal.
- Branchless Banking system to cover unbanked sector of Nepalese society through biometric machine.
- E-ticketing system where customers can buy yeti airlines ticket through internet.
- Online payment of Mobile/PSTN/ADSL/NCELL bill or from the counter as well.
- Cash Deposit Kiosk for the first time in Nepal through which the Customers can deposit Cash conveniently.
- Missed Call Alert system to facilitate customer for knowing their current balance.

A digital bank represents a virtual process that includes online banking and beyond. As an end-to-end platform, digital banking encompasses the front end that consumers see, the back end that bankers see through their servers and admin control panels and the middleware that connects these nodes for functioning of the product/services. Ultimately, a digital bank facilitates all functional levels of banking on all service delivery platforms. In other words, it has all the same functions as a head office, branch office, online service, bank cards, ATM and point of sale machines.

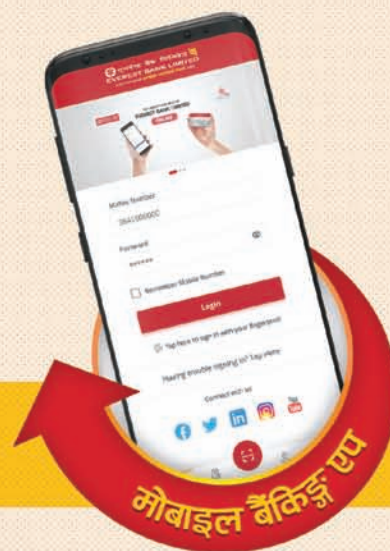
There is a lot of scope to expand electronic services to have a more sophisticated customer base. Information and communication technology infrastructure facilities are also to be well developed so the customers can conveniently conduct their banking transactions at a time that suits them and can access their bank account for 24 hours a day and 7 days a week. Latest and better ways of customer services are essential for the growth of the bank and for the banking system as a whole. The effect of digital bank on worldwide banking system is to facilitate existing banking and payment mechanisms, primarily by making the transactions cheaper, faster, more secure, and more convenient.

EBL Digital Product

<ul style="list-style-type: none"> • Online Account Opening • Internet Banking (Retail and Corporate Module) • Mobile Banking • Online Apply for Loan • Online Loan eligibility Check • Cash Deposit Machines • Cheque Deposit Machines • Missed Call Balance Inquiry • Eve – Chatbot 	<ul style="list-style-type: none"> • Online Government Revenue • ATM Services • Cards Services <ul style="list-style-type: none"> (a) Credit Cards (b) Debit Cards (c) Dollar Cards (d) Intl. Travel Cards • Green Pin • Card-less cash withdrawals • Online e-comm activation 	<ul style="list-style-type: none"> • Online Remittance portal • Mobile ATM (Tab Banking) • QR Code Scan and Pay • Utility Bill Payments • E-statement • E-Learning system • On-line Customer care 	<ul style="list-style-type: none"> • Online Grievance Portal • Corporate Pay, IPS and Connect-IPS • Electronic cheque clearing system • Meroshare / Demat Online Renewal • Direct Bank Account link with major wallets and Connect-IPS
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EBL TOUCH 24

Now with **added features** for a truly **digital experience**



SECURE, FASTER & RELIABLE

Now with **NEW UPDATED FEATURES**
Everest Bank Mobile Banking Touch & Transact



SELF REGISTRATION
From your phone



BIOMETRIC ENABLED
Fingerprint / face recognition



FUND TRANSFER
To 50+ Banks



ONLINE TICKETS
Flight, Bus, Movies, Events



LOGIN WITH YOUR MOBILE NUMBER
No need to remember customer id



QR PAYMENTS
At over 1 million outlets



BILL PAYMENTS & TOPUP
Electricity, TV, internet, Mobile and more

Download / Update Now



www.everestbankltd.com


एभरेस्ट बैंक लिमिटेड
EVEREST BANK LIMITED
 (A joint-Venture with **punjab national bank**, India)

REMITTANCE

Our Bank is providing web based online remittance facility through its own product “Everest Remit”. Presently, this remittance facility is available to all the Nepalese migrants working in UAE, Qatar, Bahrain, Oman, UK, USA, Malaysia, South Korea, Japan, Hong Kong, Australia and Seychelles. This facility will be extended to other corridors too in due course. In order to facilitate inward remittance and foreign trade, we have tied up with various foreign banks/agencies in different countries.

Likewise, services from instant money transfer products have already been started through Xoom Corporation, EZ Remit, Xpress Money Transfer, MoneyGram and Western Union Money Transfer. Customer can get easy access to these agencies and

will contribute to increase in inward remittance from worldwide. Further, we are trying to penetrate existing markets deeper to provide services to our customers in a more convenient way.

Similarly, our joint venture partner Punjab National Bank (PNB), India has already launched its’ own remittance product “INREMIT”. Under this facility Nepalese who are working/residing in India can instantly remit money from PNB India to our bank through any branch of PNB or Mobile/Internet banking facility of PNB and through Business Correspondent locations for further payment to beneficiary either by direct credit into A/c maintained with banks in Nepal or cash payment through our 9000+ payout locations.



एभरेष्ट रेमिट
Account

विदेशबाट पैसा आउदै छ ?
एभरेष्ट रेमिट को भरपर्दो साथ र **एभरेष्ट रेमिट बचत खाता** को
 उच्चतम प्रतिफलको लाभ आजै उठाउनुहोस् ।

अब रेमिट्यान्स सिधै बैंक खातामा


एभरेष्ट बैंक लिमिटेड
EVEREST BANK LIMITED
 (A joint-Venture with **punjab national bank**, India)

Arrangement with Exchange Houses for Remittance/Draft

UAE	<p>Al Rostamani International Exchange Co. Dubai, UAE Tel: 00971 4 2951996</p> <p>Al Ahalia Money Exchange Bureau Abu Dhabi, UAE Tel: 00971 2 6229666</p> <p>Al Ansari Exchange Dubai, UAE Tel: 00971 4 3772677</p> <p>Lulu International Exchange Abu Dhabi, UAE Tel: 00971 2 6547009</p>	<p>Index Exchange Company Abu Dhabi, Hamdan Street, UAE Tel: 00971 02 6272656</p> <p>Lari Exchange Abu Dhabi, United Arab Emirates Tel: 00971 2 622 3228</p> <p>Al Razouki International Exchange Co. Dubai, UAE Tel: 00971 4 3932331</p> <p>LM Exchange Dubai, UAE Tel: 00971 4 3540191</p>
Bahrain	<p>Bahrain Finance Company Manama, Bahrain Tel: 00973-17223501/17228888, 17506103</p>	
Qatar	<p>Al Zaman Exchange Doha, Qatar Tel: 00974 44441448</p> <p>Al Jazeera Exchange Doha, Qatar Tel: 00974 44363595</p>	<p>Eastern Exchange Doha, Qatar Tel: 00974 44412655</p>
Kuwait	<p>Bahrain Exchange Company Safat, Kuwait Tel: 00965 2452057, 1824000</p>	
UK	<p>Punjab National Bank (International) Ltd. London, UK Tel: 0044 2077969600</p> <p>Hums Remit Limited (AYO Remit) London, UK Tel: 0044 7863 900493</p>	<p>Transfer To Mobile Financial Services Limited London, UK Tel: 0044 7885536758</p> <p>M A Fastmove Limited (Shpun Remit) The Colmore Building, 20 Colmore Circus, Birmingham, B4 6AT, United Kingdom. Tel: +44 121 328 0011</p>
Oman	<p>Unimoni Exchange LLC Sultanate of Oman Tel: 00968 24794127</p>	
United States	<p>Xoom Corporation- A PayPal Service Market Street Floor, San Francisco Tel: 0014157774800</p>	
India	<p>Punjab National Bank, New Delhi, India Tel: 23328894/237199094</p>	
Malaysia	<p>Tranglo Sdn. Bhd. Kuala Lumpur, Malaysia. Tel: 00603 2241 4188, 00603 2241 4189</p>	
Japan	<p>Japan Remit Finance Co. Ltd. Tokyo, Japan Tel: 0081 3 5733 4337</p>	
South Korea	<p>Finshot Inc. Seoul, South Korea Tel: 0082 70 7728 5618</p>	<p>Coinone Transfer Inc. (Cross) Seoul, South Korea Tel: 0082 1670 2624</p>

Hong Kong	Harbour and Hills Financial Services Limited Kowloon, Hong Kong Tel: 00852 35801722, 00852 35807438	
Singapore	GPL Remittance Pte. Ltd. 199588 Singapore, Singapore Tel: +65 6291 2991	Tranglo Pte. Ltd. Singapore Tel: +6565497536, +6565497537
Australia	Lumbini Group Pty. Ltd. Sydney, NSW 2000 Tel: 0061 4350 22761	
Seychelles	Cash Plus Co. Pty. Ltd. Victoria, Seychelles Tel: 00248 250 1048	
Global Products	Paypal Inc (Xoom Corporation) Market Street Floor, San Francisco Tel: 0014157774800 Please visit www.xoom.com for further detail. Xpress Money Services Ltd. F10 Church Lane, Kingsbury London United Kingdom Moneygram International Money Transfer	Transfast Remittance Company 44 wall street, 4 th floor New York Please visit www.transfast.com for further detail. Western Union Money Transfer EzRemit Global (BFC Bank Ltd.) Manama, Bahrain Tel:00973-17201826
Nepal	G.M.E Remit Pvt. Ltd. (GME Remittance) Lainchaur, Kathmandu Tel: 00977 1 4024069 CG Remit Pvt. Ltd. (CG Money) Tripureshwor, Kathmandu Tel: 00977 1 4252987	City Express Money Transfer Kamaladi, Kathmandu Tel: 00977 1 4431900

Remittance Payout locations

Province	District	No of agents	Province	District	No of agents
1	JHAPA	426	4	KASKI	371
	MORANG	374		NAWALPARASI	253
	SUNSARI	297		TANAHU	159
	ILAM	80		SYANJA	133
	UDAYAPUR	78		BAGLUNG	128
	DHANKUTA	64		LUMJUNG	104
	PANCHTHAR	45		MYAGDI	72
	BHOJPUR	44		GORKHA	67
	SANKHUWASABHA	43		PARBAT	63
	KHOTANG	43		MUSTANG	10
	OKHALDHUNGA	40		MANANG	8
	TERHATHUM	28	5	RUPANDEHI	334
	SOLUKHumbu	20		BANKE	156
	TAPLEJUNG	18		DANG	148
2	DHANUSHA	213		KAPILVASTU	115
	SIRAHA	173		BARDIYA	86
	BARA	159		PALPA	83
	SAPTARI	129		GULMI	65
	PARSA	128		PYUTHAN	48
	SARLAHI	126		RUKUM	40
	MAHOTTARI	111		ARGHAKHACHI	35
	RAUTAHAT	110		ROLPA	27
3	KATHMANDU	1806	6	SURKHET	98
	CHITWAN	379		SALYAN	46
	LALITPUR	241		DAILEKH	29
	KAVREPALANCHOWK	124		JAJARKOT	25
	BHAKTAPUR	119		KALIKOT	15
	MAKWANPUR	116		DOLPA	11
	NUWAKOT	87		JUMLA	11
	DHADING	72		MUGU	7
	DOLAKHA	71		HUMLA	3
	SINDHULI	59	7	KAILALI	162
	SINDHUPALCHOWK	59		KANCHANPUR	76
	RAMECHHAP	41		DOTI	26
	RASUWA	22		ACHHAM	23
				DADEL DHURA	21
				BAJHANG	15
				BAJURA	15
				DARCHULA	12
				BAITADI	10

Total Payout Location: 9055

Correspondent Banks

USD Nostro Account

- 1) **Standard Chartered Bank**
NY 10048, New York, USA
SWIFT: SCBLUS33
Our USD A/C # 3582-059378-001
- 2) **Habib American Bank**
99 Madison Avenue, New York, NY 10016
Swift: HANYUS33
- 3) **Bank of China**
Head Office, No. 1 of Fu Xing Men Nei Da Jie.
Xicheng District, Beijing, China
Postal Code: 100818
Swift: BKCHCNBJXXX
- 4) **Mashreq Bank New York**
Account No: 70009908
Swift Code: MSHQUS33
- 5) **KOREA EXCHANGE BANK(KEB), SEOUL**
Account No: 0963-THR-051110011
Swift Code: KOEXKRSE

GBP Account

- 1) **Standard Chartered Bank**
1 Basinghall Ave London EC2V 5DD,
United Kingdom
SWIFT: SCBLGB2L
IBAN No: GB71 SCBL 6091 0412 6794 85
A/C: 01267948501

EURO Account

- 1) **Standard Chartered Bank**
Frankfurt, Germany
SWIFT: SCBLDEFX
Our Euro A/C #017043206

INR Account

- 1) **Punjab National Bank**
New Delhi, India
Tel: 23328894/237199094
SWIFT: PUNBINBDOB
Our INR A/C # 2254002100011251
- 2) **Standard Chartered Bank**
Kolkotta 700 001, India
Tel: 22205271/22200829
SWIFT: SCBLINBBCAL
Our INR A/C# 32205019343
- 3) **HDFC Bank Ltd.**
Manekji Wadia Bldg. Nanik Motwani Marg
Fort, Mumbai, India
Swift: - HDFCINBB
Tel: 28474900/4902884
Fax: 28S69271
Our INR A/C# 00600390000146

JPY Account

- 1) **Standard Chartered Bank**
Tokyo, Japan
SWIFT: SCBLJPJT
Account No.: 23079361110

GRIEVANCE HANDLING/CUSTOMER QUERIES

The bank has set up Customer Care Center as a desk to act as “Grievance Handling Desk” where customers can approach through telephone, SMS, email, online portal and bank’s social media where all queries, suggestions, complaints are being attended.

As mandated by Nepal Rastra Bank, the bank has appointed “Information Officer” and “Grievance Handling Officer”. “Customer Service Policy” has been formulated by the bank in order to enhance the Customer Services with motto “Service with a Smile”. The various tools for enhancing the bank’s Customer Service, monitoring system, role and responsibilities for implementation of policy, review mechanism have been defined in the policies.

All the lodged queries/grievances/disputes at Customer Care Center were responded properly and being resolved in time. The grievances/disputes were escalated to the competent authority along with steps taken for prompt

resolution. Standard Operating Procedure (SOP) for Grievance Handling and Dispute Resolution Process has been defined and implemented. Turn Around Time (TAT) is also being monitored.

There is a reporting/review mechanism on queries/grievances to the management/Operation Risk Management Committee/Risk Management Committee/Board/NRB on the periodicity as set in the policy and NRB.

During fiscal year 2077-78, altogether there were 27749 numbers of queries and 2448 numbers of grievances/complaints were lodged in Customer Care Center, Reception Desk, branches and NRB as well. All queries and grievances lodged during Fiscal Year 2077-78 have been resolved except one.

This disclosure is as per NRB Unified Directives No. 20, Sub-point 9.

BANKING OPERATION AND FUNCTION

Banking operation is one of the key functions of the banking industry. Presently, the bank is providing banking services to its customers from 105 branches, 3 extension counters, 138 ATMs and 31 revenue counters all over Nepal. Operation Department at Head Office is monitoring, supervising and looking after the operational affairs of the branches including inter branch coordination on operation issues, streamlining the systems and procedures to reflect the correct picture and to serve as full-fledged guidelines for banking operation.

Main focus is more on improvement and automation of banking services and processes including digitization. To enhance customer service, the bank is exploring on addition of more cheque deposit machines, cash

deposit machines, etc. for self-transactions by the customers as well as exploring implementation of new banking services and products.

In strengthening the banking services and providing quick response to the customers of the bank, the bank has enhanced the services of Customer Care Center for handling and resolution of customer’s queries and grievances on time.

Trainings are being provided to the field functionaries on regular basis.



नेपाल राष्ट्र बैंक
बैंक सुपरिवेक्षण विभाग
च.नं. ३७



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/१३/२०७८-७९

मिति : २०७८/०८/०३

एभरेष्ट बैंक लिमिटेड
लाजिम्पाट, काठमाडौं ।

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

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरू पालना गरेको देखिएको हुँदा, उक्त ऐनको उपदफा (१) बमोजिम त्यस बैंकले प्रस्ताव गरे बमोजिम बैंकका शेयरधनीहरूलाई रु.५३,३६,२३,०३१।- (चुक्ता पूँजीको ६ प्रतिशत) बराबरको बोनस शेयर र रु.३८,४२,०८,५८३।- (चुक्ता पूँजीको ४.३२ प्रतिशत) नगद लाभांश (बोनस शेयर तथा नगद लाभांशमा लाग्ने करसमेत) गरी कुल रु.९१,७८,३१,६१४।- (अक्षरेपी एकानब्बे करोड अठ्ठतर लाख एकतीस हजार छ सय चौध मात्र) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट पारित भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको तथा आ.व. २०७७/७८ को वार्षिक हिसाब साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशनहरू सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु ।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू पूर्ण रूपले सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था मिलाउन ।
- बैंक तथा वित्तीय संस्था सम्बन्धि ऐन २०७३ को दफा ११ को उपदफा ३ मा बैंकको चुक्ता पूँजीको २ प्रतिशत भन्दा बढी शेयर धारण गरेका संस्थापकहरूले आफुले धारण गरेको शेयर बिक्री तथा धितो बन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफुले धारण गरेको शेयर धितो बन्धक राखी अन्य बैंक तथा वित्तीय संस्थाबाट कर्जा उपयोग गरेका संस्थापक शेयरधनीहरू रहेमा ती संस्थापक शेयरधनीहरूलाई सोको स्वीकृति नलिएसम्म वा शेयर धितो बन्धक राखी उपयोग गरेको कर्जा पूर्ण रूपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउन ।
- यस बैंकबाट जारी गरिएको निर्देशन नं. १० को बुँदा नं. ७ बमोजिम इजाजतपत्र प्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पूँजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरूमा चुक्ता पूँजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरू रहेमा ती संस्थापक शेयरधनीहरूलाई सो सीमाभित्र नल्याएसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउन ।
- उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन ।

भवदीय,


(पुष्प चन्द्र खनाल)
सहायक निर्देशक

बोधार्थ

- नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
- बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, एभरेष्ट बैंक लिमिटेड ।
- नेपाल राष्ट्र बैंक, विदेशी विनिमय व्यवस्थापन विभाग ।

Dr. Sandhir Kumar
Acting Chief Executive Officer
Everest Bank Limited
Lazimpat, Kathmandu, Nepal

Confidential

July 11, 2021

Dear Sir,

Issuer Rating

1. On the basis of recent developments including operational and financial performance of Everest Bank Limited for FY20 (Audited) and 9MFY21 (Unaudited), our Rating Committee has reviewed the following ratings.

Facility/Instrument	Amount	Rating	Rating Action
Issuer Rating	NA	CARE-NPAA- (Is) [Double A Minus (Issuer)]	Reaffirmed

2. The rating is only an opinion on the general creditworthiness of the Bank and not specific to any particular debt instrument.
3. The above rating is valid till June 5, 2022 (linked to the date of our initial communication of rating).
4. The explanatory notes regarding the rating symbols of CRNL, for Issuer Rating are given in Annexure 1. The rationale for this rating will be communicated to you separately.
5. CRNL reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CRNL reserves the right to revise/reaffirm/withdraw the rating assigned, as a result of periodic review/surveillance, based on any event or information which in the opinion of CRNL warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CRNL so as to enable it to carry out continuous monitoring of the rating, CRNL shall carry out the review on the basis of best available information. CRNL shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Users of this rating may kindly refer our website: www.careratingsnepal.com for latest update on the outstanding rating.
8. CRNL's Ratings are **not** recommendations to buy, or sell or hold any securities of the issuer.
- If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CRNL.

Thanking You.

Yours faithfully,

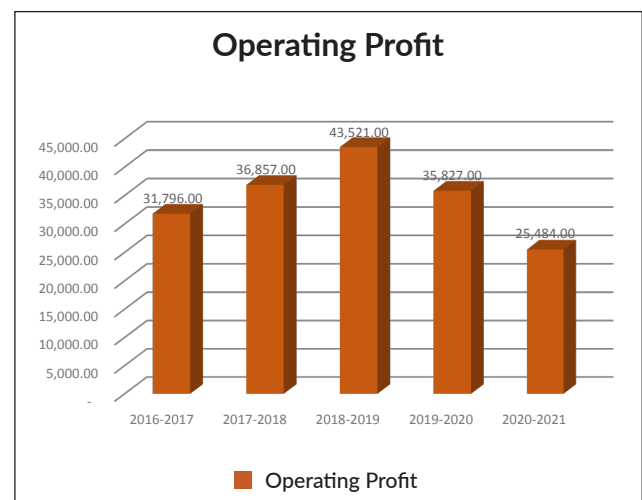
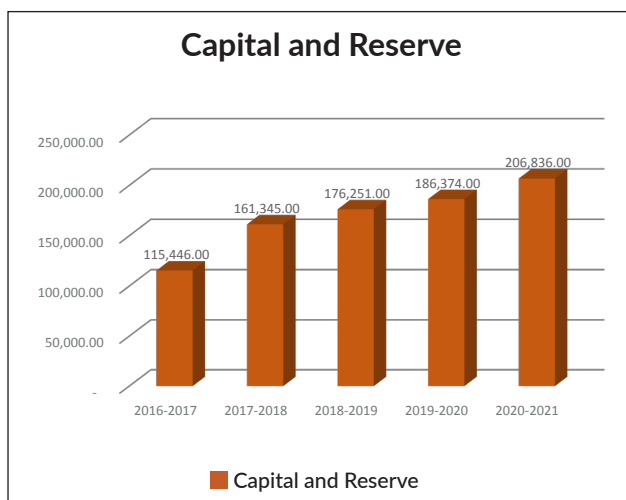
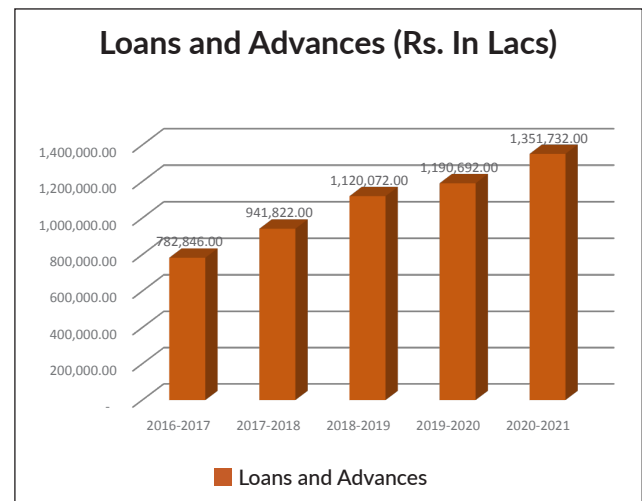
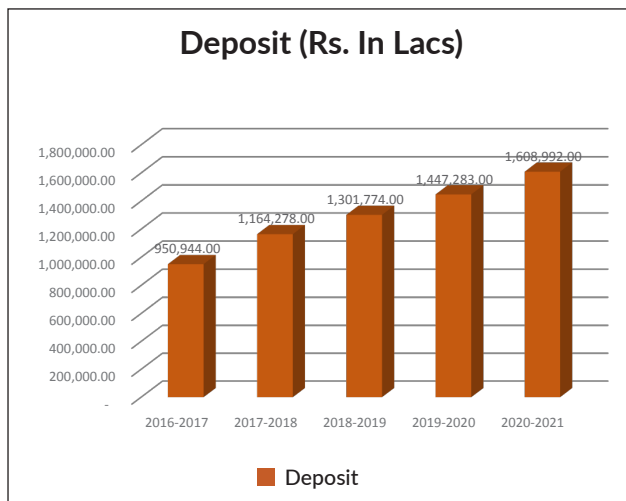
Shalini Sanghai
[Shalini Sanghai]
Senior Manager

Nibesh Manandhar
[Nibesh Manandhar]
Analyst

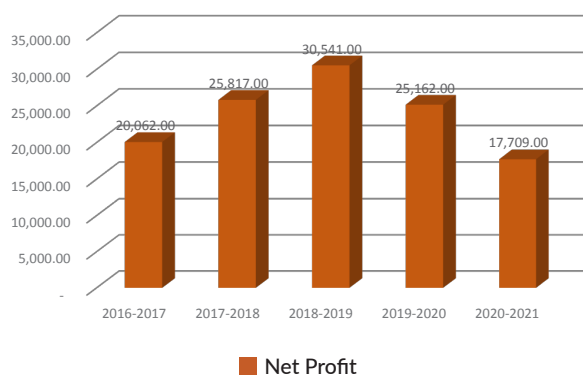
CARE RATINGS NEPAL LIMITED

Star Mall, 2nd Floor, Putalisadak, Kathmandu
Tel.: +977-1-4012628/29/30 | Email: care@careratingsnepal.com | Website: www.careratingsnepal.com

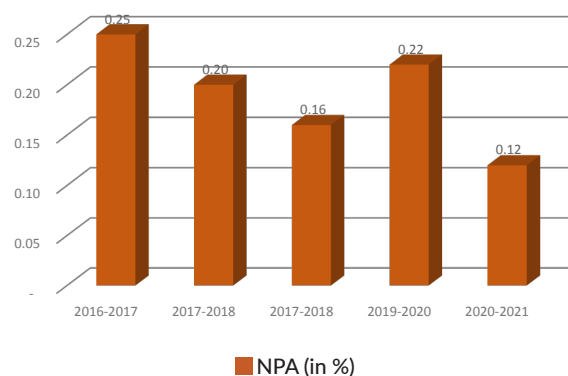
Key Financial Indicators



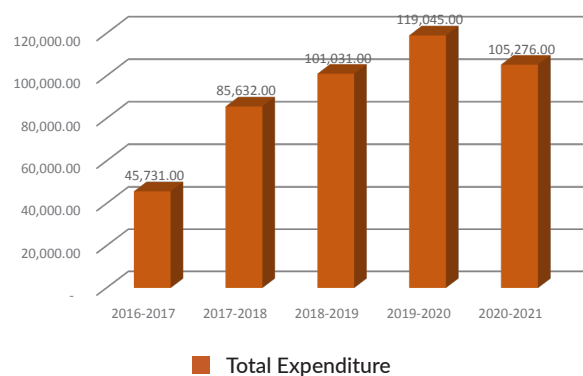
Net Profit



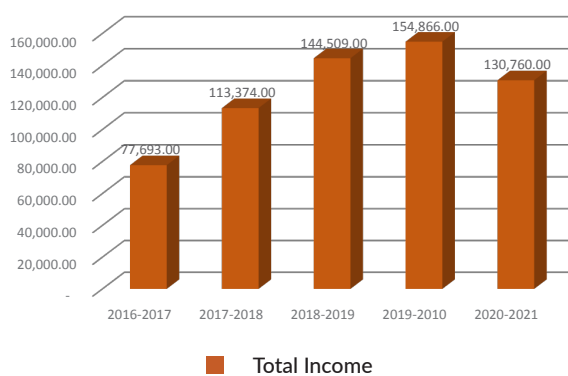
NPA (in %)



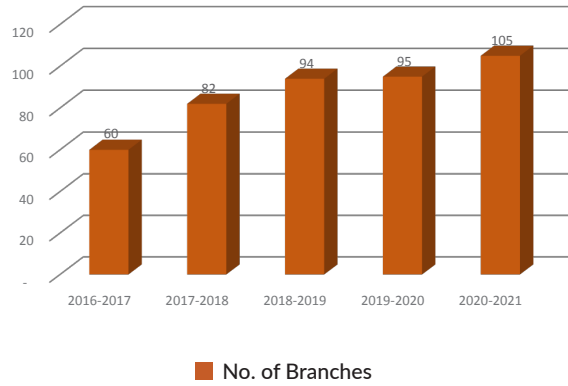
Total Expenditure



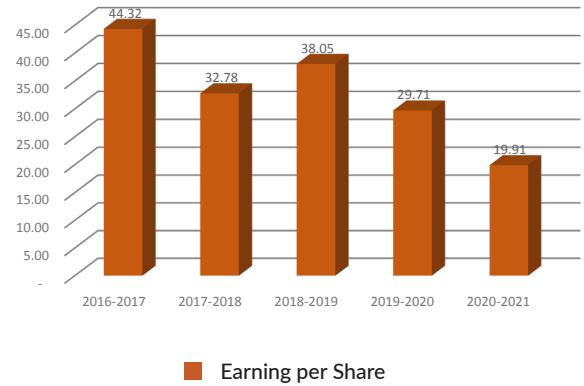
Total Income



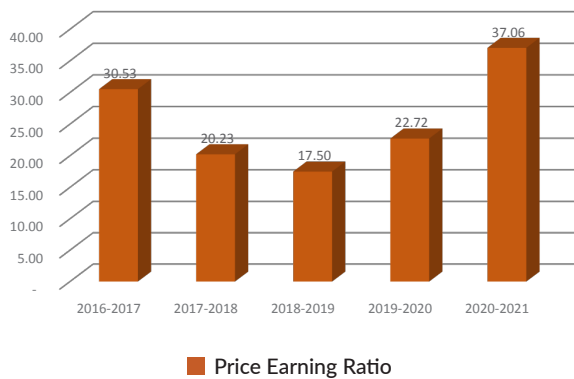
No. of Branches



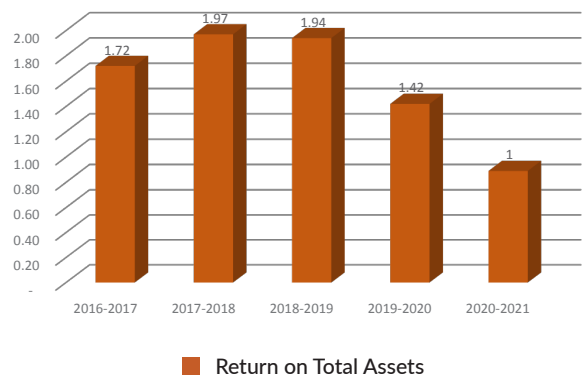
Earning per Share



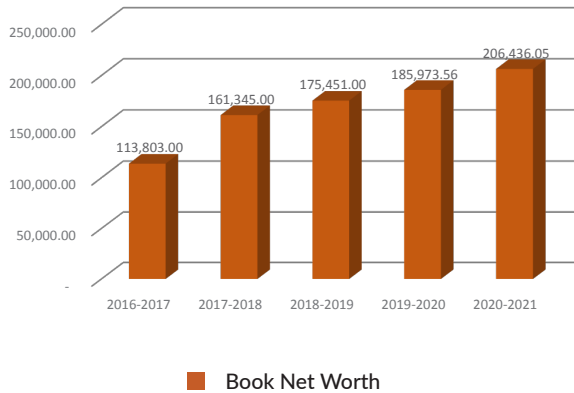
Price Earning Ratio



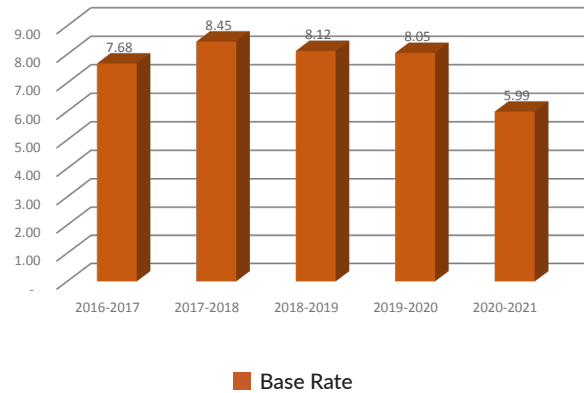
Return on Total Assets



Book Net Worth



Base Rate



BOARD OF DIRECTORS



B. K. Shrestha
 Chairman



Dr. Bal Gopal Baidya
 Director
 (Promoter)



Arun Man Sherchan
 Director
 (Promoter)



Anil Bansal
 Director
 (Punjab National Bank, India)



Navin Bhakta Shrestha
 Director
 (Public Shareholders)



Ms. Urmila Shrestha
 Director
 (Public Shareholders)



Dr. Nirmal Kumar Bista
 Independent Director

Suresh Chapagain
 Company Secretary

Sr. Advocate Shambhu Thapa
 Legal Advisor

Auditor
Anila Shrestha, FCA
 Partner, Sundar & Co.
 Chartered Accountants

MANAGEMENT TEAM



Sudesh Khaling
 Chief Executive Officer



Dr. Sandhir Kumar
 Dy. General Manager



Gaurav Kumar
 Dy. General Manager



Keshab Raj Paudel
 Asst. General Manager



Ashutosh Sharma
 Asst. General Manager



DEPARTMENT HEADS



Bijay Kumar Gautam
 Chief Manager
 IT



Bishnu Prasad Gyawali
 Chief Manager
 SME & Retail



Anju Sharma
 Chief Manager
 Credit



Raju Gauli
 Internal Audit
 and Compliance



Jamuna Tamrakar
 Chief Risk Officer



Dharma Prasad Gauli
 Legal



Rajan Kayastha
 Accounts
 and Strategic Planning



Priti Lama
 Operation



Yadav Bhandari
 Treasury



Puspa Raj Uprety
 Marketing



Mahesh Bajracharya
 GAD



Chesang Lama
 HR



Nikhil Shrestha
 Remittance



Sunil Giri
 ATM/Card

PROVINCIAL HEADS



Purna Bahadur Shrestha
 Province No. 1



Pranay Pradhan
 Province No. 2



Santosh Kr. Bhattarai
 Bagmati Province



Nawaraj Acharya
 Gandaki Province



Anil Karki
 Lumbini Province



Vijay Kumar Singh
 Karnali Province



Satish Pratap Singh
 Sudur Pashchim Province

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- ☉ Duhabi ☉ Fikkal ☉ Gaighat ☉ Inaruwa ☉ Itahari ☉ Kanchanbari
- ☉ Khandbari ☉ Mahakulung ☉ Okhaldhunga ☉ Silichong

Province 2

- ☉ Birgunj ☉ Chandranigahapur ☉ Garuda ☉ I.C.D. ☉ Janakpur ☉ Kalaiya
- ☉ Kanchanpur ☉ Mahendranagar ☉ Mirchैया ☉ Pipra ☉ Rajbiraj ☉ Simara

Bagmati Province

- ☉ Bagbazar ☉ Bagdol ☉ Balaju ☉ Banepa ☉ Battar ☉ Bhaishepati
- ☉ Bhaktapur ☉ Budhanilkantha ☉ Chabahil ☉ Dhading ☉ Dharke ☉ Dupcheshwor
- ☉ Golfutar ☉ Gongabu ☉ Gwarko ☉ Hakimchowk ☉ Hetauda ☉ Jadibuti
- ☉ Jorpati ☉ Kalimati ☉ Kirtipur ☉ Lagankhel ☉ Lazimpat ☉ Maitidevi
- ☉ Narayangarh ☉ New Baneshwor ☉ New Road ☉ Parsa ☉ Pulchowk ☉ Sanogaun
- ☉ Satdobato ☉ Satungal ☉ Sitapaila ☉ Tandi ☉ Teku ☉ Thamel
- ☉ Naxal (Gairidhara)

Gandaki Province

- ☉ Amarsingh ☉ Baglung ☉ Beshishahar ☉ Biruwa ☉ Damauli ☉ Gorkha ☉ Kawasoti
- ☉ Kushma ☉ Lekhnath ☉ Pokhara ☉ Syangja

Lumbini Province

- ☉ Basgadhi ☉ Bhairahawa ☉ Butwal ☉ Chandrauta ☉ Gulariya ☉ Ghorahi ☉ Kohalpur
- ☉ Krishna Nagar ☉ Lamahi ☉ Lumbini ☉ Nepalgunj ☉ Sandhikharka ☉ Taulihawa ☉ Tulsipur

Karnali Province

- ☉ Rukum ☉ Surkhet

Sudur Pashchim Province

- ☉ Attariya ☉ Bajhang ☉ Bauniya ☉ Dhangadhi ☉ Dipayal ☉ Jhalari
- ☉ Lamki ☉ Mahendranagar ☉ Shikhar ☉ Sukkhad ☉ Surma ☉ Talkot ☉ Tikapur

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