

# ANNUAL REPORT

१८ औं वार्षिक प्रतिवेदन (०७८-०७९)



 एभरेष्ट बैंक लिमिटेड   
**EVEREST BANK LIMITED**

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

दिगो, दरिलो र विश्वासिलो



**Tel No.: 01-4418878 | Smart cell: 9880443377**



## Grievance



 **एभरेष्ट बैंक लिमिटेड**   
**EVEREST BANK LIMITED**

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## प्रवेश-पत्र

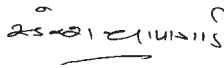
शेयरधनीको नाम:..... शेयरधनी नं. ....

शेयर संख्या ..... शेयरधनीको दस्तखत:

(मिति २०७९ साल मंसिर २६ गते सोमवारका दिन हुने एभरेष्ट बैंक लिमिटेडको २८ 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 २८ 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 .....  
 ..... 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 अरूलाई गर्न पाइने छैन ।
- २) प्रोक्सी फाराम साधारण सभा हुनुभन्दा ४८ घण्टा अगावै निर्वाचन कार्यालयमा दर्ता भएको हुनुपर्नेछ ।





## एभरेष्ट बैंक लिमिटेडको २८ औं वार्षिक साधारण सभा सम्बन्धी सूचना

यस बैंकको मिति २०७९ साल मंसिर २ गते बसेको संचालक समितिको ३४६ औं बैठकको निर्णय अनुसार २८ 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 : २०७९ साल मंसिर २६ गते सोमबार (१२ डिसेम्बर २०२२) ।

स्थान : लैनचौर ब्याङ्केट, लैनचौर, काठमाडौं ।

समय : बिहान ११:०० बजे ।

### बैंकको २८ औं वार्षिक साधारण सभाको छलफलको विषयसूची:

१. संचालक समितिको तर्फबाट अध्यक्षज्यूको प्रतिवेदन ।
२. लेखापरीक्षकको प्रतिवेदन सहितको लेखापरीक्षण गरिएको २०७९ साल आषाढ ३२ गतेको वासलात, सोही मितिमा समाप्त आ.व. २०७८/७९ को नाफा-नोक्सान हिसाव तथा सोही अवधिको नगद प्रवाह विवरण छलफल गरी पारित गर्ने ।
३. मिति २०७९/०७/१८ मा बसेको संचालक समितिको ३४५ औं बैठकले, शेयरधनीहरूलाई निम्न बमोजिम नगद लाभांश तथा बोनस शेयर प्रदान गर्न सिफारिस गरेकोले सो प्रस्ताव छलफल गरी पारित गर्ने ।
  - (क) १३% का दरले बोनस शेयर जारी गर्ने - विशेष प्रस्ताव,
  - (ख) ७.६८% नगद लाभांश (बोनस शेयरमा लाग्ने कर समेत) वितरण गर्न गरेको सिफारिसलाई छलफल गरी पारित गर्ने,
४. प्रबन्धपत्र संशोधन सम्बन्धी विशेष प्रस्ताव पारित गर्ने,
  - (क) बैंकको अधिकृत पूँजी रु. १००० करोडबाट बृद्धि गरी रु. १५०० करोड पुर्याउने भएकोले सोही बमोजिम संशोधन गर्न ।
  - (ख) बैंकले मिति २०६४/०३/२० मा २० लाख कित्ता ७% Convertible Preference Share जारी गरेकोमा विवरणपत्र बमोजिम बाँडफाँड गरेको मितिले ३-३ वर्षमा २० प्रतिशत शेयर साधारण शेयरमा परिणत गर्नुपर्ने शर्त बमोजिम मिति २०६७/०६/२७ मा प्रथम पटक, मिति २०७०/०६/३१ मा दोस्रो पटक, २०७३/०६/३० मा तेस्रो पटक, २०७६/०६/०९ मा चौथो पटक परिणत भई पुनः मिति २०७९/०६/१३ मा बाँकी ४ लाख कित्ता पाँचौं तथा अन्तिम पटक साधारण शेयरमा परिणत भए पश्चात् पूँजी बृद्धि हुने भएकोले सोही बमोजिम संशोधन गर्न ।
  - (ग) बैंकले प्रस्तावित बोनस शेयर जारी भए पश्चात् पूँजी बृद्धि हुने भएकोले सोही बमोजिम संशोधन गर्न ।
५. आ.व. २०७९/८० को लागि लेखापरीक्षकको नियुक्ति र निजको पारिश्रमिक तोक्ने ।
६. विविध ।

संचालक समितिको आज्ञाले,  
कम्पनी सचिव

## वार्षिक साधारण सभा सम्बन्धी सामान्य जानकारी

### शेयर दाखिल खारेज किताब बन्द रहने

साधारण सभा प्रयोजनको लागि मिति २०७९/०८/१३ गते एक दिन बैंकको शेयरधनी दर्ता किताब बन्द गरिने छ ।

नोट:

- (१) सभामा उपस्थित हुने शेयरधनी महानुभावहरूले शेयर प्रमाणपत्र वा शेयर अभौतिकरण गरिसकेका शेयरधनीहरूको हकमा हितग्राही (DMAT Account) नम्बर, BOLD Statement र आफ्नो परिचय खुल्ने (जस्तै: नागरिकताको प्रमाणपत्र वा कुनै परिचय पत्र) अनिवार्य रूपमा साथमा लिई आउनु हुन अनुरोध छ ।
- (२) नगद लाभांश सम्बन्धित शेयरधनी महानुभावहरूको बैंक खातामा जम्मा गर्ने प्रयोजनका लागि आफ्नो बैंक खाता हितग्राही (DMAT Account) नम्बरमा अद्यावधिक गरिदिनु हुन शेयरधनी महानुभावहरूलाई अनुरोध गर्दछौं ।
- (३) साधारण सभाको हाजिरी पुस्तिका १०:०० बजेदेखि खुल्ला रहने छ र अपरान्ह १२:०० बजे बन्द गरिने छ ।



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## **CHAIRMAN'S STATEMENT**



The last couple of years have been a period of extraordinary circumstances wherein we have seen recurring global pandemic, geopolitical tensions that followed due to Russia-Ukraine war. The war not only disrupted the supply chain but also led to huge commodity price hike pushing inflation higher across the globe. Nepal could not remain isolated with these developments.

The banking industry, which was already reeling under

severe liquidity crunch just when the economy was poised for recovery post COVID pandemic, had to face series of challenges from maintaining regular liquidity ratio, meeting client's demand for loans, achieving directed lending targets, deteriorating quality of risk assets, etc.

The tightening which started about 18 months ago is still continuing pushing the interest rate to unprecedented high of 13-15% for a 1 year term deposit. The corresponding

increase in loans and advances was equally high to 13-14% from a low of 7-8% about 18 months ago. There were number of reasons for the crunch-notably excessive credit off-take when banks were battling with excessive liquidity during the Covid lockdown. It was further fueled by Nepal Rastra Bank's policy change in liquidity ratio norms to be maintained by banks and financial institutions (FIs) introduced during last year's Monetary Policy implementation.

Whatever little liquidity was left, it went mostly on financing import bills as traders and industries started importing bulk consumer goods, vehicles, fuels, industrial raw materials etc. held pending during prolonged Covid lockdown. The cumulative effect of excessive import and lower remittance inflow drained country's precious FX reserves to low of 6.4 months of import (mid-January, 2022). The situation compelled Nepal Rastra Bank to impose import restrictions on few non-essential but high value goods in early 2022. The regulator also kept pushing the bank rate high with the objective of slowing the credit growth-which led to a series of interest rate hike by banks and FIs in deposit products. However this did not help improve the liquidity.



Last 18 months have admittedly been very difficult period, never ever experienced, for all stakeholders with liquidity situation remaining mostly unpredictable and scarce. Whilst there were number of countries facing similar problem that Nepal has been facing, we have perhaps spent more time indulging in blame game rather than working collectively to resolve our problem. The agitation launched by various private sector business groups against banks and Nepal Rastra Bank demanding reduction in interest rate on loans has been unfortunate and untimely.

We know pricing or interest rate is generally determined by

ongoing demand and supply. As supply improves, the rates will invariably come down. It may therefore be advisable for everyone to remain patient and let the system and market force work. Moreover, we have now started seeing a semblance of stability returning with our FX reserves improving to 9.6 months of merchandise imports as per recent NRB data (mid October 2022). Deposits also grew by 8.2% on year on year basis with private credit growth remaining subdued at 6.4% compared to an increase of 31.7% a year ago. These clearly indicates that steps taken by Nepal Rastra Bank a year ago to stabilize the liquidity and interest rate has largely worked. We also

expect inflationary pressure to moderate over coming months with major commodities prices gradually coming down.

In light of the improving macroeconomic data and considering that election for both parliament and provincial constituencies are over now, we believe that Nepal will get a stable government and bringing back our economy in right track will be the priority of those in power.

**B. K. Shrestha**  
Chairman

# BOARD OF DIRECTORS' REPORT

## TO THE 28<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE BANK

### Ladies and Gentlemen:

It gives me great pleasure to welcome you to the 28<sup>th</sup> Annual General Meeting (AGM) of your Bank. I have the privilege of presenting the Balance Sheet as at 32<sup>nd</sup> Ashadh 2079 (16<sup>th</sup> July, 2022), the Profit & Loss Account and Cash Flow Statement of your Bank for the year ending on that date and the Auditors' report made there on.

### Performance Review:

I am happy to share the performance of your bank over a period of last five years. As per the table presented below, core strength of your Bank has consistently increased over the period. Total shareholders' fund has almost doubled over the last five years from **Rs. 1,154.46 crore to Rs. 2,279.46 crore** with details as below:

Particulars	2073/74 (2016/17)	2078/79 (2021/22)
Paid Up Capital Ordinary Shares	765.27	942.73
Preference Share	8.00	4.00
Statutory General Reserve	268.79	533.59
Share Premium	-	23.85
Capital Adjustment Reserve	4.77	64.76
Other Reserves	8.82	8.82
Exchange Equalization Reserve	2.82	5.17
Investment Adjustment Reserve	0.14	0.27
Debenture Redemption Reserve	47.44	46.88
Retained Profit	44.90	387.71
Other Reserve (Training)	1.51	1.74
Other Reserve (CSR)	2.01	3.24
Regulatory Reserve (NFRS)	-	101.85
Assets revaluation Reserve (NFRS)	-	97.14
Actuarial gain	-	(10.50)
Fair value Reserve (NFRS)	-	68.20
<b>Total Shareholders' Fund</b>	<b>1,154.46</b>	<b>2,279.46</b>

### 1. Other Major Performance:

#### a) Business:

Rs. In Crore

Particulars	2073/74 (2016/17)	2077/78 (2020/21)	2078/79 (2021/22)	Increase over	
				Previous Year %	Over 5 year's period %
Deposit	9,509.45	16,022.02	17,273.92	7.81	81.65
Loans & Advances	7,828.46	13,517.32	15,505.38	14.71	98.06

#### b) Profitability:

Rs. In Crore

Particulars	2073/74 (2016/17)	2077/78 (2020/21)	2078/79 (2021/22)	Increase over	
				Previous Year %	Over 5 year's period %
Total Income	781.26	1307.60	1735.59	32.73	122.15
Operating Profit	317.96	252.23	354.82	40.67	11.59
Net Profit after Tax	200.62	195.80	247.94	26.63	23.59

The table shows consistent progress of the Bank over the last five years.

During the year under review, your Bank has earned operating profit of Rs. 354.82 crore which is 40.67% more than last year

and has been able to post a after tax net profit of Rs. 247.94 crore, which is 26.63% more than the last year.

The total deposits have reached Rs. 17,273.92 crore recording growth of 81.65% in last 5 years. The loans and advances stood at Rs. 15,505.38 crore showing growth of 98.06% in last 5 years.

### 2. Internal & External Factors Impacting Bank's Activities:

The liquidity tightening that commenced during the last quarter of previous fiscal year continued throughout 2078/79 primarily due to steep rise in import financing, lower remittance growth and low government spend on capital and infrastructure

projects. These coupled with change in liquidity ratio mandated by Nepal Rastra Bank for banks and financial institutions (FIs) put further pressure on liquidity resulting in unprecedented rise in bank interest rates.

As a result, deposits at banks and FIs increased by mere 9% in 2078/79 compared to a growth of 21.4% in the previous year. Similarly domestic credit growth was lower at 14.5% in the review year compared to a growth of 27.1 percent in the previous year. Additionally the year also saw a huge dent in our foreign exchange reserve. Nepal Rastra Bank had to bring in number of new regulations to restrict import of non-essential goods to stabilize FX reserve.

### 3. **Activities of the Bank and Future Plan:**

#### a. **Operations:**

Post the Covid pandemic, we have seen consistent shifts in customer behavior towards digital banking. It is therefore imperative for banks to invest in technology and related infrastructure including cyber security.

In our endeavor to improve our customer experience, we have now migrated to a single window platform named “EBL Omni Channel” for

both Internet and Mobile Banking services. This system is supported by latest technology and has various new user friendly applications and better security features. We have seen exponential growth in digital transactions since its implementation.

Our Bank is using world class core banking software called “Finacle”. All the branches of EBL have been hosted in centralized database, backed by a Disaster Recovery Site, operating from outside of valley, in a different seismic zone.

With the changing technology, aspiration and requirement of customers, our service delivery channels have also to be updated to align with new technologies. In this endeavor, Bank has taken its strategy to upgrade Bank’s existing version of Core Banking System to the higher version i.e. Finacle 10.x.

Bank has developed an improved accounting and better risk management system called “**Nakshyatra**”, a comprehensive business process management solution to reengineer internal processes, increase product offerings, and improve overall client experience.

Bank has automated and digitalized many of its internal procedures, which has improved service

delivery and efficiency, cut costs significantly.

#### b. **Branch expansion/outreach:**

Currently, the bank has network of total 123 branches in and outside Kathmandu Valley and bank will grow continuously as in previous years. In addition to these, Bank is running additional 32 Government Revenue collection counters.

Bank is providing Branchless Banking (BLB) facility based on internet and Mobile Banking service through the agent as per NRB guidelines.

Besides 123 numbers of branches to facilitate the customers to meet their requirement, Bank has placed ATMs at 156 various locations across the country where the valued customers of the Bank can get the service of cash withdrawal. The bank is issuing Debit cards in two brands; local SCT brand card co-branded with UPI (Union Pay International) brand and Visa brand cards. The bank is also issuing VISA brand Credit Card to its customers and the growth is encouraging. Bank has recently tie-up with the renowned brand “Master Card” for acquiring the Master Cards in EBL ATM network. Concerning to the card base of the Bank, approx. 2.50 lakh debit cards are active and 15000 plus credit cards (including world travel card cards and



pre-paid dollar cards) of the Bank are active and are in circulation which is one of the highest active card bases among the commercial Banks in Nepal. In line of providing value added services to the customers, Bank is providing e-Commerce facility through EBL E-Com Dollar (Physical / Virtual) Card and Domestic E-Commerce feature on existing Visa Debit/Credit Cards.

Bank has Visa brand ATM Credit cards which are operable in all ATM terminals including all VISA enabled ATM terminals in India for cash withdrawal and Point of Sales (POS) transaction towards purchase of merchandise within Nepal and India, which are affiliated with UPI International and Visa Worldwide, respectively.

#### 4. Customer Care:

Bank has dedicated Customer Care Center where the valued customers of the Bank are being facilitated to address their queries/concern/grievances etc. by means of different communication channels. Bank is always with its instinct to provide easy, fast, reliable and hassle free services to its customers and also striving to continuously improve its customers service experience, fulfill the customers' needs through the automation by implementing cutting edge technology.

#### 5. Human Resources Development & Per Employee Business:

The staff strength of the Bank at the end of the financial year 2078/79 (2021/22) was 1,057 and in the Previous year it was 945. Per employee business as at the end of the financial year is as under:

*Rs. In Crores*

Description	2077/78 (2020/21)		2078/79 (2021/22)		Increase/ Decrease over last year (%)
	Total Amount	Per Employee	Total Amount	Per Employee Amount	
Deposits and Loans & Advances	29,539.35	31.26	32,779.30	31.01	(0.80)
Operating Profit	252.23	0.27	354.82	0.34	24.33
Net Profit	195.80	0.21	247.94	0.23	9.52

Though, per employee business has remained almost at same level, there is significant year to year growth in per employee operating and net profit.

It is considered that the progress and success of any organization depends upon the knowledge, skills and motivational level of its workforce. The Bank has been taking keen and special interest in the development of its human resources by imparting its employees training in various aspects of banking. Besides this, the Bank has taken special care to keep the motivational level of its employees high as also to instill a sense of belongingness to the Bank. To upgrade the knowledge base and exposure of the employees of the Bank, training are conducted on regular basis. Bank has formulated a training schedule calendar to all staffs of the bank within and outside Nepal.

#### 6. Compliance Structure & Risk Structure:

- A 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 and also designated a compliance officer for monitoring KYC/AMLCFT specifically.

To enhance compliance function, the Assets Laundering Prevention Committee (ALPC) 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.

- b. Similarly, for developing risk management culture in the bank, a Risk Management Department (RMD) is in place which is engaged in identifying, measuring, monitoring, mitigating risks in the bank. RMD is headed by a Chief Risk Officer (CRO) who reports to the Risk Management Committee (RMC) of the Board.

RMC formulates risk management policy of the bank which includes Credit, Market and Operational risk. It also formulates risk integration, implementation of best risk management practices and set up risk limits to various function of the bank. The Committee also ensures that action taken by the management are appropriate and elevate the situations to the Board where further action are required.

- c. Audit is the third line of defense in the bank. The bank has established an independent internal audit department which has adopted Risk based internal audit (RBIA) approach and conducting onsite/offsite as well as concurrent audit of various branches of the bank. For ensuring independence of audit department, it directly reports to Audit Committee of the Board (ACB).

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. It also reviews quarterly financial reports of the Bank and guide the management in preparing yearly Financial Reports in a correct and realistic manner.

## 7. Corporate Social Responsibility:

Nepal Rastra Bank, the regulatory body has issued a guideline that BFIs shall allocate at least 1% of their Net Profit to activities relating to corporate social responsibility creating "Corporate Social Responsibility Fund" account.

However, the tax authority in Nepal has started to disallow such expenses made by the bank toward Corporate Social Responsibility.

## 8. Dividend/Bonus Share:

The Board in its' 345<sup>th</sup> meeting held on 4<sup>th</sup> November, 2022 (18<sup>th</sup> Kartik, 2079) has decided to recommend to the forthcoming Annual General Meeting to declare cash dividend 7.68% (including tax on bonus share) and bonus share 13% on Paid-up Capital.

Closing balance of disposal profit for FY 2078/79 after distribution of dividend (Cash and Bonus) would be Rs. 191.93 crores.

The same is being placed before you for approval.

## 9. Capital Adequacy:

Under the Basel – III framework, minimum bench mark fixed by Nepal Rastra Bank the Capital Adequacy Ratio is 11%. However, the NRB has further directed to maintain additional one percent as buffer in case Cash Dividend is declared. The Capital Adequacy Ratio of the Bank as at the yearend 16th July, 2022 after proposed dividends, stands at 11.50% (Previous Year 12.48%). To maintain the capital adequacy ratio intact, proper capital back up is required. Your bank has managed to put the CAR at comfortable level.

## 10. Board of Directors:

There was a change in Board of Directors of the Bank during the financial year under review.

Dr. Nirmal Kumar Bista (Independent Director of the bank) has completed his tenor in the bank and Mr. Tarak Bahadur KC has joined as new independent director of the bank.

Mr. Anil Bansal (PNB Nominee Director) has retired from the Punjab National Bank and Mr. Rakesh Grover has joined as a new PNB Nominee Director in the bank.

We heartily thank outgoing Directors for their contribution

in the bank and welcome new Board of Directors in the bank.

#### **11. Amendment in Memorandum and Articles Of Association:**

In the Agenda for the Annual General Meeting a separate Agenda is executed for amendment of Articles of Association for reasons explained in the Agenda itself.

#### **12. Employee Relations:**

The Board is pleased to report that during the year under review the Management Employee relation has remained harmonious. In view of your Bank's expansion, the recruiting of new human resource as well as motivating our existing employees is proceeding apace.

#### **13. Corporate Good Governance:**

Respected shareholders, Corporate Good Governance is one of the key factors

for strength, stability and sustainable progress of an institution. We always remain alert about the corporate good governance in your Bank. Your Bank has complied with the related provisions of related Acts, Rules and Directives issued by Nepal Rastra Bank.

#### **14. Appointment of the Statutory Auditors:**

The Shareholders are requested to appoint Statutory Auditor of the bank along with the fee for the financial year 2079/80 (2022/23) as per recommendation of Audit Committee of the Board.

#### **15. Acknowledgement:**

On this occasion, on behalf of the Board of Directors and on my own behalf, I would like to thank all the shareholders for their continuous support and guidance. I also take this opportunity to extend thanks to our valued customers for their patronage. Further, we express our sincere

gratitude to the officials of concerned Departments of Nepal Government, Nepal Rastra Bank, our joint-venture partner, Punjab National Bank, other concerned authorities and institutions for their patronage and all the employees of the Bank for their hard work and dedication. Further, I also express our sincere thanks to members of the press and other well wishers of the Bank for their valuable co-operation and support.

Finally, I am sure that the Bank shall continue to get the same co-operation and support from all of you in the future which will be a source of inspiration in our endeavor to take our Bank to newer heights of success in the times to come.

Thank you.

On behalf of the Board of Directors

**B. K. Shrestha**  
Chairman

# 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 32 Ashadh 2079 corresponding to 16 July 2022, 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 32 Ashadh 2079 (16 July, 2022), 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
<b>Impairment of Loans and Advances to Customers</b>	
Total Loans and Advances to Customers: Rs. 147,151,441 thousand as on 16 <sup>th</sup> July 2022 (NPR. 129,172,202 thousand as on 15 <sup>th</sup> July 2021)	
Total Impairment: NPR. 2,275,977 thousand as on as on 16 <sup>th</sup> July 2022 (NPR. 1,978,024 thousand as on 15 <sup>th</sup> July 2021)	
Total accrued interest income is NRS. 12,687,658 thousand (NPR. 9,823,538 thousand in F/Y 2077/78)	

Bank's policy for the allowance for impairment of loans and advances to customers have been based on the application of incurred loss model and Nepal Rastra Bank regulations, as applicable.

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.

The carrying value of the loans & advances to customers can be materially misstating if management's judgement and estimation are inappropriate.

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.

Therefore, considering the significance of the above matter to the financial statements, we have identified this as a key audit matter.

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.

The testing of control included testing of:

- 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

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.

#### **Our Result:**

We considered the impairment charges on loans & advances to customers and interest recognition to be acceptable.

#### **Information Technology System**

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.

As a result, the Bank's financial accounting and reporting procedures place a significant level of reliance and rely on such IT systems.

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.

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.

Our audit approach regarding Information Technology of the Bank is based upon the Information Technology Guidelines 2012 issued by NRB and it included:

- 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.

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.

- 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"> <li>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.</li> </ul> <p><b>Our Result:</b></p> <p>We considered the IT systems and their relevant controls to be adequate.</p>
<p><b>Investment Valuation, Identification and Impairment</b></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"> <li>Review of the Bank's investment and its valuation having reference to NFRS and NRB Directive.</li> <li>For investment valued at amortized cost, on test check basis, we checked the effective interest rate (EIR) and amortization schedule.</li> <li>For the investments measured at Fair Value through Other Comprehensive Income (FVTOCT) for quoted investment, we ensured that fair valuation done at the closing transaction rate in NEPSE as on 16<sup>th</sup> July 2022.</li> <li>Income and Bonus received have been verified through DEMAT statement maintained by the Bank wherever applicable.</li> </ul> <p><b>Our Result:</b></p> <p>We agreed with the Bank's recognition, disclosures, and valuation.</p>
<p><b>Investment Properties (Non-Banking Assets)</b></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 # 221106CA00225TZHyk

Date: November 6, 2022

Kartik 20, 2079

## वित्तीय अवस्थाको विवरण (तासलात)

### २०७८ साल आषाढ मसान्तको

सम्पत्ति	नोट	३१ आषाढ २०७८	३१ आषाढ २०७८
नगद तथा नगद समान	४.१	१४,०२४,३६३,७०८	९,१६३,४०८,२८९
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	४.२	११,१०५,०३२,२४३	२८,८३८,५७२,१७८
बैंक तथा वित्तीय संस्थामा रहेको मौज्दात	४.३	२,८७५,५००,०००	२,१४४,७००,०००
व्युत्पन्न वित्तीय उपकरण सम्पत्ति	४.४	१५,७६६,८११	-
अन्य व्यापारिक सम्पत्तिहरू	४.५	-	-
बैंक तथा वित्तीय संस्थालाई कर्जा तथा सापट	४.६	९,५७३,३१०,६७६	७,४८६,०२३,६०५
ग्राहकलाई कर्जा तथा सापट	४.७	१४५,४८०,५२९,०३३	१२७,६८७,२२४,५६८
धितोपत्रमा लगानी	४.८	३५,६७४,३३६,९८१	३१,४६०,०३३,४४४
चालु आयकर सम्पत्ति	४.९	५४८,६६५,१००	४४०,३०१,७०७
सहायक कम्पनीमा लगानी	४.१०	-	-
सम्बद्ध कम्पनीमा लगानी	४.११	७१३,६५९,५८४	५०२,३१५,६९६
सम्पत्तिमा लगानी	४.१२	२,२०२,७४५	२,२०२,७४५
सम्पत्ति तथा उपकरण	४.१३	३,६३५,५६८,४८१	३,४२४,५६९,५९८
ख्याती र अमूर्त सम्पत्ति	४.१४	२३,०७६,१६७	३२,८३७,०३७
स्थगन कर सम्पत्ति	४.१५	१११,९५७,४२९	-
अन्य सम्पत्ति	४.१६	१,५९७,३३३,५७८	१,१५३,९३९,६४९
<b>कुल सम्पत्ति</b>		<b>२२५,३८१,३२२,५३४</b>	<b>२१२,३३६,१२८,५१६</b>
दायित्व	नोट	३१ आषाढ २०७८	३१ आषाढ २०७८
बैंक तथा वित्तीय संस्थालाई तिर्न बाँकी	४.१७	७३३,०७३,२१३	६७८,९७५,२१९
नेपाल राष्ट्र बैंकलाई तिर्न बाँकी	४.१८	२,९१९,२५९,३७७	२,११२,१८४,७४१
व्युत्पन्न वित्तीय उपकरण दायित्व	४.१९	-	२७,९२५,२०६
ग्राहकबाट निक्षेप	४.२०	१७२,७३९,१८४,९०५	१६०,२२०,२५६,९४०
तिर्न बाँकी सापट	४.२१	२,५५६,०००,०००	-
चालु आयकर दायित्व	४.२२	-	-
व्यवस्थाहरू	४.२३	-	-
स्थगन कर दायित्व	४.२४	-	१९६,६८७,६०७
अन्य दायित्व	४.२५	२२,३१३,६२४,५२९	२७,७६०,५७९,७८५
निष्काशन गरिएका ऋणपत्र	४.२६	१,३२५,६२८,०००	४६८,८४५,०००
सहायक आवधिक दायित्व	४.२७	-	-
<b>कुल दायित्व</b>		<b>२०२,५८६,७७०,०२४</b>	<b>१९१,४६५,४५४,४९८</b>
पूँजी	नोट	३१ आषाढ २०७८	३१ आषाढ २०७८
शेयर पूँजी	४.२८	९,४६७,३४०,२०९	८,९३३,७१७,१७८
शेयर प्रिमियम	४.२९	२३८,४६९,८८४	२३८,४६९,८८४
संचित मुनाफा	४.३०	३,८७७,११६,२३३	२,५११,९९१,८७५
जगेडा तथा कोषहरू	४.३१	९,२११,६२६,१८५	९,१८६,४९५,०८२
<b>शेयरधनीहरूलाई बाडफाड योग्य पूँजी</b>		<b>२२,७९२,५५२,५१०</b>	<b>२०,८७०,६७४,०१८</b>
<b>गैर नियन्त्रित स्वार्थ</b>		<b>-</b>	<b>-</b>
<b>कुल पूँजी</b>		<b>२२,७९२,५५२,५१०</b>	<b>२०,८७०,६७४,०१८</b>
<b>कुल दायित्व तथा पूँजी</b>		<b>२२५,३८१,३२२,५३४</b>	<b>२१२,३३६,१२८,५१६</b>
संभावित दायित्व तथा प्रतिवद्धता	४.३२	७५,२९२,२६८,१२८	६१,३००,१२०,९६३
प्रति शेयर खुद सम्पत्ति		२४१।७९	२३३।५६

विजय कुमार शर्मा  
नायब प्रमुख कार्यकारी अधिकृत

सुदेश खालिड  
प्रमुख कार्यकारी अधिकृत

विष्णु कृष्ण श्रेष्ठ  
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

राजन कायस्थ  
लेखा प्रमुख

डा. बाल गोपाल बैद्य  
संचालक

अरूण मान शेरचन  
संचालक

राकेश गोवर  
पंजाब नेशनल बैंक संचालक

अनिला श्रेष्ठ, एफ.सि.ए

नविन भक्त श्रेष्ठ  
संचालक

उर्मिला श्रेष्ठ  
संचालक

डा. तारक बहादुर के.सी.  
स्वतन्त्र संचालक

साभेदार

स्थान: काठमाडौं, नेपाल  
मिति: २०७९ कार्तिक १८

सुन्दर एण्ड कं.  
चार्टर्ड एकाउन्टेण्ट्स

## नाफा नोक्सान हिसाब

१ आगत २०७८ देखि ३२ आषाढ २०७८ सम्म

	नोट	३२ आषाढ २०७८	३१ आषाढ २०७८
ब्याज आम्दानी	४.२९	१५,४६७,१८०,३९७	११,५१५,५२७,५५६
ब्याज खर्च	४.३०	१०,२८५,७६४,०१६	७,६४७,८८६,७४०
<b>खुद ब्याज आम्दानी</b>		<b>५,१८१,४१६,३८१</b>	<b>३,८६७,६४०,८१६</b>
शुल्क तथा कमिशन आम्दानी	४.३१	१,२९४,९५७,६४५	९७८,९०२,०८३
शुल्क तथा कमिशन खर्च	४.३२	२६३,०७३,४७०	२१०,७३७,४०६
<b>खुद शुल्क तथा कमिशन आम्दानी</b>		<b>१,०३१,८८४,१७५</b>	<b>७६८,१६४,६७७</b>
<b>खुद ब्याज, शुल्क तथा कमिशन आम्दानी</b>		<b>६,२१३,३००,५५६</b>	<b>४,६३५,८०५,४९३</b>
खुद व्यापारिक आम्दानी	४.३३	२९९,४९०,५२९	३६७,२३९,०४३
अन्य संचालन आम्दानी	४.३४	२९४,२८७,५५१	२१४,२८१,८०९
<b>कुल संचालन आम्दानी</b>		<b>६,८०७,०७८,६३७</b>	<b>५,२१७,३२६,३४५</b>
कर्जा तथा अन्य सम्पत्तिमा हानी/नोक्सानीको व्यवस्था/(फिर्ता)	४.३५	३२५,४४५,८५६	२६२,३६७,६८०
<b>खुद संचालन आम्दानी</b>		<b>६,४८१,६३२,७८१</b>	<b>४,९५४,९५८,६६५</b>
<b>संचालन खर्च</b>			
कर्मचारी खर्च	४.३६	२,०४५,४६९,८५४	१,६११,०६१,७९४
अन्य संचालन खर्च	४.३७	५९२,२२०,६१९	५६८,२९०,३६२
न्हासकट्टी र परिपोधन	४.३८	२९३,१८७,७१३	२५३,१२७,६६३
<b>संचालन मुनाफा</b>		<b>३,५५०,७५४,५९५</b>	<b>२,५२२,४७८,८४७</b>
गैर संचालन आम्दानी	४.३९	-	-
गैर संचालन खर्च	४.४०	२,५१३,३६२	८६,६८८
<b>आयकर अघिको मुनाफा</b>		<b>३,५४८,२४१,२३३</b>	<b>२,५२२,३९२,१५९</b>
आयकर खर्च/(आम्दानी)	४.४१		
चालु आयकर		१,०५५,४४३,८७८	७९१,०२१,८८२
स्थगन कर		(१३,३९६,४८०)	२२६,६३७,७७३
<b>यस वर्षको मुनाफा</b>		<b>२,४७९,४००,८७५</b>	<b>१,९५६,००८,०५०</b>
<b>नाफा बाँडफाँड</b>			
बैंकको शेयरधनी		२,४७९,४००,८७५	१,९५६,००८,०५०
गैर नियन्त्रित स्वार्थ		-	-
<b>यस वर्षको मुनाफा</b>		<b>२,४७९,४००,८७५</b>	<b>१,९५६,००८,०५०</b>
<b>प्रति शेयर आम्दानी</b>			
आधारभूत प्रति शेयर आम्दानी		२६।३०	२२।०२
डाइलुटेड प्रति शेयर आम्दानी		२६।१९	२१।९२

विजय कुमार शर्मा  
नायब प्रमुख कार्यकारी अधिकृत

सुदेश खालिङ  
प्रमुख कार्यकारी अधिकृत

विष्णु कृष्ण श्रेष्ठ  
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

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अनिला श्रेष्ठ, एफ.सि.ए

नविन भक्त श्रेष्ठ  
संचालक

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संचालक

डा. तारक बहादुर के.सी.  
स्वतन्त्र संचालक

साभेदार

स्थान: काठमाडौं, नेपाल  
मिति: २०७९ कार्तिक १८

सुन्दर एण्ड कं.  
चार्टर्ड एकाउन्टेण्ट्स

## अन्य विस्तृत आम्दानीको विवरण

१ आषाढ २०७८ देखि ३१ आषाढ २०७८ सम्म

	३१ आषाढ २०७८	३१ आषाढ २०७८
यस वर्षको मुनाफा	२,४७९,४००,८७५	१,९५८,००८,०५०
आयकर पछिको अन्य विस्तृत आम्दानी		
क) नाफा/(नोक्सान) मा पुनःवर्गीकरण गर्न नसकिने बुँदाहरू		
इक्वीटी उपकरण लगानीलाई फेयर भ्याल्युमा मूल्याङ्कन गरिदा भएका नाफा/(नोक्सान)	(२१२,०७९,८०३)	१,११९,६८६,८१४
पुनःमूल्यांकनबाट भएका नाफा/(नोक्सान)	-	३,५५३,५३०
परिभाषित लाभ योजनाबाट बीमाङ्की नाफा/(नोक्सान)	(११,३४२,५४०)	(८१,०८५,३००)
माथि उल्लेख गरिएका बुँदाको आयकर	६७,०२६,७०३	(३१२,६४६,५१३)
नाफा/(नोक्सान) मा पुनःवर्गीकरण नगरिएका अन्य खुद विस्तृत आम्दानी	(१५६,३९५,६४०)	७२९,५०८,५३१
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	२,३२३,००५,२३५	२,६८७,५१६,५८१
कुल विस्तृत आम्दानीको बाँडफाँड		
बैंकको इक्वीटी शेयरधनी	२,३२३,००५,२३५	२,६८७,५१६,५८१
गैर नियन्त्रित स्वार्थ	-	-
यस वर्षको कुल विस्तृत आम्दानी	२,३२३,००५,२३५	२,६८७,५१६,५८१

विजय कुमार शर्मा  
नायब प्रमुख कार्यकारी अधिकृत

सुदेश खालिङ  
प्रमुख कार्यकारी अधिकृत

विष्णु कृष्ण श्रेष्ठ  
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

राजन कायस्थ  
लेखा प्रमुख

डा. बाल गोपाल बैद्य  
संचालक

अरूण मान शेरचन  
संचालक

राकेश ग्रीवर  
पंजाब नेशनल बैंक संचालक

अनिला श्रेष्ठ, एफ.सि.ए

नविन भक्त श्रेष्ठ  
संचालक

उर्मिला श्रेष्ठ  
संचालक

डा. तारक बहादुर के.सी.  
स्वतन्त्र संचालक

साभेदार

स्थान: काठमाडौं, नेपाल  
मिति: २०७९ कार्तिक १८

सुन्दर एण्ड कं.  
चार्टर्ड एकाउन्टेण्ट्स

**इक्कीटीमा भएको परिवर्तन सम्बन्धी विवरण**  
**२०७८ साल आषाढ मसान्तको**

शेयर	शेयर	शेयर	सधारण जोडा	मटरी समीकरण	नियमकारी कोष	फेयर भ्याल्यू	सामानी	पुंरी समापोजन	क्रुपपत्र फितां	पुन. मूल्यांकन	संक्षित मुलका	अन्य कोष	कुल शेयरधनी	गैर नियमित	कुल इक्विटी
वैदी (रु.)	प्रथिम (रु.)	कोष (रु.)	कोष (रु.)	कोष (रु.)	(रु.)	कोष (रु.)	समापोजन कोष	कोष	कोष	कोष	(रु.)	(रु.)	कोष (रु.)	स्वाध (रु.)	(रु.)
८,४१०,२०६,८३६	२८८,४६९,८८४	४,३१८,३०३,०२४	३४,०६७,२७६	१७८,६७४,४०६	१७८,६७४,४०६	६८०,६०९,९१८	२,७७३,२६६	४७,४६२,९०७	९,७४,०८०,०००	९६८,९४३,४२१	१,७४३,०६४,९६२	८८,४९८,४६०	१८,६३७,३४६,४६०	-	१८,६३७,३४६,४६०
यस बर्को विस्तृत आम्दानी															
समापोजन, पुनः स्थापन															
समापोजित/ पुनः स्थापित															
साउन १, २०७७ सालको मौनवात	८,४१०,२०६,८३६	२८८,४६९,८८४	४,३१८,३०३,०२४	३४,०६७,२७६	१७८,६७४,४०६	६८०,६०९,९१८	२,७७३,२६६	४७,४६२,९०७	९,७४,०८०,०००	९६८,९४३,४२१	१,७४३,०६४,९६२	८८,४९८,४६०	१८,६३७,३४६,४६०	-	१८,६३७,३४६,४६०
यस बर्को विस्तृत आम्दानी															
यस बर्को मूलका															
यस बर्को आयकर पछिको															
अन्य विस्तृत आम्दानी															
इक्विटी उपकरण लगानीलाई फेयर															
भ्याल्युमा मूल्यांकन गरिदा भएको नाफा/ (तोक्सान)															
पुनः मूल्यांकनबाट भएको नाफा/ (तोक्सान)															
परिभाषित लाभ योजनाबाट बीमाङ्गी नाफा/ (तोक्सान)															
नाद प्रवातको हेबिडबाट भएको नाफा/ (तोक्सान)															
विदेशी विनिमय संचालतको वित्तीय सम्पति															
विनिमयबाट भएको मटरी नाफा/ (तोक्सान)															
यस बर्को विस्तृत आम्दानी	-	-	-	-	-	७८३,७८०,७७०	-	-	-	२,४८७,४७१	१,७७०,९३९,४९७	२,४००,४४८,०२८	२,४००,४४८,०२८	-	२,४००,४४८,०२८
कागमा सारिलेको रकम	-	-	३४४,१८७,८९९	२,४९३,१६८	(३६,४४८,४८९)	-	(१०,४२०)	६००,०००,०००	(४२१,९०७,३०३)	-	(१७,४९९,७४४)	-	-	-	७६,६९१,३४६
कोषबाट फितां गरिएको रकम	-	-	११,९२७,४७०	-	-	(३८,९४६,४९६)	-	-	-	-	४४,४१०,२८२	-	१६,६९१,३४६	-	१६,६९१,३४६
तिर्छे इक्विटीमा रेखाङ्कको शेयरधनी साँफो कारोबार															
हकअधिकार शेयर जारी															
शेयर जारी खर्च															
शेयरमा आधारित भुक्तानी															
शेयरधनीलाई लाभार्थ															
बोनस शेयर	४२३,४१०,३४२														
नाद लाभार्थ															
शेयरधनीलाई लाभार्थ (साधारण)	(४६८,०९०,३७८)														
शेयरधनीलाई लाभार्थ (आधिकाार)	(२,८००,०००)														
कुल योगदान र वितरण	४२३,४१०,३४२	-	-	-	-	-	-	-	-	-	(८९४,४००,७२०)	-	(४७०,८९०,३७८)	-	(४७०,८९०,३७८)
आखाड २०७८ को अन्य मौनवात	८,९३३,७७७,१७८	२८८,४६९,८८४	४,६८३,६१८,४९४	३८,०६०,४४३	९४२,३२६,९१६	१,४२४,४४४,१९१	२,७६२,७४६	६४७,४६२,९०७	४२१,९६४,०००	९७१,४३०,८९२	२,३६४,२०७,७१८	१४,२३९,०४४	२०,६८२,६७४,४६६	-	२०,६८२,६७४,४६६

# इक्वीटीमा भएको परिवर्तन सम्बन्धी विवरण

## २०७८ साल आषाढ मसान्तको

संलग्न १, २०७८ सालको मौज्जात यस वर्षको विस्तृत आम्दानी	शेयर (रु.)	शेयर प्रिमियम (रु.)	सधारण ज्योडा कोष (रु.)	सटही सतीकरण कोष (रु.)	निमित्तकारी कोष (रु.)	केसर प्र्याल्स कोष (रु.)	लानी समायोजन कोष	पूर्वी समायोजन कोष	कृष्णपत्र फिर्ता कोष	पुनः मुल्यांकन कोष	संचित संपादन (रु.)	अन्य कोष (रु.)	कुल शेयरधनी कोष (रु.)	शेयर धनी संचित	कुल इक्विटी (रु.)
	८,९३३,७१७,१७८	२३८,४६९,८८४	४,६८३,६१८,४९४	३८,०६०,४४३	९४२,१२६,९१६	१,४२५,४४४,१९१	२,७६२,७४६	६४७,५६२,९०७	४२१,९६५,०००	९७१,४३०,८६२	२,३६४,२०७,७१८	१४,२३९,०१५	२०,६८३,६०४,४६६	-	२०,६८३,६०४,४६६
समायोजन/पुनःस्थापन			३७,४१३,७११								१,४७,७८८,४१५	१,८७,७८८,४१५	१,८७,७८८,४१५		१,८७,७८८,४१५
समायोजित पुनःस्थापित															
संलग्न १, २०७८ सालको मौज्जात यस वर्षको विस्तृत आम्दानी	८,९३३,७१७,१७८	२३८,४६९,८८४	४,७२१,०३२,००५	३८,०६०,४४३	९४२,१२६,९१६	१,४२५,४४४,१९१	२,७६२,७४६	६४७,५६२,९०७	४२१,९६५,०००	९७१,४३०,८६२	२,३६४,२०७,७१८	१६,१०९,७८१	२०,८७०,६७४,०१८	-	२०,८७०,६७४,०१८
यस वर्षको विस्तृत आम्दानी															
यस वर्षको मुनाफा															
यस वर्षको आयकर शीपको विस्तृत आम्दानी															
इक्वीटी उपकरण लगानीलाई फेर															
प्रत्यक्ष मूल्यांकन गरिदा भएको नाफा/नोस्मान															
पुनः मूल्यांकनबाट भएको नाफा/नोस्मान															
परिभाषित लाभ योजनाबाट बीमाई नाफा/नोस्मान															
नाद प्रवाहको हेमिडबाट भएको नाफा/नोस्मान															
विदेशी निमित्त संचालनको वित्तीय सम्पत्ति															
विनिमयबाट भएको सटही नाफा/नोस्मान															
यस वर्षको विस्तृत आम्दानी	-	-	-	-	-	(१४८,४५५,८६२)	-	-	-	-	२,४७९,४००,८७५	(१२,११८,१६०)	२,४६७,२८२,७१६	-	२,४६७,२८२,७१६
कोषमा सारिएको रकम	-	-	४५५,८८०,१७५	१३,६७७,४४८	७६,३४१,०१९	(१४८,४५५,८६२)	(७१,८६३)	-	-	-	२,३१०,८८७,०७५	(२०,०५७,९३८)	२,३१०,८८७,०७५	-	२,३१०,८८७,०७५
कोषबाट फिर्ता गरिएको रकम	-	-	११९,००९,११३	-	-	(५४५,०३४,५६४)	-	-	-	-	(६६९,६७४,५४४)	३६,९५४,७१५	-	-	-
सिधै इक्विटीमा हेडाडएको शेयरधनी संगको कारोबार															
हकश्रधिकार शेयर जारी															
शेयर जारी खर्च															
शेयरमा आगारित भुक्तानी															
शेयरधनीलाई लाभांश															
बोनस शेयर															
नाद लाभांश															
शेयरधनीलाई लाभांश (साधारण)															
शेयरधनीलाई लाभांश (अग्रश्रधिकार)															
कुल योगदान र विवरण	४,३३,६२३,०३१	२३८,४६९,८८४	५,३३५,९१९,२९२	५१,७३७,९०१	१,०१८,४६७,९३६	६८१,९५३,७६५	२,६९०,९३३	६४७,५६२,९०७	४६८,८८०,०००	९७१,४३०,८६२	३३,०१७,११६,२३३	३३,०१७,११६,२३३	३३,०१७,११६,२३३	-	३३,०१७,११६,२३३
आषाढ २०७९ को अन्त्य मौज्जात	९,४६७,३४०,२०९	२३८,४६९,८८४	५,३३५,९१९,२९२	५१,७३७,९०१	१,०१८,४६७,९३६	६८१,९५३,७६५	२,६९०,९३३	६४७,५६२,९०७	४६८,८८०,०००	९७१,४३०,८६२	३३,०१७,११६,२३३	३३,०१७,११६,२३३	३३,०१७,११६,२३३	-	३३,०१७,११६,२३३

**विजय कुमार शर्मा**  
नायब प्रमुख कार्यकारी अधिकृत

**राजन कायस्थ**  
लेखा प्रमुख

**नविन भक्त श्रेष्ठ**  
संचालक

स्थानः काठमाडौं, नेपाल  
मितिः २०७९ कार्तिक १८

**सुदेश खालिङ**  
प्रमुख कार्यकारी अधिकृत

**डा. बाल गोपाल बैद्य**  
संचालक

**उर्मिला श्रेष्ठ**  
संचालक

**विष्णु कृष्ण श्रेष्ठ**  
अध्यक्ष

**अरुण मान शेरचन**  
संचालक

**डा. तारक बहादुर के.सी.**  
स्वतन्त्र संचालक

**राकेश श्रोवर**  
पंजाब नेशनल बैंक संचालक

**अनिला श्रेष्ठ, एफ.सि.ए**  
साभितदार

**सुन्दर एण्ड कं.**  
चार्टर्ड एकाउन्टेण्ट्स

हाम्रो संलग्न प्रतिवेदन अनुसार

## नगद प्रवाह वितरण

१ आशुष २०७८ देखि ३२ आषाढ २०७८ सम्म

	३२ आषाढ २०७८	३१ आषाढ २०७८
<b>संचालन गतिविधिबाट नगद प्रवाह</b>		
ब्याज प्राप्ति	१३,४४५,५४४,१८६	१०,३३८,३५७,५६६
शुल्क तथा अन्य आम्दानी प्राप्ति	१,२९४,९५७,६४५	९७८,९०२,०८३
लाभांश प्राप्ति	-	-
अन्य संचालन गतिविधिबाट प्राप्ति	२५५,७९८,५१२	४०९,७०१,५४०
ब्याज भुक्तानी	(९,९४४,६२५,५०१)	(७,५५१,४४०,४७९)
कमिशन तथा शुल्क भुक्तानी	(२६३,०७३,४७०)	(२१०,७३७,४०६)
कर्मचारीलाई भुक्तानी	(१,८३६,६४४,२३१)	(१,६३४,००८,९२६)
अन्य खर्च भुक्तानी	(४३७,४५३,८४७)	१५५,७६८,७९९
<b>संचालन सम्पत्ति/दायित्वमा परिवर्तन अधिको नगद प्रवाह</b>	<b>२,५१४,५०३,२९४</b>	<b>२,४८६,५४३,१७७</b>
<b>संचालन सम्पत्तिमा कमि/(वृद्धि)</b>		
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	१७,७३३,५३९,९३६	(८,८६५,८९७,२८९)
बैंक तथा वित्तीय संस्थाहरूमा रहेको मौज्दात	(७३०,८००,०००)	२५९,३००,०००
अन्य व्यापारिक सम्पत्ति	-	-
बैंक तथा वित्तीय संस्थाहरूलाई दिइएको कर्जा तथा सापटी	(२,११४,७७९,२०१)	(६५७,८५६,१८७)
ग्राहकलाई दिइएको कर्जा तथा सापटी	(१८,१११,३८९,२७६)	(१५,७९१,४९३,८६६)
अन्य सम्पत्ति	(१३५,६४०,६९८)	१३४,५७२,३४९
<b>संचालन दायित्वमा कमी/(वृद्धि)</b>		
बैंक तथा वित्तीय संस्थाहरूलाई तिर्न बाँकी रकम	५४,०९७,९९४	(५०३,८५९,११९)
नेपाल राष्ट्र बैंकलाई तिर्न बाँकी रकम	८०७,०७४,६३६	२,०७९,२९८,४०९
निक्षेप दायित्व	१२,५१८,९२७,९६५	१६,६७४,७८१,७५६
तिर्न बाँकी सापटी	२,५५६,०००,०००	-
अन्य दायित्व	(५,९४५,४१५,३५०)	६,६५३,३६४,५५९
<b>आयकर अधिको संचालन गतिविधिबाट खुद नगद प्रवाह</b>	<b>९,१४६,११९,३००</b>	<b>२,४६८,७५३,७८९</b>
आयकर भुक्तानी	(१,४१८,८२२,०८४)	(१,००४,६१०,७५०)
<b>संचालन गतिविधिबाट खुद नगद प्रवाह</b>	<b>७,७२७,२९७,२१६</b>	<b>१,४६४,१४३,०४०</b>
<b>लगानी गतिविधिबाट नगद प्रवाह</b>		
लगानी उपकरणको खरिद	(५,२८०,०२३,३३९)	(१,५८३,०००,४६६)
लगानी उपकरणको बिक्री	८७०,३६६,६०७	१२४,३७२,५१६
स्थिर सम्पत्तिको खरिद	(२५७,३५८,३०८)	(१,४९१,९९८,२६९)
स्थिर सम्पत्तिको बिक्री	१,११५,०५५	१,०६०,०००
अमूर्त सम्पत्तिको खरिद	(३,२६५,३८८)	(३६,०००)
अमूर्त सम्पत्तिको बिक्री	-	-
लगानी सम्पत्तिको खरिद	-	-
लगानी सम्पत्तिको बिक्री	-	५८२,०२९
ब्याज प्राप्ति	१,७५४,४८०,२९८	१,४४४,१६८,६१०
लाभांश प्राप्ति	१०,४५२,०९८	१०,१६०,५४९
<b>लगानी गतिविधिमा प्रयोग भएको खुद नगद</b>	<b>(२,९४३,२३२,९७८)</b>	<b>(१,४९४,६९१,०३१)</b>



**वित्तीय गतिविधिबाट नगद प्रवाह**

ऋणपत्र निष्काशनबाट प्राप्त	८५६,७८३,०००	-
ऋणपत्रको भुक्तानी	-	(६००,०००,०००)
आवधिक दायित्वको निष्काशनबाट प्राप्त	-	-
आवधिक दायित्वको भुक्तानी	-	-
शेयर निष्काशनबाट प्राप्त	-	-
लाभांश भुक्तानी	(४१५,९९७,८१५)	(४८५,१४३,६२२)
व्याज भुक्तानी	(४१८,६०३,८३७)	(१०१,०२०,४७९)
अन्य प्राप्ति/भुक्तानी	-	-
<b>वित्तीय गतिविधिबाट नगद</b>	<b>२२,१८१,३४८</b>	<b>(१,१८६,१६४,१०२)</b>
<b>नगद तथा नगद समानमा भएको खुद (घट)/बढ</b>	<b>४,८०६,२४५,५८७</b>	<b>(१,२१६,७१२,०९३)</b>
श्रावण १, २०७८ मा रहेको नगद तथा नगद समान	९,१६३,४०८,२८९	१०,३६८,१४७,७१२
नगद तथा नगद समानमा विनिमय दरको उतारचढावको असर	५४,७०९,८३२	११,९७२,६७१
<b>३२ आषाढ २०७९ मा रहेको नगद तथा नगद समान</b>	<b>१४,०२४,३६३,७०८</b>	<b>९,१६३,४०८,२८९</b>

**विजय कुमार शर्मा**  
नायब प्रमुख कार्यकारी अधिकृत

**सुदेश खालिड**  
प्रमुख कार्यकारी अधिकृत

**विष्णु कृष्ण श्रेष्ठ**  
अध्यक्ष

हाम्रो संलग्न प्रतिवेदन अनुसार

**राजन कायस्थ**  
लेखा प्रमुख

**डा. बाल गोपाल बैद्य**  
संचालक

**अरूण मान शेरचन**  
संचालक

**राकेश ग्रीवर**  
पंजाब नेशनल बैंक संचालक

**अनिला श्रेष्ठ, एफ.सि.ए**

**नविन भक्त श्रेष्ठ**  
संचालक

**उर्मिला श्रेष्ठ**  
संचालक

**डा. तारक बहादुर के.सी.**  
स्वतन्त्र संचालक

साभेदार

स्थान: काठमाडौं, नेपाल  
मिति: २०७९ कार्तिक १८

**सुन्दर एण्ड कं.**  
चार्टर्ड एकाउन्टेण्ट्स

# STATEMENT OF FINANCIAL POSITION

(FIG IN NPR)

As on 32 Ashadh 2079 (16 July 2022)

ASSETS	NOTE	32 ASHADH 2079	31 ASHADH 2078
Cash and cash equivalent	4.1	14,024,363,708	9,163,408,289
Due from Nepal Rastra Bank	4.2	11,105,032,243	28,838,572,178
Placement with Bank and Financial Institutions	4.3	2,875,500,000	2,144,700,000
Derivative financial instruments	4.4	15,766,811	-
Other trading assets	4.5	-	-
Loan and advances to B/FIs	4.6	9,573,310,676	7,486,023,605
Loans and advances to customers	4.7	145,480,529,033	127,687,224,568
Investment securities	4.8	35,674,336,981	31,460,033,444
Current tax assets	4.9	548,665,100	440,301,707
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	713,659,584	502,315,696
Investment property	4.12	2,202,745	2,202,745
Property and Equipment	4.13	3,635,568,481	3,424,569,598
Goodwill and Intangible assets	4.14	23,076,167	32,837,037
Deferred tax assets	4.15	111,957,429	-
Other assets	4.16	1,597,353,578	1,153,939,649
<b>TOTAL ASSETS</b>		<b>225,381,322,534</b>	<b>212,336,128,516</b>
LIABILITIES	NOTE	32 ASHADH 2079	31 ASHADH 2078
Due to Bank and Financial Institutions	4.17	733,073,213	678,975,219
Due to Nepal Rastra Bank	4.18	2,919,259,377	2,112,184,741
Derivative financial instruments	4.19	-	27,925,206
Deposits from customers	4.20	172,739,184,905	160,220,256,940
Borrowing	4.21	2,556,000,000	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	196,687,607
Other liabilities	4.23	22,313,624,529	27,760,579,785
Debt securities issued	4.24	1,325,628,000	468,845,000
Subordinated Liabilities	4.25	-	-
<b>TOTAL LIABILITIES</b>		<b>202,586,770,024</b>	<b>191,465,454,498</b>
EQUITY			
Share capital	4.26	9,467,340,209	8,933,717,178
Share premium		238,469,884	238,469,884
Retained earnings		3,877,116,233	2,511,991,875
Reserves	4.27	9,211,626,185	9,186,495,082
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>22,794,552,510</b>	<b>20,870,674,018</b>
<b>NON-CONTROLLING INTEREST</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>22,794,552,510</b>	<b>20,870,674,018</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>225,381,322,534</b>	<b>212,336,128,516</b>
Contingent liabilities and commitment	4.28	75,292,268,128	61,300,120,963
Net assets value per share		241.79	232.56

**Vijay Kumar Sharma**  
DCEO

**Sudesh Khaling**  
CEO

**B. K. Shrestha**  
Chairman

As per our separate  
report attached

**Rajan Kayastha**  
Head - Accounts

**Dr. Bal Gopal Baidya**  
Director

**Arun Man Sherchan**  
Director

**Rakesh Grover**  
PNB Nominee Director

**Nabin Bhakta Shrestha**  
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**Dr. Tarak Bahadur K.C.**  
Independent Director

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

PLACE: Kathmandu, Nepal  
DATE: NOV 4, 2022

# STATEMENT OF PROFIT OR LOSS

(FIG IN NPR)

For the Year ended 32 Ashadh 2079 (16 July 2022)

	NOTE	32 ASHADH 2079	31 ASHADH 2078
Interest income	4.29	15,467,180,397	11,515,527,556
Interest expense	4.30	10,285,764,016	7,647,886,740
<b>Net interest income</b>		<b>5,181,416,381</b>	<b>3,867,640,816</b>
Fee and commission income	4.31	1,294,957,645	978,902,083
Fee and commission expense	4.32	263,073,470	210,737,406
<b>Net fee and commission income</b>		<b>1,031,884,175</b>	<b>768,164,677</b>
<b>Net interest, fee and commission income</b>		<b>6,213,300,556</b>	<b>4,635,805,493</b>
Net trading income	4.33	299,490,529	367,239,043
Other operating income	4.34	294,287,551	214,281,809
<b>Total operating income</b>		<b>6,807,078,637</b>	<b>5,217,326,345</b>
Impairment charge/(reversal) for loans and other losses	4.35	325,445,856	262,367,680
<b>Net operating income</b>		<b>6,481,632,781</b>	<b>4,954,958,665</b>
Operating expense			
Personnel expenses	4.36	2,045,469,854	1,611,061,794
Other operating expenses	4.37	592,220,619	568,290,362
Depreciation & Amortisation	4.38	293,187,713	253,127,663
<b>Operating Profit</b>		<b>3,550,754,595</b>	<b>2,522,478,847</b>
Non operating income	4.39	-	-
Non operating expense	4.40	2,513,362	86,688
<b>Profit before income tax</b>		<b>3,548,241,233</b>	<b>2,522,392,159</b>
Income tax expense	4.41		
Current Tax Expenses		1,055,443,878	791,021,882
Deferred Tax (Expenses)/Income		(13,396,480)	226,637,773
<b>Profit for the period</b>		<b>2,479,400,875</b>	<b>1,958,008,050</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		2,479,400,875	1,958,008,050
Non-controlling interest		-	-
<b>Profit for the period</b>		<b>2,479,400,875</b>	<b>1,958,008,050</b>
<b>Earnings per share</b>			
Basic earnings per share		26.30	22.02
Diluted earnings per share		26.19	21.92

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# STATEMENT OF COMPREHENSIVE INCOME

(FIG IN NPR)

For the Year ended 32 Ashadh 2079 (16 July 2022)

	32 ASHADH 2079	31 ASHADH 2078
<b>Profit for the year</b>	<b>2,479,400,875</b>	<b>1,958,008,050</b>
<b>Other comprehensive income, net of income tax</b>		
<b>a) Items that will not be reclassified to profit or loss</b>		
• Gains/(losses) from investments in equity instruments measured at fair value	(212,079,803)	1,119,686,814
• Gains/(losses) on revaluation	-	3,553,530
• Actuarial gains/(loss) on defined benefit plans	(11,342,540)	(81,085,300)
• Income tax relating to above items	67,026,703	(312,646,513)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(156,395,640)</b>	<b>729,508,531</b>
<b>b) Items that are or may be reclassified to profit or loss</b>		
• Gains/(losses) on cash flow hedge	-	-
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-
• Income tax relating to above items	-	-
• Reclassify to profit or loss	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of income tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>2,323,005,235</b>	<b>2,687,516,581</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	2,323,005,235	2,687,516,581
Non-controlling interest	-	-
<b>Total comprehensive income for the period</b>	<b>2,323,005,235</b>	<b>2,687,516,581</b>

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## Fig in NPR

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

# STATEMENT OF CHANGES IN EQUITY

## For the Year ended 32 Ashadh 2079 (16 July 2022)

Fig in NPR

	Attributable to equity holders of the Bank														
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Investment Adjustment Reserve	Capital Reserve	Debt Redemption Reserve	Revaluation Reserve	Retained earning	Other reserve	Total	Non-controlling interest	Total equity
Balance at 1 Shrawan 2078	8,933,717,178	238,469,884	4,683,618,494	38,060,443	942,126,916	1,425,444,191	2,762,746	647,562,907	421,965,000	971,430,892	2,364,207,718	14,239,095	20,683,605,466	-	20,683,605,466
Adjusted/Restatement			37,413,711								147,784,156	1,870,686	187,068,552		187,068,552
Adjusted/Restated balance at 1 shrawan 2078	8,933,717,178	238,469,884	4,721,032,205	38,060,443	942,126,916	1,425,444,191	2,762,746	647,562,907	421,965,000	971,430,892	2,511,991,875	16,109,781	20,870,674,018		20,870,674,018
Comprehensive Income															
Profit for the year															
Other comprehensive income, net of tax															
Gains/(Losses) from investments in equity instruments measured at fair value						(148,455,862)							(148,455,862)		(148,455,862)
Gain (loss) on revaluation															
Actuary gains/(losses) on defined benefit plans												(7,939,778)	(7,939,778)		(7,939,778)
Gains/(Losses) on cash flow hedge															
Exchange gains/(losses) (arising from translating financial assets of foreign operation)															
Total comprehensive income for the year	-	-	-	-	-	(148,455,862)	-	-	-	-	2,479,400,875	(20,057,938)	2,310,887,075	-	2,310,887,075
Transfer to reserve during the year	-	-	495,880,175	13,677,458	76,341,019	(71,813)	(71,813)	-	46,880,000	-	(669,672,554)	36,965,715	-	-	-
Transfer from reserve during the year	-	-	119,006,913	-	-	(595,034,564)	-	-	-	-	476,027,651	-	-	-	-
Transactions with owners, directly recognised in equity															
Right share issued (Calls in Advance)															
Right share issued															
Share based payments															
Dividends to equity holders															
Bonus shares issued			533,623,031								(533,623,031)				
Cash dividend paid															
Dividends to shareholders (ordinary)											(384,208,583)		(384,208,583)		(384,208,583)
Dividends to shareholders (preference)											(2,800,000)		(2,800,000)		(2,800,000)
Total contributions by and distributions	533,623,031	-	-	-	-	-	-	-	-	-	(920,631,614)	-	(387,008,583)	-	(387,008,583)
Balance at Ashad end 2079	9,467,340,209	238,469,884	5,335,919,292	51,737,901	1,018,467,936	681,953,765	2,690,933	647,562,907	468,845,000	971,430,892	3,877,116,233	33,017,559	22,794,552,511	-	22,794,552,511

**Vijay Kumar Sharma**  
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As per our separate report attached

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

# STATEMENT OF CASH FLOWS

(FIG IN NPR)

For the Year ended 32 Ashadh 2079 (16 July 2022)

	32 ASHADH 2079	31 ASHADH 2078
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	13,445,544,186	10,338,357,566
Fees and other income received	1,294,957,645	978,902,083
Dividend received	-	-
Receipts from other operating activities	255,798,512	409,701,540
Interest paid	(9,944,625,501)	(7,551,440,479)
Commission and fees paid	(263,073,470)	(210,737,406)
Cash payment to employees	(1,836,644,231)	(1,634,008,926)
Other expense paid	(437,453,847)	155,768,799
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>2,514,503,294</b>	<b>2,486,543,177</b>
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank	17,733,539,936	(8,865,897,289)
Placement with bank and financial institutions	(730,800,000)	259,300,000
Other trading assets	-	-
Loan and advances to bank and financial institutions	(2,114,779,201)	(657,856,187)
Loans and advances to customers	(18,111,389,276)	(15,791,493,866)
Other assets	(135,640,698)	134,572,349
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions	54,097,994	(503,859,119)
Due to Nepal Rastra Bank	807,074,636	2,079,298,409
Deposit from customers	12,518,927,965	16,674,781,756
Borrowings	2,556,000,000	-
Other liabilities	(5,945,415,350)	6,653,364,559
<b>Net cash flow from operating activities before tax paid</b>	<b>9,146,119,300</b>	<b>2,468,753,789</b>
Income taxes paid	(1,418,822,084)	(1,004,610,750)
<b>Net cash flow from operating activities</b>	<b>7,727,297,216</b>	<b>1,464,143,040</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(5,280,023,339)	(1,583,000,466)
Receipts from sale of investment securities	870,366,607	124,372,516
Purchase of property and equipment	(257,358,308)	(1,491,998,269)
Receipt from the sale of property and equipment	1,115,055	1,060,000
Purchase of intangible assets	(3,265,388)	(36,000)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	582,029
Interest received	1,715,480,298	1,444,168,610
Dividend received	10,452,098	10,160,549
<b>Net cash used in investing activities</b>	<b>(2,943,232,978)</b>	<b>(1,494,691,031)</b>

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PLACE: Kathmandu, Nepal  
DATE: NOV 4, 2022



## CASH FLOWS FROM FINANCING ACTIVITIES

Receipt from issue of debt securities	856,783,000	-
Repayment of debt securities	-	(600,000,000)
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(415,997,815)	(485,143,622)
Interest paid	(418,603,837)	(101,020,479)
Other receipt/payment	-	-
<b>Net cash from financing activities</b>	<b>22,181,348</b>	<b>(1,186,164,102)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,806,245,587</b>	<b>(1,216,712,093)</b>
Cash and cash equivalents at Shrawan 1, 2078	9,163,408,289	10,368,147,712
Effect of exchange rate fluctuations on cash and cash equivalents held	54,709,832	11,972,671
<b>Cash and cash equivalents at Ashadh End 2079</b>	<b>14,024,363,708</b>	<b>9,163,408,289</b>

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## Notes to the Financial Statements of Everest Bank Limited (Amount in Nepalese Rupees except otherwise stated) For the Year ended 32 Ashadh 2079 (16 July 2022)

### 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 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 16 July 2022, the Bank had 117 branches (15 July 2021: 103 branches). As at 16 July 2022 the Bank had 1057 employees (15 July 2021: 945 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, 2078.

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, 2078.

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 345<sup>th</sup> board meeting dated 04<sup>th</sup> November, 2022 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 28<sup>th</sup> 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 recognized in the Statement of Financial Position but are disclosed unless it is 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 minimizes 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. 02/78 of Nepal Rastra Bank; and
- Impairment loss amount determined as per Incurred Loss Model specified in para 63 of NAS 39.

There arises 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 Shrawan 2<sup>nd</sup>, 2079 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 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 2021-22, 2022-23 & 2023-24, “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.”

### 2.8.2 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 2021-22, 2022-23 & 2023-24, “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).”

### 2.8.3 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 2021-22, 2022-23 & 2023-24, “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.

### 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 are 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 of 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 amortized 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

- the consideration received and
- 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:

- a. 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 accounting has been prepared according to IFRS 16. Upon lease commencement the bank has recognized a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the bank. After lease commencement, bank has measured the right-of-use asset using a cost model.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the borrowing yield rate of the bank.

### 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:

	32 ASHADH 2079	31 ASHADH 2078
Cash in hand	2,783,279,499	2,460,085,257
Balances with B/FIs	4,293,170,909	3,693,229,357
Money at call and short notice	3,300,000,000	1,300,000,000
<b>Other</b>	-	-
3 months Treasury bills	3,647,913,300	1,710,093,675
Cash In Transit	-	-
<b>TOTAL</b>	<b>14,024,363,708</b>	<b>9,163,408,289</b>

##### Note 4.2- Due from Nepal Rastra Bank

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

	32 ASHADH 2079	31 ASHADH 2078
Statutory balances with NRB	4,773,646,534	4,453,823,434
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	6,331,385,708	24,384,748,744
<b>TOTAL</b>	<b>11,105,032,243</b>	<b>28,838,572,178</b>

##### 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:

	32 ASHADH 2079	31 ASHADH 2078
Placement with domestic B/FIs	-	2,144,700,000
Placement with foreign B/FIs	2,875,500,000	-
Less: Allowances for impairment	-	-
<b>TOTAL</b>	<b>2,875,500,000</b>	<b>2,144,700,000</b>

##### 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 categorized as trading unless they are designated as hedging instruments. All derivatives are initially recognized and subsequently measured at fair value, with all revaluation gain or losses recognized 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.

	32 ASHADH 2079	31 ASHADH 2078
<b>Held for trading</b>	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	15,766,811	-
Others	-	-
<b>Held for risk management</b>	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
<b>TOTAL</b>	<b>15,766,811</b>	<b>-</b>

#### Note 4.5- Other trading assets

The bank does not have any trading assets.

	32 ASHADH 2079	31 ASHADH 2078
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
Pledged	-	-
Non-pledged	-	-

#### 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.

	32 ASHADH 2079	31 ASHADH 2078
Loans to microfinance institutions	9,699,402,914	7,584,623,713
Other	-	-
Less: Allowances for impairment	126,092,238	98,600,108
<b>TOTAL</b>	<b>9,573,310,676</b>	<b>7,486,023,605</b>

##### 4.6.1: Allowances for impairment

	32 ASHADH 2079	31 ASHADH 2078
Balance at Sawan 1	98,600,108	69,267,675
Impairment loss for the year:		
Charge for the year	27,492,130	29,332,433
Recoveries/reversal	-	-
Amount written off	-	-
<b>BALANCE AT ASAR END</b>	<b>126,092,238</b>	<b>98,600,108</b>



#### Note 4.7- Loans 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.

	32 ASHADH 2079	31 ASHADH 2078
Loan and advances measured at amortized cost	147,756,506,511	129,665,248,320
Less: Impairment allowances		
Collective impairment	2,097,253,845	1,863,802,919
Individual impairment	178,723,634	114,220,833
<b>Net amount</b>	<b>145,480,529,033</b>	<b>127,687,224,568</b>
Loan and advances measured at FVTPL	-	-
<b>TOTAL</b>	<b>145,480,529,033</b>	<b>127,687,224,568</b>

#### 4.7.1: Analysis of loan and advances - By Product

	32 ASHADH 2079	31 ASHADH 2078
<b>Product</b>		
Term loans	37,871,135,834	28,558,254,647
Overdraft	37,168,771,314	29,508,038,774
Trust receipt/Import loans	3,947,555,567	9,373,930,350
Demand and other working capital loans	23,159,241,274	19,372,167,031
Personal residential loans	23,134,463,288	21,450,313,664
Real estate loans	4,233,151,745	3,576,166,549
Margin lending loans	736,878,504	2,698,205,316
Hire purchase loans	3,228,956,349	4,212,833,422
Deprived sector loans	821,119,007	601,796,997
Bills purchased	499,786,660	-
Staff loans	2,294,244,219	1,931,596,400
Other	10,056,137,722	7,888,898,763
<b>SUB TOTAL</b>	<b>147,151,441,483</b>	<b>129,172,201,913</b>
Interest receivable	605,065,028	493,046,407
<b>GRAND TOTAL</b>	<b>147,756,506,511</b>	<b>129,665,248,320</b>

#### 4.7.2: Analysis of loan and advances - By Currency

	32 ASHADH 2079	31 ASHADH 2078
Nepalese rupee	146,887,190,820	122,491,485,919
Indian rupee	-	-
United State dollar	869,315,691	7,173,762,401
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese Yuan	-	-
Other	-	-
<b>TOTAL</b>	<b>147,756,506,511</b>	<b>129,665,248,320</b>

#### 4.7.3: Analysis of loan and advances - By Collateral

	32 ASHADH 2079	31 ASHADH 2078
<b>Secured</b>		
Movable/immovable assets	137,068,005,089	115,003,238,570
Gold and silver	-	-
Guarantee of domestic B/FIs	-	-
Government guarantee	199,020,923	198,727,573
Guarantee of international rated bank	-	-
Collateral of export document	69,081,990	78,011,898
Collateral of fixed deposit receipt	2,331,947,356	826,297,735
Collateral of Government securities	71,096,068	1,410,792
Counter guarantee	-	-
Personal guarantee	487,500,564	1,053,015,448
Other collateral	7,529,854,521	12,504,546,304
<b>SUBTOTAL</b>	<b>147,756,506,511</b>	<b>129,665,248,320</b>
Unsecured	-	-
<b>GRANT TOTAL</b>	<b>147,756,506,511</b>	<b>129,665,248,320</b>

The above value includes full value of loans and Advances to Customers and Staffs excluding the interest receivable.

#### 4.7.4: Allowances for impairment

	32 ASHADH 2079	31 ASHADH 2078
<b>Specific allowances for impairment</b>		
<b>Balance at Shawan 1</b>	<b>114,220,833</b>	<b>148,281,818</b>
Impairment loss for the year:		
Charge for the year	-	-
Recoveries/reversal during the year	64,502,800	(34,060,984)
Write-offs	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
<b>Balance at Ashad end</b>	<b>178,723,634</b>	<b>114,220,833</b>
<b>Collective allowances for impairment</b>		
<b>Balance at Shawan 1</b>	<b>1,863,802,919</b>	<b>1,596,706,688</b>
Impairment loss for the year:	-	-
Charge/(reversal) for the year	233,450,926	267,096,231
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
<b>Balance at Ashad end</b>	<b>2,097,253,845</b>	<b>1,863,802,919</b>
<b>TOTAL ALLOWANCES FOR IMPAIRMENT</b>	<b>2,275,977,478</b>	<b>1,978,023,752</b>

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	32 ASHADH 2079	31 ASHADH 2078
Loans and advances to BFIs	-	-
Loans and advances to customers	606,443,542	287,330,466
<b>Total Impairment as per para 63 of NAS 39</b>	<b>606,443,542</b>	<b>287,330,466</b>
Total impairment as per NRB norms	2,402,069,716	2,076,623,861
<b>Higher of impairment as per para 63 of NAS 39 or NRB Norms</b>	<b>2,402,069,716</b>	<b>2,076,623,861</b>

**DETAILS OF LOAN WRITTEN OFF DURING THE F/Y 2078/79**

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	Vehicle Loan	248,123					
2	Staff Loan	50,751					
3	Staff Loan	136,764					
<b>Total</b>		<b>435,639</b>					

**Note 4.8- Investment 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:

	32 ASHADH 2079	31 ASHADH 2078
Investment securities measured at amortized cost	34,610,000,290	29,329,976,951
Investment in equity measured at FVTOCI	1,064,336,691	2,130,056,494
<b>TOTAL</b>	<b>35,674,336,981</b>	<b>31,460,033,444</b>

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**

	32 ASHADH 2079	31 ASHADH 2078
Debt securities	-	-
Government bonds	26,210,600,000	23,260,600,000
Government treasury bills	7,060,497,290	5,280,473,951
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other Bond	1,338,903,000	788,903,000
Less: specific allowances for impairment	-	-
<b>TOTAL</b>	<b>34,610,000,290</b>	<b>29,329,976,951</b>

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**

	32 ASHADH 2079	31 ASHADH 2078
Equity instruments		
Quoted equity securities	1,040,205,791	2,110,901,534
Unquoted equity securities	24,130,900	19,154,960
<b>TOTAL</b>	<b>1,064,336,691</b>	<b>2,130,056,494</b>

#### 4.8.3: Information relating to investment in equities

	<b>32 ASHADH 2079</b>		<b>31 ASHADH 2078</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
<b>Investment in quoted equity</b>				
<b>Rural Microfinance Development Ltd.</b>				
393929 shares including 31200 shares @ 100 each, 5000 share @ 350, 200000 @ 330 each and 157729 bonus shares)	70,870,000	162,679,458	70,870,000	221,665,261
<b>Nirdhan Utthan Bank Ltd.</b>				
(1671607 shares including 1584840 bonus shares)	8,676,667	861,671,332	12,267,290	1,869,236,273
<b>Taragaon Regency Hotel</b>				
(50,000 shares of Rs. 100)	5,000,000	15,855,000	5,000,000	20,000,000
<b>Investment in unquoted equity</b>				
<b>Nepal Clearing House Ltd.</b>				
(68,558 shares including 43,558 bonus shares)	2,500,000	6,855,840	2,500,000	4,968,000
<b>Credit Information Center Ltd.</b>				
(154,401 shares, including 142,046 bonus share)	1,235,500	15,440,200	1,235,500	12,352,100
<b>National Banking Training Institute</b>				
(18,348 shares of Rs. 100 each)	1,834,860	1,834,860	1,834,860	1,834,860
<b>TOTAL</b>	<b>90,117,027</b>	<b>1,064,336,691</b>	<b>93,707,650</b>	<b>2,130,056,494</b>

#### Note 4.9- Current tax assets

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.

	<b>32 ASHADH 2079</b>	<b>31 ASHADH 2078</b>
<b>Current tax assets</b>		
Current year income tax assets	1,418,822,084	1,004,610,750
Tax assets of prior periods	10,582,909,769	9,578,299,020
<b>Current tax liabilities</b>		
Current year income tax liabilities	(1,055,443,878)	(791,021,882)
Tax liabilities of prior periods	(10,397,622,875)	(9,351,586,181)
<b>TOTAL</b>	<b>548,665,100</b>	<b>440,301,707</b>

#### Note 4.10- Investment in subsidiaries

The bank does not have any subsidiary company.

	<b>32 ASHADH 2079</b>	<b>31 ASHADH 2078</b>
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
<b>Total Investment</b>		
Less: Impairment allowances	-	-
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>

#### 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. 211,343,888 (Previous year Rs. 123,292,790) has been transferred to Regulatory Reserve from Retained Earning during the year.

	32 ASHADH 2079	31 ASHADH 2078
Investment in quoted associates	713,659,584	502,315,696
Investment in unquoted associates	-	-
Total investment	-	-
Less: Impairment allowances	-	-
<b>NET CARRYING AMOUNT</b>	<b>713,659,584</b>	<b>502,315,696</b>

##### 4.11.1: Investment in quoted associates

	32 ASHADH 2079		31 ASHADH 2078	
	Cost	Fair Value	Cost	Fair Value
"Forward Community Micro Finance Ltd. (1563779 Share including 500,000 shares @ Rs. 100 each and bonus share 1063779)	50,000,000	713,659,584	50,000,000	502,315,696
<b>TOTAL</b>	<b>50,000,000</b>	<b>713,659,584</b>	<b>50,000,000</b>	<b>502,315,696</b>

##### 4.11.2: Investment in unquoted associates

	32 ASHADH 2079		31 ASHADH 2078	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.				
.....shares of Rs. ....each				
.....				
<b>TOTAL</b>				

#### 4.11.3: Information relating to associates of the Bank

PERCENTAGE OF OWNERSHIP HELD BY THE BANK		
	32 ASHADH 2079	31 ASHADH 2078
Forward Community Micro Finance Ltd.	25%	25%

#### 4.11.4: Equity value of associates

	32 ASHADH 2079	31 ASHADH 2078
Forward Community Micro Finance Ltd.	713,659,584	502,315,696
<b>TOTAL</b>	<b>713,659,584</b>	<b>502,315,696</b>

#### 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 32 Ashadh 2079. The position of the Non-banking Assets of the bank is as under:

	32 ASHADH 2079	31 ASHADH 2078
<b>Investment properties measured at Fair Value</b>		
Balance as on Shawan 1, 2078	2,202,745	21,040,174
Addition/disposal during the year		(582,029)
Adjustment/transfer		(18,255,400)
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
<b>Net amount</b>	<b>2,202,745</b>	<b>2,202,745</b>
<b>TOTAL</b>	<b>2,202,745</b>	<b>2,202,745</b>

#### DETAILS OF NON-BANKING ASSETS

S.N.	NAME OF THE PARTY/BORROWER, ADDRESS	NBA BOOKED DATE	32 ASHADH 2079	31 ASHADH 2078
1	Joshi Food Processing, Mechinagar	27 Jestha 2073	2,202,745	2,202,745
	<b>TOTAL</b>		<b>2,202,745</b>	<b>2,202,745</b>

#### 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 Ashadh End 2079	TOTAL Ashadh End 2078
<b>Cost</b>										
<b>As on Shrawan 1, 2077</b>	<b>1,393,031,020</b>	<b>236,219,469</b>	<b>286,669,105</b>	<b>192,988,916</b>	<b>139,332,442</b>	<b>199,405,885</b>	<b>269,976,546</b>	<b>270,984,582</b>	<b>2,988,607,965</b>	<b>2,877,952,809</b>
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	-
<b>Balance as on Ashadh end 2078</b>	<b>1,950,528,252</b>	<b>307,293,955</b>	<b>301,056,535</b>	<b>204,467,605</b>	<b>140,831,842</b>	<b>224,529,987</b>	<b>284,776,074</b>	<b>297,004,347</b>	<b>3,710,488,597</b>	<b>2,988,607,965</b>
Addition during the Year										
Acquisition	-	31,708,244	29,376,845	37,753,862	9,734,900	34,919,910	46,410,399	37,129,496	227,033,654	745,110,800
Capitalization										
Disposal during the year	-	-	-	(8,311,251)	(368,901)	(2,583,793)	(7,835,066)	(14,147,593)	(33,246,604)	(26,783,698)
Adjustment/Revaluation										-
<b>Balance as on Ashadh end 2079</b>	<b>1,950,528,252</b>	<b>339,002,198</b>	<b>330,433,380</b>	<b>233,910,216</b>	<b>150,197,841</b>	<b>256,866,104</b>	<b>323,351,406</b>	<b>319,986,249</b>	<b>3,904,275,647</b>	<b>3,706,935,067</b>
<b>Depreciation and Impairment</b>										
<b>As on Shrawan 1, 2077</b>	<b>-</b>	<b>41,065,126</b>	<b>154,104,415</b>	<b>130,200,946</b>	<b>82,191,795</b>	<b>118,140,348</b>	<b>202,998,321</b>	<b>167,452,814</b>	<b>896,153,763</b>	<b>797,245,432</b>
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										
<b>As on Ashadh end 2078</b>	<b>-</b>	<b>53,013,716</b>	<b>167,297,229</b>	<b>145,748,979</b>	<b>97,957,916</b>	<b>136,233,642</b>	<b>221,899,148</b>	<b>194,240,071</b>	<b>1,016,390,700</b>	<b>896,153,763</b>
Depreciation charge for the Year	-	15,363,703	21,352,505	24,161,841	15,104,014	23,856,144	27,505,217	36,750,538	164,093,961	146,521,093
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(8,202,013)	(368,901)	(2,562,013)	(7,835,066)	(13,910,960)	(32,878,952)	(26,284,156)
Adjustment										
<b>As on Ashadh end 2079</b>	<b>-</b>	<b>68,377,418</b>	<b>188,649,734</b>	<b>161,708,807</b>	<b>112,693,029</b>	<b>157,527,773</b>	<b>241,569,299</b>	<b>217,079,649</b>	<b>1,147,605,709</b>	<b>1,016,390,700</b>
<b>Capital Work in Progress</b>										
<b>Lease Assets</b>										
<b>Net Book Value</b>										
<b>As on Ashadh end 2077</b>	<b>1,393,031,020</b>	<b>195,154,344</b>	<b>132,564,690</b>	<b>62,787,971</b>	<b>57,140,647</b>	<b>81,265,538</b>	<b>66,978,225</b>	<b>103,531,768</b>	<b>2,151,054,185</b>	<b>2,115,995,141</b>
<b>As on Ashadh end 2078</b>	<b>1,950,528,252</b>	<b>254,280,239</b>	<b>133,759,307</b>	<b>58,718,626</b>	<b>42,873,926</b>	<b>88,296,346</b>	<b>62,876,925</b>	<b>102,764,276</b>	<b>3,424,569,598</b>	<b>2,151,054,185</b>
<b>As on Ashadh end 2079</b>	<b>1,950,528,252</b>	<b>270,624,780</b>	<b>141,783,646</b>	<b>72,201,409</b>	<b>37,504,811</b>	<b>99,338,331</b>	<b>81,782,108</b>	<b>102,906,601</b>	<b>3,635,568,481</b>	<b>3,424,569,598</b>



#### 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 Ashadh end 2079	TOTAL Ashadh end 2078
Cost						
<b>As on Shrawan 1, 2077</b>		<b>140,943,465</b>			<b>140,943,465</b>	<b>121,151,627</b>
Addition during the Year						
Acquisition		36,000			36,000	19,791,838
Capitalization		-	-	-	-	-
Disposal during the year			-			-
Adjustment/Revaluation		-	-	-	-	-
<b>Balance as on Ashadh end 2078</b>	<b>-</b>	<b>140,979,465</b>			<b>140,979,465</b>	<b>140,943,465</b>
Addition during the Year						
Acquisition		3,265,388			3,265,388	36,000
Capitalization		-	-	-	-	-
Disposal during the year		-	-	-	-	-
Adjustment/Revaluation			-	-		-
<b>Balance as on Ashadh end 2079</b>	<b>-</b>	<b>144,244,853</b>			<b>144,244,853</b>	<b>140,979,465</b>
<b>Amortization and Impairment</b>						
<b>As on Shrawan 1, 2077</b>		<b>94,807,008</b>			<b>94,807,008</b>	<b>83,382,071</b>
Amortization charge for the Year		13,335,420			13,335,420	11,424,937
Impairment for the year						
Disposals		-	-	-	-	-
Adjustment		-	-	-	-	-
<b>As on Ashadh end 2078</b>	<b>-</b>	<b>108,142,428</b>			<b>108,142,428</b>	<b>94,807,008</b>
Amortization charge for the Year		13,026,258			13,026,258	13,335,420
Impairment for the year		-	-	-	-	-
Disposals		-	-	-	-	-
Adjustment		-	-	-	-	-
<b>As on Ashadh end 2079</b>	<b>-</b>	<b>121,168,687</b>			<b>121,168,687</b>	<b>108,142,428</b>
<b>Capital Work in Progress</b>						
<b>Net Book Value</b>						
<b>As on Ashadh end 2077</b>		<b>46,136,457</b>			<b>46,136,457</b>	<b>37,769,556</b>
<b>As on Ashadh end 2078</b>	<b>-</b>	<b>32,837,037</b>			<b>32,837,037</b>	<b>46,136,457</b>
<b>As on Ashadh end 2079</b>	<b>-</b>	<b>23,076,167</b>			<b>23,076,167</b>	<b>32,837,037</b>

#### Note 4.15- Deferred tax

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	32 ASHADH 2079 NET DEFERRED TAX ASSETS/ (LIABILITIES)
<b>Deferred tax on temporary differences on following items</b>			
Interest receivable			
Investment properties (NBA)	-	(660,824)	(660,824)
Investment securities (Government Bond)		-	-
Forward Exchange contract	-	-	-
Investment securities		(292,265,899)	(292,265,899)
Investment in associates		(199,097,875)	(199,097,875)
Properties, Plants & equipment & intangible Assets	5,660,485		5,660,485
Employees' defined benefit plan	339,098,306		339,098,306
Lease liabilities	256,062,569		256,062,569
Provisions	-		-
Other temporary differences	3,160,666		3,160,666
<b>Deferred tax on temporary differences</b>			<b>111,957,429</b>
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
<b>Net Deferred tax asset/(liabilities) as on year end of 2079</b>			<b>111,957,429</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2078			(196,687,608)
<b>Origination/(Reversal) during the year</b>			<b>308,645,038</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>(13,396,480)</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>67,026,703</b>
<b>Deferred tax expense/(income) recognised in directly in equity</b>			<b>255,014,813</b>

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	31 ASHADH 2078 NET DEFERRED TAX ASSETS/ (LIABILITIES)
<b>Deferred tax on temporary differences on following items</b>			
Loan and Advance to B/FIs			
Loans and advances to customers			
Interest Receivable			
Investment properties (NBA)	-	(660,824)	(660,824)
Investment securities (Government Bond)		-	-
Forward Exchange contract	-	-	-
Investment securities (FVTOCI)		(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	229,750,404		229,750,404
Bonus	-		-
Other temporary differences	3,160,666		3,160,666
<b>Deferred tax on temporary differences</b>			<b>(196,687,608)</b>
Deferred tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
<b>Net Deferred tax asset/(liabilities) as on year end of 2078</b>			<b>(196,687,608)</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2077			(127,370,222)
<b>Origination/(Reversal) during the year</b>			<b>(69,317,386)</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>12,861,834</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>(312,646,513)</b>
<b>Deferred tax expense/(income) recognised in directly in equity</b>			<b>16,691,356</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	59,424,806	129,736,318
Accrued income	501,553,441	323,955,647
Prepayments and deposit	238,244,608	36,071,016
Income tax deposit (For Legal Cases)	104,142,000	104,142,000
Deferred employee expenditure	570,298,255	438,352,818
Other assets*	123,690,469	121,681,850
<b>TOTAL</b>	<b>1,597,353,578</b>	<b>1,153,939,649</b>

\* 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:

	32 ASHADH 2079	31 ASHADH 2078
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFIs	733,073,213	678,975,219
Settlement and clearing accounts	-	-
Other deposits from BFIs	-	-
<b>TOTAL</b>	<b>733,073,213</b>	<b>678,975,219</b>

#### Note 4.18- Due to Nepal Rastra Bank

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

	32 ASHADH 2079	31 ASHADH 2078
Refinance from NRB	2,919,259,377	2,112,184,741
Standing Liquidity Facility	-	-
Lender of last report facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	-	-
<b>TOTAL</b>	<b>2,919,259,377</b>	<b>2,112,184,741</b>

#### 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.

	32 ASHADH 2079	31 ASHADH 2078
<b>Held for trading</b>	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward Exchange Contract	-	27,925,206
Others	-	-
<b>Held for risk management</b>	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
<b>TOTAL</b>	<b>-</b>	<b>27,925,206</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
Institutions customers:		
Term deposits	32,399,949,975	42,340,433,885
Call deposits	15,406,681,101	16,052,151,987
Current deposits	12,325,031,412	12,604,976,396
Other	4,114,349,631	3,581,082,663
Individual customers:		
Term deposits	55,896,671,331	26,382,641,788
Saving deposits	51,668,797,216	58,710,384,728
Current deposits	439,175,871	344,749,168
Other	488,528,368	203,836,326
<b>TOTAL</b>	<b>172,739,184,905</b>	<b>160,220,256,940</b>

#### 4.20.1: Currency wise analysis of deposit from customers

	32 ASHADH 2079	31 ASHADH 2078
Nepalese rupee	170,163,198,245	158,198,233,978
Indian rupee	170,489,460	34,506,847
United State dollar	2,281,772,466	1,858,156,891
Great Britain pound	568,789	620,547
Euro	123,153,439	128,735,697
Japanese Yen	2,505	2,980
Chinese Yuan	-	-
Other	-	-
<b>TOTAL</b>	<b>172,739,184,905</b>	<b>160,220,256,940</b>

#### Note 4.21- Borrowing

	32 ASHADH 2079	31 ASHADH 2078
<b>Domestic Borrowing</b>		
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
<b>Sub total</b>	-	-
<b>Foreign Borrowing</b>		
Foreign Bank and Financial Institutions	2,556,000,000	-
Multilateral Development Banks	-	-
Other Institutions	-	-
<b>Sub total</b>	<b>2,556,000,000</b>	-
<b>TOTAL</b>	<b>2,556,000,000</b>	-

#### Note 4.22- Provisions

Entire provisions for expenses made by the bank are classified under other liabilities.

	32 ASHADH 2079	31 ASHADH 2078
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### 4.22.1: Movement in provision

	32 ASHADH 2079	31 ASHADH 2078
<b>Balance at Shawan 1</b>		
Provisions made during the year	.	.
Provisions used during the year	.	.
Provisions reversed during the year	.	.
Unwind of discount	.	.
<b>Balance at Asar end</b>	.	.

#### Note 4.23- Other liabilities

The details of other liabilities are as follows:

	32 ASHADH 2079	31 ASHADH 2078
Liability for employees defined benefit obligations	206,211,880	303,635,092
Liability for long-service leave	402,309,769	389,051,939
Short-term employee benefits	.	.
Bills payable	105,853,031	441,979,403
Creditors and accruals	1,427,843,339	1,459,490,972
Interest payable on deposit	58,570,706	65,790,873
Interest payable on borrowing	38,873,532	3,372,253
Liabilities on deferred grant income	.	.
Unpaid Dividend	131,881,786	160,871,018
Liabilities under operating Lease	932,719,613	765,834,680
Employee bonus payable	487,537,612	283,146,851
Other	.	.
a) Government Revenue Payable	17,887,890,737	23,094,151,554
b) Agency Account	39,709	11,644,687
c) Branch Adjustment Account	1,600,000	10,033,596
d) Remittance Payable	260,155,064	243,611,099
e) Audit Fee	395,500	395,500
f) Others payables	371,742,252	527,570,267
<b>TOTAL</b>	<b>22,313,624,529</b>	<b>27,760,579,785</b>

#### 4.23.1: Defined benefit obligations

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

	32 ASHADH 2079	31 ASHADH 2078
Present value of unfunded obligations	.	.
Present value of funded obligations	1,305,773,664	1,241,594,741
Total present value of obligations	1,305,773,664	1,241,594,741
Fair value of plan assets	1,099,561,790	937,959,650
Present value of net obligations	206,211,875	284,926,537
Recognised liability for defined benefit obligations	206,211,875	284,926,537

#### 4.23.2: Plan assets

Plan assets comprise

	32 ASHADH 2079	31 ASHADH 2078
Equity securities	-	-
Government bonds	-	-
Bank deposit	1,099,561,790	937,959,650
Other	-	-
<b>TOTAL</b>	<b>1,099,561,790</b>	<b>937,959,650</b>

#### 4.23.3: Movement in the present value of defined benefit obligations

	32 ASHADH 2079	31 ASHADH 2078
Defined benefit obligations at Sawan 1	1,241,594,741	1,089,638,467
Actuarial losses	(63,694,230)	11,085,140
Benefits paid by the plan	(77,094,500)	(45,347,320)
Current service costs and interest	204,967,653	186,218,454
<b>DEFINED BENEFIT OBLIGATIONS AT ASAR END</b>	<b>1,305,773,664</b>	<b>1,241,594,741</b>

#### 4.23.4: Movement in the fair value of plan assets

	32 ASHADH 2079	31 ASHADH 2078
Fair value of plan assets at Sawan 1	937,959,650	823,531,340
Contributions paid into the plan	238,696,640	159,775,630
Benefits paid during the year	(77,094,500)	(45,347,320)
Actuarial (losses) gains	(75,036,770)	(70,000,160)
Expected return on plan assets	75,036,770	70,000,160
<b>FAIR VALUE OF PLAN ASSETS AT ASAR END</b>	<b>1,099,561,790</b>	<b>937,959,650</b>

#### 4.23.5: Amount recognised in profit or loss

	32 ASHADH 2079	31 ASHADH 2078
Current service costs	108,075,473	94,278,414
Interest on obligation	96,892,180	91,940,040
Expected return on plan assets	(75,036,770)	(70,000,160)
<b>TOTAL</b>	<b>129,930,883</b>	<b>116,218,294</b>

#### 4.23.6: Amount recognised in other comprehensive income

	32 ASHADH 2079	31 ASHADH 2078
Actuarial (gain)/loss	11,342,540	81,085,300
<b>TOTAL</b>	<b>11,342,540</b>	<b>81,085,300</b>



#### 4.23.7: Actuarial assumptions

	32 ASHADH 2079	31 ASHADH 2078
Discount rate	8.00%	8.50%
Expected return on plan asset	8.00%	8.50%
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

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 was issued on Jestha 31, 2070.
- 8% Debenture of Rs. 85.68 crores for a period of 8 years and maturing on Falgun 2086 was issued on Falgun 3, 2078.
- During the year, Rs. 4.69 crores has been appropriated to Debenture Redemption Reserve for 8% Debenture of Rs. 46.88 crores maturing on Jestha 30, 2080.
- The balance of Debenture Redemption Reserve as on Ashad 32, 2079 is Rs. 46.88 crores (Previous Year Rs. 42.20 crores).

	32 ASHADH 2079	31 ASHADH 2078
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	1,325,628,000	468,845,000
<b>TOTAL</b>	<b>1,325,628,000</b>	<b>468,845,000</b>

#### Note 4.25- Subordinated Liabilities

	32 ASHADH 2079	31 ASHADH 2078
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### 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 32 Ashad 2079 (July 16, 2022) 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:

	32 ASHADH 2079	31 ASHADH 2078
Ordinary shares	9,427,340,209	8,893,717,178
Convertible preference shares (equity component only)	40,000,000	40,000,000
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
<b>TOTAL</b>	<b>9,467,340,209</b>	<b>8,933,717,178</b>

#### 4.26.1: Ordinary shares

	32 ASHADH 2079	31 ASHADH 2078
<b>Authorized Capital</b>		
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
<b>Issued capital</b>		
9,42,73,402.09 nos. of Ordinary Shares of Rs. 100 each (Previous 8,89,37,171.78 nos. of Ordinary Shares of Rs. 100 each)	9,427,340,209	8,893,717,178
<b>Subscribed and paid up capital</b>		
9,42,73,402.09 nos. of Ordinary Shares of Rs. 100 each (Previous 8,89,37,171.78 nos. of Ordinary Shares of Rs. 100 each)	9,427,340,209	8,893,717,178
<b>TOTAL</b>	<b>9,427,340,209</b>	<b>8,893,717,178</b>

#### 4.26.2: Ordinary share ownership

	32 ASHADH 2079		31 ASHADH 2078	
	Percent	Amount	Percent	Amount
<b>Domestic ownership</b>	<b>79.97</b>	<b>7,539,117,209</b>	<b>79.97</b>	<b>7,112,374,678</b>
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed institutions	-	-	-	-
Other Institutions	11.47	1,081,200,100	11.21	996,618,600
Public	68.50	6,457,917,109	68.76	6,115,756,078
Other				
<b>Foreign ownership</b>	<b>20.03</b>	<b>1,888,223,000</b>	<b>20.03</b>	<b>1,781,342,500</b>
<b>TOTAL</b>	<b>100.00</b>	<b>9,427,340,209</b>	<b>100.00</b>	<b>8,893,717,178</b>

#### 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.

	32 ASHADH 2079	31 ASHADH 2078
Statutory general reserve	5,335,919,292	4,721,032,205
Exchange Equilisation reserve	51,737,901	38,060,443
Corporate social responsibility reserve	32,416,501	19,740,652
Capital redemption reserve	-	-
Reserve for Staff Training	17,435,103	5,263,397
Regulatory reserve	1,018,467,936	942,126,916
Investment adjustment reserve	2,690,933	2,762,746
Capital Adjustment reserve	647,562,907	647,562,907
Assets revaluation reserve	971,430,892	971,430,892
Fair value reserve	681,953,765	1,425,444,191
Dividend equalisation reserve	-	-
Actuarial gain	(105,011,257)	(97,071,479)
Debenture Redemption reserve	468,845,000	421,965,000
Other reserve	88,177,211	88,177,211
<b>TOTAL</b>	<b>9,211,626,185</b>	<b>9,186,495,082</b>

#### 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. 614,887,088 (Previous year Rs. 365,315,470) 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. 13,677,458 (Previous year Rs. 2,993,168) 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. The reserve as on 32 Ashadh 2079 is Rs. 971,430,892 (Previous year Rs. 971,430,892).

#### 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 decreased to Rs. 681,953,765 (Previous year Rs. 1,425,444,191).

#### 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. 24,794,008 (Previous year Rs. 17,709,395) has been appropriated being 1% of net profit and the CSR expenses incurred during the year amounting to Rs. 12,118,160 (Previous year Rs. 30,249,641) has been reversed from CSR fund. Hence, CSR fund during the year has been increased in total by Rs. 12,675,849 (Previous year -12,540,246). The detail of expenses incurred during the period are as follows:

Particulars	32 Ashadh 2079	31 Ashadh 2078
Education, health, natural calamities, environment conservation, cultural promotion, infra development in remote areas	3,162,860	20,484,166
Income generation of socially discarded section, Financial Literacy, Financial Protection	4,510,602	939,000
Grant in education and health for ultra-poor or for organization engaged in such activities	747,878	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	3,696,820	5,588,973
Grant for orphanages, old age home and Balmandir	-	-
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
<b>Total</b>	<b>12,118,160</b>	<b>30,249,641</b>

**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.

The balance as on reporting date is Rs. 647,562,907 (Previous year Rs. 647,562,907).

**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. The bank has transferred Rs. 12,171,707 (Previous year Rs. Nil) to this reserve for this F/Y year and expended amount during this F/Y Rs. 17,435,103 (Previous year Rs. 5,263,397) 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. 71,813 from this reserve (Previous year Rs. 10,520). The balance as on reporting date is Rs. 2,690,933 (Previous Year Rs. 2,762,746).

## 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. 76,341,019 has been transferred from this reserve during the reporting period (Previous year Rs. 36,548,489).

The details of regulatory reserve are presented below:

PARTICULARS	32 ASHAD 2079	31 ASHAD 2078
Opening Retained Earning	1,594,160,261	901,465,242
Net profit or (loss) as per statement of profit or loss	2,479,400,875	1,958,008,050
Appropriations:		
a. General reserve	495,880,175	391,601,610
b. Foreign exchange fluctuation fund	13,677,458	2,993,168
c. Debenture redemption reserve	46,880,000	(553,115,000)
d. Corporate social responsibility fund	24,794,009	(10,669,561)
e. Employees' training fund	12,171,707	(5,059,509)
f. Capital Adjustment Reserve	-	600,000,000
g. Investment Adjustment Reserve	(71,813)	(10,520)
h. Other	-	-
1. Dividend on Preference Share	2,800,000	2,800,000
2. Profit from sale of Shares	(476,027,651)	(44,510,282)
Profit or (loss) before regulatory adjustment	2,359,296,991	1,573,978,143
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(5,140,914)	195,308,247
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
b. Short loan loss provision on Non Banking Assets (-)/reversal (+)	18,837,428	-
c. Deferred tax assets recognised (-)/ reversal (+)	(59,848,077)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
d. Actuarial loss recognised (-)/reversal (+)	5,114,023	(81,085,300)
e. Other (+/-)	-	-
Investment in associates	(35,303,479)	(77,674,458)
Regulatory Reserve for the year	(76,341,019)	36,548,489
Distributable profit or (loss) as on Ashad End 2079	3,877,116,232	2,511,991,875

#### 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	381,190,968	2,202,745	111,957,428	105,011,257	418,105,538	1,018,467,936

#### 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. 7,939,778 to this reserve (Previous year Rs. 56,759,710 transferred to this reserve). The balance of this reserve as on reporting date is Rs. -105,011,257 (Previous year Rs. -97,071,479).

#### 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. 3,877,116,233 (Previous Year Rs. 2,511,991,875).

#### Note 4.28- Contingent liabilities

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

	32 ASHADH 2079	31 ASHADH 2078
Contingent liabilities	32,452,335,384	28,871,907,137
Undrawn and undisbursed facilities	42,160,069,562	30,684,666,585
Capital commitment	292,219,441	156,554,347
Lease Commitment	-	1,199,349,154
Litigation	387,643,740	387,643,740
<b>TOTAL</b>	<b>75,292,268,128</b>	<b>61,300,120,963</b>

#### 4.28.1: Contingent liabilities

	32 ASHADH 2079	31 ASHADH 2078
Acceptance and documentary credit	20,499,072,214	17,735,409,581
Bills for collection	2,418,142,411	2,279,678,344
Forward exchange contracts	-	-
Guarantees	9,535,120,759	8,856,819,213
Underwriting commitment	-	-
Other commitments	-	-
<b>TOTAL</b>	<b>32,452,335,384</b>	<b>28,871,907,137</b>

#### 4.28.2: Undrawn and undisbursed facilities

	32 ASHADH 2079	31 ASHADH 2078
Undisbursed amount of loans	14,684,557,090	4,646,972,799
Undrawn limits of overdrafts	15,726,710,250	16,584,258,824
Undrawn limits of credit cards	656,776,462	448,883,961
Undrawn limits of letter of credit	8,443,254,862	6,996,158,806
Undrawn limits of guarantee	2,648,770,898	2,008,392,196
<b>TOTAL</b>	<b>42,160,069,562</b>	<b>30,684,666,585</b>

#### 4.28.3: Capital commitments

	32 ASHADH 2079	31 ASHADH 2078
<b>Capital commitments in relation to Property and Equipment</b>		
Approved and contracted for	292,219,441	156,554,347
Approved but not contracted for	-	-
<b>Sub total</b>	<b>292,219,441</b>	<b>156,554,347</b>
<b>Capital commitments in relation to Intangible assets</b>		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
<b>TOTAL</b>	<b>292,219,441</b>	<b>156,554,347</b>

#### 4.28.4: Lease commitments

	32 ASHADH 2079	31 ASHADH 2078
<b>Operating lease commitments</b>		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		152,258,994
Later than 1 year but not later than 5 years		660,072,559
Later than 5 years		387,017,601
<b>Sub total</b>	<b>-</b>	<b>1,199,349,154</b>
<b>Finance lease commitments</b>		
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	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>-</b>	<b>1,199,349,154</b>



#### 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. 38.76 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:

	32 ASHADH 2079	31 ASHADH 2078
Cash and cash equivalent	86,306,249	66,730,645
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	177,504,679	42,680,363
Loan and advances to bank and financial institutions	886,443,860	289,526,024
Loans and advances to customers	12,536,985,449	9,346,237,482
Investment securities	1,629,267,164	1,293,052,073
Loan and advances to staff	150,672,997	477,300,969
Other	-	-
<b>TOTAL INTEREST INCOME</b>	<b>15,467,180,397</b>	<b>11,515,527,556</b>

#### Note 4.30- Interest expense

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

	31 ASHADH 2079	31 ASHADH 2078
Due to bank and financial institutions	54,958,433	5,687,626
Due to Nepal Rastra Bank	342,046,189	15,512,879
Deposits from customers	9,694,114,256	7,452,500,809
Borrowing	22,111,778	-
Debt securities issued	67,835,371	85,507,600
Subordinated liabilities	-	-
Other	104,697,989	88,677,826
<b>TOTAL INTEREST EXPENSE</b>	<b>10,285,764,016</b>	<b>7,647,886,740</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
Loan administration fees	80,436,739	68,912,850
Service fees	284,841,683	226,376,678
Consortium fees	-	-
Commitment fees	2,349,266	5,850,916
DD/TT/Swift fees Income	22,096,015	11,388,544
Credit card/ATM issuance and renewal fees	191,230,470	109,650,168
Prepayment and swap fees	8,741,111	18,020,903
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	92,676,880	90,591,420
Commission on letter of credit	130,436,546	111,305,746
Commission on guarantee contracts issued	108,062,826	124,613,152
Commission on share underwriting/issue	-	-
Locker rental	18,288,252	15,748,720
Other fees and commission income	355,797,857	196,442,986
<b>TOTAL FEES AND COMMISSION INCOME</b>	<b>1,294,957,645</b>	<b>978,902,083</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
ATM management fees	36,372,356	32,994,250
VISA/Master card fees	102,973,573	76,832,296
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees Expenses	10,337,316	9,029,316
Remittance fees and commission	29,061,199	42,885,837
Other fees and commission expense	84,329,026	48,995,707
<b>TOTAL FEES AND COMMISSION EXPENSE</b>	<b>263,073,470</b>	<b>210,737,406</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
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	299,490,529	367,239,043
Other	-	-
<b>NET TRADING INCOME</b>	<b>299,490,529</b>	<b>367,239,043</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
Foreign exchange revaluation gain	54,709,832	11,972,671
Gain/loss on sale of investment securities	16,726,607	68,208,654
Fair value gain/loss on investment properties	211,343,888	129,549,161
Dividend on equity instruments	10,452,098	3,904,178
Gain/loss on sale of property and equipment	1,055,127	647,145
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	-	-
<b>TOTAL</b>	<b>294,287,551</b>	<b>214,281,809</b>

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

Detail presented as follows:

	32 ASHADH 2079	31 ASHADH 2078
Impairment charge/(reversal) on loan and advances to B/FIs	27,492,130	29,332,433
Impairment charge/(reversal) on loan and advances to customer	297,953,726	233,035,247
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	-	-
<b>TOTAL</b>	<b>325,445,856</b>	<b>262,367,680</b>

**Note 4.36- Personnel expenses**

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

Details presented as follows:

	32 ASHADH 2079	31 ASHADH 2078
Salary	688,429,844	642,273,352
Allowances	363,938,422	283,011,360
Gratuity expense	129,930,883	116,218,294
Provident fund	64,525,642	60,954,666
Uniform	15,445,752	104,300
Training & development expense	17,602,742	5,059,509
Leave Expenses	107,506,387	84,383,150
Medical	6,757,000	6,242,250
Insurance	33,177,044	19,842,414
Employees Incentive	-	-
Cash-settled share-based payments	-	-
Pension Expenses	-	-
Finance expense under NFRS	99,942,784	84,576,808
Other expenses related to staff	30,675,741	25,248,840
<b>SUBTOTAL</b>	<b>1,557,932,242</b>	<b>1,327,914,942</b>
Employees bonus*	487,537,612	283,146,851
<b>GRAND TOTAL</b>	<b>2,045,469,854</b>	<b>1,611,061,794</b>

During the year, the average yield rate for calculation of interest subsidy on staff loan is 8.26% (Previous year 6.59%).

<b>*Disclosure of Employee Bonus</b>	<b>Amount</b>
Profit Before Bonus	4,035,778,846
Less: Performance Bonus	85,004,938
<b>Total</b>	<b>3,950,773,908</b>
Less: Statutory Bonus (10% of Profit before Bonus)	402,532,675
Profit Before Tax	3,548,241,233

#### Note 4.37- Other Operating expense

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

	32 ASHADH 2079	31 ASHADH 2078
Directors' fee	915,000	975,000
Directors' expense	798,231	788,092
Auditors' remuneration	395,500	395,500
Other audit related expense	2,057,405	706,250
Professional and legal expense	3,452,352	3,933,166
Office administration expense	558,715,351	501,207,922
Operating lease expense	9,035,114	19,857,086
Operating expense of investment properties	-	-
Corporate social responsibility expense	-	30,249,641
Onerous lease provisions	-	-
Other expenses	16,851,666	10,177,705
<b>TOTAL</b>	<b>592,220,619</b>	<b>568,290,362</b>

#### 4.37.1 Office administration expense

	32 ASHADH 2079	31 ASHADH 2078
Water & Electricity	34,929,958	28,784,455
Repair & Maintenance		
(a) Building	1,825,989	679,858
(b) Vehicle	3,733,839	3,713,386
(c) Computer & Accessories	300,810	320,913
(d) Office Equipment and furniture	25,418,714	18,219,089
(e) Other	4,162,660	3,400,645
Insurance Premium	6,263,460	14,186,508
Postage, Telex, Telephone, Fax	46,370,579	43,832,363
Printing and Stationery	29,699,565	27,861,909
News Paper, Books and Journals	476,418	405,660
Advertisement	33,370,264	32,724,040
Donation	-	-
Security Expense	112,779,190	95,146,789
Deposit and loan guarantee premium	49,225,786	47,352,880
Travel allowance and expenses	13,249,652	6,785,706
Entertainment	16,443,445	14,019,601
Annual/Special general meeting expenses	1,146,850	843,311
Other		
a) Business Promotion	12,103,857	6,785,146
b) TSA fee and expenses reimbursement	28,462,139	32,534,746
c) Registration/Renewals	13,307,830	13,243,772
d) Fuel & Lubricant	37,609,049	28,024,734
e) Software Contract Expenses	28,445,178	28,324,969
f) Branch Less Banking & Mobile ATM	2,444,471	2,109,537
g) Disaster Recovery Sites	6,257,804	6,511,170
h) Temporary staff wages	43,577,652	45,312,157
i) Misc.	7,110,196	84,575
<b>TOTAL</b>	<b>558,715,351</b>	<b>501,207,922</b>

#### 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:

	32 ASHADH 2079	31 ASHADH 2078
Depreciation on property and equipment	280,161,454	239,792,243
Depreciation on investment property	-	-
Amortisation of intangible assets	13,026,258	13,335,420
<b>TOTAL</b>	<b>293,187,713</b>	<b>253,127,663</b>

#### Note 4.39- Non-operating income

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

	32 ASHADH 2079	31 ASHADH 2078
Recovery of loan written off	-	-
Other income	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### Note 4.40- Non-operating Expenses

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

	32 ASHADH 2079	31 ASHADH 2078
Loan written off	435,639	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other non-operating expenses	2,077,723	86,688
<b>TOTAL</b>	<b>2,513,362</b>	<b>86,688</b>

#### Note 4.41- Income tax expense

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

	32 ASHADH 2079	31 ASHADH 2078
<b>Current tax expense</b>	<b>1,055,443,878</b>	<b>791,021,882</b>
Current year	1,052,267,620	787,552,682
Adjustments for prior years	3,176,259	3,469,200
<b>Deferred tax expense</b>	<b>13,396,480</b>	<b>(226,637,773)</b>
Origination and reversal of temporary differences	13,396,480	(226,637,773)
Changes in tax rate	-	-
Restatement Adjustment for Lease	(4,196,668)	205,997,089
<b>TOTAL INCOME TAX EXPENSE</b>	<b>1,064,643,690</b>	<b>770,381,198</b>

#### 4.41.1: Reconciliation of tax expense and accounting profit

	32 ASHADH 2079	31 ASHADH 2078
Profit before tax	3,548,241,233	2,580,622,961
Tax amount at tax rate of 30 %	1,064,472,370	774,186,888
Add: Tax effect of expenses that are not deductible for tax purpose	-	-
Less: Tax effect on exempt income	(3,135,629)	(3,048,165)
Add/less: Tax effect on other items	3,306,949	(757,526)
<b>TOTAL INCOME TAX EXPENSE</b>	<b>1,064,643,690</b>	<b>770,381,198</b>
<b>EFFECTIVE TAX RATE</b>	<b>30%</b>	<b>30%</b>



## 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 administering 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
<b>Core Capital (Tier 1)</b>	<b>19,924,143</b>
a Paid up Equity Share Capital	9,427,340
b Proposed Bonus Equity Shares	-
c Equity Share Premium	238,470
d Irredeemable Non- cumulative preference shares	-
e Statutory General Reserves	5,335,919
f Retained Earnings	1,594,160
g Reserve for Deferred Tax	-
h Audited current year cumulative profit	2,282,956
i Debenture Redemption Reserve	468,845
j Capital Adjustment Reserve	647,563
k Capital Redemption Reserve	-
l Other Free Reserve	88,177
m Calls in Advance	-

#### Less :

a Goodwill and Intangible Assets	(23,076)
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	(105,011)
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)	-

<b>Supplementary Capital (Tier 2)</b>	<b>2,046,603</b>
a Cumulative and/or Redeemable Preference Share	40,000
b Subordinated Term Debt	-
c Hybrid Capital Instruments	-
d General Loan Loss provision	1,935,710
e Investment Adjustment Reserve	2,691
f Assets Revaluation Reserve	-
g Exchange Equalization Reserve	51,738
i Additional Loan Loss Provision	16,464
j Other Reserves	-
<b>Total Capital Fund (Tier I and II)</b>	<b>21,970,746</b>

- **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: 159,287 thousand
- Total qualifying capital: 21,970,746 thousand
- Capital adequacy ratio: 11.89%

- **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.

- **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 16th July 2022, Bank has the following capital structure:

Paid up ordinary capital	Rs. 942.73 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.

## 2. Risk Exposures

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

Particulars	Amount ('000) NPR
1. Credit Risk	170,264,455
2. Market Risk	647,188
3. Operational Risk	8,816,570
4. Adjustment under Pillar III	5,074,797
<b>TOTAL</b>	<b>184,803,010</b>

- 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	4,045,757
3. Claims on Domestic corporate & securities firms	78,856,266
4. Claims on regulatory retail portfolio	17,628,361
5. Claims secured by residential properties	11,227,469
6. Claims secured by commercial real estate	1,844,021
7. Past due claims	338,366
8. High risk claims	29,259,890
9. Investment in Equity of Institutions	142,902
10. Other assets	6,084,909
11. Off balance sheet items	20,836,514
<b>Total</b>	<b>170,264,455</b>

- 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	47,082	11,770	35,311
Doubtful Loan	36,726	18,363	18,363
Loss Loan	99,904	148,590	-
<b>TOTAL</b>	<b>183,712</b>	<b>178,723</b>	<b>53,674</b>

- 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	158,549	114,220
Addition during the year	461,937	321,381
Recovered during the year	436,776	305,564
<b>BALANCE AS AT 16 JULY 2022</b>	<b>183,711</b>	<b>130,037</b>

• **Details of additional Loan Loss Provisions:**

**NPR in '000**

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

**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**

<b>Particulars</b>	<b>Carrying amount (Rs.)</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative financial instruments (Assets)			15,766,811

**Previous year**

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

## 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		10,708,410,590	
Government bonds		27,549,503,000	
Loan and advances to B/FIs			9,703,351,432
Loans and advances to customers			147,752,557,993

### Previous 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

## 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			
<b>Quoted Equity</b>			
Rural Microfinance Development Ltd.		162,679,458	
Nirdhan Utthan Bank Ltd.	216,936	861,454,396	
Taragaon Regency Hotel	15,855,000		
<b>Unquoted Equity</b>			
Nepal Clearing House Ltd.			6,855,840
Credit Information Center Ltd.			15,440,200
National banking Training Institute			1,834,860
<b>TOTAL</b>	<b>16,071,936</b>	<b>1,024,133,855</b>	<b>24,130,900</b>

### Previous year

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



#### 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		Madhesh Province		Bagnmati 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 Year	Corresponding Previous Year
Revenues from external Customers	1,362,197	940,068	1,120,870	920,454	11,563,667	9,001,888	834,859	686,055	1,494,503	1,149,146	177,406	157,285	701,708	520,424	17,255,210	13,375,321
Intersegment Revenue	29,643	16,943	239,294	106,838	8,643,350	7,628,012	66,069	35,205	63,532	53,535	-	-	24,301	9,273	9,066,189	7,849,806
Gross Revenue	1,391,840	957,011	1,360,164	1,027,292	20,207,017	16,390,068	900,928	721,260	1,558,035	1,202,681	177,406	157,285	726,009	529,697	26,321,399	20,985,294
Interest Revenue	1,234,802	838,433	1,009,001	811,375	10,426,731	7,581,115	773,243	639,330	1,347,903	1,020,236	161,986	147,104	653,377	477,934	15,607,043	11,515,528
Interest Expenses	482,638	290,513	581,519	299,846	7,765,043	6,153,682	401,101	264,299	678,175	402,625	53,227	32,804	216,363	115,440	10,181,066	7,559,209
Net Interest Revenue	752,164	547,920	427,482	511,529	2,658,688	1,427,434	372,142	375,031	669,728	617,611	108,759	114,300	437,014	362,494	5,425,977	3,956,319
Depreciation & Amortisation	19,138	16,035	13,811	12,973	98,802	90,013	13,350	11,928	18,320	13,992	1,665	1,871	12,034	13,045	177,120	159,857
Segment Profit/(Loss)	352,356	225,796	375,103	360,168	2,644,012	1,529,750	182,444	204,308	327,373	362,484	31,644	37,249	122,847	111,801	4,035,778	2,831,555
impairment of assets	680,615	627,022	193,621	144,505	1,035,680	891,335	123,861	110,957	242,575	200,509	25,212	23,889	100,506	78,408	2,402,070	2,076,624
Segment assets	17,792,523	15,147,178	14,640,404	14,831,138	151,040,442	141,181,756	10,904,629	11,054,307	19,520,656	18,516,030	2,317,208	2,534,318	9,165,461	8,385,523	225,381,323	211,650,249
Segment Liabilities	15,993,027	13,666,914	13,159,707	13,381,759	135,764,556	127,384,712	9,801,760	9,974,020	17,546,381	16,706,543	2,082,851	2,286,650	8,238,487	7,566,045	202,586,770	190,966,644

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

### a. Revenue

NPR in '000

	Current Year	Corresponding Previous Year
<b>Total revenues for reportable segments</b>	<b>26,321,399</b>	<b>20,985,294</b>
Other revenues	-	-
Elimination of intersegment revenues	(9,066,189)	(7,849,806)
<b>Entity's revenues</b>	<b>17,255,210</b>	<b>13,135,488</b>

### b. Profit or loss

NPR in '000

	Current Year	Corresponding Previous Year
<b>Total profit or loss for reportable segments</b>	<b>4,035,778</b>	<b>2,831,555</b>
Other profit or loss	-	-
Elimination of intersegment profits	-	-
Unallocated amounts:	-	-
Bonus expenses	(487,538)	(283,147)
Other adjustments	-	(87)
Profit before income tax	3,548,240	2,548,322

### 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 two expatriates seconded from PNB group to oversee the management of the bank's functioning under a technical service agreement and three higher level employees 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	32 ASHADH 2079	31 ASHADH 2078
<b>Directors:</b>		
Director's Sitting Fees	1,530,000	1,695,000
Other Expenses	183,230	68,092
Interest Paid to directors on deposits	205,122,489	156,568,583
<b>Key Management Personnel (KMP):</b>		
Remuneration and benefits Paid	35,908,243	37,031,484
Interest on account balances	1,545,049	415,601
<b>PNB Group</b>		
TSA Paid	11,390,400	11,390,400
Dividend Paid	76,953,997	94,287,093
Bonus Share Paid (No. of Share)	1,068,805	848,258
<b>Forward Community Microfinance Limited</b>		
Dividend Received	76,62,522	6,256,370
Bonus Share Received (No. of Share)	547,323	312,756

## 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	2,557,322,247	Director	2,486,550,870	Director
Deposit	24,244,954	KMP	13,844,740	KMP
Loan	11,332,714	KMP	13,566,352	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 Mrs. Urmila Shrestha Mr. Anil Bansal Mr. Rakesh Grover Dr. Tarak Bahadur K.C	Mr. Arun Man Sherchan Dr. Bal Gopal Baidya Mr. Nabin Bhakta Shrestha Dr. Nirmal Kumar Bista Mrs. Urmila Shrestha Mr. Anil Bansal

## Details of Key Managerial Personnel

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Chief Executive Officer	Mr. Sudesh Khaling	Dr. Sandhir Kumar (Acting) Mr. Gajendar Kumar Negi
Dy. Chief Executive Officer	Mr. Vijay Kumar Sharma	
Dy. General Manager	Mr. Gaurav Kumar Mr. Sandhir Kumar Mr. Keshab Raj Poudel Mr. Ashutosh Sharma	Mr. Gaurav Kumar Mr. Girish Kohli
Assistant General Manager		Mr. Keshab Raj 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 32 Ashadh 2079 (16 July 2022)

	CURRENT YEAR	PREVIOUS YEAR
<b>1.1 RISK WEIGHTED EXPOSURES</b>	<b>179,728,212</b>	<b>148,127,264</b>
a. Risk Weighted Exposure for Credit Risk - Form No. 2	170,264,455	137,834,692
b. Risk Weighted Exposure for Operational Risk -Form No.5	8,816,570	9,137,438
c. Risk Weighted Exposure for Market Risk	647,188	1,155,135
Adjustments under Pillar II		
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE (6.4 a 7)	3,594,564	2,962,545
Add RWE equivalent to reciprocal of capital charge of 3 % of gross income. (6.4 a 9)	1,480,233	1,865,497
Add: ...% of the total deposit due to insufficient liquid Assets (6.4 a 6)	-	-
<b>Total Risk Weighted Exposures (After Adjustment under Pillar II)</b>	<b>184,803,010</b>	<b>152,955,307</b>
<b>1.2 CAPITAL</b>		
<b>Core Capital (Tier 1)</b>	<b>19,924,143</b>	<b>17,194,480</b>
a Paid up Equity Share Capital	9,427,340	8,893,717
b Equity Share Premium	238,470	238,470
c Irredeemable Non-cumulative preference shares		
d Statutory General Reserves	5,335,919	4,683,618
e Retained Earnings	1,594,160	2,364,208
f Reserve for Deferred Tax	-	-
g Audited current year cumulative profit	2,282,956	-
h Debenture Redemption Reserve	468,845	421,965
i Capital Adjustment Reserve	647,563	647,563
j Capital Redemption Reserve	-	-
k Other Free Reserve	88,177	106,047
l Calls in Advance	-	-
Less :	-	-
a Goodwill and Intangible Assets	(23,076)	(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)	(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	(105,011)	(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)	-	-
<b>Supplementary Capital (Tier 2)</b>	<b>2,046,603</b>	<b>1,894,841</b>
a Cumulative and/or Redeemable Preference Share	40,000	40,000
b Subordinated Term Debt	-	93,769
c Hybrid Capital Instruments	-	-
d General Loan Loss provision	1,935,710	1,698,522
e Investment Adjustment Reserve	2,691	2,763
f Assets Revaluation Reserve	-	-
g Exchange Equalization Reserve	51,738	38,060
h Additional Loan Loss Provision	16,464	16,464
i Other Reserves	-	5,263
<b>Total Capital Fund (Tier I and II)</b>	<b>21,970,746</b>	<b>19,089,321</b>
<b>1.3 CAPITAL ADEQUACY RATIOS</b>		
Tier 1 Capital to Risk Weighted Exposures	10.78	11.24
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.89	12.48

# 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 Weighted Exposures f=d*e	Risk Weighted Exposures
Cash Balance	2,783,279	-	-	2,783,279	0%	-
Balance With Nepal Rastra Bank	11,105,032	-	-	11,105,032	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	36,919,011	-	-	36,919,011	0%	-
All Claims on Government of Nepal	1,520,857	-	-	1,520,857	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA :2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA :3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA:4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA :7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	13,346,752	-	-	13,346,752	20%	2,669,350
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	4,808,165	-	-	4,808,165	20%	961,633
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	2,073,868	-	-	2,073,868	20%	414,774
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	100%	-
Claims on Domestic Corporates (Unrated)	81,188,213	-	2,331,947	78,856,266	100%	78,856,266
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	23,504,481	-	-	23,504,481	75%	17,628,361
Claims fulfilling all criterion of regularity retail except granularity	17,754,602	-	-	17,754,602	100%	-
Claims secured by residential properties	-	-	-	-	60%	-
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	50,346	-	-	50,346	100%	20,355
Claims secured by Commercial real estate	70,701	-	-	70,701	100%	20,355
Past due claims (except for claims secured by residential properties)	1,844,021	-	-	1,844,021	100%	1,844,021
High Risk claims	353,955	-	-	353,955	150%	338,366
Lending against securities (bonds)	17,763,015	-	-	17,763,015	150%	26,644,522
Trust Receipt Loans for Trading Firms	-	-	-	-	100%	-
Investments in equity and other capital instruments of	2,179,473	-	-	2,179,473	120%	2,615,368
Institutions listed in stock exchange	1,753,865	1,619,319	-	134,547	100%	134,547
Investments in equity and other capital instruments of institutions not listed in the stock exchange	24,131	18,561	-	5,570	150%	8,356
Staff loan secured by residential property	1,108,707	-	-	1,108,707	50%	554,353
Interest Receivable/claim on government securities	457,624	-	-	457,624	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	7,057,406	972,497	-	6,084,909	100%	6,084,909
<b>TOTAL</b>	<b>227,617,159</b>	<b>2,789,100</b>	<b>2,331,947</b>	<b>222,496,111</b>		<b>149,427,941</b>
						<b>209,264,710</b>
						<b>125,300,057</b>

## RISK WEIGHTED EXPOSURE FOR CREDIT RISK

RS. '000

B. Off Balance Sheet Exposures	Gross Book Value a	Specific Provision b	Eligible CRM c	Current Year		Risk Weight e	Risk Weighted Exposures f=d*e	Previous Year	
				Net Value d=a-b-c	Net Value			Net Value	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	-	0%	-	-	-
Bills Under Collection	2,418,142	-	-	2,418,142	-	0%	-	2,279,678	-
Forward Exchange Contract Liabilities	-	-	-	-	-	10%	-	-	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	13,437,849	-	1,644,473	11,793,376	-	20%	2,358,675	10,662,106	2,132,421
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	5,850,716	-	538,407	5,312,310	-	50%	2,656,155	5,486,764	2,743,382
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	8,757,717	-	1,284,507	7,473,209	-	40%	2,989,284	6,277,324	2,510,930
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	150%	-	-	-
Underwriting commitments	-	-	-	-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	100%	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	-	100%	-	-	-
Advance Payment Guarantee	777,404	-	30,775	746,629	-	100%	746,629	589,470	589,470
Financial Guarantee	-	-	-	-	-	100%	-	-	-
Acceptances and Endorsements	1,210,507	-	-	1,210,507	-	100%	1,210,507	853,936	853,936
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	100%	-	-	-
Irrevocable Credit commitments (short term)	15,726,710	-	-	15,726,710	-	20%	3,145,342	16,584,259	3,316,852
Irrevocable Credit commitments (long term)	14,684,557	-	-	14,684,557	-	50%	7,342,279	-	-
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	387,644	387,644
Unpaid Guarantee Claims	-	-	-	-	-	200%	-	-	-
<b>TOTAL</b>	<b>63,251,246</b>	<b>-</b>	<b>3,498,162</b>	<b>59,753,084</b>	<b>-</b>		<b>20,836,514</b>	<b>43,121,181</b>	<b>12,534,634</b>
<b>Total RWE for credit Risk Before Adjustment (A)+ (B)</b>	<b>290,868,405</b>	<b>2,789,100</b>	<b>5,830,110</b>	<b>282,249,196</b>	<b>-</b>		<b>170,264,455</b>	<b>252,385,891</b>	<b>137,834,692</b>
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)	-	-	-	-	-	-	-	-	-
<b>Total RWE for credit Risk (After Bank's Adjustment of Pillar II)</b>							<b>170,264,455</b>	<b>252,385,891</b>	<b>137,834,692</b>

## 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	1,323	169,078	169,078	98,483
Euro	(112)	(14,357)	14,357	71
Pound Sterling	241	36,240	36,240	484
Swiss Franc	2	259	259	-
Australian Dollar	612	52,991	52,991	36,063
Canadian Dollar	5	452	452	9
Singapore Dollar	0	25	25	1
Japanese Yen	23,854	21,802	21,802	2,181
Hongkong Dollar	-	-	-	15
Chinese Yuan	1	18	18	307
Thailand Bhat	17	59	59	-
Qatari Rial	11	382	382	-
Saudi Rial	14	458	458	393
Korean Won	20	2	2	1
Malasian Ringget	0	10	10	43
UAE Dirham	320	11,095	11,095	10,637
Indian Rupees	697,954	1,116,726	1,116,726	2,392,862
<b>Total Open Position (a)</b>	<b>724,260</b>	<b>1,395,242</b>	<b>1,423,955</b>	<b>2,541,551</b>
<b>Fixed % (b)</b>			<b>5%</b>	<b>5%</b>
<b>Capital Charge for Market Risk c= aXb</b>			<b>71,198</b>	<b>127,078</b>
<b>Risk Weight ( reciprocal of capital requirement of 10%) in times (d)</b>			<b>9.09</b>	<b>9.09</b>
<b>Equivalent Risk Weight Exposure ( cXd) = (e)</b>			<b>647,188</b>	<b>1,155,135</b>



## RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK

(RS. IN '000)

Particulars	2079 Ashadh End		
	Year 1	Year 2	Year 3
	2075/076	2076/077	2077/078
Net Interest Income	5,698,592	5,310,068	3,867,641
Commission and Discount Income	1,025,000	1,144,436	978,902
Other Operating Income	99,537	122,207	214,282
Exchange Fluctuation Income	306,924	263,566	367,239
Additional Interest Suspense during the period	-	-	-
<b>Gross income (a)</b>	<b>7,130,054</b>	<b>6,840,276</b>	<b>5,428,064</b>
<b>Alfa (b)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Fixed percentage of Gross Income [c=(axb)]</b>	<b>1,069,508</b>	<b>1,026,041</b>	<b>814,210</b>
<b>Capital Requirement for operational risk (d) (average of c)</b>	<b>969,920</b>		
<b>Risk Weight (reciprocal of capital requirement of 10%)in times (e)</b>	<b>9.09</b>		
<b>Equivalent Risk Weight Exposure [f=(d + d1 )xe]</b>	<b>8,816,570</b>		

## Unaudited Financial Results (Quarterly)

Fourth Quarter ended of Fiscal Year 2078/79

Rs. in '000'

Statement of Financial Position	This Quarter Ending	Immediate Previous year Ending
<b>Assets</b>		
Cash and cash equivalent	10,428,537	9,163,408
Due from Nepal Rastra Bank	11,105,032	28,838,572
Placement with Bank and Financial Institutions	2,875,500	2,144,700
Derivative financial instruments	21,075	-
Other trading assets	-	-
Loan and advances to B/FIs	9,573,311	7,486,024
Loans and advances to customers	145,474,070	127,687,225
Investment securities	39,270,163	31,460,033
Current tax assets	513,719	441,080
Investment in subsidiaries	-	-
Investment in associates	707,316	502,316
Investment property	2,203	2,203
Property and Equipment	2,756,670	2,737,913
Goodwill and Intangible assets	23,076	32,837
Deferred tax assets	-	-
Other assets	1,549,548	1,153,940
<b>Total Assets</b>	<b>224,300,219</b>	<b>211,650,249</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	733,073	678,975
Due to Nepal Rastra Bank	2,919,259	2,112,185
Derivative financial instruments	-	27,925
Deposits from customers	172,739,185	160,220,257
Borrowing	2,556,000	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	91,825	410,464
Other liabilities	21,241,050	27,047,993
Debt securities issued	1,325,628	468,845
Subordinated Liabilities	-	-
<b>Total liabilities</b>	<b>201,606,020</b>	<b>190,966,644</b>
<b>Equity</b>		
Share capital	9,467,340	8,933,717
Share premium	238,470	238,470
Retained earnings	3,895,454	2,364,208
Reserves	9,092,936	9,147,211
<b>Total equity attributable to equity holders</b>	<b>22,694,200</b>	<b>20,683,605</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>22,694,200</b>	<b>20,683,605</b>
<b>Total liabilities and equity</b>	<b>224,300,219</b>	<b>211,650,249</b>

## UNAUDITED FINANCIAL RESULTS (QUARTERLY)

Fourth Quarter ended of Fiscal Year 2078/79

(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	5,104,447	15,607,043	2,907,824	11,515,528
Interest expense	3,184,141	10,181,066	1,765,852	7,559,209
<b>Net interest income</b>	<b>1,920,307</b>	<b>5,425,977</b>	<b>1,141,972</b>	<b>3,956,319</b>
Fee and commission income	403,712	1,294,958	260,820	978,902
Fee and commission expense	70,008	263,073	68,172	210,737
<b>Net fee and commission income</b>	<b>333,704</b>	<b>1,031,884</b>	<b>192,648</b>	<b>768,165</b>
<b>Net interest, fee and commission income</b>	<b>2,254,012</b>	<b>6,457,862</b>	<b>1,334,619</b>	<b>4,724,483</b>
Net trading income	45,044	299,491	115,853	367,239
Other operating income	82,298	293,167	105,266	214,282
<b>Total operating income</b>	<b>2,381,353</b>	<b>7,050,519</b>	<b>1,555,738</b>	<b>5,306,004</b>
Impairment charge/(reversal) for loans and other losses	49,861	463,850	442,341	262,368
<b>Net operating income</b>	<b>2,331,493</b>	<b>6,586,669</b>	<b>1,113,397</b>	<b>5,043,636</b>
<b>Operating expense</b>				
Personnel expenses	649,642	1,980,237	463,097	1,611,062
Other operating expenses	167,140	789,656	207,877	724,310
Depreciation & Amortisation	41,845	177,120	47,437	159,857
<b>Operating Profit</b>	<b>1,472,865</b>	<b>3,639,655</b>	<b>394,986</b>	<b>2,548,408</b>
Non operating income	-	-	-	-
Non operating expense	1,815	2,429	160	87
<b>Profit before income tax</b>	<b>1,471,051</b>	<b>3,637,227</b>	<b>394,827</b>	<b>2,548,322</b>
Income tax expense				
Current Tax	441,315	1,091,168	131,334	790,244
Deferred Tax	-	-	-	12,862
<b>Profit for the period</b>	<b>1,029,736</b>	<b>2,546,059</b>	<b>263,493</b>	<b>1,770,939</b>
<b>Condensed Statement of Comprehensive Income</b>				
Profit/(Loss) for the period	1,029,736	2,546,059	263,493	1,770,939
Other Comprehensive Income	590,744	106,559	(594,690)	729,509
<b>Total Comprehensive Income</b>	<b>1,620,480</b>	<b>2,652,617</b>	<b>(331,197)</b>	<b>2,500,448</b>
<b>Earnings per share</b>				
Basic earnings per share		27.01		19.91
Diluted earnings per share		26.89		19.82
<b>Profit attributable to:</b>				
Equity holders of the Bank	1,029,736	2,546,059	263,493	1,770,939
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>1,029,736</b>	<b>2,546,059</b>	<b>263,493</b>	<b>1,770,939</b>

## COMPARISON UNAUDITED AND AUDITED FINANCIAL STATEMENTS AS OF FY 2078/79

(RS. IN '000)

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
<b>Assets</b>					
Cash and cash equivalent	10,428,537	14,024,364	3,595,827	34.48%	Audit Adjustment
Due from NRB	11,105,032	11,105,032	-	0.00%	
Placement with Bank and Financial Institutions	2,875,500	2,875,500	-	0.00%	
Derivative financial instruments	21,075	15,767	(5,308)	-25.19%	Audit Adjustment
Loan and advances to B/FIs	9,573,311	9,573,311	-	0%	
Loans and advances to customers	145,474,070	145,480,529	6,459	0.00%	Audit Adjustment
Investments Securities	39,270,163	35,674,337	(3,595,827)	-9.16%	Audit Adjustment
Current tax assets	513,719	548,665	34,946	6.80%	Audit Adjustment
Investment in associates	707,316	713,660	6,344	0.90%	Audit Adjustment
Investment property	2,203	2,203	-	-	
Property and Equipment	2,756,670	3,635,568	878,899	31.88%	Audit Adjustment
Goodwill and intangible assets	23,076	23,076	-	0.00%	
Deferred Tax Assets	-	111,957	111,957	100%	Audit Adjustment
Other assets	1,549,548	1,597,354	47,806	3.09%	Audit Adjustment
<b>Total Assets</b>	<b>224,300,219</b>	<b>225,381,323</b>	<b>1,081,103</b>	<b>0.48%</b>	
<b>Capital and Liabilities</b>					
Due to Bank and Financial Institutions	733,073	733,073	-	0.00%	
Due to Nepal Rastra Bank	2,919,259	2,919,259	-	0.00%	
Derivative financial instruments	-	-	-	0.00%	
Deposits from customers	172,739,185	172,739,185	-	0.00%	
Borrowing	2,556,000	2,556,000	-	-	
Deferred tax liabilities	91,825	-	(91,825)	-100.00%	Audit Adjustment
Other liabilities	21,241,050	22,313,625	1,072,575	5.05%	Audit Adjustment
Debt securities issued	1,325,628	1,325,628	-	0.00%	
<b>Total liabilities</b>	<b>201,606,020</b>	<b>202,586,770</b>	<b>980,750</b>	<b>0.49%</b>	
<b>Equity</b>					
Share capital	9,467,340	9,467,340	-	-	
Share premium	238,470	238,470	-	-	
Retained earnings	3,895,454	3,877,116	(18,337)	-0.47%	Audit Adjustment
Reserves	9,092,936	9,211,626	118,690	1.31%	Audit Adjustment
<b>Total equity attributable to equity holders</b>	<b>22,694,200</b>	<b>22,794,553</b>	<b>100,353</b>	<b>0.44%</b>	
<b>Total equity</b>	<b>22,694,200</b>	<b>22,794,553</b>	<b>100,353</b>	<b>0.44%</b>	
<b>Total liabilities and equity</b>	<b>224,300,219</b>	<b>225,381,323</b>	<b>1,081,103</b>	<b>0.48%</b>	
<b>Statement of Profit or Loss</b>					
Interest income	15,607,043	15,467,180	(139,863)	-0.90%	Audit Adjustment
Interest expense	10,181,066	10,285,764	104,698	1.03%	
<b>Net interest income</b>	<b>5,425,977</b>	<b>5,181,416</b>	<b>(244,561)</b>	<b>-4.51%</b>	
Fee and commission income	1,294,958	1,294,958	0	0.00%	Audit Adjustment
Fee and commission expense	263,073	263,073	-	0.00%	
<b>Net fee and commission income</b>	<b>1,031,884</b>	<b>1,031,884</b>	<b>0</b>	<b>0.00%</b>	
Net trading income	299,491	299,491	-	0.00%	
Other operating income	293,167	294,288	1,120	0.38%	Audit Adjustment
<b>Total operating income</b>	<b>7,050,519</b>	<b>6,807,079</b>	<b>(243,441)</b>	<b>-3.45%</b>	
Impairment charge/(reversal) for loans and other losses	463,850	325,446	(138,405)	-29.84%	Audit Adjustment
<b>Net operating income</b>	<b>6,586,669</b>	<b>6,481,633</b>	<b>(105,036)</b>	<b>-1.59%</b>	
Personnel expenses	1,980,237	2,045,470	65,233	3.29%	Audit Adjustment
Other operating expenses	789,656	592,221	(197,436)	-25.00%	Audit Adjustment
Depreciation & Amortisation	177,120	293,188	116,067	65.53%	
<b>Operating profit</b>	<b>3,639,655</b>	<b>3,550,755</b>	<b>(88,901)</b>	<b>-2.44%</b>	
Non operating income/expense	2,429	2,513	85	3.49%	
<b>Profit before tax</b>	<b>3,637,227</b>	<b>3,548,241</b>	<b>(88,985)</b>	<b>-2.45%</b>	
Income tax	1,091,168	1,068,840	(22,328)	-2.05%	
<b>Profit /(loss) for the period</b>	<b>2,546,059</b>	<b>2,479,401</b>	<b>(66,658)</b>	<b>-2.62%</b>	
Other comprehensive income	106,559	(156,396)	(262,955)	-246.77%	
<b>Total comprehensive income</b>	<b>2,652,617</b>	<b>2,323,005</b>	<b>(329,612)</b>	<b>-12.43%</b>	
<b>Distributable Profit</b>					
Net profit/(loss) as per profit or loss	2,546,059	2,479,401	(66,658)	-2.62%	
Add/Less: Regulatory adjustment as per NRB Directive	96,981	196,445	99,464	102.56%	Audit Adjustment
<b>Free profit/(loss) after regulatory adjustments</b>	<b>2,449,078</b>	<b>2,282,956</b>	<b>(166,122)</b>	<b>-6.78%</b>	

## Main Indicators of last 5 years

S.No.	Particulars	Indicator	Financial Years				
			2017/18	2018/19	2019/20	2020/21	2021/22
1	Net Profit/Total Income	%	22.86	21.13	16.25	13.54	14.29
2	Per share Earning (after tax income)	Rs.	32.78	38.05	29.71	19.91	26.30
3	Market price per share	Rs.	663	666	675	738	439
4	Price/Earning Ratio		20.23	17.50	22.72	37.06	16.69
5	Dividend on share- Bonus share	%	-	5.00	5.00	6.00	13
6	Cash Dividend	%	20.00	20.00	5.53	4.32	7.68
7	Interest Income/Loans & advances	%	9.89	10.66	10.51	7.37	8.62
8	Employee expenses/Total operating expenses	%	19.97	16.60	14.50	15.69	15.17
9	Interest expenses on deposit & borrowing	%	4.41	5.53	5.93	4.62	5.79
10	Exchange Income/total Income	%	1.36	2.12	1.81	3.26	1.50
11	Staff bonus/total employee expenses	%	37.76	41.28	31.87	21.32	31.29
12	Net Profit/Loans & advances	%	2.71	2.70	2.08	1.29	1.57
13	Net Profit/Total Assets	%	1.97	1.94	1.42	0.89	1.13
14	Total Loans & advances/Total Deposits	%	81.86	87.01	83.52	85.30	90.77
15	Total operating expenses/total Assets	%	5.16	5.86	6.14	4.85	5.98
16	Capital Adequacy Ratio:						
	a) Core Capital	%	12.65	12.38	11.92	11.24	10.78
	b) Supplementary Capital	%	1.55	1.36	1.46	1.24	1.11
	c) Total Capital Funds	%	14.20	13.74	13.38	12.48	11.89
17	Cash Reserve Ratio (CRR)	%	17.75	18.56	14.43	18.15	6.50
18	NPAs/Total Loans & advances	%	0.20	0.16	0.22	0.12	0.12
19	Base Rate	%	8.45	8.12	8.05	5.99	8.82
20	Weighted Average Interest Rate Spread	%	4.72	4.29	3.59	3.24	4.06
21	Book Networth (Rs in Lacs)	Rs.	160545	175451	185974	206436	227546
	Total Shares	Number	80268633	80268633	84702068	88937172	94273402
	Total Employee	Number	836	885	868	945	1057
22	Others						
23	Per Employee Business (Rs. in Lakh)	Rs.	2533	2751	3060	3129	3131
24	Employee expenses/Total Income	%	13.22	11.44	10.63	12.32	11.79

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



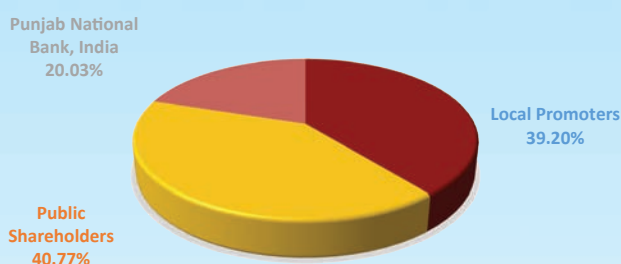
Established in 1994, Everest Bank Limited (EBL) is a name you can depend on for professionalized & efficient banking services. Everest bank Limited is a joint venture with Punjab National Bank, India and is a consistently growing commercial bank of Nepal. The Bank has been rendering professionalized & 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
<b>Group A (Promoter)</b>			
1	PRATIMA SHRESTHA	13,987,709.00	14.84
2	BISHNU KRISHNA SHRESTHA	8,656,629.00	9.18
3	RAVI KRISHNA SHRESTHA	1,769,570.00	1.88
4	KIRAN KRISHNA SHRESTHA	1,769,569.00	1.88
5	SHANTA DEV PATHAK	1,113,347.00	1.18
6	ARUN MAN SHERCHAN	886,154.00	0.94
7	HOTEL SNOW LION P. LTD.	8,773,747.00	9.31
	<b>Total</b>	<b>36,956,725.00</b>	<b>39.20</b>
<b>Group B (Public)</b>			
	<b>Total Shares held by Public Shareholder</b>	<b>38,434,447.09</b>	<b>40.77</b>
<b>Group C (PNB)</b>			
	PUNJAB NATIONAL BANK	18,882,230.00	20.03
		<b>94,273,402.09</b>	<b>100.00</b>

## 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. 20 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 43,451 delivery channels with a network of 10,038 branches, 2 International branches, 12,966 ATMs & 20,447 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 12 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 123 Branches, 7 Province Offices, 156 ATMs, 32 Revenue Collection counters, 4 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 32 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



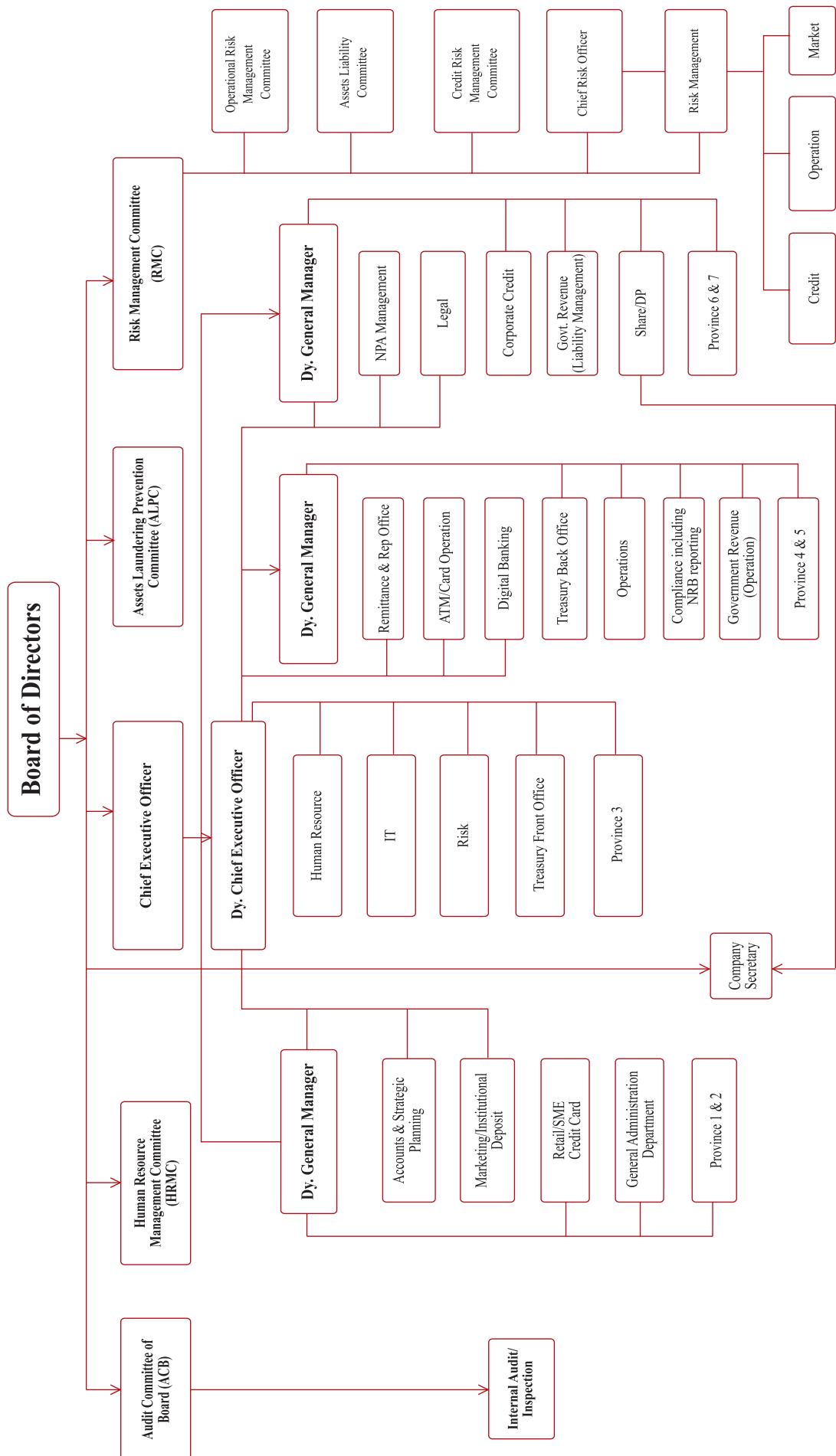
## STRATEGIC FOCUS

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 other financial planning services
- » Provide any other service businesses that NRB prescribes from time to time.



## Everest Bank Limited (Organization Structure)



## AWARDS and ACHIEVEMENTS

- The Bank was conferred with the “Best Managed Commercial Bank” by *NEWBIZ BUSINESS Award 2019*.
- The Bank was declared 2<sup>nd</sup> 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

### MAJOR DEPOSIT PRODUCTS

#### 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

बिशेषताहरु:

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

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

freedom savings account

I Love Everest Bank

मेरो पहिलो ATM Card  
मेरो साथ हरदम

10 देखि 16 वर्ष सम्मका नागरिकले न्यूनतम रु 1000 बा सफल रूपमा पैसा जम्मा गर्ने तथा निम्न लक्ष्यले Freedom Savings Account खोल्नुमा रु निशुल्क ATM सुविधा पाउनुमा ।

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

EVEREST SPECIAL SAVINGS

RS 5 LAKHS  
RS 1 LAKH  
FREE  
FREE  
FREE  
FREE  
50% DISCOUNT  
50% DISCOUNT  
Attractive Interest Rate

एभरेस्ट बैंक लिमिटेड  
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:

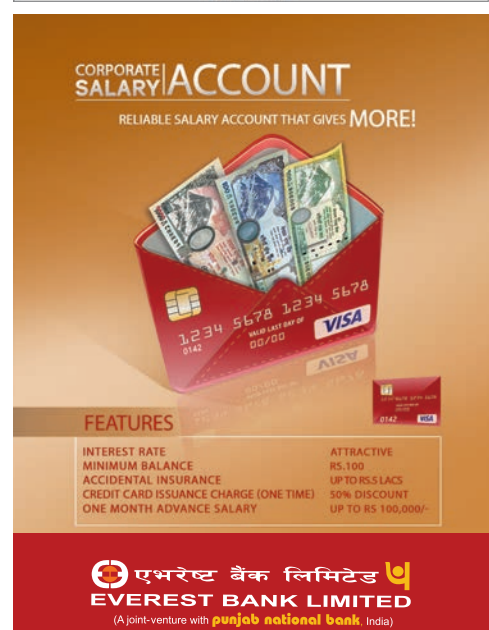
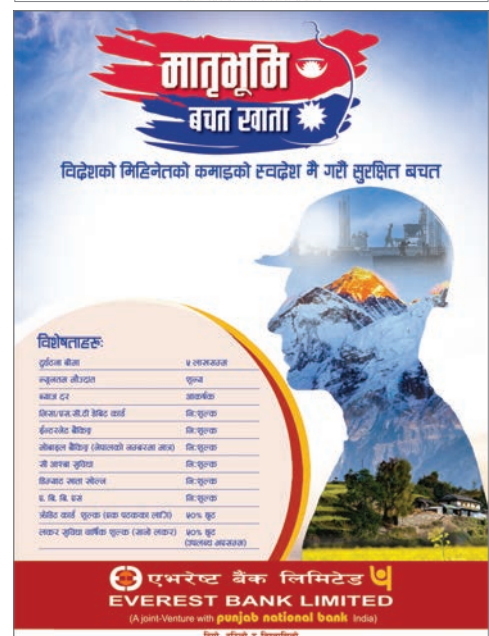
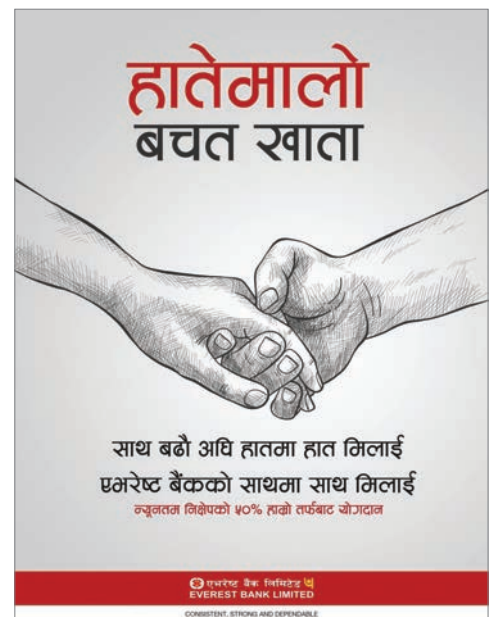
- Highly attractive Interest Rate
- Medical (Hospitalization) Insurance of Rs. 1.00 Lac.
- Accidental Death Insurance of Rs. 5.00 Lac.
- Free ATM Card (Issuance)
- Free C-ASBA Facility
- Free mobile banking
- Free DMAT AC Opening Charge
- 50% Discount on Rent of Small Size Locker (One Time)
- 50% Discount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

Everest Aarohan Muddati Yojana is the best way to secure your future plans by investing a certain amount in present ensuring highly attractive rate of return. This product multiplies your investment in a very brief period of time providing unmatched return to other investments with a very low risk. On maturity you shall get double/triple of your investment. Loan against Deposit shall be provided for 90% of Compounded Value of fixed deposit at 2% above the coupon rate. Further, Credit Card facility against Fixed Deposit shall be provided where minimum deposit amount shall be Rs. 2,00,000.



**आरोहण**  
मुदती योजना


**आरोहण मुदती योजना प्रतिफल पाउनुहोस्**  
**२ देखि ३ गुणा**



६ वर्ष ३ महिना २२ दिन	व्यक्तिगत मुदती	१० वर्ष
५ वर्ष ९ महिना	रेगुलर/सावन्स मुदती	९ वर्ष ३ महिना

**विशेषताहरू**

- न्युनतम नौउदात्त रु. १०,०००।
- ब्याज मासिक आधारमा लागू हुनेछ।
- अविलम्ब मुक्ताजी लागत कर कटौती पश्चात् गरिनेछ।
- मुदती निक्षेपको १० प्रतिशत छत्रवृद्धि मुख्यमा कुपन बरमान्दा २ प्रतिशत बढीमा आण उपलब्ध गराइनेछ। यहाँ, कुपन बढेको खाला खोल्ने समयमा मुदती खाताको बरलार्फ जमाउँछ।
- मुदती निक्षेपमा आधारित क्रेडिट कार्ड सुविधा उपलब्ध गराइनेछ जहाँ न्युनतम जम्मा रकम रु २,००,००० हुनेछ।



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





## MAJOR LOAN SCHEMES

### MAJOR RETAIL LOAN

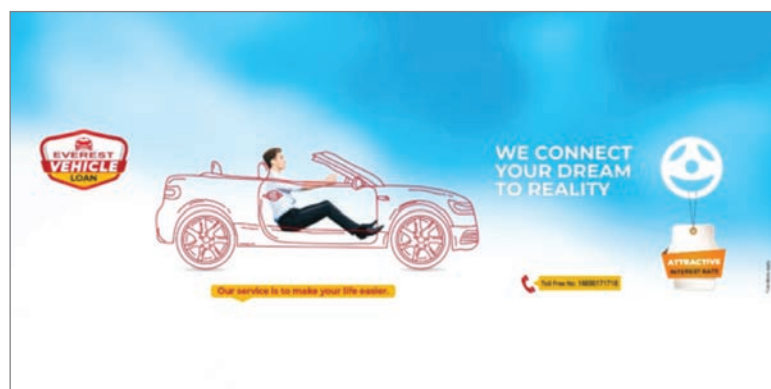
#### 1. HOME LOAN

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

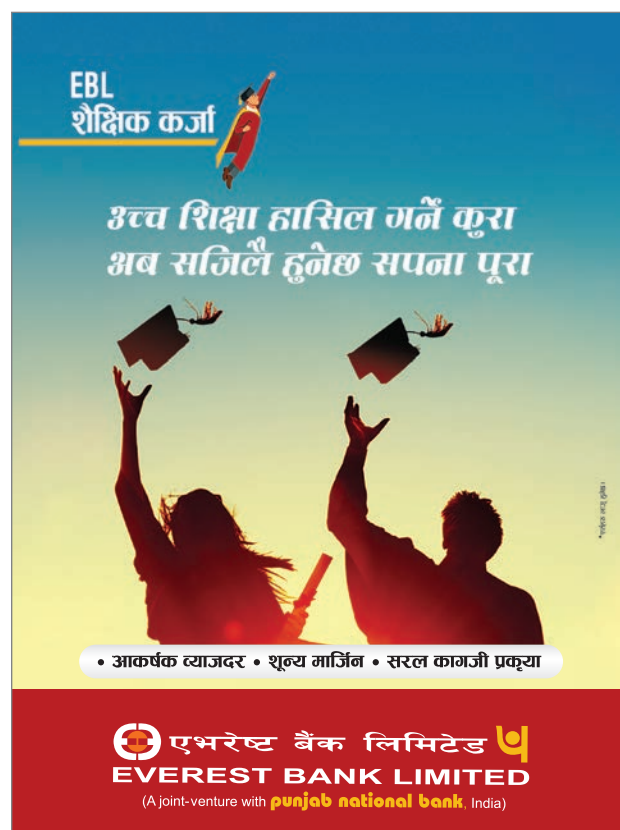
Owning a vehicle has been made easier and convenient with Everest Vehicle Loan. Everest bank aids to purchase car / van / jeep/ Multi Utility Vehicles/ Sports Utility Vehicle (non-commercial purpose only) for individual and business concerns at an attractive interest rate with repayment upto 7 years.



#### 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.



## 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

देशको सम्पूर्ण कृषि विकासमा  
**एभरेष्ट बैंक को साम्नेदारी**  
**PRODUCTIVE SECTOR LENDING**




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

## 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.





## 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 based 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.



# आफ्नो पौरख, आफ्नै माटोमा पौरखी हातलाई एभरेष्ट बैंकको साथ



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

## 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 through POS Outlets & online transactions 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 & Smart Choice 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.

## 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.

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.

## 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.

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# CORPORATE GOVERNANCE

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## 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 41 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 PhD 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. Rakesh Grover

Mr. Rakesh Grover is a PNB Nominee Director. Mr. Grover has completed Masters in Business Administration. Mr. Grover is currently the Chief General Manager of Punjab National Bank and has more than 32 years of banking experience at Punjab National Bank.

#### 5. Mr. Nabin Bhakta Shrestha

Mr. Shrestha has completed Bachelor in Commerce and has more than 19 years of experience in Business and Trade sector.

#### 6. Ms. Urmila Shrestha

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

#### 7. Dr. Tarak Bahadur K.C

Mr. K.C holds PhD in Development Administration from the University of Birmingham, U.K. He joined Nepal Administrative College on 1989 and retired as Deputy Executive Director on 2017 A.D. Dr. KC was HR specialist in Agriculture Development Bank and Head of Human Resource on Nepal Bank Limited. Dr. K.C was also executive director of National Dairy Development Board.

### 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	Lalitpur	8,656,629	Chairman	2052/10/09
2.	Mr. Arun Man Sherchan	Sanepa, Lalitpur	886,154	Promoter Director	2054/03/27
3.	Dr. Bal Gopal Baidya	Sitapaila, Kathmandu	**	Promoter Director	2060/03/06
4.	Mr. Rakesh Grover	India	***	PNB Nominee Director	2079/02/25
5.	Mr. Nabin Bhakta Shrestha	Bolachhen, Bhaktapur	2,147	Public Director	2077/09/27
6.	Ms. Urmila Shrestha	Sanepa, Lalitpur	1,917	Public Director	2077/09/27
7.	Dr. Tarak Bahadur K.C	Kalanki, Kathmandu	-	Independent Director	2078/10/26

\*\* Dr. Baidya has been representing Hotel Snowlion in the Board Committee. Hotel Snowlion holds 8,773,747 no. of share of the bank.

\*\*\* Mr. Grover has been representing Punjab National Bank in the Board Committee. Punjab National Bank holds 18,882,230 no. of share of the bank.

## Details of Board Meeting:-

Director	No of Meetings
Mr. B.K. Shrestha	4
Mr. Arun Man Sherchan	12
Dr. Bal Gopal Baidya	12
Mr. Anil Bansal	8
Mr. Rakesh Grover	3
Mr. Nabin Bhakta Shrestha	12
Ms. Urmila Shrestha	12
Dr. Nirmal Kumar Bista	3
Dr. Tarak Bahadur K.C	6

The Total expenditure on account of meeting fee was incurred Rs. 1,530,000 and other expenses related to Board meetings was Rs. 93,230.82.

## Roles and Responsibilities of the Board

- 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.
- 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.
- 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.
- 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.
- 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.
- No director shall interfere with the routine business relating to the management of the bank or financial institution.

- 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:-

- Audit Committee of Board
- Assets Laundering Prevention Committee
- Human Resource Management committee
- 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 30 meetings during the financial year which can be segregated as below:-

Committee	No of meetings
Audit Committee	12
Human Resource Management Committee	7
Risk Management Committee	5
Assets Laundering Prevention Committee	6
<b>Total</b>	<b>30</b>

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 (ACB)

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 2078/79:

1. Dr. Bal Gopal Baidya (Member Director)	-	Chairman of Committee
2. Accounts Head	-	Member
3. 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.

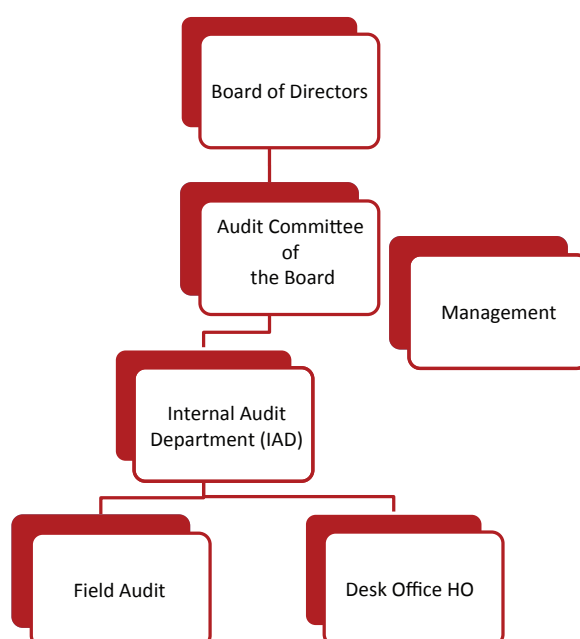
ACB supervises and instructs to the management whether actions under taken on managerial and operational activities are as per the rules/ regulations/ guidelines/ policies and directives which are issued as per prevailing Bank guidelines, directives of NRB and Bank and Financial Institution Act (BAFIA).

ACB discuss/review the observations/remarks contained in NRB inspection & Supervision report, audit report of the external/ statutory auditors and RBIA (Risk Based Internal audit) reports of Branches 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:





Overall Performance of Internal Audit Department for the fiscal year 2078-2079 is as follows:

### 1. RBIA/ Audit Report Status

Out of total Internal Audit performed in the branches, status of report of the branches are as follows:

FY	Total Branches Audited	Report Closed	Yet to close	Remarks
2078/2079	72	45	27	
Last year due		12	9	
Total		57	36	

### 2. Recovery of Revenue Leakage

Position of revenue leakage reported and recovered by the department during the year is as follows:

From On-Site Audit	Amount (Rs. in Lac)
a. Reported	50.02
b. Recovered	49.99
c. Remaining	0.02*

*\*Locker Charge-B/o Bagbazar.*

### 3. Conduct of ACB Meeting

During the FY 2078/79, total 12 ACB meetings were conducted and major highlight is as follows:

- Appreciation letters awarded to 18 Branches for closing RBIA Report within Stipulated time period.
- Finalization of Statutory audit report for FY 2078/79.
- Review of Nepal Rastra Bank (NRB) onsite AML/CFT Inspection Report for FY 2078/79.
- Review of Information system audit for FY 2078/79.
- Review of Bank's Quarterly Financial reports.
- For the Fiscal Year 2078/79, the Committee recommended to appoint Statutory Auditor M/s Sundar & Company.

### Value Addition

Department has been playing constructive role in development of the system procedure of the bank and also helping the management by providing various support and feedback such as;

- Department has frequently raised common and repetitive observations during the course of the audit and also provided list of 30 Common observations to the concern department so as to avoid those observations in future.
- Department also helped in streamline expiry date of OD accounts at renewal time, Margin money for LG opened in case of Financial Guarantee under BM power, Processing charge for LC opened in case of 100% Cash Margin.

- Advised Management to issue Standard Operating Procedure (SOP) of Revenue counter operation.
- Advised HR Department to issue circular regarding prepaid mobile bill payment criteria of BMs.

## 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).

The members of the ALPC of the Board are as follows:-

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

The Committee was reconstituted on February 15, 2021 after completion of tenure of directors. Director Mr. Nabin Bhakta Shrestha and Director Ms. Urmila Shrestha were members of the Committee during FY 2078/2079.

The Committee meets at least once in quarter or as per the requirement of the bank. The Committee met six times during the Fiscal Year 2078/2079.

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/feedback 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 2078 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. Mr. Tarak Bahadur K.C. has been appointed as new chairperson of the committee.

#### Composition:

1. Dr. Tarak Bahadur K.C. (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

Bank has formed a board level committee known as Risk Management Committee (RMC) for the effective risk management in the bank. The committee supports the board in setting risk strategy policies, including risk tolerance and appetite levels as per requirement in line with Nepal Rastra Bank directives and other statutory bodies/authority. RMC formulates risk management policy of the bank which includes Credit, Market and Operational risk, risk integration, implementation of best risk management practices and set up risk limits to various function of the bank. The Committee also ensures that action taken by the management are appropriate and elevate the situations to the Board where further action is required. RMC meeting is being held at least once in three months. During FY 2078/79, 5 meetings of Risk Management Committee had been conducted. The present corum of the committee is as under:

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

Besides there are three sub-committees under the RMC:

- Operation Risk Management Committee:
- Credit Risk Management Committee
- Asset liability management Committee (ALCO)

## Responsibilities

- To oversee the adequacy and suitability of the risk management system of the bank as a whole.
- To recommend the Board in regard to the Risk Management Policies (Credit, Market and Operation), risk integration and implementation of best risk management practices.
- To review the robustness of internal control system of the bank in line with bank's internal risk tolerance limit and risk appetite.
- To periodically review the level of risk, risk appetite, tolerance and risk management strategies of the bank and report to the board regarding adequacy of the same.
- To inform/report to the Board in regard to various risk related matters like stress testing, credit concentration, industry analysis, Internal Capital Adequacy Assessment Process (ICAAP) review, risk bearing capacity in line with it's capital, investment portfolio etc., as deemed necessary.
- To report the board, on regular 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
- To analyse the possible effect of dynamic economic sectors on the financial health of the bank and recommend the board regarding necessary actions or policies required to mitigate the same, as and when required.
- To review the new and existing policies and recommend to the Board.
- To review new as well as the amendment in the existing loan product papers and recommend to the Board.

# RISK MANAGEMENT



Risk is 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 manage risk associated to carry out its activities in order to maintain healthy growth and good returns to the shareholders. Risk management is the process by which a bank identifies, measures, monitors, controls and mitigate its risk 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.

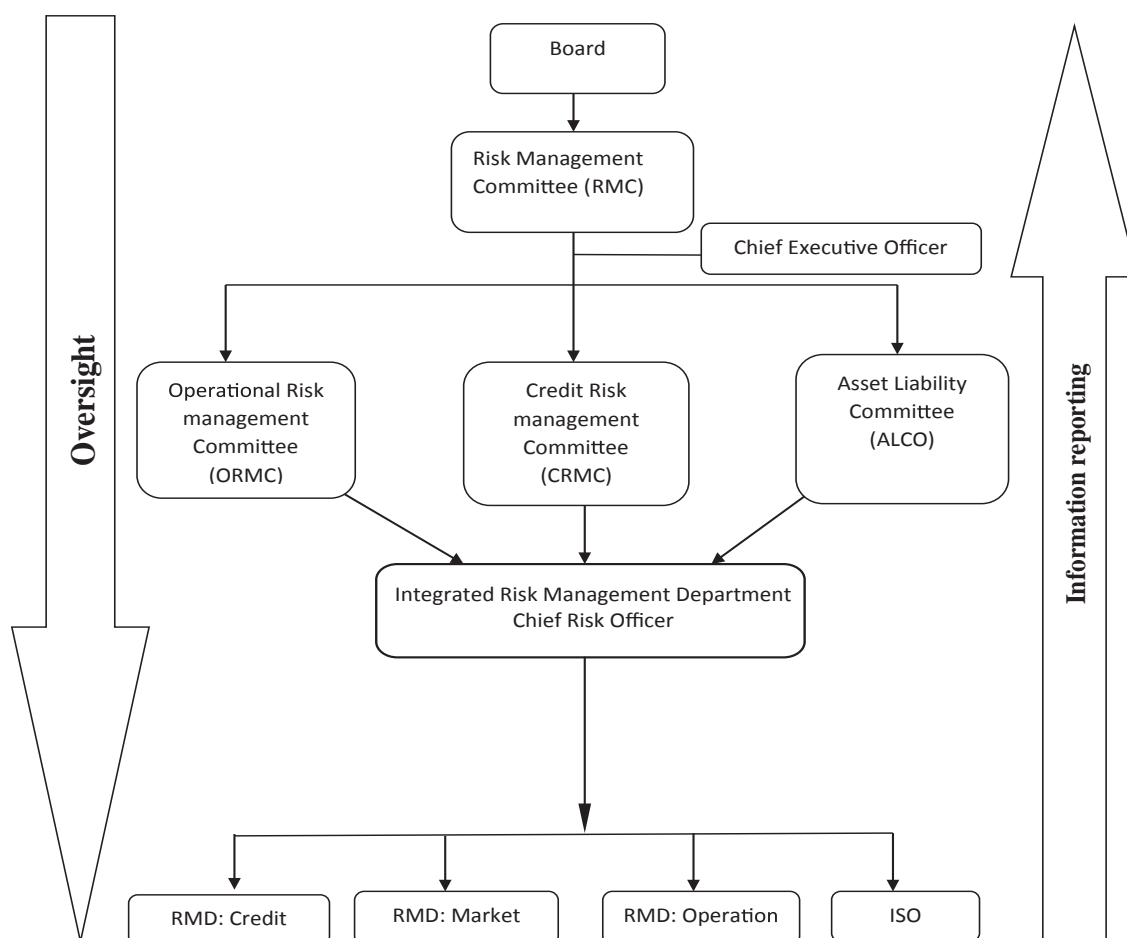
The risk management shall continue to be viewed as a journey, not a destination. The bank recognizes the

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.

Further, bank has separate Risk Management Department for identifying, assessing, managing, mitigating and controlling different kinds of potential risk which acts as a second line of defense, whereas all business functions lies on first line of defense and Internal Audit & Audit Committee on third line of defense.

Risk is an integral part of the bank's business operation. Bank is exposed to major risk namely Credit Risk, Operation Risk, Liquidity Risk and Interest Rate Risk and has put in place measures, policies, system, procedures to manage and mitigate those risks.

## Functional structure of Risk Management



## Board Level Risk Committee

The board sets policies, strategies & objectives and supervise the management 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). RMC assists the board in setting risk strategy/policies as required for the bank as per requirement in line with Nepal Rastra Bank directives. The committee formulates the risk management policy of the bank including credit, market and operational risk, risk integration, ensures implementation of best risk management practices and set up risk limits to various function of the bank. The Committee discuss on various reports and ensures that action taken by the management are appropriate and elevate the situations to the board where further action is required with recommendation of the committee. In FY 2077/78, total 5 RMC meetings were conducted.

## Risk Governance

The risk management framework 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 of the bank is supervised by Risk Management Committee (RMC), a board level committee and supported by functional sub committees namely Credit Risk Management Committee (CRMC), Asset and Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC). Further, bank has separate Risk Management Department for identifying, assessing, managing, mitigating and controlling different kinds of potential risk which acts as a second line of defense, whereas all business functions lies on first line of defense and Internal Audit & Audit Committee on third line of defense.

As the board of directors have the ultimate responsibility for the risks taken by the financial institution, it sets the risk strategies and risk appetite and ensures that it is reflected in business strategy and cascaded throughout the organization. It is responsible for understanding the nature of risks significant to the bank and for ensuring that management is taking necessary steps to implement those strategies and manage accompanying risks.

Although, the overall responsibility for risk management is recognized to rest with the board of directors,

senior management is responsible to transform the strategies into policies, procedures, and processes and implement the same for effective risk management. The senior management has an understanding of the risk profile of the bank and regularly reports to the board or board level committee. Further, Business and operational units, under the oversight of the management body, are made primarily responsible for managing risk on day-to-day basis, considering risk tolerance and risk appetite, and in line with the banks' policies and procedures.

## Asset Liability Committee (ALCO)

It is a subcommittee chaired by CEO which is entrusted with the work of taking all policy decisions related to market, liquidity and Interest rate risk. The committee also looks after the pricing of assets and liabilities and short/long term strategic decision on balance sheet of the bank. Altogether 17 ALCO meetings were conducted in FY 2078/79.

## Credit Risk Management Committee (CRMC)

It is a subcommittee chaired by DCEO which is entrusted with the work of taking all decisions related to credit risk. The committee is responsible for implementation of credit risk policy/strategy approved by board/RMC. The committee is also assigned for reviewing the guideline, policies, reports related to Credit Risk Management. Altogether 5 CRMC meetings were conducted in FY 2078/79.

## Operational Risk Management Committee (ORMC)

It is a subcommittee chaired by DGM which is entrusted with the work of implementing policy/strategies for operational risk management and monitoring compliance of various policies. Altogether 6 ORMC meetings were conducted in FY 2078/79.

All 3 above committees' proceedings are regularly reported to the RMC and board.

## Credit Risk

Credit risk is defined as the potential of risk that a bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The bank has in place "Credit and Credit Risk management Policy" to guide the credit as well as credit risk management function of the bank which is reviewed on annual basis.

Bank has adopted Simplified Standardized Approach (SSA) method for measuring capital required for credit



risk and for its management bank has formulated various policies, procedure and internal guideline which is approved by board in recommendation of Risk Management Committee (RMC).

The risk based pricing has been introduced by the bank. Bank has developed internal credit risk models for assessment of credit risk and is presently conducting annual risk rating of the borrower for Rs. 1.00 Crore and above limits from internally developed rating models which facilitates credit decision making. The assessment ground for sanctioning of new facilities, renewal of existing facilities or enhancement of existing facilities has been defined in book of instruction/Credit & Credit Risk Management Policy of the bank. In addition, the bank has a well-defined system of delegation of loaning powers, duly approved by the board. Besides there is separate recovery/ write off Policy approved by the board.

Bank has defined proper credit delivery channel for building up a sound credit portfolio with segregation of duties regarding various credit-related functions, such as credit assessment, analysis, approval, disbursement, administration, monitoring and recovery. A separate vertical Credit Administration department in head office, regional office and Branches are assessing loan proposal, administering loan related documents, examining loan repayment, record keeping of loan files and related security documents. Similarly, a separate Recovery Cell has been formed to look after credit recovery and bank has recovery/ writes off Policy approved by the board as well

## Operational Risk

Operational Risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risks. Bank has placed well defined organizational structure, framework and Control & Mitigation tools for Operation Risk Management functions i.e. risk identification, assessment, monitoring, control and mitigation. Bank's Operation Risk Management function is guided by "Operation Risk Management Policy" which is reviewed on an annual basis. Bank has adopted Basic Indicator Approach (BIA) in terms of Basel II norms for measuring capital required for Operational Risk. For management of Operation Risk, 3 lines of defense is in practice. New software named as "Operation Risk Management Software" is under implementation phase which shall facilitate for monitoring and managing operation risk events.

Risk events of the bank are compiled and instructed the related function to take corrective measures wherever necessary. 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 Disaster Recovery Policy and Business Continuity Plan (BPC) comprising of Business Process, People and Information Technology. Drill operation is being 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. Market Risk Management is guided by "Asset Liability Management Policy" and "Investment Policy" and Investment Policy and Treasury management policy which is reviewed annually.

Bank has two models "Inter-Bank Lending Model" and "Model for setting up Exposure Limits on Foreign banks" for setting exposure limits to domestic and international counterparties.

Bank is assessing interest rate risk, foreign exchange risk and equity price risk as well exposure limits to counterparties on regular intervals based on limit set up by the board or as per NRB guidelines.

To manage Market Risk, Stress testing is being done based on various assumptions and outcome of which is being placed to board through RMC on quarterly interval.

## Liquidity Risk

Liquidity is a banks' capacity to fund its increase in assets and meet both expected and unexpected demand for money arising from deposit withdrawal, presentation of cheques, maturing investments, draws under committed loan facilities, and other financial commitments at reasonable cost and without incurring any unacceptable losses. While liquidity risk is the inability of a bank to meet such obligations as they become due.

In order to manage and control the liquidity risk, bank has been implementing Assets Liability Management Policy where in all the procedures and guidelines for liquidity risk management has been defined in detail.

Further, the board approved Contingency Funding Plan which includes asset side as well as liability side strategies to deal with liquidity crises is in place.

The bank has been maintaining CRR, SLR, CD ratio, Liquidity Ratio, investment in shares, Non-deliverable forward (NDF), total institutional deposits and single institutional deposits etc. within the limit approved by the board and are being monitored on continuous basis. Besides Macroeconomic indicators and other economic news, Inflows and outflows of the funds in the system are being analyzed to speculate future liquidity requirement.

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. Stress testing/Scenario Analysis on changes in asset and Liabilities are also being done. Bank has also addressed contingency liquidity plan in its policy that is being reviewed annually or on requirement basis.

## 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 a separate department “Compliance” which oversees the compliance function and the risk associated with it of the bank and develops the policies, guidelines for its mitigation upon approval of the board.

## Internal Control

Audit and Compliance department has been reinforcing on the effective implementation of laid down Policies and Procedure for better Internal Control System. Bank is having an appropriate control structure with well-defined control activities at every business level. Duties of officials and staff members are well defined at all level to avoid conflicting responsibilities. Code of Ethics and Conflict of Interest Policy for Board Directors and staff is in place. These laid down system are being monitored & reviewed periodically to address 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 the increasing digital platform of the bank. Information Security Officer (ISO) has been nominated and is safeguarding the information by identifying, assessing and accurately reporting the security risk and maintaining information security standards and procedures in compliance with NRB. Internal Audit Department independently evaluates the adequacy and compliance of the bank’s established guidelines for internal control system. Risk Based Internal Audit (RBIA) of the branches is being followed. IT/ System Audit is being conducted as per guideline from expert external agency till the capability build up of internal personnel and report is submitted to concern Supervision Department of NRB.

## Notice and Information

Following Notice and Information are published during the year 2078/79:

Particulars	Publications	Published Date
Annual General Meeting Notice	Karobar Dainik Arthik Aviyan Dainik	2078/08/09 2078/08/10
<b>Quarterly Financial Statement</b>		
1 <sup>st</sup> Quarter	Karobar Dainik	2078/07/15
2 <sup>nd</sup> Quarter	Saurya Dainik	2078/10/07
3 <sup>rd</sup> Quarter	Saurya Dainik	2079/01/07
4 <sup>th</sup> Quarter	Karobar Dainik	2079/04/12

## Details of Senior Management Team

S.N.	Name	Designation	Qualification	Experience
1.	Sudesh Khaling	Chief Executive Officer	MBA	35 years in different banks
2.	Vijay Kumar Sharma	Dy. Chief Executive Officer	BSC, CAIIB, JAIIB	17 years in Punjab National Bank
3.	Gaurav Kumar	Dy. General Manager	MBA Finance	13 years in Punjab National Bank
4.	Keshab Raj Poudel	Dy. General Manager	MBA	33 years in different banks
5.	Ashutosh Sharma	Dy. General Manager	MBA, MSC	26 years in Everest Bank



## Human Resource Management

Human Asset is the most valuable asset of any organization. Managing the human asset within a workplace to achieve the organization's mission, vision and goals are the major roles of HRM in the current challenging environment. With the proper plans and strategies related to recruitment, training and development, performance appraisal and rewards, employees can be retained for prolong period. When done effectively, human resources management can help to gain competitive advantage in the industry. Along with the increment in diversity among the employees, managing them has also become the challenging task and HRD of Everest Bank Limited (EBL) is coping well with this challenge as we understand the value of human capital.

Human Resources are the major contributor to the organizational success and considering this fact, EBL is investing strategically on the human capital of the bank. To ensure that bank has placed right people at right position, HRD focuses on recruitment and selection, promotion, transfer and up gradation of skills of the employees. EBL's integrated Mission, Vision, Values, Culture, Ethics and transparency are the framework that supports HR practices of employees within the Bank.

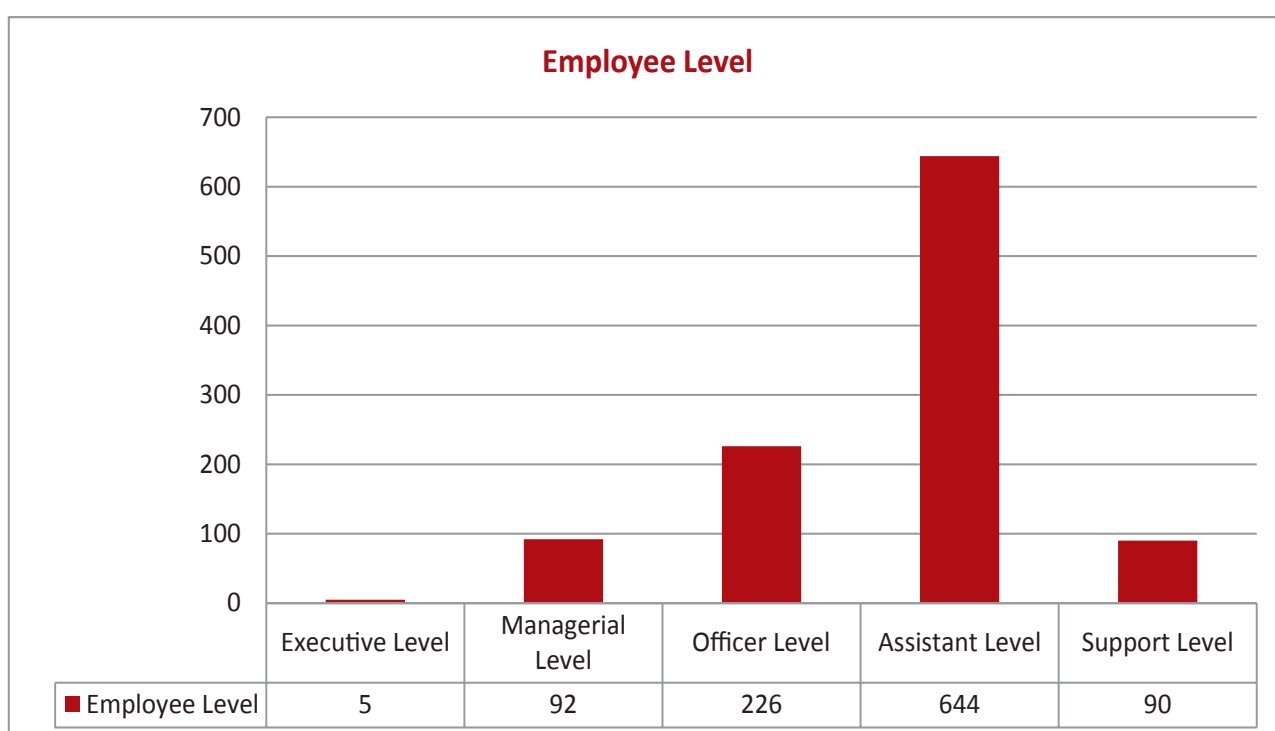
Continuous learning and development has made employees more capable and competitive. Bank is not just focusing on the present scenario but is also preparing ideas for the succession planning which is one of the most required steps to move ahead successfully.

The main objectives of EBL Human Resources Development policy are:

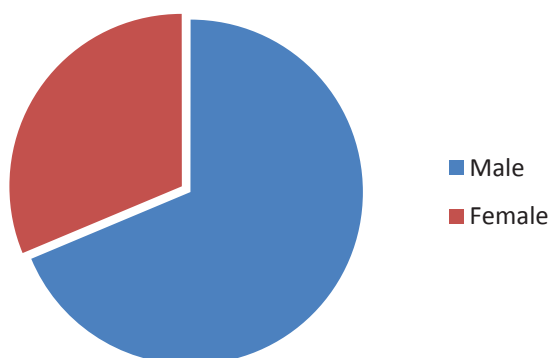
- To prepare a team of motivated and committed workforce with high work ethics capable of responding to modern day competitive banking services.
- To prepare more effective and efficient human resources to assure self as well as customers satisfaction.
- To maintain suitable workplace culture, where staffs enjoy working with EBL and are assured of their career and success as per their qualification, experience and commitment so that they discharge their responsibilities in a competent manner.

### HR Detail:

The staff strength of the bank of 2078-79 is presented below:

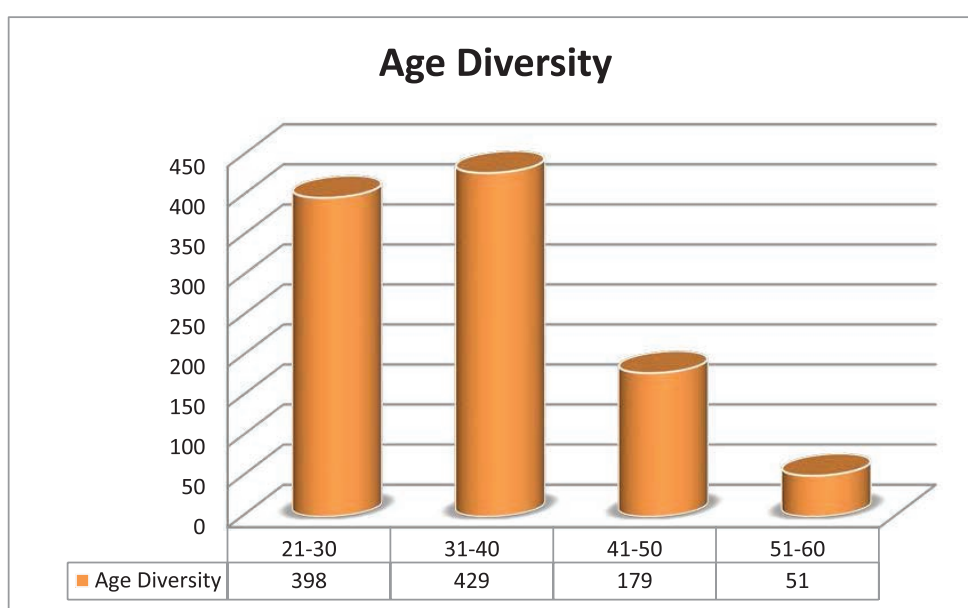


## Gender Wise Composition



<u>Staffs</u>	<u>No.</u>	<u>Percentage</u>
Female :	331	31%
Male:	726	69%
<b>Total</b>	<b>1057</b>	<b>100%</b>

## Age Wise Composition



## Learning and Development

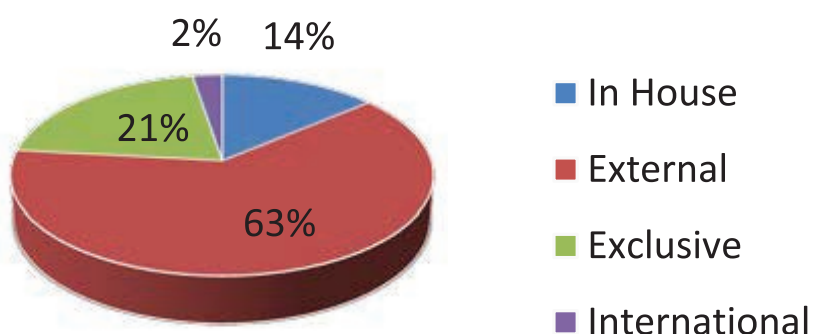
Learning is the continuous process which can enhance the knowledge, skills and develop the individual's confidence and capacity to perform better. With the aim of developing the workforce's capabilities and driving business results, EBL is aligning the Learning and Development strategy with the bank's business strategy and goals. It is prepared in such a way to close gaps, enhance performance, empower employee's growth and adapt to the changing needs of the organization.

Learning and Development is considered to be core area of human resource management and also referred as training and development. Trainings during 2078-79 focused on various aspects of banking such as AML/CFT/KYC, Digital banking and Payment, Fundamentals of credit and credit appraisal, Effective branch management, Customer service excellence, leadership development, soft skills etc.

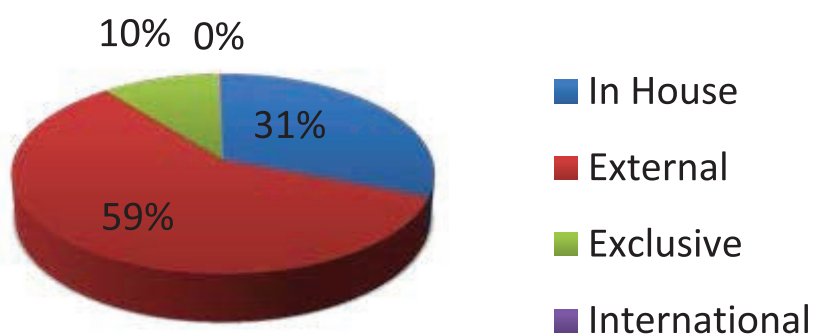
To emphasize on the Learning and Development part of the bank, Memorandum of Understanding (MOU) with National Banking Institute had been signed and exclusive courses were conducted for our employees. Likewise, toastmaster platform was also utilized to enhance the skills in effective communication, public speaking and leadership development.

In FY 2078-79, 116 training programs (In house, external, exclusive and international) were conducted focusing on various areas of banking and essential soft skills, with the total number of 4066 participants. Apart from training programs, EBL is also focusing on transfer, job rotation, job enlargement and various other factors for the employee development.

## Trainings



## Participants



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 is 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 24,794,009 (Previous year NPR 17,709,395) has been appropriated being 1% of net profit. The CSR expenses incurred during the year amounting to NPR 12,118,160 (Previous year NPR 30,249,641) 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:

Head	Amount
Education, health, natural calamities, environment conservation, cultural promotion, infra development in remote areas	3,162,860
Income generation of socially discarded section, Financial Literacy, Financial Protection (5% on Financial Literacy & Financial Protection)	4,510,602
Grant in health and education for ultra poor or for organization engaged in such activities	747,878
Expenses incurred for bank's staff on COVID 19 related disease on actual bill basis	3,696,820
<b>TOTAL</b>	<b>12,118,160</b>



## Glimpses of Corporate Social Responsibility (CSR)





## Glimpses of 27<sup>th</sup> Annual General Meeting





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 six times during the fiscal year 2078/2079 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  
१६६००१७१७१७ निःशुल्क डायल गर्नुहोस् ।

MOBILE  
ATM

www.everestbankltd.com

दिगो, दरिलो र विश्वासिलो

## 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 120 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 एभरेष्ट बैंकको बैंकिङ्ग सेवा  
शाखा रहित बैंकिङ्ग मार्फत



खाता खोल्न सकिने



बचत गर्न र पैसा  
किफायन सकिने



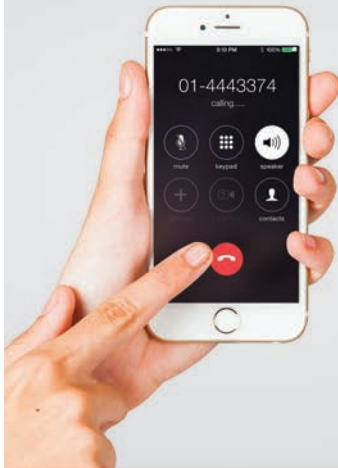
साँझ, बिहान,  
तथा बिदामा पनि  
सेवा लिन सकिने



अब जानु पर्दैन बैंकमा, घरबाट  
खोलौं खाता अनलाईनमा



[www.everestbankltd.com](http://www.everestbankltd.com) वेमसाइटमा गएर अनलाईन खाता  
खोल्ने लिंकमा क्लिक गर्नुहोस्।



## एभरेष्ट बैंकको MISSED CALL सेवा

२ घण्टी  
बजाउँ

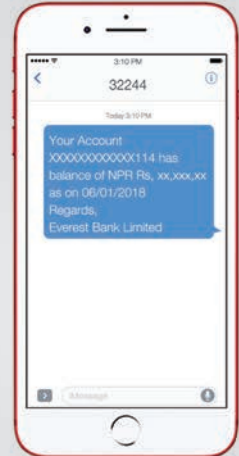
०१-४४४३३७८

नं मा रजिस्टर 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 महत्वपूर्णमावहरुले बिना  
कुनै शुल्क यो सुविधा प्रयोग गर्न सक्नुहुनेछ।

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



\*सर्वरत लागू हुनेछ

# DIGITAL EVEREST

Digital Everest is an initiative of Everest Bank towards the digital wave triggered after the lockdown imposed on first and second wave of COVID-19. This initiative was started for offering unique digital and cutting-edge user experiences setting the standard for client relying on the digital services offered.

In the past years, the technology has turned the world on its head. With the advent of ultra-high-speed connectivity, the way we engage with customers has also evolved. Today, even the smallest of transactions involve multiple touch points and complex multi-layered interactions. Business has become more intricate than ever before. To remain competitive and risk-free, technology-enablement in decision-making is indispensable.

Bank has internally developed “Nakshyatra”, a comprehensive business process management solution to reengineer internal processes, increase product offerings, and improve overall client experience. With the help of Nakshyatra, Bank has automated and digitalized many of its internal procedures, which has improved service delivery and efficiency, cut costs significantly, and improved clients' overall banking experiences.

Bank has introduced EBL Info Center, a comprehensive dashboard for internal staffs of the Bank to create and foster a data culture by Delivering, Supporting and Advocating for the Data usage and Governance.

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 pioneer in introducing various digital services in the history of banking in Nepal.

Digital Banking Highlights			EBL Market Share:
MOBILE BANKING USERS	:	517790	
INTERNET BANKING USERS	:	3248	
QR CODE MERCHANTS	:	31625	
CARD BASED USERS	:	10856357	
AVERAGE DAILY TRANSACTIONS	:	60K	
			MOBILE BANKING USERS: 3%
			INTERNET BANKING USERS: 17%
			CARD BASE USERS: 9%

In the wake of changing environment and to facilitate existing banking and payment mechanisms to make it cheaper, faster, more secure and more convenient, Bank shall design, develop and implement a comprehensive solution along with change in policy to bring complete Digital transformation.

Thereby, enabling and optimizing the organization for the future in terms of achieving business goals, complying with benchmark, end to end digitalization of internal processes, other upcoming digital opportunities as permitted by regulatory framework and other regulatory requirements.

## EBL Digital Product

Digital Hub	Cards & ATM	Digital Payments
<ul style="list-style-type: none"> <li>Mobile Banking</li> <li>Retail Internet Banking</li> <li>Corporate Internet Banking</li> <li>Online Account Opening</li> <li>Online Apply for Loan</li> <li>Online Apply for Credit Card</li> <li>Bill Payments</li> </ul>	<ul style="list-style-type: none"> <li>ATM Services</li> <li>Cards Services                             <ul style="list-style-type: none"> <li>(a) Credit Cards (b) Debit Cards</li> <li>(c) Dollar Cards (d) Intl. Travel Cards</li> </ul> </li> <li>Green Pin</li> <li>Card-less cash withdrawals</li> <li>Online e-comm activation</li> </ul>	<ul style="list-style-type: none"> <li>QR Code Scan and Pay</li> <li>Utility Bill Payments</li> <li>Corporate Pay,</li> <li>IPS and connect-IPS</li> <li>Electronic cheque clearing system</li> <li>Load various wallets</li> <li>Direct account link facility</li> <li>Online Govt. revenue collection</li> </ul>
Other Digital Banking Services		
<ul style="list-style-type: none"> <li>Online Loan eligibility Check</li> <li>Online Fixed Deposit opening</li> <li>Cash Deposit Machines</li> <li>Cheque Deposit Machines</li> <li>Missed Call Banking</li> </ul>	<ul style="list-style-type: none"> <li>Eve – Interactive Chatbot</li> <li>Online Remittance portal</li> <li>Mobile ATM (Tab Banking)</li> <li>Online real-time Forex rate Inquiry</li> <li>Meroshare / Demat Online Renewal</li> <li>E-statement</li> </ul>	<ul style="list-style-type: none"> <li>E-Learning system</li> <li>Online Grievance Portal</li> <li>Corporate Pay, IPS and Connect-IPS</li> <li>Electronic cheque clearing system</li> </ul>



# EBL TOUCH 24

**SECURE, FASTER & RELIABLE**



**SELF REGISTRATION**  
From your phone



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



**LOGIN WITH YOUR MOBILE NUMBER**  
No need to remember customer id



**ONLINE TICKETS**  
Flight, Bus, Movies, Events



**FUND TRANSFER**  
To 50+ Banks



**QR PAYMENTS**  
At over 1 million outlets



**BIOMETRIC ENABLED**  
Fingerprint / Face recognition



**Download / Update Now**



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**एभरेष्ट 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.

एभरेस्ट रेमिट  
Account

विदेशबाट पैसा आउँदै छ ?



एभरेस्ट रेमिट को भरपदो साथ र एभरेस्ट रेमिट बचत खाता को उच्चतम प्रतिफलको लाभ आजै उठाउनुहोस् ।  
अब रेमिट्यान्स सिधै बैंक खातामा

एभरेस्ट 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>IFast Global Bank Limited 9th Floor, South Quay Building, 77 Marsh Wall, London, England, E14 9SH Tel: 00442081813670</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>Mastercard Transaction Services (US) LLC 150 Fifth Avenue, N.Y., N.Y. 10011 Tel: 0091 8360823064</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>	<p>MoneyMatch Sdn. Bhd. Kuala Lumpur, Malaysia. Tel: 00603 2770 0073</p>

Japan	Japan Remit Finance Co. Ltd. Tokyo, Japan Tel: 0081 3 5733 4337	
South Korea	Finshot Inc. Seoul, South Korea Tel: 0082 70 7728 5618	Coinone Transfer Inc. (Cross) Seoul, South Korea Tel: 0082 1670 2624
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  Paypal Pte Ltd 5 Temasek Boulevard #09-01 Suntec Tower Five Singapore 038985	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 (Xoom) Market Street Floor, San Francisco Tel: 0014157774800 Please visit <a href="http://www.xoom.com">www.xoom.com</a> for further detail.  Xpress Money Services Ltd. F10 Church Lane, Kingsbury London United Kingdom  Moneygram International Money Transfer	Transfast Remittance 2000 Purchase St, Purchase NY, 10577, USA Please visit <a href="http://www.transfast.com">www.transfast.com</a> 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) for grievance resolving is also being monitored.

During fiscal year 2078-79, altogether there were 23191 numbers of queries and 4232 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 2078-79 have been resolved.

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.

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 123 branches, 4 extension counters, 156 ATMs and 32 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 improve efficiency and reduce operational risk, the bank has established centralization units for Trade

Finance, Bank Guarantee and Central Credit Operations for better control and mitigation of operational risks. To enhance customer service experience, the bank is exploring on addition of cheque deposit machines, cash deposit machines, etc., for self-transactions by the customers even after banking hours exploring implementation of new banking services and products. In strengthening the banking services and for 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 to improve customer’s experience while banking with EBL.



## नेपाल राष्ट्र बैंक बैंक सुपरिवेक्षण विभाग

प.सं.बै.सु.वि./अफसाइट/एजिएम/१०५/२०७९-८०

एभरेष्ट बैंक लिमिटेड  
लाजिम्पाट, काठमाडौं



दरबारमार्ग, काठमाडौं ।

फोन नं.: ४४९९८०५,७

फ्याक्स नं.: ४४९०९५९

Site: www.nrb.org.np

Email: bsd@nrb.org.np

पोष्ट बक्स:७३

मिति: २०७९/०८/०९

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

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरु पालना गरेको देखिएको हुँदा, उक्त ऐनको उपदफा (१) बमोजिम त्यस बैंकले प्रस्ताव गरे बमोजिम बैंकका शेयरधनीहरुलाई रु.१,२३,०७,५४,२२७/- (चुक्ता पूँजीको १३ प्रतिशत) बराबरको बोनस शेयर वितरण गर्न रु.७२,७४,९०,३५३/- (चुक्ता पूँजीको ७.६८ प्रतिशत) नगद लाभांश (बोनस शेयर तथा नगद लाभांशमा लाग्ने करसमेत) गरी कुल रु.१,९५,८२,४४,५८०/- (अक्षरेपी एक अर्ब पन्चानब्बे करोड बयासी लाख चौवालीस हजार पाँच सय असी मात्र) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट पारित भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको तथा आ.व. २०७८/७९ को वार्षिक हिसाब साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशनहरु सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु ।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु पूर्ण रुपले सुधार गर्न तथा त्यस्ता कैफियतहरु 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 संस्थापकहरुले आफुले धारण गरेको शेयर बिक्री तथा धितो बन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफुले धारण गरेको शेयर धितो बन्धक राखी अन्य बैंक तथा वित्तीय संस्थाबाट कर्जा उपयोग गरेका संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुलाई सोको स्वीकृति नलिएसम्म वा शेयर धितो बन्धक राखी उपयोग गरेको कर्जा पूर्ण रुपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था 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 संस्थाहरुमा चुक्ता पूँजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमा भन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुलाई 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,  
  
(विवेक दमाल)  
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 ।

**Mr. Sudesh Khaling**  
Chief Executive Officer  
**Everest Bank Limited**  
Lazimpat, Kathmandu, Nepal

**Confidential**

June 8, 2022

Dear Sir,

**Issuer Rating**

1. On the basis of recent developments including operational and financial performance of Everest Bank Limited for FY21 (Audited) and 9MFY22 (Unaudited), our Rating Committee has reviewed the following ratings:

Facility/Instrument	Amount	Rating	Rating Action
Issuer Rating	NA	<b>CARE-NPAA- (Is) [Double A Minus (Issuer)]</b>	<b>Placed on credit watch with negative implications</b>

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, 2023 (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 your 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](http://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,

**[Santosh Pudasaini]**  
Deputy Manager



**[Anupa Regmi]**  
Deputy Manager

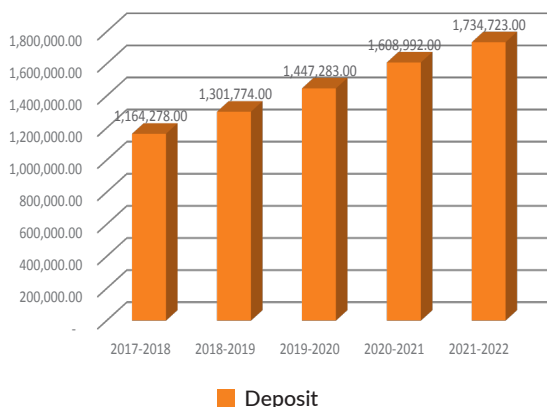
**CARE RATINGS NEPAL LIMITED**

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

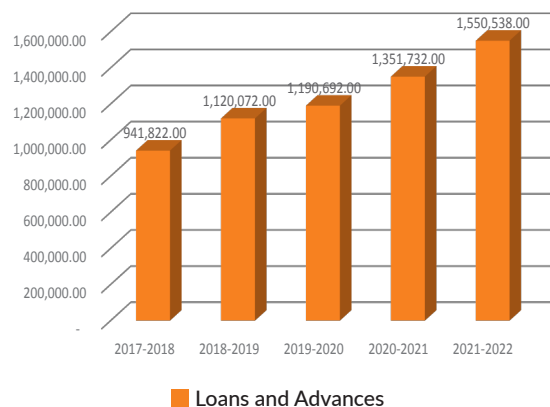


# Key Financial Indicators

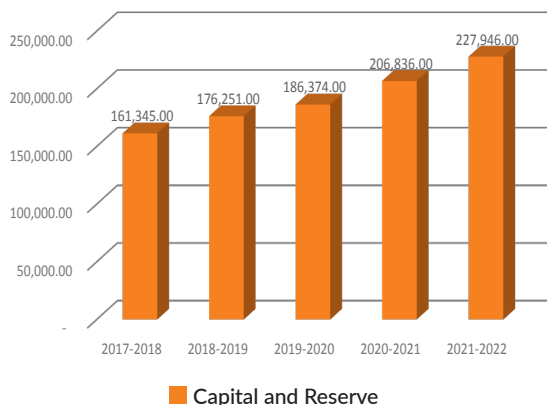
**Deposit (Rs. In Lacs)**



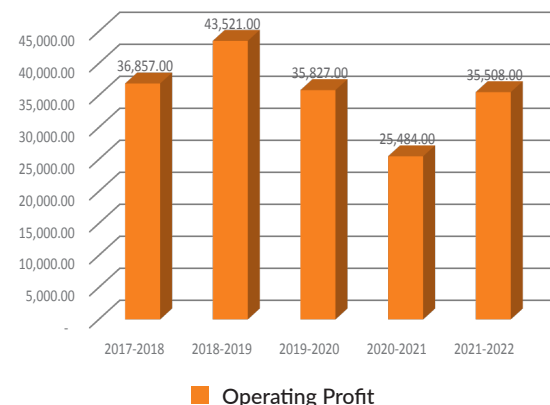
**Loans and Advances (Rs. In Lacs)**



**Capital and Reserve**

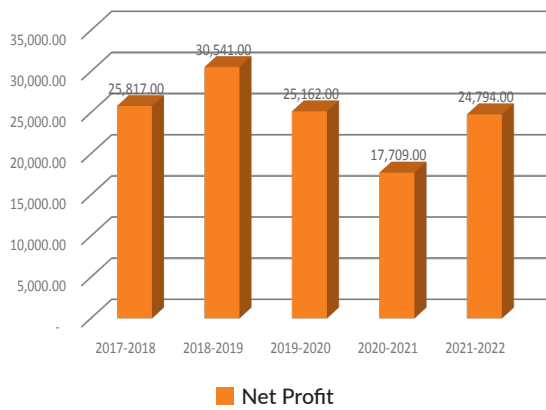


**Operating Profit**

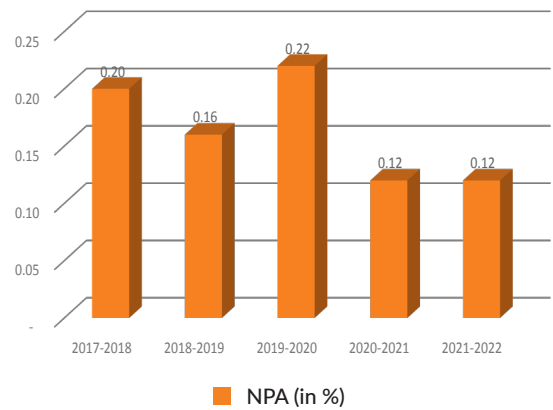




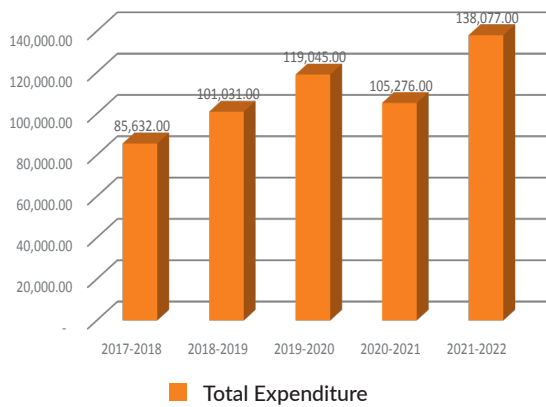
### Net Profit



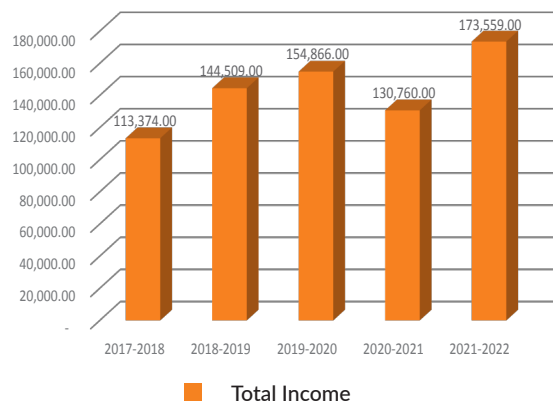
### NPA (in %)



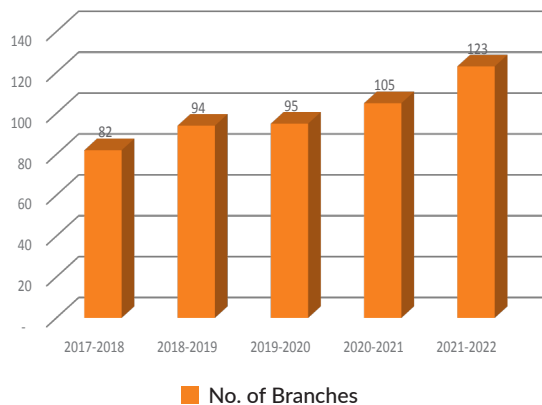
### Total Expenditure



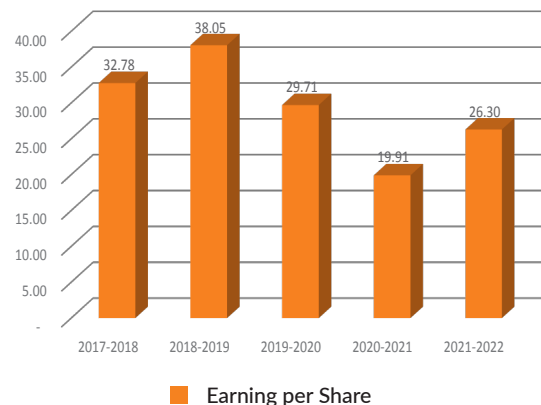
### Total Income



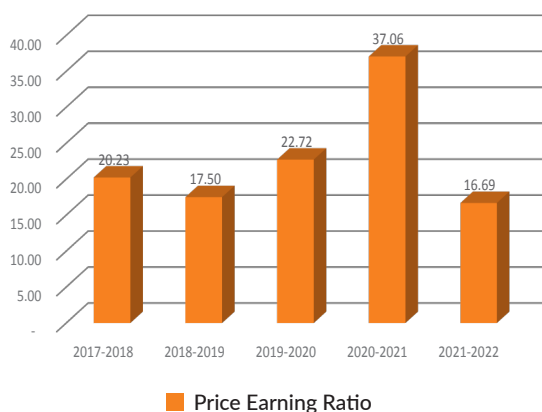
### No. of Branches



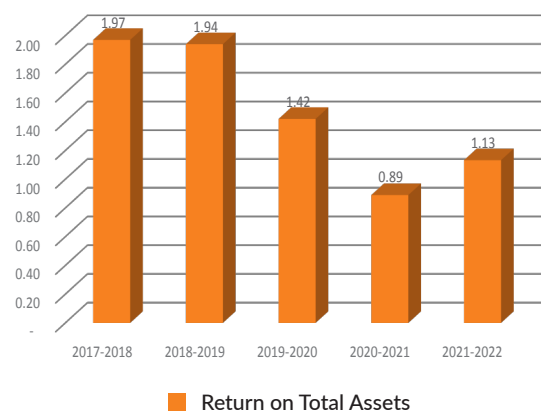
### Earning per Share



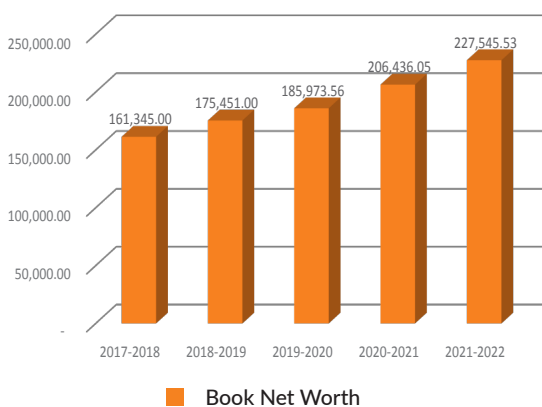
### Price Earning Ratio



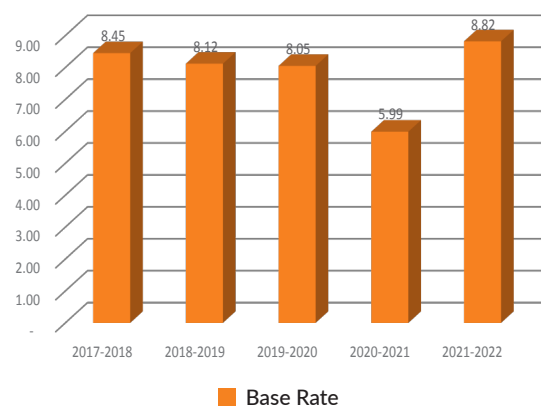
### Return on Total Assets



### Book Net Worth



### Base Rate



## **BOARD OF DIRECTORS**



**B. K. Shrestha**  
Chairman



**Dr. Bal Gopal Baidya**  
Director  
(Promoter)



**Arun Man Sherchan**  
Director  
(Promoter)



**Rakesh Grover**  
Director  
(Punjab National Bank, India)



**Navin Bhakta Shrestha**  
Director  
(Public Shareholders)



**Ms. Urmila Shrestha**  
Director  
(Public Shareholders)



**Dr. Tarak Bahadur K.C.**  
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



**Vijay Kumar Sharma**  
 Dy. Chief Executive Officer



**Gaurav Kumar**  
 Dy. General Manager



**Keshab Raj Paudel**  
 Dy. General Manager



**Ashutosh Sharma**  
 Dy. General Manager

## **DEPARTMENT HEADS**



**Bijay Kumar Gautam**  
Chief Manager  
IT



**Bishnu Prasad Gyawali**  
Chief Manager  
Retail & SME



**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



**Puspa Raj Uprety**  
Marketing



**Nikhil Shrestha**  
Remittance



**Yadav Bhandari**  
Treasury



**Mahesh Bajracharya**  
General Administration



**Chesang Lama**  
Human Resource



**Sunil Giri**  
ATM/Card

## **PROVINCIAL HEADS**



**Janak Pd Chapagain**  
Province No. 1



**Bibhuti Neupane**  
Madesh Province



**Santosh Kr. Bhattarai**  
Bagmati Province



**Sudhir Gautam**  
Gandaki Province



**Lava Prasad Kuikel**  
Lumbini Province



**Vijay Kumar Singh**  
Karnali Province



**Satish Pratap Singh**  
Sudur Pashchim Province



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### Province No. 1

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##### Mr. Mandip Khanal

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##### Mr. Prakash Gyawali

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#### Jadibuti Branch

##### Mrs. Bina Prajapati

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#### Jamal Branch

##### Mr. Santosh Sigdel

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#### Jarankhu Branch

##### Mr. Shyam Sundar Pandey

Tarakeshwor Municipality,  
Ward No. 8, Kathmandu  
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#### Jorpati Branch

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#### Kalimati Branch

##### Mr. Nabin Regmi

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#### Kadaghari Branch

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##### Mr. Rajesh Adhikari

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#### Lagankhel Branch

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#### Maharajgunj Branch

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# Everest Bank Branches Network



## Province 1

- |             |              |               |             |           |               |
|-------------|--------------|---------------|-------------|-----------|---------------|
| ☎ Bhojpur   | ☎ Biratnagar | ☎ Biratchowk  | ☎ Birtamod  | ☎ Damak   | ☎ Dharan      |
| ☎ Duhabi    | ☎ Fikkal     | ☎ Gaighat     | ☎ Inaruwa   | ☎ Itahari | ☎ Kanchanbari |
| ☎ Khandbari | ☎ Mahakulung | ☎ Okhaldhunga | ☎ Silichong | ☎ Pathari | ☎ Dhulabari   |

## Madhesh Province

- |                 |                    |          |            |            |            |              |
|-----------------|--------------------|----------|------------|------------|------------|--------------|
| ☎ Birgunj       | ☎ Chandranigahapur | ☎ Garuda | ☎ I.C.D.   | ☎ Janakpur | ☎ Kalaiya  | ☎ Kanchanpur |
| ☎ Mahendranagar | ☎ Mirchaiya        | ☎ Pipra  | ☎ Rajbiraj | ☎ Simara   | ☎ Lalbandi |              |

## Bagmati Province

- |                  |                      |             |               |                 |               |             |
|------------------|----------------------|-------------|---------------|-----------------|---------------|-------------|
| ☎ Bagbazar       | ☎ Bagdol             | ☎ Balaju    | ☎ Banepa      | ☎ Battar        | ☎ Bhaishapati | ☎ 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     | ☎ Tandhi      | ☎ Teku      |
| ☎ Thamel         | ☎ Naxal (Gairidhara) | ☎ Jamal     | ☎ Kadaghari   | ☎ Maharajgunj   | ☎ Jarankhu    | ☎ Thimi     |
| ☎ Taukhel        | ☎ Sundarbasti        |             |               |                 |               |             |

## Gandaki Province

- |             |            |               |           |           |          |            |
|-------------|------------|---------------|-----------|-----------|----------|------------|
| ☎ Amarsingh | ☎ Baglung  | ☎ Beshishahar | ☎ Biruwa  | ☎ Damauli | ☎ Gorkha | ☎ Kawasoti |
| ☎ Kushma    | ☎ Lekhnath | ☎ Pokhara     | ☎ Syangja | ☎ Birauta |          |            |

## Lumbini Province

- |                 |              |           |              |                |             |            |
|-----------------|--------------|-----------|--------------|----------------|-------------|------------|
| ☎ Basgadhi      | ☎ Bhairahawa | ☎ Butwal  | ☎ Chandrauta | ☎ Gulariya     | ☎ Ghorahi   | ☎ Kohalpur |
| ☎ Krishna Nagar | ☎ Lamahi     | ☎ Lumbini | ☎ Nepalgunj  | ☎ Sandhikharka | ☎ Taulihawa | ☎ Tulsipur |
| ☎ Yogikuti      | ☎ Khairani   | ☎ Murgiya | ☎ Jeetpur    | ☎ Manigram     | ☎ Parasi    | ☎ Rajapur  |

## Karnali Province

- |         |           |
|---------|-----------|
| ☎ Rukum | ☎ Surkhet |
|---------|-----------|

## Sudur Pashchim Province

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

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