

(नेपाल राष्ट्र बैंकबाट "क" वर्गको इजाजत प्राप्त संस्था) रजिस्टर्ड (केन्द्रीय कार्यालय): काठमाडौँ जिल्ला, का.म.न.पा. वडा नं. २२, धर्मपथ पोस्ट बक्स नं. ३६, फोन नं. ४२२२३९७/४२३९८८८, पयाक्स नं. ४२२०४१४ Email: info@nepalbank.com.np, URL: www.nepalbank.com.np

नेपाल बैंक लिमिटेडको ६१औं साधारण सभा सम्बन्धी सूचना

प्रथम पटक प्रकाशित मिति : २०७८।०८।१०

यस बैंकको सञ्चालक समितिको मिति २०७८/०८/०९ गते बिहीबार बसेको अठारौँ बैठकको निर्णयानुसार देहायका विषयहरूमा छलफल तथा निर्णय गर्नका लागि निम्न मिति. स्थान र समयमा बैंकको ६२औं वार्षिक साधारण सभा बस्ने भएको हुँदा कम्पनी ऐन २०६३ को दफा ६७ बमोजिम सम्पूर्ण सेयरधनी महानुभावहरूको जानकारी तथा उपस्थितिका लागि अनुरोध गर्दै यो सूचना प्रकाशित गरिएको छ।

साधारण सभा हुने मिति, स्थान र समय

मिति : २०७८ पौष २ गते शक्रबार

ः बैंकको प्रधान कार्यालय, धर्मपथ, काठमाडौँ

समय : बिहान ११:०० बजे

कोभिड-१९ महामारीको जोखिम कायम नै रहेकोले भर्चुअल (ZOOM) माध्यमबाट सभामा सहभागी हुन र आफ्नो सुकाव राख्ने व्यवस्था मिलाइएको हुँदा ZOOM मार्फत सभामा सहभागी हुन सम्पूर्ण सेयरधनी महानुभावहरूलाई अनुरोध छ।

१. छलफलका विषयहरू

- आ.व. २०७७/७८ को सञ्चालक समितिको वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने।
- लेखापरीक्षकको प्रतिवेदन सहितको २०७८ आषाढ मसान्तको वासलात, सोही मितिमा समाप्त आ.व. २०७७/७८ को नाफा/नोक्सान हिसाब तथा नगद प्रवाह विवरण र सोही अवधिको वित्तीय विवरणसँग सम्बन्धित अनुसूचीहरू छलफल गरी पारित गर्ने।
- ३. सञ्चालक समितिबाट प्रस्तावित हालको चुक्ता पुँजी रु.१२,६३,६७,५८,६२४/- को ३ (तीन) प्रतिशतका दरले हुन आउने रु.३७,९१,०२,७५८/७२ (अक्षरूपी सैंतीस करोड एकानब्बे लाख दुई हजार सात सय अन्ठाउन्न रूपैयाँ र बहत्तर पैसा मात्र) नगद लाभांश (लाभांश कर समेत) वितरण गर्न स्वीकृति प्रदान गर्ने ।
- ४. कम्पनी ऐन, २०६३ को दफा १९१ अनुसार आ.व. २०७८/७९ का लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने।

ख. विशेष प्रस्तावहरू :

- सञ्चालक समितिबाट प्रस्तावित हालको चुक्ता पुँजी रु.१२,६३,६७,५८,६२४/- को १४ (चौध) प्रतिशतका दरले हुन आउने रु.१,७६,९१,४६,२०७/३६ (अक्षरूपी एक अर्ब छयहत्तर करोड एकानब्बे लाख छयालीस हजार दुई सय सात रूपैयाँ र छत्तीस पैसा मात्र) रकम बराबरको बोनस सेयर वितरण गर्न स्वीकृति प्रदान गर्ने र बोनस सेयर वितरणबाट बैंकको साबिक जारी तथा चुक्ता पुँजीमा वृद्धि गरी रु.१४,४०,५९,०४,८३१/३० (अक्षरूपी चौध अर्ब चालीस करोड उनन्साठी लाख चार हजार आठ सय एकतीस रूपैयाँ र तीस पैसा मात्र) कायम गर्ने र सोही बमोजिम प्रबन्धपत्र तथा नियमावलीको सम्बन्धित दफामा संशोधन गर्ने ।
- बैंकको प्रबन्धपत्र/नियमावलीको प्रस्तावित संशोधनमा नियमनकारी निकायहरूबाट कुनै फेरबदलको सुभाव प्राप्त भएमा सो बमोजिम आवश्यक फेरबदल गर्न सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने ।

सञ्चालक समितिको आज्ञाले केशव प्रसाद भण्डारी कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी

- वार्षिक साधारण सभा प्रयोजनको निमित्त मिति २०७८/०८/२१ गते सेयरधनी दर्ता पुस्तिका (Book Close) बन्द रहनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०७८/०८/२० गतेसम्म कारोबार भई नियमानुसार सेयर नामसारी भएका सेयरधनीहरूले मात्र साधारण सभामा सहभागी हुन तथा आ.व. २०७७/७८ को लाभांश पाउन योग्य हुनेछन्।
- २. भर्चुअल (ZOOM) माध्यमबाट सहभागी हुन/सुभाव राख्न इच्छुक सेयरधनी महानुभावहरूले यस बैंकको वेबसाइटमा साधारण सभाको सूचनासँगै राखिएको पोर्टल/लिङ्कमा गई आफ्नो विवरण दर्ता गराउनुहुन वा 62agm@nbl.com.np मा इमेल गरी वा ०१-४२२३७१ मा सम्पर्क गरी सभा हुनुभन्दा ४८ घण्टा अगावै आफ्नो विवरण टिपाउनुहुन अनुरोध छ । यसरी विवरण दर्ता/टिपाउनुहुने सेयरधनीहरूलाई Meeting ID/Passcode उपलब्ध गराई सभामा सहभागी हुने
- ३. सभामा भाग लिन इच्छुक सेयरधनी महानुभावहरूले सेयर प्रमाणपत्र वा हितग्राही (DMAT) खाता खोलिएको प्रमाण/हितग्राही खाता नं./सेयर कित्ता सङ्ख्या तथा फोटो सहितको कुनै परिचयपत्र अनिवार्य रूपमा साथमा लिई सहभागी हुनुपर्नेछ ।
- ४. सभा सुरु हुनुभन्दा १ घण्टा अगाडिबाट भर्चुअल माध्यम (ZOOM) खुल्ला गरिनेछ । उक्त १ घण्टाको समयभित्र सभामा सहभागी सेयरधनीहरूले दिइएको Meeting ID/Passcode को माध्यमबाट Zoom Login गरी आफ्नो नाम, डिम्याट खाता नं. र सेयर कित्ता सङ्ख्या सहित उपस्थितिको जानकारी सभालाई दिनुपर्नेछ । सेयरधनी महानुभावहरूले Chat Box बाट समेत आफ्नो नाम, डिम्याट खाता नं. र सेयर कित्ता सहितको जानकारी गराई उपस्थिति यकिन गराउन सक्नुहुनेछ।
- सभामा भाग लिनका लागि आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने सेयरधनीहरूले आफ्नो सम्पूर्ण सेयरको एउटै प्रतिनिधि हुने गरी प्रचलित कम्पनी कानुनले तोकेको ढाँचामा प्रतिनिधि पत्र (प्रोक्सी) फाराम भरी सभा सुरु हुनुभन्दा कम्तीमा ७२ घण्टा अगावै बिहान ११ बजेभित्र बैंकको सेयर रजिस्ट्रारको कार्यालय श्री सिभिल क्यापिटल मार्केट लिमिटेड, सिटिसी मल, सुन्धारा काठमाडौँमा दर्ता गरिसक्नुपर्नेछ । प्रोक्सी नियुक्त गर्दा बैंकका सेयरधनीहरूलाई मात्र प्रोक्सी नियुक्त गर्न सिकनेछ। एकभन्दा बढी व्यक्तिलाई सेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्टयाएर दिइएको प्रोक्सी बदर हुनेछ।
- सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गरिसकेपछि प्रतिनिधि फेरबदल गर्न चाहेमा यस अघि दिएको प्रतिनिधि (प्रोक्सी) बदर गरी यो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिइयोस् भन्ने छुट्टै पत्र सहित प्रोक्सी फाराम सभा सुरु हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बिहान ११ बजेभित्र बैंकको सेयर रजिस्ट्रार श्री सिभिल क्यापिटल मार्केट लिमिटेडमा प्राप्त हुने गरी दर्ता गराएको अवस्थामा अघिल्लो प्रतिनिधिलाई स्वतः बदर भएको मानी पछिल्लो प्रतिनिधिलाई मान्यता दिइनेछ । प्रतिनिधि नियुक्त गरिसकेको सेयरधनी स्वयम् सभामा सहभागी भएमा निजले दिएको प्रतिनिधि स्वतः बदर हुनेछ।
- ७. संयुक्त रूपमा सेयर ग्रहण गर्ने सेयरधनीहरूको हकमा सेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति वा सर्वसम्मत नियुक्त प्रतिनिधिले मात्र सभामा भाग लिन पाउनेछन्।
- ८. नाबालक तथा मानसिक सन्तुलन ठीक नरहेको सेयरधनीको तर्फबाट सेयर लगत दर्ता किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन तथा प्रतिनिधि नियुक्त गर्न सक्नेछन्।
- ९. सङ्गठित संस्थाका सेयरधनी भएमा त्यस्तो संगठित संस्थाको तर्फबाट बैंकको साधारण सभामा उपस्थित हुनका लागि मनोनित व्यक्तिले सेयरधनी संस्थाको आधिकारिक पत्रका साथ प्रोक्सी फाराममा संस्थाको छाप र आधिकारिक व्यक्तिको दस्तखत भएको कागजात पेस गर्नुपर्नेछ।
- १०. दफा ५ र ६ को उल्लेखित दिन कुनै सार्वजानिक बिदा पर्न गएमा पनि सो दफामा उल्लेखित प्रयोजनका लागि कार्यालय कक्ष खुला रहनेछ।
- ११. सेयरधनी महानुभावहरूको जानकारीका लागि बैंकको संक्षिप्त आर्थिक विवरण यसै सूचना साथ प्रकाशित गरिएको छ। साथै, वार्षिक साधारण सभामा प्रस्तुत छलफलका विषयहरू रहेको लेखापरीक्षणको प्रतिवेदन सहितको वार्षिक प्रतिवेदन बैंकको वेबसाइटमा पनि प्रकाशित गरिनेछ।
- १२. साधारण सभा सम्बन्धमा थप जानकारी आवश्यक परेमा कार्यालय समयभित्र बैंकको केन्द्रीय कार्यालय, सञ्चालक समिति सचिवालयमा सम्पर्क राख्न समेत अनुरोध गरिन्छ

नेपाल बैंक लिमिटेडको आ.व. १०७७/७८ को संक्षिप्त आर्थिक विवरण

कम्पनी ऐन, २०६३ (पहिलो संशोधन २०७४) को दफा ८४(४) प्रयोजनको निमित्त प्रकाशित विवरण

(संक्षिप्त आर्थिक विवरण बैंकको वार्षिक आर्थिक विवरण र सञ्चालकको प्रतिवेदनको

संक्षिप्त विवरणको रूपमा रहेको छ।)

सेयरधनी महानुभावहरू

नेपाल बैंक लिमिटेडको ६२औँ वार्षिक साधारण सभाको प्रयोजनार्थ आ.व. २०७७/७८ को बैंकको बासलात, नाफा/नोक्सान हिसाब, अन्य विस्तृत आम्दानीको नगद प्रवाह विवरण लगायत बैंकको समग्र कारोबारको सिंहावलोकन निम्नानुसार रहेको व्यहोरा यस संक्षिप्त वार्षिक आर्थिक विवरण मार्फत जानकारी गराउँदछौँ।

क) विगत वर्षको बैंकको कारोबारको सिंहावलोकन

आ.व. २०७६/७७ मा सेयरधनीहरूलाई सेयर प्रिमियमबाट १२ प्रतिशतका दरले बोनस सेयर वितरण गरिएसँगै आ.व. २०७७/७८ को अन्त्यमा बैंकको चुक्ता पुँजीमा १२ प्रतिशतले वृद्धि भई रु.१२ अर्ब ६३ करोड ६८ लाख कायम भएको छ भने सोही रकमले समीक्षा वर्षमा सेयर प्रिमियममा ह्रास

आ.व. २०७६/७७ मा रु.३ अर्ब १० करोड २७ लाख रहेको सञ्चित मुनाफाबाट रु.४५ करोड १३ लाख नगद लाभांश वितरण गरिएको र गत वर्षको सञ्चित Actural Loss बाट रु.२ अर्ब २१ करोड ३४ लाख समायोजन गरिएकोमा समीक्षा वर्षमा सेयर बिक्रीबाट रु.१० करोड ४८ लाख र वितरण योग्य मुनाफा रु.३ अर्ब १८ करोड ९५ लाख जम्मा हुन गई आ.व. २०७७/७८ को अन्त्यमा सञ्चित मुनाफा रु.३ अर्ब ७३ करोड २४ लाख कायम भएको छ । गत आ.व.को तुलनामा समीक्षा वर्षमा जगेडा तथा कोषहरू १८.४७ प्रतिशतले वृद्धि भएको छ ।

२०७८ को सुरुवातसँगै फैलिएको कोभिड-१९ को दोस्रो लहरका बाबजुद आ.व. २०७७/७८ मा बैंकको समग्र कर्जामा ३२.८९ प्रतिशतको बढोत्तरी हासिल भएको छ । समीक्षा अवधिमा बैंकको कुल निक्षेप गत आर्थिक वर्षको तुलनामा १४.४३ प्रतिशतले वृद्धि भई रु.१ खर्ब ६३ अर्ब ६२ करोड २५ लाख रूपैयाँ पुगेको छ । आ.व. २०७७/७८ मा बैंकको लगानीमा ७.९४ प्रतिशतले ह्रास आई रु.३० अर्ब ९३ लाख कायम भएको छ। नेपाल सरकारको ट्रेजरी बिल, बचत पत्र तथा विकास ऋणपत्र जस्ता प्रत्याभृतिहरू परिपक्व हुन गएकोले लगानीमा कमी आउन गएको हो।

आ.व. २०७६/७७ मा १७.०१ प्रतिशत रहेको बैंकको पुँजीकोषको अनुपात समीक्षा वर्षमा कुल जोखिम भारित सम्पत्तिको ०.२१ बिन्दुले घटेर १६.८० प्रतिशत पुगेको छ भने निष्क्रिय कर्जा ०.४२ बिन्दुले घटेर समीक्षा वर्षमा २.०५ प्रतिशत पुगेको छ।

			(रकम रु. लाखमा)
वासलात	आ.व. २०७७/७८	आ.व.२०७६ / ७७	परिवर्तन
सेयर पुँजी	१,२६,३६८	१,१२,८२८	१२.०० %
सेयर प्रिमियम	४,३१९	१७,८९९	-७५.८७ %
सञ्चित मुनाफा	३७,३२४	३१,०२७	२०.२९ %
जगेडा तथा कोषहरू	१,६४,१४१	१,३८,५५५	१८.४७ %
कर्जा	१४,१९,५९१	१०,६८,२४९	३२.८९ %
निक्षेप	१६,३६,२२५	१४,२९,८९२	१४.४३ %
लगानी	३,००,०९३	३,२५,९६१	-७.९४ %

आ.व. २०७६/७७ को तुलनामा समीक्षा वर्षमा बैंकको खुद ब्याज आम्दानीमा १४.२७ प्रतिशतले वृद्धि भएको छ। समीक्षा अवधिमा ब्याज आम्दानी ३.१३ प्रतिशतले वृद्धि भएको साथै ब्याज खर्चमा ७.४७ प्रतिशतले ह्रास आएको कारण खुद ब्याज आम्दानीमा उल्लेख्य बढोत्तरी हुन गएको हो । आ.व. २०७६/७७ मा रु.७ अर्ब १७ करोड १९ लाख रहेको बैंकको कुल सञ्चालन आम्दानी समीक्षा वर्षमा १४.१८ प्रतिशतले वृद्धि भई रु.८ अर्ब १८ करोड ९० लाख रहेको छ। आ.व. २०७७/७८ मा बैंकले सञ्चालन मुनाफा रु.४ अर्ब ३४ करोड ७७ लाख आर्जन गरेको छ। जुन अघिल्लो आर्थिक वर्षको तुलनामा ३३.८६ प्रतिशतले बढेको हो। सञ्चालन मुनाफामा उल्लेख्य वृद्धि भएकोले कर्मचारी बोनस व्यवस्था, आयकर अधिको खुद मुनाफा, आयकर व्यवस्थामा समीक्षा अवधिमा बढोत्तरी हासिल हुन गएको हो।

बैंकले आ.व. २०७६/७७ मा रु.२ अर्ब ३३ करोड २९ लाख आयकर पछिको खुद मुनाफा गरेकोमा समीक्षा वर्षमा २६.९३ प्रतिशतले वृद्धि भई रु.२ अर्ब ९६ करोड १२ लाख आयकर पछिको खुद मुनाफा आर्जन गर्न सफल भएको छ। २०७८ को सुरुवातसँगै फैलिएको कोभिड-१९ को दोस्रो लहर साथै महामारीको बारम्बार दोहोरिने प्रवृत्तिले अर्थतन्त्र र बैंकिङ क्षेत्रमा पारेको असर र अनिश्चितताबीच पनि बैंकको आयकर पछिको खुद मुनाफा उल्लेख्य रूपमा बढेको छ ।

नाफा नोक्सान हिसाब	आ.व.२०७७ / ७८	आ.व. २०७६/७७	परिवर्तन
खुद ब्याज आम्दानी	६४,२०४	५६,१८८	१४.२७ %
कुल सञ्चालन आम्दानी	८१,८९०	७१,७१९	የ ሄ.የሪ %
सञ्चालन मुनाफा	४३,४७७	३२,४७९	३३.८६ %
कर्मचारी बोनस व्यवस्था	२,४०७	१,७८८	३४.६२ %
आयकर अधिको खुद मुनाफा	४५,७२४	३५,७५२	२७.८९ %
आयकर व्यवस्था	१२,७५९	८,२०५	५५.५१ %
आयकर पछिको खुद मुनाफा	२९,६१२	२३,३२९	२९.९३ %

ख) लेखापरीक्षकको मन्तव्य

बैंकको आ.व. २०७७/७८ को वासलात, नाफा-नोक्सानको हिसाब तथा सोही अवधिको एकीकृत नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरूमा लेखापरीक्षकबाट नेपाल राष्ट बैंकद्वारा जारी निर्देशन तथा सर्वमान्य लेखाका सिद्धान्त अनुसार यथार्थ परक रहेको राय सहितको प्रतिवेदन निम्नानुसार रहेको छ।

Kuber N. Bhattarai & Co. J.N. Upadhyay & Co.

Chartered Accountants

Independent Auditor's Report

The Shareholders of Nepal Bank Limited

Report on the Audit of the Financial Statements

We have audited the financial statements of Nepal Bank Limited (the "Bank"), which comprise the statement of financial position as at Ashadh 31, 2078 (July 15, 2021), and the 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 notes to the financial statements, including a summary of significant accounting

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Bank as at Ashadh 31, 2078 (15 July 2021), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Bank in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

Emphasis of matter

We draw attention to following matters as reflected in Notes to the financial statements. Our opinion is not modified in respect of these matters.

- As included in Note 4.16 Other Assets of financial statements total net unreconciled inter-branch balance is NPR 1,556.85 million as on Ashadh 31, 2078.
- The bank has not obtained confirmation in respect of long pending receivables of government transactions of NPR 1,008.78 million and TU Pension reimbursable of NPR 323.66 million outstanding as on Ashadh 31, 2078. Same is included in Note 4.16 of financial statements
- Remittance payable is net of NPR 5.09 million which has been included in Other Assets under Note 4.16 and Other Liabilities under note 4.23. Adequate details in respect of such amount are not available
- As disclosed in Statement of Changes in Equity of financial statements, retained earnings includes special reserve of NPR 1,197.87 million restricted by Nepal Rastra Bank for distribution as dividend to shareholders as well as bonus to employees.

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. N Key Audit Matters Interest Recognition

The interest income of the bank has to be recognized on accrual basis and following the Interest Income Recognition Guidelines 2019 issued by NRB. Though accrual basis of income recognition is prescribed in general, the guidelines require suspension of interest recognition on accrual basis for loans and advances with overdue of more than 12 months whereas for loans and advances with overdue interest/installment for 3 to 12 months, interest recognition on accrual basis is limited on the basis of result of collateral testing as specified. Given the lack of system capability to suspend recognition of income on the basis of overdue status of loan and fair value of collatera as well as review of fair valuation of collateral or regular basis, manual intervention will be required in interest recognition process and hence create risk of improper application of the guidelines and determination of the Fair Value of the collateral. This may, in turn, have effect on recognition of income the bank. Thus, we have

considered it as key audit matter. Investment Valuation, Identification, and

Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NFRS 9

Auditor's Response Our audit approach regarding verification of process of interest recognition included

- a. Obtaining clear understanding of the process of accrual of interest income on loans and
- the latest available engineer's valuation of the collateral and have test checked the hair cut in fair value of collateral as per NRB Income Recognition guidelines 2019

Test check of the interest income booking with

Our audit approach regarding verification of process of investment valuation, identification

Review of the investment of the bank and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and NRB Directive 4 read with 8.

and impairment included:

and NRB Directive no. 8. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other

Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.

- We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the available evidence/circums and ensured that classification of investment is commensurate with nature of cash flow and intention of holding
- For the investment valuation that are done a amortized cost, we checked the EIR and amortization schedule on test basis
- d. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 15.07.2021 and for the unquoted investment, fair valuation has been done based on the book value derived from the latest available financial statements of the investee entity.
- Impairment of Loans and Advances As per NRB Directive 4, bank shall measure impairment loss on loans and advances at the
 - Amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provisioning
- Amount determined as per para 63 of NAS 39 adopting Incurred Loss Model
- As per the norms prescribed by NRB, provision at

Key Audit Matters prescribed rate should be created on loans and advances based on overdue status of loans and advances as well as utilization status of the facility,

status of security, borrower's whereabouts etc.

As per NAS 39 read with NFRS 9, impairment of loans and advances should be made on individual impairment basis for loans and advances that are individually significant and collective impairment basis for homogeneous groups of loans that are no considered individually significant.

On individual impairment, amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. Under collective impairment, loss is determined after taking into account the Historical Loss Experience in portfolios of similar credit risk and Management's experienced judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is like to be greater or less than that suggested by historical

Given the fact that impairment of loans and advances under incurred loss model require assessment of future cash flows as well as historical loss experiences of portfolios. Further, impairment of loans and advances under NRB norms for loan loss provisioning will require assessment of overdue status of loans and advances and proper utilization of loan for intended purpose. Hence, assessment of availability and accuracy of required data for impairment of loans and advances under incurred loss model as well as NRB provisioning norms regarded as key audit matters.

Information Technology General Controls IT controls with respect to recording of transactions, generating various reports in compliance with NRB guidelines and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems

We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders and regulators

Our audit approach regarding verification o impairment of loans and advances included:

Review of the overdue status of loans and advances by obtaining data from the system and matched the same with the NRB 2.2

Sample credit files were reviewed, among other things, from the perspective utilization of loans and advances for intended purpose by way of scrutiny of financial statements, account movement, account

Auditor's Response

- Expected future cash flows from the individually significant loans and advances with indication of impairment are assessed on the basis of realizable value of collateral securities based on management estimate
- Grouping of homogeneous group of loans was assessed on the basis of nature and purpose of loans and data of historical loss experience in portfolios are assessed on the basis of past due data from the system as well as data of loan loss provisions of the defined group in the past.

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

Understanding the coding system adopted b the bank for various categories of customers

Understanding the feeding of the data in the

- system and going through the extraction of the financial information and statements from the IT system existing in the bank Checking of the user requirements for any changes in the regulations/ policy of the bank
- Reviewed the reports generated by the system on sample basis. We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS or the
- We relied on the IT' audit conducted by th We verified the provisioning of the loan and advances based on ageing on the test check

Considering the Supreme Court verdict, NPR 102,457,179.39 is the amount of potential impact of incremental pension that may need to be paid to retired employees, out of which provision of NPR 9,896,596.78 only has been made by the bank considering opportunity cost of the bank on pension paid in

As per Section 56 (3) of Income Tax Act 2058, if any entity distributes dividends except from profits, the amount of such dividends shall be included in computing the income of the entity. Inland Revenue Department has also issued circular to this effect dated 2078/01/21. Further the Annual Report of the Office of Auditor General 2078 specifically mentions that corporate tax should be paid by the bank in case Bonus share is issued out of the share premium. However, the bank has utilized Share Premium amounting to NPR 1,353,938,400 to issue bonus share during the FY 2077-78 without considering corporate tax as mentioned

Information Other than Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we will not ext form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibility of Management and Those Charged with Governance for the Financial

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

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

Those charged with Governance are responsible for overseeing the Bank's financial reporting process Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in cordance with NSAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to frauc or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimate and related disclosures made by the management,
- Conclude on the appropriateness of the 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' 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 repor However, future events or conditions may cause the Bank to cease to continue as a going concern

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 interna control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevan 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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected

Report on requirements of Banks and Financial Institutions Act, 2073 and Company Act,

We have obtained satisfactory information and explanations asked for, which to the best of our knowledg and belief were necessary for the purpose of our audit; the returns received from the branch offices of the bank, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements including the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows, notes to the financia statements including a summary of significant accounting policies have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Bank; and the accounts and records of the Bank are properly maintained in accordance with the prevailing laws

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the loans have been written off as specified; the business of the Bank was conducted satisfactorily, and the Bank's transactions were found to be within the scope of its authority. We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Bank has acted contrary to the provisions of law or caused loss or damage to the Bank or committed any misappropriation of the funds of Bank

CA. Jagannath Upadhyay J.N. Upadhyay & Co.

Managing Partner S.A.R. Associates

Place: Kathmandu, Nepal Date: Kartik 07, 2078 (October 24, 2021)

UDIN: 211025CA00037U87qX UDIN: 211025CA001140n1V2

UDIN: 211025CA001097ffev

Statement of Financial Position

4s	at	31st	Ashad	2078	(15	July	2021)	

As at 31st Ashad 2	070 (1		Figures in NPR
		As at	As at
	Note	31st Ashad 2078	31st Ashad 2077
ASSETS		518t Ashau 2076	51st Ashau 2077
Cash and cash equivalents	4.1	6,528,388,522	4,971,642,414
Due from Nepal Rastra Bank	4.2	6,803,871,032	6,125,276,757
Placement with Bank and Financial	4.3	4,319,424,975	6,117,450,000
Institutions	4.3	4,319,424,973	0,117,430,000
Derivative Financial Instruments	4.4	8,516,607,098	6,590,488,467
Other Trading Assets	4.5	101,204,596	0,570,400,407
Loans and advances to B/FIs	4.6	6,538,592,437	3,521,188,673
Loans and advances to customers	4.7	135,420,466,422	103,303,752,458
Investment securities	4.8	30,009,312,731	32,596,093,012
Current tax assets	4.9	1,642,235,420	1,580,923,496
Investment in subsidiaries	4.10	1,042,233,420	1,300,723,470
Investment in associates	4.11		
Investment property	4.12	111,028,379	103,105,851
Property and Equipment	4.13	12,240,078,095	12,008,022,975
Goodwill and Intangible assets	4.14	45,836,534	39,450,687
Deferred Tax Assets	4.15	75,050,557	37,430,007
Other assets	4.16	10,368,431,136	14,205,422,036
Total Assets	7.10	222,645,477,378	191,162,816,826
100011133003		Asat	Asat
	Note	31stAshad2078	31stAshad2077
Liabilities			
Due to Bank and Financial Institutions	4 17		
Due to bank and rmancial institutions	4.17	809,125,108	1,458,866,152
Due to Nepal Ratsra Bank	4.17	809,125,108 6,062,640,951	1,458,866,152 23,920,613
Due to Nepal Ratsra Bank	4.18	6,062,640,951	23,920,613
Due to Nepal Ratsra Bank Derivative Financial Instrument	4.18 4.19	6,062,640,951 8,474,686,154	23,920,613 6,473,080,003
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers	4.18 4.19 4.20	6,062,640,951 8,474,686,154	23,920,613 6,473,080,003 141,530,380,569
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings	4.18 4.19 4.20 4.21	6,062,640,951 8,474,686,154	23,920,613 6,473,080,003 141,530,380,569
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities	4.18 4.19 4.20 4.21 4.9	6,062,640,951 8,474,686,154 162,813,383,867	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions	4.18 4.19 4.20 4.21 4.9 4.22	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities	4.18 4.19 4.20 4.21 4.9 4.22 4.15	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - - 161,131,825,289
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - - 161,131,825,289 11,282,820,200
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358 12,636,758,600 431,883,262	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - - 161,131,825,289 11,282,820,200 1,789,915,042
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium Retained Earnings	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358 12,636,758,600 431,883,262 3,732,371,500	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - - 161,131,825,289 11,282,820,200 1,789,915,042 3,102,720,519
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium Retained Earnings Reserves Total equity attributable to equity holders	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358 12,636,758,600 431,883,262 3,732,371,500 16,414,132,658	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - - 161,131,825,289 11,282,820,200 1,789,915,042 3,102,720,519 13,855,535,776
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium Retained Earnings Reserves Total equity attributable to equity	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358 12,636,758,600 431,883,262 3,732,371,500 16,414,132,658	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - - 161,131,825,289 11,282,820,200 1,789,915,042 3,102,720,519 13,855,535,776
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium Retained Earnings Reserves Total equity attributable to equity holders Non-controlling interest	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 - 80,221,924 4,435,213,927 3,261,141,415 3,493,918,012 - 189,430,331,358 12,636,758,600 431,883,262 3,732,371,500 16,414,132,658	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - 161,131,825,289 11,282,820,200 1,789,915,042 3,102,720,519 13,855,535,776 30,030,991,537
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium Retained Earnings Reserves Total equity attributable to equity holders Non-controlling interest Total Equity Total Liabilities and Equity	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - 161,131,825,289 11,282,820,200 1,789,915,042 3,102,720,519 13,855,535,776 30,030,991,537 191,162,816,826
Due to Nepal Ratsra Bank Derivative Financial Instrument Deposits from customers Borrowings Current Tax Liabilities Provisions Deferred Tax Liabilities Other liabilities Debt securities issued Subordinated Liabilities Total liabilities Equity Share Capital Share Premium Retained Earnings Reserves Total equity attributable to equity holders Non-controlling interest	4.18 4.19 4.20 4.21 4.9 4.22 4.15 4.23 4.24 4.25	6,062,640,951 8,474,686,154 162,813,383,867 	23,920,613 6,473,080,003 141,530,380,569 1,000,000,000 - 56,838,989 3,825,757,799 6,762,981,164 - 161,131,825,289 11,282,820,200 1,789,915,042 3,102,720,519 13,855,535,776 30,030,991,537

Statement of Profit or Loss

for the year ended 31st Ashad 2078 (15 July 2021)

			Figures in NPR
	Note	Year ended	Year ended
	Note	31st Ashad 2078	31st Ashad 2077
Interest income	4.29	11,887,166,103	11,526,842,041
Interest expense	4.30	5,466,724,497	5,908,023,000
Net interest income		6,420,441,606	5,618,819,041
Fees and commission income	4.31	953,775,889	790,344,870
Fees and commission expense	4.32	67,347,585	43,956,719
Net fee and commission income		886,428,304	746,388,151
Net interest, fee and commission income		7,306,869,910	6,365,207,192

Balance at 31st Asadh 2078

4.33	456,853,535	412,559,037
4.34	425,275,510	394,114,547
	8,188,998,955	7,171,880,776
4.35	497,621,720	879,633,846
	7,691,377,235	6,292,246,929
4.36	2,353,459,424	2,224,846,358
4.37	813,078,311	668,677,567
4.38	177,178,920	150,802,269
	4,347,660,580	3,247,920,735
4.39	224,759,097	327,252,050
4.40	-	-
	4,572,419,677	3,575,172,784
4.41		
	1,275,935,929	820,472,225
	335,253,419	421,812,018
	2,961,230,329	2,332,888,541
	2,961,230,329	2,332,888,541
	-	-
	2,961,230,329	2,332,888,541
	23.43	20.68
	23.43	20.68
	4.34 4.35 4.36 4.37 4.38 4.39 4.40	4.34 425,275,510 8,188,998,955 4.35 497,621,720 7,691,377,235 4.36 2,353,459,424 4.37 813,078,311 4.38 177,178,920 4,347,660,580 4.39 224,759,097 4.40 4,572,419,677 4.41 1,275,935,929 335,253,419 2,961,230,329 2,961,230,329 2,961,230,329 23.43

Statement of Other Comprehensive Income

for the year ended 31st Ashad 2078 (15 July 2021) Figures in NPR

			X7 1 1	X7 1 1
		Note	Year ended	Year ended
			31st Ashad 2078	31st Ashad 2077
	for the year		2,961,230,329	2,332,888,541
Other	Comprehensive Income, net of income tax			
a	Items that will not be reclassified to			
	Profit or Loss			
	Gains / (Losses) from investment in		(62,308,064)	305,618,333
	equity instruments measured at fair value			
	Gains / (Losses) on revaluation			
	Actuarial Gains / (Losses) on defined		1,088,636,594	(1,129,034,043
	benefit plans			
	Income tax relating to above items		(307,898,559)	247,024,713
Net of	ther Comprehensive Income that will not		718,429,972	(576,390,997)
be rec	classified to Profit or Loss			
b	Items that are or may be reclassified to			
	Profit or Loss			
	Gains (Losses) on cash flow hedge		-	
	Exchange gains (Losses) arising from		-	
	translationg financial assets of foreign			
	operation			
	Income tax relating to above items		-	
	Reclassify to Profit or Loss		-	
Net of	ther Comprehensive Income that are or		-	
may b	e reclassified to Profit or Loss			
c	Share of other comprehensive income of		-	
	associate accounted as per equited method			
Other	Comprehensive income for the year, net		718,429,972	(576,390,997
	ome tax			
Total	Comprehensive income for the year		3,679,660,301	1,756,497,54
Total	Comprehensive income attributable to:			
	Equity shareholder of the bank		3,679,660,301	1,756,497,544
	Non controlling interest		-	
Total	Comprehensive income for the period		3,679,660,301	1,756,497,54
	* *			

Statement of Cash Flows

for the year ended 31st Ashad 2078 (15 July 2021) Figures in NPR

		rigures in NFK
Particulars	Year ended	Year ended
raruculars	31st Ashad 2078	31st Ashad 2077
CASH FLOWS FROM OPERATING		
ACTIVITIES		
Interest received	12,267,531,912	11,088,645,412
Fees and other income received	950,260,402	790,344,870
Dividend received		
Receipts from other operating activities	928,692,591	1,025,418,501
Interest paid	(5,466,664,456)	(5,908,023,000)
Commission and fees paid	(62,004,934)	(43,956,719)
Cash payment to employees	(1,805,605,036)	(2,224,846,358)
Other expense paid	(1,288,608,636)	(1,548,311,414)
Operating cash flows before changes in		
operating assets and liabilities	5,523,601,842	3,179,271,292

Due from Nepal Rastra Bank	(678,594,275)	
Placement with Bank and Financial Institutions	1,798,025,025	(689,775,000
Other trading assets	(101,204,596)	
Loans and advances to bank and financial		
institutions	(3,017,403,764)	(217,908,424
Loans and advances to customers	(33,033,408,735)	(10,443,918,569
Other assets	2,045,269,212	(414,901,592
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(649,741,044)	384,368,77
Due to Nepal Rastra Bank	6,038,720,339	(17,922,673
Deposit from customers	21,283,003,298	24,329,591,63
Borrowings	(1,000,000,000)	50,000,00
Other liabilities	(330,774,130)	(7,152,343,237
Net cash flow from operating activities before		
tax paid	(2,122,506,828)	13,059,506,57
Income taxes paid	(1,337,247,853)	(1,409,896,655
Net cash flow from operating activities	(3,459,754,682)	11,649,609,92
CASH FLOW FROM INVESTING		
ACTIVITIES		
Purchase of investment securities		(15,864,741,509
Receipts from sale of investment securities	2,361,078,611	
Purchase of property and equipment	(367,357,168)	(328,947,417
Receipt from the sale of property and equipment	2,897,567	11,190,18
Acquisition of intangible assets	(21,253,362)	(26,265,523
Receipt from the sale of intangible assets	-	
Purchase of investment properties	(39,879,899)	10,200,76
Receipt from the sale of investment properties	89,497,864	75,377,80
Interest received		
Dividend received	22,707,451	33,091,59
Net cash used in investing activities	2,047,691,065	(16,090,094,092
CASH FLOWS FROM FINANCING		
ACTIVITIES		
Receipt from issue of debt securities	3,493,918,012	
Repayment of debt securities	, , ,	
Reciepts from issue of subordinated liabilities		
Repayment of subordinated liability		
Receipts from issue of shares		
Dividends paid	(451,312,808)	(981,114,800
Interest paid	, , , ,	
Other recepit/payment	(73,795,480)	(25,727,722
Net cash from financing activities	2,968,809,724	(1,006,842,522
Net increase (decrease) in cash and cash	, , ,	
equivalents	1,556,746,108	(5,447,326,691
Cash and cash equivalents at begining of the period	4,971,642,414	10,418,969,10
Effect of exchange rate fluctuations on cash and	, , ,	, , , , ,
cash equivalents held		
Cash and cash equivalents at the end of the		
period	6,528,388,522	4,971,642,41
Statement of Distribute		

Statement of Distributable profit or loss

For the year ended 31st Ashad 2078

As per NRB Regulation Current Year | Previous Year Particulars Net Profit/(loss) as per Statement of Profit or Loss 2,961,230,329 2,332,888,541 Appropriation (592,246,066) (466,577,708) a. General Reserve b. Foreign Exchange Fluctuation fund c. Capital redemption reserve (29,612,303.29) (23,328,885) d. Corporate social responsibility fund Employees training fund 10,204,448 34,563,387 f. Other 2,349,576,408 1,877,545,335 Profit/(loss) before regulatory adjustment **Regulatory Adjustments:** a. Interest Receivable (-) / previous accrued interest 82,345,803 56,351,413 received(+) b. Short loan loss provision in accounts (-) / reversal (+) c. Short provision for possible losses on investment (-) / reversal (+) 662,415 d. Short provision for possible losses on Non-Banking (5,096,638) 44,569,380 Assets (-) / reversal (+) Deferred Tax Assets recognized (-) / reveral (+) f. Goodwill recognized (-) / Impairment of Goodwill (+) g. Bargain purchase gain recognized (-) / reversal (+) 762,045,616 (790,323,830) h. Actuarial Loss recognized (-) / reversal (+) i. Other (+/-) 3,189,533,604 1,188,142,298 Profit or (Loss) after Regulatory Adjustments Opening Retain Earning 3,102,720,519 2,895,693,022 Cash dividend (451,312,808) (981,114,800) Previous year Accumulated Actural Loss (2,213,418,977) FVR (share sale) 104,849,162 3,732,371,500 3,102,720,519 **Retained Earning**

Retained

(Increase)/Decrease in operating assets Statement of Changes in Equity

431,883,262 5,482,348,025 86,786,914 3,364,868,990 2,129,626,985 7,743,591,321 3,732,371,500 (2,393,089,576) 33,215,146,020

Exchange

12,636,758,600

Figures in NPR

- 33,215,146,020

Balance at 1st Shrawan 2076 9,811,148,000 3,262,810,756 4,423,524,251 86,786,914 1,293,871,418 2,037,933,446 7,743,591,321 Adjusted/Restated balance at 1st Shrawan 2076 Comprehensive income for the year Profit for the year Profit for the year	2,895,693,022 2,332,888,541 2,332,888,541 (1,144,746,244) (981,114,800)	-	2,332,888,541 213,932,833 (790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746		2,332,888,541 213,932,833 (790,323,830 1,756,497,544 (1,155,980,746 1,155,980,746
Adjusted/Restated balance at 1st Shrawan 2076 Comprehensive income for the year	2,332,888,541 (1,144,746,244)	(790,323,830) (790,323,830)	213,932,833 (790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746	- - - - - - - -	213,932,833 (790,323,830 1,756,497,54 (1,155,980,746
Comprehensive income for the year	2,332,888,541 (1,144,746,244)	(790,323,830) (790,323,830)	213,932,833 (790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746	- - - - - - - -	213,932,833 (790,323,830 1,756,497,54 (1,155,980,746
Profit for the year	2,332,888,541 (1,144,746,244)	(790,323,830) (790,323,830)	213,932,833 (790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746	- - - - - - - -	213,932,833 (790,323,830 1,756,497,54 (1,155,980,746
Other comprehensive income, net of tax	2,332,888,541 (1,144,746,244)	(790,323,830) (790,323,830)	213,932,833 (790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746	- - - - - - - -	213,932,833 (790,323,830 1,756,497,54 (1,155,980,746
Gains/(losses) from investment in equity instruments measured at fair value. Gains/(losses) on revaluation Actuarial gains/(losses) on defined benefit plans Gains/(losses) on cash flow hedges Exchange gains/(losses) (arising from translating financial assets of foreign operation) Total Comprehensive income for the year Transfer for reserve during the year Transfer from reserve during the year Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 T	(1,144,746,244)	(790,323,830)	(790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746	-) - -	(790,323,830 1,756,497,54 - (1,155,980,746
fair value. Gains/(losses) on revaluation Actuarial gains/(losses) on defined benefit plans Gains/(losses) on cash flow hedges Exchange gains/(losses) (arising from translating financial assets of foreign operation) Total Comprehensive income for the year Transfer to reserve during the year Transfer from reserve during the year Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions 1,471,672,200 (1,471,672,200) (1,423,514) Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 - 743,591,321 Balance at 1st Shrawan 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(1,144,746,244)	(790,323,830)	(790,323,830) 1,756,497,544 (1,155,980,746) 1,155,980,746	-) - -	(790,323,830 1,756,497,54 - (1,155,980,746
Gains/(losses) on revaluation Actuarial gains/(losses) on defined benefit plans Gains/(losses) on cash flow hedges Exchange gains/(losses) (arising from translating financial assets of foreign operation) Total Comprehensive income for the year 213,932,833	(1,144,746,244)	(790,323,830)	1,756,497,544 (1,155,980,746) 1,155,980,746	- - 1	1,756,497,54 4 (1,155,980,746
Actuarial gains/(losses) on defined benefit plans Gains/(losses) on cash flow hedges Exchange gains/(losses) (arising from translating financial assets of foreign operation) Total Comprehensive income for the year Transfer to reserve during the year Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions 1,471,672,200 (1,471,672,200) Cash dividend paid Other 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Balance at 1st Shrawan 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Other comprehensive income, net of tax	(1,144,746,244)	(790,323,830)	1,756,497,544 (1,155,980,746) 1,155,980,746	- - 1	1,756,497,54 4 (1,155,980,746
Gains/(losses) on cash flow hedges Exchange gains/(losses) (arising from translating financial assets of foreign operation) Total Comprehensive income for the year	(1,144,746,244)	(790,323,830)	1,756,497,544 (1,155,980,746) 1,155,980,746	- - 1	1,756,497,54 4 (1,155,980,746
Exchange gains/(losses) (arising from translating financial assets of foreign operation) Total Comprehensive income for the year Transfer to reserve during the year Transfer from reserve during the year Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions 1,471,672,200 (1,471,672,200) (1,472,895,714) 466,577,708 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037 689,403,037	(1,144,746,244)		(1,155,980,746) 1,155,980,746)	(1,155,980,746
Total Comprehensive income for the year	(1,144,746,244)	_ / / /	(1,155,980,746) 1,155,980,746)	(1,155,980,746
Total Comprehensive income for the year	(1,144,746,244)	_ / / /	(1,155,980,746) 1,155,980,746)	(1,155,980,746
Transfer to reserve during the year Transfer from reserve during the year Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(1,144,746,244)	_ / / /	(1,155,980,746) 1,155,980,746)	(1,155,980,746
Transfer from reserve during the year Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions Balance at 31st Asadh 2077 Balance at 1st Shrawan 2077 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax A66,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 466,577,708 4890,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,90,101,959 48,		(11,234,502)	1,155,980,746		
Deferred tax impact of respective reserve Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 1,789,915,042 1,880,101,959 1,983,274,456 2,251,866,279 7,743,591,321 Total comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(981,114,800)	- - - - - -		5 - - -	1,155,980,74
Transactions directly recognised in equity Share issued Share based payment Dividends to equity holders Bonus shares issued Other Total contributions by and distributions Balance at 31st Asadh 2077 Balance at 1st Shrawan 2077 The statement of the year Other Comprehensive income, net of tax The statement of the year Other Comprehensive income, net of tax The statement of the year The statement of the year of the year The statement of the year of t	(981,114,800)	- - - - -		- - -	
Share issued Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other Total contributions by and distributions Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 1,789,915,042 1,890,101,959 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(981,114,800)	- - - -		- - -	
Share based payment Dividends to equity holders Bonus shares issued Cash dividend paid Other (1,223,514) Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(981,114,800)	- - - -	-	-	
Dividends to equity holders Bonus shares issued 1,471,672,200 (1,471,672,200) Cash dividend paid Other (1,223,514) Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321	(981,114,800)	- - -		-	
Bonus shares issued Cash dividend paid Other (1,223,514) Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Balance at 1st Shrawan 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(981,114,800)	- -			
Cash dividend paid Other (1,223,514) Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Balance at 1st Shrawan 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(981,114,800)	-		-	
Other (1,223,514) 689,403,037 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td></td> <td></td> <td>(981,114,800)</td> <td></td> <td>(981,114,800</td>			(981,114,800)		(981,114,800
Total contributions by and distributions 1,471,672,200 (1,472,895,714) 466,577,708 - 689,403,037 - - - -		-		-	
Balance at 31st Asadh 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Balance at 1st Shrawan 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax		(24,504,208)			(25,727,722
Balance at 1st Shrawan 2077 11,282,820,200 1,789,915,042 4,890,101,959 86,786,914 1,983,274,456 2,251,866,279 7,743,591,321 Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	(2,125,861,044)				(1,006,842,522
Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	3,102,720,519	(3,100,085,152)	30,030,991,537	7 -	30,030,991,53
Comprehensive income for the year Profit for the year Other comprehensive income, net of tax	3,102,720,519	(3,100,085,152)	30,030,991,537	7 -	30,030,991,537
Profit for the year Other comprehensive income, net of tax	- , - , - ,	-		-	
Other comprehensive income, net of tax	2,961,230,329	-	2,961,230,329		2,961,230,329
	, , ,	-		-	
		-	(43,615,645)		(43,615,645
fair value.					
Gains/(losses) on revaluation		-		-	
Actuarial gains/(losses) on defined benefit plans		762,045,616	762,045,616	5	762,045,610
Gains/(losses) on cash flow hedges		-		-	
Exchange gains/(losses) (arising from translating financial assets of		-		-	
foreign operation)					
Total Comprehensive income for the year (43,615,645) -	2,961,230,329	762,045,616	3,679,660,301	ا - ا	3,679,660,301
Transfer to reserve during the year 592,246,066 1,381,594,534	978,796,828	29,612,303	2,982,249,732	2	2,982,249,732
Transfer from reserve during the year (78,623,650)	(2,859,063,369)	(10,866,863)			(2,948,553,882
Deferred tax impact of respective reserve		_	. · · · · · · · · · · ·	-	•
Transactions directly recognised in equity		-	. -	-	
Share issued		-	. -	-	
Share based payment		-	. -	-	
Dividends to equity holders		-	. -	-	
Bonus shares issued 1,353,938,400 (1,353,938,400)		I .	. -	-	
Cash dividend paid		-	1 (451 212 222)	7	(451,312,808
Other (4,093,380)	(451,312,808)	-	(451,312,808)	/	(77,888,860
Total contributions by and distributions 1,353,938,400 (1,358,031,780) 592,246,066 - 1,381,594,534 (78,623,650) -	(451,312,808)	- (73,795,480)			(77,000,000