



BUILDING ENTREPRENEURSHIP DEVELOPMENT

उद्यमशीलता विकासको निर्माण



About the Report



We want to express our sincere thanks to our valued investors for choosing to be a part of our banking family. Your trust means the world to us, and we are fully committed to ensuring that your investment in this Bank flourishes sustainably. With excitement, we are pleased to present our 18th Annual Report, that delves into the Bank's financial position, performance, cash flow and other essential information. Our goal is to equip you with all the insights needed to make informed decisions about your investments. Your partnership is at the heart of our success and we are enthusiastic about the journey ahead. Here's to another year of growth, prosperity and shared accomplishments.

Thank you for being an integral part of our story.



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OUR APPROACH TO REPORTING

This Annual Report presents a holistic assessment of Muktinath Bikas Bank Limited's financial and non-financial performance for FY 2080-81 (2023-24). Our primary goal is to transparently communicate our sustainable banking practices and the underlying value creation model to all our stakeholders. Furthermore, the report seeks to present a well-rounded view of Muktinath, covering aspects such as corporate governance, board and management structures, business policies, management systems, and an unwavering commitment to our valued stakeholders.

FRAMEWORKS, GUIDELINES, AND STANDARDS

The statutory reports presented in this report complies with the requirement of:

- Companies Act, 2063.
- Bank and Financial Institution Act, 2073.
- Nepal Rastra Bank's Unified Directives, 2080 and other directions and circulars issued in this regard.
- Regulations of Securities Exchange Board of Nepal.
- Nepal Financial Reporting Standards issued by Accounting Standards Board, Nepal

REPORTING CYCLE

The information presented in this report pertains to the period from 1st Shrawan 2080 to 31st Asar 2081 (16th July 2023 to 15th July 2024).

REPORTING SCOPE AND BOUNDARY

The non-financial information in this Report covers the activities and progress of the Bank on a standalone basis.

BOARD AND MANAGEMENT ASSURANCE

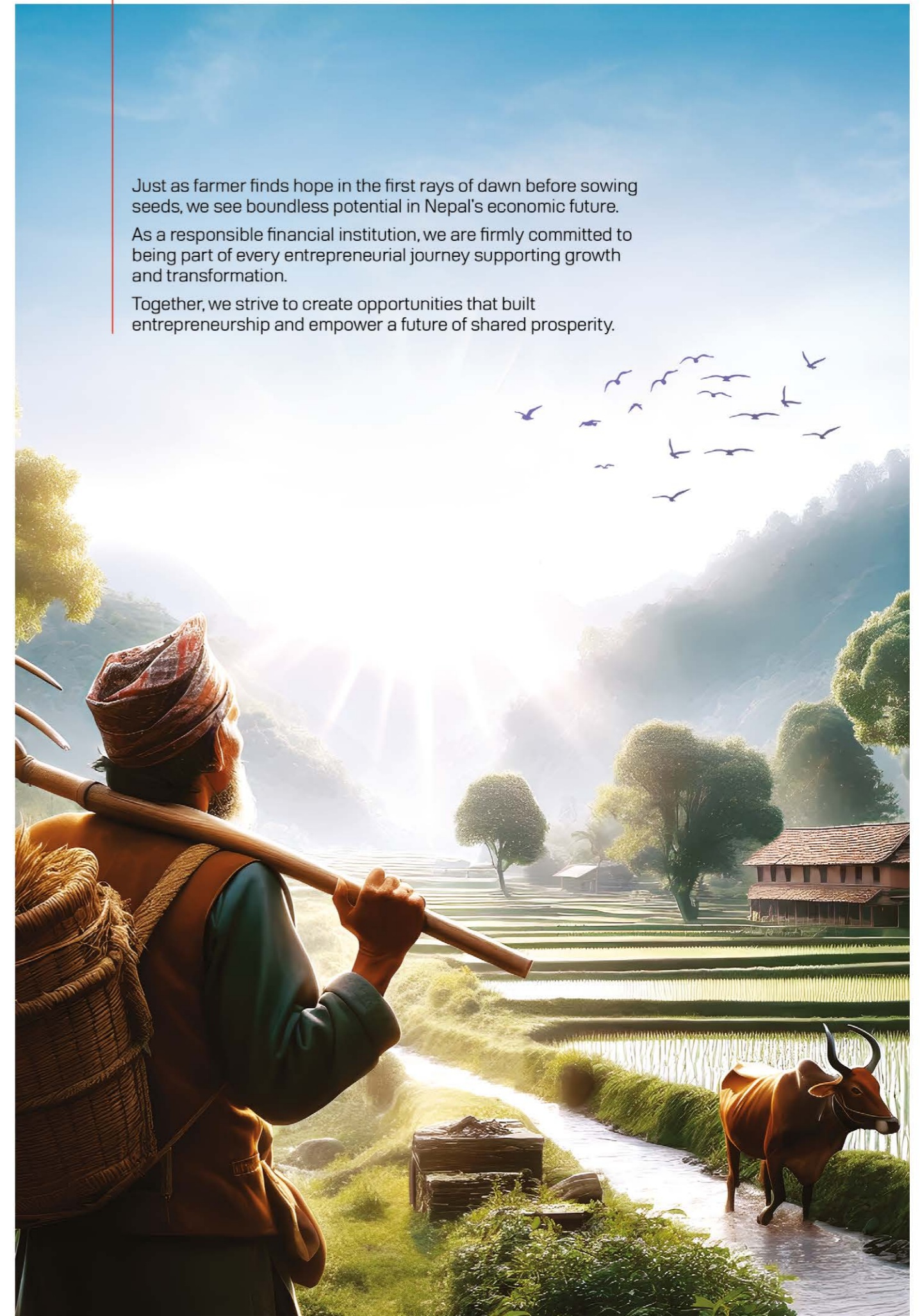
The Board and the management have thoroughly reviewed the report. Both the Board of Directors and the Bank's management recognize their responsibility in safeguarding the integrity of the information contained herein. They are confident, to the best of their knowledge, that this report comprehensively addresses all material issues and faithfully represents the integrated performance of the bank and its impact in a fair and accurate manner.

FORWARD-LOOKING STATEMENT

This document may contain 'forward-looking statements' with respect to the Bank's plans and its goals and expectations relating to future financial condition, performance, results, strategy and objectives. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans which are based on best estimates. These statements are based on plans, estimates and projections as at the time they are made and therefore undue reliance should not be placed on them. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

FEEDBACK

Your valuable feedback is integral to the continuous improvement of our annual report. Please mail us your comments to info@muktinathbank.com.np.



Just as farmer finds hope in the first rays of dawn before sowing seeds, we see boundless potential in Nepal's economic future.

As a responsible financial institution, we are firmly committed to being part of every entrepreneurial journey supporting growth and transformation.

Together, we strive to create opportunities that built entrepreneurship and empower a future of shared prosperity.

What's Inside



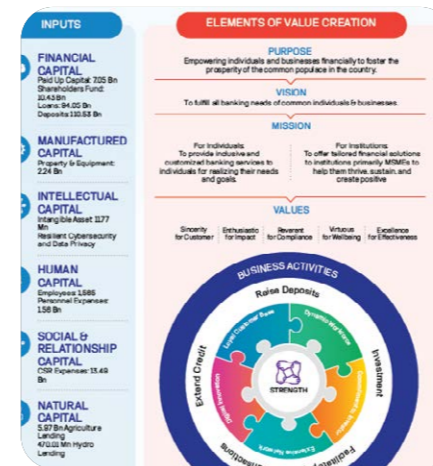
THE WORLD OF MUKTINATH

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About Muktinath

Driven by our purpose of "Empowering individuals and businesses financially to foster the prosperity of the common populace in the country.", we embarked on our journey on January 3, 2007. Starting operations in Putalibazar, Syangja as a 3 District Development Bank licensed by Nepal Rastra Bank. We initially served the Syangja, Kaski and Tanahun districts. With our transition to a National Level Development Bank in July 2015, we have established a strong presence in the Nepalese banking sector by emerging as a leading Development Bank.

Our deep-rooted values for social inclusion through access to finance with core principal of "जनता बैँकमा होइन, बैँक जनतामा जानु पर्दछ" (instead people, Bank should go to the doors of the people), we prioritized establishing branches in rural regions of Nepal with pressing demand for banking services. Our popularity within the local community can be attributed by customer-friendly offerings and our door-to-door services. We introduced Microfinance program, targeted to local MSMEs with dedicated department and people at all levels to support economically disadvantaged yet highly productive individuals with potentials. Pioneering an innovative approach, we are believed to be the first to seamlessly cater to both commercial and

microfinance clients living up our mission of inclusive financial service provider for all the stakeholders' wellbeing. As the expansion into financially viable regions with unwavering approach in assisting communities and customers, we take pride in being acknowledged as a key contributor to the country's socioeconomic development with our involvement in micro and rural financing with value added services and funding initiatives of National importance.

Through our unrelenting pursuit of productive sector exposure, resource mobilization and technological adaptation, we stay dynamic while contributing to the creation of new opportunities. However, amidst this adaptability, we anchor ourselves in enduring principles to earn and uphold trust as our commitment to all our stakeholders. Our steadfast dedication lies in cultivating relationship that yields benefits for all stakeholders, encompassing customers, shareholders, regulators, communities and our own team.

We received international recognition in 2020 AD when we were awarded the esteemed European Microfinance Award 2020 for our dedicated commitment to accomplishing goal of financial inclusion and financial accessibility for rural

communities. We are proud member of Global Alliance for Banking on Values (GABV) and endorses of Principles for Responsible Banking (UNEP Finance Initiatives), and CERISE+SPTF. We received numerous awards and acclaims for our services till date, which has actually humbled our dream for building a socially and ecologically sustainable future.

In line with the broader trend in the banking sector, we have our primary emphasis on six key dimensions of Finance, Operations, Technology, Organization, Business Model and Reputation. There is a recognized

imperative to be thoroughly examined and ensure the relevance of our Business Model, particularly to enhance short-term resilience and foster long-term sustainable growth. Our General Banking provides an extensive array of financial services catering to both the public and institutions. Ranging our service from deposit acceptance, corporate and retail credit, project financing, hire purchase financing, trade financing, personal and corporate banking, and various other supplementary services with primary goal to offer a secure and convenient means for individuals and businesses to oversee and access their funds, facilitating their diverse financial

requirement. Our distinct yet pioneer framework of inclusive financial services, encompassing Micro Banking, Impact (partnership) Banking, and Wholesale Banking with fundamental goal of inclusive banking to facilitate financial intermediation by offering diverse and affordable financial services, ensuring accessibility to people from all walks of life.

Group Structure

Our visionary approach to being a wholistic financial service provider was possible with the establishment of Muktinath Capital Limited within our ecosystem. Muktinath Capital Limited stands as one of the premium investments and merchant bank in Nepal, offering a range of services including

share registrar, issue management, underwriting, depository, portfolio management and advisory services.

Further we are strengthening the link between strategy and sustainability with the establishment of "Muktinath Krishi Company". It is an associate

company of Muktinath Bikas Bank standing as a trailblazer, being the first public agriculture company with objective of managerial role in the complete agricultural value chain through initiatives in "Krishak sanga Muktinath" and "Upabhokta sanga Muktinath" within regulatory framework of the country.

60.26%
OUR HOLDING

Muktinath Capital Limited has been established with objectives of providing merchant banking services in Nepal. The company has obtained merchant banking license from Securities Board of Nepal (SEBON) and also has the license of Depository participant from SEBON and CDS & Clearing Limited.

The company is engaged in the business of Issue management, Underwriting, Portfolio management, Share Registration, Corporate Advisory and Depository Participant.

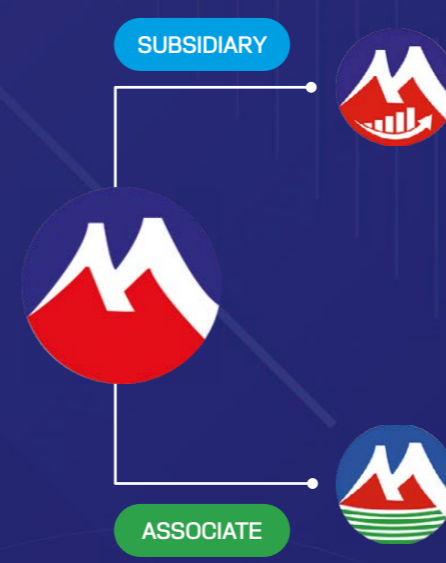
For more information please visit www.muktinathcapital.com

22.22%
OUR HOLDING

Muktinath Krishi Company is a pioneer and the first public agricultural company established with the aim of playing a managerial role in the overall agricultural value chain with the goal of improving Nepal's agricultural economy. The primary objective of the company is to improve agriculture productivity in rural regions by collaborating with local authorities, cooperative societies, agricultural entrepreneurs, and development organizations at the grassroots level.

The company is actively involved in various activities relating to agriculture offering more than 450 products and services required in the field of agricultural production.

For more information please visit www.muktinathkrishi.com





NAME OF THE COMPANY	MUKTINATH BIKAS BANK LIMITED
Legal Form	Public Limited Company registered on Chaitra 22, 2062 (April 4, 2006) Listed with Nepal Stock Exchange
OCR Registration Number	956/062/063
Business Commenced On	Poush 19, 2063 (January 03, 2007)
Central Office	Lazimpat, Kathmandu, Nepal
Telephone	+977-01-5970887 16600149999
Website	www.muktinathbank.com.np
Email	info@muktinathbank.com.np
Chairman	Bharat Raj Dhakal
Chief Executive Officer	Pradyuman Pokharel
Chief Information Officer	Til Bahadur Gurung
Company Secretary Grievance Handling Officer	Dandapani Dhakal
Chief Financial Officer	Sanjiv Poudel
Subsidiary Company	Muktinath Capital Limited Narayanchaur, Naxal, Kathmandu, Nepal
Associate Company	Muktinath Krishi Company Limited Basundhara, Kathmandu, Nepal
Statutory Auditors	A.P. & Associates Chartered Accountants Kupondole, Lalitpur, Nepal
Credit Rating Agency	CARE Ratings Nepal Limited Star Mall, 5th Floor, Putalisadak, Kathmandu, Nepal
Debenture Trustee	Sanima Capital Limited Sama Marga, Narayanchaur, Naxal, Kathmandu, Nepal
No. of Branches	174
No. of Extension Counters	5
No. of ATMs	22

हरेक पाइला, हरेक पल,
बनाउँदै देशलाई डिजिटल!





Vision (दूरदृष्टि)

To fulfill all banking needs of common individuals & businesses.

सर्वसाधारण व्यक्ति र व्यवसायहरूको सबै बैंकिङ्ग आवश्यकताहरू पूरा गर्ने ।



Mission (अभियान)

For Individuals: To provide inclusive and customized banking services to individuals for realizing their needs and goals.

व्यक्तिहरूको लागि : व्यक्तिहरूको आवश्यकता र लक्ष्यहरू पूरा गर्न समावेशी तथा उपयुक्त बैंकिङ्ग सेवाहरू प्रदान गर्ने ।

For Institutions: To offer tailored financial solutions to institutions primarily MSMEs to help them thrive, sustain, and create positive impacts for the nation's economy.

संस्थाहरूका लागि : लघु, साना तथा मझौला उद्यमहरू लक्षित उपयुक्त वित्तीय सेवाहरू प्रदान गरी उद्यम/व्यवसायहरूको विकास र दिगोपना ल्याई राष्ट्रको अर्थतन्त्रमा सकारात्मक प्रभाव पार्ने ।



Purpose (उद्देश्य)

Empowering individuals and businesses financially to foster the prosperity of the common populace in the country.

देशका सर्वसाधारण नागरिकहरूको व्यक्तिगत तथा व्यवसायिक वित्तीय समृद्धि ल्याउने ।



Values (मान्यताहरू)

Sincerity for Customer
(ग्राहक प्रति इमानदार)

Enthusiastic for Impact
(प्रभावको लागि उत्साहीत)

Reverent for Compliance
(अनुपालनाको उच्च कदर)

Virtuous for Wellbeing
कल्याणको लागि गुणकारी

Excellence for Effectiveness
(प्रभावको लागि उत्कृष्ट)

Core Beliefs

Our core beliefs reflect the way we conduct the business, which is as follows

EXCELLENCE

Striving for the highest quality and performance

TEAMWORK

Collaboration and unity in achieving common goals

STEWARDSHIP

Responsible management and care for resources

INTEGRITY

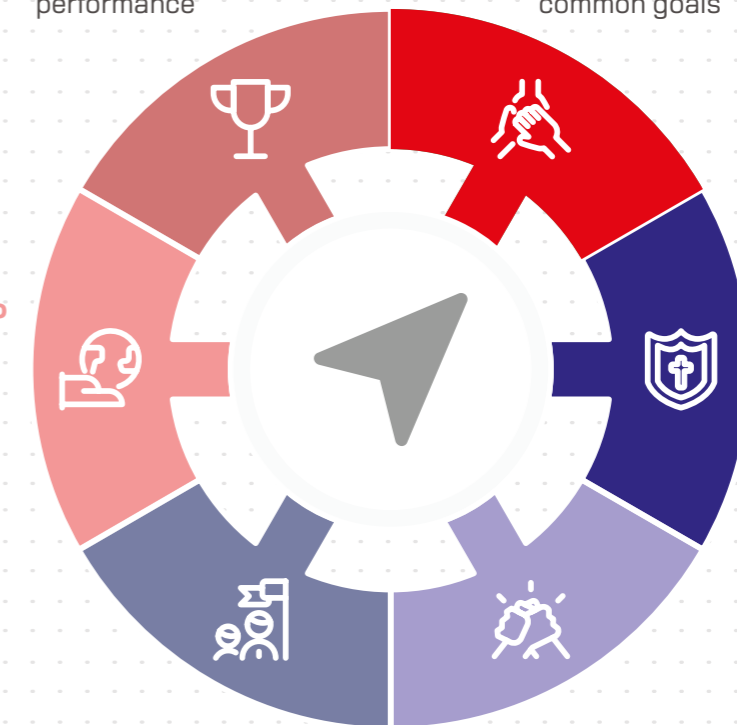
Upholding honesty and strong moral principles

PROFESSIONALISM

Maintaining a high standard of conduct and competence

TRUST

Building reliable and dependable relationships



Ethical Principles



Our ethical principles serves as the foundation for our business operations, reflecting our commitment to ethical conduct, sustainability, stakeholder engagement, customer

satisfaction, and legal compliance. We adhere to a set of ethical principles to uphold the highest business standards necessary to foster trust, integrity, and sustainable success



01

Conduct and govern all business activities with integrity, ensuring they are ethical and transparent.

03

Respect and promote the well-being of all employees and all other stakeholders.

05

Provide value to the customers in a responsible manner.

02

Offer products and services that are sustainable and safe for both people and the environment.

04

Respect the interests of all stakeholders and be responsive to their needs.

06

Comply with all applicable laws, rules, regulations, and directives issued by the government and regulatory bodies.



उद्यमीको प्रगति, राष्ट्रको उन्नति !



scan to know more

नेपालमै ठिकन, सजिलो छ !

#karzasajilocho

Message from Chairman

Dear Shareholders, Customers, and Stakeholders,

It is with immense pride and sincere gratitude that I present to you the Annual Report for the fiscal year 2080-81 (2023-24). This year has been a testament to our resilience, innovation, and unwavering commitment to advancing financial inclusion and economic progress in Nepal.



Despite a challenging economic environment, Muktinath Bikas Bank has delivered satisfactory performance in asset-liability management, profitability, and key financial indicators. The Bank's total assets have reached NPR 125 billion, including net loans and advances of NPR 94 billion and total deposits of NPR 111 billion, making it the largest development bank in Nepal.

During the year, the Bank prioritized maintaining asset quality over business expansion amid unfavorable economic conditions, including low credit demand, challenges in loan recovery, and a slowdown in the real estate sector. These factors significantly impacted the banking sector, leading to reduced profitability and increasing levels of non-performing loans.

Nevertheless, the Bank strategically managed its assets and liabilities, maintaining a CD ratio above 85%, well above the sector average of 80%. Despite the difficulties, Muktinath Bikas Bank has established a robust financial foundation, earning the trust of its stakeholders and cementing its position as a leading development bank in Nepal.

Strategic Initiatives

This year, we welcomed a newly appointed Board of Directors with diverse expertise. Together, the Board and Senior Management have developed a comprehensive 5-year strategic plan, guiding our growth through 2085-86 (2028-29). A key focus has been enhancing our IT infrastructure and digital banking capabilities. We've successfully upgraded both the front-end (user-

facing) and back-end (support) systems, significantly improving customer convenience and security.

In addition, we are operational from our building of central office in Lazimpat, Kathmandu, offering enhanced services. Along with our Nagdhunga branch and Gandaki Province Office in Pokhara, we are confident that our infrastructure will provide greater accessibility and convenience to our valued customers.

Commitment to Financial Inclusion

Financial inclusion remains the core of our mission. We continue to bring previously excluded entrepreneurs into the formal banking channels, directly engaging with over 55,000 micro, small, and medium enterprises (SMEs). These initiatives have empowered entrepreneurs, created jobs, and contributed significantly to the socio-economic development of underserved communities.

We have started empowering community organizations such as agriculture and thematic cooperatives having the ownership of our microfinance members, where they can access services at their doorstep in a sustainable manner. As of mid-July 2024, are serving over 65,000 members through the alternative financing model.

Sustainability and Corporate Social Responsibility

Sustainability is an integral part of our business strategy. We not only focus on the sustainability of the bank's operations but also

our customers' businesses. We have implemented several green banking initiatives, including less paper banking and energy-efficient practices. Our corporate social responsibility (CSR) initiatives have also targeted education, healthcare, and environmental conservation, making meaningful contributions to society.

Future Outlook

As we look to the future, we are committed to driving innovation, enhancing the customer experience, and maintaining our resilience. Our strategic priorities for the upcoming year include furthering our digital transformation, deepening our engagement with the communities and driving sustainable value creation to all the stakeholders. We will continue our efforts to bring value and happiness to our customers, communities, shareholders, employees, and regulators.

Acknowledgments

I would like to extend my heartfelt thanks to our shareholders, customers, employees, and partners for your unwavering support and trust. Your belief in Muktinath Bikas Bank inspires us to strive for excellence and deliver sustainable value.

Together, we will continue to build a prosperous future for all.

Jay Muktinath !!

**Bharat Raj Dhakal
Chairman**



Our strategic priorities for the upcoming year include furthering our digital transformation, deepening our engagement with the communities and driving sustainable value creation for all the stakeholders.





Board of Directors



**BHARAT RAJ
DHAKAL**
Chairman

**NARAYAN KUMAR
SHRESTHA**
Director

**BHARAT PRASAD
LAMSAL**
Director

**BINOD KUMAR
SHARMA**
Director

**SAROJA SHRESTHA
(KOIRALA)**
Director

**UMESH KUMAR
ACHARYA**
Independent Director

Information on the Board of Directors



BHARAT RAJ DHAKAL
Chairman

Age	51
Address	Aandhikhola-6, Syangja
Date of Appointment	28th Poush 2080
Represents	Promoter
Appointed By	Shareholders in 17th Annual General Meeting
Committee Participation	Not Applicable
Past Experiences	CEO of Muktinath Bikas Bank
Current Engagement	MD of Muktinath Krishi Co. Limited
Educational Qualifications	Master's Degree in Business Administration



NARAYAN KUMAR SHRESTHA
Director

Age	53
Address	Ganga Jamuna-7, Dhading
Date of Appointment	28th Poush 2080
Represents	Promoter
Appointed By	Shareholders in 17th Annual General Meeting
Committee Participation	Audit Committee, Building Construction Committee
Past Experiences	<ul style="list-style-type: none"> Chairman at Civic Development Bank Ltd. Chairman at Outdoor Advertising Pvt. Ltd. Director at Muktinath Krishi Company Ltd. Director at Capital Market Ltd.
Current Engagement	CEO of Urban Investment Pvt. Ltd.
Educational Qualifications	Master's Degree in Business Administration



BHARAT PRASAD LAMSAL
Director

Age	55
Address	Putalibazar-1, Syangja
Date of Appointment	28th Poush 2080
Represents	Promoter
Appointed By	Shareholders in 17th Annual General Meeting
Committee Participation	AML/CFT Committee
Past Experiences	<ul style="list-style-type: none"> Chairman at Royal Co-operative Society Ltd. Syangja Chairman at HISSAN Syangja Founder Principal at Syangja Higher Secondary School
Current Engagement	Founder/Campus Chief at Syangja Multiple Campus
Educational Qualifications	<ul style="list-style-type: none"> Master's Degree in Economics Master's Degree in Political Science Bachelors in Law and Education



BINOD KUMAR SHARMA
Director

Age	54
Address	Budhanilkhantha-8, Kathmandu
Date of Appointment	28th Poush 2080
Represents	Public
Appointed By	Shareholders in 17th Annual General Meeting
Committee Participation	Risk Management Committee, Server Procurement Committee
Past Experiences	<ul style="list-style-type: none"> CEO at Miteri Development Bank Ltd Deputy General Manager at NCC Bank Ltd Deputy General Manager at Int'l Development Bank Ltd
Current Engagement	Chief of Executive Management Happy Energy Pvt. Ltd.
Educational Qualifications	Master's in Business Administration



SAROJA SHRESTHA (KOIRALA)
Director

Age	60
Address	Kathmandu -16, Kathmandu
Date of Appointment	28th Poush 2080
Represents	Public
Appointed By	Shareholders in 17th Annual General Meeting
Committee Participation	Staff Management Committee
Past Experiences	<ul style="list-style-type: none"> People Management Expert at Nabil Bank Ltd Senior Manager at Nepal Bangladesh Bank Ltd
Current Engagement	Social Service
Educational Qualifications	Master's Degree in Science



UMESH KUMAR ACHARYA
Independent Director

Age	54
Address	Pokhara -5, Kaski
Date of Appointment	16th Shrawan 2081
Represents	Independent
Appointed By	Board of Directors
Committee Participation	Audit Committee, Risk Management Committee
Past Experiences	<ul style="list-style-type: none"> CEO at Kamana Bikas Bank Ltd CEO at Green Development Bank Ltd Campus Chief at Janaprakash Multiple Campus
Current Engagement	Self Employed
Educational Qualifications	Master's Degree in Business Administration





Looking ahead, we are committed to executing our long-term strategy with passion and drive. Our strategy centers on solidifying our market position, enhancing asset quality and making strategic investments to fuel sustainable growth.

CEO's Message

Dear Shareholders,

Thank you for taking the time to read our Integrated Annual Report for FY 2080-81. We are delighted to provide a comprehensive overview of our current perspective, the Bank we aim to build, how we intend to structure our plans and the future path we are charting.

Global Economy

The global economy has shown resilience with 3.2% growth against expectations despite serious challenges like geopolitical tensions, monetary tightening and inflationary pressure. This growth surpassed earlier estimates reflecting the adaptableness of markets and economies. The IMF projects global growth to remain steady at 3.2% for 2024 and 2025 and the inflation is expected to decline to 9% in 2024 and further to 4.5% in 2025. However, the risks such as the war in Ukraine, ongoing conflicts in the Middle East and instability in the Red Sea region continue to threaten global trade flows and inflation stability. Meanwhile, instabilities in the market which occur from time to time underscore the importance of prudence in the management of systemic risk. Sustaining growth in such a volatile environment requires vigilant policymaking and a balanced approach to mitigate emerging problems.

Nepalese Economy

In 2024, the Nepalese economy encountered various challenges amidst the efforts to stabilize the economy. Despite achieving improvements in most of the macroeconomic indicators including foreign exchange reserves, balance of payments, inflation control and remittance inflows the overall economic growth, government revenue mobilization and the sluggish business environment continue to pose significant challenges.

In the current fiscal year, real GDP grew by 3.9% a notable increase from the previous year's modest 2%. However, government

revenue remained stagnant holding steady at around 19% of GDP, marking the lowest level in eight years. The World Bank's Nepal Development Update notes that private investment has slowed as evidenced by declining high-frequency indicators such as lower private investment commitments, reduced imports of intermediate and capital goods and decreased credit to non-financial businesses.

Banking Industry

The impact of the reduced private investment, subdued investment climate, reduced consumption and the growing fears about the business closure has been felt in the banking industry primarily through the escalating debt recovery. Consequently, on the industry level, the percentage of the non-performing assets has increased to 3.86% from 3.02% in the previous year despite the easing of the assets classification norms by the Nepal Rastra Bank.

Further, during the review period, the bank and financial institutions struggled to manage the excessive liquidity as the Credit to Deposit Ratio reached 79.09% due to the mismatch between credit and deposit growth. Thanks to Nepal Rastra Bank's deposit collection and the Standing Deposits Facility, they were able to generate some returns instead of allowing the funds to remain idle. Meanwhile, the demand for loans and advances remains low resulting in the private sector credit growth of 5.8% while the deposits grew by 13%





A year gone by

In the review period, we have navigated challenges of capital management while seizing the opportunities to focus on balance sheet management, debt recovery and expanding our digital customer base. We believe these short-term strategies we adopted this year were crucial given the external economic scenario. This has also allowed us to recapitalize and recalibrate emerging stronger and maintaining our resilient approach as the largest development Bank.

During the review period, our primary focus was on balance sheet management as a result of which the current balance sheet size stands at NPR 125 billion against the previous year's level of NPR 132 billion. We made efforts to ensure robust assets and liabilities management by offloading the excessive deposits liabilities reducing them from NPR 118 billion to NPR 111 billion. This, in turn, has led to a 3.3% increase in the net interest income despite the reduction of the interest-earning assets. Moreover, our credit-to-deposit ratio improved from 81.89% to 85.09% while the industry credit-to-deposit ratio stood at 79.09%.

Recognizing the mounting challenges of debt recovery amidst the current economic climate, we adopted a risk-based approach and focused on robust recovery practices. This strategic move has enabled us to maintain the NPA levels of 2.37% well below the industry average of 3.86% notwithstanding the reduction in the loan book from NPR 97 billion to NPR 94 billion. Regardless of our efforts, we have to set aside the impairment charges of NPR 766 million which had a considerable impact on the bottom line.

Driven by a commitment to profitability, we carefully refined our operations keeping cost to income ratio to 47.69%. Additionally, we reduced our operating cost by 5.2% and successfully managed to keep our headcount at 1,565 down from the previous year's level of 1,663. Our strategic initiatives for cost optimization were centered around process optimization to enhance efficiency, the integration of technologies to streamline operations and the adoption of sustainable practices designed to

promote long-term growth. Additionally, we focused on optimizing our human resources by carefully managing headcount and improving workforce efficiency which further contributed to the cost reduction. These efforts were all aimed at ensuring the optimal utilization of resources across every aspect of our operations. Consequently, we reported a net profit of NPR 1.18 Billion which is an indication of our ongoing efforts for prudent management for sustained growth.

5 Year Strategic Plan

The Bank has developed the 5-year Strategic Plan which has been in implementation phase from financial year 2081-82 encompassing our long-term plan for the value creation for our stakeholders. During the strategic period, we plan to grow as a responsible financial institution leveraging the best of our financial, human, manufactured, social, intellectual and natural capital. We're strategizing to enhance shareholder value by refining our investment strategies, streamlining operations and maintaining open and transparent communication for driving sustainable growth and returns. Strategies for effective internal controls and risk management have also been envisioned to ensure the robustness of our operations, safeguard assets and mitigate potential risks, thereby enhancing the overall stability and sustainability of the Bank. On the technological front, the Bank will make substantial investments to give seamless digital experiences to provide seamless digital experiences for our customers, automate manual processes to improve turnaround time and ensure the security and confidentiality of data, all aimed at delivering the best possible service.

Legacy Continues

It gives me immense pleasure to share that the Bank has won the Best Presented Annual Report award from the Institute of Chartered Accountants of Nepal 5 times in a row highlighting our excellence in financial reporting and disclosure. Additionally,

Forward Focus

Our commitment to customer satisfaction remains at the forefront of everything we do. We are focused on providing exceptional service while ensuring that risk management and internal controls are always carefully maintained. Moving forward, we will continue to prioritize the customer experience, creating a seamless end-to-end ecosystem and blending human expertise and digital innovation to deepen our connection and enrich our product offerings.

Looking ahead, we are committed to executing our long-term strategy with passion and drive. Our strategy centers on solidifying our market position, enhancing asset quality and making strategic

we have moved our central office to our building in Lazimpat, Kathmandu which features modern and advanced facilities marking the successful completion of our three-year-long construction project.

investments to fuel sustainable growth. Our dedication to building a sustainable future is unwavering as we integrate environmental, social, and governance (ESG) principles into every facet of our operations to create everlasting value for our stakeholders and the communities we serve.

I would like to end my message by thanking our stakeholders including our shareholders, regulators, board and other stakeholders for the unwavering trust they continue to place in us. I am also grateful for the tireless dedication of my team members who consistently go above and beyond to serve our communities.

Jay Muktinath !!

**Pradyuman Pokharel
Chief Executive Officer**

Senior Management



PRADYUMAN POKHAREL
Chief Executive Officer



SAMIR SHEKHAR BAJRACHARYA
Deputy Chief Executive Officer



TIL BAHADUR GURUNG
Assistant Deputy Chief Executive Officer



GOVINDA BAHADUR RAUT
Assistant Chief Executive Officer



PRADYUMAN POKHAREL
Chief Executive Officer

Mr. Pradyuman Pokharel brings over 32 years of experience to his role as Chief Executive Officer of Muktinath Bikas Bank. He has a deep understanding of the banking sector with expertise spanning Credit, Deposit, Remittance, and Treasury operations.

A results-oriented leader with a strong ethical foundation, Mr. Pokharel emphasizes excellence in all aspects of banking. He believes in fostering a collaborative environment that encourages continuous growth. He holds an MBA from Tribhuvan University and brings a wealth of experience from his previous roles at Nabil Bank Ltd. and Mega Bank Nepal Ltd. Beyond his professional roles, he actively contributed to the banking industry as the past President of the Development Bankers Association Nepal and as a former Executive Member of the Management Association of Nepal.



SAMIR SHEKHAR BAJRACHARYA
Deputy Chief Executive Officer

Mr. Samir Sekhar Bajracharya, Deputy CEO, is a seasoned banking professional with over 26 years of experience across diverse leadership roles. He has a proven track record of success having served as Chief Executive Officer at Bishwa Bikas Bank Limited and Deputy Chief Executive Officer at Gandaki Bikas Bank Limited. Prior to his current role, he held key positions at Pokhara Finance Limited, Nepal Share Markets & Finance Limited, and Paschimanchal Finance Company Limited. He has also contributed to the development sector through his work with development agency.

With a strong foundation in credit analysis and underwriting and a customer-centric approach, Mr. Bajracharya is dedicated to enhancing the business performance of the Bank. He holds an MBA in Financial Management from Tribhuvan University.



TIL BAHADUR GURUNG
Assistant Deputy Chief Executive Officer

Mr. Til Bahadur Gurung, Assistant Deputy CEO and Chief Operating Officer is a meticulous leader with over 25 years of experience in the banking sector. He has a strong commitment to continuous improvement and inspires his teams to achieve exceptional results. He brings a wealth of experience to his role having served in various capacities in H & B Development Limited and Nepal Development Bank Limited. He possesses a deep understanding of banking operations, administration and marketing.

Mr. Gurung holds a Master's degree from Tribhuvan University. He has been with the Bank since 2013 and currently serves as a Board of Director of Nepal Clearing House Ltd.



GOVINDA BAHADUR RAUT
Assistant Chief Executive Officer

Mr. Govinda Bahadur Raut, Assistant CEO, is an experienced banker with 30 years of dedicated service in the microfinance and development sectors. He possesses a strong foundation in microfinance institution capacity building, with expertise in cooperative principles and wholesale lending. He joined the bank in 2012 as Department Head of Microfinance and currently leads the Inclusive Banking team and control vertical. Prior to joining, He gained valuable experience at different microfinance institution and INGOs.

Mr. Raut holds an MBA (Finance) and an MA (Rural Development) from Tribhuvan University, Nepal. He is a "Certified Expert in Climate Adaptation Finance (CECAF)" recognized by the Frankfurt School of Finance and Management, Germany. He was a Humphrey Fellow (2022-23) and holds a graduate certificate in Enterprise Risk Management from Boston University, USA.

Strategic Committee



PREM THAPA
Chief Recovery



BABURAM DHAKAL
Chief Assets Management
& Special Projects



DANDAPANI DHAKAL
Company Secretary



VIJAY KUMAR GURUNG
Head - Research, Innovation
& Product Development



RASHIK BHANDARI
Head Existing Credit Management



SHANKER KC
Head New Credit Business



BINAYA RATNA SHAKYA
Head Marketing



SARBESH SHRESTHA
Head Information Technology



SUBASH DHAKAL
Head AML/CFT &
Compliance



SHANKAR BARAL
Head Talent Acquisition,
Development & Management



PRAGALV NEUPANE
Head Integrated Risk Management



SANJIV POUDEL
Chief Financial Officer



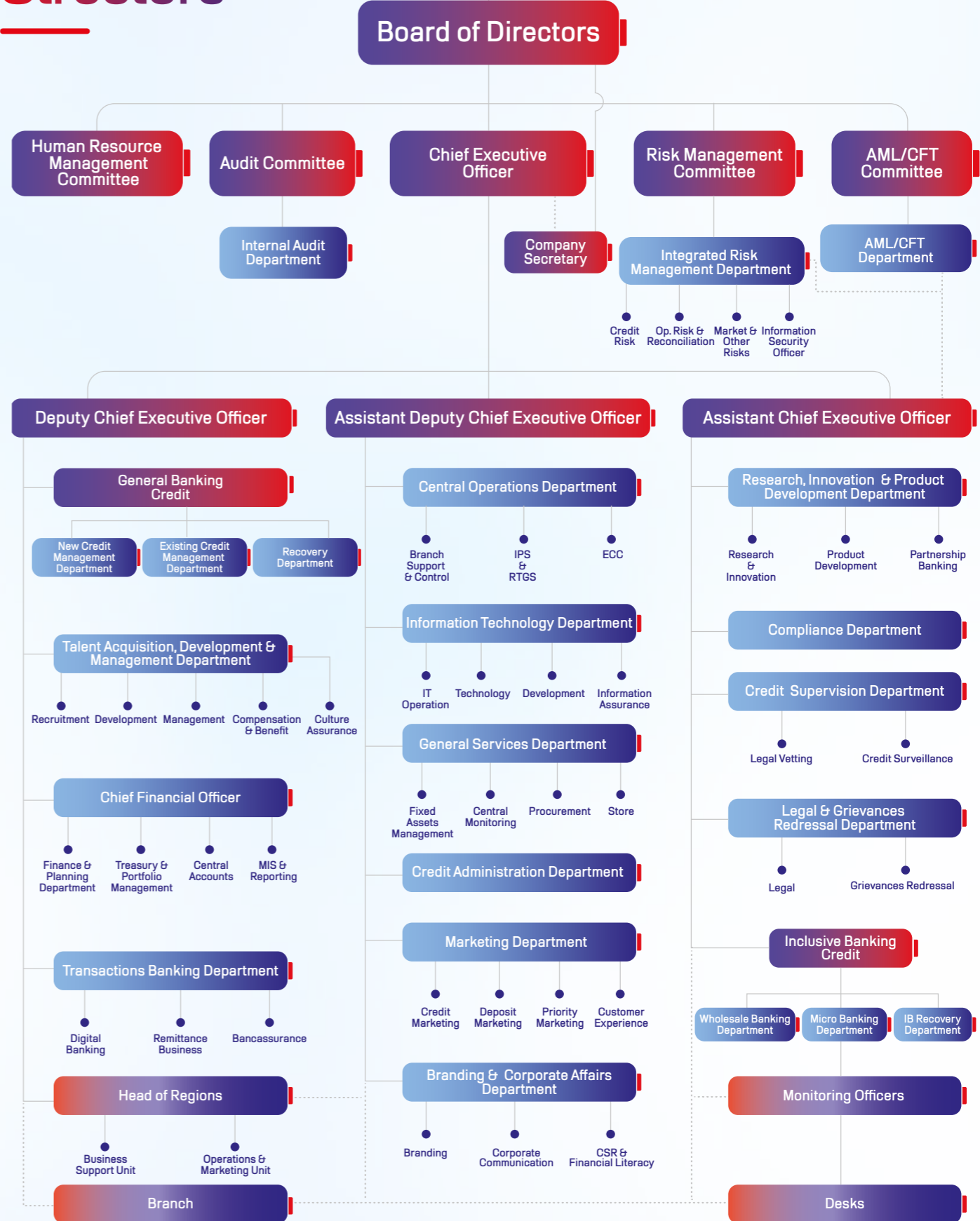
Every new door opens to **endless possibilities.**

Welcome home with Muktinath Home Loans.

*T & C Applied

-  Affordable Interest Rate
-  Easy Loan Processing
-  Approval in 3 Working Days
-  Can Apply via Online

Organizational Structure





Awards

Recognitions



Best Presented Annual Report Award, 2023



Best Presented Annual Report Award, 2022



Best Presented Annual Report Award, 2021



Certificate Of Merit For Financial Service Sector Of Safa Awards, 2021



Best Presented Annual Report Award, 2020



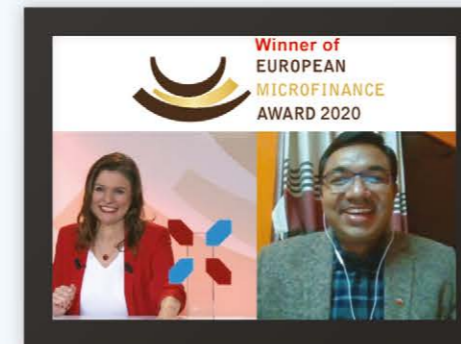
Best Presented Annual Report Award, 2019



The Biz Awards, 2022



Honorable Mention In SME Financier Of The Year-Asia Of Global SME Finance Award, 2021



European Microfinance Award, 2020



Corporate Business Excellency Award, 2022



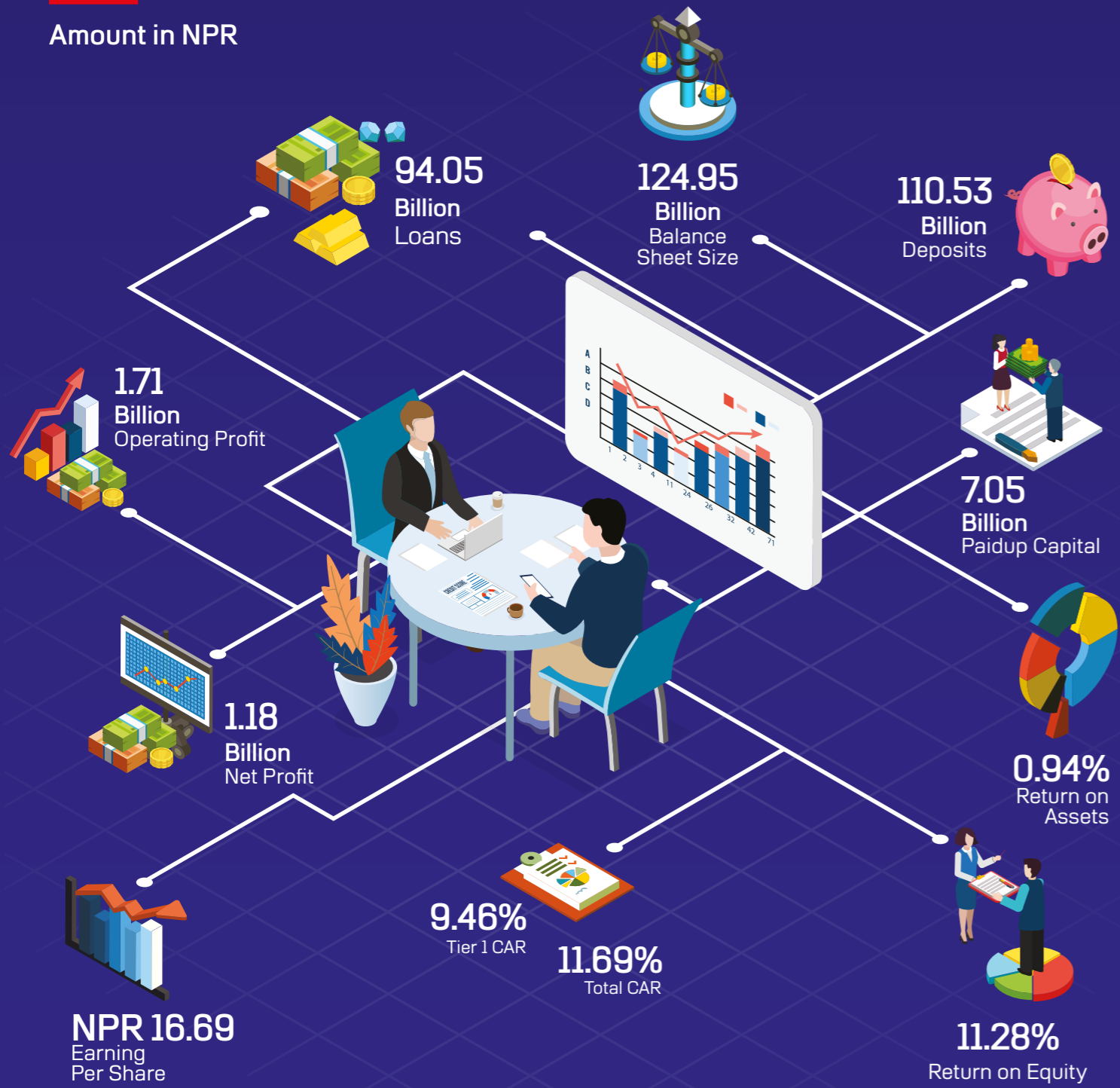
HRM Awards For The Corporate Excellence, 2021



Recognition of our Excellence in Financial Reporting & Disclosure

Key Financial Highlights

Amount in NPR



Non-Financial Highlights

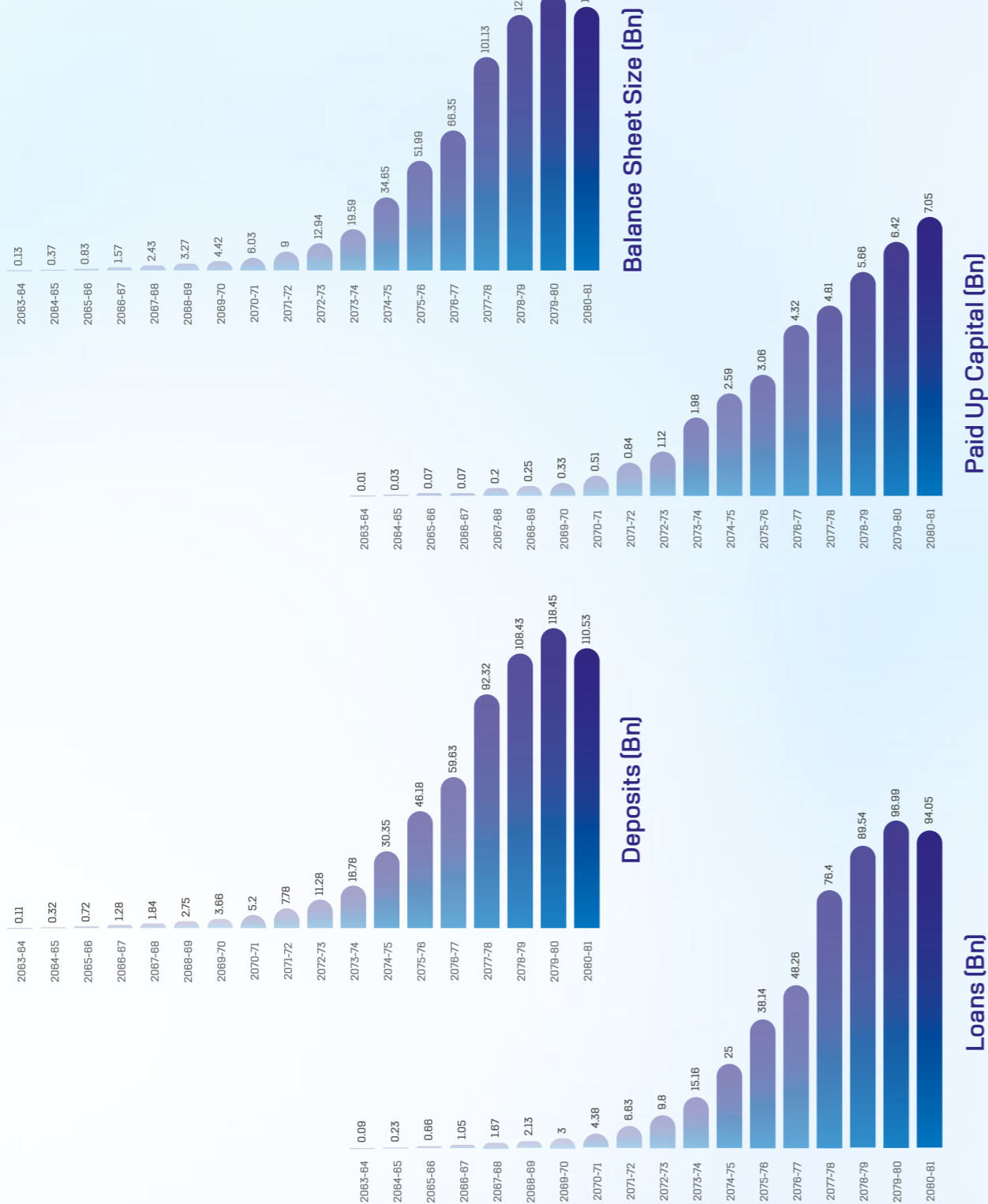
(As of July 15, 2024)



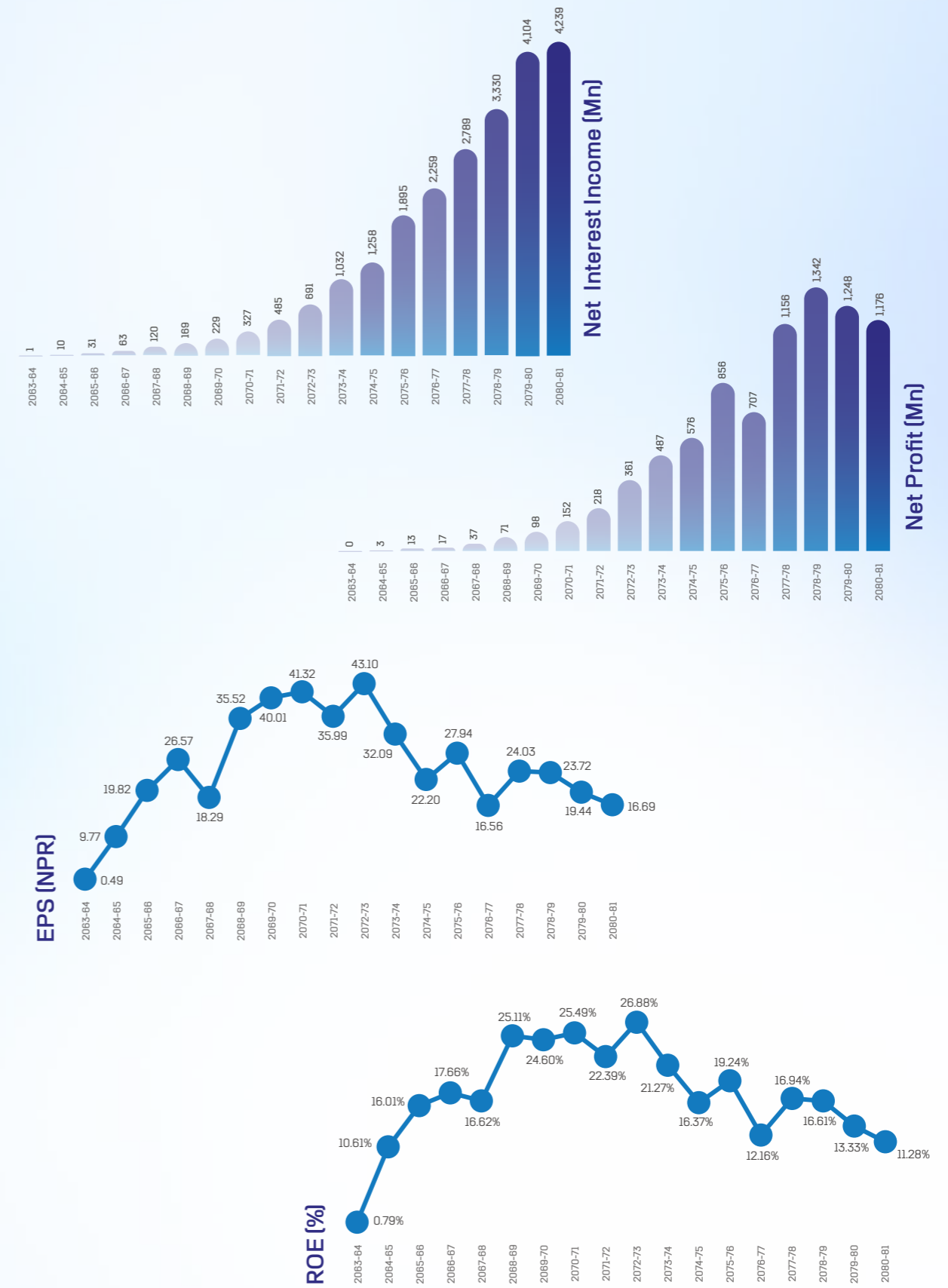


18 Years in the Making

The following charts illustrate the key milestones and figures from our past 18 years, showcasing the trajectory of growth and achievements since inception.



Growth, Triumphs and Challenges



Strategic Pillars

Focusing on what matters, we concentrate on the key areas that are essential to driving sustainable growth and creating long-term value for our shareholders. Our ongoing efforts focus on strengthening

our financial position, enhancing operational efficiency, and building a reliable institution where depositors have confidence, regulators vouch for strong governance, and all stakeholder's interests

are safeguarded, ensuring that shareholders can rest assured knowing the Bank is well-positioned for stability and continued success.

Following are the key strategies we focused on and will continue to prioritize along with the sustainable business growth as we move forward.





Corporate Governance

Driving Excellence through Integrity and Responsibility

Muktinath believes in the principle that good corporate governance establishes a positive organizational culture and it is evident by its responsibility, accountability, consistency, fairness and transparency towards stakeholders. The Board of Directors of the Bank being the

apex body accountable to the regulators, investors and all other stakeholders including the society, sets the purpose of the Bank, the values with which it is guided, the strategies with the combination the vision and mission and implement this in the business strategy.

Corporate Governance Philosophy

At Muktinath, the strong, committed and diverse board ensures effective corporate governance across the organization. A good corporate

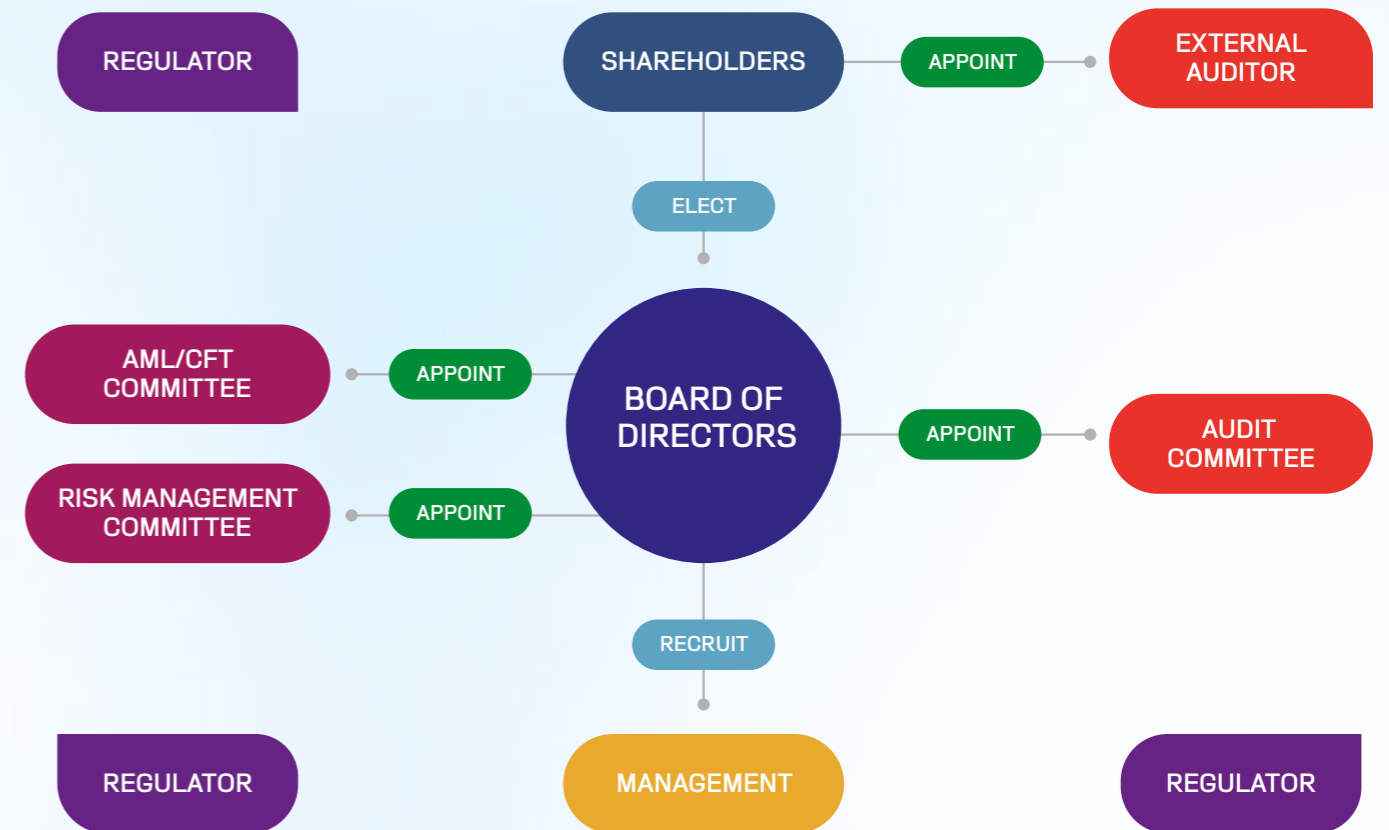
governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. We are focused on enhancement of long-term value creation for all stakeholders taking care of integrity, transparency, social & environmental obligations and regulatory compliances. Our actions are governed

by our values and principles, which are reinforced at all levels of our Bank. These principles have been and will continue to be our guiding force in future in creating sustainable investor and stakeholder value, while remaining rooted to our value system.

Governance Structure of the Bank

The Board of Directors plays a crucial role in shaping the Bank's governance framework and practices through its decisions and leadership. The Board is ultimately responsible for creating and maintaining effective governance mechanisms, including selecting and

appointing subcommittee members. To safeguard the Bank's against unforeseen events, the risk management and support functions operate independently from regular business activities. The governance structure of the Bank is as follows



Corporate Governance Framework

The governance framework of our Bank is underpinned by its core values and the strength of its vision, mission, and the primary objective of delivering sustainable growth. The Bank is committed to strengthen this approach through adoption of best in class's philosophy, systems and processes in the realm of governance. We adopt the following in the corporate governance framework to ensure that our actions align with our core values and mission



01 Strategic & Financial Planning

The Bank's commitment to corporate governance is exemplified through its detailed 'Strategic Plan 2082-86,' which acts as a guiding framework for the next five years. This strategic blueprint ensures that the Bank's operations are aligned with best practices in governance, accountability, and strategic oversight. Additionally, the annual strategies and financial plans are designed in response to current and anticipated trends in the financial and economic environment, reinforcing the Bank's objective to deliver optimal returns for shareholders while maintaining long-term sustainability and transparency.

03 Accountability

At Muktinath, accountability means standing firmly by our commitments and delivering on our promises with unwavering integrity. We believe in being open and transparent in all our actions, holding ourselves responsible not only to our customers, employees, shareholders, and regulators, but to the wider community as well. Our approach ensures that we meet the expectations of all stakeholders, fostering trust and maintaining a strong, responsible presence in the market.

05 Relationship with Stakeholders

The Bank prioritizes strong and transparent relationships with its stakeholders, underpinned by robust systems that facilitate the timely flow of information. These systems are designed to keep stakeholders well-informed about the Bank's activities, fostering trust and engagement. By maintaining clear communication channels, the Bank ensures that stakeholders remain aligned with its goals and initiatives, reinforcing mutual confidence and long-term partnerships.

02 Risk Management

Effective risk management is integral to the Bank's operations, guided by a dedicated risk management committee. This committee plays a pivotal role in overseeing the identification, tracking, monitoring, and reporting of risks that may impact the Bank and its stakeholders. Through structured governance and continuous oversight, the Bank ensures a proactive approach to mitigating risks, maintaining stability, and protecting the interests of shareholders and clients alike.

04 Integrity & Transparency

Integrity and transparency are deeply embedded in Muktinath's culture, driving self-sustaining growth and promoting self-enforcing checks and balances to fosters long-term trust and strong relationships with stakeholders. The Bank consistently strives to uphold the highest levels of integrity and transparency, going beyond statutory requirements by ensuring accurate and timely disclosures, thereby reinforcing its dedication to openness and accountability in all its operations.

06 Compliance

The Bank has implemented a strong compliance system to ensure full adherence to regulatory requirements, integral to its corporate governance framework. This system is regularly reviewed to ensure that compliance practices are aligned with the Bank's long-term growth objectives and sustainability. By maintaining rigorous compliance standards, the Bank not only mitigates risks but also protects the interests of its stakeholders, ensuring continued regulatory alignment and fostering trust in its governance practices.

Board of Directors

Our Board of Directors comprise a great mix of expertise, professionalism,

knowledge, diversity, experience and values. The composition of the Board is in compliance with the Section 14 of the Bank and Financial Institution Act, 2073 which comprise of 6 directors. Amount 6 directors 3 directors are nominated from

promotor shareholders, 2 from the public and 1 is the independent directors.

The following is the details of the directors

Upto 2080-Poush-28 (2024-Jan-13)

Particulars	Bharat Raj Dhakal	Gajendra Man Shrestha	Rabindra Man Shrestha	Shaligram Mishra	Nirmala Kumari K.C. Karki	Shyam Sundar Sharma
Position	Chairman	Director	Director	Director	Women Director	Independent Director
Represents	Promotor Shareholders		Public Shareholders		Independent	
Date of Appointment	2076-08-30	2076-08-30	2076-08-30	2076-08-30	2076-08-30	2077-04-16
Appointed By	Shareholders in Annual General Meeting					Board of Directors
Term	1st	2nd	1st	1st	1st	1st
Retired with effect from	-	2080-09-28	2080-05-31	2080-09-28	2080-09-28	2081-04-15

With effect from 2080-Poush-28 (2024-Jan-13)

Particulars	Bharat Raj Dhakal	Narayan Kumar Shrestha	Bharat Prasad Lamsal	Binod Kumar Sharma	Saroja Shrestha (Koirala)	Shyam Sundar Sharma
Position	Chairman	Director	Director	Director	Women Director	Independent Director
Represents	Promotor Shareholders		Public Shareholders		Independent	
Date of Appointment	2080-09-28 in 17th Annual General Meeting					2077-04-16
Appointed By	Shareholders in Annual General Meeting					Board of Directors
Term	2nd	2nd	1st	1st	1st	1st

Board Meetings and its Procedure

The Board are convened by giving appropriate notice well in advance of the meetings. The Directors are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed

decisions and provide appropriate directions to the Management. To enable the Board to discharge its responsibilities effectively and take informed decisions, apart from the Board Members and the Company Secretary, the meetings are also attended by the Business Heads, Risk, Audit and Compliance Heads, Chief Financial Officer and other Department Heads.

The Board usually meets at least once in a month to approve the credit facilities above the delegated limit, review the Company's quarterly performance and financial results, to consider business strategies, and their implementation, and reviews risk, audit, control, compliance and other related matters. The Board sets annual performance objectives and strategies, oversees the actions and results of the management, and monitors

the effectiveness of the risk management and Bank's governance practices for enhancing the stakeholders' value.

framework for conveying the Meetings of the Board which seeks to systematize the decision-making process at the Meetings in an informed and efficient manner.

During the financial year under review, the 29 numbers of board meetings were held and following were the attendance details of the directors

The Bank has well-established

Upto 2080-Poush-28 (2024-Jan-13)

S.N.	Date	Medium	Bharat Raj Dhakal	Gajendra Man Shrestha	Rabindra Man Shrestha	Shaligram Mishra	Nirmala Kumari K.C. Karki	Shyam Sundar Sharma
1	03/04/2080	Virtual	✓	✓	✓	✓	✗	✓
2	24/04/2080	Physical	✓	✓	✓	✓	✗	✓
3	15/05/2080	Physical	✓	✓	✗	✗	✓	✓
4	24/05/2080	Virtual	✓	✓	✓	✓	✓	✓
5	31/05/2080	Physical	✓	✓	✗	✗	✓	✓
6	15/06/2080	Physical	✓	✓	✗	✓	✗	✓
7	15/07/2080	Virtual	✓	✓	✗	✓	✗	✓
8	08/08/2080	Virtual	✓	✓	✗	✓	✗	✓
9	22/08/2080	Physical	✓	✓	✗	✓	✗	✓
10	29/08/2080	Physical	✓	✓	✗	✓	✗	✓
11	05/09/2080	Physical	✓	✓	✗	✓	✗	✓
12	06/09/2080	Physical	✓	✓	✗	✓	✗	✓
13	17/09/2080	Physical	✓	✓	✗	✓	✗	✓
14	22/09/2080	Physical	✓	✓	✗	✓	✗	✓
15	28/09/2080	Physical	✓	✓	✗	✓	✗	✓

With effect from 2080-Poush-28 (2024-Jan-13)

S.N.	Date	Medium	Bharat Raj Dhakal	Narayan Kumar Shrestha	Bharat Prasad Lamsal	Binod Kumar Sharma	Saroja Shrestha (Koirala)	Shyam Sundar Sharma
1	07/10/2080	Physical	✓	✓	✓	✓	✗	✓
2	16/10/2080	Physical	✓	✓	✓	✓	✗	✓
3	08/11/2080	Physical	✓	✓	✓	✓	✗	✓
4	11/11/2080	Physical	✓	✓	✓	✓	✓	✓
5	24/11/2080	Physical	✓	✓	✓	✓	✓	✓
6	04/12/2080	Virtual	✓	✓	✓	✓	✓	✓
7	15/12/2080	Physical	✓	✓	✓	✓	✓	✓
8	04/01/2081	Physical	✓	✓	✓	✓	✓	✗
9	23/01/2081	Physical	✓	✓	✗	✓	✓	✓
10	11/02/2081	Physical	✓	✓	✗	✓	✓	✗
11	21/02/2081	Physical	✓	✓	✗	✓	✗	✓
12	05/03/2081	Physical	✓	✓	✓	✓	✗	✓
13	14/03/2081	Physical	✓	✓	✓	✓	✗	✓
14	21/03/2081	Physical	✓	✓	✓	✓	✓	✓

Meeting Allowances to the Directors

The Board members are provided with the allowances for attending the meetings which is approved by the shareholders in the Annual General Meetings, Registrar of Companies and Nepal Rastra Bank.

Meeting Allowance upto 2080-Magh-16 (2024-Feb-01)		Meeting Allowances with effect from 2080-Falgun-01 (2024-Feb-13)	
Chairman	Directors	Chairman	Directors
13,000	12,000	15,000	13,000

Accordingly, the following allowance were provided to the directors

Upto 2080-Poush-28 (2024-Jan-13)			After 2080-Poush-28 (2024-Jan-13)		
Name	Nos	Fees	Name	Nos	Fees
Bharat Raj Dhakal	15	1,95,000	Bharat Raj Dhakal	14	2,06,000
Gajendra Man Shrestha	14	1,68,000	Narayan Kumar Shrestha	15	1,92,000
Rabindra Man Shrestha	3	36,000	Bharat Prasad Lamsal	12	1,53,000
Shaligram Mishra	12	1,44,000	Binod Kumar Sharma	15	1,92,000
Nirmala Kumari K.C. Karki	3	36,000	Saroja Shrestha (Koirala)	12	1,53,000
Shyam Sundar Sharma	15	1,80,000	Shyam Sundar Sharma	12	1,54,000
Total	15	7,59,000		14	10,50,000

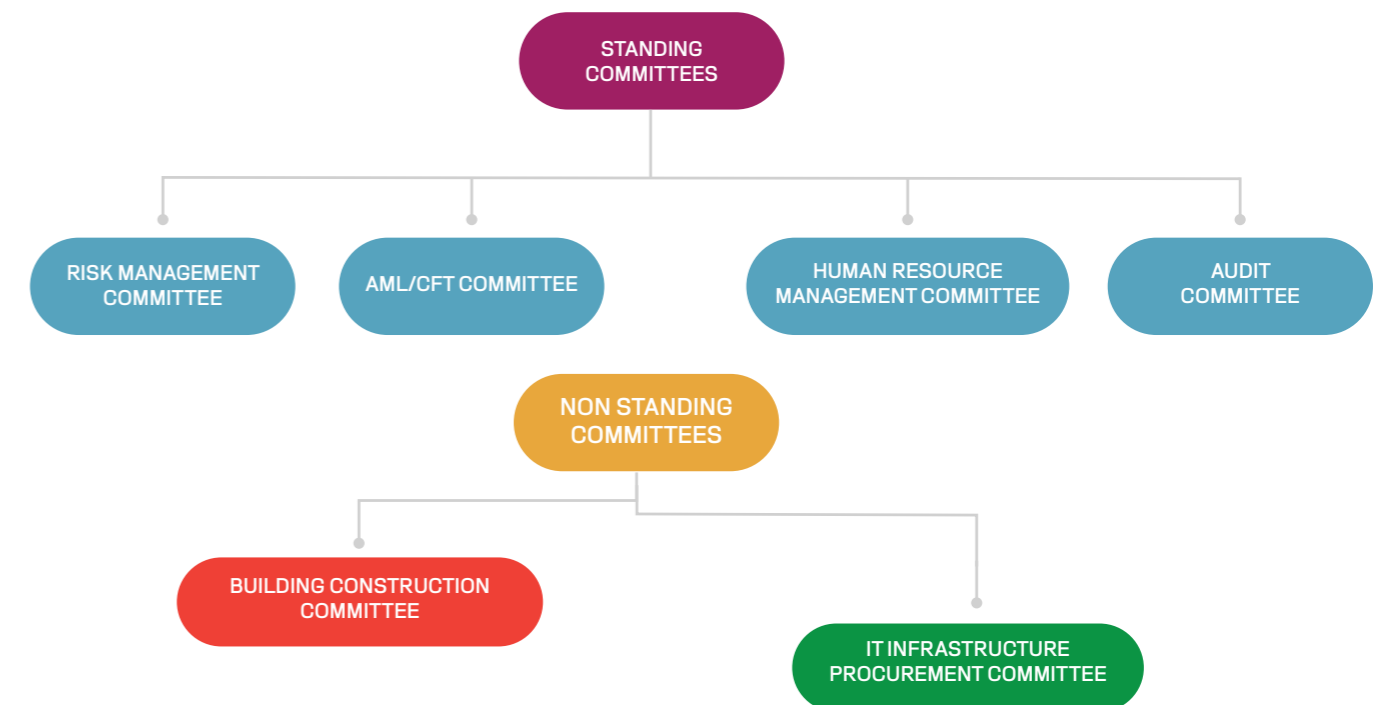
Board Committees

The Board has constituted various Committees with specific terms of reference which clearly defines their purpose, roles, and responsibilities in

line with the provisions of the Bank and Financial Institution Act, 2073 and NRB Directors. The Board Committees play a vital role in improving the Board effectiveness in the areas where more focuses and extensive discussions are required. The coordinator of the

respective Committee presents the key matters before the Board.

There are 6 Board Committees, which includes the four standing committee and two non-standing committee, the details of which are as follows



The detailed description of the Board Committees are as follows :

AUDIT COMMITTEE

The Audit Committee has been constituted in accordance with the

regulatory requirements set forth in the NRB Unified Directives, as well as the stipulations outlined in Sections 164 and 165 of the Company Act 2063 and Section 60 of the BAFIA. This committee assists the Board in fulfilling its obligations

related to effective corporate governance, internal control, risk management, financial reporting, adherence to legal and regulatory standards, and the promotion of ethical business practices

Terms of Reference

The terms of reference of this Committee are as follows

01. Evaluate the financial status, internal controls, and Audit Program, while systematically analyzing the results of the internal audit on a regular basis. Provide essential guidance to Management for taking suitable actions in this regard and make recommendations to the Board of Directors concerning the necessary measures to be implemented
02. Review the issues outlined in the audit report provided by the external (statutory) auditors and commence the implementation of required corrective measures
03. Review the reports provided by Nepal Rastra Bank during the Supervision and Inspection process and communicate to the Board of Directors whether the observations noted during such supervision have been adhered to.
04. Assists ensure annual report to be accurate and real;
05. Assure the Board of Directors that the financial accounts are both precise and equitable, accompanied by regular assessments of the sufficiency of provisions for contingencies and classified loans.
06. Review the compliance of the regulations issued by Nepal Rastra Bank to the Bank and include the same in its report;
07. Evaluate the Bank's activities concerning their compliance, cost-effectiveness, rationality, and overall efficiency, and provide appropriate recommendations to the Board of Directors.
08. To carry out any additional responsibilities or obligations as outlined in the Companies Act, 2063, the Bank and Financial Institution Act, 2073, and the directives issued by the Nepal Rastra Bank.

The following is the composition, attendance and allowance details of the Audit Committee for FY 2080-81

Upto 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	Attendance	Sitting Fees
Gajendra Man Shrestha	Director	Coordinator	4/4	40,000
Shyam Sundar Sharma	Director	Member	4/4	36,000
Ishwar Budhathoki	Head- Internal Audit Department	Member Secretary	4/4	Nil

With effect from 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Attendance	Attendance	Sitting Fees
Shyam Sundar Sharma	Director	Coordinator	4/4	40,000
Narayan Kumar Shrestha	Director	Member	4/4	36,000
Ishwar Budhathoki	Head- Internal Audit Department	Member Secretary	4/4	Nil

Activities of the Committee during the year

- Reviewed the initiatives implemented by the Internal Audit Department to enhance the Internal Control Monitoring process and the overall effectiveness of the internal audit was closely observed.
- The Bank's Audit Committee discussed the reports of the Internal Audit Department and forwarded its reports to the Board for further discussion.
- Approved the internal audit plan for effective execution of the branch and departmental audits during the FY.
- Reviewed the independence, objectivity, and performance of the internal audit function as well as the adequacy of the Department's resources.
- The committee recommended the name and remuneration for appointment of Statutory Auditor for FY 2080-81.
- The committee reviewed the quarterly interim financial statement and annual financial statements of the Bank.
- The observations provided by the External Auditors regarding the internal control system were examined throughout the year, and necessary measures have been implemented to address them. The suggestions put forth by the External Auditors concerning internal control will be attended to in the future.
- Reviewed the observations and suggestions made by the Nepal Rastra Bank's inspection and monitored the progress made.





RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been formed pursuant to the Clause 7(3) of the NRB Unified Directives. The committee is constituted by the Board of Directors to assist them

in the identification, evaluation and mitigation of risks. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Bank.

Terms of Reference

The terms of reference of this Committee are as follows

01. Report to the Board on the adequacy and appropriateness of current Risk Management Procedures of the Bank and make suggestions and recommendations for improving and strengthening Risk Management practice of the Bank.
02. Comprehensive evaluation of the Bank risk exposure based on Risk Appetite and Risk Tolerance set by the Board.
03. Ensure the procedure and procedural adequacy for identifying, measuring, monitoring and controlling inherent risk within business operation.
04. Recommend the Board on the adequacy of existing policies in regards to the business strategy and Bank's Risk Tolerance.
05. Report to the Board with recommendations on the appropriateness of the authorities delegated by the Board.
06. Recommend the Board on any possible significant impact on the Bank's financial position arising from macro-economic environment.
07. Providing suggestion to the Board concerning the Business strategy aligned with the Risk Weighted Assets as stipulated by the Capital Adequacy Requirement set by Nepal Rastra Bank and Internal Capital Adequacy Assessment Process.
08. Review stress testing carried out by the Bank on Regular Basis and offer suggestions to the Board for appropriate policies and decision making.
09. Recommend the Board for the formation of policies and structures in line with the provision of NRB Directives.
10. Monitor and review non-compliance, Limit breaches, Audit/Regulatory findings and policy exceptions with respect to Risk Management procedures.

Composition, Meetings, Attendance and Allowance

The Committee comprises of four members in total including two directors nominated by Board of Directors one being the coordinator of the Audit Committee, Chief Operating Officer and Head of Integrated Risk Management Department as Member Secretary. The Risk Committee meets at least on a quarterly basis to discharge its responsibilities.

The following is the composition, attendance and allowance details of the Risk Committee for FY 2080-81

Upto 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	Attendance	Sitting Fees
Rabindra Man Shrestha	Director	Co-ordinator	1/2	10,000
Gajendra Man Shrestha	Director	Member	2/2	18,000
Til Bahadur Gurung	Chief Operating Officer	Member	2/2	Nil
Pragalv Neupane*	Head- Integrated Risk Management Department	Member Secretary	2/2	Nil

With effect from 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	Attendance	Sitting Fees
Binod Kumar Sharma	Director	Co-Ordinator	6/6	60,000
Shyam Sundar Sharma	Director	Member	6/6	54,000
Til Bahadur Gurung	Chief Operating Officer	Member	6/6	Nil
Pragalv Neupane	Head- Integrated Risk Management Department	Member Secretary	6/6	Nil

Activities of the Committee during the year

- Reviewed Credit Risk, Operation Risks, Market Risks and other type reports prepared by the Integrated Risk Management Department.
- Reviewed Credit and Operation Risk rating of Branches, Region and Bank as a whole.
- Reviewed and suggested various frameworks and policies whenever deemed necessary.
- Review the assets quality of the Bank including the detailed analysis on the non-performing, watchlist, overdue, and loan loss provision accounts.
- Monitored and reviewed the likelihood of the impact of the various risk imposed by macroeconomic factors in the industry.
- Reviewed the agendas discussed in the Assets Liability Committee (ALCO) and its effectiveness.
- Reviewed the risk associated with the various human factors within the Bank.
- Discussed interest risk of deposit portfolio of the Bank, increasing cost of funds, and suggested to improve the composition of retail deposit and improve CASA and control costs.
- Reviewed and suggested on amendment of product papers.
- The Committee presented risk-related reports at least on quarterly basis to the Board for its consideration.

AML/CFT COMMITTEE

AML/CFT Committee of the Board has been formed 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 Money Laundering Prevention and Combating financing of Terrorism.

Terms of Reference

01. Review Quarterly reports on implementation status of AML/CFT framework in the Bank
02. Implementation status of NRB-FIU issued FATF Recommendations, Internal Policies and procedures for better control measures
03. Issues Review relating to AML/CFT and discuss on Assessment, Measurement, Monitoring and Control of various related risks along with use of our AML vendor i-Care for various automatic monitoring purposes.
04. To perform any other tasks as governed by Bank and Financial Institution Act 2073, Asset Money Laundering Prevention Act 2064, Asset Money Laundering Prevention Rules 2073, NRB Directives and Board of the Bank from time to time.
05. The Committee should provide a quarterly report to the Board after due assessment of activities carried out by the compliance department.



Composition, Meeting, Attendance and Allowance of Committee

The Committee comprises of three members in total which includes one Director, Head of Integrated Risk Management Department and Head of Compliance Department as Member Secretary. The Risk Committee meets at least on a quarterly basis to discharge its duties.

The following is the composition, attendance and allowance details of the AML/ CFT Committee for FY 2080-81

Upto 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	No. of Meetings	Sitting Fees
Shaligram Mishra	Director	Coordinator	2/2	20,000
Samir Kumar Paudel	Head-Compliance Department & AML/CFT Department	Member Secretary	2/2	Nil
Pragalv Neupane	Head- Integrated Risk Management Department	Member	1/2	Nil
Govind Bahadur Raut	ACEO	Invitee	1/2	Nil
Subash Dhakal	Head Operation	Invitee Member	1/2	Nil

With effect from 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	No. of Meetings	Sitting Fees
Bharat Prasad Lamsal	Director	Coordinator	3/3	30,000
Samir Kumar Paudel	Head-Compliance Department & AML/CFT Department	Member Secretary	3/3	Nil
Pragalv Neupane	Head- Integrated Risk Management Department	Member	2/3	Nil
Subash Dhakal	Head Operation	Invitee Member	1/3	Nil
Til Bahadur Gurung	ADCEO	Invitee	3/3	Nil

Activities of the Committee during the year

- Annual Review and Revision of KYC status and Revision of AML/CFT Policy of the Bank. followed by information on training to staffs and other relevant issues.
- Reviewed the report on Banking issues related to AML/ CFT on various national and international level and make risk assessment to implement control measures
- Reviewed the report regarding status of Customer Due Diligence (CDD), Suspicious Transaction Report (STR), Transaction Threshold Report (TTR), Account Block and Releases as per Regulating Bodies of Nepal
- Discussion on Customer Identification and Monitoring throughout quarter, High Risk Account Assessment
- Discussion on various control measures in line with implementation of internal and external policies, NRB directives, as per regulations of various governing bodies of Nepal.
- Reviewed the reports of the internal auditors, external auditors and NRB on the AML/issues.
- Discussed the national and international AML/CFT instances and implemented the control mechanism to mitigate the possible risk.

HUMAN RESOURCES MANAGEMENT & REMUNERATION COMMITTEE

The formation of the Human Resources Management & Remuneration Committee is in line with the provisions set forth in the "Employee Service Bylaws 2079" of the Bank. The Human Resources Department is responsible for managing the administrative function of this committee.

Terms of Reference

- Assists the Board in forming the "Remuneration Policies and Practices" of the Bank.
- Report to the board on its periodical assessment and analysis of the Bank's employee remuneration structure, as well as that of the industry, and its possible implications on the Bank.
- Recommends the Board with the necessary rationales and explanations to revise the existing remuneration of all the employees including that of the Chief Executive Officer in accordance with the Bank's "Remuneration Policies and Practices".
- Develop and revise the metrics and procedures for assessing the work performance of the Bank's employees.
- Develop and submit to the Board plans, guidelines, and policies on hiring, posting, transferring, promoting, and other labor-related issues as well as performance reviews, rewards, and penalties for employees.
- Present the Board for its approval of the succession planning on the employees.

Composition, Meeting, Attendance, and Allowance of Committee

The committee is composed of four people the non-executive director, the Chief Financial Officer, the Chief Financial Officer, and the head of the Talent Acquisition Development & Management Department. It meets as needed to accomplish its responsibilities.

The following is the composition, attendance, and allowance details of the Committee for FY 2080-81

Upto 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	Attendance	Sitting Fees
Nirmala Kumari K.C.	Director	Co-ordinator	1/1	10,000
Pradyuman Pokharel	Chief Executive Officer	Member	1/1	Nil
Shankar Prasad Baral	Head- TADM	Member Secretary	1/1	Nil
Sanjiv Poudel	CFO	Member	1/1	Nil

With effect from 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	No. of Meetings	Sitting Fees
Saroja Shrestha Koirala	Director	Co-ordinator	2/2	20,000
Pradyuman Pokharel	Chief Executive Officer	Member	2/2	Nil
Shankar Prasad Baral	Head- TADM	Member Secretary	2/2	Nil
Sanjiv Poudel	CFO	Member	2/2	Nil



Activities of the Committee during the year

- Recommended to the Board for its approval, the corporate position wise additional staff enrollment for FY 2080-81.
- Reviewed the nature and the quantum of the training conducted for the staff.
- Review the position wise recruitment during the year.
- Reviewed the staff's turnover and analyzed the reason behind the turnover.

BUILDING CONSTRUCTION MONITORING COMMITTEE

The Building Construction Monitoring Committee is the non-statutory board committee formed pursuant to the board decision in 247th Board meeting for overseeing the construction work in the ongoing Head Office Building.

Terms of Reference

- To monitoring the construction related works of Central Office Building in Lazimpat.
- To oversee the construction works is being performed in line with the contract.
- To keep the board informed about the progress status of the project.

Composition, Meeting, Attendance and Allowance of Committee

The committee comprise of the 7 members including one director, one expert member, 2 member representing the building consultant and building contractor and 3 Bank's personnel.

The Building Construction Monitoring Committee's composition, attendance, and compensation information for FY 2080-81 is as follows

Upto 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	Attendance	Sitting Fees
Shaligram Mishra	Director	Co-ordinator	6/6	30,000
Pradyuman Pokharel	Chief Executive Officer	Member	3/6	Nil
Til Bahadur Gurung	Chief Operating Officer	Member Secretary	5/6	Nil
Birendra Rajbhat	Head- General Service Department	Member	6/6	Nil
Consultant Representative	Permanent Invitee	Representative Consultant	6/6	Nil
Contractor Representative		Representative Contractor	6/6	Nil

With effect from 2080-Poush-28 (2024-Jan-13)

Members of Committee	Designation	Position	Attendance	Sitting Fees
Narayan Kumar Shrestha	Director	Co-ordinator	2/3	10,000
Shaligram Mishra	Invitee		1/3	5,000
Khim Prakash Malla	-	Expert Member	1/3	5,000
Pradyuman Pokharel	Chief Executive Officer	Member	3/3	Nil
Til Bahadur Gurung	Chief Operating Officer	Member Secretary	3/3	Nil
Birendra Rajbhat	Head- General Service Department	Member	3/3	Nil
Consultant Representative	Permanent Invitee	Representative Consultant	3/3	Nil
Contractor Representative		Representative Contractor	3/3	Nil

Activities of the Committee during the year

- Monitored the construction works of the building and reported the progress status to the board.
- Supervised the construction process to ensure the quality of materials used and work done.
- Coordinating with different stakeholder for building construction.
- Evaluated the market scenario to facilitate smooth construction work.

SERVER PROCUREMENT COMMITTEE

The Server Procurement Committee is the non-standing board committee formed pursuant to the board decision in 317th Board held on 13th Magh 2080 meeting to streamline the procurement of server infrastructure.

Terms of Reference

- Analyze the traditional and cloud-based solutions to meet the Bank's evolving needs.
- Reports to board on the server requirement based on the analysis.
- Analyze the current and future requirements of the Bank to adapt to Digital Evolution.
- Streamline the procurement of server infrastructure for the Bank.



Composition, Meeting, Attendance and Allowance of Committee

The committee comprise of the 5 members including one director, one expert and 2 Bank's personnel.

The following is the composition, attendance, and allowance details of the Server Procurement Meeting for FY 2080-81

Members of Committee	Designation	Position	Attendance	Sitting Fees
Binod Kumar Sharma	Director	Co-ordinator	6/6	30,000
Gajendra Man Shrestha	Former Director	Member	6/6	30,000
Til Bahadur Gurung	Chief Operating Officer	Member	6/6	Nil
Sarbesh Shrestha	Head-IT	Member- Secretary	6/6	Nil

Activities of the Committee during the year

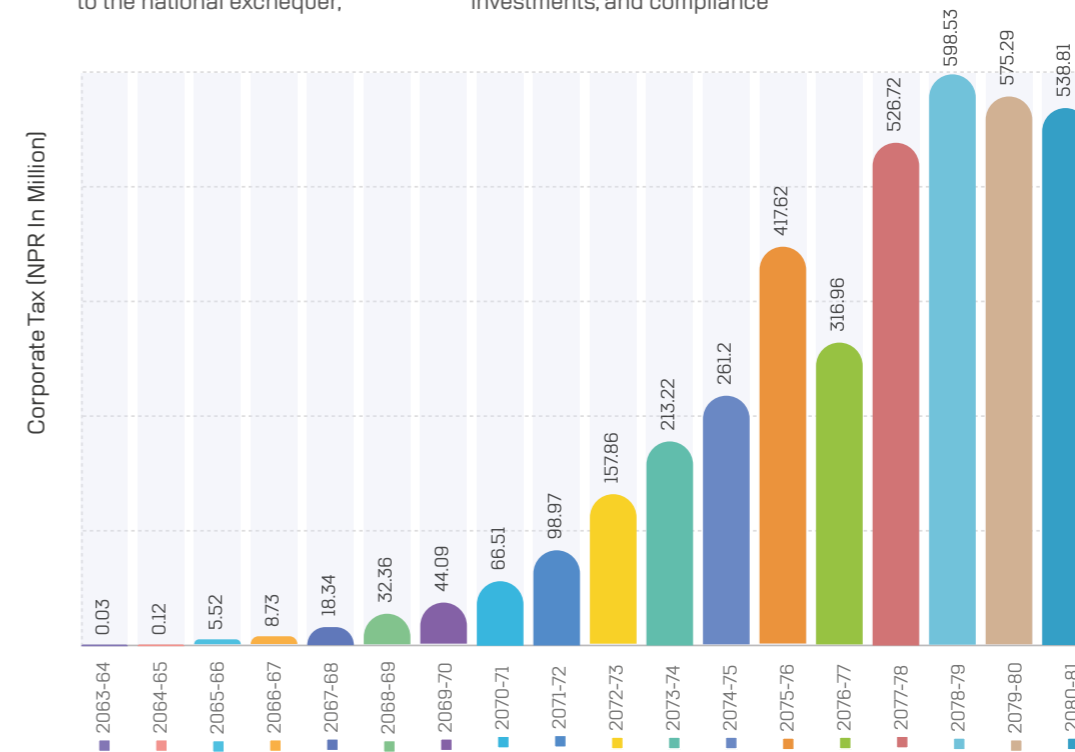
- Recommended the appointment of a consultant to the Board to assess the Bank's server requirements and provide informed suggestions.
- Reviewed and analyzed the consultant's findings
- Engaged in discussions on current and projected future storage needs.
- presenting a comprehensive report to the Board.

Contribution to National Exchequer

Muktinath Bikas Bank Limited recognizes its responsibilities towards society and nation for supporting their development. In the fiscal year 2080/81, the Bank made substantial contributions to the national exchequer,

supporting the country's economic development and government revenues. The Bank's commitment to national growth is demonstrated through various financial contributions, including taxes, investments, and compliance

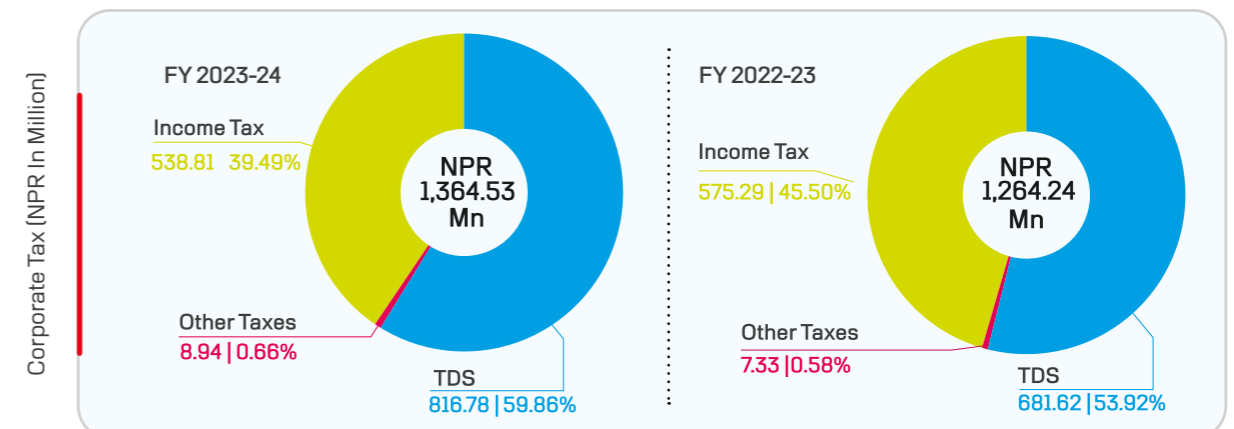
with regulatory requirements. The aggregate contribution of Bank to national exchequer in the form of corporate tax amounts to Rs 3,905.22 million during last 18 years:



In addition to corporate income tax, the Contribution to National Exchequer contributes to the national economy through various taxes, including Tax Deducted

at Source (TDS), Business Registration Tax, Advertisement Tax, and Vehicle Tax. These taxes highlight the Bank's broader financial contribution to the

economy beyond just corporate income tax. Other taxes include Business Registration Tax, Advertisement Tax and Vehicle Tax.





Management Discussion and Analysis

The financial year 2023-24 came with its share of complexities, including lower credit growth, excess liquidity, debt recovery challenges across the industry due to the sluggish economy and significant internal pressures on capital management adding to the headwinds.

As we look ahead, while the external environment remains challenging, the Bank is drawing on its core strengths to adapt to these circumstances and achieve sustainable growth in the coming years.

01 | Global Economic Outlook

Over the past financial year, the global economy encountered significant challenges, marked by weak growth prospects, high inflation, and increased uncertainties. Several factors, including the ongoing Russia-Ukraine conflict, recent disruptions in the Banking sector, lingering effects of the Covid-19 pandemic, the escalating impact of climate change, and fluctuating macroeconomic conditions, continue to cast a shadow over the economic outlook, despite some signs of improvement."

As per data published by the World Bank, Global growth is projected to stabilize at 2.6% in 2024 and slightly increase to 2.7% in 2025-26, driven by modest growth in trade and investment. Inflation is expected to moderate to 3.5% this year, but Central Banks are likely to keep interest rates high due to ongoing inflationary pressures. Despite some improvement in short-term growth, the global economic outlook remains weaker than in the 2010s, with growth expected to be below the pre-pandemic

average. Growth in emerging markets and developing economies (EMDEs) is forecast to slow from 4.2% in 2023 to 4% in 2024-25. The geopolitical wars such as the Russia-Ukraine conflict and the Israel-Hamas war are affecting the world economy.

Regarding the financial sector, the global economic outlook reflects a period of mixed recovery and continued uncertainties. While advanced economies, such as the U.S. and the Eurozone, are expected to moderate their growth rates due to tighter monetary policies aimed at controlling inflation, emerging markets are showing resilience, especially in Asia and Latin America. Global inflation rates are projected to decline, but remain above pre-pandemic levels, and central Banks are likely to maintain cautious stances on interest rates for the foreseeable future. In this environment, Banks are seeing shifting demand for credit, with heightened attention on risk management and capital adequacy to navigate potential market volatility.





02 | Nepalese Economic Outlook

Nepal's economy showed significant growth in FY 2023-24, with real GDP expanding by 3.9%, up from just 2% in FY 2022-23. The services sector was the key contributor to this growth, largely driven by a 30.7% increase in tourist arrivals, which boosted activities in transportation, accommodation, and food services. Additional support came from a rise in hydropower production by over 450 MW and a 4.3% increase in paddy production. On the demand side, private consumption, which makes up more than 80% of GDP, grew by 1.1%, a rebound from the 0.7% growth in the previous year, largely due to robust remittance inflows. However, private investment showed signs of slowing down, indicated by declines in investment commitments, reduced imports of intermediate and capital goods, and lower credit to non-financial businesses. Public investment remained weak, mainly due to ongoing budget execution issues and austerity measures that limited government spending. Despite these challenges, the current account recorded a surplus of 3.9% of GDP, the first in eight years, thanks to lower imports and strong remittance inflows.

Government revenue remained weak in FY 2023-24, holding steady at around 19% of GDP, the lowest in eight years. Despite this, the fiscal deficit narrowed to 2.6% of GDP, largely due to significant reductions in public spending. This fiscal contraction was achieved through austerity measures that led to a 2.2 percentage point decrease in recurrent expenditures, including cuts in transfers to subnational governments, allowances, and fuel costs. Although these measures helped reduce the deficit, the country continued to struggle with low revenue collection, which reflects persistent issues in tax administration and revenue mobilization. Public debt remained manageable, declining slightly to 42.7% of GDP, supported by a high proportion of concessional external debt. Inflation fell to 5.4%, down from 7.7% in FY 2022-23, thanks to lower non-food and services inflation, including reductions in housing, utility, and transportation costs. This moderation in inflation helped improve household purchasing power.

The Nepal Rastra Bank's accommodative monetary policy played a key role in supporting economic activity, with a

50-basis point reduction in the policy rate at the beginning of FY 2023-24 and a further 100-basis point cut in December 2023. Additionally, the Bank absorbed over NPR 3.5 trillion in liquidity through a new standing deposit facility, maintaining interbank rates within the lower bound of the policy corridor. Although nominal market interest rates decreased as a result, real interest rates increased slightly due to moderating inflation, which, coupled with higher remittance inflows, led to a rise in deposits in Banks and financial institutions. However, the Banking sector faced increasing pressure from rising non-performing loans (NPLs), which reached a record 3.8% by mid-July 2024, contributing to a decline in net profits. Despite these challenges, the sector's capital adequacy ratio remained well above the required minimum, indicating resilience, but ongoing monitoring is needed to ensure stability.

Looking forward, Nepal's real GDP is projected to grow by 5.1% in FY 2025 and 5.5% in FY 2026, driven by growth in the wholesale, retail, construction, and manufacturing sectors, which are expected to benefit from the central Bank's relaxed monetary policies and eased

regulatory requirements as per the World Bank forecast. The services sector, particularly tourism, real estate, and trade, is forecast to continue driving economic expansion. The government's focus on attracting 1.6 million international visitors in FY 2025 through tourism promotion initiatives will support growth in accommodation and food services. However, risks remain, including vulnerabilities in the financial system, political instability from frequent leadership changes, and external factors such as regional instability or natural disasters. Government efforts to improve revenue collection, including the introduction of new tax measures and the implementation of the Domestic Revenue Mobilization Strategy, are expected to contribute to fiscal consolidation. Nonetheless, challenges in capital expenditure execution and persistent low tax revenues will continue to pose hurdles. The economy's reliance on remittances highlights the importance of migration reforms to ensure that these inflows contribute to sustainable economic growth and improve household well-being.

03 | Industry Overview and Outlook

Amid pressures on the external sector and the broader economy, asset quality and profitability came under strain, with the nonperforming loan (NPL) ratio reaching a record high of 3.8 percent by mid-July 2024, leading to a 27.9 percent increase in loan-loss provisions. This resulted in an 8.8 percent drop in net profits for FY24. While the capital adequacy ratio (CAR) of the Banking sector remained above the regulatory

minimum, pressures were mounting, with some institutions falling below the required core capital adequacy ratio. Liquidity in the Banking sector increased due to higher remittance inflows, leading the central Bank to implement measures to absorb excess liquidity. Efforts to maintain profitability included restructuring loans in select sectors and adjusting loan-loss provisions to mitigate further

declines in Bank performance.

Overall, the Banking sector faced significant pressure, from low demand for credit facilities to a high supply of liquidity, amid the challenging debt recovery and capital management scenario. The table below reflects the industry growth in terms of major ratios

Metrics	FY 2080/81	FY 2079/80	Changes
Total Deposit/GDP	113.86%	107.25%	6.61%
Total Credit/GDP	90.63%	90.65%	-0.02%
Total Credit/ Total Deposit	79.60%	84.53%	-4.93%
CD Ratio	79.09%	81.63%	-2.54%
Fixed Deposit/Total Deposit	56.08%	58.21%	-2.13%
Saving Deposit/Total Deposit	30.09%	26.32%	3.77%
Current Deposit/Total Deposit	5.88%	7.87%	-1.99%
Call Deposit/Total Deposit	7.27%	6.77%	0.50%
NPL/ Total Loan	3.86%	3.02%	0.84%
Total LLP/Total Loan	4.45%	2.58%	1.87%
Deprived Sector Loan/Total Loan	6.22%	6.75%	-0.53%
Cash & Bank Balance/Total Deposit	7.43%	8.05%	-0.62%
Investment in Gov. Securities/Total Deposit	17.92%	17.84%	0.08%
Total Liquid Assets/Total Deposit	26.44%	27.10%	-0.66%
Core Capital/RWA	10.20%	10.59%	-0.39%
Total Capital/RWA	12.92%	13.42%	-0.50%

Source: Nepal Rastra Bank



04 | Overview of Bank's Financial Position



1. Loans and Advances

Loan is the cornerstone of the Bank. During the year, the net loans and advances of the Bank has decreased by 3.04% as the Bank strategically offloaded the high risk weighted loans for capital management. Credit

risk management and Portfolio diversification to ensure the long-term stability and profitability has remained the primary objective of the Bank. The quality of loan portfolio has been closely monitored so as to minimize

credit risk. Key indicators such as loan loss provisions and non-performing loan (NPL) ratios are carefully managed to maintain a healthy and sustainable loan portfolio. The loan portfolio category wise is as follows

NPR in Mn

Assets Class	Loan	% of loans	Total Provisions
Good	82,379.39	87.01%	981.22
Restructured	5,492.92	5.80%	270.70
Watchlist	4,651.45	4.91%	237.29
Substandard	854.21	0.90%	212.37
Doubtful	637.07	0.67%	315.54
Bad	665.27	0.70%	748.24
Total	94,680.30	100%	2,765.36
NPL	2.37%		

2. Loan Segmentation

Loan portfolio is diversified across various segments which allows to mitigate risks related to specific sectors and ensure a balanced approach to lending.

a. Product wise Loan Portfolio Segmentation

In terms of product wise segmentation, the term loan segment remains the largest portion of the portfolio with 47.45% or 44,928.47 million, which are typically long-term loans granted to businesses or individuals

with fixed repayment schedules ensuring the long term, followed by residential personal home loan (14.70%). This diverse portfolio reflects the Bank's strategic distribution of credit across different sectors and customer

needs, balancing risk and supporting various segments of the economy. Breakdown of loan portfolio by segment is as follows:

NPR in Mn

Particulars	Amount	%
Term Loan	44,928.47	47.45%
Overdraft	3,145.60	3.32%
Cash Credit Loan	8,700.25	9.19%
Demand & Other Working Capital Loan	638.08	0.67%
Residential Personal Home Loan (Up to Rs. 20 million)	13,918.92	14.70%
Real Estate Loan	7,813.71	8.25%
Margin Nature Loan	2,805.44	2.96%
Hire Purchase Loan	2,165.38	2.29%
Deprived Sector Loan	6,210.90	6.56%
Other Product	4,353.54	4.60%
Total	94,680.30	100.00%

b. Collateral wise Loan Portfolio Segmentation

The loan portfolio segmentation on the basis of collateral has majority of loans (i.e. 86.74% or 82,127.72 million) of total loans backed by property collateral,

highlighting the majority assets being backed by the security. The segmentation illustrates the Bank's diversified approach to securing its loan portfolio, with a

strong emphasis on property as collateral, while also utilizing a range of other security types to mitigate risk.

NPR in Mn

Particulars	Amount	%
Collateral of Properties	82,127.72	86.74%
Gold and Silver	634.82	0.67%
Institutional Guarantee	2,520.71	2.66%
Fixed Deposit Receipts	953.10	1.01%
Collective Guarantee	1,991.37	2.10%
Personal Guarantee	3,591.02	3.79%
Others	52.75	0.06%
Non-Governmental Securities	2,808.81	2.97%
Total	94,680.30	100.00%

c. Priority Sector Lending

Priority sector lending reflects both the regulatory compliance and Bank's contribution in supporting key sectors of the economy. A total of 30,639.57 million, or 32.36% of the Bank's loan portfolio, is allocated to four priority sectors with 20.56%,

the largest of all to SME sector followed by 6.31% to Agriculture sector, 5% to tourism sector and 0.5% to energy sector. By directing funds into these sectors, the Bank not only complies with regulatory guidelines but also actively contributes to the development

and upliftment of the economy, supporting sectors that are essential for long-term stability and growth.

NPR in Mn

Particulars	Amount	%
Agriculture	5,973.91	6.31%
Hydropower/Energy	470.01	0.50%
Tourism	4,733.92	5.00%
SME	19,461.72	20.56%
Total	30,639.57	32.36%
Total Loans and Advances	94,680.30	100.00%

3. Deposits

Deposits are a critical aspect of a Bank's operations, representing the primary source of funding for its lending activities and overall financial stability. During the period, the Bank emphasized enhancing its asset-liability position and aligning deposits with current and potential credit creation needs. The Assets Liability Committee played

a key role in maintaining optimal liquidity at all times while ensuring the net interest margin remained unaffected by excess liquidity. Additionally, interest rates were published monthly in compliance with regulatory requirements taking into account internal and external liquidity availability.

Deposit serves in managing liquidity and ensuring that the Bank can meet the withdrawal demands of customers while simultaneously having sufficient funds available for lending. The Bank has a mix of various deposits to ensure financial flexibility and resilience. The deposit mix is highlighted below

NPR in Mn

Type of Deposit	Amount	%
Current	2,223.42	2.02%
Saving	34,553.26	31.38%
Fixed	66,757.15	60.62%
Money at Call	6,517.05	5.92%
Margin Deposit	74.28	0.07%
Total	110,125.17	100%

Further, the combination of individual deposits, which offer consistency, and institutional deposits, which provide larger sums, diversifies the Bank's

funding sources. This helps the Bank comply with regulatory reserve requirements and strengthens its financial position providing a stable and predictable

source of funds. The composition of individual and Institutional Deposit as of Ashad 2081 is as follows

NPR in Mn

Category of Deposit	Amount	%
Individual Deposit	85,850.38	77.96%
Institutional Deposit	24,274.79	22.04%
Total	110,125.17	100%

The overall composition of deposit is well-balanced, with a clear focus on securing stable, low-cost funding. The ratio of

individual deposits to institutional deposit is 3.53:1 which reflects the conservative approach to funding, ensuring non over-reliance on

short-term or market-sensitive sources of liquidity.

Concentration of Deposit

NPR in Mn

Type	Amount	%
Top 20 Natural Persons	1,656.00	1.50%
Top 20 Institutions	11,907.25	10.81%
Total	13,563.24	12.32%
Total Deposit	110,125.17	

4. Investment

NPR in Mn

Particulars	Amount	%
Government Securities	13,857.03	96.98%
Shares	241.88	1.69%
Mutual Funds	189.63	1.33%
Total	14,288.54	

The investment of the Bank primarily comprised of investments in government securities, shares, and mutual funds. Of the total, NPR 13,857.03 million is invested in government securities, which are considered safe, low-risk

assets that provide a stable return, ensuring the Bank's liquidity and financial security. However, due to excess liquidity in the market currently, the yield in the government securities has decreased resulting in the

reduction of interest income on government securities by 16.81%. Further, the Bank has made certain investment in shares and mutual funds to cater the opportunities for higher returns as well as optimizing the portfolio.

5. Equity

NPR in Mn

Particulars	FY 2080/81	FY 2079/80	Growth
Share Capital	7,046.94	6,420.90	9.75%
Retained Earnings & Reserves	3,382.57	2,942.16	14.97%
Total Equity	10,429.51	9,363.06	11.39%

The Bank's total equity experienced a robust growth of 11.39% in FY 2080/81, increasing from NPR 9,363.06 million in FY 2079/80 to NPR 10,429.51 million. The share capital has increased by 9.75% owing to the bonus

shares declared from the profits available for distribution of FY 2079-80. Further, the reserves increased by 14.97% reflecting the higher retention of profits earned. The overall increase in both share capital and retained

earnings contributed to the overall growth in equity, enhancing the Bank's financial stability and the capital base its ability to invest in future opportunities, and ensuring compliance with capital adequacy requirements.

6. Total Assets

The total assets of the Bank have decreased by 5.06%, falling from NPR 131,611.21 million in the previous period to NPR 124,947.76 million in the current period. This decline in total assets is attributed to various factors such as a reduction in investments,

loans, and deposits by the Bank. It reflects the Bank's efforts to optimize its asset portfolio, assets liability position and strengthen its capital base, thereby reducing the high-risk weighted assets. This asset contraction underscores the Bank's cautious stance, prioritizing

long-term stability over short-term growth in a challenging market. Such measures are vital in safeguarding the Bank's position against rising systemic risks to ensure sustainable growth in the future.

7. Key figures from the Bank's Financial Position

NPR in Mn

Particulars	Current Year	Previous Year	Growth
Total Assets	124,947.76	131,611.21	-5.06%
Loans from Customers (net)	91,907.31	94,456.97	-2.70%
Investment Securities	14,249.25	22,084.61	-35.48%
Total Equity	10,429.51	9,363.06	11.39%
Deposit from Customers	109,758.88	116,449.87	-5.75%
Total Loan Loss Provision	2,765.36	1,988.58	39.06%
Non-Performing Loans	2,241.08	953.83	134.96%





05 | Overview of Bank's Financial Performance



1. Net Interest Income

The net interest income (NII) of the Bank has increased by 3.30%, rising from NPR 4,104.09 million in the previous period to NPR 4,239.34 million in the current period. The NII has increased

marginally due to reduction in interest yielding assets, increase in bad loans as well as reduction in the yield of government securities. Further the improvement is also the result of offloading the

excessive liquidity and improving the credit to deposits ratio from 81.89% in previous year to 85.83% in the reporting period.

2. Fees & Other Operating Income

The fees and other operating income have decreased marginally by 3.01%, dropping from NPR 615.66 million in the previous period to NPR 597.15 million in the current period. Fees and other operating income have shown a reduction due to lower credit growth resulting in the reduction

of service fees as large portion of the fees income is derived from the credit disbursal. As fees and operating income represent an important revenue stream for, the Bank is exploring ways to diversify and enhance the sources of income generation, particularly through digital and innovative

products and services. The Bank continued its focus on expanding the digital customer base with the revenue from the digital Banking segment increasing from 123.6 million in the previous year to 156.4 million in this year with growth of 26.53%.

3. Impairment Charges

During this year, the Bank has recognized impairment charges of NPR 776.78 million, compared to the previous year's charges of NPR 698.68 million. The increase in impairment charges has negatively impacted the profitability of the Bank.

This rise is primarily attributed to the unfavorable economic conditions prevailing in the economy, which have reduced the Bank's ability to recover loans effectively. Despite excess liquidity in the market, the economic slowdown and challenges in

the manufacturing, trading, and real estate sectors have made it difficult for businesses and individuals to meet their financial obligations, resulting in an increase in non-performing loans.

4. Personnel Expenses

The personnel expenses have increased by 8.15%, rising from NPR 1,438.16 million in the previous period to NPR 1,555.41 million in the current period. To optimize the staff expenses, the Bank is aligning the workforce by streamlining processes and automating routine tasks. Similarly, outsourcing non-core functions, such as administrative tasks or support services as well as investing in employee training and development to increase productivity without adding to

the headcount has been carried out. As a result, the Bank has reduced the headcount by 98 from 1,663 in the previous year to 1,565 in the current year. Further, the possibility of implementing technology solutions such as Artificial Intelligence (AI) and Robotic Process Automation (RPA) is being explored to automate routine tasks, enhance operational efficiency, and reduce costs. These technologies can streamline processes, minimize human error, and enable the reallocation of

resources to more strategic and value-driven activities.

The Board-level Human Resource Management Committee regularly reviews human resource-related matters and provides recommendations to the Board. This ensures a balance between maintaining the quality of management required for effective operations and execution and managing personnel expenses efficiently.

5. Depreciation and Amortization and Other Operating Expenses

The Depreciation and Amortization expense seems to have increased by 16.65%, rising from NPR 234.11 million to NPR 273.10 million. This increase is basically due to an increase in the depreciation expenses of Right-of-Use (ROU) Assets under NFRS 16 from 85.57 million in the previous year to 133.24 in the reporting period.

The total operating expenses have increased by 11.45%, from NPR 695.14 million to NPR 710.14 million. Out of other operating expenses, other operating expenses have decreased by 5.20%, dropping from NPR 461.03 million in the previous period to NPR 437.04 million in the current period. Notably the major improvement in terms of cost has is observed in

professional and legal expenses, business promotion, office refreshment, printing & stationery, expenses. This reduction shows that the Bank has successfully managed its cost minimization strategies and enhanced operational efficiencies, which is further reflected in Notes 4.37 in the financial statement.

6. Net Profit:

In the current year, the Bank reported a profit of NPR 1,176.33 million, a decrease of 5.76% compared to NPR 1,248.23

million in the previous year. This decline in profit is attributed to several factors, including challenges posed by the economic

environment, low credit demand, and rising levels of non-performing loans.

7. Key figures from the Bank's Statement of Profit or Loss

NPR in Mn

Particulars	Current Year	Previous Year	Growth
Net Interest Income	4,239.34	4,104.09	3.30%
Non-Interest Income	597.15	615.66	-3.01%
Total Revenue	4,836.49	4,719.75	2.47%
Impairment Charges	776.78	698.68	11.18%
Personnel expenses	1,555.41	1,438.16	8.15%
Other Operating expenses	795.85	762.34	4.40%
Non-operating expense	26.23	10.26	155.78%
Profit before taxes	1,682.21	1,810.32	-7.08%
Net Profit	1,176.33	1,248.23	-5.76%

06 | Capital Management

The Bank has formulated Internal Capital Adequacy Assessment Process (ICAAP) which has a sound and comprehensive policy and process for evaluating the Bank's capital commensurate with the overall risk profile, business projections and capital management strategies.

It covers the capital management policy of the Bank, set out the process for assessment of the adequacy of capital to meet

regulatory requirements, support current and future activities and meet the Pillar I and material Pillar II risks to which the Bank is exposed to.

The Bank develops its strategic, business and capital plans covering five-year horizon. Based on this long-term strategy, the annual budget of the Bank is prepared considering the current economic and business outlook. These two long- and short-term

plans ensure that adequate levels of capital and optimum mix are maintained by the Bank to support its strategy and business requirements.

The capital adequacy position of the Bank stands at:

a. Common Equity Tier 1 (CET1) Capital Ratio

This ratio measures Bank's core equity capital relative to its risk-weighted assets (RWA). As



of the latest reporting period, CET1 ratio stands at 9.46%, which exceeds the minimum regulatory requirement of 8.5% as required by NRB. The Bank continue to focus on maintaining a strong CET1 ratio to ensure that a sufficient buffer is in hand to absorb potential losses and meet regulatory expectations.

b. Total Capital Ratio

The Total Capital Ratio, which includes both Tier 1 and Tier 2 capital, is currently 11.69%, compared to the required regulatory minimum of 11%. This ratio indicated the Bank's strong financial foundation and ability to meet obligations in the event of adverse economic conditions.

These ratios are regularly reviewed

in light of regulatory changes and business growth to ensure ongoing compliance. In order to further strengthen the capital base, the Bank is in the process of issuing Perpetual Non-Cumulative Preference Shares and has planned to issue similar long-term capital components in times to come.

07 Liquidity Position

Liquidity management is a critical focus for the Bank, as it ensures the ability to meet short-term obligations while supporting

ongoing operations and growth. The liquidity position is closely monitored through a variety of key liquidity ratios and metrics on daily

basis. The major liquidity ratios are as follows:

Ratios	Regulatory Requirement	Bank
Cash Reserve Ratio (CRR)	4%	4.02%
Statutory Liquidity Ratio (SLR)	10%	21.88%
Net Liquidity Ratio	20%	24.01%

08 Key Ratio

In the current financial year, the Bank has experienced several noteworthy trends in its key financial ratios, which offer important insights into both its performance and areas that require attention. Return on Assets (ROA) has seen a slight decline from 0.95% to 0.94%. The Bank is actively working on optimizing its asset portfolio and exploring opportunities for better utilization of resources to improve this ratio in the coming year. The Return on Equity (ROE) experienced a more decrease of 15.40%, from 13.33% to 11.28%. The decline is particularly due to shrinkage in profit resulting

from higher impairment charges. Similarly, the Bank recognizes that its Earnings per Share (EPS) and Net Worth per Share have seen a decline of 14.15% and 0.54%, respectively. In contrary, there is improvement in Tier I Capital Ratio, which increased from 8.84% to 9.46%. This growth signifies that the Bank has successfully strengthened its core capital base in line with its strategic aspirations which is a critical factor in maintaining financial stability and absorbing potential losses. A key concern for the Bank is the significant increase in the gross Non-Performing Loans (NPLs) and

net Non-Performing Loans which currently stands at 2.37% and 1.02% respectively. However, it remained under the industry average of 3.86%. This is particularly due to the uncertainties in the economy and other factors. However, the Bank is actively working to reduce the NPL level through enhanced credit risk management, more rigorous loan monitoring, and proactive recovery strategies. Despite these challenges, the Bank is committed to optimizing operations and enhancing shareholder value in the years ahead. The following provides the snapshot of key financial ratios.

Particulars	Current Year	Previous Year	Changes
Return on Assets	0.94%	0.95%	-0.01%
Return on Equity	11.28%	13.33%	-2.05%
Net worth per share	148.00	145.82	-0.81
Earnings per share	16.69	19.44	-2.75
Liquidity Ratio	24.01%	25.67%	-1.66%
Tier I Capital Ratio	9.46%	8.84%	0.62%
Total Capital Adequacy Ratio	11.69%	11.77%	-0.08%
Gross Non-Performing Loans	2.37%	0.98%	1.39%
Net Non-performing Loans	1.02%	0.38%	0.64%

In comparison to industry-wide averages, the Bank is performing well above the industry average. The table below provides a snapshot of the comparison of Bank and industry

Particulars	Regulatory Requirement	Industry	Bank
Liquidity Ratio	> =20%	26.44	24.01
CD Ratio	< = 90%	79.09	85.83
Gross NPL	< = 5%	3.86	2.37
Core Capital Ratio	> = 8.5%	10.20	9.46
Total Capital Adequacy Ratio	> = 11%	12.92	11.69

09 Operational Scale and Service Outreach

As at Ashad 2081, the Bank has a total of 1,565 employees, a slight decrease from 1,663 employees in Ashad 2080, indicating a result of streamlining operations or optimizing efficiency in line with the Bank's strategic goals. The Bank has maintained its service outreach with 174 branches, 5 extension counters and 22 ATMs, ensuring widespread access to Banking services for its customers. The Bank is empowering the existing branches to increase productivity in terms and business and profitability.

In terms of account growth, the Bank has made notable strides, with the total number of deposit accounts reaching 1,428,084, up from 1,359,377 in Ashad 2080. This growth in deposit accounts reflects increasing customer trust and a strong market presence. The number of debit cards, mobile Banking and internet Banking issued has increased significantly indicating growing customer engagement and a positive shift towards digital Banking. However, the total number of loan accounts has seen a decrease,

dropping from 88,179 in Ashad 2080 to 75,638 in Ashad 2081. This reduction in loan accounts is attributed to the strategic shift of the Bank from the risky assets class. In conclusion, despite various challenges, the Bank's overall operational scale and service outreach signals a positive trend.





10 | Strategic Initiatives

The Bank has implemented Strategic Plan “2082-86” to ensure sustainable growth, remain competitive the long-term value creation to the stakeholders the key areas of which is as follows



11 | Going Forward

Business growth is imperative to stay relevant in the dynamic market landscape, and to ensure long-term financial success. The Bank's growth strategy focuses on expanding into high-growth emerging markets with increasing demand for accessible Banking services, ensuring a long-term presence and increased market share. The Bank is diversifying its offerings to include specialized financial solutions for businesses, microfinance, and individuals, aiming to enhance the customer experience and serve underserved segments effectively.

This expansion is complemented by a commitment to digital transformation, improving the Bank's online and mobile Banking platforms to offer seamless 24/7 access and advanced features. The Bank is also collaborating with fintech companies to stay at the forefront of innovation in the financial services industry.

In addition, the Bank is futureproofing its business by introducing next-generation financial solutions that align with sustainability goals. This includes developing green

finance products, such as eco-friendly loans and renewable energy project financing, to support environmental and social objectives. Furthermore, the Bank is expanding its portfolio to include ESG investment funds and sustainable investment opportunities, catering to the growing demand from retail and institutional clients who want to make socially responsible investments. These initiatives are part of the Bank's strategy to position itself as a leader in the financial sector of Nepal.

Concluding

The Bank has shown satisfactory performance in FY 2080/81, maintaining an effective financial position despite challenges like rising credit risk, increased non-performing loans (NPLs), and macroeconomic uncertainties. Key metrics such as net profit, return on equity (ROE), and return on assets (ROA) indicate resilience, reflecting effective cost management, optimized asset use, and improved capital position. The

Bank's diversified loan portfolio, robust capital, and liquidity management further support its ability to navigate adverse conditions.

However, challenges remain, particularly in asset quality and credit risk management, with the increase in NPLs and loan-loss provisions highlighting the need for continued vigilance. The Banking sector is under pressure

from rising NPL ratios and liquidity concerns. Despite this, the Bank is well-positioned for future growth, focusing on strategic initiatives such as market expansion, digital transformation, and cost management. Its commitment to sustainability through green finance and ESG investments, along with strong capital buffers, positions the Bank to adapt to evolving market trends and economic fluctuations.



Horizontal Analysis of Financial Statement



Statement of Financial Position

	2080/81	2079/80	2078/79	2077/78	2076/77
Assets					
Cash and Cash Equivalent	38%	64%	99%	76%	100%
Due from Nepal Rastra Bank	476%	185%	142%	127%	100%
Placement with Bank and Financial Institutions	0%	0%	0%	0%	0%
Derivative Financial Instruments	0%	0%	0%	0%	0%
Other Trading Assets	0%	0%	0%	0%	0%
Loans and Advances to BFIs	354%	420%	452%	577%	100%
Loans and Advances to Customers	193%	198%	182%	153%	100%
Investment Securities	216%	335%	272%	220%	100%
Current Tax Assets	59%	70%	24%	64%	100%
Investment in Subsidiaries	208%	208%	100%	100%	100%
Investment in Associates	284%	284%	183%	183%	100%
Investment Property	0%	0%	0%	0%	0%
Property and Equipment	293%	251%	248%	106%	100%
Goodwill and Intangible Assets	120%	149%	204%	85%	100%
Deferred Tax Assets	256%	187%	204%	121%	100%
Other Assets	317%	384%	166%	112%	100%
Total Assets	188%	198%	182%	152%	100%
Liabilities					
Due to Banks and Financial Institutions	33%	86%	161%	233%	100%
Due to Nepal Rastra Bank	0%	0%	0%	0%	0%
Derivative Financials Instrument	0%	0%	0%	0%	0%
Deposits from Customers	192%	203%	183%	152%	100%
Borrowings	0%	0%	0%	0%	0%
Current Tax Liabilities	0%	0%	0%	0%	0%
Provisions	35%	397%	94%	100%	100%
Deferred Tax Liabilities	0%	0%	0%	0%	0%
Other Liabilities	259%	258%	255%	128%	100%
Debt Securities Issued	0%	0%	0%	0%	0%
Subordinated Liabilities	0%	0%	0%	0%	0%
Total Liabilities	189%	202%	187%	156%	100%
Equity					
Share Capital	163%	148%	131%	111%	100%
Share Premium	0%	0%	0%	0%	100%
Retained Earnings	32%	110%	131%	146%	100%
Reserves	391%	278%	198%	137%	100%
Total Equity	180%	161%	139%	117%	100%
Total Equity and Liabilities	188%	198%	182%	152%	100%

This Horizontal Analysis of the Statement of Financial Position provides insights into the growth of assets, liabilities, and

equity over time, using FY 2076/77 as the base year (100%). This shows the the Bank demonstrates solid growth in

assets and equity, driven by an increase in loans, deposits, and reserves.

Statement of Profit or Loss

	2080/81	2079/80	2078/79	2077/78	2076/77
Interest Income	209%	235%	175%	115%	100%
Interest Expense	220%	262%	190%	111%	100%
Net Interest Income	188%	182%	147%	123%	100%
Fees and Commission Income	108%	116%	98%	119%	100%
Fees and Commission Expense	377%	295%	219%	141%	100%
Net Fee and Commission Income	95%	108%	92%	118%	100%
Net Interest, Fee and Commission Income	171%	169%	138%	122%	100%
Net Trading Income	141%	181%	135%	100%	100%
Other Operating Income	112%	32%	131%	1184%	100%
Total Operating Income	170%	167%	137%	136%	100%
Impairment charge/(reversal) for loans and other losses	245%	221%	24%	156%	100%
Net Operating Income	161%	160%	152%	133%	100%
Operating Expense					
Personnel Expenses	174%	161%	136%	124%	100%
Other Operating Expenses	101%	106%	91%	91%	100%
Depreciation and Amortisation	207%	178%	162%	110%	100%
Operating Profit	169%	180%	192%	163%	100%
Non Operating Income	90%	0%	0%	8191%	100%
Non Operating Expenses	0%	0%	0%	0%	0%
Profit before Income Tax	167%	179%	191%	164%	100%
Income Tax Expenses					
Current Tax	169%	185%	189%	166%	100%
Deferred Tax	188%	168%	72%	177%	100%
Profit for the Period	166%	176%	190%	163%	100%

The above horizontal analysis of the Statement of Profit or Loss requires each line item is expressed as a percentage relative to the base year (2076/77), which

is set at 100%. This approach helps to understand growth patterns and shifts in financial performance over the years. This trend analysis highlights areas of

strength, such as consistent interest income growth, and areas of concern, like increasing impairment charges and operating expenses.

Vertical Analysis of Financial Statement



Statement of Financial Position

	2080/81	2079/80	2078/79	2077/78	2076/77
Assets					
Cash and Cash Equivalent	2.51%	4.00%	6.69%	6.20%	12.36%
Due from Nepal Rastra Bank	7.69%	2.84%	2.37%	2.54%	3.04%
Placement with Bank and Financial Institutions	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-
Other Trading Assets	-	-	-	-	-
Loans and Advances to BFIs	1.71%	1.93%	2.25%	3.44%	0.91%
Loans and Advances to Customers	73.56%	71.77%	71.70%	72.11%	71.83%
Investment Securities	11.40%	16.78%	14.81%	14.35%	9.94%
Current Tax Assets	0.03%	0.04%	0.01%	0.04%	0.10%
Investment in Subsidiaries	0.20%	0.19%	0.10%	0.12%	0.18%
Investment in Associates	0.12%	0.12%	0.08%	0.10%	0.08%
Investment Property	0.35%	0.19%	0.04%	-	-
Property and Equipment	1.79%	1.46%	1.57%	0.80%	1.15%
Goodwill and Intangible Assets	0.01%	0.01%	0.02%	0.01%	0.01%
Deferred Tax Assets	0.09%	0.06%	0.08%	0.05%	0.07%
Other Assets	0.53%	0.62%	0.29%	0.23%	0.32%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities					
Due to Banks and Financial Institutions	0.62%	1.52%	3.10%	5.36%	3.50%
Due to Nepal Rastra Bank	0.33%	0.16%	0.85%	0.82%	0.00%
Derivative Financials Instrument	-	-	-	-	-
Deposits from Customers	87.84%	88.48%	86.45%	85.93%	86.38%
Borrowings	0.01%	0.01%	0.02%	-	-
Current Tax Liabilities	-	-	-	-	-
Provisions	0.00%	0.01%	0.00%	0.00%	0.01%
Deferred Tax Liabilities	-	-	-	-	-
Other Liabilities	1.85%	1.75%	1.88%	1.13%	1.35%
Debt Securities Issued	1.00%	0.95%	1.03%	-	-
Subordinated Liabilities	-	-	-	-	-
Total Liabilities	91.65%	92.89%	93.33%	93.25%	91.23%
Equity					
Share Capital	5.64%	4.88%	4.67%	4.76%	6.52%
Share Premium	-	-	-	-	0.10%
Retained Earnings	0.16%	0.51%	0.67%	0.89%	0.93%
Reserves	2.55%	1.72%	1.33%	1.11%	1.23%
Total Equity	8.35%	7.11%	6.67%	6.75%	8.77%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

The Vertical Analysis of the Statement of Financial Position for the last five years requires each item on the Vertical Analysis of Financial Statement is

expressed as a percentage of the Total Assets which is the base amount of 100%. This analysis allows stakeholders to assess trends and the proportional

changes in assets, liabilities, and equity, aiding in decision-making and performance evaluation.

Statement of Profit or Loss

	2080/81	2079/80	2078/79	2077/78	2076/77
Interest Income	95.84%	96.17%	95.44%	88.01%	92.28%
Interest Expense	66.34%	70.67%	67.95%	55.65%	60.65%
Net Interest Income	29.50%	25.51%	27.48%	32.36%	31.63%
Fees and Commission Income	3.82%	3.68%	4.11%	7.02%	7.13%
Fees and Commission Expense	0.60%	0.42%	0.41%	0.37%	0.32%
Net Fee and Commission Income	3.22%	3.27%	3.69%	6.65%	6.82%
Net Interest, Fee and Commission Income	32.72%	28.77%	31.18%	39.01%	38.44%
Net Trading Income	0.06%	0.07%	0.07%	0.07%	0.09%
Other Operating Income	0.28%	0.07%	0.39%	4.90%	0.50%
Total Operating Income	33.06%	28.91%	31.63%	43.98%	39.03%
Impairment charge/(reversal) for loans and other losses	5.41%	4.34%	0.62%	5.75%	4.44%
Net Operating Income	27.66%	24.57%	31.02%	38.23%	34.59%
Operating Expense					
Personnel Expenses	10.82%	8.94%	10.04%	12.89%	12.54%
Other Operating Expenses	3.04%	2.87%	3.25%	4.61%	6.09%
Depreciation and Amortisation	1.90%	1.45%	1.77%	1.68%	1.85%
Operating Profit	11.89%	11.31%	15.96%	19.05%	14.12%
Non Operating Income	0.00%	0.00%	0.00%	0.16%	0.00%
Non Operating Expenses	0.18%	0.06%	0.02%	0.00%	0.00%
Profit before Income Tax	11.71%	11.25%	15.94%	19.22%	14.12%
Income Tax Expenses					
Current Tax	3.72%	3.65%	4.95%	6.11%	4.44%
Deferred Tax	-0.20%	-0.16%	-0.09%	-0.32%	-0.21%
Profit for the Period	8.19%	7.76%	11.07%	13.42%	9.90%
Total Revenue (Mn)	14,369.65	16,090.89	12,116.03	8,616.93	7,144.04

The Vertical Analysis of the Statement of Profit or Loss for the last five fiscal years expresses each line item as a

percentage of Total Revenue, enabling a better understanding of trends and the contribution of various income and

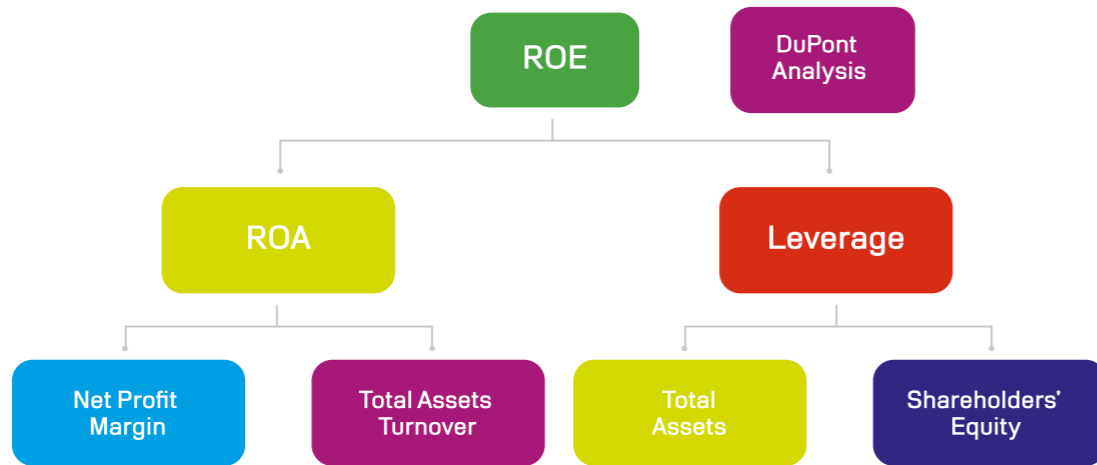
expense components to the overall revenue.

DuPont Analysis

DuPont analysis is a comprehensive method used to break down a company's Return on Equity (ROE) into several components, helping analysts

understand the underlying factors driving profitability, operational efficiency, and financial leverage. The basic DuPont formula focuses on three main components, while a

broader and more detailed format include additional ratios that are relevant for a Bank like capital adequacy, asset quality, and revenue generation.



$ROE = \text{Net Profit Margin} * \text{Total Assets Turnover} * \text{Equity Multiplier/Financial Leverage}$

Amount in NPR

	Current Year	Previous Year
Net Income	1,176,334,917	1,248,226,268
Total Operating Income	4,750,775,560	4,652,551,460
Net Profit Margin (a)	25%	27%
Total Operating Income	4,750,775,560	4,652,551,460
Total Asset	124,947,764,056	131,611,207,055
Asset Turnover (b)	3.8%	3.5%
Total Assets	124,947,764,056	131,611,207,055
Shareholders' Equity	10,429,507,764	9,363,058,318
Financial Leverage (c)	11.98	14.06
Return on Equity [ROE] (a*b*c)	11.28%	13.3%

The DuPont analysis of the Bank shows that the net profit margin dropped from 26.8% in 2080 to 24.77% in FY 2080/81, which indicates the Bank became slightly less efficient at turning its sales into profit. This is attributed particularly to higher impairment charges. However, the Asset Turnover ratio improved from 0.035 in 2080 to 0.038 in 2081, indicating that the Bank used its

assets more effectively to generate sales, showing better efficiency in operations. At the same time, the company reduced its Financial Leverage, with the ratio falling from 14.06 in FY 2079/80 to 11.98 in FY 2080/81.

Even with the improvement in asset efficiency, the Return on Equity (ROE) declined from 13.3% in FY 2079/80 to 11.28% in 2080/81.

This decrease is due to the lower net profit margin and financial leverage, which offset the benefits of better asset use. Overall, while the company became more efficient with its assets and used less debt, the drop in profitability and leverage led to a lower ROE in FY2080/81 compared to FY2079/80.



Risk Management

01. Approach to Risk Management

Amidst the current financial landscape of uncertainty and change, effective risk management has become pivotal for the Bank's survival, growth, and long-term sustainability. The Bank's Board and management are fully committed to strengthening its risk environment, safeguarding the interests of shareholders and stakeholders alike. As a core element of our operational framework, the Risk Management function enables us to navigate uncertainties with confidence while proactively addressing emerging challenges and leveraging opportunities. Through strong governance, proactive

risk assessments, and adaptive strategies, we continually enhance our practices to respond to macroeconomic shifts, ensuring our dedication to long-term success and resilience in an evolving financial environment.

Our Bank has established an Integrated Risk Management Framework that combines a comprehensive approach to addressing multiple dimensions of risk with proactive measures to safeguard daily operations and strategic objectives. This framework clearly defines the Bank's governance structure, policies, processes, and

procedures, enabling the effective management of unpredictable risks. It encompasses key areas such as credit risk management, with a focus on thorough assessments of borrower creditworthiness and portfolio composition to minimize default exposure. By continuously reviewing risk controls against external developments, the framework alerts the Bank to potential risks, allowing for timely and appropriate measures to navigate the current volatile macroeconomic environment.





02. Risk Governance Structure

The Board of Directors are responsible for overall risk management and for approving the risk management strategies and principles. The Risk Management Policy approved by the Board has laid down the governance structure supporting the identification,

assessment, monitoring, reporting and mitigation of risk throughout the Bank. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organization and having appropriate systems and tools for

timely identification, measurement and reporting of risks for managing them.

The Bank follows the following Risk Management Structure



03. Policies & Manual for Effective Risk Management

- Risk Management Policy, 2081
- Risk Monitoring & Reporting Framework, 2081
- Internal Capital Adequacy Assessment Procedure, 2079
- Liquidity Management Framework, 2080
- Assets Liability Management Framework, 2080
- Credit Risk Grading Manual, 2079
- Stress Testing Guidelines, 2080
- Reconciliation Manual, 2079
- ALM/CFT Policy, 2080

04. Risk Management Process

The Board has a Risk Management committee which is responsible for identifying, assessing and managing the risks within the Bank and reports to the Board of Directors. The Risk Management Policy has been implemented through the established organization structure. The overall monitoring of the Risks is done by the Integrated Risk Management Department with the support from all the department heads including the ALCO of the Bank. The Board will review the status and progress of the risk and risk management system, on a quarterly basis through the Audit Committee and Risk Management Committee.

As the first level of defense, the individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. The concerned department heads shall ensure that the branches, department and Bank operates within the risk tolerance. They are also responsible

for identifying risks within their own department or related business activity as the risk exposure of any business may undergo change from time to time due to the continuously changing environment.

While each department focuses on its specific area of activity, the Integrated Risk Management Department operates in coordination with all other departments, gathers all significant information to ensure that the risk is within the risk appetite expressed by the Risk Management Policy of the Bank.

Additionally, a dedicated department with a specialty on identifying and mitigating the risks relating to money laundering and financial terrorism (ML and TF) is established as a risk management tool. Further the Compliance Department has also been formed to ensure that the Bank complies with all kinds of laws and regulations.

The Internal Audit Department carries

out the audit as per the approved audit plan of the audit committee and examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

The Bank also undergoes an external audit by an external auditor in accordance with the requirements of Companies Act, 2063, and Banks and Financial Institution Act, 2073 which provide assurance that financial statements accurately reflect the financial position and performance of the Bank. In addition, the Information System Audits are done by the external specialized firms to review and evaluate the Bank's information system and the controls in place to ensure the confidentiality, integrity, and availability of information.

05. Risk Culture

At Muktinath, the practice of risk management transcends departmental boundaries and is embedded at every level. This integrated approach guarantees that risk mitigation efforts extend beyond a single function and are intricately embedded in our daily

operation. By fostering a culture of risk awareness and accountability among all employees, we empower each team to identify and address potential risks at their source. To fortify this culture, we conduct regular training sessions, elevating the level of risk awareness

among our employees and equipping them with the necessary skills and experience to effectively handle risks associated with their respective roles.

06. Key Risk Areas and its measurement

1. Credit Risks

Credit risk remains one of the most significant risks of the Bank, which arises from the potential inability of borrowers or counterparties to meet their financial obligations. Credit

risk management strategies include effectively managing the risk of financial losses arising out of booking an exposure on counterparty and also ensuring independence of the credit risk

function. Credit risk is managed through a defined framework which sets out policies, procedures and standards covering the measurement and management of credit risk.

a. Credit Concentration based on NRB Threshold

Particulars	Regulatory	Bank
Maximum Loan to Single Obligor (% of Core Capital)	25% of Core Capital	9.32%
Maximum Margin Lending	40% of Core Capital	32.84%
Maximum Real Estate Loans	25% of total loans	8.25%

b. Sector Wise Loan and Advances

NPR in 'Mn

Sectors	Amount	%
Agricultural and Forest Related	6,341.99	6.70%
Fishery Related	153.74	0.16%
Mining Related	-	0.00%
Agriculture, Forestry & Beverage Production Related	980.63	1.04%
Non-food Production Related	3,122.31	3.30%
Construction	572.64	0.60%
Power, Gas and Water	537.68	0.57%
Metal Products, Machinery & Electronic Equipment & Assemblage	200.88	0.21%
Transport, Communication and Public Utilities	1,368.82	1.45%
Wholesaler & Retailer	13,937.43	14.72%
Finance, Insurance and Real Estate	11,699.14	12.36%
Tourism Service	4,075.35	4.30%
Other Services	2,143.10	2.26%
Consumption Loans	19,556.00	20.65%
Local Government	-	0.00%
Others	29,990.60	31.68%
Total	94,680.30	

c. Measurement of Credit Risks

The table depicts the 11 categories of Risks and the risk weighted exposure measured in line with on the Standardized Approach prescribed by the NRB's Capital Adequacy Framework, 2015:

NPR in 'Mn

Categories	Current Year	Previous Year
Claims on Government and Central Bank	-	-
Claims on Other Official Entities	-	-
Claims on Banks	792	1,265
Claims on Domestic Corporates and Securities Firms	12,623	15,127
Claims on Regulatory Retail Portfolio	36,600	35,093
Claims Secured by Residential Properties	8,639	8,683
Claims Secured by Commercial Real Estate	2,215	441
Past Due Claims	3,035	2,127
High Risk Claims	9,636	20,246
Other Assets	6,855	3,111
Off Balance Sheet Items	775	932
Total	81,169	87,025

2. Operational Risk

Operational risk arises from failed or inadequate internal processes, people, systems, or external events. The Bank manages these risks under a Board-approved Risk Management Policy, with oversight provided by the Risk Management Committee and support from the Integrated Risk Management Department. The "Operational Risk Monitoring & Reporting Framework 2079" is in place to identify, monitor, and mitigate operational risks, ensuring the implementation of control measures and readiness for hostile circumstances. The Bank's risk management process involves identifying risks, measuring exposures, and ensuring they remain within the Bank's risk appetite. Controls are embedded in daily operations to enhance efficiency, ensure information reliability, and maintain compliance

with laws and regulations.

The Bank addresses key risk areas through defined mitigation strategies. Internal process risks, such as overriding standard operating procedures, are managed through well-defined policies and regular audits by the Internal Audit Department. People risk, including untrained staff, poor HR management, fraud, absenteeism, and attrition, are mitigated through staff training, strategic staffing, biometric attendance systems, succession planning, and employee incentive programs. Information system risks, such as physical threats, cyberattacks, infrastructure failures, and data loss, are addressed with security measures like CCTV, firewalls, disaster recovery sites, and regular data backups. Compliance risks,

including potential breaches of laws and regulations, are handled by a dedicated Compliance Department to ensure adherence to regulatory requirements. Finally, external risks, such as asset theft, destruction, or natural disasters, are mitigated through 24/7 surveillance, security measures, and adherence to the "Business Continuity and Disaster Recovery Policy" to ensure minimal disruption in adverse circumstances.

The following capital allocation, based on Basel III's Basic Indicator Approach, has been outlined to ensure that sufficient capital is set aside to effectively address operational risk.

Figures in '000

Particulars	Financial Year		
	2077-78	2078-79	2079-80
Net Interest Income	2,788,641.14	3,329,779.38	4,104,093.96
Commission and Discount Income	605,019.02	497,493.26	592,895.44
Other Operating Income	422,196.63	46,878.50	19,972.60
Exchange Fluctuation Income	6,242.54	8,444.76	2,788.08
Addition/Deduction in Interest Suspense during the period	-	-	-
Gross income (a)	3,822,099	3,882,596	4,719,750
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	573,315	582,389	707,963
Capital Requirement for operational risk (d) [average of c]			621,222
Risk Weight [reciprocal of capital requirement of 11%] in times (e)			9
Equivalent Operational Risk Weight Exposure [f=(d×e)]			5,646,910

3. Liquidity Risk

Liquidity risk is the risk that a company or Bank may be unable to meet its short-term financial obligations due to the inability to convert assets into cash without incurring a loss. It arises from mismatches in the timing of cash flows, especially during stress situations, when the Bank cannot

secure necessary funding for liquid assets on acceptable terms. To manage liquidity risk, Banks use financial ratios to assess liquidity and ensure effective liquidity management policies. The Asset and Liability Committee (ALCO) plays a crucial role in overseeing these strategies within the

Asset and Liability Management (ALM) framework, which ensures proper balance between assets, liabilities, and liquidity. The Treasury Department monitors liquidity daily, ensuring compliance with regulatory requirements and mitigating potential risks.

**a. Liquidity Profile**

The following table depicts the maturity profile of the assets and liabilities as at the closing date which is closely monitored to determine the liquidity level.

NPR in 000's

Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
Assets						
Cash and Cash Equivalent	3,134,540	-	-	-	-	3,134,540
Due from Nepal Rastra Bank	9,606,142	-	-	-	-	9,606,142
Loans and Advances	8,422,565	4,591,832	3,892,141	3,098,995	74,041,403	94,046,936
Investment Securities	6,250,000	-	-	-	7,999,248	14,249,248
Current Tax Assets	-	-	-	40,722	-	40,722
Investment in Subsidiaries	-	-	-	-	244,046	244,046
Investment in Associates	-	-	-	-	155,550	155,550
Investment Property	-	-	-	-	432,504	432,504
Property and Equipment	-	-	-	-	2,242,422	2,242,422
Goodwill and Intangible Assets	-	-	-	-	11,768	11,768
Deferred Tax Assets	-	-	-	-	116,115	116,115
Other Assets	18,981	-	-	-	648,790	667,771
Total Assets	27,432,228	4,591,832	3,892,141	3,139,717	85,891,846	124,947,764
Liabilities						
Due to BFIs	769,622	-	-	-	-	769,622
Due to Nepal Rastra Bank	-	-	-	-	415,630	415,630
Deposits from Customers	32,335,221	13,592,660	14,189,723	15,343,866	34,297,405	109,758,876
Provisions	-	-	-	-	1,300	1,300
Debt Securities Issued	-	-	-	-	1,247,444	1,247,444
Other Liabilities	189,131	186,913	-	-	1,949,341	2,325,385
Total Liabilities	33,293,974	13,779,573	14,189,723	15,343,866	37,911,120	114,518,256
Net Assets	(5,861,746)	(9,187,741)	(10,297,582)	(12,204,149)	47,980,726	10,429,508
Cumulative Assets	(5,861,746)	(15,049,487)	(25,347,070)	(37,551,219)	10,429,508	-

b. Concentration of Depositors

Further the concentration of deposit as shown below also implies the liquidity risk is proactively managed by the Bank.

NPR in 000's

Particulars	Current Year	Previous year
Total deposits from twenty largest depositors		
a. Group-wise	11,907,247	13,507,256
b. As per individual customers	3,545,000	4,176,223
Percentage of deposits from twenty largest depositors to total deposits		
a. Group-wise	10.81%	11.45%
b. As per individual customers	3.22%	3.54%

4. Market Risk

Market Risk refers to the risk a Bank faces due to fluctuations in market prices, including interest rates, foreign exchange (FX) rates, and equity prices. The goal is to manage market risk exposures within acceptable levels in line with the Bank's risk appetite. The Bank employs a comprehensive

market risk management framework with limits, key risk indicators (KRIs), and stress testing for the following risks:

Transaction Risk: Changes in exchange rates affecting future cash flows from foreign currency-denominated assets or liabilities.

Translation Risk: The impact of currency fluctuations on the consolidation of foreign subsidiaries or foreign-denominated assets.

Economic Risk: The long-term effect of currency changes on a Bank's competitive position.

a. Foreign Exchange Risk

The net open position including the capital allocation for market risk is mentioned below:

In 000's

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
Indian Rupee	-	-	-	-
United States Dollar	109.49	134.05	14,677	14,677
Great Britain Pound	25.26	173.62	4,386	4,386
Euro	53.59	145.71	7,809	7,809
Thai Baht	172.93	3.69	638	638
Swiss Franc	16.58	149.40	2,477	2,477
Australian Dollar	40.62	90.83	3,689	3,689
Canadian Dollar	37.08	98.26	3,643	3,643
Singapore Dollar	26.79	99.66	2,670	2,670
Japanese Yen	1,941.00	0.84	1,634	1,634
Hong Kong Dollar	78.46	17.13	1,344	1,344
Danish Kroner	-	-	-	-
Swedish Kroner	-	-	-	-
Saudi Arabian Riyal	62.96	35.49	2,234	2,234
Qatari Riyal	25.97	36.57	950	950
Emirati Dirham	9.48	36.45	346	346
Malaysian Ringgit	44.81	28.56	1,280	1,280
South Korean Won	2,938.00	0.10	284	284
Chinese Yuan	8.37	18.47	155	155
Kuwaiti Dinar	0.97	438.07	427	427
Bahraini Dinar	0.03	355.51	11	11
(a) Total Open Position			48,654	48,654
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a×b)				2,433
(d) Risk Weight (reciprocal of capital requirement of 10%) in times				9.09
(e) Equivalent Market Risk Weight Exposure (=c×d)				22,113



b. Interest Rate Risks

Interest rate risk for Bank refers to the potential impact that fluctuations in interest rates can have on a Bank's profitability and financial stability. Banks hold a portfolio of assets, such as loans, and liabilities, such as deposits, which may be sensitive to changes

in interest rates. When interest rates rise or fall, the value of these assets and liabilities can change, affecting the Bank's net interest income and the overall balance sheet. So, managing interest rate risk is crucial for the Bank to ensure profitability and maintain financial stability in changing

market conditions. The interest rate risk is being measured and managed appropriately by using the difference between the rate sensitive assets (RSA) and rate sensitive liabilities (RSL) which shows the impact of interest changes on the net interest income.

5. Technology Risk

The Bank has adopted a suite of advanced technologies to address risk caused by new technological threats. These are some of the Advanced email security gateways, Web Application Firewall, NextGen Anti-virus, and NextGen Firewall which are developed with a view

to safeguard against cyber-attacks. In order to guarantee strong governance as well as secure access, the Bank has already deployed Privilege Access Management and role-based access control across all its applications. Specifically, a Disaster

Recovery Site is also available to protect data and support business resumption in case of external damage. Collectively, these steps are highly effective in significantly mitigating technology-based risks and reinforcing the Bank's overall security architecture.

6. AML/CFT Risk

Anti-Money laundering (AML) and combating the financing of terrorism (CFT) are critical challenges faced by financial institutions worldwide. The Banking sector plays a pivotal role in ensuring compliance with international standards and regulatory frameworks to mitigate these risks.

Laundering Act, 2064, Nepal Rastra Bank (NRB) directives, the Financial Information Unit (FIU), and FATF standards.

Key Risk Mitigation Strategies adopted by the Bank are:

- a. Customer Due Diligence (CDD):** Verifying customer identities, focusing on high-risk profiles.
- b. Transaction Monitoring:** Using advanced systems to detect and

report suspicious activities.

- c. Training:** Regular staff training on AML/CFT compliance. Internal
- d. Controls:** Risk-based approaches and dedicated compliance units.
- e. Reporting:** Submitting Suspicious Transaction Report (STRs) and Threshold Transaction Report (TTRs) to the FIU.

Concluding

Our Bank remains steadfast in its commitment to risk management as a foundation of our Banking strategy. Through persistent monitoring of market conditions and a pro-active approach to identify potential threats, we have

fortified our resilience against economic fluctuations. Our comprehensive risk assessment framework and innovative mitigation strategies empower us to navigate uncertainties while safeguarding our assets and

supporting sustainable growth amongst the evolving financial landscape for continued success and value creation for our stakeholders.

Credit Rating

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Muktinath Bikas Bank Limited

Rating

Facilities	Amount (Rs. in Million)	Ratings ¹	Rating Action
Issuer Rating	NA	CARE-NP BBB (Is) [Triple B (Issuer Rating)]	Reaffirmed

CARE Ratings Nepal Limited (CRNL) has reaffirmed issuer rating of 'CARE-NP BBB (Is)' [Triple B (Issuer Rating)] assigned to Muktinath Bikas Bank Limited (MNBBL). Issuers with this rating are considered to offer moderate degree of safety regarding timely servicing of financial obligations, in Nepal. Such issuers carry moderate credit risk.

Detailed Rationale & Key Rating Drivers

The reaffirmation of the rating assigned to MNBBL derives strength from its established track record of operations, experienced board and management team supported by diversified geographical coverage, satisfactory asset quality albeit on declining trend in recent quarters, and adequate capitalization level. The rating also factors in sustained growth in loans & advances and deposits leading to improving financial performance trend during FY23 (Audited, FY refers to the twelve-month period ending mid-July) and 9MFY24 (refers to the nine-month period ended mid-April 2024), increasing investment portfolio, and moderate liquidity profile. The rating, however, is constrained by MNBBL's lower levels of Current Account Savings Account (CASA) deposits leading to relatively higher cost of funds which could impact its pricing power and profitability amid intense competition in the industry. The rating also factors in the bank's exposure to the regulatory risk. Decrease in regulatory cap in interest spread, and subdued scope for credit growth over the near-term coupled with increasing cost structure and elevated provisioning requirements in the current market dynamics are likely to add to the margin pressure of the bank over the near term. Although current capitalization levels remain adequate, further slippages in asset quality leading to GNPL levels significantly higher than envisaged will remain a key rating monitorable.

Going forward, the ability of the bank to manage growth while maintaining profitability levels and without compromising on asset quality would be critical for the bank's earning profile. The bank's ability to improve capital adequacy indicators with comfortable cushion from the minimum regulatory requirement levels, and manage the impact of any other regulatory changes by Nepal Rastra Bank (NRB) would be the key rating sensitivities.

Detailed Description of the Key Rating Drivers

Key Rating Strengths

Established track record, experienced board and management team and diversified geographical coverage

Operating since 2007, MNBBL has more than 16 years of operational history and an established market presence in Nepal. MNBBL is a professionally managed bank under the overall guidance of the Board of Directors (BoD) which includes eminent bankers, retired government officials and professionals with wide experience in the financial and economic sector. Mr. Bharat Raj Dhakal, Chairman, has over two decades of experience in banking sector. He was also CEO of the bank for 12 years. The management team is led by Mr. Pradyuman Pokheral, Chief Executive Officer, who has around three decades of experience in banking sector and is aptly supported by an experienced management team.

MNBBL has diversified geographical presence in Nepal with 178 branches and 22 ATMs as on mid-January 2024 across the country. The branches are spread over all seven provinces of Nepal.

¹Complete definitions of the ratings assigned are available at www.careratingsnepal.com and in other CRNL publications



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**Satisfactory asset quality profile despite moderation over FY23-9MFY24**

MNBBL continues to exhibit better asset quality profile vis-à-vis industry peers. However, its Gross Non-Performing Loans (GNPL) levels have spiked to around 2% as on mid-April 2024 from earlier levels of less than 1%. MNBBL has historically maintained a relatively better asset quality profile vis-à-vis the industry reflective of the bank's more efficient risk management setup. MNBBL had GNPL ratio of 2.02% as on mid-April 2024, compared to the industry average of ~3.63% for class B financial institutions. Although the GNPL level has deteriorated from 0.98% as on mid-July 2023 and 0.22% as on mid-July 2022, it continues to remain well below the industry average. The decline in asset quality of MNBBL and the overall banking industry over FY23 and so far in FY24 can be attributed to the slowdown in the country's economy (estimated GDP growth for FY23 of 1.9% and around 3% so far in FY24) amid monetary tightening and effects of import restrictions in FY23. However, some comfort is taken in MNBBL displaying a more resilient asset quality relative to peers. MNBBL's ability to maintain the asset quality indicators going forward would remain a key rating monitorable. Although increasing trend in the delinquent loans (up to 30 days past due and 30-90 DPD category as on mid-April 2024) could result in further deterioration of the bank's GNPL ratio at FY24 end.

Adequate capitalization levels

Tier I Capital Adequacy ratio of the bank improved to 9.28% as on mid-April 2024 from 8.84% as on mid-July 2023 (minimum requirement of 7% for Class-B Banks and Financial Institutions from mid-July 2024) and Overall Capital Adequacy improved to 12.15% from 11.77% during the same period (minimum requirement of 11%). The central bank of Nepal has increased regulatory capital to 7% and 11% (Tier I and total CAR, respectively) from mid-July 2024 from 6% and 10% earlier. Improvement in capitalization levels of the bank in 9MFY24 was mainly on account of decline in its loans and advances portfolio by 2.64%. Risk weighted exposure for credit risk actually declined by ~6% owing to decreased exposure on higher risk weighted assets. Consequently, this led to improved capital adequacy indicators as on mid-April 2024. The bank is likely to maintain Tier I above 9% going forward. The bank's ability to manage asset quality and growth in business while maintaining enough cushion in its capitalization levels will remain critical from credit perspective.

Moderate financial performance during FY23-9MFY24

During FY23, the MNBBL's total income increased significantly by 32.81% year-on-year to Rs. 16,091 Mn. The increment is mainly due to higher interest revenue collected by banks attributable to increase in advances portfolio and also supported by improved yield on advances to 15.23% in FY23 (FY22: 13.03%). The increase is backed by an increase in overall interest income by 33.83%, other income increased by 11.39% to Rs. 616 Mn and operating expenses increased by 17.79% in FY23 to Rs 2,211 Mn. However, PAT had decreased by 6.97% to Rs. 1,248 Mn in FY23 (FY21: 1,342 Mn) on account of higher impairment charges amid increasing GNPL levels. Consequently, ROTA declined to 0.99% in FY23 from 1.21% in FY22. The bank's Net Interest Margin (NIM), however, had improved to 3.25% in FY23 from 3.00% in FY22. The profitability improved during 9MFY24. Although the bank's total income has decreased by 6.77% year-on-year to Rs. 11,061 in 9MFY24 mainly due to subdued interest income by 7.33% to Rs. 10,612 Mn. However, amid even lower interest expense owing to lower cost of funds aided by improved CASA mix (resulting in improved NIM) and slightly lower impairment charges compared to previous year, the bank's PAT increased 8.13% year-on-year to Rs. 872 Mn during 9MFY24.

Moderate liquidity profile

MNBBL has a moderate liquidity profile marked by Cash Reserve Ratio (CRR) of 4.13%, Statutory Liquidity Ratio (SLR) of 20.50% and Net Liquidity Ratio of 22.54% as on mid-January 2024 (CRR: 4.12%, SLR: 20.36% and Net Liquidity Ratio:

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23.06% as on Mid-July, 2023) against regulatory requirement of 4%, 10% and 22% respectively which remain satisfactorily above the regulatory norms. Furthermore, the bank's liquidity profile remains moderate from the asset-liability mismatch perspective with positive cumulative mismatches as of mid-January 2024.

Key Rating Weakness**Low CASA mix over FY22-FY23 resulting in increased cost of funds**

MNBBL's CASA deposits were on declining trend in FY22 which continued in FY23. MNBBL maintained 24.64% CASA deposits in FY23, marginal improvement from 24.57% in FY22 compared to industry average of 25.17% and 25.62%, respectively. The lower CASA ratio led to increased cost of funds at 9.79% in FY23 resulting into base rate of over 10% in FY23. Higher cost of funds against its peers and commercial banks imposes competition risk for the bank, especially in the "base rate plus lending rate" regime. CASA deposits were lower in FY22-FY23 industry-wide with lower proportion of current deposits and higher proportion of fixed deposits as compared to previous quarters. MNBBL's CASA proportion improved in 9MFY24 to 30.16%, better than industry average of 27.97%. The bank's ability to maintain the improving trend in CASA mix leading to favourable cost of funds vis-à-vis peers for a sustained period remains to be seen.

Competition from other banks and financial institutions

Currently there are 17 Development Banks, operating with total 1,134 branches all over Nepal (based on monthly statistics published by NRB for mid-January 2024). MNBBL has 178 branches along with head office as on same date. Industry (Class B Development Banks) had achieved total interest income of Rs. 53,518 Mn during 9MFY24 with Rs. 15,745 Mn net interest income; MNBBL's share on interest income is 19.83% (Rs. 10,610 Mn) and 19.87% share on net interest income (Rs. 3,128 Mn) for the same period. MNBBL's share on interest income decreased from 20.85% to 20.66% in FY23 however, share on Net interest income remained stable at 18.50% in FY23. Despite being established national development bank in the industry, it is challenging for MNBBL to maintain current market share and expand its business, due to high competition among bank and finance companies, existence of large number of Development bank along with Commercial banks and finance companies conducting similar kind of businesses and they lend at lower interest rate as well as they offer wider banking services than development banks.

Exposure to regulatory risk related to industry

The Banking and Finance industry in Nepal is exposed to changes in the various regulatory measures issued by NRB from time to time. In past, finance companies faced pressure from NRB for capital increment to Rs. 800 Mn from Rs. 200 Mn. Furthermore, NRB had changed to CD ratio mechanism from existing Credit to Core Capital plus Deposit (CCD) ratio measures. CD ratio needs to maintain below 90% from mid-July 2022 from earlier provision of 85% for CCD. Risk weights of certain loans including personal overdrafts, TR loans, hire purchase loans for personal purpose, margin lending, etc. have been fluctuating between 100% to 150% via interim changes in monetary policies by the NRB. Unfavourable changes depending on the bank's exposures are likely to put downward pressure on capital adequacy ratios of the MFIs and limit their ability for significant credit expansion, at least over the near term. Furthermore, increased interest rates will likely put upward pressure on both lending and deposit interest rates of the MFIs over the near term.

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About the Company

Muktinath Bikas Bank Limited (MNBBL) is a national level class "B" Development bank and started its commercial operations from January 07, 2007. MNBBL was upgraded into a national level development bank in July 2015 after acquisition of Civic Development Bank. The bank is listed on Nepal stock exchange and promoter and public shareholding was in the ratio of 51:49 as on Mid-July, 2022.

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About CARE Ratings Nepal Limited:

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Our parent company, CARE Ratings Limited commenced operations in April 1993 and over three decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI).

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Stakeholder Engagement



At Muktinath Bank, we strongly believe that engaging with our stakeholders is vital to ensuring our decisions are ethical, sustainable, and fair. We understand that our stakeholders are more than just external entities; they include individuals, groups, and organizations who either influence or are affected by our business activities. Whether it's our customers,

employees, investors, regulators, or suppliers, each plays a unique role in shaping our operations and long-term goals.

Throughout the year, we make a conscious effort to create a variety of opportunities for our stakeholders to interact with us. This ongoing dialogue

helps us stay connected, address their concerns, and incorporate their valuable insights into our planning and decision-making processes. By fostering these meaningful relationships, we ensure that our business remains transparent, responsive, and aligned with the expectations of those who are important to our success.

Stakeholder Identification Process

Our engagement process is more than a series of steps; it's about identifying, prioritizing, engaging, and reporting on the value we deliver. We first identify

our stakeholders to understand their interests in the Bank following this

CONTEXT ANALYSIS

Understand the bank's mission, operations, and regulatory environment. Identify areas impacted by the bank's products and decisions.

2. PRIORITIZATION

Assess and rank stakeholders by their relevance and impact on the bank's goals and compliance needs.

4. CONTINUOUS REVIEW

Regularly update the stakeholder list and engagement strategies to match changing conditions.



1. INITIAL IDENTIFICATION

List potential stakeholders affected by or influencing the bank, including internal (employees, management) and external (customers, investors, regulators, community) groups.

3. STAKEHOLDER ENGAGEMENT

Create communication channels with prioritized stakeholders to understand their concerns and expectations, focusing on key areas like customer satisfaction and compliance.

Stakeholders, SDGs & their Interests

We prioritize the stakeholders who are crucial to our Bank's success and long-term value creation. By deeply understanding their needs, expectations, and concerns, we ensure that our strategies, policies, and action plans address the key areas of environmental,

economic, and social impact. This approach allows us to align our efforts with the interests of those who matter most to our business, fostering positive relationships and driving meaningful outcomes.



Stakeholders' Engagement Influence, Mediums & Frequency

Through regular and open communication, we aim to strengthen relationships with stakeholders who influence our business by focusing on trust, collaboration, and mutual benefit. This is done through the following mediums and frequencies

Stakeholder	Influence	Mediums	Frequency
Shareholders and Investors	High as shareholders and investors play a vital role in the success of our Bank, providing essential capital and financial stability. Their investments enable our Bank to fund operations, expand our services and pursue growth opportunities.	<ul style="list-style-type: none"> Annual/Special General Meetings Annual Report Financial Results & disclosures Website 	<ul style="list-style-type: none"> Quarterly Annually Continuous
Customers	High, satisfied customers build lasting relationships, trust, and referrals, ensuring our prosperity in a competitive market thus drives the revenue.	<ul style="list-style-type: none"> Customer Feedback Surveys Grievances Redressal Personalized Services 	<ul style="list-style-type: none"> Continuous
Employees	High as their diverse skills and knowledge drive efficient operations, exceptional customer service, and sustained growth. Empowered employees are our cornerstone, enabling us to excel in a competitive landscape while upholding the highest standards of integrity and professionalism	<ul style="list-style-type: none"> Performance Appraisal Training Programs Staffs Meet Email Muktinath Darpan 	<ul style="list-style-type: none"> Continuous
Government & Regulators	High, as through oversight and enforcing regulations, they promote sound governance, risk management, and consumer protection, safeguarding the economy's overall health and fostering public trust in the Banking system.	<ul style="list-style-type: none"> Regulatory Reporting Onsite Supervision Offsite Supervision Press Releases Website 	<ul style="list-style-type: none"> Daily Weekly Monthly Quarterly Annually
Community and Society	High, as the community and society form the very foundation of our business operations.	<ul style="list-style-type: none"> CSR Projects Financial Literacy Programs Community Outreach 	<ul style="list-style-type: none"> Continuous
Service Provider & Suppliers	High, as they play a crucial role in ensuring the smooth functioning of our Bank's operations by delivering quality products and services on time, which directly impacts our efficiency, cost-effectiveness, and customer satisfaction.	<ul style="list-style-type: none"> Relationship Management On-site Visits/Meetings 	<ul style="list-style-type: none"> As Required

Our Sustainable Business Model



To maintain a strong competitive edge and stay relevant, we elevated our business models, remodel the portfolio and expand footprints all while carefully considering market dynamics, the economic landscape, capital positions, and our risk appetite.

As the financial institution Muktinath Bikas Banks caters all types of customers to fulfill their diverse range of financial needs. At the core of our business model lies a focus on delivering an enhanced and seamless customer experience. Our clientele includes individuals, MSMEs, farmers, corporates, financial institutions. We categorize our revenue sources into interest income and non-interest income. Interest income is generated from loan advancements and investment in interest yielding securities while non-interest income comes a range of allied financial services such as payment solutions, digital Banking products, remittances, foreign exchange services, and locker facilities.

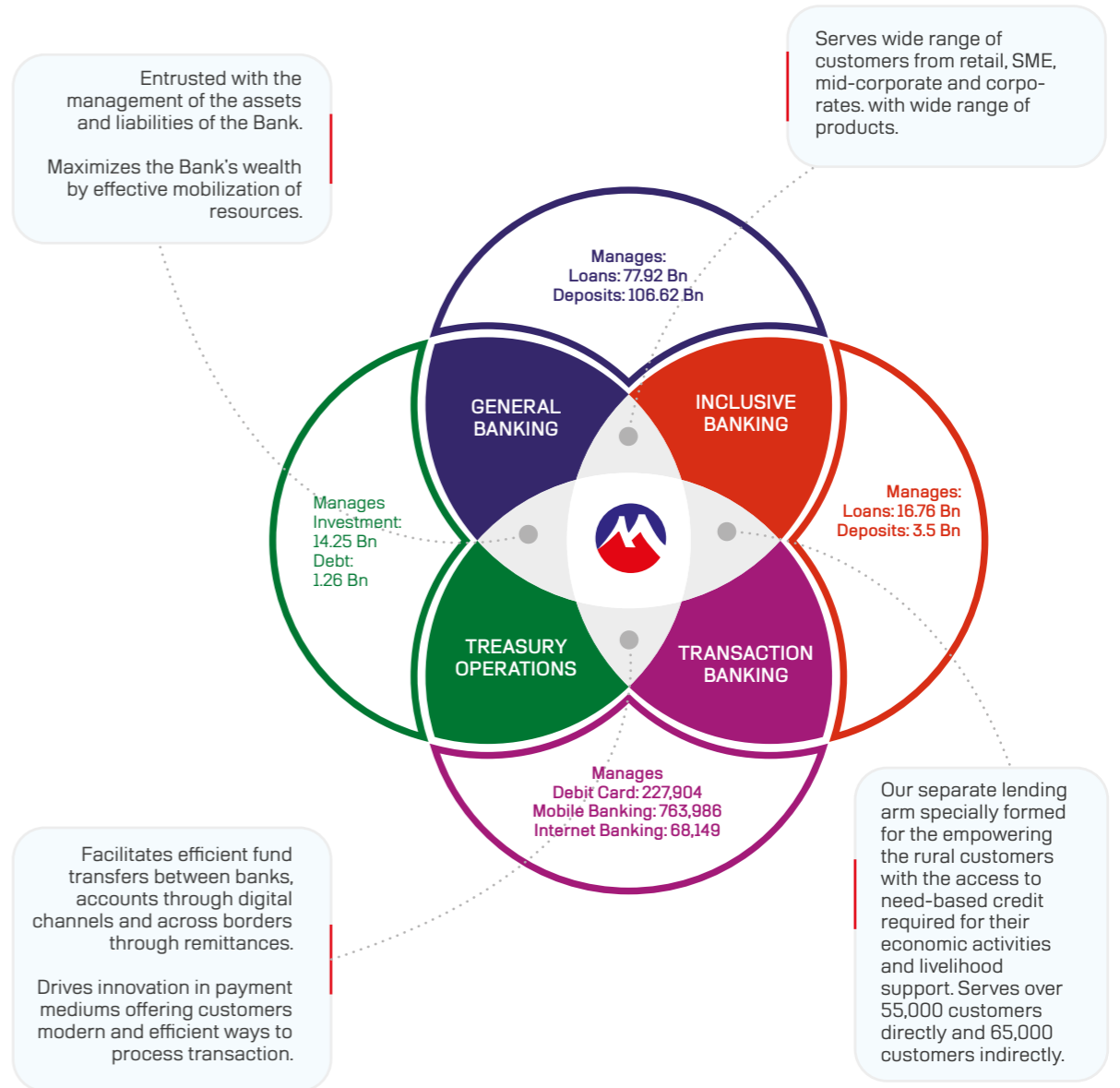
As a regulated entity under the oversight of Nepal Rastra Bank, our operations are guided by the provisions of the Bank and Financial Institutions Act, 2073, and the directives

and circulars issued by the central Bank. Operating within this framework presents several challenges, including intense competition from numerous financial institutions of varying sizes. To maintain a strong competitive edge and stay relevant, we elevated our business models, remodel the portfolio and expand footprints all while carefully considering market dynamics, the economic landscape, capital positions, and our risk appetite.

Like any successful business model, we focus on effectively evaluating the market to develop both short- and long-term strategies. These strategies are then executed to expand our customer base, increase asset size, scale the transaction volume, driving revenue growth, ultimately ensuring sustainable business growth and value creation.



BUSINESS MODEL



FOUNDATION

- Business Strategies
- Financial Capital
- Corporate Governance
- Human Capital
- Risk Management
- Manufactured Capital
- Compliance
- Intellectual Capital
- Environment Social & Governance
- Social and Relationship Capital
- Internal Control
- Natural Capital

Our Capital

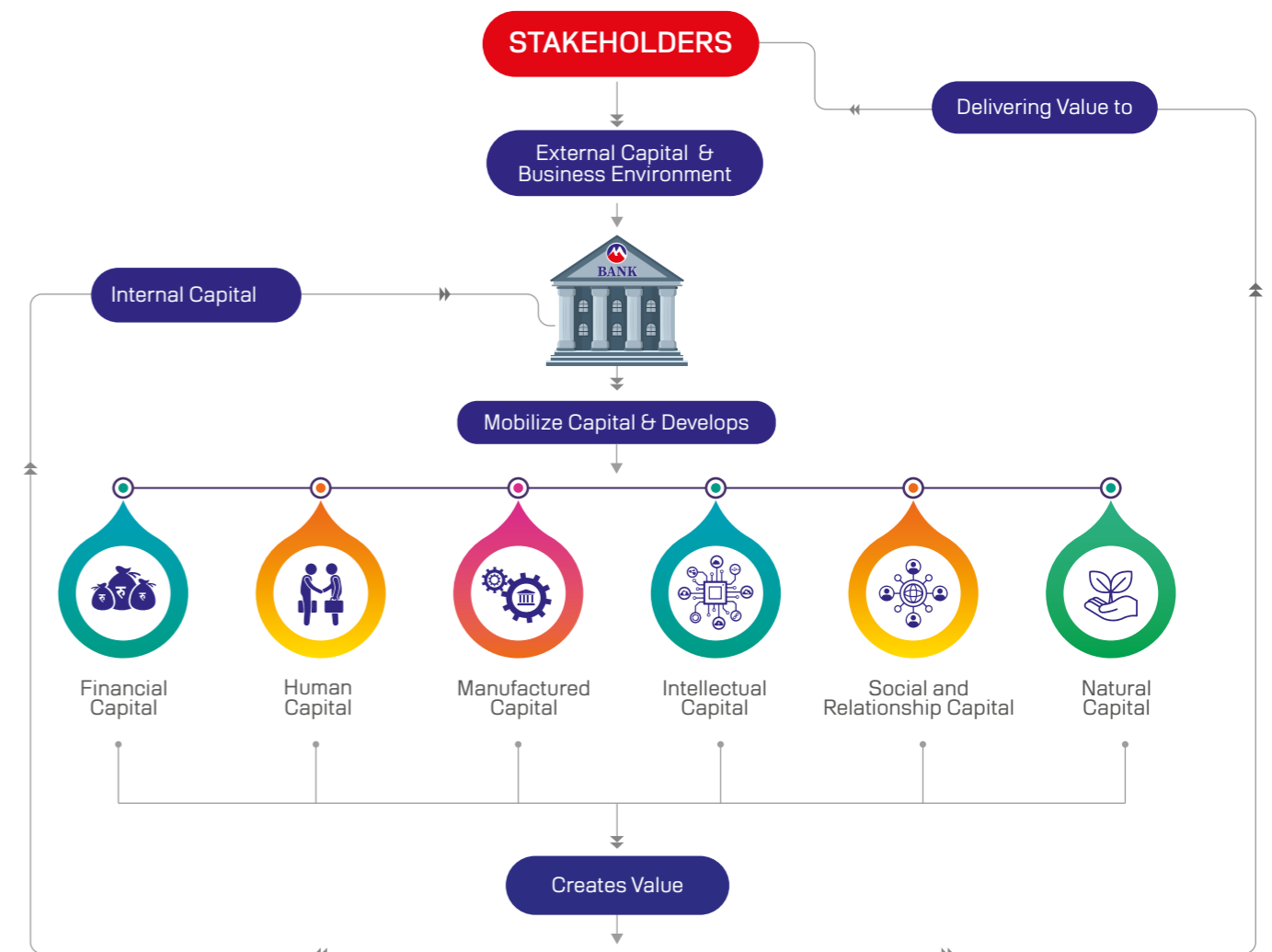
Our focus lies in fostering synergy through our initiatives ensuring enhanced value for all the stakeholders. We develop the best possible products and adopt service strategies tailored to meet the needs of our customers. Most importantly, we aim to deliver inclusive Banking solutions that cater to customers from

diverse economic backgrounds, contributing to the upliftment of society as a whole.

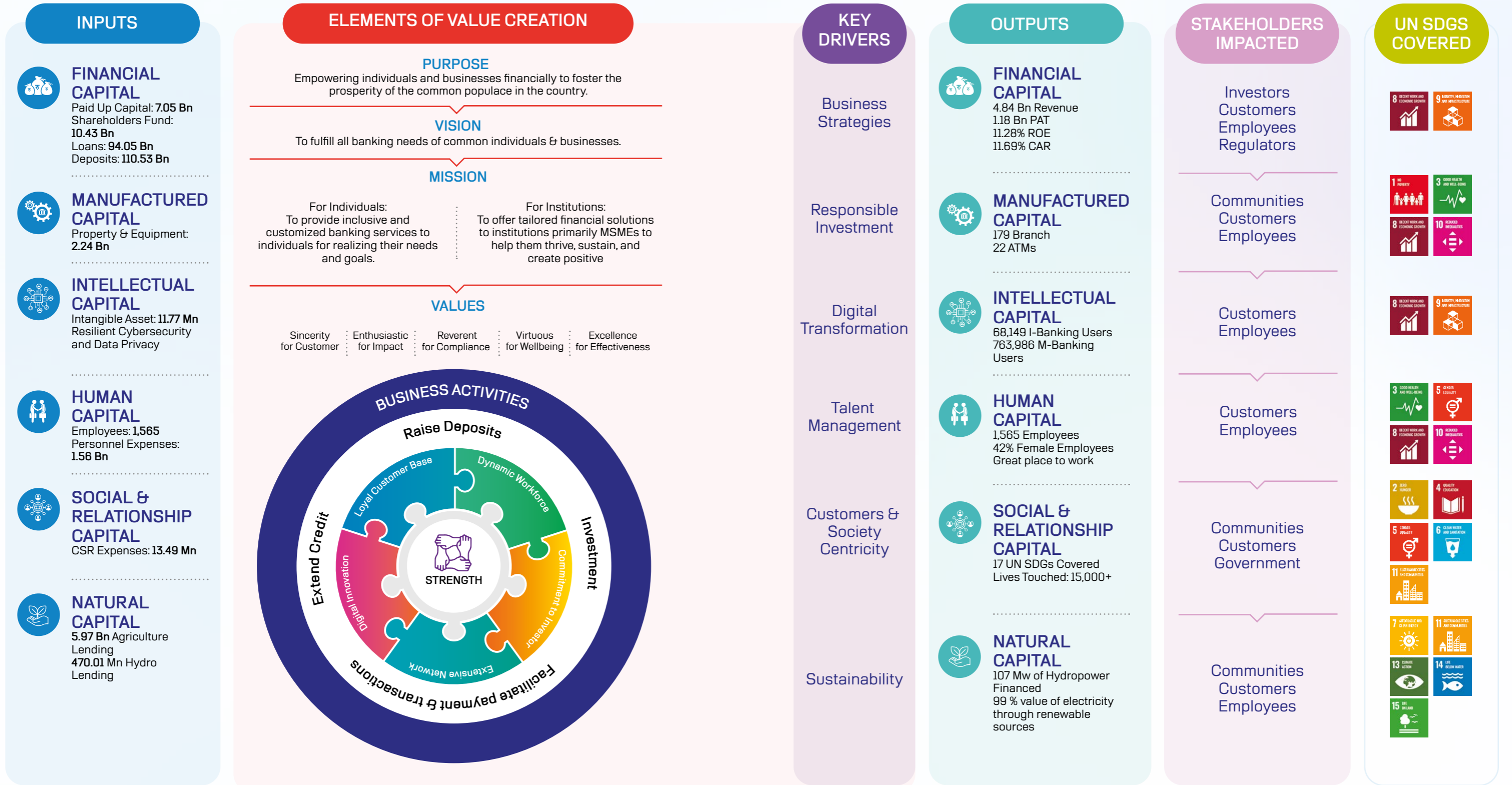
We also strive to inspire our employees by providing a progressive and well-facilitated work environment that emphasizes growth, learning and productivity.

Our aspiration is to create consistent and sustainable value for our stakeholders by leveraging and analyzing our resources effectively

through the prism of the six capital. This relationship of which is illustrated through the diagram below:



Our Value Creation Model





Value Added Statement

The value-added statement shows how much value(wealth) has been created by the Bank through utilization of its capacity, capital, manpower and other resources and allocated to employees, government,

community, shareholder, and for the expansion and growth of the Bank. It depicts the profit generated by collective efforts management, employees, capital and its utilization that is distributed among its various

stakeholder.

The value added by the Bank stood at NPR 3,534.05 million as on Asar end 2081 as compared to NPR 3,495.21 million in previous year.

In NPR Million

Value added	2080/81	2079/80	Change(%)
Interest earned	13,772.50	15,475.24	-11.00%
Other Income	597.15	615.66	-3.01%
Interest Expenses	9,533.15	11,371.14	-16.16%
Other operating expenses	535.65	525.87	1.86%
Value added by Banking services	4,300.84	4,193.88	2.55%
Impairment charge for loans and other losses	776.78	698.68	11.18%
Gross Value added	3,524.05	3,495.21	0.83%



For the year ended Asar 2081 the application statement comprises of value addition to various stakeholders of the Bank. The current value addition of 44.14% has been apportioned to employees of the Bank for the salaries and other benefit that is followed by the expansion and growth by 40.35% for dividends. The shareholders, government and community of the Bank received 0%, 15.18% and 0.33% of total value addition respectively.

Market Value Added

Market value is the difference between the market value and total book value of the Bank. It shows the difference between the current market value of the Bank and capital contributed

by investors. It is the sum of all capital claims held against the Bank plus the market value of debt and equity. Positive Market value added depicts the Bank has added value.

The Bank has market value added of NPR 15,432.75 million as on Asar end 2081 which was NPR 16,770.01 million as on Asar end 2080.

In NPR Million

Particulars	2080/81	2079/80
Market price per share	NPR 367.00	NPR 407.00
Number of shares	70.47	64.21
Total Market value	25,862.26	26,133.06
Book value per share	NPR 148.00	NPR 145.82
Number of shares	70.47	64.21
Total Book value	10,429.51	9,363.06
Market Value added	15,432.75	16,770.01

Economic Value Added

Economic Value Added (EVA) is a financial performance measurement tool developed by Stern Stewart & Co. which is an estimate of a Bank's economic profit, or the value created more than the required return of the

Bank's shareholders. EVA is the profit earned by the Bank less the cost of financing the Bank's capital.

The Bank has generated Economic Value Added of NPR

529.12 million as on Asar 2081 which was NPR 418.10 million on Ashad 2080.

In NPR Million

Particulars	2080/81	2079/80
Net operating profit after tax	1,176.33	1,248.23
Average Shareholders' fund	9,896.28	8,719.82
Cost of capital Employed %*	6.52%	9.52%
Cost of capital Employed	647.22	830.13
Economic Value added	529.12	418.10

Building a Future-Ready Talent



Our employees are the heart of our success !!

They are the enabler of our drive for sustainable value creation who makes every step forward possible. It is their principles and shared values that truly define who we are. Their passion, dedication and talent are the true engines behind our growth and the lasting value we strive to create.

Muktinath wants to be more than just a workplace, we wish to be a place where people feel valued, supported and inspired!!

The Team of
1,565
Individuals

The Young Team of
32
Average Years

42%
Female Employees

Capital Impacted:
Human Capital



Muktinath Culture

At Muktinath, we begin all the meetups and session with a warm "Namaste" expressing our gratitude and appreciation that reflects our deep sense of gratitude, respect and appreciation for one another setting a positive tone for positive interaction and open communication. We promote the culture of empathetically engaging with others during communication to not only understand their words but also perspective, feeling and needs. Our culture involves paying attention to the present moment, being aware of other people's thoughts and feelings and cultivating a sense of openness, transparency and curiosity.

Talent Acquisition

At Muktinath, we begin all the meetups and session with a warm "Namaste" expressing our gratitude and appreciation that reflects our deep sense of gratitude, respect and appreciation for one another setting

a positive tone for positive interaction and open communication. We promote the culture of empathetically engaging with others during communication to not only understand their words but also perspective, feeling and needs.

Our culture involves paying attention to the present moment, being aware of other people's thoughts and feelings and cultivating a sense of openness, transparency and curiosity.

This year we welcomed 77 new members to the Team Muktinath.

Employees Training & Development

NPR 26 Mn
Spent for employees development
NPR 16,148
Per employee invested for their development

2,060
Traning Hours
8,679
Participants

299
Programs
141 Inhouse Programs
156 External Programs
2 Overseas Programs

We see investing in employee training as vital to building a workforce that is not only skilled and efficient but also fully aligned with our commitment to compliance and excellence.

This ongoing development fosters a culture of excellence, reduces operational risks and strengthens our ability to adapt to technological advancements, ultimately driving the Bank's growth and enhancing our competitive edge in the market.

from previous sessions to ensure continuous improvement. Additionally, various study materials are made available on the Bank's intranet to support self-study initiatives.

Training our employees is essential for ensuring high levels of customer service, compliance and operational efficiency in the dynamic Banking sector. By equipping our staff with the latest knowledge and skills we empower them to effectively address customer needs, navigate evolving regulations and respond to emerging challenges all of which directly contribute to our success. We recognize that training helps reduce errors, increase productivity and

We are committed to nurturing talent through insightful learning and development programs and interactive e-learning modules. A yearly training calendar is prepared in advance offering a range of in-house, external and international training opportunities tailored to a thorough needs assessment. The calendar is reviewed quarterly incorporating feedback and suggestions

The Bank allocates 3% of the previous year's salary and allowances as the training budget. In case the amount is not fully spent in that financial year, the same is transferred to the "Staff Skill Development Fund" which can be used anytime for the staff skill development programs.



Rewards and Recognition

We believe in celebrating the achievements by recognizing our employee's contributions and rewarding their dedication. Hard work and outstanding performances never go unnoticed as we take pride in ensuring every effort is valued in this culture. Our approach ensures that employees feel appreciated and motivated to grow alongside the organization.



Parental Leave

Our Parental Leave Policy supports employees during key life stages like parenthood. Male employees receive up to 15 days of paternity leave during the childbirth while female employees are entitled to up to 98 days of paid maternity leave. This

includes flexibility to use up to three months before or after delivery, promoting a balanced approach to family and career responsibilities.

Job Rotation

The Bank is consistently focused on mapping staff gaps and addressing them effectively through the effective job rotation. By coordinating closely with department heads, regional managers and branch managers, the staff movements and rotations is carried to ensure optimal manpower planning. This approach also enriches employees with knowledge across all functions within

the department/branch. It also promotes employee engagement and job satisfaction by offering variety and reducing monotony. Additionally, job rotation has helped identify employee's strengths and areas for growth aiding in more effective talent management and succession planning.

Succession Planning

Bank places a strong emphasis on staff training and development staff in cross functional areas, recognizing that building successors for each role is essential for long-term

proactive approach to succession planning enhances employee engagement, supports career advancement and strengthens the Bank's growth. Such commitment ensures that the Bank remains well-equipped to address future challenges and opportunities with capable leadership at every level.

success. By strategically preparing individuals to step into key positions, the Bank not only empowers its employees but also fosters organizational resilience and continuity. This

Occupational Health and Safety

Recognizing that well-informed and prepared staff are essential to a safe work environment, the Bank has invested in comprehensive training programs to ensure that all employees understand how to operate safely within the workplace. These programs emphasize familiarization with the equipment and facilities, as well as best practices in responding to emergencies.

Employees receive training in essential health and safety practices, including basic first aid, emergency response procedures and immediate actions during critical situations. By fostering a culture of safety awareness, the Bank not only enhances the well-being of its staff but also strengthens its overall flexibility and readiness to address any unforeseen incidents. This proactive approach underscores the Bank's commitment to a safe, healthy and supportive workplace for all.



Spirituality

At Muktinath, we try to create an ecosystem that has to do with the well-being of our workforce by covering the physical and mental areas. We believe a healthy team satisfied in their personal spaces helps to create successful stories, both for individuals and the organization. To support this, the Bank provides yoga and meditation sessions with which the individual can lead themselves to spiritual growth. These practices facilitate individuals on their spiritual journeys by making sure each person deeply connects to his mind, body and soul. We encourage people to look after their well-being in all ways personal to them and set foundations that will support fulfillment for the rest of their career, inside and outside of the workplace



Commitment to Diversity, Equity & Inclusion

The Bank expresses its commitment to diversity, inclusion and equal opportunities by ensuring that all recruitment and promotion practices lead from the values of the Staff Service Bylaws. Presently, the workforce at the Bank consists of 58% males and 42% females thereby reflecting continuous efforts for support of a balanced and inclusive workplace. By following equal opportunity and nondiscrimination policies, we make sure that all employees have an equal opportunity to avail themselves of opportunities without any discrimination in terms of gender, ability, or background. This leads to a culture where merit and performance form the basis of career advancement within the Bank.



The following chart shows the ethnicity diversity in Muktinath:

	Ashad 2080	Ashad 2081
Female	674	652
Male	989	913
Total	1,663	1,565
Female %	40.53%	41.66%

At present, the Bank is proud to support three employees with special abilities offering them a work environment that fosters inclusion, accessibility and empowerment.

The following chart shows the generations diversity in Muktinath:

Generation	Number
Baby Boomer	1
Generation X	48
Millennials	968
Generation Z	548
Total	1,565

Ethnicity	Percentage
Brahmin	53.16%
Chhetri	16.74%
Dalit	1.92%
Gurung	3.39%
Kirat	1.21%
Madhesi	4.47%
Magar	3.32%
Muslim	0.38%
Newar	11.44%
Sanyashi	1.09%
Tamang	1.15%
Tharu	1.60%
Others	0.13%
Total	100%



Employee Engagement

We believe in fostering a fun and vibrant work environment where everyone feels connected. That's why we organize or promote participation in exciting events like recreational programs, sports and team outings. These events give our team a chance to unwind, recharge their batteries and build

strong bonds with their colleagues. When our team is relaxed and having fun together, they're more motivated, engaged and inspired to achieve amazing things.



Employees who have been with us since last 15 years

SN	Name	Position	Service Years
1	Birendra Raj Bhat	Assistant Manager	17 + Years
2	Aarati Shrestha	Officer	17 + Years
3	Ramesh Lamsal	Messenger A	17 + Years
4	Dandapani Dhakal	Senior Manager	16 + Years
5	Ananta Man Shrestha	Assistant Manager	16 + Years
6	Sarmila Lamsal	Assistant Manager	16 + Years
7	Sanjeev Regmi	Assistant Manager	16 + Years
8	Govinda Adhikari	Senior Officer	16 + Years
9	Pramod Dhakal	Senior Officer	16 + Years
10	Nabin Kafle	Senior Officer	16 + Years
11	Dolraj Sharma	Senior Officer	16 + Years
12	Prem Prasad Poudel	Senior Officer	16 + Years
13	Sundar Shrestha	Senior Officer	16 + Years
14	Pitamber Poudel	Officer	16 + Years
15	Keshab Raj Aryal	Officer	16 + Years
16	Bed Prakash Dhakal	Junior Officer	16 + Years
17	Rameshwor Regmi	Junior Officer	16 + Years
18	Purna Chandra Dumre	Junior Officer	16 + Years
19	Laxman Gautam	Junior Officer	16 + Years
20	Khum Bdr Gharti	Supervisor	16 + Years
21	Saraswati Paudel Regmi	Senior Assistant	16 + Years

SN	Name	Position	Service Years
22	Sagar Regmi	Senior Assistant	16 + Years
23	Jaylal Pokheral	Senior Assistant	16 + Years
24	Narayan Giri	Messenger	16 + Years
25	Padam Upadhyaya	Messenger	16 + Years
26	Laxmi Gharti	Messenger	16 + Years
27	Rishi Ram Dhakal	Assistant Manager	15 + Years
28	Arjun Subedi	Senior Officer	15 + Years
29	Mohan Prasad Koirala	Senior Officer	15 + Years
30	Ram Chandra Lamichhane	Senior Officer	15 + Years
31	Dipendra Raj Dhakal	Senior Officer	15 + Years
32	Rajesh Dhakal	Officer	15 + Years
33	Sunod Paudel	Officer	15 + Years
34	Sapana Gurung	Junior Officer	15 + Years
35	Dol Raj Sharma Pokhrel	Junior Officer	15 + Years
36	Kamala Nepal	Junior Officer	15 + Years
37	Anju Shrestha	Junior Officer	15 + Years
38	Santosh Poudel	Junior Officer	15 + Years
39	Sushila Lamichhane	Acting Junior Officer	15 + Years
40	Sarmila Godar	Supervisor	15 + Years
41	Chhabi Lal Dotel	Acting Supervisor	15 + Years
42	Mina Ranabhat	Messenger	15 + Years

EMPOWERING PATHWAYS OF GROWTH



Our Secured Digital Ecosystem

Digital technologies are increasingly accessible and offer the potential for significant benefits through digitalization. These tools and services can promote freedom, transparency, shared prosperity, greater inclusion, and foster innovation. However, they also pose substantial risks to privacy and security, including surveillance, censorship, and various forms of digital control.

Therefore, it is crucial to recognize both the opportunities and the risks that come with digital technologies within a digital ecosystem.

Thus, security of digital ecosystem is one of the crucial aspects of the current landscape for all the financial institutions across the globe.

A Secured Digital Ecosystem refers to an integrated, interconnected environment where digital systems, devices, and data are protected from unauthorized access, cyber threats, and other vulnerabilities.

It involves the creation and maintenance of robust security practices, technologies, policies, and frameworks that ensure the integrity, confidentiality, and availability of information and services across a range

of digital platforms and technologies.

Key components of our Secured Digital Ecosystem include



Cybersecurity Measures

Cybersecurity is a critical element in securing digital ecosystems, especially in the context of organizations like Banks, which handle sensitive financial data and transactions. In today's digital world, threats can emerge from various angles, making it essential for Banks to implement a comprehensive set of preventive measures to protect themselves from cyberattacks. These measures include encryption, firewall & intrusion detection systems, multi factor authentications and endpoint securities.



Data Privacy

Protecting Personally Identifiable Information (PII) is a crucial aspect of securing the digital ecosystem, especially for institutions like Banks that handle large amounts of sensitive customer data. Since Banks store vast amounts of PII, it becomes their responsibility to ensure this data is protected against unauthorized access, misuse, or theft. Establishing policies, guidelines and practicing secure data transfer mechanisms will help the Bank to establish secure digital ecosystems.



Cloud Security

As technology continues to evolve, cloud infrastructure has become a critical component in the Banking industry, providing scalability, flexibility, and efficiency. Cloud services enable Banks to enhance their digital ecosystems by offering advanced data storage solutions, computing power, and seamless access to applications and services and thus it is also equally important to secure cloud infrastructure.

There are also other many aspects of Securing Digital Ecosystems like Identity and Access Management, Threat Intelligence and incident response, Awareness and Continuous monitoring and upgrades/updates etc.

In today's interconnected world, where data flows across cloud services, on-premises systems, IoT devices, and third-party platforms, a secure digital ecosystem is essential to maintain trust, operational efficiency, and privacy. It requires constant vigilance, updates, and innovation to keep up with the

evolving landscape of cyber threats.

We, Muktinath Bikas Bank, in their efforts to safeguard against digital threats, implement a variety of secure digital ecosystems as outlined above. These ecosystems are designed to protect the

Bank's systems, networks, and data from cyberattacks, data breaches, and other forms of digital threats. By incorporating robust cybersecurity measures, Banks can maintain the integrity of their digital infrastructure and ensure that our customer information remains secure.



Our Service Delivery Channels

Capital Impacted: Manufactured, Social & Relationship and Intellectual Capital

01 Branches

Step into our branches for deposits, loans, cash transactions, and all the financial solutions you need. Your one-stop solution for comprehensive banking!!



03 ATMs

Stop by our ATMs for round-the-clock access to essential banking services, including cash withdrawals, balance inquiries, and mini-statements, ensuring hassle-free transactions whenever you need them!



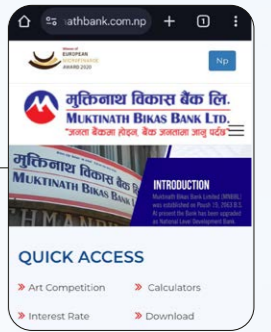
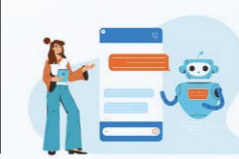
05 Muktinath Internet Banking

Experience the power of our internet banking that let you make the low value to high value transaction across the BFIs.



07 Chatbot & Call Center

Chat with our AI-powered Mukti Bhai Bot for real-time assistance and instant answers to your inquiries or call us at 16600149999—absolutely free of charge!



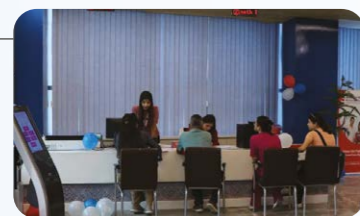
09 Social Media

Stay connected, stay informed: follow us on social media for the latest updates and banking tips!



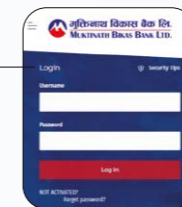
02 Extension Counters

Drop by our extension counters for quick deposits, withdrawals, and essential banking services. Convenience made closer to your locality!



04 Muktinath FAIDA App

Dive into our robust mobile banking solutions through the Muktinath FAIDA App, offering innovative services at your fingertips. With access to over 60,000 merchants, bank anytime, anywhere!



06 Remittance Agents

Visit any of our over 5,000 remittance agents for quick and secure money transfer services, we make sending and receiving money easier than ever!!



08 Website

Browse with ease; explore our website for quick and easy access to all your banking solutions! www.muktinathbank.com.np

For a Greater Purpose !!

As a leading financial institution in Nepal, Muktinath Bikas Bank is committed to fostering meaningful change and sustainable development in society. We strongly believe that enabling community growth is intrinsically related to its success. The more prosperous the community the more potential for growth. From inception, the Bank's strategy aligns with bringing a positive impact

to the community we serve, the impact being beyond financial transactions. Our Corporate Social Responsibility (CSR) initiatives actively seek to enable community growth through impactful. Driven by a deep sense of responsibility, Bank curates and collaborates for a diverse range of CSR Projects to create lasting impact in the community. The collaboration of such can be

participatory, bottom-up or consultative. The Bank works closely with a wide range of non-governmental organizations (NGOs), social organizations, local government, corporate organizations, associated companies and dedicated employee volunteers to effectively implement a multitude of sustainable development initiatives.

Beyond Business for a Better World

Promoting Quality Education



Health and Well-Being



Environment Sustainability



Social Projects



Financial Literacy



Promoting Quality Education

The Bank acknowledges that education is an essential component of sustainable development and a fundamental human right. Through targeted CSR initiatives, Bank aims to provide access to quality education for underprivileged students. Together with initiatives of scholarships and financial support, Bank is dedicated

to enhancing the quality of education in Nepal. Under our CSR initiatives, education programs focus on various aspects including scholarships, financial support and infrastructural support for schools & students. This support encompasses promoting innovation in education, improving education quality,

promote incubation and providing special scholarships for underprivileged children. Our mission is to elevate the standard of education in government schools. At the core of our initiative lies the objective of enriching the learning journey of students.

"MUKTINATH UTKRISHTA SCHOLARSHIP" initially started from FY 2079/80 and is one such initiative that provides scholarship to various students of GRADE 11 & 12 at various government/ community colleges who came from weak economic background, marginalized communities. As of now 22 students have already benefitted from the program.



The Bank supported for the establishment of Incubation Center at prestigious university of Nepal at Tribhuvan University. The Incubation Center for Agriculture is established to help students and people with entrepreneurial drive in agriculture to access the mentorship, knowledge of the experts and guidance for their visualization.



In addition, Bank collaborated with various community & government Schools and NGOs and provided financial support for improving school infrastructure through refurbishment, providing stationaries and other administrative materials needed.



In Nepal, a considerable percentage of the population is still excluded from the formal economy, missing out on its benefits. Without fundamental financial literacy, communities struggle to grow and interact with the rest of the world. Recognizing this important need, The Bank is committed to eliminating financial

exclusion by reaching out to unbanked and under banked individuals in rural & semi-urban areas and to help create awareness for better financial decisions through financial literacy programs in metropolitan regions around the country. Financial Literacy helps accelerate the process for financial inclusion hence, it

is one of the most prioritized initiatives under CSR. The Bank adopted various models such as classroom model, door-to-door (D2D) model, drawing competitions and campaigns through various media channels, etc.

Environment Sustainability

In Nepal, the integration of environmental considerations into Corporate Social Responsibility (CSR) activities is essential due to the country's unique environmental challenges and its vulnerability to climate change. Nepal is home to the Himalayas, which are

experiencing rapid glacier melt, leading to rising risks of flooding and natural disasters. Additionally, deforestation, air pollution, and waste management remain significant environmental concerns. The Bank is constantly exploring for the opportunities that supports

environment sustainability by promoting environmentally responsible practices such as reducing carbon footprints, supporting reforestation, or managing waste effectively.

The Bank organized and participated in various tree plantation programs to take a step towards combatting climate change. Over 500 plant saplings (fruit bearing & non fruit bearing) have been planted under the program by the Bank. The program was organized on various locations.



The Bank supported Kathmandu University for Green Hydrogen Lab which researches on the alternative and clean energy i.e. Hydrogen and it's uses. Such research can add significant input in production of alternative energies which helps in lessening fossil fuels usage eventually helping counter climate change.



The Bank became supporting partner for organizing the first ever Waste Management & Climate Change Conference 2024 along with Ministry of Urban Development and Ministry of Forest & Environment of Nepal. The conference brought together various individuals, corporate organization, local government authorities and created awareness for immediate need of waste management.

One event to unite all stakeholders to pioneer Nepal's waste management and climate future.

AL WMCC 2024: We are delighted to receive overwhelming confirmation:

700 Delegates	500+ Organizations	50 Distinguished Speakers	5 Green Awards
33+ Districts	5+ Countries	4 Case Presentations	4 Finalist Colleges

All happening at WMCC 2024. See you!

Financial Literacy

The Bank managed to organize 31 events at various public spaces, colleges and schools. More than 2,040 participants in face to face interactions programs under financial literacy. The target participants were students, women, salaried workers, farmers and so on.



The Bank adopted creative method to help create awareness to students about Savings by organizing Drawing Competition handing over piggy banks on occasion of Global Money Week 2024. Over 75 students were involved on this project.



The Bank through it's social media platforms delivered various messages regarding proper use of loans, savings, being aware of scams and so on consistent basis with the aim to reach out more people and provide basic knowledge about financial literacy.



Health And Well-Being

The Bank has a holistic approach to health and well-being. To facilitate healthcare, the Bank organized/

facilitated ground programs such as health camps (oral health) and blood donation programs, collaborated with

various organizations to create cancer awareness.

The Bank self-organized and also collaborated for various blood donation drive programs in the nation. In a program organized by the Bank, Over 166 blood pints were collected by the Bank. Other blood donation programs were organized with collaboration from local clubs and social organizations.



Oral Health Camps were organized in collaboration of reputed organization as part of Health and well-being CSR initiative of the Bank. Almost 1000 Students were screened for oral health. Also, Bank handed over dustbins for waste collection supporting hygiene which directly impact health.



Various messages on social media platforms of the Bank are posted on important days such as World Mental Health Day, Cancer Awareness Day, AIDS Day, Yoga Day, etc to create awareness of the subject matter. Additionally, Bank collaborates with various organization for programs to create cancer awareness.



Social Projects

The Bank seeks to create impact through its CSR initiatives hence, self-initiated and collaborated with various social organization, government bodies to support sustainable development goals.

The Bank supported the National Innovation Center of Nepal for their research on plastic use reduction.



The Bank handed over 100 canes for visually impaired individuals and 3D printed prosthetic hands to the differently abled children.

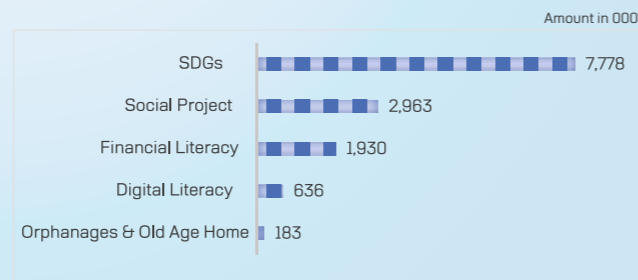


The Bank installed solar street lights for better visibility of the roads at various location.



Areas of Spending of CSR Funds

Every fiscal year 1% of net profit is set as budget in CSR Fund of the Bank which is utilized for various social projects. Considerable contributions of NPR 13.49 Million have been made in various CSR headings including sustainable goals for FY 2080-81.



Our Commitment to Sustainable Finance



Muktinath Bikas Bank Limited (MNBBL) is committed to addressing this resource gap through diverse sustainable finance initiatives, embedding ESG principles into core Banking operations and aligning its strategic goals with the SDGs.



Sustainable Finance refers to integrating environmental, social and governance (ESG) considerations into financial decision-making processes. It encompasses a broad range of activities, from investing in green energy projects and channeling private resources into carbon-neutral initiatives to supporting companies that embody strong social values, such as promoting diversity and inclusive governance. In Nepal, achieving the Sustainable Development Goals (SDGs) and meeting climate commitments requires substantial financial investment. Estimates indicate that USD 77 billion is needed by 2030 to meet adaptation, mitigation and sustainable development targets. The private sector plays a pivotal role in bridging this financial gap by aligning investments with green initiatives and enhancing technical expertise. These efforts bolster government actions and contribute to a sustainable, greener future.

Muktinath Bikas Bank Limited (MNBBL) is committed to addressing this resource gap through diverse sustainable finance initiatives, embedding ESG principles into core Banking operations and aligning its strategic goals with the SDGs. To achieve this ambitious vision, MNBBL has strategically aligned its activities with the SDGs. The following table highlights how MNBBL's initiatives are driving progress across multiple SDGs, demonstrating a comprehensive commitment to fostering environmental stewardship, social equity and economic resilience.

Environmental Sustainability Measures

At MNBBL, sustainable finance is integral to our mission. We strive to minimize our carbon footprint by implementing energy-efficient measures within our operations, contributing directly to SDG 13 (Climate Action). Our financing strategies actively support the transition to a low-carbon economy. For instance, our "Own Your Vehicle" scheme includes a 10% higher financing limit for electric vehicles, advancing SDG 11 (Sustainable Cities and Communities) by promoting cleaner

transportation solutions. We've supported the Green financing initiative of the Green Hydrogen Lab, Kathmandu University and AEPC under the Sustainable Energy-Challenge Fund (SECF) to explore innovative energy solutions, furthering SDG 9 (Industry, Innovation and Infrastructure) and SDG 17 (Partnerships for the Goals). Our Green Loan Product Paper and improved agricultural loan offerings showcase our commitment to advancing renewable energy and sustainable agricultural practices (SDG 2 – Zero Hunger).

Environmental and Social Risk Management (ESRM)

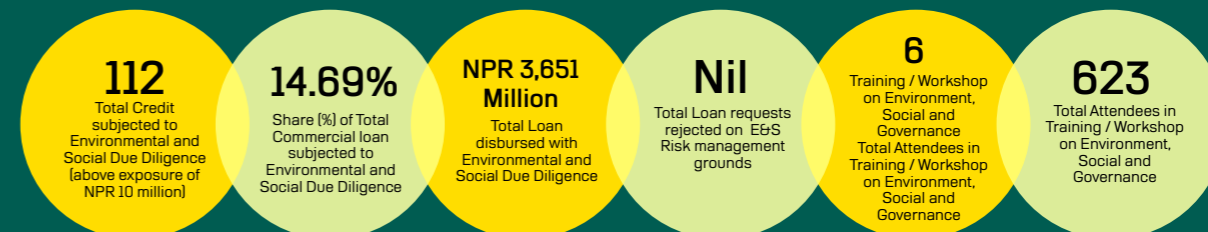
MNBBL has an Environmental and Social Risk Management (ESRM) Policy and Procedure that integrates ESRM into the Bank's overall credit management process. This policy applies to all business loan applications, including new, renewal, rescheduled, and restructured loans, covering various types such as working capital loans, small loans, term loans, and project finance. MNBBL's key lending portfolio in environmentally sustainable activities includes Hydropower Loans amounting to NPR 490 Million, Electric Vehicle Loans of NPR 115 Million, Agriculture Loans totaling NPR 867 Million, Agro plus Loans worth NPR 191 Million, Three-Wheeler Loans exceeding NPR 4 Million, as well as financing for solar energy, clean agricultural inputs and various other renewable energy projects. These initiatives align with SDG 7 (Affordable and Clean Energy) by promoting renewable energy solutions and SDG 11 (Sustainable Cities and Communities) by encouraging the use of electric vehicles for sustainable urban mobility. However, it is important to note that while the majority of these loans can be classified as green or amber under Nepal's Green Finance Taxonomy, reflecting their positive environmental contributions, certain activities may be categorized as red upon detailed assessment against the taxonomy's criteria. This underscores the importance of rigorous evaluation to ensure full alignment with sustainable

financing objectives, a commitment that MNBBL upholds under SDG 13 (Climate Action).

According to the Intergovernmental Panel on Climate Change (IPCC), the lifecycle emissions of hydropower, including the albedo effect, are approximately 24 gCO₂eq/kWh, which is significantly lower than the 820 gCO₂eq/kWh emitted by coal-fired power plants. This highlights hydropower as a much cleaner energy source in terms of greenhouse gas emissions, contributing to SDG 9 (Industry, Innovation and Infrastructure) by supporting the development of low-carbon infrastructure. These hydropower projects contribute to substantial annual reductions in CO₂eq emissions compared to coal-based power alternatives, further advancing the Bank's commitment to sustainable development. Each of these sectors contributes to decarbonization efforts and helps Nepal meet its climate goals in line with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Notably, hydropower investments significantly reduce lifecycle emissions, supporting the transition to cleaner energy sources. Additionally, we are enhancing our internal environmental sustainability by committing to calculate and report Scope 1, Scope 2 and Scope 3 emissions in our annual reports.



Our commitment to fostering an environmentally and socially sustainable future is reflected in our actions, including:



Social Impact and Inclusive Growth

In alignment with SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities), MNBBL fosters financial inclusion by empowering marginalized communities. Our inclusive Banking initiatives enable lower socio-economic groups to access formal financial systems, securing their financial futures. Our RePLANT program has successfully opened over 2,000 accounts for smallholder farmers, offering financial literacy training to thousands in partnership with iDE Nepal. We've developed bulk lending products for rural cooperatives, enhancing climate resilience through collaboration with organizations like SNV and DFCD.

We are deeply committed to SDG 5 (Gender Equality), striving for a diverse and inclusive workforce. Currently, over 41% of our total employees are women, reflecting our dedication to gender equality. Our social due diligence criteria emphasize labor conditions, anti-discrimination and health and safety standards, directly impacting SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Well-being).

Collaboration is central to achieving sustainability goals. MNBBL has partnered with global leaders like UC Davis, BFA Global and the Bill & Melinda Gates Foundation to launch

the Resilience and Innovative Facility, offering risk management solutions to farmers. These initiatives reflect our commitment to SDG 17 (Partnerships for the Goals), leveraging partnerships to amplify our impact. At MNBBL, we are redefining Banking by integrating sustainability into our operations, ensuring alignment with global SDGs. From environmental stewardship to social responsibility and governance excellence, we are committed to playing a pivotal role in Nepal's journey toward a sustainable and inclusive future. With our robust ESG policies, expanding green finance portfolio and transparent governance practices, we aspire to set benchmarks for responsible Banking in Nepal. Our vision aligns with SDG 13 (Climate Action), contributing to a resilient, low-carbon economy that benefits the environment, society and the economy alike.

Governance Excellence for Responsible Banking

We are committed to robust governance practices rooted in transparency, accountability and ethical conduct. Our governance framework aligns closely with SDG 16 (Peace, Justice and Strong

Institutions), ensuring that our operations adhere to the highest ethical standards. Our Board structure, effective risk management practices and mechanisms to safeguard the

interests of stakeholders are testaments to governance excellence. The diverse backgrounds of our Board Members and Executive Committee bring a wealth of perspectives to our decision-making processes. This diversity not only enhances the quality of our governance but also aligns with SDG 5 (Gender Equality), as we actively work toward achieving gender parity and greater representation of underrepresented groups across all levels of the organization. These efforts foster a bottom-up approach to governance excellence, ensuring inclusivity and equitable participation throughout the entire corporate pyramid. Furthermore, our commitment extends beyond internal practices. We evaluate borrowers' governance frameworks, placing a strong emphasis on ethical business conduct, labor standards and compliance with environmental and social regulations. This aligns with our broader goal of responsible Banking, which transcends mere regulatory compliance and supports SDG 8 (Decent Work and Economic Growth) by promoting fair and sustainable business practices. Through our governance initiatives, we aim to contribute to a sustainable and resilient financial future. By embedding ESG principles into our core operations, we reinforce our dedication to SDG 17 (Partnerships for the Goals) collaborating with stakeholders to drive sustainable growth and foster a just financial ecosystem.



Financing Progress

Driving Customer Success

Durga Pashupanchi Farm

Proprietor Ajay Thapa

With the subsidized loan from the Bank, I expanded my existing cow farm. Now, I earn Rs. 10,000 daily, ensuring financial stability for my family.



A and S Agro Farming

Proprietor Suman Chandra Pokharel

I am thankful to the Bank's to turn my dream into reality. Their loan enabled me to establish a diverse agro farm, focusing on fish farming, cattle, and poultry, achieving annual sales of Rs. 10 million.



The agro-wholesale loan by the Bank helped us establish our farm making it possible to produce and transport five quintals of fresh vegetables daily. This has enhanced our business and improved living standards of our co-operative members.

Kerunga Taja Tarkari tatha Falful Utpadan Sahakari Sanstha Ltd.

I managed to grow my PVC fabrication business and expand operations to boost production with the loan from the Bank. This growth allowed me to hire 14 employees and creating employment opportunity, thus benefiting the local economy.



Bhagirath Fabrication Pvt. Ltd.

Director Kiran Shrestha

Nuwakot Dairy Udhog

Proprietor Basudev Nepal

I got loan from the Bank to purchase advanced machinery for my dairy business. This investment has led to daily sales of Rs 1 lakh and the product quality is even better. Now, I have expanded operations, employed local workers and created financial stability for my loved ones.



Thanks to the Bank, I managed to setup a garment unit and training center empowering over 100 learners annually. The programs have strengthened my business with a skilled workforce and inspired entrepreneurship.

Kabita Silai Prasikshan Kendra

Proprietor Geeta Maya Gurung

I am grateful to the Bank for their MSME Loan. It helped me open my own bakery and create jobs for two staffs. Despite being physically challenged, this opportunity helped me prosper financially and overcome barriers to push my past limitations.



Sunrise Bakery

Proprietor Mina Shrestha

Capital Impacted: Social & Relationship Capital



अठारौं वार्षिक साधारण सभा सम्बन्धी सूचना

आदरणीय सेयरधनी महानुभावहरु,

मुक्तिनाथ विकास बैंक लि.को सञ्चालक समितिको मिति २०८१ पौष ७ गते आइतबार बसेको ३४१ औं बैठकको निर्णय अनुसार यस विकास बैंकको अठारौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा, देहायका विषय उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण सेयरधनी महानुभावहरुको जानकारी एवं उपस्थितिका लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०८१ पौष २९ गते, सोमबार (तदनुसार जनवरी १३, २०२५)

समय : विहान ११:०० बजे ।

स्थान : पोखरा इमेण्ट सेन्टर, बुलौंदी, पोखरा, कास्की ।

छलफलका विषयहरु :

सामान्य प्रस्तावहरु :

- सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको आ.व. २०८०/०८१ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- लेखापरीक्षकको प्रतिवेदन सहित आ.व. २०८०/०८१ आषाढ मसान्तको वासलात, नाफा नोक्सान हिसाब, नगद प्रवाह लगायतका विवरणहरु पारित गर्ने ।
- यस विकास बैंकको सहायक कम्पनी मुक्तिनाथ क्यापिटल लि.को आ.व. २०८०/०८१ को वित्तीय विवरण सहितको एकीकृत वित्तीय विवरण उपर छलफल गरी पारित गर्ने ।
- लेखापरीक्षण समितिको सिफारिस बमोजिम आ.व. २०८१/०८२ को लागि लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने । (हालका लेखापरीक्षक श्री घ. पी. षण्ड शोसिस्ट्रस, चाटई एकाउण्टेन्ट्स पुनः नियुक्त हुनका लागि चोप्य हुनुहुन्छ ।)

विशेष प्रस्तावहरु :

- काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-२८, कमलादी, काठमाण्डौ स्थित केन्द्रीय कार्यालयलाई काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-३ लाजिम्पाट, काठमाण्डौमा स्थानान्तरण गर्नका लागि प्रबन्धपत्र तथा नियमावलीमा आवश्यक संशोधन गर्ने ।
- सञ्चालक समितिको बैठकबाट नियुक्त स्वतन्त्र सञ्चालकको नियुक्त अनुमोदन गर्ने ।
- सञ्चालक समितिले प्रस्ताव गरे बमोजिम नेपाल राष्ट्र बैंकको निर्देशनको अधिनमा रही प्रति सेयर रु. १०० का दरले रु.१ अर्ब बराबरको मुक्तिनाथ ८.५% अविमोच्य असञ्चित अग्राधिकार सेयर (8.5%, Muktinath Perpetual Non-cumulative Preference Share) सम्बन्धित नियमनकारी निकायको स्वीकृति पश्चात जारी गर्ने ।
- हाल कायम अधिकृत पूँजी रु.८ अर्बबाट वृद्धि गरी रु.१० अर्ब पुऱ्याउने र सोही अनुसार प्रबन्धपत्रको दफा संशोधन गर्ने ।
- अविमोच्य असञ्चित अग्राधिकार सेयर जारी भए पश्चात बैंकको हाल कायम जारी तथा चुक्ता पूँजी रु.७,०४,६९,३८,०४९.०८ (अक्षरेपी सात अर्ब चार करोड उनन्सतरी लाख अदतीस हजार उनन्पचास रुपैयाँ आठ पैसा मात्र) लाई वृद्धि गरी रु.८,०४,६९,३८,०४९.०८ (अक्षरेपी आठ अर्ब चार करोड उनन्सतरी लाख अदतीस हजार उनन्पचास रुपैयाँ आठ पैसा मात्र) पुऱ्याउने र सोही अनुसार प्रबन्धपत्रको दफा संशोधन गर्ने ।
- अग्राधिकार सेयर तथा अविमोच्य ऋणपत्र जारी गर्नका लागि बैंकको प्रबन्धपत्र तथा नियमावलीमा आवश्यक थप/संशोधन गर्ने ।
- यस मुक्तिनाथ विकास बैंक लि. र अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा प्राप्त/समाहित (Acquisition/Merger) प्रयोजनका लागि उपयुक्त बैंक तथा वित्तीय संस्थाको पहिचान गर्ने, सहमतिपत्र (Memorandum Of Understanding) मा हस्ताक्षर गर्ने, सोको आधारमा सैद्धान्तिक स्वीकृतिका लागि नेपाल राष्ट्र बैंकमा निवेदन दिने, सम्पत्ति दायित्वको मूल्याङ्कन (Due Diligence Audit) गर्ने परामर्शदाता, मूल्याङ्कनकर्ता, लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने तथा सोसंग सम्बन्धित अन्य आवश्यक कार्यहरु गर्नका लागि सञ्चालक समितिलाई अस्तित्वकारी दिने प्रस्ताव पारित गर्ने ।
- विकास बैंकको प्रबन्धपत्र तथा नियमावली संशोधन गर्ने साथै अग्राधिकार सेयर जारी/दर्ता तथा सूचिकरण लगायत सोसंग सम्बन्धित कार्यहरुको स्वीकृतिका क्रममा नियमनकारी निकायबाट फेरबदल गर्न निर्देशन भएमा आवश्यकता अनुसार सोमा थपघट, परिमार्जन, संशोधन तथा सच्याउनको लागि सञ्चालक समिति वा समितिले तोकेको व्यक्तिलाई अस्तित्वकारी दिने ।
- विविध :

द्रष्टव्यः अठारौं वार्षिक साधारण सभा प्रयोजनार्थ मिति २०८१ पौष १९ गते (१ दिन) यस विकास बैंकको सेयर दाखिल खारेज बन्द (Book Closed) हुने व्यहोरा सेयरधनी महानुभावहरुलाई जानकारी गराइन्छ ।

सञ्चालक समितिको आचाले
इण्डपानी ढकाल
(कम्पनी सचिव)

अठारौं वार्षिक साधारण सभा सम्बन्धी अन्य जानकारीहरु :

- अठारौं वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०८१ पौष १९ गते (१ दिन) सम्म विकास बैंकको सेयरधनी दर्ता किताब बन्द (Book Closed) रहने छ । नेपाल स्टक एक्सचेंज लिमिटेडमा मिति २०८१ पौष १८ गते सम्म कारोबार भई प्रचलित कानून बमोजिम यस विकास बैंकको सेयर रजिष्ट्रार मुक्तिनाथ क्यापिटल लि.(Muktinath Capital Ltd.) नारायणचौर, नक्साल, काठमाण्डौमा प्राप्त सेयर नामसारीको लिखतको आधारमा सेयरधनी दर्ता किताबमा कायम सेयरधनीहरुले सो सभामा भाग लिन सक्नेछन् ।
- वार्षिक साधारण सभामा भाग लिन आउनुहुने सम्पूर्ण सेयरधनी महानुभावहरुले आफ्नो परिचय खुल्ने प्रमाणपत्र वा सोको प्रतिलिपि अनिवार्य रूपमा साथमा लिई आउनुहुन अनुरोध छ ।
- सेयरधनी महानुभावहरुको उपस्थिति पुस्तिकामा दस्तखत गर्न सेयरधनी उपस्थिति पुस्तिका साधारण सभा हुने दिन विहान ०९:०० बजेदेखि खुल्ला रहने छ ।
- छलफलका विषयहरु मध्ये, विविध शिर्षक अर्न्तगत कुनै प्रस्ताव भएमा छलफल गर्न इच्छुक सेयरधनीले साधारण सभा हुनुभन्दा ७ (सात) दिन अगावै छलफलको विषयको जानकारी कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनु पर्नेछ ।
- साधारण सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्ति गर्न चाहने सेयरधनीहरुले, प्रचलित कम्पनी कानूनले तोकेको ढाँचामा प्रतिनिधि पत्र (प्रोक्सी) फारम भरी सभा शुरु हुनु भन्दा कम्तिमा ४८ घण्टा अगावै अर्थात् मिति २०८१ पौष २७ गते विहान १०.०० बजे भित्र बैंकको केन्द्रीय कार्यालय लाजिम्पाट, काठमाण्डौमा दर्ता गराई सक्नु पर्नेछ । बैंकको सेयरधनी बाहेक अरुलाई प्रोक्सी दिन र एक भन्दा बढी ब्यक्तिलाई आफ्नो सेयर बिभाजन गरी, तथा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन । यसरी दिइएको प्रोक्सी बदर हुने छ ।
- प्रोक्सी नियुक्त गरी सक्नु भएको सेयरधनी आफै सभामा उपस्थित भई हाजिर पुस्तिकामा दस्तखत गर्नु भएमा निजले दिईसकेको प्रोक्सी स्वतः बदर हुने छ ।
- एकै सेयरधनीले एक भन्दा बढी प्रोक्सीहरु दिईसकेको अवस्थामा यस अधि दिइएका सबै प्रोक्सी बदर गरी पछिल्लो प्रोक्सीलाई मान्यता दिइयोस भनी छुट्टै पत्र लेखी ४८ घण्टा अगावै अर्थात् २०८१ पौष २७ गते विहान १०.०० बजे भित्र दर्ता गराएको अवस्थामा, अधिल्ला प्रोक्सीहरु स्वतः बदर भएको मानी, पछिल्लो प्रोक्सीलाई मान्यता दिइने छ ।
- नावालक सेयरधनीको सन्दर्भमा, सेयरधनी दर्ता किताबमा संरक्षकको रूपमा नाम लेखिएको व्यक्तिले मात्र संरक्षकको हैसियतले सभामा भाग लिन, छलफल गर्न, प्रतिनिधि नियुक्त गर्न र मतदान गर्न समेत सक्नु हुनेछ ।
- साधारण सभा सम्बन्धमा थप जानकारी आवश्यक परेमा कार्यालय समय भित्र विकास बैंकको केन्द्रीय कार्यालय काठमाण्डौ महानगरपालिका-३, लाजिम्पाट, काठमाण्डौमा सम्पर्क राख्न समेत अनुरोध छ ।

पुनश्चः कम्पनीको आर्थिक विवरण, सेयरधनी महानुभावहरुले उपलब्ध गराएको ठेगानामा पठाइने छ । साथै कम्पनी ऐन २०६३ अनुसारको वार्षिक आर्थिक विवरण, संचालक समितिको प्रतिवेदन र लेखापरीक्षकको प्रतिवेदन, सेयरधनी महानुभावहरुले कम्पनीको केन्द्रीय कार्यालय लाजिम्पाट, काठमाण्डौमा तथा यस विकास बैंकको सेयर रजिष्ट्रार मुक्तिनाथ क्यापिटल लि. नारायणचौर, नक्साल, काठमाण्डौमा आई, निरीक्षण गर्न र प्राप्त गर्न सक्ने व्यहोरा समेत जानकारीका गराईन्छ । आर्थिक विवरण लगायत वार्षिक साधारणसभामा पेश हुने सम्पूर्ण प्रस्तावहरु बैंकको Website: www.muktinathbank.com.np मा हेर्न सक्नुहुनेछ ।

सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको मन्तव्य

आदरणीय सेचरघनी महानुभावहरू, तथा सम्पूर्ण अतिथि ज्यूहरूमा, सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट न्यानो अभिवादन ।

आज पौष २९, २०८१, यो विशेष दिनमा उपस्थित हुनु भएका, यस मुक्तिनाथ विकास बैंकलाई हृदयदेखि नै माया, हौसला र साथ दिनुहुने यहाँहरू सबैमा हार्दिकताका साथ स्वागत गर्न चाहन्छु । यो सभा, वार्षिक औपचारिकता मात्रै नभएर, यहाँहरूको अमूल्य सुझावहरू लिने, बैंकलाई अझै सुदृढ र सबल बनाउन अस्तित्वयार गारिने रणनीतिक छलफल र आगामी मार्गचित्र कोर्ने एक महत्वपूर्ण अवसरको रूपमा लिइएको छु ।

विभिन्न आँकडाहरूको आधारमा यो विकास बैंकलाई शिर्ष स्थानमा पुर्‍याउन बैंकमा कार्यरत कर्मचारीहरू, आदरणीय सेवाग्राहीहरू तथा शुभचिन्तकहरू भूमिका अतुलनीय छ । सञ्चालक समितिले दिइएको मार्ग निर्देशन, नियमक निकायहरूले दिने अनुपालना र हितैषीहरूले दिनुभएको सुझावहरूको कार्यान्वयनले विकास बैंक एक शुशासित, पारदर्शी, र दरिलो संस्थाको रूपमा अगाडि बढेको मैले महशुस गरेको छु ।

हामीले विभिन्न उतार चढावहरू पार गर्दै १० दिन पहिले मात्रै १९ औं वर्षमा प्रवेश गरेका छौं । विभिन्न कालखण्डमा विविध वाह्य परिस्थितिहरूसंग सामना गर्दै बैंकलाई अग्रणी स्थानमा उभ्याउन सफल भएका छौं । ती चुनौतिका घडिहरूमा बैंकलाई साथ दिनुहुने सबैमा अन्तरहृदयदेखि स्मरण गर्न चाहन्छु । उहाँहरूको दृढ विश्वास र सहयोगले गर्दा नै हामी कति पनि डगमगाएनौं ।

यो विकास बैंकले हालै नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्थाले प्रदान गर्ने “राष्ट्रिय उत्कृष्ट वार्षिक प्रतिवेदन” पुरस्कार लगातार पाँचौं पटक पाउन सफल भएको छ भने दक्षिण एशियाली पुरस्कार समेत दोश्रो पटक प्राप्त गरेको छ । यो पुरस्कारले हाम्रो कामको गुणस्तर, शुशासन, अनुपालना र पारदर्शिता मापन गरेको छ । बैंकलाई प्राप्त हुने यस्ता पुरस्कार र सम्मानले अझ उत्कृष्ट कार्य गर्न हौसला मिलेको छ ।

वित्तीय र गैरवित्तीय प्रगतिका विवरणहरू त्रैमासिक रूपमा आमजनमानसमा पुर्‍याएका छौं । तथापि, बैंकले आ.व. २०८०/८१ सम्म करिव १४ लाख ग्राहकहरूलाई प्रत्यक्ष वित्तीय सेवा प्रदान गरेको छ भने कर्जा कारोबारमा करीब ७५ हजार जना आवद्ध हुनुहुन्छ । अप्रत्यक्ष रूपमा ३७ ओटा कृषि तथा विषयगत सहकारी संस्थाहरू मार्फत उहाँहरूको ६५,६०१ जना सदस्यहरूमा वित्तीय पहुँच विस्तार गरेका छौं । कारोबारमा भएको वृद्धि, सेवाग्राहीको आवश्यकता र डिजिटल बैंकिङ्गमा देखिएका चुनौतीहरूलाई मध्यनजर गरी बैंकले सूचना प्रविधिमा लगानी बढाएको छ । छिटो, विश्वसनीय र सुरक्षित कारोबारमा बैंक प्रतिवद्ध रहेको छ ।

आ.व. २०६८/६९ देखि आ.व. २०७९/८० सम्म यो विकास बैंकले बोनस लाभांश समेत गामेर कुल २९७.४९ प्रतिशतको दरले लाभांश वितरण गरी सकेको छ । यस अवधिमा बैंकले प्रति वर्ष औषत २४.७९ प्रतिशतको दरले लाभांश प्रदान गरेको देखिन्छ । थोरै भए पनि लाभांश वितरण गर्न वित्तीय रूपले सक्षम भएतापनि यस वर्ष लाभांश वितरण नगर्ने प्रस्ताव गरिएको छ । यो प्रतिवेदन तयार पार्दासम्म नेपालमा रहेका २० मध्ये ४ ओटा वाणिज्य बैंकहरू यस वर्ष लाभांश वितरण नगर्ने निर्णय गरेका छन् । हामीले पनि यस वर्ष लाभांश वितरण नगरी आगामी वर्ष न्यायोचित दरमा लाभांश वितरण गर्ने योजना रहेको यस सम्मानीत सभामा जानकारी गराउन चाहन्छु ।

विशेष प्रस्तावको रूपमा अग्राधिकार सेचर तथा अविमोच्य ऋणपत्र जारी गर्नका लागि बैंकको प्रबन्धपत्र तथा नियमावलीमा आवश्यक थप/संशोधन गर्ने, र नियमकीय निकायबाट स्वीकृति लिई प्रति सेचर रु. १०० का दरले रु. १ अर्ब बराबरको “मुक्तिनाथ ८.५% अविमोच्य असञ्चित अग्राधिकार सेचर” (8.5%, Muktinath Perpetual Non-cumulative Preference Share) जारी गर्ने प्रस्ताव

पेश गरिएको छ । यो व्यवस्थाले बैंकको पूँजी वृद्धि हुने र वित्तीय क्षमतामा समय सापेक्ष वृद्धि भई थप मजबुत र प्रतिस्पर्धि बन्न सहयोग गर्नेछ ।

संस्थागत वित्तीय संरचनाको सञ्जाल विस्तार गर्न यस विकास बैंकले सहायक कम्पनीको रूपमा मुक्तिनाथ क्यापिटल लि. सञ्चालनमा रहेको छ । बैंक आफैले सञ्चालन गर्न नसक्ने पूँजी बजारको वित्तीय उपकरणहरू परिचालन गरी वित्तीय बजार विस्तार गर्न क्यापिटलले महत्वपूर्ण भूमिका खेलेको छ । चालु आ.व. को मंसिर महिनामा आह्वान गरिएको “मुक्तिनाथ म्युचुअल फण्ड मा शुरूको चार दिनमा नै अधिक माग आएकोले फण्डको आकार वृद्धि गरी रु. १ अर्ब २५ करोड बनाइएको छ । यसै गरी आगामी दिनमा बजारको माग अनुरूपका सेवाहरू विस्तार गर्दै लगिने व्यहोरा अनुरोध गर्दछु ।

नेपालको कृषि क्षेत्रमा रहेका विद्यमान समस्याहरूको संस्थागत रूपमा समाधान गरी कृषिलाई एक मर्यादित पेशाको रूपमा विकास गर्न मुक्तिनाथ कृषि कम्पनी स्थापना भएको थियो । यसले आफ्नो व्यवसायलाई विषयगत १० ओटा सहायक कम्पनीहरू मार्फत क्रमशः विस्तार गर्दै गएको छ । कम्पनीले प्रत्यक्ष तथा अप्रत्यक्ष रूपमा ७७ ओटै जिल्लाहरूमा आफ्ना वस्तुहरू उपलब्ध गराएको छ । कृषिको व्यापक दायरा भएकोले सबैलाई समेट्न नसके पनि प्राथमिकता र क्षमता अनुरूप व्यवसाय विस्तार गर्न बलियो पूर्वाधार तयार भई सकेको छ भने आगामी दिनहरूमा स्थापना गरिएका सहायक कम्पनीहरू मार्फत प्रभावकारी रूपमा सेवा विस्तार हुनेछ ।

सञ्चालक समितिको निर्णयानुसार मैले यस सभामा पेश गरेका प्रस्तावहरू उपर छलफल गरी सर्वसम्मत रूपमा पारित गरी दिनुहुन सम्पूर्ण उपस्थित सेचरघनी महानुभावहरूलाई हार्दिक अनुरोध गर्दछु । छलफलको क्रममा प्राप्त हुने सुझावहरूलाई सञ्चालक समितिले गम्भीरताका साथ लिई क्रमशः आवश्यक कार्यान्वयन गर्ने पनि विश्वास दिलाउन चाहन्छु ।

वार्षिक प्रतिवेदनमा समावेश गर्नु पर्ने र साधारण सभामा पेश गर्नु पर्ने भनी नियमक निकायले तोकेका विवरण र तथ्यहरू यसै प्रतिवेदनमा समावेश गरिएको छ । तोकिए वाहेकका थप विषय वस्तुहरू यहाँहरूको जानकारीको लागि यस पुस्तकमा उल्लेख गरेका छौं । विभिन्न समयमा प्राप्त सुझावहरूलाई आत्मसाध गर्दै सुधार भएका छन् । यो प्रतिवेदन अन्तर्राष्ट्रिय समुदायले समेत अध्ययन गर्ने भएकोले केही खण्डहरू अंग्रेजी भाषामा पनि तयार गरिएको छ ।

अन्त्यमा, यस विकास बैंकको काम कारवाहीलाई नजिकबाट नियालेर अमूल्य सुझाव प्रदान गर्नु हुने सम्पूर्ण नियमक निकायहरू, हाम्रा सेवाग्राहीहरूको उन्नतिमा साथ दिनुहुने दानुनिकाय तथा गैरसरकारी साभेदार संस्थाहरू, आपसी हितको लागि सहकार्य गर्नु हुने निजी क्षेत्र, बैंकको व्यवसाय वृद्धि तथा कारोबारमा प्रत्यक्ष र अप्रत्यक्ष रूपले सहजिकरण गरी दिनु हुने सरकारी निकायहरू, यस विकास बैंकमा पूँजी लगानी गरी संस्थालाई जीवन्त राख्नु हुने सेचरघनी महानुभावहरू, र अगाध विश्वास गर्नु भएका सम्पूर्ण सेवाग्राही ज्यूहरू प्रति आभारित छौं । संस्थाले दिइएको कर्तव्य र जिम्मेवारीलाई अत्यन्तै कुशलताका साथ पालना गर्नु हुने सम्पूर्ण ईमानदार र प्रतिवद्ध कर्मचारीहरूको उच्च प्रशंसा गर्दछु । यहाँहरूको लगानशीलता र मेहनतले नै बैंक गर्व गर्न लायक बनेको छ । यहाँहरू सबैको उज्वल भविष्यको कामना गर्दछु ।

धन्यवाद ।

जय मुक्तिनाथ !
मरत राज ढकाल
 अध्यक्ष

मिति: २०८१ पौष १ गते, सोमबार

सञ्चालक समितिको वार्षिक प्रतिवेदन

आदरणीय सेचरघनी महानुभावहरू,

मुक्तिनाथ विकास बैंक लि.को सञ्चालक समितिले आ.व. २०८०/८१ को वित्तीय प्रगति र मुख्य मुख्य गतिविधिहरू समावेश गरी यो प्रतिवेदन तयार पारी अठारौं वार्षिक साधारण सभामा पेश गरेको छ । यहाँ समेटिएका तथ्य र क्रियाकलापहरूको गहन अध्ययन गरी पाठक वर्गबाट महत्वपूर्ण सुझावहरू प्राप्त गर्ने अपेक्षा रासेका छौं । कतिपय विषय वस्तुहरूलाई महत्त्व र प्राथमिकताको आधारमा संक्षेपमा मात्रै उल्लेख गरिएको छ । यहाँहरूको थप जिज्ञासाहरू भएमा यस सभा वाहेक पनि आवश्यक जानकारी उपलब्ध गराइने व्यहोरा पनि सम्पूर्ण सेचरघनी महानुभावहरूलाई अनुरोध गर्न चाहन्छौं ।

क. आ.व. २०८०/८१ मा विद्यमान देशको समग्र आर्थिक अवस्था

नेपाली वित्तीय बजारमा अन्तर्राष्ट्रिय गतिविधिको प्रभाव तुरुन्तै नदेखिए पनि त्यसको दिर्घकालिन असरहरू परी रहेका छन् । रुस-युक्रेन युद्ध, मध्य एशियाको द्वन्द, शक्ति राष्ट्रहरूको समबन्ध र कुटनीति, आदिले आयात निर्यात, पेट्रोलियम पदार्थको मूल्य, बैदेशिक मुद्राको सटही दरमा उतारचढाव आदिले नेपाली अर्थतन्त्रमा प्रत्यक्ष र परोक्ष रूपमा महत्वपूर्ण भूमिका खेलेको छ ।

आर्थिक वर्ष २०८०/८१ को वार्षिक तथ्याङ्कमा आधारित नेपाल राष्ट्र बैंकले प्रकाशित देशको वर्तमान आर्थिक तथा वित्तीय स्थिति यस प्रकारको रहेको छ :

- १. **मुद्रारूपीति**
 - आर्थिक वर्ष २०८०/८१ मा वार्षिक औसत उपभोक्ता मुद्रारूपीति ५.४४ प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्ष यस्तो मुद्रारूपीति ७.७४ प्रतिशत रहेको थियो ।
- २. **वैदेशिक व्यापार**
 - आर्थिक वर्ष २०८०/८१ मा कुल वस्तु निर्यात ३.० प्रतिशतले कमी आई रु.१५२ अर्ब ३८ करोड पुगेको छ । अधिल्लो वर्ष यस्तो निर्यात २१.४ प्रतिशतले घटेको थियो । गन्तव्यका आधारमा भारत तथा अन्य मुलुकतर्फ भएको निर्यात क्रमशः ३.३ प्रतिशत र ४.३ प्रतिशतले घटेको छ भने चीनतर्फ भएको निर्यात ४६.६ प्रतिशतले वृद्धि भएको छ ।
- समीक्षा वर्षमा कुल वस्तु आयात १.२ प्रतिशतले कमी आई रु.१,५९२ अर्ब ९९ करोड पुगेको छ । अधिल्लो वर्ष यस्तो आयात १६.१ प्रतिशतले घटेको थियो । वस्तु आयात गरिने मुलुकका आधारमा भारत तथा अन्य मुलुकबाट भएको आयात क्रमशः ३.० प्रतिशत र १७.६ प्रतिशतले घटेको छ भने चीनबाट भएको आयात ३४.२ प्रतिशतले वृद्धि भएको छ ।
- समीक्षा वर्षमा कुल वस्तु व्यापार घाटा १.० प्रतिशतले कमी आई रु.१,४४० अर्ब ६० करोड पुगेको छ । अधिल्लो वर्ष यस्तो घाटा १५.५ प्रतिशतले

घटेको थियो । समीक्षा वर्षमा निर्यात-आयात अनुपात ९.६ प्रतिशत पुगेको छ । अधिल्लो वर्ष यस्तो अनुपात ९.७ प्रतिशत रहेको थियो ।

३. **सेवा**
 आर्थिक वर्ष २०८०/८१ मा खुद सेवा आय रु.५५ अर्ब ८६ करोडले घाटामा रहेको छ । अधिल्लो वर्ष खुद सेवा आय रु. ७९ अर्ब ८९ करोडले घाटामा रहेको थियो ।

४. **विप्रेषण आप्रवाह**
 आर्थिक वर्ष २०८०/८१ मा विप्रेषण आप्रवाह १६.५ प्रतिशतले वृद्धि भई रु.१४४५ अर्ब ३२ करोड पुगेको छ । अधिल्लो वर्ष विप्रेषण आप्रवाह २३.२ प्रतिशतले बढेको थियो । अमेरिकी डलरमा विप्रेषण आप्रवाह १४.५ प्रतिशतले वृद्धि भई रु.१० अर्ब ८६ करोड पुगेको छ । अधिल्लो वर्ष यस्तो आप्रवाह १३.९ प्रतिशतले बढेको थियो ।

५. **चालु खाता ष्टवम् शोधनान्तर स्थिति**
 आर्थिक वर्ष २०८०/८१ मा चालु खाता रु.२२१ अर्ब ३४ करोडले बचतमा रहेको छ । अधिल्लो वर्ष चालु खाता रु.४६ अर्ब ५७ करोडले घाटामा रहेको थियो । अमेरिकी डलरमा अधिल्लो वर्ष ३६ करोड ६ लाखले घाटामा रहेको चालु खाता समीक्षा वर्षमा १ अर्ब ६६ करोडले बचतमा रहेको छ ।

६. **कुल विदेशी विनिमय सञ्चिति**
 २०८० असार मसान्तमा रु.१५३९ अर्ब ३६ करोड बराबर रहेको कुल विदेशी विनिमय सञ्चिति ३२.६ प्रतिशतले वृद्धि भई २०८१ असार मसान्तमा रु.२०४१ अर्ब १० करोड कायम भएको छ । अमेरिकी डलरमा यस्तो सञ्चिति २०८० असार मसान्तमा रु.११ अर्ब ७१ करोड रहेकोमा २०८१ असार मसान्तमा ३०.४ प्रतिशतले वृद्धि भई १५ अर्ब २७ करोड कायम भएको छ ।

७. **विनिमय दर**
 २०८० असार मसान्तको तुलनामा २०८१ असार मसान्तमा अमेरिकी डलरसँग नेपाली रुपैयाँ १.६४ प्रतिशतले अवमूल्यन भएको छ । अधिल्लो वर्ष नेपाली रुपैयाँ २.७९ प्रतिशतले अवमूल्यन भएको थियो । २०८१ असार मसान्तमा अमेरिकी डलर भएको सरिद विनिमय दर रु.१३३.३६ पुगेको छ । २०८० असार मसान्तमा उक्त विनिमय दर रु. १३१.१७ रहेको थियो ।

८. **सरकारी वित्तको स्थिति**
 - आर्थिक वर्ष २०८०/८१ मा बैकिङ्ग कारोबारमा आधारित सरकारको वित्त स्थिति रु.३८२ अर्ब ८ करोडले घाटामा रहेको छ । अधिल्लो वर्षको सोही अवधिमा सरकारी वित्त स्थिति रु.४९१ अर्ब ७८ करोडले घाटामा रहेको थियो ।

- महालेखा नियन्त्रक कार्यालय का अनुसार आर्थिक वर्ष २०७९/८० मा नेपाल सरकारको कुल खर्च रु.१,४२१ अर्ब ३३ करोड रहेकोमा आर्थिक वर्ष २०८०/८१ मा यस्तो खर्च रु.१,४०८ अर्ब २ करोड रहेको छ ।



- आर्थिक वर्ष २०८०/८१ मा राजस्व संकलन (प्रदेश सरकार तथा स्थानीय तहमा बाँडफाँट हुने रकमसमेत) रु.१,०५८ अर्ब ९० करोड रहेको छ । अधिल्लो वर्षको सोही अवधिमा कुल राजस्व संकलन रु.१,५७७ अर्ब ३५ करोड रहेको थियो ।

- आर्थिक वर्ष २०८०/८१ मा नेपाल सरकारले रु.२३४.४२ अर्ब आन्तरिक ऋण परिचालन गरेको छ भने रु.१८२ अर्ब ६२ करोड साँवा मुकानी गरेको छ । यसर्थ, यस अवधिमा रु.५१ अर्ब ८० करोड खुद आन्तरिक ऋण परिचालन भएको छ ।

मौद्रिक नीति र यसका प्रभावहरू :

नेपाल राष्ट्र बैंक ऐन, २०५८ बमोजिम केन्द्रीय बैंकको मुख्य उद्देश्य आर्थिक स्थायित्व र अर्थतन्त्रको दिगो विकासको निमित्त मूल्य र शोधनान्तर स्थिरता कायम गर्नका लागि आवश्यक मौद्रिक तथा विदेशी विनिमय नीति निर्माण गरी सोको व्यवस्थापन गर्ने रहेको छ । सो उद्देश्य पुरा गर्न नेपाल सरकारको वित्तीय नीति लगायत अन्य विविध पक्षहरूलाई दृष्टिगत गरी नेपाल राष्ट्र बैंकले जारी गर्ने मौद्रिक नीति र सो बमोजिमका नियमकीय निर्देशनहरूले बैंकको कारोबार र प्रगतिका सूचकहरूमा असर पारी रहेको हुन्छ । यो विकास बैंकले व्यवसाय वृद्धि र उच्चतम प्रतिफल सुनिश्चित गर्न सोही अनुसार कार्य शैली र रणनीतिहरूमा आवश्यक समायोजन र अनुकूलन गर्ने गरेको छ ।

नेपालको अर्थतन्त्रमा मुद्रास्फीति लक्षित सीमाभित्र आएको, बाह्य क्षेत्र सुधार भई विदेशी विनिमय सञ्चित उल्लेख्य बढेको र ब्याजदर उल्लेख्य घटेको अवस्था छ । बैंक तथा वित्तीय संस्थाहरूसँगै लगानीचोप्य साधन बढ्दै गए पनि कर्जा विस्तार अपेक्षित रूपमा बढ्न सकेको छैन । कर्जाको ब्याजदर कम भएको अवस्थामा समेत आन्तरिक मागमा उल्लेख्य सुधार हुन नसकेको स्थितिमा मौद्रिक नीतिमार्फत मात्र कर्जाको माग सुधार गर्न कठिन हुने केन्द्रीय बैंकले अनुमान गरेको देखिन्छ । मौद्रिक सहजीकरण मार्फत अर्थतन्त्रको समष्टिगत माग विस्तारको लागि अधिक प्रयत्न गरिँदा सोही अनुरूप वास्तविक क्षेत्रमा सुधार नहुने हो भने वित्तीय स्थायित्व जोखिममा पर्न सक्ने आँकलन गरिएको छ । यस्तो अवस्थाको बाबजुत मौद्रिक नीतिमार्फत अल्पकालीन सहजता कायम गर्दै दीर्घकालीन वित्तीय स्थायित्व हासिल गर्ने प्रयासमा नेपाल राष्ट्र बैंक रहेको देखिन्छ ।

आर्थिक वर्ष २०८१/८२ को मौद्रिक नीति तयार गर्दा विविध पक्षहरूको विश्लेषणको आधारमा अर्थतन्त्रलाई जातिशील बनाउन सजगतापूर्ण लचिलो मौद्रिक नीतिको कार्यदिशालाई निरन्तरता दिइएको देखिन्छ । यस नीतिले उत्पादनशील क्षेत्रतर्फ कर्जा प्रवाह, कर्जाको गुणस्तर सुधारमा जोड दिँदै वित्तीय स्थायित्व कायम हुने र समष्टिगत आर्थिक स्थायित्वमा प्रतिकूल असर नपर्ने गरी कर्जा प्रवाहलाई सहज बनाउने प्रयास गरेको छ ।

नेपाल राष्ट्र बैंकले आर्थिक वर्ष २०८१/८२ को लागि सार्वजनिक गरेको मौद्रिक नीतिमा उल्लिखित केही मुख्य बुँदाहरू यहाँ प्रस्तुत गरिएको छ ।

- नेपाल सरकारले बजेटमार्फत आर्थिक वर्ष २०८१/८२ मा ६.० प्रतिशतको आर्थिक वृद्धि हासिल गर्ने लक्ष्य राखेको छ । संघ, प्रदेश तथा स्थानीय तहहरूको बजेटमा उल्लिखित खर्च र नीति तथा कार्यक्रमहरू कार्यान्वयन भएमा आर्थिक गतिविधि चलायमान हुने अपेक्षा गर्न सकिन्छ ।

- नेपाल सरकारले आर्थिक वर्ष २०८१/८२ को बजेट वक्तव्यमा मुद्रास्फीति ५.५ प्रतिशतको सीमाभित्र रहने अनुमान गरेको छ ।

- वैदेशिक रोजगारी र विदेश अध्ययनमा ठूलो संख्यामा युवाहरू विदेश गएकोले आन्तरिक माग शिथिल रहेको छ । यस्तो अवस्थामा समयमा नै पुँजीगत खर्च गरेर अर्थतन्त्रको उत्पादन क्षमता वृद्धिका साथै निर्माण व्यवसायीहरूको भुक्तानी विवाद र बचत तथा ऋण सहकारी संस्थाहरूमा देखिएको समस्या समाधान भएमा आर्थिक गतिविधि बढाउन सहयोग पुग्ने देखिन्छ ।

- आर्थिक वर्ष २०८१/८२ मा निजी क्षेत्रतर्फ जाने कर्जा प्रवाहमा सुधार हुने अपेक्षा गरिएको छ ।

- पुँजीकोषका उपकरणहरू तथा नयाँ उपकरण प्रयोगलाई प्रोत्साहन गर्नुका साथै विद्यमान व्यवस्थाहरूमा पुनरावलोकन गरेको छ ।

- सम्पति शुद्धीकरण तथा आतंकवादी क्रियाकलापमा वित्तीय लगानी निवारणको लागि गरिएका व्यवस्थाहरूलाई थप प्रभावकारी बनाउने उल्लेख छ ।

- चेक अनादरलाई मात्र आधार मानी कालोसूचीमा राख्ने तथा बैंकिङ्ग कारोबारमा बन्देज हुनेगरी खाता रोक्का राख्ने लगायतका व्यवस्था परिमार्जन गर्ने गरी विद्यमान कर्जा सूचना तथा कालो सूचीसम्बन्धी निर्देशनमा पुनरावलोकन हुन सक्ने देखिन्छ ।

- बैंक तथा वित्तीय संस्थाको निष्क्रिय सम्पति तथा गैर-बैंकिङ सम्पति व्यवस्थापन गर्न सम्पति व्यवस्थापन कम्पनी (Asset Management Company) स्थापना गर्ने प्रयोजनका लागि सम्पति व्यवस्थापन ऐनको मस्यौदा तर्जुमा गरी नेपाल सरकारसमक्ष पेश गर्ने उल्लेख छ ।

- धितोपत्र बजारमा बैंक तथा वित्तीय संस्थाबाट हुने प्रत्यक्ष ऋण लगानीलाई क्रमशः कम गर्दै मार्जिन ट्रेडिङको अवधारणालाई प्रोत्साहन गर्ने नीति लिएको देखिन्छ ।

- वित्तीय साक्षरतालाई अभियानकै रूपमा अगाडि बढाउँदै लैजान बैंक तथा वित्तीय संस्थामार्फत वित्तीय सचेतना कार्यक्रम सञ्चालन गर्ने योजना रहेको छ ।

स. विगत ५ वर्षको वित्तीय अवस्था

वित्तीय अवस्थाको विवरण

आषाढ मसान्त

(रकम रु.मा)

	२०८०/८१	२०७९/८०	२०७८/७९	२०७७/७८	२०७६/७७
सम्पति					
नगद तथा नगद समान	३,१३४,५३९,७०४	५,२६६,५३९,७४८	८,१०१,००९,८१२	६,२६९,७२१,४८४	८,१९९,३८२,५६७
नेपाल राष्ट्र बैंकमा रहेको मौज्जात	९,६०६,१४२,१९४	३,७३२,१३२,१३३	२,८६५,४४०,३९९	२,५६४,७४८,५९२	२,०१९,०२७,०२२
बैंक तथा वित्तीय संस्थामा रहेको मौज्जात	-	-	-	-	-
व्युत्पन्न वित्तीय उपकरण	-	-	-	-	-
अन्य व्यापारिक सम्पतिहरू	-	-	-	-	-
बैंक तथा वित्तीय संस्थालाई कर्जा तथा सापट	२,१३९,६२६,५३४	२,५३६,४३९,२७०	२,७२६,७९९,७७३	३,४८३,६१३,३६५	६०३,९००,०००
ग्राहकलाई कर्जा सापटी	९१,९०७,३०९,०२५	९४,४५६,९६५,९५२	८६,८११,९४८,४४५	७२,९१९,२४९,८७३	४७,६६०,९०४,६११
सुरक्षणपत्रमा लगानी	१४,२४९,२४८,१०६	२२,०८४,६०९,५००	१७,९३६,३८१,६५९	१४,५१३,४०२,९२६	६,५९२,८०८,५४३
चालु को कर सम्पति	४०,७२२,०९२	४८,१७६,७८७	१६,४७२,४४७	४४,२९८,४६७	६९,१५०,९६९
सहायक कम्पनीमा लगानी	२४४,०४५,९०५	२४४,०४५,९०५	११७,५००,०००	११७,५००,०००	११७,५००,०००
सम्बद्ध कम्पनीमा लगानी	१५५,५५०,०००	१५५,५५०,०००	१००,०००,०००	१००,०००,०००	५४,७२८,००६
सम्पतिमा लगानी	४३२,५०४,२४४	२५६,०८०,७८२	५१,०५०,८५२	-	-
सम्पति तथा उपकरण	२,२४२,४२२,३२१	१,९९९,८५१,१६३	१,८९५,०६१,४९८	८१३,७८०,४०९	७६४,७८३,१५४
रूपाति तथा अमूर्त सम्पति	११,७६७,६४६	१४,५३७,३१६	१९,९३७,६१०	८,३४८,६००	९,७७१,७४४
स्थगन कर सम्पति	११६,११५,३०९	८४,६८३,३२४	९२,४५०,५८८	५५,०१८,००४	४५,३००,६४३
अन्य सम्पतिहरू	६६७,७७०,९७६	८०९,५९५,१७६	३४९,४१५,३६९	२३७,१३५,०८४	२१०,८३५,४५१
जम्मा सम्पतिहरू	१२४,९४७,७६४,०५६	१३१,६११,२०७,०५५	१२१,०८३,४६८,४२२	१०९,१२६,८१६,८०४	६६,३४८,०९२,७११
दायित्वहरू					
बैंक तथा वित्तीय संस्थालाई तिरि वीकी	७६९,६२१,७९८	१,९९९,५४७,१८९	३,७५०,२८४,११०	५,४१९,५८६,९२५	२,३२२,२७०,७४७
नेपाल राष्ट्र बैंकलाई तिरि वीकी	४१५,६२९,५८१	२१५,८७४,८४८	१,०३२,९७९,५५६	८३२,४४६,४१८	-
व्युत्पन्न वित्तीय उपकरण	-	-	-	-	-
ग्राहकबाट निक्षेप	१०९,७५८,८७६,१३३	११६,४४९,८७०,९५४	१०४,६७५,०७२,२६३	८६,९०२,९१४,३७३	५७,३१०,८६२,७०१
तिरि वीकी सापटी	१०,४१६,६६७	१८,७५०,०००	२५,०१६,४३८	-	-
यस को कर दायित्व	-	-	-	-	-
व्यवस्थाहरू	१,३००,०००	१४,८०६,०३०	३,५०६,०३०	३,७३२,०७०	३,७३२,०७०
स्थगन कर दायित्व	-	-	-	-	-
अन्य दायित्वहरू	२,३१४,९६८,५३१	२,३०२,३८१,९३४	२,२७३,५२९,६६०	१,१४१,४७९,८७७	८९२,७६८,५०३
जारी गरिएको ऋण पत्र	१,२४७,४४३,५८२	१,२४६,९१७,७८२	१,२४६,४८९,२९२	-	-
सुरक्षण नराखिएको सहायक आवधिक दायित्व	-	-	-	-	-
जम्मा दायित्वहरू	११४,५१८,२५६,२९२	१२२,२४८,१४८,७३७	११३,००६,८७७,३४८	९४,३००,१५९,६६२	६०,५२९,६३५,०२२
इतिवृत्ति					
सेयर पुँजी	७,०४६,९३८,०४९	६,४२०,९००,२७३	५,६५७,१८०,८५७	४,८११,५५०,८०३	४,३२४,९८९,४८६
सेयर प्रिमियम	-	-	-	-	६४,०१२,१४२,५७
संचित मुनाफा	१९४,७०१,४१८	६७३,९३८,०६१	८०८,३७६,६५७	८९६,३१५,६५१	६१३,७७९,१६१
जोडा कोष	३,१८७,८६८,२९७	२,२६८,२९९,९८४	१,६११,०३३,५५९	१,११८,७९०,६८८	८१५,६७७,९००
सेयरधनीहरूलाई वीकी योज्य पुँजी	१०,४२९,५०७,७६४	९,३६३,०५८,३१८	८,०७६,५९१,०७४	६,८२६,६५७,१४२	५,८१८,४५८,६८९
गैर नियन्त्रण स्वार्थ	-	-	-	-	-
कुल पुँजी	१०,४२९,५०७,७६४	९,३६३,०५८,३१८	८,०७६,५९१,०७४	६,८२६,६५७,१४२	५,८१८,४५८,६८९
कुल दायित्व तथा पुँजी	१२४,९४७,७६४,०५६	१३१,६११,२०७,०५५	१२१,०८३,४६८,४२२	१०९,१२६,८१६,८०४	६६,३४८,०९२,७११
समावित दायित्व र प्रतिबद्धता	३,२५५,९३६,४६१	३,३४३,६९४,३७४	४,०८८,३६०,६०२	४५९,६१८,८४५	२,४२८,९४८,८४७
प्रति सेयर खुद सम्पति मुल्य	१४८.००	१४५.८२	१४२.७७	१४१.८८	१३४.५३



अन्य विस्तृत आम्दानीको वितरण

श्रावण १ गतेदेखि आषाढ मसान्त सम्मको

नाफा वा नोक्सान वितरण

श्रावण १ गतेदेखि आषाढ मसान्त सम्मको

	२०८०/८१	२०८१/८०	२०८२/८१	२०८३/८२	२०८४/८३
व्याज आम्दानी	१३,७७२,४९५,९२२	१५,४७५,२३६,३१२	११,५६३,२१६,२९८	७,५८३,६५२,४६९	६,५९२,४९३,३६३
व्याज स्वर्च	९,५३३,१५४,६१४	११,३७१,१४२,३५३	८,२३३,४३६,९२१	४,७९५,०११,३३०	४,३३३,१०९,१०९
सुद व्याज आम्दानी	४,२३९,३४१,३०८	४,१०४,०९३,९५९	३,३२९,७७९,३७६	२,७८८,६४१,१३८	२,२५९,३८४,२५३
शुल्क तथा कमिशन आम्दानी	५,४८,५७९,७८२	५,९२,८९५,४४४	४,९७,४९३,२६४	६०५,०१९,०२०	५,०९,६३०,०९४
शुल्क तथा कमिशन स्वर्च	८५,७१४,९३४	६७,१९८,६९९	४९,९५१,५२९	३२,०६७,६३३	२२,७६२,९६३
सुद शुल्क तथा कमिशन आम्दानी	४,६३,८६४,८४८	५,२५,६९६,८२५	४,४७७,५४१,७३५	५,७२,९५१,३८६	४,८६,८६७,१३०
सुद व्याज, शुल्क तथा कमिशन आम्दानी	४,७०२,२०६,१५६	४,६२९,७९०,७८४	३,७७७,३२१,१११	३,३६१,५९२,५२४	२,७४६,२५१,३८४
सुद व्यापारिक आम्दानी	८,८०८,४७०	११,३४०,९११	८,४४४,७६२	६,२४२,५३६	६,२५९,४५४
अन्य संचालन आम्दानी	३९,७६०,९३४	११,४१९,७६५	४६,८७८,५०१	४२२,०१८,०७९	३५,६५६,५५३
कुल संचालन आम्दानी	४,७४०,७७५,५६०	४,६५२,५५१,४६०	३,८६३,६४४,३७३	३,७८९,८५३,१४०	२,७८८,१६७,३९१
कर्जा तथा अन्य नोक्सानीको जोखिम व्यवस्था/(फिर्ता)	७७६,७८२,२१५	६९८,६७५,८०९	७४,७१२,१८८	४९५,२७३,०२१	३१६,८५६,६२८
सुद संचालन आम्दानी	३,९६३,९९३,३४५	३,९५३,८७५,६५१	३,७८८,९३२,१८५	३,२९४,५८०,११९	२,४७१,३१०,७६३
संचालन स्वर्च					
कर्मचारी स्वर्च	१,५५५,४०८,०३१	१,४३८,१५९,३५८	१,२१६,३५४,५१९	१,११०,८६३,५६९	८९५,७९९,३७८
अन्य संचालन स्वर्च	४३७,०४०,६०७	४६९,०३४,६३७	३९४,२९८,९१६	३९७,४०७,३५७	४३४,८३५,७९७
हासकट्टी र परिशोधन	२७३,०९८,६३२	२३४,१०८,८८०	२१३,९०५,२७७	१४४,७१५,३७५	१३१,८३४,४१०
संचालन नाफा	१,७०८,४४६,०७५	१,८२०,५७२,७७६	१,९३३,३७३,४७३	१,६४१,५९३,८१८	१,००८,८४१,१७८
गौर संचालन आम्दानी	१,५५,५५४	-	-	१४,१८०,०००	१७३,१२५
गौर संचालन स्वर्च	२६,३८८,२४२	१०,२५६,१०२	२,२८१,८२२	-	-
आयकर अघिको मुनाफा	१,६८०,२९९,३८७	१,८१०,३२८,६७८	१,९३१,०९१,६५०	१,६५५,७७३,८१८	१,००९,०१४,३०३
आयकर स्वर्च					
चालु आयकर	५३४,८१४,९८५	५८७,९३८,८८५	६००,३०३,२३६	५२६,७२१,२८०	३१६,९६१,५१२
स्थगन कर आम्दानी/स्वर्च	(२८,९३६,५१५)	(२५,८४८,४८०)	(११,०१६,८७३)	(२७,२०३,९६०)	(१५,३५२,३२६)
यस वर्षको नाफा	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८	७०७,४०५,११७
सुद नाफा/(नोक्सान)मा हिस्सा:					
बैंकको सेयरधनी	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८	७०७,४०५,११७
गौर नियन्त्रित स्वार्थ	-	-	-	-	-
यस वर्षको मुनाफा	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८	७०७,४०५,११७

	२०८०/८१	२०८१/८०	२०८२/८१	२०८३/८२	२०८४/८३
यस वर्षको नाफा	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८	७०७,४०५,११७
आयकर पछिको अन्य विस्तृत आम्दानी					
क) नाफा/(नोक्सान) मा पुनःवर्गिकरण नगरिने बुँदाहरू					
फेचर ठ्याल्थुमा कूल्याङ्गन गरिएका इतिवटी उपकरणको लगाबीबाट भएका नाफा/(नोक्सान)	(२५,५२७,९०७)	५६,३८८,८६४	(७४,३७१,८७८)	३८,७३५,८८४	२१,६९६,१७७
पुनःकूल्याङ्गनबाट भएका नाफा/(नोक्सान)	-	-	-	-	-
परिभाषित लाभ योजनाबाट विमाडिक नाफा/(नोक्सान)	१७,२०९,६७४	५५,६६३,६१४	(१३,६८०,४९३)	१९,५५२,७७७	८,६९९,२२५
माथि उल्लेख गरिएका बुँदाको आयकर	२,४९५,४७०	(३२,९७७,६७९)	२६,४१५,७११	(१७,४८६,५९८)	(९,११८,६२१)
नाफा/(नोक्सान) मा पुनः वर्गिकरण नगरिने अन्य सुद विस्तृत आम्दानी	(५,८२२,७६३)	७८,४३६,७३५	(६१,६३६,६६०)	४०,८०२,०६३	२१,२७६,७८१
ख) नाफा/(नोक्सान)मा पुनःवर्गिकरण गरिएका वा गर्न सकिने बुँदाहरू					
नगद प्रवाहको हेतुबाट गरिएको नाफा/(नोक्सान)	-	-	-	-	-
विदेशी विनिमय संचालनको विधि सप्तपति विनिमयबाट भएको सटही नाफा/(नोक्सान)	-	-	-	-	-
माथि उल्लेख गरिएका बुँदाको आयकर	-	-	-	-	-
नाफा/(नोक्सान) को पुनः वर्गिकरण	-	-	-	-	-
नाफा/(नोक्सान) मा पुनः वर्गिकरण गरिएका वा गर्न सकिने अन्य सुद विस्तृत आम्दानी	-	-	-	-	-
ग) इतिवटी तरिकाबाट लेखांकन गरिएको सम्बद्ध संस्थाको अन्य विस्तृत आम्दानीमा हिस्सा	-	-	-	-	-
यस वर्षको आयकर पछिको अन्य विस्तृत आम्दानी	(५,८२२,७६३)	७८,४३६,७३५	(६१,६३६,६६०)	४०,८०२,०६३	२१,२७६,७८१
कुल विस्तृत आम्दानी	१,१७०,५१२,१५४	१,३२६,६६३,००३	१,२८०,१६८,६२७	१,१९७,०५८,५६१	७२८,६८१,८९८
कुल विस्तृत आम्दानीको वीडफाँड					
बैंकको इतिवटीसेयरधनी	१,१७०,५१२,१५४	१,३२६,६६३,००३	१,२८०,१६८,६२७	१,१९७,०५८,५६१	७२८,६८१,८९८
गौर नियन्त्रित स्वार्थ	-	-	-	-	-
यस वर्षको जम्मा विस्तृत आम्दानी	१,१७०,५१२,१५४	१,३२६,६६३,००३	१,२८०,१६८,६२७	१,१९७,०५८,५६१	७२८,६८१,८९८



प्रमुख वित्तीय सूचकाङ्कहरू

	२०८०/८१	२०७९/८०	२०७८/७९	२०७७/७८	२०७६/७७
१. खुद नाफा/कुल आमदानी (प्रतिशत)	२४.७६	२६.८३	३५.०१	३०.५१	२५.३७
२. प्रति सेयर आमदानी (रु.)	१६.६९	१९.४४	२३.७२	२४.०३	१६.५६
३. प्रति सेयर बजार मूल्य (रु.)	३६७.००	४०७.००	४३९.९०	६५७.००	३१२.००
४. मूल्य आमदानी अनुपात (अनुपात)	२१.९९	२०.९४	१८.५५	२७.३४	१८.८४
५. सेयर पूँजीमा लाभांश (प्रतिशत)	-	९.७५	१३.५०	१७.५८	११.२५
६. सेयर पूँजीमा नगद लाभांश मुकान्नी (प्रतिशत)	-	०.५१	०.७१	०.९३	४.२६
७. व्याज आमदानी/कर्जा तथा सापट (प्रतिशत)	१२.७६	१३.०४	१०.७९	८.३७	१२.०८
८. कर्मचारी स्वर्च/कुल संचालन स्वर्च (प्रतिशत)	६६.१५	६५.३६	६४.८९	६७.६६	६१.२५
९. कुल निक्षेप तथा सापटीमा ब्याज स्वर्च (प्रतिशत)	८.६८	९.७६	७.८६	५.५२	७.५६
१०. सदही घटबढ आमदानी/कुल आमदानी (प्रतिशत)	०.२०	०.३०	०.२१	०.१४	०.४९
११. कर्मचारी बोनस/कुल कर्मचारी स्वर्च (प्रतिशत)	१२.०२	१३.९९	१७.६४	१६.५६	१४.२१
१२. खुद नाफा/कर्जा सापट (प्रतिशत)	१.२५	१.२९	१.५०	१.५१	१.४७
१३. खुद नाफा/कुल सम्पति (प्रतिशत)	०.९४	०.९५	१.११	१.१४	१.०७
१४. कुल कर्जा/निक्षेप (प्रतिशत)	८५.०९	८१.८९	८२.५८	८२.७६	८०.९४
१५. कुल संचालन स्वर्च/कुल सम्पति (प्रतिशत)	१.८१	१.६२	१.५१	१.६३	२.२०
१६. जोरिम मारित सम्पतिमा पूँजीकोषको पर्याप्तता (प्रतिशत)					
(क) प्राथमिक पूँजी (प्रतिशत)	९.४६	८.८४	८.८३	९.९४	११.९७
(ख) पुरक पूँजी (प्रतिशत)	२.२३	२.९४	२.९७	१.२५	१.२६
(ग) पूँजीकोषको पर्याप्तता (प्रतिशत)	११.६९	११.७७	११.८०	११.१९	१३.२३
१७. तरलता (प्रतिशत)	२४.०१	२५.६७	२६.३२	२४.०७	२७.८३
१८. निष्क्रिय कर्जा/कुल कर्जा (प्रतिशत)	२.३७	०.९८	०.२१	०.२३	०.२६
१९. आधार दर (प्रतिशत)	८.७८	११.६८	११.१५	८.०५	९.९८
२०. कोष लागत (प्रतिशत)	६.५४	९.५२	९.२४	६.२६	७.५२
२१. कर्जाको औषत ब्याजदर (प्रतिशत)	११.१६	१४.१८	१३.७६	१०.७८	१२.५१
२२. ब्याज दर अन्तर (प्रतिशत)	४.५९	४.५९	४.५१	४.४८	४.९९
२३. कुलसेयर (संख्या)	७०,४६९,३८०	६४,२०९,००३	५६,५७१,८०९	४८,११५,५०८	४३,२४९,८९५
२४. प्रतिसेयर किताबी मूल्य (रु.)	१४८.००	१४५.८२	१४२.७७	१४१.९८	१३४.५३
२५. खुद नाफा/कुल सम्पति (प्रतिशत)	०.९४	०.९५	१.११	१.१४	१.०७
२६. इक्विटीमा प्रतिफल (प्रतिशत)	११.२८	१३.३३	१६.६१	१६.९३	१२.१६
२७. कुल कर्मचारी (संख्या)	१,५६५	१,६६३	१,५५५	१,५४७	१,४३६
२८. कुल शाखा संख्या (संख्या)	१७९	१७८	१७७	१५८	१३५

ग. चालु अवधिको बैंकको वित्तीय अवस्था

समग्रमा आ.व. २०८०/८१ वित्तीय कारोबारको हिसावले त्यति सन्तोषजनक हुन सकेन । विशेष गरी कर्जा लगानी, असूली र वचत निक्षेप वृद्धिका सूचकहरू केही नकारात्मक हुन पुगे । सो आ.व.को मध्य तिर पूँजीकोषमा पर्न गएको दबावको

कारणले व्यवसायलाई सुठ्याउनु परेको थियो । तर, तेश्रो त्रैमाससम्म आई पुग्दा पूँजीकोष लगायतका सूचकहरू सकारात्मक हुन पुगेको र चौथो त्रैमासमा सन्तोषजनक प्रगति भएको थियो ।

यस विकास बैंकको आ.व. २०८०/८१ मा तपशील बमोजिम वित्तीय अवस्था रहेको छ ।

१. कर्जा तथा सापट

यस वर्ष कर्जामा ३.०४ प्रतिशतले कमी भई गत वर्षको अन्त्यमा रहेको कुल कर्जा रु.९६ अर्ब ९२ करोडबाट घटेर रु. ९४ अर्ब ४ करोड पुगेको छ । घटेको कुल कर्जा मध्ये, ठूलो हिस्सा रु. ३ अर्ब १४ करोड लघुवित्त वित्तीय संस्थालाई प्रदान गरिएको थोक कर्जा घटेको हो ।

देशको आर्थिक जातिवधिमा आएको कमी संशय बजारमा कर्जाको मागमा आएको बावजूद, कर्जा असुलीमा थपिपका जटिल चुनौतीहरू र बैंकको पूँजीकोषमा आएको दबावको कारण कर्जा परिचालनमा केही कमी आएको हो ।

यस विकास बैंकले आफ्नो कर्जा तथा सापटीलाई विविधिकरण गर्ने हेतुले साना तथा मझौला व्यवसाय कर्जा, लघुउद्यम कर्जा, कृषि तथा उत्पादनशील कर्जा, विपन्न वर्ग कर्जा, व्यक्तिगत कर्जा, क्षेत्रमा लगानीको लागि

२. लगानी :

आ.व. २०७९/८० मा रु. २२ अर्ब ८ करोड रहेको कुल लगानी आ.व. २०८०/८१ मा ३५.४८ प्रतिशतले कम भई (रु.७ अर्ब ८४ करोड) भई रु.१४ अर्ब २५ करोड पुगेको छ । नेपाल सरकारको विकास ऋणपत्रमा रु. १३ अर्ब ८६ करोड लगानी गरेको र सेयर तथा म्युचुल फन्डमा रु. ४३ करोड १५ लाखको लगानी रहेको छ । यस विकास बैंकले सहायक कम्पनी मुक्तिनाथ क्यापिटल लिमिटेडमा रु.२४ करोड ४० लाख र सम्बद्ध कम्पनी मुक्तिनाथ कृषि कम्पनी लिमिटेडमा रु.१५ करोड ५० लाख लगानी गरेको छ ।

३. निक्षेप परिचालन :

आर्थिक वर्ष २०७९/८० मा रु. १ अर्ब १८ अर्ब रहेको बैंकको कुल निक्षेप ६.६२ प्रतिशतले (रु. ७ अर्ब ९२ करोड) घट्न गई यस वर्षको अन्त्यमा रु. १ अर्ब १० अर्ब रहेको छ । बैंकको सम्पति तथा दायित्व व्यवस्थापनको रणनीति अनुरूप अधिक तरलता व्यवस्थापनको निमित्त निक्षेप संकलनलाई निरुत्साहित गरिएको थियो । यसबाट बैंकको कर्जा निक्षेप अनुपात गत वर्षको ८१.८९% बाट वृद्धि भई ८५.८३% मा पुगेकोले ब्याज स्वर्च घट्न गई खुद ब्याज आमदानीमा टेवा पुगेको छ ।

२०८१ असार मसान्तमा यस विकास बैंकको कुल निक्षेपमा चलती, बचत, कल निक्षेप र मुद्दतीको अंश क्रमशः २ प्रतिशत, ३१ प्रतिशत, ६ प्रतिशत र ६१ प्रतिशत रहेको छ । बैंकको कुल बचत तथा निक्षेपको आधा भन्दा धेरै हिस्सा मुद्दती निक्षेप ओगटेको छ । गत वर्ष रु. ८१ अर्ब १६ करोड रहेको मुद्दती निक्षेप यस वर्षको अन्त्यमा रु. ६६ अर्ब ७६ करोड रहेको छ । अधिक व्याजदर भएको मुद्दती निक्षेपमा आएको कमी र तुलनात्मक रूपमा कम व्याजदर भएको चलती, कल र बचत निक्षेपमा हुन गएको वृद्धिले २०८० असार मसान्तमा रहेको कोषको लागत ९.५२% बाट घटेर २०८१ असार मसान्तमा ६.५४ % मा आएको छ । साथै निक्षेपको विविधिकरण

रु. दश लाखमा

	२०८०/८१	२०७९/८०	वृद्धि %
बैंक तथा वित्तीय संस्थालाई कर्जा तथा सापट	२,१३९.६३	२,५३६.४४	-१५.६४%
ग्राहकलाई कर्जा सापटी	९१,९०७.३१	९४,४५६.९७	-२.७०%
कुल कर्जा	९४,०४६.९४	९६,९९३.४१	-३.०४%

प्राथमिकता दिएको छ । साथै, बैंकको कर्जा जोरिम न्यूनीकरणको लागि साना कर्जालाई ग्राह्यता दिएको छ । नेपाल राष्ट्र बैंकले तोकेको बमोजिमका क्षेत्र र सीमा अनुसार नै लगानी गर्दै आएको छ । कर्जा लगानीको लागि क्षेत्रगत सीमा बैंकको कर्जा नीतिमा तोकिएकोले सो अनुरूप कर्जाहरू प्रवाह भएका छन् । यस विकास बैंकले नेपाल राष्ट्र बैंकले जारी गरेको निर्देशनहरूको पूर्णरूपले पालना गरेको छ ।

सन्तुलित रूपमा तरलता व्यवस्थापन गर्दै उपलब्ध श्रोतहरूबाट उच्चतम प्रतिफल आर्जन गर्ने उद्देश्यले नेपाल सरकार तथा नेपाल राष्ट्र बैंकद्वारा निष्कासित जोरिम रहित सम्पतिमा (ट्रेजरी बिल, विकास ऋण पत्र आदि) लगानी गर्ने बैंकको नीतिलाई निरन्तरता दिईएको छ । यस विकास बैंकले लगानीमा निहित प्रतिफल र संभावित जोरिमहरूको अर्धवार्षिक रूपमा पुनरावलोकन गर्ने गरेको छ । विकास बैंकको सम्पूर्ण लगानी नेपाल राष्ट्र बैंकले तोकेको सीमा भित्र रहेको छ ।

रु. दश लाखमा

	२०८०/८१	२०७९/८०	वृद्धि %
ग्राहकबाट निक्षेप	१०९,७५८.८८	११६,४४९.८७	-५.७५%
बैंक तथा वित्तीय संस्थालाई तिरनै वौकी	७६९.६२	१,९९९.५५	-६१.५१%
कुल निक्षेप	११०,५२८.५०	११८,४४९.४२	-६.६९%

गरी निक्षेपको लागतलाई कम गर्दै जाने योजना अनुरूप बैंकले सन्तीक्षा वर्षमा बचत निक्षेप परिचालन गरेको हो ।

करिब १४ लाख निक्षेप ग्राहक सहित यो विकास बैंक निक्षेपकर्ताहरूको प्रथम रोजाईको बैंक बन्न सफल भएको छ । नेपाल राष्ट्र बैंकको निर्देशन अनुसार कुल निक्षेपमा संस्थागत निक्षेपको अनुपात बढीमा ५० प्रतिशत कायम राख्नु पर्नेमा बैंकले व्यक्तिगत तथा संस्थागत निक्षेप अनुपात क्रमशः ७८ प्रतिशत तथा २२ प्रतिशत कायम गर्न सफल भएको छ ।

आर्थिक वर्ष २०८०/८१ मा बजारमा कर्जा वृद्धिदर न्यून भएको र निक्षेप वृद्धिदर बढ्न गएकोले बैंकिङ क्षेत्र अधिक तरलताको चापबाट गुञ्जिरहेको थियो । तसर्थ, समग्र बैंकिङ क्षेत्रको औषत निक्षेपको ब्याजदर गत वर्षको ७.८६% बाट घटेर ५.७७ % मा पुगेको छ ।

**४. व्याज आम्दानी तथा खर्च :****- व्याज आम्दानी**

समीक्षा अवधिमा बैंकको कुल व्याज आम्दानी रु.१३ अर्ब ७७ करोड रहेको छ जसमध्ये कर्जाबाट ब्याज आम्दानी ११ प्रतिशतले ह्रास भई रु. १२ अर्ब ४६ करोड रहेको छ । कर्जा बाहेकको अन्य लगानी तर्फको ब्याज आम्दानी १०.२४ प्रतिशतले ह्रास भई रु. १ अर्ब ३१ करोड थियो । ब्याजदर मा आएको कमीसँगै आधार दर घटेकाले व्याज आम्दानीमा पनि कमी आएको हो ।

- व्याज खर्च

आ.व. २०८०/८१ मा बैंकको व्याज खर्च १६.१६ प्रतिशतले कमी भई रु. ९ अर्ब ५३ करोड मात्र भयो । बैंकको निक्षेपमा दिने व्याज खर्च १५.९६ प्रतिशतले ह्रास भई रु. ९ अर्ब ३१ करोड भयो भने अन्य व्याज खर्च रु. ६ करोड ८५ लाखले न्यून भई रु. २२ करोड हुन गयो । यस अवधिमा निक्षेपको ब्याजदरमा भएको गिरावट र मुद्दती निक्षेपको अंशमा आएको ह्रासले

५. गैर व्याज आम्दानी :

गैर व्याज आम्दानीमा शुल्क तथा कमिशन आम्दानी, खुद व्यापारिक आम्दानी र अन्य संचालन आम्दानी शीर्षकमा भएको आम्दानीलाई समावेश गरिएको छ । शुल्क तथा कमिशन आम्दानी, खुद व्यापारिक आम्दानी र अन्य संचालन आम्दानी क्रमशः रु. ५४ करोड ८६ लाख, रु. ८८ लाख र रु. ३ करोड ९८ लाख गरी जम्मा रु. ५९ करोड ७१ लाख गैर व्याज आम्दानी आर्जन गर्न सफल भएको छ । गत वर्ष सोही अवधिमा यस बैंकले शुल्क तथा कमिशन आम्दानी, खुद व्यापारिक आम्दानी र अन्य

६. सम्भावित नोक्सानी व्यवस्था :

समीक्षा अवधिमा बैंकको सम्भावित नोक्सानी व्यवस्था ३९.०६ प्रतिशतले वृद्धि भई रु. २ अर्ब ७७ करोड पुगेको छ, जुन अघिल्लो वर्ष रु. १ अर्ब ९८ करोड रहेको थियो । देशको प्रतिकूल आर्थिक अवस्थाको कारणले कर्जा असुलीमा चुनौतिहरु थपिएका छन् । यो वर्षमात्र बैंकले कर्जा तथा अन्य नोक्सानीको जोरिम व्यवस्था शिर्षकमा रु. ७७ करोड ६७ लाख अतिरिक्त छुट्याएको छ, जुन गत वर्ष रु. ६९ करोड ८७ लाख मात्र थियो ।

७. कर्मचारी, व्यवस्थापन र अन्य खर्च**शुल्क तथा कमिशन खर्च**

बैंकले विभिन्न सेवाहरु लिएर वापत तिरेको शुल्क र कमिशन यो खातामा समावेश गरिएको छ । यो शीर्षकमा कार्डसँग सम्बन्धित शुल्क, ज्यारेन्टी कमिशन, ब्रोकरेज, खर्च लगायत समावेश गरिएको छ । बैंकको शुल्क तथा कमिशन खर्च २७.५५ प्रतिशतले वृद्धि भई रु.८ करोड ५७ लाख पुगेको छ, जुन अघिल्लो वर्ष रु. ६ करोड ७२ लाख रहेको थियो ।

कर्मचारी खर्च

आ. व. २०८०/८१ मा बैंकको कुल कर्मचारी खर्च ८.१५ प्रतिशतले वृद्धि भई रु. १ अर्ब ५५ करोड (कर्मचारी बोनस रकम रु. १८ करोड ६९ लाख) रहेको छ भने अघिल्लो आर्थिक वर्षमा रु. १ अर्ब ४४ करोड (कर्मचारी बोनस रकम रु. २० करोड ११ लाख) रहेको थियो । आ.व. २०७९/८०

रु. दश लाखमा

	२०८०/८१	२०७९/८०	वृद्धि %
व्याज आम्दानी	१३,७७२.५०	१५,४७५.२४	-११.००%
व्याज खर्च	९,५३३.१५	११,३७१.१४	-१६.१६%
खुद व्याज आम्दानी	४,२३९.३४	४,१०४.०९	३.३०%
खुद व्याज आम्दानी / व्याज आम्दानी	३०.७८%	२६.५२%	१६.०७%

व्याज खर्चमा १६.१६ प्रतिशत घटाउन सकिएको हो ।

- खुद व्याज आम्दानी

निक्षेपको लागतकमा कमी र बैंकको कुशल सम्पति दायित्व व्यवस्थापनका कारण व्यवसाय वृद्धि नकारात्मक भएतापनि खुद व्याज आम्दानी अघिल्लो वर्षको तुलनामा ३.३० प्रतिशतले वृद्धि भई रु. ४ अर्ब २४ करोड गर्न सफल भएको छ । साथै, खुद व्याज आम्दानी र व्याज आम्दानीको अनुपात गत आ.व. मा २६.५२ प्रतिशत रहेकोमा यस आ.व.मा ३०.७८ प्रतिशत रहेको छ ।

संचालन आम्दानी क्रमशः रु. ५९ करोड २८ लाख, रु. १ करोड १३ लाख र रु. १ करोड १४ लाख गरी जम्मा रु. ६१ करोड ५७ लाख आम्दानी आर्जन गरेको थियो ।

गत वर्षको तुलनामा यस वर्ष नयाँ कर्जा लगानी कम भएकोले शुल्क तथा कमिशन आम्दानीमा ह्रास आएको हो । साथै गत वर्षको तुलनामा यस वर्ष सेयर बजारमा आएको गिरावटसँगै बैंकको लगानी बिन्ती आम्दानी न्यून भएकाले अन्य संचालन आम्दानीमा पनि कमी आएको छ ।

२०८० असार मसान्तमा निष्कृय कर्जाको अनुपात ०.९८ प्रतिशत रहेको थियो भने २०८१ असार मसान्त आइपुग्दा सो बढेर २.३७ प्रतिशत पुगेको छ । यस अवधिमा समग्र बैंकिङ क्षेत्रको औषत निष्कृय कर्जाको अनुपात ३.०२ प्रतिशतबाट बढेर ३.८६ प्रतिशत पुगेको छ । यो विकास बैंकको निष्कृय कर्जा अनुपात नेपालको समग्र बैंकिङ क्षेत्रको औषत निष्कृय कर्जाको अनुपात भन्दा न्यून रहेको छ ।

रु. दश लाखमा

	२०८०/८१	२०७९/८०	फरक	वृद्धि %
शुल्क तथा कमिशन खर्च	८५.७१	६७.२०	१८.५२	२७.५५%
कर्मचारी खर्च	१,५५५.४१	१,४३८.१६	११७.२५	८.१५%
अन्य संचालन खर्च	४३७.०४	४६१.०३	(२३.९९)	-५.२०%
मूल्यह्रास र परिशोधन	२७३.१०	२३४.११	३८.९९	१६.६५%
कुल खर्च	२,३५१.२६	२,२००.५०	१५०.७६	१७.३८%

को अन्त्यसम्ममा बैंकको कुल कर्मचारी संख्या १,६६३ रहेकोमा यस आ.व.को अन्तिममा कुल कर्मचारी संख्या १,५६५ रहेको छ । बैंकले खर्च कटौतीको रणनीति बमोजिम विभिन्न शाखा तथा विभागाहरुमा उत्पादकत्व वृद्धि गर्न प्रविधिको प्रयोग तथा जनशक्ति समायोजन र व्यवस्थापन गरिएको छ ।

बैंकले कर्मचारीहरुको क्षमता अभिवृद्धि तथा नियमित तालिममा विशेष जोड दिएको छ । कर्मचारीहरुको तालिम तथा क्षमता वृद्धिका लागि उक्त अवधिमा रु. २ करोड ६१ लाख खर्च गरेको छ, जुन सो आर्थिक वर्षको कर्मचारीको तलव तथा भत्ता खर्चको २.५२ प्रतिशत हुन आउँछ । कुल तलबभत्ता खर्चको न्यूनतम ३ प्रतिशत रकम तालिममा खर्च गर्नु पर्ने प्रावधान बमोजिम बैंकको रकम कर्मचारी वृत्ति विकास कोषमा विनियोजन गरिएको छ ।

अन्य संचालन खर्च

आ. व. २०८०/८१ मा बैंकको अन्य संचालन खर्च ५.२० प्रतिशतले कमी भई रु. ४३ करोड ७० लाख रहेको छ भने गत आर्थिक वर्षमा २०७९/८० मा रु. ४६ करोड १० लाख रहेको थियो । बैंकको खर्च कटौतीको रणनीति बमोजिम विभिन्न शिर्षकमा गरिएको खर्च नियन्त्रणले गर्दा अन्य संचालन खर्चमा कमी भएको हो ।

ह्रासकट्टी र परिशोधन

समीक्षा अवधिमा बैंकको ह्रासकट्टी र परिशोधन खर्च १६.६५ प्रतिशतले वृद्धि भई रु. २७ करोड ३१ लाख पुगेको छ । सो खर्च अघिल्लो वर्ष रु. २३ करोड ४१ लाख रहेको थियो । सम्पति तथा उपकरणमा रु. १३ करोड ४८ लाख, प्रयोग अधिकार सम्पतिमा रु. १३ करोड ३२ लाख र रूयाती तथा अमूर्त सम्पतिमा रु. ५१ लाख ह्रास तथा परिशोधन लेखाङ्कन गरिएको छ ।

८. खुद मुनाफा

समीक्षा वर्षमा बैंकको समग्र व्यापार व्यवसायमा कमीसँगै आम्दानीका क्षेत्रहरुमा आएको कमी र कर्जा तथा अन्य नोक्सानीको जोरिम

व्यवस्थामा भएको वृद्धिसँगै खुद मुनाफा, गत वर्षको रु. १ अर्ब २५ करोडबाट ६.११ प्रतिशत गिरावट भई रु. १ अर्ब १८ करोड भएको छ ।

९. प्रति सेयर आम्दानी

आ.व. २०८०/८१ को अन्त्यमा बैंकको प्रति सेयर आम्दानी रु. १६.६९ कायम भएको छ । अघिल्लो आ. व.को अन्त्यमा यो रु. १९.४४ थियो । यो गत आ.व. भन्दा २ रुपैयाँ ७५ पैसाले कम भएको छ ।

१०. पूँजीकोष अनुपात तथा पूँजीकोष पर्याप्तता

नेपाल राष्ट्र बैंकले यसै वर्षदेखि राष्ट्रिय स्तरका विकास बैंकहरुको Basel III कार्यान्वयनमा ल्याएको थियो । गत वर्ष ११.७७ प्रतिशत रहेको पूँजीकोष अनुपात यस वर्षको अन्त्यमा ११.६९ प्रतिशत रहेको छ । नेपाल राष्ट्र बैंकको नियमकीय निरीक्षणको सुभाब बमोजिम जोरिम भारत सम्पतिमा गर्नुपरेको अतिरिक्त व्यवस्थाका कारण समीक्षा अवधिको दुई महिना पूँजीकोष दवावमा परेको थियो । कर्जा व्यवस्थापनको कारण जोरिम भारत सम्पतिमा कमी आएको कारण असार मसान्त आइपुग्दा पूँजीकोष अनुपातमा सुधार आएको हो ।

बैंकसँग पर्याप्त पूँजी रहेको सुनिश्चितता गर्न बैंकमा सञ्चालक समितिबाट स्वीकृत आन्तरिक पूँजीको पर्याप्तता मूल्याङ्कन (ICAAP) पद्धति तयार गरी लागू गरेको छ । वर्तमान जोरिम अवस्था तथा भविष्यको कार्य योजनाको तुलनामा बैंकको पूँजीकोष पर्याप्त भए नभएको मूल्याङ्कन तथा अनुगमन गर्न बैंकको जोरिम व्यवस्थापन समितिबाट त्रैमासिक रुपमा आन्तरिक पूँजी विश्लेषण गरी सञ्चालक समितिको बैठकमा पेश गर्ने गरिएको छ । साथै वार्षिक बजेट र पञ्च वर्षीय योजना तर्जुमा गर्दा पूँजीकोष पर्याप्ततामा विशेष ध्यान दिइएको छ ।



घ. चालु वर्षको उपलब्धि र भावी योजनाहरू :

१. कारोबार सम्बन्धमा

यस विकास बैंकले चालु आर्थिक वर्षको पहिलो त्रैमासमा (२०८१ श्रावण १ गतेदेखि असोज मसान्तसम्म) वासलातको आकार तथा कारोबार रकममा सामान्य वृद्धि गरेको छ । २०८१ आषाढ मसान्तमा रु. १ खर्ब २५ अर्ब रहेको वासलातको आकारमा सामान्य वृद्धि भई रु. १ खर्ब २६ अर्ब हुन पुगेको छ । यस अवधिमा कर्जा लगानी तर्फ रु. २ अर्ब ९६ करोड अर्थात् ३.१५% ले वृद्धि गरी रु. ९७ अर्ब १ करोड रहेको छ ।

निकष संकलन यस अवधिमा रु. ६८ करोड ७८ लाख वृद्धि भई कुल निकष रु. १ खर्ब ११ अर्ब पुगेको छ ।

२०८१ आश्विन मसान्त सम्ममा बैंकले रु. ४० करोड ३२ लाख सञ्चालन मुनाफा आर्जन गरेको छ जुन गत वर्ष रु. ३४ करोड २८ लाख रहेको थियो । सञ्चालक समितिले यस आ.व.को लागि स्वीकृत गरेको वार्षिक लक्ष्य बमोजिम यस विकास बैंकले प्रगति हासिल गरी रहेको छ ।

यस विकास बैंकको २०८१ आश्विन मसान्तको अपरिष्कृत वित्तीय विवरणको मुख्य सूचकहरू देहाय बमोजिम रहेका छन्:

क. वित्तीय अवस्था

रु. दश लाखमा

विवरण	२०८१ आश्विन मसान्त	२०८१ असार मसान्त	वृद्धि	
			रकम	प्रतिशत
कर्जा तथा सापट	९७,०१५.४५	९४,१४१.७५	२,८७३.७०	३.०५%
लगानी	१५,२६४.०५	१४,६४८.८४	६१५.२१	४.२०%
निकष	१११,२१६.३२	११०,५२८.५०	६८७.८२	०.६२%
कुल सम्पति	१२६,०१६.३७	१२४,९४७.७६	१,०६८.६१	०.८५%
दायित्व	११५,१५७.३९	११४,५१८.७१	६३८.६७	०.५६%
पूँजी	१०,८५८.९९	१०,४२९.५१	४२९.४८	४.१२%

ख. नाफा-नोक्सानको विवरण

रु. दश लाखमा

विवरण	२०८१ आश्विन मसान्त	२०८० आश्विन मसान्त	वृद्धि	
			रकम	प्रतिशत
ब्याज आम्दानी	२,८७५.१०	३,८६३.३१	-९८८.२१	-२५.५८%
ब्याज खर्च	१,७६४.३६	२,८१९.११	-१,०५४.७६	-३७.४१%
खुद ब्याज आम्दानी	१,११०.७४	१,०४४.२०	६६.५४	६.३७%
गैर ब्याज आम्दानी	२०९.२४	१६६.६४	४२.६०	२५.५७%
कर्जा तथा अन्य नोक्सानीको जोखिम व्यवस्था/(फिर्ता)	३८७.७२	३६१.६०	२६.१२	७.२२%
कर्मचारी खर्च	३६३.५२	३२२.४६	४१.०६	१२.७३%
कार्यालय संचालन खर्च	१६५.५०	१८४.३२	-१८.८२	-१०.२१%
संचालन नाफा	४०३.२४	३४२.४५	६०.७९	१७.७५%
आयकर खर्च	९८.०६	९८.०६	-	०.००%
खुद मुनाफा	२८१.८२	२२८.८१	५३.०१	२३.१७%

ग. मुख्य सूचकाङ्कहरू

विवरण	२०८१ आश्विन मसान्त	२०८० आश्विन मसान्त
पूँजीकोषको पर्याप्तता	१२.३८%	११.६१%
निष्कृत्य कर्जा/कुल कर्जा	३.१६%	१.४९%
आधार दर	८.२७%	११.४७%
कोष लागत दर	५.९९%	९.४२%
कर्जाको औषत ब्याज दर	१०.५८%	१४.०१%
औषत ब्याज दरको अन्तर	४.५९%	४.५९%

२. शाखा तथा सञ्जाल विस्तार सम्बन्धमा

२०८१ आश्विन मसान्त सम्म कुल १७९ ओटा शाखाहरू सञ्चालनमा रहेका छन् । प्रदेश तथा क्षेत्र (उपक्षेत्रीय) स्तरीय कार्यालयहरूको सबलीकरण गर्ने कार्य पनि जारी रहेको छ । प्रदेश तथा क्षेत्र स्तरमा भएका कार्यालयहरूले मातहतका कार्यालयहरूमा व्यवसाय वृद्धि तथा गुणस्तरीयता कायम गर्ने कार्यहरूमा प्रत्यक्ष टेवा पुऱ्याइरहेका छन् ।

३. सूचना प्रविधि विस्तार सम्बन्धमा

अहिलेको पुस्ताको चाहना र आवश्यकता बमोजिम सूचना प्रविधिमा यो विकास बैंकले आफूलाई स्तरोन्नती गर्दै आएको छ । सूचना प्रविधिमा भएको विकाससँगै बैंकिङ्ग प्रणालीमा मिश्रित नवीनतम प्रविधिहरूको प्रयोगलाई आत्मसाथ गरेको छ । Online KYC Update, Online Account Opening, Online Fixed Deposit Application, Online Loan Application, E-Teller, NFC ATM Card, QR Payment, Muktinath Faida App, NCHL's Corporate Pay, Internet Banking आदिको प्रयोगलाई वृद्धि गर्दै लगेको छ । यसले कारोबारमा सुरक्षा, विश्वसनीयता र सहजता थपेको छ । प्रविधिमा भएको विकासले सुरक्षा चुनौतीहरू पनि थप हुने संभावनाहरूमा यो विकास बैंक सचेत रहेको छ भने त्यस्ता चुनौतीहरूको सामना गर्न आवश्यक सुरक्षा संयन्त्रहरूको विकास र सोको नियमित अनुगमन गर्ने व्यवस्था गरेको छ ।

सम्पूर्ण शाखा कार्यालयहरूलाई आगलागी, चोरी, शंकास्पद गतिविधि लगायतका सुरक्षा सम्बन्धी जोखिम न्यूनीकरण गर्न २४ सै घण्टा केन्द्रीय कार्यालयबाट अनुगमन गर्ने प्रणालीको प्रयोग गरिएको छ । यो प्रणाली प्रभावकारी पनि देखिएको छ ।

बैंक भित्र दैनिक रुपमा हुने कारोबार तथा कागजी कामकाजहरूलाई प्रविधिमा आधारित रही डिजिटलाईज्ड गर्ने कार्य गरिएको छ । कर्जा स्वीकृति प्रक्रिया, खर्च स्वीकृति प्रक्रिया, दैनिक काम कारोबार सम्बन्धी टिप्पणी तथा आदेशहरू र सम्पति शुद्धिकरण अनुगमन आदि कार्यहरू डिजिटल माध्यमबाट गर्ने गरिएको छ । यस प्रणालीबाट समय र कागजी खर्चको अत्यधिक बचत भएको छ ।

४. संस्थाको स्तरोन्नती तथा अन्य संस्थासँग गाभ्ने/गाभिने सम्बन्धमा नेपाल राष्ट्र बैंकको प्राथमिकता बमोजिम यो विकास बैंक पनि Acquisition/Merger को लागि सकारात्मक रहेको छ । यो विकास बैंकसँग गाभिने व्यवसाय विस्तार गर्न ईच्छुक उपयुक्त बैंक तथा वित्तीय संस्था आएका गाभ्ने/गाभिने कार्यलाई प्राथमिकता दिइनेछ ।

५. मानव संसाधनको व्यवस्थापन र विकास

सञ्चालक समितिबाट स्वीकृत संगठनात्मक ढाँचा तथा दरबन्दी बमोजिम यथेष्ट मात्रामा कर्मचारी व्यवस्थापन गरिएको छ । २०८१ आश्विन मसान्त सम्ममा जम्मा १,५५१ जना कर्मचारीहरू कार्यरत रहनु भएको छ । योग्य र उपयुक्त कर्मचारीको छनौट, नियुक्ति, क्षमता अभिवृद्धि र बृत्ति विकासलाई उच्च प्राथमिकता दिइएको छ । उच्च स्तरको ग्राहक सेवा, सेवामा तत्परता, चुस्त आन्तरिक नियन्त्रण प्रणाली, नियमन र अनुपालनामा प्रतिवद्ध जनशक्ति तयार गर्न हरेक तहका कर्मचारीहरूलाई निरन्तर तालिम तथा अनुशिक्षणको कार्यक्रमहरू आन्तरिक तथा बाह्य प्रशिक्षकहरूबाट प्रदान गर्दै आएको छ ।

बढ्दै गएको शाखा सञ्जाल र भौगोलिक क्षेत्र अनुसार क्षेत्रीय तथा उपक्षेत्रीय कार्यालयहरू र सोसँगै अनुगमन कार्यालयहरूको स्थापना गरी सेवामा शीघ्रता तथा गुणस्तर ल्याउने कोशिस गरिएको छ । विकास बैंकलाई नेतृत्व तहमा आवश्यक पर्ने जनशक्ति सकेसम्म संस्थाभित्र कार्य गरी सकेका र अनुभवी तथा योग्य व्यक्तिलाई जिम्मेवारी दिने रणनीति लिएको छ । आन्तरिक रुपमा परिपूर्ण हुन नसक्ने अवस्था भएमा अन्य बैंक तथा वित्तीय संस्थाहरूमा उपयुक्त योग्यता र अनुभव भएका जनशक्तिलाई नियुक्त गर्ने गरिएको छ । कर्मचारीहरूको मनोबल सधैं उच्च बनाई संस्थाको लक्ष्य तथा उद्देश्य बमोजिम परिचालन गर्न विभिन्न प्रकारका वित्तीय तथा गैर वित्तीय प्रोत्साहनका कार्यक्रमहरू सञ्चालन गरेको छ । यस विकास बैंकको हरेक कर्मचारी संस्था प्रति प्रतिवद्ध र अनुशासित बनाउन विभिन्न व्यवस्थापकीय नीतिहरू अवलम्बन गरिएको छ ।

६. सामाजिक उत्तरदायित्व

यो विकास बैंकले समाज तथा समुदायको लागि सहयोग पुऱ्याउने कार्यहरूमा सक्रियतापूर्वक जिम्मेवारी निर्वाह गरेको छ । समाजमा ब्याप्त समस्याहरूको समाधान गर्ने वा साधन र स्रोतको अभावमा रहेका सामाजिक संघ संस्था, समुदाय तथा व्यक्तिहरूलाई सहयोग गर्ने कार्य गरेको छ । सामाजिक उत्तरदायित्व सम्बन्धी सहयोगलाई सकेसम्म सबै प्रदेश, क्षेत्र र भूगोलमा विभिन्न विधाहरूमा नगद तथा भौतिक सामाग्री सहयोग गर्ने रणनीति बैंकले लिएको छ ।



७. गुनासो सुनुवाइ

बैंकका सेवाग्राहीहरूलाई सहज, सरल र स्तरीय सेवाको सुनिश्चितता प्रदान गर्न गुनासो सुनुवाइ तथा पृष्ठपोषण इकाईको व्यवस्था गरेको छ । यो इकाईले सेवाग्राहीबाट विभिन्न माध्यमहरूबाट प्राप्त हुने गुनासो र सुझावहरूको संकलन र समाधान गर्ने गर्दछ । ईमेल मार्फत संकलनको लागि grievance@muktinathbank.com.np, फोन मार्फत संकलन तथा सुनुवाइ गर्न फोन नं ०१-५२७०८८५, बैंकको वेवसाईटमा राखिएको Feedback Collection Form, Customer Satisfaction Form, र बैंकको हटलाईन नम्बर ०१-५२७०८८५ बाट सुझावहरू प्राप्त गर्ने माध्यमहरू रहेका छन् । समीक्षा वर्षमा ईमेल मार्फत १२८ वटा र टेलिफोन मार्फत करिब ८०० वटा गरी कुल १००० वटा गुनासो/सुझावहरू प्राप्त भएकोमा १८ वटा गुनासोहरू गुनासोकर्ता ग्राहकहरूलाई बैंकले सम्पर्क गर्दा समेत निजहरू बैंकको सम्पर्कमा नआएको हुँदा समाधान हुन नसकेका गुनासोको रूपमा रहेका छन् । बैंकको गुनासो सुन्ने अधिकारीको विवरण बैंकको वेवसाईट तथा बैंकका शाखा कार्यालयहरूमा समेत राखिएको छ ।

गुनासो सुन्ने अधिकारीको विवरण देहाय बमोजिम रहेको छ ।

नाम	: इण्डपानी ढकाल
पद	: कम्पनी सचिव
फोन नं	: ०१-५२७०८८५
मोबाईल नम्बर	: ९८०२३०६०१३

८. सम्पति शुद्धिकरण (Anti-Money Laundering) निवारण

सम्पति शुद्धिकरण निवारण सम्बन्धी राज्य, नियमक निकाय, राष्ट्रिय तथा अन्तर्राष्ट्रिय निकायले लिएको नीति तथा मान्यतालाई यस विकास बैंकले अक्षरशः पालना गर्दै वार्षिक कार्ययोजना बनाई कडाईका साथ लागू गरेको छ । यसका अलावा विकास बैंकले नियमित गर्ने कार्यलाई एक-रूपकता दिन र सबै सरोकारहरूको बुझाईमा समानता ल्याउन ग्राहक पहिचान तथा अनुपालना नीति-२०८१ तयार गरी कार्यान्वयनमा ल्याएको छ । सम्पति शुद्धिकरण निवारण कार्यलाई नियमित अनुगमन गरिएको छ । कम्प्युटर सफ्टवेयरमा आधारित स्वचालीत प्रणाली (iCare) प्रयोग गरी ग्राहक तथा ग्राहकको कारोबारहरू अनुगमन गरिने व्यवस्था लागू गरिएको छ । उल्लेखित कार्य प्रभावकारी तवरमा भए नभएको नियमित अनुगमन गरी बैंकको संचालक समितिलाई आवश्यक सुझाव तथा जानकारी दिने गरी गैर कार्यकारी संचालकको संयोजकत्वमा सम्पति शुद्धिकरण निवारण समिति गठन गरिएको छ । बैंकले कार्यरत कर्मचारीहरूको दक्षता अभिवृद्धि गर्न तालिम प्रदान गर्दै आएको छ ।

कम्पनी ऐन, २०६३ को दफा १०५ अनुसारको अतिरिक्त विवरण

(आर्थिक वर्ष २०८०/८१)

नाम	पद	नियुक्ति मिति
श्री भरत राज ढकाल	अध्यक्ष	२८/०९/२०८०
श्री नारायण कुमार श्रेष्ठ	सञ्चालक	२८/०९/२०८०
श्री भरत प्रसाद लम्साल	सञ्चालक	२८/०९/२०८०
श्री बिनोद कुमार शर्मा	सञ्चालक	२८/०९/२०८०
श्री सरोजा श्रेष्ठ (कोईराला)	सञ्चालक	२८/०९/२०८०
श्री श्याम सुन्दर शर्मा	स्वतन्त्र सञ्चालक	१६/०८/२०७७

क. विगत वर्षको कारोबारको सिंहावलोकन

सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको छ ।

ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर

आर्थिक वर्ष २०८०/८१ मा कुल वस्तु निर्यातमा ३ प्रतिशतले कमी आई रु.१५२ अर्ब ३८ करोड कायम भएको छ । यस अवधिमा कुल वस्तु व्यापार घाटा १.२ प्रतिशतले कमी आई रु.१,५२२ अर्ब ९९ करोड कायम भएको छ । निर्यातको वृद्धिदर घेरै भएपनि आयातको हिस्सा अधिक हुनाले ब्यापार घाटा पनि वृद्धि भएको छ । यसले समग्र राष्ट्रिय अर्थतन्त्रलाई नै असर पार्नु स्वाभाविकै हो ।

देशको प्रतिकूल आर्थिक अवस्थाको कारणले कर्जा असुली बैकिङ्ग क्षेत्रको लागि ठूलो चुनौतीको रूपमा देखिएको छ ।

समीक्षा अवधिको अधिकांश समय तरलताको अवस्था सहजभयो । बचत निक्षेपको ब्याजदर घट्दा आधार दर तथा कर्जाको व्याजदर पनि घट्न पुग्यो । यसबाट ऋणीहरूलाई कर्जा लिन सहजताको अवस्था सिर्जना भएता पनि कर्जाको माग उल्लेख्य छैन ।

ग. प्रतिवेदन तयार भएको मितिसम्म वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा संचालक समितिको धारणा

सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको छ ।

घ. कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध

यस विकास बैंकले आफ्नो कारोबार विस्तार तथा आपसी सहकार्यको लागि सोही प्रकृतिका विभिन्न सरकारी, गैरसरकारी संस्था, व्यवसायिक एवं औद्योगिक प्रतिष्ठानहरू, सामाजिक संघ-संस्थाहरू, अन्तर्राष्ट्रिय संघ संस्थाहरू, शैक्षिक तथा अनुसन्धान संस्था, निजी क्षेत्र र नियमक निकायहरूसंग सौहार्दपूर्ण तथा व्यवसायिक सम्बन्ध कायम राख्दै तथा विस्तार गर्दै आएको छ । त्यसै गरी बैंकको व्यवसायमा प्रत्यक्ष सहकार्य गर्ने विभिन्न रेमिट्यान्स सेवा प्रदायकहरू, जीवन तथा निर्जीवन बीमा कम्पनीहरू, सूचना प्रविधि प्रदायक कम्पनीहरू लगायत सेवा प्रदायक कम्पनीहरूसंग पनि समन्वय गरी आपसी हितका कार्यहरू गरी रहेको छ ।

ङ. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

सञ्चालक श्री रविन्द्रमान श्रेष्ठले व्यक्तिगत कारण जनाई २०८० भाद्र ३१ गते राजिनामा पेश गर्नुभएको थियो । यस विकास बैंकको सञ्चालक समितिमा ६ जनाको प्रतिनिधित्व रहेको छ । समितिमा संस्थापक सेयरधनीको तर्फबाट ३ जना, सर्वसाधारण सेयरधनीको तर्फबाट २ जना र १ जना स्वतन्त्र सञ्चालक रहनु भएको छ । उहाँहरूलाई वि.सं. २०८० पौष २८ गते सम्पन्न भएको यस विकास बैंकको १७ औं वार्षिक साधारण सभाले छनौट गरेको थियो । वि.सं. २०७७ साल श्रावण १६ गते सञ्चालक समितिले नियुक्त गरेको स्वतन्त्र सञ्चालकमा श्री श्यामसुन्दर शर्माको ४ वर्षको कार्यकाल समाप्त पश्चात मिति २०८१ श्रावण १५ गते बसेको संचालक समितिको ३३२औं बैठकबाट श्री उमेश कुमार आर्चायलाई स्वतन्त्र सञ्चालकको रूपमा नियुक्ति गरिएको छ ।

यस विकास बैंकको सञ्चालकहरूको विवरण निम्नबमोजिम रहेको छ ।

घ. कारोबारलाई असर पार्ने मुख्य कुराहरू

बैंक तथा वित्तीय संस्थाहरूको कारोबारलाई विभिन्न आन्तरिक तथा बाह्य तत्वहरूले असर गरी रहेको हुन्छ । विशेष गरी बाह्य तत्वको रूपमा अर्थतन्त्रका अंगहरू र राज्य तथा नियमक निकायका नीतिगत व्यवस्थाहरूले प्रत्यक्ष प्रभाव पारी रहेका हुन्छन् । यस आ.व. मा देशको प्रतिकूल आर्थिक अवस्थाको कारण कर्जा असुलीमा चुनौती देखिएको छ ।

आन्तरिक कारोबारको सिलसिलामा सिर्जना हुन सक्ने विविध संभावित जोखिमहरू आउन नदिन बैंक व्यवस्थापन सजग र सक्रिय रहेको छ । यस प्रकारका जोखिमहरूको पूर्वअनुमान गरी सोको व्यवस्थापन तथा न्यूनीकरण गर्न विभिन्न तहगत संरचना र जिम्मेवारीहरू तोकिएका छन् ।

छ. लेखापरीक्षण प्रतिवेदनमा कुनै कौफियत उल्लेख भएको भए सो उपर सञ्चालक समितिका प्रतिक्रियाहरू

यस विकास बैंकको गैर कार्यकारी सञ्चालकको नेतृत्वमा गठन भएको लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षण विभागले तयार गरेको लेखापरीक्षण प्रतिवेदनलाई अध्ययन गरी त्रैमासिक रूपमा प्रतिवेदन सञ्चालक समिति समक्ष पेश गर्ने गर्दछ । आन्तरिक तथा बाह्य लेखापरीक्षणको क्रममा देखा परेका त्रुटी तथा कौफियतहरूलाई निरक्षण कै क्रममा वा शीघ्र सुधार गरिन्छ । यसरी सुधार गरेको प्रमाण लेखापरीक्षण प्रतिवेदनको प्रतिउत्तरमा समेत समावेश गर्ने गरिन्छ । हाल सम्म उल्लेख्य र गम्भीर प्रकृतिका त्रुटी तथा कौफियतहरू फेला परेका छैनन् । सामान्य कमजोरी र छुटहरूलाई नियमित गरी सकिएको छ । यस सम्बन्धमा समितिले व्यवस्थापनलाई निर्देशन दिएको छ भने व्यवस्थापनले सुधार गर्दै आईरहेको छ ।

ज. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम नभएको ।

क. सेयर जफत भएको भए जफत भएको सेयर संख्या, त्यस्तो सेयरको अङ्कित मूल्य, त्यस्तो सेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो सेयर जफत भएपछि सो सेयर बित्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको सेयरबापत रकम फिर्ता गरेको भए सोको विवरण

यस विकास बैंकले आ.व. २०८०/८१ मा कुनै पनि सेयर जफत गरेको छैन ।



अ. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन यस विकास बैंक तथा यसको सहायक कम्पनीको प्रगति विवरण यही वार्षिक प्रतिवेदनमा छुट्टै खण्डमा उल्लेख गरिएको छ ।

द. कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन यस विकास बैंकले आ.व. २०८०/८१ मा नियमित बैकिङ्ग कारोबारहरू गरेको र सोको विवरण यसै प्रतिवेदनको विभिन्न खण्डमा उल्लेख गरिएको छ । यस विकास बैंकको सहायक कम्पनी गृहकार्य तथा कृषि विकास लि.ले पनि आफ्नो व्यवसायको दायरा भित्र रहेर नियमित कारोबारहरू गर्दै आएको छ । उक्त क्यापिटलको मुख्य कार्यहरू पोर्टफोलियो व्यवस्थापन, संस्थागत परामर्श, धितोपत्र प्रत्याभुती, सेयर रजिष्ट्रार र निष्काशन तथा बिक्री प्रबन्धक, आदि रहेका छन् । यस अवधिमा कुनै महत्वपूर्ण परिवर्तन भएको छैन ।

क. विगत आर्थिक वर्षमा कम्पनीको आधारभूत सेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी केही नभएको ।

ख. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिइएको सेयरको स्वामित्वको विवरण र कम्पनीको सेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी केही नभएको ।

ग. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा केही नभएको ।

घ. कम्पनीले आफ्नो सेयर आफैले खरिद गरेको भए त्यसरी आफ्नो सेयर खरिद गर्नुको कारण, त्यस्तो सेयरको संस्था र अड्कित मूल्य तथा त्यसरी सेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम कम्पनीले आफ्नो सेयर आफैले खरिद गरेको छैन ।

च. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएकामा सोको विस्तृत विवरण यस विकास बैंकले नियमक निकायहरूले तोकेको, बैकिङ्ग क्षेत्रका विभिन्न अभ्यासहरूले उत्कृष्ट मानिएका र आफ्नै अनुभवहरूले प्रभावकारी देखिएका आन्तरिक नियन्त्रण प्रणालीलाई नीति र व्यवहारमा लागू गरेको छ । बैंकको संगठनात्मक ढाँचाको सर्वोच्च निकाय सञ्चालक समितिले विभिन्न माध्यमबाट आन्तरिक नियन्त्रण प्रणालीको अनुगमन गरी सुधारात्मक कार्यको लागि सुझाव दिने गरेको छ ।

सञ्चालकहरूको संयोजकत्वमा गठन गरिएका समितिहरू, व्यवस्थापन अन्तर्गत गठन भएका उपसमितिको, विभिन्न विभाग र निजहरूलाई तोकिएको जिम्मेवारी, कार्यालयहरूको तहगत संरचना, कार्यालय भित्र पनि विभिन्न पद र जिम्मेवारीका कर्मचारीहरूलाई तोकिएको काम, कर्तव्य र अधिकारहरूले दैनिक कार्य सञ्चालनलाई सहज र शीघ्रता प्रदान गर्नुको साथै कार्य प्रणालीमा पारदर्शिता ल्याउने प्रयास गरिएको छ ।

साथै, संस्थामा निर्देशनहरू, आन्तरिक नीतिहरू, कार्यविधिहरू र परिपत्रहरूको पालना भए नभएको जाँच गर्न संगठनात्मक संरचना तथा गरिएको छ भने भए गरेको अवस्थाको नियमित व्यवस्थापन समक्ष सूचना तथा जानकारी आउने प्रणालीको विकास गरिएको छ ।

ख. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण
कर्मचारी खर्च (कर्मचारी बोनस बाहेक) : रु. १,३६८,४२५,४३२ /-
कार्यालय सञ्चालन खर्च : रु. ७२५,८५४,९७३ /-
कुल व्यवस्थापन खर्च : रु. २,०९४,२८०,४०५ /-

द. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

नाम	पद	प्रति बैठक भत्ता(रु.)
श्री राजेन्द्र मान श्रेष्ठ (२०८० श्रावण १ देखि पौष २४ सम्म)	संयोजक	१०,०००/-
श्री श्याम सुन्दर शर्मा (२०८० श्रावण १ देखि पौष २४ सम्म)	सदस्य	९,०००/-
श्री श्यामसुन्दर शर्मा (२०८० माघ १८ देखि २०८१ श्रावण १५ सम्म)	संयोजक	१०,०००/-
श्री नारायण कुमार श्रेष्ठ (२०८० माघ १८ देखि फाल्गुन २० सम्म)	सदस्य	९,०००/-
आन्तरिक लेखापरीक्षण विभाग प्रमुख	सदस्य सचिव	

आ.व. २०८०/८१ मा लेखापरीक्षण समितिको बैठक ८ पटक बसेको छ र समितिका पदाधिकारीहरूलाई बैठक भत्ता वापत कुल रु. १,५२,०००/- भुक्तानी गरिएको छ । समितिले आन्तरिक लेखापरीक्षण विभागको वार्षिक कार्य योजना स्वीकृत गरी सोही बमोजिम आन्तरिक लेखापरीक्षकहरूलाई कारोबारको निरीक्षण र जाँच गर्न परिचालन गर्ने, नेपाल राष्ट्र बैंक तथा वाह्य लेखापरीक्षकले दिएको प्रतिवेदनको अध्ययन र विश्लेषण गर्ने, बैंकको नीति नियम तथा सञ्चालन सम्बन्धी भए गरेका काम कुराहरूको पुनरावलोकन गर्ने, कमी कमजोरीहरू पहिचान गर्ने, सुधारात्मक सुझावहरू सञ्चालक समिति मार्फत व्यवस्थापनलाई निर्देशन दिने व्यवस्था रहेको छ । साथै, नेपाल राष्ट्र बैंक तथा वाह्य लेखापरीक्षकले दिएको प्रतिवेदन उपर विस्तृत रुपमा छलफल गरी सञ्चालक समितिलाई आवश्यक सुझाव दिएको छ । त्यसरी दिएको सुझाव उपर व्यवस्थापनले गरेको सुधारहरूको प्रमाण सहित प्रतिउत्तर लिने र सोको अध्ययन गर्ने गरेको छ ।

घ. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत सेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुराको विवरण केही नभएको ।

न. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम

नाम	पद	प्रति बैठक भत्ता (रु.) २०८०-१०-१६ सम्म	प्रति बैठक भत्ता (रु.) २०८०-१०-१६ पश्चात	उपस्थित बैठक संख्या
श्री भरत राज ढकाल	अध्यक्ष	१३,००० /-		१५
श्री राजेन्द्र मान श्रेष्ठ	सञ्चालक	१२,००० /-		१४
श्री रविन्द्र मान श्रेष्ठ	सञ्चालक	१२,००० /-		३
श्री शालिग्राम मिश्र	सञ्चालक	१२,००० /-		१२
श्री निर्मला कुमारी के.सी.(कार्की)	सञ्चालक	१२,००० /-		३
श्री श्याम सुन्दर शर्मा	स्वतन्त्र सञ्चालक	१२,००० /-		१७
श्री भरत राज ढकाल	अध्यक्ष		१५,००० /-	१४
श्री नारायण कुमार श्रेष्ठ	सञ्चालक		१३,००० /-	१५
श्री भरत प्रसाद लम्साल	सञ्चालक		१३,००० /-	१२
श्री बिनोद कुमार शर्मा	सञ्चालक		१३,००० /-	१५
श्री श्याम सुन्दर शर्मा	स्वतन्त्र सञ्चालक		१३,००० /-	१०
श्री सरोजा श्रेष्ठ (कोईराला)	सञ्चालक		१३,००० /-	१२

आ.व. २०८०/८१ मा बैठक भत्ता स्वरूप सञ्चालकहरूलाई कुल रु.१७ लाख २२ हजार ५०० र यातायात, टेलिफोन, इन्टरनेट, पत्रपत्रिका तथा अन्य खर्च स्वरूप रु. १३ लाख ६२ हजार ३२७ भुक्तानी गरिएको छ ।

३. प्रमुख कार्यकारी अधिकृतलाई मासिक रुपमा प्रदान गरिएको पारिश्रमिक, भत्ता तथा सुविधाहरू

क्र.स.	पद	प्रमुख कार्यकारी अधिकृतको तलब, भत्ता तथा सुविधा
१.	आधारभूत तलबमान	रु. ५,००,०००/-
२.	भत्ता रकम	रु. २,००,०००/-
३.	संचय कोष	रु. ५०,०००/-
४.	दर्श भत्ता	रु. ५,००,०००/- वार्षिक
५.	कर्मचारी बोनस	रु. २२,७२,५८५.१३/- वार्षिक
६.	वार्षिक बिदा बापत	रु. ३,७५,०००/- वार्षिक
७.	घर बिदा बापत	रु. २५०,०००/- वार्षिक
८.	सवारी साधन	रु. ८० लाख सम्मको सवारी साधन, चालक, ईन्धन, सर्भिसिङ्ग, मर्मत खर्च सहित सवारी साधन सुविधा
९.	मोबाइल तथा टेलिफोन सुविधा	वास्तविक विल अनुसार ।
१०.	अवास कर्जा सुविधा	रु. ५९,२४,९२५/-
११.	दुर्घटना बीमा	रु. २५,००,०००/-
१२.	औषधोपचार बीमा	रु. ५,००,०००/-
१३.	दैनिक तथा भ्रमण भत्ता	स्वदेशमा प्रति दिन रु. ३,५००/-, साकं राष्ट्रहरूमा १०० अमेरिकी डलर, अन्य राष्ट्रहरूमा १५० अमेरिकी डलर, होटल तथा खानाको बिल अनुसार, यातायात खर्च टिकट अनुसार ।

प. सेयरधनीहरूले बुकिलिन बाँकी रहेको लाभशुका रकम रु.१४,९०४,८९७/-

फ. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण यस आर्थिक वर्षमा बैंकले कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको छैन ।

ब. दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएका कारोबारको विवरण यस सम्बन्धी विवरण वार्षिक प्रतिवेदनको वित्तीय विवरणको नोटमा उल्लेख गरिएको छ ।

ग. यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा सुलाउनु पर्ने अन्य कुनै कुरा यसै प्रतिवेदनको विभिन्न खण्डहरूमा उल्लेख गरिएको छ ।

घ. अन्य आवश्यक कुराहरू प्रचलित ऐन तथा कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा सुलाउनु पर्ने अन्य विवरणहरू यसै प्रतिवेदनमा उल्लेख गरिएका छन् ।



धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को अनुसूची-१५

(नियम २६ को उपनियम २ सँग सम्बन्धित)

- सञ्चालक समितिको प्रतिवेदन यसै प्रतिवेदनसँग संलग्न रहेको ।
- लेखापरीक्षकको प्रतिवेदन यसै प्रतिवेदनसँग संलग्न रहेको ।
- लेखापरीक्षण भएको वित्तीय विवरण वासलात, नाफा तथा नेक्सान, नगद प्रवाह विवरण तथा सम्बन्धित अनुसूचीहरू यसै प्रतिवेदनसँग संलग्न गरिएको ।
- कानूनी कारवाही सम्बन्धी विवरण
 - गत आर्थिक वर्षमा बैंकले तथा बैंकका विरुद्धमा सामान्य व्यावसायिक कारोबार सम्बन्धी मुद्दा वाहेक अन्य मुद्दा नरहेको ।
 - बैंकको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा मुद्दा दायर भएको कुनै जानकारी प्राप्त नभएको ।
 - कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा मुद्दा दायर भएको कुनै जानकारी प्राप्त नभएको ।
- संगठित संस्थाको सेयर कारोबार तथा प्रगतिको विवरण
 - धितोपत्र बजारमा भएको संगठित संस्थाको सेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा यस विकास बैंकको सेयरहरू नेपाल स्टक एक्सचेंजमा सूचिकृत भई नेपाल धितोपत्र बोर्डको रेखदेखमा खुल्ला बजारले निर्धारण गरेको मूल्य बमोजिम कारोबार भैरहेका छन् । सेयर कारोबारमा हुने उतार चढाव खुल्ला बजारले निर्धारण गरेको मूल्य तथा मान्यता अनुरूप हुने भएकाले यस सम्बन्धमा व्यवस्थापनको धारणा तटस्थ रहेको ।
 - गत वर्षको त्रैमासिक रूपमा सेयरको विवरण आ.व. २०८०/८१ मा भएको यस विकास बैंकको सेयर कारोबारको विवरण नेपाल स्टक एक्सचेंज लिमिटेडको वेबसाइट www.nepalstock.com.np बाट साभार गरिएको छ । सो वेबसाइटमा उल्लेख भए अनुसार कारोबारको विवरण यस प्रकार रहेको छ ।

विवरण	प्रथम त्रैमास	द्वितीय त्रैमास	तृतीय त्रैमास	चौथो त्रैमास
अधिकतम मूल्य (रु.)	४४६	४२५	४०४.९	३८२.३
न्यूनतम मूल्य (रु.)	३६८.९	३६२.८	३३५.५	३३२.३
अन्तिम मूल्य (रु.)	३७२.३	३८४.५	३४३	३६७
कारोबार सेयर संख्या	१,६४८,८९३	१,२७७,९५२	१,४७७,९३६	२,२२८,८९९
कारोबार संख्या	१३,०५५	९,२३९	१०,५०९	१४,३४८
कारोबार भएको दिन	६९	४९	५८	६९

- समस्या तथा चुनौतीहरू
 - आन्तरिक समस्या तथा चुनौतीहरू:
 - बढ्दो सञ्चालन खर्च ।
 - कर्जा असुली तथा निष्कृत्य कर्जा व्यवस्थापन ।
 - अधिक तरलता कारण तरलता व्यवस्थापनको चुनौती ।
 - सूचना प्रविधिको प्रयोगमा हुने अन्तरनीहित जोखिमहरू ।
 - कुशल षड्यन्त्र दक्ष जनशक्तिको विकास ।
 - वाह्य समस्या तथा चुनौतीहरू
 - देशको समग्र आर्थिक गतिविधि र अर्थतन्त्रमा आएको शिथिलता ।
 - सीमित लगानी क्षेत्र र अवसरहरू ।
 - बैंक तथा वित्तीय संस्था बीचको तीव्र प्रतिस्पर्धा ।
 - नियमनकारी निकायबाट जारी हुने नीति तथा निर्देशनहरूको परिवर्तनबाट उत्पन्न हुन सक्ने जोखिमहरू ।
 - रणनीतिहरू
 - उल्लिखित आन्तरिक तथा वाह्य समस्या र चुनौतीहरूलाई व्यवस्थापनले उचित तवरले समाधान गरेको छ । कतिपय समस्या तथा चुनौतीहरूको आँकलन र पूर्व तयारी गर्ने गरिन्छ । यसरी अनुमान गरिएका जोखिमहरूले संस्थालाई ठूलो असर गरेको छैन । तर, अकल्पनीय घटनाहरूबाट हुन सक्ने जोखिम र क्षति न्यूनीकरणको लागि व्यवस्थापनले तत्काल विभिन्न वैकल्पिक उपायहरूको खोजी जारी समाधान गर्न तत्पर रहेको छ । बैंकमा सकेसम्म दीर्घकालीन नै समस्याहरू नआउने गरी कार्य गर्ने परिपाटीको विकास गरिएको छ । संभावित समस्या तथा चुनौतीहरूको पूर्वानुमान जारी त्यसबाट पर्न सक्ने असरलाई न्यूनीकरण गर्न व्यवस्थापनले पूर्व तयारी गर्ने गरेको छ ।
- संस्थागत सुशासन

संस्थागत सुशासन अभिवृद्धिका लागि व्यवस्थापनद्वारा चालिएका कदमहरू सम्बन्धी विवरणहरू

 - यस विकास बैंकमा सञ्चालक समिति, तथा सो अन्तर्गत लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, कर्मचारी सेवा सुविधा समिति र सम्पत्ति शुद्धिकरण निवारण समिति रहेको छ । बैंकको लेखापरीक्षण समितिले संस्थागत सुशासन सम्बन्धमा अनुगमन जारी प्रचलित नियम कानूनहरूको अनुपालना आदि बारे निरीक्षण जारी आवश्यक सुझाव सञ्चालक समितिलाई दिने गरेको छ ।
 - नियमनकारी निकायहरूद्वारा जारी गरिएका निर्देशनहरूको पूर्ण पालना, सञ्चालक समिति लगायत उच्च व्यवस्थापन र अन्य व्यवस्थापकीय कर्मचारीहरूद्वारा पालना र अनुगमन, सहभागितात्मक निर्णय प्रकृया, पारदर्शिता र सम्पूर्ण कर्मचारीहरूमा यसको अभ्यास यस विकास बैंकले अवलम्बन गरेको छ ।
 - संस्थागत सुशासन पालना र कार्यान्वयनमा मात्र सीमित नराखी यसको मापन र अनुगमन गर्ने कार्य लेखापरीक्षण समितिले गर्दछ ।

संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन

आ.व. २०८०/८१

(सूचीकृत सङ्गठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७४ बमोजिम)

सूचीकृत सङ्गठित संस्थाको संक्षिप्त विवरण :

संस्थाको नाम : मुक्तिनाथ विकास बैंक लि.
 संस्थाको ठेगाना : काठमाडौं महानगरपालिका - ०३, लाजिपट, काठमाडौं ।
 वेबसाइट : www.muktinathbank.com.np
 फोन नम्बर : +९७७-०१-५९७०८८७

१) संस्थाको सेयर संरचना सम्बन्धी विवरण (संस्थापक, सर्वसाधारण तथा अन्य)

सेयरधनीहरू	साधारण सेयर संख्या	पूर्जी संरचना (%)
संस्थापक सेयरधनीहरू	३,५९,३९,३८७	५९
सर्वसाधारण सेयरधनीहरू	३,४५,२९,९९४	४९
जम्मा	७,०४,६९,३८०	१००

२) सञ्चालक समिति सम्बन्धी विवरण :

क. सञ्चालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति:
 नाम : श्री भरत राज ढकाल, वि.सं. २०८०/०९/२८

ख. सञ्चालक समिति सम्बन्धी विवरण

क्र.स.	सञ्चालकहरूको नाम तथा ठेगाना	प्रतिनिधित्व भएको समूह	सेयर प्रतिशत	नियुक्ति भएको मिति	सञ्चालक नियुक्तिको तरिका
१.	श्री भरत राज ढकाल ठेगाना : आँधिखोला गा.पा.-०६, स्याङ्जा	संस्थापक	१.५६२३	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारण सभाबाट सर्वसम्मत छनोट
२.	श्री नारायण कुमार श्रेष्ठ ठेगाना : गंगा जमुना-०७, धादिङ्ग	संस्थापक	१.२८३७	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारण सभाबाट सर्वसम्मत छनोट
३.	श्री भरत प्रसाद लम्साल ठेगाना : पुतलीबजार नगरपालिका -०९, स्याङ्जा	संस्थापक	०.७३५५	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारण सभाबाट सर्वसम्मत छनोट
४.	श्री विनोद कुमार शर्मा ठेगाना : बुढानीलकण्ठ नगरपालिका-०८, काठमाण्डौ	सर्वसाधारण	०.००४७	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारण सभाबाट सर्वसम्मत छनोट
५.	श्रीमती सरोजा श्रेष्ठ (कोईचला) ठेगाना : काठमाण्डौ महानगरपालिका-१६, काठमाण्डौ	सर्वसाधारण	०.००२३	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारण सभाबाट सर्वसम्मत छनोट
६.	श्री श्याम सुन्दर शर्मा ठेगाना : काठमाण्डौ महानगरपालिका-०३, काठमाण्डौ	स्वतन्त्र	-	२०७७/०४/१६	सञ्चालक समितिको बैठकबाट



ग. आ.व. २०८०/८१ सञ्चालक समितिको बैठक सम्बन्धी विवरण :

बैठक नं.	बैठक बसेको मिति	बैठकको किसिम (भौतिक / भर्चुअल)	उपस्थित सञ्चालक संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने सञ्चालकको संख्या
३०१	२०८०/०८/०३	भर्चुअल	५	भिन्न मत नभएको
३०२	२०८०/०८/२४	भौतिक	५	भिन्न मत नभएको
३०३	२०८०/०५/१५	भौतिक	४	भिन्न मत नभएको
३०४	२०८०/०५/२४	भर्चुअल	६	भिन्न मत नभएको
३०५	२०८०/०५/३१	भौतिक	४	भिन्न मत नभएको
३०६	२०८०/०६/१५	भौतिक	४	भिन्न मत नभएको
३०७	२०८०/०७/१५	भर्चुअल	४	भिन्न मत नभएको
३०८	२०८०/०८/०८	भर्चुअल	४	भिन्न मत नभएको
३०९	२०८०/०८/२२	भौतिक	४	भिन्न मत नभएको
३१०	२०८०/०८/२२	भौतिक	४	भिन्न मत नभएको
३११	२०८०/०९/०५	भौतिक	४	भिन्न मत नभएको
३१२	२०८०/०९/०६	भौतिक	४	भिन्न मत नभएको
३१३	२०८०/०९/१७	भौतिक	४	भिन्न मत नभएको
३१४	२०८०/०९/२२	भौतिक	४	भिन्न मत नभएको
३१५	२०८०/०९/२८	भौतिक	६	भिन्न मत नभएको
३१६	२०८०/१०/०७	भौतिक	६	भिन्न मत नभएको
३१७	२०८०/१०/१६	भौतिक	६	भिन्न मत नभएको
३१८	२०८०/११/०८	भौतिक	६	भिन्न मत नभएको
३१९	२०८०/११/११	भौतिक	६	भिन्न मत नभएको
३२०	२०८०/११/१४	भौतिक	६	भिन्न मत नभएको
३२१	२०८०/१२/०४	भर्चुअल	६	भिन्न मत नभएको
३२२	२०८०/१२/१५	भौतिक	६	भिन्न मत नभएको
३२३	२०८१/०१/०४	भौतिक	६	भिन्न मत नभएको
३२४	२०८१/०१/२३	भौतिक	५	भिन्न मत नभएको
३२५	२०८१/०२/११	भौतिक	५	भिन्न मत नभएको
३२६	२०८१/०२/२१	भौतिक	४	भिन्न मत नभएको
३२७	२०८१/०३/०५	भौतिक	४	भिन्न मत नभएको
३२८	२०८१/०३/१४	भौतिक	५	भिन्न मत नभएको
३२९	२०८१/०३/२१	भौतिक	५	भिन्न मत नभएको

घ. सञ्चालक समितिको बैठक सञ्चालन सम्बन्धी जानकारी

- क) कुनै सञ्चालक समितिको बैठक आवश्यक गणपूरक संख्या नपुगी स्थगित भएको भए सोको विवरण : नभएको ।
- ख) सञ्चालक समितिको बैठकमा उपस्थित सञ्चालकहरु, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माइन्चुट) को छुट्टै अभिलेख राखे/नराखेको : राखेको ।
- ग) सञ्चालक समितिको लगातार बसेको २ वटा बैठकको अधिकतम अन्तर (दिनमा) : बढीमा ३० दिनसम्म रहेको ।
- घ) सञ्चालक समितिको प्रति बैठक भत्ता रु.: अध्यक्ष रु. १५,०००/- र सञ्चालक रु. १३,०००/
- ङ) समितिको कुल बैठक खर्च (बैठक भत्ता तथा अन्य खर्च समेत): रु. १,८०९,०००/- बैठक खर्च र रु. १,१२६,८५८ /- अन्य खर्च

३) सञ्चालकहरुको आचरण तथा अन्य विवरण:

क) सञ्चालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचार संहिता भए/नभएको : विकास बैंकको छुट्टै आचारसंहिता नभएको, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, नेपाल राष्ट्र बैंकको एकीकृत निर्देशन, कम्पनी ऐन, धितोपत्र सम्बन्धी ऐन र विकास बैंकको नियमावलीमा उल्लेख भए बमोजिमका आचरण सम्बन्धी व्यवस्थाहरुको पालना भएको ।

ख) एकाघर परिवारको एक भन्दा बढी सञ्चालक भए सो सम्बन्धी विवरण: नभएको ।

४) सञ्चालकहरुको वार्षिक रुपमा सिकाई तथा पुर्नताजगी कार्यक्रम सम्बन्धी विवरण:

क्र. स.	विषय	मिति	सहभागी सञ्चालकको संख्या	तालिम सञ्चालन भएको स्थान
१.	सञ्चालक समिति तथा उच्च व्यवस्थापनका कर्मचारीलाई पुर्नताजगी तथा AML/CFT सम्बन्धी अभिमुखिकरण	२०८०/१०/२७	६ जना	लेमन टि प्रिमियर, बुढानीलकण्ठ, काठमाण्डौ ।

५) प्रत्येक सञ्चालकले आफू सञ्चालक पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिनभित्र देहायका कुराको लिखित जानकारी जराएको/नजराएको र नजराएको भए सोको विवरण:

संस्थासंग निज वा निजको एकाघरको परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सोको विवरण,	उल्लेखित विवरणहरु
निज वा निजको एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिइएको सेयर वा डिभेन्चरको विवरण,	उपलब्ध जराएको र
निज अन्य कुनै संगठित संस्थाको आधारभूत सेयरधनी वा सञ्चालक रहेको भए त्यसको विवरण,	प्राप्त विवरण
निजको एकाघरको परिवारको कुनै सदस्य संस्थाको पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहेको भए सोको विवरण,	अनुसार कुनै कौफियत नरहेको ।
सञ्चालकले उस्तै प्रकृतिको उद्देश्य भएको सूचिकृत संस्थाको सञ्चालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण,	
सञ्चालकहरुलाई नियमनकारी निकाय तथा अन्य निकायहरुबाट कुनै कारवाही गरिएको भए सोको विवरण,	

६) संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणाली सम्बन्धी विवरण:

क) जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको, गठन नभएको भए सोको कारण: गठन भएको ।

ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी:

क) समितिको संरचना (संयोजक तथा अन्य सदस्यहरुको नाम र पद):
मिति २०८०/०४/०१ देखि मिति २०८०/०५/३१ सम्म
श्री रबिन्द्र मान श्रेष्ठ - संयोजक
श्री राजेन्द्र मान श्रेष्ठ - सदस्य
श्री तिल वहादुर गुरुङ्ग - सदस्य
श्री प्रजलम न्यौपाने - सदस्य सचिव, प्रमुख, जोखिम व्यवस्थापन विभाग

मिति २०८०/१०/०७ देखि मिति २०८१/०३/३१ सम्म
श्री विनोद कुमार शर्मा - संयोजक
श्री श्याम सुन्दर शर्मा - सदस्य
श्री तिल वहादुर गुरुङ्ग - सदस्य
श्री प्रजलम न्यौपाने - सदस्य सचिव, प्रमुख, जोखिम व्यवस्थापन विभाग

ख) समितिको बैठक संख्या : ८

ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको:

विकास बैंकले आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउनको लागि विभिन्न आन्तरिक कार्यविधिहरु बनाई लागू गरेको छ ।



(घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको, गठन नभएको भए सोको कारण: भएको।

क) लेखापरीक्षण समितिको संरचना (संयोजक तथा अन्य सदस्यहरूको नाम र पद)

मिति २०८०/०८/०९ देखि मिति २०८०/०९/२९ सम्म

श्री राजेन्द्रमान श्रेष्ठ : संयोजक

श्री श्याम सुन्दर शर्मा : सदस्य

श्री ईश्वर बुढाथोकी : सदस्य सचिव, विभागीय प्रमुख, आन्तरिक लेखापरीक्षण विभाग

मिति २०८०/१०/०९ देखि मिति २०८१/०३/३१ सम्म

श्री श्याम सुन्दर शर्मा : संयोजक

श्री नारायण कुमार श्रेष्ठ : सदस्य

श्री ईश्वर बुढाथोकी : सदस्य सचिव, विभागीय प्रमुख, आन्तरिक लेखापरीक्षण विभाग

ख) समितिको बैठक संख्या: ८

७) आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण

आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउनको लागि विकास बैंकमा सञ्चालक स्तरीय विभिन्न समितिहरू गठन भएका छन्। ती समितिहरू आ-आफ्नो जिम्मेवारी अनुसार सक्रिय रहेका छन्। समितिको समय-समयमा बैठकहरू बस्ने र सो बैठकको निर्णय तथा आवश्यक सुझावहरू सञ्चालक समितिलाई दिने गरेको छ।

समितिको नाम	समिति संयोजक	बैठक संख्या	समितिको कार्य सम्बन्धी छोटो विवरण
लेखापरीक्षण समिति	श्री राजेन्द्रमान श्रेष्ठ श्री श्याम सुन्दर शर्मा	८	बैंकको वित्तीय रिपोर्टिङको अनुगमन, लेखापरीक्षण प्रक्रियामा सहजीकरण, लेखापरीक्षकको नियुक्तिको सिफारिस र संस्थाको आन्तरिक नियन्त्रण कार्यलाई प्रभावकारी बनाउने तथा सञ्चालक समिति समक्ष सिफारिस गर्ने।
कर्मचारी सेवा सुविधा समिति	श्रीमती निर्मला कुमारी के.सी (कार्की) श्रीमती सरोजा श्रेष्ठ (कोइराला)	३	कर्मचारीसंग सम्बन्धित सेवा सुविधाहरूको समयानुकूल संशोधन तथा परिमार्जनको लागि सञ्चालक समिति समक्ष सुझाव पेश गर्ने।
जोखिम व्यवस्थापन समिति	श्री रबिन्द्र मान श्रेष्ठ श्री विनोद कुमार शर्मा	८	व्यवसाय सञ्चालनको क्रममा उत्पन्न हुनसक्ने आर्थिक तथा जैव-आर्थिक जोखिमहरूलाई न्यूनीकरणका लागि आवश्यक रणनीति तयार गर्ने तथा सञ्चालक समिति समक्ष सुझाव पेश गर्ने।
सम्पत्ति शुद्धीकरण निवारण सम्बन्धी समिति	श्री शालिग्राम मिश्र श्री भरत प्रसाद लम्साल	६	सम्पत्ति शुद्धीकरणलाई नियन्त्रण तथा आतंककारी क्रियाकलापमा वित्तीय लगानी निरुत्साहित गर्नका लागि रणनीति तयार गर्ने तथा सञ्चालक समितिमा सुझाव तथा सिफारिस पेश गर्ने।

८) आर्थिक प्रशासन विनियमावली भए/नभएको :

भएको।

९) सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण

(क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण

विषय	माध्यम	सूचना प्रकाशन मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय स्तरको पत्रिका, वेबसाईट	२०८१/०९/०७ र २०८१/०९/०८
वार्षिक प्रतिवेदन	वेबसाईट	२०८१/०९/०७
त्रैमासिक प्रतिवेदन	राष्ट्रिय स्तरको पत्रिका, वेबसाईट	२०८०/०७/१७, २०८०/१०/०७, २०८१/०१/०७ र २०८१/०८/२१
धितोपत्रको मूल्यमा प्रभाव पार्ने मूल्य संवेदनशील सूचना (आ.व. २०७९/८० को लाभान्तर वितरण सम्बन्धी सूचना)	सम्बन्धित नियमनकारी निकायहरूमा पत्र मार्फत	२०८०/०९/०६

(ख) सूचना सार्वजनिक नगरेको वा अन्य कारणले धितोपत्र बोर्ड तथा अन्य निकायबाट कारवाहीमा परेको भए सो सम्बन्धी जानकारी : नेपाल स्टक एक्सचेंजबाट कारोबार समयमा मूल्यप्रभाव पार्ने सञ्चालक समितिको निर्णय भएकाले एक दिनको लागि यस विकास बैंकको सेयर कारोबार रोक्का गरिएको

(ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सम्पन्न भएको मिति : पछिल्लो वार्षिक साधारण सभा मिति २०८०/०९/२८ गते सम्पन्न भएको तथा बैंकले आ.व २०८०/८१ मा विशेष साधारण सभा नगरेको।

१०. संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण:

क) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकास, तालिम, तलब, भत्ता तथा अन्य सुविधा, हाजिर र विदा, आचारसंहिता लगायतका कुराहरू समेटिएको कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको :

भएको।

ख) सांठानिक संरचना संलग्न गर्ने :

संलग्न गरिएको।

ग) उच्च व्यवस्थापन तहका कर्मचारीहरूको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धी विवरण:

क्र.स.	नाम	पद	शैक्षिक योग्यता	अनुभव
१.	श्री प्रद्युम्न पोखरेल	प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	३२ वर्ष (बैंकिङ्ग)
२.	श्री समिर शेरर बज्राचार्य	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	२६ वर्ष (विकास आयोजना तथा बैंकिङ्ग)
३.	श्री तिल बहादुर गुरुङ्ग	सहायक नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	२५ वर्ष (बैंकिङ्ग)
४.	श्री गोविन्द बहादुर राउत	सहायक प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	३० वर्ष (लघुवित्त, विकास आयोजना तथा बैंकिङ्ग)

(घ) कर्मचारी सम्बन्धी अन्य विवरण :

संरचना अनुसार कर्मचारी पदपूर्ति गरे/नगरेको	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रक्रिया	राष्ट्रियस्तरको पत्रिकामा विज्ञापन प्रकाशित गरी आवश्यकता अनुसार लिखित तथा मौखिक परिक्षा मध्ये दुवै वा कुनै एक माध्यमबाट पदपूर्ति गर्ने गरिएको। दयालेन हण्ट कर्मचारीको सर्दममा मौखिक परिक्षाको माध्यमबाट पदपूर्ति गर्ने गरिएको।
व्यवस्थापन स्तरका कर्मचारीको संख्या	३६
कुल कर्मचारी संख्या	१,५६५
कर्मचारीहरूको सक्सेसन प्लान भए/नभएको	भएको
आ.व. २०८०/०८१ मा कर्मचारीहरूलाई दिईएको तालिम संख्या तथा सहभागी कर्मचारीको संख्या	१५९ ओटा तालिममा कुल ८,६७९ जना कर्मचारीहरूको सहभागिता रहेको। (कर्मचारीको तालिम पढक दोहरिएको)
आ.व.२०८०/०८१ को कर्मचारी तालिम खर्च	रु. २६,०६३,६२६/-
कुल खर्चमा कर्मचारी खर्चको प्रतिशत	६२.४७ प्रतिशत
कुल कर्मचारी खर्चमा कर्मचारी तालिम खर्चको प्रतिशत (कर्मचारी बोनस बाहेकको)	१.९० प्रतिशत

अनुपालना अधिकृतको नाम :

सुवाष ढकाल

प्रमुख अनुपालना विभाग

नेपाल राष्ट्र बैंकको स्वीकृति पत्र



नेपाल राष्ट्र बैंक वित्तीय संस्था सुपरिवेक्षण विभाग

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/मुक्तिनाथ/०८१/८२
च.नं.: १६२

श्री मुक्तिनाथ विकास बैंक लिमिटेड,
लाजिम्पाट, काठमाण्डौ ।



केन्द्रीय कार्यालय
बालुवाटार, काठमाण्डौ
फोन नं.: ९७७ ०१
४४१०१५८
Site: www.nrb.org.np
Email: nrdbdsd@nrb.org.np

मिति: २०८१/०९/०७

विषय: वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा ।

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८०/८१ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेयरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०८०/८१ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण, नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इन्विटीमा भएको परिवर्तनको विवरण, सोसँग सम्बन्धित अनुसूचीहरू, लेखापरीक्षकको प्रतिवेदन लगायतका वार्षिक वित्तीय विवरणहरू साधारणसभा प्रयोजनको लागि प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गरी प्रवाहित कर्जाको नियमित रूपमा अनुगमन गर्ने कार्यलाई प्रभावकारी रूपमा कार्यान्वयन गर्नुहुन ।
- पुँजीकोष सम्बन्धी निर्देशनको पूर्णरूपमा पालना गर्नुहुन ।
- कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सूचना प्रविधि लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

(अमृत बहादुर बुढाथोकी)

उप-निर्देशक

बोधार्थ:

- श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
- श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-१ ।

नेपाल राष्ट्र बैंकबाट प्राप्त निर्देशनहरू उपर सञ्चालक समितिको प्रतिक्रिया

यस मुक्तिनाथ विकास बैंक लिमिटेडको आ.व. २०८०/८१ को वित्तीय विवरण प्रकाशन गर्ने क्रममा नेपाल राष्ट्र बैंकबाट दिइएका निर्देशनहरूलाई मिति २०८१/०९/०७ गते बसेको सञ्चालक समितिका ३४१ औं बैठकमा छलफल गरी निर्देशन बमोजिम गर्ने गराउने निर्णय भएको व्यवहारा जानकारीको लागि अनुरोध छ ।

Muktinath Bikas Bank Limited's Auditor's Report & Consolidated Financial Statements

मुक्तिनाथ विकास बैंक लिमिटेडको लेखापरीक्षकको प्रतिवेदन र एकीकृत वित्तीय विवरण



Independent Auditor's Report

To the Shareholders of Muktinath Bikas Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Muktinath Bikas Bank Limited and its subsidiary (referred to as the "Group"), which comprise the Consolidated Statement of Financial Position as at Ashad 31, 2081 (July 15, 2024), the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity for the year then ended and Notes to the Consolidated Financial Statements including a summary of significant accounting policies and explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiary and associate, the aforesaid consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at Ashad 31, 2081, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Institute of Chartered Accountants of Nepal's (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 the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matters	How our audit expressed the key audit matters
1. Identification of and provisioning for non-performing assets (NPA) on loan and advances (Refer note 4.6 and 4.7 of the consolidated financial statements)	
The Bank has net advances amounting to Rs. 94.05 billion as at 31 Ashad 2081. Identification of and provisioning for non-performing assets (loans) in accordance with NFRS and relevant prudential norms issued by the Nepal Rastra Bank (NRB) in respect of income recognition, asset classification and provisioning pertaining to advances (herein after referred as "NRB	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: <ul style="list-style-type: none"> We evaluated and understood the Bank's internal control system in adhering to the relevant NRB Directives regarding income recognition, asset classification and provisioning pertaining to advances.



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Key Audit Matters	How our audit expressed the key audit matters
<p>Directives") is a key audit matter due to the current processes at the Bank which requires manual interventions, management estimates, judgment and level of regulatory and other stakeholders focus.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p>	<ul style="list-style-type: none"> We analyzed and understood key IT systems/ applications used and tested the operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification and provisioning pertaining to advances. We checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non- performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances; and We evaluated past trends of management judgment, governance process and review controls over impairment provision calculations and discussed the provisions made with senior management. <p>Our Result: We considered the identification of Non-Performing Advances and their provisioning to be acceptable</p>
<p>2. Information Technology Systems and Controls Impacting Financial Reporting</p>	
<p>The Information Technology of the Bank is complex and involves a large number of independent and inter dependent IT Systems used in the operations of the Bank for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank.</p> <p>Appropriate IT General Controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for financial reporting.</p> <p>We have considered this as a 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 management, stakeholders, and regulators.</p>	<p>We conducted an assessment and identified key IT applications, databases and operating systems that was relevant to our audit and identified Central Banking System (CBS) and Treasury System primarily as relevant for financial reporting. Our audit approach was based on Information Technology Guidelines 2012 issued by NRB and it also involved testing of design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Obtained an understanding of the Bank's IT control environment, IT policies and key changes during the audit period. Reviewed the design, implementation, and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical financial reporting on test check basis. Tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit on test check basis. Reviewed the IS Audit Reports and discussed with IT team on compliance to key IS Controls. <p>Our Result: We considered the information technology systems and their relevant controls to be adequate.</p>



Other Matter

We did not audit the financial statement of the subsidiary whose financial statement reflect total assets of NPR 567,486,490 as at Ashad 31, 2081 (July 15, 2024), total revenues of NPR 102,571,193 and net negative cash flows of NPR. 75,113,616 for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management.

Our opinion on the consolidated financial statements in so far as it relates to accounts and disclosures included in respects of this subsidiary is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net profit of NPR 4,830,027 for the year ended Ashad 31, 2081 (July 15, 2024), in respect of one associate whose financial statements prepared in accordance with Nepal Financial Reporting Standards (NFRS), have been audited by us on which we issued an unmodified audit opinion vide our report dated Poush 01, 2081 (December 16, 2024) on those consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The management is responsible for the other information presented in the Bank's Annual Report including the report of the Board of Directors. The annual report, including the report of the Board of Directors, is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a 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 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 risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management..
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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, in 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 to outweigh the public interest benefits of such communication.



Report on the other Legal and Regulatory Requirements

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit. The returns received from the branch offices of the bank, though the statements are not independently audited, were adequate for the purpose of the audit. The consolidated financial statements have been prepared in the format prescribed by the Nepal Rastra Bank's Unified Directives no. 4 and in accordance with the provisions of Companies Act, 2063 and Section 59 of the Bank and Financial Institution Act, 2073, and are in agreement with the books of accounts of the Bank, and the accounts and records are properly maintained in accordance with the prevailing laws. We have not come across any accounting fraud so far as it appeared from our examination of the books of accounts.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the Bank has taken actions for protection of the interest of depositors and investors, the capital fund and risk bearing fund were adequately maintained; 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 to 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 has caused loss or damage to the Bank or committed any misappropriation or violation of directive of Nepal Rastra Bank.

A circular blue ink stamp with the text "A.P. & Associates" at the top, "Kathmandu" in the center, and "Chartered Accountants" at the bottom. A handwritten signature is written across the stamp.

CA Anil Paudel
Proprietor
A.P. & Associates,
Chartered Accountants
UDIN: 241218CA00784aUsS8
Place: Kathmandu, Nepal
Date: December 17, 2024 (Poush 02, 2081)

**Consolidated Statement of Financial Position**

As on 31st Asar 2081 (15th July 2024)

Figures in NPR

	Note	Group		Bank	
		31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Assets					
Cash and Cash Equivalent	4.1	3,382,291,381	5,326,084,785	3,134,539,704	5,268,539,748
Due from Nepal Rastra Bank	4.2	9,606,142,194	3,732,132,133	9,606,142,194	3,732,132,133
Placement with Bank and Financial Institutions	4.3	-	-	-	-
Derivative Financial Instruments	4.4	-	-	-	-
Other Trading Assets	4.5	102,940,286	48,618,603	-	-
Loans and Advances to BFIs	4.6	2,139,626,534	2,536,439,270	2,139,626,534	2,536,439,270
Loans and Advances to Customers	4.7	91,907,309,025	94,456,965,952	91,907,309,025	94,456,965,952
Investment Securities	4.8	14,282,403,355	22,269,838,948	14,249,248,106	22,084,609,500
Current Tax Assets	4.9	36,927,739	52,756,158	40,722,092	48,176,787
Investment in Subsidiaries	4.10	-	-	244,045,905	244,045,905
Investment in Associates	4.11	139,383,300	134,553,273	155,550,000	155,550,000
Investment Property	4.12	465,619,924	289,196,462	432,504,244	256,080,782
Property and Equipment	4.13	2,253,247,253	1,934,412,450	2,242,422,321	1,919,851,163
Goodwill and Intangible Assets	4.14	12,110,169	15,209,783	11,767,646	14,537,316
Deferred Tax Assets	4.15	116,305,788	85,994,981	116,115,309	84,683,324
Other Assets	4.16	740,886,466	856,524,746	667,770,976	809,595,176
Total Assets		125,185,193,414	131,738,727,544	124,947,764,056	131,611,207,055
Liabilities					
Due to Banks and Financial Institutions	4.17	769,621,798	1,999,547,189	769,621,798	1,999,547,189
Due to Nepal Rastra Bank	4.18	415,629,581	215,874,848	415,629,581	215,874,848
Derivative Financials Instrument	4.19	-	-	-	-
Deposits from Customers	4.20	109,693,104,367	116,297,178,932	109,758,876,133	116,449,870,954
Borrowings	4.21	10,416,667	18,750,000	10,416,667	18,750,000
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	1,300,000	14,806,030	1,300,000	14,806,030
Deferred Tax Liabilities	4.15	-	-	-	-
Other Liabilities	4.23	2,424,777,199	2,430,937,973	2,314,968,531	2,302,381,934
Debt Securities Issued	4.24	1,247,443,582	1,246,917,782	1,247,443,582	1,246,917,782
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		114,562,293,194	122,224,012,754	114,518,256,292	122,248,148,737
Equity					
Share Capital	4.26	7,046,938,049	6,420,900,273	7,046,938,049	6,420,900,273
Share Premium		-	-	-	-
Retained Earnings		200,590,279	655,193,953	194,701,418	673,938,061
Reserves	4.27	3,195,076,839	2,272,992,668	3,187,868,297	2,268,219,984
Total Equity Attributable to Equity Shareholders		10,442,605,167	9,349,086,893	10,429,507,764	9,363,058,318
Non Controlling Interest		180,295,053	165,627,897	-	-
Total Equity		10,622,900,220	9,514,714,790	10,429,507,764	9,363,058,318
Total Equity and Liabilities		125,185,193,414	131,738,727,544	124,947,764,056	131,611,207,055
Contingent Liabilities and Commitments	4.28	3,255,936,461.44	3,343,694,374	3,255,936,461	3,343,694,374
Net Assets Value per share		150.74	148.18	148.00	145.82

As per our report of even date

Sanjiv Poudel
Chief Financial Officer

Pradyuman Pokharel
Chief Executive Officer

Bharat Raj Dhakal
Chairman

Narayan Kumar Shrestha
Director

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Bharat Prasad Lamsal
Director

Binod Kumar Sharma
Director

Saroja Shrestha (Koirala)
Director

Umesh Kumar Acharya
Independent Director

Kathmandu, 1st Poush 2081

Consolidated Statement of Profit or Loss

For the year ended 31st Asar 2081 (15th July 2024)

Figures in NPR

	Note	Group		Bank	
		31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Interest Income	4.29	13,804,588,287	15,504,956,352	13,772,495,922	15,475,236,312
Interest Expense	4.30	9,530,877,908	11,364,475,399	9,533,154,614	11,371,142,353
Net Interest Income		4,273,710,379	4,140,480,953	4,239,341,308	4,104,093,959
Fees and Commission Income	4.31	606,285,343	628,148,220	548,579,782	592,895,444
Fees and Commission Expense	4.32	92,028,063	71,966,148	85,714,934	67,198,619
Net Fee and Commission Income		514,257,280	556,182,073	462,864,848	525,696,825
Net Interest, Fee and Commission Income		4,787,967,659	4,696,663,025	4,702,206,156	4,629,790,784
Net Trading Income	4.33	17,344,741	14,697,376	8,808,470	11,340,911
Other Operating Income	4.34	45,079,485	13,684,380	39,760,934	11,419,765
Total Operating Income		4,850,391,885	4,725,044,781	4,750,775,560	4,652,551,460
Impairment charge/(reversal) for loans and other losses	4.35	777,014,734	698,675,809	776,782,215	698,675,809
Net Operating Income		4,073,377,151	4,026,368,972	3,973,993,345	3,953,875,651
Operating Expense					
Personnel Expenses	4.36	1,581,504,102	1,459,961,516	1,555,408,031	1,438,159,358
Other Operating Expenses	4.37	447,063,445	469,459,172	437,040,607	461,034,637
Depreciation and Amortisation	4.38	278,633,243	239,699,913	273,098,632	234,108,880
Operating Profit		1,766,176,361	1,857,248,370	1,708,446,075	1,820,572,776
Non Operating Income	4.39	155,554	-	155,554	-
Non Operating Expenses	4.40	26,388,242	10,256,102	26,388,242	10,256,102
Profit before Income Tax		1,739,943,673	1,846,992,269	1,682,213,387	1,810,316,674
Income Tax Expenses	4.41				
Current Tax		549,576,078	589,775,311	534,814,985	587,938,885
Deferred Tax		(27,815,337)	(17,370,062)	(28,936,515)	(25,848,480)
Profit for the Period		1,218,182,932	1,274,587,020	1,176,334,917	1,248,226,268
Profit attributable to:					
Equity-holders of the Bank		1,203,471,253	1,264,935,491	1,176,334,917	1,248,226,268
Non-Controlling Interest		14,711,679	9,651,529	-	-
Profit for the Period		1,218,182,932	1,274,587,020	1,176,334,917	1,248,226,268
Earnings per Share					
Basic Earnings per Share		17.29	18.09 (Restated)	16.69	17.71 (Restated)
Diluted Earnings per Share		17.29	18.09 (Restated)	16.69	17.71 (Restated)

As per our report of even date

Sanjiv Poudel
Chief Financial Officer

Pradyuman Pokharel
Chief Executive Officer

Bharat Raj Dhakal
Chairman

Narayan Kumar Shrestha
Director

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Bharat Prasad Lamsal
Director

Binod Kumar Sharma
Director

Saroja Shrestha (Koirala)
Director

Umesh Kumar Acharya
Independent Director

Kathmandu, 1st Poush 2081

**Consolidated Statement of Other Comprehensive Income**

For the year ended 31st Asar 2081 (15th July 2024)

Figures in NPR

Note	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Profit for the year	1,218,182,932	1,274,587,020	1,176,334,917	1,248,226,268
Other Comprehensive Income, net of Income Tax				
a) Items that will not be reclassified to profit or loss				
Gains/(losses) from investment in equity instruments measured at fair value	(25,527,907)	56,388,864	(25,527,907)	56,388,864
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	17,209,674	55,663,614	17,209,674	55,663,614
Income tax relating to above items	2,495,470	(33,615,743)	2,495,470	(33,615,743)
Net Other Comprehensive Income that will not be reclassified to profit or loss	(5,822,763)	78,436,735	(5,822,763)	78,436,735
b) Items that are or may be reclassified to profit or loss				
Gains/(losses) on cash flow hedge	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-
Income tax relating to above items	-	-	-	-
Reclassify to profit or loss	-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	556,876	-	-
Other comprehensive income for the year, net of income tax	(5,822,763)	78,993,610	(5,822,763)	78,436,735
Total comprehensive income for the year	1,212,360,169	1,353,580,630	1,170,512,154	1,326,663,003
Total comprehensive income attributable to:				
Equity holders of the Bank	1,197,648,490	1,360,414,088	1,170,512,154	1,326,663,003
Non-controlling interest	14,711,679	(6,833,458)	-	-
Total comprehensive income for the period	1,212,360,169	1,353,580,630	1,170,512,154	1,326,663,003

As per our report of even date

Sanjiv Poudel Chief Financial Officer	Pradyuman Pokharel Chief Executive Officer	Bharat Raj Dhakal Chairman	Narayan Kumar Shrestha Director	Anil Paudel Proprietor A.P. & Associates Chartered Accountants
Bharat Prasad Lamsal Director	Binod Kumar Sharma Director	Saroja Shrestha (Koirala) Director	Umesh Kumar Acharya Independent Director	

Kathmandu, 1st Poush 2081

Consolidated Statement of Cash Flows

For the year ended 31st Asar 2081 (15th July 2024)

Figures in NPR

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	11,310,432,603	13,302,861,291	11,278,340,238	13,273,141,251
Fee and Other Income Received	606,440,897	628,148,220	548,735,336	592,895,444
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	55,289,677	24,137,531	41,434,855	18,516,452
Interest Paid	(9,421,502,910)	(11,270,417,698)	(9,423,779,616)	(11,277,084,652)
Commissions and Fees Paid	(92,028,063)	(71,966,148)	(85,714,934)	(67,198,619)
Cash Payment to Employees	(1,281,798,969)	(1,254,970,738)	(1,261,580,704)	(1,237,013,061)
Other Expenses Paid	(473,451,687)	(479,715,274)	(463,428,849)	(471,290,738)
Operating Cash Flows before Changes in Operating Assets and Liabilities	703,381,548	878,077,185	634,006,326	831,966,077
(Increase)/Decrease in Operating Assets				
Due from Nepal Rastra Bank	(5,874,010,061)	(866,691,734)	(5,874,010,061)	(866,691,734)
Placement with Bank and Financial Institutions	-	-	-	-
Other Trading Assets	(54,321,683)	15,177,696	-	-
Loans and Advances to BFIs	396,812,736	190,360,503	396,812,736	190,360,503
Loans and Advances to Customers	3,060,705,784	(7,467,100,562)	3,060,938,303	(7,467,100,562)
Other Assets	(539,172,940)	(898,792,613)	(37,226,277)	(879,138,061)
Increase/(Decrease) in Operating Liabilities				
Due to Banks and Financial Institutions	(1,229,925,391)	(1,750,736,921)	(1,229,925,391)	(1,750,736,921)
Due to Nepal Rastra Bank	199,754,733	(817,104,708)	199,754,733	(817,104,708)
Deposits from Customers	(6,604,074,565)	11,629,390,789	(6,690,994,821)	11,774,798,691
Borrowings	(8,333,333)	(6,266,438)	(8,333,333)	(6,266,438)
Other Liabilities	(212,457,209)	(72,028,970)	(187,832,032)	(160,994,023)
Net Cash Flow from Operating Activities before Tax Paid	(9,676,384,735)	834,284,226	(9,736,809,817)	849,092,824
Income Tax Paid	(521,760,741)	(572,405,249)	(505,878,470)	(562,090,406)
Net Cash Flow from Operating Activities	(10,198,145,476)	261,878,977	(10,242,688,287)	287,002,418
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investment Securities	8,092,726,242	(3,992,531,677)	7,945,482,069	(3,956,215,986)
Receipts from Sale of Investment Securities	5,662,092	5,662,092	5,662,092	5,662,092
Purchase of Property and Equipment	(597,468,046)	(260,135,328)	(595,669,790)	(258,898,546)
Receipts from Sale of Property and Equipment	-	-	-	-
Purchase of Intangible Assets	-	-	-	-
Receipts from Sale of Intangible Assets	3,099,614	5,696,908	2,769,670	5,400,294
Purchase of Investment Properties	(176,423,462)	(205,029,930)	(176,423,462)	(205,029,930)
Receipts from Sale of Investment Properties	-	-	-	-
Interest Received	1,099,177,365	1,325,502,276	1,099,177,365	1,325,502,276
Dividend Received	7,134,549	4,244,224	7,134,549	4,244,224
Net Cash Used in Investing Activities	8,433,908,354	(3,116,591,434)	8,288,132,493	(3,079,335,575)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from Issue of Debt Securities	-	-	-	-
Repayments of Debt Securities	-	-	-	-
Receipts from Issue of Subordinated Liabilities	-	-	-	-
Repayments of Subordinated Liabilities	-	-	-	-
Receipt from Issue of Shares	-	-	-	-
Dividends Paid	(32,949,357)	(40,195,760)	(32,949,357)	(40,195,760)
Interest Paid	(109,374,998)	(94,057,701)	(109,374,998)	(94,057,701)
Other Receipts/Payments	(37,231,927)	169,533,709	(37,119,896)	94,116,553
Net Cash from Financing Activities	(179,556,282)	35,280,249	(179,444,251)	(40,136,908)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,943,793,403)	(2,819,432,208)	(2,134,000,044)	(2,832,470,065)
Cash and cash equivalents at Shrawan 1, 2080	5,326,084,785	8,145,516,992	5,268,539,748	8,101,009,812
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-	-	-
Cash and cash equivalents at Asar end 2081	3,382,291,381	5,326,084,785	3,134,539,704	5,268,539,748

As per our report of even date

Sanjiv Poudel Chief Financial Officer	Pradyuman Pokharel Chief Executive Officer	Bharat Raj Dhakal Chairman	Narayan Kumar Shrestha Director	Anil Paudel Proprietor A.P. & Associates Chartered Accountants
Bharat Prasad Lamsal Director	Binod Kumar Sharma Director	Saroja Shrestha (Koirala) Director	Umesh Kumar Acharya Independent Director	

Kathmandu, 1st Poush 2081

**Consolidated Statement of Changes in Equity**

For the year ended 31st Asar 2081 (15th July 2024)

	Group												
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Staff Skill Development Fund	Other Reserve	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2079	5,657,180,857	-	1,229,606,288	1,916,932	342,160,759	42,710,580	-	788,233,362	13,829,392	76,520,586	8,046,737,565	79,732,073	8,126,469,638
Adjustment/(Restatement)	-	-	-	-	-	(4,906,556)	-	4,880,386	-	-	(26,169)	-	[26,169]
Comprehensive Income for the year	-	-	-	-	-	-	-	1,284,935,491	-	-	1,284,935,491	9,651,529	1,274,587,020
Profit for the year	-	-	-	-	-	-	-	1,284,935,491	-	-	1,284,935,491	9,651,529	1,274,587,020
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	39,472,205	-	-	-	-	39,472,205	-	39,472,205
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	38,964,530	38,964,530	-	38,964,530
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	556,876	-	-	-	-	556,876	-	556,876
Total Comprehensive Income for the year	-	-	-	-	-	40,029,081	-	1,284,935,491	-	36,964,530	1,343,929,101	9,651,529	1,353,560,630
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
- Statutory General Reserve	-	-	251,108,649	-	-	-	-	(251,108,649)	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	697,020	-	-	-	(697,020)	3,293,722	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	-	-	12,628,602	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	323,591,121	-	-	(323,591,121)	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	(12,643,127)	(20,060)	-	(20,060)
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	297,763	-	-	(1,468,816)	-	1,191,053	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	763,719,416	-	-	-	-	-	-	(763,719,416)	-	-	(40,195,760)	-	(40,195,760)
- Cash Dividend Paid	-	-	-	-	-	-	-	(1,435,117)	-	4,265	(1,337,785)	(8,755,705)	(10,093,490)
Other	-	-	93,067	-	-	-	-	(4,805,350,292)	-	4,265	(4,153,354,545)	76,244,295	34,710,751
Total Contributions by and distributions	763,719,416	-	93,067	-	-	(805,350,292)	-	655,183,952	17,123,114	115,474,836	9,349,086,892	165,627,897	9,514,714,790
Balance at Asar End, 2080	6,420,900,273	-	1,481,105,767	2,613,952	665,751,880	(9,076,862)	-	655,183,952	17,123,114	115,474,836	9,349,086,892	165,627,897	9,514,714,790

	Group												
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Staff Skill Development Fund	Other Reserve	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2080	6,420,900,273	-	1,481,105,767	2,613,952	665,751,880	(9,076,862)	-	655,183,952	17,123,114	115,474,836	9,349,086,892	165,627,897	9,514,714,790
Adjustment/(Restatement)	-	-	-	-	-	-	-	(71,163,023)	-	-	(71,163,023)	(32,760)	(71,195,783)
Comprehensive Income for the year	-	-	-	-	-	-	-	1,203,471,253	-	-	1,203,471,253	14,711,679	1,218,182,932
Profit for the year	-	-	-	-	-	-	-	1,203,471,253	-	-	1,203,471,253	14,711,679	1,218,182,932
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(17,869,535)	-	-	-	-	(17,869,535)	-	(17,869,535)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	12,046,772	12,046,772	-	12,046,772
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(17,869,535)	-	1,203,471,253	-	12,046,772	1,187,648,490	14,711,679	1,212,360,169
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
- Statutory General Reserve	-	-	237,497,614	-	-	-	-	(237,497,614)	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	1,194,634	-	-	-	(4,194,634)	4,194,634	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	1,33,484	-	-	-	(1,33,484)	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	-	-	11,986,412	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	487,602,141	-	-	(487,602,141)	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	50,000,000	-	(50,000,000)	-	-	-
- Debenture Redemption Reserve	-	-	-	-	-	-	-	(250,000,000)	-	250,000,000	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	(13,507,353)	(17,837)	(11,764)	(28,600)
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	626,037,777	-	-	-	-	-	-	(626,037,777)	-	-	-	-	-
- Cash Dividend Paid	-	-	-	-	-	-	-	(52,949,357)	-	-	(52,949,357)	-	(52,949,357)
Other	-	-	0	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	626,037,777	-	-	-	-	-	-	(658,987,133)	-	-	(32,949,357)	-	(32,949,357)
Balance at Asar 31, 2081	7,046,938,049	-	1,716,603,381	2,747,436	1,153,354,021	(26,946,417)	-	200,580,279	21,317,748	326,000,688	10,442,605,166	180,295,053	10,622,900,220

As per our report of even date

Sanjiv Poudel, Chief Financial Officer, Pradyuman Pokharel, Chief Executive Officer, Bharat Rej Dhakal, Chairman, Narayan Kumar Shrestha, Director, Bharat Prasad Lamsal, Director, Binod Kumar Sharma, Director, Umesh Kumar Acharya, Independent Director, Soroje Shrestha (Koirala), Director, Anil Paudel, Proprietor, A.P. & Associates, Chartered Accountants



Consolidated Statement of Changes in Equity

For the year ended 31st Asar 2081 (15th July 2024)

	Bank							Non-Controlling Interest	Total Equity				
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve			Retained Earning	Staff Skill Development Fund	Other Reserve	Total
Balance at Shrawan 01, 2079	5,657,180,857	-	1,227,188,288	1,916,932	342,160,759	(47,617,146)	-	805,522,228	13,829,392	76,408,765	8,076,591,074	-	8,076,591,074
Comprehensive Income for the year	-	-	-	-	-	-	-	1,248,226,268	-	-	1,248,226,268	-	1,248,226,268
Other Comprehensive Income, Net of Tax													
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	39,472,205	-	-	-	-	39,472,205	-	39,472,205
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	38,964,530	38,964,530	-	38,964,530
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	39,472,205	-	1,248,226,268	-	38,964,530	1,326,663,003	-	1,326,663,003
Total Comprehensive Income for the year													
Transfer to Reserves during the year													
- Statutory General Reserve	-	-	249,645,254	-	-	-	-	(249,645,254)	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	697,020	-	-	-	(697,020)	3,293,722	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	-	-	-	-	(12,482,263)	-	12,482,263	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	323,591,121	-	-	(323,591,121)	-	-	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year													
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	12,623,067	-	(12,623,067)	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	297,763	-	-	(1,488,816)	-	1,191,053	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	763,719,416	-	-	-	-	-	-	(763,719,416)	-	-	(40,195,760)	-	(40,195,760)
- Cash Dividend Paid	-	-	-	-	-	-	-	(40,195,760)	-	-	(40,195,760)	-	(40,195,760)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and distributions													
6,420,900,273	-	-	1,471,131,305	2,613,952	665,751,880	(9,633,757)	-	673,938,081	171,23,114	115,233,490	9,363,058,318	-	(40,195,760)
Balance at Asar End, 2080													
6,420,900,273	-	-	1,471,131,305	2,613,952	665,751,880	(9,633,757)	-	673,938,081	171,23,114	115,233,490	9,363,058,318	-	(40,195,760)

	Bank							Non-Controlling Interest	Total Equity				
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve			Retained Earning	Staff Skill Development Fund	Other Reserve	Total
Balance at Shrawan 01, 2080	6,420,900,273	-	1,471,131,305	2,613,952	665,751,880	(9,633,757)	-	673,938,081	171,23,114	115,233,490	9,363,058,318	-	(71,113,352)
Adjustment/(Restatement)	-	-	-	-	-	-	-	(71,113,352)	-	-	(71,113,352)	-	(71,113,352)
Comprehensive Income for the year	-	-	-	-	-	-	-	1,176,334,917	-	-	1,176,334,917	-	1,176,334,917
Other Comprehensive Income, Net of Tax													
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(17,869,535)	-	-	-	-	(17,869,535)	-	(17,869,535)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	12,046,772	12,046,772	-	12,046,772
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year													
Transfer to Reserves during the year													
- Statutory General Reserve	-	-	235,266,983	-	-	-	-	(235,266,983)	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	1,194,634	-	-	-	(1,194,634)	4,194,634	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	133,484	-	-	-	(133,484)	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	(11,763,349)	-	11,763,349	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	487,602,141	-	-	(487,602,141)	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	50,000,000	-	(50,000,000)	-	-	-
- Debenture Redemption Reserve	-	-	-	-	-	-	-	(250,000,000)	-	250,000,000	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year													
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	13,489,516	-	(13,489,516)	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	626,037,777	-	-	-	-	-	-	(626,037,777)	-	-	-	-	-
- Cash Dividend Paid	-	-	-	-	-	-	-	(52,949,357)	-	-	(52,949,357)	-	(52,949,357)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions													
6,266,037,777	-	-	1,712,388,288	2,747,436	1,153,354,021	(27,503,282)	-	194,701,417	21,317,748	325,554,085	10,429,507,764	-	(32,949,357)
Balance at Asar 31, 2081													
7,046,936,049	-	-	1,712,388,288	2,747,436	1,153,354,021	(27,503,282)	-	194,701,417	21,317,748	325,554,085	10,429,507,764	-	(32,949,357)

As per our report of even date

Sanjiv Poudel, Chief Financial Officer, Pradyuman Pokharel, Chief Executive Officer, Bharat Rej Dhakal, Chairman, Bharat Prasad Lamsal, Director, Bharat Kumar Sharma, Director, Binod Kumar Sharma, Director, Umesh Kumar Acharya, Independent Director, Saroja Shrestha (Koirala), Director, Soroja Shrestha (Koirala), Director, Anil Paudel, Proprietor, A.P. & Associates, Chartered Accountants



Statement of Distributable Profit or Loss

For the year ended 31st Asar 2081 (15th July 2024) (As per NRB Regulation)

Figures in NPR

	Bank	
	31st Asar 2081	31st Asar 2080
Net profit or (loss) as per Statement of Profit or Loss	1,176,334,917	1,248,226,268
Appropriations:		
a. General Reserve	(235,266,983)	(249,943,017)
b. Foreign Exchange Fluctuation Fund	(133,484)	(697,020)
c. Capital Redemption Reserve	(250,000,000)	-
d. Corporate Social Responsibility Fund	(11,763,349)	(12,482,263)
e. Staff Skill Development Fund	(4,194,634)	(3,293,722)
f. Other		
- Investment Adjustment Reserve	50,000,000	-
- CSR Expenses routed through Statement of Profit & Loss	13,489,516	12,623,067
Profit or (loss) before regulatory adjustment	738,465,983	994,433,313
Regulatory adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(327,153,840)	(240,172,918)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(111,146,781)	(129,168,856)
e. Deferred tax assets recognised (-)/ reversal (+)	(31,431,985)	7,767,264
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)		
- Gains/(losses) from investments in equity instruments	(17,869,535)	37,983,389
Net profit for the year ended available for distribution	250,863,842	670,842,192
Opening Retained Earnings as on Shrawan 1	673,938,061	805,522,228
Adjustment (+/-)	(71,113,352)	1,488,816
Distribution:	(658,987,133)	(803,915,175)
Bonus shares Issued	(626,037,777)	(763,719,416)
Cash dividend paid	(32,949,357)	(40,195,760)
Total Distributable profit or (loss) as on Year end	194,701,417	673,938,061
Annualised Distributable Profit/Loss per share	2.76	10.50

Notes to the Consolidated Financial Statement

1. Reporting Entity

Muktinath Bikas Bank Limited ('The Bank') is domiciled and incorporated in Nepal under the Companies Act, 2063 on 22nd Chaitra 2062. The Bank received the license to commence banking operations as a 'B Class' financial institution from Nepal Rastra Bank on 18th Poush, 2063. The bank is a limited liability company having its shares listed on Nepal Stock Exchange. The registered office of the Bank is situated at Lazimpat, Kathmandu, Nepal.

The bank's principal offerings include comprehensive range of financial services encompassing accepting of deposits, corporate and retail credit, project financing, hire purchase financing, micro credit, trade financing, personal and corporate banking, foreign currency operations, issuing of debit cards, internet banking, mobile banking, remittance facilities, dealing in government securities and treasury related products, agency services and others ancillary services permitted by the Banking and Financial Regulation Act, 2073.

The Bank has Muktinath Capital Limited (formerly known as Vibor Capital Limited) and Muktinath Krishi Company Limited as its subsidiary and associate company respectively. Muktinath Capital Limited is engaged in Merchant Banking business and provides the services of Registrar to Shares, Issue Management, Underwriting, Depository Participants, Portfolio Management Services and other advisory services. Muktinath Krishi Company Limited is engaged in the business of agricultural products which includes the production, manufacturing, trading and marketing of the agricultural products.

Muktinath Bikas Bank Limited and Muktinath Capital Limited are hereinafter referred to as "The Group".

2. Basis of Preparation

2.1. Going Concern

The financial statements are prepared on a going concern basis, as the bank has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cashflows and capital resources.

2.2. Statement of Compliance

The financial statements have been prepared on going concern basis and under historical cost conventions except where the standards require otherwise. The financial statements of the Group have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) developed by the Accounting Standards Board, Nepal (ASB, Nepal) and pronounced for application by the Institute of Chartered Accountants of Nepal (ICAN).

The financial statements comprise of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income, Statement in Changes in Equity, Statement of Cashflows and Notes to the Accounts on the format prescribed by NRB Directive No. 4.

2.3. Reporting Period and Approval of Financial Statements

Reporting Period:

The Group follows the Nepalese financial year based on Nepali calendar starting from 1st Shrawan 2080 and ending on 31st Asar 2081 (16th July 2023 to 15th July 2024).

Approval of Financial Statements:

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held on 1st Poush, 2081 and have been recommended for approval by shareholders in the Annual General Meeting.

2.4. Functional and Presentation Currency

The financial statements are presented in Nepalese Rupees (NPR) which is the functional and presentation currency of the Bank.

The financial information presented has been rounded off to nearest rupee except where otherwise stated.

2.5. Use of Estimates, Assumptions and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

Reporting Pronouncement

The Group has adopted the NFRS pronounced by ASB (updated 2018) for the preparation of financial statements. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).



However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 10 November 2020 has resolved that Carve-outs in NFRS with alternative treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB).

The Group has thus applied following carve outs in preparing the financial statements:

- i. **Para 5.4 of NFRS 9 – "Financial Instruments"**
Carve out from the requirement to recognize impairment loss for expected credit losses on financial assets – loans and advances as specified in para 5.4 of NFRS 9 unless the reporting entity is a bank or a financial institution registered as per Bank and Financial Institutions Act 2073. Such entities shall measure impairment loss on loans and advances at the higher of:
 - a. amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provisioning; and
 - b. amount determined as per Para 5 of the carve out which specifies calculation of impairment loss on incurred loss model. As a result of this treatment, the Group has recognized impairment loss on loans and advances at the higher of the amount derived as per prudential norms specified in NRB Directive No. 2/80 and the amount derived from incurred loss model as specified in para 5 of the carve out.
- ii. **Para 5.5 of NFRS 9 – "Financial Instruments"**
Carve out from the requirement to incorporate all fees and points paid or received under contractual terms of a financial instrument in the calculation of 'Effective Interest Rate' for the financial instrument as specified in para 5.4 of NFRS 9 unless it is immaterial or impracticable to determine such fees and points reliably. The Group has adopted this alternative treatment in the case of loans and advances.

As a result of this alternative treatment, the Group has excluded the full amount of upfront loan administration fee received on loans and advances in the calculation of effective interest rate for the loan. The upfront fees and commission are recognized as income in the same period the loan is disbursed. The Group has assessed that this election is justifiable in line with the principal of cost and benefit of adopting certain provisions in NFRS.

2.6. Changes in Accounting Policies

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening NFRS compliant Statement of Financial Position as at 1st Shrawan, 2074 being the date of transition to NFRS.

2.7. New Standards Issued but not yet effective

- i. IFRS 9 'Financial Instruments' has been internationally made applicable by International Accounting Standard Board from 1st January 2018 but the same has not made applicable by the ICAN up to the reporting date. The requirement of IFRS 9 is expected loss model which will replace the incurred loss model as specified in NAS 39.

Expected Credit Loss Model (ECL) of Impairment

The Expected Credit Loss (ECL) model is a forward-looking model. The ECL estimates are unbiased, probability-weighted, and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Under the general approach, IFRS 9 recognizes three stage approach to measure expected credit losses and recognized interest income.

Stage 1: 12-month ECL – No significantly increased credit risk Financial instruments that have not had a significant increase in credit risk since initial recognition require, at initial recognition a provision for ECL associated with the probability of default events occurring within the next 12 months (12-month ECL). For those financial assets with a remaining maturity of less than 12 months, a Probability of Default (PD) is used that corresponds to the remaining maturity. Interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

Stage 2: Lifetime ECL – Significantly increased credit risk in the event of a significant increase in credit risk since initial recognition, a provision is required for the lifetime ECL representing losses over the life of the financial instrument (lifetime ECL).

Interest income will continue to be recognized on a gross basis.

Stage 3: Lifetime ECL – Defaulted Financial instruments that move into Stage 3 once credit impaired and purchases of credit impaired assets will require a lifetime provision. Interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

- ii. The amendment to IAS 1 - Presentation of Financial Statements was issued by the International Accounting Standards Board (IASB) on May 23, 2023. The amendments require entities to disclose their material rather than their significant accounting policies. This amendment in IAS 1 is yet to be incorporated in NAS 1, thus it has not been implemented in preparing Financial Statement.

- iii. IASB has issued a new accounting standard IFRS 15 - Revenue from Contract with Customers for the recognition of the revenue which has not been taken into consideration for the preparation of these financial statement.
- iv. Others amendments in existing standards and interpretations issued by IASB are not applicable as those are made effective by ICAN.

2.8. Discounting

The Group determines amortized cost of a financial asset or a financial liability using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of a financial asset or a financial liability to the net carrying amount of the financial asset or liability. If expected life cannot be determined reliably, then the contractual life is used.

In case where the Group assesses that the transaction amount of a financial asset or a financial liability does not represent its fair value, the related future cash flows are discounted at prevailing interest rate to determine the initial fair value.

3. Significant Accounting Policies

3.1. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, except for the following material items:

Item	Basis of Measurement
Investment Securities through SOCI	Fair Value
Employees Defined Benefit Obligation	Present value of defined benefit obligation less the fair value of the plan assets

3.2. Basis of Consolidation

a. Business Combination

Business combinations are accounted for using the acquisition method in line with the NFRS 03 "Business Combination". The consideration transferred in the acquisition and identifiable net assets acquired are measured at fair value. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

The consideration transferred does not include amount related to the settlement of pre-existing relationships. Such amount is generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b. Non-Controlling Interest

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

c. Subsidiaries

Subsidiaries are the entities controlled by the bank. The Group controls an entity if it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Consolidate Financial Statement includes the financials of the subsidiary from the date the control commences until the date control ceases. In preparing the consolidated financial statements, the financial statements are combined by adding the like items of assets, liabilities, equity, income, expenses and cash flows of the parent line by line with those of its subsidiary and eliminating the transaction with the companies within the group.

d. Loss of Control

When the Group loses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any-related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former Subsidiary is measured at fair value when control is lost and is accounted depending on the level of control retained.

e. Special Purpose Entity (SPE)

Special purpose entities are created to achieve a narrow and well-defined objective with restrictions around their activities. Special purpose entities are consolidated when the substance of the relationship between The Group and the special purpose entity indicates The Group has power over the contractual relevant activities of the special purpose entity, is exposed to variable returns, and can use that power to affect the variable return exposure.

The Group does not have any interest on special purpose entities during the reporting period.

f. Transaction elimination on consolidation

Intra-group balances, transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements as per the provision of NFRS 10- Consolidated Financial Statement. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.3. Cash & Cash Equivalent

Cash and cash equivalent comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value and carried at amortised cost.

The cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with banks, money at call and money market funds and financial assets with original maturity less than 3 months from the date of acquisition.

3.4. Financial Assets and Financial Liabilities

a. Recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities which are carried at fair value through profit or loss (FVTPL), are charged to the statement of profit and loss.

b. Classification

The financial assets and liabilities are subsequently measured at amortized cost or fair value based on business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are classified under three categories as required by NFRS 9, namely:

i. Financial Assets measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

ii. Financial Assets measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI).

iii. Financial Assets measured at fair value through profit or loss:

The Group classifies the financials assets as fair value through profit or loss if they are held for trading or designated at fair value through profit or loss.

Any other financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL.

Financial liabilities are classified under two categories as required by NFRS 9, namely:

i. Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Upon initial recognition, transaction cost directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.

ii. Financial liabilities measured at amortised cost: All financial liabilities other than measured at fair value through profit or loss are classified as subsequently measured at amortized cost using effective interest method.

c. De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

d. Determination of Fair Value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group follow three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets;

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable or valuations of quoted for similar instrument in active markets or quoted prices for identical or similar instrument in inactive markets; and

Level 3: Significant inputs to the fair value measurement are unobservable.

Investment in Unquoted Equity Instrument are carried cost as the market price of such shares could not be ascertained with certainty at the reporting date.

e. Impairment

The Group reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be provided in the Statement of Profit or Loss. The Management's judgement is extensively used in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and hence actual results may differ, resulting in future changes to the provisions made.

The individual impairment provision applies to financial assets evaluated individually for impairment and is based on Management's best estimate of the present value of the future cash flows that are expected to be received. In estimating these cash flows, Management makes judgements about the number of factors including a borrower's financial situation and the net realisable value of any underlying collateral. Top borrowers and loans classified as non-performing assets as per NRB norms forming part of 25% of the portfolio are tested for individual impairment. Each impaired asset is assessed on its merits to estimate the recoverable amount of cash flows.

The Group considers the following factors in assessing objective evidence of impairment:

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where The Group initiates legal recourse of recovery in respect of a credit obligation of the counterpart.
- Where The Group consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

A collective impairment provision is established for:

- groups of homogeneous loans and advances and investment securities which are held-to-maturity, that are not considered individually significant; and
- groups of assets that are individually significant but that were not found to be individually impaired.

The collective impairment is carried using the statistical modelling such as historical trends of probability of defaults, timings of recoveries, and current economic and market conditions which may warrant for the loss being greater than the suggested by the historical trends.

For the purpose of collective assessment of impairment bank has categorized assets into following broad products as follows:

- Home Loan
- Hire Purchase Loan
- Personal Loan
- Business Loans
- Small & Micro Credit

Carve out adopted for assessment of impairment charge

The Group has opted to apply carve out on impairment of loans and receivables. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no. 2, higher of the amount derived from these measures is taken as impairment loss for loans and receivables.

3.5. Trading Assets

Financial assets are classified as trading assets (held for trading) if they have been acquired principally for the purpose of selling in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short- term profit taking. They are recognised on trade date, when The Group enters into contractual arrangements with counterparties, and are normally derecognised when sold. They are initially measured at fair value, with transaction costs taken to profit or loss. Subsequent changes in their fair values are recognised in profit or loss.

3.6. Derivative Assets and Derivative Liabilities

Derivative instruments include transactions like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date. The Group does not have any derivative instrument during the reporting period.



3.7. Property and Equipment

Recognition and measurement: The Group applies the cost model to all property and equipment and recognise these at the cost of acquisition plus expenditures directly attributable to the acquisition of the asset, less accumulated depreciation and any accumulated impairment losses, if any. Cost also include the cost of replacing part of the equipment when the recognition criteria are met.

Depreciation: The Group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Type of Assets	Useful Life
Buildings	50 Years
Leasehold Properties	5 Years
Computer & Accessories	5 Years
Vehicles - Two-Wheeler	5 Years
Vehicles - Four-Wheeler	7 Years
Furniture & Fixtures	5 Years
Equipment & Others – Equipment	5 Years
Equipment & Others – Others	2 Years

The Group has not measured the any property and plant at revaluation model and at fair value.

Assets having acquisition cost less than or equal NPR 10,000 have been written off as an expense in the Statement of Profit or Loss.

3.8. Goodwill/Intangible Assets

a. Goodwill

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired in Business Combination is recognised as goodwill. Goodwill is measured at cost less any accumulated impairment losses. The Group follows the partial goodwill method for the computation of goodwill in business combinations. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

b. Intangible Assets:

Intangible assets are recognised when the cost of the asset can be measured reliably, there is control over the asset as a result of past events, future economic are expected from the asset. These intangible assets

are recognised at historical cost less impairment less amortisation over their estimated useful life.

Amortisation of the intangible assets is calculated using the straight-line method over the useful life of 5 years.

3.9. Investment Property

Investment properties are land or building or both other than those classified as property and equipment under NAS 16 – "Property, Plant and Equipment"; and assets classified as non-current assets held for sale under NFRS 5 – "Non-Current Assets Held for Sale and Discontinued Operations". Land and Building acquired as non-banking assets are recognised as investment property.

Investment properties are initially measured at cost, including transaction costs. Subsequently all investment properties are reported at fair value with any gains or losses in fair value reported in the statement of profit and loss as they arise. No depreciation is charges in investment property as they are not intended for the owner-occupied use.

3.10. Income Tax

Tax expenses comprises of current tax and deferred tax.

a. Current Tax

Current tax is the income tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. Current tax is the amounts expected or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

b. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when the group has a legal right to offset.

3.11. Deposit, debt securities issued and subordinated liabilities

a. Deposits

Deposits by banks & customers are financial liabilities of The Group as there is an obligation to deliver cash or financial assets back to the depositing bank or customer and are initially recognised at fair value, plus for those financial liabilities not at fair value through profit and loss. The transaction price is considered as the fair value for measuring the deposits.

b. Debt Securities Issued

Debt Securities are initially measured at the fair value less incremental direct cost and subsequently at their amortised cost using effective interest method except where The Group designates liabilities at fair value through profit t or loss.

c. Subordinated Liabilities

These are the liabilities subordinated, at the event of winding up, to claims of depositors, debt securities issued and other creditors. It shall include redeemable preference shares, subordinated notes issued, borrowings etc.

3.12. Provisions

A provision is recognized if as a result of a past event, The Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates and are reversed if there is not the probability of outflow of resources.

The contingent liability are the liabilities for which it is uncertain as to whether it will become an obligation as it depends on the occurrence of an uncertain future event. These amounts are off-balance sheet items and are disclosed when there is a possible obligation that may but probably will not require an outflow of resources.

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

3.13. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Bank and the consideration can be reliably measured. The following specific recognition criteria shall also be met for revenue recognition:

a. Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets through other comprehensive income interest income or expense is recorded using the Effective Interest Rate [EIR]. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation of effective interest rate includes all charges and fee paid or received that are integral part of the effective interest only if considered necessary. Such a charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have derived under effective interest method and are recognised directly in statement of profit and loss.

The interest income recognised in the statement of profit and loss includes the following:

- Interest income on financial assets measured at amortized cost calculated on an effective interest rate method, except for impaired loans and advances. These financial assets include investment in government securities, investment in NRB Bond and deposit instruments, reverse repos, interbank lending, etc.
- As per carve out on NAS 39 Para 9, The Group has not included the fees and paid or received in loans and advances that are immaterial or impracticable to determine reliably the effective interest rate and have recognized them directly as revenue in the Statement of Profit or Loss.
- As per carve out on NAS 39 AG 93, The Group has applied the effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.
- Interest on investment securities is calculated on effective interest rate.
- Income on discounted instruments like bills purchased, documents negotiation is recognized over the period of discounting on accrual basis using effective interest rate.
- Interest income on all trading assets are considered to be incidental to the Group's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.
- The group has adopted the following criterion in to suspend the interest income where there is reasonable doubt about the collectability of the interest:
 - i. Loans where there is reasonable doubt about the ultimate collectability of principal or interest;
 - ii. Loans against which individual impairment as per NAS 39 or life time impairment as per NFRS 9 has been made;
 - iii. Loans where contractual payments of principal and/or interest are more than 3 months in arrears and where the "net realizable value" of security is insufficient to cover payment of principal and



- accrued interest;
- iv. Loans where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral;
 - v. Overdrafts and other short-term facilities which have not been settled after the expiry of the loan and even not renewed within 3 months of the expiry, and where the net realizable value of security is insufficient to cover payment of principal and accrued interest;
 - vi. Overdrafts and other short-term facilities which have not been settled after the expiry of the loan and even not renewed within 12 months of the expiry, irrespective of the net realizable value of collateral.

b. Fee and Commission Income

Fees and commissions are generally recognised on an accrual basis when the service has been provided.

c. Dividend Income

Dividend income received from equity shares is recognized in the books when the bank's right to receive the dividend is established.

d. Net Trading Income

Net Trading Income includes all gains and losses from changes in fair value, related capital gain/loss and dividend from financial assets through profit and loss. Trading expenses are deducted from the trading income and the amount net of trading expenses are disclosed in statement of profit and loss.

e. Net Income from Other Financial Instrument at Fair Value Through Profit or Loss

Net income from other financial instrument measured at fair value through Profit or Loss includes all gains/(losses) arises from the revaluation of financial instrument at fair value.

f. Grant Income

Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Income approach is followed in recording grant income. Government grants related to the assets including non-monetary grants at fair value is presented in the statement of financial position by setting up Deferred Grant Income.

Grant received towards purchase of fixed assets has been recognised to asset account. Any depreciation on the assets, in the income statement will be reduced pro rata in accordance with grant relative to the asset value.

Grant received as reimbursements of operating expenses incurred or to be incurred are recognized in profit or loss as and when the cost is incurred.

Grants related to income are presented as part of profit or loss under other operating income.

3.14. Interest Expenses

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method.

3.15. Employee Benefits

a. Short term employee benefits

The Group's short-term employee benefits mainly include wages, salaries, allowances, social security expenses, bonuses as provided in the law and other employee related expenses. Short term employee benefits are measured on an undiscounted basis and are charged to statement of profit and loss as and when the related service is provided.

b. Long term employee benefits

• Defined Contribution Plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees which The Group contributes fixed percentage of the salary to the Employee's Provident Fund. The Group has no further obligations under these plans beyond its periodic contributions.

• Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on corporate bonds, that have maturity dates approximating the terms of the bank's obligation and that are denominated in the currency in which the benefits are expected to be paid.

The defined benefit obligation is recognised on the basis of the report of qualified actuary using the projected unit credit method. The Group recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit and loss account.

Measurements of the net defined benefit liability comprise actuarial gains and losses. The return on plan assets (excluding interest income) and the effect of the assets ceiling (if any excluding

interest) are recognized immediately in Other Comprehensive Income. The Group determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefits liability (assets), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefits payments. Net interest expenses and other expenses related to defined benefit plans are recognized as personnel expenses in Statement of profit and Loss.

The Group provides gratuity and leave encashment as the defined benefits plans to its employees.

3.16. Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis.

3.17. Foreign Currency Translation

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

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss as the gain/losses on the revaluation of foreign currencies. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. An amount equivalent to the net exchange gain /loss during the year is transferred to/other operating Income.

3.18. Financial Guarantee and Loan Commitments

Financial Guarantees are contingent liabilities that arise out of the contract that The Group might make specified

payments to reimburse the holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with terms of debt instrument. Guarantee liabilities being the off-balance items are disclosed if the outflow of economic resources is probable.

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

3.19. Share Capital and Reserves

Equity is the residual interest in the total assets of The Group after deducting all of its liability. Shares are classified as equity when The Group has an unconditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of The Group and there is no contractual obligation whatsoever to that effect. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon.

Dividends on ordinary shares and preference shares classified as equity are recognized in equity in the period in which they are declared.

Reserves are the allocation out of profit or retained earnings. These are created as statutory requirement, accounting standard requirement and bank's own requirement.

3.20. Earnings per Share (EPS) including diluted EPS

Bank presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

3.21. Segment Reporting

The Bank's operating segments are organized and managed separately through the respective department/ business managers according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by Chief Executive Officer of the Bank.



The Group has identified three segments namely: Modern Banking, Small and Micro Banking, Treasury Operations as operating segment and the segment report is set out in Notes 5.4.

Segment report include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The income, expenses, assets & liabilities that cannot be allocated to aforesaid segment or those related to head office are unallocated are included in Modern Banking. The unallocated items generally comprise of head office assets, head office expenses, and tax assets and liabilities.

The geographical segment has been identified on the basis of the location of the branches in 7 different provinces of the country.

3.22. Investment in Associates

For the purpose of consolidation, The Group applies NAS 28 - Investments in Associates. Associates are entities in which The Group has significant influence, but not control, over the operating and financial policies. Generally, The Group holds more than 20%, but less than 50%, of their voting shares.

The investments in associates are initially recognised at cost and increased (or decreased) each year by the Bank's share of the post-acquisition profit/(loss) using equity method. The Group ceases to recognise its share of the losses of equity accounted associates when its share of the net assets and amounts due from the entity have been written off in full, unless it has a contractual or constructive obligation to make good its share of the losses.

Notes Forming Part of the Financial Statements

Cash and Cash Equivalent

Note 4.1

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Cash in Hand	1,334,065,402	1,497,621,829	1,334,058,220	1,497,590,402
Balance with Bank and Financial Institutions	398,355,956	315,558,387	150,966,652	258,044,777
Money at Call and Short Notice	1,649,496,175	3,512,876,949	1,649,496,175	3,512,876,949
Other	373,848	27,620	18,657	27,620
Total	3,382,291,381	5,326,084,785	3,134,539,704	5,268,539,748

Cash and Cash Equivalent includes the cash, bank balance, money at call and treasury bill with maturity of three months or less from the date of acquisition and is carried at amortised cost. The cash and balance with BFIs are maintained to manage the liquidity at the branch level. The money at call and other cash and cash equivalents are the highly liquid assets made by the bank.

Cash at vault and cash transit are adequately secured for the physical loss. The foreign convertible currency held in hand and banks are subject to price fluctuation due to market movement. The Bank continuously monitors and manages the market risk involved in foreign currency thus they are considered to be exposed to insignificant risks.

Due from Nepal Rastra Bank

Note 4.2

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Statutory Balances with NRB	3,353,627,243	3,726,166,464	3,353,627,243	3,726,166,464
Securities Purchased under Resale Agreement	-	-	-	-
Other Deposit and Receivable from NRB	6,252,514,951	5,965,669	6,252,514,951	5,965,669
Total	9,606,142,194	3,732,132,133	9,606,142,194	3,732,132,133

Other Deposit and Receivable from NRB includes:

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Placement in Standing Deposit Facility	6,250,000,000	-	6,250,000,000	-
Balances in Foreign Currency Accounts	2,514,951	5,965,669	2,514,951	5,965,669

Statutory Balance with Nepal Rastra Bank represent the cash balance that is required to be held as the Cash Reserve Ratio as per the regulatory norms. The foreign convertible currency deposit are subject to price fluctuation due to market movement.

Placement with Bank and Financial Institutions

Note 4.3

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Placement with domestic B/FIs	-	-	-	-
Placement with foreign B/FIs	-	-	-	-
Less: Allowances for impairment	-	-	-	-
Total	-	-	-	-

Placement with Banks and Financial Institution includes the placements with domestic as well as foreign bank and financial institutions with original maturities of more than three months from the acquisition date. The bank do not have any placement with banks and financial institutions at the reporting date.

Derivative Financial Instruments

Note 4.4

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

A significant part of the derivatives in the portfolio are related to servicing corporate clients in their risk management to hedge. Mostly, foreign currency exposures. However, bank does not have any derivative financial instruments as on reporting date.

Other Trading Assets

Note 4.5

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Treasury Bills	-	-	-	-
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	102,940,286	48,618,603	-	-
Other	-	-	-	-
Total	102,940,286	48,618,603	-	-
Pledged	-	-	-	-
Non-pledged	102,940,286	48,618,603	-	-

Other trading assets includes the non derivative financial assets that are primarily held of trading purpose. The other trading assets are recognised at fair value through profit and loss and includes the securities, the Group, has acquired for generating the short term profit.

Loans and Advances to BFIs

Note 4.6

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Loans to Microfinance Institutions	2,165,571,339	2,569,756,164	2,165,571,339	2,569,756,164
Other	-	-	-	-
Less: Allowances for Impairment	(25,944,805)	(33,316,893)	(25,944,805)	(33,316,893)
Total	2,139,626,534	2,536,439,270	2,139,626,534	2,536,439,270

Loans and Advances to BFIs has been carried at amortised cost and includes accrued interest receivable amounting NPR 3,504,266

4.6.1: Allowances for impairment

Balance at Shrawan 1	33,316,893	35,865,826	33,316,893	35,865,826
Impairment loss for the year:				
Charge for the year	25,944,805	33,316,893	25,944,805	33,316,893
Recoveries/reversal	(33,316,893)	(35,865,826)	(33,316,893)	(35,865,826)
Amount written off	-	-	-	-
Balance at Asar end	25,944,805	33,316,893	25,944,805	33,316,893

Loans and Advances to Customers

Note 4.7

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Loan and advances measured at amortized cost	94,646,727,830	96,412,230,455	94,646,727,830	96,412,230,455
Less: Impairment allowances				
Collective Impairment	(1,463,262,532)	(1,203,346,742)	(1,463,262,532)	(1,203,346,742)
Individual Impairment	(1,276,156,273)	(751,917,761)	(1,276,156,273)	(751,917,761)
Net amount	91,907,309,025	94,456,965,952	91,907,309,025	94,456,965,952
Loan and advances measured at FVTPL	-	-	-	-
Total	91,907,309,025	94,456,965,952	91,907,309,025	94,456,965,952

The loans and advance to customers are carried at the amortised cost. After the initial recognition, loans and advances are subsequently measured at gross carrying amount using effective interest rate less the provision for impairment. The loan administration charges charged from the customer are considered immaterial thus are not considered while calculating the effective interest rate.

As per the carve out notice issued by ICAN, the Bank has measured 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 of NAS 39. The losses arising from impairment are recognised in 'Impairment charge for loans and other losses' in the Statement of Profit or Loss.

4.7.1: Analysis of Loan and Advances - By Product

Product	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Term Loans	44,928,474,709	40,978,805,616	44,928,474,709	40,978,805,616
Overdraft	3,145,601,822	5,250,440,515	3,145,601,822	5,250,440,515
Trust Receipt/Import Loans	-	-	-	-
Demand And Other Working Capital Loans	9,338,326,033	10,824,728,653	9,338,326,033	10,824,728,653
Personal Residential Loans	13,918,920,818	13,751,442,786	13,918,920,818	13,751,442,786
Real Estate Loans	7,813,714,410	6,628,267,354	7,813,714,410	6,628,267,354
Margin Lending Loans	2,805,439,551	2,786,264,782	2,805,439,551	2,786,264,782
Hire Purchase Loans	2,165,384,256	2,711,892,497	2,165,384,256	2,711,892,497
Deprived Sector Loans	4,048,834,014	6,310,132,551	4,048,834,014	6,310,132,551
Bills Purchased	-	-	-	-
Staff Loans	843,934,061	766,148,251	843,934,061	766,148,251
Other	4,353,538,832	5,534,432,890	4,353,538,832	5,534,432,890
Sub total	93,362,168,505	95,542,555,893	93,362,168,505	95,542,555,893
Interest Receivable*	1,284,559,325	869,674,562	1,284,559,325	869,674,562
Grand total	94,646,727,830	96,412,230,455	94,646,727,830	96,412,230,455

Out of total interest receivable of NPR 1,284,559,325 the amount of NPR 41,516,739 pertains to staff's loans and advances.

4.7.2: Analysis of Loan and Advances - By Currency

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Nepalese Rupee	94,646,727,830	96,412,230,455	94,646,727,830	96,412,230,455
Indian Rupee	-	-	-	-
United State Dollar	-	-	-	-
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	94,646,727,830	96,412,230,455	94,646,727,830	96,412,230,455

4.7.3: Analysis of Loan and Advances - By Collateral

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Secured				
Movable/immovable assets	82,127,724,533	80,293,792,565	82,127,724,533	80,293,792,565
Gold and silver	634,824,558	643,077,069	634,824,558	643,077,069
Guarantee of domestic B/FIs	-	-	-	-
Government guarantee	-	-	-	-
Guarantee of international rated bank	-	-	-	-
Collateral of export document	-	-	-	-
Collateral of fixed deposit receipt	953,095,934	1,697,651,801	953,095,934	1,697,651,801
Collateral of Government securities	-	-	-	-
Counter guarantee	-	-	-	-
Personal guarantee	4,434,953,368	5,634,074,247	4,434,953,368	5,634,074,247
Other collateral	6,496,129,438	8,143,634,774	6,496,129,438	8,143,634,774
Subtotal	94,646,727,830	96,412,230,455	94,646,727,830	96,412,230,455
Unsecured	-	-	-	-
Grant Total	94,646,727,830	96,412,230,455	94,646,727,830	96,412,230,455

4.7.4: Allowances for Impairment

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Specific allowances for impairment				
Balance at Shrawan 1	751,917,761	127,648,385	751,917,761	127,648,385
Impairment loss for the year:				
Charge for the year	550,626,754	634,525,477	550,626,754	634,525,477
Recoveries/reversal during the year	-	-	-	-
Write-offs	(26,388,242)	(10,256,102)	(26,388,242)	(10,256,102)
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	1,276,156,273	751,917,761	1,276,156,273	751,917,761
Collective allowances for impairment				
Balance at Shrawan 1	1,203,346,742	1,126,391,375	1,203,346,742	1,126,391,375
Impairment loss for the year:				
Charge/(reversal) for the year	259,915,790	76,955,366	259,915,790	76,955,366
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	1,463,262,532	1,203,346,742	1,463,262,532	1,203,346,742
Total allowances for impairment	2,739,418,805	1,955,264,503	2,739,418,806	1,955,264,503
Total allowances for impairment under NFRS	539,249,700	460,359,464	539,249,700	460,359,464

Investment Securities

Note 4.8

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Investment securities measured at amortized cost	13,890,181,038	21,883,725,127	13,857,025,789	21,698,495,679
Investment in equity measured at FVTOCI	392,222,317	386,113,821	392,222,317	386,113,821
Total	14,282,403,355	22,269,838,948	14,249,248,106	22,084,609,500

Investment Securities measured at Amortized Cost:

The investment made in government bonds and treasury bills with original maturities of more than three months from the acquisition date measured at the amortised cost using the effective interest rate and are presented under this head. It includes accrued interest receivable of NPR 154,045,789 on government securities. The details of the investment made in these securities are presented in Note 4.8.1.

Investment in Equity measured at FVTOCI

The bank's investment in shares and mutual fund are carried at fair value through other comprehensive income. The bonus share received is accounted by increasing the number of shares without changing the cost of the shares. Investment in unquoted equity securities have been valued at face value. Further, investment in Promoter shares has been valued at intrinsic value as of latest reporting dates. The details of the investment made in these securities are presented in Note 4.8.3.

4.8.1: Investment securities measured at amortized cost

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Debt Securities	13,155,249	16,829,448	-	-
Government Bonds	13,857,025,789	15,628,916,674	13,857,025,789	15,628,916,674
Government Treasury Bills	-	6,042,210,621	-	6,042,210,621
Nepal Rastra Bank Bonds	-	27,368,384	-	27,368,384
Nepal Rastra Bank Deposits Instruments	-	-	-	-
Other	20,000,000	168,400,000	-	-
Less: specific allowances for impairment	-	-	-	-
Total	13,890,181,038	21,883,725,127	13,857,025,789	21,698,495,679

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

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Equity instruments				
Quoted Equity Securities	389,127,517	383,490,150	389,127,517	383,490,150
Unquoted Equity Securities	3,094,800	2,623,671	3,094,800	2,623,671
Total	392,222,317	386,113,821	392,222,317	386,113,821

4.8.3: Information relating to investment in equities

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
In Quoted Equity Instruments:								
Arun Kabeli Power Ltd. 2 equity shares of Rs 100 each	200	370	-	-	200	370	-	-
Himalayan Everest Insurance Limited 15,000 equity shares of Rs 100 each	9,629,216	9,480,000	-	-	9,629,216	9,480,000	-	-
Nepal Insurance Co. Ltd. 14,000 equity shares of Rs 100 each	12,224,867	12,320,000	-	-	12,224,867	12,320,000	-	-
Ngadi Group Power Ltd. 10,000 equity shares of Rs 100 each	3,114,400	3,410,000	-	-	3,114,400	3,410,000	-	-
Sanima Reliance Life Insurance Limited 3,996 equity shares of Rs 100 each	1,802,875	1,887,710	-	-	1,802,875	1,887,710	-	-
Suryajyoti Life Insurance Company Limited 5,308 equity shares of Rs 100 each	2,446,845	2,281,909	-	-	2,446,845	2,281,909	-	-
Taragaon Regency Hotel Limited 12,000 equity shares of Rs 100 each	9,840,835	9,684,000	-	-	9,840,835	9,684,000	-	-
Mountain Energy Nepal Limited 19,004 equity shares of Rs 100 each PY: 3,482 equity shares of Rs 100 each	11,617,504	11,345,388	2,859,963	3,464,590	11,617,504	11,345,388	2,859,963	3,464,590
National Life Insurance Co. Ltd. 3,000 equity shares of Rs 100 each PY: 1,824 equity shares of Rs 100 each	1,593,270	1,785,000	1,044,805	1,176,480	1,593,270	1,785,000	1,044,805	1,176,480
Neco Insurance Limited 3,490 equity shares of Rs 100 each PY: 1,824 equity shares of Rs 100 each	2,661,998	2,917,640	2,608,805	3,050,235	2,661,998	2,917,640	2,608,805	3,050,235
Sanima Mai Hydropower Ltd. 22,000 equity shares of Rs 100 each PY: 20,000 equity shares of Rs 100 each	6,451,200	7,469,000	6,451,200	7,100,000	6,451,200	7,469,000	6,451,200	7,100,000
Siddhartha Premier Insurance Limited 9,303 equity shares of Rs 100 each PY: 8,233 equity shares of Rs 100 each	8,810,592	7,999,650	8,038,372	6,409,391	8,810,592	7,999,650	8,038,372	6,409,391
Chilime Hydropower Company Limited 5,000 equity shares of Rs 100 each PY: 2,000 equity shares of Rs 100 each	2,048,400	2,325,000	838,740	1,073,400	2,048,400	2,325,000	838,740	1,073,400
Life Insurance Corporation (Nepal) Limited 2,000 equity shares of Rs 100 each PY: 895 equity shares of Rs 100 each	2,798,900	2,876,000	1,319,033	1,391,725	2,798,900	2,876,000	1,319,033	1,391,725
Sanima GIC Insurance Limited* 72,857 equity shares of Rs 100 each PY: 100,000 equity shares of Rs 100 each	7,285,700	21,019,245	10,000,000	53,923,022	7,285,700	21,019,245	10,000,000	53,923,022
Bottlers Nepal (Terai) Limited 100 equity shares of Rs 100 each PY: 600 equity shares of Rs 100 each	1,405,440	1,300,000	7,930,640	8,280,000	1,405,440	1,300,000	7,930,640	8,280,000
Api Power Company Ltd. 23,047 equity shares of Rs 100 each PY: 7,617 equity shares of Rs 100 each	4,719,500	4,401,977	2,413,294	1,500,549	4,719,500	4,401,977	2,413,294	1,500,549
CEDB Hydropower Development Company Limited 1,275 equity shares of Rs 100 each PY: 2,485 equity shares of Rs 100 each	907,826	1,477,725	1,769,394	2,246,440	907,826	1,477,725	1,769,394	2,246,440
Himalayan Distillery Limited 880 equity shares of Rs 100 each PY: 800 equity shares of Rs 100 each	1,630,807	1,217,920	1,630,808	1,798,400	1,630,807	1,217,920	1,630,808	1,798,400
Rastriya Beema Company Limited* 100 equity shares of Rs 100 each PY: 100 equity shares of Rs 100 each	1,467,699	1,349,000	1,467,699	1,609,900	1,467,699	1,349,000	1,467,699	1,609,900



4.8.3: Information relating to investment in equities

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
In Quoted Equity Instruments:								
Arun Valley Hydropower Development Co. Ltd. 9,720 equity shares of Rs 100 each PY: 4,860 equity shares of Rs 100 each	2,224,714	1,729,188	1,738,762	1,239,300	2,224,714	1,729,188	1,738,762	1,239,300
Sahas Urja Limited 3,000 equity shares of Rs 100 each PY: 3,000 equity shares of Rs 100 each	1,538,100	1,557,000	1,538,100	1,451,700	1,538,100	1,557,000	1,538,100	1,451,700
Universal Power Company Limited 1,899 equity shares of Rs 100 each PY: 1,750 equity shares of Rs 100 each	404,012	391,384	404,005	383,250	404,012	391,384	404,005	383,250
Citizen Investment Trust 20,417 equity shares of Rs 100 each PY: 14,894 equity shares of Rs 100 each	42,399,097	39,711,065	42,399,139	31,113,566	42,399,097	39,711,065	42,399,139	31,113,566
Nepal Doorsanchar Company Limited 7,500 equity shares of Rs 100 each PY: 6,400 equity shares of Rs 100 each	7,557,750	6,337,500	6,663,795	5,804,160	7,557,750	6,337,500	6,663,795	5,804,160
Shivam Cements Limited 11,285 equity shares of Rs 100 each PY: 4,000 equity shares of Rs 100 each	8,225,861	5,668,456	4,849,460	2,606,000	8,225,861	5,668,456	4,849,460	2,606,000
Nepal Life Insurance Co. Ltd. 16,565 equity shares of Rs 100 each PY: 16,565 equity shares of Rs 100 each	28,730,867	10,253,735	28,730,867	12,324,360	28,730,867	10,253,735	28,730,867	12,324,360
Nepal Reinsurance Company Limited 5,368 equity shares of Rs 100 each PY: 4,893 equity shares of Rs 100 each	6,118,365	3,746,864	6,118,365	3,448,400	6,118,365	3,746,864	6,118,365	3,448,400
Asian Life Insurance Co. Limited 20,783 equity shares of Rs 100 each PY: 1,863 equity shares of Rs 100 each	12,100,794	12,947,809	908,231	1,388,121	12,100,794	12,947,809	908,231	1,388,121
Shikhar Insurance Co. Ltd. 25,722 equity shares of Rs 100 each PY: 25,722 equity shares of Rs 100 each	36,202,943	18,597,006	36,202,943	21,735,090	36,202,943	18,597,006	36,202,943	21,735,090
Bishal Bazar Company Limited* 500 equity shares of Rs 100 each PY: 500 equity shares of Rs 100 each	3,620,000	2,043,500	3,620,000	1,715,000	3,620,000	2,043,500	3,620,000	1,715,000
Sub-total	241,580,578	209,531,040	181,546,422	176,233,079	241,580,578	209,531,040	181,546,422	176,233,079
In Unquoted Equity Instruments:								
Nepal Clearing House Ltd. 15,670 equity shares of Rs 100 each PY: 11,355 equity shares of Rs 100 each	300,000	3,094,800	300,000	2,623,671	300,000	3,094,800	300,000	2,623,671
Sub-total	300,000	3,094,800	300,000	2,623,671	300,000	3,094,800	300,000	2,623,671
In Mutual Funds:								
NIBL Stable Fund 250,000 units of Rs 10 each	2,500,000	2,500,000	-	-	2,500,000	2,500,000	-	-
NIC Asia Growth Fund-2 250,000 units of Rs 10 each	2,500,000	2,050,000	-	-	2,500,000	2,050,000	-	-
NMB Sulav Investment Fund - 2 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	20,000,000	20,120,000	20,000,000	19,980,000	20,000,000	20,120,000	20,000,000	19,980,000
Nabil Flexi Cap Fund 300,000 unit of Rs 10 each PY: 300,000 unit of Rs 10 each	3,000,000	3,192,000	3,000,000	3,000,000	3,000,000	3,192,000	3,000,000	3,000,000
Sanima Growth Fund 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	2,000,000	2,028,000	2,000,000	1,998,000	2,000,000	2,028,000	2,000,000	1,998,000
Sunrise Focused Equity Fund 300,000 units of Rs 10 each PY: 300,000 units of Rs 10 each	3,000,000	2,472,000	3,000,000	2,904,000	3,000,000	2,472,000	3,000,000	2,904,000

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
Prabhu Smart Fund 600,000 units of Rs 10 each PY: 600,000 units of Rs 10 each	6,000,000	5,766,000	6,000,000	5,940,000	6,000,000	5,766,000	6,000,000	5,940,000
Kumari Sunaulo Lagani Yojana 300,000 units of Rs 10 each PY: 300,000 units of Rs 10 each	3,000,000	3,552,000	3,000,000	3,000,000	3,000,000	3,552,000	3,000,000	3,000,000
NIBL Growth Fund 300,000 units of Rs 10 each PY: 300,000 units of Rs 10 each	3,000,000	3,192,000	3,000,000	3,192,000	3,000,000	3,192,000	3,000,000	3,192,000
Citizens Super 30 Mutual Fund 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Siddhartha Investment Growth Scheme 3 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,362,500	2,500,000	2,500,000	2,500,000	2,362,500	2,500,000	2,500,000
RBB Mutual Fund 2 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	950,000	1,000,000	1,000,000	1,000,000	950,000	1,000,000	1,000,000
Shubha Laxmi Kosh 500,000 units of Rs 10 each PY: 500,000 units of Rs 10 each	5,000,000	5,380,000	5,000,000	5,000,000	5,000,000	5,380,000	5,000,000	5,000,000
Global IME Balanced Fund-1 500,000 units of Rs 10 each PY: 500,000 units of Rs 10 each	5,000,000	4,550,000	5,000,000	4,670,000	5,000,000	4,550,000	5,000,000	4,670,000
Kumari Equity Fund 272,500 units of Rs 10 each PY: 272,500 units of Rs 10 each	2,684,725	2,632,350	2,684,725	2,771,325	2,684,725	2,632,350	2,684,725	2,771,325
Laxmi Unnati Kosh 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	900,000	1,000,000	939,000	1,000,000	900,000	1,000,000	939,000
NIC Asia Flexi CAP Fund 3,000,800 units of Rs 10 each PY: 3,000,800 units of Rs 10 each	30,006,288	27,757,400	30,006,288	30,518,136	30,006,288	27,757,400	30,006,288	30,518,136
Sunrise First Mutual Fund 175,505 equity shares of Rs 10 each PY: 175,505 equity shares of Rs 10 each	1,730,055	1,816,477	1,730,055	1,944,595	1,730,055	1,816,477	1,730,055	1,944,595
Citizens Mutual Fund -1 250,000 equity shares of Rs 10 each PY: 250,000 equity shares of Rs 10 each	2,500,000	2,410,000	2,500,000	2,345,000	2,500,000	2,410,000	2,500,000	2,345,000
Nabil Balanced Fund-2 250,000 equity shares of Rs 10 each PY: 250,000 equity shares of Rs 10 each	2,500,000	2,250,000	2,500,000	2,200,000	2,500,000	2,250,000	2,500,000	2,200,000
NIBL Sahabagita Fund 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	2,000,000	2,108,000	2,000,000	2,000,000	2,000,000	2,108,000	2,000,000	2,000,000
NIBL Samriddhi Fund -2 1,000,000 units of Rs 10 each PY: 1,000,000 units of Rs 10 each	10,000,000	8,250,000	10,000,000	9,110,000	10,000,000	8,250,000	10,000,000	9,110,000
NIC Asia Dynamic Debt Fund 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	2,000,000	2,218,000	2,000,000	2,000,000	2,000,000	2,218,000	2,000,000	2,000,000
NIC Asia Balanced Fund 150,000 units of Rs 10 each PY: 150,000 units of Rs 10 each	1,500,000	1,440,000	1,500,000	1,399,500	1,500,000	1,440,000	1,500,000	1,399,500
NIC Asia Growth Fund 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	990,000	1,000,000	1,029,000	1,000,000	990,000	1,000,000	1,029,000
NIC Asia Select Fund 30 750,000 units of Rs 10 each PY: 750,000 units of Rs 10 each	7,500,000	7,200,000	7,500,000	6,742,500	7,500,000	7,200,000	7,500,000	6,742,500



Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
Prabhu Select Fund 1,468,090 units of Rs 10 each PY: 1,468,090 units of Rs 10 each	14,680,900	14,372,601	14,680,900	12,992,597	14,680,900	14,372,601	14,680,900	12,992,597
RBB Mutual Fund 1 1,000,000 units of Rs 10 each PY: 1,000,000 units of Rs 10 each	10,000,000	8,160,000	10,000,000	8,080,000	10,000,000	8,160,000	10,000,000	8,080,000
Sunrise Bluechip Fund 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,067,500	2,500,000	1,962,500	2,500,000	2,067,500	2,500,000	1,962,500
Siddhartha Equity Fund 150,000 units of Rs 10 each PY: 150,000 units of Rs 10 each	1,500,000	1,258,500	1,500,000	1,414,500	1,500,000	1,258,500	1,500,000	1,414,500
Siddhartha Investment Growth Scheme 2 1,000,000 units of Rs 10 each PY: 1,000,000 units of Rs 10 each	10,000,000	9,490,000	10,000,000	9,030,000	10,000,000	9,490,000	10,000,000	9,030,000
Sanima Large Cap Fund 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,322,500	2,500,000	2,230,000	2,500,000	2,322,500	2,500,000	2,230,000
Mega Mutual Fund -1 436,340 units of Rs 10 each PY: 436,340 units of Rs 10 each	4,363,400	3,368,545	4,363,400	3,486,357	4,363,400	3,368,545	4,363,400	3,486,357
Kumari Dhanabridhi Yojana 2,000,000 units of Rs 10 each PY: 2,000,000 units of Rs 10 each	20,000,000	19,340,000	20,000,000	20,080,000	20,000,000	19,340,000	20,000,000	20,080,000
Nabil Balanced Fund-3 16,680 units of Rs 10 each PY: 16,680 units of Rs 10 each	166,800	130,104	166,800	126,268	166,800	130,104	166,800	126,268
NMB Hybrid Fund L-1 PY: 841,334 units of Rs 10 each	-	-	9,312,447	9,077,994	-	-	9,312,447	9,077,994
Nabil Equity Fund PY: 628,651 units of Rs 10 each	-	-	6,714,367	6,041,336	-	-	6,714,367	6,041,336
NIBL Pragati Fund PY: 600,000 units of Rs 10 each	-	-	6,653,713	5,826,000	-	-	6,653,713	5,826,000
Global IME Samunnat Scheme-1 PY: 1,010,017 units of Rs 10 each	-	-	10,717,214	9,726,464	-	-	10,717,214	9,726,464
Sub-total	189,632,168	179,596,477	218,029,910	207,257,071	189,632,168	179,596,477	218,029,910	207,257,071
Total	431,512,746	392,222,317	399,876,332	386,113,821	431,512,746	392,222,317	399,876,332	386,113,821

*Investment not yielding dividend in last 3 financial year.

Current Tax Assets

Current tax assets	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
	Current year income tax assets	592,439,145	630,074,513	579,527,867
Tax assets of prior periods	-	-	-	-
Current tax liabilities				
Current year income tax liabilities	555,511,406	577,318,355	538,805,775	575,288,765
Tax liabilities of prior periods	-	-	-	-
Total	36,927,739	52,756,158	40,722,092	48,176,787

Current Tax Assets is the net of the advance tax plus Tax Deducted at Source (TDS) and the corporate income tax liability computed as per the provision of the Income Tax Act, 2058.

Investment in Subsidiaries

Note 4.10

Investment in Subsidiaries	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
	Investment in Quoted Subsidiaries	-	-	-
Investment in Unquoted Subsidiaries	-	-	244,045,905	244,045,905
Total investment	-	-	244,045,905	244,045,905
Less: Impairment allowances	-	-	-	-
Net carrying amount	-	-	244,045,905	244,045,905

4.10.1: Investment in Quoted Subsidiaries

Investment in Quoted Subsidiaries	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

4.10.2: Investment in Unquoted Subsidiaries

Investment in Unquoted Subsidiaries	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
Muktinath Capital Limited 2,440,450 shares of Rs.100 each	-	-	-	-	244,045,905	244,045,905	244,045,905	244,045,905
Total	-	-	-	-	244,045,905	244,045,905	244,045,905	244,045,905

4.10.3: Information relating to subsidiaries of the Bank

Subsidiaries of the Bank	Group		Bank	
	Percentage of ownership held by the Bank		Percentage of ownership held by the Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Muktinath Capital Limited	-	-	60.26%	60.26%

4.10.4: Non controlling interest of the subsidiaries

Non controlling interest of the subsidiaries	Group	
	31st Asar 2081	31st Asar 2080
	Muktinath Capital Limited	
Equity interest held by NCI (%)	39.74%	39.74%
Profit/(loss) allocated during the year	389,127,517	383,490,150
Accumulated balances of NCI as on Asar end	389,127,517	383,490,150
Dividend paid to NCI	3,094,800	2,623,671

Investment in Associates

Note 4.11

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Investment in quoted associates	139,383,300	134,553,273	155,550,000	155,550,000
Investment in unquoted associates	-	-	-	-
Total Investment	139,383,300	134,553,273	155,550,000	155,550,000
Less: Impairment allowances	-	-	-	-
Net Carrying amount	139,383,300	134,553,273	155,550,000	155,550,000

Muktinath Krishi Company Limited is recognised as the Associates as the Bank holds 22.22% of the shares of the company and Board of Directors comprise of two Bank's nominees. Investment in associates is accounted for using the equity method as per NAS 28 "Investment in Associates" considering the current year audited financial statement of the associates.

4.11.1: Investment in Quoted associates

	Group				Bank			
	31st Asar 2081		31st Asar 2080		31st Asar 2081		31st Asar 2080	
	Cost	Fair Value	Cost	Cost	Cost	Fair Value	Cost	Cost
Muktinath Krishi Company Limited 15,55,500 Shares of Rs. 100 each	155,550,000	139,383,300	155,550,000	134,553,273	155,550,000	155,550,000	155,550,000	155,550,000
Total	155,550,000	139,383,300	155,550,000	134,553,273	155,550,000	155,550,000	155,550,000	155,550,000

4.11.3: Information relating to Associates of the Bank

	Group		Bank	
	Percentage of ownership held by the Bank		Percentage of ownership held by the Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Muktinath Krishi Company Limited	22.22%	27.78%	22.22%	27.78%

4.11.4: Equity Value of Associates

	Group	
	31st Asar 2081	31st Asar 2080
Muktinath Krishi Company Limited	139,383,300	134,553,273

Investment Property

Note 4.12

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Investment Properties measured at Fair Value				
Balance as on 1st Shrawan	-	-	-	-
Addition/(Disposal) during the year	-	-	-	-
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Net Amount	-	-	-	-
Investment Properties measured at Cost				
Balance as on 1st Shrawan	289,196,462	84,166,532	256,080,782	51,050,851.55
Addition/(Disposal) during the year	176,423,462	205,029,930	176,423,462	205,029,930
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Net Amount	465,619,924	289,196,462	432,504,244	256,080,782
Total	465,619,924	289,196,462	432,504,244	256,080,782

Refer notes 5.13 for the erstwhile borrowerwise details of Investment Property.

Property and Equipment

Note 4.13

	Group									
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Right of Use Assets	31st Asar 2081
Cost										
As on 1st Shrawan	348,927,378	9,653,395	351,147,772	98,903,923	144,093,058	148,430,548	90,972,286	234,239,564	962,582,776	2,388,950,690
Addition during the year	-	-	42,885,464	13,090,400	9,600,000	16,022,312	9,325,003	2,772,923	107,931,313	226,582,415
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	[10,377,672]	[5,342,959]	-	[7,042,090]	[2,436,029]	[17,436,793]	[28,815,338]	[71,450,882]
Adjustment/Revaluation	-	-	[257,275]	-	-	-	-	-	-	[257,275]
Balance as on Asar end 2080	348,927,378	9,653,395	363,398,289	106,651,364	153,693,058	157,410,770	97,861,259	244,530,693	1,041,698,751	2,543,824,948
Addition during the year	-	-	22,060,722	7,107,332	652,800	11,739,875	6,043,097	28,695,245	129,723,963	206,023,034
Capitalization	-	631,217,701	-	-	-	435,700	31,016,783	48,731,748	-	711,401,933
Disposal during the year	-	-	[34,416,740]	[10,264,992]	[171,000]	[10,167,584]	[9,642,024]	[17,207,989]	[37,166,406]	[119,036,735]
Adjustment/Revaluation	-	-	-	-	-	-	-	-	[3,182,820]	[3,182,820]
Balance as on Asar end 2081	348,927,378	640,871,087	371,042,270	103,493,704	154,174,858	159,418,762	125,278,115	304,749,697	1,131,073,488	3,339,030,358
Depreciation and Impairment										
As on 1st Shrawan	-	438,597	189,530,033	63,800,893	64,330,183	98,540,547	56,785,121	140,106,714	81,991,392	695,523,479
Depreciation charge for the year	-	198,325	32,706,290	14,567,949	21,236,839	20,646,931	15,057,000	41,569,385	87,664,120	233,646,840
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	[9,079,172]	[5,217,686]	-	[6,944,609]	[2,407,273]	[16,804,902]	-	[40,453,642]
Adjustment	-	-	[8,594]	-	-	-	-	52,022	[20,629]	22,800
As on Asar end 2080	-	636,922	213,148,558	73,151,155	85,567,022	112,242,870	69,434,847	164,923,220	169,634,882	888,739,476
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	1,484,649	35,243,731	13,558,183	20,540,421	17,850,805	12,130,241	36,933,284	135,328,920	273,070,234
Disposals	-	-	[29,451,446]	[10,207,668]	[170,999]	[9,720,981]	[9,604,103]	[16,871,407]	-	[76,026,606]
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Asar end 2081	-	2,121,571	218,940,843	76,501,670	105,936,444	120,372,694	71,960,985	184,985,096	304,963,802	1,085,783,105
Capital Work in Progress										
Balance as on Asar end 2080	-	279,326,979	-	-	-	-	-	-	-	279,326,979
Addition during the year	-	394,884,636	-	-	-	-	-	-	-	394,884,636
Capitalization during the year	-	[674,211,615]	-	-	-	-	-	-	-	[674,211,615]
Net Book Value										
As on Asar end 2080	348,927,378	288,343,442	170,249,730	33,500,209	68,126,036	45,167,901	28,426,412	79,607,474	872,063,868	1,934,412,450
As on Asar end 2081	348,927,378	638,749,516	152,101,428	26,992,034	48,238,414	39,046,068	53,318,130	119,784,600	826,109,686	2,253,247,253

The Bank has acquired the land in Lazimpat, Kathmandu and Prithivi Chowk, Pokhara for the purpose of head office and province office respectively. Capitalization reflects the expenses associated with the construction of the Corporate Office Building in Lazimpat, Kathmandu.

Property and Equipment

Note 4.13

	Bank									
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Right of Use Assets	31st Asar 2081
Cost										
As on 1st Shrawan	348,927,378	9,653,395	345,571,477	96,108,621	140,694,158	143,727,694	89,970,186	232,060,034	951,192,372	2,357,905,295
Addition during the year	-	-	42,859,064	12,797,900	9,600,000	15,989,768	9,325,003	2,772,923	107,140,757	225,440,415
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	[10,377,672]	[5,342,959]	-	[7,042,090]	[2,436,029]	[17,275,883]	[28,815,338]	[71,289,971]
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2080	348,927,378	9,653,395	378,052,869	103,563,562	150,294,158	152,675,362	96,859,160	242,512,074	1,029,517,792	2,512,055,740
Addition during the year	-	-	22,010,776	6,768,032	-	11,633,043	6,043,097	28,677,245	129,590,929	204,723,121
Capitalization	-	631,217,701	-	-	-	435,700	31,016,783	48,731,748	-	711,401,933
Disposal during the year	-	-	[34,416,740]	[10,264,992]	[171,000]	[10,167,584]	[9,642,024]	[17,207,989]	[37,166,406]	[119,036,735]
Adjustment/Revaluation	-	-	-	-	-	-	-	-	[3,182,820]	[3,182,820]
Balance as on Asar end 2081	348,927,378	640,871,086	365,646,905	100,066,602	150,123,158	154,576,521	124,277,016	302,713,077	1,118,759,495	3,305,961,238
Depreciation and Impairment										
As on 1st Shrawan	-	438,597	189,264,030	61,735,009	62,978,792	94,627,298	56,376,587	138,707,279	79,266,031	683,393,623
Depreciation charge for the year	-	198,325	31,639,646	14,213,993	20,597,540	20,234,750	15,057,000	40,992,481	85,574,851	228,508,586
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	[9,079,172]	[5,217,686]	-	[6,944,609]	[2,407,273]	[16,721,914]	-	[40,370,654]
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Asar end 2080	-	636,922	211,824,504	70,731,316	83,576,332	107,917,439	69,026,314	162,977,846	164,840,882	871,531,556
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	1,484,649	34,165,098	13,163,928	19,792,908	17,564,158	12,130,241	36,488,154	133,244,831	268,033,966
Disposals	-	-	[29,451,446]	[10,207,669]	[170,999]	[9,720,980]	[9,604,103]	[16,871,407]	-	[76,026,605]
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Asar end 2081	-	2,121,571	216,538,156	73,687,575	103,188,241	115,760,617	71,552,452	182,594,592	298,085,714	1,063,538,916
Capital Work in Progress										
Balance as on Asar end 2080	-	279,326,979	-	-	-	-	-	-	-	279,326,979
Addition during the year	-	394,884,636	-	-	-	-	-	-	-	394,884,636
Capitalization during the year	-	[674,211,615]	-	-	-	-	-	-	-	[674,211,615]
Net Book Value										
As on Asar end 2080	348,927,378	288,343,442	166,228,365	32,832,246	66,717,826	44,757,923	27,832,846	79,534,228	864,676,909	1,919,851,163
As on Asar end 2081	348,927,378	638,749,515	149,108,749	26,379,027	46,924,917	38,815,905	52,724,564	120,118,485	820,673,781	2,242,422,321

The Bank has acquired the land in Lazimpat, Kathmandu and Prithivi Chowk, Pokhara for the purpose of head office and province office respectively. Capitalization reflects the expenses associated with the construction of the Corporate Office Building in Lazimpat, Kathmandu.



Goodwill and Intangible Assets

Note 4.14

Group					
	Goodwill	Software		Other	31st Asar 2081
		Purchased	Developed		
Cost					
As on 1st Shrawan	-	36,836,320	-	-	36,836,320
Addition during the year					-
Acquisition		356,166	-	-	356,166
Capitalization	-				-
Disposal during the year		-			-
Adjustment/Revaluation					-
Balance as on Asar end 2080	-	37,192,486	-	-	37,192,486
Addition during the Year					-
Acquisition		2,463,398			2,463,398
Capitalization					-
Disposal during the year		(1,782,575)			(1,782,575)
Adjustment/Revaluation					-
Balance as on Asar end 2081	-	37,873,309	-	-	37,873,309
Amortisation and Impairment					
As on 1st Shrawan	-	15,929,628	-	-	15,929,628
Amortisation charge for the year	-	6,053,074	-	-	6,053,074
Impairment for the year		-			-
Disposals					-
Adjustment					-
As on Asar end 2080	-	21,982,702	-	-	21,982,702
Impairment for the year					-
Amortisation charge for the year		5,563,008			5,563,008
Disposals		(1,782,570)			(1,782,570)
Adjustment					-
As on Asar end 2081	-	25,763,139	-	-	25,763,139
Capital Work in Progress	-	-	-	-	-
Net Book Value					-
As on Asar end 2080	-	15,209,784	-	-	15,209,784
As on Asar end 2081	-	12,110,169	-	-	12,110,169

Bank					
	Goodwill	Software		Other	31st Asar 2081
		Purchased	Developed		
Cost					
As on 1st Shrawan	-	34,818,290	-	-	34,818,290
Addition during the year					-
Acquisition		200,000			200,000
Capitalization	-				-
Disposal during the year		-			-
Adjustment/Revaluation					-
Balance as on Asar end 2080	-	35,018,290	-	-	35,018,290
Addition during the Year					-
Acquisition		2,295,000			2,295,000
Capitalization					-
Disposal during the year		(1,782,575)			(1,782,575)
Adjustment/Revaluation					-
Balance as on Asar end 2081	-	35,530,715	-	-	35,530,715
Amortisation and Impairment					
As on 1st Shrawan	-	14,880,680	-	-	14,152,056
Amortisation charge for the year	-	5,600,294	-	-	5,600,294
Impairment for the year					-
Disposals		-			-
Adjustment					-
As on Asar end 2080	-	20,480,974	-	-	20,480,974
Impairment for the year					-
Amortisation charge for the year		5,064,665			5,064,665
Disposals		(1,782,570)			(1,782,570)
Adjustment					-
As on Asar end 2081	-	23,763,068	-	-	23,763,068
Capital Work in Progress	-	-	-	-	-
Net Book Value					-
As on Asar end 2080	-	14,537,316	-	-	14,537,316
As on Asar end 2081	-	11,767,646	-	-	11,767,646

Deferred Tax Assets/Liabilities

Note 4.15

	Group			Bank		
	31st Asar 2081			31st Asar 2081		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax (Assets)/ Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items	-	-	-	-	-	-
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Investment Securities	10,591,489	-	10,591,489	11,787,129	-	11,787,129
Property and Equipment	5,503,249	-	5,503,249	4,888,894	-	4,888,894
Employees' Defined Benefit Plan	71,709,687	-	71,709,687	71,322,535	-	71,322,535
Lease Liabilities	273,551,960	246,032,194	27,519,766	273,551,960	246,202,134	27,349,826
Provisions	-	-	-	-	-	-
Other Temporary Differences	214,671	(766,925)	981,597	-	(766,925)	766,925
Deferred tax on temporary differences	361,571,058	245,265,269	116,305,789	361,550,518	245,435,209	116,115,309
Deferred tax on carry forward of unused tax losses	-	-	-	-	-	-
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2081			116,305,789			116,115,309
Deferred Tax (Asset)/ Liabilities as on Shrawan 01			85,994,981			84,683,324
Origination/(Reversal) during the year			30,310,807			31,431,985
Deferred Tax expense (income) recognized in profit or loss			(27,815,337)			(28,936,515)
Deferred Tax expense (income) recognized in OCI			(2,495,470)			(2,495,470)
Deferred Tax expense (income) recognized directly in Equity			-			-

	Group			Bank		
	31st Asar 2080			31st Asar 2080		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax (Assets)/ Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items	-	-	-	-	-	-
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Investment Securities	4,552,982	-	4,552,982	4,128,753	-	4,128,753
Property and Equipment	12,657,202	-	12,657,202	12,278,863	-	12,278,863
Employees' Defined Benefit Plan	53,313,727	-	53,313,727	52,997,580	-	52,997,580
Lease Liabilities	269,314,726	259,314,076	10,000,650	269,314,726	259,403,073	9,911,653
Provisions	4,441,809	-	4,441,809	4,441,809	-	4,441,809
Other Temporary Differences	103,945	(924,666)	1,028,611	-	(924,666)	924,666
Deferred tax on temporary differences	344,384,391	258,389,410	85,994,981	343,161,731	258,478,407	84,683,324
Deferred tax on carry forward of unused tax losses	-	-	-	-	-	-
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2080			85,994,981			84,683,324
Deferred Tax (Asset)/ Liabilities as on Shrawan 01			102,240,662			92,450,588
Origination/(Reversal) during the year			(16,245,681)			(7,767,264)
Deferred Tax expense (income) recognized in profit or loss			(17,370,062)			(25,848,480)
Deferred Tax expense (income) recognized in OCI			33,615,743			33,615,743
Deferred Tax expense (income) recognized directly in Equity			-			-

Other Assets

Note 4.16

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
	Assets Held for Sale	-	-	-
Other Non-Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	71,102,685	49,052,576	18,981,159	2,910,420
Accrued Income	-	62,250	-	62,250
Prepayments And Deposit	203,439,484	340,656,362	203,008,299	340,139,959
Income Tax Deposit	-	-	-	-
Deferred Employee Expenditure	418,215,925	412,599,691	418,215,925	412,599,691
Other Assets	48,128,372	54,153,867	27,565,593	53,882,856
Total	740,886,466	856,524,746	667,770,976	809,595,176

Due to Banks and Financial Institutions

Note 4.17

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
	Money Market Deposits	-	-	-
Interbank Borrowing	-	-	-	-
Other Deposits from BFIs	769,621,798	1,999,547,189	769,621,798	1,999,547,189
Settlement and Clearing Accounts	-	-	-	-
Other Deposits from BFIs	-	-	-	-
Total	769,621,798	1,999,547,189	769,621,798	1,999,547,189

Other deposits from BFIs includes the balance maintained in the call and current account by B, C and D class financial institutions.

4.17.1 Nature wise segregation of other deposits from BFIs

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
	Current Deposits	6,957,056	20,289,040	6,957,056
Fixed Deposits	40,000,000	365,266,745	40,000,000	365,266,745
Call Deposits	722,664,742	1,613,991,404	722,664,742	1,613,991,404
Accrued Interest Payable	-	-	-	-
Total	769,621,798	1,999,547,189	769,621,798	1,999,547,189

Due to Nepal Rastra Bank

Note 4.18

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Refinance from NRB	-	-	-	-
Standing Liquidity Facility	-	-	-	-
Lender of Last Resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other Payable to NRB	415,629,581	215,874,848	415,629,581	215,874,848
Total	415,629,581	215,874,848	415,629,581	215,874,848

"The amount payable to NRB shall include amount of refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, deposit from NRB etc.

The other payable from the NRB includes the amount received in line with the tripartite agreement between KfW Development Bank, Germany, Nepal Rastra Bank, and Muktinath Bikas Bank under Sustainable Economic Development in Rural and Semi-Urban Areas-MSME Finance Phase II (SEDRA II). This facility is received for refinancing sustainable ad target group-oriented loans to micro, small and medium-sized enterprises in rural and semi-urban areas.

Derivative Financial Instruments

Note 4.19

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

The bank does not have any foreign currency exposures as on reporting date.

Deposits from Customers

Note 4.20

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Institutions Customers:				
Term Deposits	16,047,999,346	19,442,289,786	16,072,999,346	19,497,289,786
Call Deposits	5,753,616,957	5,928,572,487	5,794,388,723	6,012,423,649
Current Deposits	1,544,225,802	1,466,596,381	1,544,225,802	1,480,437,241
Other	163,090,259	155,077,884	163,090,259	155,077,884
Individual Customers:				
Term Deposits	51,014,983,011	61,787,234,154	51,014,983,011	61,787,234,154
Saving Deposits	34,496,837,970	26,824,683,288	34,496,837,970	26,824,683,288
Current Deposits	672,240,069	666,953,388	672,240,069	666,953,388
Other	110,953	25,771,564	110,953	25,771,564
Total	109,693,104,367	116,297,178,932	109,758,876,133	116,449,870,954

Deposits from customer is carried at amortised cost thus includes the accrued interest payable on the deposits.

4.20.1: Currency wise analysis of deposit from customers

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Nepalese Rupee	109,690,045,641	116,295,589,837	109,755,817,407	116,448,281,859
Indian Rupee	-	-	-	-
United State Dollar	3,058,726	1,589,095	3,058,726	1,589,095
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	109,693,104,367	116,297,178,932	109,758,876,133	116,449,870,954

The foreign currency deposit is converted to NPR equivalent by using closing rate of the reporting data as per NAS 21.

4.20.2: Nature wise segregation of other deposits from customers

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Current Deposits	2,150,694,105	1,994,698,607	2,216,465,871	2,147,390,629
Saving Deposits	34,553,259,228	26,887,035,181	34,553,259,228	26,887,035,181
Fixed Deposits	66,717,153,168	80,797,845,014	66,717,153,168	80,797,845,014
Call Deposits	5,794,388,727	6,012,427,321	5,794,388,727	6,012,427,321
Margin Deposits	74,281,168	118,493,884	74,281,168	118,493,884
Accrued Interest Payable	403,327,971	486,678,925	403,327,971	486,678,925.47
Total	109,693,104,367	116,297,178,932	109,758,876,133	116,449,870,954

The foreign currency deposit is converted to NPR equivalent by using closing rate of the reporting data as per NAS 21.

Borrowings

Note 4.21

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Domestic Borrowing				
Nepal Government	10,416,667	18,750,000	10,416,667	18,750,000
Other Institutions	-	-	-	-
Other	-	-	-	-
Sub total	10,416,667	18,750,000	10,416,667	18,750,000
Foreign Borrowing				
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub total	-	-	-	-
Total	10,416,667	18,750,000	10,416,667	18,750,000

The borrowing includes the amount received from Nepal Government, Ministry of Youth and Sports as the refinancing for the concessional rate loan to be provided by the Bank to deprived community engaged in agriculture, animal husbandry, small and micro enterprises and other income generating activities. The outstanding amount as on year end amounts to 10,416,667.

Provisions

Note 4.22

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Provisions for redundancy	-	-	-	-
Provision for restructuring	-	-	-	-
Pending legal issues and tax litigation	1,300,000	14,806,030	1,300,000	14,806,030
Onerous contracts	-	-	-	-
Other	-	-	-	-
Total	1,300,000	14,806,030	1,300,000	14,806,030

The provisions have been made on account of litigation disclosed in Note 4.28.5.

4.22.1: Movement in provision

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Balance at 1st Shrawn	14,806,030	3,506,030	14,806,030	3,506,030
Provisions made during the year	-	11,300,000	-	11,300,000
Provisions used during the year	-	-	-	-
Provisions reversed during the year	(13,506,030)	-	(13,506,030)	-
Unwind of discount	-	-	-	-
Balance at Asar end	1,300,000	14,806,030	1,300,000	14,806,030

Other Liabilities

Note 4.23

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Liability for employees Defined Benefit Obligations	135,947,317	111,959,353	135,947,317	111,959,353
Liability for long-service leave	99,492,692	49,671,029	98,005,176	48,089,351
Short-term employee benefits	3,775,965	702,907	3,698,059	589,202
Bills Payable	64,741	1,503,768	64,741	1,503,768
Creditors and Accruals	184,052,533	116,078,635	101,100,512	9,609,297
Interest payable on Deposit	-	-	-	-
Interest payable on Borrowing	-	-	-	-
Liabilities on Deferred Grant Income	-	-	-	-
Unpaid Dividend	1,124,484	1,124,484	1,124,484	1,124,484
Liabilities under Finance Lease	-	-	-	-
Employee Bonus Payable	192,966,963	205,421,968	187,089,157	201,577,487
Other	-	-	-	-
- Customer Protection Fund (Refer Notes)	546,223,146	554,339,630	546,223,146	554,339,630
- TDS Payable	88,423,286	98,598,986	87,966,205	98,351,655
- Lease Liability under NFRS 16	917,842,240	905,399,368	911,839,868	897,715,753
- Lease Liability under Operating Lease (NAS 17)	-	-	-	-
- Interest Payable on Debenture	56,761,714	55,726,898	56,761,714	55,726,898
- Others	198,102,117	330,410,946	185,148,152	321,795,057
Total	2,424,777,198	2,430,937,973	2,314,968,531	2,302,381,934

Liabilities relating to employees benefits like liabilities for defined benefit obligation gratuity and pension fund, liabilities for long-service leave, short-term employee benefits etc., Creditors and accruals, unearned income, unpaid dividend etc. are presented under this account head of other liabilities.

4.23.1: Defined benefit obligations

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

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Present value of unfunded obligations	233,952,493	160,048,704	233,952,493	160,048,704
Present value of funded obligations	3,789,289	16,609,896	3,789,289	16,609,896
Total present value of obligations	237,741,782	176,658,600	237,741,782	176,658,600
Fair value of plan assets	3,789,289	16,609,896	3,789,289	16,609,896
Present value of net obligations	233,952,493	160,048,704	233,952,493	160,048,704
Recognised liability for defined benefit obligations	233,952,493	160,048,704	233,952,493	160,048,704

4.23.2: Plan assets

Plan assets comprise ::

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	-	-	-	-
Other	3,789,329	16,609,896	3,789,329	16,609,896
Total	3,789,329	16,609,896	3,789,329	16,609,896

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

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Defined benefit obligations at Shrawan 1	176,658,600	170,608,125	176,658,600	170,608,125
Actuarial losses	14,193,675	(40,588,494)	14,193,675	(40,588,494)
Benefits paid by the plan	(20,886,843)	(16,560,516)	(20,886,843)	(16,560,516)
Current service costs and interest	67,776,350	63,199,485	67,776,350	63,199,485
Defined benefit obligations at Asar end	237,741,782	176,658,600	237,741,782	176,658,600

4.23.4: Movement in the fair value of plan assets

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Fair value of plan assets at Shrawan 1	16,609,896	21,907,681	16,609,896	21,907,681
Adjustment to Opening Fund	-	3,492,417	-	3,492,417
Contributions paid into the plan	-	-	-	-
Benefits paid during the year	(14,299,658)	(14,651,972)	(14,299,658)	(14,651,972)
Actuarial (losses) gains	-	-	-	-
Expected return on plan assets	1,479,091	5,861,770	1,479,091	5,861,770
Fair value of plan assets at Asar end	3,789,329	16,609,896	3,789,329	16,609,896

4.23.5: Amount recognised in profit or loss

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Current service costs	33,982,238	48,133,072	33,982,238	48,133,072
Interest on obligation	15,331,543	13,226,616	15,331,543	13,226,616
Expected return on plan assets	30,822,962	11,053,146	30,822,962	11,053,146
Total	80,136,743	72,412,834	80,136,743	72,412,834

4.23.6: Amount recognised in other comprehensive income

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Actuarial (gain)/loss	(17,209,674)	(55,663,614)	(17,209,674)	(55,663,614)
Total	(17,209,674)	(55,663,614)	(17,209,674)	(55,663,614)

4.23.7: Actuarial assumptions

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Discount rate	9.00%	9.50%	9.00%	9.50%
Expected return on plan asset	9.00%	9.00%	9.00%	9.00%
Future salary increase	4.00%	5.00%	4.00%	5.00%
Withdrawal rate	2.00%	3.00%	2.00%	3.00%

4.23.8 Disclosure of Customer Protection Fund

Customer Protection Fund is established with a aim to provide the relief and work for the welfare to the customers availing non collateral based lending facilities from the Bank under the microfinance model with following salient features:

- The clients used to make the voluntary payment of 1% of the credit facilities availed to avail the facility of the this fund.
- The objective of the fund is :
 - to provide the financial relief to the customers in the inevitable circumstances from waiving off the loans to providing the financial support;
 - to improve the socio economic status of the customers with the skills development program and
 - to conduct various financial literacy programs to the backward community.
- Interest has been provided to the fund at the rate of call deposit.
- The separate committee under the coordination of the Chief Executive Officer has been formed for the operation and monitoring of the fund.

The movement to/from the fund during the year is as follows:

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Opening Balance of the fund	554,339,630	555,198,603	554,339,630	555,198,603
Add: Interest to fund	678,057	-	678,057	-
Add: Contribution to the fund	9,457,540	22,889,652	9,457,540	22,889,652
Less: Withdrawal from the fund	(18,252,081)	(23,748,625)	(18,252,081)	(23,748,625)
Closing Balance of the fund	546,223,146	554,339,630	546,223,146	554,339,630

Debt Securities Issued

Note 4.24

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	1,247,443,582	1,246,917,782	1,247,443,582	1,246,917,782
Total	1,247,443,582	1,246,917,782	1,247,443,582	1,246,917,782

Subordinated Liabilities

Note 4.25

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Redeemable preference shares	-	-	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Share Capital

Note 4.26

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Ordinary shares	7,046,938,049	6,420,900,273	7,046,938,049	6,420,900,273
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	7,046,938,049	6,420,900,273	7,046,938,049	6,420,900,273

4.26.1: Ordinary shares

	Bank	
	31st Asar 2081	31st Asar 2080
Authorized Capital 80,000,000 Ordinary share of Rs. 100 each (Previous year : 80,000,000 Ordinary Shares of 100 each)	8,000,000,000	8,000,000,000
Issued capital 70,469,380 Ordinary share of Rs. 100 each (Previous year : 64,209,002 Ordinary Shares of 100 each)	7,046,938,049	6,420,900,273
Subscribed and paid up capital 70,469,380 Ordinary share of Rs. 100 each (Previous year : 64,209,002 Ordinary Shares of 100 each)	7,046,938,049	6,420,900,273
Total	7,046,938,049	6,420,900,273

The reconciliation of the number of share outstanding and the amount of share capital as at 31st Asar 2081 and 31st Asar 2080 is as follows:

	31st Asar 2081		31st Asar 2080	
	Numbers	Amount	Numbers	Amount
Number/ Amount of shares outstanding at the beginning of the period	64,209,003	6,420,900,273	56,571,809	5,657,180,857
Add: Bonus shares issued	6,260,378	626,037,777	7,637,194	763,719,416
Add: Right share issued	-	-	-	-
Add/(Less): Others adjustments	-	-	-	-
Number/ Amount of share at the end of the period	70,469,380	7,046,938,049	64,209,003	6,420,900,273

4.26.2: Ordinary share ownership

	31st Asar 2081		31st Asar 2080	
	Percent	Amount	Percent	Amount
Domestic ownership				
Nepal Government	-	-	-	-
"A" Class Licensed Institutions	-	-	-	-
Other Licensed Institutions	-	-	-	-
Other Institutions	3.53%	248,642,400	1.81%	115,926,850
Public	96.47%	6,798,295,649	98.19%	6,304,973,423
Other	-	-	-	-
Foreign Ownership				
Total	100.00%	7,046,938,049	100.00%	6,420,900,273

4.26.3: List of principal shareholders holding 0.5% or more share of the total share of the bank

	Nos. of Shares	% of Holding
1. Tulasi Ram Dhakal	1,639,743	2.33%
2. Krishna Man Shrestha	1,496,232	2.12%
3. Min Prasad Gurung	1,396,980	1.98%
4. Bharat Raj Dhakal	1,100,945	1.56%
5. Jagat Bandhu Aryal	985,457	1.40%
6. Khim Prakash Malla	969,882	1.38%
7. Gobind Gurung	947,205	1.34%
8. Narayan Kumar Shrestha	907,036	1.29%
9. Hari Bahadur Gurung	905,627	1.29%
10. Shanta Sharma	812,421	1.15%
11. Khagendra Raj Regmi	781,951	1.11%
12. Dil Kumari Regmi	691,032	0.98%
13. Sumit Kumar Agarwal	682,191	0.97%
14. Sashikant Agrawal	657,883	0.93%
15. Gajendra Man Shrestha	639,584	0.91%
16. Bharat Prasad Lamsal	518,309	0.74%
17. Sandhya Poudel	497,959	0.71%
18. Naresh Kumar Sharma Pokhrel	466,247	0.66%
19. Rama Devi Sharma	444,522	0.63%
20. Rudra Bahadur B K	441,227	0.63%
21. Shiba Kumar Adhikari	401,792	0.57%
22. Bimala Sharma Pokhrel	399,779	0.57%
23. Narayan Prasad Sharma	394,728	0.56%
24. Sher Bahadur Rana	390,869	0.55%
25. Sitaram Kaphle	376,276	0.53%
26. Punya Prasad Pokharel	354,242	0.50%
27. NMB Saral Bachat Fund-E	355,386	0.50%

Reserves

Note 4.27

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Statutory General Reserve	1,718,603,381	1,481,105,767	1,712,398,288	1,477,131,305
Exchange Equilisation Reserve	2,747,436	2,613,952	2,747,436	2,613,952
Corporate Social Responsibility Reserve	12,534,985	14,055,925	12,088,412	13,814,579
Capital Redemption Reserve	-	-	-	-
Regulatory Reserve	1,153,354,021	665,751,880	1,153,354,021	665,751,880
Investment Adjustment Reserve	-	50,000,000	-	50,000,000
Capital Reserve	-	-	-	-
Assets Revaluation Reserve	-	-	-	-
Fair Value Reserve	(26,946,416)	(9,076,882)	(27,503,292)	(9,633,757)
Dividend Equalisation Reserve	-	-	-	-
Debenture Redemption Reserve	250,000,000	-	250,000,000	-
Actuarial Gain	63,465,684	51,418,912	63,465,684	51,418,912
Special Reserve	-	-	-	-
Staff Skill Development Fund	21,317,748	17,123,114	21,317,748	17,123,114
Other Reserve	-	-	-	-
Total	3,195,076,839	2,272,992,668	3,187,868,297	2,268,219,984

The brief description of the reserves are as follows:

Statutory General Reserve

Pursuant to Section 44 of the Bank and Financial Institution Act, 2073 banks and financial institutions are required to allocate 20% of the net profits of each fiscal year to the general reserve until the reserve is twice the paid up capital and thereafter minimum 10% of the net profit as this reserve being made pursuant to the statute, is not available

for distribution. In line with the legal requirement the Bank has appropriated following amount in the Statutory General Reserves:

	31st Asar 2081	31st Asar 2080
Opening Balance of Statutory General Reserves	1,477,131,305	1,227,188,288
20% of Net Profit appropriated as per BAFIA	235,266,983	249,943,017
Closing Balance of Statutory General Reserves	1,712,398,288	1,477,131,305

Exchange Equilisation Reserve

Section 45 of the Bank and Financial Institution Act, 2073 requires every banks and financial institutions to set aside the 25% of the of the revaluation profits earned as a result of fluctuations in the exchange rates of foreign currencies, other than the Indian currency. Following is the movement of Exchange Equilisation Reserves:

	31st Asar 2081	31st Asar 2080
Opening Balance of Exchange Equilisation Reserve	2,613,952	1,916,932
25% of revaluation gain appropriated as per BAFIA	133,484	697,020
Closing Balance of Exchange Equilisation Reserve	2,747,436	2,613,952

Corporate Social Responsibility Reserve

NRB Directive 6 requires BFI to create Corporate Social Responsibility Fund and appropriate an amount equivalent to 1% of net profit annually into this fund for covering expenditure related to CSR activities in the subsequent year. Accordingly, the bank has allocated the amount of NPR 11,763,349 to corporate social responsibility reserves for this year.

	31st Asar 2081	31st Asar 2080
Opening Balance of Corporate Social Responsibility Reserve	13,814,579	13,955,383
1% of net profit appropriated as per NRB Unified Directives	11,763,349	12,482,263
Less: CSR expenses during the year	(13,489,516)	(12,623,067)
Closing Balance of Corporate Social Responsibility Reserve	12,088,412	13,814,579

Regulatory Reserve

Regulatory Reserve is the statutory reserve made as per Directive No. 4 of the Nepal Rastra Bank. The regulatory reserve comprise of the interest income recognized against interest receivables, difference in loan loss provision as per NRB directive and impairment on loan and advance as per NFRS, amount equal to deferred tax assets, actuarial loss recognized in other comprehensive income, difference in provision on investment securities as per Directive No.8 and as per NFRS, amount of the non banking assets recognised and other adjustment occurred as a result of NFRS conversion.

	31st Asar 2081	31st Asar 2080	31st Asar 2079
Opening Balance of Regulatory Reserves	665,751,880	342,160,759	119,980,792
Interest Receivable on Loans and Advances	327,153,840	240,172,918	104,968,201
Change in Fair value on equity instrument	17,869,535	(37,983,389)	47,617,146
Deferred Tax Assets	31,431,985	(7,767,264)	37,432,584
Non Banking Assets	111,146,781	129,168,856	32,162,036
Closing Balance of Regulatory Reserves	1,153,354,021	665,751,880	342,160,759

The component wise break-up of the regulatory reserve is as follows:

	Interest Receivable	Fair Value Loss recognised in OCI	Deferred Tax Assets	NBA	Total
Balance as on Asar 31st, 2076	21,876,083	53,867,602	39,066,937	-	114,810,622
Addition during the year FY 2076-77	4,306,836	(39,077,002)	6,233,705	-	(28,536,461)
Balance as on Asar 31st, 2077	26,182,919	14,790,600	45,300,643	-	86,274,161
Addition during the year FY 2077-78	38,779,869	(14,790,600)	9,717,362	-	33,706,631
Balance as on Asar 31st, 2078	64,962,788	-	55,018,004	-	119,980,792
Addition during the year FY 2078-79	104,968,201	47,617,146	37,432,584	32,162,036	222,179,967
Balance as on Asar 32nd, 2079	169,930,989	47,617,146	92,450,588	32,162,036	342,160,759
Addition during the year FY 2079-80	240,172,918	(37,983,389)	(7,767,264)	129,168,856	323,591,121
Balance as on Asar 31st, 2080	410,103,907	9,633,757	84,683,324	161,330,892	665,751,880
Addition during the year FY 2080-81	327,153,840	17,869,535	31,431,985	111,146,781	487,602,141
Balance as on Asar 31st, 2081	737,257,747	27,503,292	116,115,309	272,477,673	1,153,354,021

Investment Adjustment Reserves

Directive No. 8 of Nepal Rastra Bank's Unified Directives requires, the Bank has to create the investment reserve of an amount equivalent to the investment in the equity shares if the shares remained unquoted for 3 years from the date of investment. Accordingly, the bank had created the reserve amounting to NPR

50,000,000 against the investment in following company in previous years. However, the company has been listed and being actively traded in market, the reserve created in previous year has been reversed during the year.

	31st Asar 2081	31st Asar 2080
Muktinath Krishi Company Limited	-	50,000,000
Closing Balance of Investment Adjustment Reserves	-	50,000,000

Fair Value Reserve

The fair value reserve is created as the part of the compliance of NFRS which comprise of the amount resulting from the fair value recognition of the investment securities which are carried through the other comprehensive income.

	31st Asar 2081	31st Asar 2080
Opening Balance of Fair Value Reserve	(9,633,757)	(47,617,146)
Appropriations during the year	(17,869,535)	37,983,389
Closing Balance of Fair Value Reserves	(27,503,292)	(9,633,757)

Fair value reserves comprise of:

	31st Asar 2081	31st Asar 2080
Fair Value Reserve created as a result of change in fair value of instruments routed through OCI	(27,503,292)	(9,633,757)
Fair Value Reserve created as a result of the application of equity method of accounting of Associates	-	-
Closing Balance of Fair Value Reserves	(27,503,292)	(9,633,757)

Debenture Redemption Reserve

The bank has issued debentures worth Rs. 1.25 billion having the maturity of 7 years during financial year 2078/79. NRB Directive 16 requires the bank to create the Debenture redemption reserve on all the years till maturity of debenture on proportionate basis except for the year of issue and redemption of debenture.

Accordingly, the bank has allocated the amount of Rs. 250,000,000 to debenture redemption reserve for FY 2080/81.

	31st Asar 2081	31st Asar 2080
Opening Balance of Debenture Redemption Reserve	-	-
Appropriations during the year	250,000,000	-
Closing Balance of Debenture Redemption Reserve	250,000,000	-

Actuarial Gain

Actuarial Gain reserve is created for the actuarial valuation of gratuity benefit to the employee of the Bank.

	31st Asar 2081	31st Asar 2080
Opening Balance of Actuarial Gain	51,418,912	12,454,382
Actuarial gain/(loss) on employee's defined benefit obligation valuation	12,046,772	38,964,530
Closing Balance of Actuarial Gain	63,465,684	51,418,912

Staff Skill Development Fund

Nepal Rastra Bank Directive No. 6, requires the Bank and Financial Institutions to spend at least 3% of the previous year's salary and allowance for the training and skill development of the employees. Any unspent amount shall be appropriated to the reserves and carried forward till the year it is spent.

	31st Asar 2081	31st Asar 2080
Opening Balance of Staff Skill Development Fund	17,123,114	13,829,391.50
Less: Expense made from this reserves	-	-
Add: This year additions to reserves	4,194,634	3,293,722
Closing Balance of Staff Skill Development Fund	21,317,748	17,123,114

Contingent liabilities and commitments

Note 4.28

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Contingent liabilities	755,929,526	917,985,627	755,929,526	917,985,627
Undrawn and undisbursed facilities	2,500,006,935	2,425,708,747	2,500,006,935	2,425,708,747
Capital commitment	-	-	-	-
Lease Commitment	-	-	-	-
Litigation	-	-	-	-
Total	3,255,936,461	3,343,694,374	3,255,936,461	3,343,694,374

4.28.1: Contingent Liabilities

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Acceptance and documentary credit	214,384,946	226,989,890	214,384,946	226,989,890
Bills for collection	-	-	-	-
Forward exchange contracts	-	-	-	-
Guarantees	541,544,580	690,995,737	541,544,580	690,995,737
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
Total	755,929,526	917,985,627	755,929,526	917,985,627

4.28.2: Undrawn and undisbursed facilities

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Undisbursed amount of loans	861,348,188	787,050,000	861,348,188	787,050,000
Undrawn limits of overdrafts	1,638,658,747	1,638,658,747	1,638,658,747	1,638,658,747
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	-	-	-	-
Undrawn limits of guarantee	-	-	-	-
Total	2,500,006,935	2,425,708,747	2,500,006,935	2,425,708,747

4.28.3: Capital commitments

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

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Capital commitments in relation to Property and Equipment				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Capital commitments in relation to Intangible assets				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Total	-	-	-	-

4.28.4: Disclosure pursuant to NFRS 16, Leases

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted the Bank's incremental borrowing rate.

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
a. Maturity analysis - contractual undiscounted cash flows				
Upto one Year	177,816,300	180,388,073	177,816,300	180,388,073
More than one year to five Years	792,419,277	916,483,332	792,419,277	916,483,332
More than five years	560,434,795	366,474,537	560,434,795	366,474,537
Total Undiscounted cash flows as at year end	1,530,670,372	1,463,345,942	1,530,670,372	1,463,345,942
b. Lease Liabilities included in the statement of financial position				
Current	114,921,976	153,765,502	112,746,656	152,070,728
Non current	802,920,264	751,633,867	799,093,212	745,645,024
Total Lease Liability	917,842,240	905,399,368	911,839,868	897,715,753
c. Reconciliation of Right To Use Assets				
Right To Use Assets				
Right of Use as of 1st Shrawan	872,063,868	880,591,384	864,676,909	871,926,341
Addition during the year	129,723,963	107,931,313	129,590,929	107,140,757
Disposal during the year	(40,349,226)	(28,815,338)	(40,349,226)	(28,815,338)
Depreciation	(135,328,920)	(87,643,491)	(133,244,831)	(85,574,851)
Closing Balance	826,109,686	872,063,868	820,673,781	864,676,909
d. Reconciliation of Lease Liabilities				
Opening Lease Liabilities 1st Shrawan	905,399,368	897,543,126	897,715,753	889,219,312
Addition during the year	129,685,608	107,140,757	129,590,929	107,140,757
Disposal during the year	(33,006,422)	(26,437,804)	(32,916,683)	(26,437,804)
Interest	89,503,850	93,325,392	88,694,096	92,336,600
Lease Payments	(173,740,164)	(166,172,104)	(171,244,227)	(164,543,112)
Closing Balance	917,842,240	905,399,368	911,839,868	897,715,753
e. Discount Rate	6.54%	9.52%	6.54%	9.52%
f. Actual Rental Paid during the year	197,513,648	195,483,455	195,017,711	193,060,171

4.28.5: Litigation

- The Bank has filed the case against the suspended staffs for the misappropriation of the bank's funds by creating the fictitious borrowers. The district court has given its decision in favor of the bank and ordered the defendants to return the misappropriated funds. The defendants have further appealed to the High Court against the decision of the district court which is again decided in favour of bank. The provision of NPR 3,732,070 has been made for the possible liabilities at the initial year of the dispute itself. The same has now been recovered thus the provision has been reversed.
- The Bank had initiated the legal proceedings against the non recoverability of the amount transferred erroneously to the defedants accounts maintained with other Banks of NPR 10 Million due to technical error in electronic cheque clearing system at the Kathmandu District Court. Further NPR 1.13 million pertaining to the same case is being recovered by the Bank's internal recovery proceedings. Considering the contingency in the recoverability of amount under litigation, the Bank had made provision of NPR 11.13 million during FY 2079-80 and out of the which NPR 10 Million has been recovered in this financial year.
- The Bank does not have any other litigation except the cases in ordinary course of business. The Bank does not anticipate any financial liability in these pending lawsuits.

Interest Income

Note 4.29

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Cash and Cash Equivalent	40,612,181	89,395,974	40,612,181	89,395,974
Due from Nepal Rastra Bank	17,145,205	-	17,145,205	-
Placement with Bank and Financial Institutions	-	-	-	-
Loan and Advances to Bank and Financial Institutions	326,570,568	451,065,849	326,570,568	451,065,849
Loans and Advances to Customers	12,132,516,789	13,560,869,165	12,132,516,789	13,560,869,165
Investment Securities	1,092,459,672	1,268,310,157	1,060,367,307	1,238,590,118
Loan and advances to Staff	195,283,872	135,315,207	195,283,872	135,315,207
Other Interest Income	-	-	-	-
Total	13,804,588,287	15,504,956,352	13,772,495,922	15,475,236,312

Interest Expense

Note 4.30

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Due to Bank and Financial Institutions	4,952,329	32,510,776	4,952,329	32,510,776
Due to Nepal Rastra Bank	18,772,497	84,150,056	18,772,497	84,150,056
Deposits from Customers	9,306,336,936	11,043,675,458	9,309,428,403	11,051,331,204
Borrowing	733,441	1,438,718	728,434	1,438,718
Debt Securities Issued	109,900,798	109,374,998	109,900,798	109,374,998
Subordinated Liabilities	-	-	-	-
Other Charges - On Lease Liability	89,503,850	93,325,392	88,694,096	92,336,600
- On Customer Protection Fund	678,057	-	678,057	-
Total	9,530,877,908	11,364,475,399	9,533,154,614	11,371,142,353

Fees and Commission Income

Note 4.31

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Loan Administration Fees	237,657,374	351,592,480	237,657,374	351,592,480
Service Fees	205,995,484	161,939,019	205,995,484	161,939,019
Consortium Fees	525,000	-	525,000	-
Commitment Fees	457,006	390,401	457,006	390,401
DD/TT/Swift Fees	18,750	38,000	18,750	38,000
Credit Card/ATM Issuance and Renewal Fees	43,648,137	32,354,568	43,648,137	32,354,568
Prepayment and Swap Fees	17,983,668	8,993,149	17,983,668	8,993,149
Investment Banking Fees	1,448,622	789,051	-	-
Asset Management Fees	4,755,056	2,997,049	-	-
Brokerage Fees	-	-	-	-
Remittance Fees	25,206,645	19,912,560	25,206,645	19,912,560
Commission on Letter Of Credit	808,040	1,923,289	808,040	1,923,289
Commission on Guarantee Contracts Issued	11,559,996	10,918,006	11,559,996	10,918,006
Commission on Share Underwriting/Issue	-	4,699,729	-	-
Locker Rental	752,111	669,000	752,111	669,000
Other Fees and Commission Income	55,469,454	30,931,918	3,967,571	4,164,971
Total	606,285,343	628,148,220	548,579,782	592,895,444

Fees and Commission Expense

Note 4.32

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
ATM Management Fees	-	-	-	-
VISA/Master Card Fees	54,387,032	59,645,914	54,387,032	59,645,914
Guarantee Commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift Fees	-	-	-	-
Remittance Fees and Commission	-	-	-	-
Other Fees and Commission Expense	37,641,031	12,320,233	31,327,902	7,552,705
Total	92,028,063	71,966,148	85,714,934	67,198,619

Payouts on account of fee and commission for services obtained by the bank is presented under this head.

Net Trading Income

Note 4.33

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Changes in Fair Value of Trading Assets	-	30,381,224	-	-
Gain/loss on Disposal of Trading Assets	8,536,234	(27,024,759)	-	-
Interest Income on Trading Assets	-	-	-	-
Dividend Income on Trading Assets	-	-	-	-
Gain/loss Foreign Exchange Translation	8,808,507	11,340,911	8,808,470	11,340,911
Other	-	-	-	-
Total	17,344,741	14,697,376	8,808,470	11,340,911

Trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interests, dividends and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities are presented under this head.

Other Operating Income

Note 4.34

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Foreign Exchange Revaluation Gain	533,935	2,788,080	533,935	2,788,080
Gain/loss on sale of Investment Securities	11,911,679	-	11,899,063	-
Fair value gain/loss on Investment Properties	-	-	-	-
Dividend on Equity Instruments	7,861,108	4,476,490	7,385,200	4,244,224
Gain/loss on sale of Property and Equipment	(1,773,945)	751,758	(1,773,945)	794,682
Gain/loss on sale of Investment Property	4,036,594	-	4,036,594	-
Operating Lease Income	-	-	-	-
Gain/loss on sale of Gold and Silver	-	-	-	-
Other Operating Income	-	-	-	-
- Share of Profit of Associates	4,830,027	2,075,272	-	-
- Provision written back	13,506,030	-	13,506,030	-
- Grant Income	750,000	695,738	750,000	695,738
- Other Income	3,424,057	2,897,041	3,424,057	2,897,041
Total	45,079,485	13,684,380	39,760,934	11,419,765

Impairment charge/(reversal) for loans and other losses

Note 4.35

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Impairment charge/(reversal) on Loan and Advances to BFIs	(7,372,088)	(2,548,932)	(7,372,088)	(2,548,932)
Impairment charge/(reversal) on Loan and Advances to Customers	784,154,303	701,224,742	784,154,303	701,224,742
Impairment charge/(reversal) on Financial Investment	232,519	-	-	-
Impairment charge/(reversal) on Placement with BFIs	-	-	-	-
Impairment charge/(reversal) on Property and Equipment	-	-	-	-
Impairment charge/(reversal) on Goodwill and Intangible assets	-	-	-	-
Impairment charge/(reversal) on Investment Properties	-	-	-	-
Total	777,014,734	698,675,809	776,782,215	698,675,809

Personnel Expenses

Note 4.36

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Salary	557,665,871	541,242,256	549,115,853	534,038,809
Allowances	492,612,345	482,320,363	484,339,994	474,569,845
Gratuity Expense	48,116,856	38,333,245	48,116,856	38,333,245
Provident Fund	49,964,743	47,693,996	48,224,289	46,224,507
Uniform	-	-	-	-
Training & Development Expense	26,416,778	21,542,099	26,063,626	21,164,489
Leave Encashment	62,627,589	33,517,864	62,078,238	32,754,204
Medical	-	-	-	-
Insurance	9,970,958	9,178,432	9,402,919	8,785,478
Employees Incentive	127,833	771,000	93,233	771,000
Cash-Settled Share-Based Payments	-	-	-	-
Pension Expense	-	-	-	-
Finance Expense under NFRS	106,914,728	78,669,083	106,914,728	78,669,083
Other Expenses related to Staff	34,295,996	1,702,400	34,145,696	1,702,400
Subtotal	1,388,713,697	1,254,970,738	1,368,495,432	1,237,013,061
Employees Bonus	192,790,405	204,990,777	186,912,599	201,146,297
Grand Total	1,581,504,102	1,459,961,516	1,555,408,031	1,438,159,358

Employees Bonus is provided at 10% of net profit before bonus and taxes as per the requirement of Bonus Act, 2030. Expenses covered under this head include employees' salary, allowances, pension, gratuity, contribution to provident fund, training expenses, uniform expenses, insurance, staff bonus, finance expense under NFRS, cash-settled share-based payments etc. Loans to staffs are fair valued using the market rates.

Other Operating Expenses

Note 4.37

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Directors' Fee	2,668,000	2,139,500	2,293,000	1,729,500
Directors' Expense	1,126,858	1,387,289	1,126,858	1,362,327
Auditors' Remuneration	1,659,411	1,650,720	1,500,000	1,500,000
Other Audit Related Expense	151,009	-	151,009	-
Professional and Legal Expense	2,237,420	2,592,493	2,224,990	2,574,413
Office Administration Expense	391,486,523	403,979,694	386,044,135	399,050,738
Operating Lease Expense	23,773,484	28,517,058	23,773,484	28,517,058
Operating Expense of Investment Properties	-	-	-	-
Corporate Social Responsibility Expense	13,526,061	12,657,780	13,489,516	12,623,067
Onerous Lease Provisions	-	-	-	-
Other	10,434,679	16,534,638	6,437,615	13,677,534
Total	447,063,445	469,459,172	437,040,607	461,034,637

All operating expense other than those relating to personnel expense are recognized and presented under this head. The expenses covered under this account head includes office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non audit fee paid to auditors, professional and legal expense, branch closure cost expense, redundancy cost expense, expense of restructuring, impairment of non financial assets, expense of corporate social responsibility, onerous lease provisions etc. Further, the details of the office administration expenses is presented in Note 4.37.1.

Office Administration Expenses

Note 4.37.1

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Water & Electricity	36,621,479	34,288,837	36,106,173	33,744,377
Repair & Maintenance				
(a) Building	43,890	7,550	43,890	7,550
(b) Vehicle	7,957,285	7,423,352	7,852,416	7,423,352
(c) Office Equipment & Furniture	4,592,526	4,832,052	4,422,335	4,453,330
(d) Computer & Accessories	922,432	367,601	922,432	367,601
(e) Others	4,759,392	3,120,542	4,589,800	3,120,542
Insurance	9,711,817	8,834,424	9,652,860	8,790,127
Postage, Telex, Telephone & Fax	51,980,947	55,723,684	51,451,205	55,314,998
Printing, Stationery & Small Purchases	32,377,628	35,276,311	31,809,033	35,061,171
Newspaper, Books and Journals	88,340	60,870	67,690	38,470
Advertisement	8,613,200	9,835,552	8,464,168	9,676,494
Donation	-	-	-	-
Security Expenses	64,740,244	65,233,602	64,515,590	65,024,752
Deposit and Loan Insurance Guarantee Premium	51,010,798	44,294,764	51,010,798	44,294,764
Travel Allowance & Expenses	12,344,359	14,486,709	12,326,144	14,404,152
Entertainment	-	177,343	-	-
Annual/Special General Meeting Expenses	2,513,355	3,039,406	2,282,559	2,988,293
Covid Protection and Prevention	-	-	-	-
Others:				
Business Promotion & Sponsorship	12,184,384	25,130,889	11,783,557	24,821,317
Cleaning & Sanitation	5,051,415	4,543,525	5,051,415	4,543,525
Fuel & Gas	24,724,248	24,277,262	24,563,964	24,170,926
Official Program Expenses	3,370,424	4,876,115	3,370,424	4,876,115
Renewal & Registration	13,687,228	13,287,669	12,990,448	12,184,527
Small Office Utilities	2,525,980	3,897,710	2,525,980	3,897,710
Software Subscription & Support	31,278,132	25,668,932	29,854,234	24,768,722
Share Related Expenses	2,356,282	2,755,856	2,356,282	2,755,856
Tea, Coffee and Snacks	5,951,947	11,219,301	5,951,947	11,219,301
Plant & Property Written Off	61,257	746,361	61,257	746,361
Other Administrative Expenses	2,017,534	573,473	2,017,534	356,405
Total	391,486,523	403,979,694	386,044,135	399,050,738

Depreciation and Amortisation

Note 4.38

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Depreciation on Property and Equipment	137,741,316	145,982,720	134,789,136	142,933,735
Depreciation on Right To Use Assets	135,328,919	87,664,120	133,244,831	85,574,851
Depreciation on Investment Property	-	-	-	-
Amortisation of Intangible Assets	5,563,008	6,053,074	5,064,665	5,600,294
Total	278,633,243	239,699,913	273,098,632	234,108,880

Non Operating Income

Note 4.39

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Recovery of loan written off	-	-	-	-
Other income	155,554	-	155,554	-
Total	155,554	-	155,554	-

Non Operating Expenses

Note 4.40

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Loan Written off	26,388,242	10,256,102	26,388,242	10,256,102
Redundancy Provision	-	-	-	-
Expense of Restructuring	-	-	-	-
Other Expense	-	-	-	-
Total	26,388,242	10,256,102	26,388,242	10,256,102

The expenses that have no direct relationship with the operation of Bank's regular transactions is presented under this head.

Income Tax Expenses

Note 4.41

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Current tax expense	549,576,078	589,775,311	534,814,985	587,938,885
Current year	553,566,868	577,219,308	538,805,775	575,288,765
Adjustments for prior years	(3,990,790)	12,556,003	(3,990,790)	12,650,120
Deferred tax expense	(27,815,337)	(17,370,062)	(28,936,515)	(25,848,480)
Origination and reversal of temporary differences	(27,815,337)	(17,370,062)	(28,936,515)	(25,848,480)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Total income tax expense	521,760,741	572,405,249	505,878,470	562,090,406

4.41.1: Reconciliation of tax expense and accounting profit

	Group		Bank	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Profit before tax	1,739,943,673	1,846,992,269	1,682,213,387	1,810,316,674
Tax amount at tax rate of 30%	521,983,101.90	554,097,681	504,664,016	543,095,002
Add: Tax effect of expenses that are not deductible for tax purpose	36,725,152	23,424,549	37,938,047	31,804,423
Less: Tax effect on exempt income	5,141,386	940,985	3,796,287	248,724
Add/less: Tax effect on other items	-	638,064	-	638,064
Total income tax expense	553,566,868	577,219,308	538,805,775	575,288,765
Effective tax rate	31.82%	31.25%	32.03%	31.78%



Note 5

5.1 Risk Management

The robust risk management capabilities is imperative in order to achieve an effective risk management framework and contain the risks associated with the business, a fully functional Risk Management Committee is responsible for identifying reporting, controlling and managing credit risk, operational risk, market risk & liquidity risk. The Risk Management Committee oversees global, macro, micro and departmental level risk that arise out of daily business operation as well as on periodic basis and are put to the oversight of Senior Management, Risk Management Committee and the Board committee to discuss the reports thereon and issue instructions as appropriate.

Risk Management Committee:

The Risk Management Committee is an independent committee of the Directors that has, as its sole and exclusive function, responsibility for the risk management policies of the Bank and oversight of implementation of risk management framework of Bank. The committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to risk appetite that the Bank is able and willing to assume in its exposures and business activities, risk management, compliance framework, and governance structure that supports it. It periodically reviews the risk management process to ensure its integrity, accuracy, and reasonableness. It also reviews whether the internal control and risk management system is adequate or not to ensure well-ordered and prudent conduct of business. The committee reviews the overall risk management structure and monitor the effectiveness of the risk management system.

Risk Governance

The Bank implemented policies and procedures to mitigate the risk at enterprises level arising to the Bank and has trained risk culture among the employees by establishing ownership

mentality, capacity building programs, well defined job responsibilities and inhabiting good ethical culture. The Risk Management Committee is responsible for the establishment of, and compliance with, policies relating to Operation risk & Credit risk.

The Bank's risk governance structure is such that the responsibility for maintaining risk within the Banks risk blanket is dropped down from the Board to the appropriate functional, client business, senior management and committees. The Board has set policies and procedures of risk identification, risk evaluation, risk mitigation, and control/ monitoring in line with NRB directives, and has effectively implemented the same at the Bank. The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, senior management, and internal audit committee.

Credit Risk

Credit risk management strategies include effectively managing the risk of financial losses arising out of booking an exposure on counterparty and also ensuring independence of the credit risk function from the origination, trading and sales function. Credit risk is managed through a defined framework which sets out policies, procedures and standards covering the measurement and management of credit risk. Clear segregation of duties has been established between transaction originator in the business and the approvers in the risk function.

Credit Risk Mitigation (CRM)

The Bank follows the well defined procedures to manage and mitigate the credit related risk at the various level:

- The credit applications are initially reviewed at the branch where the branch assess the credit worthiness of the proposed borrower and the quality of the security offered.

- As a second level of defense the Business Development Officers have been appointed at the regional level to independently oversee whether the proceeding of the loan approval, creditworthiness and collateral offered complies with the Bank's and central Bank's norms.
- The credit proposal, if exceeds the prescribed threshold are then reviewed by the Risk Management Department which evaluates the underlying risk of the proposal and decides whether the proposal is within the risk appetite of the Bank. This department is independent of the business unit and reports directly to the Board level committee, Risk Management Committee.
- After due review and identification of the underlying risk by the Integrated Risk Management Department, the proposal passes through different approving authorities depending upon the type of the proposal(funded or unfunded), level of underlying risk and amount of the proposal.
- Once the proposal is approved by the prescribed approving authority, the execution of security documents, post approval proceeding are initiated and completed at the branch level. The Credit Administration Department reviews the security documents to ensure compliance with the Bank's and Central Bank's norms before disbursement of the credit facilities.
- As a measure to mitigate the risk after disbursement, the Bank monitors and reviews on quarterly to annual basis depending upon the type of the facilities. The separate Enforcement Unit under the Risk Management Department has been stabilised to check the post disbursement compliances. The level of risk and early warning signals (EWS) are identified on every review and necessary actions are taken if required.

- The internal audit function of the Bank on the periodic basis independently observes the compliance and the status of the borrowers and recommends the management with the best practices that has to be adopted. The internal audit department directly reports the Audit Committee which is a board level committee.
- On the portfolio level, the Bank's risk management strategies includes diversifying the borrowing pool, risk based pricing, establishing the suitable exposure limits for borrowers and group of borrowers to ensure the risk exposure is under the risk appetite expressed by the Risk Management Policy of the Bank.

Operational Risk

Operational risk stems from the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is recognized as a separate risk category which the Bank manages through Risk Management Policy approved by the Board. The primary oversight body for the management of operational risk is the Risk Management Committee. The Bank has also in place the dedicated Integrated Risk Management Department for monitoring and reporting the operational risk faced by the Bank. The Bank have "Operational Risk Monitoring & Reporting Framework 2079" to identify and mitigate the operational risk at Bank as a whole, implementing control points and creating measures for any hostile circumstances.

Risk management generally encompasses the process of identifying risks to the Bank, measuring exposures to those risks, ensuring that the risk is below the risk appetite of the Bank and monitoring program is in place, monitoring risk exposures and corresponding capital needs on an ongoing basis, taking steps to control or mitigate risk exposures and reporting to Risk Management Committee and the Board on the Bank's risk exposures and capital positions. Internal controls are typically embedded in a Bank's day-to-day business and are designed to ensure, to the extent possible, that Bank activities are efficient and effective, information is reliable, timely and complete and the Bank is compliant with applicable laws and regulation.

Risks	Potential Risk	Risk Mitigants
Internal Process Risks	Overriding the implemented standard operating procedures and processes.	The Bank has implemented the well defined set of polices and processes for the execution of the every type of task in branch and department. The compliance to the same is examined by Internal Audit Department on an ongoing basis.
	"Untrained or underdeveloped staffs"	Ensure employees are well trained on the basis of their functions.
People Risks	Poor HR management	Ensuring right and adequate staff at the right place.
	Fraud and Misappropriations	Regular internal check and reconciliations.
	Absenteeism and late attendance	Checked through the implementation of bio metric attendance device and human resource software.
"Information System Risks"	Attrition Risk	Formal process are in place for succession planning. Further the various staffs facilities have been extended to the employees to retain, motivate and reduce the attrition risks.
	Physical Threats	CCTV, access door, panic alarm is placed in various places.
	Cyber Attacks	Use of firewall, antivirus, other software and regular monitoring.
	Infrastructure failures	Separate disaster recovery site (near site and far site) has been set up.
Compliance Risks	Loss of Data	Data back up is kept on regular basis.
	Breach of laws and regulations.	To ensure the compliance with all regulatory requirements including reporting impact of regulatory changes separate Compliance Department has been set up.
External Events	Theft or Destruction of Bank's Assets	Physical security of the Bank is under 24 hour surveillance both vide CCTV and security guard.
	Natural Disaster Risk	"Business Continuity and Disaster Recovery Policy" are followed in case of the unfavourable circumstances due to natural disasters.



Market Risk

"Market risk refers to the risk to a Bank resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates, and equity and commodity prices. The main market risk factors include interest rates, foreign exchange rates and other market benchmarks. The main objective is to manage and control market risk exposures within acceptable levels in line with the Bank's risk appetite. The risks subject to this requirement are as follows:"

The Bank has developed a comprehensive framework for market risk management which includes limits, KRIs and risk management tools. Moreover, the Bank conducts stress testing and sensitivity analysis to review the Bank's performance under various stress conditions. The Treasury Department and the Chief Financial Officer monitors the asset and liability positions under the supervision of ALCO.

The Bank recognizes market risk as the possibility for loss of earnings or economic value to the Bank caused due to adverse changes in the market level of interest rates or prices of securities (equity), foreign exchange rates and volatilities of those prices. Bank has an Asset Liability Management Committee (ALCO) which meets periodically to discuss product pricing for deposits and advances and maturity profiles of assets and liabilities, articulating interest rate, view of Bank, funding policy, transfer pricing policy and balance sheet management.

Liquidity Risk

Liquidity risk is the risk that a company or Bank may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due, as a result of mismatches in

the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.

The Bank measures the liquidity by the various financial ratios. The favourable liquidity ratios are the outcome of the effective liquidity management policies of the Bank. The Bank monitor these ratios closely and determine whether the liquidity management strategies and policies adopted by are appropriate in circumstances. These ratios also function to fill the void that may exist between the changing economic environment vis-à-vis the Bank liquidity management policies. The liquidity risk is daily monitored by the Treasury Department and the liquidity ratio is also maintained above the regulatory requirement.

The following table depicts the maturity profile of the assets and liabilities as at the closing date which is closely monitored to determine the liquidity level:

In '000's

	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
Assets						
Cash and Cash Equivalent	3,134,540	-	-	-	-	3,134,540
Due from Nepal Rastra Bank	9,606,142	-	-	-	-	9,606,142
Loans and Advances	8,422,565	4,591,832	3,892,141	3,098,995	74,041,403	94,046,936
Investment Securities	6,250,000	-	-	-	7,999,248	14,249,248
Current Tax Assets	-	-	-	40,722	-	40,722
Investment in Subsidiaries	-	-	-	-	244,046	244,046
Investment in Associates	-	-	-	-	155,550	155,550
Investment Property	-	-	-	-	432,504	432,504
Property and Equipment	-	-	-	-	2,242,422	2,242,422
Goodwill and Intangible Assets	-	-	-	-	11,768	11,768
Deferred Tax Assets	-	-	-	-	116,115	116,115
Other Assets	18,981	-	-	-	648,790	667,771
Total Assets	27,432,228	4,591,832	3,892,141	3,139,717	85,891,846	124,947,764
Liabilities						
Due to BFs	769,622	-	-	-	-	769,622
Due to Nepal Rastra Bank	-	-	-	-	415,630	415,630
Deposits from Customers	32,335,221	13,592,660	14,189,723	15,343,866	34,297,405	109,758,876
Provisions	-	-	-	-	1,300	1,300
Debt Securities Issued	-	-	-	-	1,247,444	1,247,444
Other Liabilities	189,131	186,913	-	-	1,949,341	2,325,385
Total Liabilities	33,293,974	13,779,573	14,189,723	15,343,866	37,911,120	114,518,256
Net Assets	(5,861,746)	(9,187,741)	(10,297,582)	(12,204,149)	47,980,726	10,429,508
Cumulative Assets	(5,861,746)	(15,049,487)	(25,347,070)	(37,551,219)	10,429,508	-

Reputational Risk

Reputational risk is the risk of potential harm to the Bank's name and reputation as well as the risk to earnings, capital, or liquidity resulting from any associations, actions, or inactions that may be viewed as inappropriate, unethical, or at inconsistent with the Bank's values and principles. The Operational Risk Management unit of the Bank evaluates reputational risks using data obtained through procedures like loss event and near-miss identification, peer group comparison, and assessments of issues like employee conduct and competency, customer service and grievances. The Integrated

Risk Management Department keeps track of reputational risk using a risk framework and mitigating measures. The Bank makes an ongoing effort to maintain and raise the calibre of its services.

Money Laundering and Terrorism Financing Risk

"Both money laundering and terrorism financing can have serious consequences for banks and financial institutions, including reputational damage, financial losses, and legal and regulatory penalties. To mitigate these risks, the Bank has implemented a

range of measures, such as customer due diligence, transaction monitoring, and suspicious activity reporting. These measures are designed to identify and prevent the flow of illicit funds through the financial system. The Bank also have the robust and effective programs in place to identify and prevent money laundering and terrorism financing. This includes ongoing training for employees, regular assessments of the effectiveness of their programs, and the development of strong relationships with regulatory authorities and law enforcement agencies."

5.2 Capital Management

- The Bank manages its capital to meet regulatory norms and current and future business needs considering the risks in its business. For the purpose of effective management of the capital the bank has formulated and implemented the Internal Capital Adequacy Assessment Procedure (ICAAP) which encompasses policies, processes and methodologies to determine the adequate level of capitalisation for the Bank to meet regulatory norms and current and future business needs under normal as well and under stress scenarios. The board of directors on the frequent interval monitor the capital adequacy position and the risk weighted assets and take a necessary steps as appropriate.

The Bank capital comprise of the fully paid equity shares, statutory reserves and other reserves. During the reporting period the bank has not raised the capital through the hybrid capital instrument.

- Capital Structure and Capital Adequacy

- Tier 1 Capital and a breakdown of its components is as follows:

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Paid up Equity Share Capital	7,046,938	6,420,900
ii. Share Premium	-	-
iii. Statutory General Reserves	1,712,398	1,477,131
iv. Retained Earnings	194,701	673,938
v. Un-audited current year cumulative profit/(loss)	-	-
vi. Capital Redemption Reserve	-	-
vii. Capital Adjustment Reserve	-	-
viii. Dividend Equalization Reserves	-	-
ix. Other Free Reserve	-	-
x. Less: Goodwill	-	-
xi. Less: Deferred Tax Assets	-	-
xii. Less: Intangible Assets	(11,768)	(14,537)
xiii. Less: Investment in equity in licensed Financial Institutions	-	-
xiv. Less: Investment in equity of institutions with financial interests	(399,596)	(399,596)
xv. Less: Investment in equity of institutions in excess of limits	-	-
xvi. Less: Investments arising out of underwriting commitments	-	-
xvii. Less: Reciprocal crossholdings	-	-
xviii. Less: Purchase of land & building in excess of limit and unutilized	-	-
xix. Less: Other Deductions	-	-
Total	8,542,674	8,157,836



2. Tier 2 Capital and a breakdown of its components is as follows:

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Cumulative and/or Redeemable Preference Share	-	-
ii. Subordinated Term Debt	1,000,000	1,250,000
iii. Hybrid Capital Instruments	-	-
iv. General loan loss provision	1,014,618	1,409,296
v. Exchange Equalization Reserve	2,747	2,614
vi. Investment Adjustment Reserve	-	50,000
vii. Asset Revaluation Reserve	-	-
viii. Other Reserves	-	-
Total	2,017,365	2,711,910

3. Details of Subordinated Term Debt including Hybrid Capital Instruments.

Following is the details of subordinate term debts raised by the Bank:

Rs. in '000

	Maturity Period	Outstanding Amount	Amount recognised as Capital Fund
1. 8.75% Muktinath Debenture/ Rinpatra 2084/85	7 Years	1,250,000	1,000,000
Total		1,250,000	1,000,000

4. Deductions from Capital:

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Investment in equity of institutions with financial interests*	399,596	399,596
ii. Intangible Assets	11,768	14,537
Total Deductions	411,364	414,133

* Investment made in Bank's subsidiary, Muktinath Capital Limited and Bank's associate company, Muktinath Krishi Company Limited.

5. Total Qualifying Capital:

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Core Capital (Tier 1)	8,542,674	8,157,836
ii. Supplementary Capital (Tier 2)	2,017,365	2,711,910
Total Capital Fund	10,560,039	10,869,746

6. Capital Adequacy Ratio:

In %

	Regulatory Requirement	31st Asar 2081	31st Asar 2080
i. Tier 1 Capital to Total Risk Weighted Exposures	8.50%	9.46%	8.84%
ii. Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.00%	11.69%	11.77%

iii. Risk Exposure

1. Risk Weighted Exposures and Capital Adequacy Table

Rs. in '000

	31st Asar 2081	31st Asar 2080
1. Risk Exposures:		
Risk Weighted Exposure for Credit Risk	81,169,412	87,024,959
Risk Weighted Exposure for Operational Risk	5,646,910	5,257,813
Risk Weighted Exposure for Market Risk	22,113	34,158
Risk Weighted Exposures under Credit, Operational and Market Risk	86,838,435	92,316,929
Adjustments under Pillar II	3,463,204	-
Adjustment as per SRP 6.4a (7)	858,051	-
Adjustment as per SRP 6.4a (9)	2,605,153	-
Total Risk Weighted Exposures	90,301,639	92,316,929
2. Capital Fund		
Core Capital (Tier 1)	8,542,674	8,157,836
Supplementary Capital (Tier 2)	2,017,365	2,711,910
Total Capital Fund	10,560,039	10,869,746
3. Capital Adequacy Ratios		
Total Core Capital to Total Risk Weighted Exposures	9.46%	8.84%
Total Capital Fund to Total Risk Weighted Exposures	11.69%	11.77%

2. Risk weighted exposures under each of 11 categories of Credit Risk

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Claims on Government and Central Bank	-	-
ii. Claims on Other Official Entities	-	-
iii. Claims on Banks	791,829	1,265,067
iv. Claims on Domestic Corporates and Securities Firms	12,622,981	15,127,089
v. Claims on Regulatory Retail Portfolio	36,599,741	35,092,569
vi. Claims Secured by Residential Properties	8,638,993	8,682,711
vii. Claims Secured by Commercial Real Estate	2,214,624	440,714
viii. Past Due Claims	3,034,870	2,127,362
ix. High Risk Claims	9,636,205	20,245,747
x. Other Assets	6,855,161	3,111,375
xi. Off Balance Sheet Items	775,008	932,323
Total Credit Risk	81,169,412	87,024,959

3. Types of eligible credit risk mitigants used and the benefits availed under CRM

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Deposits with Banks	953,096	1,697,652
ii. Deposits with other banks/financial institutions	-	-
iii. Gold	634,821	643,077
iv. Government and NRB Securities	-	-
v. Guarantee of Government of Nepal	-	-
vi. Securities/Guarantee of other Sovereigns	-	-
vii. Guarantee of Domestic Banks	-	-
viii. Guarantee of Multilateral Development Banks	-	-
ix. Guarantee of Foreign Banks	-	-
Total Credit Risk Mitigants	1,587,917	2,340,729



4. Amount of Performing and Non Performing Loans & Advances and Provisions

Rs. in '000

Loan Classification	31st Asar 2081		31st Asar 2080	
	Gross Amount	Provision	Gross Amount	Provision
A. Performing Loans				
Good Loans	82,292,812	981,218	91,292,721	1,157,786
Restructured Loans classified as Good	5,445,208	270,701	1,577,552	78,878
Watchlist	4,701,202	237,288	3,515,140	172,632
Effective tax rate	92,439,222	1,489,207	96,385,412	1,409,296
B. Non-performing Loans				
Restructure/Reschedule Loan	-	-	-	-
Substandard Loan	854,655.57	212,372.82	260,548.20	64,587.60
Doubtful Loan	633,816.52	315,540.66	348,783.13	171,672.29
Loss Loan	752,607.64	748,242.79	344,502.06	343,025.65
Sub -Total	2,241,079.74	1,276,156.27	953,833.39	579,285.54
Total	94,680,302	2,765,364	97,339,246	1,988,581

5. Non Performing Assets Ratios:

	31st Asar 2081	31st Asar 2080
Deposits with Banks		
ii. Gross NPA to Gross Loan and Advances	2.37%	0.98%
iii. Net NPA to Net Loan and Advances	1.02%	0.38%

6. Movement on Provision for Good and Non Performance Loans:

Rs. in '000

	31st Asar 2081	31st Asar 2080	Change in %
For loan classifies as Good			
i. Pass	1,251,919	1,236,664	1.23%
ii. Watchlist	237,288	172,632	37.45%
For loan classifies as NPA			
i. Substandard Loan	212,373	64,588	228.81%
ii. Doubtful Loan	315,541	171,672	83.80%
iii. Loss Loan	748,243	343,026	118.13%
Total	2,765,364	1,988,581	39.06%

7. Write off of Loans

Rs. in '000

	31st Asar 2081	31st Asar 2080
i. Write Off of Loans	26,388,242	10,256,102
Total	26,388,242	10,256,102

8. Risk Weighted Exposure for Credit Risk:

Rs. in '000

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Cash Balance	1,334,058	-	-	1,334,058	0%	-
Balance With Nepal Rastra Bank	3,355,115	-	-	3,355,115	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	19,952,980	-	-	19,952,980	0%	-
All Claims on Government of Nepal	-	-	-	-	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	3,959,144	-	-	3,959,144	20%	791,829
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	20%	-
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 and China operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
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)	12,658,981	-	36,000	12,622,981	100%	12,622,981
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%	-



A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Regulatory Retail Portfolio (Not Overdue)	50,258,084	-	1,458,429	48,799,655	75%	36,599,741
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	13,991,177	-	-	13,991,177	60%	8,394,706
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	313,863	69,576	-	244,287	100%	244,287
Claims secured by Commercial real estate	2,214,624	-	-	2,214,624	100%	2,214,624
Past due claims (except for claims secured by residential properties)	3,109,926	1,086,680	-	2,023,247	150%	3,034,870
High Risk claims	3,538,758	-	93,489	3,445,269	150%	5,167,904
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2015-point 3.3(j)(l)(k))	3,351,373	-	-	3,351,373	125%	4,189,217
Lending against Shares(above Rs.5 Million)	2,243,876	-	-	2,243,876	125%	2,804,845
Lending against securities (bonds)	-	-	-	-	100%	-
Lending against Shares(upto Rs.5 Million)	558,487	-	-	558,487	100%	558,487
Trust Receipt Loans for Trading Firms	-	-	-	-	120%	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	100%	-
Personal Hirepurchase/Personal Auto Loans (upto Rs. 2.5 Million)	279,085	-	-	279,085	100%	279,085
Personal Hirepurchase/Personal Auto Loans (above Rs. 2.5 Million)	-	-	-	-	125%	-
Investments in equity and other capital instruments of institutions listed in stock exchange	254,977	-	-	254,977	100%	254,977
Investments in equity and other capital instruments of institutions not listed in the stock exchange	180,636	-	-	180,636	150%	270,954
Staff loan secured by residential property	751,784	-	-	751,784	50%	375,892
Interest Receivable/claim on government securities	155,077	-	-	155,077	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	3,842,414	1,252,408	-	2,590,006	100%	2,590,006
Total [A]	126,304,419	2,408,664	1,587,917	122,307,838		80,394,404

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	110,181	-	-	110,181	20%	22,036
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	104,204	-	-	104,204	50%	52,102
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	321,337	-	8,704	312,633	40%	125,053
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	219,852	-	2,610	217,242	100%	217,242
Financial Guarantee	355	-	-	355	100%	355
Acceptances and Endorsements	-	-	-	-	100%	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	1,791,096	-	-	1,791,096	20%	358,219
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	-	-	-	-	100%	-
Unpaid Guarantee Claims	-	-	-	-	200%	-
Total [B]	2,547,025	-	11,314	2,535,711		775,008
Total RWE for Credit Risk (A) +[B]	128,851,444	2,408,664	1,599,232	124,843,549		81,169,412

A. Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-7)	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Unrated)	36,000.00	-	-	-	-	-	-	-	-	36,000

A. Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	827,846.64	-	630,582.03	-	-	-	-	-	-	1,458,429
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claims secured by residential properties)	-	-	-	-	-	-	-	-	-	-
High Risk claims	89,249.29	-	4,239.25	-	-	-	-	-	-	93,489
Lending against securities (bonds)	-	-	-	-	-	-	-	-	-	-
Lending against Shares (upto Rs.5 Million)	-	-	-	-	-	-	-	-	-	-
Trust Receipt Loans for Trading Firms	-	-	-	-	-	-	-	-	-	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	-	-	-	-	-	-
Personal Hirepurchase/Personal Auto Loans	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-
Total (A)	953,096	-	634,821	-	-	-	-	-	-	1,587,917



A. Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	8,704.30	-	-	-	-	-	-	-	-	8,704
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	-	-	-	-	-	-	-	-	-	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (short term)	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Unpaid Guarantee Claims	-	-	-	-	-	-	-	-	-	-
Total (B)	11,314	11,314	634,821	634,821	11,314	11,314	11,314	11,314	11,314	1,599,232
Total Credit Risk Mitigants (B)	964,410	964,410	634,821	634,821	11,314	11,314	11,314	11,314	11,314	1,599,232

10 Risk Weighted Exposure for Operational Risk

Rs. in '000

	Financial Year		
	2077-78	2078-79	2079-80
Net Interest Income	2,788,641.14	3,329,779.38	4,104,093.96
Commission and Discount Income	605,019.02	497,493.26	592,895.44
Other Operating Income	422,196.63	46,878.50	19,972.60
Exchange Fluctuation Income	6,242.54	8,444.76	2,788.08
Addition/Deduction in Interest Suspense during the period	-	-	-
Gross income (a)	3,822,099	3,882,596	4,719,750
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]			707,963
Capital Requirement for operational risk (d) [average of c]			621,222
Risk Weight [reciprocal of capital requirement of 11%] in times (e)			9
Equivalent Operational Risk Weight Exposure [f=(d×e)]			5,646,910

11 Risk Weighted Exposure for Market Risk

Rs. in '000

	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
Indian Rupee	-	-	-	-
United States Dollar	109.49	134.05	14,677	14,677
Great Britain Pound	25.26	173.62	4,386	4,386
Euro	53.59	145.71	7,809	7,809
Thai Baht	172.93	3.69	638	638
Swiss Franc	16.58	149.40	2,477	2,477
Australian Dollar	40.62	90.83	3,689	3,689
Canadian Dollar	37.08	98.26	3,643	3,643
Singapore Dollar	26.79	99.66	2,670	2,670
Japanese Yen	1,941.00	0.84	1,634	1,634
Hong Kong Dollar	78.46	17.13	1,344	1,344
Danish Kroner	-	-	-	-
Swedish Kroner	-	-	-	-
Saudi Arabian Riyal	62.96	35.49	2,234	2,234
Qatari Riyal	25.97	36.57	950	950
Emirati Dirham	9.48	36.45	346	346
Malaysian Ringgit	44.81	28.56	1,280	1,280
South Korean Won	2,938.00	0.10	284	284
Chinese Yuan	8.37	18.47	155	155
Kuwaiti Dinar	0.97	438.07	427	427
Bahraini Dinar	0.03	355.51	11	11
(a) Total Open Position			48,654	48,654
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a×b)				2,433
(d) Risk Weight (reciprocal of capital requirement of 10%) in times				9.09
(e) Equivalent Market Risk Weight Exposure (=c×d)				22,113

5.3 Classification of financial assets and financial liabilities

The financial assets and liabilities are classified in Amortised Cost, fair value through profit and loss and fair value through other comprehensive income. The following table exhibit the the classification of financial assets and liabilities:

	Group			
	31st Asar 2081			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	3,382,291,381	-	-	3,382,291,381
Due from Nepal Rastra Bank	9,606,142,194	-	-	9,606,142,194
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	102,940,286	-	102,940,286
Loans and Advances to BFIs	2,139,626,534	-	-	2,139,626,534
Loans and Advances to Customers	91,907,309,025	-	-	91,907,309,025
Investment Securities	13,890,181,038	-	392,222,317	14,282,403,355
Other Assets	712,155,726	-	-	712,155,726
Total Financial Assets	121,637,705,898	102,940,286	392,222,317	122,132,868,501
Financial Liabilities				
Due to Banks and Financial Institutions	769,621,798	-	-	769,621,798
Due to Nepal Rastra Bank	415,629,581	-	-	415,629,581
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	109,693,104,367	-	-	109,693,104,367
Borrowings	10,416,667	-	-	10,416,667
Other Liabilities	1,271,494,950	252,649,683	(17,209,674)	1,506,934,959
Debt Securities Issued	1,247,443,582	-	-	1,247,443,582
Total Financial Liabilities	113,407,710,945	252,649,683	(17,209,674)	113,643,150,954

	Bank			
	31st Asar 2081			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	3,134,539,704	-	-	3,134,539,704
Due from Nepal Rastra Bank	9,606,142,194	-	-	9,606,142,194
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	2,139,626,534	-	-	2,139,626,534
Loans and Advances to Customers	91,907,309,025	-	-	91,907,309,025
Investment Securities	13,857,025,789	-	392,222,317	14,249,248,106
Other Assets	639,172,527	-	-	639,172,527
Total Financial Assets	121,283,815,773	-	392,222,317	121,676,038,090
Financial Liabilities				
Due to Banks and Financial Institutions	769,621,798	-	-	769,621,798
Due to Nepal Rastra Bank	415,629,581	-	-	415,629,581
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	109,758,876,133	-	-	109,758,876,133
Borrowings	10,416,667	-	-	10,416,667
Other Liabilities	1,169,176,170	251,162,167	(17,209,674)	1,403,128,663
Debt Securities Issued	1,247,443,582	-	-	1,247,443,582
Total Financial Liabilities	113,371,163,931	251,162,167	(17,209,674)	113,605,116,424

	Group			
	31st Asar 2080			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	5,326,084,785	-	-	5,326,084,785
Due from Nepal Rastra Bank	3,732,132,133	-	-	3,732,132,133
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	48,618,603	-	48,618,603
Loans and Advances to BFIs	2,536,439,270	-	-	2,536,439,270
Loans and Advances to Customers	94,456,965,952	-	-	94,456,965,952
Investment Securities	21,883,725,127	-	386,113,821	22,269,838,948
Other Assets	807,641,638	-	-	807,641,638
Total Financial Assets	128,742,988,905	48,618,603	386,113,821	129,177,721,329
Financial Liabilities				
Due to Banks and Financial Institutions	1,999,547,189	-	-	1,999,547,189
Due to Nepal Rastra Bank	215,874,848	-	-	215,874,848
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	116,297,178,932	-	-	116,297,178,932
Borrowings	18,750,000	-	-	18,750,000
Other Liabilities	1,363,908,223	217,293,996	(55,663,614)	1,525,538,605
Debt Securities Issued	1,246,917,782	-	-	1,246,917,782
Total Financial Liabilities	121,142,176,974	217,293,996	(55,663,614)	121,303,807,355

	Bank			
	31st Asar 2080			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	5,268,539,748	-	-	5,268,539,748
Due from Nepal Rastra Bank	3,732,132,133	-	-	3,732,132,133
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	2,536,439,270	-	-	2,536,439,270
Loans and Advances to Customers	94,456,965,952	-	-	94,456,965,952
Investment Securities	21,698,495,679	-	386,113,821	22,084,609,500
Other Assets	760,822,253	-	-	760,822,253
Total Financial Assets	128,453,395,035	-	386,113,821	128,839,508,856
Financial Liabilities				
Due to Banks and Financial Institutions	1,999,547,189	-	-	1,999,547,189
Due to Nepal Rastra Bank	215,874,848	-	-	215,874,848
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	116,449,870,954	-	-	116,449,870,954
Borrowings	18,750,000	-	-	18,750,000
Other Liabilities	1,244,617,478	215,712,318	(55,663,614)	1,404,666,181
Debt Securities Issued	1,246,917,782	-	-	1,246,917,782
Total Financial Liabilities	121,175,578,250	215,712,318	(55,663,614)	121,335,626,954



5.4 Operating Segment Information

1. General information

Factors that management used to identify the entity's reportable segments

An operating segment is a component of the Bank that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Based on the nature of the business, transactions, products and services, the management have identified three reporting segment for the purpose of financial reporting:

i. Banking Operation

The banking of the Bank provides the customer with the services like personal and corporate banking, corporate and retail credit, project financing, hire purchase financing, trade financing, foreign currency operations, issuing of debit cards, internet banking, mobile banking, money remittance facilities and other incidental services. The income includes all the revenue generated for providing aforesaid services while expenses includes interest income, personnel expenses and operating expenses including the impairment charges created on the assets of the segment.

ii. Treasury Operation

Treasury function of the bank manages the liquidity on the branch level and of the banks as a whole. This segment encompasses the incomes derived from government securities, treasury bills, dividend on investment securities, forex trading and revaluation gain/loss. The interest cost of borrowing, personnel expenses, depreciation, provisions on the securities and other operating expenses are the cost included in this segment.

iii. Digital Banking Operation

Digital Banking Operation encompasses the revenue generated through the mobile banking, internet banking, different wallets, remittances and processing of digital transactions.

2. Information about profit or loss, assets and liabilities

	Banking	Treasury	Digital Banking	Total
Revenues from external customers	13,066,646,785	1,146,751,361	156,402,516	14,369,800,662
Inter Segment Expenses/revenues	-	-	-	-
Net Revenue	13,066,646,785	1,146,751,361	156,402,516	14,369,800,662
Interest Revenue	12,654,371,229	1,118,124,693	-	13,772,495,922
Interest Expense	9,398,800,556	134,354,058	-	9,533,154,614
Net interest expenses/revenue	3,255,570,673	983,770,635	-	4,239,341,308
Depreciation and Amortisation	272,638,700	49,088	410,845	273,098,632
Segment Profit /(Loss)	621,002,866	983,721,547	77,488,974	1,682,213,387
Impairment of Assets	2,765,363,610	-	-	2,765,363,610
Segment Assets	98,878,277,177	26,055,648,027	13,838,852	124,947,764,056
Segment Liabilities	112,718,107,769	1,673,489,830	126,658,693	114,518,256,292

3. Measurement of operating segment profit or loss, assets and liabilities

Revenues from external customers comprise of gross interest revenue, gross fee and commission revenue, net trading revenue, other operating incomes and intersegment revenue.

The transaction between the department are recorded using the interbranch and interdepartmental account. These accounts are reconciled and interdepartmental balances are cancelled out at each reporting date. The interdepartmental revenue and expenses are the transfer pricing of the funds which is calculated using the bank's policy.

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

a. Revenue

	Amount in NPR
Total revenues for reportable segments	14,369,800,662
Other revenues	-
Elimination of intersegment revenues	-
Entity's revenues	14,369,800,662

c. Assets

	Amount in NPR
Total assets for reportable segments	124,947,764,056
Other assets	-
Unallocated amounts	-
Entity's assets	124,947,764,056

b. Profit or loss

	Amount in NPR
Total profit or loss for reportable segments	1,682,213,387
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amount	-
Profit before income tax	1,682,213,387

d. Liabilities

	Amount in NPR
Total liabilities for reportable segments	114,518,256,292
Other liabilities	-
Unallocated liabilities	-
Entity's liabilities	114,518,256,292

5. Information about products and services

	Amount in NPR
Funded and Non Funded Credit Facilities	12,923,362,313
Treasury Operations	1,146,751,361
Remittance	25,206,645
Service Fees	206,747,595
Digital Banking Services	43,666,887
Other Allied Products and Services	24,065,861
Total Revenue	14,369,800,662

6. Information about geographical areas

Revenue from following geographical areas

	Amount in NPR
Koshi Province	1,567,098,697
Madesh Pradesh	996,248,204
Bagmati Pradesh	5,989,730,480
Gandaki Pradesh	3,362,183,485
Lumbini Pradesh	1,957,644,640
Karnali Pradesh	194,101,469
Sudur Paschim Pradesh	302,793,687
Total	14,369,800,662

7. Information about major customers

The Bank do not have any customer, which generate more than 10% of the entity's revenue.

5.5 Share options and share based payment

A share-based payment is a transaction in which the bank receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The Bank do not extend the share options and share based payment to any of its employees. Thus, during the reporting period the bank does not have any transactions that are to be accounted as per NFRS 2 "Share based payments".

5.6 Contingent liabilities and commitment

Comprehensive disclosure of the contingent liabilities and commitments are made on Note 4.28.

5.7 Related Party Disclosures

A related party is a person or entity that is related to the reporting entity ("the Bank") by virtue of having control or joint control, significant influence or being key managerial personnel of the entity as defined in "NAS 24 Related Party Disclosures". The Bank has identified the following related parties and transactions with them.

i. List of related party

The following parties have been identified as the related party transaction as per NAS 24:

Name of the Related Party	Relationship
Muktinath Capital Limited	Subsidiary Company
Muktinath Krishi Company Limited	Associate Company
Bharat Raj Dhakal	Chairman
Gajendra Man Shrestha (Tenure expired on 2080.09.28)	Director
Rabindra Man Shrestha (Resigned w.e.f 2080.05.31)	Director
Shaligram Mishra (Tenure expired on 2080.09.28)	Director
Nirmala Kumari K.C. Karki (Tenure expired on 2080.09.28)	Director
Shyam Sundar Sharma (Tenure expired on 2081.04.15)	Independent Director
Narayan Kumar Shrestha (Elected w.e.f 2080.09.28)	Director
Bharat Prasad Lamsal (Elected w.e.f 2080.09.28)	Director
Binod Kumar Sharma (Elected w.e.f 2080.09.28)	Director
Saroja Shrestha (Koirala) (Elected w.e.f 2080.09.28)	Director
Umesh Kumar Acharya (Elected w.e.f 2081.04.16)	Independent Director
Pradyuman Pokharel, Chief Executive Officer	Key Managerial Personnel
Samir Sekhar Bajracharya, Deputy Chief Executive Officer	Key Managerial Personnel
Til Bahadur Gurung, Assistant Deputy Chief Executive Officer	Key Managerial Personnel
Govinda Bahadur Raut, Assistant Chief Executive Officer	Key Managerial Personnel

ii. Related Party Transactions

Board of Directors Allowances and Facilities

	No of Meetings	Sitting Fees
Board Meeting	29	1,809,000
Audit Committee Meeting	8	152,000
Risk Management Committee	8	142,000
Assets Money Laundering Prevention Committee	5	50,000
Employees Facilities Committee	3	30,000
Building Management Committee	9	50,000
IT Server Infrastructure Procurement Committee	6	60,000
Total		2,293,000

In addition to above meeting allowance, the following amount have been paid to directors:

Nature	Chairman	Other Directors	Total Amount Paid	
Reimbursement for Mobile & Newspaper	Upto Magh End, 2080	6,500 per month	6,500 per month	223,000
	W.e.f. Falgun 1, 2080	8,000 per month	8,000 per month	240,000
Total			463,000	

Key Managerial Personnel's Emoluments and Facilities

	Assistant Chief Executive Officer	Asst. Deputy Chief Executive Officer	Deputy Chief Executive Officer	Chief Executive Officer
Salary and Allowances	4,153,560	4,918,800	6,248,200	9,500,000
Provident Fund	173,664	220,320	310,080	600,000
Leave and Gratuity	96,048	233,280	205,200	625,000
Statutory Bonus	-	864,204	1,216,288	2,272,585
Total	4,423,272	6,236,604	7,979,768	12,997,585

In addition to above, the key managerial personnel are entitled to other benefits as per the policy of the bank.

Board of Directors Allowances and Facilities

The transaction with the subsidiary and associate company during the year are as follows:

Particulars	Nature of Transaction	Amount
Muktinath Capital Limited	Deposits outstanding	65,901,547
Muktinath Capital Limited	Interest paid on deposits	6,037,819
Muktinath Capital Limited	Service fees for acting as Registrar to Shares & Debentures	450,000
Muktinath Capital Limited	Corporate Action fees	207,002
Muktinath Krishi Company Limited	Deposits outstanding in current, call & fixed accounts	9,604,670
Muktinath Krishi Company Limited	Interest paid on deposits	375,611

Apart from the above transactions the Muktinath Capital Limited has been managing the portfolio limit of NPR 153.5 Millions on behalf of the Bank.

5.8 Merger and Acquisition

The bank has neither entered into merger nor acquired any bank and financial institutions during the reporting period.

5.9 Additional disclosure of non consolidated entities

The group financials includes the figures of the Muktinath Bikas Bank Limited and its subsidiary Muktinath Capital Limited as per the provisions of NFRS 10 : Consolidated Financial Statements. There are no such entities which are required to be consolidated but not done during the year.

5.10 Events after reporting date

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Bank follows NAS-10 "Events after the Reporting Period" to account for and report the events that have occurred after the reporting period. Such events may be adjusting and non-adjusting and are disclosed below.

a. Adjusting Events

Recovery of Interest after reporting date and up to Shrawan 15, 2081

The Nepal Rastra Bank Directive requires the Bank and Financial Institutions to transfer the equivalent amount of interest on loans and advances accounted as an interest income under the accrual basis of accounting but not recovered up to the end of reporting period to the Regulatory Reserve from the Retained Earnings. However, the same directives has relaxed this provision with which Bank may not appropriate such amount in case it is recovered within the 30 days after the year end, i.e. 30th Shrawan.



In line with the aforesaid relaxation the gross amount of NPR 117,813,199 which was otherwise required to be appropriated to the Regulatory Reserves has not been so appropriated. The details are as follows:

	31st Asar 2081	31st Asar 2080
Accrued interest receivable (except for the staff loans)	1,456,926,562	998,691,247
Less: Cessation of the interest on loan (Refer Notes 5.17)	168,862,971	122,098,462
Less: Interest recovered up to 15th Shrawn as per Directives No. 4	117,813,199	225,634,203
Amount required to be appropriated to Regulatory Reserves (before staff bonus & tax)	1,170,250,392	650,958,582
Amount already appropriated to Regulatory Reserves (before staff bonus & tax)	650,958,582	269,731,728
Gross appropriations to the Regulatory Reserves (before staff bonus & taxes)	519,291,810	381,226,854
Net appropriations to the Regulatory Reserves for unrecovered interest	327,153,840	240,172,918

5.11 Additional Disclosures

a. Loans and Advances extended to Promoters:

The Bank has not extended any loans to promoters during the year.

b. Staff Skill Development Fund

The Bank and Financial Institution are required to allocate and spent at least 3% of the previous year salary and allowances for the staff skill development as per Directive 6 of the Nepal Rastra Bank Directives. In case the allocated amount isn't spent, the same has to be carried forward to the next financial year in a Staff Skill Development Fund. In line of this requirement, the movement on the Skill Development Fund is as follows:

	31st Asar 2081	31st Asar 2080
Opening Staff Skill Development Fund	17,123,114	13,829,392
3% of the previous year salary and allowances	30,258,260	24,458,212
Total amount incurred for employee training and skill development program	26,063,626	21,164,489
Excess/(Deficit) amount incurred for employee training and skill development program	4,194,634	3,293,722
Staff Skill Development Fund carried forward to next year	21,317,748	17,123,114

c. Corporate Social Responsibility Fund

Clause 13 of the NRB Directive No.6. requires the Bank to allocate 1% of its net profit to the corporate social responsibility fund and spent the same for the social causes. The details of the movement of the Corporate Social Responsibility Fund is presented below:

	31st Asar 2081	31st Asar 2080
Opening Corporate Social Responsibility Fund	13,814,578	13,955,382
Less: Expenses incurred from CSR Fund during the year	13,489,516	12,623,067
Add: Amount allocated to CSR Fund from current year net profit	11,763,349	12,482,263
CSR Fund available for next financial year	12,088,412	13,814,578

Province wise and Sectorwise Corporate Social Responsibility Fund spending is as follows:

Province Wise		Sector Wise	
Province	31st Asar 2081	Sector	31st Asar 2081
Koshi Province	557,400	Social Projects and Literacy Program	4,893,006
Madesh Pradesh	619,370	Direct Donation	-
Bagmati Pradesh	8,502,048	Sustainable Development Goals	7,778,385
Gandaki Pradesh	1,266,316	Expenses against COVID	-
Lumbini Pradesh	1,230,352	Donation to Orphanage & Old Age Home	182,500
Karnali Pradesh	511,375	Kholau Khata Abhiyan, 2076	-
Sudur Paschim Pradesh	802,655	Others	635,625
Total	13,489,516	Total	13,489,516

d. Unpaid Dividend

The total cash dividend of NPR 14,904,817 which was approved by AGM of the bank during various previous years is still payable to shareholders as at reporting date. The details are as follows:

	31st Asar 2081	31st Asar 2080
Total dividend payable in the books of Bank outstanding for more than 5 years	1,124,484	1,124,484
Total dividend payable with Bank's RTS Muktinath Capital Limited outstanding for less than 5 years	13,780,333	14,266,460
Total Unpaid Dividend	14,904,817	15,390,944

5.12 Earning Per Share

The earnings per share calculated on the basis of the provision of NAS 33, Earnings per Share is as follows:

	31st Asar 2081	31st Asar 2080
Profit attributable to ordinary shareholders	1,176,334,917	1,248,226,268
Number of ordinary shares as at year end (Face Value NPR 100/-)	70,469,380	70,469,380
Weighted average number of ordinary shares for computing EPS	70,469,380	70,469,380
Basic earnings per equity share	16.69	17.71 (Restated)
Diluted earning per share	16.69	17.71 (Restated)

5.13 Non-Banking Assets

Non-Banking Assets (NBA) are the assets obtained as security for loans & advances and subsequently taken over by the Bank. The following are the list of properties assumed by the Bank as the non banking assets during the course of debt recovery :

Name of the Borrower	Date of assuming NBA	31st Asar 2081	31st Asar 2080
Oshon Fancyy Stores	6/26/2022	14,032,658	14,032,658
Shree Laxmi Bag Store	7/4/2022	7,333,470	7,333,470
Dilliram Oli	7/7/2022	10,716,273	10,716,273
Dipesh Guragain	7/15/2022	8,234,476	8,234,476
K.C. Falful Tatha Tarkari Pasal	11/16/2022	3,959,876	3,959,876
Dhanraj Pakhrin	11/27/2022	10,410,095	10,410,095
Gyan Sarathi Vidhyapitha Pvt. Ltd.	12/27/2022	53,362,590	53,362,590
Chaudhary Trade And Investment Pvt.Ltd	4/5/2023	50,762,338	50,762,338
Sita Didi Fancy Stores	4/13/2023	6,020,751	6,020,751
Sita Kumari Kunwar	4/13/2023	8,643,968	8,643,968
Sita Agro Farm	4/13/2023	750,760	750,760
Saraswati Timilsina	4/13/2023	174,521	174,521
Bageshwari Trade Concern Pvt.Ltd	7/11/2023	56,728,569	56,728,569
Yam Kumari Share Punja	1/12/2024	24,104,291	-
Yam Kumari Sher Punja	2/6/2024	403,223	-
Bastra Fashion Store	4/16/2024	4,350,000	-
Abipra And Ronish Ag	7/1/2024	24,738,276	-
Abipra And Ronish Ag	7/9/2024	38,700,000	-
B & B Iron Engineering Workshop	7/15/2024	44,000,733	-
Eurasia Manufacturer & Export Pvt. Ltd.	7/15/2024	29,791,083	-
Sittal Deurali Group	7/15/2024	35,286,292	-
Ramji Poudel	4/12/2022	-	6,988,004
Laxmi & Naitik Enterprises	7/15/2022	-	3,745,970
New Karan Arjun Sunchadi Gargahana Udhog	7/6/2023	-	14,105,347
Kalpana Shrestha	7/6/2023	-	111,115
Total		432,504,244	256,080,782

5.14 Loan written off

The Bank has written off the following loans pertaining to unrecoverable bad debts during the year.

Name of the Borrower	Written off Amount
Bageswori Trade Concern Pvt. Ltd.	15,153,862
Mohan Gurung	1,359,926
Mukti Prakash Newpane	102,572
Aayusha Fashion Complex Pvt. Ltd.	9,771,882
Total	26,388,242

5.15 Fair Value Hierarchy

The fair value hierarchy that the Bank has applied in measuring its financial assets and financial liabilities is as follows:

	Level	Group		Bank	
		31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Financial Assets					
i. Through FVTPL					
Other Trading Assets	Level 1	102,940	48,619	-	-
ii. Through FVTOCI					
Investment Securities - Quoted	Level 1	11,187,604	19,646,168	11,154,448	19,460,938
Investment Securities - Unquoted	Level 2	3,094,800	2,623,671	3,094,800	2,623,671
iii. At Amortised Cost					
Cash and Cash Equivalent	Level 3	3,382,291	5,326,085	3,134,540	5,268,540
Due from Nepal Rastra Bank	Level 3	9,606,142	3,732,132	9,606,142	3,732,132
Placement with B&FIs	Level 3	-	-	-	-
Derivative Financial Instruments	Level 3	-	-	-	-
Loans and Advances to BFIs	Level 3	2,139,627	2,536,439	2,139,627	2,536,439
Loans and Advances to Customers	Level 3	91,907,309	94,456,966	91,907,309	94,456,966
Other Assets	Level 3	712,156	807,642	639,173	760,822
Total Financial Assets		122,132,869	129,177,721	121,676,038	128,839,509
Financial Liabilities					
i. Through FVTPL/FVTOCI					
Liability for employees DBO	Level 3	235,440.01	161,630.38	233,952.49	160,048.70
ii. At Amortised Cost					
Due to B&FIs	Level 3	769,622	1,999,547	769,622	1,999,547
Due to Nepal Rastra Bank	Level 3	415,630	215,875	415,630	215,875
Derivative Financial Instruments	Level 3	-	-	-	-
Deposits from Customers	Level 3	109,693,104	116,297,179	109,758,876	116,449,871
Borrowings	Level 3	10,417	18,750	10,417	18,750
Other Liabilities	Level 3	1,271,495	1,363,908	1,169,176	1,244,617
Debt Securities Issued	Level 3	1,247,444	1,246,918	1,247,444	1,246,918
Total Financial Liabilities		113,643,151	121,303,807	113,605,116	121,335,627

5.16 Disclosure on Government Grants and Disclosure of Government Assistance

MoU with iDE Nepal

The Bank has entered into agreement with iDE Nepal, a global organization that advances market-based approaches in agriculture; access to finance; and water, sanitation, and hygiene (WASH) to increase household income by provided easy access to finance in climate-smart agriculture technologies, with a focus on women and disadvantaged/marginalized groups, made possible through a bundled service offering that combined non-traditional financial service (NTFS) loan and crop insurance products to stimulate commercial vegetable production. The program included development and distribution of small-farmer, climate-smart agricultural loans from Muktinath Bikas Bank through two mechanisms, one known as Business Correspondent/Wholesale Loan Model and Rural Aggregation/Direct-to-Farmer Loan Model.

In pursuant to the terms of the agreement of iDE Nepal, the Bank has received the grant as the reimbursement of the expenses incurred for the project and has accounted the grant received as per NAS 20, Accounting for Government Grants and Disclosure of Government Assistance The following amount has been recognised in Statement of Profit and Loss Account as the grant income:

Name of the Borrower	Written off Amount
iDE Nepal	750,000
Total	750,000



5.17 Disclosure pursuant to Guideline on Recognition of Interest Income, 2019

In line with the NRB's Guideline on Recognition of Interest Income, 2019 which provides for the cessation of the the interest on loan, in case where contractual payments of principal and/or interest of the loan are due for more than 12 months the Bank has suspended to recognize the following amount as the interest income:

	31st Asar 2081	31st Asar 2080
Interest Income Suspended	168,862,971	24,272,803

5.18 Dividend Declaration

In light of the Bank's financial position and strategic priorities, the Board of Directors of the Bank has decided not to declare a dividend for the Financial year ended 2080-81. The earnings of the current year shall be reinvested into the business to support growth initiatives and enhance long-term shareholder value.

The amount of the dividend proposed in previous year is as follows:

	31st Asar 2081		31st Asar 2080	
	Percentage	Amount	Percentage	Amount
Stock Dividend	-	-	9.75	626,037,777
Cash Dividend	-	-	0.5132	32,949,357
Total	-	-	10.26	658,987,134

5.19 Concentration of Deposits and Loans & Advances

	Loans and Advances		Deposits	
	31st Asar 2081	31st Asar 2080	31st Asar 2081	31st Asar 2080
Total Amount Outstanding (Gross)	94,680,301,515	97,339,245,583	110,125,169,956	117,926,646,126
Highest exposure of single customers	696,190,000	859,256,200	2,681,577,428	2,681,577,428
Concentration of exposure to single customers	0.74%	0.88%	2.44%	2.27%
Total exposures to twenty largest customers	5,765,527,645	5,886,163,660	11,907,247,230	13,507,256,602
Concentration of exposure to twenty largest customers	6.09%	6.05%	10.81%	11.45%

5.20 Additional Disclosures on Loans and Advances

i. COVID Relaxations Related

The Bank has extended various COVID related relaxations in line with NRB Directions and the internal product paper. The outstanding and number of customers facilitated are as follows:

	31st Asar 2081		31st Asar 2080	
	No. of Customers	Amount	No. of Customers	Amount
Accrued Interest Received after Asar end 2081 till 15 Shrawn 81	11,852	117,813,199	43,026	225,634,203
Extension of moratorium period of loan provided to industry or project under construction	-	-	-	-
Restructured/Rescheduled Loan with 5% Loan Loss Provision	2,824	5,445,207,689	266	1,577,551,823
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	-	-	-	-
Enhancement of Term Loan by 10% to COVID affected borrowers	-	-	-	-
Expiry Date of Additional 20% Workings Capital Loan(COVID Loan) extended for up to 1 year with 5% provisioning	-	-	-	-
Time Extension provided for repayment of principal and interest for up to two years as per Clause 41 of NRB Directives 2	-	-	-	-

The refinance and business continuity loan detail is as follows:

	31st Asar 2081		31st Asar 2080	
	No. of Customers	Amount	No. of Customers	Amount
Refinance Loan	-	-	-	-
Business Continuity Loan	-	-	-	-

The subsidized loans details are as follows:

	31st Asar 2081		31st Asar 2080	
	No. of Customers	Amount	No. of Customers	Amount
Subsidized Loan	5,114	3,672,717,570	5,783	5,116,732,777

5.21 Comparative Figures

Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

Sanjiv Poudel Chief Financial Officer	Pradyuman Pokharel Chief Executive Officer	Bharat Raj Dhakal Chairman	Narayan Kumar Shrestha Director	As per our report of even date
Bharat Prasad Lamsal Director	Binod Kumar Sharma Director	Saroja Shrestha (Koirala) Director	Umesh Kumar Acharya Independent Director	Anil Paudel Proprietor A.P. & Associates Chartered Accountants

Kathmandu, 1st Poush 2081



Comparison of Unaudited Interim Financial Statement and Audited Financial Statement of FY 2080-81

	Unaudited Financial Statement This Quarter Ending	Audited Financial Statement This Quarter Ending	Variance		Reasons for Variance
			Amount	%	
Assets					
Cash and Cash Equivalent	3,131,337,817	3,134,539,704	3,201,887	0.10	Nostro Reconciliation and reclassification related adjustments.
Due from Nepal Rastra Bank	9,606,142,194	9,606,142,194	-	-	
Placement with Bank and Financial Institutions	-	-	-	-	
Derivative Financial Instruments	-	-	-	-	
Other Trading Assets	-	-	-	-	
Loans and Advances to BFIs	2,139,990,686	2,139,626,534	(364,152)	(0.02)	Reclassification of loans between loans to BFIs and Customers, staff loan amortization and additional impairment.
Loans and Advances to Customers	91,901,274,101	91,907,309,025	6,034,924	0.01	
Investment Securities	14,247,380,234	14,249,248,106	1,867,872	0.01	Petty adjustment on valuation of the shares.
Current Tax Assets	33,026,037	40,722,092	7,696,055	23.30	Due to change in tax liability with the change in profit.
Investment in Subsidiaries	244,045,905	244,045,905	-	-	
Investment in Associates	155,550,000	155,550,000	-	-	
Investment Property	432,504,244	432,504,244	-	-	
Property and Equipment	2,264,735,329	2,242,422,321	(22,313,008)	(0.99)	Inclusion of the right of use assets as per NFRS-16.
Goodwill and Intangible Assets	11,767,646	11,767,646	-	-	
Deferred Tax Assets	80,345,066	116,115,309	35,770,243	44.52	Final calculation of current year deferred tax.
Other Assets	777,371,340	667,770,976	(109,600,364)	(14.10)	Change in assumption in calculating deferred employee expenses and lease liability.
Total Assets	125,025,470,599	124,947,764,056	(77,706,543)	(0.06)	-
Liabilities					
Due to Banks and Financial Institutions	769,621,798	769,621,798	-	-	
Due to Nepal Rastra Bank	415,629,581	415,629,581	-	-	
Derivative Financials Instrument	-	-	-	-	
Deposits from Customers	109,758,876,129	109,758,876,133	4.00	0.00	
Borrowings	10,416,667	10,416,667	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	1,300,000	1,300,000	-	-	
Deferred Tax Liabilities	-	-	-	-	
Other Liabilities	2,272,448,177	2,314,968,531	42,520,354	1.87	Impact of lease liability under NFRS 16 and other petty adjustments.
Debt Securities Issued	1,247,443,582	1,247,443,582	-	-	
Subordinated Liabilities	-	-	-	-	
Total Liabilities	114,475,735,934	114,518,256,292	42,520,358	0.04	-
Equity					
Share Capital	7,046,938,049	7,046,938,049	-	-	
Share Premium	-	-	-	-	
Retained Earnings	331,844,356	194,701,418	(137,142,938)	(41.33)	Change in profit and regulatory reserve adjustment.
Reserves	3,170,952,260	3,187,868,297	16,916,037	0.53	Transfer to Regulatory reserves.
Total Equity Attributable to Equity Shareholders	10,549,734,665	10,429,507,764	(120,226,901)	(1.14)	Change in Profit.
Non Controlling Interest	-	-	-	-	-
Total Equity	10,549,734,665	10,429,507,764	(120,226,901)	(1.14)	-
Total Equity and Liabilities	125,025,470,599	124,947,764,056	(77,706,543)	(0.06)	-

	Unaudited Financial Statement This Quarter Ending	Audited Financial Statement This Quarter Ending	Variance		Reasons for Variance
			Amount	%	
Interest Income	13,719,924,819	13,772,495,922	52,571,103	0.38	Revised staff amortisation calculation.
Interest Expense	9,536,829,618	9,533,154,614	(3,675,004)	(0.04)	Interest cost under NFRS 16.
Net Interest Income	4,183,095,201	4,239,341,308	56,246,107	1.34	-
Fees and Commission Income	547,831,156	548,579,782	748,626	0.14	Petty adjustment.
Fees and Commission Expense	85,664,070	85,714,934	50,864	0.06	Petty adjustment.
Net Fee and Commission Income	462,167,086	462,864,848	697,762	0.15	-
Net Interest, Fee and Commission Income	4,645,262,287	4,702,206,156	56,943,869	1.23	-
Net Trading Income	8,808,470	8,808,470	-	-	
Other Operating Income	39,047,943	39,760,934	712,991	1.83	Petty adjustment.
Total Operating Income	4,693,118,700	4,750,775,560	57,656,860	1.23	-
Impairment charge/(reversal) for loans and other losses	648,577,607	776,782,215	128,204,608	19.77	Impairment added by the Statutory Auditors and NRB
Net Operating Income	4,044,541,093	3,973,993,345	(70,547,748)	(1.74)	-
Operating Expense					
Personnel Expenses	1,545,579,740	1,555,408,031	9,828,291	0.64	Change in assumption in calculating finance charge under NFRS and staff bonus.
Other Operating Expenses	441,167,443	437,040,607	(4,126,836)	(0.94)	Change in Lease expenses and other petty adjustment.
Depreciation and Amortisation	209,928,456	273,098,632	63,170,176	30.09	Impact of depreciation of Right to use assets under NFRS 16
Operating Profit	1,847,865,454	1,708,446,075	(139,419,379)	(7.54)	
Non Operating Income	155,554	155,554	-	-	
Non Operating Expense	26,388,242	26,388,242	-	-	
Profit before Income Tax	1,821,632,766	1,682,213,387	(139,419,379)	(7.65)	
Income Tax Expense					
Current Tax	542,499,040	534,814,985	(7,684,055)	(1.42)	Due to change in profit before tax and revised computation of income tax under Income Tax Act.
Deferred Tax	-	(28,936,515)	(28,936,515)	-	
Profit for the Period	1,279,133,726	1,176,334,917	(102,798,809)	(8.04)	-

Principal Indicators of last 5 Financial Year

SN	Indicators	Unit	FY 2076-77	FY 2077-78	FY 2078-79	FY 2079-80	FY 2080-81
1.	Net Profit/ Gross Income		25.37	30.51	35.01	26.83	24.76
2.	Earnings Per Share	NPR	16.56	24.03	23.72	19.44	16.69
3.	Market Value Per Share	NPR	312	657	440	407	367
4.	Price Earning Ratio	Times	18.84	27.34	18.55	20.94	21.99
5.	Stock Dividend	%	11.25	17.58	13.50	9.75	-
6.	Cash Dividend	%	4.26	0.93	0.71	0.513	-
7.	Interest Income/ Total Interest Earning Assets	%	12.08	8.37	10.79	13.04	12.76
8.	Staff Expenses/ Total Operating Expenses	%	61.25	65.92	64.89	65.36	66.15
9.	Interest Expenses/ Total Interest Bearing Liabilities	%	7.56	5.52	7.86	9.76	8.68
10.	Exchange Gain/ Total Income	%	0.49	0.14	0.21	0.30	0.20
11.	Staff Bonus/Total Staff Expenses	%	14.31	16.56	17.64	13.99	12.02
12.	Net Profit/Total Loans & Advances	%	1.47	1.51	1.50	1.29	1.25
13.	Net Profit/Total Assets	%	1.07	1.14	1.11	0.95	0.94
14.	Total Loans & Advances/Total Deposits	%	80.94	82.76	82.58	81.89	85.09
15.	Total Operating Expenses/Total Assets	%	2.20	1.63	1.51	1.62	1.81
16.	Capital Adequacy (On Risk Weighted Assets)						
	a. Core Capital	%	11.97	9.94	8.83	8.84	9.46
	b. Supplementary Capital	%	1.26	1.25	2.97	2.94	2.23
	c. Total Capital Fund	%	13.23	11.19	11.80	11.77	11.69
17.	Liquidity Ratio	%	27.83	24.07	26.32	25.67	24.01
18.	Non-Performing Loan/ Total Credit (as per NRB Directives)	%	0.26	0.229	0.21	0.98	2.37
19.	Base Rate	%	9.98	8.05	11.15	11.68	8.78
20.	Cost of Fund	%	7.52	6.26	9.24	9.52	6.54
21.	Interest Yield on Loans	%	12.51	10.78	13.76	14.18	11.16
22.	Weighted Average Interest Rate Spread	%	4.99	4.48	4.51	4.59	4.59
23.	Number of Shares	Nos.	43,249,895	48,115,508	56,571,809	64,209,003	70,469,380
24.	Net Worth Per Share	NPR	134.53	141.98	142.77	145.82	148.00
26.	Return on Total Assets	%	1.07	1.14	1.11	0.95	0.94
27.	Return on Equity	%	12.16	16.94	16.61	13.33	11.28
28.	Number of Employees	Nos.	1,436	1,547	1,555	1,663	1,565
29.	Number of Branch including extension counters	Nos.	135	158	177	178	179

Muktinath Capital Limited's Auditor's Report & Financial Statements

मुक्तिनाथ क्यापिटल लिमिटेडको लेखापरीक्षकको प्रतिवेदन र वित्तीय विवरण



INDEPENDENT AUDITOR'S REPORT
The Shareholders of Muktinath Capital Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. Muktinath Capital Limited, Kathmandu, Nepal (hereinafter referred to as "the company"), which comprises the statement of financial position as at Ashad 31, 2081 [July 15, 2024] and statement of profit or loss, statement of cash flow & statement of changes in equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the financial statements").

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at Ashad 31, 2081 (July 15, 2024) and its financial performance and its cash flows for the year then ended on that date in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of Opinion

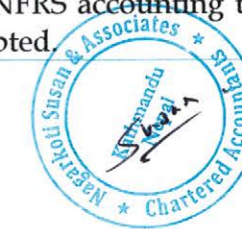
We conducted our audit in accordance with Nepal Standards on Auditing (NSA's). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Institute of Chartered Accountant of Nepal's code for professional accountants (ICAN Code) 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 the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Key Audit Matters	Our Audit Approach and Responses
<p>1. Valuation of Investment Investment of the company comprises of investments in listed Shares, Initial Public Offerings, Mutual Funds and Fixed Deposits.</p> <p>The classifications, valuations and disclosures of the aforesaid investment shall be done in line with NFRS 9 financial instruments; NFRS 13 Fair Value Measurements; NFRS 7 Financial Instruments: Disclosure. Investment made in listed securities and mutual fund has been treated as Investment held for trading and recognised as Fair Value Through Profit and Loss. And investment in fixed deposits have been measured at amortised cost.</p>	<p>Our audit approach regarding valuation of investment, impairment, its accounting includes:</p> <p>a. We ensured classifications and accounting of investments made by company and its valuation were in accordance to NFRS 9 and NFRS 13 Issued by Accounting Standards Board of Nepal.</p> <p>b. We ensured the correctness of the valuation of investment valued at amortised cost through sample verification of effective interest rate and amortization schedule.</p> <p>c. For the investment made on quoted equity instruments & units of mutual fund, we ensured that fair value has been done at the closing transaction rate in NEPSE as on 31.03.2081. Investment in promoters shares of unlisted companies has been valued at cost. However, investment in promoter shares of listed entities has been valued at the higher of average its book value; 40% of market price of ordinary shares and par value or par value.</p>
<p>2. Revenue Recognition: Revenue comprises of Income from Merchant Banking Activities, Interest Income from fixed deposit, Other Income, and Net Gain/ (loss) due to fair value change on financial instruments held for trading.</p> <p>In view of primary business of the company being the merchant banking we have considered merchant banking income and portfolio management service income as key audit matters in our audit.</p>	<p>Our audit approach regarding revenue recognition with respect to merchant banking income and portfolio management service income includes the following among other things:</p> <p>a. Ensured the portfolio management service revenue has been recognised on the basis of pms contract agreed with the client at the time of agreement.</p> <p>b. Ensured the related fees like performance fees, exit fees has been calculated and recorded as per the agreement in the timely manner.</p> <p>c. In case of contract based income, relevant NFRS accounting treatment has been adopted.</p>



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company'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 misstatements, 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 a 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 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 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 evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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, 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

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the organization in so far as it appears from our examination of those books of account of the company. In our opinion the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity & statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the requirements of Companies Act, 2063 and are in agreement with the books of accounts maintained by the company. In our opinion and to the best of information and according to the explanation given to us and from the examination of the books of accounts of the company, we have not come across any case where the board of directors or any employee of the company have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the company.

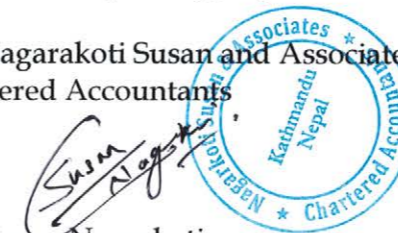
For Nagarokoti Susan and Associates
Chartered Accountants

CA. Susan Nagarkoti
Proprietor

Date: 2081/05/09

Place: Kathmandu, Nepal

UDIN: 240905CA01708g34DH



**Statement of Financial Position**

As on 31st Asar 2081

Figures in NPR

	Note	31st Asar 2081	31st Asar 2080
Assets			
Cash and Cash Equivalents	4.1	298,523,443	373,637,058
Investment Securities- Investment Securities through FVTPL	4.2	102,940,285	48,618,603
Investment Securities- Investment Securities through FVTOCI	4.3	-	-
Financial Investment-Held for Maturity	4.4	47,567,000	21,607,000
Other Financial Assets	4.5	62,914,526	46,047,738
Other Assets	4.6	11,067,622	1,105,193
Current Tax Assets	4.7	-	4,579,371
Investment Property	4.8	33,115,680	33,115,680
Property and Equipment	4.9	5,389,027	7,174,328
Right of Use Asset	4.9.1	5,435,905	7,386,959
Intangible Assets	4.10	342,523	672,467
Deferred Tax Assets	4.11	190,480	1,311,657
Total Assets		567,486,490	545,256,055
Due to Public/Refundable to Investors	4.12	-	-
Other Financial Liabilities	4.13	97,857,822	115,424,291
Other Liabilities	4.14	5,060,937	8,234,355
Current Tax Liabilities	4.7	3,794,357	-
Other Provisions	4.15	7,168,315	4,898,305
Deferred Tax Liabilities	4.11	-	-
Total Liabilities		113,881,431	128,556,952
Equity			
Share Capital	4.16	405,000,000	405,000,000
Share Premium		40,405	40,405
Retained Earning	4.17	37,526,017	4,662,439
Reserves	4.18	11,038,638	6,996,260
Total Equity		453,605,059	416,699,103
Total Liability and Equity		567,486,490	545,256,055
Contingent liabilities and commitment			

Notes 1 to 6.5 Forms integral part of Financial Statements

As per our attached report of even date

Samir Sekhar Bajracharya (Chairman/ Director)	Dandapani Dhakal (Director)	Umesh Regmi (Director)	Lila Nath Dhakal (Director)	For Nagarkoti Susan & Associates Chartered Accountants
Deepanjali Khakurel (Director)	Suman Koirala (Director)	Kabindra Bikram Dhoj Joshi (CEO)	Kamala Karki (Accounts Officer)	CA. Susan Nagarkoti Proprietor

Kathmandu, 09 Bhadra 2081

Statement of Profit or Loss

For the Period commencing on Shrawan 1, 2080 and ending on Ashad 31, 2081

Figures in NPR

	Note	31st Asar 2081	31st Asar 2080
Assets			
Revenue			
Revenue from Operation	4.18	44,204,241	26,949,019
Net Gain/(Loss) on Financial Investments-HFT	4.19	8,536,236	3,356,465
Other Income	4.20	49,830,716	46,517,669
Total Revenue		102,571,193	76,823,153
Expenses			
Employee Benefit Expenses	4.21	26,096,076	21,802,158
Operating Expenses	4.22	18,040,249	14,829,640
Depreciation and Amortization	4.23	5,534,611	5,591,033
Total Expenses		49,670,935	42,222,830
Profit before Tax from Continuing Operations		52,900,258	34,600,322
Income Tax			
Current Year Tax	4.24	14,761,093	1,836,426
Deferred Tax (Income)/Expenses	4.24	1,121,178	8,478,417
Profit for the Year		37,017,987	24,285,479
Earning Per Share		9.14	6.00

Notes 1 to 6.5 Forms integral part of Financial Statements

As per our attached report of even date

Samir Sekhar Bajracharya (Chairman/ Director)	Dandapani Dhakal (Director)	Umesh Regmi (Director)	Lila Nath Dhakal (Director)	For Nagarkoti Susan & Associates Chartered Accountants
Deepanjali Khakurel (Director)	Suman Koirala (Director)	Kabindra Bikram Dhoj Joshi (CEO)	Kamala Karki (Accounts Officer)	CA. Susan Nagarkoti Proprietor

Kathmandu, 09 Bhadra 2081

Statement of Other Comprehensive Income

For the Period commencing on Shrawan 1, 2080 and ending on Ashad 31, 2081

Figures in NPR

	Note	For the Period Ended Ashad 31, 2081	For the Period Ended Ashad 31, 2080
Assets			
Profit for the Year		37,017,987	24,285,479
Gains/(Losses) on Remeasuring Available for Sale Financial Assets		-	-
Gains/(Losses) on Actuarial Valuation of Defined Benefit Liability		-	-
Total Other Comprehensive Income/(Loss)		37,017,987	24,285,479
Income Tax Income/(Expense) relating to components of other comprehensive income		-	-
Total Comprehensive Income for the Year, Net of Tax		37,017,987	24,285,479

Notes 1 to 6.5 Forms integral part of Financial Statements

As per our attached report of even date

Samir Sekhar Bajracharya (Chairman/ Director)	Dandapani Dhakal (Director)	Umesh Regmi (Director)	Lila Nath Dhakal (Director)	For Nagarkoti Susan & Associates Chartered Accountants
Deepanjali Khakurel (Director)	Suman Koirala (Director)	Kabindra Bikram Dhoj Joshi (CEO)	Kamala Karki (Accounts Officer)	CA. Susan Nagarkoti Proprietor

Kathmandu, 09 Bhadra 2081



Statement of Cash Flow

For the Period commencing on Shrawan 1, 2080 and ending on Ashad 31, 2081

Figures in NPR

Note	For the Period Ended Ashad 31, 2081	For the Period Ended Ashad 31, 2080
CASH FLOWS FROM OPERATING ACTIVITIES		
Merchant Banking Income	16,999,726	12,549,617
Mero Share Online Income	3,658,950	3,448,550
Underwriting Income	10,521,024	4,699,729
Portfolio Management Income	4,767,673	2,997,049
Advisory Income	3,584,309	651,765
IPO/FPO Issue Income	300,000	500,000
Pledge Income	199,000	233,300
Auction Income	360,381	25,000
Issue Management Income	1,575,000	100,000
RTS Income	2,238,178	1,744,009
Other Income	14,170,974	8,909,617
Less: Personnel Expenses	(26,096,076)	(21,802,158)
Less: Operating Expenses	(18,040,249)	(14,786,716)
Add/Less: Prior Period Adjustment	(82,431)	-
Operating Cash Flows Before Changes in Operating Assets and Liabilities	14,156,460	(730,238)
(Increase)/Decrease In Operating Assets		
(Increase)/Decrease In Financial Assets	(16,866,788)	(23,313,461)
(Increase)/Decrease In Other Assets	(9,962,428)	(270,334)
Increase/(Decrease) In Operating Liabilities		
Increase/(Decrease) In due to Public/Investor	-	-
Increase/(Decrease) In Financial Liabilities	(17,566,470)	86,984,425
Increase/(Decrease) In Provisions	2,270,010	4,080,330
Increase/(Decrease) In Tax Provision	8,373,728	(4,772,535)
Increase/(Decrease) In Other Liabilities	(3,173,419)	688,192
Net Cash Flow from Operating Activities Before Tax Paid	(22,768,907)	62,666,379
Income Taxes Paid	(14,761,093)	(1,836,426)
Net Cash Flow from Operating Activities	(37,530,000)	60,829,954
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities - Quoted	(26)	(43,467,586)
Sale of Investment Securities - Quoted	-	84,501,746
Purchase of Investment Securities - Unquoted	-	(20,000,000)
Sale of Investment Securities - Unquoted	-	-
Purchase of Investment Securities - Mutual Fund	-	(2,500,000)
Sale of Investment Securities - Mutual Fund	-	-
Liquidation from Fixed deposit	-	-
Sale/(Investment) in Debenture	-	(16,607,000)
Investment in Fixed Deposit	(30,000,000)	15,000,000
Purchase of Property and Equipment	(1,166,878)	(94,170)
Receipt from the Sale of Property and Equipment	-	35,000
Purchase of Intangible Assets	(168,398)	(156,166)
Receipt from the Sale of Intangible Assets	-	-
Purchase of Investment Properties	-	-
Receipt from the Sale of Investment Properties	-	-
Increase/Decrease in ROU	(133,034)	(811,185)
Interest Received	35,183,833	37,375,785
Dividend Received	475,909	232,266
Net Cash used In Investing Activities	4,191,405	53,508,692
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from Issue of Shares	-	202,500,000
Share Premium	-	40,405
Expenditure from corporate social responsibility	(29,600)	(33,290)
Dividends Paid	-	-
Interest Paid	-	-
Net Cash from Financing Activities	(29,600)	202,507,115
Net Increase (Decrease) In Cash And Cash Equivalents	(33,368,195)	316,845,760
Cash and Cash Equivalents at Shrawan 1, 2079	373,637,058	56,791,299
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents Held	-	-
Cash and Cash Equivalents at Ashad end 2080	340,268,863	373,637,058

Notes 1 to 6.5 Forms integral part of Financial Statements

Samir Sekhar Bajracharya
(Chairman/ Director)Dandapani Dhakal
(Director)Umesh Regmi
(Director)Lila Nath Dhakal
(Director)Deepanjali Khakurel
(Director)Suman Koirala
(Director)Kabindra Bikram Dhoj Joshi
(CEO)Kamala Karki
(Accounts Officer)

Kathmandu, 09 Bhadra 2081

As per our attached
report of even dateFor Nagarkoti Susan &
Associates
Chartered Accountants
CA. Susan Nagarkoti
Proprietor

Statement of Changes in Equity

For the Period commencing on Shrawan 1, 2080 and ending on Ashad 31, 2081

Figures in NPR

	Share Capital	Share Premium	General Reserve	Available for Sale	Fair Value Reserve	CSR Reserve	Retained Earnings	Total
Balance as at Shrawan 1, 2079	202,500,000	-	4,167,191	-	-	190,956	(16,951,637)	189,906,510
Profit for the Year	-	-	-	-	-	-	24,285,479	24,285,479
Change in Fair Value	-	-	-	-	-	-	-	-
Apportion to General Reserve	-	-	2,428,548	-	-	-	(2,428,548)	-
Issue of Share Capital: Right Share Issued	202,500,000	40,405	-	-	-	-	-	202,540,405
Corporate Social Responsibility Reserve	-	-	-	-	-	242,855	(242,855)	-
Expenses out of CSR Reserve	-	-	-	-	-	(33,290)	-	(33,290)
Distribution of Dividend (including Tax)	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2080	405,000,000	40,405	6,595,739	-	-	400,521	4,662,439	416,699,103
Balance as at Shrawan 1, 2080	405,000,000	40,405	6,595,739	-	-	400,521	4,662,439	416,699,103
Prior Period Adjustments	-	-	-	-	-	-	(82,431)	(82,431)
Restated Balance as at Shrawan 1, 2080	405,000,000	40,405	6,595,739	-	-	400,521	4,580,008	416,616,673
Profit for the Year	-	-	-	-	-	-	37,017,987	37,017,987
Change in Fair Value	-	-	-	-	-	-	-	-
Apportion to General Reserve	-	-	3,701,799	-	-	-	(3,701,799)	-
Issue of Share Capital: Right Share Issued	-	-	-	-	-	-	-	-
Corporate Social Responsibility Reserve	-	-	-	-	-	370,180	(370,180)	-
Expenses out of CSR Reserve	-	-	-	-	-	(29,600)	-	(29,600)
Distribution of Dividend (including Tax)	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2081	405,000,000	40,405	10,297,538	-	-	741,100	37,526,017	453,605,059

Notes 1 to 6.5 Forms integral part of Financial Statements

Samir Sekhar Bajracharya
(Chairman/ Director)Deepanjali Khakurel
(Director)

Kathmandu, 09 Bhadra 2081

Dandapani Dhakal
(Director)Suman Koirala
(Director)Umesh Regmi
(Director)Kabindra Bikram Dhoj Joshi
(CEO)Lila Nath Dhakal
(Director)Kamala Karki
(Accounts Officer)As per our attached
report of even dateFor Nagarkoti Susan &
Associates
Chartered AccountantsCA. Susan Nagarkoti
Proprietor



प्रबन्धपत्रमा प्रस्तवित संशोधन सम्बन्धी तीन महले विवरण

- काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-२८, कमलादी, काठमाण्डौ स्थित केन्द्रीय कार्यालयलाई काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-३ लाजिम्पाट, काठमाण्डौमा स्थानान्तरण गर्नका लागि प्रबन्धपत्र तथा नियमावलीमा आवश्यक संशोधन गर्ने ।
- सञ्चालक समितिले प्रस्ताव गरे बमोजिम नेपाल राष्ट्र बैंकको निर्देशनको अधिनमा रही प्रति सेयर रु. १०० का दरले रु.१ अर्ब बराबरको मुक्तिनाथ ८.५% अविमोच्य असञ्चित अग्राधिकार सेयर (8.5%, Muktinath Perpetual Non-cumulative Preference Share) सम्बन्धित नियमनकारी निकायको स्वीकृति पश्चात जारी गर्ने ।
- हाल कायम अधिकृत पूँजी रु.८ अर्बबाट वृद्धि गरी रु.१० अर्ब पुऱ्याउने र सोही अनुसार प्रबन्धपत्रको दफा संशोधन गर्ने ।
- अविमोच्य असञ्चित अग्राधिकार सेयर जारी भए पश्चात बैंकको हाल कायम जारी तथा चुक्ता पूँजी रु.७,०८,६९,३८,०८९.०८ (अक्षरेपी सात अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) लाई वृद्धि गरी रु.८,०८,६९,३८,०८९.०८ (अक्षरेपी आठ अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) पुऱ्याउने र सोही अनुसार प्रबन्धपत्रको दफा संशोधन गर्ने ।

साविकको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्ने कारण
<p>प्रबन्धपत्रको दफा २(१) मा : वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-२८, कमलादीमा रहने छ ।</p>	<p>प्रबन्धपत्रको दफा २(१) मा : विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-३, लाजिम्पाटमा रहनेछ ।</p>	यस विकास बैंकले काठमाण्डौ महानगरपालिका वडा नं.-३, लाजिम्पाटमा निर्मित आफ्नै भवनमा केन्द्रीय कार्यालय स्थानान्तरण भइसकेकोले ।
<p>प्रबन्धपत्रको दफा ५ को उपदफा (क) मा: विकास बैंकको अधिकृत पूँजी रु.८,००,००,००,०००/- (अक्षरेपी पाँच अर्ब मात्र) हुनेछ । सो पूँजीलाई रु. १०० दरका रु.८,००,००,०००/- (अक्षरेपी पाँच करोड) थान साधारण सेयरमा विभाजन गरिएको छ ।</p>	<p>प्रबन्धपत्रको दफा ५ को उपदफा (क) मा: विकास बैंकको अधिकृत पूँजी रु.१०,००,००,००,०००/- (अक्षरेपी दश अर्ब मात्र) हुनेछ । सो पूँजीलाई रु. १०० को दरले रु. १०,००,००,०००/- (अक्षरेपी दश करोड) थान साधारण सेयरमा विभाजन गरिएको छ ।</p>	विकास बैंकको पूँजी वृद्धि गर्ने योजना अनुरूप ।
<p>दफा ५ को उपदफा (ख) मा: विकास बैंकको जारी पूँजी रु. ७,०८,६९,३८,०८९.०८ (अक्षरेपी सात अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) हुनेछ । जसलाई प्रति सेयर रु.१००/- का दरले ७,०८,६९,३८०.८९ (सात करोड चार लाख उनसतरी हजार तीन सय असी दशमलव चार नौ थान साधारण सेयरमा विभाजन गरिएको छ ।</p>	<p>दफा ५ को उपदफा (ख) मा: विकास बैंकको जारी पूँजी रु. ८,०८,६९,३८,०८९.०८ (अक्षरेपी आठ अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) हुनेछ । सो पूँजीलाई प्रति सेयर रु.१००/- का दरले ७,०८,६९,३८०.८९ (सात करोड चार लाख उनसतरी हजार तीन सय असी दशमलव चार नौ) थान साधारण सेयरमा र १,००,००,०००.०० (एक करोड) थान अग्राधिकार सेयरमा विभाजन गरिएको छ ।</p>	विकास बैंकको हाल कायम जारी तथा चुक्ता पूँजी रु. ७,०८,६९,३८,०८९.०८ (अक्षरेपी सात अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) रहेको र अठारौँ वार्षिक साधारण सभाबाट रु. १,०००,०००,०००.०० (अक्षरेपी एक अर्ब मात्र) को अग्राधिकार सेयर जारी गर्ने प्रस्ताव गरिएकोले ।
<p>दफा ५ को उपदफा (ग) मा: विकास बैंकको चुक्ता पूँजी रु. ७,०८,६९,३८,०८९.०८ (अक्षरेपी सात अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) हुनेछ ।</p>	<p>दफा ५ को उपदफा (ग) मा: विकास बैंकको चुक्ता पूँजी रु. ८,०८,६९,३८,०८९.०८ (अक्षरेपी आठ अर्ब चार करोड उनसतरी लाख अर्ब आठ करोड उनसतरी लाख रुपैयाँ आठ पैसा मात्र) हुनेछ । सो पूँजीलाई प्रति सेयर रु.१००/- का दरले ७,०८,६९,३८०.८९ (सात करोड चार लाख उनसतरी हजार तीन सय असी दशमलव चार नौ) थान साधारण सेयरमा र १,००,००,०००.०० (एक करोड) थान अग्राधिकार सेयरमा विभाजन गरिएको छ ।</p>	

- अग्राधिकार सेयर तथा अविमोच्य ऋणपत्र जारी गर्नका लागि बैंकको प्रबन्धपत्र तथा नियमावलीमा आवश्यक थप/संशोधन गर्ने ।

साविकको व्यवस्था	थप व्यवस्था	थप गर्नुपर्ने कारण
हाल नभएको	<p>दफा ८ को (क) : नेपाल राष्ट्र बैंकले तोकेको सीमा मित्र रही अग्राधिकार सेयर तथा अविमोच्य ऋणपत्र जारी गर्ने ।</p>	थप पूँजी परिचालनको लागि अग्राधिकार सेयर तथा अविमोच्य ऋणपत्र जारी गर्न सक्ने व्यवस्था थप गर्नुपर्ने भएकोले ।

नियमावलीमा प्रस्तवित संशोधन सम्बन्धी तीन महले विवरण

- काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं. २८, कमलादी, काठमाण्डौ स्थित केन्द्रीय कार्यालयलाई काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं.-३ लाजिम्पाट, काठमाण्डौमा स्थानान्तरण गर्नका लागि नियमावलीमा आवश्यक संशोधन गर्ने ।

साविकको व्यवस्था	संशोधित/थप व्यवस्था	संशोधन/थप गर्नुपर्ने कारण
<p>नियमावलीको दफा २(१) मा : वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं. २८, कमलादीमा रहने छ ।</p>	<p>प्रबन्धपत्रको दफा २ मा : विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला, काठमाण्डौ महानगरपालिका वडा नं. ३, लाजिम्पाटमा रहने छ ।</p>	यस विकास बैंकले काठमाण्डौ महानगरपालिका वडा नं. ३, लाजिम्पाटमा नव निर्मित आफ्नै भवनमा केन्द्रीय कार्यालय स्थानान्तरण गर्नुपर्ने भएकोले ।
<p>नियमावलीको दफा १५ (१) मा: प्रचलित कम्पनी कानून वा अन्यथा लेखिएकोमा बाहेक प्रत्येक सेयरधनीले आफूले लिइएको प्रत्येक सेयर बापत एउटा मत दिने अधिकार हुनेछ ।</p>	<p>प्रबन्धपत्रको दफा ५ को उपदफा (क) मा: प्रचलित कम्पनी कानून वा यस विनियमावलीमा अन्यथा लेखिएकोमा बाहेक प्रत्येक सेयरधनीले आफूले लिइएको प्रत्येक सेयर बापत एउटा मत दिने अधिकार हुनेछ । अग्राधिकार सेयरधनीहरूले मताधिकारमा भाग लिन पाउने छैनन् ।</p>	अग्राधिकार सेयर जारी गर्ने क्रममा उक्त सेयर लिने सेयरधनीहरूले मताधिकारमा भाग लिन नपाउने व्यवस्था कायम गर्न ।

टिपोटः

प्रोक्सी फारम
दफा ७१ को उपदफा (३) संग सम्बन्धित

श्री सञ्चालक समिति
मुक्तिनाथ विकास बैंक लिमिटेड
केन्द्रीय कार्यालय,
लाजिम्पाट, काठमाण्डौ

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला महा/उप/न.पा./गा.पा. वडा नं. बस्ने म/हानी
..... त्यस बैंकको सेयरधनीको हैसियतले मिति २०८१ साल पुष २९ गते सोमबारका दिन हुने अठारौं
वार्षिक साधारण सभामा, म/हानी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले, उक्त सभामा मेरो/हाम्रो
तर्फबाट भाग लिन तथा मतदान गर्नका लागि जिल्ला महा/उप/न.पा./गा.पा.
वडा नं. बस्ने श्री लाई प्रतिनिधि नियुक्त गरी पठाएको छु / छौं ।

प्रोक्सी पाउनेको:

निवेदकः

दस्तखतः

दस्तखतः

नामः

नामः

ठेगाना :

ठेगाना:

सेयरधनी नं./डिम्याट नं.:

सेयरधनी नं./डिम्याट नं.:

सेयर संख्या:

सेयर संख्या:

मिति:

द्रष्टव्यः

यो निवेदन साधारणसभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, लाजिम्पाट, काठमाण्डौमा पेश गरी सक्नुपर्नेछ ।
सेयरधनी वाहेक अन्य व्यक्तिलाई प्रतिनिधि नियुक्त गर्न पाइने छैन ।



सेयरधनीको नामः श्री सेयरधनी परिचय नं./डिम्याट नं.:

सेयर संख्या:

मिति २०८१ साल पुष २९ गते सोमबारका दिन हुने, मुक्तिनाथ विकास बैंक लिमिटेडको अठारौं वार्षिक साधारण सभामा उपस्थित
हुन जारी गरिएको ।

प्रवेश-पत्र

सेयरधनीको दस्तखत

कम्पनी सचिव

सभामा भाग लिन आउँदा यो प्रवेश-पत्रमा अनिवार्य रूपमा नाम, दस्तखत, सेयरधनी परिचय नं./डिम्याट नं.: तथा कुल सेयर संख्या
उल्लेख गरी, साथमा लिई आउनु पर्नेछ ।

टिपोटः

Our Network (शाखा सञ्जाल)



कोशी प्रदेश

१	सिद्धिचरण शाखा	९८०२३०६०३१
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४	कटारी शाखा	९८०२३०६०४६
५	धनकुटा शाखा	९८०२३०६१२२
६	इटहरी शाखा	९८०२३०६०६३
७	इनरूवा शाखा	९८०२३०६०६४
८	धरान शाखा	९८०२३०६०६५
९	दुहवी शाखा	९८०२३०६१२३
१०	बिराटनगर शाखा	९८०२३०६०५१
११	उर्लाबारी शाखा	९८०२३०६०६८
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१३	दमक शाखा	९८०२३०६०५८
१४	बिर्तामोड शाखा	९८०२३०६०७६
१५	पथरी शाखा	९८०२३३६१५३
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१७	रङ्गेली शाखा	९८०२३०६१४१
१८	गाइघाट शाखा	९८०२३०६१४२
१९	कञ्चनबारी शाखा	९८०२३३६१७०
२०	काकडमिदटा शाखा	९८०२३०६१३३

मधेश प्रदेश

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२२	चन्द्रपुर शाखा	९८०२३०६०५२
२३	लालबन्दी शाखा	९८०२३०६०६६
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२५	जनकपुर शाखा	९८०२३०६०६२
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२७	गोलबजार शाखा	९८०२३०६०७५
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२९	पिपरीचोक शाखा	९८०२३०६१३७
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५२	कुपण्डोल शाखा	९८०२३०६०८०
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५५	बाडेगाउँ शाखा	९८०२३०६०२७
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६५	घार्के शाखा	९८०२३०६११५
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७६	बदर शाखा	९८०२३०६१२४
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८३	पनौती शाखा	९८०२३०६१५७
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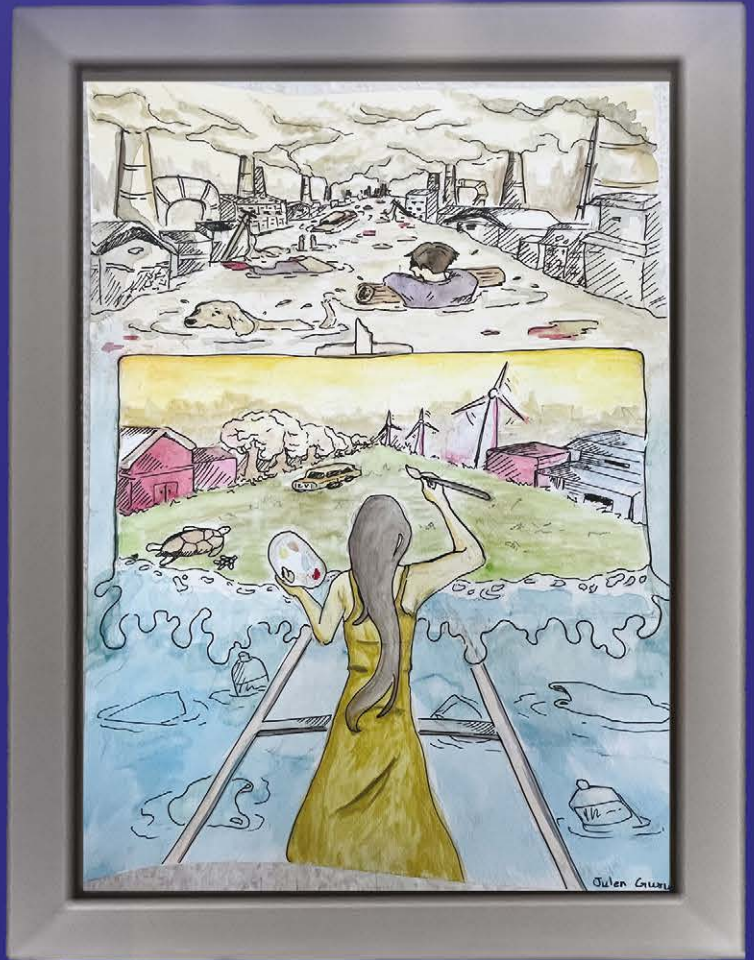
सुदूरपश्चिम प्रदेश

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