

Himalayan Bank Limited
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HBL



हिमालयन बैंक लिमिटेड
Himalayan Bank Ltd.

www.himalayanbank.com

हिमालयन बैंक लिमिटेड

वार्षिक प्रतिवेदन आ.व. २०७८/२०७९

TRANSFORMATION THROUGH INNOVATION

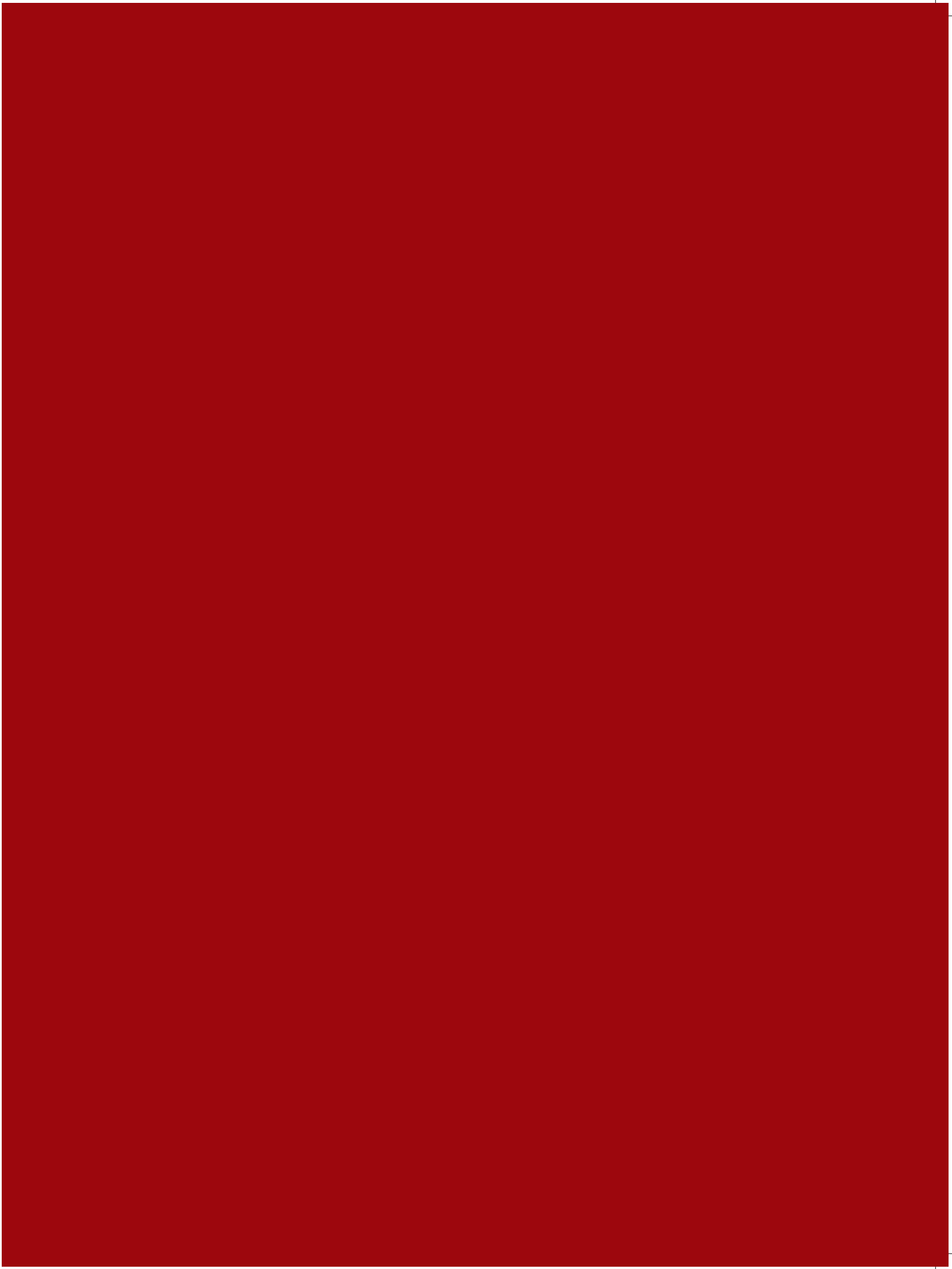


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पुस्तिकामा समाविष्ट सामग्रीहरू

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हिमालयन बैंक लिमिटेडको तीसौं वार्षिक साधारण सभाबारे सूचना

२०७९ साल पौष महिना ०६ गते बसेको संचालक समितिको बैठक नं ४२८ को निर्णयानुसार यस बैंकको तीसौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा बस्ने भएको हुँदा शेयरधनी महानुभावहरूको जानकारीका लागि यो सूचना प्रकाशित गरिएको छ। आवश्यक कागजातहरू शेयरधनी महानुभावहरूलाई यथासमयमा पठाइने व्यहोरा अनुरोध छ।

तीसौं वार्षिक साधारण सभा बस्ने मिति, समय र स्थान

- १) मिति : २०७९ साल पौष २८ गते, बिहिवार (तदनुसार जनवरी १२, २०२३)
- २) स्थान : होटल सोल्टी, सोल्टीमोड, काठमाडौं
- ३) समय : बिहान ११:०० बजे

छलफलका विषय-सूची

क) सामान्य प्रस्ताव

- १) तीसौं वार्षिक साधारण सभाको लागि संचालक समितिको प्रतिवेदन,
- २) लेखापरीक्षकको प्रतिवेदन सहित २०७९ साल असार मसान्तको वासलात, सोही मितिमा समाप्त आ.व. २०७८/७९ को नाफा-नोक्सान हिसाब तथा नगदप्रवाह विवरण छलफल गरी पारित गर्ने,
- ३) यस बैंकको सहायक कम्पनी हिमालयन क्यापिटल लि. को आ.व २०७८/७९ को वित्तीय विवरण सहितको एकिकृत वित्तीय विवरण स्वीकृत गर्ने,
- ४) संचालक समितिले सिफारिश गरेबमोजिम नाफाको बाँडफाँट तथा चुक्ता पूँजी रु.१२,९६,८७,२५,७२५/- को ११.११ प्रतिशत (कर सहित) ले हुने जम्मा रु.१,४४,०८,२५,४२८.०३ नगद लाभांश दिने प्रस्ताव स्वीकृत गर्ने,
- ५) सर्वसाधारण शेयरधनीहरूको तर्फबाट संचालक समितिमा प्रतिनिधित्व गर्ने संचालक पद १ (एक) को निर्वाचन,
- ६) कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०७९/८० का लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने, (वर्तमान लेखापरीक्षक जि.पि राजवाहक एण्ड कम्पनी चार्टर्ड एकाउन्टेन्ट पुनः नियुक्त हुन सक्ने।)

ख) विशेष प्रस्ताव

- १) संचालक समितिले सिफारिश गरेबमोजिम बैंकको जारी र हालको चुक्ता पूँजी रु.१२,९६,८७,२५,७२५/- बाट वृद्धि गर्न चुक्ता पूँजीको ८ प्रतिशतले हुने जम्मा रु. १,०३,७४,९८,०५८/- बोनस शेयर जारी गर्ने सम्बन्धी विशेष प्रस्ताव स्वीकृत गर्ने।
- २) बैंकले आर्थिक वर्ष २०७८/७९ मा संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा आर्थिक सहायता प्रदान गर्दा कम्पनी ऐन २०६३ को दफा १०५ को उपदफा १ को खण्ड (ग) ले निर्धारण गरेको सीमा भन्दा माथि गरेका सहयोग अन्तर्गत विभिन्न संघ-संस्था, सामुदायिक अस्पतालहरू, सामुदायिक विद्यालयहरूलाई तथा वित्तीय साक्षरताका कार्यक्रमहरू सञ्चालन समेतमा गरि खर्च गरेको कुल रकम रु. १,२७,१७,२२४.३९ (अक्षरेपी एक करोड सत्ताइस लाख सत्र हजार दुई सय चौविस रुपैयाँ उन्नन्वालिस् पैसा) अनुमोदन गर्ने। (संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च भएको रकमहरूको विस्तृत विवरणहरू बैंकको ३० औं वार्षिक प्रतिवेदनमा उल्लेख गरिएको छ।)
- ३) यस बैंकले सिभिल बैंक लिमिटेडलाई प्राप्त गर्ने प्रयोजनका लागि भएको सम्पत्ति, दायित्व तथा कारोवारको मूल्याङ्कनकर्ता M/s CSC & CO., Chartered Accountants को नियुक्ति, उक्त मूल्याङ्कनकर्तालाई भुक्तानी गरिएको पारिश्रमिक, सम्पत्ति तथा दायित्व मूल्याङ्कन प्रतिवेदन (Due Diligence Audit Report), समझदारी पत्र (Memorandum of Understanding) तथा अन्तिम सम्झौता पत्र (Final Scheme of Arrangement) लगायतका सम्पूर्ण कामकारवाहीहरूलाई स्वीकृती प्रदान गर्ने।
- ४) हिमालयन बैंक लिमिटेडले सिभिल बैंक लिमिटेडलाई प्राप्त (Acquisition) गर्ने प्रयोजनको लागि मूल्याङ्कनकर्ता M/s CSC & CO., Chartered Accountants बाट प्राप्त दुवै संस्थाको सम्पत्ति, दायित्व तथा कारोवारको मूल्याङ्कन प्रतिवेदन (Due Diligence Audit Report) तथा व्यावसायिक अवसरहरू, व्यावसायिक प्रतिष्ठा, कर्मचारीहरूको योग्यता, क्षमता, दक्षता तथा कार्यकुशलता, बजार उपस्थिति, मुनाफा वितरणको इतिहास, पछिल्लो शेयरबजार मूल्य समेतका विषयहरूको आधारमा शेयर आदान प्रदान अनुपात निर्धारण गरी सिफारिस गरिएको शेयर आदान प्रदान अनुपात १०० बराबर ८०.२८ (Swap Ratio 1: 0.8028) हुने गरि (सिभिल बैंक लिमिटेडको १०० किता शेयर बराबर उक्त कम्पनीका शेयरधनीहरूलाई हिमालयन बैंक लिमिटेडको ८०.२८ किता शेयर अनुपात हुने गरी) सिभिल बैंक लिमिटेडलाई प्राप्त गर्न स्वीकृती प्रदान गर्ने।
- ५) विशेष प्रस्ताव नं ४) बमोजिम सिभिल बैंक लिमिटेडलाई प्राप्त गरे पश्चात बैंकको जारी तथा चुक्ता पूँजी वृद्धि हुने तथा संस्थापक तथा सर्वसाधारण शेयरधनीहरूको शेयर स्वामित्व प्रतिशत समेत परिवर्तन हुने भएकोले सोही बमोजिम बैंकको प्रबन्धपत्र तथा नियमावलीको विभिन्न सम्बन्धित दफाहरूमा (अनुसूचिमा उल्लेख भए अनुसार) संशोधनको प्रस्तावलाई स्वीकृति प्रदान गर्ने।
- ६) यस बैंकले सिभिल बैंक लिमिटेडलाई प्राप्त पश्चात हिमालयन बैंक लिमिटेडकै नाममा एकिकृत कारोवार गर्ने कार्यलाई स्वीकृती प्रदान गर्ने।
- ७) यस बैंकले सिभिल बैंक लिमिटेडलाई प्राप्त गर्ने प्रक्रियामा नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड लगायतका नियमनकारी निकायबाट स्वीकृती लिने। अभिलेख गर्ने क्रममा भए गरेका काम कारवाही वा पूँजी संरचना वा प्रबन्धपत्र र नियमावली संशोधनका सम्बन्धमा नियमनकारी निकायहरूबाट संशोधन, परिमार्जन तथा थपघट गर्न कुनै निर्देशन प्राप्त भएमा सोही बमोजिम संशोधन/परिमार्जन समेतका सम्पूर्ण कार्यहरू गर्न सञ्चालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने।
- ८) बैंकको प्रबन्ध पत्र र नियमावलीमा संशोधन गर्ने विशेष प्रस्ताव पारित गर्ने तथा प्रस्तावित संशोधनमा नेपाल राष्ट्र बैंक वा अन्य निकायले फेरबदल गरेमा आवश्यक समायोजन गर्न संचालक समितिलाई वा संचालक समितिले तोकेको पदाधिकारीलाई अधिकार दिने,

ग) विविध, जानकारी

- १) मिति २०७९ साल पौष महिना १८ गते सोमवार देखि २०७९ साल पौष महिना २८ गते सम्म शेयर दाखिल खारेज बन्द रहने कुरा जानकारी गराइन्छ।
- २) शेयरधनी महानुभावहरूलाई बैंकको शेयरधनी लगतमा कायम रहेको ठेगानामा वार्षिक प्रतिवेदन, प्रस्तावित प्रबन्धपत्र र नियमावली को संशोधन सहितको विवरण पठाइने छ।
- ३) सभामा भाग लिनको लागि आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले आफ्नो सम्पूर्ण शेयरको एउटै प्रतिनिधि हुने गरी प्रोक्सी फारम भरी सभा शुरु हुनु भन्दा कम्तीमा ७२ घण्टा अगाडि कार्यालय समयभित्र श्री हिमालयन क्यापिटल लिमिटेड ठमेलमा दर्ता गरिसक्नु पर्नेछ। उक्त दिन सार्वजनिक विदा परेको खण्डमा पनि उल्लेखित

प्रयोजनको निमित्त उक्त कार्यालय खुला रहने छ । बैंकका शेयरधनीलाई मात्र प्रोक्सी नियुक्त गर्न सकिनेछ तथा एक भन्दा बढी व्यक्तिलाई शेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्टयाएर दिइएको प्रोक्सी बदर हुनेछ ।

- ४) सभामा भाग लिन र मतदान गर्नको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गरी दर्ता गरिसकेपछि प्रतिनिधि फेरबदल गर्न चाहेमा सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगाडि कार्यालय समय भित्र श्री हिमालयन क्यापिटल लिमिटेड ठमेलमा प्राप्त हुने गरी सोको सूचना पठाउनुपर्नेछ । उक्त दिन सार्वजनिक विदा परेको खण्डमा पनि उल्लेखित प्रयोजनको निमित्त उक्त कार्यालय खुला रहने छ ।
- ५) संचालक पदमा उम्मेदवार हुनको लागि बैंकको नियमावलीको नियम १३ बमोजिम कम्तीमा १०० कित्ता शेयर लिएका शेयरधनीहरूले निर्वाचन हुने दिन भन्दा १५ दिन अगावै एकजना शेयरधनी प्रस्तावक र अर्को एकजना शेयरधनी समर्थक सहित आफ्नो उम्मेदवारी तोकिएको ढाँचाबमोजिम श्री हिमालयन क्यापिटल लिमिटेड ठमेलमा दरखास्त दर्ता गर्नुपर्नेछ ।
- ६) छलफलको विषयमध्ये विविध शीर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीहरूले सभा हुनुभन्दा ७ दिन अगावै छलफलको विषय कम्पनी सचिवमार्फत संचालक समितिको अध्यक्षलाई लिखितरूपमा दिनुपर्छ ।
- ७) सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले सभा हुने दिन शेयरधनीको नाममा खोलिएको हितग्राही खाता (Demat) र शेयरधनी परिचयपत्र वा शेयरधनी परिचय नम्बर लेखिएको शेयर प्रमाणपत्र साथमा लिइ आउनुहुन अनुरोध छ ।
- ८) नाबालक वा विक्षिप्त शेयरधनीको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएका व्यक्तिले सभामा भाग लिन, मतदान गर्न वा प्रतिनिधि तोक्न पाउनेछन् ।
- ९) एकै शेयरधनीले कुनै एक प्रतिनिधि मुर्करर गरेकोमा सो बदर नगरी अर्को प्रतिनिधि मुर्करर गरेमा जुन मुर्कररत लिखित हिमालयन क्यापिटल लि. ठमेलमा पहिले प्राप्त भई दर्ता हुन्छ सो मात्र मान्य हुनेछ ।
- १०) हाजिर पुस्तिका विहान १०:०० बजे देखि खुला रहने छ ।
- ११) सर्वसाधारण शेयरधनीको तर्फबाट प्रतिनिधित्व गर्ने संचालक पद १ (एक) को निर्वाचनको सम्बन्धी कार्यक्रमको निर्वाचन अधिकृतद्वारा छुट्टै सूचना प्रकाशित गरि जानकारी गराइने छ ।

शेयरधनी महानुभावहरूलाई जानकारी :

- (क) बैंकले आफ्ना शेयरधनीहरूलाई न्यूनतम मौज्दात रु. ५००/- (रुपैया पाँच सय मात्र) मा शेयरधनी बचत खाता खोल्ने व्यवस्था गरेको छ । त्यसरी खाता खोल्ने शेयरधनीहरूको लाभांश रकम उक्त खातामा जम्मा गरिनेछ ।
- (ख) आ.व. २०७७/७८ र सो भन्दा अगाडिको लाभांश तथा बोनस शेयर नलिनु भएका शेयरधनीहरूले हिमालयन क्यापिटल लि.को कार्यालय ठमेलमा सम्पर्क गर्नु हुन अनुरोध छ ।

संचालक समितिको आज्ञाले
कम्पनी सचिव

अनुसूची

हिमालयन बैंक लिमिटेडको
तीसौं वार्षिक साधारण सभामा विशेष प्रस्तावद्वारा
प्रबन्धपत्र तथा नियमावलीमा गरिने प्रस्तावित संशोधन मस्यौदा

प्रबन्धपत्र संशोधनको विशेष प्रस्ताव :

विद्यमान व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
दफा ५. बैंकको पूँजीको संरचना :	दफा ५. बैंकको पूँजीको संरचना:	
(क) तत्काल जारी पूँजी रु. १२,९६,८७,२५,७२५।- (अक्षरेपी बाह्र अर्ब छयान्नेबे करोड सतासी लाख पच्चीस हजार सात सय पच्चीस रुपैयाँ मात्र) हुनेछ ।	(क) तत्काल जारी पूँजी रु. १४,००,६२,२३,७८३।- (अक्षरेपी चौध अर्ब बैसठ्ठी लाख तेइस हजार सात सय त्रियासी रुपैयाँ मात्र) हुनेछ ।	आ.व २०७८/०७९ को नाफा बाट बोनस शेयर जारी गर्दा बैंकको विद्यमान पूँजी संरचनामा हेरफेर हुने हुँदा ।
(ख) तत्काल चुक्ता पूँजी रु. १२,९६,८७,२५,७२५।- (अक्षरेपी बाह्र अर्ब छयान्नेबे करोड सतासी लाख पच्चीस हजार सात सय पच्चीस रुपैयाँ मात्र) हुनेछ ।	(ख) तत्काल चुक्ता पूँजी रु. १४,००,६२,२३,७८३।- (अक्षरेपी चौध अर्ब बैसठ्ठी लाख तेइस हजार सात सय त्रियासी रुपैयाँ मात्र) हुनेछ ।	

नियमावली संशोधनको विशेष प्रस्ताव :

विद्यमान व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण															
नियम ३.(ख) : बैंकको अधिकृत पूँजीको अंक र विभिन्न प्रकारको शेयर संख्या :	नियम ३.(ख) : बैंकको अधिकृत पूँजीको अंक र विभिन्न प्रकारको शेयर संख्या :																
(ख) तत्काल जारी पूँजी रु. १२,९६,८७,२५,७२५।- (अक्षरेपी बाह्र अर्ब छयान्छे करोड सतासी लाख पच्चीस हजार सात सय पच्चीस रुपैयाँ मात्र) हुनेछ ।	(ख) तत्काल जारी पूँजी रु. १४,००,६२,२३,७८३।- (अक्षरेपी चौध अर्ब बैसठ्ठी लाख तेइस हजार सात सय त्रियासी रुपैयाँ मात्र) हुनेछ ।	आ.व २०७८/०७९ को नाफा बाट बोनस शेयर जारी गर्दा बैंकको विद्यमान पूँजी संरचनामा हेरफेर हुने हुँदा ।															
(ग) तत्काल चुक्ता पूँजी रु. १२,९६,८७,२५,७२५।- (अक्षरेपी बाह्र अर्ब छयान्छे करोड सतासी लाख पच्चीस हजार सात सय पच्चीस रुपैयाँ मात्र) हुनेछ ।	(ग) तत्काल चुक्ता पूँजी रु. १४,००,६२,२३,७८३।- (अक्षरेपी चौध अर्ब बैसठ्ठी लाख तेइस हजार सात सय त्रियासी रुपैयाँ मात्र) हुनेछ ।																
नियम ३१. संचालकको पारिश्रमिक, भत्ता र सुविधा सम्बन्धी व्यवस्था :	नियम ३१. संचालकको पारिश्रमिक, भत्ता र सुविधा सम्बन्धी व्यवस्था :	संशोधन गर्नुपर्ने कारण															
(१) संचालकले पाउने मासिक पारिश्रमिक, बैठक भत्ता, दैनिक तथा भ्रमण भत्ता र अन्य सुविधा देहाय बमोजिम हुनेछ :- (ख) संचालक समितिको बैठकमा उपस्थित भए वापत सञ्चालकले पाउने बैठक भत्ता यस प्रकार हुनेछ । (अ) अध्यक्ष - २०,०००।- प्रति बैठक (आ) संचालक- १६,०००।- प्रति बैठक	(१) संचालकले पाउने मासिक पारिश्रमिक, बैठक भत्ता, दैनिक तथा भ्रमण भत्ता र अन्य सुविधा देहाय बमोजिम हुनेछ :- (ख) संचालक समितिको बैठकमा उपस्थित भए वापत सञ्चालकले पाउने बैठक भत्ता यस प्रकार हुनेछ । (अ) अध्यक्ष - २४,०००।- प्रति बैठक (आ) संचालक- २०,०००।- प्रति बैठक	समय सापेक्ष रुपमा संचालकको बैठक भत्ता रकम बृद्धि गर्नुपर्ने भएकोले ।															
(ग) बैंकको कामको सिलसिलामा सञ्चालकलाई प्रदान गरिने दैनिक तथा भ्रमण भत्ता देहाय बमोजिम हुनेछ :- (अ) दैनिक भत्ता रु.	(ग) बैंकको कामको सिलसिलामा सञ्चालकलाई प्रदान गरिने दैनिक तथा भ्रमण भत्ता देहाय बमोजिम हुनेछ :- (अ) दैनिक भत्ता रु.	चौबिसौ वार्षिक साधारण सभा पश्चात दैनिक भत्ता बृद्धि नभएकोले बजार मूल्य बृद्धि अनुसार समायोजन गर्नु बाञ्छनिय देखिएकोले ।															
<table><tr><td>नेपाल भित्र</td><td>रु. ४६००/-</td></tr><tr><td>भारत</td><td>भा. रु. ५०००/-</td></tr><tr><td>सार्क मुलुक</td><td>USD २००/-</td></tr><tr><td>अन्य मुलुक</td><td>USD ३००/-</td></tr></table>	नेपाल भित्र		रु. ४६००/-	भारत	भा. रु. ५०००/-	सार्क मुलुक	USD २००/-	अन्य मुलुक	USD ३००/-	<table><tr><td>नेपाल भित्र</td><td>रु. ६०००/-</td></tr><tr><td>भारत</td><td>भा. रु. ६०००/-</td></tr><tr><td>सार्क मुलुक</td><td>USD २४०/-</td></tr><tr><td>अन्य मुलुक</td><td>USD ३५०/-</td></tr></table>	नेपाल भित्र	रु. ६०००/-	भारत	भा. रु. ६०००/-	सार्क मुलुक	USD २४०/-	अन्य मुलुक
नेपाल भित्र	रु. ४६००/-																
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सार्क मुलुक	USD २४०/-																
अन्य मुलुक	USD ३५०/-																

नोटः

३० औं वार्षिक साधारणसभाबाट यस बैंकले सिभिल बैंक लिमिटेडलाई प्राप्त गर्ने सम्बन्धी विशेष प्रस्ताव नं ३, ४, ५, ६, ७ हरु स्वीकृत भएर आवश्यक नियामकीय प्रक्रिया पश्चात एकिकृत कारोबार हुँदा बैंकको अधिकृत, जारी तथा चुक्ता पूँजीको संरचना निम्न अनुसार हुनेछ ।

बैंकको पूँजीको संरचना:

क) यस बैंकले सिभिल बैंकलाई प्राप्त गरे पश्चात दुवै बैंकको कुल अधिकृत पूँजी (हिमालयन बैंकको रु. १६ अर्ब तथा सिभिल बैंकको रु. १० अर्ब) जोड्दा बैंकको अधिकृत पूँजी रु. २६,००,००,००,०००।-(अक्षरेपी छव्विस अर्ब रुपैयाँ मात्र) हुनेछ । उक्त पूँजीलाई रु १००।- का दरले २६,००,००,००० (छव्विस करोड थान) साधारण शेयरमा विभाजन गरिएको छ ।

(ख) आ.व २०७८/७९ को नाफा बाट यस बैंक र सिभिल बैंकले बोनस शेयर जारी गरे पश्चात हुने नयाँ शेयर संरचना तथा यस बैंकले सिभिल बैंकलाई प्राप्त गर्ने प्रक्रियामा स्वीकृत शेयर आदान प्रदान अनुपात (१:०.८०२८ अर्थात सिभिल बैंकको १०० कित्ता शेयर बराबर हिमालयन बैंकको ८०.२८ कित्ता शेयर) अनुसार सिभिल बैंकलाई प्राप्त गर्दा हिमालयन बैंकको जारी पूँजी रु. १४,००,६२,२३,७८३.०० तथा सिभिल बैंकको जारी पूँजी रु. ७,६५,०३,९१,८४८.९० हुने र कुल तत्काल जारी पूँजी रु. २१,६५,६६,१५,६३१.९० (अक्षरेपी एक्काइस अर्ब पैसट्टी करोड छैसट्टी लाख पन्ध्र हजार छ सय एकतीस दशमलव नब्बे रुपैयाँ मात्र) कायम हुनेछ ।

(ग) आ.व २०७८/७९ को नाफा बाट यस बैंक र सिभिल बैंकले बोनस शेयर जारी गरे पश्चात हुने नयाँ शेयर संरचना तथा यस बैंकले सिभिल बैंकलाई प्राप्त गर्ने प्रक्रियामा स्वीकृत शेयर आदान प्रदान अनुपात (१:०.८०२८ अर्थात सिभिल बैंकको १०० कित्ता शेयर बराबर हिमालयन बैंकको ८०.२८ कित्ता शेयर) अनुसार सिभिल बैंकलाई प्राप्त गर्दा हिमालयन बैंकको चुक्ता पूँजी रु. १४,००,६२,२३,७८३.०० तथा सिभिल बैंकको चुक्ता पूँजी रु. ७,६५,०३,९१,८४८.९० हुने र कुल चुक्ता पूँजी रु. २१,६५,६६,१५,६३१.९० (अक्षरेपी एक्काइस अर्ब पैसट्टी करोड छैसट्टी लाख पन्ध्र हजार छ सय एकतीस दशमलव नब्बे रुपैयाँ मात्र) कायम हुनेछ ।

प्रोक्सी-फाराम

श्री संचालक समिति
हिमालयन बैंक लिमिटेड
कमलादी, काठमाडौं

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,
..... जिल्ला म.न.पा./उ.न.पा./न.पा./गा.पा. वडा नं. बस्ने
म/हामी ले त्यस कम्पनीको शेयरधनीको हैसियतले २०७९, पौष २८ गते बिहीवारका दिन हुने
३० औं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान
गर्नका लागि जिल्ला म.न.पा./उ.न.पा./न.पा./गा.पा. वडा नं. बस्ने त्यस कम्पनीका
शेयरधनी श्री
शेयरधनी परिचय/DMAT A/C नं. लाई मेरो/हाम्रो प्रतिनिधि मनोनीत गरी पठाएका छु/छौं ।

निवेदक

प्रोक्सी लिनेको दस्तखत:

दस्तखत:

नाम:

शेयरधनी परिचय/DMAT A/C नं.:

शेयर संख्या :

मिति:

द्रष्टव्य: यो निवेदन साधारण सभा हुनुभन्दा कम्तिमा ७२ घण्टा अगावै HBL Capital (हिमालयन क्यापिटल) मा पेश गरिसक्नु पर्नेछ ।
एकभन्दा बढी प्रोक्सीको नाम उल्लेख गरेमा प्रोक्सी फाराम रद्द गरिनेछ ।



प्रवेश-पत्र

शेयरधनीको नाम शेयरधनी परिचय/DMAT A/C नं.

शेयरधनीको सही शेयर संख्या

हिमालयन बैंक लिमिटेडको मिति २०७९ साल पौष महिना २८ गते बिहीवारका दिन हुने ३०औं वार्षिक साधारण सभामा उपस्थित हुन
जारी गरिएको प्रवेश-पत्र ।

द्रष्टव्य : शेयरधनी आफैले खाली कोष्ठहरु भर्नुहोला ।
(सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र प्रस्तुत गर्नु अनिवार्य छ)

बिपिन हाडा
(कम्पनी सचिव)

तीसौं वार्षिक साधारण सभाका लागि संचालक समितिको प्रतिवेदन

शेयरधनी महानुभावहरु,

हिमालयन बैंक लिमिटेडको तीसौं वार्षिक साधारण सभामा मेरो तथा बैंक संचालक समितिको तर्फबाट यहाँहरुलाई हार्दिक स्वागत गर्दछु ।

शेयरधनी महानुभावहरु हिमालयन बैंक विगत तीस वर्षदेखि मुलुकको वित्तीय क्षेत्रमा एक सुरक्षित, प्रविधिमैत्री तथा भरपर्दो बैंकको रुपमा स्थापित भइ यहाँहरुको अनवरत सेवामा रहेको अवगत नै छ । हाल, बैंकले देशभरमा ७४ शाखा, १५८ ए.टी.एम., ६ विस्तारित काउन्टर तथा ६१०० भन्दा बढी पस मर्चेन्टहरु बाट ग्राहकलाई सेवा पुर्याई रहेको छ । ग्राहक मैत्री सेवा विस्तार गर्ने सन्दर्भमा रकम भिक्न तथा जम्मा गर्न मिल्ने Cash Recycler Machine काठमाडौंको नयाँ सडक शाखाबाट सुरु गरि हाल सम्म ५ वटा सञ्चालनमा ल्याइसकेको छ । साथै यस बैंकको सहायक कम्पनी हिमालयन क्यापिटल लिमिटेड पनि सफलता तर्फ अघि बढी रहेको जानकारी गराउन पाउँदा खुशी लागेको छ ।

ग्राहकवर्गको बैंकप्रतिको गहिरो विश्वास, शेयरधनीहरुको प्रत्यक्ष-परोक्ष सहयोग र बैंक व्यवस्थापनको श्रृजनात्मक क्रियाशीलताबाट बैंकले निरन्तर प्रगति गर्दै आइरहेको विदितै छ । स्वस्थ बैंकिङ्ग प्रणालीको विकास र जनतालाई स्तरीय तथा सुलभ सेवा पुर्याउने लक्ष्य बैंकले शुरुका वर्षदेखि नै लिएको छ । यसका साथै कुनै पनि परिस्थितिमा बैंकिङ्ग सेवामा केही अवरोध/बाधा नहोस् भनी यस बैंकले समयको माग अनुसार नविनतम तथा सुरक्षित प्रविधिमा आधारित विभिन्न अनलाइन बैंकिङ्ग सेवा-सुविधाहरु प्रयोगमा ल्याई ती सेवाहरु प्रयोग गर्न आफ्ना ग्राहकहरुलाई प्रोत्साहन गर्दै आएको छ ।

बैंकले देश विदेशको आर्थिक अवस्था, प्रतिस्पर्धा, लगानी योग्य वातावरण आदिलाई ध्यानमा राखी आफ्नो बृहत्तर विकासको लागि उपयुक्त संस्थालाई गाभि देशकै एक सबल, उत्कृष्ट तथा ठूलो बैंक बनी आफ्ना शेयरधनीहरुलाई उच्चतम प्रतिफल प्रदान गर्ने तथा ग्राहकहरुलाई समय सापेक्ष सेवा सुविधा प्रदान गर्ने उद्देश्यका साथ सिभिल बैंकलाई गाभ्ने अन्तिम सम्झौता गरी त्यस तर्फ अगाडी बढेको छ ।

यस सभामा २०७९ साल असार मसान्तको वासलात, आर्थिक वर्ष २०७८/७९ को नाफा-नोक्सान हिसाब, नाफा-नोक्सान बाँडफाँट तथा अन्य विवरणहरु अनुमोदनका लागि प्रस्तुत गर्दछु ।

कारोवारको समीक्षा :

समीक्षा अवधिमा निक्षेप अधिल्लो वर्षको तुलनामा १४.८० प्रतिशतले वृद्धि भई रु. १ खर्ब ७१ अर्ब ४८ करोड ७४ लाख पुगेको छ । कर्जा सापट १७.७५ प्रतिशतले बढ्न गई रु. १ खर्ब ५६ अर्ब ४४ करोड ५९ लाख पुगेको छ ।

यसैगरी यो अवधिमा बैंकको कुल सम्पत्ति २१.१७ प्रतिशत र खुद सम्पत्ति ९.३३ प्रतिशतले बढ्न गई क्रमशः रु. २ खर्ब १६ अर्ब २८ करोड ६३ लाख र रु. २२ अर्ब १ करोड २ लाख पुगेको छ ।

नियमनकारी निकाय नेपाल राष्ट्र बैंक तथा नेपाल चार्टर्ड एकाउन्टेन्ट संस्थाबाट जारी निर्देशनको अधिनमा रही सम्भावित नोक्सानी व्यवस्था पश्चात समीक्षा वर्षमा बैंकले रु. २ अर्ब ५५ करोड ६३ लाख संचालन मुनाफा आर्जन गर्न सफल भएको छ भने रु. २ अर्ब ३६ करोड ७५ लाख खुद मुनाफा आर्जन गरेको छ ।

चालू आर्थिक वर्षको पहिलो त्रैमासिकसम्मको बैंकको वित्तीय स्थिति निम्नानुसार छ ।

(रु. लाखमा)

क्र.सं.	शीर्षक	२०७९ असार मसान्त	२०७९ असोज मसान्त	वृद्धि (न्यून) प्रतिशत
१.	कुल सम्पत्ति	२,१६,२८,६३	२,१२,०१,१७	१.९८
२.	निक्षेप (बैंक/वित्तीय संस्थाको समेत)	१,७१,४८,७४	१,७४,०७,८७	१.५१
३.	कर्जा, अधिविकर्ष र खरिद तथा डिस्काउन्ट गरिएका बिलहरु	१,५६,४४,५९	१,६१,४३,९४	३.१९

समीक्षा वर्षमा बैंकले नेपाल राष्ट्र बैंकको निर्देशनको परिधिभित्र रही रु १ करोड ९५ लाख २ हजार कर्जा अपलेखन गरेको छ भने विगत वर्षहरुमा अपलेखन भएका कर्जाबाट रु ८६ करोड ५१ हजार असुली गर्न सफल भएको छ । अपलेखन गरिएको कर्जाका साथै अन्य निष्क्रिय कर्जाको असुलीको लागि समेत बैंक व्यवस्थापनले तदारुकताका साथ निरन्तर कोशिस गरिरहेकोले चालू आर्थिक वर्षको नाफामा सहयोग पुग्ने विश्वास दिलाउन चाहन्छौं ।

बैंकको वित्तीय स्थिति:

(रु. लाखमा)

क्र.सं.	शीर्षक	२०७७/७८ असार मसान्त	२०७८/७९ असार मसान्त	वृद्धि (न्यून) प्रतिशत
१.	कुल सम्पत्ति	१,७८,४९,०९	२,१६,२८,६३	२१.१७
२.	खुद सम्पत्ति	२०,१३,२७	२,२०,१०२	९.३३
३.	निक्षेप	१,४९,३८,१७	१,७१,४८,७४	१४.८०
४.	कर्जा, अधिविकर्ष र खरिद तथा डिस्काउन्ट गरिएका बिलहरु	१,३२,८५,८४	१,५६,४४,५९	१७.७५
५.	खुद ब्याज आमदानी	३,७८,८७	४,९४,३३	३०.४७
६.	अन्य आमदानी	३,५३,२४	२,४७,६४	(२९.८९)
७.	संचालन तथा कर्मचारी खर्च*	२,९१,६४	२,७४,२१	(५.९८)
८.	संचालन मुनाफा	४,३०,७९	२,५५,६३	(४०.६६)
९.	खुद मुनाफा	२,९९,८६	२,३६,७५	(२१.०५)

*संचालन तथा कर्मचारी खर्चमा अनिवार्य कर्मचारी बोनस पनि समावेश गरिएको छ ।

बैंकको आ.व. २०७७/७८ र समीक्षा वर्षको निक्षेप, कर्जा, आमदानी र खर्चको संरचनात्मक तुलना गरिएको विवरण यस वार्षिक प्रतिवेदन पुस्तिकामा समावेश गरिएको छ ।

राष्ट्रिय तथा अन्तराष्ट्रिय आर्थिक क्रियाकलाप र त्यसबाट बैंकलाई परेको प्रभाव:

कोरोना महामारीबाट आक्रान्त भएको विश्व रुस र युक्रेन बीचको द्वन्द्वका कारणबाट भन्न नसक्ने प्रभावित बनेको छ । समग्र विश्वको आर्थिक, सामाजिक तथा अन्य क्रियाकलापहरूमा यसको नकारात्मक असर परेको अवगत नै छ । अत्याधिक मात्रामा बढेको इन्धनको मुल्यका कारण अविकसित र अल्पविकसित मुलुकहरू मात्र नभई विकसित मुलुकहरूमा मुद्रास्फीति अध्याधिक मात्रामा बढी समग्र जनताको क्रयशक्ति क्षीण हुँदै गएको कारण हालका समयमा विश्व अर्थतन्त्र मन्द गतिमा मात्र बृद्धि भएको देखिन्छ । त्यसमा पनि प्रमुख विकसित राष्ट्रहरू जस्तै अमेरिकी, युरोपेली राष्ट्रहरू, केहि एसियाली देशको अर्थतन्त्रमा समेत नकारात्मक प्रभाव परि आर्थिक बृद्धि न्यून मात्र भएको देखिन्छ । यसका साथै अमेरिका र चीन बिचको व्यापारिक द्वन्द्वले गर्दा विश्व अर्थतन्त्रमा नकारात्मक असर परेको देखिन्छ ।

बढ्दो इन्धनको मुल्यका कारण समग्र वस्तु तथा सेवाको मुल्यमा भएको उच्च बृद्धिको कारण नेपाल जस्तो मध्यआय मुलुकको दिशा तर्फ उन्मुख मुलुकको व्यापार घाटा दिनानुदिन बढ्दै गएको छ । जसको कारणबाट देशको विदेशी मुद्रा सञ्चिति घट्नाले वस्तु तथा सेवा आयात क्षमता घटेको सर्वविधितै छ । समीक्षा वर्षमा देशमा लगानीयोग्य रकमको अभाव भई निक्षेपको व्याजदर बढ्दा समग्र कर्जा तथा लगानीको व्याज बढी आर्थिक क्रियाकलापमा नकारात्मक असर परेको छ ।

समीक्षा वर्षको अन्तिम त्रयमासमा विदेशी मुद्रा सञ्चितिमा सुधार गर्न केहि वस्तुहरूको आयातमा प्रतिबन्ध लगाउनाले सरकारको राजस्व प्रभावित बन्ने छ ।

समीक्षा वर्षमा देशमा चुनावी माहौल, राजनैतिक अस्थिरता, विभिन्न उतारचढावहरू र अन्य आन्तरीक तथा वाह्य कारणहरूले गर्दा आर्थिक बृद्धि दर न्यून रहन पुग्यो । त्यसैले सरकारका विभिन्न घोषित संकुचनकारी नीति नियमहरूको कारणले लगानी योग्य सहज वातावरण बन्न नसकेको अनुभूति भएको छ ।

नेपाल राष्ट्र बैंकले प्रकाशित गरेको आर्थिक वर्ष २०७९/८० को मौद्रिक नीति तथा आ.व. ०७८/०७९ को आर्थिक तथा वित्तीय स्थितिमा उल्लेख भएको आर्थिक तथा वित्तीय स्थितिअनुसार समीक्षा वर्षमा देशको आर्थिक बृद्धिदर केन्द्रीय तथ्याङ्क विभागको अनुमानमा ५.८४ प्रतिशत रहने छ । अघिल्लो वर्ष यसको बृद्धिदर ४.२५ प्रतिशत रहेको थियो ।

विश्व बजारमा बढ्दो तेलको मुल्य, विश्व अर्थतन्त्रमा बढ्दै गएको मुद्रास्फीति र त्यसबाट उत्पन्न भएको मन्दीको त्रास, डलरको तुलनामा नेपाली मुद्रामा भएको अवमुल्यन, लगानी योग्य तरलताको अभाव, बढ्दो व्याजदर तथा बढ्दो व्यापार घाटाको कारणले देश तथा विश्व अर्थतन्त्रमा परेको प्रतिकूल प्रभावले समग्र देशको उत्पादन तथा आपूर्ति व्यवस्था विथोलिएको छ । तसर्थ उक्त अनुमानित आर्थिक बृद्धिदरको लक्ष्य प्राप्त हुन चुनौतिपूर्ण रहने छ । यद्यपि वार्षिक औसत मुद्रास्फीति ७ प्रतिशत भित्र राख्ने लक्ष्य अनुरूप समीक्षा वर्षमा ६.३२ प्रतिशतमा रहेको छ ।

आर्थिक वर्ष २०७८/७९ को कुल वस्तु निर्यात अघिल्लो वर्षको तुलनामा यस वर्ष ४१.७ प्रतिशतले बृद्धि भई रु. २

खर्च ३ करोड पुगेको छ । यसैगरी वस्तु आयात अघिल्लो वर्षको तुलनामा समीक्षा वर्षमा २४.७ प्रतिशतले वृद्धि भई रु. १९ खर्ब २० अर्ब ४५ करोड पुगेको छ । समग्रमा व्यापार घाटा २३ प्रतिशतले बढी १७ खर्ब २० अर्ब ४२ करोड पुगेको छ ।

अघिल्लो वर्ष रु. ३ खर्ब ३३ अर्ब ६७ करोडले घाटामा रहेको चालू खाता र १ अर्ब २३ करोडले बचतमा रहेको शोधनान्तर स्थिति समीक्षा वर्षमा बढेर चालू खाता घाटा रु. ६ खर्ब २३ अर्ब ३३ करोड र शोधनान्तर स्थिति रु. २ खर्ब ५५ अर्ब २६ करोडले घाटामा रहेको छ । बढ्दो चालू खाता घाटाले आन्तरिक मागको तुलनामा आन्तरिक उत्पादन घटी रहेको पुष्टि गर्दै वित्तीय स्रोतहरूको माग र पूर्ति बीचको अन्तर बढिरहेको देखिन्छ ।

आ.व. २०७८/०७९ असार मसान्त सम्ममा विदेशी मुद्रा सञ्चिति १३.१ प्रतिशतले घटेर रु. १२ खर्ब १५ अर्ब ८० करोड रहेको छ । उक्त सञ्चितिले २०७८/७९ को सोही अवधि सम्मको आयातलाई आधार मान्दा ६.९ महिनाको लागिमात्र वस्तु र सेवाको आयात धान्न पर्याप्त हुने अनुमान गरिएको छ ।

त्यसै गरी समीक्षा वर्षमा आन्तरिक ऋण रु. ९ खर्ब ८६ अर्ब ९० करोड र बाह्य ऋण रु. १० खर्ब ३० अर्ब ११ करोड गरी संघीय सरकारको सार्वजनिक ऋण दायित्व रु. २० खर्ब १७ अर्ब १ करोड पुगेको छ । अघिल्लो वर्ष यस्तो ऋण रु. १७ खर्ब ३४ अर्ब ४७ करोड रहेको थियो ।

आर्थिक वर्ष २०७८/०७९ मा विप्रेषण आप्रवाहमा अघिल्लो वर्षको तुलनामा ४.८ प्रतिशतले मात्र वृद्धि भई रु. १० खर्ब ७ अर्ब ३१ करोड (८ अर्ब ३३ करोड अमेरिकी डलर) पुगेको छ । अघिल्लो आ.वको सोही अवधिमा उक्त वृद्धिदर ९.८ प्रतिशत रहेको थियो ।

आर्थिक वर्ष २०७८/०७९ मा विस्तृत मुद्राप्रदाय वृद्धिदर ६.८ प्रतिशत रहेको छ । अघिल्लो आ.व.मा विस्तृत मुद्राप्रदायको वृद्धिदर २१.८ प्रतिशत रहेको थियो ।

आर्थिक वर्ष २०७८/७९ मा बैंक तथा वित्तीय संस्थाहरूको निक्षेप परिचालन ९ प्रतिशत र निजी क्षेत्रमा प्रवाहित कर्जा तथा लगानी १३.१ प्रतिशतले वृद्धि भएको छ । अघिल्लो वर्ष निक्षेप परिचालन २१.४ प्रतिशत तथा निजी क्षेत्रमा प्रवाहित कर्जा तथा लगानी २७.३ प्रतिशतले बढेको थियो ।

वर्तमान आर्थिक तथा बैकिङ्ग क्रियाकलाप:

मुलुकको अर्थव्यवस्था अभै पनि विप्रेषणमा निर्भर रहेको छ । तर विश्वमा व्याप्त आर्थिक तथा राजनैतिक अवस्था, मन्दीको त्रास, द्वन्द तथा अन्य विविध कारणबाट समग्र विश्व श्रम बजारमा श्रमको मागमा उतारचढाव रहेको छ । बढ्दो तेलको मुल्य, नेपाली मुद्राको अवमुल्यन, घट्दो विदेशी मुद्रा सञ्चिति, चुलिँदो व्यापार घाटा तथा ऋणात्मक शोधनान्तर स्थितिले अर्थतन्त्र नाजुक अवस्था तिर बढी रहेको छ ।

त्यसै गरी देश भित्र राजनैतिक अस्थिरताले गर्दा छोटो समयमा हुने नीति नियम परिवर्तनले समग्र अर्थतन्त्र प्रभावित भई लगानी योग्य वातावरण नभएकोले तथा लगानी योग्य तरलताको अभावका कारण बैकिङ्ग क्षेत्रमा अस्वस्थ

प्रतिस्पर्धा हुन गई निक्षेपको व्याजदर बढी निष्कृत्य कर्जा बढ्न जाने चिन्ता रहेको छ ।

तसर्थ बैंकले विभिन्न सेवाहरुको स्तरोन्नति गरी निक्षेप योजनाहरुमा थप सुविधाहरु प्रदान गर्दै ग्राहकहरुलाई प्रोत्साहन गरिरहेको छ ।

बैंकले २०७८/२०७९ मा मर्जर प्रक्रियाका कारण आफ्नो योजना अनुसार शाखा विस्तारका लागि आवश्यक शोध तथा कार्य गर्न नसकेता पनि भई रहेको शाखाहरुबाट तथा आधुनिक प्रविधि ग्राहकहरु माभ ल्याई आवश्यक पर्ने सेवा तथा सुविधा यथासम्भव दिने प्रयास गरेको छ ।

यसका अतिरिक्त नेपाल राष्ट्र बैंकको नीतिगत प्रयास र बढ्दो प्रतिस्पर्धाका कारण हालका दिनहरुमा पनि केही बैंक तथा वित्तीय संस्थाहरु गाभिने क्रम जारी नै रहेको छ ।

आर्थिक वर्ष २०७८/२०७९ को कार्यक्रमको कार्यान्वयन स्थिति:

- निष्कृत्य कर्जा (NPA) १.५९ प्रतिशतमा रहेको ।
- विभिन्न स्थानमा नयाँ शाखा तथा विस्तारित काउन्टरहरु स्थापना गर्ने लक्ष्य लिएकोमा आ.व. २०७८/०७९ को असार मसान्त सम्ममा देशका विभिन्न ३ स्थानमा नयाँ शाखाहरु खोली कुल ७४ वटा शाखाहरु सञ्चालनमा ल्याइएको तथा देवदह चिकित्साशास्त्र शिक्षण अस्पतालमा १ वटा विस्तारित काउन्टर स्थापना गरी कुल ६ वटा विस्तारित काउन्टर सञ्चालनमा ल्याइएको ।
- ग्राहकलाई सुरक्षित तरिकाले अति आवश्यक बैंकिङ्ग सेवा उपलब्ध गराउने हेतुले बैंकले आफ्नो मोबाइल तथा इन्टरनेट बैंकिङ्ग सेवामा विभिन्न सुविधाहरु थपि अझ बढी परिमार्जित गरेको छ ।
- विद्युतीय भुक्तानी तथा नगद रहित कारोबारलाई प्रोत्साहान गर्न बैंकले डिजिटल भुक्तानी प्रविधि जस्तै इकमर्स/अनलाइन भुक्तानी तथा पस मेशिनबाट कारोबार गर्न विभिन्न छुट प्रदान गरी ग्राहकहरुलाई प्रोत्साहान गरेको छ ।
- विप्रेषण व्यवसायलाई एसियाली, अमेरिकी र युरोपेली बजारमा स्तरीय सेवाका साथ फैलाउँदै लगिएको छ ।
- शाखा तथा नाफा केन्द्रहरुको सेवा स्तर अभिवृद्धि गर्ने कार्य लागु गरिएको छ ।
- योजना अनुसार विभिन्न स्थानमा थप ए.टी.एम.हरु जडान गरी २०७९ असार मसान्त सम्ममा संचालनमा आएका बैंकको कुल एटिएम संख्या १५३ पुगेको छ ।
- बचत खाता, ऋण सुविधालगायत अरु सेवा सुविधाहरुलाई ग्राहकको मागअनुसार थप आकर्षक बनाइ प्रचलनमा ल्याइएको छ ।
- अपलेखन गरिएका कर्जाहरुको असुली प्रक्रियालाई सक्रियतापूर्वक निरन्तरता दिइएको छ ।
- डेबिट तथा क्रेडिट कार्डधारक ग्राहकवर्गलाई थप सुविधा प्रदान गर्न ९३१ थान अतिरिक्त “पस टर्मिनल” थपि कुल ५६६० वटा पस टर्मिनल संचालनमा ल्याएको छ ।
- विभिन्न शाखाहरुको परिवेशलाई वातावरणीय मैत्री सुविधायुक्त बनाउँदै लैजाने कार्यको शुरुवात गरिएको छ ।
- बैंकिङ्ग सफ्टवेयर टी २४ ब्राउजरलाई प्राविधिक र सुरक्षाको दृष्टिकोणबाट थप स्तरोन्नति गरिएको छ ।

आर्थिक वर्ष २०७९/२०८० को कार्यक्रम:

- शाखा विस्तार योजनाअनुरूप सम्भाव्यता अध्ययन गरि सम्भाव्य स्थानहरुमा थप नयाँ शाखा तथा विभिन्न स्थानमा विस्तारित/एक्स्टेन्सन काउण्टर स्थापना गर्ने ।
- निष्क्रिय कर्जा (NPA) लाई नियन्त्रणमा राख्नु ।
- अपलेखन गरिएका कर्जाहरुको असुली प्रक्रियालाई सक्रियतापूर्वक निरन्तरता दिने ।
- नयाँ कर्जा र निक्षेप सेवाहरु प्रचलनमा ल्याउने ।
- बचत खाता, ऋण सुविधा लगायत अरु सेवा सुविधाहरुलाई ग्राहकको मागअनुसार आकर्षक बनाइ प्रचलनमा ल्याउने ।
- विभिन्न स्थानमा थप ३५ वटा एटिएम (१० वटा Cash Recycler Machine सहित) मेशिन जडान गरी बैंकको कुल एटिएम संख्या १८८ पुर्याउने ।
- डेबिट तथा क्रेडिट कार्डधारक ग्राहकवर्गलाई थप सुविधा प्रदान गर्न १००० थान “पस टर्मिनल” विस्तार गर्ने ।
- ग्राहकवर्गहरुलाई सुरक्षित तथा सुविधायुक्त डिजिटल बैंकिङ तथा नगद रहित कारोबारको प्रयोगलाई प्रोत्साहन गर्न बैंकको मोबाइल/इन्टरनेट बैंकिङलाई समय सापेक्षरूपमा परिमार्जन तथा आवश्यक सुविधाहरु थप गर्दै लगिने छ । त्यसका साथै डिजिटल भुक्तानी प्रविधि जस्तै इकमर्स/अनलाइन भुक्तानी तथा पस मेशिनबाट कारोबार गर्न ग्राहकहरुलाई प्रोत्साहन गरिने छ ।
- बैंकको व्यवसाय विस्तारका लागि बैंकको लगानीमा मर्चेन्ट बैंकिङको रूपमा स्थापना भएको Himalayan Capital Ltd. को सेवालाई विस्तार गर्ने तथा Himalayan Securities Ltd. को स्थापना गर्ने
- विभिन्न शाखाहरुको परिवेशलाई वातावरणीय मैत्री सुविधायुक्त बनाउँदै लैजाने ।
- बैंकिङ सफ्टवेयर टी २४ ब्राउजरलाई प्राविधिक तवरले थप सुरक्षित र स्तरोन्नति गर्दै जाने ।

संस्थागत सामाजिक उत्तरदायित्व :

आफ्नो सामाजिक दायित्वको निर्वाह गर्ने उद्देश्यले बैंकले आफ्नो स्थापनाको शुरुवातदेखि नै विविध क्रियाकलापहरु मार्फत विभिन्न सामाजिक कार्य तथा सम्बन्धित संस्थाहरुमा योगदान पुर्याउँदै आएको छ । बैंकले समीक्षा वर्षमा विशेषतः शिक्षा, स्वास्थ्य, अनाथालय, वृद्धाश्रम, खेलकुद, संस्कृति तथा साँस्कृतिक सम्पदा संरक्षण लगायत प्राकृतिक प्रकोपबाट पीडितलाई विभिन्न सहयोग सामग्री प्रदान गरी सघाउने कार्यक्रममा सहयोग गरेको छ ।

बैंकले आर्थिक वर्ष २०७८/०७९ मा संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा विशेषत वित्तीय साक्षरता, सरकारी तथा सामुदायिक अस्पताल, सरकारी तथा सामुदायिक विद्यालयका विद्यार्थीहरु सहित अन्य संघ संस्थाहरुलाई आवश्यकता अनुसार निरन्तर सहयोग गर्दै आइरहेको छ । बैंकले आ.व. २०७८/२०७९ मा सामाजिक कार्यहरुका लागि प्रत्यक्ष तथा विभिन्न सामाजिक कार्यमा संलग्न संघ संस्थाहरुको माध्यमबाट कुल रकम रु. १,२७,१७,२२४.३९ बराबरको सहायता प्रदान गरेको छ । संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च भएको रकमहरुको विस्तृत विवरणहरु यस प्रतिवेदनमा छुट्टै उल्लेख गरिएको छ ।

यी बाहेक बैंकले यस्तै तथा अन्य आवश्यक क्षेत्रमा सामाजिक उत्तरदायित्व अन्तर्गत रही सहयोग/सहायताहरु प्रदान गरेको छ र आगामी दिनहरुमा पनि यस्ता संस्थागत सामाजिक कार्यहरुमा संलग्न रही समाज र राष्ट्रप्रतिको आफ्नो भूमिका निर्वाह गर्न प्रतिबद्ध छ ।

संचालक समिति :

समीक्षा वर्षमा बैंकको प्रबन्धपत्र तथा नियमावलीमा भएको व्यवस्था अनुसार संस्थापक शेयरधनीहरूको तर्फबाट ५ जना संचालकहरूले संचालक समितिमा प्रतिनिधित्व गरिरहनु भएको छ । जस अन्तर्गत बैंकको संचालक समितिको अध्यक्षमा श्री प्रचण्ड बहादुर श्रेष्ठ (एन ट्रेडिङ्ग प्रा.लि.बाट), श्री फैजल एन ललानी (हविव बैंक लिमिटेडबाट), श्री सुनिल बहादुर थापा (आभा इन्टरनेशनल प्रा.लि.बाट), श्री जितेन्द्र धिताल (कर्मचारी संचय कोषको तर्फबाट) र श्री आशिष शर्मा (म्यूचुअल ट्रेडिङ्ग प्रा.लि.बाट) संचालक पदमा यथावत रहनुभएको छ ।

संचालक समितिमा सर्वसाधारण शेयरधनीहरूको तर्फबाट श्री विजय बहादुर श्रेष्ठ तथा व्यावसायिक विशेषज्ञको रूपमा स्वतन्त्र संचालकमा श्री राधा कृष्ण पोते संचालक पदमा यथावत रहनुभएको छ ।

श्री हिमालय शमशेर ज.ब.रा पूर्ववत् संचालक समितिको प्रमुख सल्लाहकार हुनुहुन्छ ।

यस अवसरमा बैंकको हितमा सदा कार्यरत रहन संचालक समिति आफ्नो प्रतिबद्धता व्यक्त गर्दछ ।

लेखापरीक्षण, वासलात र अन्य विवरण :

२०७९ असार मसान्तको वासलात, २०७८/०७९ को नाफा-नोक्सान हिसाब, नाफा-नोक्सान बाँडफाँट हिसाब, नगदप्रवाह विवरण, सम्बन्धित अनुसूचीहरू र लेखापरीक्षकको प्रतिवेदन यसै प्रतिवेदनका अङ्गको रूपमा प्रस्तुत गरिएको छ । साथै कम्पनी ऐन २०६३ को परिच्छेद ७ दफा १०९ को उपदफा (४) बमोजिम प्रतिवेदनमा छुट्टै उल्लेख हुनुपर्ने कुराहरूलाई पनि समावेश गरिएको छ । बैंकको सहायक कम्पनी हिमालयन क्यापिटल लिमिटेडका साथै बैंकको लगानी भएका अन्य Associate कम्पनीहरूको कारोवारलाई Nepal Financial Reporting Standards अनुसार समावेश गरी एकीकृत वित्तीय विवरण समेत प्रस्तुत गरिएको छ ।

नाफा - नोक्सान बाँडफाँट :

आर्थिक वर्ष २०७८/०७९ मा बैंकको खुद मुनाफा रु. २ अर्ब ३६ करोड ७५ लाख ३८ हजार रहेको छ भने Other Comprehensive Income गणना गर्दा बैंकको खुद आम्दानी रु. २ अर्ब ३४ करोड ३८ लाख २० हजार रहेको छ । यसमध्ये अनिवार्य जगेडाकोषमा यस वर्षको खुद मुनाफाको २० प्रतिशतले हुन आउने रु. ४७ करोड ३५ लाख ०७ हजार छुट्याइएको छ । कर्मचारी तालिम कोषमा रु. १ करोड ७२ लाख ७६ हजार छुट्याइएको छ । यसका अतिरिक्त खुद नाफाको १ प्रतिशतले हुन आउने रु. २ करोड ३६ लाख ७५ हजार सामाजिक उत्तरदायित्व कोषमा सारिएको छ भने अधिल्लो आर्थिक वर्षको सो कोषबाट समीक्षा अवधिमा भएको कुल खर्च रु. १ करोड २७ लाख १७ हजार सामाजिक उत्तरदायित्व कोषबाट संचित मुनाफामा सारिएको छ । नियमनकारी कोषमा रु ३१ करोड ८५ लाख ४३ हजार नियमानुसार सारिएको छ । विगत वर्षमा विभिन्न कोषमा रकमान्तर भएको मध्ये रु. ८३ करोड ३० लाख ५ हजार फिर्ता भई बाँडफाँडको लागि उपलब्ध भएको छ ।

आर्थिक वर्ष २०७८/०७९ को लागि शेयरधनी महानुभावहरूलाई चुक्ता पुँजीको ८ प्रतिशत बोनस शेयरका साथै ११.११ प्रतिशत नगद लाभांश (कर सहित) वितरण गर्ने प्रस्ताव गरेका छौं । यस अनुरूप बोनस शेयर र नगद

लाभांशका लागि क्रमशः रु. १ अर्ब ३ करोड ७४ लाख ९८ हजार ५७ दशमलव ९९ र रु १ अर्ब ४४ करोड ८ लाख २५ हजार ४ सय २८ दशमलव ०३ मात्र संचित मुनाफाबाट उपयोग गरिनेछ। यस वर्षको प्रस्तावित बोनस शेयरको वितरण पछि बैंकको चुक्ता पुँजी रु. १४ अर्ब ६२ लाख २३ हजार हुनेछ। बैंकले स्थापनाकालदेखि नै नियमितरूपमा आफ्ना शेयरधनीहरुलाई बोनस शेयर तथा नगद लाभांशको आकर्षक मुनाफा दिने गरेकोमा यस वर्ष पनि सो लाई निरन्तरता दिन सकेकोमा हामी गौरवान्वित छौं।

धन्यवाद ज्ञापन :

बैंकले पाएको सहयोगका लागि शेयरधनी महानुभावहरु, ग्राहकवर्ग तथा नेपाल सरकारका सम्बन्धित निकायलगायत अर्थ मन्त्रालय, नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, कम्पनी रजिष्ट्रार कार्यालय, सिडिएस एण्ड क्लिएरिङ लिमिटेड, कर्जा सूचना केन्द्र लि., निक्षेप तथा कर्जा सुरक्षण कोष प्रति संचालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछौं। बैंकको साभेदार हबिब बैंक लिमिटेड पाकिस्तानको व्यवस्थापन, बैंकका प्रमुख कार्यकारी अधिकृत, महाप्रबन्धक, सहायक महाप्रबन्धक, वरिष्ठ अधिकारी लगायत सम्पूर्ण कर्मचारी र सहयोगीहरुलाई बैंकको प्रगतिमा पुऱ्याउनु भएको क्रियाशील योगदानका लागि धन्यवाद दिन्छौं। साथै हाम्रो क्रियाकलापलाई सकारात्मकरूपमा लिई जनमानस समक्ष पुऱ्याइदिने संचारजगतका मित्रहरु र सम्पूर्ण शुभेच्छुकहरुप्रति पनि हामी हार्दिक आभार व्यक्त गर्दछौं।

धन्यवाद।

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(द. प्रचण्ड बहादुर श्रेष्ठ)

अध्यक्ष

मिति: २०७९ पौष ०६

कम्पनी ऐन २०६३ को दफा १०९ उपदफा ४

अनुसारको अतिरिक्त विवरण

१. जफत गरिएका शेयरहरूको विवरण :
बैंकले गतवर्ष कुनै पनि शेयर जफत गरेको छैन ।
२. सहायक कम्पनीहरूसँगको कारोबार :
बैंकले Merchant Banking सम्बन्धी कार्य गर्नको लागि आफ्नो पूर्ण स्वामित्वमा हिमालयन क्यापिटल लिमिटेड स्थापना गरेको छ । उक्त सहायक कम्पनीले नेपाल धितोपत्र बोर्डबाट merchant banking र depository participant को रूपमा काम गर्न अनुमती प्राप्त गरी श्रावण २६, २०७६ देखि संचालनमा आएको छ । उक्त सहायक कम्पनीले आर्थिक वर्ष २०७८/७९ को अन्त्यमा हिमालयन बैंकमा राखेको मौजदात रु. २०,२५,७९,९८९/- र हिमालयन बैंकसँग लिएको ऋण रु. ३,९७,४८,२०४/- रहेको छ ।
३. आधारभूत शेयरधनीहरूबाट बैंकलाई उपलब्ध गराइएको जानकारी :
यस्तो कुनै जानकारी प्राप्त भएको छैन ।
४. समीक्षा वर्ष (२०७८/७९) मा बैंकका संचालक तथा पदाधिकारीहरूले खरिद गरेका शेयरहरू :
यस्तो कुनै जानकारी प्राप्त भएको छैन ।
५. बैंकसँग सम्बन्धित सम्झौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थबारे उपलब्ध गराइएको जानकारीको व्यहोरा ।
यस्तो कुनै जानकारी बैंकलाई प्राप्त भएको छैन ।
६. बाइ-व्याक गरिएका शेयरको विवरण:
समीक्षा वर्षमा बैंकले आफ्ना शेयरहरू आफैले खरिद गरेको छैन ।
७. आन्तरिक नियन्त्रण व्यवस्था:
बैंकको आन्तरिक नियन्त्रण व्यवस्था सक्षम छ । नियन्त्रण व्यवस्थामा अवलम्बन गरिएका प्रक्रियाहरू निम्नानुसार छन् ।
क) मजबुत आन्तरिक निरीक्षण तथा नियन्त्रण व्यवस्था अपनाइएको ।
ख) संचालन प्रक्रियालाई व्यवस्थित गर्न कार्यप्रणाली, प्रक्रिया र अन्य निर्देशिकाको व्यवस्था गरेको ।
ग) कर्जा नीति निर्देशिका जारी गरी अपनाइएको छ ।
घ) अनुपालना तथा आन्तरिक नियन्त्रण प्रणालीको सुपरिवेक्षण गर्न छुट्टै अनुपालना तथा आन्तरिक नियन्त्रण विभागको व्यवस्था गरेको ।
ङ) स्वतन्त्र आन्तरिक लेखापरीक्षण विभाग रहेको ।
च) लेखापरीक्षण समितिले आन्तरिक नियन्त्रण प्रणाली र लेखापरीक्षणबाट औल्याइएका प्रमुख कुराहरूको नियमित अनुगमन गर्ने परिपाटी बसालिएको ।

द. समीक्षा वर्षमा भएको कुल व्यवस्थापन खर्च :	रु.
कर्मचारी खर्च -	१,३४,२१,०२,२४२*
अन्य संचालन खर्च -	७५,८७,१४,७२६
ज्यास कट्टी र परिशोधन खर्च -	३५,५२,८४,३५३
कुल व्यवस्थापन खर्च -	२,४५,६१,०१,३२१

*NFRS अनुसार वित्तीय विवरणमा कर्मचारी खर्च अन्तर्गत देखाइएको कर्मचारी बोनस र कर्मचारी लोनको वित्तीय खर्च समावेश नगरिएको ।

९. नेपाल राष्ट्र बैंकको निर्देशन बमोजिम ४ वटा सञ्चालक स्तरिय समितिहरूको गठन भएका छन् । संयोजक र समिति सदस्यहरू (सञ्चालकहरूलाई मात्र) प्रति बैठक भत्ता रु. १६,००० बाहेक अन्य कुनै पारिश्रमिक सुविधा दिइएको छैन ।

क. लेखापरीक्षण समिति:

समितिका सदस्यहरू

श्री आशिष शर्मा

संयोजक

श्री जितेन्द्र धिताल

सदस्य

श्री रमेश कुमार धिताल (Team Leader - SAR Associates)

सदस्य-सचिव

आर्थिक वर्ष २०७८/७९ मा ९ पटक समितिको बैठक बस्यो, जसमा:

- क) आन्तरिक लेखापरीक्षणको प्रतिवेदनको समीक्षा गरी सुधारका लागि व्यवस्थापनलाई आवश्यक निर्देशन दिइयो ।
- ख) निरीक्षण प्रतिवेदनहरूको समीक्षा गरी व्यवस्थापनलाई आवश्यक सुझाव दिइयो ।
- ग) बैंकको वार्षिक हिसाब, बाह्य लेखापरीक्षकको प्रारम्भिक प्रतिवेदन र केन्द्रीय बैंकको निरीक्षण प्रतिवेदन समीक्षा गर्नुका साथै यस सम्बन्धमा संचालक समितिको अनुमोदनका लागि आवश्यक कुराहरूको प्रतिपादन गर्न व्यवस्थापनलाई निर्देशन दिइयो ।
- घ) आन्तरिक नियन्त्रण व्यवस्था तथा प्रक्रियामा सुधार गर्न र आवश्यकतानुसार नीतिनिर्देशिका तथा प्रक्रियाहरूमा सुधारका उपायहरू अपनाउन व्यवस्थापनलाई निर्देशन तथा सुझावहरू दिइयो

ख. AML CFT समिति:

समितिका सदस्यहरू

श्री राधा कृष्ण पोते

संयोजक

श्री फैजल एन. ललानी

सदस्य

श्री सिसम प्रधानाङ्ग जोशी

सदस्य (कर्मचारी-HBL)

श्री भवानी घिमिरे

सदस्य (कर्मचारी-HBL)

श्री प्रकाश भण्डारी

सदस्य-सचिव (कर्मचारी-HBL)

आर्थिक वर्ष २०७८/७९ मा ७ पटक समितिको बैठक बस्यो, जसमा:

- क) त्रैमासिक रुपमा सञ्चालक समितिमा AML CFT KYC रिपोर्टको समीक्षा पेश गरि व्यवस्थापनलाई आवश्यक निर्देशन दिइयो ।
- ख) AML CFT/ABC जोखिम मुल्याङ्कन प्रतिवेदन तथा Country Risk Scores समीक्षालाई संचालक समितिमा र नेपाल राष्ट्र बैंकमा प्रतिवेदन पेश गरियो ।
- ग) AML Software/Sanction List र Swit Sanction Screening मा लागु भएका Message को कार्यान्वयन भएको Logic को प्रभावकारितामा समीक्षा गरि व्यवस्थापनलाई आवश्यक निर्देशन दिइयो ।
- घ) नेपाल राष्ट्र बैंकको AML CFT लक्षित निरीक्षण प्रतिवेदनमा उठाइएका कैफियत माथि सम्बोधन गर्न बैंकले तयार गरेको कार्ययोजना समीक्षा गरि आवश्यक निर्देशनका लागि संचालक समितिमा सिफारिस गरियो ।
- ङ) नेपाल राष्ट्र बैंकले जारी गरेका विभिन्न निर्देशन/परिपत्रहरुको कार्यान्वयन स्थितिको समीक्षा गरि सोको कडाईका साथ पालना गर्न व्यवस्थापनलाई निर्देशन दिइयो ।

ग. जोखिम व्यवस्थापन समिति:

समितिका सदस्यहरु

श्री फैजल एन. ललानी

संयोजक

श्री आशिष शर्मा

सदस्य

श्री मृगेन्द्र प्रधान

सदस्य (कर्मचारी-HBL)

श्री सिसम प्रधानाङ्ग जोशी

सदस्य-सचिव (कर्मचारी-HBL)

आर्थिक वर्ष २०७८/७९ मा ५ पटक समितिको बैठक बस्यो, जसमा:

- क) ICAAP Document को समीक्षा गरि आगामी दिनमा सोको प्रभावकारिता बृद्धि गर्नको लागि Comprehensive Stress testing Techniques, Dynamic Risk Appetite Statement आदि बारे समेत थप अध्ययन गर्न निर्देशन दिइयो ।
- ख) संचालन जोखिम व्यवस्थापनको लागी पहिचान गरिएको ग्याप समाधानको समीक्षा गर्नुको साथै सो कार्यलाई निरन्तर प्रक्रियाको रुपमा अगाडि बढाउने निर्णय गरियो ।
- ग) संचालन जोखिम व्यवस्थापन अर्न्तगत समितिले Key Risk Indicators Matrix को समीक्षा गरि Tolerance, Threshold तथा Appetite मा आधारित जोखिम व्यवस्थापनको लागी निर्देशन जारी गरियो ।
- घ) कर्जा व्यवस्थापन अर्न्तगत समितिले वातावरण तथा सामाजिक जोखिमको लागि ESRM rating प्रक्रियाको समीक्षा गरि आवश्यक सुझाव दिइयो ।
- ङ) कर्जासँग सम्बन्धित आन्तरिक Rating प्रणाली कर्जा गुणस्तर तथा विभिन्न प्रकारको Concentration risk को समीक्षा गरि जोखिम व्यवस्थापनको लागी आवश्यक कदमहरु सिफारिस गरियो ।
- च.) Stress Testing प्रक्रियाबाट जोखिमको विस्तृत अध्ययन गरि संचालक समितिलाई प्रतिवेदन दिइयो ।
- छ.) बजार र तरलता जोखिम व्यवस्थापनको लागी समितिले आवधिक रुपमा वित्तिय परिसुचकहरुको समीक्षा, अनुगमन र विश्लेषण गरेको छ ।

घ. **कर्मचारी सेवा सुविधा समिति:**

समितिका सदस्यहरु

श्री सुनिल बहादुर थापा

संयोजक

श्री विजय बहादुर श्रेष्ठ

सदस्य

श्री अशोक शम्शेर ज.व.रा.

सदस्य (कर्मचारी-HBL)

श्री सतिश राज जोशी

सदस्य (कर्मचारी-HBL)

श्री ज्ञानेन्द्र श्रेष्ठ

सदस्य-सचिव (कर्मचारी-HBL)

आर्थिक वर्ष २०७८/७९ मा ३ पटक समितिको बैठक बस्यो, जसमा:

क) कर्मचारिको तलबमान तथा सुविधाको समीक्षा गरि आवश्यक सुझावहरु सिफारिस गरियो ।

ख) कर्मचारीको कार्यक्षमता अभिवृद्धिको लागि आवश्यक क्षेत्रहरुको पहिचान गरि सो कुराहरुलाई तालिम क्यालेन्डरमा समावेश गर्न सुझाव गरियो ।

ग) Staffing Table को समीक्षाबाट औलाइएका कमी कमजोरीहरुको समयमै सम्बोधन गर्न निर्देशन दिइयो ।

घ) कोभिड-१९ को परिपेक्षमा कार्यक्षेत्रमा आवश्यकता अनुसार सावधानीहरु अपनाउन सुझाव गरियो ।

१०. संचालक, व्यवस्थापकीय निर्देशक, आधारभूत शेरधनी र निजका नजिकका नातेदार तथा संलग्न फर्म, कम्पनी आदिबाट बैंकलाई प्राप्त हुनु पर्ने रकम :

छैन ।

११. समीक्षा वर्षमा संचालक, व्यवस्थापकीय निर्देशक, प्रमुख कार्यकारी अधिकृत र अन्य पदाधिकारीहरुलाई दिइएको पारिश्रमिक, भत्ता तथा सुविधाहरु:

(रुपैयाँ)

क्र.सं.	शीर्षक	संचालक	प्रमुख कार्यकारी अधिकृत	व्यवस्थापक
१.	बैठक भत्ता	३४,२०,०००	—	—
२.	तलब	—	१,०६,०२,०००	११,७४,३५,९१७
३.	भत्ता	—	९५,४८,०००	१४,६९,१९,५३९
४.	संचयकोष योगदान	—	—	१,१४,८८,३५८
५.	टेलिफोन/मोबाइल	१,९३,१८५	४,४४,३०५	२,१०,२३,१४४
६.	विविध	१६,९१,२७१	९,२२,०२८	३,०३,८७,६८८
	जम्मा	५३,०४,४५६	२,१५,१६,३३३	३२,६४,५४,६४६
७.	गाडी	छैन	*छ	छ
८.	आवास सुविधा	छैन	छैन	*छैन
९.	विमा	छ	छ	छ
	जम्मा संख्या	७	१	१२७

टिप्पणी:

१. *प्रमुख कार्यकारी अधिकृत, महाप्रबन्धक, नायब महाप्रबन्धक, सहायक महाप्रबन्धक र विदेशी कर्मचारी (वरिष्ठ महाप्रबन्धक) लाई इन्धन र मर्मतसंभार सहित सवारी साधनको व्यवस्था गरिएको छ। प्रमुख कार्यकारी अधिकृत, महाप्रबन्धक, नायब महाप्रबन्धक र विदेशी कर्मचारी (वरिष्ठ महाप्रबन्धक) लाई चालक समेत व्यवस्था गरिएको छ। व्यवस्थापकहरुलाई नियमानुसार सवारी सुविधा (OYVS Scheme) र इन्धनको व्यवस्था गरिएको छ।
२. **विदेशी कर्मचारी तथा उपत्यका बाहिरका शाखा प्रमुखको हकमा सुविधायुक्त आवासको व्यवस्था बैंकले नै गरेको छ।
३. क) संचालकहरुका लागि रु. २ लाखको औषोधोपचार विमा र रु. ३० लाखको दुर्घटना विमा गरिएको छ।
ख) बैंकका सबै प्रबन्धकहरुलाई बैंकको कर्मचारी विनियमावली अनुसार दुर्घटना विमा, औषोधोपचार विमा र जीवन विमाको व्यवस्था गरिएको छ। प्रमुख कार्यकारी अधिकृत तथा विदेशी कर्मचारीको करार बमोजिम दुर्घटना विमा र औषोधोपचार विमा गरिएको छ।
४. प्रमुख कार्यकारी अधिकृतको फोनको भुक्तानी बैंकले गर्ने व्यवस्था गरिएको छ। वरिष्ठ महाप्रबन्धक र महाप्रबन्धकको हकमा नियमानुसार प्रति महिना बढीमा रु. १२,०००/- र रु. ३,०००/- सम्मको सोधभर्ना बैंकबाट हुने व्यवस्था गरिएको छ।
५. प्रमुख कार्यकारी अधिकृत, महाप्रबन्धकहरुको हकमा खानेपानी तथा बिजुलीको महशुल बैंकबाट स्वीकृत सीमामा रही सोधभर्ना दिने व्यवस्था गरिएको छ।
६. प्रमुख कार्यकारी अधिकृत र व्यवस्थापकहरुलाई बोनस ऐन २०३० अनुसार कर्मचारी बोनस प्रदान गरिन्छ। प्रदान गरिएको छ।
७. वरिष्ठ महाप्रबन्धक श्री इजाज कादिर गिलको कार्यकाल समाप्ती पश्चात हबिब बैंक लिमिटेडबाट अन्य कर्मचारीलाई नपठाईएकोले विदेशी कर्मचारीको लागि यस आ.व. २०७८/७९ मा कुनै पनि खर्च भएको छैन।
१२. वितरण गर्न बाँकी लाभांश
२०७९ असार मसान्तमा रु. ३१ करोड ६५ लाख ८५ हजार ४ सय ४४।
१३. प्रचलित ऐन कानून अनुसार वार्षिक प्रतिवेदनमा उल्लेख गरिनुपर्ने अन्य विवरण:
छैन।
१४. विविध सम्बन्धित विषयहरु:
छैन।

द. प्रचण्ड बहादुर श्रेष्ठ
अध्यक्ष

धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को अनुसूची - १५

(नियम २६ को उपनियम (२) सँग सम्बन्धित)

१. संचालक समितिको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा छुट्टै संलग्न ।
२. लेखापरीक्षकको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा छुट्टै संलग्न ।
३. लेखापरीक्षण भएको वित्तीय विवरण : यसै वार्षिक प्रतिवेदनमा छुट्टै संलग्न ।
४. कानुनी कारवाही सम्बन्धी विवरण
 - (क) समीक्षा अवधिमा संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए:
समीक्षा अवधिमा बैंक सञ्चालनमा असर पार्ने प्रकृतिको कुनै पनि मुद्दा दायर नभएको ।
 - (ख) संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको भए:
समीक्षा अवधिमा उल्लेखित प्रकृतिका कुनै मुद्दा रहे/भएको जानकारी बैंकलाई प्राप्त नभएको ।
 - (ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए:
उल्लेखित प्रकृतिका कुनै मुद्दा दायर भएको जानकारी बैंकलाई प्राप्त नभएको ।
५. संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण
 - (क) धितोपत्र बजारमा भएको संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा:
संस्थाको शेयरको कारोबार लगानीकर्ताको संस्थाप्रतिको विश्वास तथा प्रतिफलको विश्लेषणको आधारमा हुने गरेको र बैंकको शेयरमूल्यमा उल्लेख्य उतारचढाव नदेखिएको र पूँजी बजारमा शेयरको कारोबार सन्तोषजनक रहेको । गत वैशाख ३० २०७८ गते यस बैंक र नेपाल इन्भेष्टमेन्ट बैंक विच मर्जरको लागि प्रारम्भिक सम्झदारी (MOU) भए पश्चात नियम अनुसार शेयर कारोबार रोक्का रहेकोमा नियमकारी निकायको निर्देशन पश्चात् मिति २०७९ जेठ २३ गते देखी कारोबार फुकुवा भएको छ ।
 - (ख) गतवर्षको प्रत्येक त्रैमासिक अवधिमा संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संस्था र कारोबार दिन :

त्रैमास (महिना)	शेयरको अधिकतम मूल्य रु.	शेयरको न्यूनतम मूल्य रु.	शेयरको अन्तिम मूल्य रु.	कुल कारोबार शेयर संख्या	कुल कारोबार दिन
प्रथम त्रैमासिक - (आश्विन मसान्त २०७८)	-	-	-	-	-
दोश्रो त्रैमासिक - (पौष मसान्त २०७८)	-	-	-	-	-
तेश्रो त्रैमासिक - (चैत्र मसान्त २०७८)	-	-	-	-	-
चौथो त्रैमासिक - (आषाढ मसान्त २०७९)	३९०.८०	२९०	२९९.२०	३,७७,८०७	३२

६. समस्या तथा चुनौती

बैंकले निम्न उल्लेखित राष्ट्रिय तथा अन्तर्राष्ट्रिय अवरोधहरूलाई समस्या तथा चुनौतीका रूपमा लिएको छ

 - (क) व्यापार क्षेत्रको पर्याप्त विस्तार हुन नसक्नाले सम्पत्ति तथा दायित्व लक्षित जोखिम बढेको ।
 - (ख) वित्तीय संस्थाहरूको अझै पनि उल्लेख्य संख्या तथा तिब्र प्रतिस्पर्धा रहेको ।
 - (ग) मुद्रा स्थितिमा बृद्धि ।
 - (घ) आवश्यक आधारभूत संरचनाहरू जस्तै: सडकमार्ग, संचार तथा उर्जा आदिको अभाव ।
 - (ङ) नीतिगत अनिश्चितता र फलस्वरूप लगानीमा देखिएको असर ।
 - (च) विप्रेषणमा देखा परेको ह्रास र कोभिड-१९ महामारीको कारणले त्यसमा आउन सक्ने थप नकारात्मक असर ।
 - (छ) कर्जाको गुणस्तर नियन्त्रण तथा व्यवस्थापनमा आउन सक्ने चुनौती ।
 - (ज) व्याजदर, औषत व्याजदर अन्तर, कर्जा निक्षेप अनुपात, पूँजीकोष लगायत कुरामा नियमकारी निकायबाट भएको परिवर्तनले व्यापार वृद्धि तथा नाफामा पर्न सक्ने असर ।
 - (झ) व्याज आयको ठूलो भाग नियमकारी कोषमा जम्मा हुन गई बाँड्नयोग्य नाफामा हुन सक्ने कमी ।
७. संस्थागत सुशासन
 - (क) बैंक सञ्चालक समिति,

संचालक समिति अन्तर्गतको जोखिम व्यवस्थापन समिति, कर्मचारी सेवा सुविधा समिति र सम्पत्ति शुद्धिकरण निवारण समिति तथा व्यवस्थापन स्तरका कर्जा व्यवस्थापन समिति र सम्पत्ति- दायित्व व्यवस्थापन समितिहरूले बैंकको कार्यसञ्चालन लगायतका लागि नीति निर्माण प्रकृयामा कृयाशील भूमिका खेल्दछन् ।
 - (ख) आन्तरिक नियन्त्रण प्रणाली

आन्तरिक नियन्त्रण प्रणालीलाई व्यवस्थित गर्न छुट्टै स्वतन्त्र आन्तरिक लेखा परीक्षण विभाग रहेको छ । यस विभागले नियमित रूपमा विभिन्न शाखा तथा विभागको लेखापरीक्षण गरी प्रतिवेदनमा दिइएका सुझावहरू समीक्षा गर्न तथा कार्यान्वयन गराउन लेखापरीक्षण समितिका बैठकहरू नियमित रूपमा बस्ने गरेको छ ।
 - (ग) आन्तरिक नीति, नियम तथा निर्देशिकाहरू:

बैंक संचालनको लागि तथा यस सिलसिलामा उत्पन्न हुनसक्ने जोखिमहरू कम गर्न बैंकले सुदृढ सञ्चालन प्रणाली लागू गरेको छ । बैंकका सम्पूर्ण कृयाकलापहरूलाई निर्देशित गर्न आवश्यक नीति तथा कार्यप्रणालीको व्यवस्था गरिएको छ । नियामक तथा अन्य कानूनी प्रावधानहरूको अनुपालनाको सुपरिवेक्षणको लागि समेत आवश्यक व्यवस्था गरिएको छ ।

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HBL's History

Established as a joint venture of Habib Bank Limited of Pakistan in 1993, Himalayan Bank Limited (HBL) has been in the forefront of the Nepal's banking industry since its inception. Starting banking services from the Employees Provident Fund Building at Thamel, Kathmandu, HBL currently has countrywide network of 74 branches and 158 ATMs to provide highly reliable modern banking services to its customers across Nepal.

Our Vision

Himalayan Bank Limited holds a vision to become a Leading Bank of the country by providing premium products and services to its customers, thus ensuring attractive and substantial returns to the stakeholders of the Bank.

Our Mission

The Bank's mission is to become preferred provider of quality financial services in the country. There are two components in the mission of the Bank; Preferred Provider and Quality Financial Services; therefore we at HBL believe that the mission will be accomplished only by satisfying these two important components with the Customer at focus. The Bank always strives positioning itself in the hearts and minds of the customers.

Objective

To become the Bank of first choice is the main objective of the Bank.

Board of Directors



From Left to Right : 1. Bijay Bhadur Shrestha, 2. Himalaya SJB Rana, 3. Jitendra Dhital, 4. Ashish Sharma 5. Faisal N. Lalani, 6. Prachanda Bahadur Shrestha, 7. Sunil Bahadur Thapa, 8. Radha Krishna Pote



Mr. Prachanda Bahadur Shrestha
Chairman

Message from the Chairman

I am delighted to welcome you all on behalf of the esteemed board members of the Board to the 30th Annual General Meeting. I am happy to announce that HBL has completed one more year proving itself excellent in service, portfolio diversity and customer satisfaction. The Bank now stands at a successful completion of 30 years of banking in the Nepalese Banking Industry. On the very occasion, we announce that Himalayan Bank Limited is on the process of acquiring Civil Bank Limited (CBL). With this, we resolve to grow in service and look forward to covering every corners of Nepal.

These couple of years have been very tough and highly challenging for banking industry as well as for the economy of Nepal and the most part of the World as a whole. Due to the Ukraine war and the steep rise in fuel prices. The deposit crisis in the market has led the Banks to face intense competition. The rate of interest on the deposit as well as loan products has reached a peak point. People have been severely affected by the increasing inflation rate. Despite these adversities, in the economy and the financial system of the country, it gives me immense pleasure to inform all the valued stakeholders that the Bank has been able to come up with satisfactory growth.

The Key financial highlights for FY 2021-22 are summed up, as under:

- Our Bank achieved Total Deposit of Rs. 17,148.74 crore, consisting of 24.08% Savings Deposits and 58.09% Term Deposit. The Total Deposit base has grown up by 14.80% on a year on year basis.
- Our Bank achieved a total loan exposure to the tune of Rs. 15,644.60 crore. The total loan exposure has grown up by 17.75% on a year on year basis.
- The Net Operating Income (Net Interest Income and other income) of the Bank has recorded to Rs. 657.92 crore. Out of the total Net Operating Income 75.14% of income is received as interest income and 13.89% of income is received as fees and commission. The net interest income and net fees and commission income in the Net Operating Income shares 51.41% and 9.47% respectively in previous year.
- The Capital Adequacy Ratio of our Bank was under Basel III norms i.e. at the level of 11.75% as on July 16th 2022, as against the NRB mandated level of 11%.
- As on July 16th 2022, the Book value per share of the Bank stood at Rs. 169.72 (Face value Rs.100/per share)
- Our Bank has been successful in widening its network across with 74 branches; 6 Extension Counters; 158 ATMs including 5 Cash Recycler Machines and above 6100 POS terminal. All the credit of this growth goes to all the stakeholders of the Bank who have always showered us with TRUST and consistent support.

The Bank believes that this trust and support from our valued stakeholders shall remain the same if not even more in the days ahead. If our acquisition of CBL is successfully completed it shall definitely help to establish HBL with strong financial base, provide new direction to the Bank, enhance productivity through competition and motivate the staffs to give their best in what they have been doing.

As an intense after effect left by COVID-19 and dengue to some effect, the market has been facing deposit crisis. It has been difficult for the banks and financial institutions to even retain deposit and provide loans to their customers as in the past. Addition to this, in the last couple of years, the bank has not been able to open new branches as planned. However, these shortfalls shall be compensated by this acquisition process as the new bank will cover a wider branch network in various rural as well as urban parts of the country and also help in additional deposit base. Apart from this, new products and services, HBL will be focused on rapidly and extensively expanding its' digital banking services that are secure and user-friendly. The Bank will also focus on digital on-boarding of deposit and loan customers and will strategically move to digital future.

Apart from providing our valuable customers with best banking services, HBL shall continue to focus on good Corporate Governance and follow the Directives/Circulars issued by the regulator NRB for better transparency and accountability. Further, we can proudly say that we continue to be main service provider in the remittance business and this acquisition shall further assist to expand our market share.

Corporate Social Responsibility (CSR)

Our Bank is grateful to the society that has supported and encouraged the Bank during its long journey of growth. The Bank believes that no organization can make sustainable development without the patronage of the society. Our Bank has always given top priority to fulfilling its obligations under CSR.

Risk Management:

The risk governance framework of the Bank is based on a clear understanding of various risks, disciplined risk assessment, risk measurement procedures and continuous monitoring for mitigation. The Board of Directors reviews the risks assumed by the Bank. Other specific Committees have been constituted to facilitate focused oversight of various functions. The Risk Management Committee of the Board sets the standards and governs the risk management functions, thereby bringing in a top to down focus on risk management.

Internal Control Systems and Compliance

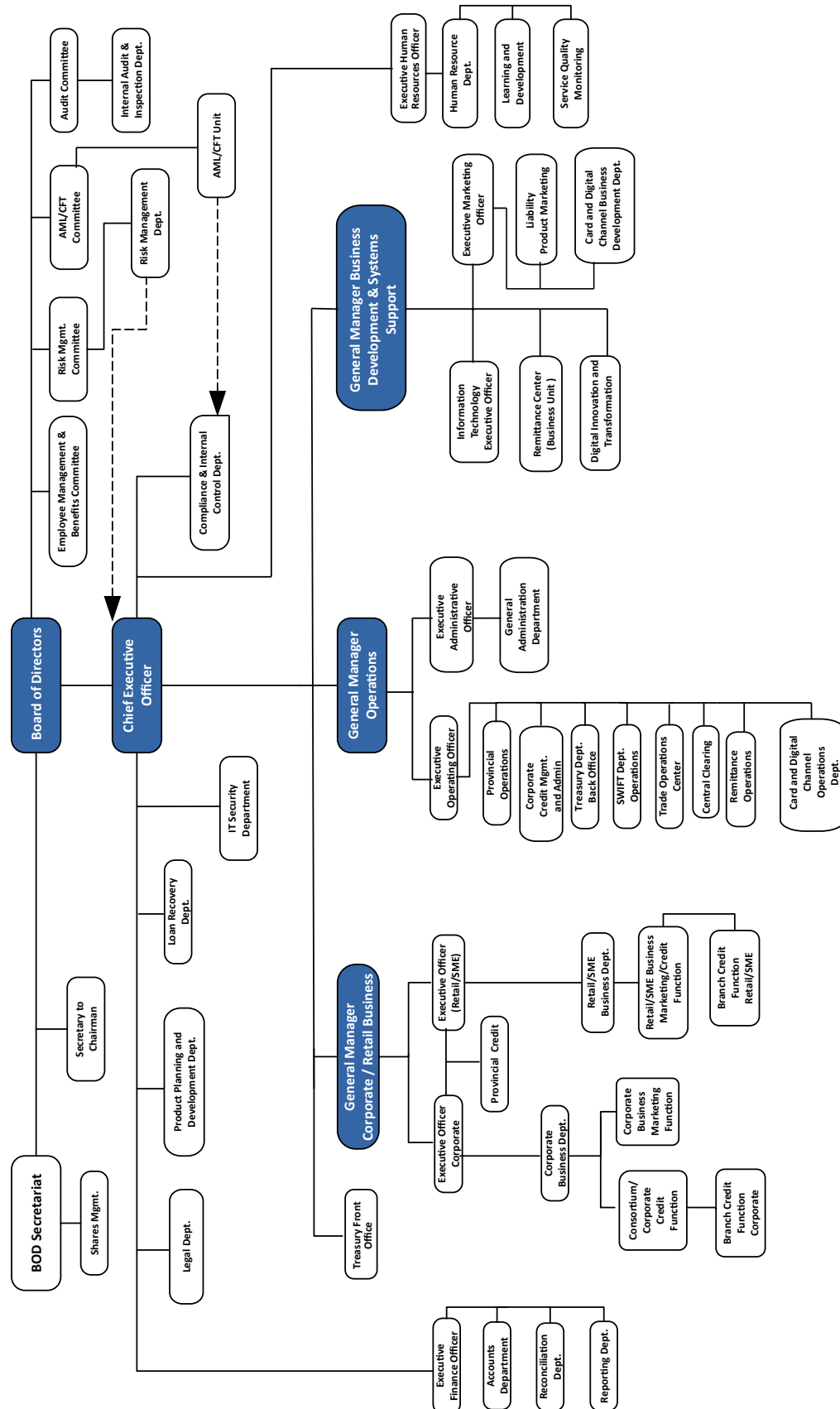
The Bank has put in place internal controls and processes to mitigate operational risks, which will include authentication of CBS transactions, centralized processing of opening and modifications of CASA accounts and loan accounts, centralized sanctioning of loan facilities, day end checks to monitor critical issues involving timely renewal of credit reports, & closure of the Bank Guarantees and timely obtaining of loan documents

As we all look back, I am delighted to see how the Bank has grown and has been able to maintain its Brand as one of the most preferred Bank in Nepal since inception. This would not have been successful without continuous guidance and support of the Board of Directors. I would like to express my sincere gratitude to the Board of Directors. I would also like to take this opportunity to thank all the staff members, the drivers of the Bank success, our important shareholders, well-wishers, our deep sense of gratitude to Nepal Rastra Bank, SEBON and all other related government agencies for their valuable support and guidance.

Thank you, esteemed Ladies and Gentlemen for your time and attention.

Prachanda Bahadur Shrestha
Chairman

ORGANIZATIONAL STRUCTURE





Mr. Ashoke SJB Rana
Chief Executive Officer

Message from CEO:

THIRTY years of Himalayan Bank Limited. It is a proud moment for everyone associated with the Bank that we have completed 30 years and been able to maintain our position as one of the most secure, tech-friendly and reliable Bank in the Nepalese Banking Industry.

It is also pleasant moment to share that the Board of the Bank has taken a huge decision to acquire Civil Bank Limited (CBL) after months of deliberation and negotiation. The decision to acquire CBL has been taken with the view to become one of the strongest and largest Banks in Nepal. The merged bank shall definitely add a competitive advantage as it shall have a stronger capital base, larger customer/network coverage, enhanced customer service and expanded business inside and outside of the country.

As we look back, the journey of HBL has been full of achievements. From introduction of the first ATM in Nepal to introducing a whole set of innovative and tech-friendly products and services, the Bank has always believed in giving the best to its customers. This strategy of the Bank has helped it to stand as one of the best banks in the Nepalese banking industry with total assets of Rs. 216.29 billion, total deposit of Rs. 171.49 billion and total loan and advance of Rs. 156.45 billion. Similarly, the Bank has been able to win the hearts of more than 750,000 customers till date. Post-acquisition, the Bank expects to grow more in terms of assets and customers as the bank has a solid reputation in the market and a strong brand image. Future of banking lies on digitization; thus, the new bank shall continue to roll out the best, innovative yet customer friendly products and services focusing on digitization of products and services. We plan to be a full digital bank in the coming year and have mapped out our timeline and process to achieve this goal.

After witnessing the challenges left by the pandemic, the Nepalese economy has been gradually recovering from the post effects of the pandemic. The market at present lacks liquidity, inflation is high, banks are not in the position to provide adequate loans as in the past, NRB regulation has been challenging on the BFIs with strict guidelines, framework and many more. Despite these developments, the Bank has been able to comply and manage the situation. The Bank has taken this as an opportunity to explore new avenues of services to promote secure and digital banking services. After the pandemic, banks and customers have understood the importance of digital banking services. Ever since, the Bank has been highly involved in creating the best digital banking service experience for its customers. The Bank always prioritizes security of our customers and strives to offer easy and secured access to banking services.

Even after the acquisition, the safety and convenience of all our staffs and customers shall remain our highest priority focusing on innovative services and facilities as per the customers' need. The Bank shall strongly adhere to regulatory compliance by incorporating better policies, practices and proper corporate governance in order to manage growth and development of the Bank and meet stakeholders' aspirations as HBL has been doing till date.

Once again, I am delighted to share that despite the challenges, we have been able to maintain satisfactory growth in our Balance Sheet and improve service quality. With this, I would like to extend my sincere gratitude to our Board of Directors, shareholders, clients, depositors and all the well-wishers for the guidance, trust and continuous support. Similarly, many thanks to all the government authorities and agencies specially Nepal Rastra Bank, our regulator for their guidance that helped us grow in our journey.

Ashoke SJB Rana
Chief Executive Officer

Senior Management Team



Ashoke SJB Rana
Chief Executive Officer



Anup Maskay
General Manager



Ujjal Rajbhandary
General Manager



Bipin Hada
Asst. General Manager



Sunil Gorkhali
Asst. General Manager



Satish Raj Joshi
Asst. General Manager



Bijay Man Nakarmi
Asst. General Manager



Mrigendra Pradhan
Chief Manager



Sisam Pradhananga Joshi
Chief Manager



Jayendra Bikram Shah
Chief Manager



Shankar Joshi
Chief Manager



Gyanendra Shrestha
Chief Manager



Samir Acharya
Chief Manager



Shyam Khatri
Chief Manager



Bhawani Ghimire
Chief Manager



Sagar Kumar Regmi
Chief Manager

Report of the Board of Directors To the Thirtieth Annual General Meeting

Dear Shareholders,

On behalf of the Board of Directors, we cordially welcome all the stakeholders of the Bank to the 30th Annual General Meeting of Himalayan Bank Limited.

The bank has been continuously serving customers for last thirty years as one of the most secure, techno-friendly and reliable Bank in the Nepalese Banking Industry. Currently, Bank has been serving its customers with 74 Branch Offices, 6 Extension Counters, 158 ATM Booths and more than 6100 POS terminals. Likewise, it is our pleasure to inform that during the review period, wholly owned subsidiary company of the Bank, "Himalayan Capital Ltd." has been progressing well over the years.

Bank has been continuously progressing with trust of customers, direct and indirect support of the shareholders, creative initiatives and hard work of the Bank Management and staff. Since its inception, the Bank has been working according to its aim of developing healthy banking system as well as extending accessible and quality service to its clients. Likewise, as per the market demand, the Bank has been continuously encouraging its clients to use the innovative and secure digital platform (Internet/Mobile Banking) extensively for availing quick and uninterrupted services.

The Bank has decided to acquire a suitable financial institution (FI) for the overall development of the Bank in view of the current economic conditions of the country, investment opportunity, competitive environment, etc. The Board has ascertained that the acquisition will help the Bank to provide better return to its stakeholders with more efficient, excellent and bigger role in the industry. The Board is delighted to announce that the Bank is in process of acquiring Civil Bank Limited, an "A" category Bank of the country.

We would like to present the Statement of Financial Position as on July 16, 2022, the Income Statement for the fiscal year 2021/022, the Distribution of Profit and other financial statements for approval.

Review of the Bank's Operations

During the review period, the Bank's total deposit increased to Rs. 171.49 billion, an increase of 14.80 percent compared to previous year. Similarly, the loans and advances increased to Rs. 156.45 billion during the review period, an increment of 17.75 percent compared to previous year.

The net assets of the Bank increased by 9.33 percent reaching to Rs. 22.01 billion, during the review period, while the total assets increased by 21.17 percent and reaching to Rs. 216.29 billion.

Following the guideline of regulatory body, Nepal Rastra Bank and The Institute of Chartered Accountants of Nepal, the Bank was able to post an operating profit after provision for loan loss to the tune of Rs. 2.56 billion during the fiscal year, with net profit at Rs. 2.37 billion.

The status of the Bank as on first quarter end of current fiscal year is presented below:

(In Rs. Millions)

S.N.	Particulars	As on July 16, 2022	As on Oct 17, 2022	Increase (Decrease) %
1.	Total Assets	216,286.30	212,011.70	1.98
2.	Deposits	171,487.40	174,078.70	1.51

3.	Loans, Overdrafts and Bills Purchased and Discounted	156,445.90	161,439.40	3.19
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During the review period, in line with the directives of Nepal Rastra Bank, the Bank wrote off loans to the tune of Rs. 19.50 million whereas the Bank was able to recover Rs. 860.05 million from the already-written-off loans.

The Bank Management has been firmly working on recovering non-performing, bad and written off loan. We would like to assure you that this will help in enhancing profitability of the Bank in the current fiscal year.

Comparative Financial Indicators of the Bank

The comparative financial indicators of the fiscal years 2020/021 and 2021/022 are presented below::
(In Rs. Millions)

S.N.	Particulars	FY: 2020/21 As on July 15, 2021	FY: 2021/22 As on July 16, 2022	Increase (Decrease) %
1.	Total Assets	178,491	216,286.30	21.17
2.	Net Assets	20,133	22,010.20	9.33
3.	Deposits	149,382	171,487.40	14.80
4.	Loans, Overdrafts and Bills Purchased and Discounted	132,858	156,445.90	17.75
6.	Net Interest Income	3,789	4,943.30	30.47
7.	Other Income	3,532	2,476.40	(29.89)
8.	Operating and Staff Expenses*	2,916	2,742.10	(5.98)
9.	Operating Profit	4,308	2,556.30	(40.66)
10.	Net Profit	2,999	2,367.50	(21.05)

*Operating and Staff Expenses includes Staff Bonus Expense

The comparative status of deposit, credit, income and expenditure of the Bank during the fiscal year 2020/021 and the year under review is presented in separate annexes as detailed below:

Deposit Composition	: Annex A
Credit Composition	: Annex B
Income Composition	: Annex C
Expenditure Composition	: Annex D

National and International Events and their Impact on the Bank

The impact of COVID-19 is yet to resolve but the already vulnerable world economy has further deteriorated due to conflict between Russia and Ukraine. It is evident that there is negative impact on social, economic activities worldwide due to the aforementioned reasons. Rise in fossil fuel prices has spiked inflation rate not only in underdeveloped and developing countries but also in developed countries. Thus, the purchasing power of the general public has deteriorated that has directly impacted in the growth rate. Additionally, the negative influence of these incidents has affected the growth rate of developed economies such as US, European Nations along with some Asian Countries. Besides, the differences in trade between US and China also played an important yet negative role in growth of world economies.

Trade deficit of Middle-Income Countries like Nepal has been rising due to the increase in price of overall goods and services led by the rise in fuel price. Thereafter, the foreign currency reserve has decreased substantially leading to decrease in the ability to import goods and services. Furthermore, liquidity crisis has created shortage of loanable fund thereby the economy witnessed increase in rate of interest in both deposits and loan & advances. This has had negative impact in overall economic activities.

Furthermore, the government revenue decreased due to the restriction in import of some goods in the last quarter of review period.

Instability, ups and downs in mainstream politics of the country and other internal and external causes, during the review period, has curbed the growth rate. Therefore, it has been felt that the investment environment in the country has been disrupted due to various restrictive rules, acts and activities introduced by the government.

Taking into account of the country's economic and financial status, the Monetary Policy and Current Macroeconomic and Financial Situation Based on Annual data published by Nepal Rastra Bank for FY: 2079/080 stated that Central Bureau Statistics anticipated the country shall attain GDP growth rate of only 5.84% during the review period, whilst the GDP growth rate in the previous year was 4.25% only.

Nevertheless, the targeted growth rate could not be achieved due to surging fuel price, fear of recession led by the rising inflation in world economy, devaluation of Nepalese currency, shortages of loanable fund, increasing interest rate and increasing trade deficit. These economic impediments have had adverse effect on world economy thereby disrupting the volume of output and supply chain. However, the average inflation has remained in 6.32% during the review period against the targeted figure of below 7.00%.

Total exports, during the FY: 2021/022, have increased by 41.7% to Rs. 200.03 billion. Similarly, the import increased by 24.7% and reached at Rs. 1920.45 billion in the review period in comparison to last FY's level. The overall trade deficit till the period has increased by 23% and remained at Rs. 1720.42 billion.

Substantial growth in imports led to increase in current account and BoP deficit significantly. In the FY: 2021/22, the current account deficit reached Rs. 623.33 billion compared to Rs. 333.67 billion in the same period of the previous year. Similarly, in FY: 2021/22, the BoP deficit stood at Rs. 255.26 billion compared to surplus of Rs. 1.23 billion during the same period of the previous year. The increasing current account deficit reflects a situation of domestic demand that is in excess of domestic production and the widening gap between demand for and supply of financial resources.

As such, foreign currency reserves during the FY: 2021/22 has decreased by 13.10% and reached to Rs. 1215.80 billion. Based on the imports of 2021/22, the foreign exchange reserve is sufficient to cover the prospective merchandise and services imports of 6.9 months.

The outstanding government debt amounted to Rs. 2011.58 billion during the FY: 2021/2022, which is 41.5 percent of GDP. Such a ratio was 40.5 percent a year ago. Out of the total outstanding public debt, the amount of foreign and domestic debt stood at Rs. 1027.30 billion and Rs. 984.28 billion respectively

Remittance inflows increased 4.8 percent to Rs. 1007.31 billion during 2021/22 compared to 9.8 percent in the previous year. In the US Dollar terms, remittance inflows increased 2.2 percent to Rs. 8.33 billion in the review year against an increase of 8.2 percent in the previous year.

Broad money (M2) expanded by 6.8 percent during the review period compared to the growth of 21.8 percent in the previous year.

During the year under review, deposits at banks and financial institutions (BFIs) increased 9 percent in the review year compared to a growth of 21.4 percent in the previous year. Similarly, private sector credit from BFIs increased 13.1 percent in the review year compared to a growth of 27.3 percent in the previous year.

Current Financial and Banking Environment

The economy of the country is still largely dependent on remittance. However, economic and political condition, fear of recession, conflict between countries and other various reasons, demand of work forces across the globe is fluctuating. Likewise, increase in fuel prices, devaluation of Nepalese currency, decrease in foreign currency reserve, piling trade deficit and negative BoP have had adverse effect, thus, the country's economy has become vulnerable.

Furthermore, the economy has witnessed frequent changes in various policies in short span thereby creating reverse effect on investment environment along with shortage of loanable fund. Thus, the financial institutions are having unhealthy competition. This has reflected by increase in the deposit rates leading to increase in non-performing loan.

Therefore, Bank has refined and upgraded its products and services, added various features in its deposit schemes to encourage existing and potential customers to save more.

The Bank could not extend its branch networks as planned for past couple of years due to the outbreak of COVID-19 and the initiation of merger/acquisition process. However, the Bank has been serving its clients from the existing branches/networks by offering various modern banking tools and services.

In line with the policy of Nepal Rastra Bank and fierce competition in banking industries, financial institutions are still in process of merger.

Implementation Status of the Strategy and Program of the Bank for the FY 2021/2022

1. Non-Performing Loan limited to 1.59 percent as of fiscal year end.
2. As per the branch expansion plan, HBL has opened 3 new branches in various part of the country to reach the total of 74 branches by the fiscal year end 2021/2022.
3. For safety of our clients, HBL rolled out upgraded, user friendly and secured Mobile/Internet Banking module with added features to promote digital banking as well as conduct seamless banking transactions.
4. Encouraged use of digital/electronic payment system for cash less transaction through ecommerce and POS terminals giving various discount facilities to the customers.
5. Necessary arrangement is made to extend remittance business to various Asian, European and US market.
6. Different plans and policies are adopted to improve the service standard of branches and profit center.
7. The total number of ATMs in operation reached to 153 with addition of new ATMs in various locations as per the plan by the fiscal year end 2021/2022.
8. Deposit product, loan product and other banking facilities were made more attractive as per the demand of the general public.
9. Continuity has been given to the recovery of written-off loans in an active manner.
10. Total of 5660 POS terminals have been placed in various merchants' outlets with addition of 931 POS terminals for the convenience of the debit and credit card holders.

11. Continuous effort being made to renovate and expand various branches to make the ambience of branches more pleasing and environment- friendly.
12. T24 banking software browser has been upgraded and has been made more secure.

Strategies and Programs for FY 2022/2023

1. Establish new branches and extension counters within and outside the valley as per branch expansion plan.
2. Curb the NPA to the lowest level.
3. Give continuity to recovery of written-off loans in an active manner.
4. Deposit product, loan product and other banking facilities shall be made more attractive and new ones introduced as per the demand of the general public.
5. Set up 35 additional ATMs (including 10 Cash Recycler Machines) at various places as well as newly set up branches to total the number to 188.
6. Install additional 1000 POS machines so as to facilitate debit/credit card holders.
7. Upgrade the existing mobile/internet banking module so as to provide user friendly, secured mobile/internet banking facilities to the customers. Similarly, motivate use of digital/electronic payment channel such as online/ecommerce payment as well as use of POS terminal for promotion of cashless transactions.
8. Expand the operation of Himalayan Capital Ltd so as to broaden the bank's business.
9. Renovate and expand various branches to make the ambience of branches pleasant and environment-friendly.
10. Upgrade and fine-tune CBS system T24 technically as per requirement and by complying all the necessary security measures for better performance.

Corporate Social Responsibility (CSR)

Since its commencement, the Bank has been discharging its corporate social responsibilities through various social and allied institutions. The Bank, in the review period, has focused its CSR activities in the field related to education, healthcare, orphanage, differently abled people, old aged home, sports, culture, preservation of cultural heritages and rehabilitation of victims of natural calamities and social services.

During the FY: 2021/2022, the Bank, under its Corporate Social Responsibility Initiative, has continuously supported various Government Hospitals, Community Schools, conducted financial literacy programs as per the need and requirement. The Bank during the FY: 2021/2022 continued supporting various social organizations involved in various social causes directly and indirectly with a total of Rs. 12,717,225. Detail elaboration of CSR initiative under various causes have been separately given in the Annual Report.

The Bank is active in the development of sports culture like in the past. The Bank is fully aware of its corporate social responsibilities towards the community/nation and committed to continue its CSR initiative in coming days as well.

Board of Directors

As per the provision of the Bank's Article of Association, 5 Directors, from promoter shareholder group, represent in HBL BOD. Among them, Mr. Prachanda Bahadur Shrestha, representing N. Trading Pvt. Ltd. has continued to hold the position of Chairman to the BOD. Similarly, Mr. Faisal N. Lalani, representing Habib Bank Ltd, Mr. Jitendra Dhital, representing Employee Provident Fund, Mr. Sunil Bahadur Thapa, representing Ava International Pvt. Ltd. and Mr. Ashish Sharma, representing Mutual Trading Pvt. Ltd. have continued to hold the position of Director in the HBL BOD.

Mr. Bijay Bahadur Shrestha representing public shareholder and Mr. Radha Krishna Pote as Independent Professional Director have continued as the Director in the Board of Directors of the Bank.

Mr. Himalaya SJB Rana continues to hold the position of Chief Advisor to the BOD.

On this occasion, I would like to declare that the Board of Directors of the Bank is committed towards prosperity of the Bank.

Audit, Balance Sheet and Other Financials

The Balance Sheet as on July 16, 2022, the Profit and Loss Account, the Profit and Loss Appropriation Account, Cash Flow, related annexure and Auditors' Report for the fiscal year 2021/022, are enclosed with this report. Further, information required to be disclosed as per the provisions of Company Act 2063, Chapter 7, Section 109, Clause 4 are presented as Annex E. Consolidated Financial Statement has been prepared and presented including the Financial Statement of the Bank's fully owned subsidiary "Himalayan Capital Ltd" and other Associate Companies in which the Bank has invested according to the "Financial Reporting Standards".

Profit and Loss Appropriation

The net profit after bonus and tax of the Bank amounted to Rs. 2,367.54 million for the fiscal year 2021/022 including other comprehensive income, the total comprehensive profit amounted to Rs. 2,343.82 million for the fiscal year 2021/022. 20% of the net profit i.e. Rs. 473.51 million, has been appropriated to the Statutory General Reserve Fund. In addition, the Bank has allocated Rs. 17.28 million from its profit in Employee Training Fund. Additionally, as per the regulatory requirement, the Bank has transferred 1% of the net profit i.e. Rs. 23.67 million in its Corporate Social Responsibility (CSR) fund. Further, the amount of Rs. 12.72 Million spend from the CSR fund of previous fiscal year has been transferred to retained earnings.

Similarly, Rs. 318.54 Million has been transferred to Regulatory Reserve. Out of the fund transferred to various Reserves in the previous year, Rs. 833.01 Million has been refunded and is also available for distribution.

For fiscal year 2021/022, 8% bonus share and 11.11% cash dividend (including tax) have been proposed to the shareholders. For the proposed bonus shares and cash dividends, an amount of Rs. 1,037,498,058 and Rs. 1,440,825,428 respectively has been allocated from the retained profit. After the distribution of the proposed bonus shares, the paid-up capital of the Bank will amount to Rs. 14,006,223,783. We are proud that the Bank has been able to provide good returns in the form of cash dividends and bonus shares to its shareholders right from the commencement of its operations.

Vote of Thanks

On behalf of the Board of Directors, I would like to extend sincere thanks to the shareholders, esteemed customers, related divisions of the Government of Nepal such as Ministry of Finance, Nepal Rastra Bank, Securities Exchange Board of Nepal (SEBON), Nepal Stock Exchange Limited, Company Registrar Office, CDS and Clearing Ltd, Credit Information Bureau of Nepal, Deposit and Credit Guarantee Fund and all the other Regulatory Bodies for their guidance and invaluable support in discharging banking services. I would also like to place on record special thanks to the management of our joint venture partner Habib Bank Limited, Pakistan, the Bank's Chief Executive Officer, including entire staff for making dynamic contributions to the progress and prosperity of the Bank. Finally, I would like to extend hearty thanks to the media for giving wide coverage to our activities and to all our well-wishers.

Thank You.

Prachanda Bahadur Shrestha
Chairman

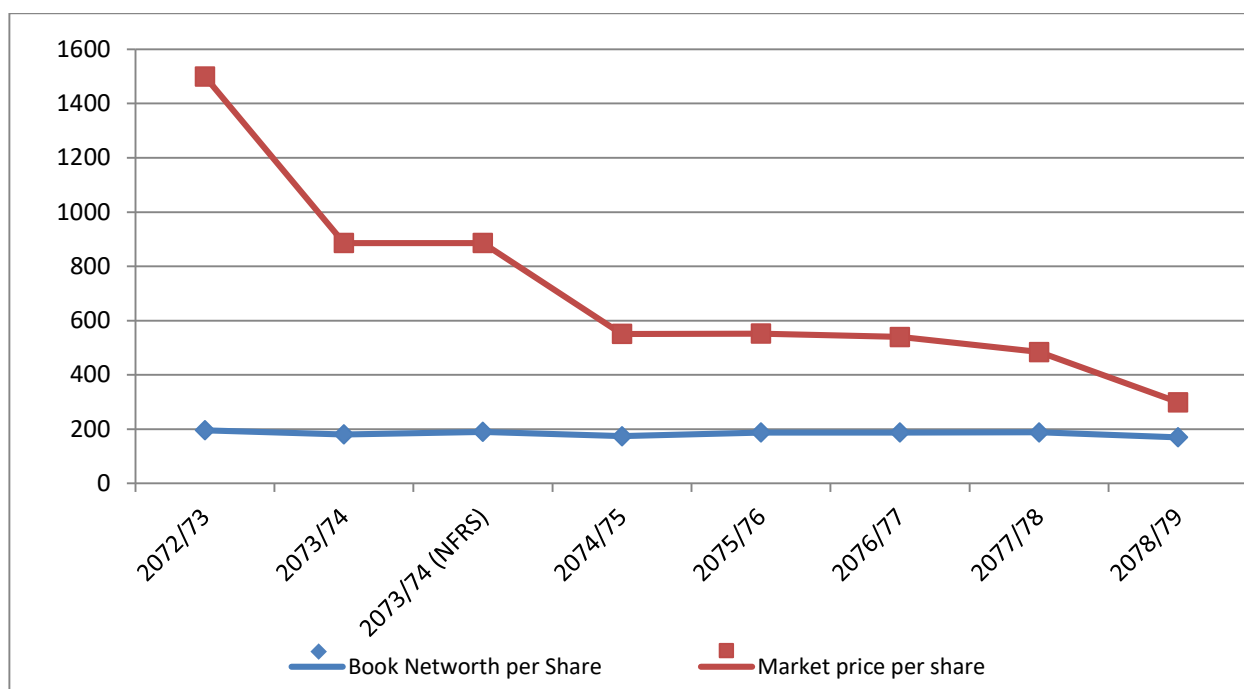
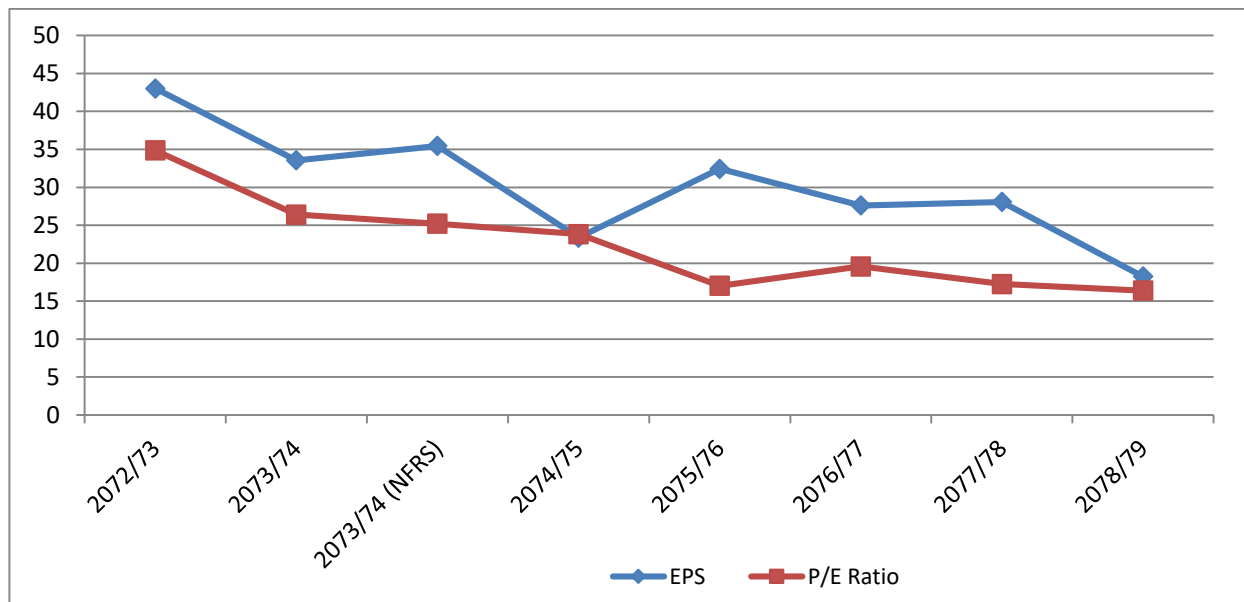
Date: 21st December 2022

PRINCIPAL INDICATORS

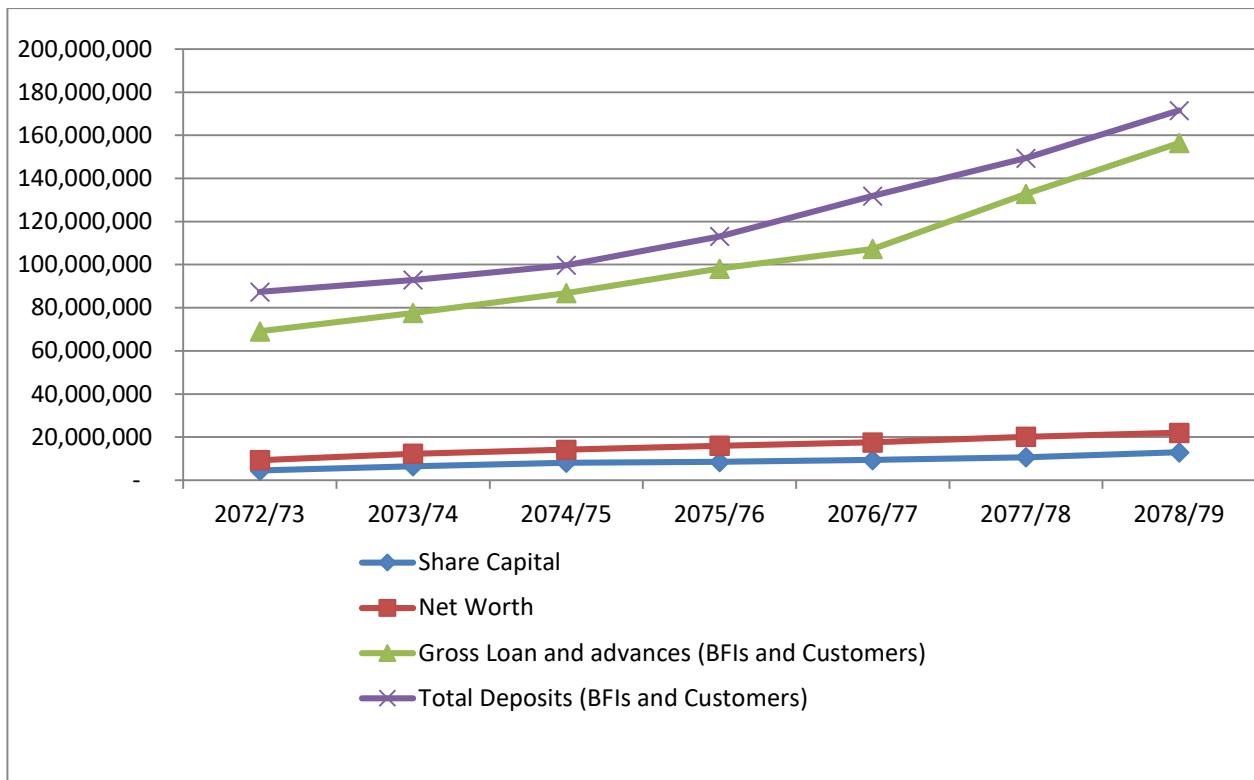
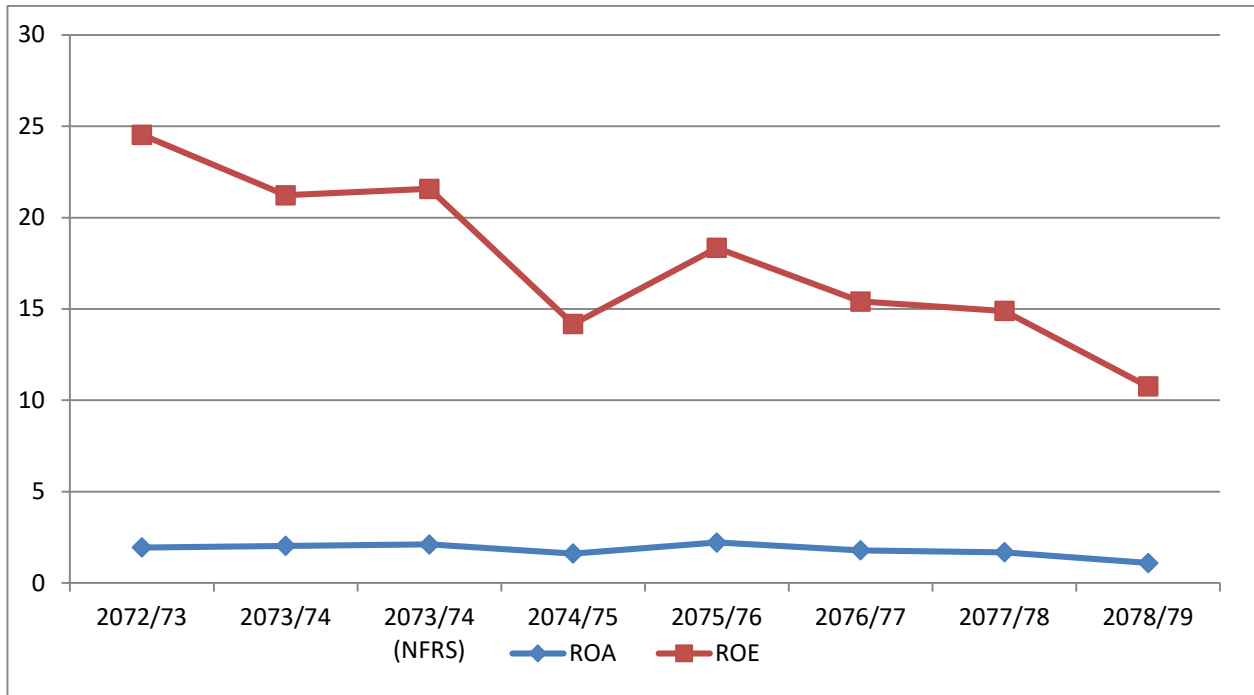
Particulars	Unit	FY 2017/2018 2074/2075	FY 2018/2019 2075/2076	FY 2019/2020 2076/77	FY 2020/2021 2077/78	FY 2021/2022 2078/79
Profit before Bonus and Tax/Total Income	Percent	26.15	32.64	28.06	33.68	19.69
Per Share Income	Rs.	23.11	32.44	27.60	28.07	18.26
Per Share Market Value	Rs.	551	552	540	484	299.2
Price Earning Ratio	Ratio	23.84	17.02	19.57	17.25	16.39
Dividend on Share Capital (Including Bonus)	Percent	15.79	22.00	20.00	26.00	19.11
Cash Dividend on Share Capital	Percent	10.79	12.00	6.00	4.62	11.11
Interest Income/Loans and Advances	Percent	11.64	11.67	10.79	7.71	10.35
Staff Expenses/Total Operating Expenses	Percent	53.02	53.79	53.02	54.92	50.63
Interest Expenses on Total Deposit	Percent	5.61	6.13	5.77	4.42	6.59
FX Fluctuation Gain/Total Income	Percent	5.81	5.50	5.33	4.61	2.98
Net Profit after Tax/Total Assets (ROA)	Ratio	1.67	2.21	1.79	1.68	1.09
Net Profit after Tax/Total Equity (ROE)	Percent	14.17	18.34	15.40	14.89	10.76
Total Loan/Deposit	Percent	88.31	87.37	82.31	89.87	92.14
Total Operating Expenses/Total Income	Percent	16.96	16.68	16.81	17.96	12.89
Capital Adequacy Ratio:						
A. Core Capital	Percent	11.40	11.63	11.76	11.21	10.49
B. Supplementary Capital	Percent	1.06	0.97	3.13	2.68	1.26
C. Total Capital Fund	Percent	12.46	12.6	14.89	13.89	11.75
Liquidity	Percent	23.05	26.25	31.39	26.51	23.48
Non-performing Loan/Total Loan	Percent	1.40	1.12	1.01	0.48	1.59
Weighted Average Interest Rate Spread	Percent	4.70	4.47	3.77	3.32	4.02
Book Network per share	Rs.	174.24	187.73	187.67	188.43	169.72
Total Share	Number	81,145,294	85,202,558	93,722,814	106,844,008	129,687,257
Total Staff	Number	834	910	1029	1018	1019
Number of Branches	Number	55	59	68	71	74
Number of ATMs	Number	105	122	138	144	156

- Staff Bonus has not been considered while calculating the ratio for staff expenses and operating expenses.

Key Indicators

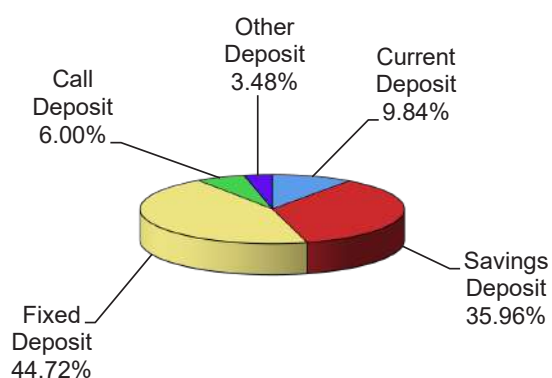


Key Indicators

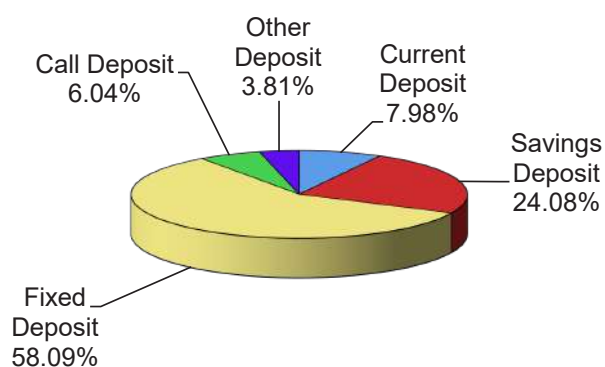


Deposits from Customers and BFIs

Financial Year 2077/78 (2020/21)

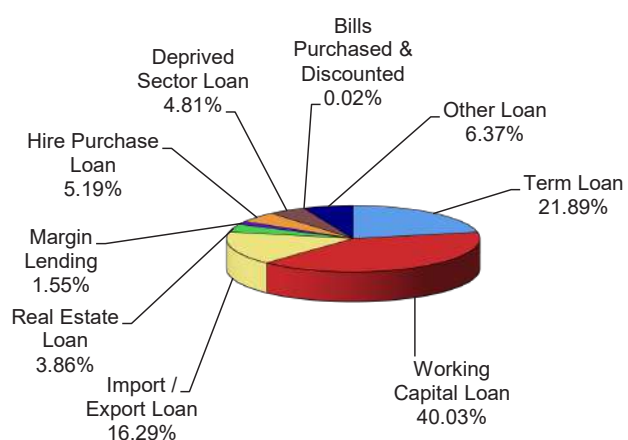


Financial Year 2078/79 (2021/22)

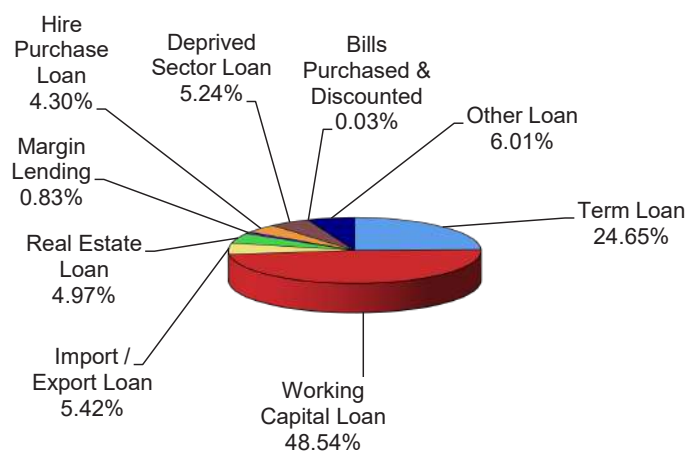


Loans and Advances

Financial Year 2077/78 (2020/21)

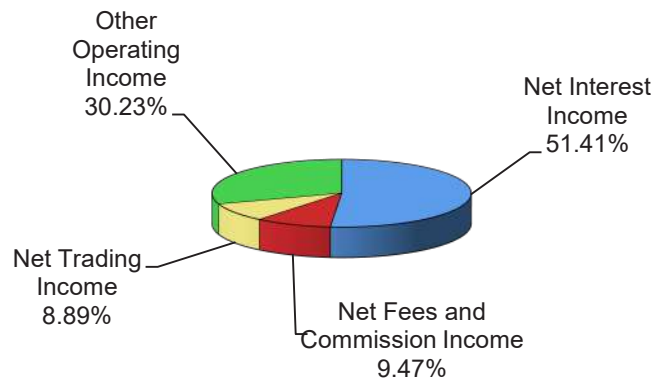


Financial Year 2078/79 (2021/22)

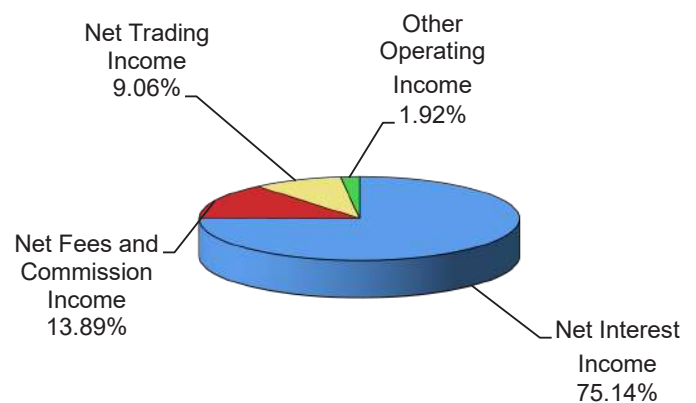


Income Composition

Financial Year 2077/78 (2020/21)

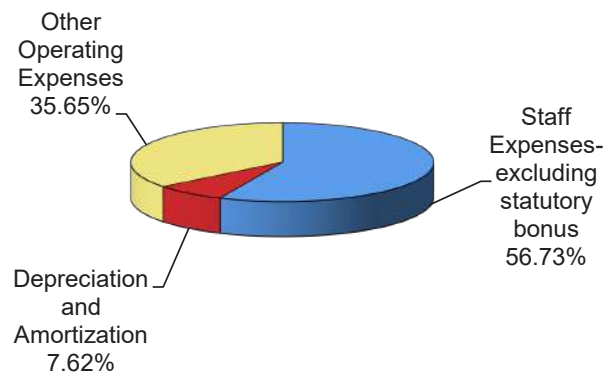


Financial Year 2078/79 (2021/22)

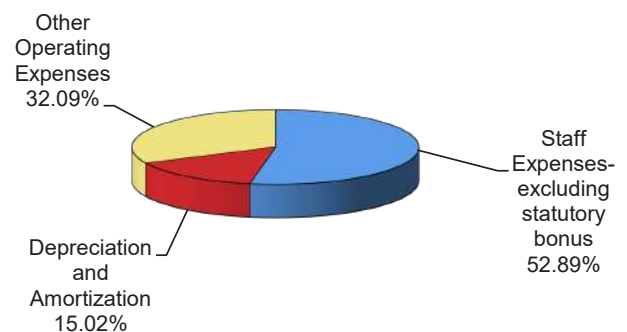


Expense Composition

Financial Year 2077/78 (2020/21)



Financial Year 2078/79 (2021/22)



G.P.Rajbahak & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HIMALAYAN BANK LIMITED

Opinion

We have audited the financial statements of Himalayan Bank Limited., which comprise the Statement of Financial Position as at Ashadh 32, 2079 (July 16, 2022), and the Statement of Profit or Loss, and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Financial Position of the Bank as at Ashadh 32, 2079 (July 16, 2022), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing [NSA]. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

S.No.	Key Audit Matters	Auditor's Response
a)	Interest Income: The interest income of the bank has been recognized on accrual basis and following the Interest Income Guidelines 2019 issued by NRB. The Guidelines specify condition for collateral testing in case of the interest overdue for 3-12 months and reversal of accrued interest on overdue for more than 12 months. Furthermore, the guidelines specify conditions for collective impairment of the loan. In case of improper application of the guidelines and determination of the Fair Value of the collateral, it imposes risk on the part of interest income. Thus, we have considered it as key audit matters.	Our audit approach included clear understanding of the Core Banking Software of the bank i.e. how the interest income is daily accrued regarding the loans and advances. Furthermore, we have relied on the engineer's valuation of the collateral for determination of fair value regarding collateral testing. Also, we have test checked the interest income booking with manual computation and we did not find any deviation. Furthermore, we have test checked the haircut regarding collateral fair value as per the NRB Income recognition guidelines.
b)	Investment valuation, identification and impairment:	Our audit approach regarding Investment of the bank is based on the

	<p>Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted securities. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and Directive number 8 of NRB Unified Directive 2078. The investment in the government and NRB bonds and T-bills has been done on Amortized cost and rest have been valued through Fair Value through Other Comprehensive Income. The valuation of the investment requires special attention and further in view of the significance of the amount of the investment in the financial statement the same has been considered as Key Audit Matters in our audit.</p>	<p>NRB Directive and NFRS issued by the Accounting Standard Board of Nepal. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis.</p> <p>For the investment valued through OCI i.e. for quoted investment, we relied on the Last transaction price in NEPSE as on July 16, 2022. And for the unquoted investment the fair value has been taken as the NRs.100. Further the income and bonus have been cross verified from DEMAT statement of the bank wherever applicable.</p>
c)	<p>Impairment of Loans and Advances: As per NFRS 9 (Carve-out issued by ICAN), bank shall measure impairment loss on loans and advances at the higher of:</p> <ul style="list-style-type: none"> - Amount derived as per norms prescribed by NRB for loan loss provisioning and; - Amount determined as per para 5.5 of NFRS adopting the incurred loss model <p>As per the norms prescribed by the NRB, provision at the prescribed rate shall be created on the loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of the security etc.</p> <p>As per NFRS 9, impairment of loans and advances should be made on individual impairment basis for loans and advances that are individually significant and collective impairment for homogeneous groups of loan that are not considered individually significant.</p> <p>On individual impairment, amount of the loss is measured as the difference between asset's carrying amount and present value of the estimated future cash flows. Under collective impairment, loss is determined after taking into account the historical loss experience in portfolios of similar credit risk and management's experienced judgement as to whether economic and credit conditions are such that actual level of</p>	<p>Our audit approach included reviewing the overdue status of loans and advances by obtaining data from the system and matching the same with NRB 2.2 report.</p> <p>Sample credit files were reviewed for the purpose of assuring the utilization of loan & advances for the intended purpose, account movement and account turnover.</p> <p>We also assessed the expected future cash on the loans of loans and of the facility, flows on the basis of the realizable value of collateral securities based on the management estimate from the individually significant loans and advances with the indication of the impairment of the assets. Similarly, homogeneous group of loans were assessed on the basis of nature and purpose of loans and data of historical loss experience in the portfolios were assessed on the basis of the past dues date from the system as well as data of loan loss provision of the defined group in the past.</p>

	<p>inherent losses at the reporting date is likely to be greater or less than suggested by historical experience.</p> <p>Given the fact that the impairment of loans and advances under incurred loss model require assessment of future cash flows as well historic loss experience of portfolios and also the impairment of loan loss under NRB norms require assessment of overdue status of loans and advances and proper utilization of loans for intended purpose. Hence assessment of availability and accuracy of required data for impairment of loans and advances under incurred loss model as well as under NRB provisioning norms is regarded as a key audit matter.</p>	
d)	<p>Information Technology:</p> <p>Since most of the information of the bank is digitally stored and transactions are carried out digitally/electronically in today's scenario, we have considered information technology status of the bank as our key audit areas.</p>	<p>We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS of the bank.</p> <p>We relied on the IT audit conducted by the bank.</p> <p>We verified the provisioning of the loan and advances based on ageing on the test check basis as on July 16, 2022.</p>

Other Matter

We did not audit the Financial Statement and other Financial Statement of Subsidiary namely Himalayan Capital Limited. The Financial Statements and other Financial Information have been audited by other auditor whose report has been furnished to us by the management. Our opinion on the Financial Statement so far as it relates to the accounts and disclosures included in respect of the subsidiary is based solely on the report of other auditor.

The auditor's report is intended solely for the intended users, and should not be distributed to or used by other parties.

Other Information

Management is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the consolidated Financial Statements and our auditor's report thereon.

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

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidences obtained up to date of our auditor's report. However, future events or conditions may cause the Group to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group's Activities to express an opinion on Financial Statements.

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

Report on Other Legal and Regulatory Requirements

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

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

Ashesh Rajbahak, FCA
Partner
G. P. Rajbahak & Co.,
Chartered Accountants

Date: December 20, 2022
Place: Kathmandu

UDIN: 221220CA00278skgPq

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on 32 Asar 2079 (16 July 2022)

Particulars	Note	Group		Bank	
		Asar 2079	Asar 2078	Asar 2079	Asar 2078
Assets					
Cash and Cash Equivalents	4.1	11,450,156,779	9,043,453,269	11,391,809,790	8,910,941,260
Due from Nepal Rastra Bank	4.2	7,133,564,450	7,535,702,797	7,133,564,450	7,535,702,797
Placements with Bank and Financial Institutions	4.3	3,322,404,549	3,780,743,768	3,322,404,549	3,780,743,768
Derivative financial instruments	4.4	17,095,798	92,628,551	17,095,798	92,628,551
Other trading assets	4.5	3,073,255	6,033,139	-	-
Loans & Advances to BFIs	4.6	7,851,025,911	6,045,811,226	7,851,025,911	6,045,811,226
Loans & Advances to Customers	4.7	147,082,543,832	126,014,965,935	147,121,797,546	126,048,134,665
Investment Securities	4.8	31,957,197,819	20,479,552,024	31,900,976,533	20,433,633,393
Current Tax Assets	4.9	465,912,817	422,185,448	459,914,445	418,398,651
Investments in subsidiaries	4.10	-	-	200,000,000	200,000,000
Investments in Associates	4.11	1,623,897,846	1,378,404,537	192,707,259	185,055,333
Investment Property	4.12	239,095,713	379,802,213	239,095,713	379,802,213
Property & Equipment	4.13	3,821,040,118	2,527,332,383	3,814,321,231	2,519,643,074
Goodwill and Intangible Assets	4.14	199,798,369	223,240,679	199,109,158	222,394,052
Deferred Tax Assets	4.15	-	-	-	-
Other Assets	4.16	2,466,075,367	1,726,996,809	2,442,451,291	1,718,036,903
Total Assets		217,632,882,623	179,656,852,778	216,286,273,674	178,490,925,886
Liabilities					
Due to Bank and Financial Institutions	4.17	3,067,875,752	8,360,641,959	3,067,875,752	8,360,641,959
Due to Nepal Rastra Bank	4.18	14,807,896,891	3,025,596,158	14,807,896,891	3,025,596,158
Derivative financial instruments	4.19	25,734,890	52,935,353	25,734,890	52,935,353
Deposits from Customers	4.20	168,177,158,508	140,848,614,773	168,419,486,693	141,021,074,860
Borrowing	4.21	-	-	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	91,321,130	115,838,143	90,523,852	114,568,451
Other Liabilities	4.23	5,306,881,174	3,217,201,106	5,170,994,523	3,090,589,267
Debt Securities Issued	4.24	2,693,565,077	2,692,806,448	2,693,565,077	2,692,806,448
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		194,170,433,422	158,313,633,940	194,276,077,678	158,358,212,496
Equity					
Share Capital	4.26	12,968,725,725	10,684,400,828	12,968,725,725	10,684,400,828
Share Premium		-	-	-	-
Retained Earnings		4,015,627,491	4,144,156,522	2,567,793,837	2,938,198,463
Reserves	4.27	6,478,095,985	6,514,661,488	6,473,676,434	6,510,114,099
Total Equity attributable to Equity Holders		23,462,449,201	21,343,218,838	22,010,195,996	20,132,713,390
Non Controlling Interest		-	-	-	-
Total Equity		23,462,449,201	21,343,218,838	22,010,195,996	20,132,713,390
Total Liabilities and Equity		217,632,882,623	179,656,852,778	216,286,273,674	178,490,925,886
Contingent liabilities and commitment	4.28	44,868,064,294	51,839,994,798	44,683,814,294	51,741,994,798
Net assets value per share		180.92	198.45	169.72	187.72

Mr. Satish Raj Joshi
Executive Financial Officer

Mr. Ashoke SJB Rana
Chief Executive Officer

As per our attached report of even date

Mr. Prachanda B. Shrestha
Chairman

Mr. Faisal N. Lalani
Director

Mr. Ashish Sharma
Director

Mr. Sunil Bahadur Thapa
Director

Mr. Bijay Bahadur Shrestha
Director

Mr. Jitendra Dhital
Director

Mr. Radha Krishna Pote
Director

CA Ashesh Rajbahak
Managing Partner
G.P. Rajbahak & Co.
Chartered Accountants
Date: Tue, Dec 20, 2022
Place: Kathmandu

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 32 Asar 2079 (16 July 2022)

Particulars	Note	Group		Bank	
		Asar 2079	Asar 2078	Asar 2079	Asar 2078
Interest Income	4.29	16,581,321,130	10,384,974,600	16,565,846,220	10,370,835,427
Interest Expense	4.30	11,611,933,986	6,576,716,483	11,622,526,653	6,582,118,789
Net interest income		4,969,387,144	3,808,258,117	4,943,319,567	3,788,716,638
Fee and Commission Income	4.31	1,032,335,413	789,980,514	1,019,039,215	778,658,599
Fee and Commission Expenses	4.32	105,478,505	80,546,209	105,468,286	80,477,947
Net Fee and Commission Income		926,856,908	709,434,305	913,570,929	698,180,652
Net interest, fee and commission income		5,896,244,052	4,517,692,422	5,856,890,496	4,486,897,290
Net Trading Income	4.33	593,309,153	667,052,804	595,910,330	655,009,052
Other Operating Income	4.34	112,088,090	2,004,603,310	126,396,499	2,227,727,667
Total Operating Income		6,601,641,295	7,189,348,536	6,579,197,325	7,369,634,009
Impairment charges/(reversal) for Loans and Other losses	4.35	1,280,783,127	144,885,020	1,280,862,615	145,322,259
Net operating income		5,320,858,168	7,044,463,516	5,298,334,710	7,224,311,750
Operating expense					
Personnel Expenses	4.36	1,628,825,216	1,859,512,042	1,628,053,322	1,859,365,642
Other Operating Expenses	4.37	784,655,639	894,731,432	758,714,726	870,901,797
Depreciation & Amortisation	4.38	356,779,878	187,854,662	355,284,353	186,178,678
Operating Profit		2,550,597,435	4,102,365,380	2,556,282,309	4,307,865,633
Non operating income	4.39	1,110,332,667	353,826,678	860,051,163	18,340,808
Non operating expense	4.40	19,502,312	66,893,384	19,502,312	66,893,384
Profit before income tax		3,641,427,790	4,389,298,674	3,396,831,160	4,259,313,057
Income Tax Expense	4.41				
Current Tax		1,056,539,859	1,281,112,829	1,054,864,819	1,277,004,943
Deferred Tax		(25,577,156)	(15,744,868)	(25,571,894)	(16,314,931)
Profit for the year		2,610,465,087	3,123,930,713	2,367,538,235	2,998,623,045
Profit attributable to:					
Equity holders of the Bank		2,610,465,087	3,123,930,713	2,367,538,235	2,998,623,045
Non-controlling interest		-	-	-	-
Profit for the year		2,610,465,087	3,123,930,713	2,367,538,235	2,998,623,045
Earnings per share					
Basic earnings per share		20.13	29.24	18.26	27.60
Diluted earnings per share		20.13	29.24	18.26	27.60

.....
Mr. Satish Raj Joshi
Executive Financial Officer

.....
Mr. Ashoke SJB Rana
Chief Executive Officer

As per our attached report of even date

.....
Mr. Prachanda B. Shrestha
Chairman

.....
Mr. Faisal N. Lalani
Director

.....
Mr. Ashish Sharma
Director

.....
Mr. Sunil Bahadur Thapa
Director

.....
CA Ashesh Rajbahak
Managing Partner
G.P. Rajbahak & Co.
Chartered Accountants
Date: Tue, Dec 20, 2022
Place: Kathmandu

.....
Mr. Bijay Bahadur Shrestha
Director

.....
Mr. Jitendra Dhital
Director

.....
Mr. Radha Krishna Pote
Director

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 32 Asar 2079 (16 July 2022)

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Profit or loss for the year	2,610,465,087	3,123,930,713	2,367,538,235	2,998,623,045
Other comprehensive income				
a) Items that will not be reclassified to profit or loss				
- Gains/(losses) from investments in equity instruments measured at fair value	(50,197,591)	70,070,413	(48,640,420)	68,195,913
- Gains/(losses) on revaluation	-	-	-	-
- Actuarial gains/(losses) on defined benefit plans	14,757,464	7,870,205	14,757,464	7,870,205
- Income tax relating to above items	10,632,038	(23,382,185)	10,164,887	(22,819,835)
Net other comprehensive income that will not be reclassified to profit or loss	(24,808,089)	54,558,433	(23,718,069)	53,246,283
b) Items that are or may be reclassified to profit or loss				
- Gains/(losses) on cash flow hedge	-	-	-	-
- Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-
- Income tax relating to above items	-	-	-	-
- Reclassify to profit or loss	-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss				
c) Share of other comprehensive income of associate accounted as per equity method	-	-	-	-
Other comprehensive income for the period, net off income tax	(24,808,089)	54,558,433	(23,718,069)	53,246,283
Total comprehensive income for the period	2,585,656,998	3,178,489,146	2,343,820,166	3,051,869,328
Total comprehensive income attributable to:				
Equity holders of the Bank	2,585,656,998	3,178,489,146	2,343,820,166	3,051,869,328
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	2,585,656,998	3,178,489,146	2,343,820,166	3,051,869,328

.....
Mr. Satish Raj Joshi
 Executive Financial Officer

.....
Mr. Ashoke SJB Rana
 Chief Executive Officer

As per our attached report of even date

.....
Mr. Prachanda B. Shrestha
 Chairman

.....
Mr. Faisal N. Lalani
 Director

.....
Mr. Ashish Sharma
 Director

.....
Mr. Sunil Bahadur Thapa
 Director

.....
CA Ashesh Rajbahak
 Managing Partner
 G.P. Rajbahak & Co.
 Chartered Accountants
 Date: Tue, Dec 20, 2022
 Place: Kathmandu

.....
Mr. Bijay Bahadur Shrestha
 Director

.....
Mr. Jitendra Dhital
 Director

.....
Mr. Radha Krishna Pote
 Director

STATEMENT OF CHANGES IN EQUITY

As on 32 Asar 2079 (16 July 2022)

Group**Attributable to equity holders of the Bank**

Particulars	Share Capital	Share Premium	General reserve	Exchange equalisation reserve	Regulatory Reserve	Fair value reserve	Revaluation reserve	Retained Earnings	Other Reserves	Total	Non controlling interest	Total equity
Balance at Sawan 1, 2077	9,372,281,428	-	4,255,230,911	39,056,093	942,902,991	27,198,204	-	3,579,648,418	456,821,197	18,673,139,242	-	18,673,139,242
Adjustment/Restatement	-	-	-	-	-	-	-	53,927,335	-	53,927,335	-	53,927,335
Adjusted/Restated balance at Sawan 1, 2077	9,372,281,428	-	4,255,230,911	39,056,093	942,902,991	27,198,204	-	3,633,575,753	456,821,197	18,727,066,577	-	18,727,066,577
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	3,123,930,713	-	3,123,930,713	-	3,123,930,713
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	49,049,289	-	-	-	49,049,289	-	49,049,289
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	5,509,144	-	-	-	-	5,509,144	-	5,509,144
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	5,509,144	49,049,289	-	-	-	54,558,433	-	54,558,433
Transfer to reserve during the year	-	-	601,853,790	-	-	-	-	(998,961,336)	397,107,546	-	-	-
Transfer from reserve during the year	-	-	-	-	(242,963,563)	-	-	260,067,677	(17,104,114)	-	-	-
Transactions with owners, directly recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	1,312,119,400	-	-	-	-	-	-	(1,312,119,400)	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(562,336,885)	-	(562,336,885)	-	(562,336,885)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	1,312,119,400	-	-	-	-	-	-	(1,874,456,285)	-	(562,336,885)	-	(562,336,885)
Balance as at Asar end 2078	10,684,400,828	-	4,857,084,701	39,056,093	705,448,572	76,247,493	-	4,144,156,522	836,824,629	21,343,218,838	-	21,343,218,838

Continued

Particulars	Share Capital	Share Premium	General reserve	Exchange equalisation reserve	Regulatory Reserve	Fair value reserve	Revaluation reserve	Retained Earnings	Other Reserves	Total	Non controlling Interest	Total equity
Balance at Sawan 1, 2078	10,684,400,828	-	4,857,084,701	39,056,093	705,448,572	76,247,493	-	4,144,156,522	836,824,629	21,343,218,838	-	21,343,218,838
Adjustment/Restatement	-	-	-	-	-	-	-	27,281,759	-	27,281,759	-	27,281,759
Adjusted/Restated balance at Sawan 1, 2078	10,684,400,828	-	4,857,084,701	39,056,093	705,448,572	76,247,493	-	4,171,438,281	836,824,629	21,370,500,597	-	21,370,500,597
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	2,610,465,087	-	2,610,465,087	-	2,610,465,087
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	(35,138,314)	-	-	-	(35,138,314)	-	(35,138,314)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	10,330,225	-	-	-	-	10,330,225	-	10,330,225
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	10,330,225	(35,138,314)	-	-	-	(24,808,089)	-	(24,808,089)
Transfer to reserve during the year	-	-	474,508,844	-	318,543,061	-	-	(834,053,920)	41,002,015	-	-	-
Transfer from reserve during the year	-	-	-	-	(98,975,320)	-	-	845,722,259	(746,836,014)	(89,075)	-	(89,075)
Transactions with owners, directly recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	2,284,324,897	-	-	-	-	-	-	(2,284,324,897)	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(493,619,319)	-	(493,619,319)	-	(493,619,319)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	2,284,324,897	-	-	-	-	-	-	(2,777,944,216)	-	(493,619,319)	-	(493,619,319)
Balance as at Asar end 2079	12,968,725,725	-	5,331,593,545	39,056,093	935,346,538	41,109,179	-	4,015,627,491	130,990,630	23,462,449,201	-	23,462,449,201

NOTE: Adjustment of retained earnings is due to remeasurement of lease liabilities earlier assessed under NAS-17 now reassessed under NFRS-16.

STATEMENT OF CHANGES IN EQUITY

As on 32 Asar 2079 (16 July 2022)

Bank
Attributable to equity holders of the Bank

Particulars	Share Capital	Share Premium	General reserve	Exchange equalisation reserve	Regulatory Reserve	Fair value reserve	Revaluation reserve	Retained Earnings	Other Reserves	Total equity
Balance at Sawan 1, 2077	9,372,281,428	-	4,254,234,117	39,056,093	942,902,991	27,197,979	-	2,496,762,387	456,818,617	17,589,253,612
Adjustment/Restatement	-	-	-	-	-	-	-	53,927,335	-	53,927,335
Adjusted/Restated balance at Sawan 1, 2077	9,372,281,428	-	4,254,234,117	39,056,093	942,902,991	27,197,979	-	2,550,689,722	456,818,617	17,643,180,947
Comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	2,998,623,045	-	2,998,623,045
Other comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	47,737,139	-	-	-	47,737,139
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	5,509,144	-	-	-	-	5,509,144
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	5,509,144	47,737,139	-	-	-	53,246,283
Transfer to reserve during the year	-	-	599,724,609	-	-	-	-	(996,725,696)	397,001,087	-
Transfer from reserve during the year	-	-	-	-	(242,963,563)	-	-	260,067,677	(17,104,114)	-
Transactions with owners, directly recognized in equity										
Share issued	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	1,312,119,400	-	-	-	-	-	-	(1,312,119,400)	-	-
Cash dividend paid	-	-	-	-	-	-	-	(562,336,885)	-	(562,336,885)
Other	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	1,312,119,400	-	-	-	-	-	-	(1,874,456,285)	-	(562,336,885)
Balance as at Asar end 2078	10,684,400,828	-	4,853,958,726	39,056,093	705,448,572	74,935,118	-	2,938,198,463	836,715,590	20,132,713,390

Continued

Particulars	Share Capital	Share Premium	General reserve	Exchange equalisation reserve	Regulatory Reserve	Fair value reserve	Revaluation reserve	Retained Earnings	Other Reserves	Total equity
Balance at Sawan 1, 2078	10,684,400,828	-	4,853,958,726	39,056,093	705,448,572	74,935,118	-	2,938,198,483	836,715,590	20,132,713,390
Adjustment/Restatement	-	-	-	-	-	-	-	27,281,759	-	27,281,759
Adjusted/Restated balance at Sawan 1, 2078	10,684,400,828	-	4,853,958,726	39,056,093	705,448,572	74,935,118	-	2,965,480,222	836,715,590	20,159,995,149
Comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	2,367,538,235	-	2,367,538,235
Other comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	(34,048,294)	-	-	-	(34,048,294)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	10,330,225	-	-	-	-	10,330,225
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	10,330,225	(34,048,294)	-	-	-	(23,718,069)
Transfer to reserve during the year	-	-	473,507,647	-	318,543,061	-	-	(833,002,663)	40,951,955	-
Transfer from reserve during the year	-	-	-	-	(98,975,320)	-	-	845,722,259	(746,746,939)	-
Transactions with owners, directly recognized in equity										
Share issued	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders										
Bonus shares issued	2,284,324,897	-	-	-	-	-	-	(2,284,324,897)	-	-
Cash dividend paid	-	-	-	-	-	-	-	(493,619,319)	-	(493,619,319)
Other	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	2,284,324,897	-	-	-	-	-	-	(2,777,944,216)	-	(493,619,319)
Balance as at Asar end 2079	12,968,725,725	-	5,327,466,373	39,056,093	935,346,538	40,886,824	-	2,567,793,837	130,920,606	22,010,195,996

NOTE: Adjustment of retained earnings is due to remeasurement of lease liabilities earlier assessed under NAS-17 now reassessed under NFRS-16.

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 32 Asar 2079 (16 July 2022)

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	14,593,565,106	9,619,866,559	14,578,090,196	9,621,121,355
Fees and other income received	1,019,039,215	778,660,504	1,019,039,215	778,658,599
Dividend received	1,109,835	-	-	-
Receipts from other operating activities	732,408,277	924,650,544	722,090,202	886,544,447
Interest paid	(10,394,221,265)	(6,494,945,789)	(10,404,813,932)	(6,500,348,094)
Commission and fees paid	(105,468,286)	(80,477,947)	(105,468,286)	(80,477,947)
Cash payment to employees	(1,766,239,323)	(1,599,218,041)	(1,766,239,323)	(1,599,218,041)
Other expense paid	(925,187,591)	(915,240,176)	(898,375,490)	(891,502,089)
Operating cash flows before changes in operating assets and liabilities	3,155,005,968	2,233,295,654	3,144,322,582	2,214,778,230
(Increase)/Decrease in operating assets				
Due from Nepal Rastra Bank	402,138,347	4,872,113,018	402,138,347	4,872,113,018
Placement with bank and financial institutions	458,339,219	2,561,430,022	458,339,219	2,561,430,022
Other trading assets	-	-	-	-
Loan and advances to bank and financial institutions	(1,818,085,776)	(1,077,448,259)	(1,818,085,776)	(1,077,448,259)
Loans and advances to customers	(21,532,702,611)	(24,721,947,223)	(21,538,844,846)	(24,755,553,192)
Other assets	(61,704,320)	(558,220,091)	(40,923,086)	(549,915,850)
Net (Increase)/Decrease in operating assets	(22,552,015,141)	(18,924,072,533)	(22,537,376,142)	(18,949,374,261)
Increase/(Decrease) in operating liabilities				
Due to bank and financial institutions	(5,292,766,207)	1,764,772,871	(5,292,766,207)	1,764,772,871
Due to Nepal Rastra Bank	11,782,300,733	2,869,859,372	11,782,300,733	2,869,859,372
Deposit from customers	27,328,543,734	15,751,660,893	27,398,411,833	15,756,693,170
Borrowings	-	-	-	-
Other liabilities	(222,941,646)	(25,902,548)	(238,355,761)	(34,996,835)
Net Increase/(Decrease) in operating liabilities	33,595,136,614	20,360,390,588	33,649,590,598	20,356,328,578
Net cash flow from operating activities before tax paid	14,198,127,441	3,669,613,709	14,256,537,038	3,621,732,547
Income taxes paid	(1,100,267,230)	(1,348,317,149)	(1,096,380,613)	(1,343,908,577)
Net cash flow from operating activities	13,097,860,211	2,321,296,560	13,160,156,425	2,277,823,970
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(39,463,162,239)	(23,086,908,083)	(39,451,661,120)	(23,064,907,481)
Receipts from sale of investment securities	28,241,118,909	22,971,477,490	28,241,118,909	22,971,477,490
Purchase of property and equipment	(275,551,151)	(270,060,936)	(275,183,464)	(269,312,238)
Receipt from the sale of property and equipment	29,304,130	18,216,487	29,304,130	18,216,487
Purchase of intangible assets	(43,333,178)	(115,955,790)	(43,333,178)	(115,955,790)
Receipt from the sale of intangible assets	-	-	-	-
Purchase of investment properties	-	-	-	-
Receipt from the sale of investment properties	148,776,000	-	148,776,000	-
Interest received	1,161,088,841	839,052,546	1,161,088,841	839,052,546
Dividend received	25,086,400	24,803,730	25,086,400	24,803,730
Net cash used in investing activities	(10,176,672,288)	380,625,444	(10,164,803,482)	403,374,744
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt from issue of debt securities	-	-	-	-
Repayment of debt securities	-	-	-	-
Receipt from issue of subordinated liabilities	-	-	-	-
Repayment of subordinated liabilities	-	-	-	-
Receipt from issue of shares	-	-	-	-
Dividends paid	(180,454,678)	(850,810,067)	(180,454,678)	(850,810,067)
Interest paid	(308,359,273)	(143,184,615)	(308,359,273)	(143,184,615)
Other receipt/payment	-	-	-	-
Net cash flow from financing activities	(488,813,951)	(993,994,682)	(488,813,951)	(993,994,682)
Net increase (decrease) in cash and cash equivalents	2,432,373,972	1,707,927,322	2,506,538,992	1,687,204,032
Cash and cash equivalents at Sawan 1, 2078	9,043,453,269	7,342,927,500	8,910,941,260	7,231,138,781
Effect of exchange rate fluctuations on cash and cash equivalents held	(25,670,462)	(7,401,553)	(25,670,462)	(7,401,553)
Cash and cash equivalents at Asar end	11,450,156,779	9,043,453,269	11,391,809,790	8,910,941,260

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For the year ended 32 Asar 2079 (16 July 2022)

(As per NRB Regulation)

	Bank	
	Asar 2079	Asar 2078
Net Adjusted Opening Retained Earning	187,536,005	622,306,102
Net profit or (loss) as per statement of profit or loss	2,367,538,235	2,998,623,045
Appropriations:		
a. General reserve	(473,507,647)	(599,724,609)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	(367,014,857)
d. Corporate social responsibility fund	(10,958,156)	(12,882,116)
e. Employees' training fund	(17,276,573)	-
f. Other	734,029,714	-
Profit or (loss) before regulatory adjustment	2,787,361,578	2,695,234,900
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(318,543,061)	237,454,419
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	88,645,095	-
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	10,330,225	5,509,144
i. Other (+/-)	-	-
Distributable profit or (loss)	2,567,793,837	2,938,198,463

Himalayan Bank Limited

NOTES TO FINANCIAL STATEMENTS

For the year ended 32 Asar 2079 (16 July 2022)

1. REPORTING ENTITY

1.1 Corporate Information

Himalayan Bank Limited ("the Bank") is a public limited liability company domiciled in Nepal, with its corporate office in Kamaladi, Kathmandu, Nepal. The Bank is operating through 74 branches, 6 extension counters and one overseas representative office. The shares of the Bank are listed in Nepal Stock Exchange Limited.

1.2 Parent Entity and Ultimate Parent Entity

The Bank is not a subsidiary of any entity. The bank has established a wholly owned subsidiary to carry out merchant banking services which has been in operation from August 2019. The subsidiary "Himalayan Capital Limited" is licensed by Securities Exchange Board of Nepal to carry out merchant banking activities and also to act as depository participant.

1.3 Principal Activities

The Bank is licensed by Nepal Rastra Bank, the central bank of Nepal, to carry out commercial banking activities in Nepal as class 'A' financial institution under the Bank and Financial Institution Act, 2073. The Bank provides a comprehensive range of financial services that include accepting deposits, corporate and retail lending, project financing, trade financing and fund transfer. The Bank also offers remittance services, card services and other ancillary services like safe deposit locker services as well as a wide range of electronic banking facilities.

2. BASIS OF PREPARATION

The standalone financial statements of the bank as well as the consolidated financial statements of the bank and its subsidiary and associates are prepared on going concern basis under historical cost convention except where the accounting standard adopted by the bank explicitly requires the use of fair market value. All judgments, estimates and assumptions used by the bank and its subsidiary while preparing the financial statements have been disclosed in the relevant sections of notes to accounts.

2.1 Statement of Compliance

The financial Statements of the Bank and its subsidiary which comprise of the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows and Significant Accounting Policies and Notes have been prepared in accordance with Nepal Financial Reporting Standards (NFRSs) laid down by the Accounting Standards Board of Nepal, except where alternative treatments have been adopted in line with carve-outs approved by the Institute of Chartered Accountants of Nepal (ICAN), the accounting regulating body of the country. The bank has adopted the format prescribed by the regulator (Nepal Rastra Bank) for preparation of the financial statements.

The financial statements of subsidiary have been regrouped/ restated accordingly to facilitate consolidation.

2.2 Reporting period and approval of financial statements

The consolidated financial statements cover the financial year commencing from Shrawan 01, 2078 and ending on Asar 32, 2079 (16 July 2021 to 16 July 2022). The financial statements were authorized for issuance in accordance with the resolution of the Board of Directors dated Poush 5, 2079 (20 December 2022).

2.3 Functional and presentation currency

Nepalese Rupees is the functional and presentation currency of the Bank and its subsidiary as it is the currency of the primary economic environment in which they operate. Hence, items included in the Financial Statements are presented in Nepalese Rupees.

2.4 Use of estimates, assumptions and judgments

The preparation of the financial statements in conformity with NFRSs requires management to make judgments, estimates and assumptions for application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates so made. Estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The most significant uses of judgment and estimates are as follows:

(a) Going concern

The management has assessed the entity's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the entity's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on going concern basis.

(b) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using judgments that may, among other things, include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

(c) Classification of financial instruments

The bank and its subsidiary have classified the financial assets and liabilities as per NFRS 9. These are either measured at fair value or amortized cost. According to NFRS 9, debt instruments are recognized at amortized cost and investment in equity instrument can be elected to be recognized as fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The bank has elected to measure its investment in equity instruments at fair value through other comprehensive income unless recognized as associate or subsidiary.

(d) Impairment losses on loans and advances

As per the carve-out approved by the Institute of Chartered Accountants of Nepal, Bank and Financial Institutions shall measure impairment loss on loans and advances as the higher of the amount derived as per rule-based norms prescribed by the Regulator and the amount determined as per paragraph 5 of NFRS 9, with proper disclosures of the same. Accordingly, the Bank has assessed impairment loss under both norms and impairment provided in the financial statements is the impairment under norms prescribed by the Regulator with separate disclosure of impairment calculated under NFRS 9.

(e) Impairment of Equity Instruments

The Bank and its subsidiary records impairment charges on quoted equity investments by comparing with the fair market value as on the reporting date. In case of un-quoted equity investments, impairment is recorded only where there is objective evidence of permanent decline in the value of investment.

(f) Taxation

The Bank and its subsidiary are subject to income taxes. Significant judgment was required to determine the total provision for current and deferred taxes pending the issuance of tax guidelines on treatment of adoption of NFRSs in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The Bank and its subsidiary have recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences shall impact the income of that year.

(g) Deferred tax

Deferred tax asset and liabilities are recognized in respect of temporary difference in tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rate applicable to the bank and its subsidiary as at the reporting date which is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(h) Defined Benefit plan

The bank has recognized gratuity and accumulated leave encashment as defined benefit plan. The cost of defined benefit plan is determined using actuarial valuation by an actuary. The actuarial valuation involves making assumptions about discount rates, salary increment rate, age of retirement, and mortality rates, among other things. Due to long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used for valuation is disclosed in detail in Note 4.23

The subsidiary is operating under a full scope management contract and hence long term liability with respect to employee is not there till the reporting date. However, the management contract has matured on 10 August, 2022 and employees since then have come directly under the subsidiary and hence liabilities as provisioned by its Employees By-Laws shall now accrue.

(i) Materiality

In compliance with NAS 01 on Presentation of Financial Statements, each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately, if they are material.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank and its subsidiary.

(j) Depreciation of Assets

The depreciable amount of an asset has been allocated on a systematic basis over its useful life using diminishing balance method and depreciation rate determined by the management on the basis of nature and expected average useful life of the asset class. The basis has been determined using the best management judgment. Details regarding the useful lives of property and equipment are disclosed in Note 3.7.

(k) Fair Value of Investment Property

Non-Banking Assets, which are assets mortgaged with the bank and subsequently taken over by the Bank in the course of recovery of loan, are shown under Investment Property. The value at which such assets are taken over in line with the guidelines issued by the Regulator have been considered as fair value of such assets.

(l) Valuation of lease liabilities and right of use assets

The application of NFRS 16 requires the bank to make judgements that affect valuation of lease liabilities and valuation of right of use assets. These include identifying contracts falling within the scope of NFRS 16, assessing the contract terms and determining the interest rate for discounting of future cash flows.

The lease term determined by the Bank generally comprises of non-cancellable period of lease contracts, periods covered by an option to extend the lease if the bank is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the bank is reasonably certain not to exercise that option. The same term is applied as economic useful life of right of use assets.

2.5 Changes in accounting policies

There are no changes in accounting policies except application of the new accounting standard on revenue “NFRS 15” and leases “NFRS 16”.

NFRS 16 has replaced NAS 17 and sets out the principles for recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for almost all leases which has resulted in an increase of Property, plant and equipment and Other liabilities as at 1st Shrawan 2078. This standard is mandatory for the accounting period beginning on 1st Shrawan 2078 and the Group adopted it accordingly using modified retrospective approach. The comparative information therefore has not been restated and continue to be reported under NAS 17. The accounting policies are set out in Note 3.16.

2.6 New reporting standards in issue but not yet effective

The Institute of Chartered Accountants of Nepal has issued revised sets of Nepal Financial Reporting Standard 2018. These set of accounting standards supersedes otherwise applicable Nepal Financial Reporting Standard 2013. All the standards issued which are applicable to the bank have become effective.

2.7 New Standards and interpretation not adopted

The Institute of Chartered Accountants of Nepal (ICAN) has provided carve outs on various accounting standards for specified period. Some of these carve-outs are mandatory while some are optional. The carve-outs applied by the bank are:

NFRS 9: Financial Instrument Recognition and Measurement (Incurred Loss model to measure the Impairment loss on Loan and Advances); Carve out from the requirement to determine impairment loss on financial assets – loans and advances by adopting the ‘Incurred Loss Model’ as specified in para 5 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: - Amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provisioning; and - Amount determined as per para 5 of NFRS 9 adopting Incurred Loss Model. The bank has applied this carve-out.

NFRS 9: Effective interest rate of loans and advance; The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate a shorter period of the net carrying amount of financial asset or financial liability. While recognizing loans and advances at amortized cost, the bank has opted the carve out provided by the ICAN for determining effective interest rate. As a result of this alternative treatment, the bank hasn’t included the loan processing fees received by the bank while calculating the effective interest rate to be used to amortize the loans and advances justifying that such fees and commission are immaterial to the total income from such loans and advances. The fees and commission are recognized as income in the same period when loan is approved and subsequently implemented/ disbursed.

2.8 Discounting

Discounting has been used for actuarial valuation, lease liabilities and staff loan. The assumptions used for valuation is disclosed in detail in Note 4.23

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 in the Statement of financial position, all of which are measured at fair value.

- ☐ Investment in equity instruments measured at FVTOCI
- ☐ Investment Properties

3.2 Basis of Consolidation

The bank has a fully owned subsidiary incorporated to carry out merchant banking activities and associates. The consolidated financial statements have been prepared in accordance with NFRS 10, Consolidated Financial Statements.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Bank and its subsidiary in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the Statement of Financial Position.

3.4 Financial Assets and Financial Liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets refer to assets that arise from contractual agreements on future cash flows or from owning equity instruments of another entity. Financial liabilities are obligations that arise from contractual agreements and that require settlement by way of delivering cash or another financial asset. The bank and its subsidiary have applied NFRS 9 in defining, classifying and measuring its financial instruments.

(a) Recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the entity becomes a party to the contractual provisions of the instrument. This includes “regular way trades”: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

(b) Classification

Financial Assets and Financial Liabilities are classified under NFRS 9. The categorization of financial assets and financial liabilities is based on the business model of holding the instrument and contractual cash flow characteristics of the financial instrument. Business model reflects how groups of financial instruments are managed to achieve a particular business objective. Business Model can be either to hold the asset in order to collect contractual cash flows (hold to collect) or to trade the asset for market gains and Contractual Cash Flow are the contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Instrument

- Financial Instrument at amortized cost: Financial Instrument are held at amortized cost when the business model is to hold the asset in order to collect the contractual cash flows of the asset. The entire debt instrument that the bank holds has been categorized as held at amortized cost.
- Financial Instrument at fair value: If financial assets aren't measured at amortized cost then they are measured at fair value.
- Financial Instrument at Fair Value Through Profit or Loss (FVTPL): Management designates an instrument at fair value through profit or loss upon initial recognition when the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis.

The Bank and its subsidiary has not designated any financial instrument at fair value through profit or loss.

- Financial Instrument at Fair Value Through Other Comprehensive Income (FVTOCI): If the instrument isn't categorized at amortized cost or fair value through profit or loss then it is classified as fair value through OCI.

(c) Measurement

The measurement of financial instrument is based on the classification of the instrument:

Financial Instrument At Amortized Cost: Initially, the asset or liability is measured at fair value plus/minus transaction cost and any immediate payment related to the instrument. Subsequently, the instrument is amortized using the effective interest rate. Effective interest rate is the rate that exactly discounts future cash flows to the present outstanding amount.

Effective interest rate of loans and advance; While recognizing loans and advances at amortized cost, the bank has opted the carve out provided by ICAN for determining effective interest rate. As a result of this alternative treatment, the bank hasn't included the loan processing fees received by the bank while calculating the effective interest rate used to amortize the loans and advances justifying that such fees and commission are immaterial to the total income from such loans and advances. The fees and commission are recognized as income in the same period when loan is approved and subsequently implemented/ disbursed.

Staff Loans and advances: When the transaction price differs from the fair value of other observable current market transactions in the same instrument, the Bank immediately recognizes the difference between the transaction price and fair value as Prepaid Benefit. Bank accordingly estimates the Prepaid Benefit in relation to Staff Loans and advances given under subsidized rate of interest. While calculating the fair value in case of Staff Loans, the average base rate for past 13 months of the Bank has been considered to be the market rate for the loan. Further, the amortized income and expense of such prepaid benefit is shown both under Interest Income as well as Personnel expense as it is a notional income and expense for the Bank.

Base Rate is the minimum lending rate recommended by Nepal Rastra Bank and is calculated separately for each individual bank every month as per the method prescribed by Nepal Rastra Bank.

Financial Instrument At Fair Value Through Profit or Loss (FVTPL): When the instrument is recognized at fair value through profit or loss, then the initial transaction cost is expensed to profit or loss and subsequently any change in its fair value is recognized in statement of profit or loss.

Financial Instrument At Fair Value Through Other Comprehensive Income (FVTOCI): While measuring the instrument at fair value through other comprehensive income the instrument is initially recognized at fair value. Subsequently, any changes in the fair value are recognized in other comprehensive income.

(d) **De-recognition of financial assets and financial liabilities**

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognized when:

- ☐ The right to receive cash flows from the asset has expired.
- ☐ The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- ☐ The entity has transferred substantially all the risks and rewards of the asset, or
- ☐ The entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(e) Determination of fair value

'Fair value' is the price that would be received on sale of an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. The fair value for financial instruments traded in active markets at the statement of financial position date is based on their quoted market price. However, for valuating promoters shares which are quoted in market but not actively traded, 60 percent of market price of public shares has been considered. In case of all other financial instruments not traded in an active market, the Bank and its subsidiary recognizes such unquoted equity instruments at their cost price.

(f) Impairment

Loans & Advances: The Bank recognises impairment on loans and advances as the higher of the amount computed as per the norms prescribed by the Regulator and amount determined as per paragraph 5 of NFRS -9.

Under the norms prescribed by the Regulator, impairment is provisioned from 0.325% to 100% of the outstanding balance depending on insurance status and categorization of individual loans & advances. For assessment of impairment under NFRS 9, the Bank reviews its individually significant loans and advances at each statement of financial position date against pre-determined criteria to assess whether an impairment loss should be recorded in the income statement. The Bank has set the criteria of Significance for Individual Impairment as follows:

1. Top 50 Customers based on the amortized cost, outstanding as at the reporting date
2. The loans those are overdue for more than 180 days as at the reporting date

In particular, management judgment is required in the estimation of the amount and timing of future cash flows when determining impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. All individually not significant loans and advances and those significant loans & advances not individually impaired are assessed collectively, in group of assets with similar product nature (viz. Home Loan, Hire Purchase Loan, Short Term Loan, Term Loan and Personal Loan), to determine whether impairment need to be recognized due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilization, loan to collateral ratios, etc.), and judgments to the effect of concentrations of risks and economic data (real estate prices indices, country risk and the performance of different individual groups).

Financial investments at FVTOCI: For these financial investments, the entity assesses at each reporting date whether there is objective evidence that an investment is impaired. The entity assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortised cost.

In the case of equity investments, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from equity and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in the fair value after impairment are recognized in other comprehensive income.

3.5 Trading Assets

Trading assets are those assets that the Bank and its subsidiary acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit. The other trading asset includes non derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for trading purpose.

3.6 Derivative assets and derivative liabilities

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

Derivative instruments-both assets as well as liabilities; like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes are presented under this head.

3.7 Property and Equipment

(a) Recognition and measurement

Property & Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with NAS 16 on Property, Plant & Equipment. Initially property and equipment are measured at cost. The item of Property, plant and equipment under leasehold properties also includes Right of Use Assets [See 3.16] recognised under NFRS 16.

(b) Cost Model

Property and equipment (including equipment under operating leases where the Bank and its subsidiary is the lessor) is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

(c) Subsequent Cost

These are costs that are recognised in the carrying amount of an item, if it is probable that the future economic benefits embodied within that part will flow to the entity and it can be reliably measured.

(d) Depreciation

Depreciation is calculated using diminishing balance method based on estimated useful lives of assets as determined by the management. The rates at which the assets are depreciated are as follows:

Particulars	Depreciation Rate
Building	5%
Computer Hardware	20%
Machinery and Equipment	15%
Motor Vehicle	15%
Furniture and Fittings - Wood	15%
Furniture and Fittings - Metal	10%

Land is not depreciated. Leasehold properties are depreciated over the period of lease or estimated useful life, whichever is lower, on a straight line basis.

(e) De-recognition

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' in the income

statement in the year the asset is derecognised.

(f) Assets under Grant:

Where grant is received to compensate the cost of acquiring a depreciable asset fully or partially, the grant can be either presented as deferred income or is deducted at arriving the carrying amount of the asset. The entity has opted to present the grant as deferred income and therefore the asset has been shown in full purchase value.

3.8 Goodwill /Intangible assets

The Bank and its subsidiary's intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the entity. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Computer software is amortised equally over the estimated useful life of five years.

3.9 Investment Property

"Investment Property" is shown as a separate line item in the face of Statement of Financial Position as these assets are assets of the bank from the date of repossession and are intended to dispose off from the legal process in due course of time. They are recognized at fair value in the books. However, non-banking assets shown under investment property and which are taken over at the lower of fair value (*PanchakritMulya*) or total amount due from the borrower as per guidelines issued by the Regulator is continued to be shown at the recorded value till the same is disposed.

3.10 Income Tax

(a) Current tax

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

(b) Deferred tax

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of

financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognised directly in OCI are also recognised in OCI and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11 Deposits, debt securities issued and subordinated liabilities

Financial instruments issued by the Bank and its subsidiary, that are not designated at fair value through profit or loss, are classified as liabilities under Deposits from Customers, Due to Bank and Financial Institutions, Borrowings, and other Liabilities where the substance of the contractual arrangement results in the Bank and its subsidiary having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

3.12 Provisions

Provisions are recognised when the Bank or its subsidiary has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.13 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the bank and its subsidiary and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(a) Interest income

For all financial instruments measured at amortized cost and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR, which 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. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Interest income on loans and advance: While recognizing loans and advances at amortized cost, the bank has

opted for the carve out provided by ICAN for determining effective interest rate. As a result of this alternative treatment, the bank hasn't included the loan processing fees received by the bank while calculating the effective interest rate used to amortize the loans and advances justifying that such fees and commission given their proportion are immaterial to the total income from such loans and advances. The fees and commission are recognized as income in the same period when loan is approved and the amount is received.

Interest Income on Staff Loans and advances: For measuring staff loan and advances at fair value which is provided below market rate of interest, average base rate of past 13 months has been considered to be the market rate of the loan. The difference between the loan outstanding and fair value of loan is treated as prepaid employee expenditure. After initial measurement at fair value, the loan is amortized using the rate used to determine fair value. And the prepaid employee expense is amortized as staff expense under NFRS throughout the period of the loan.

Interest Income of impaired assets

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income shall be recognized using the interest rate used to discount the future cash flow for the purpose of measuring the impairment loss. However, bank has used the alternative treatment as per carve-out by applying the effective interest rate to the gross carrying amount of a financial asset unless the financial asset has been written off either partially or fully.

Suspension of Accrual of Interest Income on loans and advances

Based on the guidelines issued by the Regulator (Nepal Rastra Bank), accrual of interest income on loans and advances are suspended when any of the following criteria is satisfied.

- a. Loans where there are reasonable doubt about the ultimate collectability of the principal or interest
- b. Loans against which individual impairment as per NFRS 9 or life time impairment as per NFRS 9 has been made
- c. Loans where contractual payment of principal and/or interest are more than 3 months in arrear and where the net realizable value of security is insufficient to cover payment of principal and accrued interest
- d. Loans where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral
- e. Overdrafts and other short term facilities which haven't 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 the security is insufficient to cover payment of principal and accrued interest,
- f. Overdraft and other short term facilities which haven't 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

Where there is suspension of accrual of interest income, interest income is recognized on cash basis until there is change in circumstances to resume the accrual of interest income. For, resuming accrual of interest income a period of continued repayment of 12 months can be considered reasonable.

(b) Fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

- Fee income earned for services that are provided within the reporting period.
- Fees earned for provision of services over a period of time and accrue over that period.

In case of the first category of fees & commission earned, the Bank and its subsidiary recognises the income at the time of receipt itself whereas in case of the latter category, the commission is deferred over the period of service. However, if the transaction fees are not material, the Bank and its subsidiary recognises such fees in

income at the time of reporting.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis. However, such amount collectively tantamount to less than 1% of the total gross loan portfolio of the bank and the cost of extraction tend to exceed the benefit from its use; hence on materiality ground and as also allowed under carve-out issued by ICAN, such costs is not considered in the measurement of effective interest rate and accordingly, the coupon rate embedded in the instrument has been considered to be the Effective Interest Rate for the instrument.

(c) Dividend income

Dividend income is recognized at an amount net of applicable final withholding tax when the entity's right to receive the payment is established.

(d) Net Trading Income

Net trading income includes gains and (losses) from changes in fair value, related capital gains/ losses, foreign exchange trading gains/ (losses), interest income from trading assets and dividend from trading assets

(e) Net Income from other financial instrument at fair value through Profit or Loss

The bank and its subsidiary has not designated any investments as financial instrument at fair value through Profit or Loss, income also has not been recognized under this head.

(f) Deferred Grant Income

Grants related to assets are presented as deferred grant income. Such deferred grant income is recognized as income proportionately in the period in which such assets are consumed. For determining the consumption of asset, depreciation charged on such asset has been taken as basis. For grant related to expenses incurred by the bank such grant are recognized as income as and when received.

3.14 Interest Expense

The Bank and its subsidiary recognize the interest expenses on financial liabilities. The interest expenses are recognized on accrual basis using the applicable interest rate.

Interest expenses include interest on deposits from customers, deposits from banks, debt securities issued, and other interest-bearing financial liabilities.

3.15 Employee Benefits

Employee benefits are compensation paid to employee for the services rendered. Such compensation are recognized as expense when obligation to make payment arises.

(a) Defined Benefit Plan- Gratuity

Based on the Nepal Accounting Standard NAS19- Employee Benefits, the Bank has adopted the actuarial valuation method for employee benefit liability. Actuarial valuation is carried out every year to ascertain the liability under gratuity.

The liability recognized in the statement of financial position with respect to defined benefit plan is the present value of defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. Interest cost, present service cost and past-service costs are recognized in statement of profit or loss.

The principal assumptions, which have the most significant effects on the valuation, are the rate of discount, rate of salary revision, rate of turnover at the selected age groups, rate of disability, death benefits and expenses.

The subsidiary was operating under a full scope management contract and hence long term liability with respect to employee is not there as on the reporting date. However, the management contract has matured on 10 August, 2022 and employees since then have come directly under the subsidiary and hence liabilities as provisioned by its Employees By-Laws shall now accrue.

(b) Long Term Paid Absences

Liability towards long term paid absences, accumulated and payable on separation from services of the bank under Staff Service Bye-Laws, has been assessed using actuarial valuation method and Current service cost, Interest Cost as well as the actuarial gain/(loss) has been charged to Income Statement. For leave accumulated in excess of prescribed limit as per Staff Service Bye- Laws, actual amount is charged to income statement in the same year.

(c) Defined Contribution Plan - Employees' Provident Fund

Employees are eligible for Employees' Provident Fund Contributions in line with the respective Statutes and Regulations. The Bank contributes at 10% with equal contribution from the employees.

(d) Staff Loans and Advances

Staff loans and advances are provided at below market rate of interest. Staff loan is measured at amortized cost using the effective rate of interest. Effective rate of interest is determined at the average of base rate of past 13 months. Initially staff loans are measured at fair value using the effective interest rate and the difference in fair value and staff loan is recognized as prepaid expense. Subsequently, interest income on loans and advance is recognized using the effective interest rate and the prepaid expense is amortized throughout the life of loan as finance expense under NFRS.

3.16 Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the assets is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from the use of the asset throughout period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Bank has the right to direct the use of the asset if either:
 - the Bank has the right to operate the asset; or
 - the Bank designated the asset in a way that predetermines how and for what purpose it will be used.

Bank as a Lessee

The Bank recognises 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, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less

any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an option renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Bank presents right-of-use asset in 'property, plant and equipment' and lease liabilities in 'Other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets: The Bank has elected not to recognize right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Bank recognises lease payments associated with these leases as an operating lease expense in profit or loss.

Under NAS 17, in the comparative period, as a lessee the leases classified as operating leases were not recognised in the Bank's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Bank as a Lessor

When the Bank acts as a lessor, it determines at lease inception whether lease is a finance lease or an operating lease. To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset. When the Bank is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Bank applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Bank recognises lease payments received under operating leases as other operating income in profit or loss. The accounting policies applicable as a lessor in the comparative period were not different from NFRS 16. The bank does not have any asset or liability under Finance Lease.

3.17 Foreign currency translation

All foreign currency transactions are converted to Nepalese Rupees (NPR) which is Bank and its subsidiary's functional & reporting currency, at the rates of exchange prevailing at the time the transactions are affected.

Monetary assets and liabilities denominated in foreign currencies at the close of the year are translated to Nepalese Rupees using the spot foreign exchange rate as on that date and differences are taken to 'Other operating income' in the Income Statement, being of non-trading nature. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value is determined.

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

3.18 Financial Guarantee and Loan Commitment

The Bank may give financial guarantees in the ordinary course of business. The guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortization recognised in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability relating to financial guarantees is recorded in the income statement as expense. The premium received is recognised in the income statement on a straight-line basis over the life of the guarantee. The bank does not have any liability under Financial Guarantee.

3.19 Share Capital and Reserves

Share Capital

Increment in Share Capital results with the issue of Right Share, Further Public Offers and Bonus Share. However, proposed bonus shares are not shown as increment to share capital until approved by annual general meeting.

Dividends on ordinary shares

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

Statutory Reserves:

Statutory reserves represent the mandatory reserves maintained by the Bank/subsidiary as required by the Regulator or under other applicable laws & regulations and are not available for distribution as dividend to the shareholders. This includes general reserve, exchange fluctuation reserve, capital redemption reserve, interest capitalization reserves, corporate social responsibility reserve, employee training reserve and other reserves as may be notified from time to time.

Equity reserves:

1. Retained Earnings

Retained earnings represents the cumulative net earnings or profit available for distribution after accounting for all mandatory reserves and appropriations.

2. Regulatory Reserve

The Regulatory Reserve is mandated under directives issued by the Regulator for adjustment of specified differences on account of adoption of NFRS in order to ensure a fair representation of financial statements. Regulatory reserve comprises of accrued interest income net off bonus and tax, non-banking assets recognised net off bonus and tax and Actuarial Loss recognised in the other comprehensive income. The Reserve is required to be created by adjustment to Retained Earnings. The amount in Regulatory Reserve is not allowed

to be considered for Capital Adequacy purposes.

The regulation however doesn't require regulatory reserve to be created for interest accrued as at the year end if the same is realized within 15 days of the following month. The bank has maintained regulatory reserve after considering this relaxation given by the regulator.

3. Other Reserves

Other reserves recorded in equity (other comprehensive income) on the Bank's/subsidiary statement of financial position include:

- 'Fair Value Reserve' comprises of changes in fair value of investments, net of deferred tax, recognized through Other Comprehensive Income.
- Actuarial Reserve comprises of actuarial gains/losses of defined benefit plans as required by NAS 19-Employee Benefits.
- Debenture Redemption Reserve comprises of equal amount apportioned out of profit each year throughout the term of the capital-based debenture excluding the issue and redemption year. Upon maturity of the debenture, the entire amount appropriated for Debenture redemption reserve shall be transferred to the Capital Adjustment Fund out of which only bonus shares may be issued.
- Employee Training Fund comprises of amount expensed less than that required by regulator. The Bank is required to incur expenses towards employee training and development for an amount that is equivalent to at least 3% of the preceding year's employee salary and allowance. Any shortfall amount in meeting this mandatory expense requirement in the current year will have to be transferred to this reserve fund through appropriation of net profit and the amount shall accumulate in the fund available for related expenses in the subsequent year.
- Corporate Social Responsibility reserve comprises of amount allocated each year for fulfilling the banks corporate social duty. The Bank is required to appropriate an amount equivalent to 1% of net profit into this fund annually.

3.20 Earnings per share including diluted

The bank presents basic and diluted Earnings per Share (EPS) for its ordinary shares.

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary equity-holders of Bank by the weighted average number of ordinary shares outstanding during the year.

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

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of EPS.

3.21 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing services (Business Segments) or in providing services within a particular economic environment (Geographical Segment) which is subject to risks and rewards that are different from those of other segments.

In accordance with the Nepal Financial Reporting Standards NFRS 8 on 'Operating Segments', segmental information is presented in respect of the Bank based on Bank management and internal reporting structure.

The Bank's segmental reporting is based on the geographical operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating

profit or loss of respective segment.

3.22 Investment in Associates

The Bank's investment in its associates, entities in which the Bank has significant influence, is accounted for using the equity method. Significant influence is considered to exist where the bank has representation in the Board and participates in policy making processes, including participation in decisions about dividends or other distribution. Under the equity method, the investment in the associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Bank's share of net assets of the associate since the acquisition date.

Investment in associates have been accounted at cost in preparing the standalone financial statements. However, equity method has been used for accounting of investment in associates in preparing the consolidated financials. Hence, share of income received from associates recognized in standalone financial statements of the bank has been derecognized since share of net worth prior to distribution is consolidated.

3.23 Rounding Off and Comparative Figures

The financial statements are presented in Nepalese figure, rounded off to the nearest rupee. Previous year figure have been reclassified/ rearranged/ regrouped to facilitate their comparison, where necessary.

4.1 Cash and cash equivalent

Cash and cash equivalent are total amount of cash-in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the licensed institution in the management of its short term commitments. In addition to cash in hand and current balance with other BFIs, placements with original maturity of less than 3 months, outstanding at the reporting date and accrued interest receivable on such placements has been categorized as cash and cash equivalent.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Cash in Hand	2,663,030,238	2,376,492,186	2,604,683,248	2,243,980,177
Balance with B/FIs	2,205,478,406	2,523,039,543	2,205,478,406	2,523,039,543
Money at Call and Short Notice	1,278,549,720	619,587,794	1,278,549,720	619,587,794
Other	5,303,098,416	3,524,333,746	5,303,098,416	3,524,333,746
Total	11,450,156,779	9,043,453,269	11,391,809,790	8,910,941,260

4.2 Due from Nepal Rastra Bank

Due from NRB are cash balances held with NRB in local and foreign currency. The total balance with NRB is further classified into balances held for statutory purpose (to maintain CRR) and free balances which is classified as other deposit and receivable from NRB.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Statutory balances with NRB	3,238,442,200	2,574,097,400	3,238,442,200	2,574,097,400
Securities purchased under resale agreement	-	-	-	-
Other deposit and receivable from NRB	3,895,122,250	4,961,605,397	3,895,122,250	4,961,605,397
Total	7,133,564,450	7,535,702,797	7,133,564,450	7,535,702,797

4.3 Placements with Bank and Financial Institutions

Placements with Bank and Financial Institutions are interest bearing balances held in local and foreign banks. Placements are used as an instrument to manage liquid assets. Placements are held at amortized cost using effective interest rate. Placement with original maturity of less than 3 months are considered to be highly liquid financial instruments and hence, classified into cash and cash equivalents and not shown under placement.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Placement with domestic B/FIs	-	787,053,269	-	787,053,269
Placement with foreign B/FIs	3,322,404,549	2,993,690,499	3,322,404,549	2,993,690,499
Less: Allowance for Impairment	-	-	-	-
Total	3,322,404,549	3,780,743,768	3,322,404,549	3,780,743,768

4.4 Derivative financial instruments

Derivative financial instruments include various hedging instruments like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes. All proprietary deals are shown as held for trading whereas those entered into on behalf of customers are shown as held for risk management.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Held for trading				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	5,568,800	81,074,255	5,568,800	81,074,255
Others	-	-	-	-
Held for risk management				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	11,526,998	11,554,296	11,526,998	11,554,296
Other	-	-	-	-
Total	17,095,798	92,628,551	17,095,798	92,628,551

4.5 Other trading assets

Trading assets are those assets that the entity acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit. Other trading asset includes non derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose. The bank holds no such assets. However, subsidiary trades in such assets to gain short term benefits.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Treasury bills	-	-	-	-
Government bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	3,073,255	6,033,139	-	-
Other	-	-	-	-
Total	3,073,255	6,033,139	-	-
Pledged	-	-	-	-
Non-pledged	3,073,255	6,033,139	-	-

4.6 Loan and advances to B/FIs

Loans and advances to BFI are loans and advances provided to micro- financial institutions as a part of deprived sector lending within regulatory guidelines of NRB. Such loans and advances are initially recognized at fair value and subsequently amortized using the effective interest rate. For calculating effective interest rate initial loan service charges hasn't been taken into consideration since its impact is not material.

Impairment provided is the amount of Loan Loss Provision (higher of amount derived based on loan loss provisioning norms as prescribed by the regulator and the amount of impairment calculated based on NFRS 9) as mandated by the Carve-out provided by ICAN.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Loans to microfinance institutions	7,954,154,911	6,125,377,726	7,954,154,911	6,125,377,726
Other	527,324	527,324	527,324	527,324
Less: Allowances for impairment	(103,656,324)	(80,093,824)	(103,656,324)	(80,093,824)
Total	7,851,025,911	6,045,811,226	7,851,025,911	6,045,811,226

Loan and advances to B/FIs have been measured at amortized cost. The detail break-up of the same has been provided below:

Loans and advances (Principal)	7,933,527,324	6,121,027,324	7,933,527,324	6,121,027,324
Add: Accrued Interest	21,154,911	4,877,726	21,154,911	4,877,726
Total Amortized Cost	7,954,682,235	6,125,905,050	7,954,682,235	6,125,905,050

*Based on NFRS 9, Loans and advances to Banks and Financial institutions are individually tested for impairment. No any specific impairment has arisen for the year and the previous years. Further, there is no figure for collective impairment for loans and advances to BFIs as no historical loss ratio exists for such loans and advances.

4.6.1 Allowances for impairment

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Balance at Sawan 1	80,093,824	50,901,984	80,093,824	50,901,984
Impairment loss for the year:				
Charge for the year	30,010,500	34,932,074	30,010,500	34,932,074
Recoveries/reversal	(6,448,000)	(5,740,234)	(6,448,000)	(5,740,234)
Amount written off	-	-	-	-
Balance at Asar end	103,656,324	80,093,824	103,656,324	80,093,824

4.7 Loans and advances to customers

Loans and advances extended to customers and staffs other than loan which has been classified as loan to BFIs as well as bills purchased and discounted less the amount of impairment allowances and prepaid staff expense have been presented as loans and advances to customers. Loans and advances are classified as financial instrument held at amortized cost having floating or fixed rate of interest. So, initially loans and advances are measured at fair value then amortized using the effective interest rate. For calculating effective interest rate initial loan service charges hasn't been taken into consideration since its impact is not material.

Staff loans and advances are provided at below market rate of interest, hence to initially measure them at fair value the total cash flow from such loans and advances are discounted to present value by using the average base rate of past 13 months as discount rate. The difference between the fair value of staff loans and advances and the loan amount disbursed has been recognized as deferred employee benefits and amortized throughout the loan period.

Interest amounting to Rs. 114,769,640 pertaining to project financing has been capitalized as loan to customers under NRB approval and taken into income.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Loan and advances measured at amortized cost	150,770,440,876	128,445,642,351	150,810,211,317	128,479,248,320
Less: Impairment allowances				
Collective impairment	(2,328,076,568)	(1,971,700,612)	(2,328,593,295)	(1,972,137,851)
Individual impairment	(1,359,820,476)	(458,975,804)	(1,359,820,476)	(458,975,804)
Net amount	147,082,543,832	126,014,965,935	147,121,797,546	126,048,134,665
Loan and advances measured at FVTPL	-	-	-	-
Total	147,082,543,832	126,014,965,935	147,121,797,546	126,048,134,665

4.7.1 Analysis of loan and advances - By Product

The bank offers a variety of loan products to clients. The bank assesses the requirement of the borrower in terms of amount and nature and then records loan under appropriate product category. Product wise loan break up is as follows.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Product				
Term loans	38,559,298,595	29,081,263,784	38,559,298,595	29,081,263,784
Overdraft	14,213,791,119	10,626,101,684	14,253,539,323	10,659,707,653
Trust receipt/Import loans	8,483,274,579	21,646,851,021	8,483,274,579	21,646,851,021
Demand and other working capital loans	61,681,970,779	42,518,818,466	61,681,970,779	42,518,818,466
Personal residential loans	3,983,813,874	3,897,009,617	3,983,813,874	3,897,009,617
Real estate loans	7,777,902,845	5,121,919,805	7,777,902,845	5,121,919,805
Margin lending loans	1,295,838,397	2,056,857,646	1,295,838,397	2,056,857,646
Hire purchase loans	6,734,451,651	6,890,258,711	6,734,451,651	6,890,258,711
Deprived sector loans	269,425,711	273,975,263	269,425,711	273,975,263
Bills purchased	47,453,655	29,407,991	47,453,655	29,407,991
Staff loans	772,139,225	897,351,906	772,139,225	897,351,906
Other	5,425,461,045	4,561,270,006	5,425,461,046	4,561,270,006
Sub total	149,244,821,475	127,601,085,900	149,284,569,680	127,634,691,869
Interest receivable	1,525,619,401	844,556,451	1,525,641,637	844,556,451
Grand total	150,770,440,876	128,445,642,351	150,810,211,317	128,479,248,320

4.7.2 Analysis of loan and advances - By Currency

In addition to NPR, the bank also offers loan on other currencies within the regulatory framework. The detail is as follows.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Nepalese rupee	147,611,209,162	112,196,270,664	147,650,979,603	112,229,876,633
Indian rupee	-	-	-	-
United State dollar	3,148,711,177	16,238,136,612	3,148,711,177	16,238,136,612
Great Britain pound	10,520,537	11,235,075	10,520,537	11,235,075
Euro	-	-	-	-
Japanese yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	150,770,440,876	128,445,642,351	150,810,211,317	128,479,248,320

4.7.3: Analysis of loan and advances - By Collateral

All loan and advances are backed by some form of collateral. The bank has an authority matrix wherein authority to approve loans vis-à-vis collateral requirement is stated for various levels of authority. Loan categorization on the basis of type of collateral is as follows.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Secured				
Movable/immovable assets	147,665,040,593	126,210,636,373	147,665,040,594	126,210,636,373
Gold and silver	-	-	-	-
Guarantee of domestic B/FIs	-	-	-	-
Government guarantee	-	-	-	-
Guarantee of international rated bank	115,861,148	250,407,368	115,861,148	250,407,368
Collateral of export document	-	-	-	-
Collateral of fixed deposit receipt	1,072,244,453	618,449,873	1,112,014,893	652,055,842
Collateral of Government securities	-	-	-	-
Counter guarantee	-	-	-	-
Personal guarantee	-	-	-	-
Other collateral	1,917,294,682	1,366,148,737	1,917,294,682	1,366,148,737
Sub total	150,770,440,876	128,445,642,351	150,810,211,317	128,479,248,320
Unsecured	-	-	-	-
Grand total	150,770,440,876	128,445,642,351	150,810,211,317	128,479,248,320

Disclosure on Impact of COVID-19

As a measure to manage risk on portfolio due to COVID-19, the bank in line with instructions of the regulator has made additional 0.3% provision for possible losses on loans which are under pass category and otherwise would require only 1% provision. The bank has also extended relief to COVID-19 affected borrowers. Such relief include extension of loan tenure/moratorium period/ restructuring/ rescheduling, refinancing lower subsidized rate of interest and additional loan to meet working capital requirements. These reliefs have been extended in line with guidelines issued by the regulator. The relief so given is summarized as follows.

S.No.	Details	Asar 2079		Asar 2078	
		Number of Customer	Amount (Rs)	Number of Customer	Amount (Rs)
1	Additional 0.3% loan loss provision created on pass loan portfolio	N/A	426,959,124	N/A	369,682,819
2	Extension of moratorium period of loan provided to industry or projected under construction	6	1,941,027,850	14	2,588,215,045
3	Restructured / Rescheduled Loan with 5% Loan Loss Provision	537	3,869,042,651	639	4,530,970,907
4	Enhancement of Working Capital by 20 % of COVID affected borrowers	6	114,318,002	13	147,170,000
5	Enhancement of Working Capital by 10 % of COVID affected borrowers	7	31,760,003	15	96,425,408
6	Expiry date of additional 20 % working capital loan (Covid loan) extended upto 1 year with 5 % provisioning	6	114,318,002	7	129,970,000
7	Expiry date of additional 10 % working capital loan (Covid loan) extended upto 1 year with 5 % provisioning	7	31,760,003	8	34,871,200
8	Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directive 2	6	1,941,027,850	26	2,614,465,803
9	Refinancing Loan	253	1,763,522,337	1404	2,719,635,956
10	Business Continuity Loan	2	10,300,000	2	10,300,000
11	Subsidized Loan	1363	3,630,229,345	1041	2,580,278,033

4.7.4 Allowances for impairment

Allowance for impairment has been charged as the higher of the impairment as per NRB Directives and impairment as per Nepal Financial Reporting Standards.

The total impairment as per NRB Directive is higher than the total impairment as per NFRS. Impairment as per both guidelines has been disclosed below.

Allowance for impairment as per NRB Directive

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Specific allowances for impairment				
Balance at Sawan 1	458,975,804	651,262,631	458,975,804	651,262,631
Impairment loss for the year:				
Charge for the year	1,060,718,058	146,682,822	1,060,718,058	146,682,822
Recoveries/reversal during the year	(159,873,386)	(338,969,649)	(159,873,386)	(338,969,649)
Write-offs	-	-	-	-
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	1,359,820,476	458,975,804	1,359,820,476	458,975,804
Collective allowances for impairment				
Balance at Sawan 1	1,971,700,612	1,663,720,605	1,972,137,851	1,663,720,605
Impairment loss for the year:				
Charge/(reversal) for the year	356,375,956	307,980,007	356,455,444	308,417,246
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	2,328,076,568	1,971,700,612	2,328,593,295	1,972,137,851
Total allowances for impairment	3,687,897,044	2,430,676,416	3,688,413,771	2,431,113,655

Collective allowance for impairment is the total impairment for loans and advances categorized as pass and watchlist under NRB directives whereas specific allowance for impairment is total impairment for loans and advances classified as restructured, sub-standard, doubtful and loss.

Allowances for impairment based on NFRS 9 using Incurred Loss Model

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Specific allowances for impairment				
Balance at Sawan 1	502,868,769	924,738,998	502,868,769	924,738,998
Impairment loss for the year:				
Charge for the year	276,622,919	(421,870,229)	276,622,919	(421,870,229)
Recoveries/reversal during the year	-	-	-	-
Write-offs	-	-	-	-
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	779,491,688	502,868,769	779,491,688	502,868,769
Collective allowances for impairment				
Balance at Sawan 1	174,472,925	426,519,965	174,472,925	426,519,965
Impairment loss for the year:				
Charge/(reversal) for the year	65,329,502	(252,047,040)	65,329,502	(252,047,040)
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	239,802,427	174,472,925	239,802,427	174,472,925
Total allowances for impairment	1,019,294,115	677,341,694	1,019,294,115	677,341,694

4.8 Investment securities

As a part of strategic management of assets and for meeting various regulatory and other legal requirements, investments are made in different equity and debt instruments. Investments are categorized as investment measured at amortized cost and investment measured at fair value through other comprehensive income. Debt securities are classified as investment measured at amortized cost and equity investments where the holding ratio is less than 20% and aren't recognized as associates are measured at fair value through other comprehensive income.

In the schedule 4.8.1 Debt Securities represents the investments in foreign bonds and incase of group it represents investment in local currency debentures as well. Foreign bonds and debentures are measured at amortized cost using effective interest rate. Effective interest rate 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. For the purpose of calculating effective interest rate premium or discount on such bond has been considered.

Fair value of investment at fair value through OCI are valued using the fair value hierarchy as disclosed in note 2.4 (b)

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Investment securities measured at amortized cost	31,812,705,543	20,322,177,056	31,768,116,486	20,287,132,925
Investment in equity measured at FVTOCI	144,492,276	157,374,968	132,860,047	146,500,468
Total	31,957,197,819	20,479,552,024	31,900,976,533	20,433,633,393

4.8.1: Investment securities measured at amortized cost

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Debt securities	44,589,057	267,802,668	-	232,758,537
Government bonds	-	-	-	-
Government treasury bills	14,681,168,686	7,370,634,953	14,681,168,686	7,370,634,953
Nepal Rastra Bank bonds	17,086,947,800	12,683,739,435	17,086,947,800	12,683,739,435
Nepal Rastra Bank deposits instruments	-	-	-	-
Other	-	-	-	-
Less: specific allowances for impairment	-	-	-	-
Total	31,812,705,543	20,322,177,056	31,768,116,486	20,287,132,925

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

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Equity instruments				
Quoted equity securities	117,519,257	150,401,949	105,887,028	139,527,449
Unquoted equity securities	26,973,019	6,973,019	26,973,019	6,973,019
Total	144,492,276	157,374,968	132,860,047	146,500,468

4.8.3 Information relating to investment in equities

Investment in quoted equities are measured at fair value using the closing market price of such equity at the reporting date. For the purpose of valuing shares of Grameen Bikas Laghubitta Bittiya Sanstha Ltd which are promoter shares, 60% of the market price of the public share of that institution has been considered since the bank holds promoter share in the entity.

Investment in unquoted equities has been valued at their cost

Further, the Bank possess 5,860 Class C shares of VISA Card International and 7,320 Class B shares of Master Card International, which has not been recognized in the books as the shares do not have any carrying cost. Also, this class of shares are not tradable & hence the fair value of such shares are not available to account for them at fair value.

	Group				Bank			
	Asar 2079		Asar 2078		Asar 2079		Asar 2078	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity								
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	7,799,800	65,315,678	7,799,800	105,835,590	7,799,800	65,315,678	7,799,800	105,835,590
143,994 shares of Rs. 100 each								
Siddhartha Equity Fund	9,677,480	9,561,350	9,677,480	13,596,859	9,677,480	9,561,350	9,677,480	13,596,859
967,748 shares of Rs. 10 each								
NMB 50 Mutual Fund	5,000,000	6,450,000	5,000,000	7,475,000	5,000,000	6,450,000	5,000,000	7,475,000
500,000 shares of Rs. 10 each								
Laxmi Unnati Kosh	10,000,000	9,560,000	10,000,000	12,620,000	10,000,000	9,560,000	10,000,000	12,620,000
10,00,000 shares of Rs. 10 each								
Kumari Dhanabridhi Yojana	15,000,000	15,000,000	-	-	15,000,000	15,000,000	-	-
15,00,000 shares of Rs. 10 each								
Kumari Dhanabridhi Yojana	500,000	500,000	-	-	-	-	-	-
50,000 shares of Rs. 10 each								
NMB 50 Mutual Fund	2,500,000	3,225,000	2,500,000	3,737,500	-	-	-	-
250,000 shares of Rs. 10 each								
Sunrise First Mutual Fund	500,000	575,000	500,000	800,000	-	-	-	-
50,000 shares of Rs. 10 each								
Laxmi Unnati Kosh	500,000	478,000	500,000	631,000	-	-	-	-
50,000 Shares of Rs. 10 each								
Kumari Equity Fund	1,500,000	1,510,500	1,500,000	1,575,000	-	-	-	-
150,000 Shares of Rs. 10 each								
NIBL Sambriddhi Fund 2	500,000	433,500	500,000	495,500	-	-	-	-
50,000 Shares of Rs. 10 each								
NIC ASIA Dynamic Debt Fund	500,000	535,500	500,000	562,500	-	-	-	-
50,000 Shares of Rs. 10 each								
NIC ASIA Select 30	500,000	438,500	500,000	500,000	-	-	-	-
50,000 Shares of Rs. 10 each								
Prabhu Select Fund	500,000	480,500	500,000	507,000	-	-	-	-
50,000 Shares of Rs. 10 each								
Sunrise BlueChip Fund	1,000,000	874,000	1,000,000	1,016,000	-	-	-	-
100,000 Shares of Rs. 10 each								
Sanima Large Cap Fund	1,000,000	932,000	1,000,000	1,050,000	-	-	-	-
100,000 Shares of Rs. 10 each								
RBB Mutual Fund	500,000	463,500	-	-	-	-	-	-
50,000 Shares of Rs. 10 each								
Siddhartha Systematic Investment Scheme	53,200	42,986	-	-	-	-	-	-
5320 Shares of Rs. 10 each								
Mega Mutual Fund 1	500,000	399,500	-	-	-	-	-	-
50,000 Shares of Rs. 10 each								
Nabil Balanced Fund 3	166,700	157,198	-	-	-	-	-	-
16,670 Shares of Rs. 10 each								
NMB Saral Bachat Fund	95,000	86,545	-	-	-	-	-	-
9,500 Shares of Rs. 10 each								
NIC ASIA FLEXI CAP FUND	500,000	500,000	-	-	-	-	-	-
50,000 Shares of Rs. 10 each								
VISA Card International	-	-	-	-	-	-	-	-
5860 Common Stock of C Class								
Mastercard Worldwide	-	-	-	-	-	-	-	-
7320 Common Stock of B Class								
Total	58,792,180	117,519,257	41,477,280	150,401,949	47,477,280	105,887,028	32,477,280	139,527,449

Investment in unquoted equity

"Swift SC								
6 shares of Rs. 100 each	1,214,859	1,214,859	1,214,859	1,214,859	1,214,859	1,214,859	1,214,859	1,214,859
Credit Information Center Limited								
165,814 shares of Rs.100 .each	1,423,300	1,423,300	1,423,300	1,423,300	1,423,300	1,423,300	1,423,300	1,423,300
Nepal Clearing House Limited								
94,610 shares of Rs. 100.each	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Nepal Power Exchange Limited								
200,000 shares of Rs. 100.each	20,000,000	20,000,000	-	-	20,000,000	20,000,000	-	-
National Banking Institute Limited								
18,348 shares of Rs. 100 .each	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860
Total	26,973,019	26,973,019	6,973,019	6,973,019	26,973,019	26,973,019	6,973,019	6,973,019

4.9 Current tax assets

The bank being a financial institution is subject to income tax at 30%. Taxable income is separately determined in line with the provisions of Income Tax Act 2058 and is generally different from accounting profit. Tax liability on such taxable income is shown as current tax liability. Further, additional tax liability may arise on re-assessment of tax liability by tax authorities in subsequent years. Any such additional liability is charged to income statement in the year of re assessment.

The bank is required to pay income tax in advance and the same is retained as advance and not set off against liability until such time the tax liability is determined/ confirmed by the tax authorities and duly accepted by the bank. The current position of advance tax and provision made for taxes is shown below.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Current tax assets				
Current year income tax assets	10,116,173,378	9,021,465,500	10,110,175,006	9,013,570,817
Tax assets of prior periods	30,266	253,842	30,266	253,842
	10,116,203,644	9,021,719,342	10,110,205,272	9,013,824,659
Current tax liabilities				
Current year income tax liabilities	9,650,290,827	8,599,533,894	9,650,290,827	8,595,426,008
Tax liabilities of prior periods	-	-	-	-
	9,650,290,827	8,599,533,894	9,650,290,827	8,595,426,008
Total	465,912,817	422,185,448	459,914,445	418,398,651

4.10 Investment in subsidiaries

An entity over which the bank holds controlling interest shall be recognized as subsidiary. The bank has established a wholly owned subsidiary namely Himalayan Capital Limited for carrying out merchant banking activities.

Particulars	Bank	
	Asar 2079 Rs.	Asar 2078 Rs.
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	200,000,000	200,000,000
Total investment	200,000,000	200,000,000
Less: Impairment allowances	-	-
Net carrying amount	200,000,000	200,000,000

4.10.1: Investment in quoted subsidiaries

	Bank			
	Asar 2079		Asar 2078	
	Cost	Fair Value	Cost	Fair Value
".....Ltd.shares of Rs.each"	-	-	-	-
Total	-	-	-	-

4.10.2: Investment in unquoted subsidiaries

	Bank			
	Asar 2079		Asar 2078	
	Cost	Fair Value	Cost	Fair Value
Himalayan Capital Limited 2,000,000 shares of Rs. 100 each	200,000,000	-	200,000,000	-
Total	200,000,000	-	200,000,000	-

4.10.3: Information relating to subsidiaries of the Bank

Particulars	Bank	
	Percentage of ownership held by the Bank	
	Asar 2079	Asar 2078
Himalayan Capital Limited	100%	100%

4.11 Investment in associates

The bank has investment in both quoted and unquoted share of different associates. Associates are those entities in which the bank has significant influence but not control over the financial and operating policies. An entity is generally deemed to have significant influence over another entity if it holds 20% - 50% ownership of the entity. An entity can still be an associate even if holding is less than 20% of the share capital if there are other circumstances that suggest significant influence. Investments given below has been classified as investment in associate although holding in such entity are less than 20% because Himalayan Bank has representative in the Board of Directors of the entity which is deemed as having significant influence. The bank has accounted investment in associates using equity method for preparing its consolidated financial statement.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Investment in quoted associates	1,596,361,776	1,355,069,859	86,887,259	86,931,333
Investment in unquoted associates	27,536,070	23,334,678	105,820,000	98,124,000
Total investment	1,623,897,846	1,378,404,537	192,707,259	185,055,333
Less: Impairment allowances	-	-	-	-
Net carrying amount	1,623,897,846	1,378,404,537	192,707,259	185,055,333

4.11.1: Investment in quoted associates

Particulars	Group				Bank			
	Asar 2079		Asar 2078		Asar 2079		Asar 2078	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
RMDC Laghubitta Bittiya Sanstha Ltd. 11,45,599 shares of Rs. 100. each	48,000,000	307,227,020	48,000,000	256,832,534	48,000,000	-	48,000,000	-
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd. 16,71,399 shares of Rs.100. each	8,679,706	367,486,981	8,679,706	342,350,958	8,679,706	-	8,679,706	-
Chhimek Laghubitta Bittiya Sanstha Ltd. 20,29,058 shares of Rs. 100. each	17,761,127	515,783,513	17,761,127	432,294,702	17,761,127	-	17,761,127	-
Swabalamban Laghubitta Bittiya Sanstha Ltd. 13,44,286 shares of Rs. 100. each	12,446,426	405,864,262	12,490,500	323,591,665	12,446,426	-	12,490,500	-
Total	86,887,259	1,596,361,776	86,931,333	1,355,069,859	86,887,259	-	86,931,333	-

4.11.2: Investment in unquoted associates

Particulars	Group				Bank			
	Asar 2079		Asar 2078		Asar 2079		Asar 2078	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Smart Choice Technologies Limited 307,840 shares of Rs. 100. each	105,820,000	27,536,070	98,124,000	23,334,678	105,820,000	-	98,124,000	-
Total	105,820,000	27,536,070	98,124,000	23,334,678	105,820,000	-	98,124,000	-

4.11.3: Information relating to associates of the Bank

Particulars	Percentage of ownership held by the Group		Percentage of ownership held by the Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
RMDC Laghubitta Bittiya Sanstha Ltd.	9.23%	9.23%	9.23%	9.23%
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	7.61%	7.61%	7.61%	7.61%
Chhimek Laghubitta Bittiya Sanstha Ltd.	8.73%	8.73%	8.73%	8.73%
Swabalamban Laghubitta Bittiya Sanstha Ltd.	12.02%	12.02%	12.02%	12.02%
Smart Choice Technologies Limited	6.16%	6.16%	6.16%	6.16%

4.11.4: Equity value of associates

Particulars	Group	
	Asar 2079 Rs.	Asar 2078 Rs.
RMDC Laghubitta Bittiya Sanstha Ltd.	307,227,020	256,832,534
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	367,486,981	342,350,958
Chhimek Laghubitta Bittiya Sanstha Ltd.	515,783,513	432,294,702
Swabalamban Laghubitta Bittiya Sanstha Ltd.	405,864,262	323,591,665
Smart Choice Technologies Limited	27,536,070	23,334,678
Total	1,623,897,846	1,378,404,537

The net worth of the associates has been computed on the basis of information available from the unaudited financial on the date of preparation of financial statements.

4.12 Investment property

The asset pledged as collateral which has been taken over by the bank while settling its bad loans are non banking assets and have been categorized as investment property. Investment property are generally measured at fair value. The initial takeover value of the investment properties is lower of Panchakrit Mulya and total dues which is determined as per the NRB guidelines. The same value has been considered as the fair value of such asset. The bank doesn't intend to hold such asset for long term and is actively searching for buyers.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Investment properties measured at fair value				
Balance as on Sawan 1	379,802,213	379,802,213	379,802,213	379,802,213
Addition/disposal during the year	(140,706,500)	-	(140,706,500)	-
Net changes in fair value during the year	-	-	-	-
Adjustment/transfer	-	-	-	-
Net amount	239,095,713	379,802,213	239,095,713	379,802,213
Investment properties measured at cost				
Balance as on Sawan 1	-	-	-	-
Addition/disposal during the year	-	-	-	-
Adjustment/transfer	-	-	-	-
Accumulated depreciation	-	-	-	-
Accumulated impairment loss	-	-	-	-
Net Amount	-	-	-	-
Total	239,095,713	379,802,213	239,095,713	379,802,213

Impairment on non banking assets has been assessed and it has been observed that these assets haven't been impaired.

4.13 Property and Equipment

All assets of long-term nature (fixed) like land, building, IT equipment, fixtures and fittings, office equipment and appliances, vehicles, machinery, leasehold developments and capital work in progress owned by the bank has been presented under this head. Details on the accounting policy adopted by the bank in the recognition and measurement of fixed assets has been disclosed in note 3.7.

Group									
Cost	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total
Balance as on Asar end 2077	1,319,833,717	472,304,958	344,449,557	602,436,830	403,919,190	253,828,239	58,213,418	481,573,029	3,936,558,937
Addition during the Year									
Acquisition	-	-	29,033,167	71,659,766	50,998,900	19,386,914	5,304,840	37,915,235	214,298,822
Capitalization	-	-	8,043,342	-	-	1,230,712	-	715,318	9,989,371
Disposal during the year	-	-	(474,236)	(7,291,908)	(33,940,900)	(320,305)	-	(16,174,005)	(58,201,354)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2078	1,319,833,717	472,304,958	381,051,828	666,804,688	420,977,190	274,125,559	63,518,258	504,029,577	4,102,645,776
Addition during the Year									
Acquisition	-	3,045,198	20,225,103	32,070,858	50,262,000	17,477,222	4,747,114	65,893,397	193,720,892
Capitalization	-	-	22,929,242	-	-	5,130,640	-	2,361,571	30,421,453
Disposal during the year	-	-	-	(11,438,871)	(64,288,349)	(546,224)	(1,131,810)	(14,664,422)	(92,069,676)
Adjustment/Revaluation	-	-	1,337,105,123	-	-	-	-	-	1,337,105,123
Balance as on Asar end 2079	1,319,833,717	475,350,156	1,761,311,296	687,436,675	406,950,841	296,187,197	67,133,562	557,620,123	5,571,823,568
Depreciation and Impairment									
Balance as on Asar end 2077	-	171,155,020	273,072,884	443,713,699	157,932,256	152,868,582	37,240,917	319,230,586	1,555,213,944
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	15,057,497	14,204,154	34,613,900	37,208,287	12,406,829	3,507,145	26,023,552	143,021,365
Disposals	-	-	(114,471)	(6,860,782)	(17,326,908)	(213,690)	-	(13,739,680)	(38,255,530)
Adjustment	-	-	-	-	-	-	-	-	-
As on Asar end 2078	-	186,212,517	287,162,567	471,466,818	177,813,635	165,061,721	40,748,062	331,514,458	1,659,979,779
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	14,406,128	14,380,997	42,168,744	35,797,642	13,178,794	3,741,643	28,280,105	151,954,053
Disposals	-	-	-	(10,898,467)	(38,663,993)	(380,585)	(900,154)	(12,282,328)	(63,125,527)
Adjustment	-	-	138,050,337	-	-	-	-	-	138,050,337
As on Asar end 2079	-	200,618,645	439,593,901	502,737,095	174,947,284	177,859,930	43,589,551	347,512,235	1,886,858,642
Capital Work in Progress									
As on Asar end 2077	-	15,004,903	24,051,120	-	-	-	-	-	39,056,022
As on Asar end 2078	-	53,811,473	30,854,912	-	-	-	-	-	84,666,385
As on Asar end 2079	-	135,921,059	154,132	-	-	-	-	-	136,075,191
Net Book Value									
As on Asar end 2077	1,319,833,717	316,154,841	95,427,793	158,723,130	245,986,934	100,959,657	20,972,501	162,342,443	2,420,401,016
As on Asar end 2078	1,319,833,717	339,903,915	124,744,173	195,337,870	243,163,555	109,063,838	22,770,196	172,515,119	2,527,332,383
As on Asar end 2079	1,319,833,717	410,652,570	1,321,871,528	184,699,580	232,003,557	118,327,267	23,544,011	210,107,888	3,821,040,118

Bank

Cost	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total
Balance as on Asar end 2077	1,319,833,717	472,304,958	342,389,563	599,890,948	401,002,222	252,475,592	58,213,418	480,564,538	3,926,674,955
Addition during the Year									
Acquisition	-	-	29,033,167	71,361,169	50,998,900	19,299,226	5,304,840	37,715,203	213,712,504
Capitalization	-	-	8,043,342	-	-	1,230,712	-	715,318	9,989,371
Disposal during the year	-	-	(474,236)	(7,291,908)	(33,940,900)	(320,305)	-	(16,174,005)	(58,201,354)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2078	1,319,833,717	472,304,958	378,991,834	663,960,209	418,060,222	272,685,224	63,518,258	502,821,054	4,092,175,476
Addition during the Year									
Acquisition	-	3,045,198	20,225,103	31,762,858	50,262,000	17,417,535	4,747,114	65,893,397	193,353,205
Capitalization	-	-	22,929,242	-	-	5,130,640	-	2,361,571	30,421,453
Disposal during the year	-	-	-	(11,438,871)	(64,288,349)	(546,224)	(1,131,810)	(14,664,422)	(92,069,676)
Adjustment/Revaluation	-	-	1,337,105,123	-	-	-	-	-	1,337,105,123
Balance as on Asar end 2079	1,319,833,717	475,350,156	1,759,251,302	684,284,196	404,033,873	294,687,175	67,133,562	556,411,600	5,560,985,581
Depreciation and Impairment									
Balance as on Asar end 2077	-	171,155,020	272,751,181	443,246,954	157,701,358	152,725,991	37,240,917	319,117,443	1,553,938,864
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	15,057,497	13,856,496	34,156,743	36,805,377	12,242,946	3,507,145	25,889,250	141,515,454
Disposals	-	-	(114,471)	(6,860,782)	(17,326,908)	(213,690)	-	(13,739,680)	(38,255,530)
Adjustment	-	-	-	-	-	-	-	-	-
As on Asar end 2078	-	186,212,517	286,493,206	470,542,916	177,179,827	164,755,247	40,748,062	331,267,013	1,657,198,787
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	14,406,128	14,102,870	41,713,864	35,455,168	13,030,323	3,741,643	28,165,948	150,615,944
Disposals	-	-	-	(10,898,467)	(38,663,993)	(380,585)	(900,154)	(12,282,328)	(63,125,527)
Adjustment	-	-	138,050,337	-	-	-	-	-	138,050,337
As on Asar end 2079	-	200,618,645	438,646,413	501,358,313	173,971,002	177,404,985	43,589,551	347,150,633	1,882,739,541
Capital Work in Progress									
As on Asar end 2077	-	15,004,903	24,051,120	-	-	-	-	-	39,056,022
As on Asar end 2078	-	53,811,473	30,854,912	-	-	-	-	-	84,666,385
As on Asar end 2079	-	135,921,059	154,132	-	-	-	-	-	136,075,191
Net Book Value									
As on Asar end 2077	1,319,833,717	316,154,841	93,689,502	156,643,993	243,300,864	99,749,601	20,972,501	161,447,095	2,411,792,114
As on Asar end 2078	1,319,833,717	339,903,915	123,353,541	193,417,293	240,880,395	107,929,977	22,770,196	171,554,041	2,519,643,074
As on Asar end 2079	1,319,833,717	410,652,570	1,320,759,022	182,925,883	230,062,871	117,282,190	23,544,011	209,260,967	3,814,321,231

Right of Use(ROU) Aseets recognised under NFRS 16

Lease hold properties includes ROU asset of NPR 1,337,105,123 recognised on 1st Shrawan, 2078 using modified retrospective approach under NFRS 16. The depreciation expense of NPR 138,050,337 has been charged for ROU assets for the year. As on 32nd Asar, 2079, leasehold properties includes ROU asset balance of NPR 1,119,054,787. The detail accounting policy of ROU asset has been disclosed in Note 3.16.

Assets received under grant

The bank has received grant from SAKCHYAM NEPAL, under SAKCHYAM NEPAL ACCESS TO FINANCE project in the form of reimbursement of cost of establishing a branch in remote areas. The project aims to work with the public and private sector to leverage access and facilitate financial sector development in Nepal for small and medium enterprises (SMEs) and for poor people. The accounting policy adopted for the recognition of such grant asset has been disclosed in the accounting policies of the bank in note 3.7 (F). The detail accounting of the assets under grant for the year is as follows.

Particulars	Initial value of asset	Accumulated Depreciation on such asset Till FY 2078/79	Remaining asset	Grant	Taken to Income Till FY 2078/79	Deferred Income
31.84% of FA and Leasehold development cost of Kumakh Branch provided as grant income by Sakchyam	3,068,436	1,202,875	1,865,561	1,388,888	544,466	844,422
31.84% of FA and Leasehold development cost of Chededaha Branch provided as grant income by Sakchyam	3,396,613	1,132,814	2,263,799	1,386,554	462,434	924,120
31.84% of FA and Leasehold development cost of Swamikartik Branch provided as grant income by Sakchyam	4,537,947	1,074,747	3,463,200	1,974,420	461,218	1,513,202
31.84% of FA and Leasehold development cost of Jagannath Branch provided as grant income by Sakchyam	3,877,893	941,690	2,936,203	1,805,028	438,325	1,366,703
Total	14,880,889	4,352,126	10,528,763	6,554,890	1,906,443	4,648,447

4.14 Goodwill and Intangible Assets

The entity's intangible assets include the value of computer software. Such assets are accounted using the policy of the bank as disclosed in notes 3.8.

Goodwill arises during the purchase of another entity or during the consolidation with the subsidiary. It is the excess of value of asset received over the value of cost incurred to purchase the asset. Bank doesn't have any such goodwill.

Particulars	Goodwill	Group		Other	Total Asar end
		Software			
		Purchased	Developed		
Cost:					
Balance as on Asar end 2077	-	734,322,793	-	-	734,322,793
Addition during the Year					
Acquisition	-	116,118,170	-	-	116,118,170
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2078	-	850,440,963	-	-	850,440,963
Addition during the Year					
Acquisition	-	43,333,178	-	-	43,333,178
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2079	-	893,774,141	-	-	893,774,141
Amortization and Impairment					
Balance as on Asar end 2077	-	582,366,987	-	-	582,366,987
Amortization charge for the Year	-	44,833,297	-	-	44,833,297
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance as on Asar end 2078	-	627,200,284	-	-	627,200,284
Amortization charge for the Year	-	66,775,488	-	-	66,775,488
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance as on Asar end 2079	-	693,975,772	-	-	693,975,772
Net book value:					-
Balance as on Asar end 2077	-	151,955,806	-	-	151,955,806
Balance as on Asar end 2078	-	223,240,679	-	-	223,240,679
Balance as on Asar end 2079	-	199,798,369	-	-	199,798,369

Bank					
Particulars	Goodwill	Software		Other	Total Asar end
		Purchased	Developed		
Cost:					
Balance as on Asar end 2077	-	733,285,566			733,285,566
Addition during the Year					-
Acquisition	-	115,955,790	-	-	115,955,790
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2078	-	849,241,356	-	-	849,241,356
Addition during the Year					-
Acquisition	-	43,333,178	-	-	43,333,178
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2079	-	892,574,534	-	-	892,574,534
Amortization and Impairment					
Balance as on Asar end 2077	-	582,184,080	-	-	582,184,080
Amortization charge for the Year	-	44,663,224	-	-	44,663,224
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance as on Asar end 2078	-	626,847,304	-	-	626,847,304
Amortization charge for the Year	-	66,618,072	-	-	66,618,072
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance as on Asar end 2079	-	693,465,376	-	-	693,465,376
Net book value:					-
Balance as on Asar end 2077	-	151,101,486	-	-	151,101,486
Balance as on Asar end 2078	-	222,394,052	-	-	222,394,052
Balance as on Asar end 2079	-	199,109,158	-	-	199,109,158

4.15 Deferred Tax

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Particulars	Group Asar 2079			Bank Asar 2079		
	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						
Loan and Advance to B/FIs	-	(891,086)	(891,086)	-	(891,086)	(891,086)
Loans and advances to customers	-	(178,846,382)	(178,846,382)	-	(178,846,382)	(178,846,382)
Investment properties	-	-	-	-	-	-
Investment securities	257,256	(17,522,925)	(17,265,669)	-	(17,522,925)	(17,522,925)
Property & equipment	-	(17,466,364)	(17,466,364)	-	(16,411,830)	(16,411,830)
Employees' defined benefit plan	105,617,583	-	105,617,583	105,617,583	-	105,617,583
Lease liabilities	17,530,788	-	17,530,788	17,530,788	-	17,530,788
Provisions	-	-	-	-	-	-
Other temporary differences	-	-	-	-	-	-
Deferred tax on temporary differences	123,405,627	(214,726,757)	(91,321,130)	123,148,371	(213,672,223)	(90,523,852)
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 Asar			(91,321,130)			(90,523,852)
Deferred tax (asset)/liabilities as on Sawan 1,			(115,838,143)			(114,568,451)
Origination/(Reversal) during the year			24,517,013			24,044,599
Deferred tax expense/(income) recognized in profit or loss			(25,577,156)			(25,571,894)
Deferred tax expense/(income) recognized in other comprehensive income			(10,632,038)			(10,164,887)
Deferred tax expense/(income) recognized in directly in equity			11,692,183			11,692,183

Deferred Tax Directly charged to Equity

Particulars	Amount	Amount
Reversal of Deferred tax assets created with respect to rent charged under SLM Basis till FY 2077/78	11,692,183	11,692,183
Total	11,692,183	11,692,183

Particulars	Group Asar 2078			Bank Asar 2078		
	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						
Loan and Advance to B/FIs	-	(891,086)	(891,086)	-	(891,086)	(891,086)
Loans and advances to customers	-	(178,846,382)	(178,846,382)	-	(178,846,382)	(178,846,382)
Investment properties	-	-	-	-	-	-
Investment securities	-	(32,790,312)	(32,790,312)	-	(32,115,051)	(32,115,051)
Property & equipment	-	(14,439,865)	(14,439,865)	-	(13,845,434)	(13,845,434)
Employees' defined benefit plan	99,437,319	-	99,437,319	99,437,319	-	99,437,319
Lease liabilities	11,692,183	-	11,692,183	11,692,183	-	11,692,183
Provisions	-	-	-	-	-	-
Other temporary differences	-	-	-	-	-	-
Deferred tax on temporary differences	111,129,502	(226,967,645)	(115,838,143)	111,129,502	(225,697,953)	(114,568,451)
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 Asar			(115,838,143)			(114,568,451)
Deferred tax (asset)/liabilities as on Sawan 1			(96,033,109)			(95,895,829)
Origination/(Reversal) during the year			(19,805,034)			(18,672,622)
Deferred tax expense/(income) recognized in profit or loss			(15,744,868)			(16,314,931)
Deferred tax expense/(income) recognized in other comprehensive income			23,382,186			22,819,836
Deferred tax expense/(income) recognized in directly in equity			12,167,717			12,167,717

Deferred Tax Directly charged to Equity

Particulars	Amount	Amount
Reversal of Deferred tax assets created with respect to rent charged under SLM Basis till FY 2076/77	19,815,695	19,815,695
Origination of Deferred tax liability with respect to accumulated actuarial loss till FY 2076/77 recognized from this year onwards	(7,647,978)	(7,647,978)
Total	12,167,717	12,167,717

4.16 Other assets

Other Assets include tangible and intangible assets that hasn't been classified above. It consists primarily of accounts receivable, bills receivable, prepayments and other accrued income.

Assets held for sale are the assets that the bank intends to sell and is actively involved in finding the prospective buyer at the present condition of the assets.

Other non- banking assets are assets taken over by bank while settling its bad loans other than land and building. Such land and buildings are categorized as investment properties.

Income tax deposits are deposits made by the bank for disputed income taxes which are under administrative review or revenue tribunal.

Deferred employee expenditure are prepaid employee expenses recognized while recognizing staff loans and advances at fair value.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Assets held for sale	-	-	-	-
Other non banking assets	-	-	-	-
Bills receivable	-	-	-	-
Accounts receivable	1,148,322,920	655,063,998	1,127,674,469	649,041,284
Accrued income	2,975,624	2,582,586	-	-
Prepayments and deposit	246,394,283	216,225,085	246,394,283	215,870,479
Income tax deposit	110,292,000	105,811,000	110,292,000	105,811,000
Deferred employee expenditure	797,846,892	583,729,354	797,846,892	583,729,354
Other	160,243,648	163,584,786	160,243,647	163,584,786
Total	2,466,075,367	1,726,996,809	2,442,451,291	1,718,036,903

Provision against account receivable is made where the regulator so requires or where the management is doubtful regarding recovery of the receivables and the balances are shown net off such specific provisions made. The bank till date has made a provision of Rs. 258,999,024 for such doubtful receivables.

A sum of USD 6.65 Million has been shown as receivable from Bank Of China related to guarantee claim paid to Melamchi Water Supply Development Board (written off from the books) as certainty to receive the amount has been established with the court deciding the litigation in favor of the bank.

4.17 Due to Bank and Financial Institutions

Due to BFI include deposits from A, B, C, D class financial institution and infrastructure development bank and interbank bank borrowings. Further accounts operated by A, B, C and D class institution for settlement and clearing purpose has been categorized as settlement and clearing accounts. They are accounted at amortized cost using effective interest rate.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Money market deposits	-	-	-	-
Interbank borrowing	-	-	-	-
Other deposits from BFIs	1,509,376,084	7,805,720,514	1,509,376,084	7,805,720,514
Settlement and clearing accounts	1,558,499,668	554,921,445	1,558,499,668	554,921,445
Total	3,067,875,752	8,360,641,959	3,067,875,752	8,360,641,959

4.18 Due to Nepal Rastra Bank

Amount Payable to NRB for refinancing, standing liquidity facility, lender of last resort facility, securities sold under repurchase agreement and any other payable to NRB has been included as due to NRB which are accounted at amortized cost using effective interest rate.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Refinance from NRB	2,127,896,891	3,025,596,158	2,127,896,891	3,025,596,158
Standing Liquidity Facility	12,680,000,000	-	12,680,000,000	-
Lender of last resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other payable to NRB	-	-	-	-
Total	14,807,896,891	3,025,596,158	14,807,896,891	3,025,596,158

4.19 Derivative financial instruments

Derivative financial instruments include various hedging instruments like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes. All proprietary deals are shown as held for trading whereas those entered into on behalf of customers are shown as held for risk management.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
<i>Held for trading</i>				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	252,000	15,745,400	252,000	15,745,400
Others	-	-	-	-
<i>Held for risk management</i>				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	25,482,890	37,189,953	25,482,890	37,189,953
Other	-	-	-	-
Total	25,734,890	52,935,353	25,734,890	52,935,353

4.20 Deposits from customers

Deposit from customer are accounted at amortized cost using applicable interest rate.

Institutional customers are government institution, public limited companies, savings and credit co-operatives and funds operated by such entities while rest of the deposits are grouped as individual customers as per the definition given by the regulator.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Institutional customers:				
Term deposits	50,430,669,534	29,286,606,822	50,540,669,534	29,336,606,822
Call deposits	9,698,894,441	8,018,365,504	9,831,222,626	8,018,365,504
Current deposits	2,841,140,096	2,532,573,489	2,841,140,096	2,655,033,576
Other	1,616,383,628	1,092,406,034	1,616,383,628	1,092,406,034
Individual customers:				
Term deposits	48,065,520,107	30,994,539,222	48,065,520,107	30,994,539,222
Saving deposits	41,285,568,691	53,720,204,570	41,285,568,691	53,720,204,570
Current deposits	9,318,519,091	11,102,383,720	9,318,519,091	11,102,383,720
Other	4,920,462,920	4,101,535,412	4,920,462,920	4,101,535,412
Total	168,177,158,508	140,848,614,773	168,419,486,693	141,021,074,860

4.20.1: Currency wise analysis of deposit from customers

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Nepalese rupee	156,394,688,763	129,529,523,695	156,637,016,948	129,701,983,782
Indian rupee	387,439,550	212,281,944	387,439,550	212,281,944
United State dollar	10,954,285,078	10,722,603,706	10,954,285,078	10,722,603,706
Great Britain pound	204,788,023	118,112,212	204,788,023	118,112,212
Euro	181,113,354	190,612,273	181,113,354	190,612,273
Japenese yen	48,722,943	70,452,310	48,722,943	70,452,310
Chinese yuan	72,605	70,835	72,605	70,835
Other	6,048,192	4,957,798	6,048,192	4,957,798
Total	168,177,158,508	140,848,614,773	168,419,486,693	141,021,074,860

4.21 Borrowing

Borrowings are long term domestic and foreign loans availed by the bank. Currently the bank doesn't have any borrowings from any other institution

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Domestic Borrowing	-	-	-	-
Nepal Government	-	-	-	-
Other Institutions	-	-	-	-
Other	-	-	-	-
Sub total	-	-	-	-
Foreign Borrowing	-	-	-	-
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub total	-	-	-	-
Total	-	-	-	-

4.22 Provisions

A provision is recognized when as a result of a past event, the licensed institution 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. Provision for redundancy, provision for onerous contracts, provision for restructuring, pending legal issues and tax litigation, credit commitments and guarantees etc. are presented under this account head. Provision for redundancy is benefits payable as a result of employment being terminated or based on a dismissal plan of the licensed institution. Provision for employees' termination benefits like voluntary retirement scheme are presented under this account head. Provision for restructuring includes sale or termination of a line of business, closure of business locations or relocation in a region, changes in management structure, fundamental reorganizations that have a material effect on the nature and focus of the bank's operations etc. Provision for onerous contract are recognized when expected benefits to be derived by the licensed institution from a contract is lower than the unavoidable cost of meeting its obligation under the contract.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Provisions for redundancy	-	-	-	-
Provision for restructuring	-	-	-	-
Pending legal issues and tax litigation	-	-	-	-
Onerous contracts	-	-	-	-
Other Provisions	-	-	-	-
Total	-	-	-	-

4.22.1: Movement in provision

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Balance at Sawan 1	-	-	-	-
Provisions made during the year	-	-	-	-
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
Unwind of discount	-	-	-	-
Balance at Asar end	-	-	-	-

4.23 Other liabilities

Liabilities for employees defined benefit obligations and liability for long service leave are net liabilities of the bank against gratuity and long service leave. Defined benefit liabilities of these nature are valued using actuarial calculation. Gratuity is funded benefit plan whereas liability against long service leave is non funded obligation. Bank has separate approved retirement fund maintained for gratuity payment. The obligation against gratuity as shown in the books is the shortfall in asset of retirement fund to the total liability of the fund. The bank transfers this shortfall amount in fund every fiscal year after determination of the amount by actuary.

The subsidiary is managed under a management contract and hence there is no long term employee liability.

Liabilities against deferred grant income are grant received from Sakchyam Nepal which are yet to be recognized as income.

Other Liabilities include bills payable, creditors and accruals, interest payable on deposit and borrowing, unpaid dividend, employee bonus payable and other liabilities.

Liabilities are recognized at fair value of the expected outflow to the best estimate of management.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Liability for employees defined benefit obligations	87,293,527	88,289,407	87,293,527	88,289,407
Liability for long-service leave	349,193,018	313,834,677	349,193,018	313,834,677
Short-term employee benefits	-	-	-	-
Bills payable	16,094,962	117,784,701	16,094,962	117,784,701
Creditors and accruals	31,685,084	34,867,155	31,685,084	34,867,155
Interest Payable on deposits	1,491,066,866	644,700,431	1,493,967,990	644,700,431
Interest payable on borrowing	32,888,790	33,607,918	32,888,790	33,607,918
Liabilities on deferred grant income	4,621,448	5,293,083	4,621,448	5,293,083
Unpaid Dividend	316,585,444	123,229,737	316,585,444	3,420,802
Liabilities under Finance Lease	1,257,490,747	-	1,257,490,747	-
Employee bonus payable	377,425,684	473,257,006	377,425,684	473,257,006
Others	1,342,535,604	1,382,336,991	1,203,747,829	1,375,534,087
Total	5,306,881,174	3,217,201,106	5,170,994,523	3,090,589,267

Others include a sum of Rs. 555,252,708 equivalent to 20% of total deposit in 'Ga'category government accounts and 100% of total deposit in 'Ka' category government accounts.

4.23.1: Defined benefit obligations

The liability for the defined benefit obligation is the present value of defined benefit obligation as determined by the actuary less the fair value of the plan assets.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Present value of unfunded obligations	-	-	-	-
Present value of funded obligations	695,738,947	653,273,271	695,738,947	653,273,271
Total present value of obligations	695,738,947	653,273,271	695,738,947	653,273,271
Fair value of plan assets	608,445,420	564,983,864	608,445,420	564,983,864
Present value of net obligations	87,293,527	88,289,407	87,293,527	88,289,407
Recognised Liability for defined benefit obligation	87,293,527	88,289,407	87,293,527	88,289,407

4.23.2: Plan assets

Assets held by the retirement fund can be considered as plan assets if, the fund is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in bankruptcy), and cannot be returned to the reporting entity. Since HBL retirement fund is legally separable entity and the amount in fund isn't available to the bank in case of bankruptcy, the bank deposit held by the retirement fund has been recognized as plan assets.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	608,445,420	564,983,864	608,445,420	564,983,864
Other	-	-	-	-
Total	608,445,420	564,983,864	608,445,420	564,983,864
Actual Return on Plan Assets	-	-	-	-

4.23.3: Movement in the present value of defined benefit obligations

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Defined benefit obligations at Sawan 1	653,273,272	603,613,792	653,273,272	603,613,792
Actuarial losses/(gains)	(14,757,464)	(7,870,205)	(14,757,464)	(7,870,205)
Benefits paid by the plan	(44,827,851)	(38,629,927)	(44,827,851)	(38,629,927)
Current service costs and interest	102,050,991	96,159,612	102,050,991	96,159,612
Defined benefit obligation at Asar end	695,738,948	653,273,272	695,738,948	653,273,272

4.23.4: Movement in the fair value of plan assets

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Fair value of plan assets at Sawan 1	564,983,864	532,609,679	564,983,864	532,609,679
Contributions paid into the plan	88,289,407	71,004,112	88,289,407	71,004,112
Benefits paid during the year	(44,827,851)	(38,629,927)	(44,827,851)	(38,629,927)
Actuarial (losses) / gains	-	-	-	-
Expected return on plan assets	-	-	-	-
Fair value of plan assets at Asar end	608,445,420	564,983,864	608,445,420	564,983,864

4.23.5: Amount recognised in profit or loss

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Current service costs	46,021,972	44,271,717	46,021,972	44,271,717
Interest on obligation	56,029,019	51,887,895	56,029,019	51,887,895
Expected return on plan assets	-	-	-	-
Total	102,050,991	96,159,612	102,050,991	96,159,612

4.23.6: Amount recognised in other comprehensive income

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Actuarial (gain)/loss on DBO	(14,757,464)	(7,870,205)	(14,757,464)	(7,870,205)
Actuarial (gain)/loss on Plan Assets	-	-	-	-
Total	(14,757,464)	(7,870,205)	(14,757,464)	(7,870,205)

4.23.7: Actuarial assumptions

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Discount rate	9.00%	9.00%	9.00%	9.00%
Expected return on plan asset	0.00%	0.00%	0.00%	0.00%
Future salary increase	6.00%	6.00%	6.00%	6.00%
Withdrawal rate	5.00%	5.00%	5.00%	5.00%

4.24 Debt securities issued

Debt Securities issued is the 7 year debenture issued by the bank in Bhadra 2076 (August 2019). The Debenture matures in Bhadra 2083 (August 2026). The Debenture has been recognized at amortized cost using effective interest rate. Debenture redemption reserve has been created as per the regulatory requirement. No new debt instrument has been issued by the bank during the year.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	2,693,565,077	2,692,806,448	2,693,565,077	2,692,806,448
Total	2,693,565,077	2,692,806,448	2,693,565,077	2,692,806,448

4.25 Subordinated Liabilities

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Redeemable preference shares	-	-	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

4.26 Share capital

Share capital has been issued and recognized at par value.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Ordinary shares	12,968,725,725	10,684,400,828	12,968,725,725	10,684,400,828
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	12,968,725,725	10,684,400,828	12,968,725,725	10,684,400,828

4.26.1: Ordinary shares

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Authorized Capital				
a. 160,000,000 Ordinary Shares of Rs 100 each.			16,000,000,000	15,000,000,000
Issued capital				
129,687,257 Ordinary share of Rs. 100 each			12,968,725,725	10,684,400,828
Subscribed and paid up capital				
129,687,257 Ordinary share of Rs. 100 each			12,968,725,725	10,684,400,828
Total			12,968,725,725	10,684,400,828

4.26.2: Ordinary share ownership

Particulars	Group				Bank			
	Asar 2079		Asar 2078		Asar 2079		Asar 2078	
	%	Amount	%	Amount	%	Amount	%	Amount
Domestic ownership								
Nepal Government					-	-	-	-
"A" class licensed institutions					-	-	-	-
Other licensed intitutions					65%	8,429,671,721	65%	6,944,860,538
Other Institutions					15%	1,945,308,859	15%	1,602,660,124
Public					-	-	-	-
Other					20%	2,593,745,145	20%	2,136,880,166
Foreign ownership								
Total					100%	12,968,725,725	100%	10,684,400,828

Foreign Ownership of 20% is held by Habib Bank Limited, Pakistan which is the joint venture partner of the bank from the date of incorporation. Details of shareholders holding more than 0.5% Shares is as follows.

Name	Percent
HABIB BANK LIMITED	20.00
KARMACHARI SANCHAYA KOSH	14.87
N. TRADING COMPANY P. LTD.	12.77
MUTUAL TRADING COMPANY P. LTD.	11.85
AVA INTERNATIONAL P. LTD	11.38
CHHAYA INTERNATIONAL P. LTD.	8.94
SHASHI KANT AGARWAL	2.65
ANJU KHETAN	0.77
SHARMA & CO. P. LTD.	0.66

4.27 Reserves

Reserves are appropriation of profit made for specific purpose under various regulatory and other local requirements.

Statutory General Reserve: 20% of the net profit of each fiscal year is mandatorily allocated to general reserve and the same is continued till it becomes double of the paid up capital.

Exchange Equalization Reserve: 25% of revaluation gain on foreign currency is allocated to exchange equalization reserve.

Corporate Social responsibility reserve: 1% of net profit of each fiscal year is allocated to this reserve and it is utilized towards corporate social responsibility expenditure in the following years.

Regulatory Reserve: Regulatory reserve is required to be made under specific instruction of the regulator. The reserve represents allocation with respect to portion of, interest income on loans and advances recognized on accrual basis, fair value recognized for investment properties (non banking assets) and actuarial gain or loss.

Fair Value Reserve: The fair value reserve comprises of the cumulative net change in the fair value of financial assets that are measured at fair value and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized. The cumulative amount of changes in fair value of those financial assets are presented under this reserve.

Actuarial gain: Actuarial gain or loss that represents impact of change in actuarial assumptions used to value employee obligations has been presented under this reserve.

Other reserve: Other reserve is the amount appropriated towards employee training and development fund. A sum equivalent to 3% of salary and allowance expense of previous fiscal year less actual staff training and development expenditure of this year has been appropriated to employee training and development reserve in current fiscal year as required by the Regulator. Debenture redemption reserve created in earlier years has been made free and available for distribution as the bank has decided to use the related debentures as source for lending.

Details on the movement of these reserve has been presented on Statement of Change in Equity

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Statutory general reserve	5,331,593,545	4,857,084,701	5,327,466,373	4,853,958,726
Exchange equilisation reserve	39,056,093	39,056,093	39,056,093	39,056,093
Corporate social responsibility reserve	49,777,525	38,858,382	49,707,500	38,749,343
Capital redemption reserve	-	-	-	-
Regulatory reserve	935,346,538	705,448,572	935,346,538	705,448,572
Investment adjustment reserve	1,214,859	1,214,859	1,214,859	1,214,859
Capital reserve	-	-	-	-
Assets revaluation reserve	-	-	-	-
Fair value reserve	41,109,179	76,247,493	40,886,824	74,935,118
Dividend equalization reserve	-	-	-	-
Actuarial gain	-	-	-	-
Special reserve	-	-	-	-
Other Reserve	79,998,246	796,751,388	79,998,247	796,751,388
Total	6,478,095,985	6,514,661,488	6,473,676,434	6,510,114,099

Other reserve includes:

Particulars	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Bond Redemption Reserve	-	734,029,714	-	734,029,714
Employee Training and Development Fund	79,998,247	62,721,674	79,998,247	62,721,674
Total Other Reserve	79,998,247	796,751,388	79,998,247	796,751,388

Movement in Regulatory Reserve

Particulars	Interest Receivable	Provision on NBA	Actuarial Loss Recognized	Actuarial Reserve	Total
As of Asar end 2075/76	690,338,951	109,134,713	44,909,698	(44,909,698)	799,473,664
Movement of FY 2076/77	13,288,646	130,140,681	(19,416,439)	19,416,439	143,429,327
Restatement	-	-	(7,647,978)	7,647,978	-
As of Asar end 2076/77	703,627,597	239,275,394	17,845,281	(17,845,281)	942,902,991
Movement of 2077/78	(237,454,418)	-	(5,509,144)	5,509,144	(237,454,418)
As of Asar end 2077/78	466,173,179	239,275,394	12,336,137	(12,336,137)	705,448,572
Movement of 2078/79	318,543,061	(88,645,095)	(10,330,225)	10,330,225	229,897,966
As of Asar end 2078/79	784,716,240	150,630,299	2,005,912	(2,005,912)	935,346,538

Regulatory Reserve for accrued interest receivable amounting to Rs. 176,660,424 outstanding as on the date of financial statement has not been maintained as the same was realized within Shrawan 15, 2079.

4.28 Contingent liabilities and commitments

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because: i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or ii) the amount of the obligation cannot be measured with sufficient reliability.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Contingent liabilities	37,347,903,250	43,139,624,811	37,163,653,250	43,041,624,811
Undrawn and undisbursed facilities	6,596,169,923	7,875,698,609	6,596,169,923	7,875,698,609
Capital commitment	419,095,896	294,557,994	419,095,896	294,557,994
Lease Commitment	-	-	-	-
Litigation	504,895,225	530,113,384	504,895,225	530,113,384
Total	44,868,064,294	51,839,994,798	44,683,814,294	51,741,994,798

4.28.1: Contingent liabilities

Following balances have been shown under contingent liabilities.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Acceptance and documentary credit	21,560,386,971	19,697,062,628	21,560,386,971	19,697,062,628
Bills for collection	580,249,674	539,558,934	580,249,674	539,558,934
Forward exchange contracts	3,610,539,234	13,401,574,852	3,610,539,234	13,401,574,852
Guarantees	9,250,738,427	7,604,861,074	9,250,738,427	7,604,861,074
Underwriting commitment	184,250,000	98,000,000	-	-
Other commitments	2,161,738,944	1,798,567,323	2,161,738,944	1,798,567,323
Total	37,347,903,250	43,139,624,811	37,163,653,250	43,041,624,811

4.28.2: Undrawn and undisbursed facilities

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Undisbursed amount of loans	-	-	-	-
Undrawn limits of overdrafts	6,596,169,923	7,875,698,609	6,596,169,923	7,875,698,609
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	-	-	-	-
Undrawn limits of guarantee	-	-	-	-
Total	6,596,169,923	7,875,698,609	6,596,169,923	7,875,698,609

4.28.3: Capital commitments

Capital expenditure approved by relevant authority of the bank for which provision has not been made in financial statements have been shown under capital commitments.

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Capital commitments in relation to Property and Equipment				
Approved and contracted for	419,095,896	294,557,994	419,095,896	294,557,994
Approved but not contracted for	-	-	-	-
Sub Total	419,095,896	294,557,994	419,095,896	294,557,994
Capital commitments in relation to Intangible assets				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Total	419,095,896	294,557,994	419,095,896	294,557,994

4.28.4: Lease commitments

Particulars	Group		Bank	
	Asar 2079	Asar 2078	Asar 2079	Asar 2078
Operating lease commitments				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee				
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Total	-	-	-	-
Finance lease commitments				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee				
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Sub total	-	-	-	-
Grand total	-	-	-	-

4.28.5: Litigation

Claims & litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At the year end, the Bank had no major unresolved claims other than following:

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Claims on Institutions but not accepted by bank				
- Unpaid guarantee claims	236,904,500	277,660,895	236,904,500	277,660,895
Contingent liabilities on income tax				
- Assessment pending with tax settlement commission	267,990,725	252,452,489	267,990,725	252,452,489
Total	504,895,225	530,113,384	504,895,225	530,113,384

4.29 Interest income

Interest income includes interest income received from loans and advances and investment. Interest income is calculated using effective interest rate on accrual basis. Loan documentation fees received hasn't been considered while calculating effective interest rate on loans and advances assuming its impact to be immaterial.

Interest income on cash and cash equivalents is interest income on money at call and short notice, interbank lending and placement with original maturity less than 90 days. Interest on Placement with bank and financial institution is interest income on placement with original maturity greater than 90 days. Interest income on investment securities is interest income on T-Bills, NRB bonds and foreign bonds.

Interest income on loans and advances to customer is interest on all loans and advances excluding interest received on staff loan and interest received on loans and advances provided to microfinance which has been categorized separately. Interest income from loans and advances to customer has been recognized on accrual basis. However, incase of loans and advances which has been past dues for more than 90 days the collateral value is compared to the total outstanding amount and if the outstanding amount is within the collateral value then the interest income is recognized, if not then accrual of such interest income is suspended. However, if the loan is in past dues for more than 12 months then the accrual of interest income is suspended irrespective of the value of collateral.

Particulars	Group		Bank	
	Asar 2019 Rs.	Asar 2018 Rs.	Asar 2019 Rs.	Asar 2018 Rs.
Cash and cash equivalent	62,191,515	20,773,707	62,191,515	20,773,707
Due from Nepal Rastra Bank	-	-	-	-
Placement with bank and financial institutions	22,124,008	59,696,684	22,124,008	59,696,684
Loan and advances to bank and financial institutions	712,923,364	278,677,008	712,923,364	278,677,008
Loans and advances to customers	14,357,958,729	9,038,903,148	14,358,528,609	9,040,157,944
Investment securities	1,464,957,077	815,500,013	1,448,912,287	800,106,044
Loan and advances to staff	(38,833,563)	171,424,040	(38,833,563)	171,424,040
Other Interest Income	-	-	-	-
Total Interest Income	16,581,321,130	10,384,974,600	16,565,846,220	10,370,835,427

4.30 Interest expense

Interest expense has been recognized using applicable interest rate. Interest expense on deposit from customer represents all interest expense on deposits except deposits from bank and financial institution which has been categorized separately as interest expense on due to bank and financial institution. Interest expense on due to Nepal Rastra Bank is interest expense on refinancing received from Nepal Rastra Bank. Interest expense on debt securities is interest expense on debentures issued. Other Interest Expense represents finance cost for lease liability accounted as per NFRS 16 Leases. Finance cost under the standard is difference between the opening and closing liability with cumulative amortization effect. The estimates used for discounting the financial liability under lease has been disclosed in Note 3.16.

Particulars	Group		Bank	
	Asar 2019 Rs.	Asar 2018 Rs.	Asar 2019 Rs.	Asar 2018 Rs.
Due to bank and financial institutions	50,729,745	69,326,614	50,729,745	47,716,237
Due to Nepal Rastra Bank	674,269,650	44,416,404	674,269,650	66,026,782
Deposits from customers	10,569,219,174	6,205,375,276	10,579,811,841	6,210,777,581
Borrowing	-	-	-	-
Debt securities issued	257,669,030	257,598,189	257,669,030	257,598,189
Subordinated liabilities	-	-	-	-
Other	-	-	-	-
Finance Cost Under Lease Liability	60,046,387	-	60,046,387	-
Total Interest Expense	11,611,933,986	6,576,716,483	11,622,526,653	6,582,118,789

4.31 Fees and Commission Income

Fees and commission income are income earned by the entity while providing services to the customer which includes fees and commission earned for issuance and renewal of cards, loan administration fees, remittance fees, commission on issuing letter of credit and guarantee contract, locker rental, purchase of bills, etc. Such fees and commission are recognized when services are rendered.

Particulars	Group		Bank	
	Asar 2019 Rs.	Asar 2018 Rs.	Asar 2019 Rs.	Asar 2018 Rs.
Loan administration fees	186,665,723	129,583,404	186,665,723	129,583,404
Service fees	-	-	-	-
Consortium fees	55,329,279	61,362,619	55,329,279	61,362,619
Commitment fees	-	-	-	-
DD/TT/Swift fees	34,065,022	30,484,570	34,065,022	30,484,570
Credit card/ATM issuance and renewal fees	194,983,606	153,425,735	194,983,606	153,425,735
Prepayment and swap fees	-	-	-	-
Investment banking fees	9,498,224	2,965,528	-	-
Asset management fees	3,106,433	5,323,468	-	-
Brokerage fees	-	-	-	-
Remittance fees	50,348,744	65,582,938	50,348,744	65,582,938
Commission on letter of credit	141,694,432	110,055,849	141,694,432	110,055,849
Commission on guarantee contracts issued	160,082,985	104,372,799	160,082,985	104,372,799
Commission on share underwriting/issue	691,541	3,031,014	-	-
Locker rental	27,234,112	22,754,136	27,234,112	22,754,136
Other fees and commission income	168,635,312	101,038,454	168,635,312	101,036,549
Total Fees & Commission Income	1,032,335,413	789,980,514	1,019,039,215	778,658,599

4.32 Fees and commission expense

Fees and commission expense incurred by the bank and its subsidiary are recognized when the services are availed. Such fees and commission expense are included mainly on account of card issuance charges, communication charges, and other registration fees and charges.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
ATM management fees	-	-	-	-
VISA/Master card fees	70,998,582	52,263,162	70,998,582	52,263,162
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees	10,819,679	10,548,372	10,819,679	10,548,372
Remittance fees and commission	-	-	-	-
Other fees and commission expense	23,660,244	17,734,675	23,650,025	17,666,413
Total Fees & Commission Expense	105,478,505	80,546,209	105,468,286	80,477,947

4.33 Net trading income

The entity doesn't hold any trading assets. The trading income represents the income from foreign currency transaction only. However, subsidiary of the bank Himalayan Capital Limited holds trading assets to gain short term benefits. Gain or loss on foreign currency transaction are measured as difference on the carrying amount of the currency held to the disposed amount.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Changes in fair value of trading assets	(1,551,218)	376,370	-	-
Gain/loss on disposal of trading assets	(1,049,959)	11,667,382	-	-
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	-	-	-	-
Gain/loss on foreign exchange transaction	595,910,330	655,009,052	595,910,330	655,009,052
Other	-	-	-	-
Net Trading Income	593,309,153	667,052,804	595,910,330	655,009,052

4.34 Other operating income

Other operating income are income earned by the entity while carrying out its normal transaction. These income are recognized when right to receive such income arises. Income on revaluation of foreign currency is recognized on mark to market basis.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Foreign exchange revaluation gain	(25,670,462)	(7,401,553)	(25,670,462)	(7,401,553)
Gain/loss on sale of investment securities	2,048,074	1,787,574,750	3,145,821	1,998,860,240
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	14,853,861	15,047,763	25,086,400	24,803,730
Gain/loss on sale of property and equipment	359,981	(1,729,337)	359,981	(1,729,337)
Gain/loss on sale of investment property	8,069,500	-	8,069,500	-
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	-	-	-	-
Other Operating Income	112,427,136	211,111,687	115,405,259	213,194,587
Total	112,088,090	2,004,603,310	126,396,499	2,227,727,667

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

Impairment is the reduction in the value of the asset. The bank assesses impairment of loan and advances at the end of each reporting period under both incurred loss model as per NFRS 9 and loan loss provision as prescribed by NRB Directives. Impairment provided is the amount of Loan Loss Provision (higher of amount derived based on LLP norms as prescribed by the regulator and the amount of impairment calculated based on NFRS 9) as mandated by the Carve-out provided by ICAN.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Impairment charge/(reversal) on loan and advances to B/FIs	23,562,500	29,191,840	23,562,500	29,191,840
Impairment charge/(reversal) on loan and advances to customer	1,257,220,627	115,693,180	1,257,300,115	116,130,419
Impairment charge/(reversal) on financial Investment	-	-	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-	-	-
Impairment charge/(reversal) on property and equipment	-	-	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-	-	-
Impairment charge/(reversal) on investment properties	-	-	-	-
Total	1,280,783,127	144,885,020	1,280,862,615	145,322,259

4.36 Personnel Expense

Personnel expense includes both short term and long term employee expense of the bank. Short term expenses such as salary, allowance, insurance, provident fund are recognized when they become due on actual basis. Long term employee expense include gratuity and leave encashment expenses. Long term benefits are paid to employee when they are separated from the services of bank. Such benefits are evaluated using actuarial valuation technique as advised by an actuary. Staff bonus is provided as per the statutory requirement.

Finance expense under NFRS is the notional expense incurred by the bank while providing staff loan at below market rate of interest. For recognizing benefit provided by the bank to the employee by providing loans and advances at below market rate of interest staff loan is valued at fair market value and the difference between the loan amount and fair market value is amortized as finance expense on staff loan over the loan period.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Salary	429,572,525	426,487,002	429,572,525	426,487,002
Allowances	622,906,139	570,142,752	622,898,939	569,996,352
Gratuity Expense	102,050,991	96,159,612	102,050,991	96,159,612
Provident fund	36,226,886	35,042,888	36,226,886	35,042,888
Uniform	464,252	2,200,000	464,252	2,200,000
Training & development expense	13,382,622	9,992,075	12,617,928	9,992,075
Leave encashment	78,276,040	59,675,127	78,276,040	59,675,127
Medical	-	-	-	-
Insurance	27,302,416	27,021,670	27,302,416	27,021,670
Employees incentive	17,439,648	17,515,292	17,439,648	17,515,292
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	(91,474,604)	126,141,538	(91,474,604)	126,141,538
Other expenses related to staff	15,252,617	15,877,080	15,252,617	15,877,080
Subtotal	1,251,399,532	1,386,255,036	1,250,627,638	1,386,108,636
Employees bonus	377,425,684	473,257,006	377,425,684	473,257,006
Grand total	1,628,825,216	1,859,512,042	1,628,053,322	1,859,365,642

* The total leave encashment expense shown in the above schedule includes encashment of accrued sick leave above 120 days and accrued annual leave above 120 days apart from the leave expense as per actuarial valuation. The leave encashment expense for the year as per actuarial valuation is Rs 4,78,31,748.

4.37 Other operating expense

Operating expense are incurred on day to day basis for conducting the normal activities of the bank. Expense are recognized on accrual basis.

However, lease expense has been recognized as per NFRS 16 leases. For lease contracts where the bank doesn't have the intention to continue or the leases are of low asset value, such lease expenses has been recognized on accrual basis under operating lease expenses.

Fees paid under management contract in case of subsidiary has been shown under other operating expense.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Directors' fee	3,893,980	3,459,296	3,420,000	3,100,000
Directors' expense	9,456,736	2,711,877	9,456,736	2,711,877
Auditors' remuneration	2,544,060	2,260,000	2,260,000	2,260,000
Other audit related expense	-	-	-	-
Professional and legal expense	45,971,536	45,804,495	25,023,777	25,914,176
Office administration expense	552,312,496	489,626,977	550,369,834	488,127,901
Operating lease expense	126,975,271	291,771,297	126,975,271	291,771,297
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	10,628,825	9,685,799	10,628,825	9,585,799
Onerous lease provisions	-	-	-	-
Other Operating Expense	32,872,735	49,411,691	30,580,283	47,430,747
Total	784,655,639	894,731,432	758,714,726	870,901,797

Directors Expense for the year includes Rs. 3.93 million incurred in orientation/ refresher programs organized for directors as required by directives issued by the Regulator. Details of directors expense are as follows:

Particulars	Asar 2079	Asar 2078
Orientation/ Refresher Training Expenses	3,933,119	158,245
Travelling Expenses	3,211,265	233,825
Newspaper and Communication Expenses	1,884,457	1,892,106
Insurance Expenses	82,764	77,991
Miscellaneous Expenses	345,131	349,710
Total	9,456,736	2,711,877

4.37.1 Office Administration Expense

Office administration expenses are incurred for day to day operation of the entity and includes the following:

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Water and Electricity	34,655,551	29,670,668	34,636,940	29,660,429
Repair and Maintenance	130,869,002	139,316,987	130,224,860	138,842,260
a) Building	4,102,532	3,549,087	4,102,532	3,549,087
b) Vehicle	2,724,717	2,334,982	2,724,717	2,334,982
c) Computer and Accessories	-	-	-	-
d) Office equipment and furniture	-	-	-	-
e) Other	124,041,753	133,432,918	123,397,611	132,958,191
Insurance	26,081,827	21,729,747	26,039,887	21,697,663
Postage, telex, telephone, fax	44,491,706	40,403,598	44,364,877	40,271,802
Printing and stationery	34,974,935	28,051,438	34,396,850	27,456,366
Newspaper, books and journals	655,772	431,291	645,108	424,136
Advertisement	71,650,026	49,689,431	71,591,570	49,657,728
Donation	-	-	-	-
Security Expense	88,653,521	79,304,921	88,653,521	79,304,921
Deposit and Loan Guarantee Premium	38,149,456	35,668,378	38,149,456	35,668,378
Travel allowance and expenses	18,814,162	14,334,614	18,792,947	14,321,774
Entertainment	918,274	238,959	918,274	238,959
Annual/ Special General meeting Expense	792,840	676,471	792,840	676,471
Other	61,605,424	50,110,474	61,162,704	49,907,014
a) Fuel, Janitorial and cleaning	59,646,484	43,493,231	59,232,419	43,319,720
b) Expense for Capital Items	1,103,904	1,087,440	1,075,250	1,057,490
c) Other	855,036	5,529,803	855,035	5,529,804
Total	552,312,496	489,626,977	550,369,834	488,127,901

4.38 Depreciation & Amortization

Depreciation has been recognized under written down value method for tangible fixed assets and amortization has been recognized for intangible assets under straight line method basis. The details on the policy adopted by the bank for the depreciation and amortization has been disclosed in note 3.7.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Depreciation on property and equipment	290,004,390	143,021,365	288,666,281	141,515,454
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	66,775,488	44,833,297	66,618,072	44,663,224
Total	356,779,878	187,854,662	355,284,353	186,178,678

* Depreciation on property and equipment includes depreciation of Right of Use (ROU) Asset created by implementing NFRS 16 leases amounting Rs. 138,050,337. Detail on the policy adopted by the bank for estimating depreciation of such assets has been disclosed in note 3.16.

4.39 Non operating income

Any income received which is beyond the normal income generating activities of the bank has been recognized as non operating income.

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Recovery of written off loan	860,051,163	5,560,020	860,051,163	5,560,020
Share of the profit of investment in associate	250,281,504	335,485,870	-	-
Other income	-	12,780,788	-	12,780,788
Total	1,110,332,667	353,826,678	860,051,163	18,340,808

Share of the profit of the associate is the differential net worth of the associates during the current year.

Recovery of written off loan include a sum of Rs. 849,276,550 relating to claim established by court of law as receivable in relation to claim paid by the bank to Melamchi Water Supply Development Board and subsequently written off in earlier years.

4.40 Non operating expense

Any expense incurred for activities which is beyond the normal activities of the bank has been recognized as non operating expense

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Loan write offs	19,502,312	46,293,092	19,502,312	46,293,092
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense	-	20,600,292	-	20,600,292
Total	19,502,312	66,893,384	19,502,312	66,893,384

Details of Loan Written off is as follows

Type of Loan	Recovery steps taken	Amount Written off	Security Detail	Basis of Valuation	Approving Authority
Credit Card Loan	Follow-up through telephonic calls, emails and written notices served to the card holder. 35 days notice published in newspaper and blacklisted.	9,792,958	Personal guarantee of cardholders	NA	BM/DGM/SGM/ CEO/MCC
OD/DLN/TR/ CCC/HPL/FTL	Written notices served for several times, 35 days notice, Auction notice published in newspaper and blacklisted. Case filed at Debt Recovery Tribunal (DRT).	9,709,354	Mortgage of Land & Building/ Registration of the vehicle in the name of the bank/Plant & Machinery, Stock duly insured in bank's favor/Pari-passu arrangement on Current Assets	70% Market Value and 30% Government Value, Purchase price/Invoice price	BOD
Total		19,502,312			

4.41 Income tax expense

Income Tax has been assessed as per Income Tax Act, which is shown as current year tax. Adjustment for prior period is the income tax of previous year that was assessed after the closing of books of previous year.

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

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Current tax expense				
Current year	1,056,509,593	1,280,858,987	1,054,834,553	1,276,751,101
Adjustments for prior years	30,266	253,842	30,266	253,842
	1,056,539,859	1,281,112,829	1,054,864,819	1,277,004,943
Deferred tax expense				
Origination and reversal of temporary differences	(25,577,156)	(15,744,868)	(25,571,894)	(16,314,931)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognized tax losses	-	-	-	-
Total income tax expense	1,030,962,703	1,265,367,961	1,029,292,925	1,260,690,012

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	Group		Bank	
	Asar 2079 Rs.	Asar 2078 Rs.	Asar 2079 Rs.	Asar 2078 Rs.
Profit before tax			3,396,831,160	4,259,313,057
Tax amount at the rate of 30%			1,019,049,348	1,277,793,917
Add: Tax effect of expenses that aren't deductible for tax purpose			4,570,853	6,822,017
Less: Tax Effect on exempt items			(3,902,805)	(38,228,823)
Add/ Less: Tax effect on other items			9,575,529	14,302,901
Total income tax expense			1,029,292,925	1,260,690,012
Effective tax rate			30.30%	29.60%

5. Disclosure & Additional Information

5.1 Risk management

HBL realizes the ever-increasing need for a comprehensive risk assessment & management system at all levels of operation and has therefore instilled a strong control & monitoring environment within the bank. An effective internal control system is in place which defines rights, authorities, responsibilities and accountability at different levels of management with detailed working procedures laid out for various operational functioning. A systematic assessment process has been developed to ensure compliance with requirements of the Capital Adequacy Framework based on Basel accord as well as other statutory and regulatory requirements. The entire risk assessment and internal control system is reviewed periodically by Senior Management to address loopholes and risk areas identified in the course of operation as well as those considered potential given the dynamic environment of the banking industry.

Credit risk

Credit risk is the risk of financial loss to the Bank if a borrower or counterparty to a financial instrument, fails to meet its contractual obligations and arises principally from the Bank's loans and advances to customers/other banks and investments in debt securities. In addition to the direct funding exposure, the bank would also be exposed to credit risk on account of indirect liabilities such as letters of credit, guarantees etc.

Credit Risk at HBL is being managed through implementation of Credit Policy Guidelines, Credit Policy Manual, and specific Product Documents developed for each banking product. These policies, manual & product documents lay down the basic framework for credit appraisal & authority for approval. A comprehensive credit risk assessment process has been defined which involves individual appraisal of all borrowers including corporate, institutional & SME borrowers against stipulated criteria & also encompasses assignment of systematic credit ratings. The Risk Management Department reviews and assesses the risk associated with individual credit proposals above the set threshold and also reviews & appraises the overall loan portfolio of the bank with respect to risk appetite, risk concentration, market scenario & recommends initiatives to be taken for improved risk management. The Board of Directors on its own & also through Risk Management Committee under coordination of a non-executive director further reviews the overall credit & other risk in the light of the current market conditions & management analysis & issues necessary instructions including amendments to policies in order to strengthen the bank's credit portfolio. The credit administration function of the bank is centralized, and all approved facilities are implemented only after scrutiny of related security and other documents and after reasonable assurance of compliance with approving conditions.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to adverse movements in market variables such as interest rates, foreign exchange rates, commodity prices and equity prices. This risk is continuously monitored by the Treasury Department under direct supervision of Senior Executives. A comprehensive treasury manual is in place which defines procedures & authority aimed at regulating the related activities including setting up of various risk limits & risk hedging. Net open position of all currencies is prepared on daily basis and reported to the management for necessary review & risk / return assessment. Periodic reporting is done to Assets Liabilities Management Committee which reviews the associated risks and returns, assesses the impact of the exposure on the bank's capital adequacy position and makes periodic reports to the Board of Directors.

Liquidity risk

Liquidity risk is the risk that the Bank may encounter difficulties in meeting its financial commitments that are settled by delivering cash or another financial asset. Due to this risk, the bank may be unable to meet its payment obligations when they fall due under both normal and stress circumstances. With the objective of limiting this risk, the management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of continuously managing assets with liquidity in mind and of monitoring future cash flows and liquidity on a daily basis. The bank has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and ensuring availability of high grade collateral which could be used to secure additional funding at any given time.

Operational and Other Risk

Operational risk is perceived as a significant potential risk faced by financial institutions. In order to ensure proper management of the risk, the bank has developed and implemented different manuals like Cash & Customer Service Manual, Bills and Remittance Manual, Fund Transfer Manual, SMS and Internet Banking Manual, IT Policy, IT Security

Policy, Document Retention Manual, Record & Reconciliation Manual etc. which define procedural matters for banking activities at different levels. These policies are periodically revisited so as to test its adequacy and to carry out required amendments. Compliance to these policy & procedures, prudential guidelines and other directives and circulars issued by Nepal Rastra Bank is monitored at branch level by KYC Officers & centrally by Compliance & Internal Control Department. The Executive Operating Officer reporting to General Manager compiles data related to operational risks observed at branch level and takes necessary precautionary and remedial steps as may be required. The senior management working as a team further analyses these data, assesses risk and related internal control systems and takes corrective & preventive actions to remedy any breakdown in the system. The bank is PCIDSS certified, which provides additional assurance as regards the effectiveness and adequacy of control system relating to card operations in the bank. The management is strongly committed towards maintaining a strong internal control system at all levels of banking activities in order to mitigate operational risks to the maximum possible extent. The scope of Risk Management Department has been expanded to include oversight of overall operational risk management in the bank which is achieved through systematic reports obtained independently at defined intervals from various levels of management.

In addition to the credit, operational and market risk, the bank gives due significance to legal, reputation & other risks associated with banking activities as well. These risks are identified, assessed and monitored at regular intervals by the senior management. The Board of Directors also reviews these risks on the basis of feedback from the management & the prevailing market scenario & issue necessary instructions to the management. An effective MIS is in place which provides factual data on all risks, including credit, operational and market exposures which is instrumental in analysis & management of the risks & assessment of capital requirement.

A strong & effective internal control system continuously in operation is inevitable for smooth functioning of any organization. Management assumes the primary responsibility of ensuring that all control systems are in place & are functioning as perceived within the bank. Compliance & Internal Control Department at Head Office monitors the day to day functioning of the bank through off-site & on-site reviews with particular emphasis on proper functioning of internal control systems and adherence to prudential & regulatory requirements & makes reporting to the senior management along with recommendations for necessary corrective actions. Internal Audit function within the bank is fully independent with the department directly reporting to the Audit Committee of the Board. Any lapses or non-compliance with the stipulated control systems as identified during the audit of various business units, branches & departments is reported to the Audit Committee & the Board where upon instructions are issued to the management to remedy such reported instances.

5.2 Capital management

(i) Qualitative disclosures

The Bank aims to have a comfortable capital position with adequate cushion over the regulatory requirement. Higher dependency is placed on equity which is being strengthened by the Bank's policy of distribution of dividend in both script and cash form. The Bank further issues subordinated bonds on need basis as a part of Tier II capital. The capital base position is monitored on a daily basis to avoid any unwanted capital constraints and to ensure that required capital is there to pave way for the planned growth.

(ii) Quantitative disclosures

1. Capital structure and capital adequacy

A. Capital Structure & Capital Adequacy as per Basel III

1. Tier 1 Capital and Breakdown of its Components:

SN	Particulars	Amount
A	Core Capital (Tier 1)	20,552,905,862
1	Paid up Equity Share Capital	12,968,725,725
2	Statutory General Reserves	5,327,466,373
3	Retained Earnings	187,536,005
4	Current year profit /(loss)	2,380,257,832
5	Debenture Redemption Reserve	-
	Less : Investment in equity of institutions with financial interests	200,000,000
	Less : Purchase of land & building in excess of limit and unutilized	111,080,073

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	2,471,993,247
1	Subordinated Term Debt	-
2	General loan loss provision	2,431,722,295
3	Exchange Equalization Reserve	39,056,093
4	Investment Adjustment Reserve	1,214,859
5	Other Reserves	-

3. Total deductions from Capital: N/A
4. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	20,552,905,862
2	Supplementary Capital (Tier 2)	2,471,993,247
Total		23,024,899,109

5. Capital Adequacy Ratios:

CAPITAL ADEQUACY RATIOS	Amount
Tier 1 Capital to Total Risk Weighted Exposures	10.49%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.75%

2. Risk exposures
B. Risk Exposures
1. Risk Weighted Exposures for Credit Risk, Market Risk & Operational Risks

Risk Weighted Exposures	Amount
a Risk Weighted Exposures for Credit Risk	179,111,587,547
b Risk Weighted Exposures for Operational Risk	8,394,815,041
c Risk Weighted Exposure for Market Risk	396,090,747
Adjustment under Pillar II	
Add 5% of gross income for operational risk	2,441,016,678
Add: 3% of total RWE for overall risk	5,637,074,800
Total Risk Weighted Exposures	195,980,584,813

2. Risk Weighted Exposures under each of 12 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	25,250,018
3	Claims on banks	6,049,470,676
4	Claims on domestic corporate and securities firms	119,612,856,067
5	Claims on regulatory retail portfolio	5,782,660,857
6	Claims secured by residential properties	3,267,188,089

7	Claims secured by commercial real estate	3,826,451,590
8	Past due claims	261,781,513
9	High risk claims	12,514,997,305
10	Lending against securities (Bonds and Shares)	1,943,757,596
11	Other assets	6,360,948,933
12	Off balance sheet items	19,466,224,902
TOTAL		179,111,587,547

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	195,980,584,813
2	Total Core Capital Fund (Tier 1)	20,552,905,862
3	Total Capital Fund (Tier 1 & Tier 2)	23,024,899,109
4	Total Core Capital to Total Risk Weighted Exposures	10.49%
5	Total Capital to Total Risk Weighted Exposures	11.75%

4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	36,865,818	6,874,022	29,991,796
2	Substandard Loan	537,807,958	134,451,989	403,355,968
3	Doubtful Loan	1,402,422,060	701,211,030	701,211,030
4	Loss Loan	517,810,759	517,810,759	-
Total		2,494,906,595	1,360,347,800	1,134,558,795

5. NPA Ratios

Gross NPA to Gross Advances	1.59%
Net NPA to Net Advances:	0.74%

(iii) Compliance with external requirement

The Bank through-out the reporting period has fully complied with the capital requirements imposed by the Regulator for 'A' class commercial banks operating in the country.

5.3 Classification of financial assets and financial liabilities

Financial instruments are measured on an ongoing basis either at fair value or at amortized cost. The accounting policies describe the manner each category of financial instrument is measured and also the manner in which income and expenses, including fair value gains and losses, are recognized.

5.4 Operating Segment Information

1. General information

- The Bank has branches operating in different provinces across the country. All the branches are full scope branches and are entitled to carry out all types of transactions that the Bank is licensed for. The Bank has therefore identified reporting segments on the basis of provinces in which the branches are located. However, two independent profit centers, namely, Remittance Center and Card Center have been reported as a separate segment along with the Corporate Office.
- Following are the main products and services from which each reportable segment derives its revenues:

- (a) Loan and Advances
- (b) Letter of Credit
- (c) Guarantee
- (d) Remittance
- (e) Card service
- (f) Locker Service
- (g) Bills purchase and discounting
- (h) Collection service
- (i) Other ancillary services

2. Information about profit or loss, assets and liabilities

Particulars/Province	Province 1	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudur Paschim	HO and Other Profit Center	Total
(a) Revenues from external customers	1,212,277,009	1,580,199,262	9,463,760,134	505,393,737	2,707,108,096	33,588,229	538,476,397	3,126,440,564	19,167,243,427
(b) Intersegment revenues	51,631,592	34,553,925	4,119,826,365	75,513,368	66,059,565	15,979,839	28,560,194	299,859,182	4,691,984,029
(c) Net Revenue	1,160,645,417	1,545,645,337	5,343,933,769	429,880,369	2,641,048,531	17,608,390	509,916,203	2,826,581,382	14,475,259,398
(d) Interest revenue	1,161,078,857	1,505,466,646	8,811,709,294	484,979,582	2,597,031,931	31,913,030	517,654,963	1,456,011,917	16,565,846,220
(e) Interest expense	311,690,847	310,603,814	8,945,214,837	316,047,156	535,067,658	12,713,212	29,619,416	1,161,569,712	11,622,526,653
(f) Net interest revenue	849,388,010	1,194,862,832	(133,505,544)	168,932,426	2,061,964,273	19,199,818	488,035,547	294,442,205	4,943,319,567
(g) Depreciation and amortisation	8,553,172	8,422,843	28,388,850	3,213,094	8,117,863	1,782,176	4,500,033	292,306,322	355,284,353
(h) Segment profit /(loss)	(66,595,734)	313,708,188	2,192,858,761	146,211,037	414,530,564	(6,644,925)	28,470,134	751,718,819	3,774,256,844
(i) Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-	-	-	-	-
(j) Other material non-cash items:	-	-	-	-	-	-	-	-	-
(k) Impairment of assets	519,308,386	206,239,117	2,481,098,499	84,258,670	402,218,550	6,879,909	72,056,347	20,010,616	3,792,070,096
(l) Segment assets	5,447,356,599	6,314,908,568	144,575,624,319	5,341,582,727	9,502,388,804	495,748,286	1,131,374,894	43,477,289,478	216,286,273,674
(m) Segment liabilities	5,447,356,599	6,314,908,568	144,575,624,319	5,341,582,727	9,502,388,804	495,748,286	1,131,374,894	43,477,289,478	216,286,273,674

3. Measurement of operating segment profit or loss, assets and liabilities

(a) Basis of accounting for transactions between reportable segments.

Each segment account is prepared on accrual basis and transactions between segments are conducted at a pre-determined price.

(b) Differences between the measurements of the reportable segments' profits or losses and the entity's profit or loss before income tax.

Profit or losses of the reportable segments before staff bonus are measured on accrual basis based on NFRS. Inter-segmental revenue is accordingly set off against related inter-segmental expenses in order to arrive at the entity's profit or loss.

(c) Differences between the measurements of the reportable segments' assets and the entity's asset.

There are no difference between the reportable segment assets and entity's assets.

(d) Nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss.

None.

(e) Nature and effect of any asymmetrical allocations to reportable segments.

All allocations are symmetrically done.

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

1. Revenue

Total revenues for reportable segments	14,475,259,398
Other revenues	
Elimination of intersegment revenues	4,691,984,029
Entity's revenues	19,167,243,427

2. Profit or loss

Total profit or loss for reportable segments	3,774,256,844
Other profit or loss	
Elimination of intersegment profits	-
Unallocated amounts:	
Staff bonus	(377,425,684)
Profit before income tax	3,396,831,160

3. Assets

Total assets for reportable segments	216,286,273,674
Other assets	
Unallocated amounts	-
Entity's assets	216,286,273,674

4. Liabilities

Total liabilities for reportable segments	216,286,273,674
Other liabilities	
Unallocated liabilities	-
Entity's liabilities	216,286,273,674

5. Information about products and services

Revenue from each type of product and services described in point no. 1(b) above:

(a)	Loan and Advances	15,274,613,412
(b)	Letter of Credit	141,694,432
(c)	Guarantee	160,082,985
(d)	Remittance	50,348,744
(e)	Card service	194,983,606
(f)	Locker Service	27,234,112
(g)	Bills purchase and discounting	379,708
(h)	Collection service	97,303,511
(i)	other ancillary services	3,220,602,916
	Total	19,167,243,427

6. Information about geographical areas

Revenue from following geographical areas:

(a)	Domestic	19,167,243,427
	Province 1	1,212,277,009
	Province 2	1,580,199,262
	Province 3	12,590,200,698
	Province 4	505,393,737
	Province 5	2,707,108,096
	Province 6	33,588,229
	Province 7	538,476,397
(b)	Foreign	-
	Total	19,167,243,427

7. Information about major customers

The customers of the Bank do not individually / singly contribute 10% or more of the entity's revenue.

5.5 Share options and share based payment

As per NFRS 2, an entity shall recognize the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. Corresponding increase in equity is recognized if the goods or services are received in an equity-settled share-based payment transaction or a liability if the goods or services are acquired in a cash-settled share-based payment transaction.

The Bank has not entered into any share options and share based payment transaction till date.

5.6 Contingent liabilities and commitment

The Bank creates a provision when there is a present obligation as a result of past events that probably require an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The details regarding the contingent liabilities are disclosed in Note 4.28.

5.7 Related parties disclosures

The Bank carries out transactions in the ordinary course of business with parties that fall within the ambit of related parties as defined in Nepal Accounting Standard - NAS 24 (Related Party Disclosures). The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Bank and is comparable with what is applied to transactions between the Bank and its unrelated customers.

By virtue of its shareholding of over 10 per cent in the Bank and representation in the Board of Directors, Habib Bank Limited and Karmachari Sanchaya Kosh are related parties to the Bank. Transactions with related parties during the reporting period is given below:

Transaction with Habib Bank Ltd.		
Particulars	This Year Ending	Immediate Previous Year Ending
Deposits with Habib Bank	-	-
Due from Habib Bank	12,013,272	15,759,303
Placements in Habib bank	1,917,750,000	1,191,500,000
Due to Habib bank	-	-
Total	1,929,763,272	1,207,259,303
For the Year Ended		
Interest Received	2,858,868	9,295,048
Total	2,858,868	9,295,048
Cash Dividend Paid	-	112,467,377
Total	-	112,467,377
Transaction with Karmachari Sanchaya Kosh		
Particulars	This Year Ending	Immediate Previous Year Ending
Rental Expense paid	66,398,733	60,586,377
Cash Dividend Paid	-	78,727,164
Total	66,398,733	139,313,541

Transaction with Parent, Subsidiary and Other Affiliates

The Bank doesn't have an identifiable parent. It has a wholly owned subsidiary named Himalayan Capital Limited and following entities have been considered as associates:

- RMDC Laghubitta Bittiya Sanstha Ltd
- Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.
- Chhimek Laghubitta Bittiya Sanstha Ltd.
- Swabalamban Laghubitta Bittiya Sanstha Ltd.
- Smart Choice Technologies Limited

Transaction with subsidiary

Transaction With Subsidiary	This Year Ending	Immediate Previous Year Ending
Deposit of Subsidiary in the bank	202,579,981	172,460,087
Loan To Subsidiary	39,748,204	33,605,969

Transaction with Associate

Transaction With Associate	This Year Ending	Immediate Previous Year Ending
Loans and Advances provided to associates under deprived sector lending		
RMDC Laghubitta Bittiya Sanstha Ltd.	900,295,890	800,087,671
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	797,262,027	797,087,342
Chhimek Laghubitta Bittiya Sanstha Ltd.	753,929,795	752,219,178
Swabalamban Laghubitta Bittiya Sanstha Ltd.	616,210,959	616,067,507
	3,067,698,671	2,965,461,698
Interest Income received from associate		
RMDC Laghubitta Bittiya Sanstha Ltd.	82,459,271	25,546,395
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	74,435,215	32,331,573
Chhimek Laghubitta Bittiya Sanstha Ltd.	67,351,455	36,377,255
Swabalamban Laghubitta Bittiya Sanstha Ltd.	58,717,714	27,157,875
	282,963,655	121,413,098

* Loans and advances to associate stated above are inclusive of AIR.

Transactions with Key Managerial Personnel (KMPs)

According to Nepal Accounting Standard NAS 24 (Related Party Disclosure) Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Such KMPs include the Board of Directors and Senior Executives of the Bank. Transactions with Key Managerial Personnel are summarized below:

Transactions with Key Managerial Personnel (KMPs)	This Year Ending	Immediate Previous Year Ending
Board of Directors		
Benefits	5,387,221	5,070,097
Total	5,387,221	5,070,097
Chief Executive Officer		
Short term employee benefits	20,150,000	20,150,000
Other Benefits	1,313,324	1,286,687
Total	21,463,324	21,436,687
Key Management Executives		
Short term employee benefits	63,318,434	62,209,973
Other Benefits	614,654	658,239
Retirement Benefits	-	-
Total	63,933,088	62,868,212

Key Management Executives are entitled to Gratuity and Leave Encashment Facilities as post-employment benefits as per the Employees' Service Bye-Laws of the Bank. They are further provided with subsidized loans and advances and vehicle facility. However, where such executives are employed under a contract the compensation is determined by terms of such contract. The Senior General Manager, an expat on secondment deputation from Habib Bank Limited, is further provided with a full furnished residence. Retirement benefits is the payment given to Senior General Manager on completion of his deputation. No such deputation was made during the year under review from Habib Bank Limited.

Transaction with HBL Retirement Fund

Bank has established an approved retirement fund which has been identified as related party to the bank.

Transaction With HBL Retirement Fund	This Year Ending	Immediate Previous Year Ending
Deposit With the Bank	1,204,057,889	956,452,223
Interest Paid By the bank	147,407,058	105,264,412

5.8 Merger and acquisition

The Bank has not undergone any merger or acquisition during the reporting period.

5.9 Additional disclosures of non-consolidated entities

There are no unconsolidated entities.

5.10 Events after reporting date

Events after the reporting period are those events, both favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorized for issue.

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in the financial statements, other than the following:

i) Guarantee claim paid to Melamchi Water Supply Development Board:

The bank has received a sum of USD 6.65 Million from Bank of China towards settlement of its claim in relation to guarantee claim paid to Melamchi Water Supply Development Board. The amount so received has been accounted as receipt from written off loan in the income statement as it relates to a claim under litigation from prior period and certainty of receipt of the amount was established prior to the year-end.

ii) Proposed Dividend

The Board of Directors have recommended 8% stock dividend and 11.11% cash dividend for the financial year. This dividend proposal is to be approved by the shareholders in the annual general meeting. In accordance with Nepal Accounting Standard - NAS 10 (Events after the Reporting Period) this proposed final dividend has not been recognised as liability as at year end date.

COMPARISON OF UNAUDITED AND AUDITED FINANCIAL STATEMENTS

As of FY 2078/79

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and Cash Equivalents	11,391,809,790	11,391,809,790	-	-	
Due from Nepal Rastra Bank	7,133,564,450	7,133,564,450	-	-	
Placements with Bank and Financial Institutions	3,322,404,549	3,322,404,549	-	-	
Derivative financial instruments	17,095,798	17,095,798	-	-	
Other trading assets	-	-	-	-	
Loans & Advances to BFIs	7,851,025,911	7,851,025,911	-	-	
Loans & Advances to Customers	147,993,952,582	147,121,797,546	(872,155,036)	-0.59%	Adjustment of Post Year End Impairment Charges
Investment Securities	31,908,672,533	31,900,976,533	(7,696,000)	-0.02%	Reclassification of Asset
Current Tax Assets	436,934,630	459,914,445	22,979,815	5.26%	Post audit adjustment in tax liability
Investments in subsidiaries	200,000,000	200,000,000	-	-	
Investments in Associates	185,011,259	192,707,259	7,696,000	4.16%	Reclassification of Asset
Investment Property	239,095,713	239,095,713	-	-	
Property & Equipment	2,615,201,424	3,814,321,231	1,199,119,807	45.85%	Recomputation of Leases under NFRS 16
Goodwill and Intangible Assets	199,109,158	199,109,158	-	-	
Deferred Tax Assets	-	-	-	-	
Other Assets	2,797,993,869	2,442,451,291	(355,542,578)	-12.71%	Reclassification of Assets and Audit Adjustments
Total Assets	216,291,871,666	216,286,273,674			
Liabilities					
Due to Bank and Financial Institutions	3,067,875,752	3,067,875,752	-	-	
Due to Nepal Rastra Bank	14,807,896,891	14,807,896,891	-	-	
Derivative financial instruments	25,734,890	25,734,890	-	-	
Deposits from Customers	168,419,486,693	168,419,486,693	-	-	
Borrowing	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	87,957,456	90,523,852	2,566,396	2.92%	Restatement of value of assets/ liability
Other Liabilities	5,077,178,576	5,170,994,523	93,815,947	1.85%	Post audit adjustment
Debt Securities Issued	2,693,565,077	2,693,565,077	-	-	
Subordinated Liabilities	-	-	-	-	
Total Liabilities	194,179,695,335	194,276,077,678			
Equity					
Share Capital	12,968,725,725	12,968,725,725	-	-	
Share Premium	-	-	-	-	
Retained Earnings	2,674,683,050	2,567,793,837	(106,889,213)	-4.00%	Post audit adjustment
Reserves	6,468,767,556	6,473,676,434	4,908,878	0.08%	Post audit adjustment
Total Equity attributable to Equity Holders	22,112,176,331	22,010,195,996			
Non Controlling Interest	-	-	-	-	
Total Equity	22,112,176,331	22,010,195,996			
Total Liabilities and Equity	216,291,871,666	216,286,273,674			

COMPARISON OF UNAUDITED AND AUDITED FINANCIAL STATEMENTS

As of FY 2078/79

Statement of Profit or Loss	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
Particulars			In amount	In %	
Interest income	16,686,804,470	16,565,846,220	(120,958,250)	-0.72%	Post Audit Adjustments
Interest expense	11,562,642,512	11,622,526,653	59,884,141	0.52%	Recomputation of Leases under NFRS 16 which results in additional finance expense
Net interest income	5,124,161,958	4,943,319,567			
Fee and commission income	1,019,945,563	1,019,039,215	(906,348)	-0.09%	Regrouping/ Adjustment after audit
Fee and commission expense	104,958,407	105,468,286	509,879	0.49%	Regrouping/ Adjustment after audit
Net fee and commission income	914,987,156	913,570,929			
Net interest, fee and commission income	6,039,149,114	5,856,890,496			
Net Trading Income	595,910,330	595,910,330	-	-	
Other operating income	124,003,051	126,396,499	2,393,448	1.93%	Regrouping/ Adjustment after audit
Total operating income	6,759,062,495	7,369,634,009			
Impairment charge/(reversal) for loans and other losses	410,760,579	1,280,862,615	870,102,036	2.12%	
Net operating income	6,348,301,916	5,298,334,710			
Operating expense					
Personnel Expenses	1,630,485,265	1,628,053,322	(2,431,943)	-0.15%	Change in Statutory Bonus amount/ Reclassification of Expense
Other Operating Expenses	960,012,094	758,714,726	(201,297,368)	-20.97%	Impact of NFRS 16
Depreciation & Amortisation	217,234,016	355,284,353	138,050,337	63.55%	Impact of NFRS 16
Operating profit	3,540,570,541	2,556,282,309			
Non operating income	10,774,613	860,051,163	849,276,550	7882%	Adjustment of Recovery of Receivable written off in earlier years
Non operating expense	19,502,312	19,502,312	-	-	
Profit before income tax	3,531,842,842	3,396,831,160			
Income Tax Expense					
Current Tax	1,077,844,634	1,054,864,819	(22,979,815)	-2.13%	Post Year End adjustment in tax liability
Deferred Tax	(28,138,290)	(25,571,894)	2,566,396	-9.12%	Post Year End adjustments
Profit for the period	2,482,136,498	2,367,538,235	(114,598,263)	-4.62%	
Statement of Comprehensive Income					
Profit or loss for the year	2,482,136,498	2,367,538,235			
Other comprehensive income	(23,718,069)	(23,718,069)	-	-	
Total comprehensive income for the period	2,458,418,429	2,343,820,166			

10 Year's Financial Summary

STATEMENT OF FINANCIAL POSITION

Particulars	2069/70 2012/13	2070/71 2013/14	2071/72 2014/15	2072/73 2015/16	2072/73 "2015/16 *Restated"	2073/74 2016/17	2074/75 2017/18	2075/76 2018/19	2076/77 2019/20	2077/78 2020/21	2078/79 2021/22
	(Rs. '000)										
Assets											
Cash & Bank Balances	3,648,199	5,542,590	8,387,412	7,874,984	7,874,984	8,915,386	8,800,528	8,202,366	16,928,917	12,302,723	11,943,726
Money at Call	2,061,832	196,100	1,063,950	1,482,036	1,482,160	-	500,040	-	1,010,109	619,588	1,278,550
Investments	12,992,045	19,842,060	17,113,389	19,306,073	19,540,803	18,076,579	17,439,534	23,432,946	26,679,555	28,123,766	40,919,187
Loans, Advances & Bills Purchased	41,057,398	46,449,329	55,428,007	69,100,889	70,306,163	79,044,953	88,086,847	99,530,328	109,092,428	134,605,153	158,764,894
Fixed Assets	1,308,774	1,322,814	1,321,272	1,922,967	1,922,967	2,175,893	2,222,677	2,509,508	2,562,894	2,742,037	4,013,430
Other Assets	1,418,311	1,365,922	1,439,298	1,530,969	789,728	1,097,159	1,339,310	1,536,251	1,976,902	2,608,866	3,158,557
Total Assets	62,486,557	74,718,816	84,753,328	101,217,918	101,916,805	109,309,970	118,388,936	135,211,399	158,250,804	181,002,133	220,078,344
Liabilities											
Borrowings	1,188,429	1,100,000	600,000	1,600,000	1,622,786	662,998	623,358	1,183,961	2,719,398	5,718,403	17,501,462
Deposit Liabilities	53,072,319	64,674,848	73,538,200	87,335,786	87,335,786	92,881,114	99,743,045	113,089,977	131,860,251	149,381,717	171,487,362
Reserve for Doubtful Debts	1,333,592	1,128,970	1,951,777	1,354,910	1,354,910	1,246,718	1,926,635	2,060,257	2,365,885	2,511,207	3,792,070
Other Liabilities	1,592,509	1,731,586	1,704,451	2,103,453	2,283,482	2,190,995	1,957,002	2,882,406	3,716,016	3,258,093	5,287,253
Total Liabilities	57,186,849	68,635,405	77,794,428	92,394,149	92,596,964	96,981,824	104,250,039	119,216,600	140,661,551	160,869,420	198,068,148
Net Assets	5,299,708	6,083,411	6,958,900	8,823,769	9,319,841	12,328,146	14,138,897	15,994,798	17,589,254	20,132,713	22,010,196
Shareholders' Equity											
Paid up Capital	2,760,000	2,898,000	3,332,700	4,499,145	4,499,145	6,491,624	8,114,529	8,520,256	9,372,281	10,684,401	12,968,726
Proposed capitalisation of profits	138,000	434,700	1,166,445	1,349,744	-	-	-	-	-	-	-
Reserves	2,397,023	2,732,353	2,344,757	2,836,037	2,733,717	3,328,499	1,500,405	2,171,147	2,496,762	2,938,198	2,567,794
Retained Earnings	4,685	18,358	114,997	138,843	2,086,980	2,508,023	4,523,962	5,303,396	5,720,210	6,510,114	6,473,676
Total Shareholders' Equity	5,299,708	6,083,411	6,958,900	8,823,769	9,319,841	12,328,146	14,138,897	15,994,798	17,589,254	20,132,713	22,010,196
Total Capital + Liabilities	62,486,557	74,718,816	84,753,328	101,217,918	101,916,805	109,309,970	118,388,936	135,211,399	158,250,804	181,002,133	220,078,344
Contingent Liabilities											
Letter of Credit	3,697,028	6,862,523	6,881,554	8,957,264	8,957,264	8,526,898	11,431,524	12,167,198	9,965,414	20,236,622	22,140,637
Guarantees	2,355,843	2,955,043	3,808,669	4,952,439	4,952,439	6,474,794	6,408,163	6,279,256	6,671,894	7,604,861	9,250,738
Forward Exchange Contract	174,795	607,820	786,385	1,168,529	1,168,529	42,242	5,891,000	8,137,163	11,934,375	13,401,575	3,610,539
Other Contingent Liabilities	8,153,638	9,427,195	9,285,983	10,021,898	13,475,924	12,368,698	12,453,109	7,275,500	5,124,836	10,498,937	9,681,900
Total Contingent Liabilities	14,381,305	19,852,581	20,762,591	25,100,130	28,554,156	27,412,632	36,183,796	33,859,117	33,696,519	51,741,995	44,683,814

* Figures of FY 2073/74 has been regrouped/restated based on NFRS wherever necessary.

Figures of FY 2074/75 onwards have been presented based on NFRS

10 Year's Financial Summary

STATEMENT OF PROFIT OR LOSS

(Rs. '000)

Particulars	2009/70 2012/13	2070/71 2013/14	2071/72 2014/15	2072/73 2015/16	2073/74 2016/17	2073/74 "2016/17 *Restated"	2074/75 2017/18	2075/76 2018/19	2076/77 2019/20	2077/78 2020/21	2078/79 2021/22
Income											
Interest Income	4,627,335	4,742,975	4,627,751	5,015,844	6,938,503	7,106,676	9,724,871	11,625,415	12,178,993	10,370,835	16,565,846
Interest Expense	2,119,062	2,248,798	1,954,263	1,565,896	3,173,334	3,173,334	5,403,047	6,594,074	7,357,290	6,582,119	11,622,527
Net Interest Income	2,508,273	2,494,178	2,673,488	3,449,948	3,765,169	3,933,342	4,321,824	5,031,341	4,821,704	3,788,717	4,943,320
Commission & Discount	550,149	657,298	562,186	599,642	713,468	732,197	707,801	756,241	686,741	698,181	913,571
Foreign Exchange Income	300,469	385,102	474,312	602,985	609,622	607,849	718,905	718,158	764,971	655,009	595,910
Other Income	165,072	206,814	115,282	105,108	128,497	86,396	104,848	175,117	145,395	2,227,728	126,396
Non Operating Income	5,999	17,487	23,209	22,276	26,807	14,691	309,525	49,327	398,077	18,341	860,051
Total Income	3,529,962	3,760,879	3,848,478	4,779,959	5,243,563	5,374,475	6,162,903	6,730,183	6,816,887	7,387,975	7,439,248
Expenses											
Staff Expenses	682,978	713,830	917,501	908,436	1,081,611	1,096,966	1,045,730	1,201,108	1,255,749	1,386,109	1,250,628
Operating Expenses	852,111	966,120	814,639	806,909	849,631	797,604	862,547	966,897	1,050,492	1,057,080	1,113,999
Provision for Doubtful Debts	842,900	1,080,863	1,413,568	744,817	835,753	(108,193)	679,917	133,622	305,628	145,322	1,280,863
Provision for Staff Bonus	137,669	162,116	145,488	274,882	310,171	310,171	276,518	437,018	395,376	473,257	377,426
Non-Operating Expenses	(362,389)	(783,211)	(897,601)	(703,906)	(935,311)	23,326	533,011	58,378	251,256	66,893	19,502
Total Expenses	2,153,269	2,139,718	2,393,595	2,091,136	2,141,855	2,119,874	3,397,724	2,797,023	3,258,501	3,128,662	4,042,417
Profit before Tax	1,376,693	1,621,161	1,454,883	2,748,823	3,101,708	3,254,601	2,765,179	3,933,161	3,558,386	4,259,313	3,396,831
Income Tax provision	432,995	662,054	342,597	812,915	923,473	972,827	889,569	1,169,312	971,663	1,260,690	1,029,293
Net Profit after Tax	943,698	959,107	1,112,286	1,935,908	2,178,235	2,281,774	1,875,610	2,763,848	2,586,723	2,998,623	2,367,538
P/L Appropriation											
Profit/Loss carried down	1,016,597	979,194	1,843,160	2,050,905	2,440,172	2,086,980	2,508,023	1,500,405	2,171,147	2,496,762	2,938,198
Adjustment to opening reserve	-	-	222,457	387,182	435,647	435,647	375,122	552,770	-	53,927	27,282
Statutory General Reserve	188,740	191,821	-	1,658	443	443	-	4,420	517,345	599,725	473,508
Exchange Equalisation Fund	-	1,767	997	85,714	85,714	85,714	85,714	-	-	-	-
HBL Bond redemption fund	157,143	157,143	85,714	85,714	85,714	85,714	85,714	85,714	367,015	367,015	-
Interim Dividend	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividend	276,000	175,404	236,797	71,039	85,417	-	-	-	-	-	-
Transfer to Paid up Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Adjustment Fund	-	-	-	10,108	19,363	19,363	-	-	-	-	-
Proposed capitalisation of profit-Bonus Share	-	434,700	1,166,445	1,349,744	1,622,906	-	-	-	-	-	-
Income Tax of last year	138,000	-	15,412	6,617	23,624	-	-	-	-	-	-
Deferred Tax Reserve	-	-	340	-	-	-	-	1,215	-	-	-
Investment Adjustment Reserve	39,513	-	-	-	-	-	-	-	-	-	-
Contingent Reserve	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Fund	212,516	-	-	-	21,783	21,782	18,756	27,638	25,867	29,986	23,675
Employee Training Fund	-	-	-	-	-	-	20,376	19,565	-	-	17,277
Regulatory Reserve	-	-	-	-	-	-	723,598	120,786	124,091	-	318,543
Transfer from Reserves	-	-	-	-	-	-	48,660	5,321	647,667	260,068	845,722
Share Premium	-	-	-	-	-	123,094	-	-	-	-	-
NFRS Adjustment-Derecognition of Assets	-	-	-	-	-	92	-	-	-	-	-
Distribution- Bonus Share and Dividend (Previous Year)	-	-	-	-	-	1,420,783	1,708,323	1,281,244	1,874,456	1,874,456	2,777,944
Profit Transferred to Balance Sheet	4,685	18,358	114,997	138,843	145,275	2,508,023	1,500,405	2,171,147	2,496,762	2,938,198	2,567,794

* Figures of FY 2073/74 has been regrouped/restated based on NFRS wherever necessary.

Figures of FY 2074/75 onwards have been presented based on NFRS

Himalayan Bank Limited

CSR Initiative decisions equivalent to and or above Rs. 50,000/- in line with provision of
Section 105 Clause 1(c) of the Company Act, 2063

S. No.	Particulars	Category	Province 1	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpas-chim
1	Donation to Para-Taekwondo Athlete going to Paralympics 2021	Sports			200,000				
2	Donation to Buddha Mai Foundation	Health			500,000				
3	Donation of chairs to Rastriya Janas-hayog College	Social Project	59,999.61						
4	Donation of two Computer sets to Mahanagariya Prahari Britta	Social Project			109,500				
5	Donation of Ceiling Fans to Ward Police Office, Dharan	Social Project	10,000						
6	Financial Assistance to "Helping Hands Children Home"	Orphanage/Oldage Home			44,625				
7	Donation to Social Workers Group	Social Project			23,000				
8	Paint work and Decoration of Tridevi Temple during Dashain Festival 2078	Cultural Protection			197,680				
9	Financial Assistance to Institute of Medicine	Health			358,163.37				
10	Approval to sponsor a Short Movie on Cyber Crime	Social Awareness			500,000				
11	CSR to Orphanage at Budhanilakantha, Kathmandu	Orphanage/Oldage Home			50,000				
12	Construction of Bill Collection Counter at Suresh Wagle Smriti Cancer Center (TUTH)	Social Project			223,923.62				
13	CSR to "New Children's Home"	Orphanage/Oldage Home			50,000				
14	Financial Assistance to Barakh Gana	Social Project	44,832.75						
15	Printing of OPD Books to Siddhi Memorial Hospital, Bhaktapur	Social Project			199,799.82				
16	Donation to Fellowship Society Nepal	Social Project	45,000						
17	Financial Assistance to Cancer Support and Awareness Nepal	Health			300,000				
18	Financial Assistance to Shree Shiva Secondary School, Kawasoti	Education				163,800			
19	Approval for Financial Literacy Program	Financial Literacy	48,654						
20	Financial Assistance to Sewak Abhiyan, Dharan	Social Project	150,000						
21	Financial Assistance to Barakh Gana	Cultural Protection	47,000						
22	CSR to New Nepal Society Center	Orphanage/Oldage Home			50,000				
23	Track suit to students of Nava Adarsha Madhyamik Vidhyalaya, Newroad	Social Project			120,000				
24	Support for Blood Donation Program organized by Newroad Gate Club	Social Project			25,000				
25	Financial Assistance to Schools at Mustang	Social Project				156,787.50			
26	CSR: Financial Literacy Program and Printer donation at Karnali and Sudurpaschim Province	Financial Literacy						60,915	405,588
27	Financial Assistance to Naulo Ghumti Nepal	Social Project				500,000			
28	Financial Assistance to Muktimarg Tole Sudhar Samiti	Social Project			5,000				
29	Payment for printing T-shirt (Under Financial Literacy Program Organized by SEBON/NRB in Global Money Week 2022)	Financial Literacy			18,363				

30	Financial Literacy Program in Myagang	Financial Literacy			33,250				
31	Support to Old Age Home Committee	Orphanage/Oldage Home			15,000				
32	Financial Literacy Program in Itahari	Financial Literacy	57,588						
33	Financial Literacy Program in Gandaki Province	Financial Literacy				30,410			
34	Financial Literacy Program & Approval for associated cost, Kawasoti	Financial Literacy				36,950			
35	Financial Assistance for Baraha Kshetra Dham	Social Project	100,001						
36	Conducting of Financial Literacy Program under CSR in Lumbini Province	Financial Literacy					25,210		
37	Financial Assistance to Bhimeshwar Municipality	Cultural Protection			50,000				
38	FINANCIAL ASSISTANCE IN THE RTN TREASURE QUEST 2022 BY ROUND TABLE NEPAL	Social Project		200,000					
39	Financial Assistance to Mainroad Footpath Construction Consumer Committee, Chitwan	Social Project			11,500				
40	Tree Plantation by Lumbini World Peace Forum	Environment Protection			50,000				
41	Printing of OPD Books to Siddhi Memorial Hospital, Bhaktapur	Social Project			188,484				
42	Donation of Hemodialysis machine to Marwadi Sewa Samiti Nepal	Health			2,000,000				
43	Mero Pahilo Bachat Khata	Mero Pahilo Bachat Khata			200				
44	Loose Note counting Machine to Manmohan Cardiothoracic	Social Project			112,600				
45	Donation of Ventilator to TUTH	Health			3,000,000				
46	Workshop on Youth Entrepreneurship	Social Project			50,000				
47	HBL Staffs' COVID Expenses	Health			2,088,399.72				
Province-wise Total Amount			563,075.36	200,000	10,574,488.53	887,947.50	25,210	60,915	405,588
Total CSR Spending			12,717,224.39						

Sector-wise CSR Expenses in FY: 2078/79

S No.	Sectors	Amount
1	Sports	200,000
2	Mero Pahilo Bachat Khata	200
3	Cultural Protection	294,680
4	Education	163,800
5	Environment Protection	50,000
6	Financial Literacy	716,928
7	Health	8,246,563.09
8	Orphanage/Old Age Home	209,625
9	Social Project	2,835,428.30
TOTAL		12,717,224.39



नेपाल राष्ट्र बैंक बैंक सुपरिवेक्षण विभाग



दरबारमार्ग, काठमाडौं।
फोन नं.: ४४१९८०५, ७
फ्याक्स नं.: ४४१०१५९
Site: www.nrb.org.np
Email: bsd@nrb.org.np
पोष्ट बक्स: ७३

प.सं: बै.सु.वि./अफसाइट/एजिएम/१४७/२०७९-८०
हिमालयन बैंक लिमिटेड
कमलादी, काठमाडौं।

मिति: २०७९/०९/०६

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

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरू पालना गरेको देखिएको हुँदा, उक्त दफाको उपदफा (१) बमोजिम त्यस बैंकले प्रस्ताव गरे बमोजिम रु.१,०३,७४,९८,०५८/- (अक्षरेपी एक अर्ब तिन करोड चौहत्तर लाख अठानब्वे हजार अठ्ठाउन्न रुपैया मात्र, चुक्ता पुँजीको ८ प्रतिशत) बराबरको बोनस शेयर र रु.१,४४,०८,२५,४२८।०३ (अक्षरेपी एक अर्ब चौवालिस करोड आठ लाख पच्चीस हजार चार सय अठ्ठाइस रुपैया र तिन पैसा मात्र, चुक्ता पुँजीको ११.११ प्रतिशत) नगद लाभांश (कर प्रयोजन सहित) गरी कुल जम्मा रकम रु.२,४७,८३,२३,४८६।०३ (अक्षरेपी दुई अर्ब सत्चालिस करोड त्रियासी लाख तेईस हजार चार सय छयासी रुपैया र तिन पैसा मात्र) शेयरधनीहरूलाई वितरण गर्न अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट पारित भएको अवस्थामा मात्र शेयरधनीहरूलाई लाभांश वितरण गर्न स्वीकृति प्रदान गरिएको तथा आ.व. २०७८/७९ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशनहरू सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका सम्पूर्ण कैफियतहरू पूर्ण रुपले सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाउनु हुन।
- यस बैंकबाट जारी गरिएको निर्देशन नं. १० को बुँदा नं. ७ बमोजिम इजाजतपत्रप्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पुँजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरूमा चुक्ता पुँजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरूलाई सो सीमाभित्र नल्याएसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन।
- बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ११ को उपदफा ३ मा बैंकको चुक्ता पुँजीको २ प्रतिशत वा सो भन्दा बढी शेयर धारण गरेका संस्थापकहरूले आफुले धारण गरेको शेयर विक्री तथा धितो बन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफुले धारण गरेको शेयर धितो बन्धक राखी अन्य बैंक तथा वित्तीय संस्थाबाट कर्जा उपयोग गरेका संस्थापक शेयरधनीहरू रहेमा ती संस्थापक शेयरधनीहरूलाई सोको स्वीकृति नलिएसम्म वा शेयर धितो बन्धक राखी उपयोग गरेको कर्जा पूर्ण रुपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन।
- विदेशी शेयरधनीहरूलाई नगद लाभांश प्रदान गर्ने सिलसिलामा सो रकम विदेश पठाउँदा Repatriation सम्बन्धी प्रचलित कानूनी व्यवस्थाको पालना गर्न।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन।

भवदीय,

(विवेक दाहाल)
सहायक निर्देशक

बोधार्थ

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

बैंक व्यवस्थापनको जवाफ

नेपाल राष्ट्र बैंकबाट यस बैंकको आ.व. २०७८/७९ को वार्षिक हिसाब साधारण सभामा स्वीकृतिको लागि पेश गर्न सहमति प्रदान गर्ने सिलसिलामा जारी उपर्युक्त निर्देशनहरूको पालना गर्न आवश्यक व्यवस्था मिलाईएको छ।

[illegible]





HIMALAYAN CSR ACTIVITIES

1. Financial Literacy at Kawasoti
2. Tracksuit donation at Ghami Solar School
3. Printer Donation to Police Post of Jaganath Rural Municipality
4. Printer Donation to SWOG
5. Note counting Machine to Manmohan Cardiothoracic
6. OPD Book to Siddhi Memorial Foundation
7. Financial Assistance at Bajura
8. Global Money Week-Participation in Rally at Kathmandu
9. Dialysis machine to Marwadi Samiti
10. Chair Donation to Rastriya Jana Sahayogi College
11. Global Money Week-Participation in Rally at Kathmandu
12. Financial Literacy at Baglung
13. Tree Plantation by Lumbini World Peace Forum
14. Financial Literacy at Surkhet
15. Tracksuit donation at Shree Jana Jyoti Basic School
16. Financial Literacy at Myagang
17. Fellowship Society Nepal
18. Financial Literacy at Lumbini



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Biratnagar Branch

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Birtamod Branch

Tel: 023-545611, 545610

Damak Branch

Tel: 023-585291, 585292

Dharan Branch

Tel: 025-578966, 5789667

Hile Branch

Tel: 026-540628, 540629

Itahari Branch

Tel: 025-587041, 587042

Madi Branch

Tel: 01-6201751, 029-424066

MADHESH

Baragadi Branch

Tel: 01-6201363

Bardibas Branch

Tel: 044-550161, 550162

Birgunj Branch

Tel: 051-527518, 524678

Janakpur Branch

Tel: 041-590240, 590241

Lahan Branch

Tel: 033-564684, 564685

Nijgadh Branch

Tel: 053-540262, 540392

Parsauni Branch

Tel: 053-620000

Subarna Branch

Tel: 01-6201366

Bagmati

Banepa Branch

Tel: 011-664734, 660984

Bahrabise Branch

Tel: 011-489290

Battisputali Branch

Tel: 01-4584990

Betrawati Branch

Tel: 010-412001, 412002

Bhaisepti Branch

Tel: 01-5906306, 5906307

Bhaktapur Branch

Tel: 01-6617493, 6616092

Bharatpur Branch

Tel: 056-595616, 595617

Chabahil Branch

Tel: 01-5210044, 5210045

Charikot Branch

Tel: 049-421869, 421868

Dhading Branch

Tel: 010-521111, 521110

Dillibazar Branch

Tel: 01-4531658, 4531659

Gaurishanker Branch

Tel: 01-6201748

Global FI & Remittance Center

Tel: 01-4227749, 4250354

Toll Free No. 16-600-111-000

Hetauda Branch

Tel: 057-525877, 522899

Jhamsikhel Branch

Tel: 01-5453135, 5453136

Kalanki Branch

Tel: 01-5234762, 5235038

Kaushaltar Branch

Tel: 01-6639564

Khurkot Branch

Tel: 047-590098, 590099

Maharajgunj Branch

Tel: 01-4425183, 4424292

Myagon Branch

Tel: 01-6201463

New Baneshwor Branch

Tel: 01-4795583, 4794859

New Road Branch

Tel: 01-5343107, 5324787

Parsa Branch

Tel: 056-583628, 583431

Patan Branch

Tel: 01-5010654, 5010656

Samakhushi Branch

Tel: 01-4954663

Satdobato Branch

Tel: 01-5151945, 5151935

Shorakhutte Branch

Tel: 01-4389035, 4360721

Sukedhara Branch

Tel: 01-4015081, 4015082

Swoyambhu Branch

Tel: 01-5247291, 5247179

Tandi Branch

Tel: 056-560750, 562800

Tarkeshwor Branch

Tel: 01-6201365

Teku Branch

Tel: 01-4104572, 4104687

Trishuli Branch

Tel: 010-561696, 561697

Gandaki

Baglung Branch

Tel: 068-522690, 522691

Gorkha Branch

Tel: 064-421520

Kawasoti Branch

Tel: 078-541040, 541045

Pokhara Branch

Tel: 061-538907, 540230

Ram Bazar Branch

Tel: 061-433301, 433302

Lumbini

Bhairahawa Branch

Tel: 071-576945, 575885

Butwal Branch

Tel: 071-554016, 554017

Ghorahi Branch

Tel: 082-562901, 563524

Kohalpur Branch

Tel: 081-542146, 542148

Lamahi Branch

Tel: 082-540842, 540843

Nepalgunj Branch

Tel: 081-411290, 411292

Palpa Branch

Tel: 075-522641, 520095

Raptisonari Branch

Tel: 081-400089, 400091

Tulsipur Branch

Tel: 082-523545, 523546

Manigram Branch

Tel: 071-562422, 562433

Karnali

Kumakha Branch

Tel: 01-6201752

Salyan Branch

Tel: 088-400012

Surkhet Branch

Tel: 083-524101, 523902

Sudur Paschim

Chhededaha Branch

Tel: 01-6201754

Dhangadi Branch

Tel: 091-520202, 520204

Jagannath Branch

Mob: 9858477017

Lamki Branch

Tel: 091-540513, 540514

Swamikartik Branch

Mob: 9858477016

Attariya Branch

Tel: 091-590453, 590454

Tikapur Branch

Tel: 091-560973, 560779

Mahendranagar Branch

Tel: 099-590055, 590056

Extension Counter

TU Teaching Hospital Ext. Counter

TU Teaching Hospital
Tel: 01-4425183

Gangalal Ext. Counter

Shahid Gangalal National
Heart Center, Bansbari
Tel: 01-4425183

Trishuli District Hospital Ext Counter

Trishuli District Hospital
Tel: 010-561696

Lumbini Medical College Ext Counter

Lumbini Medical College
Tel: 075-522641

Gaurighat Ext. Counter

Gaurighat, Pokhara
Tel: 061-590612

Raptisonari Ext Counter

Raptisonari RM,
Raptisonari

Card Center

Tel: 01-4227749

Toll Free No. 16-600-112-000

Global FI & Remittance Centre

Kamaladi, Kathmandu, Tel: 01-4227749,
4250354, Toll Free No.: 16-600-111-000

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