

TIMELESS TRUST



HBL



हिमालयन बैंक लिमिटेड

Himalayan Bank Ltd.

31st **ANNUAL REPORT**
2022-023

पुस्तिकामा समाविष्ट सामग्रीहरू

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हिमालयन बैंक लिमिटेडको
एकतीसौं वार्षिक साधारण सभाबारे सूचना

२०८० साल पौष महिना ०५ गते बसेको संचालक समितिको बैठक नं ४४७ औं को निर्णयानुसार यस बैंकको एकतीसौं 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।

एकतीसौं वार्षिक साधारण सभा बस्ने मिति, समय र स्थान

मिति : २०८० साल पौष २९ गते आइतबार (तदनुसार जनवरी १४, २०२४)

समय : बिहान ९:०० बजे

स्थान : नेपाल प्रज्ञा प्रतिष्ठान, कमलादी, काठमाण्डौं

छलफलका विषय-सूची

क) सामान्य प्रस्ताव

- १) एकतीसौं वार्षिक साधारण सभाको लागि सञ्चालक समितिको प्रतिवेदन,
- २) लेखापरीक्षकको प्रतिवेदन सहित २०८० साल असार मसान्तको वासलात, सोही मितिमा समाप्त आ.व. २०७९/८० को नाफा-नोक्सान हिसाब तथा नगदप्रवाह विवरण (बैंक तथा सहायक कम्पनीहरू श्री हिमालयन क्यापिटल लि., श्री हिमालयन सेक्युरिटीज लि., श्री सिभिल क्यापिटल मार्केट लि. र श्री हिमालयन लघुवित्त वित्तीय संस्था लि. को वित्तीय विवरण सहितको एकिकृत विवरण) छलफल गरी स्वीकृत गर्ने,
- ३) संस्थापक शेयरधनीहरूको तर्फबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने सञ्चालक पद ५ (पाँच) को निर्वाचन,
- ४) साधारण शेयरधनीहरूको तर्फबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने सञ्चालक पद १ (एक) को निर्वाचन,
- ५) कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०८०/०८१ का लागि लेखापरीक्षक नियुक्त गर्ने र निजको परिश्रमिक तोक्ने,

ख) विशेष प्रस्ताव

- १) बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ को परिच्छेद ३ को दफा ९ मा व्यवस्था भए बमोजिम बैंकको कुल शेयर पूँजीमा आवश्यक सर्वसाधारण शेयरधनी शेयर अनुपात कायम गर्नका लागि साधारण शेयर थप सार्वजनिक निष्काशन (Further Public Offering) गर्ने। थप सार्वजनिक निष्काशन हुने साधारण शेयरको संख्या निर्धारण गर्न र सोको अङ्कित मूल्यमा प्रिमियम समेत थप गरी जारी हुने शेयरको प्रिमियम सहितको मुल्य निर्धारण गर्न, थप सार्वजनिक निष्काशन (Further Public Offering) गरिसकेपछि बैंकको जारी तथा चुक्ता पूँजीमा वृद्धि हुने भएकोले सोही बमोजिम जारी तथा चुक्तापूँजी कायम गर्न र थप सार्वजनिक निष्काशन भए पश्चात् बैंकको साधारण शेयरधनी समूहको स्वामित्व प्रतिशत वृद्धि हुने र संस्थापक शेयरधनी समूहको स्वामित्व प्रतिशत घट्ने भएकोले सोही बमोजिम बैंकको प्रबन्धपत्र तथा नियमावलीमा आवश्यक संशोधन गर्ने तथा सो सम्बन्धमा गर्नुपर्ने सम्पूर्ण कार्य गर्ने अख्तियारी संचालक समितिलाई प्रदान गर्ने,
- २) बैंकले आर्थिक वर्ष २०७९/८० 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 शिक्षा, स्वास्थ्य, खेलकुद, वातावरण संरक्षण लगायत विभिन्न सामाजिक कार्यहरू र विभिन्न संघ संस्थाहरूलाई प्रदान गरेको कुल रकम रु. ३,३३,१७,७६०/- (अक्षरेपी तीन करोड तेत्तीस लाख सत्र हजार सात सय साठी मात्र) अनुमोदन गर्ने। संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च भएको रकमहरूको विस्तृत विवरणहरू बैंकको वार्षिक प्रतिवेदनमा उल्लेख गरिएको छ।
- ३) बैंकको प्रबन्धपत्र तथा नियमावलीमा भएको वा हुने संशोधनको लागि नियमनकारी निकायहरूबाट स्वीकृति लिँदा वा अभिलेख गर्दा गराउँदा सामान्य हेरफेर गर्न, संशोधन सम्बन्धी कागजात प्रमाणित गर्न, दाखिला गर्न र अभिलेख गराई लिन समेत संचालक समितिलाई अधिकार दिने,

ग) विविध

जानकारी

- १) मिति २०८० साल पौष २० गते एक दिन शेयर दाखिल खारेज बन्द रहने कुरा जानकारी गराइन्छ ।
- २) शेयरधनी महानुभावहरूलाई बैंकको शेयरधनी लगतमा कायम रहेको ठेगानामा वार्षिक प्रतिवेदन 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 कम्तिमा ४८ घण्टा अगाडि कार्यालय समयभित्र श्री हिमालयन क्यापिटल लिमिटेड ठमेलमा दर्ता गरिसक्नु पर्नेछ । उक्त दिन सार्वजनिक विदा परेको खण्डमा पनि उल्लेखित प्रयोजनको निमित्त उक्त कार्यालय खुल्ला रहने छ । बैंकका शेयरधनीलाई मात्र प्रोक्सी नियुक्त गर्न सकिनेछ तथा एक भन्दा बढी व्यक्तिलाई शेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्ट्याएर दिएको 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 कम्तिमा ४८ घण्टा अगाडि कार्यालय समय भित्र श्री हिमालयन क्यापिटल लिमिटेड ठमेलमा प्राप्त हुने गरी सोको सूचना पठाउनु पर्नेछ । उक्त दिन सार्वजनिक विदा परेको खण्डमा पनि उल्लेखित प्रयोजनको निमित्त उक्त कार्यालय खुल्ला रहने छ ।
- ५) संचालक पदमा उम्मेदवार हुनको लागि बैंकको नियमावलीको नियम १३ बमोजिम कम्तिमा १०० कित्ता शेयर लिएका शेयरधनीहरूले निर्वाचन हुने दिनभन्दा १५ दिन अगावै एकजना शेयरधनी प्रस्तावक र अर्को एकजना शेयरधनी समर्थक सहित आफ्नो उम्मेदवारी तोकिएको ढाँचा बमोजिम बैंकको केन्द्रीय कार्यालय, कमलादीमा दरखास्त दर्ता गर्नुपर्नेछ ।
- ६) छलफलको विषयमध्ये विविध शीर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीहरूले सभा हुनु भन्दा ७ दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ ।
- ७) सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले सभा हुने दिन शेयरधनीको नाममा खोलिएको हितग्राही खाता (Demat) नम्बर साथमा लिइ आउनु हुन अनुरोध छ ।
- ८) नावालक वा विधिवत शेयरधनीको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता व्यक्तिले सभामा भाग लिन, मतदान गर्न वा प्रतिनिधि तोक्न पाउनेछन् ।
- ९) एकै शेयरधनीले कुनै एक प्रतिनिधि मुर्कर गरेकोमा सो बदर नगरी अर्को प्रतिनिधि मुर्कर गरेमा जुन मुर्करित लिखत बैंकको केन्द्रीय कार्यालय कमलादीमा पहिले प्राप्तभई दर्ता हुन्छ सो मात्र मान्य हुनेछ ।
- १०) हाजिर पुस्तिका बिहान ०८:०० बजे देखि खुल्ला रहने छ ।
- ११) संस्थापक तथा सर्वसाधारण शेयरधनीको तर्फबाट प्रतिनिधित्व गर्ने संचालक पदको निर्वाचनसम्बन्धी कार्यक्रमको निर्वाचन अधिकृतले छुट्टै सूचना प्रकाशित गरी जानकारी गराइने छ ।

शेयरधनी महानुभावहरूलाई विशेष जानकारी :

१. बैंकले आफ्ना शेयरधनीहरूलाई न्यूनतम मौज्जात रु. ५००।-(पाँच सय) मा शेयरधनी बचत खाता खोल्ने व्यवस्था गरेको छ । त्यसरी खाता खोल्ने शेयरधनीहरूको लाभांश रकम उक्त खातामा जम्मा गरिनेछ ।
२. आ.व २०७८।७९ र सो भन्दा अगाडिको लाभांश तथा बोनस शेयर नलिनु भएका शेयरधनीहरूले हिमालयन क्यापिटल लि. ठमेलबाट लिनु हुन अनुरोध छ । साथै हितग्राही खाता (DEMAT) नभएका शेयरधनीहरूले हिमालयन क्यापिटल लि, ठमेलमा वा अन्य सम्बन्धित संस्थामा यथाशिघ्र उक्त खाता खोल्न अनुरोध छ ।
३. अन्य जानकारीको लागि बैंकका केन्द्रीय कार्यालय, कमलादी, काठमाण्डौमा कार्यालय समयभित्र सम्पर्क राख्नु हुन अनुरोध छ ।

संचालक समितिको आज्ञाले
कम्पनी सचिव

प्रोक्सी - फाराम

श्री संचालक समिति
हिमालयन बैंक लिमिटेड
कमलादी, काठमाडौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्लाम.न.पा./उ.म.न.पा./न.पा./गाऊँ पालिका वडा नं.
बस्ने म/हामी ले त्यस कम्पनीको शेयरधनीको हैसियतले २०८०
साल पौष महिना २९ गते आइतबारका दिन हुने हिमालयन बैंक लिमिटेडको ३१ सौं 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.म.न.पा./न.पा./गाऊँ पालिका वडा नं. बस्ने त्यस कम्पनीका शेयरधनी श्री
..... शेयरधनी परिचय/DMAT A/C नं.....लाई मेरो/हाम्रो प्रतिनिधि मनोनीत गरी पठाएको छु/छौं ।

प्रोक्सी लिनेको दस्तखत:.....

निवेदक

दस्तखत:

नाम:

शेयरधनी परिचय DMAT A/C नं.....

शेयर संख्या:

मिति:

द्रष्टव्य: यो निवेदन साधारण सभा हुनुभन्दा कम्तिमा ४८ घण्टा अगावै HBL Capital (हिमालयन क्यापिटल),ठमेलमा 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 २०८० साल पौष महिना २९ गते आइतबारका दिन हुने ३१औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

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

बिपिन हाडा
(कम्पनी सचिव)

एकतीसौं वार्षिक साधारण सभामाका लागि संचालक समितिको प्रतिवेदन

शेयरधनी महानुभावहरु,

हिमालयन बैंक लिमिटेडको एकतीसौं वार्षिक साधारण सभामा म तथा बैंक संचालक समितिको तर्फबाट यहाँहरुलाई हार्दिक स्वागत गर्दछु।

बैंकले यस वर्ष सिभिल बैंक लिमिटेडलाई प्राप्त पश्चात फाल्गुण १२, २०७९ देखि हिमालयन बैंक लिमिटेडको नामबाट एकिकृत कारोबारको शुभारम्भ गरेको कुरा जानकारी गराउन पाउँदा गौरवान्वित भएको छु। बैंकले आफ्नो बृहत्तर विकासको लागि संचालनको ३१ औं वर्षमा सिभिल बैंकलाई सफल रूपमा गाभि एउटा कोषेढुंगा पार गरेको छ।

साथै यस बैंकको सहायक कम्पनी हिमालयन क्यापिटल लिमिटेडले तत्कालिन सिभिल बैंक लिमिटेडको सहायक कम्पनी सिभिल क्यापिटल मार्केट लिमिटेडलाई पनि सफलता पूर्वक प्राप्त गरी हिमालयन क्यापिटल लिमिटेडको नामबाट मिति मंसिर १५, २०८० बाट एकिकृत कारोबार सुरु गरिसकेको छ। यस बैंकले तत्कालिन सिभिल बैंककै अर्को सहायक कम्पनी श्री सिभिल लघुवित्त वित्तीय संस्थालाई प्राप्त गरी हिमालयन लघुवित्त वित्तीय संस्थाको नामबाट कारोबार संचालन गरेर लघुवित्त क्षेत्रमा पनि आफ्नो पहुँच विस्तार गरेका जानकारी गराउन पाउँदा खुशी लागेको छ। बैंकले आफ्नो सेवा विस्तारलाई ध्यानमा राखी धितोपत्र सम्बन्धी कारोबार गर्न हिमालयन सेक्युरिटीज लिमिटेडको नाममा अर्को सहायक कम्पनी दर्ता गरी कारोबार सुरु गर्न नियामक निकायबाट स्वीकृती प्राप्त गर्ने प्रक्रियामा रहेको जानकारी गराउँदछु।

शेयरधनी महानुभावहरु हिमालयन बैंक विगत एकतीस वर्षदेखि मुलुकको वित्तीय क्षेत्रमा एक सुरक्षित, प्रविधिमैत्री तथा भरपर्दो बैंकको रूपमा स्थापित भइ यहाँहरुको अनवरत सेवामा रहेको अवगत नै छ। सोही क्रममा समिक्षा वर्षमा सिभिल बैंकलाई प्राप्त गरी हाल देशभर छरिएका १७६ शाखा, २६४ ए.टी.एम., २० विस्तारित काउन्टर तथा १७००० भन्दा बढी विप्रेषण भुक्तानी केन्द्र र ६५०० भन्दा बढी पस मर्चेन्टहरुबाट ग्राहकहरुलाई सेवा पुऱ्याई रहेको छ। ग्राहकमैत्री सेवा विस्तार गर्ने सन्दर्भमा रकम भिक्त तथा जम्मा गर्न मिल्ने Cash Recycler Machine काठमाडौंको नयाँ सडक शाखाबाट सुरु गरी हाल सम्म ७ वटा सञ्चालनमा ल्याइसकेको छ।

एकिकृत कारोबार पश्चात बैंकले विगतका वर्षहरुमा जस्तै आफ्नो प्रगतिलाई निरन्तरता प्रदान गर्न सफल भएको छ। यस प्रगति पथमा ग्राहकवर्गको बैंकप्रतिको गहिरो विश्वास, शेयरधनीहरुको प्रत्यक्ष-परोक्ष सहयोग र बैंक व्यवस्थापनको श्रृजनात्मक क्रियाशीलताको महत्वपूर्ण योगदान रहेको छ। स्वस्थ बैंकिङ्ग प्रणालीको विकास र जनतालाई स्तरीय तथा सुलभ सेवा पुऱ्याउने लक्ष्य बैंकले सुरुका 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।

यस सभामा २०८० साल असार मसान्तको वासलात, आर्थिक वर्ष २०७९/८० को नाफा-नोक्सान हिसाब, नाफा-नोक्सान बाँडफाँट तथा अन्य विवरणहरु अनुमोदनका लागि प्रस्तुत गर्दछु।

कारोवारको समीक्षा :

समीक्षा अवधिमा निक्षेप अधिल्लो वर्षको तुलनामा प्राप्त सहित ६२.४२ प्रतिशतले वृद्धि भई रु. २ खर्ब ७८ अर्ब ५२ करोड ६६ लाख पुगेको छ भने कर्जा सापट ५५.१७ प्रतिशतले वृद्धि भई रु. २ खर्ब ४२ अर्ब ७५ करोड ६३ लाख रहेको छ।

यसैगरी यो अवधिमा बैंकको कुल सम्पत्ति ५३.६८ प्रतिशत र खुद सम्पत्ति ५२.७९ प्रतिशतले वृद्धि भई क्रमशः रु. ३ खर्ब ३२ अर्ब ३९ करोड २९ लाख र रु. ३३ अर्ब ६३ करोड ३ लाख पुगेको छ ।

नियमनकारी निकाय नेपाल राष्ट्र बैंक तथा नेपाल चार्टर्ड एकाउन्टेन्ट संस्थाबाट जारी निर्देशनको अधिनमा रही कर्जामा सम्भावित नोक्सानीको लागि उल्लेख्य रकम व्यवस्था गर्नु परेकोले समीक्षा वर्षमा बैंकले रु.३ अर्ब ८ करोड २९ लाख मात्र संचालन मुनाफा आर्जन गरेको छ भने खुद मुनाफा रु. १ अर्ब ५६ करोड २८ लाखमा सिमित भएको छ ।

चालू आर्थिक वर्षको पहिलो त्रैमासिकसम्मको बैंकको वित्तीय स्थिति निम्नानुसार छ ।

(रु. लाखमा)

क्र.सं.	शीर्षक	२०८० असार मसान्त	२०८० असोज मसान्त	वृद्धि (न्यून) प्रतिशत
१.	कुल सम्पत्ति	३३,२३,९२९	३४,१७,१९०	२.८१%
२.	निक्षेप (बैंक/वित्तीय संस्थाको समेत)	२७,८५,२६६	२८,३४,३१०	१.७६%
३.	कर्जा, अधिविकर्ष र खरिद तथा डिस्काउण्ट गरिएका बिलहरु	२४,२७,५६३	२४,६०,२२०	१.३५%

समीक्षा वर्षमा बैंकले नेपाल राष्ट्र बैंकको निर्देशनको परिधिभित्र रही रु.१ अर्ब ७ करोड ४ लाख ४६ हजार कर्जा तथा व्याज अपलेखन गरेको छ भने विगत वर्षहरुमा अपलेखन भएका कर्जाबाट रु ७१ लाख ८४ हजार असुली गर्न सफल भएको छ । अपलेखन गरिएको कर्जाका साथै अन्य निष्क्रिय कर्जाको असुलीको लागि समेत बैंक व्यवस्थापनले तदारुकताका साथ निरन्तर कोसिस गरिरहेकोले चालू आर्थिक वर्षको नाफामा सहयोग पुग्ने विश्वास दिलाउन चाहन्छौं ।

बैंकको वित्तीय स्थिति:

(रु. लाखमा)

क्र.सं.	शीर्षक	२०७८/०७९ असार मसान्त	२०७९/०८० असार मसान्त	वृद्धि (न्यून) प्रतिशत
१.	कुल सम्पत्ति	२१,६२,८६३	३३,२३,९२९	५३.६८%
२.	खुद सम्पत्ति	२,२०,१०२	३,३६,३०४	५२.७९%
३.	निक्षेप	१७,१४,८७४	२७,८५,२६६	६२.४२%
४.	कर्जा, अधिविकर्ष र खरिद तथा डिस्काउण्ट गरिएका बिलहरु	१५,६४,४५९	२४,२७,५६३	५५.१७%
५.	खुद व्याज आम्दानी	४९,४३३	९९,२०८	१००.६९%
६.	अन्य आम्दानी	२४,९५९	१६,६५१	-३३.२९%
७.	संचालन तथा कर्मचारी खर्च*	२७,४२१	३६,२६९	३२.२७%
८.	संचालन मुनाफा	२५,५६३	३०,८२९	२०.६०%
९.	खुद मुनाफा	२३,६७५	१५,६२८	-३३.९९%

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

बैंकको आ.व. २०७८/७९ र समीक्षा वर्षको निक्षेप, कर्जा, आम्दानी र खर्चको संरचनात्मक तुलना गरिएको विवरण यस वार्षिक प्रतिवेदन पुस्तिकामा छुट्टै समावेश गरिएको छ ।

राष्ट्रिय तथा अन्तराष्ट्रिय आर्थिक क्रियाकलाप र त्यसबाट बैकलाई परेको प्रभाव:

कोरोना महामारीबाट आक्रान्त भएको विश्व युकेन र रुस बीचको युद्धबाट अभै प्रभावित भई विश्वव्यापी आर्थिक गतिविधिको उत्थान सुस्त र असमान रहेको छ । यस वर्षको सुरुमा अर्थतन्त्रमा गतिशिलता तथा लचिलोपनको अनुभव भएतापनि, मुद्रास्फीति दर गत वर्षको उच्चतम विन्दुबाट घटाउने प्रयास सार्थक नभई, दैनिक जीवनयापन गर्न लाग्ने लागतको बढ्दै गएको छ । आर्थिक गतिविधि, विशेष गरी उदयमान बजार र विकासशील अर्थतन्त्रहरूमा अभै पनि महामारी पूर्वको अवस्थामा पुग्न समय लाग्ने र त्यस क्षेत्रहरू बीचको भिन्नताहरू केही समय कायम नै रहनेछन् । आर्थिक गतिविधिहरूमा गतिशिलता प्रदान गर्न विभिन्न शक्तिहरूले बाधा पुऱ्याईरहेका छन् । कतिपय अवस्थामा महामारी, युकेनमा भएको युद्ध र बढ्दो भू-आर्थिक तथा राजनीतिक विखण्डनको दीर्घकालीन परिणाम प्रतिबिम्बित गर्दछन् । मुद्रास्फीति कम गर्न ल्याईएको आवश्यक मौद्रिक नीति, वित्तीय संस्थाहरूद्वारा ऋण लगानीमा गरिएको कडाईका प्रभावहरू तथा विभिन्न मौसमी घटनाहरूको प्रभाव चक्रीय प्रकृतिका रहेका छन् । युद्धको कारण ऊर्जा र खाद्य बजारमा भएको अवरोध, र दशकौंको उच्च मुद्रास्फीतिसँग लड्न विश्वव्यापी रूपमा मौद्रिक नीति मार्फत कडाई गरिएता पनि, विश्वव्यापी अर्थतन्त्र सुस्त गतिमा अगाडी बढेको छ, तर रोकिएको छैन । विशेष गरी उदयमान बजार र विकासशील अर्थव्यवस्थाहरूमा आर्थिक गतिविधि पुनःउत्थानको दिशामा अगाडि बढेता पनि महामारी पूर्वको अवस्था अभै टाढा र पहुँच बाहिर नै रहेको देखिन्छ ।

विश्वव्यापी घटनाको प्रभाव र त्यसको परिणाम स्वरूप अत्याधिक मात्रामा बढेको इन्धनको मूल्यका कारण विशेषगरी नेपाल जस्तो निम्न/मध्यआय भएको मुलुक तथा अ विकसित 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 वृद्धि भएको देखिन्छ । त्यसमा पनि बढेको इन्धनको मूल्यको असर अन्तरदेशिय व्यापारमा परी धेरै मुलुकहरूको व्यापार घाटा चुलिँदो छ । त्यसको प्रभावले मूल्य सूचकाङ्कमा वृद्धि भइ समग्र जीवन लागत बढेको छ ।

तथापी, विश्वव्यापी महामारीमा आएको कमिको कारण, विश्व श्रमबजारको रोजगारदाताहरूबाट श्रमिकहरूको मागमा भएको वृद्धि महामारी पूर्वको अवस्थामा फर्किएको छ । त्यसैले नेपालबाट वैदेशिक रोजगारीमा जान श्रम स्वीकृति लिने श्रमिकहरूको संख्यामा उल्लेख्य मात्रामा वृद्धि भएको छ । विश्ववैकले प्रकाशित गरेका प्रतिवेदनमा ओ इ सि डी अर्थतन्त्रको बलियो श्रम बजारको अवस्था, मध्यपूर्वका मुलुकहरूमा अर्धदक्ष श्रमिकहरूको मागमा भएको वृद्धि तथा खाद्यवस्तुहरूको मूल्य वृद्धि बाट लाभ लिँदै सन् २०२२ मा दक्षिण एसियामा विप्रेषण १२% ले वृद्धि भई अमेरिकी डलर १७६ अर्ब पुगेको छ । यसबाट वैदेशिक मुद्राको मुख्य श्रोतको रूपमा विप्रेषणमा निर्भर मुलुक नेपालमा विप्रेषणले कुल गार्हस्थ उत्पादनको २३% हिस्सा ओगटेको र कुल गार्हस्थ उत्पादनमा विप्रेषणको प्रमुख योगदान भएको मुलुकमा ९ औ स्थानमा रहेको छ ।

त्यस्तै नेपाल राष्ट्र बैंकद्वारा २०७९/०८० को वार्षिक तथ्याङ्कको आधारमा प्रकाशित 'देशको वर्तमान आर्थिक तथा वित्तीय स्थिति' प्रतिवेदनमा विप्रेषण २१.२% ले वृद्धि भई रु. १२२०.५६ अर्ब पुगेको छ । जुन अघिल्लो आ.व मा ४.८% ले मात्र वृद्धि भएको थियो । अमेरिकी डलरमा यो वृद्धि १२.१% भई ९.३३ अर्ब डलर कायम रहेको छ । अघिल्लो आ.व मा यस्तो वृद्धि २.२% को मात्र रहेको थियो ।

साथै मौद्रिक नीति मार्फत गरिएको कडाई, विभिन्न वस्तुको आयातमा गरिएको प्रतिबन्ध, लगानी योग्य तरलताको अभाव जस्ता कारणहरूले गर्दा समग्रमा कर्जा तथा निक्षेपको ब्याजमा उल्लेखनीय वृद्धि भएको छ । कर्जामा बढ्दो ब्याजका कारण लगानीको प्रतिफल सुनिश्चित हुनेमा शंका भई आर्थिक गतिविधिमा हास आएको छ । त्यसैको फलस्वरूप सरकारी आम्दानी खस्किएर सरकारी खर्च (चालु तथा पुँजिगत दुवै) मा समस्या भएको छ । राजनैतिक अस्थिरता तथा अन्य आन्तरिक तथा बाह्य कारणहरूले गर्दा अर्थतन्त्र शिथिल भई आर्थिक वृद्धि दर न्यून रहन पुगेको छ ।

नेपाल राष्ट्र बैंकले प्रकाशित गरेको आर्थिक वर्ष २०८०/८१ को मौद्रिक नीति तथा आ.व. ०७९/०८० को आर्थिक तथा वित्तीय स्थितिमा उल्लेख भएको आर्थिक तथा वित्तीय स्थितिअनुसार समीक्षा वर्षमा देशको आर्थिक वृद्धिदर केन्द्रीय तथ्याङ्क

विभागको अनुमानमा उत्पादकको मुल्यमा १.८६ प्रतिशत रहने तथा आधार मुल्यमा २.१६ प्रतिशत रहने छ। अघिल्लो वर्ष यसको वृद्धिदर ५.६१ प्रतिशत रहेको थियो।

विश्व बजारमा बढ्दो तेलको मुल्य, विश्व अर्थतन्त्रमा बढ्दै गएको मुद्रास्फीति र त्यसबाट उत्पन्न भएको मन्दीको त्रास, बढ्दो जीवनको लागत, भु-राजनैतिक तनाव, डलरको तुलनामा नेपाली मुद्रामा भएको अवमुल्यन, लगानी योग्य तरलताको अभाव, बढ्दो व्याजदर तथा बढ्दो व्यापार घाटाको कारणले देश तथा विश्व अर्थतन्त्रमा परेको प्रतिकूल प्रभावले समग्रमा आर्थिक वृद्धिदर न्यून रहने प्रक्षेपण गरिएको छ। देशको उत्पादन तथा आपूर्ति व्यवस्था विथोलिएको छ। तसर्थ वार्षिक औसत मुद्रास्फीति ७ प्रतिशत भित्र राख्ने लक्ष्य राखिएकोमा ७.७४ प्रतिशत कायम भएको छ, जुन अघिल्लो आ.व. मा ६.३२ प्रतिशतमा थियो।

आर्थिक वर्ष २०७९/०८० को कुल वस्तु निर्यात अघिल्लो वर्षको तुलनामा यस वर्ष २१.४ प्रतिशतले घटी रु. १ खर्ब ५७ अर्ब १४ करोडमा सिमित रहन पुगेको छ। अघिल्लो वर्ष वस्तु निर्यात ४१.७ प्रतिशतले बढेको थियो। यसैगरी वस्तु आयात अघिल्लो वर्षको तुलनामा समीक्षा वर्षमा १६.१ प्रतिशतले घटी रु. १६ खर्ब ११ अर्ब ७३ करोड पुगेको छ। वस्तु आयात अघिल्लो वर्ष २४.७ प्रतिशतले वृद्धि भएको थियो। समग्रमा व्यापार घाटा १५.५० प्रतिशतले घटि १४ खर्ब ५४ अर्ब ५९ करोड पुगेको छ।

अघिल्लो वर्ष रु. ६ खर्ब २३ अर्ब ३८ करोडले घाटामा रहेको चालू खाता र २ खर्ब ५५ अर्ब २६ करोडले घाटामा रहेको शोधनान्तर स्थिति समीक्षा वर्षमा चालू खाता घाटा रु. ७२ अर्ब १६ करोडमा र शोधनान्तर स्थिति रु. २ खर्ब ९० अर्ब ५२ करोडले बचतमा रहेको छ। चालू खाता घाटाले आन्तरिक मागको तुलनामा आन्तरिक उत्पादन घटी रहेको पुष्टि गर्दै वित्तीय स्रोतहरूको माग र पूर्ति बीचको अन्तर बढिरहेको देखिन्छ।

आ.व. २०७९/०८० असार मसान्त सम्ममा विदेशी मुद्रा सञ्चिति २६.६ प्रतिशतले बढेर रु. १५ खर्ब ३९ अर्ब ३६ करोड रहेको छ। अघिल्लो वर्ष उक्त सञ्चिति १२ खर्ब १५ अर्ब ८० करोड रहेको थियो। उक्त सञ्चितिले २०७९/०८० को सोही अवधि सम्मको आयातलाई आधार मान्दा १० महिनाको लागि वस्तु र सेवाको आयात धान्न पर्याप्त हुने अनुमान गरिएको छ।

त्यसै गरी समीक्षा वर्षमा आन्तरिक ऋण रु. ११ खर्ब २५ अर्ब १९ करोड र बाह्य ऋण रु. १० खर्ब ९३ अर्ब ३५ करोड गरी संघीय सरकारको सार्वजनिक ऋण दायित्व रु. २२ खर्ब १८ अर्ब ५४ करोड पुगेको छ। यस्तो ऋण देशको कुल गार्हस्थ उत्पादनको ४१.२ प्रतिशत हुन आउँछ। अघिल्लो वर्ष यस्तो ऋण रु. २० खर्ब १० अर्ब १३ करोड रहेको थियो जुन कुल गार्हस्थ उत्पादनको ४०.७ प्रतिशत थियो।

आर्थिक वर्ष २०७९/०८० मा बैंक तथा वित्तीय संस्थाहरूको निक्षेप परिचालन १२.३ प्रतिशत र निजी क्षेत्रमा प्रवाहित कर्जा तथा लगानी ३.८ प्रतिशतले वृद्धि भएको छ। अघिल्लो वर्ष निक्षेप परिचालन ९.० प्रतिशत तथा निजी क्षेत्रमा प्रवाहित कर्जा तथा लगानी १३.१ प्रतिशतले बढेको थियो।

वर्तमान आर्थिक तथा बैकिङ्ग क्रियाकलाप:

विभिन्न वाणिज्य बैंकहरू एक आपसमा गाभ्ने गाभिने कार्यले गर्दा वाणिज्य बैंकहरूको संख्या घटेर २० वटा भएको छ। तर बैंकको संख्या घटेता पनि वासलातमा निक्षेप, ऋण लगायतका विभिन्न सूचकहरूमा स्वस्थ मिश्रण कायम गर्ने कार्य निकै नै चुनौतीपूर्ण रहेको छ। निक्षेप तथा कर्जा दुबैको व्याजदर वृद्धि भई पुँजीको लागत बढेको छ। त्यसैले लगानीकर्ताहरू निर्धक्कसंग लगानी गर्न सकेका छैनन्। अघिल्लो वर्षहरूमा जस्तै मुलुकको अर्थव्यवस्था अभै पनि विप्रेषणमा निर्भर रहेको छ। कोभिड महामारी पछिको समयमा रोजगारीको लागि विदेशिनेहरूको संख्या निकै बढेको छ। यसको सकारात्मक पक्ष हेर्दा देश भित्र अघिल्लो आ.व.को तुलनामा विप्रेषण २१.२ प्रतिशतले बढेको देखिन्छ। तर विदेशिने क्रम बढ्दा देश भित्र विस्तारै काम गर्ने क्षमता भएका व्यक्तिहरूको कमी देखिन थालेको छ। जसको कारण विभिन्न

विकास निर्माणका कामहरूमा ढिलाई भईरहेको छ। त्यसै गरी विश्वमा व्याप्त आर्थिक तथा राजनैतिक अवस्था, मन्दीको त्रास, बढ्दो मुद्रास्फ्रिति, विभिन्न मुलुकहरू बिचको द्वन्द तथा अन्य विविध कारणबाट समग्र विश्व श्रम बजारमा श्रमको मागमा उतारचढाव रहेको छ। नेपाली मुद्राको अवमुल्यन, चुलिंदो व्यापार घाटा तथा अस्थिर शोधनान्तर स्थितिले नकारात्मक अवस्थाको श्रृजना गरी अर्थतन्त्रमा व्यापक असर परेको 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 निक्षेप तथा कर्जाको व्याजदर बढी निष्कृय कर्जा बढ्दै गएको छ।

तसर्थ बैकले विभिन्न सेवाहरूको स्तरोन्नति गरी निक्षेप योजनाहरूमा थप सुविधाहरू प्रदान गर्दै ग्राहकहरूलाई प्रोत्साहन गरिरहेको छ। त्यसैगरी प्रविधिमा भएको विकासले ग्राहकहरूलाई उच्चतम सेवा प्रदान गर्न उक्त परिवर्तनलाई आत्मसाथ गर्नुपर्ने आवश्यकता छ। तसर्थ ग्राहकहरूलाई बैकिङ्ग सेवामा सन्तुष्ट बनाउन र सेवा प्रवाह निरन्तर प्रदान गर्न बैकहरूले नयाँ नयाँ प्रविधिहरू ल्याउन मेहनत गरिरहेका छन्।

बैकले २०७९/०८० मा आफ्नो दिर्घकालिन लक्ष्य तथा योजनमा रहेर सिभिल बैकलाई सफलतापूर्वक प्राप्ति गरी मिति २०७९ फाल्गुन १२ बाट एकिकृत कारोबार शुरु गरे पश्चात बैकले आफ्नो दैनिक कार्यमा स्तरोन्नती गर्ने, अनावश्यक खर्चहरूमा कटौती गर्ने, आफ्नो सेवा तथा सुविधाहरूको पहुँच बढाउने तथा प्रतिस्पर्धामा सक्षम भई बैक एक सबल र सबैको रोजाईको बैक बन्ने विश्वास छ। साथै, प्राप्ति पश्चात प्राप्त भएको विशेषज्ञ मानव संसाधनले नवीनता तथा नयाँ प्रविधिलाई आत्मसाथ गरी ग्राहक तथा शेयरधनीहरूलाई विशेष फाइदा पुग्ने छ। प्राप्ति पश्चात बैकले देशभरि रहेका शाखाहरू मध्ये नजिकै रहेका केही शाखा कार्यालयहरूको स्थानान्तरण गर्ने तथा गाभ्ने प्रक्रिया शुरु गरेको छ। यसका साथै बैकले विशेष गरी आफ्नो सम्पत्तीलाई सुदृढ गरी आफ्ना शेयरधनीहरूलाई समय सापेक्ष प्रतिफल दिने कार्यमा प्रतिवद्ध रहेको छ।

आर्थिक वर्ष २०७९/२०८० को कार्यक्रमको कार्यान्वयन स्थिति:

- निष्कृय कर्जा (NPA) वृद्धि भई ४.९३ प्रतिशतमा रहेको।
- दिर्घकालिन स्थिरता कायम गर्न आफ्नो सम्पत्तीको सुदृढीकरण गर्ने कार्य प्रारम्भ गरेको।
- प्राप्ति पश्चात देशका विभिन्न १७६ शाखा, ७ वटा क्यास रिसाइक्लर मेशिन सहित २६४ एटिएम, २० विस्तारित काउन्टर, तथा १७००० भन्दा बढि विप्रेषण भुक्तानी काउन्टर र ६५०० भन्दा बढी पस मेशिनहरू संचालनमा रहेको।
- ग्राहकलाई सुरक्षित तरिकाले अति आवश्यक बैकिङ्ग सेवा उपलब्ध गराउने हेतुले बैकले आफ्नो मोबाइल तथा इन्टरनेट बैकिङ्ग सेवामा विभिन्न सुविधाहरू थपी अझ बढी परिमार्जित गरेको छ।
- विद्युतीय भुक्तानी तथा नगदरहित कारोबारलाई प्रोत्साहान गर्न बैकले डिजिटल भुक्तानी प्रविधि जस्तै इकमर्श/अनलाइन भुक्तानी तथा पस मेशिनबाट कारोबार गर्न विभिन्न छुट प्रदान गरी ग्राहकहरूलाई प्रोत्साहान गरेको छ।
- विप्रेषण व्यवसायलाई एसियाली, अमेरिकी र युरोपेली बजारमा स्तरीय सेवाका साथ फैलाउँदै लिएको छ।
- शाखाहरू स्थानान्तरण तथा गाभ्ने कार्यलाई प्राथमिकता साथ अगाडि बढाई स्थानान्तरण गर्नुपर्ने तथा गाभ्नु पर्ने शाखाहरू पहिचान गरी समिक्षा वर्षको अन्त्य सम्ममा १३ वटा शाखाहरू गाभिएर करोबार संचालन गरेको छ। त्यसका साथै स्थानान्तरण गर्नुपर्ने शाखाहरूको लागि आवश्यक स्थानको पहिचान साथै विभिन्न शाखा तथा नाफा केन्द्रहरूको सेवा स्तर अभिवृद्धि गर्ने कार्यका लागि विभिन्न योजना बनाई लागु गरिएको छ।
- ग्राहकहरूलाई विशिष्टिकृत सेवा प्रदान गर्ने हेतुले Priority Banking संचालनमा ल्याइएको तथा बचत खाता, ऋण सुविधालगायत अरु सेवा सुविधाहरूलाई ग्राहकको मागअनुसार थप आकर्षक बनाई प्रचलनमा ल्याइएको छ।

- अपलेखन गरिएका कर्जाहरूको असुली प्रक्रियालाई सक्रियतापूर्वक निरन्तरता दिइएको छ ।
- डेबिट क्रेडिट तथा प्रिपेड कार्डधारक ग्राहकवर्गलाई थप सुविधा प्रदान गर्न १,०८९ थान अतिरिक्त “पस टर्मिनल” थपी संचालनमा ल्याएको छ ।
- प्राप्त पश्चात तत्कालिन सिभिल बैंकका शाखालाई हिमालयन बैंक लिमिटेडको शाखाहरू अनुरूपको सजावट र ब्रान्डिङ्ग गरिएको र शाखा कार्यालयहरूलाई वातावरणीय मैत्री सुविधायुक्त बनाउँदै लैजाने कार्यको शुरुवात गरिएको छ ।
- बैकिङ्ग सफ्टवेयर टी २४ ब्राउजरलाई प्राविधिक र सुरक्षाको दृष्टिकोणबाट थप स्तरोन्नति गरिएको छ ।

आर्थिक वर्ष २०८०/०८१ को कार्यक्रम:

- शाखाहरू स्थानान्तरण तथा गाभ्ने कार्यलाई पूर्णता दिई शाखा विस्तार योजनाअनुरूप सम्भाव्यता अध्ययन गरी सम्भाव्य स्थानहरूमा थप नयाँ शाखा तथा विभिन्न स्थानमा विस्तारित/एक्स्टेन्सन काउण्टर स्थापना गर्ने ।
- निष्क्रिय कर्जा (NPA) को व्यवस्थापनमा जोड दिने ।
- अपलेखन गरिएका कर्जाहरूको असुली प्रक्रियालाई सक्रियतापूर्वक निरन्तरता दिने ।
- सुरक्षित तथा ग्राहकमैत्री प्रविधियुक्त बैकिङ्ग सेवा संचालनमा जोड दिने तथा बचत खाता, ऋण सुविधालगायत अरु सेवा सुविधाहरूलाई ग्राहकको मागअनुसार आकर्षक बनाइ प्रचलनमा ल्याउने तथा ग्राहकहरूको माग अनुसार नयाँ कर्जा र निक्षेप सेवाहरू प्रचलनमा ल्याउने ।
- विभिन्न स्थानमा थप ३४ वटा एटिएम (४ वटा Cash Recycler Machine सहित) मेशिन देशका विभिन्न स्थानमा जडान गर्ने ।
- डेबिट क्रेडिट तथा प्रिपेड कार्डधारक ग्राहकवर्गलाई थप सुविधा प्रदान गर्न १७०० थान थप “पस टर्मिनल” विस्तार गर्ने ।
- ग्राहकवर्गहरूलाई सुरक्षित तथा सुविधायुक्त डिजिटल बैकिङ्ग तथा नगद रहित कारोबारको प्रयोगलाई प्रोत्साहन गर्न बैंकको मोबाइल/इन्टरनेट बैकिङ्गलाई समय सापेक्षरूपमा परिमार्जन तथा आवश्यक सुविधाहरू थप गर्दै लगिने छ । त्यसका साथै डिजिटल भुक्तानी प्रविधि जस्तै इकमर्श/अनलाइन भुक्तानी तथा पस मेशिनबाट कारोबार गर्न ग्राहकहरूलाई प्रोत्साहान गरिने छ ।
- बैंकको व्यवसाय विस्तारका लागि बैंकको लगानीमा मर्चेन्ट बैकिङ्गको रूपमा स्थापना भएको हिमालयन क्यापिटल लि. तथा हिमालयन लघुवित्त वित्तीय संस्थाको सेवालाई विस्तार गर्ने तथा हिमालयन सेक्यूरिटीज लि.लाई यथाशिघ्र संचालनमा ल्याउने ।
- विभिन्न शाखाहरूको परिवेशलाई वातावरणीय मैत्री तथा शाखाहरूमा सेवा सुविधाहरूको जानकारी सहित सजावट र ब्रान्डिङ्ग गर्दै लैजाने ।
- बैकिङ्ग 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 क्रियाकलापहरू मार्फत विभिन्न सामाजिक कार्य तथा सम्बन्धित संस्थाहरूमा योगदान पुऱ्याउँदै आएको छ । बैंकले समीक्षा वर्षमा विशेषतः शिक्षा, स्वास्थ्य, अनाथालय, वृद्धाश्रम, खेलकुद, संस्कृति तथा साँस्कृतिक सम्पदा संरक्षण, प्राकृतिक प्रकोपबाट पीडितलाई विभिन्न सहयोग सामाग्री प्रदान लगायत अन्य विभिन्न सामाजिक कार्यहरूमा सहयोग गरेको छ ।

बैंकले आर्थिक वर्ष २०७९/०८० मा संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा विशेषत वित्तीय साक्षरता, वातावरण संरक्षण, सरसफाई, सचेतना, सरकारी तथा सामुदायिक अस्पताल, सरकारी तथा सामुदायिक विद्यालयका विद्यार्थीहरूसहित अन्य संघ संस्थाहरूलाई आवश्यकता अनुसार निरन्तर सहयोग गर्दै आइरहेको छ । बैंकले आ.व. २०७९/०८० मा सामाजिक कार्यहरूका लागि प्रत्यक्ष तथा विभिन्न सामाजिक कार्यमा संलग्न संघ संस्थाहरूको

माध्यमबाट कुल रकम रु. ३,३३,१७,७६०.४१ बराबरको सहायता प्रदान गरेको छ। संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च भएको रकमहरूको विस्तृत विवरणहरू यस प्रतिवेदनमा छुट्टै उल्लेख गरिएको छ।

यी बाहेक बैंकले यस्तै तथा अन्य आवश्यक क्षेत्रमा सामाजिक उत्तरदायित्व अन्तर्गत रही सहयोग/सहायताहरू प्रदान गरेको छ र आगामी दिनहरूमा पनि यस्ता संस्थागत सामाजिक कार्यहरूमा 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 (हविब 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 संचालक पदमा यथावत रहनुभएको छ।

व्यावसायिक विशेषज्ञको रूपमा स्वतन्त्र संचालकमा नियुक्त हुनु भएको श्री राधा कृष्ण पोतेले आफ्नो पदबाट मिति २०८० पौष ०५ गते सोही मिति बाट लागु हुने गरेर राजिनामा दिनु भएको छ। उहाँको राजिनामा संचालक समितिको बैठकले स्वीकृत गरेको छ। संचालक समितिको तर्फबाट निवर्तमान स्वतन्त्र संचालक श्री राधा कृष्ण पोतेले बैंकको प्रगति, उन्नति तथा हितमा गर्नुभएको कार्यका लागि उहाँप्रति हार्दिक आभार व्यक्त गर्दछौं।

हिमालयन बैंक लिमिटेडको संचालक समिति आगामी साधारण सभा सम्मका लागि कायम रहने व्यहोरा प्राप्ति प्रक्रिया अन्तर्गत भएको सम्झौतामा तथा नेपाल राष्ट्र बैंकले मिति २०७९ माघ १७ गतेको पत्रद्वारा प्रदान गरेको अन्तिम स्वीकृति पत्रमा उल्लेख भए अनुसार संचालक समितिमा प्रतिनिधित्व गर्ने सदस्यहरूको चयनका लागि चुनाव हुन गइरहेको छ।

प्राप्ति प्रक्रियालाई सफल बनाउन आफ्नो तर्फबाट महत्वपूर्ण योगदान पुऱ्याउनुहुने यस बैंकका संचालक समितिका सदस्यहरू, तत्कालिन सिभिल बैंक लिमिटेडका संचालक समितिका सदस्यहरू, प्राप्ति समितिका सदस्यहरू तथा कर्मचारीहरू प्रति धन्यवाद व्यक्त गर्दछु।

साथै नेपाल राष्ट्र बैंकका प्रथम गभर्नर, यस बैंकका संस्थापक अध्यक्ष तथा संचालक समितिको प्रमुख सल्लाहकार श्री हिमालय शमशेर ज.ब.राको मिति २०७९ माघ २२ गतेका दिन भएको असामयिक निधन प्रति हार्दिक समवेदना व्यक्त गर्दछु। उहाँको निधनले यस बैंकले मात्र नभई बैंकिङ्ग क्षेत्रले नै एक प्रेरणादायी व्यक्तित्व तथा अभिभावक गुमाएको छ। उहाँले नेपाल राष्ट्र बैंकको स्थापना तथा नेपालको बैंकिङ्ग क्षेत्रको विकासमा प्रदान गर्नु भएको महत्वपूर्ण योगदानको सधैं कदर हुनेछ। उहाँको निधनले देशले एक अविष्मरणीय छवि भएको व्यक्तित्व गुमाएकोले समग्र बैंकिङ्ग क्षेत्रमा अपूरणीय क्षति पुगेको छ।

संचालक समितिको बैठक तथा पदाधिकारीहरूको आचरण:

नेपाल राष्ट्र बैंकको नियमको परिधि तथा बैंकको विद्यमान नियमावली भित्र बसि संचालक समितिको बैठक नियमित रूपमा बस्ने गरेको जानकारी गराउँदछु। समीक्षा वर्षमा संचालक समितिको जम्मा १९ वटा बैठक वसेको छ। संचालक समितिका सम्पूर्ण पदाधिकारीहरूले नेपाल राष्ट्र बैंकद्वारा जारी गरिएको एकीकृत निर्देशिका २०७९ को निर्देशन नं ६ को बुँदा नं १ मा उल्लेख भएका आचरणहरू पूर्ण रूपमा पालना गर्दै आउनु भएको छ।

लेखापरीक्षण, वासलात र अन्य विवरण :

२०८० असार मसान्तको वासलात, २०७९/०८० 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 हुनु पर्ने कुराहरूलाई पनि समावेश गरिएको छ। बैंकका सहायक कम्पनीका 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 २०७९/०८० मा बैंकको खुद मुनाफा रु. १ अर्ब ५६ करोड २८ लाख १७ हजार रहेको छ भने Other Comprehensive Income गणना गर्दा बैंकको खुद आमदानी रु. १ अर्ब ५७ करोड ६९ लाख १४ हजार रहेको छ। यसमध्ये अनिवार्य जगेडाकोषमा यस वर्षको खुद मुनाफाको २० प्रतिशतले हुन आउने रु. ३१ करोड २५ लाख ६३ हजार छुट्याइएको छ। कर्मचारी तालिम फण्डमा रु. १ करोड ७ लाख २१ हजार छुट्याइएको छ। यसका अतिरिक्त खुद नाफाको १ प्रतिशत रु. १ करोड ५६ लाख २८ हजार सामाजिक उत्तरदायित्व कोषमा सारिएको छ भने अधिल्लो आर्थिक वर्षको सो कोषबाट समिक्षा अवधिमा भएको कुल खर्च रु.३ करोड ३३ लाख १७ हजार सामाजिक उत्तरदायित्व कोषबाट संचित मुनाफामा सारिएको छ। नियमनकारी कोषमा रु. २ अर्ब २९ करोड ३९ लाख १७ हजार नियमानुसार सारिएको छ।

ऋणपत्र भुक्तानी कोषमा रु १४ करोड ७९ लाख ४५ हजार नियमानुसार सारिएको छ भने पुँजी समायोजन कोषमा रु ११ करोड ८१ लाख ४४ हजार नियमानुसार सारिएको छ। तत्कालिन सिभिल बैंक लिमिटेडको खुद संचित नोक्सानी रु. २ अर्ब ५ करोड १९ लाख ५२ हजार संचित मुनाफामा सारिएको छ।

बैंकले स्थापनाकालदेखि नै नियमितरूपमा आफ्ना शेयरधनीहरूलाई बोनस शेयर तथा लाभांशको आकर्षक मुनाफा दिने गरेकोमा यस वर्ष सो लाई निरन्तरता दिन नसकेकोमा हामीलाई दुःख लागेको छ। तथापि कर्जा नोक्सानी व्यवस्था लगायत अन्य शिर्षकमा रकमान्तर भएको रकम फिर्ता गरी यहाँहरूलाई आगामी दिनमा पहिले जस्तै आकर्षक लाभांश दिने कुरामा विश्वस्त पार्न चाहान्छौं।

धन्यवाद ज्ञापन :

बैंकले पाएको सहयोगका लागि शेयरधनी महानुभावहरू, 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। यस अवसरमा तत्कालिन सिभिल बैंक लिमिटेडका संचालक समितिका सदस्यहरू, प्राप्त समितिका सदस्यहरू, बैंकको साभेदार हबिब बैंक लिमिटेड पाकिस्तानको व्यवस्थापन, बैंकका प्रमुख कार्यकारी अधिकृत, वरिष्ठ अधिकारीहरू लगायत सम्पूर्ण कर्मचारी र सहयोगीहरूलाई बैंकको प्रगतिमा पुऱ्याएको क्रियाशील योगदानका लागि धन्यवाद दिन्छौं। साथै हाम्रो क्रियाकलापलाई सकारात्मकरूपमा लिई जनमानस समक्ष पुऱ्याइदिने संचारजगतका मित्रहरू र सम्पूर्ण शुभेच्छुकहरूप्रति पनि हामी हार्दिक आभार व्यक्त गर्दछौं।

धन्यवाद।

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(प्रचण्ड बहादुर श्रेष्ठ)

अध्यक्ष

मिति: २०८० पौष ०५ गते

कम्पनी ऐन २०६३ को दफा १०२ उपदफा ४ अनुसारको अतिरिक्त विवरण

१. जफत गरिएका शेयरहरूको विवरण :
बैंकले गत वर्ष कुनै पनि शेयर जफत गरेको छैन ।
२. सहायक कम्पनीहरूसँगको कारोबार :
हिमालयन क्यापिटल लिमिटेड र हिमालयन सेक्युरिटीज लिमिटेड बैंकसँग परिसर सह-लीजमा लिएर सञ्चालन भइरहेका सहायक कम्पनी हुन् । त्यस्तै बैंकको हिमालयन लघुवित्त वित्तीय संस्था लिमिटेडमा ५१ प्रतिशत र सिभिल क्यापिटल मार्केट लिमिटेडमा ६९.७४ प्रतिशत शेयर स्वामित्व छ ।
आर्थिक वर्ष २०७९/८० को अन्त्यमा बैंकमा सहायक कम्पनीहरूले राखेको निक्षेप: रु. १,९५९,९१०,७६० र बैंकले सहायक कम्पनीहरूलाई प्रदान गरेको ऋण रकम: रु. ७५४,४२६,५०२ रहेको छ ।
३. आधारभूत शेयरधनीहरूबाट बैंकलाई उपलब्ध गराइएको जानकारी :
यस्तो कुनै जानकारी प्राप्त भएको छैन ।
४. समीक्षा वर्ष (२०७९/८०) 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:
बैंकयावे 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 :

कर्मचारी खर्च -	रु. १,८३७,८५६,०५३*
अन्य संचालन खर्च -	१,०७६,९९०,८११
ऋास कट्टी र परिशोधन खर्च -	४८४,४५९,८९६
कुल व्यवस्थापन खर्च -	३,३९९,३०६,७६०

*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 जितेन्द्र धिताल	संयोजक
श्री आशिष शर्मा	सदस्य
श्री रमेश कुमार धिताल (Team Leader - SAR Associates)	सदस्य-सचिव

आर्थिक वर्ष २०७९/८० मा ११ पटक समितिको बैठक बस्यो, जसमा:

- आन्तरिक लेखापरीक्षणको प्रतिवेदनको समीक्षा गरी सुधारका लागि व्यवस्थापनलाई आवश्यक निर्देशन दिइयो ।
- निरीक्षण प्रतिवेदनहरूको समीक्षा गरी व्यवस्थापनलाई आवश्यक सुझाव दिइयो ।
- 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 ।
- 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 २०७९/८० मा ५ पटक समितिको बैठक बस्यो, जसमा:

- त्रैमासिक रूपमा सञ्चालक समितिमा AML CFT KYC प्रतिवेदनको समीक्षा पेश गर्नुका साथै व्यवस्थापनलाई आवश्यक निर्देशन दिइयो ।

- ख) AML CFT KYC नीति तथा निर्देशिकालाई समीक्षा गरी स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- ग) AML CFT/ABC जोखिम मुल्याङ्कन प्रतिवेदनको समीक्षा गरी स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- घ) AML CFT संग सम्बन्धित कार्यक्रम एवम् बजेटको समीक्षा गरी स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- ङ) AML Software संग सम्बन्धित लेखापरीक्षणको प्रतिवेदन एवम् AML Software तथा Swift Sanction Screening(Transaction Screening Service) को प्रभावकारिताको विषयमा छलफल एवम् समीक्षा गरियो ।
- च) नेपाल राष्ट्र बैंकद्वारा गरिएको NRB AML CFT को लक्षित निरीक्षण २०२१ प्रतिवेदनमा उठाइएका विषयहरूको अद्यावधिक स्थितिबारे छलफल गरियो ।
- छ) नेपाल राष्ट्र बैंकले जारी गरेका विभिन्न निर्देशन/परिपत्रहरूको कार्यान्वयन स्थितिको समीक्षा गरी सोको कडाईका साथ पालना गर्न व्यवस्थापनलाई निर्देशन दिइयो ।

ग. **जोखिम व्यवस्थापन समिति:**

समितिका सदस्यहरू

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 २०७९/८० मा ४ पटक समितिको बैठक बस्यो, जसमा:

- क) ICAAP Document को समीक्षा गरी आगामी दिनमा ICAAP को प्रभावकारिता बृद्धि गर्नको लागि अतिरिक्त क्षेत्र जस्तै Comprehensive Stress testing Techniques, Dynamic Risk Appetite Statement आदि बारे अध्ययन गर्न निर्देशन दिइयो ।
- ख) संचालन जोखिम व्यवस्थापनको लागी Gap Identification and Closure Procedure (RSCA) को समीक्षा अवधिभर समीक्षा गरियो भने यस कार्यलाई एक Live Document बनाई यस कार्यलाई एक निरन्तर प्रकृयाको रूपमा जारी राख्न सुझाव दिइयो ।
- ग) संचालन जोखिम व्यवस्थापनको लागी समितिले Key Risk Indicators Matrix को कार्यान्वयनको समीक्षा गरी Tolerance, Threshold तथा Appetite मा आधारित जोखिम व्यवस्थापनको लागी KRI Document अनुरूप सीमा निर्धारण गर्न सुझाव दिइयो ।
- घ) कर्जा जोखिम व्यवस्थापनको लागी समितिले वातावरण र सामाजिक जोखिमको संग सम्बन्धित ESRM rating को समीक्षा गरियो ।
- ङ) समितिले कर्जासँग सम्बन्धित आन्तरिक रेटिङ प्रणाली, NPL व्यवस्थापन, प्राथमिकता क्षेत्रमा लगानी, ठूला ऋण/क्षेत्र/उद्योग/उत्पादन आदिमा केन्द्रित जोखिमको समीक्षा गरी जोखिम न्यूनीकरणको लागि सिफारिस गरियो ।

- च) Stress Testing का विभिन्न दृष्टिकोणले समीक्षा गरेर प्रतिकूल परिस्थितिहरूका बारे संचालक समितिलाई रिपोर्ट गरियो ।
- छ) बजार र तरलता जोखिम व्यवस्थापनका लागि समितिले समय समयमा वित्तीय परिसूचकको समीक्षा, अनुगमन र विश्लेषण गरेको छ भने संचालक समिति एवम् नियमकले तोकेका सिमा भित्र जोखिमलाई राख्न सिफारिस गरेको छ । साथै समितिले ALCO माइनुटका निर्णयहरूको समीक्षा गर्दै वासलातकलाई ध्यानमा राखी सम्पूर्ण अथतन्त्रको जोखिमलाई विचार गर्न सुझाव दिइयो ।
- ज) समितिले व्यवसायिक परिवर्तनका कारण आउन सक्ने जोखिमहरूको समीक्षा गरी Proactive जोखिम व्यवस्थापनको लागि रणनीति बनाउन सुझाव दिइयो ।

घ. **कर्मचारी सेवा सुविधा समिति:**

समितिका सदस्यहरू

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 २०७९/८० मा ९ पटक समितिको बैठक बस्यो, जसमा:

- क) कर्मचारीको तलब संरचना एवम् सुविधाहरू (CBA 2079 अनुसार) अन्य संस्था एवम् बैकिङ्ग क्षेत्रको परिपेक्षमा समीक्षा गरियो र आवश्यक सिफारिसहरू गरियो ।
- ख) संयुक्त प्राप्त समितिको निर्णय तथा सिफारिस अनुरूप २०७९ फागुन ११ गते भएको एकिकृत कारोवार पछि कर्मचारीहरूको पदस्थापन तथा व्यवस्थापनको समीक्षा गरियो ।
- ग) साविकको सिभिल बैंकको कर्मचारीहरूको पदस्थापनको निमित्त कर्मचारीको निर्धारित तह संशोधन गरियो एवम् वरिष्ठ कार्यकारी तहको पूर्वावलोकन गरियो ।
- घ) नेपाल राष्ट्र बैंकको निर्देशनमा भएको प्रावधान अनुसार कर्मचारीको लागि अचारसंहिता सिफारिस गरियो ।
- ङ) कर्मचारीको तलब र सुविधा संरचना र शाखा सञ्जालको प्रभावकारिता अभिवृद्धि गर्न नजिकका शाखालाई स्थानान्तरण/मर्जर गर्न आवश्यक मानव संसाधन योजनालाई अन्तिम रूप दिइयो ।
१०. संचालक, व्यवस्थापकीय निर्देशक, आधारभूत शेयरधनी 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 पदाधिकारीहरूलाई दिइएको पारिश्रमिक, भत्ता तथा सुविधाहरू:

(रुपैयाँ)

क्र.सं.	शीर्षक	संचालक	प्रमुख कार्यकारी अधिकृत	व्यवस्थापक
१.	बैठक भत्ता	२,०२८,०००	—	—
२.	तलब	—	१८,६००,०००	२११,४४९,५७७
३.	भत्ता	—	१,५५०,०००	२०६,८४९,५७०
४.	संचयकोष योगदान	—	—	१८,५८१,६८१
५.	टेलिफोन/मोबाइल/उपयोगिता भत्ता	२०३,१७८	१,३०५,९६१	३५,९९३,३२५
६.	विविध	१,६००,४१९	१२,२९८	५१,५७३,३५९
	जम्मा	३,८३१,५९७	२१,४६८,२५९	५२४,४४७,५१२
७.	गाडी	छैन	**छ	छ
८.	आवास सुविधा	छैन	छैन	***छैन
९.	विमा	छ	छ	छ
	जम्मा संख्या	७	१	१८९

टिप्पणी:

- *प्रमुख कार्यकारी अधिकृत, उप प्रमुख कार्यकारी अधिकृत, सहायक प्रमुख कार्यकारी अधिकृतलाई इन्धन र मर्मतसंभार सहित सवारी साधनको व्यवस्था गरिएको छ। प्रमुख कार्यकारी अधिकृत तथा उप प्रमुख कार्यकारी अधिकृत लाई चालक समेत व्यवस्था गरिएको छ। अन्य व्यवस्थापकहरूलाई नियमानुसार सवारी सुविधा (OYVS Scheme) र इन्धनको व्यवस्था गरिएको छ।
- **शाखा प्रमुखको हकमा सुविधायुक्त आवासको व्यवस्था बैंकले नै गरेको छ।
- क) संचालकहरूका लागि रु. २ लाखको औषधोपचार विमा र रु. ३० लाखको दुर्घटना विमा गरिएको छ।
ख) बैंकका सबै प्रबन्धकहरूलाई बैंकको कर्मचारी विनियमावली अनुसार दुर्घटना विमा, औषधोपचार विमा र जीवन विमाको व्यवस्था गरिएको छ। प्रमुख कार्यकारी अधिकृतको करार बमोजिम दुर्घटना विमा र औषधोपचार विमा गरिएको छ।
- प्रमुख कार्यकारी अधिकृतको फोनको भुक्तानी बैंकले गर्ने व्यवस्था गरिएको छ। उप प्रमुख कार्यकारी अधिकृतको हकमा नियमानुसार प्रति महिना बढीमा रु. ३,०००/- सम्मको सोधभर्ना बैंकबाट हुने व्यवस्था गरिएको छ।
- प्रमुख कार्यकारी अधिकृत तथा उप प्रमुख कार्यकारी अधिकृतको हकमा खानेपानी तथा विजुलीको महशुल बैंकबाट स्वीकृत सीमामा रही सोधभर्ना दिने व्यवस्था गरिएको छ।
- प्रमुख कार्यकारी अधिकृत र व्यवस्थापकहरूलाई बोनस ऐन २०३० अनुसार कर्मचारी बोनस प्रदान गरिन्छ। प्रदान गरिएको छ।
१२. वितरण गर्न बाँकी लाभांश
२०८० असार मसान्तमा रु. ३४ लाख २० हजार ८ सय ०५।
१३. प्रचलित ऐन कानून अनुसार वार्षिक प्रतिवेदनमा उल्लेख गरिनुपर्ने अन्य विवरण:
छैन।
१४. विविध सम्बन्धित विषयहरू:
छैन।

द. प्रचण्ड बहादुर श्रेष्ठ

अध्यक्ष

धितोपत्र दर्ता तथा जिष्काशन 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: ७६,५०३,९९८.४९ किता शेयर तत्कालिन सिभिल बैंक लि. को शेयर धनीलाई जारी गरिएको र उक्त शेयर मिति २०७९/११/२५ मा सुचिकृत भएको । 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 ।
 - (ख) गतवर्षको प्रत्येक त्रैमासिक अवधिमा संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या 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 २०७९)	३६५.१०	२९८	३२६.८०	५१०,२९७	६५
दोश्रो त्रैमासिक - (पौष मसान्त २०७९)	३६९.३०	३१०	३१५	५५६,५४४	५१
तेश्रो त्रैमासिक - (चैत्र मसान्त २०७९)	३३९	२१२	२३१	१,४६३,४८३	५६
चौथो त्रैमासिक - (आषाढ मसान्त २०८०)	२४३.१०	२०६	२१२.८०	२,५२३,१९२	६३

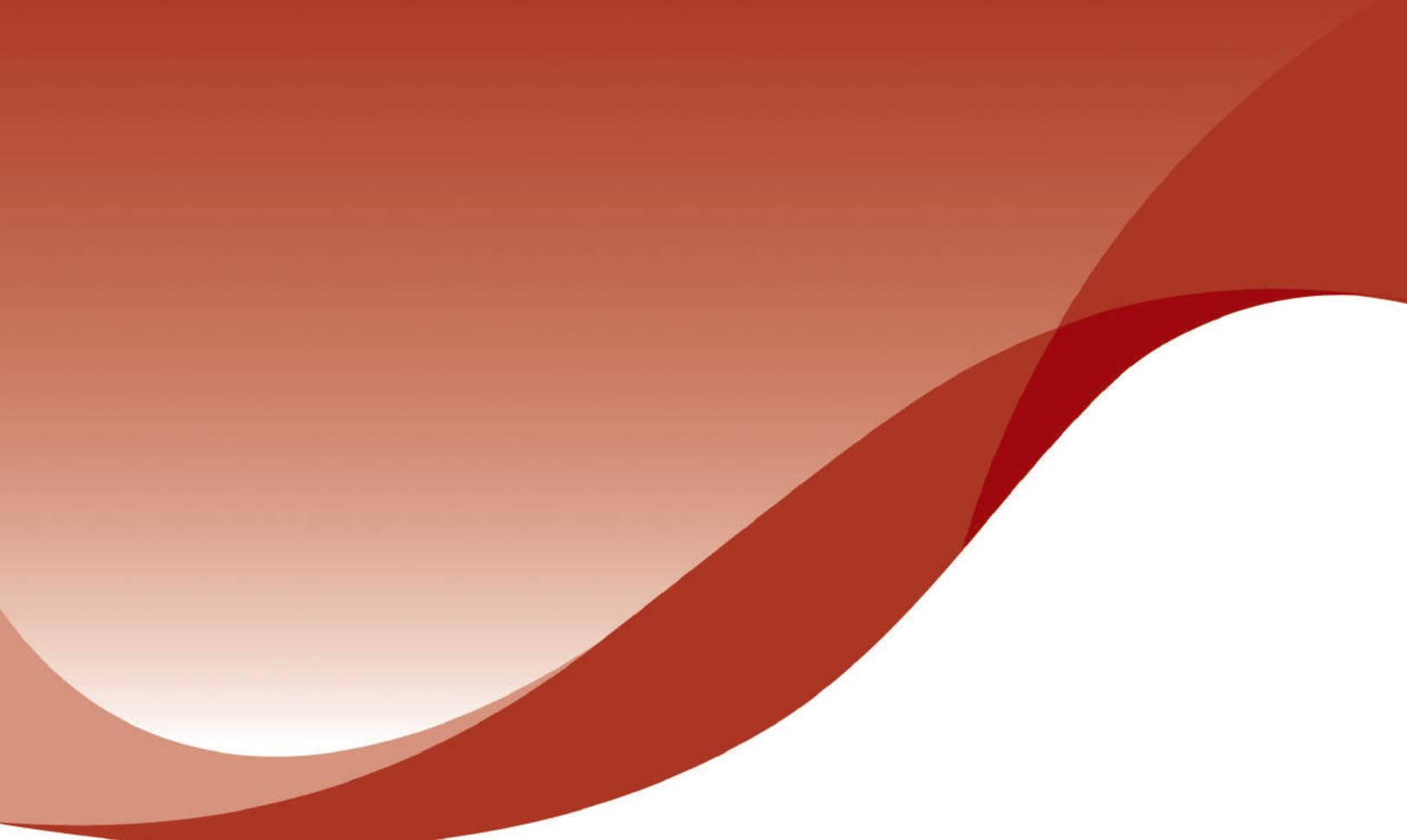
६. समस्या तथा चुनौती

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 वृद्धि ।
 - (घ) आवश्यक आधारभूत संरचनाहरू जस्तै: सडकमार्ग, संचार तथा उर्जा आदिको अभाव ।
 - (ङ) नीतिगत अनिश्चितता र फलस्वरूप लगानीमा देखिएको असर ।
 - (च) कर्जाको गुणस्तर नियन्त्रण तथा व्यवस्थापनमा आउन सक्ने चुनौती ।
 - (छ) व्याजदर, औषत व्याजदर अन्तर, कर्जा निक्षेप अनुपात, पूँजीकोष लगायत कुरामा नियमनकारी निकायबाट भएको परिवर्तनले व्यापार वृद्धि तथा नाफामा पर्न सक्ने असर ।
 - (ज) व्याज आयको ठूलो भाग नियमकारी कोषमा जम्मा हुन गई बाँड्नयोग्य नाफामा हुन सक्ने कमी ।
 - (झ) हालको आर्थिक मन्दीको अवस्थामा NPL को व्यवस्थापन ।
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 प्रकृत्यामा 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 कानुनी प्रावधानहरूको अनुपालनाको सुपरिवेक्षणको लागि समेत आवश्यक व्यवस्था गरिएको छ ।



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 176 branches and 264 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



Prachanda Bahadur Shrestha



Faisal N. Lalani



Sunil Bahadur Thapa



Jitendra Dhital



Ashish Sharma



Bijay Bhadur Shrestha



Radha Krishna Pote



Mr. Prachanda Bahadur Shrestha
Chairman

Message from the Chairman

Dear Stakeholders,

I stand before you today with a gratitude as we approach the culmination of another fiscal year. The journey we've undertaken together has been marked by resilience, innovation, and a steadfast commitment to our core values even during the time of uncertainties. With utmost pleasure, to say, the Bank is on the resilient journey to create a valued identity in the Nepalese Banking Industry offering the best-in-class banking services and tailored products to the customers. Continuing the journey, the Bank has completed its thirty first year and entered into thirty second year of its operations surpassing all the hurdles.

Another milestone the bank has created is acquiring another Bank. The Bank during the year has successfully acquired Civil Bank Limited and started joint operation from Falgun 12, 2079 (i.e., February 24, 2023). With this acquisition, the Bank has grown better with larger capital, deposit, and loan base besides having extended network throughout the Nation. With this acquisition, the Bank has become even more firmer to its mission, vision and objective. The Bank has always strived "To be the most preferred Financial Service Provider in the Country".

Economic Scenario (Global and Nepal)

The overall world economy since last few years have been very tough and highly challenging. The economic and financial sector landscape, both locally and globally, has faced lots of turmoil. Thus, economic recovery remained fairly weak, sluggish and uneven due to the impact of COVID-19 pandemic, geo-political situation and unrest in Europe and Middle East countries. The global growth has labeled below ordinary. Likewise, the rising cost of living, energy prices, interest rates has shrunken the purchasing power of the people worldwide. Thus, aggregate consumption demand has fallen sharply leading to shutting down of many industries. Therefore, during the year, the world economy is projected to grow by only 3.5% in 2022 and 3.00% in 2023 by IMF.

Following the path of global economy, Nepalese economy has also faced severe challenges in growth and stability. Rising consumer price index, rising cost of investment, uneven investment opportunity has been the reason of gloomy economic outlook. The aggregate consumption demand in Nepal has been grappling with issues like incessant increase in inflation for more than two years. Moreover, limitation in investible funds, increasing interest rates and unsteady policies adopted by Government have resulted in ceasing the economic activities as many businesses shut down. Thus, National Statistics Office has projected that the Nepalese economy will only grow by 2.16% at base price during the year 2022/2023. Besides, the economy is also tested with many co-operatives failed to provide the facilities/support as promised. These factors have created stress in asset quality management and have been observed tremendous rise in Non-Performing Assets of the Banks and Financial Institutions as well. These adversities have negatively impacted profitability and dividend distribution capacity across the financial sector.

Bank's Performance

The financial landscape is dynamic, and yet, our unwavering dedication has positioned us as a stable partner in these turbulent times. Thus, in the face of unprecedented challenges, our bank has not only endured the storm but become more adaptable.

Our financial performance, as highlighted in the annual report, have witnessed unexpected result. Like the economy of the country, the Bank has also faced the similar economic situation. Due to the decreased debt-serving capacity of the clients, the NPL of the Bank has increased. It is reflected in our profitability as the Bank in this index has perceived startling figure. But still the overall Balance Sheet reflects our ability to traverse uncertainties and has positioned us as a stable partner in these turbulent times. Thus, the Bank apparently has positive future in terms of maintaining competitive Balance Sheet.

Our primary focus during these turbulent times has been to maintain asset quality. Thus, non-performing asset has remained below the prescribed limit of regulator. Besides, we dedicated our efforts to maintaining a healthy loan portfolio and risk management practices. Additionally, our capital adequacy ratio stands at 12.31%, well above regulatory requirements, ensuring the stability and resilience of our institution.

The successful acquisition has added synergy to the Bank and has been able to weather in growing competition in the Nepalese Banking Industry with its paid-up capital of NPR. 21.65 billion, total capital fund of NPR 36.17 billion, total

deposit of NPR 278.53 billion and total credit portfolio of NPR 242.76 billion. The numbers are growing so as the strength. The Bank has been able to present itself as one of the Bank with strong Capital Base. Apart from the financials, today, the Bank has been able to extend its service to its customers from wider network range of 176 Branch Offices, 264 ATM Booths including 7 Cash Recycler Machine, 20 Extension Counters and more than 17,000 remittance payment partners as one of the most secure, techno-friendly and reliable Bank.

Business Diversification

While continuing its core banking business, the wholly owned subsidiary company of HBL "Himalayan Capital Ltd" has acquired subsidiary of erstwhile CBL "Civil Capital Market Ltd" and commenced joint operation. Further, the Bank has diversified its business by venturing into the microfinance sector by acquiring Civil Laghubitta Bittiya Sanstha Ltd and continued operation in the name of Himalayan Laghubitta Bittiya Sanstha Limited, a subsidiary of HBL. Likewise, the Bank has acquired LOI and subsequently is in process of obtaining approval to establish and operate another subsidiary named as "Himalayan Securities Limited. As its name speak, Himalayan Securities will provide all kind of stock/share brokerage related services.

Digital Innovation

In the realm of technology, we have continued to invest in digital infrastructure, resulting in technological advancements or initiatives. This commitment to innovation enhances our ability to provide seamless, secure and convenient banking services to our valued customers.

Furthermore, our commitment to cybersecurity and data privacy remains unwavering. We have implemented state-of-the-art security measures to ensure the utmost protection for our customers and their sensitive information in this increasingly interconnected world.

As we look to the future, our digital initiatives will continue to be a focal point of our growth strategy. We are dedicated to exploring automation and streamlined processes which will not only reduce costs but also enhance the speed and accuracy of our services.

Corporate Governance

The Bank since its commencement always upheld careful standards to ensure accountability, ethical practices and appropriate risk management in conducting business. So far, our journey has marked as a testament to our commitment to transparency and sound corporate governance. The Board and entire team of the Bank are committed to safeguarding your interests, fostering a culture of integrity in our operations, innovation, responsible business conduct and sustaining a resilient financial institution.

Our Value and Commitments

Looking at the past and the present scenario, HBL has always strived and will continue to offer better banking experience to the valued clients with easy and secured access to banking services amidst all kind of scenario. Today, as a Bank, the safety and convenience of all the customers and staffs remain the top priority of the Bank. The Bank has always looked after the opportunities to grow and upgrade its services based on today's requirement. HBL strongly adheres to the regulatory compliance by incorporating policies, practices and proper corporate governance in order to manage growth and development of the Bank and meet stakeholders' aspirations.

Despite of all adversities, I extend my deepest gratitude to our shareholders for their trust, our dedicated employees for their hard work, our customers for their loyalty and all the regulators for their support and guidance in this remarkable journey. Himalayan Bank team remains steadfast in our mission to deliver value, drive sustainable growth, and uphold the highest standards of corporate governance.

Looking ahead, we remain committed to innovation, sustainability and practice responsible banking. We know the future holds both challenges and opportunities, and we are optimistic about the future and are confident in our ability to steer challenges while seizing opportunities for a brighter tomorrow.

Thank you for your trust and confidence in Himalayan Bank Limited.

Prachanda Bahadur Shrestha
Chairman to the Board
Himalayan Bank Limited.

Senior Management Team



Ashoke SJB Rana
Chief Executive Officer



Ujjal Rajbhandary
Deputy Chief Executive Officer



Anup Maskay
Deputy Chief Executive Officer



Bipin Hada
Asst. Chief Executive Officer



Sunil Gorkhali
Asst. Chief Executive Officer



Satish Raj Joshi
Asst. Chief Executive Officer



Bijay Man Nakarmi
Asst. Chief Executive Officer



Mrigendra Pradhan
Asst. Chief Executive Officer



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



Sundar Bastola
Chief Manager



Rajeshwor N Singh
Chief Manager



Mr. Ashoke SJB Rana
Chief Executive Officer

Message from CEO:

Last few years have been the most challenging years of the 21st century throughout the world. The world has witnessed an unprecedented convergence with COVID-19 pandemic on a global scale. Equally, the war between Ukraine and Russia escalated geo-political tension which has contributed the economic uncertainties. Further to this, sanctions imposed on Russia has led to trade disruptions and financial market fluctuations. Energy markets have been particularly affected as Russia plays a major role in global energy supply.

The longstanding conflicts in the Middle-East countries also have socio-economic implications throughout the region.

The scenario has disturbed the economic situation of Nepal as the country isn't immune to these challenges. The consequences of global events have not only impacted the financial system throughout the world but extended it beyond the European and Middle-East periphery influencing commodity prices and financial markets. Thus, the financial sectors and its operations has confronted greater impact which led to rise in interest rate, diminished debt serving capacity, increased NPA and decreased profitability.

Thus, these nations, including Nepal, affected by the geopolitical event are grappling with the need for economic recovery measures while navigating these complexities. The interconnectedness of the global economy underscores the importance of coordinated international efforts to address the geopolitical challenges for sustainable recovery.

Despite these headwinds, Himalayan Bank has remained focused on acclimatizing to the evolving landscape, optimizing our resources, and identifying opportunities for sustainable growth.

Financial Strength:

The Bank during the year has acquired Civil Bank Limited. With this acquisition, the Bank has held a strong financial position in the market and has gained competitive advantage. The Balance sheet size has witnessed substantial growth due to that the Bank has demonstrated unwavering financial resilience, even in the face of economic challenges. Our prudent financial management practices, rigorous risk assessment, and strategic decision-making have collectively contributed to a robust financial position. Our balance sheet reflects not only stability but growth across key financial metrics. Our deposit portfolio has remained on to Rs 278.53 bil and credit portfolio has remained on to Rs 242.76 Bil. Likewise, the assets have grown to Rs. 332.39 bil and capital adequacy ratio has resided well above the prescribed level by the Regulator. Moreover, the interest spread has also remained within the specified level.

Our strong base and unwavering trust of our depositors, diversified portfolio, the prudent allocation of resources, and the dedication of our exceptional team have been instrumental in fortifying our financial foundation.

Earnings and Profitability:

Past year has been one of the most challenging years to the Bank in terms of portfolio management and consolidation of asset quality. With the acquisition of Civil Bank's loan portfolio coupled with the downturn in the economy it has been a challenge to maintain our asset quality. Our earnings level has had a noteworthy increase due to our acquisition.

Dividends and Shareholder Value:

Amidst the challenging economic landscape, the Bank has decided to retain its earnings to shore up its capital this year in light of an increase in non-performing loans of our acquired loan portfolio.

Increased Non-Performing Assets (NPAs) and Its Management:

The major challenge we faced this year was an increase in Non-Performing Assets (NPAs). We recognize the importance of addressing this issue proactively and have implemented comprehensive measures to manage and mitigate the impact. Our dedicated NPA management strategies aim to restore financial health, protect shareholder value, and ensure the continued stability of the Bank. The Bank, in future course of action, shall make all efforts to maintain optimum asset quality.

Human Resources: Inclusive Work Culture:

At Himalayan Bank, we recognize that our people are our most valuable asset. Welcoming the staff from erstwhile Civil

Bank into Himalayan Bank has contributed to our staff strength and fostered an inclusive work culture.

This past year has seen a dedicated effort to invest in our Human Resources, ensuring that we have a skilled, motivated, and engaged team. We've implemented comprehensive training programs, fostered a culture of innovation, and prioritized employee well-being, all of which have contributed to our collective success.

We believed, having a diverse work force in an organization plays an eminent role in the prosperity of the Bank. Our commitment to diversity and inclusion remains unwavering. It not only reflects the communities we serve but also brings a richness of perspectives that enhances our ability to innovate and adapt in an ever-changing financial landscape. This year, we have taken significant strides to enhance our workplace environment, ensuring equal opportunities, and embracing diverse perspectives after the acquisition has taken fruitful shape.

Sound Corporate Governance and Prudent Risk Management Practices:

Sound corporate governance is the bedrock of the Bank's operations. We have maintained a persistent commitment to transparency, integrity, and ethical conduct in all aspects of our business. Our governance framework ensures accountability and responsible decision-making, aligning with the highest industry standards. We are dedicated to upholding the trust our stakeholders place in us by adhering to principles that safeguard the long-term interests of the Bank.

Risk management has been a cornerstone of our plan, and our success in maintaining a strong risk profile has contributed to the resilience of Himalayan Bank in the face of economic uncertainties. A dedicated Risk Management Team has been continuously working to close the gaps identified in day-to-day operation. The team has been successful to weather all potential risk facets of the banking operations.

Digital Initiatives:

In today's rapidly evolving landscape, embracing digital transformation is not just a choice but a necessity. Himalayan Bank has been at the forefront of this revolution, and our digital initiatives have played a pivotal role in our success.

Our investment in cutting-edge technologies has enhanced the overall customer experience, making banking more convenient, secure, and efficient.

The adoption of digital technologies has not only streamlined our internal processes but has also positioned us as a strong contender in the industry. We will continue to leverage technology to drive operational excellence, improve customer engagement, and stay ahead of emerging trends.

Customer Satisfaction:

Customer satisfaction remains a top priority, and our focus on providing personalized, technology-driven solutions has resulted in increased customer loyalty and positive feedback. We have been continuously working and investing on digital platforms for digital adoption, demonstrating our agility in meeting the evolving needs of our tech-savvy customers.

Looking Forward:

As we navigate through economic uncertainties and address challenges head-on, Himalayan Bank remains committed to fostering an inclusive culture, diversify portfolio, maintain optimum asset quality, consolidate the portfolio, customer satisfaction, adapting to the challenging and changing digital landscapes, upholding strong corporate governance, and effectively managing NPAs. We are confident that these efforts will contribute to our strength and help to take a long stride for sustained growth in the future.

I extend my gratitude to our team for their commitment for taking the Bank to a new height of success during challenging times and to our shareholders and stakeholders for their continued trust. I am also grateful to our regulators for their support and guidance to sail across these challenges and build a future where the Bank continues to thrive as a beacon of financial stability and responsibility.

Sincerely,

Ashoke SJB Rana
Chief Executive Officer
Himalayan Bank Limited.

Report of the Board of Directors To the Thirty-First Annual General Meeting

Dear Shareholders.

On behalf of the Board of Directors, we cordially welcome all stakeholders of the Bank to the 31st Annual General Meeting of Himalayan Bank Limited.

With utmost pride, we are glad to inform that the Bank successfully completed the acquisition process of Civil Bank Limited and commenced joint operation on February 24, 2023, as Himalayan Bank Limited. Bank achieved the milestone in its 31st year of operation. The decision of acquisition was taken for overall betterment and growth of the Bank.

Along with this, as required under the regulation, a wholly owned subsidiary company of HBL, “Himalayan Capital Limited” has successfully acquired a subsidiary company of erstwhile CBL “Civil Capital Market Limited” and started joint operation on December 01, 2023 in the name of “Himalayan Capital Limited” Additionally, we are delighted to share that the Bank has ventured into Microfinance sector by acquiring Civil Laghubitta Bittiya Sanstha Ltd., subsidiary of erstwhile CBL, and continued operation in the name of Himalayan Laghubitta Bittiya Sanstha Limited. Likewise, the Bank has obtained LOI and is now in process of obtaining approval from regulatory bodies to start stock/share brokerage service in the name of “Himalayan Securities Limited”.

Himalayan Bank Ltd., for the last 31 years of service, has remained as one of the secure, resilient, techno-friendly and reliable Bank in the Banking Industry. After the acquisition of CBL, the Bank has been serving its clientele from wider network range of 176 Branch Offices, 20 Extension Counters, 264 ATM Booths including 7 Cash Recycler Machine, more than 17000 remittance payment partners and more than 6500 POS merchants. This acquisition has added synergy and helped the Bank stand tall in the Nepalese Banking Industry.

After commencement of joint operation, the Bank has continued to grow like in the preceding years. The Bank stands in the progressive trajectory due to unwavering trust, direct and indirect support of the stakeholders and creative initiatives. The Bank has abided by the aim of developing healthy banking system as well as extending accessible and quality service to all the clients since its initial year of operation. Further, to withstand growing competition, the Bank has been excessively investing in development of innovative, secure and user-friendly digital platforms (Internet/Mobile Banking) so that the customers can enjoy quick and uninterrupted services.

We would like to present the Balance Sheet as on July 16, 2023, the Profit and Loss Account for the fiscal year 2022/23, the Profit and Loss Appropriation Account and other financial statements for approval.

Review of the Bank's Operations

During the review period, including the figure received after acquisition, the Bank's total deposit increased to Rs. 278.53 billion, an increase of 62.42 percent compared to the previous year. Similarly, the loans and advances increased to Rs. 242.76 billion during the review period, an increase of 55.17 percent compared to the previous year.

The net assets of the Bank increased to 33.63 billion, an increase of 52.79 percent, during the review period, while the total assets increased to 332.39 billion, an increase of 53.68 percent.

Following the guidelines of regulatory body, Nepal Rastra Bank and Institute of Chartered Accountants of Nepal, the Bank posted an operating profit after provision for loan loss to the tune of NPR 3.083 billion during the fiscal year, with net profit at NPR 1.563 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, 2023	As on Oct 17, 2023	Increase (Decrease) %
1.	Total Assets	332,392.90	341,719.04	2.81%
2.	Deposits	278,526.60	283,430.97	1.76%
3.	Loans, Overdrafts and Bills Purchased and Discounted	242,756.30	246,021.87	1.35%

During the review period, in line with the directives of Nepal Rastra Bank, the Bank written off loans to the tune of Rs. 1,070.45 million whereas the Bank was able to recover Rs. 7.18 million from the already-written-off loans.

The Bank Management has been firmly working on recovery of 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 2021/022 and 2022/023 are presented below:

(In Rs. Millions)

S.N.	Particulars	FY: 2021/022 As on July 16, 2022	FY: 2022/23 As on July 16, 2023	Increase (Decrease) %
1.	Total Assets	216,286.30	332,392.90	53.68%
2.	Net Assets	22,010.20	33,630.40	52.79%
3.	Deposits	171,487.40	278,526.60	62.42%
4.	Loans, Overdrafts and Bills Purchased and Discounted	156,445.90	242,756.30	55.17%
6.	Net Interest Income	4,943.30	9,920.80	100.69%
7.	Other Income	2,495.90	1,665.10	-33.29%
8.	Operating and Staff Expenses*	2,742.10	3,626.90	32.27%
9.	Operating Profit	2,556.30	3,082.90	20.60%
10.	Net Profit	2,367.50	1,562.80	-33.99%

*Operating and Staff Expenses includes Staff Bonus Expenses

The comparative status of deposit, credit, income and expenditure of the Bank during the fiscal year 2022/023 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.

The global recovery from the COVID-19 pandemic and the conflict between Russia and Ukraine, remains slow and uneven. Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation compared to the last year's peaks, it is too soon to take comfort as the hike in cost-of-living crisis has been growing. Economic activity still falls short of its pre-pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the conflict between Russia and Ukraine, and increasing geo-economic fragmentation. Others are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather incidents. Despite the disruption in energy and food markets caused by the conflicts, and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the global economy has slowed, but not stalled. However, the recovery is limping along, not sprinting. But a full recovery toward pre-pandemic trends appears increasingly out of reach, especially in emerging market and developing economies.

Due to the global event and its consequences on substantial rise in energy price has not only affected the Low/Middle-Income Countries like Nepal but also the Developed Countries. These events have supported for considerable rise in inflation thereby the purchasing power of the people has diminished noticeably. Further, the world economy is slowly moving to recession due to the effect of high inflation. Besides, rise in energy price has hampered the cross-border trade where the trade deficit of many countries has mounted significantly. This fueled to raise in overall price index leading the rise in cost-of-living.

However, post pandemic, the global demand of work force has increased to the pre-pandemic level. Thus, it is observed that there is a significant rise in the number of Nepalese migrant workers obtaining work permit for foreign employment. Consequently, Remittance flows to South Asia grew by over 12% in 2022 to \$176 billion, benefiting from strong labor market conditions in OECD destination economies, high demand for less skilled migrants in GCC countries, and anti-food price inflation measures that supported migrant incomes in GCC countries. Among the countries with remittance inflows that form a significant part of GDP, Nepal ranks 9th globally with remittances equal to 23% of GDP in 2022. (Source: <https://www.worldbank.org/en/news/press-release/2023/06/13/remittances-remain-resilient-likely-to-slow>).

Remittance inflows increased 21.2 percent to Rs.1220.56 billion during 2022/23 compared to an increase of 4.8 percent in the previous year. In the US Dollar terms, remittance inflows increased 12.1 percent to 9.33 billion in the review year compared to an increase of 2.2 percent in the previous year. (Source: -NRB: Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2022.23)

Similarly, tightening monetary policy, restriction on import, shortage of loanable fund has geared up the rate of interest in both deposit and credit. This disrupted the investment confidence as the return on investment is not assured. Consequently, the government revenue has also contracted which troubled both current and capital expenditure of the government. This has had negative impact in overall economic activities. Alongside, ups and downs in mainstream politics of the country and other internal and external events, during the review period, has curbed the growth rate.

Taking into account the country's economic and financial status, the "Monetary Policy of FY: 2080/081" and "Current Macroeconomic and Financial Situation Based on Annual data" published by Nepal Rastra Bank for FY: 2079/080

stated that National Statistics Office estimated that the GDP growth rate at producer's price shall remain at 1.86% and at base price shall remain at 2.16% during the review period, whilst the GDP growth rate in the previous year was 5.61%.

The growth rate has been projected low due to the surging fuel price, fear of recession led by the rising cost of living, geo-political tensions, decline in currency value, 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. During the review period, the average inflation has stood at 7.74% against the targeted figure of below 7.00%. In the previous year, the average consumer price inflation was computed at 6.32%. (Source: -NRB: Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2022.23)

Total merchandise exports, during the FY: 2022/023, have decreased by 21.4% to Rs. 157.14 billion against an increase of 41.7% in previous year. Similarly, the total merchandise imports also decreased by 16.1% to Rs. 1611.73 billion in the review period against an increase of 24.7% a year ago. The overall trade deficit till the period has decreased by 15.50% to Rs. 1454.59 billion.

Even though the volume of imports in comparison to exports is significantly high the current account deficit in the FY: 2022/23, remained at Rs. 72.16 billion compared to deficit of Rs. 623.38 billion in the same period of the previous year. Whereas, in FY: 2022/23, the BOP remained at a surplus of Rs. 290.52 billion against the deficit of Rs. 255.26 billion during the same period of the previous year. The current account deficit reflects a situation of domestic demand that is in excess of domestic production and the widening gap between demand and supply of financial resources.

As such, foreign currency reserves during the FY: 2022/23 has increased by 26.60% and reached to Rs. 1539.36 billion. Such reserve during a year ago was Rs. 1215.80 billion. Based on the imports of 2022/23, the foreign exchange reserve of banking sector is sufficient to cover the prospective merchandise and services imports of 10 months.

The outstanding government debt amounted to Rs. 2218.54 billion during the FY: 2022/023, which is 41.2 percent of GDP of the country. Such amount and ratio were 2010.13 and 40.7 percent a year ago respectively. Out of the total outstanding public debt, the amount of foreign and domestic debt stood at Rs. 1093.35 billion and Rs. 1125.19 billion respectively.

During the year under review, deposits at banks and financial institutions (BFIs) increased by 12.3% compared to a growth of 9.0% percent in the previous year. Similarly, private sector credit from BFIs increased 3.8% in the review year compared to a growth of 13.1% in the previous year.

Current Financial and Banking Environment

After the merger between different Bank and Financial Institutions, the number of A Class Commercial Banks have reduced to 20. However, the challenge to maintain healthy portfolio mix in the financial statement of all Banks have intensified even more. Both the rates on deposit and loan products have increased significantly consequently the cost of fund have also increased tremendously. Thus, the investor has low confidence on investment opportunities. Like in the previous years, the economy of the country is still largely dependent on remittance. Post pandemic the outflow of migrant workers to different countries have also increased. On the positive side of this, the inflow of remittance has increased by 21.2% in the current FY as compared to the last FY whereas the shortage of workforce in domestic market is gradually intensifying. This delayed various ongoing developmental project. Similarly, due to economic and political condition, fear of recession, increasing inflation, conflict between countries and other various reasons, demand of work forces across the globe is fluctuating. Devaluation of Nepalese currency, trade deficit and

unstable BOP have had adverse effect, thus, the country's economy has been highly affected.

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. Due to this, financial institutions are having unhealthy competition which is reflected in increased rate in both deposit and lending. Consequently, there is considerable rise in the non-performing loan.

Therefore, almost all the Banks have refined and upgraded their products and services. Besides, Banks need to adapt themselves with the technological advancement so as to be an efficient service provider. Therefore, Bank and Financial Institutions are focusing more on digital products and digital channels to enhance their service and satisfy the need of the customers.

As a part of long-term vision and plan, during the fiscal year, HBL successfully acquired Civil Bank Limited and started joint operation on Feb 24, 2023. With this acquisition, it is expected that the Bank would be one of the preferred service providers by improving operational efficiency, cost effective through economies of scale, expanding product and services offerings for customers and by improving competitiveness in the financial market. Additionally, the combined resources and expertise can enhance innovation and technology adoption, benefiting both customers and shareholders. After the joint operation, the Bank has been working on either relocation or merger of branches that are in proximity throughout the country. Besides, the Bank has primarily concentrated its resources on consolidation and improve the asset quality so as to give a value return to its stakeholders.

Implementation Status of the Strategy and Program of the Bank for the FY 2022/2023

1. Non-Performing Loan increased to 4.93 percent as of fiscal year end.
2. Initiated consolidation and improve asset quality for long term sustainability.
3. After acquisition, HBL has been providing banking services from 176 branches, 20 Extension Counters, 264 ATM Booths including 7 Cash Recycler Machine, more than 17,000 remittance payment partners and more than 6500.00 POS merchants.
4. Continuously upgrading and refining service through digital product such as Mobile and Internet Banking module with added features and security as per the need of the customers.
5. Encouraged use of digital/electronic payment system for cash less transaction through e-commerce and POS terminals giving various discount facilities to the customers.
6. Necessary arrangement is made to extend remittance business to various Asian, European and US market.
7. Priority has been given for identifying branches to be merged or relocated that are in proximity. By the end of review period 13 branches have been merged and started operation from a single location. Likewise, finding and selection of location for relocation of the branches have been completed accordingly process of relocation is initiated. Similarly, Different plans and policies are adopted to improve the service standard of branches and profit center.
8. To serve the clientele with Premium Services "Priority Banking" has been initiated. Similarly, 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. 1,089 additional POS terminals have been added in the market for the convenience of the debit, credit and pre-paid card holders.
11. Branding of all new branches (erstwhile CBL Branches) has been successfully completed as per the brand

guideline of HBL. Continuous effort being made to renovate and expand various branches to make the ambiance of branches more pleasing and environment- friendly.

12. T24 banking software browser has been upgraded and made it more secure.

Strategies and Programs for FY 2023/2024

1. To complete relocation and merger of branches that are in proximity and conduct feasibility study for establishing new branches and extension counters as per requirement.
2. To manage the NPA to the lowest level.
3. Give continuity to recovery of written-off loans in an active manner.
4. Focus on secure and user-friendly digitalized banking services and facilities. On the other hand, Deposit and Loan Products along with other banking facilities/services shall be made more attractive and new ones shall be introduced as per the demand of the general public/market.
5. Set up 34 additional ATMs (including 4 Cash Recycler Machines) at different part of the country.
6. Install additional 1700 POS machines so as to facilitate debit/credit/pre-paid card holders.
7. Keep working on upgrading of existing mobile/internet banking module so as to provide user friendly, secured mobile/internet banking facilities to the customers. Encourage customer to use digital payment channel such as ecommerce/online and POS.
8. Expand the operation of Himalayan Capital Ltd, Himalayan Laghubitta Bittiya Sansthan and focus on commencement of the operation of Himalayan Securities Limited so as to broaden the bank's business through subsidiaries.
9. Continuity shall be given for branding of the branches wherever required to make it more informative and attractive to the customers at a glance. Renovate and expand various branches to make it more presentable.
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 on 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: 2022/023, the Bank, under its Corporate Social Responsibility Initiative, has continuously supported various Government Hospitals, Community Schools, conducted financial literacy programs, protect environment, cleanliness, awareness, etc. as per the need and requirement. The Bank during the FY: 2022/2023 continued supporting in different social causes directly and or through several social organizations involved in different social causes with a total of Rs. 33,317,760.41 Detail elaboration of CSR initiative expenses have been separately given in the Annual Report.

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. Jiteendra 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 have continued as the Director in the Board of Directors of the Bank.

Mr. Radha Krishna Pote, Independent Professional Director, has resigned from his post with effect from December 21, 2023. The resignation of Mr. Pote has been accepted by the BOD. On behalf of the BOD, I would like to express sincere thanks to the former Independent Director, Mr. Radha Krishna Pote for his sterling contribution towards progress and prosperity of the Bank.

Further, I would like to extend my heartfelt condolences on the sad demise of Mr. Himalaya Shumsher Rana, Founder Chairman and Chief Advisor of the Bank. On 2079 Magh 22, the country did not only lose the First Governor of Nepal Rastra Bank, but the entire banking industry had lost one of the inspirational figures and a guardian. His valuable contribution in establishing Nepal Rastra Bank and development of Banking Industry in Nepal will always be remembered. The country has lost one of the unforgettable personnel that cannot be replaced.

As per the final approval of NRB dated 2079/10/17 and the MOU signed during the acquisition process, it was agreed to give continuity to the existing BOD till the next AGM of the Bank is held. Hence, an election shall be held in the AGM to elect new BOD members of HBL.

On this occasion, I am grateful and would like to thank the BOD of both HBL and erstwhile CBL, members of acquisition committee, staff involved in making this acquisition process successful.

Meeting of Board of Directors and Conduct of BOD Members

The meetings of HBL Board of Directors are being conducted regularly as per the guideline, regulation of Nepal Rastra Bank and prevailing Article of Association of the Bank. During the review period, total 19 Board Meetings were conducted. All the BOD members are wholeheartedly adhering to the code of conduct prescribed in the Directive no. 6, clause no. 1 of Unified Directives 2079 issued by Nepal Rastra Bank.

Audit, Balance Sheet and Other Financials

The Balance Sheet as on July 16, 2023, the Profit and Loss Account, the Profit and Loss Appropriation Account, Cash Flow, related annexure and Auditors' Report for the fiscal year 2022/023, are enclosed with this report. Further, information required to be disclosed as per the provisions of Company Act 2063, Chapter 7, Clause 109, Sub-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 subsidiaries and other Associate Companies in which the Bank has invested according to the "Financial Reporting Standards".

Profit and Loss Appropriation

The net profit after tax and bonus of the Bank amounted to Rs. 1,562.82 million for the fiscal year 2022/023. Including other comprehensive income, the net profit amounted to Rs. 1,576.91 million in fiscal year 2022/023. 20% of the net profit i.e. Rs. 312.56 million, has been appropriated to the Statutory General Reserve Fund. In addition, the Bank has allocated Rs. 10.72 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. 15.63 Million in its Corporate Social Responsibility (CSR) fund. Further, the amount of Rs. 33.32 Million spent from the CSR fund of previous fiscal year has been transferred to retained earnings. Rs. 2,293.92 Million has been transferred to Regulatory Reserve. Similarly, Rs. 147.95 Million from its profit has been allocated to the Bond Repayment Reserve. In addition to this, Rs. 118.14 Million has been transferred to Capital Adjustment Fund. Likewise, accumulated loss of Rs. 2051.95 Million from erstwhile CBL has been transferred to retained earning of the Bank.

The Bank, since its commencement, has been continuously distributing attractive dividend in the past years. However, this year we feel sad about not being able to continue the legacy of attractive dividend. However, we would like to assure that out of the fund transferred to various heading including the fund allocated for provision of loss shall be recouped in coming days and we shall be able to distribute attractive dividend to the shareholder like in the previous years.

Vote of Thanks

On behalf of the Board of Directors, I would like to extend sincere gratitude to the shareholders, esteemed customers, related agencies of the Government of Nepal such as Finance Ministry, Nepal Rastra Bank, Security Board of Nepal (SEBON), Nepal Stock Exchange, 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 support in discharging banking services. Additionally, I am thankful to the BOD, Management of our joint venture partner Habib Bank Limited, Pakistan, the Bank's Chief Executive Officer, Senior Executives including entire staff for their contributions in the progress and prosperity of the Bank. Finally, I would like to extend my gratitude to all our well-wishers and to the media for appropriate coverage.

Thank You.

Prachanda Bahadur Shrestha

Chairman

Date: December 21, 2023

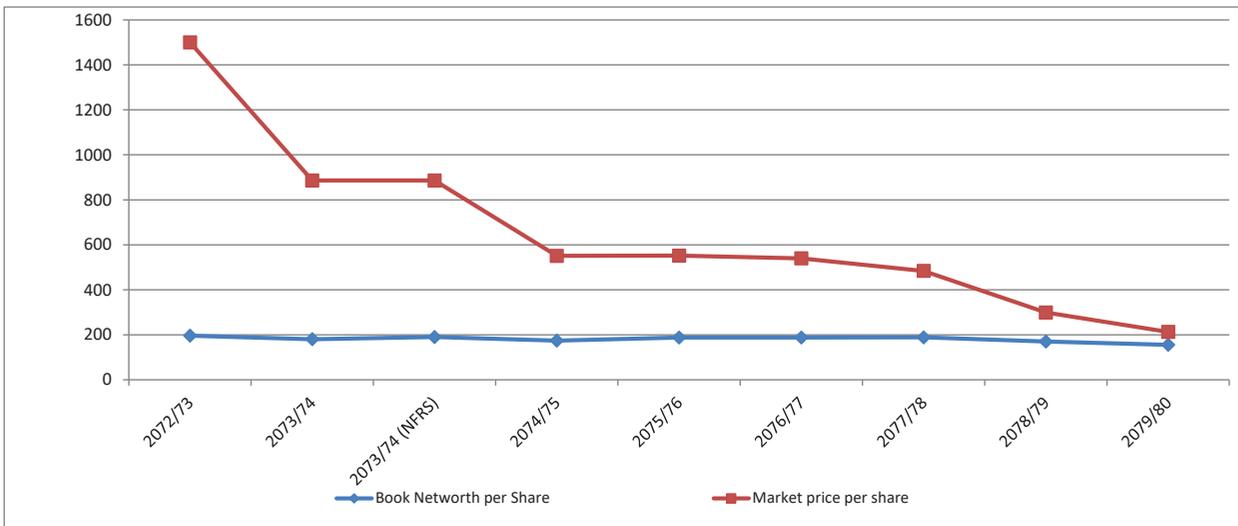
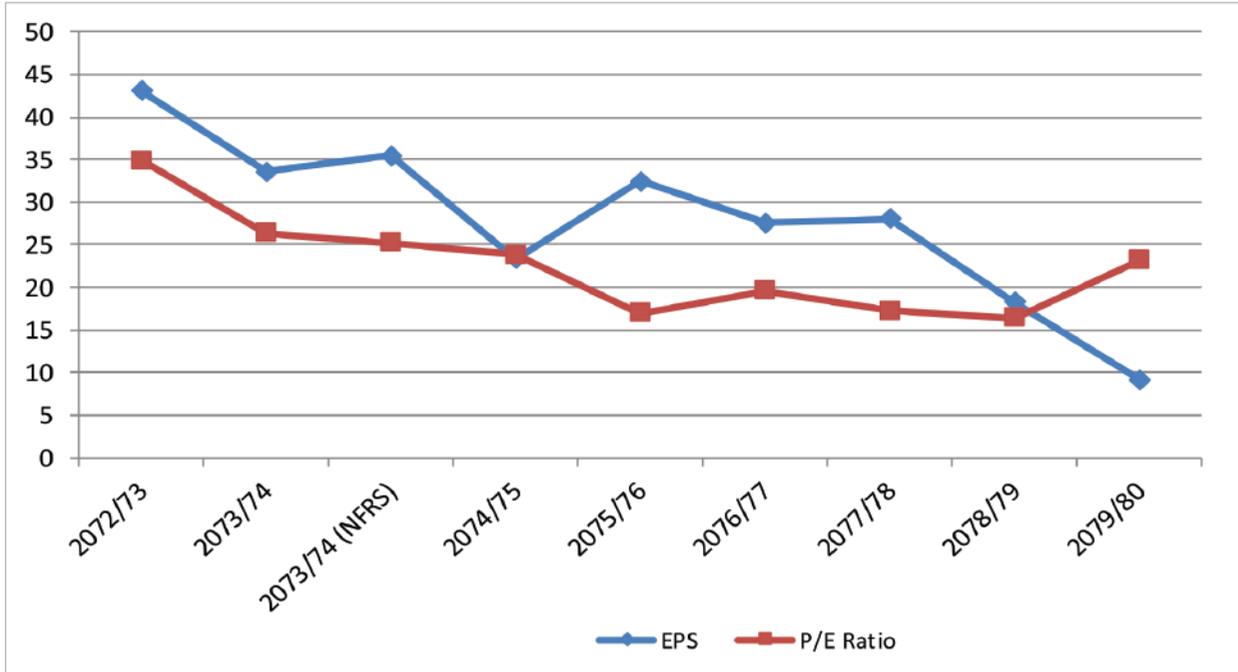
PRINCIPAL INDICATORS

Particulars	Unit	FY 2018/2019 2075/2076	FY 2019/2020 2076/2077	FY 2020/2021 2077/78	FY 2021/2022 2078/79	FY 2022/2023 2079/80
Profit before Bonus and Tax/Total Income	Percent	32.64	28.06	33.68	19.69	7.26
Per Share Income	Rs.	32.44	27.60	28.07	18.26	9.18
Per Share Market Value	Rs.	552	540	484	299.2	212.80
Price Earning Ratio	Ratio	17.02	19.57	17.25	16.39	23.18
Dividend on Share Capital (Including Bonus)	Percent	22.00	20.00	26.00	19.11	-
Cash Dividend on Share Capital	Percent	12.00	6.00	4.62	11.11	-
Interest Income/Loans and Advances	Percent	11.67	10.79	7.71	10.35	13.16
Staff Expenses/Total Operating Expenses	Percent	53.79	53.02	54.92	50.63	51.97
Interest Expenses on Total Deposit	Percent	6.13	5.77	4.42	6.59	7.92
FX Fluctuation Gain/Total Income	Percent	5.50	5.33	4.61	2.98	1.23
Net Profit after Tax/Total Assets (ROA)	Ratio	2.21	1.79	1.68	1.09	0.47
Net Profit after Tax/Total Equity (ROE)	Percent	18.34	15.40	14.89	10.76	4.65
Total Loan/Deposit	Percent	87.37	82.31	89.87	92.14	88.64
Total Operating Expenses/Total Income	Percent	16.68	16.81	17.96	12.89	11.46
Capital Adequacy Ratio:						
A. Core Capital	Percent	11.63	11.76	11.21	10.49	9.03
B. Supplementary Capital	Percent	0.97	3.13	2.68	1.26	3.27
C. Total Capital Fund	Percent	12.6	14.89	13.89	11.75	12.31
Liquidity	Percent	26.25	31.39	26.51	23.48	27.38
Non-performing Loan/Total Loan	Percent	1.12	1.01	0.48	1.59	4.93
Weighted Average Interest Rate Spread	Percent	4.47	3.77	3.32	4.02	4.79
Book Network per share	Rs.	187.73	187.67	188.43	169.72	155.29
Total Share	Number	85,202,558	93,722,814	106,844,008	129,687,257	216,566,156*
Total Staff	Number	910	1029	1018	1019	1935
Number of Branches	Number	59	68	71	74	176
Number of ATMs	Number	122	138	144	156	264

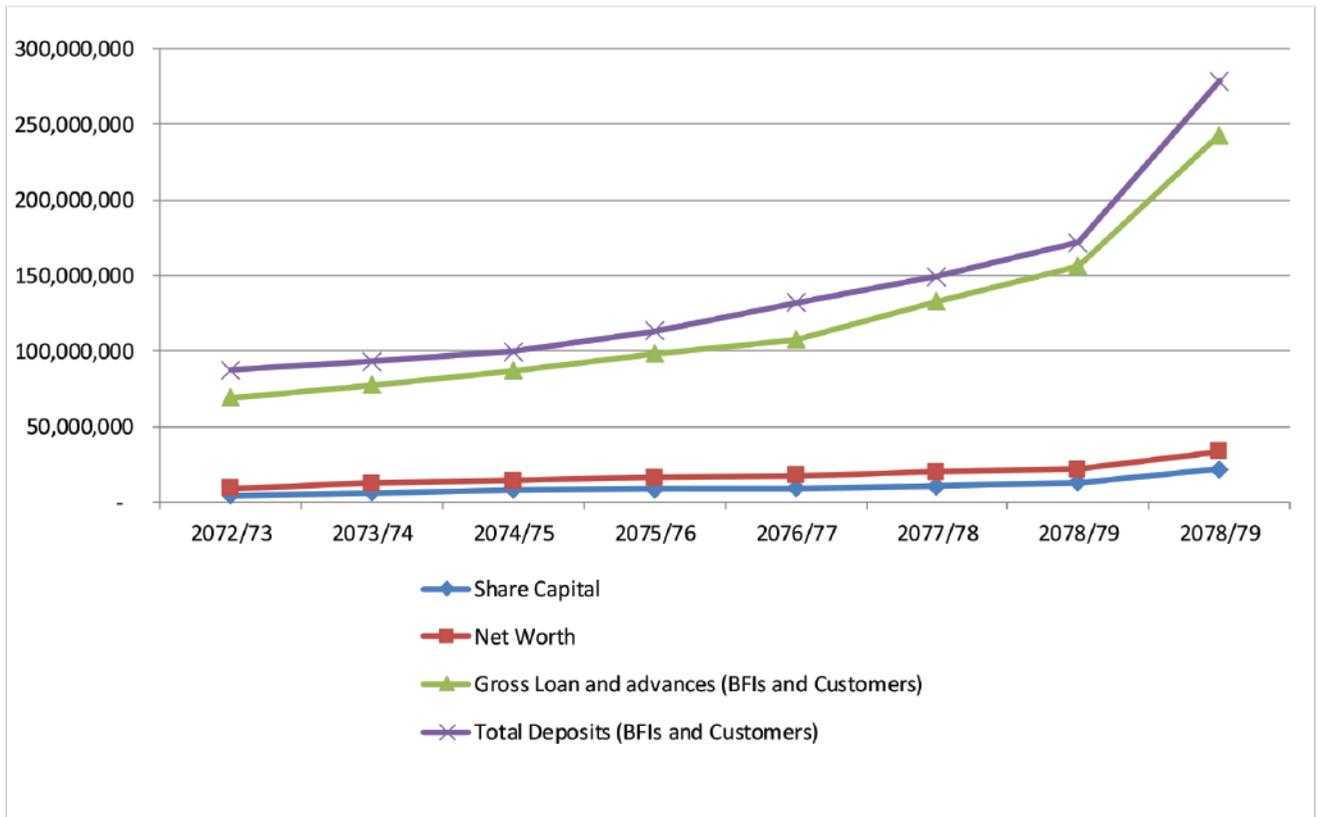
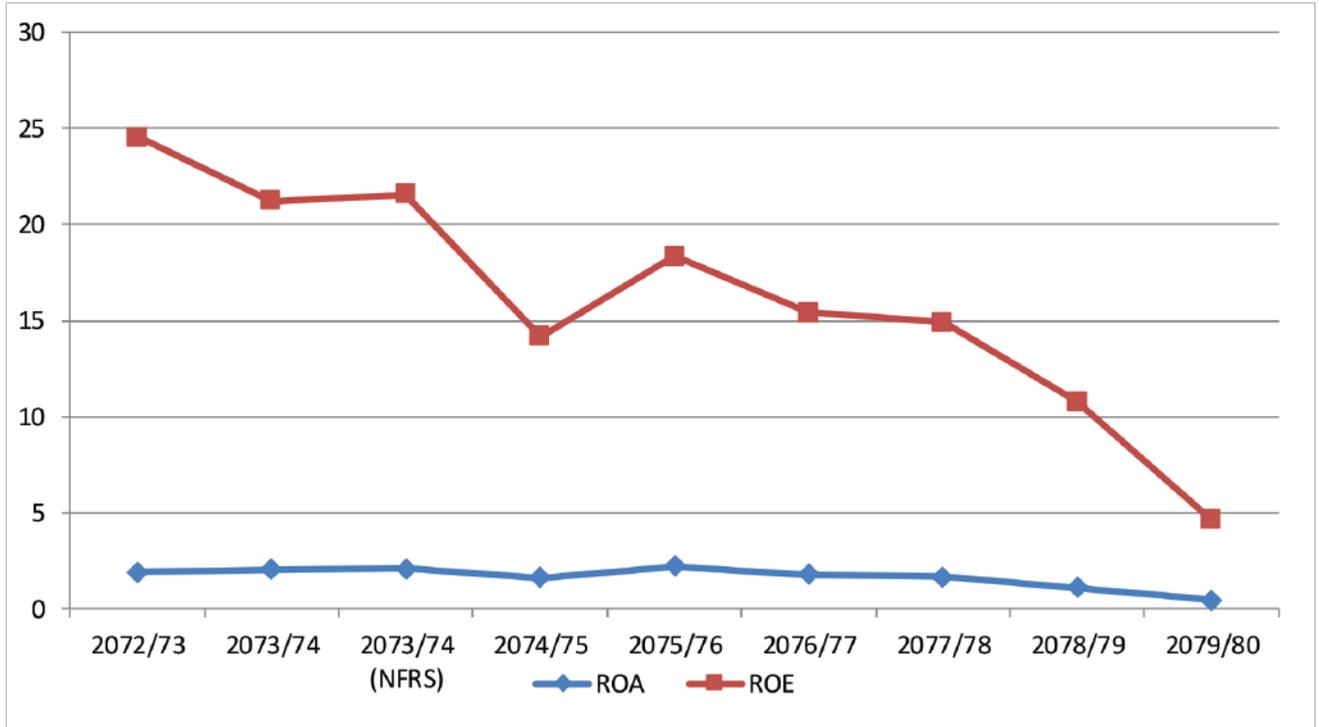
* 76,503,918.49 shares were issued to shareholders of erstwhile Civil Bank Limited during acquisition of the bank

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

Key Indicators

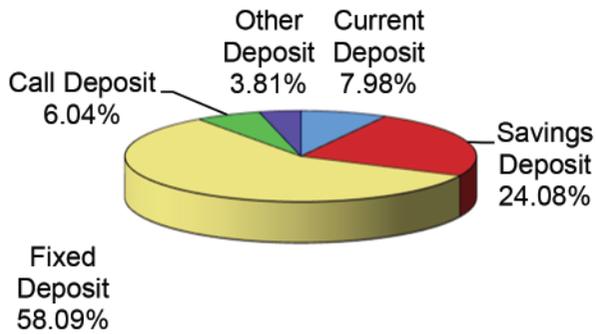


Key Indicators

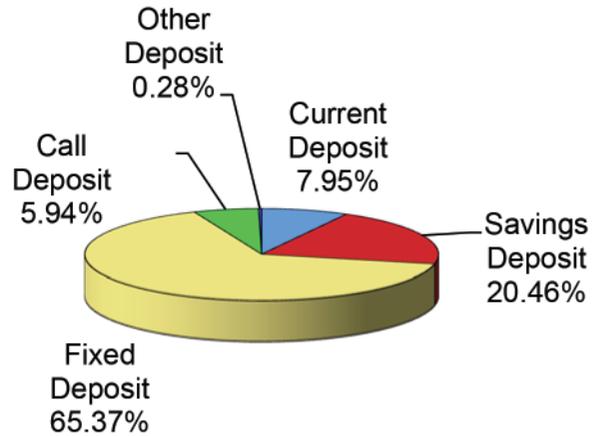


Deposits from Customers and BFIs

Financial Year 2078/79 (2021/22)

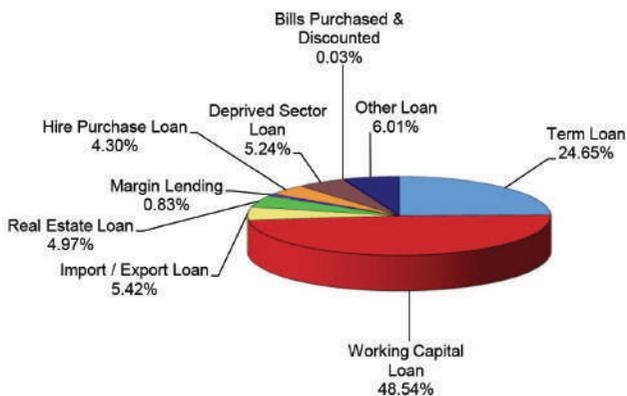


Financial Year 2079/80 (2022/23)

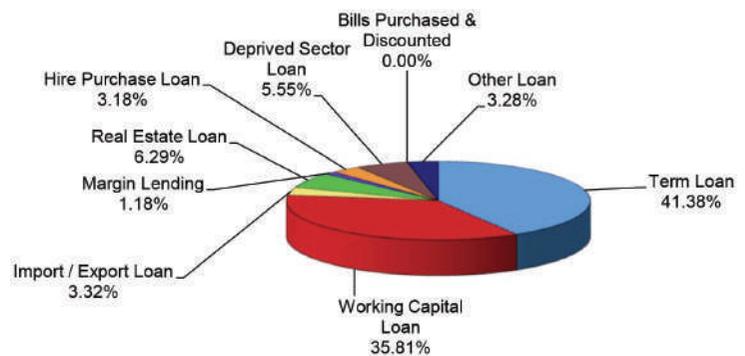


Loans and Advances

Financial Year 2078/79 (2021/22)

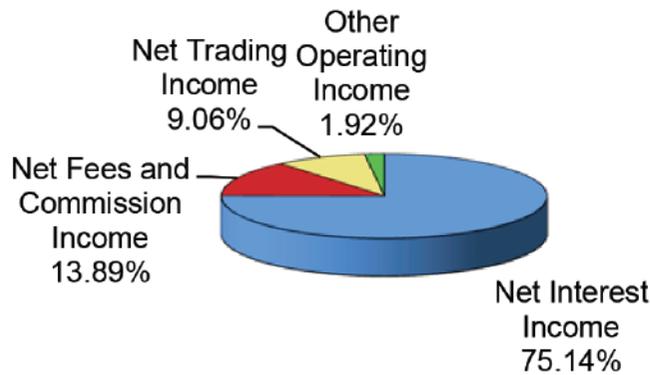


Financial Year 2079/80 (2022/23)

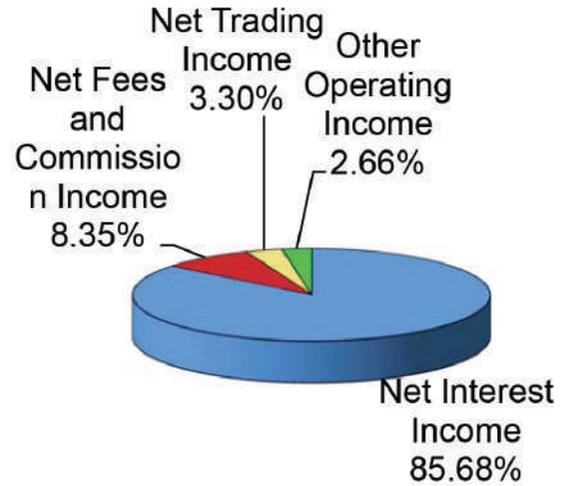


Income Composition

Financial Year 2078/79 (2021/22)

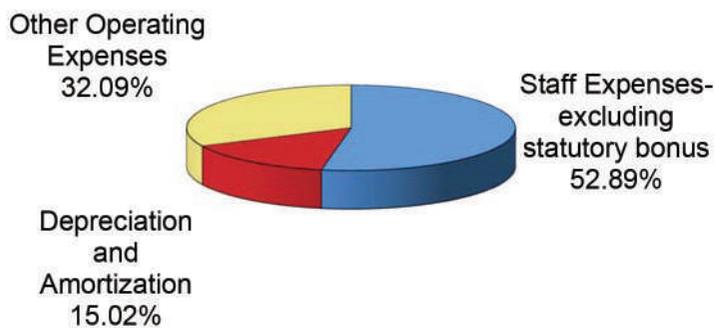


Financial Year 2079/80 (2022/23)

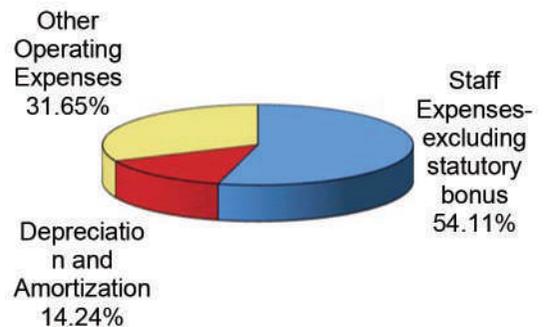


Expense Composition

Financial Year 2078/79 (2021/22)



Financial Year 2079/80 (2022/23)



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 31, 2080 (*July 16, 2023*), 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 31, 2080 (*July 16, 2023*), 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)	<p>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.</p>	<p>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.</p> <p>Also, we have test checked the interest income booking with manual computation and we did not find any deviation.</p> <p>Furthermore, we have test checked the haircut regarding collateral fair value as per the NRB Income recognition guidelines.</p>

<p>b)</p>	<p>Investment valuation, identification and impairment: 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 NRB Directive number 8. 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>Our audit approach regarding Investment of the bank is based on the 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 16.07.2023. 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>
<p>c)</p>	<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"> a) Amount derived as per norms prescribed by NRB for loan loss provisioning and; b) 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</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>judgement as to whether economic and credit conditions are such that actual level of 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: 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 16.07.2023.</p>
e)	<p>Recognition of the acquisition of Civil Bank Ltd: During the fiscal year 2079-80, Himalayan Bank Ltd (HBL) has acquired erstwhile Civil Bank Ltd (CBL) at a swap ratio of 100:80.28, and started joint operations on 2079.11.12 BS, under the name Himalayan Bank Ltd (HBL).</p> <p>Note 3.8 to the financial statements contains a description of the above acquisition transactions, including the initial allocation of the purchase price and the approach to the recognition and settlement of the acquisition in the Bank's financial statements.</p> <p>We assess this as key audit matter due to the complexity and significant degree of judgement with respect to estimates of the acquired assets and assumed liabilities, as well as the assessment of the completeness of the recognition of acquired assets and assumed liabilities.</p>	<p>Our procedures included, among the others:</p> <ol style="list-style-type: none"> understanding and analysis of the accounting treatment of an acquisition transaction for compliance with NFRS 3 Business Combinations and explanatory notes issued by ASB, analysis of the documentation relating to the acquisition transaction, understanding and evaluating the process of identifying the assets acquired and liabilities assumed, evaluating the procedure of analysis, verification and recognition of estimates in the area of fair value measurement of acquired assets and acquired liabilities, assessment of the adopted methods and assumptions for fair value measurement of the assets acquired and liabilities assumed (in particular with regard to fair value

		<p>measurement of the loans portfolio acquired),</p> <p>f) understanding and evaluation of the data migration process within the operational link and analysis of the correctness of the migration plan,</p> <p>g) verification of the completeness of the data migrated between the key IT systems, important from the reporting and accounting perspective of the Bank,</p> <p>h) verification of disclosures in the financial statements relating to acquisition transactions.</p>
f)	<p>Goodwill on Merger and Acquisition The Bank has acquired erstwhile Civil Bank Ltd during the year and recognized goodwill of NRs.651,764,809 as of July 16, 2023.</p> <p>The Bank is required to test the goodwill for impairment annually, or more frequently if there are indicators of impairment. The impairment test involves significant judgments and estimates by the Bank, such as the future cash flows, the discount rate, and the growth rate.</p> <p>Thus, we identified the goodwill on acquisition as a key audit matter because of its magnitude and the significant estimation uncertainty involved in the impairment test.</p>	<p>Our audit approach regarding recognition of goodwill on business combinations is based upon NFRS 3 with interpretation, explanatory notes issued by ASB, and guidance notes issued by ICAN and it included:</p> <p>a) Reviewing the calculation and recognition of goodwill based on the agreed prices (as per due diligence report) including the terms' and conditions of the merger and acquisition in line with above guidance note.</p> <p>b) Reviewing impairment testing of goodwill including the assumptions and other indicators taken by the bank.</p>

Other Matter

We did not audit the Financial Statement and other Financial Statement of Subsidiaries namely Himalayan Capital Limited, Himalayan Securities Limited, Civil Capital Market Limited and Himalayan Laghubitta Bittiya Sanstha 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 disclosure 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.

CA. Ashesh Rajbahak
Managing Partner
G. P. Rajbahak & Co.,
Chartered Accountants

Date: December 20, 2023

Place: Kathmandu, Nepal

UDIN: 231220CA00278E9G15

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on 31 Asar 2080 (16 July 2023)

Particulars	Note	Group		Bank	
		Asar 2080	Asar 2079	Asar 2080	Asar 2079
Assets					
Cash and Cash Equivalents	4.1	19,024,236,475	11,450,156,779	18,392,307,693	11,391,809,790
Due from Nepal Rastra Bank	4.2	20,258,962,112	7,133,564,450	20,235,962,112	7,133,564,450
Placements with Bank and Financial Institutions	4.3	5,136,361,507	3,322,404,549	5,019,361,507	3,322,404,549
Derivative financial instruments	4.4	29,836,748	17,095,798	29,836,748	17,095,798
Other trading assets	4.5	26,583,543	3,073,255	-	-
Loans & Advances to BFIs	4.6	9,870,756,703	7,851,025,911	10,587,326,526	7,851,025,911
Loans & Advances to Customers	4.7	231,787,606,419	147,082,543,832	227,402,167,136	147,121,797,546
Investment Securities	4.8	37,743,471,768	31,957,197,819	37,595,997,499	31,900,976,533
Current Tax Assets	4.9	553,907,622	465,912,817	545,729,934	459,914,445
Investments in subsidiaries	4.10	-	-	1,060,063,200	200,000,000
Investments in Associates	4.11	1,614,439,199	1,623,897,846	190,929,197	192,707,259
Investment Property	4.12	589,164,236	239,095,713	589,164,236	239,095,713
Property & Equipment	4.13	5,265,859,932	3,821,040,118	5,215,525,408	3,814,321,231
Goodwill and Intangible Assets	4.14	996,466,949	199,798,369	995,348,513	199,109,158
Deferred Tax Assets	4.15	829,158,087	-	807,268,986	-
Other Assets	4.16	5,399,413,088	2,466,075,367	3,725,911,312	2,442,451,291
Total Assets		339,126,224,388	217,632,882,623	332,392,900,007	216,286,273,674
Liabilities					
Due to Bank and Financial Institutions	4.17	5,187,370,070	3,067,875,752	5,187,370,070	3,067,875,752
Due to Nepal Rastra Bank	4.18	546,947,000	14,807,896,891	546,947,000	14,807,896,891
Derivative financial instruments	4.19	8,790,069	25,734,890	8,790,069	25,734,890
Deposits from Customers	4.20	274,345,109,061	168,177,158,508	275,310,993,682	168,419,486,693
Borrowing	4.21	2,453,807,459	-	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	-	91,321,130	-	90,523,852
Other Liabilities	4.23	12,613,049,269	5,306,881,174	9,327,639,113	5,170,994,523
Debt Securities Issued	4.24	8,380,790,258	2,693,565,077	8,380,790,258	2,693,565,077
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		303,535,863,186	194,170,433,422	298,762,530,192	194,276,077,678
Equity					
Share Capital	4.26	21,656,615,632	12,968,725,725	21,656,615,632	12,968,725,725
Share Premium		-	-	-	-
Retained Earnings		(1,604,218,522)	4,015,627,491	(3,242,625,038)	2,567,793,837
Reserves	4.27	15,226,751,537	6,478,095,985	15,216,379,221	6,473,676,434
Total Equity attributable to Equity Holders		35,279,148,647	23,462,449,201	33,630,369,815	22,010,195,996
Non Controlling Interest		311,212,555	-	-	-
Total Equity		35,590,361,202	23,462,449,201	33,630,369,815	22,010,195,996
Total Liabilities and Equity		339,126,224,388	217,632,882,623	332,392,900,007	216,286,273,674
Contingent liabilities and commitment	4.28	54,552,704,365	44,868,064,294	54,552,704,365	44,683,814,294
Net assets value per share		162.90	180.92	155.29	169.72

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

CA Ashesh Rajbahak
Managing Partner
G.P. Rajbahak & Co.
Chartered Accountants
Date: Wed, Dec 20, 2023
Place: Kathmandu

Mr. Faisal N. Lalani
Director

Mr. Ashish Sharma
Director

Mr. Sunil Bahadur Thapa
Director

Mr. Bijay Bahadur Shrestha
Director

Mr. Radha Krishna Pote
Director

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 Asar 2080 (16 July 2023)

Particulars	Note	Group		Bank	
		Asar 2080	Asar 2079	Asar 2080	Asar 2079
Interest Income	4.29	29,376,947,580	16,581,321,130	29,094,716,822	16,565,846,220
Interest Expense	4.30	19,281,511,480	11,611,933,986	19,173,934,653	11,622,526,653
Net interest income		10,095,436,100	4,969,387,144	9,920,782,169	4,943,319,567
Fee and Commission Income	4.31	1,165,309,443	1,032,335,413	1,106,883,457	1,019,039,215
Fee and Commission Expenses	4.32	150,713,921	105,478,505	139,794,845	105,468,286
Net Fee and Commission Income		1,014,595,522	926,856,908	967,088,612	913,570,929
Net interest, fee and commission income		11,110,031,622	5,896,244,052	10,887,870,781	5,856,890,496
Net Trading Income	4.33	382,743,191	593,309,153	382,599,088	595,910,330
Other Operating Income	4.34	240,104,632	112,088,090	308,273,182	126,396,499
Total Operating Income		11,732,879,445	6,601,641,295	11,578,743,051	6,579,197,325
Impairment charges/(reversal) for Loans and Other losses	4.35	4,878,010,636	1,280,783,127	4,868,931,604	1,280,862,615
Net operating income		6,854,868,809	5,320,858,168	6,709,811,447	5,298,334,710
Operating expense					
Personnel Expenses	4.36	2,172,844,316	1,628,825,216	2,065,438,200	1,628,053,322
Other Operating Expenses	4.37	1,099,403,357	784,655,639	1,076,990,811	758,714,726
Depreciation & Amortisation	4.38	490,472,561	356,779,878	484,459,896	355,284,353
Operating Profit		3,092,148,575	2,550,597,435	3,082,922,540	2,556,282,309
Non operating income	4.39	66,480,445	1,110,332,667	7,184,985	860,051,163
Non operating expense	4.40	1,070,463,241	19,502,312	1,070,446,966	19,502,312
Profit before income tax		2,088,165,779	3,641,427,790	2,019,660,559	3,396,831,160
Income Tax Expense	4.41				
Current Tax		1,512,209,237	1,056,539,859	1,482,055,884	1,054,864,819
Deferred Tax		(1,028,189,819)	(25,577,156)	(1,025,213,269)	(25,571,894)
Profit for the year		1,604,146,361	2,610,465,087	1,562,817,944	2,367,538,235
Profit attributable to:					
Equity holders of the Bank		1,597,858,465	2,610,465,087	1,562,817,944	2,367,538,235
Non-controlling interest		6,287,896	-	-	-
Profit for the year		1,604,146,361	2,610,465,087	1,562,817,944	2,367,538,235
Earnings per share					
Basic earnings per share		9.42	20.13	9.18	18.26
Diluted earnings per share		9.42	20.13	9.18	18.26

.....
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: Wed, Dec 20, 2023
 Place: Kathmandu

.....
Mr. Bijay Bahadur Shrestha
 Director

.....
Mr. Radha Krishna Pote
 Director

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 Asar 2080 (16 July 2023)

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Profit or loss for the year	1,604,146,361	2,610,465,087	1,562,817,944	2,367,538,235
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	(9,616,452)	(50,197,591)	(10,011,915)	(48,640,420)
- Gains/(losses) on revaluation	-	-	-	-
- Actuarial gains/(losses) on defined benefit plans	35,564,042	14,757,464	30,150,564	14,757,464
- Income tax relating to above items	(5,897,771)	10,632,038	(6,041,594)	10,164,887
Net other comprehensive income that will not be reclassified to profit or loss	20,049,819	(24,808,089)	14,097,055	(23,718,069)
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	20,049,819	(24,808,089)	14,097,055	(23,718,069)
Total comprehensive income for the period	1,624,196,180	2,585,656,998	1,576,914,999	2,343,820,166
Total comprehensive income attributable to:				
Equity holders of the Bank	1,617,908,284	2,585,656,998	1,576,914,999	2,343,820,166
Non-controlling interest	6,287,896	-	-	-
Total comprehensive income for the period	1,624,196,180	2,585,656,998	1,576,914,999	2,343,820,166

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

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

As per our attached report of even date

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Mr. Prachanda B. Shrestha
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CA Ashesh Rajbahak
 Managing Partner
 G.P. Rajbahak & Co.
 Chartered Accountants
 Date: Wed, Dec 20, 2023
 Place: Kathmandu

.....
Mr. Bijay Bahadur Shrestha
 Director

.....
Mr. Radha Krishna Pote
 Director

STATEMENT OF CHANGES IN EQUITY

As on 31 Asar 2080 (16 July 2023)

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, 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	-	-	-	-	-	-	-	2,610,465,087	-	2,610,465,087	-	2,610,465,087
Profit for the year	-	-	-	-	-	-	-	2,610,465,087	-	2,610,465,087	-	2,610,465,087
Other comprehensive income, net of tax	-	-	-	-	-	(35,138,314)	-	-	-	(35,138,314)	-	(35,138,314)
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-
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

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, 2019	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
Adjustment/Restatement	-	-	-	-	-	-	-	22,522,730	-	22,522,730	-	22,522,730
Opening Adjustment of Civil Bank Limited	7,650,391,849	-	1,301,760,293	28,407,161	1,597,299,087	23,845,351	-	(1,896,636,271)	380,681,718	9,085,749,189	305,742,023	9,391,491,212
Capital Reserve	-	-	-	-	-	-	-	-	1,879,244,236	1,879,244,236	-	1,879,244,236
Merger and Acquisition Reserve	-	-	-	-	-	-	-	-	651,764,809	651,764,809	-	651,764,809
Adjusted/Restated balance at Sawan 1, 2019	20,619,117,574	-	6,633,353,838	67,463,254	2,532,645,625	64,954,530	-	2,141,513,950	3,042,681,393	5,101,730,165	305,742,023	35,407,472,188
Comprehensive income for the year	-	-	-	-	-	-	-	1,597,868,465	-	1,597,868,465	6,287,896	1,604,146,361
Profit for the year	-	-	-	-	-	-	-	1,597,868,465	-	1,597,868,465	6,287,896	1,604,146,361
Other comprehensive income, net of tax	-	-	-	-	-	(6,469,055)	-	-	-	(6,469,055)	-	(6,469,055)
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	26,518,873	-	-	-	-	26,518,873	-	26,518,873
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	26,518,873	(6,469,055)	-	-	-	20,049,818	-	20,049,818
Transfer to reserve during the year	-	-	312,563,589	-	2,295,923,723	-	-	(2,900,591,123)	292,103,811	-	-	-
Transfer from reserve during the year	-	-	-	-	(26,518,872)	-	-	35,323,672	(8,469,173)	335,627	-	335,627
Transactions with owners, directly recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	1,037,498,058	-	-	-	-	-	-	(1,037,498,058)	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(1,440,825,428)	-	(1,440,825,428)	(817,364)	(1,441,642,792)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	1,037,498,058	-	312,563,589	-	2,295,923,724	(6,469,055)	-	(5,343,590,937)	283,634,638	(1,420,439,983)	(817,364)	(1,421,257,346)
Balance as at Asar end 2080	21,656,615,632	-	6,945,917,427	67,463,254	4,828,569,349	58,485,475	-	(1,604,218,522)	3,326,316,031	35,279,148,647	311,212,555	35,590,361,202

NOTE: The adjustment to opening retained earning pertains to reversal of lease adjustment of former Civil Bank Limited in order to align with the accounting policy of HBL.

STATEMENT OF CHANGES IN EQUITY

As on 31 Asar 2080 (16 July 2023)

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, 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
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

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, 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
Adjustment/Restatement	-	-	-	-	-	-	-	22,641,830	-	22,641,830
Opening Adjustment of Civil Bank Limited	7,650,391,849	-	1,301,760,293	28,407,161	1,597,299,087	23,845,351	-	(2,051,952,085)	380,681,718	8,930,433,374
Capital Reserve	-	-	-	-	-	-	-	-	1,879,244,236	1,879,244,236
Merger and Acquisition Reserve	-	-	-	-	-	-	-	-	651,764,809	651,764,809
Adjusted/Restated balance at Sawan 1, 2079	20,619,117,574	-	6,629,226,666	67,463,254	2,532,645,625	64,732,175	-	538,483,582	3,042,611,369	33,494,280,245
Comprehensive income for the year										
Profit for the year								1,562,817,944		1,562,817,944
Other comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value						(7,008,341)				(7,008,341)
Gains/(losses) on revaluation										
Actuarial gains/(losses) on defined benefit plans					21,105,395					21,105,395
Gains/(losses) on cash flow hedge										
Exchange gains/(losses) (arising from translating financial assets of foreign operation)										
Total comprehensive income for the year					21,105,395	(7,008,341)				14,097,054
Transfer to reserve during the year								(2,900,926,750)	292,439,438	
Transfer from reserve during the year								35,323,672	(14,218,277)	
Transactions with owners, directly recognized in equity										
Share Issued										
Share based payments										
Dividends to equity holders										
Bonus shares issued	1,037,498,058							(1,037,498,058)		
Cash dividend paid								(1,440,825,428)		(1,440,825,428)
Other										
Total contributions by and distributions	1,037,498,058	-	312,563,589	-	2,295,923,723	(7,008,341)	-	(3,781,108,620)	278,221,161	(1,440,825,428)
Balance as at Asar end 2080	21,656,615,632	-	6,941,790,255	67,463,254	4,828,569,348	57,723,834	-	(3,242,625,038)	3,320,832,530	33,630,369,815

NOTE: The adjustment to opening retained earning pertains to reversal of lease adjustment of former Civil Bank Limited in order to align with the accounting policy of HBL.

Himalayan Bank Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 Asar 2080 (16 July 2023)

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	25,129,279,591	14,593,565,106	24,847,048,833	14,578,090,196
Fees and other income received	1,165,309,443	1,019,039,215	1,106,883,457	1,019,039,215
Dividend received	-	1,109,835	-	-
Receipts from other operating activities	571,439,872	732,408,277	514,291,499	722,090,202
Interest paid	(18,339,683,782)	(10,394,221,265)	(18,285,718,234)	(10,404,813,932)
Commission and fees paid	(150,713,921)	(105,468,286)	(139,794,845)	(105,468,286)
Cash payment to employees	(2,235,022,574)	(1,766,239,323)	(2,193,139,890)	(1,766,239,323)
Other expense paid	(1,099,419,632)	(925,187,591)	(1,076,990,811)	(898,375,490)
Operating cash flows before changes in operating assets and liabilities	5,041,188,997	3,155,005,968	4,772,580,009	3,144,322,582
(Increase)/Decrease in operating assets				
Due from Nepal Rastra Bank	(6,726,053,182)	402,138,347	(6,723,053,182)	402,138,347
Placement with bank and financial institutions	(889,877,692)	458,339,219	(992,060,692)	458,339,219
Other trading assets	(23,510,288)	-	-	-
Loan and advances to bank and financial institutions	1,765,177,780	(1,818,085,776)	1,696,791,756	(1,818,085,776)
Loans and advances to customers	(1,066,592,662)	(21,532,702,611)	(883,713,156)	(21,538,844,846)
Other assets	(1,884,023,197)	(61,704,320)	(265,480,559)	(40,923,086)
Net (Increase)/Decrease in operating assets	(8,824,879,241)	(22,552,015,141)	(7,167,515,833)	(22,537,376,142)
Increase/(Decrease) in operating liabilities				
Due to bank and financial institutions	(12,796,302)	(5,292,766,207)	(14,389,949)	(5,292,766,207)
Due to Nepal Rastra Bank	(18,805,449,891)	11,782,300,733	(18,805,449,891)	11,782,300,733
Deposit from customers	12,494,516,460	27,328,543,734	14,187,835,772	27,398,411,833
Borrowings	370,423,503	-	-	-
Other liabilities	1,769,238,291	(222,941,646)	(415,453,145)	(238,355,761)
Net Increase/(Decrease) in operating liabilities	(4,184,067,939)	33,595,136,614	(5,047,457,213)	33,649,590,598
Net cash flow from operating activities before tax paid	(7,967,758,183)	14,198,127,441	(7,442,393,037)	14,256,537,038
Income taxes paid	(1,134,285,128)	(1,100,267,230)	(1,103,398,948)	(1,096,380,613)
Net cash flow from operating activities	(9,102,043,311)	13,097,860,211	(8,545,791,985)	13,160,156,425
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(2,967,876,650)	(39,463,162,239)	(3,567,876,650)	(39,451,661,120)
Receipts from sale of investment securities	14,804,775,045	28,241,118,909	14,840,552,569	28,241,118,909
Purchase of property and equipment	(470,413,919)	(275,551,151)	(470,413,919)	(275,183,464)
Receipt from the sale of property and equipment	33,741,200	29,304,130	24,545,858	29,304,130
Purchase of intangible assets	(195,084,119)	(43,333,178)	(195,084,118)	(43,333,178)
Receipt from the sale of intangible assets	-	-	-	-
Purchase of investment properties	-	-	-	-
Receipt from the sale of investment properties	7,000,000	148,776,000	7,000,000	148,776,000
Interest received	2,476,361,999	1,161,088,841	2,501,624,081	1,161,088,841
Dividend received	13,381,422	25,086,400	24,369,221	25,086,400
Net cash used in investing activities	13,701,884,978	(10,176,672,288)	13,164,717,042	(10,164,803,482)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt from issue of debt securities	2,500,000,000	-	2,500,000,000	-
Repayment of debt securities	-	-	-	-
Receipt from issue of subordinated liabilities	-	-	-	-
Repayment of subordinated liabilities	-	-	-	-
Receipt from issue of shares	-	-	-	-
Dividends paid	(1,787,773,383)	(180,454,678)	(1,789,540,771)	(180,454,678)
Interest paid	(553,561,278)	(308,359,273)	(567,901,194)	(308,359,273)
Other receipt/payment	-	-	-	-
Net cash flow from financing activities	158,665,339	(488,813,951)	142,558,035	(488,813,951)
Net increase (decrease) in cash and cash equivalents	4,758,507,006	2,432,373,972	4,761,483,092	2,506,538,992
Cash and cash equivalents at Sawan 1	14,268,967,884	9,043,453,269	13,634,063,017	8,910,941,260
Effect of exchange rate fluctuations on cash and cash equivalents held	(3,238,416)	(25,670,462)	(3,238,416)	(25,670,462)
Cash and cash equivalents at Asar end	19,024,236,475	11,450,156,779	18,392,307,693	11,391,809,790

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For the year ended 31 Asar 2080 (16 July 2023)

(As per NRB Regulation)

Particulars	Bank	
	Asar 2080	Asar 2079
Net profit or (loss) as per statement of profit or loss	1,562,817,944	2,367,538,235
Appropriations:		
a. General reserve	(312,563,589)	(473,507,647)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	(147,945,205)	-
d. Corporate social responsibility fund	17,689,581	(10,958,156)
e. Employees' training fund	(10,721,073)	(17,276,573)
f. Other	(118,144,980)	734,029,714
Profit or (loss) before regulatory adjustment	991,132,678	2,599,825,573
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(968,973,467)	(318,543,061)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(164,439,496)	88,645,095
e. Deferred tax assets recognised (-)/ reversal (+)	(1,162,510,760)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	2,005,912	10,330,225
i. Other (+/-)	-	-
Net Profit for the year available for Distribution	(1,302,785,133)	2,380,257,832
Opening Retained Earning As on Shrawan 1	2,590,435,667	2,965,480,222
Adjustment (+/-) (Transfer of Retained Earning from Civil Bank Limited)	(2,051,952,085)	-
Distribution	(2,478,323,486)	-
Bonus Shares Issued	(1,037,498,058)	(2,284,324,897)
Cash Dividend Paid	(1,440,825,428)	(493,619,319)
Total Distributable Profit or (Loss)	(3,242,625,038)	2,567,793,837
Annualized Distributable Profit/Loss per share	-	19.80

Himalayan Bank Limited

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 Asar 2080 (16 July 2023)

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 176 branches, 20 extension counters and one overseas representative office. The shares of the Bank are listed in Nepal Stock Exchange Limited. The Bank has acquired erstwhile Civil Bank Limited at swap ratio of 80.28% and commenced joint operation for customers from 12th Falgun 2079.

1.2 Consolidated Financial Statement

The Bank stands independently and is not a subsidiary of any entity. The consolidated financials statements include the bank (referred to as the “parent company”) and its subsidiaries, collectively known as ‘Group entities’, along with the group’s stake in its associate companies. The bank serves as the ultimate parent of the Group.

1.3 Subsidiary Company and Associates

NAME OF COMPANY	STATUS	OWNERSHIP AT 16-JULY-2023	PRINCIPAL ACTIVITIES
Himalayan Capital Limited	Subsidiary	100%	Merchant Banker under license from Securities Board of Nepal
Himalayan Securities Limited	Subsidiary	100%	Established with the aim of carrying out the security brokerage activities
Civil Capital Market Limited	Subsidiary	69.74%	Merchant Banker under license from Securities Board of Nepal
Himalayan Laghubitta Bittiya Sanstha Limited	Subsidiary	51%	Microfinance Institution under class “D” license from Central Bank
Sana Kisan Laghubitta Bittiya Sanstha Ltd	Associates	3.77%	Microfinance Institution under class “D” license from Central Bank
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd	Associates	7.61%	Microfinance Institution under class “D” license from Central Bank
Chhimek Laghubitta Bittiya Sanstha Ltd	Associates	8.73%	Microfinance Institution under class “D” license from Central Bank
Swabalamban Laghubitta Bittiya Sanstha Ltd	Associates	10.27%	Microfinance Institution under class “D” license from Central Bank
Smart Choice Technologies Limited	Associates	6.16%	Digital Payment Service Provider

Note: Himalayan Capital Limited has acquired Civil Capital Market Limited and commenced Joint operation from Mangsir 15,2080.

1.4 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 consolidated financial statement of the bank and its subsidiary is 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 statement have been disclosed in the relevant sections of notes to accounts.

The Bank has acquired erstwhile Civil Bank Limited with effect from 11th Falgun 2079 and commenced joint operation for customers from 12th Falgun 2079. Net Profit/(loss) of erstwhile Civil Bank Ltd. upto 10th Falgun 2079 has been shown in retained earnings. Assessment and treatment of goodwill / bargain purchase gain has been made as per the policy disclosed in 3.8

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 to facilitate consolidation.

2.2 Reporting period and approval of financial statements

The consolidated financial statements cover the financial year commencing from Shrawan 01, 2079 and ending on Asar 31, 2080 (17 July 2022 to 16 July 2023). The financial statements has been authorized for issuance in accordance with the resolution of the Board of Directors dated Poush 4,2080 (20 December 2023).

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 due to absence of clear tax guidelines on treatment of adoption of NFRSs in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties continue to 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 and its subsidiaries 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

(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 during the year.

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 compulsory while some are mandatory. 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 subsidiaries and associates as disclosed in 1.3. 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 Regulator 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 recognizes 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 FVOCI: 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 amortized 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 is shown at full purchase value.

3.8 Goodwill /Intangible assets

a. 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.

b. Goodwill

Under NFRS the acquirer shall recognize goodwill as of the acquisition date measured as the excess of (a) over (b) below:

- (a) The aggregate of: (i) The consideration transferred measured in accordance with NFRS, which generally requires acquisition-date fair value, (ii) The amount of any non-controlling interest in the acquiree measured in accordance with NFRS; and (iii) In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree
- (b) The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with NFRS. Accordingly, as per the standard goodwill has been recognized for the excess of the value derived as per (a) over (b).

The bank acquired erstwhile Civil Bank Limited during the reporting period. The acquisition was settled by issue of shares of Himalayan Bank Limited to the shareholders of erstwhile Civil Bank Limited. To assess the goodwill or bargain purchase gain in this transaction, the bank has valued its shares based on the business valuation carried out by professional experts during the time of Due Diligence Audit. The same valuation was approved by the AGM of both acquirer and acquiree bank. The net assets at the date of takeover of Civil bank Limited by Himalayan Bank Limited adjusted to the fair value of collateralized asset has been taken as the acquisition date fair value of identifiable assets acquired and liabilities assumed of erstwhile Civil Bank Limited. The excess of consideration paid by the acquirer over the business value of the acquiree represents the expected synergies and other benefits arising from business combination. The assets and liabilities of the acquiree has been recognized in fair value and the details can be observed in the financial statements of the acquiree as of acquisition date.

Reconciliation of carrying amount of goodwill at the beginning and end of the reporting period:

Particulars	Amount
Purchase Consideration	12,705,770,782
Fair Value of Net Asset Taken over	12,054,005,973
Goodwill recognized during the reporting period	651,764,809
Less: Impairment losses recognized during the reporting period	-
Closing balance of goodwill	651,764,809

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 (*Panchakrit Mulya*) 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 recognized 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 is 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.

(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.

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Cash in Hand	3,712,658,099	2,663,030,238	3,712,332,453	2,604,683,248
Balance with B/FIs	3,044,943,977	2,205,478,406	2,491,358,047	2,205,478,406
Money at Call and Short Notice	3,022,812,454	1,278,549,720	2,958,565,962	1,278,549,720
Other	9,243,821,945	5,303,098,416	9,230,051,231	5,303,098,416
Total	19,024,236,475	11,450,156,779	18,392,307,693	11,391,809,790

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Statutory balances with NRB	7,256,717,400	3,238,442,200	7,233,717,400	3,238,442,200
Securities purchased under resale agreement	2,801,001,220	-	2,801,001,220	-
Other deposit and receivable from NRB	10,201,243,491	3,895,122,250	10,201,243,491	3,895,122,250
Total	20,258,962,112	7,133,564,450	20,235,962,112	7,133,564,450

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Placement with domestic B/FIs	117,000,000	-	-	-
Placement with foreign B/FIs	5,019,361,507	3,322,404,549	5,019,361,507	3,322,404,549
Less: Allowance for Impairment	-	-	-	-
Total	5,136,361,507	3,322,404,549	5,019,361,507	3,322,404,549

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Held for trading				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	21,022,670	5,568,800	21,022,670	5,568,800
Others	-	-	-	-
Held for risk management				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	8,814,078	11,526,998	8,814,078	11,526,998
Other	-	-	-	-
Total	29,836,748	17,095,798	29,836,748	17,095,798

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Treasury bills	-	-	-	-
Government bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	26,583,543	3,073,255	-	-
Other	-	-	-	-
Total	26,583,543	3,073,255	-	-
Pledged	-	-	-	-
Non-pledged	26,583,543	3,073,255	-	-

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Loans to microfinance institutions	10,009,417,095	7,954,154,911	10,725,986,918	7,954,154,911
Other	527,324	527,324	527,324	527,324
Less: Allowances for impairment	(139,187,716)	(103,656,324)	(139,187,716)	(103,656,324)
Total	9,870,756,703	7,851,025,911	10,587,326,526	7,851,025,911
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)	9,962,792,893	7,933,527,324	10,666,711,288	7,933,527,324
Add: Accrued Interest	47,151,526	21,154,911	59,802,954	21,154,911
Total Amortized Cost	10,009,944,419	7,954,682,235	10,726,514,242	7,954,682,235

*Based on NAS 39, 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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Balance at Sawan 1	103,656,324	80,093,824	103,656,324	80,093,824
Opening From CBL	57,591,947	-	57,591,947	-
Impairment loss for the year:	-	-	-	-
Charge for the year	(22,060,555)	30,010,500	(22,060,555)	30,010,500
Recoveries/reversal	-	(6,448,000)	-	(6,448,000)
Amount written off	-	-	-	-
Balance at Asar end	139,187,716	103,656,324	139,187,716	103,656,324

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. 497,858,206 pertaining to project financing has been capitalized as loan to customers under NRB approval and taken into income.

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Loan and advances measured at amortized cost	244,726,361,023	150,770,440,876	240,296,845,605	150,810,211,317
Less: Impairment allowances				
Collective impairment	(3,924,787,549)	(2,328,076,568)	(3,912,108,561)	(2,328,593,295)
Individual impairment	(9,013,967,055)	(1,359,820,476)	(8,982,569,909)	(1,359,820,476)
Net amount	231,787,606,419	147,082,543,832	227,402,167,136	147,121,797,546
Loan and advances measured at FVTPL	-	-	-	-
Total	231,787,606,419	147,082,543,832	227,402,167,136	147,121,797,546

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Product				
Term loans	-	38,559,298,595	-	38,559,298,595
Personal	7,583,891,685	-	7,583,891,685	-
Business	68,202,041,986	-	68,202,041,986	-
Working Capital	24,669,532,968	-	24,669,532,968	-
Overdraft	5,566,167,154	14,213,791,119	5,616,675,261	14,253,539,323
Trust receipt/Import loans	8,055,185,931	8,483,274,579	8,055,185,931	8,483,274,579
Cash Credit Loan	21,360,980,043	-	21,360,980,043	-
Demand and other working capital loans	59,960,965,176	61,681,970,779	59,960,965,176	61,681,970,779
Personal residential loans	5,991,107,917	3,983,813,874	5,991,107,917	3,983,813,874
Real estate loans	15,277,226,237	7,777,902,845	15,277,226,237	7,777,902,845
Margin lending loans	2,874,050,551	1,295,838,397	2,874,050,551	1,295,838,397
Hire purchase loans	7,723,085,308	6,734,451,651	7,723,085,308	6,734,451,651
Auto Loan	-	-	-	-
Deprived sector loans	2,799,516,521	269,425,711	2,799,516,521	269,425,711
Bills purchased	10,951,940	47,453,655	10,951,940	47,453,655
Staff loans	1,998,627,396	772,139,225	1,981,501,678	772,139,225
Other	6,427,274,927	5,425,461,045	1,964,377,120	5,425,461,046
Sub total	238,500,605,740	149,244,821,475	234,071,090,322	149,284,569,680
Interest receivable	6,225,755,283	1,525,619,401	6,225,755,283	1,525,641,637
Grand total	244,726,361,023	150,770,440,876	240,296,845,605	150,810,211,317

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Nepalese rupee	242,291,869,045	147,611,209,162	237,862,353,626	147,650,979,603
Indian rupee	-	-	-	-
United State dollar	2,416,704,869	3,148,711,177	2,416,704,869	3,148,711,177
Great Britain pound	17,787,109	10,520,537	17,787,110	10,520,537
Euro	-	-	-	-
Japanese yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	244,726,361,023	150,770,440,876	240,296,845,605	150,810,211,317

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Secured				
Movable/immovable assets	232,930,766,162	147,665,040,593	232,930,766,162	147,665,040,594
Gold and silver	-	-	-	-
Guarantee of domestic B/FIs	282,811,186	-	282,811,186	-
Government guarantee	-	-	-	-
Guarantee of international rated bank	87,510,734	115,861,148	87,510,734	115,861,148
Collateral of export document	-	-	-	-
Collateral of fixed deposit receipt	1,503,433,266	1,072,244,453	1,553,941,373	1,112,014,893
Collateral of Government securities	-	-	-	-
Counter guarantee	-	-	-	-
Personal guarantee	-	-	-	-
Other collateral	9,921,839,675	1,917,294,682	5,441,816,150	1,917,294,682
Sub total	244,726,361,023	150,770,440,876	240,296,845,605	150,810,211,317
Unsecured	-	-	-	-
Grand total	244,726,361,023	150,770,440,876	240,296,845,605	150,810,211,317

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 Standard.

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Specific allowances for impairment				
Balance at Sawan 1	1,359,820,476	458,975,804	1,359,820,476	458,975,804
Opening Adjustment From CBL	3,542,790,008	-	3,526,626,300	-
Impairment loss for the year:				
Charge for the year	4,111,356,571	1,060,718,058	4,096,123,133	1,060,718,058
Recoveries/reversal during the year	-	(159,873,386)	-	(159,873,386)
Write-offs	-	-	-	-
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	9,013,967,055	1,359,820,476	8,982,569,909	1,359,820,476
Collective allowances for impairment				
Balance at Sawan 1	2,328,076,568	1,971,700,612	2,328,593,295	1,972,137,851
Opening Adjustment From CBL	821,173,691	-	788,646,240	-
Impairment loss for the year:				
Charge/(reversal) for the year	775,537,290	356,375,956	794,869,026	356,455,444
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	3,924,787,549	2,328,076,568	3,912,108,561	2,328,593,295
Total allowances for impairment	12,938,754,605	3,687,897,044	12,894,678,470	3,688,413,771

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

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Specific allowances for impairment				
Balance at Sawan 1	779,491,688	502,868,769	779,491,688	502,868,769
Opening Adjustment From CBL	1,053,263,951		1,053,263,951	
Impairment loss for the year:				
Charge for the year	2,763,200,847	276,622,919	2,763,200,847	276,622,919
Recoveries/reversal during the year	-	-	-	-
Write-offs	-	-	-	-
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	4,595,956,486	779,491,688	4,595,956,486	779,491,688
Collective allowances for impairment				
Balance at Sawan 1	239,802,427	174,472,925	239,802,427	174,472,925
Opening Adjustment From CBL	1,719,717,838		1,719,717,838	
Impairment loss for the year:				
Charge/(reversal) for the year	1,003,031,637	65,329,502	1,003,031,637	65,329,502
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	2,962,551,902	239,802,427	2,962,551,902	239,802,427
Total allowances for impairment	7,558,508,387	1,019,294,115	7,558,508,387	1,019,294,115

S.No.	Details	Asar 2080		Asar 2079	
		Number of Customer	Amount (Rs)	Number of Customer	Amount (Rs)
1	Additional 0.3% loan loss provision created on pass loan portfolio	N/A	587,808,428	N/A	426,959,124
2	Extension of moratorium period of loan provided to industry or projected under construction	17	3,456,169,433	6	1,941,027,849
3	Restructured / Rescheduled Loan with 5% Loan Loss Provision	639	4,530,970,907	537	3,869,042,651
4	Enhancement of Working Capital by 20 % of COVID affected borrowers	13	147,170,000	6	114,318,001
5	Enhancement of Working Capital by 10 % of COVID affected borrowers	15	96,425,408	7	31,760,003
6	Enhancement of Term Loan by 10 % of COVID affected borrowers	289	171,362,962	-	-
7	Expiry date of additional 20 % working capital loan (covid loan) extended upto 1 year with 5 % provisioning	7	129,970,000	6	114,318,001
8	Expiry date of additional 10 % working capital loan (covid loan) extended upto 1 year with 5 % provisioning	8	34,871,200	7	31,760,003
9	Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directive 2	41	2,627,754,124	6	1,941,027,849
10	Refinancing Loan	1404	2,719,635,956	253	1,763,522,336
11	Business Continuity Loan	3	19,800,000	2	10,300,000
12	Subsidized Loan	1041	2,580,278,033	1363	3,630,229,345

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Investment securities measured at amortized cost	37,275,760,902	31,812,705,543	37,178,098,924	31,768,116,486
Investment in equity measured at FVTOCI	467,710,866	144,492,276	417,898,575	132,860,047
Total	37,743,471,768	31,957,197,819	37,595,997,499	31,900,976,533

4.8.1: Investment securities measured at amortized cost

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Debt securities	1,260,050,858	44,589,057	1,162,388,880	-
Government bonds	282,130,365	-	282,130,365	-
Government treasury bills	7,442,945,036	14,681,168,686	7,442,945,036	14,681,168,686
Nepal Rastra Bank bonds	28,290,634,643	17,086,947,800	28,290,634,643	17,086,947,800
Nepal Rastra Bank deposits instruments	-	-	-	-
Other	-	-	-	-
Less: specific allowances for impairment	-	-	-	-
Total	37,275,760,902	31,812,705,543	37,178,098,924	31,768,116,486

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

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Equity instruments				
Quoted equity securities	375,482,547	117,519,257	325,670,256	105,887,028
Unquoted equity securities	92,228,319	26,973,019	92,228,319	26,973,019
Total	467,710,866	144,492,276	417,898,575	132,860,047

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 valuating 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 2080		Asar 2079		Asar 2080		Asar 2079	
	Cost	Fair Value						
Investment in quoted equity								
Grameen Bikas Laghubitta Bittiya Sanstha Ltd. 143,994 Promoter shares of Rs. 100 Paid Up	7,799,800	54,688,921	7,799,800	65,315,678	7,799,800	54,688,921	7,799,800	65,315,678
Kumari Dhanabridhhi Yojana 20,00,000 Units of Rs. 10 each	20,000,000	20,080,000	15,000,000	15,000,000	20,000,000	20,080,000	15,000,000	15,000,000
Laxmi Unnati Kosh 13,00,000 Units of Rs. 10 each	13,000,000	12,207,000	10,000,000	9,560,000	13,000,000	12,207,000	10,000,000	9,560,000
Siddhartha Equity Fund 967,748 Units of Rs. 10 each	9,677,480	9,125,864	9,677,480	9,561,350	9,677,480	9,125,864	9,677,480	9,561,350
NMB 50 Mutual Fund 500,000 Units of Rs. 10 each	5,000,000	5,250,000	5,000,000	6,450,000	5,000,000	5,250,000	5,000,000	6,450,000
Chilimepower Company Ltd 25,225 Ordinary Shares Per Share Rs. 100 Paid Up	21,285,514	13,538,258	-	-	21,285,514	13,538,258	-	-
NIBL Growth Fund 2,00,000 Units of Rs. 10 each	20,000,000	21,280,000	-	-	20,000,000	21,280,000	-	-
Global IME Balanced Fund I 15,00,000 Unit of Rs. 10 each	15,000,000	14,010,000	-	-	15,000,000	14,010,000	-	-
Kumari Equity Fund 1,00,000 Units Of Rs. 10 each	10,000,000	10,170,000	-	-	10,000,000	10,170,000	-	-
NIBL samriddhi Fund II 1,00,000 Units of Rs. 10 each	10,000,000	9,110,000	-	-	10,000,000	9,110,000	-	-
Nic Asia Select 30 1,00,000 Units of Rs. 10 each	10,000,000	8,990,000	-	-	10,000,000	8,990,000	-	-
NMB Sulav Investment Fund - 2 1,00,000 Units of Rs. 10 each	10,000,000	9,990,000	-	-	10,000,000	9,990,000	-	-
Prabhu Select fund 1,00,000 Units of Rs. 10 each	10,000,000	8,850,000	-	-	10,000,000	8,850,000	-	-
Rbb Mutual Fund 1 1,00,000 Units of Rs. 10 each	10,000,000	8,080,000	-	-	10,000,000	8,080,000	-	-
Sunrise Blue chip Fund 1,00,000 Units of Rs. 10 each	10,000,000	7,850,000	-	-	10,000,000	7,850,000	-	-
Nepal Insurance Company Limited 9,651 Ordinary Shares Per Share Rs. 100 Paid Up	9,951,042	7,913,820	-	-	9,951,042	7,913,820	-	-
Citizens Super 30 Mutual Fund 5,00,000 Units of Rs. 10 each	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
Nabil Flexi Cap Fund 500,000 Units of Rs. 10 each	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
Nic Asia Flexi Capital Fund 500,000 Unit of Rs. 10 each	5,000,000	5,085,000	-	-	5,000,000	5,085,000	-	-
Prabhu Smart Fund 500,000 Units of Rs. 10 each	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-

Rbb Mutual Fund 2 500,000 Units of Rs. 10 each	5,000,000	5,000,000	-	-	5,000,000	5,000,000	-	-
Sunrise Mutual Fund 5,00,000 Units of Rs. 10 each	5,000,000	4,840,000	-	-	5,000,000	4,840,000	-	-
Mega Mutual Fund 1 436,340 Units Of Rs. 10 each	4,363,400	3,486,357	-	-	4,363,400	3,486,357	-	-
National Microfinance Laghubitta Bittiya Sanstha Ltd 58,287 Promoter Shares Per Share Rs. 100 Paid Up	4,000,000	47,772,025	-	-	4,000,000	47,772,025	-	-
Siddhartha Investment Growth Scheme 2 3,00,000 Units of Rs. 10 each	3,000,000	2,709,000	-	-	3,000,000	2,709,000	-	-
Siddhartha Investment Growth Scheme 3 250,000 Units of Rs. 10 each	2,500,000	2,500,000	-	-	2,500,000	2,500,000	-	-
Sanima GIC Insurance Limited. 21,857 Promoter Shares Per Share Rs. 100 Paid Up	2,185,700	8,522,919	-	-	2,185,700	8,522,919	-	-
IGI Prudential Insurance Company Ltd 2,794 Ordinary Shares Per Share Rs. 100 Paid Up	2,136,607	1,564,640	-	-	2,136,607	1,564,640	-	-
Sanima GIC Insurance Limited. 8,143 Ordinary Shares Per Share Rs. 100 Paid Up	814,300	5,292,136	-	-	814,300	5,292,136	-	-
Bottlers Nepal (Terai)Limited 50 Ordinary Shares Per Share Rs. 100 Paid Up	693,786	690,000	-	-	693,786	690,000	-	-
Soaltee Hotel 1,681 Ordinary Shares Per Share Rs. 100 Paid Up	603,887	815,285	-	-	603,887	815,285	-	-
Sahas Urja Limited 1,000 Ordinary Shares Per Share Rs. 100 Paid Up	536,440	483,900	-	-	536,440	483,900	-	-
CEDB Hydropower Development Co. Ltd. 500 Ordinary Shares Per Share Rs. 100 Paid Up	397,979	452,000	-	-	397,979	452,000	-	-
Nabil Balanced Fund - 3 16,670 Units Of Rs. 10 each	166,700	126,192	-	-	166,700	126,192	-	-
Nmb Saral Bachat 9,500 Units of Rs. 10 each	95,000	95,000	-	-	95,000	95,000	-	-
Forward Microfinance Limited 1 Ordinary Shares Per Share Rs. 100 Paid Up	-	1,321	-	-	-	1,321	-	-
Nepal Life Insurance Company Limited 156 Ordinary Shares Per Share Rs. 100 Paid Up	-	100,620	-	-	-	100,620	-	-
Akhu Khola Jalabidut Company Limited 2,500 Shares of Rs. 100 each	622,049	481,250	-	-	-	-	-	-
Cedb Hydropower Development Company Limited 1,000 Shares of Rs. 100 each	768,000	904,000	-	-	-	-	-	-
Chhimek Laghubitta Bittiya Sanstha Limited 1 Shares of Rs. 100 each	1,100	1,000	-	-	-	-	-	-
Citizen Bank Ltd 917 Shares of Rs. 100 each	185,693	158,733	-	-	-	-	-	-

Citizen Investment Trust 262 Shares of Rs. 100 each	557,236	547,318	-	-	-	-	-	-
Citizens Super 30 70,000 Units of Rs. 10 each	700,000	700,000	-	-	-	-	-	-
Corporate Dev Bank Ltd. 2,500 Shares of Rs. 100 each	780,000	875,000	-	-	-	-	-	-
Everest Bank Ltd. 2,395 Shares of Rs. 100 each	930,680	1,348,385	-	-	-	-	-	-
First Micro Finance Dev. Bank Ltd. 1,595 Shares of Rs. 100 each	1,032,398	1,174,399	-	-	-	-	-	-
Global IME Balance Fund 50,000 Units of Rs. 10 each	500,000	467,000	-	-	-	-	-	-
Global Ime Bank Ltd. 1,135 Shares of Rs. 100 each	277,043	211,110	-	-	-	-	-	-
Himalayan Power Partner Ltd. 4,000 Shares of Rs. 100 each	1,288,000	1,143,600	-	-	-	-	-	-
IME General Insurance Co. Ltd. 1 Shares of Rs. 100 each	370	560	-	-	-	-	-	-
Kalika Microcredit Development Bank Ltd. 1 Shares of Rs. 100 each	2,292	735	-	-	-	-	-	-
Kumari Bank Ltd 224 Shares of Rs. 100 each	1,199	36,960	-	-	-	-	-	-
Kumari Dhana Briddhi Yojana 50,000 Shares of Rs. 10 each	500,000	502,000	-	-	-	-	-	-
Kumari Dhanabridhi Yojana 50,000 Units of Rs. 10 each	500,000	502,000	500,000	500,000	-	-	-	-
Kumari Equity Fund 50,000 Shares of Rs. 10 each	503,500	508,500	-	-	-	-	-	-
Kumari Equity Fund 150,000 Units of Rs. 10 each	1,500,000	1,525,500	1,500,000	1,510,500	-	-	-	-
Kumari Sunaulo Lagani Yojana 50,000 Units of Rs. 10 each	500,000	532,500	-	-	-	-	-	-
Laxmi Unnati Kosh 50,000 Units of Rs. 10 each	500,000	469,500	500,000	478,000	-	-	-	-
Lumbini General Insurance Co. Ltd. 2,830 Shares of Rs. 100 each	1,263,274	2,116,840	-	-	-	-	-	-
Mega Mutual Fund 1 50,000 Units of Rs. 10 each	500,000	399,500	500,000	399,500	-	-	-	-
Mega Mutual Fund. 200,000 Shares of Rs. 10 each	1,598,000	1,598,000	-	-	-	-	-	-
Nabil Balance Fund 2 45,000 Shares of Rs. 10 each	485,100	396,000	-	-	-	-	-	-
Nabil Balance Fund 3 16,670 Units of Rs. 10 each	166,700	126,192	166,700	157,198	-	-	-	-
Nabil Flexi Cap Fund 45,000 Shares of Rs. 10 each	450,000	447,500	-	-	-	-	-	-
Nadep Laghubitta Bittiya Sansta Ltd. 4,881 Shares of Rs. 100 each	6,085,423	2,968,624	-	-	-	-	-	-
Nepal Bank Ltd 2,499 Shares of Rs. 100 each	270,000	622,251	-	-	-	-	-	-
Nibl Growth Fund 200,000 Shares of Rs. 10 each	2,000,000	2,128,000	-	-	-	-	-	-
Nibl Samriddhi Fund 50,000 Shares of Rs. 10 each	433,500	455,500	-	-	-	-	-	-
NIBL Samriddhi Fund 2 50,000 Units of Rs. 10 each	500,000	455,500	500,000	433,500	-	-	-	-

Nic Asia Dynamic Debt 50,000 Shares of Rs. 10 each	534,000	533,000	-	-	-	-	-	-
NIC Asia Dynamic Debt Fund 50,000 Units of Rs. 10 each	500,000	512,500	500,000	535,500	-	-	-	-
Nic Asia Flexi Cap 150,000 Shares of Rs. 10 each	1,500,000	1,525,500	-	-	-	-	-	-
NIC Asia Flexi Fund 50,000 Units of Rs. 10 each	500,000	449,500	500,000	500,000	-	-	-	-
NIC Asia Select 30 50,000 Units of Rs. 10 each	500,000	449,500	500,000	438,500	-	-	-	-
Nica Balance Fund 10,000 Shares of Rs. 10 each	107,100	93,300	-	-	-	-	-	-
Nirdhan Utthan Bank Ltd. 595 Shares of Rs. 100 each	493,500	455,175	-	-	-	-	-	-
Nmb 50 Mutual Fund 2,500 Shares of Rs. 10 each	32,250	26,250	-	-	-	-	-	-
NMB50 Mutual Fund 250,000 Units of Rs. 10 each	2,500,000	2,625,000	2,500,000	3,225,000	-	-	-	-
NMB Saral Bachat Fund 9,500 Units of Rs. 10 each	95,000	90,440	95,000	86,545	-	-	-	-
NMB sulav Investment Fund 2 50,000 Units of Rs. 10 each	500,000	499,500	-	-	-	-	-	-
Prabhu Bank Ltd 600 Shares of Rs. 100 each	119,525	97,560	-	-	-	-	-	-
Prabhu Select Fund 100,000 Shares of Rs. 10 each	961,000	885,000	-	-	-	-	-	-
Prabhu Select Fund 50,000 Units of Rs. 10 each	500,000	442,500	500,000	480,500	-	-	-	-
Prabhu Smart Fund 150,000 Shares of Rs. 10 each	1,500,000	1,485,000	-	-	-	-	-	-
Prime Life Insurance Co. Ltd. 4,599 Shares of Rs. 100 each	2,290,700	2,331,693	-	-	-	-	-	-
RBB Mutual Fund 1 100,000 Shares of Rs. 10 each	927,000	808,000	-	-	-	-	-	-
RBB Mutual Fund 1 50,000 Units of Rs. 10 each	500,000	404,000	500,000	463,500	-	-	-	-
RBB Mutual Fund 2 70,000 Shares of Rs. 10 each	700,000	700,000	-	-	-	-	-	-
Sahara Bikash Bank Ltd. 7,227 Shares of Rs. 100 each	2,133,531	2,926,935	-	-	-	-	-	-
Sana Kisan Bikash Bank 630 Shares of Rs. 100 each	527,483	566,370	-	-	-	-	-	-
Sanima Growth Fund 45,000 Shares of Rs. 10 each	450,000	449,550	-	-	-	-	-	-
Sanima Large Cap Fund 100,000 Shares of Rs. 10 each	932,000	892,000	-	-	-	-	-	-
Sanima Large Cap Fund 100,000 Units of Rs. 10 each	1,000,000	892,000	1,000,000	932,000	-	-	-	-
Shiva Shree Hydropower Ltd. 2,000 Shares of Rs. 100 each	503,000	365,200	-	-	-	-	-	-
Shivam Cements Ltd. 1,000 Shares of Rs. 100 each	511,000	651,500	-	-	-	-	-	-
Siddhartha Investment Growth Scheme 3 50,000 Units of Rs. 10 each	500,000	500,000	-	-	-	-	-	-
Siddhartha Systematic Investment Scheme 5,320 Units of Rs. 10 each	53,200	47,880	53,200	42,986	-	-	-	-

Sunrise Blue Chip Fund 50,000 Shares of Rs. 10 each	437,000	392,500	-	-	-	-	-	-
Sunrise Bluechip Fund 100,000 Units of Rs. 10 each	1,000,000	785,000	1,000,000	874,000	-	-	-	-
Sunrise First Mutual Fund 50,000 Units of Rs. 10 each	500,000	554,000	500,000	575,000	-	-	-	-
Sunrise Focused Equity Fund 50,000 Units of Rs. 10 each	500,000	484,000	-	-	-	-	-	-
Terhathum Power Company Limited 987 Shares of Rs. 100 each	409,353	358,281	-	-	-	-	-	-
United Idl Mardi RB Hydro Power Limited 2,500 Shares of Rs. 100 each	1,369,000	1,085,250	-	-	-	-	-	-
Mastercard Worldwide 7302 Common Stock of B Class	-	-	-	-	-	-	-	-
VISA Card International 5860 Common Stock of C Class	-	-	-	-	-	-	-	-
Total	294,896,458	375,482,547	58,792,180	117,519,257	243,207,634	325,670,256	47,477,280	105,887,028

	Group				Bank			
	Asar 2080		Asar 2079		Asar 2080		Asar 2079	
	Cost	Fair Value						
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								
180,595 shares of Rs.100 each	1,548,300	1,548,300	1,423,300	1,423,300	1,548,300	1,548,300	1,423,300	1,423,300
Nepal Clearing House Limited 398,494 shares of Rs. 100 each	7,630,300	7,630,300	2,500,000	2,500,000	7,630,300	7,630,300	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	20,000,000	20,000,000	20,000,000	20,000,000
National Fund management Limited								
600,000 Promoter Shares of Rs 100 Paid Up	60,000,000	60,000,000	-	-	60,000,000	60,000,000	-	-
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	92,228,319	92,228,319	26,973,019	26,973,019	92,228,319	92,228,319	26,973,019	26,973,019

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Current tax assets				
Current year income tax assets	13,878,144,090	10,116,173,378	13,827,815,223	10,110,175,006
Tax assets of prior periods	39,890,663	30,266	39,890,663	30,266
	13,918,034,753	10,116,203,644	13,867,705,886	10,110,205,272
Current tax liabilities				
Current year income tax liabilities	13,364,127,131	9,650,290,827	13,321,975,952	9,650,290,827
Tax liabilities of prior periods	-	-	-	-
	13,364,127,131	9,650,290,827	13,321,975,952	9,650,290,827
Total	553,907,622	465,912,817	545,729,934	459,914,445

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 2080 Rs.	Asar 2079 Rs.
Investment in quoted subsidiaries	109,198,200	-
Investment in unquoted subsidiaries	950,865,000	200,000,000
Total investment	1,060,063,200	200,000,000
Less: Impairment allowances	-	-
Net carrying amount	1,060,063,200	200,000,000

4.10.1: Investment in quoted subsidiaries

Particulars	Bank			
	Asar 2080		Asar 2079	
	Cost	Fair Value	Cost	Fair Value
Himalayan LaghuBitta Bittiya Sanstha Limited. 16,31,071 shares of Rs. 100 each	109,198,200	-	-	-
Total	109,198,200	-	-	-

4.10.2: Investment in unquoted subsidiaries

Particulars	Bank			
	Asar 2080		Asar 2079	
	Cost	Fair Value	Cost	Fair Value
Civil Capital Market Limited 1,481,875 Shares (535,500Shares @130 each and 812,500 Shares @100 each) (Bonus Share 133,875)	150,865,000	-	-	-
Himalayan Securities 6,000,000 shares of Rs. 100 each	600,000,000	-	-	-
Himalayan Capital Ltd. 2,000,000 shares of Rs. 100 each	200,000,000	-	200,000,000	-
Total	950,865,000	-	200,000,000	-

4.10.3: Information relating to subsidiaries of the Bank

Particulars	Bank	
	Percentage of ownership held by the Bank	
	Asar 2080	Asar 2079
Himalayan Capital Limited	100%	100%
Himalayan Securities Limited	100%	-
Civil Capital Market Limited	69.74%	-
Himalayan Laghubitta Bittiya Sansthan Limited	51%	-

4.10.4: Non controlling interest of the subsidiaries

Particulars	Asar 2080	Asar 2079
		Civil Capital Market Limited
Equity interest held by NCI (%)	30.26%	
Profit/(loss) allocated during the year	(152,899)	
Accumulated balances of NCI as on Asar end 2080	76,719,909	
Dividend paid to NCI	-	
	Himalayan Laghubitta Bittiya Sansthan Limited	
Equity interest held by NCI (%)	51%	
Profit/(loss) allocated during the year	6,440,796	
Accumulated balances of NCI as on Asar end 2080	234,492,646	
Dividend paid to NCI	817,364	

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 holds 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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Investment in quoted associates	1,590,903,811	1,596,361,776	85,109,197	86,887,259
Investment in unquoted associates	23,535,388	27,536,070	105,820,000	105,820,000
Total investment	1,614,439,199	1,623,897,846	190,929,197	192,707,259
Less: Impairment allowances	-	-	-	-
Net carrying amount	1,614,439,199	1,623,897,846	190,929,197	192,707,259

4.11.1: Investment in quoted associates

Particulars	Group				Bank			
	Asar 2080		Asar 2079		Asar 2080		Asar 2079	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Sana Kisan Laghubitta Bittiya Sanstha Ltd. 12,55,805 Promoter shares of Rs. 100 each	48,000,000	324,204,810	48,000,000	307,227,020	48,000,000	-	48,000,000	-
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd. 1,988,965 Promoter shares of Rs.100 each	8,679,706	342,340,515	8,679,706	367,486,981	8,679,706	-	8,679,706	-
Chhimek Laghubitta Bittiya Sanstha Ltd. 2,475,451 Promoter shares of Rs. 100 each	17,761,127	589,825,236	17,761,127	515,783,513	17,761,127	-	17,761,127	-
Swabalamban Laghubitta Bittiya Sanstha Ltd. 1,325,081 Promoter shares of Rs. 100 each	10,668,364	334,533,250	12,446,426	405,864,262	10,668,364	-	12,446,426	-
Total	85,109,197	1,590,903,811	86,887,259	1,596,361,776	85,109,197	-	86,887,259	-

4.11.2: Investment in unquoted associates

Particulars	Group				Bank			
	Asar 2080		Asar 2079		Asar 2080		Asar 2079	
	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	23,535,388	105,820,000	27,536,070	105,820,000	-	105,820,000	-
Total	105,820,000	23,535,388	105,820,000	27,536,070	105,820,000	-	105,820,000	-

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 2080	Asar 2079	Asar 2080	Asar 2079
	Rs.	Rs.	Rs.	Rs.
Sana Kisan Laghubitta Bittiya Sanstha Ltd.	3.77%	9.23%	3.77%	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.	10.27%	12.02%	10.27%	12.02%
Smart Choice Technologies Limited	6.16%	6.16%	6.16%	6.16%

4.11.4: Equity value of associates

Particulars	Group	
	Asar 2080 Rs.	Asar 2079 Rs.
Sana Kisan Laghubitta Bittiya Sanstha Ltd.	324,204,810	307,227,020
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	342,340,515	367,486,981
Chhimek Laghubitta Bittiya Sanstha Ltd.	589,825,236	515,783,513
Swabalamban Laghubitta Bittiya Sanstha Ltd.	334,533,250	405,864,262
Smart Choice Technologies Limited	23,535,388	27,536,070
Total	1,614,439,199	1,623,897,846

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.

The Bank had investment in promoter share of RMDC. After the merger of RMDC with Sana Kisan Laghubitta Bittiya Sansthan Limited the shares have been converted to promoter share of Sana Kisan Laghubitta Bittiya Sansthan Limited. Bank still has representation in board of directors of Sana Kisan Laghubitta Bittiya Sansthan Limited.

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Investment properties measured at fair value				
Balance as on Sawan 1	239,095,713	379,802,213	239,095,713	379,802,213
Additional From CBL	89,053,451	-	89,053,451	-
Addition/disposal during the year	261,015,072	(140,706,500)	261,015,072	(140,706,500)
Net changes in fair value during the year	-	-	-	-
Adjustment/transfer	-	-	-	-
Net amount	589,164,236	239,095,713	589,164,236	239,095,713
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	589,164,236	239,095,713	589,164,236	239,095,713

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 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)	(546,624)	(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	
Addition From Former CBL										
Addition during the Year										
Acquisition	-	1,736,932	24,453,508	156,407,941	112,364,900	8,429,677	1,416,130	59,824,166	364,633,254	
Capitalization	-	-	154,132	-	-	-	-	-	154,132	
Disposal during the year	-	-	(374,956)	(13,118,256)	(48,332,770)	(677,795)	(6,513,090)	(6,057,385)	(75,074,252)	
Adjustment/Revaluation	-	-	840,735,567	-	-	-	-	-	840,735,567	
Balance as on Asar end 2080	1,319,833,717	477,087,088	3,022,514,069	997,049,982	591,103,502	478,161,106	109,961,417	911,858,522	7,907,569,404	
Depreciation and Impairment										
Balance as on Asar end 2078										
Impairment for the year	-	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	
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										
Addition From Former CBL										
Impairment for the year	-	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	
Depreciation charge for the Year	-	-	200,145,140	114,055,369	56,527,579	93,417,643	30,781,339	146,981,329	641,908,399	
Disposals	-	13,764,376	33,565,163	51,375,087	42,414,487	18,147,736	4,721,448	44,132,244	208,120,541	
Adjustment	-	-	(244,745)	(12,047,291)	(25,705,033)	(554,140)	(5,914,008)	(4,564,857)	(49,030,074)	
As on Asar end 2080										
Capital Work in Progress										
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	
As on Asar end 2080	-	254,956,782	710,072	-	-	-	-	-	255,666,854	
Net Book Value										
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	
As on Asar end 2080	1,319,833,717	517,660,849	2,140,645,864	340,929,722	342,919,185	189,289,938	36,783,087	377,797,571	5,265,859,932	

Bank

Cost	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total
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	-	3,045,198	20,225,103	31,762,858	50,262,000	17,417,535	4,747,114	65,893,397	193,353,205
Acquisition	-	-	22,929,242	-	-	5,130,640	-	2,361,571	30,421,453
Capitalization	-	-	-	(11,438,871)	(64,288,349)	(546,224)	(1,131,810)	(14,664,422)	(92,069,676)
Disposal during the year	-	-	-	-	-	-	-	-	-
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
Addition From Former CBL	-	-	358,819,084	151,336,143	107,205,187	156,589,160	47,924,815	291,543,338	1,113,417,728
Addition during the Year	-	1,736,932	12,695,233	155,209,183	112,364,900	7,800,291	1,416,130	59,445,456	350,668,125
Acquisition	-	-	154,132	-	-	-	-	-	154,132
Capitalization	-	-	(374,956)	(13,093,971)	(48,332,770)	(666,454)	(6,513,090)	(6,057,385)	(75,038,626)
Disposal during the year	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	840,735,567	-	-	-	-	-	840,735,567
Balance as on Asar end 2080	1,319,833,717	477,087,088	2,971,280,363	977,735,551	575,271,190	458,410,171	109,961,417	901,343,009	7,790,922,507
Depreciation and Impairment									
Balance 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
Addition From Former CBL	-	-	180,522,045	104,136,748	48,031,836	80,908,681	30,781,339	140,889,346	585,269,995
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	13,764,376	30,111,634	50,676,427	41,961,795	17,516,811	4,721,448	43,813,181	202,565,670
Disposals	-	-	(244,745)	(12,047,291)	(25,705,033)	(554,140)	(5,914,008)	(4,564,857)	(49,030,073)
Adjustment	-	-	209,518,818	-	-	-	-	-	209,518,818
As on Asar end 2080	-	214,383,020	649,035,347	644,124,197	238,259,599	275,276,337	73,178,329	527,288,303	2,831,063,952
Capital Work in Progress									
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
As on Asar end 2080	-	254,956,782	710,072	-	-	-	-	-	255,666,854
Net Book Value									
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
As on Asar end 2080	1,319,833,717	517,660,849	2,322,955,088	333,611,354	337,011,591	183,133,835	36,783,088	374,054,706	5,215,525,408

Right of Use(ROU) Aseets recognised under NFRS 16

Lease hold properties includes ROU asset of NPR 1,199,054,786 recognised on 1st Shrawan and ROU Assets of NPR 840,735,567 has been calculated for all the leases takenover during the acquisition of erstwhile Civil Bank Limited. Accumulated depreciation of NPR 209,518,818 has been charged during the year for such ROU assets. As on 32nd Asar, 2080, leasehold properties includes ROU asset balance of NPR 1,830,271,535. The detail accounting policy of ROU asset has been disclosed in Note 3.16.

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.

Particulars	Goodwill	Group		Other	Total Asar end
		Purchased	Developed		
Cost:					
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
Addition From Former Civil Bank Limited	-	128,739,271	-	-	128,739,271
Addition during the Year					
Acquisition	651,764,809	195,099,118	-	-	846,863,927
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2080	651,764,809	1,217,612,530	-	-	1,869,377,339
Amortization and Impairment					
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
Addition From Former Civil Bank Limited	-	106,101,415	-	-	106,101,415
Amortization charge for the Year	-	72,833,203	-	-	72,833,203
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance as on Asar end 2080	-	872,910,390	-	-	872,910,390
Net book value:					
Balance as on Asar end 2078	-	223,240,679	-	-	223,240,679
Balance as on Asar end 2079	-	199,798,369	-	-	199,798,369
Balance as on Asar end 2080	651,764,809	344,702,140	-	-	996,466,949

Bank

Particulars	Goodwill	Software		Other	Total Asar end
		Purchased	Developed		
Cost:					
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
Addition From Former Civil Bank Limited	-	126,617,021	-	-	126,617,021
Addition during the Year					
Acquisition	651,764,809	195,084,118	-	-	846,848,927
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2080	651,764,809	1,214,275,673	-	-	1,866,040,482
Amortization and Impairment					
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
Addition From Former Civil Bank Limited	-	104,851,185	-	-	104,851,185
Amortization charge for the Year	-	72,375,408	-	-	72,375,408
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance as on Asar end 2080	-	870,691,969	-	-	870,691,969
Net book value:					-
Balance as on Asar end 2078	-	222,394,052	-	-	222,394,052
Balance as on Asar end 2079	-	199,109,158	-	-	199,109,158
Balance as on Asar end 2080	651,764,809	343,583,704	-	-	995,348,513

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. The bank has created deferred tax asset for carry forward of tax loss of erstwhile Civil Bank Limited.

Particulars	Group Asar 2080			Bank Asar 2080		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items						
Loan and Advance to B/FIs	-	(891,086)	(891,086)	-	(891,086)	(891,086)
Loans and advances to customers	-	(263,289,746)	(263,289,746)	-	(263,289,746)	(263,289,746)
Investment properties	-	-	-	-	-	-
Investment securities	-	(24,966,145)	(24,966,145)	-	(24,738,787)	(24,738,787)
Property & equipment	14,007,662	(61,798,687)	(47,791,025)	-	(52,849,747)	(52,849,747)
Employees' defined benefit plan	106,488,605	-	106,488,605	97,450,471	-	97,450,471
Lease liabilities	45,794,316	-	45,794,316	37,774,713	-	37,774,713
Provisions	-	-	-	-	-	-
Other temporary differences	852,658,831	-	852,658,831	852,658,831	-	852,658,831
Deferred tax on temporary differences	1,018,949,415	(350,945,664)	668,003,750	987,884,015	(341,769,366)	646,114,649
Deferred tax on carry forward of unused tax losses			161,154,337			161,154,337
Deferred tax due to changes in tax rate			-			-
Net Deferred tax asset/(liabilities) as on year end of Asar			829,158,087			807,268,986
Recognised in profit or loss			862,082,365			840,193,264
Recognised in other comprehensive income			(32,924,278)			(32,924,278)
Recognised directly in equity			-			-
Deferred tax (asset)/liabilities as on Sawan 1,			(91,321,130)			(90,523,852)
Opening From Civil Bank Limited			(135,759,563)			(156,435,278)
Origination/(Reversal) during the year			1,056,238,780			1,054,228,116
Deferred tax expense/(income) recognized in profit or loss			(1,028,189,819)			(1,025,213,269)
Deferred tax expense/(income) recognized in other comprehensive income			6,185,417			6,041,594
Deferred tax expense/(income) recognized in directly in equity			9,703,642			9,703,642

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	(214,730,656)	(91,321,130)	123,148,371	(213,676,122)	(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)
Recognised in profit or loss			(74,657,883)			(73,860,605)
Recognised in other comprehensive income			(16,663,247)			(16,663,247)
Recognised directly in equity			-			-
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

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.

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

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Assets held for sale	-	-	-	-
Other non banking assets	-	-	-	-
Bills receivable	4,403,658	-	-	-
Accounts receivable	2,543,470,094	1,148,322,920	893,136,168	1,127,674,469
Accrued income	2,194,896	2,975,624	-	-
Prepayments and deposit	462,028,163	246,394,283	460,876,705	246,394,283
Income tax deposit	133,206,204	110,292,000	124,401,357	110,292,000
Deferred employee expenditure	2,148,793,187	797,846,892	2,146,856,784	797,846,892
Other	105,316,886	160,243,648	100,640,298	160,243,647
Total	5,399,413,088	2,466,075,367	3,725,911,312	2,442,451,291

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. 276,440,334 for such doubtful receivables.

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 2080	Asar 2079	Asar 2080	Asar 2079
Money market deposits	-	-	-	-
Interbank borrowing	1,971,750,000	-	1,971,750,000	-
Other deposits from BFIs	1,869,696,511	1,509,376,084	1,869,696,511	1,509,376,084
Settlement and clearing accounts	1,345,923,559	1,558,499,668	1,345,923,559	1,558,499,668
Total	5,187,370,070	3,067,875,752	5,187,370,070	3,067,875,752

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 2080	Asar 2079	Asar 2080	Asar 2079
Refinance from NRB	546,947,000	2,127,896,891	546,947,000	2,127,896,891
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	546,947,000	14,807,896,891	546,947,000	14,807,896,891

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 2080	Asar 2079	Asar 2080	Asar 2079
Held for trading				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	8,575,217	252,000	8,575,217	252,000
Others	-	-	-	-
Held for risk management				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	214,852	25,482,890	214,852	25,482,890
Other	-	-	-	-
Total	8,790,069	25,734,890	8,790,069	25,734,890

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 2080	Asar 2079	Asar 2080	Asar 2079
Institutional customers:				
Term deposits	93,859,991,386	50,430,669,534	94,642,991,386	50,540,669,534
Call deposits	11,887,056,576	9,698,894,441	13,063,967,335	9,831,222,626
Current deposits	3,739,966,024	2,841,140,096	3,739,966,024	2,841,140,096
Other	2,125,423,984	1,616,383,628	2,125,423,984	1,616,383,628
Individual customers:				
Term deposits	86,820,445,941	48,065,520,107	86,820,445,941	48,065,520,107
Saving deposits	56,886,383,754	41,285,568,691	55,892,357,616	41,285,568,691
Current deposits	13,090,069,112	9,318,519,091	13,090,069,112	9,318,519,091
Other	5,935,772,284	4,920,462,920	5,935,772,284	4,920,462,920
Total	274,345,109,061	168,177,158,508	275,310,993,682	168,419,486,693

4.20.1: Currency wise analysis of deposit from customers

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Nepalese rupee	258,106,263,860	156,394,688,763	259,072,148,481	156,637,016,948
Indian rupee	202,563,420	387,439,550	202,563,420	387,439,550
United State dollar	15,595,835,190	10,954,285,078	15,595,835,190	10,954,285,078
Great Britain pound	183,470,223	204,788,023	183,470,223	204,788,023
Euro	151,374,500	181,113,354	151,374,500	181,113,354
Japenese yen	92,483,097	48,722,943	92,483,097	48,722,943
Chinese yuan	5,226,062	72,605	5,226,062	72,605
Other	7,892,709	6,048,192	7,892,709	6,048,192
Total	274,345,109,061	168,177,158,508	275,310,993,682	168,419,486,693

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 2080	Asar 2079	Asar 2080	Asar 2079
Domestic Borrowing	-	-	-	-
Nepal Government	-	-	-	-
Other Institutions	-	-	-	-
Other	2,453,807,459	-	-	-
Sub total	2,453,807,459	-	-	-
Foreign Borrowing	-	-	-	-
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub total	-	-	-	-
Total	2,453,807,459	-	-	-

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 2080	Asar 2079	Asar 2080	Asar 2079
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 2080	Asar 2079	Asar 2080	Asar 2079
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	-	-	-	-

The provision in the books towards non-banking assets acquired in earlier years has been reversed as a separate reserve is earmarked for such assets under the regulatory directives.

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 valuated 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.

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 2080	Asar 2079	Asar 2080	Asar 2079
Liability for employees defined benefit obligations	108,384,208	87,293,527	76,357,956	87,293,527
Liability for long-service leave	380,203,574	349,193,018	352,119,872	349,193,018
Short-term employee benefits	12,397,182	-	-	-
Bills payable	51,839,234	16,094,962	51,839,234	16,094,962
Creditors and accruals	64,101,133	31,685,084	47,351,630	31,685,084
Interest Payable on deposits	2,038,319,188	1,491,066,866	1,984,707,909	1,493,967,990
Interest payable on borrowing	84,090,703	32,888,790	69,750,787	32,888,790
Liabilities on deferred grant income	-	4,621,448	-	4,621,448
Unpaid Dividend	5,188,193	316,585,444	3,420,805	316,585,444
Liabilities under Finance Lease	1,956,187,245	1,257,490,747	1,956,187,245	1,257,490,747
Employee bonus payable	234,517,095	377,425,684	224,406,729	377,425,684
Others	7,677,821,514	1,342,535,604	4,561,496,946	1,203,747,829
Total	12,613,049,269	5,306,881,174	9,327,639,113	5,170,994,523

Others include a sum of Rs. 3,319,119,546 which is the deposit made by Local, Federal and Provincial government that cannot be considered as deposit for lending purposes.

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 2080	Asar 2079	Asar 2080	Asar 2079
Present value of unfunded obligations	-	-	-	-
Present value of funded obligations	734,016,327	695,738,947	701,990,075	695,738,947
Total present value of obligations	734,016,327	695,738,947	701,990,075	695,738,947
Fair value of plan assets	625,632,119	608,445,420	625,632,119	608,445,420
Present value of net obligations	108,384,208	87,293,527	76,357,956	87,293,527
Recognised Liability for defined benefit obligation	108,384,208	87,293,527	76,357,956	87,293,527

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 2080	Asar 2079	Asar 2080	Asar 2079
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	625,632,119	608,445,420	625,632,119	608,445,420
Other	-	-	-	-
Total	625,632,119	608,445,420	625,632,119	608,445,420
Actual Return on Plan Assets	-	-	-	-

4.23.3: Movement in the present value of defined benefit obligations

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Defined benefit obligations at Sawan 1	695,738,948	653,273,272	695,738,948	653,273,272
Actuarial losses/(gains)	(30,150,564)	(14,757,464)	(30,150,564)	(14,757,464)
Benefits paid by the plan	(70,106,828)	(44,827,851)	(70,106,828)	(44,827,851)
Current service costs and interest	138,534,772	102,050,991	106,508,520	102,050,991
Defined benefit obligation at Asar end	734,016,328	695,738,948	701,990,076	695,738,948

4.23.4: Movement in the fair value of plan assets

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Fair value of plan assets at Sawan 1	608,445,420	564,983,864	608,445,420	564,983,864
Contributions paid into the plan	87,293,527	88,289,407	87,293,527	88,289,407
Benefits paid during the year	(70,106,828)	(44,827,851)	(70,106,828)	(44,827,851)
Actuarial (losses) / gains	-	-	-	-
Expected return on plan assets	-	-	-	-
Fair value of plan assets at Asar end	625,632,119	608,445,420	625,632,119	608,445,420

4.23.5: Amount recognised in profit or loss

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Current service costs	47,406,708	46,021,972	47,406,708	46,021,972
Interest on obligation	59,101,812	56,029,019	59,101,812	56,029,019
Expected return on plan assets	-	-	-	-
Total	106,508,520	102,050,991	106,508,520	102,050,991

4.23.6: Amount recognised in other comprehensive income

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Actuarial (gain)/loss on DBO	(30,150,564)	(14,757,464)	(30,150,564)	(14,757,464)
Actuarial (gain)/loss on Plan Assets	-	-	-	-
Total	(30,150,564)	(14,757,464)	(30,150,564)	(14,757,464)

4.23.7: Actuarial assumptions

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Discount rate	10.00%	9.00%	10.00%	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

The bank had issued 2,500,000 debentures of Rs 1,000 each which carries an interest rate of 10.50 % per annum payable semi-annually and 7 years maturity from the date of issue. The date of issue of this debenture was Aswin 2079. Similarly the bank has issued 2,569,104 debentures of Rs 1,000 each which carries an interest rate of 10% per annum payable semi-annually and 7 years maturity from the date of issue on Bhadra 2076. Further, 3,000,000 debentures of Rs 1,000

each carries an interest rate of 10.25% per annual payable quarterly and 10 years maturity from the date of issue. The debenture was issued on Mangsir 2078. Debenture is measured at amortized cost using the effective interest rate. All the transaction cost incurred upto the time of allotment formed part of effective interest rate.

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	8,380,790,258	2,693,565,077	8,380,790,258	2,693,565,077
Total	8,380,790,258	2,693,565,077	8,380,790,258	2,693,565,077

4.25 Subordinated Liabilities

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Redeemable preference shares	-	-	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

4.26 Share capital

Ordinary share capital represents the par value of ordinary shares issued. Share issuance cost which were incurred for raising the capital has not been shown as deduction from share capital but are charged to statement of profit or loss. Further the bank has issued 76,503,918 number of shares at Rs 100 to shareholders of erstwhile Civil Bank Limited during the acquisition.

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Ordinary shares	21,656,615,632	12,968,725,725	21,656,615,632	12,968,725,725
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	21,656,615,632	12,968,725,725	21,656,615,632	12,968,725,725

4.26.1: Ordinary shares

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Authorized Capital				
a. 260,000,000 Ordinary Shares of Rs 100 each.			26,000,000,000	16,000,000,000
Issued capital				
21,656,615 Ordinary share of Rs. 100 each.			21,656,615,632	12,968,725,725
Subscribed and paid up capital				
21,656,615 Ordinary share of Rs. 100 each			21,656,615,632	12,968,725,725
Total			21,656,615,632	12,968,725,725

4.26.2: Ordinary share ownership

Particulars	Group				Bank			
	Asar 2080		Asar 2079		Asar 2080		Asar 2079	
	%	Amount	%	Amount	%	Amount	%	Amount
Domestic ownership								
Nepal Government								
"A" class licensed institutions					-	-	-	-
Other licensed intitutions					-	-	-	-
Other Institutions					48%	10,460,145,836	65%	8,429,671,721
Public					38%	8,290,895,057	15%	1,945,308,859
Other					0.1%	21,612,666	-	-
Foreign ownership					13%	2,883,962,073	20%	2,593,745,145
Total					100%	21,656,615,632	100%	12,968,725,725

* By nature of shares the ratio of public share is 27.01% and promoter share is 72.99%

Name	Promoter	Public	Total
Habib Bank Limited	12.93	-	12.93
Employees Provident Fund	12.62	-	12.62
N. Trading Company Pvt.Ltd	8.26	-	8.26
Mutual Trading Co. Pvt. Ltd.	7.66	-	7.66
Ava International Pvt.Ltd	7.46	-	7.46
Chhaya International Pvt.Ltd.	5.78	-	5.78
Pradeep Jung Pandey	1.09	0.45	1.55
Sashikanta Agrawal	1.51	-	1.51
Ichchha Raj Tamang	1.16	0.20	1.36
National Life Insurance Company Limited	0.88	0.37	1.25
Yeshaswika International Private Limited	1.10	-	1.10
Asian Investment And Trading Company Pvt Ltd.	0.76	0.01	0.77
Prabha Goenka Bhimsaria	0.67	0.00	0.67
Ambika Shah	-	0.61	0.61
Vijaya Inernational Pvt.Ltd	0.54	-	0.54
Anju Khetan	0.50	-	0.50

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. Movement in the reserve from the date of inception is given below.

Capital Reserve: Capital reserve has been created for the difference in share capital of erstwhile Civil bank limited and share issued to the shareholders of the bank during the acquisition.

Other reserve: Other reserve includes debenture redemption reserve, employee training and development fund, capital adjustment fund and merger and acquisition reserve. A sum equivalent to 3% of salary and allowance expense of previous fiscal year less actual staff training and development expenditure of this year is required to be appropriated to this reserve in current fiscal year. Debenture redemption reserve has been created by appropriating equal amount from the profit of each period to this reserve. This amount will be released and will be available for capitalization after the redemption of the Debenture. Capital adjustment fund has been created for the interest capitalized on loans and advances. This will be released when the interest is received by the bank. Merger and Acquisition Reserve equivalent to the amount of goodwill has been created as per the requirement of regulator.

Details on the movement of these reserve has been presented on statement of change in equity.

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Statutory general reserve	6,945,917,427	5,331,593,545	6,941,790,255	5,327,466,373
Exchange equilisation reserve	67,463,254	39,056,093	67,463,254	39,056,093
Corporate social responsibility reserve	37,589,223	49,777,525	37,519,199	49,707,500
Capital redemption reserve	-	-	-	-
Regulatory reserve	4,828,569,349	935,346,538	4,828,569,348	935,346,538
Investment adjustment reserve	1,214,859	1,214,859	1,214,859	1,214,859
Capital reserve	1,879,244,236	-	1,879,244,236	-
Assets revaluation reserve	-	-	-	-
Fair value reserve	58,485,475	41,109,179	57,723,834	40,886,824
Dividend equalization reserve	-	-	-	-
Actuarial gain	24,512,960	-	19,099,483	-
Special reserve	-	-	-	-
Other Reserve	1,383,754,754	79,998,246	1,383,754,753	79,998,247
Total	15,226,751,537	6,478,095,985	15,216,379,221	6,473,676,434

Note:

Other reserve includes:	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Bond Redemption Reserve	375,000,000	-	375,000,000	-
Merger and Acquisition Reserve	651,764,809	-	651,764,809	-
Capital Adjustment Fund	240,076,520	-	240,076,520	-
Employee Training and Development Fund	116,913,425	79,998,247	116,913,424	79,998,247
Total Other Reserve	1,383,754,754	79,998,247	1,383,754,753	79,998,247

Movement in Regulatory Reserve

Particulars	Interest Receivable	Provision on NBA	Actuarial Loss Recognized	Deferred Tax Assets Reserve	Total
As of Asar end 2076/77	703,627,597	239,275,394	17,845,281	-	942,902,991
Movement of 2077/78	(237,454,418)	-	(5,509,144)	-	(237,454,418)
As of Asar end 2077/78	466,173,179	239,275,394	12,336,137	-	705,448,573
Movement of 2078/79	318,543,061	(88,645,095)	(10,330,225)	-	229,897,966
As of Asar end 2078/79	784,716,239	150,630,299	2,005,912	-	937,352,450
Additional from CBL	1,541,195,413	56,103,674	-	-	1,597,299,087
Movement of 2079/80	968,973,467	164,439,496	(2,005,912)	1,162,510,760	2,293,917,811
As of Asar end 2079/80	3,294,885,119	371,173,469	-	1,162,510,760	4,828,569,348

Regulatory Reserve for accrued interest receivable amounting to Rs. 714,372,028 outstanding as on the date of financial statement has not been maintained as the same was realized within Shrawan 15, 2080.

4.28 Contingent liabilities and commitments

A contingent liability is 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 2080	Asar 2079	Asar 2080	Asar 2079
Contingent liabilities	48,607,097,728	37,347,903,250	48,607,097,728	37,163,653,250
Undrawn and undisbursed facilities	4,379,559,949	6,596,169,923	4,379,559,949	6,596,169,923
Capital commitment	378,184,105	419,095,896	378,184,105	419,095,896
Lease Commitment	-	-	-	-
Litigation	1,187,862,584	504,895,225	1,187,862,584	504,895,225
Total	54,552,704,365	44,868,064,294	54,552,704,365	44,683,814,294

4.28.1: Contingent liabilities

Following balances have been shown under contingent liabilities.

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Acceptance and documentary credit	20,675,630,810	21,560,386,971	20,675,630,810	21,560,386,971
Bills for collection	550,575,726	580,249,674	550,575,726	580,249,674
Forward exchange contracts	3,859,044,943	3,610,539,234	3,859,044,943	3,610,539,234
Guarantees	12,629,513,889	9,250,738,427	12,629,513,889	9,250,738,427
Underwriting commitment	-	184,250,000	-	-
Other commitments	10,892,332,359	2,161,738,944	10,892,332,359	2,161,738,944
Total	48,607,097,728	37,347,903,250	48,607,097,728	37,163,653,250

4.28.2: Undrawn and undisbursed facilities

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Undisbursed amount of loans	-	-	-	-
Undrawn limits of overdrafts	4,379,559,949	6,596,169,923	4,379,559,949	6,596,169,923
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	-	-	-	-
Undrawn limits of guarantee	-	-	-	-
Total	4,379,559,949	6,596,169,923	4,379,559,949	6,596,169,923

4.28.3: Capital commitments

Capital expenditure approved by relevant authority of the bank but provision has not been made in financial statements.

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
Capital commitments in relation to Property and Equipment				
Approved and contracted for	378,184,105	419,095,896	378,184,105	419,095,896
Approved but not contracted for	-	-	-	-
Sub Total	378,184,105	419,095,896	378,184,105	419,095,896
Capital commitments in relation to Intangible assets				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Total	378,184,105	419,095,896	378,184,105	419,095,896

4.28.4: Lease commitments

Particulars	Group		Bank	
	Asar 2080	Asar 2079	Asar 2080	Asar 2079
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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Claims on Institutions but not accepted by bank				
- Unpaid guarantee claims	319,586,923	236,904,500	319,586,923	236,904,500
- Contingent liabilities on income tax				
- Assessment pending with tax settlement commission	868,275,660	267,990,725	868,275,660	267,990,725
Total	1,187,862,584	504,895,225	1,187,862,584	504,895,225

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 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, in case of loan and advances which has been past dues for more than 90 days the collateral value is compared to the total outstanding 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 2080	Asar 2079	Asar 2080	Asar 2079
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalent	341,202,260	62,191,515	339,362,991	62,191,515
Due from Nepal Rastra Bank	1,294,124	-	1,294,124	-
Placement with bank and financial institutions	113,182,670	22,124,008	114,099,327	22,124,008
Loan and advances to bank and financial institutions	1,237,034,805	712,923,364	1,237,034,805	712,923,364
Loans and advances to customers	25,545,143,174	14,357,958,729	25,286,193,578	14,358,528,609
Investment securities	1,999,205,901	1,464,957,077	1,999,205,901	1,448,912,287
Loan and advances to staff	118,373,906	(38,833,563)	117,526,096	(38,833,563)
Other Interest Income	21,510,740	-	-	-
Total Interest Income	29,376,947,580	16,581,321,130	29,094,716,822	16,565,846,220

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 2080	Asar 2079	Asar 2080	Asar 2079
	Rs.	Rs.	Rs.	Rs.
Due to bank and financial institutions	160,799,563	50,729,745	160,799,563	50,729,745
Due to Nepal Rastra Bank	540,973,031	674,269,650	540,973,031	674,269,650
Deposits from customers	17,769,965,333	10,569,219,174	17,809,933,614	10,579,811,841
Borrowing	147,545,108	-	-	-
Debt securities issued	590,381,416	257,669,030	590,381,416	257,669,030
Subordinated liabilities	-	-	-	-
Other	-	-	-	-
Finance Cost Under Lease Liability	71,847,029	60,046,387	71,847,029	60,046,387
Total Interest Expense	19,281,511,480	11,611,933,986	19,173,934,653	11,622,526,653

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 2080	Asar 2079	Asar 2080	Asar 2079
	Rs.	Rs.	Rs.	Rs.
Loan administration fees	185,343,733	186,665,723	185,343,733	186,665,723
Service fees	19,568,862	-	-	-
Consortium fees	46,729,332	55,329,279	46,729,332	55,329,279
Commitment fees	-	-	-	-
DD/TT/Swift fees	31,801,599	34,065,022	31,801,599	34,065,022
Credit card/ATM issuance and renewal fees	233,764,015	194,983,606	233,764,015	194,983,606
Prepayment and swap fees	-	-	-	-
Investment banking fees	17,321,737	9,498,224	-	-
Asset management fees	4,429,725	3,106,433	-	-
Brokerage fees	-	-	-	-
Remittance fees	37,483,128	50,348,744	37,483,128	50,348,744
Commission on letter of credit	132,021,459	141,694,432	132,021,459	141,694,432
Commission on guarantee contracts issued	172,287,639	160,082,985	172,287,639	160,082,985
Commission on share underwriting/issue	1,406,999	691,541	-	-
Locker rental	35,274,320	27,234,112	35,274,320	27,234,112
Other fees and commission income	247,876,895	168,635,312	232,178,232	168,635,312
Total Fees & Commission Income	1,165,309,443	1,032,335,413	1,106,883,457	1,019,039,215

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
ATM management fees	-	-	-	-
VISA/Master card fees	83,713,474	70,998,582	83,713,474	70,998,582
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees	12,597,846	10,819,679	12,597,846	10,819,679
Remittance fees and commission	-	-	-	-
Other fees and commission expense	54,402,601	23,660,244	43,483,525	23,650,025
Total Fees & Commission Expense	150,713,921	105,478,505	139,794,845	105,468,286

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 does hold 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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Changes in fair value of trading assets	144,103	(1,551,218)	-	-
Gain/loss on disposal of trading assets	-	(1,049,959)	-	-
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	-	-	-	-
Gain/loss on foreign exchange transaction	382,599,088	595,910,330	382,599,088	595,910,330
Other	-	-	-	-
Net Trading Income	382,743,191	593,309,153	382,599,088	595,910,330

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Foreign exchange revaluation gain	(3,238,416)	(25,670,462)	(3,238,416)	(25,670,462)
Gain/loss on sale of investment securities	125,708,088	2,048,074	180,597,649	3,145,821
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	13,381,422	14,853,861	24,369,221	25,086,400
Gain/loss on sale of property and equipment	(1,462,698)	359,981	(1,462,698)	359,981
Gain/loss on sale of investment property	(16,500,000)	8,069,500	(16,500,000)	8,069,500
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	-	-	-	-
Other Operating Income	122,216,236	112,427,136	124,507,426	115,405,259
Total	240,104,632	112,088,090	308,273,182	126,396,499

The bank has disposed part of its holding in Swabhalamban Laghubitta Bitiya Sanstha Limited during the year in order to comply with the regulatory requirements and the resulting gain on sale has been shown as gain on sale of investment under other operating income.

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Impairment charge/(reversal) on loan and advances to B/FIs	(26,158,851)	23,562,500	(22,060,555)	23,562,500
Impairment charge/(reversal) on loan and advances to customer	4,904,169,487	1,257,220,627	4,890,992,159	1,257,300,115
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	4,878,010,636	1,280,783,127	4,868,931,604	1,280,862,615

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Salary	708,196,668	429,572,525	660,839,664	429,572,525
Allowances	871,117,488	622,906,139	836,140,554	622,898,939
Gratuity Expense	114,876,374	102,050,991	106,508,520	102,050,991
Provident fund	59,230,379	36,226,886	55,367,342	36,226,886
Uniform	9,136,959	464,252	8,211,959	464,252
Training & development expense	23,807,381	13,382,622	20,853,071	12,617,928
Leave encashment	70,737,070	78,276,040	65,664,897	78,276,040
Medical	-	-	-	-
Insurance	31,464,172	27,302,416	31,134,757	27,302,416
Employees incentive	22,620,695	17,439,648	22,620,695	17,439,648
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	3,225,669	(91,474,604)	3,175,418	(91,474,604)
Other expenses related to staff	30,613,544	15,252,617	30,514,594	15,252,617
Subtotal	1,945,026,399	1,251,399,532	1,841,031,471	1,250,627,638
Employees bonus	227,817,917	377,425,684	224,406,729	377,425,684
Grand total	2,172,844,316	1,628,825,216	2,065,438,200	1,628,053,322

*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 35,084,120.

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 finance 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.

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Directors' fee	3,237,234	3,893,980	2,028,000	3,420,000
Directors' expense	3,721,715	9,456,736	3,669,859	9,456,736
Auditors' remuneration	4,877,089	2,770,060	2,260,000	2,260,000
Other audit related expense	11,580	-	-	-
Professional and legal expense	34,368,107	45,971,536	32,289,951	25,023,777
Office administration expense	807,932,948	552,312,496	778,680,493	550,369,834
Operating lease expense	143,730,088	126,975,271	142,956,716	126,975,271
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	33,728,925	10,628,825	33,317,760	10,628,825
Onerous lease provisions	-	-	-	-
Other Operating Expense	67,795,671	32,646,735	81,788,032	30,580,283
Total	1,099,403,357	784,655,639	1,076,990,811	758,714,726

Directors Expense Break Down

Particulars	Asar 2080	Asar 2079
Orientation/ Refresher Training Expenses	-	3,933,119
Travelling Expenses	1,029,817	3,211,265
Newspaper and Communication Expenses	1,803,597	1,884,457
Insurance Expenses	86,082	82,764
Miscellaneous Expenses	750,363	345,131
Total	3,669,859	9,456,736

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Water and Electricity	46,683,141	34,655,551	46,162,069	34,636,940
Repair and Maintenance	176,743,569	130,869,002	176,360,494	130,224,860
a) Building	5,376,005	4,102,532	5,376,005	4,102,532
b) Vehicle	5,044,893	2,724,717	4,810,168	2,724,717
c) Computer and Accessories	-	-	-	-
d) Office equipment and furniture	-	-	-	-
e) Other	166,322,670	124,041,753	166,174,320	123,397,611
Insurance	39,417,133	26,081,827	38,911,252	26,039,887
Postage, telex, telephone, fax	61,658,476	44,491,706	60,453,210	44,364,877
Printing and stationery	50,954,103	34,974,935	49,162,628	34,396,850
Newspaper, books and journals	523,529	655,772	507,581	645,108
Advertisement	91,109,795	71,650,026	90,773,813	71,591,570
Donation	-	-	-	-
Security Expense	130,355,120	88,653,521	130,226,120	88,653,521
Deposit and Loan Guarantee Premium	73,505,970	38,149,456	56,070,003	38,149,456
Travel allowance and expenses	40,934,431	18,814,162	36,384,517	18,792,947
Entertainment	1,477,384	918,274	1,145,201	918,274
Annual/ Special General meeting Expense	5,233,738	792,840	4,641,495	792,840
Other	89,336,558	61,605,424	87,882,109	61,162,704
a) Fuel, Janitorial and cleaning	86,196,348	59,646,484	86,196,348	59,232,419
b) Expense for Capital Items	1,043,762	1,103,904	1,043,762	1,075,250
c) Other	2,096,448	855,036	641,999	855,035
Total	807,932,948	552,312,496	778,680,493	550,369,834

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Depreciation on property and equipment	417,639,358	290,004,390	412,084,488	288,666,281
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	72,833,203	66,775,488	72,375,408	66,618,072
Total	490,472,561	356,779,878	484,459,896	355,284,353

* Depreciation on property and equipment includes depreciation of Right of Use (ROU) Asset created by implementing NFRS 16 leases amounting Rs. 209,518,818 . 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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Recovery of written off loan	7,184,985	860,051,163	7,184,985	860,051,163
Share of the profit of investment in associate	59,295,460	250,281,504	-	-
Other income	-	-	-	-
Total	66,480,445	1,110,332,667	7,184,985	860,051,163

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

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Loan write offs	1,070,446,966	19,502,312	1,070,446,966	19,502,312
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense	16,275	-	-	-
Total	1,070,463,241	19,502,312	1,070,446,966	19,502,312

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.	8,028,738	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).	1,062,418,228	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		1,070,446,966			

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 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Current tax expense				
Current year	1,472,290,571	1,056,509,593	1,442,165,221	1,054,834,553
Adjustments for prior years	39,918,666	30,266	39,890,663	30,266
	1,512,209,237	1,056,539,859	1,482,055,884	1,054,864,819
Deferred tax expense				
Origination and reversal of temporary differences	(1,028,189,819)	(25,577,156)	(1,025,213,269)	(25,571,894)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognized tax losses	-	-	-	-
Total income tax expense	484,019,418	1,030,962,703	456,842,615	1,029,292,925

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	Group		Bank	
	Asar 2080 Rs.	Asar 2079 Rs.	Asar 2080 Rs.	Asar 2079 Rs.
Profit before tax			2,019,660,559	3,396,831,160
Tax amount at the rate of 30%			605,898,168	1,019,049,348
Add: Tax effect of expenses that aren't deductible for tax purpose			18,733,968	4,570,853
Less: Tax Effect on exempt items			(4,693,348)	(3,902,805)
Add/ Less: Tax effect on other items			(163,096,173)	9,575,529
Total income tax expense			456,842,615	1,029,292,925
Effective tax rate			22.62%	30.30%

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 Assistant Chief Executive Officer 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

1. Tier 1 Capital and Breakdown of its Components:

SN	Particulars	Amount
A	Core Capital (Tier 1)	26,548,093,623
1	Paid up Equity Share Capital	21,656,615,632
2	Statutory General Reserves	6,941,790,255
3	Retained Earnings	(1,939,839,904)
4	Current year profit /(loss)	(1,302,785,133)
5	Capital Redemption Reserve	1,879,244,236
6	Debenture Redemption Reserve	3,75,000,000
	Less : Investment in equity of institutions with financial interests	950,865,000
	Less : Purchase of land & building in excess of limit and unutilized	111,066,463

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	9,619,974,390
1	Subordinated Term Debt	5,500,000,000
2	General loan loss provision	4,051,296,277
3	Exchange Equalization Reserve	67,463,254
4	Investment Adjustment Reserve	1,214,859
5	Other Reserves	-

3. Information on Subordinated Term Debt:

Bond Issued	HBL Bond 2086	CBL DEBENTURE 2088
Outstanding amount	2,500,000,000	3,000,000,000
Interest rate	10.50%	10.25%
Maturity Date	Aswin 2086	Poush 2088
Interest payment	Half yearly basis	Quarterly Basis
Tenor	7 years	10 Years
Amount to be reckoned as capital	2,500,000,000.00	3,000,000,000.00

4. Total deductions from Capital: N/a**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	26,548,093,623
2	Supplementary Capital (Tier 2)	9,619,974,390
	Total	36,168,068,012

6. Capital Adequacy Ratio:**CAPITAL ADEQUACY RATIOS**

Tier 1 Capital to Total Risk Weighted Exposures	9.03%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	12.31%

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	269,163,589,061
b Risk Weighted Exposures for Operational Risk	12,907,060,813
c Risk Weighted Exposure for Market Risk	317,447,916
	Adjustment under Pillar II
Add 3% of gross income for operational risk	2,992,796,479
Add: 3% of total RWE for overall risk	8,471,642,934
Total Risk Weighted Exposures	293,852,537,203

2. Risk Weighted Exposures under each of 14 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	23,394,242
3	Claims on banks	7,570,383,848
4	Claims on domestic corporate and securities firms	158,477,383,642
5	Claims on regulatory retail portfolio	13,501,657,444
6	Claims secured by residential properties	4,870,978,318
7	Claims secured by commercial real estate	7,539,181,584
8	Past due claims	15,929,493,445
9	High risk claims	26,355,198,610
10	Lending against Shares(upto Rs.5.0 Million)	290,452,514
11	TR loan for Trading Firm- 120%	2,765,545,648
12	Other assets	10,234,638,425
13	Off balance sheet items	21,570,300,956
14	Adjustment under Pillar II: Sale of Credit with Recourse	34,980,384
TOTAL		269,163,589,061

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	293,852,537,203
2	Total Core Capital Fund (Tier 1)	26,548,093,623
3	Total Capital Fund (Tier 1 & Tier 2)	36,168,068,012
4	Total Core Capital to Total Risk Weighted Exposures	9.03%
5	Total Capital to Total Risk Weighted Exposures	12.31%

4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	44,010,958	10,740,192	33,270,766
2	Substandard Loan	703,299,019	172,058,309	531,240,710
3	Doubtful Loan	7,995,258,084	3,994,511,599	4,000,746,485
4	Loss Loan	3,229,521,460	3,228,200,467	1,320,993
Total		11,972,089,522	7,405,510,567	4,566,578,955

5.NPA Ratios

Gross NPA to Gross Advances	4.93%
Net NPA to Net Advances:	1.99%

(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

- a) 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.
- b) 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	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudur Paschim	HO and Other Profit Center	Total
(a) Revenues from external customers	2,211,285,110	2,974,959,284	16,228,001,619	939,146,114	4,226,268,258	84,755,196	955,440,690	3,279,801,264	30,899,657,535
(b) Intersegment revenues	127,307,594	42,745,019	5,919,691,816	132,375,355	69,200,218	35,763,322	64,334,042	602,831,366	6,994,248,733
(c) Net Revenue	2,083,977,516	2,932,214,265	10,308,309,802	806,770,759	4,157,068,041	48,991,874	891,106,648	2,676,969,898	23,905,408,802
(d) Interest revenue	2,157,852,350	2,881,936,808	15,536,790,326	919,809,020	4,124,602,448	83,117,745	931,491,009	2,459,117,116	29,094,716,821
(e) Interest expense	753,730,041	356,239,605	15,111,717,776	570,009,469	833,948,313	40,940,541	93,273,775	1,414,075,133	19,173,934,654
(f) Net interest revenue	1,404,122,309	2,525,697,203	425,072,549	349,799,551	3,290,654,135	42,177,203	838,217,233	1,045,041,983	9,920,782,168
(g) Depreciation and amortisation	12,605,608	11,525,303	52,857,071	5,440,440	12,556,505	2,794,191	7,512,510	379,168,268	484,459,896
(h) Segment profit /(loss)	(299,537,045)	(183,957,091)	3,384,826,598	(42,267,663)	91,276,295	4,608,655	184,432,724	(895,315,186)	2,244,067,287
(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	1,028,746,840	1,630,363,678	7,716,588,964	836,620,855	1,636,057,316	31,974,518	131,033,952	22,480,063	13,033,866,186
(l) Segment assets	16,740,207,267	6,610,671,058	230,363,530,237	10,025,815,805	13,510,120,749	1,517,648,136	3,171,000,340	50,453,906,415	332,392,900,007
(m) Segment liabilities	16,740,207,267	6,610,671,058	230,363,530,237	10,025,815,805	13,510,120,749	1,517,648,136	3,171,000,340	50,453,906,415	332,392,900,007

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	30,899,657,535
Other revenues	-
Elimination of intersegment revenues	6,994,248,733
Entity's revenues	23,905,408,802

2. Profit or loss

Total profit or loss for reportable segments	2,244,067,287
Other profit or loss	
Elimination of intersegment profits	-
Unallocated amounts:	
Staff bonus	(224,406,729)
Profit before income tax	2,019,660,558

3. Assets

Total assets for reportable segments	332,392,900,007
Other assets	
Unallocated amounts	-
Entity's assets	332,392,900,007

4. Liabilities

Total liabilities for reportable segments	332,392,900,007
Other liabilities	
Unallocated liabilities	-
Entity's liabilities	332,392,900,007

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	26,872,827,544
(b)	Letter of Credit	132,021,459
(c)	Guarantee	172,287,639
(d)	Remittance	37,483,128
(e)	Card service	233,764,015
(f)	Locker Service	35,274,320
(g)	Bills purchase and discounting	800,210
(h)	Collection service	158,868,521
(i)	other ancillary services	3,256,330,699
	Total	30,899,657,535

6. Information about geographical areas

Revenue from following geographical areas:

(a)	Domestic	30,899,657,535
	Koshi	2,211,285,110
	Madhesh	2,974,959,284
	Bagmati	19,507,802,883
	Gandaki	939,146,114
	Lumbini	4,226,268,258
	Karnali	84,755,196
	Sudur Paschim	955,440,690
(b)	Foreign	-
	Total	30,899,657,535

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	13,099,522	12,013,272
Placements in Habib bank	1,183,050,000	1,917,750,000
Due to Habib bank	-	-
Total	1,196,149,522	1,926,763,272
For the Year Ended		
Interest Received	94,504,517	2,858,868
Total	94,504,517	2,858,868
Cash Dividend Paid	263,381,850	-
Total	263,381,850	-
Transaction with Karmachari Sanchaya Kosh		
Particulars	This Year Ending	Immediate Previous Year Ending
Rental Expense paid	72,479,140	66,398,733
Cash Dividend Paid	214,247,423	-
Total	286,726,563	66,398,733

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 Himalayan Securities Limited. The bank has 69.74% holding in Civil Capital Market Limited (acquired by Himalayan Capital Limited and commenced joint operation from Mangsir 15, 2080) and 51% holding on Himalayan Laghubitta Bittiya Sanstha Limited and following entities have been considered as associates:

- Sana Kishan 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	1,959,910,760	202,579,981
Loan To Subsidiary	754,337,363	39,748,204

Transaction with Associate

Transaction With Associate	This Year Ending	Immediate Previous Year Ending
Loans and Advances provided to associates under deprived sector lending		
Sana Kishan Laghubitta Bittiya Sanstha Ltd.	1,150,407,699	900,295,890
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	242,742,110	797,262,027
Chhimek Laghubitta Bittiya Sanstha Ltd.	617,803,294	753,929,795
Swabalamban Laghubitta Bittiya Sanstha Ltd.	616,218,385	616,210,959
	2,627,171,487	3,067,698,671
Interest Income received from associate		
Sana Kishan Laghubitta Bittiya Sanstha Ltd.	157,328,963	82,459,271
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	106,199,695	74,435,215
Chhimek Laghubitta Bittiya Sanstha Ltd.	95,415,964	67,351,455
Swabalamban Laghubitta Bittiya Sanstha Ltd.	78,530,212	58,717,714
	437,474,834	282,963,655

* 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	3,917,679	5,387,221
Total	3,917,679	5,387,221
Chief Executive Officer		
Short term employee benefits	20,150,000	20,150,000
Other Benefits	1,371,268	1,313,324
Total	21,521,268	21,463,324
Key Management Executives		
Short term employee benefits	71,760,089	63,318,434
Other Benefits	600,049	614,654
Retirement Benefits	-	-
Total	72,360,138	63,933,088

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..

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	1,428,895,465	1,204,057,889
Interest Paid By the bank	204,157,943	147,407,058

5.8 Merger and acquisition

During the fiscal year 2079-80, the Bank has acquired erstwhile Civil Bank Limited which was “A” class licensed financial institution. Accounting for acquisition of Civil Bank Limited has been done as per NFRS 3 – Business Combination and Guidance Note on the same issued by ICAN dated July 31, 2022. The Joint Operation has commenced on 23rd Feb 2023.

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) Prior Period Tax:

Tax liability amounting to Rs. 47,845,583 pertaining to share premium on auction of unsubscribed right share capitalized in earlier years has been charged to profit and loss as prior period tax.

ii) Proposed Dividend:

Having regard to capital requirement for future growth and negative distributable profit upon incorporation of adjustment marked by external auditors and Regulator, the Board of Directors has not declared any cash or stock dividend for the year.

COMPARISON OF UNAUDITED AND AUDITED FINANCIAL STATEMENTS

As of FY 2079/80

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	18,392,307,693	18,392,307,693	-	-	
Due from Nepal Rastra Bank	20,235,962,111	20,235,962,112	-	-	
Placements with Bank and Financial Institutions	5,019,361,507	5,019,361,507	-	-	
Derivative financial instruments	29,836,748	29,836,748	-	-	
Other trading assets	-	-	-	-	
Loans & Advances to BFIs	10,587,152,507	10,587,326,526	174,019	0.002%	Reclassification from Loans and Advances to Customer
Loans & Advances to Customers	230,126,786,541	227,402,167,136	(2,724,619,405)	-1.18%	Additional Provision as per Auditor/Regulator
Investment Securities	37,611,146,826	37,595,997,499	(15,149,327)	-0.04%	Adjustment of Mark to Market Valuation of Shares
Current Tax Assets	694,557,121	545,729,934	(148,827,187)	-21.43%	Post audit adjustment in tax liability
Investments in subsidiaries	1,060,063,200	1,060,063,200	-	-	
Investments in Associates	190,929,197	190,929,197	-	-	
Investment Property	589,164,236	589,164,236	-	-	
Property & Equipment	4,374,769,564	5,215,525,408	840,755,844	19.21%	Remeasurement of Finance Lease of CBL Bank
Goodwill and Intangible Assets	1,498,482,570	995,348,513	(503,134,057)	-33.58%	Reassessment of Goodwill
Deferred Tax Assets	-	807,268,986	807,268,986	-	
Other Assets	3,739,597,916	3,725,911,312	(13,686,604)	-0.37%	Post Year end Adjustments
Total Assets	334,150,117,737	332,392,900,007			
Liabilities					
Due to Bank and Financial Institutions	5,187,370,070	5,187,370,070	-	-	
Due to Nepal Rastra Bank	528,445,763	546,947,000	18,501,237	3.50%	Re-Classification of AIP on due to NRB
Derivative financial instruments	8,790,069	8,790,069	-	-	
Deposits from Customers	275,310,993,682	275,310,993,682	-	-	
Borrowing	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	26,142,175	-	(26,142,175)	-100.00%	Re-Assessment of Deferred Tax
Other Liabilities	8,848,699,184	9,327,639,113	478,939,929	5.41%	Corresponding Impact of Finance Lease Assets
Debt Securities Issued	8,379,651,661	8,380,790,258	1,138,597	0.01%	Post Year end Adjustments
Subordinated Liabilities	-	-	-	-	
Total Liabilities	298,290,092,604	298,762,530,192			
Equity					
Share Capital	21,656,615,632	21,656,615,632	-	-	
Share Premium	-	-	-	-	
Retained Earnings	(711,469,412)	(3,242,625,038)	(2,531,155,626)	355.76%	Post audit adjustment
Reserves	14,914,878,913	15,216,379,221	301,500,308	2.02%	Post audit adjustment
Total Equity attributable to Equity Holders	35,860,025,133	33,630,369,815			
Non Controlling Interest	-	-	-	-	
Total Equity	22,112,176,331	33,630,369,815			
Total Liabilities and Equity	216,291,871,666	332,392,900,007			

COMPARISON OF UNAUDITED AND AUDITED FINANCIAL STATEMENTS

As of FY 2079/80

Statement of Profit or Loss Particulars	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Interest income	29,106,401,504	29,094,716,822	(11,684,682)	-0.04%	Post Year End Adjustments
Interest expense	19,172,987,706	19,173,934,653	946,947	0.005%	Post Year End Adjustments
Net interest income	9,933,413,798	9,920,782,169			
Fee and commission income	1,102,620,067	1,106,883,457	4,263,390	0.39%	Post Year End Adjustments
Fee and commission expense	139,306,676	139,794,845	488,169	0.49%	Post Year End Adjustments
Net fee and commission income	963,313,391	967,088,612			
Net interest, fee and commission income	10,896,727,189	10,887,870,781			
Net Trading Income	382,599,088	382,599,088	-	-	
Other operating income	278,848,992	308,273,182	29,424,190	10.55%	Post Year End Adjustments
Total operating income	11,558,175,269	7,369,634,009			
Impairment charge/(reversal) for loans and other losses	2,156,171,001	4,868,931,604	2,712,760,603	126%	Additional Provision as per Auditor/Regulator
Net operating income	9,402,004,268	6,709,811,447			
Operating expense					
Personnel Expenses	2,328,791,534	2,065,438,200	(263,353,334)	-11.31%	Post Year End Adjustments
Other Operating Expenses	1,097,538,748	1,076,990,811	(20,547,937)	-1.87%	Post Year End Adjustments
Depreciation & Amortisation	484,480,173	484,459,896	(20,277)	-0.004%	Post Year End Adjustments
Operating profit	5,491,193,813	3,082,922,540			
Non operating income	6,791,066	7,184,985	393,919	5.80%	Post Year End Adjustments
Non operating expense	1,070,446,865	1,070,446,966	-	-	
Profit before income tax	4,427,538,014	2,019,660,559			
Income Tax Expense					
Current Tax	1,349,240,604	1,482,055,884	132,815,280	9.84%	Post Year End adjustment in tax liability
Deferred Tax	(187,870,372)	(1,025,213,269)	(837,342,897)	445.70%	Post Year End adjustments
Profit for the period	3,266,167,782	1,562,817,944	(1,703,349,838)	-52.15%	
Statement of Comprehensive Income					
Profit or loss for the year	3,266,167,782	1,562,817,944			
Other comprehensive income	27,564,839	14,097,055	(13,467,784)	-48.86%	Adjustment of Mark to Market Valuation of Shares
Total comprehensive income for the period	3,293,732,621	1,576,914,999			

10 Year's Financial Summary

STATEMENT OF FINANCIAL POSITION

(Rs. '000)

Particulars	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	2079/80 2022/23
Assets											
Cash & Bank Balances	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	26,439,653
Money at Call	196,100	1,063,950	1,482,036	1,482,160	-	500,040	-	1,010,109	619,588	1,278,550	2,958,566
Investments	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	53,096,403
Loans, Advances & Bills Purchased	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	251,023,360
Fixed Assets	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	6,210,874
Other Assets	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	3,158,312	5,697,911
Total Assets	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	220,078,098	345,426,766
Liabilities											
Borrowings	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	10,899,487
Deposit Liabilities	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	278,526,614
Reserve for Doubtful Debts	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	13,033,866
Other Liabilities	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	9,336,429
Total Liabilities	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	311,796,396
Net Assets	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	22,009,950	33,630,370
Shareholders' Equity											
Paid up Capital	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	21,656,616
Proposed capitalisation of profits	434,700	1,166,445	1,349,744	-	-	-	-	-	-	-	-
Reserves	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	2,567,600	(3,242,625)
Retained Earnings	18,358	114,997	138,843	2,086,980	2,508,023	4,523,962	5,303,396	5,720,210	6,510,114	6,473,625	15,216,379
Total Shareholders' Equity	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	22,009,950	33,630,370
Total Capital + Liabilities	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	220,078,098	345,426,766
Contingent Liabilities											
Letter of Credit	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	21,226,207
Guarantees	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	12,629,514
Forward Exchange Contract	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	3,859,045
Other Contingent Liabilities	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	16,837,939
Total Contingent Liabilities	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	54,552,704

* 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	2020/71 2013/14	2011/72 2014/15	2012/73 2015/16	2013/74 2016/17	2013/74 2016/17 *Restated"	2014/75 2017/18	2015/76 2018/19	2016/77 2019/20	2017/78 2020/21	2018/79 2021/22	2019/80 2022/23
Income											
Interest Income	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	29,094,717
Interest Expense	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	19,173,935
Net Interest Income	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	9,920,782
Commission & Discount	657,298	562,186	599,642	713,468	732,197	707,801	756,241	686,741	698,181	913,571	967,089
Foreign Exchange Income	385,102	474,312	602,985	609,622	607,849	718,905	718,158	764,971	665,009	595,910	382,599
Other Income	206,814	115,282	105,108	128,497	86,396	104,848	175,117	145,399	2,227,728	126,396	308,273
Non Operating Income	17,487	23,209	22,276	26,807	14,691	309,525	49,327	398,077	18,341	860,051	7,185
Total Income	3,760,879	3,849,478	4,779,959	5,243,563	5,374,475	6,162,903	6,730,183	6,816,887	7,387,975	7,439,248	11,565,928
Expenses											
Staff Expenses	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	1,841,031
Operating Expenses	966,120	814,639	806,909	849,631	797,604	882,547	966,897	1,050,492	1,057,080	1,113,999	1,561,451
Provision for Doubtful Debts	1,080,863	1,413,568	744,817	835,753	(108,193)	679,917	133,622	305,628	145,322	1,280,863	4,868,932
Provision for Staff Bonus	162,116	145,488	274,882	310,171	310,171	276,518	437,018	395,376	473,257	377,426	224,407
Non-Operating Expenses	(783,211)	(897,601)	(703,908)	(935,311)	23,326	533,011	58,378	251,256	66,893	19,502	1,070,447
Total Expenses	2,139,718	2,393,595	2,031,136	2,141,855	2,119,874	3,397,724	2,797,023	3,258,501	3,128,662	4,042,417	9,566,267
Profit before Tax	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	3,386,831	2,019,661
Income Tax provision	662,054	342,597	812,915	923,473	972,827	889,569	1,169,312	971,663	1,260,690	1,029,538	456,843
Net Profit after Tax	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	2,367,293	1,562,818
P/L Appropriation											
Profit/Loss carried down	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	2,567,794
Adjustment to opening reserve	-	-	-	-	-	-	5,077	-	53,927	27,282	22,642
Opening Balance From Acquisition	-	-	-	-	-	-	-	-	-	-	(2,051,952)
Statutory General Reserve	191,821	222,457	387,182	435,647	435,647	375,122	552,770	517,345	598,725	473,459	312,564
Exchange Equalisation Fund	1,767	997	1,658	443	443	-	4,420	-	-	-	-
HBL Bond redemption fund	157,143	85,714	85,714	85,714	85,714	85,714	85,714	367,015	367,015	-	147,945
Interim Dividend	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividend	175,404	236,797	71,039	85,417	-	-	-	-	-	-	-
Transfer to Paid up Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Adjustment Fund	-	-	10,108	19,363	19,363	-	-	-	-	-	118,145
Proposed capitalisation of profit-Bonus Share	434,700	1,166,445	1,349,744	1,622,906	-	-	-	-	-	-	-
Income Tax of last year	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Reserve	-	15,412	6,617	23,624	-	-	-	-	-	-	-
Investment Adjustment Reserve	-	340	-	-	-	-	1,215	-	-	-	-
Contingent Reserve	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Fund	-	-	-	21,783	21,782	18,756	27,638	25,867	29,986	23,673	15,628
Employee Training Fund	-	-	-	-	-	20,376	19,565	-	-	17,277	10,721
Regulatory Reserve	-	-	-	-	-	723,598	120,786	124,091	-	318,543	2,295,924
Transfer from Reserves	-	-	-	-	-	48,660	5,321	647,667	260,068	845,722	35,324
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	2,478,323
Profit Transferred to Balance Sheet	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	(3,242,625)

* Figures of FY 2013/14 has been regrouped/restated based on NFRS wherever necessary.
 Figures of FY 2014/15 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	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpas-chim
1	FINANCIAL ASSISTANCE FOR CONSTRUCTION OF TEMPLE "SHREE RATNA SHADESHWOR SHIVALAYA MANDIR", HILE	Cultural Protection	10,000.00						
2	FINANCIAL ASSISTANCE TO BANGLAMUKHI MANDIR SAMRAKSHAN TATHA BYABASTHAPAN SAMAJ	Cultural Protection			15,000.00				
3	FINANCIAL ASSISTANCE TO SHREE CHAULANARAYAN ADHARVUT VIDHYALAYA KAGESHWORI MANAHARA-4 FOR CONSTRUCTION OF LADIES TOILET	Social Project			2,000,000.00				
4	FINANCIAL ASSISTANCE TO FLOOD VICTIM OF PAKISTAN	Natural Calamities			10,000,000.00				
5	PRODUCTION OF TUTORIAL VIDEO OF MOBILE BANKING N ONLINE ACCOUNT OPENING FROM THE SQUARE DESIGN	Digital Banking Initiative			450,870.00				
6	FINANCIAL ASSISTANCE TO SHREE HALESHWOR SECONDARY SCHOOL	Social Project/ Education			50,000.00				
7	FINANCIAL SUPPORT TO YOGINI TRUST NEPAL	Cultural Protection			10,000,000.00				
8	FINANCIAL SUPPORT TO TRAFFIC POLICE PRABHAG, JANASEWA	Social Project			29,097.50				
9	FINANCIAL SUPPORT TO TRIBHUWAN UNIVERSITY TEACHING HOSPITAL-BARCODE READER & PRINTER	Social Project/ Health			453,840.00				
10	FINANCIAL ASSISTANCE TO CONDUCT MAHAPUJA AT KAMALADI GANESHTHAN	Cultural Protection			48,300.00				
11	DONATION OF WATER PURIFIER TO DISTRICT POLICE DHADING	Social Project			16,000.00				
12	SMART CYCLE DONATION TO AREA POLICE OFFICE, DAMAK	Social Project	32,770.00						
13	FINANCIAL ASSISTANCE TO "NEW CHILDREN'S HOME"	Social Project/ Orphanage & Old-aged Home			50,000.00				
14	CSR-PAINT AND DECORATION OF TRIDEVI TEMPLE FOR DASHAIN 2079-THAMEL	Cultural Protection			197,680.00				
15	FINANCIAL ASSISTANCE TO "HELPING HANDS CHILDREN HOME"	Social Project/ Orphanage & Old-aged Home			48,000.00				
16	FINANCIAL ASSISTANCE TO NEW NEPAL SOCIETY CENTER	Social Project/ Orphanage & Old-aged Home			50,000.00				
17	FINANCIAL ASSISTANCE TO THE ART OF LIVING FOR NAVARATRI MAHOTSAV	Cultural Protection			50,000.00				
18	FINANCIAL SUPPORT TOWARDS CULTURAL PROGRAM ORGANIZED BY ENTIRE POWER IN SOCIAL ACTION (ESPA) NEPAL	Social Project/ Awareness			20,000.00				
19	FINANCIAL LITERACY PROGRAM AT MADI & PAKHRIBAS	Financial Literacy	60,354.35						
20	FINANCIAL SUPPORT TO CHUMKOTI DEVI MANDIR PUNA NIRMAN UPABHOKTA SAMITI	Cultural Protection			100,000.00				
21	FINANCIAL ASSISTANCE TO SHREE SANJAY SAI SEWA ORGANIZATION NEPAL	Social Project/ Orphanage & Old-aged Home			25,000.00				

22	FINANCIAL LITERACY PROGRAM AT RAPTISONARI RURAL MUNICIPALITY	Financial Literacy					28,605.00		
23	FINANCIAL ASSISTANCE TO "DRUGS FREE SOCIETY NEPAL"	Social Project			500,000.00				
24	CSR-SCHOOL BAG DONATION AT SHREE GANESH SECONDARY SCHOOL	Social Project/ Education			134,187.50				
25	DONATION OF OPD BOOKS TO SIDDHI MEMORIAL HOSPITAL, BHAKTAPUR	Social Project/ Health			387,544.80				
26	FINANCIAL ASSISTANCE TO FELLOWSHIP SOCIETY NEPAL CENTRAL OFFICE	Social Project/ Specially-abled			45,000.00				405,588
27	SWEATER DISTRIBUTION AT SEWAK ABHIYAN, DHARAN	Social Project	150,000.00						
28	BANNER PRINTED DURING SWEATER DISTRIBUTION SEWAK ABHIYAN	Social Project	2,280.00						
29	CSR: FINANCIAL ASSISTANCE TO NETRADHAM FOUNDATION	Social Project/ Health				200,000.00			
30	CSR-FINANCIAL ASSISTANCE TO KATHMANDU ASSOCIATION OF THE DEAF	Sports			10,000.00				
31	FINANCIAL CONTRIBUTION TO NEPAL BANKER'S ASSOCIATION	Social Project			1,000,000.00				
32	FINANCIAL CONTRIBUTION TO KATHMANDU INSTITUTE OF CHILD HEALTH	Social Project/ Health			2,000,000.00				
33	DONATION FOR BUDHA BHIMSEN MAHAYAGYA 2023	Cultural Protection			50,000.00				
34	GLOBAL MONEY WEEK- FINANCIAL LITERACY-NEPALGUNJ BRANCH	Financial Literacy					8,575.00		
35	GLOBAL MONEY WEEK- FINANCIAL LITERACY-GHORAHI BRANCH	Financial Literacy					34,470.00		
36	GLOBAL MONEY WEEK- FINANCIAL LITERACY-PARSA BRANCH	Financial Literacy			7,082.00				
37	GLOBAL MONEY WEEK- FINANCIAL LITERACY-GANDAKI PROVINCE	Financial Literacy				24,300.00			
38	GLOBAL MONEY WEEK- FINANCIAL LITERACY-SURKHET BRANCH	Financial Literacy						52,020.00	
39	CSR-CHAIR SPONSORSHIP- PURWANCHAL BAL SEWA ASHRAM-BIRATNAGAR	Social Project/ Orphanage & Old-aged Home	49,641.00						
40	CSR-CO-SPONSORSHIP OF AHIMSHA RUN	Social Project/ Awareness	25,000.00						
41	CSR- FINANCIAL LITERACY-DHARAN BRANCH	Financial Literacy	5,000.00						
42	CSR-FINANCIAL ASSISTANCE TO SILVER ENTERTAINMENT-HARKA SAMPANG RAI	Social Project	35,605.00						
43	CSR-PAYMENT-FINANCIAL LITERACY LALMATIYA& SUNWAL	Financial Literacy					49,899.36		
44	CSR-FINANCIAL ASSISTANCE TO ASSOCIATION OF ST. MARY'S ALUMNAE NEPAL (ASMAN)	Social Project/ Education			200,000.00				
45	CSR-FINANCIAL ASSISTANCE TO SURENDRA DHAKAL FOUNDATION	Social Project/ Education			200,000.00				
46	CSR-APPROVAL TO SPONSOR A SHORT MOVIE ON HUMAN TRAFFICKING	Social Project/ Awareness			500,000.00				
47	CSR-FINANCIAL LITERACY PROGRAM BY SHIVACHOWK BRANCH	Financial Literacy				4,072.00			
48	CSR-FINANCIAL ASSISTANCE TO-NATIONAL WHEEL CHAIR CRICKET TEAM-DANGAL SPORTS HOUSE	Sports				68,000.00			
49	CSR-FINANCIAL LITERACY PROGRAM AT TRIVENI INTERNATIONAL COLLEGE	Financial Literacy				3,690.00			

50	CSR-FINANCIAL ASSISTANCE TO SHREE PADAMPUR AADHARBHUT BIDHYALAYA	Social Project			99,900.00				
51	CSR-FINANCIAL ASSISTANCE TO NEPAL ARMY- CLEAN HIMALAYA CAMPAIGN 2023	Social Project/ Environment Protection			2,500,000.00				
52	CSR: FINANCIAL SUPPORT TO PRA-HARI BRITTA, DURBARMARG	Social Project			165,691.90				
53	CSR-PAYMENT TO BIPU CONSTRUCTION FOR MAINTENANCE OF PLANTS IN PASHUPATINATH AREA FOR 3 MONTHS	Social Project/ Environment Protection			237,300.00				
54	BLOOD DONATION PROGRAM IN CO-ORDINATION WITH RED CROSS SOCIETY, DHADING	Social Project/ Health			21,650.00				
55	FINANCIAL LITERACY PROGRAM AT MAHENDRANAGAR	Financial Literacy							39,960.00
56	CSR- MARATHON RUN FOR EDUCATION ORGANIZED BY ROUND TABLE-BIRGUNJ	Social Project/ Education		50,000.00					
57	CSR-SHREE HEMBATESHWOR BEDH-BIDHYASHRAM (GURUKUL)	Social Project			200,000.00				
58	CSR-SUPPORTING CANCER AWARENESS PROJECT-THAMEL	Social Project/ Health			250,000.00				
59	CSR-PLACEMENT OF DISPLAY & SCROLLING BOARD WITH SOCIAL AWARENESS MESSAGE AT ARJUNDHARA CHOWK TRAFFIC BIT	Social Project/ Awareness	131,000.00						
60	CSR TO "TREATMENT OF BURN VICTIM CHILD"	Direct Donation			50,000.00				
61	CSR- FINANCIAL LITERACY & PROJECTOR TO NAVAJYOTI DEAF SECONDARY SCHOOL	Financial Literacy			34,250.00				
62	CSR-DONATION OF COLOR PRINTER TO NEPAL SANSKRIT UNIVERSITY	Social Project/ Education					25,000.00		
63	CSR-FINANCIAL SUPPORT TO DUDHE BAZAR BIKASH SAMITEE	Social Project/ Security	10,000.00						
64	CSR-INSTALLATION OF CCTV AT BAGLUNG BAZAR AREA	Social Project/ Security				21,125.00			
Province-wise Total Amount			511,650.35	50,000.00	32,196,393.70	321,187.00	146,549.36	52,020.00	39,960.00
Total CSR Spending			33,317,760.41						

Sector-wise CSR Expenses in FY: 2079/80

S No.	Sectors	Amount
1	CULTURAL PROTECTION	10,470,980.00
2	SOCIAL PROJECTS	4,231,344.40
3	EDUCATION	659,187.50
4	HEALTH	3,313,034.80
5	AWARENESS	676,000.00
6	SECURITY	31,125.00
7	ENVIRONMENT PROTECTION	2,737,300.00
8	ORPHANAGE & OLD AGE HOME	222,641.00
9	SPECIALLY ABLED	45,000.00
10	NATURAL CALAMITIES	10,000,000.00
11	DIGITAL BANKING INITIATIVE	450,870.00
12	FINANCIAL LITERACY	352,277.71
13	SPORTS	78,000.00
14	DIRECT DONATION	50,000.00
TOTAL		33,317,760.41



Donation to flood victims of Pakistan

HIMALAYAN CSR INITIATIVE



Financial Assistance to Drugs Free Society Nepal



Financial Assistance to Fellowship Society Nepal for distribution of Braille education materials



Financial Assistance to Project Atulya by KU Students



School Bag Distribution at Shree Ganesh Madhyamik Bidhyalaya



Financial Literacy program held at Madi Municipality



Financial Literacy program held at Raptisonari Rural Municipality



Blanket distribution in co-ordination with Shree Sanjay Sai Sewa Organization



Blood donation program organized on the occasion of 30th anniversary of the Bank



Financial Assistance to Netradham Foundation to organize free eye check-up camp at Machhapuchhre Rural Municipality



Sweater Distribution to students of Bhanubhakta Adharbuth Bidhyalaya, Dharan





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/१०४/२०८०/८१
हिमालयन बैंक लिमिटेड
कमलादी, काठमाडौं।

मिति: २०८०/०९/०६

विषय: वित्तीय विवरण प्रकाशन सम्बन्धमा ।

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा यस बैंकद्वारा जारी गरिएको एकीकृत निर्देशन नं.४/०८० को बुँदा नं.१(भ) मा भएको व्यवस्था बमोजिम आ.व. २०७९/८० को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु ।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू पूर्ण रूपले सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था मिलाउन ।

उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन ।



भवदीय,

(नवराज सुनुवार)
सहायक निर्देशक

बोधार्थ

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

बैंक व्यवस्थापनको जवाफ

नेपाल राष्ट्र बैंकबाट यस बैंकको आ.व. २०७९/८० को वार्षिक हिसाब साधारण सभामा स्वीकृतिको लागि पेश गर्ने सहमति प्रदान गर्ने सिलसिलामा जारी उपर्युक्त निर्देशनहरूको पालना गर्न आवश्यक व्यवस्था मिलाईएको छ ।

Himalayan Bank Limited, Corporate Office:

Kamaladi, P.O. Box: 20590, Kathmandu, Nepal, Tel: 977-1-01-5971346

E-mail: himal@himalayanbank.com

Website: www.himalayanbank.com, SWIFT: HIMANPKA

KOSHI PROVINCE

Arjundhara	023-465618, 465621
Bhadrapur	023-523487
Biratchowk	021-545704, 545705
Biratnagar	021-574944
Biratnagar II	021-511981, 511984
Birtamode	023-535611
Birtamod II	023-545406, 590405
Damak	023-585291/292
Damak II	023-572794, 572795
Dharan	025-578966
Dharan II	025-536262/536263
Dudhe	023-470325
Duhabi	025-542419, 543079
Gaighat	035-423383, 423384
Hile	026-540628, 540629
Hilichang	9761800048
Itahari	025-587041
Itahari II	025-587186, 587209
Madi	029-424066
Maijogmai	027-411060, 411061
Okhaldhunga	037-520615, 520616
Phidim	024-522788/522988
Pushpalal Chowk	021-461041, 461042
Rabi, Miklajung	024-412184, 412185
Sunwarshi	021-433017, 433018
Surunga	023-552650, 552660
Urlabari	021-541119, 541219
Yangwarak	024-410059, 410060

MADHESH PROVINCE

Baragadi	9855049416
Bardibas	044-550161, 550162
Birgunj	051-527518/524678
Birgunj II	051-529943, 529959
Chandrapur	055-540762, 540781
Dhalkebar	041-560223, 560224
Dhangadhimai	033-545121, 545122
Dhankaul	9854038002
Ganj Bhawanipur	053-401104, 401106
Garuda	055-565202
Golbazar	033-540614, 540615
Janakpur	041-590240
Janakpur II	041-590320, 590321
Jitpur Simara	053-412061, 412062
Kalaiya	053-550738, 550739
Lahan	033-561684
Malangwa	046-521842
Nijgadh	053-540262, 540392
Nijgadh II	053-540386, 540387

Pakaha Mainpur	9761800049
Prasauni	9855049117
Subarna	9855077803

BAGMATI PROVINCE

Anamnagar	01-5706317, 5706215
Attarkhel	01-4913500, 4914515
Banepa	011-664734/660984
Banepa II	011-660383, 660384
Bangemudha	01-5906611, 5906612
Barahbise	011-489290
Battisputali	01-4584990
Betrawati	010-412001
Bhaisepati	01-5906306
Bhaktapur	01-6617494/6616092
Bharatpur	056-595616, 595617
Bhimsenthan	01-5354931/33
Boudha	01-4917410, 4917411
Chabahil	01-5210044, 5210045
Chabahil II	01-4490028, 4499300
Charikot	049-421869
Daubahal	01-5455791, 5455795
Dhading Besi	010-521068, 521069
Dhulikhel	011-490847, 490849
Dillibazar	01-4531658
Gaurishankar	9761800037
Gongabu	01-4979112, 4979113
Gothatar	01-4991688, 4992683
Hetauda	057-525877
Hetauda II	057-526901, 526902
Jawalakhel	01-5409193, 5409147
Jhamsikhel	01-5453135/36
Kalanki	01-5234762/5235038
Kamaladi	01- 4169244/45
Kapan	01- 4823826
Kausaltar	01-6639564
Khurkhure	056-419091, 419191
Khurkot	047-590098
Kirtipur	01-4334458, 4334467
Kuleshwar	01-5671916
Kumaripati	01-5408621, 5408622
Maharajgunj	01-4525183
Main Branch-Ctc	01-4251015, 4250420
Melamchi	011-401054, 401055
Mid Baneshwar	01-4104269, 4104270
Myagon	9761800038
Nakhipot	01-5171128, 5171129
Narayangadh	056-598039, 598040
New Baneshwar	01-4795583
New Baneshwar II	01-4792145, 4792010
Newroad	01-5319978
New Road II	01-5713378, 5713410
Parbatipur	056-591515, 591774
Parsa	056-583628, 583431

Patan	01-5010654, 5010584
Patan Sundhara	01-5547932, 5548682
Putalisadak	01-4540955, 4540938
Samakhushi	01-4954663
Sankhu	01-4451804, 4451805
Satdobato	01-5151945
Sindhuli	047-521081
Sorhakutte	01-4389035/4360721
Sukedhara	01-4015081/ 01-
4015082	
Suryabinayak	01-6619544, 6619545
Swayambhu (Sano Bharyang)	01-5249476
Swoyambhu (Halchowk)	01- 5247291, 5247179
Tandi	056-560750, 562800
Tarkeshwor	9761800040
Teku	01-4104572, 4104687
Thamel	01-5970024
Tokha	01-5110435, 5110416
Tripureshwor	01-5349053/5356504
Trishuli	010-561696

GANDAKI PROVINCE

Amarsingh Chowk Pokhara	061-430301
Arughat	064-410102,410103
Baglung	068-522690
Besisahar	066-521433, 521434
Bhulbhule	9851326422
Damauli	065-564518, 564519
Dharce	9761800041
Gauda	9856075422
Gorkha	064-421520
Kawasoti	078-541040/045
Kawasoti II	078-540770, 540776
Lamachaur, Pokhara	061-440430
Lekhnath	061-560251, 560252
Maling	9761800039
Pokhara	061-538907,540230
Pokhara II	061-589767, 589768
Rainas	9856087422
Shiva Chowk, Pokhara	061-536948, 536949

LUMBINI PROVINCE

Bhairahawa	071-574407/576945
Bhairahawa II	071-571161, 571162
Bijuwar	086-460506
Butwal	071-554016, 554017
Butwal II	071-553564, 553565
Ghorahi	082-562901
Jitpur Kapilvastu	076-550462, 550464
Kohalpur	081-542146, 542148
Lalmatiya	082-580322, 580323
Lamahi	082-540842, 540843
Mandavi	9842232915
Manigram	071-562422, 562433
Nepalgunj	081-411290/292
Nepalgunj II	081-531579, 531580
Palpa	075-522641, 520095
Raptisonari	081-400091
Sitala Bazar	084-411184, 411186
Sunwal	078-570570
Thakurdwara	084-402103, 402104
Tulsipur	082-523545, 523546

KARNALI PROVINCE

Bhairabi	9761800043
Chhinchu	083-540323, 540324
Kumakha	9761800042
Musikot	088-530305
Salyan	088-400012
Shivalaya	9761800044
Surkhet	083-524101

SUDURPASCHIM PROVINCE

Adarsha	9761800045
Attariya	091-590453, 590454
Bannigadhi Jayagadh	9761800046
Bhajani	091-580171
Chhededaha	9761800047
Dhangadi	091-520202
Dhangadhi II	091-417699, 416399
Jagannath	9858477017
Janaki	091-500082, 500093
Lamki	091-540513/14
Mahendranager	099-590055/56
Swamikartik	9858477016
Tikapur	091-560973,560779

EXTENTION COUNTER

Airport, Bhairahawa Extension Counter	071-507140
Baniya Bibhag, Babarmahal Extension Counter	01-5907749
Biratchowk Extension Counter	021-545704
Devdaha Extension Counter	071-554016/17
Fikkal Extension Counter	027-590345
Gachhiya Extension Counter	021-430040
Gangalal Extension Counter	01-4525183
Gaurighat Extension Counter	061-590612
Harnamadi, Hetauda Extension Counter	057-526901
Kakani Extension Counter	01-4979112
Khairahani Extension Counter	056-583231
Lumbini Medical College Extension Counter	075-522641
Okhaldhunga Extension Counter	037-520615
Raptisonari Extension Counter	081-400089/91
Rumjatar (DOTM) Extension Counter	037-520615
Sinam Extension Counter	024-410059
Taulihawa Extension Counter	076-550462
Trishuli District Hospital Extension Counter	010-561696
TU Teaching Hospital Extension Counter	01-4525183
Yataya Ekantakuna Extension Counter	01-5408622

Card Center
Tel: 01-01-5971346

Toll Free No.16-600-112-000

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HBL



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