

# Together

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32<sup>nd</sup> Annual Report 2023-24



**HBL**



हिमालयन बैंक लिमिटेड

**Himalayan Bank Ltd.**



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**हिमालयन बैंक लिमिटेडको  
बत्तीसौं वार्षिक साधारण सभाबारे सूचना**

२०८१ साल पौष महिना ७ गते बसेको संचालक समितिको बैठक नं ४६४ औं को निर्णयानुसार यस बैंकको बत्तीसौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा बस्ने भएको हुँदा शेयरधनी महानुभावहरुको जानकारीका लागि यो सूचना प्रकाशित गरिएको छ। आवश्यक कागजातहरु शेयरधनी महानुभावहरुलाई यथासमयमा पठाइने व्यहोरा अनुरोध छ।

**बत्तीसौं वार्षिक साधारण सभा बस्ने मिति, समय र स्थान:**

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

समय : बिहान १०:०० बजे

स्थान : नेपाल आर्मी अफिसर्स क्लब, भद्रकाली, काठमाडौं

**छलफलका विषय-सूची**

**क) सामान्य प्रस्ताव**

- १) बत्तीसौं वार्षिक साधारण सभाको लागि संचालक समितिको प्रतिवेदन,
- २) लेखापरीक्षकको प्रतिवेदन सहित २०८१ साल असार मसान्तको वासलात, सोही मितिमा समाप्त आ.व. २०८०/८१ को नाफा-नोक्सान हिसाब तथा नगदप्रवाह विवरण (बैंक तथा सहायक कम्पनीहरु श्री हिमालयन क्यापिटल लि., श्री हिमालयन सेक्यूरिटीज र श्री हिमालयन लघुवित्त वित्तीय संस्था लि. को वित्तीय विवरण सहितको एकिकृत विवरण) छलफल गरी स्वीकृत गर्ने,
- ३) बैंक तथा वित्तीय संस्था सम्बन्धी ऐनको दफा १७ बमोजिम श्रीमती जेसमीन हाडा बज्राचार्यलाई बैंकको संचालक समितिको ४६२ औं बैठकले मिति २०८१/०८/२७ गते देखि लागु हुने गरी ४(चार) वर्षको लागि स्वतन्त्र संचालकमा नियुक्त गरेको निर्णय जानकारी गराउने,
- ४) कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०८१/०८२ का लागि लेखापरीक्षक नियुक्त गर्ने र निजको परिश्रमिक तोक्ने (वर्तमान लेखापरीक्षक CA Ranjeev & Associates पुनः नियुक्त हुन सक्ने),

**ख) विशेष प्रस्ताव**

- १) गतवर्ष मिति २०८० पौष २९ गते सम्पन्न भएको बैंकको ३१ औं वार्षिक साधारणसभाले बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ को परिच्छेद ३ को दफा ९ मा व्यवस्था भए बमोजिम बैंकको कुल शेयर पूँजीमा आवश्यक सर्वसाधारण शेयर धनी शेयर अनुपात कायम गर्नका लागि साधारण शेयर थप सार्वजनिक निष्काशन (Further Public Offering) गर्न, थप सार्वजनिक निष्काशन हुने साधारण शेयरको संख्या निर्धारण गर्न र सोको अङ्कित मूल्यमा प्रिमियम समेत थप गरी जारी हुने शेयरको प्रिमियम सहितको मूल्य निर्धारण गर्न संचालक समितिलाई अख्तियारी दिने सर्वसम्मत निर्णय भएकोमा मिति २०८१ आश्विन २० गते बसेको संचालक समितिको बैठक नं. ४५९ बाट संस्थापक तथा सर्वसाधारण शेयरधनीको शेयर अनुपात ७०:३० कायम गर्न शेयर प्रिमियम सहित जम्मा ९२,५०,४६९ कित्ता शेयर थप सार्वजनिक निष्कासन (FPO) गर्ने निर्णय भई सम्बन्धित नियामक निकाय नेपाल राष्ट्र बैंकमा मिति २०८१ साल आश्विन १५ गते निवेदन पेश भई आवश्यक अनुमति प्राप्तिको प्रक्रियमा रहेको तथा सो प्राप्त हुनासाथ धितोपत्र बोर्ड लगायतका अन्य नियामक निकायका स्वीकृति पश्चात उपरोक्त थप सार्वजनिक निष्कासन हुने तथा सो पश्चात 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 संस्थागत 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 २०८०/८१ 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 कार्यहरु र विभिन्न संघ संस्थाहरुलाई प्रदान गरेको कुल रकम रु. १,३०,४०,५३५.१९ (अक्षरेपी एक करोड तीस लाख चालीस हजार पाँच सय पैतिस रुपैया १९ पैसा मात्र)

अनुमोदन गर्ने । संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च भएको रकमहरूको विस्तृत विवरणहरू बैंकको वार्षिक प्रतिवेदनमा उल्लेख गरिएको छ ।

- ३) बैंकको प्रबन्धपत्र तथा नियमावलीमा संशोधन गर्ने विशेष प्रस्ताव (अनुसूचीमा उल्लेख भए बमोजिम) पारित गर्ने तथा प्रस्तावित संशोधनमा नेपाल राष्ट्र बैंक वा अन्य नियमनकारी निकायहरूबाट स्वीकृति लिदा वा अभिलेख गर्ने प्रक्रियामा उक्त निकायहरूले फेरबदल गरेमा आवश्यक समायोजन गर्न, संशोधन सम्बन्धी कागजात प्रमाणित गर्न, दाखिला गर्न र अभिलेख गराई लिन समेत संचालक समितिलाई अख्तियारी प्रदान गर्ने ।

## ग) विविध

### जानकारी

- १) मिति २०८१ साल पौष १८ 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 ७२ घण्टा अगाडि कार्यालय समयभित्र श्री हिमालयन क्यापिटल लिमिटेड, कमलादी स्थित आई टि प्लाजामा दर्ता गरिसक्नु पर्नेछ । उक्त दिन सार्वजनिक बिदा 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 कमलादी स्थित आई टि प्लाजामा प्राप्त हुने गरी सोको सूचना पठाउनु पर्नेछ । उक्त दिन सार्वजनिक बिदा परेको खण्डमा पनि उल्लेखित प्रयोजनको निमित्त उक्त कार्यालय खुल्ला रहने छ ।
- ५) 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 ।
- ६) सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले सभा हुने दिन शेयरधनीको नाममा खोलिएको हितग्राही खाता (Demat) नम्बर वा आफ्नो परिचय खुल्ने कागजातका साथै हितग्राही खाता नभएका शेयरधनीहरूले शेयरधनी प्रमाणपत्र साथमा लिई आउनु हुन अनुरोध छ । उक्त प्रमाणहरू पेश गरेपछि सभामा प्रवेश गर्न प्रवेशपत्र प्रदान गरिनेछ ।
- ७) नाबालक वा विक्षिप्त शेयरधनीको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता व्यक्तिले सभामा भाग लिन, मतदान गर्न वा प्रतिनिधि तोक्न पाउनेछन् ।
- ८) एकै शेयरधनीले कुनै एक प्रतिनिधि मुर्कर गरेकोमा सो बदर नगरी अर्को प्रतिनिधि मुर्कर गरेमा जुन मुर्करित लिखित हिमालयन क्यापिटल लि. आई टि प्लाजा, कमलादीमा पहिले प्राप्त भई दर्ता हुन्छ सो मात्र मान्य हुनेछ ।
- ९) हाजिर पुस्तिका बिहान ९:०० बजे देखि १२:०० बजे सम्म मात्र खुल्ला रहने छ ।

### शेयरधनी महानुभावहरूलाई विशेष जानकारी :

१. बैंकले आफ्ना शेयरधनीहरूलाई न्यूनतम मौज्जात रु. ५००।- (पाँच सय) मा शेयरधनी बचत खाता खोली निःशुल्क डेबिट कार्ड प्रदान गर्ने व्यवस्था गरेको छ । त्यसरी खाता खोल्ने शेयरधनीहरूको लाभांश रकम उक्त खातामा जम्मा गरिनेछ ।
२. आ.व. २०७९।८० र सो भन्दा अगाडिको लाभांश तथा बोनस शेयर नलिनु भएका शेयरधनीहरूले हिमालयन क्यापिटल लिमिटेड, कमलादी स्थित आई टि प्लाजाबाट लिनु हुन अनुरोध छ । साथै हितग्राही खाता (DMAT) नभएका शेयरधनीहरूले हिमालयन क्यापिटल लि., आई टि प्लाजा, कमलादी वा अन्य सम्बन्धित संस्थामा यथाशिघ्र उक्त खाता खोल्न अनुरोध छ ।
३. सभा सम्बन्धी अन्य जानकारीको लागि बैंकको केन्द्रीय कार्यालय वा हिमालयन क्यापिटल लि. आई टि प्लाजा, कमलादी, काठमाण्डौमा कार्यालय समयभित्र सम्पर्क राख्नु हुन अनुरोध छ ।

संचालक समितिको आज्ञाले  
कम्पनी सचिव

### हिमालयन बैंक लिमिटेडको

बत्तीसौं वार्षिक साधारण सभामा पारित भएको विशेष प्रस्ताव अन्तर्गतको प्रस्ताव अनुसारको सोहि साधारण सभामा पारित भएको विशेष प्रस्ताव अन्तर्गत हिमालयन बैंकको प्रबन्धपत्र तथा नियमावलीको निम्न दफा तथा नियममा गरिने संशोधन निम्न अनुसार हुनेछ ।

#### प्रबन्धपत्र संशोधनको विशेष प्रस्ताव :

विद्यमान व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
दफा ५ बैंकको पूँजीको संरचना :	दफा ५.(ख, ग र घ) बैंकको पूँजीको संरचना:	
(ख) तत्काल जारी पूँजी तत्काल जारी पूँजी रु २१,६५,६६,१५,६३१.९० (अक्षरेपी एक्काईस अर्ब पैसट्टी करोड छैसट्टी लाख पन्ध्र हजार छ सय एकतीस नब्बे पैसा) हुनेछ ।	(ख) तत्काल जारी पूँजी तत्काल जारी पूँजी रु २२,५८,१६,६२,५३१.९० (अक्षरेपी बाईस अर्ब अठ्ठाउन्न करोड सोह्र लाख बैसट्टी हजार पाँच सय एकतीस रुपैया नब्बे पैसा) हुनेछ ।	बैंकको मिति २०८०।०९।२९ गते सम्पन्न ३१ सौं वार्षिक साधारण सभाबाट पारित भए बमोजिम बैंकको कुल पूँजीमा आवश्यक सर्वसाधारण शेयरधनी अनुपात ७०:३० कायम गर्नका लागि सम्बन्धित नियामक निकायको स्वीकृति प्राप्त भएपछि साधारण शेयर ९२,५०,४६९ कित्ता थप सार्वजनिक निश्कासन (FPO) जारी हुने भएकोले सो FPO जारी भए पश्चात बैंकको तत्काल जारी पूँजी र चुक्ता पूँजी बृद्धि हुने भएकोले ।
(ग) तत्काल चुक्ता पूँजी रु २१,६५,६६,१५,६३१.९० (अक्षरेपी एक्काईस अर्ब पैसट्टी करोड छैसट्टी लाख पन्ध्र हजार छ सय एकतीस रुपैया नब्बे पैसा) हुनेछ ।	(ग) तत्काल चुक्ता पूँजी तत्काल जारी पूँजी रु २२,५८,१६,६२,५३१.९० (अक्षरेपी बाईस अर्ब अठ्ठाउन्न करोड सोह्र लाख बैसट्टी हजार पाँच सय एकतीस रुपैया नब्बे पैसा) हुनेछ ।	
घ) बैंकको जारी पूँजीको समूहगत शेयर स्वामित्व देहाय अनुसार हुनेछ:- १. समूह (क) संस्थापक शेयर धनीहरु ७२.९९ प्रतिशत २. समूह (ख) सर्वसाधारण नेपाली नागरिकहरु २७.०१ प्रतिशत	घ) बैंकको जारी पूँजीको समूहगत शेयर स्वामित्व देहाय अनुसार हुनेछ:- १. समूह (क): संस्थापक शेयरधनीहरु ७० प्रतिशत २. समूह (ख): सर्वसाधारण शेयर धनीहरु ३० प्रतिशत	
	दफा ५ (घ) १ बमोजिम लगानी गर्ने संस्थापक हरू:	
नरहेको	क ७ उप समूह अन्तरगतका अन्य व्यक्ति तथा संस्था संस्थापक शेयरधनीहरुको विवरण अनुसूचि १ मा उल्लेख गरिएको छ ।	संस्थापक शेयरधनीहरु थप भएकाले थप गरिएका
दफा ७ शेयर खरिद वा हस्तान्तरणमा बन्देज	दफा ७ शेयर खरिद वा हस्तान्तरणमा बन्देज	

<p>(घ) संस्थापकले आफ्नो शेयर बिक्री वा हक छोड्दा वा हस्तान्तरण गर्दा पहिलो प्राथमिकता जुन समूहको शेयर हो सोही समूहका शेयरधनीहरूलाई दिनु पर्नेछ । यसरी शेयर बिक्री गर्दा एकभन्दा बढी शेयरधनीले शेयर खरिद गर्न चाहेमा निजले धारण गरेको शेयर को अनुपातमा वितरण गर्नु पर्नेछ । सो समूहका कुनै पनि संस्थापक शेयरधनीले शेयर लिने इच्छा नगरेमा मात्र त्यस्तो शेयर संचालक समितिको निर्णय बमोजिम अन्य व्यक्ति, फर्म, कम्पनी वा संस्थालाई बिक्री गर्न सकिनेछ ।</p>	<p>(घ) संस्थापकले आफ्नो शेयर बिक्री वा हक छोड्दा वा हस्तान्तरण गर्दा पहिलो प्राथमिकता संस्थापक समूहका शेयरधनीहरूलाई दिनु पर्नेछ । यसरी शेयर बिक्री गर्दा एकभन्दा बढी शेयर धनीले शेयर खरिद गर्न चाहेमा निजले धारण गरेको शेयरको अनुपातमा वितरण गर्नु पर्नेछ । सो समूहका कुनै पनि संस्थापक शेयरधनीले शेयर लिने इच्छा नगरेमा मात्र त्यस्तो शेयर संचालक समितिको निर्णय बमोजिम अन्य व्यक्ति, फर्म, कम्पनी वा संस्थालाई बिक्री गर्न सकिनेछ ।</p>	<p>बैंक तथा वित्तीय संस्था सम्बन्धी ऐन बमोजिम एकरूपता कायम गर्न</p>
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#### नियमावली संशोधनको विशेष प्रस्ताव :

विद्यमान व्यवस्था	प्रस्तावित संशोधन	
<p>नियम ३.(ख) : बैंकको अधिकृत पूँजीको अंक र विभिन्न प्रकारको शेयर संख्या :</p>	<p>नियम ३.(ख) : बैंकको अधिकृत पूँजीको अंक र विभिन्न प्रकारको शेयर संख्या :</p>	<p>संशोधन गर्नुपर्ने कारण</p>
<p>ख) तत्काल जारी पूँजी तत्काल जारी पूँजी रु २१,६५,६६,१५,६३१.९० (अक्षरेपी एक्काईस अर्ब पैसठ्ठी करोड छैसठ्ठी लाख पन्ध्र हजार छ सय एकतीस नब्बे पैसा) हुनेछ ।</p>	<p>ख) तत्काल जारी पूँजी तत्काल जारी पूँजी रु २२,५८,१६,६२,५३१.९० (अक्षरेपी वाईस अर्ब अठ्ठाउन्न करोड सोह लाख बैसठ्ठी हजार पांच सय एकतीस रुपैया नब्बे पैसा) हुनेछ ।</p>	<p>बैंकको मिति २०८०।०९।२९ गते सम्पन्न ३१ सौं वार्षिक साधारण सभाबाट पारित भए बमोजिम बैंकको कुल पूँजीमा आवश्यक सर्वसाधारण शेयरधनी अनुपात ७०:३० कायम गर्नका लागि सम्बन्धीत नियामक निकायको स्वीकृती प्राप्त भएपछि साधारण शेयर ९२,५०,४६९ कित्ता थप सार्वजनिक निष्कासन (FPO) जारी हुने भएकोले सो (FPO) जारी भए पश्चात बैंकको तत्काल जारी पूँजी र चुक्ता पूँजी बृद्धि कुनै भएकोले ।</p>
<p>(ग) तत्काल चुक्ता पूँजी रु २१,६५,६६,१५,६३१.९० (अक्षरेपी एक्काईस अर्ब पैसठ्ठी करोड छैसठ्ठी लाख पन्ध्र हजार छ सय एकतीस रुपैया नब्बे पैसा) हुनेछ ।</p>	<p>ग) तत्काल चुक्ता पूँजी तत्काल जारी पूँजी रु २२,५८,१६,६२,५३१.९० (अक्षरेपी वाईस अर्ब अठ्ठाउन्न करोड सोह लाख बैसठ्ठी हजार पांच सय एकतीस रुपैया नब्बे पैसा) हुनेछ ।</p>	
<p>घ) बैंकको जारी पूँजीको समूहगत शेयर स्वामित्व देहायअनुसार हुनेछ:-</p> <ol style="list-style-type: none"> <li>समूह (क): संस्थापक शेयर धनीहरू ७२.९९ प्रतिशत</li> <li>समूह (ख): सर्वसाधारण शेयर धनीहरू २७.०१ प्रति</li> </ol>	<p>घ) बैंकको जारी पूँजीको समूहगत शेयर स्वामित्व देहायअनुसार हुनेछ:-</p> <ol style="list-style-type: none"> <li>समूह (क): संस्थापक शेयरधनीहरू ७० प्रतिशत</li> <li>समूह (ख): सर्वसाधारण शेयर धनीहरू ३० प्रतिशत</li> </ol>	
<p>ड) संस्थापक शेयरधनीहरूलाई समूह “क” मा वर्गीकरण गरिएको छ ।</p>	<p>ड) संस्थापक शेयरधनीहरूलाई समूह “क” मा वर्गीकरण गरिएको छ । यो समूहको शेयर स्वामित्व ७० प्रतिशत हुनेछ</p>	

यो समूहको शेयर स्वामित्व ८५ प्रतिशत हुनेछ र यस समूहमा निम्न शेयरधनीहरूलाई निम्न अनुसारको उप समूहमा राखिएको छ ।		
	<b>नियम ३ (ख) को (घ) १</b>	
नरहेको	क ७ उप समूह अन्तरगतका अन्य व्यक्ति तथा संस्था संस्थापक शेयरधनीहरूको विवरण अनुसूचि १ मा उल्लेख गरिएको छ ।	संस्थापक शेयरधनीहरू थप भएकाले थप गरिएको ।
<b>नियम १०.संचालक समितिको बैठक :</b> २) संचालक समितिको बैठकमा संचालक स्वयम् उपस्थित हुनु पर्नेछ । संचालक स्वयम् उपस्थित हुन नसकेमा कम्पनी सचिवलाई जानकारी गराई वैकल्पिक संचालकले बैठकमा भाग लिन सक्नेछन् ।	<b>नियम १०. संचालक समितिको बैठक :</b> २) संचालक समितिको बैठकमा संचालक स्वयम् उपस्थित हुनु पर्नेछ ।	वैकल्पिक संचालकको व्यवस्था नरहेकोले ।
<b>नियम ११.संचालक नियुक्ति सम्बन्धि कुनै खास व्यवस्था गरेको भए:</b> ग) बैंक तथा वित्तीय संस्थासम्बन्धी ऐन, २०७३, कम्पनी ऐन तथा प्रचलित कानूनको अधिनमा रही तोकिएको संख्यामा व्यवसायिक विशेषज्ञहरूलाई बैंकको संचालक समितिले संचालकको रूपमा	<b>नियम ११. संचालक नियुक्ति सम्बन्धि कुनै खास व्यवस्था गरेको भए:</b> ग) बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३, कम्पनी ऐन तथा प्रचलित कानूनको अधिनमा रही तोकिएको संख्यामा स्वतन्त्र व्यक्तिलाई बैंकको संचालक समितिले संचालकको रूपमा नियुक्त गर्न सक्नेछ ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐनमा व्यवसायिक विशेषज्ञ को सट्टा स्वतन्त्र संचालकको व्यवस्था भएकोले
<b>नियम १३. संचालक हुन लिनु पर्ने न्यूनतम शेयर संख्या :</b> बैंकको संचालक पदमा नियुक्त हुनका लागि आफ्नो नाममा कम्तीमा १०० थान शेयर लिएको हुनु पर्नेछ । तर, नेपाल राष्ट्र बैंकले कायम गरेको व्यवसायिक विशेषज्ञ तथा विदेशी बैंक/वित्तीय संस्था वा संगठित संस्थाले बैंकमा शेयर लगानी गरी संचालक मनोनयन गरेको अवस्थामा त्यस्तो संचालकले व्यक्तिगत हैसियतले शेयर लिनु आवश्यक हुने छैन ।	<b>नियम १३. संचालक हुन लिनु पर्ने न्यूनतम शेयर संख्या :</b> बैंकको संचालक पदमा नियुक्त हुनका लागि आफ्नो नाममा कम्तीमा १०० थान शेयर लिएको हुनु पर्नेछ । तर, स्वतन्त्र तथा विदेशी बैंक/वित्तीय संस्था वा संगठित संस्थाले बैंकमा शेयर लगानी गरी संचालक मनोनयन गरेको अवस्थामा त्यस्तो संचालकले व्यक्तिगत हैसियतले शेयर लिनु आवश्यक हुने छैन ।	बैंक तथा वित्तीय संस्था सम्बन्धी ऐनमा व्यवसायिक विशेषज्ञ को सट्टा स्वतन्त्र संचालकको व्यवस्था भएकोले

<p><b>नियम १६. शेयरधनी बाहेकको अन्य कुनै व्यावसायिक व्यक्तिलाई संचालक नियुक्ति गर्ने भए निजहरूको संख्या, कार्यकाल, योग्यता तथा नियुक्ति प्रक्रियासम्बन्धी व्यवस्था :</b></p> <p>(१) प्रचलित बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ ले व्यवस्था गरे बमोजिम नेपाल राष्ट्र बैंकले कायम गरेको व्यावसायिक विशेषज्ञहरूको सूचीबाट संचालक समितिले एक (१) जना व्यावसायिक संचालक नियुक्त गर्नेछ ।</p> <p>(२) निजको कार्यकाल ४ वर्षको हुनेछ ।</p> <p>(३) निजको काम, कर्तव्य, अधिकार तथा सुविधा अन्य संचालक सरह हुनेछ ।</p>	<p><b>नियम १६. शेयरधनी बाहेकको अन्य कुनै व्यक्तिलाई संचालक नियुक्ति गर्ने भए निजहरूको संख्या, कार्यकाल, योग्यता तथा नियुक्ति प्रक्रियासम्बन्धी व्यवस्था :</b></p> <p>(१) प्रचलित बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ ले व्यवस्था गरे बमोजिम संचालक समितिले एक (१) जना स्वतन्त्र संचालक नियुक्त गर्नेछ ।</p> <p>(२) निजको कार्यकाल बढीमा ४ (चार) वर्षको हुनेछ । निजको पुनः नियुक्ति तथा मनोनित हुने छैन ।</p>	<p>बैंक तथा वित्तीय संस्था सम्बन्धी ऐनमा व्यावसायिक विशेषज्ञ को सट्टा स्वतन्त्र संचालकको व्यवस्था भएकोले</p>
<p><b>नियम २६. शेयर हस्तान्तरणसम्बन्धी व्यवस्था :</b></p> <p>प्रचलित बैंक तथा वित्तीय संस्थासम्बन्धी ऐन, कम्पनी कानून तथा अन्य प्रचलित कानूनको अधिनमा रही सम्बन्धित निकायको स्वीकृति लिई देहायबमोजिम शेयर हस्तान्तरण हुन सक्नेछ;</p> <p>(क) बैंकको कुनै शेयरधनीले आफ्नो शेयर अर्को व्यक्तिलाई विक्री गरेमा शेयर खरिद गर्ने व्यक्तिले त्यस्तो शेयर दाखिल खारेज गर्नको निमित्त नेपाल राजपत्रमा प्रकाशित सूचनामा तोकिएको ढाँचामा, रु. ५१- दस्तुर, शेयर खरिद विक्रीसम्बन्धी लिखत र शेयरको प्रमाणपत्रसहित धितोपत्र विनिमय बजार लि. मार्फत बैंकको रजिष्टर्ड कार्यालयमा निवेदन दिनु पर्नेछ ।</p> <p>(ख) नियम ३(ख) को उपनियम (घ) र (ङ) मा वर्गीकरण गरे अनुसार समूह “क” अन्तर्गतका शेयरवालाहरूले आफुले लिएको शेयर बेचबिखन गर्नु परेमा उक्त शेयर खरिद गर्न सर्वप्रथम</p>	<p><b>नियम २६. शेयर हस्तान्तरणसम्बन्धी व्यवस्था :</b></p> <p>प्रचलित बैंक तथा वित्तीय संस्थासम्बन्धी ऐन, कम्पनी कानून तथा अन्य प्रचलित कानूनको अधिनमा रही सम्बन्धित निकायको स्वीकृति लिई देहायबमोजिम शेयर हस्तान्तरण हुन सक्नेछ;</p> <p>(क) बैंकको कुनै शेयरधनीले आफ्नो शेयर अर्को व्यक्तिलाई विक्री गरेमा शेयर खरिद गर्ने व्यक्तिले त्यस्तो शेयर दाखिल खारेज गर्नको निमित्त प्रचलित कानून बमोजिम तोकिएको ढाँचामा, सिडिएस एण्ड क्लियरिङ लिमिटेड र धितोपत्र विनिमय बजार मार्फत गर्नु पर्नेछ ।</p> <p>(ख) नियम ३ (ख) को उपनियम (घ) मा वर्गीकरण गरे अनुसार समूह “क” अन्तर्गतका शेयरवालाहरूले आफुले लिएको शेयर बेचबिखन गर्नु परेमा उक्त शेयर खरिद गर्न सर्वप्रथम समूह “क” अन्तर्गत संस्थापक शेयरधनीहरूलाई प्राथमिकता दिनु पर्नेछ । उपरोक्त बमोजिम प्राथमिकता दिदा एक भन्दा बढी शेयरधनीहरू त्यस्तो शेयर खरिद गर्न इच्छुक भएमा उक्त शेयर इच्छुक सबै शेयर</p>	<p>शेयर खरिद विक्री गर्न नयां व्यवस्था लागु भएकोले ।</p>

<p>समूह “क” अन्तर्गत आफु संलग्न रहेको उपसमूहका लगानी गर्ने कम्पनीलाई प्राथमिकता दिनु पर्नेछ । उपरोक्त बमोजिम प्राथमिकता दिदा एक भन्दा बढी कम्पनीहरु त्यस्तो शेयर खरिद गर्न इच्छुक भएमा उक्त शेयर इच्छुक सबै कम्पनीहरुले बराबर खरिद गर्न सक्ने गरि बेच्नु पर्नेछ । कथंकदाचित त्यसरी बराबर खरिद गर्न सम्भव नभएमा बराबर हिस्सा लगाई बाँकी रहन आएको शेयर निजले संस्थापकहरु मध्ये आफुले इच्छाएको कम्पनीलाई विक्री गर्न सक्नेछ । उपरोक्तबमोजिम शेयर विक्री गर्दा संचालक समितिले ठहर गरेको मूल्यमा बेचबिखन गर्नुपर्नेछ ।</p> <p>(च) माथी जेसुकै लेखिएको भएतापनि “क” समूहको शेयरधनीहरुले अन्य समूहका शेयरधनीलाई तथा “क” समूह अन्तर्गतका उपसमूहहरुले एक आपसमा शेयर विक्री गर्न नेपाल राष्ट्र बैंकको पूर्व स्वीकृति लिनु पर्नेछ ।</p>	<p>धनीहरुले बराबर खरिद गर्न सक्ने गरि बेच्नु पर्नेछ । कथंकदाचित त्यसरी बराबर खरिद गर्न सम्भव नभएमा बराबर हिस्सा लगाई बाँकी रहन आएको शेयर निजले संस्थापकहरु मध्ये आफुले इच्छाएको शेयरधनीहरुलाई विक्री गर्न सक्नेछ । उपरोक्त बमोजिम शेयर विक्री गर्दा संचालक समितिले ठहर गरेको मूल्यमा बेचबिखन गर्नुपर्नेछ ।</p> <p>(च) माथी जेसुकै लेखिएको भएतापनि “क” समूहका २ (दुई) प्रतिशत भन्दा बढी शेयर ग्रहण गर्ने शेयरधनीहरुले एक आपसमा शेयर विक्री गर्न नेपाल राष्ट्र बैंकको पूर्व स्वीकृति लिनु पर्नेछ ।</p>	
<p><b>नियम ३१. संचालकको पारिश्रमिक भत्ता र सुविधा सम्बन्धी व्यवस्था :</b></p> <p>(इ) अध्यक्ष, संचालक, वैकल्पिक संचालक र प्रमुख सल्लाहकारलाई एक कार्यकालमा एक पटक रु. ३०,०००/- मा नबढ्ने गरी मोवाईल फोन सेट र मासिक रु. ३,०००/- सम्मको विल भुक्तानी दिइनेछ ।</p> <p>(ई) अध्यक्ष, संचालक, वैकल्पिक संचालकको लागि बैकले रु. २ लाख को औषधीउपचार बीमा र रु. ३० लाखको दुर्घटना विमा गरि दिनेछ ।</p> <p>(उ) अध्यक्ष, संचालक, वैकल्पिक संचालक र प्रमुख सल्लाहकारलाई पत्रपत्रिका तथा सञ्चार सुविधा भत्ता वापत मासिक रु. १५,०००/- (कर पछि, यदी कर लाग्ने भएमा) दिने ।</p>	<p><b>नियम ३१ संचालकको पारिश्रमिक, भत्ता र सुविधा सम्बन्धी व्यवस्था :</b></p> <p>(इ) अध्यक्ष, संचालक र प्रमुख सल्लाहकारलाई एक कार्यकालमा एक पटक रु. ३०,०००/- मा नबढ्ने गरी मोवाईल फोन सेट र मासिक रु. ३,०००/- सम्मको विल भुक्तानी दिइनेछ ।</p> <p>(ई) अध्यक्ष, संचालकको लागि बैकले रु. २ लाख को औषधीउपचार बीमा र रु. ३० लाखको दुर्घटना विमा गरी दिनेछ ।</p> <p>(उ) अध्यक्ष, संचालक र प्रमुख सल्लाहकारलाई पत्रपत्रिका तथा सञ्चार सुविधा भत्ता वापत मासिक रु. १५,०००/- (कर पछि, यदी कर लाग्ने भएमा)</p>	<p>वैकल्पिक संचालक रहने विद्यमान व्यवस्था हटेकोले ।</p>

## प्रोक्सी - फाराम

श्री संचालक समिति  
हिमालयन बैंक लिमिटेड  
कमलादी, काठमाडौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला ..... म.न.पा./उ.म.न.पा./न.पा./गाऊ पालिका वडा नं. ....  
बस्ने म/हामी ..... ले त्यस कम्पनीको शेयरधनीको हैसियतले २०८१  
साल पौष महिना २९ गते सोमबारका दिन हुने हिमालयन बैंक लिमिटेडको ३२ 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./गाऊ 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 कमिमा ४८ घण्टा अगावै HBL Capital (हिमालयन क्यापिटल), IT Plaza कमलादीमा 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 २०८१ साल पौष महिना २९ गते सोमबारका दिन हुने ३२ औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

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

बिपिन हाडा  
(कम्पनी सचिव)



## बत्तीसौं वार्षिक साधारण सभाका लागि संचालक समितिको प्रतिवेदन

शेयरधनी महानुभावहरु,

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

### अन्तर्राष्ट्रिय - राष्ट्रिय घटना तथा आर्थिक क्रियाकलाप:

विश्वव्यापी राजनैतिक अस्थिरता तथा आर्थिक शिथिलता, बढ्दो धुत्रिकरण, क्षेत्रिय द्वन्द, सामुन्द्रिक व्यापारमा अवरोध जस्ता यावत कारणहरुले गर्दा समग्ररूपमा विश्व बजारमा आपूर्ति श्रृंखला विथोलिएको छ । त्यसका साथै मानव श्रृजित प्रकृतिक विपत्तिका कारण जलवायुमा भएको व्यापक परिवर्तन, अतिवृष्टि, अनावृष्टि, खडेरी, घट्टो कृषि उत्पादन तथा वातावरण प्रदुषण लगायतका कारणबाट विश्वव्यापीरूपमा बसाइसराई बढिरहेको, स्वच्छ/सफा पानीको अभाव भएको, खाद्य संकट सृजना भएको, मुल्य वृद्धिले समग्रमा जीवन धान्ने लागतमा वृद्धि भई मानवीय संकट बढिरहेको छ । महामारी, युद्ध र बढ्दो भू-आर्थिक तथा राजनीतिक द्वन्दले कतिपय अवस्थामा दीर्घकालीन नकारात्मक परिणाम प्रतिविम्बित गर्दछन् ।

अन्तर्राष्ट्रिय मुद्रा कोषले अक्टोबर २०२४ मा प्रकाशित गरेको आफ्नो विश्व अर्थतन्त्रको परिदृश्यमा सन् २०२५ को अन्त्यसम्ममा विभिन्न मुलुकहरुले लिएको कसिलो मौद्रिक नीतिका कारण विश्व अर्थतन्त्रमा मुद्रास्फ्रिति ३.५ प्रतिशत सम्म हुने प्रक्षेपण गरेको भएता पनि आजको दिनमा वातावरण, स्वास्थ्य तथा भूराजनीतिक कारणबाट विथोलिएको आपूर्ति श्रृंखलाको कारणबाट मुल्य वृद्धिलाई नियन्त्रणमा राख्न गाह्ने भएको देखिन्छ । उक्त कोषले सन् २०२४ र २०२५ को लागि विश्वको आर्थिक वृद्धिदर ३.२ प्रतिशतमा रहने अनुमान गरेको छ । नेपालको परिप्रेक्ष्यमा यस्तो वृद्धिदर सन् २०२४ र २०२५ मा क्रमशः ३.१ प्रतिशत र ४.९ प्रतिशत रहने अनुमान छ ।

मुद्रास्फ्रितिलाई नियन्त्रणमा राख्न तथा आर्थिक वृद्धिदरलाई बढाउन नियामक निकायबाट विभिन्न नीति अगिंकार गरेका कारण विश्व श्रमबजारमा श्रमिकहरुको मागमा क्रमिक रूपमा वृद्धि भएको छ । त्यसैले नेपालबाट वैदेशिक रोजगारीमा जान श्रम स्वीकृति लिने श्रमिकहरुको संख्यामा उल्लेख्य मात्रमा वृद्धि भएको छ । कुल ग्राहस्थ्य उत्पादनमा विप्रेषणको महत्वपूर्ण योगदान रहेको नेपाल जस्तो मुलुकमा श्रमिकहरुको मागमा भएको वृद्धिले विदेशी मुद्रा सञ्चितिमा वृद्धि भई समग्रमा शोधनान्तर स्थितिमा सकारात्मक प्रभाव पार्ने छ । त्यस्तै नेपाल राष्ट्र बैंकद्वारा २०८०/०८१ को वार्षिक तथ्याङ्कको आधारमा प्रकाशित 'देशको वर्तमान आर्थिक तथा वित्तीय स्थिति' प्रतिवेदन अनुसार विप्रेषण १६.५% ले वृद्धि भई रु. १,४४५ अर्ब ३२ करोड पुगेको छ । जुन अघिल्लो आ.व मा २३.२०% ले वृद्धि भएको थियो ।

साथै मौद्रिक नीति मार्फत लगानी बढाउनको लागि लिइएको नीतिका कारण निक्षेप तथा कर्जाको व्याजदर निरन्तर घट्टै गएको भएता पनि लगानी योग्य वातावरण नभएको कारण कर्जाको माग बढ्न नसकी लगानी योग्य तरलतामा व्यापक वृद्धि भएको छ । त्यसका साथै सहकारी क्षेत्रमा देखिएको समस्याले अर्थतन्त्रमा नगद प्रवाह घटेको परिदृश्य, राजनैतिक अस्थिरता, बढ्दो निष्कृत्य कर्जा, तथा अन्य आन्तरिक तथा बाह्य पक्षहरुका कारण पनि देशको समग्र आर्थिक गतिविधि

बढ्न नसकेकोले आर्थिक वृद्धिमा संकुचन देख्न सकिन्छ। यसबाट राजस्व संकलन खस्किएर सरकारी खर्चहरु (चालु तथा पुँजिगत दुवै) बढ्न नसकि विकास निर्माणका गतिविधिहरुले गति लिन सकेको छैन।

नेपाल राष्ट्र बैंकले प्रकाशित गरेको आ.व. २०८०/०८१ को आर्थिक तथा वित्तीय स्थिति तथा आ.व २०८१/०८२ को मौद्रिक नीतिको पहिलो त्रैमासिक समीक्षामा उल्लेख भए अनुसार समीक्षा वर्षमा देशको आर्थिक वृद्धिदर उपभोक्ता मुल्यमा ३.८७ प्रतिशत रहने छ। अघिल्लो वर्ष यसको वृद्धिदर १.९५ प्रतिशत रहेको थियो।

आर्थिक वर्ष २०८०/०८१ को कुल वस्तु निर्यात ३.० प्रतिशतले कमी आई रु. १ खर्ब ५२ अर्ब ३८ करोडमा सिमित रहन पुगेको छ। अघिल्लो वर्ष वस्तु निर्यात २१.४ प्रतिशतले घटेको थियो। यसैगरी वस्तु आयात अघिल्लो वर्षको तुलनामा समीक्षा वर्षमा १.२ प्रतिशतले कमी भई रु. १५ खर्ब ९२ अर्ब ९९ करोड पुगेको छ। वस्तु आयात अघिल्लो वर्ष १६.१ प्रतिशतले घटेको थियो। समग्रमा व्यापार घाटा १.० प्रतिशतले घटि १४ खर्ब ४० अर्ब ६० करोड पुगेको छ।

आ.व. २०८०/०८१ असार मसान्त सम्ममा विदेशी मुद्रा सञ्चिति ३२.६ प्रतिशतले बढेर रु. २० खर्ब ४१ अर्ब १० करोड रहेको छ। अघिल्लो वर्ष उक्त सञ्चिति १५ खर्ब ३९ अर्ब ३६ करोड रहेको थियो। उक्त सञ्चितिले २०८०/०८१ को सोही अवधि सम्मको आयातलाई आधार मान्दा बैकिङ्ग क्षेत्रसँग रहेको विदेशी विनिमय सञ्चितिले १५.६ महिनाको लागि वस्तु आयात तथा १३ महिनाको लागि वस्तु तथा सेवाको आयात धान्न पर्याप्त हुने अनुमान गरिएको छ।

आर्थिक वर्ष २०८०/०८१ मा बैंक तथा वित्तीय संस्थाहरुको निक्षेप परिचालन १३ प्रतिशत र निजी क्षेत्रमा प्रवाहित कर्जा तथा लगानी ५.८ प्रतिशतले वृद्धि भएको छ। अघिल्लो वर्ष निक्षेप परिचालन १२.३ प्रतिशत तथा निजी क्षेत्रमा प्रवाहित कर्जा तथा लगानी ३.८ प्रतिशतले बढेको थियो।

### वर्तमान बैकिङ्ग क्रियाकलाप:

विभिन्न बाणिज्य बैंकहरु एक आपसमा गाभ्ने गाभिने कार्यले गर्दा बाणिज्य बैंकहरुको संख्या घटेर २० वटा भएको छ। तर बैंकको संख्या घटेता पनि वासलातमा निक्षेप, ऋण लगायतका विभिन्न सूचकहरुमा स्वस्थ सुचाङ्क कायम गर्ने कार्य निकै नै चुनौतीपूर्ण रहेको छ। बैंकको ब्याजदर निरन्तररूपमा घट्दा पनि आर्थिक अस्थिरता एवं सिथिलता, निराशाजनक लगानीको वातावरण तथा प्रतिफल सुनिश्चितताको प्रत्याभुति नभएको कारण आर्थिक गतिविधि बढ्न सकेको छैन। समग्र विश्वको आर्थिक गतिविधि तथा वृद्धिदर सन्तोषजनक रहेता पनि नेपालमा आर्थिक गतिविधि उत्साहजनक रूपमा बढ्न नसक्नुको मुख्य कारणको रूपमा राजनीतिक अस्थिरता तथा त्यसबाट उब्जिएको अस्थिर नीति रहेको विदितै छ। बैंकहरुको लगानीयोग्य तरलतामा उल्लेख्य वृद्धि देखिएता पनि लगानीकर्ताहरुले निर्धक्कसंग लगानी गर्न सकेका छैनन्। कृषि तथा औद्योगिक उत्पादन बढ्नुको साटो घट्दा बेरोजगारी दरमा निरन्तर वृद्धि भईरहेको छ। नेपाली युवाहरु गुणस्तरीय शिक्षा, रोजगारी तथा जीवनस्तरको लागि विदेश पलायन हुने संख्यामा व्यापक वृद्धि देख्न सकिन्छ। यसको समग्र असर सामाजिक आर्थिक परिवेशमा परी दिर्घकालमा काम गर्न सक्ने जनशक्तिको कमि हुने आँकलन गर्न सकिन्छ।

अस्थिर आर्थिक नीतिका कारण समग्र आर्थिक गतिविधिमा आएको संकुचनले देशभरिका बैकिङ्ग क्षेत्रमा अस्वस्थ प्रतिस्पर्धा हुन गई निष्कृत्य कर्जा तथा गैर बैकिङ्ग सम्पत्ती बढ्दै गएको छ। जसको असर बैंकहरुको वासलातमा देखिएको छ र

बहुसंख्यक बैंकहरु लगानीकर्ताहरुलाई लाभांश वितरण गर्न असमर्थ भएका छन् । तसर्थ बैंकहरुले विभिन्न सेवाहरुको स्तरोन्नति गरी न्यूनतम ब्याजदरमा कर्जा प्रदान गर्ने तथा निक्षेप योजनाहरुमा थप सुविधाहरु प्रदान गर्दै ग्राहकहरुलाई प्रोत्साहन गरिरहेको छ । त्यसैगरी प्रविधिमा भएको विकासले ग्राहकहरुलाई उच्चतम सेवा प्रदान गर्न उक्त परिवर्तनलाई आत्मसाथ गर्नुपर्ने आवश्यकता छ । तसर्थ ग्राहकहरुलाई बैंकिङ्ग सेवामा सहजता प्रदान गर्दै सन्तुष्ट बनाउन र सेवा प्रवाह निरन्तर प्रदान गर्न बैंकहरुले नयाँ नयाँ प्रविधिहरु ल्याउन मेहनत गरिरहेका छन् ।

बढ्दो प्रतिस्पर्धाका बिच ग्राहकहरुको विश्वास जिति समय सापेक्ष बैंकिङ्ग सेवा प्रदान गर्ने लक्ष्य लिएको यस बैंकले पनि आफ्नो दिर्घकालिन लक्ष्य तथा योजना तर्जुमा गर्ने, दैनिक कार्यमा स्तरोन्नती गर्ने, अनावश्यक खर्चहरुमा कटौती गर्ने, आफ्नो सेवा तथा सुविधाहरुको पहुँच बढाउने तथा प्रतिस्पर्धामा सक्षम भई बैंक एक सबल र सबैको पहिलो रोजाईको बैंक बन्ने विश्वास छ । यसका साथै बैंकले विशेष गरी आफ्नो सम्पत्तीलाई सुदृढ गरी आफ्ना शेयरधनीहरुलाई समय सापेक्ष प्रतिफल दिने कार्यमा प्रतिबद्ध रहेको छ ।

### बैंकको वर्तमान अवस्था तथा क्रियाकलाप

बैंकले आफ्नो सेवा विस्तारलाई ध्यानमा राखी यसै वर्ष धितोपत्र सम्बन्धी कारोबार गर्न आफ्नो अर्को सहायक कम्पनी हिमालयन सेक्युरिटीज लिमिटेड दर्ता गरी नियामकीय निकायबाट आवश्यक स्विकृती प्राप्त गरेर मिति वि.सं.२०८१ बैशाख १३ गते बाट कारोबार सुरु गरिसकेको जानकारी गराउँदछु ।

शेयरधनी महानुभावहरु, तँपाईको बैंक, हिमालयन बैंक आजको यस घडीमा समग्र मुलुकको वित्तीय क्षेत्रमा एक सुरक्षित, प्रविधिमैत्री तथा भरपर्दो बैंकको रुपमा स्थापित भइ विगत बत्तीस वर्षदेखि ग्राहकहरुको सेवामा रहेको अवगत नै छ । बैंकले हाल देशभर छरिएका १७४ शाखा, २८२ ए.टी.एम., २० विस्तारित काउन्टर तथा १५,००० भन्दा बढी विप्रेषण भुक्तानी केन्द्र र ८,५५२ पस मेशिन सहित ५,८९३ पस मर्चेन्टहरुका साथै २,२५३ टर्मिनल सहित १,१२७ इ-कमर्स मर्चेन्टहरुबाट ग्राहकहरुलाई सेवा पुऱ्याई रहेको छ । ग्राहकमैत्री सेवा विस्तार गर्ने सन्दर्भमा रकम भिक्त तथा जम्मा गर्न मिल्ने ७ वटा Cash Recycler Machine सञ्चालनमा ल्याइसकेको छ ।

वर्तमान संकुचित आर्थिक परिवेशको अवस्थामा पनि बैंकको व्यवसाय सन्तोषजनक नै रहेको छ । यसमा ग्राहकवर्गको बैंकप्रतिको गहिरो विश्वास, शेयरधनीहरुको प्रत्यक्ष-परोक्ष सहयोगको 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 कुनै अवरोध 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 बैंक तथा यसका सहायक कम्पनीहरुको २०८१ साल असार मसान्तको वासलात, आर्थिक वर्ष २०८०/०८१ को नाफा-नोक्सान हिसाब, नाफा-नोक्सान बाँडफाँट लगायतका वित्तीय विवरण सहितको एकिकृत तथा अन्य विवरणहरु अनुमोदनका लागि प्रस्तुत गर्दछु ।

## बैंकको कारोवारको समीक्षा:

समीक्षा अवधिमा निक्षेप अधिल्लो वर्षको तुलनामा ६.८९ प्रतिशतले वृद्धि भई रु. २ खर्ब ९७ अर्ब ७२ करोड ५३ लाख पुगेको छ भने कर्जा सापट १.७९ प्रतिशतले वृद्धि भई रु. २ खर्ब ४७ अर्ब १० करोड ९० लाख रहेको छ।

यसैगरी यो अवधिमा बैंकको कुल सम्पत्ति ६.४२ प्रतिशत र खुद सम्पत्ति ३.१४ प्रतिशतले वृद्धि भई क्रमशः रु. ३ खर्ब ५५ अर्ब ७३ करोड ५८ लाख र रु. ३६ अर्ब ६२ करोड ३१ 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.२ अर्ब ८८ करोड ५४ लाख मात्र संचालन मुनाफा आर्जन गरेको छ भने खुद मुनाफा रु. १ अर्ब २३ करोड ८३ लाखमा सिमित भएको छ।

चालू आर्थिक वर्षको पहिलो त्रैमासिकसम्मको बैंकको वित्तीय स्थिति निम्नानुसार छ।

(रु. लाखमा)

क्र.सं.	शीर्षक	२०८१ असार मसान्त	२०८१ असोज मसान्त	वृद्धि (न्यून) प्रतिशत
१.	कुल सम्पत्ति	३५,५७,३५८	३९,२७,४५४	१०.४०%
२.	निक्षेप (बैंक/वित्तीय संस्थाको समेत)	२९,७७,२५४	३३,१२,८१६	११.२७%
३.	कर्जा, अधिविकर्ष र खरिद तथा डिस्काउण्ट गरिएका बिलहरु	२४,७१,०९०	२४,१७,६१८	-२.१६%

समीक्षा वर्षमा बैंकले नेपाल राष्ट्र बैंकको निर्देशनको परिधिभित्र रही रु. १ अर्ब १२ करोड ४३ लाख ४८ हजार कर्जा तथा व्याज अपलेखन गरेको छ भने विगत वर्षहरुमा अपलेखन भएका कर्जाबाट रु १ करोड ४ लाख १८ हजार असुली गर्न सफल भएको छ। अपलेखन गरिरहेको कर्जाका साथै अन्य निष्क्रिय कर्जाको असुलीले चालू आर्थिक वर्षको नाफामा सहयोग पुग्ने विश्वास दिलाउन चाहन्छौं।

## बैंकको वित्तीय स्थिति:

(रु. लाखमा)

क्र.सं.	शीर्षक	२०७९/०८० असार मसान्त	२०८०/०८१ असार मसान्त	वृद्धि (न्यून) प्रतिशत
१.	कुल सम्पत्ति	३३,४२,७००	३५,५७,३५८	६.४२%
२.	खुद सम्पत्ति	३,५५,०७५	३,६६,२३१	३.१४%
३.	निक्षेप	२७,८५,२६६	२९,७७,२५४	६.८९%
४.	कर्जा, अधिविकर्ष र खरिद तथा डिस्काउण्ट गरिएका बिलहरु	२४,२७,५६३	२४,७१,०९०	१.७९%
५.	खुद व्याज आमदानी	९९,२०८	१,१६,१७७	१७.१०%
६.	अन्य आमदानी	१६,६५१	१५,३४८	-७.८३%
७.	संचालन तथा कर्मचारी खर्च*	३६,२६९	४९,९०६	३७.६०%

८.	संचालन मुनाफा	३०,८२९	२८,८५४	-६.४१%
९.	खुद मुनाफा	१५,६२८	१२,३८३	-२०.७६%

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

बैंकको आ.व. २०८०/०८१ र समीक्षा वर्षको निक्षेप, कर्जा, आम्दानी र खर्चको संरचनात्मक तुलना गरिएको विवरण यस वार्षिक प्रतिवेदन पुस्तिकामा छुट्टै समावेश गरिएको छ ।

निक्षेप संरचना	:	अनुसूची क
कर्जा संरचना	:	अनुसूची ख
आम्दानी संरचना	:	अनुसूची ग
खर्च संरचना	:	अनुसूची घ

### आर्थिक वर्ष २०८०/२०८१ को कार्यक्रमको कार्यान्वयन स्थिति:

- निष्क्रिय कर्जा (NPA) वृद्धि भई ४.९८ प्रतिशतमा रहेको ।
- अपलेखन गरिएका कर्जाहरूको असुली प्रक्रियालाई सक्रियतापूर्वक निरन्तरता दिइएको छ ।
- दिर्घकालिन स्थिरता कायम गर्न आफ्नो सम्पत्तीको सुदृढिकरण गर्ने कार्य प्रारम्भ गरेको ।
- ग्राहकहरूलाई विशिष्टकृत सेवा प्रदान गर्ने हेतुले Priority Banking तथा बचत खाता, ऋण सुविधालगायत अरु सेवा सुविधाहरूलाई ग्राहकहरूको माग अनुसार थप आकर्षक बनाइ प्रचलनमा ल्याइएको छ ।
- शाखाहरू स्थानान्तरण तथा गाभ्ने कार्यलाई प्राथमिकता साथ अगाडि बढाई स्थानान्तरण गर्नुपर्ने तथा गाभ्नु पर्ने शाखाहरू पहिचान गरी समीक्षा वर्षको अन्त्य सम्ममा १५ वटा शाखाहरूलाई गाभेर कुल १७४ वटा शाखाहरूबाट करोबार संचालन गरेको छ । त्यसका साथै स्थानान्तरण गर्नुपर्ने शाखाहरू मध्ये अधिकांश शाखाहरू स्थानान्तरण भइ नयाँ स्थानबाट कारोबार संचालन गरेको र विभिन्न शाखाहरू तथा नाफा केन्द्रहरूको सेवा स्तर अभिवृद्धि गर्ने कार्यका लागि विभिन्न योजना बनाई लागु गरिएको छ ।
- देशका विभिन्न स्थानमा रहेको ७ वटा क्यास रिसाइक्लर मेशिन सहित २८२ एटिएम, २० विस्तारित काउन्टर, तथा १७००० भन्दा बढि विप्रेषण भुक्तानी काउन्टर र ७०२० भन्दा बढी पस तथा इ-कमर्स मार्चेन्टहरूका कुल १०८०५ टर्मिनलहरूबाट सेवा प्रदान गरिरहेको ।
- डेबिट, क्रेडिट तथा प्रिपेड कार्डधारक ग्राहकवर्गलाई थप सुविधा प्रदान गर्न ८४३ थान अतिरिक्त "पस टर्मिनल", ९२२ वटा नयाँ पस र इ कमर्स मार्चेन्टहरू थपेको तथा ५९२० क्यू आर मार्चेन्ट थपी संचालनमा ल्याएको छ र कार्डको प्रयोग बढाउनको लागि विभिन्न छुट योजना लागु गरेको छ । साथै बैंकले उपत्यका भित्र र बाहिर गरी १२ वटा थप ए टि एम मेशिनहरू जडान गरेको छ ।
- विद्युतीय भुक्तानी तथा नगदरहित कारोबारलाई प्रोत्साहान गर्न बैंकले डिजिटल भुक्तानी प्रविधि जस्तै इकमर्स/अनलाइन भुक्तानी तथा पस मेशिनबाट कारोबार गर्न विभिन्न छुट प्रदान गरी ग्राहकहरूलाई प्रोत्साहान गरेको ।
- विप्रेषण व्यवसायलाई एसियाली, अमेरिकी र युरोपेली बजारमा स्तरीय सेवाका साथ फैलाउँदै ल्याएको ।
- नियामकीय निकायबाट आवश्यक स्विकृति प्राप्त गरी बैंकको लगानीमा स्थापना भएको धितोपत्र सम्बन्धी कारोबार गर्ने हिमालयन सेक्युरिटीज लिमिटेड आवश्यक सम्पूर्ण प्रक्रिया पुरा गरी संचालनमा ल्याइएको छ ।

- ग्राहकलाई सुरक्षित तरिकाले अति आवश्यक बैकिङ्ग सेवा उपलब्ध गराउने हेतुले बैंकले आफ्नो मोबाइल तथा इन्टरनेट बैकिङ्ग सेवामा विभिन्न सुविधाहरू थपि अझ बढी परिमार्जित गरेको ।
- बैकिङ्ग सफ्टवेयर टी २४ ब्राउजरलाई प्राविधिक र सुरक्षाको दृष्टिकोणबाट थप स्तरोन्नति गरिएको छ ।
- बैंकका विभिन्न शाखाहरूलाई आवश्यकता अनुरूप आन्तरिक तथा बाह्य सजावट र ब्रान्डिङ्ग गरिएको र शाखा कार्यालयहरूलाई वातावरण मैत्री बनाउँदै लैजाने कार्यको शुरुवात गरिएको छ ।

### आर्थिक वर्ष २०८१/०८२ को कार्यक्रम:

- निष्क्रिय कर्जा (NPA) को व्यवस्थापनमा जोड दिने ।
- अपलेखन गरिएका कर्जाहरूको असुली प्रक्रियालाई सक्रियतापूर्वक निरन्तरता दिने ।
- शाखाहरू स्थानान्तरण कार्यलाई पूर्णता दिई सेवा विस्तार योजनाअनुरूप सम्भाव्यता अध्ययन गरी सम्भाव्य स्थानहरूमा थप नयाँ शाखा तथा विस्तारित/एक्स्टेन्सन काउण्टर स्थापना गर्ने ।
- सुरक्षित तथा ग्राहकमैत्री प्रविधियुक्त बैकिङ्ग सेवा संचालनमा जोड दिने तथा नयाँ बचत खाता, ऋण सुविधालगायत अरु सेवा सुविधाहरूलाई ग्राहकको मागअनुसार आकर्षक बनाइ प्रचलनमा ल्याउने ।
- विभिन्न स्थानमा २५ वटा एटिएम मेशिनहरू संचालनमा ल्याउने ।
- डेबिट, क्रेडिट तथा प्रिपेड कार्डधारक ग्राहकवर्गलाई थप सुविधा प्रदान गर्न २५०० थान थप “पस टर्मिनल”, १५०० नयाँ पस र इ कर्मर्श मर्चेन्टहरू तथा १०,००० क्यू आर मर्चेन्टहरू विस्तार गर्ने ।
- ग्राहकवर्गहरूलाई सुरक्षित तथा सुविधायुक्त डिजिटल बैकिङ्ग तथा नगद रहित कारोबारको प्रयोगलाई प्रोत्साहन गर्न बैंकको मोबाइल/इन्टरनेट बैकिङ्गलाई समय सापेक्षरूपमा ग्राहकहरूको रुचि अनुरूप परिवर्तन/परिमार्जन तथा आवश्यक सुविधाहरू थप गर्दै लगिने छ । त्यसका साथै डिजिटल भुक्तानी प्रविधि जस्तै इकमर्श/अनलाइन भुक्तानी तथा पस मेशिनबाट कारोबार गर्न ग्राहकहरूलाई प्रोत्साहन गरिने छ ।
- बैकिङ्ग सफ्टवेयर टी २४ ब्राउजरलाई प्राविधिक तवरले थप उन्नत, सुरक्षित र स्तरोन्नति गर्दै जाने ।
- बैंकको व्यवसाय विस्तारका लागि बैंकको लगानीमा स्थापना भएको सहायक कम्पनीहरू हिमालयन सेक्युरिटीज लिमिटेड, हिमालयन क्यापिटल लिमिटेड तथा हिमालयन लघुवित्त वित्तीय संस्थाको सेवालालाई थप विस्तार गर्ने ।
- विभिन्न शाखाहरूको परिवेशलाई वातावरण मैत्री तथा शाखाहरूमा थप सेवा सुविधाहरू सहित सजावट र ब्रान्डिङ्ग गर्दै लैजाने ।

### संस्थागत सामाजिक उत्तरदायित्व :

सदा भै बैंक आफ्नो सामाजिक दायित्व निर्वाह गर्ने काममा सजग र अडिग रहको छ । बैंकले आफ्नो विविध क्रियाकलापहरू मार्फत समाजमा सकारात्मक प्रभाव पार्ने उद्देश्यले 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 २०८०/०८१ मा संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा विशेषत वित्तीय साक्षरता, वातावरण संरक्षण, सरसफाई, सचेतना, सरकारी तथा सामुदायिक अस्पताल, सरकारी तथा सामुदायिक विद्यालयका

विद्यार्थीहरु सहित अन्य संघ सस्थाहरुलाई आवश्यकता अनुसार निरन्तर सहयोग गर्दै आइरहेको छ । बैंकले आ.व. २०८०/०८१ मा सामाजिक कार्यहरुका लागि प्रत्यक्ष तथा विभिन्न सामाजिक कार्यमा संलग्न संघ सस्थाहरुको माध्यमबाट कुल रकम रु. १,३०,४०,५३५.१९ बराबरको सहायता प्रदान गरेको छ । संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च भएको रकमहरुको विस्तृत विवरणहरु यस प्रतिवेदनमा छुट्टै उल्लेख गरिएको छ ।

बैंक आगामी दिनहरुमा पनि यस्ता संस्थागत सामाजिक कार्यहरुमा संलग्न रही समाज र राष्ट्रप्रतिको आफ्नो भूमिका निर्वाह गर्न प्रतिबद्ध छ ।

### संचालक समिति :

समीक्षा वर्षमा बैंकको प्रबन्धपत्र तथा नियमावलीमा भएको व्यवस्था अनुसार संस्थापक शेयरधनीहरुको तर्फबाट ५ जना संचालकहरुको निर्वाचन गर्ने प्रावधान अनुरूप मिति २०८० पौष २९ गते बसेको ३१ औं वार्षिक साधारण सभाबाट श्री प्रचण्ड बहादुर श्रेष्ठ (एन ट्रेडिङ्ग प्रा.लि.बाट) श्री जितेन्द्र धिताल (कर्मचारी संचय कोषबाट), श्री फरहान तलिब (हविव बैंक लिमिटेडबाट), श्री सुनिल बहादुर थापा (आभा इन्टरनेशनल प्रा.लि.बाट), श्री प्रताप जङ्ग पाण्डे (म्यूचुअल ट्रेडिङ्ग प्रा.लि.बाट) तथा श्री आशिष शर्मा (सर्वसाधारण शेयरधनीबाट) संचालक पदमा ४ (चार) वर्षको लागि निर्विरोध निर्वाचित हुनु भएको तथा सोहि मितिमा बसेको संचालक समितिको बैठकको निर्णय अनुसार श्री प्रचण्ड बहादुर श्रेष्ठ बैंकको संचालक समितिको अध्यक्षको रूपमा सर्वसम्मत निर्वाचित हुनु भई कार्यरत हुनुहुन्छ ।

त्यसका साथै बैंक तथा वित्तीय संस्था सम्बन्धी ऐनको दफा १७ बमोजिम श्रीमति जेसमीन हाडा बज्राचार्यलाई बैंकको संचालक समितिको मिति २०८१/०८/११ मा बसेको ४६२ औं बैठकले २०८१/०८/२७ देखि लागुहुने गरी ४ (चार) वर्षको लागि स्वतन्त्र संचालकमा नियुक्त गरेको छ ।

नव नियुक्त संचालकलाई हार्दिक बधाई ज्ञापन गर्दै बैंकको प्रगति र उन्नतिमा उहाँको योगदानको अपेक्षा गर्दछौं ।

### संचालक समितिको बैठक तथा पदाधिकारीहरुको 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 १७ वटा बैठक बसेको छ । संचालक समितिका सम्पूर्ण पदाधिकारीहरुले नेपाल राष्ट्र बैंकद्वारा जारी गरिएको एकीकृत निर्देशिका उल्लेख भएका आचरणहरु पूर्ण रूपमा पालना गर्दै आउनु भएको छ ।

### लेखापरीक्षण, वासलात र अन्य विवरण :

२०८१ असार मसान्तको वासलात, २०८०/०८१ को नाफा-नोक्सान हिसाब, नाफा-नोक्सान बाँडफाँट हिसाब, नगदप्रवाह विवरण, सम्बन्धित अनुसूचीहरु र लेखापरीक्षकको प्रतिवेदन यसै प्रतिवेदनका अङ्गको रूपमा प्रस्तुत गरिएको छ । साथै कम्पनी ऐन २०६३ को परिच्छेद ७ दफा १०९ को उपदफा (४) बमोजिम प्रतिवेदनमा छुट्टै उल्लेख हुनुपर्ने कुराहरुलाई पनि समावेश गरिएको छ । बैंकका सहायक कम्पनीका साथै बैंकको लगानी भएका अन्य Associate कम्पनीहरुको

कारोवारलाई Nepal Financial Reporting Standards अनुसार समावेश गरी एकीकृत वित्तीय विवरण समेत प्रस्तुत गरिएको छ ।

### नाफा - नोक्सान बाँडफाँट :

आर्थिक वर्ष २०८०/०८१ मा बैंकको खुद मुनाफा रु. १ अर्ब २३ करोड ८३ लाख ३ हजार रहेको छ, भने Other Comprehensive Income गणना गर्दा बैंकको खुद आमदानी रु. १ अर्ब २ करोड ३९ लाख १ हजार रहेको छ । यसमध्ये अनिवार्य जगेडाकोषमा यस वर्षको खुद मुनाफाको २० प्रतिशतले हुन आउने रु. २४ करोड ७६ लाख ६० हजार छुट्याइएको छ । कर्मचारी तालिम फण्डमा रु. १४ लाख ६३ हजार छुट्याइएको छ । यसका अतिरिक्त खुद नाफाको १ प्रतिशत रु १ करोड २३ लाख ८३ हजार सामाजिक उत्तरदायित्व कोषमा सारिएको छ, भने अधिल्लो आर्थिक वर्षको सो कोषबाट समिक्षा अवधिमा भएको कुल खर्च रु १ करोड ३० लाख ४० हजार सामाजिक उत्तरदायित्व कोषबाट संचित मुनाफामा सारिएको छ । नियमनकारी कोषमा रु. ४ अर्ब ६० करोड ६४ लाख १९ हजार नियमानुसार सारिएको छ ।

ऋणपत्र भुक्तानी कोषमा रु ८७ करोड ५० लाख नियमानुसार सारिएको छ, भने पुँजी समायोजन कोषबाट रु २० करोड ४५ लाख ३९ हजार नियमानुसार फिर्ता गरिएको छ ।

बैंकले स्थापनाकालदेखि नै नियमितरूपमा आफ्ना शेयरधनीहरूलाई बोनस शेयर तथा नगद लाभांशको रूपमा आकर्षक मुनाफा दिने गरेकोमा अधिल्लो वर्ष तथा 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 चाहान्छौ ।

### 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 कार्यलय, सिडिएस एण्ड क्लिएरिङ लिमिटेड, कर्जा सूचना केन्द्र लि., निक्षेप तथा कर्जा सुरक्षण कोष प्रति संचालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछौ । यस अवसरमा बैंकको साभेदार हबिब बैंक लिमिटेड पाकिस्तानको व्यवस्थापन, बैंकका प्रमुख कार्यकारी अधिकृत, वरिष्ठ अधिकारीहरू लगायत सम्पूर्ण कर्मचारी र सहयोगीहरूलाई आजको यस्तो असहज परिस्थितीमा बैंकको प्रगतिमा पुऱ्याएको योगदानका लागि धन्यवाद दिन्छौ । साथै हाम्रो क्रियाकलापलाई सकारात्मकरूपमा लिई जनमानस समक्ष पुऱ्याइदिने संचारजगतका मित्रहरू र सम्पूर्ण शुभेच्छुकहरूप्रति पनि हामी हार्दिक आभार व्यक्त गर्दछौ ।

धन्यवाद ।

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(प्रचण्ड बहादुर श्रेष्ठ)

अध्यक्ष

मिति: २०८१ पौष ०७ गते



## कम्पनी ऐन २०६३ को दफा १०९ उपदफा ४ अनुसारको अतिरिक्त विवरण

१. जफत गरिएका शेयरहरूको विवरण :  
बैंकले गतवर्ष कुनै पनि शेयर जफत गरेको छैन ।
२. सहायक कम्पनीहरूसँगको कारोबार :  
हिमालयन लघुवित्त वित्तीय संस्था लिमिटेड, हिमालयन क्यापिटल लिमिटेड र हिमालयन सेक्युरिटीज बैंकका सहायक कम्पनी हुन् । बैंकको हिमालयन लघुवित्त वित्तीय संस्था लिमिटेडमा ५१ प्रतिशत, हिमालयन क्यापिटल लिमिटेडमा ९२.५ प्रतिशत र हिमालयन सेक्युरिटीज लिमिटेडमा शत प्रतिशत शेयर स्वामित्व रहेको छ । हिमालयन सेक्युरिटीज लिमिटेड बैंकसँग परिसर सह-लीजमा लिएर सञ्चालन भइरहेको छ ।  
आर्थिक वर्ष २०८०/८१ को अन्त्यमा बैंकमा सहायक कम्पनीहरूले राखेको निक्षेप: रु. १,३१७,४५२,०८५ र बैंकले सहायक कम्पनीहरूलाई प्रदान गरेको ऋण रकम: रु. १,०२१,२३४,३६३ रहेको छ ।
३. आधारभूत शेयरधनीहरूबाट बैंकलाई उपलब्ध गराइएको जानकारी :  
यस्तो कुनै जानकारी प्राप्त भएको छैन ।
४. समीक्षा वर्ष (२०८०/८१) मा बैंकका संचालक तथा पदाधिकारीहरूले खरिद गरेका शेयरहरू :  
यस्तो कुनै जानकारी प्राप्त भएको छैन ।
५. बैंकसँग सम्बन्धित सम्भौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थबारे उपलब्ध गराइएको जानकारीको व्यहोरा ।  
यस्तो कुनै जानकारी बैंकलाई प्राप्त भएको छैन ।
६. बाइ-व्याक गरिएका शेयरको विवरण:  
समीक्षा वर्षमा बैंकले आफ्ना शेयरहरू आफैले खरिद गरेको छैन ।
७. आन्तरिक नियन्त्रण व्यवस्था:  
बैंकको आन्तरिक नियन्त्रण व्यवस्था सक्षम छ । नियन्त्रण व्यवस्थामा अवलम्बन गरिएका प्रक्रियाहरू निम्नानुसार छन् ।  
क) मजबुत आन्तरिक निरीक्षण तथा नियन्त्रण व्यवस्था अपनाइएको ।  
ख) संचालन प्रक्रियालाई व्यवस्थित गर्न कार्यप्रणाली, प्रक्रिया र अन्य निर्देशिकाको व्यवस्था गरेको ।  
ग) कर्जा नीति निर्देशिका जारी गरी अपनाइएको छ ।  
घ) अनुपालना तथा आन्तरिक नियन्त्रण प्रणालीको सुपरिवेक्षण गर्न छुट्टै अनुपालना तथा आन्तरिक नियन्त्रण विभागको व्यवस्था गरेको ।  
ङ) स्वतन्त्र आन्तरिक लेखापरीक्षण विभाग रहेको ।  
च) लेखापरीक्षण समितिले आन्तरिक नियन्त्रण प्रणाली र लेखापरीक्षणबाट औल्याइएका प्रमुख कुराहरूको नियमित अनुगमन गर्ने परिपाटी बसालिएको ।

द. समीक्षा वर्षमा भएको कुल व्यवस्थापन खर्च :

कर्मचारी खर्च -	रु. २,६५५,५१६,१६६*
अन्य संचालन खर्च -	१,२६६,४६४,७५५
ऋास कट्टी र परिशोधन खर्च -	७१३,४७३,६००
<b>कुल व्यवस्थापन खर्च -</b>	<b>४,६३५,४५४,५१</b>

\*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 (सञ्चालक)
श्री रमेश कुमार धिताल	सदस्य (Team Leader - SAR Associates)
श्री गुरु प्रसाद पुडासैनी	सदस्य-सचिव

आर्थिक वर्ष २०८०/८१ मा १५ पटक समितिको बैठक बस्यो, जसमा:

- आन्तरिक लेखापरीक्षणको प्रतिवेदनको समीक्षा गरी सुधारका लागि व्यवस्थापनलाई आवश्यक निर्देशन दिइयो ।
- निरीक्षण प्रतिवेदनहरूको समीक्षा गरी सञ्चालक समितिलाई आवश्यक सुझाव दिइयो ।
- बैंकको वार्षिक हिसाब, बाह्य लेखापरीक्षकको प्रारम्भिक प्रतिवेदन र केन्द्रीय बैंकको निरीक्षण प्रतिवेदन समीक्षा गर्नुका साथै यस सम्बन्धमा सञ्चालक 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 प्रतापजंग पाण्डे	संयोजक (सञ्चालक)
श्री फरहान तलिव	सदस्य (सञ्चालक)
श्री सिसम प्रधानाङ्ग जोशी	सदस्य (प्रमुख-RMD)
श्री भवानी घिमिरे	सदस्य (प्रमुख-CICD)
श्री प्रकाश भण्डारी	सदस्य-सचिव (प्रमुख-AML/CFT)

आर्थिक वर्ष २०८०/८१ मा ५ पटक समितिको बैठक बस्यो, जसमा:

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

- ख) अनुपालना नीति 2023, AML CFT KYC नीति तथा निर्देशिका 2023 लाई समीक्षा गरि स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- ग) आर्थिक वर्ष २०८०/८१ को AML CFT संग सम्बन्धित कार्यक्रम एवम् बजेटको समीक्षा गरि स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- घ) AML CFT/ABC जोखिम मुल्याङ्कन प्रतिवेदनको समीक्षा गरि 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 २०२३ प्रतिवेदनमा उठाइएका विषयहरूको अद्यावधिक स्थितिबारे छलफल गरियो ।
- छ) AML CFT KYC नीति तथा निर्देशिका 2024 लाई समीक्षा गरि स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- ज) आर्थिक वर्ष २०८१/८२ को AML CFT संग सम्बन्धित कार्यक्रम (कार्य योजना) एवम् बजेटको समीक्षा गरि स्वीकृतिको लागि सञ्चालक समितिमा पेश गरियो ।
- झ) नेपाल राष्ट्र बैंकले जारी गरेका विभिन्न निर्देशन/परिपत्रहरूको कार्यान्वयन स्थितिको समीक्षा गरि सोको कडाईका साथ पालना गर्न व्यवस्थापनलाई निर्देशन दिइयो ।

ग. **जोखिम व्यवस्थापन समिति:**

**समितिका सदस्यहरू**

श्री फरहान तलिव	संयोजक (सञ्चालक)
श्री जितेन्द्र धिताल	सदस्य (सञ्चालक र संयोजक लेखापरीक्षण समिति)
श्री राजेश भट्टराई	सदस्य (कार्यकारी संचालन अधिकृत)
श्री सिसम प्रधानाङ्ग जोशी	सदस्य-सचिव (प्रमुख-RMD)

आर्थिक वर्ष २०८०/८१ मा ५ पटक समितिको बैठक बस्यो, जसमा:

- क) कर्जा जोखिम व्यवस्थापनको लागि समितिले कर्जाको केन्द्रीकरणको आधारमा समीक्षा गरियो ।
- ख) समितिले NPL बढ्दै गईरहेको सम्बन्धमा बैठकहरूमा NPL व्यवस्थापनका लागि बृहत् छलफल गरी NPL व्यवस्थापनका लागि रणनीतिक कदम चाल्न सुझाव दिएको छ ।
- ग) समितिले कर्जा पोर्टफोलियोमा उच्च जोखिम निहित लेखापरीक्षण कैफियतहरूमा छलफल र समीक्षा गरी न्यूनीकरणका उपायहरू अवलम्बन गर्न निर्देशन दिएको छ ।
- घ) बैंकको जोखिम बहन क्षमता अनुरूप व्यापार गतिविधिहरूमा निहित जोखिम व्यवस्थापन गर्न समितिले विभिन्न उत्पादन/नीतिगत कागजातहरूको समीक्षा गर्नुका साथै नियन्त्रण संयन्त्र सुदृढ गर्ने उपायहरूको सुझाव दिएको छ ।
- ङ) आन्तरिक पूँजी पर्याप्तता मूल्याङ्कन प्रक्रिया (ICAAP) समीक्षा गरि समितिद्वारा दिएका सुझाव/सिफारिस सहित संचालक समितिमा मा पठाइयो ।
- च) समितिले नेपाल राष्ट्र बैंकले जारी गरेका Stress Testing दिशानिर्देश अनुसार Stress Testing फ्रेमवर्क-HBL को समीक्षा गरियो । यसबाहेक, समितिले त्रैमासिक आधारमा Stress Testing परिदृश्यहरूको नतिजा

समीक्षा गरी प्रतिकूल परिस्थितिहरू सम्बन्धमा संचालक समितिलाई रिपोर्ट गरियो ।

- छ) समितिले बैंकको ESRM नीति र नेपाल राष्ट्र बैंक दिशानिर्देश अनुसार ऋणीहरूको ESRM रेटिङको समीक्षाको प्रगतिलाई नोट गरियो । समितिले जलवायु परिवर्तन जोखिमको वर्तमान चिन्तालाई ध्यानमा राख्दै कर्जा फाइलहरूको समीक्षा गर्दा ESG सम्बन्धी जोखिम व्यवस्थापन र न्यूनीकरणमा ध्यान दिन सुझाव दिएको छ ।
- ज) संचालन जोखिम व्यवस्थापनको लागी Gap Identification and Closure Procedure (RSCA) को समीक्षा अवधिभर समीक्षा गरियो भने समितिले चलिरहेको यस गतिशील अभ्यासलाई निरन्तरता दिन र नियन्त्रण संयन्त्रलाई बृद्धि गर्न, न्यूनीकरणका उपायहरू समयमै सम्बोधन गर्न, सबै व्यवसाय लाइनहरूमा संचालन जोखिमले समेट्ने दायरा बढाउन सुझाव दिइयो ।
- झ) संचालन जोखिम व्यवस्थापनको लागी, समितिले प्रमुख जोखिम सूचकहरू (KRI) को मासिक आधारमा समीक्षा र प्रवृत्ति विश्लेषण गरियो । समितिले जोखिम न्यूनीकरणका लागी नियन्त्रण वृद्धि गर्न सुझाव दिएको छ । समितिले जोखिम एक्सपोजरमा आधारित Tolerance, Threshold तथा Appetite सीमा निर्धारण गर्न सुझाव दिइयो ।
- ञ) बजार र तरलता जोखिम व्यवस्थापनका लागी समितिले समय समयमा वित्तीय परिसूचकको समीक्षा, अनुगमन र विश्लेषण गरेको छ भने संचालक समिति एवम् नियमकले तोकेका सिमा भित्र जाखिमलाई राख्न सिफारिस गरेको छ । साथै समितिले ALCO का निर्णयहरूको समीक्षा गर्दै वासलातकलाई ध्यानमा राखी सम्पूर्ण अथतन्त्रको जोखिमलाई विचार गर्न सुझाव दिइयो ।

#### घ. कर्मचारी सेवा सुविधा समिति:

##### समितिका सदस्यहरू

श्री आशिष शर्मा	संयोजक (सञ्चालक)
श्री सुनिल बहादुर थापा	सदस्य (सञ्चालक)
श्री अशोक शम्शेर ज.ब.रा.	सदस्य (प्रमुख कार्यकारी अधिकृत)
श्री सतिश राज जोशी	सदस्य (प्रमुख वित्त अधिकृत)
श्री ज्ञानेन्द्र श्रेष्ठ	सदस्य-सचिव (प्रमुख-मानव संसाधन)

आर्थिक वर्ष २०८०/८१ मा १० पटक समितिको बैठक बस्यो, जसमा:

- क) कर्मचारी रिटेन्सन योजना अनुरूप कर्मचारी सेवा विनियमावली, २०७५ परिमार्जन गर्न विस्तृत छलफल गरियो ।
- ख) कर्मचारी आवास ऋण नीतिमा छलफल गरी संशोधन गर्न सिफारिस गरियो ।
- ग) "Right to Safe Motherhood and Reproductive Health Act 2075" को प्रावधान अनुसार मातृत्व विदा सम्बन्धी व्यवस्थामा छलफल गरी सो प्रावधान अपनाउन सिफारिस गरियो ।
- घ) आर्थिक वर्ष २०८०/८१ को लागि तालिम क्यालेन्डर छलफल गरी मस्यौदा बनाइयो ।
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	१,६५२,०००	—	—
२.	तलब	—	१८,६००,०००	२२८,१९६,७२८
३.	भत्ता	—	१,५५०,०००	१९२,२६७,६९०
४.	संचयकोष योगदान	—	—	२१,३३३,३०२
५.	टेलिफोन/मोबाइल	१८५,२९३	१,३४०,०३१	२१,७२८,१५८
६.	विविध	१,३६१,८६६	१२,२९८	६६,४९९,६८३
	<b>जम्मा</b>	<b>३,१९९,१५९</b>	<b>२१,५०२,३२९</b>	<b>५३०,०२५,५६१</b>
७.	गाडी	छैन	**छ	छ
८.	आवास सुविधा	छैन	छैन	***छैन
९.	विमा	छ	छ	छ
	<b>जम्मा संख्या</b>	<b>७</b>	<b>१</b>	<b>१९५</b>

**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 बढीमार्. ३,०००/- सम्मको सोधभर्ना बैंकबाट हुने व्यवस्था गरिएको छ।
- प्रमुख कार्यकारी अधिकृत तथा उप प्रमुख कार्यकारी अधिकृतको हकमा खानेपानी तथा बिजुलीको महशुल बैंकबाट स्वीकृत सीमामा रही सोधभर्ना दिने व्यवस्था गरिएको छ।
- प्रमुख कार्यकारी अधिकृत र व्यवस्थापकहरूलाई बोनस ऐन २०३० अनुसार कर्मचारी बोनस प्रदान गरिन्छ।
- स्वतन्त्र सञ्चालकले व्यक्तिगत कारण देखाई राजीनामा दिएकोले समीक्षा वर्षमा मिति २०८०/९/५ सम्म मात्र सञ्चालक समितिमा सदस्य रहेका थिए।
- वितरण गर्न बाँकी लाभांश  
२०८१ असार मसान्तमा रु. २० हजार ५ सय ८८।  
नोट: रजिस्ट्रार टु सेयर (RTS) संगमाथि उल्लेख गरेको रकम बाहेक २०८१ असार मसान्तमा भुक्तानी नगरिएको लाभांश रु. ३०३,१७१,१६२.५० रहेको छ।
- प्रचलित ऐन कानून अनुसार वार्षिक प्रतिवेदनमा उल्लेख गरिनुपर्ने अन्य विवरण:  
छैन।
- विविध सम्बन्धित विषयहरू:  
छैन।

**द. प्रचण्ड बहादुर श्रेष्ठ**

अध्यक्ष

## धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को अनुसूची - १५

### (नियम २६ को उपनियम (२) सँग सम्बन्धित)

१. संचालक समितिको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा छुट्टै संलग्न ।
२. लेखापरीक्षकको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा छुट्टै संलग्न ।
३. लेखापरीक्षण भएको वित्तीय विवरण : यसै वार्षिक प्रतिवेदनमा छुट्टै संलग्न ।
४. कानुनी कारवाही सम्बन्धी विवरण
  - (क) समीक्षा अवधिमा संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए: समीक्षा अवधिमा बैंक सञ्चालनमा असर पार्ने प्रकृतिको कुनै पनि मुद्दा दायर नभएको ।
  - (ख) संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको भए: समीक्षा अवधिमा उल्लेखित प्रकृतिका कुनै मुद्दा रहे/भएको जानकारी बैंकलाई प्राप्त नभएको ।
  - (ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए: उल्लेखित प्रकृतिका कुनै मुद्दा दायर भएको जानकारी बैंकलाई प्राप्त नभएको ।
५. संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण
  - (क) धितोपत्र बजारमा भएको संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा: 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 संस्था र कारोबार दिन :

त्रैमास (महिना)	शेयरको अधिकतम मूल्य रु.	शेयरको न्यूनतम मूल्य रु.	शेयरको अन्तिम मूल्य रु.	कुल कारोबार शेयर संख्या	कुल कारोबार दिन
प्रथम त्रैमासिक - (आश्विन मसान्त २०८०)	२४०	१९३	२००.९०	२,६४८,७७९	६९
दोश्रो त्रैमासिक - (पौष मसान्त २०८०)	२३०	१९३.६०	२०९	१,६७८,७८५	४९
तेस्रो त्रैमासिक - (चैत्र मसान्त २०८०)	२२२.६०	१७९.६०	१८२	२,०५२,६५३	६०
चौथो त्रैमासिक - (आषाढ मसान्त २०८१)	२१५.२०	१६७.१०	२०४.२०	२,११२,८२०	६९

६. समस्या तथा चुनौती
 

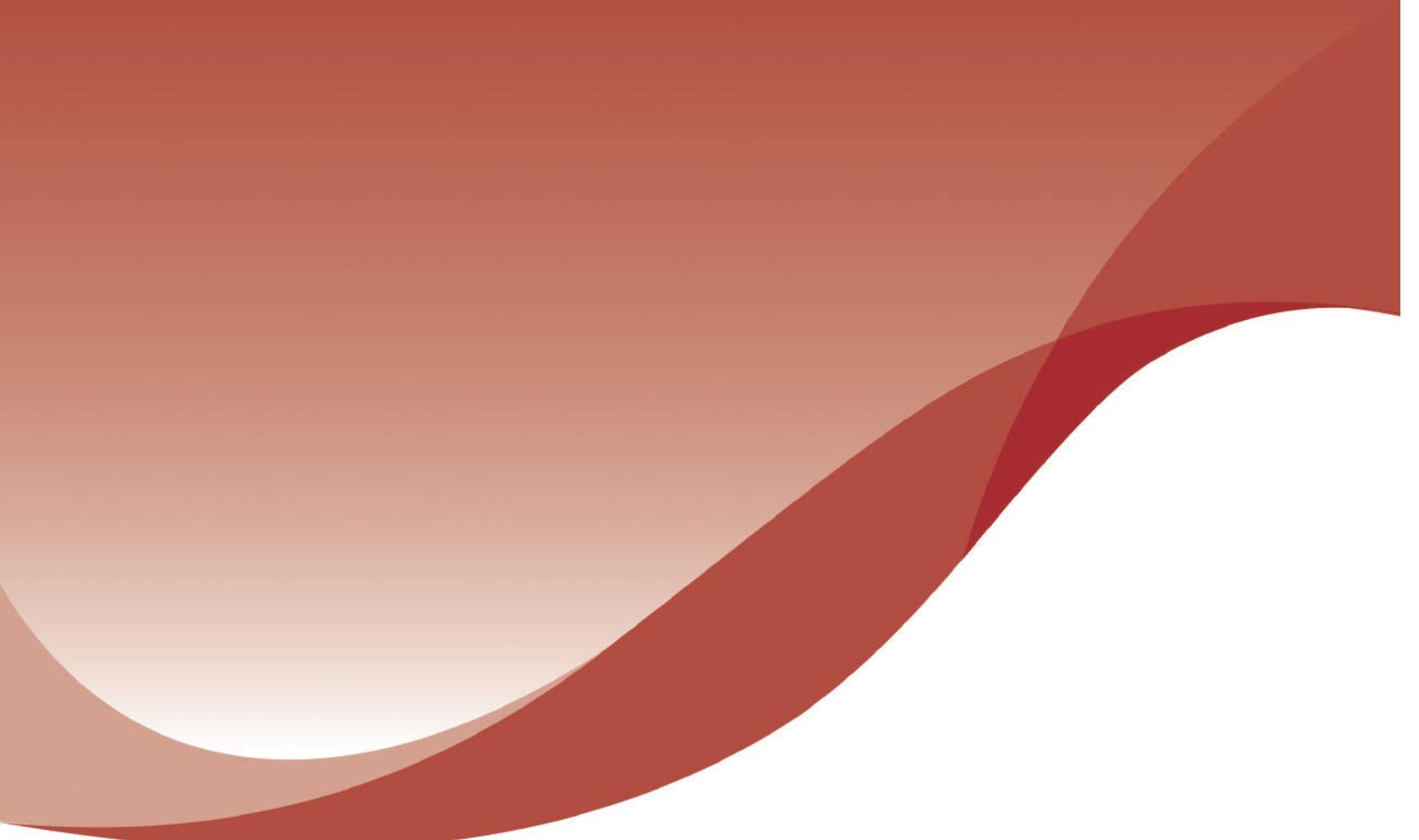
बैंकले निम्न उल्लेखित राष्ट्रिय तथा अन्तर्राष्ट्रिय अवरोधहरूलाई समस्या तथा चुनौतीका रूपमा लिएको छ

  - (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 स्फितिमा 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 चुनौति ।
  - (छ) ब्याजदर, औषत ब्याजदर अन्तर, कर्जा निक्षेप अनुपात, पूँजीकोष लगायत कुरामा नियमनकारी निकायबाट भएको परिवर्तनले व्यापार वृद्धि तथा नाफामा पर्न सक्ने असर ।
  - (ज) ब्याज 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 कानूनी 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 174 branches and 272 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  
Chairman



Farhan Talib  
Director



Jeetendra Dhital  
Director



Sunil Bahadur Thapa  
Director



Ashish Sharma  
Director



Pratap Jung Pandey  
Director



Jasmine Hada Bajracharya  
Director



Mr. Prachanda Bahadur Shrestha  
Chairman

## Message from the Chairman

### Dear Valued Stakeholders,

On behalf of the Board of Directors, it is my privilege to extend a warm welcome and heartfelt gratitude to all esteemed shareholders, regulatory representatives, auditors, legal advisors, distinguished invitees, journalists, and other respected attendees of the 32nd Annual General Meeting of Himalayan Bank Limited.

The past few years have underscored the resilience and adaptability of Nepal's financial sector amidst an evolving and challenging economic landscape. At Himalayan Bank Limited, we have consistently embraced these challenges with a forward-looking approach, reaffirming our commitment to being a trusted and preferred financial partner across the nation.

### Economic and Banking Sector Outlook

Global economic activities are gradually stabilizing, with the International Monetary Fund (IMF) projecting average growth of 3.1% over the next five years. However, this remains modest compared to pre-pandemic levels and is the lowest forecast in decades. Persistent risks—such as geopolitical tensions, trade fragmentation, financial volatility, and climate-related disasters—continue to cast a shadow over economic recovery worldwide.

Closer to home, the Nepalese economy has faced challenges, including subdued consumption demand, low private investment, and declining imports. These factors, coupled with the lingering effects of the COVID-19 pandemic, have impacted the banking sector significantly. Rising default rates have affected profitability, dividend capacity, and capital adequacy.

Despite these hurdles, there are positive indicators. A surge in tourist arrivals, increased hydropower production, and growth in agricultural output are contributing to a gradual recovery. Improved remittance inflows, higher foreign exchange reserves, and an uptick in imports in the current fiscal year's early months signal better prospects. With the IMF forecasting a 4.9% growth rate for Nepal, we are optimistic that these trends will bolster the Bank's profitability and deliver favorable returns to our valued shareholders.

### Bank's Performance

Navigating through these challenging times, Himalayan Bank Limited has focused on effective balance sheet management.

**Deposit Growth:** We achieved a 7% growth in deposits, reaching NPR 297.73 billion, with savings deposits growing by over 35% to represent 25.85% of the portfolio.

**Credit Portfolio:** Loan portfolio grew by 1.80%, reaching NPR 247.10 billion, with a concentrated focus on improving asset quality.

**Capital Adequacy:** Despite high non-performing assets (NPA), the Bank maintained a Capital Adequacy Ratio of 11.54% and Core Capital Adequacy Ratio of 8.51%.

### Strategic Orientation

Our strategy remains focused on sustainable growth and innovation:

**Asset Quality Management:** We are prioritizing stringent recovery efforts and the disposal of non-banking assets to improve profitability systematically.

**Business Expansion:** A balanced and controlled growth approach aims to diversify deposit and credit portfolios while enhancing business volumes through capital efficiency and non-fund-based income.

**Digitalization:** Recognizing the necessity of digital transformation, we are enhancing our digital platforms, including mobile banking, internet banking, and card services, to provide seamless, secure, and customer-friendly banking experiences. Internal process automation has also significantly improved operational efficiency, and digitization will remain central to our growth strategy.

### **Corporate Governance and Risk Management**

Strong corporate governance and robust risk management form the bedrock of our operations. Beyond regulatory compliance, we are committed to international best practices, transparency, and stakeholder accountability. Looking ahead, we will maintain zero tolerance for non-compliance and prioritize sound risk management to navigate future uncertainties effectively.

### **Our Commitments**

Reflecting on our journey, I take pride in how Himalayan Bank Limited has grown into one of Nepal's most trusted and preferred banks. Our commitment remains unwavering—to provide exceptional banking experiences, tailored products, and secure access for our customers. We will continue strengthening governance and policies to manage sustainable growth and fulfill stakeholders' expectations.

In conclusion, I extend my deepest gratitude to the Board of Directors for their unwavering guidance and support. My heartfelt thanks go to our valued customers, staff, shareholders, and well-wishers, whose trust and dedication drive our success. I am also profoundly grateful to Nepal Rastra Bank, the Securities Board of Nepal, and other regulatory agencies for their ongoing support.

Thank you for your time, attention, and participation in this 32nd Annual General Meeting.

**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



**Sisam Pradhananga Joshi**  
Asst. Chief Executive Officer



**Jayendra Bikram Shah**  
Asst. Chief Executive Officer



**Shankar Joshi**  
Chief Manager



**Gyanendra Shrestha**  
Chief Manager



**Samir Acharya**  
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:

It is my honor to welcome you all to the 32nd Annual General Meeting of our Bank. As you all are aware, the last few years have undoubtedly been challenging for the banking industry due to various headwinds faced by the sector and our economy. The banking sector is facing growing pressure on asset quality, profitability and capital adequacy. The Non-Performing Assets (NPA) of 'A' class banks has been increasing gradually which has resulted in increased loan loss provisioning affecting the profitability as well as dividend paying capacity of the banks.

Though NRB introduced much needed relaxations, banks are still facing pressure in maintaining capital adequacy requirements, especially in the case of Core Capital which has reduced the business capacity of banks. Further, excess liquidity has emerged as another challenge with the Credit to Deposit (CD) ratio falling below 78% and private sector credit off-take remaining low despite low interest rates. This has increased the cost of carry for banks due to the unavailability of profitable avenues for investing excess funds.

In the fiscal year 2080/81 Nepalese economy is estimated to have grown by 3.9% fueled by a surge in tourist arrivals, increased energy production and improved agriculture production. On other fronts, the economic activities remained fairly sluggish with subdued consumption demand, low private investment and decreasing imports. On the fiscal side, both revenue collection and capital expenditure were not satisfactory in the last fiscal year.

On the positive side, inflation moderated in the later part of the fiscal year 2080/81 with annual average inflation coming down to 5.44%. External sector remained robust with inward remittance reaching 25.3% of GDP and Balance of Payment (BOP) surplus exceeding NPR 500 billion mark.

In the recent months of the ongoing fiscal year, some signs of revival have been observed in terms of increment in imports, addition to electricity generation, increased tourist arrival, improving public sector investment and monetary easing. Owing to these improvements, Asian Development Bank expects the growth rate of Nepal for the current fiscal year to pick up to 4.9%.

Going forward, we are committed to our VISION of becoming the Leading Bank of the country and our MISSION of becoming the most preferred provider of quality financial services in the country. Our strategic focus will be concentrated towards improving the asset quality of the bank by strengthening recovery efforts and by taking proactive actions. Our business strategy will be guided by focus on organic, risk-calibrated and sustainable growth models. We will prioritize portfolio diversification, revenue base strengthening, cost rationalization, and development of human capital.

In rapidly evolving financial landscape, digital transformation is no longer optional; it is essential. Hence, digitization in terms of customer facing products and automation of internal processes will be one of the topmost priorities of the Bank and providing innovative financial solutions by leveraging technology will be at the forefront of our corporate strategy. A robust digital platform will be created with the view of offering one window solution for end-to-end financial services thereby reducing process congestion and complexity.

Additionally, we are deeply committed to sustainable banking practices. We believe that financial success must go hand-in-hand with environmental and social responsibility with focus on green banking initiatives, such as financing clean energy projects aligning with Nepal's goals of sustainable development. In the coming years, we plan to further increase our investments in green projects and contribute actively to Nepal's environmental goals, particularly in the area of renewable energy.

We have always believed in being responsible corporate citizen and our commitment to the community and to fostering financial inclusion is a key part of our identity. Over the past year, we have continued our outreach initiatives, working with various community organizations and local businesses to support financial literacy programs and other CSR activities. These programs not only promote financial literacy but also empower individuals to become economically self-sufficient, contributing to a more inclusive economy.



As always, corporate governance, robust risk management and adherence to regulatory requirements will be at the core of our priorities. We have maintained a persistent commitment to transparency, integrity and ethical conduct in all facets of our business and our governance framework ensures accountability and responsible decision-making aligned with the highest industry standards. As we pursue balanced growth and digital transformation, risk management remains a cornerstone of our strategy which is essential to ensure the stability of our institution and the trust of our customers. Over the past year, we have fortified our risk management framework, focusing on proactive measures which enable us to manage potential challenges with agility and ensure that our growth remains resilient and sustainable.

Despite the challenges, we are committed towards continuous improvement. With this, I would like to extend my sincere gratitude to the Board of Directors, shareholders, valued customers, staff of the Bank, Nepal Rastra Bank and all the well-wishers for their guidance, trust, and continuous support.

**Sincerely,**

**Ashoke SJB Rana**  
Chief Executive Officer  
Himalayan Bank Limited.

## Report of the Board of Directors To the Thirty-Second Annual General Meeting

Dear Shareholders.

On behalf of the Board of Directors, we cordially welcome all stakeholders of the Bank to the 32nd Annual General Meeting of Himalayan Bank Limited.

### International and National Events and Economic Activities.

Worldwide political instability, sluggish economic activities, regional conflicts, increasing in regional rift and polarization along with disruption in maritime trade route have disturbed supply chain throughout the world. In addition to that, human induced natural disasters, widespread changes in climate like excessive rainfall, inadequate rainfall, drought, decline in agricultural production, environmental pollution, etc., have fueled widespread mass migrations. These have intensified various crisis, like availability of clean and safe drinking water, food scarcity, inflation and increase in cost of living. Moreover, the Pandemic, war, elevated geo-economic and political rift exhibits long-term negative consequence.

International Monetary Fund (IMF), has anticipated that by the end of 2025, global inflation will shrink to 3.5% due to tight Monetary Policy adopted by different countries. It has become a challenge to curb the inflation brought about by extreme change in weather conditions, disrupted supply chain caused by pandemic and geopolitical unrest. IMF has projected global economic growth of 3.2% for the year 2024 and 2025. In the Nepalese context, the economic growth is projected to 3.1% and 4.9% respectively for the year 2024 and 2025. (Source: World Economic Outlook October 2024)

The demand of workforce in the world labor market has gradually increased, as regulatory bodies has adopted various policies to control inflation and increase economic growth rate. Therefore, there has been a significant increase in the number of workers who have received work permits for foreign employment. In a country like Nepal, where remittance is significant contributor to gross domestic production, the increase in the demand for workers will increase the foreign exchange reserves and have a positive impact on the overall balance of payment. Accordingly, remittance inflows further has increased by 16.5 percent to Rs.1,445.32 billion during 2023/024. (Source: -NRB: Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2023-024)

Although the interest rate of deposits and loans continues to decrease due to the provisions of monetary policy in an attempt promote investment, the demand for loans has not increased due to the lack of investment environment, leading to massive increase in loanable funds. In addition, due to problems in the cooperative sector, reduced cash flow in the general economy, political instability, increase in non-performing loans, and other internal as well as external factors, the economic activity of the country has shrunk, resulting in contraction in economic growth. Further, shortfall in revenue collection has resulted in decrease in the government expenditure (both current and capital) leading to slowing down of developmental activities.

Taking into account the country's economic and financial status, the "Monetary Policy of FY: 2024/025" and "Current Macroeconomic and Financial Situation Based on Annual data" published by Nepal Rastra Bank for FY: 2023/024 stated that the GDP growth rate at consumer's price shall remain at 3.87% during the review period, whilst the GDP growth rate in the previous year was 1.95%.

Total merchandise exports, during the FY: 2023/024, have decreased by 3.00% to Rs. 152.38 billion in comparison to decrease by 21.40% in previous year. Similarly, the total merchandise imports also decreased by 1.20% to Rs.

1,592.99 billion in the review period which was decreased by 16.10% a year ago. The overall trade deficit till the period has decreased by 1.00% to Rs. 1440.60 billion.

Gross foreign exchange reserves increased by 32.6 percent to Rs.2041.10 billion in mid July 2024 in comparison to Rs.1539.36 billion in mid-July 2023. Based on the imports of 2023/24, the foreign exchange reserves of the banking sector are sufficient to cover the prospective merchandise imports of 15.6 months, and merchandise and services imports of 13 months.

During the year under review, deposits at banks and financial institutions (BFIs) increased by 13.00% as compared to a growth of 12.30% percent in the previous year. Similarly, private sector credit from BFIs increased 5.80% in the review year as compared to a growth of 3.80% in the previous year.

## Current Banking Environment

After mergers and acquisitions between different Bank and Financial Institutions, the number of A Class Commercial Banks have been reduced to 20. However, it has been more challenging for the banks to maintain healthy portfolio mix in their financial statement. Even though the interest rates continue to decrease, economic activity has not improved due to instability and slackness in economic activities, leading to discouraging investment environment and uncertainty of returns. Although the economic activity and growth rate of the world is satisfactory, the economic activity in Nepal has not grown enthusiastically is due to the political instability and unstable policies brought by this. Additionally, the loanable funds of the Bank have rose significantly with no takers who are ready to invest. Instead of increasing agricultural and industrial production, it has continued to decrease resulting to increase unemployment rate. Furthermore, a large number of Nepali youths are migrating abroad for better education, employment and with a hope of better quality of life. It can be estimated that the overall effect of this in the long run will cause manpower shortages needed for country's developmental causing disruption in socio-economic environment.

Due to shrinkage in the overall economic activity triggered by the unstable economic policies, unhealthy competition and practices in the banking sector has led to an increase in non-performing loans, thus most banks have been unable to distribute dividends to their shareholders. Banks therefore are encouraging customers by upgrading various services, providing loans at minimum interest rates and providing more facilities in deposit schemes. Similarly, with the development in technology, there is a need to adapt to these changes to provide the attractive services to the customers.

Amidst growing competition, Himalayan Bank also aims to provide well-timed banking services to gain the trust of customers, and will formulate long-term goals and plans, upgrade quality of operations, reduce unnecessary expenses, increase access to its services and facilities, in order to compete with competitors and aim to become a strong first choice for everyone. In addition, the bank is committed to improve the assets quality and giving timely returns to its shareholders.

## Current Activities and Status of the Bank

**In view of expanding the services, after obtaining the necessary approval from the regulatory body, the Bank this year has registered, started operation of its another subsidiary Himalayan Securities Limited, to carry out securities related transactions from April 25, 2024.**

Himalayan Bank Ltd., for the last 32nd years of service, has remained as one of the secure, resilient, techno-friendly and reliable Bank in the Banking Industry. The Bank has been serving its clientele from wider network of 174 Branch Offices, 20 Extension Counters, 282 ATM Booths including 7 Cash Recycler Machines, more than

15,000 remittance payment partners, 8,552 POS Terminals of 5,893 POS Merchants and 2,253 terminals of 1,127 e-commerce merchants.

The Bank, amidst the prevailing restrained economic outlook, has carried out satisfactory business. The Bank stands in the stable trajectory due to unwavering trust, direct and indirect support of the stakeholders. 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 and encouraged its clientele to adopt the digital technologies.

We would like to present the Balance Sheet as on July 15, 2024, the Profit and Loss Account for the fiscal year 2023/024, 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. 297.72 billion, an increase of 6.89 percent compared to the previous year. Similarly, the loans and advances increased to Rs. 247.11 billion during the review period, an increase of 1.79 percent compared to the previous year.

The net assets of the Bank increased to 36.62 billion, an increase of 3.14 percent, during the review period, while the total assets increased to 355.73 billion, an increase of 6.42 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 2.885 billion during the fiscal year, with net profit at NPR 1.238 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 15, 2024	As on Oct 16, 2024	Increase (Decrease) %
1.	Total Assets	355,735.80	392,745.40	10.40%
2.	Deposits	297,725.40	331,281.60	11.27%
3.	Loans, Overdrafts and Bills	247,109.00	241,761.80	-2.16%
	Purchased and Discounted			

During the review period, in line with the directives of Nepal Rastra Bank, the Bank written off loans to the tune of Rs. 1,124.348 million whereas the Bank was able to recover Rs. 10.418 million from the already-written-off loans.

The Bank assures you that upon recovery of non-performing, bad and written off loan, its profitability will enhance 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: 2022/023 As on July 16, 2023	FY: 2023/24 As on July 15, 2024	Increase (Decrease) %
1.	Total Assets	334,270.00	355,735.80	6.42%
2.	Net Assets	35,507.50	36,623.10	3.14%
3.	Deposits	278,526.60	297,725.40	6.89%
4.	Loans, Overdrafts and Bills Purchased and Discounted	242,756.30	247,109.00	1.79%
5.	Net Interest Income	9,920.80	11,617.70	17.10%
6.	Other Income	1,665.10	1,534.80	-7.83%
7.	Operating and Staff Expenses*	3,626.90	4,990.60	37.60%
8.	Operating Profit	3,082.90	2,885.40	-6.41%
9.	Net Profit	1,562.80	1,238.30	-20.76%

\*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

## **Implementation Status of the Strategy and Program of the Bank for the FY 2023/2024**

1. Non-Performing Loan increased to 4.98%.
2. Continuity has been given to the recovery of written-off loans in an active manner.
3. Initiated consolidation and improve asset quality for long term sustainability.
4. To serve the clientele with Premium Services "Priority Banking" services has been made more appealing. Similarly, Deposit product, Loan product and other banking facilities were made more attractive as per the demand of the customers.
5. Priority has been given for identifying branches to be merged or relocated that are in proximity. By the end of review period 15 branches have been merged and started operation from a total 174 branches. Likewise, finding, selection of location thereof relocation of the almost all the branches have been completed. Similarly, different plans and policies are adopted to improve the service standard of branches and profit center.
6. Providing banking services 20 Extension Counters, 282 ATM Booths including 7 Cash Recycler Machines, more than 15,000 remittance payment partners and more than 7,020 POS and e-commerce merchants with total of 10,805 terminals.

7. 843 additional POS terminals, 922 new POS and e-commerce merchants and 5,920 QR merchants have been added in the market for the convenience of the debit, credit and pre-paid card holders. Offered various discounts facilities to increase use of Card Services. Likewise, 12 additional ATM Machines have been placed at various locations inside and outside Kathmandu valley.
8. Encouraged use of digital/electronic payment system for cash less transaction through e-commerce and POS terminals giving various discount facilities to the customers.
9. Necessary arrangement is made to extend remittance business to various Asian, European and US market.
10. The wholly owned subsidiary of the Bank “Himalayan Securities Limited” has stated its operations completing all required process.
11. Continuously upgrading and refining digital services such as Mobile and Internet Banking module with added features/security.
12. T24 banking software browser has been upgraded and made it more secure.
13. Branding of branches are being carried out as per the requirement of HBL. Continuous effort being made to renovate and expand/enhance ambiance of branches as more pleasing and environment- friendly.

### **Strategies and Programs for FY 2024/2025**

1. To manage the NPA to the lowest level.
2. Give continuity to recovery of written-off loans in an active manner.
3. To complete relocation of remaining branches that are in proximity and conduct feasibility study for establishing new branches and extension counters as per requirement.
4. Focus on secure and user-friendly digital banking services and facilities. On the other hand, new Deposit and Loan Products along with other banking facilities/services shall be made more attractive.
5. Set up 25 additional ATMs at different part of the country.
6. Install additional 2500 POS terminals, 1500 new POS and e-commerce merchants and 10,000 QR merchants so as to facilitate debit/credit/pre-paid card holders.
7. 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. Upgrade and fine-tune CBS system T24 technically as per requirement and by complying all the necessary security measures for better performance.
9. Expand the operation of Himalayan Securities Limited, Himalayan Capital Limited, Himalayan Laghubitta Bittiya Sanstha, so as to broaden the bank’s business through subsidiaries.
10. Continuity shall be given for branding and renovating branches with additional services and facilities wherever required to make it more informative, attractive and environment friendly.

### **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, financial literacy, sports, culture, preservation of cultural heritages and rehabilitation of victims of natural calamities and social services.

During the FY: 2023/024, the Bank, under its Corporate Social Responsibility Initiative, has continuously supported various Government Hospitals, Community Schools, conducted financial literacy programs, protected environment, cleanliness, awareness, etc. as per the need and requirement. The Bank during the FY: 2023/2024 continued supporting in different social causes directly and or through different social organizations involved in different social sectors with a total amount of Rs. 13,040,535.19 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 representing shareholders, have been elected at the 31st AGM held on January 14, 2024. Mr. Prachanda Bahadur Shrestha, (representing M/s. N. Trading Pvt. Ltd.), Mr. Farhan Talib, (representing M/s. Habib Bank Ltd.), Mr. Jeetendra Dhital, (representing M/s. Employee Provident Fund), Mr. Sunil Bahadur Thapa, (representing M/s. Ava International Pvt. Ltd.), Mr. Pratap Jung Pandey, (representing M/s. Mutual Trading Pvt. Ltd.) and Mr. Ashish Sharma, (representing public shareholder) have been elected unopposed for 4 years. Likewise, the BOD Meeting held on the same day has unanimously elected Mr. Prachanda Bahadur Shrestha as the Chairman of the BOD and all BOD members have continued to their respective position.

The BOD Meeting no: 462 held on November 26, 2024, has appointed Mrs. Jasmine Hada Bajracharya, as an Independent Director in accordance with the section 17 of the Bank and Financial Institutions Act 2073, for 4 (Four) Years effective from December 12, 2024.

On this occasion, I would like to congratulate the newly appointed Director to the BOD and would expect her sterling contribution in the progress of the Bank.

## **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 17 Board Meetings were conducted. All the BOD members are wholeheartedly adhering to the code of conduct prescribed in the Unified Directives issued by Nepal Rastra Bank.

## **Audit, Balance Sheet and Other Financials**

The Balance Sheet as on July 15, 2024, the Profit and Loss Account, the Profit and Loss Appropriation Account, Cash Flow, related annexure and Auditors' Report for the fiscal year 2023/024, 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 "Nepal Financial Reporting Standards".

## **Profit and Loss Appropriation**

During the review period, the net profit of the Bank amounted to Rs. 1,238.30 million. Including other comprehensive income, the net profit amounted to Rs. 1,023.90 million in fiscal year 2023/024. 20% of the net profit i.e. Rs. 247.66 million, has been appropriated to the Statutory General Reserve Fund. In addition, the Bank has allocated Rs.

1.463 million from its profit to Employee Training Fund. Additionally, as per the regulatory requirement, the Bank has transferred 1% of the net profit i.e., Rs. 12.383 Million in its Corporate Social Responsibility (CSR) fund. Further, the amount of Rs. 13.04 Million spent from the CSR fund of previous fiscal year has been transferred to retained earnings. Rs. 4,606.419 Million has been transferred to Regulatory Reserve. Similarly, Rs. 875 Million from its profit has been allocated to the Bond Repayment Reserve. In addition to this, Rs. 204.549 Million has been transferred from Capital Adjustment Fund.

The Bank, since its commencement, had continuously distributed attractive dividend in the past. However, we feel sad for not being able to continue the legacy of attractive dividend for last two years. However, we would like to assure that out of the fund transferred to various heading including the fund allocated for provision for loan loss shall be recouped in coming days and we shall be able to distribute attractive dividend to the shareholder like in the earlier 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 Habib Bank Limited, Pakistan, the Bank's Chief Executive Officer, Senior Executives including entire staff for their unwavering contributions in this tough time for the betterment 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.

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**Prachanda Bahadur Shrestha**

Chairman

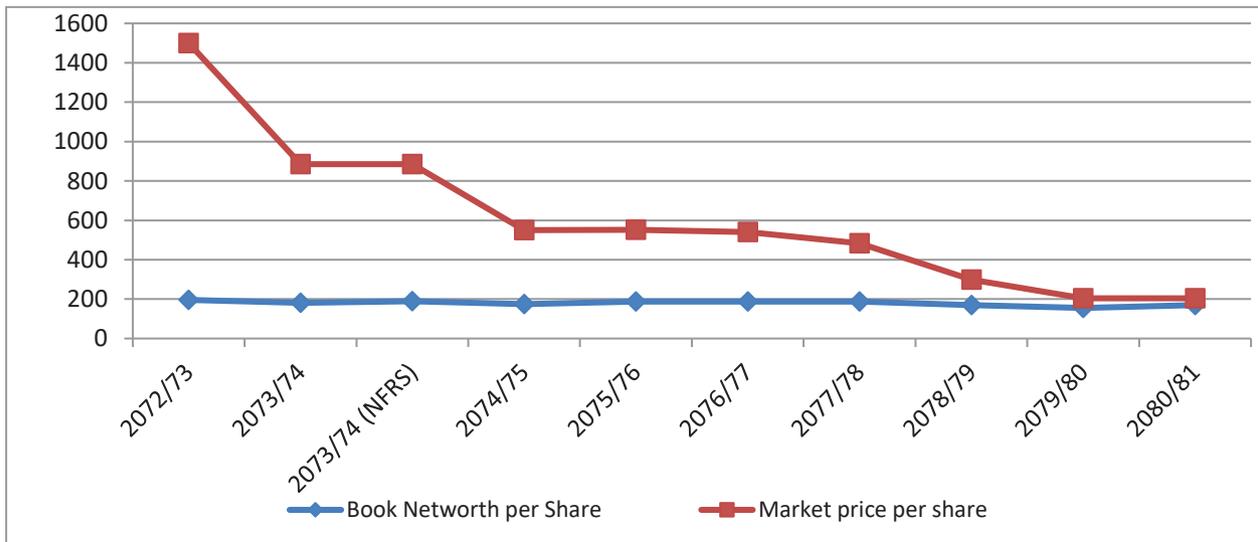
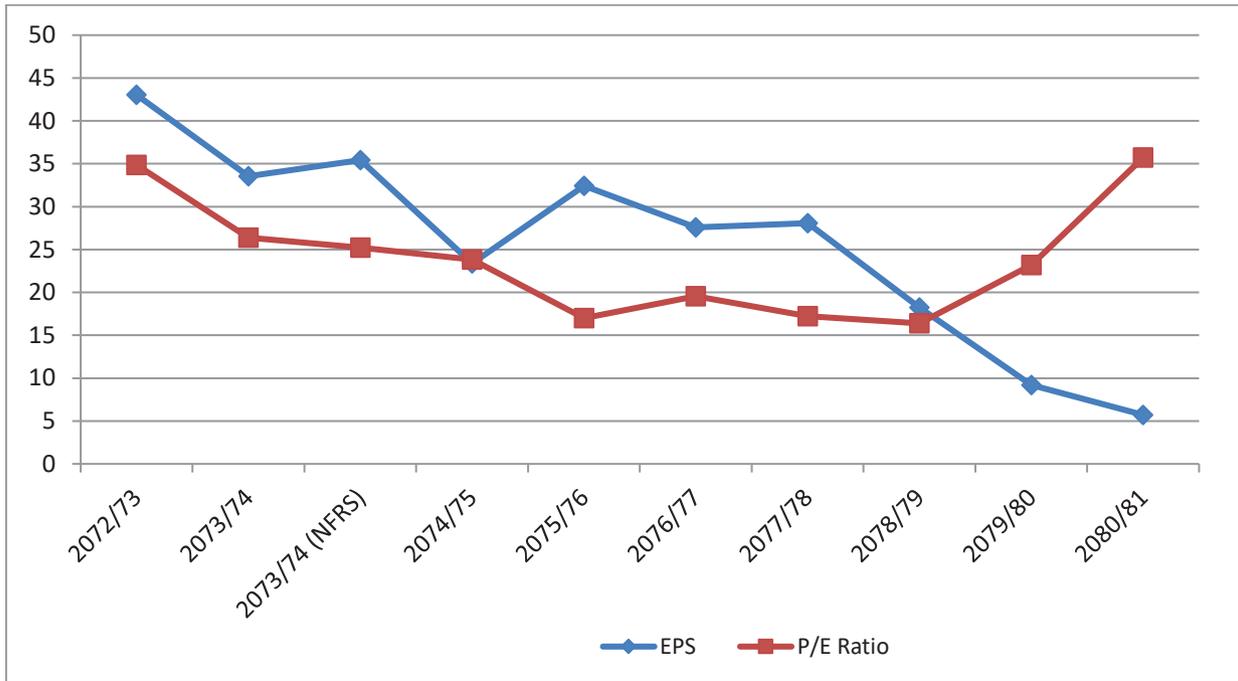
Date: December 22, 2024

## PRINCIPAL INDICATORS

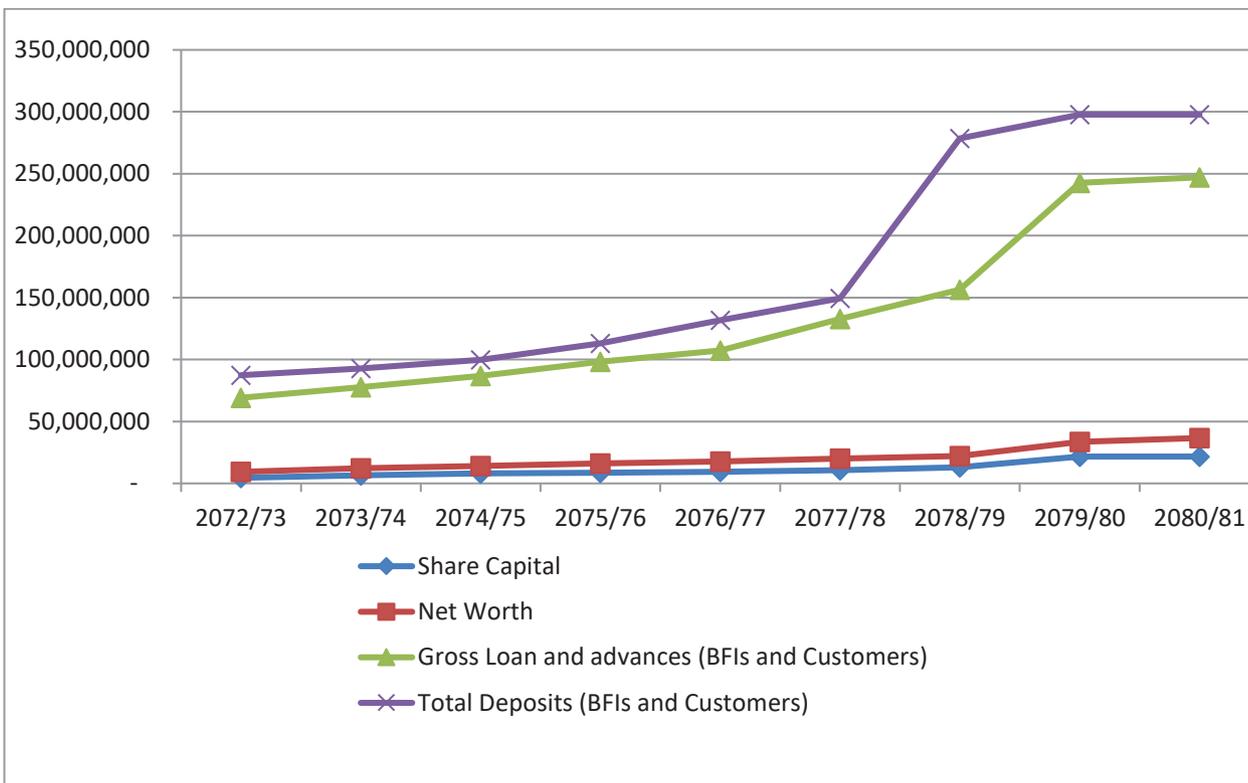
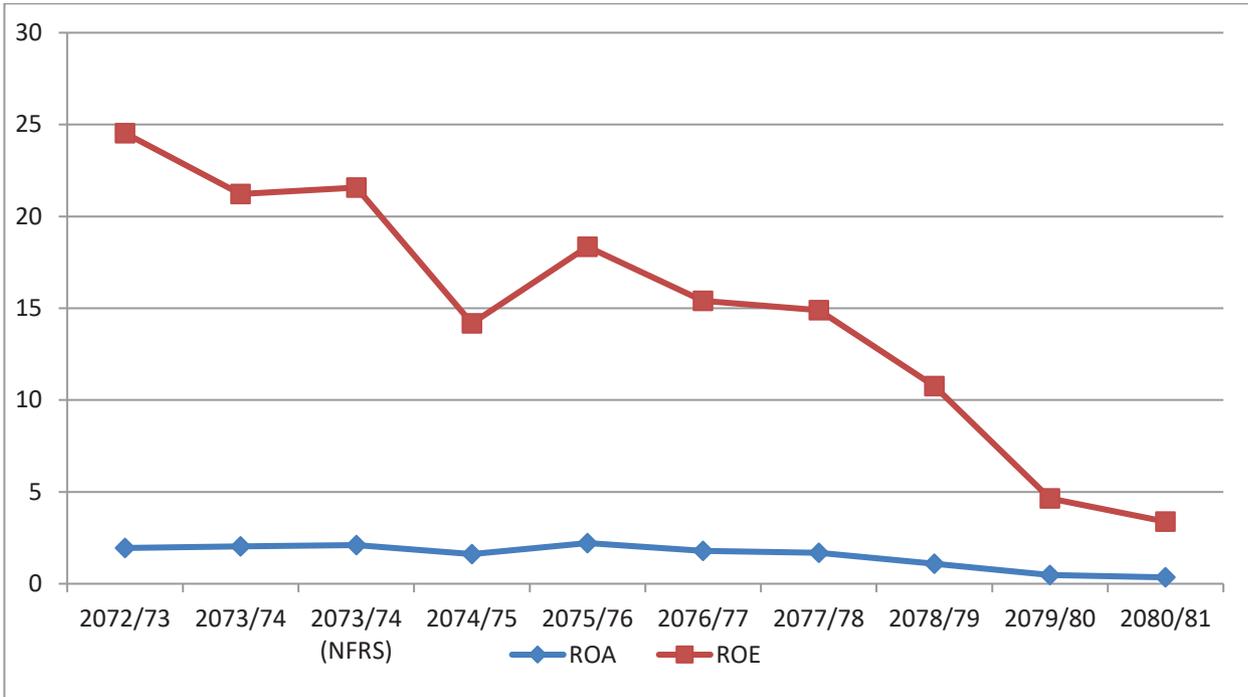
Particulars	Unit	FY 2019/2020 2076/2077	FY 2020/2021 2077/2078	FY 2021/2022 2078/79	FY 2022/2023 2079/80	FY 2023/2024 2080/81
Profit before Bonus and Tax/Total Income	Percent	28.06	33.68	19.69	7.26	5.28
Per Share Income	Rs.	27.60	28.07	18.26	9.18	5.72
Per Share Market Value	Rs.	540	484	299.2	212.8	204.20
Price Earning Ratio	Ratio	19.57	17.25	16.39	23.18	35.71
Dividend on Share Capital (Including Bonus)	Percent	20.00	26.00	19.11	-	-
Cash Dividend on Share Capital	Percent	6.00	4.62	11.11	-	-
Interest Income/Loans and Advances	Percent	10.79	7.71	10.35	13.16	12.94
Staff Expenses/Total Operating Expenses	Percent	53.02	54.92	50.63	51.97	56.77
Interest Expenses on Total Deposit	Percent	5.77	4.42	6.59	7.92	7.92
FX Fluctuation Gain/Total Income	Percent	5.33	4.61	2.98	1.23	1.05
Net Profit after Tax/Total Assets (ROA)	Ratio	1.79	1.68	1.09	0.47	0.35
Net Profit after Tax/Total Equity (ROE)	Percent	15.40	14.89	10.76	4.65	3.38
Total Loan/Deposit	Percent	82.31	89.87	92.14	88.64	83.00
Total Operating Expenses/Total Income	Percent	16.81	17.96	12.89	11.46	13.30
Capital Adequacy Ratio:						
A. Core Capital	Percent	11.76	11.21	10.49	9.03	8.51
B. Supplementary Capital	Percent	3.13	2.68	1.26	3.27	3.03
C. Total Capital Fund	Percent	14.89	13.89	11.75	12.31	11.54
Liquidity	Percent	31.39	26.51	23.48	27.38	29.68
Non-performing Loan/Total Loan	Percent	1.01	0.48	1.59	4.93	4.98
Weighted Average Interest Rate Spread	Percent	3.77	3.32	4.02	4.79	3.99
Book Network per share	Rs.	187.67	188.43	169.72	155.29	169.11
Total Share	Number	93,722,814	106,844,008	129,687,257	216,566,156	216,566,156
Total Staff	Number	1029	1018	1019	1935	1855
Number of Branches	Number	68	71	74	175	174
Number of ATMs	Number	138	144	156	264	272

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

### Key Indicators

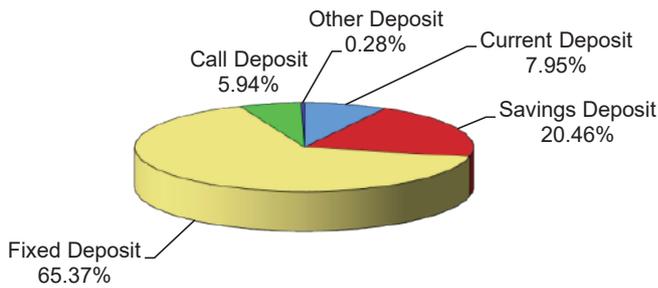


## Key Indicators

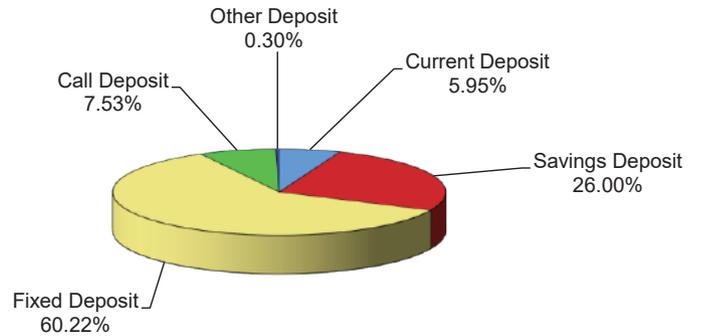


## Deposits from Customers and BFIs

Financial Year 2079/80 (2022/23)

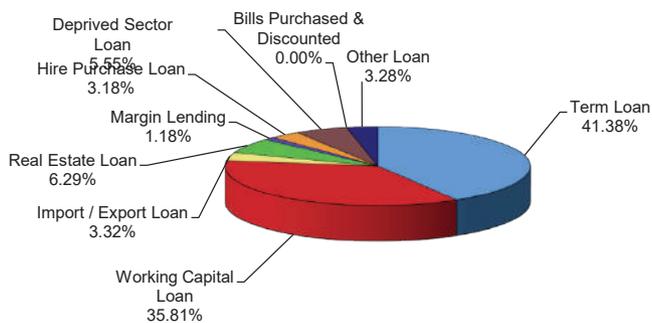


Financial Year 2080/81 (2023/24)

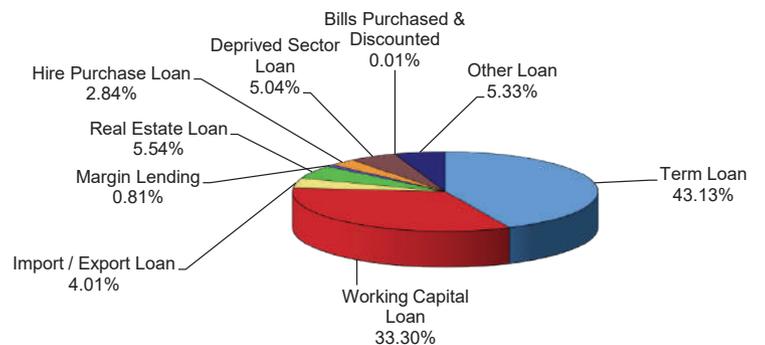


## Loans and Advances

Financial Year 2079/80 (2022/23)

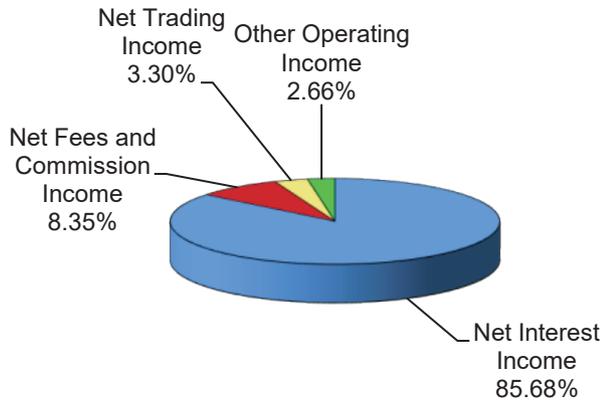


Financial Year 2080/81 (2023/24)

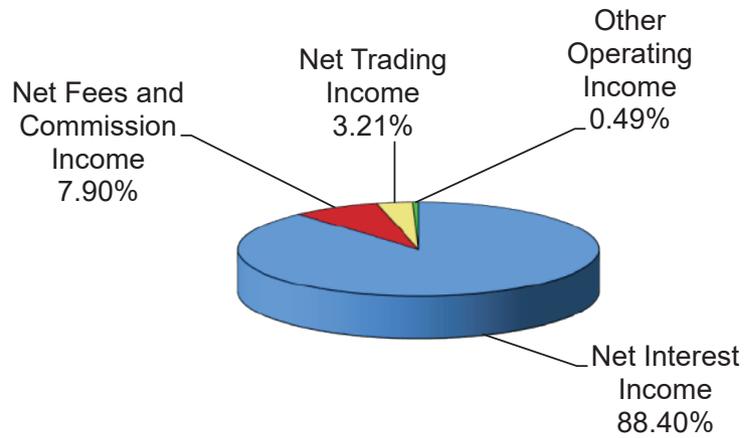


## Income Composition

Financial Year 2079/80 (2022/23)

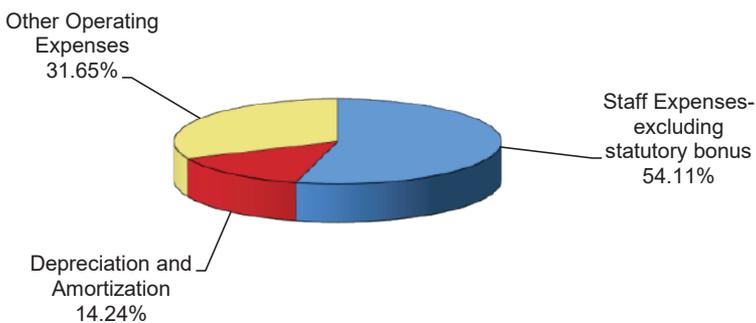


Financial Year 2080/81 (2023/24)

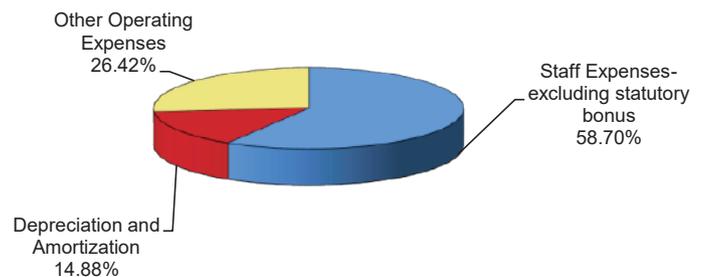


## Expense Composition

Financial Year 2079/80 (2022/23)



Financial Year 2080/81 (2023/24)



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

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **Himalayan Bank Limited ('the Bank')** and its subsidiary (**'the Group'**), which comprise the Consolidated Statement of Financial Position as at Ashadh 31, 2081 (*July 15, 2024*), and the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the Consolidated Financial Position of the Group as at Ashadh 31, 2081 (*July 15, 2024*) and its Consolidated Financial Performance and its Consolidated Cash Flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

**Basis for Opinion**

We conducted our audit in accordance with Nepal Standards on Auditing [NSA]. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 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.N.	Key Audit Matters	Auditor's Response
1)	<p><b>Interest Income:</b></p> <p>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 the 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.</p> <p>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 a clear understanding of the Core Banking System of the bank; i.e., how the interest income is accrued daily 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>2)</p>	<p><b>Investment valuation, identification and impairment:</b>          Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted securities. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and Directive number 8 of NRB Unified Directive 2080. The investment in the government bond, 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.          For the investment valued through OCI i.e., for quoted investment, we relied on the Last transaction price in NEPSE as on July 15, 2024 and for the unquoted investment the fair value has been taken as NRs.100. Further, the income and bonus have been cross verified from the Demat statement of the bank wherever applicable.</p>
<p>3)</p>	<p><b>Impairment of Loans and Advances:</b>          As per NFRS 9 (carve-out issued by ICAN), bank shall measure impairment loss on loans and advances at the higher of:          - Amount derived as per norms prescribed by NRB for loan loss provisioning and;          - Amount determined as per para 5.5 of NFRS 9 adopting the incurred loss model.          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.          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.          On individual impairment, amount of the loss is measured as the difference between asset's carrying amount and present value of the estimated future cash flows.          Under collective impairment, loss is determined after taking into account the historical loss experience in portfolios of similar credit risk and management's experienced judgement as to whether economic and credit conditions are such that actual level of inherent losses at the reporting date is likely to be greater or less than suggested by historical experience.</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.          Sample credit files were reviewed for the purpose of assuring the utilization of loan &amp; advances for the intended purpose, account movement and account turnover.          We have also assessed the expected future cash on the loans and 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 due date from the system as well as data of loan loss provision of the defined group in the past.</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>	
4)	<p><b>Information Technology:</b>          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 the information technology status of the bank as our key audit areas.</p>	<p>Our audit process included, but was not limited to, gaining an understanding of and evaluating the bank's digital infrastructure, assessing management's risk awareness, and reviewing cybersecurity controls. Additionally, our procedures involved testing application controls, verifying system-generated key financial reports, and conducting inquiries regarding data migration, regular system updates, and user awareness of digital risks.</p> <p>Also, we have verified the interest income and expense recording regarding loan and deposit on test basis with the Core Banking System of the bank.</p> <p>We have verified the provisioning of the loan and advances based on ageing on the test check basis as on 15.07.2024.</p>

#### Other Matter

We did not audit the Financial Statements and Other Financial Information of the Subsidiary namely, Himalayan Capital Limited, Himalayan Securities 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 Statements so far as it relates to the accounts and disclosures included in respect of the subsidiary is based on the report of the 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 of the Group such as the Chairman's Report, Director's report etc. but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 Consolidated Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of Consolidated 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 Group'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 is inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statement, including the disclosures, and whether the consolidated 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 to express an opinion on Consolidated 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 Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity 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 not independently 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. Ranjeev Shrestha**

Proprietor

**Ranjeev & Associates**

Chartered Accountants

Date: December 16, 2024

Place: Kathmandu

UDIN: 241217CA00494CrCsJ

## Himalayan Bank Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As on 31 Asar 2081 (15 July 2024)

Particulars	Note	Group		Bank	
		Asar 2081	Asar 2080	Asar 2081	Asar 2080
<b>Assets</b>					
Cash and Cash Equivalents	4.1	8,632,772,404	19,024,236,475	8,097,764,536	18,392,307,693
Due from Nepal Rastra Bank	4.2	35,709,946,565	20,258,962,112	35,686,946,565	20,235,962,112
Placements with Bank and Financial Institutions	4.3	10,513,504,126	5,136,361,507	10,501,751,116	5,019,361,507
Derivative financial instruments	4.4	26,241,227	29,836,748	26,241,227	29,836,748
Other trading assets	4.5	69,783,925	26,583,543	-	-
Loans & Advances to BFIs	4.6	9,549,675,721	9,870,756,703	10,098,880,969	10,587,326,526
Loans & Advances to Customers	4.7	233,511,517,311	231,781,849,450	230,239,742,835	227,402,167,136
Investment Securities	4.8	42,788,959,119	37,743,471,768	42,143,258,878	37,595,997,499
Current Tax Assets	4.9	321,141,028	558,040,500	297,962,785	545,729,934
Investments in subsidiaries	4.10	-	-	1,060,063,200	1,060,063,200
Investments in Associates	4.11	1,746,010,614	1,614,439,199	190,929,197	190,929,197
Investment Property	4.12	2,414,932,072	589,164,236	2,414,932,072	589,164,236
Property & Equipment	4.13	8,277,146,893	7,947,407,745	8,170,594,187	7,897,073,224
Goodwill and Intangible Assets	4.14	986,260,215	996,466,948	983,141,792	995,348,513
Deferred Tax Assets	4.15	1,711,029,557	24,693,743	1,670,219,007	2,804,642
Other Assets	4.16	4,500,535,052	5,399,413,090	4,153,385,695	3,725,911,311
<b>Total Assets</b>		<b>360,759,455,829</b>	<b>341,001,683,767</b>	<b>355,735,814,061</b>	<b>334,269,983,478</b>
<b>Liabilities</b>					
Due to Bank and Financial Institutions	4.17	3,825,779,953	5,187,370,070	3,825,779,953	5,187,370,070
Due to Nepal Rastra Bank	4.18	-	546,947,000	-	546,947,000
Derivative financial instruments	4.19	13,851,829	8,790,069	13,851,829	8,790,069
Deposits from Customers	4.20	293,486,417,738	274,345,109,061	293,899,590,309	275,310,993,682
Borrowing	4.21	2,310,265,550	2,453,871,014	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	-	-	-	-
Other Liabilities	4.23	13,991,728,280	12,621,005,003	12,989,367,810	9,327,639,113
Debt Securities Issued	4.24	8,384,143,498	8,380,790,258	8,384,143,498	8,380,790,258
Subordinated Liabilities	4.25	-	-	-	-
<b>Total Liabilities</b>		<b>322,012,186,848</b>	<b>303,543,882,475</b>	<b>319,112,733,399</b>	<b>298,762,530,192</b>
<b>Equity</b>					
Share Capital	4.26	21,656,615,632	21,656,615,632	21,656,615,632	21,656,615,632
Share Premium		-	-	-	-
Retained Earnings		(5,593,624,296)	(1,601,531,573)	(7,441,526,420)	(3,242,625,038)
Reserves	4.27	22,423,289,473	17,103,835,007	22,407,991,450	17,093,462,692
<b>Total Equity attributable to Equity Holders</b>		<b>38,486,280,809</b>	<b>37,158,919,066</b>	<b>36,623,080,662</b>	<b>35,507,453,286</b>
Non Controlling Interest		260,988,172	298,882,226	-	-
<b>Total Equity</b>		<b>38,747,268,981</b>	<b>37,457,801,292</b>	<b>36,623,080,662</b>	<b>35,507,453,286</b>
<b>Total Liabilities and Equity</b>		<b>360,759,455,829</b>	<b>341,001,683,767</b>	<b>355,735,814,061</b>	<b>334,269,983,478</b>
Contingent liabilities and commitment	4.28	51,399,093,296	54,552,704,365	51,399,093,296	54,552,704,365
Net assets value per share		177.71	171.58	169.11	163.96

.....  
**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. Farhan Talib**  
 Director

.....  
**Mr. Jitendra Dhital**  
 Director

.....  
**Mr. Sunil Bahadur Thapa**  
 Director

.....  
**CA Ranjeev Shrestha**  
 Proprietor  
 Ranjeev & Associates  
 Chartered Accountants  
 Date: 2024 December 16  
 Place: Kathmandu

.....  
**Mr. Ashish Sharma**  
 Director

.....  
**Mr. Pratap Jung Pandey**  
 Director

.....  
**Ms. Jasmine Hada Bajracharya**  
 Director

## Himalayan Bank Limited

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

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

Particulars	Note	Group		Bank	
		Asar 2081	Asar 2080	Asar 2081	Asar 2080
Interest Income	4.29	36,137,920,022	29,376,947,580	35,576,632,266	29,094,716,822
Interest Expense	4.30	24,182,692,355	19,281,511,480	23,958,937,374	19,173,934,653
<b>Net interest income</b>		<b>11,955,227,667</b>	<b>10,095,436,100</b>	<b>11,617,694,892</b>	<b>9,920,782,169</b>
Fee and Commission Income	4.31	1,307,315,026	1,155,823,868	1,201,211,766	1,106,883,457
Fee and Commission Expenses	4.32	165,107,824	150,713,921	162,641,224	139,794,845
<b>Net Fee and Commission Income</b>		<b>1,142,207,202</b>	<b>1,005,109,947</b>	<b>1,038,570,542</b>	<b>967,088,612</b>
<b>Net interest, fee and commission income</b>		<b>13,097,434,869</b>	<b>11,100,546,047</b>	<b>12,656,265,434</b>	<b>10,887,870,781</b>
Net Trading Income	4.33	441,072,438	382,743,191	421,847,554	382,599,088
Other Operating Income	4.34	68,747,907	240,104,632	63,915,892	308,273,182
<b>Total Operating Income</b>		<b>13,607,255,214</b>	<b>11,723,393,870</b>	<b>13,142,028,880</b>	<b>11,578,743,051</b>
Impairment charges/(reversal) for Loans and Other losses	4.35	5,290,285,045	4,883,767,605	5,265,954,930	4,868,931,604
<b>Net operating income</b>		<b>8,316,970,169</b>	<b>6,839,626,265</b>	<b>7,876,073,950</b>	<b>6,709,811,447</b>
<b>Operating expense</b>					
Personnel Expenses	4.36	3,218,476,274	2,161,504,121	3,010,697,316	2,065,438,200
Other Operating Expenses	4.37	1,345,535,922	1,109,277,266	1,266,464,755	1,076,990,811
Depreciation & Amortisation	4.38	734,809,304	490,472,561	713,473,600	484,459,896
<b>Operating Profit</b>		<b>3,018,148,669</b>	<b>3,078,372,317</b>	<b>2,885,438,279</b>	<b>3,082,922,540</b>
Non operating income	4.39	142,004,150	66,480,445	10,418,014	7,184,985
Non operating expense	4.40	1,124,398,066	1,070,463,241	1,124,348,237	1,070,446,966
<b>Profit before income tax</b>		<b>2,035,754,753</b>	<b>2,074,389,521</b>	<b>1,771,508,056</b>	<b>2,019,660,559</b>
Income Tax Expense	4.41				
Current Tax		2,184,996,667	1,508,076,359	2,148,043,311	1,482,055,884
Deferred Tax		(1,610,632,745)	(1,028,189,819)	(1,614,838,845)	(1,025,213,269)
<b>Profit for the year</b>		<b>1,461,390,831</b>	<b>1,594,502,981</b>	<b>1,238,303,590</b>	<b>1,562,817,944</b>
<b>Profit attributable to:</b>					
Equity holders of the Bank		1,458,107,826	1,600,545,414	1,238,303,590	1,562,817,944
Non-controlling interest		3,283,005	(6,042,433)	-	-
<b>Profit for the year</b>		<b>1,461,390,831</b>	<b>1,594,502,981</b>	<b>1,238,303,590</b>	<b>1,562,817,944</b>
<b>Earnings per share</b>					
Basic earnings per share		6.75	9.37	5.72	9.18
Diluted earnings per share		6.75	9.37	5.72	9.18

.....  
**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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 Director

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 Director

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**Ms. Jasmine Hada Bajracharya**  
 Director

## Himalayan Bank Limited

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
<b>Profit or loss for the year</b>	<b>1,461,390,831</b>	<b>1,594,502,981</b>	<b>1,238,303,590</b>	<b>1,562,817,944</b>
<b>Other comprehensive income</b>				
<b>a) Items that will not be reclassified to profit or loss</b>				
- Gains/(losses) from investments in equity instruments measured at fair value	26,623,256	(9,616,452)	19,801,524	(10,011,915)
- Gains/(losses) on revaluation	-	2,681,547,816	-	2,681,547,816
- Actuarial gains/(losses) on defined benefit plans	(325,875,192)	35,564,042	(326,090,185)	30,150,564
- Income tax relating to above items	89,775,582	(810,362,116)	91,886,599	(810,505,939)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(209,476,354)</b>	<b>1,897,133,290</b>	<b>(214,402,062)</b>	<b>1,891,180,526</b>
<b>b) Items that are or may be reclassified to profit or loss</b>				
- Gains/(losses) on cash flow hedge	-	-	-	-
- Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-
- Income tax relating to above items	-	-	-	-
- Reclassify to profit or loss	-	-	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>				
c) Share of other comprehensive income of associate accounted as per equity method	-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>(209,476,354)</b>	<b>1,897,133,290</b>	<b>(214,402,062)</b>	<b>1,891,180,526</b>
<b>Total comprehensive income for the period</b>	<b>1,251,914,477</b>	<b>3,491,636,271</b>	<b>1,023,901,528</b>	<b>3,453,998,470</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	1,248,631,472	3,494,401,147	1,023,901,528	3,453,998,470
Non-controlling interest	3,283,005	(2,764,876)	-	-
<b>Total comprehensive income for the period</b>	<b>1,251,914,477</b>	<b>3,491,636,271</b>	<b>1,023,901,528</b>	<b>3,453,998,470</b>

As per our attached report of even date

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**Ms. Jasmine Hada Bajracharya**  
 Director

**STATEMENT OF CHANGES IN EQUITY**

As on 31 Asar 2081 (15 July 2024)

**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
<b>Balance at Sawan 1, 2079</b>	<b>12,968,725,725</b>	-	<b>5,331,593,545</b>	<b>39,056,093</b>	<b>935,346,538</b>	<b>41,109,179</b>	-	<b>4,015,627,491</b>	<b>130,990,630</b>	<b>23,462,449,201</b>	-	<b>23,462,449,201</b>
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
<b>Adjusted/Restated balance at Sawan 1, 2080</b>	<b>20,619,117,574</b>	-	<b>6,633,353,838</b>	<b>67,463,254</b>	<b>2,532,645,625</b>	<b>64,954,530</b>	-	<b>2,141,513,950</b>	<b>3,042,681,393</b>	<b>35,101,730,165</b>	<b>305,742,023</b>	<b>35,407,472,188</b>
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit for the year</b>	-	-	-	-	-	-	-	<b>1,600,545,414</b>	-	<b>1,600,545,414</b>	<b>(6,042,433)</b>	<b>1,594,502,981</b>
<b>Other comprehensive income, net of tax</b>	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	(6,469,055)	-	-	-	(6,469,055)	-	(6,469,055)
Gains/(losses) on revaluation	-	-	-	-	-	-	1,877,083,471	-	-	1,877,083,471	-	1,877,083,471
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	-	-	-	-	<b>26,518,873</b>	<b>(6,469,055)</b>	<b>1,877,083,471</b>	-	-	<b>1,897,133,289</b>	-	<b>1,897,133,289</b>
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions</b>	<b>1,037,498,058</b>	-	<b>312,563,589</b>	-	<b>2,295,923,724</b>	<b>(6,469,055)</b>	<b>1,877,083,471</b>	<b>(5,343,590,937)</b>	<b>283,634,638</b>	<b>(1,440,489,801)</b>	<b>(817,364)</b>	<b>(1,441,307,164)</b>
<b>Balance as at Asar 2080</b>	<b>21,656,615,632</b>	-	<b>6,945,917,427</b>	<b>67,463,254</b>	<b>4,828,569,349</b>	<b>58,485,475</b>	<b>1,877,083,471</b>	<b>(1,601,531,573)</b>	<b>3,326,316,031</b>	<b>37,156,919,067</b>	<b>298,882,226</b>	<b>37,457,801,293</b>

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, 2080	21,656,615,632	-	6,945,917,427	67,463,254	4,828,569,349	58,485,475	1,877,083,471	(1,601,531,573)	3,326,316,031	37,158,919,067	298,882,226	37,457,801,293
Adjustment/Restatement	-	-	-	-	-	-	-	75,145,419	-	75,145,419	(41,177,059)	33,968,360
Adjusted/Restated balance at Sawan 1, 2080	21,656,615,632	-	6,945,917,427	67,463,254	4,828,569,349	58,485,475	1,877,083,471	(1,526,386,154)	3,326,316,031	37,234,064,486	257,705,167	37,491,769,653
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,458,107,826	-	1,458,107,826	3,283,005	1,461,390,831
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	18,571,782	-	-	-	18,571,782	-	18,571,782
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(228,048,137)	(228,048,137)	-	(228,048,137)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	18,571,782	-	-	(228,048,137)	(209,476,355)	-	(209,476,355)
Transfer to reserve during the year	-	-	247,660,718	-	4,378,155,945	-	(5,310,123,373)	-	684,306,710	-	-	-
Transfer from reserve during the year	-	-	-	-	228,263,130	3,584,853	-	(215,222,595)	(13,040,535)	3,584,853	-	3,584,853
Transactions with owners, directly recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	-	-	247,660,718	-	4,606,419,075	22,156,635	-	(5,525,345,968)	443,218,038	(205,891,502)	-	(205,891,502)
Balance as at Asar 2081	21,656,615,632	-	7,193,578,145	67,463,254	9,434,988,424	80,642,110	1,877,083,471	(5,593,624,296)	3,769,534,069	38,486,280,809	260,988,172	38,747,268,981

NOTE: Adjustment to retained earning is due to recomputation of lease expenses under NFRS 16, computed from this year onwards.

**STATEMENT OF CHANGES IN EQUITY**

As on 31 Asar 2081 (15 July 2024)

**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, 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	-	-	-	-	-	-	-	1,562,817,944	-	1,562,817,944
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	(7,008,341)	-	-	-	(7,008,341)
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	1,877,083,471	-	-	1,877,083,471
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)	1,877,083,471	-	-	1,891,180,525
Transfer to reserve during the year	-	-	312,563,589	-	2,295,923,723	-	-	(2,900,926,750)	292,439,438	-
Transfer from reserve during the year	-	-	-	-	(21,105,395)	-	-	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	67,463,254	4,828,569,348	(7,008,341)	1,877,083,471	(3,781,108,620)	278,221,161	(1,440,825,428)
Balance as at Asar 2080	21,656,615,632	-	6,941,790,255	67,463,254	4,828,569,348	57,723,834	1,877,083,471	(3,242,625,038)	3,320,832,530	35,507,453,286

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, 2080	21,656,615,632	-	6,941,790,255	67,463,254	4,828,569,348	57,723,894	1,877,083,471	(3,242,625,038)	3,320,832,530	35,507,453,286
Adjustment/Restatement	-	-	-	-	-	-	-	88,140,996	-	88,140,996
Adjusted/Restated balance at Sawan 1, 2080	21,656,615,632	-	6,941,790,255	67,463,254	4,828,569,348	57,723,894	1,877,083,471	(3,154,484,042)	3,320,832,530	35,595,594,282
Comprehensive income for the year	-	-	-	-	-	-	-	1,238,303,590	-	1,238,303,590
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	13,861,067	-	-	-	13,861,067
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(228,263,130)	(228,263,130)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	13,861,067	-	-	(228,263,130)	(214,402,063)
Transfer to reserve during the year	-	-	247,660,718	-	4,378,155,945	-	-	(5,310,123,373)	684,306,710	-
Transfer from reserve during the year	-	-	-	-	228,263,130	3,584,853	-	(215,222,595)	(13,040,535)	3,584,853
Transactions with owners, directly recognized in equity	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	-	-	247,660,718	-	4,606,419,075	17,445,920	-	(4,287,042,378)	443,003,045	3,584,853
Balance as at Asar 2081	21,656,615,632	-	7,189,450,973	67,463,254	9,434,988,424	75,169,754	1,877,083,471	(7,441,526,420)	3,763,835,575	36,623,080,662

NOTE: Adjustment to retained earning is due to recomputation of lease expenses under NFRS 16, computed from this year onwards.

## Himalayan Bank Limited

**CONSOLIDATED STATEMENT OF CASH FLOWS**

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Interest received	29,490,645,934	25,129,279,591	28,929,358,178	24,847,048,833
Fees and other income received	1,307,315,026	1,155,823,868	1,201,211,766	1,106,883,457
Dividend received	-	-	-	-
Receipts from other operating activities	682,772,654	571,439,872	529,790,992	514,291,499
Interest paid	(22,481,545,283)	(18,339,683,782)	(22,175,963,181)	(18,285,718,234)
Commission and fees paid	(162,641,224)	(150,713,921)	(162,641,224)	(139,794,845)
Cash payment to employees	(3,154,367,882)	(2,223,682,379)	(2,962,029,206)	(2,193,139,890)
Other expense paid	(1,729,147,761)	(1,109,293,541)	(1,650,026,765)	(1,076,990,811)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>3,953,031,464</b>	<b>5,033,169,708</b>	<b>3,709,700,560</b>	<b>4,772,580,009</b>
<b>(Increase)/Decrease in operating assets</b>				
Due from Nepal Rastra Bank	(15,450,984,453)	(6,726,053,182)	(15,450,984,453)	(6,723,053,182)
Placement with bank and financial institutions	(5,377,142,619)	(889,877,692)	(5,482,389,609)	(992,060,692)
Other trading assets	(43,200,382)	(23,510,288)	-	-
Loan and advances to bank and financial institutions	311,170,594	1,765,177,780	450,295,231	1,696,791,756
Loans and advances to customers	(6,335,379,205)	(1,066,592,662)	(7,392,683,422)	(883,713,156)
Other assets	778,019,879	(1,884,023,197)	(546,366,114)	(265,480,559)
<b>Net (Increase)/Decrease in operating assets</b>	<b>(26,117,516,186)</b>	<b>(8,824,879,241)</b>	<b>(28,422,128,367)</b>	<b>(7,167,515,833)</b>
<b>Increase/(Decrease) in operating liabilities</b>				
Due to bank and financial institutions	(1,361,590,117)	(12,796,302)	(1,361,590,117)	(14,389,949)
Due to Nepal Rastra Bank	(546,947,000)	(18,805,449,891)	(546,947,000)	(18,805,449,891)
Deposit from customers	19,141,308,677	12,494,516,460	18,588,596,627	14,187,835,772
Borrowings	(143,605,464)	370,487,058	-	-
Other liabilities	349,609,517	1,777,194,025	2,698,231,078	(415,453,145)
<b>Net Increase/(Decrease) in operating liabilities</b>	<b>17,438,775,613</b>	<b>(4,176,048,650)</b>	<b>19,378,290,588</b>	<b>(5,047,457,213)</b>
<b>Net cash flow from operating activities before tax paid</b>	<b>(4,725,709,109)</b>	<b>(7,967,758,183)</b>	<b>(5,334,137,219)</b>	<b>(7,442,393,037)</b>
Income taxes paid	(1,948,097,195)	(1,134,285,128)	(1,900,276,162)	(1,103,398,948)
<b>Net cash flow from operating activities</b>	<b>(6,673,806,304)</b>	<b>(9,102,043,311)</b>	<b>(7,234,413,381)</b>	<b>(8,545,791,985)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	(5,203,694,546)	(2,967,876,650)	(4,582,501,950)	(3,567,876,650)
Receipts from sale of investment securities	-	14,804,775,045	-	14,840,552,569
Purchase of property and equipment	(384,823,453)	(470,413,919)	(384,823,453)	(470,413,919)
Receipt from the sale of property and equipment	(54,404,719)	33,741,200	22,446,198	24,545,858
Purchase of intangible assets	(100,219,683)	(195,084,119)	(97,516,723)	(195,084,118)
Receipt from the sale of intangible assets	-	-	-	-
Purchase of investment properties	-	-	-	-
Receipt from the sale of investment properties	1,299,807	7,000,000	1,299,807	7,000,000
Interest received	3,035,413,539	2,476,361,999	3,035,413,539	2,501,624,081
Dividend received	46,367,209	13,381,422	45,488,895	24,369,221
<b>Net cash used in investing activities</b>	<b>(2,660,061,846)</b>	<b>13,701,884,978</b>	<b>(1,960,193,687)</b>	<b>13,164,717,042</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
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	(5,082,777)	(1,787,773,383)	(3,400,214)	(1,789,540,771)
Interest paid	(1,022,885,218)	(553,561,278)	(1,066,907,949)	(567,901,194)
Other receipt/payment	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>(1,027,967,995)</b>	<b>158,665,339</b>	<b>(1,070,308,163)</b>	<b>142,558,035</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(10,361,836,145)</b>	<b>4,758,507,006</b>	<b>(10,264,915,231)</b>	<b>4,761,483,092</b>
Cash and cash equivalents at Sawan 1	19,024,236,475	14,268,967,884	18,392,307,693	13,634,063,017
Effect of exchange rate fluctuations on cash and cash equivalents held	(29,627,926)	(3,238,416)	(29,627,926)	(3,238,416)
<b>Cash and cash equivalents at Asar end</b>	<b>8,632,772,404</b>	<b>19,024,236,475</b>	<b>8,097,764,536</b>	<b>18,392,307,693</b>

## STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

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

(As per NRB Regulation)

Particulars	Bank	
	Asar 2081	Asar 2080
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>1,238,303,590</b>	<b>1,562,817,944</b>
<b>Appropriations:</b>		
a. General reserve	(247,660,718)	(312,563,589)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	(875,000,000)	(147,945,205)
d. Corporate social responsibility fund	657,499	17,689,581
e. Employees' training fund	(1,463,361)	(10,721,073)
f. Other	204,539,686	(118,144,980)
<b>Profit or (loss) before regulatory adjustment</b>	<b>319,376,696</b>	<b>991,132,678</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	(1,978,539,873)	(968,973,467)
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 (+)	(1,150,233,736)	(164,439,496)
e. Deferred tax assets recognised (-)/ reversal (+)	(1,249,382,337)	(1,162,510,760)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(228,263,130)	2,005,912
i. Other (+/-)	-	-
<b>Net Profit for the year available for Distribution</b>	<b>(4,287,042,379)</b>	<b>(1,302,785,133)</b>
<b>Opening Retained Earning As on Shrawan 1</b>	<b>(3,242,625,038)</b>	<b>2,590,435,667</b>
Adjustment (+/-)	88,140,996	-
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)
Cash Dividend Paid	-	(1,440,825,428)
<b>Total Distributable Profit or (Loss)</b>	<b>(7,441,526,420)</b>	<b>(3,242,625,038)</b>
<b>Annualized Distributable Profit/Loss per share</b>	<b>-</b>	<b>-</b>

Himalayan Bank Limited

## NOTES TO FINANCIAL STATEMENTS

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

### 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 174 branches, 21 extension counters and one overseas representative office. The shares of the Bank are listed in Nepal Stock Exchange Limited.

#### 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 15-JULY-2024	PRINCIPAL ACTIVITIES
Himalayan Capital Limited	Subsidiary	92.5%	Merchant Banker under license from Securities Board of Nepal
Himalayan Securities Limited	Subsidiary	100%	Full service brokerage company 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	Associate	3.77%	Microfinance Institution under class “D” license from Central Bank
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd	Associate	7.61%	Microfinance Institution under class “D” license from Central Bank
Chhimek Laghubitta Bittiya Sanstha Ltd	Associate	8.73%	Microfinance Institution under class “D” license from Central Bank
Swabalamban Laghubitta Bittiya Sanstha Ltd	Associate	10.27%	Microfinance Institution under class “D” license from Central Bank
Smart Choice Technologies Limited	Associate	6.16%	Digital Payment Service Provider

#### 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.

### 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, 2080 and ending on Asar 31, 2081 (17 July 2023 to 15 July 2024). The financial statements has been authorized for issuance in accordance with the resolution of the Board of Directors dated Poush 1, 2081 (16 December 2024).

### 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. The carve out issued by Institute of Chartered Accounts of Nepal has deferred the requirement of expected credit loss model of impairment till FY 2023/24 hence impairment has been calculated in incurred loss model.

**(e) Impairment of Goodwill**

Goodwill and intangible assets with infinite useful life such as license are not amortized but are assessed for impairment in each reporting period or as and when there is indication of impairment. The assessment of infinite life is reviewed each reporting period to determine whether the infinite life continues to be supportable.

**(f) 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.

**(g) 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.

**(i) 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

**(j) 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.

**(k) 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.

**(l) 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.

**(m) 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**

The accounting policies adopted are consistent with those of the previous financial year's, except for the adoption of new accounting policy on valuation of land as per "NAS 16: Plant property and Equipment". Land has been recognized under fair value from historical cost. The new accounting policy applied from 01 Shrawan, 2080 is stated in the relevant notes.

**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. 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
- Land

### 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

- (a) 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 valuing 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 0.3% to 100% of the outstanding

balance depending on insurance status and categorization of individual loans & advances.

For assessment of impairment under NFRS 39, 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) except Land 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) Revaluation Model**

Land is stated at fair value using revaluation model based on valuation made by certified valuers so as to provide a more accurate reflection of the value of the land on the financial statement. The revaluation of land has led to increase in carrying amount of land. This has been retrospectively adjusted in comparative financial statement and has resulted in revaluation surplus which has been recognized in other comprehensive income of comparative period and accounted under equity as revaluation surplus. The changes in fair value of land in the future will be recognised in other comprehensive income and accounted under equity on consistent manner.

The following table summarizes the adjustments made on financial Statement in regards to revaluation of Land:

Particulars	Opening Balance FY 2079/80	Revaluation Adjustment	Opening Restated FY 2079/80	Addition during the period	Closing Balance FY 2080/81
Carrying Amount of Land	1,319,833,717	2,681,547,816	4,001,381,533	23,990,695	4,025,372,227
Revaluation Reserve	-	1,877,083,471	1,877,083,471	-	1,877,083,471
Deferred Tax on Revaluation	-	804,464,345	804,464,345	-	804,464,345

**(d) 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.

**(e) 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.

**(f) 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.

### 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).

At the reporting date, the amount of goodwill recognized in financial statement had arisen during the acquisition of erstwhile Civil Bank Limited. Due to unavailability of reasonable basis, goodwill has not been tested for impairment and hence is being carried at value determined at the time of acquisition.

### 3.9 Investment Property

"Investment Property" is shown as a separate line item in the face of Statement of Financial Position as these assets are assets of the bank from the date of repossession and are intended to dispose off from the legal process

in due course of time. They are recognized at fair value in the books. However, non-banking assets shown under investment property and which are taken over at the lower of fair value (*PanchakritMulya*) or total amount due from the borrower as per guidelines issued by the Regulator is continued to be shown at the recorded value till the same is disposed.

### 3.10 Income Tax

#### (a) Current tax

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

#### (b) Deferred tax

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

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

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

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

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

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

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

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

### 3.11 Deposits, debt securities issued and subordinated liabilities

Financial instruments issued by the Bank and its subsidiary, that are not designated at fair value through profit or loss, are classified as liabilities under Deposits from Customers, Due to Bank and Financial Institutions, Borrowings, and other Liabilities where the substance of the contractual arrangement results in the Bank and its subsidiary having an

obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

### 3.12 Provisions

Provisions are 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.

**3. Other Reserves**

Other reserves recorded in equity on the Bank's 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.
- Revaluation reserve is a requirement in application of accounting policy for non-financial assets such as property, equipment, investment property and intangible assets that are measured following a revaluation model. Revaluation reserve often serves as cushion against unexpected losses but may not be fully available to absorb unexpected losses due to the subsequent deterioration in market values and tax consequences of revaluation.
- Capital reserve represents the amount of all capital nature reserves such as the amounts arising from share forfeiture, capital grants and capital reserve arising out of business combinations.

- Merger and Acquisition reserve represents the amount goodwill recognized during business combination.

### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Cash in Hand	3,934,135,396	3,712,658,099	3,677,011,157	3,712,332,453
Balance with B/FIs	3,281,312,940	3,044,943,977	3,050,231,287	2,491,358,047
Money at Call and Short Notice	46,801,976	3,022,812,454	-	2,958,565,962
Other Cash and Cash Equivalents	1,370,522,092	9,243,821,945	1,370,522,092	9,230,051,231
<b>Total</b>	<b>8,632,772,404</b>	<b>19,024,236,475</b>	<b>8,097,764,536</b>	<b>18,392,307,693</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Statutory balances with NRB	7,642,102,400	7,256,717,400	7,619,102,400	7,233,717,400
Securities purchased under resale agreement	-	2,801,001,220	-	2,801,001,220
Other deposit and receivable from NRB	28,067,844,165	10,201,243,491	28,067,844,165	10,201,243,491
<b>Total</b>	<b>35,709,946,565</b>	<b>20,258,962,112</b>	<b>35,686,946,565</b>	<b>20,235,962,112</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Placement with domestic B/FIs	11,753,010	117,000,000	-	-
Placement with foreign B/FIs	10,501,751,116	5,019,361,507	10,501,751,116	5,019,361,507
Less: Allowance for Impairment	-	-	-	-
<b>Total</b>	<b>10,513,504,126</b>	<b>5,136,361,507</b>	<b>10,501,751,116</b>	<b>5,019,361,507</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Held for trading</b>				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	8,929,000	21,022,670	8,929,000	21,022,670
Others	-	-	-	-
<b>Held for risk management</b>				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	17,312,227	8,814,078	17,312,227	8,814,078
Other	-	-	-	-
<b>Total</b>	<b>26,241,227</b>	<b>29,836,748</b>	<b>26,241,227</b>	<b>29,836,748</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Treasury bills	-	-	-	-
Government bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	69,783,925	26,583,543	-	-
Other	-	-	-	-
<b>Total</b>	<b>69,783,925</b>	<b>26,583,543</b>	-	-
Pledged	-	-	-	-
Non-pledged	69,783,925	26,583,543	-	-

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Loans to microfinance institutions	9,671,873,368	10,009,417,095	10,221,078,616	10,725,986,918
Other	527,324	527,324	527,324	527,324
Less: Allowances for impairment	(122,724,971)	(139,187,716)	(122,724,971)	(139,187,716)
<b>Total</b>	<b>9,549,675,721</b>	<b>9,870,756,703</b>	<b>10,098,880,969</b>	<b>10,587,326,526</b>
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)	9,639,144,890	9,962,792,893	10,183,664,586	10,666,711,288
Add: Accrued Interest	33,255,802	47,151,526	37,941,354	59,802,954
<b>Total Amortized Cost</b>	<b>9,672,400,692</b>	<b>10,009,944,419</b>	<b>10,221,605,940</b>	<b>10,726,514,242</b>

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

#### 4.6.1 Allowances for impairment

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Balance at Sawan 1	139,187,716	103,656,324	139,187,716	103,656,324
Opening From CBL	-	57,591,947	-	57,591,947
Impairment loss for the year:				
Charge for the year	(16,462,745)	(22,060,555)	(16,462,745)	(22,060,555)
Recoveries/reversal	-	-	-	-
Amount written off	-	-	-	-
<b>Balance at Asar end</b>	<b>122,724,971</b>	<b>139,187,716</b>	<b>122,724,971</b>	<b>139,187,716</b>

#### 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.

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Loan and advances measured at amortized cost	251,762,776,674	244,726,361,023	248,416,838,980	240,296,845,605
Less: Impairment allowances				
Collective impairment	(8,387,449,350)	(3,924,787,549)	(8,364,534,235)	(3,912,108,561)
Individual impairment	(9,863,810,013)	(9,019,724,023)	(9,812,561,910)	(8,982,569,909)
<b>Net amount</b>	<b>233,511,517,311</b>	<b>231,781,849,450</b>	<b>230,239,742,835</b>	<b>227,402,167,136</b>
Loan and advances measured at FVTPL	-	-	-	-
<b>Total</b>	<b>233,511,517,311</b>	<b>231,781,849,450</b>	<b>230,239,742,835</b>	<b>227,402,167,136</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Product</b>				
Term loans	-	-	-	-
Personal	2,609,240,337	7,583,891,685	2,609,240,337	7,583,891,685
Business	103,670,159,310	68,202,041,986	103,670,159,310	68,202,041,986
Working Capital	286,383,096	24,669,532,968	286,383,096	24,669,532,968
Overdraft	4,305,960,840	5,566,167,154	4,305,960,840	5,616,675,261
Trust receipt/Import loans	9,901,954,984	8,055,185,931	9,901,954,984	8,055,185,931
Cash Credit Loan	42,029,151,626	21,360,980,043	42,029,151,626	21,360,980,043
Demand and other working capital loans	35,957,692,317	59,960,965,176	35,957,692,317	59,960,965,176
Personal residential loans	5,252,003,816	5,991,107,917	5,252,003,816	5,991,107,917
Real estate loans	13,683,931,303	15,277,226,237	13,683,931,303	15,277,226,237
Margin lending loans	2,011,807,007	2,874,050,551	2,011,807,007	2,874,050,551
Hire purchase loans	7,009,034,363	7,723,085,308	7,009,034,363	7,723,085,308
Auto Loan	-	-	-	-
Deprived sector loans	2,282,953,112	2,799,516,521	2,282,953,112	2,799,516,521
Bills purchased	13,106,841	10,951,940	13,106,841	10,951,940
Staff loans	1,759,231,824	1,998,627,396	1,748,069,975	1,981,501,678
Other	11,204,705,645	6,427,274,927	7,911,977,324	1,964,377,120
<b>Sub total</b>	<b>241,977,316,421</b>	<b>238,500,605,740</b>	<b>238,673,426,251</b>	<b>234,071,090,322</b>
Interest receivable	9,785,460,253	6,225,755,283	9,743,412,729	6,225,755,283
<b>Grand total</b>	<b>251,762,776,674</b>	<b>244,726,361,023</b>	<b>248,416,838,980</b>	<b>240,296,845,605</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Nepalese rupee	246,010,633,560	242,291,869,045	242,664,695,866	237,862,353,626
Indian rupee	-	-	-	-
United State dollar	5,733,898,198	2,416,704,869	5,733,898,198	2,416,704,869
Great Britain pound	18,244,916	17,787,109	18,244,916	17,787,110
Euro	-	-	-	-
Japanese yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>251,762,776,674</b>	<b>244,726,361,023</b>	<b>248,416,838,980</b>	<b>240,296,845,605</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Secured</b>				
Movable/immovable assets	241,763,117,479	232,930,766,162	241,763,117,479	232,930,766,162
Gold and silver	-	-	-	-
Guarantee of domestic B/FIs	281,973,756	282,811,186	281,973,756	282,811,186
Government guarantee	-	-	-	-
Guarantee of international rated bank	72,369,958	87,510,734	72,369,958	87,510,734
Collateral of export document	-	-	-	-
Collateral of fixed deposit receipt	1,255,100,257	1,503,433,266	1,727,121,513	1,553,941,373
Collateral of Government securities	-	-	-	-
Counter guarantee	-	-	-	-
Personal guarantee	-	-	-	-
Other collateral	8,390,215,225	9,921,839,675	4,572,256,274	5,441,816,150
<b>Sub total</b>	<b>251,762,776,674</b>	<b>244,726,361,023</b>	<b>248,416,838,980</b>	<b>240,296,845,605</b>
Unsecured	-	-	-	-
<b>Grand total</b>	<b>251,762,776,674</b>	<b>244,726,361,023</b>	<b>248,416,838,980</b>	<b>240,296,845,605</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Specific allowances for impairment</b>				
<b>Balance at Sawan 1</b>	<b>9,019,724,023</b>	<b>1,359,820,476</b>	<b>8,982,569,909</b>	<b>1,359,820,476</b>
<b>Opening Adjustment From CBL</b>	-	<b>3,542,790,008</b>	-	<b>3,526,626,300</b>
Impairment loss for the year:				
Charge for the year	844,085,990	4,117,113,539	829,992,001	4,096,123,133
Recoveries/reversal during the year	-	-	-	-
Write-offs	-	-	-	-
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
<b>Balance at Asar end</b>	<b>9,863,810,013</b>	<b>9,019,724,023</b>	<b>9,812,561,910</b>	<b>8,982,569,909</b>
<b>Collective allowances for impairment</b>				
<b>Balance at Sawan 1</b>	<b>3,924,787,549</b>	<b>2,328,076,568</b>	<b>3,912,108,561</b>	<b>2,328,593,295</b>
<b>Opening Adjustment From CBL</b>	-	<b>821,173,691</b>	-	<b>788,646,240</b>
Impairment loss for the year:				
Charge/(reversal) for the year	4,462,661,801	775,537,290	4,452,425,675	794,869,026
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
<b>Balance at Asar end</b>	<b>8,387,449,350</b>	<b>3,924,787,549</b>	<b>8,364,534,235</b>	<b>3,912,108,561</b>
<b>Total allowances for impairment</b>	<b>18,251,259,364</b>	<b>12,944,511,573</b>	<b>18,177,096,145</b>	<b>12,894,678,470</b>

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

**Allowances for impairment based on NFRS 9 using Incurred Loss Model**

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Specific allowances for impairment</b>				
<b>Balance at Sawan 1</b>	<b>4,595,956,486</b>	<b>779,491,688</b>	<b>4,595,956,486</b>	<b>779,491,688</b>
<b>Opening Adjustment From CBL</b>	-	<b>1,053,263,951</b>	-	<b>1,053,263,951</b>
Impairment loss for the year:				
Charge for the year	1,307,058,106	2,763,200,847	1,307,058,106	2,763,200,847
Recoveries/reversal during the year	-	-	-	-
Write-offs	-	-	-	-
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
<b>Balance at Asar end</b>	<b>5,903,014,592</b>	<b>4,595,956,486</b>	<b>5,903,014,592</b>	<b>4,595,956,486</b>
<b>Collective allowances for impairment</b>				
<b>Balance at Sawan 1</b>	<b>2,962,551,902</b>	<b>239,802,427</b>	<b>2,962,551,902</b>	<b>239,802,427</b>
<b>Opening Adjustment From CBL</b>	-	<b>1,719,717,838</b>	-	<b>1,719,717,838</b>
Impairment loss for the year:				
Charge/(reversal) for the year	1,993,334,582	1,003,031,637	1,993,334,582	1,003,031,637
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
<b>Balance at Asar end</b>	<b>4,955,886,484</b>	<b>2,962,551,902</b>	<b>4,955,886,484</b>	<b>2,962,551,902</b>
<b>Total allowances for impairment</b>	<b>10,858,901,076</b>	<b>7,558,508,387</b>	<b>10,858,901,076</b>	<b>7,558,508,387</b>

**Disclosure on Impact of COVID-19**

As a measure to manage risk on portfolio due to COVID-19, the bank in line with instructions of the regulator has made additional 0.2% provision for possible losses on loans which are under pass category and otherwise would require only 1% provision. The bank has also extended relief to COVID-19 affected borrowers. Such relief include extension of loan tenure/moratorium period/ restructuring/ rescheduling, refinancing lower subsidized rate of interest and additional loan to meet working capital requirements. These reliefs have been extended in line with guidelines issued by the regulator. The relief so given is summarized as follows.

S.No.	Details	Asar 2081		Asar 2080	
		Number of Customer	Amount (Rs)	Number of Customer	Amount (Rs)
1	Additional 0.3% loan loss provision created on pass loan portfolio	N/A	-	N/A	587,808,429
2	Extension of moratorium period of loan provided to industry or project under construction	2	1,681,405,549	17	3,456,169,433
3	Restructured / Rescheduled Loan with 5% Loan Loss Provision	283	2,388,167,670	639	4,530,970,907
4	Enhancement of Working Capital by 20 % of COVID affected borrowers	-	-	13	147,170,000
5	Enhancement of Working Capital by 10 % of COVID affected borrowers	-	-	15	96,425,408
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
8	Expiry date of additional 10 % working capital loan ( covid loan ) extended upto 1 year with 5 % provisioning	-	-	8	34,871,200
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
10	Refinancing Loan	-	-	1404	2,719,635,956
11	Business Continuity Loan	1	9,500,000	3	19,800,000
12	Subsidized Loan	3005	3,548,342,450	1041	2,580,278,033

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Investment securities measured at amortized cost	42,209,933,554	37,275,760,902	41,652,347,498	37,178,098,924
Investment in equity measured at FVTOCI	579,025,565	467,710,866	490,911,380	417,898,575
<b>Total</b>	<b>42,788,959,119</b>	<b>37,743,471,768</b>	<b>42,143,258,878</b>	<b>37,595,997,499</b>

##### 4.8.1: Investment securities measured at amortized cost

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Debt securities	1,719,974,936	1,260,050,858	1,162,388,880	1,162,388,880
Government bonds	47,426,937	282,130,365	47,426,937	282,130,365
Government treasury bills	7,603,794,758	7,442,945,036	7,603,794,758	7,442,945,036
Nepal Rastra Bank bonds	32,838,736,923	28,290,634,643	32,838,736,923	28,290,634,643
Nepal Rastra Bank deposits instruments	-	-	-	-
Other	-	-	-	-
Less: specific allowances for impairment	-	-	-	-
<b>Total</b>	<b>42,209,933,554</b>	<b>37,275,760,902</b>	<b>41,652,347,498</b>	<b>37,178,098,924</b>

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

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Equity instruments				
Quoted equity securities	486,797,246	375,482,547	398,683,061	325,670,256
Unquoted equity securities	92,228,319	92,228,319	92,228,319	92,228,319
<b>Total</b>	<b>579,025,565</b>	<b>467,710,866</b>	<b>490,911,380</b>	<b>417,898,575</b>

### 4.8.3 Information relating to investment in equities

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

Investment in unquoted equities has been valued at their cost

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

	Group				Bank			
	Asar 2081		Asar 2080		Asar 2081		Asar 2080	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
<b>Investment in quoted equity</b>								
Citizen Super 30 Mutual Fund. 500,000 shares of Rs. 100 Paid Up	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Chilimepower Company Ltd 14,668 Ordinary Shares Per Share Rs. 100 Paid Up	10,248,268	6,820,620	21,285,514	13,538,258	10,248,268	6,820,620	21,285,514	13,538,258
Forward Microfinance Limited 1 Ordinary Shares Per Share Rs. 100 Paid Up	-	1,413	-	1,321	-	1,413	-	1,321
Grameen Bikas Laghubitta Bittiya Sanstha Ltd. 143,994 Promoter shares of Rs. 100 Paid Up	7,799,800	70,067,480	7,799,800	54,688,921	7,799,800	70,067,480	7,799,800	54,688,921
Global IME Balanced Fund I 15,00,000 Unit of Rs. 10 each	3,581,000	3,258,710	15,000,000	14,010,000	3,581,000	3,258,710	15,000,000	14,010,000
Himalayan 80-20 Mutual Fund 15,00,000 Unit of Rs. 10 each	150,000,000	149,850,000	-	-	150,000,000	149,850,000	-	-
Kumari Dhanabridhi Yojana 402,180 Units of Rs. 10 each	4,021,800	3,889,081	20,000,000	20,080,000	4,021,800	3,889,081	20,000,000	20,080,000
Kumari Equity Fund 860,750 Units Of Rs. 10 each	8,607,500	8,314,845	10,000,000	10,170,000	8,607,500	8,314,845	10,000,000	10,170,000
Laxmi Unnati Kosh 152,400 Units of Rs. 10 each	1,524,000	1,371,600	13,000,000	12,207,000	1,524,000	1,371,600	13,000,000	12,207,000
Mega Mutual Fund 1 436,340 Units Of Rs. 10 each	4,363,400	3,368,545	4,363,400	3,486,357	4,363,400	3,368,545	4,363,400	3,486,357
NIBL Growth Fund 300,200 Units of Rs. 10 each	3,002,000	3,194,128	20,000,000	21,280,000	3,002,000	3,194,128	20,000,000	21,280,000
NIBL samridhi Fund II 500,000 Units of Rs. 10 each	10,000,000	8,250,000	10,000,000	9,110,000	10,000,000	8,250,000	10,000,000	9,110,000
Nic Asia Flexi Capital Fund 500,000 Unit of Rs. 10 each	5,000,000	4,625,000	5,000,000	5,085,000	5,000,000	4,625,000	5,000,000	5,085,000
Nepal Insurance Company Limited 10,693 Ordinary Shares Per Share Rs. 100 Paid Up	9,951,042	9,409,840	9,951,042	7,913,820	9,951,042	9,409,840	9,951,042	7,913,820

Nic Asia Select 30 1,000,000 Units of Rs. 10 each	10,000,000	9,600,000	10,000,000	8,990,000	10,000,000	9,600,000	10,000,000	8,990,000
Nmb Saral Bachat 9,500 Units of Rs. 10 each	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
National Microfinance Laghubitta Bittiya Sanstha Ltd 62,658 Promoter Shares Per Share Rs. 100 Paid Up	4,000,000	52,971,073	4,000,000	47,772,025	4,000,000	52,971,073	4,000,000	47,772,025
Prabhu Smart Fund 500,000 Units of Rs. 10 each	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Prabhu Select Fund 1,000,000 Units of Rs. 10 each	10,000,000	9,790,000	10,000,000	8,850,000	10,000,000	9,790,000	10,000,000	8,850,000
Rbb Mutual Fund 1 1,000,000 Units of Rs. 10 each	10,000,000	8,160,000	10,000,000	8,080,000	10,000,000	8,160,000	10,000,000	8,080,000
Rbb Mutual Fund 2 500,000 Units of Rs. 10 each	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
RSDC 1 Shares Per Share Rs. 100 Paid Up	-	692	-	-	-	692	-	-
Sunrise Blue chip Fund 1,000,000 Units of Rs. 10 each	10,000,000	8,270,000	10,000,000	7,850,000	10,000,000	8,270,000	10,000,000	7,850,000
Sunrise Mutual Fund 5,00,000 Units of Rs. 10 each	5,000,000	4,120,000	5,000,000	4,840,000	5,000,000	4,120,000	5,000,000	4,840,000
Sanima GIC Insurance Limited 8,143 Shares Per Share Rs. 100 Paid Up	814,300	4,698,511	814,300	5,292,136	814,300	4,698,511	814,300	5,292,136
Sanima GIC Insurance Limited Promoter 21,857 Promoter Shares Per Share Rs. 100 Paid Up	2,185,700	7,566,893	2,185,700	8,522,919	2,185,700	7,566,893	2,185,700	8,522,919
Soaltee Hotel 1,765 Ordinary Shares Per Share Rs. 100 Paid Up	603,887	780,130	603,887	815,285	603,887	780,130	603,887	815,285
Siddhartha Investment Growth Scheme 2 3,00,000 Units of Rs. 10 each	3,000,000	2,847,000	3,000,000	2,709,000	3,000,000	2,847,000	3,000,000	2,709,000
Siddhartha Investment Growth Scheme 3 250,000 Units of Rs. 10 each	2,500,000	2,362,500	2,500,000	2,500,000	2,500,000	2,362,500	2,500,000	2,500,000
Siddhartha Equity Fund 967,748 Units of Rs. 10 each	-	-	9,677,480	9,125,864	-	-	9,677,480	9,125,864
NMB 50 Mutual Fund 500,000 Units of Rs. 10 each	-	-	5,000,000	5,250,000	-	-	5,000,000	5,250,000
NMB Sulav Investment Fund-2 10,00,000 Units of Rs. 10 each	-	-	10,000,000	9,990,000	-	-	10,000,000	9,990,000
Nabil Flexi Cap Fund 500,000 Units of Rs. 10 each	-	-	5,000,000	5,000,000	-	-	5,000,000	5,000,000

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
Bottlers Nepal ( Terai) Limited 50 Ordinary Shares Per Share Rs. 100 Paid Up	-	-	693,786	690,000	-	-	693,786	690,000
Sahas Urja Limited 1000 Ordinary Shares Per Share Rs. 100 Paid Up	-	-	536,440	483,900	-	-	536,440	483,900
CEDB Hydropower Development Co. Limited 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	126,191	-	-	166,700	126,191
Nepal Life Insurance Company Limited 156 Ordinary Shares Per Share Rs. 100 Paid Up	-	-	-	100,620	-	-	-	100,620
VISA Card International 5860 Common Stock of C Class	-	-	-	-	-	-	-	-
Mastercard Worldwide 7302 Common Stock of B Class	-	-	-	-	-	-	-	-
<b>Investment of Subsidiary</b>								
Total Investment in Mutual Fund	81,923,591	88,114,184	29,266,975	28,383,562	-	-	-	-
Total Investment in General Insurance	-	-	1,263,644	2,117,400	-	-	-	-
Total Investment in Life Insurance	-	-	2,290,700	2,331,693	-	-	-	-
Total Investment in Development Banks	-	-	3,945,929	4,976,334	-	-	-	-
Total Investment in Hydropower	-	-	4,959,402	4,337,581	-	-	-	-
Total Investment in Commercial Bank	-	-	1,784,140	2,474,999	-	-	-	-
Total Investment in Microfinance	-	-	7,109,798	3,991,904	-	-	-	-
Total Investment in Other Sector	-	-	1,068,236	1,198,818	-	-	-	-
<b>Total</b>	<b>373,221,288</b>	<b>486,797,246</b>	<b>294,896,458</b>	<b>375,482,547</b>	<b>291,297,697</b>	<b>398,683,061</b>	<b>243,207,634</b>	<b>325,670,256</b>

	Group				Bank			
	Asar 2081		Asar 2080		Asar 2081		Asar 2080	
	Cost	Fair Value						
<b>Investment in unquoted equity</b>								
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	1,548,300	1,548,300	1,548,300	1,548,300	1,548,300	1,548,300
Nepal Clearing House Limited								
512,065 shares of Rs. 100 each	7,630,300	7,630,300	7,630,300	7,630,300	7,630,300	7,630,300	7,630,300	7,630,300
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								
12,00,000 Promoter Shares of Rs 100 Paid Up	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
National Banking Institute Limited								
72,477 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
<b>Total</b>	<b>92,228,319</b>							

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Current tax assets</b>				
Current year income tax assets	15,734,038,082	13,878,144,090	15,692,845,511	13,827,815,223
Tax assets of prior periods	-	39,890,663	-	39,890,663
	<b>15,734,038,082</b>	<b>13,918,034,753</b>	<b>15,692,845,511</b>	<b>13,867,705,886</b>
<b>Current tax liabilities</b>				
Current year income tax liabilities	15,412,891,710	13,359,994,253	15,394,882,726	13,321,975,952
Tax liabilities of prior periods	5,344	-	-	-
	<b>15,412,897,053</b>	<b>13,359,994,253</b>	<b>15,394,882,726</b>	<b>13,321,975,952</b>
<b>Total</b>	<b>321,141,028</b>	<b>558,040,500</b>	<b>297,962,785</b>	<b>545,729,934</b>

#### 4.10 Investment in subsidiaries

An entity over which the bank holds controlling interest shall be recognized as subsidiary. The bank holds 92.5% shares in Himalayan Capital Limited after the acquisition of Civil Capital Market Limited by Himalayan Capital Limited whereas Himalayan Securities Limited is a wholly owned subsidiary of the bank. The bank holds 51% shares in Himalayan Laghubitta Bittiya Sansthan Limited.

Particulars	Bank	
	Asar 2081 Rs.	Asar 2080 Rs.
Investment in quoted subsidiaries	109,198,200	109,198,200
Investment in unquoted subsidiaries	950,865,000	950,865,000
<b>Total investment</b>	<b>1,060,063,200</b>	<b>1,060,063,200</b>
Less: Impairment allowances	-	-
<b>Net carrying amount</b>	<b>1,060,063,200</b>	<b>1,060,063,200</b>

##### 4.10.1: Investment in quoted subsidiaries

	Bank			
	Asar 2081		Asar 2080	
	Cost	Fair Value	Cost	Fair Value
Himalayan LaghuBitta Bittiya Sanstha Limited. 16,31,071 shares of Rs. 100 each	109,198,200	109,198,200	109,198,200	109,198,200
<b>Total</b>	<b>109,198,200</b>	<b>109,198,200</b>	<b>109,198,200</b>	<b>109,198,200</b>

##### 4.10.2: Investment in unquoted subsidiaries

	Bank			
	Asar 2081		Asar 2080	
	Cost	Fair Value	Cost	Fair Value
Himalayan Capital Ltd. 2,459,344 shares of Rs. 100 each	350,865,000	-	200,000,000	-
Himalayan securities 6,000,000 shares of Rs. 100 each	600,000,000		600,000,000	
Civil Capital Market Limited 1,481,875 Shares ( 535,500 Shares @130 each and 812,500 Shares @100 each) (Bonus Share 133,875)	-		150,865,000	
<b>Total</b>	<b>950,865,000</b>	<b>-</b>	<b>950,865,000</b>	<b>-</b>

##### 4.10.3: Information relating to subsidiaries of the Bank

Particulars	Bank	
	Percentage of ownership held by the Bank	
	Asar 2081	Asar 2080
Himalayan Capital Limited	92.5%	100%
Himalayan Securities Limited	100%	100%
Civil Capital Market Limited	-	69.74%
Himalayan Laghubitta Bittiya Sansthan Limited	51%	51%

#### 4.10.4: Non controlling interest of the subsidiaries

Particulars	Group			
	Asar 2081		Asar 2080	
	Himalayan Capital Limited	Himalayan Laghubitta Bittiya Sansthan Limited	Civil Capital Market Limited	Himalayan Laghubitta Bittiya Sansthan Limited
Equity interest held by NCI (%)	7.50%	49%	30.26%	49%
Profit/(loss) allocated during the year	4,266,784	(983,778)	(152,899.94)	6,440,796.36
Accumulated balances of NCI as on Asar end	37,559,420	223,428,751	76,719,909.73	234,492,646.09
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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Investment in quoted associates	1,726,655,850	1,590,903,811	85,109,197	85,109,197
Investment in unquoted associates	19,354,764	23,535,388	105,820,000	105,820,000
<b>Total investment</b>	<b>1,746,010,614</b>	<b>1,614,439,199</b>	<b>190,929,197</b>	<b>190,929,197</b>
Less: Impairment allowances	-	-	-	-
<b>Net carrying amount</b>	<b>1,746,010,614</b>	<b>1,614,439,199</b>	<b>190,929,197</b>	<b>190,929,197</b>

#### 4.11.1: Investment in quoted associates

Particulars	Group				Bank			
	Asar 2081		Asar 2080		Asar 2081		Asar 2080	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Sana Kisan Laghubitta Bittiya Sanstha Ltd. 1,434,758 Promoter shares of Rs. 100.each	48,000,000	312,451,171	48,000,000	324,204,810	48,000,000	-	48,000,000	-
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd. 1,988,965 Promoter shares of Rs.100.each	8,679,706	395,037,266	8,679,706	342,340,515	8,679,706	-	8,679,706	-
Chhimek Laghubitta Bittiya Sanstha Ltd. 2,599,224 Promoter shares of Rs. 100.each	17,761,127	647,598,404	17,761,127	589,825,236	17,761,127	-	17,761,127	-
Swabalamban Laghubitta Bittiya Sanstha Ltd. 1,488,860 Promoter shares of Rs. 100.each	10,668,364	371,569,009	10,668,364	334,533,250	10,668,364	-	10,668,364	-
<b>Total</b>	<b>85,109,197</b>	<b>1,726,655,850</b>	<b>85,109,197</b>	<b>1,590,903,811</b>	<b>85,109,197</b>	<b>-</b>	<b>85,109,197</b>	<b>-</b>

#### 4.11.2: Investment in unquoted associates

Particulars	Group				Bank			
	Asar 2081		Asar 2080		Asar 2081		Asar 2080	
	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	19,354,764	105,820,000	23,535,388	105,820,000	-	105,820,000	-
<b>Total</b>	<b>105,820,000</b>	<b>19,354,764</b>	<b>105,820,000</b>	<b>23,535,388</b>	<b>105,820,000</b>	<b>-</b>	<b>105,820,000</b>	<b>-</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
	Rs.	Rs.	Rs.	Rs.
Sana Kisan Laghubitta Bittiya Sanstha Ltd.	3.77%	3.77%	3.77%	3.77%
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%	10.27%	10.27%	10.27%
Smart Choice Technologies Limited	6.16%	6.16%	6.16%	6.16%

#### 4.11.4: Equity value of associates

Particulars	Group	
	Asar 2081 Rs.	Asar 2080 Rs.
Sana Kisan Laghubitta Bittiya Sanstha Ltd.	312,451,171	324,204,810
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	395,037,266	342,340,515
Chhimek Laghubitta Bittiya Sanstha Ltd.	647,598,404	589,825,236
Swabalamban Laghubitta Bittiya Sanstha Ltd.	371,569,009	334,533,250
Smart Choice Technologies Limited	19,354,764	23,535,388
<b>Total</b>	<b>1,746,010,614</b>	<b>1,614,439,199</b>

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

#### 4.12 Investment property

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

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Investment properties measured at fair value</b>				
Balance as on Sawan 1	589,164,236	239,095,713	589,164,236	239,095,713
Additional From CBL	-	89,053,451	-	89,053,451
Addition/disposal during the year	1,825,767,836	261,015,072	1,825,767,836	261,015,072
Net changes in fair value during the year	-	-	-	-
Adjustment/transfer	-	-	-	-
<b>Net amount</b>	<b>2,414,932,072</b>	<b>589,164,236</b>	<b>2,414,932,072</b>	<b>589,164,236</b>
<b>Investment properties measured at cost</b>				
Balance as on Sawan 1	-	-	-	-
Addition/disposal during the year	-	-	-	-
Adjustment/transfer	-	-	-	-
Accumulated depreciation	-	-	-	-
Accumulated impairment loss	-	-	-	-
<b>Net Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,414,932,072</b>	<b>589,164,236</b>	<b>2,414,932,072</b>	<b>589,164,236</b>

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, 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.

Cost	Group							Total	
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery		Equipment & Others
<b>Balance as on Asar end 2079</b>	<b>1,319,833,717</b>	<b>475,350,156</b>	<b>1,761,311,296</b>	<b>687,436,675</b>	<b>406,950,840</b>	<b>296,187,197</b>	<b>67,133,562</b>	<b>557,620,123</b>	<b>5,571,823,566</b>
<b>Addition From Former CBL</b>	-	-	396,234,521	166,323,622	120,120,531	174,222,027	47,924,815	300,471,617	1,205,297,135
Addition during the Year	-	-	24,453,508	156,407,941	112,364,900	8,429,677	1,416,130	59,824,166	364,633,254
Acquisition	-	1,736,932	154,132	-	-	-	-	-	154,132
Capitalization	-	-	(374,956)	(13,118,256)	(48,332,770)	(677,795)	(6,513,090)	(6,057,385)	(75,074,252)
Disposal during the year	-	-	840,735,567	-	-	-	-	-	3,522,283,383
Adjustment/Revaluation	2,681,547,816	-	-	-	-	-	-	-	-
<b>Balance as on Asar end 2080</b>	<b>4,001,381,533</b>	<b>477,087,088</b>	<b>3,022,514,068</b>	<b>997,049,982</b>	<b>591,103,501</b>	<b>478,161,106</b>	<b>109,961,417</b>	<b>911,858,521</b>	<b>10,589,117,218</b>
Addition during the Year	-	-	97,508,648	55,590,497	53,968,900	10,204,671	127,415	25,724,212	267,286,860
Acquisition	23,990,695	171,822	154,132	-	-	-	-	-	154,132
Capitalization	-	-	(88,854,725)	(17,513,260)	(39,749,663)	(15,016,435)	(4,633,392)	(32,657,114)	(198,424,589)
Disposal during the year	-	-	203,202,738	(265,156)	-	199,971	-	65,184	203,202,738
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
<b>Balance as on Asar end 2081</b>	<b>4,025,372,227</b>	<b>477,258,910</b>	<b>3,234,524,862</b>	<b>1,034,862,064</b>	<b>605,322,738</b>	<b>473,549,314</b>	<b>105,455,440</b>	<b>904,990,804</b>	<b>10,861,336,358</b>
<b>Depreciation and Impairment</b>									
<b>Balance as on Asar end 2079</b>	-	<b>200,618,645</b>	<b>439,593,901</b>	<b>502,737,095</b>	<b>174,947,284</b>	<b>177,859,930</b>	<b>43,589,551</b>	<b>347,512,235</b>	<b>1,886,858,642</b>
<b>Addition From Former CBL</b>	-	-	<b>200,145,140</b>	<b>114,055,369</b>	<b>56,527,579</b>	<b>93,417,643</b>	<b>30,781,339</b>	<b>146,981,329</b>	<b>641,908,399</b>
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	13,764,376	33,565,163	51,375,087	42,414,487	18,147,736	4,721,448	44,132,244	208,120,541
Disposals	-	-	(244,745)	(12,047,291)	(25,705,033)	(554,140)	(5,914,008)	(4,564,857)	(49,030,074)
Adjustment	-	-	209,518,818	-	-	-	-	-	209,518,818
<b>As on Asar end 2080</b>	-	<b>214,383,021</b>	<b>882,578,277</b>	<b>656,120,261</b>	<b>248,184,317</b>	<b>288,871,169</b>	<b>73,178,330</b>	<b>534,060,951</b>	<b>2,897,376,326</b>
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	13,139,030	402,401,671	70,014,206	52,527,021	22,702,141	5,408,557	58,190,264	624,382,890
Disposals	-	-	(50,738,895)	(16,318,011)	(26,543,928)	(10,399,449)	(3,682,780)	(25,183,025)	(132,866,089)
Adjustment	-	-	(340,930,595)	77,398	42,866	1,155	-	34,209	(340,774,968)
<b>As on Asar end 2081</b>	-	<b>227,522,051</b>	<b>893,310,457</b>	<b>709,893,853</b>	<b>274,210,277</b>	<b>301,175,016</b>	<b>74,904,107</b>	<b>567,102,399</b>	<b>3,048,118,159</b>
<b>Capital Work in Progress</b>									
<b>As on Asar end 2079</b>	-	<b>135,921,059</b>	<b>154,132</b>	-	-	-	-	-	<b>136,075,191</b>
<b>As on Asar end 2080</b>	-	<b>254,956,782</b>	<b>710,072</b>	-	-	-	-	-	<b>255,666,854</b>
<b>As on Asar end 2081</b>	-	<b>404,723,367</b>	<b>19,318,740</b>	-	-	<b>39,168,472</b>	-	<b>718,115</b>	<b>463,928,694</b>
<b>Net Book Value</b>									
<b>As on Asar end 2079</b>	<b>1,319,833,717</b>	<b>410,652,570</b>	<b>1,321,871,527</b>	<b>184,699,580</b>	<b>232,003,556</b>	<b>118,327,267</b>	<b>23,544,011</b>	<b>210,107,888</b>	<b>3,821,040,116</b>
<b>As on Asar end 2080</b>	<b>4,001,381,533</b>	<b>517,660,849</b>	<b>2,140,645,863</b>	<b>340,929,722</b>	<b>342,919,184</b>	<b>189,289,938</b>	<b>36,783,087</b>	<b>377,797,570</b>	<b>7,947,407,745</b>
<b>As on Asar end 2081</b>	<b>4,025,372,227</b>	<b>654,460,225</b>	<b>2,360,533,144</b>	<b>324,968,210</b>	<b>331,112,461</b>	<b>211,542,771</b>	<b>30,551,333</b>	<b>338,606,520</b>	<b>8,277,146,893</b>

**Bank**

Cost	Bank										Total
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others			
<b>Balance as on Asar end 2079</b>	<b>1,319,833,717</b>	<b>475,350,156</b>	<b>1,759,251,302</b>	<b>684,284,196</b>	<b>404,033,873</b>	<b>294,687,175</b>	<b>67,133,562</b>	<b>556,411,600</b>	<b>5,560,985,581</b>		
Addition during the Year	-	-	358,819,084	151,336,143	107,205,187	156,589,160	47,924,815	291,543,338	1,113,417,728		
Acquisition	-	1,736,932	12,695,233	155,209,183	112,364,900	7,800,291	1,416,130	59,445,456	350,668,125		
Capitalization	-	-	154,132	-	-	-	-	-	154,132		
Disposal during the year	-	-	(374,956)	(13,093,971)	(48,332,770)	(666,454)	(6,513,090)	(6,057,385)	(75,038,626)		
Adjustment/Revaluation	2,681,547,816	-	840,735,567	-	-	-	-	-	3,522,283,383		
<b>Balance as on Asar end 2080</b>	<b>4,001,381,533</b>	<b>477,087,088</b>	<b>2,971,280,363</b>	<b>977,735,551</b>	<b>575,271,190</b>	<b>458,410,171</b>	<b>109,961,417</b>	<b>901,343,009</b>	<b>10,472,470,322</b>		
Addition during the Year											
Acquisition	23,990,695	171,822	21,491,115	53,193,870	53,968,900	9,992,737	127,415	24,218,225	187,154,778		
Capitalization	-	-	154,132	-	-	-	-	-	154,132		
Disposal during the year	-	-	(71,155,098)	(17,513,260)	(39,749,663)	(13,846,991)	(4,633,392)	(32,655,616)	(179,554,020)		
Adjustment/Revaluation	-	-	199,661,133	-	-	-	-	-	199,661,133		
<b>Balance as on Asar end 2081</b>	<b>4,025,372,227</b>	<b>477,258,910</b>	<b>3,121,431,645</b>	<b>1,013,416,161</b>	<b>589,490,427</b>	<b>454,555,917</b>	<b>105,455,440</b>	<b>892,905,618</b>	<b>10,679,886,345</b>		
<b>Depreciation and Impairment</b>											
<b>Balance as on Asar end 2079</b>	-	<b>200,618,645</b>	<b>438,646,413</b>	<b>501,358,313</b>	<b>173,971,002</b>	<b>177,404,985</b>	<b>43,589,551</b>	<b>347,150,633</b>	<b>1,882,739,541</b>		
Addition From Former CBL	-	-	<b>180,522,045</b>	<b>104,136,748</b>	<b>48,031,836</b>	<b>80,908,681</b>	<b>30,781,339</b>	<b>140,889,346</b>	<b>585,269,995</b>		
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		
<b>As on Asar end 2080</b>	-	<b>214,383,020</b>	<b>649,035,347</b>	<b>644,124,197</b>	<b>238,259,599</b>	<b>275,276,337</b>	<b>73,178,329</b>	<b>527,288,303</b>	<b>2,831,063,952</b>		
Impairment for the year	-	-	-	-	-	-	-	-	-		
Depreciation charge for the Year	-	13,139,030	386,943,572	68,168,552	51,499,228	21,262,480	5,408,557	57,328,738	603,750,157		
Disposals	-	-	(43,566,910)	(16,338,428)	(26,619,037)	(9,377,533)	(3,682,780)	(25,186,702)	(124,771,390)		
Adjustment	-	-	(347,569,165)	-	-	-	-	-	(347,569,165)		
<b>As on Asar end 2081</b>	-	<b>227,522,050</b>	<b>992,412,009</b>	<b>695,954,321</b>	<b>263,139,791</b>	<b>287,161,284</b>	<b>74,904,106</b>	<b>559,430,339</b>	<b>2,962,473,555</b>		
<b>Capital Work in Progress</b>											
<b>As on Asar end 2079</b>	-	<b>135,921,059</b>	<b>154,132</b>	-	-	-	-	-	<b>136,075,191</b>		
<b>As on Asar end 2080</b>	-	<b>254,956,782</b>	<b>710,072</b>	-	-	-	-	-	<b>255,666,854</b>		
<b>As on Asar end 2081</b>	-	<b>404,723,367</b>	<b>8,571,443</b>	-	-	<b>39,168,472</b>	-	<b>718,115</b>	<b>453,181,397</b>		
<b>Net Book Value</b>											
<b>As on Asar end 2079</b>	<b>1,319,833,717</b>	<b>410,652,570</b>	<b>1,320,759,022</b>	<b>182,925,883</b>	<b>230,062,871</b>	<b>117,282,190</b>	<b>23,544,011</b>	<b>209,260,967</b>	<b>3,814,321,231</b>		
<b>As on Asar end 2080</b>	<b>4,001,381,533</b>	<b>517,660,849</b>	<b>2,322,955,088</b>	<b>333,611,354</b>	<b>337,011,591</b>	<b>183,133,835</b>	<b>36,783,088</b>	<b>374,054,706</b>	<b>7,897,073,224</b>		
<b>As on Asar end 2081</b>	<b>4,025,372,227</b>	<b>654,460,226</b>	<b>2,137,591,079</b>	<b>317,461,840</b>	<b>326,350,636</b>	<b>206,563,105</b>	<b>30,551,334</b>	<b>334,193,394</b>	<b>8,170,594,187</b>		

**Right of Use(ROU) Aseets recognised under NFRS 16**

Lease hold properties includes ROU asset of NPR 2,377,522,712. Accumulated depreciation of NPR 336,754,178 has been charged for such ROU assets.

#### 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	Group				Total Asar end
	Goodwill	Software		Other	
		Purchased	Developed		
<b>Cost:</b>					
<b>Balance as on Asar end 2079</b>	-	<b>893,774,141</b>	-	-	<b>893,774,141</b>
<b>Addition From Former Civil Bank Limited</b>	-	<b>128,739,271</b>	-	-	<b>128,739,271</b>
Addition during the Year					
Acquisition	651,764,809	195,099,118	-	-	846,863,927
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Asar end 2080</b>	<b>651,764,809</b>	<b>1,217,612,530</b>	-	-	<b>1,869,377,339</b>
Addition during the Year					
Acquisition	-	100,219,683	-	-	100,219,683
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Asar end 2081</b>	<b>651,764,809</b>	<b>1,317,832,213</b>	-	-	<b>1,969,597,022</b>
Amortization and Impairment					
<b>Balance as on Asar end 2079</b>	-	<b>693,975,772</b>	-	-	<b>693,975,772</b>
<b>Addition From Former Civil Bank Limited</b>	-	<b>106,101,415</b>	-	-	<b>106,101,415</b>
Amortization charge for the Year	-	72,833,204	-	-	72,833,204
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Asar end 2080</b>	-	<b>872,910,391</b>	-	-	<b>872,910,391</b>
Amortization charge for the Year	-	110,426,416	-	-	110,426,416
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Asar end 2081</b>	-	<b>983,336,807</b>	-	-	<b>983,336,807</b>
<b>Net book value:</b>					-
<b>Balance as on Asar end 2079</b>	-	<b>199,798,369</b>	-	-	<b>199,798,369</b>
<b>Balance as on Asar end 2080</b>	<b>651,764,809</b>	<b>344,702,139</b>	-	-	<b>996,466,948</b>
<b>Balance as on Asar end 2081</b>	<b>651,764,809</b>	<b>334,495,406</b>	-	-	<b>986,260,215</b>

## Bank

Particulars	Goodwill	Software		Other	Total Asar end
		Purchased	Developed		
<b>Cost:</b>					
<b>Balance as on Asar end 2079</b>	-	<b>892,574,534</b>	-	-	<b>892,574,534</b>
<b>Addition From Former Civil Bank Limited</b>	-	<b>126,617,021</b>	-	-	<b>126,617,021</b>
Addition during the Year					
Acquisition	651,764,809	195,084,118	-	-	846,848,927
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Asar end 2080</b>	<b>651,764,809</b>	<b>1,214,275,673</b>	-	-	<b>1,866,040,482</b>
Addition during the Year					
Acquisition	-	97,516,723	-	-	97,516,723
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Asar end 2081</b>	<b>651,764,809</b>	<b>1,311,792,396</b>	-	-	<b>1,963,557,205</b>
Amortization and Impairment					
<b>Balance as on Asar end 2079</b>	-	<b>693,465,376</b>	-	-	<b>693,465,376</b>
<b>Addition From Former Civil Bank Limited</b>	-	<b>104,851,185</b>	-	-	<b>104,851,185</b>
Amortization charge for the Year	-	72,375,408	-	-	72,375,408
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Asar end 2080</b>	-	<b>870,691,969</b>	-	-	<b>870,691,969</b>
Amortization charge for the Year	-	109,723,444	-	-	109,723,444
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Asar end 2081</b>	-	<b>980,415,413</b>	-	-	<b>980,415,413</b>
<b>Net book value:</b>					-
<b>Balance as on Asar end 2079</b>	-	<b>199,109,158</b>	-	-	<b>199,109,158</b>
<b>Balance as on Asar end 2080</b>	<b>651,764,809</b>	<b>343,583,704</b>	-	-	<b>995,348,513</b>
<b>Balance as on Asar end 2081</b>	<b>651,764,809</b>	<b>331,376,983</b>	-	-	<b>983,141,792</b>

#### 4.15 Deferred Tax

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

Particulars	Group Asar 2081			Bank Asar 2081		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
<b>Deferred tax on temporary differences on following items</b>						
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	-	(38,371,368)	(38,371,368)	-	(32,215,609)	(32,215,609)
Property & equipment	-	(873,520,577)	(873,520,577)	-	(862,773,718)	(862,773,718)
Employees' defined benefit plan	240,622,127	-	240,622,127	227,953,883	-	227,953,883
Lease liabilities	52,563,022	(12,122,745)	40,440,276	30,140,827	-	30,140,827
Provisions	-	(16,537)	(16,537)	-	-	-
Other temporary differences	2,473,230,071	(1,468,884)	2,471,761,187	2,436,999,175	-	2,436,999,175
<b>Deferred tax on temporary differences</b>	<b>2,766,415,220</b>	<b>(1,189,680,944)</b>	<b>1,576,734,276</b>	<b>2,695,093,885</b>	<b>(1,159,170,159)</b>	<b>1,535,923,726</b>
Deferred tax on carry forward of unused tax losses			134,295,281			134,295,281
Deferred tax due to changes in tax rate			-			-
<b>Net Deferred tax asset/(liabilities) as on year end of Asar</b>			<b>1,711,029,557</b>			<b>1,670,219,007</b>
Recognised in profit or loss			2,411,893,097			2,411,893,097
Recognised in other comprehensive income			(747,038,390)			(747,038,390)
Recognised directly in equity			-			-
Deferred tax (asset)/liabilities as on Sawan 1,			24,693,743			2,804,642
<b>Origination/(Reversal) during the year</b>			<b>1,686,335,814</b>			<b>1,667,414,365</b>
<b>Deferred tax expense/(income) recognized in profit or loss</b>			<b>(1,610,632,745)</b>			<b>(1,614,838,845)</b>
<b>Deferred tax expense/(income) recognized in other comprehensive income</b>			<b>(93,997,616)</b>			<b>(91,886,599)</b>
<b>Deferred tax expense/(income) recognized in directly in equity</b>			<b>39,311,079</b>			<b>39,311,079</b>

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)
<b>Deferred tax on temporary differences on following items</b>						
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	(866,263,032)	(852,255,370)	-	(857,314,091)	(857,314,091)
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
<b>Deferred tax on temporary differences</b>	<b>1,018,949,415</b>	<b>(350,945,664)</b>	<b>(136,460,594)</b>	<b>987,884,015</b>	<b>(341,769,366)</b>	<b>(158,349,695)</b>
Deferred tax on carry forward of unused tax losses			161,154,337			161,154,337
Deferred tax due to changes in tax rate			-			-
<b>Net Deferred tax asset/(liabilities) as on year end of Asar</b>			<b>24,693,743</b>			<b>2,804,642</b>
Recognised in profit or loss			862,082,365			802,418,551
Recognised in other comprehensive income			(837,388,623)			(838,924,988)
Recognised directly in equity			-			<b>39,311,079</b>
Deferred tax (asset)/liabilities as on Sawan 1			(91,321,130)			(90,523,852)
<b>Opening From Civil Bank Limited</b>			<b>(135,759,563)</b>			<b>(156,435,278)</b>
<b>Origination/(Reversal) during the year</b>			<b>251,774,435</b>			<b>210,452,693</b>
<b>Deferred tax expense/(income) recognized in profit or loss</b>			<b>(1,028,189,819)</b>			<b>(1,025,213,269)</b>
<b>Deferred tax expense/(income) recognized in other comprehensive income</b>			<b>810,649,762</b>			<b>810,505,939</b>
<b>Deferred tax expense/(income) recognized in directly in equity</b>			<b>9,703,642</b>			<b>9,703,642</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Assets held for sale	-	-	-	-
Other non banking assets	-	-	-	-
Bills receivable	-	4,403,658	-	-
Accounts receivable	1,058,894,359	2,543,470,094	718,142,715	893,136,168
Accrued income	-	2,194,896	-	-
Prepayments and deposit	694,360,160	462,028,163	690,579,910	460,876,705
Income tax deposit	199,561,357	133,206,204	199,561,357	124,401,357
Deferred employee expenditure	2,278,308,628	2,148,793,187	2,274,405,793	2,146,856,784
Other	269,410,548	105,316,888	270,695,920	100,640,297
<b>Total</b>	<b>4,500,535,052</b>	<b>5,399,413,090</b>	<b>4,153,385,695</b>	<b>3,725,911,311</b>

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. 275,930,878 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 intitution 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 2081	Asar 2080	Asar 2081	Asar 2080
Money market deposits	-	-	-	-
Interbank borrowing	-	1,971,750,000	-	1,971,750,000
Other deposits from BFIs	3,182,861,023	1,869,696,511	3,182,861,023	1,869,696,511
Settlement and clearing accounts	642,918,930	1,345,923,559	642,918,930	1,345,923,559
<b>Total</b>	<b>3,825,779,953</b>	<b>5,187,370,070</b>	<b>3,825,779,953</b>	<b>5,187,370,070</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
Refinance from NRB	-	546,947,000	-	546,947,000
Standing Liquidity Facility	-	-	-	-
Lender of last resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other payable to NRB	-	-	-	-
<b>Total</b>	-	<b>546,947,000</b>	-	<b>546,947,000</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
<b><i>Held for trading</i></b>				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	-	8,575,217	-	8,575,217
Others	-	-	-	-
<b><i>Held for risk management</i></b>				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	13,851,829	214,852	13,851,829	214,852
Other	-	-	-	-
<b>Total</b>	<b>13,851,829</b>	<b>8,790,069</b>	<b>13,851,829</b>	<b>8,790,069</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
<b>Institutional customers:</b>				
Term deposits	97,270,388,739	93,859,991,386	98,587,840,825	94,642,991,386
Call deposits	13,770,509,858	11,887,056,576	13,770,509,858	13,063,967,335
Current deposits	1,703,935,216	3,739,966,024	1,703,935,216	3,739,966,024
Other	2,481,818,242	2,125,423,984	2,481,818,242	2,125,423,984
<b>Individual customers:</b>				
Term deposits	84,497,628,405	86,820,445,941	84,497,628,405	86,820,445,941
Saving deposits	76,066,292,507	56,886,383,754	75,162,012,992	55,892,357,616
Current deposits	12,676,524,843	13,090,069,112	12,676,524,843	13,090,069,112
Other	5,019,319,928	5,935,772,284	5,019,319,928	5,935,772,284
<b>Total</b>	<b>293,486,417,738</b>	<b>274,345,109,061</b>	<b>293,899,590,309</b>	<b>275,310,993,682</b>

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Nepalese rupee	275,151,464,473	258,106,263,860	275,564,637,044	259,072,148,481
Indian rupee	169,175,654	202,563,420	169,175,654	202,563,420
United State dollar	17,798,952,413	15,595,835,190	17,798,952,413	15,595,835,190
Great Britain pound	119,822,060	183,470,223	119,822,060	183,470,223
Euro	181,259,324	151,374,500	181,259,324	151,374,500
Japanese yen	59,363,420	92,483,097	59,363,420	92,483,097
Chinese yuan	444,954	5,226,062	444,954	5,226,062
Other	5,935,440	7,892,709	5,935,440	7,892,709
<b>Total</b>	<b>293,486,417,738</b>	<b>274,345,109,061</b>	<b>293,899,590,309</b>	<b>275,310,993,682</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
<b>Domestic Borrowing</b>				
Nepal Government	-	-	-	-
Other Institutions	-	-	-	-
Other	2,310,265,550	2,453,871,014	-	-
<b>Sub total</b>	<b>2,310,265,550</b>	<b>2,453,871,014</b>	-	-
<b>Foreign Borrowing</b>				
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
<b>Sub total</b>	-	-	-	-
<b>Total</b>	<b>2,310,265,550</b>	<b>2,453,871,014</b>	-	-

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
Provisions for redundancy	-	-	-	-
Provision for restructuring	-	-	-	-
Pending legal issues and tax litigation	-	-	-	-
Onerous contracts	-	-	-	-
Other Provisions	-	-	-	-
<b>Total</b>	-	-	-	-

#### 4.22.1: Movement in provision

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
<b>Balance at Sawan 1</b>	-	-	-	-
Provisions made during the year	-	-	-	-
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
Unwind of discount	-	-	-	-
<b>Balance at Asar end</b>	-	-	-	-

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

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 2081	Asar 2080	Asar 2081	Asar 2080
Liability for employees defined benefit obligations	504,158,074	108,384,208	479,491,674	76,357,956
Liability for long-service leave	502,392,460	380,203,574	461,041,062	352,119,872
Short-term employee benefits	17,599,321	12,397,182	-	-
Bills payable	9,113,848	51,839,234	9,113,848	51,839,234
Creditors and accruals	154,375,249	64,101,133	46,701,659	47,351,630
Interest Payable on deposits	2,670,991,051	2,038,319,188	2,619,860,251	1,984,707,909
Interest payable on borrowing	6,620,293	84,090,703	-	69,750,787
Liabilities on deferred grant income	156,947	-	-	-
Unpaid Dividend	105,416	5,188,193	20,591	3,420,805
Liabilities under Finance Lease	2,141,237,957	1,956,187,245	2,141,237,957	1,956,187,245
Employee bonus payable	206,366,666	232,986,399	196,834,228	224,406,729
Other liabilities	7,778,610,998	7,687,307,944	7,035,066,540	4,561,496,946
<b>Total</b>	<b>13,991,728,280</b>	<b>12,621,005,003</b>	<b>12,989,367,810</b>	<b>9,327,639,113</b>

Others include a sum of Rs. 6,165,663,530 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 2081	Asar 2080	Asar 2081	Asar 2080
Present value of unfunded obligations	-	-	-	-
Present value of funded obligations	1,143,964,476	734,016,327	1,119,298,076	701,990,075
<b>Total present value of obligations</b>	<b>1,143,964,476</b>	<b>734,016,327</b>	<b>1,119,298,076</b>	<b>701,990,075</b>
Fair value of plan assets	639,806,402	625,632,119	639,806,402	625,632,119
<b>Present value of net obligations</b>	<b>504,158,074</b>	<b>108,384,208</b>	<b>479,491,674</b>	<b>76,357,956</b>
<b>Recognised Liability for defined benefit obligation</b>	<b>504,158,074</b>	<b>108,384,208</b>	<b>479,491,674</b>	<b>76,357,956</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	639,806,402	625,632,119	639,806,402	625,632,119
Other	-	-	-	-
<b>Total</b>	<b>639,806,402</b>	<b>625,632,119</b>	<b>639,806,402</b>	<b>625,632,119</b>
<b>Actual Return on Plan Assets</b>	-	-	-	-

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Defined benefit obligations at Sawan 1	701,990,076	695,738,948	701,990,076	695,738,948
Actuarial losses/(gains)	326,090,185	(30,150,564)	326,090,185	(30,150,564)
Benefits paid by the plan	(62,183,673)	(70,106,828)	(62,183,673)	(70,106,828)
Current service costs and interest	178,067,889	138,534,772	153,401,489	106,508,520
<b>Defined benefit obligation at Asar end</b>	<b>1,143,964,477</b>	<b>734,016,328</b>	<b>1,119,298,077</b>	<b>701,990,076</b>

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Fair value of plan assets at Sawan 1	625,632,119	608,445,420	625,632,119	608,445,420
Contributions paid into the plan	76,357,956	87,293,527	76,357,956	87,293,527
Benefits paid during the year	(62,183,673)	(70,106,828)	(62,183,673)	(70,106,828)
Actuarial (losses) / gains	-	-	-	-
Expected return on plan assets	-	-	-	-
<b>Fair value of plan assets at Asar end</b>	<b>639,806,402</b>	<b>625,632,119</b>	<b>639,806,402</b>	<b>625,632,119</b>

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Current service costs	112,411,607	47,406,708	87,745,207	47,406,708
Interest on obligation	65,656,282	59,101,812	65,656,282	59,101,812
Expected return on plan assets	-	-	-	-
<b>Total</b>	<b>178,067,889</b>	<b>106,508,520</b>	<b>153,401,489</b>	<b>106,508,520</b>

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

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Actuarial (gain)/loss on DBO	326,240,680	(30,150,564)	326,090,185	(30,150,564)
Actuarial (gain)/loss on Plan Assets	-	-	-	-
<b>Total</b>	<b>326,240,680</b>	<b>(30,150,564)</b>	<b>326,090,185</b>	<b>(30,150,564)</b>

**4.23.7: Actuarial assumptions**

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Discount rate	8.00%	10.00%	8.00%	10.00%
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 2081	Asar 2080	Asar 2081	Asar 2080
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	8,384,143,498	8,380,790,258	8,384,143,498	8,380,790,258
<b>Total</b>	<b>8,384,143,498</b>	<b>8,380,790,258</b>	<b>8,384,143,498</b>	<b>8,380,790,258</b>

#### 4.25 Subordinated Liabilities

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Redeemable preference shares	-	-	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 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.

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Ordinary shares	21,656,615,632	21,656,615,632	21,656,615,632	21,656,615,632
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
<b>Total</b>	<b>21,656,615,632</b>	<b>21,656,615,632</b>	<b>21,656,615,632</b>	<b>21,656,615,632</b>

##### 4.26.1: Ordinary shares

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
<b>Authorized Capital</b>				
a. 260,000,000 Ordinary Shares of Rs 100 each.			26,000,000,000	26,000,000,000
<b>Issued capital</b>				
216,566,156 Ordinary share of Rs. 100 each			21,656,615,632	21,656,615,632
<b>Subscribed and paid up capital</b>				
216,566,156 Ordinary share of Rs. 100 each			21,656,615,632	21,656,615,632
<b>Total</b>			<b>21,656,615,632</b>	<b>21,656,615,632</b>

#### 4.26.2: Ordinary share ownership

Particulars	Group				Bank			
	Asar 2081		Asar 2080		Asar 2081		Asar 2080	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Domestic ownership</b>								
Nepal Government								
"A" class licensed institutions					-	-	-	-
Other licensed intitutions					-	-	-	-
Other Institutions					47.80%	10,352,488,480	48.30%	10,460,145,836
Public					38.78%	8,398,553,095	38.28%	8,290,895,057
Other					0.10%	21,611,983	0.10%	21,612,666
<b>Foreign ownership</b>					13.32%	2,883,962,074	13.32%	2,883,962,073
<b>Total</b>					<b>100%</b>	<b>21,656,615,632</b>	<b>100%</b>	<b>21,656,615,632</b>

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

#### List of Shareholders holding more than 0.5% share.

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	1.50	0.48	1.98
Sashikanta Agrawal	1.71	-	1.71
Ichchha Raj Tamang	1.16	0.20	1.36
National Life Insurance Company Limited	0.88	0.37	1.25
Asian Investment And Trading Company Pvt Ltd.	0.76	0.01	0.77
Rita Malla	0.73	-	0.73
Prabha Goenka Bhimsaria	0.67	-	0.67
Ambika Shah	-	0.61	0.61
Vijaya Inernational Pvt.Ltd	0.52	0.02	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 erst while 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 2081	Asar 2080	Asar 2081	Asar 2080
Statutory general reserve	7,193,578,145	6,945,917,427	7,189,450,973	6,941,790,255
Exchange equalisation reserve	67,463,254	67,463,254	67,463,254	67,463,254
Corporate social responsibility reserve	36,931,724	37,589,223	36,861,700	37,519,199
Capital redemption reserve	-	-	-	-
Regulatory reserve	9,434,988,424	4,828,569,349	9,434,988,424	4,828,569,348
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	1,879,244,236	1,879,244,236
Assets revaluation reserve	1,877,083,471	-	1,877,083,471	-
Fair value reserve	80,642,110	58,485,475	75,169,754	57,723,834
Dividend equalization reserve	-	-	-	-
Actuarial gain	(203,535,177)	24,512,960	(209,163,647)	19,099,483
Special reserve	-	-	-	-
Other Reserve	2,055,678,429	1,383,754,754	2,055,678,429	1,383,754,753
<b>Total</b>	<b>22,423,289,475</b>	<b>15,226,751,537</b>	<b>22,407,991,453</b>	<b>15,216,379,221</b>

**Note:**

Other reserve includes:	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Bond Redemption Reserve	1,250,000,000	375,000,000	1,250,000,000	375,000,000
Merger and Acquisition Reserve	651,764,809	651,764,809	651,764,809	651,764,809
Capital Adjustment Fund	35,536,834	240,076,520	35,536,834	240,076,520
Employee Training and Development Fund	118,376,786	116,913,425	118,376,786	116,913,424
<b>Total Other Reserve</b>	<b>2,055,678,429</b>	<b>1,383,754,754</b>	<b>2,055,678,429</b>	<b>1,383,754,753</b>

**Movement in Regulatory Reserve**

Particulars	Interest Receivable	Provision on NBA	Actuarial Loss Recognized	Deferred Tax Assets Reserve	Total
2074/75	681,321,143	2,299,307	39,977,401	(39,977,401)	683,620,450
Movement of FY 2075/76	9,017,808	106,835,406	4,932,297	(4,932,297)	115,853,214
<b>As of Asar end 2075/76</b>	<b>690,338,951</b>	<b>109,134,713</b>	<b>44,909,698</b>	<b>(44,909,698)</b>	<b>799,473,664</b>
Movement of 2076/77	13,288,646	130,140,681	(19,416,439)	-	143,429,327
Restatement	-	-	(7,647,978)	-	-
<b>As of Asar end 2076/77</b>	<b>703,627,597</b>	<b>239,275,394</b>	<b>17,845,281</b>	-	<b>942,902,991</b>
Movement of 2077/78	(237,454,418)	-	(5,509,144)	-	(237,454,418)
<b>As of Asar end 2077/78</b>	<b>466,173,179</b>	<b>239,275,394</b>	<b>12,336,137</b>	-	<b>705,448,573</b>
Movement of 2078/79	318,543,061	(88,645,095)	(10,330,225)	-	229,897,966
<b>As of Asar end 2078/79</b>	<b>784,716,239</b>	<b>150,630,299</b>	<b>2,005,912</b>	-	<b>937,352,450</b>
<b>Additional from CBL</b>	<b>1,541,195,413</b>	<b>56,103,674</b>	-	-	<b>1,597,299,087</b>
Movement of 2079/80	968,973,467	164,439,496	(2,005,912)	1,162,510,760	2,293,917,811
<b>As of Asar end 2079/80</b>	<b>3,294,885,119</b>	<b>371,173,469</b>	-	<b>1,162,510,760</b>	<b>4,828,569,348</b>
Movement of 2080/81	1,978,539,872	1,150,233,736	228,263,130	1,249,382,337	4,606,419,075
<b>As of Asar end 2080/81</b>	<b>5,273,424,991</b>	<b>1,521,407,205</b>	<b>228,263,130</b>	<b>2,411,893,097</b>	<b>9,434,988,424</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
Contingent liabilities	37,864,842,386	48,607,097,728	37,864,842,386	48,607,097,728
Undrawn and undisbursed facilities	11,820,467,673	4,379,559,949	11,820,467,673	4,379,559,949
Capital commitment	211,025,817	378,184,105	211,025,817	378,184,105
Lease Commitment	-	-	-	-
Litigation	1,502,757,420	1,187,862,584	1,502,757,420	1,187,862,584
<b>Total</b>	<b>51,399,093,296</b>	<b>54,552,704,365</b>	<b>51,399,093,296</b>	<b>54,552,704,365</b>

##### 4.28.1: Contingent liabilities

Following balances have been shown under contingent liabilities.

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Acceptance and documentary credit	18,506,150,744	20,675,630,810	18,506,150,744	20,675,630,810
Bills for collection	558,407,029	550,575,726	558,407,029	550,575,726
Forward exchange contracts	5,364,904,445	3,859,044,943	5,364,904,445	3,859,044,943
Guarantees	12,254,678,671	12,629,513,889	12,254,678,671	12,629,513,889
Underwriting commitment	-	-	-	-
Other commitments	1,180,701,497	10,892,332,359	1,180,701,497	10,892,332,359
<b>Total</b>	<b>37,864,842,386</b>	<b>48,607,097,728</b>	<b>37,864,842,386</b>	<b>48,607,097,728</b>

##### 4.28.2: Undrawn and undisbursed facilities

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
Undisbursed amount of loans	5,141,769,196	-	5,141,769,196	-
Undrawn limits of overdrafts	6,678,698,477	4,379,559,949	6,678,698,477	4,379,559,949
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	-	-	-	-
Undrawn limits of guarantee	-	-	-	-
<b>Total</b>	<b>11,820,467,673</b>	<b>4,379,559,949</b>	<b>11,820,467,673</b>	<b>4,379,559,949</b>

##### 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 2081	Asar 2080	Asar 2081	Asar 2080
<b>Capital commitments in relation to Property and Equipment</b>				
Approved and contracted for	211,025,817	378,184,105	211,025,817	378,184,105
Approved but not contracted for	-	-	-	-
<b>Sub Total</b>	<b>211,025,817</b>	<b>378,184,105</b>	<b>211,025,817</b>	<b>378,184,105</b>
<b>Capital commitments in relation to Intangible assets</b>				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>211,025,817</b>	<b>378,184,105</b>	<b>211,025,817</b>	<b>378,184,105</b>

#### 4.28.4: Lease commitments

Particulars	Group		Bank	
	Asar 2081	Asar 2080	Asar 2081	Asar 2080
<b>Operating lease commitments</b>				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee				
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Finance lease commitments</b>				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee				
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Sub total</b>	-	-	-	-
<b>Grand total</b>	-	-	-	-

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Claims on Institutions but not accepted by bank				
- Unpaid guarantee claims	253,470,339	319,586,923	253,470,339	319,586,923
Contingent liabilities on income tax				
- Assessment pending with tax settlement commission	1,249,287,081	868,275,660	1,249,287,081	868,275,660
<b>Total</b>	<b>1,502,757,420</b>	<b>1,187,862,584</b>	<b>1,502,757,420</b>	<b>1,187,862,584</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalent	531,604,199	341,202,260	530,469,938	226,380,052
Due from Nepal Rastra Bank	93,751,485	1,294,124	93,751,485	1,294,124
Placement with bank and financial institutions	587,278,517	113,182,670	587,278,517	227,082,266
Loan and advances to bank and financial institutions	830,899,129	1,237,034,805	910,245,770	1,237,034,805
Loans and advances to customers	31,318,704,743	25,545,143,174	30,706,667,832	25,286,193,578
Investment securities	2,405,852,704	1,999,205,901	2,405,852,704	1,999,205,901
Loan and advances to staff	343,273,684	118,373,906	342,366,020	117,526,096
Other Interest Income	26,555,562	21,510,740	-	-
<b>Total Interest Income</b>	<b>36,137,920,022</b>	<b>29,376,947,580</b>	<b>35,576,632,266</b>	<b>29,094,716,822</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
	Rs.	Rs.	Rs.	Rs.
Due to bank and financial institutions	95,426,152	160,799,563	174,772,793	160,799,563
Due to Nepal Rastra Bank	301,370	540,973,031	301,370	540,973,031
Deposits from customers	22,788,795,073	17,769,965,333	22,806,322,316	17,809,933,614
Borrowing	320,628,865	147,545,108	-	-
Debt securities issued	830,263,640	590,381,416	830,263,640	590,381,416
Subordinated liabilities	-	-	-	-
Other	-	-	-	-
Finance Cost Under Lease Liability	147,277,255	71,847,029	147,277,255	71,847,029
<b>Total Interest Expense</b>	<b>24,182,692,355</b>	<b>19,281,511,480</b>	<b>23,958,937,374</b>	<b>19,173,934,653</b>

#### 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 2081	Asar 2080	Asar 2081	Asar 2080
	Rs.	Rs.	Rs.	Rs.
Loan administration fees	231,071,516	185,343,733	231,071,516	185,343,733
Service fees	35,277,305	10,083,287	-	-
Consortium fees	57,048,728	46,729,332	57,048,728	46,729,332
Commitment fees	-	-	-	-
DD/TT/Swift fees	32,399,999	31,801,599	32,399,999	31,801,599
Credit card/ATM issuance and renewal fees	244,830,003	233,764,015	244,830,003	233,764,015
Prepayment and swap fees	-	-	-	-
Investment banking fees	41,934,832	17,321,737	-	-
Asset management fees	5,210,110	4,429,725	-	-
Brokerage fees	-	-	-	-
Remittance fees	48,324,365	37,483,128	48,324,365	37,483,128
Commission on letter of credit	126,933,912	132,021,459	126,933,912	132,021,459
Commission on guarantee contracts issued	196,806,242	172,287,639	196,806,242	172,287,639
Commission on share underwriting/issue	8,338,749	1,406,999	-	-
Locker rental	40,461,787	35,274,320	40,461,787	35,274,320
Other fees and commission income	238,677,478	247,876,895	223,335,214	232,178,232
<b>Total Fees &amp; Commission Income</b>	<b>1,307,315,026</b>	<b>1,155,823,868</b>	<b>1,201,211,766</b>	<b>1,106,883,457</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
ATM management fees	-	-	-	-
VISA/Master card fees	97,045,346	83,713,474	97,045,346	83,713,474
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees	16,959,990	12,597,846	16,959,990	12,597,846
Remittance fees and commission	-	-	-	-
Other fees and commission expense	51,102,488	54,402,601	48,635,888	43,483,525
<b>Total Fees &amp; Commission Expense</b>	<b>165,107,824</b>	<b>150,713,921</b>	<b>162,641,224</b>	<b>139,794,845</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Changes in fair value of trading assets	19,224,884	144,103	-	-
Gain/loss on disposal of trading assets	-	-	-	-
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	-	-	-	-
Gain/loss on foreign exchange transaction	421,847,554	382,599,088	421,847,554	382,599,088
Other	-	-	-	-
<b>Net Trading Income</b>	<b>441,072,438</b>	<b>382,743,191</b>	<b>421,847,554</b>	<b>382,599,088</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Foreign exchange revaluation gain	(29,627,926)	(3,238,416)	(29,627,926)	(3,238,416)
Gain/loss on sale of investment securities	(16,097,936)	125,708,088	(17,880,995)	180,597,649
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	46,367,209	13,381,422	45,488,895	24,369,221
Gain/loss on sale of property and equipment	(32,357,313)	(1,462,698)	(32,357,313)	(1,462,698)
Gain/loss on sale of investment property	767,807	(16,500,000)	767,807	(16,500,000)
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	-	-	-	-
Other Operating Income	99,696,066	122,216,236	97,525,424	124,507,426
<b>Total</b>	<b>68,747,907</b>	<b>240,104,632</b>	<b>63,915,892</b>	<b>308,273,182</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Impairment charge/(reversal) on loan and advances to B/FIs	7,867,370	(20,401,882)	(16,462,745)	(22,060,555)
Impairment charge/(reversal) on loan and advances to customer	5,282,417,675	4,904,169,487	5,282,417,675	4,890,992,159
Impairment charge/(reversal) on financial Investment	-	-	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-	-	-
Impairment charge/(reversal) on property and equipment	-	-	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-	-	-
Impairment charge/(reversal) on investment properties	-	-	-	-
<b>Total</b>	<b>5,290,285,045</b>	<b>4,883,767,605</b>	<b>5,265,954,930</b>	<b>4,868,931,604</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Salary	1,215,263,468	699,429,412	1,111,857,131	660,839,664
Allowances	1,036,778,785	871,117,488	976,468,510	836,140,554
Gratuity Expense	161,237,298	114,876,374	153,401,489	106,508,520
Provident fund	102,536,447	59,230,379	94,610,046	55,367,342
Uniform	17,273,061	9,136,959	14,493,061	8,211,959
Training & development expense	47,731,753	22,765,138	43,446,046	20,853,071
Leave encashment	177,990,014	70,737,070	168,514,271	65,664,897
Medical	-	-	-	-
Insurance	34,737,636	31,464,172	33,806,885	31,134,757
Employees incentive	28,203,730	22,620,695	28,203,730	22,620,695
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	158,346,922	3,225,669	158,346,922	3,175,418
Other expenses related to staff	32,237,702	30,613,544	30,714,997	30,514,594
<b>Subtotal</b>	<b>3,012,336,816</b>	<b>1,935,216,900</b>	<b>2,813,863,088</b>	<b>1,841,031,471</b>
Employees bonus	206,139,458	226,287,221	196,834,228	224,406,729
<b>Grand total</b>	<b>3,218,476,274</b>	<b>2,161,504,121</b>	<b>3,010,697,316</b>	<b>2,065,438,200</b>

\* 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 130,047,265.

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Directors' fee	3,191,952	3,237,234	1,652,000	2,028,000
Directors' expense	18,765,628	4,763,958	18,285,243	3,669,859
Auditors' remuneration	4,729,050	4,877,089	2,825,000	2,260,000
Other audit related expense	512,864	11,580	-	-
Professional and legal expense	39,609,669	34,368,107	38,827,917	32,289,951
Office administration expense	1,103,022,696	807,932,948	1,045,481,010	778,680,493
Operating lease expense	86,029,921	143,730,088	85,120,886	142,956,716
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	13,377,250	33,728,925	13,040,535	33,317,760
Onerous lease provisions	-	-	-	-
Other Operating Expense	76,296,892	76,627,337	61,232,164	81,788,032
<b>Total</b>	<b>1,345,535,922</b>	<b>1,109,277,266</b>	<b>1,266,464,755</b>	<b>1,076,990,811</b>

#### Directors Expense Break Down

Particulars	Asar 2081	Asar 2080
Orientation/ Refresher Training Expenses	15,596,443	-
Travelling Expenses	689,001	1,029,817
Newspaper and Communication Expenses	1,361,866	1,803,597
Insurance Expenses	83,934	86,082
Miscellaneous Expenses	553,999	750,363
<b>Total</b>	<b>18,285,243</b>	<b>3,669,859</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Water and Electricity	61,197,702	46,683,141	60,294,624	46,162,069
Repair and Maintenance	261,408,555	176,743,569	257,785,997	176,360,494
a) Building	11,266,897	5,376,005	10,854,776	5,376,005
b) Vehicle	6,405,162	5,044,893	6,145,072	4,810,168
c) Computer and Accessories	59,840	-	-	-
d) Office equipment and furniture	1,778,732	-	-	-
e) Other	241,897,924	166,322,670	240,786,149	166,174,320
Insurance	45,571,852	39,417,133	43,146,447	38,911,252
Postage, telex, telephone, fax	86,023,284	61,658,476	83,144,340	60,453,210
Printing and stationery	46,739,421	50,954,103	46,726,121	49,162,628
Newspaper, books and journals	1,494,303	523,529	599,363	507,581
Advertisement	92,202,719	91,109,795	92,202,719	90,773,813
Donation	-	-	-	-
Security Expense	221,031,996	130,355,120	221,031,996	130,226,120
Deposit and Loan Guarantee Premium	89,696,457	73,505,970	77,322,562	56,070,003
Travel allowance and expenses	46,435,199	40,934,431	38,155,200	36,384,517
Entertainment	1,536,708	1,477,384	1,233,150	1,145,201
Annual/ Special General meeting Expense	3,381,815	5,233,738	2,981,884	4,641,495
Other	146,302,685	89,336,558	120,856,607	87,882,109
a) Fuel, Janitorial and cleaning	115,345,157	86,196,348	115,345,157	86,196,348
b) Expense for Capital Items	4,497,092	1,043,762	4,497,092	1,043,762
c) Other	26,460,436	2,096,448	1,014,358	641,999
<b>Total</b>	<b>1,103,022,696</b>	<b>807,932,948</b>	<b>1,045,481,010</b>	<b>778,680,493</b>

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Depreciation on property and equipment	624,382,888	417,639,358	603,750,156	412,084,488
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	110,426,416	72,833,203	109,723,444	72,375,408
<b>Total</b>	<b>734,809,304</b>	<b>490,472,561</b>	<b>713,473,600</b>	<b>484,459,896</b>

\*Depreciation on property and equipment includes depreciation of Right of Use (ROU) Asset created by implementing NFRS 16 leases amounting Rs. 336,754,178 . 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Recovery of written off loan	10,418,014	7,184,985	10,418,014	7,184,985
Share of the profit of investment in associate	131,571,415	59,295,460	-	-
Other income	14,721	-	-	-
<b>Total</b>	<b>142,004,150</b>	<b>66,480,445</b>	<b>10,418,014</b>	<b>7,184,985</b>

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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Loan write offs	1,124,348,237	1,070,446,966	1,124,348,237	1,070,446,966
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense	49,829	16,275	-	-
<b>Total</b>	<b>1,124,398,066</b>	<b>1,070,463,241</b>	<b>1,124,348,237</b>	<b>1,070,446,966</b>

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).	1,116,319,499	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
<b>Total</b>		<b>1,124,348,237</b>			

#### 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 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
<b>Current tax expense</b>				
Current year	2,300,876,078	1,468,157,693	2,263,928,066	1,442,165,221
Adjustments for prior years	(115,879,411)	39,918,666	(115,884,755)	39,890,663
	<b>2,184,996,667</b>	<b>1,508,076,359</b>	<b>2,148,043,311</b>	<b>1,482,055,884</b>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	(1,610,632,745)	(1,028,189,819)	(1,614,838,845)	(1,025,213,269)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognized tax losses	-	-	-	-
<b>Total income tax expense</b>	<b>574,363,922</b>	<b>479,886,540</b>	<b>533,204,466</b>	<b>456,842,615</b>

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

Particulars	Group		Bank	
	Asar 2081 Rs.	Asar 2080 Rs.	Asar 2081 Rs.	Asar 2080 Rs.
Profit before tax			1,771,508,056	2,019,660,559
Tax amount at the rate of 30%			531,452,417	605,898,168
Add: Tax effect of expenses that aren't deductible for tax purpose			6,511,626	18,733,968
Less: Tax Effect on exempt items			(73,736,963)	(4,693,348)
Add/ Less: Tax effect on other items			68,977,386	(163,096,173)
<b>Total income tax expense</b>			<b>533,204,466</b>	<b>456,842,615</b>
<b>Effective tax rate</b>			<b>30.10%</b>	<b>22.62%</b>

## 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 Deputy 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
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>25,005,804,096</b>
1	Paid up Equity Share Capital	21,656,615,632
2	Statutory General Reserves	7,189,450,973
3	Retained Earnings	(3,242,625,038)
4	Current year profit /(loss)	(2,677,494,178)
5	Capital Adjustment Reserve	1,879,244,236
6	Debenture Redemption Reserve	1,250,000,000
7	Special Reserve	-
8	Deferred Tax Reserves	-
	Less: Miscellaneous expenditure not Written off	-
	Less: Deferred Tax Reserves	-
	Less : Investment in equity of institutions with financial interests	950,865,000
	Less : Purchase of land & building in excess of limit and unutilized	98,522,529

## 2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>8,901,970,010</b>
1	Subordinated Term Debt	5,500,000,000
2	General loan loss provision	3,333,291,897
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
<b>Outstanding amount</b>	<b>2,500,000,000</b>	<b>3,000,000,000</b>
Interest rate	10.50%	10.25%
Maturity Date	Aswin 2086	Poush 2088
Interest payment	Half yearly basis	Quarterly Basis
Tenure	7 years	10 Years
Amount to be reckoned as capital	2,500,000,000	3,000,000,000

## 4. Total deductions from Capital: N/a

## 5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	25,005,804,096
2	Supplementary Capital (Tier 2)	8,901,970,010
	<b>Total</b>	<b>33,907,774,106</b>

## 6. Capital Adequacy Ratio:

### CAPITAL ADEQUACY RATIOS

Tier 1 Capital to Total Risk Weighted Exposures	8.51%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.54%

## 2. Risk Exposures

### 1. Risk Weighted Exposures for Credit Risk, Market Risk & Operational Risks)

Risk Weighted Exposures	Amount
a Risk Weighted Exposures for Credit Risk	266,663,351,797
b Risk Weighted Exposures for Operational Risk	14,007,984,346
c Risk Weighted Exposure for Market Risk	416,048,440
<b>Adjustment under Pillar II</b>	
Add 4% of gross income for operational risk	4,260,860,379
Add: 3% of total RWE for overall risk	8,432,621,537
<b>Total Risk Weighted Exposures</b>	<b>293,780,866,499</b>

**2. Risk Weighted Exposures under each of 18 categories of Credit Risk**

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	-
3	Claims on banks	5,294,932,980
4	Claims on domestic corporate and securities firms	157,231,764,649
5	Claims on regulatory retail portfolio	16,184,568,732
6	Claims secured by residential properties	4,509,360,925
7	Claims secured by commercial real estate	8,612,499,267
8	Past due claims	14,839,714,719
9	High risk claims	14,512,856,769
10	Lending against Shares(upto Rs.5.0 Million)	542,521,596
11	Lending against Shares(Above Rs.5.0 Million)	1,829,731,764
12	Real Estate loans for land acquisition and development (For institutions/Project)	373,538,457
13	Real Estate loans for land acquisition and development (Other than mentioned in circular)	1,479,517,872
14	Personal HP/Auto Loans (Upto Rs. 2.5 Million)	1,331,639,149
15	TR loan for Trading Firm- 120%	3,190,089,209
16	Other assets	14,922,908,842
17	Off balance sheet items	21,807,706,867
18	Adjustment under Pillar II: Sale of Credit with Recourse	-
<b>TOTAL</b>		<b>266,663,351,797</b>

**3. Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	7,122,631	890,329	6,232,303
2	Substandard Loan	4,087,355,908	1,016,205,764	3,071,150,143
3	Doubtful Loan	2,003,587,784	988,527,770	1,015,060,014
4	Loss Loan	6,204,191,952	6,190,622,256	13,569,696
<b>Total</b>		<b>12,302,258,274</b>	<b>8,196,246,119</b>	<b>4,106,012,155</b>

**4. NPA Ratios**

Gross NPA to Gross Advances	4.98%
Net NPA to Net Advances	1.79%

**(iii) Compliance with external requirement**

The Bank through-out the reporting period has fully complied with the capital requirements imposed by the Regular 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	2,759,868,610	3,655,809,039	19,645,282,240	1,086,234,697	4,472,888,892	114,617,551	1,060,117,570	4,479,206,893	<b>37,274,025,492</b>
(b) Intersegment revenues	292,231,669	36,501,811	8,392,729,681	336,941,423	148,959,109	50,804,655	103,032,341	91,569,339	<b>9,452,770,028</b>
(c) Net Revenue	2,467,636,940	3,619,307,228	11,252,552,560	749,293,274	4,323,929,784	63,812,895	957,085,229	4,387,637,554	<b>27,821,255,463</b>
(d) Interest revenue	2,695,838,614	3,589,427,309	18,915,689,223	1,062,860,586	4,381,117,436	113,678,571	1,041,402,290	3,776,618,237	<b>35,576,632,266</b>
(e) Interest expense	1,391,813,948	444,315,566	19,030,670,816	750,974,185	1,048,036,877	74,200,309	157,235,117	1,061,690,555	<b>23,958,937,374</b>
(f) Net interest revenue	1,304,024,666	3,145,111,743	(114,981,592)	311,886,401	3,333,080,559	39,478,262	884,167,173	2,714,927,682	<b>11,617,694,892</b>
(g) Depreciation and amortisation	17,781,824	14,920,150	76,182,195	8,496,874	15,942,720	3,718,861	9,426,028	567,004,948	<b>713,473,600</b>
(h) Segment profit/(loss) Before Bonus and Tax	278,049,876	(924,087,593)	2,890,485,060	211,367,163	459,569,004	14,216,592	72,176,941	(1,033,434,763)	<b>1,968,342,280</b>
(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	1,152,131,345	3,348,669,278	10,479,318,821	844,414,632	2,448,833,980	30,937,498	199,780,966	37,042,445	<b>18,541,128,966</b>
(l) Segment assets	18,334,712,644	6,263,397,337	251,608,774,531	11,446,065,103	16,353,636,028	1,693,953,567	3,044,794,595	46,990,480,256	<b>355,735,814,061</b>
(m) Segment liabilities	18,334,712,644	6,263,397,337	251,608,774,531	11,446,065,103	16,353,636,028	1,693,953,567	3,044,794,595	46,990,480,256	<b>355,735,814,061</b>

### 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

<b>Total revenues for reportable segments</b>	<b>37,274,025,492</b>
Other revenues	-
Elimination of intersegment revenues	9,452,770,028
<b>Entity's revenues</b>	<b>27,821,255,463</b>

#### 2. Profit or loss

<b>Total profit or loss for reportable segments</b>	<b>1,968,342,280</b>
Other profit or loss	
Elimination of intersegment profits	-
Unallocated amounts:	
Staff bonus	(1,96,834,228)
<b>Profit before income tax</b>	<b>1,771,508,052</b>

#### 3. Assets

<b>Total assets for reportable segments</b>	<b>355,735,814,061</b>
Other assets	
Unallocated amounts	-
<b>Entity's assets</b>	<b>355,735,814,061</b>

#### 4. Liabilities

<b>Total liabilities for reportable segments</b>	<b>355,735,814,061</b>
Other liabilities	
Unallocated liabilities	-
<b>Entity's liabilities</b>	<b>355,735,814,061</b>

## 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	32,247,399,866
(b)	Letter of Credit	126,933,912
(c)	Guarantee	196,806,242
(d)	Remittance	48,324,365
(e)	Card service	244,830,003
(f)	Locker Service	40,461,787
(g)	Bills purchase and discounting	536,712
(h)	Collection service	133,352,976
(i)	other ancillary services	4,235,379,628
	<b>Total</b>	<b>37,274,025,492</b>

## 6. Information about geographical areas

Revenue from following geographical areas:

(a)	<b>Domestic</b>	<b>37,274,025,492</b>
	Koshi	2,759,868,610
	Madhesh	3,655,809,039
	Bagmati	24,124,489,134
	Gandaki	1,086,234,697
	Lumbini	4,472,888,892
	Karnali	114,617,551
	Sudur Paschim	1,060,117,570
(b)	<b>Foreign</b>	-
	<b>Total</b>	<b>37,274,025,492</b>

## 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:

<b>Transaction with Habib Bank Ltd.</b>		
<b>Particulars</b>	<b>This Year Ending</b>	<b>Immediate Previous Year Ending</b>
Deposits with Habib Bank	-	-
Due from Habib Bank	10,708,936	13,099,522
Placements in Habib bank	1,200,600,000	1,183,050,000
Due to Habib bank	-	-
<b>Total</b>	<b>1,211,308,936</b>	<b>1,196,149,522</b>
<b>For the Year Ended</b>		
Interest Received	33,266,625	94,504,517
<b>Total</b>	<b>33,266,625</b>	<b>94,504,517</b>
Cash Dividend Paid	-	263,381,850
<b>Total</b>	<b>-</b>	<b>263,381,850</b>
<b>Transaction with Karmachari Sanchaya Kosh</b>		
<b>Particulars</b>	<b>This Year Ending</b>	<b>Immediate Previous Year Ending</b>
Rental Expense paid	61,308,132	72,479,140
Cash Dividend Paid	-	214,247,423
<b>Total</b>	<b>61,308,132</b>	<b>286,726,563</b>

#### **Transaction with Parent, Subsidiary and Other Affiliates**

The Bank doesn't have an identifiable parent. It has a wholly owned subsidiary named Himalayan Securities Limited. The bank has 92.5% holding in Himalayan Capital Limited and 51% holding in 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**

<b>Transaction With Subsidiary</b>	<b>This Year Ending</b>	<b>Immediate Previous Year Ending</b>
Deposit of Subsidiary in the bank	1,317,452,086	1,959,910,760
Loan To Subsidiary	1,021,234,363	754,337,363

### 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
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	190,073,732	242,742,110
Chhimek Laghubitta Bittiya Sanstha Ltd.	952,973,469	617,803,294
Swabalamban Laghubitta Bittiya Sanstha Ltd.	916,232,890	616,218,385
	<b>2,059,280,091</b>	<b>2,627,171,488</b>
Interest Income received from associate		
Sana Kishan Laghubitta Bittiya Sanstha Ltd.	82,165,767	157,328,963
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	18,671,734	106,199,695
Chhimek Laghubitta Bittiya Sanstha Ltd.	68,170,987	95,415,964
Swabalamban Laghubitta Bittiya Sanstha Ltd.	74,233,238	78,530,212
	<b>243,241,726</b>	<b>437,474,834</b>

\*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
<b>Board of Directors</b>		
Benefits	3,973,702	3,917,679
<b>Total</b>	<b>3,973,702</b>	<b>3,917,679</b>
<b>Chief Executive Officer</b>		
Short term employee benefits	20,150,000	20,150,000
Other Benefits	1,405,338	1,37,268
<b>Total</b>	<b>21,555,338</b>	<b>21,521,268</b>
<b>Key Management Executives</b>		
Short term employee benefits	73,450,043	71,760,089
Other Benefits	542,801	600,049
Retirement Benefits	-	-
<b>Total</b>	<b>73,992,844</b>	<b>72,360,138</b>

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	1,739,302,119	1,428,895,465
Interest Paid By the bank	217,746,772	204,157,943

### 5.8 Merger and acquisition

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

### 5.9 Additional disclosures of non-consolidated entities

There are no unconsolidated entities.

### 5.10 Events after reporting date

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

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

### 5.11 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 2080/81

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
<b>Assets</b>					
Cash and Cash Equivalents	8,097,764,536	8,097,764,536	-	-	
Due from Nepal Rastra Bank	35,686,946,565	35,686,946,565	-	-	
Placements with Bank and Financial Institutions	10,501,751,116	10,501,751,116	-	-	
Derivative financial instruments	26,241,227	26,241,227	-	-	
Other trading assets	-	-	-	-	
Loans & Advances to BFIs	10,098,880,969	10,098,880,969	-	-	
Loans & Advances to Customers	232,718,879,393	230,239,742,835	(2,479,136,558)	-1.07%	Additional Provision as per Auditor/Regulator
Investment Securities	42,143,258,878	42,143,258,878	-	-	
Current Tax Assets	388,740,090	297,962,785	(90,777,305)	-23.35%	Post audit adjustment in tax liability due to Other adjustments in P/L
Investments in subsidiaries	1,060,063,200	1,060,063,200	-	-	
Investments in Associates	190,929,197	190,929,197	-	-	
Investment Property	2,414,932,072	2,414,932,072	-	-	
Property & Equipment	8,170,596,809	8,170,594,187	(2,622)	0.00%	Change in Depreciation
Goodwill and Intangible Assets	983,141,792	983,141,792	-	-	
Deferred Tax Assets	866,530,079	1,670,219,007	803,688,928	92.75%	Post Year end Adjustments in Deferred Tax
Other Assets	4,153,382,467	4,153,385,695	3,228	0.00%	Post Year end Adjustments
<b>Total Assets</b>	<b>357,502,038,390</b>	<b>355,735,814,061</b>			
<b>Liabilities</b>					
Due to Bank and Financial Institutions	3,825,779,953	3,825,779,953	-	-	
Due to Nepal Rastra Bank	-	-	-	-	
Derivative financial instruments	13,851,829	13,851,829	-	-	
Deposits from Customers	293,899,590,309	293,899,590,309	-	-	
Borrowing	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	-	-	-	-	
Other Liabilities	13,067,659,541	12,989,367,810	(78,291,731)	-0.60%	Movement due to Booking of and Reversal of Liabilities on P/L Appropriation Account
Debt Securities Issued	8,384,143,498	8,384,143,498	-	-	
Subordinated Liabilities	-	-	-	-	
<b>Total Liabilities</b>	<b>319,191,025,130</b>	<b>319,112,733,399</b>			
<b>Equity</b>					
Share Capital	21,656,615,632	21,656,615,632	-	-	
Share Premium	-	-	-	-	
Retained Earnings	(5,784,632,382)	(7,441,526,420)	(1,656,894,038)	28.64%	Impact of all other adjustment
Reserves	22,439,030,010	22,407,991,450	(31,038,560)	-0.14%	Impact of all other adjustment
<b>Total Equity attributable to Equity Holders</b>	<b>38,311,013,260</b>	<b>36,623,080,662</b>			
Non Controlling Interest	-	-	-	-	
<b>Total Equity</b>	<b>38,311,013,260</b>	<b>36,623,080,662</b>			
<b>Total Liabilities and Equity</b>	<b>357,502,038,390</b>	<b>355,735,814,061</b>			

## COMPARISON OF UNAUDITED AND AUDITED FINANCIAL STATEMENTS

As of FY 2080/81

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	35,577,505,585	35,576,632,266	(873,319)	0.00%	Post Year End Adjustment
Interest expense	23,958,096,302	23,958,937,374	841,072	0.00%	Post Year End Adjustment
<b>Net interest income</b>	<b>11,619,409,283</b>	<b>11,617,694,892</b>			
Fee and commission income	1,198,675,164	1,201,211,766	2,536,602	0.21%	Post Year End Adjustment
Fee and commission expense	158,224,488	162,641,224	4,416,736	2.79%	Post Year End Adjustment
<b>Net fee and commission income</b>	<b>1,040,450,676</b>	<b>1,038,570,542</b>			
<b>Net interest, fee and commission income</b>	<b>12,659,859,959</b>	<b>12,656,265,434</b>			
Net Trading Income	421,847,554	421,847,554	-	-	
Other operating income	63,098,240	63,915,892	817,652	1.30%	Post Year End Adjustment
<b>Total operating income</b>	<b>13,144,805,753</b>	<b>13,142,028,880</b>			
Impairment charge/(reversal) for loans and other losses	2,786,818,373	5,265,954,930	2,479,136,557	88.96%	Additional Provision as per Auditor/Regulator
<b>Net operating income</b>	<b>10,357,987,380</b>	<b>7,876,073,950</b>			
<b>Operating expense</b>					
Personnel Expenses	3,198,514,944	3,010,697,316	(187,817,628)	-5.87%	Post Year End Adjustment
Other Operating Expenses	1,284,287,820	1,266,464,755	(17,823,065)	-1.39%	Post Year End Adjustment
Depreciation & Amortisation	713,472,521	713,473,600	1,079	0.00%	Changes in Depreciation
<b>Operating profit</b>	<b>5,161,712,095</b>	<b>2,885,438,279</b>			
Non operating income	9,006,927	10,418,014	1,411,087	0.16%	Booking of Recovery of Written off Loan
Non operating expense	1,124,348,237	1,124,348,237	-	-	
<b>Profit before income tax</b>	<b>4,046,370,785</b>	<b>1,771,508,056</b>			
Income Tax Expense					
Current Tax	2,057,266,006	2,148,043,311	90,777,305	4.41%	Post Year End adjustment in tax liability
Deferred Tax	(848,944,365)	(1,614,838,845)	(765,894,480)	90.22%	Post Year End adjustments in Deferred Tax
<b>Profit for the period</b>	<b>2,838,049,144</b>	<b>1,238,303,590</b>	<b>(1,599,745,554)</b>	<b>-56.37%</b>	

## 10 Year's Financial Summary

### STATEMENT OF FINANCIAL POSITION

(Rs. '000)

Particulars	2021/72 2014/15	2022/73 2015/16	2023/74 2016/17	2024/75 2017/18	2025/76 2018/19	2026/77 2019/20	2027/78 2020/21	2028/79 2021/22	2029/80 2022/23	2080/81 2023/24
<b>Assets</b>										
Cash & Bank Balances	8,387,412	7,874,984	8,915,386	8,800,528	8,202,366	16,928,917	12,302,723	11,943,726	26,439,653	42,414,189
Money at Call	1,063,950	1,482,036	-	500,040	-	1,010,109	619,588	1,278,550	2,958,566	-
Investments	17,113,389	19,306,073	18,076,579	17,439,534	23,432,946	26,679,555	28,123,766	40,919,187	53,096,403	55,266,524
Loans, Advances & Bills Purchased	55,428,007	69,100,889	79,044,953	88,086,847	99,530,328	109,092,428	134,605,153	158,764,894	251,023,360	258,638,445
Fixed Assets	1,321,272	1,922,967	2,175,893	2,222,677	2,509,508	2,562,894	2,742,037	4,013,430	6,210,874	9,153,736
Other Assets	1,439,298	1,530,969	1,097,159	1,339,310	1,536,251	1,976,902	2,608,866	3,158,312	5,697,911	8,562,741
<b>Total Assets</b>	<b>84,753,328</b>	<b>101,217,918</b>	<b>109,309,970</b>	<b>118,388,936</b>	<b>135,211,399</b>	<b>158,250,804</b>	<b>181,002,133</b>	<b>220,078,098</b>	<b>345,426,766</b>	<b>374,035,635</b>
<b>Liabilities</b>										
Borrowings	600,000	1,600,000	662,998	623,358	1,183,961	2,719,398	5,718,403	17,501,462	10,899,487	8,384,143
Deposit Liabilities	73,538,200	87,335,786	92,881,114	99,743,045	113,089,977	131,860,251	149,381,717	171,487,362	278,526,614	297,725,370
Reserve for Doubtful Debt	1,951,777	1,354,910	1,246,718	1,926,635	2,060,257	2,365,885	2,511,207	3,792,070	13,033,866	18,299,821
Other Liabilities	1,704,451	2,103,453	2,190,995	1,957,002	2,882,406	3,716,016	3,258,093	5,287,253	9,336,429	13,003,220
<b>Total Liabilities</b>	<b>77,794,428</b>	<b>92,394,149</b>	<b>96,981,824</b>	<b>104,250,039</b>	<b>119,216,600</b>	<b>140,661,551</b>	<b>160,869,420</b>	<b>198,068,148</b>	<b>311,796,396</b>	<b>337,412,555</b>
<b>Net Assets</b>	<b>6,958,900</b>	<b>8,823,769</b>	<b>12,328,146</b>	<b>14,138,897</b>	<b>15,994,798</b>	<b>17,589,254</b>	<b>20,132,713</b>	<b>22,009,950</b>	<b>33,630,370</b>	<b>36,623,081</b>
<b>Shareholders' Equity</b>										
Paid up Capital	3,332,700	4,499,145	6,491,624	8,114,529	8,520,256	9,372,281	10,684,401	12,968,726	21,656,616	21,656,616
Proposed capitalisation of profits	1,166,445	1,349,744	-	-	-	-	-	-	-	-
Reserves	2,344,757	2,836,037	3,328,499	1,500,405	2,171,147	2,496,762	2,938,198	2,567,600	(3,242,625)	(7,441,526)
Retained Earnings	114,997	138,843	2,508,023	4,523,962	5,303,396	5,720,210	6,510,114	6,473,625	15,216,379	22,407,991
<b>Total Shareholders' Equity</b>	<b>6,958,900</b>	<b>8,823,769</b>	<b>12,328,146</b>	<b>14,138,897</b>	<b>15,994,798</b>	<b>17,589,254</b>	<b>20,132,713</b>	<b>22,009,950</b>	<b>33,630,370</b>	<b>36,623,081</b>
<b>Total Capital + Liabilities</b>	<b>84,753,328</b>	<b>101,217,918</b>	<b>109,309,970</b>	<b>118,388,936</b>	<b>135,211,399</b>	<b>158,250,804</b>	<b>181,002,133</b>	<b>220,078,098</b>	<b>345,426,766</b>	<b>374,035,635</b>
<b>Contingent Liabilities</b>										
Letter of Credit	6,881,554	8,957,264	8,526,898	11,431,524	12,167,198	9,965,414	20,236,622	22,140,637	21,226,207	19,064,558
Guarantees	3,808,669	4,952,439	6,474,794	6,408,163	6,279,256	6,671,894	7,604,861	9,250,738	12,629,514	12,254,679
Forward Exchange Contract	786,385	1,168,529	42,242	5,891,000	8,137,163	11,934,375	13,401,575	3,610,539	3,859,045	5,364,904
Other Contingent Liabilities	9,285,983	10,021,898	12,368,698	12,453,109	7,275,500	5,124,836	10,498,937	9,681,900	16,837,939	14,714,952
<b>Total Contingent Liabilities</b>	<b>20,762,591</b>	<b>25,100,130</b>	<b>27,412,632</b>	<b>36,183,796</b>	<b>33,859,117</b>	<b>33,696,519</b>	<b>51,741,995</b>	<b>44,683,814</b>	<b>54,552,704</b>	<b>51,399,093</b>

\*Figures of FY 2073/74 has been regrouped/restated based on NFRS wherever necessary.  
Figures of FY 2074/75 onwards have been presented based on NFRS



## Himalayan Bank Limited

### CSR-DONATION DETAILS FY 2080-81

S. No.	Particulars	Category	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
1	Financial Assistance to Bhirgaunle Khulal Basnet Samaj for construction of road leading to temple and community area at Bhirgaun	Culture and Heritage Preservation	500,000.00						
2	Financial Assistance to Himani Trust for providing nutritious foods for the children of Jumla district	Support for Deprived Communities						50,000.00	
3	Financial Assistance to Spinal Injury Sangh Nepal for expansion/addition of beds in the rehabilitation center	Health and Wellness			500,000.00				
4	Financial Assistance to Bhim Dal Gana for construction of Gabbing wall at landslide affected area of Hile	Environment and Sustainability	49,500.00						
5	Financial Assistance to Shree Kamaladi Ganesh Bikash Tatha Jatra Parba Sahayogi Samiti to organize mahapuja on the occasion of Ganesh Chaturthi	Culture and Heritage Preservation			52,045.00				
6	Financial Assistance to Nekoo Jatra Mataya Sanchalan Samiti Kshetra	Culture and Heritage Preservation			10,000.00				
7	Financial Assistance to Tridevi Temple Development Committee for decoration of temple on the occasion of Dashain	Culture and Heritage Preservation			205,790.00				
8	Financial Assistance to Kalika Bhagwati Mandir Bikash for for decoration of temple on the occasion of Dashain	Culture and Heritage Preservation			50,000.00				
9	Financial Assistance to Banglamukhi Mandir Samrakshan Tatha Byabasthapan Samaj to organize Shobha Rathyatra on the occasion of their anniversary	Culture and Heritage Preservation			20,000.00				
10	Financial Assistance to New Tiger Club for management inside Gahwa temple premises during Dashain	Culture and Heritage Preservation		15,000.00					
11	Financial Assistance to Helping Hands Children Home	Old Age Homes and Orphanages			50,000.00				
12	Mero Pahilo Bachat Khata	Mero Pahilo Bachat Khata			142,200.00				
13	Donation of 16 units chairs to Satashidham Samudayik Adhdhyan Kendra, Dudhe	Others	11,752.00						
14	Financial Assistance To District Police Office Dhading for printing of social awareness leaflet	Financial Literacy			6,500.00				
15	Printing of Financial Literacy related leaflet	Financial Literacy	5,327.14	5,327.14	5,327.14	5,327.14	5,327.14	5,327.14	5,327.14
16	Financial Assistance to Kartik Nach Perservation Committee to conduct kartik nach program	Culture and Heritage Preservation			50,000.00				

S. No.	Particulars	Category	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
17	Financial support to Dhankuta Municipality ward 1 office for installation of road light	Environment and Sustainability	8,400.00						
18	Financial Literacy program at Nepal Army Suparitar Barrack- Gorakh Bahadur Gan, Hetauda	Financial Literacy			23,350.00				
19	Computer Donation Shree Mangal Dvip (SMD) School	Education and Skill Development			135,000.00				
20	Financial Assistance to ASMAN for girls education and Jajarkot earthquake victims	Disaster Relief and Emergency Response						15,000.00	
21	Donation of Food items Earthquake victims of Rukum and Jajarkot	Disaster Relief and Emergency Response						2,030,840.00	
22	Financial Assistance to Child Development Society	Old Age Homes and Orphanages			25,000.00				
23	Financial Assistance to New Nepal Society Center	Old Age Homes and Orphanages			50,000.00				
24	Financial Assistance to Madhur Media House Pvt Ltd for production of social awareness short movie	Others			400,000.00				
25	Financial Assistance to Nepal Police Hospital to donate 50 units of Traffic Cone	Others			48,000.00				
26	Financial Assistance to Kanti Children Hospital for construction of park inside hospital premises	Health and Wellness			2,000,000.00				
27	Akshaya Kosh at Trishuli Aspatal for Trishuli Hospital for treatment of poor and needy people	Health and Wellness			500,000.00				
28	Donation of 5 units of GoPro Hero 9 Camera with Chest Strap to District Police Circle Kathmandu	Others			267,500.00				
29	Financial Assistance to Kabir Santa Satsangh Mandir to purchase 200 sets of Track suits	Health and Wellness			50,000.00				
30	Financial Assistance to Nepal Good Weave Foundation	Others			35,000.00				
31	Financial Literacy program at Dhading District Police Office	Financial Literacy			3,860.00				
32	Financial Literacy Program at Srijanshil Seeds Tatha Nursery Anusandhan Sandhan Kendra	Financial Literacy			20,000.00				
33	Financial Assistance to Maharajgunj Medical Campus to organize free grand community health camp	Health and Wellness			8,000.00				
34	Financial Assistance to support 12th year Khadga Siddhi Jatra and dance of Shri Shri Shri Pachali Vairabh Nath	Culture and Heritage Preservation			75,000.00				
35	Donation of 12000 Child OPD Books And 4000 GYOBs OPD Book to Siddhi Memorial Hospital	Health and Wellness			158,652.00				
36	Conduction of Financial Literacy Program at Sigma College, Sorhakutte	Financial Literacy			15,405.00				
37	Donation Of QR Scanner Set to TUTH Pharmacy	Health and Wellness			197,298.00				

S. No.	Particulars	Category	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
38	DONATION OF BODY WORN CAMERA TO PRAHARI BRITA JANASEWA BISHALBAZAR NEW ROAD	Others			32,000.00				
39	Financial Assistance to Shree 108 Bishnu Mahaygya Samiti for Construction Of Temple - Sunavarshi	Culture and Heritage Preservation	5,000.00						
40	Financial Literacy Program On Global Money Week 2024 at Rapti Rural Municipality-3 Dang By Lalmatiya Branch	Financial Literacy					26,000.00		
41	Financial Literacy Program on Global Money Week 2024 At Tansen Nursing School, Palpa	Financial Literacy					27,675.00		
42	Financial Literacy Program on Global Money Week 2024 Program, Shivalaya, Jajarkot Branch	Financial Literacy						3,850.00	
43	Financial Literacy Program on Global Money Week 2024 at Shree Jana Jagrati Ma Vi, Lamjung	Financial Literacy				9,865.00			
44	Financial Literacy Program on Global Money Week 2024 Program - Sunavarshi Branch	Financial Literacy	15,208.00						
45	Financial Assistance to Bhadrakali Bhajan Mandal to support 12 Barse Pachali Bhairav Khadga Siddhi Jatra	Culture and Heritage Preservation			70,000.00				
46	Financial Support to St. Marys Alumnae Nepal (ASMAN) to support Young Girls Education	Education and Skill Development			200,000.00				
47	Financial Literacy Program On Global Money Week 2024 at Janaki College- Janakpur	Financial Literacy		15,700.00					
48	Donation of Emergency Stretcher Trolley and Crash Cart to United Mission to Nepal Medical and Development Trust, Okhaldhunga Community Hospital	Health and Wellness	141,600.00						
49	Financial Literacy Program on Global Money Week 2024 at Shree Radha Krishna Chaurasiya Secondary School, Birgunj	Financial Literacy		25,000.00					
50	Financial Literacy Program on Global Money Week 2024 at Madi Ma.Vi - Madi Branch	Financial Literacy	16,453.65						
51	Financial Literacy Program on Global Money Week 2024 at Shree Junga Ma.Vi - Hilihang Branch	Financial Literacy	17,433.65						
52	Financial Literacy Program on Global Money Week 2024 at Shree Tharpu Campus By Yangwarak Branch	Financial Literacy	9,868.65						
53	Financial Assistance to Baidhnath Chhetra Bikash Sanstha to Promote Tourism and Upgradation Of Baidhnath Veda Bidhyashram	Environment and Sustainability							25,000.00
54	Financial Literacy Program on Global Money Week 2024 Targeting Students at Tulsipur	Financial Literacy					17,500.00		

S. No.	Particulars	Category	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
55	Financial Assistance to Spinal Injury Sangh Nepal to organize Mechi-Mahakali Bicycle Fundraiser event 2024	Health and Wellness			25,000.00				
56	Financial Support to the students Of Community School of Dhangadi Sub-metropolitan City to purchase Socks Shoes, Shirts,Pants,Sweater,Track, etc.	Support for Deprived Communities							199,500.00
57	Financial Literacy Program on Global Money Week 2024 at Achham, Kailali and Doti by Sudurpashchim Province	Financial Literacy							48,935.00
58	Financial Support to Rural Development Foundation to construct Gorkhakali Temple at Chandani Tarkeshwor Rural Municipality	Culture and Heritage Preservation			200,000.00				
59	Girls Education Program at Branch Premises to learn at Trishuli Branch	Education and Skill Development			4,000.00				
60	Financial Literacy Program on Global Money Week 2024 at Shree Pyang Ma.Vi, Maijogmai	Financial Literacy	14,025.65						
61	Financial Literacy Program On Global Money Week 2024 at Shree Bhairab Ma.Vi. Surkhet	Financial Literacy						14,370.05	
62	Financial Assistance to Nepal Army Singhanath Gan, Chitwan for installation of Street Lights	Environment and Sustainability			63,000.00				
63	Financial Assistance to Nepal Army - Sainik Kalyankari Nirdeshanayala for conduction of Clean Himal Campaign 2024	Environment and Sustainability			2,500,000.00				
64	Donation of 5 Unit of Go-Pro with chest mount to District Police Office Parsa from Oliz Store Pvt Ltd	Others		307,500.00					
65	Financial Support to Shramik Bal Bigyan Basic Community School Pulchowk Lalitpur	Others			200,000.00				
66	Financial Assistance to Institute Of Chartered Accountants of Nepal	Others			200,000.00				
67	Financial Assistance to Shree Shree Bajrayogini Mai Jatra Mul Byabasthapan Samiti	Culture and Heritage Preservation			10,000.00				
68	Donation of 10 Units of two seater patient Waiting Chair to United Mission Hospital, Tansen Palpa	Health and Wellness					119,780.00		
69	Finance Literacy Program at Shree Amar Siddha – Lekhanath	Financial Literacy				11,600.00			
70	Financial Assistance to Tanahun Chamber of Commerce for Installation of CCTV at Damauli Bazar	Environment and Sustainability				7,000.00			
71	Financial Literacy Program on Global Money Week 2024 by Surkhet Branch	Financial Literacy						11,760.00	
72	Donation of 36 Bundles Of Roofing Zinc Sheets To Victims Of Fire In Kanchanpur Municipality Kanchanpur, Saptari, Madesh Province	Disaster Relief and Emergency Response		315,558.04					

S. No.	Particulars	Category	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
73	Maintenance of Water Treatment Plant at Durbarmarga Police Station	Others			101,700.00				
74	Donation of 1 Set of Computer and 6 Monitors for QR Display at various Pharmacy Counter of TUTH	Health and Wellness			212,270.50				
<b>Province-wise Total Amount</b>			<b>794,568.74</b>	<b>684,085.18</b>	<b>8,921,897.64</b>	<b>33,792.14</b>	<b>196,282.14</b>	<b>2,131,147.19</b>	<b>278,762.14</b>
<b>Total CSR Spending</b>		<b>13,040,535.17</b>							

### Sector-wise CSR Expenses in FY: 2080/81

S No.	Sectors	Amount
1	Education & Skill Development	339,000.00
2	Health & Wellness	3,912,600.50
3	Old Age Homes and Orphanages	125,000.00
4	Cultural & Heritage Preservation	1,262,835.00
5	Disaster Relief & Emergency Response	2,361,398.04
6	Financial Literacy	391,649.65
7	Support for Deprived Community	249,500.00
8	Environment and Sustainability	2,652,900.00
9	Mero Pahilo Bachat Khata	142,200.00
10	Other	1,603,452.00
<b>TOTAL</b>		<b>13,040,535.17</b>

### Province-wise Report

S No.	Province	Amount
1	Koshi	794,568.74
2	Madhesh	684,085.18
3	Bagmati	8,921,897.64
4	Gandaki	33,792.14
5	Lumbini	196,282.14
6	Karnali	2,131,147.19
7	Sudur Paschim	278,762.14
<b>TOTAL</b>		<b>13,040,535.17</b>





Clean Himal Campaign 2024

# HIMALAYAN CSR INITIATIVE



Donation of 36 Bundles Of Roofing Zinc Sheets To Victims Of Fire In Kanchanpur Municipality Kanchanpur, Saptari, Madesh Province



Financial Assistance to Bhirgaunle Khulal Basnet Samaj for construction of road leading to temple and community area at Bhirgaun



Donation of Food items Earthquake victims of Rukum and Jajarkot



Financial Assistance to Maharajgunj Medical Campus to organize free grand community health camp



Financial Literacy program at Dhading District Police Office



Financial Assistance to Kanti Children Hospital for construction of park inside hospital premises



Financial Literacy Program at Sigma College, Sorhakutte



Financial Assistance to Spinal Injury Sangh Nepal to organize Mechi-Mahakali Bicycle Fundraiser event 2024



Financial Literacy Program at Mid Western University Surkhet



Financial Literacy Program on Global Money Week 2024 at Kailali and Doti by Sudurpashchim Province



Financial Support to Shramik Bal Gigan Basic Community School Pulchowk Lalitpur



Girls Education Program at Branch Premises to learn at Trishuli Branch



## नेपाल राष्ट्र बैंक बैंक सुपरिवेक्षण विभाग



दरबारमार्ग, काठमाडौं ।

फोन नं.: ५३२२३२०

Site: www.nrb.org.np

Email: bsd@nrb.org.np

प.सं: बै.सु.वि./अफसाइट/एजिएम/१३/२०८१-८२

मिति : २०८१/०९/०५

च.न. १२५

हिमालयन बैंक लिमिटेड,  
कमलादी, काठमाडौं ।

### विषय: वित्तीय विवरण प्रकाशन सम्बन्धमा ।

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा यस बैंकद्वारा जारी गरिएको एकीकृत निर्देशन नं.४/०८० को बुँदा नं.१(भू) मा भएको व्यवस्था बमोजिम आ.व. २०८०/८१ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु ।

१. लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कौफियतहरु पूर्ण रूपले सुधार गर्न तथा त्यस्ता कौफियतहरु पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाउनु हुन ।

उपरोक्त निर्देशनहरुलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन ।

भवदीय,

(रबीना भट्ट)

सहायक निर्देशक

### बोधार्थ

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

### बैंक व्यवस्थापनको जवाफ

नेपाल राष्ट्र बैंकबाट यस बैंकको आ.व. २०८०/८१ को वार्षिक हिसाब साधारण सभामा स्वीकृतिको लागि पेश गर्न सहमति प्रदान गर्ने सिलसिलामा जारी उपर्युक्त निर्देशनहरुको पालना गर्न आवश्यक व्यवस्था मिलाईएको छ ।

# Himalayan Bank Limited, Corporate Office:

Kamaladi, P.O. Box: 20590, Kathmandu, Nepal, Tel: 977-1-5971346, 4227749, 4246218

E-mail: himal@himalayanbank.com

Website: www.himalayanbank.com, SWIFT: HIMANPKA

## KOSHI PROVINCE

Arjundhara	023-465618/21
Bhadrapur	023-523487
Biratchowk	021-547704/05
Biratnagar	021-518452/53
Roadshesh Chowk, Biratnagar	021-511981/84
Birtamod	023-590405/06
Damak	023-585291/92
Damak II	023-572794/95
Dharan	025-578966/67
Dharan II	025-536262/63
Dudhe	023-470325/26
Duhabi	025-542419/543079
Gaighat	035-423383/84
Hile	026-540628/29
Hilihang	9761800048
Itahari	025-587042
Inaruwa	025-587186, 587209
Madi	029-424066
Maijogmai	027-411060/61
Okhaldhunga	037-520615/16
Phidim	024-522788, 522988
Pushpalal Chowk	021-464041/42
Rabi, Miklajung	021-412184/85
Sunvarshi	021-433017/18
Surunga	023-552650/60
Urlabari	021-543119, 543219
Yangwarak	024-410059/60

## MADHESH PROVINCE

Baragadi	9855049416
Bardibas	044-550162/550161
Birgunj	051-524678
By pass road Branch, Birgunj	051-529943, 529959
Chandrapur	055-540762, 540781
Dhalkebar	041-560223, 560224, 9766324255
Dhangadhimai	033-545121, 545122
Dhankaul	9854038002
Ganjbhawanipur	053-401104, 401106
Garuda	055-565202,565208
Golbazar	033-540614, 540615
Janakpur	041-590240
Pidari Chowk, Janakpur	041-590320, 590321
Jitpur Simra	053-412061, 412062
Kalaiya	053-550738, 550739
Lahan	033-564684,564685
Malangwa	046-521842
Nijgadh	053-540262, 540392
Pakaha Mainpur	9761800049

Parsauni	9855049117
Subarna	9855088703

## BAGMATI PROVINCE

Anamnagar	01-5706317, 5706215
Attarkhel	01-4913500, 4914515
Banepa	011-664734, 660984
Panauti Branch	011-660383, 660384
Bangemuda	01-5906611, 5906612
Barahbise	011-489290, 489291
Battisputali	01-4584990, 4584991
Betrawati	010-412001/02
Bhaisepti	01-5906306/07
Bhaktapur	01-6616092/6618575
Bhimsenthan	01-5354931, 5354933
Boudha	01-4917410, 4917411
Card Center	01-5971398
Chabahil	01-5210044, 5210045
Chabahil (Relocating to Chhapal Karkhana)	01-4590028, 4599300
Charikot	049-421869/68
Daubahal	01-5455791, 5455795
Dhading	010-521068, 521069
Dhulikhel	011-490847, 490849
Dillibazar	01-4531658
Gaurishankar	9761800037
Remittance Center	01-5971355
Hattigauda	01-4979112, 4979113
Gothatar	01-4991688, 4992683
Hetauda	057-525877/522899
Hernamadi Branch, Hetauda	057-526901, 526902
Sunakothi Branch	01-5409193, 5409147
Jhamsikhel	01-5453135/36/39
Kalanki	01-5234762, 5235038/95
Kamaladi	01-4169244, 4169245
Kapan	01-4823826/25
Kausaltar	01-6639564
Khurkhure	056-419092, 419191
Khurkot	047-590098/99
Kirtipur	01-4334458, 4334467
Kuleshwor	01-5671916
Kumaripati	01-5408621, 5408622
Maharajgunj	01-4525183/79
Melamchi	01-1401054/55
Mid Baneshwor	01-5914670/69
Myaganj	9761800038
Nakhipot	01-5171128/29
Mainroad Branch, Narayanghat	05-6598039/40
Bharatpur	05-6595616/17
New Baneshwor	01-4795583
Koteshwor	01-4792145, 4792010
Newroad-Bishalbazar	01-5319978, 5319994
New Road II (Relocating to Thamel)	01-5713378, 5713410
Parbatipur	056-591515, 591774
Parsa	056-583628, 583431

Patan	01-5010654, 5010808
Patan Sundhara	01-5547932, 5548682
Putalisadak	01-4540955/38
Samakhushi	01-4954663
Sankhu	01-4451804/05
Satdobato	01-5151945
Sindhuli	047-521081/82
Sorhakhutte	01-4989035, 4960721
Sukedhara	014015081/82
Suriyabinayak	01-6619544, 6619545
Swoyambhu (Halchowk)	01-5247291, 5247179
Balaju Branch	01-5249476, 5249477
Tandi	056-560750, 562800
Tarkeshwor	9761800040
Teku	01-4104572, 4104687, 4104568
Tokha	01-5110435, 5110416
Thapathali Branch	01-5356504, 5349503
Trishuli	010-561696

## GANDAKI PROVINCE

Pokhara (New Road)	061-588907, 580230
Pokhara (Rambazar)	061-433301, 433302
Pokhara II Branch, Prithivi Chowk	061-589767/68
Lamachaur	061-440430
Shivachowk	061-434800, 434818
Arughat	064-410102, 410103
Baglung	068-522690/91
Besisahar	066-521433, 521434
Bhulbhule	9851326422
Damauli	065-564518, 564519
Dharche	9761800041
Gauda	9856075422
Gorkha	064-421520
Kawasoti	078-541040/045
Gochhada	078-540770, 540776
Lekhnath	061-560251, 560252
Maling	9761800039
Rainas	9856087422

## LUMBINI PROVINCE

Bhairahawa	071-574407, 576945
Buddha Chowk, Bhairahawa	071-571161/62
Bijuar	086-460506
Butwal	071-554016/17
Kalika Nagar Branch, Butwal	071-553564/65
Ghorahi	082-562901
Kapilvastu (Jitpur)	076-550462/64
Kohalpur	081-542146
Lalmatiya	082-580322/23
Lamahi	082-540842/43
Mandavi	086-590123/24
Manigram	071-562422/33
Nepalgunj	081-411290/92
Nepalgunj II (New Road)	081-531579/80
Palpa	075-522641, 520095
Raptisonari	081-400091
Sitala Bazar	084-411184/86
Sunwal	078-570570
Thakurdwara	084-402104
Tulsipur	082-523545/46

## KARNALI PROVINCE

Bhairabi	9761800043
Chhinchu	083540323/24
Kumakha	9761800042
Musikot	088-530305
Salyan	088-400012, 400178
Jajarkot(Shivalaya)	9761800044
Surkhet	083-524101

## SUDURPASCHIM PROVINCE

Adarsha	9761800045
Attariya	091-590453/54
Bannigadhi Jayagadh	9761800046
Bhajani	091-580171
Chhededaha	9761800047
Dhangadi	091-520202/04
Dhangadi II	091-416399
Jagannath	9858477017
Janaki	091-500082/93
Lamki	091-540513/14
Mahendranagar	099-590055/56
Swamikartik	9858477016
Tikapur	091-560973, 560779

## EXTENTION COUNTER

Banajiya Bibhag, Babarmahal	01-5907749
Biratchowk (Taxpayer Office)	021-547704, 9862699665
Devdaha	071-554016
Fikkal	027-590345
Gachhiya	021-430040
Gangalal	01-4425183
Gaurighat	061-590612/13
Bhairahawa	071-507140
Kakani	01-4979112
Khairahani (Tax Office)	056-583231
Lumbini Medical College	075-522641
Okhaldhunga (Tax Office)	037-520615
Raptisonari	081-400089/91
Rumjatar (DoTM)	037-520615
Sinma	024-410059, 9842776478, 9802076478
Taulihawa (Tax Office)	076-550462
Trishuli Hospital	010-561696
TU Teaching Hospital	01-4425183
Yatayat Karyalaya, Ekantakuna	01-5408622
Kanti Children's Hospital	01-4525183/79

Card Center  
Tel: 01-01-5971346

Toll Free No.16-600-112-000

Global FI & Remittance Centre  
Kamaladi, Kathmandu, Tel: 01-01-5971346  
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### Outside Country

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**HBL**



हिमालयन बैंक लिमिटेड

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