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वार्षिक प्रतिवेदन

आ. व. २०८०/०८१

17th Annual Report

FY 2023/2024



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहायात्रा



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लुम्बिनीको निरन्तर सहयात्रा सगरमाथा सठम



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About this report

This report provides a concise and transparent overview of our organization's strategy, governance, performance, and prospects within the context of our external environment. It highlights how these elements contribute to value creation over the short, medium, and long term.

We are pleased to present our Annual Report, prepared for the period from 1 Shrawan 2080 to 31 Ashad 2081. This report adheres to the principles of the Integrated Reporting (<IR>) Framework, as issued by the International Integrated Reporting Council (IIRC). It aims to deliver a balanced, accurate, and succinct account of the Bank's activities, achievements, and future aspirations. The scope of this report includes both financial and non-financial performance, along with our outlook and strategic objectives across various time horizons.

Targeted readers

This report contains information relevant to all our current and potential stakeholders including shareholders, regulators, investors, customers, employees, government, and society.

Reporting guidelines

This report is guided by the Integrated Reporting <IR> Framework issued by International integrated reporting council and prepared as per management discretion. Further, the financial information herein was prepared in accordance with the Nepal Financial Reporting Standards (NFRS) and our reporting aligned with the Companies Act 2063, Bank and financial institution act 2073 and other relevant regulation and standard as applicable.

While Integrated Reporting is not yet mandatory for Nepalese organizations, this report reflects an effort to align with the <IR> Framework principles as far as practicable. Certain requirements of the IIRC framework may not be fully met due to the voluntary nature of integrated reporting in Nepal.

Materiality

We define material matters as issues, opportunities and challenges which have the potential to affect our ability to create and sustain value for our stakeholders. The material matters are identified through a combination of Board, management and stakeholder inputs and influence our strategy and the content of this report.

Forward-looking statements

This report includes forward-looking statements related to our financial performance, operations, and strategic objectives. These statements are subject to inherent risks and uncertainties, as they depend on future events and circumstances that may deviate from current expectations. Consequently, actual outcomes may differ materially from the projections expressed or implied herein. It is important to note that these forward-looking statements have not been reviewed by our auditors.

Combined assurance and independent assessment

We used a coordinated combined assurance process to assess and assure various aspects of the business. A combined assurance process has been employed to validate and ensure the integrity of various aspects of our operations and external reporting. This includes:

- **Internal Assurance:** Provided by management and the Board of Directors.
- **External Assurance:** Our financial statements have been independently audited by **B.R.S. Neupane & Co.**, ensuring compliance with relevant standards and regulations.

This report represents our commitment to transparency, accountability, and value creation, ensuring a comprehensive perspective for all stakeholders.



LETTER OF TRANSMITTAL

To All shareholders
Lumbini Bikas Bank Limited
Nepal Rastra Bank
Office of Company Registrar
Securities Exchange Board of Nepal
All Stakeholders

Dear Stakeholder,
Subject: Transmittal of Annual Report 2080-81

I am pleased to submit Lumbini Bikas Bank Limited's Annual Report for the fiscal year 2080-81. The report provides a comprehensive overview of the bank's strategic initiatives, responses to the evolving external environment, diverse product portfolio, value-added activities, and stakeholder engagements. It also includes a detailed analysis of financial highlights and key performance indicators, showcasing LBBL's continued resilience and adaptability in the dynamic financial landscape.

The enclosed financial statements offer a transparent and accurate view of LBBL's financial health, prepared in compliance with relevant accounting standards. This year's report also underscores the bank's strengthened commitment to corporate social responsibility and sustainable business practices, aligning with our vision of long-term value creation. Furthermore, the report includes the Board of Directors' commentary, governance practices, and risk management strategies, providing stakeholders with a comprehensive understanding of the bank's operations.

We trust that this report will serve as a valuable resource for shareholders, regulators, and other stakeholders, reflecting our efforts to enhance transparency and accountability.

Thank you for your continued trust and collaboration with Lumbini Bikas Bank Limited.

Yours sincerely,

Naresh Singh Bohra
Chief Executive Officer/Company Secretary



लुम्बिनी विकास बैंक लिमिटेडको

सत्रौं वार्षिक साधारण सभा सम्बन्धी सूचना

तथा संक्षिप्त वार्षिक आर्थिक विवरण

(प्रथम पटक प्रकाशित मिति: २०८१/०९/०८ गते सोमवार, आर्थिक अभियान राष्ट्रिय दैनिक)

१७ औं वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना

आदरणीय शेयरधनी महानुभावहरू,

यस लुम्बिनी विकास बैंक लि.को मिति २०८१ साल पौष ७ गते बसेको सञ्चालक समितिको ४९१ औं बैठकको निर्णय बमोजिम विकास बैंकको १७ औं वार्षिक साधारणसभा निम्न लिखित मिति, समय र स्थानमा देहायका बिषयहरू उपर छलफल गरी निर्णय गर्न बस्ने भएकोले कम्पनी ऐन २०६३ को दफा ६७ को व्यवस्था अनुसार सम्पूर्ण शेयरधनी महानुभावहरूको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ।

सभा हुने मिति, समय र स्थान :

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

समय : बिहान १०:३० बजे देखि

स्थान : अमृतभोग, कालिकास्थान, काठमाडौं।

छलफलका बिषयहरू :

क) सामान्य प्रस्तावहरू :

- १) आर्थिक वर्ष २०८०/८१ को सञ्चालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरि पारित गर्ने।
- २) लेखापरीक्षकको प्रतिवेदन सहित २०८१ आषाढ मसान्तको वासलात, नाफा नोक्सान हिसाब तथा सोही अवधिको नगद प्रवाह विवरण तथा तत् सम्बन्धी अनुसूचीहरू छलफल गरी पारित गर्ने।
- ३) कम्पनी ऐन, २०६३ को दफा १११ तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ मा भएको व्यवस्था अनुसार बैंकको लेखापरीक्षण समितिको सिफारिस बमोजिम आर्थिक वर्ष २०८१/८२ को लागि बाह्य लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने।
- ४) सञ्चालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०८०/८१ को मुनाफा तथा सञ्चित मुनाफा रकम समेतबाट यस विकास बैंकको हाल कायम चुक्ता पूँजीको ४ प्रतिशतका दरले हुन आउने रकम रु. १४,०७,२५,३६५.५१ (अक्षरेपी चौध करोड सात लाख पच्चीस हजार तीन सय पैसठ्ठी रुपैया र पैसा एकावन्न मात्र) बोनस शेयर र नगद लाभांशमा लाग्ने कर प्रयोजनार्थ समेत गरी नगद लाभांश वितरण गर्न स्वीकृति प्रदान गर्ने।
- ५) कम्पनी ऐन २०६३ बमोजिम बैंकमा रिक्त रहेको स्वतन्त्र सञ्चालक पदमा मिति २०८०/११/३० मा गरिएको श्री जयदेव श्रेष्ठज्यूको नियुक्तीलाई अनुमोदन गर्ने।

ख) विशेष प्रस्तावहरू :

- १) सञ्चालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०८०/८१ को मुनाफा तथा सञ्चित मुनाफा रकम समेतबाट यस विकास बैंकको हाल कायम चुक्ता पूँजीको ३ प्रतिशतका दरले हुन आउने रकम रु. १०,५५,४४,०२४.१३ (अक्षरेपी दश करोड पचपन्न लाख चवालीस हजार चौबीस रुपैया र पैसा तेह्र मात्र) बराबरको वोनस शेयर वितरण गर्न स्वीकृति प्रदान गर्ने।
- २) विकास बैंकको जारी तथा चुक्ता पूँजी रु. ३,५१,८१,३४,१३७.७७ (अक्षरेपी तीन अर्ब एकावन्न करोड एकासी लाख चौतिस हजार एक सय सैतीस रुपैया र पैसा सतहत्तर मात्र) रहेकोमा वोनस शेयर वितरण पश्चात जारी तथा चुक्ता पूँजी रु. ३,६२,३६,७८,१६१.९० (अक्षरेपी तीन अर्ब बैसठ्ठी करोड छत्तीस लाख अठहत्तर हजार एक सय एकसठ्ठी रुपैया र पैसा नब्बे मात्र) पुर्‍याउने विशेष प्रस्ताव पारित गर्ने।
- ३) वोनस शेयर जारी पछि कायम हुने जारी तथा चुक्ता पूँजी बमोजिम यस विकास बैंकको प्रबन्धपत्रको दफा ५ को (ख) र (ग) मा आवश्यक संशोधन गर्ने। यस सम्बन्धमा नियमनकारी निकायहरूबाट फेरबदल गर्न निर्देशन भएमा आवश्यकता अनुसार थपघट, परिमार्जन, संशोधन, भाषागत लगायत अन्य सुधार समेतका लागि सञ्चालक समितिलाई अख्तियारी दिने।
- ४) सञ्चालकहरूको पारिश्रमिक, भत्ता र सुविधा सम्बन्धमा नियमावलीको नियम २९(१)(ख), र नियम २९(१)(घ) मा आवश्यक संशोधन गर्ने। यस सम्बन्धमा नियमनकारी निकायहरूबाट फेरबदल गर्न निर्देशन भएमा आवश्यकता अनुसार थपघट, परिमार्जन, संशोधन, भाषागत लगायत अन्य सुधार समेतका लागि सञ्चालक समितिलाई अख्तियारी दिने।

वार्षिक साधारण सभा सम्बन्धी जानकारी

- वार्षिक साधारण सभा प्रयोजनको लागि मिति २०८१/०९/१९ गते (१) एक दिन बैंकको शेयरधनी दर्ता किताव बन्द गर्ने निर्णय गरिएको छ। शेयरधनी दर्ता किताव बन्द भएको मिति २०८१/०९/१९ गते भन्दा अगाडि अर्थात मिति २०८१/०९/१८ गते सम्म नेपाल स्टक एक्सचेन्ज लिमिटेडमा नियमानुसार कारोबार भई सि.डि.एस. एण्ड क्लियरिङ लिमिटेडबाट राफसाफ समेत भई प्रचलित नियमानुसार यस विकास बैंकको शेयर रजिष्ट्रार श्री मुक्तिनाथ क्यापिटल लिमिटेड, का.म.न.पा. बडा नं. १, नारायण चौर, नक्सालमा रहेको शेयरधनी दर्ता किताबमा अद्यावधिक भई कायम हुन आएका शेयरधनीहरू मात्र साधारण सभामा भाग लिन, मतदान गर्न र लाभांश प्राप्त गर्न योग्य हुनुहुन्छ।
- साधारण सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले सभा हुने दिन सककल शेयरधनी प्रमाणपत्र वा प्रवेशपत्र वा हितग्राहीखाता (DEMAT A/C) को विवरण सहित आफ्नो परिचय खुल्ने प्रमाण (जस्तै: नागरिकता प्रमाणपत्र वा अन्य कुनै परिचयपत्र) साथमा लिई आउनु हुन अनुरोध छ।
- शेयरधनी महानुभावहरूले उपस्थिति पुस्तिकामा दस्तखत गर्न शेयरधनी उपस्थिति पुस्तिका बिहान ९:३० बजे देखि नै खुल्ला गरिने छ।
- शेयरधनीले प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफ्नो नाममा रहेको सम्पूर्ण शेयरको प्रतिनिधि (प्रोक्सी) एकजना व्यक्तिलाई मात्र मुर्कर गर्नु पर्नेछ। एकभन्दा बढी व्यक्तिलाई अखितयारनामा दिएमा पहिलो पटक दर्ता हुन आएको अखितयारनामालाई मान्यता दिइनेछ र पछिल्लो पटक दर्ता हुन आएको अखितयारनामा स्वतः बदर हुनेछ। संगठित संस्थाका शेयरधनीको हकमा संस्थाले तोकिएको वा मनोनित गरेको प्रतिनिधिले साधारण सभामा भाग लिन पाउनु हुनेछ।
- साधारण सभामा भाग लिन तथा मतदान गर्नका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले तोकिएको ढाँचामा यस विकास बैंकको शेयरधनीलाई मात्र प्रतिनिधि (प्रोक्सी) नियुक्त गर्न सक्नुहुनेछ। प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको निवेदन सभा शुरु हुनु भन्दा कमिमा ४८ घण्टा अगावै विकास बैंकको केन्द्रीय कार्यालय, ढिल्लीबजार, काठमाडौंमा दर्ता गराइ सक्नु पर्नेछ।
- प्रतिनिधि नियुक्त गरिसक्नु भएको शेयरधनी आफैं सभामा उपस्थित भई उपस्थिति पुस्तिकामा दस्तखत गर्न चाहेमा सो को लिखित सूचना दिई प्रतिनिधि (प्रोक्सी) बदर गर्न सक्नु हुनेछ।
- नाबालक वा विक्षिप्त व्यक्ति शेयरधनीको तर्फबाट यस विकास बैंकको शेयर लगत कितावमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन, मतदान गर्न र प्रतिनिधि तोकन पाउनु हुनेछ तर संरक्षक आफैं शेयरधनी नभएमा संरक्षकले अरु शेयरधनीको प्रतिनिधि (प्रोक्सी) भई सभामा भाग लिन सक्नुहुने छैन। संयुक्त रूपमा शेयर लिने शेयरधनीहरूको हकमा त्यस्तो शेयरधनीहरू मध्येबाट सर्वसम्मत रूपमा मनोनित प्रतिनिधिले वा सो बमोजिम कुनै प्रतिनिधि नियुक्त नभएमा शेयरधनीहरूको दर्ता किताबमा पहिलो नाम उल्लेख भएको शेयरधनीले मात्र साधारण सभामा भाग लिन तथा मतदान गर्न पाउनु हुनेछ।
- शेयरधनीहरूबाट उठेका प्रश्न, जिज्ञासा वा मन्तव्यहरूको सम्बन्धमा सञ्चालक समितिको तर्फबाट सभाका अध्यक्ष वा अध्यक्षबाट तोकिएको व्यक्तिले जवाफ दिनुहुनेछ।
- साधारण सभा सम्बन्धी अन्य जानकारीका लागि लुम्बिनी विकास बैंक लि.को केन्द्रीय कार्यालय, ढिल्लीबजार, काठमाडौंमा कार्यालय समय भित्र सम्पर्क गर्नुहुन वा हाम्रो वेबसाईट www.lumbinibikasbank.com मा हेर्नुहुन अनुरोध छ।
- सुरक्षाको दृष्टिकोणले शेयरधनी महानुभावहरू सभा स्थलमा आउँदा भोला वा अन्य शंकास्पद कुनै बस्तु नलिई आउनु हुन अनुरोध गरिन्छ। सुरक्षाकर्मीले आवश्यक देखेमा सुरक्षा जाँच समेत गर्न सक्ने भएकोले आवश्यक सहयोग गरिदिनु हुन अनुरोध गरिन्छ।

सञ्चालक समितिको निर्णयानुसार
प्रमुख कार्यकारी अधिकृत/कम्पनी सचिव



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लुम्बिनी विकास बैंक लिमिटेड

प्रोक्सी फारम

(कम्पनी ऐन २०६३ को दफा ७१ को उपदफा(३) संग सम्बन्धित)

श्री सञ्चालक समिति
लुम्बिनी विकास बैंक लिमिटेड
डिल्लीबजार, काठमाडौं ।

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला..... गा.पा./न.पा./म.न.पा. वडा नं.बस्ने म
..... ले त्यस विकास बैंकको शेयरधनीको हैसियतले मिति २०८१/०९/२९ का दिन हुने १७ औं वार्षिक साधारण सभामा स्वयं उपस्थित भई
छलफल तथा मतदानमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि
..... जिल्ला गा.पा./न.पा./म.न.पा., वडा नं..... बस्ने त्यस विकास बैंकका
शेयरधनी श्री लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएको छु ।

प्रतिनिधि नियुक्त भएको व्यक्तिको :

हस्ताक्षरको नमूना :
नाम :
शेयरधनी परिचयपत्र नं. :
डिम्याट खाता नं. :

निवेदकको

दस्ताखत :
नाम :
ठेगाना :
शेयरधनी परिचय नं. :
शेयर डिम्याट नं. :
शेयर संख्या :
मिति :

नोट : यो निवेदन साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै विकास बैंकको डिल्लीबजार स्थित रजिस्टर्ड कार्यालयमा पेश गरी सक्नुपर्नेछ ।
आज्ञाले,

कम्पनी सचिव

लुम्बिनी विकास बैंक लिमिटेड

डिल्लीबजार, काठमाण्डौ

लुम्बिनी विकास बैंक लिमिटेडको मिति २०८१/०९/२९ का दिन हुने
१७ औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको

प्रवेश-पत्र

शेयरधनीको नाम : श्री
प्रमाणपत्र नं. शेयरधनी परिचय नं./डिम्याट नं.
शेयर संख्या :

शेयरधनीको हस्ताक्षर

कम्पनी सचिव

द्रष्टव्य: १) शेयरधनीहरूले माथि उल्लेखित सम्पूर्ण विवरणहरू अनिवार्य रूपमा भर्नु हुन अनुरोध छ ।
२) सभाकक्षमा प्रवेश गर्न यो प्रवेशपत्र अनिवार्य रूपमा प्रस्तुत गर्नु पर्नेछ ।

Organizational overview and external environment

We Lumbini

Lumbini Bikas Bank Limited (LBBL) was established with a visionary mission to redefine the banking experience in Nepal by prioritizing client-centric services, operational excellence, and innovative solutions. Over the years, LBBL has evolved into a reliable and dynamic development bank, setting benchmarks in the financial sector. Guided by the principles of integrity, adaptability, and stakeholder empowerment, the bank has become a symbol of trust and progress in Nepal's rapidly transforming financial ecosystem.

LBBL remains committed to driving financial inclusion, enabling economic development, and delivering exceptional value to its customers, employees, and stakeholders. Through continuous innovation and technological adaptation, the bank is poised to remain a trusted partner in the journey of economic growth and financial prosperity.

Founded with the vision to be client-centric, operationally-integrated and delivering exceptional services to stakeholders spirited with glaring focus on customer service, Lumbini Bikas Bank has rightfully bespeak itself as a cornerstone and trustworthy development bank of Nepal. Standing with a network of 89 branches and 1 extension counter, 20 ATMs and joint support of 632 staffs providing diversified services to 18,424 loan customers and 437,913 deposit customers, Lumbini continues to set the highest benchmark in development banking scene through its endeavors towards enhancing customer experience, adapting to technological advancements and enriching people's lives. Continuous quality services to customers has always been the driving force of the bank.

Being based upon a robust footing, inexorable and perennial customer support, plausible strategies and prudent management practices which have been the paramount pillars of unprecedented success that it has enjoyed over the past 17 years. Providing entire gamut of banking and other financial services under the license to carry banking operations as a 'B' Class financial institution from the Nepal Rastra Bank under the Bank and Financial Institutions Act, 2073, Lumbini has been constantly evolving to better itself, so as to always better serve the stakeholders.

Having completed the 17th Fiscal Year (and Seven years after the latest merger of Vibor Society Development Bank and Lumbini Finance & Leasing Co. Ltd. on 25th Ashad 2074), bank strives to be unsurpassed in delivering of the catalogue of banking services it has to offer.



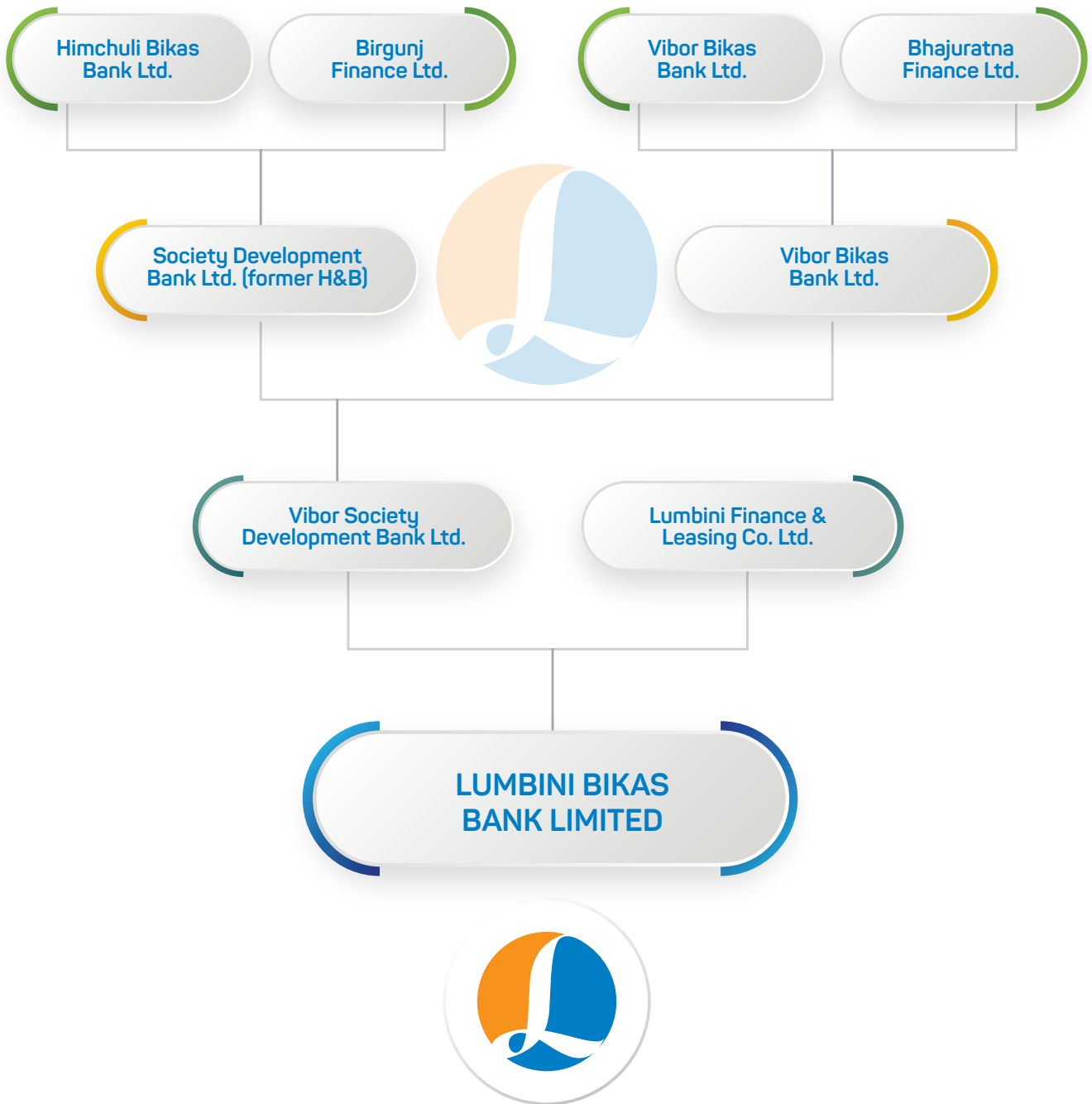


ISSUER RATING

ICRA Nepal has assigned an issuer rating of [ICRANP-IR] BB@ (pronounced ICRA NP issuer rating double B) to Lumbini Bikas Bank Limited (LBBL) and placed it on "Watch" with an emphasis on areas for potential improvement. This rating signifies LBBL's ongoing ability to meet its financial obligations while providing an opportunity for the bank to further strengthen its operational and financial position. With a solid foundation built on successful strategic initiatives and competitive positioning within the development banking sector, LBBL remains committed to driving sustainable growth. The "Watch" status highlights ICRA Nepal's active engagement in evaluating the bank's evolving dynamics, reflecting confidence in LBBL's capacity to enhance its resilience, seize opportunities, and continue delivering value to its stakeholders.

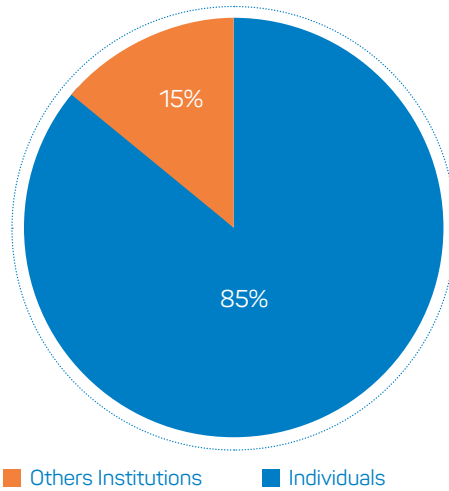
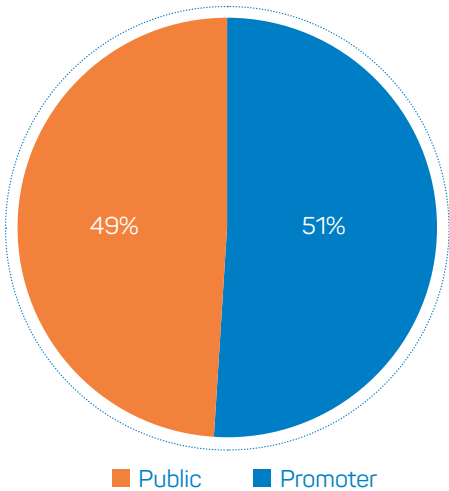
OUR HISTORY & TIMELINE

Lumbini Bikas Bank stands out as a single entity after successful merger from five institutions viz Bhajuratna Finance, Birgunj Finance, Himchuli Bikas Bank, Lumbini Finance and Vibor Bikas Bank Limited.



Shareholding Structure

The shareholding structure of current paid up capital of the development bank consists of 51.01% of promoters and 48.99% of public shareholders.

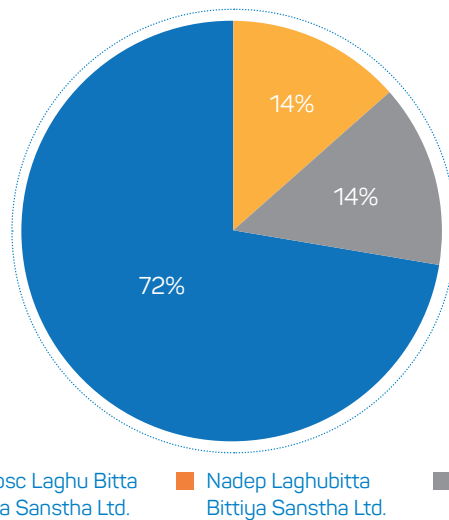


Our Associates

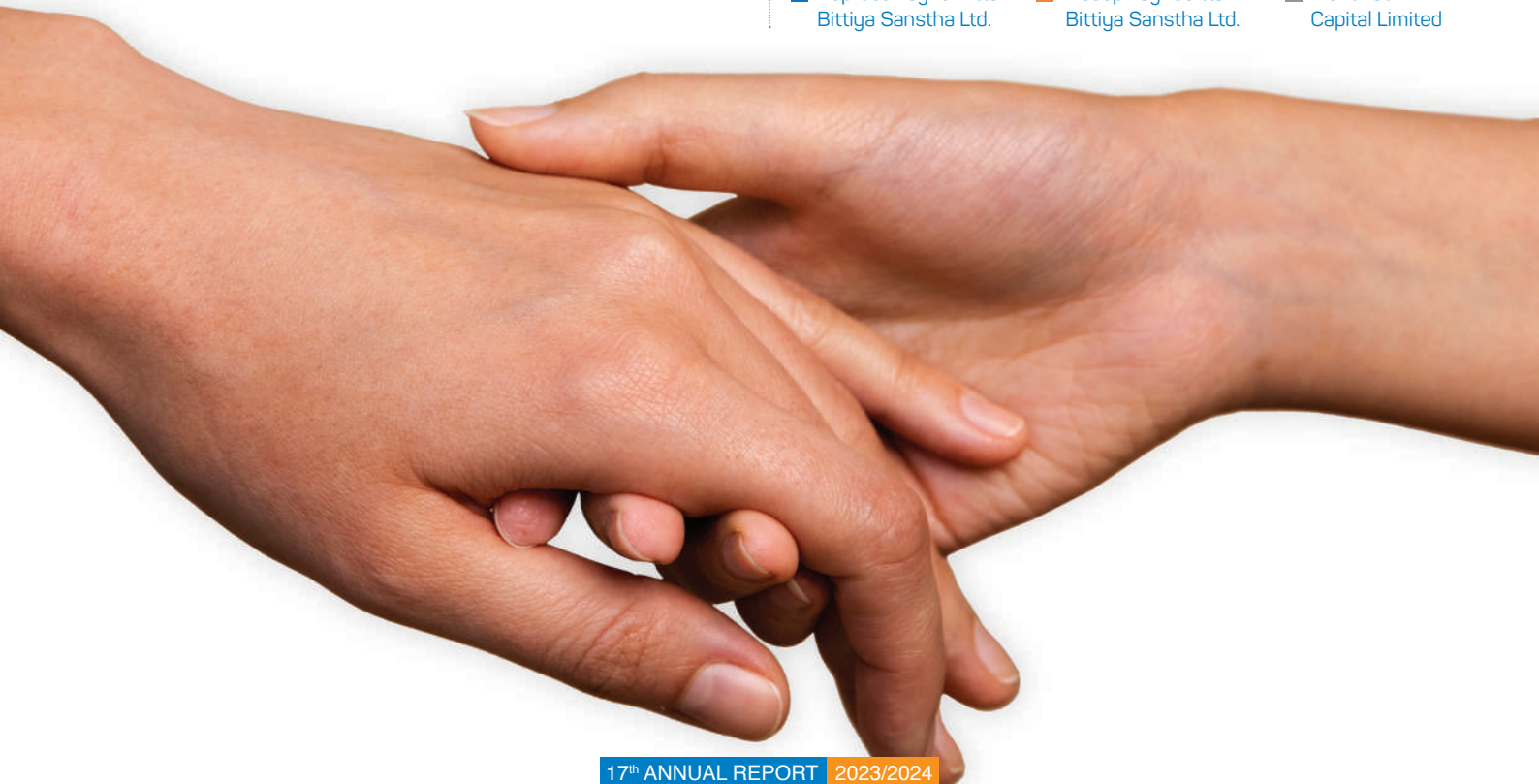
Lumbini Bikas Bank has Board level representation on three Financial Institutions namely

- ❖ Deprocs Laghubitta Bittiya Sanstha Limited
- ❖ NADEP Laghubitta Bittiya Sanstha Limited
- ❖ Muktinath Capital Limited

In all these organization, Lumbini Bikas Bank has ensured good and effective corporate governance which has resulted sustenance and growth of all these organizations.



*Composition of Investment in Associates



BOARD OF DIRECTORS

Mr. Chintamani Bhattarai

has involved in leadership and management position in Financial Institution. He has been with Lumbini Bikas Bank Limited for more than 23 years in various capacity. Mr. Bhattarai's extensive involvement with Rotary International is highly noticeable as District Governor of Rotary District 3292 Nepal & Bhutan in year 2018/19.

Mr. Ram Chadra Sigdel

has experience in leadership and management as Board of Director of Banking and Financial Institution, in academic sector as well as in business sector. He has been associated with Lumbini Bikas Bank Limited since 31st Bhadra, 2075.

Mr. Prabin Krishna Shrestha

has 19 years of banking experience with more than 12 years in Managerial Position in commercial Bank. He has been associated with Lumbini Bikas Bank Limited since 31st Bhadra, 2075 as a director.

Mr. Arjun Thapa

An MBA from Tribhuvan University with more than 26 years of experience in different commercial banks with wide range of banking exposures. He has been associated with Lumbini Bikas Bank Limited since Poush 2079 as a director.

Mr. Ganesh Raj Regmi

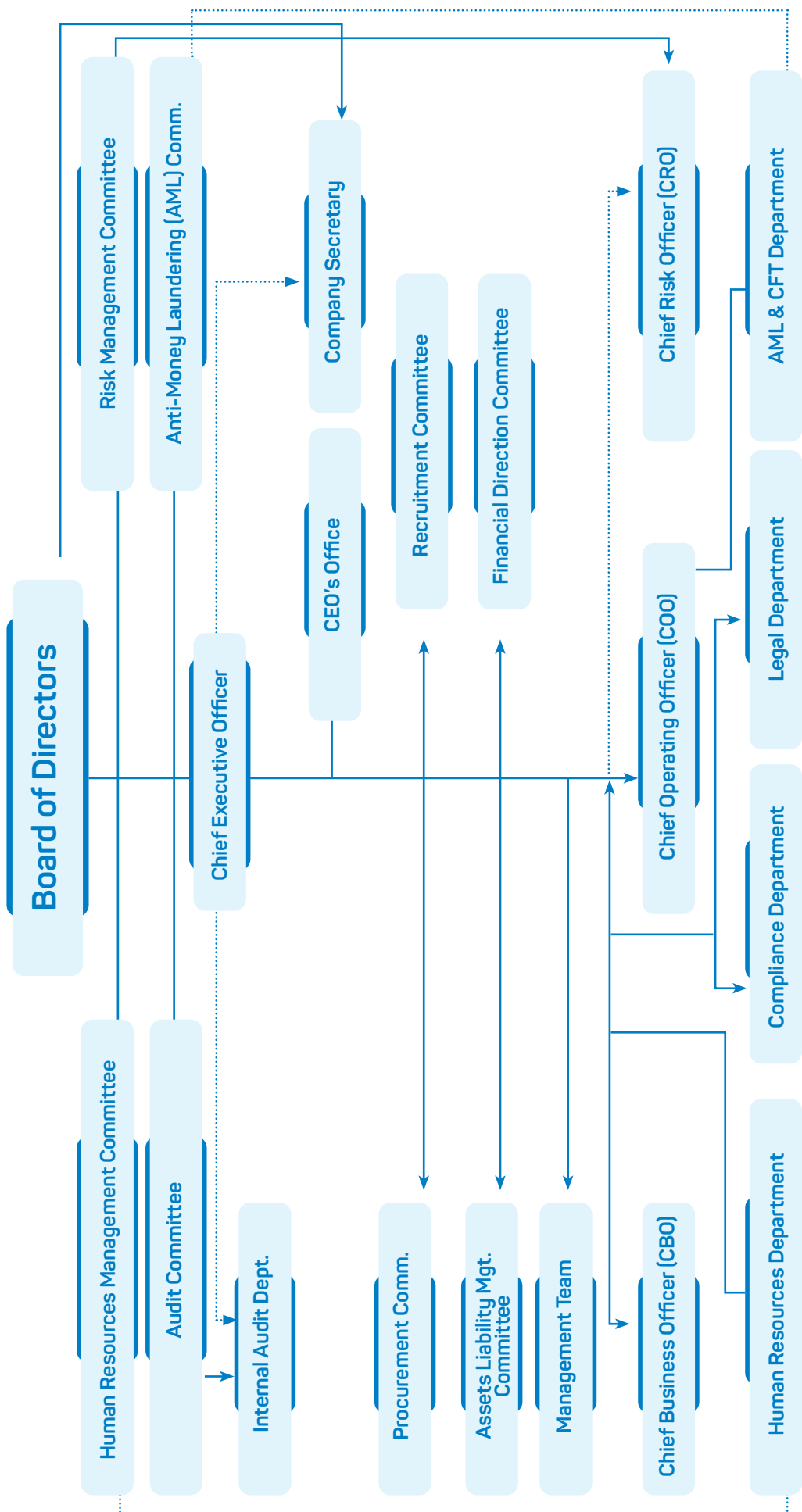
An experience professional with more than 25 years of exposure in Auditing and finance field. He has been associated with Lumbini Bikas Bank Limited since Poush 2079 as a director.

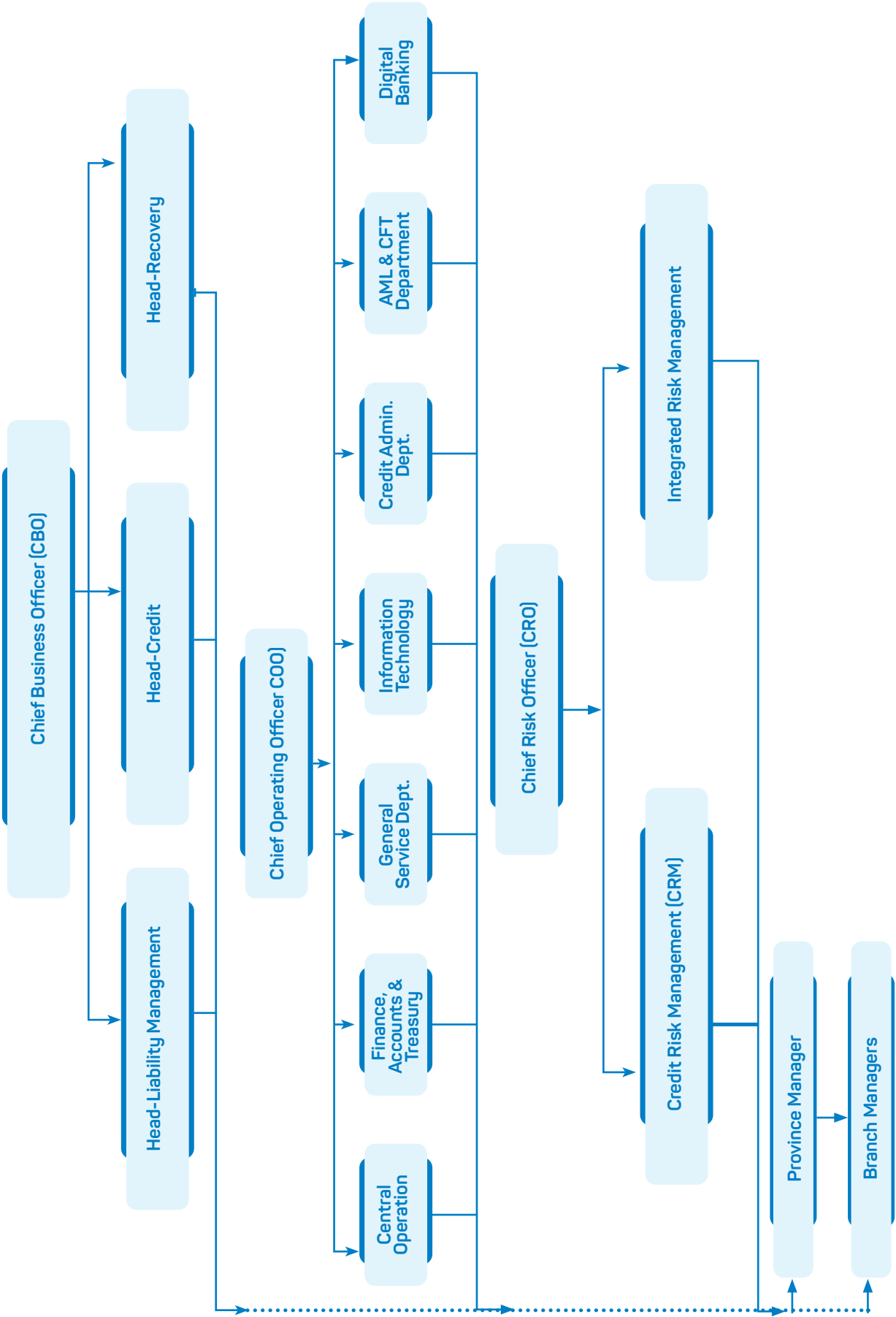
Mr. Keshav Khatiwada,

an MBS, MA as well as BL Degree holder from Tribhuvan University has been in Board of Directors of Lumbini Bikas Bank Limited since 29th Falgun, 2076. He has Strong knowledge of governing bylaws and to implement company procedures.

Mr. Jaya Dev Shrestha With over 32 years in public sector financial management and five years as an Accounts Member in Debt Recovery Tribunal. Expertise spans budgeting, audit, treasury management, tax administration, financial administration, and project oversight. Holds a Master's in Public Administration, a Master's in Business Administration, and a Bachelor's in Law from Tribhuvan University.

Our Organizational Structure







सञ्चालक समिति BOARD OF DIRECTORS

► बायाँ तर्फबाट क्रमशः...

चिन्तामणी भट्टराई
अध्यक्ष

प्रविण कृष्ण श्रेष्ठ
सञ्चालक

राम चन्द्र सिग्देल
सञ्चालक



अर्जुन थापा
सञ्चालक

गणेश राज रेग्मी
सञ्चालक

केशव खतिवडा
सञ्चालक

जयदेव श्रेष्ठ
सञ्चालक



व्यवस्थापन समूह MANAGEMENT TEAM

► बायाँ तर्फबाट क्रमशः...

सुमन आचार्य
नायब प्रमुख
कार्यकारी अधिकृत

नरेश सिंह बोहरा
प्रमुख कार्यकारी अधिकृत

उमेश रेग्मी
नायब प्रमुख
कार्यकारी अधिकृत



दिपेन्द्र मान चुईचुई
वरिष्ठ प्रबन्धक

दिपक खनाल
मूर्य प्रबन्धक

हरि कृष्ण सुवेदी
मूर्य प्रबन्धक

मेषराज गौतम
वरिष्ठ प्रबन्धक



विभागीय प्रमुखहरू DEPARTMENT HEADS

► बायाँ तर्फबाट क्रमशः...

सुकदेव पहारी
प्रमुख-सञ्चालन

दिप बहादुर रावल
प्रमुख-सामान्य प्रशासन

विशाल जोशी
प्रमुख-सूचना प्रविधि

भुवन खनाल
प्रमुख-वित्त
लेखा तथा कोष

दिपेश जोशी
प्रमुख-KYC अनुपालन र
AML CFT इकाई



लक्ष्मण फुयाल
प्रमुख कानून

जगदिश बस्ताकोटी
प्रमुख-कर्जा प्रशासन

सुजन भट्टराई
प्रमुख-एकीकृत जोखिम

कविराज खत्री
प्रमुख-कर्जा जोखिम

साजन श्रेष्ठ
प्रमुख-ऋण असुली

प्रेम लाल बस्न्याल
प्रमुख मावन संसाधन



OUR EXECUTIVE MANAGEMENT

MR. NARESH SINGH BOHRA **CEO**

An MBA Degree holder from MONIRBA, University of Allahabad, India, Mr. Bohra has been in the field of Banking for more than two decades. He had started his banking career with Nepal Bangladesh Bank Limited and joined Lumbini Bikas Bank Limited on 2nd Shrawan 2075, as Chief Executive Officer. He was reappointed as CEO for his second tenure on 2079.04.02

MR. UMESH REGMI **DCEO**

Executive MBA Degree holder from Purbanchal University and CA Intermediate from The Institute of Chartered Accountants of Nepal, Mr. Regmi has 20 years of experience in Banking / Financial sector. He worked in executive levels including CEO in various BFIs, is currently working as Deputy Chief Executive Officer with Lumbini Bikas Bank Limited.

MR. SUMAN ACHARYA **DCEO**

MBA Degree holder from Tribhuvan University in 1999 and a topper of Central Department and University Board Second, Mr. Acharya has more than 23 years of extensive banking experience in various BFIs. He was also rewarded with the Krishna Chandra Regmi Award for Best Thesis in MBA at TU. He has served in different commercial banks in various leadership roles and has headed the merchant bank as Board of Directors, Chief Executive Officer, and Chairman. He joined Lumbini Bikas Bank Limited on the 3rd of Baishak 2080 as Deputy Chief Executive Officer.



OUR NETWORK & BRANCHES

We believe in ever growing process so that we can serve to the clients widely. Lumbini Bikas Bank is always concerned with the quality and timely services.

Province	Districts	No. of Branches
Koshi	Okhaldhunga, Sunsari, Morang, Jhapa	11
Madhesh	Parsa, Rautahat, Mahottari, Dhanusha, Siraha, Saptari, Sarlahi	11
Bagmati	Chitwan, Rasuwa, Nuwakot, Kathmandu, Bhaktapur, Lalitpur, Kavrepalanchowk, Lele (Extension Counter)	36+1
Gandaki	Kaski, Tanahu, Parbat, Syangja, Nawalparasi East	13
Lumbini	Kapilbastu, Rupandehi, Banke, Nawalparasi West, Dang, Bardiya	12
Karnali	Surkhet	1
Sudurpashchim	Kailali, Kanchanpur	5

ATM Network		
Head Office: Dillibazar		
Gaur	Bhakundebesi	Mahendrapool
Tripureshwor	Thamel	Chhorepatan
Newroad, Pokhara	Biratnagar	Narayangarh
Tokha	Bode	Okhaldhunga
Basundhara	Nepalgunj	Birgunj
Kantipath	Bani	Rambazar
Lele (extension counter)		





EXTERNAL ENVIRONMENT ANALYSIS

We have shown a strong commitment to sustainability, with a focus on integrating environmental and social risks into decision-making processes. The bank has pioneered products and services that align with sustainability goals and has executed several environmental activities like tree plantations to promote conservation. The bank's efforts go beyond reducing pollution; it actively contributes to a healthier environment, fostering a positive impact on the broader ecosystem. These initiatives reflect Lumbini's holistic approach to a greener and more sustainable future, combining responsible business practices with hands-on environmental action.

PESTEL-G analysis:

A PESTLE-G analysis is a strategic framework used by businesses, including banks, to assess and understand the external factors that can impact their operations and decision-making. The acronym PESTLE-G stands for Political, Economic, Sociocultural, Technological, Legal, Environmental, and Geopolitical factors.

Political Factors:

The political environment in Nepal is volatile due to frequent changes in government leadership, as no single party has secured a majority in parliament. This instability can result in fluctuating business conditions, posing a potential risk to the bank's operations. Changes in government policies, taxation, trade regulations, and monetary policies can impact the bank's strategic planning and financial stability.

Economic Factors:

The economic landscape, including inflation rates, exchange rates, and economic growth, directly influences LBBL's operations. Economic conditions such as rising interest

rates increase the cost of funds for banks, leading to lower demand for loans. This also affects the purchasing power of customers and the liquidity within the banking sector. As a result, banks must adopt prudent financial strategies to navigate the challenging economic environment.

Sociocultural Factors:

Sociocultural factors, including demographic trends, consumer preferences, and social values, impact LBBL's customer base. In rural areas, lower literacy rates may hinder the bank's efforts to expand its customer base, especially in digital banking. Additionally, shifts in consumer behavior, such as increasing adoption of digital banking, may require the bank to invest in technology and adjust its services to meet evolving demands.

Technological Factors:

Technological advancements, including innovations in digital banking, cybersecurity, and new technologies such as blockchain and artificial intelligence, can create both

opportunities and challenges for LBBL. While staying competitive requires investing in the latest technologies, it also heightens the risk of cyber threats. Ensuring secure and efficient technology systems is essential for maintaining customer trust and operational stability.

Environmental Factors:

Environmental factors, including climate change and sustainability practices, are becoming increasingly important. LBBL's commitment to sustainability, including green financing initiatives, helps reduce its environmental footprint and supports the global push for environmental responsibility. Banks must evaluate the environmental risks of their lending portfolios, ensuring that they support sustainable projects while minimizing their impact on the environment.

Legal Factors:

LBBL must comply with various laws and regulations, including banking laws, anti-money laundering laws, and data privacy regulations. Legal non-compliance can lead to severe financial and reputational consequences. The bank must keep abreast of changes in regulations to ensure full compliance and mitigate any legal risks.

Geopolitical Factors:

Geopolitical factors, including global trade disputes, political instability, and international conflicts, can affect LBBL's operations, especially in terms of investment decisions and market conditions. Geopolitical changes can impact interest rates, currency exchange rates, and the distribution of financial resources. The bank needs to monitor global political developments as they can influence both its operations and the broader financial environment.

By conducting **APESTEL-G analysis** helps LBBL assess external factors that can affect its operations and decision-making processes. By understanding political, economic, sociocultural, technological, legal, environmental, and geopolitical factors, the bank can strategically plan to mitigate risks and capitalize on opportunities. This proactive approach ensures that LBBL can adapt to a rapidly changing business environment, ensuring its long-term sustainability and success.



Information Technology and Digital Banking: A Strategic Priority

In the rapidly transforming world of banking, information technology (IT) has emerged as the cornerstone of innovation and efficiency. For financial institutions, a robust, scalable, and secure IT infrastructure is not just an operational necessity but a strategic asset that underpins every aspect of the organization.

LBBL understands the critical role that technology plays in adapting to evolving customer expectations, addressing competitive pressures, and complying with a dynamic regulatory environment. This insight has driven the bank to invest heavily in cutting-edge technological solutions and to adopt a holistic digital transformation strategy aimed at enhancing both operational efficiency and customer satisfaction.

Comprehensive Digitalization Efforts

Since its inception, LBBL has pursued a clear vision of digital excellence. This encompasses:

➤ Data Center and Network Enhancements:

- Upgraded its Data Center (DC) with new servers and high-capacity networks to enhance operational resilience and efficiency.
- Implemented High Availability (HA) configurations to ensure redundancy and minimize downtime.

➤ Innovative Security Measures:

- Deployed Two-Factor Authentication (2FA) and advanced antivirus solutions to bolster system security.

- Initiated the implementation of a Web Access Firewall (WAF) to safeguard web applications.

➤ Customer-Centric Innovations:

- Enhanced its mobile banking application with card-less withdrawal and interoperability for QR payments.
- Launched an e-KYC portal, allowing customers to conveniently update their information online.

➤ Operational Optimization:

- Automated key processes using advanced tools like Smart Credit software and Operations Management System (OMS).
- Introduced web-based portals to streamline departmental workflows, such as transaction dispute processing and digital sales tracking.

➤ Strategic Upgrades:

- Migrated critical systems like Microsoft Windows Servers and SQL Servers to the latest versions for improved performance and compliance.
- Initiated RPA (Robotic Process Automation) pilots to automate manual processes.

Future-Proofing with Innovation

LBBL's approach to IT and digital banking is rooted in the belief that continuous innovation is essential for long-term success. Upcoming plans include:

- Strengthening Security
- Enhancing Customer Experience
- Expanding Capabilities

GREEN BANKING AND GREEN FINANCING POLICY

We stand as a pioneer in the domain of green banking, surpassing the conventional focus on reducing carbon-emitting equipment. Our commitment extends to the forefront of environmental responsibility, particularly showcased in the integration of green principles into our mortgage and loan offerings. LBBL, aligning with international best practices, not only prioritizes minimizing our own environmental footprint but actively champions the financing of sustainable development projects.

Operating on a strategic and globally aligned financial approach, LBBL places a premium on investments in environmentally friendly products and activities. Our embrace of a green financing policy signifies our dedication to fostering a circular, green, and sustainable economy. This commitment goes beyond meeting regulatory requirements, as LBBL proactively seeks opportunities to support initiatives in line with the principles of environmental sustainability.

Recognizing that green banking signifies a transformative shift towards responsible and sustainable practices, LBBL goes the extra mile by integrating green banking concepts into our core operations. This includes the promotion of green loans and mortgages, encouraging environmentally conscious choices among our valued customers and establishing a symbiotic relationship between financial profitability and ecological responsibility.

Adopting an international perspective on green banking and financing, LBBL aspires to play a transformative role in shaping a sustainable future. Our initiatives transcend conventional banking practices, reflecting a profound commitment to environmental stewardship and the proactive promotion of a green economy through well-thought-out financial strategies and policies. LBBL's holistic approach underscores our dedication to making a positive impact not only in the financial industry but also in contributing to a more sustainable and environmentally conscious future.



Performance and outlook

5 year at a glance

Financial Performance

Particulars	For the year 2080-81	For the year 2079-80	For the year 2078-79	For the year 2077-78	For the year 2076-77
Net Interest Income	1,754,827,550	1,843,792,228	1,532,363,163	1,211,004,646	1,149,753,774
Net interest, fee and commission income	1,951,667,075	1,998,157,824	1,686,320,389	1,383,364,564	1,266,178,095
Total operating income	2,036,886,099	2,047,343,581	1,737,385,478	1,522,920,024	1,294,344,881
Operating Profit	974,294,387	724,791,786	941,905,671	606,382,360	526,050,737
Profit before income tax	951,757,443	707,913,314	937,852,412	625,312,215	538,453,280
Profit for the period	543,667,622	497,672,518	637,193,265	433,967,179	378,560,824
Earnings per share	15.45	14.71	19.40	14.93	13.94

Financial Position

Particulars	For the year 2080-81	For the year 2079-80	For the year 2078-79	For the year 2077-78	For the year 2076-77
Investment	12,352,950,242	8,365,830,573	9,089,543,843	5,561,157,310	2,459,769,743
Loans and advances	49,608,648,296	44,570,337,605	41,133,473,123	33,000,440,587	24,747,091,835
Other Asset	286,029,167	220,558,285	206,234,756	160,589,428	115,382,380
Total Assets	69,087,597,452	58,891,462,645	56,688,511,309	44,125,173,171	34,496,583,890
Share capital	3,518,134,138	3,382,821,286	3,284,292,511	2,906,453,550	2,716,311,729
Reserve and Surplus	3,169,274,215	2,834,244,475	2,445,733,229	2,388,118,245	1,727,663,863
Deposits	60,233,791,020	50,584,304,533	45,144,838,832	37,162,811,079	29,705,261,143
Total Liabilities	69,087,597,452	58,891,462,645	56,688,511,309	44,125,173,171	34,496,583,890



लुम्बिनी विकास बैंक लिमिटेडको १७ औं वार्षिक साधारण सभामा

अध्यक्ष श्री चिन्तामणी भट्टराईज्यूको मन्तव्य

यस लुम्बिनी विकास बैंक लिमिटेडको १७ औं वार्षिक साधारण सभामा उपस्थित भई सभाको गरिमा बढाई दिनु भएकोमा आदरणीय समस्त शेयर धनीज्यूहरू, आमन्त्रित अतिथि महानुभावहरू, नियामक निकायबाट पाल्नुभएका प्रतिनिधिज्यूहरू, बैंकका वाट्य लेखापरीक्षकज्यू, कानूनी सल्लाहकारज्यूहरू, पत्रकार मित्रहरू तथा बैंकका प्रमुख कार्यकारी अधिकृत लगायत सम्पूर्ण कर्मचारीहरूमा यस विकास बैंकको सञ्चालक समिति एवं मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु।

यो लामो सहयात्रामा यहाँहरूबाट पाएको साथ, सहयोग, विश्वास तथा सद्भावको लागि हार्दिक आभार प्रकट गर्दछौं। 'निरन्तर सहयात्रा' को मुल नारा सहित आफूना समस्त ग्राहकहरू तथा सरोकारवालाहरूको आवश्यकता र चाहना वमोजिम आधुनिक बैंकिङ सेवा सुविधाहरूलाई विशिष्टीकृत तवरले छिटो, छरितो र पारदर्शी रूपमा सेवा प्रदान गर्दै अगाडि बढ्ने क्रममा हामी सफलतापूर्वक आजको यो गरिमामय १७ औं वार्षिक साधारण सभा सम्पन्न गर्न गईरहेका छौं। आज यस सम्मानित सभामा उपस्थित हुनुभएका आदरणीय शेयरधनी महानुभावहरू, बैंकको सञ्चालक समिति समस्त शेयरधनीहरूको प्रतिनिधित्व गर्दै बैंकको वहुआयामिक समुन्नतिको पथमा अगाडि बढिरहेको व्यहोरा स्मरण गराउँदै यहाँहरू समक्ष बैंकको आ.व.२०८०/८१ को उपलब्धिहरूको समीक्षा समेतको प्रतिवेदन प्रस्तुत गर्न पाउँदा आफुलाई निकै गौरवान्वित महशुस गरेको छु।

विश्वव्यापी महामारीको रुपमा फैलिएको कोभिड-१९ र त्यसको प्रभावबाट उत्पन्न परिस्थिती, व्यवसायिक कारोबारमा शिथिलता, कारोवारहरूको खर्च बृद्धि, लघु व्यवसायहरू संकटबाट गुज्रनु जस्ता नकारात्मक प्रभाव र "Online" कारोवार "Digital Economy" तर्फ भएका व्यापक परिवर्तनहरूको कारण उत्पन्न चुनौती र अवसरहरू, व्यवस्थापकीय क्षमता अभिवृद्धि तर्फ देखिएका थप र परिवर्तनकारी आवश्यकता हुन।

समय समयमा समग्र विश्व अर्थतन्त्रमा आउने विभिन्न उतार चढाव मध्ये पछिल्लो समयमा रूस युद्धको युद्ध एवं तत् पश्चात विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष एवं अप्रत्यक्ष प्रभाव देशको अर्थतन्त्रमा पनि परेको व्यहोरा हामी विच सर्व विदितै छ। युद्धका कारण पेट्रोलियम पदार्थको आपूर्तिमा परेको प्रभाव, उच्च मूल्य बृद्धि, कच्चा पदार्थ तथा विभिन्न सामानहरूको आयात/निर्यातमा परेको कठिनाई, खाद्यान्न संकट, मुद्रास्फीति जस्ता समस्याहरूको सामना अन्य राष्ट्रहरूले भई हामीले पनि सामना गर्नुपरेको अवस्था छ। अन्तराष्ट्रिय मुद्रा कोष (IMF) ले प्रकाशन गरेको प्रतिवेदन अनुसार सन् २०२३ मा ३.३% ले वृद्धि भएको विश्व अर्थतन्त्र सन् २०२४ र २०२५ मा ३.२% ले मात्र वृद्धि हुने अनुमान गरिएको छ। World Economic Outlook अनुसार भूराजनीतिक तनाव, जलवायु परिवर्तन, प्राकृतिक प्रकोप लगायतका कारण विश्वको आर्थिक वृद्धि कोभिड-१९ पूर्वको तुलनामा अबै कमजोर छ। तथापी विश्वको मुद्रास्फीतिमा सुधार हुँदै आएको छ र सन् २०२३ मा विश्वको उपभोक्ता मुद्रास्फीति ६.७ प्रतिशत रहेकोमा सन् २०२४ मा ५.८ प्रतिशत र सन् २०२५ मा ४.३ प्रतिशत रहने कोषले प्रक्षेपण गरेको छ। विकसित राष्ट्रहरूको आर्थिक वृद्धिमा अबै केही अवधिको लागि संकुचन आउने र सन् २०२५ भित्रमै केही सुधार आउने प्रक्षेपण गरिएको छ। समीक्षा अवधिमा आर्थिक क्रियाकलापहरू पूर्ण रुपमा सञ्चालनमा आउन नसकी अपेक्षित रुपमा व्यवसाय हुन नसक्दा बैंकको गैरब्याज आम्दानी बढेको भए पनि ब्याज रकम अपेक्षित रुपमा असुली हुन नसकेको एवं निष्क्रिय कर्जा र बढेको कर्जा नोक्सानी व्यवस्थाहरूको कारण बैंकको मुनाफामा केही संकुचन आएता पनि बैंकको व्यवसायमा वृद्धि गर्ने गुणस्तरीय कर्जा लगानीमा वृद्धि तथा खराब कर्जा असुली कार्यलाई सशक्त बनाईएकोले बैंकले सन्तोषजनक मुनाफा आर्जन गर्न सफल भएको छ। विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष



प्रभावको असरबाट समग्र मुलुकको आर्थिक गतिविधि, विकास निर्माण, उद्योग व्यवसाय, लगायतका क्षेत्रमा प्रतिकूलता सिर्जना भएको हालको अवस्थामा सो को प्रभाव विस्तारै घट्दै गए पश्चात् उद्योग, व्यापार, व्यवसाय, पर्यटन, कृषि एवं समग्र अर्थतन्त्र चलायमान भई आर्थिक क्रियाकलापले गति लिने तथा आर्थिक सम्बृद्धिका सूचकाङ्कहरू सकारात्मक रुपमा सुधार हुँदै जाने कुरामा हामी आशावादी छौं ।

रुस- युक्रेन युद्ध, ठूला शक्ति राष्ट्रहरूमा देखिएका Trade War” “Sanction” मध्य पूर्वमा देखिएको विषम परिस्थिती र त्यसबाट उत्पन्न मानवीय संकट, समग्रमा कच्चा तेलको मुल्य बृद्धि, supply chain मा असहजता जस्ता प्रभावको कारण समस्त व्यवसायिक क्षेत्र जस्तै वित्तीय क्षेत्रमा पनि “cost of doing business” मा बृद्धि हुन गई थप चुनौती थपिएका छन् । यी तथ्यका बावजुद व्यवसायिक निरन्तरता कायम राख्न नयाँ चुनौती र परिवर्तित नयाँ अवसरहरूको सकारात्मक उपयोगबाट नयाँ अवसरहरूको श्रृजना गर्न सक्ने व्यवस्थापकीय क्षमता अभिवृद्धि गर्नु हाम्रो अनिवार्य आवश्यकता हो र यस प्रति संचालक समिति र व्यवस्थापन सजग रहेको छ ।

आदरणीय शेयरधनी महानुभावहरूबाट समय समयमा प्राप्त हुने अमूल्य सल्लाह सुझाव तथा मार्ग निर्देशनहरूलाई आत्मसाथ गर्दै लुम्बिनी विकास बैंक लिमिटेड प्रगतिको मार्गमा उल्लेख्य सुधार सहित अगाडि बढ्दै गरेको व्यहोरा सभा समक्ष जानकारी गराउन पाउँदा गौरव महशुस गरिरहेको छु । यस विकास बैंकलाई थप सवल र मजबुत बनाई शेयरधनीहरूको अधिकतम हित अभिवृद्धिको लागि हरदम प्रयासरत रहँदै आगामी दिनमा पनि हामी उत्कृष्ट सेवाका साथमा सवल विकास बैंकको रुपमा पहिचान वनाउने गरी अगाडि बढ्दै जाने प्रण गर्दछौं । आफ्नो उद्देश्यमा सफलता हासिल गर्न नीति नियमको पालना, उच्च व्यवसायिक संस्कारको विकास तथा स्पष्ट कार्ययोजना अंगिकार गरेका छौं । सर्वसाधारण जनताबाट संकलित निक्षेपको सहि ढंगले परिचालन एवं सुरक्षा गर्न तथा राष्ट्रिय अर्थतन्त्रमा योगदान पुऱ्याउन संयमित हुँदै व्यवसाय सञ्चालन गरी शेयरधनीहरूलाई उच्चतम प्रतिफल प्रदान गर्न हामी प्रतिबद्ध छौं ।

आदरणीय शेयरधनी महानुभावहरू यस लुम्बिनी विकास बैंकले देशका ७ वटै प्रदेशमा रहेका कुल ८९ वटा शाखा कार्यालयहरू र एक विस्तारित शाखा मार्फत सेवा उपलब्ध गराउँदै आएको व्यहोरा यहाँहरू समक्ष जानकारी गराउँदछु । गत आ.व. २०७९/८० को तुलनामा समीक्षा अवीधमा बैंकको कुल कर्जा सापटी ११.३० प्रतिशतले वृद्धि भई रु ४९.६१ अर्ब पुगेको छ भने निक्षेप १९.०८ प्रतिशतले वृद्धि भई रु. ६० अर्ब २३ करोड पुगेको छ । यस अवीधमा विकास बैंकको खुद मुनाफामा रु. ५४ करोड ३६ लाख भएको छ भने विकास बैंकको वासलात आकारमा १७.३१ प्रतिशतले वृद्धि भई रु. ६९ अर्ब ८ करोड पुगेको व्यहोरा आदरणीय शेयरधनीहरू समक्ष जानकारी गराउन चाहन्छु । बैंकको निष्कृय कर्जाको असुलीमा तिव्रता दिई गुणस्तरीय कर्जा प्रवाहलाई जोड दिँदै आएको भए पनि विश्व र राष्ट्रिय अर्थतन्त्रमा आएको संकुचनका कारणले कर्जा असुलीमा परेको प्रतिकूल प्रभावका कारण निष्क्रिय कर्जाको मात्रा केही बृद्धि भएको छ ।

आदरणीय शेयरधनी महानुभावहरू, विकास बैंकको आर्थिक बर्ष २०८०/८१ को मुनाफा तथा सञ्चित मुनाफाबाट बैंकका शेयरधनीहरूलाई आजको १७ औं वार्षिक साधारण सभाबाट पारित भएपश्चात लागु हुने गरी विकास बैंकको हाल कायम चुक्ता पूँजीमा देहाय बमोजिमको वोनस शेयर तथा नगदको रुपमा लाभांश वितरण गर्ने सिफारिस गरिएको छ ।

विवरण	प्रतिशत	रकम (रु) अंकमा	रकम (रु) अक्षरमा
नगद लाभांश*	४% (चार प्रतिशत)	१४,०७,२५,३६५.५१	अक्षरेपी चौध करोड सात लाख पच्चीस हजार तीन सय पैसठ्ठी रुपैया र पैसा एकाउन्न मात्र ।
बोनस शेयर	३% (तीन प्रतिशत)	१०,५५,४४,०२४.१३	अक्षरेपी दश करोड पचपन्न लाख चवालीस हजार चौबीस रुपैया र पैसा तेह्र मात्र ।
कुल	७% (सात प्रतिशत)	२४,६२,६९,३८९.६४	अक्षरेपी चौबीस करोड बैसठ्ठी लाख उनासत्तरी हजार तीन सय उनानब्बे रुपैया र पैसा चौसठ्ठी मात्र ।

(*नोट : नगद लाभांशमा, नगद लाभांश र बोनस शेयरमा लाग्ने कर समेत संलग्न रहेको)

आजको यस १७ औं वार्षिक साधारण सभामा पेश गरिएको सामान्य तथा विशेष प्रस्तावहरू एवं सञ्चालक समितिको तर्फबाट साधारण सभामा प्रस्तुत वार्षिक प्रतिवेदन समेत छलफल गरी पारित गरिदिनुहुन आदरणीय शेयरधनी महानुभावहरू समक्ष हार्दिक अनुरोध गर्दछु ।

यस गरिमामय १७ औं वार्षिक साधारण सभामा भाग लिनुहुने सम्पुर्ण शेयरधनी महानुभावहरू प्रति हार्दिक आभार व्यक्त गर्दै तपाईंहरूको अमूल्य सुझाव, सल्लाह एवं सहयोग यस विकास बैंकको प्रगतिको मार्गदर्शनको रुपमा प्राप्त हुने बिश्वास लिएको छु । यसै गरि हामीलाई निरन्तर रुपमा अमूल्य मार्गदर्शन, परामर्श तथा समयमै कार्य सम्पादन गरिदिई सहयोग पुऱ्याउँदै आउनु भएका नेपाल सरकार, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लि., तथा अन्य सरोकारवाला नियामक निकायहरू, हाम्रा समस्त ग्राहक महानुभावहरू, बैंकमा कार्यरत सम्पुर्ण कर्मठ कर्मचारीहरू लगायत प्रत्यक्ष वा परोक्ष रुपमा सहयोग पुऱ्याउँदै आउनु भएका सम्पुर्ण शुभेच्छुकहरूलाई विशेष धन्यवाद ज्ञापन गर्दछु ।

अन्त्यमा, यस विकास बैंकप्रति आफ्नो अटल बिश्वास तथा सद्भाव सहित आफ्नो अमूल्य समय दिई यस गरिमामय १७ औं वार्षिक साधारण सभालाई सफल बनाउन स्वयं एवं प्रतिनिधि मार्फत उपस्थित सम्पुर्ण शेयरधनी महानुभावहरूको आत्मियता, न्यायो माया, धैर्यता र बिश्वास प्रति पुनः हार्दिक आभार प्रकट गर्न चाहन्छु ।

धन्यवाद ।

चिन्तामणी भट्टराई
अध्यक्ष
सञ्चालक समिति
मिति २०८१ पौष २९ गते



प्रमुख कार्यकारी अधिकृतको प्रतिबद्धता

लुम्बिनी विकास बैंक लिमिटेडको यस गरिमामय १७ औं वार्षिक साधारणसभाको अध्यक्षता ग्रहण गर्नु भएका बैंकका अध्यक्षज्यू, सञ्चालकज्यूहरू, संस्थापक लगायत सम्पूर्ण शेयर धनी महानुभावहरू, नियमनकारी निकायका प्रतिनिधिज्यूहरू, आमन्त्रित अतिथिज्यूहरू, पत्रकार मित्रहरू तथा मेरा सहकर्मी कर्मचारी साथीहरूमा म बैंकको प्रमुख कार्यकारी अधिकृत एवं समस्त व्यवस्थापनको तर्फबाट यस गरिमामय सभामा न्यानो अभिवादन तथा हार्दिक स्वागत व्यक्त गर्दछु।

विगतका वर्षहरूमा विभिन्न विश्वव्यापी प्राकृतिक तथा कृत्रिम प्रकोपहरूबाट विश्वव्यापी अर्थतन्त्रमा परेको प्रभाव कम हुन नपाउँदै आ.व. २०८०/८१ मा पनि देशले अन्तराष्ट्रिय तथा आन्तरिक प्रकोपहरूबाट प्रभावित हुनगई आर्थिक गतिविधिहरू एवं पूँजी प्रवाहमा परेको नकारात्मक प्रभाव प्रत्यक्ष/अप्रत्यक्ष रूपमा नेपालको अर्थतन्त्रमा समेत परेको देखिन्छ, जसको परिणाम आर्थिक गतिविधिमा आएको शिथिलता, उच्च मूल्य वृद्धि, व्याजदरमा उतारचढाव, बेरोजगारी, खाद्यान्न संकट, औद्योगिक संकट, आर्थिक मन्दी, व्यवसायमा संकुचन, कर्जाको मागमा कमी जस्ता विविध कारणहरूले गर्दा देशको समग्र बैकिङ क्षेत्रमा समेत प्रभाव परेको देखिन्छ। समीक्षा वर्षमा बजारमा देखिएका विभिन्न चुनौतिहरूका बावजुद पनि विकास बैंकले आ.व. २०८०/८१ मा पनि सन्तोषजनक व्यवसाय गर्न सफल भएको छ। बैंकले आफ्नो व्यवसायमा गुणात्मक वृद्धि हासिल गरी मुनाफा आर्जन गर्नको लागि तय गरेको रणनीति बमोजिम सही दिशानिर्देशमा उत्कृष्ट कार्यसम्पादन गरी अगाडी बढिरहेको हुँदा अधिकांश वित्तीय सूचकहरूमा सकारात्मक नतिजा ल्याउन सफल भई आफूलाई एउटा सफल एवं विश्वसनीय बैंकको रूपमा स्थापित गराउन सफल भएको छ। गत आ.व. २०७९/८० को तुलनामा समीक्षा अवधिमा बैंकको कुल कर्जा सापटी ११.३० प्रतिशतले वृद्धि भई रु ४९.६९ अर्ब पुगेको छ भने निक्षेप १९.०८ प्रतिशतले वृद्धि भई रु. ६० अर्ब २३ करोड पुगेको छ। यस अवधिमा विकास बैंकको खुद मुनाफामा रु. ५४ करोड ३६ लाख भएको छ भने विकास बैंकको वासलात आकार मा १७.३१ प्रतिशतले वृद्धि भई रु. ६९ अर्ब ८ करोड पुगेको व्यहोरा आदरणीय शेयरधनीहरू समक्ष जानकारी गराउन चाहन्छु। बैंकको सञ्चालक समितिद्वारा निर्धारित लक्ष्यहरूलाई निर्धारित समयमा उपलब्धि गर्ने उद्देश्यका साथ अगाडि बढ्ने क्रममा विद्यमान संरचनालाई सशक्त बनाउने कार्यलाई जोड दिनका साथै विकास बैंकले आम उपभोक्ता समक्ष वित्तीय सेवा पहुँचको उद्देश्यका साथ नियमनकारी निकायको निर्देशानुसारको परिपालना हुनेगरी देशको विभिन्न क्षेत्रहरूमा वित्तीय साक्षरताका कार्यक्रमहरू सञ्चालन गर्दै विकास बैंकद्वारा प्रवाह गरिने वित्तीय सेवालाई विविधकरण गर्दै ग्राहकमैत्री बनाउने, प्रविधिको स्तरोन्नति लगायतका विषयहरूलाई प्राथमिकतामा राखी हाल मुलुकभर कुल ८९ शाखा कार्यालयहरू, २० ए.टि.एम., १ एक्सप्रेसन काउन्टर साथै कार्याका व्यवसायिक रूपमा दक्ष मानव संसाधन मार्फत प्रभावकारी बैकिङ सेवा प्रवाह गरिरहेका छौं। बैंकका सबै शाखाहरू आधुनिक प्रविधिको माध्यमबाट केन्द्रीकृत तथा प्रणालीमा जोडिई सञ्चालन भइरहेका छन्। साथै आगामी दिनहरूमा यस बैंकले प्रदान गर्ने सेवालाई व्यावसायिक विविधता र जोखिम दुवै दृष्टिले सम्भाव्य क्षेत्रमा विस्तार गर्दै लैजान बैंक प्रतिबद्ध रहेको यहाँहरू सबैलाई विश्वास दिलाउन चाहन्छु। ग्राहकहरूलाई बैकिङ सेवा प्रदान गर्ने तथा शाखा सञ्जाल विस्तार गर्ने क्रममा बैंकले देशका सबै प्रदेशमा शाखाहरू संचालनमा ल्याइसकेको जानकारी यहाँहरू गराउन चाहन्छु।

आ.व. २०८०/८१ मा समेत व्यवसायिक परिवेशमा देखिएका प्रतिफल अवस्थाको कारणले गर्दा यस बैंकका सूचकाङ्कहरूमा समेत केही उतारचढावको अनुभूति गर्न सकिन्छ। तथापि सञ्चालक समितिले तय गरेको रणनीति/मार्गदर्शनहरूलाई अवलम्बन गरी कार्यान्वयन गर्ने प्रतिबद्धता बमोजिम सम्पूर्ण सरोकारवालाहरूसँग बैंकको मुल नारा "निरन्तर सहयात्रा" मार्फत जोडिएर वित्तीय बजारमा गुणस्तरीय बैकिङ सेवा प्रदान



गर्दै आएको यस लुम्बिनी विकास बैंक लिमिटेड, विकास बैंकहरूमा एक सबल विकास बैंकको रूपमा स्थापित भएको छ। यस बैंकको प्रमुख वित्तीय सूचकाङ्कहरू र समग्र बैकिङ कारोबारमा भएको वृद्धिले पनि यसलाई प्रमाणित गर्दछ। यस विकास बैंकको सफलताको श्रेय हाम्रा सम्पूर्ण आदरणीय ग्राहकवर्ग, शेयरधनी, सञ्चालक समिति, नियमनकारी निकाय, कर्मठ कर्मचारी तथा आबद्ध सम्पूर्ण सरोकारवाला पक्षलाई जान्छ।

सेवाको गुणस्तरमा वृद्धि, बजार विस्तार, सम्पत्ति तथा दायित्वको उचित व्यवस्थापन, आन्तरिक नीति नियमहरूको समयानुकूल निर्माण तथा पुनरावलोकन, बैंकमा कर्जा लगायत बैकिङ कारोबारसँग सम्बन्धित जोखिम विश्लेषण एवं नियन्त्रणको लागि जोखिम व्यवस्थापन संयन्त्रलाई थप सक्रिय र प्रभावकारी बनाउन चालु वर्षमा पनि विगतका वर्ष भन्दा प्राथमिकता दिनेछौं। बजारमा ग्राहकहरूको माग अनुसार लकर सुविधा, सुन कर्जा, मोबाइलको माध्यमबाट रकम भुक्तानी, बिल भुक्तानी, मोबाइल रिचार्ज, ATM, Mobile Banking, Internet Banking, ASBA, C-ASBA, ECC, IPS, Connect IPS जस्ता सुविधा मार्फत ग्राहकहरूलाई सेवा प्रदान गरिरहेका छौं। सूचना प्रविधिमा आएको तिव्र परिवर्तनका कारण नेपालको समग्र बैकिङ क्षेत्रमा पनि तिव्र परिवर्तन आएको देखिन्छ। यस विकास बैंक सूचना प्रविधिमा आधारित बैकिङ उपकरणहरूको उच्चतम प्रयोग गरी ग्राहकवर्गहरूलाई अत्याधुनिक बैकिङ सेवा प्रदान गर्न सदैव कटिबद्ध रहने छ। ग्राहक वर्गहरूलाई प्रविधिमैत्री बैकिङसँग सुसज्जित गर्न विभिन्न प्रविधिमा आधारित वित्तीय साक्षरतामूलक कार्यक्रमहरू समेत समय-समयमा सञ्चालन गर्दै आईरहेका छौं। सशक्त, जागरूक, उच्च मनोबल र क्षमतावान मानव संसाधनले संस्थाको विकास र विस्तारमा यो गदान पुऱ्याउछन्, मानव संसाधन हेर्ने संस्थाको महत्वपूर्ण अंग हो भन्ने विश्वासका साथ दक्ष कर्मचारीहरू मार्फत उत्कृष्ट विकास बैंक बनाउने उद्देश्यका साथ कर्मचारीहरूको व्यावसायिक विकास, सिप विकास, नेतृत्व तथा क्षमता विकासमा ध्यान दिदै बदलिँदो वातावरणमा कर्मचारीलाई दक्ष बनाउनका निमित्त कर्मचारी भर्ना सँगै वृद्धि विकासका लागि समय-समयमा आन्तरिक एवं बाह्य तालिमहरूमा सहभागी गराउँदै आईरहेका छौं। कर्मचारीहरूको दक्षता अभिवृद्धि तथा वृत्ति विकासका कार्यक्रमहरूलाई भविष्यमा समेत निरन्तरता दिँदै जानेछौं। विकास बैंकमा २०८१ असार मसान्तमा कुल ६३२ जना कर्मचारीहरू कार्यरत रहेको जानकारी गराउन चाहन्छु।

अन्त्यमा, आगामी वर्षमा अझ प्रभावकारी रूपमा कार्यसम्पादन गरी प्रतिफल प्रदान गर्न अझ दतचित भई मेहनत गर्ने प्रण गर्दछौं। आदरणीय शेयरधनी महानुभावहरू, नियमनकारी निकायहरू, सञ्चारक्षेत्र, सेवाग्राही तथा कर्मचारीहरू लगायत यस विकास बैंकलाई प्रत्यक्ष अप्रत्यक्ष रूपले सहयोग पुऱ्याउनु हुने सम्पूर्ण शुभेच्छुकहरू प्रति हार्दिक धन्यवाद व्यक्त गर्दछु। साथै सञ्चालक समितिबाट निरन्तर रूपमा प्राप्त मार्गदर्शन र विश्वासको लागि हार्दिक आभार व्यक्त गर्न चाहन्छु। आगामी दिनमा समेत विगतमा जस्तै निरन्तर सहयोगको अपेक्षा राख्दै यस विकास बैंकलाई सदैव उत्कृष्ट वित्तीय संस्थाको रूपमा स्थापित गराउन निरन्तर लागि रहने प्रतिबद्धता व्यक्त गर्न चाहन्छु।

धन्यवाद।

नरेश सिंह बोहरा
प्रमुख कार्यकारी अधिकृत
२०८१/०९/२९

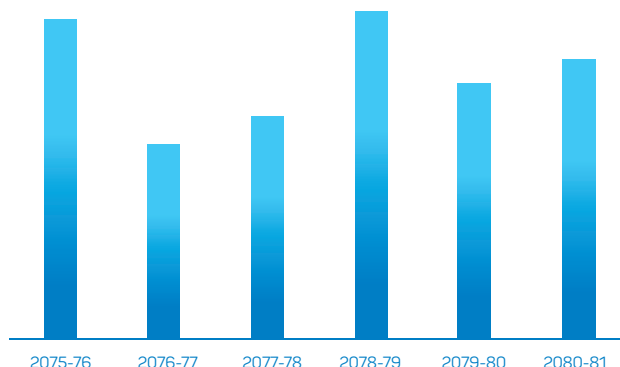
MAJOR FINANCIAL HIGHLIGHTS

A) Financial performance

i) Net Profit

Amount in million

Year	Amount
2080-81	543.67
2079-80	497.67
2078-79	637.19
2077-78	433.97
2076-77	378.56
2075-76	620.68



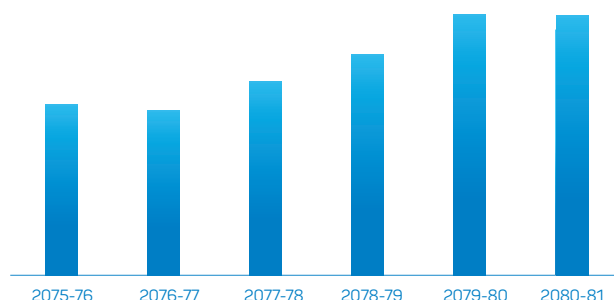
The data shows a positive recovery in 2080-81, with the amount increasing to 543.67 from 497.67 in 2079-80, indicating a rebound after a previous decline. Despite fluctuations in earlier years, this recent growth highlights resilience and a promising upward trend. The recovery in

2080-81 suggests potential for sustained improvement, showcasing a positive shift in performance. This momentum could signal strengthening factors driving the results, reflecting an encouraging outlook for the coming periods.

Total operating income

Amount in million

Year	Amount
2080-81	2,037
2079-80	2,047
2078-79	1,737
2077-78	1,523
2076-77	1,294
2075-76	1,341

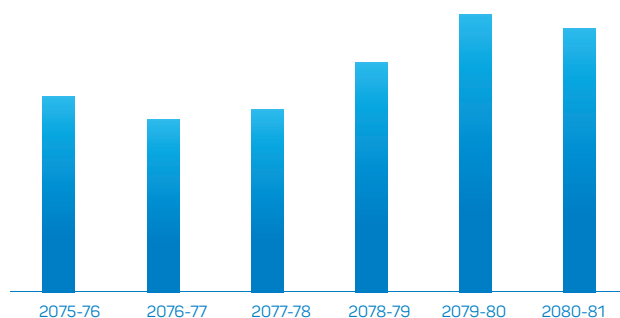


The total operating income demonstrates a consistent upward trend from Rs 1,341 million in 2075-76 to Rs 2,047 million in 2079-80, reflecting a growth of 52.65% over five years. This growth highlights effective financial management, strategic business operations, and successful expansion of services and customer base. While there was a slight decline to Rs 2,037 million in 2080-81, the overall performance indicates sustained income generation capacity. These results emphasize the bank's ability to capitalize on investment strategies and operational efficiency, ensuring steady growth in a competitive environment.

iii) Net interest margin

Amount in million

Year	Amount
2080-81	1,754.83
2079-80	1,843.79
2078-79	1,532.36
2077-78	1,211.00
2076-77	1,149.75
2075-76	1,301.63

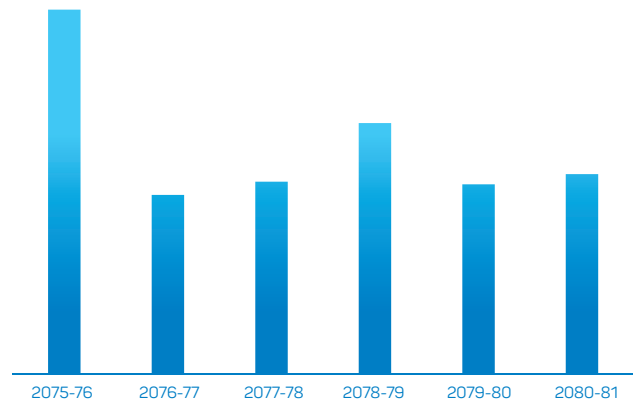


The Net Interest Margin (NIM) has grown steadily from Rs 1,301.63 million in 2075-76 to Rs 1,843.79 million in 2079-80, representing an overall increase of approximately 41.6% over five years. This growth reflects effective management of interest-earning assets and liabilities, enabling the institution to enhance profitability through core lending and investment activities. While there was a slight decline to Rs 1,754.83 million in 2080-81, the overall trend demonstrates resilience and operational efficiency.

Earning per share

Year	Amount
2080-81	15.45
2079-80	14.71
2078-79	19.40
2077-78	14.93
2076-77	13.94
2075-76	28.09

The earnings per share (EPS) has a fluctuating pattern over the past six years, ranging from a peak of 28.09 in 2075-76 to a low of 13.94 in 2076-77.

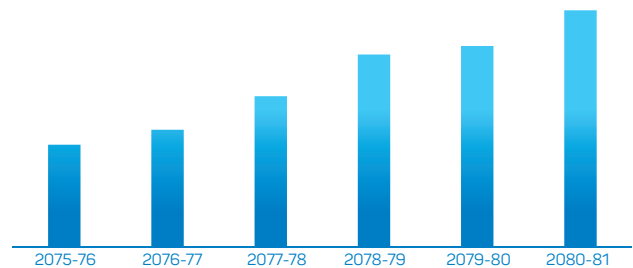


B) Financial position

i) Total Assets

Amount in million

Year	Total Assets
2080-81	69,087.60
2079-80	58,891.46
2078-79	56,688.51
2077-78	44,125.17
2076-77	34,496.58
2075-76	30,027.32

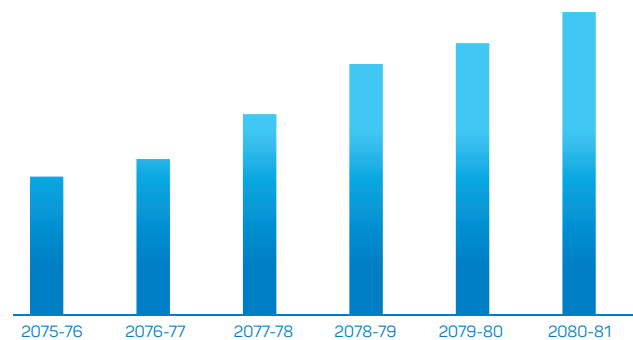


We have demonstrated consistent and remarkable growth in total assets over recent years, increasing from Rs. 30,027.32 million in 2075-76 to Rs. 69,087.60 million in 2080-81. This growth reflects effective management strategies, driven by robust investment and loan portfolios, and highlights a significant 103.89% increase in assets compared to 2078-79. Such a trend underscores the institution's strong financial performance and its ability to expand its asset base steadily over time.

ii) Total loan and advance

Amount in million

Year	Total loan & Advance
2080-81	49,608.65
2079-80	44,570.34
2078-79	41,133.47
2077-78	33,000.44
2076-77	25,766.60
2075-76	22,769.86



The total loans and advances reveals a consistent upward trend over the years, from Rs 22,769.86 million in 2075-76 to Rs 49,608.65 million in 2080-81. The remarkable increases underscore the bank's proactive lending strategies and sustained efforts to expand its loan portfolio. This growth could be attributed to factors such as increased demand for credit, effective risk management, and potentially successful customer acquisition initiatives.

Sector wise loan and advance

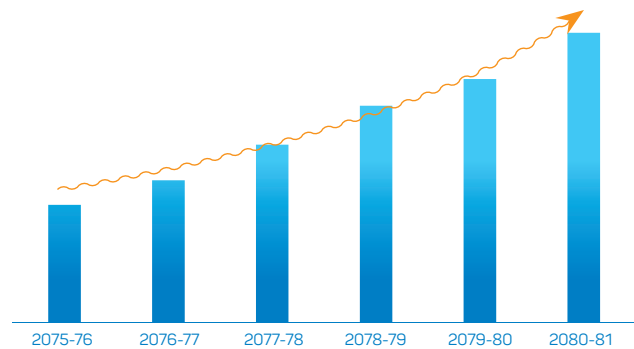
S.N.	Sector	No.	Principal	No.	Principal	% increase/ Decrease
1	Agricultural and Forest Related	6974	6,415.67	6473	5,716.05	12.24%
2	Fishery Related	53	184.17	48	146.96	25.32%
3	Mining Related	0	-	8	9.97	-100.00%
4	"Agriculture, Forestry & Beverage Production Related"	153	989.76	139	904.66	9.41%
5	Non-food Production Related	263	1,042.00	243	912.59	14.18%
6	Construction	116	837.58	247	1,576.52	-46.87%
7	Power, Gas and Water	53	3,989.99	45	3,530.55	13.01%
8	Metal Products, Machinery & Electronic Equipment & Assemblage	30	210.76	28	69.09	205.05%
9	Transport, Communication and Public Utilities	376	561.27	515	651.72	-13.88%
10	Wholesaler & Retailer	1340	4,775.94	1389	4,443.05	7.49%
11	Finance, Insurance and Real Estate	285	7,445.90	269	6,261.95	18.91%
12	Tourism Service	254	2,137.90	233	1,613.88	32.47%
13	Other Services	236	2,759.75	229	2,086.37	32.28%
14	Consumption Loans	8031	18,229.15	7394	16,622.09	9.67%
15	Local Government	-	-	0	-	
16	Others	260	28.81	324	24.88	15.78%
	TOTAL	18424	49,608.65	17584	44,570.34	

The sector-wise loan distribution for FY 2080/81 shows notable changes compared to FY 2079/80. Agriculture and forestry loans grew by 12.24%, while fishery loans increased by 25.32%. The tourism sector saw significant growth of 32.47%, and other services rose by 32.28%. Metal products, machinery, and electronics recorded the highest growth at 205.05%. However, construction loans declined sharply by 46.87%, and transport, communication, and utilities loans decreased by 13.88%. Finance, insurance, and real estate loans rose by 18.91%, and consumption loans increased by 9.67%. Overall, total loans grew by 11.31%, reflecting sectoral variations in lending.

Total Deposit

Amount in million

Year	Amount
2080-81	60,233.79
2079-80	50,584.30
2078-79	45,144.84
2077-78	37,162.81
2076-77	29,705.26
2075-76	24,806.24



The total deposit shows a steady and impressive growth trend, increasing from Rs 24,806.24 million in 2075-76 to Rs 60,233.79 million in 2080-81. This reflects growth rates between 111.83% and 125.11%, highlighting the bank's success in attracting and retaining deposits consistently. The sustained growth signifies strong customer trust, effective marketing strategies, and an overall favorable economic environment that encourages savings.

Deposit category

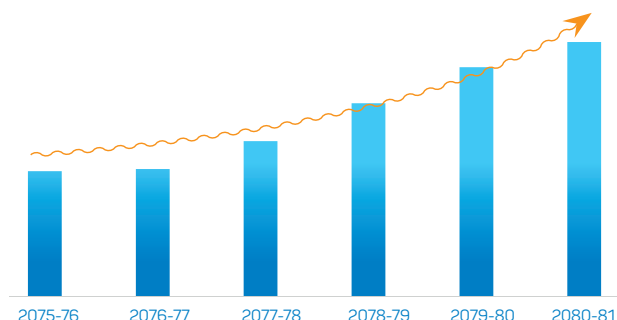
Amount in million

Deposit category	FY 2080-81		FY 2079-80	
	Amount	%	Amount	%
Current	1,089.08	1.81%	1,017.07	2.01%
Saving	12,143.31	20.16%	9,061.30	17.91%
Fixed	42,060.81	69.83%	36,338.01	71.84%
Call Deposit	4,919.98	8.17%	4,148.00	8.20%
Margin Accounts	20.62	0.03%	19.92	0.04%
Total Deposit	60,233.79		50,584.30	

"The deposit composition for FY 2080-81 highlights key trends across various categories. Current deposits declined slightly, representing 1.81% of total deposits compared to 2.01% in FY 2079-80. Saving deposits grew significantly to 20.16%, up from 17.91%, reflecting a higher preference for savings instruments among depositors. Fixed deposits, holding the largest share at 69.83%, saw a slight decline from 71.84% in the previous fiscal year, but continue to dominate, indicating depositor trust in long-term investment options. Call deposits remained stable at 8.17%, showing consistent usage of short-term instruments. Margin accounts, though minimal at 0.03%, showed a slight uptick, highlighting marginal utilization. In summary, the overall deposit growth to Rs 60,233.79 million signifies a healthy financial environment, balancing liquidity and long-term investments effectively.

Number of Deposit Account

Year	No of account
2080-81	437,913
2079-80	394,804
2078-79	331,447
2077-78	268,867
2076-77	218,840
2075-76	216,621



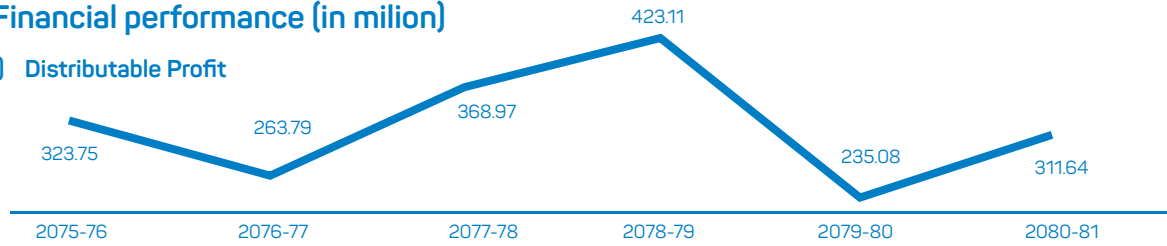
"The data on the number of deposit accounts illustrates a consistent and steady increase over the years. This growth reflects the bank's success in attracting and retaining customers, leading to an expanding customer base. Starting from 216,621 accounts in 2075-76, the number of deposit accounts has reached 437,913 in 2080-81, demonstrating a significant upward trend.

Such growth can be attributed to the bank's effective marketing efforts, improved customer service, and competitive interest rates. The continuous increase in the number of accounts signifies rising customer trust, engagement, and the bank's strong market presence."

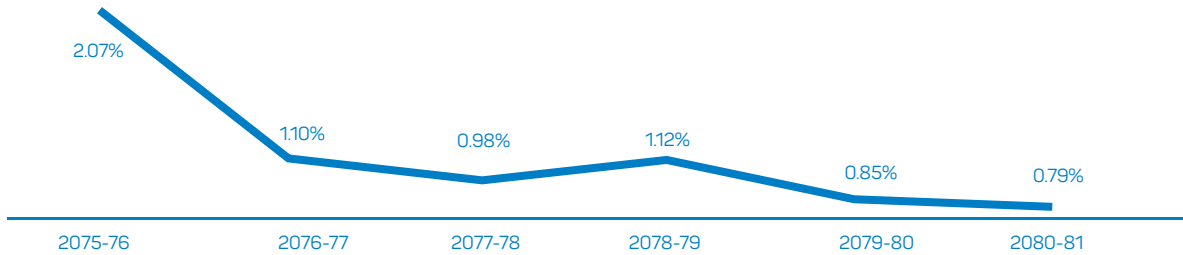
OTHER FINANCIAL INDICATOR

a) Financial performance (in million)

i) Distributable Profit

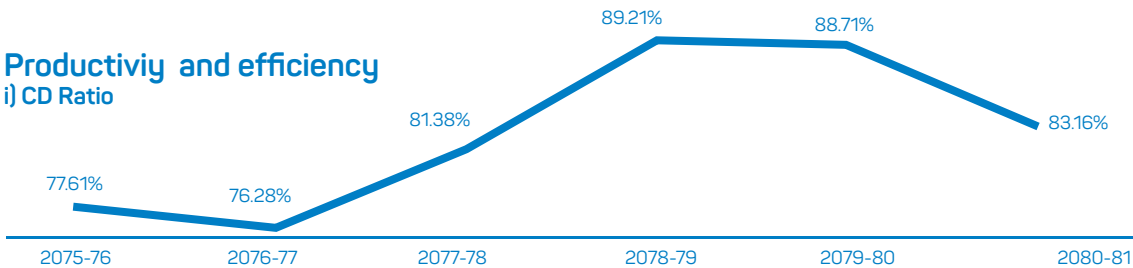


ii) Return on total asset (ROTA)

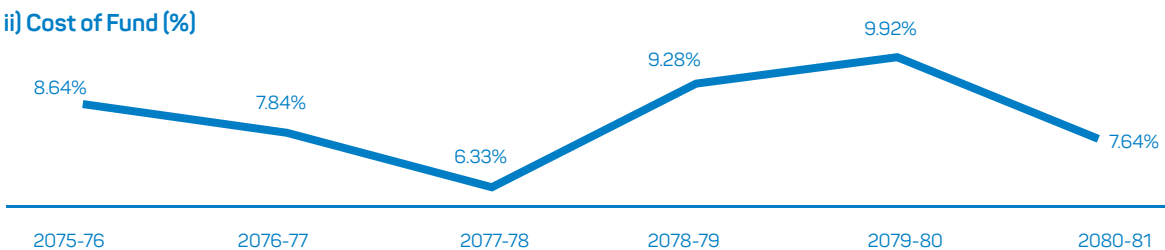


b) Productivity and efficiency

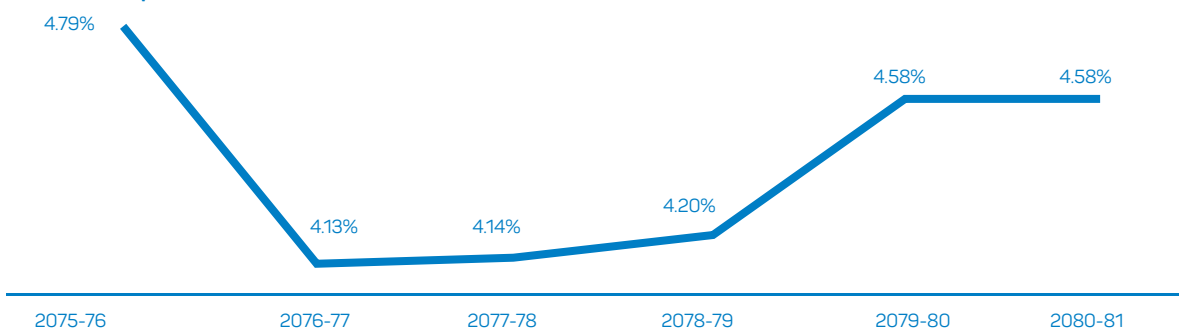
i) CD Ratio



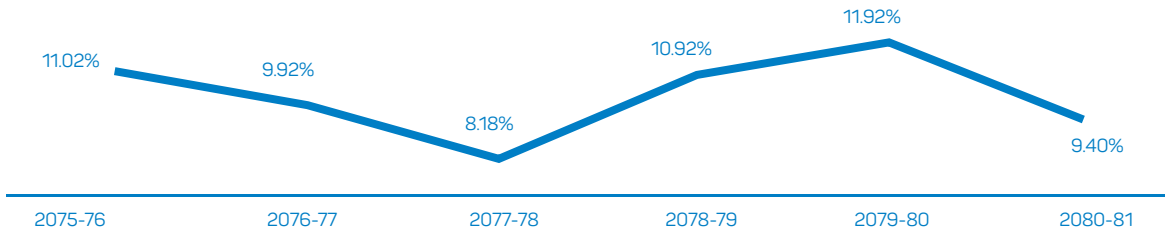
ii) Cost of Fund (%)



iii) Interest Spread (%)

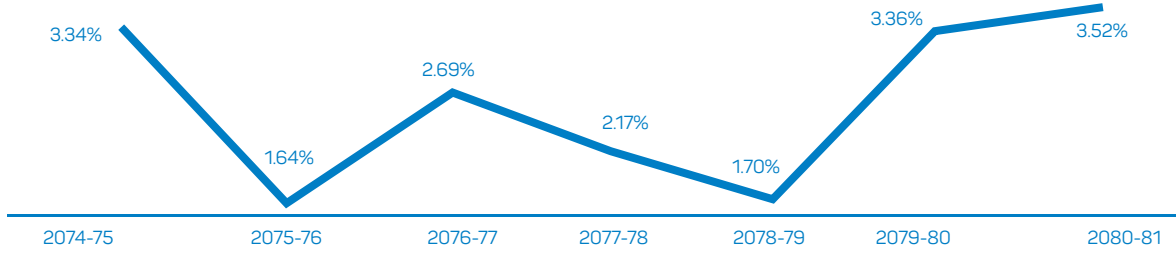


iv) Base Rate (%)

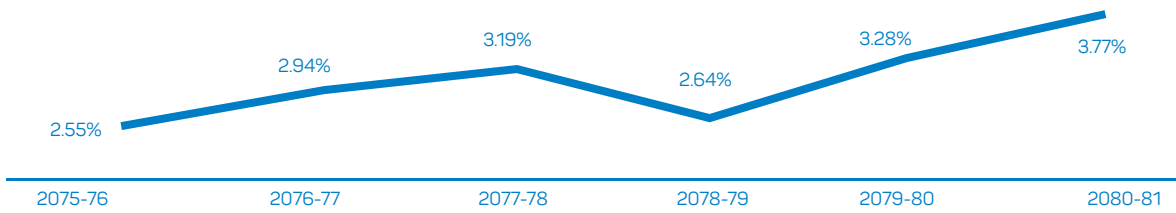


c) Risk management

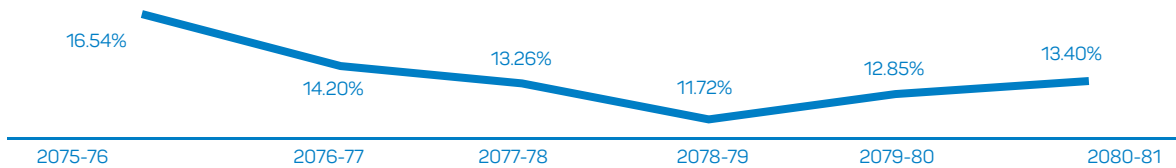
i) NPA



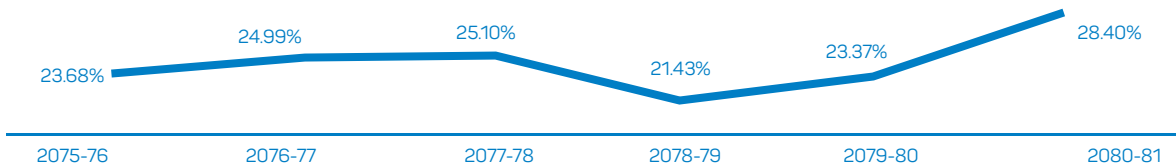
ii) LLP/Loan



iii) Capital adequacy ratio

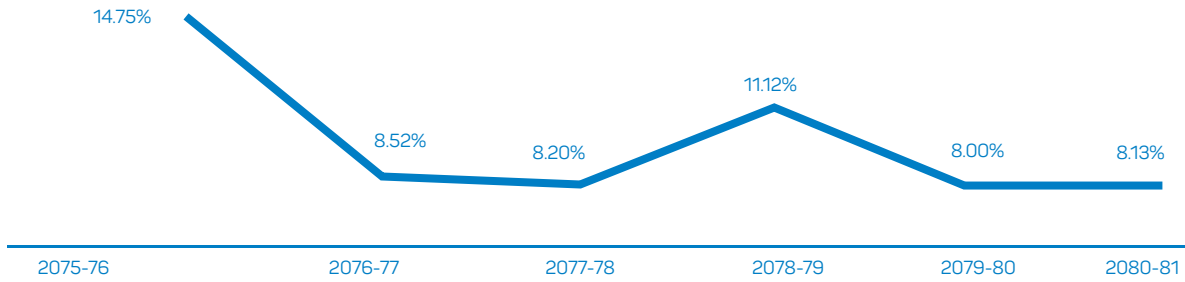


iv) Liquidity ratio

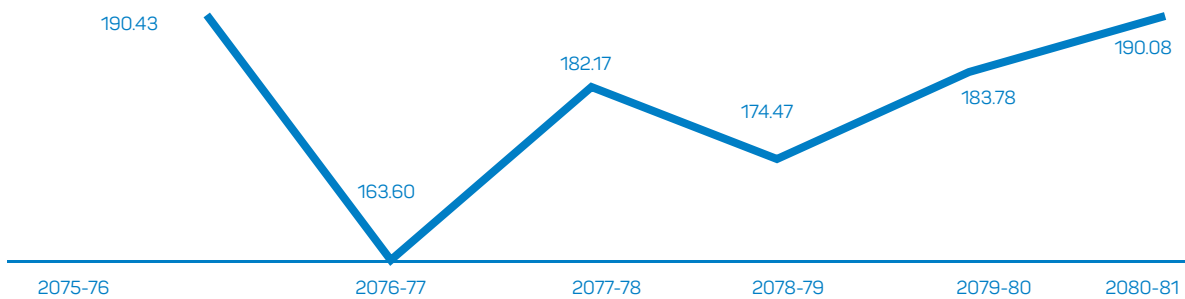


d) Shareholder value

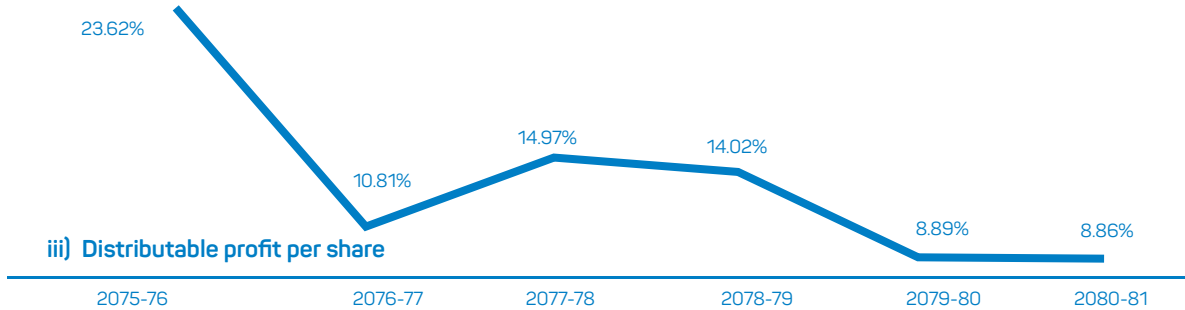
i) Return on equity



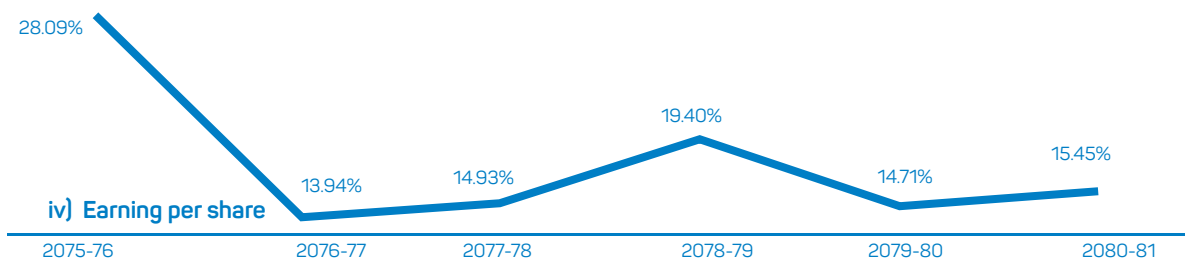
ii) Book value per share



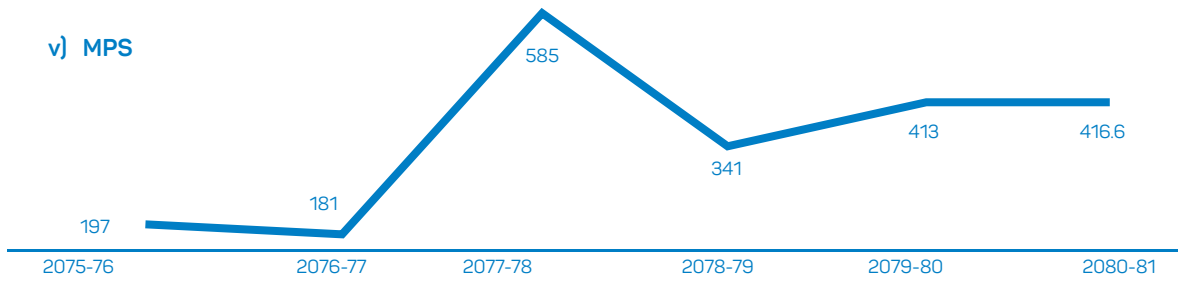
iii) Distributable profit per share



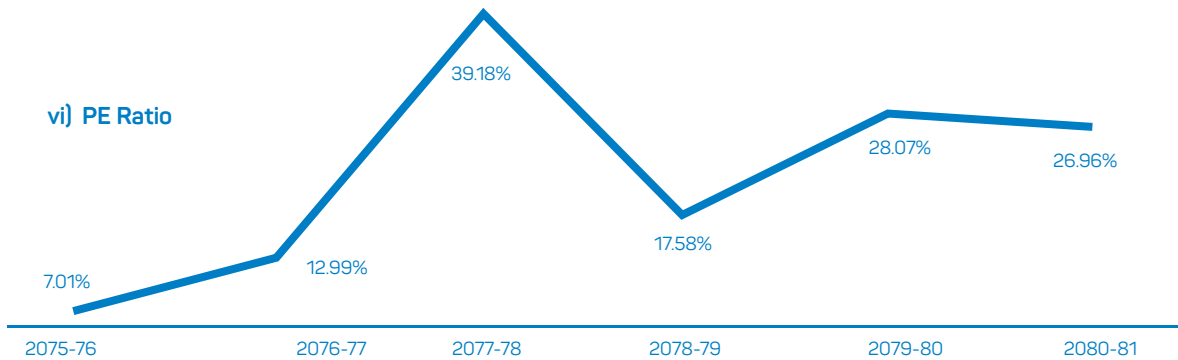
iv) Earning per share



v) MPS

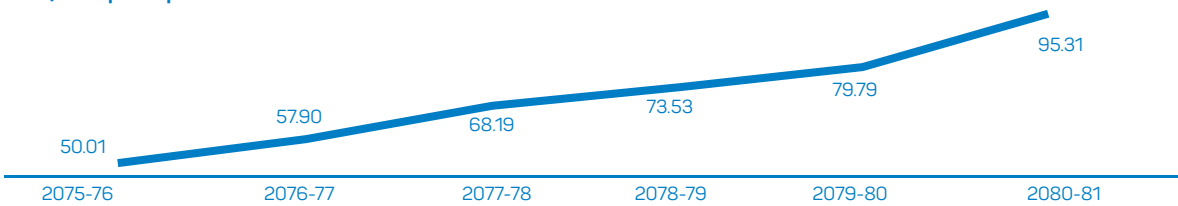


vi) PE Ratio

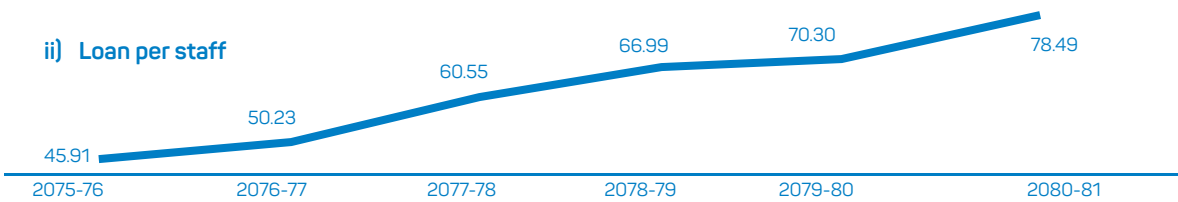


e) Staff productivity (in milion)

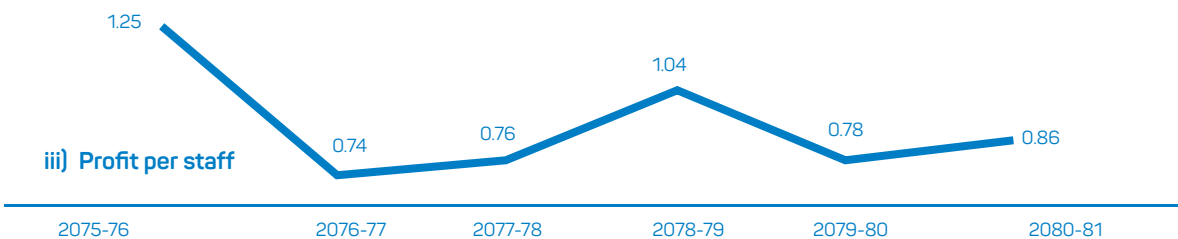
i) Deposit per staff

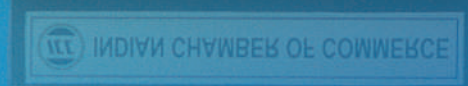
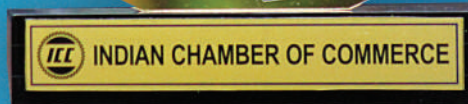


ii) Loan per staff



iii) Profit per staff







पुरस्कार तथा सम्मानहरू
AWARDS & RECOGNITION



04

How we create value

OUR PRODUCT

CREDIT

Clients have the option to select personalized credit solutions tailored to their specific requirements, whether they are in immediate need of a loan, seeking revolving credit for future use, or considering options such as a home loan, Hire purchase loan, comfort loan, or professional loan. Some loan category offered by LBBL for its valued customer is as follows.

- ❖ Loan against Share/ Fixed deposit/ Gold
- ❖ Business loan
- ❖ Personal loan
- ❖ Professional loan
- ❖ Home loan
- ❖ Education loan
- ❖ Hire purchase loan
- ❖ Comfort loan
- ❖ Working capital loan
- ❖ Real estate loan

DEPOSIT

Clients have the flexibility to initiate the opening of diverse accounts with our bank either through a physical visit to our branches or via our online portal. Furthermore, they have the autonomy to designate specific plans aligned with their financial objectives and align them to accrue enhanced interest in accordance with the bank's prevailing interest rates

Call account: The Call account functions as the primary account for clients, earning interest on a positive balance.
Saving account: clients can choose the category of account based on their need.

Fixed-term savings: clients can choose single or multiple deposits based on their investment preference

Current account: serves as the client's main account for transaction purpose.

Various deposit product offered by bank for the year include:

- | | |
|---------------------------|-------------------------|
| ❖ Akshaya Kosh Bachat | ❖ Premium Saving |
| ❖ Bal Surakshya Bachat | ❖ Recurring Deposit |
| ❖ Check In Saving Account | ❖ Sadharan Bachat |
| ❖ Lumbini Talab Khata | ❖ Senior Citizen Saving |
| ❖ Lumbini Sahayatra | ❖ Shareholders Saving |
| ❖ Muddhati Khata | ❖ Sahaytra Bachat |
| ❖ Nari Bachat | ❖ Welcome Saving |
| ❖ Normal Saving | |

DIGITAL TRANSACTION

Through our digital banking platform, clients can conveniently conduct transactions at any time and from any location. Clients have the seamless option to bank through our dedicated app, make payments using their card, or effortlessly tap their phone for swift and efficient transactions.

Payments (real time clearing or normal transfers)

- | | |
|-------------------------|----------------------|
| ❖ Scan to pay | ❖ Internet banking |
| ❖ Virtual card payments | ❖ Mobile banking app |
| ❖ Pay me | ❖ Cradles withdrawal |
| ❖ Online shopping | |

As an authorized foreign exchange dealer, we offer a range of services for our clients. We facilitate the following transactions:

- ❖ Receiving foreign currency
- ❖ Spot market transactions
- ❖ Purchasing of foreign cash.

Our business model

To create Wealth, Sustaining Nations: Elevating Stakeholder Prosperity, we conduct the following activities by optimally utilizing our available resources.

Available Resources	Value added activity		Outcome	How we share the value
	Primary activity	Secondary activity		
Financial capital				
Financial capital arises from shareholder investment, retained earnings, other reserves, deposits, and borrowings. This resource forms the backbone of the bank's operations, enabling it to provide various financial services.	<ul style="list-style-type: none">- Accepting deposits- Providing loans- Facilitating payments- Currency exchange- Safe deposit locker services	<ul style="list-style-type: none">- Financial advisory- Financial literacy training- Environmental protection initiatives- Human resource development- Training and facilitation- Research and development	<ul style="list-style-type: none">- Return on Equity (ROE): 8.13%- Book Value Per Share (BVPS): 190.08	"The financial performance for fiscal year 80-81 was marked by a commendable total profit of Rs. 54,36,67,622. Demonstrating a commitment to rewarding shareholders, the board proposed a dividend of 7.00%, amounting to Rs. 24,62,69,390 earmarked for distribution among shareholders.
Human capital				
Human capital comes from people's competencies, capabilities, and experiences. The recruitment process is centered on identifying individuals who align with the organization's culture and values, contributing both skills and a positive attitude to drive strategic objectives.	<ul style="list-style-type: none">- Recruitment and talent acquisition- Employee retention strategies	<ul style="list-style-type: none">- Employee training and development- Fostering organizational culture and motivation	<ul style="list-style-type: none">- 632 highly skilled employee	Throughout fiscal year 2080-81, the bank facilitated 105 training sessions, . Financial investments in enhancing skills amounted to Rs. 71,73,288, while comprehensive employee benefit expenses totaled Rs. 51,01,66,387.
Manufactured capital				
Manufactured capital includes the bank's physical infrastructure, branch network, ATM network, and other facilities essential for operational activities.	<ul style="list-style-type: none">- Establishment and maintenance of branch offices- Expansion of ATM networks	<ul style="list-style-type: none">- Operational infrastructure upgrades- Enhancing accessibility for stakeholders	<ul style="list-style-type: none">- Total branches: 90 including extension counter- Total ATMs: 20	The bank's extensive network efficiently delivers services to 4,37,913 depositors and 18,424 borrowers.
Intellectual capital				
Intellectual capital comprises the organizational structure, information technology network, and technologies used to deliver products and services efficiently.	<ul style="list-style-type: none">- Enhancing IT infrastructure- Implementing cybersecurity measures	<ul style="list-style-type: none">- Developing digital banking platforms- Innovating financial services	<ul style="list-style-type: none">- Mobile banking users: 1,11,439- Internet banking users: 4,135- Debit card users: 24,587	Customers benefited from total interest payments amounting to Rs. 5,140 million during the fiscal year.
Social and relationship capital				
This capital represents the relationships among clients, shareholders, employees, and other stakeholders. It also encompasses the bank's contributions to social development and sustainability.	<ul style="list-style-type: none">- Client relationship management- Shareholder engagement	<ul style="list-style-type: none">- Community development programs- Corporate Social Responsibility (CSR) initiatives	<ul style="list-style-type: none">- Loan customers: 18,424- Deposit customers: 4,37,913	The bank conducted numerous training and development programs focusing on financial literacy, environmental protection, and sustainable development. CSR expenses for fiscal year 2080-81 totaled Rs. 34,12,449

निरन्तर सहायात्रा

"OUR STAKEHOLDERS ARE ESSENTIAL, AND WE FULFILL THEIR BASIC NEEDS TO ENSURE PROPER SATISFACTION."

"Stakeholders are individuals and entities affected by our business activities, whether directly or indirectly. Our overarching goal is to empower financial well-being for all, enhancing the lives of each stakeholder. Through our commitment to 'Creating Wealth, Sustaining Nations, and Elevating Stakeholder Prosperity,' we ensure that our responses to their needs are both timely and suitable."

"The responsibility for managing our relationships with stakeholders lies within the bank's management. The management actively identifies and comprehends stakeholder requirements, giving due consideration to their legitimate needs and interests when fulfilling their duties."

Clients

Requirement	Process to fulfill requirement
<ul style="list-style-type: none"> Financial services Financial consultation Transparent pricing Financial literacy 	<ul style="list-style-type: none"> We offer various financial product to fulfill the need of our customer We also offer limited need base financial consultation to our client to improve their financial well being We offer our product with affordable price subject to regulation Training program to improve financial literacy of public

Employees

Requirement/Offering	Process to fulfill requirement
<ul style="list-style-type: none"> Healthy work environment Work security Effective performance management, recognition and training Opportunity to improvement 	<ul style="list-style-type: none"> Internal communication, Roles and responsibility distribution Continuous improvement, Training and development Employee wellness environment Provide opportunity to participate in training and development, promotion and other motivation.

Government

Requirement/Offering	Process to fulfill requirement
<ul style="list-style-type: none"> Economic development Regulatory compliance Taxpayer Data provider 	<ul style="list-style-type: none"> Operate business within the boundary of government regulation. Payment of regular income taxes Make investment according to sector determined by government Training program to improve financial literacy of public

Investor

Requirement/Offering	Process to fulfill requirement
<ul style="list-style-type: none"> Strong management Transparent reporting and disclosure Clear and concise strategic objective 	<ul style="list-style-type: none"> Management team with strong banking knowledge and experience Conduct regular knowledge sharing program. Management commitment towards law and regulation Recognition of ethical work environment by management

Society

Requirement/Offering	Process to fulfill requirement
<ul style="list-style-type: none"> Access to financial services Job creation Financial literacy Education and skill development Corporate social responsibility 	<ul style="list-style-type: none"> Various financial services offer to the society to fulfill the need Provide job opportunity to knowledgeable person Conduct various financial literacy program to increase banking awareness

In conclusion, our stakeholders are at the heart of Lumbini. The purpose of Lumbini is to fulfill the financial needs of our stakeholders and contribute to their overall financial growth. We are dedicated to assisting people with their financial requirements and helping them achieve their financial goals."

नाम: मनिषा कुमारी थरुनी
(प्रोपराएटर मनिषा पोल्ट्री फर्म)
स्थान: कोहलपुर-०९ बाँके
व्यवसाय: कुखुरा पालन

सहर्षकी कथा



मनिषा कुमारी थरुनी, बाँके जिल्लाको एक भण्डाहवा गाउँमा बस्ने साधारण किसान परिवारकी महिला । उहाँको श्रीमानले ब्यवसाय सञ्चालन गर्दा पनि सोचे जस्तो सफलता पाउन नसकेपछि ब्यवसाय बन्द गर्नुपर्ने अवस्था सिर्जना भई ब्यवसाय बन्द गर्नपरेको थियो । दुई जना छोराको शिक्षा, परिवारको दैनिक खर्च, र घरको अवस्था बारे चिन्तित अवस्थामा श्रीमानले ब्यवसाय बन्द गर्ने निर्णयले उहाँलाई भन्नु तनाव बनाएको थियो ।

मनिषा कुमारी थरुनीले मिति २०७७ साल असार १० गते मनिषा पोल्ट्री फर्म नाममा कुखुरा पालन फर्म दर्ता गर्नु भएको थियो । पूजी अभावका कारण ब्यवसायीक हिसावले कुखुरा पालन सञ्चालन गर्न सक्नु भएको थिएन । मिति २०७८ मंसिर महिनामा लुम्बिनी विकास बैंकको शाखा कार्यालय कोहलपुर बाँकेमा खुलेका थाहा

पाउनु भयो । बैंकले साना तथा ठुला ब्यवसाय सुरु गर्नका लागि कर्जा दिन्छ भन्ने थाहा पाई सोको लागी बैंकमा आउनु भयो र आफु एक लगनशिल तथा मेहनती महिला भएको र पुजीको अभाव भएको कारण आफ्नो ब्यवसाय राम्रोसंग सञ्चालन गर्न नसकेको भनि बैंक समक्ष कर्जा मागको प्रस्ताव राख्नु भयो । बैंकले उहाँको सबै कुरा बुझेर ब्यवसाय सञ्चालनका लागि संरचना बनाउने ठाँउ तथा बजारका साथै उहाको योजना निरीक्षण गरी उहाँलाई कुखुरा पालनको लागि रु १,५०,००० कर्जा उपलब्ध गरायो । कर्जा लिनुअघि उहाँलाई बैंकले ब्यवसायको योजना बनाउन, लगानीको सही उपयोग गर्न, र नियमित बचत गर्न सिकायो । यो परामर्शले मनिषालाई आत्मविश्वास दिलायो र उहाँले ब्यवसाय सुरु गर्ने दृढता व्यक्त गर्नुभयो ।

व्यवसायको सुरुवात

कर्जाबाट उहाँले एउटा कुखुरा पाल्ने खोर बनाइ २०० वटा चल्लाबाट ब्यवसाय सुरु गर्नुभयो । सुरुका केही महिनामा खर्च र कामको दबाब उच्च थियो तथा बिहान बेलुका दाना तथा पानी खुवाउन तथा कुखुराको हेरचाह गर्न समेत गाह्रो भएको थियो तर श्रीमानको साथ र कुखुरा पालन परामर्शले उहाँले आफ्नो ब्यवसायलाई अगाडि बढाइ ४५ दिन देखी ५० दिनमा बेच्न सुरु गर्नुभयो । उहाँका श्रीमान एक लगनशिल इमान्दार ब्यक्ति भएका कारण ब्यवसायको पहिलो लट कुखुरा पालन र राम्रो नै रहयो । तेस पछि थप एक नयाँ खोर सहित दोश्रो लटमा २०० र ३०० वटा चल्ला खरीद गरी पालन सुरु गर्नुभयो । बाँके जिल्ला भारतीय खुल्ला सिमानाका कारण अबैध कुखुरा भित्रने हुदा केहि बजार भाउ नपाए पनि हाल राम्रो मुल्यमा कुखुरा बिक्री भइरहेकोछ ।

सफलताको प्राप्ति

आज मनिषा कुमारी थरुनीको व्यवसाय गाउँमा उदाहरणीय बनेको छ । आर्थिक परिवर्तन: मासिक रु ४०,००० भन्दा बढी आमदानी । शिक्षा र स्वास्थ्यमा सुधार: छोराछोरीलाई राम्रो विद्यालयमा पठाउन सक्षम । समाजमा मान्यता: गाउँकै महिलालाई व्यवसाय गर्न प्रेरित गर्ने उदाहरण ।

प्रेरणादायी सन्देश

मनिषाका श्रीमान् भन्नु हुन्छ, “जीवनमा सङ्घर्ष र चुनौती हुन्छन्, तर सही अवसर र परामर्श पाएर परिश्रम गर्ने हो भने सफलता सम्भव छ । लुम्बिनी विकास बैंकले मेरो सपना साकार पार्न ठूलो भूमिका खेलेको छ ।”

भविष्यका योजना

मनिषा अब आफ्नो व्यवसाय विस्तार गरी कुखुरा पालन सहिता च्याउ खेती गर्नको साथै च्याउको बिउ तथा पराल खरीद योजना बनाउँदै हुनुहुन्छ । साथै, उहाँको गाउँका अन्य महिलालाई व्यवसायिक तालिम दिने सोचमा हुनुहुन्छ ।

निष्कर्ष

लुम्बिनी विकास बैंकले दिएको सहयोग, परिवारको साथ, र मनिषा कुमारी थरुनीको मेहनतले यो सफलता सम्भव भएको हो । मनिषाको कथा हजारौँ ग्रामीण महिलाहरूका लागि प्रेरणाको स्रोत हो ।

बैंकप्रतिको धन्यवाद

मनिषा कुमारी थरुनी लुम्बिनी विकास बैंकलाई धन्यवाद दिँदै भन्नुहुन्छ, “यो बैंकले केवल आर्थिक सहयोग मात्र होइन, हामी ग्रामीण महिलालाई आत्मनिर्भर बन्न सिकाएको छ ।”



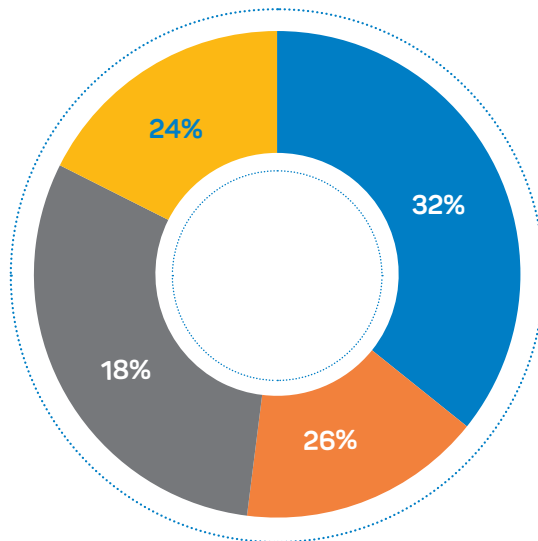
FOSTERING TEAM SPIRIT AND WELLNESS THROUGH SPORTS

We actively participates in various sports events organized by different organizations, showcasing its commitment to promoting physical wellness and team spirit. Recognizing the value of sports in boosting confidence, fostering teamwork, and enhancing employee motivation, the bank encourages its staff to engage in such activities. To

further this initiative, the bank also organizes internal tournaments, providing employees with a platform to exhibit their skills, build camaraderie, and relieve stress in a competitive environment. These efforts reflect the bank's dedication to holistic employee development, contributing to a vibrant and energetic workplace culture.

Value added statement

Particulars	2080-81	2079-80
Interest Earned	6,895.26	6,772.45
Other income	295.08	216.32
Interest Expenses	5,140.44	4,928.66
Other Operating expenses	219.27	219.42
Value added by Baniking services	1,830.65	1,840.69
Impairment charge for loans and other losses	235.83	545.73
Gross Value added	1,594.82	1,294.96
Application Statement		
To Employee	510.17	462.86
Salary and other benefit	510.17	462.86
TO Government	408.09	210.24
Income Taxes	408.09	210.24
TO Shareholder	287.54	394.12
Dividend & Bonus Share	287.54	394.12
TO Expansion and Growth	389.02	227.74
Reserves and accumulated Profits	277.39	121.77
Depreciation and amortization	108.65	105.86
Deferred Taxation	2.98	0.11
Total of Value added allocation	1,594.82	1,294.96



Application Of value added

- To employee
- To Government
- To Shareholder
- To Expansion and Growth

To Employee: This component represents the portion of value added that is allocated to employees, reflecting their contribution to the organization. It encompasses wages, salaries, and other employee benefits.

To Government: This category signifies the value added that is directed towards government-related entities, likely in the form of taxes, duties, and other contributions. It represents the organization's fiscal responsibility and compliance with regulatory requirements.

To Shareholder: The allocation to shareholders reflects the return on their investment in the organization. This can include dividends, which are distributions of profits to shareholders.

To Expansion and Growth: This component indicates the portion of value added that is reinvested in the organization for expansion, growth, or strategic initiatives. It represents the commitment to future development and sustainability.

Market value added

Particulars	2080/81	2079/80	Change[%]
Market price per share	416.60	413.00	1%
Number of Share	35,181,341.38	33,828,212.86	4%
Total Market Value (In Millions)	14,656.55	13,971.05	5%
Book Value per share	190.08	183.78	3%
Number of Share	35,181,341.38	33,828,212.86	4%
Total Book Value (In Millions)	6,687.41	6,122.91	9%
Market Value added (In Millions)	7,969.14	7,848.15	2%

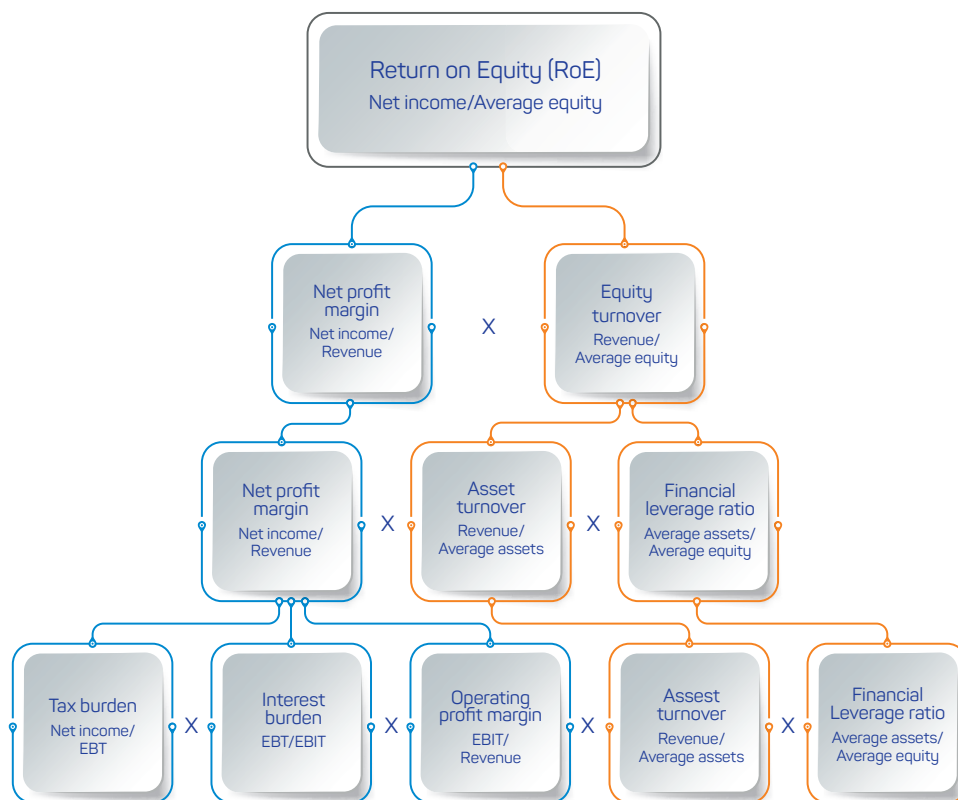
Fiscal Year	Amount
2080-81	7,969.14
2079-80	7,848.15
2078-79	5,469.41
2077-78	11,708.18
2076-77	472.55



The data showcases remarkable growth and consistent value creation over the years, with a steady upward trend in recent fiscal years. The organization has demonstrated resilience and the ability to maintain strong shareholder value, highlighted by the impressive performance in 2080-81. This consistent improvement reflects a clear commitment to strategic growth and operational excellence, building on the foundation of past achievements to secure a promising future. The results are a testament to the organization's dedication to creating sustained value and maximizing returns for its stakeholders.

Du Pont Analysis:

DuPont analysis is systematic approach to decomposing return on equity for better understanding about which factor contributed to the ROE most and which factor caused the ROE to move. It is a framework used to break apart the underlying components of the return on equity (ROE) metric to determine the strengths and weaknesses of the bank. For broader analysis, we used 5 factors model that covers net profit margin, total asset turnover and financial leverage. Net profit margin is further broken down to operating profit margin, effect of non-operating items and tax effects.



Dissecting Lumbini's ROE

Particulars	2080/81	2079/80
ROE	8.43%	8.33%
Net Profit Margin	7.56%	7.12%
Total Assets Turnover	0.11	0.12
Financial Leverage	9.92	9.67
Operating Profit Margin	84.73%	80.65%
Interest Burden	0.16	0.13
Tax Burden	0.57	0.70

The DuPont analysis reveals the key factors influencing the slight improvement in Return on Equity (ROE) from 8.33% in 2079/80 to 8.43% in 2080/81. A notable increase in the Operating Profit Margin from 80.65% to 84.73% highlights improved operational efficiency, driven by better control over operating expenses. The Interest Burden also rose from 0.126 to 0.156, reflecting effective management of interest expenses relative to Profit Before Tax. However, the Tax Burden decreased from 0.70 to 0.57, indicating a higher effective tax rate, which partially offset the positive impacts of other components. These changes collectively contributed to an increase in the Net Profit Margin from 7.12% to 7.56%.

Despite the improved profitability, Total Assets Turnover declined slightly from 0.12 to 0.11, suggesting reduced efficiency in asset utilization. Financial Leverage increased from 9.67 to 9.92, indicating a greater reliance on debt or liabilities to finance operations. While higher leverage amplified ROE, it also increased financial risk. Overall, the interplay of enhanced operational performance, higher tax liabilities, and increased financial leverage resulted in a marginal rise in ROE. This analysis underscores how shifts in profitability, asset utilization, and leverage collectively shape equity returns.



NON FINANCIAL INDICATOR



Branches

2080-81	89
2079-80	89
2078-79	86
2077-78	77
2076-77	68
2075-76	65
2074-75	65



ATMs

2080-81	20
2079-80	20
2078-79	17
2077-78	17
2076-77	17
2075-76	17
2074-75	17



Employee

2080-81	632
2079-80	634
2078-79	614
2077-78	585
2076-77	513
2075-76	490
2074-75	496



Training Conducted

2080-81	105
2079-80	111
2078-79	44
2077-78	46
2076-77	60
2075-76	35
2074-75	32

Training Participants

2080-81	2843
2079-80	2486
2078-79	1303
2077-78	1260
2076-77	1587
2075-76	750
2074-75	630

Total no of customer

2080-81	437913
2079-80	394804
2078-79	331447
2077-78	268867
2076-77	218840
2075-76	216621
2074-75	194420

Governance and social responsibility



ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Lumbini Bikas Bank Ltd has set up an effective mechanisms and processes of governance to adhere to ethical, legal and regulatory standard. This mechanism helps identify and distribute the rights and responsibilities among stakeholders including the board of Directors, managers and shareholders. A concern is established to ensure regular monitoring of actions, policies, practices and decisions of this development so that there is no conflict of interest among stakeholders.

Each action and decision of the development bank is guided by its objective. Its vision and mission can be depicted in the activities carried out by the development bank. The integrity is intact and there is effective encapsulation of legal and regulatory framework in operating module. Board of Directors are entrusted with the major direction, supervision and control of the entity.

ETHICAL WORK ENVIRONMENT

Requirement

An ethical work environment is a workplace that promotes and upholds a strong set of ethical principles and values. It is characterized by an organizational culture that prioritizes moral and ethical behavior in all aspects of its operations and interactions.

Integrity: Integrity is the backbone of an ethical work environment. Employees, from top management to entry-level staff, are expected to act honestly, fairly, and consistently in their work and interactions.

Objectivity: In an ethical work environment, individuals are expected to work without bias, conflict of interest, or undue influence, while conducting themselves with a free and honest mindset.

Professional competence and due care: Every person with specific responsibilities is required to attain and maintain the necessary knowledge and skills to fulfill their duties without compromising work quality. Regular training and individual study are essential for this purpose.

Confidentiality: Every person with access to banking insider information is obligated to maintain the confidentiality of the information as required and must refrain from using it for personal gain.

Professional behavior: The bank ensures strict adherence to all applicable laws, regulations, and industry standards. This includes compliance with labor laws, environmental regulations, and ethical codes of conduct.

Transparency: Information and decision-making processes are transparent, reducing the likelihood of hidden agendas or unethical practices. Open communication is encouraged, and employees have access to relevant information.

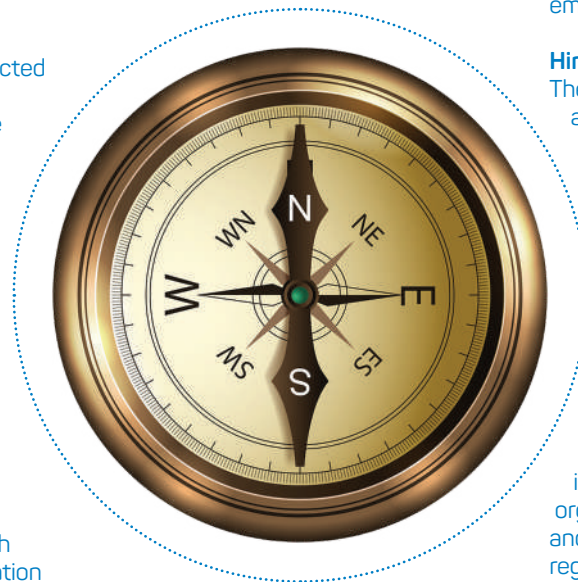
Whistleblower Protection: There are mechanisms in place to protect employees who report unethical behavior or misconduct. Whistleblowers are encouraged to come forward without fear of retaliation.

Ethical Training and Education:

Organizations may provide ethics training and educational programs to help employees understand ethical standards, recognize ethical dilemmas, and make ethical decisions.

Ethical Decision-Making Processes:

Employees are encouraged to engage in ethical decision-making processes when faced with moral dilemmas. This often involves considering the consequences of actions on stakeholders and the broader community.



Social

Responsibility: Ethical organizations often engage in corporate social responsibility (CSR) initiatives that benefit society and the environment. They contribute positively to the communities in which they operate.

Continuous Improvement: An ethical work environment is not static; it strives for continuous improvement in ethical practices and behaviors. Feedback mechanisms are in place to identify areas for improvement. An ethical work environment is not only morally sound but also often associated with benefits such as enhanced employee morale, loyalty, and trust, which can contribute to organizational success and sustainability. It helps create a positive corporate culture where employees feel empowered to do the right thing, even when faced with difficult ethical choices.

The Board of Directors (BOD) of Lumbini is committed to recognizing and fostering an ethical work environment. The board acknowledges its responsibility for maintaining such an environment and is committed to taking the following actions to ensure its integrity.

Setting Ethical Expectations:

The BOD clearly define the organization's ethical expectations and values. This includes drafting a code of ethics or code of conduct that serves as a guide for all employees and stakeholders.

Hiring Ethical Leadership:

The BOD plays a critical role in appointing the CEO and other top executives. They should prioritize hiring leaders who have a demonstrated commitment to ethics and integrity.

Oversight and Governance:

The BOD established oversight mechanisms to ensure that ethical practices are followed throughout the organization. This includes regular reviews of the organization's ethical performance and compliance with laws and regulations.

Whistleblower Protection:

Implement and oversee whistleblower protection programs to ensure that employees can report unethical behavior without fear of retaliation. The BOD should actively support and monitor the effectiveness of these programs. Transparent Reporting: Ensure transparent reporting of financial and non-financial information. Accurate and ethical reporting practices should be encouraged, and any irregularities should be addressed promptly.

Ethical Risk Assessment:

Regularly assess and address ethical risks within the organization. Identify areas where ethical lapses may occur and take proactive measures to mitigate these risks.

MANAGEMENT COMMITMENT TOWARDS ETHICAL WORK ENVIRONMENT

Management commitment to fostering an ethical work environment is essential for establishing a culture of integrity, trust, and responsibility within an organization.

Importance of Management Commitment:

Setting the Tone: Managers and leaders are role models for employees. Their commitment to ethical behavior sets the tone for the entire organization. When leaders prioritize ethics, employees are more likely to follow suit.

Building Trust: An ethical work environment fosters trust between management and employees. Trust is crucial for a positive workplace culture and effective collaboration.

Legal and Reputational Protection: Ethical behavior by management helps protect the organization from legal and reputational risks. Unethical conduct by leaders can lead to scandals, legal problems, and damage to the organization's reputation.

Employee Morale: Employees are more likely to be motivated, engaged, and satisfied in an ethical work environment. They feel valued and respected when management demonstrates commitment to ethical principles.

Elements of Management Commitment to an Ethical Work Environment:

Ethical Leadership: Managers should lead by example, consistently demonstrating honesty, integrity, and ethical decision-making. Their actions should align with the organization's ethical values.

Communication: Management should communicate the importance of ethics and integrity regularly. This includes discussing the organization's code of conduct, ethical guidelines, and expectations.

Training and Education: Managers should provide ethics training and

education to employees, ensuring they understand the organization's ethical standards and have the knowledge to make ethical decisions.

Accountability: Ethical management holds employees and themselves accountable for ethical conduct. This includes addressing ethical violations promptly and fairly, regardless of an individual's position within the organization.

Transparency: Transparent communication is vital. Managers should communicate openly about the organization's ethical performance, initiatives, and goals, fostering trust among employees.

Whistleblower Protection: Management should ensure that employees have access to reporting mechanisms for ethical concerns or violations. Whistleblowers should be protected from retaliation.

Ethical Decision-Making Framework: Managers should promote the use of an ethical decision-making framework that employees can apply when faced with ethical dilemmas. Encourage employees to seek guidance when needed.

Reward Ethical Behavior: Recognize and reward ethical behavior among employees to reinforce the organization's commitment to ethics. Policies and Procedures: Establish clear ethical policies and procedures within the organization. Managers should ensure these policies are followed consistently.

Stakeholder Engagement: Engage with stakeholders, including employees, customers, suppliers, and investors, to ensure that ethical considerations are integrated into business practices.

Sustainability Initiatives: If applicable, support and drive sustainability initiatives that consider the ethical impact of the organization's operations on the environment and society.

Continuous Improvement: Foster a culture of continuous improvement regarding ethical behavior. Regularly assess and update ethical policies and procedures based on changing circumstances and feedback. Response of Bank management towards ethical work environment Bank management has taken several initiatives to enhance its ethical work environment, including measures to strengthen trust, uphold its reputation, and ensure compliance with regulatory standards within the banking industry.

Lead by Example: Senior management, including the CEO, lead by example and demonstrate a strong commitment to ethical behavior. Their actions and decisions reflect the organization's values.

Communication: Management consistently communicate the importance of ethics and integrity to all employees. This includes conducting regular meetings, training sessions.

Training and Education: Provide ongoing training and education to employees at all levels of the organization. Ensure that employees understand the standards expected of them and have the knowledge and tools to make decisions.

Accountability: Hold managers and employees accountable for their conduct. This includes addressing any ethical violations promptly and fairly, regardless of an individual's position within the organization.

Reporting Mechanisms: Ensure that employees have easy access to reporting mechanisms for ethical concerns or violations. Management should act on reports promptly and transparently.

Continuous Improvement: Encourage a culture of continuous improvement regarding ethical behavior. Regularly assess and update ethical policies and procedures based on changing circumstances and feedback from employees and stakeholders.

CODE OF ETHICS

Our Code of ethics

We at Lumbini Bikas Bank, to the best of our knowledge and belief, have a mutual understanding for our ethical acts which are properly guided by the policies, controls and processes that we believe have a positive impact in what we do. Since our inception, we have invested relentlessly in directing our efforts in building an ethical institution by creating an environment through embracing our values. Our main goal being the role model through setting standards for ethical behavior, we have been jointly serving the bank with honesty, integrity, sincerity, diligence and dedication.

While entering into a contract agreement with bank, our staff shall agree with the code prepared by bank. Major objective outlines LBBL's expectations for employee behavior, emphasizing honesty, integrity, sincerity, diligence, and dedication. Major topic cover:

Stakeholder Value: Prioritize building and maintaining positive relationships with stakeholders, including customers, shareholders, corporate partners, and society.

Customer-Centric Approach: Emphasize customer satisfaction by providing accurate information, avoiding misinformation, and ensuring fair treatment.

Shareholder Value Enhancement:

Disclose comprehensive information to the board of directors, conduct timely AGMs, and utilize shareholders' finances efficiently for sustainable returns.

Corporate Partnership: Foster harmonious relationships with corporate partners, demonstrating patience, understanding, and collaboration.

Societal Harmony: Maintain peace and harmony with society, adhering to societal norms, values, and fulfilling corporate social responsibility.

Media Interaction: Deal with media patiently, providing accurate information, and verifying details with authorities before disclosure.

Legal Compliance: Adhere to prevailing laws, regulations, directives from Nepal Rastra Bank, and internal policies to ensure lawful operations.

Professionalism and Proactiveness: Encourage proactiveness, adaptability to change, continuous learning, and creative problem-solving among employees.

Team Development: Promote teamwork to leverage diverse perspectives, identify strengths and weaknesses, and foster a collaborative work environment.

Discrimination Prevention: Prohibit discrimination based on gender, ethnicity, financial status, and ensure fair treatment of all employees.

Integrity and Honesty: Uphold principles of honesty, transparency, and loyalty, discouraging the abuse of authority and conflicts of interest.

Gifts and Commission Prohibition: Strictly forbid the giving or receiving of gifts or commissions that may compromise ethical standards.

Prevention of Unethical Activities: Prohibit involvement in unethical or criminal activities and encourage reporting of such activities to the authorities.

Confidentiality of Information: Safeguard confidential information related to the bank, trade secrets, and customer/employee data, seeking approval before sharing with third parties.

Work Discipline: Maintain a disciplined work environment, avoiding conflicts, inappropriate language, abuse, and ensuring adherence to workplace protocols.

Harassment and Intimidation Prevention: Strictly prohibit harassment and intimidation, fostering a positive and supportive workplace culture.



CODE OF



ETHICS



HOW THE BOARD FUNCTIONS

Responsibility and accountability of board

According to Section 22 of the Bank and Financial Institution Act 2073, the Board of a bank possesses the authority to carry out all the functions of the bank, except those specifically designated for the annual general meeting, in accordance with the relevant acts, rules, directives, Memorandum of Association (MOA), and Articles of Association (AOA). The board's responsibilities and accountability are defined by applicable acts, regulations, and directives such as the Company Act, Bank and Financial Institution

Act, Nepal Rastra Bank Act, and Nepal Rastra Bank Directive, which includes ensuring compliance with relevant laws and regulations.

The board of directors is responsible for endorsing the company's strategic path and ensuring that the approved strategy is put into action to achieve the organization's goals. We are committed to maintaining elevated levels of governance, ethical conduct, and integrity in both our business operations and interactions with stakeholders.

BOARD LEVEL COMMITTEE

AUDIT COMMITTEE

As per Section 60 of the Bank and Financial Institution Act 2073, a bank or financial institution (BFI) is required to establish an audit committee comprised of non-executive directors. Detailed provisions regarding the composition and responsibilities of the audit committee are outlined in the relevant directive. The board of directors is responsible for constituting this committee, with the head of the internal

audit department serving as the committee's member secretary. The audit committee's functions include the review of the organization's financial status, internal controls, audit-related programs, and in-depth discussions on audit findings, along with the issuance of necessary directives to the management. Both internal and external auditors of the licensed organization have the privilege of direct access to this committee.

Composition

Name	Position in Committee
Mr. Ganesh Raj Regmi	Co-ordinator
Mr. Arjun Thapa	Director-Member
Mr. Hari Krishna Subedi	Member- Secretary Head Internal Audit Department

Purpose

The audit committee, as stipulated in the NRB directive and LBBL internal policy, serves several crucial functions within a licensed financial institution. Firstly, the committee regularly assesses the institution's financial health, internal controls, and audit plans, offering essential guidance to the management and conveying pertinent information to the board of directors. Additionally, they meticulously scrutinize the qualifications outlined in the external auditor's reports, directing corrective actions as necessary.

The audit committee also assumes responsibility for overseeing Nepal Rastra Bank's inspections and supervisions, monitoring the implementation of recommended actions and apprising the board of directors about these matters. They actively assist the management in guaranteeing the accuracy and correctness of the institution's annual financial statements and ensure the precision of all business accounts. Compliance with Nepal Rastra Bank's laws and regulations is another key focus area, with the committee evaluating adherence and reporting any relevant conduct.

Moreover, the committee is tasked with developing a comprehensive work system for internal audits and subsequently conducting these audits, all while appraising the organization's commitment to principles like regularity, frugality, propriety, and effectiveness in its operations and delivering pertinent recommendations to the board. The audit committee doesn't stop there; they also review quarterly financial statements and relay their findings to the board of directors. In conclusion, the audit committee plays a multifaceted role in safeguarding financial integrity, regulatory compliance, and effective management within the licensed institution.

RISK MANAGEMENT COMMITTEE

The board of directors should establish a Risk Management Committee chaired by a non-executive director, with members including the head of the operations department and the Chief Risk Officer, who will serve as the member secretary. Additionally, the coordinator of the audit committee should have an ex-officio role in the Risk Management Committee.

Composition

Name	Position in Committee
Mr. Jaya Dev Shrestha	Coordinator
Mr. Ganesh Raj Regmi	Member
Mr. Keshav Khatriwada	Member
Mr. Umesh Regmi	Member
Mr. Dipendra Man Chui Chui	Member Secretary

Purpose

The Risk Management Committee, chaired by a non-executive director at LBBL, is entrusted with a multifaceted role. It is responsible for continuously evaluating and improving the current risk identification and management system, conducting periodic reviews of the risk levels inherent in the organization's business activities, ensuring the adequacy of capital in line with risk-adjusted assets, aligning policies with regulatory guidelines, conducting stress tests, assessing delegation of authority, and monitoring the asset structure, including the quality of income assets. Moreover, the committee stays vigilant in studying the potential impacts of economic sector developments on the organization's financial health and offers recommendations to the board of directors on necessary policy adjustments.

ANTI-MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM COMMITTEE

In accordance with the directive from the NRB, banks and financial institutions should establish a committee led by a non-executive director, with members including the head of the compliance department and the head of the risk management department. The compliance officer will serve as the member secretary, and when necessary, one relevant expert may be invited to join the committee.

Composition

Name	Position in Committee
Mr. Keshav Khatiwada	Coordinator
Mr. Hari Krishna Subedi	Member
Mr. Dipendra Man Chui Chui	Member
Mr. Dipesh Joshi	Member Secretary

Purpose

The committee is mandated to review and report on tasks performed in accordance with the Money Laundering Prevention Act 2064, Regulation 2073, and related directives, submitting reports to the board of directors. It engages in comprehensive discussions regarding internal policies, procedural aspects, and customer identification policies, ensuring adherence to risk classifications. The committee also actively participates in the development and implementation of policies based on recommendations from the Financial Action Task Force and NRB directives. It submits quarterly reports on compliance with laws and internal policies related to money laundering and terrorist activities, and further assesses new services, technology purchases, and various channels for potential risks, offering suggestions for necessary improvements. Additionally, the committee addresses financial investments in money laundering and terrorist activities at both national and international levels, thus playing a pivotal role in safeguarding the institution against illicit financial activities.

EMPLOYEE SERVICE BENEFIT COMMITTEE

The Board of Directors may establish an Employee Service Benefit Committee, chaired by a non-executive director, with members including the Chief Executive officer, Head of the Finance Department, and the Head of the Human Resource Department who shall serve as the member secretary.

Name	Position in Committee
Mr. Prabin Krishna Shrestha	Coordinator
Mr. Ram Chandra Sigdel	Member
Mr. Naresh Singh Bohra	Member
Mr. Prem Lal Basyal	Member Secretary
Mr. Bhuwan Khanal	Member

Purpose

The Committee's primary responsibilities involve supporting the Board of Directors in formulating the organization's "Remuneration Determination Policy." This includes regular analysis of the remuneration structure and submitting reports on market impact. Additionally, the Committee recommends salary adjustments in line with policy directives, oversees performance evaluation systems, and manages various aspects of manpower, including recruitment, promotion, and labor relations policies. They also review staff policies, work structures, and develop Succession Planning.

CONTRIBUTING TO OUR SOCIETY AND COMMUNITIES

Our primary objective remains the pursuit of profitability and the growth of shareholder value; however, we are equally dedicated to addressing societal needs related to the financial well-being and literacy of the general public. Additionally, we acknowledge our responsibility for environmental preservation and the amelioration of any environmental degradation caused by our operations. In fulfillment of our corporate social responsibility and commitment to societal contribution, we undertook various activities throughout the fiscal year 2080-81.

Community investment

In our commitment to empower financial well-being for all and enhance overall quality of life, we concentrate on enhancing numeracy skills, providing community support, making charitable donations to various organizations, and participating in disaster relief efforts. Furthermore, we conducted diverse activities in accordance with directives from the Nepal Rastra Bank, aimed at fostering financial knowledge and awareness within the community.



Consumer financial education

Our steadfast commitment to fostering a culture of financial well-being extends to our employees, clients, and communities, achieved through comprehensive financial education initiatives. This commitment has led to the establishment of a sustainable source of continuous learning and inspiration. Throughout the financial year, we have successfully implemented integrated financial literacy training and development programs, reinforcing our dedication to promoting a holistic understanding of financial principles.

Charitable donations

In complement to our ongoing social support initiatives, LBBL remains steadfast in its commitment to actively support non-profit organizations throughout Nepal. As exemplified by our contributions to various NGOs operating in Nepal, we are dedicated to facilitating improved quality of life for individuals. Additionally, we pledge to make further donations to diverse social-support initiatives within our communities, reinforcing our commitment to the betterment of society.



GREEN IS THE NEW MOTTO.

Air pollution, deforestation, eco system and food sufficiency has continuously been degrading in Nepal. Even after many attempts, the ill effects due to deforestation is not being minimized. Nevertheless, many profit oriented and non-profit oriented organization has continuously been contributing attempts to bring about green revolution in the country.

Tewa initiated in 1995 with its philanthropic motive initiated Tree Plantation fundraising program from 2008. With the objective of establishing sustainable eco-system, helping women organization via raised funds and promoting community philanthropy, it has aimed to plant 700 saplings a year; it has been achieving its aim till this year. For the year 2023/24 Tewa approached Lumbini Bikas Bank Limited, extending its hand for support in this philanthropic cause.

The tree plantation program was successfully concluded in 26th August, 2023 by plantation of 700 saplings in Manjushree Park and Ilam. Employees from Kantipath Branch of Lumbini Bikas Bank Limited actively participated in the program.



RISK MANAGEMENT REPORT

Our risk management philosophy centers on a well-defined comprehension of first-line risk ownership, a developed risk culture, and efficient risk oversight, aiming to establish a lucid and comprehensive perspective of the risk landscape within the business. This approach enables proactive assessment of risks and opportunities, facilitating effective responses, influencing stakeholders, initiating risk management and strategic interventions, and fostering the continued maturation of the organizational risk culture. Additionally, we emphasize enhancing operational resilience through a series of proactive initiatives to address a higher frequency of unforeseen risk events.

From the fiscal year 2080-81, Our organizational structure underwent significant changes with the incorporation of more robust Risk Management Department under Chief Risk Officer (CRO) who assumes the overall leadership role for our risk management team. Primary mandate of CRO encompasses identification and management of major risk criteria, discernment of risk situations, regulatory compliance, oversees risk management functions, assesses and monitors risks, develops risk frameworks, reviews policies, and reports to the BOD-level Risk Management Committee. This strategic addition aims to enhance the effectiveness and efficiency of our risk management practices under the centralized leadership of the Chief Risk Officer. The bank operates under clearly defined Risk Management Policy and respective Risk management Guidelines that provides guiding framework for risk management these policies are reviewed regularly to encompass latest change whereas Risk Management Policy was update in Fiscal Year 2080-81 also respective guidelines are updated. Also, bank has Investment and Credit Policies that serve as guiding frameworks for business generation. A distinct demarcation between business generation and risk management is established, with a dedicated Risk Department headed by the Chief Risk Officer. This division operates independently from business functions, devoid of specific targets or incentives for business generation.

In the fiscal year 2080-81, an internal assurance procedure, embodied in the Internal Audit function, was initiated, marked by the establishment of an internal audit team. Our highly skilled employees conduct regular assessment activities of our risks, offering insightful suggestions for improvement. Furthermore, the Internal Audit function operates as an independent entity, with a responsibility to the board for ensuring thorough and unbiased evaluations. This proactive step underscores our commitment to maintaining a robust internal control framework, fostering continuous improvement, and upholding transparency and accountability within the organization.

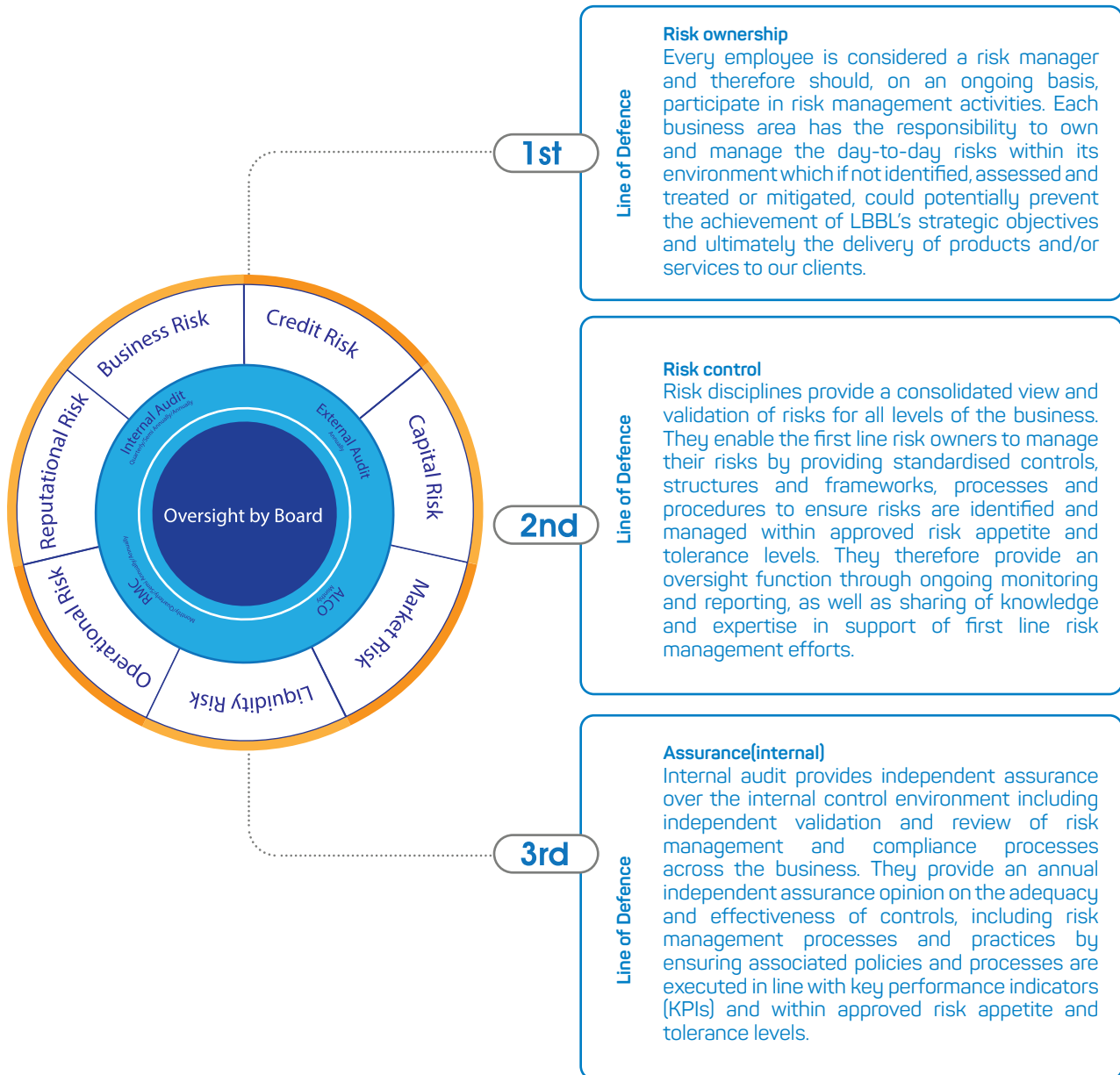
There is separate Credit Administration Division (CAD Division), which check security documents for execution, for exposure accounting, disbursement and settlement. CAD is also independent to business. Periodic Audit Review of credit exposure and other by the Internal Audit and / or Statutory Audit also assists in identifying the status of exposure/relationship in line with policies of the Bank, NRB Directives and prevailing Acts. Any weaknesses on the part of the borrower's business and the relationship strength are independently assessed through audit review and the outcome is taken positively for necessary changes. Work Procedures are well defined where checking, control and independence of the credit extension, risk assessment, review, monitoring and exposure accounting is fully complied with. All such actions and processes are properly recorded, reported and discussed. These reports, on need basis and on a defined frequency, are submitted for oversight of Senior Management, Risk Management Committee and the Board. Internal Audit Department of the bank also takes up the matter of all audit observations for discussion at Audit Committee.

A. Operational Risk Management Operations Risk is that risk arises from inadequate internal process, people, system or from external events. Core Banking System (CBS) is an area to be put under highest level of safety for security of customer information and information of the bank too. Information and Technology Division in the bank reviews and checks the security aspects in line with ITIS Policy of the Bank. Bank has conducted an IS Audit of the bank's system and suggestions given by the audit with respect to safety and security standards are being implemented. The Bank has an on-line real time replication Disaster Recovery Site (DRS) which captures the record of each transaction that takes place at the Production Server. Both the sites (Production Server and Disaster Recovery – Back up site) are housed in well- conditioned and high shock resistant buildings and are at different seismic zone. Bank has put in place a maker and checker concept in which a transaction has to compulsorily go through two individuals from a control standpoint with proper transaction right to capture deviations, if any. Also, regular inspections are carried on by highly skilled individuals of Internal Audit and Risk Management department which helps in identification and mitigation of operational risk.

B. Market Risk Management Market Risks are discussed at Asset Liability Management Committee (ALCO) of the bank and even discussed at respective division level. ALCO ensures functioning of the jobs in line with the policies and procedures and suggests/recommends for necessary steps collectively to address the risk on interest rate movement. Also, Market Risk Management Guidelines has been updated in FY 2080-81 under Risk Management policy of the bank to ensure effective risk management.

C. Liquidity Risk Management Liquidity ratios are accessed and communicated to ALCO members on daily basis. As such, actions with regards to asset liability management, if any warranted from liquidity perspective, is promptly initiated. Compliance to mandatory liquidity ratios is maintained at all times. Liquidity is a regular agenda of the quarterly ALCO meetings. Towards liquidity risk management, if additional liquidity may be required, the bank has access to different sources of funding such as existing institutional deposit relationships, inter-bank lending, and central bank funding mechanisms. Also, Liquidity Risk Management Guidelines has been updated in FY 2080-81 under Risk Management policy of the bank to ensure effective risk management.

D. Legal and Compliance Risk Management The Bank has a separate Legal division. All legal agreements, deeds and documents including claims and charges are thoroughly studied prior to making any decision involving such documents. In case where the Bank needs expert's opinion on particular issue, experts are consulted.



Risk culture and maturity We recognise that risk maturity is a key enabler of effective risk management in the business. It is especially important considering our risk management structure through the strategic positioning of departmental risk business partners in the first line. The business therefore relies on effective risk management practices in the first line. To further entrench risk maturity, we have policies and procedures governing the review of new or materially changed or enhanced products, services, business activities and technology. These provide guidance on the evaluation of aspects that may potentially introduce additional risks, thereby affecting the business' risk profile. All products are subject to the LBBL risk tolerance limits includes the various processes, stakeholder involvements and risk practices applicable to and during the implementation of initiatives.

The risk management department has two unit viz credit risk management and integrated risk management.

The Credit Risk Management (CRM) Department in a bank plays a critical role in ensuring the institution's financial stability by managing and mitigating credit risks associated with lending activities. Here's an overview of how the department typically works:

1. Credit Risk Identification

Coordinate with branches for the timely renewal/review of credit files.

Identify and assess various risk factors, including credit, regulatory, compliance, legal, operational, and reputational risks during credit file reviews.

2. Credit Appraisal Review

Review new, renewal, and enhancement credit files from a risk perspective. Assess proposals for partial release and replacement of collateral.

Evaluate covenants placed by the approving authority to ensure adherence and effectiveness.

CRO to Assign review task on the loan size, branch category with high-risk or high-value loans.

3. Risk Mitigation Strategies

Ensures sufficient and properly valued collateral is secured for loans.

Raise queries to concerned branches and review their responses during credit file evaluations.

Provide recommendations to improve credit risk assessment processes and implement risk-mitigating measures.

4. Monitoring and Control

Conduct regular reviews of credit files up to specified thresholds, as determined by the CRO.
Maintain effective record-keeping practices and ensure confidentiality of information.

5. Regulatory Compliance

Ensures the bank complies with applicable regulations from the Nepal Rastra Bank.

Perform additional tasks as assigned by the Head of Credit Risk Management/CRO in line with regulatory requirements.

Integrated Risk Management (IRM) Department in a bank is tasked with identifying, assessing, managing, monitoring, and reporting all types of risks under a unified framework. Its objective is to ensure the bank operates within its defined risk appetite while meeting strategic goals and complying with regulatory requirements.

Key Functions of the IRM Department

1. Risk Identification

Identify and address all risk-related issues, including Operational Risk, Liquidity Risk, Market Risk, AML, and other associated risks.

Conduct regular onsite inspections of branches based on Operational Risk grading parameters to detect potential risks.

Uses tools like Risk Register, Control Self-Assessment (RCSA) and Key Risk Indicators (KRIs) other as defined by Operational Risk Management Guidelines.

2. Risk Assessment and Measurement

Prepare Reports for presentation in the Risk Management Committee (RMC) as required.

Analyze and assess the Risk Profile of LBBL quarterly, including ICAAP requirements based on BASEL III guidelines.

3. Risk Integration

Ensure the timely preparation and periodic review of policies and guidelines in compliance with regulatory requirements. Facilitate effective communication and implementation of risk-related regulatory instructions, including NRB Notices, Circulars, Directives, and internal policies.

4. Risk Mitigation

Recommend changes and improvements to the Chief Risk Officer (CRO) for enhancing departmental performance. Assist in preparing and updating various policies, guidelines, and strategies to address identified risks.

5. Risk Monitoring and Control

Arrange and oversee regular inspections of branches to evaluate operational risks and report findings to higher authorities.

Maintain effective record-keeping practices and ensure confidentiality of sensitive information.

Portfolio Review: Regularly reviews the loan portfolio for risk concentrations in industries, regions, or borrower types.

Early Warning Systems: Identifies potential risks by tracking delayed payments, declining credit scores, or negative market developments.

Stress Testing: Simulates economic downturns or adverse events to assess the impact on the portfolio.

6. Risk Reporting

Prepare and submit required reports to relevant authorities to facilitate informed decision-making.

Support the CRO in preparing reports and analyses for management and the Risk Management Committee.

Submits required reports to the Nepal Rastra Bank) and complies with regulatory requirement.

By implementing robust credit risk management and integrated risk management practices under the leadership of chief credit officer, we safeguard assets, minimize losses, and maintain profitability while complying with regulatory requirements.

Risk governance The risk governance framework of our bank is structured to ensure robust oversight and effective risk management. The Risk Management Department comprises two distinct units, each led by a head who reports directly to the Chief Risk Officer (CRO). The CRO, in turn, reports to the Risk Management Committee (RMC), a board-level committee. The RMC, which includes independent directors and directors, conducts regular meetings to review findings

from the risk management units and deliberates on various matters impacting the bank's overall risk practices. The committee plays a pivotal role in recommending policy updates, introducing new policies, and upgrading internal procedures to ensure smooth and efficient banking operations. By aligning risk management practices with the bank's strategic goals, the RMC fosters a proactive approach to mitigating risks while supporting sustainable business growth.

Our risk management process Our risk management process is designed to empower all employees to proactively identify and report potential risks through online channel. The system is supported by an intuitive, user-friendly template accessible via the company intranet, ensuring seamless reporting. Additionally, the bank has implemented a whistleblower mechanism to address discrepancies or risks identified by internal staff, with strict measures in place to protect the confidentiality and rights of whistleblowers. To further enhance risk mitigation, the bank promotes self-management of risks, enabling reduction to tolerable levels. This approach allows the Operational Risk Department and relevant risk owners to assess and address risks effectively through an iterative 5-step risk management process, ensuring comprehensive and responsive risk oversight.

Risk management process

01	02	03	04	05
Risk identification	Risk evaluation	Risk treatment	Risk monitoring	Risk reporting
Risks are identified and raised by employees across all levels of the organization, although the primary responsibility for managing these risks lies with the first line of defence. The first line of defence also conducts Risk Control Self-Assessments (RCSAs), supported as necessary by the second line of defence, which ensures that risks are thoroughly evaluated and appropriately addressed.	The organization evaluates risks using a risk matrix, which ensures consistency in assessing both the impact and likelihood of various risks. This evaluation takes into account both inherent risks (those present before controls are applied) and residual risks (those remaining after controls are implemented). The risk management department plays a crucial role in supporting the business by providing independent oversight, continuously monitoring risks, and ensuring alignment with the board's strategic objectives.	After evaluating risks, the organization determines how to treat them based on their impact and likelihood. Risks may be accepted if they fall within tolerance levels, transferred to third parties (such as through insurance), mitigated through action plans to reduce potential impacts, or avoided by ceasing certain activities. Mitigation plans are carefully tracked and monitored to ensure that risk treatment measures are effective and that any necessary adjustments are made in a timely manner.	Risk monitoring is integrated into daily operations through the use of Key Risk Indicators (KRIs), which measure risk against established tolerance levels. These KRIs are accessible via the management operating system (MOS) and are reviewed regularly to ensure that risks remain within acceptable parameters. Additionally, the organization conducts scheduled mitigation reviews with risk owners and actively monitors emerging risks, ensuring that new or evolving threats are identified and addressed promptly.	The organization ensures that risk reporting is clear, concise, and effective, enabling management and the board to make informed decisions. In line with the Basel Committee on Banking Supervision (BCBS), the organization has adopted the Basel principles for Risk Data Aggregation and Risk Reporting (RDARR), ensuring that the right risks are reported to the right people at the right time. This practice allows for timely and accurate risk data, supporting proactive decision-making and improving overall risk governance.

Our risk appetite and tolerance Our risk appetite is the level of risk we are willing to accept while pursuing our strategic objectives. Strategic decisions are aligned to risk appetite in order to account for the cycle and stressed scenarios. A risk appetite framework helps balance risk-taking and delivery of sustainable growth and returns to shareholders. We have a low appetite for operational risk, which means that minimal risk is accepted, and a cautious approach is taken towards operational risk. However, for certain risk events, such as those related to employee diversity, discrimination and harassment and non-compliance, we adopt a zero-tolerance approach. Our risk appetite and tolerance limit is set by risk management committee, and continuous monitoring is carried on for risk appetite and tolerance by risk management department any deviation is immediately escalated to risk management committee which may further escalate to BOD for immediate action.

Our risk tolerance is the extent to which we are willing to tolerate a deviation from targets set for strategic objectives as a result of a potential or actual risk. It is determined by considering various measures for our key strategic objectives. We then consider the range of outcomes above and below acceptable targets. Tolerance is measured by our MOS key risk and performance indicators. tolerance level breaches

In recent times, the banking industry has been grappling with significant challenges brought on by economic recession, particularly in the areas of credit recovery and rising non-performing assets (NPAs). The increase in NPAs has led to financial difficulties for banks, as customers unable to

generate adequate cash flow fail to repay their loans. This situation underscores the critical role of the risk management department in ensuring the quality and sustainability of the bank's credit portfolio. The department assesses credit risk by evaluating the client's repayment history, cash flow capacity, and overall financial health to generate a credit risk score. This score serves as a vital tool in mitigating the risk of loans turning into non-performing assets, thereby protecting the bank's financial stability.

Simultaneously, the rapid advancement of technology has introduced new risks in the banking sector. Technological risks, such as fake messages, fraudulent OTPs, and phishing scams, have become increasingly prevalent. Cybercriminals impersonate banks, sending deceptive messages to customers, tricking them into sharing sensitive information or clicking on harmful links. These scams often result in unauthorized access to accounts, leading to financial losses for both customers and banks. The growing reliance on digital and mobile banking has further amplified these risks, necessitating robust measures to safeguard against them.

A strong risk management department plays a pivotal role in addressing these technological threats. By collaborating with the information technology (IT) department, the risk management team can recommend updates to IT policies and systems to strengthen authentication mechanisms and improve cybersecurity defenses. Additionally, the operational risk management department can ensure that operational manuals and procedures are regularly reviewed and updated. This proactive approach helps minimize cybersecurity risks by incorporating the latest advancements and best practices into the bank's operational framework.





सुरक्षित मोबाइल बैंकिङ्ग, ईन्टरनेट बैंकिङ्गका लागि ध्यान दिनुहोस्

पब्लिक WIFI को
प्रयोग नगर्नुहोस्

LOGIN/PASSWORD/PIN
कसैसँग शेयर नगर्नुहोस्

आफ्नो OTP कसैसँग
शेयर नगर्नुहोस्

आफ्नो खाताको statement
बेलाबेला चेक गर्नुहोस्



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहायता

Statutory disclosure and Annual Financial Statements



१७ औं वार्षिक साधारण सभामा अध्यक्षज्यूद्वारा प्रस्तुत

सञ्चालक समितिको आ.व.२०८०/८१ को वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

लुम्बिनी विकास बैंक लिमिटेडको १७ औं वार्षिक साधारण सभामा पाल्नु भएका संस्थापकहरू एवं सम्पूर्ण शेयरधनीहरू, अतिथिहरू तथा आमन्त्रित महानुभावहरूमा यस विकास बैंकको सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु। बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, कम्पनी ऐन, २०६३, प्रचलित अन्य कानून तथा नेपाल राष्ट्र बैंकबाट जारी निर्देशन बमोजिम यो प्रतिवेदन यस वार्षिक साधारण सभामा प्रस्तुत गरेका छौं।

विगतका आर्थिक वर्षहरूमा महामारीको रूपमा फैलिएको कोभिड-१९ को प्रभाव न्यूनीकरण हुँदैजादा लगतै रुस र युक्रेनको युद्धको कारण पेट्रोलियम पदार्थको आपूर्तिमा परेको प्रभाव, उच्च मूल्य वृद्धि, कच्चा पदार्थ तथा विभिन्न सामानहरूको आयात/निर्यातमा परेको कठिनाई, खाद्यान्न संकट, मुद्रास्फीति, जस्ता समस्याहरूले आर्थिक क्रियाकलापहरूमा शिथिलता सृजना भई आर्थिक क्रियाकलापहरू पूर्ण रूपमा सञ्चालनमा आउन नसकेकोमा समीक्षा अवधिमा विकसित एवम् उदीयमान मुलुकहरूका केन्द्रीय बैंकले अवलम्बन गरेको कसिलो मौद्रिक नीतिको कारण मुद्रास्फीति घट्ने क्रममा रही अर्थतन्त्रमा मुद्रास्फीति लक्षित सीमाभित्र आएको, बाह्य क्षेत्रमा सुधार भई विदेशी विनिमय सञ्चित उल्लेखनीय रूपमा बढेको समग्र वित्तीय वजारमा निक्षेपको तुलनामा कर्जाको माग वृद्धि अनुपात कम हुँदा कर्जा निक्षेप अनुपातमा सन्तुलन कायम नभई तरलतामा वृद्धि आएको र बैंकसँग लगानीयोग्य रकम पर्याप्त रहदा समेत लक्षित रूपमा कर्जा प्रवाह हुन नसकेको। वित्तगत आर्थिक वर्षहरूको तुलनामा बैंकले व्यवसाय वृद्धि गर्न गुणस्तरीय कर्जा लगानीमा केन्द्रीत रही खराब कर्जा असुली कार्यलाई उच्च प्राथमिकतामा राखी कार्य गरेकाले बैंकले सन्तोषजनक मुनाफा आर्जन गर्न सफल भएको छ। विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष प्रभावको असरबाट समग्र मुलुकको आर्थिक गतिविधि, विकास निर्माण, उद्योग व्यवसाय, पर्यटन लगायतका क्षेत्रमा प्रतिकूलता सिर्जना भएको हालको अवस्थामा सो को प्रभाव विस्तारै घट्दै गए समग्र अर्थतन्त्र चलायमान भई कर्जा माग बढी आर्थिक क्रियाकलापले गति लिने तथा आर्थिक समृद्धिका सूचकाङ्कहरू सकारात्मक रूपमा सुधार हुँदै जाने कुरामा हामी आशावादी छौं। राष्ट्रिय तथा अन्तर्राष्ट्रिय स्तरमा देखिएको आर्थिक चुनौतीका बावजुद पनि आ.व. २०८०/८१ मा यस विकास बैंकले आफ्नो व्यवसायबाट सम्पूर्ण व्यवस्था पछिको खुद मुनाफा रु. ५४ करोड ३६ लाख आर्जन गर्न सफल भएको व्यहोरा यस गरिमामय साधारण सभामा सहर्ष जानकारी गराउन चाहन्छु।

बैंकले आफ्नो व्यवसाय विस्तारसँगै ग्राहकहरूको सुविधा तथा सुरक्षित कारोवारलाई ध्यानमा राखि अनलाईन मार्फत खाता खोल्ने सुविधा, ई-बैंकिङ, मोवाईल बैंकिङ "Chip Based" भिसा डेबिट कार्ड, C-ASBA, कनेक्ट आईपिएस लगायतका विद्युतीय बैंकिङ सेवाहरूमा परिमार्जन गर्दै कर्मचारीको कार्यक्षमता अभिवृद्धि तथा नियामक निकायहरूबाट जारी सुशासन सम्बन्धी निर्देशनहरूको पालना गर्ने जस्ता कार्यलाई कटिबद्धताका साथ लागु गरेको छ। बैंकको निष्कृत कर्जाको असुलीमा केन्द्रीकृत भई गुणस्तरीय कर्जा प्रवाहलाई जोड दिँदै आएको छ। विगतमा जस्तै आजको यस साधारण सभामा पनि आदरणीय शेयरधनीहरूबाट यस विकास बैंकको उन्नति प्रगतिको लागि आवश्यक सल्लाह सुझाव तथा सद्भाव प्राप्त हुनेमा आशावादी हुँदै प्राप्त सल्लाह सुझावहरू बैंकको कार्य योजना तथा लक्ष्य प्राप्तिका निम्कै उपलब्धि मुलक हुनेमा हामीले विश्वास लिएका छौं।

(क) विगत आ.व. २०८०/८१ को कारोबारको सिंहावलोकन

समीक्षा आर्थिक वर्ष २०८०/८१ को विकास बैंकको प्रमुख वित्तीय सुचकाङ्कहरू निम्नानुसार रहेका छन्।

शीर्षक	आ.व. २०८०/८१	आ.व. २०७९/८०	वृद्धि (हास) %
चुक्ता पूँजी	३,५१८,१३४,१३८	३,३८२,८२१,२८६	४.००%
सञ्चित मुनाफा, जगेडा तथा कोषहरू	३,१६९,२७४,२१५	२,८३४,२४४,४७५	११.८२%
पूँजी कोषको पर्याप्तता	१३.४०%	१२.८५%	०.५६%
कुल सम्पत्ति	६९,०८७,५९७,४५२	५८,८९१,४६२,६४५	१७.३९%
कुल निक्षेप	६०,२३३,७९१,०२०	५०,५८४,३०४,५३३	१९.०८%
कुल कर्जा सापटीहरू	४९,६०८,६४८,२९६	४४,५७०,३३७,६०५	११.३०%
लगानीहरू धितोपत्र तथा शेयर (बजार मूल्य)	१२,३५२,९५०,२४२	८,३६५,८३०,५७३	४७.६६%
खुद व्याज आमदानी	१,७५,४८,२७,५५०	१,८४३,७९२,२२८	-४.८३%
सञ्चालन खर्च	८२६,७६१,५४५	७७६,८१७,२६७	६.४३%
खुद मुनाफा	५४,३६,६७,६२२	४९,७६,७२,५१८	९.२४%
निष्कृत कर्जा अनुपात	३.५२%	३.३६%	०.१६%

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट बैंकको कारोबारमा समिक्षा अवधिमा परेको प्रभाव :

अन्तर्राष्ट्रिय प्रभाव :

समय समयमा समग्र विश्व अर्थतन्त्रमा आउने विभिन्न उतार चढाव मध्ये पछिल्लो समयमा रुस युक्रेनको युद्ध एवं तत् पश्चात विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष एवं अप्रत्यक्ष प्रभाव देशको अर्थतन्त्रमा पनि परेको व्यहोरा हामी विच सर्व विदितै छ। युद्धका कारण पेट्रोलियम पदार्थको आपूर्तिमा परेको प्रभाव, उच्च मूल्य वृद्धि, कच्चा पदार्थ तथा विभिन्न सामानहरूको आयात/निर्यातमा परेको कठिनाई, खाद्यान्न संकट, मुद्रास्फीति जस्ता समस्याहरूको सामना अन्य राष्ट्रहरूले भई हामीले पनि सामना गर्नुपरेको अवस्था छ। अन्तर्राष्ट्रिय मुद्रा कोष (झँ) ले प्रकाशन गरेको प्रतिवेदन अनुसार सन् २०२३ मा ३.३% ले वृद्धि भएको विश्व अर्थतन्त्र सन् २०२४ र २०२५ मा ३.२% ले मात्र वृद्धि हुने अनुमान गरिएको छ। ध्वचिम भ्रमयलक्ष्ण इगतयियप अनुसार भूराजनीतिक तनाव, जलवायु परिवर्तन, प्राकृतिक प्रकोप लगायतका कारण विश्वको आर्थिक वृद्धि कोभिड-१९ पूर्वको तुलनामा अझै कमजोर छ। त्यसैगरी, विश्वको मुद्रास्फीतिमा सुधार हुँदै आएको छ। सन् २०२३ मा विश्वको उपभोक्ता मुद्रास्फीति ६.७

प्रतिशत रहेकोमा सन् २०२४ मा ५.८ प्रतिशत र सन् २०२५ मा ४.३ प्रतिशत रहने कोषले प्रक्षेपण गरेको छ। विकासित राष्ट्रहरूको आर्थिक वृद्धिमा अबै केही अवधिको लागि संकुचन आउने र सन् २०२५ भित्रमै केही सुधार आउने प्रक्षेपण गरिएको छ।

निरन्तर अधिमूल्यन हुँदै गएको अमेरिकी डलरको कारण विश्व व्यापारको आयतनको वृद्धिदर सन् २०२१ को तुलनामा सन् २०२२ र सन् २०२३ मा न्यून रहने प्रक्षेपण छ। सन् २०२१ मा विश्व व्यापारको आयतन १०.१ प्रतिशतले विस्तार भएकोमा सन् २०२२ र सन् २०२३ मा यस्तो विस्तार क्रमशः ४.१ प्रतिशत र ३.२ प्रतिशत रहने प्रक्षेपण अन्तर्राष्ट्रिय मुद्रा कोषले गरेको छ।

अन्तराष्ट्रिय बजारमा वित्तीय सम्पत्तिको मूल्यमा उच्च उतार चढाव, विकासित मुलुकहरूमा कसिलो मौद्रिक नीतिको अभ्यास तथा विश्वभर महामारीको रुपमा फैलिएको कोभिड-१९ एवं रुस-युक्रेन युद्धका कारण विश्व अर्थतन्त्रमा देखिएको संकुचन लगायत अन्तर्राष्ट्रिय आर्थिक घटनाक्रमले नेपाली अर्थतन्त्रमा परेको प्रभावको कारण आर्थिक सन्तुलन कायम गर्ने दिशामा थप चुनौतीको सामना गर्नुपर्ने अवस्था सिर्जना भएको छ। यी तथ्यका बावजुद व्यवसायिक निरन्तरता कायम राख्न नयाँ चुनौती र परिवर्तित नयाँ अवसरहरूको सकारात्मक उपयोगबाट नयाँ अवसरहरूको श्रृजना गर्न सक्ने व्यवस्थापकीय क्षमता अभिवृद्धि गर्नु हाम्रो अनिवार्य आवश्यकता हो र यस प्रति संचालक समिति र व्यवस्थापन सजग रहेको छ।

राष्ट्रिय प्रभाव :

आर्थिक वर्ष २०८०/८१ मा बाह्य क्षेत्रमा सुधार आएको भएता पनि आर्थिक गतिविधिमा शिथिलता आएको निजी क्षेत्रतर्फ प्रवाह हुने कर्जाको वृद्धि पनि सुस्त रहेको छ भने बैकिङ प्रणालीको निष्क्रिय कर्जा अनुपात केही बढेको छ। समीक्षा वर्षमा खासगरी निर्माण क्षेत्र र निर्माण क्षेत्रसँग अन्तरसम्बन्धित क्षेत्रहरूमा समेत संकुचन आएको छ। यद्यपि बाह्य क्षेत्रमा सुधार भई ब्याजदर घट्दो क्रममा रहेकोले निजी माग विस्तार हुने र यसबाट आर्थिक क्रियाकलाप चलायमान बनाउन सहयोग पुग्ने देखिन्छ। विगतका आर्थिक वर्षहरूमा महामारीको रुपमा फैलिएको कोभिड-१९ एवं रुस र युक्रेनको युद्धको कारण विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष प्रभाव देशको अर्थतन्त्रमा पनि परेको छ। समिक्ष अवधिमा विदेशी विनिमय सञ्चित उल्लेखनीय रुपमा बढेतापनि समग्र वित्तीय बजारमा निक्षेपको तुलनामा कर्जाको माग वृद्धि अनुपात कम हुँदा कर्जा निक्षेप अनुपातमा सन्तुलन कायम नभई तरलतामा वृद्धि आएको र बैकसँग लगानीयोग्य रकम पर्याप्त रहदा समेत लक्षित रुपमा कर्जा प्रवाह हुन नसकेकोले आर्थिक क्रियाकलापहरू पूर्ण रुपमा सञ्चालनमा नआएकोले यस विकास बैंकको कारोबारमा समेत असर पर्न गएको छ। देशको अर्थतन्त्रमा सेवा क्षेत्रको यो गदान क्रमशः बढ्दै गएको छ भने कृषि क्षेत्रको योगदान क्रमशः घट्दै गएको छ। उद्योग क्षेत्रको योगदान भने करिब स्थिर रहेको देखिन्छ। आर्थिक वर्ष २०८०/८१ मा ३.८७ प्रतिशतले आर्थिक वृद्धि हुने अनुमान गरिएको छ। आर्थिक वर्ष २०८०/८१ मा खासगरी आवास तथा खाद्य सेवा, विद्युत तथा ग्यास र यातायात तथा भण्डारण उपक्षेत्रको विस्तारले आर्थिक वृद्धिमा सकारात्मक प्रभाव पारेको तथा निर्माण र उत्पादनमूलक क्षेत्रको वृद्धिदर भने ऋणात्मक नै रहेको अनुमान छ। समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा रु.२७६ अर्ब ९४ करोड (५.८ प्रतिशत) ले बढेको छ। अघिल्लो वर्ष यस्तो कर्जा रु.१७५ अर्ब ९४ करोड (३.८ प्रतिशत) ले बढेको थियो। समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जामध्ये गैर-वित्तीय संस्थागत क्षेत्रतर्फ प्रवाह भएको कर्जाको अंश ६३.३ प्रतिशत र व्यक्तिगत तथा घरपरिवार क्षेत्रतर्फ प्रवाह भएको कर्जाको अंश ३६.७ प्रतिशत रहेको छ। अघिल्लो वर्षको सोही अवधिमा यस्तो अंश क्रमशः ६२.७ प्रतिशत र ३७.३ प्रतिशत रहेको थियो। समीक्षा वर्षमा निजी क्षेत्रतर्फ प्रवाहित कर्जामध्ये वाणिज्य बैंकहरूको कर्जा प्रवाह ५.८ प्रतिशतले, विकास बैंकहरूको कर्जा प्रवाह ५.० प्रतिशतले र वित्त कम्पनीहरूको ७.७ प्रतिशतले बढेको छ। समिक्षा आ.व.२०८०/८१ मा आर्थिक क्रियाकलाप स्थिर रहेतापनि घट्दो क्रममा रहेको ब्याजदर एवं पर्याप्त तरलता सँगै देशको अर्थतन्त्र पनि विस्तारै चलायमान भई आर्थिक क्रियाकलापले गति लिने तथा मुलुकको आर्थिक सूचकाङ्कहरू सकारात्मक रुपमा सुधार हुने कुरामा हामी आशावादी छौं।

(ग) समीक्षा आ.व. २०८०/८१ को उपलब्धी तथा बैंकको आगामी आर्थिक वर्षको योजना :

समीक्षा अवधि आ.व.२०८०/८१ मा यस विकास बैंकले देशका ७ वटै प्रदेशमा गरी कुल ८९ वटा शाखाहरू र १ वटा विस्तारित शाखा मार्फत गरेको कारोबारबाट अघिल्लो आर्थिक वर्षको तुलनामा कुल कर्जा सापटी ११.३० प्रतिशतले वृद्धि भई रु.४९.६१ अर्ब पुगेको छ भने निक्षेप १९.०८ प्रतिशतले वृद्धि भई रु. ६० अर्ब २३ करोड पुगेको छ। यस अवधिमा विकास बैंकको खुद मुनाफामा रु. ५४ करोड ३६ लाख भएको छ भने विकास बैंकको वासलात आकारमा १७.३१ प्रतिशतले वृद्धि भई रु. ६९ अर्ब ८ करोड पुगेको व्यहोरा आदरणीय शेयरधनीहरू समक्ष जानकारी गराउन चाहन्छु। बैंकको निष्कृत कर्जाको असुलीमा तिब्रता दिई गुणस्तरीय कर्जा प्रवाहलाई जोड दिई आएको व्यहोरा आदरणीय शेयरधनीहरू समक्ष जानकारी गराउन चाहन्छु।

आगामी आर्थिक वर्षको योजना :

- ❖ कर्जा तथा लगानीलाई अब विविधिकरण गरी सुदृढ बनाउँदै लगिनेछ।
- ❖ असुलीलाई थप प्रभावकारी बनाउने, निष्कृत कर्जाको मात्रा घटाउने, र गुणस्तरीय कर्जा बृद्धि गर्ने।
- ❖ ग्राहक संख्यामा बृद्धि गर्दै लक्ष्य अनुरूप प्रविधिमा आधारित नयाँ तथा समयानुकूल सेवाहरूको विस्तार गर्दै जाने।
- ❖ नविनतम एवं मौलिक किसिमका बचत योजनाहरू तर्जुमा गरि परिचालन गर्ने।
- ❖ सबै शाखा कार्यालयहरूको व्यवसाय विस्तार गरी मुनाफामा बृद्धि हुने गरी सञ्चालन गरिनेछ।
- ❖ आम्दानीका स्रोतहरूको विविधिकरण गर्ने, र सञ्चालन खर्चमा मितव्ययितालाई निरन्तरता दिने।
- ❖ ग्रामीण शाखाहरूलाई क्रियाशिल गराई विभिन्न कार्यक्रमहरूको माध्यमबाट व्यवसाय विस्तार गरिनेछ।
- ❖ विभिन्न बैकिङ सफ्टवेयरहरूको प्रयोग गरि बैकिङ सेवा तथा कार्य पद्धतिलाई थप चुस्त र सुरक्षित बनाईनेछ।

(घ) औद्योगिक तथा व्यवसायिक सम्बन्ध :

यस विकास बैंकले आफूसँग सम्बद्ध विभिन्न सरकारी, गैर सरकारी संघसंस्था एवं व्यवसायिक औद्योगिक प्रतिष्ठानहरू, सामाजिक संस्थाहरू, नियामक निकायहरू नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लगायतका सम्पूर्ण निकायहरूसँग सौहार्दपूर्ण व्यवसायिक सम्बन्ध कायम गर्दै आएको छ। उपत्यका वाहिर आफ्नो शाखा सञ्चालन रहेका जिल्लाका सम्बन्धित उद्योग वाणिज्य संघ, व्यापारिक एवं अन्य संघ संस्थाहरू, व्यवसायिक प्रतिष्ठानहरू लगाएत सकृय सामाजिक संस्थाहरूसँग समेत सौहार्द सम्बन्ध विकास गर्दै आएको छ। भविष्यमा आवश्यकता अनुसार अन्य औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरूसँग थप सम्बन्ध कायम राख्दै आफ्नो व्यवसायलाई थप विस्तार गरिनेछ।

(ड) सञ्चालक समितिमा हेरफेर :

मिति २०८०/११/३० गते स्वतन्त्र सञ्चालकमा नियुक्त हुनुभएका स्वतन्त्र सञ्चालक श्री जयदेव श्रेष्ठ सहित बैंकमा हाल तपसिल बमोजिमको सञ्चालक समिति कार्यरत रहेको व्यहोरा जानकारी गराउन चाहन्छु।

क्र.सं.	सञ्चालकहरूको नाम	पद	ठेगाना	नियुक्ती मिति
१	श्री चिन्तामणी भट्टराई (संस्थापक शेयरधनीको तर्फबाट)	अध्यक्ष	वडा नं. १, बानेश्वर, काठमाण्डौ।	२०७९/०९/२६
२	श्री प्रविण कृष्ण श्रेष्ठ (संस्थापक शेयरधनीको तर्फबाट - प्रतिनिधि स्याकार कं. प्रा.लि.)	सञ्चालक	ईखालुखु, वडा नं. १६, पाटन, ललितपुर।	२०७९/०९/२६
३	श्री रामचन्द्र सिग्देल (संस्थापक शेयरधनीको तर्फबाट - प्रतिनिधि गौ.माता इन्भेष्टमेन्ट कं.प्रा.लि.)	सञ्चालक	पोखरा वडा नं.१२, भद्रकाली, कास्की	२०७९/०९/२६
४	अर्जुन थापा (सर्वसाधारण शेयरधनीको तर्फबाट - प्रतिनिधि उपड्डान एण्ड कं.प्रा.लि.)	सञ्चालक	पोखरा म.न.पा. वडा नं.१४, कास्की	२०७९/०९/२६
५	गणेश राज रेग्मी (सर्वसाधारण शेयरधनीको तर्फबाट)	सञ्चालक	खिलुङ देउराली ७, स्याङ्जा	२०७९/०९/२६
६	श्री केशव खतिवडा (सर्वसाधारण शेयरधनीको तर्फबाट - प्रतिनिधि काविशा इन्भेष्टमेन्ट कम्पनी प्रा.लि.)	सञ्चालक	कमल गा.पा. वडा नं. १, भद्रा	२०७९/०९/२६
७	श्री जयदेव श्रेष्ठ (स्वतन्त्र)	सञ्चालक	विरकोट गा.पा. वडा नं. १, पाल्पा	२०८०/११/३०

(च) कारोबारलाई असर पार्ने मुख्य कुराहरू :

मुलुकको राजनीतिक, आर्थिक गतिविधि, नियामक निकायहरूको नीति, नियम तथा निर्देशनहरू, वित्तीय बजारमा रहेको प्रतिस्पर्धा, समग्र अर्थतन्त्रका परिसूचकहरू जस्ता कुराले विकास बैंकको व्यवसायमा प्रत्यक्ष वा परोक्ष रूपमा प्रभाव पर्दछ। विकास बैंकको कारोबारमा असर पार्ने प्रमुख कुराहरू निम्नानुसार रहेका छन्।

- (क) समय समयमा देखिने तरलताको अभाव वा अधिक तरलताको प्रभाव।
- (ख) देशको समग्र आर्थिक तथा वित्तीय नीतिमा आउने परिवर्तन, विदेशी विनिमय दरहरूमा हुने परिवर्तन।
- (ग) उत्पादनशिल क्षेत्रमा अपेक्षित रूपमा कर्जा बृद्धि नहुनु।
- (घ) वित्तीय संस्थाहरू बीच एक आपसमा बढ्दो तिव्र र अस्वस्थ प्रतिस्पर्धा।
- (ङ) नियमनकारी निकायहरूबाट समय समयमा परिवर्तन हुने नीतिका कारणबाट सिर्जित हुन सक्ने जोखिमहरू।
- (च) ब्याजदरमा देखिएको तीव्र उतार चढाव।
- (छ) विप्रेषण आप्रवाहमा कमी आई मुलुकको अर्थतन्त्रमा उत्पन्न हुन सक्ने प्रभाव।
- (ज) सरकारबाट विकास खर्च रकम लक्ष्य अनुरूप गर्न नसक्नु।

उपरोक्त बमोजिमका चुनौती तथा जोखिम व्यवस्थापनको लागि जोखिमको पहिचान, मापन, अनुगमन, नियन्त्रण र रिपोर्टिङका लागि सुदृढ जोखिम संरचना तयार गरी कार्यान्वयनमा ल्याइएको छ। बैंकको कर्जा तथा सापटी र लगानी खराब भई तथा विनिमय दर परिवर्तनबाट हुन सक्ने जोखिमहरूको लागि नेपाल राष्ट्र बैंकको निर्देशन तथा आफ्नै विश्लेषणबाट बैंकले कर्जा नोक्सानी व्यवस्था लगानीमा सम्भावित नोक्सानी व्यवस्था, सटही घटबढ कोष जस्ता कोषहरूको व्यवस्था गर्ने गरेको छ। बैंकले प्रतिस्पर्धात्मक बजारको सामना गर्नको लागि जनशक्तिको ज्ञान तथा दक्षता अभिवृद्धिमा आवश्यक ध्यान पुऱ्याएको छ।

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया :

बैंकको नियमित कारोबारमा भएका/देखिएका सामान्य कैफियत बाहेक अन्य कुनै नकारात्मक कुराहरू लेखापरीक्षण प्रतिवेदनमा देखिएको छैन। प्राप्त प्रतिक्रिया तथा सुझावहरू प्रति सञ्चालक समितिको ध्यानाकर्षण भई आवश्यक सुधारको लागि समय समयमा व्यवस्थापनलाई निर्देशन दिने गरिएको तथा उक्त कैफियतहरूमा क्रमिक रूपमा सुधार हुँदै गइरहेको छ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :

यस विकास बैंकको आर्थिक वर्ष २०८०/८१ को मुनाफा, सञ्चित मुनाफा समेतको रकमबाट बैंकका शेयरधनीहरूलाई बैंकको हाल कायम चुक्ता पूँजीमा सत्रौं वार्षिक साधारण सभाबाट पारित भएपश्चात लागु हुने गरी देहाय बमोजिमको वोनस शेयर तथा नगदको रूपमा लाभांश वितरण गर्ने सिफारिस गरिएको छ।

विवरण	प्रतिशत	रकम (रु) अंकमा	रकम (रु) अक्षरमा
नगद लाभांश*	४% (चार प्रतिशत)	१४,०७,२५,३६५.५१	अक्षरेपी चौध करोड सात लाख पच्चीस हजार तीन सय पैसट्टी रुपैया र पैसा एकावन्न मात्र।
वोनस शेयर	३% (तीन प्रतिशत)	१०,५५,४४,०२४.१३	अक्षरेपी दस करोड पचपन्न लाख चवालीस हजार चौविस रुपैया र पैसा तेह्र मात्र।
कुल	७% (सात प्रतिशत)	२४,६२,६९,३८९.६४	अक्षरेपी चौबिस करोड बैसट्टी लाख उनसत्तरी हजार तीन सय उनानब्बे रुपैया र पैसा चौसठ्ठी मात्र।

(*नोट : नगद लाभांशमा, नगद लाभांश र वोनस शेयरमा लाग्ने कर समेत संलग्न रहेको)

- (भ) जफत गरिएको शेयर संख्या : समीक्षा आर्थिक वर्षमा कुनै शेयर जफत गरिएको छैन ।
- (ज) बैंक र यसका सहायक कम्पनीहरूले गरेको कारोबारको प्रगति : हाल बैंकको सहायक कम्पनी नरहेको ।
- (ट) बैंक र यसका सहायक कम्पनीहरूले आर्थिक वर्ष २०८०/८१ मा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन : नभएको ।
- (ठ) विगत आर्थिक वर्ष बैंकका आधारभूत शेयरधनीहरूले बैंकलाई उपलब्ध गराएको जानकारी : नभएको ।
- (ड) विगत आर्थिक वर्षमा बैंकका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण : नभएको ।
- (ढ) विगत आर्थिक वर्ष बैंकसँग सम्बन्धित सम्पत्तिहरूमा कुनै सञ्चालक तथा निजका आफन्तको व्यक्तिगत स्वार्थ सम्बन्धी जानकारी : नभएको ।
- (ण) बैंकले आफ्नो शेयर आफैँ खरिद गरेको विवरण : बैंकले आफ्नो शेयर आफैँ खरिद गरेको छैन ।

(त) आन्तरिक नियन्त्रण प्रणाली :

बैंकको सम्पुर्ण हर हिसाब लगायत दैनिक कार्य सम्पादन कम्प्युटर प्रविधि मार्फत गर्ने गरिएको छ । बैंकमा आन्तरिक नियन्त्रण तथा संस्थागत सुशासन कायम गर्न बैंकको सञ्चालक समितिले ठूलो भूमिका खेलेको छ । समीक्षा अवधिमा विकास बैंकको सञ्चालक समितिको २८ वटा बैठक बसी विभिन्न महत्वपूर्ण विषयहरूमा निर्णय लिईएको छ । नियमनकारी निकाय नेपाल राष्ट्र बैंकको निर्देशन अनुसार बैंकमा संस्थागत सुशासन कायम गर्न गैह्र कार्यकारी सञ्चालक श्री गणेश राज रेग्मीको संयोजकत्वमा लेखापरीक्षण समिति, सञ्चालक श्री जयदेव श्रेष्ठको संयोजकत्वमा जोखिम व्यवस्थापन समिति, सञ्चालक श्री प्रविणकृष्ण श्रेष्ठको संयोजकत्वमा कर्मचारी व्यवस्थापन तथा सेवा सुविधा समिति तथा सञ्चालक श्री केशव खतिवडाको संयोजकत्वमा सम्पत्ति शुद्धिकरण निवारण समिति गठन गरिएको छ ।

उपरोक्त समितिहरूले विकास बैंकको कारोबारमा आन्तरिक नियन्त्रणका लागि विभिन्न प्रकारको निर्देशन गर्नुका साथै सन्तुलन तथा नियन्त्रणको भूमिका निर्वाह गर्दछन् । यसका अतिरिक्त आन्तरिक लेखापरीक्षक विभागबाट नियमित रूपमा आन्तरिक लेखापरीक्षण गर्ने र त्यसको प्रतिवेदन लेखापरीक्षण समितिमा पेश गरी छलफल गर्ने गरिएको छ । उपरोक्त समितिहरूमा विस्तृत रूपमा छलफल पछि कैफियत र नियन्त्रणको लागि व्यवस्थापनलाई सञ्चालक समिति मार्फत निर्देशन दिइने गरेको छ । साथै आगामी दिनमा सम्पुर्ण समितिहरूलाई थप कृयाशील बनाई अभि प्रभावकारी बनाइनेछ ।

यस विकास बैंकको आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ बनाउन व्यवस्थापन स्तरमा निम्न वमोजिमका समितिहरू कृयाशील रहेको व्यहोरा समेत सभा समक्ष जानकारी गराउन चाहन्छु ।

- ❖ आर्थिक निर्देशन समिति
- ❖ पदपूर्ति समिति
- ❖ सम्पत्ति दायित्व व्यवस्थापन समिति
- ❖ खरिद समिति
- ❖ कर्जा असुली समिति
- ❖ लिलाम समिति
- ❖ सूचना प्रविधि अनुगमन समिति
- ❖ निःसर्ग समिति
- ❖ संस्थागत सामाजिक उत्तरदायित्व सम्बन्धी समिति
- ❖ HR गुनासो समिति
- ❖ व्यवस्थापन तहको सम्पत्ति शुद्धिकरण समिति
- ❖ व्यवस्थापन समिति

(थ) विगत आर्थिक वर्ष २०८०/८१ को कुल व्यवस्थापन खर्चको विवरण :

क्र.सं.	विवरण	रकम रु.
१	कर्मचारी खर्च	५१,०१,६६,३८७।-
२	सञ्चालन खर्च	३२,७९,११,१०८।-
कुल व्यवस्थापन खर्च		८३,८०,७७,४९५।=

(द) लेखापरीक्षण समितिको काम कारवाहीको विवरण, सदस्यहरूको नाम, तथा निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा :

बैंकले आ.व. २०८०/८१ मा आन्तरिक लेखा परीक्षण कार्यलाई चुस्त दुरुस्त राख्न आन्तरिक लेखापरीक्षण विभागमा आवश्यक दरबन्दी थपेर आन्तरिक लेखापरीक्षण कार्य सम्पन्न गरेको थियो । आन्तरिक लेखापरीक्षण प्रतिवेदन लेखापरीक्षण समितिलाई सोभै पेश गर्ने व्यवस्था मिलाइएको छ । लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षकले तयार गरेको उक्त प्रतिवेदनलाई पुनरावलोकन गर्नुका साथै सञ्चालक समिति मार्फत व्यवस्थापनलाई आवश्यक निर्देशन दिने कार्य गर्दछ । यसका अतिरिक्त लेखापरीक्षण समितिले बैंकको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानून तथा नियमको परिपालना, लेखापरीक्षण कार्यबारे नियमित रूपमा समीक्षा गर्ने गरिएको छ र आवश्यकता अनुसार सञ्चालक समिति समक्ष विभिन्न प्रकारको सल्लाह सुझाव प्रदान गर्ने कार्य गर्दै आईरहेको छ । आ.व. २०८०/८१ मा बैंकमा गैर कार्यकारी सञ्चालक श्री गणेश राज रेग्मीको संयोजकत्वमा गठित लेखापरीक्षण समितिमा सञ्चालक श्री अर्जुन थापा सदस्य तथा बैंकका आन्तरिक लेखापरीक्षण विभाग प्रमुख सदस्य सचिव रहनु भएको थियो । लेखापरीक्षण समितिका संयोजक तथा सदस्यलाई (कर्मचारी बाहेक) समीक्षा आ.व. मा सञ्चालक समितिको बैठक भत्ता सरह नै प्रति बैठक रु. ९,०००।- (कर सहित) भत्ता प्रदान गर्ने गरेको छ, सो बाहेक अतिरिक्त पारिश्रमिक प्रदान गरिएको छैन ।

(ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, बैंकका आधारभूत शेयरधनी वा निजका आफन्तले बैंकलाई बुझाउन बाँकी रकम : नभएको

(न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको विवरण

आ.व. २०८०/८१ मा बैठक भत्ता बापत अध्यक्षलाई प्रति बैठक रु. ११,०००।- र सञ्चालकहरूलाई प्रति बैठक रु.९,०००।- कर सहित प्रदान गर्ने गरिएको छ । विकास

बैंकको कामको सिलसिलामा सञ्चालकहरूलाई भ्रमण भत्ता बिल बमोजिम तथा दैनिक भत्ता स्वदेशमा रु. ६,०००/-, सार्क मुलुकमा १०० अमेरिकी डलर र सार्क बाहेकका मुलुकमा १६० अमेरिकी डलर प्रति दिनका दरले प्रदान गर्ने गरिएको छ । अध्यक्ष तथा सञ्चालकलाई टेलिफोन सुविधा वापत मासिक रु.२,०००/- साथै पत्रपत्रिका सुविधा वापत मासिक रु. १,५००/- प्रदान गर्ने गरिएको छ ।

आ.व. २०८०/८१ मा प्रमुख कार्यकारी अधिकृत तथा उच्च पदाधिकारीहरूलाई भुक्तानी गरिएको तलब भत्ताको विवरण :

अ) प्रमुख कार्यकारी अधिकृतलाई भुक्तानी गरिएको तलब भत्ता तथा अन्य सुविधाहरू :

विवरण	रकम
पारिश्रमिक	८४,००,०००
बोनस	२२,९०,९२८.२४
संचयकोष	६,००,०००
दर्श भत्ता	७,००,०००
अन्य भत्ता	५,००,०००
जम्मा	१,२४,९०,९२८.२४

आ) उच्च व्यवस्थापकीय श्रेणीमा कार्यरत कर्मचारीहरूलाई भुक्तान गरिएको विवरण :

पद	संख्या	तलब	वोनस	संचयकोष	दर्श	अन्य	जम्मा रु
नायव प्रमुख कार्यकारी अधिकृत	१	४२,२४,०००	१२,०५,२९७।७७	२८०,३२०	३५२,०००	६,८२,२४१।३८	६७,४३,८५९।१५
नायव प्रमुख कार्यकारी अधिकृत	१	४१,९६,०००	-	२७०,७२०	३३७,४३७।८४	६,०७,८००	५३,३१,९५७।८४

यस बाहेक कर्मचारी सेवा विनियमावली अनुसारको अन्य सुविधाहरू समेत उपलब्ध गराइएको छ ।

(प) शेयरधनीले बुझिलिन बाँकी रहेको लाभांशको रकम : बुझिलिन बाँकी रहेको लाभांशको रकम जम्मा रु १०,६९,२९,३२६।- रहेको छ ।

(फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको विवरण : नभएको ।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबार : विकास बैंकको शेयर सम्बन्धी सम्पूर्ण कारोबार (Registrar to Share) मुक्तिनाथ क्यापिटल लि. मार्फत गर्दै आएकोमा उक्त कार्य गरे बापत उक्त कम्पनीलाई यस आ.व. २०८०/८१ मा रु. २,७५,०००।- (अक्षरेपी दुई लाख पचहत्तर हजार मात्र) सेवा शुल्क भुक्तानी गरिएको छ ।

(भ) कम्पनी ऐन २०६३ तथा प्रचलित कानून बमोजिम यस प्रतिवेदनमा खुलाउन पर्ने अन्य कुराहरू : नभएको ।

(म) अन्य आवश्यक कुराहरू: नभएको ।

मानव संसाधन :

विकास बैंकमा २०८१ आषाढ मसान्त सम्म २२८ जना महिला तथा ४०४ जना पुरुष गरी जम्मा ६३२ जना कर्मचारीहरू कार्यरत रहेका थिए । बैंकको उन्नति तथा प्रगतिको लागि मानव संसाधन एक अत्यावश्यक तथा महत्वपूर्ण सम्पत्ति रहेको कारणले कर्मचारीहरूको बृत्ति विकास तथा कार्यक्षमता अभिवृद्धिका लागि समय समयमा तालिम, सेमिनारमा भाग लिन पठाउने तथा आवश्यकता अनुसार आन्तरिक तालिम दिने व्यवस्था गर्दै आएका छौं । बैंकको सफलता बैंकमा कार्यरत कर्मचारीको लगन, निष्ठा, ज्ञान, सिप, कार्यकुशलता, नैतिकता तथा परिश्रममा निर्भर रहने भएको कारणले हरेक कर्मचारीलाई बैंकको सम्पत्तिको रूपमा व्यवहार गर्ने गरिएको छ । संस्थामा कार्यरत कर्मचारीहरूको सन्तुष्टि र व्यक्तिगत विकासबाट नै बैंकको समग्र विकास हुने कुरालाई ध्यानमा राखी बैंकले विभिन्न प्रकारका मानव संसाधन नीतिहरू कार्यान्वयन गर्दै आईरहेको छ ।

बैंकले दक्ष मानव संसाधनलाई काम गर्ने उत्कृष्ट वातावरणको साथै सिकने, सेवा प्रदान गर्ने साथै व्यक्तिगत रूपमा विकसित हुने अवसर प्रदान गर्दै आएको छ । आ.व. २०८०/८१ मा बैंकले आयोजना गरेको ४३ वटा आन्तरिक तथा ६२ वाह्य कुल १०५ वटा तालिम कार्यक्रम मार्फत विकास बैंकका अधिकांश कर्मचारीहरूलाई तालिममा सामेल गराइएको छ । साथै बैंकले आफ्नो Reward and Recognition Policy अर्न्तगत विभिन्न समयावधिमा विभिन्न विधामा कार्यसम्पादन तथा उत्कृष्ट परिणाम प्राप्त गर्न सफल कर्मचारीहरूलाई पुरस्कृत गर्ने व्यवस्था समेत गरेको छ ।

संस्थागत सुशासन :

लुम्बिनी विकास बैंकले संस्थागत सुशासनलाई उच्च प्राथमिकतामा राख्दै नियमनकारी निकायहरू नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लगायतबाट जारी गरिएका निर्देशन तथा परिपत्रहरूको कटिबद्ध रूपमा पालना गर्दै आएको छ । संस्थागत सुशासनलाई प्रभावकारी बनाउन विकास बैंकमा सञ्चालक स्तरीय तथा व्यवस्थापन स्तरीय विभिन्न समिति र उप-समितिहरूलाई सक्रिय बनाइएको छ । नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन तथा अन्य प्रचलित ऐन नियम बमोजिम यस विकास बैंकका सञ्चालकहरू तथा कर्मचारीहरूबाट पालना गर्नुपर्ने आचरणहरू पालना भएको र यस सम्बन्धमा विकास बैंकको सञ्चालक समिति पूर्ण प्रतिवद्ध रहेको छ ।

आन्तरिक समिति/उपसमिति:

(१) लेखापरीक्षण समिति: नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन बमोजिम बैंकमा गैर कार्यकारी सञ्चालकको संयोजकत्वमा गठित तपशिल बमोजिमको लेखापरीक्षण समिति क्रियाशिल रहेको छ ।

क) श्री गणेश राज रेग्मी, संचालक	: संयोजक
ख) श्री अर्जुन थापा, संचालक	: सदस्य
ग) प्रमुख-आन्तरिक लेखापरीक्षण विभाग	: सदस्य सचिव
आ.व. २०८०/८१ मा बसेको बैठक संख्या	: १०

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समिक्षा आ.व. आ.ब. २०८०/८१ मा उक्त समितिले ऐन, नियम, नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन र समय समयमा जारी परिपत्र अन्तर्गत दिईएका जिम्मेवारी बमोजिम कार्य गर्दै लेखापरीक्षकहरूले जारी गरेको प्रतिवेदन उपर छलफल गर्ने, उठाईएका कैफियतहरू पुनरावलोकन गर्ने, कैफियतहरू सुधारका लागि सिफारिस गर्ने, आवश्यक निर्देशन दिने, लेखापरीक्षक नियुक्तिको लागि सिफारिस गर्ने, वार्षिक लेखापरीक्षण सम्बन्धी कार्ययोजना तयार गरी उक्त कार्ययोजनाको समय समयमा समिक्षा गर्ने लगायतका कार्यहरू गर्दै आईरहेको छ ।

(२) जोखिम व्यवस्थापन समिति :

नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन बमोजिम बैंकमा गैर कार्यकारी सञ्चालकको संयोजकत्वमा गठित तपशिल बमोजिमको जोखिम व्यवस्थापन समिति क्रियाशिल रहेको छ ।

क) श्री जयदेव श्रेष्ठ, सञ्चालक	: संयोजक
ख) श्री गणेश राज रेग्मी, संयोजक, लेखापरीक्षण विभाग	: पदेन सदस्य
ग) श्री केशव खतिवडा, सञ्चालक	: सदस्य
घ) प्रमुख-संचालन विभाग	: सदस्य
ड) प्रमुख जोखिम व्यवस्थापन विभाग	: सदस्य सचिव
आ.ब. २०८०/८१ मा बसेको बैठक संख्या	: ११

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आ.ब. २०८०/८१ मा उक्त समितिले बैंकको कारोबारमा निहित विभिन्न प्रकारका जोखिमहरू सम्बन्धमा विभिन्न कोण तथा औजारहरूको माध्यमबाट विश्लेषण गरी के कसरी बैंकको समग्र कारोबारमा निहित जोखिमहरू न्यूनीकरण गर्ने विषयका साथै बैंकको पूँजी पर्याप्तता सम्बन्धी आन्तरिक विश्लेषण, क्षेत्रगत सीमा निर्धारण तथा अनुपालना, दवाव परीक्षण आदिको अनुगमन गर्ने गरेका, विकास बैंकको जोखिम सम्बन्धमा अन्य जानकारी लिने तथा त्यस सम्बन्धमा सञ्चालक समितिमा राय सुझाव तथा सिफारिस पेश गर्ने गरेको छ ।

(३) कर्मचारी व्यवस्थापन तथा सेवा सुबिधा समिति :

नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन बमोजिम बैंकमा गैर कार्यकारी सञ्चालकको संयोजकत्वमा गठित तपशिल बमोजिमको कर्मचारी व्यवस्थापन तथा सेवा सुबिधा समिति क्रियाशिल रहेको छ ।

क) श्री प्रविन कृष्ण श्रेष्ठ, सञ्चालक	: संयोजक
ख) श्री रामचन्द्र सिग्देल, सञ्चालक	: सदस्य
ग) प्रमुख कार्यकारी अधिकृत	: सदस्य
घ) प्रमुख-लेखा विभाग	: सदस्य
ड) प्रमुख-जनशक्ति व्यवस्थापन विभाग	: सदस्य सचिव
आ.ब. २०८०/८१ मा बसेको बैठक संख्या	: ४

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समिक्षा अवधि आ.ब. २०८०/८१ मा उक्त समितिले बैंकमा आवश्यक मानव संसाधनको दरबन्दी तय गर्ने, कार्यक्षमता विकास गर्न तालिम कार्यक्रम तथा नीति तयार गर्ने, कर्मचारीको सेवाको शर्त, तलव भत्ता लगायतका अन्य सुबिधाहरू पुनरावलोकन गर्ने, शाखा वर्गीकरण नीति, पुरस्कार तथा पहिचान नीति पारित गर्ने लगायतका कार्यहरू गरी सञ्चालक समितिको बैठकमा सुझाव पेश गर्ने गरेको छ ।

(४) सम्पत्ति शुद्धीकरण निवारण समिति:

नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन बमोजिम बैंकमा गैर कार्यकारी सञ्चालकको संयोजकत्वमा गठित तपशिल बमोजिमको सम्पत्ति शुद्धीकरण निवारण समिति क्रियाशिल रहेको छ ।

क) श्री केशव खतिवडा, सञ्चालक	: संयोजक
ख) प्रमुख-अनुपालन विभाग	: सदस्य
ग) प्रमुख जोखिम व्यवस्थापन विभाग	: सदस्य
घ) कार्यान्वयन अधिकारी	: सदस्य सचिव
आ.ब. २०८०/८१ मा बसेको बैठक संख्या	: ५

समितिको कार्य सम्बन्धी संक्षिप्त विवरणः

समिक्षा अवधि आ.ब. २०८०/८१ मा यस समितिले विकास बैंकमा ग्राहक पहिचान सम्बन्धी विद्यमान व्यवस्थाको अध्ययन, निरीक्षण तथा अनुगमन गर्ने, ग्राहक पहिचान पद्धति तथा सम्पत्ति शुद्धीकरण सम्बन्धमा हुन सक्ने सम्भावित आर्थिक गतिविधि र सोको नियन्त्रणको लागि नीति निर्माण गर्ने सम्बन्धमा सञ्चालक समिति समक्ष सुझाव पेश गर्ने कार्य गरेको छ । समितिले AML/CFT & KYC सम्बन्धी नीति तथा कार्यविधि तयार गरी सञ्चालक समितिबाट पारित गराई उक्त AML/CFT & KYC सम्बन्धी नीति तथा कार्यविधि कार्यान्वयनमा समेत ल्याई सकेको छ । नेपाल राष्ट्र बैंकको निर्देशन बमोजिम TTR तथा STR रिपोर्ट वित्तीय जानकारी ईकाइमा अनलाईन प्रविधि मार्फत पठाउने गरिएको छ ।

सम्पत्ति शुद्धिकरण निवारण सम्बन्धमा :

विकास बैंकले सम्पत्ति शुद्धिकरण तथा आतंकवादी क्रियाकलापमा वित्तीय लगानी निवारण सम्बन्धमा प्रचलित ऐन, नियम तथा नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन र अन्य परिपत्रहरूको कार्यान्वयन तथा पालना गरि आएको छ। साथै बैंकमा गैर कार्यकारी सञ्चालकको संयोजकत्वमा क्रियाशील सम्पत्ति शुद्धिकरण निवारण समितिले प्रचलित ऐन नियम तथा निर्देशन अन्तर्गत रही आफ्नै छुट्टै सम्पत्ति शुद्धिकरण नीति र ग्राहक पहिचान सम्बन्धमा AML/CFT & KYC सम्बन्धी नीति तथा कार्यविधि समेत तयार गरी सञ्चालक समितिबाट पारित गराई लागु गरेको छ। सम्पत्ति शुद्धिकरण तथा आतंकवादी क्रियाकलापमा वित्तीय लगानी निवारण विषय एक संवेदनशील विषय रहेकोले बैंकका कर्मचारीहरूलाई यस विषयमा समयानुकूल तालिम दिईने गरिएको छ र ग्राहक पहिचान कार्यलाई निरन्तर चल्ने प्रक्रियाको रूपमा लिई आवश्यकता अनुसार ग्राहकहरूको विवरणहरू अद्यावधिक गर्दै गरिएको छ।

संस्थागत सामाजिक उत्तरदायित्व :

बैंकले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत विभिन्न सामाजिक संघ संस्थाहरू, विद्यालयहरू तथा लक्षित समुहलाई नगद तथा जिन्सी शैक्षिक सामग्रीहरू, विभिन्न स्वास्थ्य संस्था अस्पतालहरूमा मास्क, स्यानिटाइजर, पञ्जा लगायतका स्वास्थ्य सामग्रीहरू, विपन्न वर्गहरूलाई खाद्यान्न सहयोग प्रदान गर्दै आईरहेको छ। विभिन्न संघ संस्थाहरूबाट आयोजना हुने जनचेतना सम्बन्धी कार्यक्रममा खानेपानी वितरण, सार्वजनिक स्थलहरू, नदिनाला सफाई आदि कार्यक्रमहरूमा विभिन्न सामग्रीहरूका साथमा प्रत्यक्ष सहभागि भै योगदान गर्ने गरिएको छ। आगामी दिनमा पनि यस किसिमका संस्थागत सामाजिक उत्तरदायित्वका कार्यक्रमहरूलाई सक्रिय एवं प्रभावकारी रूपमा सञ्चालनमा ल्याईने व्यहोरा उल्लेख गर्न चाहन्छौं।

प्रविधि :

यस विकास बैंकले आफ्नो दैनिक बैंकिङ्ग कार्यप्रणाली Pumori IV नामको बैंकिङ्ग सफ्टवेयरबाट सञ्चालन गर्दै आईरहेको छ। पुमोरी सफ्टवेयरमा समय सापेक्ष सुधार गरी नयाँ संस्करणको रूपमा तयार गरिएको Pumori IV सफ्टवेयर बैंकिङ्ग क्षेत्रमा बिश्वास प्राप्त नै रहेको छ। यसका साथै उक्त सफ्टवेयरमा आवश्यकता अनुसार समय समयमा सुधार तथा थप परिमार्जन समेत भईरहेको छ भने सफ्टवेयर प्रदायक कम्पनीबाट समेत समय समयमा आवश्यक सहयोग तथा सुझाव प्राप्त भैरहेको छ। विकास बैंकले कर्मचारी व्यवस्थापनको लागि NIMBUS नामक सफ्टवेयर र सम्पत्ति शुद्धिकरण निवारण तथा go-AML रिपोर्टिङ प्रयोजनको लागि INFICARE नामक सफ्टवेयर तथा NCHL Connect IPS मा आबद्ध भई ePayment सेवा लगायत सञ्चालनमा ल्याएको व्यहोरा जानकारी गराउन चाहन्छु।

शेयरधनीसँगको सम्बन्ध तथा शेयरधनीहरूलाई सूचना व्यवस्था:

समिक्षा अर्वा २०८१ असार मसान्त सम्ममा यस विकास बैंकका जम्मा संस्थापक शेयरधनीको संख्या ३८१ तथा सर्वसाधारण शेयरधनीको संख्या ५१,६२० रहेको जानकारी गराउँदछु। बैंकले शेयरधनीहरूसँग सूचना आदान प्रदान गर्ने कार्यलाई उच्च प्राथमिकता दिईएको छ। वार्षिक साधारणसभामा शेयरधनी महानुभावहरूसँगको प्रत्यक्ष संवादको माध्यमबाट बैंकले मार्ग निर्देशन प्राप्त गर्ने गरेको छ। बैंकको वार्षिक प्रतिवेदन, त्रैमासिक प्रतिवेदन, प्रेस विज्ञप्ति लगायत अन्य जानकारीहरू विभिन्न सञ्चार माध्यम एवं बैंकको वेबसाइट www.lumbinibikassbank.com र आधिकारीक सामाजिक सञ्जालद्वारा उपलब्ध गराउने गरिएको छ। यसै गरी शेयरधनीहरूको हकहितलाई मध्यनजर गरी संस्थागत सुशासन तथा अनुपालनको स्तरलाई उच्चतम राख्ने कार्यमा बैंकले सदैव महत्व दिदै आएको छ। बैंकले नेपाल राष्ट्र बैंक तथा अन्य नियामक निकायहरूबाट समय समयमा जारी भएका निर्देशनको अधीनमा रही विभिन्न नीति नियम सञ्चालक समितिबाट स्वीकृत गराई पूर्ण रूपमा लागू गर्दै आएको छ।

धन्यवाद ज्ञापन

यस विकास बैंकले तय गरेका उद्देश्य प्राप्तीका लागि विभिन्न समयमा प्रत्यक्ष अप्रत्यक्ष रूपमा महत्वपूर्ण सहयोग पुऱ्याउनु हुने तथा बैंकप्रति बिश्वास कायम राखी धैर्यतापूर्वक बैंकको भविष्य सुनिश्चित तुल्याई बैंकको अवस्था मजबुत बनाउन देखाउनु भएको सद्भाव तथा हौसला प्रति समस्त आदरणीय शेयरधनी महानुभावहरूमा हार्दिक कृतज्ञता व्यक्त गर्दछौं।

यस लुम्बिनी विकास बैंकलाई अभि बलियो र सुदृढ विकास बैंकको रूपमा वित्तीय बजारमा पहिचान बनाउन विभिन्न किसिमले सक्रिय सहयोग पुऱ्याउनु हुने तथा अभिभावकको रूपमा निरन्तर मार्गदर्शन तथा सदा साथ दिनुहुने आदरणीय शेयरधनी महानुभावहरू तथा नियमनकारी निकायहरू नेपाल सरकार, नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालयका साथै नेपाल स्टक एक्सचेन्ज लि. तथा अन्य प्रत्यक्ष परोक्ष रूपमा सहयोग पुऱ्याउँदै आउनु भएका सम्पूर्ण निकायहरू तथा शुभचिन्तक महानुभावहरू प्रति हार्दिक कृतज्ञता ज्ञापन गर्दै भविष्यमा पनि यसै गरी यहाँहरूको साथ र सहयोग पाईरहने बिश्वास लिएका छौं। अन्त्यमा, यस विकास बैंकको सम्बृद्धिको लागि निरन्तर क्रियाशील भई आफ्नो मेहनत र लगनका साथ बैंकलाई दिनुभएको योगदानको लागि म सञ्चालक समितिको तर्फबाट विकास बैंकको व्यवस्थापन समुह लगायत सम्पूर्ण कर्मठ कर्मचारीहरूलाई धन्यवाद दिन चाहन्छु।

धन्यवाद।

सञ्चालक समितिको तर्फबाट
चिन्तामणी भट्टराई
अध्यक्ष
मिति : २०८१/०९/२९

धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को
अनुसूची-१५ (नियम २६ को उपनियम (२) सँग सम्बन्धित) अन्य विवरणहरू :

१. सञ्चालक समितिको प्रतिवेदन:

वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

२. लेखापरीक्षकको प्रतिवेदन:

वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरण:

वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

४. कानूनी कारवाही सम्बन्धी विवरण:

- (क) यस आ.व. २०७८/७९ मा बैंकको बिरुद्ध कर्जा तथा दैनिक कार्य सम्बन्धमा ग्राहक तथा बैंक बीच हुने सामान्य मुद्दा बाहेक तात्त्विक असर हुने अन्य कुनै पनि मुद्दा दायर गरेको छैन ।
- (ख) यस आ.व. २०८०/८१ मा बैंकका संस्थापक वा संचालकले वा संस्थापक वा संचालकको बिरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध सम्बन्धमा कुनै मुद्दा दायर भएको जानकारी प्राप्त भएको छैन ।
- (ग) यस आ.व. २०८०/८१ मा संस्थाको कुनै पनि संस्थापक वा सञ्चालक बिरुद्ध आर्थिक अपराध सम्बन्धी कुनै मुद्दा दायर भएको जानकारी प्राप्त भएको छैन ।

५. संगठित संस्थाको शेयर कारोबार सम्बन्धी विवरण :

- क) यस संस्थाका शेयरहरू नेपाल स्टक एक्सचेन्जमा सुचिकृत भै कारोवार भैरहेको छ । शेयरको मूल्य तथा कारोवार बजारले निर्धारण गर्ने हुँदा यस संस्थाको व्यवस्थापन शेयरको मूल्य तथा कारोवार प्रति तटस्थ छ ।
- ख) आ.व.२०८०/८१मा विकास बैंकको शेयर कारोबारको विवरण (नेपाल स्टक एक्सचेन्ज लि.को वेवसाईट अनुसार): निम्न बमोजिम रहेको छ ।

अधिकतम मूल्य (रु.)	न्युनतम मूल्य (रु.)	अन्तिम मूल्य	कुल कारोबार भएको दिन	कारोबार संख्या
४५४	३६१	४१६।६	२२९	७२६१५५६

६. समस्या तथा चुनौतीहरू :

आन्तरिक तथा बाह्य समस्याहरू:

- (क) ब्याजदरमा हुने परिवर्तन ।
- (ख) कर्जा असुलीमा जटिलता ।
- (ग) लगानीको क्षेत्र संकुचित हुँदै जानु ।
- (घ) दक्ष जनशक्तिको अभाव ।
- (ङ) घट्दो स्प्रेड दर ।

आन्तरिक तथा बाह्य चुनौतीहरू :

- (क) देशमा भित्रिने विप्रेषणमा पर्ने प्रभाव ।
- (ख) बैकिङ क्षेत्रमा बढ्दो प्रतिस्पर्धा ।
- (ग) आर्थिक मन्दी भई सुस्त आर्थिक गतिविधि ।
- (घ) नीति नियमहरू परिवर्तनबाट हुन सक्ने जोखिम ।

७. विवरणपत्रमा प्रक्षेपण गरिएका र लेखापरीक्षण भएको विवरणहरूमा वीस प्रतिशत वा सो भन्दा बढी फरक सम्बन्धी विवरण :
छैन ।

८. नियम २२ को उपनियम (५) सँग सम्बन्धित बिशेष घटना वा परिस्थिति सम्बन्धी विवरण :
नरहेको

आजका मितिसम्म यस प्रतिवेदनमा उल्लेखित जानकारी तथा विवरणहरूको शुद्धता सम्बन्धमा म व्यक्तिगत रुपमा उत्तरदायित्व लिन्छु । साथै म यो उद्घोष गर्दछु की मैले जाने बुझेसम्म यस प्रतिवेदनमा उल्लेखित विवरणहरू सत्य, तथ्य तथा पूर्ण छन् र लगानीकर्ताहरूलाई सुसूचित हुन, निर्णय लिन आवश्यक कुनै विवरण, सूचना तथा जानकारीहरू लुकाईएको छैन ।

नरेश सिंह बोहरा

प्रमुख कार्यकारी अधिकृत

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

Opinion

We have audited the accompanying financial statements of Lumbini Bikas Bank Ltd (Bank), which comprise statement of financial position as at Ashad 31, 2081 (July 15, 2024) and statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at Ashad 31, 2081, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are matters based on our judgment, are of most significance in the audit of the financial statements of the current period, which were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinion on these matters.

The results of our audit procedures, including the procedures performed to address the matters below, provides the basis for our audit opinion on the accompanying financial statements.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matters were addressed in our audit
1.	Investment Securities Valuation Ref. Note no. 4.8 and accounting policies to the financial statements.	
	The Bank has total investment securities of Rs. 11,699,956,371 as at 31 st Ashadh 2081 classified into different categories as Investment securities measured at amortized cost and Investment in equity measured at fair value through other comprehensive income, which in aggregate represent 16.93% of the total assets of the Bank.	We applied following procedures in respect of Investment verification: ➤ Review of accounting policies adopted by the Bank based on Nepal Financial Reporting Standards and the Directives issued by NRB and compliance of the same. Evaluation of management's assessment to categorize investments into different categories as Investment securities measured at amortized cost and Investment in equity

	<p>Classification of investment into different categories as Investment securities measured at amortized cost and Investment in equity measured at fair value through other comprehensive income warrant management judgement and it impacts on valuation of investment securities and impairment allowance.</p> <p>Due to the percentage of volume over total assets and the requirement of management judgment for measurement of impairment allowance, considered this as key audit matter.</p>	<p>measured at fair value through other comprehensive income</p> <ul style="list-style-type: none"> ➤ Verification of valuation of investment on sampling basis in reference to its cost and quoted market price as the case may be. ➤ Verification of impairment allowance provided for different investments in commensurate with NFRSs and NRB Directives. <p>Accounting policies, classification, valuation and impairment allowances for the investments are considered acceptable.</p>
2.	<p>Loan Loss Provision Ref. Note no. 4.7 and accounting policies to the financial statements.</p>	
	<p>The Bank's advances to the customers represent 66.94% of its total assets at the end of the period under review and are stated at Rs. 46.25 billion which is net of provision of Rs. 1.84 billion. The provision against advances was identified as a key audit matter as it involves a considerable degree of management judgment and compliance with Directives and Circulars issued by Nepal Rastra Bank.</p>	<p>We applied following procedures in respect of verification of loan loss provision:</p> <ul style="list-style-type: none"> ➤ Review of borrower's files, which includes evaluation of borrowers' repayment behavior, assessment of financial strength based on the available financial statements, adequacy of security/collateral, obtainment of required legal documents, CIC reports, and compliance with prudential regulations. ➤ Business sites visit of the borrowers on sampling basis. ➤ Review of IT system to provide loan loss provision based on overdue payments. ➤ On sampling basis, verification of accuracy of provision against non-performing loan calculated by the IT system and manual calculation sampling basis. ➤ Evaluation of appropriateness of subjective judgement made by the management for performing loans' borrowers. ➤ Review of Board's evaluation and decisions on loans. <p>Loan loss provision made by the Bank is considered acceptable.</p>



Other Matters

We did not audit the financial statements and other financial information of the associate companies. Disclosures included in respect of associate companies are based solely on the management certification.

Other Information

Management is responsible for other information. Other information comprises the information included in Annual Report and Report of Board of Directors but does not include the financial statements and our reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appear to be materially misstated. When we read the annual report, if we conclude that there is material misstatement, therein, we are required to request management and those charged with governance to correct the material misstatement.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Bank's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

We communicated 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

On the basis of our examination, we would like to further report that:

- I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.
- II. The accounts and records of the Bank have been maintained as required by law.
- III. Financial statements are in agreement with the books of account maintained by the Bank.
- IV. The capital fund, risk bearing fund and the provision for possible impairment of assets of the Bank are adequate as per the Directives issued by Nepal Rastra Bank.
- V. In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors, the representative or any employee of the Bank has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Bank deliberately or acted in a manner that would jeopardize the interest and security of the Bank.
- VI. The operations of the Bank are within its jurisdiction.
- VII. The Bank has not acted in a manner to jeopardize the interest and security of the depositors and investors.
- VIII. The Bank has a centralized core accounting system and details received from branches of the Bank though the statements are independently not audited, were adequate for our audit, and
- IX. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the books of account.



CA. Binay Prakash Shrestha
Partner
B.R.S. Neupane & Co.



(Proprietor, K.A.S. Associates)

UDIN No.: 241220CA00116xkmRm
Date : 20th December 2024
Place: Kathmandu

Statement of Financial Position

As at 31st Ashadh 2081 (15 July 2024)

Figures in NPR

Particulars	Note	Bank	
		As at 31st Ashadh 2081	As at 31st Ashad 2080
Assets			
Cash and cash equivalent	4.1	3,681,441,274	3,666,749,402
Due from Nepal Rastra Bank	4.2	3,379,607,499	1,959,607,644
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/FIs	4.6	2,169,643,707	2,176,735,849
Loans and advances to customers	4.7	46,247,417,167	41,426,071,891
Investment securities	4.8	11,699,956,371	7,770,323,132
Current tax assets	4.9	63,171,646	134,903,804
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	652,993,871	595,507,441
Investment property	4.12	203,964,421	169,415,553
Property and equipment	4.13	697,305,325	767,414,893
Goodwill and Intangible assets	4.14	6,067,004	4,174,752
Deferred tax assets	4.15	-	-
Other assets	4.16	286,029,167	220,558,285
Total Assets		69,087,597,452	58,891,462,645
Liabilities			
Due to Bank and Financial Institutions	4.17	638,377,542	963,569,866
Due to Nepal Rastra Bank	4.18	1,042,300,000	488,675,000
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	58,553,113,478	49,132,059,667
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	220,944,658	208,786,769
Other liabilities	4.23	893,062,791	872,769,038
Debt securities issued	4.24	1,052,390,630	1,008,536,543
Subordinated Liabilities	4.25	-	-
Total liabilities		62,400,189,100	52,674,396,883
Equity			
Share capital	4.26	3,518,134,138	3,382,821,286
Share premium		-	-
Retained earnings		311,636,886	300,860,866
Reserves	4.27	2,857,637,329	2,533,383,609
Total equity attributable to equity holders		6,687,408,352	6,217,065,762
Non-controlling interest		-	-
Total equity		6,687,408,352	6,217,065,762
Total liabilities and equity		69,087,597,452	58,891,462,645
Contingent liabilities and commitment	4.28	2,297,253,075	2,090,535,480
Net assets value per share		190.08	183.78

As per our report of even date

Bhuvan Khanal
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

CA Binay Prakash Shrestha
Partner
B.R.S. Neupane & Co.
Chartered Accountants

Jaya dev Shrestha
Director

**Keshav
Khatriwada**
Director

Arjun Thapa
Director

Ram Chandra Sigdel
Director

Prabin Krishna Shrestha
Director

Ganesh Raj regmi
Director

Date: 2081.09.05

Consolidated Statement of Profit or Loss

For the Period Sharwan 1 2080 to 31st Ashad 2081 (17 July 2023-15 July 2024)

Figures in NPR

Particulars	Note	Bank	
		Year ended 31th Ashad 2081	Year ended 31nd Ashad 2080
Interest income	4.29	6,895,264,085	6,772,451,797
Interest expense	4.30	5,140,436,535	4,928,659,569
Net interest income		1,754,827,550	1,843,792,228
Fee and commission income	4.31	208,155,475	165,681,944
Fee and commission expense	4.32	11,315,950	11,316,347
Net fee and commission income		196,839,525	154,365,596
Net interest, fee and commission income		1,951,667,075	1,998,157,824
Net trading income	4.33	27,388	21,151
Other operating income	4.34	85,191,636	49,164,606
Total operating income		2,036,886,099	2,047,343,581
Impairment charge/(reversal) for loans and other losses	4.35	235,830,167	545,734,527
Net operating income		1,801,055,932	1,501,609,054
Operating expense			
Personnel expenses	4.36	510,166,387	462,857,058
Other operating expenses	4.37	207,949,898	208,101,828
Depreciation & Amortization	4.38	108,645,260	105,858,382
Operating Profit		974,294,387	724,791,786
Non operating income	4.39	1,710,000	1,450,000
Non operating expense	4.40	24,246,944	18,328,473
Profit before income tax		951,757,443	707,913,314
Income tax expense	4.41	408,089,821	210,240,796
Current Tax		405,110,001	210,125,978
Deferred Tax		2,979,819	114,818
Profit for the period		543,667,622	497,672,518
Profit attributable to:			
Equity holders of the Bank		543,667,622	497,672,518
Non-controlling interest		-	-
Profit for the period		543,667,622	497,672,518
Earnings per share			
Basic earnings per share		15.45	14.71
Basic earnings per share (Restated)		15.45	14.15
Diluted earnings per share (Restated)		15.45	14.15

As per our report of even date

Bhuwan Khanal
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

CA Binay Prakash Shrestha
Partner
B.R.S. Neupane & Co.
Chartered Accountants

Jaya dev Shrestha
Director

Keshav Khatiwada
Director

Arjun Thapa
Director

Ram Chandra Sigdel
Director

Prabin Krishna Shrestha
Director

Ganesh Raj regmi
Director

Date: 2081.09.05

Consolidated Statement of Cash Flows

For the year ended Sharwan 1st 2080 to 31st Ashadh 2081

Figures in NPR

Particulars	Bank	
	Year ended 31st Ashad 2081	Year ended 32nd Ashad 2080
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	6,850,304,768	6,680,345,519
Fees and other income received	208,155,475	165,681,944
Dividend received	15,939,828	33,705,896
Receipts from other operating activities	32,182,936	15,479,861
Interest paid	(5,096,582,448)	(4,928,659,569)
Commission and fees paid	(11,315,950)	(11,316,347)
Cash payment to employees	(450,612,051)	(458,514,217)
Other expense paid	(207,949,898)	(208,101,828)
Operating cash flows before changes in operating assets and liabilities	1,340,122,659	1,288,621,258
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	(1,419,999,855)	(848,174,676)
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	7,297,343	164,314,675
Loans and advances to customers	(5,079,917,587)	(3,920,864,445)
Other assets	(65,470,882)	(14,323,529)
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(325,192,324)	(534,651,374)
Due to Nepal Rastra Bank	553,625,000	(5,118,885,325)
Deposit from customers	9,421,053,811	6,258,082,075
Borrowings	-	-
Other liabilities	(40,625,133)	(24,919,780)
Net cash flow from operating activities before tax paid	4,390,893,032	(2,750,801,121)
Income taxes paid	(333,377,844)	(172,667,902)
Net cash flow from operating activities	4,057,515,187	(2,923,469,023)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(4,880,622,101)	1,143,144,511
Receipts from sale of investment securities	982,946,979	-
Purchase of property and equipment	(39,354,013)	(116,742,203)
Receipt from the sale of property and equipment	2,435,170	(1,518,517)
Purchase of intangible assets	(3,509,102)	(2,222,100)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	(90,130,598)	(102,713,256)
Receipt from the sale of investment properties	92,677,989	4,575,000
Interest received	44,959,317	92,106,278
Dividend received	-	-
Net cash used in investing activities	(3,890,596,358)	1,016,629,713
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	997,801,646.00
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(152,226,958)	(295,586,326)
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	(152,226,958)	702,215,320
Net increase (decrease) in cash and cash equivalents	14,691,872	(1,204,623,990)
Opening Cash and cash equivalents	3,666,749,402	4,871,373,392
Derecognition of Cash and cash equivalent of Subsidiary	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at the end of the period	3,681,441,274	3,666,749,402

As per our report of even date

Bhuvan Khanal
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

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B.R.S. Neupane & Co.
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Jaya dev Shrestha
Director

**Keshav
Khatiwada**
Director

Arjun Thapa
Director

Ram Chandra Sigdel
Director

Prabin Krishna Shrestha
Director

Ganesh Raj regmi
Director

Date: 2081.09.05

Consolidated Statement of Comprehensive Income

For the Period Sharwan 1 2080 to 31st Ashad 2081 (17 July 2023-15 July 2024)

Figures in NPR

Particulars	Note	Bank	
		Year ended 31th Ashad 2081	Year ended 31nd Ashad 2080
Profit for the year		543,667,622	497,672,518
Other comprehensive income, net of income tax			
a) Items that will not be reclassified to Profit or loss			
• Gains/(losses) from Investments in equity instruments measured at fair value		31,958,116	456,292,836
• Gains/(losses) on revaluation			
• Actuarial gains/(losses) on defined benefit plans		(1,364,551)	4,087,768
• Income tax relating to above items		(9,178,070)	(138,114,181)
Net other comprehensive income that will not be reclassified to profit or loss		21,415,496	322,266,423
b) Items that are or may be reclassified to profit or loss			
• Gains/(losses) on cash flow hedge		-	-
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)		-	-
• Income tax relating to above items		-	-
• Reclassify to profit or loss		-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-
c) Share of other comprehensive income of associate accounted as per equity method		57,486,430	(37,312,593)
Other comprehensive income for the period, net of income tax		78,901,926	284,953,830
Total comprehensive income for the year		622,569,548	782,626,348
Total comprehensive income attributable to:			
Equity holders of the Bank		622,569,548	782,626,348
Non-controlling interest		-	-
Total comprehensive income for the period		622,569,548	782,626,348

Bhuwan Khanal
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Ram Chandra Sigdel
Director

Prabin Krishna Shrestha
Director

Ganesh Raj regmi
Director

Date: 2081.09.05

Consolidated Statement of Changes in Equity

For the Period Shrawan 12080 to 31st Ashad 2081 (17 July 2023-15 July 2024)

Particulars	Bank									
	Attributable to equity holders of the Bank									
	Share Capital	Share premium	General reserve	Exchange equalization reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserves	Total
Balance at Shrawan 1, 2079	3,284,292,511	-	934,523,830	1,037,851	261,560,473	260,475,379	-	460,394,814	527,740,881	5,730,025,740
Comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	497,672,518	-	497,672,518
Other comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	319,404,985	-	-	-	319,404,985
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Share of Associates accounted as per Equity Method									(37,312,593)	(37,312,593)
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	2,861,438	2,861,438
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	319,404,985	-	497,672,518	(34,451,155)	782,626,348
Transfer to reserve during the year	-	-	99,534,504	154,126	-	-	-	(113,386,861)	13,698,231	-
Transfer from reserve during the year	-	-	-	-	156,972,947	-	-	(149,704,503)	(7,268,443)	0.00
Transactions with owners, directly recognised in equity										-
Share issued	-	-	-	-	-	-	-	-	-	-
Premium received on issuance of unsubscribed number of right shares	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	98,528,775	-	-	-	-	-	-	(98,528,775)	-	-
Cash dividend paid	-	-	-	-	-	-	-	(295,586,326)	-	(295,586,326)
Total contributions by and distributions	98,528,775	-	99,534,504	154,126	156,972,947	319,404,985	-	(159,533,948)	(28,021,367)	487,040,022
Balance at Ashad end 2080	3,382,821,286	-	1,034,058,334	1,191,977	418,533,420	579,880,364	-	300,860,866	499,719,514	6,217,065,762
Other reserves as at 31st Ashad 2080 includes Corporate Social Responsibility Reserve, Staff Training Fund, Investment Adjustment Reserve, Actuarial Gain on Gratuity & Reserve in Investment in Associates using equity Method.										

Consolidated Statement of Changes in Equity

For the Period Shrawan 12080 to 31st Ashad 2081 (17 July 2023-15 July 2024)

Particulars	Bank									
	Attributable to equity holders of the Bank									
	Share Capital	Share premium	General reserve	Exchange equalization reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserves	Total
Balance at Shrawan 1, 2080	3,382,821,286	-	1,034,058,334	1,191,977	418,533,420	579,880,364	-	300,860,866	499,719,514	6,217,065,762
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	543,667,622	-	543,667,622
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	22,370,681	-	-	-	22,370,681
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Share of Associates accounted as per Equity Method	-	-	-	-	-	-	-	-	57,486,430	57,486,430
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	(955,186)	(955,186)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	22,370,681	-	543,667,622	56,531,245	622,569,548
Transfer to reserve during the year	-	-	108,733,524	37,687	7,237,367	-	-	(255,937,530)	139,928,951	-
Transfer from reserve during the year	-	-	-	-	-	-	-	10,585,736	(10,585,736)	-
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-
Premium received on issuance of unsubscribed number of right shares	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	135,312,851	-	-	-	-	-	-	135,312,851	-	-
Cash dividend paid	-	-	-	-	-	-	-	(152,226,958)	-	(152,226,958)
Total contributions by and distributions	135,312,851	-	108,733,524	37,687	7,237,367	22,370,681	-	10,776,020	185,874,459	470,342,591
Balance at Ashadh end 2081	3,518,134,138	-	1,142,791,858	1,229,664	425,770,788	602,251,045	-	311,636,886	685,593,974	6,687,408,352
Other reserves as at 31st Ashadh 2081 includes Corporate Social Responsibility Reserve, Staff Training Fund, Investment Adjustment Reserve, Actuarial Gain on Gratuity & Reserve in Investment in Associates using equity Method.										

Statement of Distributable Profit or Loss
(As per NRB Regulation)

Figures in NPR

Particulars	Bank	
	Current Year	Previous Year Corresponding
Net profit or (loss) as per statement of profit or loss	543,667,622	497,672,518
Appropriations:		
a. General reserve	108,733,524	99,534,504
b. Foreign exchange fluctuation fund	37,687	154,126
c. Capital redemption reserve	125,000,000	-
d. Corporate social responsibility fund	2,024,228	2,855,050
e. Employees' training fund	2,318,987	3,574,738
f. Other	-	-
g. Investment Adjustment Reserve	-	-
Profit or (loss) before regulatory adjustment	305,553,196	391,554,100
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(15,435,893)	(95,423,037)
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 (+)	5,218,706	(61,827,101)
e. Deferred tax assets recognized (-)/ reversal (+)	2,979,819	114,818
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognized (-)/reversal (+)	-	-
h. Actuarial loss recognized (-)/reversal (+)	-	162,373
i. Other (+/-)	-	-
Net Profit for the period end of Ashadh 2081 available for distribution	298,315,829	234,581,153
Opening Retained Earnings	300,860,866	460,394,814
Adjustment (+/-)	-	-
Distribution		
Bonus Share Issued	(135,312,851)	(98,528,775)
Cash Dividend Paid	(152,226,958)	(295,586,326)
Total Distributable Profit or Loss as on year end	311,636,886	300,860,866
Annualized Distributable profit/(loss) per share	8.86	8.89

Bhuvan Khanal
 Head- Finance Account and Treasury

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 Director

Date: 2081.09.05

Changes in Other Reserve of the Bank Other Reserves

Particulars	Staff training fund	Corporate social responsibility reserve	Investment Adjustment Reserve	Capital Redemption reserve	Capital Reserve	Deferred tax reserve	Other Reserve	Actuarial gain/(loss)	Reserve through Associate-Equity	Total
Closing balance of Other reserve as at Ashad end 2079	-	8,044,677	40,000,000	-	-	-	5,475,000	(113,661)	474,334,865	527,740,881
Transfer to various reserves from retained earning	8,721,506	4,976,725	-	-	-	-	-	-	-	13,698,231
Transfer to retained earning during the year	(5,146,768)	(2,121,675)	-	-	-	-	-	-	-	(7,268,443)
Issue of Bonus Share	-	-	-	-	-	-	-	-	-	-
OCI Movement- Reserve in Associates using equity	-	-	-	-	-	-	-	-	(37,312,593)	(37,312,593)
OCI Movement on Actuarial Gain/loss	-	-	-	-	-	-	-	4,087,768	-	4,087,768
DTA/DTL on OCI-(Addition)/Reversal	-	-	-	-	-	-	-	(1,226,330)	-	(1,226,330)
Closing balance of Other reserve as at Ashad End 2080	3,574,738	10,899,727	40,000,000	-	-	-	5,475,000	2,747,777	437,022,272	499,719,514
Transfer to various reserves from retained earning	9,492,275	5,436,676	-	125,000,000	-	-	-	-	-	139,928,951
Transfer to retained earning during the year	(7,173,288)	(3,412,449)	-	-	-	-	-	-	-	(10,585,736)
Issue of Bonus Share	-	-	-	-	-	-	-	-	-	-
OCI Movement- Reserve in Associates using equity	-	-	-	-	-	-	-	-	57,486,430	57,486,430
OCI Movement on Actuarial Gain/loss	-	-	-	-	-	-	-	(1,364,551)	-	(1,364,551)
DTA/DTL on OCI-(Addition)/Reversal	-	-	-	-	-	-	-	409,365	-	409,365
Closing balance of Other reserve as at Ashad End 2081	5,893,725	12,923,955	40,000,000	125,000,000	-	-	5,475,000	1,792,591	494,508,703	685,593,974

Changes in Regulatory Reserve

Particulars	Interest Receivable	Short Loan Loss Provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial loss Recognized	Other	Total
Transfer from/(to) Retained Earnings: For FY 2075-76										
Interest Income recognized on Accrual Basis: From FY 2073-74	37,216,309	-	-	-	-	-	-	-	-	37,216,309
Interest Income recognized on Accrual Basis: From FY 2074-75	7,186,354	-	-	-	-	-	-	-	-	7,186,354
Interest Income recognized on Accrual Basis: From FY 2075-76	21,304,124	-	-	-	-	-	-	-	-	21,304,124
Fair Value Losses on Equity Investment: Addition/ (Reversal)	-	-	28,868,726	-	-	-	-	-	-	28,868,726
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	54,292,581	-	-	-	-	-	54,292,581
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	39,828,761	-	-	-	-	39,828,761
Actuarial Gain on Leave (through P/L account): Addition/(Reversal)	-	-	-	-	-	-	-	-	953,043	953,043
Less: Adjustment of Staff Bonus & Tax	(21,203,324)	-	-	(2,221,989)	-	-	-	-	-	(23,425,313)
Closing as on Ashad End 2076	44,503,462	-	28,868,726	52,070,591	39,828,761	-	-	-	953,043	166,224,583
Transfer from/(to) Retained Earnings: For FY 2076-77										
Accrued Interest Income recognized on FY 2076-77	65,362,160	-	-	-	-	-	-	-	-	65,362,160
Fair Value Losses on Equity Investment: Addition/ (reversal)	-	-	(19,662,464)	-	-	-	-	-	-	(19,662,464)
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	-	-	-	-	-	-	-
Actuarial Gain on Leave (through P/L account): Addition/(Reversal)	-	-	-	-	-	-	-	-	7,780,428	7,780,428
Interest Capitalization of Loan (not allowed for distribution)	-	-	-	-	-	-	-	-	14,104,319	14,104,319
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	(5,363,185)	-	-	-	-	(5,363,185)
Less: Adjustment of Staff Bonus & Tax	(27,292,186)	-	-	-	-	-	-	-	-	(27,292,186)
Closing as on Ashad End 2077	82,573,436	-	9,206,262	52,070,591	34,465,576	-	-	-	22,837,790	201,153,656

Continued...

Particulars	Interest Receivable	Short Loan Loss Provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial loss Recognized	Other	Total
Transfer from/(to) Retained Earnings: For FY 2077-78										
Accrued Interest Income recognized on FY 2077-78	4,255,428	-	-	-	-	-	-	-	-	4,255,428
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	(9,206,262)	-	-	-	-	-	-	(9,206,262)
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	11,438,019	-	-	-	-	-	11,438,019
Actuarial Gain on Leave (through P/L account): Addition/(Reversal)	-	-	-	-	-	-	-	-	(8,733,471)	(8,733,471)
Interest Capitalization of Loan (not allowed for distribution)	-	-	-	-	-	-	-	-	5,324,278	5,324,278
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	(2,316,588)	-	-	-	-	(2,316,588)
Less: Adjustment of Staff Bonus & Tax	(1,574,508)	-	-	(22,098,332)	-	-	-	-	-	(23,672,841)
Closing as on Ashad End 2078	85,254,356	-	-	41,410,278	32,148,988	-	-	-	19,428,596	178,242,218
Transfer from/(to) Retained Earnings: For FY 2078-79										
Accrued Interest Income recognized on FY 2078-79	112,356,552	-	-	-	-	-	-	-	-	112,356,552
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	-	-	-	-	-	-	-	-
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	5,546,697	-	-	-	-	-	5,546,697
Actuarial (Gain)/Loss on Gratuity: Addition/(Reversal)	-	-	-	-	-	-	-	162,373	-	162,373
Interest Capitalization of Loan (not allowed for distribution)/(reversal)	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	8,876,836	-	-	-	-	8,876,836
Less: Adjustment of Staff Bonus & Tax	(41,571,924)	-	-	(2,052,278)	-	-	-	-	-	(43,624,203)
Closing as on Ashad End 2079	156,038,984	-	-	44,904,697	41,025,823	-	-	162,373	19,428,596	261,560,473
Transfer from/(to) Retained Earnings: For FY 2079-80										
Accrued Interest Income recognized on FY 2079-80	151,465,137	-	-	-	-	-	-	-	-	151,465,137
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	-	-	-	-	-	-	-	-
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	61,827,101	(114,817,899)	-	-	-	-	61,712,283
Actuarial (Gain)/Loss on Gratuity: Addition/(Reversal)	-	-	-	-	-	-	-	(162,373)	-	(162,373)
Interest Capitalization of Loan (not allowed for distribution)/(reversal)	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	-	-	-	-	-	-
Less: Adjustment of Staff Bonus & Tax	(56,042,101)	-	-	-	-	-	-	-	-	(56,042,101)
Closing as on Ashad End 2080	251,462,020	-	-	106,731,798	40,911,006	-	-	-	19,428,596	418,533,420
Transfer from/(to) Retained Earnings: For FY 2080-81										
Accrued Interest Income recognized on FY 2080-81	137,116,570	-	-	-	-	-	-	-	-	137,116,570
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	-	-	-	-	-	-	-	-
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	(5,218,706)	-	-	-	-	-	(5,218,706)
Actuarial (Gain)/Loss on Gratuity: Addition/(Reversal)	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	(2,979,819)	-	-	-	-	(2,979,819)
Less: Adjustment of Staff Bonus, tax, CSR and general reserve	(121,680,677)	-	-	-	-	-	-	-	-	(121,680,677)
Closing as on Asadadh End 2081	266,897,913	-	-	101,513,092	37,931,186	-	-	-	19,428,596	425,770,788

1. GENERAL INFORMATION

1.1. Reporting Entity

Lumbini Bikas Bank Limited, ('LBBL' or 'the development bank') incorporated as a limited liability company, is a publicly held banking company engaged in providing a range of banking and financial services including retail banking, wholesale banking and treasury operations. The development bank is intrinsically governed by the bank and Financial Institutions Act, 2073 and Companies Act 2063.

The registered office of the development bank is situated at Dillibazar, Kathmandu. The development bank carries out banking and other financial activities under the license to commence banking operations as a 'B' Class financial institution from the Nepal Rastra Bank under the Bank and Financial Institutions Act, 2073. The development bank's shares are listed on Nepal Stock Exchange Limited.

1.2. Associates

The Development Bank holds investment enough in the three companies to turn them out as its associates. Muktinath Capital Limited, Nadep Laghubitta Bittiya Sanstha Limited and Deprosc Laghubitta Bittiya Sanstha Limited are its associate companies.

A. Muktinath Capital Limited (Former: Vibor Capital Limited)

Muktinath Capital Limited is a public limited company incorporated in Nepal with the office of company registrar as on 2nd February 2010 and received license from the Securities Board of Nepal on 27th July 2010. The registered office of the company is at Hattisar Marga, Kathmandu. The main objectives of the company as licensed by the Securities Board of Nepal are issue manager, underwriter, share registrar, portfolio manager and depository participant etc.

The Development Bank has share ownership of 19.75% in Muktinath Capital Limited along with representation of one Board of Director from the Bank. Being representation of board of directors with power to participate in policy making processes, including participation in decision about dividends or other distributions, the Muktinath capital became associate of the development bank.

B. Nadep Laghubitta Bittiya Sanstha Limited

Nadep Laghubitta Bittiya Sanstha Limited is a public limited company licensed as a "D" Class Financial Institution by Nepal Rastra Bank. Its registered office is located at Dhading. It has been providing micro loans targeted to members with low income or deprived sector.

The Development Bank has share ownership of 10% in Nadep Laghubitta Bittiya Sanstha Limited along with representation of one Board of Director from the Bank. Being representation of board of directors with power to participate in policy making processes, including participation in decision about dividends or other distributions, the Nadep Laghubitta became associate of the development bank.

C. Deprosc Laghubitta Bittiya Sanstha Limited

Deprosc Laghubitta Bittiya Sanstha Limited is a public limited company licensed as a "D" Class Financial Institution by Nepal Rastra Bank. Its registered office is located at Narayangadh, Chitwan. It has been providing micro loans targeted to members with low income or deprived sector.

The Development Bank has share ownership of 12.76% (After Acquisition of Aadarsha Laghubitta Bittiya Sanstha Limited) in Deprosc Laghubitta Bittiya Sanstha Limited along with representation of one Board of Director from the Bank. Being representation of board of directors with power to participate in policy making processes, including participation in decision about dividends or other distributions, the Deprosc Laghubitta became associate of the development bank.

1.3. Principal Activities

The main activities of the Development bank include providing core banking facilities, agency services, investment and treasury operations, card services and ecommerce services and facilities through various branches, strategic business units, extension counters, ATMs and network of agencies.

2. BASIS OF PREPARATION

The financial statements of the Development Bank have been prepared and presented on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown in a single statement, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) and as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank in Directive No. 4, 2080. The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company (First Amendment) Act, 2063 of Nepal.

These policies have been consistently applied to all the years presented except otherwise stated.

2.2. Reporting Period and Approval of Financial Statements

The Development Bank follows the Nepalese financial year based on the Nepalese calendar. The reporting period of financial statement is as:

Relevant Financial Statement	English Calendar Date/ Period	Nepali Calendar Date/ Period
Statement of Financial Position (SOFPI)	15.07.2024	31.03.2081
Comparative SOFPI	16.07.2023	31.03.2080
Reporting Period	17.07.2023-15.07.2024	01.04.2080-31.03.2081
Comparative SOFPI	17.07.2022-16.07.2023	01.04.2079-31.03.2080

The financial statements for the year ended on 15 July 2024 (Ashadh 31, 2081) are approved by 490th meeting of the Board of Directors held on 2081/09/05 The Board of Directors acknowledges the responsibility of preparation of financial statements of the development bank. The approved financial statements have been recommended for approval by the shareholders in the 17th Annual General Meeting of the Development bank.

2.3. Functional and Presentation Currency

The financial statements are presented in Nepalese Rupee ("NPR") which is also the functional currency as this is the currency of the primary economic environment in which the Development Bank operates and it is the currency in which the bank records and measures its transactions. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

2.4. Use of Estimates, Assumptions and Judgments

The preparation of financial statements will on occasion requires the use of accounting estimates, which, by definition, may not be accurate to the actual results. Such accounting estimates and underlying assumptions are evaluated on an ongoing basis. They are based on experience and other factors, including expectations of the future events that may have a financial impact and that are believed to be reasonable under the circumstances. Revision to those are dealt prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within this financial year primarily includes: -

a) Going Concern Basis

The Board of Directors is not aware of any material uncertainties that may cast significant doubt upon Development Bank's ability to continue as a going concern and they do not intend to liquidate nor to cease operations of it. Since, the Development Bank has resources and ability to continue business for the foreseeable future, the Financial Statements are continued to be prepared on the going concern basis.

Hence it is assumed that the bank has neither the intention, nor the need, to liquidate or curtail materially the scale of its operations.

b) Useful life and residual value of property, plant and equipment

Management reviews the useful life and residual values of property, plant and equipment at least once at each financial year end, and if expectations differs from the previous estimates, the change(s) will be accounted for as a change in an accounting estimate.

Such lives are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

c) Impairment of property plant and equipment

At the end of each reporting period, the Development bank reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use.

Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

Basically, the bank while estimating the value in use of a property, plant and equipment involves the following steps:

- Estimating the future cash inflows and outflows to be derived from the continuing use of the assets and from its ultimate disposal; and
- Applying the appropriate discount rate to those future cash flows.

Fair value less costs to sell is the arm's length sale price of the property plant and equipment between knowledgeable willing parties less costs of disposal.

The bank doesn't necessarily always determine both the asset's fair value less costs to sell and its value in use. If either of these amount exceeds the assets carrying amount, the property, plant and equipment is not impaired and it is not necessary to estimate the other amount.

d) Contingencies

In the normal course of business, bank's contingencies include contingent liabilities that may arise from litigation and other claims against the Development Bank. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities.

These are 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 development bank. Such liabilities are not recognized but disclosed in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

e) Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. It also uses the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest. In determining fair value, the development bank maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

While determining the fair value of an asset or liability (as the case maybe), the bank has assumed that the transaction to sell the asset or transfer the liability will take place in either:

- The principal market for the asset or liability; or
- In the absence of principal market, in the most advantageous market for the asset or liability.

Where the market for a financial instrument is not active, fair value is established using a valuation technique. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data.

f) Defined benefit plans

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Development Bank provides for defined benefits in the form of gratuity and leave encashment. The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

g) Recognition of deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Development Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Development Bank.

Thus, the bank has recognized deferred tax asset only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The bank has also been reviewing carrying amount of deferred tax assets at the end of each reporting period and such amount is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.5. Changes in Accounting Policies

The accounting policies are applied consistently by the Development Bank in all the periods presented in the financial statements.

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Development Bank in preparing and presenting financial statements. The Development Bank is permitted to change an accounting policy only if the change is required by a standard or interpretation or if it results in providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial performance, or cash flows. There are no changes in the accounting policies in the current fiscal year.

The accounting policies are applied consistently to all the periods presented in the standalone and consolidated financial statements.

2.6. Reporting Pronouncements

The Development Bank has, for the preparation of financial statements, adopted the NFRS pronounced by ASB (Accounting Standard Board). The NFRS confirm, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 02.04.2079 has resolved that Carve-outs in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). Details of carve out provided are as follows.

a. Para 5.4 (Effective Interest Rate: EIR) of NFRS 9: Financial Instrument:

Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial asset or financial liability to the gross carrying amount of the financial asset or to the amortized cost of financial liability.

When calculating EIR, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instruments. The calculation includes all the fees and points paid or received *unless it is immaterial or impracticable* to determine reliably between the parties to the contract that are an integral part of the EIR transaction costs, and all the other premium or discounts.

This carve out is optional and has been provided for the FY 2078-79 to 2080-81. Accordingly, the bank has opted this carve out.

b. Para 5.5 (Recognition of expected credit losses) of NFRS 9: Financial Instrument:

An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply para. 5 of NFRS 9 to determine the amount of any impairment loss unless the entity is bank or financial institution registered as per Bank and Financial Institutions Act 2073.

Such Entities shall measure impairment loss on loan and advances as the higher of amount derived as per the norms prescribed by Nepal Rastra Bank for the loan loss provision and amount determined as per Para.5 of NFRS 9.

This carve out is mandatory and has been provided for the FY 2078-79 to 2080-81. Accordingly, the bank has opted this carve out.

2.7. New Standards in issue but not yet effective

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

2.8. New Standards and interpretation not adopted

The development bank has adopted applicable Nepal Financial Reporting Standards which are effective as on the date of preparation of this financial statement.

2.9. Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material. For this purpose the bank has discounted to present value of all the future cash flow or a series of cash flows that are to be received/paid in the future.

2.10. Comparative Figures

The Bank has regrouped/ rearranged the previous figures wherever necessary.

2.11. Limitation of NFRS Implementation

Wherever the information is not adequately available, and/or it is impracticable to develop the information, such exceptions have been noted and disclosed in the respective sections.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently unless otherwise stated:

3.1. Basis of Measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured as required by the relevant NFRS as below:

Particulars	Basis of Measurement
Investment Securities held at Fair Value through OCI	Fair Value
Employee Defined Benefit Obligation	Present value of defined benefit obligation (as calculated by actuary) less the fair value of the plan asset
Debt securities issued (Debenture)	Amortized cost

3.2. Basis of Consolidation

a) Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Development Bank. Control is power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The consideration transferred in a business combination is measured at fair value, which is calculated as sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in the profit or loss as incurred.

Development Bank doesn't possess any control to govern the financial and operating policies of any entities in the reporting period.

There is no business combination during the fiscal year 2080.81.

b) Non-Controlling Interest

Non-controlling interest represent the equity in a subsidiary not attributable directly or indirectly to a parent. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Development Bank.

For each business combination, the Development Bank elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquire identifiable net assets, which are generally at fair value.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it still has control, if there are changes to one or more of the elements of control. An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

The Development Bank does not have any subsidiaries in the reporting date.

d) Loss of Control

When the Development Bank loses control of a subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Development Bank recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant NFRSs. It is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with NFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any gain or loss associated with the loss of control attributable to the former controlling interest is also recognized.

e) Special Purpose Entity (SPE)

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objectives. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Development Bank and the SPE's risks and rewards, the Development Bank concludes that it controls the SPE.

The Development Bank does not have any Special Purpose Entity.

f) Transaction elimination on consolidation

Intra-group balances, transactions and any unrealized profit or loss arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

g) Investment in Associates – Equity Accounting

An associate is an entity over which the Development Bank has significant influences but not control or joint control. This is generally the case where the Development Bank holds between 20% to 50% of the voting rights or the Development Bank has power to participate in the financial and operating policy decision of the investee.

The existence of significant influence by an entity is usually evidences in one or more of the following ways:

- a. Representation of board of directors or equivalent governing body of investee.
- b. Participation in Policy making processes, including participation in decision about dividends or other distributions.
- c. Material transaction between the entity and investee etc.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of Financial Position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures. When the Group's share of losses of an associates or joint ventures exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint ventures.

Explanatory Notes

Development Bank has measured the investment in associates using equity method of accounting in consolidated statement of financial statements.

Along with the share ownership, Development Bank has representation in Board of Directors with power to participate in the financial and operating policy decision of the following entities.

Name of Associates	Holding by Bank (a)	Share Capital (b)	Reserve & Surplus (c)	Total Net Assets (d=b+c)	Associate Value-Using Equity Method (e=d*a)
Deprosc Laghubitta Bittiya Sanstha Limited.	12.76%	1,706,196,983	1,992,888,222	3,699,085,205	472,100,324
NADEP Laghubitta Bittiya Sanstha Ltd	10.00%	485,760,000	427,165,477	912,925,477	91,292,548
Muktinath Capital Limited (former Vibor Capital Ltd)	19.75%	405,000,000	48,605,060	453,605,060	89,601,000
Total Value of Associates					652,993,871

For the calculation of the equity value of associates, the value of share capital and reserves & surplus has been taken based on the latest certified interim financial statements (i.e., the quarterly financials as of Ashad end 2081) for Deprosc Laghubitta Bittiya Sanstha Limited and NADEP Laghubitta Bittiya Sanstha Limited, as the audited financial statements were not available at the time of approval of these financial statements. For Muktinath Capital Limited, the audited reserves & surplus have been used.

3.3. Cash & Cash Equivalent

Cash and cash equivalent comprises cash in hand, balances with 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 with insignificant risk of changes in their value which are held by the Development Bank to meet short term cash commitments. Cash and cash equivalents are measured at amortized cost in the Statement of Financial Position.

Details of the Cash and Cash Equivalents are given in Note 4.1 to the Financial Statements.

3.4. Financial Assets and Financial Liabilities

3.4.1 Recognition

Financial assets and financial liabilities are recognized when the Development Bank becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities measured at fair value through profit and loss are immediately recognized in the statement of profit and loss.

The Development Bank initially recognizes loans and advances, deposits and debt securities issued on the date that they are originated which is the date that the Development Bank becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, and reverse repos are recognized on date at which the Development Bank commits to purchase/ acquire the financial assets.

3.4.2 Classification

A. Financial Assets

i. Financial assets at amortized cost

The development bank measures financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial asset in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Business model assessment

The development bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Development Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Development Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and associate risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

ii. Financial assets at fair value through other comprehensive income

The development bank classifies debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

iii. Financial assets at fair value through profit or loss

Financial assets in this category have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under NFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

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; or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

B. Financial Liabilities

i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs, directly attributable to the acquisition, are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at the statement of profit or loss.

ii. Financial liabilities measured at amortized cost

Financial liabilities other than those measured at fair value through profit or loss are classified and measured at amortized cost using effective interest rate method.

Amortized cost of financial liability is the amount at which the liability was measured upon initial recognition, minus principal repayments, plus or minus the cumulative amortization of any premium or discount, and minus any write-down.

Explanatory Notes

The bank has issued debenture namely 'LBBL DEBNTURE 2089' with 10-Years maturity of NPR One Billion (1,000,000 units of Rs 1,000 each) at the coupon rate of Interest Rate on 11% P.a (with half yearly interest payment) as an element of Tier II Supplementary Capital fund after approval from Nepal Rastra Bank and other regulatory bodies during the year.

The debenture is a financial liability for the bank and is measured at amortized cost as the intention of bank during issuance of Debenture is to hold the instrument till its maturity. The bank is set aside Rs 12.50 crore per year starting this fiscal year for debenture redemption reserve fund as required.

3.4.3 Measurement

All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. Financial assets and liabilities designated at fair value through profit or loss are subsequently measured at fair value with changes recognized at Statement of profit or loss whereas it is recognized at Statement of Other Comprehensive Income for those financial instruments designated at fair value through other comprehensive income.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

3.4.4 De-recognition of Financial Assets and Liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The development bank also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for de-recognition.

The development bank has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for de-recognition if either:

- The development bank has transferred substantially all the risks and rewards of the asset; or
- It has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

A financial liability is de-recognized when the obligation under the liability is discharged, 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 de-recognition 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 recognized in profit or loss.

3.4.5 Determination of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Development Bank. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Development Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Development Bank has determined the fair value of Investment in Equity Investment by considering the active market price of equity share in case of quoted investment and net assets value of respective companies for unquoted investment.

In case of promoters share the fair value has been derived as half of the current market price of the general public share as on that date.

For the purpose of fair value disclosures, the Development Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4.6 Impairment

At each reporting date, the Development Bank assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Development Bank considers the following factors in assessing objective evidence of impairment:

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where the Development Bank initiates legal recourse of recovery in respect of a credit obligation of the counterpart.
- Where the Development Bank consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Development Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both specific and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those not found to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Development Bank uses historic trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Financial assets carried at amortized cost such as amounts due from Banks, loans and advances to customers as well as held-to maturity investments is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the deemed recoverable value of loan.

Individually assessed loans and advances

Loans and advances to customers with significant value (covering at least 50% of Total Non-Performing Loans as per Nepal Rastra Bank Directive) are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the Development Bank. Loans that are determined to be individually significant based on the above and other relevant factors are individually assessed for impairment except when volumes of defaults and losses are sufficient to justify treatment under collective methodology. For these loans, development bank considers on a case-by-case basis whether that loan is objectively impaired. These criteria are summed as:

- Significant Financial Difficulties of the borrower such as significantly adverse ratios and adverse future outlook
- Adverse statutory indicators
- Default or delinquency in interest or principal payments
- Breach of contract
- Downfall of quality of collateral

Impairment losses are calculated by comparing the discounted expected future value of the cash flow from the loan at original effective interest rate with the carrying value.

Collectively Assessed loans and advances

Collective impairment on loans and advances are carried out to cover losses, which have been incurred but have not yet been identified on loans subject to individual assessment or for homogeneous groups of loans that are not considered significant individually. Also, assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk characteristics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances are determined by management prudently being based on the past experience. For the collective assessment of impairment of loan, the Development Bank has categorized on the basis of following product.

1. Home Loan
2. Vehicle Loan
3. Personal Loan
4. Short Term Loan
5. Long Term Loan

Loan Loss Provision as per Nepal Rastra Bank

Loan loss provisions in respect of non-performing loans and advances are based on management's assessment of the degree of impairment of the loans and advances, subject to the minimum provisioning level prescribed in relevant NRB guidelines. Provision is made for possible losses on loans and advances including bills purchased at 1% to 100% on the basis of classification of loans and advances, overdraft and bills purchased in accordance with NRB directives.

Policy

As per the Carve out notice issued by ICAN, the Development Bank has measured impairment loss on loans and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per Nepal Financial Reporting Standards.

Reversal of impairment

If the amount of an impairment loss decreases in a subsequent period, the decrease can be related objectively to an event occurring after the impairment was recognized, the excess is written back by reducing the loan impairment allowances accordingly. The write back is recognized in the Statement of Profit and Loss.

Write off of loans and advances

Loans (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. When loans are secured, this is generally after receipt of any proceeds from realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier.

3.5. Trading Assets

Trading Assets are those assets that the Development Bank acquires principally for the purpose of selling in the short term, or holds as part of a portfolio that is managed together for short term profit. These assets are initially measured at cost and subsequently at fair value with changes in profit or loss under "Net Trading Income". Any transaction cost incurred are directly recognized in profit or loss.

3.6. Derivative Assets and Derivative Liabilities

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; and that is settled at a future date. Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

3.7. Property and Equipment

A. Recognition and Measurement

Recognition

Property, plant and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. They are stated at cost less accumulated depreciation as adjusted for impairment, if any.

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Development Bank has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

Measurement

i. Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment other than Right of Use (ROU) assets (recognized under NFRS 16-Leases) are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

For right-of-use (ROU) assets under NFRS-16, the bank has elected to present the amount as part of property, plant and equipment under the head Equipment & Others Assets initially at the amount of lease liability plus any initial direct costs incurred by the bank. Subsequently, the bank measures the right of use assets at initial amount less accumulated depreciation and accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability.

Explanatory Notes

The bank recognized the right of use asset with the gross amount of Rs 53,74,87,327 and accumulated depreciation of Rs 16,77,85,287 (net value: Rs 36,97,02,040) as of Ashad End 2081. Same has been presented under equipment and others in annexure 4.13

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Development Bank and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- The Development Bank identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset starts operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.
- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Depreciation

- Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line basis.
- Depreciation is provided on the straight line method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows: -

Category of Asset	Estimated useful life
Office Equipment	5 years
Furniture Fixture and Fitting	5 years
Vehicle	5 years
Computer, Printer and Accessories	5 years
ATM Machine	7 years
Freehold Premises	50 years
Leasehold Assets	Earlier of 10 years or Lease Tenure
Right of Use Assets (Lease)	As per Lease Tenure

- iii. Depreciation on Right of Use Assets determined as per NFRS-16-lease and recognized under deprecation of Property Plant and Equipment.
- iv. Assets Value less than NPR 5,000/- per unit is charged to the profit and loss account irrespective of their useful life in the year of purchase.

C. Changes in Estimates

The asset's methods of depreciation are reviewed, adjusted if appropriate, at each financial year end and treated as change in the accounting estimates.

D. Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major property and equipment and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

E. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Development bank incurs in connection with the borrowing of funds.

F. Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

3.8. Goodwill/Intangible Assets

Goodwill is the residual of the cost of acquisition over the fair value of the identifiable net assets acquired. It is assessed for impairment at the end of each reporting period. It is measured at cost less accumulated impairment losses. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. These are reviewed for impairment at end of each reporting period.

Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the Development bank, which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category 'Intangible assets' and carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent Expenditure

Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Goodwill is measured at cost less accumulated impairment losses.

Amortization of Intangible Assets

Intangible Assets, except for goodwill, are amortized on a straight-line basis in the Statement of Profit or Loss from the date when the asset is available for use, over the best of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the bank. Amortization methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Development bank estimated as 5 years from the date of acquisition and assumes that there is no residual value for its intangible assets.

De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising on de recognition of an item of intangible assets is included in the Statement of Profit or Loss when the item is derecognized.

3.9. Accounting for Government Grants and Disclosure of Government Assistance

Government grants is recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Income approach is followed in recording grant income. Government grants related to the assets including non-monetary grants at fair value is presented in the statement of financial position by setting up Deferred Grant Income. Grants related to income are presented as part of profit or loss under other income.

The development bank has not received any government grant or assistance during the fiscal year 2080/81.

3.10. Investment Property

An investment property is property held by the Development Bank to earn rentals or for capital appreciation or both, rather than own-occupied. The investment property of the Development Bank solely consists of land or building acquired under the Non-Banking Assets.

The Development Bank has adopted a policy to measure the investment property in cost model. Any depreciation and impairment in the subsequent period has been charged through the profit and loss account in the reporting period.

3.11. Non-Current Assets-Held for sale:

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when:

- (i) their carrying amounts will be recovered principally through sale;
- (ii) they are available-for-sale in their present condition; and
- (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or assets and liabilities in a disposal group) are measured in accordance with the applicable accounting policies described above.

3.12. Income Tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity or other comprehensive income.

a) Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax rates applicable to the Development Bank: 30%

b) Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rate applicable to the Development Bank as at the reporting date which is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.13. Deposit, debt securities issued and subordinated liabilities

Deposits include non-interest bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The Development Bank presents the deposits held from customers and bank and financial institutions at amortized cost.

These transactions are recorded on the Development Bank's books, and the resulting balance is recorded as a liability for the Development Bank and represents the amount owed by the Development Bank to the customers.

Subordinated liabilities are those liabilities which at the event of winding up are subordinate to the claims of depositors, debt securities issued and other creditors. The Development Bank does not have any of such subordinated liabilities and has not issued any debt security in the reporting period.

3.14. Provisions, contingent liability and contingent Assets

- i. Provisions are recognized when the Development Bank has a present obligation (legal or constructive) as a result of a past event, 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.
- ii. When the Development Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss net off any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- v. A provision for onerous contracts is recognized when the expected benefits to be derived by the Development Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Development Bank recognizes any impairment loss on the assets associated with that contract.
- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Development Bank or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Development Bank does not recognize a contingent liability but discloses its existence in the standalone financial statements.
- vii. A contingent asset is a possible asset 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.

- viii. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- ix. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

3.15. Revenue Recognition

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. It is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that economic benefit will flow to the entity and that the revenue can be measured reliably.

Revenue is not recognized during the period in which its recoverability of income is not probable. The Development Bank's revenue comprises of interest income, fees and commission, foreign exchange income, cards income, remittance income etc. and the bases of incomes recognition are as follows:

3.15.1 Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Development Bank and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Development Bank has applied carve out under Para 9 of NAS 39 and has not incorporated all the fees and points paid or received under contractual terms of financial instrument in the calculation of the effective interest rate to recognize the interest income. Hence, such fees have been directly recognized under Profit or Loss under "Fee and Commission Income"

The Development Bank has also applied carve out under AG-93 of NAS 39 and recognized interest income by applying the effective interest rate to the gross carrying amount of a financial assets.

3.15.2 Fee and Commission Income

Fee and commission earned for the provision of services over a period of time are recognized income in cash basis at the time of execution of such services.

3.15.3 Dividend Income

Dividend income (net of withholding taxes) from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the development bank and the amount of income can be measured reliably).

3.15.4 Net Trading Income

It comprises gain or loss on trading assets, interest or dividend income on trading assets and gains or losses arising under settlement of foreign currency transactions.

3.15.5 Net Income from Other Financial Instrument at Fair Value Through Profit or Loss

It includes changes in fair value of Financial Instruments designated at fair value through profit or loss.

3.16. Interest Expenses

Interest Expenses include interest on deposits from customers, deposits from Banks and financial institutions and other interest bearing financial liabilities. Interest expense is recognized in the profit or loss using effective interest rate for all the financial liabilities measured at amortized cost. Finance charges from lease liability has also presented under interest expenses.

3.17. Employee Benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. Such benefits include short term, long term, termination and other long term benefits.

a. Short Term Employee Benefits

Short term Employee Benefits include items such as following, if expected to be settled before twelve months after the end of annual reporting period in which employee rendered the related services.

- Wages, salaries and Social Security contribution.
- Paid annual leave and paid sick leave
- Profit Sharing and Bonuses
- Non Monetary Benefits for current employees

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is also recognized for the amount expected to be paid under bonus required by the Bonus Act, 2030 to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably under short term employee benefits.

a. Post-Employment Benefits Plan

Post-employment benefits plan of the Development Bank includes the followings.

A. Defined Contribution Plan – Provident Fund

Under Defined Contribution plan the entity's legal and constructive obligation is limited to the amount that it agrees to contribute to the fund.

Obligations for contribution to defined contribution plans are recognized as personnel expenses in profit or loss in the periods during which related services are rendered. Contribution to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

Under this plan of provident fund, the Development Bank pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Contributions to defined contribution schemes (Provident fund) are charged to the profit or loss statement in the year to which they relate as the Development Bank has no further defined obligations beyond monthly contributions. 10% of the Basic Salary as Contributions to defined contribution schemes by the Development Bank along with same contribution from employees are deposited with Employees Provident Fund (Karmachari Sanchaya Kosh) and other approved retirement funds.

B. Defined Benefit Plan – Gratuity

Under defined benefit plans, the entity obligation is to provide the agreed benefits to current and former employees. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Development Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

- i. The Development Bank provides for defined benefits in the form of gratuity. The liability or asset recognized in the Statement of Financial Position in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.
- ii. The Development Bank recognizes the following changes in the defined benefit obligation to the profit or loss statement:
 - Service costs comprising current service costs and past-service costs
 - Interest expenses

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

- iii. Any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognized in other comprehensive income in the period in which they arise.
- iv. NAS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Development Bank determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may also be interdependency between some of the assumptions.
- v. The classification of the Development Bank's net obligation into current and non-current obligation is as per the actuarial valuation report.
- vi. Gratuity is funded and deposited to a separate entity (Retirement Fund) towards meeting the gratuity obligation.

C. Other long-term employment benefits.

- i. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- iii. The Development Bank recognizes the following changes in the defined benefit obligation to the profit or loss statement:
 - Service costs comprising current service costs and past-service costs
 - Interest expenses
 - Any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognized in profit or loss account in the period in which they arise.

3.18. Lease

Identifying a lease

At the inception of a contract, the bank assesses whether the contract is, or contains, a lease. The arrangement is, or contains, a lease if the contract conveys the right to use of a specific asset or assets for a period of time in exchange for consideration.

The development bank has applied accounting for lease component with the true spirit of NFRS 16 which states that a lessee (bank) has the right to direct the use of an identified asset if either:

- a. The lessee has the right to direct how and for what purpose the asset is used throughout its period of use; or
- b. The relevant decisions about use are pre-determined and the lessee has the right to operate the asset throughout the period of use without the lessor having the right to change these operating instructions.

With a very few exceptions, NFRS 16 abolishes the distinction between an operating lease and a finance lease in the financial statements of lessees. Hence, the bank recognizes the right of use asset and an associated liability at the inception of the lease.

a. Right of use asset

The development bank measures the right-of-use asset initially at the amount of the lease liability plus any initial direct costs incurred by the bank. The bank has made adjustments required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

After lease commencement, the development bank shall measure the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The right-of-use asset is 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 development bank determines the estimated useful lives of right-of-use assets 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 re-measurements of the lease liability.

b. Lease Liability

The development bank measures lease liability initially at the present value of the lease payments payable over the lease term, discounted at the incremental borrowing rate.

The lease liability is subsequently re-measured to reflect changes in:

- i. The lease term (using a revised discount rate);
- ii. The assessment of a purchase option (using a revised discount rate);
- iii. The amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or
- iv. Future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The lease liability is measured at amortized cost and is re-measured when there is a change in future lease payments arising from a change in discounting rate, if there is a change in the bank's estimate of the amount expected to be payable under the lease, or if the bank changes its assessment of whether it will exercise a purchase, extension or termination option under the contract of lease.

When the lease liability is re-measured 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 the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The development bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The bank recognizes the lease payments associated with these leases as an expense on accrual basis on statement of Profit and loss.

3.19. Foreign Currency Translation

The functional currency of the Development Bank is determined on the basis of the primary economic environment in which it operates which is Nepalese Rupee (NPR).

Initially transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in Statement of Profit and Loss in the period in which they arise.

3.20. Financial Guarantee and Loan Commitments

Financial guarantees are contracts that require the Development Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Loan commitment is the commitment where the Development Bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Development Bank has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

3.21. Share Capital and Reserves

Equity is the residual interest in the total assets of an entity after deducting all the liabilities. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon. The share capital of the Development Bank includes the equity share capital with 51 % of Promoter and 49% of the public. The Development Bank has also maintained several statutory reserves and free reserves which are presented in the statement of changes in equity.

Regulatory Reserve against the uncollected interest income from loan customers has been created after netting off income tax and staff bonus provision for the purpose.

3.22. Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.23. Segment Reporting

Operating segment are those components of an entity that engages in business activities which earns revenue and incurs expenses, has discrete financial information and whose results are regularly reviewed by the entity's chief operating decision maker.

The Development Bank has identified the key segments of the business on the basis of nature of operations that assist the Development Bank in decision process and to allocate the resources. It will help the management to assess the performance of the business segments that has been identified as below. The business segments identified are Business Banking, Treasury and Remittance and Others. The segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly common assets, head office expenses, and tax assets and liabilities. All operations between the segments are conducted on pre-determined transfer price. Treasury Unit acts as the fund manager of the Development Bank.

3.24. Dividend on Ordinary Shares

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

3.25. Cash Flow Statement

The cash flow statement has been prepared using 'The Direct Method', whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognized.

4. Scheduled Forming part of Financial Statements.

Schedules are attached with financial statements.

Notes to the consolidated financial statement for the year ended 31st Ashadh 2081

4.1 Cash and cash equivalents

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Cash in hand	656,746,759	660,280,205
Balances with B/FIs	2,824,867,991	2,956,914,252
Money at call and short notice	199,826,523	49,554,945
Other	-	-
Total	3,681,441,274	3,666,749,402

Cash and Cash equivalents includes Cash in Hand, Balance with Bank and Financial Institutions, money at call and Treasury Bill with maturity below three months.

4.2 Due from Nepal Rastra Bank

Particulars	Bank	
	"As at 31st Ashad 2081 "	"As at 31st Ashad 2080 "
Statutory balances with NRB	3,379,607,499	1,959,607,644
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	3,379,607,499	1,959,607,644

Statutory Balance with NRB includes Balance maintained for the Cash Reserve Ratio by the Bank as per the regulatory Requirements.

4.3 Placements with Bank and Financial Institutions

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Placement with domestic B/FIs	-	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	-	-

Placements with domestic as well as foreign bank and financial institutions with original maturities of more than three months from the acquisition date are presented under this account head.

4.4 Derivative financial instruments

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
Total	-	-

4.5 Other trading assets

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
Total	-	-
Pledged	-	-
Non-pledged	-	-

4.6 Loan and advances to B/FIs

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Loans to microfinance institutions	2,195,993,163	2,205,403,415
Other	-	-
Less: Allowances for impairment	26,349,456	28,667,566
Total	2,169,643,707	2,176,735,849

Loan and advances given to microfinance financial institutions has been presented on above schedule. Accrued Interest of Rs 205,201 has been added and impairment allowances on above loan and advance has been deducted.

Allowances for impairment

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Balance at Shrawan 1	28,667,566	30,829,354
Impairment loss for the year:	-	-
Charge for the year	-	-
Recoveries/reversal	(2,318,111)	(2,161,788)
Amount written off	-	-
Balance at Ashad end	26,349,456	28,667,566

4.7 Loans and advances to customers

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Loan and advances measured at amortized cost	48,090,769,460	43,031,275,907
Less: Impairment allowances	1,843,352,293	1,605,204,016
Collective impairment	798,691,907	579,228,045
Individual impairment	1,044,660,386	1,025,975,971
Net amount	46,247,417,167	41,426,071,891
Loan and advances measured at FVTPL	-	-
Total	46,247,417,167	41,426,071,891

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Loans and advances to Customer	47,412,655,133	42,365,140,216
Loans and advances to staff	87,682,621	76,064,031
Accrued Interest	590,226,506	590,071,660
Total	48,090,564,259	43,031,275,907

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
As per NRB Directive No. 2	1,869,701,749	1,633,871,582
As per NFRS:9	206,004,622	403,598,220
Collective Impairment	195,182,059	198,714,720
Individual Impairment	10,822,563	204,883,500
Higher of NRB Directive and NAS 39	1,869,701,749	1,633,871,582

4.7.1 Analysis of loan and advances - By Product

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Product		
Term loans	11,945,443,367	8,343,034,527
Overdraft	3,148,074,763	4,104,554,832
Cash Credit Loan	4,900,364,883	6,992,013,263
Trust receipt/Import loans	-	-
Demand and other working capital loans	1,271,006,913	1,905,053,152
Personal residential loans	7,074,981,027	5,826,583,046
Real estate loans	4,423,932,612	3,586,789,726
Margin lending loans	1,752,039,125	1,820,571,834
Hire purchase loans	1,179,978,381	1,290,554,969
Deprived sector loans	3,615,520,691	1,818,556,338
Bills purchased	-	-
Staff loans	87,682,621	76,064,031
Other	8,101,518,571	6,677,428,529
Sub total	47,500,542,954	42,441,204,247
Interest receivable	590,021,305	590,071,660
Grand total	48,090,564,259	43,031,275,907

4.7.2 Analysis of loan and advances - By Currency

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Nepalese Rupee	48,090,564,259	43,031,275,907
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	48,090,564,259	43,031,275,907

4.7.3 Analysis of loan and advances - By Collateral

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Secured		
Movable/immovable assets	46,046,021,263	41,112,872,582
Gold and silver	202,164,927	187,317,171
Guarantee of domestic B/FIs	-	-
Government guarantee	17,193,389	17,193,389
Guarantee of international rated bank	-	-
Collateral of export document	-	-
Collateral of fixed deposit receipt	886,230,369	827,669,633
Collateral of Government securities	-	-
Collective Guarantee	3,877,145	4,609,750
Personal guarantee	297,788,465	274,752,089
Other collateral	41,979,817	12,746,578
Subtotal	47,495,255,374	42,437,161,193
Unsecured	5,287,580	4,043,054
Interest receivable	590,021,305	590,071,660
Grant Total	48,090,564,259	43,031,275,907

4.7.4 Allowances for impairment

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Specific allowances for impairment		
Opening Balance	1,025,975,971	460,574,378
Impairment loss for the year:		
Charges/(reversal) for the year	18,684,415	565,401,593
Recoveries/reversal during the year	-	-
Write-offs	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
Closing Balance	1,044,660,386	1,025,975,971
Collective allowances for impairment		
Opening Balance	579,228,045	596,733,323
Impairment loss for the year:		
Charge/(reversal) for the year	219,463,862	(17,505,278)
Exchange rate variance on foreign currency impairment		
Other movement		
Closing Balance	798,691,907	579,228,045
Total allowances for impairment	1,843,352,293	1,605,204,016

Impairment on Loan and advances to customer includes provision created on overdue Staff Loan of Rs 1,016,617 from FY 2073/74.

4.8 Investment securities

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Investment securities measured at amortized cost	10,147,829,174	6,281,262,839
Investment in equity measured at FVTOCI	1,552,127,197	1,489,060,294
Total	11,699,956,371	7,770,323,132

4.8.1 Investment securities measured at amortized cost

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Debt securities	-	-
Government bonds	7,085,995,749	6,044,698,286
Government treasury bills	1,461,833,425	236,564,552
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	1,600,000,000	-
Other	-	-
Less: specific allowances for impairment		
Total	10,147,829,174	6,281,262,839

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

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Equity instruments	-	-
Quoted equity securities	1,510,601,996	1,457,687,231
Unquoted equity securities	41,525,201	31,373,063
Total	1,552,127,197	1,489,060,294

4.8.3 Information relating to investment in equities

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Cost	Fair Value
Investment in Quoted Equity				
1.1 Api Power Company Ltd. (2,923 ordinary shares of NPR 100 paid up)	254,700	558,293	171,100	411,139
1.2 Asian Life Insurance Co. Limited (65,141 ordinary shares of NPR 100 paid up)	52,296,860	40,582,843	52,296,860	45,045,021
1.3 Asian Life Insurance Co. Ltd. (1 promoter shares of NPR 100 paid up)	100	312	100	745
1.4 Bottlers Nepal (Terai) Limited (290 ordinary shares of NPR 100 paid up)	2,068,427	3,770,000	2,068,427	4,002,000
1.5 Butwal Power Company Limited (24,949 ordinary shares of NPR 100 paid up)	8,006,771	7,734,190	8,006,771	8,245,645
1.6 Chilime Hydropower Company Limited (8,092 ordinary shares of NPR 100 paid up)	1,918,883	3,762,780	6,187,043	12,730,524
1.7 Citizen Investment Trust (1 ordinary shares of NPR 100 paid up)	-	1,945	-	2,089
1.8 Citizen Mutual Fund-2 (2,000,000 units of NPR 10 paid up)	20,000,000	20,640,000	20,000,000	20,780,000
1.9 Citizen Super 30 Mutual Fund (500,000 units of NPR 10 paid up)	-	-	5,000,000	5,000,000
1.10 Himalayan Everest Insurance Co. Ltd. (7,208 Promoter shares of NPR 100 paid up)	663,600	2,277,728	663,600	1,990,200
1.11 Himalayan Everest Insurance Co. Ltd (5,114 ordinary shares of NPR 100 paid up)	2,346,425	3,232,048	7,393,445	8,899,800
1.12 Sanima GIC Company Ltd PROMOTER (25500 ordinary shares of Rs 100 paid up)	2,550,000	7,356,750	2,550,000	5,796,875
1.13 Global IME Laghubitta Bittiya Sanstha Ltd. (14 ordinary shares of NPR 100 paid up)	-	19,110	-	14,854
1.14 Global IME Balance Fund -1-Mutual Fund (1,000,000 units of NPR 10 paid up)	10,000,000	9,100,000	10,000,000	9,340,000
1.15 Himalayan Life Insurance Company Ltd. (25,776 ordinary shares of NPR 100 paid up)	4,692,458	10,078,416	6,512,958	18,138,432
1.16 Hydroelectricity Investment & Development Co. Ltd (36,856 ordinary shares of Rs 100 paid up)	3,102,340	6,597,224	4,112,500	8,989,504
1.17 IME General Insurance Ltd. (10,977 ordinary shares of Rs 100 paid up)	4,951,777	6,125,166	4,951,777	6,147,120
1.18 Kisan Laghubitta Bittiya Sanstha Ltd (1 ordinary shares of Rs 100 paid up)	-	1,070	-	709
1.19 Kumari Equity Fund (250,000 units Rs 10 each)	2,500,000	2,415,000	2,500,000	2,542,500
1.20 Kumari Sunulo Lagani Yojana (1,000,000 units Rs 10 each)	10,000,000	11,910,000	10,000,000	10,000,000
1.21 Kumari Dhanabridhi Yojana (3,000,000 units Rs 10 each)	30,000,000	29,010,000	30,000,000	30,120,000
1.22 Laxmi Laghubitta Bittiya Sanstha Ltd. (1 ordinary share of Rs 100 paid up)	-	1,224	-	893
1.23 Laxmi Unnati Kosh (2,000,000 units Rs 10 each)	20,000,000	18,000,000	20,000,000	18,780,000
1.24 Mero Microfinance Bittiya Sanstha Ltd. (133,186 ordinary shares of Rs 100 paid up)	5,336,523	93,230,200	1,817	29,745
1.25 Mero Microfinance Bittiya Sanstha Ltd. (790,859 Promoter shares of Rs 100 paid up)	31,688,294	276,800,650	37,023,000	305,382,000
1.26 Nabil Equity Fund (563,251 units of NPR 10 each)	5,632,510	5,576,185	5,632,510	5,412,842
1.27 Nabil Flexi Cap Fund (2,000,000 units of NPR 10 each)	20,000,000	20,000,000	20,000,000	20,000,000
1.28 National Life Insurance Co. Ltd. (10,197 ordinary shares of NPR 100 paid up)	3,701,514	6,067,215	10,598,704	17,436,930
1.29 NIC Asia Dyanamic Debt Fund (250,000 units Rs 10 each)	2,500,000	2,772,500	2,500,000	2,665,000
1.30 Neco Insurance Co. Ltd. (16,382 ordinary shares of NPR 100 paid up)	17,738,721	13,695,352	17,738,721	14,598,000
1.31 Nepal Doorsanchar Comapany Limited (4,660 ordinary shares of NPR 100 paid up)	2,218,429	3,937,700	6,026,909	11,481,354
1.32 NIBL Sahabhagita Fund (250,000 units Rs 10 each)	2,887,525	2,640,000	2,887,525	2,657,500
1.33 NIBL Sahabhagita Fund-2 (2,000,000 units Rs 10 each)	20,000,000	16,500,000	20,000,000	18,220,000
1.34 Nepal Insurance Co. Ltd. (14,204 ordinary shares of Rs 100 paid up)	9,174,558	12,499,520	1,720,078	4,479,660
1.35 Nepal Life Insurance Co. Ltd. (1 ordinary share of Rs 100 paid up)	-	619	-	744

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Cost	Fair Value
1.36 Nerude Laghubita Bikas Bank Limited (2,170 ordinary shares of NPR 100 paid up)	2,369,644	1,562,834	2,369,644	1,492,272
1.37 NIC ASIA Balance Fund (500,000 units of Rs 10 each)	5,000,000	4,800,000	5,000,000	4,665,000
1.38 Nabil Balance Fund 3 (16,680 ordinary shares of Rs 10 paid up)	166,800	130,104	166,800	126,268
1.39 Nic Asia Flexi Cap Fund (3,000,000 units of Rs 10 each)	30,000,000	27,750,000	30,000,000	30,510,000
1.40 Nic Asia Select 30 (500,000 ordinary shares of Rs 10 paid up)	5,000,000	4,800,000	5,000,000	4,495,000
1.41 Nirdhan Utthan Bank Limited (438 ordinary shares of Rs 100 paid up)	160,183	311,812	160,183	335,070
1.42 NLG Insurance Company Ltd. (7,416 ordinary shares of Rs 100 paid up)	2,816,319	5,894,978	2,816,319	5,905,200
1.43 NMB Microfinance Bittiya Sanstha Ltd. (3 ordinary shares of Rs 100 paid up)	-	2,280	-	1,920
1.44 NMB 50 (1,000,000 units of 10 each)	10,000,000	10,040,000	10,000,000	10,500,000
1.45 NMB Sulav Investment Fund-II (1,000,000 units of 10 each)	10,000,000	10,060,000	10,000,000	9,990,000
1.46 Ngadi Group Power Ltd. (3 ordinary share of Rs 100 paid up)	200	1,023	200	702
1.47 National Microfinance Bittiya Sanstha Limited (658 ordinary shares of Rs 100 paid up)	449,242	927,122	449,242	810,975
1.48 NIBL Growth Fund (1,000,000 units of 10 each)	10,000,000	10,640,000	10,000,000	10,640,000
1.49 Mega Mutual Fund 1 (250,000 Units of Rs 10 Paid up)	2,500,000	1,930,000	2,500,000	1,997,500
1.50 Prabhu Insurance Ltd. (9,127 ordinary shares of Rs 100 paid up)	2,512,312	7,538,902	2,512,312	6,817,869
1.51 Prabhu Smart Fund (2,000,000 Units of Rs 10 Paid up)	20,000,000	19,220,000	20,000,000	19,800,000
1.52 Rastriya Beema Company Limited (1 ordinary shares of Rs 100 paid up)	622	13,490	622	16,099
1.53 RBB Mutual Fund-2 (2,000,000 Units of Rs 10 Paid up)	20,000,000	19,000,000	20,000,000	20,000,000
1.54 Ridi Hydropower Development Company Ltd. (11 ordinary shares of Rs 100 paid up)	600	3,239	-	2,673
1.55 Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd- Promoter (22457 Ordinary share)	4,129,137	9,585,770	4,129,137	5,684,438
1.56 RBB Mutual Fund-1 (250,000 Units of Rs 10 paid up)	2,500,000	2,040,000	2,500,000	2,020,000
1.57 Samata Microfinance Bittiya Sanstha Ltd. (154,876 Promoter shares of Rs 100 paid up)	13,588,698	49,891,710	13,588,698	65,645,090
1.58 Sanima Mai Hydropower Ltd. (12,049 ordinary shares of Rs 100 paid up)	2,913,981	4,499,733	2,913,981	4,277,395
1.59 Sana Kisan Laghubitta Bittiya Sanstha Ltd (1,420 ordinary shares of Rs 100 paid up)	174,362	1,212,254	174,362	1,107,599
1.60 Sanima Large Cap Fund (250,000 units Rs 10 each)	2,500,000	2,322,500	2,500,000	2,230,000
1.61 Sanima Growth Fund (2,000,000 units Rs 10 each)	20,000,000	20,280,000	20,000,000	19,980,000
1.63 Siddhartha Premier Insurance Ltd. (7,148 ordinary shares of Rs 100 paid up)	4,157,155	6,146,565	6,549,776	8,767,467
1.64 Soaltee Hotel Limited (4,831 ordinary shares of Rs 10 Paid up)	488,294	1,137,266	962,744	2,343,035
1.65 Sunrise Bluechip Fund (250,000 units Rs 10 each)	2,500,000	2,067,500	2,500,000	1,962,500
1.66 Surya Jyoti Life Insurance Company Limited (3,340 ordinary shares of Rs 100 paid up)	423,302	1,435,866	1,248,802	4,614,040
1.67 Swabalamban Laghubitta Bittiya Sanstha Limited (3177 ordinary shares of Rs 100 paid up)	3,624,109	3,355,800	3,624,109	2,861,206
1.68 Swarojgar Laghu Bitta Bikas Bank Ltd. (2 ordinary shares of Rs 100 paid up)	-	3,404	-	1,410
1.69 Siddhartha Growth Scheme-2 (2,000,000 units of NPR 10 paid up)	20,000,000	18,980,000	20,000,000	18,060,000
1.70 Sagarmatha Lumbini Insurance Company Limited (260759 ordinary shares of Rs 100 paid up)	20,906,015	190,822,233	20,906,015	195,047,732

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Cost	Fair Value
1.71 Sagarmatha Lumbini Insurance Company Limited (845,494 promoter shares of Rs 100 paid up)	56,550,540	307,337,069	56,550,540	316,214,756
1.72 Siddhartha Investment Growth Scheme-3 (500,000 Units of Rs 10 paid up)	5,000,000	4,725,000	5,000,000	5,000,000
1.73 Sunrise Focused Equity Fund (2,000,000 Units of Rs 10 paid up)	20,000,000	16,480,000	20,000,000	19,360,000
1.74 Shubha Laxmi Kosh (1,290,695 Units of Rs 10 paid up)	13,000,000	13,900,785	13,000,000	12,906,950
1.75 Investment Through-PMS	20,191,121	19,954,416	20,191,121	19,220,317
1.76 United Ajod Insurance Co. (Nepal) Ltd. (5,447 ordinary shares of Rs 100 paid up)	1,384,684	3,260,030	2,401,524	856,800
1.77 Sanima GIC Company Ltd (9500 ordinary shares of Rs 100 paid up)	950,000	5,481,500	950,000	2,078,125
1.78 Kalika power Company Ltd (16334 ordinary shares of Rs 100 paid up)	6,874,195	7,595,310	-	-
1.79 Nepal Hydro Developers Limited (36,133 ordinary shares of Rs 100 paid up)	17,146,090	19,295,022	-	-
1.80 Bindhyabasini Hydropower Development Company Limited (15,418 ordinary shares of Rs 100 paid up)	7,743,252	8,942,440	-	-
1.81 Invest-Citizen Super 30 Mutual Fund (500000 Units of Rs 10 paid up)	5,000,000	5,000,000	-	-
1.82 Invest-Laxmi Value Fund-II (Lvf2) (1000000 Units of Rs 10 paid up)	10,000,000	9,240,000	-	-
1.83 Invest-Himalayan Mutual Fund Scheme (Himalayan 80-20) (1000000 Units of Rs 10 paid up)	10,000,000	9,990,000	-	-
1.84 Invest-Nic Asia Growth Fund-2 (500000 Units of Rs 10 paid up)	5,000,000	4,100,000	-	-
Sub Total	688,318,761	1,510,601,996	657,209,974	1,457,687,231
Investment in Unquoted Equity				
1.85 Karja Suchana Kendra (8,723 ordinary shares of NPR 100 paid up)	54,000	2,552,368	54,000	2,552,368
1.86 Nepal Clearing House Ltd. (163,184 ordinary shares of NPR 100 paid up)	3,381,500	38,829,633	2,381,500	27,777,695
1.87 Nepal Electronic Payment System (NEPS) Promoter (10,000 promoter shares of NPR 100 paid up)	-	-	1,000,000	1,000,000
1.88 Nepal Stock Exchange (430 ordinary shares of NPR 100 paid up)	14,300	143,200	14,300	43,000
Sub Total	3,449,800	41,525,201	3,449,800	31,373,063
Total	691,768,561	1,552,127,197	660,659,774	1,489,060,294

4.9 Current tax assets

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Current tax assets	351,946,378	345,012,871
Current year income tax assets	217,042,575	172,650,992
Tax assets of prior periods	134,903,804	172,361,879
Current tax liabilities	288,774,732	210,109,067
Current year income tax liabilities	288,774,732	210,109,067
Tax liabilities of prior periods	-	-
Total	63,171,646	134,903,804

4.10 Investment in subsidiaries

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

4.10.1 Investment in quoted subsidiaries

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Fair Value	Cost
	-		-	
Total	-		-	

4.10.2 Investment in unquoted subsidiaries

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Fair Value	Cost
	-		-	
Total	-		-	

4.10.3 Information relating to subsidiaries of the Bank

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
	-	-
Total	-	-

4.10.4 Non controlling interest of the subsidiaries

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Equity interest held by NCI (%)	-	-
Profit/(loss) allocated during the year	-	-
Accumulated balances of NCI as on Ashad end	-	-
Dividend paid to NCI	-	-

4.11 Investment in associates

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Investment in quoted associates	563,392,871	517,986,465
Investment in unquoted associates	89,601,000	77,520,976
Total investment	652,993,871	595,507,441
Less: Impairment allowances	-	-
Net carrying amount	652,993,871	595,507,441

4.11.1 Investment in quoted associates

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Fair Value	Cost
Nadep Laghubitta Bittiya Sanstha Ltd. 485760 Promoter shares of Rs. 100 each	32,000,000	211,305,600	32,000,000	48,576,000
"Deprosc Laghu Bitta Bittiya Sanstha Limited. 1,437,889 Promoter shares of Rs. 100 each 5,41,707 ordinary shares of Rs. 100 each"	46,485,168	1,166,228,577	46,485,168	1,080,121,142
Total	78,485,168	1,377,534,177	78,485,168	1,128,697,142

4.11.2 Investment in unquoted associates

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Cost	Fair Value	Fair Value	Cost
"Muktinath Capital Ltd. (800,000 shares of Rs. 100 each)"	80,000,000	89,601,000	80,000,000	80,000,000
Total	80,000,000	89,601,000	80,000,000	80,000,000

4.11.3 Information relating to associates of the Bank

Particulars	Bank	
	Percentage of ownership held by the Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Nadep Laghubitta Bittiya Sanstha Ltd.	10.00%	10.00%
Deprosc Laghu Bitta Bittiya Sanstha limited	12.76%	12.76%
Muktinath Capital Limited (former: Vibor Capital Ltd.)	19.75%	19.75%

4.11.4 Equity value of associates

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Nadep Laghubitta Bittiya Sanstha Ltd.	91,292,548	86,684,185
Deprosc Laghu Bitta Bikas Bank.	472,100,324	431,302,280
Muktinath Capital Limited.	89,601,000	77,520,976
Total	652,993,871	595,507,441

4.12 Investment properties

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Investment properties measured at fair value		
Balance as on Shrawan 1	-	-
Addition/disposal during the year	-	-
Acquisition through business combination	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net amount	-	-
Investment properties measured at cost		
Balance as on Shrawan 1	169,415,553	71,775,574
Addition/disposal during the year	35,196,792	98,287,902
Adjustment/transfer	-	-
Accumulated depreciation	(647,923)	(647,923)
Accumulated impairment loss	-	-
Net amount	203,964,421	169,415,553
Total	203,964,421	169,415,553

Notes to the consolidated financial statement for the year ended 31st Ashad 2081

4.13 Property and Equipment

Particulars	Bank								
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fvixture	Machinery	Equipment & Others	Total
Cost									
Balance as on Ashad end 2079	49,694,582	143,630,166	155,194,916	49,937,529	69,074,773	56,150,405	24,878,963	563,758,595	1,112,319,929
Addition during the Year									
Acquisition	-	-	9,318,066	13,684,620	3,447,298	5,624,541	6,921,250	79,153,524	118,149,299
Capitalization									
Disposal during the year	-	-	(220,484)	(21,788)	(3,147,252)	(153,657)	-	(1,165,952)	(4,709,133)
Adjustment/Revaluation									
Balance as on Ashad end 2080	49,694,582	143,630,166	164,292,497	63,600,361	69,374,819	61,621,289	31,800,213	641,746,168	1,225,760,095
Addition during the Year									
Acquisition	-	-	5,323,804	4,530,606	5,725,900	2,958,061	-	18,412,807	36,951,178
Capitalization									
Disposal during the year	-	-	(151,875)	(1,099,380)	(4,651,114)	(118,216)	(1,850,153)	(2,258,018)	(10,128,756)
Adjustment/Revaluation	-	-							
Balance as on Ashad end 2081	49,694,582	143,630,166	169,464,425	67,031,587	70,449,605	64,461,134	29,950,060	657,900,956	1,252,582,515
Depreciation and Impairment									
As on Ashad end 2079	-	15,415,767	89,970,809	33,142,232	50,166,348	36,445,938	20,886,765	112,926,880	358,954,739
Depreciation charge for the Year	-	2,895,698	11,121,109	7,296,428	6,462,615	6,935,224	1,474,466	67,875,831	104,061,370
Impairment for the year									
Disposals	-	-	(220,477)	(21,781)	(3,147,248)	(148,645)	-	(1,132,757)	(4,670,908)
Adjustment									
As on Ashad end 2080	-	18,311,465	100,871,440	40,416,879	53,481,715	43,232,517	22,361,232	179,669,954	458,345,201
Depreciation charge for the Year	-	2,895,698	11,925,505	7,753,770	5,499,268	6,622,270	1,939,195	70,392,705	107,028,411
Impairment for the year	-	-							
Disposals	-	-	(151,869)	(1,099,313)	(4,651,107)	(118,180)	(1,850,147)	(2,225,806)	(10,096,422)
Adjustment	-	-							
As on Ashad end 2081	-	21,207,163	112,645,076	47,071,336	54,329,876	49,736,606	22,450,280	247,836,853	555,277,190
Capital Work in Progress	-	-	-	-	-	-	-	-	-
Net Book Value									
As on Ashad end 2079	49,694,582	128,214,399	65,224,107	16,795,297	18,908,425	19,704,468	3,992,198	450,831,715	753,365,190
As on Ashad end 2080	49,694,582	125,318,701	63,421,057	23,183,482	15,893,104	18,388,772	9,438,982	462,076,214	767,414,893
As on Ashad end 2081	49,694,582	122,423,003	56,819,348	19,960,251	16,119,729	14,724,528	7,499,780	410,064,104	697,305,325

Right-of-use (ROU) Assets are presented under Equipment & Others Assets.

Notes to the consolidated financial statement for the year ended 31st Ashad 2081

4.14 Goodwill and Intangible Assets

Figures in NPR

Particulars	Bank				
	Goodwill	Software		Other	Total
		Purchased	Developed		
Cost					
Balance as on Ashad end 2079	-	10,500,811	-	-	10,500,811
Addition during the Year	-	-	-	-	
Acquisition	-	2,222,100	-	-	2,222,100
Acquisition through business combination	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-		-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Ashad end 2080	-	12,722,911	-	-	12,722,911
Addition during the Year	-	-	-	-	
Acquisition	-	3,509,102	-	-	3,509,102
Acquisition through business combination			-	-	-
Capitalization			-	-	-
Disposal during the year			-	-	-
Adjustment/Revaluation			-	-	-
Balance as on Ashad end 2081	-	16,232,013	-	-	16,232,013
Amortization and Impairment					
As on Ashad end 2079	-	6,900,794	-	-	6,900,794
Amortization charge for the Year	-	1,647,365	-	-	1,647,365
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Ashad end 2080	-	8,548,159	-	-	8,548,159
Amortization charge for the Year	-	1,616,849	-	-	1,616,849
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Ashad end 2081	-	10,165,008	-	-	10,165,008
Capital Work in Progress					
Net Book Value					
As on Ashad end 2079	-	3,600,017	-	-	3,600,017
As on Ashad end 2080	-	4,174,752	-	-	4,174,752
As on Ashad end 2081		6,067,004	-	-	6,067,004

Notes to the consolidated financial statement for the year ended 31st Ashad 2081

4.15 Deferred Tax Assets

Particulars	Bank		
	As at 31st Ashadh 2081		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	-	258,107,591	(258,107,591)
Property & equipment	-	127,913,121	(127,913,121)
Employees' defined benefit plan	29,671,375	-	29,671,375
Lease liabilities	122,947,991	-	122,947,991
Provisions	12,456,688	-	12,456,688
Other temporary differences	-	-	-
Deferred tax on temporary differences	165,076,054	386,020,712	(220,944,658)
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on year end of 2081			(220,944,658)
Deferred tax (asset)/liabilities as on Shrawan 1, 2080			208,786,769
Origination/(Reversal) during the year			12,157,889
Deferred tax expense/(income) recognised in profit or loss			(2,979,819)
Deferred tax expense/(income) recognised in other comprehensive income			(9,178,070)
Deferred tax expense/(income) recognised in directly in equity			

Particulars	Bank		
	As at 31st Ashad 2080		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	-	248,520,156	(248,520,156)
Property & equipment	-	132,956,321	(132,956,321)
Employees' defined benefit plan	26,410,049	1,177,619	25,232,431
Lease liabilities	-	-	-
Provisions	10,583,566	-	10,583,566
Other temporary differences	136,873,711	-	136,873,711
Deferred tax on temporary differences	173,867,326	382,654,095	(208,786,769)
Deferred tax on carry forward of unused tax losses	16,412,535	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on year end of 2080			(208,786,769)
Deferred tax (asset)/liabilities as on Shrawan 1, 2079			(70,557,769)
Origination/(Reversal) during the year			138,229,000
Deferred tax expense/(income) recognised in profit or loss			(114,818)
Deferred tax expense/(income) recognised in other comprehensive income			138,114,182
Deferred tax expense/(income) recognised in directly in equity			-

Notes to the consolidated financial statement for the year ended 31st Ashadh 2081

4.16 Other assets

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	87,520,437	39,157,107
Accrued income	-	-
Prepayments and deposit	25,268,750	12,673,237
Income tax deposit	156,702,033	154,114,496
Deferred employee expenditure	2,660,579	3,485,567
Other	13,877,368	11,127,878
a. Stock	13,817,990	11,068,501
b. Gold coins	24,161	24,161
c. Cash in transit	35,217	35,217
Total	286,029,167	220,558,285

Account receivable includes visa, remittance and other sundry receivable balance of various period. It includes gross receivable amount of Rs 741,542,165 on which impairment allownces of Rs 652,452,821 has been created from past fiscal year due to doubt on recoverability of some sundry Balances. Net of imapirment allownces has been presented in above schedule.

Notes to the consolidated financial statement for the year ended 31st Ashadh 2081

4.17 Due to Bank and Financial Institutions

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFIs	638,377,542	963,569,866
Settlement and clearing accounts	-	-
Total	638,377,542	963,569,866

4.18 Due to Nepal Rastra Bank

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of last resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	1,042,300,000	488,675,000
Total	1,042,300,000	488,675,000

4.19 Derivative financial instruments

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
Total	-	-

4.20 Deposits from customers

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Institutions customers:	15,902,958,385	12,517,024,618
Term deposits	10,838,205,015	8,658,608,330
Call deposits	4,266,075,267	3,184,431,220
Current deposits	757,618,598	645,670,985
Other	41,059,505	28,314,083
Individual customers:	42,650,155,093	36,615,035,049
Term deposits	30,180,301,691	27,190,728,503
Saving deposits	12,102,246,776	9,051,925,975
Current deposits	331,457,374	371,396,382
Other	36,149,252	984,190
Total	58,553,113,478	49,132,059,667

Statement of Deposits (Monthly)

At the month end of Ashadh, 2081

Figures in NPR "000"

Particulars	Current	Saving	Fixed	Money at Call	Certificate of Deposit	Margin	Others	Total (1 to 7)
(A) Local Currency Deposits	1	2	3	4	5	6	7	8
1. Foreign Entities or Individuals	10.94	0.00	0.00	0.00	0.00	0.00	0.00	10.94
1.1 Foreign Diplomatic and Grant Commissions								0.00
1.2 Projects Undertaken by Foreign Government								0.00
1.3 International Organizations (Including UNO)								0.00
1.4 Other International Non-gov. Organizations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4.1 Residential								0.00
1.4.2 Non-residential								0.00
1.5 Foreign Banks								0.00
1.6 Other Financial Institutions	10.94							10.94
1.7 Foreign Airlines								0.00
1.8 Foreign Country's Pension Camp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.8.1 Government of India								0.00
1.8.2 British Government								0.00
1.9 Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.9.1 Residential								0.00
1.9.2 Non-residential								0.00
1.10 Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.10.1 Residential								0.00
1.10.2 Non-Residential								0.00
2. Municipality/V.D.C./D.D.C.	3,874.31	0.00	0.00	0.10				3874.41
3. Financial Institutions	172595.26	1842.65	7588174.34	4250383.44	0.00	325.00	0.00	12013320.69
3.1 Deposit Accepting Financial Institutions	91062.00	1604.74	1862654.64	3896768.48	0.00	0.00	0.00	5852089.87
3.1.1 "A" Class licensed institution (Including ADB/N Branches performing commercial banking transactions)	6.81	0.00	0.00	0.00				6.81
3.1.2 "B" Class licensed institutions	132.95	0.00	0.00	23102.75				23235.70
3.1.3 "C" Class licensed institutions	75.00	0.00	0.00	270,578.54				270653.54
3.1.4 "D" Class licensed institutions	11,578.34	0.00	17,300.00	373,893.79				402772.13
3.1.5 Cooperatives (having license to limited banking)	68,954.39	33.60	1,800,629.86	3,223,328.25				5092946.10
3.1.6 NGOs (having a license of limited banking transactions)	10,314.51	1,571.14	44,724.79	5,865.16				62475.60
3.1.7 Postal Saving Banks (Saving Deposits Only)	0.00	0.00	0.00	0.00				0.00
3.1.8 Nepal Infrastructure Bank Limited								0.00
3.2 Other financial Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.2.1 Nepal Industrial Development Corporation								0.00
3.2.2 Agriculture Development Bank (Excluding commercial banking branches)								0.00
3.3 Financial Institutions not accepting deposits	73699.13	0.00	5412019.70	346149.37	0.00	0.00	0.00	5831868.20
3.3.1 Insurance companies	68,616.96	0.00	4,988,319.70	119,525.35				5176462.01
3.3.2 Employees Provident Fund	0.00	0.00	0.00	0.00				0.00
3.3.3 Citizen Investment Trust	0.00	0.00	0.00	0.00				0.00
3.3.4 Merchant Banking	5,082.17	0.00	423,700.00	226,624.02				655406.19
3.4 Other Intermediary Financial Units	7834.13	237.91	313500.00	7465.59	0.00	325.00	0.00	329362.62
3.4.1 Rural Self-help Fund (Grameen Swabhlamban Kosh)	3.81	0.00	0.00	0.00	0.00	0.00		3.81
3.4.2 Money-Changers	9746	0.00	1,000.00	93.29	0.00	310.00		1500.75
3.4.3 Stock Brokers	6,948.27	213.89	312,500.00	5,818.39	0.00	0.00		325480.55
3.4.4 Stock Exchange	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3.4.5 Money Transfer	784.59	24.01	0.00	1,553.91	0.00	15.00		2377.51
3.4.6 Others-Other Subsidiary Financial Units	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3.4.7	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4. Non-financial Institutions	478793.67	10975.92	3648971.45	366760.71	0.00	19582.31	0.00	4525084.05
4.1 Governmental Institutions and Companies	13.79	0.00	1637300.00	0.00	0.00	0.00	0.00	1637313.79
4.1.1 Industrial								0.00
4.1.2 Trading	0.00	0.00	0.00					0.00
4.1.3 Other	13.79	0.00	1,637,300.00					1637313.79
4.2 Non-governmental Institution and Companies	478779.88	10975.92	2011671.45	366760.71	0.00	19582.31	0.00	2887770.26
4.2.1 Industrial	12,561.06	2.18	7,950.00	5,533.23	0.00	200.00		26246.47
4.2.2 Trading	189,921.99	7,859.46	480,064.61	101,880.27	0.00	9,984.81		789711.14
4.2.3 Others	276,296.82	3,114.28	1,523,656.84	259,347.21	0.00	9,397.50		2071812.65

Particulars	Current	Saving	Fixed	Money at Call	Certificate of Deposit	Margin	Others	"Total (1 to 7)"
5. Non-profit Organizations	34491.84	199.91	162116.71	42098.22	0.00	0.00	0.00	238906.68
5.1 Schools, Campuses	10,340.95	74.39	129,165.71	29,886.26				169467.31
5.2 Hospitals, Nourishing Homes	4,973.78	0.00	25,000.00	4,053.25				34027.03
5.3 Others	19177.11	125.52	7951.00	8158.71	0.00	0.00	0.00	35412.34
5.3.1 Residential	18,948.22	125.52	7,951.00	8,158.71				35183.46
5.3.2 Non-residential	228.88	0.00	0.00	0.00				228.88
6. Individuals	331457.37	12102239.50	30180301.69	15531.95	0.00	665.00	0.00	42630195.51
6.1 Residential	331,457.37	12,102,239.50	30,180,301.69	15,531.95	0.00	665.00		42630195.51
6.2 Non-residential								0.00
7. Others	67845.23	28041.03	481242.51	245210.34	0.00	45.00	0.00	822384.10
7.1 Residential	67,826.14	28,041.03	481,242.51	245,210.34	0.00	45.00		822365.01
7.2 Non-residential	19.09	0.00	0.00	0.00	0.00	0.00		19.09
8. Cashiers' Deposits	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Total Deposits in Local Currency (1to8)	1089068.62	12143299.00	42060806.71	4919984.76	0.00	20617.31	0.00	60233776.39
(B) Foreign Currency Deposits								
1. Foreign Entities or Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.1 Foreign Diplomatic and Grant Commissions								0.00
1.2 Projects Undertaken by Foreign Government								0.00
1.3 International Organizations (Including UNO)								0.00
1.4 Other International Non-gov. Organizations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.4.1 Residential								0.00
1.4.2 Non-residential								0.00
1.5 Foreign Banks								0.00
1.6 Other Financial Institutions								0.00
1.7 Foreign Airlines								0.00
1.8 Foreign Country's Pension Camp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.8.1 Government of India								0.00
1.8.2 British Government								0.00
1.9 Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.9.1 Residential								0.00
1.9.2 Non-residential								0.00
1.10 Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.10.1 Residential								0.00
1.10.2 Non-Residential								0.00
2. Domestic Institutions and Companies	7.35	0.00	0.00	0.00	0.00	0.00	0.00	7.35
2.1 "A" Class licensed institutions								0.00
2.2 Residential	7.35							7.35
2.3 Non-Residential								0.00
3. Individuals	0.00	7.28	0.00	0.00	0.00	0.00	0.00	7.28
3.1 Residential		7.28						7.28
3.2 Non-Residential								0.00
Total Deposit of foreign Currencies (1to3)	7.35	7.28	0.00	0.00	0.00	0.00	0.00	14.63
Gross Total (A)+(B)	1089075.97	12143306.28	42060806.71	4919984.76	0.00	20617.31	0.00	60233791.02
Total Number of Accounts	43236	365791	24059	4528	0	299		437913

4.20.1 Currency wise analysis of deposit from customers

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Nepalese rupee	58,553,098,844	49,131,492,682
Indian rupee	-	-
United State dollar	14,634	566,985
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
Total	58,553,113,478	49,132,059,667

4.21 Borrowing

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Domestic Borrowing	-	-
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing	-	-
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub total	-	-
Total	-	-

4.22 Provisions

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1 Movement in provision

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Balance as at Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance as at Ashad End	-	-

4.23 Other liabilities

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Liability for employees defined benefit obligations	67,362,890	51,380,312
Liability for long-service leave	23,373,369	15,370,393
Short-term employee benefits	-	-
Bills payable	2,115,205	2,262,219
Creditors and accruals	81,494,502	115,396,069
Interest payable on deposit	3,956,581	4,599,025
Interest payable on borrowing	-	-
Unpaid Dividend	106,129,326	86,668,621
Liabilities under Finance Lease	409,826,635	456,245,704
Employee bonus payable	105,750,827	78,657,035
TDS Payable	42,181,827	40,206,474
Other	50,871,629	21,983,185
a. Provision for general expense	4,389,902	3,893,705
c. Auction and bidding proceed	22,171,749	15,809,550
d. ATM and VISA payable	3,815,186	1,567,769
e. ASBA payable	580.00	90,085
f. Remit Payble	7,216,880	72,050
g. Other	13,277,332	550,025
Total	893,062,791	872,769,038

4.23.1 Defined benefit obligations

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
The amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	99,635,769	84,108,102.00
Total present value of obligations	99,635,769	84,108,102.00
Fair value of plan assets	32,272,879	32,727,790.17
Present value of net obligations	67,362,890	51,380,311.83
Recognised liability for defined benefit obligations	67,362,890	51,380,311.83

4.23.2 Plan assets

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Plan assets comprise:		
Equity securities	-	-
Government bonds	-	-
Bank deposit	32,272,879	32,727,790
Other	-	-
Total	32,272,879	32,727,790
Actual return on plan assets	3,111,863	1,026,475

4.23.3 Movement in the present value of defined benefit obligations

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Defined Benefit Obligation as at Shrawan 1	84,108,102	76,383,857
Actuarial losses/(gain)	1,303,665	(3,562,004)
Benefits paid by the plan	(3,566,774)	(3,979,858)
Current service costs and interest	17,790,776	15,266,107
Defined Benefit Obligation as at Ashad End	99,635,769	84,108,102

4.23.4 Movement in the fair value of plan assets

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Fair Value of Plan Asset as at Shrawan 1	32,727,790	33,358,695
Contributions paid into the plan	-	-
Benefits paid during the year	(3,566,774)	(3,979,858)
Actuarial (losses) gains	(60,886)	525,764
Expected return on plan assets	3,172,749	2,823,189
Fair Value of Plan Asset as at Ashad End	32,272,879	32,727,790

4.23.5 Amount recognised in profit or loss

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Current service costs	12,845,387	11,919,606
Interest on obligation	7,326,065	6,695,454
Expected return on plan assets	(3,172,749)	(2,823,189)
Total	16,998,703	15,791,871

4.23.6 Amount recognised in other comprehensive income

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Actuarial (gain)/loss	1,364,551	(4,087,768)
Total	1,364,551	(4,087,768)

4.23.7 Actuarial assumptions

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Discount rate	9%	9%
Expected return on plan asset	9%	9%
Future salary increase	5%	5%
Withdrawal rate	5%	5%
Expected Average Remaining Working Lives of Employee (year)	11.30	13.12

4.24 Debt securities issued

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortized cost	1,052,390,630	1,008,536,543
Total	1,052,390,630	1,008,536,543

4.25 Subordinated Liabilities

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

4.26 Share capital

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Ordinary shares	3,518,134,138	3,382,821,286
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	3,518,134,138	3,382,821,286

4.26.1 Ordinary shares

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Authorized Capital	5,000,000,000	5,000,000,000
50,000,000 Ordinary share of Rs. 100 each	5,000,000,000	5,000,000,000
Issued capital	3,518,134,138	3,382,821,286
35181341 Ordinary share of Rs. 100 each	3,518,134,138	3,382,821,286
Subscribed and paid up capital	3,518,134,138	3,382,821,286
35181341 Ordinary share of Rs. 100 each	3,518,134,138	3,382,821,286
Total	3,518,134,138	3,382,821,286

Reconciliation of the number of shares outstanding at the beginning and end of the year

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Balance as at the beginning of the year	3,382,821,286	3,284,292,511
Add: Issue of bonus share during the year	135,312,852	98,528,775
Add: Issue of right share during the year	-	-
Balance as at the end of the year	3,518,134,138	3,382,821,286

4.26.2 Ordinary share ownership

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Percent	Amount	Percent	Amount
Domestic ownership				
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed institutions	-	-	-	-
Other Institutions	14.95	526,042,347	13.36	451,944,924
Public	85.05	2,992,091,791	86.64	2,930,876,362
Other	-	-	-	-
Foreign ownership	-	-	-	-
Total	100.00	3,518,134,138	100	3,382,821,286

Particulars	Bank			
	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Percent	Amount	Percent	Amount
Share Ownership				
Promoter	51.01	1,794,499,747	51.01	1,725,480,526
Public	48.99	1,723,634,391	48.99	1,657,340,760
Total	100	3,518,134,138	100	3,382,821,286

Notes to the consolidated financial statement for the year ended 31st Ashad 2081

Shareholder holding more than 0.5%

BOID/SH NO.	Name of Shareholder	Number of Shares Hold	Holding %	Type
1301120000929415	Syakar Company Pvt. Ltd	2,157,787.00	6.13%	Promotor institution
1301250000229824	CHINTAMANI BHATTRAJ	1,349,096.00	3.83%	Promotor
1301010000339699	SHANTI SHRESTHA	615,419.00	1.75%	Promotor
1301300000001774	RMC INVESTMENT PVT. LTD	600,248.00	1.71%	Promotor institution
1301520000022838/29	MANA PRASAD WAGLEY	560,459.33	1.59%	Promotor
1301060001038807	MINGMA DORJE SHERPA	552,984.00	1.57%	Promotor
1301460000001638/1301110000029986	KANCHHA GURUNG	528,202.00	1.50%	Promotor
1301250000082813	SUSHIL RAJ PARAJULI	452,677.00	1.29%	Promotor
1301580000020869	PUSHPA JYOTI DHUNGANA	368,359.00	1.05%	Promotor
1301100000334400/11	SUDHIR PRASAD SHARMA	337,005.52	0.96%	Promotor
1301090000774721	GAU MATA INVESTMENT COMPANY PVT. LTD	314,401.00	0.89%	Promotor institution
1301250000086573	RAMJI PRASAD BASTOLA	299,376.00	0.85%	Promotor
1301280000076813	SHYAM KUMAR CHHETRI	234,945.00	0.67%	Promotor
1301250000705626/1301010000146909	VIJAY KUMAR SARAWAGI	232,287.00	0.66%	Promotor
13014900000067741	AJAY KUMAR SARAWAGI	230,604.00	0.66%	Promotor
13010800000050941	BASU SHREE SHRESTHA KARMACHARYA	224,267.00	0.64%	Promotor
1301370000530001	Deepak Sherchan	224,214.00	0.64%	Promotor
1301100000339694	MANKAJI MAKAJU	205,952.00	0.59%	Promotor
42617	SHYAMUKAPU INTERNATIONAL	191,436.34	0.54%	Promotor institution
1301250000017272	Shanker Ghimire	187,359.00	0.53%	Promotor
1301310000002141	BINOD BAHADUR SHRESTHA	178,955.00	0.51%	Promotor

4.27 Reserves

Figures in NPR

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Statutory general reserve	1,142,791,858	1,034,058,334
Exchange equalization reserve	1,229,664	1,191,977
Corporate social responsibility reserve	12,923,955	10,899,727
Capital redemption reserve	125,000,000	-
Regulatory reserve	425,770,788	418,533,420
Investment adjustment reserve	40,000,000	40,000,000
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	602,251,045	579,880,364
Dividend equalization reserve	-	-
Actuarial gain/(loss)	1,792,591	2,747,777
Special reserve	-	-
Other reserve	505,877,428	446,072,011
Total	2,857,637,329	2,533,383,609

Notes to the consolidated financial statement for the year ended 31st Ashadh 2081

4.28 Contingent liabilities and commitments

Figures in NPR

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Contingent liabilities	122,331,869	163,369,435
Undrawn and undisbursed facilities	1,863,012,683	1,630,383,515
Capital commitment	-	-
Lease Commitment	-	-
Litigation	311,908,524	296,782,531
Total	2,297,253,075	2,090,535,480

4.28.1 Contingent liabilities

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	122,331,869	163,369,435
Underwriting commitment	-	-
Other commitments	-	-
Total	122,331,869	163,369,435

4.28.2 Undrawn and undisbursed facilities

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Undisbursed amount of loans	549,340,551	281,770,255
Undrawn limits of overdrafts	1,313,672,132	1,348,613,259
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	1,863,012,683	1,630,383,515

4.28.3 Capital commitments

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

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Capital commitments in relation to Property and Equipment		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub Total	-	-
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub Total	-	-
Total	-	-

4.28.4 Lease commitments

Particulars	Bank	
	As at 31st Ashad 2081	As at 31st Ashad 2080
Operating lease commitments		-
Future minimum lease payments under non cancellable operating lease, where the bank is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub Total	-	-
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the Bank is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub Total	-	-
Grand Total	-	-

4.28.5 Litigation

The bank's litigations are generally related to its ordinary course of business pending on various jurisdiction. Litigations are mainly in the nature of income tax from the amended assessment of the development bank including merged entities in previous fiscal year.

4.29 Interest income

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Cash and cash equivalent	52,284,037	74,598,932
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	4,828,425	156,164
Loan and advances to bank and financial institutions	213,940,921	270,323,665
Loans and advances to customers	6,086,195,709	5,958,537,699
Investment securities	528,411,553	458,490,788
Loan and advances to staff	9,603,441	10,344,549
Other	-	-
Total interest income	6,895,264,085	6,772,451,797

4.30 Interest expense

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Due to bank and financial institutions	1,305,753	16,091,740
Due to Nepal Rastra Bank	-	156,224,315
Deposits from customers	4,993,101,117	4,707,570,874
Borrowing	-	-
Debt securities issued	109,588,984	10,330,753
Subordinated liabilities	-	-
Other	36,440,681	38,441,887
Total interest expense	5,140,436,535	4,928,659,569

4.31 Fees and Commission Income

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Loan administration fees	-	-
Service fees	177,442,753	146,717,205
Consortium fees	1,690,901	243,687
Commitment fees	562,758	522,046
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	3,988,241	3,934,064
Prepayment and swap fees	13,620,596	4,765,772
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	2,473,302	2,897,412
Commission on letter of credit	-	-
Commission on guarantee contracts issued	4,152,787	3,832,760
Commission on share underwriting/issue	-	-
Locker rental	1,157,800	951,301
Other fees and commission income	3,066,339	1,817,697
Total fees and Commission Income	208,155,475	165,681,944

4.32 Fees and commission expense

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
ATM management fees	11,144,811	11,094,310
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	171,139	222,037
Total fees and Commission Expense	11,315,950	11,316,347

4.33 Net trading income

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange translation	27,388	21,151
Other	-	-
Net trading income	27,388	21,151

4.34 Other operating income

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Foreign exchange revaluation gain	150,747	616,505
Gain/loss on sale of investment securities	19,236,511	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	15,939,828	33,705,896
Gain/loss on sale of property and equipment	2,406,403	1,482,093
Gain/loss on sale of investment property	37,096,260	50,000
Operating lease income	6,932,509	6,553,896
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	3,429,380	6,756,217
a. Income from Insurance Claims	-	-
b. Others	3,429,177	6,756,217
Total	85,191,636	49,164,606

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

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Impairment charge/(reversal) on loan and advances to B/FIs	(2,318,111)	(2,161,788)
Impairment charge/(reversal) on loan and advances to customer	238,148,278	547,896,315
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Total	235,830,167	545,734,527

4.36 Personnel Expenses

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Salary	186,716,746	176,793,490
Allowances	145,826,909	139,615,680
Gratuity expense	16,998,703	15,791,871
Provident fund	17,723,878	16,584,691
Uniform	9,960,000	9,840,000
Training & development expense	7,173,288	5,146,768
Leave encashment	15,461,840	14,099,759
Medical	-	-
Insurance	3,365,430	2,728,482
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	998,765	3,464,282
Other expenses related to staff	190,000	135,000
Subtotal	404,415,560	384,200,023
Employees bonus	105,750,827	78,657,035
Grand total	510,166,387	462,857,058

4.37 Other operating expense

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Directors' fee	2,063,000	1,795,000
Directors' expense	3,301,687	1,453,606
Auditors' remuneration	1,186,500	2,700,000
Other audit related expense	-	475,000
Professional and legal expense	3,612,142	1,993,449
Office administration expense	190,368,200	196,445,424
Operating lease expense	-	-
Operating expense of investment properties	-	-
Corporate social responsibility expense	3,412,449	2,121,675
Onerous lease provisions	-	-
Others	4,005,921	1,117,673
Total	207,949,898	208,101,828

4.37.1 Office administration expense

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Water and electricity	18,204,667	18,111,122
Repair and maintenance		
(a) Building	32,277	105,403
(b) Vehicle	2,768,338	4,008,659
(c) Computer and accessories	1,551,672	1,359,982
(d) Office equipment and furniture	3,705,795	2,412,096
(e) Other	176,887	616,694
Insurance	4,512,978	5,167,182
Postage, telex, telephone, fax	3,350,612	3,655,000
Printing and stationery	9,800,478	11,120,669
Newspaper, books and journals	153,747	183,210
Advertisement	12,923,175	13,854,365
Security expense	50,080,306	60,772,904
Deposit and loan guarantee premium	16,797,647	14,370,255
Travel allowance and expense	4,691,746	2,265,132
Annual/special general meeting expense	1,497,483	2,119,658
Other	60,120,393	56,323,092
a. ECC and other Bank charges	869,542	785,411
b. Internship expenses	414,160	390,236
c. Connectivity expense	9,478,935	9,760,126
d. Fuel expenses	7,824,277	7,999,817
e. Refreshment and guest hospitality	8,399,571	7,642,346
f. Cleaning and sanitation	4,954,512	4,724,723
g. Annual maintenance contract expense	11,020,367	7,631,276
h. Registration and renewal expense	4,576,862	3,963,230
i. Asset written off expense	67	-
j. Vehicle, property and other expense	3,455,354	3,181,946
k. Office supplies and small accessories	2,734,928	3,867,721
l. RTS and related expense	461,620	512,000
m. Internet expense	611,515	452,344
n. Other office expense	5,318,682	5,411,917
o. Other writeoff expenses	-	-
p. Other	-	-
o. Other writeoff expenses	-	-
p. Other	-	-
Total	190,368,200	196,445,424

4.38 Depreciation & Amortization

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Depreciation on property and equipment	107,028,411	104,061,370
Depreciation on investment property	-	149,646
Amortization on intangible assets	1,616,849	1,647,365
Total	108,645,260	105,858,382

4.39 Non operating income

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Recovery of loan written off	1,710,000	1,450,000
Other income	-	-
Total	1,710,000	1,450,000

4.40 Non operating expense

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Loan written off	22,683,268	16,178,148
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	1,563,676	2,150,325
Total	24,246,944	18,328,473

4.41 Income tax expense

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Current tax expense	405,110,001	210,125,978
Current year	288,774,732	210,109,067
Adjustments for prior years	116,335,269	16,911
Deferred tax expense	2,979,819	114,818
Origination and reversal of temporary differences	2,979,819	114,818
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	408,089,821	210,240,796

4.41.1 Reconciliation of tax expense and accounting profit

Particulars	Year Ended 31st Ashad 2081	Year ended 31st Ashad 2080
Profit before tax	951,757,443	707,913,314
Tax amount at tax rate of 30%	285,527,233	212,373,994
Add: Tax effect of expenses that are not deductible for tax purpose	6,358,868	14,202,500
Less: Tax effect on exempt income	(3,111,369)	(9,081,330)
Add/less: Tax effect on other items	116,335,269	(7,369,186)
Total income tax expense	405,110,001	210,125,978
Effective tax rate	42.56%	33.00%

5. DISCLOSURE AND ADDITIONAL INFORMATION

5.1. Risk Management

Effective Risk Management is an essential part of the High-Level Control framework. The overall risk management system is reflected in the ongoing control environment, risk awareness and management style. Specific roles or responsibilities are assigned for leading and managing the internal control environment through the: Chairman, and the BOD, Risk Committee, Audit Committee, CEO and Senior Management, Risk Department, Compliance Department and Support Functions.

The broad categories of risk the development bank face are credit risk, market risk, liquidity risk, interest rate risk in the banking book and operational risk. Further, focus on digitization leads to cyber security and data risk as well as reputation risk. The entity is also exposed to Environmental, Social & Governance risks arising out of the nature of business operations of the borrowers (particularly large, corporate borrowers), the industry segment in which they operate and the deficits in their compliance to statutory/ regulatory norms.

Development Bank has implemented the Risk Management policy and guideline to streamline the overall risk management function of the Development Bank.

i. Board of Directors

The Board of Directors of the Bank takes responsibility for managing the comprehensive risks faced by the Bank. BOD approves the risk management policies and also sets limits by assessing the risk appetite, tolerance, skills available for managing risk and the risk bearing capacity. It supervises the implementation of the risk strategy. It guides the development of policies, procedures and systems for managing risk. It ensures that these are adequate and appropriate to changing business conditions, the structure and needs of the Bank and the risk appetite of the Bank. Sub-Committees of the Board of Directors have been constituted to oversee the various risk of management activities.

The BOD of the Development Bank has complied with all the code of conduct and corporate governance guidelines as per NRB Directives and applicable relevant policy and Acts.

ii. Risk Management Committee

Pursuant to the NRB directive on corporate governance, the Development Bank has established Risk Management Committee with well-defined terms of reference in line the NRB directive. Risk Management Committee (RMC), chaired by the one of the member of BOD periodically examines Credit Risk, Market Risk, Liquidity Risk, and Operation Risk of the Development Bank, oversee the sector portfolio/portfolio diversification and advise the management to review policy/process of the Development Bank. The Committee review the current risk profile and assess potential impact on the activities of the Development Bank or specific business, ensuring risks are identified, assessed, measured, mitigated, managed and monitored within acceptable parameters; where necessary, take appropriate remedial action.

iii. CEO and Senior Management

The CEO and Senior management have ensured that Development Bank have a strong risk management culture with well-written policies, manuals and guidelines. Senior management review and reinforce the risk management system.

iv. Risk Department

Risk Department has responsibility for high level Bank policy and procedures exposures including setting standards and reporting significant Risks and Corporate Governance issues to Senior management and BOD.

v. Internal Audit and Compliance Department

Audit Department reviews the implementation and adherence to the policy as part of its audit activities. It also works with the businesses and functions to prepare high-level risk maps to help identify and manage all aspects of risk, including Operational Risk and to help determine their Audit strategy.

Compliance Department of the Development Bank plays the vital roles on compliance of regulatory requirements. Internal policies, procedures and guidelines are closely monitored by the compliance of respective departments along with the compliance department.

5.1.1 Credit Risk

Credit Risk is the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. The Credit Risk Monitoring and Reporting Framework have been prepared in order to mitigate/minimize the credit risk of the Development Bank through appropriate monitoring and reporting framework established within the Development Bank.

Credit Policy established framework for making investment and lending decisions and reflect the Development Bank's tolerance for the credit risk. The Development Bank's Credit Policies are stated and defined in the Credit Policies Guidelines (CPG). The CPG states and defines the Development Bank's rules and policies related to the Development Bank's lending activities, reflecting the Development Bank's credit philosophy and culture. The CPG are updated at regular interval to reflect changes in the economic outlook and evolution of the Development Bank's loan portfolio.

The Development Bank measures, monitors and manages the credit risk for each borrower and also at the portfolio level. The credit review assessment of capital adequacy, at a minimum, covers risk rating systems, portfolio analysis/aggregation, large exposures and risk concentrations. The Development Bank has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

Credit Risk Management is ultimately the responsibility of the Board of Directors. Hence Overall strategy as well as significant policies has to be reviewed by the board regularly. Further, Senior Management is responsible for implementing the Development Bank's credit risk management strategies and policies and ensuring that procedures are put in place to manage and control credit risk and the quality of credit portfolio in accordance with these policies.

5.1.2 Market Risk

Market risk is defined as the risk of losses resulting from movements in market prices that adversely affect the value of on- and off-balance-sheet positions of financial institutions. It is the risk to a Development Bank resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates and equity and commodity prices.

Risks arising from the market are Foreign Exchange Risk, Interest Rate Risk and equity risk.

- Foreign Exchange Risk

Foreign exchange risk is the risk of losses arising from the movement of foreign currency exchange rates. Development Bank has defined the measurement systems that take into account all the sources of foreign exchange risk. It evaluates the effect of foreign exchange rate changes on profitability and economic value of assets and liabilities.

- Interest Rate Risk

Interest rate risk is the risk of negative effects on the financial result and capital of the bank caused by change in interest rate. Development Bank have interest rate risk measurement systems that assess the effects of rate changes on both earnings and economic values of Assets.

5.1.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and system or from external events.

Measuring the size and scope of a Development Bank's risk exposures is an integral part of risk management process. Development Bank has placed a process for regular monitoring and reporting of operational risk profiles and material exposures to losses. It offers the advantages of quickly detecting and correcting deficiencies in the policies, processes and procedures for managing operational risk

The monitoring has been undertaken with the following scopes:

- Monitor assessment of the exposure to all types of operational risk faced by the Development Bank.
- An effective risk reporting has been designed in line with authorities.
- Establish early warning system for increasing risk of future losses.

5.1.4 Liquidity Risk

Liquidity risk is the risk that a financial institution loses its ability to fund its assets or to meet its obligations as they come due without incurring unacceptable cost or losses. Furthermore, Liquidity risk is the risk to an institution's financial condition or safety and soundness arising from its inability (whether real or perceived) to meet its contractual obligations. Development Bank has Assets Liability Committee (ALCO) for managing overall liquidity of the Development Bank. Generally, the function of liquidity risk management is performed by ALCO and it comprises of senior management from each key area of the Development Bank that assumes and manages liquidity risk. The ALCO meeting has been held on a regular basis. ALCO's general responsibilities include developing and maintaining appropriate liquidity risk management policies and procedures, optimizing the structure of assets and liabilities, maintaining the stability of the deposit base, projecting cash flows and evaluating the level of current assets, in terms of liquidity of the branches, maintaining an efficient internal fund transfer mechanism, MIS reporting, limits and oversight programs. ALCO delegates day-to-day operating responsibilities to the Development Bank's treasury department.

Risk Management Department, ALCO, Senior Management, BOD level Risk Management committee and BOD regularly

monitor the liquidity risk measurement practices. Regular management reports and risk measures would be the source information of monitoring. Monitoring functions have ensured about the relevancy and accuracy of measurements and management practices.

5.2. Capital Management

i. Qualitative Disclosure

The Development Bank has formulated and implemented the "Internal Capital Adequacy Assessment Process 2019" which has been approved by the Board of Directors.

"ICAAP Policy 2019" provides the guidelines for the preparation of "Internal Capital Adequacy Assessment Process (ICAAP)" which set methodologies, techniques and procedures to assess the Capital adequacy requirements in relation to the Development Bank's risk profile and effectiveness of its risk management, control environment and strategic planning.

The Development Bank has set the Internal Capital Adequacy Assessment Process (ICAAP) with the following fundamental purposes.

- Development of policy, practice, process and plan to meet the regulatory and economic capital under the BASEL-III Capital frameworks.
- Strengthen the governance and organizational effectiveness around risk and capital management.
- Inform the board about the ongoing assessment of Development Bank's risk profile, mitigation technique being applied and estimated future capital requirement of the Development Bank.
- Bring transparency on the capital assessment process by understanding the key drivers of capital requirement including oversight for reviewing and validating capital requirements.
- Communicate and justify the regulatory authority about the procedure and methodology adopted for ICAAP based on present and future risk profile of the Development Bank.
- Support opportunities to identify sub-optimal usage of capital across the organization.
- Create the foundation and basis to have an informed view on capital requirements to state the Development Bank's position on capital adequacy against regulatory capital requirements.
- Ensuring the management exercises sound judgment and set adequate required capital for material risk according with the overall risk.

Board and management shall jointly ensure that formality and sophistication of the risk management processes are appropriate in light of the Development Bank's risk profile and business plan and shall put in place credible and consistent policies and procedures to identify measure and report all material risks that the Development Bank faces. Board shall ensure that the Policy Framework is comprehensive for key business and support functions, and establish a method for monitoring compliance of the same.

The Development Bank has followed Stress Testing Guidelines issued by the central bank in order to assess vulnerability of the Development Bank under various stress situations typically, application of "what if" scenarios, especially in the problematic identification of low frequency but high severity events and identifying expected and unexpected losses. It focuses on capturing the impact of large, but still plausible events and understanding the overall risk profile in a coherent and consistent framework, including impact analysis on earnings, solvency and liquidity.

Board shall be primarily responsible for ensuring the current and future capital needs of the Development Bank in relation to strategic objectives. Management shall review and understand the nature and level of various risks that the Development Bank is confronting in the course of different business activities and how this risk relates to capital levels and accordingly implement sound risk management framework specifying control measures to tackle each risk factor. Board shall ensure that the ICAAP does not become mere compliance activity only but ensure its integration into ongoing operations and planning.

Paid Up Capital

The structure of the Share Capital of the Development Bank is as Follow:

- Authorized capital of NPR 5,000,000,000 represented by 50,000,000 ordinary share of NPR 100 each.
- Issue Capital as of date of financial position is NPR 3,518,134,138 ordinary Share represented by 3,518,134 of NPR 100 each
- Paid up Capital as of date of Financial Position is NPR 3,518,134,138 ordinary Share represented by 3,518,134 of NPR 100 each.

Particulars	Fiscal Year	Paid up Capital
Share Capital Up to	2073/74	2,008,878,469
Right Share issue	2074/75	140,755,300
Right Share issue through auction	2074/75	23,648,900
Right Share issue through auction	2075/76	3,6483,644
Bonus Share of 2074/75 & 2075/76	2076/77	506,545,416
Bonus Share of 2076/77	2077/78	190,141,821
Bonus Share of 2077/78	2078/79	377,838,961
Bonus Share of 2078/79	2079/80	98,528,775
Bonus Share of 2079/80	2080/81	135,312,851
Total Share Capital	2080/81	3,518,134,138

Regulatory Minimum paid up capital requirement

For the national level development bank, regulatory required minimum capital is NPR 2,500,000,000 paid up capital of the Development Bank stood at Rs 3,518,134,138 against the minimum required capital.

ii. Quantitative Disclosure

1. Capital Structure and Capital Adequacy

A. Tier 1 Capital and a Breakdown of its components;

S.N.	Particulars	Amount in '000
1.	Paid up Equity Share Capital	3,518,134
2	Share Premium	-
3	Proposed Bonus Equity Shares	-
4	Statutory General Reserves	1,142,792
5	Retained Earnings	311,637
6	Un-audited current year cumulative profit/(loss)	
7	Other Free Reserve	125,000
8	Less: Deferred Tax Assets	-
9	Less: Investment in equity of institutions with financial interests	(80,000)
10	Less: Investment in equity of institutions in excess of limits	-
11	Less: Purchase of land & building in excess of limit and unutilized	(5,046)
Total Tier 1 Capital		5,012,517

B. Tier 2 Capital and its Components

		Amount NPR. "000"
S.N.	Particulars	Amount in '000
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	999,589
c	Hybrid Capital Instruments	-
d	General loan loss provision	575,542
e	Exchange Equalization Reserve	1,230
f	Investment Adjustment Reserve	40,000
g	Asset Revaluation Reserve	-
h	Other Reserves	-
Total Tier 2 Capital		1,616,361

C. Details of Subordinated Term Debt

The Development Bank has issued 11% LBBL Debenture as part of its capital fund.

D. Deductions from Capital

The Development Bank has issued 11% LBBL Debenture as part of its capital fund.

- Investment in the equity of institutions with financial interest has been deducted from the Tier-I capital.
- Purchase of Land and building in excess of limit and unutilized has been deducted from the Tier-I capital.

E. Total qualifying capital

S.N.	Particulars	Amount in '000
1.	Core Capital	5,012,517
2.	Supplementary Capital	1,616,361
Total Capital Fund		6,628,878

F. Capital Adequacy Ratio

S.N.	Particulars	Percent (%)
1.	Tier 1 to Risk Weighted Exposure	10.13%
2.	Total Capital to Risk Weighted Exposure	13.40%

G. Summary of adequacy of its capital to support current and future activities, if applicable:

Development Bank's current paid up capital amounts to Rs 3.518 Billion. The Development Bank complies with the Capital Increment plan of NRB. The overall strategy of the Development Bank has been formulated with the special consideration to the capital adequacy requirement according to BASEL-III.

H. Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.

Title	11% LBBL 2089 Debenture
Face value	RS. 1,000 per unit
Maturity period	10 year
Interest rate	11%
No of unit issued	1,000,000

2. RISK EXPOSURES

A. Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk Total Risk weighted exposures

S.N.	Particulars	Amount in '000
i.	Risk Weighted Exposure for Credit Risk	46,043,363
ii.	Risk Weighted Exposure for Operational Risk	2,443,313
iii.	Risk Weighted Exposure for Market Risk	5,166

Adjustments under Pillar II

Add: 3% of the total RWE due to noncompliance to Disclosure Requirement (6.4 a 10)

Add: Overall risk management policies and procedures are not satisfactory. Add 2% of RWE

969,837

Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)

49,461,678

B. Risk Weighted Exposures for Credit Risk under each of 11 categories of Credit Risk;

Particulars	Amount in '000	RWE in '000
1 Claims on Government and Central Bank	13,646,247	-
2 Claims on Other Official Entities	-	-
3 Claims on Banks	5,014,127	1,002,825
4 Claims on Domestic Corporates and Securities Firms	11,874,488	11,874,488
5 Claims on Regulatory Retail Portfolio	14,704,478	11,028,359
6 Claims Secured by Residential Properties	7,079,159	4,330,723
7 Claims Secured by Commercial Real Estate	636,724	636,724
8 Past Due Claims	2,005,400	3,008,101
9 High Risk Claims	6,254,167	8,604,525
10 Other Assets	5,449,506.56	4,659,371.96
11 Off Balance Sheet Items	2,297,253	898,246
Total	68,961,550	46,043,363

C. Total Risk Weighted Exposure Calculation Table

i. Risk Weighted Exposure for Credit Risk

Amount in '000

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Cash Balance	656,747			656,747	0%	-
Balance With Nepal Rastra Bank	3,379,607			3,379,607	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	8,649,446			8,649,446	0%	-
All Claims on Government of Nepal	17,193.4			17,193	0%	-
Investment in Nepal Rastra Bank securities	1,600,000.0			1,600,000	0%	-
All claims on Nepal Rastra Bank				-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)			-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)			-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)			-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)			-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-
Claims on Other Multilateral Development Banks			-	-	100%	-
Claims on Domestic Public Sector Entities			-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)			-	-	20%	-
Claims on Public Sector Entity (ECA 2)			-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)			-	-	100%	-
Claims on Public Sector Entity (ECA 7)			-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	5,014,127.5		-	5,014,127	20%	1,002,825
Claims on domestic banks that do not meet capital adequacy requirements			-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)			-	-	20%	-
Claims on foreign bank (ECA Rating 2)			-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)			-	-	100%	-
Claims on foreign bank (ECA Rating 7)			-	-	150%	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)			-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)			-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)			-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)			-	-	100%	-
Claims on Domestic Corporates (Unrated)	12,058,939.4	24,792.15	159,659	11,874,488	100%	11,874,488
Claims on Foreign Corporates (ECA 0-1)	-		-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-		-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-		-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-		-	-	150%	-

Regulatory Retail Portfolio (Not Overdue)	15,490,930	3,561	782,890.4	14,704,478	75%	11,028,359
Claims fulfilling all criterion of regularity retail except granularity	-		-	-	100%	-
Claims secured by residential properties	6,871,091		-	6,871,091	60%	4,122,654
Claims not fully secured by residential properties	-		-	-	150%	-
Claims secured by residential properties (Overdue)	329,963	121,895	-	208,068	100%	208,068
Claims secured by Commercial real estate	643,002	6,278	-	636,724	100%	636,724
Past due claims (except for claims secured by residential properties)	2,902,919	896,019	1,500	2,005,400	150%	3,008,101
High Risk claims	3,291,615		144,346	3,147,269	150%	4,720,904
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2015-point 3.3(j)(1)(k))	1,824,009	3,282	-	1,820,727	125%	2,275,909
Lending against Shares(above Rs.5 Million)	1,286,170		-	1,286,170	125%	1,607,713
Lending against securities (bonds)	-		-	-	100%	-
Lending against Shares(upto Rs.5 Million)	441,792		-	441,792	100%	441,792
Trust Receipt Loans for Trading Firms	-		-	-	120%	-
Real Estate loans for land acquisition and development (For institutions/projects registred/licensed and approved by Government of Nepal for land acquisition and development purposes)	1,801,519		-	1,801,519	100%	1,801,519
Personal Hirepurchase/Personal Auto Loans	453,718		-	453,718	100%	453,718
Investments in equity and other capital instruments of institutions listed in stock exchange	766,804		-	766,804	100%	766,804
Investments in equity and other capital instruments of institutions not listed in the stock exchange	3,450		-	3,450	150%	5,175
Staff loan secured by residential property	73,878			73,878	50%	36,939
Interest Receivable/claim on government securities	98,146			98,146	0%	-
Cash in transit and other cash items in the process of collection	35			35	20%	7
Other Assets (as per attachment)	3,744,947	2,591,529	-	1,153,419	100%	1,153,419
TOTAL (A)	71,400,048	3,647,355	1,088,395	66,664,297		45,145,117

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments	-				0	
Bills Under Collection	-				0	
Forward Exchange Contract Liabilities	-		-		10	
LC Commitments With Original Maturity Upto 6 months domestic counterparty	-		-		20	
Foreign counterparty (ECA Rating 0-1)	-		-		20	
Foreign counterparty (ECA Rating 2)	-		-		50	
Foreign counterparty (ECA Rating 3-6)	-		-		100	
Foreign counterparty (ECA Rating 7)	-		-		150	
LC Commitments With Original Maturity Over 6 months domestic counterparty	-		-		50	
Foreign counterparty (ECA Rating 0-1)	-		-		20	
Foreign counterparty (ECA Rating 2)	-		-		50	
Foreign counterparty (ECA Rating 3-6)	-		-		100	
Foreign counterparty (ECA Rating 7)	-		-		150	
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	174,849		52,517	122,332	40	48,933
Foreign counterparty (ECA Rating 0-1)	-		-		20	
Foreign counterparty (ECA Rating 2)	-		-		50	
Foreign counterparty (ECA Rating 3-6)	-		-		100	
Foreign counterparty (ECA Rating 7)	-		-		150	
Underwriting commitments	-		-		50	
Lending of Bank's Securities or Posting of Securities as collateral	-		-		100	
Repurchase Agreements, Assets sale with recourse	-		-		100	
Advance Payment Guarantee	-		-	-	100	-
Financial Guarantee	-		-		100	
Acceptances and Endorsements	-		-		100	
Unpaid portion of Partly paid shares and Securities	-		-		100	
Irrevocable Credit commitments (short term)	1,313,672		-	1,313,672	20	262,734
Irrevocable Credit commitments (long term)	549,341		-	549,341	50	274,670
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1 above their respective regulatory capital requirement	-	-	-	-	50%	-
Other Contingent Liabilities	311,909		-	311,909	100	311,909
Unpaid Guarantee Claims	-		-		200	
Total (B)	2,349,770	-	52,517	2,297,253		898,246
Total RWE for credit Risk Before Adjustment (A) +(B)	73,749,818	3,647,355	1,140,912	68,961,550		46,043,363
Adjustments under Pillar II	-	-	-	-	-	-
Answer the question SRP 6.4a (3) in SRP sheet	-	-	-	-	-	-
Answer the question SRP 6.4a (4) in SRP sheet	-	-	-	-	-	-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	73,749,818	3,647,355	1,140,912	68,961,550	-	46,043,363

Eligible Credit Mitigants

Amount in '000

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/ G'tee of Foreign Banks	Total
	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1 above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	-	-	-	-	-	-

Claims on Domestic Corporates (Unrated)	159,659	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159,659
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	580,885	-	202,005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	782,890
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claims secured by residential properties)	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500
High Risk claims	144,186	-	160	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	144,346
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2015-point 3.3(j)(i)(k))																				
Lending against Shares (above Rs.5 Million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lending against securities (bonds)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lending against Shares (upto Rs.5 Million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trust Receipt Loans for Trading Firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Hirepurchase/Personal Auto Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	886,230	-	202,165	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,088,395
Off Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

52,517
1,140,912

ii. Risk Weighted Exposure for Market Risk

(Amount in '000)

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
INR	22.00	1.60	35	35
USD	78.22	133.70	10,459	10,459
GBP	0.16	173.41	28	28
EUR	5.46	145.61	795	795
THB	-	-	-	-
CHF	-	-	-	-
AUD	0.14	90.57	13	13
CAD	-	-	-	-
SGD	-	-	-	-
JPY	-	-	-	-
HKD	-	-	-	-
DKK	-	-	-	-
SEK	-	-	-	-
SAR	-	-	-	-
QAR	-	-	-	-
AED	1.00	36.33	36	36
MYR	-	-	-	-
KRW	-	-	-	-
CNY	-	-	-	-
KWD	-	-	-	-
BHD	-	-	-	-
(a) Total Open Position			11,366	11,366
(b) Fixed Percentage				5
(c) Capital Charge for Market Risk (=a×b)				568
(d) Risk Weight (reciprocal of capital requirement of 11) in times				9
(e) Equivalent Risk Weight Exposure (=c×d)				5,166

iii. Risk Weighted Exposure for Operational Risk

(Amount in '000)

Particulars	Financial Year		
	2077/078	2078/079	2079/080
Net Interest Income	1,211,005	1,576,257	1,843,792
Commission and Discount Income	177,202	162,103	165,682
Other Operating Income	139,555	50,358	48,548
Exchange Fluctuation Income	-	707	617
Addition/Deduction in Interest Suspense during the period			
Gross income (a)	1,527,762	1,789,425	2,058,639
Alfa (b)	15	15	15
Fixed Percentage of Gross Income [c=(a×b)]	229,164	268,414	308,796
Capital Requirement for operational risk (d) (average of c)			268,791
Risk Weight (reciprocal of capital requirement of 11) in times (e)			9
Equivalent Risk Weight Exposure [f=(d×e)]			2,443,313

D. Details of Non- Performing Assets

Amount of Non-Performing Assets (both Gross and Net)

Non-Performing Loans		Gross Amount	Loss Provision	Net Amount
a	Restructured and rescheduled	-	-	-
b	Sub-Standard	619,197	154,799	464,398
c	Doubtful	465,611	232,805	232,805
d	Loss	662,076	659,179	2,896
Total		1,746,884	1,046,784	700,100

5.3. Classification of Financial assets and Financial Liabilities

(Amount in '000)

As at 31st Ashad 2081	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortized Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	3,681,441,274	3,681,441,274
Due from Nepal Rastra Bank	-	-	3,379,607,499	3,379,607,499
Placement with Bank and Financial Institutions	-	-	-	-
Loans and Advances to BFIs	-	-	2,169,643,707	2,169,643,707
Loans and Advances to Customers	-	-	46,247,417,167	46,247,417,167
Investment Securities	-	1,552,127,197	10,147,829,174	11,699,956,371
Other Assets	-	-	244,222,470	244,222,470
Total Financial Assets	-	1,552,127,197	65,870,161,290	67,422,288,487
Financial Liabilities				
Due to Bank and Financial Institutions	-	-	638,377,542	638,377,542
Due to Nepal Rastra Bank	-	-	1,042,300,000	1,042,300,000
Deposits from Customers	-	-	58,553,113,478	58,553,113,478
Borrowings	-	-	-	-
Other Liabilities	-	-	802,326,532	802,326,532
Total Financial Liabilities	-	-	61,036,117,553	61,036,117,553

As at 31st Ashad 2080	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortized Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	3,666,749,402	3,666,749,402
Due from Nepal Rastra Bank	-	-	1,959,607,644	1,959,607,644
Placement with Bank and Financial Institutions	-	-	-	-
Loans and Advances to BFIs	-	-	2,176,735,849	2,176,735,849
Loans and Advances to Customers	-	-	41,426,071,891	41,426,071,891
Investment Securities	-	1,489,060,294	6,281,262,839	7,770,323,132
Other Assets	-	-	193,271,602	193,271,602
Total Financial Assets	-	1,489,060,294	55,703,699,227	57,192,759,521
Financial Liabilities				
Due to Bank and Financial Institutions	-	-	963,569,866	963,569,866
Due to Nepal Rastra Bank	-	-	488,675,000	488,675,000
Deposits from Customers	-	-	49,132,059,667	49,132,059,667
Borrowings	-	-	-	-
Other Liabilities	-	-	806,018,333	806,018,333
Total Financial Liabilities	-	-	51,390,322,867	51,390,322,867

5.4. Operating Segment Information

1. General information

An operating segment is a component of the Development Bank that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Development Bank's chief operating decision maker and for which discrete financial information is available. The Development Bank is operated centrally in a single jurisdictional area with all policies and operations being controlled and directed from head office.

The Development Bank has identified its reportable segment into two i.e., Banking and Treasury & Remittance based on its core business units which actively forms a major part of the Development Bank's revenue source and align with its principal business objectives.

a. Banking

The loans provided to all customers are classified under Banking. The interest income and other fee incomes generated out of such loans are revenue items of this segment. Expenses of this segment comprises of interest expenses on deposits used for providing loans, pro-rated personnel expenses and operating expenses as well as provision for loss created for such loans.

b. Treasury and Remittance

The balance lying with the Development Banks invested in government bonds, treasury bills, placements and shares of other organizations come under this segment. The interest income of bonds and bills, forex gains, dividend income are revenue items of this segment. Expenses of this segment comprises of interest expenses on deposits used for making investments, forex losses, pro-rated personnel expenses and operating expenses as well as provision for loss created for such investments. Remittance commission income from various agencies along with related expenses are also the part of this segment.

c. Other Components (Unallocated)

All other revenues and expenses which cannot be classified to the above-mentioned segments fall under this segment. The income from sale of assets, other fees and commission are revenue items of this segment. Un-attributable personnel expenses, operating expenses and written off assets are expense items of this segment. Business Banking, Treasury and Remittance comprise majority of Development Bank's total revenue. Hence, these operations are treated as reportable segments and the remaining are classified under other segment.

2. Information about profit or loss, assets and liabilities

Particulars		Banking	Treasury and Remittance	Other Component (Unallocated)	Total
a.	Revenues from external customers	6,554,971,232	546,348,222	89,029,131	7,190,348,584
b.	Inter Segment revenues				-
c.	Net Revenue	6,554,971,232	546,348,222	89,029,131	7,190,348,584
d.	Interest revenue	6,351,567,300	543,696,785	-	6,895,264,085
e.	Interest expense	5,103,995,854	-	36,440,681	5,140,436,535
f.	Net interest revenue	1,247,571,446	543,696,785	(36,440,681)	1,754,827,550
g.	Depreciation and amortization	99,044,788	8,255,253	1,345,219	108,645,260
h.	Segment profit /(loss)	437,193,759	483,527,943	31,035,741	951,757,443
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	-	-	-	-
l.	Segment assets	54,225,824,306	14,503,863,350	357,909,797	69,087,597,452
m.	Segment liabilities	61,507,126,308	-	893,062,791	62,400,189,100

3. MEASUREMENT OF OPERATING SEGMENT PROFIT OR LOSS, ASSETS AND LIABILITIES

(b) Segment Assets and Liability Explanation

Business Banking includes all Loan and advances provided to the customer and Bank and Financial Institution, Investment properties (related to NBA) and other assets are allocated on the basis of gross revenue generated by each reportable segment. Segment Liabilities of Banking includes deposit from customer and BFIS and other liability allocated on the basis of revenue generating ration of each segment.

Treasury segment assets includes Balance with NRB/other FI, Interbank Placements, investment in securities and other organized institutions' shares, whereas segment liabilities comprise, due from central bank and so on which are related to treasury functions.

All other unallocated assets and liabilities have been presented under Others Segment consisting; but not limited to Share capital, reserve, retained earnings, property and equipment, intangible assets, investment properties, tax assets and liabilities, cash and cash equivalents.

(c) Segment Profit or Loss Explanation

Interest income on business banking includes interest income from total loan portfolio and Interest expenses includes interest expenses on deposit portfolio.

Interest income on Treasury and remittance includes interest income from the development bond and call deposit on BFIs, Interest expenses includes Interest expenses on borrowing from central bank and interbank borrowing/placements.

Loan administration fee and service fee and their related expenses included in Business Banking Segment. All other fee/revenue from external customers not falling under above two segments are included on other segment.

(d) Basis of accounting for any transactions between reportable segments.

There is no any identifiable inter-segment revenue in absence of transfer pricing policy in the Development Bank.

(e) Nature of any differences between the measurements of the reportable segments 'profits or losses and the entity's profit or loss before income tax. Not Applicable

Not Applicable

(f) Nature of any differences between the measurements of the reportable segments' assets and the entity's asset.

Not Applicable

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

The income, expense, asset and liabilities that are not identifiable to particular segment have been allocated on the basis of gross revenue of the segment.

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

a. Revenue	Amount
Total revenues for reportable segments	7,101,319,454
Other revenues	89,029,131
Elimination of intersegment revenues	-
Entity's revenues	7,190,348,584
b. Profit or loss	Amount
Total profit or loss for reportable segments	920,721,702
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	31,035,741
Profit before income tax	951,757,443
c. Assets	Amount
Total assets for reportable segments	68,729,687,655
Other assets	-
Unallocated amounts	357,909,797
Entity's assets	69,087,597,452
d. Liabilities	Amount
Total liabilities for reportable segments	61,507,126,308
Other liabilities	-
Unallocated liabilities	893,062,791
Entity's liabilities	62,400,189,100

Information about products and services

Gross Revenue from each type of product and services

Revenue	Amount (Rs.)
Interest Income on Overdraft Loan	1,612,686,566
Interest Income on Demand Loan	396,436,978
Interest Income on Term Loan	2,308,737,187
Interest Income on Home Loan	1,006,186,655
Interest Income on Educational Loan	3,432,358
Interest Income in Auto and Hire Purchase Loan	168,041,157
Interest Income on Other loan Product	814,219,170
Fees and Commission-Banking	201,693,932
Other Writeback and Non Operating-Banking	1,710,000
Interest Income in Development Bond & T-Bill	487,560,297
Interest Income in Call Deposit and Placement	93,135,292
Other Revenue from Treasury Function	7,479,862
Other unallocated Income	89,029,131

(h) Information about geographical areas

Total Revenue on the basis of geographical areas

Areas	Amount
(a.) Domestic	
Koshi	882,724,655
Madhesh	780,155,599
Bagmati	4,412,815,206
Gandaki	615,130,471
Lumbini	337,168,088
Karnali	36,009,425
Sudurpaschim	126,345,140
(b.) Foreign	-
Total	7,190,550,965

(i) Information about major customers

No revenue from a single customer accounted for more than 10 during the reporting period

5.5. Share options and share based payment

The Development Bank does not have a policy for share options to its employees. Similarly, during the year the Development Bank has not made any payments or settlements by issuing new shares.

5.6. Contingent liabilities and commitment

The details amount regarding contingent liabilities and commitments have been disclosed under 4.28. In case of Good for payment cheque of Kuleshwor Branch, the Development Bank has settled the 60 of the amount as per the separate agreement with the Cheque holder. Remaining 40 amount will be paid only after the recovery from the offender. Hence, there is no any probable additional liability of the Development Bank till date.

Among the Cheque holder, Chandragiri Bachat Tatha Rin Sahakari Sanstha Limited and Nayapati Bachat Tatha Rin Sahakari Sanstha Limited have filed the case at Honorable Kathmandu District Court by claiming the remaining 40 amount. The Development Bank has filed for suspension of case filed by the plaintiff at Honorable Kathmandu District Court which was registered in the court on 2074.04.29 and the Honorable Kathmandu District Court has pass verdict of suspension of the case till the verdict of another case filed by Government of Nepal at Honorable Supreme Court.

The Prabhu Bank (Former: Bhaivab Finance Limited) has filed the case at Honorable Kathmandu District Court by claiming the amount Rs Two Crore which was supposed to be deposited but not accounted at Kuleshwor Branch of the Development Bank. The amount is related to the Good for Payment cheque and the Development Bank is in legal proceeding for the same in the supreme court too. Any probable additional liability could not be established till the date of Financial Statements.

5.7. Related Party Disclosures

c. Entity Relationships

Relationship	Related Parties
Associates	Mukthinath Capital Limited (Former :Vibor Capital Limited)
	Nadep Laghubitta Bittiya Sanstha Limited
	Deprosc Laghubitta Bittiya Sanstha Limited

d. Those charges with governance

Those charged with governance of the Development Bank include members of Board of directors namely:

Name	Designation
Mr. Chinta Mani Bhattarai	Chairman
Mr. Prabin Krishna Shrestha	Director
Mr. Ram Chandra Sigdel	Director
Mr. Ganesh Regmi	Director
Mr. Arjun Thapa	Director
Mr. Keshav Khatriwada	Director
Mr. Jaya Dev Shrestha	Director (Independent)

e. Key Management Personnel (excluding Directors)

Name	Designation
Mr. Naresh Singh Bohra	Chief Executive Officer
Mr. Umesh Regmi	Deputy Chief Executive Officer
Mr. Suman Acharya	Deputy Chief Executive Officer

f. Transactions with related parties

Related Party	Nature of transactions	2080/81	2079/80
Those Charged with Governance	Meeting Allowances	20,63,000	1,795,000
	Telephone and Newspaper other expenses	2,864,613	1,422,621
	Travelling Expenses	437,074	30,985
Chief Executive Officer	Short term employee benefits	1,24,90,928	1,24,90,928
Key Management Personnel (excluding CEO and Directors)	Short term employee benefits	1,20,75,817	8,004,997
Muktinath Capital Limited (Associates)	Registrar to Share and share related other Expenses	4,61,620	512,000

5.8. Merger and Acquisition

The Development Bank has not entered into any merger or acquisition for the fiscal year ended on 31st Ashad 2081.

5.9. Additional disclosure of non-consolidated entities

There are no such entities which are required to be consolidated but not done during the year.

5.10. Events after reporting date

There have been no material events after the reporting period affecting the financial status of the Bank as on Ashad end, 2081. The Development Bank monitors and assesses events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to Ashad End 2081 till the signing of this financial statement on 2081/09/05.

6. OTHER EXPLANATORY NOTES

6.1. Reserves & Surplus

i. Statutory General Reserve

General Reserve maintained pertains to the regulatory requirement of the Bank and Financial Institutions Act, 2073. There is a regulatory requirement to set aside 20% of the net profit to the general reserve until the reserve is twice the paid up capital and thereafter minimum 10% of the net profit.

During the year the Development Bank has transferred Rs 109,043,293 to the statutory general reserve.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2080	1,034,058,334
Transfer during the year	108,733,524
Total Reserve in Ashad End 2081	1,142,791,858

ii. Exchange equalization Reserve

Exchange equalization is maintained as per requirement of Nepal Rastra Bank Unified Directive. There is a regulatory requirement to set aside 25% of the foreign exchange revaluation gain on the translation of foreign currency to the reporting currency. The reserve is the accumulation of such gains over the years.

During the year, bank has transferred Rs. 37,687 to this reserve as there is revaluation gain in the reporting period.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2080	1,191,977
Transfer during the year	37,687
Total Reserve in Ashad End 2081	1,229,664

iii. Corporate Social Responsibility Reserve

As per the NRB Directives on Corporate Social Responsibility, the Development Bank has allocated 1% of the net profit of current fiscal year for CSR activities. The total amount of corporate social responsibility reserve is NPR 10,899,727 and NPR 8,044,677 respectively for current year and previous year.

Particulars	2080/81	2079/80
Opening as on Shrawan 1	10,899,727	8,044,677
Addition during the year	5,436,676	4,976,725
CSR expense during the year (from CSR reserve)	(3,412,449)	(2,121,675)
Closing as on Ashad End	12,923,955	10,899,727

iv. Regulatory Reserve

As per the NRB Directive 4/080 Clause (3), the bank is required to credit an amount equal to the adjustments made as per NFRS while preparing Opening Statement of Financial Position and NFRS compliant financial statements of succeeding years to the Regulatory Reserve. The amount shall be transferred from Retained Earning to the Regulatory Reserve through the Statement of Changes in Equity. Accordingly, the bank has credited the following amounts During the FY 2080-81.

Particulars	As at 31st Ashad 2080	Transfer (reversal) to Reserve-2081	As at 31st Ashad 2081
Accrued Interest Recognized as Income (net of staff bonus, tax, CSR and general reserve)	251,462,020	15,435,893	251,462,020
Investment Properties (net of accumulated depreciation and Income Tax)	106,731,798	(5,218,705.79)	106,731,798
Deferred Tax Assets-Addition/(Reversal)	40,911,006	(2,979,819)	101,513,092
Fair Value Loss in Investment in Equity/(Reversal)	-	-	-
Actuarial Loss (Through Profit or Loss Account)	-	-	-
Other Regulatory Adjustment	19,428,596	-	19,428,596
Total	261,560,473	64,355,231	425,770,788

The movement on regulatory reserve over the reporting period including previous fiscal years disclosed in the "Changes in Regulatory Reserve" as a part of Financial Statements.

The description of each items of regulatory reserve created as per NRB Directive 4(3)/2080 is as below:

a. Accrued Interest

Interest income recognized in statement of Profit or Loss account on accrual basis and interest income booked from interest receivable of restructure loan has been transferred to Regulatory Reserve (net of staff Bonus, Tax, CSR and general reserve) from retained earnings. However, interest income of NPR 119,170,859 recovered up to Shrawan end, 2081 has not been transferred to regulatory reserve as per the NRB directive 4(3)(b)/2080.

Total regulatory reserve of Rs 266,897,913 has been created for the interest income recognized on accrual Basis (net of Bonus, Tax, CSR and general reserve) up to the reporting period.

b. Investment Properties (Non-Banking Assets)

Regulatory reserve on Non-Banking Assets (net of Bonus, Tax, CSR and general reserve) has been created as per NRB directives 4(3)(b)(d)/2080.

Regulatory reserve of NPR 101,513,092 has been created up to FY 2080/81.

c. Deferred Tax Assets

As per NRB Directives 4(3)(b)(e)/2080, regulatory reserve shall be created from retained earnings for the amount equal to Deferred Tax Assets. Bank has Deferred Tax Liability (after netting off Deferred Tax Assets) in statement of financial Position.

Bank has created regulatory reserve of Rs 37,931,186 up to Ashad end 2081 for the amount equal to deferred tax assets charged through Profit or Loss Account, though Development Bank has Deferred Tax Liability in the Statement of Financial Position of Ashad end 2081.

d. Fair Value Loss on Investment

Bank has fair value gain in overall equity investment portfolio of the Bank. So bank has not created any regulatory reserve against fair value loss on investment.

e. Other Reserve

Regulatory reserve of NPR 19,428,596 created for the capitalization of interest of Loan of B&C Medical College.

v. Investment Adjustment Reserve

As per the NRB directives, Investment adjustment reserve shall be created against the unquoted share investment if they did not get listed within 3 years of investment date. However, in case of holding of more than 50 in entities which don't require to get listed and investment in Karja Suchana Kendra, Nepal Clearing House Ltd, National Banking Institute, Nepal Electronic Payment System (NEPS), Nepal Stock Exchange, such adjustment reserve need not to be created.

Bank has investment in unlisted share of Karja Suchana Kendra, Nepal Clearing House Ltd, National Banking Institute, Nepal Electronic Payment System (NEPS), Nepal Stock Exchange and Muktinath Capital Limited upto the reporting period.

In compliance of the directives, bank has created investment adjustment reserve on investment (only unlisted/unquoted for three years from the date of investment) of Muktinath Capital Limited as following:

Date of Investment	Entity	Investment Adjustment Reserve
2010/07/09	Muktinath Capital Ltd. (former: Vibor Capital Ltd.)	40,000,000

vi. Fair Value Reserve

Fair Value Reserve of the Bank includes Fair Value Gain on Investment in Equity through OCI (net of deferred Tax Liability) up to Ashad end 2081.

Bank has fair value reserve (net of deferred tax liability) of Rs 602,251,045 up to Ashad end 2081.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2080	579,880,364
Additional Reserve (net of deferred Tax)	22,370,681
Total Reserve in Ashad End 2081	602,251,045

vii. Staff Training Development Fund

As per the NRB Directives 2080, 6 (6), the Development Bank shall spend 3% of the total Personnel expenses (Salary & Allowances) of preceding year i.e Rs 9,492,275 on Staff training and development. Further if such amount could not be spent, short amount shall be credited to Staff training and development fund which shall be spent in the next year. Bank has spent the Rs 7,173,288 as expenses under staff training and development during the FY 2080/81. Hence, the Development Bank has credited Rs 2,318,987 to Staff training and development fund during the year.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2080	3,574,738
Transferred to reserve during the year	9,492,275
Expenses on staff Training during the year	(7,173,288)
Total Staff Training Fund in Ashad End 2081	5,893,725

viii. Actuarial Gain (Loss)

Development Bank has actuarial gain on valuation of Defined Benefit Obligation (gratuity of staff) of Rs 1,792,591 (net of Deferred Tax).

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2080	2,747,777
Additional Reserve (net of deferred Tax)	(955,186)
Total Reserve in Ashad End 2081	1,792,591

ix. Other Reserve:
a. Reserve on Investment in Associates (using equity method):

Bank has opted the valuation of investment in associated using equity method. The movement of reserve on investment in Associates calculated using equity method has been recognized through OCI in the reporting period. The details of Reserve in Associates using equity Method is presented as below:

Name of Associates	Cost of Investment (a)	Equity Value of Associates (b)	Reserve on Investment in Associates (c=b-a)
Deprosc Laghubitta Bittiya Sanstha Ltd.	46,485,168	472,100,324	425,615,156
NADEP laghubitta Bittiya Sanstha Ltd.	32,000,000	91,292,548	59,292,548
Muktinath Capital Limited	80,000,000	89,601,000	9,601,000
Total (d)	158,485,168	652,993,871	494,508,703
Reserve up to Previous Year (e)			437,022,272
Reserve for this Year (f=e-d)			57,486,430

The reserve for the reporting period of NPR 57,486,430 has been recognized through OCI and total reserve on investment in associates is included in the Other Reserve of (Annexure: 4.27) of Financial Statements.

b. Other Reserve: Rs 5,475,000

Bank has other reserve of Rs 5,475,000 carried forward since 2011 from former Vibor Bikas bank Limited (merged institutions of Lumbini Bikas Bank). Bank has not treated this reserve as free reserve and shall not be availed for distribution unless otherwise specific purpose is justified/ascertained with proper documentary evidences.

6.2. Impairment

As per the Carve out notice issued by ICAN, the Development Bank has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.

Particulars	2080/81	2079/80
LLP as per NRB Directives (a)	1,869,701,749	1,633,871,582
Individual Impairment as per NFRS	10,822,563	198,714,720
Collective Impairment as per NFRS	195,182,059	204,883,500
Total Impairment as per NFRS (b)	252,040,581	403,598,220
Impairment on Loan and Advances (Higher of a & b)	1,869,701,749	1,633,871,582

6.3. Investment Properties/Non-Banking Assets

Non-Banking Assets has been shown under the investment Properties. It has been recognized at Cost Less Accumulated Depreciation (aggregated with the accumulated impairment losses). Details of the Investment properties (at cost) are as follow:

Name Of Borrower	Date of Assuming Non-Banking Assets	As at 31st Ashad 2081	As at 31st Ashad 2080
Binod Shrestha	2070.03.31	8,800,000	8,800,000
Champadevi Foodhill Resort and Villas P. Ltd	2070.03.30	25,876,500	25,876,500
Madhukar Yak Thumba	2072.03.24		13,757,697
Satya Suppliers	2075.09.26		6,005,377
Kripa Jewellers	2077.12.31	8,351,000	8,351,000
Munna general store	2078.12.10	743,000	743,000
Dipak bishwokarma	2079.03.07	3,717,000	3,717,000
Nepal Radio Paging Pvt. Ltd.	2079.04.09		1,353,379
New Shoe Collection	2080.02.02	24,812,000	24,812,000
Krishna Bahadur Ghalan Lama	2080.02.05	1,268,287	1,268,287
Pratik Kharid Bikri Kendra	2080.02.05	4,139,010	4,463,000
Roshan Traders & Suppliers	2080.03.21	9,485,000	9,485,000
Biki Scrap Center Upendra Prasad Chaudhary Kalwar "	2080.03.31	22,226,000	22,226,000
Rasuwa Distillery & Fruits Industries Pvt Ltd	2080.03.31		21,123,286
L.L.I.T. Educational Consult And Training Center	2080.03.31	6,757,950	6,757,950
R. N. SUPPLIERS	2080.03.31	4,724,000	11,324,000
"BIKI SCRAP CENTERUPENDRA PRASAD CHAUDHARY KALWAR"	2080.05.26	8,671,000	
TAMU NIRMAN SEWA TATHA ENGINEERING	2080.06.25	24,957,000	
SHUBHAM ITTA UDHYOG	2080.07.13	5,714,000	
INDRAPURI CONSTRUCTION PVT LTD	2080.08.05	15,709,206	
RAM BAHADUR KHADKA	2080.08.05	1,614,374	
SHARADA THAPA	2080.08.05	3,002,526	
MILLY JULLY ENGLISH BOARDING SCHOOL	2080.08.07	24,044,491	
Total		204,612,345	170,063,476

6.4. Other Non-Banking Assets

Non-Banking Assets (other than land and properties) has been shown under the Other Non-Banking Assets. The Development Bank don't own any other non-banking Assets in the reporting period.

6.5. Loan Written off

Bank has written off loan (principal and interest) amount with the approval from the board of directors guided by the internal policy and NRB directives of the Bank. Bank has written off Rs 22,683,268.11 as principal loan amount and Rs 30,499,930.82 as accrued interest during the year. The list of written off loan has been approved and verified/certified as a part of the financial statements.

Borrower Name	FY 2080-81	
	Principal written off	Interest written off
UPENDRA PRASAD CHAUDHARY KALWAR	505,000.00	2,195,576.56
BIKI SCRAP CENTER	505,000.00	-
FINE ARTS YATAYAT PVT.LTD.	1,039,940.05	370,406.50
TAMU NIRMAN SEWA TATHA ENGINEERING	2,257,806.60	3,699,915.90
TAMU NIRMAN SEWA TATHA ENGINEERING	505,000.00	1,877,677.18
SHUBHAM ITTA UDHYOG	505,000.00	1,111,415.26
NANDA RAJ LAMA	836,057.92	441,058.00
NANDA RAJ LAMA	-	24,496.22
ISHWORI LAL SHRESTHA	1,033,967.41	824,222.37
ISHWORI LAL SHRESTHA	-	21,137.99
MANOJ BHUSHAL AND KRISHNA BHAKTA BH	-	156,067.96
DILIP THAPA	-	22,892.99
AABHA HARDWARE	310,093.51	-
KRISHNA KHADKA	706,480.37	167,856.54
KRISHNA KHADKA	-	153,453.52
KRISHNA KHADKA	-	4,340.56
BHIM K.D MAGAR AND HASTA K.RAI	1,474,069.09	1,381,863.99
BHIM K.D MAGAR AND HASTA K.RAI	1,508,606.89	1,436,429.43
BHIM K.D / HASTA K. MAGAR/RAI	175,558.31	48,309.39
PHURPU GYALBO GHAE	1,495,956.99	1,032,063.96
PHURPU GYALBO GHAE	39,844.53	18,141.70
RUPA KHADKA	739,160.53	1,498,635.10
SAJJAN KARKI	739,160.53	1,499,916.52
BHADRAKALI STEEL PLASTIC CENTRE	-	184,676.45
BABU SHAP TAMANG	891,714.26	1,079,645.17
HRIDAYA KRISHNA BADE	2,719,656.46	3,459,330.62
HRIDAYA KRISHNA BADE	1,500,158.21	3,920,502.52
SAJANA SHRESTHA	2,679,408.32	3,489,909.00
SAJANA SHRESTHA	10,628.13	5,126.80
AMRIT DHOJ RAI	505,000.00	374,862.62
Total	22,683,268.11	30,499,930.82

6.6. Deferred Tax Asset/Liabilities

Deferred Tax Asset/Liabilities are those assets and liabilities that arise due to temporary differences arising out of accounting and tax base of assets and liabilities. Details of such is presented as:

Particulars / Items	Carrying Amount (Rs)	Tax Base (Rs)	Temporary Differences	Deferred Tax Assets / (Deferred Tax Liability)
Tangible and Intangible Assets	321,536,281	264,861,252	56,675,029	(17,002,508.65)
Provision for Gratuity	-101,465,426	-	101,465,426	30,439,627.91
Provision for Leave	-41,522,294	-	41,522,294	12,456,688.24
Right of Use Assets (ROU Assets)	369,702,040	-	369,702,040	(110,910,612.02)
Lease Liability	-409,826,635	-	-409,826,635	122,947,990.57
a. Deferred Tax Assets (recognized through P/L)				37,931,186.05
Investment in Securities	1,552,127,197	691,768,561	860,358,636	(258,107,590.86)
Actuarial Gain/Loss	3,925,395	-	3,925,395	(768,253.20)
b. Deferred Tax Liability (recognized through OCI)				(258,875,844)
Deferred Tax (Liability)/Assets (a+b)				(220,944,658)

Deferred Tax Liability (net of Deferred Tax Assets) has been presented in the Statements of Financial Position at the end of the reporting period.

6.7. Accrued Interest income

Under NFRS compliant financial statements, interest income of loan and advances is recognized on accrual basis. In line with circular:1 of FY 2076/77, Guideline on recognition of Interest income, the Development Bank has suspended interest income on the following types of loans:

- Loans where there is reasonable doubt about the ultimate collectability of principal or interest
- Loans where contractual payments of principal and/or interest are more than 3 months in arrears and where the "net realizable value" of security is insufficient to cover payment of principal and accrued interest;
- Loans where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral;
- Overdrafts and other short term facilities which have not been settled after the expiry of the loan and even not renewed within 12 months of the expiry, irrespective of the net realizable value of collateral:

Details of Accrued Interest Income are as follow:

Particulars	2080/81	2079/80
Accrued Interest Receivable	926,139,971	864,880,068
Interest Suspended/Not recognized	(338,371,282)	(274,602,382)
Recovered Up to Shrawan End 2081	(119,170,859)	(191,131,622)
Total Accrued Interest Recognized	471,260,848	399,146,064
Accrued Interest Income up to Previous Year	399,146,064	247,680,927
Accrued Interest Income recognized this year	72,114,784	151,465,137

6.8. Amortization of Staff Loan

The Development Bank has recognized the staff loan at amortized cost. The details of staff loan presented at amortized cost are as follow.

Particulars	2080/81	2079/80
Book Value of Staff Loan	90,343,200	79,549,598
Prepaid Expenditure	2,660,579	3,485,567
Amortized Cost of Staff Loan	87,682,621	76,064,031

6.9. Earnings Per Share

The Development Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33.

Particulars	2080/81	2079/80(Restated)	2079/80
Earning Attributable to Equity Holder	543,667,622	497,672,518	497,672,518
Weighted Number of Equity Share	35,181,341	3,518,134,138	33,828,213
Basic Earnings Per Share	15.45	14.71	14.71
Diluted Earnings Per Share	15.45	14.15	14.71

6.10. Proposed Distribution (Cash Dividend and Bonus Share)

The Board of directors in its 490th meeting dated 2081.09.05 has passed a resolution recommending for distribution of bonus shares (stock dividend) of NPR 105,544,024.13 and cash dividend of NPR 140,725,365.51 (Including applicable taxes on cash dividend & bonus share) from available Free Reserve after approval from Nepal Rastra Bank and 17th Annual General Meeting of the Bank.

Amount NPR

Particulars	2080.81	2079.80
Cash Dividend*	140,725,365.51	152,226,957.88
Bonus Share (Stock Dividend)	105,544,024.13	135,312,851.45
Total	246,269,389.64	287,539,809.33

* Including applicable Taxes on Cash Dividend and Bonus Share

6.11. Unclaimed Dividend

At the reporting date, unclaimed dividend over the years are as follow:

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Unclaimed Dividend for more than 5 years	4,675,178	4,675,178
Not Collected up to 5 years	101,454,148	81,993,443
Total	106,129,326	86,668,621

6.12. Interest Capitalization

As per the Nepal Rastra Bank Directives 2(43)/2080, the interest accrued on moratorium period of Loan provided to National Priorities sector like Hydro Electricity project is allowed to capitalize during the Period with prior approval from the Nepal Rastra Bank. The Development Bank has capitalized the interest of Rs 45,758,426.09 during FY 2080/81 with the approval & as per the directives/circular issued from Nepal Rastra Bank on time to time.

6.13. Non-Performing Assets

The Development Bank's non-performing assets ratio stood at 3.52 as at Ashad end 2081. The total non-performing assets as at Ashad end 2081 is NPR 1,746,883,836.

Particulars	This Year	Previous Year	Change	
			Amount	%
Performing loans	47,861,764,459.52	43,071,737,630	4,790,026,830	11.12
Non-Performing Loans (NPL)	1,746,883,836	1,498,599,975	248,283,861	16.57
Restructured/rescheduled		8,647,725	-8,647,725	-100.00
Substandard	619,197,399	344,015,620	275,181,779	79.99
Doubtful	465,610,785	583,121,399	-117,510,614	-20.15
Loss	662,075,652	562,815,231	99,260,421	17.64
Gross Loans & Advances	49,608,648,296	44,570,337,605	3,436,864,482	7.71

Gross NPL to Gross Loan: 3.52

6.14. Concentration of Deposits, Loans & Advances and Contingents

Particulars	Loans & Advances and Bills Purchased		Deposits & Borrowings	
	As at 31st Ashad 2081	As at 31st Ashad 2080	As at 31st Ashad 2081	As at 31st Ashad 2080
Total Amount Outstanding	49,608,648,296	44,570,337,605	61,233,791,020**	51,584,304,533**
Highest Exposure of Single Unit	924,020,602	826,200,280	1,588,451,208	1,317,508,532
Concentration of exposure	1.86	1.85	2.59	2.55
Concentration of exposure	1.85%	1.36%	2.55%	3.15%

** Including Debenture Rs. One Billion.

For the calculation of concentration, loans and advances is total loans extended to the customers except staff loans and interest accruals on loans and the deposits is total deposits from the customers excluding interest payables.

Single Obligor Limit and Sector-wise Limit (Directive No. 3) for both funded and non-funded are within the limit as prescribed by NRB directives.

Condensed Statement of Financial Position (Unaudited)

As on Quarter Ended 31st Ashad 2081 (15th July 2024)

Figures in NPR

Particulars	Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets		
Cash and cash equivalent	3,481,703,207	3,666,749,402
Due from Nepal Rastra Bank	4,979,607,499	1,959,607,644
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	2,169,438,507	2,176,735,849
Loans and advances to customers	46,328,004,168	41,426,071,891
Investment securities	10,214,064,691	7,770,323,132
Current tax assets	31,956,686	134,903,804
Investment in subsidiaries	-	-
Investment in associates	595,392,153	595,507,441
Investment property	203,964,421	169,415,553
Property and equipment	751,730,355	767,414,893
Goodwill and Intangible assets	6,067,004	4,174,752
Deferred tax assets	-	-
Other assets	295,145,250	220,558,285
Total Assets	69,057,073,941	58,891,462,645

Particulars	Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)
Due to Bank and Financial Institutions	638,377,542	963,569,866
Due to Nepal Rastra Bank	1,042,300,000	488,675,000
Derivative financial instruments	-	-
Deposits from customers	58,553,113,478	49,132,059,667
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	192,677,859	208,786,769
Other liabilities	946,884,451	872,769,038
Debt securities issued	1,052,801,646	1,008,536,543
Subordinated Liabilities	-	-
Total liabilities	62,426,154,977	52,674,396,883
Equity		
Share capital		
Share premium	3,518,134,138	3,382,821,286
Retained earnings	-	-
Reserves	260,329,843	300,860,866
Reserves	2,852,454,984	2,533,383,609
Total equity attributable to equity holders	6,630,918,964	6,217,065,762
Non-controlling interest	-	-
Total equity	6,630,918,964	6,217,065,762
Total liabilities and equity	69,057,073,941	58,891,462,645

Condensed Statement of Profit or Loss (Unaudited)

For the Quarter Ended 31st Ashad 2081 (15th July 2024)

Figures in NPR

Particulars	Bank			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest expense	1,230,952,149	5,104,213,096	1,275,593,112	4,928,659,569
Net interest income	525,661,042	1,807,653,087	493,501,378	1,843,792,228
Fee and commission income	53,051,983	208,155,411	46,845,312	165,681,944
Fee and commission expense	3,792,585	11,059,275	3,351,838	11,316,347
Net fee and commission income	49,259,398	197,096,136	43,493,474	154,365,596
Net interest, fee and commission income	574,920,440	2,004,749,223	536,994,853	1,998,157,824
Net trading income	1,734	27,388	9,186	21,151
Other operating income	65,841,986	84,501,315	3,161,432	49,164,606
Total operating income	640,764,160	2,089,277,926	540,165,471	2,047,343,581
Impairment charge/(reversal) for loans and other losses	(25,828,693)	170,921,975	90,469,909	545,734,527
Net operating income	666,592,853	1,918,355,951	449,695,562	1,501,609,054
Operating expense				
Personnel expenses	154,141,582	514,258,649	118,587,422	462,857,058
Other operating expenses	93,679,024	292,822,395	95,492,481	208,101,828
Depreciation & Amortisation	13,550,051	51,777,681	13,609,490	105,858,382
Operating Profit	405,222,196	1,059,497,226	222,006,169	724,791,786
Non operating income	200,000	1,710,000	1,450,000	1,450,000
Non operating expense	15,495,496	22,683,268	12,673,027	18,328,473
Profit before income tax	389,926,700	1,038,523,958	210,783,142	707,913,314
Income tax expense	128,311,893	434,741,054	66,452,200	210,240,796
Current Tax	128,311,893	434,741,054	66,452,200	210,125,978
Deferred Tax	-	-	-	114,818
Profit for the period	261,614,807	603,782,904	144,330,942	497,672,518
Earnings per share				
Basic earnings per share		17.16		14.71
Diluted earnings per share		17.16		14.71

Statement of Other Comprehensive Income

For the Quarter Ended 31st Ashad 2081 (15th July 2024)

Figures in NPR

Particulars	Bank			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the period	261,614,807	603,782,904	144,330,942	497,672,518
Other comprehensive income, net of income tax				
A. Items that will not be reclassified to Profit or loss				
· Gains/(losses) from Investments in equity instruments measured at fair value	122,137,483	(53,696,366)	316,759,294	456,292,836
· Gains/(losses) on revaluation				
· Actuarial gains/(losses) on defined benefit plans				
· Income tax relating to above items	(36,641,245)	16,108,910	(95,027,788)	(138,114,181)
Net other comprehensive income that will not be reclassified to profit or loss	85,496,238	(37,587,456)	221,731,506	322,266,423
B. Items that are or may be reclassified to profit or loss				
· Gains/(losses) on cash flow hedge	-	-	-	-
· Exchange gains/(losses) (arising from trasalating financial assets of foreign operation)	-	-	-	-
· Income tax relating to above items	-	-	-	-
· Reclassify to profit or loss	--	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-
C. Share of other comprehensive income of associate accounted as per equity method	-	(115,288)	(78,792,371)	(37,312,593)
Other comprehensive income for the period, net of income tax	85,496,238	(37,702,744)	142,939,135	284,953,830
Total comprehensive income for the period	347,111,045	566,080,161	287,270,077	782,626,348

Comparison: Unaudited and Audited Financial Statements

For the Period Sharwan 12080 to 31st Ashad 2081 (17 July 2023-15 July 2024)

Statement of Financial Position

Rs. in '000'

Assets	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reason for Variance
			In Amount	In %	
Cash and cash equivalent	3,481,703	3,681,441	199,738	5.74%	Change in BFIS balance (AIR) after reconciliation/ Reclassification of government securities
Due from Nepal Rastra Bank	4,979,607	3,379,607	(1,600,000)	-32.13%	Reclassification of SDF balance to Investment in NRB deposit instrument
Placement with Bank and Financial Institutions	-	-	-	0.00%	
Derivative financial instruments	-	-	-	0.00%	
Other trading assets	-	-	-	0.00%	
Loan and advances to B/FIs	2,169,439	2,169,644	205	0.01%	Accrued interest on BFI loan
Loans and advances to customers	46,328,004	46,247,417	(80,587)	-0.1739%	Additional loan loss provision/Accrual interest and other amortized cost adjustment
Investment securities	10,214,065	11,699,956	1,485,892	14.55%	Change in classification of investment in equity and Valuation model/fair value adjustment
Current tax assets	31957	63,172	31,215	97.68%	Recalculation of Provision for Income tax
Investment in subsidiaries	-	-	-	0.00%	
Investment in associates	595,392	652,994	57,602	9.67%	Recalculation of equity value of associates based on latest available financial statements.
Investment property	203,964	203,964	-	0.00%	
Property and equipment	751,730	697,305	(54,425)	-7.24%	Adjustment made for Lease assets, charge depreciation and modification
Goodwill and Intangible assets	6,067	6,067	-	0.00%	
Deferred tax assets	-	-	-	0.00%	
Other assets	295,145	286,029	(9,116)	-3.09%	Reclassification of other assets/Right to Use Assets (Lease)
Total Assets	69,057,074	69,087,597	30,524		
Liabilities					
Due to Bank and Financial Institutions	638,378	638,378	-	0.00%	
Due to Nepal Rastra Bank	1,042,300	1,042,300	-	0.00%	
Derivative financial instruments	-	-	-	0.00%	
Deposits from customers	58,553,113	58,553,113	-	0.00%	
Borrowing	-	-	-	0.00%	
Current Tax Liabilities	-	-	-	0.00%	
Provisions	-	-	-	0.00%	
Deferred tax liabilities	192,678	220,945	28,267	14.67%	Remeasurement/Recalculation of deferred Tax Assets/Liabilities
Other liabilities	946,884	893,063	(53,822)	-5.68%	Reclassification/adjustment in other Liabilities/Lease Liability
Debt securities issued	1,052,802	1,052,391	(411)	-0.04%	Amortize value of Debenture
Subordinated Liabilities	-	-	-	0.00%	
Total liabilities	62,426,155	62,400,189	(25,966)		
Equity					
Share capital	3,518,134	3,518,134	-	0.00%	
Share premium	-	-	-	0.00%	
Retained earnings	260,330	311,637	51,307	19.71%	Changes in Profit Loss for the period
Reserves	2,852,455	2,857,637	5,182	0.18%	Changes in Profit Loss for the period
Total equity	6,630,919	6,687,408	56,489		
Total liabilities and equity	69,057,074	69,087,597	30,524		

Statement of Profit or Loss and Other Comprehensive Income

Rs. in '000'

Assets	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reason for Variance
			In Amount	In %	
Interest income	6,911,866	6,895,264	(16,602)	-0.24%	Additional Interest Recognition upto Sharvan-32 2081 and Reclassification of income based on change in loan category after audit and inspection
Interest expense	5,104,213	5,140,437	36,223	0.71%	Adjustment of Interest Expenses/ Finance charge of lease
Net interest income	1,807,653	1,754,828			
Fee and commission income	208,155	208,155	0	0.00%	
Fee and commission expense	11,059	11,316	257	2.32%	Expenses adjusted after reconciliation
Net fee and commission income	197,096	196,840			
Net interest, fee and commission income	2,004,749	1,951,667			
Net trading income	27	27	-	0.00%	
Other operating income	84,501	85,192	690	0.82%	Income adjustment after reconciliation
Total operating income	2,089,278	2,036,886			
Impairment charge/(reversal) for loans and other losses	170,922	235,830	64,908	37.98%	Additional Loan Loss Provision for audit/inspection adjustment
Net operating income	1,918,356	1,801,056			
Operating expense					
Personnel expenses	514,259	510,166	(4,092)	-0.80%	Due to changes in Staff Bonus/ actual adjustment on leave and gratuity
Other operating expenses	292,822	207,950	(84,872)	-28.98%	Subsequent Adjustment in Operating Expenses / Reclassification of Expenses Head/Recalculation of Lease Expenses
Depreciation & Amortization	51,778	108,645	56,868	109.83%	Adjustment of additional depreciation on lease assets
Operating Profit	1,059,497	974,294			
Non operating income	1,710	1,710	-	0.00%	
Non operating expense	22,683	24,247	1,564	6.89%	Actuarial Loss- adjustment of Leave
Profit before income tax	1,038,524	951,757			
Income tax expense	434,741	408,090	(26,651)		
Current Tax	434,741	405,110	(29,631)	-6.82%	Due to Changes in Taxable Profit
Deferred Tax	-	2,980	2,980	0.00%	Due to Recalculation of deferred tax Asset/Liability
Profit for the year	603,783	543,668		-9.96%	Overall changes in interest income/income tax calculation
Other comprehensive income	(37,703)	78,902	116,605	-309.27%	Due to changes in fair value reserve/ Equity Reserve of Investment in Associates
Total Comprehensive Income	566,080	622,570		9.98%	Overall changes in interest income/income tax calculation/Fair value Reserve

As at Ashad end 2081
Principal Indicators

S.N.	Ratio	Indicators	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81
1	Net Profit/Gross Income	Percent	39.03	27.35	9.81	11.57	18.13	10.55	11.51	12.66	7.12	7.56
2	Earnings Per Share (as per NAS 33 - Earning per Share)	NPR	17.27	17.24	8.71	15.19	28.38	13.94	14.93	19.40	14.71	15.45
3	Market Value Per Share	NPR	155.00	152.00	77.99	146	197	181	585	341	413	416.6
4	Price Earning Ratio	Ratio	8.97	8.82	8.95	9.61	6.94	12.99	39.18	17.58	28.07	26.96
5	Stock Dividend (Bonus Share) on Share Capital	Percent	0.00	0.00	0.00	17.07	5.00	7.00	13.00	3.00	4.00	3.00
6	Cash Dividend on Share Capital	Percent	0.00	0.00	0.00	0.00	15.00	3.00	0.68	9.00	4.50	4.00
7	Interest Income/Loans and Advances	Percent	10.82	10.75	14.00	12.36	12.93	12.30	9.95	13.48	13.90	12.60
8	Staff Expenses/Total Expenses	Percent	12.26	13.29	15.06	13.03	13.04	11.23	12.50	11.29	8.10	8.53
9	Interest Expenses/Total Deposits and Borrowings	Percent	7.07	5.95	7.65	9.63	9.37	7.71	5.87	9.28	9.55	8.53
10	Exchange Gain/Total Income	Percent	0.00	0.00	0.00	0.03	[0.01]	0.04	[0.01]	0.01	0.01	0.00
11	Staff Bonus/Total Staff Expenses	Percent	26.69	33.88	12.36	16.43	27.20	18.46	19.36	22.74	16.99	20.73
12	Total Credit/Deposits	Percent	72.96	72.96	98.57	99.92	103.97	86.95	86.84	89.21	88.75	83.16
13	Total Operating Expenses/Total Assets	Percent	1.86	1.58	1.87	0.09	0.09	1.71	1.41	1.34	1.32	1.20
14	Capital Adequacy (On Risk Weighted Assets)											
	Core Capital	Percent	13.12	12.82	14.88	15.84	15.29	13.11%	11.89%	10.26%	9.47%	10.13%
	Supplementary Capital	Percent	0.81	1.01	1.20	1.35	1.25	1.09%	1.37%	1.46%	3.39%	3.27%
	Total Capital Fund	Percent	13.93	13.83	16.07	17.18	16.54	14.20%	13.26%	11.72%	12.85%	13.40%
15	Cash Reserve Ratio (CRR)	Percent	5.00	5.10	5.56	4.38	4.05	4.38	3.45	3.19	4.03	5.75
16	Net Profit / Total Loan	Percent	4.11	2.99	1.12	1.78	2.78	1.47	1.31	1.58	1.10	1.10
17	Gross Non-Performing Credit/Total Credit	Ratio	2.50	7.90	3.79	3.34	1.64	2.69	2.17	1.70	3.36	3.52%
18	Weighted Average Interest Rate Spread	Percent	4.72	4.29	4.89	4.19	4.79	4.58	4.08	4.20	4.34	4.06
19	Return on Total Assets	Percent	2.89	2.12	0.82	1.22	2.07	1.10	0.98	1.12	0.85	0.79
20	Book Net Worth	NPR	75.26	92.50	150.51	161.26	190.43	163.60	182.17	174.47	183.78	190.08
21	Base Rate	Percent	10.85	9.01	12.31	12.96	11.02	9.92	8.18	10.90	11.92	9.40
22	Number of Shares	No.	9,170,741	9,170,741	20,088,785	21,732,827	22,097,663	27,163,117	29,064,535	32,842,925	33,828,213	35,181,341
23	Number of Staff	No.	116	131	456	502	496	513	545	614	634	632



नेपाल राष्ट्र बैंक वित्तीय संस्था सुपरिवेक्षण विभाग



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ०१-४४१२३०७
Site: www.nrb.org.np
Email: nrbfsd@nrb.org.np
पोष्ट बक्स: ७३

पत्रसंख्या : वि.सं.सु.वि./गैरस्थलगत/लुम्बिनी/०८१/८२
च.नं. १५१...

मिति : २०८१/०९/०७

श्री लुम्बिनी विकास बैंक लिमिटेड,
डिल्लीबजार, काठमाडौं ।

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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८०/८१ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०८०/८१ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा अनुरोध छ । साथै, संस्थाले प्रस्ताव गरे अनुसार आ.व. २०८०/८१ सम्मको वितरणयोग्य मुनाफा रु. ३१,१६,३६,८८६/- बाट २०८१ असार मसान्तमा कायम रहेको चुक्ता पुँजी रु.३,५१,८१,३४,१३८/- को ३ प्रतिशतका दरले हुन आउने रकम रु.१०,५५,४४,०२४।१३ (अक्षरेपी दश करोड पचपन्न लाख चौवालिस हजार चौबीस र पैसा तेह्र मात्र) बराबरको बोनस शेयर तथा ४ प्रतिशतका दरले हुन आउने रकम रु.१४,०७,२५,३६५।५१ (अक्षरेपी चौध करोड सात लाख पच्चीस हजार तीन सय पैँसट्टी र पैसा एकाउन्न मात्र) नगद लाभांश (नगद लाभांश र बोनस शेयरमा लाग्ने कर समेत संलग्न रहेको) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा समेत निर्णयानुसार अनुरोध गर्दछु ।

- क) कर्जा प्रवाह पश्चात अनिवार्य रुपमा कर्जा सदुपयोगिताको सुनिश्चितता गर्नुहुन ।
- ख) श्रम ऐन बमोजिम कर्मचारीलाई बिदाको सुविधा दिने व्यवस्था गर्नुहुन ।
- ग) एकीकृत निर्देशन नं. ८/०८० बमोजिम विपन्न वर्ग कर्जामा गणना गर्ने प्रयोजनको लागि बाहेक 'घ' वर्गको लघुवित्त वित्तीय संस्थाको शेयरमा गरिएको लगानीलाई यथाशीघ्र बिक्री/विनिवेश गरी यस विभागमा जानकारी दिनुहुन ।
- घ) पुनरसंरचना वा पुनतालिकिकरण गरिएको कर्जाको व्याजलाई पुँजीकरण गर्ने कार्य बन्द गर्नु हुन साथै यस अघि पुँजीकरण गरिएका त्यस्तो व्याज रकमलाई पाउनुपर्ने व्याज खातामा लेखाङ्कन गर्नु हुन ।
- ङ) व्यवसाय सञ्चालनमा नरहेका कर्जाहरूको चाँडो भन्दा चाँडो व्यवस्थापन गर्नुहुन ।
- च) कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सूचना प्रविधि लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।
- छ) एकीकृत निर्देशन नं. ८/०८० बमोजिम लगानीसम्बन्धी व्यवस्थाको पूर्णरुपमा पालना गर्नुहुन ।

भवदीय,


(अमृत बहादुर बुढाथोकी)
उप-निर्देशक

बोधार्थः

- श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
- श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-४ ।

0/c

पत्र संख्या: २०८१/८२/एलबिबिएल/सिईओओ/०५५

मिति: २०८१/०९/०८

श्री नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग
वालुवाटार, काठमाण्डौ ।

**विषय : लाभान्श घोषणा/वितरण तथा वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा दिईएका निर्देशनहरुको
प्रतिउत्तर सम्बन्धमा ।**

महोदय,

उल्लेखित विषयमा तहाँको मिति २०८१/०९/०७ को पत्र संख्या वि.सं.सु.वि./गैरस्थलगत/लुम्बिनी ०८१/८२ च.नं. १९१ को पत्रबाट यस विकास बैंकको आर्थिक वर्ष २०८०/८१ को वार्षिक वित्तीय विवरण प्रकाशन तथा लाभान्श घोषणा/वितरण सम्बन्धमा स्वीकृत प्रदान गर्नु भएको पत्रमा उल्लेखित निर्देशनहरुको सन्दर्भमा मिति २०८१/०९/०७ मा बसेको सञ्चालक समितिको ४९१ औं बैठकबाट पारित भए बमोजिम बुँदागत रुपमा देहाय बमोजिम प्रत्युत्तर पेश गरिएको व्यहोरा अनुरोध गर्दछौं ।

- (क) कर्जा प्रवाह पश्चात कर्जा सदुपयोगिताको सुनिश्चितता गर्ने व्यवस्था थप सशक्त गरी मिलाईने व्यहोरा अनुरोध गर्दछौं ।
- (ख) श्रम ऐन, २०७४ बमोजिम बिदाको सुविधा दिने व्यवस्था मिलाईने व्यहोरा अनुरोध गर्दछौं ।
- (ग) एकीकृत निर्देशन नं. ८/०८० बमोजिम विपन्न वर्ग कर्जामा गणना गर्ने प्रयोजनको लागि बाहेकका 'घ' वर्गको लघुवित्त वित्तीय संस्थाको शेयरमा गरिएको लगानीलाई नेपाल राष्ट्र बैंकको निर्देशन भित्र रही यथाशीघ्र विक्री/विनिवेश गरी जानकारी गराउने व्यहोरा अनुरोध गर्दछौं ।
- (घ) पुनरसंरचना वा पुनरतालिकिकरण गरिएको कर्जाको व्याजलाई निर्देशानुसार व्यवस्था गरिने व्यहोरा अनुरोध गर्दछौं ।
- (ङ) व्यवसाय सञ्चालनमा नरहेका कर्जाहरुको व्यवस्थापन यथाशीघ्र गरिने व्यहोरा अनुरोध गर्दछौं ।
- (च) कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सूचना प्रविधि लगायतका विषयमा आन्तरीक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा त्यस बैंकबाट निरीक्षण एवं सुपरिवेक्षणको क्रममा औल्याएका कैफियतहरु पुनः नदोहोरिने गरि थप सजगताकासाथ कार्य गरिने व्यहोरा अनुरोध गर्दछौं ।
- (छ) तहाँबाट जारी एकीकृत निर्देशन नं. ८/०८० बमोजिम लगानी सम्बन्धी व्यवस्थाको पूर्ण रुपमा परिपालना गरिने व्यहोरा अनुरोध गर्दछौं ।

धन्यवाद ।



भवदीय
नरेश सिंह वोहरा
प्रमुख कार्यकारी अधिकृत

बोधार्थ:

- १. श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
- २. श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-४ ।



लुम्बिनी विकास बैंक लिमिटेडको

१७ औं वार्षिक साधारण सभामा संशोधनको लागि प्रस्तुत
प्रबन्धपत्रको तीन महले विवरण :

साविकको व्यवस्था	प्रस्तावित व्यवस्था	संशोधन गर्नुपर्ने कारण
दफा ५ : (ख) विकास बैंकको जारी पूँजी रु. ३,५१,८१,३४,१३७.७७ (अक्षरेपी तीन अर्व एकावन्न करोड एकासी लाख चौतिस हजार एक सय सैतिस रुपैया र पैसा सतहत्तर मात्र) हुनेछ। सो पूँजीलाई प्रति शे यर रु.१००/- दरका ३,५१,८१,३४१.३७ (तीन करोड एकावन्न लाख एकासी हजार तीन सय एकचालीस दशमलव तीन सात) थान साधारण शेयरमा विभाजन गरिएको छ।	दफा ५ : (ख) विकास बैंकको जारी पूँजी रु. ३,६२,३६,७८,१६१.९० (अक्षरेपी तीन अर्व बैसठ्ठी करोड छत्तीस लाख अठहत्तर हजार एक सय एकसठ्ठी रुपैया र पैसा नब्बे मात्र) हुनेछ। सो पूँजीलाई प्रति शेयर रु.१००/- दरका ३,६२,३६,७८१.६१ (तीन करोड बैसठ्ठी लाख छत्तीस हजार सात सय एकासी दशमलव छ एक) थान साधारण शेयरमा विभाजन गरिएको छ।	१७ औं वार्षिक साधारण सभाबाट विकास बैंकको कायम जारी तथा चुक्ता पूँजीमा रु १०,५५,४४,०२४.१३ (अक्षरेपी दश करोड पचपन्न लाख चवालीस हजार चौविस रुपैया र पैसा तेह मात्र) बराबरको वोनश शेयर पारित भए पश्चात जारी तथा चुक्ता पूँजी रु. ३,६२,३६,७८,१६१.९० (अक्षरेपी तीन अर्व बैसठ्ठी करोड छत्तीस लाख अठहत्तर हजार एक सय एकसठ्ठी रुपैया र पैसा नब्बे मात्र) पुगे भएकोले।
दफा ५ : (ग) विकास बैंकको चुक्ता पूँजी रु. ३,५१,८१,३४,१३७.७७ (अक्षरेपी तीन अर्व एकावन्न करोड एकासी लाख चौतिस हजार एक सय सैतिस रुपैया र पैसा सतहत्तर मात्र) हुनेछ।	दफा ५ : (ग) विकास बैंकको चुक्ता पूँजी रु. ३,६२,३६,७८,१६१.९० (अक्षरेपी तीन अर्व बैसठ्ठी करोड छत्तीस लाख अठहत्तर हजार एक सय एकसठ्ठी रुपैया र पैसा नब्बे मात्र) हुनेछ।	

लुम्बिनी विकास बैंक लिमिटेडको

१७ औं वार्षिक साधारण सभामा संशोधनको लागि प्रस्तुत
नियमावलीको तीन महले विवरण :

साविकको व्यवस्था	प्रस्तावित व्यवस्था	संशोधन गर्नुपर्ने कारण
नियम २९ १ (ख). सञ्चालक समितिको बैठकमा उपस्थित भए वापत अध्यक्ष र अन्य सञ्चालकले पाउने बैठक भत्ता प्रति बैठक क्रमशः रु. ११,०००/- (अक्षरेपी एघार हजार मात्र) र रु. ९,०००/- (अक्षरेपी नौ हजार मात्र) हुनेछ।	नियम २९ १ (ख). सञ्चालक समितिको बैठकमा उपस्थित भए वापत अध्यक्ष र अन्य सञ्चालकले पाउने बैठक भत्ता प्रति बैठक क्रमशः रु. १५,०००/- (अक्षरेपी पन्ध्र हजार मात्र) र रु. १३,०००/- (अक्षरेपी तेह हजार मात्र) हुनेछ।	समय सापेक्ष रुपमा आवश्यक परिवर्तन गर्नुपर्ने भएकोले।
नियम २९ १ (घ). सञ्चालकहरूलाई टेलिफोन सुविधा वापत मासिक रु. २,०००/- (अक्षरेपी दुई हजार मात्र) र पत्रपत्रिका सुविधा वापत मासिक रु. १,५००/- (अक्षरे पी एक हजार पाचसय मात्र) प्रदान गरिने छ।	नियम २९ १ (घ). सञ्चालकहरूलाई टेलिफोन सुविधा एवं पत्रपत्रिका सुविधा वापत मासिक रु. ६,०००/- (अक्षरेपी छ हजार मात्र) प्रदान गरिने छ।	समय सापेक्ष रुपमा आवश्यक परिवर्तन गर्नुपर्ने भएकोले।

हाम्रा शाखाहरू

केन्द्रीय कार्यालय	काठमाडौं म. न. पा. ३०, चारखाल रोड, काठमाडौं	०१-४५१३२३२/३४/०१-४५२१६९६
मधेश प्रदेश कार्यालय	बिरगंज उ. म. न. पा. १०, आदर्शनगर बिरगंज, पर्सा	०५१-५९१६५८

क्र. सं.	शाखाको नाम	ठेगाना	फोन नं.
१	बाडखोला शाखा	पुतलीबजार न.पा. ०३, बाडखोला, स्याङजा	०६३-४२३१७४
२	बनेपा शाखा	बनेपा न. पा. ०७, बसपार्क, काभ्रेपलान्चोक	०११-६६१३२०/२१
३	वाणी शाखा	कृष्णपुर न. पा. ०२, वाणी, कञ्चनपुर	०९९-४१७०४५/५७
४	बर्दघाट शाखा	बर्दघाट न. पा. ०४, शिवालय चोक, नवलपरासी	०७८-५९०२९७/९८
५	बसुन्धरा शाखा	टोखा न. पा. ०५, रिङ्गरोड, बसुन्धरा, काठमाडौं	०१-४९८३६१४/१५
६	बट्टार बजार शाखा	बिदुर न. पा. ०२, बट्टार बजार, नुवाकोट	०१०-५६१०७२/०१०-५६१२७२
७	भैरहवा शाखा	सिद्धार्थ न. पा. १२, आवा रोड, बसन्तपथ, रुपन्देही	०७१-५७००७३/७४
८	भकुण्डेबशी शाखा	नमोबुद्ध न. पा. ०७, भकुण्डेबशी, काभ्रे	०११-४०४०६२
९	बिराटनगर शाखा	बिराटनगर ०९, बाटा रोड, मोरङ	०२१-४५०६६३/६६४, ०२१-५७०९८२
१०	बिरेन्द्रनगर शाखा	बिरेन्द्रनगर न. पा. ०६, बिरेन्द्र चोक, सुर्खेत	०८३-५९००४३/४४
११	बिरगंज शाखा	बिरगंज उ. म. न. पा. १०, आदर्शनगर बिरगंज, पर्सा	०५१-५३०७६६/०५१-५२७४२९
१२	बिर्तामोड शाखा	बिर्तामोड न. पा. ०४, भद्रपुर रोड, भूपा	०२३-५९०३४७/४८
१३	बोडे शाखा	मध्यपुर ठिमी न. पा. ०८, बोडे, भक्तपुर	०१-६६३६११३/११४
१४	बुटवल शाखा	बुटवल उ. प. न. पा. ११, देबिनगर, बुटवल, रुपन्देही	०७१-४९०१६५/६६
१५	चन्द्रनिगाहपुर शाखा	चन्द्रपुर न. पा. ०४, रौतहट	०५५-५४०७७०/७६९
१६	चन्द्रौटा शाखा	शिवराज न. पा. ०५, कृष्णनगर रोड, कपिलवस्तु	०७६-५४०६८३
१७	चन्द्रावती शाखा	सतिस्वौरा न. पा. ०२, चन्द्रावती, तनहुँ	९८४६९५०९२८
१८	छोरेपाटन शाखा	पोखरा म. न. पा. १७, छोरेपाटन, पोखरा, कास्की	०६१-४५५५०९/०२
१९	दमक शाखा	दमक न. पा. ०६, थानारोड, भूपा	०२३-५९०६२५
२०	देबिघाट शाखा	बिदुर न. पा. ०५, देविघाट बजार, त्रिशुली, नुवाकोट	०१०-४१००७३
२१	धनगढि शाखा	धनगढि उ. न. पा. ०४, चौराहा, कैलाली	०९१-५९००८१/८२
२२	ढिकुरे शाखा	लिखुँ गा. पा. ०१, ढिकुरे, नुवाकोट	०१०-४९८०७३
२३	ढुङ्गेधारा शाखा	काठमाडौं म. न. पा. १६, ढुङ्गेधारा, काठमाडौं	०१-४८८०५४५/९२५
२४	डिल्लीबजार शाखा	काठमाडौं म. न. पा. ३०, चारखाल रोड, काठमाडौं	०१-४५१६४१/४२
२५	फत्तेपुर शाखा	सप्तकोशी न. पा. ०१, फत्तेपुर, सप्तरी	०३१-५५०९९१
२६	फुलबारी शाखा	पोखरा म. न. पा. ११, फुलबारी, कास्की	०६१- ५४३००५
२७	गजेहडा शाखा	बाणगङ्गा न. पा. ०४, गजेहडा, कपिलवस्तु	०७६-५५०४२३
२८	गरुडा शाखा	गरुडा न. पा. ०४, गरुडा बजार, रौतहट	०५५-५६५०७०
२९	गौर शाखा	गौर न. पा. ०१, गौर, रौतहट	०५५-५२१४३६/४३७
३०	घोराही शाखा	घोराही उ. न. पा. १५, मेन रोड, बि. पी. चोक, दाङ	०८२-५६४९८२/८३
३१	गोङ्गबु शाखा	टोखा न. पा. ०९, गोङ्गबु, काठमाडौं	०१-४९८७२४५/०१-४९५२०५२
३२	हामिकचोक शाखा	भरतपुर म. न. पा. ०९, हामिकचोक, चितवन	०५६-५९०४९७/३९७
३३	हरैचा शाखा	सुन्दरहरैचा न. पा. ०१, हरैचा, मोरङ	०२१-४०१०८२
३४	हरिनगर शाखा	हरिनगर गा. पा. ०४, सुनसरी	९८६२३६१४०९
३५	इमाडोल शाखा	महालक्ष्मी न. पा. ०१, इमाडोल, ललितपुर	०१/४९१४७८०
३६	इनरुवा शाखा	इनरुवा न. पा. ०१, गोलचोक, इनरुवा, सुनसरी	०२५-५६६७५३/५६
३७	इटहरी शाखा	इटहरी न. पा. ०६, इटहरी, सुनसरी	०२५-५८७०९२/९३
३८	जनकपुर शाखा	जनकपुर उ. म. न. पा. ०२, जनकपुर, धनुषा	०४१-५९०८८१/८२
३९	कलंकी शाखा	काठमाडौं म. न. पा. १३, कलंकी, काठमाडौं	०१-५२२४९९३/९४
४०	कालिकास्थान शाखा	कालिका गा. पा. ०२, कालिकास्थान, रसुवा	०१०-५४२०७३
४१	कमलबिनायक शाखा	भक्तपुर न. पा. १०, कमलबिनायक, भक्तपुर	०१-६६२०२३२
४२	कान्तिपथ शाखा	काठमाडौं म. न. पा. २७, कान्तिपथ, काठमाडौं	०१-५३४९५३४/०१-५३५३३२३
४३	कपन शाखा	बुढानिलकण्ठ न. पा. १०, मिलनचोक, कपन, काठमाडौं	०१-४८२३३२०

४४	कात्यायनी शाखा	काठमाडौं म.न.पा.३१, कात्यायनीचोक, भिमसेनगोला, काठमाडौं	०१-४१०९२९३/९४
४५	कौशलटार शाखा	मध्यपुर ठिमी न. पा. ०३, कौशलटार, भक्तपुर	०१-६६३६२२९/०१-६६३७३८५
४६	कावासोती शाखा	कावासोती न. पा. ०२, सभापती चोक, कावासोती, नवलपुर	०७८-५४००५८/५९
४७	केर्खा शाखा	कमल गा. पा. ०३, केर्खा, भापा	०२३-४७५१७०/७१
४८	खैरेनिटार शाखा	शुक्लागण्डकी न. पा. ०६, खैरेनिटार, तनहुँ	०६५-४१२१५०
४९	कोहलपुर शाखा	कोहलपुर न. पा. ११, साभा चोक, बाकें	०८१-५४२१८८/०८१-५४०३९२
५०	कुलेश्वर शाखा	काठमाडौं म. न. पा. १४, कुलेश्वर, काठमाडौं	०१-५१६५०३५/०१-५३७१२७९
५१	कुमारीपाटी शाखा	ललितपुर म. न. पा. ०५, कुमारीपाटी, ललितपुर	०१-५४३४२८९/०१-५४२५२७५
५२	कुरिनटार शाखा	इच्छाकामना गा. पा. ०४, कुरिनटार, चितवन	०५६-४१०१०४/१०३
५३	लाहान शाखा	लाहान न. पा. ०१, सिराहा	०३३-५६५१०२
५४	लेकसाइड शाखा	पोखरा म. न. पा. ०६, डिहिकोपाटन, फेवा मार्ग, कास्की	०६१-४१५५०३
५५	लालबन्दी शाखा	लालबन्दी न. पा. ०७, हाटबजार, लालबन्दी, सर्लाही	०४६-५०१५७९/८१
५६	लामाचौर शाखा	पोखरा म. न. पा. १६, लामाचौर, कास्की	०६१-४४५३१७/४४२३२०
५७	लम्की शाखा	लम्की चुहा न. पा. ०१, लम्की, कैलाली	०९१-५९०३५१/५२
५८	लेले शाखा	गोदावरी न. पा. ०६, लेले, ललितपुर	९७६१६०८८६४
५९	लोहरपट्टी शाखा	लोहरपट्टी न. पा. ०५, लोहरपट्टी, महोत्तरी	९८०७६८८६७०
६०	महालक्ष्मीस्थान शाखा	ललितपुर म. न. पा. १४, महालक्ष्मीस्थान, ललितपुर	०१-५१९३०६५
६१	महेन्द्रनगर शाखा	भिमदत्त न. पा. ०४, महेन्द्रनगर बजार, कञ्चनपुर	०९९-५२०६९७/०९९-५२११५२
६२	महेन्द्रपुर शाखा	पोखरा म. न. पा. ०९, महेन्द्रपुर, पोखरा, कास्की	०६१-५५३८००/५५१९००/५७५४०२
६३	मङ्गलबजार शाखा	ललितपुर म. न. पा. १६, मङ्गलबजार, ललितपुर	०१-५४४३०६०/६१
६४	मणिग्राम शाखा	तिलोत्तमा न. पा. ०५ मणिग्राम, बुटवल, रुपन्देही	०७१-५९००१५/१६
६५	मसुरिया शाखा	गौरीगंगा न. पा. ०७, मसुरिया, कैलाली	०९१-४०२१९८/९९
६६	नारायणगढ शाखा	भरतपुर म. न. पा. ०३, लायन्स चोक, नारायणगढ, चितवन	०५६-५९६६९४/८४
६७	नारायणटार शाखा	गोकर्णेश्वर न. पा. ०६, जोरपाटि, नारायणटार, काठमाडौं	०१-४९१०६०६/०१-४९१०६८८
६८	नरेफाँट शाखा	काठमाडौं म. न. पा. ३२, नरेफाँट, काठमाडौं	०१-५१४९३०१/३०२
६९	नयाँ बाहुनी शाखा	बेलवारी न. पा. ०७, नया बाहुनी, मोरङ	९८६२३६२७८४
७०	नेपालगन्ज शाखा	नेपालगन्ज उ. म. न. पा. ०२, सुर्खेत रोड, नेपालगन्ज, बाँके	०८१-५३३२५८/५९
७१	नेपालटार शाखा	तारकेश्वर न. पा. ११, नेपालटार, काठमाडौं	०१-४३९०३६२
७२	नयाँ बानेश्वर शाखा	काठमाडौं म. न. पा. ०६, नयाँ बानेश्वर, काठमाडौं	०१-४४९४४९३/०१-४४९५०८८
७३	न्युरोड, पोखरा शाखा	पोखरा म. न. पा. ०८, न्युरोड, कास्की	०६१-५७२१२२/०६१-५७४७००
७४	न्युरोड, काठमाडौं शाखा	काठमाडौं म. न. पा. २२, न्युरोड, काठमाडौं	०१-५३३११०६
७५	ओखलढुङ्गा शाखा	सिद्धिचरण न. पा. ११, रमाइलो डाँडा, ओखलढुङ्गा	०३७-५२०६४४
७६	पर्साधाप शाखा	भरतपुर म. न. पा. २७, पर्साधाप, चितवन	०५६-४०४१०९/१०
७७	पातिचौर शाखा	मोदी गा. पा. ०२, पातिचौर, पर्वत	०६७-४१००६७/०६७-६९०५६६
७८	पोखरीया शाखा	पोखरीया न. पा. ०४, पोखरीया बजार, पर्सा	०५१-५६०२५४/२५५/२२४
७९	राजाका चौतारा शाखा	लेखनाथ न. पा. ३२, राजाका चौतारा, कास्की	०६१-४१०२३३/२३४
८०	रामबजार शाखा	पोखरा म. न. पा. १०, रामबजार, पोखरा, कास्की	०६१-४३२४५०/०६१-४३२२७०
८१	रङ्गेली शाखा	रङ्गेली न. पा. ०७, रङ्गेली, मोरङ	०२१-५८०६३९/६३२
८२	रूपानी शाखा	रूपानी गा. पा. ०१, रूपानी, सप्तरी	०३१-४५०१९८/९७
८३	टाँडी शाखा	रत्ननगर न. पा. ०२, टाँडी, चितवन	०५६-५६३१४७/४८
८४	ताराताल शाखा	मधुवन न. पा. ०६, ताराताल, बर्दिया	०८४-४४०२५५
८५	ठमेल शाखा	काठमाडौं म. न. पा. २९, ठमेल, काठमाडौं	०१-४५२२५४३/०१-४५२३४४३
८६	टोखा शाखा	टोखा न. पा. ०६, टोखा रोड, काठमाडौं	०१-५१५९६००
८७	ट्राफिक चोक शाखा	बुटवल उ. म. न. पा. ०४, ट्राफिक चोक, बुटवल, रुपन्देही	०७१-५९०९८५/८६
८८	त्रिपुरेश्वर शाखा	काठमाडौं म. न. पा. ११, त्रिपुरेश्वर काठमाडौं	०१-४२३३३७३/०१-४२३३३८०/८१
८९	तुल्सीपुर शाखा	तुल्सीपुर उ. म. न. पा. ०५, तुल्सीपुर, दाङ	०८२-५९०२०५/०६
९०	लेले एक्स्टेन्सन काउन्टर	गोदावरी न. पा. ०५, लेले, ललितपुर	९७६५९७८७५६

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Note!*

Handwriting practice lines consisting of multiple sets of three horizontal dotted lines.

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Note!*

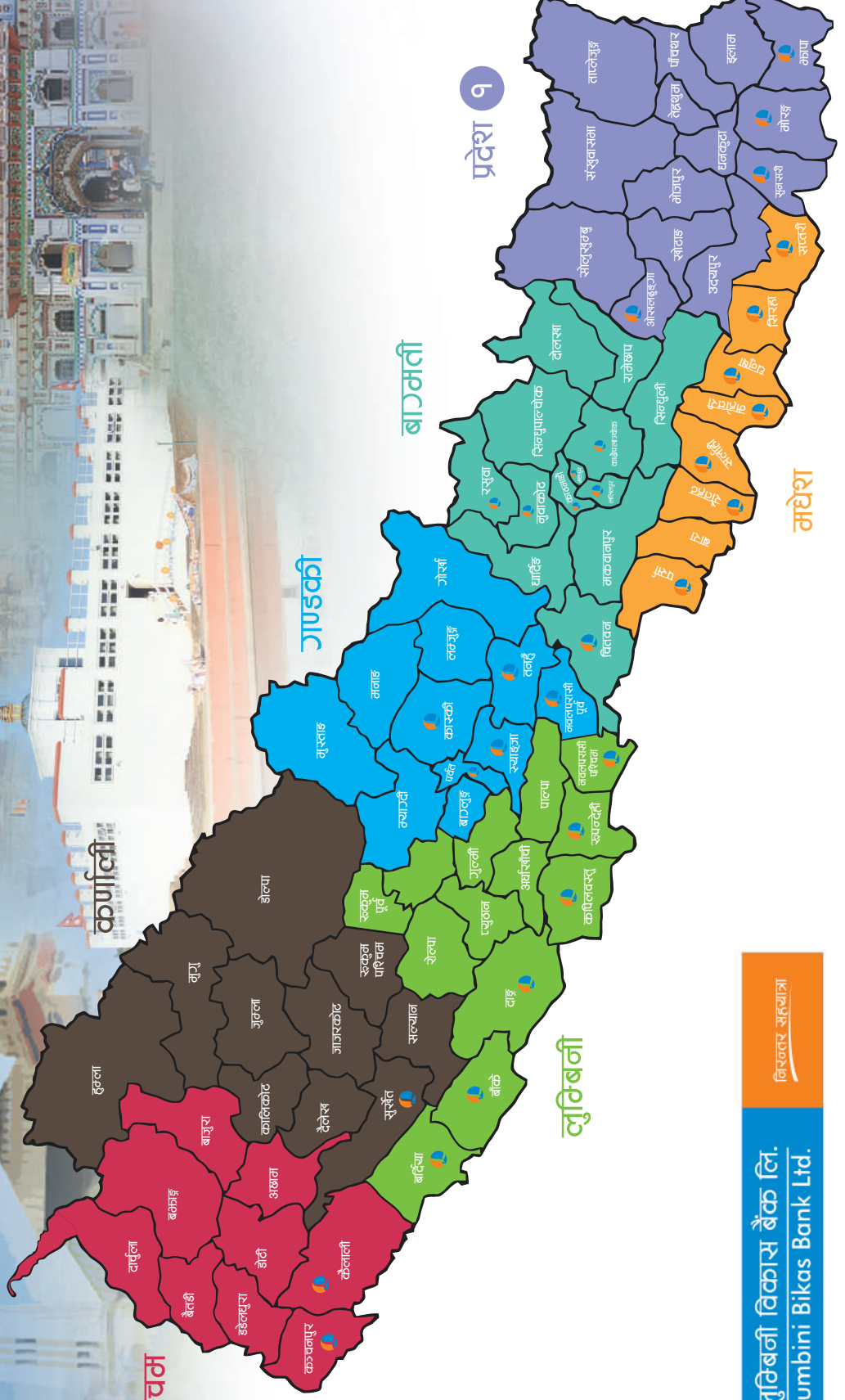
Handwriting practice lines consisting of 24 horizontal dotted lines.



लुम्बिनी विकास बैंक लिमिटेडको ९६ औं वार्षिक साधारण सभाको केहि मलकहरु

सुदुरपश्चिम

कर्णाली



प्रदेश १