

१३औं वार्षिक प्रतिवेदन

२०७५/७६



**DREAM BIG
ACHIEVE BIGGER**

“प्रगतिको आधार, कामना सेवा सँग कारोबार”



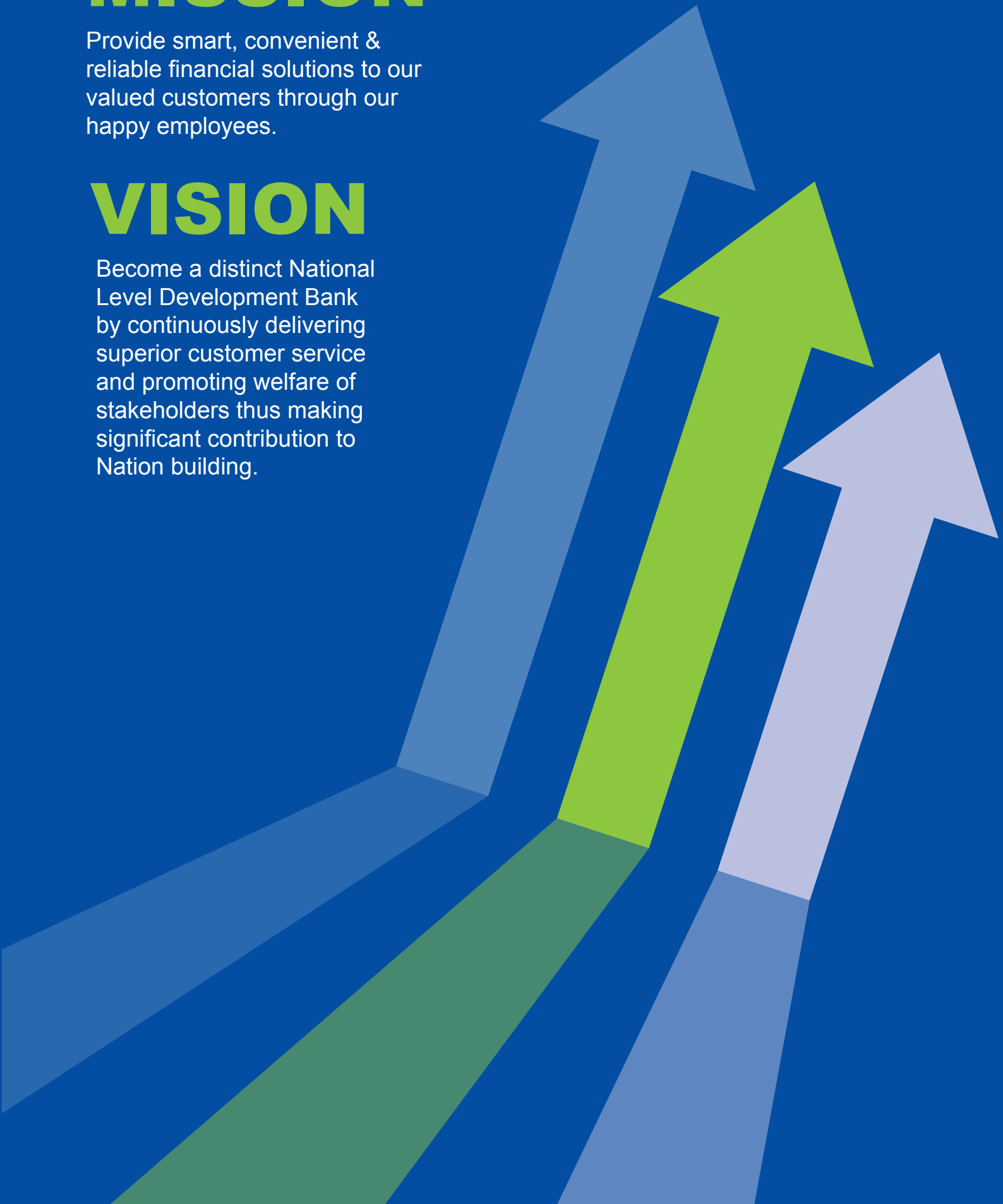
DREAM BIG
ACHIEVE BIGGER

MISSION

Provide smart, convenient & reliable financial solutions to our valued customers through our happy employees.

VISION

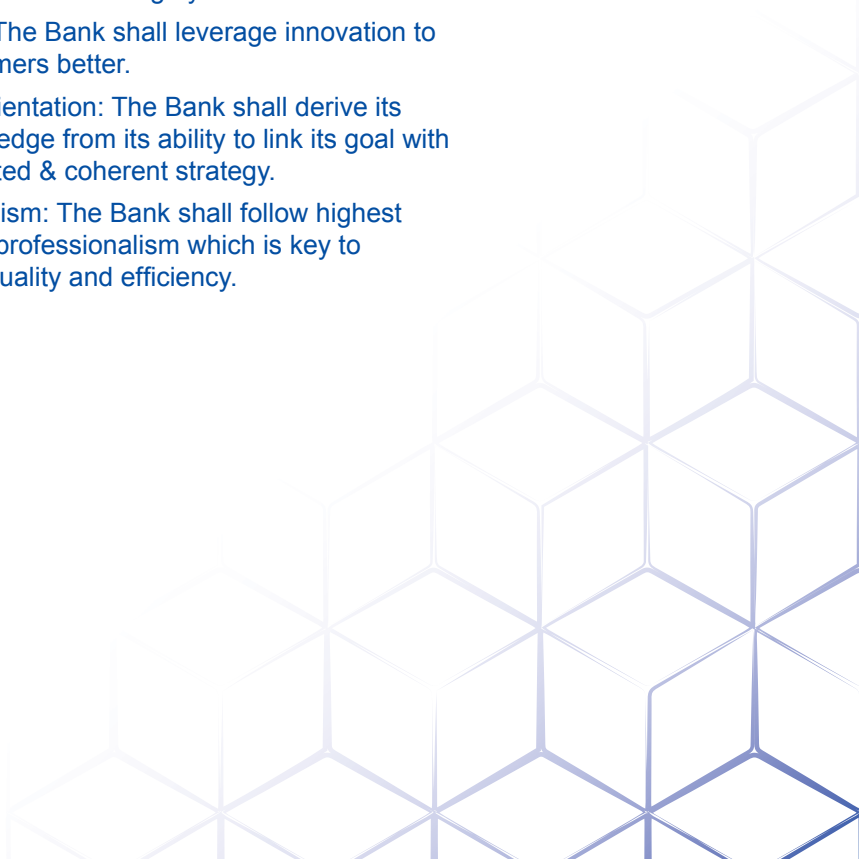
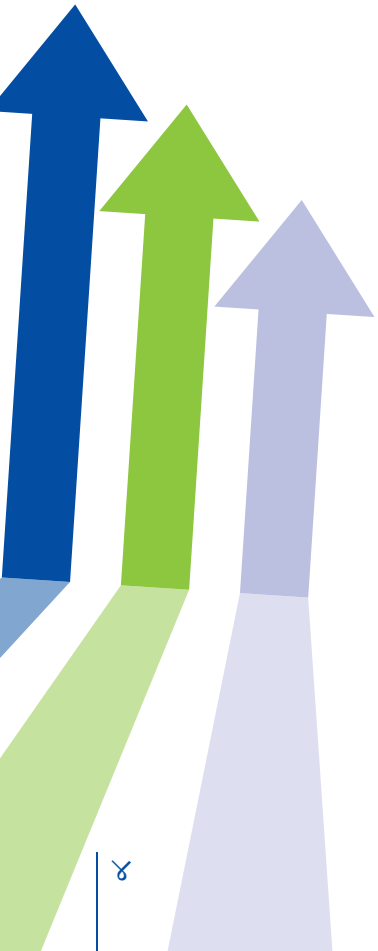
Become a distinct National Level Development Bank by continuously delivering superior customer service and promoting welfare of stakeholders thus making significant contribution to Nation building.



VALUES

- a. Pursuit of Excellence
- b. Customer Focus
- c. Corporate Governance
- d. Collaboration
- e. Business Ethics
- f. Innovation
- g. Strategic Orientation
- h. Professionalism

- Pursuit of Excellence: The Bank shall always strive to bring continuous improvement and excellence in products, processes, and services.
- Customer Focus: The bank shall always place customer's interest at the center while making decisions.
- Corporate Governance: The Bank shall endeavor to attain highest level of corporate governance and not mere compliance.
- Collaboration: The Bank shall always look forward to collaborative opportunities and achieve common goals.
- Business Ethics: The Bank shall follow highest standard of business integrity & ethics.
- Innovation: The Bank shall leverage innovation to serve customers better.
- Strategic Orientation: The Bank shall derive its competitive edge from its ability to link its goal with well-articulated & coherent strategy.
- Professionalism: The Bank shall follow highest standard of professionalism which is key to enhancing quality and efficiency.



प्रोक्सी फारम

श्री सञ्चालक समिति
कामना सेवा विकास बैंक लिमिटेड
काठमाडौं महानगरपालिका-३०,
ज्ञानेश्वर, काठमाडौं ।

विषय : प्रतिनिधि (प्रोक्सी) नियुक्त गरेको वारे ।

महाशय,

.....जिल्ला.....गाउँपालिका/नगरपालिका/उप/महा/नगरपालिका वडा नं.....वस्ने
म/हामी..... त्यस बैंकको सेयरधनीको हैसियतले मिति २०७६ साल पुष १७ गते विहीबारका दिन हुने १३ औं
वार्षिक साधारण सभामा, म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले, उक्त सभामा
मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि.....जिल्ला.....गाउँपालिका/नगरपालिका
/उप/महा/नगरपालिकावडा नं..... वस्ने श्रीलाई प्रतिनिधि नियुक्त गरी पठाएको छु/छौं ।
साथै, मैले/हामीले निज व्यक्ति बाहेक अरु कसैलाई प्रतिनिधि (प्रोक्सी) नियुक्त गरेको छैन/छैनौं ।

प्रोक्सी पाउनेको:

निवेदक:

दस्तखत:.....

दस्तखत:.....

नाम:

नाम:

ठेगाना:

ठेगाना:

सेयरधनी नं.:

सेयरधनी नं.:

हितग्राही (डि-म्याट) नं.:

हितग्राही (डि-म्याट) नं.:

शेयर संख्या:

शेयर संख्या:

मिति:

मिति:

द्रष्टव्य: यो निवेदन साधारणसभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, काठमाडौं
महानगरपालिका - ३०, ज्ञानेश्वर, काठमाडौंमा पेश गरिसक्नु पर्नेछ । शेयरधनी बाहेक अन्य व्यक्तिलाई प्रतिनिधि
नियुक्त गर्न पाइने छैन ।

सेयरधनीको नाम: श्री..... शेयरधनी परिचय नं.:.....शेयर संख्या

मिति २०७६ साल पुष १७ गते विहीबारका दिन हुने कामना सेवा विकास बैंक लि. को १३ औं वार्षिक साधारण
सभामा उपस्थित हुन जारी गरिएको

प्रवेश-पत्र

शेयरधनीको दस्तखत

सभामा भाग लिन आउँदा या प्रवेश-पत्रमा अनिवार्य रूपमा नाम, दस्तखत, शेयरधनी परिचय नं. तथा कूल शेयर
संख्या उल्लेख गरी साथै लिई आउनु पर्नेछ ।

कम्पनी सचिव

विषय सूचि

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१३ औं वार्षिक साधारणसभा सम्बन्धी सूचना

आदरणीय शेयरधनी महानुभावहरू,

यस कामना सेवा विकास बैंकको मिति २०७६/०८/२२ गते बसेको सञ्चालक समितिको २८२ औं बैठकको निर्णय अनुसार यस विकास बैंकको तेह्रौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा देहायका विषयहरू उपर छलफल गरी निर्णय गर्न बस्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि कम्पनी ऐन, २०६३ को दफा ६७ वमोजिम यो सूचना प्रकाशित गरिएको छ । उक्त मिति, समय र स्थानमा शेयरधनी महानुभावहरूलाई आफू स्वयम् वा रीतपूर्वकको प्रतिनिधि मार्फत उपस्थितिको लागि अनुरोध गरिन्छ ।

सभा बस्ने मिति, समय र स्थान

मिति: २०७६ पुस १७ गते बिहीबार, (तदनुसार २ जनवरी २०२०)

समय: विहान ११:०० बजे

स्थान: अमृतभोग, कालिका स्थान, डिल्लीबजार, काठमाडौं

छलफलका विषयहरू :

क. सामान्य प्रस्तावहरू :

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत हुने आ.व. ०७५/७६ को वार्षिक प्रतिवेदनको प्रस्तुति उपर छलफल गरी पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहितको २०७६ असार मसान्तको वासलात तथा आर्थिक वर्ष ०७५/७६ को नाफा नोक्सान हिसाब र सोही अवधिको नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरू अनुसूचीहरू उपर छलफल गरी पारित गर्ने ।
३. सञ्चालक समितिले प्रस्ताव गरे बमोजिम आ.व. ०७५/७६ को मुनाफाबाट शेयरधनीहरूलाई हाल कायम चुक्ता पूँजी रु. २,५४,०१,९५,३५२.०० को ६.८ प्रतिशतका दरले हुन आउने रकम रु. १७,२७,३३,२८४/- (लाभांशमा लाग्ने कर सहित) नगद लाभांश वितरण गर्ने प्रस्ताव पारित गर्ने ।
४. बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ तथा कम्पनी ऐन, २०६३ को दफा १११ अनुसार आ.व. ०७६/७७ को लेखापरीक्षण गर्न लेखापरीक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने ।
(वर्तमान लेखापरीक्षक जि.पि. राजवाहक एण्ड कम्पनी चार्टर्ड एकाउन्टेण्ट्स पुनः नियुक्तिको लागि योग्य रहेको)

ख. विशेष प्रस्तावहरू:

१. यस कामना सेवा विकास बैंक लिमिटेड र इजाजतपत्र प्राप्त अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरू एकापसमा प्राप्ति र गाभ्ने वा गाभ्ने (Merger/Acquisition) प्रयोजनका लागि उपयुक्त बैंक तथा वित्तीय संस्थाको पहिचान गर्ने, उपयुक्त देखिएमा सो सम्बन्धी समझदारी पत्र (MOU) मा हस्ताक्षर गर्ने तथा सोको आधारमा सैद्धान्तिक स्वीकृतिका लागि नेपाल राष्ट्र बैंकमा निवेदन दिने, सम्पत्ति तथा दायित्व मूल्याङ्कन (DDA) सम्बन्धी कार्य गर्ने, सोको लागि लेखापरीक्षक नियुक्त गर्ने, निजको पारिश्रमिक तोक्ने लगायतका आवश्यक सम्पूर्ण कार्यहरू गर्न गराउन सञ्चालक समितिलाई अख्तियारी दिने ।
२. बैंकको प्रबन्धपत्र तथा नियमावलीको संशोधनका सम्बन्धमा नियमनकारी निकायबाट कुनै थपघट, परिमार्जन वा संशोधनको निर्देशन प्राप्त भएमा सोही बमोजिम गर्न गराउन सञ्चालक समिति वा समितिले तोकेको व्यक्तिलाई अख्तियारी दिने सम्बन्धी प्रस्ताव पारित गर्ने ।

ग. विविध :

साधारणसभा सम्बन्धी थप जानकारी

१. यस विकास बैंकको १३ औं वार्षिक साधारणसभा प्रयोजनको लागि बैंकको शेयर दाखिल खारेजको काम मिति २०७६/०८/३० गतेदेखि मिति २०७६/०९/१७ गतेसम्म बन्द रहनेछ । नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०७६/०८/२९ गते सम्म कारोबार भई प्रचलित नियम अनुसार ७ कार्य दिन भित्र विकास बैंकको शेयर रजिष्ट्रार बि.ओ.के. क्यापिटल मार्केट लिमिटेड, कमलादी, काठमाडौंमा प्राप्त शेयरहरू मात्र उक्त साधारणसभामा भाग लिन, मतदान गर्न र नगद लाभांश प्रयोजनको लागि योग्य हुनेछन् ।
२. सम्पूर्ण शेयरधनी महानुभावहरूलाई शेयरधनी लगतमा कायम रहेको सम्बन्धित ठेगानामा हिसाव सहितको वार्षिक प्रतिवेदन पुस्तिका पठाईनेछ । वार्षिक साधारणसभामा भाग लिन शेयरधनी महानुभावहरूले शेयर प्रमाणपत्र वा डि-म्याट खाताको विवरण र आफ्नो परिचय खुल्ने आधिकारिक प्रमाणपत्र (जस्तै नागरिकता वा विकास बैंकले जारी गरेको प्रवेशपत्र वा अन्य कुनै परिचयपत्र) अनिवार्य रूपमा साथमा लिई आउनुहुन अनुरोध छ ।
३. शेयरधनी महानुभावहरूको सुविधाको लागि हाजिरी पुस्तिका सभा स्थलमा सभा हुने दिन विहान १०.०० बजे देखि खुल्ला गरिनेछ । सभामा उपस्थित हुने प्रत्येक शेयरधनी महानुभावहरूले सभा स्थलमा उपस्थिति भई तहां रहेको हाजिरी पुस्तिकामा दस्तखत गर्नुपर्नेछ ।

४. नावालक वा होस ठेगानमा नरहेको शेयरधनीको तर्फबाट संरक्षकले सभामा भाग लिन, छलफल गर्न र प्रतिनिधि नियुक्त गर्न समेत सक्नेछन् । शेयरवालाको दर्ता किताबमा संरक्षकको रूपमा नाम लेखिएको व्यक्तिलाई मात्र संरक्षक मानिनेछ । संयुक्त रूपमा शेयर खरिद गर्ने शेयरधनीको हकमा शेयर लगतमा जसको नाम पहिला उल्लेख गरिएको छ, सो व्यक्ति वा संयुक्त शेयरधनीको सर्वसहमतिबाट आफूहरूमध्ये नियुक्त व्यक्तिले मात्र सभामा भाग लिन, छलफल गर्न, प्रतिनिधि नियुक्त गर्न र मतदान गर्न सक्नुहुनेछ ।
५. साधारणसभामा भाग लिन प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी ऐनले तोकेको ढाँचामा प्रतिनिधिपत्र (प्रोक्सी) फाराम भरी सभा शुरु हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, काठमाडौं ३०, ज्ञानेश्वरमा कार्यालय समयमा दर्ता गरी सक्नु पर्नेछ । बैंकको शेयरधनी बाहेक अन्य व्यक्तिलाई प्रोक्सी दिन र एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी तथा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन, यसरी दिइएको प्रोक्सी बदर हुनेछ ।
तर, प्रतिनिधि नियुक्त गर्ने शेयरधनीले आफूले अगाडि दिएको प्रतिनिधि (प्रोक्सी) बदर गरेको स्पष्ट उल्लेख गरी निवेदन दिई अर्को शेयरधनीलाई प्रतिनिधि नियुक्त गरेमा त्यसरी नियुक्त प्रतिनिधिले सभामा भाग लिन र मतदान गर्न पाउनेछन् यस्तो अवस्थामा अधिल्लो प्रतिनिधि (प्रोक्सी) स्वतः बदर भएको मानिनेछ ।
६. प्रतिनिधि (प्रोक्सी) नियुक्त गरिसक्नु भएको शेयरधनी आफैँ सभामा उपस्थित भई तोकिएको समय भित्र हाजिरी किताबमा दस्तखत गरी सभामा भाग लिएमा अगाडि दिएको प्रोक्सी स्वतः बदर भएको मानिनेछ ।
७. यस बैंकको शेयर खरिद गरेको संगठित संस्था वा कम्पनीले विकास बैंकको कुनै अर्को शेयरधनीलाई प्रतिनिधि (प्रोक्सी) मुकरर गर्न सक्नेछ । त्यसरी प्रतिनिधि (प्रोक्सी) मुकरर नगरिएको अवस्थामा त्यस्तो संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन सक्नेछन् ।
८. विविध शीर्षक अर्न्तगत शेयरधनी महानुभावले विकास बैंकको सम्बन्धमा तोकिएको प्रस्ताव बाहेक अन्य कुनै विषयमा छलफल, टिप्पणी, राय वा सुझाव राख्न आवश्यक ठानेमा शेयरधनी महानुभावहरूले आफूले प्रस्तुत गर्न चाहेको विषयबारे सभा हुनुभन्दा कम्तीमा ७ (सात) दिन अगावै कार्यालय समयभित्र लिखित रूपमा विकास बैंकको केन्द्रीय कार्यालयमा जानकारी दिनुपर्नेछ । यसरी पूर्व जानकारी नगराएको विषयमा सभामा छलफल तथा निर्णय गरिने छैन ।
९. स्वदेश वा विदेशमा रही साधारणसभामा उपस्थित हुन नसक्ने शेयरधनी महानुभावहरूले बैंकको आधिकारिक वेवसाइट www.kamanasewabank.com मा रहेको प्रोक्सी फाराम डाउनलोड गरी हस्ताक्षर गरी प्रोक्सी फाराम बैंकको info@kamanasewabank.com मा पठाउन सक्नुहुनेछ ।
१०. साधारणसभा सम्बन्धी अन्य थप जानकारीका लागि विकास बैंकको केन्द्रीय कार्यालयको टोल फ्री नं. ९६६००९९३००० र फोन नं. ०१-४४४०९२३ मा सम्पर्क गर्नुहुन वा विकास बैंकको वेवसाइट www.kamanasewabank.com हेर्नुहुन वा काठमाडौं ३०, ज्ञानेश्वर स्थित बैंकको केन्द्रीय कार्यालयमा कार्यालय समयभित्र सम्पर्क राख्नुहुन अनुरोध छ ।



सञ्चालक समितिको निर्णयानुसार
कम्पनी सचिव

सञ्चालक समिति



बलराम बराल
सञ्चालक

देव कृष्ण काफ्ले
सञ्चालक

भिम प्रसाद तुलाचन
सञ्चालक



सुदिप आचार्य
अध्यक्ष

चतुराखर अधिकारी
सञ्चालक

विश्वेश्वर सुवेदी
सञ्चालक



अध्यक्षज्यूको मन्तव्य

यस कामना सेवा विकास बैंक लि. को १२ औं वार्षिक साधारणसभामा उपस्थित हुनुभएका आदरणीय शेयरधनी महानुभावहरु, सञ्चालकज्यूहरु, पूर्व अध्यक्ष तथा सञ्चालकज्यूहरु, प्रमुख कार्यकारी अधिकृत, हाम्रो निमन्त्रणा स्वीकार गरी पाल्नु भएका अतिथिज्यूहरु, बैंकका बाह्य लेखापरीक्षक, पत्रकारज्यूहरु, सम्पूर्ण बैंकका कर्मचारीहरु एवं यस गरिमामय सभामा उपस्थित सम्पूर्ण महानुभावहरुलाई सञ्चालक समितिको तर्फबाट हार्दिक स्वागत गर्दछु।

बैंकलाई बास्तवमै राष्ट्रिय स्तरको अब्बल विकास बैंकको रूपमा स्थापित गराउनको निमित्त धेरै भन्दा धेरै ग्राहक महानुभावहरुका घर आगनमा पुग्ने हेतुले शाखा विस्तारको रणनीति लिई काठमाडौं उपत्यका, प्रदेश नं. १, प्रदेश नं. २ लगायत अन्य प्रदेशहरुमा शाखा सञ्जाल विस्तार गरी राष्ट्रव्यापी उपस्थितिमा जोड दिए अनुरूप आ.व. ०७५/७६ असार मसान्तसम्ममा देशका सात वटै प्रदेशका शहरी तथा ग्रामीण इलाकामा गरी ९४ वटा शाखा कार्यालय तथा ४३ वटा एटिएम मेसिन मार्फत ग्राहक महानुभावहरुलाई सेवा प्रदान गर्न सक्षम भएको सम्मानित सभा समक्ष अवगत गराउँदछु। विस्तार अनुरूपकै एक आर्थिक वर्षकै दौरानमा कर्जा लगानीमा ५१.८८ प्रतिशतको तथा निक्षेप संकलनमा ४५.८८ प्रतिशतको बृद्धि हासिल गर्न सफल भएका छौं। प्रविधिको स्तरोन्नती, नयाँ ग्राहक भित्र्याउनको निमित्त बृहत शाखा सञ्जाल एवं दक्ष तथा अनुभवी जनशक्ति प्राप्तमा गरिएको लगानी आदिका बाबजुद यस आर्थिक वर्षको नाफाबाट ६.८ प्रतिशत प्रतिफल प्रदान गर्न सफल भएका छौं। बैंकले गरेको यस्ता रणनीतिक लगानीबाट भविष्यमा दिगो प्रतिफल आर्जन गरी बैंकलाई अझै सवल, सक्षम र सुरक्षित बैंकको रूपमा स्थापित गर्नमा टेवा पुग्ने तथा सञ्चालक समितिले बैंकलाई अब्बल विकास बैंकको रूपमा स्थापित गर्न अख्तियार गरेका यस्ता रणनीतिमा सम्पूर्ण शेयरधनी महानुभावहरुको समर्थन एवं सहयोग हुने कुरामा हामी विश्वस्त छौं।

बैंकले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत शिक्षा, स्वास्थ्य, वातावरण संरक्षण र असहाय तथा न्यून आय भएका परिवारका बालबालिकाहरुको वृत्ति विकास जस्ता क्षेत्रमा आर्थिक सहयोग प्रदान गर्दै आएको छ र यस्ता कार्यलाई आगामी आर्थिक वर्षहरुमा पनि निरन्तरता दिने लक्ष्य लिएका छौं।

अन्तमा, कारोबार सञ्चालनको १२ वर्ष सफलतापूर्वक पुरा भएकोमा बैंकको उत्तरोत्तर प्रगति तथा समृद्धिको लागि प्रत्यक्ष तथा अप्रत्यक्ष रूपले बैंकलाई अमूल्य सहयोग तथा सुझाव दिई बैंकको कार्य दक्षता तथा सेवा विस्तार गर्न मद्दत गर्नुहुने सम्पूर्ण शेयरधनी महानुभावहरु, ग्राहक महानुभावहरु, पूर्व सञ्चालकज्यूहरु, पूर्व कार्यकारी प्रमुखज्यूहरु, बैंकको हित तथा प्रगतिको लागि मार्ग निर्देशन गर्ने नेपाल सरकार, अर्थ मन्त्रालय, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, सि.डि.एस एण्ड क्लियरिङ लि., वि.ओ.के. क्यापिटल मार्केट्स लि., कर्जा सूचना केन्द्र लि., विभिन्न बैंक तथा वित्तीय संस्थाहरु तथा अन्य संघ-संस्थाहरु, बैंकको उन्नतीमा अनवरत लागि पर्ने बैंकका सञ्चालकहरु, प्रमुख कार्यकारी अधिकृत लगायत सम्पूर्ण कर्मचारीहरु, सञ्चार जगत एवं शुभचिन्तक महानुभावहरुप्रति हार्दिक आभार प्रकट गर्दै यस गरिमामय वार्षिक साधारण सभामा यहाँहरुलाई पुनः एक पटक स्वागत गर्दै धन्यवाद ज्ञापन गर्दछु।

धन्यवाद !

सुदिप आचार्य

अध्यक्ष



प्रमुख कार्यकारी अधिकृतज्यूको मन्तव्य

यस कामना सेवा विकास बैंक लि. को १३ औं वार्षिक साधारणसभाको अध्यक्षता गर्नु भएका बैंकका अध्यक्षज्यू, सञ्चालकज्यूहरू, संस्थापक लगायत सम्पूर्ण शेरधनी महानुभावहरू, आमन्त्रित अतिथिज्यूहरू, मेरा सहकर्मी कर्मचारी साथीहरू तथा महिला एवम् सज्जन वृन्दहरूमा म बैंकको प्रमुख कार्यकारी अधिकृत एवम् बैंक परिवारको तर्फबाट यहाँहरूको उपस्थितिका लागि हृदयदेखि नै आभार प्रकट गर्दै हार्दिक स्वागत गर्दछु।

बैंकलाई राष्ट्रिय स्तरको अञ्चल विकास बैंक बनाउनको निमित्त सञ्चालक समितिले दिएको मार्ग निर्देशन बमोजिम दीर्घकालीन रणनीति "Strategy-2080" कार्यान्वयनमा ल्याई बैंकको जोखिम व्यवस्थापन प्रणाली, आन्तरिक नियन्त्रण प्रणाली, प्रविधिको स्तरोन्नति, शाखा सञ्जाल विस्तार, Digitization, Automation, सेवाको गुणस्तर अभिवृद्धि सहित ग्राहकलाई उत्कृष्ट सेवामार्फत खुशी र सन्तुष्ट बनाई बैंकको ब्राण्ड, ख्याती, साथै व्यवसायको बजार हिस्सा विस्तार हुने गरी बैंकको Vision, Mission/Values मा पुनरावलोकन गरी अगाडि बढेका छौं। साना तथा मझौला व्यवसाय कर्जा एवं रिटेल कर्जा, गैर व्याजमुलक आम्दानी तथा व्यक्तिगत निक्षेपमा जोड दिएका छौं र आगामी वर्षमा पनि यसलाई निरन्तरता दिने योजना बनाएका छौं। दीर्घकालीन रणनीति अवलम्बन गरेको प्रथम वर्षमा नै कर्जा लगानीमा रु.७.०३ अर्ब तथा निक्षेप संकलनमा रु.७.२२ अर्ब थप रकम बृद्धि गर्न सफल भएका छौं जुन अधिल्लो वर्षको तुलनामा क्रमशः ५१.८८ प्रतिशत र ४५.८८ प्रतिशतको बृद्धि हो। हामी यही वर्षको दौरानमै ३६ वटा नयाँ शाखा थप गरी ९४ वटा शाखा कार्यालय तथा ४३ वटा एटिएम मेसिनमार्फत ग्राहक महानुभावहरूलाई घर दैलोमै अझ सर्वसुलभ र गुणस्तरीय सेवा प्रदान गर्न सक्षम भएको व्यहोरा अनुरोध गर्दछौं। शाखा सञ्जाल विस्तार, प्रविधिको स्तरोन्नति, Digitization, Automation जस्ता दीर्घकालीन रणनीतिक लगानीको बावजुद शेरधनी महानुभावहरूलाई ६.८ प्रतिशत प्रतिफल प्रदान गर्न बैंक सफल भएको छ र यस्ता रणनीतिक लगानीबाट भविष्यमा अझ दिगो प्रतिफल आर्जन गरी सवल, सक्षम र सुरक्षित बैंकको रूपमा स्थापित गर्नेमा हामी विश्वस्त छौं।

अन्तमा, सञ्चालक समितिबाट निरन्तर प्राप्त सकारात्मक मार्ग निर्देशन, ग्राहक महानुभावहरूको पूर्ण साथ, शेरधनी महानुभावहरूको सहयोग र विश्वास, कर्मचारी साथीहरूको अथक मेहनत र साथ, नेपाल सरकार, अर्थ मन्त्रालय, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्रबोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, सि.डि.एस. एण्ड क्लियरिङ लि., वि.ओ.के. क्यापिटल मार्केट्स लि., कर्जा सूचना केन्द्र लि., विभिन्न बैंक तथा वित्तीय संस्थाहरू तथा अन्य संघ-संस्थाहरूको सकारात्मक सहयोगले गर्दा नै बैंकले यस प्रकारको उपलब्धि हासिल गर्न सफल भएको हो। यस्तो अमूल्य योगदानको लागि म यहाँहरू सबै प्रति हार्दिक कृतज्ञता जाहेर गर्दछु र भविष्यमा बैंकलाई अञ्चल विकास बैंक बनाउने अभियानमा लाग्ने प्रतिबद्धता व्यक्त गर्दै सो अभियानमा यहाँहरू सबैको सदा साथ, सहयोग र सद्भाव मिलीरहनेछु भन्ने आशा एवं विश्वास लिएको छु।

धन्यवाद।

प्रतिग बस्नेत

प्रमुख कार्यकारी अधिकृत

OUR GROWTH STORY FOR FY 2075/76



Deposit

This Year: NPR 22.97 Billion
Last Year: NPR 15.75 Billion
Growth: NPR 7.22 Billion
45.88% ↑



Loan

This Year: NPR 20.57 Billion
Last Year: NPR 13.54 Billion
Growth: NPR 7.03 Billion
51.88% ↑



Non-Performing Loan (NPL)

This Year: 0.97 %
Last Year: 1.13 %
Improvement of 0.16%



Balance Sheet Size

This Year: NPR 53.38 Billion
Last Year: NPR 38.92 Billion
Growth : NPR 14.46 Billion
37.15% ↑



Number of Customers

This Year: 267,300
Last Year: 195,410
Growth: 71,890
36.79% ↑



Branch Network

This Year: 94
Last Year: 58
36 New Branches ↑



ATM Network

This Year: 43
Last Year: 17
26 New ATMs ↑

Award & Recognition



The Bank had been recognized
from **Nepal Government**
for being the **Highest Taxpayer**
amongst taxpayers under
Middle Level Taxpayers Office's Jurisdiction
for the FY 2074/75

कामना सेवा

प्रगति बचत खाता

6% को उच्चतम ब्याज दर



- न्यूनतम मौज्जात रु. १००/- मात्र
- दैनिक ब्याज गणना
- निःशुल्क VISA डेबिट कार्ड
- निःशुल्क मोबाइल/ईन्टरनेट बैंकिङ्ग
- निःशुल्क लकर सुविधा

* शर्तहरू लागू हुनेछन् ।

‘प्रगतिको आधार, कामना सेवा सँग कारोबार’

व्यवस्थापन समूह

(कम्पनी सचिव तथा विभागीय प्रमुखहरू)



दिमस अमात्य
(प्रमुख जोखिम व्यवस्थापन)



रमेश भट्टराई
(प्रमुख सुरक्षा अधिकृत)



नितेश अर्याल
(प्रमुख कर्जा प्रशासन)



सुरेश उप्रेती
(प्रमुख व्यवसाय कर्जा)



रघुनाथ त्रिपाठी
(प्रमुख लघुवित्त तथा कर्जा असुली)



काशीनाथ पराजुली
(प्रमुख सूचना प्रविधि)



डण्डपानी भट्टराई
(प्रमुख कानून)



सुवास भट्टराई
(प्रमुख डिपोजिट एण्ड ट्रान्जेक्शन बैकिङ्ग)



हरि प्रसाद लम्साल
(कम्पनी सचिव)



सुष्टिना मानन्धर
(प्रमुख मानव संसाधन)



घनश्याम ढुङ्गेल
(प्रमुख रिटेल बैकिङ्ग, ब्राण्डिङ्ग
एण्ड कर्पोरेट कम्युनिकेसन)



प्रदिप पुडासैनी
(प्रमुख वित्त)



निरञ्जन भण्डारी
(प्रमुख अनुपालन)



मिलन अधिकारी
(प्रमुख आन्तरिक लेखापरीक्षण)



सुनम्रता श्रेष्ठ
(प्रमुख प्रसाशन)



बुडामणी खनाल
(प्रमुख सञ्चालन)

व्यवस्थापन समूह

(प्रदेश तथा क्षेत्रीय प्रमुखहरू)



दुबराज बास्तोला
(प्रमुख-गण्डकी प्रदेश)



सुजन छाराहाड
(प्रमुख-प्रदेश नं. १)



प्रकाश चन्द्र भट्टराई
(प्रमुख-काठमाडौं क्षेत्र)



राजेश रावल
(प्रमुख-नेपालगञ्ज क्षेत्र)



राकेश सिंह
(प्रमुख-प्रदेश नं. २)



सुरेन्द्र भण्डारी
(प्रमुख-नारायणगढ क्षेत्र)

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२०७६ असोज मसान्त सम्मको संक्षिप्त जानकारी

नाम	कामना सेवा विकास बैंक लिमिटेड
रजिष्टर्ड कार्यालय	काठमाडौं ३०, ज्ञानेश्वर, काठमाडौं
कम्पनीको प्रकार	पब्लिक लिमिटेड कम्पनी
कम्पनी रजिष्ट्रारको कार्यालयमा दर्ता भएको मिति	२०६४।०२।२४
दर्ता नम्बर	९९७।०६३।६४
नेपाल राष्ट्र बैंकबाट कारोबार स्वीकृति प्राप्त मिति	२०६४।०६।२४
कारोबार शुरू मिति	२०६४।०७।१२
कार्यक्षेत्र	राष्ट्रिय स्तर
कार्यालय संचालनमा रहेका जिल्लाहरू	३८
शाखा संख्या	१०३
सूचीकरण मिति	२०६८।०४।०९
पूँजी संरचना	
(क) अधिकृत पूँजी	३,०००,०००,०००
(ख) जारी तथा चुक्ता पूँजी	२,५४०,९९५,३५२
(ग) शेयर संरचना	५१ प्रतिशत संस्थापक ४९ प्रतिशत सर्वसाधारण
नेटवर्थ प्रति शेयर	१३३.८१
कुल निक्षेप	२५,४८४,६५५,९९३
कर्जा तथा सापटी	२२,३७२,९३०,८७५
कुल लगानी	१,९४५,८५६,८३८
प्रति शेयर बजार मूल्य (अधिकतम)	१६४
खाता संख्या	२६२,१७३
ऋणी संख्या	१७,६६८
पूँजीकोष पर्याप्तता	१५.७५
कर्जा र पूँजी तथा निक्षेप अनुपात	७७.९१
निष्कृत्य कर्जा/कुल कर्जा अनुपात	१.६१
बैधानिक तरलता अनुपात	८.१९
कुल कर्मचारी संख्या	७९०

अध्यक्षज्यूद्वारा प्रस्तुत संचालक समितिको वार्षिक प्रतिवेदन

आर्थिक वर्ष २०७५/०७६

आदरणीय शेयरधनी महानुभावहरू,

कामना सेवा विकास बैंक लिमिटेडको १३ औं वार्षिक साधारणसभामा भाग लिन उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरू, पत्रकारज्यूहरू, कर्मचारी लगायत यस गरिमामय साधारणसभामा उपस्थित सम्पूर्ण महानुभावहरूमा सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत गर्दछु । विकास बैंकको १३ औं वार्षिक साधारणसभामा आर्थिक वर्ष २०७५/०७६ को वार्षिक प्रतिवेदन प्रस्तुत गर्न पाउँदा मैले अत्यन्तै गौरवान्वित महसुस गरेको छु । बिगत १३ वर्षको यात्रा क्रममा बैंकलाई अधिकतम उचाई प्राप्त गर्न शेयरधनीका रूपमा यहाँहरूले पुऱ्याउनुभएको सहयोग, योगदान तथा सद्भावका लागि हृदयदेखि आभार प्रकट गर्दै यस बैंकको निरन्तर प्रगति र विकासको लागि प्रत्यक्ष वा अप्रत्यक्ष रूपले महत्वपूर्ण सहयोग तथा आत्मिय साथ दिई बैंकको कार्यदक्षता एवं सेवा विस्तारमा मद्दत पुऱ्याउनु हुने यहाँहरू सबैमा धन्यवाद दिन चाहन्छु ।

यस साधारणसभामा सञ्चालक समितिको वार्षिक प्रतिवेदन, लेखापरीक्षकको प्रतिवेदन सहित मिति २०७६ असार मसान्त सम्मको वासलात, आर्थिक वर्ष २०७५/०७६ को नाफा नोक्सान हिसाब तथा सोसंग सम्बन्धित अनुसूचि लगायत अन्य विवरणहरू पारित गरिदिनुहुन यस सम्मानित सभामा उपस्थित शेयरधनीहरूमा हार्दिक अनुरोध गर्दछु ।

यो प्रतिवेदन कम्पनी ऐन, २०६३, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ र नेपाल राष्ट्र बैंक तथा नेपाल चार्टर्ड एकाउन्टेन्ट संस्थाबाट जारी गरिएका निर्देशन र समय-समयमा जारी भएका निर्देशनहरूको अधीनमा रही तयार गरिएको छ । म यस सभामा सञ्चालक समितिको तर्फबाट बैंकको समग्र परिसचूक प्रस्तुत गर्दै बैंकको गत आर्थिक वर्षको कारोबारको समीक्षा तथा भविष्यमा अपनाउनु पर्ने व्यावसायिक रणनीतिहरू तथा पूर्वाधार तयार गरी समय सापेक्ष बजार विस्तार तथा प्रविधिको प्रचुर प्रयोग गरी हाम्रा सेवा सुविधाहरूलाई अझ प्रभावकारी ढङ्गले ग्राहकहरूमाफ पुऱ्याउन भावी कार्यक्रमहरू समेत प्रस्तुत गर्दछु । प्रस्तुत प्रतिवेदनलाई सुधार गर्न तथा संस्थाको उन्नति र प्रगतिको लागि सदाभै यहाँहरूबाट रचनात्मक सुझाव, सहयोग र मार्ग निर्देशनहरू प्राप्त हुनेछ भन्ने कुरामा हामीले दृढ विश्वास लिएका छौं ।

१. बैंकको संक्षिप्त परिचय:

कामना सेवा विकास बैंक, नेपाल सरकार, कम्पनी रजिष्ट्रारको कार्यालयमा दर्ता नं १९७१०६३१६४ बाट दर्ता भई नेपाल राष्ट्र बैंकबाट "ख" वर्गको बैकिङ कारोबार गर्न इजाजतपत्रप्राप्त राष्ट्रिय स्तरको विकास बैंक हो । साविक कामना विकास बैंकको रूपमा मिति २०६४/०६/२४ गते नेपाल राष्ट्र बैंकबाट १-३ जिल्ला (कास्की, तनहुँ र चितवन) कार्यक्षेत्रमा वित्तीय कारोबार गर्नको लागि इजाजतपत्रप्राप्त यस विकास बैंकले २०६४/०८/१२ गते देखि केन्द्रीय कार्यालय लेखनाथ स्थित डाँडाको नाकमा राखि कारोबार शुभारम्भ गरेको थियो । मिति २०६९/०८/१४ गते देखि ४-१० जिल्ला स्तर (लमजुङ धादिङ, नवलपरासी, रूपन्देही, मकवानपुर, पर्सा र स्याङ्जा) को विकास बैंकको रूपमा वित्तीय कारोबार गर्ने गरी स्वीकृति पाएको थियो । कास्की जिल्लाको पोखरामा नै केन्द्रीय कार्यालय राखी राष्ट्रिय स्तरको कार्यक्षेत्रको स्वीकृति लिई वित्तीय कारोबार गरीरहेको कास्की फाइनेन्स लिमिटेडसँग मिति २०७३/०३/०६ गते मर्ज पश्चात राष्ट्रिय स्तरको विकास बैंकको रूपमा कार्य गर्दै आइरहेको कामना विकास बैंक र १० जिल्ला कार्यक्षेत्र भएको रूपन्देही जिल्लाको बुटवल ८, पुष्पलालपार्कमा केन्द्रीय कार्यालय रहेको सेवा विकास बैंकबीच मिति २०७४/०४/२० गते देखि एकापसमा मर्ज भई कामना सेवा विकास बैंकको रूपमा कारोबार गर्दै आइरहेको व्यहोरा यस सम्मानित सभा समक्ष पुनः स्मरण गराउन चाहन्छु ।

२. अन्तर्राष्ट्रिय तथा राष्ट्रिय आर्थिक तथा वित्तीय क्षेत्रको परिसूचक

(क) अन्तर्राष्ट्रिय विकास दरको परिदृष्य

वर्ष	२०१५	२०१६	२०१७	२०१८	२०१९ (अनुमानित)
विश्व अर्थतन्त्र	३.५०	३.३०	३.७०	३.७०	३.३०
चीन	६.९०	६.७०	६.९०	६.६०	६.२०
भारत	८.२०	७.९०	६.७०	७.३०	७.२०
नेपाल	३.३०	०.६०	७.९०	६.३०	५.००

(स्रोत: नेपाल राष्ट्र बैंक)

अन्तर्राष्ट्रिय मुद्राकोषको विश्व वित्तीय स्थायित्व प्रतिवेदन, २०१८ ले वित्तीय स्थायित्वमा क्रमिक सुधार हुँदै आएको जनाएको छ । आर्थिक क्रियाकलापले गति लिन थालेको, बैंक तथा बीमा कम्पनीहरूको मुनाफा बढेको र दीर्घकालीन ब्याजदरमा वृद्धि भएकोले वित्तीय क्षेत्रमा सुधार देखिएको उल्लेख छ । तथापि, पछिल्लो विश्व राजनीतिक परिवेश तथा संरक्षणवादी नीति प्रतिको भुकाव लगायतका कारण अन्तर्राष्ट्रिय व्यापार तथा पूँजी प्रवाहमा असर पर्न सक्ने मुद्राकोषको आँकलन छ ।

(ख) मुलुकको समष्टिगत आर्थिक अवस्था

क्र. सं.	विवरण	२०७४/७५	२०७५/७६	प्रतिशत फरक
१	मुद्रास्फीति	४.२०	४.६०	-
३	कुल वस्तु आयात (रु. दश लाखमा)	९९०,११३	१,४१८,५४०	४३.२७%
४	कुल वस्तु निर्यात (रु. दश लाखमा)	७३,०४९	९७,११०	३२.९४%
५	विप्रेषण आप्रवाह (रु. दश लाखमा)	७५५,०५८	८७९,२७०	१६.४५%
६	चालू खाता मौज्जात (रु. दश लाखमा)	(२४५,२१६)	(२६५,३७०)	
७	विदेशी विनिमय सञ्चिति (रु. दश लाखमा)	११०२५८५	१,०३८,९२०	(५.७७%)
८	विदेशी विनिमय सञ्चितिले वस्तु आयात धान्न सक्ने महिना	१०.८०	८.९०	
९	विदेशी विनिमय सञ्चितिले वस्तु तथा सेवा आयात धान्न सक्ने महिना	९.४०	७.८०	
१०	आसाढ मसान्तको विनिमय दर (NPR/USD)	१०९.३४	१०९.३६	०.०२%
११	प्रति व्यक्ति आय Nominal Per Capita GDP (USD)	१००४	१०३४	२.९९%

(स्रोत: नेपाल राष्ट्र बैंक)

बैंकिङ क्षेत्रको लागि चुनौतीहरूको बीचमा प्रसस्त अवसरहरू पनि छन् । जस्तै: अन्तराष्ट्रिय आर्थिक परिवर्धमा सुधारहरू आएको, मुद्रास्फीति नियन्त्रणमा रहेको, वैदेशिक व्यापार अन्तर्गत आयात निर्यात दुबै वृद्धि भएको, विप्रेषणमा वृद्धि भएको, युवा जनशक्ति पलायनको दर घट्दै गएको, विदेशी विनिमयको सञ्चितीमा पनि सुधार आएको देखिएकोले आगामी आर्थिक वर्षहरूमा आर्थिक गतिविधि उल्लेखनीय रूपमा वृद्धि हुने देखिन्छ । बैंकिङ क्षेत्र आर्थिक विकासको मेरुदण्ड भएको र हाल रहेको स्थिर सरकार र यसले गर्ने विकास निर्माणका कामले पनि यस क्षेत्रको लागि सुनौला दिन आउने निश्चित रहेको तथ्य प्रष्ट पार्न चाहन्छु ।

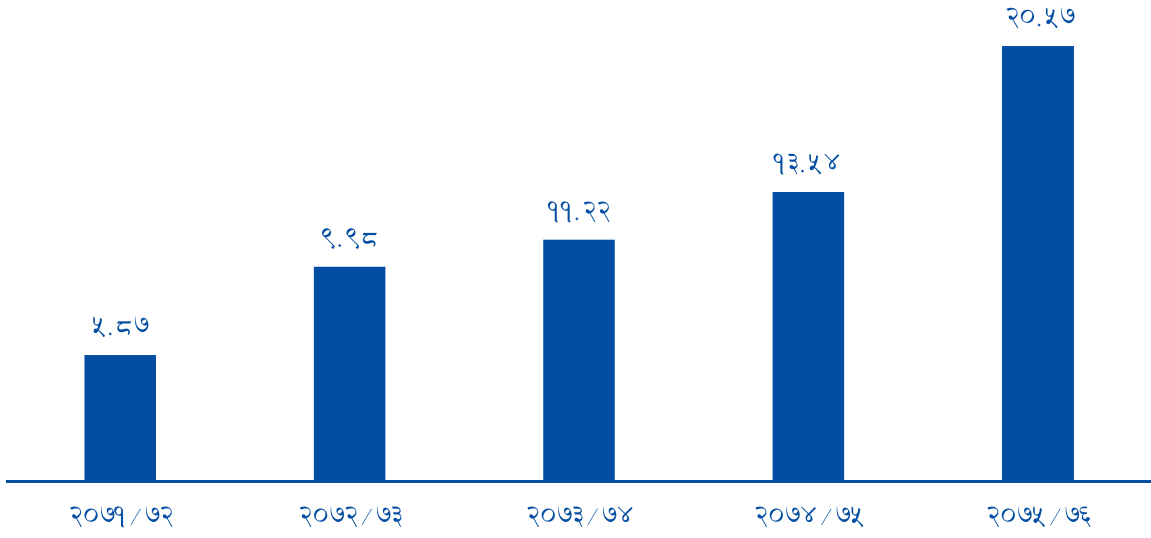
३. विगत वर्षको कारोबार विश्लेषण:

यस आर्थिक वर्ष २०७५/०७६ लगायत विगतका केही आर्थिक वर्षहरूको प्रमुख वित्तीय सूचकहरू निम्नानुसार रहेका छन् ।

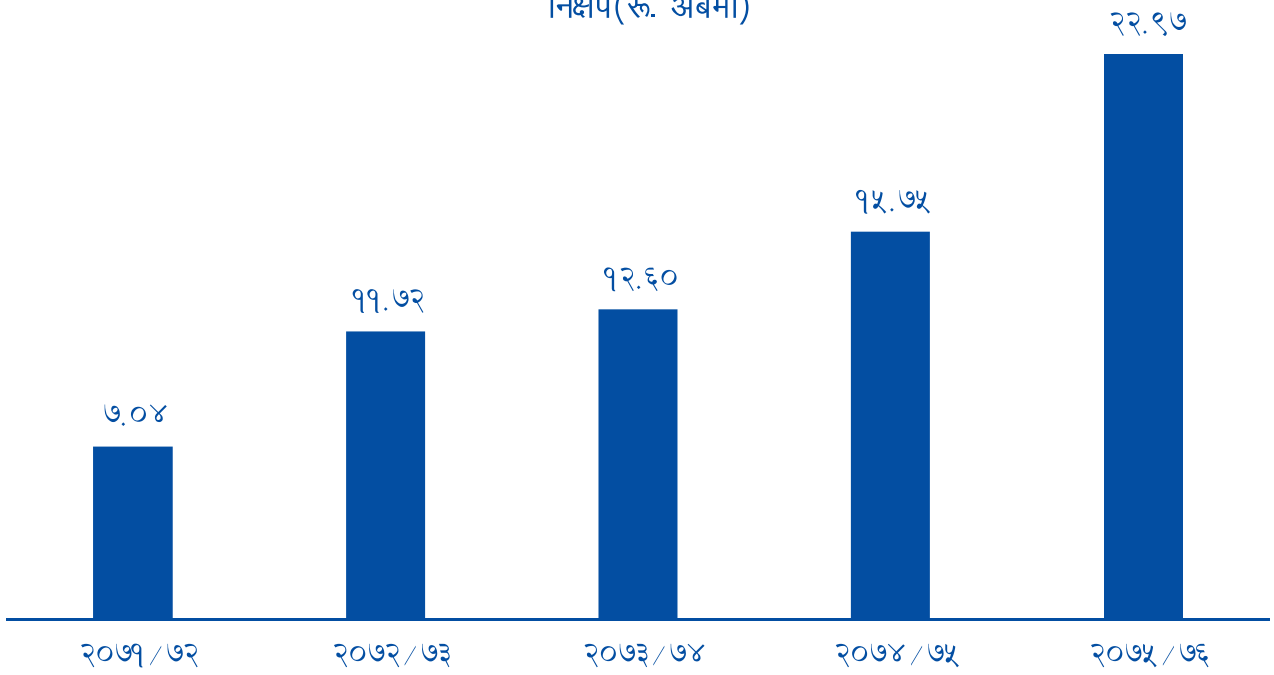
शीर्षक	२०७१/७२	२०७२/७३	२०७३/७४	२०७४/७५	२०७५/७६
कर्जा तथा सापटी रु. अर्बमा	५.८७	९.९८	११.२२	१३.५४	२०.५७
निक्षेप रु. अर्बमा	७.०४	११.७२	१२.६०	१५.७५	२२.९७
ब्याज आमदानी रु. करोडमा	७३.७८	८८.६७	१५१.२१	१९१.१२	२४७.१३
ब्याज खर्च रु. करोडमा	३९.४८	४४.०८	७४.३३	११७.३२	१६०.६६
सञ्चालन आमदानी रु. करोडमा	४७.२९	३३.६३	४७.०१	८४.१६	९९.९९
खुद आमदानी रु. करोडमा	१५.३२	३३.९१	४७.६९	३२.२७	२८.४५
प्रति शेयर आमदानी रु.	२४.५८	२६.४८	१७.२७	१२.७०	११.२०

प्रमुख वित्तीय सूचकहरूको फलक निम्नानुसार प्रस्तुत गरिएको छ ।

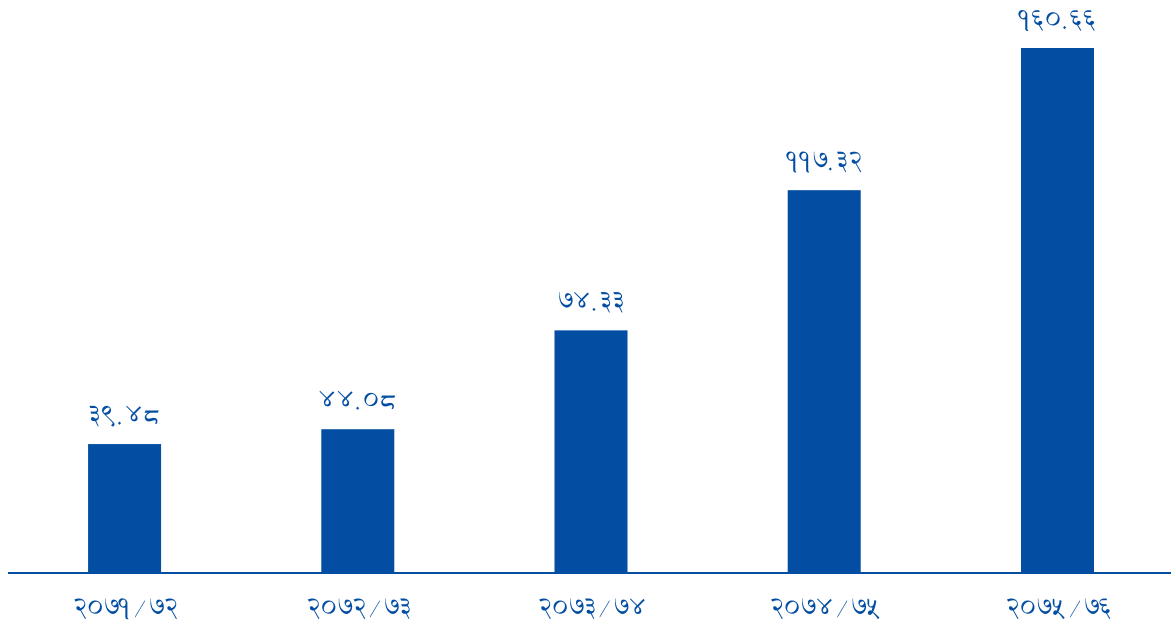
कर्जा तथा सापटी (रु. अर्बमा)



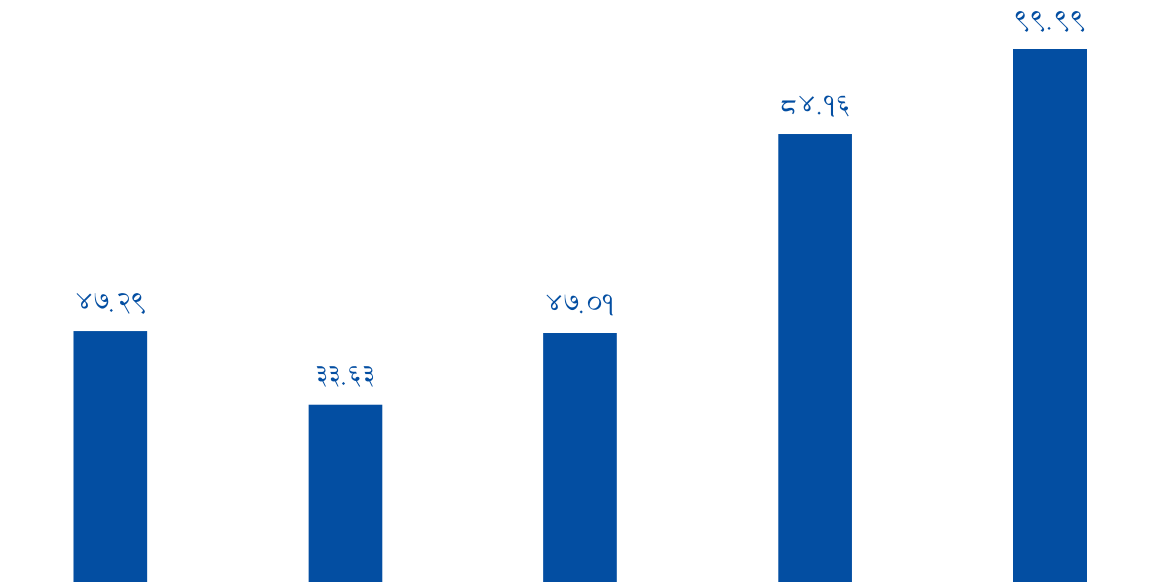
निक्षेप (रु. अर्बमा)



ब्याज खर्च (रु. करोडमा)



सञ्चालन आम्दानी (रु. करोडमा)



(नोट : अधिल्ला वर्षहरूको सूचक विश्लेषण गर्दा साविक कामना विकास बैंक लिमिटेड र सेवा विकास बैंक लिमिटेडको तथ्यांकको आधारमा गरिएको छ ।)

समीक्षा अवधिमा बैंकको पूँजी प्रयाप्तता अनुपात, तरलता अनुपात लगायत बैंकको सुदृढ अवस्था मापन गर्ने मापदण्डहरू नेपाल राष्ट्र बैंकले निर्धारण गरेका मापदण्ड बमोजिम सकारात्मक रहेकोले बैंकले अझीकार गरेको विवेकपूर्ण (Prudent) व्यावसायिक नीति प्रतिविम्बित हुन्छ ।

(क) चुक्ता पूँजी: समीक्षा अवधिमा बैंकको भुक्तानी गरिएको चुक्ता पूँजी रु २,५४,०९,९५,३५२.०२ कायम रहेको छ ।

(ख) पूँजीकोषको प्रयाप्तता: पूँजीकोषको गणना नेपाल राष्ट्र बैंकले तोके बमोजिम Capital Adequacy Framework 2007 (Updated July 2008) अनुसार गरिएको छ । आ.व. २०७५/०७६ को अन्तमा पूँजीकोषको अनुपात १७.९२ प्रतिशत कायम रहन गएको छ । जुन नेपाल राष्ट्र बैंकको निर्देशन अनुसार आवश्यक हुने न्यूनतम कोष भन्दा ६.९२ प्रतिशतले बढी रहेको छ ।

(ग) निक्षेप सङ्कलन: चालु आर्थिक वर्षमा बैंकको कूल निक्षेप रु २२.९७ अर्ब पुगेको छ । जसमा चालु खातामा २.२० प्रतिशत, बचत खातामा ३०.६३ प्रतिशत, मुद्दती निक्षेप खातामा ४९.९९ प्रतिशत र कल खातामा १७.१७ प्रतिशत रहेको छ । साथै, कूल निक्षेपको ३७.२१ प्रतिशत संस्थागत निक्षेपको योगदान रहेको छ । बैंकले नेपाल राष्ट्र बैंकले तोकेको सीमा भित्र रही संस्थागत निक्षेप सङ्कलन गरेको छ ।

(घ) कर्जा तथा सापटी: यस आर्थिक वर्षको अन्त सम्ममा बैंकको कूल कर्जा लगानी रु. २०.५७ अर्ब पुगेको छ । बैंकले आगामी दिनहरूमा समय सापेक्ष नयां तथा फरक किसिमका प्रोडक्टहरू ल्याई आफ्नो सेवा विस्तार गर्दै जाने लक्ष्य लिएको छ ।

(ङ) लगानी: यस आर्थिक वर्षको अन्तमा बैंकको लगानी रु ८३.५१ करोड रहेको छ । जसमा, नेपाल सरकारको ऋणपत्रमा रु २३.०३ करोड र अन्य सङ्गठित संस्थाको शेयरमा रु. ६०.४८ करोड लगानी रहेको छ ।

(च) सञ्चालन खर्च: यस आर्थिक वर्षमा बैंकले कर्मचारी खर्चमा रु ३४.२१ करोड र अन्य सञ्चालन खर्चमा रु १९.५८ करोड गरी कूल रु ५३.७९ करोड खर्च गरेको छ ।

(छ) आय: बैंकको आम्दानीलाई सञ्चालन र गैह्र सञ्चालन गरी २ भागमा छुट्टाइएको छ । सञ्चालन आम्दानी अन्तर्गत ब्याज आम्दानी, कमिशन तथा डिस्काउण्ट र अन्य सञ्चालन आम्दानीलाई समावेश गरिएको छ । यस आर्थिक वर्षमा बैंकले ब्याज आम्दानी, कमिशन तथा डिस्काउण्ट र अन्य सञ्चालन आम्दानी अन्तर्गत क्रमश रु. २४७.३२ करोड, रु. १८.२४ करोड र रु. २.०९ करोड आय रहेको छ ।

(ज) तरलता व्यवस्थापन: यस विकास बैंकको व्यावसायिको आकार एवं कारोबारको जटिलताको आधारमा तरलता जोखिम व्यावस्थापन निति स्वीकृत गराई लागू गरीएको छ। न्यून तरलताबाट व्यवसायमा नै संकुचन आउन सक्ने समस्या रहन्छ भने अधिक तरलताले मुनाफामा नै प्रत्यक्ष असर पार्ने भएकोले बैंकको तरलताको समग्र व्यवस्थापनका लागि सम्पत्ति-दायित्व समिति (Assets Liabilities Committee - ALCO)को गठन

गरीएको तथा समितिको बैठक नियमित अन्तरालमा बसी तरलता जोखिम ग्राह्य सीमाभित्र रहने गरी व्यवस्थापन गर्ने गरिएको छ ।

(झ) निष्क्रिय कर्जा : यस आर्थिक वर्षमा बैंकको कूल निष्क्रिय कर्जा ०.९७ प्रतिशत रहेको छ ।

४. बैंकको कारोबारलाई असर पार्ने मुख्य कारकहरू
बैंकको कारोबारलाई असर पार्ने सक्ने विभिन्न किसिमका जोखिमहरूलाई तल प्रस्तुत गरिएको छ :

१. राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट हुन सक्ने संभावित जोखिमहरू ।
२. विदेशी विनिमय कारोबार गर्दा विनिमयदरमा हुने परिवर्तनबाट हुन सक्ने जोखिमहरू ।
३. तरलतामा हुने उतार चढावका कारणले निक्षेप तथा कर्जा लगानीको ब्याजदरमा हुने परिवर्तन तथा लगानी योग्य पूँजीको अभावबाट व्यवसाय वृद्धिमा आउन सक्ने जोखिमहरू ।
४. निक्षेप संकलन, लगानी, तथा कर्जा सापटीको दायरा सांघुरिएर उत्पन्न हुन सक्ने जोखिमहरू ।
५. यथासमयमा कर्जा असुली नभई उत्पन्न हुने जोखिमहरू ।
६. प्रतीतपत्र र जमानतपत्र जारी गर्ने जस्ता गैर कोषिय सेवाहरू प्रदान गर्दा हुन सक्ने संभावित जोखिमहरू ।
७. समय सापेक्ष डिजिटल प्रोडक्टलाई प्रयोगमा ल्याउँदा यस्ता प्रोडक्टसँग जोडिएका जोखिम सम्बन्धी चुनौतीहरू ।
८. ठगी, जालसाजी तथा मिलीभगत जस्ता बढ्दो सञ्चालन जोखिमहरू ।

उपरोक्त बमोजिमका चुनौती तथा जोखिम व्यवस्थापनको लागि जोखिमको पहिचान, मापन, अनुगमन, नियन्त्रण र रिपोर्टिङका लागि सुदृढ जोखिम संरचना तयार गरि 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 बजार प्रतिस्पर्धाको सामना गर्नको लागि जनशक्तिको ज्ञान तथा दक्षता अभिवृद्धिमा आवश्यक ध्यान पुऱ्याएको छ ।

५. बैंकले सञ्चालनमा ल्याएका विभिन्न योजना, कार्यक्रम तथा उपलब्धीहरू:

- (क) बैंकले आगामी वर्षमा जोखिम व्यवस्थापन सहितको व्यवसाय वृद्धिलाई आफ्नो प्रमुख रणनीति बनाई निम्न बमोजिमका कार्यक्रमहरूलाई प्राथमिकतामा राखेको छ ।
- निक्षेप तथा कर्जाका विभिन्न खालका नवीनतम बैकिङ सेवाहरू प्रचलनमा ल्याउने ।
 - व्यावसायिक सम्भाव्यताका आधारमा शाखा विस्तार कार्यलाई निरन्तरता दिने ।
 - बैंकमा कार्यरत जनशक्तिलाई अझ बढी दक्ष बनाउन स्वदेश तथा विदेशमा उपयुक्त तालिमहरू प्रदान गर्ने ।
 - साना तथा मझौला खालका कर्जाहरूलाई प्राथमिकतामा राखी लगानी गरी कर्जाको गुणस्तरमा समयानुकूल सुधार गर्दै लैजाने साथै कर्जा असुली प्रभावकारी

- बनाउने र कर्जामा हुने जोखिमलाई न्यूनिकरण गर्ने ।
- निक्षेपको लागत कम गर्न निक्षेप तर्फ नयाँ योजनाहरू तर्जुमा गरि कार्यान्वयन गर्ने ।
- गैर ब्याज आम्दानी (Non interest Income) का नयाँ स्रोतहरू पहिचान गरी बैंकको मुनाफा अभिवृद्धि गर्ने लैजाने ।
- बैंकको सूचना प्रविधिलाई समयानुकूल सुरक्षितता साथै सुधार गरी आधुनिक सेवा प्रदान गर्ने ।
- बैंकको आन्तरिक नियन्त्रण प्रणाली तथा सुशासनलाई अझ बढी सुदृढ गर्ने ।
- संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत वित्तीय साक्षरता लगायत विभिन्न कार्यक्रमहरू संचालन गर्ने ।
- व्यवसायिक हिसाबले बैंकलाई देशको अब्बल विकास बैंकको रूपमा स्थापित गराउने ।

(ख) शाखा विस्तार: दुई बैंक मर्ज हुँदा कुल ४० वटा शाखा कार्यालय रहेकोमा आ.व. २०७५/०७६ को अन्यसम्म काठमाडौं उपत्यकासहित देशका विभिन्न स्थानमा गरी कुल ९४ वटा शाखाबाट वित्तीय सुविधा प्रदान गर्न सम्भव भएको छ । साथै कार्य क्षेत्र विस्तार गर्दै जाने बैंकको नीति अनुसार बैकिङ्ग पहुँच नभएका तथा व्यवसायिक सम्भावना भएका विभिन्न शहरी तथा ग्रामिण इलाकाहरूमा शाखा विस्तार गर्ने गरी प्रक्रिया अगाडि बढाई सकेको व्यहोरा यस सभा समक्ष जानकारी गराउन चाहान्छु । यसैगरी बैंकको देशभर कुल ४३ वटा स्वचालित टेलर मेसिनहरू (ATM) संचालन मा रहेका छन् । साथै आ.व.२०७५/०७६ बाट VISA सँग आबद्ध भई उक्त Network सँग सम्बन्धित Chip Based ATM Card बाट आफ्ना ग्राहकहरूलाई सेवा उपलब्ध गराउदै आईरहेको व्यहोरा यस सभा समक्ष जानकारी गराउन चाहान्छु ।

(ग) विप्रेषण (Remittance): बैंकले छिटो तथा सुरक्षित विप्रेषण सेवा प्रदान गर्नका लागि विभिन्न ख्याति प्राप्त रेमिटेन्स कम्पनीहरूसँग सम्झौता गरि विप्रेषण कारोबार संचालन गर्दै आईरहेको छ । बैंकले आवश्यकता अनुसार अन्य प्रतिष्ठित विप्रेषण सम्बन्धी सेवाप्रदायक कम्पनीहरूसँग पनि सहकार्य गर्दै जाने नीति लिएको छ । साथै, बैंकले आर्थिक वर्ष २०७५/०७६ मा आफ्नै कामना सेवा रेमिट सञ्चालनमा ल्याएको यस सभा समक्ष जानकारी गराउन चाहान्छु ।

घ) ३६५ दिने बैकिङ्ग सुविधा: हालको प्रतिस्पर्धात्मक अवस्था, ग्राहकको माग र आवश्यकतालाई मध्यनजर गर्दै शनिवार तथा सार्वजनिक विदाको दिनमा समेत काउण्टर खोली ग्राहकहरूको निक्षेप स्वीकार गर्ने र भुक्तानी दिने तथा कर्जाको किस्ता तथा ब्याज जम्मा गर्ने सुविधा बैंकको मुख्य शाखा ज्ञानेश्वर, न्यूरोड शाखा पोखरा, लायन्सचोक शाखा नारायणगढ, र बुटवल शाखा पुष्पालालपार्कबाट प्रदान भइरहेको छ । यस सुविधालाई बजार अध्ययन गरी थप विस्तार गर्ने योजना रहेको छ ।

(ङ) ABBS सुविधा: बैंकले शुरु देखिने आफ्ना ग्राहकहरूलाई एक शाखाको चेक अर्को शाखाबाट भुक्तानी दिने तथा कुनै एक शाखामा रहेको खातामा अर्को शाखाबाट रकम जम्मा गर्ने सुविधा अर्थात ABBS सुविधा प्रदान गर्दै आइरहेको छ ।

(च) सूचना प्रविधि: बैंकको सूचना प्रणालीलाई प्रभावकारी

र चुस्त बनाउनका लागि बैंकले सूचना प्रविधिको विकासको अवस्था र ग्राहकवर्गको सुविधालाई मध्यनजर राखी बैकिङ्ग सफ्टवेयर Pumori IV मार्फत कारोबार संचालन गर्दै आइरहेको छ । उपभोक्ता एवं ग्राहकवर्गलाई थप आधुनिक बैकिङ्ग सुविधा उपलब्ध गराउने सिलसिलामा बैंकले ATM (Automated Teller Machine), Debit Card, SMS Banking, Mobile Banking, Internet Banking (Any Branch Banking System (ABBS), वा जस्ता प्रविधिमूलक सेवाहरू प्रदान गर्दै आइरहेको छ । साथै, बैंकले आर्थिक वर्ष २०७५/०७६ मा विकास बैंकको QR payment system को सुविधा ग्राहकहरूलाई पून्याएको व्यहोरा यस सभा समक्ष सहर्ष जानकारी गराउन चाहान्छु ।

(छ) निःशुल्क सी आरवा (C-ASBA) सुविधा: यस बैंकले आफ्ना ग्राहकवर्गहरूलाई घरमा बसी बसी कुनै पनि कम्पनीको शेयर आवेदनमा दरखास्त (IPO/FPO/Right Issue) दिन सक्ने व्यवस्था गरेको छ । यसले विगतमा जस्तो घण्टौं लाइनमा बसी दरखास्त दिनुपर्ने बाध्यतालाई हटाई प्रविधिमैत्री बनाउन सहयोग गरेको छ ।

(ज) शेयर अभौतिकरण सेवा (DMAT): बैंक तथा वित्तीय संस्थाहरूले शेयर अभौतिकरण सेवालाई अवसरको रूपमा लिई प्रतिस्पर्धी बजारमा आफ्नो हिस्सा कायम राख्नको लागि आफ्ना ग्राहकहरूलाई शेयर अभौतिकरण सेवा उपलब्ध गराउने लक्ष्य लिएका छौं ।

(झ) अन्तर बैंक भुक्तानी प्रणाली (IPS) तथा क्लियरीङ सुविधा: यस बैंकमा खाता भएका ग्राहकहरूले निवेदन दिइ अन्य बैंक तथा वित्तीय संस्थाको खातामा रकम स्थानान्तरण सुविधा प्रदान गर्नुका साथै नेपाल क्लियरीङ हाउसको (NCHL) सदस्य रहेको जनुसुकै बैंक तथा वित्तीय संस्थाको चेक क्लियरीङ गर्ने सुविधा प्रदान गर्दै आइरहेको छ । Connect IPS सेवा मार्फत सरकारी राजस्व तथा विभिन्न कर भुक्तानी गर्न सकिने व्यवस्था समेत गर्ने योजना रहेको छ ।

(ञ) लकर सुविधा: बैंकले ग्राहकहरूको बहुमूल्य सुन चाँदी तथा अन्य कागजातहरूको सुरक्षाको लागि विभिन्न शाखा कार्यालयहरूबाट लकर सुविधा उपलब्ध गराउदै आएको छ । लागत तथा ग्राहकको माग र आवश्यकतालाई मध्यनजर गरी लकर सुविधालाई अझै विस्तार गर्ने योजना रहेको छ ।

(ट) मानव संसाधन: कुनै संस्थाको सर्वाङ्गिन लक्ष्य प्राप्तिको लागि दक्ष र कर्मशील कर्मचारीको अहम भूमिका रहेकाले यस बैंकले संस्था र कर्मचारीको आपसी हितको विकास र संरक्षण नीति लिएको छ । यसका लागि समय सापेक्ष सुविधा तथा सेवा उपलब्ध गराई कर्मचारीलाई उच्च उत्प्रेरणा प्रदान गरीएको छ । Customer Service Excellency मार्फत व्यावसायिक उद्देश्य हासिल गर्नुको साथै कर्मचारीको दक्षता अभिवृद्धिका लागि AML/CFT, NFRS, Risk Based Internal Audit, Treasury Products सम्बन्धी विभिन्न तालिम, गोष्ठी तथा सेमिनारहरूमा सहभागी बनाई ग्राहकवर्गलाई सर्वसुलभ, छिटो छरितो र प्रभावकारी सेवा उपलब्ध गराई व्यावसायिक उद्देश्य प्राप्त गर्न जनशक्तिको दक्षता अभिवृद्धिका लागि मानव श्रोत विकास तथा व्यवस्थापनमा विशेष प्राथमिकता दिंदै आएका छौं ।

(ठ) औद्योगिक तथा व्यवसायिक सम्बन्ध: यस विकास बैंकले विभिन्न प्रकारका सरकारी, गैरसरकारी संस्था, व्यावसायिक एवं औद्योगिक प्रतिष्ठानहरू, सामाजिक संघ-संस्थाहरू, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरिङ, नेपाल क्लियरिङ हाउस लगायतका अन्य संघ-संस्थाहरूसँग सौहार्द्रपूर्ण तथा व्यावसायिक सम्बन्ध कायम राख्दै आएको छ । साथै यस विकास बैंक, डेभलपमेण्ट बैंकर्स एसोसियसन, नेपाल उद्योग बाणिज्य महासंघको सदस्य रहेको छ ।

(ड) सम्पत्ति शुद्धीकरण नियन्त्रण: विकास बैंकले प्रचलित ऐन तथा नेपाल राष्ट्र बैंकद्वारा जारी भएको निर्देशनको कार्यान्वयनको लागि सम्पत्ति शुद्धीकरण सम्बन्धी छुट्टै आन्तरीक नीति तथा कार्यविधि बनाई लागू गरेको छ, जस्तै सम्पत्ति शुद्धीकरण निवारण नीति र ग्राहक पहिचान कार्यविधि तर्जुमा गरी कार्यान्वयन गरिएको छ । साथै एक जना गैर कार्यकारी सञ्चालकको संयोजकत्वमा सम्पत्ति शुद्धीकरण तथा आतंकारी कार्यमा वित्तीय लगानी निवारण सम्बन्धी समिति गठन भई AML/CFT सम्बन्धी नियामक निकायबाट प्राप्त निर्देशन कार्यान्वयनका लागि आवश्यक नीति निर्देशन व्यवस्थापनलाई दिने, अनुपालनाको अवस्थाका बारेमा आवश्यक अनुगमन गर्नुका साथै सञ्चालक समितिमा समेत प्रतिवेदन पेश गर्ने गरेको यस सम्मानित सभामा जानकारी गराउन चाहन्छु । सम्पत्ति शुद्धीकरण निवारण समितिको बैठक आ.व.२०७५/२०७६ मा १० पटक बसेको छ ।

बैंकले CPFDS (GoAML Software) समेत यसै वर्ष देखि प्रयोगमा ल्याई सकेको व्यहोरा यस सभामा जानकारी गराउन चाहन्छु । बैंकमा कार्यरत कर्मचारीलाई सम्पत्ति शुद्धीकरण निवारण तथा ग्राहक पहिचान सम्बन्धी कानूनी व्यवस्था एवं बैंकले अनुपालना गर्नुपर्ने व्यवस्थाका सम्बन्धमा दक्षता वृद्धि हुनेगरी विभिन्न तालिमहरूमा सहभागि गराउनुका साथै अनलाइन परीक्षाको समेत व्यवस्था गरिएको छ ।

(ढ) संस्थागत सुशासन तथा अनुपालन: संस्थागत सुशासन तथा अनुपालन (Corporate Governance and Compliance) को स्तरलाई उच्चतम राख्ने कार्यमा बैंकले सदैव महत्त्व दिदै आएको छ । बैंकले नेपाल राष्ट्र बैंक तथा अन्य नियमन निकायहरूबाट समय समयमा जारी भएका निर्देशनको अधीनमा रही विभिन्न नीति नियम सञ्चालक समितिबाट स्वीकृत गराई पूर्ण रूपमा लागू गर्दै आएको छ ।

६. संस्थागत सामाजिक उत्तरदायित्व: बैंकले मुनाफामा मात्र केन्द्रित नभई समाजप्रतिको उत्तरदायित्वलाई समेत ध्यानमा राखी विभिन्न सामाजिक क्रियाकलापहरूमा सहभागी हुँदै आएको छ । आफ्नो मुनाफाको केही अंश सामाजिक उत्तरदायित्व वहन गर्ने कार्यहरूमा खर्च गर्ने बैंकको उद्देश्य अनुरूप विशेष गरी बैंकले शिक्षा, स्वास्थ्य, खेलकुद, असहाय तथा न्यून आय भएका बालबालिका, वातावरण संरक्षण, प्राकृतिक प्रकोपबाट पीडितहरू लगायतका क्षेत्रहरूमा आर्थिक सहयोग गर्दै आएको छ । आर्थिक वर्ष २०७५/०७६ मा बैंकले यस क्षेत्रमा कुल रु २,१९८,३८७/- (अक्षरेपी एक्काईस लाख अठार हजार तीन सय सतासी मात्र) खर्च गरेको छ । यस बाहेक बैंकले देशका विभिन्न स्थानहरूमा वित्तीय साक्षरता सम्बन्धी कार्यक्रम पनि सक्रिय रूपमा सञ्चालन गर्दै आएको छ । संस्थागत सामाजिक उत्तरदायित्व निर्वाह गर्नेतर्फ आगामी

दिनहरूमा पनि बैंकले आफ्नो क्षमता तथा नेपाल राष्ट्र बैंकले तोकेको सीमा भित्र रही सक्रिय रूपमा कार्यक्रमहरू गर्नेछ । यस बैंकको **संस्थागत सामाजिक उत्तरदायित्व कार्यहरू बारे विस्तृत जानकारी पेज नं. ३५-३७ मा हेर्न सक्नुहुने छ ।**

७. लेखापरीक्षण प्रतिवेदनमा कुनै उल्लेखनीय कैफियत भए सो उपर सञ्चालक समितिको प्रतिक्रिया: बैंकको नियमित कार्यसम्पादनका क्रममा देखिएका सामान्य कमिकमजोरी बाहेक आ.व. २०७५/०७६ को लेखापरीक्षण प्रतिवेदनमा कुनै उल्लेखनीय कैफियतहरू रहेका छैनन् । लेखापरीक्षकबाट प्राप्त सुझावहरूको यथासमयमा कार्यान्वयन गर्न व्यवस्थापनलाई निर्देशन दिइ सकिएको छ । साथै, Nepal Financial Reporting Standard (NFRS) अनुसारको २०७६ असारमसान्तको वासलात, आ.व. २०७५/७६ को नाफा-नोक्सान हिसाब, नाफा नोक्सान बाँडफाँड हिसाब, नगद प्रवाह विवरण, सम्बन्धित अनुसूचीहरू र लेखापरीक्षकको प्रतिवेदन यसै प्रतिवेदनको अंगको रूपमा राखिएको छ ।

८. आन्तरिक नियन्त्रण प्रणाली: बैंकको आन्तरिक नियन्त्रण प्रणाली र यसको प्रभावकारिताको समीक्षा गर्ने जिम्मेवारी सञ्चालक समितिमा रहन्छ । यस विकास बैंकले आन्तरिक नियन्त्रण र जोखिम न्यूनीकरणका लागि Check and Balance, Maker and Checker, Dual Control जस्ता सिद्धान्तहरू प्रयोग गरी आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ गर्नुका साथै आवश्यक नीति, कार्यविधि, निर्देशन र परिपत्र तर्जुमा गरी कार्यान्वयन गरेका छौं । साथै सुरक्षा जोखिमलाई मध्यनजर गर्दै बैंकले सम्पूर्ण शाखाहरूमा CCTV Camera जडान गरी, केन्द्रीय कार्यालयबाटै निगरानीको व्यवस्था (Centralized Surveillance System) गरेको यस सभामा जानकारी गराउन चाहन्छु । विभिन्न पद र जिम्मेवारीमा रहेका कर्मचारीहरूलाई तहगत र जिम्मेवारी अनुसार खर्च र निर्णय स्वीकृतिको व्यवस्था गरिएको छ । आन्तरिक सूचना प्रणाली, अनुगमनको व्यवस्था, आन्तरिक लेखापरीक्षण, वाह्य लेखापरीक्षण, कारोबारमा सफ्टवेयरहरूको प्रयोग, आन्तरिक नीतिहरू, कार्यविधिहरू र परिपत्रहरूले आफ्नो कारोबारहरूलाई चुस्त र अद्यावधिक राख्न सक्षम रहेको यस सभामा जानकारी गराउन चाहन्छु ।

९. नाफा-नोक्सान बाँडफाँड हिसाव र लाभांश बाँडफाँड गर्न सिफारिश गरिएको रकम: कामना सेवा विकास बैंकको आ.व. २०७५/०७६ को बाँडफाँड योग्य रकम रु. १७३,६५५,१५८ (जगेडाकोष तथा अन्य कोष कट्टा गरी गत आर्थिक वर्ष सम्मको संचित मुनाफा सहित) बाट हाल कायम कुल चुक्ता पूँजी रु. २,५४०,१९५,३५२ को ६.८ प्रतिशतले हुन आउने रकम रु. १७२,७३३,२८४ नगद लाभांश वितरण लागि सञ्चालक समितिको २८० औं बैठकको निर्णयबमोजिम स्वीकृतिका लागि नेपाल राष्ट्र बैंक समक्ष पेश गरिएकोमा सहमति प्राप्त भइसकेको छ ।

१०. सञ्चालक समितिमा भएको हेरफेर र सोको विवरण: दुई बैंकबीच भएको मर्जर पश्चात मिति २०७५/०३/३२ मा काठमाडौंमा सम्पन्न ११ औं वार्षिक साधारणसभाबाट निम्न अनुसारको सञ्चालक समिति सर्वसम्मत रूपमा गठन भएको थियो र सो समिति कुनै हेरफेर नभएको व्यहोरा यस सम्मानित सभामा जानकारी गराउदछौं ।

सि.न.	नाम	पद	प्रतिनिधित्व समूह
१	श्री सुदिप आचार्य	अध्यक्ष	संस्थापक
२	श्री भिम प्रसाद तुलाचन	संचालक	संस्थापक
३	श्री चतुराखर अधिकारी	संचालक	संस्थापक
४	श्री देवकृष्ण काफ्ले	संचालक	सर्वसाधारण
५	श्री विश्वेश्वर सुवेदी	संचालक	सर्वसाधारण
६	श्री बलराम वराल	संचालक	सर्वसाधारण

११. सेयर जफत भएको भए सोको विवरण: यस कम्पनीको आ.व. २०७५/०७६ मा कुनै पनि सेयर जफत भएको छैन ।

१२. विगत आ.व.मा कम्पनी र यसको सहायक कम्पनीले गरेका प्रगतिहरू: यस कम्पनीको हाल सम्म कुनै पनि सहायक कम्पनी नरहेको ।

१३. कम्पनी तथा यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेका प्रमुख कारोबारहरू र सोमा आएका महत्वपूर्ण परिवर्तनहरू : नभएको ।

१४. विगत आर्थिक वर्षमा वित्तीय संस्थाका आधारभूत सेयरधनीहरूले यसलाई उपलब्ध गराएका जानकारीहरू र यसको सेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेका जानकारीहरू : नभएको ।

१५. विगत आर्थिक वर्षहरूमा वित्तीय संस्थाका सञ्चालक तथा पदाधिकारीहरूले लिएको सेयर स्वामित्वका विवरणहरू नभएको ।

१६. विगत आ.व.मा यस विकास बैंकसंग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारहरूको व्यक्तिगत स्वार्थ सम्बन्धी जानकारीहरू : नभएको ।

१७. आफ्नो सेयर आफैले खरिद गरेको भए सोका विवरणहरू : कम्पनीले आफ्नो सेयर आफैले खरिद गरेको छैन ।

१८. आ.व. २०७५/०७६ को कुल व्यवस्थापन खर्च सम्बन्धी विवरणहरू :

सि.न.	खर्च शीर्षक	रकम रू.
१	कर्मचारी खर्च	३२४,१२१,२६२
२	कार्यालय सञ्चालन खर्च	१९५,८१६,९९६
कुल व्यवस्थापन खर्च		५१९,९३८,१७८

१९. लेखापरीक्षण समितिका सदस्यहरूको नाम, निजहरूले प्राप्त गरेका पारिश्रमिक, भत्ता तथा सुविधाहरू :

सि.न.	नाम	पद	प्रति बैठक भत्ता (रू.)
१	श्री भिम प्रसाद तुलाचन	संयोजक	६,५००.००
२	श्री चतुराखर अधिकारी	सञ्चालक	६,५००.००
३	श्री मिलन अधिकारी	सदस्य सचिव	नरहेको

२०. सञ्चालक, कार्यकारी प्रमुख, कम्पनीका संस्थापक सेयरधनी वा निजको नजिकका नातेदारहरूले कम्पनीलाई बुझाउन बाँकी रकमहरू : नभएको ।

२१. सञ्चालकहरू र प्रमुख कार्यकारी अधिकृतलाई भुक्तानी गरिएका पारिश्रमिक, भत्ता तथा सुविधाहरू :

(क) सञ्चालकहरूलाई प्रदान गरिएको पारिश्रमिक, भत्ता तथा सुविधाहरू:

सि.न.	नाम	पद	प्रति बैठक भत्ता (रू.)
१	श्री सुदिप आचार्य	अध्यक्ष	७,५००.००
२	श्री भिम प्रसाद तुलाचन	सञ्चालक	७,०००.००
३	श्री चतुराखर अधिकारी	सञ्चालक	७,०००.००
४	श्री देवकृष्ण काफ्ले	सञ्चालक	७,०००.००
५	श्री विश्वेश्वर सुवेदी	सञ्चालक	७,०००.००
६	श्री बलराम वराल	सञ्चालक	७,०००.००

आ.व. २०७५/०७६ मा बैठक भत्ता स्वरूप सञ्चालकहरूलाई कुल रू. १,२२६,०००।०० र यातायात, भ्रमण, टेलिफोन तथा पत्रपत्रिका खर्च स्वरूप रू. ११ लाख २५ हजार ३ सय ६८ भुक्तानी गरिएको छ ।

(ख) प्रमुख कार्यकारी अधिकृतलाई आ. व. २०७५/०७६ मा प्रदान गरिएको पारिश्रमिक, भत्ता तथा सुविधा (कर अधि) :

विवरण	रकम (रू.)
तलब	५,८७९,३७२
अन्य भत्ता	८१,६६५
वोनस	८६८,८२०

नोट: माथि उल्लेखित पारिश्रमिक, भत्ता तथा सुविधाहरू बहालावाला तथा पूर्व प्रमुख कार्यकारी अधिकृतलाई प्रदान गरिएको हो । बहालवाला प्रमुख कार्यकारी अधिकृतको नियुक्ति २०७५/११/०१ मा भएको ।

२२. सेयरधनीहरूले बुझी लिन बाँकी रहेको लाभांश रकम : रू.१७,४९९,९२२।००

२३. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेका विवरणहरू : बैंकले समीक्षा अवधिमा कुनै पनि घर जग्गा खरिद वा बिक्री नगरेको ।

२४. दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएका कारोबारहरूको विवरणहरू : नभएको ।

२५. अन्य विवरणहरू :

यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य विवरणहरू यसै प्रतिवेदनमा उल्लेख गरिएका छन् ।

धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६ को उपनियम २ सँग सम्बन्धित वार्षिक विवरण

१. सञ्चालक समितिको प्रतिवेदन : यसै प्रतिवेदनसँग सम्लग्न रहेको ।
२. लेखापरीक्षकको प्रतिवेदन : यसै प्रतिवेदनसँग सम्लग्न रहेको ।
३. लेखापरीक्षण भएको वित्तीय विवरण : यसै प्रतिवेदनसँग सम्लग्न रहेको ।
४. कानूनी कारवाही सम्बन्धी विवरण :
 - (क) आ.व. ०७५/०७६ मा संस्थाले वा संस्थाको विरुद्धमा कुनै मुद्दा दायर भएको भए : यस समीक्षा अवधिमा संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा कुनै मुद्दा मामिला दायर भएको जानकारीमा नआएको । कर्जा असुली, चेक अनादर जस्ता बैंकका दैनिक कार्यका सन्दर्भमा बाहेक संस्थाउपर मुद्दा दायर नभएको ।
 - (ख) यस संस्थाका संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको वा सो सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए: संस्थालाई यस सम्बन्धमा कुनै सूचना वा जानकारी प्राप्त नभएको ।
 - (ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए संस्थाले कुनै मुद्दा दायर नगरेको र अन्यत्रबाट पनि कुनै मुद्दा दायर भएको विषयमा यस संस्थालाई सम्बन्धित अदालत वा कार्यालयबाट कुनै सूचना वा जानकारी प्राप्त नभएको ।
५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विवरण:
 - क) धितो बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा:

यस विकास बैंकका शेयरहरू नेपाल स्टक एक्सचेन्जमा सूचिकृत भई नेपाल धितोपत्र बोर्डको रेखदेखमा खुल्ला बजारले निर्धारण गरेको मूल्य बमोजिम कारोबार भैरहेको छ ।
 - ख) गत वर्षको त्रैमासिक रूपमा शेयरको विवरण: यस अवधिको शेयर कारोबार विवरण नेपाल स्टक एक्सचेन्ज लिमिटेडको वेबसाईट www.nepalstock.com.np का अनुसार यस प्रकार रहेको छ:

सि.नं.	विवरण	प्रथम त्रैमास	द्वितीय त्रैमास	तृतीय त्रैमास	चौथो त्रैमास
१	अधिकतम मूल्य	१६४	१५३	१४८	१७१
२	न्यूनतम मूल्य	१३७	१२९	१३१	१४२
३	अन्तिम मूल्य	१५१	१३८	१४३	१६०
४	कुल कारोबार शेयर संख्या (किता)	६९९०९३	३८५५४८	४३८३५६	११९६५९२
५	कुल कारोबार संख्या	१९८५	१३१४	१५६६	३०२०
६	कुल कारोबार भएको दिन	६२ दिन	६० दिन	५९ दिन	६४ दिन

६. समस्या तथा चुनौतीहरू:

(क) आन्तरिक समस्या तथा चुनौतीहरू:

- बढ्दो प्रतिस्पर्धाका कारण दक्ष तथा प्रतिस्पर्धी कर्मचारीहरूको स्थिरता र उपलब्धताको अभाव ।
- लगानीयोग्य परियोजनाको कमी ।
- निक्षेप, कर्जा तथा लगानी ब्याजदरमा हुने परिवर्तन ।

(ख) बाह्य समस्या तथा चुनौतीहरू:

- बजारमा बैकिङ्ग च्यानलमा तरलता अभाव हुनुका साथै कर्जा तथा लगानीको दायरा सांघुरिएर उत्पन्न हुनसक्ने जोखिमहरू ।
- नियमनकारी निकायबाट छिटो छिटो गरिने नीतिगत परिवर्तनले उत्पन्न हुनसक्ने जोखिमहरू ।
- अन्तर बैंक प्रतिस्पर्धाबाट हुनसक्ने जोखिमहरू ।

(ग) रणनीतिहरू:

बैंकका शाखा सञ्जाल नरहेको क्षेत्रमा शाखा विस्तार गर्दै जाने, कर्मचारीहरूको कार्यदक्षता अभिवृद्धि र बैंकप्रति प्रतिवद्ध राख्नका लागि विभिन्न वाह्य तथा आन्तरिक तालिममा सहभागी गराउने विकास बैंकको रणनीति रहेको छ । बैंकको निक्षेप, कर्जा, तरलता तथा नाफामा पर्न सक्ने प्रभाव तर्फ बैंक सधैं सजग रहेको र त्यसको प्रभावलाई न्यूनीकरण गर्दै लैजाने नीति बैंकले लिएको छ । तीव्र प्रतिस्पर्धाबीच बैंकको पहिचान उच्च राख्नका लागि ग्राहकमुखी सेवा सुविधाहरूको विस्तार गरी गुणस्तरमा केन्द्रित रहि कार्य गर्दै जाने नीति बैंकको रहेको छ । यस वाहेक वाह्य कारणहरूबाट सिर्जना हुनसक्ने जोखिमको लागि बैंक व्यवस्थापन चनाखो भई सम्भावित हानी नोकसानी हुन नदिन वा न्यून गर्न प्रतिवद्ध छ ।

७. संस्थागत सुशासन:

संस्थागत सुशासन अभिवृद्धिका लागि व्यवस्थापनद्वारा चालिएका कदमहरू सम्बन्धी विवरणहरू :

- (क) यस संस्थाले नेपाल राष्ट्र बैंक तथा अन्य नियमनकारी निकायद्वारा जारी गरिएका संस्थागत सुशासन सम्बन्धी निर्देशनहरूको पूर्ण रूपमा पालना गरीरहेको छ । संस्थागत सुशासन अभिवृद्धिका लागि आन्तरिक नियन्त्रण प्रणालीहरू व्यवस्थित गर्न स्वतन्त्र आन्तरिक लेखापरीक्षण विभागको गठन गरिएको छ । प्रत्येक त्रैमासमा लेखापरीक्षण प्रतिवेदनले औल्याएका सुभावहरूलाई व्यवस्थापन मार्फत कार्यान्वयन गराउन लेखापरीक्षण समिति सदैब क्रियाशील रहेको छ । यसका अलावा आवश्यकता अनुसारका समिति र उपसमितिहरू गठन गरिएको छ । ती समिति र उपसमितिहरूलाई प्रत्यायोजन गरिएको अधिकार अनुरूप कार्य गर्ने गरी व्यवस्थित गरिएको छ ।
- (ख) सञ्चालन जोखिम कम गर्न तथा कामलाई व्यवस्थित गर्न विभिन्न आन्तरिक नीति, नियम, निर्देशिका र कार्यविधिहरू तर्जुमा गरी लागू गरिएको छ । साथै सोको नियमित अनुगमन र निरीक्षण गर्ने व्यवस्था गरिएको छ ।
- (ग) संस्थागत सुशासन कायम राख्नका निम्ति बैंकले समय समयमा नेपाल राष्ट्र बैंक लगायत अन्य नियमनकारी निकायहरूबाट प्राप्त मार्ग निर्देशनहरू उच्च प्राथमिकताका साथ पालना गर्दै आएको छ । बैंकको सुशासन अभिवृद्धि एवं संस्थाले गर्ने कार्यहरू पारदर्शी एवं नियमसंगत गर्नका लागि सञ्चालक समिति, लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, कर्मचारी सेवा सुविधा समिति, बैंक व्यवस्थापन तथा अन्य विभिन्न उप-समितिहरू क्रियाशील रहेका छन् । बैंकको कारोवारलाई व्यवस्थित गर्न आन्तरीक नीति नियम तथा निर्देशनहरू तर्जुमा गरी लागू गरिएको छ ।

८. धितो पत्र निष्काशन निर्देशिका २०६५ को दफा २८ अनुसार विवरण पत्रमा प्रक्षेपण गरिएका विवरणहरू मध्ये बीस प्रतिशत वा सो भन्दा बढीले फरक परेका विवरणहरू : यसै प्रतिवेदनसँग संलग्न रहेको ।

९. नियम २६ को उप नियम (५) संग सम्बन्धित विशेष घटना वा परिस्थिति सम्बन्धी विवरण: यस प्रकारको विशेष घटना वा परिस्थिति नभएको ।

जोखिम व्यवस्थापन

प्रतिवेदन वर्षको अन्त्यमा नेपाल राष्ट्र बैंकको परिभाषा बमोजिम बैंकको कर्जा/निक्षेप तथा पूँजीको अनुपात ७७.९१ प्रतिशत रहेको छ । प्रतिवेदन वर्षको अन्त्यमा कर्जा/निक्षेप अनुपात ८७.८३ प्रतिशत रहेको छ । प्रतिवेदन वर्षमा वित्तीय बजारमा कम तरलता तथा निक्षेप परिचालन समेत असहज भएकोले बैंकको कर्जा/निक्षेप तथा पूँजीको अनुपात बढ्न गएको देखिन्छ । बैंकको प्रभावकारी जोखिम व्यवस्थापनका लागि अलग्गै इकाइ गठन गरी कर्जा जोखिम, सञ्चालन जोखिम, तरलता जोखिम, बजार जोखिम, ब्याजदर जोखिम, विदेशी विनिमय जोखिम र अन्य जोखिममा वर्गीकरण गरी बैंकको जोखिम व्यवस्थापनलाई सफल बनाउनका लागि जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शन (Risk Management Guidelines) तर्जुमा गरि लागू गरिएको छ ।

- १. कर्जा जोखिमको पहिचान, मापन, अनुगमन र नियन्त्रणका लागि उपयुक्त नीति तथा कार्यविधि अवलम्बन गरिएको छ ।
- २. कार्यरत जनशक्ति, प्रकृया, प्रणाली एवम् वाह्य घटनाका कारण सिर्जित र सूचना प्रविधिबाट हुन सक्ने सञ्चालन जोखिमलाई न्यूनीकरण गर्न उपयुक्त नीति तथा कार्यविधि अवलम्बन गरिएको छ ।
- ३. संस्थामा तरलताको समग्र व्यवस्थापनका लागि तरलता जोखिम व्यवस्थापन निति तयार पारी लागू गरिएको तथा सम्पत्ति-दायित्व समिति (Assets Liabilities Committee - ALCO) गठन गरी अनुगमन गर्ने गरिएको छ ।
- ४. बजार जोखिम व्यवस्थापनका लागि बजार जोखिम व्यवस्थापन निति तर्जुमा गरि कार्यान्वयन गरिएको छ ।

१. तरलता तथा अनिवार्य मौज्जात अनुपात

प्रतिवेदन वर्षको अन्त्यमा बैंकको तरलता अनुपात २२.७४ प्रतिशत रहेको छ, जुन नेपाल राष्ट्र बैंकले तोकेको न्यूनतम सीमा अर्थात २० प्रतिशत भन्दा बढी रहेको छ । तरलताकै सन्दर्भमा प्रतिवेदन वर्षको अन्त्यमा बैंकको अनिवार्य नगद मौज्जात अनुपात (CRR) ५.२१ प्रतिशत रहेको छ, जुन नेपाल राष्ट्र बैंकले प्रतिवेदन वर्षको लागि तोकेको न्यूनतम अर्थात ४ प्रतिशत भन्दा बढी रहेको छ ।

२. निष्क्रिय कर्जा अनुपात

प्रतिवेदन वर्षमा बैंकको कुल कर्जाको तुलनामा निष्क्रिय कर्जा (नन पर्फर्मिङ्ग लोन) ०.९७ प्रतिशत रहेको छ, जुन गत वर्ष १.१३ प्रतिशत रहेको थियो ।

३. रियल इस्टेट तथा अनुत्पादक क्षेत्र सम्बन्धी कर्जा

अधिक जोखिम निहित घर जग्गा (रियल स्टेट) क्षेत्रमा कर्जा लगानी गर्ने तर्फ बैंक सजग रहने गरेको छ । प्रतिवेदन वर्षको अन्त्यमा यस क्षेत्रसंग सम्बन्धित कर्जा कुल कर्जाको ४.७७ प्रतिशत रहेको छ । उच्च जोखिम भएको यस क्षेत्रमा नयाँ कर्जा प्रवाह गर्दा विशेष अध्ययन गर्ने गरिएको छ ।

४. जोखिम मापन गर्ने दबाब परीक्षण (स्ट्रेस टेस्ट)

बैंकले विभिन्न मापदण्डहरूका आधारमा गर्नु पर्ने दबाब परीक्षणहरू जस्तै, उच्च मात्रामा निक्षेप बाहिरिनुबाट हुन सक्ने जोखिम, घर जग्गा तथा समग्र कर्जा प्रतिकूल वर्गमा वर्गीकरण भएबाट पर्न सक्ने जोखिम, ब्याजदर परिवर्तनबाट पर्न सक्ने जोखिम, शेयर बजार घटबढबाट पर्न सक्ने जोखिम आदिको आँकलन र त्यसको न्यूनीकरण गर्ने उपायहरूको विश्लेषण त्रैमासिक रूपमा सञ्चालक समिति तथा व्यवस्थापनका उच्च पदाधिकारीहरू सम्मिलित जोखिम व्यवस्थापन समितिद्वारा गर्ने गरेको छ । दबाब परीक्षण सम्बन्धी गरिएको सो विश्लेषण त्रैमासिक रूपमा सञ्चालक समितिको बैठकमा पेश गर्नुका साथै दबाव परीक्षणको परिणाम नेपाल राष्ट्र बैंकमा पनि त्रैमासिक रूपमा पेश गर्दै आएको छ । हालसम्म गरिएका ती परीक्षणहरूमा बैंकको अवस्था सन्तोषजनक रहेको पाइएको छ ।

५. क्षेत्रगत कर्जा

त्यस्तै, क्षेत्रगत कर्जा सीमा अन्तर्गत बैंकको आफ्नो कर्जा नीति अनुरूप सीमा कायम गरिएको छ । जस अन्तर्गत हालसम्म बैंकको अवस्था सन्तोषजनक रहेको छ । साथै, नेपाल राष्ट्र बैंकले तोकेका क्षेत्रहरू र तिनीहरूको सीमा अनुगमन सम्बन्धमा यस बैंकले तोकिएका निर्देशन अनुरूप गर्ने गरेको छ । एकल ग्राहक कर्जा सम्बन्धमा पनि यस बैंकले नेपाल राष्ट्र बैंकले तोकेको सीमाको पूर्णरूपले पालना गरेको छ ।

६. आन्तरिक नियन्त्रण प्रणाली

बैंकले आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ बनाउनका लागि जोखिम व्यवस्थापन विभाग, आन्तरिक लेखा परीक्षण विभाग, अनुपालन विभाग लगायतका विभागहरू स्थापना गरि विभिन्न आन्तरिक नितिहरू लागू गरेको छ । यसबाट बैंकलाई आन्तरिक कार्यहरूको अनुगमन तथा व्यवस्थापन गर्न सहज भएको छ । बैंकमा कारोबार

सम्पादनका क्रममा निहित जोखिम न्यूनीकरणका लागि कारोबारमा संलग्न पदाधिकारीको अधिकार तथा सीमा समेत तोकिएको छ । यसैगरी बैंकको एकीकृत जोखिम व्यवस्थापन तथा अनुपालना विभागले वाह्य नीति नियम, कानून र निर्देशनहरूको अधीनमा रही आन्तरिक नीति, परिपत्र, कार्यविधिहरू आदि तयार गरी लागू गर्ने गरिएको छ । यसबाट बैंकको कर्जा, सञ्चालन, तरलता आदि क्रियाकलापहरूमा निहित जोखिमको व्यवस्थापन गर्न सकिने विश्वास लिइएको छ । बैंकमा लेखापरीक्षण समितिको प्रत्यक्ष मातहतमा रहने गरी स्वतन्त्र आन्तरिक लेखापरीक्षण विभाग रहेको छ । सो विभागले बैंकको कारोबारको नियमित रूपमा लेखापरीक्षण गरी सोको प्रतिवेदन समितिमा पेश गर्ने गर्दछ । प्रतिवेदनमा रहेका कैफियतहरूलाई समितिमा विस्तृत रूपमा छलफल गरी ती कैफियतहरू सुधार गर्न तथा भविष्यमा दोहोरिन नदिन नियमित रूपमा निर्देशन/सिफारिश गर्ने गरिएको छ ।

सञ्चालक समिति तथा सञ्चालक स्तरका अन्य प्रमुख समितिहरू

१. सञ्चालक समिति

प्रचलित बैंक तथा वित्तीय संस्था सम्बन्धी ऐन र कम्पनी ऐनको परिधिभित्र रही यस बैंकमा ६ जनाको सञ्चालक समिति रहेको छ । बैंकलाई आवश्यक सबै नीति, नियमहरू निर्माण तथा अनुगमनमा सञ्चालक समितिको सक्रिय भूमिका रहेको छ । साथै, यस समितिले बैंकको प्रमुख सूचकाङ्कहरूको अनुगमन गरी व्यवस्थापनलाई आवश्यक निर्देशनहरू जारी गर्ने, बैंकको व्यावसायिक योजना एवं बजेट स्वीकृत गर्ने गरेको छ । सञ्चालक समितिमा श्री सुदिप आचार्य, श्री भिम प्रसाद तूलाचन, श्री चतुराखर अधिकारी, श्री बलराम बराल, श्री देवकृष्ण काफ्ले र श्री विश्वेश्वर सुवेदी रहनुभएको छ । बैंकको सञ्चालक समितिका सम्पूर्ण सदस्यहरूले नेपाल राष्ट्र बैंकको निर्देशनमा तोकिएका आचरणहरू पालना गर्नुभएको छ । सञ्चालक समिति बैंकको नीति निर्माण तथा व्यवस्थापनको अनुगमन गर्ने तथा आवश्यक निर्देशनहरू दिने कार्यमा केन्द्रित रहेको छ । आर्थिक वर्ष २०७५/०७६ मा यस समितिको जम्मा २० वटा बैठक (बैठक नं. २५४ औं देखि २७३ औं सम्म) बसेको थियो ।

२. लेखापरीक्षण समिति

बैंकको आर्थिक अवस्थाको समीक्षा, आन्तरिक नियन्त्रण, लेखापरीक्षण सम्बन्धी कार्यक्रम र लेखा परीक्षण सम्बन्धी विस्तृत कार्य प्रणालीको समीक्षा गरी सञ्चालक समितिमा आवश्यक राय/सुझाव तथा सिफारिश पेश गर्ने कार्यको निमित्त नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रही यो समितिको गठन गरिएको छ । हाल यस समितिको संयोजकमा सञ्चालक श्री भिम प्रसाद तुलाचन रहनु भएको छ भने सञ्चालक श्री चतुराखर अधिकारी यस समितिको सदस्य रहनु भएको छ । आन्तरिक लेखापरीक्षण विभागका प्रमुख श्री मिलन अधिकारी सदस्य सचिव रहनु भएको छ । प्रतिवेदन अवधिमा लेखापरीक्षण समितिको बैठक जम्मा १० पटक बसेको छ । यस समितिले आन्तरिक लेखापरीक्षणको कार्य योजना स्वीकृति, आन्तरिक लेखा परीक्षण विभागबाट प्राप्त हुन आएको त्रैमासिक लेखा परीक्षण प्रतिवेदन, बाह्य लेखा परीक्षकबाट प्राप्त हुन आएको लेखापरीक्षण प्रतिवेदन तथा नेपाल राष्ट्र बैंकबाट प्राप्त हुन आएको निरीक्षण प्रतिवेदन र सो उपर व्यवस्थापनबाट प्राप्त हुन आएको प्रतिउत्तर सम्बन्धमा विस्तृत छलफल गरी व्यवस्थापनलाई आवश्यक निर्देशन तथा सुझाव दिनुका साथै यस सम्बन्धमा सञ्चालक समितिमा राय सुझाव तथा सिफारिश पेश गर्ने जस्ता कामहरू पनि गर्ने गरेको छ ।

३. जोखिम व्यवस्थापन समिति

बैंकको जोखिम व्यवस्थापन सम्बन्धी आवश्यक राय/सुझाव तथा सिफारिश पेश गर्ने कार्यको निमित्त नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रही यो समितिको गठन गरिएको छ । यस समितिको संयोजकमा हाल सञ्चालक श्री देवकृष्ण काफ्ले रहनु भएको छ । त्यसैगरी, सञ्चालक श्री भिम प्रसाद तुलाचन यस समितिको सदस्य रहनु भएको छ । जोखिम विभाग प्रमुख श्री दिमस अमात्य समितिको सदस्य सचिव रहनु भएको छ

तथा प्रमुख सञ्चालन अधिकृत श्री चुडामणी खनाल सदस्य रहनु भएको छ । प्रतिवेदन अवधिमा यो समितिको बैठक ९ पटक बसेको छ । यो समितिले त्रैमासिक रूपमा बैंकको पूँजी पर्याप्तता सम्बन्धी आन्तरिक विश्लेषण, क्षेत्रगत सीमा निर्धारण तथा अनुपालना, दवाव परीक्षण आदिको अनुगमन गर्ने गरेको छ र त्रैमासिक रूपमा सञ्चालक समितिमा प्रतिवेदन पेश गर्ने गरेको छ । यसका साथै, बैंकको जोखिम सम्बन्धमा अन्य जानकारी लिने तथा त्यस सम्बन्धमा सञ्चालक समितिमा राय सुझाव तथा सिफारिश पेश गर्ने आदि जस्ता क्रियाकलापहरू पनि यस समितिले गर्ने गरेको छ ।

४. कर्मचारी सेवा सुविधा समिति

बैंकको कर्मचारीहरूको सेवा सुविधा सम्बन्धी आवश्यक राय/सुझाव तथा सिफारिश पेश गर्ने कार्यको निमित्त नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रही यो समितिको गठन गरिएको छ । हाल यस समितिको संयोजकमा सञ्चालक श्री बलराम बराल रहनु भएको छ । समितिका अन्य सदस्यहरूमा प्रमुख कार्यकारी अधिकृत श्री प्रविण बस्नेत, प्रमुख वित्त अधिकृत श्री प्रदिप पुडासैनी तथा मानव संसाधन विभाग प्रमुख श्री सृष्टिना मानन्धर रहनु भएको छ । प्रतिवेदन अवधिमा कर्मचारी सेवा सुविधा समितिको १३ पटक बैठक बसेको छ । यो समितिले कर्मचारीहरूको पारिश्रमिक र सेवा सुविधा संरचनाको अध्ययन तथा विश्लेषण गरी पारिश्रमिक निर्धारण गर्ने, कर्मचारीहरूको कार्य क्षेत्र निर्धारण तथा कार्यसम्पादन मूल्याङ्कन प्रणालीको पुनरावलोकन गर्ने, कर्मचारी व्यवस्थापन सम्बन्धी अन्य कार्यविधिहरू आदि तयार गरी सो सम्बन्धमा सञ्चालक समितिमा राय सुझाव तथा सिफारिश पेश गर्ने गरेको छ । साथै यस समितिले वार्षिक रूपमा बैंकको मानव संसाधन योजना पनि तयार गरी सञ्चालक समितिमा पेश गर्ने गरेको छ ।

५. सम्पत्ति शुद्धीकरण निवारण सम्बन्धी समिति

बैंकको सम्पत्ति शुद्धीकरण निवारण सम्बन्धी आवश्यक राय/सुझाव तथा सिफारिश पेश गर्ने कार्यको निमित्त नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रही यो समितिको गठन गरिएको छ । यस समितिको संयोजकमा सञ्चालक श्री विश्वेश्वर सुवेदी रहनु भएको छ भने सदस्यमा जोखिम विभाग प्रमुख श्री दिमस अमात्य तथा संचालन विभाग प्रमुख श्री चुडामणी खनाल र अनुपालन तथा सम्पत्ति शुद्धीकरण निवारण विभागका प्रमुख श्री निरञ्जन भण्डारी सदस्य सचिव रहनु भएको छ । प्रतिवेदन अवधिमा सम्पत्ति शुद्धीकरण निवारण सम्बन्धी समितिको १० पटक बैठक बसेको छ । यो समितिले भौगोलिक क्षेत्र, व्यवसाय वा पेशा, कार्यक्षेत्र, ग्राहक, सेवा वा उत्पादन, कारोबार तथा वितरण माध्यम समेतका आधारमा सम्पत्ति शुद्धीकरण तथा आताङ्कवाद कृयाकलापमा वित्तीय लगानी सम्बन्धी जोखिमको पहिचान तथा मूल्याङ्कन गर्ने, ग्राहक/बास्तबिक धनी/कारोबारका सम्बन्धमा निरन्तर अनगुमनको पनुरावलोकन गर्ने सम्पत्ति शुद्धीकरण तथा आताङ्कवाद कृयाकलापको निवारण व्यवस्थापन सम्बन्धी अन्य कार्यविधिहरू आदि तयार गरी सो सम्बन्धमा सञ्चालक समितिमा राय सुझाव तथा सिफारिश पेश गर्ने गरेको छ ।

संस्थागत सामाजिक उत्तरदायित्व

हामीले पनि यही समाजको प्रतिनिधित्व गर्ने र व्यवसायको आधारशिला नै समाज भएको हुँदा नेपाल राष्ट्र बैंकले तोकेको मापदण्डभित्र रही शिक्षा, स्वास्थ्य, दैवी प्रकोप व्यवस्थापन, वातावरण संरक्षण, सांस्कृतिक प्रबर्द्धन, सामाजिक रूपले पिछडिएका वर्गका आयआर्जन क्षमता अभिवृद्धि, वित्तीय साक्षरता, ग्राहक संरक्षण सम्बन्धी कार्यक्रम आदिमा प्रत्यक्ष तथा अप्रत्यक्ष रूपमा योगदान गर्दै आइ रहेका छौं र आगामी दिनहरूमा समेत यसलाई अझै प्रभावकारी रूपमा अगाडि बढाउने छौं ।



स्वास्थ्य:

स्वास्थ्य नै मानव जीवनको सबै भन्दा महत्वपूर्ण पक्ष हो । हामीले पनि स्वास्थ्य विषयको जनचेतना जगाउन रक्तदान, स्वास्थ्य शिविर तथा अन्य विभिन्न कार्यक्रमको आयोजना, क्षयरोगका बिरामीहरूलाई व्हिल चियर वितरण, सामुदायिक अस्पतालमा बिरामी कुरुवाहरूको सहजताको लागि फलामका कुर्याहरू हस्तान्तरण गरेका छौं ।



शिक्षा:

शिक्षा नै शक्ति हो । यो समाज रूपान्तरणको आधार र विकासको मेरुदण्ड हो भन्ने कुरालाई आत्मसात गरी शिक्षाको उज्यालोबाट कोही बञ्चित हुन नपरोस भन्ने हेतुले पढाइमा अब्बल भएका तर आयश्रोतको कारण आफूले चाहेको विषय पढ्न नपाएका निम्न पारिवारिक आयश्रोत भएका विद्यार्थीलाई छात्रवृत्ति उपलब्ध गराउँदै आएकोमा यो वर्ष दुई जना जेहेन्दार विद्यार्थीलाई छात्रवृत्ति प्रदान गरेका छौं ।

यसैगरी बैंकले विभिन्न सरकारी विद्यालयहरूमा अध्ययन गर्ने विद्यार्थीहरूलाई चाहिने शैक्षिक सामग्रीहरू जस्तै कापी, कलम, भोला, कम्प्युटर, लुगा आदि वितरण गर्नुका साथै पोषिलो खाना खुवाउने समेत गरेको छ ।



वित्तीय साक्षरता:

वित्तीय साक्षरता अन्तर्गत नेपाल सरकारको खोलौँ बैंक खाता अभियान, २०७६ मा हामीले देशव्यापी रूपमा सबै शाखा कार्यालयबाट एकसाथ कार्यक्रममा गरेका थियौं । सैनिक ब्यारेक, क्याम्पस, स्थानीय निकाय, विद्यालय लगायतका विभिन्न सार्वजनिक स्थानहरूमा प्रभावकारी रूपमा यस्ता कार्यक्रहरू गर्दै आएका छौं । साथै नेपाल राष्ट्र बैंक, नेशनल बैंकिङ ईन्स्टिट्यूट लगायतका संस्थाहरूले आयोजना गरेको वित्तीय साक्षरता सम्बन्धी कार्यक्रमहरूमा समेत बैंकले सक्रिय सहभागिता जनाएको थियो ।



वातावरण संरक्षण:

बैंकले वातावरणको महत्व दर्शाउन तथा जनचेतना जगाउनको लागि नदी, खोला, सडक, पार्क आदि सार्वजनिक स्थलहरूको सरसफाई, वृक्षारोपण, डस्टबिन वितरण लगायतका अनुकरणीय कार्यहरूद्वारा वातावरण संरक्षण र सम्बर्द्धनको लागि उच्च पहल



बालबालिकाको हित तथा विकास:

बैंकले निम्न आय भएका परिवारका बालबालिकाहरूलाई विद्यालय जान, पढ्न लेख्न र स्वास्थ्य रहन पोषिलो खाना तथा खाजा सुविधा मार्फत मद्दत गर्दै आएका सामाजिक संस्था, Food for Life and Prem Sagar Foundation लाई आर्थिक सहयोग गर्दै आएको छ । सोही पवित्र कार्यको लागि बैंकका कर्मचारीहरूले समेत Food for Life मार्फत रु १ लाख १२ हजार ९० रुपैयाँ, प्रदान गरेका थिए ।



संस्कृति संरक्षण:

संस्कृति हाम्रो पहिचान हो । हाम्रो देश विविध धर्म र संस्कृतिले भरिपूर्ण छ । संस्कृति सम्बर्द्धनका लागि बैंकले देशव्यापी रूपमा विभिन्न कार्यक्रममा सहभागिता जनाएको छ । विभिन्न जात्रा एवं पुजाहरूमा आर्थिक सहयोग गर्नुका साथै निःशुल्क पानी तथा जुस वितरण गरी आफ्नो उपस्थिति जनाएको छ ।



अन्य कार्यहरू:

बैंकले पूर्वाधार विकासका लागि सडक बत्ति जडान, पार्क निर्माण, सामुदायिक भवन निर्माण, विश्राम स्थल, बृद्धाश्रम तथा यात्रु प्रतिकालय निर्माण जस्ता भौतिक निर्माण कार्यहरूमा योगदान गरेको छ । विद्यालय बृद्धाश्रम तथा वडा कार्यालयमा Electric/Non electric water dispenser वितरण, खेलकुद प्रतियोगिता आयोजना तथा आर्थिक सहयोग, वृद्धवृद्धा सम्मान आदि कार्यहरू गर्दै आएको छ ।

बैंकका संस्थागत सामाजिक उत्तरदायित्वबारे थप जानकारी बैंकको वेबसाइट www.kamanasewabank.com मा उपलब्ध छ ।

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF KAMANA SEWA BIKAS BANK LIMITED.

Opinion

We have audited the financial statements of Kamana Sewa Bikas Bank Limited, which comprise the Statement of Financial Position as at Ashadh 31, 2076 (July 16, 2019), and the Statement of Profit or Loss, and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Financial Position of the Bank as at Ashadh 31, 2076 (July 16, 2019), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

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

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




CA. Gopal P. Rajbahak
 Senior Partner
G. P. Rajbahak & Co.
 Chartered Accountants

UDIN: 191113CA000043ErbO

Place: Kathmandu
 Date: November 12, 2019

Kamana Sewa Bikas Bank Limited
Statement of Financial Position
As on 31 Asar 2076

Particulars	Note	Kamana Sewa		Restated
		Current Year	Previous Year	Kamana
Assets				
Cash and Cash Equivalent	4.1	3,881,341,086	4,569,246,704	1,545,915,474
Due from Nepal Rastra Bank	4.2	1,114,715,025	824,625,835	382,534,371
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative Financial Instruments	4.4	-	-	-
Other Trading Assets	4.5	-	-	-
Loans and Advances to BFIs	4.6	1,329,967,800	129,814,930	82,054,477
Loans and Advances to Customers	4.7	18,906,601,307	13,142,121,529	5,962,439,648
Investment Securities	4.8	768,655,473	383,907,278	84,456,136
Current Tax Assets	4.9	-	330,455	-
Investment in Subsidiaries	4.10	-	-	-
Investment in Associates	4.11	-	-	-
Investment Property	4.12	-	-	-
Property and Equipment	4.13	483,935,439	296,825,232	238,885,093
Goodwill and Intangible Assets	4.14	9,869,589	4,605,626	2,130,302
Deferred Tax Assets	4.15	31,673,888	11,776,359	-
Other Assets	4.16	165,131,543	96,415,826	6,485,542
Total Assets		26,691,891,150	19,459,669,775	8,304,901,044
Liabilities				
Due to Bank and Financial Institutions	4.17	1,599,755,943	919,758,084	-
Due to Nepal Rastra Bank	4.18	-	-	-
Derivative Financial Instruments	4.19	-	-	-
Deposits from Customers	4.20	21,376,132,893	14,830,496,168	6,982,972,563
Borrowings	4.21	-	-	-
Current Tax Liabilities	4.9	46,533,747	-	388,336
Provisions	4.22	11,266,941	991,950	1,159,200
Deferred Tax Liabilities	4.15	-	-	2,631,513
Other Liabilities	4.23	412,981,367	543,463,048	184,554,748
Debt Securities Issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
Total Liabilities		23,446,670,891	16,294,709,250	7,171,706,359
Equity				
Share Capital	4.26	2,540,195,352	2,502,655,519	804,379,201
Share Premium		-	27,565,076	-
Retained Earnings		173,655,162	334,801,917	166,621,802
Reserves	4.27	531,369,745	299,938,013	162,193,682
Total Equity Attributable to Equity Holders		3,245,220,259	3,164,960,525	1,133,194,685
Non Controlling Interest		-	-	-
Total Equity		3,245,220,259	3,164,960,525	1,133,194,685
Total Liabilities and Equity		26,691,891,150	19,459,669,775	8,304,901,044
Contingent Liabilities and Commitments	4.28	888,031,195	642,627,806	266,257,995
Net Assets Value per share		127.75	126.46	140.88

As per our report of even date

Sudeep Acharya
Chairman

Bhim Prasad Tulachan
Director

Chaturakhar Adhikari
Director

Gopal P. Rajbahak, FCA
Senior Partner

Dev Krishna Kafle
Director

Bishweshwar Subedi
Director

Balaram Baral
Director

G.P. Rajbahak & Co.
Chartered Accountants

Prabin Basnet
Chief Executive Officer

Hari Prasad Lamsal
Deputy General Manager

Pradip Pudasaini
Incharge-Finance/Treasury

Date: 12 November 2019
Place: Kathmandu

Kamana Sewa Bikas Bank Limited
Statement of Profit or Loss
For the year ended 31 Asar 2076

Particulars	Note	Current Year	Previous Year
Interest Income	4.29	2,471,322,204	1,927,418,969
Interest Expense	4.30	1,606,557,119	1,173,161,144
Net Interest Income		864,765,085	754,257,825
Fee and Commission Income	4.31	182,426,710	87,998,865
Fee and Commission Expense	4.32	6,409,806	540,746
Net Fee and Commission Income		176,016,904	87,458,119
Net Interest, Fee and Commission Income		1,040,781,989	841,715,944
Net Trading Income	4.33	21,149	-
Other Operating Income	4.34	20,491,049	22,746,106
Total Operating Income		1,061,294,187	864,462,050
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	61,393,045	(18,391,905)
Net Operating Income		999,901,142	882,853,955
Operating Expense			
Personnel Expenses	4.36	342,121,262	184,926,796
Other Operating Expenses	4.37	195,816,916	108,787,258
Depreciation & Amortisation	4.38	39,369,045	25,705,572
Operating Profit		422,593,919	563,434,329
Non Operating Income	4.39	-	-
Non Operating Expense	4.40	-	9,636,819
Profit Before Income Tax		422,593,919	553,797,510
Income Tax Expense	4.41		
Current Tax		156,148,063	160,568,137
Deferred Tax		(18,136,166)	6,522,656
Profit for the Period		284,582,021	386,706,717
Profit Attributable to:			
Equity-holders of the Bank		284,582,021	386,706,717
Non-Controlling Interest		-	-
Profit for the Period		284,582,021	386,706,717
Earnings per Share			
Basic Earnings per Share		11.20	15.45
Diluted Earnings per Share		11.20	15.45

As per our report of even date

Sudeep Acharya
Chairman

Bhim Prasad Tulachan
Director

Chaturakhar Adhikari
Director

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Deputy General Manager

Pradip Pudasaini
Incharge-Finance/Treasury

Date: 12 November 2019

Place: Kathmandu

Kamana Sewa Bikas Bank Limited
Statement of Other Comprehensive Income
For the year ended 31 Asar 2076

Particulars	Current Year	Previous Year
Profit for the year	284,582,021	386,706,718
Other Comprehensive Income, Net of Income Tax	-	-
a) Items that will not be reclassified to profit or loss	-	-
Gains/(losses) from investment in equity instruments measured at fair value	(15,894,096)	(52,355,713)
Gains/(losses) on revaluation	-	-
Actuarial gains/(losses) on defined benefit plans	10,022,888	810,905
Income tax relating to above items	1,761,362	15,463,442
Net other comprehensive income that will not be reclassified to profit or loss	(4,109,845)	(36,081,365)
b) Items that are or may be reclassified to profit or loss	-	-
Gains/(losses) on cash flow hedge	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items	-	-
Reclassify to profit or loss	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	-
Other Comprehensive Income for the year, Net of Income Tax	(4,109,845)	(36,081,365)
Total Comprehensive Income for the Period	280,472,176	350,625,353
Total Comprehensive Income attributable to:		
Equity-Holders of the Bank	280,472,176	350,625,353
Non-Controlling Interest	-	-
Total Comprehensive Income for the Period	280,472,176	350,625,352.87

As per our report of even date

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Chief Executive Officer

Hari Prasad Lamsal
Deputy General Manager

Pradip Pudasaini
Incharge-Finance/Treasury

Date: 12 November 2019
Place: Kathmandu

Kamana Sewa Bikas Bank Limited
Statement of Cash Flows
For the year ended 31 Asar 2076

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	2,467,143,774	1,927,418,969
Fee and Other Income Received	182,426,710	87,998,865
Dividend Received	-	-
Receipts from Other Operating Activities	20,512,198	22,746,106
Interest Paid	(1,606,557,119)	(1,173,161,144)
Commissions and Fees Paid	(6,409,806)	(540,746)
Cash Payment to Employees	(297,544,240)	(186,208,324)
Other Expenses Paid	(195,816,916)	(118,424,077)
Operating Cash Flows before Changes in Operating Assets and Liabilities	563,754,601	559,829,649
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(290,089,190)	(442,091,464)
Placement with Banks and Financial Institutions	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	(1,200,152,870)	(47,760,452)
Loans and Advances to Customers	(5,764,479,778)	(7,179,681,881)
Other Assets	(88,613,244)	(101,706,644)
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposit from Customers	66,545,636,725	7,847,523,605
Borrowings	-	-
Other Liabilities	(73,672,942)	355,721,202
Net Cash Flow from Operating Activities before Tax Paid	372,381,160	1,911,592,099
Income Tax Paid	(137,681,443)	(167,421,248)
Net Cash Flow from Operating Activities	234,699,718	1,744,170,851
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(384,748,195)	(299,451,142)
Receipts from Sale of Investment Securities	-	-
Purchase of Property and Equipment	(224,530,590)	(81,680,323)
Receipts from Sale of Property and Equipment	-	-
Purchase of Intangible Assets	(7,212,626)	(4,440,711)
Purchase of Investment Properties	-	-
Receipts from Sale of Investment Properties	-	-
Interest Received	-	-
Dividend Received	-	-
Net Cash Used in Investing Activities	(616,491,411)	(385,572,177)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issue of Debt Securities	-	-
Repayments of Debt Securities	-	-
Receipts from Issue of Subordinated Liabilities	-	-
Repayments of Subordinated Liabilities	-	-
Receipt from Issue of Shares	37,539,833	1,698,276,318
Dividends Paid	-	-
Interest Paid	-	-
Other Receipts/Payments	(343,653,758)	(33,543,762)
Net Cash from Financing Activities	(306,113,925)	1,664,732,556
Net Increase (Decrease) in Cash and Cash Equivalents	(687,905,618)	3,023,331,230
Cash and Cash Equivalents at Shrawan 01, 2075	4,569,246,704	1,545,915,474
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	-	-
Cash and Cash Equivalents at Asar 31, 2076	3,881,341,086	4,569,246,704

As per our report of even date

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Deputy General Manager

Pradip Pudasaini
Incharge-Finance/Treasury

Date: 12 November 2019
Place: Kathmandu

Kamana Sewa Bikas Bank Limited
Statement of Changes in Equity
For the year ended 31 Asar 2076

Particulars	Attributable to Equity-Holders of the Bank							Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve		
Balance at Shrawan 01, 2074	804,379,201	-	175,284,810	1,955	-	1,206,370	413,143	67,855,461	1,047,934,569
Adjustment/Restatement	804,379,201	-	175,284,810	1,955	-	1,206,370	166,208,660	(82,154,914)	85,260,116
Adjustment/Restated Balance as at Shrawan 01, 2074	804,379,201	-	175,284,810	1,955	-	1,206,370	166,621,802	(14,299,453)	1,133,194,685
Comprehensive Income for the year							386,706,719	-	386,706,719
Profit for the year							386,706,719	-	386,706,719
Other Comprehensive Income, Net of Tax							(36,648,999)	-	(36,648,999)
Gains/(losses) from investment in equity instruments measured at fair value									
Gains/(losses) on revaluation									
Actuarial gains/(losses) on defined benefit plans								567,634	567,634
Gains/(losses) on cash flow hedge									
Exchange gains/(losses) arising from translating financial assets of foreign operation									
Total Comprehensive Income for the year							386,706,719	567,634	350,625,354
Transfer to Reserves during the year			64,206,632				(65,193,108)	7,529,043	6,542,568
Transfer from Reserves during the year							990,500		990,500
Transactions with Owners, directly recognized in Equity									
Share Issued	550,729,237	27,565,076							578,294,313
Share Based Payments									
Dividend to Equity-Holders									
Bonus Shares Issued	130,470,193						(130,470,193)		
Cash Dividend Paid									
Transfer from merger (Sewa Bikash Bank Ltd.)	1,017,076,888						(74,579,939)		(74,579,939)
Total Contributions by and Distributions	1,695,276,318	27,565,076	99,294,702				50,726,134	2,855,319	1,695,893,042
Balance at Asar 31, 2075	2,502,655,519	27,565,076	338,726,144	1,955	(35,442,629)		(154,323,997)	2,855,319	1,673,607,417
Balance at Shrawan 01, 2075	2,502,655,519	27,565,076	338,726,144	1,955	(35,442,629)		334,801,916	(3,347,457)	3,164,960,524
Comprehensive Income for the year							334,801,916	(3,347,457)	3,164,960,524
Profit for the year							334,801,916	(3,347,457)	3,164,960,524
Other Comprehensive Income, Net of Tax							284,582,021	-	284,582,021
Gains/(losses) from investment in equity instruments measured at fair value									
Gains/(losses) on revaluation									
Actuarial gains/(losses) on defined benefit plans									
Gains/(losses) on cash flow hedge									
Exchange gains/(losses) arising from translating financial assets of foreign operation									
Total Comprehensive Income for the year							284,582,021	7,016,020	280,472,174
Transfer to Reserves during the year			56,916,404	3,275	173,788,123	(11,125,867)	(237,659,966)	6,952,164	280,472,174
Transfer from Reserves during the year							2,118,387	(2,118,387)	
Transactions with Owners, directly recognized in Equity									
Share Issued									
Share Based Payments									
Dividend to Equity-Holders									
Bonus Shares Issued	37,539,833	(27,565,076)					(9,974,757)		
Cash Dividend Paid							(200,212,442)		(200,212,442)
Other									
Total Contributions by and Distributions	37,539,833	(27,565,076)					(210,187,199)	-	(200,212,442)
Balance at Asar 31, 2076	2,540,195,352		395,642,548	5,230	173,788,123	(46,568,496)	173,655,162	8,502,340	3,245,220,259

As per our report of even date

Gopal P. Rajbahak, FCA
Senior Partner
G.P. Rajbahak & Co.
Chartered Accountants

Bishweshwar Subedi
Director

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Director

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Hari Prasad Lamsal
Deputy General Manager

Prabin Basnet
Chief Executive Officer

Balaram Baral
Director

Date: 12 November 2019
Place: Kathmandu

Kamana Sewa Bikas Bank Limited
Notes to the Financial Statements
Financial Year 1st Sawan 2075 to 31st Asad 2076

1. General Information

1.1 Reporting Entity

Kamana Sewa Bikas Bank Limited is a limited liability company domiciled in Nepal which has been in operation in Nepal since 2064/02/24 (2007/06/07). The Bank is registered with the Office of Company Registrar as a public limited company and carries out banking activities in Nepal under the license from Nepal Rastra Bank as Class “Kha” licensed institution (National Level). It’s registered, and corporate office are at Kathmandu, Nepal.

The Bank merged with Sewa Bikas Bank Limited in the Fiscal year 2074/75 and started joint operation from 20th Shrawan, 2075.

The Bank offers maximum banking services of banking products and services including loans and advances, deposits etc. to wide range of clients encompassing individuals, corporates, large public sector companies, government corporations, etc. as authorized by the Nepal Rastra Bank (Central Bank of Nepal).

The Bank is listed on Nepal Stock Exchange and its stock symbol is “KSBBL”.

1.2 Subsidiary/Group

Subsidiaries are investees that are controlled by the Bank. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect the returns of those investees through its power over the investee.

The bank does not have any subsidiary company.

2. Basis of Preparation

2.1 Basis of Preparation

The Financial Statements of the Bank have been prepared in accordance with the requirement of 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) and in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2075. The Group has opted for certain carve outs which are briefly described in Notes to Accounts. The Financial Statement comprise of:

- Statement of Financial Position (SOFP) stating the financial position of the Bank as at the end of reporting period;
- Statement of Profit and Loss (SOPL) and Statement of Other Comprehensive Income (SOI) stating the financial performance of the Bank for the reported period ended.
- Statement of Cash Flow (SOCF) stating the ability of Bank to generate Cash and Cash Equivalent.
- Statement of Changes in Equity (SOCE) stating all the changes in Equity of the Bank during the reporting period.
- Notes to the Financial Statements comprising summary of Principal Accounting Policies and explanatory notes that are of significant importance to the users of Financial Statements.

2.2 Statement of Compliance

The financial statements have been prepared and approved by the Board of Directors 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 of NRB Directives, 2075.

2.3 Reporting Period and approval of financial statements

Following reporting period has been considered as first time adoption.

Financial Statement	
Opening NFRS Statement of Financial Position	17 th July 2018
Comparatives	16 th July 2016
First NFRS Statement of Financial Position	16 th July 2019

The Board of Directors of the Group authorized the financial statement vide its resolution dated November 12 2019 and recommended for its approval by the Annual General Meeting of the shareholders.

2.4 Foreign Exchange Transaction

Foreign Exchange Transactions Assets and liabilities denominated in foreign currencies as on the balance sheet date have been converted into local currency at mid-point exchange rates published by Nepal Rastra Bank after adjustment for effective trading rate.

2.5 Functional and Presentation Currency

The financial statements of the Bank are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the Bank operates. Financial information is presented in Nepalese Rupees. There was no change in the presentation and functional currency during the year under review. The figures are rounded to nearest integer, except otherwise indicated.

2.6 Use of Estimates, Assumptions and Judgment

The Bank, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Bank is required to make judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate. The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed. The NFRS requires the Bank to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Bank applies estimates in preparing and presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied 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.

2.7 Accounting Policies and Changes in Accounting Policies

There are different accounting principles adopted by management and these policies are consistently applied to all years presented except or changes in accounting policies that has been disclosed separately.

The Bank, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Bank is required to make judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate. The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

2.8 New Standards in issue but not yet effective

For the reporting of financial instruments, NAS 32 Financial Instruments Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments. Few carve-outs on applicable Accounting Standards as provided by the Institute of Chartered Accountants of Nepal have been used by the Bank, the quantitative and qualitative impact of the same have been disclosed in detail in Notes to the Accounts. Further, a number of new standards and amendments to the existing standards and interpretations have been issued by International Accounting Standard Board after the pronouncements of NFRS with varying effective dates. Those become applicable when Accounting Standard Board Nepal incorporates them within NFRS.

9 New Standards and interpretation not adopted

In preparing financial statement, Standards and pronouncement issued by Accounting Standard Board Nepal has been adopted. Management has used its assumptions and understandings for preparation of financial statements under compliance with NFRS, however, certain interpretations might vary regarding the recognition, measurement, and other related provisions where the standards are not specific and not clear.

2.10 Discounting

Non-current assets and liabilities are discounted where discounting is material. Interest income and expenses have been recognized on unwinding of financial assets and liabilities respectively.

2.11 Prior Period Errors

Prior Period Errors are omissions or misstatements in an entity's financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes such changes may not

be practicable. In such cases, it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

2.12 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard – NAS 1 on 'Presentation of Financial Statements'. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the bank. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.13 Offsetting

Assets and liabilities, income and expense are reported separately and no assets and liabilities, or income and expense are offset unless required or permitted by NFRS.

2.14 Comparative Information

Comparative information is provided in narrative and descriptive nature, if it is relevant to understand the current period's financial statement and reclassified whenever necessary to conform to current year presentation.

2.15 Rounding

The statements have been rounded off to nearest Rupees in relevant assertions.

3. Summary of significant accounting policies

The principal accounting policies applied by the Bank in the preparation of these financial statements are presented below. These policies have been consistently applied to all the years presented unless stated otherwise.

3.1 Basis of Measurement

The Financial Statements of the Bank have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

- Financial assets and liabilities at fair value through profit or loss or other comprehensive income are measured at fair value.
- Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- Financial assets and financial liabilities held at amortized cost at measured using a rate that is a close approximation of effective interest rate.

3.2 Basis of Consolidation

3.2.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 03 (Business Combinations). The Bank measures goodwill as the fair value of the consideration

transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is immediately recognized in the profit or loss.

The Bank elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Bank incurs in connection with a business combination are expensed as incurred. The Bank has applied Exemptions for NFRS 3 as stated in Appendix C as follows:

A first-time adopter may elect not to apply NFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to NFRSs). However, if a first-time adopter restates any business combination to comply with NFRS 3 it shall restate all later business combinations and shall also apply NFRS 10 from that same date.

3.2.2 Non-Controlling Interest (NCI)

The bank presents non-controlling interests in its statement of financial position within equity, separately from the equity of the owners of the parent. The bank attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The proportion allocated to the Kamana Sewa Bikas Bank and non-controlling interests are determined on the basis of present ownership interests.

However, bank does not have a Subsidiary. So the non-controlling interest has not been calculated separately.

3.2.3 Subsidiaries

Subsidiaries are entities that are controlled by the Bank. The Bank is presumed to control an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. At each reporting date the Bank reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control mentioned above.

The Financial Statements of Subsidiaries are fully consolidated from the date on which control is transferred to the Bank and continue to be consolidated until the date when such control ceases. The Financial Statements of the Bank's Subsidiaries are prepared for the same reporting year as

per the Bank, using consistent accounting policies.

However, bank does not have any subsidiary.

3.2.4 Loss of Control

When the Bank loses control over a Subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The 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. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with relevant NFRS or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Bank recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

However, Bank does not have any subsidiary.

3.2.5 Special Purpose Entity(SPE)

An entity may be created to accomplish a narrow and well-defined objective (eg. to effect a lease, research and development activities or a securitization of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management over the operations of the SPE. Examples of SPEs include entities set up to effect a lease, a securitization of financial assets, or R&D activities. Nepal Financial Reporting Standard 10 Consolidated Financial Statement is applicable in relation to consolidation of special purpose entity.

The Bank does not have any special purpose entity.

3.2.6 Transaction Elimination on Consolidation

In consolidating a subsidiary, the group eliminates full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the subsidiary and the bank (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

The bank does not have any subsidiary.

3.3 Cash and Cash equivalent

Cash and Cash Equivalents include cash in hand, balances with banks and money at call and at short notice. These are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of short term commitments.

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

3.4 Balance with Central Bank

Balances with central banks are carried at amortized cost in the Statement of Financial Position.

3.5 Financial Assets and Financial Liabilities

3.5.1 Recognition

The Bank initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Bank initially recognize loans and advances, deposits and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Bank becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Bank commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial assets are recognized on trade date at which the Bank commits to purchase or sell the asset.

3.5.2 Classification

Financial instruments are classified as

- Financial Assets
- Financial Liabilities

1. Financial Assets

The Bank classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The two classes of financial assets are as follows;

- Financial assets measured at amortized cost
 - Financial asset measured at fair value
- i. Financial assets measured at amortized cost
The Bank classifies a financial asset measured at amortized cost if both of the following conditions are met:
- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. Financial asset measured at fair value
Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:
- Financial assets at fair value through profit or loss.
 - Financial assets at fair value through other comprehensive income

Financial assets at fair value through profit or loss.

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction

cost are directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

Financial assets at fair value through other comprehensive income

Investment in an equity instrument that is not held for trading and at the initial recognition, the Bank makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

2. Financial Liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan Commitments, as follows;

- Financial Liabilities at Fair Value through Profit or Loss
- Financial Liabilities measured at amortized cost
- **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 cost are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss

- **Financial Liabilities measured at amortized cost**

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest method.

5.3.3 Measurement

Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

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

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are

recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

5.3.4 Derecognition

Derecognition of Financial Assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of

- the consideration received (including any new asset obtained less any new liability assumed) and
- any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expired. 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 Statement of Profit or Loss.

3.5.5 Determination of Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of a liability reflects its non-performance risk. The fair values are determined according to the following hierarchy:

Level 1 fair value measurements are those derived from unadjusted quoted prices

in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable. All unquoted equity investments are recorded at cost,

3.5.6 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and it intends either settle them on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under NFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.5.7 Impairment

At each reporting date the 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 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 Bank initiates legal recourse of recovery in respect of a credit obligation of the counterpart.
- Where the 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 Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not 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 Bank uses statistical modelling of historical 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.

Impairment losses on assets measured at amortized cost

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.

Bank considers evidence of impairment for loans and advances and investment securities measured at amortized cost at both specific asset and collective level. Bank first assess individually whether objective evidence of impairment exists for financial assets that are individually significant and assessed on collective basis for those that are not individually significant. Loans and advances to customers with significant value 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 bank.

If there is objective evidence that impairment loss has been incurred, the amount of loss is measured at the difference between assets's carrying amount and present value of estimated future cash flows. Carrying amount of the asset is reduced through the use of an allowance account and amount of loss is recognized in profit or loss. All individually significant loans and advances and investment securities are assessed for specific impairment. Those not found to be specifically impaired are collectively assessed for impairment by grouping together loan and advances and held to maturity with similar risk characteristics.

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 purpose of collective assessment of impairment bank has categorized assets in to four broad products as follows:

1. Term Loan

2. Auto Loan
3. Home Loan
4. Overdraft

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the other reserves and funds (impairment reserve) in other comprehensive income and statement of changes in equity. If a future write-off is later recovered, the recovery is credited to the 'Income Statement'.

Loan Loss Provision as per direction of 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.

Policies Adopted

The bank adopts carve out issued by ICAN for measurement of impairment loss on loans and advances. As per the Carve out notice issued by ICAN, the Bank has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.

Impairment of investment in equity instrument classified as fair value though other comprehensive income

Where objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the amortized cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of profit or loss) is reclassified from equity and recognized in the profit or loss. A significant or prolonged decline in the fair value of an equity security below its cost is considered, among other factors in assessing objective evidence of impairment for equity securities.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the statement of profit or loss. Impairment losses recognized in the profit or loss on equity instruments are not reversed through the profit or loss.

3.6 Trading Asset and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as a part of a portfolio that is managed together for short term profit or position taking.

Trading assets and liabilities are initially recognized at fair value and subsequently measured at fair value in the statement of financial position, with transaction costs recognized in profit or loss. All changes in fair value are recognized as part of net trading income in profit or loss as regarded as fair value through profit & loss account.

3.7 Derivative financial Instruments

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; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

Forward contracts are the contracts to purchase or sell a specific quantity of a financial instrument, a commodity, or a foreign currency at a specified price determined at the outset, with delivery or settlement at a specified future date. Settlement is at maturity by actual delivery of the item specified in the contract, or by a net cash settlement.

All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the statement of financial position regardless of whether they are held for trading or non-trading purposes. Changes in fair value on derivatives held for trading are included in net gains/ (losses) from financial instruments in fair value through profit or loss on financial assets/ liabilities at fair value through profit or loss.

3.8 Property, Plant and Equipment

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. The Bank applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for these assets. Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably measured.

Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of an item of property, plant & equipment. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of computer equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Cost Model

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

Revaluation Model

The Bank has not applied the revaluation model to the any class of property, plant and equipment. Such properties are carried at a previously recognized GAAP Amount.

On revaluation of an asset, any increase in the carrying amount is recognized in 'Other comprehensive income' and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.

The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within that part will flow to the Bank and it can be reliably measured. The cost of day to day servicing of property, plant and equipment are charged to the Statement of Profit or Loss as incurred.

Depreciation

Depreciation is calculated by using the written down value method on cost of the Property, Plant & Equipment other than leasehold properties. Depreciation on leasehold properties is calculated by using the straight line method on cost or valuation of the property. The rates of depreciations are given below:

Rate of Depreciation per annum (%)

Asset Category	For the year ended 16 July 2019	For the year ended 16 July 2018
Freehold Buildings	5%	5%
Motor Vehicles	20%	20%
Computer Equipment	25%	25%
Furniture, Office Equipment	25%	25%
Leasehold Properties	10%	10%

Other disclosures regarding the depreciation;

- Depreciation for income tax purpose is calculated separately at the rate and manner prescribed by the Income Tax Act, 2058.
- Assets with a unit value of NPR 5,000 or less are expensed-off during the year of purchase irrespective of its useful life.
- Leasehold assets and cost of software licenses are amortized over a period of useful life and in case useful life cannot be ascertained the bank has the policy to amortize the cost in five years.

Changes in Estimates

The asset's methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery 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.

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 Bank incurs in connection with the borrowing of funds.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.9 Goodwill and Intangible Assets

Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Expenditure incurred on an intangible item that was initially recognized as an expense by the Bank in previous annual Financial Statements or interim Financial Statements are not recognized as part of the cost of an intangible asset at a later date.

Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the 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 Bank assumes that there is no residual value for its intangible assets.

Asset Category	For the year ended 16 July 2019	For the year ended 16 July 2018
Computer Software	5 years	5 years
Licenses	5 years	5 years

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.

3.10 Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business.

Measurement

Investment property is accounted for under Cost Model in the Financial Statements. Accordingly, after recognition as an asset, the property is carried at its cost, less impairment losses. If any property is reclassified to investment property due to changes in its use, fair value of such property at the date of reclassification becomes its cost for subsequent accounting.

De-recognition

Investment properties are derecognized when they are disposed of or permanently withdrawn from use since no future economic benefits are expected. Transfers are made to and from investment property only when there is a change in use. When the use of a property changes such that it is reclassified as Property, Plant and Equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment in Associates

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Investments in associate entities are accounted for using the equity method (equity-accounted investees) and are recognized initially at

cost. The cost of the investment includes transaction costs.

The Bank doesn't have any associates.

3.11 Due to Banks and Financial Institution

Due to banks represents credit balances in Nostro Accounts, short-term borrowings from banks, deposit accepted from "D" class financial Institutions. These are initially recognized at fair value. Subsequent to initial recognition, these are measured at their amortized cost. As per the Carve Out regarding the EIR rate treatment issued by ICAN, when calculating EIR, all these transaction cost shall be considered unless it is immaterial or impracticable to do so. Since all these transaction costs cannot be identified separately for every customer and it seems impracticable, separate EIR rate has not been computed as allowed by Carve Out issued by ICAN. The Amortization is included in "Interest expenses" in the Statement of Profit or Loss.

3.12 Deposit from Customers:

The Bank accepts deposits from its customers under savings account, current account, call accounts, fixed deposits and margin accounts which allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the bank's books, and the resulting balance is recorded as a liability for the Bank and represents the amount owed by the Bank to the customer. They have been valued at amortized cost.

As per Para 09 of NAS 39 regarding Financial Instruments recognition and measurement, EIR rate is to be used for booking such interest expense and when calculating the EIR, an entity shall estimate cash flows considering all contractual term of the financial instrument but not credit loss, which includes the fees and points received or paid, transaction costs, premiums, discounts

As per the Carve Out regarding the EIR rate treatment issued by ICAN, when calculating EIR, all these transaction cost shall be considered unless it is immaterial or impracticable to do so. Since all these transaction costs cannot be identified separately for every customer and it seems impracticable, separate EIR rate has not been computed as allowed by Carve Out issued by ICAN. The Amortization is included in "Interest expenses" in the Statement of Profit or Loss.

3.13 Contingent Liabilities and Commitments:

Contingent Liabilities:

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Bank's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

Commitments:

Where the 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 Bank has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 16 July 2

3.14 Litigation

Litigations are anticipated in the context of business operations due to the nature of the transactions involved. The Bank is involved in various such legal actions in the normal course of business and the controls have been established to deal with such legal claims. There are pending litigations existing as at the end of the reporting period against the Bank, resulting through normal business operations.

The details of litigations is presented in 4.28.5.

3.15 Borrowing Cost:

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

3.16 Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

3.16.1 Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

3.16.2 Deferred Tax

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries,

where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in Subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference will be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

3.17 Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows. A provision for onerous contracts is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Provision are not recognized for future operating losses.

Before a provision is established, the Bank recognizes

any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

3.18 Revenue Recognition

Revenue is the gross inflow of economic benefits during the period arising from 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. Revenue is recognized to the extent that it is probable that the economic benefits will flow to Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

3.18.1 Interest Income

For all financial assets measured at amortized cost, interest bearing financial assets classified as Fair value through other comprehensive income, interest income is recorded using the rate that closely approximates the EIR because the bank considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

Further, Interest income on Loans and Advances is recognized as per the guideline on recognition of interest income, 2019 issued by NRB and carve out issued by ICAN has been opted.

Carve out issued by ICAN

As per the carve out regarding the EIR rate treatment issued by ICAN, when calculating EIR, all these shall be considered unless it is immaterial or impracticable to do so. Since all these transaction costs cannot be identified separately and separate EIR computation for every customer seems impracticable, such transaction costs of all previous years has not been considered when computing EIR. Due to impracticability, such relevant costs are ignored, due to which EIR rate equals to the rate provided to customers and therefore, income recognized by system on accrual basis has been considered as income. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Guideline on Recognition of Interest Income, 2019 by NRB.

Criteria for determining loans on which interest no longer be recognized to the profit or loss account but shall be suspended

Guideline issued by NRB on income recognition defines certain criteria for determining loans on which interest no longer be recognized to the profit or loss account but shall be suspended. These criteria are as follows

a) Loans where there is reasonable doubt about the

- ultimate collectability of principal or interest;
- b) Loans against which individual impairment as per NAS 39 or life time impairment as per NFRS 9 has been made;
- c) 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;
- d) Loans where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral;
- e) Overdrafts and other short term facilities which have not been settled after the expiry of the loan and even not renewed within 3 months of the expiry, and where the net realizable value of security is insufficient to cover payment of principal and accrued interest;
- f) 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;

Criteria to cease the accrual of interest

Bank and financial institutions shall accrue the interest on loan although it has been decided to suspend the recognition of income. However, BFIs shall cease to accrue interest on loan, in case where contractual payments of principal and/or interest of the loan are due for more than 12 months and the “net realizable value” of security is insufficient to cover payment of principal and accrued interest. Cessation of accrual of interest for accounting purpose shall not preclude an entity to continue to accrue interest on a memorandum basis for legal enforcement purposes unless the loan is written off.

3.18.2 Fee and Commission Income

Fees earned for the provision of services over a period of time are accrued over that period. These fees include Service fees, commission income. Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory fees and service distribution fees are recognized based on the applicable contracts, usually on a time apportionment basis.

3.18.3 Dividend Income

Dividend income is on equity instruments are recognized in the statement of profit and loss within other income on cash basis.

3.18.4 Net Trading Income

Net trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities.

3.18.5 Net Income from other financial instrument at fair value through Profit or Loss

Trading assets such as equity shares and mutual fund are recognized at fair value through profit or loss. No other financial instrument are designated at fair value

through profit or loss. The bank has no income under the heading net income from other financial instrument at fair value through profit or loss.

3.19 Interest Expense

For financial liabilities measured at amortized cost using the rate that closely approximates effective interest rate, interest expense is recorded using such rate. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

3.20 Impairment of non-financial Assets:

Bank assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, Bank estimates the recoverable amount which is higher of Fair Value less cost to sell or value in use. Where the carrying amount exceeds its recoverable amount, asset is considered impaired and is written down to recoverable amount.

3.21 Employment Benefits

Employee benefits include:

- Short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:
 - i. Wages, salaries and social security contributions;
 - ii. Paid annual leave and paid sick leave;
 - iii. Profit sharing and bonuses, and
 - iv. Non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees;

Short term employee benefits are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Bank has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- Post-employment benefits, such as the following:
 - i. Retirement benefits (eg: pensions, lump sum payments on retirement); and
 - ii. Other post-employment benefits such as post-employment life insurance and post-employment medical care;
- Other long term employee benefits and
- Termination benefits

Post employments benefits are as follows:

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an Bank pays fixed contribution into a separate Bank (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to Bank by the employees and is recorded as an expense under 'Personnel expense' as and when they become due. Unpaid contribution are recorded as a liability under 'Other Liabilities'.

Bank contributed 10% on the salary of each employee to the Employees' Provident Fund. The above expenses are identified as contributions to 'Defined Contribution Plans' as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

Gratuity

An actuarial valuation is carried out every year to ascertain the full liability under gratuity.

Bank's obligation in respect of defined benefit obligation is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets to determine the net amount to be shown in the Statement of Financial Position. The value of a defined benefit asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reduction on the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that apply to any plan in Bank. An economic benefit is available to Bank if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Bank determines the interest expense on the defined benefit liability by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the defined benefit liability at the beginning of the annual period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligations.

The increase in gratuity liabilities attributable to the services provided by employees during the year (current service cost) has been recognized in the Statement of Profit or Loss under 'Personnel Expenses' together with the net interest expense. Bank recognizes the total actuarial gain and loss that arises in calculating Bank's obligation in respect of gratuity in other comprehensive income during the period in which it occurs.

The demographic assumptions underlying the valuation are retirement age (58 years), early withdrawal from service and retirement on medical grounds.

Unutilized Accumulated Leave

Bank's liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee benefits. Bank's net obligation

towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Bank's obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

3.22 Other expense

Other Expense have been recognized in the Statement of Profit or Loss as they are incurred in the period to which they relate. All expenditure incurred in the operation of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue arriving at profit for the year. Provisions in respect of other expenses are recognized when there is 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.

3.23 Finance and Operating Leases

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance Lease

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance lease. When Bank is the lessor under finance lease, the amounts due under the leases, after deduction of unearned interest income, are included in 'Loans to & receivables from other customers', as appropriate. Interest income receivable is recognized in 'Net interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

When Bank is a lessee under finance leases, the leased assets are capitalized and included in 'Property, plant and equipment' and the corresponding liability to the lessor is included in 'Other liabilities'. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or if lower, the present value of the minimum lease payments. Finance charges payable are recognized in 'Interest expenses' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

Operating Lease

All other leases are classified as operating leases. When acting as lessor, Bank includes the assets subject to operating leases in 'Property, plant and equipment' and accounts for them accordingly. Impairment losses are recognized to the extent that residual values are not

fully recoverable and the carrying value of the assets is thereby impaired.

Operating leases are not recognized on the balance sheet. Bank has recognized accrued lease for the period as an expense on incremental basis (as per lease term) considering the general inflation as more appropriate than Straight Line Method considering economic benefit rendered by leased assets and in accordance with the provision contained in para 34 of NAS 17 Lease.

3.24 Foreign Currency Transactions, Translation and Balances

All foreign currency transactions are translated into the functional currency, which is Nepalese Rupees, using the exchange rates prevailing at the dates when the transactions were affected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Nepalese Rupees using the spot foreign exchange rate ruling at that date and all differences arising on non-trading activities are taken to 'Other Operating Income' in the Statement of Profit or Loss. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the rates of exchange prevailing at the end of the reporting period.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange differences arising on the settlement or reporting of monetary items at rates different from those which were initially recorded are dealt with in the Statement of Profit or Loss. However, foreign currency differences arising on available-for-sale equity instruments are recognized in other comprehensive income.

Forward exchange contracts are valued at the forward market rates ruling on the reporting date. Both unrealized losses and gains are reflected in the Statement of Profit or Loss.

3.25 Financial guarantee and loan commitment

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts may have various legal forms, such as a guarantee, some types of letter of credit, etc. Where the bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, etc. whether cancellable or not and the bank had not made payments at the reporting date, those instruments are included in these financial statements as commitments.

3.26 Share Capital and Reserves

Share capital and reserves are different classes of equity claims. Equity claims are claims on the residual interest in the assets of the entity after deducting all its liabilities. Changes in equity during the reporting period comprise income and expenses recognized in the statement of financial performance; plus contributions from holders of equity claims, minus distributions to holders of equity claims.

3.27 Earnings per Share including diluted earning

Bank presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

Earnings per share is calculated and presented in the face of Statement of Profit and loss

3.28 Segment Reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Not every part of an entity is necessarily an operating segment or part of an operating segment. For example, a corporate headquarters or some functional departments may not earn revenues or may earn revenues that are only incidental to the activities of the entity and would not be operating segments. For the purposes of this NFRS, an entity's post-employment benefit plans are not operating segments.

The bank has identified seven segments based on the geographic locations of its offices in the 7 provinces of the country. Interest earnings and foreign exchange gains/losses generated while conducting businesses under different segments are reported under the respective segment. For segmentation purpose, all business transactions of offices and business units located in a particular province are grouped together. All transactions between the units are conducted on arm's length basis, with intra unit revenue and cost being nullified at the bank level.

3.29 Impairment of Non-Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the fair value of the Cash Generating Units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount,

the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

3.30 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.

3.31 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, finance activities and investing activities have been recognized.

3.32 Comparative Figures

The comparative figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.

3.33 FIRST TIME ADOPTION OF NFRS

As stated in Note 2.1, these are the Bank's first financial statements prepared in accordance with NFRS.

The accounting policies set out in Note 3 have been applied in preparing the Financial Statements for the year ended 16th July 2019, the comparative information presented for the year ended 15th July 2018 and in the preparation of an opening NFRS based Statement of Financial Position at 16th July 2017 (the date of transition).

Exemptions

NFRS 1 First- time adoption of Nepal Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain NFRS.

The Bank has taken the following exemptions.

- I. The Bank has elected to disclose the following amounts prospectively from the date of transition (i) the present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and (ii) the experience adjustments arising on the plan liabilities and the plan assets.

Cash and Cash Equivalent
4.1

Particulars	Current Year	Previous Year
Cash in Hand	419,821,866	442,689,108
Balances with BFIs	3,461,519,220	4,126,557,596
Money at Call and Short Notice	-	-
Other	-	-
Total	3,881,341,086	4,569,246,704

Cash and cash equivalents include cash at vault and agency Bank account balances, unrestricted balances with NRB, highly liquid financial assets with original maturity of 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value. Fair value of cash and cash equivalent amount is the carrying amount.

The balance as per the obtained balance certificate is NPR. 3,462,872,235, the difference amount is reconciled.

Due from Nepal Rastra Bank
4.2

Particulars	Current Year	Previous Year
Statutory Balances with NRB	1,114,715,025	824,625,835
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	-	-
Total	1,114,715,025	824,625,835

Statutory balances with NRB includes the CRR balance maintained with NRB. The fair value of balance with the Nepal Rastra Bank is the carrying amount.

The balance as per the obtained balance certificate is NPR. 1,119,904,131, the difference amount is reconciled.

Placements with Banks and Financial Institutions
4.3

Particulars	Current Year	Previous Year
Placement with Domestic BFIs	-	-
Placement with Foreign BFIs	-	-
Less: Allowances for Impairment	-	-
Total	-	-

Bank does not have any Placement related to Domestic and Foreign bank and financial institution

Derivative Financial Instruments
4.4

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Total	-	-

Other Trading Assets
4.5

Particulars	Current Year	Previous Year
Treasury Bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate Bonds	-	-
Equities	-	-
Other Trading Assets	-	-
Total	-	-

Loans and Advances to BFIs
4.6

Particulars	Current Year	Previous Year
Loans to Micro-Finance Institutions	1,343,388,024	131,126,025
Other	-	-
Less: Allowances for Impairment	(13,420,224)	(1,311,096)
Total	1,329,967,800	129,814,930

4.6.1 Allowances for Impairment

Particulars	Current Year	Previous Year
Balance at Shrawan 01	1,311,096	828,572
Impairment Loss for the year:		
Charge for the year	12,109,129	482,524
Recoveries/Reversal	-	-
Amount Written Off	-	-
Balance at Asar End	13,420,224	1,311,096

Loans and Advances to Customers

4.7

Particulars	Current Year	Previous Year
Loans and Advances measured at Amortized Cost	19,226,612,840	13,412,849,148
Less: Impairment Allowances		
Collective Impairment	(195,993,848)	(140,676,192)
Individual Impairment	(124,017,685)	(130,051,426)
Net Amount	18,906,601,307	13,142,121,529
Loans and Advances measured at FVTPL	-	-
Total	18,906,601,307	13,142,121,529

Loans and advances are assessed individually and collectively as per incurred loss model which is compared with the loss provision prescribed by NRB directive no. 2. Higher of the loss as per incurred loss model and NRB directive is considered for impairment. Accrued Interest Receivable on loans have been considered under Loans and Advances measured at Amortized Cost. Loan to employees provided according to the Employee Bylaws of the bank is presented under this head, which is also measured at amortized cost.

4.7.1: Analysis of Loans and Advances - By Product

Particulars	Current Year	Previous Year
Product		
Term Loans	7,571,261,380	4,244,392,434
Overdraft	4,893,186,387	4,027,341,282
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	159,383,285	17,757,274
Personal Residential Loans	1,509,194,251	1,327,591,125
Real Estate Loans	972,654,891	1,007,798,683
Margin Lending Loans	97,879,333	3,788,896
Hire Purchase Loans	2,140,034,711	1,547,581,468
Deprived Sector Loans	1,182,923,695	623,825,920
Bills Purchased	-	-
Staffs Loans	98,011,895	31,943,477
Other	529,420,900	510,995,772
Sub-Total	19,153,950,728	13,343,016,330
Interest Receivable	72,662,111	69,832,818
Grand Total	19,226,612,839	13,412,849,148

4.7.2: Analysis of Loans and Advances - By Currency

Particulars	Current Year	Previous Year
Nepalese Rupee	19,226,612,839	13,412,849,146
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	19,226,612,839	13,412,849,146

4.7.3: Analysis of Loans and Advances - By Collateral

	Current Year	Previous Year
Secured		
Moveable/Immoveable Assets	18,016,707,553	12,626,526,103
Gold and Silver	307,674,992	320,065,612
Guarantee of Domestic BFIs	-	-
Government Guarantee	1,727,133	1,727,133
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	193,130,676	149,579,060
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	12,022,744	15,929,363
Other Collateral	695,349,742	299,021,876
Subtotal	19,226,612,839	13,412,849,146
Unsecured		
Grand Total	19,226,612,839	13,412,849,146

4.7.4: Allowance for Impairment

	Current Year	Previous Year
Specific Allowance for Impairment		
Balance at Shrawan 01	130,051,427	55,914,578
Impairment Loss for the year		
Charge for the year	-	-
Recoveries/Reversals during the year	(6,033,742)	(37,695,404)
Write-Offs	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	111,832,253
Balance at Asar End	124,017,685	130,051,427
Collective Allowances for Impairment		
Balance at Sharawan 01	140,676,192	68,688,174
Impairment Loss for the year		
Charge/(Reversal) for the year	55,317,655	17,273,068
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	54,714,950
Balance at Asar End	195,993,848	140,676,192
Total Allowances for Impairment	320,011,533	270,727,619

Investment Securities

4.8

	Current Year	Previous Year
Investment Securities measured at Amortized Cost	230,336,791	190,000,000
Investment in Equity measured at FVTOCI	538,318,682	193,907,278
Total	768,655,473	383,907,278

The total investment of the bank in the financial instruments is presented under this account head in two categories; investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income.

4.8.1: Investment Securities measured at Amortized Cost

	Current Year	Previous Year
Debt Securities		
Government Bonds		
Government Treasury Bills	230,336,791	190,000,000
Nepal Rastra Bank Bonds		
Nepal Rastra Bank Deposit Instruments		
Other		
Less: Specific Allowances for Impairment		
Total	230,336,791	190,000,000

4.8.2: Investment in Equity measured at FVTOCI

Particulars	"As at 16 July 2019"		"As at 16 July 2018"	
	Cost	Fair Value	Cost	Fair Value
Investment in Quoted Equity				
Barun Hydro Power Co. Ltd				
10 Shares of Rs. 100 Each	1,000	900	1,000	1,500
Mero Micro Finance Bittya Sanstha Ltd.				
133 Share of Rs.100 Each with Bonus	11,200	70,756	7,200	77,760
Jalvidyut Lagani Tatha Bikas Co. Ltd.				
19144 Shares	1,737,800	3,077,354	1,737,800	2,693,590
Butwal Power Company Ltd.				
324114 Shares	171,657,225	132,562,626	99,127,782	64,007,877
Chilime Hydro Power Co Ltd.				
242564 Shares	168,501,407	126,375,844	90,609,811	76,261,860
Mahuli Samudayak Bittiya Sanstha Ltd.				
18 Shares of Rs 100 with Bonus	1,000	17,046	1,000	26,100
Life Ins. Corporation Nepal Limited				
60828 Shares	83,098,105	97,324,800	-	-
National Life Insurance Limited				
110963 Shares	64,482,355	64,913,355	-	-
National Micro Finance Limited				
29 Shares of Rs.100 with Bonus	1,900	42,920	1,900	20,040
Nepal Life Insurance Co. Ltd.				
279 Bonus Shares	-	251,379	-	-
RSDC Laghubitta Bittiya Sanstha Limited				
2 Bonus Shares	-	686	-	-
Swadeshi Laghubiutta Sanstha Limited				
13 Shares of Rs 100 with Bonus	1,200	7,514	1,200	26,100
Shikhar Insurance Company Limited				
375 Bonus Shares	-	289,125	-	-
NLG Insurance Company Ltd.				
30 Bonus Shares	-	22,860	-	-
NIBL Pragati Fund				
27483 Units	284,558	204,474	284,558	247,347
NIBL Sambriddhi Fund 1				
85500 Units	1,080,151	791,730	1,080,151	867,825
NMB Sulav Investment Fund 1				
76715 Units	1,036,618	830,056	1,036,618	886,058
Sanima Equity Fund				
2400000 Units	24,000,000	22,560,000	24,000,000	22,944,000
Siddhartha Equity Fund				
967748 Units	9,677,480	9,764,577	9,677,480	9,251,671
Siddhartha Equity Oriented Scheme				
169000 Units	2,160,505	1,828,580	2,160,505	1,782,950
Total	527,732,504	460,936,582	229,727,005	179,094,678
Investment in Unquoted Equity				
Chautari Laghubitta Sanstha Ltd Promoter				
90000 Shares of Rs. 100 Each	9,000,000	9,000,000	9,000,000	9,000,000
General Insurance Company Ltd.				
20,000 Shares of 100 Each	2,000,000	2,000,000	2,200,000	2,200,000
Nepal Clearing House Ltd.				
8821 Shares of 100 each with Bonus	612,600	882,100	612,600	612,600
Prabhu Capital Ltd.				
30000 Shares	3,000,000	3,000,000	3,000,000	3,000,000
Nabil Balance Fund- II				
5000000 units	50,000,000	50,000,000	-	-
NIBL Sahabagita Fund				
250000 Units	2,500,000	2,500,000	-	-
Citizen Mutual Fund -II				
1000000 units	10,000,000	10,000,000	-	-
Total	77,112,600	77,382,100	14,812,600	14,812,600
Grand Total	604,845,104	538,318,682	244,539,605	193,907,278

Current Tax Assets

4.9

	Current Year	Previous Year
Current Tax Assets		
Current year Income Tax Assets	107,528,877	160,898,592
Tax Assets of Prior Periods	330,455	-
Current Tax Liabilities		
Current year Income Tax Liabilities	154,393,079	160,568,137
Tax Liabilities of Prior Periods	-	-
Total	(46,533,747)	330,455

Investment in Subsidiaries

4.10

	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Total Investment		
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.10.1: Investment in Quoted Subsidiaries

	Previous Year	
	Cost	Fair Value
.....Ltd.		
.....Shares of Rs. Each		
.....Ltd.		
.....Shares of Rs. Each		
Total		

4.10.2: Investment in Unquoted Subsidiaries

Particulars	Previous Year	
	Cost	Fair Value
.....Ltd.		
.....Shares of Rs. Each		
.....Ltd.		
.....Shares of Rs. Each		
Total	-	-

4.10.3: Information relating to Subsidiaries of the Bank

	Percentage of Ownership held by Bank	
	Current Year	Previous Year
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
Total	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

	Current Year	
Ltd.Ltd.
Equity Interest held by NCI (%)		
Profit (Loss) allocated during the year		
Accumulated Balances of NCI as on Asar End		
Dividend Paid to NCI		

Particulars	Current Year	
Ltd.Ltd.
Equity Interest held by NCI (%)		
Profit (Loss) allocated during the year		
Accumulated Balances of NCI as on Asar End		
Dividend Paid to NCI		

Investment in Associates

4.11

	Current Year	Previous Year
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	-	-
Total Investment	-	-
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

Investment Properties
4.12

	Current Year	Previous Year
Investment Properties measured at Fair Value		
Balance as on Shrawan 01.	-	-
Addition/(Disposal) during the year.	-	-
Net Changes in fair value during the year.	-	-
Adjustment/Transfer.	-	-
Net Amount	-	-
Investment Properties measured at Cost		
Balance as on Shrawan 01	-	-
Addition/(Disposal) during the year	-	-
Net Changes in fair value during the year	-	-
Adjustment/Transfer	-	-
Net Amount	-	-
Total	-	-



Kamana Sewa Bikas Bank Limited
Property and Equipments

4.13

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Asar end 2076	Total Asar end 2075
Cost										
As on Shrawan 01 2074	154,268,802	43,351,901	19,600,768	14,433,417	20,203,956	15,365,012	-	33,661,830	-	300,885,686
Addition during the year	-	-	14,055,418	17,763,651	18,626,886	11,586,240	-	23,286,787	-	85,318,983
Acquisition	-	-	14,055,418	6,309,158	12,531,614	6,716,378	-	12,272,073	-	51,884,642
Capitalization	-	-	-	11,454,492	6,095,272	4,869,862	-	11,014,714	-	33,434,340
Disposal during the year	-	-	-	-	(3,638,760)	-	-	-	-	(3,638,760)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2075	154,268,802	43,351,901	33,656,186	32,197,068	35,192,082	26,951,252	-	56,948,617	382,565,908	382,565,909
Addition during the Year	-	20,622,178	29,367,152	27,759,683	26,986,078	37,813,119	-	85,296,348	227,844,558	-
Acquisition	-	20,622,178	29,367,152	27,759,683	26,986,078	37,813,119	-	85,296,348	227,844,558	-
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(665,623)	(370,746)	(1,485,629)	(212,628)	-	(579,340)	(3,313,966)	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2076	154,268,802	63,974,079	62,357,715	59,586,005	60,692,531	64,551,743	-	141,665,625	607,096,499	382,565,909
Depreciation and Impairment										
As on Shrawan 01 2074	-	954,733	8,723,478	9,692,737	10,599,982	10,318,348	-	21,711,316	-	62,000,593
Depreciation charge for the year	-	2,118,202	4,602,549	3,144,855	4,022,559	3,347,837	-	6,504,084	-	23,740,085
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
As on Asar end 2075	-	3,072,935	13,326,027	12,837,592	14,622,540	13,666,185	-	28,215,399	85,740,678	85,740,678
Depreciation charge for the year	-	2,804,188	4,320,060	6,128,817	5,248,910	5,869,431	-	12,484,091	36,855,496	-
Disposals	-	-	87,162	71,395	231,348	46,674	-	128,306	564,886	-
Adjustments	-	-	-	-	-	-	-	-	-	-
As on Asar end 2076	-	5,877,122	17,733,249	19,037,804	20,102,798	19,582,290	-	40,827,796	123,161,060	85,740,678
Capital Work in Progress										
Net Book Value	-	-	-	-	-	-	-	-	-	-
As on Asar end 2074	154,268,802	42,397,168	10,877,290	4,740,680	9,603,974	5,046,664	-	11,950,515	-	238,885,094
As on Asar end 2075	154,268,802	40,278,966	20,330,160	19,359,476	20,569,542	13,285,067	-	28,733,218	-	296,825,232
As on Asar end 2076	154,268,802	58,096,956	44,624,465	40,548,202	40,589,733	44,969,453	-	100,837,829	483,935,439	-

Goodwill and Intangible Assets
4.14

Particulars	Software			Other	Total Asar end 2076	Total Asar end 2075
	Goodwill	Purchased	Developed			
Cost						
As on Shrawan 01	-	2,030,302	-	-	2,030,302	2,030,302
Addition during the year						
Acquisition	-	4,540,711	-	-	4,540,711	4,540,711
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Asar end 2075	-	6,571,013	-	-	6,571,013	6,571,013
Addition during the Year						
Acquisition	-	7,212,625	-	-	7,212,625	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Asar end 2076	-	13,783,639	-	-	13,783,639	6,571,013
Amortisation and Impairment						
As on Shrawan 01, 2074	-	-	-	-	-	-
Amortisation charge for the year	-	(1,965,387)	-	-	(1,965,387)	(1,965,387)
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Asar end 2075	-	(1,965,387)	-	-	(1,965,387)	(1,965,387)
Impairment for the year	-	-	-	-	-	-
Amortisation charge for the year	-	(1,948,663)	-	-	(1,948,663)	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Asar end 2076	-	(3,914,050)	-	-	(3,914,050)	(1,965,387)
Capital Work in Progress	-	-	-	-	-	-
Net Book Value	-	9,869,589	-	-	9,869,589	4,605,626
As on Asar end 2074	-	2,030,302	-	-	2,030,302	2,030,302
As on Asar end 2075	-	4,605,626	-	-	4,605,626	4,605,626
As on Asar end 2076	-	9,869,589	-	-	9,869,589	-

Deferred Tax
4.15

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Current Year
			Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs			-
Loans and Advances to Customers		-	-
Investment Properties			-
Investment Securities	45,928,103		45,928,103
Property and Equipment		7,208,009	(7,208,009)
Employees' Defined Benefit Plan	10,917,605		10,917,605
Lease Liabilities			-
Provisions	8,006,365	25,970,176	(17,963,811)
Other Temporary Differences			-
Deferred tax on temporary differences			31,673,888
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 2076			31,673,888
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2075			(11,776,359)
Origination/(Reversal) during the year			(19,897,529)
Deferred Tax expense (income) recognized in profit or loss			-
Deferred Tax expense (income) recognized in OCI			-
Deferred Tax expense (income) recognized directly in Equity			(1,761,362)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Previous Year
			Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs			-
Loans and Advances to Customers		20,954,783	(20,954,783)
Investment Properties		-	-
Investment Securities	15,189,698		15,189,698
Property and Equipment	2,947,348	355,014	2,592,334
Employees' Defined Benefit Plan	7,865,417	(7,083,692)	14,949,110
Lease Liabilities			-
Provisions	18,578,195	18,578,195	-
Other Temporary Differences			-
Deferred tax on temporary differences	44,580,658	32,804,299	11,776,359
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 2075			11,776,359
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2074			(2,955,849)
Origination/(Reversal) during the year			(8,820,510)
Deferred Tax expense (income) recognized in profit or loss			-
Deferred Tax expense (income) recognized in OCI			6,522,656
Deferred Tax expense (income) recognized directly in Equity			(15,463,442)

Other Assets 4.16		
	Current Year	Previous Year
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	25,694,669	22,574,027
Accrued Income	-	-
Prepayments and Deposits	89,595,445	61,211,151
Income Tax Deposit	-	-
Deferred Employee Expenditure	33,302,125	3,832,859
Other Assets	16,539,304	8,797,789
Total	165,131,543	96,415,826

Due to Banks and Financial Institutions 4.17		
	Current Year	Previous Year
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	1,599,755,943	919,758,084
Settlement and Clearing Accounts	-	-
Other Deposits from BFIs	-	-
Total	1599,755,943	919,758,084

Due to Nepal Rastra Bank 4.18		
	Current Year	Previous Year
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	-	-

Derivative Financial Instruments 4.19		
	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Total	-	-

Deposits from Customers 4.20		
	Current Year	Previous Year
Institutional Customers:		
Term Deposits.	4,107,939,364	1,274,415,933
Call Deposits	2,499,528,820	1,986,269,753
Current Deposits.	342,121,474	144,048,772
Others.	20,682	-
Individual Customers:		
Term Deposits	7,277,691,999	5,511,050,952
Saving Deposits	7,037,723,776	5,716,533,208
Current Deposits	77,161,662	82,985,564
Others	33,945,116	115,191,986
Total	21,376,132,893	14,830,496,168

4.20.1: Currency wise analysis of deposit from customers

	Current Year	Previous Year
Nepalese Rupee	21,376,132,893	14,830,496,168
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	21,376,132,893	14,830,496,168

Borrowings
4.21

	Current Year	Previous Year
Domestic Borrowings		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
Sub Total	-	-
Foreign Borrowings		
Foreign Banks and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub Total	-	-
Total	-	-

Provisions
4.22

	Current Year	Previous Year
Provisions for Redundancy	-	-
Provisions for Restructuring	-	-
Pending Legal Issues and Tax Litigation	-	-
Onerous Contracts	-	-
Other Provisions	11,266,941	991,950
Total	11,266,941	991,950

4.22.1: Movement in Provision

	Current Year	Previous Year
Balance at Shrawan 01	991,950	1,159,200
Provision Transfer from Merger/Acquisition	-	-
Provisions made during the year	10,763,491	446,000
Provisions used during the year	(446,000)	(613,250)
Provisions reversed during the year	(42,500)	-
Unwind of Discount	-	-
Balance at Asar end	11,266,941	991,950

Other Liabilities
4.23

Particulars	Current Year	Previous Year
Liabilities for employees defined benefit obligations	23,872,520	30,464,428
Liabilities for long service leave	39,207,382	19,365,937
Short term employee benefits	95,043	887,203
Bills payable	-	-
Creditors and accruals	67,703,735	58,857,286
Interest payable on deposits	132,266,451	128,319,461
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	17,491,322	159,917,602
Liabilities under Finance Lease	-	-
Employee bonus payable	48,337,485	89,353,750
Other Liabilities	84,007,429	56,297,381
Total	412,981,367	543,463,048

4.23.1: Defined Benefit Obligation

The amounts recognised in the statements of financial positions are as follows:

Particulars	Current Year	Previous Year
Present value of unfunded obligations	37,204,791	40,085,307
Present value of funded obligations	-	-
Total present value of obligations	37,204,791	40,085,307
Fair value of plan assets	13,332,271	9,620,879
Present value of net obligations	23,872,520	30,464,428
Recognised liability for defined benefit obligations	23,872,520	30,464,428

4.23.2: Plan Assets

Plan assets comprise

Particulars	Current Year	Previous Year
Equity securities		
Government bonds		
Bank deposit		
Other	13,332,271	9,620,879
Total	13,332,271	9,620,879
Actual return on plan assets	-	318,495

4.23.3: Movement in the present value of defined benefit obligations

	Current Year	Previous Year
Defined benefit obligations at Sawan 1	40,085,307	33,121,516
Actuarial losses	(10,888,767)	(782,809)
Benefits paid by the plan	(2,538,965)	(439,214)
Current service costs and interest	10,547,216	8,185,814
Defined benefit obligations at Asar end	37,204,791	40,085,307

4.23.4: Movement in the fair value of plan assets

Particulars	Current Year	Previous Year
Fair value of plan assets at Sawan 1	9,620,879	3,629,986
Contributions paid into the plan	6,250,357	6,111,612
Benefits paid during the year	(2,538,965)	(439,214)
Actuarial (losses) gains	(865,879)	28,096
Expected return on plan assets	865,879	290,399
Fair value of plan assets at Asar end	13,332,271	9,620,879

4.23.5: Amount recognised in profit or loss

Particulars	Current Year	Previous Year
Current service costs	7,121,033	5,635,365
Interest on obligation	3,426,183	2,550,449
Expected return on plan assets	(865,879)	(290,399)
Total	9,681,337	7,895,415

4.23.6: Amount recognised in other comprehensive income

Particulars	Current Year	Previous Year
Actuarial (gain)/loss	(10,022,888)	(810,905)
Total	(10,022,888)	(810,905)

4.23.7: Actuarial assumptions

Particulars	Current Year	Previous Year
Discount rate	9%	9%
Expected return on plan asset	9%	9%
Future salary increase	10%	10%
Withdrawal rate	15%	15%

Debt securities issued

4.24

Particulars	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

Subordinated Liabilities

4.25

Particulars	Current Year	Previous Year
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

Share capital

4.26

Particulars	Current Year	Previous Year
Ordinary shares	2,540,195,352	2,502,655,519
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	2,540,195,352	2,502,655,519

4.26.1: Ordinary Shares

Particulars	Current Year	Previous Year
Authorized Capital 30,000,000 Ordinary share of Rs. 100 each	3,000,000,000	3,000,000,000
Issued capital 25,026,555.19 Ordinary share of Rs. 100 each	2,540,195,352	2,502,655,519
Subscribed and paid up capital 25,026,555.19 Ordinary share of Rs. 100 each	2,540,195,352	2,502,655,519
Total	2,540,195,352	2,502,655,519

4.26.2: Ordinary share ownership

Particulars	Previous Year	
	Percent	Amount
Domestic ownership		
Nepal Government		
"A" class licensed institutions		
Other licensed institutions		
Other Institutions	3.82%	97,011,001
Public	96.18%	2,443,184,351
Other		
Foreign ownership		
Total	100%	2,540,195,352

Share Capital Structure

Promoter Shareholder:	51%
Ordinary Shareholder:	49%

Reserves

4.27

Particulars	Current Year	Previous Year
Statutory general reserve	395,642,548	338,726,144
Exchange equalisation reserve	5,230	1,955
Corporate social responsibility reserve	5,992,028	5,264,596
Capital redemption reserve	-	-
Regulatory reserve	173,788,123	-
Investment adjustment reserve	10,425,557	6,319,213
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	(46,568,496)	(35,442,629)
Dividend equalisation reserve	-	-
Actuarial gain	(9,519,451)	(16,535,473)
Special reserve	-	-
Other reserve	1,604,206	1,604,206
Total	531,369,745	299,938,013

Statutory General Reserve

General reserve maintained as per the regulatory requirements. The regulatory requirement to set aside 20% of net profit until the reserve is twice the paid up capital and thereafter minimum 10% of the net profit.

Exchange Equalization Reserve

Exchange equalization is maintained as per requirement of NRB Directive, which is set at 25% of foreign exchange realuation gain on the translation to the reporting currency. This reserve is accumulation of such gains over the years

Corporate Social Responsibility Reserve

Corporate Social Responsibility Reserve is created as per NRB directive, which is set aside of 1% of net profit of previous year. The balance in the reserve is the amount which is not exhausted in the current fiscal year to be utilized for Corporate Social Responsibility Objective in the coming years.

Regulatory Reserve

Regulatory Reserve is created due to the changes in the NFRS conversion and adoption with effect in the retained earnings of the bank

Investment Adjustment Reserve

Investment Adjustment Reserve is created as per the directive of NRB created against the quoted as well as unquoted investments

Fair Value Reserve

The fair value reserve is created against the valuation of the investment of the bank as per the fair valuation of the investment made, quoted as available for sale investments.

Actuarial gain/(losses)

The reserve created against the actuarial valuation of gratuity benefit to the employee of the bank

Other Reserves

Other Reserves include reserve created for the Employee Training Reserve created as per the NRB directive, the allocation is utilized in the current year and remaining balances is transferred to training reserve which is created to be utilized for training expenses in coming years. In the previous year, the other reserve also includes deferred tax reserve. Capital Adjustment Reserve is created against the income recognition by capitalization in loans, for which capitalization is allowed by NRB, but distribution is not done till the settlement of the capitalized interest part, this is also included in the other reserves.

Contingent liabilities and commitments

4.28

Particulars	Current Year	Previous Year
Contingent liabilities	111,767,500	77,825,000
Undrawn and undisbursed facilities	752,242,799	564,802,806
Capital commitment	24,020,896	
Lease Commitment		
Litigation		
Total	888,031,195	642,627,806

4.28.1: Contingent Liabilities

Particulars	Current Year	Previous Year
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts		
Guarantees	111,767,500	77,825,000
Underwriting commitment		
Other commitments		
Total	111,767,500	77,825,000

4.28.2: Undrawn and undisbursed facilities

Particulars	Current Year	Previous Year
Undisbursed amount of loans		
Undrawn limits of overdrafts	752,242,799	564,802,806
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
Total	752,242,799	564,802,806

4.28.3: Capital commitments

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

Particulars	Current Year	Previous Year
Capital commitments in relation to Property and Equipment		
Approved and contracted for	24,020,896	-
Approved but not contracted for	-	-
Sub total	24,020,896	-
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Total	24,020,896	-

4.28.4: Lease commitments

Particulars	Current Year	Previous Year
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

There are no pending legal cases of the Bank.

Interest Income
4.29

Particulars	Current Year	Previous Year
Cash and cash equivalent	216,473,852	-
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	143,141,746
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	2,234,246,688	1,773,715,266
Investment securities	6,636,411	8,087,320
Loan and advances to staff	13,965,253	2,474,636
Other Interest Income	-	-
Total interest income	2,471,322,204	1,927,418,969

Notes:

Interest income is recognized for all items on accrual basis as per the fair presentation framework of NFRS. Interest accrual on default party is not recognised as per the guidelines issued by Nepal Rastra Bank. Service fee charged to customer is below 1%. Hence considering the materiality of the transaction cost with respect to the tenure of the loan interest rate charged to customer is considered as effective interest rate to calculate the interest on loans and advances.

Interest Expenses
4.30

Particulars	Current Year	Previous Year
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	1,606,557,119	1,173,161,144
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	-	-
Total interest expense	1,606,557,119	1,173,161,144

Notes:

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method.

Fees and Commission Income
4.31

Particulars	Current Year	Previous Year
Loan administration fees	-	-
Service fees	153,979,344	64,411,162
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	8,032,079	10,337,042
Prepayment and swap fees	-	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	8,335,843	1,727,657
Remittance fees	8,035,045	7,091,807
Commission on letter of credit	-	-
Commission on guarantee contracts issued	405,000	512,854
Commission on share underwriting/issue	-	-
Locker rental	470,250	378,500
Other fees and commission income	3,169,149	3,539,843
Total Fees and Commission Income	182,426,710	87,998,865

Fees and commissions are generally recognized on an accrual basis when the service has been provided or significant act is performed. Service processing fees on loan is recognized as fees and commission income by the bank and the same is recognized by the bank upfront and is not deferred with the tenure of loan.

Fees and Commission Expense
4.32

Particulars	Current Year	Previous Year
ATM management fees	2,260,067	221,217
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	-	-
Remittance fees and commission	-	21,391
Other fees and commission expense	4,149,739	298,138
Total Fees and Commission Expense	6,409,806	540,746

Net Trading income
4.33

Particulars	Current Year	Previous Year
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 transaction	21,149	-
Other	-	-
Net trading income	21,149	-

“Gains and losses arising from changes in fair value of financial instruments held at fair value through profit and losses are included in the statement of profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available for sale financial assets are recognised directly in equity, until the financial assets are derecognised.

Dividends on equity instruments are recognised in the statement of profit or loss within other income when the Bank has right to receive payment is established.”

Other Operating Income
4.34

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	13,100	-
Gain/loss on sale of investment securities	-	5,594,493
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	6,312,848	2,511,489
Gain/loss on sale of property and equipment	(756,969)	4,817
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Other Operating Income	14,922,070	14,635,307
Total	20,491,049	22,746,106

All other operating income not specifically provided under the income heads above is booked and presented under this head. This include foreign exchange revaluation gain, gain/loss on sale of available for sale securities, dividend on available for sale securities, gain/loss on sale of property and equipment, gain/loss on sale of investment properties, operating lease income, gain/loss on sale of gold and silver, finance income of finance lease etc.

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

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	12,109,129	482,524
Impairment charge/(reversal) on loan and advances to customers	49,283,916	(20,422,336)
Impairment charge/(reversal) on financial investment	-	65,565
Impairment charge/(reversal) on placement with BFIs	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	1,482,342
Impairment charge/(reversal) on investment properties	-	-
Total	61,393,045	(18,391,905)

Loans and advances are assessed individually and collectively as per incurred loss model which is compared with the loss provision prescribed by NRB directive no. 2. Higher of the loss as per incurred loss model and NRB directive is considered for impairment. Accrued Interest Receivable on loans have been considered under Loans and Advances measured at Amortized Cost. Loan to employees provided according to the Employee Bylaws of the bank is presented under this head, which is also measured at amortized cost.

Personnel Expenses
4.36

Particulars	Current Year	Previous Year
Salary	192,007,613	70,848,082
Allowances	20,393,070	48,665,261
Gratuity Expense	9,681,337	5,140,822
Provident Fund	10,243,110	6,112,639
Uniform	6,249,000	3,859,975
Training & development expense	5,530,075	1,735,471
Leave encashment	26,320,760	(7,100,756)
Medical	-	-
Insurance	1,596,586	332,040
Employees incentive	290,000	8,657,042
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	8,574,925	678,406
Other expenses related to staff	14,279,906	-
Subtotal	295,166,383	138,928,982
Employees Bonus	46,954,880	45,997,814
Grand total	342,121,262	184,926,796

Staff bonus has been calculated and provided at 10 percent of net profit after tax.

Other Operating Expense
4.37

Particulars	Current Year	Previous Year
Directors' fee	796,000	502,000
Directors' expense	1,125,368	907,859
Auditors' remuneration	500,000	395,500
Other audit related expense	250,000	853,152
Professional and legal expense	-	-
Office administration expense	138,816,509	73,663,004
Operating lease expense	42,795,104	21,869,961
Operating expense of investment properties	-	-
Corporate social responsibility expense	2,118,387	990,500
Onerous lease provisions	-	-
Other Expenses	9,415,548	9,605,283
Share Issue Expenses	967,419	3,316,938
Deposit Product Insurance	1,852,674	-
Bank Charges	755,783	-
Mobile Banking Expenses	2,680,785	-
Registration and Renewals	272,969	-
Others	2,885,918	6,288,345
Total	195,816,916	108,787,258

Office administration expense
4.37.1

Particulars	Current Year	Previous Year
Water and electricity	11,624,241	6,346,707
Repair and maintenance		
(a) Building	578,177	-
(b) Vehicle	945,219	1,112,445
(c) Computer and accessories	-	-
(d) Office equipment and furniture	2,387,901	2,064,987
(e) Other	1,664,630	602,981
Insurance	2,411,769	2,311,199
Postage, telex, telephone, fax	12,484,429	8,649,421
Printing and stationery	9,484,082	7,076,145
News paper, books and journals	383,587	248,142
Advertisement	7,668,827	2,643,046
Donation	47,501	167,000
Security expense	44,603,297	17,286,675
Deposit and loan guarantee premium	7,638,671	5,980,343
Travel allowance and expense	9,517,170	6,308,643
Entertainment	-	271,662
Annual/special general meeting expenses	1,157,956	1,397,139
Other		
Fuel Expenses	3,856,437	2,634,465
Business Promotion Expenses	12,602,385	2,284,501
Technical/Consultancy Services Fee	1,710,601	1,351,156
Write Off Expenses	883,942	946,763
Hospitality Expenses	2,387,555	-
Office Expenses	1,553,743	2,709,881
Non expendable Items	1,850,687	-
House Keeping Expenses	943,702	-
Merger Related Expenses	-	1,269,703
Other	430,000	-
Total	138,816,509	73,663,004

Depreciation and Amortisation
4.38

Particulars	Current Year	Previous Year
Depreciation on property and equipment	37,420,382	23,740,185
Depreciation on investment property	-	-
Amortisation of intangible assets	1,948,663	1,965,387
Total	39,369,045	25,705,572

Depreciation is calculated by using the written down value method on cost or valuation of the Property & Equipment other than freehold land and leasehold properties. Depreciation on leasehold properties is calculated by using the straight line method on cost or valuation of the property. Intangible asset contains software which has been amortised over 5 years.

Non Operating Income
4.39

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income	-	-
Total	-	-

Non Operating Expenses
4.40

Particulars	Current Year	Previous Year
Loan written off	-	9,636,819
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	-	9,636,819

Income Tax Expenses
4.41

Particulars	Current Year	Previous Year
Current tax expense		
Current year	154,393,079	160,568,137
Adjustments for prior years	1,754,984	-
Deferred tax expense		
Origination and reversal of temporary differences	(18,136,166)	6,522,656
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	138,011,898	167,090,793

Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. Income tax and deferred tax have been recognised as per regulatory profit

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	Current Year	Previous Year
Profit before tax	422,593,919	553,797,510
Tax amount at tax rate of 30%	126,778,176	166,139,253
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income		
Add/less: Tax effect on other items		
Total income tax expense	126,778,176	166,139,253
Effective tax rate	30%	30%

Kamana Sewa Bikas Bank Limited
Statement of Distributable Profit or Loss
For the year ended 31 Asar 2076
(As per NRB Regulation)

Particulars	Current Year	Previous Year
Net profit or (loss) as per statement of profit or loss	284,582,021	386,706,717
Opening balance in retained earnings	334,801,915	166,621,802
Appropriations:		
a. General reserve	(56,916,404)	(64,206,632)
b. Foreign exchange fluctuation fund	(3,275)	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(2,845,820)	(3,210,332)
e. Employees' training fund	-	(430,672)
f. Other		
>Investment adjustment reserve	(4,106,344)	(4,878,540)
>Deferred Tax	-	7,533,068
>Bonus Share	(9,974,757)	(130,470,193)
>Cash dividend	(200,212,442)	(74,579,939)
>Merger	-	50,726,134
>CSR Expenses	2,118,387	990,500
>Training expense	-	-
Profit or (loss) before regulatory adjustment	347,443,281	334,801,915
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(74,027,705)	-
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	-	-
e. Deferred tax assets recognised (-)/ reversal (+)	(31,673,888)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(9,519,451)	-
i. Other (+/-)	-	-
Fair value Loss on investment	(58,567,078)	-
Distributable profit or (loss)	173,655,158	334,801,915

5. Disclosures & Additional Information

5.1 Risk Management

Introduction and Overview

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is mainly exposed to;

1. Credit Risk
2. Liquidity Risk
3. Market Risk
4. Operational Risk

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. Chief Risk Officer (CRO), along with his team, is responsible for overall risk management of the Bank which includes managing, assessing, identifying, monitoring and reducing pertinent global, macro and micro-economic level business risks that could interfere with Banks objective and goals and whether the Bank is in substantial compliance with its internal operating policies and other applicable regulations and procedures, external, legal, regulatory or contractual requirements on a continuous basis. Further, CRO ensures integration of all major risk in capital assessment process. The Bank's risk management policies are established to identify and analyses the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor adherence to established limits. Risk management policies and systems are reviewed annually to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, continuously updates and maintains a disciplined and constructive control environment, in which all employees are assigned and made to understand their respective roles and responsibilities. Risk Management structure is depicted below:



5.1.1 Credit Risk

Risk is an inherent feature of any business and it drives an entity towards income generation. Likewise, Risk management objective of the Bank is to strike balance between risk and return, and ensure optimum Risk-adjusted return on capital. A reasonable level of return is essential for sustainability of the business. However, taking higher risk in search of higher earnings may have chances to result in failure of business. Thus effective risk management is a must for business success.

Towards this end Kamana Sewa Bikas Bank has implemented robust risk management architecture as well as policies and processes approved by the Board of Directors. These encompass independent identification, measurement and management of risks across various facets of banking operation.

Credit Risk Mitigation (CRM)

The Bank has extensive policy and guidelines to mitigate credit risks. The Bank's credit policy has strengthened minimizing credit risk and provided support to make qualitative analysis based on sound credit principles and procedures. Bank has a policy to consider as security for pledge, hypothecated or mortgage which have value considering physical control and legal title. Bank has considered eligible CRM as prescribed by Capital Adequacy standard. Collateral taken as Deposit with own Bank, Deposit with other BFIs, National Saving & Development Bonds, and Gold & Silver have been considered as CRM and adjusted on overall risk weighted exposure on credit risk in line with the standard.

The Bank has developed a risk assessment culture and has in place the required reports for assessing concentration of risks. Periodic performance reporting based on Balanced Scorecard, in line with capital strength, to the Board is also in place. These reports are periodically put up to the board. Board also reviews the same and issues instructions, as appropriate, to the Bank's management.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The general creditworthiness of customers tends to be the most relevant indicator of credit quality of a loan. However, collateral provides additional security and the Bank generally requests large borrowers to provide same. The Bank may take collateral in the form of a first charge over real estate and residential properties, floating charges over all corporate assets and other liens and guarantees.

The Bank's policy is to pursue timely realization of the collateral in an orderly manner. The proceeds are used to reduce or repay the outstanding claim. The Bank generally does not use non-cash collateral for its own operations.

Definition of Past Due

Bank consider that any amounts uncollected one day or more beyond their contractual due date are 'past due'.

Past due but not impaired loans

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the Bank believes that impairment is not appropriate on the basis of the stage of collection of amounts owed to the Bank. All loans and advances have been impaired.

5.1.2 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, commodity prices and equity

prices. The bank classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. The bank has separate market risk management policy in place as a guiding document.

Market Risks are discussed at Asset Liability Management Committee (ALCO) of the Bank and even discussed at respective division level on open position on daily basis. The limits for open position are controlled, level wise which ensures in-depth knowledge of the market and movement before taking decision (by choice). The monthly reports on such aspects are well discussed and dealt in ALCO. The committee 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, exchange rate movement and equity price changes. Most of the market operations (investments) are done from the Treasury Front Office which reports to the Chief Financial Officer and exposure accounting including booking of income/expense is done from Treasury Back Office which reports to the Chief Operating Officer. The Bank assesses the open position on daily basis and calculates risk exposure for allocation of required capital in line with Basel provisions. Likely impact on earnings due to change in the market condition and change in the standing of the counterparty are well assessed periodically and necessary actions are taken as appropriate. TFO is equipped with advanced dealing platform for timely and effectively concluding the deals. Similarly the unit is equipped with modern and advanced information system on global news, market movements and any incidents so that bank can manage and maintain the position favorably.

5.1.3 Liquidity Risk & Funding management

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

The Bank maintains a portfolio of highly marketable and diverse assets assumed to be easily liquidated in the event of an unforeseen interruption of expected cash flow. The Bank also has committed lines of credit that could be utilized to meet liquidity needs. Further, the Bank maintains a statutory deposit with the Nepal Rastra Bank equal to approx. 4.85% of customer local deposits. In accordance with the bank's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specific to the Bank. The most important of these is to maintain the required ratio of liquid assets to liabilities, to meet the regulatory requirement. Liquid assets consist of cash, short-term bank deposits and liquid

debt securities available for immediate sale. Further the Statutory Liquid Assets Ratio of the Bank for the month of Ashad 31 2076 is as follows.

Statutory Liquidity Ratio

For the Month of Ashad 2076: 8.33%

5.1.4 Fair value of financial instruments

Financial instruments are recorded at fair value. The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the bank's estimate of assumptions that a market participant would make when valuing the instruments.

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the Bank uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable. Financials assets measured at fair value (either through PL or OCI), primarily consisting of quoted equities and Quoted Mutual Fund units, are valued using the quoted market price in active markets as at the reporting date. If unquoted, those are carried at cost.

Financial investments – Measured through OCI

Financials assets measured through OCI, primarily consist of quoted equities and Quoted Mutual Fund units, are valued using the quoted market price in active markets as at the reporting date. For unquoted securities those are carried at cost.

5.1.5 Operational Risk

Operational risk is the risk of losses arising from failed internal processes, systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. Strategic and Reputational Risks are not covered in Operational Risk.

Effective operational risk management systems aims to minimizing losses and customer dissatisfaction due to failure in processes, focusing on flows in products and their design that can expose the Bank to losses due to fraud, analyzing the impact of failures in technology / system, developing plans to meet external shocks that can adversely impact continuity in the Bank's operations. Bank has introduced a "comprehensive operational risk monitoring and reporting framework" as well as "output checking" at all branches covering all transactions on daily basis to minimize operational risk.

One of the growing risks among others these days is Operations Risk that arises out of inefficient processes and people inside and outside the Bank. Asset Liability Management Committee (ALCO) is the management committee where operating risk, market risk and other risks are discussed, in line with ALM Policy. Banking System (BS) is another area of concern where it has witnessed growing threat from outside. Information and Technology Division in the Bank reviews and checks the security aspects in line with IT 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 put in place.

Bank has separate division to oversee operation risk including Compliance of KYC and AML. The division is headed by senior level staff with adequate access to the daily report, operational processes and right to recommend the changes in the system and procedures. The head of operation risk directly reports to the Chief Risk Officer. Bank has SIMs (Standing Instruction Manuals) for all businesses of the Bank. All the activities are undertaken in line with the set criteria in the Standing Instruction Manual, policies and guidelines including Directives and circulars from central bank (the regulatory authority). Similarly daily functions at operations are independently reported through separate reporting line other than business generation and credit risk where independence of checking and control is complied with.

Processes are reviewed periodically so that their perfection can be weighed and any shortcoming can be addressed. Most of the functions like line approval, bill payment, loan disbursement are centralized which controls activities that can cause mistake due to inadequate knowledge on the part of staff. Similarly awareness to the public is made on our services and products periodically by placing the notices in the website of the Bank, or in branches or publishing notices as appropriate. Staffs are given orientation on the job including that of system of the Bank before they are placed for the job and are guided to follow the SIMs for the job. Any staff for the first time in any job is put under the supervision of an experienced staff and is allowed to work independently after attaining required skills.

Bank has Whistle Blowing Policy to report to senior or management directly on anyone's suspicious conduct outside and inside the Bank. Skill development and skill enhancement programs are conducted on periodic basis and staffs identified for the program get the opportunity for training, seminar and workshop. Adequate numbers of trainings are conducted and staffs required with training are given the opportunity for skill enhancement. Knowledge sharing is one of the core methods of skill development. If a staff gets any training, s/he is encouraged to share the same among the peers in the division/branch.

In operations, the 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. Similarly MIS Reports are generated to check correctness of transactions and any mistakes are promptly addressed and rectified. The activities of a personnel and division / branch can be viewed and monitored centrally through an integrated system, which helps in minimizing the risk of misconduct, if any. The Bank has an on-line 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, far from each other. DRS is outsourced to a professionally managed company having expertise in the sector. Drill is being done periodically and is being tested occasionally

to assess the functioning of DRS.

Each desktop is implemented with Active Directory System (ADS) which does not allow user to take away the data in devices like data traveler (pen drive) or bring in data for processing or any other purposes posing threat to the repository. Similarly individual data in desk are also stored and backed up in periodic interval at data center so that any loss of data in desktop can be retrieved from data center.

The Bank has a separate Legal division which is adequately manned by qualified and experienced staff. All legal agreements, deeds and documents including claims and charges are thoroughly studied prior to making any decision involving such documents. Compliance with existing rules and regulations and business practices globally and locally are taken into account before arriving at the decision. The cases where the Bank needs expert's opinion on any of the issues the same is done through the expert in the respective field.

5.1.6 Currency Risk

Currency risk arises as a result of fluctuations in the value of a financial instruments due to changes in foreign exchange rates. The Bank's Board has set limits on positions by currency in line with NRB directives (maximum position for all currency excluding INR is 30% of core capital). In accordance with the bank's policy, positions are monitored on a daily basis and also reviewed in ALCO meeting and hedging strategies are used to ensure positions are maintained within established limits. Market risk management policy and Treasury Manual of the bank are the guiding documents for the management and mitigation of currency risk.

The table below indicates the currencies to which the bank had significant exposures as at 16 July 2018 and the effect to the Gain/Loss in case of a market exchange rates up/drop by 5 %. The analysis calculates the effect of a reasonably possible movement of the currency rate against the NPR, with all other variables held constant, on the income statement (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges). A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the below currencies against NPR would have resulted in an equivalent but opposite impact.

5.2 Capital Management

The Bank's capital management policies and practices support its business strategy and ensure that it is adequately capitalised to withstand even in severe macroeconomic downturns. Kamana Sewa Bikas Bank is a licensed institution provides financial services therefore it must comply with capital requirement of central bank so called Nepal Rastra Bank.

The Bank's capital consists of Tier I capital and Tier II capital.

5.2.1 Qualitative disclosures

Nepal Rastra Bank has directed the Banks to develop

own internal policy, procedures and structures to manage all material risk inherent in business for assessing capital adequacy in relation to the risk profiles as well as strategies for maintaining capital levels. This includes basic requirements of having good governance, efficient process of managing all material risks and an effective regime for assessing and maintaining adequate capital. The Bank has various BODs approved risk management policies for proper governance. The Bank has developed a comprehensive ICAAP document which is subject to review every year. The ICAAP has two major components; first is an internal process to identify, measure, manage and report risks to which the bank is exposed or could be exposed in the future; and second is an internal process to plan and manage a bank's capital so as to ensure adequate capital. The Bank prepares the ICAAP report annually complying with the NRB requirement. The report is reviewed and analyzed by Risk Management Committee and Board. The report is prepared as per BASEL III norms considering various adverse scenarios. The Bank also conducts the stress testing on thirty two different unfavorable scenarios on quarterly basis and is reviewed by senior management, Risk Management Committee and Board. The Bank in line with BASEL provisions and ICAAP document assesses risk exposures and allocated sufficient capital/cushion for perceived risks. The adequacy of capital is main agenda of any ALCO, Man-Com and board meetings.

5.2.2 Quantitative disclosures

Capital structure and capital adequacy

Tier 1 Capital and a breakdown of its Components:

Particulars	Amount (Rs.)
Paid up Equity Share Capital	2,540,195,352
Irredeemable Non-cumulative preference shares	-
Share Premium	-
Proposed Bonus Equity Shares	-
Statutory General Reserves	395,642,548
Retained Earnings	173,655,162
Un-audited current year cumulative profit	284,582,021
Special Reserve Fund	-
Capital Adjustment Reserves	-
Dividend Equalization Reserves	-
Capital Redemption Reserves Fund	-
Deferred Tax Reserve	-
Less: Goodwill	-
Less: Intangible Assets	-
Less: Fictitious Assets	-
Less: Deferred Tax Assets	-
Less: Investment in equity of licensed Financial Institutions	-
Less: Investment in equity of institutions with financial interests	-
Less: Investment in equity of institutions in excess of limits	-
Less: Investments arising out of underwriting commitments	-
Less: Purchase of Land & Building in excess of limit & utilized	(10,046,400)
Less: Reciprocal crossholdings	-
Less: Other Deductions	-
Total Tier 1 Capital	3,384,028,683

Tier 2 Capital and Breakdown of its Components:

Particulars	Amount (Rs.)
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General loan loss provision	213,228,616
Exchange Equalization Reserves	1,955
Investments Adjustment Reserves	66,605,857
Assets Revaluation Reserves	-
Special Reserve Fund	-
Total Tier 2 Capital	279,836,428

Total Qualifying Capital:

Particulars	Amount (Rs.)
Core Capital (Tier 1)	3,384,028,683
Supplementary Capital (Tier 2)	279,836,428
Total Capital Fund	3,663,865,111

Capital Adequacy Ratio:

The capital adequacy ratio of the bank as on 16th July, 2019 is 17.92%

Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities:

Kamana Sewa Bikas Bank adopts healthy risk management framework. The bank follows Internal Capital Adequacy Assessment Process (ICAAP) and Risk Management Guideline while taking decision on any business. It has always taken note of ICAAP and has taken steps accordingly in ensuring soundness of capital position and sustainability of the business. The bank's policies and procedures are approved by the Board of Directors and these documents provide guidance on independent identification, measurement and management of risks across various businesses. Bank's different committees like Audit Committee, Risk Management Committee review the business and risks periodically and take account of stress test results, scenario analysis so as to align risk, return and capital in sustainable manner.

The bank also defines risk aspects, considering domestic economic scenario, and puts in place the system to minimize and remove such risk. The risk appetite and approach towards risk taking is well discussed in management level and board level. It is always aligned with the business, its return and capital. Basel disclosures have been complied with, addressing the risks and adopting measures to minimize their impact. Increasing complexities in risks, weakness of businesses and fast changing world with intense competition pose a threat to sustainability.

Capital planning is an integral part of the bank's medium term strategic planning and annual budget formulation process. Total risk weighted exposures for the projected level of business operations is calculated, the required capital level is projected, and a plan is formulated to retain the required capital. The bank is well capitalized and able to maintain the required capital through internal generation, and equally through capital markets if needed.

Risk exposures

Risk weighted exposures for credit Risk, Market Risk and Operational Risk:

RISK WEIGHTED EXPOSURES	Amount (Rs.)
Risk Weighted Exposure for Credit Risk	19,659,994,722
Risk Weighted Exposure for Operational Risk	788,544,454
Risk Weighted Exposure for Market Risk	795,375
Total Risk Weighted Exposures (Before Bank's adjustment of Pillar II)	20,449,334,551

Risk Weighted exposures under each 11 categories of Credit Risk:

Categories	Amount (Rs.)
Claims on Government and Central Bank	-
Claims on Other Financial Entities	-
Claims on Banks	692,333,388
Claims on Domestic Corporate and Securities Firms	7,699,139,546
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	6,678,248,279
Claims secured by residential properties	1,233,171,023
Claims secured by Commercial real estate	147,433,563
Past due claims	236,438,221
High Risk claims	1,995,116,301
Other Assets	797,132,527
Off Balance Sheet Items	180,981,874
Total	19,659,994,722

Total Risk Weight Exposures calculation Table:

RISK WEIGHTED EXPOSURES	Amount (Rs.)
Risk Weighted Exposure for Credit Risk	19,659,994,722
Risk Weighted Exposure for Operational Risk	788,544,454
Risk Weighted Exposure for Market Risk	795,375
Add: 3% of the total RWE added by Supervisory Review	-
Add: RWE equivalent to reciprocal of capital charge of 3% of Gross Income	-
Total Risk Weighted Exposures (After Bank's adjustment of Pillar II)	20,449,334,551
Total Core Capital	3,384,028,683
Total Capital	3,663,865,111

Particulars	Gross Amount (Rs)	Loan Loss Provision (Rs)	Net NPL (Rs)
Restructured	-	-	-
Sub-Standard	63,636,106	15,909,026	47,727,080
Doubtful	51,838,048	25,919,024	25,919,024
Loss	82,189,635	82,189,635	-
Total	197,663,789	124,017,685	73,646,104

5.2.3 Compliance with external requirement

Bank has complied with externally imposed capital requirements to which it is subject and there are no such consequence where the institution has not complied with those requirement.

5.3 Classification of financial assets and financial liabilities

Analysis of financial instruments by measurement basis as at 16 July 2019.

Financial instruments are measured on an ongoing basis either at fair value or at amortized cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income

and expenses, including fair value gains and losses, are recognized. The following table analyses the carrying amounts of the financial instruments by category as defined in NAS 39 and by headings of the Statement of Financial Position.

July 16, 2019

	Fair Vaule through PL	Amortized Cost	Measured at FVTOCI	Total
Financial Assets				
Cash & Cash Equivalents	-	3,881,341,086	-	3,881,341,086
Due from Nepal Rastra Bank Placement with Bank and Financial Institutions	-	1,114,715,025	-	1,114,715,025
Derivative Financial Assets	-	-	-	-
Loan and Advances to B/FIs	-	1,329,967,800	-	1,329,967,800
Loans & Advances to Customers	-	18,906,601,307	-	18,906,601,307
Financial Investments - Measured at Fair Value through PL	-	-	-	-
Financial Investments - Measured at Fair Value through OCI	-	-	538,318,682	538,318,682
Financial Investments - Measured at Amortized cost	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Assets	-	25,232,625,218	538,318,682	25,770,943,900
Financial Liabilities				
Due from Customers	-	22,975,888,836	-	22,975,888,836
Other Financial Liabilities	-	-	-	-
Other Liabilities	-	424,248,308	-	424,248,308
Total Financial Liabilities	-	23,400,137,144	-	23,400,137,144

July 15, 2018

	Held for Trading	Amortized Cost	Measured at FVTOCI	Total
Financial Assets				
Cash & Cash Equivalents	-	4,569,246,704	-	4,569,246,704
Due from Nepal Rastra Bank Placement with Bank and Financial Institutions	-	824,625,835	-	824,625,835
Derivative Financial Assets	-	-	-	-
Loan and Advances to B/FIs	-	129,814,930	-	129,814,930
Loans & Advances to Customers	-	13,142,121,529	-	13,142,121,529
Financial Investments - Measured at Fair Value through PL	-	-	-	-
Financial Investments - Measured at Fair Value through OCI	-	-	193,907,278	193,907,278
Financial Investments - Measured at Amortized cost	-	190,000,000	-	190,000,000
Other Financial Assets	-	12,630,648	-	12,630,648
Total Financial Assets	-	18,868,439,646	193,907,278	19,062,346,924
Financial Liabilities				
Due from Customers	-	15,750,254,252	-	15,750,254,252
Other Financial Liabilities	-	-	-	-
Other Liabilities	-	544,454,998	-	544,454,998
Total Financial Liabilities	-	16,294,709,250	-	16,294,709,250

5.4 Operating Segment

Segmental Reporting has been presented for three key business segments of the Bank, identified on the basis of geography. These segments serve as the key functional units for resource allocation, decision making and review of operating results/performance by the Management. These are summarized as follows:

Information about reportable segments

Particulars	Amount in'000							Total
	Province 1	Province 2	Province 3	Province 4	Province 5	Province 6	Province 7	
(a) Revenue from external customers	23,835	32,369	552,901	999,266	1,023,533	10,043	32,314	2,674,261
(b) Intersegment revenues	31	6	54,790	95,234	16,376	-	599	167,036
(c) Net Revenue	-	-	-	-	-	-	-	-
(d) Interest Revenue	15,183	23,536	485,723	944,973	965,177	8,640	28,089	2,471,322
(e) Interest Expense	3,375	8,310	336,022	687,922	552,237	4,084	14,608	1,606,557
(f) Net interest revenue (b)	11,809	15,227	149,700	257,051	412,941	4,556	13,482	864,765
(g) Depreciation and Amortization	2,262	2,319	23,088	5,932	4,479	313	976	39,369
(h) Segment profit/(loss)	1,580	(561)	(7,744)	130,915	172,593	125	(2,105)	294,804
(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	335,715	399,359	8,793,128	9,202,247	7,526,896	114,056	315,760	26,687,162
(m) Segment liabilities	294,763	350,643	7,720,495	8,079,708	6,608,725	100,143	277,242	23,431,719

5.5 Share options and share based payment

Not Applicable

5.6 Contingent liabilities and commitment

The Standard defines a contingent liability as:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability An entity should not recognize a contingent liability. An entity should disclose a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

The followings are the details of contingent liabilities of bank:

PARTICULARS	2075/76	2074/75	2073/74
	NPR	NPR	NPR
Claims on Bank but not Accepted by the Bank	-	-	-
Letters of Credit (Full Amount)			
a. Letter of Credit With Maturity Less than 6 Months			
b. Letter of Credit With Maturity More than 6 Months			
Rediscounted Bills			
Unmatured Guarantees/Bonds	111,767,500	77,825,000	32,950,000
a. Bid Bonds	15,017,500		
b. Performance Bonds	96,750,000		
c. Other Guarantee/Bonds	-		
Unpaid Shares in Investment			
Forward Exchange Contract Liabilities			
Bills under Collection			
Acceptances and Endorsements			
Underwriting Commitments			
Irrevocable Loan Commitments	625,490,621	564,802,806	233,307,995
Guarantees issued against Counter Guarantee of In'lly Rated Foreign Banks			
Advance Payment Guarantees			
Financial Guarantees			
Contingent Liabilities on Income Tax			
Unpaid Guarantee Claims			
TOTAL CONTINGENT LIABILITIES	849,025,621	642,627,806	266,257,995

5.6 Related parties disclosures

a) Identified related parties

The bank has identified following as related parties

under NAS 24:

1. Directors
2. Key Management Personnel of the Bank and
3. Related parties of the above two

S. N.	Name of Related Party	Relationship
	Mr. Sudeep Acharya	Chairman, Board of Directors
	Mr. Bhim Prasad Tulachan	Member, Board of Directors
	Mr. Chaturakhar Adhikari	Member, Board of Directors
	Mr. Dev Krishna Kafle	Member, Board of Directors
	Mr. Bishweshwar Subedi	Member, Board of Directors
	Mr. Balaram Baral	Member, Board of Directors
	Mr. Prabin Basnet	Chief Executive Officer
	Mr. Mahesh Prasad Kafle	Former CEO

b) Key management personnel (KMP)

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Board of Directors and Chief Executive Officer (CEO) of the bank are identified as KMP of the bank.

c) Transaction with Board of Directors

Particulars	2018-19
Board meeting fee/allowance	796,000
Other board level meeting fee/allowance	430,000
Travel, accommodation and other board expenses	1,125,368
Total	2,351,368

All board of directors are non-executive directors. The directors are entitled to meeting fees on attending board and board committee meetings as well as monthly allowances to cover for expenses towards communication and periodicals.

d) Transaction with Chief Executive Officer

Particulars	2018-19
Current CEO (Appointed on 2075.11.01)	
Short Term Employee Benefits	2,936,665
Gross Salary Payments	2,855,000
Other current benefits and payments	81,665
Post-employment benefits	270,000
Total	3,206,665
Former CEO	
Short Term Employee Benefits	2,754,372
Gross Salary Payments	1,515,552
Other current benefits and payments	1,238,820
Post-employment benefits	-
Total	2,754,372

Current CEO Mr. Prabin Basnet was appointed as CEO on Falgun 1, 2075. Figures stated above for 2017-18 are the benefits paid during the year to him.

* Post-employment benefits includes Gratuity. Provident Fund is deposited in an independent institution and Gratuity is provided for as per Employee Byelaws of the Bank.

** Other long term employment benefit includes Home Leave and Sick Leave encashment over and above the accumulation limit set as per Employee Byelaws of the Bank.

*** KMP also get accidental and medical insurance and life insurance, vehicle, fuel, and mobile facilities as per Employee Byelaws of the Bank.

e) Transaction and agreements involving KMP and their close family member

Close family members of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the Bank. They may include KMP's spouse and children, children of the KMP's spouse and dependents of the KMP or of the KMP's spouse. Close family member are related parties to the Bank.

For the reported period there have been no payments or transactions with close family members of KMP except in the normal course of banking business, both for the Bank.

5.8 Merger and acquisition

The Bank Has entered into merger with Sewa Bikas Bank Ltd., a regional level development Bank centered in Rupandehi District and started joint operation from 2074/04/20.

6 Acquisition in FY 2074/75

The Bank has acquired Sewa Bikas Bank Ltd. (SBBL), a "B" Class licensed financial institution during the FY 2074/75 and started joint operations after transfer of all assets and liabilities of SBBL on 20th Shrawan 2074. The existing shareholders of erstwhile SBBL were issued ordinary equity shares of the bank at the approved share swap ratio of 1:1. SBBL has prepared audited financial statements as of 19th Shrawan 2074, i.e., the date before acquisition. Assets and Liabilities of the acquired entity as recognized in its audited balance sheet has been recorded in the books of accounts of Kamana Sewa Bikas Bank Limited as on the date of acquisition i.e., 20th Shrawan 2074. Profit and Loss account of the acquired entity as of date of merger are prepared separately and transferred to retained earnings after appropriating for staff bonus and taxation.

The changes in equity of the bank due to the acquisition is summarized below:

Amount in NPR

Particulars	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred
During 2074/75			
Sewa Bikas Bank Limited	20 th Shrawan 2074	100%	1,017,076,888

* Acquisition was complete on 19th Shrawan 2074 with joint operations starting from 20th Shrawan 2074.

Consideration Transferred

The Bank has issued 10,170,768 shares to shareholders of SBBL as purchase consideration on the basis of swap ratio of 1:1 shares of Kamana Sewa Bikas Bank Limited for each share of SBBL.

The acquisition date was 20th Shrawan 2074 on which the Bank considered adjusted net assets value of SBBL as fair value of purchase consideration and accordingly issued 10,170,768 number of shares to the shareholders of erstwhile SBBL as purchase consideration.

Particulars	Amount in NPR
Cash	-
Equity shares issued	1,017,076,888
Contingent consideration arrangement	-
Total	1,017,076,888

Assets acquired and liabilities recognized at the date of acquisition

Amount in NPR

Particulars	Fair value
Cash Balance	216,568,367
Balance with Nepal Rastra Bank	231,005,852
Balance with Banks/Financial Institutions	1,198,938,485
Money at Call and Short Notice	-
Investments	40,604,365
Loans, Advances and Bills Purchased	5,227,217,355
Fixed Assets	43,324,423
Other Assets	83,379,607
Total Assets (A)	7,041,038,454
Deposits	5,653,823,006
Other Liabilities	217,322,406
Total Liabilities (B)	5,871,145,412
Net Assets Acquired (A-B)	1,169,893,042

Gain arising from Bargain Purchase

Assets and liabilities are valued at fair value pursuant to NFRS 3 Business Combination. Fair value of net assets acquired is NPR 1,169.89 million. In compliance with NRB directive, reserve and surplus taken over on merger of NPR 152.81 million has been separately considered and thus has deducted from net assets acquired. The resulting net assets values has been assessed to NPR 1017.08 million. The fair value of the consideration transferred is NPR 1,084.44 million. No bargain Purchase gain has occurred to the bank because the swap ratio was 1:1. Thus, no profit has been recognized in statement of profit and loss.

Particulars	Fair value (Amount in NPR)
Consideration transferred	1,017,076,888
Less: Fair value of identifiable net assets acquired (excluding reserve and surplus taken over on merger)	1,017,076,888
Net Amount to be charged to profit and loss resulting from bargain purchase	-

5.9 Additional disclosures

a) Paid-up capital

The structure of the share capital of the Bank is as follows:

- Authorized capital of NPR 3,000,000,000 represented by 30,000,000 Ordinary Shares of NPR 100 each; and
- Issued capital as of balance sheet date is NPR 2,540,195,352 represented by 25,401,953.52 Ordinary Shares of NPR 100 each.
- Paid-up capital as of balance sheet date is NPR 2,540,195,352 represented by 25,401,953.52 Ordinary Shares of NPR 100 each.

The Paid-up capital of the Bank as on the balance sheet date is NPR 2,540,195,352 represented by 25,401,953.52 Ordinary Shares of NPR 100 Paid up share capital of the Bank.

NFRS related adjustment for Paid-up capital

Financial Year	As per GAAP	Adjustment	As per NFRS	Remarks
2073/74 (Transition phase-Opening adjustment)	867,485,303	63,106,102	804,379,201	NPR 63,106,102 proposed bonus share. Proposed bonus share on the year of issuance not being part of share capital as per NFRS has been reduced from share capital NPR 37,539,833 proposed bonus share.
2074/75 (Comparative Year)	2,540,195,352	37,539,833	2,502,655,519	> Proposed bonus share on the year of issuance not being part of share capital as per NFRS has been reduced from share capital.
2075/76 (First Time Adoption)	2,540,195,352	-	2,540,195,352	

b) Reserve

i) General Reserve

Section 44 of Bank and Financial Institutions Act 2073 requires the Bank to allocate at least 20% of the net profits of every year to General Reserve until it is twice the paid-up capital. The Bank has appropriated NPR 58,960,774 of the net profits to General Reserve in the current year.

Particulars	This Year	Previous Year
Opening General Reserve	338,726,144	175,284,810
Transfer from merger of Sewa Bikas Bank	-	99,234,702
20% of Profit to be transferred	56,916,404	64,206,632
Closing General Reserve	395,642,548	338,726,144

ii) Exchange Equalization Reserve

Section 45 Bank and Financial Institutions Act 2073 requires, 25% of revaluation gain from foreign currency exchange rate differences to be transferred to Exchange Equalization Reserve and revaluation loss is charged to profit and loss account. 25% of Revaluation profit of foreign currency accounts during the current period amounting NPR 3,275 been transferred to exchange fluctuation fund maintained by the Bank.

Particulars	As at 16 July 2019	As at 16 July 2018
Opening Exchange Equalization Reserve	1,955	1,955
25% of Revaluation gain	3,275	-
Closing Exchange Equalization Reserve	5,230	1,955

iii) Fair Value Reserve

The net change in fair value of financial assets that are measured at fair value and change in fair value is recognized in other comprehensive income until assets are derecognized. Cumulative amount of change in fair value of financial reserve during this year is negative reserve of NPR 11,125,867.

Particulars	As at 16 July 2019	As at 16 July 2018
Opening Fair Value Reserve	(35,442,629)	1,206,370
Transfer/ Adjustment in Reserve	(11,125,867)	(36,648,999)
Closing Fair Value Reserve	(46,568,496)	(35,442,629)

iv) Assets Revaluation Reserve:

Assets are recognized under cost model and they are presented under historical cost. So, no assets have been revalued as on balance sheet date.

v) Staff Training and Skill Enhancement Fund

NRB Directive 6 requires BFIs to incur expenses towards employee training and development equivalent to at least 3% of the preceding year's total staff expenses which amounts NPR 154,627,761 (excluding staff bonus). Unspent amount of training fund carried forward from previous financial year is NPR 1,604,207. Total training expense of this year amounted to NPR 5,530,075. Since current year expense exceeds the regulatory requirement of expense, hence staff training and skill enhancement fund at the end of fiscal year is nil

Particulars	As at 16 July 2019	As at 16 July 2018
Opening Fund	1,604,207	-
Opening transfer from Sewa Bikash Bank	-	1,173,535
Add : Staff training fund created at 3% of last year expenses	-	430,672
Closing Fund	1,604,207	1,604,207

vi) Regulatory Reserve

The amount to this reserve has been allocated from profit/retained earnings as per the Directive of NRB for the purpose of implementation of NFRSs and is not regarded as free for distribution of dividend. Details are as presented under:

Details	This Year
Opening Regulatory reserve	-
Adjustment	
Interest Suspense	74,027,705
Actuarial Gain	9,519,451
Fair Value Reserve	58,567,078
Defer tax	31,673,888
Closing Regulatory Reserve	173,788,123

vii) Investment Adjustment Reserve

The Bank has maintained adequate reserve in compliance with NRB Directives 08/2075 for unlisted investments according to which 100% reserve to be created for investments not being listed.

Particulars	As at 16 July 2019	As at 16 July 2018
Opening IAR	6,319,213	1,034,838
Transfer from Sewa Bikash Bank	-	405,835
Add: Additional Reserve during this year	4,106,344	4,878,540
Less: Adjustment in Reserve	-	-
Closing IAR	10,425,557	6,319,213

c) Other Reserve Reconciliation

Particulars	2075/76	2074/75
Opening Balance		
Investment Adjustment Fund	5,913,378.00	1,034,838.00
Staff Skill development Fund	430,671.60	-
Corporate Social Responsibility Fund	3,988,647.61	1,768,816.00
Proposed Bonus	-	63,106,101.92
Proposed Dividend	-	-
Transfer from merger (Sewa Bikash Bank Ltd.)	2,855,318.79	-
Gratuity valuation	(16,535,472.80)	-
Total	(3,347,456.80)	65,909,755.92
Adjustments as per NFRS		
Gratuity valuation	-	(17,103,106.30)
Proposed Bonus reversal	-	(63,106,101.92)
Adjusted Balance	(3,347,456.80)	(14,299,452.30)
Transfer During the year		
Investment Adjustment Fund	4,106,343.90	4,878,540.00
Staff Skill development Fund	-	430,671.60
Corporate Social Responsibility Fund	2,845,820.21	2,219,831.61
Gratuity Valuation	7,016,020.08	567,633.50
CSR expenses	(2,118,387.00)	-
Transfer from merger (Sewa Bikash Bank Ltd.)	-	2,855,318.79
Closing Balance	8,502,340.04	(3,347,457.15)

d) Investment Securities:

Investment Securities have been valued under fair value or amortized cost as allowed under NFRS 9. Closing Market Price of Securities has been used as the Fair value of the Asset/Securities for investment securities valued at Fair Value through Other Comprehensive Income. Different Fair Value Hierarchy has been considered (Level 1, Level 2 and Level 3) depending upon the availability of information and regarding the valuation of other investments through amortized cost, EIR rate has been used for booking the amortized cost of investment and interest income accordingly.

e) Loans & Advances to B/FIs and customers:

Loans & Advances to B/FIs and Customers have been valued under amortized cost as allowed under NFRS 9. Separate Effective Interest Rate (EIR) has not been computed since all the relevant transactions costs for computing EIR are ignored due to impracticability to determine the relevant costs as allowed by Carve Out issued by ICAN.

As per para 63 of NAS 39, an entity shall assess at the end of each reporting period if there is any objective evidence that financial asset or group of financial assets measured at amortized cost is impaired. Bank has applied Para 63 and has computed impairment loss. However, as per the Carve-out issued by ICAN as a mandatory treatment of impairment loss for the transition period for banks and financial institution, impairment loss to be measured at higher of amount derived as per norms prescribed by NRB for loan loss provision and as per para 63. Details of such impairment is as mentioned below:

Particulars	This Year	Previous Year	P/L Impact
Loan Loss as per NRB	317,206,604	272,038,714	45,167,890
Impairment	51,855,246	65,404,521	(13,549,276)
Impairment to be considered as Alternative Treatment by ICAN (Higher of above two)	317,206,604	272,038,714	45,167,890

Higher of impairment as per para 63 of NAS 39 and as per the provision norms prescribed by NRB for loans and advances has been considered in preparing financial statements.

f) Segmental reporting

An operating segment is a component that engages in business activities from which it earns revenue and incurs expense, including revenues and expenses that relating to transaction with any of groups other components, whose operating results are reviewed by management.

g) Staff Bonus

Proposed bonus for staff have been provided for 10% of net profit before such bonus.

h) Interim Financial Statements:

Interim Financial Statements are prepared and published on quarterly basis in accordance with NRB Directives in compliance with statutory and legal requirement within the time frame as prescribed.

i) Gratuity and Accumulated Leave Provision: Gratuity

As per the actuarial valuation, gratuity liability of the bank is NPR 37,204,791 Out of which NPR 13,332,271 has been funded and net amount is shown as liability of bank. Bank has made an additional provision of NPR 9681337 for gratuity liability as per the actuarial valuation report this year. However, funding arrangement to CIT has been made on the basis of gratuity liability computed as per relevant provisions of Act. Net liability after deducting the fair value of planned assets from Net Benefit Obligations has been shown as Net liability of bank.

Details of actuarial valuation of gratuity and leave are as follows:

Particulars	As at 16 July 2019	As at 16 July 2018
Defined Benefit Obligations (DBO)	37,204,791	40,085,307
Fair Value of Planned Assets	13,332,271	9,620,879
Net Liability	23,872,520	30,464,428
Expense booked as in PL	9,681,337	7,895,415
Actuarial Gain/ (Loss) booked in OCI	10,022,888	810,905

Leave

The Bank has recognized an additional provision of NPR 24,087,606 for accumulated leave liability in the current year. Being non-funded arrangement, total amount is booked as liability for bank. Moreover, leave encashment paid in excess of accumulated leave exceeding 90 days each of sick and annual leave is also charged in profit and loss account.

Particulars	As at 16 July 2019	As at 16 July 2018
Defined Benefit Obligations	39,207,382	19,365,937
Fair Value of Planned Assets	-	-
Net Liability	39,207,382	19,365,937

j) Deferred Tax Asset/Liability:

Tax effect of all the NFRS adjustment are created and reflected under deferred tax income or expenses. All the adjustments relating to current year are taxed in current period and all the prior year NFRS adjustments have been deferred.

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to Customers	-	-	-
Investment Securities	45,928,103	-	45,928,103
Property and Equipment	-	7,208,009	(7,208,009)
Employees' Defined Benefit Plan	10,917,605	-	10,917,605
Provisions	8,006,365	25,970,176	(17,963,811)
Deferred tax on temporary differences			31,673,888
Net Deferred Tax Asset (Liabilities) as on year end of 2076			31,673,888
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2075			(11,776,359)
Origination/(Reversal) during the year			(19,897,529)
Deferred Tax expense (income) recognized in profit or loss			(18,136,167)
Deferred Tax expense (income) recognized in OCI			(1,761,362)

k) Staff Loans measured at fair value

Under previous NAS, staff loans were recorded at cost less repayments net of loan loss provision, if any. Under NFRS, the Bank has to measure the staff loans granted below the market interest rate at their fair value, calculate based on the market interest rate of similar products.

The fair value of such loans as at Ashad 31 2076 the fair value of staff loan was NPR 98.01 Million and their previous NAS carrying amount was NPR 131.31 Million .The difference between the fair value and NAS carrying amount was NPR 33.30 Million has been netted off against staff loans & recognized as deferred employee expenditure.

On transition date Shrawan 1, 2074, the fair value of such loans was NPR 1.54 Million and their previous NAS carrying amount was NPR 1.61 Million. The difference between the fair value and NAS carrying amount has been netted off from staff loans & recognized as pre-paid staff cost in other assets.

i) Weighted Average Interest Rate Spread

The weighted average interest rate spread between Loan and Investment and Deposit Liabilities are shown as below.

Particulars	Annual Average %
Average Interest Rate of Loan and Investment	14.02%
Average Interest Rate of Deposit and Borrowing	8.86%
Average Interest Rate Spread	4.97%

m) Loans and Advances extended to Promoters:

The Bank has not extended any loans to promoters during the year.

n) Non-Banking Assets

Non-Banking Assets are the assets obtained as security for loans & advances and subsequently taken over by the Bank in the course of loan recovery. Such assets are booked at fair market value or total amount due from the borrower, whichever is lower. The bank does not own Non-Banking Assets as on the date of financial statement.

o) Contingent Liabilities

Contingent liabilities related details has been presented under Schedule 4.28.

p) Earnings per Share

Earnings per Share is calculated using the earnings attributable to equity shareholders for the period divided by the number of weighted average number of shares as required under NAS 33 Earnings per share.

Particulars	Units	Year ended	
		16-Jul-19	16-Jul-18
Profit attributable to equity shareholders	NPR	294,803,868	386,706,717
Weighted average of number of equity shares used in computing basic earnings per share	Nos.	25,401,954	25,026,555
Earnings Per Share (EPS)	NPR	11.61	15.45
Diluted Earnings Per Share (DPS)	NPR	11.61	15.45

As there is no potential ordinary shares that would dilute current earning of equity holders, basic EPS and diluted EPS are equal for the period presented.

q) Unpaid Dividend

As on balance sheet date, total dividend payable amounts to NPR 17,491,322 (PY NPR 159,917,602). Details have been presented as under:

Dividend Payable of FY	As at 16 July 2019
2074/75	10,343,799
2073/74	1,422,894
2069/70 (Kamana Bikas Bank)	19,074
2069/70 (Kaski Finance)	1,514,217
2068/69 (Kamana Bikas Bank)	45,601
2068/69 (Kaski Finance)	1,868,393
2067/68 (Kamana Bikas Bank)	40,470
2066/67 (Kaski Finance)	2,237,474

r) Non-performing assets

The Banks' non-performing assets ratio stood at 0.90% as at balance sheet date. The total non-performing assets as at balance sheet date is NPR 185,276,571 and loan loss provision related to non-performing assets calculated as per NRB directives is NPR 107,328,660.

Particulars	This Year	Previous Year	Change	
			Amount	%
Performing Loan				
Pass	20,015,020,056	13,063,500,606	6,951,519,450	53%
Watch List	185,277,418	227,045,639	(41,768,221)	(18%)
Non-Performing Loans (NPL)				
Restructured/ rescheduled	-	-	-	-
Substandard	63,636,106	18,516,403	45,119,703	244%
Doubtful	51,838,048	21,732,487	30,105,561	139%
Loss	82,189,635	111,387,285	(29,197,650)	(26%)
Gross Loans & Advances	20,397,961,264	13,442,182,420	6,955,778,844	52%

5.10 Events after reporting date

Events after the balance sheet date are those events, favorable and unfavorable, that occur between the balance sheet date and the date when the financial statements are authorized for issue.

Appropriate adjustments in the financial statements and disclosures in notes to accounts have been made for all material and significant events that have occurred between the balance sheet date and date when the financial statements have been authorized for issue.

Where necessary all material events after reporting date have been considered and appropriate adjustments or disclosures have been made in the Financial Statements as per NAS 10. There are no material events that have occurred subsequent to 16 July 2019 till the signing of this financial statement on 21st August 2019.

Proposed Dividend:

The board of directors has proposed 6.8% cash dividend on banks paid up capital, subject to approval from Nepal Rastra Bank and Annual General Meeting.

5.11 Disclosure effect of transition from previous GAAP to NFRSs

5.11.1. Reconciliation of equity

Particulars	Explanatory Note	"As at 01.04.2014"	"As at 31.03.2015"
		(Date of Transition)	(End of last period presented under previous GAAP)
Total equity under Previous GAAP		1,122,514,508	3,124,688,155
Adjustments under NFRSs:			
Impairment on loan and advances		-	-
Fair value & employees benefit accounting of staff loan		-	-
Lease accounting		-	-
Measurement of investment securities at fair value	1	1,206,370	(35,442,629)
Revaluation of property & equipment		-	-
Recognition of investment property		-	-
Amortisation of debt securities issued		-	-
Deferred tax		-	-
Defined benefit obligation of employees	2	(12,672,004)	6,857
Goodwill/Bargain purchase gain		-	-
Interest income	3	39,248,917	48,894,493
Other:			
Actuarial gain	4	(17,103,106)	(16,535,473)
Short provision reversal of Investment	5	-	43,349,122
Total Adjustment to equity		10,680,177	40,272,370
Total Equity under NFRSs		1,133,194,685	3,164,960,525

Explanatory note:

Impairment on loan and advances

Loans and advances are assessed individually and collectively as per incurred loss model which is compared with the loss provision prescribed by NRB directive no. 2. As per recent Carve Outs, Higher of the loss as per incurred loss model and NRB directive is considered for impairment.

1. Measurement of investment securities at fair value

Investments were measured at cost less diminution in value. Under NFRS, these financial assets have been classified as financials investment held for sale(FVTOCI). On the date of transition to NFRS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount as explained in the table below. These changes have been recognised under Other Comprehensive Income (OCI).

Particulars	(15-Jul-2017)	(16-Jul-2018)
Increase in carrying amount due to fair value	1,723,386	(50,632,327)
Deferred tax impact on the increased amount	(517,016)	15,189,698
Net Decrease in Equity	1,206,370	(35,442,629)

2. Defined benefit obligation of employees

Particulars	(15-Jul-2017)	(16-Jul-2018)
Net increase(decrease) in gratuity fund	(1,191,051)	(414,377)
Net increase(decrease) in leave encashment fund	(11,480,952)	421,234
Net decrease in Equity	(12,672,004)	6,857

3. Interest income

Particulars	(15-Jul-2017)	(16-Jul-2018)
Accrual interest income booking of loans and advances	56,069,882	69,849,275
Net Increase in Equity	56,069,882	69,849,275

4. Actuarial Gain

Particulars	(15-Jul-2017)	(16-Jul-2018)
Actuarial gain(loss) as per Actuarial valuation	(17,103,106)	(16,535,473)
Net Increase in Equity	(17,103,106)	(16,535,473)

5. Investment Provision reversal

Particulars	(15-Jul-2017)	(16-Jul-2018)
Short provision reversal of Investment(provision made on equity/mutual fund under GAAP)	-	43,349,122
Net Increase in Equity	-	43,349,122

5.11.2. Reconciliation of profit or loss

Particulars	"For the year ended 31.03.2075"		
	Previous GAAP	Total Re-measurement Adjustment	As per NFRS
Previous GAAP			
Adjustments under NFRSs:			
Interest Income	1,911,164,939	14,457,800	1,927,418,969
Interest Expenses	(1,173,161,144)	-	(1,173,161,144)
Commission and Discount	12,872,161	-	12,872,161
Other Operating Income	90,724,247	-	88,928,017
Exchange Fluctuation Income	-	-	-
Staff Expenses	(156,363,234)	17,434,252	(138,928,982)
Other Operating Expenses	(135,033,575)	-	(135,033,576)
Provision for Possible Losses	(190,681,172)	61,927,317	(128,753,855)
Non Operating Income/(Loss)	8,944,793	-	8,944,793
Loan Loss Provision Written- Back	147,145,761	-	147,145,761
Profit/Loss from Extra -ordinary Activities	(9,636,819)	-	(9,636,819)
Provision for Staff Bonus	(45,997,814)	-	(45,997,814)
Provision for Income Tax	(138,944,982)	(28,145,811)	(167,090,793)
Profit for the year	321,033,161	65,673,559	386,706,718
AFS Gains & Losses	-	(52,355,713)	(52,355,713)
Deferred tax on AFS Reserve	-	15,706,714	15,706,714
Actuarial Gains/Losses of Defined Benefit plans		810,905	810,905
Deferred tax on Actuarial Gain/ (Loss)	-	(243,272)	(243,272)
Other Comprehensive Income	321,033,161	29,592,193	350,625,353
Total Comprehensive income under NFRSs	321,033,161	29,592,193	350,625,353

5.11.3. Effect of NFRSs adoption for the statement of financial position

Particulars	Explanatory Note	" As at 01.04.2074 (Date of Transition) "			" As at 31.03.2075 (End of last period presented under previous GAAP) "		
		Previous GAAP	Effect of Transition to NFRSs	Opening NFRSs statement of Financial Position	Previous GAAP	Cumulative Effect of Transition to NFRSs	Amount as per NFRSs
Assets							
Cash and cash equivalent		1,545,915,474	-	1,545,915,474	4,569,246,704	-	4,569,246,704
Due from Nepal Rastra Bank		382,534,371	-	382,534,371	824,625,835	-	824,625,835
Placement with Bank and Financial Institutions		-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	-	-
Other trading assets		-	-	-	-	-	-
Loan and advances to B/FIs		-	-	-	-	-	-
Loans and advances to customers		5,988,495,438	(71,194)	5,988,424,244	13,205,920,043	(3,832,859)	13,202,087,184
Investment securities		82,732,750	1,723,386	84,456,136	372,612,288	11,294,990	383,907,278
Current tax assets		-	-	-	-	-	-
Investment in subsidiaries		-	-	-	-	-	-
Investment in associates		-	-	-	-	-	-
Investment property		-	-	-	-	-	-
Property and equipment		238,885,093	-	238,885,093	296,825,232	-	296,825,232
Goodwill and Intangible assets		2,130,302	-	2,130,302	4,605,626	-	4,605,626
Deferred tax assets		1,945,706	-	1,945,706	29,035,947	-	29,035,947
Other assets		84,493,445	56,141,076	140,634,521	92,913,422	73,682,134	166,595,556
Total Assets		8,327,132,580	57,793,268	8,384,925,848	19,395,785,097	81,144,265	19,476,929,362
Liabilities							
Due to Bank and Financial Institutions		-	-	-	-	-	-
Due to Nepal Rastra Bank		-	-	-	-	-	-
Derivative financial instruments.		-	-	-	-	-	-
Deposits from customers		6,982,972,563	-	6,982,972,563	15,750,254,252	-	15,750,254,252
Borrowing		-	-	-	-	-	-
Current Tax Liabilities		78,467,434	-	78,467,434	-	-	-
Provisions		1,159,200	-	1,159,200	991,950	-	991,950
Deferred tax liabilities		-	4,577,219	4,577,219	-	17,259,587	17,259,587
Other liabilities		142,018,876	42,535,872	184,554,748	519,850,740	23,612,308	543,463,048
Debt securities issued							
Subordinated Liabilities		-	-	-	-	-	-
Total liabilities		7,204,618,072	47,113,090	7,251,731,163	16,271,096,942	40,871,895	16,311,968,837
Equity							
Share capital		804,379,201	-	804,379,201	2,502,655,519	-	2,502,655,519
Share premium							
Retained earnings		140,044,889	26,576,913	166,621,802	242,551,446	92,250,472	334,801,917
Reserves		178,090,418	(15,896,736)	162,193,682	379,481,190	(51,978,102)	327,503,088
Total equity attributable to equity holders		1,122,514,508	10,680,177	1,133,194,685	3,124,688,155	40,272,370	3,164,960,525
Non-controlling interest							
Total equity		1,122,514,508	10,680,177	1,133,194,685	3,124,688,155	40,272,370	3,164,960,525
Total liabilities and equity		8,327,132,580	57,793,268	8,384,925,848	19,395,785,097	81,144,265	19,476,929,362

5.11.4. Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

Particulars	Explanatory Note	"For the year ended 32.03.2015 (the latest period presented under previous GAAP)"		
		Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs
Interest income	EN	1,912,961,169	14,457,800	1,927,418,969
Interest expense		(1,173,161,144)	-	(1,173,161,144)
Net interest income		739,800,025	14,457,800	754,257,825
Fee and commission income		87,998,865	-	87,998,865
Fee and commission expense		(515,370)	-	(515,370)
Net fee and commission income		87,483,495	-	87,483,495
Net interest, fee and commission income		827,283,520	14,457,800	841,741,320
Net trading income		-	-	-
Other operating income		22,746,106	-	22,746,106
Total operating income		850,029,626	14,457,800	864,487,426
Impairment Charge/ (Reversal) for Loans and Other Losses	EN	(43,535,411)	61,927,317	18,391,906
Net operating income		806,494,215	76,385,117	882,879,332
Operating expense		-	-	-
Personnel expenses	EN	(202,361,048)	17,434,252	(184,926,796)
Other operating expenses		(108,812,634)	-	(108,812,634)
Depreciation & Amortisation		(25,705,572)	-	(25,705,572)
Operating Profit		469,614,961	93,819,369	563,434,330
Non operating income		-	-	-
Non operating expense		(9,636,819)	-	(9,636,819)
Profit before income tax		459,978,142	93,819,369	553,797,511
Income tax expense		-	-	-
Current Tax		(160,568,137)	-	(160,568,137)
Deferred Tax	EN	21,623,155	(28,145,811)	(6,522,656)
Profit for the year		321,033,160	65,673,559	386,706,718
Other comprehensive income		-	-	-
Total Comprehensive Income		321,033,160	65,673,559	386,706,718

5.11.5. Effect of NFRSs adoption for statement of cash flows

Particulars	Explanatory Note*	"For the year ended 31.03.2016 (the latest period presented under previous GAAP)"		
		Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs
Net cash flows from operating activities	EN	2,220,147,915	(475,977,064)	1,744,170,851
Net cash flows from investing activities	EN	(310,233,205)	(75,338,972)	(385,572,177)
Net cash flows from financing activities	EN	1,555,507,982	109,224,574	1,664,732,556
Net increase/(decrease) in cash and cash equivalent		3,465,422,692	(442,091,462)	3,023,331,230
Cash and cash equivalent at the beginning of the period	EN	1,928,449,845	(382,534,371)	1,545,915,474
Cash and cash equivalent at the end of the period		5,393,872,537	(824,625,833)	4,569,246,704

* Explanatory note is required for each line item

Explanatory Notes:

1. The changes in net cash flows from operating activities, investing activities and financing activities is due to regrouping and recalssification of items required under NFRS which is different from regulatory GAAPs financial statements.
2. The changes in cash and cash equivalents at the end of the period is due to regrouping and recalssification of items i.e statutory balance with NRB, required under NFRS which is different from regulatory GAAPs financial statements.

Kamana Sewa Bikas Bank Limited
Comparison Unaudited and Audited Financial Statements as of FY 2075/76

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and Cash Equivalent	3,881,010,525	3,881,341,086	330,561	0.01%	
Due from Nepal Rastra Bank	1,115,980,947	1,114,715,025	(1,265,922)	-0.11%	
Placement with Bank and Financial Institutions	-	-	-	-	
Derivative Financial Instruments	-	-	-	-	
Other Trading Assets	-	-	-	-	
Loans and Advances to BFIs	-	1,329,967,800	1,329,967,800	100.00%	Reclassification of loan provided to D Class financial institutions
Loans and Advances to Customers	20,180,874,014	18,906,601,307	(1,274,272,706)	-6.31%	Reclassification of loan provided to D Class financial institutions
Investment Securities	814,511,800	768,655,473	(45,856,327)	-5.63%	Final adjustment for fair market value of investments
Current Tax Assets	-	-	-	-	
Investment in Subsidiaries	-	-	-	-	
Investment in Associates	-	-	-	-	
Investment Property	-	-	-	-	
Property and Equipment	472,399,518	483,935,439	11,535,921	2.44%	Final adjustments for the depreciation as per the NFRS
Goodwill and Intangible Assets	12,057,252	9,869,589	(2,187,663)	-18.14%	Final adjustments for the depreciation as per the NFRS
Deferred Tax Assets	(22,443,511)	31,673,888	54,117,399	-241.13%	Final calculation of deferred tax assets
Other Assets	262,135,953	165,131,541	(97,004,412)	-37.01%	Reclassification and adjustments of other assets on final audit
Total Assets	26,716,526,499	26,691,891,150	(24,635,349)	-0.09%	

Particulars					
Liabilities					
Due to Bank and Financial Institutions	-	-	-	-	
Due to Nepal Rastra Bank	-	-	-	-	
Derivative Financial Instruments	-	-	-	-	
Deposits from Customers	22,975,565,728	22,975,888,836	323,108	0.00%	
Borrowings	-	-	-	-	
Current Tax Liabilities	13,898,364	46,533,747	32,635,383	234.81%	
Provisions	13,626,394	11,266,941	(2,359,453)	-17.32%	Final adjustments for the depreciation as per the NFRS
Deferred Tax Liabilities	-	-	-	-	
Other Liabilities	383,520,356	412,981,367	29,461,011	7.68%	Reclassification and adjustments of other liabilities on final audit
Debt Securities Issued	-	-	-	-	
Subordinated Liabilities	-	-	-	-	
Total Liabilities	23,386,610,842	23,446,670,891	60,060,049	0.26%	
Equity					
Share Capital	2,540,195,352	2,540,195,352	-	-	
Share Premium	-	-	-	-	
Retained Earnings	285,891,322	173,655,162	(112,236,160)	-39.26%	
Reserves	503,828,983	531,369,745	27,540,762	5.47%	
Total Equity Attributable to Equity Holders	3,329,915,657	3,245,220,259	(84,695,398)	-2.54%	
Non Controlling Interest	-	-	-	-	
Total Equity	3,329,915,657	3,245,220,259	(84,695,398)	-2.54%	
Total Liabilities and Equity	26,716,526,499	26,691,891,150	(24,635,349)	-0.09%	

Statement of Profit or Loss	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Interest income	2,494,010,491	2,471,322,204	(22,688,287)	-0.91%	
Interest expense	1,606,285,372	1,606,557,119	271,747	0.02%	
Net interest income	887,725,119	864,765,085	(22,960,034)	-2.59%	
Fee and commission income	197,133,700	182,426,710	(14,706,990)	-7.46%	Reclassification into other operating
Fee and commission expense	2,368,683	6,409,806	4,041,123	170.61%	Reclassification of income heads
Net fee and commission income	194,765,017	176,016,904	(18,748,113)	-9.63%	
Net interest, fee and commission income	1,082,490,136	1,040,781,989	(41,708,147)	-3.85%	
Net trading income	21,149	21,149	-	0.00%	
Other operating income	5,730,195	20,491,049	14,760,854	257.60%	Reclassification of fee and commission income
Total operating income	1,088,241,480	1,061,294,187	(26,947,293)	-2.48%	
Impairment charge/(reversal) for loans and other losses	44,501,104	61,393,045	16,891,940	37.96%	Adjustment for provision suggested by audit
Net operating income	1,043,740,376	999,901,142	(43,839,233)	-4.20%	
Operating expense				0.00%	
Personnel expenses	325,771,838	342,121,262	16,349,424	5.02%	Impact of final profit on employee bonus
Other operating expenses	202,453,834	195,816,916	(6,636,918)	-3.28%	
Depreciation & Amortization	47,652,693	39,369,045	(8,283,648)	-17.38%	Final adjustments for the depreciation as per the NFRS
Operating profit	467,862,011	422,593,919	(45,268,092)	-9.68%	
Non operating income	-	-	-	0.00%	
Non operating expense	-	-	-	0.00%	
Profit before income tax	467,862,011	422,593,919	(45,268,092)	-9.68%	
Income tax expense	142,433,209	138,011,898	(4,421,312)	-3.10%	
Current Tax	121,687,145	156,148,063	34,460,918	28.32%	
Deferred Tax	20,746,064	(18,136,166)	(38,882,230)	-187.42%	
Profit/(loss) for the period	325,428,801	284,582,021	(40,846,780)	-12.55%	
Profit/(loss) for the period	325,428,801	284,582,021	(40,846,780)	-12.55%	
Other Comprehensive Income	22,500,130	(4,109,845)	(26,609,976)	-118.27%	
Total comprehensive income	347,928,932	280,472,176	(67,456,756)	-19.39%	

Kamana Sewa Bikas Bank Limited Principal Indicators

S.N.	Particulars	Indicators	2071/72	2072/73	2073/74	2074/75	2075/76
1	Net Profit/Gross Income	%	22.42	24.06	20.47	13.87	10.72
2	Earnings Per Share	Rs	29.22	17.01	15.96	12.64	11.20
3	Market Value per Share	Ratio	337.00	-	-	141.00	160.00
4	Price Earning Ratio	%	11.54	-	-	11.16	14.28
5	Dividend (including bonus) on share capital	%	22.60	21.58	17.12	9.50	6.80
6	Cash Dividend on share Capital	%	1.19	-	9.27	8.00	6.80
7	Interest Income/Loans & Advances	%	12.89	6.71	13.22	14.26	12.21
8	Employee Expenses/Total Operating Exps	%	11.89	12.41	13.06	10.63	59.26
9	Interest Exps on Total Deposit and Borrowings	%	5.35	2.81	5.97	7.60	6.99
10	Exchange Fluctuation Gain/Total Income	%	-	-	-	-	0.0008
11	Staff Bonus/ Total Employee Expenses	%	43.49	46.85	34.92	27.80	15.91
12	Net Profit/Loans & Advances	%	3.17	1.76	2.89	2.25	1.41
13	Net Profit/ Total Assets	%	2.27	1.32	2.14	1.56	1.07
14	Total Credit/Deposit	%	81.51	86.64	87.53	85.35	88.08
15	Total Operating Expenses/Total Assets	%	6.26	3.35	6.70	7.70	2.16
16	Adequacy of Capital Fund on Risk Weighted Assets						
a.	Core Capital	%	12.63	13.30	11.75	20.52	15.44
b.	Supplementary Capital	%	0.93	0.95	1.02	1.06	1.37
c.	Total Capital Fund	%	13.57	14.25	12.76	21.58	16.81
17	Liquidity	%	6.33	8.71	7.30	5.24	4.85
18	Non Performing Loans/Total Loans	%	0.29	1.03	1.39	1.13	0.92
19	Weighted Average Interest Rate Spread	%	6.87	6.95	4.33	5.22	4.97
20	Book Net worth	Rs	398,024,785	945,632,957	1,047,934,569	2,924,475,713	3,245,220,259
21	Total Shares	Number	3,411,958	8,043,792	8,674,853	25,401,954	25,401,954
22	Total Employees	Number	79	147	158	398	790
23	Other						

Share Capital and Ownership Details of Shareholders holding 0.5 % or more of total shares 31st Ashad 2076

S.No.	Name of Shareholders	Total Kitta	Percentage
1	Tulasa Pandey	523,857	2.09
2	Sita Acharya	392,827	1.57
3	Shreeram Pandey	301,165	1.20
4	Sitaram Uprety	284,110	1.14
5	Madan Sharma Khanal	261,127	1.04
6	Hathaway Investment Nepal Limited	236,365	0.94
7	Bhim Raj Adhikari	234,492	0.94
8	Ganesh Bahadur Shrestha	218,176	0.87
9	Baburam Pant	212,030	0.85
10	Chakrapani Bastola	205,675	0.82
11	Ram Prasad Pokharel	167,721	0.67
12	Rabi Bahadur Thapa	165,007	0.66
13	Bhim Prasad Tulachan	162,123	0.65
14	Santosh Narayan Shrestha	156,228	0.62
15	Dewan Singh Thapa	154,916	0.62
16	Omkar Gauchan	146,187	0.58
17	Raj Kumar Amatya	136,811	0.55
18	Binod Neupane	136,241	0.54
19	Deepak Kharel	136,241	0.54
20	Bharat Raj Koirala	134,756	0.54
21	Caliber Investment Company Pvt. Ltd.	130,591	0.52
22	Rajendra Nidhi Koirala	124,492	0.50

DISCLOSURE UNDER CAPITAL ADEQUACY FRAMEWORK OF NRB (BASEL II) As on 31 Ashad 2076 (16 July 2019)

1. CAPITAL STRUCTURE & CAPITAL ADEQUACY

i. Core Capital (Tier I) (NRs. '000')

Particulars	Amount
A Paid-up Equity Share Capital	2,540,195
B Share Premium	-
C Statutory General Reserve	338,868
D Proposed Bonus Equity Share	-
E Retained Earnings	19,771
F Accumulated Profit/(Loss)	316,927
G Capital Adjustment Reserve	-
H Debenture Redemption Reserve	-
I Other Free Reserve	-
J Less: Deferred Tax Assets	-
K Less: Purchase of land & building in excess of limit and unutilized	10,046
Total Core Capital (Tier I)	3,225,807

ii. Supplementary Capital (Tier II) (NRs. '000')

Particulars	Amount
A Subordinate Term Debt	-
B General Loan Loss Provision	213,229
C Investment Adjustment Reserve	66,606
D Exchange Equalization Reserve	2
Total Supplementary Capital (Tier II)	279,837

iii. Information about Subordinate Term Debt

The bank does not have any subordinated Term Debts

iv. Deduction Form Capital (NRs. '000')

Particulars	Amount
Deferred Tax Assets	-
Purchase of land & building in excess of limit and unutilized	10,046
Total	10,046

v. Total Qualifying Capital (NRs. '000')

Particulars	Amount
Total Core Capital (Tier I)	3,205,715
Total Supplementary Capital (Tier II)	279,836
Total Capital Fund (Tier I + Tier II)	3,485,551

vi. Capital Adequacy Ratio (NRs. '000')

Capital Adequacy Ratio (Percentage) 17.03%

vii. Summary of the bank's internal approach to assess the adequacy of capital to support current and future activities

The bank considers the capital adequacy requirement pursuant to the provision set by NRB. The tier 1 capital ratio of the bank as at Ashad 2076 is 15.66% and the total capital ratio is 17.04%. The bank has successfully achieved the paid up capital requirement of NRB, which is 2.5 billion. The capital adequacy is major factor that is considered in the bank's annual meeting, daily financial analysis and during ALCO meeting and Risk Management Committee meetings. The bank in its strategic planning cautiously considers the capital adequacy and projects capital adequacy required for the organization's growth.

2. Risk Exposure

i. Risk Weighted Exposure for Credit Risk, Market Risk and Operational Risk (NRs. '000')

Particulars	Amount
A Risk Weighted Exposure for Credit Risk	19,659,995
B Risk Weighted Exposure for Operational Risk	788,545
C Risk Weighted Exposure for Market Risk	795
D Add: 2% of the total RWE as per NRB Direction	-
E Add: 2% of the Gross Income as per NRB Direction	-
Total Risk Weighted Exposure (A+B+C+D+E)	20,449,334

ii. Risk Weighted Exposure under each 11 Categories of Credit Risk (NRs. '000')

S.No.	Categories	Amount
A	Balance Sheet Exposures	19,479,013
1	Claims on Government and Central Bank	-
2	Claims on Other Official Entities	-
3	Claims on Banks	692,333
4	Claims on Corporate and Securities Entities	7,699,139
5	Claims on Regulatory Retail Portfolio (Not overdue)	6,678,248
6	Claims Secured by Residential Properties	1,119,897
7	Claims Secured by Residential Properties (Overdue)	113,274
8	Claims Secured by Commercial Real Estate	147,434
9	Past Due Claims	236,438
10	High Risk Claims	1,261,585
11	Lending against securities (shares and bonds)	94,329
12	Investments in equity and other capital instruments of institutions listed in stock exchange	536,731
13	Investments in equity and other capital instruments of institutions not listed in the stock exchange	102,472
14	Other Assets	797,133
B	Off- Balance Sheet Exposures	180,982
1	Bid Bond, Performance Bond and Counter guarantee domestic counterparty	55,884
2	Irrevocable Credit commitments (short term)	125,098
Total (A+B)		19,659,995

iii. Amount of Non-Performing Assets (Gross and Net Amount) (NRs. '000')

Particulars		Gross Amount	Provision	Net Amount
A	Restructured	-	-	-
B	Sub-standard	63,636	15,909	47,727
C	Doubtful	51,838	25,919	25,919
D	Loss	82,190	82,190	-
Total		197,664	124,018	73,646

iv. Non-Performing Assets (NPA) Ratios

NPA Ratios		Percentage (%)
Gross NPA to Gross Advances		0.96%
Net NPA to Net Advances		0.37%

v. Movement of Non-Performing Assets (NRs. '000')

S.No.	Particulars	Opening Balance (Ashad End 2075)	Closing Balance (Ashad End 2076)	Movement
Non-Performing Loan				
1	Restructured Loan	-	-	-
2	Sub-standard	18,516	63,636	45,120
3	Doubtful	21,732	51,838	30,106
4	Loss	111,387	82,190	(29,197)

vi. Write Off Of Loans and Interest Suspense
 Nil

vii. Movement Of Loan Loss Provision (NRs. '000')

S.No.	Particulars	Opening Balance (Ashad End 2075)	Closing Balance (Ashad End 2076)	Movement
1	Pass	130,635	200,150	69,515
2	Watchlist	11,352	9,264	(2,088)
3	Restructure	4,629	-	(4,629)
4	Sub-standard	10,866	15,909	5,043
5	Doubtful	111,387	25,919	(85,468)
6	Loss	3,169	82,190	79,021
Total Loan Loss Provision		272,039	333,432	61,394

viii. Details of Additional Loan Loss Provision (NRs. '000')

S.No.	Particulars	Ashad End 2076
1	Pass	69,515
2	Watchlist	(2,088)
3	Restructure	(4,629)
4	Sub-standard	5,043
5	Doubtful	(85,468)
6	Loss	79,021
Total		36,462

ix. Segregation of the Bank's Investment portfolio
 Investments are segregated as per NRB Directive.

- Investment held for Trading : -
- Investment held to Maturity: 230,336,791
- Investment Available for Sales (Cost): 604,845,104

3. Risk Management Function
i. Strategies and Policies

Risk management strategies and policies are paramount to mitigating risks that are faced by banks. In addition to maintaining adequate capital, the responsibility of the bank also lies in maintaining a balance between risk and return. Therefore, effective risk management is a must for sustainability of banks. Apart from the business credit department, a separate credit risk department has been formulated, and senior level staff has been handed the responsibility of ensuring that the risk management guidelines are properly placed and executed. Regarding operation risk, operation risk management policy has been formulated and effective channels are being formed to ensure that the policies are thoroughly followed. The Asset Liability Committee looks after the market risk and meetings are held periodically to ensure that the bank takes proper decisions based on the market situations.

ii. The Structure and Organization of the Relevant Risk Management Function

A senior level staff has been appointed who is responsible to ensure that the credit risk are identified and mitigated. In operation, AML/CFT unit has been created and an experienced senior level manager has been appointed as compliance officer, who also looks after the operation risk. Customization is under process to develop sytem/software to ensure AML/CFT and other operation risks are identified and necessary actions taken. The ALCO looks after the market risk. The Asset Liability committee has members from different department and therefore identification of risk and mitigating actions are decided right promptly. Apart from this, risk management committee, consisting of board members dully considers the situations and issues of risks faced by bank and further provide directions to reduce and mitigate risks.

iii. The Scope and Nature of Risk Reporting and / or Measurement Systems

The risk identified from credit, operation and market risk department are further discussed in management meetings, ALCO meetings and are placed before the risk management committee. The internal audit department also reviews the risk at every level and reports to the audit committee. Recently, whistle blowing policy has also been formulated to ensure that the risk are timely identified and mitigated.



नेपाल राष्ट्र बैंक विकास बैंक सुपरिवेक्षण विभाग



पत्रसंख्या: वि. त्रै.सु.वि./गैरस्थलगत/कामना/०७६/७७
च.नं. ११४

कामना सेवा विकास बैंक लि.
जानेश्वर, काठमाडौं ।

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
हाल पुल्चोक, ललितपुर ।
फोन नं.: ०१-५०१०१६३
Site: www.nrb.org.np
Email: nrdbdsd@nrb.org.np
पोष्ट बक्स: ७३

मिति: २०७६/०८/१९

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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७५/७६ को वित्तीय विवरण तथा अन्य कागजातका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित एवं कार्यान्वयन गर्ने गरी संस्थाले प्रस्ताव गरेको आ.व. २०७५/७६ सम्मको मुनाफाबाट रु.१७,२७,३३,२८४।- (अक्षरेपि सत्र करोड सत्ताइस लाख तैत्तिस हजार दुइ सय चौरासी मात्र) नगद लाभांश (लाभांशमा लाग्ने कर सहित) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृत र आ.व. २०७५/७६ को वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा ३ बमोजिम स्वतन्त्र सञ्चालक नियुक्त गर्नु हुन ।
- यस बैंकबाट जारी इ.प्रा.निर्देशन नं. २१/०७५ बुँदा ९(ख) विपरित लिइएको अग्रिम भुक्तानी शुल्क सम्बन्धित ऋणीलाई फिर्ता गरी जानकारी दिनुहुन ।
- यस बैंकबाट जारी इ.प्रा.निर्देशन नं. २१/०७५ बुँदा ८(ख) को उपबुँदा ३ विपरित लिइएको विलम्ब भुक्तानी शुल्क, धितो फुकुवा शुल्क, शुष्म निगरानी शुल्क आदि सम्बन्धित ऋणीलाई फिर्ता गरी जानकारी दिनुहुन ।
- उद्देश्य नखुलेका व्यक्तिगत कर्जाहरू यस बैंकले तोकेको सीमाभित्र ल्याउनु हुन ।
- यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७५ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन ।
- आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका थप अन्य कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नु हुन ।

भवदीय,

(राकेश प्रजापति)
उप निर्देशक

बोधार्थ:

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



कामना सेवा विकास बैंक लि. |
Kamana Sewa Bikas Bank Ltd. |

(नेपाल राष्ट्र बैंकबाट 'ख' वर्गको इजाजतपत्रप्राप्त राष्ट्रियस्तरको विकास बैंक)

प.सं. ०७६/७७

च.नं. ३१३

मिति २०७६/०८/२३

विकास बैंक सुपरिवेक्षण विभाग

नेपाल राष्ट्र बैंक

बालुवाटार, काठमाडौं

विषय: वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा ।

उपरोक्त सम्बन्धमा तहाँ बैंकको मिति २०७६/०८/१९ पत्रसंख्या वि.बै.सु.वि./गैरस्थलगत/कामना/२०७६/७७ च. नं: १२२ को पत्र प्राप्त भइ व्यहोरा अवगत भयो । यस बैंकले प्रस्ताव गरे बमोजिम आ. व. २०७५/०७६ को साधारणसभाबाट स्वीकृत गरी लाभांश वितरण गर्न तथा वार्षिक साधारणसभा प्रयोजनको लागि वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गर्नु भएकोमा विशेष धन्यवाद सहित आभार प्रकट गर्दछौं । साथै तहाँबाट प्राप्त निर्देशनको सम्बन्धमा निम्नानुसार बुँदागत रूपमा जानकारीको लागि अनुरोध गर्दछौं ।

क) बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा १४ को उपदफा (३) बमोजिम यथासक्य छिटो नियुक्त गरी तहाँलाई जानकारी गराइने व्यहोरा अनुरोध गर्दछौं ।

ख) एकीकृत निर्देशन नं.२१/०७५ को बुँदा नं.९(ख) को व्यवस्था बमोजिम हुने गरी यथासक्य व्यवस्था मिलाइने व्यहोरा अनुरोध गर्दछौं ।

ग) एकीकृत निर्देशन नं.२१/०७५ को बुँदा नं.८(ख) को व्यवस्था बमोजिम हुने गरी यथासक्य व्यवस्था मिलाइने व्यहोरा अनुरोध गर्दछौं ।

घ) उद्देश्य नखुलेका व्यक्तिगत कर्जाहरु एकीकृत निर्देशन नं.२/०७५ बुँदा नं.२३ ले तोके बमोजिमको सिमामा ल्याइसकेको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

ङ) एकीकृत निर्देशन नं.१९/०७५ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी निर्दिष्ट व्यवस्था पूर्ण पालना प्रति बैंक कटिबद्ध रहेको तदानुसार निम्न कार्यहरु सम्पन्न गरिसकिएको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

१) AML/CFT कार्यान्वयनका लागि "Customer Profiling and Fraud Detection System" software खरिद गरी कार्यान्वयन गरिसकिएको ।

कामना सेवा विकास बैंक लि. |
Kamana Sewa Bikas Bank Ltd. |

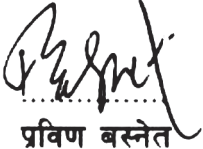
Central Office: Kathmandu-30, Gyaneshwor, Anandabhairav Marga | Tel: 01-4440115, 4440116 | Fax: +977-1-4440134 |

२) वित्तीय जानकारी इकाईमा पेश गर्नुपर्ने सीमा तथा शंकास्पद कारोवार कृयाकलापको प्रतिवेदनलाई विद्युतीय माध्यमबाट पेश गर्नका लागि आवश्यक व्यवस्था मिलाई कार्यान्वयन गरिसकिएको ।

३) यस बैंकका विद्यमान ग्राहकहरूको ग्राहक पहिचान अद्यावधिक तदारुकताका साथ गरिरहेको ।

च) आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा त्यस बैंकबाट निरीक्षण तथा सुपरिवेक्षणको क्रममा देखिएका कौफियतहरू दोहोरिन नदिन बैंक सचेत रहेको एवं प्रत्येक कौफियतहरू अनुपालना ईकाइबाट निरूपण गर्ने पद्धति लागु गरीएको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

भवदीय,



प्रविण बस्नेत

प्रमुख कार्यकारी अधिकृत



बोधार्थ:

बैंक तथा वित्तीय संस्था नियमन विभाग

नेपाल राष्ट्र बैंक

केन्द्रीय कार्यालय

बालुवाटार, काठमाडौं

विकास बैंक सुपरिवेक्षण विभाग, कार्यान्वयन ईकाइ

नेपाल राष्ट्र बैंक

केन्द्रीय कार्यालय

बालुवाटार, काठमाडौं

Jaspur Branch
Mandavi-03, Pyuthan
Phone: +977-048-606401

Jhalunge Branch
Jhalunge Syangja
Phone: +977-063-620026

Kawasoti Branch
Kawasoti-05, Nawalparasi
Phone: +977-078-541013

Kerabari Branch
Kerabari -10, Machindra Chowk, Morang
Phone: 021-403194, 021-403194

Khaireni Branch
Devdaha, Khaireni
Phone: +977-071-577495

Khairenitar Branch
Khairenitar, Tanahun
Phone: +977-065-412032

Khurkhure Branch
Khurkhure, Chitwan
Phone: +977-056-419151

Kohalpur Branch
Kohalpur-11 (Infront Of Inland Revenue Office) Bank
Phone: +977-081-540307

Kotihawa Branch
Madhawaliya, Kotihawa
Phone: +977-071-514037

Mahuli Branch
Mahuli Saptari
Phone: +977-031-411064, 411065

Narayanghat Branch
Lionschowk, Chitwan
Phone: +977-056-570206, 570207

Mirchaiya Branch
Mirchaiya-6, Katari-Chowk, Siraha
Phone: 033- 550086

Nepalgunj Branch
Nepalgunj -1, Banke
Phone: +977-081-527009

Nijgadn Branch
Nijgadn-8, Bara
Phone: +977-053-540167/053-540168

Newroad Branch
Pokhara-8, Newroad
Phone: +977-061-523011, 536358

Mainabagar Branch
Mainabagar, Rupandehi
Phone: 071-541727, 071-541644

Padajungi Branch
Padajungi Kamal Gaupalika-05, Jhapa
Phone: 023-583926, 023-583927

Palpa Branch
Shittalpati, Tansen, Palpa
Phone: +977-075-520870

Parasi Branch
Ramgram-3, Bank Road, Parasi, Nawalparasi
Phone: +977-078-521070

Pharsatikar Branch
Suddhodhan Rural Municipality Ward No - 4
Pharsatikar, Rupandehi
Phone: +977-071-400220

Saljhandi Branch
Saljhandi, Rupandehi
Phone: +977-071-465146

Sardi Branch
Binayi-Triveni-04, Sardi, Nawalparasi
Phone No: 078-505090

Sharadanagar Branch
Sharadanagar, Chitwan
Phone: +977-056-592208

Srijana Chowk Branch
Pokhara-8, Srijana Chowk
Phone: +977-061-532815

Sundarbazar Branch
Sundarbazar Municipality Ward No - 7
Main Market, Lamjung
Phone: +977-066-402375, 402376

Surkhet Branch
Birendranagar-6, Surkhet
Phone: +977-083-523539

Susta Branch
01 Susta, Nawalparasi
Phone: 01-6201599

Taulihawa Branch
Shivalaya Mandir Tol, Taulihawa, Kapilbastu
Phone: +977-076-560865

Thada Branch
Thada-3 Amarai, Arghakhanchi
Phone: +977-071-622552

Tulsipur Branch
B.P Chowk, Tulsipur-5, Dang
Phone: +977- 082-521075

Urlabari Branch
Urlabari-07, Morang
Phone: 021-541338, 541438

Waling Branch
Waling-08 Mod, Syangja
Phone: +977-063-440735

Kailashnagar Branch
Kailashnagar, Rupandehi
Phone: 071-429043

Bethari Branch
Bethari, Rupandehi
Phone: 071-425061/62

Mainahiya Branch
Mainahiya-08, Rupandehi
Phone: 9751067776

Baglung Branch
Hallanchowk, Baglung
Phone: 068-524024

Kusma Branch
Kusma Municipality Ward No - 5, Badachaur
Kusma, Parbat
Phone: +977-067-421208, 420994

Lahan Branch
Near Lahan Municipality Office, Lahan
Phone: +977-033561660

Lamahi Branch
Lamahi Municipality Ward No- 5
Koilabas Road, Dang
Phone: +977-082-540876

Lekhnath Branch
Dandakonaak, Lekhnath
Phone: +977-061-560300, 560700

Madhumalla Branch
Miklajung-09, Madhumalla Morang
Phone: 021-400106 /021-400107

Mahendranagar Branch
Campus Road, Mahendranagar, Kanchanpur, Sanchar-Chowk 18
Phone: +977-099-523138

Pathari Branch
Pathari, Morang
Phone: +977-021-556195/96

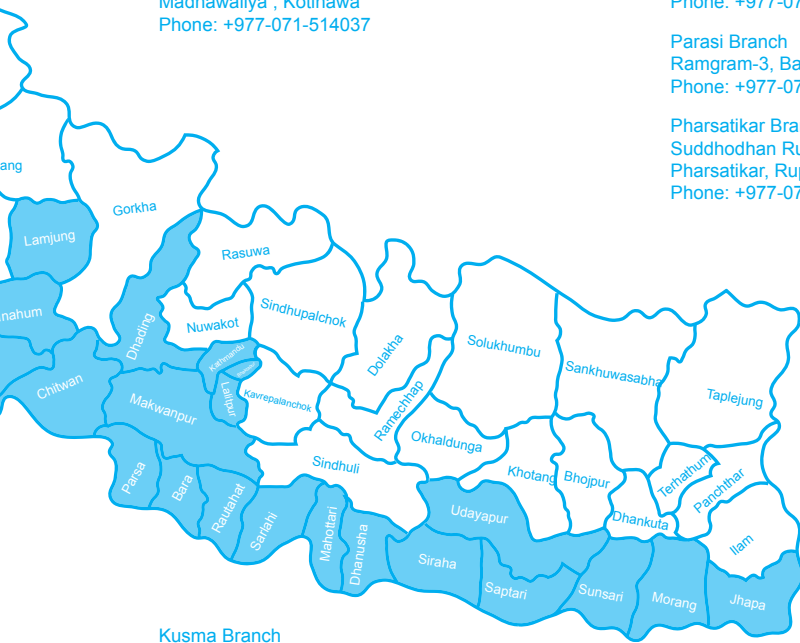
Pragatinagar Branch
Pragatinagar, Nawalparasi
Phone: +977-078-575560

Purunchaur Branch
Purunchaur, Kaski Ward No. 19, Chitepani
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Sahid Chowk Branch
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