

१८ वार्षिक प्रतिवेदन

आ.व. २०८१/०८२

18th Annual Report

FY 2024/2025



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

► निरन्तर सहयोग



CUSTOMER CARE: ०१-५९७०३६९

📍 Sunrise Biz Park, 4th Floor, Dilibazar, Kathmandu

📞 ०१-४५१३२३२, ०१-४५१३२३४

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सगरमाथा सम्म लुम्बिनीका निरन्तर सहयात्रा

विश्वको सर्वोच्च शिरकर सगरमाथाको ३१ औं पटक सफलता पूर्वक आरोहण गर्नु भएकोमा लुम्बिनी विकास बैंक लि. द्वारा आरोही श्री कामी रिता शेर्पाज्युलाई बैंकको तर्फबाट हार्दिक बधाई तथा शुभकामना।



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01

About this report

This report is a concise communication about how our Bank's purpose, strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value over the short, medium, and long term. It reflects the Bank's operating context, including regulatory, economic, and social factors that influence its ability to generate sustainable value for stakeholders.

We are pleased to present our annual report which is guided by international reporting framework issued by international integrated reporting council, for the period 1st Sharwan 2081 to 32nd Ashad 2082 in which we aim to provide a balanced, accurate and concise overview of Bank's key activities, performance and strategic decision. The scope of this report covers our financial and nonfinancial performance, including our outlook and objectives for the short term as well as the medium to long term.

Targeted readers

This report is prepared for a broad range of stakeholders who have an interest in the Bank's ability to create and sustain value. These includes shareholders, regulators, investors, customers, employees, government authorities, and society at large. The content of this report reflects matters that are important to these stakeholders and their relationship with the Bank.

Reporting guidelines

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

As integrated reporting is not mandatory for Nepalese organizations, so this report does not fully comply with all the requirements of the Integrated Reporting <IR> Framework issued by International Integrated Reporting Council(IIRC). However, the Bank has adopted the guiding principles and content elements of the framework to the extent considered appropriate by management.

Materiality

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

Forward-looking statements

Certain statements in this report on our financial performance, operations and strategy may be considered as forward-looking statements or forecast. These statements are based on current assumptions and expectations and are subject to risks and uncertainties beyond the Bank's control, and which may cause the actual results to differ substantially from those implied or expressed by the forward-looking statements. Our auditors have not reviewed or assured these statements.

Combined assurance and independent assessment

We used a coordinated combined assurance process to assess and assure various aspects of the business operations, including elements of external reporting. Internal assurances were obtained from management and the Board. Our annual financial statements were externally audited by Shyam Karki & Co, our auditors.

LETTER OF TRANSMITTAL

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

Subject: Transmittal of Annual Financial Report 2081-82

Annual Report for the year ended Ashadh 32nd, 2082

Dear Stakeholder,

I am pleased to submit Lumbini Bikas Bank Limited's Annual Financial Report for the fiscal year 2081-82. The report provides a comprehensive overview of the bank's strategic initiatives, responses to the evolving external environment, diverse product portfolio, value-added activities, and stakeholder engagements. It also includes a detailed analysis of financial highlights and key performance indicators, showcasing LBBL's continued resilience and adaptability in the dynamic financial landscape.

The enclosed financial statements offer a transparent and accurate view of LBBL's financial health, prepared in compliance with relevant accounting standards. This year's report also underscores the bank's strengthened commitment to corporate social responsibility and sustainable business practices, aligning with our vision of long-term value creation. Furthermore, the report includes the Board of Directors' commentary, governance practices, and risk management strategies, providing stakeholders with a comprehensive understanding of the bank's operations. We trust that this report will serve as a valuable resource of information for shareholders, regulators, and other stakeholders, reflecting our efforts to enhance transparency and accountability.

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

Yours sincerely,

Naresh Singh Bohra
Chief Executive Officer



लुम्बिनी विकास बैंक लिमिटेडको

अठारौं वार्षिक साधारण सभा सर्वबन्धी सूचना

तथा संक्षिप्त वार्षिक आर्थिक विवरण

(प्रथम पटक प्रकाशित मिति: २०८२/९/९ गते, अभियान राष्ट्रिय दैनिक)

१८ औं वार्षिक साधारण सभा बस्ने सर्वबन्धी सूचना

आदरणीय शेयरधनी महानुभावहरू,

यस लुम्बिनी विकास बैंक लि.को मिति २०८२ साल पौष ८ गते बसेको सञ्चालक समितिको ५१५ औं बैठकको निर्णय बमोजिम विकास बैंकको १८ औं वार्षिक साधारणसभा निम्न लिखित मिति, समय र स्थानमा देहायका बिषयहरू उपर छलफल गरी निर्णय गर्न बस्ने भएकोले कम्पनी ऐन २०६३ को दफा ६७ को व्यवस्था अनुसार सम्पूर्ण शेयरधनी महानुभावहरुको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०८२ पौष ३० गते, बुधबार, (तदनुसार सन् १४ जनवरी, २०२६)

समय : बिहान १०:०० बजे देखि

स्थान : अमृतभोग, कालिकास्थान, काठमाडौं

छलफलका बिषयहरू :

क) सामान्य प्रस्तावहरू :

- १) आर्थिक वर्ष २०८१/८२ को सञ्चालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरि पारित गर्ने ।
- २) लेखापरीक्षकको प्रतिवेदन सहित २०८२ आषाढ मसान्तको वासलात, नाफा नोकसान हिसाब तथा सोही अवधिको नगद प्रवाह विवरण तथा तत् सम्बन्धी अनुसूचीहरू छलफल गरी पारित गर्ने ।
- ३) कम्पनी ऐन, २०६३ को दफा १११ तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ मा भएको व्यवस्था अनुसार बैंकको लेखापरीक्षण समितिको सिफारिस बमोजिम आर्थिक वर्ष २०८२/८३ को लागि बाह्य लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने । (वर्तमान लेखापरीक्षक श्री श्याम कार्की एन्ड कम्पनी, चार्टर्ड एकाउण्टेण्टस् पुनः नियुक्तिको लागि योग्य हुनुहुन्छ ।)
- ४) कम्पनी ऐन २०६३ बमोजिम बैंकमा रिक्त रहेको सञ्चालक पदमा मिति २०८२/०२/०८ मा गरिएको श्री प्रजन प्रधानज्यूको नियुक्तिलाई अनुमोदन गर्ने ।

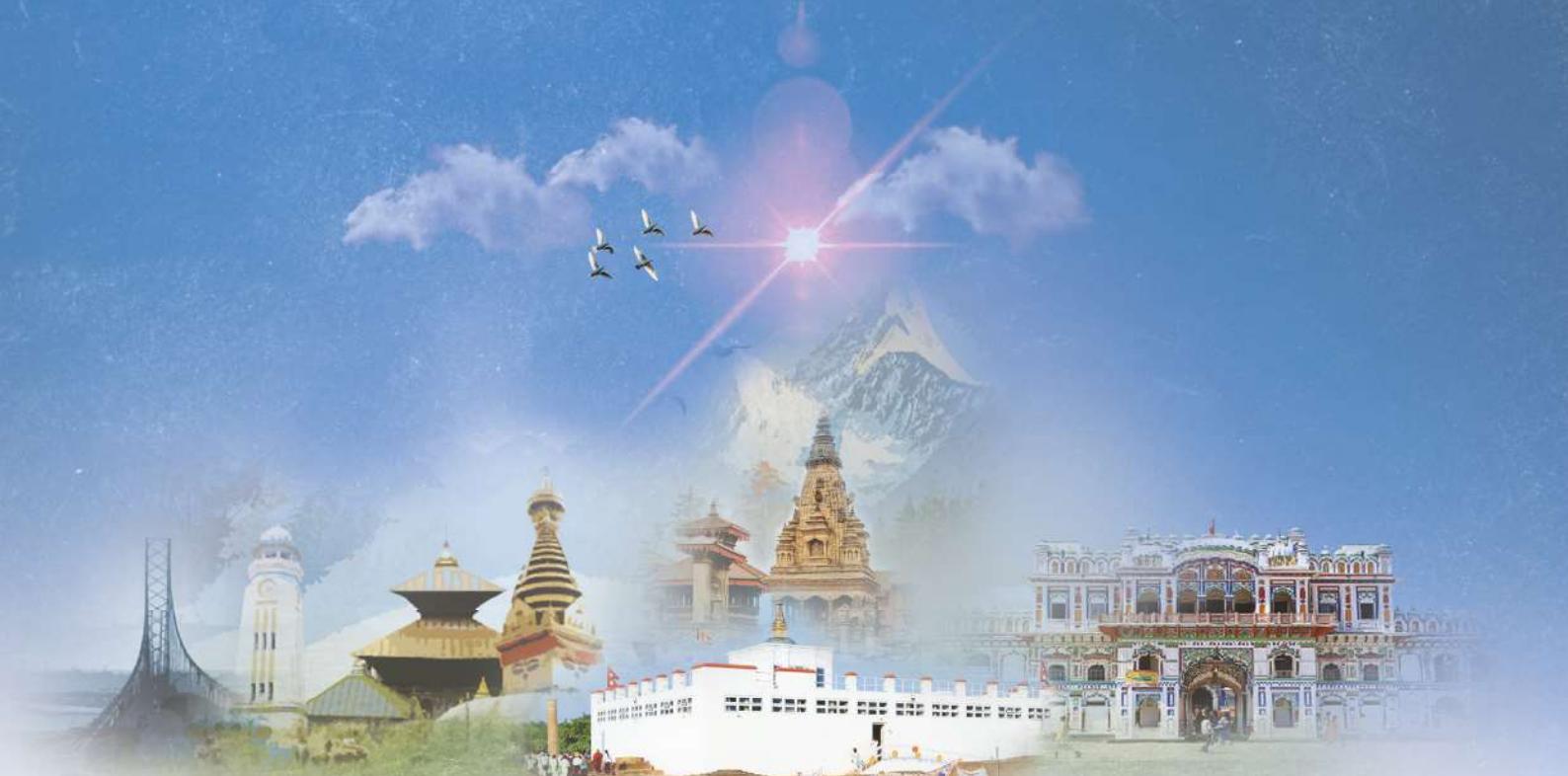
ख) विशेष प्रस्तावहरू :

- १) यस विकास बैंक अन्य कुनै बैंक तथा वित्तीय संस्थामा गाभ्ने/गाभिने वा एक्विजिसन (प्राप्ती) सम्बन्धी उपयुक्त प्रस्ताव आएमा सो कार्यका लागि समझदारीपत्रमा हस्ताक्षर गर्न, सम्पत्ति दायित्व तथा कारोबारको मूल्याङ्कनकर्ता नियुक्त गर्न तथा निजको पारिश्रमिक निर्धारण गर्न लगायत अन्य सम्पूर्ण प्रक्रिया पुरा गर्न सञ्चालक समितिलाई अस्तित्यारी प्रदान गर्ने ।
- २) बैंकले आ.ब. २०८१/८२ मा संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा सहायता प्रदान गर्दा कम्पनी ऐनको दफा १०५(१)(ग)ले निर्धारण गरेको सीमा भन्दा बढी भएको खर्चलाई अनुमोदन गर्ने ।

वार्षिक साधारण सभा सम्बन्धी जानकारी

१. वार्षिक साधारण सभा प्रयोजनको लागि मिति २०८२/०९/२१ गते (१) एक दिन बैंकको शेयरधनी दर्ता किताव बन्द गर्ने निर्णय गरिएको छ। शेयरधनी दर्ता किताव बन्द भएको मिति २०८२/०९/२१ गते भन्दा अगाडि अर्थात मिति २०८२/०९/२० गते सम्ममा नेपाल स्टक एक्सचेन्ज लिमिटेडमा नियमानुसार कारोबार भई सि.डि.एस. एण्ड क्लियरिड लिमिटेडवाट राफसाफ समेत भई प्रचलित नियमानुसार यस विकास बैंकको शेयर रजिस्ट्रर श्री मुक्तिनाथ क्यापिटल लिमिटेड, का.म.न.पा. वडा नं. १, नारायण चौर, नक्सालमा रहेको शेयरधनी दर्ता किताबमा अद्यावधिक भई कायम हुन आएका शेयरधनीहरु मात्र साधारण सभामा भाग लिन र मतदान गर्न योग्य हुनुहुन्छ।
२. साधारण सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले सभा हुने दिन सक्कल शेयरधनी प्रमाणपत्र वा प्रवेशपत्र वा हितग्राहीखाता (DEMAT A/C) को विवरण सहित आफ्नो परिचय खुल्ने प्रमाण (जस्तै: नागरिकता प्रमाणपत्र वा अन्य कुनै परिचयपत्र) साथमा लिई आउनु हुन अनुरोध छ।
३. शेयरधनी महानुभावहरूले उपस्थिति पुस्तिकामा दस्तखत गर्न शेयरधनी उपस्थिति पुस्तिका बिहान ९:०० बजे देखि नै खुल्ला गरिने छ।
४. शेयरधनीले प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफ्नो नाममा रहेको सम्पूर्ण शेयरको प्रतिनिधि (प्रोक्सी) एकजना व्यक्तिलाई मात्र मुकर गर्नु पर्नेछ। एकभन्दा बढी व्यक्तिलाई अछितयारनामा दिएमा पहिलो पटक दर्ता हुन आएको अछितयारनामालाई मान्यता दिइनेछ र पछिल्लो पटक दर्ता हुन आएको अछितयारनामा स्वतः बदर हुनेछ। संगठित संस्थाका शेयरधनीको हकमा संस्थाले तोकि खटाएको वा मनोनित गरेको प्रतिनिधिते साधारण सभामा भाग लिन पाउनु हुनेछ।
५. साधारण सभामा भाग लिन तथा मतदान गर्नका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले तोकिएको ढाँचामा यस विकास बैंकको शेयरधनीलाई मात्र प्रतिनिधि (प्रोक्सी) नियुक्त गर्न सक्नुहुनेछ। प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको निवेदन सभा शुरु हुन भन्दा कम्तीमा ४८ घण्टा अगावै विकास बैंकको केन्द्रीय कार्यालय, डिल्लीबजार, काठमाडौंमा दर्ता गराइ सक्नु पर्नेछ।
६. प्रतिनिधि नियुक्त गरिसक्नु भएको शेयरधनी आँफै सभामा उपस्थित भई उपस्थिति पुस्तिकामा दस्तखत गर्न चाहेमा सो को लिखित सूचना दिई प्रतिनिधि (प्रोक्सी) बदर गर्न सक्नु हुनेछ।
७. नाबालक वा विक्षिप्त व्यक्ति शेयरधनीको तर्फबाट यस विकास बैंकको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन, मतदान गर्न र प्रतिनिधि तोकन पाउनु हुनेछ तर संरक्षक आँफै शेयरधनी नभएमा संरक्षकले अरु शेयरधनीको प्रतिनिधि (प्रोक्सी) भई सभामा भाग लिन सक्नुहुने छैन। संयुक्त रूपमा शेयर लिने शेयरधनीहरूको हकमा त्यस्तो शेयरधनीहरु मध्येबाट सर्वसम्मत रूपमा मनोनित प्रतिनिधिले वा सो बमोजिम कुनै प्रतिनिधि नियुक्त नभएमा शेयरधनीहरूको दर्ता किताबमा पहिलो नाम उल्लेख भएको शेयरधनीले मात्र साधारण सभामा भाग लिन तथा मतदान गर्न पाउनु हुनेछ।
८. शेयरधनीहरूबाट उठेका प्रश्न, जिज्ञासा वा मन्त्रव्यहरूको सम्बन्धमा सञ्चालक समितिको तर्फबाट सभाका अध्यक्ष वा अध्यक्षबाट तोकिएको व्यक्तिले जवाफ दिनुहेछ।
९. साधारण सभा सम्बन्धी अन्य जानकारीका लागि लुम्बिनी विकास बैंक लि.को केन्द्रीय कार्यालय, डिल्लीबजार, काठमाडौंमा कार्यालय समय भित्र सम्पर्क गर्नुहुन वा हाप्रो वेवसाइट धथधागिदल्लद्धबकदबलपा अरु मा हेर्नुहुन अनुरोध छ।
१०. सुरक्षाको दृष्टिकोणले शेयरधनी महानुभावहरु सभा स्थलमा आउँदा भोला वा अन्य शंकास्पद कुनै बस्तु नहिई आउनु हुन अनुरोध गरिन्छ। सुरक्षाकर्मीले आवश्यक देखेमा सुरक्षा जाँच समेत गर्न सक्ने भएकोले आवश्यक सहयोग गरिदिनु हुन अनुरोध गरिन्छ।

सञ्चालक समितिको निर्णयानुसार
कम्पनी सचिव



लुम्बिनी विकास बैंक लिमिटेड

प्रोक्सी फारम

(कम्पनी ऐन २०८३ को दफा ७१ को उपदफा(३) संग सम्बन्धित)

श्री सञ्चालक समिति
लुम्बिनी विकास बैंक लिमिटेड
डिल्लीबजार, काठमाडौं।

विषय: प्रतिनिधि नियुक्त गरेको बारे।

महाशय,

..... जिल्ला गा.पा./न.पा./म.न.पा. वडा नं. बस्ने म
..... ले त्यस विकास बैंकको शेयरधनीको हैसियतले मिति २०८२/०९/३० का दिन हुने १८ औं वार्षिक साधारण सभामा स्वयं उपस्थित भई^१
छलफल तथा मतदानमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि
.... जिल्ला गा.पा./न.पा./म.न.पा., वडा नं. बस्ने त्यस विकास बैंकका शेयरधनी श्री
..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएको छु।

प्रतिनिधि नियुक्त भएको व्यक्तिको :

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

निवेदकको

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

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

कम्पनी सचिव

लुम्बिनी विकास बैंक लिमिटेड

डिल्लीबजार, काठमाण्डौ

लुम्बिनी विकास बैंक लिमिटेडको मिति २०८२/०९/३० का दिन हुने
१८ औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको

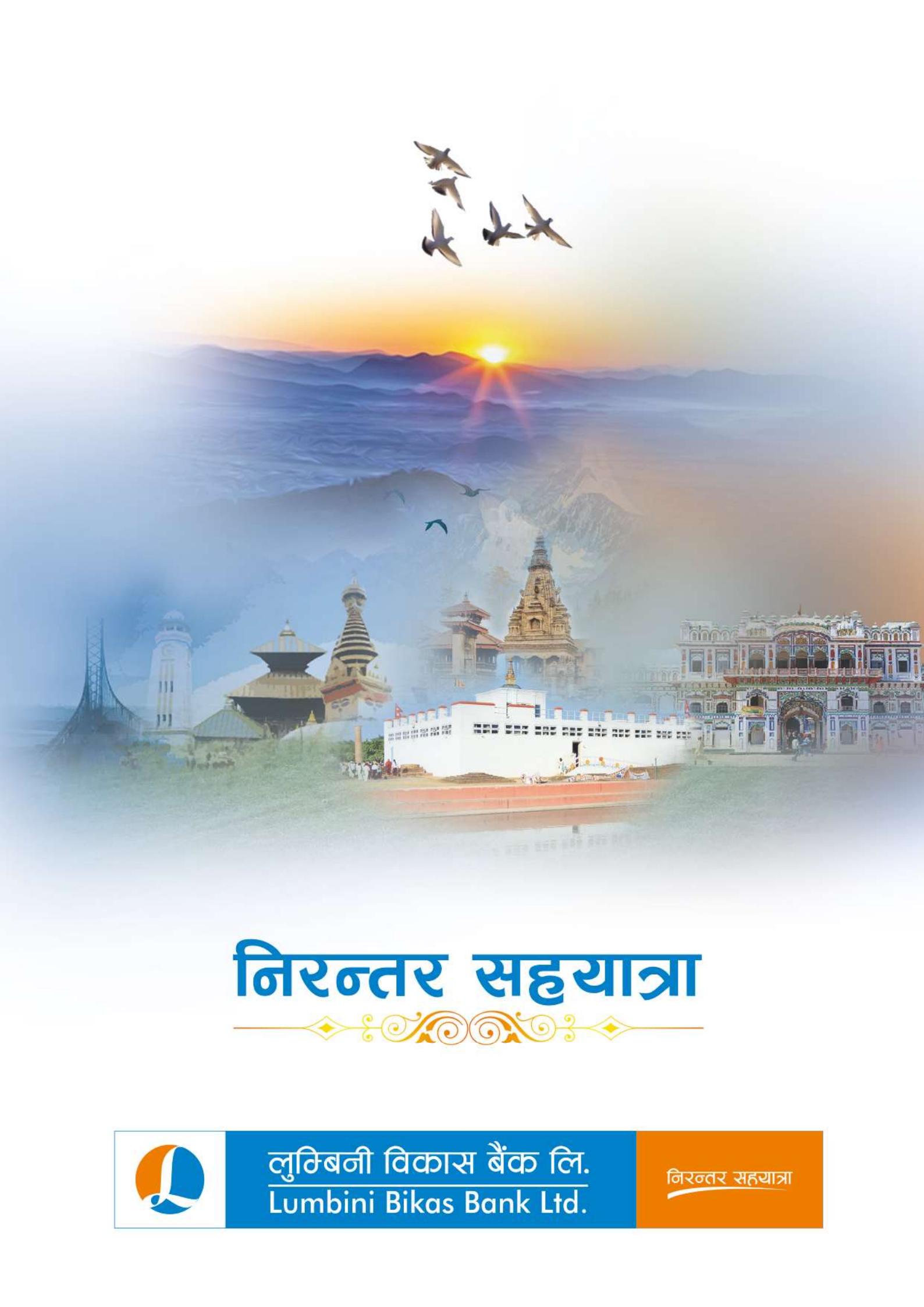
प्रवेश-पत्र

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

शेयरधनीको हस्ताक्षर

कम्पनी सचिव

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



निरन्तर सहयोगी



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहयोगी



02

Organizational overview and external environment

Organizational Overview

Lumbini Bikas Bank Limited (LBBL) is a national level development bank licensed by Nepal Rastra bank as a B -category financial institution under the Bank and Financial Institutions Act, 2073. The Bank, which started with a determination to provide banking services based on a client-centric approach and inclusive growth, has developed to become a reliable financial service provider to individuals, businesses, and communities in Nepal.

In its 18 years of operation, and after the successful merger of several financial institutions, LBBL has optimized its balance sheet, its positions of governance, and its operations. The Bank has extensive network of 89 banking branches and 1 extension counter, 20 ATM machines and online platforms through which it offers diversified banking and financial services to a large customer base. By the end of the reporting period, the Bank has a workforce of 620 employees, 4,54,254 of deposit customers as well as 18,665 of credit borrowers.

The business model of the LBBL lies in responsible intermediation by mobilizing deposits and directing money to productive sectors of the economy without neglecting sound risk management and observing regulatory requirements. The Bank is specialized in retail banking, financing to small and medium-sized enterprises (SME), agricultural financing, and priority-sector financing, thus making a contribution to financial inclusion and sustainable economic growth. LBBL has been continuously improving itself, in order to serve the stakeholders in the most appropriate way.

Purpose, vision, and values

The Bank operates with the aim of generating a long-term value to the stakeholders by providing reliable, accessible and innovative financial solutions as well as being supportive to the national economic priorities. Our vision focuses on customer-centricity, operational excellence, and sustainable growth with the core values of integrity, transparency, accountability, and service excellence. The bank has always been driven by continuous quality services to its customers. These values have formed our culture and decision making process, to make sure that there is convergence between the strategy, governance, and day to day operations.

Bank has made efforts to ensure that it provides the catalogue of banking services it offers in a manner that it does not have any rivals, having completed the 18th Fiscal Year (and Eight years after the last merger of Vibor Society Development Bank and Lumbini Finance and Leasing Co. Ltd. on 25th Ashad '2074).





MISSION



VISION



DIRECTION

VISION, MISSION AND STRATEGIC DIRECTION

Vision Statement

To be a dynamic and trusted development bank in Nepal, recognized for excellence in customer-centric financial services, sustainable growth, and impactful contributions to economic development.

Mission Statement

To deliver innovative, reliable, and inclusive banking solutions that empower individuals, businesses, and communities; to expand access to financial services across the nation; and to continuously enhance stakeholder value through prudent governance, operational excellence, and responsible growth.

Overall Strategic Objectives

The Bank's strategic objectives are designed to support sustainable growth while maintaining financial stability and regulatory compliance:

- Strengthen Asset Quality:**
Focus on prudent credit growth, effective credit risk management, and reduction of non-performing assets.
- Enhance Profitability and Efficiency:**
Improve operating efficiency, diversify income sources, and optimize cost management to strengthen financial performance.
- Promote Financial Inclusion:**
Expand access to banking services for underserved communities, SMEs, and priority sectors in line with NRB directives.
- Support Green and Sustainable Finance:**
Increase financing to environmentally sustainable projects and integrate green banking principles into operations.
- Strengthen Governance and Risk Management:**
Maintain robust corporate governance, internal control systems, and compliance with NRB regulations and international best practices.
- Leverage Digital Transformation:**
Enhance digital banking platforms and service delivery channels to improve customer experience and operational resilience.



“ **ISSUER RATING**

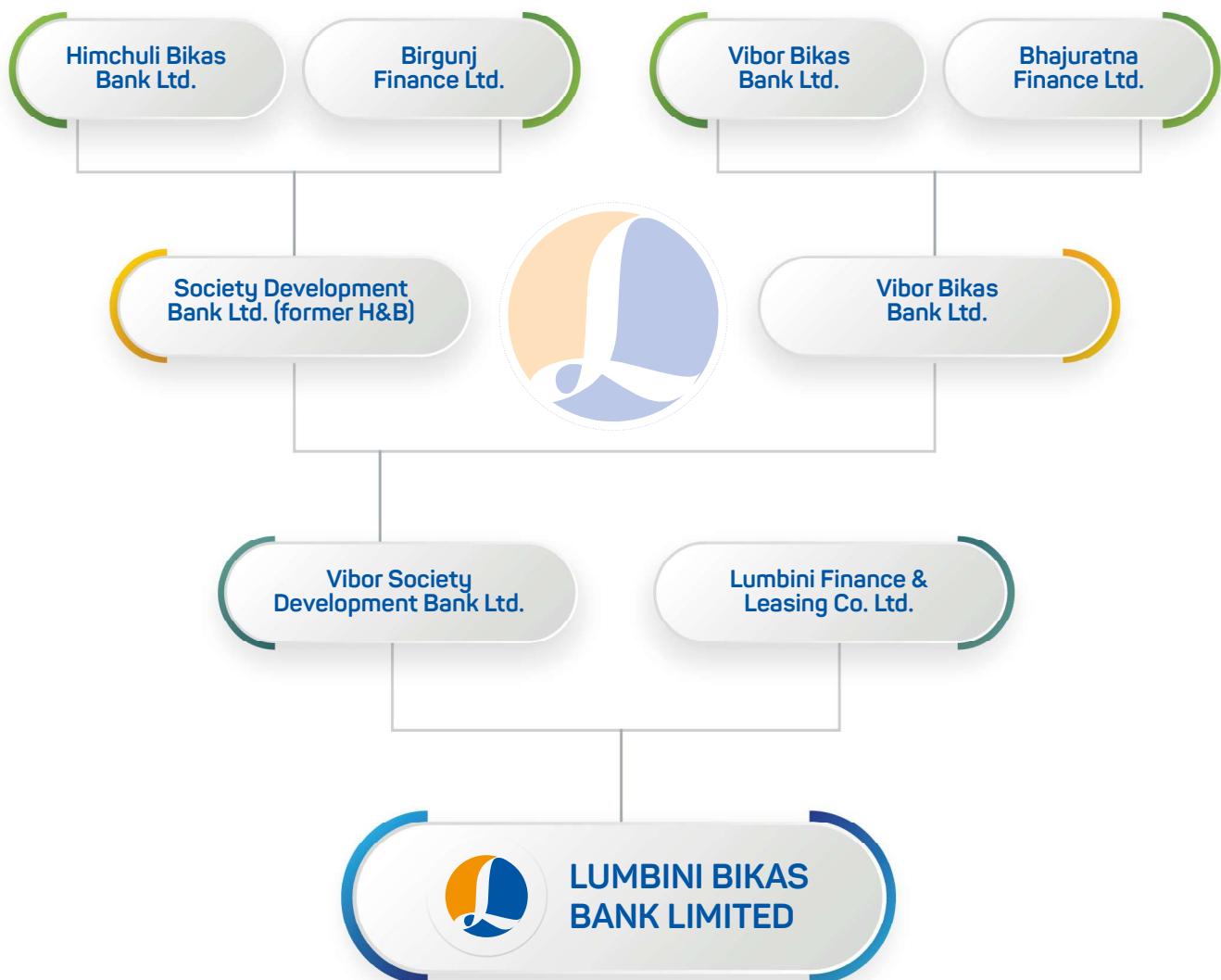
The development bank has received a Watch with Negative Implications BB@rating from ICRA Ratings Nepal Ltd.

ICRA Nepal has reaffirmed the issuer rating assigned to Lumbini Bikas Bank Limited (LBB) with continuation of 'Watch with Negative Implications' at [ICRANP-IR] BB@ (pronounced ICRA NP issuer rating double B). Issuers with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any debt instrument. The continuation of rating watch with negative implications factors in the sustained pressure in the bank's asset quality profile.

LBB has adequate track record of operation. The bank also has a fair track record of post-merger operations, given that the most recent merger/ acquisition took place between 2012 to 2017. Through organic/inorganic measures, LBB has scaled up and gained decent market share in the Nepalese class B banking industry. Further, the bank's network of 89 branches contributes to the portfolio growth, operational efficiency and portfolio granularity. The rating has also derived some comfort from the bank's adequate capitalisation at overall capital to risk weighted assets ratio (CRAR) levels.



OUR HISTORY & TIMELINE

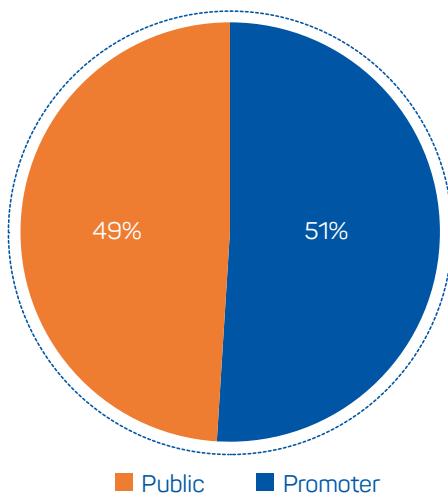


Lumbini Bikas Bank Ltd. stands out as a single entity after successful merger from five institutions viz Bhajuratna Finance Ltd., Birgunj Finance Ltd., Himchuli Bikas Bank Ltd., Lumbini Finance & Leasing Co. Ltd. and Vibor Bikas Bank Limited.

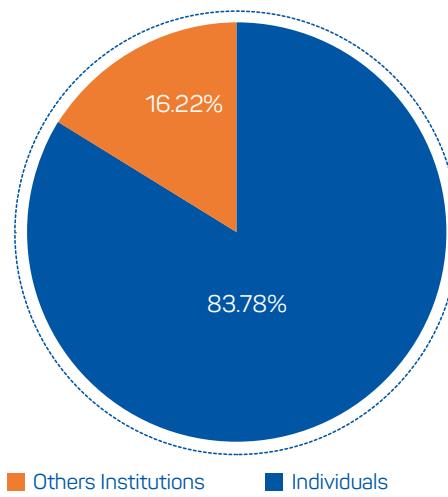
Shareholding Structure

The shareholding structure of the Bank's current paid-up capital comprises 51.01% promoter shareholding and 48.99% public shareholding. The shareholding consists of individual and institutional investors, of which individual shareholders hold 83.78% and institutional investors hold 16.22% of the total shareholding.

Share Holding Pattern %

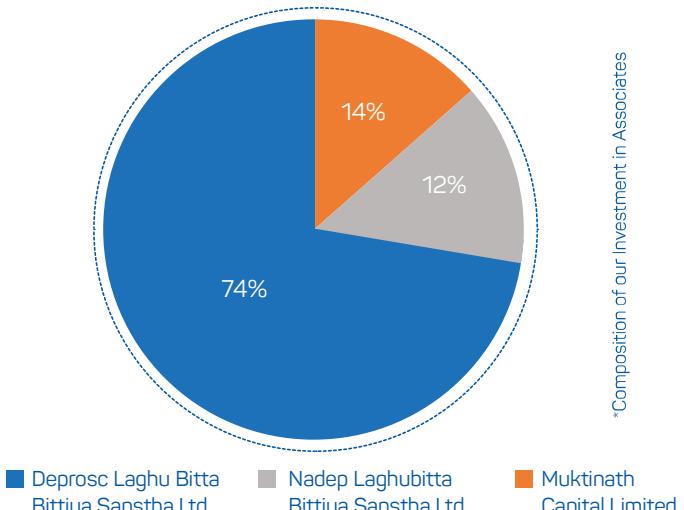


% Share Holding Structure



Our Associates

The Bank has strategic investments in associate entities operating within the financial services sector. As at the reporting date, the Bank holds Board-level representation in the following associate institutions. These investments support strategic collaboration, diversification, and long-term value creation while adhering to prudent governance standards.



*Composition of our Investment in Associates

Associate Entity	Nature of Business	Level of Influence	Our % Holding	Board Representation
Muktinath Capital Ltd.	Merchant Banking	Significant influence	19.75%	Yes
Deprocs Laghubitta Bittiya Sanstha Ltd.	Microfinance	Significant influence	12.76%	Yes
NADEP Laghubitta Bittiya Sanstha Ltd.	Microfinance	Significant influence	10%	Yes

BOARD OF DIRECTORS PROFILE

Mr. Chintamani Bhattarai | (Promoter Group)

Mr. Chintamani Bhattarai, holds Master degree in Business Administration from Tribhuwan University, has been involved in leadership and management role in various Financial Institutions with over 3 decades of experience in the field. He is currently

Chairman of Lumbini Bikas Bank Ltd. Mr. Bhattarai is Management alumni of an Indian Institute and has done special courses in Corporate Governance (IIM Bangalore) and Information Technology (IIM Ahmedabad) India. Mr. Bhattarai's extensive

involvement with Rotary International is highly noticeable as District Governor of Rotary International, District 3292, Nepal & Bhutan in year 2018/19. He has been associated with Lumbini Bikas Bank Limited since its inception as a Director, MD, Chairman.

Mr. Ram Chandra Sigdel

(Promoter Group)

Mr. Ram Chandra Sigdel, holds MA, MCJ degree from Purbanchal University, has more than a decade's experience in leadership and management field, as Board Director of Banking and Financial Institution. He has been associated with academic sector as well as in business sector. Currently, he is associated with Tanahun Sewa Hospital Pvt. Ltd. as a Director and also associated with BVM Investment Co; as a Chairperson. He has been associated with Lumbini Bikas Bank Limited since Bhadra, 2075 as a Director.

Mr. Arjun Thapa | (Public Group)

Mr. Arjun Thapa an MBA degree holder from Tribhuwan University with more than 26 years of experience in different commercial banks with wide range of banking exposures. He has been associated with Lumbini Bikas Bank Limited since Poush 2079, as a Director.

Mr. Ganesh Raj Regmi | (Public Group)

Mr. Ganesh Raj Regmi, holds a Master degree in Management from Tribhuwan University, having professional experience with over two decades of exposure in Auditing and finance field. Mr. Regmi is Associated with Sambriddhi Investment Pvt. Ltd. He has been associated with Lumbini Bikas Bank Limited since Poush 2079, as a Director.

Mr. Prajan Pradhan

(Promoter Group)

Mr. Prajan Pradhan is an Advocate (License No. 12527) and a seasoned banking and financial services professional with over two decades of experience across commercial banks, development banks, financial institutions and consultancy roles in Nepal. He holds a Master's degree in Business Studies and a Bachelor's degree in Law, combining strong legal acumen with deep expertise in banking operations, credit administration, corporate governance and risk management.

Mr. Pradhan has served in senior leadership positions including Managing Director, Director, Senior Manager, Branch Manager, Company Secretary and Head of Credit Administration in reputed institutions such as Kumari Bank Limited, Siddhartha Bank Ltd, Deva Bikas Bank Limited, Vibor Bikas Bank Limited and Lumbini Bikas Bank Limited. He is widely recognized for his specialization in Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT), having conducted numerous training, workshops, conferences and institutional risk assessments

for banks, financial institutions, cooperatives and government agencies.

In addition to his executive roles, he is an experienced consultant, trainer and conference facilitator, contributing to national-level AML/CFT frameworks, feasibility studies and policy-related handbooks for regulatory and revenue authorities. He is a member of the Appellate Court Bar Association, Lalitpur, and is fluent in Nepali, English, Hindi and Newari. He has been associated with Lumbini Bikas Bank Limited since Jestha, 2082 as a Director.

Mr. Keshav Khatiwada

(Public Group)

Adv. Keshav Khatiwada, holds a Master degree in Business Studies and a Master of Laws (LL.M.) in Business and International Trade Law. He is a practicing advocate with over a decade of professional experience in the legal field, during which he has been extensively involved in both litigation and advisory services.

Mr. Khatiwada, currently serves as an Executive Board Member of the High Court Bar Association, Patan, where he actively contributes to institutional governance, professional ethics, and the advancement of the legal profession. In addition, he is a Member

of the Constitutional Committee of the Nepal Bar Association, participating in deliberations and policy discussions related to constitutional interpretation, legal reform, and the rule of law in Nepal.

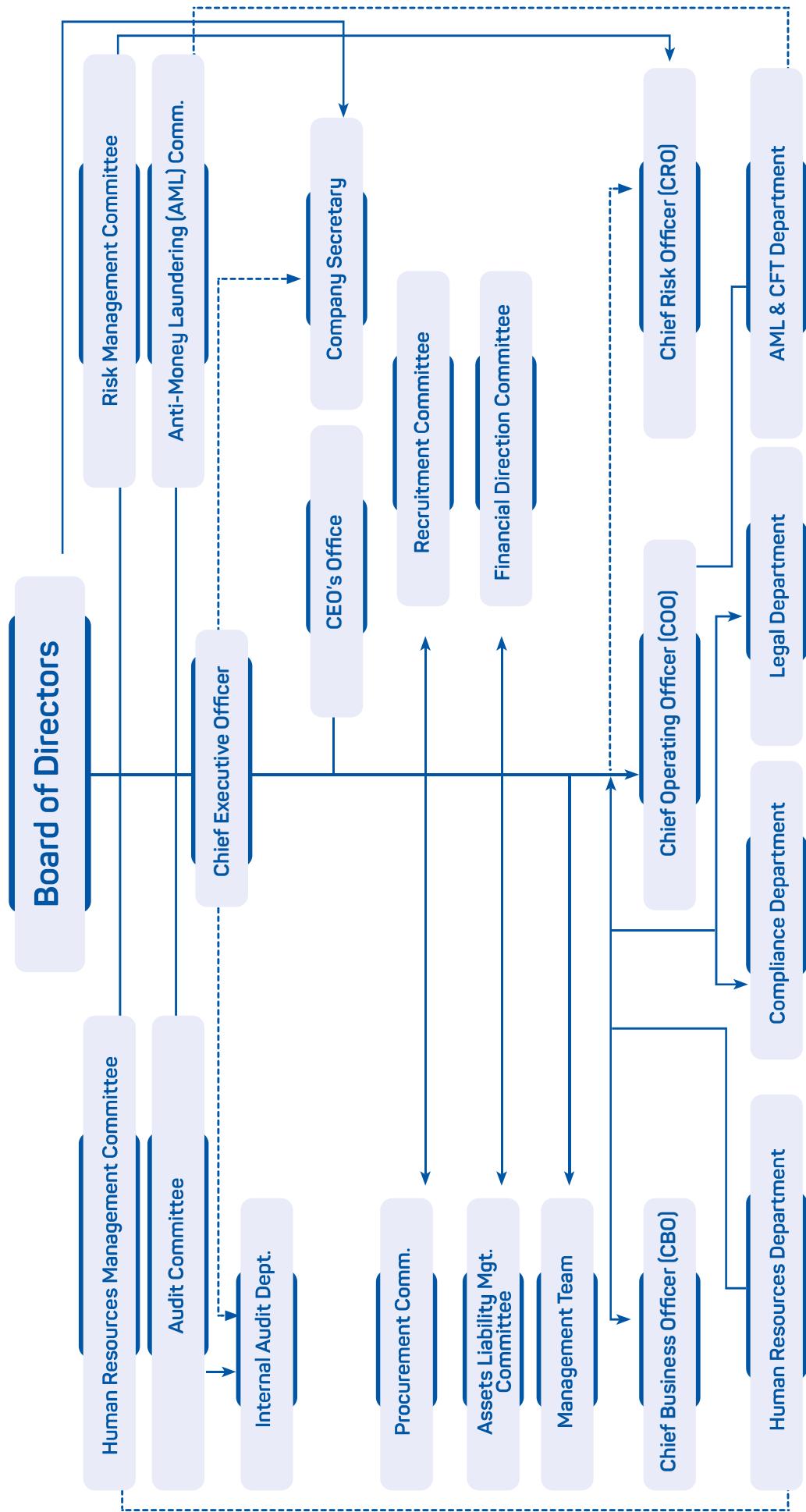
His academic background in business studies, combined with advanced legal training in Business and International trade Law, enables him to provide informed legal counsel on corporate, commercial, and regulatory matters. Throughout his career, Mr. Khatiwada has demonstrated a strong commitment to legal excellence, professional development, and the strengthening of legal institutions in Nepal. He has been associated with Lumbini Bikas Bank Limited since Falgun 2076, as a Director.

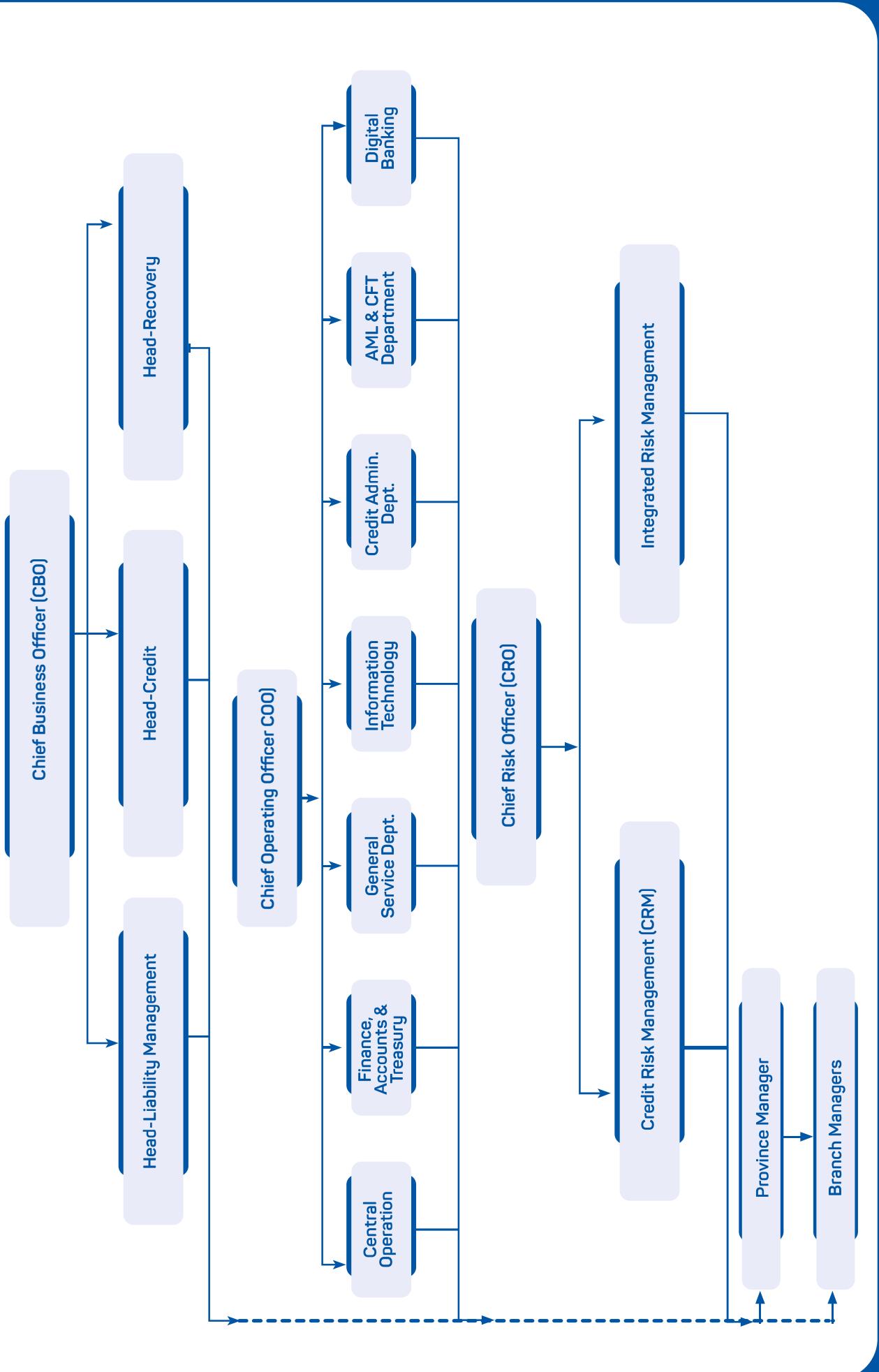
Mr. Jaya Dev Shrestha

(Independent)

Mr. Jaya Dev Shrestha With over 32 years' experience in public sector financial management and five years as an Accounts Member in Debt Recovery Tribunal. Expertise spans budgeting, audit, treasury management, tax administration, financial administration, and project oversight. He holds a Master's in Public Administration, a Master's in Business Administration, and a Bachelor's in Law from Tribhuvan University. He has been associated with Lumbini Bikas Bank Limited since Falgun 2080, as a Director.

Our Organizational Structure





सञ्चालक समिति

BOARD OF DIRECTORS



► बायाँ तर्फबाट ऋमराश...

चिन्तामणी भट्टराई
अध्यक्ष

प्रजन प्रधान
सञ्चालक

राम चन्द्र सिंहदेल
सञ्चालक



अर्जुन थापा
सञ्चालक

गणेश राज रेणी
सञ्चालक

केशव खतिवडा
सञ्चालक

जयदेव श्रेष्ठ
सञ्चालक

व्यवस्थापन समूह MANAGEMENT TEAM



► बायाँ तर्फबाट ऋमर...

सुमन आचार्य
नायब प्रमुख
कार्यकारी अधिकृत

नरेश सिंह बोहरा
प्रमुख कार्यकारी अधिकृत

उमेश रेण्मी
नायब प्रमुख
कार्यकारी अधिकृत



दिपेन्द्र मान चुई चुई
वरिष्ठ प्रबन्धक

दिपक खनाल
मूरख्य प्रबन्धक

हरि कृष्ण सुवेदी
मूरख्य प्रबन्धक

मेषराज गौतम
वरिष्ठ प्रबन्धक

विभागीय प्रमुखहरू

DEPARTMENT HEADS



► बायाँ तर्फबाट क्रमश...

सुकदेव पहारी
प्रमुख-सञ्चालन

टिप बहादुर रावल
प्रमुख-सामान्य प्रशासन

विशाल जोशी
प्रमुख-सूचना प्रविधि
डिजिटल बैंकिङ् र
AML CFT



सुजन भट्टराई
प्रमुख-वित
लेखा तथा कोष

लक्षण फुयाल
प्रमुख कानून

जगदिश बस्ताकोठी
प्रमुख-कर्जा प्रशासन

प्रेम लाल बस्याल
प्रमुख मावन संशाधन



OUR MANAGEMENT OF LUMBINI BIKAS BANK LIMITED

The management of Lumbini Bikas Bank Limited comprises the Chief Executive Officer and senior executives of the Bank, including the Deputy Chief Executive Officer. The management team is responsible for the day-to-day operations of the Bank and for implementing the strategies, policies, and budgets approved by the Board of Directors. Management plays a key role in overseeing organizational performance, ensuring regulatory compliance, and achieving the Bank's strategic objectives.

Our Executive Management Team

Mr. Naresh Singh Bohra, CEO

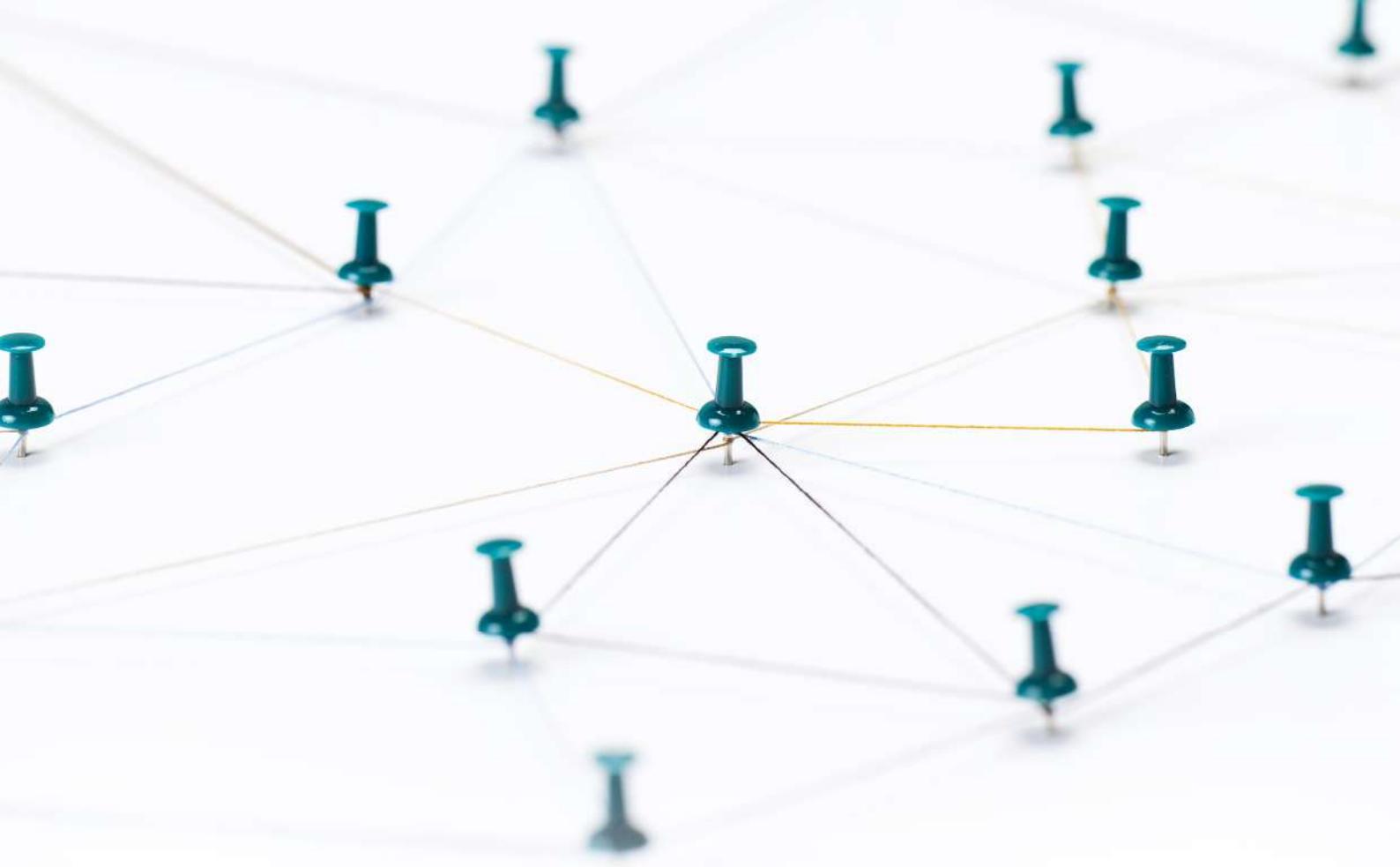
An MBA Degree holder from MONIRBA, University of Allahabad, India, Mr. Bohra has been in the field of Banking for more than two decades. He had started his banking career with Nepal Bangladesh Bank Limited and joined Lumbini Bikas Bank Limited on 2nd Shrawan 2075, as Chief Executive Officer. He was reappointed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

Mr. Umesh Regmi, DCEO

Executive MBA Degree holder from Purbanchal University and CA Intermediate from The Institute of Chartered Accountants of Nepal, Mr. Regmi has 21 years of experience in Banking/Financial sector. He worked in executive levels including CEO in various BFIs, is currently working as Deputy Chief Executive Officer with Lumbini Bikas Bank Limited.

MR. Suman Acharya, DCEO

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



OUR NETWORK & BRANCHES

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

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

ATM Network

Head Office: Dillibazar

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

EXTERNAL ENVIRONMENT ANALYSIS AND SUSTAINABILITY

Environment and Sustainability:

Lumbini Bikas Bank has been performing on Sustainability front through a multi fold approach viz. management of social and environmental risks in strategic decision making, lending and developing innovative products and services. The bank has been conducting environmental protection activities in an impeccable manner without compromising the need to conserve natural resources and thus developing certain ways to reduce the environment pollution. The bank has been actively involved in conducting activities like tree plantation which not only benefits the environment but also the eco-system as a whole.

PESTLE-G Framework

Lumbini Bikas Bank Limited (LBB) is a bank that is exposed to a dynamic external environment that is influenced by political, economic, sociocultural and technological, legal, environmental and geopolitical factors. The systematic PESTLE-G analysis will allow the Bank to detect new risks and opportunities as well as to adjust its strategic priorities to the changing environment at the national and the global level.

Political Factors

The political environment in Nepal has remained volatile intermittently especially following the frequent change of government and the coalition based government. This uncertainty may have an effect on fiscal policies, regulatory priorities and development agendas and as such the banking sector. Any kind of alteration in the policies of taxation, government expenditure, and monetary coordination between the fiscal authority and Nepal Rastra Bank (NRB) can impact on credit growth, liquidity management, and long-term strategic planning. LBB is highly aware of political actions to maintain a strong level of resiliency in its operations and alignment of the policy.

Economic Factors

The macroeconomic conditions have a major influence in determining the performance of the Bank. The cost of funds, credit demand, and the quality of assets are directly affected by fluctuation of interest rates, exchange rates and the general economic growth. Within this current macro economic condition, LBB focuses on sound credit rating, balanced portfolio development and good management of assets and liabilities to ensure financial stability.

Sociocultural Factors

The socio cultural factors like demographic population, literacy, customer behaviour and the financial consciousness play a significant role in influencing the banking penetration and service delivery. Low financial literacy, in rural and semi-urban regions, might restrict the use of formal banking and digital services. Nevertheless, the growing awareness, the growth of smartphone use, and the alteration of customer expectations is the opportunity to expand. LBB has been keen on financial inclusion, training the customer and personalized banking services to meet various needs in the society.



Technological Factors

The banking industry is being transformed by the rapid changes in technology. Online banking platforms, automation, data analytics, artificial intelligence and cybersecurity innovations provide the opportunity to increase efficiency and customer experience. In parallel, the level of digitalization increases the susceptibility to cyber-related risks and vulnerabilities. LBBL appreciates technology as being a strategic enabler and as such it has been determined to promote its IT infrastructure, enhanced digital service delivery, and well-enhanced information security systems to protect customer trust, and operational continuity.

Legal Factors

Banking is a highly regulated sector with several laws governing the banking sector, anti-money laundering and combating the financing of terrorism (AML/CFT) regulations, data privacy policy, and prudential regulations put forward by regulators. The consequences of non-adherence are the fines and the damage to the reputation. LBBL has a high compliance culture and constantly reviews its policies and systems to make sure that the legal and regulatory requirements are followed.

Environmental Factors

The financial industry has taken environmental sustainability as a major concern. Natural disasters, environmental degradation, and climate change are direct and indirect threats to the banking activities and loan disbursement. LBBL would incorporate the aspect of the environment in

its credit processes and encourage the concept of green financing that contributes to environmental friendly projects. The Bank has the agenda of reducing environmental risks and enhancing positively the long-term ecological balance through their sustainable banking practices.

Geopolitical Factors

The economic and financial sector of Nepal can be indirectly influenced by global geopolitical trends, such as regional conflicts, disruption of trade, international sanctions, and slowdowns of the economy. This can affect the flows of capital, interest rate, inflation and stability of the currency. LBBL monitors closely the economic and political trends in the world to be able to predict the effects that may spill over as well as reinforce its risk management and strategic planning systems.

Conclusion

PESTLE-G analysis gives the Lumbini Bikas Bank Limited a close-knitted view of the forces in the external environment that affect its operations. The Bank can be in a better position to counter the risks, take advantage of emerging opportunities, and adjust to the rapidly evolving business environment by taking preemptive actions to evaluate the political, economic, sociocultural, technological, legal, environmental, and geopolitical environment. Such a long-term and systematic strategy contributes to the sustainability of LBBL, its strength, and value generation to all stakeholders.



Information Technology & Digital Banking: A Strategic Priority

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

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

Comprehensive Digitization Efforts:

LBBL has pursued a clear vision of digital excellence that encompasses the following milestones for the past fiscal year.

↗ Data Center and Network Enhancement

- Upgraded its Data Center (DC) and Network infrastructure to a robust fault tolerant architecture with High Availability (HA)

↗ Innovative Security Measure

- Deployed Security Operations Center (SOC) as an outsourced service for 24/7 monitoring
- Enhanced the configuration of SIEM, WAF, and EGD.

↗ Customer-Centric Innovations:

- Enhanced mobile banking application to support Digital Fixed Deposit feature
- Collaborated with digital payment channels including NepalPay, FonePay, and SCT
- Integrated Cross-Border payment and transaction services

↗ Operational Optimization

- Enhancement of features in Operations Management System (OMS), Smart Credit, and Centralized Account Opening (CAO)
- Deployment of more robust software for AML compliance and reporting

Future proofing with innovation:

LBBL has taken a continued approach to secured IT and Digital Banking with a targeted long-term plans that include:

- Automation and Robotic Process Automation (RPA)
- Security & Compliance
- Enhancing Capability



GREEN BANKING AND GREEN FINANCING POLICY

Lumbini Bikas Bank Limited (LBBL) is committed to promoting green banking and green financing practices in line with the directives and Green Finance Guidelines issued by Nepal Rastra Bank (NRB). The Bank integrates environmental and social considerations into its operational activities and credit processes with the objective of supporting sustainable economic development while managing environmental and climate-related risks.

The Bank has adopted measures aimed at reducing its internal environmental footprint, including the use of energy-efficient systems, digitization of banking services, and responsible resource utilization. These initiatives contribute to improved operational efficiency and reduced carbon emissions.

On the financing side, LBBL prioritizes the mobilization of credit toward environmentally sustainable sectors, including renewable energy, energy-efficient housing, green mortgages, and other eligible green loan products. The Bank actively seeks to increase the proportion of green financing within its loan portfolio while ensuring compliance with applicable prudential norms and risk management standards.

Recognizing the long-term opportunities presented by the transition to a green economy, LBBL has moved beyond opportunistic financing and is progressively embedding green banking principles into its core strategy, policies, and risk assessment frameworks. Through this approach, the Bank aims to support the development of a circular, inclusive, and sustainable economy, while aligning its growth objectives with national priorities and regulatory guidance on environmental and social responsibility.

By embedding green banking principles into its policies, operations, and lending framework, LBBL aims to contribute to the development of a circular, low-carbon, and sustainable economy, in alignment with national priorities and regulatory guidance, while ensuring long-term value creation for stakeholders.





03

Performance and outlook

5 year at a glance

Financial Performance

Particulars	For the Year 2081-82	For the Year 2080-81	For the Year 2079-80	For the Year 2078-79	For the Year 2077- 78
Net Interest Income	1,857,301,048	1,754,827,550	1,843,792,228	1,532,363,163	1,211,004,646
Net interest, fee and commission income	2,063,329,235	1,951,667,075	1,998,157,824	1,686,320,389	1,383,364,564
Total operating income	2,150,422,931	2,036,886,099	2,047,343,581	1,737,385,478	1,522,920,024
Operating Profit	584,077,455	974,294,387	724,791,786	941,905,671	606,382,360
Profit before income tax	476,051,261	951,757,443	707,913,314	937,852,412	625,312,215
Profit for the period	241,106,426	543,667,622	497,672,518	637,193,265	433,967,179
Earnings per share	6.65	15.45	14.71	19.4	14.93

Financial Position

Particulars	As on 2081-82	As on 2080- 81	As on 2079-80	As on Year 2078-79	As on 2077- 78
Investment	13,017,523,137	12,352,950,242	8,365,830,573	9,089,543,843	5,561,157,310
Loans and advances	49,646,479,137	49,608,648,296	44,570,337,605	41,133,473,123	33,000,440,587
Other Asset	288,664,411	286,029,167	220,558,285	206,234,756	160,589,428
Total Assets	67,864,520,235	69,087,597,452	58,891,462,645	56,688,511,309	44,125,173,171
Reserve and Surplus	3,268,400,940	3,169,274,215	2,834,244,475	2,445,733,229	2,388,118,245
Deposits	58,808,511,092	60,233,791,020	50,584,304,533	45,144,838,832	37,162,811,079
Total Liabilities	67,864,520,235	69,087,597,452	58,891,462,645	56,688,511,309	44,125,173,171

Key Highlights

Balance Sheet Growth

The Bank achieved strong balance sheet expansion over the last five years which is supported by steady growth in loans and advances and a stable deposit base.

Core Income Strength

Resilient core income performance reflects the effective interest margin management and diversified revenue streams of the Bank.

Profitability Trend

Moderated Profitability in FY 2081-82 of bank is primarily due to prudent provisioning and a conservative risk management approach amid prevailing economic conditions.

Capital Adequacy & Stability

Continuous growth in share capital and reserves have strengthened the Bank's capital base and supported long-term financial stability.

लुम्बिनी विकास बैंक लिमिटेडको १८ औं वार्षिक साधारण सभामा अध्यक्ष श्री चिन्तामणी भट्टराईज्यूको मन्त्रव्य

आदरणीय शेयरधनीज्यूहरु तथा उपस्थित महानुभावहरु,
यस लुम्बिनी विकास बैंक लिमिटेडको १८ औं वार्षिक साधारण सभामा
उपस्थित भई सभाको गरिमा बढाई दिनु भएकोमा आदरणीय समस्त
शेयरधनीज्यूहरु, आमन्त्रित अतिथि महानुभावहरु, नियामक निकायबाट
पालुभएका प्रतिनिधिज्यूहरु, बैंकका वाह्य लेखापरीक्षकज्ज्ञ, कानूनी सल्लाहकार
ज्यूहरु, पत्रकार प्रतिवारहरु तथा बैंकका प्रमुख कार्यकारी अधिकृत लगायत सम्पूर्ण
कर्मचारीहरुमा यस विकास बैंकको सञ्चालक समिति एवं मेरो व्यक्तिगत
तर्फबाट समेत हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु ।

यो लामो सहयोगीमा यहाँहरुबाट पाएको साथ, सहयोग, विश्वास तथा
सद्भावको लागि हार्दिक आभार प्रकट गर्दछौं । “निरन्तर सहयोगी” को मुल नारा
सहित आफूना समस्त ग्राहकहरु तथा सरोकारवालाहरुको आवश्यकता र चाहना
वमोजिम आधुनिक बैंकिङ सेवा सुविधाहरूलाई विशिष्टाईकृत तवरले छिटो,
छारितो र पारदर्शी रूपमा सेवा प्रदान गर्दै अगाडि बढने त्रिमा हामी सफलतापूर्वक
आजाको यो गरिमामय १८औं वार्षिक साधारण सभा सम्पन्न गर्न गईहेका
छौं । आज यस सम्मानित सभामा उपस्थित हुनुभएका आदरणीय सेयरधनी
महानुभावहरु, बैंकको सञ्चालक समिति समस्त शेयरधनीहरुको प्रतिनिधित्व
गर्दै बैंकको वहुआयामिक सम्बन्धितको पथमा अगाडि बढिरहेको व्याहोगा समरण
गराउदै यहाहरु समक्ष बैंकको आ.व. २०२१/८२ को उपलब्धिहरुको समीक्षा
समेतको प्रतिवेदन प्रस्तुत गर्न पाउदा आफुलाई निकै गोरखान्वित महशुस
गरेको छु ।

पछिल्लो समय विश्वव्यापी रूपमा दोखेएको आर्थिक मर्दी, व्यवसायिक
कारोबारमा शिथिलता, कारोबारहरुको खर्च वृद्धि, लघु व्यवसायहरु संकटबाट
गुज्रनु जस्ता नकारात्मक प्रभाव “Online” कारोबार “Digital Economy” तर्फ
भएका व्यापक परिवर्तनहरुको कारण उत्पन्न चुनौती र अवसरहरु, व्यवस्थापकीय
क्षमता अभिवृद्धि तर्फ दोखेएका थप र परिवर्तनकारी आवश्यकता हुन ।

कोम्पिड-१९, महामारीपश्चात त्रिमशः सुधार हुँदै गएको विश्व अर्थतन्त्र बदलो
भूजाजीतक तनाव र पछिल्लो समय दूला अर्थतन्त्रहस्तीकरणको कठोर व्यापारिक
नीतिले पुनः प्रभावित हुन थालेको अन्तरार्थित मुद्राकोषको विश्लेषण रहेको छ ।
फलस्वरूप, सन् २०२४ मा ३.३ प्रतिशतले विस्तार भएको विश्व अर्थतन्त्र सन्
२०२५ मा २.८ प्रतिशतले मात्र बढने प्रक्षेपण रहेको छ । सन् २०२४ मा १.८
प्रतिशतले विस्तार भएको विकासित अर्थतन्त्र सन् २०२५ मा १.४ प्रतिशतले
विस्तार बुने र सन् २०२४ मा ४.३ प्रतिशतले विस्तार भएको उदीयमान तथा
विकासोन्मुख अर्थतन्त्र सन् २०२५ मा ३.७ प्रतिशतले विस्तार हुने कोषको
प्रक्षेपण रहेको छ । सन् २०२४ मा भारत र चीनको अर्थतन्त्र त्रिमशः ६.५
प्रतिशत र ५.० प्रतिशतले विस्तार भएकोमा सन् २०२५ मा क्रमशः ६.२
प्रतिशत र ४.० प्रतिशतले मात्र विस्तार हुने कोषको प्रक्षेपण छ । विगत तीन
वर्षदीरिख विश्व मुद्रास्फीति घट्दै गएको छ । सन् २०२४ मा ५.७ प्रतिशत
रहेको विश्वको उभोक्ता मुद्रास्फीति सन् २०२५ मा ४.३ प्रतिशत रहने कोषको
प्रक्षेपण रहेको छ । विकासित अर्थतन्त्रको मुद्रास्फीति सन् २०२४ मा २.६ प्रतिशत
रहेकोमा सन् २०२५ मा २.५ प्रतिशतमा सीमित हुने प्रक्षेपण छ । साथै, उदीयमान
तथा विकासशील अर्थतन्त्रको मुद्रास्फीति सन् २०२४ मा ७.७ प्रतिशत रहेको
मा सन् २०२५ मा ५.५ प्रतिशतमा सीमित हुने प्रक्षेपण छ । विश्व मुद्रास्फीति
घटने त्रिमा रहे तापनि भू-राजीतिक तनाव र केही मुलुकहरुको कठोर व्यापार
नीतिले मूल्यमा चाप पनि सक्ने जोखिमी कायमे रहेको कोषको विश्लेषण रहेको
छ । मुद्रास्फीति घट्दै गर्सँगै विश्वका अधिकांश मुलुकहरुले लाखिलो मौद्रिक
नीति अवलम्बन गर्न थालेका छन् । युरोपियन केन्द्रीय बैंक (ECB) ले सन् २०२४
जुनदीखि आठ पटक निक्षेप सुविधा दरलाई घटाएको छ ।

यसै गरी, भारतीय रिजर्व बैंकले सन् २०२३ फेब्रुअरीदेखि ६.५ प्रतिशत
कायम गरेको नीतिगत दर सन् २०२५ फेब्रुअरी यता लगातार तीन पटक
घटाएर सन् २०२५ जुनमा ५.५ प्रतिशत कायम गरेको छ । पिपुल्स बैंक
अफ चाइनाले २०२३ जुनमा ३.५५ प्रतिशत रहेको एक वर्षे कर्जा प्राइम रेट
घटाएर २०२५ जुनमा ३.०० प्रतिशत कायम गरेको छ । अमेरिकी फेडरल



रिजर्भले फेडरल फण्ड्स रेटलाई सन् २०२४ सेप्टेम्बरको ५.२५-५.५ प्रतिशतको दायराबाट तीन पटक घटाएर सन् २०२४ डिसेम्बरमा ४.२५-४.५० प्रतिशतको दायराभित्र कायम गरी निरन्तरता दिएको छ । विकसित राष्ट्रहरूको आर्थिक वृद्धिमा अझै केही अवधिको लागि संकुचन आउने र सन् २०२६ देखि सुधार आउने प्रक्षेपण गरिएको छ । समीक्षा अवधिमा आर्थिक क्रियाकलापहरू पूर्ण रूपमा सञ्चालनमा आउन नसकी अपेक्षित रूपमा व्यवसाय हुन नसकदा बैंकको गैहब्याज आदानी बढेको भए पनि व्याज रकम अपेक्षित रूपमा असुली हुन नसकेको एवं विषिक्य कर्जा र बढेको कर्जा नोक्तामी व्यवस्थाहरूको कारण बैंकको मुनाफामा केही संकुचन आएता पनि बैंकको व्यवसायमा वृद्धि गर्न गुणस्तरीय कर्जा लगानीमा वृद्धि तथा खराव कर्जा असुली कार्यलाई सशक्त बनाईएकोले आगामी दिनमा बैंकले सन्तोषजनक मुनाफा आर्जन गर्न सफल हुने विश्वास लिएका छौं । विश्व अर्थतत्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष प्रभावको असरबाट समग्र मुतुको आर्थिक गतिविधि, विकास निर्माण, उद्योग व्यवसाय, लगायतका क्षेत्रमा प्रतीकूलता सिर्जना भएको हालको अवस्थामा सो को प्रभाव विस्तारै घट्दै गए पश्चात् उद्योग, व्यापार, व्यवसाय, पर्सनल, कृषि एवं समग्र अर्थतन्त्र चलायामान भई आर्थिक क्रियाकलापले गति लिने तथा आर्थिक सम्बद्धिका सूचकाङ्कहरू सकारात्मक रूपमा सुधार हुँदै जाने कुरामा हामी आशावादी छौं ।

रुस-युक्ते युद्ध, दूला शक्ति राष्ट्रहरूमा देरिएका 'Trade War' 'Sanction' मध्य पूर्वमा देरिएको विषम परीस्थिती र त्यसबाट उत्पन्न हुन सक्ने मानवीय संकट, supply chain मा असहजता जस्ता प्रभावको कारण समस्त व्यवसायिक क्षेत्र जस्तै वित्तीय क्षेत्रमा पनि "cost of doing business" मा वृद्धि हुन गई थप चुनौती थाएको छन् । यी तथ्यका बाबजुद व्यवसायिक निरन्तरता कायम राख्न नयाँ चुनौती र परिवर्तित नयाँ अवसरहरूको सकारात्मक उपयोगबाट नयाँ अवसरहरूको शृजना गर्न सक्ने व्यवस्थापकीय क्षमता अभिवृद्धि गर्नु हाम्रो अनिवार्य आवश्यकता हो र यस प्रति संचालक समिति र व्यवस्थापन सजाग रहेको छ ।

आदरणीय शेरथर्धनी महानुभावहरूबाट समयमा प्राप्त हुने अमुल्य सल्लाह सुझाव तथा मार्ग निर्देशनहरूलाई आत्मसाध गर्दै लुम्बिनी विकास बैंक लिमिटेड प्राप्तिको मार्गमा उल्लेख्य सुधार सहित आगाडि बढ्दै गरेको व्यहोरा सम्पादक जाकारी गराउन पाउँदा गोवर महशुस गरिहेको छु । यस विकास बैंकलाई थप सबल र मजबूत बनाई शेरथर्धनीहरूको अधिकतम हित अभिवृद्धिको लागि हरदम प्रयासरत रहेदै आगामी दिनमा पनि हामी उद्दृष्ट सेवाका साथमा सबल विकास बैंकको रूपमा पहिचान बनाउने गरी आगाडि बढ्दै जाने प्रण गर्दछौं । आफ्नो उद्देश्यमा सफलता हाँसिल गर्न नीति नियमको पालना, उच्च व्यवसायिक संस्कारको विकास तथा स्पष्ट कार्ययोजना अग्रिकार गरेका छौं । सर्वसाधारण जनताबाट संकेतित निषेपको सहि ढगले परिचालन एवं सुरक्षा गर्न तथा राष्ट्रिय अर्थतन्त्रमा योगदान पुऱ्याउन संयमित हुँदै व्यवसाय सञ्चालनमा गरी शेरथर्धनीहरूलाई उच्चतम प्रतिफल प्रदान गर्न हामी प्रतिबद्ध छौं ।

आदरणीय शेरथर्धनी महानुभावहरू यस लुम्बिनी विकास बैंकले देशका ७ वटै प्रदेशमा रहेका कुल ८९ वटा शाखा कार्यालयहरू र एक विस्तारित शाखा मार्फत सेवा उपलब्ध गराउँदै आएको व्यहोरा यहाँहरू समक्ष जानकारी गराउँदछु । गत आ.व. २०८०/८१ को तुलनामा समीक्षा अवधि आ.व. २०८१/८२ मा बैंकको कुल कर्जा सापेटी ०.०८ प्रतिशतले वृद्धि हुन गई रु ४९.६४ अर्ब पुगेको छ भने निषेपमा २.३७ प्रतिशतले कमी भई रु. ५८ अर्ब ८० करोड पुगेको छ । यस अवधिमा विकास बैंकको खुद मुनाफामा रु. २४.११ करोड भएको छ भने विकास बैंकको वासलतात आकरमा १.७७ प्रतिशतले कमी भई रु. ६७ अर्ब ४६ करोड पुगेको व्यहोरा आदरणीय शेरथर्धीहरू समक्ष जानकारी गराउन चाहन्छु बैंकको निष्क्रिय कर्जाको असुलीमा तित्रवा दिई गुणस्तरीय कर्जा प्रवाहलाई जोड दिई आएको भए पनि विश्व र राष्ट्रिय अर्थतन्त्रमा आएको संकुचनका कारणले कर्जा असुलीमा परेको प्रतिकूल प्रभावका कारण निष्क्रिय कर्जाको मात्रा केही वृद्धि भएको छ ।

आदरणीय शेरथर्धनी महानुभावहरू, हाल वित्तीय क्षेत्रमा देरिएको प्रतिकूल अवस्था, परिवर्तित नियामिक्य प्रावधान तथा संस्थाको पुँजी पर्याप्तता बलियो गर्न लाभाश वितरण नर्ने क्षमता भएता पनि उपलब्ध रकम सञ्चित मुनाफामा राख्न यस विकास बैंकको आर्थिक वर्ष २०८१/८२ को लागि बैंकका शेरथर्धनीहरूलाई लाभांश प्रस्ताव नगर्ने सिफारिस गरिएको छ ।

आजको यस १८औं बार्षिक साधारण सभामा पेश गरिएको सामान्य तथा विशेष प्रस्तावहरू एवं सञ्चालक समितिको तर्फबाट साधारण सभामा प्रस्तुत वार्षिक प्रतिवेदन समेत छलफल गरी पारित गरिरदिनुहुन आदरणीय शेरथर्धनी महानुभावहरू समक्ष हार्दिक अनुरोध गर्दछु ।

यस गरिमामय १८औं बार्षिक साधारण सभामा भाग लिनुहुने सम्पूर्ण शेरथर्धनी महानुभावहरू प्रति हार्दिक आभार व्यक्त गर्दै तपाईंहरूको अमुल्य सुझाव, सल्लाह एवं सहयोग यस विकास बैंकको प्रगतिको मार्गादर्शनको रूपमा प्राप्त हुने विश्वास लिएको छु । यसै गरि हामीलाई निरन्तर रूपमा अमुल्य मार्गादर्शन, परामर्श तथा समर्पयै कार्य सम्पादन गरिरदिइ सहयोग पुऱ्याउँदै आउन भएका नेपाल सरकार, नेपाल राष्ट्र बैंक, कम्पनी रीजिस्ट्रारको कार्यालय, नेपाल धियोपत्र वोई, नेपाल स्टक एक्सचेन्ज लि, तथा अन्य स्रोतकाराताला नियामिक निकायहरू, हाम्रा समस्त ग्राहक महानुभावहरू, बैंकमा कार्यरत सम्पूर्ण कर्मठ कर्मचारीहरू लगायत प्रत्यक्ष वा परोक्ष रूपमा सहयोग पुऱ्याउँदै आउन भएका सम्पूर्ण शुभेच्छुकहरूलाई विशेष धन्यवाद ज्ञापन गर्दछु ।

अन्त्यमा, यस विकास बैंकप्रति आफ्नो अटल विश्वास तथा सद्भाव सहित आफ्नो अमुल्य समय दिई यस गरिमामय १८औं बार्षिक साधारण सभालाई सफल बनाउन स्वयं एवं प्रतिनिधि मार्फत उपरित्त सम्पूर्ण शेरथर्धनी महानुभावहरूको आतिमयता, न्यानो माया, धैर्यता र विश्वास प्रति पुऱ्याउन हार्दिक आभार प्रकट गर्न चाहन्छु । धन्यवाद ।

चिन्तामणी भट्राई

अध्यक्ष

सञ्चालक समिति

मिति २०८२ पौष ३० गते



प्रमुख कार्यकारी अधिकृतको प्रतिबद्धता

लुम्बिनी विकास बैंक लिमिटेडको यस गरिमामय १८ औं वार्षिक साधारणसभाको अध्यक्षता ग्रहण गर्नु भएका बैंकका अध्यक्षज्यू. सञ्चालकज्यूहरु, संस्थापक लगायत सम्पूर्ण शेयरधनी महानुभावहरु, नियमनकारी निकायका प्रतिनिधिज्यूहरु, आमन्त्रित अंतिधिज्यूहरु, पत्रकार मित्रहरु तथा मेरा सहकर्मी कर्मचारी साथीहरुमा म बैंकको प्रमुख कार्यकारी अधिकृत एवं समस्त व्यवस्थापनको तर्फबाट यस गरिमामय सभामा न्यानो अभिवादन तथा हार्दिक स्वागत व्यक्त गर्दछु ।

विगतका वर्षहरुमा विश्वव्यापी प्राकृतिक प्रकोपहरु, राजनीतिक अस्थिरता तथा व्यवसायिक संकुचनहरुबाट विश्व अर्थतन्त्रमा गम्भीर प्रभाव परेको देखिएको छ । यसको प्रत्यक्ष एवं अप्रत्यक्ष प्रभाव नेपालको अर्थतन्त्रमा पनि परेको हामी सबैलाई विदित छ । यस अवस्थामा आर्थिक गतिविधिहरुमा शिथिलता, व्याजदरमा उतारचढाव, बेरोजगारी, औद्योगिक तथा व्यवसायिक संकुचन जस्ता चुनौतिहरु देखिएको थियो । समिक्षा वर्षमा कठिन परिवेशका वावजुद पनि विकास बैंकले आ.व. २०८१/८२ मा व्यवसायिक संतुलन, व्यस्थापकीय कुशलता, संस्थागत बलियो संयन्त्र तथा जागरूकताको सही समन्वयको माध्यमबाट सन्तोषजनक मुनाफा आर्जन गर्न सफल भएको छ ।

विकास बैंकले नियमनकारी निकायको निर्देशानुसारको परिपालना गर्ने, वित्तीय सूचङ्काको परिपालना गर्ने तथा ग्राहकमैत्री बैंकिङ सेवा प्रदान गर्ने उद्देश्यका साथ देशका साथी विभिन्न क्षेत्रहरुमा शाखा संजाल विस्तार गर्दै आएको छ । हाल मुतुकर कुल ८९ शाखा कार्यालयहरु, २० ए.टि.एम., १ एक्स्टेन्सन काउन्टर साथै बैंकमा प्रविधिको सहायतामा दक्ष मानव संसाधन मार्फत बैंकिङ सेवा प्रवाह गरिरहेका छौं ।

आ.व. २०८१/८२ मा देखिएको व्यवसायिक चुनौति पनि मध्यनजर गरी सञ्चालक समितिले तय गरेको रणनीति/मार्गदर्शन बमोजिम सम्पूर्ण सरोकारवालाहरुसंग निरन्तर सहयोगामा रहेको लुम्बिनी विकास बैंक निरन्तर साधारण ग्राहकहरुको विश्वास वृद्धि गर्न सफल भएको छ । यस बैंकको सफलताको श्रेय हाम्रा सम्पूर्ण ग्राहकर्वा, शेयरधनी, सञ्चालक समिति, नियमनकारी निकाय, कर्मचारी तथा सरोकारवाला पक्षलाई जान्छ ।

यस बैंकको सेवाको गुणस्तरमा वृद्धि, बजार विस्तार, सम्पति तथा दायित्वको उचित व्यवस्थापन, आन्तरिक नीति नियमहरुको समयानुकूल निर्माण तथा पुनरावलोकन, बैंकमा कर्जा लगायत बैंकिङ कारोबारसंग सम्बन्धित जेखिम विश्लेषण एवं नियन्त्रणको लागि जेखिम व्यवस्थापन संयन्त्रलाई थप सक्रिय र प्रभावकारी बनाउन चालू वर्षमा पनि विगतका वर्ष भै प्राथमिकता दिनेछौं । बजारमा ग्राहकहरुको माग अनुसार लकर सुविधा, सुन कर्जा, मोबाइलको माध्यमबाट रकम भुक्तानी, बिल भुक्तानी, मोबाइल रिचार्ज, Digital Banking अन्तर्गत ATM, Mobile Banking, Internet Banking, ASBA, C-ASBA, ECC, IPS, Connect IPS जस्ता सुविधाहरु मार्फत ग्राहकहरुलाई सेवा प्रदान गरिरहेका छौं । सूचना प्रविधिमा आएको तिव्र परिवर्तनका कारण नेपालको समग्र बैंकिङ क्षेत्रमा पनि तिव्र परिवर्तन आएको देखिन्छ । यस विकास बैंक सूचना प्रविधिमा आधारित बैंकिङ उपकरणहरुको उच्चतम प्रयोग गरी ग्राहकर्वा हरुलाई अत्याधिनिक बैंकिङ सेवा प्रदान गर्न सदैव कटिवद्ध रहेने छ । ग्राहक वर्षहरुलाई प्रविधिमैत्री बैंकिङ्सँग सुसूचित गर्न विभिन्न प्रविधिमा आधारित वित्तीय साक्षरतामूलक कार्यक्रमहरु समेत समय-समयमा सञ्चालन गर्दै आईहेका छौं । सशक्त, जागरूक, उच्च मनोबल र क्षमतावान मानव संसाधनले संस्थाको विकास र विस्तारमा योगदान पुऱ्याउछन्, मानव संसाधन हेतक संस्थाको महत्वपूर्ण सम्पति हो भने विश्वासका साथ दक्ष कर्मचारीहरु मार्फत उत्कृष्ट विकास बैंक बनाउने उद्देश्यका साथ कर्मचारीहरुको व्यावसायिक विकास, सिप विकास, नेतृत्व तथा क्षमता विकासमा ध्यान दिई बदलिदो बातावरणमा कर्मचारीलाई दक्ष बनाउनका निमित्त कर्मचारी भर्ना सौंग वृद्धि विकासका लागि समय-समयमा आन्तरिक एवं बाह्य तालिमहरुमा सहभागी गराउदै आईहेका छौं । कर्मचारीहरुको दक्षता अभिवृद्धि तथा वृत्ति विकासका कार्यक्रमहरुलाई भविष्यमा समेत निरन्तरता दिई जानेछौं । विकास बैंकमा २०८२ असार मसान्तमा कुल ६२० जना कर्मचारीहरु कार्यरत रहेको जानकारी गराउन चाहन्छु ।

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

नेशं सिंह बोहरा
प्रमुख कार्यकारी अधिकृत
२०८२/०९/३०

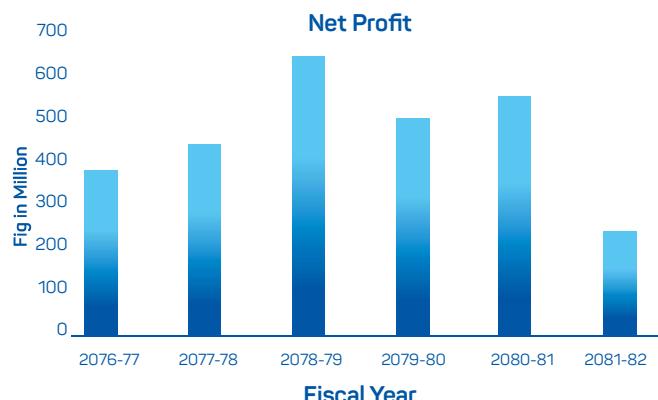
MAJOR FINANCIAL HIGHLIGHTS

A) Financial performance

i) Net Profit

Year	Amount
2081-82	241.11
2080-81	543.67
2079-80	497.67
2078-79	637.19
2077-78	433.97
2076-77	378.56

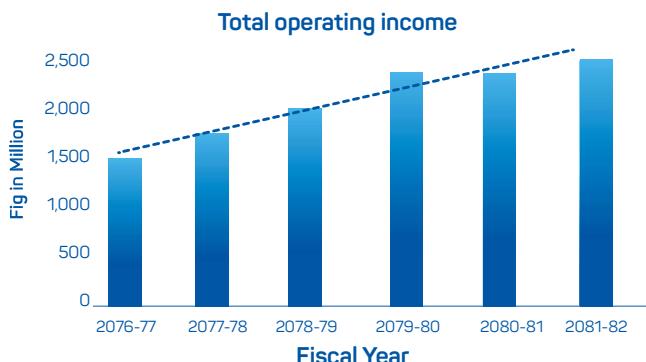
The Bank's net profit showed strong performance with some year-to-year volatility. Profit has steadily increased from Rs. 378.56 million in FY 2076-77 to a peak of Rs. 637.19 million in FY 2078-79, reflecting robust operating performance. After a moderation in FY 2079-80, profitability recovered in



FY 2080-81 to Rs. 543.67 million. In FY 2081-82, net profit declined to Rs. 241.11 million, mainly due to higher provisioning and a prudent, conservative risk approach. Overall, the Bank remained consistently profitable, highlighting operational resilience and sound financial management.

ii) Total operating income

Year	Amount
2081-82	2,150
2080-81	2,037
2079-80	2,047
2078-79	1,737
2077-78	1,523
2076-77	1,294

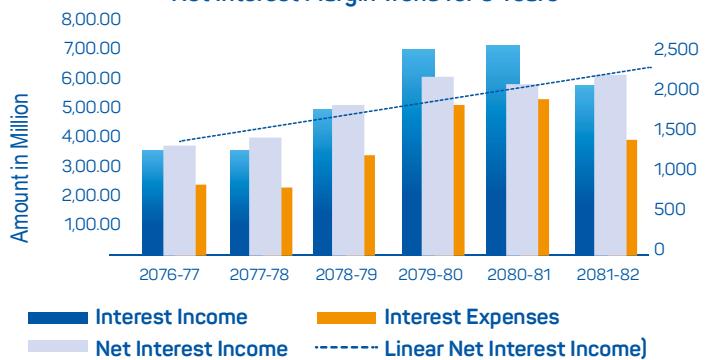


The Bank's total operating income demonstrates a clear long-term growth trend, reflecting strengthening core operations. Operating income increased from Rs. 1,341 million in FY 2075-76 to Rs. 2,150 million in FY 2081-82, highlighting improved scale and revenue generation capacity. After steady growth up to FY 2078-79, income stabilized at a higher level during FY 2079-80 and FY 2080-81, before reaching its highest level in FY 2081-82. Overall, the sustained growth in operating income underscores the Bank's expanding business base, effective income diversification, and operational resilience.

iii) Net interest income

Year	Amount
2081-82	1,857.30
2080-81	1,754.83
2079-80	1,843.79
2078-79	1,532.36
2077-78	1,211.00
2076-77	1,149.75

Net Interest Margin Trend for 6 Years



Net interest income of bank has increased from Rs. 1,149.75 million (FY 2076-77) to Rs. 1,857.30 million (FY 2081-82), reflecting a strong growth in core banking income. While income peaked at Rs. 1,843.79 million in FY 2079-80, a slight moderation was observed in FY 2080-81 due to margin pressure and market conditions. The rebound in FY 2081-82 to the highest level in the period indicates improved pricing, balance sheet optimization, and effective asset-liability management. Compared to the base year (FY 2076-77), net interest income has grown significantly, demonstrating strengthened core banking performance and sustainable earnings capacity.

iv) Earning per share

Year	Amount
2081-82	6.65
2080-81	15.45
2079-80	14.71
2078-79	19.4
2077-78	14.93
2076-77	13.94

The Bank's earnings per share (EPS) exhibited strong performance with some volatility over the review period. EPS has increased from Rs. 13.94 in FY 2076-77 to a peak of Rs. 19.40 in FY 2078-79, reflecting robust profitability and efficient capital utilization. After moderating to Rs. 14.71 in FY 2079-80, EPS improved to Rs. 15.45 in FY 2080-81, indicating a recovery in earnings. In FY 2081-82, EPS

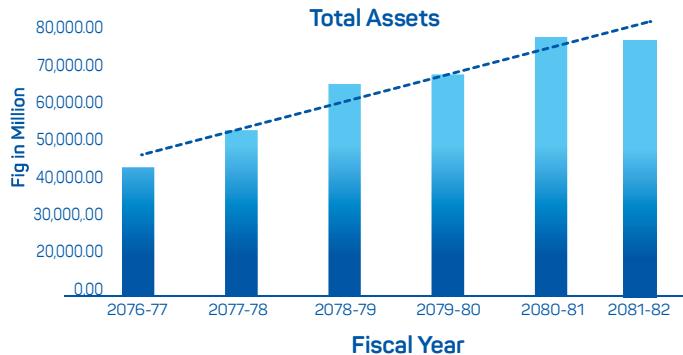


declined to Rs. 6.65, mainly due to lower net profit reflecting a prudent and conservative financial approach. Overall, despite short-term fluctuations, the EPS trend highlights the Bank's ability to generate shareholder value while maintaining capital strength and regulatory compliance.

B) Financial position

i) Total Assets

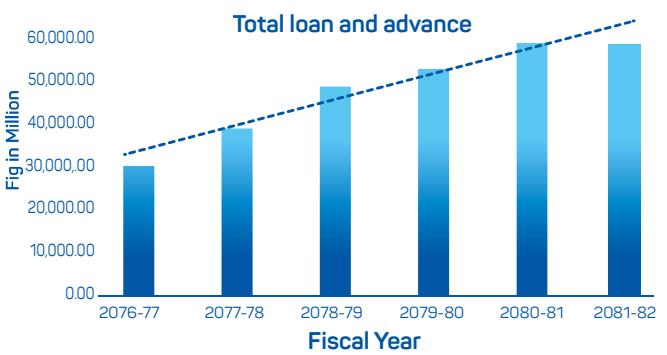
Year	Total Assets	Amount in million
2081-82	67,864.52	
2080-81	69,087.60	
2079-80	58,891.46	
2078-79	56,688.51	
2077-78	44,125.17	
2076-77	34,496.58	



The Bank's total assets recorded strong long-term growth over the review period, increasing from Rs. 34,496.58 million in FY 2076-77 to Rs. 67,864.52 million in FY 2081-82, reflecting sustained balance sheet expansion and business scale-up. The asset base grew steadily up to FY 2080-81, followed by a marginal moderation in FY 2081-82, indicating a more cautious and quality-focused growth approach amid prevailing economic conditions. Going forward, the Bank's emphasis on prudent credit expansion, asset quality improvement, and optimal balance sheet management is expected to support stable and sustainable asset growth in line with regulatory requirements and risk appetite.

ii) Total loan and advance

Year	Total loan & Advance	Amount in million
2081-82	49,646.48	
2080-81	49,608.65	
2079-80	44,570.34	
2078-79	41,133.47	
2077-78	33,000.44	
2076-77	25,766.60	



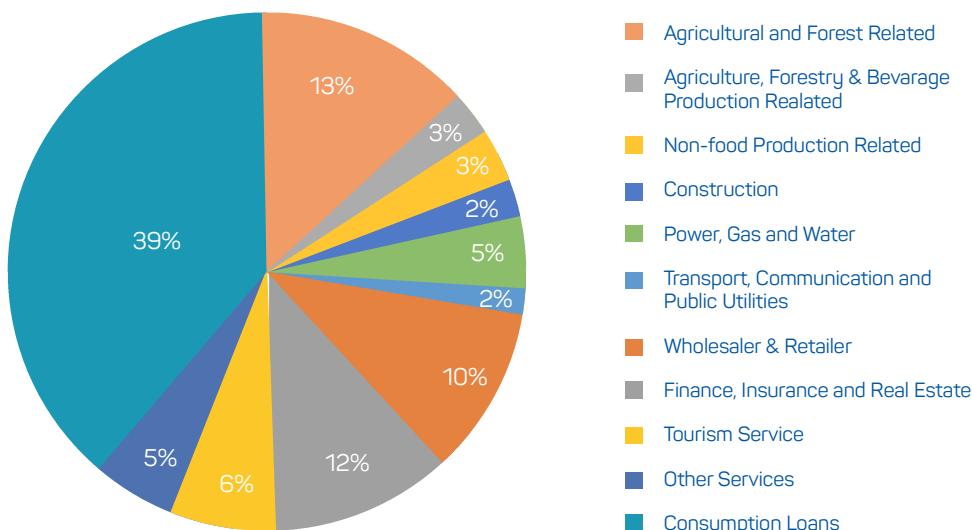
The Bank's loans and advances portfolio expanded consistently over the review period, increasing from Rs. 25,766.60 million in FY 2076-77 to Rs. 49,646.48 million in FY 2081-82, reflecting sustained credit growth and increased market outreach. Growth remained steady through FY 2080-81, while the marginal increase in FY 2081-82 indicates a more selective and quality-driven lending approach amid evolving economic conditions. Going forward, the Bank's focus on prudent credit appraisal, portfolio diversification, and asset quality management is expected to support sustainable loan growth in line with regulatory guidelines and risk appetite.

iii) Sector Wise loan and Advance

S.N.	Industry/Sector	FY 2081.82			FY 2080.81		Change % Increase/ (Decrease)
		No.	Principal	Exposure % to Total Loan	No.	Principal	
1	Agricultural and Forest Related	7,184.00	6,488.22	13.07%	6,974.00	6,415.67	1.13%
2	Fishery Related	58.00	188.14	0.38%	53.00	184.17	2.16%
3	Mining Related	-	-	0.00%	-	-	0.00%
4	Agriculture, Forestry & Beverage Production Related	164.00	1,348.72	2.72%	153.00	989.76	36.27%
5	Non-food Production Related	247.00	1,611.40	3.25%	263.00	1,042.00	54.64%
6	Construction	117.00	1,193.44	2.40%	116.00	837.58	42.49%
7	Power, Gas and Water	31.00	2,207.47	4.45%	53.00	3,989.99	-44.67%
8	Metal Products, Machinery & Electronic Equipment & Assemblage	29.00	166.53	0.34%	30.00	210.76	-20.99%
9	Transport, Communication and Public Utilities	343.00	807.75	1.63%	376.00	561.27	43.92%
10	Wholesaler & Retailer	1,305.00	5,143.47	10.36%	1,340.00	4,775.94	7.70%
11	Finance, Insurance and Real Estate	253.00	5,777.70	11.64%	285.00	7,445.90	-22.40%
12	Tourism Service	274.00	2,984.30	6.01%	254.00	2,137.90	39.59%
13	Other Services	201.00	2,583.80	5.20%	236.00	2,759.75	-6.38%
14	Consumption Loans	8,129.00	19,120.26	38.51%	8,031.00	18,229.15	4.89%
15	Local Government	-	-	0.00%	-	-	0.00%
16	Others	330.00	25.27	0.05%	260.00	28.81	-12.27%
TOTAL		18,665.00	49,646.48		18,424.00	49,608.65	

Sector Wise Concentration Bank need to spread overall lending risk as widely as possible to reduce exposure to any one industry and thus reduce overall exposure risk and profit volatility. Bank can reduce portfolio risk by making advances to a wide variety of industries, spreading the risk among a broad client base. Being very aware of the risk of over concentration in any one sector, banks usually operate within industry thresholds, limiting credit exposure to achieve the best mix of individual and portfolio safety. Although loans concentration in one particular industry may appear sound and profitable, external factors may substantially affect some industries and so may hinder the profitability. Nepal Rastra Bank has also provided limit in lending to restrict exposure to any one sector, Bank is within such limits.

Sector Wise Exposure % to Total Loan



The Bank's sector-wise loan and advance portfolio reflects a diversified lending strategy aimed at supporting key economic sectors while maintaining prudent risk management practices. As of F.Y. 2081/82, total loans and advances stood at Rs. 49,646.48 million, compared to Rs. 49,608.65 million in the previous year, indicating portfolio stability with selective growth across priority sectors.

Consumption Loans continue to represent the largest share of the portfolio, accounting for 38.51% of total loans. This reflects sustained retail demand and the Bank's focus on secured and fixed income based lending, which offers relatively stable returns with controlled credit risk.

The Agricultural and Forest Related sector remains a key priority area, contributing 13.07% of total loans. This aligns with the Bank's commitment to supporting agriculture-based economic activities and financial inclusion, particularly in rural and semi-urban areas.

Loans to the Wholesale & Retail Trade sector account for 10.36%, demonstrating continued support to trading businesses and supply-chain activities that drive domestic commerce.

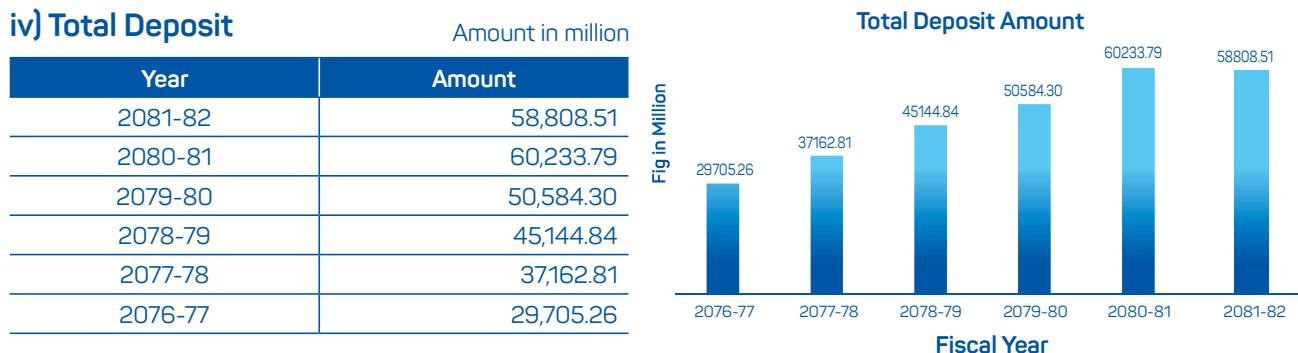
Similarly, exposure to **Finance, Insurance and Real Estate** stands at 11.64%, though it declined compared to the previous year, reflecting a cautious approach amid market volatility.

The Tourism Service sector showed notable growth, increasing by 39.59%, indicating gradual recovery in tourism-related activities. Construction, Non-food Production, and Agriculture, Forestry & Beverage Production sectors also recorded significant growth, highlighting renewed investment activity in productive sectors.

Conversely, **lending to Power, Gas and Water** declined by 44.67%, and **Metal Products, Machinery & Electronics** decreased by 20.99%, reflecting sector-specific risk reassessments and changing market dynamics.

Overall, the Bank has consciously avoided excessive concentration in any single sector. Credit exposure is maintained within industry thresholds prescribed by Nepal Rastra Bank, ensuring compliance with regulatory limits and reinforcing portfolio resilience. This diversified sectoral allocation helps mitigate concentration risk, reduce earnings volatility, and safeguard asset quality against adverse external shocks.

iv) Total Deposit



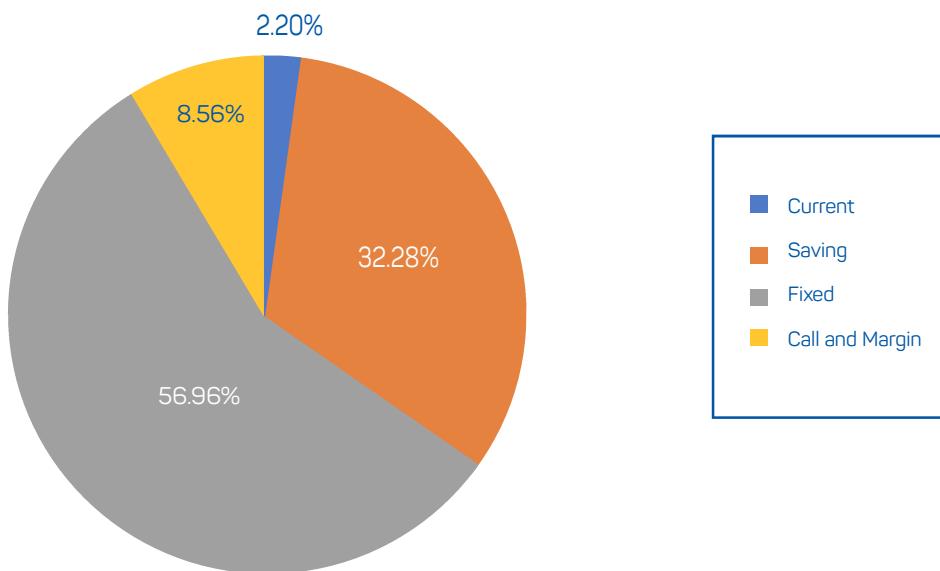
The Bank's total deposit base has demonstrated strong and sustained growth over the six-year period, reflecting increasing customer confidence, effective deposit mobilization strategies, and an expanding market presence. Total deposits increased from Rs. 29,705.26 million in FY 2076/77 to Rs. 58,808.51 million in FY 2081/82, representing an overall growth of nearly 98% during the review period of 6 Years. This significant expansion highlights the Bank's ability to consistently attract and retain deposits across diverse customer segments.

v) Deposit category

Deposit category	2081/82	% To Total	2080/81	% To Total
Current	1,295.54	2.20%	1,089.08	1.81%
Saving	18,984.54	32.28%	12,143.31	20.16%
Fixed	33,495.67	56.96%	42,060.81	69.83%
Call and Margin	5,032.76	8.56%	4,940.60	8.20%
Total Deposit	58,808.51		60,233.79	

Amount in million

Category of Deposits

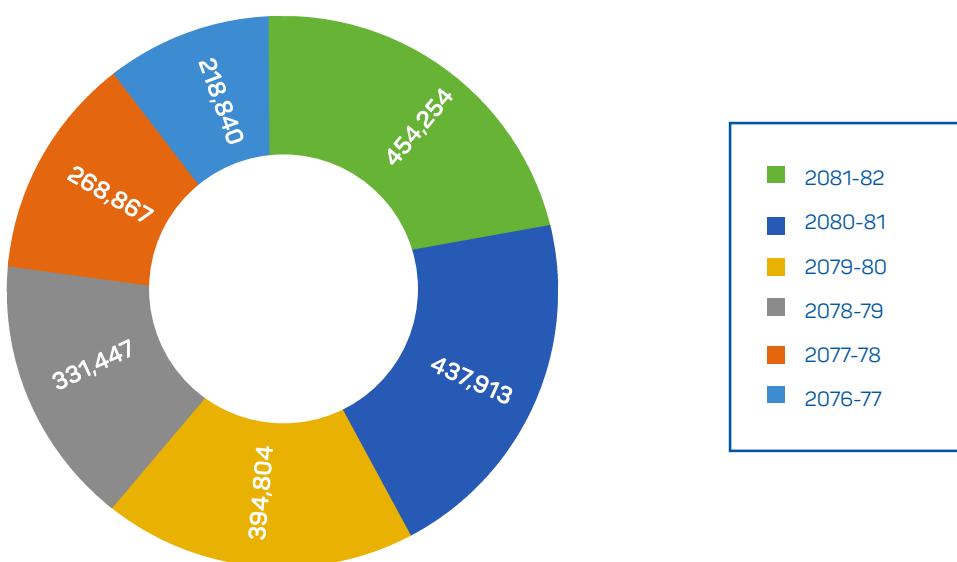


vi) Number of Deposit Account

Year	No of account
2081-82	454,254
2080-81	437,913
2079-80	394,804
2078-79	331,447
2077-78	268,867
2076-77	218,840

The Bank has recorded consistent and robust growth in the number of deposit accounts over the last six fiscal years, reflecting expanding customer outreach and growing trust in the Bank's services.

Number of Deposit Account



OTHER FINANCIAL INDICATOR

A) Financial performance

i) Distributable Profit

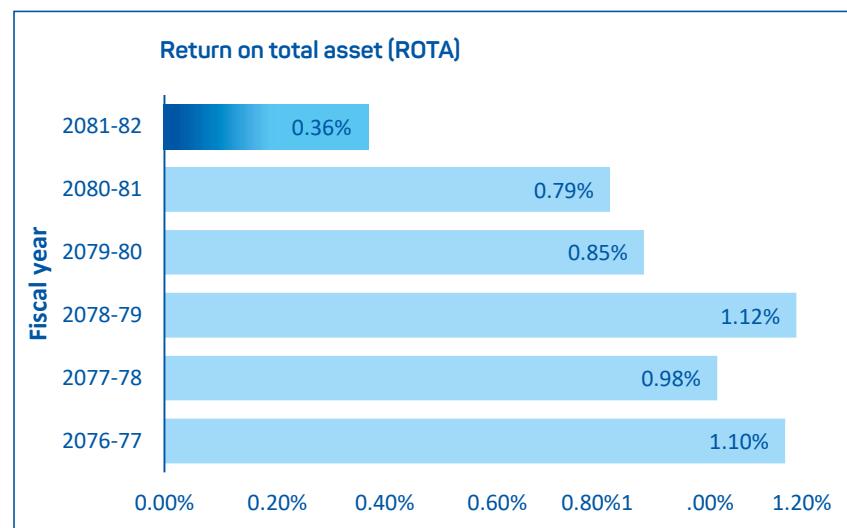
Year	Amount in Million
2081-82	184.37
2080-81	311.64
2079-80	235.08
2078-79	423.11
2077-78	368.97
2076-77	263.79

Despite a decline in distributable profit in FY 2081/82, the Bank's distributable earnings over the review period remain fundamentally strong, supported by historically robust profitability, prudent provisioning, and a sustained capacity to generate returns across business cycles.



ii) Return on total asset (ROTA)

Year	Percentage (%)
2081-82	0.36%
2080-81	0.79%
2079-80	0.85%
2078-79	1.12%
2077-78	0.98%
2076-77	1.10%

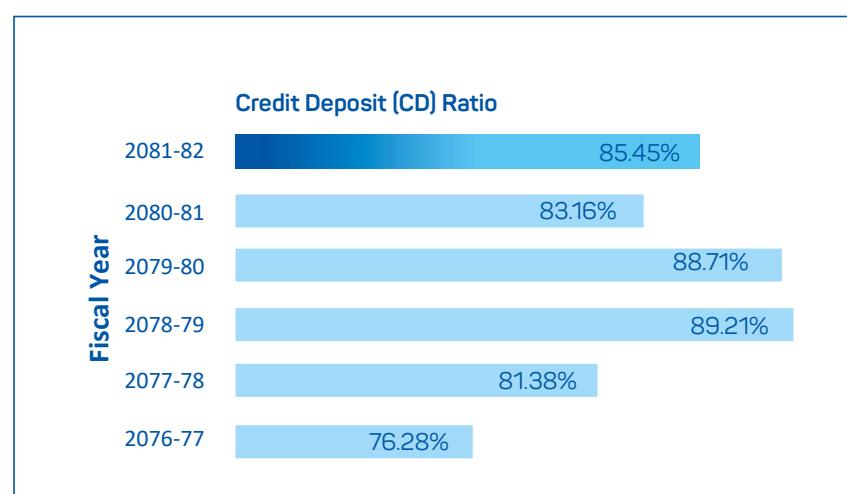


B) Productivity and Efficiency

i) CD Ratio

Year	Percentage (%)
2081-82	85.45%
2080-81	83.16%
2079-80	88.71%
2078-79	89.21%
2077-78	81.38%
2076-77	76.28%

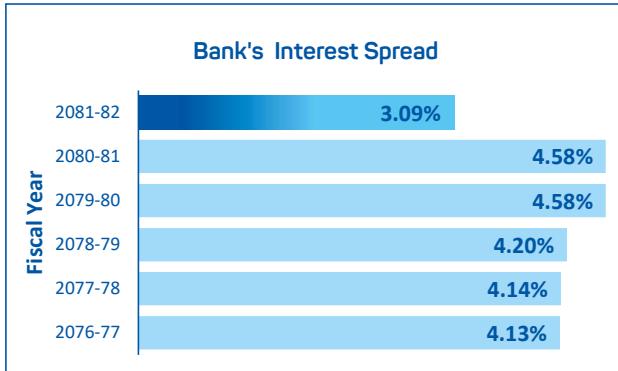
The CD Ratio remained within a prudent range throughout the review period, reflecting effective liquidity management and balanced credit growth.



ii) Interest Spread (%)

Year	Percentage (%)
2081-82	3.09%
2080-81	4.58%
2079-80	4.58%
2078-79	4.20%
2077-78	4.14%
2076-77	4.13%

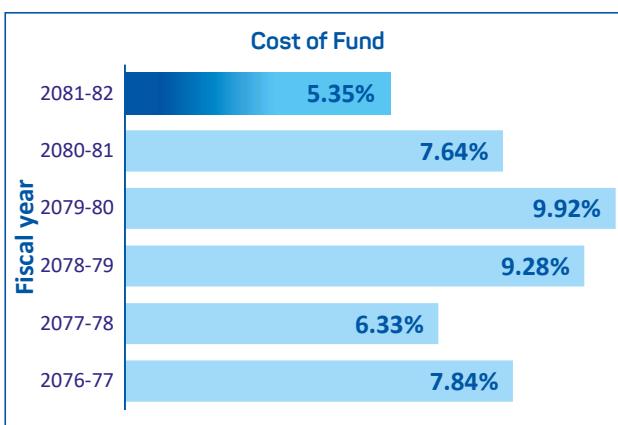
The Bank's interest spread remained stable and healthy over the review period, with a decline in FY 2081/82 reflecting competitive pricing and prudent asset-liability management amid changing interest rate conditions.



iii) Cost of Fund (%)

Year	Percentage (%)
2081-82	5.35%
2080-81	7.64%
2079-80	9.92%
2078-79	9.28%
2077-78	6.33%
2076-77	7.84%

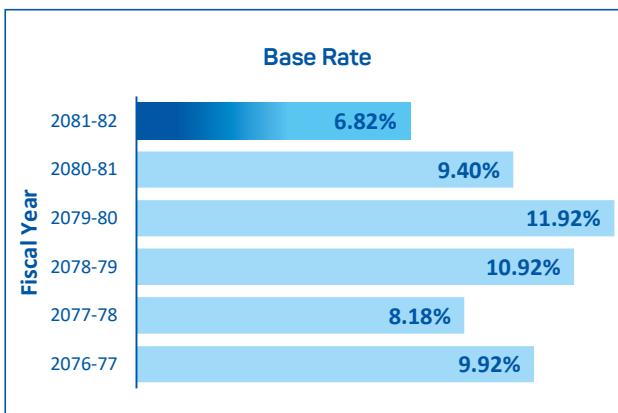
The Bank's cost of fund is 5.35% in FY 2081/82, reflecting improved deposit mix, effective interest cost management, and easing funding pressures.



iv) Base Rate (%)

Year	Percentage (%)
2081-82	6.82%
2080-81	9.40%
2079-80	11.92%
2078-79	10.92%
2077-78	8.18%
2076-77	9.92%

The Bank's base rate showed a declining trend in recent years, settling at 6.82% in FY 2081/82, reflecting easing market interest rates and effective cost of fund management.

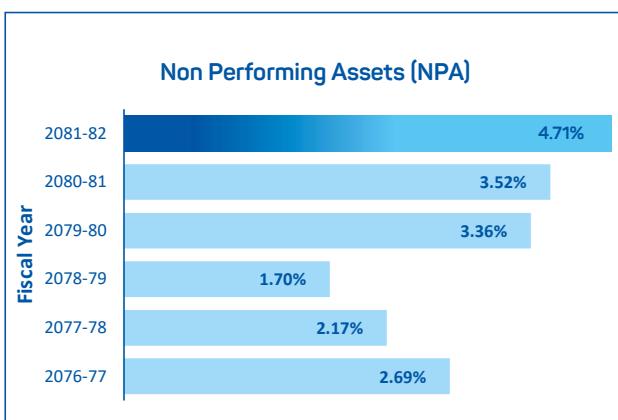


C) Risk management

i) Non Performing Assets (NPA)

Year	Percentage (%)
2081-82	4.71%
2080-81	3.52%
2079-80	3.36%
2078-79	1.70%
2077-78	2.17%
2076-77	2.69%

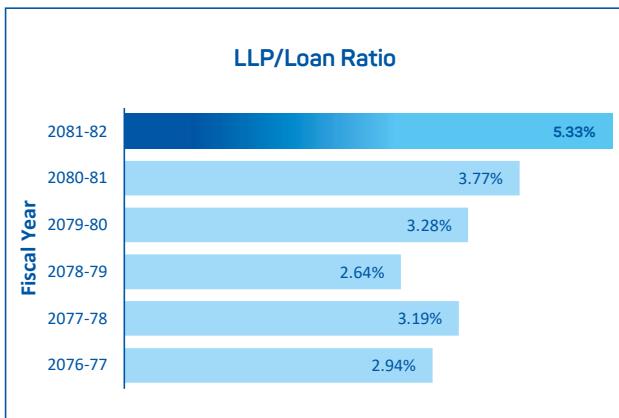
The Bank's NPA ratio increased to 4.71% in FY 2081/82 amid a challenging credit environment; however, it remains under close management focus with strengthened recovery, monitoring, and provisioning measures to safeguard asset quality and stakeholder interests.



ii) Loan Loss Provision/Loan

Year	Percentage (%)
2081-82	5.33%
2080-81	3.77%
2079-80	3.28%
2078-79	2.64%
2077-78	3.19%
2076-77	2.94%

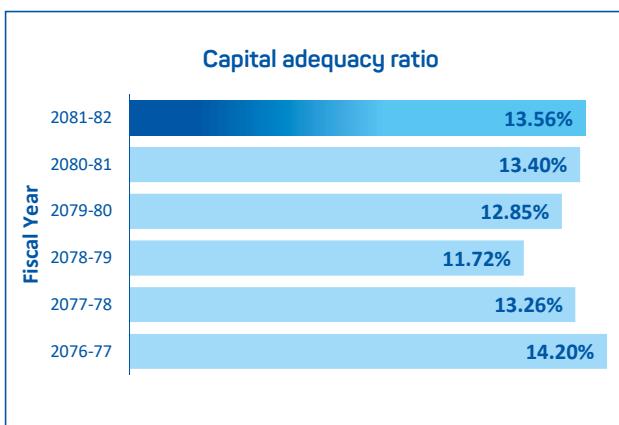
The Bank's LLP-to-Loan ratio in FY 2081/82 is 5.33%, reflecting a prudent and forward-looking provisioning approach to strengthen financial position resilience and protect stakeholder value amid elevated credit risk conditions.



iii) Capital adequacy ratio

Year	Percentage (%)
2081-82	13.56%
2080-81	13.40%
2079-80	12.85%
2078-79	11.72%
2077-78	13.26%
2076-77	14.20%

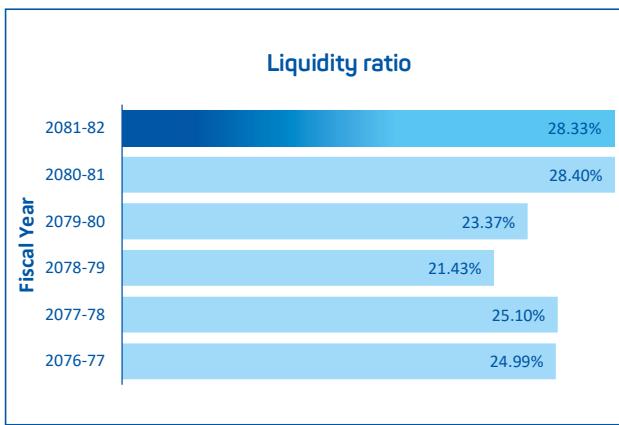
The Bank's capital adequacy ratio remained consistently above the minimum requirement prescribed by Nepal Rastra Bank, standing at 13.56% in FY 2081/82, thereby ensuring a strong capital buffer to support growth and absorb potential risks.



iv) Liquidity ratio

Year	Percentage (%)
2081-82	28.33%
2080-81	28.40%
2079-80	23.37%
2078-79	21.43%
2077-78	25.10%
2076-77	24.99%

The Bank's liquidity ratio remained well above the minimum level prescribed by Nepal Rastra Bank, standing at 28.33% in FY 2081/82, demonstrating strong short-term liquidity management and the Bank's ability to meet its obligations while protecting depositor confidence.

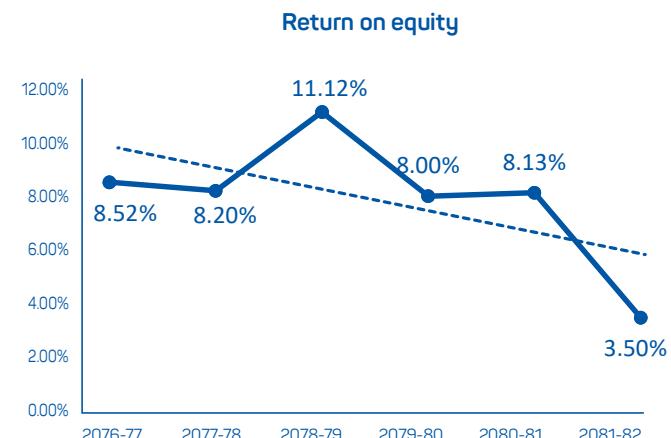


D) Shareholder Value

i) Return on equity

Year	Percentage (%)
2081-82	3.50%
2080-81	8.13%
2079-80	8.00%
2078-79	11.12%
2077-78	8.20%
2076-77	8.52%

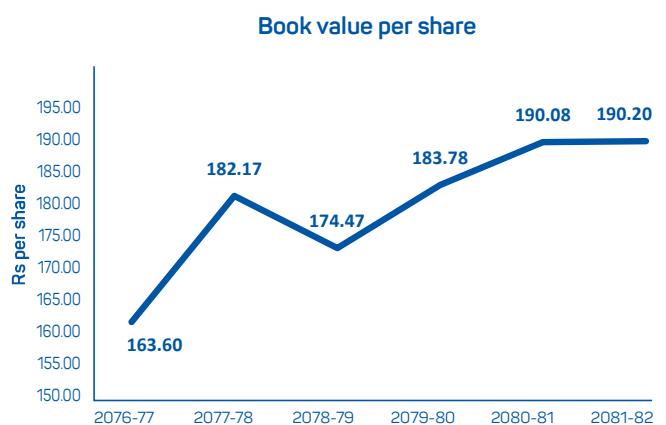
The Bank's return on equity moderated to 3.50% in FY 2081/82 following a strong performance in prior years, reflecting a conservative stance amid higher provisioning and capital buffers while maintaining a focus on long-term shareholder value.



ii) Book value per share

Year	Rs Per Share
2081-82	190.20
2080-81	190.08
2079-80	183.78
2078-79	174.47
2077-78	182.17
2076-77	163.60

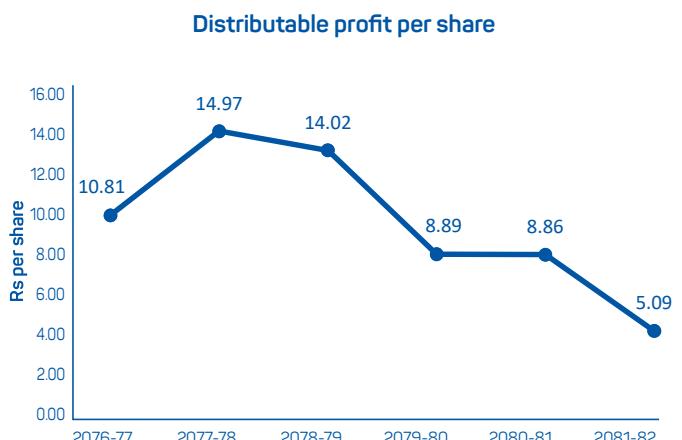
The book value per share of the Bank showed a steady upward trend, reaching Rs. 190.20 in FY 2081/82, reflecting sustained net worth growth and strengthening intrinsic value for shareholders.



iii) Distributable profit per share (DPS)

Year	Rs Per Share
2081-82	5.09
2080-81	8.86
2079-80	8.89
2078-79	14.02
2077-78	14.97
2076-77	10.81

The Bank's distributable profit per share declined to Rs. 5.09 in FY 2081/82 from higher levels in earlier years, reflecting short-term earnings pressure, while the Bank remains focused on strengthening core profitability to support sustainable shareholder returns.



iv) Earning per share (EPS)

Year	Rs Per Share
2081-82	6.65
2080-81	15.45
2079-80	14.71
2078-79	19.4
2077-78	14.93
2076-77	13.94

The Bank's earnings per share moderated to Rs. 6.65 in FY 2081/82 compare to the previous year. It is mainly due to higher provisioning and margin pressures, while maintaining a focus on sustainable long-term profitability for shareholders.



v) Market Price per Share (MPS)

Year	Rs Per Share
2081-82	480.69
2080-81	416.60
2079-80	413.00
2078-79	341.00
2077-78	585.00
2076-77	181.00

The Bank's market price per share exhibited volatility over the review period, with a strong rebound to Rs. 480.69 in FY 2081/82, reflecting renewed investor confidence and positive market expectations regarding the Bank's long-term fundamentals.



vi) Price to Earning (P/E) Ratio

Year	Ratio
2081-82	72
2080-81	27
2079-80	28
2078-79	18
2077-78	39
2076-77	13

The Bank's P/E ratio increased sharply to 72 in FY 2081/82, reflecting higher market valuation expectations, indicating strong investor confidence in the Bank's future growth prospects.

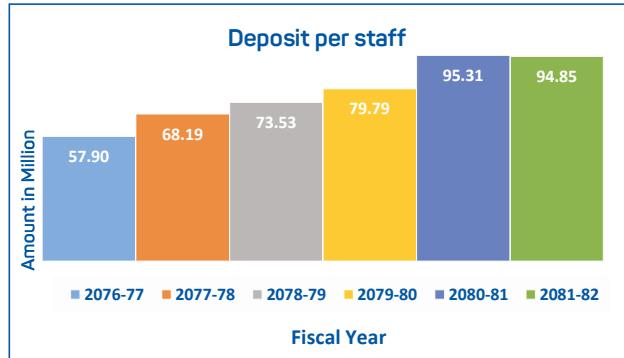


E) Staff Productivity

i) Deposit per staff

Year	Amount in Million
2081-82	94.85
2080-81	95.31
2079-80	79.79
2078-79	73.53
2077-78	68.19
2076-77	57.9

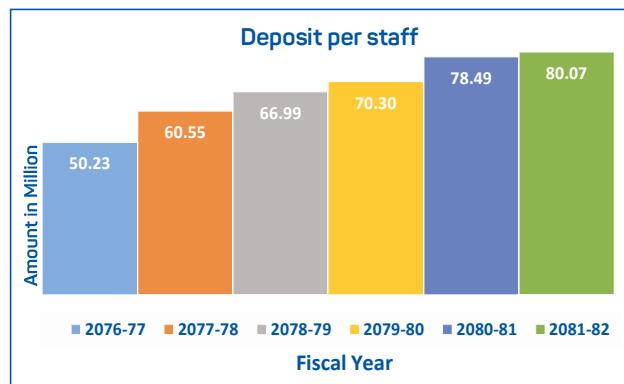
Deposit per staff increased significantly over the period, reaching Rs. 94.85 million in FY 2081/82, indicating improved staff productivity and efficient deposit mobilization.



ii) Loan per staff

Year	Amount in Million
2081-82	80.07
2080-81	78.49
2079-80	70.30
2078-79	66.99
2077-78	60.55
2076-77	50.23

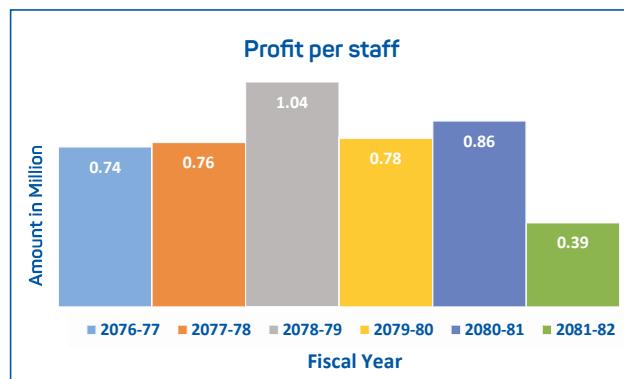
Loan per staff rose steadily to Rs. 80.07 million in FY 2081/82, demonstrating improved staff productivity and efficient credit expansion.



iii) Profit per staff

Year	Amount in Million
2081-82	0.39
2080-81	0.86
2079-80	0.78
2078-79	1.04
2077-78	0.76
2076-77	0.74

Profit per staff moderated to Rs. 0.39 million in FY 2081/82.









पुरस्कार तथा सम्मानहरू
AWARDS & RECOGNITION

04

OUR PRODUCT

CREDIT

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

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

DEPOSIT

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

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

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

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

Various deposit product offered by bank for the year include:

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

DIGITAL TRANSECTION

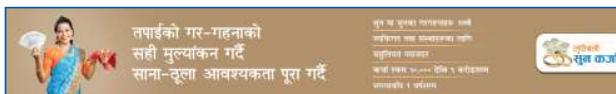
Through our digital banking platform, clients can conveniently conduct transactions at any time and from any location. Clients have the seamless option to bank through our dedicated app, make payments using their card, or effortlessly tap their phone for swift and efficient transactions.

Payments (real time clearing or normal transfers)

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

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

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





HOW WE create value

At Lumbini Bikas Bank Ltd., value creation lies at the heart of our strategy and operations. Guided by our vision of sustainable growth and inclusive banking, we create long-term value for our stakeholders by efficiently deploying financial, human, intellectual, social, and natural capital within a robust governance and risk management framework.

Our value creation model integrates stakeholder needs, prudent risk management, and responsible banking practices to generate sustainable outcomes over the short, medium, and long term.

Strategic Inputs

We leverage the following key capitals to deliver value:

- ❖ Financial Capital: Strong capital base, diversified deposit portfolio, and prudent liquidity management
- ❖ Human Capital: Skilled, motivated, and ethically driven workforce supported through continuous learning and performance management
- ❖ Intellectual Capital: Robust policies, digital banking platforms, product innovation, and operational systems
- ❖ Social & Relationship Capital: Trusted relationships with customers, regulators, communities, and business partners
- ❖ Natural Capital: Commitment to responsible banking through green financing and environmentally conscious operations

Our Business Activities

Value is created through disciplined execution of core banking and development-oriented activities:

- ❖ Mobilization of deposits and efficient credit deployment
- ❖ Focused lending to priority, SME, agriculture, and retail sectors
- ❖ Expansion of digital banking and customer-centric services

- ❖ Strong risk governance, compliance, and internal control systems
- ❖ Ethical conduct, transparency, and sound corporate governance
- ❖ Community engagement and financial inclusion initiatives

Value Delivered to Stakeholders

Our integrated approach delivers measurable and non-measurable value to stakeholders:

- ❖ Customers: Accessible, reliable, and innovative financial solutions
- ❖ Shareholders: Sustainable returns, asset growth, and long-term value enhancement
- ❖ Employees: Inclusive work environment, career growth, and well-being
- ❖ Regulators: Strong compliance, transparency, and risk discipline
- ❖ Communities: Economic empowerment, financial literacy, and social development

Outcomes and Impact

Through responsible resource allocation and stakeholder-focused execution, the Bank achieves:

- ❖ Sustainable financial performance and asset quality
- ❖ Strengthened customer trust and expanding market presence
- ❖ Enhanced employee engagement and organizational resilience
- ❖ Positive social and economic impact across communities
- ❖ Long-term institutional stability and value preservation

Looking Ahead

As we move forward, Lumbini Bikas Bank remains committed to strengthening its value creation process through digital transformation, innovation, prudent risk management, and responsible banking practices-ensuring value for all stakeholders while contributing meaningfully to National economic development.

Our business model

Our business model focuses on creating sustainable value by responsibly mobilizing and allocating financial resources to support individuals, businesses, and communities. By leveraging our financial, human, intellectual, social, and technological capital, we maintain financial resilience, ensure regulatory compliance, and promote ethical banking practices. Our model balances profitability with prudential risk management, financial inclusion, and long-term economic development, enabling us to deliver consistent returns to stakeholders while contributing positively to society.

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

Available Resources	Value added activity		Outcome	How we share the value
	Primary activity	Secondary activity		
Financial capital				
Financial capital arises from shareholder investment, retained earnings, other reserves, deposits, and borrowings. This resource forms the backbone of the bank's operations, enabling it to provide various financial services	<ul style="list-style-type: none"> Accepting deposits Providing loans Facilitating payments Currency exchange Safe deposit locker services 	<ul style="list-style-type: none"> Financial advisory Financial literacy training Environmental protection initiatives Human resource development Training and facilitation Research and development 	<ul style="list-style-type: none"> Return on Equity (ROE): 3% Book Value Per Share (BVPS): RS 190.20 	The financial performance for fiscal year 81-82 was marked by a commendable total profit of Rs. 241,106,426.
Human capital				
Human capital comes from people's competencies, capabilities, and experiences. The recruitment process is centered on identifying individuals who align with the organization's culture and values, contributing both skills and a positive attitude to drive strategic objectives	<ul style="list-style-type: none"> Recruitment and talent acquisition Employee retention strategies 	<ul style="list-style-type: none"> Employee training and development Fostering organizational culture and motivation 	620 highly skilled employee	Throughout fiscal year 2081 82, the bank facilitated 95 training sessions. Financial investments in enhancing skills amounted to Rs. 8,538,629, while comprehensive employee benefit expenses totaled Rs. 459,193,079.
Infrastructure capital				
Infrastructure capital includes the bank's physical infrastructure, branch network, ATM network, and other facilities essential for operational activities	<ul style="list-style-type: none"> Establishment and maintenance of branch offices Expansion of ATM networks 	<ul style="list-style-type: none"> Operational infrastructure upgrades. Enhancing accessibility for stakeholders 	<ul style="list-style-type: none"> Total branches: 90 including ex tent counter Total ATMs: 20 	The bank's extensive network efficiently delivers services to 454,254 depositors and 18,665 borrowers.
Intellectual capital				
Intellectual capital comprises the organizational structure, information technology network, and technologies used to deliver products and services efficiently.	<ul style="list-style-type: none"> Enhancing IT infrastructure. Implementing cybersecurity measures 	<ul style="list-style-type: none"> Developing digital banking platforms Innovating financial services 	<ul style="list-style-type: none"> Mobile banking users: 127,281 Internet banking users: 4,318 Debit card users: 27,346 	Customers benefited from total interest payments amounting to Rs. 3,765 million during the fiscal year.
Social and relationship capital				
This capital represents the relationships among clients, shareholders, employees, and other stakeholders. It also encompasses the bank's contributions to social development and sustainability.	<ul style="list-style-type: none"> Client relationship management Shareholder engagement 	<ul style="list-style-type: none"> Community development programs Corporate Social Responsibility (CSR) initiatives 	<ul style="list-style-type: none"> Loan customers: 18,665 Deposit customers: 454,254 	The bank conducted numerous training and development programs focusing on financial literacy, environmental protection, and sustainable development. CSR expenses for fiscal year 2081-82 totaled Rs. 1,914,350



STAKEHOLDER ENGAGEMENT AND VALUE CREATION

At Lumbini Bikas Bank Ltd., our stakeholders are central to our purpose and long-term success. We recognize that sustainable value creation is achievable only by understanding and fulfilling the evolving needs of those who are directly or indirectly impacted by our business activities.

Stakeholders comprise individuals and institutions influenced by our operations across financial, social, and economic dimensions. Guided by our commitment to "Creating Wealth, Sustaining Nations, and Elevating Stakeholder Prosperity," the Bank strives to empower financial well-being and enhance the quality of life of all stakeholders through timely, responsible, and appropriate responses to their needs.

Key Stakeholders and Our Approach:

Clients

Relevant Capitals: Financial Capital | Social & Relationship Capital | Intellectual Capital

Stakeholder Needs	Our Response	Outcome
<ul style="list-style-type: none"> Access to financial products and services Financial advice and guidance Transparent and affordable pricing Financial literacy and awareness 	<ul style="list-style-type: none"> Provision of diversified deposit, credit, and digital banking products Delivery of need-based financial consultation to improve customers' financial resilience Transparent pricing structures in compliance with regulatory requirements Implementation of financial literacy and awareness programs for the public 	<ul style="list-style-type: none"> Improved access to finance Enhanced customer trust and satisfaction Strengthened long-term customer relationships

Employees

Relevant Capitals: Human Capital | Intellectual Capital

Stakeholder Needs	Our Response	Outcome
<ul style="list-style-type: none"> Safe, inclusive, and healthy work environment Job security and career continuity Performance management, recognition, and skill development Opportunities for professional growth 	<ul style="list-style-type: none"> Clear internal communication and defined roles and responsibilities Continuous learning, training, and leadership development initiatives Performance-based evaluation and recognition mechanisms Employee well-being initiatives and career progression opportunities 	<ul style="list-style-type: none"> Engaged and skilled workforce Improved productivity and organizational resilience Strong succession and talent pipeline

Government and Regulators

Relevant Capitals: Social & Relationship Capital | Financial Capital

Stakeholder Needs	Our Response	Outcome
<ul style="list-style-type: none"> Contribution to national economic development Regulatory compliance and transparency Timely tax payments Reliable data and reporting 	<ul style="list-style-type: none"> Operations in full compliance with applicable laws, regulations, and prudential guidelines Timely payment of taxes and statutory obligations Credit deployment aligned with government-identified priority sectors Accurate and timely regulatory reporting 	<ul style="list-style-type: none"> Strong regulatory confidence Support for national development priorities Institutional credibility and stability

Investors

Relevant Capitals: Financial Capital | Intellectual Capital | Social & Relationship Capital

Stakeholder Needs	Our Response	Outcome
<ul style="list-style-type: none"> Strong leadership and governance Transparent reporting and disclosures Clear strategic direction Ethical conduct and regulatory compliance 	<ul style="list-style-type: none"> Experienced management team with strong banking expertise Transparent and timely financial and non-financial disclosures Clear articulation of strategic objectives and growth plans Commitment to ethical practices and sound corporate governance 	<ul style="list-style-type: none"> Sustainable returns Long-term investor confidence Enhanced enterprise value

Society and Communities

Relevant Capitals: Social & Relationship Capital | Human Capital | Natural Capital

Stakeholder Needs	Our Response	Outcome
<ul style="list-style-type: none"> Access to inclusive financial services Employment opportunities Financial literacy and awareness Education, skill development, and social support 	<ul style="list-style-type: none"> Expansion of inclusive banking services across communities Employment generation and local talent development Financial literacy initiatives to improve banking awareness Corporate social responsibility programs focused on education and community development 	<ul style="list-style-type: none"> Financial inclusion and social empowerment Community development and trust Positive socio-economic impact

Stakeholders are fundamental to Lumbini Bikas Bank's value creation journey. By integrating stakeholder interests into governance, strategy, and operations, the Bank ensures that value is created, preserved, and enhanced over time—benefiting customers, employees, investors, communities, and the broader economy.

सङ्घर्षकी कथा

लक्ष्मी कुमारी चन्द, कैलाली जिल्लाको चौमाला बस्ने साधारण किसान परिवारकी महिला हुन । निजको श्रीमान श्री शेर बहादुर बोगटीले करिब पाँच (५) वर्ष भारतमा काम गरी स्वदेशमै केही गर्ने इच्छा लिएर नेपालमै फर्कनु भयो । बिदेशमा काम गर्दाको पिडा र परिवार भन्दा टाढा रही काम गर्नुपर्ने भएको हुनाले निजले नेपालमै बसेर आफ्नै व्यवसाय संचालन गर्ने अठोटका साथ बि.सं २०७६ सालमा केरा खेती व्यवसायमा आफ्नो पाईला अधी सार्वभयो । सुरुमा व्यवसाय सञ्चालन गर्दा लगानी डुब्ने होकी, सोचेजस्तो व्यवसाय गर्न सकिने वा नसकिने होकी भनी मनमा डुरका साथ आफ्नो व्यवसायलाई अगाडी बढाउनुभएको थियो । व्यवसायबाट तीन जना छोरा-छोरीको शिक्षा, परिवारको दैनिक खर्च, र घरको सम्पूर्ण खर्च बेहुन्तु पर्ने भएको कारणले गर्दा सुरुमा धेरै तनाव बनाएको बताउनु हुन्छ । श्री लक्ष्मी कुमारी चन्दले निजको श्रीमानले गर्दै आइहेको केरा खेती व्यवसायलाई थप बढाउनुपर्ने तर्फ ध्यान केन्द्रित गर्नुभयो तर पूँजी अभावका कारण व्यवसायीक हिसावले केरा खेतीलाई बढावा दिन सक्नु भएको थिएन । मिति २०८० साल चैत्र महिनामा लुम्बिनी विकास बैंकको शाखा कार्यालय मसुरीयामा उहाँले केरा खेतीलाई थप बिस्तार गर्ने योजनाका साथ कर्जाको लागी आबेदन दिनभयो । सुरुका दिनहरूमा खर्च र कामको दबाव उच्च थियो तर दुबै श्रीमान-श्रीमती मिलेर बिहान बेलुका नभनी खटिएर आफ्नो खेतीलाई अगाडी बढाउनु

भयो । निजले सुरुमा केरा खेती गर्दा करिब १ बिघाहा जग्गामा केराका करिब १६०० बिरुवा रोपेर संचालन गर्नु भएकोमा बैंक मार्फत कर्जा प्रप्त भएपछि निजले थप २.५ बिघाहा जग्गा भाडामा लिएर ३२०० केराका बिरुवा रोपेर व्यवसायलाई बिस्तार गर्नु भएको छ । कैलाली जिल्ला भारतीय खुल्ला सिमाना भएको र बिशेषगरी भारतबाट केरा आयात भईरहने भएपनि निजले आफुले उत्पादन गरेका केराहरूको राम्रो बजार मुल्यमा बिक्री भइरहेको जानकारी दिनुभयो । बैंकले साना तथा तुला व्यवसाय सुरु गर्नका लागि कर्जा दिन्छ भन्ने थाहा पाई सोको लागि बैंकमा आउनु भयो र आफु एक लगनशिल तथा मेहनती महिला भएको र पुजीको अभाव भएको कारण आफ्नो व्यवसाय राम्रोसंग सञ्चालन गर्न नसकेको भनि बैंक समक्ष कर्जा मागको प्रस्ताव राख्नु भएको थियो । बैंकले उहाँको सबै कुरा बुझेर व्यवसाय सञ्चालनका लागि संरचना बनाउने ठाँउ तथा बजारका साथै उहाँको योजना निरीक्षण गरी उहाँलाई केरा खेतीको लागि रु ५००,००० कर्जा उपलब्ध गरायो । कर्जा लिनुअघि उहाँलाई बैंकले व्यवसायको योजना बनाउन, लगानीको सही उपयोग गर्न, र नियमित बचत गर्न सिकायो । यो परामर्शले लक्ष्मी कुमारी चन्द र निजको श्रीमानलाई आत्मविश्वास दिलायो र उहाँले व्यवसायलाई बढाउने दृढता व्यक्त गर्नुभयो ।

सफलताको प्राप्ति
आज लक्ष्मी कुमारी चन्दको व्यवसाय गाउँमा उदाहरणीय बनेको छ । उहाँको

लक्ष्मी कुमारी चन्द
कैलाली जिल्लाको चौमाला बस्ने साधारण किसान परिवारकी महिला, केरा खेती व्यवसायी

मासिक रु ५०,००० भन्दा बढी आम्दानीका साथै शिक्षा र स्वास्थ्यमा सुधार: छोराछोरीलाई राम्रो विद्यालयमा पठन पाठन गराउन सक्षम हुनुभएको जानकारी दिनुभयो ।

समाजमा मान्यता: गाउँकै महिलालाई व्यवसाय गर्न प्रेरित गर्ने उदाहरण । प्रेरणादायी सदेश लक्ष्मीका श्रीमान् भन्नु हुन्छ, “जीवनमा सद्बृद्ध र चुनौती हुन्छन्, तर सही अवसर र परामर्श पाएर परिश्रम गर्ने हो भने सफलता सम्भव छ । लुम्बिनी विकास बैंकले मेरो सपना साकार पार्न ठूलो भूमिका खेलेको छ ।” भविष्यका योजना लक्ष्मी अब आफ्नो व्यवसाय विस्तार गरी केरा खेती सहित बाख्यापालन पनि गर्ने योजना बनाउँदै हुनुहुन्छ । साथै, उहाँ गाउँका अन्य महिलालाई व्यवसायिक तालिम दिने सोचमा हुनुहुन्छ ।

निष्कर्ष
लुम्बिनी विकास बैंकले दिएको सहयोग, परिवारको साथ, र लक्ष्मी कुमारी चन्द र उहाँको श्रीमानको मेहनतले यो सफलता सम्भव भएको हो । लक्ष्मीको कथा हजारौं ग्रामीण महिलाहरूका लागि प्रेरणाको स्रोत हो ।

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



FOSTERING TEAM SPIRIT AND WELLNESS THROUGH SPORTS

Lumbini Bikas Bank Ltd. continues to nurture a culture where teamwork, commitment, and shared purpose extend beyond the workplace. During the year, our employees showcased these values by participating in an inter-organizational Futsal tournament and achieving the championship title.

This accomplishment symbolizes the strength of collaboration, resilience, and mutual trust that underpin our organizational ethos. By encouraging employee engagement through sports and wellness initiatives, the Bank reinforces a high-performance culture that enhances morale, strengthens teamwork, and ultimately

contributes to sustainable institutional success. The achievement reflects our belief that when our people grow together, the Bank grows stronger, supporting long-term value creation for all stakeholders.

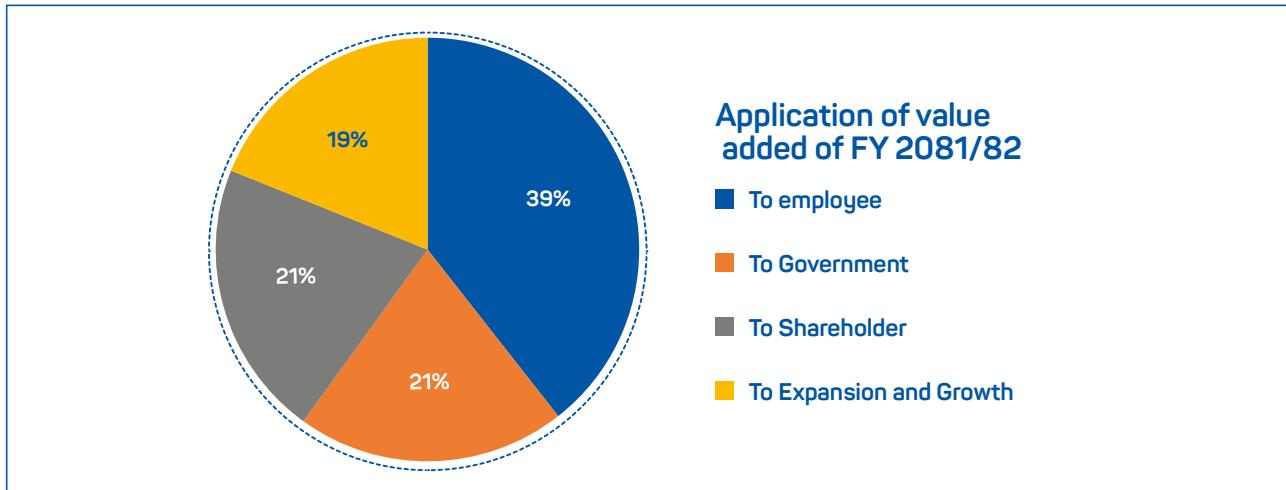
Continuing this initiative, the bank also organizes internal tournaments, providing employees with a platform to exhibit their skills, build camaraderie, and relieve stress in a competitive environment. These efforts reflect the bank's dedication to holistic employee development, contributing to a vibrant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

Value added statement

Value Added is the wealth a reporting entity has been able to create through the collective effort of capacity, capital, management, employees and other resources. In economic terms, value added is the market price of the output of an enterprise less the price of the goods and services acquired by transfer from other firms. Value addition can provide a useful measure in gauging performance and activity of the reporting entity.

A statement of Value addition represents the profit and loss account of bank in different and possibly more useful manner. The Value addition statement of bank is divided into two parts – the first part shows how Value addition is arrived at and the second part shows the application of such Value addition.

Particulars	2081/82	2080/81
Interest Earned	5622.47	6895.26
Other Income	305.74	295.08
Interest Expense	3765.17	5140.44
Other Operating Expense	218.75	219.27
Value Added by Banking Services	1944.29	1830.65
Impairment charge for loans and other losses	778.75	235.83
Gross Value Added	1165.54	1594.82
Application Statement		
To Employees	459.19	510.17
· Salaries and other benefits	459.19	510.17
To Government	239.70	405.11
· Income Taxes	239.70	405.11
To Shareholder	246.27	287.54
· Dividend & Bonus Shares	246.27	287.54
To Expansion and Growth	220.38	392.00
· Reserves and Accumulated Profits	104.96	280.37
· Depreciation and Amortization	120.17	108.65
· Deferred Taxation	-4.75	2.98
Total of Value- Added allocation	1165.54	1594.81



The value-added statement shows how much value (wealth) has been created by the bank through the utilization of its capacity, capital, manpower and other resources and allocated the same to the following stakeholders:

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

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

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

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

Market value added

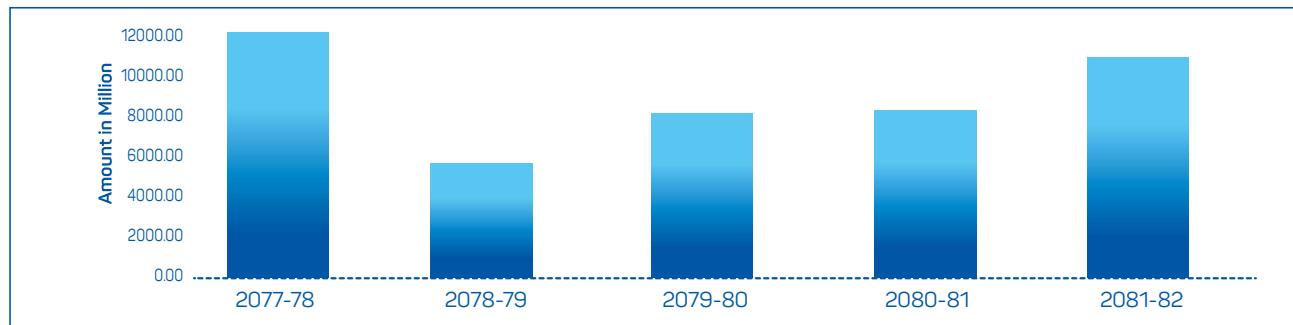
Market Value Added (MVA) is the difference between the current market value of a Bank and the capital contributed by investors (both bondholders and shareholders). In other words, it is the sum of all capital claims held against the bank plus the market value of debt and equity. If MVA is positive, the bank has added value. If it is negative the bank has destroyed value.

Particulars	2081/82	2080/81	Change(%) to Previous
Market price per share	480.69	416.60	15%
Number of Share	36,236,781.62	35,181,341.38	3%
Total Market Capitalization (In Millions) (A)	17,418.66	14,656.55	19%
Book Value per share	190.20	190.08	0%
Number of Share	36,236,781.62	35,181,341.38	3%
Total Book Value (In Millions) (B)	6,892.08	6,687.41	3%
Market Value added (In Millions) (A)-(B)	10,526.58	7,969.14	32%

The higher the MVA, the better it is. A high MVA indicates the bank has created substantial wealth for the shareholders. A negative MVA means that the value of the actions and investments of management is less than the value of the capital contributed to the bank by the capital markets, meaning wealth or value has been destroyed.

Market Value Added of the Bank for last 5 years

Fiscal Year	Amount in million
2081-82	10,526.58
2080-81	7,969.14
2079-80	7,848.15
2078-79	5,469.41
2077-78	11,708.18



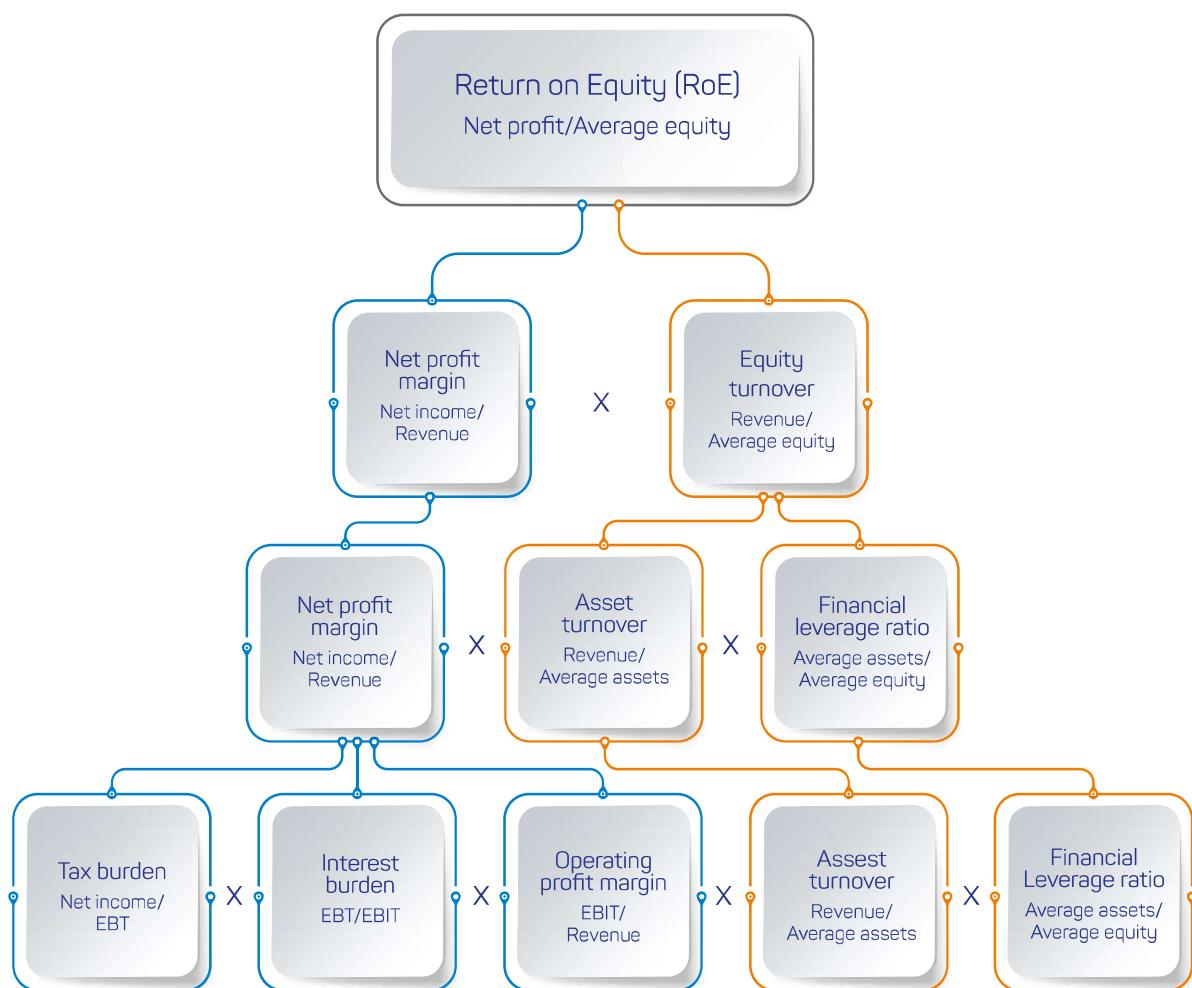
The data showcases remarkable growth and consistent value creation over the years, with a steady upward trend in recent fiscal years. The organization has demonstrated resilience and the ability to maintain strong shareholder value, highlighted by the impressive performance in 2081-82. This consistent improvement reflects a clear commitment to strategic growth and operational excellence, building on the foundation of past achievements to secure a promising future. The results are a testament to the organization's dedication to creating sustained value and maximizing returns for its stakeholders.



Du Pont Analysis:

DuPont analysis is a structured and systematic framework used to decompose Return on Equity (ROE) in order to gain deeper insight into the key drivers of the Bank's profitability. This approach enables management and stakeholders to identify the specific components that most significantly influence ROE, as well as the factors responsible for changes in ROE over time.

For a more comprehensive assessment, the Bank has adopted an extended five-factor DuPont model, which examines net profit margin, total asset turnover, and financial leverage. Within this framework, net profit margin is further analyzed by disaggregating it into operating profit margin, the impact of non-operating items, and tax effects. This detailed breakdown enhances the understanding of operational efficiency, cost management, financing structure, and tax planning, thereby providing a holistic view of the Bank's overall financial performance.



Dissecting Lumbini's ROE

Particulars	2081/82	2080/81
ROE	3.55%	8.43%
Net Profit Margin	4.07%	7.56%
Total Assets Turnover	0.09	0.11
Financial Leverage	10.09	9.92
Operating Profit Margin	71.54%	84.73%
Interest Burden	0.11	0.16
Tax Burden	0.51	0.57

The DuPont analysis provides a comprehensive assessment of the underlying drivers of the Bank's Return on Equity (ROE) and explains the movement in shareholder returns between FY 2080/81 and FY 2081/82.

1. Profitability Drivers

The Bank's net profit margin declined significantly to 4.07% in FY 2081/82 from 7.56% in the previous year. This was largely attributable to a contraction in the operating profit margin, which decreased to 71.54% from 84.73%, reflecting elevated impairment charges and operating pressures during the year.

The interest burden ratio declined to 0.11 from 0.16, indicating higher absorption of operating earnings by interest-related costs. In addition, the tax burden ratio reduced to 0.51 from 0.57, reflecting lower earnings retained after tax due to reduced profitability.

2. Asset Efficiency

The total assets turnover ratio declined to 0.09 from 0.11, indicating reduced efficiency in generating operating income from the asset base. This reflects a cautious lending environment, moderated credit growth, and conservative asset deployment in response to prevailing economic and regulatory conditions.

3. Financial Leverage

The Bank's financial leverage remained broadly stable, increasing marginally to 10.09 from 9.92. This stability indicates that the decline in ROE was not driven by changes in capital structure, but rather by profitability and other factors.

The decline in ROE in FY 2081/82 was primarily driven by lower operating profitability due to higher impairment charges. Despite these challenges, the Bank maintained a stable leverage position, reflecting prudent capital management in line with regulatory expectations.

Going forward, the Bank remains focused on strengthening asset quality, improving operational efficiency, enhancing income diversification, and optimizing balance sheet utilization to improve profitability and deliver sustainable returns to shareholders while maintaining regulatory compliance.

Horizontal Analysis of Financial Statements

Statement of Financial Position

Growth (Base year 2077/78)

Particulars	2081/82	2080/81	2079/80	2078/79	2077/78
Assets					
Cash and cash equivalent	79%	86%	86%	114%	100%
Due from Nepal Rastra Bank	208%	256%	149%	84%	100%
Loan and advances to B/Fls	17%	86%	87%	93%	100%
Loans and advances to customers	159%	156%	140%	128%	100%
Investment securities	248%	235%	156%	169%	100%
Current tax assets	29%	25%	52%	67%	100%
Investment in associates	115%	112%	102%	115%	100%
Investment property	338%	310%	258%	108%	100%
Property and equipment	203%	228%	251%	246%	100%
Goodwill and Intangible assets	381%	218%	150%	129%	100%
Other assets	180%	178%	137%	128%	100%
Total Assets	154%	157%	133%	128%	100%
Liabilities					
Due to Bank and Financial Institutions	104%	156%	236%	367%	100%
Due to Nepal Rastra Bank	55%	73%	34%	393%	100%
Deposits from customers	158%	161%	135%	118%	100%
Deferred tax liabilities	130%	114%	107%	36%	100%
Other liabilities	200%	208%	203%	211%	100%
Debt securities issued	0%	0%	0%	0%	0%
Total liabilities	157%	161%	136%	131%	100%
Equity					
Share capital	125%	121%	116%	113%	100%
Retained earnings	42%	72%	69%	106%	100%
Reserves	158%	146%	130%	102%	100%
Total equity attributable to equity holders	130%	126%	117%	108%	100%
Total liabilities and equity	154%	157%	133%	128%	100%

Horizontal Analysis on Statement of Financial Position refers to the analysis of growth of each component of balance sheet items from the base period. Here base period is considered the year 2077/78 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Here, total assets, liabilities and shareholders' equity are showing growth over the last five years which symbolize sustainable balance sheet growth of the bank as a whole.

Horizontal Analysis of Financial Statements

Statement of Profit or Loss

Growth (Base year 2077/78)

Particulars	2081/82	2080/81	2079/80	2078/79	2077/78
Interest income	163%	200%	196%	140%	100%
Interest expense	168%	229%	220%	147%	100%
Net interest income	153%	145%	152%	127%	100%
Fee and commission income	122%	117%	93%	92%	100%
Fee and commission expense	217%	234%	234%	175%	100%
Net fee and commission income	120%	114%	90%	89%	100%
Net interest, fee and commission income	149%	141%	144%	122%	100%
Net trading income	-483%	-153%	-118%	292%	100%
Other operating income	62%	61%	35%	37%	100%
Total operating income	141%	134%	134%	114%	100%
Impairment charge/(reversal) for loans and other losses	265%	80%	185%	12%	100%
Net operating income	112%	147%	122%	139%	100%
Personnel expenses	128%	142%	129%	128%	100%
Other operating expenses	97%	97%	97%	90%	100%
Depreciation & Amortization	248%	224%	218%	225%	100%
Operating Profit	96%	161%	120%	155%	100%
Non operating income	9%	7%	6%	2%	100%
Non operating expense	2716%	598%	452%	112%	100%
Profit before income tax	76%	152%	113%	150%	100%
Income tax expense	123%	213%	110%	157%	100%
Current Tax	127%	214%	111%	164%	100%
Deferred Tax	-205%	129%	5%	-383%	100%
Profit for the period	56%	125%	115%	147%	100%

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2077/78 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year.

Vertical Analysis of Financial Statements

Statement of Financial Position

Particulars	2081/82	2080/81	2079/80	2078/79	2077/78	Percentage of Total Assets
Assets						
Cash and cash equivalent	5%	5%	6%	9%	10%	
Due from Nepal Rastra Bank	4%	5%	3%	2%	3%	
Loan and advances to B/FIs	1%	3%	4%	4%	6%	
Loans and advances to customers	69%	67%	70%	67%	67%	
Investment securities	18%	17%	13%	15%	11%	
Current tax assets	0%	0%	0%	0%	1%	
Investment in associates	1%	1%	1%	1%	1%	
Investment property	0%	0%	0%	0%	0%	
Property and equipment	1%	1%	1%	1%	1%	
Goodwill and Intangible assets	0%	0%	0%	0%	0%	
Other assets	0%	0%	0%	0%	0%	
Total Assets	100%	100%	100%	100%	100%	100%
Liabilities						
Due to Bank and Financial Institutions	1%	1%	2%	3%	1%	
Due to Nepal Rastra Bank	1%	2%	1%	10%	3%	
Deposits from customers	85%	85%	83%	76%	82%	
Deferred tax liabilities	0%	0%	0%	0%	0%	
Other liabilities	1%	1%	1%	2%	1%	
Debt securities issued	2%	2%	2%	0%	0%	
Total liabilities	90%	90%	89%	90%	88%	
Equity						
Share capital	5%	5%	6%	6%	7%	
Retained earnings	0%	0%	1%	1%	1%	
Reserves	5%	4%	4%	4%	4%	
Total equity attributable to equity holders	10%	10%	11%	10%	12%	
Total liabilities and equity	100%	100%	100%	100%	100%	100%

Vertical Analysis on Statement of Financial Position refers to the components of balance sheet items as a percentage of total Assets over the periods which would be termed as common sizing of Statement of Financial Position.

Vertical Analysis Of Financial Statements

Statement Of Profit Or Loss

Particulars	2081/82	2080/81	2079/80	2078/79	2077/78	Percentage of Total Income
Interest income	95%	96%	97%	96%	91%	
Interest expense	64%	71%	71%	65%	59%	
Net interest income	31%	24%	26%	30%	32%	
Fee and commission income	4%	3%	2%	3%	5%	
Fee and commission expense	0%	0%	0%	0%	0%	
Net fee and commission income	3%	3%	2%	3%	5%	
Net interest, fee and commission income	35%	27%	29%	33%	36%	
Net trading income	0%	0%	0%	0%	0%	
Other operating income	1%	1%	1%	1%	4%	
Total operating income	36%	28%	29%	35%	40%	
Impairment charge/[reversal] for loans and other losses	13%	3%	8%	1%	8%	
Net operating income	23%	25%	21%	34%	32%	
Personnel expenses	8%	7%	7%	9%	9%	
Other operating expenses	4%	3%	3%	4%	6%	
Depreciation & Amortization	2%	2%	2%	2%	1%	
Operating Profit	10%	14%	10%	19%	16%	
Non-operating income	0%	0%	0%	0%	1%	
Non-operating expense	2%	0%	0%	0%	0%	
Profit before income tax	8%	13%	10%	19%	16%	
Income tax expense	4%	6%	3%	6%	5%	
Current Tax	4%	6%	3%	6%	5%	
Deferred Tax	0%	0%	0%	0%	0%	
Profit for the period	4%	8%	7%	13%	11%	

Vertical Analysis on Income Statement refers to the components of income statement items as a percentage amount of total income over the periods which would be termed as common sizing of income statement

NON FINANCIAL INDICATOR

Branches

2081-82	89
2080-81	89
2079-80	89
2078-79	86
2077-78	77
2076-77	68
2075-76	65
2074-75	65



Training Conducted

2081-82	96
2080-81	105
2079-80	111
2078-79	44
2077-78	46
2076-77	60
2075-76	35
2074-75	32



ATMs

2081-82	20
2080-81	20
2079-80	20
2078-79	17
2077-78	17
2076-77	17
2075-76	17
2074-75	17



Training Participants

2081-82	1926
2080-81	2843
2079-80	2486
2078-79	1303
2077-78	1260
2076-77	1587
2075-76	750
2074-75	630



Employee

2081-82	620
2080-81	632
2079-80	634
2078-79	614
2077-78	585
2076-77	513
2075-76	490
2074-75	496



Total no of customer

2081-82	454254
2080-81	437913
2079-80	394804
2078-79	331447
2077-78	268867
2076-77	218840
2075-76	216621
2074-75	194420





05

Governance, Environmental and Social Responsibility

Lumbini Bikas Bank Ltd. is committed to creating sustainable value through strong governance and responsible banking practices. The Bank operates within a robust governance framework that promotes transparency, accountability, ethical conduct, and compliance with regulatory requirements. The Board and management provide effective oversight, ensuring prudent risk management, sound internal controls, and responsible decision-making aligned with long-term institutional sustainability.

Environmental responsibility is integrated into the Bank's operations through responsible lending practices, promotion of paperless and digital banking, and support for environmentally conscious projects.

Lumbini Bikas Bank actively supports financial inclusion, financial literacy, employment generation, and community development initiatives. Through customer-focused services, employee well-being programs, and targeted corporate social responsibility activities, the Bank creates positive social outcomes and strengthens trust with stakeholders.

ETHICAL WORK ENVIRONMENT

Lumbini Bikas Bank Ltd. is committed to maintaining a strong ethical work environment that promotes integrity, transparency, professionalism, and accountability across all levels of the organization. Ethical conduct is embedded into the Bank's culture and operational practices, ensuring that business activities are carried out responsibly and in alignment with regulatory requirements, stakeholder expectations, and long-term value creation objectives.

Integrity and Objectivity

All employees and management personnel are expected to uphold the highest standards of integrity and objectivity. The Bank requires its workforce to perform duties honestly, fairly, and without bias, conflict of interest, or undue influence.

Professional Competence and Due Care

The Bank ensures that employees possess and continuously develop the skills, knowledge, and competencies necessary to discharge their responsibilities effectively. Regular training, capacity-building initiatives, and professional development programs are implemented.

Confidentiality and Information Security

Lumbini Bikas Bank strictly safeguards customer, institutional, and insider information. Employees with access to sensitive data are required to maintain confidentiality and are prohibited from using such information for personal or unauthorized purposes, in accordance with applicable laws and internal policies.

Professional Conduct and Compliance

The Bank enforces strict adherence to all applicable laws, regulations, internal policies, and ethical codes of conduct. Compliance with labor laws, banking regulations, environmental standards, and professional norms is continuously monitored to uphold responsible and lawful operations.

Transparency and Open Communication

Transparency in decision-making and information sharing is actively promoted. Open communication channels enable employees to access relevant information and raise concerns, reducing the risk of unethical practices and strengthening organizational trust.

Whistleblowing Mechanism

The Bank has established a whistleblower policy that enables employees and stakeholders to



report unethical or improper conduct confidentially and without fear of retaliation. This mechanism reinforces accountability and ethical compliance across the organization.

Ethical Awareness and Continuous Improvement

Ethical training and awareness programs are conducted to help employees recognize ethical dilemmas and apply sound judgment. The Bank regularly reviews its ethical framework, incorporating feedback and best practices to strengthen ethical standards and promote continuous improvement.

Board of Directors' Oversight and Commitment

The Board of Directors (BOD) of Lumbini Bikas Bank Ltd. holds ultimate responsibility for establishing, promoting, and overseeing an

ethical work environment. The Board recognizes that strong ethical governance is fundamental to sustainable performance, stakeholder confidence, and institutional resilience.

Setting Ethical Standards

The BOD defines and approves the Bank's ethical values, codes of conduct, and governance policies, providing clear guidance on expected behavior for management, employees, and stakeholders.

Ethical Leadership and Culture

The Board ensures that senior leadership appointments reflect strong ethical values and professional integrity. By promoting ethical leadership at the highest level, the BOD reinforces an organizational culture rooted in accountability and trust.

Governance and Compliance Oversight

The BOD oversees the implementation of ethical policies, internal controls, and compliance frameworks. Regular reviews of ethical performance, regulatory compliance, and internal audit findings enable the Board to identify and address potential governance gaps.

Whistleblower Protection

The Board ensures the effective functioning of whistleblower mechanisms and safeguards individuals who report concerns in good faith. The BOD monitors the handling of reported cases to ensure independence, confidentiality, and appropriate corrective action.

Transparency and Ethical Reporting

The BOD promotes transparent, accurate, and timely financial and non-financial reporting. Any identified irregularities are addressed promptly to uphold accountability and stakeholder confidence.

Ethical Risk Assessment

The Board periodically assesses ethical and conduct-related risks and ensures proactive measures are taken to mitigate such risks, aligning ethical considerations with enterprise risk management.

MANAGEMENT COMMITMENT TOWARDS ETHICAL WORK ENVIRONMENT

Lumbini Bikas Bank Limited (LBBL) places strong emphasis on fostering an ethical work environment as an integral part of its corporate governance framework and sustainable value creation approach. Through strong leadership, effective policies, and continuous oversight, the management of Lumbini Bikas Bank Limited remains committed to strengthening an ethical work environment that supports responsible banking, sound governance, and sustainable value creation for all stakeholders.

Importance of Management Commitment:

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

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

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

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

Elements of Management Commitment to an Ethical Work Environment:

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

Communication: Management should communicate the importance of ethics and integrity regularly. This

includes discussing the organization's code of conduct, ethical guidelines, and expectations.

Training and Education: Managers should provide ethics training and education to employees, ensuring they understand the organization's ethical standards and have the knowledge to make ethical decisions.

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

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

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

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

Reward Ethical Behavior: Recognize and reward ethical behavior among employees to reinforce the organization's commitment to ethics.

Policies and Procedures: Establish clear ethical policies and procedures within the organization. Managers should ensure these policies are followed consistently.

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

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

operations on the environment and society.

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

Response of Bank management towards ethical work environment

Bank management has taken several initiatives to enhance its ethical work environment, including measures to strengthen trust, uphold its reputation, and ensure compliance with regulatory standards within the banking industry.

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

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

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

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

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

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

CODE OF ETHICS

Our Code of ethics

We at Lumbini Bikas Bank, to the best of our knowledge and belief, have a mutual understanding for our ethical acts which are properly guided by the policies, controls and processes that we believe have a positive impact in what we do. The Bank has established a formal Code of Ethics applicable to directors, management, and employees, which guides ethical conduct and professional behavior across all operations. All employees are required to formally agree to and comply with the Code of Ethics as part of their contractual obligations with the Bank. The Bank emphasizes ethical leadership and responsible governance, aligned with applicable laws, regulations, and Nepal Rastra Bank directives.

The Code promotes honesty, integrity, sincerity, diligence, accountability, and dedication in the discharge of duties. Major topic cover:

Stakeholder and Business Conduct:

- ❖ The Bank prioritizes fair and transparent dealings with customers, shareholders, corporate partners, regulators, media, and society.
- ❖ A customer-centric approach is adopted to ensure accurate information, fair treatment, and avoidance of misleading practices.
- ❖ Shareholder interests are safeguarded through transparent disclosures, timely Annual General Meetings, and prudent utilization of financial resources.
- ❖ Harmonious relationships are maintained with corporate partners through professionalism, cooperation, and mutual respect.
- ❖ The Bank fulfills its social responsibilities by maintaining harmony with society and adhering to accepted social values.

Legal, Regulatory, and Professional Standards

- ❖ Strict compliance is maintained with prevailing laws, Nepal Rastra Bank directives, internal policies, and procedures.
- ❖ Employees are required to demonstrate professionalism, proactiveness, adaptability, and continuous learning in their roles.
- ❖ Teamwork and collaboration are encouraged to enhance performance and operational efficiency.

Ethical Safeguards and Workplace Conduct

- ❖ Discrimination of any form based on gender, ethnicity, financial status, or other grounds is strictly prohibited.
- ❖ The Bank maintains a zero-tolerance policy against harassment, intimidation, and abusive behavior in the workplace.
- ❖ Employees are required to maintain workplace discipline, professional communication, and respectful conduct at all times.

Integrity and Prohibited Practices

- ❖ Abuse of authority, conflicts of interest, and actions compromising ethical standards are strictly prohibited.
- ❖ Giving or receiving gifts, commissions, or undue benefits that may influence business decisions is not permitted.
- ❖ Involvement in unethical, fraudulent, or criminal activities is strictly prohibited and subject to disciplinary action.
- ❖ Employees are encouraged to report unethical conduct through appropriate internal mechanisms.

Confidentiality and Information Security

- ❖ Confidential information relating to the Bank, customers, and employees must be protected at all times.
- ❖ Disclosure of sensitive information to third parties is allowed only with prior authorization and in accordance with applicable laws.





EMPLOYEES AND HUMAN CAPITAL MANAGEMENT

As of mid-July 2025, the Bank employed a total of 620 employees, comprising 546 permanent staff and 74 contractual employees. The Bank recognizes its employees as a key driver of sustainable growth and continues to invest in human capital development to enhance service quality and operational efficiency.

Employee Engagement and Development

The Bank actively engages employees at all levels to foster talent, loyalty and collective performance. Regular training and development programs are conducted to strengthen skills and align employee capabilities with the Bank's long-term strategic goals. On-the-job training, technical specialization programs and knowledge-sharing initiatives remain integral to the Bank's human resource development framework. Employee engagement is further enhanced through participation in inter-bank sports events such as futsal and cricket tournaments.

Recruitment and Induction

The Bank follows a structured, transparent and merit-based recruitment process with clearly defined criteria related to qualifications, experience and aptitude. Priority is given to hiring from local communities where branches operate to strengthen community relations and service delivery. Comprehensive induction and orientation programs are provided to familiarize new employees with the Bank's culture, values, ethics and operational responsibilities.

Diversity and Equal Opportunity

The Bank is committed to providing equal employment opportunities irrespective of gender, ethnicity, culture or socio-economic background.

Recruitment, remuneration, promotions and benefits are strictly merit-based. No incidents of discrimination were reported during the year, and formal mechanisms are in place to address any such matters should they arise.

Remuneration, Rewards and Staff Facilities

Employee remuneration is aligned with industry benchmarks and economic conditions, comprising basic pay, allowances, incentives. Remuneration packages are periodically reviewed to ensure competitiveness and fairness. Staff facilities include provident fund, gratuity, staff and home loans, uniform facilities and other advances. Gratuity benefits are provided to permanent employees upon completion of more than three years of service.

Performance Management

The Bank operates a structured annual performance evaluation system based on predefined operational targets, discipline, punctuality and attitude. The process promotes continuous feedback, succession planning, career progression and targeted training. High performers are recognized and rewarded, while developmental support is provided where required.

Employee Well-Being and Retention

Employee well-being remains a priority, with initiatives focused on work-life balance, career

development and employee welfare. A flexible leave system and regular employee engagement help maintain productivity, reduce absenteeism and control staff turnover. The Bank emphasizes grievance handling, job rotation and career progression to retain talent.

Staff Costs

Total staff-related expenses amounted to NPR 459.19 million in FY 2081/82, compared to NPR 510.17 million in FY 2080/81, reflecting the Bank's continued investment in employee compensation, training and welfare.

Health, Safety and Grievance Handling

The Bank ensures a safe and healthy working environment through comprehensive medical and accidental insurance coverage, workplace safety measures and first-aid facilities across branches. Formal grievance handling mechanisms enable employees to raise concerns through supervisory channels or independent procedures under HR oversight.

Staff Composition

The Bank's workforce comprises employees of diverse age groups, roles and contractual status, with a strong commitment to gender neutrality and equal opportunity across all levels of the organization.

HOW THE BOARD FUNCTIONS

In accordance with Section 22 of the Bank and Financial Institution Act, 2073, the Board of Directors of the Bank is vested with the authority to perform all functions of the Bank, except those specifically reserved for the Annual General Meeting. The Board's responsibilities and accountability are governed by prevailing laws and regulatory frameworks, including the Companies Act, Bank and Financial Institution Act, Nepal Rastra Bank Act, Nepal Rastra Bank Directives, and the Bank's Memorandum of Association

and Articles of Association, ensuring effective governance, regulatory compliance, and prudent management of the Bank's affairs.

The Board of Directors of Lumbini Bikas Bank Limited is collectively responsible and accountable for the Bank's governance, strategic direction, and financial soundness. The Board ensures compliance with applicable laws and Nepal Rastra Bank directives while overseeing risk management, internal controls, and ethical standards to support prudent operations and sustainable growth.

BOARD LEVEL COMMITTEE

To ensure effective governance, regulatory compliance, and strategic oversight, the Board of Directors of Lumbini Bikas Bank Ltd. has constituted various Board Level Committees in accordance with the Bank and Financial Institution Act, 2073, Nepal Rastra Bank directives, and internal policies of the Bank. These committees support the Board in discharging its responsibilities by providing focused oversight in key functional areas.

Audit committee

As per Section 60 of the Bank and Financial Institution Act 2073, a bank or financial institution (BFI) is required to establish an audit committee comprised of non-executive directors. Detailed provisions regarding the composition and responsibilities of the audit committee are outlined

in the relevant directive. The board of directors is responsible for constituting this committee, with the head of the internal audit department serving as the committee's member secretary. The audit committee's functions include the review of the organization's financial status, internal

controls, audit-related programs, and in-depth discussions on audit findings, along with the issuance of necessary directives to the management. Both internal and external auditors of the licensed organization have the privilege of direct access to this committee.

Composition

Name	Designation	Position in Committee
Mr. Ganesh Raj Regmi	Director	Coordinator
Mr. Prajan Pradhan	Director	Member
Mr. Hari Krishna Subedi	Head Internal Audit Department	Member Secretary

There were a total of 9 meetings conducted in the FY 2081/82 and a total of Rs. 168,000 has been paid as meeting allowance to the members (except employee).

Purpose

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

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

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

Focus Areas for 2081/82

- Strengthening internal control and audit effectiveness
- Review of annual and quarterly financial statements for accuracy and compliance
- Monitoring implementation of internal and external audit recommendations
- Oversight of Nepal Rastra Bank inspection observations and corrective action plans
- Enhancing governance, transparency, and financial discipline across operations
- Ensuring compliance with applicable laws, regulations, and accounting standards

Risk management committee

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

Composition

Name	Designation	Position in Committee
Mr. Jaya Dev Shrestha	Independent Director	Coordinator
Mr. Ganesh Raj Regmi	Director	ex-officio-Member
Mr. Keshav Khatiwada	Director	Member
Mr. Umesh Regmi	Chief Operating Officer (COO)	Member
Mr. Dipendra Man Chui Chui	Chief Risk Officer (CRO)	Member Secretary

There were a total of 9 meetings conducted in the FY 2081/82 and a total of Rs. 261,000 has been paid as meeting allowance to the members (except employee).

Purpose

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

Focus Areas for 2081/82

- Review and enhancement of the Bank's risk management framework
- Monitoring credit, market, liquidity, operational, and compliance risks
- Evaluation of capital adequacy and stress testing results
- Oversight of asset quality and income-generating assets
- Assessment of delegation of authority and risk-based decision-making
- Monitoring the impact of economic and sectoral developments on risk exposure

Anti-Money Laundering and Counter Financing of Terrorism Committee

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

Composition

Name	Designation	Position in Committee
Mr. Keshav Khatiwada	Director	Coordinator
Mr. Hari Krishna Subedi	Chief Manager Head- Compliance	Member
Mr. Dipendra Man Chui Chui	Chief Risk Officer	Member
Mr. Dipesh Joshi	Implementation Officer	Member Secretary

There were a total of 7 meetings conducted in the FY 2081/82 and a total of Rs. 67,000 has been paid as meeting allowance to the members (except employee)..

Purpose

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

Focus Areas for 2081/82

- Strengthening customer due diligence and risk-based KYC processes
- Monitoring compliance with AML/CFT laws, regulations, and NRB directives
- Review of suspicious transaction reporting and regulatory submissions
- Assessment of AML/CFT risks related to new products, services, and technologies
- Implementation of FATF recommendations and regulatory guidelines
- Capacity building and awareness programs for AML/CFT compliance

Employee Service Benefits committee

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

Composition

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

Name	Designation	Position in Committee
Mr. Arjun Thapa	Director	Coordinator
Mr. Ram Chandra Sigdel	Director	Member
Mr. Naresh Singh Bohra	Chief Executive Officer	Member
Mr. Sujan Bhattarai	Head-Finance Accounts and Treasury	Member
Mr. Prem Lal Bashyal	Head-Human Resource Department	Member Secretary

There were a total of 4 meetings conducted in the FY 2081/82 and a total of Rs. 76,000 has been paid as meeting allowance to the members (except employee).

Purpose

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

Focus Areas for 2081/82

- Review and enhancement of remuneration and incentive structures
- Performance evaluation and appraisal system improvements
- Succession planning and leadership development
- Review of manpower planning, recruitment, and promotion policies
- Strengthening employee engagement, welfare, and retention initiatives
- Ensuring alignment of HR policies with regulatory and governance standards

CORPORATE SOCIAL RESPONSIBILITY

The Bank recognizes corporate social responsibility as an integral part of its commitment to sustainable banking and inclusive growth. During the fiscal year, CSR initiatives were undertaken in accordance with Nepal Rastra Bank directives and the Bank's CSR policy, with the objective of contributing to social welfare, community development, and environmental responsibility. The Bank focused its CSR efforts on areas where meaningful and long-term impact could be created for society.



Health and Access to Clean Drinking Water

Recognizing access to safe drinking water as a fundamental requirement for health and well-being, the Bank implemented a water purification project at Kanchan Vidhya Mandir Samudayak College. Under this initiative, a water purification system was installed to ensure the availability of clean and hygienic drinking water for students, faculty, and staff. The project was carried out in coordination with the college administration to ensure effective implementation, accessibility, and sustainability of the facility.



Financial Aid

Under its Corporate Social Responsibility (CSR) initiative, Lumbini Bikas Bank Limited provided financial assistance of NPR 110,000 to the Nepal Netra Jyoti Sangh, Bardiya Eye Hospital, located in Bardiya District. The support aims to enhance the quality of eye care services and contribute to the prevention of blindness in the region. The cheque was formally handed over by Mr. Bishnu Subedi, Branch Manager of the Bank's Taratal Branch, Bardiya, to Mr. Kaman Singh Oli, Chairman of the Nepal Netra Jyoti Sangh, Bardiya.

Social Care and Support for Elderly Citizens

As part of its commitment to social inclusion and care for vulnerable groups, the Bank extended support to an elderly care institution through its Birendranagar Branch. The Bank provided a washing machine to Prasanti Briddhashram Kendra, an institution that provides shelter, food, and care to senior citizens. This support helped improve hygiene management and operational efficiency, contributing to a dignified and comfortable living environment for elderly residents.



EDUCATION SUPPORT

Education remains a key focus area of the Bank's CSR initiatives. During the year, the Bank supported underprivileged students by providing essential educational materials to schools within its operating areas (Chitwan Madi). Through the distribution of school bags to students of Shree Balkalyan Basic School, Jagannathpuri, the Bank aimed to reduce educational barriers, encourage regular school attendance, and promote a positive learning environment for children from economically disadvantaged backgrounds.



COMMUNITY DEVELOPMENT AND SOCIAL WELFARE

The Bank's CSR initiatives are guided by the principle of addressing genuine community needs through practical and impactful interventions. By collaborating with local institutions and community-based organizations, the Bank ensured that its CSR activities directly benefited targeted groups and contributed to social welfare. These initiatives reflect the Bank's ongoing effort to strengthen its relationship with communities and support inclusive development.

Through its CSR programs, the Bank reiterates its commitment to responsible banking practices and believes that sustainable growth can be achieved only by creating shared value for society, communities, and stakeholders.

RISK MANAGEMENT REPORT

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

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

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

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

A. Credit Risk Management: Credit risk stands as the primary risk confronted by the Bank in its routine lending and credit operations. It revolves around the potential scenario where a borrower may be unable or unwilling to fulfill their obligations, resulting in financial losses for the Bank and potentially jeopardizing its stability. Credit risk, in essence, reflects the probability that a borrower or debtor may deviate from the agreed-upon terms in a credit agreement, posing the risk of financial losses to the Bank. The effective management of credit risk holds paramount importance as it serves to avert losses of principal and financial rewards that may arise from borrowers' inability to meet contractual obligations. Instances of such failures can lead to substantial financial setbacks for the Bank, underlining the critical significance of robust credit risk management practices. The Bank utilizes a comprehensive framework to address and manage credit risk. This framework is inclusive of well-defined policies and procedures that govern both the measurement and mitigation of credit risk. By adopting this structured approach, the Bank ensures an effective and systematic management of this particular risk category. Further, the Bank has various policies, guidelines and manuals in place for the credit risk management purpose. The Bank has policies such as Credit Policy, Risk Management Policy, Credit Recovery and Disposal of Non-Banking Assets Manual/Policy, Product Papers and various other credit related policies and guidelines in place for effective credit risk management.

B. Operational Risk Management: Operations Risk is that risk arises from inadequate internal process, people, system or from external events. The Bank is committed to establishing robust foundation of corporate governance characterized by a strong risk management culture and ethical business practices. This commitment aims to prevent potential risk events and ensures the Bank's ability to effectively address incidents that arise during its operations. A sound risk management culture is built upon the actions of the Board and senior management, as well as the establishment of policies, processes, and systems. The Integrated Risk Management Department will play a pivotal role as the primary center for managing the operational risk of the bank, providing crucial strategic inputs to the Board of Directors through the Risk Management committee. Core Banking System (CBS) is an area to be put under highest level of safety for security of customer information and information of the bank too. Information and Technology Division in the bank reviews and checks the security aspects in line with ITIS Policy of the Bank. Bank has conducted an IS Audit of the bank's system and suggestions given by the audit with respect to safety and security standards are being implemented. The Bank has an on-line real time replication Disaster Recovery Site (DRS) which captures the record of each transaction that takes place at the Production Server. Both the sites (Production Server and Disaster Recovery – Back up site) are housed in well-conditioned and high shock resistant buildings and are at different

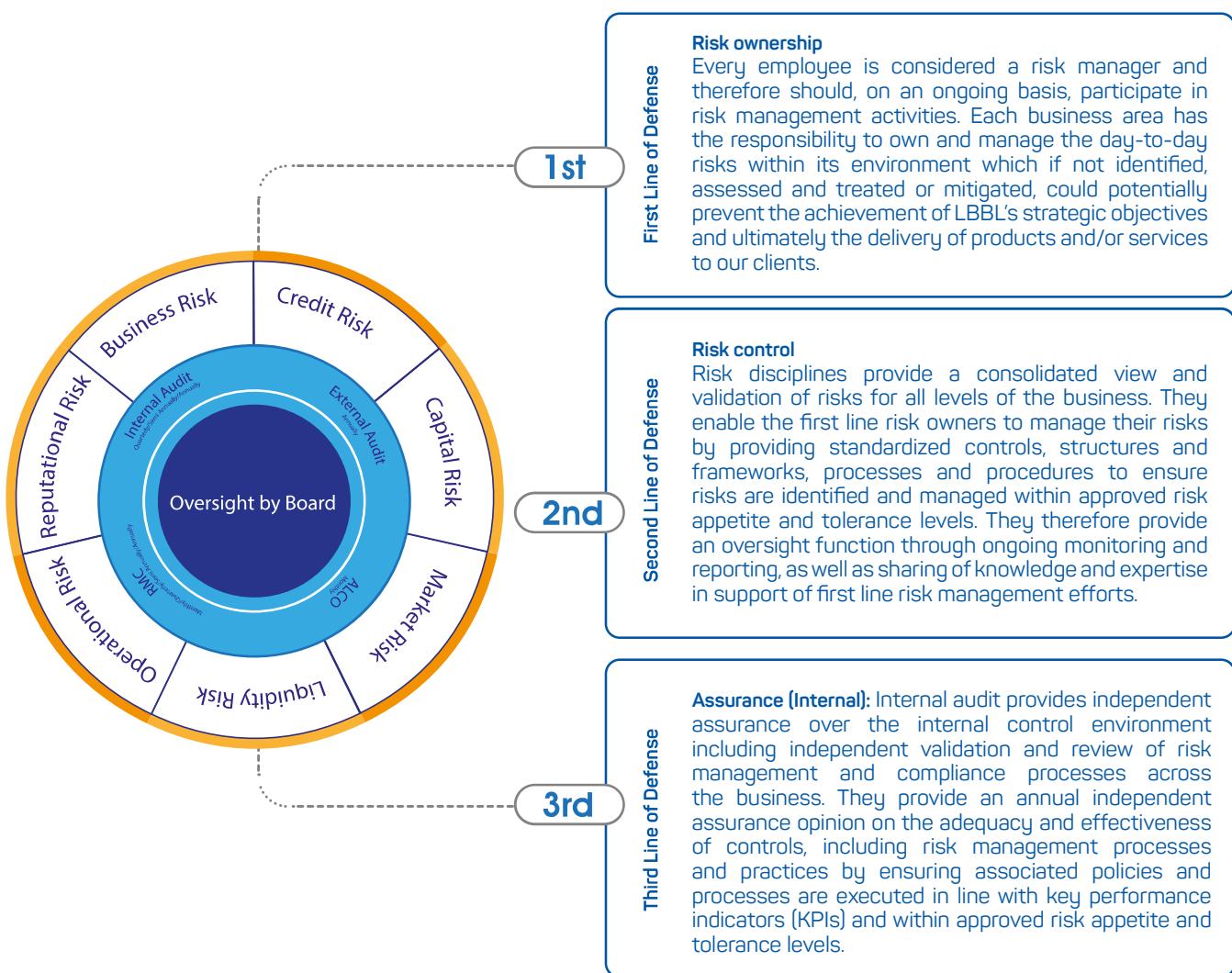
seismic zone. Bank has put in place a maker and checker concept in which a transaction has to compulsorily go through two individuals from a control standpoint with proper transaction right to capture deviations, if any. Also, regular inspections are carried on by highly skilled individuals of Internal Audit and Risk Management department which helps in identification and mitigation of operational risk.

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

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

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

F. Other Risks: While conducting day to day operations, the Bank may face various other risks such as Reputational risks, AML/CFT risks, Compliance risks, Environmental & Social risks and so on. The Bank is committed to identify and manage all other risks faced while carrying out the business related transactions.



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

The risk management department has two units viz Credit Risk Management and Integrated Risk Management.

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

1. Credit Risk Identification

Coordinate with branches for the timely renewal/review of credit files. Identify and assess various risk factors, including credit, regulatory, compliance, legal, operational, and reputational risks during credit file reviews.

2. Credit Appraisal Review

Review new, renewal, and enhancement credit files from a risk perspective. Assess proposals for partial release and replacement of collateral. Evaluate covenants placed by the approving authority to ensure adherence and effectiveness. CRO to Assign review task on the loan size, branch category with high-risk or high-value loans.

3. Risk Mitigation Strategies

Ensures sufficient and properly valued collateral is secured for loans. Raise queries to concerned branches and review their responses during credit file evaluations. Provide recommendations to improve credit risk assessment processes and implement risk-mitigating measures.

4. Monitoring and Control

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

5. Regulatory Compliance

Ensures the bank complies with applicable regulations from the Nepal Rastra Bank. Perform additional tasks as assigned by the Head of Credit Risk Management/CRO in line with regulatory requirements.

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

Key Functions of the IRM Department

1. Risk Identification

Identify and address all risk-related issues, including Operational Risk, Liquidity Risk, Market Risk, AML, and other associated risks. Conduct regular onsite inspections of branches based on Operational Risk grading parameters to detect potential risks. Uses tools like Risk Register, Control Self-Assessment (RCSA) and Key Risk Indicators (KRIs) other as defined by Risk Management Guidelines.

2. Risk Assessment and Measurement

Prepare reports for presentation in the Risk Management Committee (RMC) as required. Analyze and assess the Risk Profile of LBBL quarterly, including ICAAP requirements based on BASEL III guidelines.

3. Risk Integration

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

4. Risk Mitigation

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

5. Risk Monitoring and Control

Arrange and oversee regular inspections of branches to evaluate operational risks and report findings to higher authorities. Maintain effective record-keeping practices and ensure confidentiality of sensitive information.

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

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

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

6. Risk Reporting

Prepare and submit required reports to relevant authorities to facilitate informed decision-making. Support the CRO in preparing reports and analyses for management and the Risk Management Committee. Submits required reports to the Nepal Rastra Bank and complies with regulatory requirement. By implementing robust credit risk management and integrated risk management practices under the leadership of chief credit officer, we safeguard assets, minimize losses, and maintain profitability while complying with regulatory requirements.

Risk Governance

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

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

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

Risk Management Process

1) Risk Identification: Risks are identified and raised by employees across all levels of the Bank, although the primary responsibility for managing these risks lies with the first line of defense. The first line of defense also conducts Risk Control Self-Assessments (RCSAs), supported as necessary by the second line of defense, which ensures that risks are thoroughly evaluated and appropriately addressed.

2) Risk Evaluation: The Bank evaluates risks using a risk matrix, which ensures consistency in assessing both the impact and likelihood of various risks. This evaluation takes into account both inherent risks (those present before controls are applied) and residual risks (those remaining after controls are implemented). The risk management department plays a crucial role in supporting the business by providing independent oversight, continuously monitoring risks, and ensuring alignment with the board's strategic objectives.

3) Risk Treatment: After evaluating risks, the Bank determines how to treat them based on their impact and likelihood. Risks may be accepted if they fall within tolerance levels, transferred to third parties (such as through insurance), mitigated through action plans to reduce potential impacts, or avoided by ceasing certain activities. Mitigation plans are carefully tracked and monitored to ensure that risk treatment measures are effective and that any necessary adjustments are made in a timely manner.

4) Risk Monitoring: Risk monitoring is integrated into daily operations through the use of Key Risk Indicators (KRIs), which measure risk against established tolerance levels. These KRIs are accessible via the management operating system (MOS) and are reviewed regularly to ensure that risks remain within acceptable parameters. Additionally, the Bank conducts scheduled mitigation reviews with risk owners and actively monitors emerging risks, ensuring that new or evolving threats are identified and addressed promptly.

5) Risk Reporting: The Bank ensures that risk reporting is clear, concise, and effective, enabling management and the board to make informed decisions. In line with the Basel Committee on Banking Supervision (BCBS), the Bank has adopted the Basel principles for Risk Data Aggregation and Risk Reporting (RDARR), ensuring that the right risks are reported to the right people at the right time. This practice allows for timely and accurate risk data, supporting proactive decision-making and improving overall risk governance.

Our Risk Appetite and Tolerance

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

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

In recent times, the banking industry has been grappling with significant challenges brought on by economic recession, particularly in the areas of credit recovery and rising non-performing assets (NPAs). The increase in NPAs has led to financial difficulties for banks, as customers unable to generate adequate cash flow fail to repay their loans. This situation underscores the critical role of the risk management department in ensuring the quality and sustainability of the bank's credit portfolio. The department assesses credit risk by evaluating the client's repayment history, cash flow capacity, and overall financial health to generate a credit risk score. This score serves as a vital tool in mitigating the risk of loans turning into non-performing assets, thereby protecting the bank's financial stability.

Simultaneously, the rapid advancement of technology has introduced new risks in the banking sector. Technological risks, such as fake messages, fraudulent OTPs, and phishing scams, have become increasingly prevalent. Cybercriminals

impersonate banks, sending deceptive messages to customers, tricking them into sharing sensitive information or clicking on harmful links. These scams often result in unauthorized access to accounts, leading to financial losses for both customers and banks. The growing reliance on digital and mobile banking has further amplified these risks, necessitating robust measures to safeguard against them. A strong risk management department plays a pivotal role in addressing these technological threats. By collaborating with the information technology (IT) department, the risk management team can recommend updates to IT policies and systems to strengthen authentication mechanisms and improve cybersecurity defenses. Additionally, the Integrated risk management department can ensure that operational manuals and procedures are regularly reviewed and updated. This proactive approach helps minimize cybersecurity risks by incorporating the latest advancements and best practices into the bank's operational framework.





सुरक्षित मोबाइल बैंकिङ्, इन्टरनेट बैंकिङ् का लागि ध्यान दिनुहोस्

पब्लिक WIFI को
प्रयोग नगर्नुहोस्

LOGIN/PASSWORD/PIN
कसैसँग शेयर नगर्नुहोस्

आफ्नो OTP कसैसँग
शेयर नगर्नुहोस्

आफ्नो खाताको statement
बेलाबेला चेक गर्नुहोस्



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहयोगी

Statutory disclosure and Annual Financial Statements



८८ औं वार्षिक साधारण सभामा अध्यक्षज्यूदारा प्रस्तुत सञ्चालक समितिको आ.व. २०८१/८२ को वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

लुम्बिनी विकास बैंक तिमिटेडको १८ औं वार्षिक साधारण सभामा पाल्नु भएका संस्थापकहरु एवं सम्पूर्ण शेयरधनीहरु, अतिथिहरु तथा आमन्त्रित महानुभावहरुमा यस विकास बैंकको सञ्चालक समिति तथा मेरो व्यक्तिगत तरफाट समेत हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु । बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, कम्पनी ऐन, २०६३, प्रचलित अन्य कानून तथा नेपाल राष्ट्र बैंकबाट जारी निर्देशन बमोर्जिम यो प्रतिवेदन यस वार्षिक साधारण सभामा प्रस्तुत गरेका छौं ।

विगतका आर्थिक वर्षहरुमा महामारीको रुपमा फैलिएको कोभिड-१९ को प्रभाव न्यूनीकरण हुँदै जाँदा लगते रस र युक्तेनको युद्धको कारण पेट्रोलियम पदार्थको आपूर्तिमा परेको प्रभाव, कच्चा पदार्थ तथा विभिन्न सामानहरुको आयात/निर्यातमा परेको कठिनाई, खाद्यान संकट, मुद्रास्फीति, जस्ता समस्याहरुले आर्थिक कृयाकलापहरुमा शिथितलाई सृजना भई आर्थिक क्रियाकलापहरु पूर्ण रुपमा सञ्चालनमा आउन नसकेकोमा समीक्षा अवधिमा विकसित एवम् उदायमान मुलुकहरुका केन्द्रीय बैंकले अवलम्बन गरेको कसितो मौद्रिक नीतिको कारण मुद्रास्फीति घटने क्रममा रही अर्थतन्त्रमा मुद्रास्फीति लक्षित सीमाभित्र आएको, बाह्य क्षेत्रमा सुधार भई विदेशी विनियम सञ्चित उल्लेखनीय रुपमा बढेको समग्र वित्तीय वजारमा निष्केपको तुलनामा कर्जाको माग वृद्धि अनुपात कम हुँदा कर्जा निष्केप अनुपातमा सन्तुलन कायम नभई तरलतामा वृद्धि आएको र बैंकसँग लगानीयोग रकम पर्याप्त रहदा समेत लक्षित रुपमा कर्जा प्रवाह हुन नसकेको । विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष प्रभावको असरबाट समग्र मुलुकको आर्थिक गतिविधि, विकास निर्माण, उद्योग व्यवसाय, पर्यटन लगायतका क्षेत्रमा प्रतिकूलता सिर्जना भएको हालको अवस्थामा सो को प्रभाव विस्तारै घट्दै गए समग्र अर्थतन्त्र चलायमान भई कर्जा माग बढी आर्थिक क्रियाकलापले गति लिने तथा आर्थिक सम्बद्धिका सूचकाङ्कहरु सकारात्मक रुपमा सुधार हुँदै जाने कुरामा हामी आशावादी छौं । राष्ट्रिय तथा अन्तर्राष्ट्रिय स्तरमा देरिखएको आर्थिक चुनौतीका बावजुद पनि आ.व. २०८१/८२ मा यस विकास बैंकले आफ्नो व्यवसायबाट सम्पूर्ण व्यवस्था पछिको खुद मुनाफा रु. २४ करोड ११ लाख आर्जन गर्न सफल भएको व्यहोरा यस गरिमामय साधारण सभामा सहर्ष जानकारी गराउन चाहन्छु ।

बैंकले आफ्नो व्यवसाय विस्तारसँगै ग्राहकहरुको सुविधा तथा सुरक्षित कारोबारलाई ध्यानमा राखिए अनलाईन मार्फत खाता खोल्ने सुविधा, ई-बैंकिङ, मोबाइल बैंकिङ "Chip Based" भिसा डेविट कार्ड, C-ASBA, कनेक्ट आईपीएस लगाएका विद्युतीय बैंकिङ सेवाहरुमा परिपार्जन गर्दै कर्मचारीको कार्यक्षमता अभिवृद्धि तथा नियामक निकायहरुबाट जारी मुशासन सम्बन्धी निर्देशनहरुको पालना गर्ने जस्ता कार्यलाई कटिबद्धताका साथ लागु गरेको छ । बैंकको निष्कृत्य कर्जाको असुलीमा केन्द्रीकृत भई गुणस्तरीय कर्जा प्रवाहलाई जोड दिई आएको छ । विगतमा जस्तै आजको यस साधारण सभामा पनि आदरणीय शेयरधनीहरुबाट यस विकास बैंकको उन्नति प्रगतिको लागि आवश्यक सल्लाह सुझाव तथा सद्भाव प्राप्त हुनेमा आशावादी हुँदै प्राप्त सल्लाह सुझावहरु बैंकको कार्य योजना तथा लक्ष्य प्राप्तिमा निकै उपलब्धि मुलक हुनेमा हामीले विश्वास लिएका छौं ।

(क) विगत आ.व. २०८१/८२ को कारोबारको सिंहावलोकन

समीक्षा आर्थिक वर्ष २०८१/८२ मा यस विकास बैंकको प्रमुख वित्तीय सुचकाङ्कहरु निम्नानुसार रहेका छन् ।

शीर्षक	आ.व. २०८१/८२	आ.व. २०८०/८१	वृद्धि (हास) %
चुक्ता पूँजी	३,६२३,६७८,१६२	३,५१८,१३४,१३८	३%
सञ्चित मुनाफा, जेडा तथा कोषहरु	३,२६८,४००,९४०	३,१६९,२७४,२१५	३.१३%
पूँजी कोषको पर्याप्तता	१३.५६%	१३.४१%	०.१५%
कुल सम्पत्ति	६७,८६४,५२०,२३५	६९,०८७,५१७,४५२	-१.७७%
कुल निष्केप	५८,८०८,५११,०९२	६०,२३३,७९१,०२०	-२.३७%
कुल कर्जा साप्टीहरु	४९,६४६,४७९,१३७	४९,६०८,६४८,२९६	०.०८%
लगानीहरु धितोपत्र तथा शेयर (बजार मूल्य)	१३,०९७,५२३,१३७	१२,३५२,९५०,२४२	५.३८%
खुद व्याज आमदानी	१,८५७,३०१,०४८	१,७५४,८२७,५५०	५.८४%
सञ्चालन खर्च	७८७,५९३,०७४	८२६,७६१,५४५	-४.७४%
खुद मुनाफा	२४९,१०६,४२६	५४,३६६,७६२२.५	-५५.६५%
निष्कृत्य कर्जा अनुपात	४.७१%	३.५२%	१.१९%

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

अन्तर्राष्ट्रिय प्रभाव :

समय समयमा समग्र विश्व अर्थतन्त्रमा आउने विभिन्न उतार चढाव मध्ये पछिल्लो समयमा रुस युक्तेनको युद्ध एवं तत् पश्चात विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष एवं अप्रत्यक्ष प्रभाव देशको अर्थतन्त्रमा पनि पेरोको व्यहोरा हामी बीच सर्व विद्युतै छ । युद्धको कारण पेट्रोलियम पदार्थको आपूर्तिमा परेको प्रभाव, कच्चा पदार्थ तथा विभिन्न सामानहरुको आयात/निर्यातमा परेको कठिनाई, खाद्यान संकट, मुद्रास्फीति जस्ता समस्याहरुको सामना अन्य राष्ट्रहरुले भै हामीले पनि सामना गर्नु परेको अवस्था छ । अन्तर्राष्ट्रिय मुद्रा कोष (IMF) ले प्रकाशन गरेको प्रतिवेदन अनुसार सन् २०२३ मा ३.३% ले बढी भएको विश्व अर्थतन्त्र सन् २०२४ र २०२५ मा ३.२% ले मात्र वृद्धि हुने अनुमान गरिएको छ । World Economic Outlook अनुसार भूराजनीतिक तनाव, जलवाया परिवर्तन, प्राकृतिक प्रकोप लगायतका कारण विश्वको आर्थिक वृद्धिकोभिड-१९ पूर्वको तुलनामा अझै कमजोर छ । त्यसैगरी, विश्वको मुद्रास्फीतिमा सुधार हुँदै आएको छ । सन् २०२३ मा विश्वको उपभोक्ता मुद्रास्फीति ६.७ प्रतिशत रहेकोमा सन् २०२४ मा ५.८ प्रतिशत र सन् २०२५ मा ४.४ प्रतिशत रहेने कोषले प्रक्षेपण गरेको छ । विकसित राष्ट्रहरुको आर्थिक वृद्धिमा अझै केही अवधिको लागि संकुचन आउने र सन् २०२५ भित्रमै केही सुधार आउने प्रक्षेपण गरिएको छ ।

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

राष्ट्रिय प्रभाव :

गत आर्थिक वर्ष २०८१/८२ मा बाह्य क्षेत्रमा सुधार आएको भएता पनि आर्थिक गतिविधिमा शिथिलता आएको निजी क्षेत्रातर्फ प्रवाह हुने कर्जाको वृद्धि पनि सुस्त रहेको छ भने बैंकिङ प्रणालीको निष्क्रिय कर्जा अनुपात केही बढेको छ। समीक्षा वर्षमा खासगरी निर्माण क्षेत्र र निर्माण क्षेत्रसँग अन्तरसम्बन्धित क्षेत्रहरुमा समेत संकुचन आएको छ। यद्यपी बाह्य क्षेत्रमा सुधार भई ब्याजदर घट्दो क्रममा रहेकोले निजी माग विस्तार हुने र यसबाट आर्थिक क्रियाकलाप चलायमान बनाउन सहयोग पुने देखिन्छ। विगतका आर्थिक वर्षहरुमा महामारीको रूपमा फैलिएको कोभिड-१९ एं रस्स युक्रेनको युद्धको कारण विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष प्रभाव देशको अर्थतन्त्रमा पनि परेको छ। समिक्षा अवधिमा विदेशी विनियम सञ्चिति उल्लेखनीय रूपमा बढेतापनि समग्र वित्तीय बजारमा निष्केपको तुलनामा कर्जाको माग वृद्धि अनुपात कम हुँदा कर्जा निष्केप अनुपातमा सन्तुलन कायम नभई तरलतामा वृद्धि आएको र बैंकसँग लगानीयोग्य रकम पर्याप्त रहदा समेत लक्षित रूपमा कर्जा प्रवाह हुन नसकेकोले आर्थिक क्रियाकलापहरू पूर्ण रूपमा सञ्चालनमा नआएकाले यस विकास बैंकको कारोबारमा समेत असर पर्न गएको छ। देशको अर्थतन्त्रमा सेवा क्षेत्रको योगदान क्रमशः बढ्दै गएको छ भने कृषि क्षेत्रको योगदान क्रमशः घट्दै गएको अवस्थामा औद्योगिक क्षेत्रको योगदान भने करिव करिव स्थिर रहेको देखिन्छ।

निर्माणाधीन राष्ट्रिय गौरवका तथा उच्च प्राथमिकता प्राप्त पूर्वाधार आयोजनाहरूमध्ये नागदुङ्गा सुरुडमार्ग, काठमाडौं-तराई द्रुतमार्ग, पृथ्वी लोकमार्गको पोखरा-मुरिलन सडक खण्ड, भेरी-बबई बहुउद्देशीय परियोजना, सिद्धबाबा सुरुडमार्गलायतका आयोजनाहरू सम्पन्न हुने चरणमा रहेका छन्। यस्ता आयोजनाहरूको निर्माण पश्चात उद्योग र सेवा क्षेत्रको क्षमता विस्तारमा सहयोग पुदै आर्थिक क्रियाकलाप विस्तार हुने अनुपात रहेको छ। यसै गरी, आगामी पाँच वर्षसम्म जाडित जलविद्युत क्षमता प्रत्येक वर्ष कम्तीमा एक हजार मेगावाटका दरले थिएने गरी निर्माण कार्य अधि बढेको छ। बञ्जलादेशसँग विद्युत खरिद सम्झौता भई २०८२ असार १ गतेबाट विद्युत निर्यात हुन थालेको छ। पर्यटक आगमन सझौत्या कोभिड-१९ अधिको अवस्थामा पुनुको साथै पर्यटन पूर्वाधार विस्तार भएको छ। पोखरा तथा लुम्बिनी रिस्थित अन्तर्राष्ट्रीय विमानस्थल पूर्ण क्षमतामा सञ्चालनमा आउन सकेमा आन्तरिक तथा वाह्य पर्यटन प्रबर्धन भई यससँग सम्बन्धित अर्थतन्त्र पनि विस्तारै चलायमान भई आगामी आर्थिक वर्ष २०८२/८३ मा आर्थिक क्रियाकलापले क्रमशः गति लिने तथा मुलुकको आर्थिक सूचकाङ्कहरुमा क्रमशः सकारात्मक रूपमा सुधार हुने कुरामा हामी आशावादी छौं।

आर्थिक वर्ष २०८२/८३ मा नेपाल सरकारले ६.० प्रतिशतको आर्थिक वृद्धि हासिल गर्ने लक्ष्य राखेको छ। सरकारको बजेटमा पुँजीगत खर्चको विनियोजन अधिल्लो वर्षको तुलनामा बढेको, वित्तीय प्रणालीमा न्यून ब्याजदर सहित लगानीको लागि पर्याप्त तरलता रहेको र लगानी सम्बन्धी कानुनहरू सुधार भई लगानीको वातावरण थप अनुकूल हुँदै गएको सन्दर्भमा कृषि, सेवा र पूर्वाधार क्षेत्रको विकास तथा विस्तार भई लक्षित आर्थिक वृद्धिदर हासिल गर्न सहज हुने देखिन्छ। समिक्षा आ.व. २०८१/८२ मा आर्थिक क्रियाकलाप स्थिर रहेतापनि घट्दो क्रममा रहेको ब्याजदर एं र पर्याप्त तरलतासँगै देशको अर्थतन्त्र पनि विस्तारै चलायमान भई आगामी आर्थिक वर्ष २०८२/८३ मा आर्थिक क्रियाकलापले क्रमशः सकारात्मक रूपमा सुधार हुने कुरामा हामी आशावादी छौं।

ग) समीक्षा आ.व. २०८१/८२ को उपलब्धी तथा बैंकको आगामी आर्थिक वर्षको योजना :

समीक्षा अवधि आ.व. २०८१/८२ मा यस विकास बैंकले देशका ७ वटै प्रदेशमा गरी कुल ८९ वटा शाखाहरू र १ वटा विस्तारित शाखा मार्फत गरेको कारेबारबाट अधिल्लो आर्थिक वर्षको तुलनामा कुल कर्जा सापाटी ०.०८ प्रतिशतले वृद्धि हुन गई रु ४९.६४ अर्ब पुोको छ भने निष्केपमा २.३७ प्रतिशतले कमि भई रु. ५८ अर्ब ८० करोड पुोको छ। यस अवधिमा विकास बैंकको खुद मुनाफा रु. २४.११ करोड भएको छ भने विकास बैंकको वासलात आकारमा १.७७ प्रतिशतले कमि भई रु. ६७ अर्ब ८६ करोड पुोको व्यहोरा आदरणीय शेयरधनीहरू समक्ष जानकारी गराउन चाहन्छ। बैंकको निष्कृत्य कर्जाको असुलीमा तिव्रता दिई गुणस्तरीय कर्जा प्रवाहलाई जोड दिई आएको व्यहोरा आदरणीय शेयरधनीहरू समक्ष जानकारी गराउन चाहन्छ।

आगामी आर्थिक वर्षको योजना :

- ❖ कर्जा तथा लगानीलाई अभिविधिकरण गरी सुदूढ बनाउँदै लगिनेछ।
- ❖ असुलीलाई थप प्रभावकारी बनाउने, निष्कृत्य कर्जाको मात्रा घटाउने, र गुणस्तरीय कर्जा वृद्धि गर्ने।
- ❖ ग्राहक सञ्चालन खर्चमा वृद्धि गर्ने लक्ष्य अनुरूप प्रविधिमा आधारित नयाँ तथा समयानुकूल सेवाहरुको विस्तार गर्दै जाने।
- ❖ कर्जा, निष्केप तथा अन्य वित्तीय सुविधाको लागि नवीनतम बैंकिङ सेवाहरु प्रचलनमा ल्याउने।
- ❖ बैंकिङ प्रणालीमा प्रचलनमा रहेका नवीनतम बैंकिङ प्रडक्टहरू सञ्चालनमा ल्याउने।
- ❖ डिजिटल प्रविधि मार्फत ग्राहकहरूलाई गुणस्तरीय बैंकिङ सुविधा प्रदान गर्ने।
- ❖ सञ्चालन खर्चमा मितव्यायिता अपनाई खर्च नियन्त्रणका लागि आवश्यक प्रयासहरुको अवलम्बन गर्ने।
- ❖ कर्मचारीको दक्षता अभिवृद्धि गर्न निरन्तर कर्मचारी क्षमता अभिवृद्धिका कार्यक्रमहरूलाई निरन्तरता दिने।
- ❖ बैंकको व्यवसायलाई थप विस्तार र विविधिकरण गर्न सम्भाव्य आयामहरुको परिवान गर्ने।
- ❖ आन्तरिक नियन्त्रण प्रणाली तथा सुशासनलाई प्राथमिकताका साथ सुदूढ गर्ने।
- ❖ व्यवसायका नयाँ क्षेत्रहरुको परिवान गर्ने।
- ❖ नवीनतम एवं मौलिक किसिमका बचत योजनाहरू तर्जुमा गरि परिचालन गर्ने।
- ❖ सबै शाखा कार्यालयहरुको व्यवसाय विस्तार गरी मुनाफामा वृद्धि हुने गरी सञ्चालन गरिनेछ।
- ❖ आमदानीका स्रोतहरुको विविधिकरण गर्ने, र सञ्चालन खर्चमा मितव्यायितालाई निरन्तरता दिने।
- ❖ ग्रामीण शाखाहरूलाई क्रियाशिल गराई विभिन्न कार्यक्रमहरुको माध्यमबाट व्यवसाय विस्तार गरिनेछ।
- ❖ विभिन्न बैंकिङ सफ्टवेयरहरुको प्रयोग गरि बैंकिङ सेवा तथा कार्य पर्दितलाई थप चुस्त र सुरक्षित बनाइनेछ।

(घ) औद्योगिक तथा व्यवसायिक सम्बन्ध :

यस विकास बैंकले आफुसँग सम्बद्ध विभिन्न सरकारी, गैर सरकारी संघसंस्था एवं व्यवसायिक औद्योगिक प्रतिष्ठानहरु, सामाजिक संस्थाहरु, नियामक निकायहरु नेपाल राष्ट्र बैंक, कम्पनी रजिस्ट्रारको कार्यालय, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लगायतका सम्पूर्ण निकायहरुसँग सौहाद्रपूर्ण व्यवसायिक सम्बन्ध कायम गर्दै आएको छ । उपत्यका बाहिर आफ्नो शाखा सञ्जाल रेहेका जिल्लाका सम्बन्धित उद्योग वाणिज्य संघ, व्यापारिक एवं अन्य संघ संस्थाहरु, व्यवसायिक प्रतिष्ठानहरु लगाएत सकृदय सामाजिक संस्थाहरुसँग समेत सौहाद्र सम्बन्ध विकास गर्दै आएको छ । भविष्यमा आवश्यकता अनुसार अन्य औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरुसँग थप सम्बन्ध कायम राख्दै आफ्नो व्यवसायलाई थप विस्तार गरिनेछ ।

(ङ) सञ्चालक समितिमा हेरफेर :

बैंकमा हाल तपसिल बर्मोजिमको सञ्चालक समिति कार्यरत रहेको तथा आ.ब. २०८१/८२ को मिति २०८२/०२/०८ मा संस्थापक शेयरधनी स्याकार कम्पनीको तर्फबाट नयाँ सञ्चालकमा श्री प्रजन प्रधान नियुक्त हुनुभएको व्यहोरा जानकारी गराउन चाहन्छ ।

क्र.सं.	सञ्चालकहरुको नाम	पद	ठेगाना	नियुक्ती मिति
१	श्री चिन्तामणी भट्राई (संस्थापक शेयरधनीको तर्फबाट)	अध्यक्ष	बडा नं. १, बानेश्वर, काठमाण्डौ ।	२०७९/०९/२६
२	श्री प्रजन प्रधान (संस्थापक शेयरधनीको तर्फबाट - प्रतिनिधि स्याकार कं. प्रा.लि.)	सञ्चालक	बडा नं. १५, वनस्थली, काठमाण्डौ ।	२०८२/०२/०८
३	श्री रामचन्द्र सिंदेल (संस्थापक शेयरधनीको तर्फबाट - प्रतिनिधि गौ.माता इन्डेप्यूर्नेन्ट कं.प्रा.लि.)	सञ्चालक	पोखरा बडा नं. १२, भद्रकाली, कास्की	२०७९/०९/२६
४	अर्जुन थापा (सर्वसाधारण शेयरधनीको तर्फबाट - प्रतिनिधि उपचान एण्ड कं.प्रा.लि)	सञ्चालक	बडा नं. १४, पोखरा म.न.पा., कास्की	२०७९/०९/२६
५	गणेश राज रेम्पी (सर्वसाधारण शेयरधनीको तर्फबाट)	सञ्चालक	देउराली ७, खिलुङ्ग, स्याङ्जा	२०७९/०९/२६
६	श्री केशव खतिवडा (सर्वसाधारण शेयरधनीको तर्फबाट - प्रतिनिधि काविशा इन्डेप्यूर्नेन्ट कम्पनी प्रा.लि.)	सञ्चालक	बडा नं. १, कमल गा.पा., भाष्टा	२०७९/०९/२६
७	श्री जयदेव श्रेष्ठ (स्वतन्त्र)	सञ्चालक	बडा नं. १, विरकोट गा.पा., पाल्पा	२०८०/११/३०

(च) कारोबारलाई असर पार्ने मुख्य कुराहरु :

मुलुकको राजनीतिक, आर्थिक गतिविधि, नियामक निकायहरुको नीति, नियम तथा निर्देशनहरु, वित्तीय वजारमा रहेको प्रतिस्पर्धा, समग्र अर्थतन्त्रका परिसूचकहरु जस्ता कुराले विकास बैंकको व्यवसायमा प्रत्यक्ष वा परोक्ष रूपमा प्रभाव पर्दछ । विकास बैंकको कारोबारमा असर पार्ने प्रमुख कुराहरु निम्नानुसार रहेका छन् ।

- ❖ समय समयमा देखिने तरलताको अभाव वा अधिक तरलताको प्रभाव ।
- ❖ देशको समग्र आर्थिक तथा वित्तीय नीतिमा आउने परिवर्तन, विदेशी विनियम दरहरुमा हुने परिवर्तन ।
- ❖ उत्पादनशिल क्षेत्रमा अपेक्षित रूपमा कर्जा वृद्धि नहुनु ।
- ❖ वित्तीय संस्थाहरु बीच एक आपसमा बद्दो तिब्र र अस्वस्थ प्रतिस्पर्धा ।
- ❖ नियमनकारी निकायहरुबाट समय समयमा परिवर्तन हुने नीतिका कारणबाट सिर्जित हुन सक्ने जोखिमहरु ।
- ❖ ब्याजदरमा देखिएको तीव्र उतार चढाव ।
- ❖ विप्रेषण आप्रवाहमा कमी आई मुलुकको अर्थतन्त्रमा उत्पन्न हुन सक्ने प्रभाव ।
- ❖ बैंकबाट प्रवाह हुने कर्जा तथा गैकोषमा आधारित सेवाहरुबाट हुन सक्ने संभावित जोखिमहरु ।
- ❖ संचालन जोखिमको वृद्धि एवं विनियम दरमा हुने परिवर्तनबाट हुन सक्ने संभावित जोखिम ।
- ❖ बद्दो प्रतिस्पर्धा एवं दक्ष जनशक्तिको अभावले हुन सक्ने जोखिम ।
- ❖ निष्केप तथा कर्जाका बैंकिङ सेवाहरुबाट हुन सक्ने संभावित जोखिमहरु ।
- ❖ बाढी पहिरो जस्ता दैवित्रिकोपका कारण जलविद्युत, कृषि आदि क्षेत्रमा पर्न जाने प्रतिकूल असरहरु ।
- ❖ कर्जा असुलीमा उत्पन्न हुनसक्ने जोखिमहरु ।
- ❖ सूचना तथा प्रविधिमा आईपन सक्ने सम्भावित जोखिमहरु ।

उल्लेखित चुनौती तथा जोखिम व्यवस्थापनको लागि जोखिमको परिचान, मापन, अनुगमन, नियन्त्रण र रिपोर्टिङका लागि सुदूर जोखिम संरचना तयार गरी कार्यान्वयनमा ल्याइएको छ । बैंकको कर्जां तथा सापटी र लगानी खराब भई तथा विनियम दर परिवर्तनबाट हुन सक्ने जोखिमहरुको लागि नेपाल राष्ट्र बैंकको निर्देशन तथा आफै विश्लेषणबाट बैंकले कर्जा नोकसानी व्यवस्था लगानीमा सम्भावित नोकसानी व्यवस्था, सटही घटबढ कोष जस्ता कोषहरुको व्यवस्था गर्ने गरेको छ । बैंकले प्रतिस्पर्धात्मक बजारको सामना गर्नको लागि जनशक्तिको ज्ञान तथा दक्षता अभिवृद्धिमा आवश्यक ध्यान पुऱ्याएको छ ।

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया : बैंकको नियमित कारोबारमा भएका/देखिएका सामान्य कैफियतहरु बाहेक अन्य कुनै नकारात्मक कुराहरु लेखापरीक्षण प्रतिवेदनमा देखिएको छैन । प्राप्त प्रतिक्रिया तथा सुभावहरु प्रति सञ्चालक समितिको ध्यानार्थण भई आवश्यक सुधारको लागि समय समयमा व्यवस्थापनलाई निर्देशन दिने गरिएको तथा उक्त कैफियतहरुमा क्रमिक रूपमा सुधार हुँदै गईहेको छ ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम : यस विकास बैंकको आर्थिक वर्ष २०८१/८२ को लागि बैंकका शेयरधनीहरुलाई लाभांश प्रस्ताव गरिएको छैन ।

(झ) जफत गरिएको शेयर संख्या : समीक्षा आर्थिक वर्षमा कुनै शेयर जफत गरिएको छैन ।

(ज) बैंक र यसका सहायक कम्पनीहरुले गरेको कारोबारको प्रगति : हाल बैंकको सहायक कम्पनी नरहेको ।

(ट) बैंक र यसका सहायक कम्पनीहरुले आर्थिक वर्ष २०८१/८२ मा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन : नभएको ।

(ठ) विगत आर्थिक वर्ष बैंकका आधारभूत शेयरधनीहरुले बैंकलाई उपलब्ध गराएको जानकारी : नभएको ।

(ड) विगत आर्थिक वर्षमा बैंकका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण : नभएको ।

(ढ) विगत आर्थिक वर्ष बैंकसँग सम्बन्धित सम्भौताहरुमा कुनै सञ्चालक तथा निजका आफन्तको व्यक्तिगत स्वार्थ सम्बन्धी जानकारी : नभएको ।

(ण) बैंकले आफूले शेयर आफै खरिद गरेको विवरण : बैंकले आफूले शेयर आफै खरिद गरेको छैन ।

(त) आन्तरिक नियन्त्रण प्रणाली : बैंकको सम्पुर्ण हर हिसाब लगायत दैनिक कार्य सम्पादन कम्युटर प्रीबिध मार्फत गर्ने गरिएको छ । बैंकमा आन्तरिक नियन्त्रण तथा संस्थागत सुशासन कायम गर्न बैंकको सञ्चालक समितिले दूलो भूमिका खेलेको छ । समीक्षा अवधिमा विकास बैंकको सञ्चालक समितिको २३ वटा बैठक बसी विभिन्न महत्वपूर्ण विषयहरुमा निर्णय लिईएको छ ।

नियमनकारी निकाय नेपाल राष्ट्र बैंकको निर्देशन अनुसार बैंकमा संस्थागत सुशासन कायम गर्न गैह कार्यकारी सञ्चालक श्री गणेश राज रेषीको संयोजकत्वमा लेखापरीक्षण समिति, सञ्चालक श्री जयदेव श्रेष्ठको संयोजकत्वमा जोखिम व्यवस्थापन समिति, सञ्चालक श्री अर्जुन थापाको संयोजकत्वमा कर्मचारी व्यवस्थापन तथा सेवा सुविधा समिति र सञ्चालक श्री केशव खतिवडाको संयोजकत्वमा सम्पति शुद्धिकरण निवारण समिति गठन गरिएको छ ।

उपोक्त समितिहरुले विकास बैंकको कारोबारमा आन्तरिक नियन्त्रणका लागि विभिन्न प्रकारको निर्देशन गर्नुका साथै सन्तुलन तथा नियन्त्रणको भूमिका निर्वाह गर्दछन् । यसका अतिरिक्त आन्तरिक लेखापरीक्षक विभागबाट नियमित रूपमा आन्तरिक लेखापरीक्षण गर्ने र त्यसको प्रतिवेदन लेखापरीक्षण समितिमा पेश गरी छलफल गर्ने गरिएकोले । उपोक्त समितिहरुमा विस्तृत रूपमा छलफल पछि कैफियत र नियन्त्रणको लागि व्यवस्थापनलाई सञ्चालक समिति मार्फत निर्देशन दिईने गरेको छ । साथै आगामी दिनमा सम्पुर्ण समितिहरुलाई थप कृयाशील बनाई अभक्षणावाकारी बनाइनेछ ।

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

- ❖ आर्थिक निर्देशन समिति
- ❖ पदपूर्ति समिति
- ❖ सम्पति दायित्व व्यवस्थापन समिति
- ❖ खरिद समिति
- ❖ कर्जा असुली समिति
- ❖ लिलाम समिति
- ❖ सूचना प्रविधि अनुगमन समिति
- ❖ निःसंर्ग समिति
- ❖ संस्थागत सामाजिक उत्तरदायित्व सम्बन्धी समिति
- ❖ कर्मचारी गुनासो समिति
- ❖ व्यवस्थापन तहको सम्पति शुद्धिकरण समिति
- ❖ व्यवस्थापन समिति

(थ) विगत आर्थिक वर्ष २०८१/८२ को कुल व्यवस्थापन खर्चको विवरण :

क्र.सं.	विवरण	रकम रु.
१	कर्मचारी खर्च	रु. ४५९,१३३,०७९ ।-
२	सञ्चालन खर्च	रु. ३२८,३९९,९९५ ।-
कुल व्यवस्थापन खर्च		रु. ७८७,५९३,०७४।-

(द) लेखापरीक्षण समितिको काम कारबाहीको विवरण, सदस्यहरुको नाम, तथा निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा :

बैंकले आ.ब. २०८१/८२ मा आन्तरिक लेखापरीक्षण कार्यलाई चुस्त दुस्त राख्न आन्तरिक लेखापरीक्षण विभागमा आवश्यक दरबन्दी थपेर आन्तरिक लेखापरीक्षण कार्य सम्पन्न गर्ने निर्णय गरेको थियो । आन्तरिक लेखापरीक्षण विभागले तयार पारेको प्रतिवेदन सोफै लेखापरीक्षण समितिमा पेश गर्ने व्यवस्था मिलाइएको छ । लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षकले तयार गरेको उक्त प्रतिवेदनलाई पुनरावलोकन गर्नुका साथै सञ्चालक समिति मार्फत व्यवस्थापनलाई आवश्यक निर्देशन दिने कार्य गर्दछ ।

यसका अतिरिक्त लेखापरीक्षण समितिले बैंकको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानून तथा नियमको परिपालना, लेखापरीक्षण कार्यबाटे नियमित रूपमा समीक्षा गर्ने गरिएको छ र आवश्यकता अनुसार सञ्चालक समिति समक्ष विभिन्न प्रकारको सल्लाह सुभाव प्रदान गर्ने कार्य गर्दै आइरहेको छ । आ.ब.

२०८१/८२ मा बैंकमा गैर कार्यकारी सञ्चालक श्री गणेश राज रेमीको संयोजकत्वमा गठित लेखापरीक्षण समितिमा सञ्चालक श्री प्रजन प्रधान सदस्य तथा बैंकका आन्तरिक लेखापरीक्षण बिभाग प्रमुख सदस्य सचिव रहनु भएको थियो । लेखापरीक्षण समितिका संयोजक तथा सदस्यलाई (कर्मचारी बाहेक) समिक्षा आ.व. मा सञ्चालक समितिको बैठक भत्ता सरह नै प्रति बैठक रु. १०,०००/- (कर सहित) भत्ता प्रदान गर्ने गरेको छ, सो बाहेक अतिरिक्त पारिश्रमिक प्रदान गरिएको छैन ।

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

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

आ.व. २०८१/८२ मा बैठक भत्ता बापत अध्यक्षलाई प्रति बैठक रु. १२,०००/- र सञ्चालकहरूलाई प्रति बैठक रु. १०,०००/- कर सहित प्रदान गर्ने गरिएको छ । विकास बैंकको कामको सिलसिलामा अध्यक्ष तथा सञ्चालकहरूलाई भ्रमण भत्ता बिल बमोजिम तथा दैनिक भत्ता स्वदेशमा रु. ६,०००/- सार्क मुलुकमा १०० अमेरिकी डलर र सार्क बाहेकका मुलुकमा १६० अमेरिकी डलर प्रति दिनका दरले प्रदान गर्ने गरिएको छ । अध्यक्ष तथा सञ्चालकलाई टेलिफोन सुविधा एवं पत्रपत्रिका सुविधा वापत मासिक रु. ४,५००/- मात्र प्रदान गर्ने गरिएको छ ।

आ.व. २०८१/८२ मा प्रमुख कार्यकारी अधिकत तथा उच्च पदाधिकारीहरूलाई भुक्तानी गरिएको तलब भत्ताको विवरण :

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

विवरण	रकम
पारिश्रमिक	६,०००,०००
बोनस	३,१०९,५५५
संचयकोष	६००,०००
दशै भत्ता	७००,०००
अन्य भत्ता	२,९००,०००
जम्मा	१३,३०९,५५५

आ) उच्च व्यवस्थापकीय श्रेणीमा कार्यरत कर्मचारीहरूलाई भुक्तान गरिएको विवरण :

पद	संख्या	तलब	बोनस	संचयकोष	दशै	अन्य	जम्मा रु
नायव प्रमुख कार्यकारी अधिकृत	१	२,१३१,२००	१,५६३,६६१.१५	२८९,९२०	३६०,०००	२,९००,३७२.२	७,२४५,१५४.११
नायव प्रमुख कार्यकारी अधिकृत	१	२,१३१,२००	१,५२१,७८१.३१	२८०,३२०	३५१,०००	२,६९५,७७०	६,९८०,०७१.३१

यस बाहेक कर्मचारी सेवा विनियमावली अनुसारको अन्य सुविधाहरु समेत उपलब्ध गराईएको छ ।

(प) शेयरधनीले बुफिलिन बाँकी रहेको लाभांशको रकम : बुफिलिन बाँकी रहेको लाभांशको रकम जम्मा रु. १२,५७३७,०९६/- रहेको छ ।

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

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनी वीच भएको कारोबार :

विकास बैंकको शेयर सम्बन्धी सम्पुर्ण कारोबार (Registrar to Share) मुकिनाथ क्यापिटल लि. मार्फत गर्दै आएकोमा उक्त कार्य गरे बापत उक्त कम्पनीलाई यस आ.व. २०८१/८२ मा रु. २,७५,०००/- (अक्षरेपी दुई लाख पचहत्तर हजार मात्र) सेवा शुल्क भुक्तानी गरिएको छ ।

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

(म) अन्य आवश्यक कुराहरु: नभएको ।

मानव संशाधन :

विकास बैंकमा २०८२ आषाढ मसान्तमा २३३ महिला तथा ३८७ जना पुरुष गरी जम्मा ६२० जना कर्मचारीहरु कार्यरत रहेका थिए । बैंकको उन्नति तथा प्रगतिको लागि मानव संशाधन एक अत्यावश्यक तथा महत्वपूर्ण सम्पति रहेको कारणले कर्मचारीहरुको बृत्ति विकास तथा कार्यक्षमता अभिवृद्धिका लागि समय समयमा तालिम, सेमिनार मा भाग लिन पठाउने तथा आवश्यकता अनुसार आन्तरिक तालिम दिने व्यवस्था गर्दै आएका छौं । बैंकको सफलता बैंकमा कार्यरत कर्मचारीको लगन, निष्ठा, ज्ञान, सिस्प, कार्यकुशलता, नैतिकता तथा परिश्रममा निर्भर रहने भएको कारणले हेके कर्मचारीलाई बैंकको सम्पत्तिको रुपमा व्यवहार गर्ने गरिएको छ । संस्थामा कार्यरत कर्मचारीहरुको सन्तुष्टि र व्यक्तिगत विकासबाट नै बैंकको समग्र विकास हुने कुरालाई ध्यानमा राखी बैंकले विभिन्न प्रकारका मानव संशाधन नीतिहरु कार्यान्वयन गर्दै आईरहेको छ । बैंकले दक्ष मानव संशाधनलाई काम गर्ने उत्कृष्ट वातावरणको साथै सिक्ने, सेवा प्रदान गर्ने साथै व्यक्तिगत रुपमा विकासित हुने अवसर प्रदान गर्दै आएको छ । आ.व. २०८१/८२ मा बैंकले आयोजना गरेको ३४ वटा आन्तरिक तथा ६१ वाट्य गरी कुल ९५ वटा तालिम कार्यक्रम मार्फत विकास बैंकका अधिकांश कर्मचारीहरूलाई तालिममा सामेल गराईएको छ । साथै बैंकले आफूनो Reward and Recognition Policy अन्तर्गत विभिन्न समयावधिमा विभिन्न विधामा कार्यसम्पादन तथा उत्कृष्ट परिणाम प्राप्त गर्न सफल कर्मचारीहरूलाई पुरस्कृत गर्ने व्यवस्था समेत गरेको छ ।

संस्थागत सुशासन :

लुम्बिनी विकास बैंकले संस्थागत सुशासनलाई उच्च प्राथमिकतामा राख्दै नियमनकारी निकायहरु नेपाल राष्ट्र बैंक, कम्पनी रजिस्ट्रारको कार्यालय, धितोपत्र वोर्ड, नेपाल स्टक एक्सचेन्ज लगायतबाट जारी गरिएका निर्देशन तथा परिपत्रहरुको कटिबद्ध रुपमा पालना गर्दै आएको छ । संस्थागत सुशासनलाई प्रभावकारी बनाउन विकास बैंकमा सञ्चालक स्तरीय तथा व्यवस्थापन स्तरीय विभिन्न समिति र उप-समितिहरूलाई सक्रिय बनाईएको छ । नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन तथा अन्य प्रचलित ऐन नियम बमोजिम यस विकास बैंकका सञ्चालकहरू तथा कर्मचारीहरूलाई गर्नुपर्ने आचरणहरु पालना भएको र यस सम्बन्धमा विकास बैंकको सञ्चालक समिति पूर्ण प्रतिवद्ध रहेको छ ।

आन्तरिक समिति/उपसमिति:

(१) लेखापरीक्षण समिति :

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

क) श्री गणेश राज रेम्पी,	सञ्चालक	: संयोजक
ख) श्री प्रजन प्रधान,	सञ्चालक	: सदस्य
ग) श्री हारि कृष्ण सुवेदी	प्रमुख-आन्तरिक लेखापरीक्षण बिभाग	: सदस्य सचिव

आ.ब. २०८१/८२ मा बसेको बैठक संख्या : ९

समितिको कार्य सम्बन्धी संक्षिप्त विवरण:

समिक्षा आ.ब. २०८१/८२ मा उक्त समितिले ऐन, नियम, नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन र समय समयमा जारी परिपत्र अन्तर्गत दिर्दैएका जिम्मेवारी बमोजिम कार्य गर्दै लेखापरीक्षकहरूले जारी गरेको प्रतिवेदन उपर छलफल गर्ने, उठाईएका कैफियतहरु पुनरावलोकन गर्ने, कैफियतहरु सुधारका लागि सिफारिस गर्ने, आवश्यक निर्देशन दिने, लेखापरीक्षक नियुक्तिको लागि सिफारिस गर्ने, वार्षिक लेखापरीक्षण सम्बन्धी कार्ययोजना तयार गरी उक्त कार्ययोजनाको समय समयमा समिक्षा गर्ने लगायतका कार्यहरु गर्दै आईरहेको छ ।

(२) जोखिम व्यवस्थापन समिति :

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

क) श्री जयदेव श्रेष्ठ	सञ्चालक	: संयोजक
ख) श्री गणेश राज रेम्पी	संयोजक, लेखापरीक्षण बिभाग	: पदेन सदस्य
ग) श्री केशव खतिवडा	सञ्चालक	: सदस्य
३) श्री उमेश रेम्पी	प्रमुख संचालन अधिकृत (नायव प्र.का.अ.)	: सदस्य
४) श्री दिपेन्द्रमान चुइ चुर्च	प्रमुख जोखिम व्यवस्थापन बिभाग	: सदस्य सचिव

आ.ब. २०८१/८२ मा बसेको बैठक संख्या : ९

समितिको कार्य सम्बन्धी संक्षिप्त विवरण:

आ.ब. २०८१/८२ मा उक्त समितिले बैंकको कारोबारमा निहित विभिन्न प्रकारका जोखिमहरु सम्बन्धमा विभिन्न कोण तथा औजारहरुको माध्यमबाट विश्लेषण गरी के कसरी बैंकको समग्र कारोबारमा निहित जोखिमहरु न्यूनिकरण गर्ने विषयका साथै बैंकको ढूँजी पर्याप्तता सम्बन्धी आन्तरिक विश्लेषण, क्षेत्रगत सीमा निर्धारण तथा अनुपालना, दवाव परीक्षण आदिको अनुगमन गर्ने गरेका, विकास बैंकको जोखिम सम्बन्धमा अन्य जानकारी लिने तथा त्यस सम्बन्धमा सञ्चालक समितिमा राय सुझाव तथा सिफारिस पेश गर्ने गरेको छ ।

(३) कर्मचारी व्यवस्थापन तथा सेवा सुविधा समिति :

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

क) श्री अर्जुन थापा	सञ्चालक	: संयोजक
ख) श्री रामचन्द्र सिंदेल	सञ्चालक	: सदस्य
ग) श्री नरेश सिंह बोहरा	प्रमुख कार्यकारी अधिकृत	: सदस्य
३) श्री सुजन भट्टराई	प्रमुख-लेखा बिभाग	: सदस्य
४) श्री प्रेमलाल बस्याल	प्रमुख-जनशक्ति व्यवस्थापन बिभाग	: सदस्य सचिव

आ.ब. २०८१/८२ मा बसेको बैठक संख्या: ४

समितिको कार्य सम्बन्धी संक्षिप्त विवरण:

समिक्षा अवधि आ.ब. २०८१/८२ मा उक्त समितिले बैंकमा आवश्यक मानव संशाधनको दरबन्दी तय गर्ने, कार्यक्षमता विकास गर्ने तालिम कार्यक्रम तथा नीति तयार गर्ने, कर्मचारीको सेवाको शर्त, तलव भत्ता लगायतका अन्य सुविधाहरु पुनरावलोकन गर्ने, शाखा वर्गीकरण नीति, पुरस्कार तथा पहिचान नीति पारित गर्ने लगायतका कार्यहरु गरी सञ्चालक समितिको बैठकमा सुझाव पेश गर्ने गरेको छ ।

(४) सम्पत्ति शुद्धीकरण निवारण समिति:

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

क) श्री केशव खतिवडा,	सञ्चालक	: संयोजक
ख) श्री हारि कृष्ण सुवेदी,	प्रमुख-अनुपालन विभाग	: सदस्य
ग) श्री दिपेन्द्रमान चुइ चुर्च,	प्रमुख जोखिम व्यवस्थापन विभाग	: सदस्य
३) श्री दिपेश जोशी,	कार्यान्वयन अधिकारी	: सदस्य सचिव

आ.ब. २०८१/८२ मा बसेको बैठक संख्या: ७

समितिको कार्य सम्बन्धी संक्षिप्त विवरण:

समिक्षा अवधि आ.व. २०८१/८२ मा यस समितिले विकास बैंकमा ग्राहक पहिचान सम्बन्धी विद्यमान व्यवस्थाको अध्ययन, निरीक्षण तथा अनुगमन गर्ने, ग्राहक पहिचान पद्धति तथा सम्पत्ति शुद्धीकरण सम्बन्धमा हुन सक्ने सम्भावित आर्थिक गतिविधि र सोको नियन्त्रणको लागि नीति निर्माण गर्ने सम्बन्धमा सञ्चालक समिति समक्ष सुझाव पेश गर्ने कार्य गरेकोछ । समितिले AML/CFT & KYC सम्बन्धी नीति तथा कार्यविधि तयार गरी सञ्चालक समितिवाट पारित गराई उक्त AML/CFT & KYC सम्बन्धी नीति तथा कार्यविधि कार्यान्वयनमा समेत ल्याई सकेको छ । नेपाल राष्ट्र बैंकको निर्देशन बमोर्जिम TTR, SAR तथा STR रिपोर्ट वित्तीय जानकारी ईकाइमा अनलाईन प्रविधि मार्फत पठाउने गरिएको छ ।

सम्पत्ति शुद्धीकरण निवारण सम्बन्धमा :

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

संस्थागत सामाजिक उत्तरदायित्व :

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

प्रविधि :

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

शेयररधनीसंगको सम्बन्ध तथा शेयररधनीहरूलाई सूचना व्यवस्था:

समिक्षा अवधि २०८२ असार मसान्त सम्ममा यस विकास बैंकका जम्मा संस्थापक शेयररधनीको संख्या ३८१ तथा सर्वसाधारण शेयररधनीको संख्या ४९,३२२ रहेको जानकारी गराउँदछु । बैंकले शेयररधनीहरूसँग सूचना आदान प्रदान गर्ने कार्यलाई उच्च प्राथमिकता दिईएको छ । वार्षिक साधारणसभामा शेयररधनी महानुभावहरूसँगको प्रत्यक्ष संवादको माध्यमबाट बैंकले मार्ग निर्देशन प्राप्त गर्ने गरेको छ । बैंकको वार्षिक प्रतिवेदन, त्रैमासिक प्रतिवेदन, प्रेस विज्ञप्ती लगायत अन्य जानकारीहरू विभिन्न सञ्चार माध्यम एवं बैंकको वेबसाइट www.lumbinibikasbank.com र आधिकारीक सामाजिक सञ्चालनद्वारा उपलब्ध गराउने गरिएको छ । यसै गरी शेयररधनीहरूको हक्कहितलाई मध्यनजर गरी संस्थागत सुशासन तथा अनुपालनको स्तरलाई उच्चतम राख्ने कार्यमा बैंकले सदैव महत्व दिई आएको छ । बैंकले नेपाल राष्ट्र बैंक तथा अन्य नियामक निकायहरूबाट समय समयमा जारी भएका निर्देशनको अधीनमा रही विभिन्न नीति नियम सञ्चालक समितिवाट स्वीकृत गराई पूर्ण रूपमा लागू गर्दै आएको छ ।

धन्यवाद ज्ञापन

यस विकास बैंकले तय गरेका उद्देश्य प्राप्तीका लागि विभिन्न समयमा प्रत्यक्ष अप्रत्यक्ष रूपमा महत्वपूर्ण सहयोग पुऱ्याउनु हुने तथा बैंकप्रति विश्वास कायम राखी धैर्यतापुर्वक बैंकको भविष्य सुनिश्चित तुल्याई बैंकको अवस्था मजबुत बनाउन देखाउन भएको सदृभाव तथा हौसला प्रति समस्त आदरणीय शेयररधनी महानुभावहरूमा हार्दिक कृतज्ञता व्यक्त गर्दछौ ।

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

धन्यबाद ।

सञ्चालक समितिको तर्फबाट

चिन्तामणी भट्टराई

अध्यक्ष

मिति : २०८२/०९/३०

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

१. सञ्चालक समितिको प्रतिवेदनः

वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

२. लेखापरीक्षकको प्रतिवेदनः

वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरणः

वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

४. कानूनी कारबाही सम्बन्धी विवरणः

- (क) यस आ.व. २०८१/८२ मा बैंकको बिरुद्ध कर्जा तथा दैनिक कार्य सम्बन्धमा ग्राहक तथा बैंक बीच हुने सामान्य मुद्दा बाहेक तात्त्विक असर हुने अन्य कुनै पनि मुद्दा दायर गरेको छैन ।
- (ख) यस आ.व. २०८१/८२ मा बैंकका संस्थापक वा संचालकले वा संस्थापक वा संचालकको बिरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध सम्बन्धमा कुनै मुद्दा दायर भएको जानकारी प्राप्त भएको छैन ।
- (ग) यस आ.व. २०८१/८२ मा संस्थाको कुनै पनि संस्थापक वा सञ्चालक बिरुद्ध आर्थिक अपराध सम्बन्धी कुनै मुद्दा दायर भएको जानकारी प्राप्त भएको छैन ।

५. संगठित संस्थाको शेयर कारोबार सम्बन्धी विवरणः

- क) यस संस्थाका शेयरहरु नेपाल स्टक एक्सचेन्जमा सुचिकृत भै कारोबार भईरहेको छ । शेयरको मुल्य तथा कारोबार बजारले निर्धारण गर्ने हुँदा यस संस्थाको व्यवस्थापन शेयरको मुल्य तथा कारोबार प्रती तटस्थ छ ।
- ख) आ.व. २०८१/८२ मा विकास बैंकको शेयर कारोबारको विवरण (नेपाल स्टक एक्सचेन्ज लि.को वेवसाईट अनुसार): निम्न बमोजिम रहेको छ ।

आधिकतम मूल्य (रु.)	न्युनतम मूल्य (रु.)	आन्तम मूल्य	कुल कारोबार भएको दिन	कारोबार संख्या
५६०	३७९.९०	४८०.६९	२३१	१८,८२६,१७४

६. समस्या तथा चुनौतीहरु :

आन्तरिक तथा बाह्य समस्याहरुः

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

आन्तरिक तथा बाह्य चुनौतीहरु :

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

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

छैन ।

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

नरहेको

आजका मितिसम्म यस प्रतिवेदनमा उल्लेखित जानकारी तथा खिववरणहरुको शुद्धता सम्बन्धमा म व्यक्तिगत रूपमा उत्तरदायित्व लिन्छु । साथै म यो उद्घोष गर्दछु की मैले जाने बुझेसम्म यस प्रतिवेदनमा उल्लेखित विवरणहरु सत्य, तथ्य तथा पूर्ण छन् र लगानीकर्ताहरूलाई सुरूचित हुन, निर्णय लिन आवश्यक कुनै विवरण, सूचना तथा जानकारीहरु लुकाईएको छैन ।

नरेश सिंह बोहरा

प्रमुख कार्यकारी अधिकृत

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

Opinion

We have audited the accompanying financial statements of Lumbini Bikas Bank Ltd (Development Bank), which comprise statement of financial position as at Ashad 32, 2082 (July 16, 2025) and statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the development bank as at Ashad 32, 2082, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Following are the Key audit matters:

S.No.	Key Audit Matters	How the matters were addressed in our audit
1.	Investment Securities Valuation Ref. Note no. 4.8 and accounting policies to the financial statements.	
	Development Bank has total investment securities of Rs. 12,348,523,021 as at 32 nd Ashadh 2082 classified into different categories as Investment securities measured at Amortized cost and Investment in Equity measured at fair	We applied following procedures in respect of Investment Verification: ➤ Review of accounting policies adopted by the Bank based on Nepal Financial Reporting



A handwritten signature in blue ink, appearing to read "Sameep Bhawan".

	<p>value through other comprehensive income, which in aggregate represent 18.20% of the total assets of the Bank.</p>	<p>Standards and the Directives issued by NRB and compliance of the same.</p> <ul style="list-style-type: none"> ➤ Evaluation of management's assessment to categorize investments into different categories as Investment Securities measured at amortized cost and Investment in equity measured at fair value through other comprehensive income. ➤ Verification of valuation of investment on sampling basis in reference to its cost and quoted market price as the case may be. ➤ Verification of impairment allowance provided for different investments in compliance with NFRSs and NRB Directives. <p>Accounting policies, classification, valuation and impairment allowances for the investments are considered acceptable.</p>
2.	<p>Loan Loss Provision Ref. Note no. 4.7 and accounting policies to the financial statements.</p>	<p>We applied following procedures in respect of loan loss provision verification:</p> <ul style="list-style-type: none"> ➤ Review of borrower's files, which includes evaluation of borrowers' repayment behavior, assessment of financial strength based on the available financial statements, adequacy of security / collateral, obtainment of required legal documents, CIC reports, and compliance with prudential regulations. ➤ Business sites visit of the borrowers on sampling basis. ➤ Review of IT system to provide loan loss provision based on overdue payments. ➤ On sampling basis, verification of accuracy of provision against non-performing loan calculated by the IT system and manual calculation on sampling basis. ➤ Evaluation of appropriateness of subjective judgement made by the management for performing loans' borrowers.
		 

		<ul style="list-style-type: none"> ➤ Review of Board's evaluation and decisions on loans. <p>Loan loss provision made by the Development Bank is considered acceptable.</p>
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Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report and Report of Board of Directors, but not included in the financial statements and our auditor's report thereon.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

- 1) We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) The financial statements which include Statement of Financial Position as at Ashad 32, 2082, the Statement of Profit or Loss, Statement of Cash Flows, Statement of Changes in Equity for the year then ended, a summary of significant accounting policies and other explanatory information are prepared as per the procedure and format prescribed by Nepal Rastra Bank and in agreement with the books of accounts maintained by the Company and proper books of account as required by the law have been kept.
- 3) The capital fund, risk bearing fund and the provision for possible impairment of assets of the Bank are adequate as per the Directives issued by Nepal Rastra Bank.



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- 4) The returns received from the branch offices of the Company, though the statements are independently not audited, were adequate for the purpose of the audit.
- 5) We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation of the funds of Company.
- 6) To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the loans have been written off as specified; the business of the Company was conducted satisfactorily, and the Company's transactions were found to be within the scope of its authority.

We have separately issued Preliminary Audit Report for the matters related to observation in control systems that came to our notice during the statutory audit with responses received from Board of Directors of Lumbini Bikas Bank Limited.



CA. Shyam Karki
Proprietor



Date: 2082.09.07
Old Baneshwor, Kathmandu

UDIN No.: 251223CA00124fjByn

Statement of Financial Position

As at 32nd Ashadh 2082 (16th July 2025)

Figures in NPR

Particulars	Note	Bank	
		As at 32nd Ashadh 2082	As at 31st Ashad 2081
Assets			
Cash and cash equivalent	4.1	3,382,802,508	3,681,441,274
Due from Nepal Rastra Bank	4.2	2,745,537,810	3,379,607,499
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/FIs	4.6	435,726,548	2,169,643,707
Loans and advances to customers	4.7	47,067,103,294	46,247,417,167
Investment securities	4.8	12,348,523,021	11,699,956,371
Current tax assets	4.9	74,421,510	63,171,646
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	669,000,116	652,993,871
Investment property	4.12	221,884,692	203,964,421
Property and equipment	4.13	620,262,264	697,305,325
Goodwill and Intangible assets	4.14	10,594,061	6,067,004
Deferred tax assets	4.15	-	-
Other assets	4.16	288,664,411	286,029,167
Total Assets		67,864,520,235	69,087,597,452
Liabilities			
Due to Bank and Financial Institutions	4.17	424,499,392	638,377,542
Due to Nepal Rastra Bank	4.18	789,900,000	1,042,300,000
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	57,594,111,700	58,553,113,478
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	252,308,667	220,944,658
Other liabilities	4.23	859,352,895	893,062,791
Debt securities issued	4.24	1,052,268,479	1,052,390,630
Subordinated Liabilities	4.25	-	-
Total liabilities		60,972,441,133	62,400,189,100
Equity			
Share capital	4.26	3,623,678,162	3,518,134,138
Share premium		-	-
Retained earnings		184,366,145	311,636,886
Reserves	4.27	3,084,034,795	2,857,637,329
Total equity attributable to equity holders		6,892,079,102	6,687,408,352
Non-controlling interest		-	-
Total equity		6,892,079,102	6,687,408,352
Total liabilities and equity		67,864,520,235	69,087,597,452
Contingent liabilities and commitment	4.28	3,268,451,098	2,297,253,075
Net assets value per share		190.20	190.08

As per our report of even date

Sujan Bhattarai
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

CA Shyam Karki
Proprietor
Shyam Karki & Co.
Chartered Accountants

Jaya dev Shrestha
Director

Keshav
Khatiwada
Director

Arjun Thapa
Director

Ganesh Raj Regmi
Director

Ram Chandra Sigdel
Director

Prajan Pradhan
Director

Date: 2082.09.07

Consolidated Statement of Profit or Loss

For the Period Shrawan 1 2081 to 32nd Ashadh 2082 (16th July 2024 - 16th July 2025)

Figures in NPR

Particulars	Note	Bank	
		Year ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Interest income	4.29	5,622,468,221	6,895,264,085
Interest expense	4.30	3,765,167,174	5,140,436,535
Net interest income		1,857,301,048	1,754,827,550
Fee and commission income	4.31	216,549,919	208,155,475
Fee and commission expense	4.32	10,521,732	11,315,950
Net fee and commission income		206,028,187	196,839,525
Net interest, fee and commission income		2,063,329,235	1,951,667,075
Net trading income	4.33	86,219	27,388
Other operating income	4.34	87,007,477	85,191,636
Total operating income		2,150,422,931	2,036,886,099
Impairment charge/(reversal) for loans and other losses	4.35	778,752,402	235,830,167
Net operating income		1,371,670,529	1,801,055,932
Operating expense			
Personnel expenses	4.36	459,193,079	510,166,387
Other operating expenses	4.37	208,229,742	207,949,898
Depreciation & Amortization	4.38	120,170,252	108,645,260
Operating Profit		584,077,455	974,294,387
Non operating income	4.39	2,096,686	1,710,000
Non operating expense	4.40	110,122,880	24,246,944
Profit before income tax		476,051,261	951,757,443
Income tax expense	4.41	234,944,835	408,089,821
Current Tax		239,695,581	405,110,001
Deferred Tax		(4,750,746)	2,979,819
Profit for the period		241,106,426	543,667,622
Profit attributable to:			
Equity holders of the Bank		241,106,426	543,667,622
Non-controlling interest		-	-
Profit for the period		241,106,426	543,667,622
Earnings per share			
Basic earnings per share		6.65	15.45
Basic earnings per share (Restated)		6.65	15.45
Diluted earnings per share (Restated)		6.65	15.45

As per our report of even date

Sujan Bhattarai
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

CA Shyam Karki
Proprietor
Shyam Karki & Co.
Chartered Accountants

Jaya dev Shrestha
Director

Keshav
Khatiwada
Director

Arjun Thapa
Director

Ganesh Raj Regmi
Director

Ram Chandra Sigdel
Director

Prajan Pradhan
Director

Date: 2082.09.07

Consolidated Statement of Cash Flows
For the year ended Shrawan 1st 2081 to 32nd Ashadh 2082

Figures in NPR

Particulars	Bank	
	Year ended 32nd Ashad 2082	Year ended 31st Ashad 2081
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	5,587,846,216	6,850,304,768
Fees and other income received	216,549,919	208,155,475
Divided received	51,125,405	15,939,828
Receipts from other operating activities	38,402,398	32,182,936
Interest paid	(3,765,289,325)	(5,096,582,448)
Commission and fees paid	(10,521,732)	(11,315,950)
Cash payment to employees	(476,296,474)	(450,612,051)
Other expense paid	(292,622,062)	(207,949,898)
Operating cash flows before changes in operating assets and liabilities	1,349,194,347	1,340,122,659
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	634,069,689	(1,419,999,855)
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	1,733,951,603	7,297,343
Loans and advances to customers	(1,706,499,168)	(5,079,917,587)
Other assets	(2,635,244)	(65,470,882)
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(213,878,150)	(325,192,324)
Due to Nepal Rastra Bank	(252,400,000)	553,625,000
Deposit from customers	(959,001,778)	9,421,053,811
Borrowings	-	-
Other liabilities	68,644,090	(40,625,133)
Net cash flow from operating activities before tax paid	651,445,388	4,390,893,032
Income taxes paid	(250,945,444)	(333,377,844)
Net cash flow from operating activities	400,499,943	4,057,515,187
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(778,771,479)	(4,880,622,101)
Receipts from sale of investment securities	249,729,076	982,946,979
Purchase of property and equipment	(43,015,474)	(39,354,013)
Receipt from the sale of property and equipment	2,998,883	2,435,170
Purchase of intangible assets	(6,599,900)	(3,509,102)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	(85,077,540)	(90,130,598)
Receipt from the sale of investment properties	67,701,086	92,677,989
Interest received	34,622,005	44,959,317
Dividend received	-	-
Net cash used in investing activities	(558,413,343)	(3,890,596,358)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(140,725,366)	(152,226,958)
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	(140,725,366)	(152,226,958)
Net increase (decrease) in cash and cash equivalents	(298,638,766)	14,691,872
Opening Cash and cash equivalents	3,681,441,274	3,666,749,402
Derecognition of Cash and cash equivalent of Subsidiary	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at the end of the period	3,382,802,508	3,681,441,274

As per our report of even date

Sujan Bhattarai
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

CA Shyam Karki
Proprietor
Shyam Karki & Co.
Chartered Accountants

Jaya dev Shrestha
Director

Keshav
Khatiwada
Director

Arjun Thapa
Director

Ganesh Raj Regmi
Director

Ram Chandra Sigdel
Director

Prajan Pradhan
Director

Date: 2082.09.07

Consolidated Statement of Comprehensive Income

For the Period Shrawan 12081 to 32nd Ashadh 2082 (16th July 2024 - 16th July 2025)

Figures in NPR

Particulars	Note	Bank	
		Year ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Profit for the year		241,106,426	543,667,622
Other comprehensive income, net of income tax			
a) Items that will not be reclassified to Profit or loss			
· Gains/(losses) from Investments in equity instruments measured at fair value		119,524,247	31,958,116
· Gains/(losses) on revaluation			
· Actuarial gains/(losses) on defined benefit plans		858,272	(1,364,551)
· Income tax relating to above items		(36,114,756)	(9,178,070)
Net other comprehensive income that will not be reclassified to profit or loss		84,267,763	21,415,496
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		-	-
Share of other comprehensive income of associate accounted as per equity method		16,006,245	57,486,430
Other comprehensive income for the period, net of income tax		100,274,008	78,901,926
Total comprehensive income for the year		341,380,435	622,569,548
Total comprehensive income attributable to:			
Equity holders of the Bank		341,380,435	622,569,548
Non-controlling interest		-	-
Total comprehensive income for the period		341,380,435	622,569,548

Sujan Bhattarai
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Prajan Pradhan
Director

Date: 2082.09.07

Consolidated Statement of Changes in Equity
For the Period Shrawan 12081 to 32nd Ashadh 2082 (16th July 2024 - 16th July 2025)

Particulars	Bank						Attributable to equity holders of the Bank		
	Share Capital	Share premium	General reserve	Exchange equalization reserve	Regulatory reserve	Revaluation Reserve	Retained earning	Other reserves	Total
Balance at Shrawan 1, 2080	3,382,821,286	-	1,034,058,334	1191,977	418,533,420	579,880,364	-	300,860,866	499,719,514
Comprehensive income for the year	-	-	-	-	-	-	-	543,667,622	543,667,622
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	22,370,681	-	-	22,370,681
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-
Share of Associates accounted as per Equity Method	-	-	-	-	-	-	-	57,486,430	57,486,430
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	(955,186)	(955,186)
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	22,370,681	-	543,667,622	56,531,245
Transfer to reserve during the year	-	108,733,524	37,687	7,237,367	-	-	(255,937,530)	139,928,951	-
Transfer from reserve during the year	-	-	-	-	-	-	-	10,585,736	(10,585,736)
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-
Premium received on issuance of unsubscribed number of right shares	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Bonus shares issued	135,312,851	-	-	-	-	-	-	(135,312,851)	-
Cash dividend paid	-	-	-	-	-	-	-	(152,226,958)	(152,226,958)
Total contributions by and distributions	135,312,851	-	108,733,524	37,687	7,237,367	22,370,681	-	10,776,020	185,874,459
Balance at Ashadh end 2081	3,518,134,138	-	1,142,791,858	1,229,664	425,770,788	602,251,045	-	311,636,886	685,593,974
Other reserves as at 31st Ashadh 2081 includes Corporate Social Responsibility Reserve, Staff Training Fund, Investment Adjustment Reserve, Actuarial Gain on Gratuity & Reserve in Investment in Associates using equity Method.									

Consolidated Statement of Changes in Equity
For the Period Shrawan 1 2081 to 32nd Ashadh 2082 (16th July 2024 - 16th July 2025)

Particulars	Bank						Attributable to equity holders of the Bank			
	Share Capital	Share premium	General reserve	Exchange equalization reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserves	Total
Balance at Shrawan 1 2081	3,518,134,138	-	1,142,791,858	1,229,664	425,770,788	602,251,045	-	311,636,886	685,593,974	6,687,408,352
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	241,106,426
Profit for the year	-	-	-	-	-	-	-	-	-	241,106,426
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	83,666,973	-	-	-	83,666,973
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Share of Associates accounted as per Equity Method	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	83,666,973	-	241,106,426	16,607,036	341,380,435
Transfer to reserve during the year	-	-	49,024,421	82,260	-	-	-	[182,478,375]	137,387,374	4,015,680
Transfer from reserve during the year	-	-	-	-	(49,917,618)	-	-	-	60,370,597	(10,452,979)
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-
Premium received on issuance of unsubscribed number of right shares	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	105,544,024	-	-	-	-	-	-	(105,544,024)	-	-
Cash dividend paid	-	-	-	-	-	-	-	(140,725,366)	(140,725,366)	-
Total contributions by and distributions	105,544,024	-	49,024,421	82,260	(49,917,618)	83,666,973	-	[127,270,741]	143,541,430	204,670,749
Balance at Ashadh end 2082	3,623,678,162	-	1,19,16,280	1,31,923	375,853,170	685,918,018	-	184,366,145	829,35,404	6,892,079,102
Other reserves as at 32nd Ashadh 2082 includes Corporate Social Responsibility Reserve, Staff Training Fund, Investment Adjustment Reserve, Actuarial Gain on Gratuity & Reserve in Investment in Associates using equity Method.										

Statement of Distributable Profit or Loss

For the Period Shrawan 1 2081 to 32nd Ashadh 2082 (16th July 2024 - 16th July 2025)

(As per NRB Regulation)

Figures in NPR

Particulars	Bank	
	Current Year	Previous Year Corresponding
Net profit or (loss) as per statement of profit or loss	241,106,426	543,667,622
Appropriations:		
a. General reserve	49,024,421	108,733,524
b. Foreign exchange fluctuation fund	82,260	37,687
c. Capital redemption reserve	125,000,000	125,000,000
d. Corporate social responsibility fund	496,714	2,024,228
e. Employees' training fund	1,437,680	2,318,987
f. Other	-	-
g. Investment Adjustment Reserve	-	-
Profit or (loss) before regulatory adjustment	65,065,350	305,553,196
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	63,587,283	(15,435,893)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(8,918,919)	5,218,706
e. Deferred tax assets recognized (-)/ reversal (+)	(4,750,746)	2,979,819
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognized (-)/reversal (+)	-	-
h. Actuarial loss recognized (-)/reversal (+)	-	-
i. Other (+/-)	-	-
Net Profit for the period end of Ashadh 2082 available for distribution	114,982,968	298,315,829
Opening Retained Earnings	311,636,886	300,860,866
Adjustment (+/-)	4,015,680	-
Distribution		
Bonus Share Issued	(105,544,024)	(135,312,851)
Cash Dividend Paid	(140,725,366)	(152,226,958)
Total Distributable Profit or Loss as on year end	184,366,145	311,636,886
Annualized Distributable profit/(loss) per share	5.09	8.86

Sujan Bhattarai
Head- Finance Account and Treasury

Naresh Singh Bohra
Chief Executive Officer

Chintamani Bhattarai
Chairman

CA Shyam Karki
Proprietor
Shyam Karki & Co.
Chartered Accountants

Jaya dev Shrestha
Director

Keshav Khatiwada
Director

Arjun Thapa
Director

Ganesh Raj Regmi
Director

Ram Chandra Sigdel
Director

Prajan Pradhan
Director

Date: 2082.09.07

Changes in Other Reserve of the Bank

Other Reserves

Particulars	Staff training fund	Corporate social responsibility reserve	Investment Adjustment Reserve	Capital Redemption reserve	Capital Reserve	Interest Capitalization Reserve	Deferred tax reserve	Other Reserve	Actuarial gain/(loss)	Reserve through Associate-Equity	Total
Closing balance of Other reserve as at Ashad End 2080	3,574,738	10,899,727	40,000,000	-	-	-	-	5,475,000	2,747,777	437,022,272	499,719,514
Transfer to various reserves from retained earning	9,492,275	5,436,676	-	125,000,000	-	-	-	-	-	-	139,928,951
Transfer to retained earning during the year	(7,173,288)	(3,412,449)	-	-	-	-	-	-	-	-	(10,585,736)
Issue of Bonus Share	-	-	-	-	-	-	-	-	-	-	-
OCI Movement-Reserve in Associates using equity	-	-	-	-	-	-	-	-	-	-	-
OCI Movement on Actuarial Gain/loss	-	-	-	-	-	-	-	-	-	-	-
DTA/DTL on OCI-(Addition)/Reversal	-	-	-	-	-	-	-	-	-	-	-
Closing balance of Other reserve as at Ashad End 2081	5,893,725	12,923,955	40,000,000	125,000,000	-	-	5,475,000	1,792,591	494,508,703	685,593,974	
Transfer to various reserves from retained earning	9,976,310	2,411,064	-	125,000,000	-	-	-	-	-	-	137,387,374
Transfer to retained earning during the year	(8,538,629)	(1,914,350)	-	-	-	-	-	-	-	-	(10,452,979)
Issue of Bonus Share	-	-	-	-	-	-	-	-	-	-	-
OCI Movement-Reserve in Associates using equity	-	-	-	-	-	-	-	-	-	-	-
OCI Movement on Actuarial Gain/loss	-	-	-	-	-	-	-	-	-	-	-
DTA/DTL on OCI-(Addition)/Reversal	-	-	-	-	-	-	-	-	-	-	-
Closing balance of Other reserve as at Ashad End 2082	7,331,406	13,420,669	40,000,000	250,000,000	-	-	5,475,000	2,393,381	510,514,948	829,135,404	

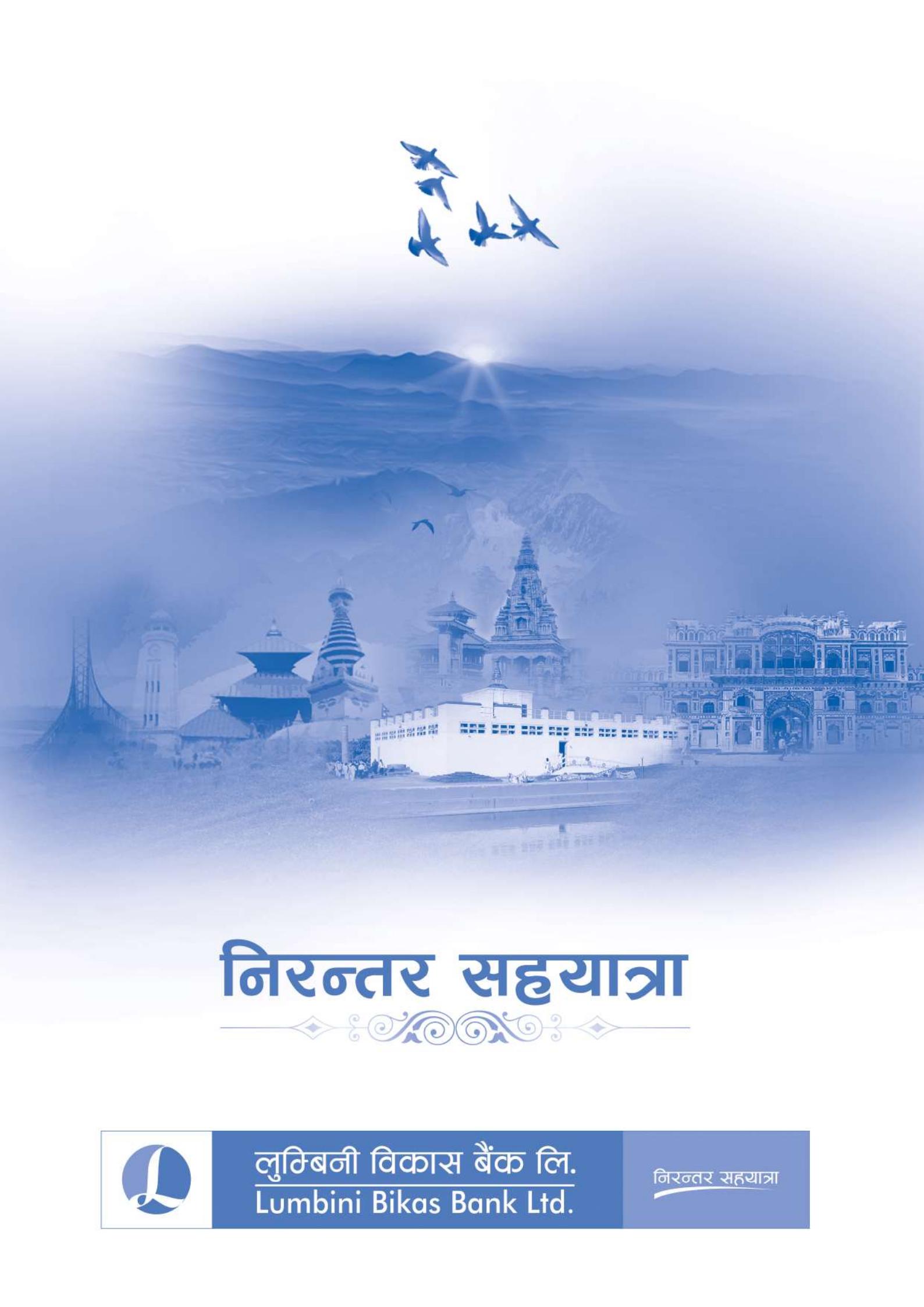
Changes in Regulatory Reserve

Particulars	Interest Receivable	Short Loan Loss Provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial loss Recognized	Other	Total
Closing as on Ashad End 2076	44,503,462.09	-	28,868,725.73	52,070,591.45	39,828,760.57	-	-	-	953,043.02	166,224,582.86
Interest income recognized on Accrual Basis: From FY 204/75										-
Interest income recognized on Accrual Basis: From FY 2075-76										-
Accrued Interest Income recognized on FY 2076-77	65,362,160	-	(19,662,464)	-	-	-	-	-	-	65,362,160
Fair Value Losses on Equity Investment: Addition/(Reversal)	-									(19,662,464)
Interest Capitalization of Loan [not allowed for distribution]	-									14,104,318.78
Deferred Tax Assets (Recognized)/(Reversal) through P/L]	-									14,104,319
Actuarial Gain on Leave (through P/L account): Addition/ (Reversal)	-									(5,363,185)
Less: Adjustment of Staff Bonus & Tax	(27,292,186)	-	-	-	-	-	-	-	-	7,780,428
Closing as on Ashad End 2077	82,573,436	-	9,206,282	52,070,591	34,465,576	-	-	-	-	(27,292,186)
Transfer from/(to) Retained Earnings: For FY 2077-78										-
Accrued Interest Income recognized on FY 2077-78	4,255,428	-	-	-	-	-	-	-	-	4,255,428
Fair Value Losses on Equity Investment: Addition/(Reversal)	-									(9,206,262)
Short Provision on NBA (net of accumulated Depreciation)	-									-
Actuarial Gain on Leave (through P/L account): Addition/ (Reversal)	-									(9,206,262)
Interest Capitalization of Loan [not allowed for distribution]	-									-
Deferred Tax Assets (Recognized)/(Reversal) through P/L]	-									(8,733,471)
Less: Adjustment of Staff Bonus & Tax	(1,574,508)	-	(22,098,332.37)	-	-	-	-	-	-	(8,733,471)
Closing as on Ashad End 2078	85,254,356	-	41,410,278	32,748,988	-	-	-	-	-	19,428,956
Transfer from/(to) Retained Earnings: For FY 2078-79										-
Accrued Interest Income recognized on FY 2078-79	112,356,552	-	-	-	-	-	-	-	-	112,356,552
Fair Value Losses on Equity Investment: Addition/(Reversal)	-									-
Short Provision on NBA (net of accumulated Depreciation)	-									-
Actuarial Gain on Leave (through P/L account): Addition/ (Reversal)	-									(2,316,588)
Interest Capitalization of Loan [not allowed for distribution]	-									-
Deferred Tax Assets (Recognized)/(Reversal) through P/L]	-		(22,098,332.37)	-	-	-	-	-	-	(23,672,841)
Less: Adjustment of Staff Bonus & Tax	(4,157,924)	-	(2,052,278)	-	-	-	-	-	-	(2,316,588)
Closing as on Ashad End 2079	156,038,984	-	44,904,697	41,025,823	-	162,373	19,428,956	-	-	261,560,473

Continued...



Particulars	Interest Receivable	Short Loan Loss Provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial loss Recognized	Other	Total
Transfer from/(to) Retained Earnings: For FY 2079-80										
Accrued Interest Income recognized on FY 2079-80	151,465,137	-	-	-	-	-	-	-	-	151,465,137
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	-	-	-	-	-	-	-	-
Short Provision on NBA (net of Accumulated Depreciation)	-	-	61,827,701	[114,877,89]	-	-	-	-	-	61,712,283
Actuarial (Gain)/Loss on Gratuity: Addition/(Reversal)	-	-	-	-	-	-	-	-	-	(162,373)
Interest Capitalization of Loan (not allowed for distribution)/ (reversal)	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	-	-	-	-	-	-
Less: Adjustment of Staff Bonus & Tax	[56,042,101]	-	-	-	-	-	-	-	-	[56,042,101]
Closing as on Ashad End 2080	251,462,020	-	-	106,731,798	40,911,006	-	-	-	-	19,428,596 418,533,420
Transfer from/(to) Retained Earnings: For FY 2080-81										
Accrued Interest Income recognized on FY 2080-81	137,116,570	-	-	-	-	-	-	-	-	137,116,570
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	-	-	-	-	-	-	-	-
Short Provision on NBA (net of Accumulated Depreciation)	-	-	[5218,706]	-	-	-	-	-	-	[5218,706]
Actuarial (Gain)/Loss on Gratuity: Addition/(Reversal)	-	-	-	-	-	-	-	-	-	-
Interest Capitalization of Loan (not allowed for distribution)/ (reversal)	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	[2,979,819]	-	-	-	-	-	[2,979,819]
Less: Adjustment of Staff Bonus & Tax	[121,680,677]	-	-	-	-	-	-	-	-	[121,680,677]
Closing as on Ashad End 2081	266,897,913	-	-	101,513,092	37,931,186	-	-	-	-	19,428,596 425,770,788
Transfer from/(to) Retained Earnings: For FY 2081-82										
Accrued Interest Income recognized on FY 2081-82	(127,762,272)	-	-	-	-	-	-	-	-	[127,762,272]
Fair Value Losses on Equity Investment: Addition/(reversal)	-	-	-	-	-	-	-	-	-	-
Short Provision on NBA (net of Accumulated Depreciation)	-	-	-	8,918,919	-	-	-	-	-	8,918,919
Actuarial (Gain)/Loss on Gratuity: Addition/(Reversal)	-	-	-	-	-	-	-	-	-	-
Events after reporting period Non adjustable	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets (Recognized/(Reversal) through P/L)	-	-	-	-	4,750,746	-	-	-	-	4,750,746
Less: Adjustment of Staff Bonus, tax CSR and general reserve	64,174,989	-	-	-	-	-	-	-	-	64,174,989
Closing as on Ashad End 2082	203,310,630	-	-	110,432,011	42,681,932	-	-	-	-	19,428,596 375,853,170



निरन्तर सहयात्रा



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहयात्रा

1. GENERAL INFORMATION

1.1. Reporting Entity

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

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

1.2. Associates

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

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

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

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

B. Nadep Laghubitta Bittiya Sanstha Limited

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

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

C. Deprosc Laghubitta Bittiya Sanstha Limited

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

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

1.3. Principal Activities

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

2. BASIS OF PREPARATION

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

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

2.1. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) and as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank in Directive No. 4, 2081. The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company (First Amendment) Act, 2063 of Nepal.

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

2.2. Reporting Period and Approval of Financial Statements

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

Relevant Financial Statement	English Calendar Date/ Period	Nepali Calendar Date/ Period
Statement of Financial Position (SOFP)	16.07.2025	32.03.2082
Comparative Statement of Financial Position	15.07.2024	31.03.2081
Reporting Period	16.07.2024-16.07.2025	01.04.2081-32.03.2082
Comparative SOFP	17.07.2023-15.07.2024	01.04.2080-31.03.2081

The financial statements for the year ended on 16 July 2025 (Ashadh 32, 2082) are approved by 514th meeting of the Board of Directors held on 2082/09/07. The Board of Directors acknowledges the responsibility of preparation of financial statements of the development bank. The approved financial statements have been recommended for approval by the shareholders in the 18th Annual General Meeting of the Development bank.

2.3. Functional and Presentation Currency

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

2.4. Use of Estimates, Assumptions and Judgments

The preparation of financial statements will on occasion requires the use of accounting estimates, which, by definition, may not be accurate to the actual results. Such accounting estimates and underlying assumptions are evaluated on an ongoing basis. They are based on experience and other factors, including expectations of

the future events that may have a financial impact and that are believed to be reasonable under the circumstances. Revision to those are dealt prospectively.

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

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

a) Going Concern Basis

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

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

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

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

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

c) Impairment of property plant and equipment

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

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

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

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

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

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

d) Contingencies

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

These are possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the development bank. Such liabilities are not recognized but disclosed in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

e) Fair value measurements

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

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

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

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

f) Defined benefit plans

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

The Development Bank provides for defined benefits in the form of gratuity and leave encashment. The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of defined benefit obligations at the

end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

g) Recognition of deferred tax assets

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

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

2.5. Changes in Accounting Policies

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

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

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

2.6. Reporting Pronouncements

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

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 2082/05/09 has resolved that Carve-outs (Alternative Treatment) in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). Details of carve out provided are as follows.

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

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

When calculating EIR, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instruments but shall not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, unless it is impracticable to determine reliably between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all over premiums or discounts.

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument, the entity shall use the contractual cash flows over the full contractual term of the financial instrument.

This carve out is optional and is valid till FY 2082.83. Accordingly, the bank has opted this carve out.

b. Para 5.5.7 (Recognition of expected credit losses) of NFRS 9: Financial Instrument:

If an entity has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that paragraph 5.5.3 is no longer met (i.e, credit risk on that financial instrument has not increased significantly since initial recognition), the entity shall measure the loss allowance at an amount equal to 12- month expected credit losses at the current reporting date, unless the entity is bank or other financial institution registered as per Bank and Financial Institutions Act 2073.

Such entity shall measure loss allowance in line with the Guidance Note issued by respective regulators i.e, Nepal Rastra Bank in case of bank or other financial institution.

This carve out is not optional and is valid till FY 2082.83. Accordingly, the bank has opted this carve out.

c. Para 5.5.11 (Determining significant increases in credit risk) of NFRS 9: Financial Instrument:

If reasonable information is available without undue cost or effort, an entity cannot rely solely on past due information when determining whether credit risk has increased significantly since initial recognition. However, when information that is more forward looking than past due status is not available without undue cost or effort, an entity may use past due information to determine whether there have been significant increases in credit risk since initial recognition. Regardless of the way in which an entity assesses significant increases in credit risk, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. An entity can rebut this presumption if the entity has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. When an entity determines that there have been significant increases in credit risk before contractual payments are more than 30 days past due, the rebuttable presumption does not apply. However, for bank or other financial institution established /licensed by appropriate government bodies, such presumption cannot be rebutted.

This carve out is not optional and is valid till FY 2082.83. Accordingly, the bank has opted this carve out.

2.7. New Standards in issue but not yet effective

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

2.8. New Standards and interpretation not adopted

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

2.9. Discounting

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

2.10. Comparative Figures

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

2.11. Limitation of NFRS Implementation

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Basis of Measurement

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

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

3.2. Basis of Consolidation

a) Business Combination

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

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

There is no business combination during the fiscal year 2081/82.

b) Non-Controlling Interest

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

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

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

c) Subsidiaries

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

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

d) Loss of Control

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

e) Special Purpose Entity (SPE)

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

The Development Bank does not have any Special Purpose Entity.

f) Transaction elimination on consolidation

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

g) Investment in Associates – Equity Accounting

An associate is an entity over which the Development Bank has significant influences but not control or joint control. This is generally the case where the Development Bank holds between 20% to 50% of the voting rights or the Development Bank has power to participate in the financial and operating policy decision of the investee. The existence of significant influence by an entity is usually evidenced in one or more of the following ways:

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

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

Explanatory Notes

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

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

Name of Associates	Holding by Bank (a)	Share Capital (b)	Reserve & Surplus (c)	Total Net Assets (d=b+c)	Associate Value-Using Equity Method (e=d*a)
Deprosc Laghubitta Bittiya Sanstha Limited.	12.76%	1,868,285,696	2,033,510,122	3,901,795,818	497,971,654
NADEP Laghubitta Bittiya Sanstha Ltd	10.00%	485,760,000	320,970,945	806,730,945	80,673,095
Muktinath Capital Limited (former Vibor Capital Ltd)	19.75%	405,000,000	52,524,050	457,424,050	90,355,368
Total Value of Associates					669,000,116

For the calculation of the equity value of associates, the value of share capital and reserves & surplus has been taken based on the latest financial statements (i.e., the quarterly financials as of Ashad end 2082 for Deprosc Laghubitta Bittiya Sanstha Limited and NADEP Laghubitta Bittiya Sanstha Limited, as the audited financial statements were not available at the time of approval of these financial statements. For Muktinath Capital Limited, the audited reserves & surplus as of Ashad end 2082 have been used.

The movement in reserves arising from Development Bank investment in associates for the year ended Ashad 2082 represents the share of post-acquisition changes in the net assets of those associates, accounted for under the equity method.

Details of changes in reserves from associates is presented below:

Associates	Opening	Closing	Change
Deprosc	425,615,156	451,486,486	25,871,330
NADEP	59,292,548	48,673,095	(10,619,453)
MuktinathCapitalLimited	9,601,000	10,355,368	754,368
Total	494,508,703	510,514,948	16,006,245

The share of reserves from Deprosc Laghubitta Bittiya Samstha Ltd. increased by Rs. 25,871,330 during the year. Reserves from NADEP Laghubitta Bittiya Samstha Ltd is decreased by 10,619,453. In case of Muktinath Capital Limited, the share of reserves increased by Rs. 754,368.

3.3. Cash & Cash Equivalent

Cash and cash equivalent comprises cash in hand, balances with bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date with insignificant risk of changes in their value which are held by the Development Bank to meet short term cash commitments. Cash and cash equivalents are measured at amortized cost in the Statement of Financial Position.

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

3.4. Financial Assets and Financial Liabilities

3.4.1 Recognition

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

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

3.4.2 Classification

A. Financial Assets

i. Financial assets at amortized cost

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

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

Business model assessment

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

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

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

The SPPI test

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

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

ii. Financial assets at fair value through other comprehensive income

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

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

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

iii. Financial assets at fair value through profit or loss

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

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or

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

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

B. Financial Liabilities

i. Financial liabilities at fair value through profit or loss

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

ii. Financial liabilities measured at amortized cost

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

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

Explanatory Notes

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

The debenture is a financial liability for the bank and is measured at amortized cost as the intention of bank during issuance of Debenture is to hold the instrument till its maturity. The bank has set aside Rs 12.50 crore per year starting from fiscal year 2080.81 for debenture redemption reserve fund as required. So, the bank has set aside Rs 12.50 crore for the reporting period.

3.4.3 Measurement

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

Financial assets and liabilities designated at fair value through profit or loss are subsequently measured at fair value with changes recognized at Statement of profit or loss whereas it is recognized at Statement of Other Comprehensive Income for those financial instruments designated at fair value through other comprehensive income.

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

3.4.4 De-recognition of Financial Assets and Liabilities

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

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

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

A transfer only qualifies for de-recognition if either:

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

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

3.4.5 Determination of Fair Value

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

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

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

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

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

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

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

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

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

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

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

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

3.4.6 Impairment

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

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

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

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

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

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

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

Individually assessed loans and advances

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

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

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

Collectively Assessed loans and advances

Collective impairment on loans and advances are carried out to cover losses, which have been incurred but have not yet

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

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

Loan Loss Provision as per Nepal Rastra Bank

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

Guidance on ECL method used by the bank:

Expected Credit Losses are a probability weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between cash flows that are due to an entity in accordance with the contract and cash flows that the entity expects to receive. (NFRS 9).

Bank has followed the Expected Credit Loss Related Guidelines, 2024 issued by NRB, within the requirement of NFRS-9.

The Bank recognizes a loss allowance for expected credit losses on a financial asset. At each reporting date, the bank measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, bank measures the loss allowance of that financial instrument at an amount equal to 12-month expected credit losses.

12 month expected credit losses:

Twelve month expected credit losses is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within 12 months after reporting date. A nil allowance is rare as ECL estimates are probability weighted amount (BCBS).

Bank has recognized the Twelve month expected credit losses for financial instruments with low credit risk or no significant change in credit risk since initial recognition, at the reporting date.

Lifetime Expected Credit Losses

Lifetime Expected Credit Losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. It is the change in risk of default rather than change in amount of expected credit losses that is of concern for assessment of changes in credit risk (before consideration of effects of credit risk mitigants such as collateral or guarantees).

Lifetime expected credit losses are to be recognized by bank for those financial instruments with significant increase in credit risk since initial recognition, whether assessed on individual or collective basis, considering all reasonable and supportable information, including that which is forward looking.

In the case of modified/restructured/renegotiated exposures, the assessment of increase in credit risk by comparing risk of default occurring at the reporting date based on modified contractual terms with risk of default occurring upon initial recognition based on original, unmodified contractual terms. Bank should not move back to 12 month ECL unless there is sufficient evidence.

For purchased or originated credit impaired financial assets, only cumulative changes in lifetime expected credit losses since initial recognition are recognized.

ECL Model Validation and Governance

According to Section 13 of NFRS-9 Expected Credit Loss Related Guidelines 2024 issued by Nepal Rastra Bank, Bank's a sound model validation framework include, but not be limited to, the following elements:

- a) Assignment of clear roles and responsibilities for model validation;
- b) Review of model inputs, model design and model outputs;
- c) Comprehensive documentation has been maintained, detailing the methodologies applied in validating;
- d) An independent review of the model validation framework should be undertaken by qualified parties such as the Internal Audit function or external experts to assess the overall effectiveness of the validation process.

ECL Model Parameters used by Bank: PD, LGD, and EAD

The Bank's ECL framework relies on three key parameters:

- a. Probability of Default (PD): Likelihood that a borrower will default over the next 12 months (Stage 1) or over the lifetime (Stages 2 & 3).
- b. Loss Given Default (LGD): Expected loss upon default after considering recoveries and collateral.
- c. Exposure at Default (EAD): Estimated exposure at the time of default, including drawn and undrawn portions of the loan.

Probability of Default (PD)

The Probability of Default (PD) represents the likelihood that a borrower will fail to meet their debt obligations within a specified time horizon, typically one year. PD can be estimated using historical default data, statistical models, or credit ratings, and it reflects the inherent riskiness of a counterparty. Accurate PD estimation requires analyzing past default patterns, borrower characteristics, and macroeconomic factors, ensuring the model aligns with observed economic behaviors and regulatory expectations.

Loss Given Default (LGD)

Loss Given Default (LGD) is the portion of an exposure that a lender loses when a borrower defaults, after accounting for any recoveries. It is typically expressed as a percentage of the Exposure at Default (EAD):

LGD=1-Recovery Rate

LGD reflects factors such as collateral value, recovery costs, seniority of debt, and the time to recover funds. It can be estimated using historical recovery data, adjusted for macroeconomic conditions to reflect Point-in-Time (PIT) or Through-the-Cycle (TTC) estimates, depending on regulatory or accounting requirements. The collateral values are taken after the considering the realization cost and Haircuts as specified by the Nepal Rastra Bank.

Exposure at Default (EAD)

Exposure at Default (EAD) represents the total amount a bank is exposed to at the time a borrower defaults, including both the outstanding drawn balances and potential undrawn commitments that the borrower may utilize before default, often adjusted using a Credit Conversion Factor (CCF).

EAD for Term Loans

For amortizing loans, EAD is projected based on:

- Outstanding principal balances at reporting date
- Accrued interest at reporting date

EAD for Revolving Loans

- For revolving facilities, the EAD is projected based on:
- Outstanding balance at reporting date
- Accrued interest at reporting date
- Draw down additional amount

Key summary related to model parameters, PD and LGD of the bank related to ECL are as follows:

- Historical data has been used for PD calibration.
- LGD is calculated using plateau model.
- For LGD recoveries either from cash flows or collateral value are considered. Plateau analysis is used to calculate LGD. Further realization costs and haircuts are considered in case of recovery of default.
- For EAD calculations Credit Conversion Factor (CCF) are considered.
- Manual adjustments are not made in the calculations.
- Expanded historical data are used, NRB floors are consistently applied, and integrated EAD are fully used.

Staging & Significant Increase in Credit Risk (SICR) Criteria, followed by Bank:

According to NFRS 9, all financial assets are classified into three stages based on credit risk:

Stage 1: Performing assets with no significant increase in credit risk since initial recognition.

Stage 2: Assets with a significant increase in credit risk (SICR), but not credit- impaired.

Stage 3: Credit-impaired assets.

The Bank's staging methodology across all portfolio, and off-balance sheet exposures is broadly based on Quantitative criteria, Qualitative Criteria and Portfolio coverage with the criteria set by the NFRS-9.

The bank has broadly aligned with the requirement of NRB ECL Guidelines and NFRS 9 requirement with rooms for improvement to adopt the best practice relating to staging and SICR. A summary of the Staging & Significant Increase in Credit Risk (SICR) Criteria is presented below:

Particulars	Bank's Practice	NRB Expectation / NFRS 9
Stage 1 Criteria	Stage 1 as per DPD criteria and NRB classification and Loan class basis as prescribed.	Must monitor SICR using multiple indicators
Stage 2 Criteria	Stage 2 as per DPD criteria and NRB classification and Loan class basis as prescribed.	Consider Quantitative + qualitative indicators
Stage 3 Criteria	As prescribed in NRB ECL Guidelines	Credit-impaired, defaults recognized
Off- Balance Sheet Exposure	As prescribed in NRB ECL Guidelines	Integrated into ECL calculations

Key Summary for the staging and SICR of the bank related to the ECL are:

- Staging is done on the basis of Days past due basis.
- Quantitative triggers are: maximum stage level among DPD days criteria, Loan class criteria and NRB classification criteria. However qualitative SICR indicators are used as prescribed in ECL Guidelines, 2024 issued by NRB.
- Staging and SICR methodologies are applied as per ECL Guidelines, 2024 issued by NRB.

Policy

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

Reversal of impairment

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

Write off of loans and advances

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

3.5. Trading Assets

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

3.6. Derivative Assets and Derivative Liabilities

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

3.7. Property and Equipment

A. Recognition and Measurement

Recognition

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

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

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

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

Measurement

i. Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment other than Right of Use (ROU) assets (recognized under NFRS 16-Leases) are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. For right-of-use (ROU) assets under NFRS-16, the bank has elected to present the amount as part of property, plant and equipment under the head Equipment & Others Assets initially at the amount of lease liability plus any initial direct costs incurred by the bank. Subsequently, the bank measures the right of use assets at initial amount less accumulated depreciation and accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability.

Explanatory Notes

The bank recognized the right of use asset with the gross amount of Rs 556,736,900 and accumulated depreciation of Rs 234,905,810 (net value: Rs 321,831,090) as of Ashad End 2082. Same has been presented under equipment and others in annexure 4.13

ii. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Development Bank and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

iii. The Development Bank identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

iv. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset starts operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

v. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Depreciation

i. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line basis.

ii. Depreciation is provided on the straight line method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:

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

iii. Depreciation on Right of Use Assets are determined as per NFRS-16- leases and recognized under depreciation of Property Plant and Equipment.

iv. Assets value less than NPR 5,000/- per unit is charged to the profit and loss account irrespective of their useful life in the year of purchase.

C. Changes in Estimates

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

D. Capital Work in Progress

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

E. Borrowing Costs

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

F. Derecognition

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

3.8. Goodwill/Intangible Assets

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

Computer Software & Licenses

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

Subsequent Expenditure

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

Goodwill is measured at cost less accumulated impairment losses.

Amortization of Intangible Assets

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

De-recognition of Intangible Assets

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

3.9. Accounting for Government Grants and Disclosure of Government Assistance

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

The development bank has not received any government grant or assistance during the fiscal year 2081/82.

3.10. Investment Property

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

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

3.11. Non-Current Assets-Held for sale:

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

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

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

3.12. Income Tax

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

a) Current Tax

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

Income tax rates applicable to the Development Bank: 30%

b) Deferred Tax

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

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

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

3.13. Deposit, debt securities issued and subordinated liabilities

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

These transactions are recorded on the Development Bank's books, and the resulting balance is recorded as a liability for the Development Bank and represents the amount owed by the Development Bank to the customers. Subordinated liabilities are those liabilities which at the event of winding up are subordinate to the claims of depositors, debt securities issued and other creditors. The Development Bank does not have any of such subordinated liabilities and has not issued any debt security in the reporting period.

3.14. Provisions, contingent liability and contingent Assets

- i. Provisions are recognized when the Development Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. When the Development Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss net off any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- v. A provision for onerous contracts is recognized when the expected benefits to be derived by the Development Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Development Bank recognizes any impairment loss on the assets associated with that contract.

- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Development Bank or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Development Bank does not recognize a contingent liability but discloses its existence in the standalone financial statements.
- vii. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- viii. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- ix. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

3.15. Revenue Recognition

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

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

3.14.1 Interest Income

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

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

3.14.2 Fee and Commission Income

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

3.14.3 Dividend Income

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

3.14.4 Net Trading Income

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

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

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

3.16. Interest Expenses

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

3.17. Employee Benefits

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

a. Short Term Employee Benefits

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

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

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

b. Post-Employment Benefits Plan

Post- employment benefits plan of the Development Bank includes the following:

A. Defined Contribution Plan – Provident Fund

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

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

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

B. Defined Benefit Plan – Gratuity

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

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

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

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

C. Other long-term employment benefits.

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

3.18. Lease

Identifying a lease

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

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

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

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

a. Right of use asset

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

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

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

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

b. Lease Liability

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

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

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

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

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

3.19. Foreign Currency Translation

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

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

3.20. Financial Guarantee and Loan Commitments

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

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

3.21. Share Capital and Reserves

Equity is the residual interest in the total assets of an entity after deducting all the liabilities. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon. The share capital of the Development Bank includes the equity share capital with 51.01% of Promoter and 48.99 % of the public. The Development Bank has also maintained several statutory reserves and free reserves which are presented in the statement of changes in equity.

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

3.22. Earnings per share

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

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential

equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.23. Segment Reporting

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

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

3.24. Dividend on Ordinary Shares

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

3.25. Cash Flow Statement

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

4. SCHEDULED FORMING PART OF FINANCIAL STATEMENTS.

Schedules are attached with financial statements.

Notes to the consolidated financial statement for the year ended 32nd Ashadh 2082

4.1 Cash and cash equivalents

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Cash in hand	654,662,910	656,746,759
Balances with B/FIs	2,728,139,598	2,824,867,991
Money at call and short notice	-	199,826,523
Other	-	-
Total	3,382,802,508	3,681,441,274

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

4.2 Due from Nepal Rastra Bank

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Statutory balances with NRB	2,745,537,810	3,379,607,499
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	2,745,537,810	3,379,607,499

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

4.3 Placements with Bank and Financial Institutions

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Placement with domestic B/FIs	-	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	-	-

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

4.4 Derivative financial instruments

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
Total	-	-

4.5 Other trading Assets

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
Total	-	-
Pledged	-	-
Non-pledged	-	-

4.6 Loan and advances to B/FIs

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Loans to microfinance institutions	440,127,478	2,195,993,163
Other	-	-
Less: Allowances for impairment	4,400,930	26,349,456
Total	435,726,548	2,169,643,707

Loan and advances given to microfinance financial institutions has been presented on above schedule. Accrued Interest of Rs 34,444 has been added and impairment allownices on above loan and advance has been deducted.

4.6.1 Allowances for impairment

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balance at Shrawan 1	26,349,456	28,667,566
Impairment loss for the year:	-	-
Charge for the year	-	-
Recoveries/reversal	(21,948,525)	(2,318,111)
Amount written off	-	-
Balance at Ashad end	4,400,930	26,349,456

4.7 Loans and advances to customers

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Loan and advances measured at amortized cost	49,711,156,515	48,090,769,460
Less: Impairment allowances	2,644,053,221	1,843,352,293
Collective impairment	672,389,589	798,691,907
Individual impairment	1,971,663,632	1,044,660,386
Net amount	47,067,103,294	46,247,417,167
Loan and advances measured at FVTPL	-	-
Total	47,067,103,294	46,247,417,167

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Loans and advances to Customer	49,206,351,658	47,412,655,133
Loans and advances to staff	69,367,621	87,682,621
Accrued Interest	435,402,792	590,226,506
Total	49,711,122,071	48,090,564,259

Impairment (Including loans & advances to B/FIs)

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
As per NRB Directive No. 2	2,648,454,151	1,869,701,749
As per NFRS:9	2,091,228,394	206,004,622
Collective Impairment	1,704,663,805	195,182,059
Individual Impairment	386,564,589	10,822,563
Higher of NRB Directive and NAS 39	2,648,454,151	1,869,701,749

4.7.1 Analysis of loan and advances - By Product

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Product		
Term loans	12,727,238,593	11,945,443,367
Overdraft	2,713,053,699	3,148,074,763
Cash Credit Loan	5,148,906,677	4,900,364,883
Trust receipt/Import loans	-	-
Demand and other working capital loans	2,007,054,741	1,271,006,913
Personal residential loans	7,610,683,827	7,074,981,027
Real estate loans	3,816,825,001	4,423,932,612
Margin lending loans	1,931,193,916	1,752,039,125
Hire purchase loans	1,156,668,708	1,179,978,381
Deprived sector loans	3,423,738,222	3,615,520,691
Bills purchased	-	-
Staff loans	69,367,621	87,682,621
Other	8,671,022,719	8,101,518,571
Sub total	49,275,753,722	47,500,542,954
Interest receivable	435,368,348	590,021,305
Grand total	49,711,122,071	48,090,564,259

4.7.2 Analysis of loan and advances - By Currency

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Nepalese Rupee	49,711,122,071	48,090,564,259
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	49,711,122,071	48,090,564,259

4.7.3 Analysis of loan and advances - By Collateral

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Secured		
Movable/immovable assets	47,794,142,277	46,046,021,263
Gold and silver	276,650,559	202,164,927
Guarantee of domestic B/FIs	-	-
Government guarantee	17,193,389	17,193,389
Guarantee of international rated bank	-	-
Collateral of export document	-	-
Collateral of fixed deposit receipt	801,399,584	886,230,369
Collateral of Government securities	-	-
Collective Guarantee	-	3,877,145
Personal guarantee	282,461,448	297,788,465
Other collateral	99,983,368	41,979,817
Subtotal	49,271,830,625	47,495,255,374
Unsecured	3,923,097	5,287,580
Interest receivable	435,368,348	590,021,305
Grant Total	49,711,122,071	48,090,564,259

4.7.4 Allowances for impairment

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Specific allowances for impairment		
Opening Balance	1,044,660,386	1,025,975,971
Impairment loss for the year:		
Charges/(reversal) for the year	927,003,245	18,684,415
Recoveries/reversal during the year	-	-
Write-offs	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
Closing Balance	1,971,663,632	1,044,660,386
Collective allowances for impairment		
Opening Balance	798,691,907	579,228,045
Impairment loss for the year:		
Charge/(reversal) for the year	(126,302,318)	219,463,862
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
Closing Balance	672,389,589	798,691,907
Total allowances for impairment	2,644,053,221	1,843,352,293

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

4.8 Investment securities

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Investment securities measured at amortized cost	10,634,410,480	10,147,829,174
Investment in equity measured at FVTOCI	1,714,112,541	1,552,127,197
Total	12,348,523,021	11,699,956,371

4.8.1 Investment securities measured at amortized cost

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Debt securities	-	-
Government bonds	7,088,351,232	7,085,995,749
Government treasury bills	361,484,248	1,461,833,425
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	3,184,575,000	1,600,000,000
Other	-	-
Less: specific allowances for impairment		
Total	10,634,410,480	10,147,829,174

Investment made on Government securities has been presented on above schedule. Accrued Interest Receivable of NPR 100,501,231.88 has been added on above Government Bond.

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

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Equity instruments	-	-
Quoted equity securities	1,669,465,606	1,510,601,996
Unquoted equity securities	44,646,935	41,525,201
Total	1,714,112,541	1,552,127,197

4.8.3 Information relating to investment in equities

Particulars	Bank			
	As at 32nd Ashad 2082	Cost	Fair Value	As at 31st Ashad 2081
Investment in Quoted Equity				
1.1 Api Power Company Ltd. (3069 ordinary shares of NPR 100 paid up)	254,700	909,959	254,700	558,293
1.2 Asian Life Insurance Co. Limited (94938 ordinary shares of NPR 100 paid up)	73,843,734	48,418,380	52,296,860	40,582,843
1.3 Asian Life Insurance Co. Ltd.-Promoter (1 ordinary shares of NPR 100 paid up)	100	388	100	312
1.4 Bottlers Nepal (Terai) Limited (290 ordinary shares of NPR 100 paid up)	2,068,427	3,712,000	2,068,427	3,770,000
1.5 Butwal Power Company Limited (2000 ordinary shares of NPR 100 paid up)	641,858	1,904,000	8,006,771	7,734,190
1.6 Chilime Hydropower Company Limited (8901 ordinary shares of NPR 100 paid up)	1,918,883	4,761,145	1,918,883	3,762,780
1.7 Citizen Investment Trust (2,14 ordinary shares of NPR 100 paid up)	-	4,259	-	1,945
1.8 Citizen Mutual Fund-2 (2000000 units of NPR 10 each)	20,000,000	21,500,000	20,000,000	20,640,000
1.10 Himalayan Everest Insurance Co. Ltd.-Promoter (7208 ordinary shares of NPR 100 paid up)	663,600	2,724,624	663,600	2,277,728
1.11 Himalayan Everest Insurance Co. Ltd (5114 ordinary shares of NPR 100 paid up)	2,346,425	3,196,250	2,346,425	3,232,048
1.12 Sanima GIC Company Ltd PROMOTER (27412 ordinary shares of NPR 100 paid up)	2,550,000	8,854,076	2,550,000	7,356,750
1.13 Chhimek Laghubitta Bittiya Sanstha Ltd. (1 ordinary shares of NPR 100 paid up)	-	1,037	-	19,110
1.14 Global IME Balance Fund -1-Mutual Fund (1000000 Units of NPR 10 each)	10,000,000	11,000,000	10,000,000	9,100,000
1.15 Himalayan Life Insurance Company Ltd. (30211 ordinary shares of NPR 100 paid up)	4,692,458	12,235,455	4,692,458	10,078,416
1.16 Hydroelectricity Investment & Development Co. Ltd (36856 ordinary shares of NPR 100 paid up)	3,102,340	10,828,293	3,102,340	6,597,224
1.17 IGI Prudential Insurance Ltd. (11175 ordinary shares of NPR 100 paid up)	4,951,777	6,256,883	4,951,777	6,125,166
1.18 Smata Gharelu Laghubitta Bittiya Sanstha Ltd (24306 ordinary shares of NPR 100 paid up)	1,954,445	23,212,230	-	1,070
1.19 Kumari Equity Fund (250000 Units of NPR 10 each)	2,500,000	2,507,500	2,500,000	2,415,000
1.20 Kumari Sunulo Lagani Yojana (1000000 Units of NPR 10 each)	10,000,000	12,110,000	10,000,000	11,910,000
1.21 Kumari Dhanabridhdi Yojana (3000000 Units of NPR 10 each)	30,000,000	30,030,000	30,000,000	29,010,000
1.22 Laxmi Laghubitta Bittiya Sanstha Ltd.			-	1,224
1.23 Laxmi Unnati Kosh (2000000 Units of NPR 10 each)	20,000,000	20,900,000	20,000,000	18,000,000
1.24 Mero Microfinance Bittiya Sanstha Ltd. (263402 ordinary shares of NPR 100 paid up)	10,669,074	225,208,710	5,336,523	93,230,200
1.25 Mero Microfinance Bittiya Sanstha Ltd.-Promoter (729947 ordinary shares of NPR 100 paid up)	26,355,743	259,861,132	31,688,294	276,800,650
1.26 Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd- Promoter (25444 ordinary shares of NPR 100 paid up)	4,129,137	2,544,400	-	5,576,185
1.27 Nabil Flexi Cap Fund (2000000 Units of NPR 10 each)	20,000,000	23,080,000	20,000,000	20,000,000
1.28 National Life Insurance Co. Ltd. (11135 ordinary shares of NPR 100 paid up)	3,701,514	7,070,725	3,701,514	6,067,215
1.29 NIC Asia Dyanamic Debt Fund (250000 Units of NPR 10 each)	2,500,000	2,642,500	2,500,000	2,772,500
1.30 Neco Insurance Co. Ltd. (21912 ordinary shares of NPR 100 paid up)	18,148,321	15,645,168	17,738,721	13,695,352
1.31 Nepal Doorsanchar Comapany Limited (4660 ordinary shares of NPR 100 paid up)	2,218,429	4,086,820	2,218,429	3,937,700
1.32 NIBL Sahabagita Fund (250000 Units of NPR 10 each)	2,887,525	2,820,000	2,887,525	2,640,000

Particulars	Bank			
	As at 32st Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Cost	Fair Value
1.33 NIBL Sahabagita Fund-2 (2000000 Units of NPR 10 each)	20,000,000	17,640,000	20,000,000	16,500,000
1.34 Nepal Insurance Co. Ltd. (16648 ordinary shares of NPR 100 paid up)	9,370,717	10,656,385	9,174,558	12,499,520
1.35 Nepal Life Insurance Co. Ltd. (1 ordinary shares of NPR 100 paid up)	-	776	-	619
1.36 Nerude Laghubita Bikas Bank Limited	-	-	2,369,644	1,562,834
1.37 NIC ASIA Balance Fund (500000 Units of NPR 10 each)	5,000,000	4,885,000	5,000,000	4,800,000
1.38 Nabil Balance Fund 3 (16680 Units of NPR 10 each)	166,800	166,633	166,800	130,104
1.39 Nic Asia Flexi Cap Fund (3000000 Units of NPR 10 each)	30,000,000	31,050,000	30,000,000	27,750,000
1.40 Nic Asia Select 30 (500000 Units of NPR 10 each)	5,000,000	4,635,000	5,000,000	4,800,000
1.41 Nirdhan Utthan Bank Limited	-	-	160,183	311,812
1.42 NLG Insurance Company Ltd. (6358.425 ordinary shares of NPR 100 paid up)	1,647,939	4,928,415	2,816,319	5,894,978
1.43 NMB Microfinance Bittiya Sanstha Ltd.	-	-	-	2,280
1.44 NMB 50 (1000000 Units of NPR 10 each)	10,000,000	10,690,000	10,000,000	10,040,000
1.45 NMB Sulav Investment Fund-II (1000000 Units of NPR 10 each)	10,000,000	11,530,000	10,000,000	10,060,000
1.46 Ngadi Group Power Ltd. (71425 ordinary shares of NPR 100 paid up)	600	2,850	200	1,023
1.47 National Microfinance Bittiya Sanstha Limited (94 ordinary shares of NPR 100 paid up)	-	131,412	449,242	927,122
1.48 NIBL Growth Fund (1000000 Units of NPR 10 each)	10,000,000	10,090,000	10,000,000	10,640,000
1.49 Mega Mutual Fund 1 (250000 Units of NPR 10 each)	2,500,000	2,395,000	2,500,000	1,930,000
1.50 Prabhu Insurance Ltd. (11281.98 ordinary shares of NPR 100 paid up)	2,512,312	10,457,267	2,512,312	7,538,902
1.51 Prabhu Smart Fund (2000000 Units of NPR 10 each)	20,000,000	23,100,000	20,000,000	19,220,000
1.52 Rastriya Beema Company Limited (1 ordinary shares of NPR 100 paid up)	622	15,110	622	13,490
1.53 RBB Mutual Fund-2 (2000000 Units of NPR 10 each)	20,000,000	20,180,000	20,000,000	19,000,000
1.54 Ridi Hydropower Development Company Ltd. (17 ordinary shares of NPR 100 paid up)	600	4,369	600	3,239
1.55 Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd- Promoter	-	-	4,129,137	9,585,770
1.56 RBB Mutual Fund-1 (250000 Units of NPR 10 each)	2,500,000	2,490,000	2,500,000	2,040,000
1.57 Samata Gharelu Laghubitta Bittiya Sanstha Ltd.-Promoter (144682 ordinary shares of NPR 100 paid up)	11,634,253	64,094,126	13,588,698	49,891,710
1.58 Sanima Mai Hydropower Ltd. (14579 ordinary shares of NPR 100 paid up)	2,913,981	9,111,875	2,913,981	4,499,733
1.59 Sana Kisan Laghubitta Bittiya Sanstha Ltd (189 ordinary shares of NPR 100 paid up)	-	168,210	174,362	1,212,254
1.60 Sanima Large Cap Fund (250000 Units of NPR 10 each)	2,500,000	2,557,500	2,500,000	2,322,500
1.61 Sanima Growth Fund (2000000 Units of NPR 10 each)	20,000,000	20,640,000	20,000,000	20,280,000
1.63 Siddhartha Premier Insurance Ltd. (7148 ordinary shares of NPR 100 paid up)	4,157,155	6,140,132	4,157,155	6,146,565
1.64 Soaltee Hotel Limited (2830 ordinary shares of NPR 100 paid up)	488,294	1,631,778	488,294	1,137,266
1.65 Sunrise Bluechip Fund (250000 Units of NPR 10 each)	2,500,000	2,500,000	2,500,000	2,067,500
1.66 Surya Jyoti Life Insurance Company Limited (3340 ordinary shares of NPR 100 paid up)	423,302	1,486,634	423,302	1,435,866
1.67 Muktinath Mutual Fund 1 [MUKMF1] (3103686 Units of NPR 10 each)	31,036,860	31,005,823	3,624,109	3,355,800
1.68 Garima Samriddhi Yojana (2000000 Units of NPR 10 each)	20,000,000	20,000,000	-	3,404
1.69 Siddhartha Investment Growth Scheme-2 (2000000 Units of NPR 10 each)	20,000,000	21,000,000	20,000,000	18,980,000
1.70 Sagarmatha Lumbini Insurance Company Limited (262479 ordinary shares of NPR 100 paid up)	20,906,015	193,971,981	20,906,015	190,822,233

Particulars	Bank			
	As at 32st Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Cost	Fair Value
1.71 Sagarmatha Lumbini Insurance Company Limited-Promoter (845494 ordinary shares of NPR 100 paid up)	56,550,540	228,283,380	56,550,540	307,337,069
1.72 Siddhartha Investment Growth Scheme-3 (500000 Units of NPR 10 each)	5,000,000	5,225,000	5,000,000	4,725,000
1.73 Sunrise Focused Equity Fund (2000000 Units of NPR 10 each)	20,000,000	20,080,000	20,000,000	16,480,000
1.74 Shubha Laxmi Kosh (1290695 Units of NPR 10 each)	13,000,000	15,733,572	13,000,000	13,900,785
1.75 Investment Through-PMS	20,191,121	28,608,648	20,191,121	19,954,416
1.76 United Ajod Insurance Co. (Nepal) Ltd. (5991 ordinary shares of NPR 100 paid up)	1,384,684	3,474,780	1,384,684	3,260,030
1.77 Sanima GIC Company Ltd (10212 ordinary shares of NPR 100 paid up)	950,000	5,922,960	950,000	5,481,500
1.78 Kalika power Company Ltd (9477 ordinary shares of NPR 100 paid up)	3,507,395	5,136,534	6,874,195	7,595,310
1.79 Nepal Hydro Developers Limited (13627 ordinary shares of NPR 100 paid up)	5,094,926	9,211,852	17,146,090	19,295,022
1.80 Bindhyabasini Hydropower Development Company Limited (16589 ordinary shares of NPR 100 paid up)	7,743,252	8,186,672	7,743,252	8,942,440
1.81 Invest-Citizen Super 30 Mutual Fund (500000 Units of NPR 10 each)	5,000,000	5,040,000	5,000,000	5,000,000
1.82 Invest-Laxmi Value Fund-ii (Lvf2) (1000000 Units of NPR 10 each)	10,000,000	10,130,000	10,000,000	9,240,000
1.83 Invest-Himalayan Mutual Fund Scheme (Himalayan 80-20) (1000000 Units of NPR 10 each)	10,000,000	12,060,000	10,000,000	9,990,000
1.84 Invest-Nic Asia Growth Fund-2 (500000 Units of NPR 10 each)	5,000,000	4,990,000	5,000,000	4,100,000
Sub Total	730,779,858	1,669,465,606	688,318,761	1,510,601,996
Investment in Unquoted Equity				
1.85 Karja Suchana Kendra (8860 ordinary shares of NPR 100 paid up)	54,000	8,312,629	54,000	2,552,368
1.86 Nepal Clearing House Ltd. (163184 ordinary shares of NPR 100 paid up)	3,381,500	35,313,018	3,381,500	38,829,633
1.88 Nepal Stock Exchange (1432 ordinary shares of NPR 100 paid up)	14,300	1,021,288	14,300	143,200
Sub Total	3,449,800	44,646,935	3,449,800	41,525,201
Total	734,229,658	1,714,112,541	691,768,561	1,552,127,197

4.9 Current tax assets

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Current tax assets	301,419,102	351,946,378
Current year income tax assets	238,247,456	217,042,575
Tax assets of prior periods	63,171,646	134,903,804
Current tax liabilities	226,997,592	288,774,732
Current year income tax liabilities	226,997,592	288,774,732
Tax liabilities of prior periods	-	-
Total	74,421,510	63,171,646

4.10 Investment in subsidiaries

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

4.10.1 Investment in quoted subsidiaries

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Fair Value	Cost
Total	-	-	-	-

4.10.2 Investment in unquoted subsidiaries

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Fair Value	Cost
Total	-	-	-	-

4.10.3 Information relating to subsidiaries of the Bank

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Total	-	-

4.10.4 Non controlling interest of the subsidiaries

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Equity interest held by NCI (%)	-	-
Profit/(loss) allocated during the year	-	-
Accumulated balances of NCI as on Ashad end	-	-
Dividend paid to NCI	-	-

4.11 Investment in associates

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Fair Value	Cost
Investment in quoted associates	579,399,116		563,392,871	
Investment in unquoted associates	89,601,000		89,601,000	
Total investment	669,000,116		652,993,871	
Less: Impairment allowances		-		-
Net carrying amount	669,000,116		652,993,871	

4.11.1 Investment in quoted associates

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Fair Value	Cost
Nadep Laghubitta Bittiya Sanstha Ltd. 485760 Promoter shares of Rs. 100 each	32,000,000	141,356,160	32,000,000	211,305,600
Deprosc Laghu Bitta Bittiya Sanstha Limited. 1,437,889 Promoter shares of Rs. 100 each 5,41,707 ordinary shares of Rs. 100 each	46,485,168	1,338,197,418	46,485,168	1,166,228,577
Total	78,485,168	1,479,553,578	78,485,168	1,377,534,177

4.11.2 Investment in unquoted associates

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Cost	Fair Value	Fair Value	Cost
Muktinath Capital Ltd. (800,000 shares of Rs. 100 each)	80,000,000	89,600,999	80,000,000	89,601,000
Total	80,000,000	89,600,999	80,000,000	89,601,000

4.11.3 Information relating to associates of the Bank

Particulars	Bank	
	Percentage of ownership held by the Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Nadep Laghubitta Bittiya Sanstha Ltd.	10.00%	10.00%
Deprosc LaghuBitta Bikas Bank.	12.76%	12.76%
Muktinath Capital Limited (former: Vibor Capital Ltd.)	19.75%	19.75%

4.11.4 Equity value of associates

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Nadep Laghubitta Bittiya Sanstha Ltd.	80,673,095	91,292,548
Deprosc LaghuBitta Bikas Bank.	497,971,654	472,100,324
Muktinath Capital Limited.	90,355,368	89,601,000
Total	669,000,116	652,993,871

4.12 Investment properties

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Investment properties measured at fair value		
Balance as on Shrawan 1	-	-
Addition/disposal during the year	-	-
Acquisition through business combination	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net amount	-	-
Investment properties measured at cost		
Balance as on Shrawan 1	203,964,421	169,415,553
Addition/disposal during the year	19,605,951	35,196,792
Adjustment/transfer	-	-
Accumulated depreciation	(1,685,680)	(647,923)
Accumulated impairment loss	-	-
Net amount	221,884,692	203,964,421
Total	221,884,692	203,964,421

Notes to the consolidated financial statement for the year ended 32nd Ashad 2082
Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total
Cost									
Balance as on Ashad end 2080	49,694,582	143,630,166	164,292,497	63,600,361	69,374,819	61,621,289	31,800,213	641,746,168	1,225,760,095
Addition during the Year									
Acquisition			5,323,804	4,530,606	5,725,900	2,958,061		-	18,412,807
Capitalization									36,951,178
Disposal during the year			-	(151,875)	(1099,380)	(4,651,114)	(118,216)	(1,850,153)	(2,258,018)
Adjustment/Revaluation									(10,128,756)
Balance as on Ashad end 2081	49,694,582	143,630,166	169,464,425	67,031,587	70,449,605	64,461,134	29,950,060	657,900,956	1,252,582,515
Addition during the Year									
Acquisition		48,120	5,795,555	5,515,445	769,700	3,467,252	12,800	24,492,588	40,101,459
Capitalization									
Disposal during the year			-	(497,172)	(2,918,897)	(19,178)		-	(1,437,909)
Adjustment/Revaluation									(4,873,155)
Balance as on Ashad end 2082	49,694,582	143,678,286	175,259,980	72,049,860	68,300,408	67,909,209	29,962,860	680,955,635	1,287,810,819
Depreciation and Impairment									
As on Ashad end 2080	-	18,311,465	100,871,440	40,416,879	53,481,715	43,232,517	22,361,232	179,669,954	458,345,201
Depreciation charge for the Year			-	2,895,698	11,925,505	7,753,770	5,499,268	6,622,270	1,939,195
Impairment for the year									70,392,705
Disposals			-	(151,869)	(1099,373)	(4,651,107)	(118,180)	(1,850,147)	(2,225,806)
Adjustment									(10,096,422)
As on Ashad end 2081	-	21,207,163	112,645,076	47,071,336	54,329,876	49,736,606	22,450,280	247,836,853	555,277,190
Depreciation charge for the Year			-	2,895,745	12,211,109	7,528,956	5,967,869	5,686,190	1,932,933
Impairment for the year									80,836,850
Disposals			-		-	(491,854)	(2,918,884)	(17,004)	(1,360,545)
Adjustment									(4,788,286)
As on Ashad end 2082	-	24,102,908	124,856,185	54,108,439	57,378,861	55,405,792	24,383,213	327,313,158	667,548,556
Capital Work in Progress			-	-	-	-	-	-	-
Net Book Value									
As on Ashad end 2080	49,694,582	125,318,701	63,421,056	23,183,482	15,893,104	18,388,772	9,438,982	462,076,214	767,414,894
As on Ashad end 2081	49,694,582	122,423,003	56,819,348	19,960,251	16,119,729	14,724,528	7,499,780	410,064,104	697,305,325
As on Ashad end 2082	49,694,582	119,575,377	50,403,794	17,941,421	10,921,547	12,503,416	5,579,647	353,642,478	620,262,264

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

Notes to the consolidated financial statement for the year ended 32nd Ashad 2082

4.14 Goodwill and Intangible Assets

Figures in NPR

Particulars	Bank					
	Goodwill	Software		Other		
		Purchased	Developed			
Cost						
Balance as on Ashad end 2080	-	12,722,911	-	-	12,722,911	
Addition during the Year	-	-	-	-	-	
Acquisition	-	3,509,102	-	-	3,509,102	
Acquisition through business combination	-	-	-	-	-	
Capitalization	-	-	-	-	-	
Disposal during the year	-	-	-	-	-	
Adjustment/Revaluation	-	-	-	-	-	
Balance as on Ashad end 2081	-	16,232,013	-	-	16,232,013	
Addition during the Year	-	-	-	-	-	
Acquisition	-	6,599,900.00	-	-	6,599,900	
Acquisition through business combination	-	-	-	-	-	
Capitalization	-	-	-	-	-	
Disposal during the year	-	-	-	-	-	
Adjustment/Revaluation	-	-	-	-	-	
Balance as on Ashad end 2082	-	22,831,913	-	-	22,831,913	
Amortization and Impairment						
As on Ashad end 2080	-	8,548,159	-	-	8,548,159	
Amortization charge for the Year	-	1,616,849	-	-	1,616,849	
Impairment for the year	-	-	-	-	-	
Disposals	-	-	-	-	-	
Adjustment	-	-	-	-	-	
As on Ashad end 2081	-	10,165,008	-	-	10,165,008	
Amortization charge for the Year	-	2,072,844	-	-	2,072,844	
Impairment for the year	-	-	-	-	-	
Disposals	-	-	-	-	-	
Adjustment	-	-	-	-	-	
As on Ashad end 2082	-	12,237,852	-	-	12,237,852	
Capital Work in Progress						
Net Book Value						
As on Ashad end 2080	-	4,174,752	-	-	4,174,752	
As on Ashad end 2081	-	6,067,004	-	-	6,067,004	
As on Ashad end 2082		10,594,061			10,594,061	

4.15 Deferred Tax Assets

Particulars	Bank		
	As at 32nd Ashadh 2082		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	293,964,865	(293,964,865)	
Property & equipment	-	117,179,735	(117,179,735)
Employees' defined benefit plan	33,490,953	-	33,490,953
Lease liabilities	112,945,054	-	112,945,054
Provisions	12,399,925	-	12,399,925
Other temporary differences			-
Deferred tax on temporary differences	158,835,932	411,144,599	(252,308,667)
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 2082			(252,308,667)
Recognised in profit or loss	42,681,932		
Recognised in other comprehensive income	(294,990,600)		
Recognised directly in equity	-		
Deferred tax (asset)/liabilities as on Shrawan 1, 2081	220,944,658		
Origination/(Reversal) during the year			31,364,009
Deferred tax expense/(income) recognised in profit or loss			4,750,746
Deferred tax expense/(income) recognised in other comprehensive income			(36,114,756)
Deferred tax expense/(income) recognised in directly in equity			
Particulars	Bank		
	As at 31st Ashad 2081		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	258,107,591	(258,107,591)	
Property & equipment	-	127,913,121	(127,913,121)
Employees' defined benefit plan	29,671,375	-	29,671,375
Lease liabilities	122,947,991	-	122,947,991
Provisions	12,456,688	-	12,456,688
Other temporary differences			-
Deferred tax on temporary differences	165,076,054	386,020,712	(220,944,658)
Deferred tax on carry forward of unused tax losses	16,412,535		-
Deferred tax due to changes in tax rate			-
Net Deferred tax asset/(liabilities) as on year end of 2080			(208,786,769)
Recognised in profit or loss	37,931,186		
Recognised in other comprehensive income	(258,875,844)		
Recognised directly in equity	-		
Deferred tax (asset)/liabilities as on Shrawan 1, 2080	208,786,769		
Origination/(Reversal) during the year			(12,157,889)
Deferred tax expense/(income) recognised in profit or loss			(2,979,819)
Deferred tax expense/(income) recognised in other comprehensive income			(9,178,070)
Deferred tax expense/(income) recognised in directly in equity			

Notes to the consolidated financial statement for the year ended 32nd Ashadh 2082

4.16 Other assets

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	83,370,010	87,520,437
Accrued income	-	-
Prepayments and deposit	29,386,036	25,268,750
Income tax deposit	157,277,025	156,702,033
Deferred employee expenditure	2,749,224	2,660,579
Other	15,882,116	13,877,368
a. Stock	15,822,739	13,817,990
b. Gold coins	24,161	24,161
c. Cash in transit	35,217	35,217
Total	288,664,411	286,029,167

Account receivable includes visa, remittance and other sundry receivable balance of various period. It includes gross receivable amount of Rs 941,117,232 on which impairment allownaces of Rs 652,452,821 has been created from past fiscal year due to doubt on recoverability of some sundry Balances. Net of imapiirment allownaces has been presented in above schedule.

Notes to the consolidated financial statement for the year ended 32nd Ashadh 2082

4.17 Due to Bank and Financial Institutions

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFs	424,499,392	638,377,542
Settlement and clearing accounts	-	-
Total	424,499,392	638,377,542

4.18 Due to Nepal Rastra Bank

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of last report facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	789,900,000	1,042,300,000
Total	789,900,000	1,042,300,000

4.19 Derivative financial instruments

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
Total	-	-

4.20 Deposits from customers

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Institutions customers:	17,601,205,055	15,902,958,385
Term deposits	11,978,057,108	10,838,205,015
Call deposits	4,567,352,305	4,266,075,267
Current deposits	954,885,855	757,618,598
Other	100,909,787	41,059,505
Individual customers:	39,992,906,645	42,650,155,093
Term deposits	20,727,711,508	30,180,301,691
Saving deposits	18,883,632,123	12,102,246,776
Current deposits	340,655,190	331,457,374
Other	40,907,824	36,149,252
Total	57,594,111,700	58,553,113,478

Statement of Total Deposits

At the Ashadh End, 2082

Figures in NPR "000"

Particulars	Current	Saving	Fixed	Money at Call	Certificate of Deposit	Margin	Others	Total (1 to 7)
(A) Local Currency Deposits	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00
1. Foreign Entities or Individuals	-	-	-	-	-	-	-	-
1.1 Foreign Diplomatic and Grant Commissions	-	-	-	-	-	-	-	-
1.2 Projects Undertaken by Foreign Government	-	-	-	-	-	-	-	-
1.3 International Organizations (Including UNO)	-	-	-	-	-	-	-	-
1.4 Other International Non-gov. Organizations	-	-	-	-	-	-	-	-
1.4.1 Residential	-	-	-	-	-	-	-	-
1.4.2 Non-residential	-	-	-	-	-	-	-	-
1.5 Foreign Banks	-	-	-	-	-	-	-	-
1.6 Other Financial Institutions	-	-	-	-	-	-	-	-
1.7 Foreign Airlines	-	-	-	-	-	-	-	-
1.8 Foreign Country's Pension Camp	-	-	-	-	-	-	-	-
1.8.1 Government of India	-	-	-	-	-	-	-	-
1.8.2 British Government	-	-	-	-	-	-	-	-
1.9 Foreign Nationals	-	-	-	-	-	-	-	-
1.9.1 Residential	-	-	-	-	-	-	-	-
1.9.2 Non-residential	-	-	-	-	-	-	-	-
1.10 Others	-	-	-	-	-	-	-	-
1.10.1 Residential	-	-	-	-	-	-	-	-
1.10.2 Non-Residential	-	-	-	-	-	-	-	-
2. Municipality/V.D.C./D.D.C.	-	-	-	-	-	-	-	-
3. Financial Institutions	409,567	10,128	9,715,007	4,306,587	-	325	-	14,441,614
3.1 Deposit Accepting Financial Institutions	104,334	1,890	2,469,884	3,994,005	-	-	-	6,570,111
3.1.1 "A" Class licensed institution (Including ADB/N Branches performing commercial banking transactions)	0	-	-	-	-	-	-	0
3.1.2 "B" Class licensed institutions	22,114	-	-	87,427	-	-	-	109,541
3.1.3 "C" Class licensed institutions	70	-	-	111,614	-	-	-	111,684
3.1.4 "D" Class licensed institutions	37,024	-	70,798	225,458	-	-	-	333,280
3.1.5 Cooperatives (having license to limited banking)	40,624	17	2,353,673	3,565,325	-	-	-	5,959,638
3.1.6 NGOs (having a license of limited banking transactions)	4,500	1,873	45,413	4,181	-	-	-	55,967
3.1.7 Postal Saving Banks (Saving Deposits Only)	-	-	-	-	-	-	-	-
3.2 Other financial Institutions	-	-	-	-	-	-	-	-
3.2.1 Nepal Industrial Development Corporation	-	-	-	-	-	-	-	-
3.2.2 Agriculture Development Bank (Excluding commercial banking branches)	-	-	-	-	-	-	-	-
3.3 Financial Institutions not accepting deposits	80,656	8,238	7,244,223	309,241	-	-	-	7,642,358
3.3.1 Insurance companies	70,736	8,238	6,601,920	109,266	-	-	-	6,790,161
3.3.2 Employees Provident Fund	-	-	-	-	-	-	-	-
3.3.3 Citizen Investment Trust	-	-	-	-	-	-	-	-
3.3.4 Merchant Banking	9,920	-	642,304	199,974	-	-	-	852,198
3.4 Other Intermediary Financial Units	224,577	-	900	3,342	-	325	-	229,144
3.4.1 Rural Self-help Fund (Grameen Swabhiman Kosh)	224,577	-	900	3,342	-	325	-	229,144
3.4.2 Money-Changers	103	-	900	638	-	310	-	1,951
3.4.3 Stock Brokers	224,191	-	-	110	-	-	-	224,302
3.4.4 Stock Exchange	-	-	-	-	-	-	-	-
3.4.5 Money Transfer	-	-	-	-	-	-	-	-
3.4.6 Others-Other Subsidiary Financial Units	283	-	-	2,594	-	15	-	2,892
3.4.7	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00
4. Non-financial Institutions	442,331	21,692	1,420,984	338,575	-	23,995	-	2,247,578
4.1 Governmental Institutions and Companies	-	-	500,000	-	-	-	-	500,000
4.1.1 Industrial	-	-	-	-	-	-	-	-
4.1.2 Trading	-	-	-	-	-	-	-	-
4.1.3 Other	-	-	500,000	-	-	-	-	500,000
4.2 Non-governmental Institution and Companies	442,331	21,692	920,984	338,575	-	23,995	-	1,747,578
4.2.1 Industrial	44,057	12	1,350	19,830	-	796	-	66,044
4.2.2 Trading	210,912	17,961	177,298	83,052	-	7,878	-	497,100
4.2.3 Others	187,362	3,719	742,336	235,694	-	15,321	-	1,184,433

Particulars	Current	Saving	Fixed	Money at Call	Certificate of Deposit	Margin	Others	Total
5. Non-profit Organizations	42,117	983	365,282	115,782	-	-	-	524,164
5.1 Schools, Campuses	13,421	207	223,059	89,943	-	-	-	326,630
5.2 Hospitals, Nourishing Homes	1,435	51	46,750	7,480	-	-	-	55,717
5.3 Others	27,261	725	95,473	18,359	-	-	-	141,818
5.3.1 Residential	27,261	725	95,473	18,359	-	-	-	141,818
5.3.2 Non-residential	-	-	-	-	-	-	-	-
6. Individuals	340,655	18,883,632	20,727,712	15,736	-	807	-	39,968,542
6.1 Residential	340,655	18,883,632	20,727,712	15,736	-	807	-	39,968,542
6.2 Non-residential	-	-	-	-	-	-	-	-
7. Others	60,863	68,107	1,266,684	230,907	-	45	-	1,626,606
7.1 Residential	60,863	68,107	1,266,684	230,907	-	45	-	1,626,606
7.2 Non-residential	-	-	-	-	-	-	-	-
8. Cashiers' Deposits	-	-	-	-	-	-	-	-
Total Deposits in Local Currency (1to8)	1,295,533	18,984,542	33,495,669	5,007,588	-	25,172	-	58,808,504
(B) Foreign Currency Deposits	-	-	-	-	-	-	-	-
1. Foreign Entities or Individuals	-	-	-	-	-	-	-	-
2. Domestic Institutions and Companies	8	-	-	-	-	-	-	8
2.1 "A" Class licensed institutions	-	-	-	-	-	-	-	-
2.2 Residential	8	-	-	-	-	-	-	8
2.3 Non-Residential	-	-	-	-	-	-	-	-
3. Individuals	-	-	-	-	-	-	-	-
3.1 Residential	-	-	-	-	-	-	-	-
3.2 Non-Residential	-	-	-	-	-	-	-	-
Total Deposit of foreign Currencies (1to3)	8	-	-	-	-	-	-	8
Gross Total (A)+(B)	1,295,541	18,984,542	33,495,669	5,007,588	-	25,172	-	58,808,511
Total Number of Accounts	46,219	386,043	17,062	4,609	-	321	-	454,254

4.20.1 Currency wise analysis of deposit from customers

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Nepalese rupee	57,594,104,132	58,553,098,844
Indian rupee	-	-
United State dollar	7,568	14,634
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
Total	57,594,111,700	58,553,113,478

4.21 Borrowing

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Domestic Borrowing	-	-
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing	-	-
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub total	-	-
Total	-	-

4.22 Provisions

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1 Movement in provision

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balance as at Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance as at Ashad End	-	-

4.23 Other liabilities

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Liability for employees defined benefit obligations	83,212,812	67,362,890
Liability for long-service leave	27,910,461	23,373,369
Short-term employee benefits	-	-
Bills payable	2,031,443	2,115,205
Creditors and accruals	91,328,793	81,494,502
Interest payable on deposit	2,861,769	3,956,581
Interest payable on borrowing	-	-
Unpaid Dividend	125,737,096	106,129,326
Liabilities under Finance Lease	376,483,512	409,826,635
Employee bonus payable	52,894,585	105,750,827
TDS Payable	43,429,477	42,181,827
Other	53,462,949	50,871,629
a. Provision for general expense	13,092,352	4,389,902
c. Auction and bidding proceed	27,051,849	22,171,749
d. ATM and VISA payable	1,017,749	3,815,186
e. ASBA payable	2,045,420.00	580
f. Remit Payable	23,405	7,216,880
g. Other	10,232,173	13,277,332
Total	859,352,895	893,062,791

4.23.1 Defined benefit obligations

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
The amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	112,211,365	99,635,769.00
Total present value of obligations	112,211,365	99,635,769.00
Fair value of plan assets	28,998,553	32,272,879.00
Present value of net obligations	83,212,812	67,362,890.00
Recognised liability for defined benefit obligations	83,212,812	67,362,890.00

4.23.2 Plan assets

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Plan assets comprise:		
Equity securities	-	-
Government bonds	-	-
Bank deposit	28,998,553	32,272,879
Other	-	-
Total	28,998,553	32,272,879
Actual return on plan assets	3,011,105	3,111,863

4.23.3 Movement in the present value of defined benefit obligations

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Defined Benefit Obligation as at Shrawan 1	99,635,769	84,108,102
Actuarial losses/(gain)	(1,474,388)	1,303,665
Benefits paid by the plan	(6,285,431)	(3,566,774)
Current service costs and interest	20,335,415	17,790,776
Defined Benefit Obligation as at Ashad End	112,211,365	99,635,769

4.23.4 Movement in the fair value of plan assets

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Fair Value of Plan Asset as at Shrawan 1	32,272,879	32,727,790
Contributions paid into the plan	-	-
Benefits paid during the year	(6,030,983)	(3,566,774)
Actuarial (losses) gains	(616,116)	(60,886)
Expected return on plan assets	3,118,325	3,172,749
Fair Value of Plan Asset as at Ashad End	28,744,105	32,272,879

4.23.5 Amount recognised in profit or loss

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Current service costs	14,086,414	12,845,387
Interest on obligation	8,653,094	7,326,065
Expected return on plan assets	(3,118,325)	(3,172,749)
Total	19,621,183	16,998,703

4.23.6 Amount recognised in other comprehensive income

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Actuarial (gain)/loss	(858,272)	1,364,551
Total	(858,272)	1,364,551

4.23.7 Actuarial assumptions

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Discount rate	9%	9%
Expected return on plan asset	9%	9%
Future salary increase	5%	5%
Withdrawal rate	5%	5%
Expected Average Remaining Working Lives of Employee (year)	11.30	11.3

4.24 Debt securities issued

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortized cost	1,052,268,479	1,052,390,630
Total	1,052,268,479	1,052,390,630

4.25 Subordinated Liabilities

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

4.26 Share capital

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Ordinary shares	3,623,678,162	3,518,134,138
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	3,623,678,162	3,518,134,138

4.26.1 Ordinary shares

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Authorized Capital	5,000,000,000	5,000,000,000
50,000,000 Ordinary share of Rs. 100 each	5,000,000,000	5,000,000,000
Issued capital	3,623,678,162	3,518,134,138
36236781.62 Ordinary share of Rs. 100 each	3,623,678,162	3,518,134,138
Subscribed and paid up capital	3,623,678,162	3,518,134,138
36236781.62 Ordinary share of Rs. 100 each	3,623,678,162	3,518,134,138
Total	3,623,678,162	3,518,134,138

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

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balance as at the beginning of the year	3,518,134,138	3,382,821,286
Add: Issue of bonus share during the year	105,544,024	135,312,852
Add: Issue of right share during the year	-	-
Balance as at the end of the year	3,623,678,162	3,518,134,138

4.26.2 Ordinary share ownership

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Percent	Amount	Percent	Amount
Domestic ownership				
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed institutions	-	-	-	-
Other Institutions	16.20	587,178,743	14.95	526,042,347
Public	83.80	3,036,499,419	85.05	2,992,091,791
Other	-	-	-	-
Foreign ownership	-	-	-	-
Total	100	3,623,678,162	100	3,518,134,138

Particulars	Bank			
	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Percent	Amount	Percent	Amount
Share Ownership				
Promoter	51.01	1,848,334,740	51.01	1,794,499,747
Public	48.99	1,775,343,422	48.99	1,723,634,391
Total	100	3,623,678,162	100	3,518,134,138

Shareholder holding more than 0.5%

BOID/SH NO.	Name of Shareholder	Number of Shares hold	Holding %	Type
1301120000929415	Syakar Company Pvt. Ltd	2,222,521	6.13%	Promoter Institutional
1301250000229824	Chintamani Bhattarai	1,389,569	3.83%	Promoter
1301010000339699	Shanti Shrestha	633,882	1.75%	Promoter
1301300000001774	Rmc Investment Pvt. Ltd	618,255	1.71%	Promoter Institutional
130152000022838/29	Mana Prasad Wagley	577,273	1.59%	Promoter
1301060001038807	Mingma Dorje Sherpa	569,574	1.57%	Promoter
1301460000001638/ 1301110000029986	Kanchha Gurung	544,048	1.50%	Promoter
130205000005921	I.b. Venture Pvt.ltd.	493,343	1.36%	Promoter Institutional
1301250000082813	Sushil Raj Parajuli	466,258	1.29%	Promoter
1301580000020869	Pushpa Jyoti Dhungana	379,410	1.05%	Promoter
1301640000089875	Nepal Life Insurance Company	356,832	0.98%	Promoter Institutional
1301100000334400/11	Sudhir Prasad Sharma	347,115	0.96%	Promoter
1301090000774721/ 1301090000017683	Gau Mata Investment Company Pvt. Ltd	323,833	0.89%	Promoter Institutional
1301250000086573	Ramji Prasad Bastola	308,357	0.85%	Promoter
1301280000076813	Shyam Kumar Chhetri	241,994	0.67%	Promoter
1301250000705626/ 1301010000146909	Vijay Kumar Sarawagi	239,255	0.66%	Promoter
1301490000067741	Ajay Kumar Sarawagi	237,521	0.66%	Promoter
1301080000050941	Basu Shree Shrestha Karmacharya	230,996	0.64%	Promoter
1301370000530001	Deepak Sherchan	230,940	0.64%	Promoter
1301100000339694	Mankaji Makaju	212,132	0.59%	Promoter
42617	Shyamukapu International	197,179	0.54%	Promoter Institutional
1301250000017272	Shanker Ghimire	192,980	0.53%	Promoter
1301310000002141	Binod Bahadur Shrestha	184,323	0.51%	Promoter

Notes to the consolidated financial statement for the year ended 32nd Ashadh 2082

4.27 Reserves

Figures in NPR

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Statutory general reserve	1,191,816,280	1,142,791,858
Exchange equalization reserve	1,311,923	1,229,664
Corporate social responsibility reserve	13,420,669	12,923,955
Capital redemption reserve	250,000,000	125,000,000.00
Regulatory reserve	375,853,170	425,770,788
Investment adjustment reserve	40,000,000	40,000,000
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	685,918,018	602,251,045
Dividend equalization reserve	-	-
Actuarial gain/(loss)	2,393,381	1,792,591
Special reserve	-	-
Other reserve	523,321,354	505,877,428
Total	3,084,034,795	2,857,637,329

4.28 Contingent liabilities and commitments

Figures in NPR

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Contingent liabilities	163,340,289	122,331,869
Undrawn and undisbursed facilities	2,793,202,285	1,863,012,683
Capital commitment	-	-
Lease Commitment	-	-
Litigation	311,908,524	311,908,524
Total	3,268,451,098	2,297,253,075

4.28.1 Contingent liabilities

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	163,340,289	122,331,869
Underwriting commitment	-	-
Other commitments	-	-
Total	163,340,289	122,331,869

4.28.2 Undrawn and undisbursed facilities

Figures in NPR

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Undisbursed amount of loans	230,782,846	549,340,551
Undrawn limits of overdrafts	2,562,419,439	1,313,672,132
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	2,793,202,285	1,863,012,683

4.28.3 Capital commitments

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

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Capital commitments in relation to Property and Equipment		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub Total	-	-
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub Total	-	-
Total	-	-

4.28.4 Lease commitments

Particulars	Bank	
	As at 32nd Ashad 2082	As at 31st Ashad 2081
Operating lease commitments		-
Future minimum lease payments under non cancellable operating lease, where the bank is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub Total	-	-
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the Bank is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub Total	-	-
Grand Total	-	-

4.28.5 Litigation

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

Notes to the consolidated financial statement for the year ended 32nd Ashadh 2082

4.29 Interest income

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Cash and cash equivalent	17,329,466	52,284,037
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	3,628,767	4,828,425
Loan and advances to bank and financial institutions	70,039,793	213,940,921
Loans and advances to customers	4,995,227,948	6,086,195,709
Investment securities	529,884,844	528,411,553
Loan and advances to staff	6,357,402	9,603,441
Other	-	-
Total interest income	5,622,468,221	6,895,264,085

4.30 Interest expense

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Due to bank and financial institutions	-	1,305,753
Due to Nepal Rastra Bank	-	-
Deposits from customers	3,623,151,503	4,993,101,117
Borrowing	-	-
Debt securities issued	109,438,178	109,588,984
Subordinated liabilities	-	-
Other	32,577,492	36,440,681
Total interest expense	3,765,167,174	5,140,436,535

4.31 Fees and Commission Income

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Loan administration fees	-	-
Service fees	171,625,737	177,442,753
Consortium fees	5,848,755	1,690,901
Commitment fees	625,459	562,758
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	2,819,174	3,988,241
Prepayment and swap fees	24,060,142	13,620,596
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	1,991,545	2,473,302
Commission on letter of credit	-	-
Commission on guarantee contracts issued	4,106,214	4,152,787
Commission on share underwriting/issue	-	-
Locker rental	1,146,801	1,157,800
Other fees and commission income	4,326,092	3,066,339
Total fees and Commission Income	216,549,919	208,155,475

4.32 Fees and commission expense

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
ATM management fees	10,467,760	11,144,811
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	53,972	171,139
Total fees and Commission Expense	10,521,732	11,315,950

4.33 Net trading income

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange translation	86,219	27,388
Other	-	-
Net trading income	86,219	27,388

4.34 Other operating income

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Foreign exchange revaluation gain	329,040	150,747
Gain/loss on sale of investment securities	17,644,018	19,236,511
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	51,125,405	15,939,828
Gain/loss on sale of property and equipment	2,936,316	2,406,403
Gain/loss on sale of investment property	1,581,573	37,096,260
Operating lease income	7,304,192	6,932,509
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	6,086,933	3,429,380
a. Income from Insurance Claims	-	-
b. Others	6,086,933	3,429,177
Total	87,007,477	85,191,636

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

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Impairment charge/(reversal) on loan and advances to B/FIs	(21,948,525)	(2,318,111)
Impairment charge/(reversal) on loan and advances to customer	800,700,927	238,148,278
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Total	778,752,402	235,830,167

4.36 Personnel Expenses

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Salary	185,989,050	186,716,746
Allowances	144,384,721	145,826,909
Gratuity expense	19,621,183	16,998,703
Provident fund	17,905,282	17,723,878
Uniform	9,810,000	9,960,000
Training & development expense	8,538,629	7,173,288
Leave encashment	16,131,665	15,461,840
Medical	-	-
Insurance	3,904,256	3,365,430
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	(61,292)	998,765
Other expenses related to staff	75,000	190,000
Subtotal	406,298,495	404,415,560
Employees bonus	52,894,585	105,750,827
Grand total	459,193,079	510,166,387

4.37 Other operating expense

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Directors' fee	2,019,000	2,063,000
Directors' expense	3,477,959	3,301,687
Auditors' remuneration	2,000,000	1,186,500
Other audit related expense	-	-
Professional and legal expense	6,040,121	3,612,142
Office administration expense	183,526,599	190,368,200
Operating lease expense	160,050	-
Operating expense of investment properties	-	-
Corporate social responsibility expense	1,914,350	3,412,449
Onerous lease provisions	-	-
Others	9,091,663	4,005,921
Total	208,229,742	207,949,898

4.37.1 Office administration expense

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Water and electricity	18,042,465	18,204,667
Repair and maintenance		
(a) Building	22,946	32,277
(b) Vehicle	2,594,674	2,768,338
(c) Computer and accessories	1,515,635	1,551,672
(d) Office equipment and furniture	2,708,626	3,705,795
(e) Other	303,901	176,887
Insurance	4,577,786	4,512,978
Postage, telex, telephone, fax	3,524,333	3,350,612
Printing and stationery	9,746,794	9,800,478
Newspaper, books and journals	129,390	153,747
Advertisement	9,006,322	12,923,175
Security expense	41,500,636	50,080,306
Deposit and loan guarantee premium	18,100,687	16,797,647
Travel allowance and expense	5,151,264	4,691,746
Annual/special general meeting expense	1,654,005	1,497,483
Other	64,947,135	60,120,393
a. ECC and other Bank charges	862,079	869,542
b. Internship expenses	302,656	414,160
c. Connectivity expense	9,047,721	9,478,935
d. Fuel expenses	7,263,640	7,824,277
e. Refreshment and guest hospitality	8,421,594	8,399,571
f. Cleaning and sanitation	4,918,625	4,954,512
g. Annual maintenance contract expense	14,234,060	11,020,367
h. Registration and renewal expense	6,478,783	4,576,862
i. Asset written off expense	22,303	67
j. Vehicle, property and other expense	3,421,132	3,455,354
k. Office supplies and small accessories	2,766,846	2,734,928
l. RTS and related expense	633,380	461,620
m. Internet expense	1,824	611,515
n. Other office expense	6,572,492	5,318,682
o. Other writeoff expenses	-	-
p. Other	-	-
o. Other writeoff expenses	-	-
p. Other	-	-
Total	183,526,599	190,368,200

4.38 Depreciation & Amortization

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Depreciation on property and equipment	117,059,652	107,028,411
Depreciation on investment property	1,037,756	-
Amortization on intangible assets	2,072,844	1,616,849
Total	120,170,252	108,645,260

4.39 Non operating income

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Recovery of loan written off	321,775	1,710,000
Other income	1,774,911	-
Total	2,096,686	1,710,000

4.40 Non operating expense

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Loan written off	110,122,880	22,683,268
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	-	1,563,676
Total	110,122,880	24,246,944

4.41 Income tax expense

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Current tax expense	239,695,581	405,110,001
Current year	226,997,592	288,774,732
Adjustments for prior years	12,697,989	116,335,269
Deferred tax expense	(4,750,746)	2,979,819
Origination and reversal of temporary differences	(4,750,746)	2,979,819
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	234,944,835	408,089,821

4.41.1 Reconciliation of tax expense and accounting profit

Particulars	Year Ended 32nd Ashad 2082	Year ended 31st Ashad 2081
Profit before tax	476,051,261	951,757,443
Tax amount at tax rate of 30%	142,815,378	285,527,233
Add: Tax effect of expenses that are not deductible for tax purpose	90,906,499	6,171,223
Less: Tax effect on exempt income	(8,701,385)	(3,111,369)
Add/less: Tax effect on other items	14,675,089	116,522,914
Total income tax expense	239,695,581	405,110,001
Effective tax rate	50.35%	42.56%

5. DISCLOSURE AND ADDITIONAL INFORMATION

5.1. Risk Management

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

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

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

i. Board of Directors

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

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

ii. Risk Management Committee

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

iii. CEO and Senior Management

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

iv. Risk Department

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

v. Internal Audit and Compliance Department

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

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

5.1.1 Credit Risk

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

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

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

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

5.1.2 Market Risk

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

- **Foreign Exchange Risk**

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

- **Interest Rate Risk**

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

5.1.3 Operational Risk

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

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

The monitoring has been undertaken with the following scopes:

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

5.1.4 Liquidity Risk

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

Risk Management Department, ALCO, Senior Management, BOD level Risk Management committee and BOD regularly monitor the liquidity risk measurement practices. Regular management reports and risk measures would be the source information of monitoring. Monitoring functions have ensured about the relevancy and accuracy of measurements and management practices.

5.2. Capital Management

i. Qualitative Disclosure

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

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

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

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

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

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

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

Paid Up Capital

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

- Authorized capital of NPR 5,000,000,000 represented by 50,000,000 ordinary share of NPR 100 each.
- Issue Capital as of date of financial position is NPR 3,623,678,162 ordinary Share represented by 3,623,678,162 of NPR 100 each
- Paid up Capital as of date of Financial Position is NPR 3,623,678,162 ordinary Share represented by 3,623,678,162 of NPR 100 each.

Particulars	Fiscal Year	Paid up Capital
Share Capital Up to	2073/74	2,008,878,469
Right Share issue	2074/75	140,755,300
Right Share issue through auction	2074/75	23,648,900
Right Share issue through auction	2075/76	3,6483,644
Bonus Share of 2074/75 & 2075/76	2076/77	506,545,416
Bonus Share of 2076/77	2077/78	190,141,821
Bonus Share of 2077/78	2078/79	377,838,961
Bonus Share of 2078/79	2079/80	98,528,775
Bonus Share of 2079/80	2080/81	135,312,851
Bonus Share of 2080/81	2081/82	105,544,024
Total Share Capital	2081/82	3,623,678,162

Regulatory Minimum paid up capital requirement

For the national level development bank, regulatory required minimum capital is NPR 2,500,000,000 paid up capital of the Development Bank stood at Rs 3,623,678,162 against the minimum required capital.

ii. Quantitative Disclosure

1. Capital Structure and Capital Adequacy

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

S.N.	Particulars	Amount in '000
1.	Paid up Equity Share Capital	3,623,678
2	Share Premium	-
3	Proposed Bonus Equity Shares	-
4	Statutory General Reserves	1,191,816
5	Retained Earnings	184,366
6	Un-audited current year cumulative profit/(loss)	-
7	Other Free Reserve	250,000
8	Less: Deferred Tax Assets	-
9	Less: Investment in equity of institutions with financial interests	(80,000)
10	Less: Investment in equity of institutions in excess of limits	-
11	Less: Purchase of land & building in excess of limit and unutilized	(5,046)
Total Tier 1 Capital		5,164,815

B. Tier 2 Capital and its Components

		Amount NPR. "000"
S.N.	Particulars	Amount in '000
1.	General loan loss provision	591,726
2	Exchange Equalization Reserve	1,312
3	Investment Adjustment Reserve	40,000
4	Accrued Interest Receivable on pass loan included in Regulatory Reserve	175,874
5	Interest Capitalized Reserve included in Regulatory Reserve	19,429
6	Subordinated Term Debt	999,027
Total Tier 2 Capital		1,824,016

C. Details of Subordinated Term Debt

The Development Bank has issued 11% LBBT Debenture as part of its capital fund.

D. Deductions from Capital

The Development Bank has issued 11% LBBT Debenture as part of its capital fund.

- Investment in the equity of institutions with financial interest has been deducted from the Tier-I capital.
- Purchase of Land and building in excess of limit and unutilized has been deducted from the Tier-I capital.

E. Total qualifying capital

S.N.	Particulars	Amount in '000
1.	Core Capital	5,164,815
2.	Supplementary Capital	1,824,016
Total Capital Fund		6,988,831

F. Capital Adequacy Ratio

S.N.	Particulars	Percent (%)
1.	Tier 1 to Risk Weighted Exposure	10.02%
2.	Total Capital to Risk Weighted Exposure	13.56%

G. Summary of adequacy of its capital to support current and future activities, if applicable:

Development Bank's current paid up capital amounts to Rs 3.624 Billion. The Development Bank complies with the Capital Increment plan of NRB. The overall strategy of the Development Bank has been formulated with the special consideration to the capital adequacy requirement according to BASEL-III.

H. Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.

Title	11% LBBT 2089 Debenture
Face value	RS. 1,000 per unit
Maturity period	10 year
Interest rate	11%
No of unit issued	1,000,000

2. RISK EXPOSURES

A. Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk

S.N.	Particulars	Amount in '000
i.	Risk Weighted Exposure for Credit Risk	47,338,092
ii.	Risk Weighted Exposure for Operational Risk	2,679,862
iii.	Risk Weighted Exposure for Market Risk	4,851

Adjustments under Pillar II

Add: 3% of the total RWE due to non compliance to Disclosure Requirement (6.4 a 10)

Add: Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	1,500,684
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	51,523,489

B. Risk Weighted Exposures for Credit Risk under each of 11 categories of Credit Risk;

Particulars		Amount in '000	RWE in '000
1	Claims on Government and Central Bank	13,296,640	-
2	Claims on Other Official Entities	-	-
3	Claims on Banks	3,164,034	632,807
4	Claims on Domestic Corporates and Securities Firms	12,246,306	12,246,306
5	Claims on Regulatory Retail Portfolio	14,003,355	10,502,516
6	Claims Secured by Residential Properties	7,252,291	4,539,788
7	Claims Secured by Commercial Real Estate	746,431	746,431
8	Past Due Claims	3,166,978	4,750,468
9	High Risk Claims	6,844,742	8,882,879
10	Other Assets	4,814,652.16	4,031,777.98
11	Off Balance Sheet Items	3,268,451	1,005,120
Total		68,803,882	47,338,092

C. Total Risk Weighted Exposure Calculation Table

i. Risk Weighted Exposure for Credit Risk

Amount in '000

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Cash Balance	654,663			654,663	0%	-
Balance With Nepal Rastra Bank	2,745,538			2,745,538	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	7,349,334			7,349,334	0%	-
All Claims on Government of Nepal	17,193.4			17,193	0%	-
Investment in Nepal Rastra Bank securities	3,184,575.0			3,184,575	0%	-
All claims on Nepal Rastra Bank				-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)			-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)			-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)			-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)			-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-
Claims on Other Multilateral Development Banks			-	-	100%	-
Claims on Domestic Public Sector Entities			-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)			-	-	20%	-
Claims on Public Sector Entity (ECA 2)			-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)			-	-	100%	-
Claims on Public Sector Entity (ECA 7)			-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	3,164,034.4	-	-	3,164,034	20%	632,807
Claims on domestic banks that do not meet capital adequacy requirements			-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)			-	-	20%	-
Claims on foreign bank (ECA Rating 2)			-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)			-	-	100%	-
Claims on foreign bank (ECA Rating 7)			-	-	150%	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)			-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)			-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)			-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)			-	-	100%	-
Claims on Domestic Corporates (Unrated)	12,494,559.7	-	248,254	12,246,306	100%	12,246,306
Claims on Foreign Corporates (ECA 0-1)	-		-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-		-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-		-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-		-	-	150%	-

Regulatory Retail Portfolio (Not Overdue)	14,613,495	-	610,140.1	14,003,355	75%	10,502,516
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	6,781,259	-	-	6,781,259	60%	4,068,755
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	605,854	134,822	-	471,032	100%	471,032
Claims secured by Commercial real estate	746,431	-	-	746,431	100%	746,431
Past due claims (except for claims secured by residential properties)	5,083,681	1,914,653	2,050	3,166,978	150%	4,750,468
High Risk claims	3,444,294	-	217,606	3,226,688	150%	4,840,032
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2015-point 3.3(j)(1)(k))	1,699,171	-	-	1,699,171	125%	2,123,964
Lending against Shares	1,918,883	-	-	1,918,883	100%	1,918,883
Lending against securities (bonds)	-	-	-	-	100%	-
Trust Receipt Loans for Trading Firms	-	-	-	-	120%	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	120%	-
Personal Hirepurchase/Personal Auto Loans	511,708	-	-	511,708	100%	511,708
Investments in equity and other capital instruments of institutions listed in stock exchange	809,265	-	-	809,265	100%	809,265
Investments in equity and other capital instruments of institutions not listed in the stock exchange	3,450	-	-	3,450	150%	5,175
Staff loan secured by residential property	58,814	-	-	58,814	50%	29,407
Interest Receivable/claim on government securities	100,501	-	-	100,501	0%	-
Cash in transit and other cash items in the process of collection	35	-	-	35	20%	7
Other Assets (as per attachment)	3,844,338	2,457,978	-	1,386,360	100%	1,386,360
TOTAL (A)	71,120,933	4,507,452	1,078,050	65,535,431		46,332,972

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments	-			-	0%	
Bills Under Collection	-			-	0%	
Forward Exchange Contract Liabilities	-		-	-	10%	
LC Commitments With Original Maturity Upto 6 months domestic counterparty	-		-	-	20%	
Foreign counterparty (ECA Rating 0-1)	-		-	-	20%	
Foreign counterparty (ECA Rating 2)	-		-	-	50%	
Foreign counterparty (ECA Rating 3-6)	-		-	-	100%	
Foreign counterparty (ECA Rating 7)	-		-	-	150%	
LC Commitments With Original Maturity Over 6 months domestic counterparty	-		-	-	50%	
Foreign counterparty (ECA Rating 0-1)	-		-	-	20%	
Foreign counterparty (ECA Rating 2)	-		-	-	50%	
Foreign counterparty (ECA Rating 3-6)	-		-	-	100%	
Foreign counterparty (ECA Rating 7)	-		-	-	150%	
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	223,601		60,260	163,340	40%	65,336
Foreign counterparty (ECA Rating 0-1)	-		-	-	20%	
Foreign counterparty (ECA Rating 2)	-		-	-	50%	
Foreign counterparty (ECA Rating 3-6)	-		-	-	100%	
Foreign counterparty (ECA Rating 7)	-		-	-	150%	
Underwriting commitments	-		-	-	50%	
Lending of Bank's Securities or Posting of Securities as collateral	-		-	-	100%	
Repurchase Agreements, Assets sale with recourse	-		-	-	20%	
Advance Payment Guarantee	-		-	-	100%	-
Financial Guarantee	-		-	-	100%	
Acceptances and Endorsements	-		-	-	100%	
Unpaid portion of Partly paid shares and Securities	-		-	-	100%	
Irrevocable Credit commitments (short term)	2,562,419		-	2,562,419	20%	512,484
Irrevocable Credit commitments (long term)	230,783		-	230,783	50%	115,391
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above	-	-	-	-	50%	-
their respective regulatory capital requirement	-			-	20%	
Other Contingent Liabilities	311,909		-	311,909	100%	311,909
Unpaid Guarantee Claims	-		-	-	200%	
Total (B)	3,328,712	-	60,260	3,268,451		1,005,120
Total RWE for credit Risk Before Adjustment (A)+(B)	74,449,645	4,507,452	1,138,311	68,803,882		47,338,092
Adjustments under Pillar II						
Answer the question SRP 6.4a (3) in SRP sheet						
Answer the question SRP 6.4a (4) in SRP sheet					-	
Total RWE for Credit Risk after Bank's adjustments under Pillar II	74,449,645	4,507,452	1,138,311	68,803,882	-	47,338,092

Eligible Credit Mitigants

Amount in '000

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	-	-	-	-	-	-

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
Claims on Domestic Corporates (Un-rated)	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	248,254
Claims on Foreign Corporates [ECA 0-1]	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates [ECA 2]	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates [ECA 3-6]	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates [ECA 7]	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	356,021	254,119	-	-	-	-	-	-	-	610,140
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claims secured by residential properties)	2,050	-	-	-	-	-	-	-	-	2,050
High Risk claims	195,075	-	-	22,531	-	-	-	-	-	217,606
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2015-point 3.3(i)(1)(k))	-	-	-	-	-	-	-	-	-	-
Lending against Shares(above Rs.5 Million)	-	-	-	-	-	-	-	-	-	-
Lending against securities(bonds)	-	-	-	-	-	-	-	-	-	-
Lending against Shares(upto Rs.5 Million)	-	-	-	-	-	-	-	-	-	-
Trust Receipt Loans for Trading Firms	-	-	-	-	-	-	-	-	-	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	-	-	-	-	-	-
Personal Hirepurchase/Personal Auto Loans	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-
Total	801,400	-	276,651	-	-	-	-	-	-	1,078,050

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	
Off Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Upto 6 months domestic counter-party	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counter-party	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Bid Bond, Performance Bond and Counter guaranteed domestic counter-party	60,260	-	-	-	-	-	-	-	-	60,260
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Post-ing of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	-	-	-	-	-	-	-	-	-	-
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	-	-	-	-	-	-	-	-	-	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (short term)	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Unpaid Guarantee Claims	-	-	-	-	-	-	-	-	-	-
Total	60,260	-	-	-	-	-	-	-	-	60,260
Grand Total	867,660	-	-	-	-	-	-	-	-	1,138,311

ii. Risk Weighted Exposure for Market Risk

(Amount in '000)

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
INR	99	1.6	158	158
USD	72	137.6	9,904	9,904
GBP	0	184.19	7	7
EUR	2	159.77	362	362
THB	-		-	-
CHF	-		-	-
AUD	0	89.76	4	4
CAD	-		-	-
SGD	-		-	-
JPY	240	0.92	221	221
HKD	-		-	-
DKK	-		-	-
SEK	-		-	-
SAR	-		-	-
QAR	-		-	-
AED	0	37.39	15	15
MYR	-		-	-
KRW	-		-	-
CNY	-		-	-
KWD	-		-	-
BHD	-		-	-
(a) Total Open Position			10,673	10,673
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a×b)				534
(d) Risk Weight (reciprocal of capital requirement of 11%) in times				9
(e) Equivalent Risk Weight Exposure (=c×d)				4,851

iii. Risk Weighted Exposure for Operational Risk

(Amount in '000)

Particulars	2078/79	2079/80	2080/81
Net Interest Income	1,576,257	1,843,792	1,754,828
Commission and Discount Income	162,103	165,682	208,155
Other Operating Income	50,358	48,569	85,068
Exchange Fluctuation Income	707	617	151
Addition/Deduction in Interest Suspense during the period			
Gross income (a)	1,789,425	2,058,660	2,048,202
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	268,414	308,799	307,230
Capital Requirement for operational risk (d) (average of c)	294,814		
Risk Weight (reciprocal of capital requirement of 11%) in times (e)	9		
Equivalent Risk Weight Exposure [f=(d×e)]	2,679,862		

D. Details of Non- Performing Assets

Amount of Non-Performing Assets (both Gross and Net)

Non-Performing Loans		Gross Amount	Loss Provision
a	Restructured and rescheduled	4,225.26	528.16
b	Sub-Standard	264,082.30	66,020.57
c	Doubtful	341,562.35	170,781.17
d	Loss	1,730,129.56	1,730,129.56
Total		2,339,999.47	1,967,459.47

5.3. Classification of Financial assets and Financial Liabilities

As at 32nd Ashad 2082	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortized Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	3,382,802,508	3,382,802,508
Due from Nepal Rastra Bank	-	-	2,745,537,810	2,745,537,810
Placement with Bank and Financial Institutions	-	-	-	-
Loans and Advances to BFIs	-	-	435,726,548	435,726,548
Loans and Advances to Customers	-	-	47,067,103,294	47,067,103,294
Investment Securities	-	1,714,112,541	10,634,410,480	12,348,523,021
Other Assets	-	-	240,647,036	240,647,036
Total Financial Assets	-	1,714,112,541	64,506,227,676	66,220,340,216
Financial Liabilities				
Due to Bank and Financial Institutions	-	-	424,499,392	424,499,392
Due to Nepal Rastra Bank	-	-	789,900,000	789,900,000
Deposits from Customers	-	-	57,594,111,700	57,594,111,700
Borrowings	-	-	-	-
Other Liabilities	-	-	748,229,622	748,229,622
Total Financial Liabilities	-	-	59,556,740,714	59,556,740,714

As at 31st Ashad 2081	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortized Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	3,681,441,274	3,681,441,274
Due from Nepal Rastra Bank	-	-	3,379,607,499	3,379,607,499
Placement with Bank and Financial Institutions	-	-	-	-
Loans and Advances to BFIs	-	-	2,169,643,707	2,169,643,707
Loans and Advances to Customers	-	-	46,247,417,167	46,247,417,167
Investment Securities	-	1,552,127,197	10,147,829,174	11,699,956,371
Other Assets	-	-	244,222,470	244,222,470
Total Financial Assets	-	1,552,127,197	65,870,161,290	67,422,288,487
Financial Liabilities				
Due to Bank and Financial Institutions	-	-	638,377,542	638,377,542
Due to Nepal Rastra Bank	-	-	1,042,300,000	1,042,300,000
Deposits from Customers	-	-	58,553,113,478	58,553,113,478
Borrowings	-	-	-	-
Other Liabilities	-	-	802,326,532	802,326,532
Total Financial Liabilities	-	-	61,036,117,553	61,036,117,553

5.4. Operating Segment Information

1. General information

An operating segment is a component of the Development Bank that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Development Bank's chief operating decision maker and for which discrete financial information is available. The Development Bank is operated centrally in a single jurisdictional area with all policies and operations being controlled and directed from head office.

The Development Bank has identified its reportable segment into two i.e., Banking and Treasury & Remittance based on its core business units which actively forms a major part of the Development Bank's revenue source and align with its principal business objectives.

a. Banking

The loans provided to all customers are classified under Banking. The interest income and other fee incomes generated out of such loans are revenue items of this segment. Expenses of this segment comprises of interest expenses on deposits used for providing loans, pro-rated personnel expenses and operating expenses as well as provision for loss created for such loans.

b. Treasury and Remittance

The balance lying with the Development Banks invested in government bonds, treasury bills, placements and shares of other organizations come under this segment. The interest income of bonds and bills, forex gains, dividend income are revenue items of this segment. Expenses of this segment comprises of interest expenses on deposits used for making investments, forex losses, pro-rated personnel expenses and operating expenses as well as provision for loss created for such investments. Remittance commission income from various agencies along with related expenses are also the part of this segment.

c. Other Components (Unallocated)

All other revenues and expenses which cannot be classified to the above-mentioned segments fall under this segment. The income from sale of assets, other fees and commission are revenue items of this segment. Un-attributable personnel expenses, operating expenses and written off assets are expense items of this segment. Business Banking, Treasury and Remittance comprise majority of Development Bank's total revenue. Hence, these operations are treated as reportable segments and the remaining are classified under other segment.

2. Information about profit or loss, assets and liabilities

Particulars	Banking	Treasury and Remittance	Other Component (Unallocated)	Total
a. Revenues from external customers	4,995,324,420	547,214,311	93,462,871	5,636,001,602
b. Inter Segment revenues				-
c. Net Revenue	4,995,324,420	547,214,311	93,462,871	5,636,001,602
d. Interest revenue	5,079,227,786	536,979,505	-	5,616,207,291
e. Interest expense	3,732,578,635	-	32,577,492	3,765,156,127
f. Net interest revenue	1,346,649,151	536,979,505	-32,577,492	1,851,051,164
g. Depreciation and amortization	106,406,662	10,846,408	1,879,426	119,132,496
h. Segment profit /(loss)	63,273,709	466,987,679	37,818,679	568,080,067
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	52,760,964,859	14,824,357,790	399,888,717	67,985,211,366
m. Segment liabilities	60,114,189,373	-	865,250,676	60,979,440,048

3. MEASUREMENT OF OPERATING SEGMENT PROFIT OR LOSS, ASSETS AND LIABILITIES

(a) Segment Assets and Liability Explanation

Business Banking includes all Loan and advances provided to the customer and Bank and Financial Institution, Investment properties (related to NBA) and other assets are allocated on the basis of gross revenue generated by each reportable segment. Segment Liabilities of Banking includes deposit from customer and BFIS and other liability allocated on the basis of revenue generating ration of each segment.

Treasury segment assets includes Balance with NRB/other FI, Interbank Placements, investment in securities and other organized institutions' shares, whereas segment liabilities comprise, due from central bank and so on which are related to treasury functions.

All other unallocated assets and liabilities have been presented under Others Segment consisting; but not limited to Share capital, reserve, retained earnings, property and equipment, intangible assets, investment properties, tax assets and liabilities, cash and cash equivalents.

(b) Segment Profit or Loss Explanation

Interest income on business banking includes interest income from total loan portfolio and Interest expenses includes interest expenses on deposit portfolio.

Interest income on Treasury and remittance includes interest income from the development bond and call deposit on BFIs, Interest expenses includes Interest expenses on borrowing from central bank and interbank borrowing/ placements.

Loan administration fee and service fee and their related expenses included in Business Banking Segment. All other fee/revenue from external customers not falling under above two segments are included on other segment.

(c) Basis of accounting for any transactions between reportable segments.

There is no any identifiable inter-segment revenue in absence of transfer pricing policy in the Development Bank.

(d) Nature of any differences between the measurements of the reportable segments profits or losses and the entity's profit or loss before income tax.

Not Applicable

(e) Nature of any differences between the measurements of the reportable segments assets and the entity's asset.

Not Applicable

[f] Nature and effect of any asymmetrical allocations to reportable segments. Not Applicable

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

The income, expense, asset and liabilities that are not identifiable to particular segment have been allocated on the basis of gross revenue of the segment.

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

a. Revenue	Amount
Total revenues for reportable segments	5,838,710,911
Other revenues	89,497,611
Elimination of intersegment revenues	-
Entity's revenues	5,928,208,523
b. Profit or loss	Amount
Total profit or loss for reportable segments	441,543,093
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	34,508,168
Profit before income tax	476,051,261
c. Assets	Amount
Total assets for reportable segments	67,491,910,335
Other assets	-
Unallocated amounts	372,609,901
Entity's assets	67,864,520,235
d. Liabilities	Amount
Total liabilities for reportable segments	60,113,088,239
Other liabilities	-
Unallocated liabilities	859,352,895
Entity's liabilities	60,972,441,133

Information about products and services

Gross Revenue from each type of product and services

Revenue	Amount [Rs.]
Interest Income on Overdraft Loan	1,072,675,596
Interest Income on Demand Loan	318,471,785
Interest Income on Term Loan	2,251,105,400
Interest Income on Home Loan	872,845,728
Interest Income on Educational Loan	3,094,826
Interest Income in Auto and Hire Purchase Loan	117,055,061
Interest Income on Other loan Product	425,266,342
Fees and Commission-Banking	211,739,201
Other Writeback and Non Operating-Banking	2,096,686
Treasury and Remittance	
Interest Income in Development Bond	455,553,530
Interest Income in Call Deposit and Placement	91,660,780
Other Revenue from Treasury Function	6,035,571
Other unallocated Income	100,608,017
Total	5,928,208,523

(g) Information about geographical areas

Total Revenue on the basis of geographical areas

Areas	Amount
(a.) Domestic	
Koshi	747,654,922
Madhesh	660,495,201
Bagmati	3,575,396,886
Gandaki	520,608,169
Lumbini	286,063,508
Karnali	30,524,571
Sudurpaschim	107,465,265
Total	5,928,208,523

(h) Information about major customers

No revenue from a single customer accounted for more than 10 % during the reporting period.

5.5. Share options and share based payment

Share options and share-based payment transactions are financial arrangements that involve the exchange of goods or services for equity instruments. These transactions are governed by NFRS 2, which requires entities to recognize share-based payment transactions in their financial statements. The Bank does not have a policy for share options to its employees. Similarly, during the reporting period the Bank has not made any payments or settlements by issuing new shares.

5.6. Contingent liabilities and commitment

The details amount regarding contingent liabilities and commitments have been disclosed under 4.28. In case of Good for payment cheque of Kuleshwor Branch, the Development Bank has settled the 60 of the amount as per the separate agreement with the Cheque holder. Remaining 40 amount will be paid only after the recovery from the offender. Hence, there is no any probable additional liability of the Development Bank till date. Among the Cheque holder, Chandragiri Bachat Tatha Rin Sahakari Sanstha Limited and Nayapati Bachat Tatha Rin Sahakari Sanstha Limited have filed the case at Honorable Kathmandu District Court by claiming the remaining 40 amount. The Development Bank has filed for suspension of case filed by the plaintiff at Honorable Kathmandu District Court which was registered in the court on 2074.04.29 and the Honorable Kathmandu District Court has pass verdict of suspension of the case till the verdict of another case filed by Government of Nepal at Honorable Supreme Court.

The Prabhu Bank (Former: Bhaivab Finance Limited) has filed the case at Honorable Kathmandu District Court by claiming the amount Rs Two Crore which was supposed to be deposited but not accounted at Kuleshwor Branch of the Development Bank. The amount is related to the Good for Payment cheque and the Development Bank is in legal proceeding for the same in the supreme court too. Any probable additional liability could not be established till the date of Financial Statements. The Prabhu Bank (Former: Bhaivab Finance Limited) has filed the case at Honorable Kathmandu District Court by claiming the amount Rs Two Crore which was supposed to be deposited but not accounted at Kuleshwor Branch of the Development Bank. The amount is related to the Good for Payment cheque and the Development Bank is in legal proceeding for the same in the supreme court too. Any probable additional liability could not be established till the date of Financial Statements.

5.7. Related Party Disclosures

a. Entity Relationships

Relationship	Related Parties	% Holding
Associates	Muktinath Capital Limited (Former :Vibor Capital Limited)	19.75%
	Nadep Laghubitta Bittiya Sanstha Limited	10.00%
	Deprosc Laghubitta Bittiya Sanstha Limited	12.76%

b. Those charges with governance

Those charged with governance of the Development Bank include members of Board of directors namely:

Name	Designation
Mr. Chintamani Bhattarai	Chairman
Mr. Prajan Pradhan	Director
Mr. Ram Chandra Sigdel	Director
Mr. Ganesh Raj Regmi	Director
Mr. Arjun Thapa	Director
Mr. Keshav Khatiwada	Director
Mr. Jaya Dev Shrestha	Director (Independent)

c. Key Management Personnel (excluding Directors)

Name	Designation
Mr. Naresh Singh Bohra	Chief Executive Officer
Mr. Umesh Regmi	Deputy Chief Executive Officer
Mr. Suman Acharya	Deputy Chief Executive Officer

d. Transactions with related parties

Related Party	Nature of transactions	2081/82	2080/81
Those Charged with Governance	Meeting Allowances	2,019,000	2,063,000
	Telephone and Newspaper other expenses	3,038,173	2,864,613
	Travelling Expenses	439,786	437,074
Chief Executive Officer	Short term employee benefits	13,309,555	12,490,928
Key Management Personnel (excluding CEO and Directors)	Short term employee benefits	14,225,225	12,075,817
Muktinath Capital Limited (Associates)	Registrar to Share and share related other Expenses	633,380	461,620

5.8. Merger and Acquisition

The Development Bank has not entered into any merger or acquisition for the fiscal year ended on 32nd Ashad 2082.

5.9. Additional disclosure of non-consolidated entities

There are no such entities which are required to be consolidated but not done during the year.

5.10. Events after reporting date

There have been no material events after the reporting period affecting the financial status of the Bank as on Ashad end, 2082. The Development Bank monitors and assesses events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to Ashad End 2082 till the signing of this financial statement on 2082/09/07.

6. OTHER EXPLANATORY NOTES

6.1. Reserves & Surplus

i. Statutory General Reserve

General Reserve maintained pertains to the regulatory requirement of the Bank and Financial Institutions Act, 2073. There is a regulatory requirement to set aside 20 % of the net profit to the general reserve until the reserve is twice the paid up capital and thereafter minimum 10 percentage of the net profit. During the year the Development Bank has transferred Rs 49,024,421 to the statutory general reserve.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2081	1,142,791,858
Transfer during the year	49,024,421
Total Reserve in Ashad End 2082	1,191,816,280

ii. Exchange equalization Reserve

Exchange equalization is maintained as per requirement of Nepal Rastra Bank Unified Directive. There is a regulatory requirement to set aside 25 % of the foreign exchange revaluation gain on the translation of foreign currency to the reporting currency. The reserve is the accumulation of such gains over the years.

During the year, bank has transferred Rs. 82,260 to this reserve as there is revaluation gain in the reporting period.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 1 2081	1,229,664
Transfer during the year	82,260
Total Reserve in Ashad End 2082	1,311,923

iii. Corporate Social Responsibility Reserve

As per the NRB Directives on Corporate Social Responsibility, the Development Bank has allocated 1 % of the net profit of current fiscal year for CSR activities. The total amount of corporate social responsibility reserve is NPR 13,420,669 and NPR 12,923,955 respectively for current year and previous year.

Particulars	2081/82	2080/81
Opening as on Shrawan 1	12,923,955	10,899,727
Addition during the year	2,411,064	5,436,676
CSR expense during the year (from CSR reserve)	(1,914,350)	(3,412,449)
Closing as on Ashad End	13,420,669	12,923,955

iv. Regulatory Reserve

As per the NRB Directive 4/081 Clause (4), the bank is required to credit an amount equal to the adjustments made as per NFRS while preparing Opening Statement of Financial Position and NFRS compliant financial statements of succeeding years to the Regulatory Reserve. The amount shall be transferred from Retained Earning to the Regulatory Reserve through the Statement of Changes in Equity. Accordingly, the bank has credited the following amounts During the FY 2081-82.

Particulars	As at 31st Ashad 2081	Transfer (reversal) to Reserve-2082	As at 32nd Ashad 2082
Accrued Interest Recognized as Income (net of staff bonus, tax, CSR and general reserve)	266,897,913	(63,587,283)	203,310,630
Investment Properties (net of accumulated depreciation and Income Tax)	101,513,092	8,918,919	110,432,011
Deferred Tax Assets-Addition/(Reversal)	37,931,186	4,750,746	42,681,932
Fair Value Loss in Investment in Equity/(Reversal)	-	-	-
Actuarial Loss (Through Profit or Loss Account)	-	-	-
Other Regulatory Adjustment	19,428,596		19,428,596
Total	425,770,788		375,853,170

The movement on regulatory reserve over the reporting period including previous fiscal years disclosed in the "Changes in Regulatory Reserve" as a part of Financial Statements.

The description of each items of regulatory reserve created as per NRB Directive 4(4)/2081 is as below:

a. Accrued Interest

Interest income recognized in statement of Profit or Loss account on accrual basis and interest income booked from interest receivable of restructure loan has been transferred to Regulatory Reserve (net of staff Bonus, Tax, CSR and general reserve) from retained earnings. However, interest income of NPR 26,936,874 recovered up to 15th of Shrawan, 2082 has not been transferred to regulatory reserve as per the NRB directive 4(4)(b)/2081.

Total regulatory reserve of Rs 203,310,630 has been created for the interest income recognized on accrual Basis (net of Bonus, Tax, CSR and general reserve) up to the reporting period.

b. Investment Properties (Non-Banking Assets)

Regulatory reserve on Non-Banking Assets (net of Bonus, Tax, CSR and general reserve) has been created as per NRB directives 4(4)(b)(d)/2081.

Regulatory reserve of NPR 110,432,011 has been created up to FY 2081/82.

c. Deferred Tax Assets

As per NRB Directives 4(4)(b)(e)/2081, regulatory reserve shall be created from retained earnings for the amount equal to Deferred Tax Assets. Bank has Deferred Tax Liability (after netting off Deferred Tax Assets) in statement of financial Position.

Bank has created regulatory reserve of Rs 42,681,932 up to Ashad end 2082 for the amount equal to deferred tax assets charged through Profit or Loss Account, though Development Bank has Deferred Tax Liability in the Statement of Financial Position of Ashad end 2082.

d. Fair Value Loss on Investment

Bank has fair value gain in overall equity investment portfolio of the Bank. So bank has not created any regulatory reserve against fair value loss on investment.

e. Other Reserve

Regulatory reserve of NPR 19,428,596 created for the capitalization of interest of Loan of B&C Medical College.

v. Investment Adjustment Reserve

As per the NRB directives, Investment adjustment reserve shall be created against the unquoted share investment if they did not get listed within 3 years of investment date. However, in case of holding of more than 50 percentages in entities which don't require to get listed and investment in Karja Suchana Kendra, Nepal Clearing House Ltd, National Banking Institute, Nepal Electronic Payment System(NEPS), Nepal Stock Exchange, such adjustment reserve need not to be created.

Bank has investment in unlisted share of Karja Suchana Kendra, Nepal Clearing House Ltd (After merger of Nepal Electronic Payment System, Nepal Stock Exchange and Muktinath Capital Limited upto the reporting period).

In compliance of the directives, bank has created investment adjustment reserve on investment (only unlisted/unquoted for three years from the date of investment) of Muktinath Capital Limited as following:

Date of Investment	Entity	Investment Adjustment Reserve
2010/07/09	Muktinath Capital Ltd. (former: Vibor Capital Ltd.)	40,000,000

vi. Fair Value Reserve

Fair Value Reserve of the Bank includes Fair Value Gain on Investment in Equity through OCI (net of deferred Tax Liability) up to Ashad end 2082.

Bank has fair value reserve (net of deferred tax liability) of Rs 685,918,018 up to Ashad end 2082.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 12081	602,251,045
Additional Reserve (net of deferred Tax)	83,666,973
Total Reserve in Ashad End 2082	685,918,018

vii. Staff Training Development Fund

As per the NRB Directives 2081, 6 (6), the Development Bank shall spend 3 percentage of the total Personnel expenses (Salary & Allowances) of preceding year i.e. Rs 9,976,310 on Staff training and development. Further if such amount could not be spent, short amount shall be credited to Staff training and development fund which shall be spent in the next year. Bank has spent Rs 8,538,629 as expenses under staff training and development during the FY 2081/82. Hence, the Development Bank has credited Rs 1,437,680 to Staff training and development fund during the year.

Particulars	Amount (Rs)
Opening Reserve in Shrawan 12081	5,893,725
Transferred to reserve during the year	9,976,310
Expenses on staff Training during the year	(8,538,629)
Total Staff Training Fund in Ashad End 2082	7,331,406

viii. Actuarial Gain (Loss)

Development Bank has actuarial gain on valuation of Defined Benefit Obligation (gratuity of staff) of Rs 1,792,591 (net of Deferred Tax).

Particulars	Amount (Rs)
Opening Reserve in Shrawan 12081	1,792,591
Additional Reserve (net of deferred Tax)	600,790
Total Reserve in Ashad End 2082	2,393,381

ix. Other Reserve:

a. Reserve on Investment in Associates (using equity method):

Bank has opted the valuation of investment in associates using equity method. The movement of reserve on investment in Associates calculated using equity method has been recognized through OCI in the reporting period. The details of Reserve in Associates using equity Method is presented as below:

Name of Associates	Cost of Investment [a]	Equity Value of Associates [b]	Reserve on Investment in Associates (c=b-c)
Deprosc Laghubitta Bittiya Sanstha Ltd.	46,485,168	497,971,654	451,486,486
NADEP laghubitta Bittiya Sanstha Ltd.	32,000,000	80,673,095	48,673,095
Muktinath Capital Limited	80,000,000	90,355,368	10,355,368
Total (d)	158,485,168	669,000,116	510,514,948
Reserve up to Previous Year (e)			494,508,703
Reserve for this Year (f=e-d)			16,006,245

The reserve for the reporting period of NPR 16,006,245 has been recognized through OCI and total reserve on investment in associates is included in the Other Reserve of (Annexure: 4.27) of Financial Statements.

b. Other Reserve: Rs 5,475,000

Bank has other reserve of Rs 5,475,000 carried forward since 2011 from former Vibor Bikas bank Limited (merged institutions of Lumbini Bikas Bank). Bank has not treated this reserve as free reserve and shall not be availed for distribution unless otherwise specific purpose is justified/ascertained with proper documentary evidences.

6.2. Impairment

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

Particulars	2081/82	2080/81
As per NRB Directive No. 2	2,648,454,151	1,869,701,749
As per NFRS:9	2,091,228,394	206,004,622
Collective Impairment	1,704,663,805	195,182,059
Individual Impairment	386,564,589	10,822,563
Higher of NRB Directive and NFRS 9	2,648,454,151	1,869,701,749

6.3. Investment Properties/Non-Banking Assets

Non-Banking Assets has been shown under the investment Properties. It has been recognized at Cost Less Accumulated Depreciation (aggregated with the accumulated impairment losses). Details of the Investment properties (at cost) are as follow:

Name Of Borrower	Date of Assuming Non-Banking Assets	As at 32nd Ashad 2082	As at 31st Ashad 2081
Binod Shrestha	2070.03.31	8,800,000	8,800,000
Champadevi Foothill Resort Pvt. Ltd.	2070.03.30	25,876,500	25,876,500
Madhukar Yak Thumba	2072.03.24	-	-
Satya Suppliers	2075.09.26	-	-
Kripa Jewellers	2077.12.31	8,351,000	8,351,000
Munna General Store	2078.12.10	743,000	743,000
Dipak Bishwokarma	2079.03.07	3,717,000	3,717,000
Nepal Radio Paging Pvt. Ltd.	2079.04.09	-	-
New Shoe Collection	2080.02.02	24,812,000	24,812,000
Krishna Bahadur Ghalan Lama	2080.02.05	-	1,268,287
Pratik Kharid Bikri Kendra	2080.02.05	-	4,139,010
Roshan Traders & Suppliers	2080.03.21	3,485,000	9,485,000
Biki Scrap Center	12/09/2023 & 16/07/2023	30,897,000	30,897,000
Upendra Prasad Chaudhary Kalwar			
Rasuwa Distillery & Fruits Industries Pvt Ltd	2080.03.31	-	-
L.L.I.T. Educational Consult And Training Center	2080.03.31	6,757,950	6,757,950
Tamu Nirman Sewa Tatha Engineering	2080.03.31	22,957,000	24,957,000
Shubham Itta Udyog	2080.05.26	5,714,000	5,714,000
Ram Bahadur Khadka	2080.06.25	1,614,374	1,614,374
Sharada Thapa	2080.07.13	3,002,526	3,002,526
Indrapuri Construction Pvt Ltd	2080.08.05		15,709,206
Milly Jolly English Boarding School	2080.08.07		24,044,491
Kulbahadur Bishokarma	2080.08.05	2,741,581	
Peshal Dahal	2080.08.05	3,736,288	
Krishna Jewellers	2080.08.05	13,161,000	
S. K. Bag Udyog	2080.08.07	2,640,000	
R. N. Suppliers	7/16/2023	4,724,000	4,724,000
Menuka Pradhan Karki	4/9/2025	3,900,000	
Rahman Emporium	4/12/2025	4,192,000	
Om Shiva And Sneha Traders Pvt Ltd	4/30/2025	7,262,000	
Phulmaya Thokar	6/2/2025	1,302,383	
Jogindra And Puja Suppliers	6/29/2025	4,452,000	
Rupa Devi Rauniyar	7/9/2025	9,191,000	
Niraj Chaudhary	7/11/2025	6,032,973	
Jhapendra Mani Chaudhary	7/11/2025	6,074,289	
Muskan Krishni Tatha Pashu Farm	7/15/2025	5,473,508	
Yuv Raj Pokhrel	7/16/2025	1,960,000	
Total		223,570,372	204,612,345

6.4. Other Non-Banking Assets

Non-Banking Assets (other than land and properties) has been shown under the Other Non-Banking Assets. The Development Bank don't own any other non-banking Assets in the reporting period.

6.5. Loan Written off

Bank has written off loan (principal and interest) amount with the approval from the board of directors guided by the internal policy and NRB directives of the Bank. Bank has written off Rs 110,122,880.10 as principal loan amount and Rs 108,324,604.35 as accrued interest during the year. The list of written off loan has been approved and verified/certified as a part of the financial statements.

Borrower Name	FY 2081-82	
	Principal written off	Interest written off
KALPANA B.K.	16,133.86	32,321.94
BIMALA KARKI	91,583.64	135,636.19
RAMITA STHAPIT	61,529.61	82,934.56
FUL MAYA BASNET	35,903.76	43,829.32
CHANDRA KALA BHATTARAI	44,599.50	58,251.75
BODH KUMARI SUBEDI	229,034.77	349,785.24
KEBAL KUMARI SUNUWAR	278,377.75	470,187.58
KALPANA RANA	15,826.57	44,170.48
KIRAN KUMARI DEV	74,257.02	103,584.05
SUSHILA SHRESTHA	62,638.42	75,144.28
SUNITA RANA NAGARKOTI	81,360.92	118,232.38
SHREEJANA RAJAK	75,233.24	102,317.21
BISHNU KHATRI	26,972.86	28,678.04
MADHURI SHAH	21,324.37	12,085.23
SHRADDAH TANDUKAR	99,736.00	133,300.50
NITA SHAHI	30,762.13	45,131.12
NIRMALA KUMARI PAHADI	16,413.06	12,053.62
RENUKA KHATRI	37,488.69	46,404.27
USHA DEVI ADHIKARI	45,164.79	62,479.46
CHANDRA MAYA PULAMI	42,411.07	51,049.83
SHANTI DHAKAL	25,532.16	27,503.02
SHANTA DHAKAL	1,111.00	319.09
KRIPU ACHARYA UPADHAYAY	53,845.58	71,329.20
SHARDA SHRESTHA	53,937.62	69,186.24
MADHU MAYA THAPA	57,363.18	72,504.13
FUL MAYA GURUNG	55,663.98	81,703.22
JAISUL KHATUN	254,202.79	118,698.19
BANGLAMUKHI CONSTRUCTION AND SUPPLI	505,000.00	2,362,961.44
APSARA KHATRI	22,566.79	55,619.20
BIMALA MAHARJAN SUWAL	11,184.66	42,478.99
DURGA SHAHI	5,895.38	39,987.94
GAYATRI RANJITAKAR	4,303.20	97,152.41
HIMAL DEVI SHRESTHA (PRADHAN)	10,343.45	87,363.59
IECHAYA SHAHI KHADGI	7,449.73	91,996.07
INDIRA SHARMA	2,425.11	93,059.13
JAYANTI SHAKYA	12,248.27	70,087.95
MUNU THAPA	10,205.33	85,928.81
NANU SHRESHTA	24,287.49	58,570.03
NIRU MAHARJAN	12,489.28	64,824.77
PHUL MAYA TAMANG	8,355.35	71,592.55
RAMILA DAMAI	9,862.93	100,254.51
RENU THAPA	9,404.71	74,039.68
RINA CHAULAGAIN	5,256.93	91,593.82
SABINA SHAKYA	3,445.80	107,405.30
SABITRI K.C	12,943.76	14,863.19
SANGEETA LEKALI KARKI	14,807.03	77,829.89
SAPNA KHATRI	11,936.20	79,335.36
SARITA SHRESTHA	5,279.04	93,547.34
SHUSILA UPRETI	812.64	26,817.41
SOMA SHRESTHA	5,696.15	87,439.23
SUMITRA KHADKI	21,722.41	73,012.97
YOGESWORI SINGH	12,802.53	93,436.40

TIKA KUMARI THAPA	8,666.82	28,445.22
SUNITA TAMANG LAMA	341.70	87,677.33
TARA KUMARI RAI	9,939.95	18,311.61
KALPANA THAPA MAGAR	12,726.29	32,069.05
SHANTA ADHIKARI	9,071.44	12,548.76
NIRMALA KHADGI	13,882.69	23,132.50
SAPANA SHRESTHA KHADGI	14,382.17	25,457.49
BIRDA SINGH GURUNG	2,000.00	-
KRISHNA JEWELLERS	8,268,064.56	4,315,259.39
S.K.BAG UDHYOG	707,921.38	1,114,087.26
RAHMAN EMPORIUM	505,000.00	1,888,979.04
OM SHIVA AND SNEHA TRADERS PVT LTD	600,000.00	2,239,584.57
BABLI DEVI MANDAL	125,793.40	92,114.69
RAMRATAN PRASAD NISHAD	505,000.00	300,860.99
JOGINDRA AND PUJA SUPPLIERS	584,966.00	2,080,125.77
ELECTROCOM AND RESEARCH CENTER P.L	93,707,229.06	85,698,402.10
RUPA DEVI RAUNIYAR	505,000.00	1,954,895.62
NEUPANE PUJA SAMAGREE	505,000.00	717,650.86
MUSKAN KRISHI TATHA PASHU FARM	698,845.10	936,030.85
KAMALESH SAHANI	194,917.03	36,561.85
D L DESIGNER PRINT SUPPORT	505,000.00	132,391.28
Total	110,122,880.10	108,324,604.35

6.6. Deferred Tax Asset/Liabilities

Deferred Tax Asset/Liabilities are those assets and liabilities that arise due to temporary differences arising out of accounting and tax base of assets and liabilities. Details of such is presented as:

Particulars / Items	Carrying Amount (Rs)	Tax Base (Rs)	Temporary Differences	Deferred Tax Assets / (Deferred Tax Liability)
Tangible and Intangible Assets	309,025,234	240,257,209	68,768,025	(20,630,407)
Provision for Gratuity	(115,055,672)	-	(115,055,672)	34,516,688
Provision for Leave	(41,333,084)	-	(41,333,084)	12,399,925
Right of Use Assets (ROU Assets)	321,831,090	-	321,831,090	(96,549,327)
Lease Liability	(376,483,512)	-	(376,483,512)	112,945,054
a. Deferred Tax Assets (recognized through P/L)				42,681,932
Investment in Securities	1,714,112,541	734,229,658	979,882,883	(293,964,865)
Actuarial Gain/Loss	3,419,116	-	3,419,116	(1,025,735)
b. Deferred Tax Liability (recognized through OCI)				(294,990,600)
Deferred Tax (Liability)/Assets (a+b)				(252,308,668)

Deferred Tax Liability (net of Deferred Tax Assets) has been presented in the Statement of Financial Position at the end of the reporting period.

6.7. Accrued Interest income

Interest income is recognized at a rate that approximates the effective interest rate for financial assets measured at amortized cost, financial assets with interest classified as at fair value through other comprehensive income and financial assets designated at fair value through profit or loss. The Bank estimates that the costs of applying the effective interest method will exceed the benefits of applying the method. The effective interest rate is the rate that exactly matches the estimated future cash receipts or payments to the net carrying amount of the financial asset or financial liability over the estimated life of the financial instrument or, where appropriate, a shorter period.

Interest income is recognized on Expected Credit Loss method as per NFRS 9, in accordance to Guidance Note on Interest Income Recognition 2025 issued by NRB.

As per Guidance Note on Interest Income Recognition 2025 issued by NRB, Interest Income for various stage of Financial Assets is recognized as mentioned under:

Particulars	Basis for Income Recognition
Stage of Financial Assets	Based on coupon interest rate on principal outstanding for all financial assets (accrual basis)
Stage 1	Based on coupon interest rate on principal outstanding for all financial assets (accrual basis)
Stage 2	Based on cash basis approach (incremental)
Stage 3 or Purchased or Originated Credit Impaired Financial Assets	Coupon interest rate applied on principal outstanding

And the Development bank has adopted this method to recognize interest income for the Reporting Period. Details of Accrued Interest Income are as follows:

Particulars	2081/82	2080/81
Accrued Interest Receivable	919,147,486	926,139,971
Interest Suspended/Not recognized	(483,710,250)	(338,371,282)
Recovered Up to 15th Shrawan 2082/ Shrawan End 2081	(26,936,874)	(119,170,859)
Total Accrued Interest Recognized	408,500,362	471,260,848
Accrued Interest Income up to Previous Year	536,262,634	399,146,064
Accrued Interest Income recognized this year	(127,762,272)	72,114,784

Details of Quarterly Interest Income booked by the Bank:

Quarter	Amount in NPR
1st Quarter	1,573,086,915
2nd Quarter	1,405,708,515
3rd Quarter	1,271,539,068
4th Quarter	1,372,133,723

6.8. Amortization of Staff Loan

The Development Bank has recognized the staff loan at amortized cost. The details of staff loan presented at amortized cost are as follow.

Particulars	2081/82	2080/81
Book Value of Staff Loan	72,116,844.34	90,343,200
Prepaid Expenditure	2,749,223.82	2,660,579
Amortized Cost of Staff Loan	69,367,620.52	87,682,621

6.9. Earnings Per Share

The Development Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33.

Particulars	2081/82	2080/81	2079/80(Restated)
Earning Attributable to Equity Holder	241,106,426	543,667,622	497,672,518
Weighted Number of Equity Share	36,236,782	35,181,341	3,518,134,138
Basic Earnings Per Share	6.65	15.45	14.71
Diluted Earnings Per Share	6.65	15.45	14.15

6.10. Proposed Distribution (Cash Dividend and Bonus Share)

The Board of directors in its 514th meeting dated 2082.09.07 has passed a resolution recommending for not distributing bonus shares (stock dividend) and cash dividend from available Free Reserve after approval from Nepal Rastra Bank and 18th Annual General Meeting of the Bank.

Particulars	2081/82	2080/81	Amount NPR
Cash Dividend*	-	-	140,725,365.51
Bonus Share (Stock Dividend)	-	-	105,544,024.13
Total	-	-	246,269,389.64

*Including cash dividend

6.11. Unclaimed Dividend

At the reporting date, unclaimed dividend over the years are as follows:

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Unclaimed Dividend for more than 5 years	34,354,736	4,675,178
Not Collected up to 5 years	91,382,360	101,454,148
Total	125,737,096	106,129,326

6.12. Interest Capitalization

As per the Nepal Rastra Bank Directives 2(43)/2081, the interest accrued on moratorium period of Loan provided to National Priorities sector like Hydro Electricity project is allowed to capitalize during the Period with prior approval from the Nepal Rastra Bank. The Development Bank has not capitalized interest & as per the directives/circular issued from Nepal Rastra Bank on time to time.

6.13. Non-Performing Assets

The Development Bank's non-performing assets ratio stood at 4.71% as at Ashad end 2082. The total non-performing assets as at Ashad end 2082 is NPR 2,339,999,470.

Particulars	This Year	Previous Year	Change	
			Amount	%
Performing loans	47,306,479,667	47,861,764,460	(555,284,793)	-1.16%
Non-Performing Loans (NPL)	2,339,999,470	1,746,883,836	593,115,634	33.95%
Restructured/rescheduled	4,225,261	-	4,225,261	100.00%
Substandard	264,082,296	619,197,399	(355,115,103)	-57.35%
Doubtful	341,562,349	465,610,785	(124,048,436)	-26.64%
Loss	1,730,129,564	662,075,652	1,068,053,912	161.32%
Gross Loans & Advances	49,646,479,137	49,608,648,296	37,830,841	0.08%

6.14. Concentration of Deposits, Loans & Advances and Contingents

Particulars	Loans & Advances and Bills Purchased		Deposits & Borrowings	
	As at 32nd Ashad 2082	As at 31st Ashad 2081	As at 32nd Ashad 2082	As at 31st Ashad 2081
Total Amount Outstanding	49,646,479,137	49,608,648,296	59,808,511,092**	61,233,791,020**
Highest Exposure of Single Unit	909,524,558	924,020,602	2,201,272,122	1,588,451,208
Concentration of exposure	1.83	1.86	3.68	2.59
Concentration of exposure	1.85%	1.36%	2.55%	3.15%

** Including Debenture Rs. One Billion.

For the calculation of concentration, loans and advances is total loans extended to the customers except staff loans and interest accruals on loans and the deposits is total deposits from the customers excluding interest payables. Single Obligor Limit and Sector-wise Limit (Directive No. 3) for both funded and non-funded are within the limit as prescribed by NRB directives.

Condensed Statement of Financial Position (Unaudited)

As on Quarter Ended 32nd Ashad 2082 (16th July 2025)

Figures in NPR

Particulars	Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets		
Cash and cash equivalent	3,381,852,159	3,681,441,274
Due from Nepal Rastra Bank	2,745,537,810	3,379,607,499
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	435,692,104	2,169,643,707
Loans and advances to customers	47,131,413,600	46,247,417,167
Investment securities	12,341,023,150	11,699,956,371
Current tax assets	131,643,808	63,171,646
Investment in subsidiaries	-	-
Investment in associates	631,964,100	652,993,871
Investment property	222,922,449	203,964,421
Property and equipment	668,133,214	697,305,325
Goodwill and Intangible assets	10,594,061	6,067,004
Deferred tax assets	-	-
Other assets	284,043,765	286,029,167
Total Assets	67,984,820,220	69,087,597,452

Particulars	Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)
Due to Bank and Financial Institutions	424,499,392	638,377,542
Due to Nepal Rastra Bank	789,900,000	1,042,300,000
Derivative financial instruments	-	-
Deposits from customers	57,594,111,700	58,553,113,478
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	254,551,971	220,944,658
Other liabilities	885,411,390	893,062,791
Debt securities issued	1,052,390,630	1,052,390,630
Subordinated Liabilities	-	-
Total liabilities	61,000,865,083	62,400,189,100
Equity		
Share capital	3,623,678,162	3,518,134,138
Share premium	-	-
Retained earnings	297,070,852	311,636,886
Reserves	3,063,206,124	2,857,637,329
Total equity attributable to equity holders	6,983,955,138	6,687,408,352
Non-controlling interest	-	-
Total equity	6,983,955,138	6,687,408,352
Total liabilities and equity	67,984,820,220	69,087,597,452

Condensed Statement of Profit or Loss (Unaudited)

For the Quarter Ended 32nd Ashad 2082 (16th July 2025)

Figures in NPR

Particulars	Bank			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	1,340,192,979	5,590,527,477	1,756,613,191	6,895,264,085
Interest expense	839,483,841	3,733,140,457	1,230,952,149	5,140,436,535
Net interest income	500,709,138	1,857,387,020	493,501,378	1,754,827,550
Fee and commission income	42,862,288	216,321,834	53,051,983	208,155,475
Fee and commission expense	2,864,336	10,521,732	3,792,585	11,315,950
Net interest, fee and commission income	540,707,091	2,063,187,122	536,994,853	1,951,667,075
Net trading income	13,983	86,219	1,734	27,388
Other operating income	42,833,728	90,107,749	65,841,986	85,191,636
Total operating income	583,554,802	2,153,381,090	540,165,471	2,036,886,099
Impairment charge/(reversal) for loans and other losses	(269,205,785)	679,688,548	(25,828,693)	235,830,167
Net operating income	852,760,587	1,473,692,542	449,695,562	1,801,055,932
Operating expense				
Personnel expenses	169,962,877	459,160,018	154,141,582	510,166,387
Other operating expenses	98,529,581	290,622,664	93,679,024	207,949,898
Depreciation & Amortisation	13,170,602	52,011,973	13,550,051	108,645,260
Operating Profit	571,097,527	671,897,887	222,006,169	974,294,387
Non operating income	87,120	583,135	200,000	1,710,000
Non operating expense	97,931,751	110,122,880	15,495,496	24,246,944
Profit before income tax	473,252,897	562,358,141	210,783,142	951,757,443
Income tax expense	143,151,607	182,473,283	128,311,893	408,089,821
Current Tax	143,151,607	182,473,283	128,311,893	405,110,001
Deferred Tax	-	-	-	2,979,819
Profit for the period	330,101,290	379,884,859	144,330,942	543,667,622
Earnings per share				
Basic earnings per share		6.65		15.45
Diluted earnings per share		6.65		15.45

Statement of Other Comprehensive Income

For the Quarter Ended 32nd Ashad 2082 (16th July 2025)

Figures in NPR

Particulars	Bank			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year	330,101,290	379,884,859	261,614,807	543,667,622
Other comprehensive income, net of income tax				
a) Items that will not be reclassified to Profit or loss				
· Gains/(losses) from Investments in equity instruments measured at fair value	101,721,111	112,024,376	122,137,483	31,958,116
· Gains/(losses) on revaluation				
· Actuarial gains/(losses) on defined benefit plans				(1,364,551)
· Income tax relating to above items	(30,516,333)	(33,607,313)	(36,641,245)	(9,178,070)
Net other comprehensive income that will not be reclassified to profit or loss	71,204,778	78,417,063	85,496,238	21,415,496
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	51,451,988	(21,029,771)	-	57,486,430
Other comprehensive income for the period, net of income tax	122,656,766	57,387,292	85,496,238	78,901,926
Total comprehensive income for the year	452,758,056	437,272,151	347,111,045	622,569,548

Comparison: Unaudited and Audited Financial Statements

For the Period Shrawan 1 2081 to 32nd Ashadh 2082 (16th July 2024 - 16th July 2025)

Statement of Financial Position

Assets	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reason for Variance
			In Amount	In %	
Cash and cash equivalent	3,381,852	3,382,803	950	0.03%	Change in BFIS balance (A/R) after reconciliation/ Reclassification of government securities
Due from Nepal Rastra Bank	2,745,538	2,745,538	-	0.00%	
Placement with Bank and Financial Institutions	-	-	-	0.00%	
Derivative financial instruments	-	-	-	0.00%	
Other trading assets	-	-	-	0.00%	
Loan and advances to B/FIs	435,692	435,727	34	0.01%	Accrued interest on BFI loan
Loans and advances to customers	47,131,414	47,067,103	(64,310)	-0.1364%	Additional loan loss provision/Accrual interest and other amortized cost adjustment
Investment securities	12,341,023	12,348,523	7,500	0.06%	Change in classification of investment in equity and Valuation model/fair value adjustment
Current tax assets	131,644	74,422	(57,222)	-43.47%	Recalculation of Provision for Income tax
Investment in subsidiaries	-	-	-	0.00%	
Investment in associates	631,964	669,000	37,036	5.86%	Recalculation of equity value of associates based on latest available financial statements.
Investment property	222,922	221,885	(1,038)	-0.47%	Recalculation of equity value of associates based on latest available financial statements.
Property and equipment	668,133	620,262	(47,871)	-7.16%	Adjustment made for Lease assets, charge depreciation and modification
Goodwill and Intangible assets	10,594	10,594	(0.00)	0.00%	
Deferred tax assets	-	-	-	0.00%	
Other assets	284,044	288,664	4,621	1.63%	Reclassification of other assets/Right to Use Assets (Lease)
Total Assets	67,984,820	67,864,520	(120,300)		
Liabilities					
Due to Bank and Financial Institutions	424,499	424,499	-	0.00%	
Due to Nepal Rastra Bank	789,900	789,900	-	0.00%	
Derivative financial instruments	-	-	-	0.00%	
Deposits from customers	57,594,112	57,594,112	(0.00)	0.00%	
Borrowing	-	-	-	0.00%	
Current Tax Liabilities	-	-	-	0.00%	
Provisions	-	-	-	0.00%	
Deferred tax liabilities	254,552	252,309	(2,243)	-0.88%	Remeasurement/Recalculation of deferred Tax Assets/Liabilities
Other Liabilities	885,411	859,353	(26,058)	-2.94%	Reclassification/adjustment in other Liabilities/Lease Liability
Debt securities issued	1,052,391	1,052,268	(123)	-0.01%	Amortize value of Debenture
Subordinated Liabilities	-	-	-	0.00%	
Total Liabilities	61,000,865	60,972,441	(28,424)		
Equity					
Share capital	3,623,678	3,623,678	-	0.00%	
Share premium	-	-	-	0.00%	
Retained earnings	297,071	184,366	(112,705)	-37.94%	Changes in Profit Loss for the period
Reserves	3,063,206	3,084,035	20,829	0.68%	Changes in Profit Loss for the period
Total equity	6,983,955	6,892,079			
Total Liabilities and equity	67,984,820	67,864,520			

Statement of Profit or Loss and Other Comprehensive Income

Rs. in '000'

Assets	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance In Amount	In %	Reason for Variance
Interest income	5,590,527	5,622,468	31,941	0.57%	Additional Interest Recognition upto Sharwan-32 2081 and Reclassification of income based on change in loan category after audit and inspection
Interest expense	3,733,140	3,765,167	32,027	0.86%	Adjustment of Interest Expenses/ Finance charge of lease
Net interest income	1,857,387	1,857,301			
Fee and commission income	216,322	216,550	228	0.1%	Income adjusted after reconciliation
Fee and commission expense	10,522	10,522	-	0.00%	
Net fee and commission income	205,800	206,028			
Net interest, fee and commission income	2,063,187	2,063,329			
Net trading income	86	86	-	0.00%	
Other operating income	90,108	87,007	(3,100)	-3.44%	Income adjustment after reconciliation
Total operating income	2,153,381	2,150,423			
Impairment charge/(reversal) for loans and other losses	679,689	778,752	99,064	14.57%	Loan Loss Provision adjustment
Net operating income	1,473,693	1,371,671			
Operating expense					
Personnel expenses	459,160	459,193	33	0.01%	Due to changes in Staff Bonus/ actuarial adjustment on leave and gratuity
Other operating expenses	290,623	208,230	(82,393)	-28.35%	Subsequent Adjustment in Operating Expenses/Reclassification of Expenses Head/ Recalculation of Lease Expenses
Depreciation & Amortization	52,012	120,170	68,158	131.04%	Adjustment of additional depreciation on lease assets
Operating Profit	671,898	584,077			
Non operating income	583	2,097	1,514	259.55%	Actuarial Loss- adjustment of Leave
Non operating expense	110,123	110,123	-	0.00%	
Profit before income tax	562,358	476,051			
Income tax expense	182,473	234,945	52,472		
Current Tax	182,473	239,696	57,222	31.36%	Due to Changes in Taxable Profit
Deferred Tax	-	(4,751)	(4,751)	0.00%	Due to Recalculation of deferred tax Asset/Liability
Profit for the year	379,885	241,106			Overall changes in interest income/income tax calculation
Other comprehensive income	57,387	100,274	42,887	74.73%	Due to changes in fair value reserve/ Equity Reserve of Investment in Associates
Total Comprehensive Income	437,272	341,380			Overall changes in interest income/income tax calculation/Fair value Reserve
					-21.93%

S.N.	Ratio	Indicators	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1	Net Profit/Gross Income	Percent	27.35	9.81	11.57	18.13	10.55	11.51	12.66	7.12	7.56	4.07
2	Earnings Per Share (as per NAS 33 - Earning per Share)	NPR	17.24	8.71	15.19	28.38	13.94	14.93	19.40	14.71	15.45	6.65
3	Market Value Per Share	NPR	152.00	77.99	146	197	181	585	341	413	416.6	480.69
4	Price Earning Ratio	Ratio	8.82	8.95	9.61	6.94	12.99	39.18	17.58	28.07	26.96	72.24
5	Stock Dividend (Bonus Share) on Share Capital	Percent	0.00	0.00	17.07	5.00	7.00	13.00	3.00	4.00	3.00	-
6	Cash Dividend on Share Capital	Percent	0.00	0.00	0.00	0.00	15.00	3.00	0.68	9.00	4.50	4.00
7	Interest Income/Loans and Advances	Percent	10.75	14.00	12.36	12.93	12.30	9.95	13.48	13.90	12.60	10.09
8	Staff Expenses/Total Expenses	Percent	13.29	15.06	13.03	13.04	11.23	12.50	11.29	8.10	8.53	10.06
9	Interest Expenses/Total Deposits and Borrowings	Percent	5.95	7.65	9.63	9.37	7.71	5.87	9.28	9.55	8.53	6.40
10	Exchange Gain/Total Income	Percent	0.00	0.00	0.03	[0.01]	0.04	[0.01]	0.01	0.01	0.00	0.01
11	Staff Bonus/Total Staff Expenses	Percent	33.88	12.36	16.43	27.20	18.46	19.36	22.74	16.99	20.73	11.52
12	Total Credit/Deposits	Percent	72.96	98.57	99.92	103.97	86.95	86.84	89.21	88.75	83.16	85.45
13	Total Operating Expenses/Total Assets	Percent	1.58	1.87	0.09	0.09	1.71	1.41	1.34	1.32	1.20	1.16
14	Capital Adequacy (On Risk Weighted Assets)											
	Core Capital	Percent	12.82	14.88	15.29	15.29	13.11%	11.89%	10.26%	9.47%	10.13%	10.02%
	Supplementary Capital	Percent	1.01	1.20	1.35	1.25	1.09%	1.37%	1.46%	3.39%	3.27%	3.54%
	Total Capital Fund	Percent	13.83	16.07	17.18	16.54	14.20%	13.26%	11.72%	12.85%	13.40%	13.56%
15	Cash Reserve Ratio (CRR)	Percent	5.10	5.56	4.38	4.05	4.38	3.45	3.19	4.03	5.75	4.72
16	Net Profit / Total Loan	Percent	2.99	1.12	1.78	2.78	1.47	1.31	1.58	1.10	1.10	0.49
17	Gross Non-Performing Credit/Total Credit	Ratio	7.90	3.79	3.34	1.64	2.69	2.17	1.70	3.36	3.52%	4.71%
18	Weighted Average Interest Rate Spread	Percent	4.29	4.89	4.19	4.79	4.58	4.08	4.20	4.34	4.06	3.69
19	Return on Total Assets	Percent	2.12	0.82	1.22	2.07	1.10	0.98	1.12	0.85	0.79	0.36
20	Book Net Worth	NPR	92.50	150.51	161.26	190.43	163.60	182.17	174.47	183.78	190.08	190.20
21	Base Rate	Percent	9.01	12.31	12.96	11.02	9.92	8.18	10.90	11.92	9.40	6.82
22	Number of Shares	No.	9,170,41	20,088,785	21,732,827	22,097,663	27,163,117	29,064,535	32,842,925	35,181,341	36,236,782	620
23	Number of Staff	No.	131	456	502	496	513	545	614	634	632	-



नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग

पत्रसंख्या : वि.सं.सु.वि. / गैरस्थलगत / लुम्बिनी / ०८२/८३
च.नं. ९०६



केन्द्रीय कार्यालय
बानुवाटार, काठमाडौं
फोन नं.: ०१-५७९९६४९

Site: www.nrb.org.np
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पोस्ट चम्पा: ७३

मिति : २०८२/०९/०८

✓ श्री लुम्बिनी विकास बैंक लिमिटेड,
डिल्लीबजार, काठमाडौं।

विषय: वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा।

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वित्तीय विवरणहरु तथा अन्य प्रतिवेदनहरुका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरुका सम्बन्धमा देहाय वमोजिमका निर्देशनहरु शेयरधनीहरुको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरणहरु साधारणसभा प्रयोजनको लागि प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

- (१) कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गर्नुहुन।
- (२) व्यवसाय सञ्चालनमा नरहेका कर्जाहरुको यथाशीघ्र व्यवस्थापन गर्नुहुन।
- (३) एकीकृत निर्देशन नं. ८/०८१ वमोजिम विपन्न वर्ग कर्जामा गणना गर्ने प्रयोजनको लागि वाहेक 'घ' वर्गको लघुवित्त वित्तीय संस्थाको शेयरमा लगानीलाई यथाशीघ्र विक्री/विनिवेश गर्ने यस अधि नै निर्देशन दिइएकोमा यस आ.व.मा समेत केही लघुवित्तको साधारण शेयरमा लगानी देखिएकोले सो लगानी विक्री गरी यस विभागमा जानकारी दिनहुन।
- (४) कर्जा प्रवाह र व्यवस्थापन, ग्राहक परिचान (KYC), संस्थागत सुशासन, अनुपालना, सूचना प्रविधि लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरु पुनः नदोहोरिने व्यवस्था गर्नुहुन।

भवदीय,

(अमृत बहादुर बुढाथोकी)
उप-निर्देशक

बोधार्थ:

१. श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग।
२. श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-१।
३. श्री IBS (Individual Bank Supervisor) Officer



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहचात्रा

(नेपाल राष्ट्र बैंकबाट "ख" वर्गको इजाजतपत्रप्राप्त संस्था)

पत्र संख्या: २०८२/८३/एलबिबिएल/सिईओओ/०२९

मिति: २०८२/०९/०९

श्री नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग
वालुवाटार, काठमाण्डौ।

विषय : वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा दिईएका निर्देशनहरुको प्रतिउत्तर सम्बन्धमा ।

महोदय,

उल्लेखित विषयमा तहाँको मिति २०८२/०९/०८ को पत्र संख्या वि.सं.सु.वि./गैरस्थलगत/लुम्बिनी ०८२/८३ च.नं. १०७ को पत्रबाट यस विकास बैंकको आर्थिक वर्ष २०८१/८२ को वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा स्वीकृति प्रदान गर्नु भएको पत्रमा उल्लेखित निर्देशनहरुको सन्दर्भमा मिति २०८२/०९/०८ मा वसेको सञ्चालक समितिको ५१५ औं बैठकबाट पारित भए वमोजिम बुँदागत रूपमा देहाय बमोजिम प्रत्युत्तर पेश गरिएको व्यहोरा अनुरोध गर्दछौं ।

- (१) कर्जा प्रवाह पश्चात कर्जा सदुपयोगिताको सुनिश्चितता गर्ने व्यवस्था थप सशक्त रूपमा मिलाईने व्यहोरा अनुरोध गर्दछौं ।
- (२) व्यवसाय सञ्चालनमा नरहेका कर्जाहरुको उचित व्यवस्थापन हुने गरी व्यवस्था मिलाईने व्यहोरा अनुरोध गर्दछौं ।
- (३) एकीकृत निर्देशन नं. ८/०८१ बमोजिम विपन्न बर्ग कर्जामा गणना गर्ने प्रयोजनको लागि बाहेकका 'घ' बर्गको लघुवित्त वित्तीय संस्थाको शेयरमा गरिएको लगानीलाई नेपाल राष्ट्र बैंकको निर्देशन भित्र रही यथाशीघ्र विक्री/विनिवेश गरी जानकारी गराउने व्यहोरा अनुरोध गर्दछौं ।
- (४) कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सूचना प्रविधि लगायतका विषयमा आन्तरीक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा त्यस बैंकबाट निरीक्षण एवं सुपरिवेक्षणको क्रममा औल्याएका कैफियतहरु पुनः नदोहोरिने गरि थप सजगताकासाथ कार्य गरिने व्यहोरा अनुरोध गर्दछौं ।

धन्यवाद ।



भवदीय,

नरेश सिंह बोहरा
प्रमुख कार्यकारी अधिकृत

बोधार्थः

१. श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
२. श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-४ ।
३. श्री IBS (Individual Bank Supervisor) Officer



हात्मा शाखाहरू

केन्द्रीय कार्यालय	काठमाडौं म. न. पा. ३०, चारखाल रोड, काठमाडौं	०१-४५१३२३२/३४/०१-४५२९६९६
मधेश प्रदेश कार्यालय	बिरगंज उ. म. न. पा. १०, आदर्शनगर बिरगंज, पर्सा	०५१-५९९६५८

क्र. सं.	शाखाको नाम	ठेगाना	फोन नं.
१	बाडखोला शाखा	पुतलीबजार न.पा. ०३, बाडखोला, स्याङ्गजा	०६३-४२३९७४
२	बनेपा शाखा	बनेपा न. पा. ०७, बसपार्क, काभ्रेपलान्चोक	०१९-६६१३२०/२१
३	वाणी शाखा	कृष्णपुर न. पा. ०२, वाणी, कञ्चनपुर	०१९-४९७०४५/५७
४	बर्द्धाट शाखा	बर्द्धाट न. पा. ०४, शिवालय चोक, नवलपरासी	०७८-५९०२९७/९८
५	बसुन्धरा शाखा	टोखा न. पा. ०५, रिङ्गरोड, बसुन्धरा, काठमाडौं	०१-४९८३६१४/१५
६	बढ्दार बजार शाखा	बिदुर न. पा. ०२, बढ्दार बजार, नुवाकोट	०१०-५६१०७२/०१०-५६१२७२
७	भैरहवा शाखा	सिद्धार्थ न. पा. १२, आवा रोड, बसन्तपथ, रूपन्देही	०७९-५७०००७३/७४
८	भकुण्डेबशी शाखा	नमोबुद्ध न. पा. ०७, भकुण्डेबशी, काभ्रे	०११-४०४०६२
९	बिराटनगर शाखा	बिराटनगर ०९, बाटा रोड, मोरङ्ग	०२७-४५०६३/६६४, ०२१-५७०१८२
१०	बिरेन्द्रनगर शाखा	बिरेन्द्रनगर न. पा. ०६, बिरेन्द्र चोक, सुर्खेत	०८३-५१००४३/४४
११	बिरगंज शाखा	बिरगंज उ. म. न. पा. १०, आदर्शनगर बिरगंज, पर्सा	०५१-५३००७६/०५१-५२७४२९
१२	बिर्तामोड शाखा	बिर्तामोड न. पा. ०४, भद्रपुर रोड, भापा	०२३-५१०३४७/४८
१३	बोडे शाखा	मध्यपुर ठिमी न. पा. ०८, बोडे, भक्तपुर	०१-६६३६११३/११४
१४	बुटवल शाखा	बुटवल उ. प. न. पा. ११, देविनगर, बुटवल, रूपन्देही	०७९-४९०९६५/६६
१५	चन्द्रनिगाहपुर शाखा	चन्द्रपुर न. पा. ०४, रौतहट	०५५-५४००७०/७६९
१६	चन्द्रौटा शाखा	शिवराज न. पा. ०५, कृष्णनगर रोड, कपिलवस्तु	०७६-५४०६८३
१७	चन्द्रावति शाखा	सतिस्वाँरा न. पा. ०२, चन्द्रावती, तनहुँ	९८४६९५०९२८
१८	छोरेपाटन शाखा	पोखरा म. न. पा. १७, छोरेपाटन, पोखरा, कास्की	०६१-४५५५०१/०२
१९	दमक शाखा	दमक न. पा. ०६, थानारोड, भापा	०२३-५१०६२५
२०	देविधाट शाखा	बिदुर न. पा. ०५, देविधाट बजार, त्रिशूली, नुवाकोट	०१०-४१०००७३
२१	धनगढि शाखा	धनगढि उ. न. पा. ०४, चौराहा, कैलाली	०११-५१००८१/८२
२२	दिकुरे शाखा	लिखुँ गा. पा. ०१, दिकुरे, नुवाकोट	०१०-४१८०७३
२३	दुङ्गेधारा शाखा	काठमाडौं म. न. पा. १६, दुङ्गेधारा, काठमाडौं	०१-४८८०५४५/९२५
२४	डिल्लीबजार शाखा	काठमाडौं म. न. पा. ३०, चारखाल रोड, काठमाडौं	०१-४५४१६४९/४२
२५	फत्तेपुर शाखा	सप्तकोशी न. पा. ०१, फत्तेपुर, सप्तरी	०३१-५५०१११
२६	फुलबारी शाखा	पोखरा म. न. पा. ११, फुलबारी, कास्की	०६१-५४३००५
२७	गजेहडा शाखा	बाणगङ्गा न. पा. ०४, गजेहडा, कपिलवस्तु	०७६-५५०४२३
२८	गरुडा शाखा	गरुडा न. पा. ०४, गरुडा बजार, रौतहट	०५५-५६५०७०
२९	गौर शाखा	गौर न. पा. ०१, गौर, रौतहट	०५५-५२१४३६/४३७
३०	घोराही शाखा	घोराही उ. न. पा. १५, मेन रोड, बि. पी. चोक, दाङ	०८२-५६४१८२/८३
३१	गोङ्गुबु शाखा	टोखा न. पा. ०१, गोङ्गुबु, काठमाडौं	०१-४९८७४५/०१-४५२०५२
३२	हामिकचोक शाखा	भरतपुर म. न. पा. ०१, हामिकचोक, चितवन	०५६-५१०४१७/३१७
३३	हरैचा शाखा	सुन्दरहरैचा न. पा. ०१, हरैचा, मोरङ्ग	०२१-४०१०८२
३४	हरिनगरा शाखा	हरिनगरा गा. पा. ०४, सुनसरी	९८६२३६९४०९
३५	इमाडोल शाखा	महालक्ष्मी न. पा. ०१, इमाडोल, ललितपुर	०१/४९१४८०
३६	इनरुवा शाखा	इनरुवा न. पा. ०१, गोलचोक, इनरुवा, सुनसरी	०२५-५६६७५३/५६
३७	इटहरी शाखा	इटहरी न. पा. ०६, इटहरी, सुनसरी	०२५-५८७०९२/९३
३८	जनकपुर शाखा	जनकपुर उ. म. न. पा. ०२, जनकपुर, धनुषा	०४१-५१०८८१/८२
३९	कलंकी शाखा	काठमाडौं म. न. पा. १३, कलंकी, काठमाडौं	०१-५२२४१९३/९४
४०	कालिकास्थान शाखा	कालिका गा. पा. ०२, कालिकास्थान, रसुवा	०१०-५४२००७३
४१	कमलबिनायक शाखा	भक्तपुर न. पा. १०, कमलबिनायक, भक्तपुर	०१-६६२०२३२
४२	कान्तिपथ शाखा	काठमाडौं म. न. पा. २७, कान्तिपथ, काठमाडौं	०१-५३४१५३४/०१-५३५३२३
४३	कपन शाखा	बुदानिलकण्ठ न. पा. १०, मिलनचोक, कपन, काठमाडौं	०१-४८२३३२०

४४	कात्यायनी शाखा	काठमाडौं म.न.पा.३१, कात्यायनीचोक, भिमसेनगोला, काठमाडौं	०१-४९०९२९३/१४
४५	कौशलटार शाखा	मध्यपुर ठिमी न. पा. ०३, कौशलटार, भक्तपुर	०१-६६३६२२९/०१-६६३७३८५
४६	कावासोती शाखा	कावासोती न. पा. ०२, सभापती चोक, कावासोती, नवलपुर	०७८-५४००५८/५९
४७	केर्खा शाखा	कमल गा. पा. ०३, केर्खा, भारपा	०२३-४७५१७०/७१
४८	खेरेनिटार शाखा	शुक्लागण्डकी न. पा. ०६, खेरेनिटार, तनहुँ	०६५-४९२९५०
४९	कोहलपुर शाखा	कोहलपुर न. पा. ११, साभा चोक, बाँके	०८९-५४२९८८/०८९-५४०३९२
५०	कुलेश्वर शाखा	काठमाडौं म. न. पा. १४, कुलेश्वर, काठमाडौं	०१-५१६५०३५/०१-५३७१२७९
५१	कुमारीपाटी शाखा	ललितपुर म. न. पा. ०५, कुमारीपाटी, ललितपुर	०१-५४३४२८१/०१-५४२५२४५
५२	कुरिनिटार शाखा	इच्छाकामना गा. पा. ०४, कुरिनिटार, चितवन	०५६-४९०९०४८/१०३
५३	लाहान शाखा	लाहान न. पा. ०१, सिराहा	०३३-५६५५०२
५४	लेकसाइड शाखा	पोखरा म. न. पा. ०६, दिहिकोपाटन, फेवा मार्ग, कास्की	०६९-४५५५०३
५५	लालबन्दि शाखा	लालबन्दी न. पा. ०७, हाटबजार, लालबन्दी, सर्लाहि	०४६-५०९५७९/८१
५६	लामाचौर शाखा	पोखरा म. न. पा. १६, लामाचौर, कास्की	०६९-४४५३१७/४४२३२०
५७	लम्की शाखा	लम्की चुहा न. पा. ०१, लम्की, कैलाली	०९१-५१०३५१/५२
५८	लेले शाखा	गोदावरी न. पा. ०६, लेले, ललितपुर	१७६१६०८८६४
५९	लोहरपटी शाखा	लोहरपटी न. पा. ०५, लोहरपटी, महोत्तरी	९८००६८८६०
६०	महालक्ष्मीस्थान शाखा	ललितपुर म. न. पा. १४, महालक्ष्मीस्थान, ललितपुर	०१-५१९३०६५
६१	महेन्द्रनगर शाखा	भिमदत्त न. पा. ०४, महेन्द्रनगर बजार, कञ्चनपुर	०९१-५२०६७७/०१-५२११५२
६२	महेन्द्रपुल शाखा	पोखरा म. न. पा. ०९, महेन्द्रपुल, पोखरा, कास्की	०६९-५५३८००/५५११००/५५५४०२
६३	मझलबजार शाखा	ललितपुर म. न. पा. १६, मझलबजार, ललितपुर	०१-५४४३०६०/६१
६४	मणिग्राम शाखा	तिलोत्तमा न. पा. ०५, मणिग्राम, बुटवल, रूपन्देही	०७१-५१००१५/१६
६५	मसुरिया शाखा	गौरीगंगा न. पा. ०७, मसुरिया, कैलाली	०९१-४०२१९८/१९
६६	नारायणगढ शाखा	भरतपुर म. न. पा. ०३, लायन्स चोक, नारायणगढ, चितवन	०५६-५१६६१४/८४
६७	नारायणटार शाखा	गोकर्णेश्वर न. पा. ०६, जोरपाटि, नारायणटार, काठमाडौं	०१-४९१०६०६/०१-४११०६८८
६८	नरेफॉट शाखा	काठमाडौं म. न. पा. ३२, नरेफॉट, काठमाडौं	०१-५१८१३०१/३०२
६९	नयाँ बाहुनी शाखा	बेलवारी न. पा. ०७, नया बाहुनी, मोरङ	९८६२३६२७८
७०	नेपालगन्ज शाखा	नेपालगन्ज उ. म. न. पा. ०२, सुर्खेत रोड, नेपालगन्ज, बाँके	०८१-५३३२५८/५९
७१	नेपालटार शाखा	तारकेश्वर न. पा. ११, नेपालटार, काठमाडौं	०१-४३१०३६२
७२	नयाँ बानेश्वर शाखा	काठमाडौं म. न. पा. ०६, नयाँ बानेश्वर, काठमाडौं	०१-४४१४४११/०१-४४१५०८८
७३	न्युरोड, पोखरा शाखा	पोखरा म. न. पा. ०८, न्युरोड, कास्की	०६१-५७२१२२/०६१-५७४१००
७४	न्युरोड, काठमाडौं शाखा	काठमाडौं म. न. पा. २२, न्युरोड, काठमाडौं	०१-५३१११०६
७५	ओखलढुङ्गा शाखा	सिद्धिचरण न. पा. ११, रमाइलो डाँडा, ओखलढुङ्गा	०३७-५२०६४४
७६	पर्साधाप शाखा	भरतपुर म. न. पा. २७, पर्साधाप, चितवन	०५६-४०४१०११/१०
७७	पातिचौर शाखा	मोदी गा. पा. ०२, पातिचौर, पर्वत	०६७-४१००६७७/०६७-६१०५६६
७८	पोखरीया शाखा	पोखरीया न. पा. ०४, पोखरीया बजार, पर्सा	०५१-५६०२४४/२५४/२२४
७९	राजाका चौतारा शाखा	लेखनाथ न. पा. ३२, राजाका चौतारा, कास्की	०६१-४१०२३३/२३४
८०	रामबजार शाखा	पोखरा म. न. पा. १०, रामबजार, पोखरा, कास्की	०६१-४३२४५०/०६१-४३२२७०
८१	रड्डेली शाखा	रड्डेली न. पा. ०७, रड्डेली, मोरङ	०२९-५८०६१७/६३२
८२	रुपानी शाखा	रुपानी गा. पा. ०१, रुपानी, सप्तरी	०३१-४५०११८/१७
८३	टाँडी शाखा	रत्ननगर न. पा. ०२, टाँडी, चितवन	०५६-५६३११७/४८
८४	ताराताल शाखा	मधुवन न. पा. ०६, ताराताल, बर्दिया	०८४-४४०२५५
८५	ठमेल शाखा	काठमाडौं म. न. पा. २९, ठमेल, काठमाडौं	०१-४५२२५४३/०१-४५२३४४३
८६	टोखा शाखा	टोखा न. पा. ०६, टोखा रोड, काठमाडौं	०१-५१५१६००
८७	ट्राफिक चोक शाखा	बुटवल उ. म. न. पा. ०४, ट्राफिक चोक, बुटवल, रूपन्देही	०७१-५१०१८५/८६
८८	त्रिपुरेश्वर शाखा	काठमाडौं म. न. पा. ११, त्रिपुरेश्वर काठमाडौं	०१-५३३३३७२/७३/८०/८१
८९	तुल्सिपुर शाखा	तुल्सिपुर उ. म. न. पा. ०५, तुल्सिपुर, दाङ	०८२-५९०२०५/०६
९०	लेले एकरेन्सन काउण्टर	गोदावरी न. पा. ०५, लेले, ललितपुर	१७६५९९७८७५६

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सुदूरपश्चिम

काल्पी

राप्ती

बाचमती

पुदेश

तर्याश

लुम्बिनी विकास बँक लि.
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