



MITERI

Development Bank Limited

मिटेरी डेभलपमेन्ट बैंक लिमिटेड

केन्द्रीय कार्यालय : धरान-१२, महेन्द्र पथ, सुनसरी
फोन : ०२५-५३१३१७, ५३३३१७, फ्याक्स : ०२५-५३१३५८
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सञ्चालक समिति



किसन मास्के
अध्यक्ष



सुनिल श्रेष्ठ
संचालक



गम्भिरमान तण्डुकार
संचालक



शम्भु प्रसाद श्रेष्ठ
संचालक
(सर्वसाधारणको तर्फबाट)



ललित कुमार अग्रवाल
संचालक
(सर्वसाधारणको तर्फबाट)



सरोज श्रेष्ठ
संचालक
(सर्वसाधारणको तर्फबाट)



तुलसी प्रसाद बस्ती
प्रमुख कार्यकारी अधिकृत
एवम् कम्पनी सचिव

सिए. अनुप कुमार श्रेष्ठ
वि. आर.एस. न्यौपाने एण्ड कम्पनी
लेखा परिक्षक



(नेपाल राष्ट्र बैंकबाट “ख” वर्गको ईजाजत प्राप्त संस्था)
 महेन्द्र पथ, धरान १२, सुनसरी, नेपाल
 फोन नं. ०२५-५३१३१७/५३३३१७ फ्याक्स नं. ०२५-५३१३५४
 E-mail: info@miteribank.com.np, URL: www.miteribank.com.np

१६ औं वार्षिक साधारण सभा सम्बन्धि सूचना

श्री शेयरधनी महानुभावहरू,

यस बैंकको मिति २०७८/०९/०६ गते बसेको सञ्चालक समितिको २१३ औं बैठकको निर्णयानुसार निम्न लिखित विषय उपर छलफल गरी निर्णय गर्न यस बैंकको १६ औं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूलाई उपस्थितिको लागि हार्दिक अनुरोध गर्दछु।

सभा हुने मिति, समय र स्थान :

मिति : २०७८/०९/२८

समय : बिहान ११:०० बजे।

स्थान : सुनसरी उद्योग बाणिज्य संघ, धरान १, सुनसरी

छलफल तथा निर्णयको लागि निर्धारित विषय सूची :

क) सामान्य प्रस्ताव

१. संचालक समितिको तर्फबाट प्रस्तुत हुने अध्यक्षज्यूको आ.व. २०७७/०७८ को वार्षिक प्रतिवेदन उपर छलफल गरी प्रतिवेदन पारित गर्ने।
२. लेखा परिक्षकको प्रतिवेदन सहितको २०७८ अषाढ मसान्तको बासलात, २०७७ श्रावण १ गते देखि २०७८ अषाढ मसान्तसम्मको नाफा नोक्सान हिसाब र सोही अवधिको नगद प्रवाह विवरण पारित गर्ने।
३. कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आ.व. २०७८/०७९ को हरहिसाब लेखापरिक्षण गर्न लेखा परिक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक तोक्ने। (वर्तमान लेखा परिक्षक श्री अनुपकुमार श्रेष्ठ वि.आर.एस. न्यौपाने पुनः लेखा परीक्षणको लागि योग्य हुनुहुन्छ।)
४. संचालक समितिले सिफारिस गरे बमोजिम शेयरधनीलाई बोनस शेयर कर प्रयोजनको लागि चुक्ता पूँजीको ०।७० प्रतिशतले हुने रकम रु.५५,८९,६३८।५६ (अक्षरेपी रु.पचपन्न लाख एकासी हजार छ सय अडतीस र पैसा छपन्न) मात्र दिने प्रस्ताव स्वीकृत गर्ने।
५. बैंकको नियमावली बमोजिम सर्वसाधारण शेयरधनिको तर्फबाट संचालक समितिमा प्रतिनिधित्व गर्ने ३ (तीन) जना संचालकहरूको निर्वाचन गर्ने।

ख) विशेष प्रस्तावहरू :

१. संचालक समितिले प्रस्ताव गरे बमोजिम आ.व. २०७७/०७८ को नाफाबाट शेयरधनीहरूलाई चुक्ता पूँजीको १३।३० प्रतिशतका दरले हुने बोनस शेयर रकम रु. १०,६०,५१,१३२।६९ (अक्षरेपी रु. दश करोड साठी लाख एकाउन्न हजार एक सय बत्तीस र पैसा उनन्सत्तरी) मात्र प्रदान गर्ने प्रस्ताव स्वीकृत गर्ने।
२. कम्पनीको प्रबन्धपत्र तथा नियमावलीमा आवश्यक परिमार्जन/संशोधन तथा थप गर्ने।
३. मितेरी डेवलपमेन्ट बैंक लिमिटेड र अन्य कुनै उपयुक्त बैंक तथा वित्तिय संस्था एक आपसमा गाभ्ने र गाभ्ने सम्बन्धमा :
 - अ) यस बैंक र अन्यकुनै एक वा सो भन्दा बढी उपयुक्त बैंक तथा वित्तिय संस्था एक आपसमा गाभ्ने र गाभ्ने सम्बन्धि सम्पूर्ण प्रक्रिया अवलम्बन गरि कार्य अघि बढाउन संचालक समिति तथा यस अन्तर्गतको मर्जर समितिलाई अख्तियारी प्रदान गर्ने।
 - आ) एक आपसमा गाभ्ने र गाभ्ने प्रक्रियामा चलअचल सम्पति र दायित्व तथा कारोबारको मुल्याङ्कन गर्न मान्यता प्राप्त मुल्याङ्कनकर्ता नियुक्त गर्ने, निजको पारिश्रमिक तय गर्ने लगायतको सम्पूर्ण कार्य गर्न संचालक समितिलाई अख्तियारी प्रदान गर्ने।
४. नियमनकारी निकायले दिएको निर्देशन बमोजिम बैंकको प्रबन्धपत्र र नियमावलीमा कुनै संशोधन गर्नु परेमा त्यस्तो संशोधन गर्ने लगायतका अन्य सम्पूर्ण प्रक्रिया पुरा गर्न संचालक समितिलाई पुर्ण अख्तियारी प्रदान गर्ने।

ग) विविध।

संचालक समितिको आज्ञाले
 कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी :

१. सम्पूर्ण शेयरधनी महानुभावहरूलाई बैंकको शेयर लगतमा कायम रहेको सम्बन्धित ठेगानामा वित्तिय विवरण सहितको वार्षिक प्रतिवेदन पुस्तिका पठाईएको छ । कुनै कारणबस उक्त वित्तिय विवरण नपुगेमा बैंकमा सम्पर्क राखि वित्तिय विवरण प्राप्त गर्न सक्नु हुनेछ । सभामा भाग लिन ईच्छुक शेयरधनी महानुभावले व्यक्तिगत रुपमा पठाएको सुचना तथा संलग्न प्रवेश पत्रका साथै शेयर प्रमाण पत्रका साथै शेयर प्रमाण-पत्रको प्रतिलिपि र आफ्नो परिचय खुल्ने प्रमाण (जस्तै नागरिकता प्रमाण-पत्रको प्रतिलिपि वा सवारी चालक अनुमति-पत्र वा परिचय-पत्र) अनिवार्य रुपमा साथमा लिई आउनु हुन अनुरोध छ ।
२. साधारण सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहनेले बैंकको प्रधान कार्यालय महेन्द्र पथ, धरान १२, सुनसरीमा ४८ घण्टा अगावै प्रोक्सी दर्ता गराईसक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत बैंकको शेयरधनी हुन आवश्यक छ ।
३. प्रतिनिधि (प्रोक्सी) नियुक्त गरिसक्नु भएको शेयरधनी आफै सभामा उपस्थित भई हाजिरी कितावमा दस्तखत गर्नु भएमा प्रोक्सी दिइएको भएता पनि स्वतः बदर हुनेछ ।
४. एकै शेयरधनीले एकभन्दा बढी प्रतिनिधि (प्रोक्सी) नियुक्त गरि प्रोक्सी दिएमा सम्पूर्ण प्रोक्सीहरु स्वतः बदर हुनेछ ।
५. नावालक वा विछिप्त शेयरधनीको तर्फबाट बैंकको शेयर लगत कितावमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा प्रतिनिधि तोक्न सक्नु हुनेछ ।
६. शेयरधनीले व्यक्त गरेका मन्तव्य वा प्रश्नहरूको सम्बन्धमा संचालक समितिको तर्फबाट अध्यक्षज्यू वा अध्यक्षको अनुमति पाएका व्यक्तिले उत्तर दिइनेछ ।
७. सभामा भाग लिन प्रत्येक शेयरवाला महानुभावले सभा हुने स्थानमा उपस्थित भई त्यहाँ रहेको हाजिर पुस्तिकामा दस्तखत गर्नु पर्नेछ । हाजिरी पुस्तिका दिनको ११ बजेदेखि सभा समयसम्म खुल्ला रहनेछ ।
८. शेयरधनी महानुभावहरूलाई सु-सुचित गराउन सकियोस् भन्ने दृष्टिकोणले केहि शेयरधनी महानुभावलाई बैंक सम्बन्धि जिज्ञाशा भए विविध विषय अन्तर्गत त्यसको लिखित रुपमा सभा हुनु भन्दा ७ (सात) दिन अगावै बैंकको प्रधान कार्यालय महेन्द्रपथ, धरान-१२, सुनसरीमा पठाउनु अनुरोध छ तर यसलाई छलफल र पारित हुन प्रस्तावको रुपमा समावेश गरिने छैन ।
९. यस वार्षिक साधारण सभा तथा लाभांश प्रयोजनको लागि शेयर दाखिल खारेज गर्ने कार्य मिति २०७८/०९/१४ गते देखि २०७८/०९/२८ गतेसम्म बन्द रहनेछ ।
१०. साधारण सभा तथा संचालक निर्वाचन सम्बन्धि जानकारी तथा अन्य आवश्यक जानकारीको लागि यस डेभलपमेन्ट बैंकको रजिष्टर्ड कार्यालय महेन्द्रपथ, धरान १२, सुनसरी फोन नं. ०२५-५३९३९७/५३३३९७ मा सम्पर्क राख्नहुनु अनुरोध गरिन्छ ।

श्री संचालक समिति
मिटेरी डेभलपमेन्ट बैंक लिमिटेड
प्रधान कार्यालय, धरान- १२

बिषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला न.पा./गा.वि.स. वडा नं. बस्ने
..... ले त्यस बैंकको शेयरवालाको हैसियतले २०७८ साल पौष २८ गते बुधवारका
दिन हुने १६ औं वार्षिक साधारण सभामा स्वयं उपस्थिति भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त
सभामा भाग लिन तथा मतदान गर्नका लागि जिल्ला..... न.पा./गा.वि.स. वडा
नं. बस्ने त्यस बैंकका शेयर धनी श्री शेयर धनी नं.
..... लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरि पठाएको छु/छौं ।

निवेदक

दस्तखत :

नाम :

ठेगना :

क्रि.नं. देखि सम्म

मिति :

द्रष्टव्य : यो निवेदन साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रिय कार्यालयमा पेश गरिसक्नु पर्नेछ ।

मिटेरी डेभलपमेन्ट बैंक लिमिटेड

Miteri Development Bank Limited

महेन्द्रपथ, धरान-१२, सुनसरी, नेपाल

को

१६ औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको

प्रवेशपत्र

शेयरधनीको नाम : प्र.प.नं. शेयर संख्या.....

.....
शेयरधनीको दस्तखत

.....
कम्पनी सचिव

(सभामा भाग लिन आउँदा यो प्रवेश पत्रमा शेयरधनीको नाम, प्र.प.नं., दस्तखत,
शेयर संख्या अनिवार्य रूपमा उल्लेख गरी साथै लिई आउनु पर्नेछ ।

मितेरी डेभलपमेन्ट बैंक लिमिटेड

१६ औं वार्षिक साधारणसभामा

संचालक समितिको तर्फबाट

अध्यक्ष श्री किसन मास्के ज्यूद्वारा प्रस्तुत

वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस मितेरी डेभलपमेन्ट बैंकको सोह्रौं वार्षिक साधारण सभामा भाग लिन उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरूलाई संचालक समिति तथा मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत तथा अभिवादन गर्दछु।

आज सम्पन्न हुन लागेको यस सोह्रौं वार्षिक साधारण सभामा संचालक समितिका तर्फबाट प्रतिवेदन प्रस्तुत गर्न पाउँदा मलाई हर्षको अनुभूति भईरहेको छ। यस बैंकको स्थापना आज भन्दा करिब १५ वर्ष अगाडि रु १ करोड ५८ लाख चुक्ता पूँजीमा भएको विषय यहाँहरूलाई अवगत छ। यस १५ वर्षको अवधीमा हामीले हकप्रद शेयर, प्राथमिक शेयर निष्काशन तथा बोनस शेयरको माध्यमबाट, यहाँ प्रस्तावित बोनस शेयर जारी भए पश्चात चुक्ता पूँजी रु ९० करोड भन्दा बढि हुने ब्यहोरा जानकारी गराउन पाउँदा गर्वको महशुस भएको छ। विगतका वर्षहरूमा यहाँहरूको सहयोग उल्लेखनीय रह्यो र आगामी दिनमा समेत यहाँको सहयोगको निरन्तरताको अपेक्षा गर्दछु।

आर्थिक वर्ष २०७७/०७८ को कारोवार समिक्षा

आदरणीय शेयरधनी महानुभावहरू,

बैंकको प्रमुख वित्तिय विवरणहरू सभामा पेश गर्नुअघि म आर्थिक वर्ष २०७७/०७८ को समीक्षा अवधिको समष्टिगत अवस्थाको वारेमा संक्षिप्त विश्लेषण गर्ने अनुमति चाहन्छु। मुलुकमा गत वर्ष पनि कोभिड १९ को असर जारी नै रह्यो जसको कारणले लगानीका क्षेत्रहरूमा संकुचन आई बैंकिङ्ग क्षेत्रले अधिक तरलताको सामना गर्नु पयो। जसको फल स्वरुप एकातर्फ कर्जा लगानीमा संकुचन आयो भने अर्को तर्फ बैंकले निक्षेप संकलनमा मात्र जोड दिदाँ मूनाफामा प्रतिकूल प्रभाव पर्ने हुँदा बैंकले निक्षेप संकलनको कार्यमा समेत खासै ध्यान नदिदाँ, निक्षेपमा समेत यथोचित वृद्धि हुन नसकेको विषय यहाँहरू समक्ष राख्नुपर्दा सन्तोष लिने ठाँउ देखिदैन। कोभिडको कारणले समग्र अर्थतन्त्रलाई नै प्रभाव पारेको र त्यसको प्रत्यक्ष असर बैंकिङ्गमा पनि परेको विषय कसैबाट लुकेको छैन। त्यती मात्र नभएर नेपाल राष्ट्र बैंकले समय समयमा ग्राहकको हित संरक्षणको लागि दिएको निर्देशनहरूको कारणले बैंकको मूनाफामा संकुचन आएको विषय समेत कहि कसैबाट लुकेको छैन। गत आर्थिक वर्षमा निक्षेप तथा कर्जाको ब्याजदर अन्तरलाई ५ प्रतिशतको सिमा भित्र अनिवार्य ल्याउनु पर्ने प्रावधान वमोजिम समग्र कर्जामा २२ प्रतिशत भन्दा बढिको बढोत्तरी भएपनि ब्याज आमदानीमा १३ प्रतिशत भन्दा बढिले हास आएको छ। त्यति मात्र नभएर असल कर्जाको लागि कायम गर्नुपर्ने कर्जा नोक्सानी व्यवस्थामा ३० प्रतिशतको वृद्धि, केहि कर्जाको गुणस्तरमा हास जस्ता कारणबाट कर्जा नोक्सानी व्यवस्थामा ६०० प्रतिशत भन्दा बढिको वृद्धि जस्ता कारणहरूबाट हाम्रो मूनाफामा करिब १९ प्रतिशतले संकुचन आएको तितो यथार्थ समेत यहाँहरू समक्ष राख्नु हाम्रो बाध्यता रहेको ब्यहोरा अनुरोध गर्दछु। यस वर्ष बैंकको मूनाफामा यो भन्दा अधिक हास आउने अवस्था हुँदाहुँदै पनि हामीले सरकारी ऋणपत्र, धितोपत्रमा गरेको लगानीमा प्राप्त ब्याज, प्रतिफल र उक्त ऋणपत्र, धितोपत्रको विक्री गरि प्राप्त आमदानी आदि अन्य श्रोतका कारणबाट मात्र हामीले मूनाफालाई यो हदसम्म कायम राख्न सफल भएको विषय समेत यहाँहरू समक्ष राख्न चाहन्छु। विगतका केहि वर्षहरूको तुलनात्मक वित्तिय स्थिति तलको तालिकाबाट स्पष्ट गर्न चाहन्छौ।

आर्थिक वर्ष २०७५/०७६, २०७६/०७७ र २०७७/०७८ मा भएका बैंकको कारोवारको संक्षिप्त विश्लेषण निम्नानुसार रहेको छ।

(रु हजारमा)

विवरण	आ.व. २०७५/०७६	आ.व. २०७६/०७७	आ.व. २०७७/०७८
कूल निक्षेप	४,८२९,१९१।६७	५,४२९,६७२।०४	५,४९२,०४९।१२
कूल कर्जा सापट	४,०५७,७१४।६६	४,०३८,४५४।५१	४,९४९,४९१।७७
व्याज आमदानी	६५७,४८०।६२	७०६,६२३।८७	६९२,६३६।८७
व्याज खर्च	३७९,८५७।६१	४४४,५७७।९७	३४३,५८६।३९
खूद व्याज आमदानी	२७७,६२३।०१	२६२,०४५।९०	२६९,०५०।५६
अन्य आमदानी	५३,७५४।५३	४६,४५२।५०	३४,८२३।०६
कूल संचालन आमदानी	३२६,८२८।३५	३०९,२५९।२८	३२९,९३०।०७
कर्मचारी खर्च	७७,३३३।३२	८४,२२०।९५	८१,१२२।१९
अन्य संचालन खर्च	३८,१२९।२०	४१,५४४।४२	४०,३४७।०१
संचालन नाफा/(नोक्सान)	२११,३६५।८३	२५५,४९३।९०	२०८,४६०।८७
खूद नाफा/(नोक्सान)	१४७,२६९।७६	१७९,१४१।४५	१४५,६४७।८४

वैकिङ्ग व्यवसायको लागि अनुकूल अवस्था नभएकोले बैंकले विगत आर्थिक वर्षको तुलनामा अघिल्लो आर्थिक वर्ष (आ.व. २०७७/०७८) मा कर्जा र निक्षेपमा सामान्य वृद्धि गर्न सकेतापनि मूनाफामा उल्लेख्य ह्रास आएको माथिको तथ्यबाट पुष्टि हुन्छ।

राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट बैंक व्यवसायमा परेको प्रभाव :

आदरणीय शेयरधनी महानुभावहरू,

देशमा केन्द्र लगायत प्रदेशमा समेत स्पष्ट बहुमतको स्थाई सरकार गठन भईसकेकोले गर्दा आर्थिक विकासले गति लिने अनुमान गरिएकोमा राजनैतिक दलहरूको आन्तरिक खिचातानी लगायतका कारणले संसद विघटन, पूनस्थापना, मिलीजुली सरकार आदीको कारणले देशमा अन्वैलता कायमै रहि अपेक्षा अनुसार आर्थिक विकासले गति लिन सकेको छैन। कोभिडको कारणले उधमी, व्यवसायी लगायत सम्पूर्ण क्षेत्र नै प्रभावित भैरहेको सन्दर्भमा नेपाल राष्ट्र बैंकको अत्याधिक ग्राहक मैत्री निर्देशनका कारण बैंकको अन्य आमदानीमा क्रमशः ह्रास आउदै गएको साथै कर्जा र निक्षेप विचको व्याजदर अन्तरलाई ५ प्रतिशत भित्र कायम गर्नुपर्ने कारणले बैंकको मूनाफामा संकूचन हुँदै गएको छ। वैदेशिक रोजगारीमा रहेका धेरै कामदारहरूले कोभिडको कारणले रोजगारी गुमाउनु परेको अवस्था, वैदेशिक रोजगारमा जान चाहने व्यक्तिको लागि आवागमनमा सहजता नहुनु, वैदेशिक रोजगारमा रहेका लगायतका विदेशमा रहेका नेपालीले आर्जन गरेको रकम औपचारीक मध्यमवाट भन्दा अनौपचारिक माध्यमवाट पठाउने जस्ता विविध कारणले रेमीटान्समा वृद्धि हुन नसकेको विषय जगजाहेरै छ। देशमा ठूलाठूला परियोजनाहरू आउलान अनि वाणिज्य बैंकहरूको लगानी त्यस तर्फ केन्द्रीत भै हामी जस्ता क्षेत्रिय स्तरका बैंकहरूले साना तथा मझौला उधम, व्यवसायमा कर्जा विस्तार गरौला भन्ने सोच राखेको भएतापनि वाणिज्य बैंकहरूले हाम्रा ग्राहकहरू नै तान्ने जस्ता प्रवृत्ति देखाउन थालेकोले यथोचित व्यवसायको आकार बढाउन सकिएको छैन।

एकातर्फ मुलुकको आर्थिक सुचङ्काहरू आशातित रुपमा सकारात्मक छैन भने अर्को तर्फ हामी जस्ता सानो स्तरमा संचालित बैंक/वित्तिय संस्थाको लागि अब्ब बढि चुनौति थपिएको छ। तथापि तपाईं शेयरधनी महानुभावहरूको अमूल्य सुझाव, सहयोग, नियामक निकायहरूको मार्गदर्शन, संचालक समितिको सकृयता तथा प्रमुख कार्यकारी अधिकृतको सूझबुझ पूर्ण नेतृत्व लगायत कर्मचारीहरूको उल्लेख्य मेहनतले हामीले आफ्नो एउटा छुट्टै पहिचान बनाउदै एक हदसम्म लाभार्थ प्रस्ताव गर्न सफल भएका छौं, तथा त्यसलाई निरन्तरता दिने प्रयत्न गर्नेछौं।

संस्थागत सुशासन :

आदरणीय शेयरधनी महानुभावहरू,

हामीले कारोवारको शुरुवात देखिनै आफ्नो बैंकिङ्ग कारोवारको गुणस्तर उच्च राख्न नेपाल राष्ट्र बैंकको निर्देशन बमोजिम बैंकका संचालकको नेतृत्वमा महत्वपूर्ण विषयका समितिहरू तथा कर्मचारीको तहमा समेत विभिन्न समितिहरू गठन गरेका छौं । त्यस्तै बैंकको सुशासनलाई सुनिश्चित गर्न नीतिगत रूपमै संस्थागत विकासलाई अवलम्बन गर्दै आवश्यक नीति नियमहरू तर्जुमा, परिमार्जन गर्दै आएका छौं । यस्तै नीति तथा प्रक्यावाट बैंकको स्रोत र साधनहरूको उचित परिचालन गरि बैंकलाई निर्धारित लक्ष्यमा पुऱ्याउन प्रयास गरिएको छ । बैंकले आफ्नो कारोवारको पारदर्शिता अभिवृद्धि गर्न, व्यवस्थापन नियन्त्रण पद्धती प्रभावकारी गर्न एवं संस्थागत सुशासनलाई कायम गर्न बैंकले नियमित रूपमा आन्तरीक लेखापरिक्षण तथा अन्तिम लेखापरिक्षण गर्ने गरेको व्यहोरा समेत अनुरोध गर्दछु । त्यसै गरि बैंकले संचालक तथा व्यवस्थापक विच सुमधुर सम्बन्ध रही आएको र एकअर्काको अधिकार, कर्तव्य तथा दायित्वलाई सधैँ आत्मसाथ गरि आएकोछ । बैंकको सवैभन्दा बहुमुल्य सम्पत्ति नै मानव संसाधन भएकोले कर्मचारीको क्षमता वृद्धि तथा हौसला बढाउन बैंकले उचित प्रशिक्षण कार्यक्रम संचालन गर्दै आएको छ तथा यसतर्फ अरु बढि ध्यान दिईने छ । दक्ष तथा अभिप्रेरित कर्मचारीहरूको सेवा वाट ग्राहकको सुविधा, संस्थागत सुशासनको सुनिश्चितता, बैंकको विश्वसनियतामा पनि वृद्धि हुने छ । त्यसै गरि बैंकले कर्मचारीको उच्च मनोबल कायम गर्न तथा नैतिकवान बनाउन विभिन्न उत्प्रेरणात्मक कार्यहरूका साथै गुणस्तरिय तथा विशेष तालिमको पनि आयोजना गर्दै आएकोछ ।

बैंकको भावी कार्यक्रम तथा योजना :

आदरणीय शेयरधनी महानुभावहरू,

हाम्रा अधिकांश संस्थापकहरू स्थानिय वासिन्दा भएका कारणले बैंकलाई कसरी संचालन गर्दा उपयुक्त हुन्छ सो सम्बन्धमा यहाँहरूको सुभाबलाई महत्वपूर्ण कडिको रूपमा आत्मसात गर्दै आफ्नो रणनीति तय गरिनेछ । त्यसैगरि बैंकिङ्ग कार्यप्रणालीलाई अभि सुव्यवस्थित बनाउदै व्यवसाय विस्तारका लागि अल्पकालिन तथा दीर्घकालिन योजना तर्जुमा गरिनेछ । अल्पकालिन रणनीति अन्तर्गत सरकारको ट्रेजरी विल्स खरिद विक्री, अन्तर बैंक सापटी, कर्जा/लगानी वाट प्राप्त हुने ब्याज आमदानी वृद्धि आदिमा ध्यान केन्द्रीत गरिने छ । कर्जाका नयाँ नयाँ क्षेत्र पहिचान गर्ने नीति लिइनेछ जस अन्तर्गत नयाँ उधम, व्यवसाय प्रवर्धनको निम्ती बैंकले कर्जा लगानी गर्ने छ, सो कारणले नाफा वृद्धि हुनुको साथै सामाजिक उत्तरदायित्व निर्वाहमा समेत योगदान हुने विश्वास लिएका छौं । ग्रामिणमुखी अर्थतन्त्रलाई टेवा दिन हामीले ग्रामिण क्षेत्रका जनतालाई मध्यनजर गर्दै त्यस तर्फ समेत कर्जा प्रवाह गर्ने कार्यलाई अभि प्रोत्साहित गरिनेछ । सो को अलावा विपन्न वर्गका जिवनस्तर उकास्ने कार्यमा केहि मद्दत होस भन्ने हिसावले विपन्न वर्ग तर्फ खुद्रा कर्जालाई जोड दिने नीति अंगिकार गरेकाछौं ।

पर्यटन क्षेत्रले कोभिडवाट भर्खरै मात्र उन्मुक्ती पाउन लागेको समयमा फेरी देखा पर्न शुरु गरेको नयाँ भेरियण्ट ओमिक्रानोको डर एकातर्फ छुदैछ भने अर्को तर्फ विश्व अर्थतन्त्रको मन्दीको छायाँ समेत नेपालमा पर्नसक्ने आंकलन गरिदैछ । त्यती मात्र नभएर मध्यपूर्वी एशिया जहाँ अधिकांश नेपालीहरू बैदेशिक रोजगारीको लागि जाने गर्दछन, त्यहाँ समेत विविध कारणले रोजगारीमा कटौती भै रेमिटेन्समा समेत ऋणात्मक असर हुने आंकलन भैरहेको भएपनि अर्थमन्त्रालयद्वारा आर्थिक वृद्धिको लक्ष्य हासिल हुने भन्ने किसिमको समाचार आईरहनुले केहि आशाका किरणहरू देखा परिरहेको छन ।

बैंकको दीर्घकालिन रणनीति अन्तर्गत नेपाल सरकारले जारि गर्ने दिर्घकालिन ऋणपत्रहरू खरिद गर्ने, उपयुक्त म्यूच्यूल फण्डमा लगानी गर्ने, बैंकको कर्जा प्रशासनलाई सुव्यवस्थित गर्दै जोखिम नियन्त्रणका प्रभावकारी उपायहरू अवलम्बन गर्ने तथा आवश्यक मानव संसाधनहरूको विकास गरिने छ । बैंकका आमदानीका श्रोतहरू विस्तार गर्दै मुनाफा वृद्धि गर्न तथा आन्तरिक नियन्त्रण प्रणालीलाई समेत सोही अनुरूप सुदृढ गर्दै लैजान आवश्यक नीतिहरू तर्जुमा गरि यस

बैंकलाई यस क्षेत्रका वित्तीय कारोवार गर्ने संस्थाहरुमाभ एक भरपर्दो, प्रतिष्ठित तथा सुव्यवस्थित विकास बैंकको रुपमा स्थापित गर्दै लैजाने लक्ष्य रहेको छ । त्यसै गरि पूँजी वृद्धि गर्दै बैंकको विश्वासनियतामा बढोत्तरी गरेर विभिन्न बैंक तथा वित्तिय संस्थामा रहेका राम्रा अभ्यासहरुलाई अवलम्बन गर्दै शेयरधनी, ऋण तथा निक्षेपकर्ताको हितमा विशेष जोड दिइने छ । शेयरधनीको हितको ख्याल गरि उपयुक्त बैंक तथा वित्तिय संस्थाको खोजि गरि मर्जरको कार्यलाई पनि अगाडि वढाउने नीति लिएका छौ ।

अर्को तर्फ अब देशले द्रुत गतिमा आर्थिक विकाशमा फडको मार्ने, बंगलादेशसँग विधुत खरिद विक्री सम्झौताको कारणले ठूलाठूला जलविधुत परियोजनाहरु संचालन हुने तथा वाणिज्य बैंकहरुको लगानी त्यस तर्फ केन्द्रित भई हामी जस्ता क्षेत्रियस्तरमा संचालित विकास बैंकहरुका लागि लगानीका अन्य क्षेत्रहरु प्रसस्त उपलब्ध हुने अनुमान गर्न सकिन्छ । तथापि देशको विकास बजेट यथा समयमा खर्च हुन नसक्नु, कोरोना नियन्त्रणमा अत्याधिक खर्च हुन गै आर्थिक गतिविधि सुस्त हुनसक्ने समेत देखिन्छ । त्यतिमात्र होइन यी यावत कारणले बैंकले समेत आफ्नो लक्ष्य हासिल गर्न असमर्थ हुन सक्ने सम्भावना देखिदाँ देखिदै पनि यहाँहरु जस्तो सहयोगी शेयरधनीहरुको सदभाव, सहयोग आदिको माध्यमबाट बैंकले लक्ष हासिल गर्नेमा आशावादी हुन सकिन्छ ।

सामाजिक उत्तरदायित्व अन्तरगत हामीले नेपाल राष्ट्र बैंकको निर्देशिका वमोजीम विभिन्न क्षेत्रमा प्रत्यक्ष तथा परोक्ष रुपमा सहयोग गरि आएका छौ । विगतमा हामीले स्कूल तथा कलेजमा विधार्थीहरुलाई वित्तिय साक्षरता प्रदान गरि आएकोमा हाल कोभिडको कारणले सो कार्यलाई निरन्तरता दिन असमर्थ रहेको र अवस्था सहज हुनासाथ उक्त कार्यलाई निरन्तरता दिनेनैछौ । आगामि दिनमा ग्रामीण क्षेत्रका बासिन्दालाई समेत वित्तिय साक्षर वनाउन वित्तिय साक्षरताको कार्यक्रम अगाडि वढाइनेछ । साथै शैक्षिक क्षेत्रको विकास विना देशको उन्नती र प्रगति सम्भव छैन भन्ने विषयलाई मूल मर्म ठानेर गरिव तथा जेहेन्दार विधार्थीहरुलाई उनीहरुको शैक्षिक अध्ययनलाई निरन्तरता दिन सहज होस भन्ने अभिप्रायले छात्रवृती वितरणको कार्यलाई निरन्तरता दिइने साथै ग्रामिण क्षेत्रमा स्वस्थ शिविर लगायतका कार्यलाई समेत निरन्तरता दिने विषय सगर्व जानकारी गराउन चाहन्छु ।

पूँजी वृद्धि :

आदरणिय शेयरधनी महानुभावहरु,

बैंकको चुक्ता पूँजी वृद्धि गर्ने क्रममा गत बर्ष १५ प्रतिशत बोनश शेयर जारी गरेको विषय यहाँहरुमा अवगत नै छ । उक्त बोनश शेयर जारी भएपछि कायम भएको पूँजी करिव रु ७९ करोड ७४ लाखमा मा आ.व. २०७७/०७८ को नाफावाट शेयरधनीलाई १३३० प्रतिशतका दरले हुने बोनश शेयर रकम करिव रु १० करोड ६१ लाख प्रदान गर्ने प्रस्ताव गरेका छौ । यसरी हुँदै जाने पूँजी वृद्धिवाट बैंकको विश्वासनियता अझ वृद्धिभई नाफामा समेत टेवा पुग्ने विश्वास लिएका छौ । साथै नेपाल राष्ट्र बैंकवाट जारी निर्देशानुसार हामी जस्ता विकास बैंकहरुले रु १ अर्ब २० करोड पूँजी पुऱ्याई प्रादेशिक क्षेत्र भित्र कार्य गर्ने प्रादेशिक बैंक हुने तर्फ आगामी दिनमा अझ सहज हुने अपेक्षा राखेको छौ ।

शाखा कार्यालय बिस्तार :

आदरणिय शेयरधनी महानुभावहरु,

यस बैंकको पहिलो शाखा कार्यालय सुनसरी जिल्लाको ईटहरी उपमहानगरपालिका २० को तरहरा बजारमा, दोस्रो शाखा सुनसरी जिल्लाको रामधुनि नगरपालिका-१ को भुम्का बजारमा, तेश्रो शाखा मोरङ जिल्लाको उर्लावारी नगरपालिका ७ को ईटहरा रोडमा, चौथो शाखा मोरङ जिल्लाको सुन्दर हरैचा नगरपालिका १२ को विराटचौक बजारमा, पाँचौ शाखा सुनसरी जिल्लाको ईटहरी उपमहानगरपालिका १२ को खनारमा, छैठौ शाखा मोरङ जिल्लाको रतुवामाई नगरपालिका ८ को दाम्राभिडामा, सातौ शाखा भापा जिल्लाको कन्काई नगरपालिका ३ को सुरुङ्गामा , आठौ शाखा मोरङ जिल्लाको कानेपोखरी गाँउपालिका ६ को रमाइलोमा, नवौ शाखा सुनसरी जिल्लाको वराह नगरपालिका २ को चतारामा,

दशौ शाखा भूपा जिल्लाको अर्जुनधारा नगरपालिका ८ को शनिश्चरे भूपामा, एघारौ शाखा मोरङ जिल्लाको को विराटनगर महानगरपालिका ९ को विराटनगरमा, बाह्रौ शाखा सुनसरी जिल्लाको धरान उपमहानगरपालिका ६ को पानवारीमा, तेह्रौ शाखा मोरङ जिल्लाको सुनबर्षी नगरपालिका २ को अमरदहमा, चौधौ शाखा सुनसरी जिल्लाको बराह नगरपालिका ५ को कालाबन्जार बजारमा, पन्ध्रौ शाखा मोरङ जिल्लाको सुन्दर हरैचा नगरपालिका ७ को गोठगाँउमा, सोह्रौ शाखा सुनसरी जिल्लाको बराह नगरपालिका १० को प्रकाशपुरमा र सत्रौ शाखा मोरङ जिल्लाको सुन्दर हरैचा नगरपालिका-४ को दुलारीमा स्थापना भइसकेको जानकारी गराउन चाहन्छौ । हाल संचालनमा रहेका सम्पूर्ण शाखाहरूको कारोवार संतोषजनक रहेको जानकारी गराउदछु । साथै आगामि दिनमा समेत हाम्रो कार्यक्षेत्र थप भएका जिल्लाहरू धनकुटा र उदयपुरका अलवा हाल कायम क्षेत्रभित्र समेत उपयुक्तताका आधारमा शाखा विस्तारको कार्यलाई सम्भाव्यता अध्ययन गरि निरन्तरता दिइने छ । यस्ता कदमबाट देशका बैकिङ्ग पहुच नपुगेका व्यक्तिहरूलाई समेत बैकिङ्ग दायरामा ल्याउन मद्दत पुग्ने तथा हाम्रो बैकको कारोवार समेत वृद्धि हुने हामीले विश्वास लिएका छौ ।

लेखा परिक्षकको नियुक्ति :

आदरणीय शेयरधनी महानुभावहरू,

गत वर्ष नियुक्त बाह्य लेखापरिक्षक विआरएस नेउपाने एण्ड कं. का चार्टर एकाउन्टेण्ट अनुप कुमार श्रेष्ठले बाह्य लेखापरिक्षण गर्नुभएको व्यहोरा यहाँहरूलाई अवगत नै छ । साथै आगामि आ.व.को लागि लेखा परिक्षण गर्न उक्त फर्म योग्य रहेको हुदाँ पुन सोही लेखापरिक्षक विआरएस नेउपाने एण्ड कं. का चार्टर एकाउन्टेण्ट अनुप कुमार श्रेष्ठलाई बाह्य लेखापरिक्षण, ट्याक्स अडिट, लङ्गफम अडिट रिपोर्ट, धितोपत्र बोर्डको विवरण तयार गर्ने गरि आ.व. २०७८/०७९ को बाह्य लेखापरिक्षक नियुक्त गर्ने प्रस्ताव यहाँहरू समक्ष राखेका छौ ।

अन्त्यमा,

म संचालक समितिको तथा अध्यक्षको तर्फबाट हाम्रा सम्पूर्ण शेयरधनी महानुभावहरूमा सदभाव, सहयोग र धैर्यताका लागि हार्दिक कृतज्ञता तथा आभार प्रकट गर्दछु । साथै अगामी वर्षहरूमा पनि हाम्रा लगानीकर्ताहरूलाई यथोचित प्रतिफल प्राप्त गर्न सक्ने गरी बैक संचालन गरिने कुराको प्रतिबद्धता व्यक्त गर्न चाहन्छु ।

यस अवसरमा हामीलाई बराबर मार्ग दर्शन प्रदान गर्ने नेपाल राष्ट्र बैक, कम्पनी रजिष्ट्रार कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरिङ लिमिटेड प्रति धन्यवाद व्यक्त गर्न चाहन्छु । यसै गरी हामीलाई सहयोग पुर्याउने समस्त ग्राहक वर्ग, बैक, विमा कम्पनी, रेमीटेन्स कम्पनी, शेयर रजिष्ट्रार, उद्योगी, व्यापारी, व्यवसायी, विभिन्न संघ संस्था तथा शुभ चिन्तकहरूलाई हार्दिक धन्यवाद दिन चाहन्छु ।

यस बैकको उत्तरोत्तर प्रगति दिलाउन कटिबद्ध यस बैकका संचालक समिति, लगनशिल तथा इमान्दार प्रमुख कार्यकारी अधिकृत तथा कर्मचारी, आन्तरिक तथा बाह्य लेखा परिक्षकहरूलाई कदर गर्दै धन्यवाद दिन चाहन्छु ।

साथै भर्खरै प्रस्तुत, आर्थिक वर्ष २०७७/०७८ को लेखापरिक्षकको प्रतिवेदन सहितको वासलात, नाफा-नोक्सान हिसाव र नगद प्रवाह विवरण सहितको वार्षिक प्रतिवेदन यहाँहरू समक्ष स्विकृतीको लागि प्रस्तुत गर्ने अनुमति चाहन्छु ।

धन्यवाद,

मिति: २०७८/०९/२८

संचालक समितिको तर्फबाट
किसन मास्के
संचालक समिति अध्यक्ष

प्रचलित कम्पनी कानून बमोजिम थप जानकारी

(क) विगत वर्षको कारोवारको सिंहवलोकन :

यस सम्बन्धमा संचालक समितिको प्रतिवेदनमा विस्तृत उल्लेख गरिएको छ ।

(ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोवारलाई कुनै असर परेको भए सो असर :

सारभूत रूपमा प्रत्यक्ष असर नभएको ।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धी र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :

यस सम्बन्धमा संचालक समितिको प्रतिवेदनमा विस्तृत उल्लेख गरिएको छ ।

(घ) कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध:

यस बैंकको नियमनकारी निकाय नेपाल राष्ट्र बैंक, नेपाल सरकार कम्पनी रजिष्ट्रार कार्यालय, नेपाल धितोपत्र बोर्ड तथा नेपाल सरकारका स्थानिय निकाय लगायत अन्य सम्बन्धित सम्पूर्ण संघ संस्थाहरूसँग व्यवसायिक तथा सौहार्दपूर्ण सम्बन्ध कायम रहिआएको छ र अगामी दिनमा पनि आपसी समझदारी एवं पारदर्शीताका साथ व्यवसायिक सम्बन्ध कायम गर्दै लैजाने नीति बैंकले लिएको छ । यसको अतिरिक्त बैंक भित्र संचालक, व्यवस्थापन तथा कर्मचारीको सम्बन्ध सुमधुर रहेको जानकारी गराउदछु ।

(ङ) संचालक समितिमा भएको हेरफेर र सो को कारण :

यस आर्थिक वर्षमा संचालक समितिमा कुनै हेरफेर नभएको व्यहोरा जानकारी गराउदछु ।

(च) कारोवारलाई असर पार्ने मुख्य कुराहरु :

यस सम्बन्धमा संचालक समितिको प्रतिवेदनमा विस्तृत उल्लेख गरिएको छ ।

(छ) लेखापरिक्षण प्रतिवेदनमा उल्लेखित कैफियत उपर संचालक समितिको प्रतिक्रिया :

बैंकको नियमित कारोवारसंग सम्बन्धित सामान्य कैफियतहरु बाहेक प्रतिवेदनमा अन्य कैफियतहरु रहेका छैनन् । उक्त कैफियतहरुमा लेखा परिक्षकले दिएको सुझावहरुप्रति संचालक समिति सदा सजग रहेको छ ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :

संचालक समितिले प्रस्ताव गरे बमोजिम चुक्ता पूँजीको १३.३० प्रतिशतका दरले हुने बोनस शेयर रकम रु १०,६०,५१,१३२।६९ (अक्षरेपी रु दश करोड साठी लाख एकाउन्न हजार एक सय वत्तिस र पैसा उन्नसत्तरी) मात्र प्रदान गर्ने र सो मा लाग्ने कर प्रयोजनको लागि नगद लाभांश रकम रु ५५,८१,६३८।५६ (पचपन्न लाख एकासी हजार छ सय अडतिस र पैसा छपन्न) मात्र नगद लाभांश नेपाल राष्ट्र बैंक वाट समेत स्विकृत भईसकेको हुदाँ सोहि बमोजिमको लाभांश रकम बाँडफाँडको लागि यहाँहरु समक्ष सिफारिश गरिएको व्यहोरा अनुरोध गर्दछु ।

(झ) जफत गरिएको शेयर संख्या :

छैन ।

(ञ) बैंक र यसको सहायक कम्पनीले गरेको प्रगति विवरण :

बैंकको कुनै सहायक कम्पनी रहेको छैन । बैंकको हाल सम्मको प्रगति सम्बन्धमा माथि उल्लेख गरिएको ।

(ट) बैंक र यसको सहायक कम्पनीले गरेको कारोवार :

बैंकको कुनै सहायक कम्पनी रहेको छैन । बैंकको कारोवारको वारेमा वित्तिय विवरणमा नै उल्लेख गरिएको ।

(ठ) बैंकको आधारभूत शेयरधनीले गराएको जानकारी :

कुनै पनि जानकारी उपलब्ध गराइएको छैन ।

(ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्व विवरण र कम्पनीको शेयर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :

यस विकास बैंकका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्व निम्न बमोजिम रहेको छ । विकास बैंकको शेयर कारोवारमा समीक्ष अवधिमा निजहरूको संलग्नताको विषयमा कुनै पनि जानकारी प्राप्त नभएको ।

क्र.सं.	संचालक तथा पदाधिकारीको नाम	शेयर सख्या	
		संस्थापक	सर्वसाधारण
१	श्री किसन मास्के	५१४७६	१९१७३
२	श्री सुनिल श्रेष्ठ	३२८१६२	१२२२४०
३	श्री गम्भिरमान तण्डुकार	१०२९४८	३१९१२
४	श्री शम्भु प्रसाद श्रेष्ठ		६३५७
५	श्री ललित कुमार अग्रवाल		९४०
६	श्री सरोज श्रेष्ठ		२०९
७	श्री तुलसी प्रसाद वस्ती		१९४२७

(ढ) बैंकसंग सम्बन्धित संभौताहरूमा कुनै संचालक तथा निजका आफन्तको व्यक्तिगत स्वार्थ सम्बन्धित जानकारी :

त्यस्तो कुनै जानकारी बैंकलाई प्राप्त भएको छैन ।

(ण) आफ्नो शेयर आफैले खरिद गरेको भए सो को विवरण :

छैन ।

(त) आन्तरिक नियन्त्रण प्रणाली :

बैंकमा प्रभावकारी आन्तरिक नियन्त्रण प्रणालीको लागि विभिन्न नीति नियमहरू तर्जुमा गरि लागू गरिएको छ । जस अर्न्तगत कर्मचारीले गर्ने कार्यका लागि माथिल्लो अधिकारीले स्विकृत गर्ने व्यवस्था गरि Check & Balance प्रणाली अपनाइएको छ । सो को अनुगमनका लागि आन्तरिक लेखापरिक्षक तथा लेखापरिक्षण समितिबाट हुने व्यवस्था गरिएको छ । साथै अन्य कार्यहरूमा समेत नियन्त्रण प्रणाली लाई प्रभावकारी बनाउने व्यवस्था मिलाइने छ ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

कूल कर्मचारी खर्च (कर्मचारी वोनस सहित) :	रु. ८,११,२२,१८९,१४२
कूल कार्यालय संचालन खर्च :	रु. ४,०३,४७,००९,१७५
जम्मा खर्च :	रु. १२,१४,६९,१९९,११७

(द) लेखापरिक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहिको विवरण र सो समितिले कुनै सुझाव दिएको भए सो को विवरण :

लेखा परिक्षण समितिका सदस्यहरूको नामावली निम्न बमोजिम रहेको छ ।

श्री शम्भु प्रसाद श्रेष्ठ - संयोजक

श्री ललित कुमार अग्रवाल - सदस्य
 श्री संजोग श्रेष्ठ - सदस्य सचिव

लेखा परिक्षण समितिले आन्तरिक तथा बाह्य लेखापरिक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु उपर छलफल गरि सुधारका लागि व्यवस्थापनलाई आवश्यक निर्देशन दिने गरेकोछ । समितिका संयोजक र सदस्यलाई बैठक भत्ता वापत प्रति बैठक रु ३,००० मात्र उपलब्ध गराउने व्यवस्था गरिएको छ । सदस्य सचिव बैंककै कर्मचारी भएकोले कुनै भत्ता उपलब्ध गराईएको छैन । यस आ.व. मा बैठक भत्ता वापत जम्मा रकम रु २४,००० मात्र उपलब्ध गराईएको छ ।

(ध) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, बैंकका आधारभुत शेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले बैंकलाई कुनै रकम बुझाउन बाँकी भए सो कुरा: रकम बुझाउन बाँकी छैन ।

(न) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुखलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको विवरण : यस बैंकका संचालकहरु लाई बैंकको नियमावलीमा व्यवस्था भए अनुरूप बैठक भत्ता, दैनिक भत्ता र भ्रमण भत्ता , टेलीफोन पत्रपत्रिका खर्च वाहेक अन्य सुविधा प्रदान गरिएको छैन ।

संचालक समिति बैठक भत्ता : रु ४,५६,०००।००
 अन्य खर्च (पत्र पत्रिका, टेलीफोन, दैनिक भ्रमण भत्ता) : रु.३,५४,५८०।००

बैंकको प्रमुख कार्यकारी अधिकृत तथा व्यवस्थापकिय कर्मचारीलाई यस आर्थिक वर्षमा मासिक पारिश्रमिक तथा अन्य सुविधा देहाय वमोजिम प्रदान गरिएको छ ।

विवरण	प्रमुख कार्यकारी अधिकृत	व्यवस्थापकिय कर्मचारी
	रकम रु.	रकम रु.
तलव	३०,००,०००।००	१५,३६,०००।००
भत्ता	२०,९५,८२०।६९	१५,११,३२४।१४

उपरोक्त तलव वाहेक करारमा भएको व्यवस्था तथा कर्मचारी सेवा नियमावली वमोजिम प्रमुख कार्यकारी अधिकृतलाई क) वोनस

ख) विदा सुविधा

ग) चालक, इन्धन, मर्मतसम्भार सहितको सवारी साधन सुविधा

घ) टेलिफोन, इन्टरनेट, विजुलीवत्ति, पानीको सुविधा सहितको आवास सुविधा

ङ) मोवाइल सुविधा

च) बैंकको नियमानुसार दुर्घटना तथा औषोधी उपचार खर्च बैंकले उपलब्ध गराएको छ ।

त्यसै गरि अन्य व्यवस्थापकिय पदमा कार्यरत कर्मचारीहरुलाई चालक र आवास सुविधा वाहेकका अन्य सम्पूर्ण सुविधा बैंकले उपलब्ध गराएको छ ।

(प) शेयरवालाहरुले बुझिलिन बाँकी रहेको लाभांशको रकम :
 छैन ।

(फ) दफा १४१ बमोजिम सम्पति खरिद वा विक्रि गरेको :
 छैन ।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीवीच भएको कारोवार विवरण :
छैन ।

(भ) कम्पनी ऐन २०६३ र प्रचलित कानून बमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा :
यस वार्षिक प्रतिवेदनमा सान्दर्भिक ठाँउमा खुलाइएको ।

(म) अन्य आवश्यक कुराहरु :

नेपाल राष्ट्र बैंक बाट साधारण सभा सम्बन्धि वार्षिक वित्तीय विवरण प्रकाशन गर्न स्वीकृति प्रदान गर्दा उल्लेखित
कैफियतहरु र सो मा संचालक समितिको प्रतिक्रिया छुट्टै पानामा संलग्न छ ।

B.R.S. Neupane & Co.
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Web : www.brs.com.np

**B.R.S. Neupane
& Co.**

Independent Auditor's Report

To the shareholders on the Financial Statements of Miteri Development Bank Limited (MDBL) for the year ended 31st Ashad 2078.

Opinion

We have audited the financial statements of Miteri Development Bank Limited, which comprise the Statement of Financial Position as at 31st Ashad 2078 (15th July 2021) and the Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended and summary of significant accounting policies (hereinafter referred to as "Financial Statements") on the basis of Nepal Standards on Auditing (NSA).

In our opinion and to the best of our information and according to explanations provided to us, the aforesaid Financial Statements give a true and fair view in conformity with the Nepal Accounting Standards, of the Statement of Financial Position of the Company as at 31st Ashad 2078, of its financial performance and the cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 6.3 the accompanying financial statements, which describes the uncertainties due to the outbreak of Coronavirus (COVID-19). The impact of these uncertainties on the Bank's results is significantly dependent on future developments.

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	<p>Investment Securities Valuation Ref. note 4.8 and accounting policies to the financial statements</p>	
	<p>The bank has total investment securities of NRs. 824,929,630 as at 31st Ashad 2078 classified in different categories as “Investment Securities measured at Amortized cost” and “Investment in Equity measured at FVTOCI” which in aggregate represents 12.30% of total asset of the bank. Also, the bank has provided the loans and advances to Portfolio management service amounting to NRs. 200,000,000 and it has been disclosed under other assets.</p> <p>Classification of investment in different categories as “Investment Securities measured at Amortized cost” and “Investment in equity measures at FVTOCI” warrant management judgement and its impact on valuation of investment securities and impairment allowances.</p> <p>Due to percentage of volume over total assets of the bank and requirement of management judgment for measurement of impairment allowances it is considered at key audit matter.</p>	<p>We applied following procedures in respect of investment securities;</p> <ul style="list-style-type: none"> ➤ Review of accounting policies adopted by the bank based on Nepal Financial Reporting Standards (NFRS) and the Directive issued by Nepal Rasta Bank (NRB) and compliance of the same. ➤ Evaluation of management’s assessment to categorized investment into different categories as “Investment Securities measured at Amortized cost” and “Investment in Equity measured at FVTOCI”. ➤ Verification of valuation of investment on sampling basis in reference to its cost and quoted market price as the case maybe. ➤ Verification of impairment allowances provided by for different investment in commensurate with Nepal Financial Reporting Standards (NFRS). ➤ Review of agreement for loan provided to Portfolio management Service organization.
2	<p>Loan Loss Provision Refer note 4.6, note 4.7, schedule 2.1 and accounting policies to financial statement</p>	
	<p>The bank’s advances to the customers represents 73.82% of total assets of the bank at the end of period under review and are stated at NRs. 4,897,294,970.29 which in net of loan loss provision NRs. 85,728,452.31. The provision against loans and advances was identified as key audit matter as it involves a considerable degree of management judgement and compliance</p>	<p>We applied following procedures in respect of loan loss provision verification;</p> <ul style="list-style-type: none"> ➤ Review of borrower files, which includes evaluation of borrower’s repayment behaviour, assessment of financial strength based on the available financial statements, adequacy of security/collateral, and



	with Directive issued by Nepal Rastra Bank (NRB).	obtainment of required legal documents, CIC reports, and compliance with prudential regulation. <ul style="list-style-type: none"> ➤ Business site visit of the borrower on sample 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.
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Responsibilities of Management and Those Charged with Governance for the Financial Statement

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

In preparing the financial statement, management is responsible for assessing organization'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 organization or to cease operations, or has no realistic alternative but to do so.

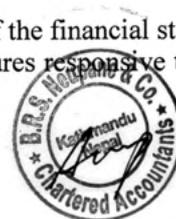
Management are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

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

As part of an audit in accordance with NSAs, we exercise professional judgement 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 company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' 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 company'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 and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the requirements of Company Act, 2063

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

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of audit.
2. The accounts and records of the company have been maintained as required by law
3. Financial statements are in agreement with the books of account maintained by the company.
4. The capital fund, risk bearing fund and the provision for possible impairment of assets of the company are adequate as per the Directives issued by Nepal Rastra Bank (NRB)
5. In our opinion and to the best of our information and according to the explanation given to us, the board of directors, the representative or any employees of the company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the company deliberately or acted in a manner that would jeopardize the interest and security of the company.
6. The operations of the company are within its jurisdiction.
7. The company has not acted in a manner to jeopardize the interest and security of the depositors and investors.



8. The company has a centralized core accounting system and details received from branched of the company though the statements are independently not audited, were adequate for our audit, and
9. We have not come across any fraudulences in the accounts, so far as it appeared from our examination of the books of account.


CA Anup K. Shrestha
Managing Partner



UDIN: 211209CA00028As7tH

Place: Kathmandu, Nepal
Date: December 08, 2021

Miteri Development Bank Limited
Statement of Financial Position
As on 31 Ashad 2078 (July 15, 2021)

Bank			
Particulars	Note	Ashad end 2078	Ashad end 2077
Assets			
Cash and Cash Equivalents	4.1	532,899,682	2,020,805,571
Due from Nepal Rastra Bank	4.2	134,468,145	155,449,164
Placement with Bank and Financial Institutions	4.3	-	-
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to BFIs	4.6	459,877,469	17,898,521
Loans and Advances to Customers	4.7	4,489,614,300	4,020,555,991
Investment Securities	4.8	824,929,630	301,544,820
Current Tax Assets	4.9	4,110,628	4,206,442
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment Property	4.12	-	-
Property and Equipment	4.13	36,915,060	36,895,914
Goodwill and Intangible Assets	4.14	431,458	765,272
Deferred Tax Assets	4.15	6,897,875	8,516,157
Other Assets	4.16	214,975,464	13,568,668
Total Assets		6,705,119,712	6,580,206,520

Bank			
Particulars	Note	Ashad end 2078	Ashad end 2077
Liabilities			
Due to Bank and Financial Institutions	4.17	45,188,634	78,012,631
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	5,446,860,488	5,351,659,408
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred Tax Liabilities	4.15	-	-
Other Liabilities	4.23	51,835,535	135,550,631
Debt Securities Issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total Liabilities		5,543,884,658	5,565,222,669
Equity			
Share Capital	4.26	797,376,938	693,371,250
Share Premium		-	-
Retained Earnings		148,108,240	140,121,180
Reserves	4.27	215,749,876	181,491,422
Total Equity Attributable to Equity Holders		1,161,235,054	1,014,983,851
Non-Controlling Interest			
Total Equity		1,161,235,054	1,014,983,851
Total Liabilities and Equity		6,705,119,712	6,580,206,520
Contingent Liabilities and Commitments	4.28	91,886,608	56,334,364
Net Assets Value per share		145.63	146.38

Kishan Maskey
Chairman

Sunil Shrestha
Director

Gambhir Man Tandukar
Director

Saroj Shrestha
Director

Anup Kumar Shrestha
Partner
BRS Neupane & Co
Chartered Accountants
Auditor

Shambhu Prasad Shrestha
Director

Lalit Kumar Agrawal
Director

Tulasi Prasad Wosti
CEO

Milan Udas
DGM

Umesh Karki
Head of Accounts

Miteri Development Bank Limited
Statement of Profit or Loss
For the year ended 31 Ashad 2078 (July 15, 2021)

Particulars	Note	Bank	
		Ashad end 2078	Ashad end 2077
Interest Income	4.29	612,636,869	706,623,868
Interest Expense	4.30	343,586,311	444,577,972
Net Interest Income		269,050,558	262,045,896
Fee and Commission Income	4.31	35,690,486	48,181,675
Fee and Commission Expense	4.32	867,422	1,729,176
Net Fee and Commission Income		34,823,064	46,452,499
Net Interest, Fee and Commission Income		303,873,622	308,498,395
Net Trading Income	4.33	-	-
Other Operating Income	4.34	65,788,082	78,142,736
Total Operating Income		369,661,704	386,641,131
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	39,731,634	5,381,854
Net Operating Income		329,930,070	381,259,277
Operating Expense			
Personnel Expenses	4.36	81,122,189	84,220,953
Other Operating Expenses	4.37	30,810,374	32,329,384
Depreciation & Amortisation	4.38	9,536,635	9,215,038
Operating Profit		208,460,871	255,493,902
Non-Operating Income	4.39	-	-
Non-Operating Expense	4.40	-	-
Profit Before Income Tax		208,460,871	255,493,902
Income Tax Expense	4.41		
Current Tax		63,799,334	77,751,780
Deferred Tax		(986,298)	(1,399,325)
Profit for the Period		145,647,835	179,141,446

Profit Attributable to:			
Equity-holders of the Bank		145,647,835	179,141,446
Non-Controlling Interest			
Profit for the Period		145,647,835	179,141,446

Earnings per Share			
Basic Earnings per Share		18.27	25.84
Diluted Earnings per Share		18.27	25.84

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Director

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Director

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Chartered Accountants
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Shambhu Prasad Shrestha
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Director

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CEO

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DGM

Umesh Karki
Head of Accounts

Miteri Development Bank Limited
Statement of Other Comprehensive Income
For the year ended 31 Ashad 2078 (July 15, 2021)

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Profit for the year	145,647,835	179,141,446
Other Comprehensive Income, Net of Income Tax		
a) Items that will not be reclassified to profit or loss		
Gains/(losses) from investment in equity instruments measured at fair value	9,501,201	447,481
Gains/(losses) on revaluation	-	-
Actuarial gains/(losses) on defined benefit plans	(819,270)	(1,350,638)
Income tax relating to above items	(2,604,579)	270,947
Net other comprehensive income that will not be reclassified to profit or loss	6,077,352	(632,210)
b) Items that are or may be reclassified to profit or loss		
Gains/(losses) on cash flow hedge		
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items		
Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	-
Other Comprehensive Income for the year, Net of Income Tax	6,077,352	(632,210)
Total Comprehensive Income for the Period	151,725,186	178,509,236
Total Comprehensive Income attributable to:		
Equity-Holders of the Bank	151,725,186	178,509,236
Non-Controlling Interest		
Total Comprehensive Income for the Period	151,725,186	178,509,236

Kishan Maskey
Chairman

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Director

Lalit Kumar Agrawal
Director

Tulasi Prasad Wosti
CEO

Milan Udas
DGM

Umesh Karki
Head of Accounts

Miteri Development Bank Limited
Statement of Cash Flows
For the year ended 31 Ashad 2078 (July 15, 2021)

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	582,985,262	639,013,856
Fee and Other Income Received	35,690,486	48,181,675
Dividend Received		
Receipts from Other Operating Activities	1,360,927	859,204
Interest Paid	(343,586,311)	(444,577,972)
Commissions and Fees Paid	(867,422)	(1,729,176)
Cash Payment to Employees	(74,274,743)	(80,070,716)
Other Expenses Paid	(30,810,374)	(32,329,384)
Operating Cash Flows before Changes in Operating Assets and Liabilities	170,497,824	129,347,486
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	20,981,020	(13,368,433)
Placement with Banks and Financial Institutions	-	-
Other Trading Assets		
Loans and Advances to BFIs	(447,855,305)	1,920,686
Loans and Advances to Customers	(506,898,068)	11,157,868
Other Assets	(191,608,728)	18,849,953
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financial Institutions	(32,823,996)	(33,863,814)
Due to Nepal Rastra Bank	-	-
Deposit from Customers	95,201,081	634,344,182
Borrowings	-	-
Other Liabilities	(86,578,061)	43,591,155
Net Cash Flow from Operating Activities before Tax Paid	(979,084,234)	791,979,084
Income Tax Paid	(63,799,334)	(77,751,780)
Net Cash Flow from Operating Activities	(1,042,883,568)	714,227,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(523,384,810)	433,543,320
Receipts from Sale of Investment Securities	63,473,848	76,856,289
Purchase of Property and Equipment	(9,221,967)	(8,871,639)
Receipts from Sale of Property and Equipment	80,807	
Purchase of Intangible Assets	-	(152,550)
Purchase of Investment Properties		
Receipts from Sale of Investment Properties	-	-
Interest Received	22,553,933	41,149,801
Dividend Received	872,500	427,244
Net Cash Used in Investing Activities	(445,625,690)	542,952,464
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issue of Debt Securities		
Repayments of Debt Securities		
Receipts from Issue of Subordinated Liabilities		
Repayments of Subordinated Liabilities		
Receipt from Issue of Shares	104,005,688	108,371,250
Dividends Paid	(5,473,984)	(5,703,750)
Interest Paid		
Other Receipts/Payments	(97,928,336)	(109,003,460)
Net Cash from Financing Activities	603,368	(6,335,960)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,487,905,889)	1,250,843,808
Cash and Cash Equivalents at Beginning of the year	2,020,805,571	769,961,763
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held		
Cash and Cash Equivalents at End of the year	532,899,682	2,020,805,571

Kishan Maskey
Chairman

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Chartered Accountants
Auditor

Shambhu Prasad Shrestha
Director

Lalit Kumar Agrawal
Director

Tulasi Prasad Wosti
CEO

Milan Udas
DGM

Umesh Karki
Head of Accounts

Miteri Development Bank Limited
Statement of Changes in Equity
For the year ended 31 Ashad 2078 (July 15, 2021)

Particulars	Bank										Total Equity	
	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve*	Total		Non-Controlling Interest
Balance at Shrawan 01, 2076	585,000,000	-	132,947,693	-	10,419,554	(420,000)	-	114,865,639	(634,522)	842,178,365	-	842,178,365
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2076	585,000,000	-	132,947,693	-	10,419,554	(420,000)	-	114,865,639	(634,522)	842,178,365	-	842,178,365
Comprehensive Income for the year												
Profit for the year												
Other Comprehensive Income, Net of Tax												
Gains/(losses) from investment in equity instruments measured at fair value												
Gains/(losses) on revaluation												
Actuarial gains/(losses) on defined benefit plans												
Gains/(losses) on cash flow hedge												
Exchange gains/(losses)/arising from translating financial assets of foreign operation)												
Total Comprehensive Income for the year	-	-	-	-	-	313,237	-	179,141,446	(945,447)	178,509,236	-	178,509,236
Transfer to Reserves during the year			35,828,289		4,709,722			(42,329,626)	1,791,414	(0)		(0)
Transfer from Reserves during the year								2,518,520	(2,518,520)			
Transactions with Owners, directly recognized in Equity												
Share Issued												
Share Based Payments												
Dividend to Equity-Holders												
Bonus Shares Issued	108,371,250							(108,371,250)				
Cash Dividend Paid								(5,703,750)		(5,703,750)		(5,703,750)
Other												
Total Contributions by and Distributions	108,371,250	-	-	-	-	-	-	(114,075,000)	-	(5,703,750)	-	(5,703,750)
Balance at Asar 31, 2077	693,371,250	-	168,775,983	-	15,129,277	(106,763)	-	140,121,180	(2,307,074)	1,014,983,851	-	1,014,983,851

Balance at Shrawan 01, 2077	693,371,250	168,775,983	-	15,129,277	(106,763)	-	140,121,180	(2,307,074)	1,014,983,851	-	1,014,983,851
Comprehensive Income for the year											
Profit for the year							145,647,835		145,647,835		145,647,835
Other Comprehensive Income, Net of Tax											
Gains/(losses) from investment in equity instruments measured at fair value											
Gains/(losses) on revaluation						6,650,841			6,650,841		6,650,841
Actuarial gains/(losses) on defined benefit plans								(573,489)	(573,489)		(573,489)
Gains/(losses) on cash flow hedge											
Exchange gains/(losses)(arising from translating financial assets of foreign operation)											
Total Comprehensive Income for the year							145,647,835	(573,489)	151,725,186		151,725,186
Transfer to Reserves during the year						29,129,567	(30,586,045)	1,456,478			
Transfer from Reserves during the year								(372,744)			
Transactions with Owners, directly recognized in Equity											
Share Issued											
Share Based Payments											
Dividend to Equity-Holders											
Bonus Shares Issued	104,005,688						(104,005,688)				
Cash Dividend Paid							(5,473,984)		(5,473,984)		(5,473,984)
Other											
Total Contributions by and Distributions							7,987,060	510,245	146,251,203		146,251,203
Balance at Asar 31, 2078	797,376,938	-	-	13,097,079	6,544,077	-	148,108,240	(1,796,829)	1,161,235,054	-	1,161,235,054

*Other reserve (read explicitly in reference to above SOCE only) includes Actuarial reserve. Corporate social responsibility reserve and Staff training fund.

Kishan Maskey Chairman	Sunil Shrestha Director	Gambhir Man Tandukar Director	Saroj Shrestha Director	Anup Kumar Shrestha Partner
Shambhu Prasad Shrestha Director	Lalit Kumar Agrawal Director	Tulasi Prasad Wosti CEO		BRS Neupane & Co Chartered Accountants Auditor
Milan Udas DGM	Umesh Karki Head of Accounts			

MITERI DEVELOPMENT BANK LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE
FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

1. REPORTING ENTITY

Miteri Development Bank Limited is registered at "Company Register Office" under Companies Act, 2063 and is licensed by Nepal Rastra Bank under Banking and Financial Institution Act, 2073 as 'B' class Bikas Bank. The Bank started its operation since 2063/06/27 and currently providing the financial services in eastern region of Nepal i.e., in Morang, Sunsari and Jhapa Districts. Bank is licensed by NRB for working in 5 Districts namely Morang, Sunsari, Jhapa, Udhaypur and Dhankuta.

The Bank is promoted by a group of experienced and highly motivated individuals from all groups. The promoters include Professional Bankers, Doctors, Entrepreneurs, Educationalists and Technocrats. Besides, a greater number of promoters includes from Dharan municipality.

The Bank is listed on Nepal Stock Exchange and its stock symbol is "MDB".

2. BASIS OF PREPARATION

The financial statements of the Bank have been prepared on accrual basis of accounting except the Cash Flow information, which is prepared on a cash basis, using the direct method. The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts of the Bank. The accounting policies are consistently applied to all the years presented, except for the changes in accounting policies disclosed specifically.

2.1. Statement of Compliance

The financial statements have been prepared and approved by the Board of Directors in accordance with Nepal Financial Reporting Standards (NFRS) and as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives.

2.2. Reporting Period

The Bank follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

	Nepali Calendar	English Calendar
Current Year	2077/78	2020/21
Previous Year	2076/77	2019/20
Current Year Period	Shrawan 01, 2077 to Ashad 31, 2078	July 16, 2020 to July 15, 2021
Previous Year Period	Shrawan 01, 2076 to Ashad 31, 2077	July 17, 2019 to July 15, 2020

2.3. Functional and Presentation Currency

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

2.4. Use of Estimates, Assumptions and Judgment

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

2.5. Changes in Accounting Policies

The Bank has consistently applied the accounting policies to all periods presented in these financial statements except for new or revised statements and interpretations implemented during the year. The nature and effect of new standards and interpretations are discussed in note that follows.

2.6. New Reporting standards issued but not effective

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

2.7. Discounting

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

2.8. Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Nepal Accounting Standard – NAS 1 on ‘Presentation of Financial Statements’. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Bank. Understandability of the Financial Statements is

not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.9. Prior Period Errors

Prior Period Errors are omissions or misstatements in an entity's financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes such changes may not be practicable. In such cases, it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Basis of Measurement

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

- Available for sale investments (quoted) are measured at fair value.
- Liabilities for defined benefit obligations are recognised at the present value of the defined benefit obligation less the fair value of the plan assets.
- Financial assets and financial liabilities held at Amortised cost at measured using a rate that is a close approximation of effective interest rate.

3.2 Basis of consolidation

a. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 03 (Business Combinations). The Bank measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquire, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date, where the excess is negative, a bargain purchase gain is immediately recognised in the profit or loss.

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

b. Non-Controlling Interest (NCI)

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

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

c. Subsidiaries

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

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

However, Bank does not have any subsidiary.

d. Loss of Control

When the Bank loses control over a Subsidiary, it derecognises the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Bank recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant NFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with relevant NFRS or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Bank recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

However, Bank does not have any subsidiary.

e. Special Purpose Entity (SPE)

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

The Bank does not have any special purpose entity.

f. Transaction elimination on consolidation

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

The Bank does not have any subsidiary.

3.3. Cash and cash equivalents

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

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

3.4. Financial assets and Financial Liabilities

Initial Recognition

a. Date of Recognition

All financial assets and liabilities are initially recognised on the trade date, i.e. the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes 'regular way trades'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the marketplace.

b. Recognition and Initial Measurement of Financial Instruments

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments except in the case of such financial assets and liabilities at fair value through profit or loss, as per the Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement). Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with the Statement of Profit or Loss.

Classification and Subsequent Measurement of Financial Instruments

Classification and Subsequent Measurement of Financial Assets

At the inception, a financial asset is classified into one of the following:

- (a) Financial assets at fair value through profit or loss
 - i. Financial assets held for trading
 - ii. Financial assets designated at fair value through profit or loss
- (b) Held to Maturity Financial Assets
- (c) Loans and Receivables
- (d) Financial assets available for sale

The subsequent measurement of financial assets depends on their classification.

a. *Financial Assets at Fair Value through Profit or Loss*

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

(i) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered by Bank that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standards (NAS) 39 “Financial Instruments: Recognition and Measurement”.

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognised in ‘Net Trading Income’. Dividend income is recorded in ‘Net Trading Income’ when the right to receive the payment has been established

Bank evaluates its held for trading asset portfolio, other than derivatives, to determine whether the intention to sell them in the near future is still appropriate. When Bank is unable to trade these financial assets due to inactive markets and management’s intention to sell them in the foreseeable future significantly changes, the Bank may elect to reclassify these financial assets. Financial assets held for trading include instruments such as government securities and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term.

(ii) Financial Assets Designated at Fair Value through Profit or Loss

Bank designates financial assets at fair value through profit or loss in the following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- The assets are part of a group of financial assets, financial liabilities or both, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The assets contain one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

Financial assets designated at fair value through profit or loss is recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in ‘Net gain or loss on financial instruments designated at fair value through profit or losses’ in the Statement of Profit or Loss. Interest earned is accrued under ‘Interest Income’, using the effective interest rate method, while dividend income is recorded under ‘Other Operating Income’ when the right to receive the payment has been established.

The Bank has not designated any financial assets upon initial recognition as designated at fair value through profit or loss.

b. Held to Maturity Financial Assets

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Bank has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at Amortised cost using the effective interest rate, less impairment. The amortisation is included

in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognised in the Statement of Profit or Loss.

c. *Loans and Receivables from Customers*

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as fair value through profit or loss.
- Those that the Bank, upon initial recognition, designates as available for sale
- Those for which the Bank may not recover substantially all of its initial investment through contractual cash flows, other than because of credit deterioration.

After initial measurement, loans and receivables are subsequently measured at Amortised cost using the effective interest rate, less allowance for impairment. Within this category, loans and advances to the customers have been recognised at amortised cost using the method that very closely approximates effective interest rate method. The amortisation is included in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment are recognised in 'Impairment Charge / Reversal for Loans and Other Losses' in the Statement of Profit or Loss.

d. *Financial Assets Available for Sale*

Available for sale financial assets include equity and debt securities. Equity Investments classified as 'Available for Sale' are those which are neither classified as 'Held for Trading' nor 'Designated at Fair Value Through Profit or Loss'. Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available for sale financial investments are subsequently measured at fair value. Unrealised gains and losses are recognised directly in equity through 'Other comprehensive income / expense' in the 'Available for Sale Reserve'. When the investment is disposed of the cumulative gain or loss previously recognised in equity is recognised in the Statement of Profit or Loss under 'Other Operating Income'. Where Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis. Interest earned whilst holding 'Available for Sale Financial Investments' is reported as 'Interest Income' using the effective interest rate. Dividend earned whilst holding 'Available for Sale Financial Investments' are recognised in the Statement of Profit or Loss as 'Other Operating Income' when the right to receive the payment has been established. The losses arising from impairment of such investments are recognised in the Statement of Profit or Loss under 'Impairment Charge for Loans and Other Losses' and removed from the 'Available for Sale Reserve'.

Financial assets under AFS that are monetary securities denominated in a foreign currency – translation differences related to changes in the Amortised cost of the security are recognised in income statement and other changes in the carrying amount are recognised in other comprehensive income.

In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain

circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield, option volatilities and currency rates. When such evidence exists, the Bank recognises a trading gain or loss on inception of the financial instrument, being the difference between the transaction price and fair value.

When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value from the transaction price as indicated by the valuation model is not recognised immediately in the income statement. Instead, it is recognised over the life of the transaction on an appropriate basis, when the inputs become observable, the transaction matures or is closed out, or when the Bank enters into an offsetting transaction.

Classification and Subsequent Measurement of Financial Liabilities

At the inception, Bank determines the classification of its financial liabilities. Accordingly, financial liabilities are classified as:

- (a) Financial liabilities at fair value through profit or loss
 - i. Financial liabilities held for trading
 - ii. Financial liabilities designated at fair value through profit or loss
- (b) Financial liabilities at amortised cost

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

(i) Financial Liabilities Held for Trading

Financial liabilities are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category includes derivative financial instrument entered into by Bank that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement).

(ii) Financial Liabilities Designated at Fair Value through Profit or Loss

Bank designates financial liabilities at fair value through profit or loss at following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the liabilities.
- The liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
- The liability contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

(b) Financial Liabilities at Amortised Cost

Financial instruments issued by Bank that are not classified as fair value through profit or loss are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in Bank having an obligation either to deliver cash or another financial asset to another Bank, or to exchange financial assets or financial liabilities with another Bank under conditions that are potentially unfavorable to the Bank or settling the obligation by delivering variable number of Bank's own equity instruments.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Within this category, deposits and debt instruments with fixed maturity period have been recognised at amortised cost using the method that very closely approximates effective interest rate method. The amortisation is included in 'Interest Expenses' in the Statement of Profit or Loss. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised.

Reclassification of Financial Instruments

(a) *Reclassification of Financial Instruments 'At fair value through profit or loss'*

Bank does not reclassify derivative financial instruments out of the fair value through profit or loss category when it is held or issued.

Non-derivative financial instruments designated at fair value through profit or loss upon initial recognition is not reclassified subsequently out of fair value through profit or loss category.

Bank may, in rare circumstances reclassify financial instruments out of fair value through profit or loss category if such instruments are no longer held for the purpose of selling or repurchasing in the near term notwithstanding that such financial instruments may have been acquired principally for the purpose of selling or repurchasing in the near term. Financial assets classified as fair value through profit or loss at the initial recognition which would have also met the definition of 'Loans and Receivables' as at that date is reclassified out of the fair value through profit or loss category only if Bank has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortised cost of the financial instrument after reclassification. Any gain or loss already recognised in respect of the reclassified financial instrument until the date of reclassification is not reversed to the Statement of Profit or Loss.

If a financial asset is reclassified, and if Bank subsequently increases its estimates of the future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

(b) *Reclassification of ‘Available for Sale’ Financial Instruments*

Bank may reclassify financial assets out of available for sale category as a result of change in intention or ability or in rare circumstances that a reliable measure of fair value is no longer available.

A financial asset classified as available for sale that would have met the definition of loans and receivables at the initial recognition may be reclassified out of available for sale category to the loans and receivables category if Bank has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortised cost of the financial instrument after reclassification. Difference between the new amortised cost and the maturity value is amortised over the remaining life of the asset using the effective interest rate. Any gain or loss already recognised in Other Comprehensive Income in respect of the reclassified financial instrument is accounted as follows:

i) *Financial assets with fixed maturity:*

Gain or loss recognised up to the date of reclassification is amortised to profit or loss over the remaining life of the investment using the effective interest rate. If the financial asset is subsequently impaired, any previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss.

ii) *Financial assets without fixed maturity:*

Gain or loss recognised up to the date of reclassification is recognised in profit or loss only when the financial asset is sold or otherwise disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss.

If a financial asset is reclassified, and if Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

(c) *Reclassification of ‘Held to Maturity’ Financial Instruments*

As a result of a change in intention or ability, if it is no longer appropriate to classify an investment as held to maturity, Bank may reclassify such financial assets as available for sale and re-measured at fair value. Any difference between the carrying value of the financial asset before reclassification and fair value is recognised in equity through other comprehensive income.

However, if Bank were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity [other than in certain specific circumstances permitted in Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement)], the entire category would be tainted and would have to be reclassified as ‘Available for Sale’. Furthermore, Bank would be prohibited from classifying any financial assets as ‘Held to Maturity’ during the following two years. These reclassifications are at the election of management and determined on an instrument-by-instrument basis.

De-recognition of Financial Assets and Liabilities

(a) De-recognition of Financial Assets

Bank derecognises a financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired; or
- Bank has transferred its rights to receive cash flows from the asset or
- Bank has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either 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.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

When Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Bank has retained.

When Bank's continuing involvement that takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received by Bank that Bank could be required to repay.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to income statement as gains and losses from investment securities.

(b) De-recognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as 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 recognised in profit or loss.

(c) Repurchase and Reverse Repurchase Agreements

Securities sold under agreement to repurchase at a specified future date are not de-recognised from the Statement of Financial Position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the Statement of Financial Position as a liability with a corresponding obligation to return it, including accrued interest under 'Securities sold under repurchase agreements', reflecting the transaction's economic substance to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest rate. When the Bank has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its Statement of Financial Position as 'Financial assets held for trading pledged as collateral' or 'Financial assets available for sale pledged as collateral' as appropriate.

Conversely, securities purchased under agreements to resell at future date are not recognised in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, under Reverse Repurchase Agreements' reflecting the transaction's economic substance to the Bank. The difference between the purchase and resale prices is recorded as 'Interest Income' and is accrued over the life of the agreement using the effective interest rate. If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net Trading Income'.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount presented in the Statement of Financial Position when and only when Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under NFRSs or for gains and losses arising from a group of similar transaction such as in trading activity.

Amortised Cost Measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of liability reflects its non-performance risk. When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument (Level 01 valuation). A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis on an arm's length basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into

account in pricing a transaction. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Bank calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data. Assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price. Where the Bank has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to net open position as appropriate.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Bank believes a third-party market participant would take them into account in pricing a transaction.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. 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 best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Impairment of Financial Assets

Bank assesses at each reporting date, whether there is any objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired. A financial asset or group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events, that have occurred after the initial recognition of the asset (an 'incurred 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.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter Bankruptcy or other

financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(a) Impairment of Financial Assets carried at Amortised Cost

For financial assets carried at Amortised cost, such as amounts due from Banks, held to maturity investments etc., Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. In the event Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics such as collateral type, past due status and other relevant factors and collectively assesses them for impairment. However, assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current closely approximates effective interest rate. If the Bank has reclassified trading assets to loans and advances, the discount rate for measuring any impairment loss is the new closely approximates effective interest rate determined at the reclassification date. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

(i) Individually Assessed Financial Assets

The criteria used to determine whether there is objective evidence of impairment include and not limited to:

- Known Cash Flow difficulties experienced by the borrowers.
- Past due contractual payments of either principal or interest.
- Breach of loan covenants or conditions.
- The probability that the borrower will enter Bankruptcy or other financial reorganisation; and
- A significant downgrading in credit rating by an external credit rating agency.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured by discounting the expected future cash flows of a financial asset at its original effective interest rate and comparing the resultant present value with the financial asset's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly

when circumstances require. This normally encompasses re-assessment of the enforceability of any collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of reduction in the established loss estimate. Interest on impaired assets continues to be recognised through the unwinding of the discount.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write off is later recovered, the recovery is credited to the impairment charges for loans and other losses.

When impairment losses are determined for those financial assets where objective evidence of impairment exists, the following common factors are considered:

- Bank's aggregate exposure to the customer.
- The viability of the customer's business model and their capacity to trade successfully out of financial difficulties and generate sufficient cash flows to service debt obligations.
- The amount and timing of expected receipts and recoveries.
- The extent of other creditors' commitments ranking ahead of, or pari-pasu with the Bank and the likelihood of other creditors continuing to support the company.
- The realizable value of security and likelihood of successful repossession.

(ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

- To cover losses which have been incurred but have not yet been identified on loans subject to individual assessment; and
 - For homogeneous groups of loans that are not considered individually significant.
- ***Incurred but not yet identified impairment***

Individually assessed financial assets for which no evidence of loss has been specifically identified on an individual basis are grouped together according to their credit risk characteristics for the purpose of calculating an estimated collective loss. This reflects impairment losses that the Bank has incurred as a result of events occurring before the reporting date, which the Bank is not able to identify on an individual loan basis and that can be reliably estimated.

These losses will only be individually identified in the future. As soon as information becomes available which identifies losses on individual financial assets within the group, those financial assets are removed from the group and assessed on an individual basis for impairment.

The collective impairment allowance is determined after taking into account:

- Historical Loss Experience in portfolios of similar credit risk; and
- Management's experienced judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is like to be greater or less than that suggested by historical experience.

➤ ***Homogeneous groups of Financials Assets***

Statistical methods are used to determine impairment losses on a collective basis for homogenous groups of financial assets. Losses in these groups of financial assets are recorded on an individual basis when individual financial assets are written off, at which point they are removed from the group.

Bank uses the following method to calculate historical loss experience on collective basis:

After grouping of loans on the basis of homogeneous risks, the Bank uses net flow rate method. Under this methodology the movement in the outstanding balance of customers into default categories over the periods is used to estimate the amount of financial assets that will eventually be irrecoverable, as a result of the events occurring before the reporting date which the Bank is not able to identify on an individual loan basis.

Under this methodology, loans are grouped into ranges according to the number of days in arrears and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency and ultimately prove irrecoverable.

Current economic conditions and portfolio risk factors are also evaluated when calculating the appropriate level of allowance required to cover inherent loss. These additional macro and portfolio risk factors may include:

- Recent loan portfolio growth and product mix
- Unemployment rates
- Gross Domestic Production (GDP) Growth
- Inflation
- Interest rates
- Changes in government laws and regulations
- Property prices
- Payment status

(iii) Reversal of Impairment

If the amount of an impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the financial asset Impairment allowance account accordingly. The write-back is recognised in the Statement of Profit or Loss.

(iv) Write-off of Financial Assets Carried at Amortised Cost

Financial assets (and the related impairment allowance accounts) are normally written off either partially or in full when there is no realistic prospect of recovery. Where there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realisation of security.

(v) Impairment of Rescheduled Loans and Advances

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using

the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate (EIR).

(vi) Collateral Valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Nepal Rastra Bank. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuator and audited financial statements.

(vii) Collateral Legally Repossessed or Where Properties have devolved to the Bank

Legally Repossessed Collateral represents Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognised at fair value when acquired. The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. The proceeds are used to reduce or repay the outstanding claim. The immovable property acquired by foreclosure of collateral from defaulting customers, or which has devolved on the Bank as part settlement of debt, has not been occupied for business use.

These assets are shown as Legally Repossessed Collateral under "Other Assets."

(b) Impairment of Financial Assets – Available for Sale

For available for sale financial investments, Bank assesses at each reporting date whether there is objective evidence that an investment is impaired.

In the case of debt instruments, Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at Amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the Amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognised, the impairment loss is reversed through the Income Statement.

In the case of equity investments classified as available for sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss is removed from equity and recognised in the Statement of profit or loss. However, any subsequent increase in the fair value of an impaired available for sale equity security is recognised in other comprehensive income.

Bank writes-off certain available for sale financial investments when they are determined to be uncollectible.

3.5. Trading Assets

One of the categories of financial assets at fair value through profit or loss is “Held for Trading” financial assets. All financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking are trading assets.

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

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

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

3.7. Property, Plant and Equipment

Recognition

Property, Plant and Equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Bank applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for these assets. Property, Plant and Equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably measured.

Measurement

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

Cost Model

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

Revaluation Model

The Bank has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognised GAAP Amount.

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

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

Subsequent Cost

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

Depreciation

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

Rate of Depreciation per annum (%)

Asset Category	For the year ended 15 July 2021	For the year ended 15 July 2020
Freehold Buildings	-	-
Motor Vehicles	20%	20%
Computer Equipment	25%	25%
Furniture, Office Equipment	25%	25%
Leasehold Properties	15%	15%

Changes in Estimates

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

Capital Work in Progress

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

Borrowing Costs

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

De-recognition

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

3.8. Goodwill and Intangible Assets

Recognition

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

Computer Software & Licenses

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

Subsequent Expenditure

Expenditure incurred on software is capitalised 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.

Amortisation of Intangible Assets

Intangible Assets, except for goodwill, are amortised 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. Amortisation methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Bank assumes that there is no residual value for its intangible assets.

Asset Category	For the year ended 15 July 2021	For the year ended 15 July 2020
Computer Software	Over 5 years	Over 5 years
Licenses	Over 5 years	Over 5 years

De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognised 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 derecognised.

3.9. Investment Property

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

Measurement

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

De-recognition

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

However, the Bank does not have any Investment Property (Non-Banking assets) as on date.

3.10. Investment in Associates

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Investments in associate entities are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The Bank doesn't have any associates. The Bank considers that mere representation of the Bank in Board of Directors doesn't indicate significant influence.

3.11. Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognised in the statement of Profit or Loss, except to the extent it relates

to items recognised directly in equity or other comprehensive income in which case it is recognised in equity or in other comprehensive income.

Current Tax

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

Deferred Tax

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

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

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

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

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

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

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

3.12. Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued, and subordinated liabilities are the Bank's sources of funding. Deposits include non-interest bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The fair value of fixed interest bearing deposits is considered as the interest

receivable on these deposits plus carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt securities issued. Sub-ordinated liabilities are liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors.

3.13. Provisions

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

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

3.14. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest Income

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

Further, Interest income on Loans and Advances is recognised as per the guideline on recognition of interest income, 2019 issued by NRB.

Fee and Commission Income

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

Dividend Income

Dividend income on equity instruments are recognised in the statement of profit and loss within other income when the Bank's right to receive payment is established.

Net Trading Income

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

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

Trading assets such as equity shares and mutual fund are recognised at fair value through profit or loss. No other financial instruments are designated at fair value through profit or loss. The Bank has no income under the heading net income from other financial instrument at fair value through profit or loss.

3.15. Interest Expense

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

3.16. Employee Benefits

Employee benefits include:

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

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

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

Post employments benefits are as follows:

Defined Contribution Plans

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

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

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

Defined Benefit Plans

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

Gratuity

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

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

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

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

Unutilised Accumulated Leave

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

3.17. Finance and Operating Leases

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

3.17.1 Finance Lease

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

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

3.17.2 Operating Lease

All other leases are classified as operating leases. When acting as lessor, Bank includes the assets subject to operating leases in 'Property, Plant and Equipment' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired.

When Bank is the lessee, leased assets are not recognised on the Statement of Financial Position.

Rentals payable and receivable under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'Other Operating Expenses' and 'Other Operating Income', respectively.

3.18. Foreign Currency Transactions, Translation and Balances

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

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

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

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

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

3.19. Financial guarantee and loan commitment

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

3.20. Share capital and reserves

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

3.21. Earnings per share

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

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

Segment reporting

An operating segment is a component of an entity:

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

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

The Bank has identified the key segments of business on the basis districts.

3.22. Impairment of Non-Financial Assets

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

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

3.23. Dividend on Ordinary Shares

Dividend on ordinary shares are recognised 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.

3.24. Cash Flow Statement

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

3.25. Comparative Figures

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

4. SIGNIFICANT ACCOUNTING POLICIES (Disclosures)

i. Staff Loans measured at fair value

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

The difference between the fair value and GAAP carrying amount has been netted off from staff loans & recognised as pre-paid staff cost in other assets.

ii. Adjustment on loan impairment

In compliance with the NRB Directives and subsequent amendment there to, specific loan loss provision were made based on the arrears time period and General provision were made at a specified rate given by NRB time to time.

The movement between the impairment balances of two years was recognised in the Income Statement as an impairment charge.

Note

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

iii. Interest Income

Interest Income has been accounted on accrual basis subject to interest income recognition guidelines, 2019 issued by NRB.

iv. Personnel Cost

Expenses relating to defined benefit plan and long service leave has been recognised as per actuarial valuation.

v. Bonus to staffs

As per the labour act, 10% bonus has been levied on Profit after bonus before tax.

vi. Tax

Tax has been computed on the basis of profit computed from NFRS.

5. DISCLOSURES AND ADDITIONAL INFORMATION

5.1 Segment Analysis

The segment reporting has been done on the basis of districts. Miteri Banks is currently operating in Sunsari, Morang and Jhapa Districts and hence, the segment reporting has been done on the same basis. Comprehensive disclosure of segment analysis has been made on Note no 5.4.

5.2 Share options and share based payment

A share-based payment is a transaction in which the Bank receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The Bank does not have any share option and share based payment.

5.3 Contingent liabilities and commitment

Contingent Liabilities:

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

Other contingent liabilities primarily include irrevocable loan commitment.

Commitments:

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

Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 16 July 2021.

Litigations:

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

The details of litigations are presented in 4.28.5.(Details of such litigations if any)

5.4 Related parties disclosures

a) Transaction with related party

No such transaction exist with is related to related parties.

b) Key Managerial Personnel

Key Management Personnel (KMP) of the Bank includes members of the Board, Chief Executive Officer and all top-level executives. List of Board of Directors and CEO bearing office on 15 July 2021 are presented in Note no 5.7.

All members of the Board are non-executive directors, and no executive compensation is paid to the directors. Specific non-executive allowances paid to directors and Chief Executive officers are mentioned in Note no 5.7.

5.5 Merger and acquisition

No merger has happened during the reporting period.

5.6 Additional disclosures of non-consolidated entities

Not applicable.

5.7 Events after reporting period

There are no material events that have occurred subsequent to 15 July 2021 till the signing of this financial statement.

Miteri Development Bank Limited
Notes to Financial Statements
For the year ended 31 Ashad 2078 (July 15, 2021)

Cash and Cash Equivalent

4.1

Cash and cash equivalent comprise the total amount of cash-in-hand, balances with other Bank and financial institutions, money at call and short notice is presented as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Cash in Hand	87,676,363	110,605,269
Balances with BFIs	130,515,386	56,276,939
Money at Call and Short Notice	314,707,933	1,853,923,364
Other	-	-
Total	532,899,682	2,020,805,571

Due from Nepal Rastra Bank

4.2

Balances held with Nepal Rastra Bank is presented as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Statutory Balances with NRB	134,468,145	155,449,164
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	-	-
Total	134,468,145	155,449,164

Placements with Banks and Financial Institutions

4.3

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Placement with Domestic BFIs	-	-
Placement with Foreign BFIs	-	-
Less: Allowances for Impairment	-	-
Total	-	-

Derivative Financial Instruments

4.4

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
<i>Held for Trading</i>		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
<i>Held for Risk Management</i>		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

Other Trading Assets

4.5

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Treasury Bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate Bonds	-	-
Equities	-	-
Other Trading Assets	-	-
Total	-	-

Loans and Advances to BFIs

4.6

Loan and advances given to microfinance financial institutions as deprived sector lending is presented under this head after providing required impairment allowances.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Loans to Micro-Finance Institutions	465,934,619	18,079,314
Other	-	-
Less: Allowances for Impairment	6,057,150	180,793
Total	459,877,469	17,898,521

4.6.1 Allowances for Impairment

Balance at Shrawan 01	180,793	200,000
Impairment Loss for the year:	-	-
Charge for the year	5,876,357	-
Recoveries/Reversal	-	(19,207)
Amount Written Off	-	-
Balance at Ashad End	6,057,150	180,793

Loans and Advances to Customers

4.7

Sum of the outstanding amount of all loans and advances extended to the customers other than BFIs, bills purchased and discounted and Amortised cost of staff loans; less the amount of impairment allowances is presented under this head.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Loans and Advances measured at Amortised Cost	4,569,285,603	4,066,372,016
Less: Impairment Allowances	-	-
Collective Impairment	60,095,594	43,579,419
Individual Impairment	19,575,709	2,236,606
Net Amount	4,489,614,300	4,020,555,991
Loans and Advances measured at FVTPL	-	-
Total	4,489,614,300	4,020,555,991

4.7.1: Analysis of Loans and Advances - By Product

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Product		
Term Loans	606,993,243	52,234,950
Overdraft	542,480,992	419,615,482
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	-	-
Personal Residential Loans	695,882,118	790,641,411
Real Estate Loans	91,388,712	110,044,147
Margin Lending Loans	-	-
Hire Purchase Loans	322,591,881	283,694,402
Deprived Sector Loans	301,628,283	215,181,360
Bills Purchased	-	-
Staffs Loans	41,315,332	37,460,087
Other	1,956,123,576	2,130,789,097
Sub-Total	4,558,404,136	4,039,660,935
Interest Receivable	10,881,467	26,711,081
Grand Total	4,569,285,603	4,066,372,016

4.7.2: Analysis of Loans and Advances - By Currency

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Nepalese Rupee	4,569,285,603	4,066,372,016
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	4,569,285,603	4,066,372,016

4.7.3: Analysis of Loans and Advances - By Collateral

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
<u>Secured</u>		
Moveable/Immoveable Assets	4,519,688,935	4,036,323,704
Gold and Silver		
Guarantee of Domestic BFIs		
Government Guarantee		
Guarantee of International Rated Bank		
Collateral of Export Document		
Collateral of Fixed Deposit Receipt	36,993,000	30,048,313
Collateral of Government Securities		
Counter Guarantee		
Personal Guarantee	12,603,667	
Other Collateral		
Subtotal	4,569,285,603	4,066,372,016
<u>Unsecured</u>		
Grand Total	4,569,285,603	4,066,372,016

4.7.4: Allowance for Impairment

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
<u>Specific Allowance for Impairment</u>		
Balance at Shrawan 01	2,236,606	-
Impairment Loss for the year	-	-
Charge for the year		2,236,606
Recoveries/Reversals during the year	17,339,102	-
Write-Offs	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Ashad End	19,575,709	2,236,606
<u>Collective Allowances for Impairment</u>		
Balance at Shrawan 01	43,579,419	43,579,419
Impairment Loss for the year	-	-
Charge/(Reversal) for the year	16,516,175	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Ashad End	60,095,594	43,579,419
Total Allowances for Impairment	79,671,302	45,816,026

Particulars	Loans & Advances							Previous Year Total
	Domestic			Foreign	Other	Total	5=1+2+3+4	
	Deprived Sector		Uninsured					
	Insured	1						
1 Performing Loan and Advances	-	770218526	768002935	4189553322	4146479466	4959771848	4012153581	
1.1 Pass Loan	-	768002935	768002935	4146479466	4146479466	4914482401	0	
1.1.1 Pass Loan (other than Restructured/Rescheduled Covid Related)								
1.1.2 Pass Loan (Restructured/Rescheduled Covid Related)							3921186669	
1.2 Watch List							0	
2 Non-Performing Loan and Advances		2215591	3036299	43073857	20215275	45289448	90966912	
2.1 Restructured / Rescheduled				2066287	2490486	2066287	8126582	
2.2 Sub-standard						2490486	4566639	
2.3 Doubtful							456781	
2.4 Loss		3036299		15658502		18694801	3103163	
3 Total Loan and Advances (1+2)		773254825	768002935	4209768598	4209768598	4983023423	4020280163	
4 Total Loan Loss Provision		13131117	9984038	72597335	53904233	85728452	45996819	
4.1 Pass			110780	2153693		63888271	39211867	
4.2 Watch List				258286		2264472	4548346	
4.3 Restructured / Rescheduled						258286	570830	
4.3.1 Restructured / Rescheduled Covid Related							0	
4.3.2 Restructured / Rescheduled Others				258286		258286	570830	
4.4 Sub-standard				622622		622622	114195	
4.5 Doubtful							1551581	
4.6 Loss		3,036,299		15,658,502		18694801		
4.7 Additional								
4.8 SOL exceed								
4.9 PG & Third party collateral								
5 Net loan						4897294970	3974283344	



Investment Securities

4.8

Investments made by Bank in financial instruments has been presented under this account head in three categories i.e. investment securities designated at fair value through profit or loss, investment securities measured at Amortised cost and investment in equity measured at fair value through other comprehensive income which is as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Investment Securities measured at Amortised Cost	785,774,600	284,597,450
Investment in Equity measured at FVTOCI	39,155,030	16,947,370
Total	824,929,630	301,544,820

4.8.1: Investment Securities measured at Amortised Cost

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Debt Securities	-	-
Government Bonds	-	90,000,000
Government Treasury Bills	785,774,600	194,597,450
Nepal Rastra Bank Bonds	-	-
Nepal Rastra Bank Deposit Instruments	-	-
Other	-	-
Less: Specific Allowances for Impairment	-	-
Total	785,774,600	284,597,450

4.8.2: Investment in Equity measured at FVTOCI

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Equity Instruments		
Quoted Equity Securities	38,683,730	16,476,070
Unquoted Equity Securities	471,300	471,300
Total	39,155,030	16,947,370

4.8.2: Information relating to Investment in Equities

Particulars	Bank			
	Ashad end 2078		Ashad end 2077	
	Cost	Fair Value	Cost	Fair Value
Investment in Quoted Equity				
Sanima Equity Fund				
10,72,000 Units of Rs. 10.02 Each	10,739,854	17,998,880	10,000,000	9,930,000
Citizen Mutual Fund 1(CMF-1)				
500000 units at rate of Rs 10.56 Each	5,280,828	6,290,000	-	-
Citizen Mutual Fund 1(CMF-2)				
299000 units at rate of Rs 11.03 Each	3,299,385	4,230,850	-	-
Prabhu Select Fund (PSF)				
1000000 units at rate Rs 10 Each	10,000,000	10,140,000	-	-
Sunrise First Mutual Fund(SFMF)				
1500 units at rate of Rs 9.99 Each	14,982	24,000		
Nepal Telecom				
9994 shares of Rs 663.26 Each	-	-	6,628,589	6,546,070
Investment in Unquoted Equity				
Nepal Clearing House Ltd.				
12,925.08 Shares of Rs. 100 Each	471,300	471,300	471,300	471,300
Total	29,806,348.09	39,155,030.00	17,099,888.89	16,947,370.00

Current Tax Assets
4.9

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Current Tax Assets		
Current year Income Tax Assets	67,909,962	81,958,222
Tax Assets of Prior Periods	-	-

Current Tax Liabilities

Current year Income Tax Liabilities	63,799,334	77,751,780
Tax Liabilities of Prior Periods	-	-
Total	4,110,628	4,206,442

Investment in Subsidiaries
4.10

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Total Investment		
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.10.1: Investment in Quoted Subsidiaries

	Bank	
	Ashad end 2078	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.10.2: Investment in Unquoted Subsidiaries

	Bank	
	Ashad end 2078	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.10.3: Information relating to Subsidiaries of the Bank

	Bank	
	Percentage of Ownership held by Bank	
	Ashad end 2078	Ashad end 2077
.....Ltd.	-	-
Total	-	-

4.10.4: Non-Controlling Interest of the Subsidiaries

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

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

Investment in Associates

4.11

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	-	-
Total Investment	-	-
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.11.1: Investment in Quoted Associates

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

4.11.2: Investment in Unquoted Associates

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

4.11.3: Information relating to Associates of the Bank

	Bank	
	Percentage of Ownership held by Bank	
	Ashad end 2078	Ashad end 2077
.....Ltd.	-	-

4.11.4: Equity Value of Associates

.....Ltd.	-	-

Investment Properties

4.12

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Investment Properties measured at Fair Value		
Balance as on Shrawan 01.	-	-
Addition/(Disposal) during the year.	-	-
Net Changes in fair value during the year.	-	-
Adjustment/Transfer.	-	-
Net Amount	-	-
Investment Properties measured at Cost		
Balance as on Shrawan 01	-	-
Addition/(Disposal) during the year	-	-
Net Changes in fair value during the year	-	-
Adjustment/Transfer	-	-
Net Amount	-	-
Total	-	-

Property and Equipment

Details of property, plant & equipment are presented as follows:

4.13

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Bank				Total Asar end	
						Furniture & Fixtures	Machinery	Equipment & others	Total Asar end		
Cost											
As on Shrawan 01 2076	-	-	21,165,511	18,015,072	6,434,861	10,731,145	-	-	-	56,346,590	56,346,590
Addition during the year	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	1,681,254	2,028,500	5,099,000	347,939	-	-	-	9,156,693	9,156,693
Capitalization	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	156,391	89,763	-	38,900	-	-	-	285,053	285,053
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2077	-	-	22,690,374	19,953,809.19	11,533,861	11,040,185	-	-	-	65,218,229	65,218,229
Addition during the Year	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	235,519	4,026,746	4,828,500	638,496	-	-	-	9,729,261	9,729,261
Capitalization	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	177,025	330,168	101	-	-	-	507,294	507,294
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2078	-	-	22,925,893	23,803,530	16,032,194	11,678,580	-	-	-	74,440,196	65,218,229
Depreciation and Impairment											
As on Shrawan 01 2076	-	-	5,333,487	7,209,707	2,703,919	4,233,528	-	-	-	19,480,641	19,480,641
Depreciation charge for the year	-	-	2,598,266	3,118,485	1,426,055	1,698,868	-	-	-	8,841,674	8,841,674
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As on Asar end 2077	-	-	7,931,754	10,328,192	4,129,974	5,932,395	-	-	-	28,322,315	28,322,315
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	2,244,686	3,141,569	2,380,444	1,436,122	-	-	-	9,202,821	9,202,821
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As on Asar end 2078	-	-	10,176,440	13,469,761	6,510,418	7,368,518	-	-	-	37,525,136	28,322,315
Capital Work in Progress											
Net Book Value	-	-	33,102,333	37,273,291	22,542,612	19,047,097	-	-	-	36,915,060	36,915,060
As on Asar end 2076	-	-	15,832,024	10,805,365	3,730,943	6,497,618	-	-	-	36,865,949	36,865,949
As on Asar end 2077	-	-	14,758,620	9,625,617	7,403,887	5,107,789	-	-	-	36,895,914	36,895,914
As on Asar end 2078	-	-	12,749,454	10,333,768	9,521,776	4,310,062	-	-	-	36,915,060	36,915,060

Goodwill and Intangible Assets

4.14

The Bank doesn't have any goodwill. Details of other intangible asset are as follows:

Particulars	Goodwill	Software		Other	Total Ashad end 2078	Total Ashad end 2077
		Purchased	Developed			
Cost						
As on Shrawan 01 2076		2,653,020			2,653,020	
Addition during the year.		152,550				
Acquisition.						
Capitalisation.						
Disposal during the year.						
Adjustment/Revaluation.						
Balance as on Ashad end 2077		2,805,570			2,805,570	2,805,570
Addition during the Year		-				
Acquisition						
Capitalisation						
Disposal during the year						
Adjustment/Revaluation						
Balance as on Ashad end 2078		2,805,570	-	-	2,805,570	2,805,570
				1,666,933		
Amortisation and Impairment						
As on Shrawan 01 2076		1,666,933			1,666,933	
Amortisation charge for the year		373,364				
Impairment for the year						
Disposals						
Adjustment						
As on Ashad end 2077		2,040,297			2,040,297	2,040,297
Impairment for the year						
Amortisation charge for the year		333,814				
Disposals						
Adjustment						
As on Ashad end 2078		2,374,111			2,374,111	2,374,111
Capital Work in Progress						
Net Book Value					431,458	765,272
As on Ashad end 2076		986,087	-	-	986,087	
As on Ashad end 2077		765,272	-	-	765,272	
As on Ashad end 2078	-	431,458	-	-	431,458	

Deferred Tax

4.15

Deferred tax is calculated on temporary differences between the book values of financial assets/liabilities and tax bases of assets/liabilities using the statutory tax of 30%. Details as follows:

Particulars	Deferred Tax Assets	Bank	
		Deferred Tax Liabilities	Current Year Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs			-
Loans and Advances to Customers			-
Investment Properties			-
Investment Securities		2,804,605	(2,804,605)
Property and Equipment	453,094		453,094
Employees' Defined Benefit Plan	9,249,386		9,249,386
Lease Liabilities			-
Provisions			-
Other Temporary Differences			-
Deferred tax on temporary differences			6,897,875
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 2078			6,897,875
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2077			(8,516,156.73)
Origination/(Reversal) during the year			1,618,281
Deferred Tax expense (income) recognised in profit or loss			(986,298)
Deferred Tax expense (income) recognised in OCI			2,604,579
Deferred Tax expense (income) recognised directly in Equity			

Particulars	Deferred Tax Assets	Bank	
		Deferred Tax Liabilities	Previous Year Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			-
Loans and Advances to BFIs			-
Loans and Advances to Customers			-
Investment Properties			-
Investment Securities	45,756		45,756
Property and Equipment	704,420		704,420
Employees' Defined Benefit Plan	7,765,981		7,765,981
Lease Liabilities			-
Provisions			-
Other Temporary Differences			-
Deferred tax on temporary differences			8,516,157
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 2077			8,516,157
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2076			(6,845,885)
Origination/(Reversal) during the year			(1,670,272)
Deferred Tax expense (income) recognised in profit or loss			(1,399,325)
Deferred Tax expense (income) recognised in OCI			(270,947)
Deferred Tax expense (income) recognised directly in Equity			

Other Assets

4.16

Other Asset include accounts receivable, interest receivable, accrued income, prepayments, deposit, deferred employee benefits and stationery stock etc details presented as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	5,712,052	985,563
Accrued Income	3,077,525	3,236,139
Prepayments and Deposits	980,101	1,026,133
Income Tax Deposit	-	-
Deferred Employee Expenditure	2,925,829	5,168,050
Other Assets	202,279,957	3,152,783
Total	214,975,464	13,568,668

Other Asset

4.16.1

Details of other asset under head other asset (4.16) includes general stationery Escrow Investment services, Operator/settlement account are as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
General Stationery	1,093,486	1,265,607
Operator Account (M Bank)	593,832	810,228
Escrow Investment Service (EIS)**	200,000,000	-
Other	592,638	1,076,948
Total	202,279,957	3,152,783

** Escrow Investment Service (EIS) refers to investment made in investment advisory service of Prabhu Capital Limited and Nabil Investment Banking Limited of 10 crore each w.e.f 25th September 2020 and 15th December 2020 with fixed return of 6.5% p.a. and 7% p.a. (return payable quarterly) with maturity date of 25th September 2021 and 15th December 2021 respectively. Bank is receiving fixed return on above instrument regularly on quarterly basis. On date of signing of financial statement EIS of Prabhu Capital Limited is matured and fixed return along with principal has been realised on date of maturity. Bank has neither renewed above EIS of Prabhu Capital Limited nor entered into new EIS with Prabhu Capital Limited on date of signing of Financial Statement.

Due to Banks and Financial Institutions

4.17

Due to Bank and Financial Institution includes deposits from Banking and financial Institution.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	45,188,634	78,012,631
Settlement and Clearing Accounts	-	-
Total	45,188,634	78,012,631

Due to Nepal Rastra Bank

4.18

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	-	-

Derivative Financial Instruments

4.19

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
<i>Held for Trading</i>		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
<i>Held for Risk Management</i>		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

Deposits from Customers

4.20

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Institutional Customers:		
Term Deposits.	304,458,100	365,229,184
Call Deposits	226,810,505	492,509,052
Current Deposits.	153,205,887	167,408,186
Others.	-	308,125
Individual Customers:		
Term Deposits	2,268,658,552	2,393,295,909
Saving Deposits	2,427,268,861	1,862,343,043
Current Deposits	65,446,832	70,016,635
Others	1,011,752	549,276
Total	5,446,860,488	5,351,659,408

4.20.1: Currency wise analysis of deposit from customers

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Nepalese Rupee	5,446,860,488	5,351,659,408
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	5,446,860,488	5,351,659,408

Borrowings

4.21

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
<i>Domestic Borrowings</i>		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
Sub Total	-	-
<i>Foreign Borrowings</i>		
Foreign Banks and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub Total	-	-
Total	-	-

Provisions

4.22

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Provisions for Redundancy	-	-
Provisions for Restructuring	-	-
Pending Legal Issues and Tax Litigation	-	-
Onerous Contracts	-	-
Other Provisions	-	-
Total	-	-

4.22.1: Movement in Provision

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Balance at Shrawan 01	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of Discount	-	-
Balance at Ashad end	-	-

Other Liabilities

4.23

The details of other liabilities are as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Liabilities for employees defined benefit obligations	96,448	18,849,457
Liabilities for long service leave	-	7,037,145
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	-	-
Interest payable on deposits	752,702	6,268,180
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	-	683,918
Liabilities under Finance Lease	-	-
Employee bonus payable	20,846,087	25,549,390
Other Liabilities	30,140,298	77,162,542
Total	51,835,535	135,550,631

4.23.1: Defined Benefit Obligation

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

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Present value of unfunded obligations	96,448	18,849,457
Present value of funded obligations	22,665,756	-
Total present value of obligations	22,762,204	18,849,457
Fair value of plan assets	22,665,756	-
Present value of net obligations	96,448	18,849,457
Recognised liability for defined benefit obligations	96,448	18,849,457

4.23.2: Plan Assets

Plan assets comprise

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	22,665,756	-
Total	22,665,756	-

4.23.3: Movement in the present value of defined benefit obligations

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Defined benefit obligations at Shrawan 1	18,849,457	15,288,310
Actuarial losses	580,268	1,350,638
Benefits paid by the plan	(886,296)	(1,235,520)
Current service costs and interest	4,218,775	3,446,029
Defined benefit obligations at Ashad end	22,762,204	18,849,457

4.22.4: Movement in the fair value of plan assets

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Fair value of plan assets at Shrawan 1	-	-
Contributions paid into the plan	22,648,536	-
Benefits paid during the year	(886,296)	-
Actuarial (losses) gains	(239,002)	-
Expected return on plan assets	1,142,518	-
Fair value of plan assets at Ashad end	22,665,756	-

4.23.5: Amount recognised in profit or loss

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Current service costs	2,598,598	2,131,463
Interest on obligation	1,620,177	1,314,566
Expected return on plan assets	-	-
Total	4,218,775	3,446,029

4.23.6: Amount recognised in other comprehensive income

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Actuarial (gain)/loss	580,268	1,350,638
Total	580,268	1,350,638

4.23.7: Actuarial assumptions

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Discount rate	9.00%	9.00%
Expected return on plan asset	9.00%	0.00%
Future salary increase	10.00%	10.00%
Withdrawal rate	10.00%	10.00%

4.23.8 Other Liabilities

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Social Security Fund	20,905,532	59,251,674
TDS payable	7,469,874	9,070,566
Other	1,764,891	8,840,301
Total	30,140,298	77,162,542

Debt Securities issued

4.24

	Bank	
	Ashad end 2078	Ashad end 2077
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

Subordinated Liabilities

4.25

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

Share capital

4.26

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Ordinary shares	797,376,938	693,371,250
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	797,376,938	693,371,250

4.26.1: Ordinary Shares

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Authorized Capital		
10,000,000 Ordinary share of Rs. 100 each	1,000,000,000	1,000,000,000
Issued capital		
7973769.37 Ordinary share of Rs. 100 each	797,376,938	693,371,250
Subscribed and paid-up capital		
7973769.37 Ordinary share of Rs. 100 each	797,376,938	693,371,250
Total	797,376,938	693,371,250

4.26.2: Ordinary share ownership

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
	Amount	Amount
Domestic ownership		
Nepal Government	-	-
"A" class licensed institutions	-	-
Other licensed institutions	-	-
Other Institutions	-	-
Public	797,376,938	693,371,250
Other	-	-
Foreign ownership	-	-
Total	797,376,938	693,371,250

4.26.2.1: Ratio of Promoter and Public share holder ownership details

Promoter shareholding	51.00%	51.00%
Public shareholding	49.00%	49.00%

Reserves

4.27

Following reserves are maintained by the Bank.

Statutory General Reserve: There is regulatory requirement by the central Bank to set aside 20% of the net profit after tax as general reserve to build up the capital. This is the restricted reserve and cannot be freely used. During the year Bank has appropriated 20% of the net profit after tax toward reserve.

Corporate Social Responsibility Fund: As per NRB Circular, CSR fund shall be created for CSR activities of the Bank in the next fiscal year. During the year, 1% of net profit has been appropriated CSR Fund.

Actuarial Gain/Loss Reserve: Actuarial gain or loss that represents change in actuarial assumptions used to value employee obligations is presented under this account head.

Regulatory Reserve: The amount that is allocated from profit or retained earnings of the Bank as per the Directive of NRB for the purpose of implementation of NFRS is presented under this account head. The amount in this reserve is not free for distribution of dividend (cash as well as bonus shares). The amount allocated to this reserve include interest income recognised but not received in cash, amount equals to deferred tax assets, Actuarial loss recognised and fair value loss. Amount that has been transferred/(Reversed) to Regulatory reserve during the reporting period are as follows.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Statutory general reserve	197,905,550	168,775,983
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	2,875,149	1,791,414
Capital redemption reserve	-	-
Regulatory reserve	13,097,079	15,129,277
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	6,544,077	(106,763)
Dividend equalisation reserve	-	-
Debenture redemption reserve	-	-
Actuarial gain	(4,671,978)	(4,098,489)
Special reserve	-	-
Other reserve	-	-
Total	215,749,876	181,491,422

Miteri Development Bank Limited
Statement of Changes in Regulatory Reserve (As per Format prescribed in AGM Clearance Guidelines, 2077)
For the year ended 31 Ashad 2078 (July 15, 2021)

	Regulatory Rserve						
	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
75-76							
Opening Balance 01.04.2075	-	-	-	-	-	-	-
Amount Transferred during the year	627	-	-	-	6845885	-	-
Amount (Reversed) During the year	-	-	-	-	-	-	-
Closing Balance Ashad End 2076	627	-	-	-	6,845,885	-	-
76-77							
Opening Balance 01.04.2076	627	-	-	-	6,845,885	-	-
Amount Transferred during the year	2,407,241	-	-	-	1,670,272	-	-
Amount (Reversed) During the year	-	-	-	-	-	-	-
Closing Balance Ashad End 2077	2,407,868	-	-	-	8,516,157	-	-
77-78							
Opening Balance 01.04.2077	2,407,868	-	-	-	8,516,157	-	-
Amount Transferred during the year	-	-	-	-	-	-	-
Amount (Reversed) During the year	(880,642)	-	-	-	(1,618,281)	-	-
Closing Balance Ashad End 2078	1,527,226	-	-	-	6,897,875	-	-

Contingent liabilities and commitments

4.28

The table below shows the contract or underlying principal amounts of unmatured off-balance sheet transactions as on reporting date.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Contingent liabilities	27,452,600	24,534,846
Undrawn and undisbursed facilities	64,434,008	31,799,518
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	91,886,608	56,334,364

4.28.1: Contingent Liabilities

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Acceptance and documentary credit	-	-
Bills for collection		
Forward exchange contracts		
Guarantees	27,452,600	24,534,846
Underwriting commitment		
Other commitments		
Total	27,452,600	24,534,846

4.28.2: Undrawn and undisbursed facilities

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	64,434,008	31,799,518
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee		
Total	64,434,008	31,799,518

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	
	Ashad end 2078	Ashad end 2077
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	
	Ashad end 2078	Ashad end 2077
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

Explanatory paragraphs are required for litigation contingent liabilities as per their own case of each Bank.

Interest Income

4.29

Interest income include interest income on loan and advance, investment securities except on those investment securities measure at fair value through profit or loss, cash and cash equivalent, due from BFIs, loan and advances to staff etc.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Cash and cash equivalent	14,135,879	48,497,154
Due from Nepal Rastra Bank	-	-
Placement with Bank and financial institutions	-	-
Loan and advances to Bank and financial institutions	16,389,585	2,383,775
Loans and advances to customers	559,389,731	612,289,740
Investment securities	6,164,347	38,766,026
Loan and advances to staff	7,218,971	4,687,173
Other Interest Income	9,338,356	-
Total interest income	612,636,869	706,623,868

Interest Expenses

4.30

Interest expenses include interest accrued on deposits collected. Details are presented as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Due to Bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	343,586,311	444,328,657
Borrowing	-	249,315
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	-	-
Total Interest expense	343,586,311	444,577,972

Fees and Commission Income 4.31

Fees and commission income include service charges, commitment fees etc.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Loan administration fees	-	-
Service fees	28,374,638	37,908,941
Consortium fees	-	-
Commitment fees	1,552	72,734
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	-	-
Prepayment and swap fees	407,414	3,594,706
Investment Banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	1,777,640	1,927,953
Commission on letter of credit	-	-
Commission on guarantee contracts issued	263,151	449,976
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	4,866,092	4,227,366
Total Fees and Commission Income	35,690,486	48,181,675

Fees and Commission Expense

4.32

Fees and commission expense include:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	326,672	1,203,320
DD/TT/Swift fees.	-	-
Remittance fees and commission	-	-
Other fees and commission expense	540,750	525,856
Total Fees and Commission Expense	867,422	1,729,176

Net Trading income

4.33

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange transaction	-	-
Other	-	-
Net Trading Income	-	-

Other Operating Income

4.34

Other operating income includes dividend on equity instruments, gain/loss on sale of property and equipment etc.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	63,473,848	76,856,289
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	872,500	427,244
Gain/loss on sale of property and equipment	80,807	-
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Other Operating Income	1,360,927	859,204
Total	65,788,082	78,142,736

Impairment charge/(reversal) for loan and other losses

4.35

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Impairment charge/(reversal) on loan and advances to BFIs	5,876,357	(19,207)
Impairment charge/(reversal) on loan and advances to customers	33,855,277	5,401,061
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with BFIs	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Total	39,731,634	5,381,854

Personnel Expenses

4.36

All expenses related to employees of a Bank are included under this head:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Salary	28,258,738	28,050,130
Allowances	18,778,620	18,606,010
Gratuity Expense	2,189,961	2,210,509
Provident Fund	2,322,317	2,248,179
Uniform	836,000	950,400
Training & development expense	241,747	614,746
Leave encashment	673,004	1,139,992
Medical	340	-
Insurance	448,644	377,640
Employee's incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	3,984,481	799,736
Other expenses related to staff	2,542,250	3,674,220
Subtotal	60,276,102	58,671,562
Employees Bonus	20,846,087	25,549,390
Grand total	81,122,189	84,220,953

Other Operating Expense

4.37

Operating expense other than those relating to personnel expense are recognised and presented in this head.

Details are presented as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Directors' fee	456,000	416,500
Directors' expense	354,580	472,776
Auditors' remuneration	600,000	600,000
Other audit related expense	78,895	66,568
Professional and legal expense	73,235	117,829
Office administration expense	18,293,438	17,986,334
Operating lease expense	5,186,385	5,021,150
Operating expense of investment properties	-	-
Corporate social responsibility expense	372,744	2,045,500
Onerous lease provisions	-	-
Other Expenses	5,395,097	5,602,727
Total	30,810,374	32,329,384

4.37.6 Office administration expense

	Bank	
	Ashad end 2078	Ashad end 2077
Water and electricity	1,586,427	1,377,834
Repair and maintenance		
(a) Building	-	-
(b) Vehicle	236,882	225,282
(c) Computer and accessories		
(d) Office equipment and furniture	181,288	212,656
(e) Other	50,084	35,702
Insurance	545,149	504,507
Postage, telex, telephone, fax	601,949	640,117
Printing and stationery	1,441,314	1,366,209
Newspaper, books and journals	34,635	71,856
Advertisement	174,578	381,417
Donation	-	-
Security expense	10,297,125	10,297,125
Deposit and loan guarantee premium	2,436,908	2,103,512
Travel allowance and expense	181,115	270,440
Entertainment	-	50,445
Annual/special general meeting expense	107,047	121,826
Other		
(a) Internet Expenses	418,936	327,406
Total	18,293,438	17,986,334

Depreciation and Amortisation

4.38

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Depreciation and amortisation include depreciation on plant and equipment & amortisation of intangible assets. Details are presented as follows:

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Depreciation on property and equipment	9,202,821	8,841,674
Depreciation on investment property	-	-
Amortisation of intangible assets	333,814	373,364
Total	9,536,635	9,215,038

Non-Operating Income

4.39

	Bank	
	Ashad end 2078	Ashad end 2077
Recovery of loan written off	-	-
Other income	-	-
Total	-	-

Non-Operating Expenses

4.40

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	-	-

Income Tax Expenses

4.41

The Bank has calculated current tax on the basis of taxable income. The Bank has calculated deferred tax expenses based on the financial statements prepared as per NFRS.

Particulars	Bank	
	Ashad end 2078	Ashad end 2077
Current tax expense		
Current year	63,799,334	77,751,780
Adjustments for prior years	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(986,298)	(1,399,325)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	62,813,036	76,352,456

4.41.1: Reconciliation of tax expense and accounting profit

	Bank	
	Ashad end 2078	Ashad end 2077
Profit before tax	208,460,871	255,493,902
Tax amount at tax rate of 30%	63,799,334	77,751,780
Add: Tax effect of expenses that are not deductible for tax purpose	-	-
Less: Tax effect on exempt income	-	-
Add/less: Tax effect on other items	-	-
Total income tax expense	63,799,334	77,751,780
Effective tax rate	30.60%	30.43%

Miteri Development Bank Limited
Statement of Distributable Profit or Loss
For the year ended 31 Ashad 2078 (July 15, 2021)
(As per NRB Regulation)

Particulars	Bank	
	Current Year	Previous Year
Net profit or (loss) as per statement of profit or loss	145,647,835	179,141,446
Opening Retained Earning	140,121,180	114,865,639
Appropriations:		
a. General reserve	(29,129,567)	(35,828,289)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	(1,083,734)	254,086
e. Employees' training fund	-	273,020
f. Other		
<i>Deferred tax reserve</i>	-	-
<i>Investment adjustment fund</i>	-	200,000
<i>Bonus Share issued</i>	(104,005,688)	(108,371,250)
<i>Cash dividend Paid</i>	(5,473,984)	(5,703,750)
<i>Capital Reserves</i>		
<i>From Merger</i>		
Profit or (loss) before regulatory adjustment	146,076,042	144,830,902
Regulatory adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	880,642	(2,407,241)
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 (+)	-	-
e. Deferred tax assets recognised (-)/ reversal (+)	1,618,281	(1,670,272)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(573,489)	(945,447)
i. Other (+/-)		
Fair Value Reserve	106,763	313,237
Distributable profit or (loss)	148,108,240	140,121,180

5.1 Risk Management

The robust risk management capabilities is imperative in order to achieve an effective risk management framework and contain the risks associated with the business, a fully functional Risk Management Committee is responsible for identifying reporting, controlling and managing credit risk, operational risk, market risk & liquidity risk. The Risk Management Committee oversees global, macro, micro and departmental level risk that arise out of daily business operation as well as on periodic basis and are put to the oversight of Senior Management, Risk Management Committee, and the Board committee to discuss the reports thereon and issue instructions as appropriate.

Risk Management Committee:

The Risk Management Committee is an independent committee of the Board of Directors that has, as its sole and exclusive function, responsibility for the risk management policies of the Bank and oversight of implementation of risk management framework of Bank. The committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to risk appetite that the Bank is able and willing to assume in its exposures and business activities, risk management, compliance framework, and governance structure that supports it. It periodically reviews the risk management process to ensure its integrity, accuracy, and reasonableness. It also reviews whether the internal control and risk management system is adequate or not to ensure well-ordered and prudent conduct of business. The committee is to reviews the overall risk management structure and monitor the effectiveness of the risk management system.

Risk Governance

Bank implemented policies and procedures to mitigate the risk at enterprises level arising to the Bank and has trained risk culture among the employees by establishing ownership mentality, capacity building programs, well defined job responsibilities and inhabiting good ethical culture. The Risk Management Committee is responsible for the establishment of, and compliance with, policies relating to Operation risk & Credit risk.

The Bank's risk governance structure is such that the responsibility for maintaining risk within the Banks risk blanket is dropped down from the Board to the appropriate functional, client business, senior management and committees. The Board has set policies and procedures of risk identification, risk evaluation, risk mitigation, and control/ monitoring in line with NRB directives, and has effectively implemented the same at the Bank. The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, senior management, and internal audit committee.

Credit Risk

Credit risk management strategies include effectively managing the risk of financial losses arising out of booking an exposure on counterparty and also ensuring independence of the credit risk function from the origination, trading and sales function. Credit risk is managed through a defined framework which sets out policies, procedures and standards covering the measurement and management of credit risk. Clear segregation of duties has been established between transaction originator in the business and the approvers in the risk function.

Credit Risk Mitigation (CRM)

The Banks follows below mention well defined procedures to manage and mitigate the credit related risk at the various level:

The lending business is the primary business and source of asset creation for the Bank and also is the Bank's significant material risk. Credit risk is managed following the Bank's internal policy and the applicable provisions of the NRB Directive. Our Credit policy and/as well as product paper guidelines of the Bank set out the standards, principles, product features, eligibility criteria and financing terms whereby minimizing any risk associate with the same.

Credit Policy / Product Paper Guidelines are in place that provides the firm foundation for a healthy credit risk management environment in the Bank by defining clear roles and responsibilities of various functions and risk-takers in the Credit system.

A thorough analysis of the borrower and the industry in which the borrower operates is ensured before advancing any credit facilities. The Bank primarily focuses on ensuring prudent financing requirements of the client and the client's capacity to repay the debt obligation on time.

The credit underwriting process at MDBL includes the involvement of multiple functions, thus promoting the independent assessment of credit risk. The business sourcing activities and relationship management are carried out by respective relationship Manager, who is considered as the first line of defense in credit risk management.

For sanctioning of loan, a different limit has been set for different authority to minimize credit risk.

Operational Risk

Operational risk is the risk of adverse effects on the financial result and capital of the Bank caused by omissions in the work of employees, inadequate internal procedures and processes, improper management of information and other systems, and unforeseeable external events. The risk stems from the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Suitable internal control has been planted in the Bank to ensure that operational risk is within a tolerable limit. The Bank has pioneered in adopting technology to create efficient processes and systems to eliminate the risk at source, designing key risk indicators, implementing control points, and establishing procedures for incident management.

Internal audit is considered as the third line of defense in risk management, and the Bank has formed an internal audit committee in the coordination ship of non-executive director. Bank has appointed qualified and capable chartered accountancy firms as an internal auditor, which, among other things, responsible for verifying the adequacy of measures adopted for risk management in different branches, departments of the Bank.

Internal auditor, among other things, is responsible for verifying the adequacy of internal control in the accounting function, Operation function, Human Resource (HR) function and other functions within the Bank and suggest suitable methods/procedures to strengthen the internal control. Likewise, the Internal auditor is also responsible for ensuring compliance with a legal and regulatory framework such as NRB directives. Such function, in turn, helps the Bank to minimize the different types of risk posed to the Bank at a minimum level.

In addition to compliance with the legal and regulatory framework for Information Technology (IT) practices, the Bank has framed "IT Communication and Security Policy, 2076," which is a governing document for IT practice in the Bank. The Bank conducts Information System (IS) audit following Information Technology guidelines of NRB/based on necessity deemed by management. Bank has a disaster recovery site in Kathmandu, as per Disaster Recovery Policy (Part of "IT Communication and Security Policy, 2076"), whereas Business Continuity Procedure shall be implemented soon. A drill is conducted to ensure that operation of the business in case of disaster/disruption.

To avoid risk arising from overdependence on a single employee, risk arising from collusion among employee and risk occurring from an employee performing a single task for a more extended period, arrangement for transfer of employee based on necessity and provision of force leave is in place.

In addition to the above measure Bank has the following measures which are precisely followed for operational risk management;

People

- Timely recruitment of the right people in the right place.
- Continuous training to staff based on necessity.
- All staff is well versed in the Bank's policies/processes.

External events

- A compliance review of each process is regularly reviewed.
- Ensure deployment of trained security guards.

Internal Process

- Banks staff before assigning any task are well trained regarding the internal process.

Market Risk

The Bank recognises market risk as the possibility for loss of earnings or economic value to the Bank caused due to adverse changes in the market level of interest rates or prices of securities (equity), foreign exchange rates and volatilities of those prices. Bank has an Asset Liability Management Committee (ALCO) which meets periodically to discuss product pricing for deposits and advances and maturity profiles of assets and liabilities, articulating interest rate, view of Bank, funding policy, transfer pricing policy and balance sheet management. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk), and market prices (price risk).

Liquidity Risk

Liquidity risk is the risk that a company or Bank may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.

The Bank works continuously towards risk diversification of its assets base so as to achieve better portfolio mix and to protect/enhance the overall risk on its loan book. The strategic focus of mapping business is gradually reducing high-risk assets and increasing low risk exposures.

5.2 Capital Management

The Bank manages its capital to meet regulatory norms and current and future business needs considering the risks in its business. The board of directors on the frequent interval monitor the capital adequacy position and the risk weighted assets and take a necessary step as appropriate.

The Bank capital comprise of the fully paid equity shares, statutory reserves and other reserves. Up to the reporting period the Bank has not raised the capital through the hybrid capital instrument.

Capital Adequacy Table At the month end of Ashad 2078

(Rs. in '000)

1. I RISK WEIGHTED EXPOSURES		Ashad 78	Ashad 77
	Risk Weighted Exposure for Credit Risk	4,296,995	4,486,433
	Risk Weighted Exposure for Operational Risk	454,566	421,597
	Risk Weighted Exposure for Market Risk	-	-
Total Risk Weighted Exposures (Before adjustments of Pillar II)		4,751,561	4,908,030
<i>Adjustments under Pillar II</i>			
SRP 6.4a (5)	<i>ALM policies & practices are not satisfactory, add 1% of net interest income to RWE</i>	2,620	2,776
SRP 6.4a (6)	<i>Add% of the total deposit due to insufficient Liquid Assets</i>	-	-
SRP 6.4a (7)	<i>Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.</i>	93,454	167,946
SRP 6.4a (9)	<i>Overall risk management policies and procedures are not satisfactory. Add 3% of RWE</i>	142,547	196,321
SRP 6.4a (10)	<i>Desired level of disclosure requirement has not been achieved. Add 1% of RWE</i>	47,516	147,241
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		5,037,698	5,422,314
1.2 CAPITAL		Ashad 78	Ashad 77
(A) Core Capital (Tier 1)		1,143,391	1,002,268
	Paid up Equity Share Capital	797,377	693,371
	Irredeemable Non-cumulative preference shares		
	Share Premium		
	Proposed Bonus Equity Shares		
	Statutory General Reserves	197,906	168,776
	Retained Earnings	148,108	140,121
	Un-audited current year cumulative profit/(loss)		
	Capital Redemption Reserve		
	Capital Adjustment Reserve		
	Dividend Equalization Reserves		
	Other Free Reserve		
	Less: Goodwill		
	Less: Deferred Tax Assets		
	Less: Fictitious Assets		
	Less: Investment in equity in licensed Financial Institutions		
	Less: Investment in equity of institutions with financial interests		
	Less: Investment in equity of institutions in excess of limits		
	Less: Investments arising out of underwriting commitments		
	Less: Reciprocal crossholdings		
	Less: Purchase of land & building in excess of limit and unutilized		
	Less: Other Deductions		
<i>Adjustments under Pillar II</i>			
SRP 6.4a(1)	Less: Shortfall in Provision	-	-
SRP 6.4a(2)	Less: Loans & Facilities extended to related parties and restricted lending	-	-
(B) Supplementary Capital (Tier 2) (eligible Rs. 62971.23 thousand only)		62,971	43,760
	Cumulative and/or Redeemable Preference Share		
	Subordinated Term Debt		
	Hybrid Capital Instruments		
	General loan loss provision	62,971	43,760
	Exchange Equalization Reserve		
	Investment Adjustment Reserve		
	Asset Revaluation Reserve		
	Other Reserves		
Total Capital Fund (Tier I and Tier II)		1,206,362	1,046,029
1.3 CAPITAL ADEQUACY RATIOS		Current Period	Current Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		22.70%	18.48%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)		23.95%	19.29%

Miteri Development Bank Limited
Risk Weighted Exposure for Credit Risk
 At the month end of Ashadh, 2078

Form No. 2

(Rs. in '000)

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
Cash Balance	124,669			124,669	0%	-
Balance With Nepal Rastra Bank	134,468			134,468	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	785,775			785,775	0%	-
All Claims on Government of Nepal	1,500			1,500	0%	-
Investment in Nepal Rastra Bank securities				-	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	911,158		-	911,158	20%	182,232
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 operating with a buffer of 1% above			-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)			-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)			-	-	85%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)			-	-	90%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)			-	-	100%	-
Claims on Domestic Corporates (Unrated)	268,347		-	268,347	100%	268,347
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)	2,990,499		-	2,990,499	75%	2,242,874
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-
Claims secured by residential properties	627,978		-	627,978	60%	376,787
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	49,818		-	49,818	100%	49,818
Claims secured by Commercial real estate	6,877		-	6,877	100%	6,877
Past due claims (except for claims secured by residential properties)	37,621		-	37,621	150%	56,431
High Risk claims	497,455		-	497,455	150%	746,183
Lending Against Securities (Bonds & Shares)			-	-	100%	-
Investments in equity and other capital instruments of institutions listed in stock exchange			-	-	100%	-
Investments in equity and other capital instruments of institutions not listed in the stock	471		-	471	150%	707
Staff loan secured by residential property				-	50%	-
Interest Receivable/claim on government securities	3,078			3,078	0%	-
Cash in transit and other cash items in the process of collection				-	20%	-
Other Assets (as per attachment)	340,125		-	340,125	100%	340,125
TOTAL (A)	6,779,840			6,779,840		4,270,382

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	27,453		-	27,453	50%	13,726
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)	64,434		-	64,434	20%	12,887
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above			-	-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	91,887	-	-	91,887		26,613
Total RWE for credit Risk Before Adjustment (A) +(B)	6,871,726	-	-	6,871,726		4,296,995
Adjustments under Pillar II						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	6,871,726	-	-	6,871,726		4,296,995

Disclosure Pursuant to Capital Adequacy Framework, 2007(updated 2008)

1 Capital and Capital Adequacy ratios- as per (5.2)

2 Information about subordinate debt

The Bank does not have subordinate debt.

3 Deduction from capital

Particulars	Amount
Differed Tax Asset	0

4 Total Qualifying capital

Total core capital (Tier I)	1,143,390,727
Total Supplementary Capital (Tier II)	62,971,230
Total Capital Fund (Tier I + Tier II)	1,206,361,957

5 Capital Adequacy Ratio

Particulars	Percentage
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	22.70%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	23.95%

6 Summary of the Bank's internal approach to assess the adequacy of capital to support current and future activities

The Bank considers the capital adequacy requirement pursuant to the provision set by NRB. The Tier 1 Capital ratio of the Bank as at Ashad 2078 is 22.70% and the total capital ratio is 23.95%. The Bank in its strategic planning cautiously considers the capital adequacy and projects capital adequacy required for the organization's growth

7 Risk exposure - As per form 2 capital adequacy table.

8 Amount of Non-Performing Assets (Gross and Net Amount)

Particulars	Gross Amount	Provision	Net Amount
Substandard	2,490,486	622,622	1,867,865
Restructured	2,066,287	258,286	1,808,001
Doubtful	-	-	-
Loss	18,694,801	18,694,801	-
Total	23,251,574	19,575,709	3,675,866

9 Non-performing Asset ratio

Particular	Percentages
Gross NPA to Gross Advances	0.47%
Net NPA to Net Advances	0.08%

10 Movement of Non-performing Asset

Particulars	Balances	Balance	Movement
	Ashad 78	Ashad 77	
Substandard	2,490,486	456,781	2,033,705
Restructured	2,066,287	4,566,639	(2,500,351)
Doubtful	-	3,103,163	(3,103,163)
Loss	18,694,801	-	18,694,801
Total	23,251,574	8,126,582	15,124,992

11 Written off loan and Interest Suspense

During the year 77-78 Bank has not written off any loan and advances.

12 Movement in Loan loss provision

Particular	Balances	Balance	Movement
	Ashad 78	Ashad 77	
Pass	63,888,271	39,211,867	24,676,405
Watchlist	2,264,472	4,548,346	(2,283,873)
Substandard	622,622	114,195	508,426
Restructured	258,286	570,830	(312,544)
Doubtful	-	1,551,581	(1,551,581)
Loss	18,694,801	-	18,694,801
Total	85,728,452	45,996,819	21,036,832

13 Movement in Interest Suspense

Particular	Balance	Balance	Movement
	Ashad 78	Ashad 77	
Interest Suspense	2,424,168	3,783,793	(1,359,625)

14 Details of Additional Loan Loss Provision (Difference of provision between this Year and immediate previous Year)

Particulars	Amount
Pass	24,676,405
Watchlist	(2,283,873)
Substandard	508,426
Restructured	(312,544)
Doubtful	(1,551,581)
Loss	-

15 Segregation of Bank investment portfolio

Particulars	Amount
Investment securities measured at Amortised cost	785,774,600
Investment in equity measured at FVTOCI	39,155,030
Investment in unquoted associates	-
Other Trading Assets	-

5.3 Classification of financial assets and financial liabilities

The financial assets and liabilities are classified in Amortised Cost, fair value through profit and loss and fair value through other comprehensive income. The following table exhibit the classification of financial assets and liabilities:

Financial Assets	As on 31st Ashad 2078			
	Amortised Cost	FVTPL	FVTOCI	Total
Cash and Cash Equivalents	532,899,682	-	-	532,899,682
Due from Nepal Rastra Bank	134,468,145	-	-	134,468,145
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	459,877,469	-	-	459,877,469
Loans and Advances to Customers	4,489,614,300	-	-	4,489,614,300
Investment Securities	785,774,600	-	39,155,030	824,929,630
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Investment Property	-	-	-	-
Other Assets	211,069,534	-	-	211,069,534
Total Financial Assets	6,613,703,731	-	39,155,030	6,652,858,761
Financial Liabilities				
Due to Bank and Financial Institutions	45,188,634	-	-	45,188,634
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	5,446,860,488	-	-	5,446,860,488
Borrowings	-	-	-	-
Other Liabilities	51,835,535	-	-	51,835,535
Debt Securities Issued	-	-	-	-
Total Financial Liabilities	5,543,884,658	-	-	5,543,884,658

Financial Assets	As on 31st Ashad 2077			
	Amortised Cost	FVTPL	FVTOCI	Total
Cash and Cash Equivalents	2,020,805,571	-	-	2,020,805,571
Due from Nepal Rastra Bank	155,449,164	-	-	155,449,164
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	17,898,521	-	-	17,898,521
Loans and Advances to Customers	4,020,555,991	-	-	4,020,555,991
Investment Securities	284,597,450	-	16,947,370	301,544,820
Investment in Subsidiaries	4,206,442	-	-	4,206,442
Investment in Associates	-	-	-	-
Investment Property	-	-	-	-
Other Assets	7,374,485	-	-	7,374,485
Total Financial Assets	6,510,887,624	-	16,947,370	6,527,834,994

Financial Liabilities				
Due to Bank and Financial Institutions	78,012,631	-	-	78,012,631
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	5,351,659,408	-	-	5,351,659,408
Borrowings	-	-	-	-
Other Liabilities	135,550,631	-	-	135,550,631
Debt Securities Issued	-	-	-	-
Total Financial Liabilities	5,565,222,669	-	-	5,565,222,669

5.4 Operating Segment Information

1. General information

Factors that management used to identify the entity's reportable segments

An operating segment is a component of the Bank that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Based on the nature of the business, transactions, products and services, the management have identified three reporting segment for the purpose of financial reporting:

2. Information about profit or loss, assets and liabilities

Particulars	Sunsari	Morang	Jhapa	Total
Revenues from external customers	424,008,122	201,374,127	88,733,187	714,115,437
Inter Segment Expenses/revenues	94,732,970	(46,782,199)	(47,950,771)	-
Net Revenue	518,741,092	154,591,928	40,782,416	714,115,437
Interest revenue	336,214,390	191,736,108	84,686,370	612,636,869
Interest expense	(258,361,037)	(74,240,218)	(10,985,057)	(343,586,311)
Net interest expenses/revenue				-
Depreciation and amortisation	(5,720,899)	(3,132,356)	(683,380)	(9,536,635)
Segment profit /(loss)	174,530,932	44,276,263	10,499,763	229,306,958
Impairment of assets	(19,271,008)	(8,115,504)	(12,345,122)	(39,731,634)
Segment assets	4,516,155,792	1,537,078,282	651,885,637	6,705,119,712
Segment liabilities	5,119,461,312	1,398,264,945	187,393,455	6,705,119,712

3. Measurement of operating segment profit or loss, assets and liabilities

The transaction between the department are recorded using the interbranch and inter department account. These accounts are reconciled and inter department balances are cancelled out at each reporting date. The inter department revenue and expenses are the transfer pricing of the funds which is calculated using the Bank's policy.

4. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

a. Revenue

Total revenues for reportable segments	714,115,437
Other revenues	
Elimination of intersegment revenues	
Entity's revenues	714,115,437

b. Profit or Loss

Total profit or loss for reportable segments	229,306,958
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	
Other Adjustment	
Bonus	(20,846,087)
Incentive	-
Profit before income tax	208,460,871
Tax Expenses	(62,813,036)
Net profit for the period	145,647,835

c. Assets

Total assets for reportable segments	6,705,119,712
Other assets	
Unallocated amounts	
Entity's assets	6,705,119,712

d. Liabilities

Total liabilities for reportable segments	6,705,119,712
Other liabilities	
Unallocated liabilities	
Entity's liabilities	6,705,119,712

5. Information about products and services

Revenue from each type of product and services:

Loans & Advances	621,191,707
Money at Call	14,135,879
Investment Securities	70,510,695
Remittance	1,777,640
Service Fees	-
Digital Banking Services	3,224,025
Foreign Exchange	-
Non-Funded Credit Services	263,151
Other Allied Products and Services	3,012,341
Total Revenue before Interest Cost	714,115,437

6. Information about geographical areas

Revenue from following geographical areas

Areas	
Domestic	
Province 1	714,115,437
Province 2	
Province 3	
Province 4	
Province 5	
Province 6	
Province 7	
Foreign	
Total	714,115,437

7. Information about major customers

The Bank does not have any customer, which generate more than 10% of the entity's revenue.

5.5 Share options and share based payment

The Bank does not extend the share options and share based payment to any of its employees. Thus, during the reporting period the Bank does not have any the transactions that are to be accounted as per NFRS 2 "Share based payments".

5.6 Contingent liabilities and commitment

Comprehensive disclosure of the contingent liabilities and commitments are made on Note 4.28.

5.7 Related Party Disclosures

i. List of related party

S.N.	Name of the Related Party	Relationship
1	Kishan Maskey	Chairman
2	Sunil Shrestha	Director
3	Gambhir Man Tandukar	Director
4	Shambu Prasad Shrestha	Director
5	Lalit Kumar Agrawal	Director
6	Saroj Shrestha	Director
7	Tulasi Prasad Wosti	Chief Executive Officer

ii. Related Party Transactions

Board of Directors Allowances and Facilities

S.N.	Particulars	No of Meetings	Sitting Fees
1	Board Meeting	12	372,000
2	Audit Committee Meeting	4	24,000
3	HR Committee	4	12,000
3	Risk Management Committee	4	24,000
4	Anti-Money Laundering Prevention Committee	4	24,000
Total			456,000

In addition to above meeting allowance, the Chairman of the board and other member are entitled for newspaper, telephone etc. facility.

Key Managerial Personnel's Emoluments and Facilities

S.N.	Particulars	Amount
1	Salary	3,000,000
2	Allowance	1,536,000
Total		4,536,000

In addition to above, CEO of the Bank is entitled to Bonus, Dashain Allowance, and other facilities such as telephone, vehicle as per the contract with board.

5.8 Merger and Acquisition

The Bank has neither entered into merger nor acquired any Bank and financial institutions.

5.9 Additional disclosure of non-consolidated entities

5.10 Events after reporting date

No events requiring the adjustment as per NAS 10 "Events occurring after Reporting Period" are observed after the reporting period.

6 Other Disclosures

6.1 Dividend

Bank has proposed 13.30% stock dividend and 0.70% cash dividend for equity shareholders by the decision of board of directors meeting dated 8thDecember 2021. It will be distributed to shareholders after approval from Nepal Rastra Bank and annual general meeting of the Bank.

6.2 Corporate Social Responsibility Expenses

Miteri Bank's approach to corporate social responsibility (CSR) focuses on the three dimensions of sustainability to create economic, environmental and social value. CSR policy aims to set the direction for a future-orientated business strategy that balances economic success with environmental and social responsibility. Our priorities under CSR are: supporting to the less fortunate and underprivileged people of the society specially for education to make sustainable social change in their lives, promote sports and culture, preserve and develop heritage sites, help to upgrade health facilities, natural environment protection program, help the people to overcome effect of natural calamities and disaster etc.

CSR Activities undertaken during the reporting period are as follows:

Particulars	Amount
Pandemic has created challenges to continue banking service with utmost safety of staff of Bank. To ensure utmost safety of health of staff Bank has expenses incurred in the course of prevention, diagnosis, treatment of COVID 19.	341,239
Financial assistance provided to Shree Chandra Prathiba Saskritik club for conducting blood donation program which will help to save lives of people need in the need of blood.	15,500
Bank Literacy program conducted in order to enhance Banking literacy of general public which will foster Banking habits of people.	16,005
Total	372,744

Disclosure As prescribed in AGM Clearance Guidelines,2077

6.3 Disclosure with respect to compliance of directives issued by NRB to curb effect of COVID 19 (Asper format prescribed in AGM Clearance Guidelines, 2077)

Particulars	Annexure 1 As of Ashad end 2078	
	No. of Customers	Amount (NRs.)
Accrued Interest Received after Ashad end 2078 till 15 Bhadra 2078	604	8,457,299
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	5,724	14,788,767
Extension of moratorium period of loan provided to Industry or Project under construction	NA	NA
Restructured/Rescheduled Loan with 5% Loan Loss Provision	12	9,744,752
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	NA	NA
Enhancement of Term Loan by 10% to COVID affected borrowers	NA	NA
Expiry Date of Additional 20% Working Capital Loan (COVID Loan) extended for upto 1 year with 5% provisioning	NA	NA
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for upto 1 year with 5% provisioning	NA	NA
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives	NA	NA

Particulars	Annexure 2	
	No. of Customers	Amount (NRs.)
Refinance Loan	NA	NA
Business Continuity Loan	NA	NA

Particulars	Annexure 3 During FY 2077/2078	
	No. of Customers	Amount (NRs.)
Subsidized Loan	195	122,877,877

6.4 Disclosure with respect to Interest income recognition, Interest receivable on loan on Ashad end 78 and Interest received up to Bhadra 15

Interest has been recognised as per accrual basis of accounting in accordance with NAS 18 subject to Guideline on Recognition of Interest Income, 2019 issued by NRB.

As per NRB Directives 4, applicable for FY 77-78 accrued interest of 77-78 (not received up to Ashad end 78), received up to Bhadra 15 can be accounted as interest income of 77-78. Bank has opted above provision and interest received up to Bhadra 15 has been accounted as interest income of 77-78. The Bank has transferred only accrued interest of Ashad 78 not received up to Bhadra 15 to regulatory reserve.

Details relating to AIR and interest received are as follows.

Particulars	Amount
Total Interest receivable on Ashad end 78 Excluding Bad loan	10,667,837
Total Interest receivable on Ashad end 78 on Bad loan	213,630
Total	10,881,467
Interest received from Shrawan to Bhadra 15 other than Bad loan	8,375,980
Interest received from Shrawan to Bhadra 15 on Bad loan	81,320
Total	8,457,299
Total Interest not received up to Bhadra 15 (relating to AIR up to Ashad end 78)	2,424,168

Miteri Development Bank Limited
Principal Indicators of last 5 Financial Year

SN	Indicators	UNIT	FY					FY
			2073-74 <i>As per previous GAAP</i>	2074-75	2075-76	2076-77 <i>As per NFRS</i>	2077-78	
1	Net Profit/ Gross Income	Percent	29.27	21.29	20.54	21.51	20.40	
2	Earnings Per Share	NPR	31.61	23.19	25.17	25.84	18.27	
3	Market Value Per Share	NPR	520.00	288.00	234.00	307.00	586	
4	Price Earning Ratio	Ratio	16.45	12.42	9.30	11.88	32.08	
5	Dividend (including bonus) on Share Capital	Percent	33.13	17.89	19.50	15.79	14	
6	Cash Dividend on Share Capital	Percent	1.66	0.89	0.98	0.790	0.70	
7	Interest Income/ Loans and Advances and Investme	Percent	14.51	15.91	13.72	16.11	10.45	
8	Staff Expenses/ Total Operating Expenses	Percent	21.83	16.10	15.58	14.72	17.41	
9	Interest Expenses/ Total Deposits & Borrowings	Percent	5.67	7.38	7.87	8.19	6.26	
10	Exchange Gain/ Total Income	Percent	-	-	-	-	-	
11	Staff Bonus/ Total Staff Expenses	Percent	33.00	27.36	27.33	30.34	25.70	
12	Net Profit/Total Loans & Advances	Percent	5.23	3.72	3.59	4.44	2.94	
13	Net Profit/ Total Assets	Percent	3.41	2.53	2.56	2.72	2.17	
14	Total Loans & Advances/ Total Deposits	Percent	79.56	81.65	84.02	75.22	91.68	
15	Total Operating Expenses/ Total Assets	Percent	6.27	8.09	8.62	8.69	6.95	
16	Capital Adequacy (On Risk Weighted Assets)	Percent						
	a. Core Capital	Percent	21.46	19.03	18.07	18.48	22.70	
	b. Supplementary Capital	Percent	0.85	0.86	0.89	0.81	1.25	
	c. Total Capital Fund	Percent	22.31	19.90	18.96	19.29	23.95	
17	Liquidity	Percent	41.00	36.95	33.90	45.32	26.46	
18	Non-Performing Loan/ Total Loans & Advances	Percent	-	0.05	-	0.20	0.47	
19	Base Rate	Percent	12.82	15.27	13.36	11.01	9.09	
20	Weighted Average Interest Rate Spread	Percent	7.31	6.47	6.44	5.29	4.99	
21	Book Net Worth	NPR	587,050,445	699,988,163	842,178,365	1,014,983,851	1,161,235,054	
22	Number of Shares	Nos.	3,802,931	5,000,000	5,850,000	6,933,713	7973769	
23	Number of Staff	Nos.	71	92	98	102	98	



Miteri Development Bank Limited
Condensed Statement of Financial Position
As on Quarter ended 31st Ashad 2078

Amount in NPR

Particulars	Bank	
	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and Cash Equivalents	532,899,565	2,020,805,571
Due from Nepal Rastra Bank	134,468,145	155,449,164
Placement with Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	461,275,273	17,898,521
Loans and Advances to Customers	4,504,253,152	4,020,555,991
Investment Securities	1,024,929,630	301,544,820
Current Tax Assets	409,883	4,206,442
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	-	-
Property and Equipment	36,915,060	36,895,914
Goodwill and Intangible Assets	431,458	765,272
Deferred Tax Assets	5,665,796	8,516,157
Other Assets	44,882,404	13,568,668
Total Assets	6,746,130,367	6,580,206,520

Particulars	Bank	
	This Quarter	Immediate Previous Year
Liabilities		
Due to Bank and Financial Institutions	45,188,634	78,012,631
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	-	-
Deposits from Customers	5,446,860,488	5,351,659,408
Borrowings	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred Tax Liabilities	-	-
Other Liabilities	82,341,003	135,550,631
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	5,574,390,126	5,565,222,669
Equity		
Share Capital	797,376,938	693,371,250
Share Premium	-	-
Retained Earnings	156,034,100	140,121,180
Reserves	218,329,204	181,491,422
Total Equity Attributable to Equity Holders	1,171,740,241	1,014,983,851
Non-Controlling Interest	-	-
Total Equity	1,171,740,241	1,014,983,851
Total Liabilities and Equity	6,746,130,367	6,580,206,520

Condensed Statement of Profit or Loss
As on Quarter ended 31st Ashad 2078

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	608,652,549	608,652,549	706,623,868	706,623,868
Interest Expense	343,851,330	343,851,330	444,577,972	444,577,972
Net Interest Income	264,801,219	264,801,219	262,045,896	262,045,896
Fee and Commission Income	34,704,653	34,704,653	48,181,675	48,181,675
Fee and Commission Expense	867,422	867,422	1,729,176	1,729,176
Net Fee and Commission Income	33,837,231	33,837,231	46,452,499	46,452,499
Net Interest, Fee and Commission Income	298,638,450	298,638,450	308,498,395	308,498,395
Net Trading Income	-	-	-	-
Other Operating Income	65,788,082	65,788,082	78,142,736	78,142,736
Total Operating Income	364,426,532	364,426,532	386,641,131	386,641,131
Impairment Charge/ (Reversal) for Loans and Other Losses	23,623,265	23,623,265	5,381,854	5,381,854
Net Operating Income	340,803,267	340,803,267	381,259,277	381,259,277
Operating Expense				
Personnel Expenses	78,200,702	78,200,702	84,220,953	84,220,953
Other Operating Expenses	30,809,454	30,809,454	32,329,384	32,329,384
Depreciation & Amortisation	9,536,635	9,536,635	9,215,038	9,215,038
Operating Profit	222,256,475	222,256,475	255,493,902	255,493,902
Non-Operating Income	-	-	-	-
Non-Operating Expense	-	-	-	-
Profit Before Income Tax	222,256,475	222,256,475	255,493,902	255,493,902
Income Tax Expense	-	-	-	-
Current Tax	66,676,943	66,676,943	77,751,780	77,751,780
Deferred Tax	-	-	(1,399,325)	(1,399,325)
Profit for the Period	155,579,533	155,579,533	179,141,446	179,141,446

Profit Attributable to:				
Equity-holders of the Bank	155,579,533	155,579,533	179,141,446	179,141,446
Non-Controlling Interest	-	-	-	-
Profit for the Period	155,579,533	155,579,533	179,141,446	179,141,446

Condensed Statement of Other Comprehensive Income
As on Quarter ended 31st Ashad 2078

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year	48,503,489	155,579,533	58,329,039	179,141,446
Other Comprehensive Income for the year, Net of Income Tax	(17,701,156)	6,650,841	111,419	(632,210)
Total Comprehensive Income for the Period	30,802,333	162,230,373	58,440,458	178,509,236
Basic Earning per share (Annualised)		19.51		25.84
Diluted Earning per share (Annualised)		19.51		25.84
Total Comprehensive Income attributable to:				
Equity-Holders of the Bank	30,802,333	162,230,373	58,440,458	178,509,236
Non-Controlling Interest	-	-	-	-

Miteri Development Bank Limited
Comparison Unaudited and Audited Financial Statements as of 2077-78

Statement of Financial Position	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Assets					
Cash and Cash Equivalent	532,899,565	532,899,682	117	0.00%	
Due from Nepal Rastra Bank	134,468,145	134,468,145	-	0.00%	
Placement with Bank and Financial Institutions	-	-	-	0.00%	
Derivative Financials Instrument	-	-	-	0.00%	
Other Trading Assets	-	-	-	0.00%	
Loans and Advances to Bank and Financial Institutions	461,275,273	459,877,469	(1,397,804)	-0.30%	
Loans and Advances to Customers	4,504,253,152	4,489,614,300	(14,638,851)	-0.33%	
Investment Securities	1,024,929,630	824,929,630	(200,000,000)	-19.51%	
Current Tax Assets	409,883	4,110,628	3,700,745	902.88%	Due to assesment of Final Tax
Investment in Subsidiaries	-	-	-	0.00%	
Investment in Associates	-	-	-	0.00%	
Investment Property	-	-	-	0.00%	
Property and Equipment	36,915,060	36,915,060	(0)	0.00%	
Goodwill and Intangible Assets	431,458	431,458	-	0.00%	
Deferred Tax Assets	5,665,796	6,897,875	1,232,079	21.75%	Due to Final assesment of Deferred tax
Other Assets	44,882,404	214,975,464	170,093,060	378.97%	Due to set off of Plan asset with Defined Benefit Liability
Total Assets	6,746,130,367	6,705,119,712	(41,010,655)	-0.61%	Consequential effect of above items.
Liabilities					
Due to Bank and Financial Institutions	45,188,634	45,188,634	-	0.00%	
Due to Nepal Rastra Bank	-	-	-	0.00%	
Derivative Financials Instrument	-	-	-	0.00%	
Deposits from Customers	5,446,860,488	5,446,860,488	-	0.00%	
Borrowings	-	-	-	0.00%	
Current Tax Liabilities	-	-	-	0.00%	
Provisions	-	-	-	0.00%	
Deferred Tax Liabilities	-	-	-	0.00%	
Other Liabilities	82,341,003	51,835,535	(30,505,468)	-37.05%	Due to set off of Plan asset with Defined Benefit Liability
Debt Securities Issued	-	-	-	0.00%	
Subordinated Liabilities	-	-	-	0.00%	
Total Liabilities	5,574,390,126	5,543,884,658	(30,505,468)	-0.55%	Consequential effect of above items.
Equity					
Share Capital	797,376,938	797,376,938	-	0.00%	
Share Premium	-	-	-	0.00%	
Retained Earnings	156,034,100	148,108,240	(7,925,859)	-5.08%	Due to Adjustment of provision and consequential effect of change in profit
Reserves	218,329,204	215,749,876	(2,579,328)	-1.18%	Due to Adjustment of provision and consequential effect of change in profit
Total Equity Attributable to Equity Shareholders	1,171,740,241	1,161,235,054	(10,505,187)	-0.90%	
Non Controlling Interest	-	-	-	-	
Total Equity	1,171,740,241	1,161,235,054	(10,505,187)	-0.90%	Consequential effect of above items.
Total Equity and Liabilities	6,746,130,367	6,705,119,712	(41,010,655)	-0.61%	Consequential effect of above items.

Miteri Development Bank Limited
Comparison Unaudited and Audited Financial Statements as of 2077-78

Statement of Profit and Loss	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Interest Income	608,652,549	612,636,869	3,984,320	0.65%	
Interest Expenses	343,851,330	343,586,311	(265,019)	-0.08%	
Net Interest Income	264,801,219	269,050,558	4,249,339	1.60%	
Fee and Commission Income	34,704,653	35,690,486	985,833	2.84%	Due to receipt of Insurance commission post reporting period
Fee and Commission Expenses	867,422	867,422	-	0.00%	
Net Fee and Commission Income	33,837,231	34,823,064	985,833	2.91%	Consequential effect of above items.
Net Interest, Fee and Commission Income	298,638,450	303,873,622	5,235,172	1.75%	-
Net Trading Income	-	-	-	0.00%	
Other Operating Income	65,788,082	65,788,082	-	0.00%	
Total Operating Income	364,426,532	369,661,704	5,235,172	1.44%	
Impairment Charge/(reversal) for loans and other losses	23,623,265	39,731,634	16,108,369	68.19%	Due to Adjustment of provision for loan loss
Net Operating Income	340,803,267	329,930,070	(10,873,197)	-3.19%	-
Operating Expenses					
Personnel Expenses	78,200,702	81,122,189	2,921,488	3.74%	Change in personal expenses due to actuarial report and Adjustment of Staff Finance Income
Other Operating Expenses	30,809,454	30,810,374	920	0.00%	
Depreciation & Amortization	9,536,635	9,536,635	-	0.00%	
Operating Profit	222,256,475	208,460,871	(13,795,604)	-6.21%	-
Non Operating Income	-	-	-	0.00%	
Non Operating Expenses	-	-	-	0.00%	
Profit before Income Tax	222,256,475	208,460,871	(13,795,604)	-6.21%	-
Income Tax Expenses	-	-	-	0.00%	
Current Tax	66,676,943	63,799,334	(2,877,609)	-4.32%	Change in Income Tax Liabilities
Deferred Tax	-	(986,298)	(986,298)	100.00%	Due to adjustment of deferred tax
Profit for the Period	155,579,533	145,647,835	(9,931,698)	-6.38%	Consequential effect of above items.
Consolidated Statement of Comprehensive Income					
Profit/(Loss) for the period	155,579,533	145,647,835	9,931,698	6.38%	Consequential effect of above items.
Other Comprehensive Income	6,650,841	6,077,352	(573,489)	8.62%	Adjustment of Actuary Valuation report
Total Comprehensive Income	162,230,373	151,725,186	10,505,187	6.48%	Consequential effect of above items.

मितेरी डेभलपमेण्ट बैंक लिमिटेड

०.५०% मन्दा बढि शेयर स्वामित्व रहेका शेयरधनीहरू
२०७८/०३/३१

क्र.सं.	शेयर होल्डरको नाम	शेयरको प्रकार	शेयर संख्या	शेयर रकम	प्रतिशत
१	सुनिल श्रेष्ठ	संस्थापक	३२८,१६२	३२,८१६,२००।००	४।१२
२	राजेश अग्रवाल	संस्थापक	२९५,८४४	२९,५८४,४००।००	३।७१
३	राजेश अग्रवाल	संस्थापक	२५०,९४५	२५,०९४,५००।००	३।१५
४	जनसेवक भण्डारी	संस्थापक	१६७,२९६	१६,७२९,६००।००	२।१
५	राम बहादुर श्रेष्ठ	संस्थापक	१५४,४०५	१५,४४०,५००।००	१।९४
६	निर्मल कुमार अग्रवाल	सर्वसाधारण	१४५,७१८	१४,५७१,८००।००	१।८३
७	सुनिल श्रेष्ठ	सर्वसाधारण	१२२,२४०	१२,२२४,०००।००	१।५३
८	ललिता थापा	संस्थापक	११५,८२३	११,५८२,३००।००	१।४५
९	गम्भिरमान तण्डुकार	संस्थापक	१०२,९४७	१०,२९४,७००।००	१।२९
१०	पवन कुमार अग्रवाल	संस्थापक	९६,२१२	९,६२१,२००।००	१।२१
११	अशोक कुमार अग्रवाल	संस्थापक	९०,०७८	९,००७,८००।००	१।१३
१२	भिम बहादुर पौडेल	संस्थापक	८३,६४७	८,३६४,७००।००	१।०५
१३	राजेश अग्रवाल	सर्वसाधारण	७५,९९५	७,५९९,५००।००	०।९३
१४	छविलाल अधिकारी	सर्वसाधारण	७३,२६०	७,३२६,०००।००	०।९२
१५	जनसेवक भण्डारी	सर्वसाधारण	६२,३२०	६,२३२,०००।००	०।७८
१६	योगेश कुमार श्रेष्ठ	संस्थापक	५७,९०७	५,७९०,७००।००	०।७३
१७	विकाश श्रेष्ठ	संस्थापक	५४,६८९	५,४६८,९००।००	०।६९
१८	राजेश अग्रवाल	सर्वसाधारण	५१,६६१	५,१६६,१००।००	०।६५
१९	किसन मास्के	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२०	पुनम चन्द बुच्चा	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२१	सुनिल अग्रवाल	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२२	मदन मान अमात्य	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२३	सुर्य शेखर श्रेष्ठ	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२४	शान्ता दिक्षित	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२५	उमा बस्नेत	संस्थापक	५१,४७६	५,१४७,६००।००	०।६५
२६	प्रुडेन्सियल क्यापिटल मार्केट लिमिटेड	सर्वसाधारण	४९,१९१	४,९१९,१००।००	०।६२
२७	ईन्दु नेपाल श्रेष्ठ	संस्थापक	४५,०३९	४,५०३,९००।००	०।५६
२८	प्रदिप अग्रवाल	संस्थापक	४३,६०८	४,३६०,८००।००	०।५५
२९	पुर्ण प्रसाद सुबेदी	संस्थापक	४२,८९१	४,२८९,१००।००	०।५४
३०	एन एम वि ५०	सर्वसाधारण	४०,८७४	४,०८७,४००।००	०।५१
३१	सविना श्रेष्ठ	संस्थापक	४०,०४५	४,००४,५००।००	०।५

धितो पत्रदर्ता तथा निष्काशन नियमावली २०६५ को नियम २२ को उपनियम (१ र ५) सँग सम्बन्धित विवरण

१. संचालक समितिको प्रतिवेदन : संलग्न छ ।
२. लेखा परिक्षकको प्रतिवेदन : संलग्न छ ।
३. लेखा परिक्षण भएको वित्तीय विवरण : संलग्न छ ।
४. कानुनी कारवाही सम्बन्धि विवरण :
देहाय अनुसारको मुद्दा दायर भएको भए, मुद्दा दायर भएको मिति, विषय, मुद्दा दायर भएको संस्थापक वा संचालकको नाम र सम्भाव्य कानुनी उपचार सम्बन्धि विवरण समावेश गर्नु पर्ने ।
क) यस अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए : यस अवधिमा बैंकको विरुद्ध एक जना ऋणि तथा नीजको परिवारको तर्फबाट र सोहि ऋणको सम्बन्धमा ऋणिसँग सम्बन्धित भनिएका व्यक्तिहरुबाट बैंकको विरुद्ध मुद्दा दायर भएको छ ।
ख) संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए : छैन ।
ग) कुनै संस्थापक वा संचालन विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए : छैन ।
- ५) संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण :
क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारण शेयरको कारोबार तथा मुख्य खुल्ला बजार स्वयमले निर्धारण गर्ने हुँदा यसमा व्यवस्थापनको धारण तटस्थ रहेको छ ।
ख) संगठित संस्थाको शेयर कारोबार देहाय बमोजिम रहेको छ । (श्रोत -nepalstock.com)

त्रैयमास	प्रथम त्रैयमास	दोस्रो त्रैयमास	तेस्रो त्रैयमास	चौथो त्रैयमास
अधिकतम मुल्य	३८१	४३१	३९०	६७२
न्युनतम मुल्य	३१७	३१५	३२८	३५१
अन्तिम मुल्य	३७३	३४५	३९०	५८६
कारोबार भएको कुल संख्या	४,८५,४३३	७,०२,८१०	६,९५,२९४	३६,०५,९६०
कारोबार दिन	६४	५८	५९	६३

६) समस्या तथा चुनौतीहरु :

आन्तरीक चुनौतीहरु :

- क) कर्जा लगानीमा उच्च प्रतिस्पर्धा
- ख) उच्चतम प्रविधिको अभाव
- ग) दक्ष जनशक्तिको अभाव
- घ) शाखा संजालको कमी

वाह्य चुनौतीहरु :

- क) अन्य बैंकमा राखिएको निक्षेपमा न्युन ब्याज पाउनु
- ख) तरलताको स्थितिमा व्यापक परिवर्तन
- ग) अन्य बैंक तथा वित्तीय संस्थाको प्रवेश
- घ) राजनैतिक तथा आर्थिक अस्थिरता

उ) कर्जा तथा निक्षेपको ब्याजमा अत्यन्त प्रतिस्पर्धा

उपरोक्त चुनौतिको सामना गर्न व्यवस्थापनको रणनीति : हाल कायम जनशक्तिलाई कार्यस्थल लगायत वाह्य तालिमको माध्यमबाट आवश्यक जनशक्ति तयार गर्ने । शाखा खोल्ने कार्यलाई निरन्तरता दिँदै शाखा संजाल बढाउने । वाह्य चुनौतीहरुको सम्बन्धमा व्यवस्थापन चनाखो भई निरन्तर सजग रहि जोखिम को असरलाई कम गर्ने रणनीति व्यवस्थापनले लिइएको छ ।

७) संस्थागत सुशासन :

यस विकाश बैंकले नेपाल राष्ट्र बैंकको निर्देशन बमोजिम संस्थागत सुशासन अभिवृद्धिको लागि आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न आवश्यक कार्यहरु गरेको छ । बैंकको संचालन जोखिम कम गरी कारोबारलाई चुस्त छिटो छिरितो बनाउन संचालक तथा व्यवस्थापन तहमा विभिन्न समितिहरु क्रियाशिल रहेका छन् । साथै बैंकको कारोबारलाई व्यवस्थित गराउन विभिन्न नीतिनियम तथा निर्देशिकाहरु तयार गरी लागू गरिएकोले व्यवस्थापन तथा कार्यान्वयन पक्ष सबल रहेको छ ।



नेपाल राष्ट्र बैंक
विकास बैंक सुपरिवेक्षण विभाग



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ०१-४४१९८०४
Site: www.nrb.org.np
Email: nrdbdsd@nrb.org.np
पोष्ट बक्स: ७३

पत्रसंख्या: वि.बै.सु.वि./गैरस्थलगत/मिटेरी/०७८/७९
च.नं. १,३५
मिटेरी डेभलपमेण्ट बैंक लिमिटेड,
धरान, सुनसरी।

मिति: २०७८/०९/०६

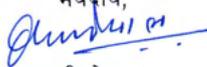
विषय: लाभांश घोषणा/वितरण तथा वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा।

महाशय,

त्यस संस्थाले प्रस्ताव गरे अनुसार आ.व. २०७७/७८ सम्मको सञ्चित मुनाफाबाट २०७८ असार मसान्तमा कायम रहेको चुक्ता पुँजी रु.७९,७३,७६,९३८।- को १३.३० प्रतिशतले हुन आउने रकम रु.१०,६०,५१,९३२।६९ (अक्षरेपि दश करोड साठी लाख एकाउन्न हजार एक सय बत्तिस र पैसा उन्सत्तरी मात्र) बराबरको बोनस शेयर तथा सोही चुक्ता पुँजीको ०.७० प्रतिशतले हुन आउने रकम रु.५५,८१,६३८।५६ (अक्षरेपि पचपन्न लाख एकासी हजार छ सय अडतिस र पैसा छपन्न मात्र) नगद लाभांश (लांभाशमा लाग्ने कर प्रयोजनको लागि) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृत प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

साथै संस्थाले पेश गरेको आर्थिक वर्ष २०७७/७८ को लेखापरीक्षण भएको वित्तीय अवस्थाको विवरण, नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण, सोसँग सम्बन्धित अनुसूचीहरू, लेखापरीक्षकको प्रतिवेदन, लङ्गफर्म अडिट रिपोर्ट समेतको आधारमा गैर स्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेयरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी आ.व. २०७७/७८ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा समेत अनुरोध गर्दछु।

- (१) बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ तथा कम्पनी ऐन, २०६३ मा भएको व्यवस्था बमोजिम सञ्चालक समितिलाई पूर्णता दिनु हुन।
- (२) कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गरी प्रवाहित कर्जाको नियमित रूपमा अनुगमन गर्ने कार्यलाई प्रभावकारी रूपमा कार्यान्वयन गर्नुहुन।
- (३) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७७ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन।
- (४) ग्राहक पहिचान (KYC), अनुपालना तथा कर्जा व्यवस्थापन लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरूको सुधार गर्न समय सीमा सहितको कार्ययोजना बनाइ प्रभावकारी रूपले कार्यान्वयन गर्ने तथा पुनः नदोहोरिने व्यवस्था गर्नुहुन।
- (५) यस बैंकबाट जारी लगानी सम्बन्धी एकीकृत निर्देशन (इ.प्रा.निर्देशन नं. ८/०७८) ले तोकिएको प्रवन्ध भित्र रहेर मात्र लगानी गर्ने गर्नुहुन।

भवदीय,

(बद्री नेपाल)
उप-निर्देशक

बोधार्थ:

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

नेपाल राष्ट्र बैकबाट आ.व. २०७७/०७८ को वित्तिय वितरण प्रकाशन गर्न स्विकृत दिदाँ दिएको निर्देशनको सम्बन्धमा बैकको प्रतिक्रिया :

१. बैक तथा वित्तिय संस्था ऐन, २०७३ तथा कम्पनी ऐन, २०६३ मा भएको व्यवस्था बमोजिम संचालक समितिलाई पूर्णता दिइने ब्यहोरा अनुरोध छ ।
२. निर्देशन बमोजिम गरिने ब्यहोरा अनुरोध छ ।
३. निर्देशन बमोजिम गरिने ब्यहोरा अनुरोध छ ।
४. निर्देशन बमोजिम गरिने ब्यहोरा अनुरोध छ ।
५. निर्देशन बमोजिम गरिने ब्यहोरा अनुरोध छ ।

कम्पनीको प्रवन्धपत्रमा आवश्यक परिमार्जन/संशोधन तथा थप गर्ने :

दफा / नियमावली	हाल भैरहेको व्यवस्था	संशोधित व्यवस्था	संशोधन तथा थप गर्नुपर्ने कारण
प्रवन्धपत्रको दफा ५ (ख)	यस वित्तिय संस्थाको जारी पूँजी रु ७९,७३,७६,९३७५० (अक्षरेपि उनन्असी करोड त्रिहत्तर लाख छयत्तर हजार नौ सय सैतीस र पैसा पचास) मात्र हुनेछ । सो पूँजीलाई प्रति शेयर रु १००।- का दरले ७९,७३,७६,९३७५ (उनन्असी लाख त्रिहत्तर हजार सात सय उनान्सत्तरी दशमलव तीन सात पाँच) थान साधारण शेयरमा विभाजन गरिएको छ ।	यस वित्तिय संस्थाको जारी पूँजी रु ९०,३४,२८,०७०।९९ (अक्षरेपि नब्बे करोड चौतिस लाख अठ्ठाइस हजार सत्तरी र पैसा उन्नाइस) मात्र हुनेछ । सो पूँजीलाई प्रति शेयर रु १००।- का दरले ९०,३४,२८,०।७०२ (नब्बे लाख चौतीस हजार दुई सय अंस दशमलव सात शून्य दुई) थान साधारण शेयरमा विभाजन गरिएको छ ।	बोनस शेयर जारी गरि जारी पूँजी वृद्धि गर्न ।
प्रवन्धपत्रको दफा ५ (ग)	यस वित्तिय संस्थाको चुक्ता पूँजी रु ७९,७३,७६,९३७५० (अक्षरेपि उनन्असी करोड त्रिहत्तर लाख छयत्तर हजार नौ सय सैतीस र पैसा पचास) मात्र हुनेछ ।	यस वित्तिय संस्थाको चुक्ता पूँजी रु ९०,३४,२८,०७०।९९ (अक्षरेपि नब्बे करोड चौतीस लाख अठ्ठाइस हजार सत्तरी र पैसा उन्नाइस) मात्र हुनेछ ।	बोनस शेयर जारी गरि चुक्ता पूँजी वृद्धि गर्न ।

व्यवस्थापन समूह



तुलसी प्रसाद वस्ती
प्रमुख कार्यकारी अधिकृत



मिलन उदास
नायव महाप्रबन्धक



विशाल श्रेष्ठ
बरिष्ठ प्रबन्धक
केन्द्रीय कार्यालय, धरान



रमेश गौतम
सञ्चालन विभागा प्रमुख
केन्द्रीय कार्यालय, धरान



जितेन्द्र कुमार यादव
सञ्चार प्रविधि प्रमुख
केन्द्रीय कार्यालय, धरान



उमेश कार्की
लेखा प्रमुख
केन्द्रीय कार्यालय, धरान



सपना श्रेष्ठ
शाखा प्रमुख
मुख्य शाखा, धरान



रन्जु करन्जित शाह
शाखा प्रमुख
तरहरा



यादव प्रसाद अधिकारी
शाखा प्रमुख
भकुम्का



नरेन्द्र प्रसाद खनाल
शाखा प्रमुख
उर्लाबारी



सागर लुईटेल
शाखा प्रमुख
विराटचोक



जितेन्द्र रम्तेल
शाखा प्रबन्धक
खनार



खविलाल तिमिसिना
शाखा प्रमुख
दाम्नामिढा



हेमन्त चौहान
शाखा प्रमुख
सुरुङ्गा



गोविन्द प्रसाद अर्याल
शाखा प्रमुख
रमाइलो



सन्तोष घिमिरे
शाखा प्रमुख
शनिश्चरे



सचिदा ओझा
नि. शाखा प्रमुख
विराटनगर



लोकेन्द्र रिजाल
शाखा प्रमुख
पानवारी



शम्भु कार्की
शाखा प्रमुख
अमरदह



शंकर कार्की
शाखा प्रमुख
कालाबन्जार



रुविराज रिमाल
शाखा प्रमुख
जोठगाउँ



कजन नेपाल
शाखा प्रमुख
प्रकाशपुर



टंकराज पौड्याल
शाखा प्रमुख
दुलारी

तरहरा शाखा
सम्पर्क : ०२५-४७५३०५
९८०२३०२७१७

भकुम्का शाखा
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कालाबन्जार शाखा
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दुलारी शाखा
सम्पर्क : ०२१-४३११०७
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केन्द्रीय कार्यालय धरान

सम्पर्क : ०२५-५३१३१७, ५३३३१७, फ्याक्स : ०२५-५३१३५८

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