



राष्ट्रिय बाणिज्य बैंक
RASTRIYA BANIJYA BANK

...तपाईंको आपनै बैंक

**RASTRIYA BANIJYA BANK
LIMITED**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S
REPORT
FY 2081-82**

New Plaza Road, Putalisadak,
Kathmandu, Nepal
Phone No.: 01-4011079

Naya Basti Marg, Baluwatar,
Kathmandu, Nepal
Phone No.: 01-4511314

H-82, Bhatbhateni,
Naxal, Kathmandu, Nepal
Phone No.: 01- 4535366

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

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Rastriya Banijya Bank Limited ("the Bank"), and Consolidated Financial Statements of the Group (the Bank and its subsidiaries), which comprise the Consolidated Statement of Financial Position as at Ashadh 32, 2082 (corresponding to July 16, 2025), the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity for the year then ended, along with Notes forming part of the Consolidated Financial Statements, and a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis of Qualified Opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and the Group as at Ashadh 32, 2082 (July 16, 2025), and their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Nepal Financial Reporting Standards (NFRS).

Basis for Qualified Opinion

We conducted our audit of the consolidated financial statements in accordance with Nepal Standards on Auditing (NSA). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Handbook of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) and we have fulfilled other ethical responsibilities in accordance with ICAN's Handbook of the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements except the following:

(a) We were unable to obtain sufficient and appropriate audit evidence enabling us to determine the effect on equity of the Bank/Group in case of:

- Net balance of un-reconciled inter-branch transactions, amounting to NPR 572.91 million (Credit NPR 1,268.15 million and Debit NPR 695.25 million).
- Unidentified and un-reconciled balances of NPR 38.58 million in credit (Debit NPR 137.14 million and Credit NPR 175.72 million) have been carried forward for several years due to which probable recovery and obligation could not be identified. These balances are unclaimed liabilities, unidentified deposits and overdue/matured fixed deposits, bills payable, cash in transit, prepayments and advances, debit/credit card transactions, other liabilities etc.



(b) The Bank's Property, Plant and Equipment consist of land at Head Office-Singha Durbar Plaza and Branch Office- Lahan where title deeds are not in Bank's name [total market value NPR 4,237.65 million as per independent engineer's valuation in Ashadh 2080], however possession and use of such land (including building constructed over it) is with the Bank.

(c) The Bank has made accumulated provision of NPR 23,124.29 million towards the Liabilities for Employee Defined Benefit Obligation (pension, gratuity, endowment life insurance fund and accumulated leave) as on 32 Ashad, 2082 including additional provision of NPR 2,101.23 million for the current financial year, based on the actuary valuation which has taken increment of 3% for pension. The factors, input and assumptions used in the valuation are not compatible with historical trends of the bank like average historical increment rate for pension growth is 3.47% over the period of last five years. The fund provision requires technical expertise of actuary in addition to historical incremental trends to ascertain the impact in the financial statements. Thus, the amount of provision made will vary as the actuary considers several assumptions for valuation of Employee Defined Benefit Obligation such as discount rate, mortality, salary increment, retirement benefit increment and withdrawal, etc.

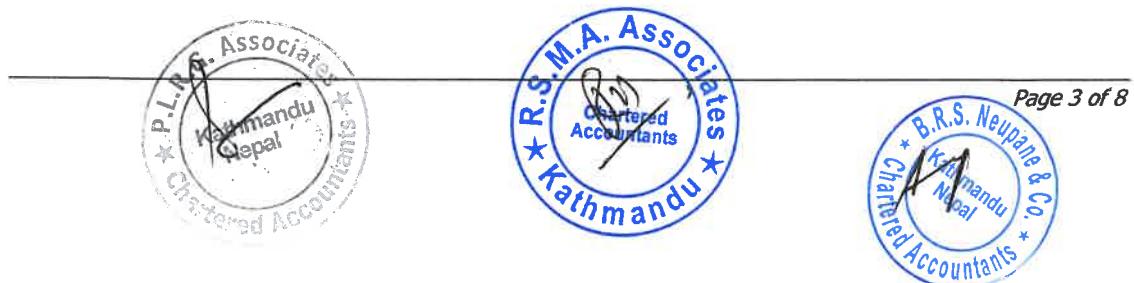
Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the *Basis for Qualified Opinion* section, we have determined that the matters described below to be the key audit matters to be communicated in our report:

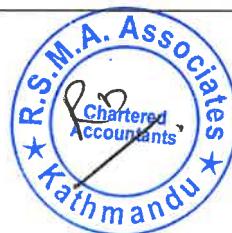
Key Audit Matter	How the Key Audit Matter was Addressed
<p>a. Interest Income Recognition</p> <p>The Bank has implemented Interest Income Recognition, 2025 issued by Nepal Rastra Bank effective from Shrawan 2081. The guidelines require staging of loans (Stage 1,2,3) with different recognition methods – accrual basis for Stage 1 & 2 based on coupon interest rate and cash basis (incremental) for Stage 3 assets. The transitional arrangement involves complex quarterly tracking at account level and reconciliation between interest suspense, accrued interest, and actual collections.</p> <p>Given the significant changes in interest recognition process, manual interventions during transition, technical understanding of NFRS 9 and aforesaid NRB guidelines and risk of misstatement in interest income, we considered this as a key audit matter.</p> <p>Refer Note no 3.14 to Financial Statements.</p>	<p>Our audit approach included:</p> <ol style="list-style-type: none"> Obtained understanding of the Bank's implementation framework and tested interest computation processes at account level. Testing of the interest income recording with manual computation on sample borrower. Understanding as to how the Bank's management monitor their business, analyze its credit portfolio and the interest income thereon. Verified staging classification (Stage 1, 2, 3) for sample loans based on ECL guidelines and tested stage migration reports. For Stage 3 assets, tested cash basis approach by tracing collections to Bank statements, recalculating interest suspense movements, and verifying that suspense does not exceed accrued interest.
<p>b. Impairment of Loans and Advances to Customers</p> <p>As per NFRS 9 including carve-out issued by ICAN, the bank shall measure impairment loss on loans and advances, which is the higher of:</p> <p>a. Amount derived as per norms prescribed by</p>	<p>Our audit approach included:</p> <ol style="list-style-type: none"> Reviewing the overdue status of loans and advances by obtaining data from the system and matching the same with NRB 2.2 report.



<p>NRB for loan loss provisioning or</p> <p>b. Amount determined as per para 5.5 of NFRS adopting the expected credit loss model.</p> <p>As per the norms prescribed by NRB, provision at the prescribed rate shall be created on the loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of security etc. Hence, assessment of availability and accuracy of data for impairment under NRB provisioning norms is regarded as key audit matters.</p> <p>Loan loss provision on loans and advances measured at amortized cost is NPR. 13,766,129,362 which is higher of ECL Model and NRB regulatory provisions and the same has been disclosed in note 3.5.8 of the financial statement.</p> <p>We have considered this a key audit matter due to</p> <ul style="list-style-type: none"> • The involvement of significant management judgements, assumptions and level of uncertainty associated with estimating future cash flows to recover such loans and advances; and • The materiality of the reported amount of expected credit losses. <p>Key areas of significant judgements, assumptions and estimates made by management in the assessment of expected credit losses for loans and advances include credit risk grading and historical loss experience. These are subject to inherently heightened levels of estimation uncertainty. Such key estimates, judgments and assumptions are disclosed in note 3.5.8 of financial statement.</p>	<p>b. Reviewing sample credit files to assure the utilization of loan & advances for the intended purpose, account movement and account turnover.</p> <p>c. Assessing the alignment of the Bank's impairment for expected credit losses computations and underlying methodology including responses to current economic conditions with its accounting policies, based on the best available information up to the date of our report.</p> <p>d. Evaluating the design, implementation and operating effectiveness of controls over estimation of expected credit losses, which included assessing the level of oversight review and approval of impairment for expected credit losses, policies and procedures by the board and management.</p> <p>e. Testing the completeness, accuracy and reasonableness of the underlying data used in the expected credit loss computations by agreeing details to relevant source documents and accounting records.</p> <p>f. Evaluating the reasonableness of credit quality assessments and related stage classifications including review of ECL validation report.</p> <p>g. Review of IT system to provide loan loss provision based on overdue payments.</p> <p>h. On sampling basis, verification of accuracy of provision against non-performing loan calculated by the IT system and manual calculation sampling basis.</p> <p>In addition to the above, the following procedures were performed:</p> <p>i. For loans and advances assessed on an individual basis for impairment:</p> <ul style="list-style-type: none"> • Tested the arithmetical accuracy of the underlying individual impairment calculations. • Evaluated the reasonableness of key inputs used in the impairment for expected credit losses made with economic conditions. Such evaluations were carried out considering the value and timing of cash flow forecasts particularly relating to elevated risk industries and status of recovery actions of the collaterals. <p>j. For loans and advances assessed on a collective basis for impairment:</p>
---	---



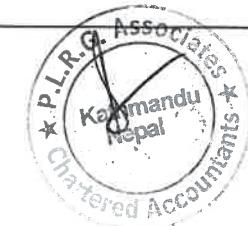
	<ul style="list-style-type: none"> Tested the key inputs and the calculations used in the impairment for expected credit losses. Assessed the reasonableness of judgements, estimates used by the Management in the underlying methodology and the management overlays. Our testing included reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each scenario.
<p>c. Information Technology System and Control over Financial Reporting</p> <p>IT controls with respect to recording transactions, generating various reports in compliance with NRB guidelines and other compliances to regulators is an important part of the process. Such reporting is heavily dependent on the effective working of Core Banking Software (CBS) and other allied systems.</p> <p>In this regard, the Bank is operating Pumori IV as its Core Banking Software, along with supporting systems, for processing transactions, maintaining accounting records, and producing statutory and regulatory reports.</p> <p>We have considered this a key audit matter as any control lapses, validation failures, incorrect input data, and errors in the extraction of data may result in incorrect financial reporting.</p>	<p>Our audit approach regarding the information technology of the bank is based upon the Information Technology Guidelines issued by NRB and included:</p> <ol style="list-style-type: none"> Understanding of the business processes, IT Systems used to generate and support those balances and associated IT application controls and IT dependencies in manual controls. Evaluating and testing the design and operating effectiveness of certain control activities over the integrity of the material IT systems that the relevant to financial reporting. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the Bank. Reviewing the user /authority matrix for any changes in the regulations/ policy of the Bank Reviewed the reports generated by the system on a sample basis and verified the interest income and expense booking regarding loans and deposits on a test basis with the CBS of the Bank.
<p>d. Investment Valuation and Impairment</p> <p>Investment of the Bank comprises investment in government bonds, T-bills, investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NFRS and NRB Directive.</p> <p>No financial statements have been available for investments in the Subsidiary (Everest Food Ltd.) and investment in associates (Butwal Suti Dhago Udhyog, Himal Cement Company Ltd. and Gorakhkali Rubber Udyog Ltd.) which have been fully impaired. The Bank also made investments in shares of unquoted companies, a few of them are not in operation.</p>	<p>Our audit approach regarding verification of the process of investment valuation, identification and impairment included:</p> <ol style="list-style-type: none"> Review of the investment of the Bank and its valuation having reference to NFRS and NRB Directives. Assess the nature of the expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that the classification of investment is commensurate with the nature of cash flow and management's intention of holding the investment.



<p>Investment in Himal Cement Company (HCC) was made by erstwhile NIDC Development Bank Ltd (NPR 36,892,100) which originally held 80.90% shares in HCC, which has been reduced to 26.74% after the Government of Nepal (Financial Comptroller General Officer) invested NPR 100 million in the year 2071 B.S. Land and buildings owned by HCC including at Chovar were taken over for Intermodal Container Depot and other facilities as per the decision of the government, however, liquidation of HCC is still in process with the agreed purchase consideration from the government thus Bank's share in compensation is still to be determined and progressed.</p> <p>Given the varieties of treatments in the valuation of investment based on the nature of cash flow, the business model adopted, the complexity of calculations and the significance of the amount involved in such investments, we have considered this a Key Audit Matter.</p> <p><i>(Ref. Note 4.5, 4.8, 4.10, 4.11 5.8.4, 5.8.5 and 5.26 to the financial statements)</i></p>	<ul style="list-style-type: none"> c. Test check the effective interest rate and amortization schedule on a test basis for the investment valued at amortized cost. d. Review the decisions and correspondences made with HCC and Government of Nepal. e. Ensure that fair valuation has been done at the closing rate in NEPSE at the year-end for quoted investment and for the unquoted investment, net assets value based on the certified financial reports.
<p>e. Property, Plant and Equipment (PPE)</p> <p>The valuation of Property, Plant and Equipment is a significant and complex area of the audit due to its materiality and the subjectivity involved in fair values. The Bank's PPE includes significant assets subject to estimation uncertainties, particularly in determining fair values.</p>	<p>Our audit approach regarding verification of property, plant and equipment included:</p> <ul style="list-style-type: none"> a. Confirming that PPE is initially recorded at historical cost and verify the accuracy of the cost basis by examining invoices, contracts and other relevant documentation. b. Confirming that existence and ownership of significant PPE by physically inspecting assets, reviewing title deeds, and confirming ownership documentation. c. Assessing the appropriateness of management's assumption and the application of professional judgement in the revaluation process. d. Evaluating the qualifications and experience of the independent valuators engaged by the Bank for the valuation, including review of their methodologies. e. Ensuring that the valuation methods applied are consistent with relevant accounting standards. f. Assessing the adequacy of supporting documentation including the valuation report and related evidence.

Other Matters

We did not audit the financial statements of subsidiary companies, namely RBB Merchant Banking Limited and RBB Securities Company Limited. The financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the financial statements so far as it relates to the



accounts and disclosures included in respect of the subsidiary is based solely on the report of other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Information Other than the Consolidated Financial Statement and Auditors' Report Thereon

The Bank's Management is responsible for the other information. The other information comprises the information included in the Management Report, the Board of Directors, and Chairman's Statement but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated. As the other information documents are in the process of completion, the management has provided written representation that the final version of the documents will be provided when available thus we have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

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

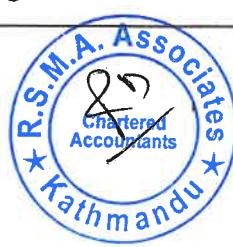
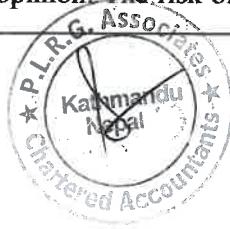
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risk of material misstatement of the consolidated 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 purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

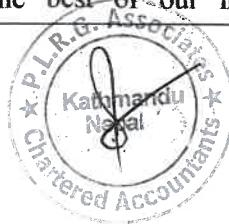
We have communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. A separate management letter outlining such findings and deficiencies has been issued on this date.

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 Other Legal and Regulatory Requirements

We further report that:

- We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- The consolidated financial statements including the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Bank; and the accounts and records of the Bank are properly maintained in accordance with the prevailing laws.
- In our opinion, the returns received from the branches of the bank are adequate for the audit purpose, though the statements are independently not audited.
- To the best of our information and according to the explanations given to us



and from our examination of the books of account of the Bank, except as disclosed in Note 5.7.3 to the financial statements, we did not come across the cases where the Board of Directors or any member thereof or any employee of the Bank have acted deliberately in contrary with the provisions of the law relating to accounts or caused loss or damage to the Bank or committed any misappropriation or violated any directive of Nepal Rastra Bank.

- To the best of our information and according to the explanations given to us, in the course of our audit, we did not come across cases where the business of the Bank and transactions were not conducted within the scope of its authority. We observed that the loans have been written off as specified and we did not come across cases of accounting-related fraud and cases where the board of directors or any director or any office bearer of the Bank has acted contrary to the provisions of law or caused loss or damage to the Bank or committed any misappropriation of the funds of the Bank.


CA. Prakash Lamal
Partner
P.L.R.G. Associates
Chartered Accountants
UDIN: 251219CA00154UeuSe


R.G. Associates
Kathmandu Nepal
Chartered Accountants


CA. Anup Kumar Shrestha
Partner
B.R.S. Neupane & Co.
Chartered Accountants
UDIN: 251219CA00028DUAWA


B.R.S. Neupane & Co.
Kathmandu Nepal
Chartered Accountants


CA. Ramesh Kumar Dhital
Partner
R.S.M.A. Associates
Chartered Accountants
UDIN: 251219CA00577tpSSQ


R.S.M.A. Associates
Chartered Accountants
Kathmandu

Date: 19th December 2025
Place: Kathmandu, Nepal



राष्ट्रिय बाणिज्य बैंक
RASTRIYA BANIJYA BANK

...तपाईंको आप्नो बैंक

**RASTRIYA BANIJYA BANK
LIMITED**

**FINANCIAL STATEMENTS
FY 2081-82**

Rastriya Banijya Bank Limited
Consolidated Statement of Financial Position
As on 32 Ashad 2082 (16th July 2025)



Particulars	Note	Group		Amount in NPR	
		As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Assets					
Cash and cash equivalent	4.1	24,481,640,761	13,844,459,177	24,419,430,397	13,829,176,338
Due from Nepal Rastra Bank	4.2	56,906,901,268	35,651,222,900	56,906,901,268	35,651,222,900
Placement with Bank and Financial Institutions	4.3				
Derivative financial instruments	4.4	5,432,885,520	3,750,229,152	5,432,885,520	3,750,229,152
Other trading assets	4.5	135,401,247	47,998,326		
Loan and advances to B/FIs	4.6	10,184,824,564	11,951,002,615	10,184,824,564	11,951,002,615
Loans and advances to customers	4.7	292,337,157,586	245,595,467,455	292,337,157,586	245,595,467,455
Investment securities	4.8	148,255,960,467	151,827,125,794	148,090,718,467	151,611,075,174
Current tax assets	4.9	6,516,139,047	5,456,307,382	6,513,489,280	5,454,870,372
Investment in subsidiaries	4.10			400,000,000	400,000,000
Investment in associates	4.11	2,905,592,613	2,624,797,660	885,192,163	884,906,463
Investment property	4.12	319,952,526	305,587,157	319,952,526	305,587,157
Property and equipment	4.13	30,410,367,057	30,470,934,920	30,406,334,352	30,467,336,350
Goodwill and Intangible assets	4.14	54,044,688	33,442,944	53,025,109	31,922,309
Deferred tax assets	4.15		1,145,982		
Other assets	4.16	9,830,417,199	9,260,711,448	9,696,049,301	9,249,175,828
Total Assets		587,771,284,543	510,820,432,912	585,645,960,533	509,181,972,113
Particulars					
Liabilities	Note	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Due to Bank and Financial Institution	4.17	2,376,073,972	1,527,086,917	2,376,073,972	1,527,086,917
Due to Nepal Rastra Bank	4.18				
Derivative financial instruments	4.19	5,423,350,000	3,735,200,000	5,423,350,000	3,735,200,000
Deposits from customers	4.20	500,141,659,372	428,857,833,840	500,414,680,516	429,187,763,750
Borrowing	4.21	60,000,000	60,000,000	60,000,000	60,000,000
Current Tax Liabilities	4.9		736,065		
Provisions	4.22	328,705,595	331,443,227	328,705,595	331,443,227
Deferred tax liabilities	4.15	7,813,917,342	7,021,685,737	7,812,872,920	7,021,685,737
Other liabilities	4.23	12,331,397,397	14,738,512,248	12,050,801,158	14,580,911,877
Debt securities issued	4.24	5,000,582,191	2,500,582,191	5,000,582,191	2,500,582,191
Subordinated Liabilities	4.25				
Total Liabilities		533,475,685,869	458,773,080,225	533,467,066,352	458,944,673,699
Equity	Note				
Share capital	4.26	15,637,377,055	15,637,377,055	15,637,377,055	15,637,377,055
Share premium					
Retained earnings		649,584,238	313,081,432	(850,273,186)	(1,222,153,150)
Reserves	4.27	38,008,637,381	36,096,894,200	37,391,790,312	35,822,074,509
Total equity attributable to equity holders		54,295,598,674	52,047,352,687	52,178,894,181	50,237,298,414
Non-controlling interest					
Total equity		54,295,598,674	52,047,352,687	52,178,894,181	50,237,298,414
Total liabilities and equity		587,771,284,543	510,820,432,912	585,645,960,533	509,181,972,113
Contingent liabilities and commitment	4.28	71,092,396,892	67,931,580,625	71,092,396,892	67,931,580,625
Net assets value per share		347.22	332.84	333.68	321.26

CA. Devendra Raman Khanal
 Chief Executive Officer

Dev Kumar Dhakal
 Chairman

Than Prasad Pangani
 Director

Joint Auditors
 CA. Anup Kumar Shrestha
 CA. Prakash Lamsal
 CA. Ramesh Kumar Dhital

CA. Saraswati Adhikari
 Deputy Chief Executive Officer

Prof Dr. Ram Prasad Gyanwali
 Director

Romila Dhakal Upreti
 Director

CA. Hari Kumar Silwal
 Director
 CA. Ramesh Kumar Dhital

CA. Usha Raman Poudel
 Deputy Executive Officer

Dr. Surya Bahadur Rana
 Director

Hari Silwal
 Director

CA. Sanjay Kumar Shrestha
 Department Chief, Finance

Laxman Ghimire
 Independent Director



Date: 04- Poush - 2082
 Place: Kathmandu, Nepal

Rastriya Banijya Bank Limited
Consolidated Statement of Profit or Loss
For the year ended 32 Ashad 2082 (16th July 2025)



Particulars	Note	Group		Amount in NPR	
		Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Interest income	4.29	27,226,107,085	29,764,967,180	27,209,045,115	29,742,608,798
Interest expense	4.30	17,055,877,240	19,696,561,410	17,055,066,921	19,712,368,200
Net interest income		10,170,229,845	10,068,405,770	10,153,978,194	10,030,240,598
Fees and commission income	4.31	1,948,246,701	1,295,409,209	1,847,887,005	1,225,748,820
Fees and commission expense	4.32	609,120,472	512,728,035	592,656,002	499,697,795
Net fee and commission income		1,339,126,229	782,681,174	1,255,231,003	726,051,025
Net interest, fee and commission income		11,509,356,074	10,851,086,944	11,409,209,197	10,756,291,623
Net trading income	4.33	150,350,269	53,797,476	129,498,964	51,190,570
Other operating income	4.34	1,188,328,147	640,174,974	1,393,691,288	737,381,808
Total operating income		12,848,034,490	11,545,059,394	12,932,399,449	11,544,864,001
Impairment charge/(reversal) for loans and other losses	4.35	2,234,421,693	1,146,469,251	2,234,421,693	1,146,469,251
Net operating income		10,613,612,797	10,398,590,143	10,697,977,756	10,398,394,750
Operating expense					
Personnel expenses	4.36	4,831,561,656	4,374,281,954	4,801,530,232	4,349,257,915
Other operating expense	4.37	1,385,548,707	1,352,605,852	1,372,028,250	1,345,484,913
Depreciation & Amortisation	4.38	584,734,745	614,625,675	582,394,921	613,384,844
Operating Profit		3,811,767,689	4,057,076,662	3,942,024,353	4,090,267,078
Non operating income	4.39	69,864,770	96,906,730	69,864,770	96,906,730
Non operating expense	4.40	-	6,715,021	-	6,715,021
Share of profit of associates		120,034,442	242,414,684	-	-
Profit before income tax		4,001,666,901	4,389,683,055	4,011,889,123	4,180,458,787
Income tax expense	4.41	25,484,724	1,138,990,807	1,382,778	1,121,262,693
Current Tax		1,175,557,192	508,391,360	1,174,504,202	506,728,584
Deferred Tax					
Profit for the period		2,800,624,985	2,742,300,888	2,836,002,143	2,552,467,510
Profit attributable to:					
Equity holders of the Bank		2,800,624,985	2,742,300,888	2,836,002,143	2,552,467,510
Non-controlling interest					
Profit for the period		2,800,624,985	2,742,300,888	2,836,002,143	2,552,467,510
Earnings per share					
Basic earnings per share		17.91	17.54	18.14	16.32
Diluted earnings per share		17.91	17.54	18.14	16.32

CA. Devendra Raman Khanal
Chief Executive Officer

Dev Kumar Dhakal
Chairman

Than Prasad Pangani
Director

CA. Anup Kumar Shrestha
Chartered Accountant

CA. Saraswati Adhikari
Deputy Chief Executive Officer

Prof Dr. Ram Prasad Gyanwaly
Director

Romila Dhakal Upreti
Director

CA. Prakash Lamsal
Chartered Accountant

CA. Virajya Raman Poudel
Deputy Executive Officer

Dr. Surya Bahadur Rana
Director

CA. Hari Kumar Silwal
Director

CA. Ramesh Kumar Dhital
Chartered Accountant

CA. Sanjay Kumar Shrestha
Department Chief, Finance

Laxman Ghimire
Independent Director



Date:

Place: Kathmandu, Nepal

Rastriya Banijya Bank Limited
Consolidated Statement of Other Comprehensive Income
For the year ended 32 Ashad 2082 (16th July 2025)



Particulars	Note	Group		Amount in NPR		
		Year ended 32 Ashad 2082	Year ended Ashad 2081	31	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Profit for the year						
Other comprehensive income, net of income tax		2,800,624,985	2,742,300,888		2,836,002,143	2,552,467,510
a) Items that will not be reclassified to profit or loss						
- Gains/(losses) from investments in equity instruments measured at fair value		287,191,464	1,225,398,969		288,000,084	1,218,768,349
- Gains/(losses) on revaluation		(1,563,541,378)	(4,352,226,499)		(1,563,541,378)	(4,352,226,499)
- Actuarial gains/(losses) on defined benefit plans		381,524,974	939,428,259		382,662,388	940,037,445
- Income tax relating to above items						
Net Other Comprehensive Income that will not be reclassified to profit or loss		(894,824,940)	(2,187,399,269)		(892,878,906)	(2,193,420,705)
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		343,973,413	67,129,761			
Other comprehensive income for the period, net of income tax		(550,851,527)	(2,120,269,508)		(892,878,906)	(2,193,420,705)
Total comprehensive income for the period		2,249,773,457	622,031,380	1,943,123,237	359,046,805	
Total comprehensive income attributable to:						
Equity holders of the Bank		2,249,773,457	622,031,380	1,943,123,237	359,046,805	
Non-controlling interest						
Total comprehensive income for the period		2,249,773,457	622,031,380	1,943,123,237	359,046,805	

CA. Devendra Raman Khanal
Chief Executive Officer

CA. Saraswati Adhikari
Deputy Chief Executive Officer

CA. Vimaya Raman Poudel
Deputy Executive Officer

CA. Sanjay Kumar Shrestha
Department Chief, Finance

Date:
Place: Kathmandu, Nepal

Dev Kumar Dhakal
Chairman

Prof Dr. Ram Prasad Gyawali
Director

Dr. Surya Bahadur Rana
Director

Laxman Ghimire
Independent Director

Than Prasad Pangani
Director

Romila Dhakal Upreti
Director

CA. Hari Kumar Silwal
Director

CA. Anup Kumar Shrestha

CA. Prakash Lamsal

CA. Ramesh Kumar Dhital



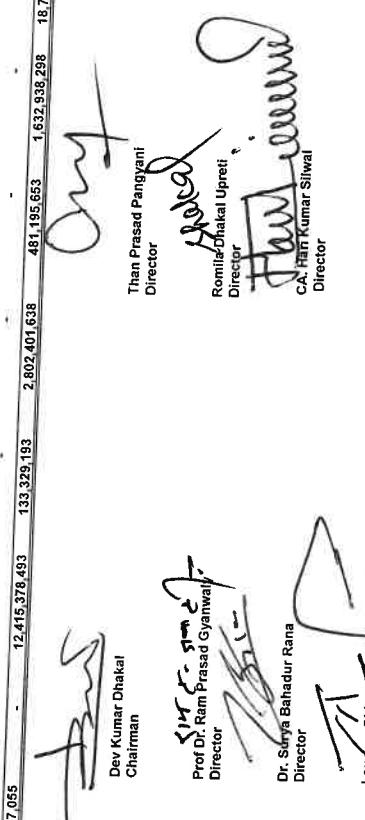
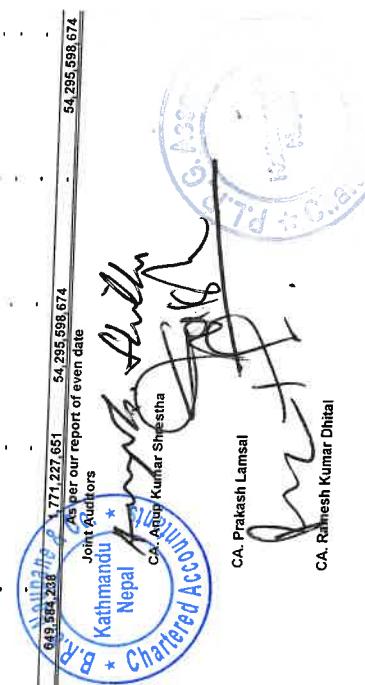
As per our report of even date
Joint Auditors

Kathmandu
Nepal
Bank
Accountants



Rastrya Banijya Bank Limited
Statement of Changes in Equity
For the year ended 32 Ashad 2082 (16th July 2025)

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Capital Reserve	Attributable to equity holders of the Bank	Amount in NPR			
								Fair Value Reserve	Revaluation Reserve	Retained Earnings	Other Reserve
Balance as on 01 Shrawan 2081	15,637,377,055	-	11,834,487,634	122,475,132	4,492,783,277	481,195,653	1,461,349,853	18,772,166,455	313,081,432	(1,067,563,804)	52,047,352,686
Adjusted Restated Balance as on 01 Shrawan 2081	15,637,377,055	-	11,834,487,634	122,475,132	4,492,783,277	481,195,653	1,461,349,853	18,772,166,455	313,081,432	(1,067,563,804)	52,047,352,686
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, net of tax	-	-	-	-	-	-	-	-	-	-	-
- Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-
- Gains/(losses) on revaluation plans	-	-	-	-	-	-	-	-	-	-	-
- Actuarial Gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
- Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-
- Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-	-	-	-
Share or other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-	-	-	-
Transfer from the reserve during the year	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners, directly	-	-	-	-	-	-	-	-	-	-	-
Recognized in equity	-	-	-	-	-	-	-	-	-	-	-
Calls in Advance	-	-	-	-	-	-	-	-	-	-	-
Right share issued	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders:	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares issued	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions:	-	-	-	-	-	-	-	-	-	-	-
Balance as on 32 Ashad 2082	15,637,377,055	-	12,415,378,493	133,329,193	2,802,401,638	481,195,653	1,632,938,298	18,772,166,455	64,584,238	1,771,227,651	54,295,598,674
<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>	<i>By</i>
CA. Devendra Raman Khanal Chief Executive Officer	Dev Kumar Dhakal Chairman	CA. Shrawan Adhikari Deputy Chief Executive Officer	Prof. Dr. Ram Prasad Guravay Director	Dr. Surya Bahadur Rana Director	CA. Vinay Raman Poudel Deputy Executive Officer	CA. Rakesh Kumar Shrestha Deputy Chief, Finance	Date: _____	Place: Kathmandu, Nepal			
CA. Devendra Raman Khanal Chief Executive Officer	Dev Kumar Dhakal Chairman	CA. Shrawan Adhikari Deputy Chief Executive Officer	Prof. Dr. Ram Prasad Guravay Director	Dr. Surya Bahadur Rana Director	CA. Vinay Raman Poudel Deputy Executive Officer	CA. Rakesh Kumar Shrestha Deputy Chief, Finance					
CA. Devendra Raman Khanal Chief Executive Officer	Dev Kumar Dhakal Chairman	CA. Shrawan Adhikari Deputy Chief Executive Officer	Prof. Dr. Ram Prasad Guravay Director	Dr. Surya Bahadur Rana Director	CA. Vinay Raman Poudel Deputy Executive Officer	CA. Rakesh Kumar Shrestha Deputy Chief, Finance					





Rasiriva Baniya Bank Limited
Statement of Changes in Equity
For the year ended 32 Ashad 2082 (16th July 2025)

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Attributable to equity holders of the Bank	Amount in NPR				
							Capital Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earnings	
Balance as on 01 Shrawan 2081	15,637,377,055	-	11,828,016,552	122,475,132	4,492,783,277	481,195,653	1,455,328,419	18,772,166,455	(1,222,153,150)	(1,222,153,150)	(1,222,153,150)
Adjusted Restated Balance as on 01 Shrawan 2081	15,637,377,055	-	11,828,016,552	122,475,132	4,492,783,277	481,195,653	1,455,328,419	18,772,166,455	(1,222,153,150)	(1,222,153,150)	(1,222,153,150)
<u>Comprehensive Income for the year</u>											
Other Comprehensive Income, net of tax											
- Gains/(losses) from investments 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											
Transfer to reserve during the year											
Transfer from the reserve during the year											
Total transactions with owners, directly recognized in equity											
Calls in Advance											
Right Share Issued											
Share based payments											
Dividends to equity holders:											
- Bonus Shares Issued											
- Cash Dividend Paid											
Total contributions by and distributions:											
Balance as on 32 Ashad 2082	15,637,377,055			12,408,907,412	133,329,193	2,802,401,638	481,195,653	18,772,166,455	(85,227,186)	1,154,927,054	52,178,894,181

Note: Other reserves as at 32 Ashad 2082 includes Actuarial Loss, Investment Adjustment Reserve, CSR Reserve, Asset revaluation reserve, Debenture redemption reserve, etc which have been explained in Note 5.22
R.S. Nepal & Co. Chartered Accountants
Kathmandu, Nepal
At per our report of even date
Joint Auditors
CA. Anju Kumar Shrestha
CA. Prakash Lamal
CA. Ramesh Kumar Dhital

[Handwritten signatures of Directors and Auditors]

Than Prasad Pangani
Director
Romila Dhakal Upeti
Director
Dr. Surya Bahadur Rana
Director
Prof Dr. Ram Prasad Gyawali
Director
CA. Devendra Raman Khanal
Chief Executive Officer
CA. Rakesh Adhikari
Deputy Chief Executive Officer
CA. Vibhav Raman Poudel
Deputy Executive Officer
CA. Ranjanay Kumar Shrestha
Department/Chief, Finance
CA. Devendra Raman Khanal
Chairman
CA. Rakesh Adhikari
Deputy Chief Executive Officer
CA. Vibhav Raman Poudel
Deputy Executive Officer
CA. Ranjanay Kumar Shrestha
Department/Chief, Finance

Date: _____
Place: Kathmandu, Nepal



Rastriya Banijya Bank Limited
Consolidated Statement of Cash Flows
For the year ended 32 Ashad 2082 (16th July 2025)



Particulars	Note	Group		Bank	
		Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		21,658,982,334	24,322,162,020	21,658,982,335	24,322,162,020
Fees and other income received		1,948,246,701	1,295,409,209	1,847,887,005	1,225,748,820
Dividend received		-	-	-	-
Receipts from other operating activities		1,180,752,004	718,306,980	1,147,312,528	718,310,089
Interest paid		(16,806,775,163)	(19,484,061,410)	(16,805,964,844)	(19,499,868,200)
Commission and fees paid		(609,120,472)	(512,728,035)	(592,656,002)	(499,697,795)
Cash payment to employees		(8,761,760,526)	(5,943,967,171)	(8,735,948,536)	(6,051,473,564)
Other expense paid		(1,385,640,572)	(1,359,412,738)	(1,380,679,888)	(1,352,199,932)
Operating cash flows before changes in operating assets and liabilities		(2,775,315,693)	(964,291,144)	(2,861,067,401)	(1,137,018,562)
(Increase)/Decrease in Operating Assets		(71,417,504,532)	(34,760,322,320)	(71,198,744,616)	(34,753,786,051)
Due from Nepal Rastra Bank		(21,255,678,368)	(12,976,158,385)	(21,255,678,368)	(12,976,158,385)
Placement with bank and financial institutions		-	-	-	-
Other trading assets		(87,402,921)	(9,403,406)	-	-
Loan and advances to bank and financial institutions		1,800,491,666	3,729,664,437	1,800,491,666	3,729,664,437
Loans and advances to customers		(49,278,657,623)	(18,943,974,195)	(49,278,657,623)	(18,943,974,195)
Other assets		(2,596,257,286)	(6,560,450,770)	(2,464,900,291)	(6,563,317,907)
Increase/(Decrease) in operating liabilities		74,006,414,837	112,788,678,539	73,830,729,637	112,920,168,376
Due to bank and financial institutions		848,987,055	197,395,300	848,987,055	197,395,300
Due to Nepal Rastra Bank		-	-	-	-
Deposit from customers		71,283,825,532	107,527,925,720	71,226,916,766	107,532,823,527
Borrowings		-	-	-	-
Other liabilities		1,873,602,250	5,063,357,519	1,754,825,816	5,189,949,549
Net cash flow from operating activities before tax paid		(186,405,388)	77,064,065,075	(229,082,380)	77,029,363,764
Income taxes paid		(1,085,971,020)	(1,777,962,360)	(1,060,001,686)	(1,759,518,231)
Net cash flow from operating activities		(1,272,376,408)	75,286,102,715	(1,289,084,066)	75,269,845,533
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities		-	-	-	-
Receipts from sale of investment securities		3,628,459,760	(74,841,814,969)	3,394,961,158	(74,912,091,788)
Purchase of property and equipment		(513,511,426)	(708,942,057)	(511,122,033)	(707,407,712)
Receipt from the sale of property and equipment		6,652,267	6,652,267	6,652,267	6,652,267
Purchase of intangible assets		(36,927,132)	(480,250)	(36,927,132)	(480,250)
Receipt from the sale of intangible assets		-	-	-	-
Purchase of investment properties		-	-	-	-
Receipt from the sale of investment properties		-	-	-	-
Interest received		6,479,071,651	5,319,408,918	6,462,009,680	5,297,050,536
Dividend received		95,009,943	63,869,052	312,961,255	158,465,871
Net cash used in investing activities		9,658,755,063	(70,161,307,039)	9,628,535,196	(70,157,811,077)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipt from issue of debt securities		2,500,000,000	-	2,500,000,000	-
Repayment of debt securities		-	-	-	-
Receipt from issue of subordinated liabilities		-	-	-	-
Repayment of subordinated liabilities		-	-	-	-
Receipt from issue of shares		-	-	-	-
Dividends paid		(94,994)	(859,852,699)	(94,994)	(859,852,699)
Interest paid		(249,102,077)	(212,500,000)	(249,102,077)	(212,500,000)
Other receipt/payment		-	-	-	-
Net cash from financing activities		2,250,802,929	(1,072,352,699)	2,250,802,929	(1,072,352,699)
Net increase (decrease) in cash and cash equivalents		10,637,181,584	4,052,442,977	10,590,254,058	4,039,681,757
Cash and cash equivalents at Shrawan 1, 2081		13,844,459,177	9,792,016,200	13,829,176,338	9,789,494,581
Effect of exchange rate fluctuations on cash and cash equivalents held		-	-	-	-
Cash and cash equivalents at 32 Ashad 2082		24,481,640,761	13,844,459,177	24,419,430,398	13,829,176,338

As per our report of even date
Joint Auditors

CA. Devendra Raman Khanal
Chief Executive Officer

Dev Kumar Dhakal
Chairman

Than Prasad Pangani
Director

CA. Anup Kumar Shrestha
Director

CA. Saraswati Adhikari
Deputy Chief Executive Officer

Prof Dr. Ram Prasad Gyanwali
Director

Romilla Dhakal Upreti
Director

CA. Prakash Lamsal
Director

CA. Viraj Raman Poudel
Deputy Executive Officer

Dr. Surya Bahadur Rana
Director

Laxman Ghimire
Independent Director

CA. Hari Kumar Silwal
Director

CA. Ramesh Kumar Dhital
Director

Date:
Place: Kathmandu, Nepal



Rastriya Banijya Bank Limited
Statement of distributable profit or loss
For the year ended 32 Ashad 2082 (16th July 2025)



Particulars	For the year ended 32 Ashad 2082 (16th July 2025)	For the Year Ended 31 Ashad 2081 (15th July 2024)
Opening balance of Retained Earnings		
Adjustments:		
Dividend Distributed	(1,222,153,150)	918,407,267
Derecognition of Accrued Interest Receivable up to previous Year (-)	-	(860,055,738)
Accrued Interest Adjustment	-	-
Prior period Income(+)/(-)	-	-
Restated Opening Balance of Retained Earnings	(1,222,153,150)	58,351,529
Net profit or (loss)for the year		
1. Appropriations:		
1.1 Profit required to be appropriated to statutory reserve		
a. General reserve	1,107,945,268	717,979,278
b. Foreign exchange fluctuation fund	567,200,429	510,493,502
c. Capital redemption reserve	10,854,061	1,413,399
d. Corporate social responsibility fund	(12,092,030)	-
e. Employees' training fund	30,775,689	(18,712,076)
f. Other	511,207,119	(22,215,547)
Investment Adjustment Reserve	24,054,800	247,000,000
Debenture Redemption Reserve	500,000,000	(10,000,000)
Fair Value Reserve	(12,847,680)	250,000,000
	7,000,000	-
Profit or (loss) before regulatory adjustment		
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	222,920,035	(5,989,150)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal	-	-
d. Short loan loss provision on Non Banking Assets (-)/resersal	35,128,400	(72,225,196)
e. Deferred tax assets recognised (-)/ reversal	(128,966,566)	9,779,983
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(1,094,478,965)	-
i. Other (+/-)	(390,779,815)	(3,046,558,549)
-Fair value reserve		
-Interest Capitalised Term Loan	(390,779,815)	-
Distributable profit or (loss) for the Year	371,879,965	(1,280,504,680)
Net Distributable Profit up to this year	(850,273,186)	(1,222,153,150)

George S. Bajaj

Om

BB

EE

S



H



राष्ट्रिय वाणिज्य बैंक
RASTRIYA BANIJYA BANK

...तपाईंको आप्नै बैंक

**RASTRIYA BANIJYA BANK
LIMITED**

**SCHEDULES TO
FINANCIAL STATEMENTS
FY 2081-82**



4.1 Cash and Cash Equivalent

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Cash In Hand	7,605,986,480	6,622,239,325	7,561,499,872	6,622,239,325
Balances with B/FIs	2,331,022,127	2,193,955,325	2,313,298,371	2,178,672,486
Money at Call and Short Notice	14,544,632,154	5,028,264,527	14,544,632,154	5,028,264,527
Other				
Total	24,481,640,761	13,844,459,177	24,419,430,397	13,829,176,338

The fair value of cash and cash equivalent is its carrying value. Cash at vault is adequately insured for physical and financial risks. The amount of cash at vault is maintained on the basis of the liquidity and business requirements. Balance with B/FIs includes balance maintained at various banks and financial institutions. Cash held in foreign currency is subject to risk of changes in the foreign exchange rates. These are closely monitored, and risks, if identified, are promptly managed.

4.2 Due from Nepal Rastra Bank

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Statutory Balances with NRB				
Securities purchased under Resale Agreement	56,785,157,890	35,588,646,861	56,785,157,890	35,588,646,861
Other deposit and receivable from NRB	121,743,378	62,576,039	121,743,378	62,576,039
	56,906,901,268	35,651,222,900	56,906,901,268	35,651,222,900

The fair value of balance with the Nepal Rastra Bank (NRB) is its carrying amount itself. Balance with the NRB is principally maintained as a part of the regulatory cash reserve ratio required by the NRB.

4.3 Placement with Banks & Financial Institutions

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Placement with Domestic B/Fis	-	-	-	-
Placement with Foreign B/Fis	-	-	-	-
Less: Allowances for Impairment	-	-	-	-
	-	-	-	-

4.4 Derivative financial instruments

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward exchange Contract				
Others	5,432,885,520	3,750,229,152	5,432,885,520	3,750,229,152
Held for risk management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward exchange Contract	-	-	-	-
Others	-	-	-	-
	5,432,885,520	3,750,229,152	5,432,885,520	3,750,229,152

A significant part of the derivatives in the portfolio are related to servicing corporate clients in their risk management to hedge, e.g. foreign currency exposures. These products are used by Bank as part of its own regular treasury activities as well. From a risk perspective, the gross amount of derivative assets must be considered together with the gross amount of derivative liabilities, which are presented separately on the statement of financial position.





Rastriya Banijya Bank Limited
Notes forming part of the financial statements

4.5 Other Trading Assets

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Treasury bills	-	-	-	-
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	-	-	-	-
Other	110,501,247	27,598,326	-	-
Total	24,900,000	20,400,000	-	-
Pledged	135,401,247	47,998,326	-	-
Non-Pledged	-	-	-	-
	135,401,247	47,998,326	-	-

Trading assets are those assets that the licensed institution acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit are presented under this account head. The trading asset includes derivative assets and non derivative assets. As on the reporting date, the bank does not have any outstanding trading assets.

4.6 Loan and Advances to BFI

Group		Bank	
As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
10,287,614,190	12,095,956,066	10,287,614,190	12,095,956,066
102,789,625	144,953,451	102,789,625	144,953,451
10,184,824,564	11,951,002,615	10,184,824,564	11,951,002,615

Impairment allowance on Loans and advances to BFIs have been considered as per NRB directive. All the loans to BFIs have been classified in pass category as per the requirement of NRB directive 02/2081.

4.6.1 Loan To MicroFinance Institutions

Group		Bank	
As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
10,278,962,550	12,079,454,216	10,278,962,550	12,079,454,216
8,651,640	16,501,850	8,651,640	16,501,850
10,287,614,190	12,095,956,066	10,287,614,190	12,095,956,066
144,953,451	205,733,067	144,953,451	205,733,067
(42,163,824)	(60,779,616)	(42,163,824)	(60,779,616)
-	-	-	-
102,789,625	144,953,451	102,789,625	144,953,451

No individual loans to banks and financial institutions has terms and conditions that significantly affect the amount, timing or certainty of consolidated cash flows of the Bank. These assets have been classified as loans and receivables and are subsequently measured at amortized costs. Risks associated with these assets are regularly assessed. These are interest bearing advances and the income on these assets is credited to statement of profit or loss under interest income.

4.7 Loans and advances to customers

Group		Bank	
As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
306,000,497,322	256,979,499,694	306,000,497,322	256,979,499,694
3,656,728,007	2,606,528,230	3,656,728,007	2,606,528,230
10,006,611,729	8,777,504,009	10,006,611,729	8,777,504,009
292,337,157,586	245,595,467,455	292,337,157,586	245,595,467,455
292,337,157,586	245,595,467,455	292,337,157,586	245,595,467,455

Above impairment is as per NRB directive no.2 which is higher than total impairment computed as per NFRS 9 (read with subsequent carveouts). The note referring to impairment has been presented under point No. 4.7.4. Total provision for impairment as per NFRS 9 amounted to NPR 8,311,132,093/- for FY 2081-82 and NPR 6,479,966,871/- for FY 2080-81.

Group		Bank	
As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
298,624,554,354	249,714,489,165	298,624,554,354	249,714,489,165
6,011,364,015	5,323,948,605	6,011,364,015	5,323,948,605
1,364,578,953	1,941,061,924	1,364,578,953	1,941,061,924
306,000,497,322	256,979,499,694	306,000,497,322	256,979,499,694
13,766,129,362	11,528,985,689	13,766,129,362	11,528,985,689
8,311,132,093	6,479,966,871	8,311,132,093	6,479,966,871





4.7.1 Analysis of loan and advance- By Product

Product	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Term loans	84,238,004,905	68,772,723,097	84,238,004,905	68,772,723,097
Overdraft	5,809,985,124	5,672,881,859	5,809,985,124	5,672,881,859
Trust receipt/import loans	1,734,890,744	1,754,923,541	1,734,890,744	1,754,923,541
Demand and Other Working Capital loans	90,193,161,867	65,402,022,437	90,193,161,867	65,402,022,437
Personal residential loans	29,977,012,704	24,924,924,084	29,977,012,704	24,924,924,084
Real estate loans	10,076,651,847	9,772,400,725	10,076,651,847	9,772,400,725
Margin lending loans	6,158,718,257	4,262,274,835	6,158,718,257	4,262,274,835
Hire purchase loans	9,627,906,674	6,306,616,347	9,627,906,674	6,306,616,347
Deprived sector loans	14,314,126,152	9,591,945,300	14,314,126,152	9,591,945,300
Bills Purchased	8,513,722	10,013,690	8,513,722	10,013,690
Staff loans	6,011,364,015	5,323,948,605	6,011,364,015	5,323,948,605
Other	46,485,582,358	53,243,763,250	46,485,582,358	53,243,763,250
Sub Total	304,635,918,369	255,038,437,770	304,635,918,369	255,038,437,770
Interest Receivable	1,364,578,953	1,941,061,924	1,364,578,953	1,941,061,924
Grand Total	306,000,497,322	256,979,499,694	306,000,497,322	256,979,499,694

4.7.2 Analysis of loan and advance- By Currency

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Nepalese rupee	304,635,918,369	255,020,220,374	304,635,918,368,85	255,020,220,374
Indian rupee	-	18,217,396	-	18,217,396
USD	-	-	-	-
GBP	-	-	-	-
Euro	-	-	-	-
JPY	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	304,635,918,369	255,038,437,770	304,635,918,369	255,038,437,770

4.7.3 Analysis of loan and advance- By Collateral

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Movable / Immovable assets				
Gold and silver	218,594,674,891	208,383,173,249	218,594,674,891	208,383,173,249
Guarantee of domestic B/Fis	27,290,892,068	20,315,076,101	27,290,892,068	20,315,076,101
Government Guarantee	-	-	-	-
Guarantee of international rated bank	-	-	-	-
Export document	-	-	-	-
Fixed Deposit receipts	1,486,941,353	1,674,279,095	1,486,941,353	1,674,279,095
Government securities	220,234,553	220,292,500	220,234,553	220,292,500
Personal guarantee	17,171,430,093	14,780,772,704	17,171,430,093	14,780,772,704
Collective Guarantee	30,818,054	30,818,054	30,818,054	30,818,054
Institutional Guarantee	-	-	-	-
Domestic Bills	-	-	-	-
Non-Governmental Securities	6,158,718,258	4,242,273,541	6,158,718,258	4,242,273,541
Import Bills and Letter of Credits	17,386,322	18,708,665	17,386,322	18,708,665
Other	-	-	-	-
Subtotal	27,653,458,762	49,095,256	27,653,458,762	49,095,256
Unsecured	298,624,554,354	249,714,489,165	298,624,554,354	249,714,489,165
Grand Total	298,624,554,354	249,714,489,165	298,624,554,354	249,714,489,165
The above figure excludes loan to staffs and Accrued Interest Receivable.				

4.7.4 Allowances for Impairment

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Specific allowances for impairment				
Balance as on 01 Shrawan 2081				
Impairment loss for the year:	8,777,504,009	5,912,410,353	8,777,504,009	5,912,410,353
Charge for the year	1,229,107,720	2,865,093,656	1,229,107,720	2,865,093,656
Recoveries/reversal during the year	-	-	-	-
Write-offs	-	-	-	-
Exchange rate variance on foreign currency	-	-	-	-
Other movement	-	-	-	-
Balance as on 32 Ashad 2082	10,006,611,729	8,777,504,009	10,006,611,729	8,777,504,009
Collective allowances for impairment				
Balance as on 01 Shrawan 2081				
Impairment loss for the year:	2,606,528,230	4,270,991,464	2,606,528,230	4,270,991,464
Charge(reversal) for the year	-	-	-	-
Exchange rate variance on foreign currency	1,050,199,777	(1,664,463,234)	1,050,199,777	(1,664,463,234)
Other movement	-	-	-	-
Balance as on 32 Ashad 2082	3,656,728,007	2,606,528,230	3,656,728,007	2,606,528,230
Total allowances for impairment	13,663,339,736	11,384,032,239	13,663,339,736	11,384,032,239

Above impairment is as per NRB directive no. 2 which is higher than total impairment computed as per NFRS 9.





4.8 Investment Securities

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081

Investment securities measured at amortized cost
Investment in equity measured at FVTOCI
Other

143,370,863,970	147,273,958,023	143,238,663,970	147,091,758,02
4,885,096,497	4,553,167,771	4,852,054,497	4,519,317,1
148,255,960,467	151,827,125,794	148,090,718,467	151,611,075,

Investments made by the Bank in financial instruments have been presented under this account head in two categories i.e. investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income. Investment in equity instruments is measured at fair value and changes in fair value shall be recognized in other comprehensive income. Where income from investment is received in the form of bonus shares, the valuation of investment is made by increasing the number of shares only without changing the cost of investment.

4.8.1 Investment securities measured at amortized cost

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Debt securities	926,735,479	926,635,802	926,735,479	926,635,80
Government bonds	55,947,035,189	38,765,155,261	55,947,035,189	38,765,155,26
Government treasury bills	36,326,137,138	47,390,103,946	36,326,137,138	47,390,103,94
Nepal Rastra Bank bonds				
Nepal Rastra Bank deposits instruments	50,038,756,164	60,009,863,014	50,038,756,164	60,009,863,01
Other	202,200,000	182,200,000		
Total	143,440,863,970	147,273,958,023	143,238,663,970	147,091,758,02

4.8.2 Investment securities measured through other comprehensive Income

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Investment in Equity:				
Quoted Equity	3,304,832,651	3,074,524,104	3,304,832,651	3,074,524,104
Unquoted equity	316,469,064	287,193,285	316,469,064	287,193,285
Investment in Mutual Fund Units	1,230,752,782	1,157,599,762	1,230,752,782	1,157,599,762
Investment in Debentures	33,042,000	33,850,620		
Total	4,885,096,497	4,553,167,771	4,852,054,497	4,519,317,151





Rastriya Baniya Bank Ltd.
Notes forming part of the financial statements

4.8.3 Information relating to investment in equities

Equity instruments	Group						Bank	As on 31 Ashad 2081		As on 32 Ashad 2082		As on 31 Ashad 2081		As on 32 Ashad 2082		As on 31 Ashad 2081		
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value		Cost	Fair Value									
1. Investment in Quoted Equity																		
1.1 Bhuwal Power Company Ltd.	-	-	7,040,775	10,523,090	-	-		-	-	-	-	7,040,775	-	10,523,090	-	-		
0 Shares of Rs 100 each																		
1.2 Chhimek Laghubitta Bittiya Sanshtha Ltd. (P)	95,652,800	87,480,623			95,652,800	87,480,623												
Shares of Rs 100 each																		
1.3.1 Citizen Investment Trust	-	3,951	-	-	2,217	-		-	-	3,951	-	-		-			2,217	
2 Shares of Rs 100 each																		
1.3.2 Citizen Investment Trust (P)	52,382,510	55,357,381	52,382,510	95,113,259	52,382,510	55,357,381		52,382,510	55,357,381	52,382,510	52,382,510	52,382,510	55,357,381	52,382,510	55,357,381	52,382,510	55,357,381	
103,896 Shares of Rs 100 each																		
1.4 First Micro Finance Laghubitta Bittiya Sanshtha Ltd. (P)	149,100,448	167,114,078	89,506,663	123,838,350	149,100,448	167,114,078		149,100,448	167,114,078	89,506,663	89,506,663	89,506,663	123,838,350	89,506,663	123,838,350	89,506,663	123,838,350	
605,488 Shares of Rs 100 each																		
1.5 Fonvard Microfinance Laghubitta Bittiya Sanshtha Ltd. (P)	99,944,081	106,171,243	98,944,081	149,218,693	99,944,081	106,171,243		99,944,081	106,171,243	99,944,081	99,944,081	99,944,081	149,218,693	99,944,081	149,218,693	99,944,081	149,218,693	
237,576 Shares of Rs 100 each																		
1.6 Gramene Bikas Laghubitta Bittiya Sanshtha Ltd. (P)	126,788,859	146,919,169	126,788,859	204,415,430	126,788,859	146,919,169		126,788,859	146,919,169	126,788,859	126,788,859	126,788,859	146,919,169	126,788,859	146,919,169	126,788,859	146,919,169	
500,476 Shares of Rs 100 each																		
1.7 Himalayan Reinsurance Ltd. (P)	5,434,000 Shares of Rs 100 each	500,000,000	1,731,653,741	500,000,000	1,518,940,987	500,000,000	1,518,940,987	500,000,000	1,518,940,987	500,000,000	500,000,000	500,000,000	1,731,653,741	500,000,000	1,731,653,741	500,000,000	1,731,653,741	
1.8 Hydroelectricity Investment and Development Company Ltd.	-	-	-	-	30,411,700	64,671,089		-	-	-	-	-	30,411,700	64,671,089	30,411,700	64,671,089	30,411,700	64,671,089
0 Shares of Rs 100 each																		
1.9 National Microfinance Laghubitta Bittiya Sanshtha Ltd. (P)	49,781,499	78,676,591	49,781,499	49,781,499	101,052,015	49,781,499		49,781,499	78,676,591	49,781,499	49,781,499	49,781,499	78,676,591	49,781,499	78,676,591	49,781,499	78,676,591	
162,699 Shares of Rs 100 each																		
1.10 Nepal Doorschanchal Company Ltd.	841,519	1,338,714	841,519	1,289,470	841,519	1,289,470		841,519	1,289,470	841,519	841,519	841,519	1,338,714	841,519	1,338,714	841,519	1,338,714	
1,526 Shares of Rs 100 each																		
1.11 Nepal Lipu Oil Ltd.*	-	-	-	285,700	2,467,799	-	-	-	-	-	-	-	-	-	-	285,700	2,467,799	
11,701 Shares of Rs 100 each																		
1.12.1 NLG Insurance Company Ltd.	31,447,348	379,837,107	11,576,337	292,529,712	31,447,348	379,837,107		31,447,348	379,837,107	31,447,348	31,447,348	31,447,348	379,837,107	31,447,348	379,837,107	31,447,348	379,837,107	
487,421 Shares of Rs 100 each																		
1.12.2 NLG Insurance Company Ltd. (P)	-	8,407,747	608,538	6,155,530	-	-		-	-	8,407,747	-	-	8,407,747	-	-	8,407,747	-	
25,651 Shares of Rs 100 each																		
1.13 Sana Kisan Bikas Laghubitta Bittiya sanshtha Ltd. (P)	8,295,000	85,513,181	8,295,000	106,602,632	8,295,000	85,813,181		8,295,000	85,813,181	8,295,000	8,295,000	8,295,000	85,813,181	8,295,000	85,813,181	8,295,000	85,813,181	
280,920 Shares of Rs 100 each																		
1.14 Shree Ram Sugar Mills Ltd.	5,000,000	-	5,000,000	-	5,000,000	-		5,000,000	-	5,000,000	-	5,000,000	-	5,000,000	-	5,000,000	-	
50,000 Shares of Rs 100 each																		
1.15 Targagan Regency Hotel Ltd.	29,842,410	293,638,749	30,000,000	251,784,000	29,842,410	293,638,749		29,842,410	293,638,749	29,842,410	29,842,410	29,842,410	293,638,749	29,842,410	293,638,749	29,842,410	293,638,749	
310,361 Shares of Rs 100 each																		
1.16.1 United Aajid Insurance Ltd.	44,371,612	28,537,630	7,243,200	53,431,088	44,371,612	28,537,630		44,371,612	28,537,630	44,371,612	44,371,612	44,371,612	28,537,630	44,371,612	28,537,630	44,371,612	28,537,630	
49,929 Shares of Rs 100 each																		
1.16.2 United Aajid Insurance Ltd. (P)	-	133,882,745	41,044,800	152,687,753	-	-		-	-	133,882,745	-	-	133,882,745	-	-	133,882,745	-	
556,486 Shares of Rs 100 each																		
Total (1)	1,133,448,086	3,304,822,651	1,060,751,181	3,074,624,104	1,133,448,085	3,304,822,651												

۲۷۲



Equity Instruments	As on 32 Ashad 2082			As on 31 Ashad 2081			As on 32 Ashad 2082			As on 31 Ashad 2081		
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
2. Investment in Unquoted Equity												
2.1 Aarthik Sewa Kendra	12,500	1,250,000	-	-	1,250,000	-	1,250,000	-	-	-	1,250,000	-
12,500 Shares of Rs 100 each												
2.2 Ace Laboratories	1,380	138,000	-	-	138,000	-	138,000	-	-	-	138,000	-
1,380 Shares of Rs 100 each												
2.3 Adyanya Fund Management Public Ltd.	500,000	50,000,000	30,958,136	50,000,000	50,000,000	50,000,000	50,000,000	30,958,136	50,000,000	50,000,000	50,000,000	50,000,000
500,000 Shares of Rs 100 each												
2.4 Audhugiv Kshetra Bhavashasan Company	9,364,000	71,345,515	9,364,000	68,808,402	9,364,000	71,343,515	9,364,000	68,808,402	9,364,000	71,343,515	9,364,000	68,808,402
93,645 Shares of Rs 100 each												
2.5 Balaiju Yentrasala Pvt Ltd	9,452	945,200	945,200	945,200	945,200	945,200	945,200	945,200	945,200	945,200	945,200	945,200
9,452 Shares of Rs 100 each												
2.6 Krish Avjanta Sewa Kendra	200	200,000	-	-	200,000	-	200,000	-	200,000	-	200,000	-
200 Shares of Rs 100 each												
2.7 Krish Chun Udyog	500	500,000	-	-	500,000	-	500,000	-	500,000	-	500,000	-
500 Shares of Rs 100 each												
2.8 National Banking Training Institute	24,626	6668	24,365,683	13,310,168	24,626,668	24,365,683	24,626,668	13,310,168	24,626,668	24,365,683	24,626,668	13,310,168
300,000 Shares of Rs 100 each												
2.9 Nepal Ausadhi Ltd.	700	568,940	700,000	-	700,000	-	700,000	-	700,000	-	700,000	-
700 Shares of Rs 100 each												
2.10 Nepal Clearing House Ltd.	199,649	2,500,000	45,286,018	2,500,000	36,466,328	2,500,000	45,266,018	2,500,000	45,266,018	2,500,000	45,266,018	2,500,000
199,649 Shares of Rs 100 each												
2.11 Nepal Credit Information Center	130,220	12,442,017	138,961,174	12,442,017	115,155,578	12,442,017	115,155,578	12,442,017	115,155,578	12,442,017	115,155,578	12,442,017
130,220 Shares of Rs 100 each												
2.12 Nepal Metal Company Ltd	159,400	1,994,000	-	-	1,994,000	-	1,994,000	-	1,994,000	-	1,994,000	-
159,400 Shares of Rs 100 each												
2.13 Nepal Oil Corporation	100	100,000	4,060,398	100,000	1,575,185	100,000	4,060,398	100,000	4,060,398	100,000	4,060,398	100,000
56,430 Shares of Rs 100 each												
Total (2)	10,759,885	316,469,064	93,443,385	287,193,235	10,759,885	316,469,064	93,443,385	287,193,235	10,759,885	316,469,064	93,443,385	287,193,235
3. Investment in Mutual Fund Units												
3.1 Citizen Mutual Fund-1	0	Shares of Rs 10 each	-	-	20,000,000	19,280,000	-	-	-	-	20,000,000	19,280,000
Citizen Super 30 Mutual Fund	20,000,000	Shares of Rs 10 each	20,160,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
3.3 Himalayan 8020	10,000	10,000,000	11,600,000	10,000,000	9,990,000	10,000,000	11,600,000	10,000,000	11,600,000	10,000,000	11,600,000	10,000,000
1,000,000 Shares of Rs 10 each												
3.4 Kumari Bharabindhi Yojana	7,000,000	70,000,000	70,350,000	70,000,000	67,690,000	70,000,000	70,350,000	70,000,000	70,350,000	70,000,000	70,350,000	70,000,000
7,000,000 Shares of Rs 10 each												
3.5 Kumar Equity Fund	2,406,700	23,946,367	24,066,700	23,248,432	24,066,700	23,248,432	24,066,700	23,946,367	24,066,700	23,946,367	24,066,700	23,248,432
2,406,700 Shares of Rs 10 each												
3.6 Laxmi Equity Fund	0	0 Shares of Rs 10 each	-	-	58,970,692	-	-	-	-	-	58,970,692	-
0 Shares of Rs 10 each												



4
9
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
840
841
842
843

Equity Instruments		As on 32 Ashad 2082		As on 31 Ashad 2081		As on 32 Ashad 2082		As on 31 Ashad 2081	
		Cost	Fair Value						
3.7	Laxmi Ummati Kosh	80,272,193	83,408,323	80,272,193	72,249,750	80,272,193	83,408,323	80,272,193	72,249,750
3.8	Laxmi Value Fund-2	50,000,000	50,600,000	50,000,000	46,200,000	50,000,000	50,600,000	50,000,000	46,200,000
3.9	MBL Equity Fund	5,000,000	4,965,000				5,000,000	4,965,000	
3.10	Mega Mutual Fund -1	4,363,400	4,180,137	4,363,400	3,368,545	4,363,400	4,180,137	4,363,400	3,368,545
3.11	Muktinath Mutual Fund -1	5,000,000	4,950,000			5,000,000	4,950,000		
3.12	Nabil Balanced Fund-2	50,000,000	50,550,000	50,000,000	45,000,000	50,000,000	50,550,000	50,000,000	45,000,000
3.13	Nabil Balanced Fund-3	16,670,700	166,533	166,700	130,026	166,700	166,533	166,700	130,026
3.14	NIBL Sahayagita Fund	49,096,025	38,828,000	49,096,025	35,836,000	49,096,025	38,828,000	49,096,025	35,836,000
3.15	NIBL Samridhi Fund -2	36,721,232	32,424,846	36,721,232	30,295,015	36,721,232	32,424,846	36,721,232	30,295,015
3.16	NIBL Stable Fund	10,000,000	9,890,000	10,000,000	10,000,000	10,000,000	9,890,000	10,000,000	10,000,000
3.17	NIC Asia Balance Fund	30,000,000	29,310,000	30,000,000	28,800,000	30,000,000	29,310,000	30,000,000	28,800,000
3.18	NIC Asia Hexi Cap Fund	10,000,000	10,150,000	10,000,000	9,250,000	10,000,000	10,150,000	10,000,000	9,250,000
3.19	NIC Asia Shares of Rs 10 each	-	-	20,481,513	20,295,000	-	-	20,481,513	20,295,000
3.20	NIC Asia Growth Fund-2	10,000,000	9,520,000	10,000,000	8,200,000	10,000,000	9,520,000	10,000,000	8,200,000
3.21	NIC Asia Selected 30 Fund	49,306,050	45,805,320	49,306,050	47,333,808	49,306,050	45,805,320	49,306,050	47,333,808
3.22	NMB 50	40,000,000	42,760,000	40,000,000	40,160,000	40,000,000	42,760,000	40,000,000	40,160,000



115 Cr

Oay

et

et

et

et

et

Equity Instruments	As on 32 Ashad 2082			As on 31 Ashad 2081			As on 32 Ashad 2082			As on 31 Ashad 2081		
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
4,000,000 Shares of Rs 10 each												
3.23 NMB Hybrid Fund-I-II	5,000,000	4,530,000										
500,000 Shares of Rs 10 each												
3.24 NMB Sulay Investment Fund-II	20,000,000	22,560,000	20,000,000	20,120,000	20,000,000	20,120,000	20,000,000	22,580,000	20,000,000	20,120,000	20,000,000	20,120,000
2,000,000 Shares of Rs 10 each												
3.25 Prabhu Select Fund	14,631,000	16,574,849	14,681,000	14,372,699	14,681,000	14,372,699	14,681,000	16,574,849	14,681,000	14,372,699	14,681,000	14,372,699
1,488,100 Shares of Rs 10 each												
3.26 RBB Mutual Fund-1	162,500,000	161,850,000	162,500,000	132,600,000	162,500,000	132,600,000	162,500,000	161,850,000	162,500,000	132,600,000	162,500,000	132,600,000
16,250,000 Shares of Rs 10 each												
3.27 RBB Mutual Fund-2	180,000,000	181,440,000	180,000,000	171,000,000	180,000,000	171,000,000	180,000,000	181,440,000	180,000,000	171,000,000	180,000,000	171,000,000
18,000,000 Shares of Rs 10 each												
3.28 Reliable Samridhi Yojana												
500,000 Shares of Rs 10 each	5,000,000	4,965,000										
3.29 Sanima Equity Fund												
0 Shares of Rs 10 each												
3.30 Sanima Growth Fund												
2,000,000 Shares of Rs 10 each	20,000,000	20,640,000	20,000,000	20,280,000	20,000,000	20,280,000	20,000,000	20,640,000	20,000,000	20,280,000	20,000,000	20,280,000
3.31 Sanima Large Cap Fund												
10,000,000 Shares of Rs 10 each	100,000,000	102,300,000	100,000,000	92,900,000	100,000,000	92,900,000	100,000,000	102,300,000	100,000,000	92,900,000	100,000,000	92,900,000
3.32 Siddhartha Equity Fund												
967,748 Shares of Rs 10 each	9,677,480	9,958,127	9,677,480	8,119,406	9,677,480	8,119,406	9,677,480	9,958,127	9,677,480	8,119,406	9,677,480	8,119,406
3.33 Siddhartha Investment Growth Scheme-2												
3,000,000 Shares of Rs 10 each	30,000,000	31,500,000	30,000,000	28,470,000	30,000,000	28,470,000	30,000,000	31,500,000	30,000,000	28,470,000	30,000,000	28,470,000
3.34 Sunrise Bluechip Fund												
4,605,028 Shares of Rs 10 each	46,050,280	46,050,280	46,050,280	38,083,582	46,050,280	38,083,582	46,050,280	46,050,280	46,050,280	38,083,582	46,050,280	38,083,582
3.35 Sunrise First Mutual Fund												
7,000,000 Shares of Rs 10 each	70,000,000	74,760,000	70,000,000	72,450,000	70,000,000	72,450,000	70,000,000	74,760,000	70,000,000	72,450,000	70,000,000	72,450,000
3.36 Sunrise Focused Equity Fund												
1,000,000 Shares of Rs 10 each	10,000,000	10,040,000	10,000,000	8,240,000	10,000,000	8,240,000	10,000,000	10,040,000	10,000,000	8,240,000	10,000,000	8,240,000
Total (1+2+3)	1,226,901,050	1,230,552,782	1,318,853,265	1,157,539,762	1,226,901,050	1,230,552,782	1,318,853,265	1,157,539,762	1,226,901,050	1,230,552,782	1,318,853,265	1,157,539,762
* This year transferred to investment in associates												
Total (1+2+3)	2,525,108,030	4,852,2554,997	2,473,047,831	4,593,371,151	2,525,108,030	4,852,2554,997	2,473,047,831	4,593,371,151	2,525,108,030	4,852,2554,997	2,473,047,831	4,593,371,151



Total (1+2+3) * This year transferred to income



4.9 Current Tax Assets

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Current Tax Assets				
Current year income tax assets	1,082,059,101	1,757,171,829	1,058,618,908	1,754,800,804
Tax assets of prior periods	16,112,264,941	14,354,502,127	16,108,691,800	14,353,890,996
Current Tax Liabilities	17,194,324,042	16,111,673,956	17,167,310,708	16,108,691,800
Current year income tax liabilities	24,363,566	1,118,090,412	-	1,116,545,266
Tax liabilities of prior periods	10,653,821,428	9,537,276,162	10,653,821,428	9,537,276,162
Net current tax assets/ (liabilities)	10,678,184,994	10,655,366,574	10,653,821,428	10,653,821,428
	6,516,139,047	5,456,307,382	6,513,489,280	5,454,870,372

Current Tax Assets includes advance income tax paid by the Bank under self assessment tax returns filed as per the provisions of Income Tax Act 2058 and tax deducted at source (TDS) on behalf of the Bank. Similarly, the current income tax liabilities includes the tax payable to the Government computed as per the provision of the Income Tax Act 2058.

Handwritten signatures and initials of auditors and accountants, including P.R.G. Associates, R.S.M.A. Associates, and B.R.S. Neupane & Co.



4.10 Investment in subsidiaries	As on 32 Ashad 2082	As on 31 Ashad 2081
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	405,000,000	405,000,000
Total Investment	405,000,000	405,000,000
Less: Impairment allowances	5,000,000	5,000,000
Net Carrying amount	400,000,000	400,000,000

4.10.1 Investment in Quoted Subsidiaries

As on 32 Ashad 2082		As on 31 Ashad 2081	
Cost	Fair Value	Cost	Fair Value
_____	_____	_____	_____
Change as on the reporting date	_____	_____	_____

4.10.2 Investment in Unquoted Subsidiaries

	As on 32 Ashad 2082		As on 31 Ashad 2081	
	Cost	Fair Value	Cost	Fair Value
RBB Merchant Banking Limited (2,000,000 shares of Rs 100 each)	200,000,000	200,000,000	200,000,000	200,000,000
RBB Securities Company Limited (2,000,000 shares of Rs 100 each)	200,000,000	200,000,000	200,000,000	200,000,000
Everest Food Limited (50,000 shares of Rs 100 each)	5,000,000	-	5,000,000	-
Total	405,000,000	400,000,000	405,000,000	400,000,000
Less: Impairment allowances	5,000,000	-	5,000,000	-
Net Carrying amount	400,000,000	400,000,000	400,000,000	400,000,000

4.10.3 Information relating to subsidiaries of the bank

Percentage of Ownership by Bank	
As on 31 Ashad 2082	As on 31 Ashad 2081
100%	100%
100%	100%
57%	57%

4.10.4 Non Controlling Interest of the subsidiaries

As on 32 Ashad 2082	As on 31 Ashad 2081
RBB Securities Company Limited	RBB Merchant Banking Limited
RBB Securities Company Limited	RBB Merchant Banking Limited

Equity interest held by NCI (%)
Profit/(loss) allocated during the year
Accumulated balance of NCI as on ashar end
Dividend paid to NCI

RBB Merchant Banking Limited and RBB Merchant Banking Limited are wholly owned subsidiaries; non controlling interests do not exist on the reporting date and Everest Food Limited, being a defunct company has not considered for consolidation.



Rastriya Banijya Bank Limited
Notes forming part of the financial statements



	Group		Bank																																																																									
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081																																																																								
4.11 Investment in Associates																																																																												
Investment in quoted associates	1,809,196,254	1,690,403,339	401,741,788	401,456,088																																																																								
Investment in unquoted associates	1,173,485,734	1,011,483,696	560,539,750	560,539,750																																																																								
Total Investment	2,982,681,988	2,701,887,035	962,281,538	961,995,838																																																																								
Less: Impairment allowances	77,089,375	77,089,375	77,089,375	77,089,375																																																																								
Net Carrying amount	2,905,592,613	2,624,797,660	885,192,163	884,906,463																																																																								
4.11.1 Investment in quoted associates	As on 32 Ashad 2082		As on 31 Ashad 2081																																																																									
Asha Laghubitta Bittiya Sanstha Ltd. 550,000 shares of Rs.100 each	55,000,000	284,197,082	55,000,000	284,197,082																																																																								
Gorakhkali Rubber Udyog Ltd. 199,777 shares of Rs.75 each	14,983,275	-	14,983,275	-																																																																								
National Life Insurance Company Ltd. 5,071,084 shares of Rs.100 each	115,584,730	1,764,855,069	115,584,730	1,764,855,069																																																																								
Neco Insurance Ltd. 3,773,172 shares of Rs.100 each	215,888,083	1,588,629,028	215,888,083	1,588,629,028																																																																								
Nepal Lube Oil Ltd. 11,701 shares of Rs.100 each	285,700	3,430,792	-	-																																																																								
Total	401,741,788	3,641,111,971	401,456,088	3,637,681,179																																																																								
4.11.2 Investment in Unquoted associates	As on 32 Ashad 2082		As on 31 Ashad 2081																																																																									
Butwal Suti Dhago Udyog 252,140 shares of Rs.100 each	25,214,000	-	25,214,000	-																																																																								
Himal Cement Company 399,518 shares of Rs.100 each	36,892,100	-	36,892,100	-																																																																								
Nepal Digital Payment Co. Ltd. 1,511,111 shares of Rs.100 each	151,111,100	151,111,100	151,111,100	151,111,100																																																																								
Nepal Ban Nigam Ltd. 43,310 shares of Rs.100 each	600,000	6,733,644	600,000	6,733,644																																																																								
Nepal Stock Exchange Ltd. 1,122,974 shares of Rs.100 each	346,722,550	816,902,625	346,722,550	816,902,625																																																																								
Total	560,539,750	974,747,369	560,539,750	974,747,369																																																																								
4.11.3 Information relating to associates of the bank	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Group</th> <th colspan="2" style="text-align: center;">Bank</th> </tr> <tr> <th colspan="2" style="text-align: center;">Percentage of ownership held by the bank</th> <th colspan="2" style="text-align: center;">Percentage of ownership held by the bank</th> </tr> <tr> <th style="text-align: center;">Current Year</th> <th style="text-align: center;">Previous Year</th> <th style="text-align: center;">Current Year</th> <th style="text-align: center;">Previous Year</th> </tr> </thead> <tbody> <tr> <td>Asha Laghubitta Bittiya Sanstha Ltd.</td><td style="text-align: right;">8.57%</td> <td style="text-align: right;">8.57%</td> <td style="text-align: right;">8.57%</td> <td style="text-align: right;">8.57%</td> </tr> <tr> <td>Butwal Suti Dhago Udyog</td><td style="text-align: right;">20.00%</td> <td style="text-align: right;">20.00%</td> <td style="text-align: right;">20.00%</td> <td style="text-align: right;">20.00%</td> </tr> <tr> <td>Gorakhkali Rubber Udyog Ltd.</td><td style="text-align: right;">5.21%</td> <td style="text-align: right;">5.21%</td> <td style="text-align: right;">5.21%</td> <td style="text-align: right;">5.21%</td> </tr> <tr> <td>Himal Cement Company</td><td style="text-align: right;">26.74%</td> <td style="text-align: right;">26.74%</td> <td style="text-align: right;">26.74%</td> <td style="text-align: right;">26.74%</td> </tr> <tr> <td>National Life Insurance Company Ltd.</td><td style="text-align: right;">10.12%</td> <td style="text-align: right;">10.12%</td> <td style="text-align: right;">10.12%</td> <td style="text-align: right;">10.12%</td> </tr> <tr> <td>Neco Insurance Ltd.</td><td style="text-align: right;">15.00%</td> <td style="text-align: right;">15.00%</td> <td style="text-align: right;">15.00%</td> <td style="text-align: right;">15.00%</td> </tr> <tr> <td>Nepal Lube Oil Ltd.</td><td style="text-align: right;">1.61%</td> <td style="text-align: right;">1.61%</td> <td style="text-align: right;">1.61%</td> <td style="text-align: right;">1.61%</td> </tr> <tr> <td>Nepal Ban Nigam Ltd.</td><td style="text-align: right;">3.73%</td> <td style="text-align: right;">3.73%</td> <td style="text-align: right;">3.73%</td> <td style="text-align: right;">3.73%</td> </tr> <tr> <td>Nepal Digital Payment Co. Ltd.</td><td style="text-align: right;">37.78%</td> <td style="text-align: right;">37.78%</td> <td style="text-align: right;">37.78%</td> <td style="text-align: right;">37.78%</td> </tr> <tr> <td>Nepal Stock Exchange Ltd.</td><td style="text-align: right;">11.23%</td> <td style="text-align: right;">11.23%</td> <td style="text-align: right;">11.23%</td> <td style="text-align: right;">11.23%</td> </tr> </tbody> </table>				Group		Bank		Percentage of ownership held by the bank		Percentage of ownership held by the bank		Current Year	Previous Year	Current Year	Previous Year	Asha Laghubitta Bittiya Sanstha Ltd.	8.57%	8.57%	8.57%	8.57%	Butwal Suti Dhago Udyog	20.00%	20.00%	20.00%	20.00%	Gorakhkali Rubber Udyog Ltd.	5.21%	5.21%	5.21%	5.21%	Himal Cement Company	26.74%	26.74%	26.74%	26.74%	National Life Insurance Company Ltd.	10.12%	10.12%	10.12%	10.12%	Neco Insurance Ltd.	15.00%	15.00%	15.00%	15.00%	Nepal Lube Oil Ltd.	1.61%	1.61%	1.61%	1.61%	Nepal Ban Nigam Ltd.	3.73%	3.73%	3.73%	3.73%	Nepal Digital Payment Co. Ltd.	37.78%	37.78%	37.78%	37.78%	Nepal Stock Exchange Ltd.	11.23%	11.23%	11.23%	11.23%										
Group		Bank																																																																										
Percentage of ownership held by the bank		Percentage of ownership held by the bank																																																																										
Current Year	Previous Year	Current Year	Previous Year																																																																									
Asha Laghubitta Bittiya Sanstha Ltd.	8.57%	8.57%	8.57%	8.57%																																																																								
Butwal Suti Dhago Udyog	20.00%	20.00%	20.00%	20.00%																																																																								
Gorakhkali Rubber Udyog Ltd.	5.21%	5.21%	5.21%	5.21%																																																																								
Himal Cement Company	26.74%	26.74%	26.74%	26.74%																																																																								
National Life Insurance Company Ltd.	10.12%	10.12%	10.12%	10.12%																																																																								
Neco Insurance Ltd.	15.00%	15.00%	15.00%	15.00%																																																																								
Nepal Lube Oil Ltd.	1.61%	1.61%	1.61%	1.61%																																																																								
Nepal Ban Nigam Ltd.	3.73%	3.73%	3.73%	3.73%																																																																								
Nepal Digital Payment Co. Ltd.	37.78%	37.78%	37.78%	37.78%																																																																								
Nepal Stock Exchange Ltd.	11.23%	11.23%	11.23%	11.23%																																																																								
<i>Refer Note 5.26.8 for investment in Himal Cement Company.</i>																																																																												
4.11.4 Equity value of associates	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Current Year</th> <th style="text-align: center;">Previous Year</th> <th style="text-align: center;">Current Year</th> <th style="text-align: center;">Previous Year</th> </tr> </thead> <tbody> <tr> <td>Investment in quoted associates</td><td></td><td></td><td></td></tr> <tr> <td>Asha Laghubitta Bittiya Sanstha Ltd.</td><td style="text-align: right;">130,385,683</td><td style="text-align: right;">112,446,153</td><td></td></tr> <tr> <td>Gorakhkali Rubber Udyog Ltd.</td><td style="text-align: right;">14,983,275</td><td style="text-align: right;">14,983,275</td><td></td></tr> <tr> <td>National Life Insurance Company Ltd.</td><td style="text-align: right;">732,478,734</td><td style="text-align: right;">720,300,367</td><td></td></tr> <tr> <td>Neco Insurance Ltd.</td><td style="text-align: right;">930,255,208</td><td style="text-align: right;">842,673,544</td><td></td></tr> <tr> <td>Nepal Lube Oil Ltd.</td><td style="text-align: right;">1,093,354</td><td style="text-align: right;">-</td><td></td></tr> <tr> <td>Total</td><td style="text-align: right;">1,809,196,254</td><td style="text-align: right;">1,690,403,339</td><td></td></tr> <tr> <td>Investment in unquoted associates</td><td></td><td></td><td></td></tr> <tr> <td>Butwal Suti Dhago Udyog</td><td style="text-align: right;">25,214,000</td><td style="text-align: right;">25,214,000</td><td></td></tr> <tr> <td>Himal Cement Company</td><td style="text-align: right;">36,892,100</td><td style="text-align: right;">36,892,100</td><td></td></tr> <tr> <td>Nepal Ban Nigam Limited</td><td style="text-align: right;">279,094,621</td><td style="text-align: right;">13,181,844</td><td></td></tr> <tr> <td>Nepal Digital Payment Co. Ltd.</td><td style="text-align: right;">78,380,700</td><td style="text-align: right;">102,279,541</td><td></td></tr> <tr> <td>Nepal Stock Exchange Ltd.</td><td style="text-align: right;">753,904,313</td><td style="text-align: right;">833,916,211</td><td></td></tr> <tr> <td>Total</td><td style="text-align: right;">1,173,485,734</td><td style="text-align: right;">1,011,483,696</td><td></td></tr> <tr> <td>Total Equity Value</td><td style="text-align: right;">2,982,681,988</td><td style="text-align: right;">2,701,887,035</td><td></td></tr> <tr> <td>Less: Impairment</td><td style="text-align: right;">(77,089,375)</td><td style="text-align: right;">(77,089,375)</td><td></td></tr> <tr> <td>Net Equity Value</td><td style="text-align: right;">2,905,592,613</td><td style="text-align: right;">2,624,797,660</td><td></td></tr> </tbody> </table>				Current Year	Previous Year	Current Year	Previous Year	Investment in quoted associates				Asha Laghubitta Bittiya Sanstha Ltd.	130,385,683	112,446,153		Gorakhkali Rubber Udyog Ltd.	14,983,275	14,983,275		National Life Insurance Company Ltd.	732,478,734	720,300,367		Neco Insurance Ltd.	930,255,208	842,673,544		Nepal Lube Oil Ltd.	1,093,354	-		Total	1,809,196,254	1,690,403,339		Investment in unquoted associates				Butwal Suti Dhago Udyog	25,214,000	25,214,000		Himal Cement Company	36,892,100	36,892,100		Nepal Ban Nigam Limited	279,094,621	13,181,844		Nepal Digital Payment Co. Ltd.	78,380,700	102,279,541		Nepal Stock Exchange Ltd.	753,904,313	833,916,211		Total	1,173,485,734	1,011,483,696		Total Equity Value	2,982,681,988	2,701,887,035		Less: Impairment	(77,089,375)	(77,089,375)		Net Equity Value	2,905,592,613	2,624,797,660	
Current Year	Previous Year	Current Year	Previous Year																																																																									
Investment in quoted associates																																																																												
Asha Laghubitta Bittiya Sanstha Ltd.	130,385,683	112,446,153																																																																										
Gorakhkali Rubber Udyog Ltd.	14,983,275	14,983,275																																																																										
National Life Insurance Company Ltd.	732,478,734	720,300,367																																																																										
Neco Insurance Ltd.	930,255,208	842,673,544																																																																										
Nepal Lube Oil Ltd.	1,093,354	-																																																																										
Total	1,809,196,254	1,690,403,339																																																																										
Investment in unquoted associates																																																																												
Butwal Suti Dhago Udyog	25,214,000	25,214,000																																																																										
Himal Cement Company	36,892,100	36,892,100																																																																										
Nepal Ban Nigam Limited	279,094,621	13,181,844																																																																										
Nepal Digital Payment Co. Ltd.	78,380,700	102,279,541																																																																										
Nepal Stock Exchange Ltd.	753,904,313	833,916,211																																																																										
Total	1,173,485,734	1,011,483,696																																																																										
Total Equity Value	2,982,681,988	2,701,887,035																																																																										
Less: Impairment	(77,089,375)	(77,089,375)																																																																										
Net Equity Value	2,905,592,613	2,624,797,660																																																																										





4.12 Investment Property

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Investment properties measured at fair value				
Balance as on 01 Shrawan 2081				
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 01 Shrawan 2081	306,001,157	197,394,912	306,001,157	197,394,912
Addition/disposal during the year	14,365,369	120,791,245	14,365,369	120,791,245
Adjustment/transfer	-	(12,185,000)	-	(12,185,000)
Accumulated Depreciation				
Accumulated Impairment Loss	(414,000)	(414,000)	(414,000)	(414,000)
Net amount	319,952,526	305,587,157	319,952,526	305,587,157
Total	319,952,526	305,587,157	319,952,526	305,587,157

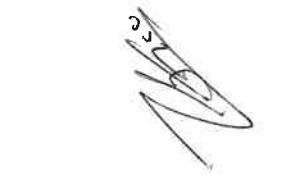
Refer note 5.12 for partywise details of Non Banking Assets as at reporting date.

✓ R. S. M. A. Associates
Chartered Accountants
Kathmandu
B.R.S. Neupane & Co.
Chartered Accountants
Kathmandu, Nepal





Group									
Cost or deemed cost	Buildings	Leasehold Assets	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total	Total
Balance as on 31 Ashad 2080	26,895,579,614	1,358,562,523	231,477,984	646,512,302	411,228,377	365,554,872	-	32 Ashad 2082	31 Ashad 2081
Additions during the year	2,287,977	59,923,234	34,405,484	67,240,000	45,828,001	-	2,784,124,733	-	32,702,980,404
Acquisition	-	-	(4,809,131)	(16,119,576)	(3,261,677)	(12,217,201)	-	432,744,828	642,129,524
Capitalization	4,529,000	7,656,000	-	-	-	-	-	(20,818,709)	(57,226,284)
Assets acquired through business combination	26,900,108,614	1,378,506,501	286,532,086	664,788,210	475,206,700	398,865,672	3,165,271,323	33,263,289,106	(18,594,539)
Disposals	-	-	39,863,152	13,603,079	33,380,374	28,779,229	-	333,354,760	33,263,289,106
Adjustment/Revaluation	-	(1,507,775)	(2,030,656)	(8,250,217)	(5,504,70)	(19,739,594)	-	(14,562,533)	(51,595,544)
Balance as on 32 Ashad 2082	26,900,108,614	1,376,985,726	324,364,682	670,151,073	503,082,304	407,905,306	3,484,063,551	33,666,674,155	-
Freehold land	Buildings	Leasehold Assets	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total	Total
-	-	-	-	-	-	-	-	32 Ashad 2082	31 Ashad 2081
-	191,068,935	134,212,428	494,321,929	277,760,365	271,735,033	-	-	-	-
-	23,116,513	35,465,617	56,792,525	54,519,704	36,262,994	-	-	389,326,407	2,614,407,903
-	-	-	-	-	-	-	-	-	595,183,780
-	214,185,448	(4,474,227)	(16,758,508)	(1,660,964)	(11,727,566)	-	-	-	-
-	23,262,959	39,009,713	49,571,701	50,375,437	34,481,736	(21,124,103)	1,613,211,517	-	(55,765,387)
-	(7,44,239)	-	-	-	-	370,584,554	567,286,100	-	3,153,326,296
-	236,704,168	(2,008,107)	(8,158,055)	(5,194,560)	(19,333,392)	-	(3,178,085)	-	(3,922,324)
Capital Work in Progress as on 31 Ashad 2080	276,397,736	-	-	-	-	-	(14,552,533)	(49,256,647)	-
Capital Work in Progress as on 31 Ashad 2081	355,472,110	-	-	-	-	-	1,966,055,453	3,667,933,424	-
Capital Work in Progress as on 32 Ashad 2082	411,626,327	-	-	-	-	-	-	-	276,397,736
Net Book Value	Buildings	Leasehold Assets	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total	Total
-	-	-	-	-	-	-	-	355,472,110	411,626,327
-	26,895,579,614	1,453,891,324	97,205,555	152,190,374	133,460,011	93,819,839	1,538,815,520	30,364,970,237	-
-	26,900,108,614	1,519,793,162	121,328,268	130,442,264	144,607,594	102,595,210	1,552,059,806	30,470,934,920	-
-	26,900,108,614	1,551,920,884	122,159,158	94,381,481	127,302,322	96,486,501	1,518,008,098	30,410,367,058	-





	Freehold land	Buildings	Leasehold Assets	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total	Total Ashad 2082	Total Ashad 2081
Cost or deemed cost	26,895,579.614	1,368,652.523	231,223.157	643,848.231	408,562,477	361,644.153			32	32	32
Balance as on 31 Ashad 2080											
Additions during the year											
Acquisition											
Capitalization											
Assets acquired through business combination											
Adjustment/Revaluation											
Balance as on 31 Ashad 2081	26,900,108.614	2,287,977	59,836,836	33,327,504	67,240,000	45,338,684			32	2,788,175,243	32,637,595,376
Additions during the year											
Acquisition											
Capitalization											
Assets acquired through business combination											
Disposals											
Adjustment/Revaluation											
Balance as on 32 Ashad 2082	26,900,108.614	1,378,506,501	286,250,861	661,056,159	472,540,800	394,765,816			32	432,564,178	40,595,179
Accumulated depreciation and impairment											
Balance as on 31 Ashad 2080											
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposals											
Balance as on 31 Ashad 2081	26,900,108.614	23,116,513	191,058,935	134,157,835	492,566,524	275,688,569	269,056,811	1,249,359,722	32	32	31
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 31 Ashad 2081	26,900,108.614	23,116,513	191,058,935	134,157,835	492,566,524	275,688,569	269,056,811	1,249,359,722	32	32	31
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 31 Ashad 2081	26,900,108.614	23,116,513	191,058,935	134,157,835	492,566,524	275,688,569	269,056,811	1,249,359,722	32	32	31
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 32 Ashad 2082	26,900,108.614	1,376,938,726	323,953,925	661,091,247	500,416,404	403,493,054			32	148,181,508	40,595,544
Accumulated depreciation and impairment											
Balance as on 31 Ashad 2080											
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposals											
Balance as on 31 Ashad 2081	26,900,108.614	23,116,513	191,058,935	134,157,835	492,566,524	275,688,569	269,056,811	1,249,359,722	32	32	31
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 31 Ashad 2081	26,900,108.614	23,116,513	191,058,935	134,157,835	492,566,524	275,688,569	269,056,811	1,249,359,722	32	32	31
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 32 Ashad 2082	26,900,108.614	1,376,938,726	323,953,925	661,091,247	500,416,404	403,493,054			32	148,181,508	40,595,544
Accumulated depreciation and impairment											
Balance as on 31 Ashad 2080											
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 31 Ashad 2081	26,900,108.614	23,116,513	191,058,935	134,157,835	492,566,524	275,688,569	269,056,811	1,249,359,722	32	32	31
Depreciation Charge for the Year											
Others											
Impairment for the Year											
Disposal											
Balance as on 32 Ashad 2082	26,900,108.614	1,376,938,726	323,953,925	661,091,247	500,416,404	403,493,054			32	148,181,508	40,595,544
Capital Work in Progress as on 31 Ashad 2080											
Capital Work in Progress as on 31 Ashad 2081											
Capital Work in Progress as on 32 Ashad 2082											
Net Book Value	26,895,579.614	Buildings	Leasehold Assets	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total	276,397,736	355,472,110
Balance as on 31 Ashad 2080											
Balance as on 31 Ashad 2081											
Balance as on 32 Ashad 2082											

R.S.N.A. Associates
Chartered Accountants
Kathmandu, Nepal
Chitwan

B.R.S. Neupane & Co. Ltd
Chartered Accountants
Kathmandu, Nepal

Signature 1

Signature 2

Signature 3

Signature 4

Signature 5

Signature 6

Signature 7

Signature 8

Signature 9

Signature 10





4.14 Goodwill & Intangible Assets

	Group				As at 32 Ashad 2082	As at 31 Ashad 2081
	Goodwill	Purchased	Developed	Other		
Cost						
Balance as on 31 Ashad 2080		139,924,256				139,924,256
Additions:						
Acquisition						
Assets acquired through business combination		1,260,800				1,260,800
Capitalization						
Disposals or classified as held for sale						
Adjustment						
Balance as on 31 Ashad 2081		47,378				47,378
Additions		141,232,434			141,232,434	141,232,434
Acquisition						
Assets acquired through business combination		36,927,132			36,927,132	
Capitalization						
Disposals or classified as held for sale						
Adjustment						
Balance as on 32 Ashad 2082		178,159,566			178,159,566	
Amortization and Impairment						
Balance as on 31 Ashad 2080		88,347,575				88,347,575
Amortization charge for the Year		19,441,915				19,441,915
Disposals						
Adjustment						
Balance as on 31 Ashad 2081		107,789,490			107,789,490	107,789,490
Amortization charge for the Year		16,325,388			16,325,388	
Disposals						
Adjustment						
Balance as on 32 Ashad 2082		124,114,878			124,114,878	
Capital Work in Progress						
Net Book Value						
Balance as on 31 Ashad 2080						51,576,681
Balance as on 31 Ashad 2081						33,442,944
Balance as on 32 Ashad 2082						54,044,688



DR
OM
JK
CK
R.S.M.A. Associates
Chartered Accountants
Kathmandu
B.R.S. Neupane & Co.
Chartered Accountants
Kathmandu Nepal



4.14 Intangible Assets

	Bank				As at 32 Ashad 2082	As at Ashad 2081	3
	Goodwill	Software Purchased	Developed	Other			
Cost							
Balance as on 31 Ashad 2080		137,520,763					137,520,763
Additions	-						
Acquisition							
Assets acquired through business combination		480,250					480,250
Capitalization							
Disposals or classified as held for sale							
Adjustment							
Balance as on 31 Ashad 2081		138,001,013				138,001,013	138,001,013
Additions	-						
Acquisition							
Assets acquired through business combination		36,927,132				36,927,132	
Capitalization							
Disposals or classified as held for sale							
Adjustment							
Balance as on 32 Ashad 2082		174,928,145				174,928,145	
Amortization and Impairment							
Balance as on 31 Ashad 2080		87,066,173					87,066,173
Amortization charge for the Year	-	19,012,531					19,012,531
Disposals							
Adjustment							
Balance as on 31 Ashad 2081		106,078,704					106,078,704
Amortization charge for the Year	-	15,824,332					15,824,332
Disposals							
Adjustment							
Balance as on 32 Ashad 2082		121,903,036				121,903,036	
Capital Work in Progress as on 32 Ashad 2082							

Net Book Value

Balance as on 31 Ashad 2080

Balance as on 31 Ashad 2081

Balance as on 32 Ashad 2082

50,454,590
31,922,309
53,025,109

ABH *ABH* *ABH* *ABH* *ABH* *ABH* *ABH* *ABH*



Rastriya Banijya Bank Limited
Notes forming part of the financial statements



4.15 Deferred tax

Deferred Tax Assets/Liabilities

Group			Bank	
As on 32 Ashad 2082	As on 31 Ashad 2081		As on 32 Ashad 2082	As on 31 Ashad 2081
1,292,377,576	1,998,286,132		1,291,059,960	1,995,614,145
9,106,294,919	9,018,825,887		9,103,932,881	9,017,299,882
(7,813,917,343)	(7,020,539,755)		(7,812,872,920)	(7,021,685,737)

Group			Previous Year		
Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
124,200	-	124,200	124,200	-	-
24,626,813	(609,186)	24,017,627	24,626,813	-	124,200
-	(8,012,135,430)	(8,012,135,430)	-	(8,012,135,430)	24,626,813
36,461,264	-	36,461,264	36,433,504	-	(8,012,135,430)
103,713,848	-	103,713,848	103,713,848	-	36,433,504
1,305,667,949	-	1,305,667,949	1,305,667,949	-	103,713,848
-	(392,200,474)	(392,200,474)	-	(391,283,655)	1,305,667,949
426,706,492	-	426,706,492	425,614,863	-	(391,283,655)
99,551,839	-	99,551,839	99,432,968	-	425,614,863
1,433,726	-	1,433,726	-	-	99,432,968
-	(613,880,797)	(613,880,797)	-	(613,880,797)	(613,880,797)
1,998,286,132	(9,018,825,887)	(7,020,539,755)	1,995,614,145	(9,017,299,882)	(7,021,685,737)
		(7,020,539,755)			(7,021,685,737)
		(196,530,892)			298,662,541
		(6,824,008,862)			(7,320,348,277)
		(7,451,576,653)			564,901,727
		431,036,899			(433,308,860)
		508,391,362			506,728,585
		(939,428,259)			(940,037,445)

HS
J. H. S.



Rastriya Banijya Bank Limited
Notes forming part of the financial statements



4.16 Other Assets

Other Assets	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Assets held for sale	-	-	-	-
Other non banking assets	-	-	-	-
Bills receivable	-	-	-	-
Accounts receivable	1,128,120,735	1,048,840,187	989,477,023	1,048,619,217
Accrued Income	-	-	-	-
Prepayments and Deposit	164,939,403	111,296,194	164,342,663	109,833,901
Income Tax Deposit	3,812,181,894	3,688,723,833	3,812,181,894	3,688,723,833
Deferred Employee expenditure	4,564,840,642	4,246,017,665	4,564,840,642	4,246,017,665
Other	160,334,525	165,833,568	165,207,079	155,981,212
Total	9,830,417,199	9,260,711,447	9,696,049,301	9,249,175,828

4.16.1 Accounts receivable

Accounts Receivable shown above comprises the amount of accrued commission, drafts paid, transit items and other receivables.

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Commission Receivable	61,800,425	62,140,158	61,800,425	62,140,158
Pension Receivable	130,496,856	175,605,298	130,496,856	175,605,298
Card Receivables	-	-	-	-
Dividend Receivable	-	-	-	-
Other Receivables	128,672,123	20,832,023	23,252,900	20,832,023
Claim for Subsidy Loan	620,113,962	633,783,814	620,113,962	633,783,814
Sundry Debtors	103,602,249	73,043,774	70,377,760	72,822,804
Other Transit item (including cheques)	-	-	-	-
Drafts Paid Without Notice	83,435,120	83,435,120	83,435,120	83,435,120
Total	1,128,120,735	1,048,840,187	989,477,023	989,477,023

4.16.2 Prepayments and Deposit

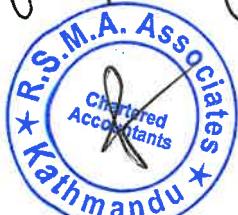
Prepayments and Deposit comprise of the following items:

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Prepayments	64,823,998	20,228,588	64,327,257	19,766,295
Telephone and Other deposits	100,115,406	91,067,606	100,015,406	90,067,606
Total	164,939,404	111,296,194	164,342,663	109,833,901

4.16.3 Other

Others include the following:

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Stationery Stock	114,615,051	122,712,756	114,615,051	122,712,756
Cash in Transit	1,621,100	1,621,100	1,621,100	1,621,100
Expenses not Written Off	-	-	-	-
Others				
Draft	-	-	-	-
Government Transaction	-	-	-	-
Advance to Staff	-	-	-	-
Bullion	29,498,361	22,442,620	29,498,361	22,442,620
Others	48,699	48,699	48,699	48,699
Pension Payment to NG Ex-employees	14,551,314	19,008,393	19,423,868	9,156,037
Pension Payment to Defence Staffs	-	-	-	-
Total	160,334,525	165,833,568	165,207,079	155,981,212





4.17 Due to Banks and financial Institutions

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Money Market Deposits				
Interbank Borrowing	-	-	-	-
Other deposits from BFIs				
Settlement and clearing accounts	2,376,073,972	1,527,086,917	2,376,073,972	1,527,086,917
Total	2,376,073,972	1,527,086,917	2,376,073,972	1,527,086,917
The balances in accounts maintained with the Bank by other local financial institutions				

The balances in accounts maintained with the Bank by other local financial institution have been presented under this head. Interbank borrowing, interbank deposit, balances on settlement and clearing accounts as well as other amount due to bank and financial institution is presented under due to bank and financial institutions.

4.18 Due to Nepal Rastra Bank

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Refinance from NRB	-	-	-	-
Standing Liquidity Facility	-	-	-	-
Lender of last resort facility from NRB	-	-	-	-
Securities sold under repurchase agree	-	-	-	-
Other payable to NRB	-	-	-	-
Total	<hr/>	<hr/>	<hr/>	<hr/>

4.19 Derivative financial instruments

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward exchange Contract	5,423,350,000	3,735,200,000	-	-
Others	-	-	5,423,350,000	3,735,200,000
Held for risk management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward exchange Contract	-	-	-	-
Others	-	-	-	-
	5,423,350,000	3,735,200,000	5,423,350,000	3,735,200,000



Rastriya Banijya Bank Limited
Notes forming part of the financial statements



4.20 Deposit from Customers

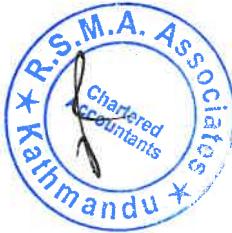
Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ash 2081
Institutions Customers				
Term Deposit	70,684,389,956	67,606,623,666	70,719,389,956	67,806,623,0
Call Deposit	30,025,875,711	37,685,594,635	30,025,875,711	37,685,594,6
Current Deposit	32,581,165,098	36,006,894,178	32,819,186,242	36,136,824,0
Other	83,924,033	85,018,029	83,924,033	85,018,0
Saving	5,185,069,670	9,951,760,090	5,185,069,670	9,951,760,0
Margin	961,356,499	1,192,077,352	961,356,499	1,192,077,3
Individual Customers				
Term Deposit	111,405,417,577	109,221,764,185	111,405,417,577	109,221,764,1
Saving Deposit	236,896,359,219	164,159,163,863	236,896,359,219	164,159,163,8
Current Deposit	12,101,880,251	2,752,093,725	12,101,880,251	2,752,093,7
Other	216,221,359	196,844,117	216,221,359	196,844,1
Call Deposit	-	-	-	-
Margin	-	-	-	-
Total	500,141,659,372	428,857,833,840	500,414,680,516	429,187,763,7

Deposit from customer includes accrued interest payable as on reporting date for the particular deposit portfolio.

4.20.1

Currency wise analysis of deposit from customers

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Nepalese rupee				
Indian rupee	492,529,783,432	427,281,382,571	492,802,804,576	427,611,312,48
United State dollar	-	-	-	-
Great Britian pound	7,531,405,343	1,565,548,837	7,531,405,343	1,565,548,83
Euro	10,171,085	9,345,475	10,171,085	9,345,475
Japanese yen	70,114,717	1,417,143	70,114,717	1,417,143
Chinese yuan	-	-	-	-
Other	184,795	139,814	184,795	139,814
Total	500,141,659,372	428,857,833,840	500,414,680,516	429,187,763,750





Rastriya Banijya Bank Limited
Notes forming part of the financial statements

4.21 Borrowing

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Domestic Borrowing				
Nepal Government				
Other Institutions				
Other				
Subtotal	60,000,000	60,000,000	60,000,000	60,000,000
Foreign Borrowing				
Foreign Bank and Financial Institutions				
Multilateral Development Banks				
Other Institutions				
Sub total	-	-	-	-
Total	60,000,000	60,000,000	60,000,000	60,000,000

4.22 Provisions

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Provisions for redundancy	-	-	-	-
Provision for restructuring	-	-	-	-
Pending legal issues and tax litigation	-	-	-	-
Onerous contracts	-	-	-	-
Other	-	-	-	-
Total	328,705,595	331,443,227	328,705,595	331,443,227

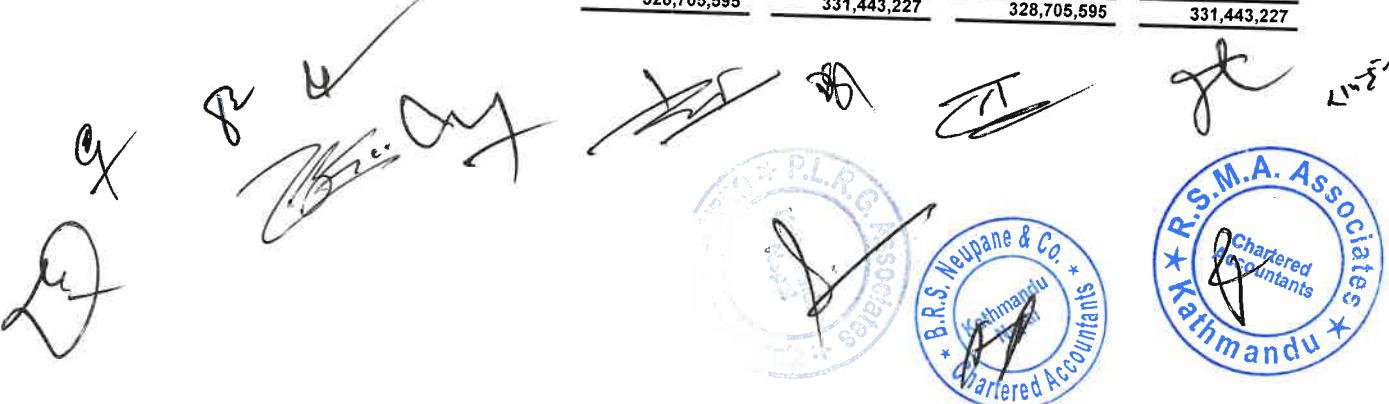
4.22.1 Movement in provision

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Balance as on 01 Shrawan 2081	331,443,227	322,491,839	331,443,227	322,491,839
Provisions made during the year	(2,737,632)	8,951,387	(2,737,632)	8,951,387
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
Unwind of discount	-	-	-	-
Balance as on 32 Ashad 2082	328,705,595	331,443,227	328,705,595	331,443,227

A provision is recognised when 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. Provision for redundancy, provision for onerous contracts, provision for restructuring, pending legal issues and tax litigation, credit commitments and guarantees etc. are included under this account head.

4.22.2 Other

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Provision for Agency Balances	107,735,807	107,622,823	107,735,807	107,622,823
Provision for Debtors	70,377,760	72,822,804	70,377,760	72,822,804
Provision for Cash in Transits	1,621,100	1,621,100	1,621,100	1,621,100
Provision for Draft Paid Without Notice	70,499,832	70,499,832	70,499,832	70,499,832
Provision for Overdrawn Deposits	7,483,326	7,483,326	7,483,326	7,483,326
Provision for Central Office Account (Dr. Balance)	3,476,343	3,477,030	3,476,343	3,477,030
Provision for Stationery Stock	5,730,753	6,135,638	5,730,753	6,135,638
Provision for NRB Reconciliation	4,707,096	4,707,096	4,707,096	4,707,096
Provision for Government Transaction (Old Balances)	1,459,395	1,459,395	1,459,395	1,459,395
Provision for Pension Transaction (Old Balances)	3,696,805	3,696,805	3,696,805	3,696,805
Provision for Branch OS Balance (Gulariya)	7,191,426	7,191,426	7,191,426	7,191,426
Provision for Transit Expenses	709,006	709,006	709,006	709,006
Provision for Transit Others	13,232,161	13,232,161	13,232,161	13,232,161
Other Commission Receivable	8,774,013	8,774,013	8,774,013	8,774,013
Employee Advance	21,431,741	21,431,741	21,431,741	21,431,741
Advance for insurance premium	358,959	358,959	358,959	358,959
Pension Receivable from RBB Pension	220,073	220,073	220,073	220,073
Total	328,705,595	331,443,227	328,705,595	331,443,227





4.23 Other Liabilities

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Liability for employees defined benefit obligations				
Endowment Life Insurance Fund	2,105,451,564	4,697,939,323	2,101,232,129	4,697,939,323
Pension and Gratuity	433,863,123	214,210,908	433,863,123	214,210,908
Leave Encashment	1,562,886,964	4,388,661,220	1,562,886,964	4,388,661,220
Liability for long-service leave	108,701,477	95,067,195	104,482,042	95,067,195
Short-term employee benefits	-	-	-	-
Bills Payable	54,288,504	54,294,704	54,288,504	54,288,504
Creditors and accruals	107,624,634	180,479,656	107,624,634	180,479,656
Interest payable on deposit	1,713,784,546	1,173,808,777	1,697,586,712	1,172,947,031
Interest payable on borrowing	-	-	-	-
Liabilities on deferred grant income	-	-	-	-
Unpaid Dividend	2,173,087	2,268,081	2,173,087	2,268,081
Operating Lease Liability	-	3,740,400	-	-
Liabilities under Finance Lease	1,438,909,144	1,418,716,210	1,438,909,145	1,418,716,210
Employee bonus payable	236,583,143	248,765,529	236,583,143	245,599,647
Other	6,672,582,771	6,958,499,568	6,412,403,804	6,808,673,425
Total	12,331,397,393	14,738,512,248	12,050,801,158	14,580,911,877

Liabilities relating to employees benefits like liabilities for defined benefit obligation gratuity and pension fund, liabilities for long-service leave, short-term employee benefits etc., Creditors and accruals, unearned income, unpaid dividend etc. are presented under this account head of other liabilities. Long service leave consists of sick leave and annual leave.

4.23.1 The amount Recognised in Statement of Financial Position:

Combined Actuarial Disclosure for Endowment Plan and Gratuity Plan. For individual disclosure on pension and gratuity plan refer 4.23.2, for endowment life insurance fund refer 4.23.3, and for leave encashment plan refer 4.23.4.

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present value of unfunded defined benefit obligation	-	-	-	-
Present value of funded defined benefit obligation	23,124,293,954	21,966,909,712	23,124,293,954	21,966,909,712
Total Present value of obligations	23,124,293,954	21,966,909,712	23,124,293,954	21,966,909,712
Fair value of plan assets	21,023,061,825	17,268,970,389	21,023,061,825	17,268,970,389
Present Value of Net Obligation	2,101,232,129	4,697,939,323	2,101,232,129	4,697,939,323
Recognized liability for defined benefit obligations	2,101,232,129	4,697,939,323	2,101,232,129	4,697,939,323

4.23.1.1 Plan Assets

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Equity Shares	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	21,023,061,825	17,268,970,389	21,023,061,825	17,268,970,389
Other	-	-	-	-
Total	21,023,061,825	17,268,970,389	21,023,061,825	17,268,970,389



4.23.1.2 Movement in Present Value of defined benefits Obligation

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present Value of Obligation at beginning of the year	21,966,909,712	19,021,060,371	21,966,909,712	19,021,060,371
Actuarial Losses	568,228,065	3,132,933,839	568,228,065	3,132,933,839
Benefits paid by the plan	(1,640,334,142)	(2,056,498,079)	(1,640,334,142)	(2,056,498,079)
Current Service Cost and Interest	2,229,490,319	1,869,413,581	2,229,490,319	1,869,413,581
Defined benefits obligation at year end	23,124,293,954	21,966,909,712	23,124,293,954	21,966,909,712

4.23.1.3 Movement in Present Value of Plan Assets

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Fair Value of Plan Assets at beginning of the year	17,268,970,389	16,930,008,403	17,268,970,389	16,930,008,403
Contributions paid into plan	4,697,939,323	2,091,051,968	4,697,939,323	2,091,051,968
Benefits paid by the plan	(1,640,334,142)	(2,056,498,079)	(1,640,334,142)	(2,056,498,079)
Actuarial Losses/gains	(995,313,313)	(1,219,292,659)	(995,313,313)	(1,219,292,659)
Expected return on plan assets	1,691,799,568	1,523,700,756	1,691,799,568	1,523,700,756
Fair Value of Plan Assets at the year end	21,023,061,825	17,268,970,389	21,023,061,825	17,268,970,389

4.23.1.4 Expenses Recognized in Statement of Profit or Loss

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Current service cost	326,283,481	247,518,148	326,283,481	247,518,148
Interest cost	1,903,206,838	1,621,895,433	1,903,206,838	1,621,895,433
Expected Return on Plan Assets	(1,691,799,568)	(1,523,700,756)	(1,691,799,568)	(1,523,700,756)
Expenses Recognized in Profit or Loss	537,690,751	345,712,825	537,690,751	345,712,825

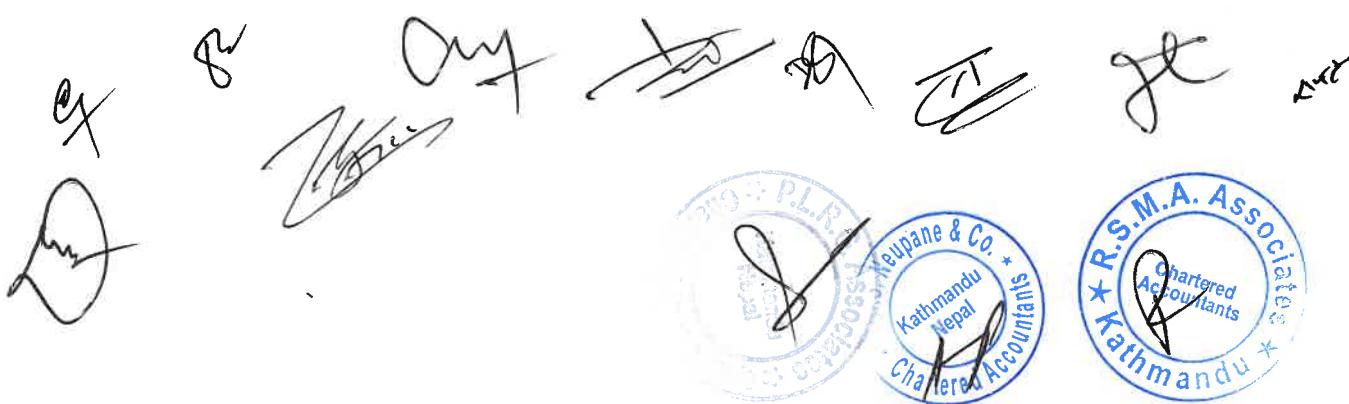
4.23.1.5 Expenses Recognized in other comprehensive income

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Actuarial (Loss)/Gain	(1,563,541,378)	(4,352,226,498)	(1,563,541,378)	(4,352,226,498)
Expenses Recognized in Income Statement	(1,563,541,378)	(4,352,226,498)	(1,563,541,378)	(4,352,226,498)

4.23.2 Actuarial Disclosures for Pension and Gratuity

The amount Recognised in Statement of Financial Position:

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present value of unfunded defined benefit obligation	-	-	-	-
Present value of funded defined benefit obligation	20,533,112,967	19,994,320,797	20,533,112,967	19,994,320,797
Total Present value of obligations	20,533,112,967	19,994,320,797	20,533,112,967	19,994,320,797
Fair value of plan assets	18,970,226,003	15,605,659,577	18,970,226,003	15,605,659,577
Present Value of Net Obligation	1,562,886,964	4,388,661,220	1,562,886,964	4,388,661,220
Recognized liability for defined benefit obligations	1,562,886,964	4,388,661,220	1,562,886,964	4,388,661,220



4.23.2.1 Plan Assets

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Equity Shares	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	18,970,226,003	15,605,659,577	18,970,226,003	15,605,659,577
Other	-	-	-	-
Total	18,970,226,003	15,605,659,577	18,970,226,003	15,605,659,577

4.23.2.2 Movement in Present Value of defined benefits Obligation- Pension and Gratuity

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present Value of Obligation at beginning of the year	19,994,320,797	17,034,243,672	19,994,320,797	17,034,243,672
Actuarial Loss/(Gain)	207,437,503	3,074,171,357	207,437,503	3,074,171,357
Benefits paid by the plan	(1,523,820,419)	(1,683,840,925)	(1,523,820,419)	(1,683,840,925)
Current Service Cost and Interest	1,855,175,086	1,569,746,693	1,855,175,086	1,569,746,693
Defined benefits obligation at year end	20,533,112,967	19,994,320,797	20,533,112,967	19,994,320,797

4.23.2.3 Movement in Present Value of Plan Assets- Pension and Gratuity

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Fair Value of Plan Assets at beginning of the year	15,605,659,577	15,232,695,958	15,605,659,577	15,232,695,958
Opening Readjustment	-	-	-	-
Contributions paid into plan	4,388,661,220	1,801,547,714	4,388,661,220	1,801,547,714
Benefits paid by the plan	(1,523,820,419)	(1,683,840,925)	(1,523,820,419)	(1,683,840,925)
Actuarial (Loss)/Gain	(1,033,701,573)	(1,115,685,806)	(1,033,701,573)	(1,115,685,806)
Expected return on plan assets	1,533,427,198	1,370,942,636	1,533,427,198	1,370,942,636
Fair Value of Plan Assets at the year end	18,970,226,003	15,605,659,577	18,970,226,003	15,605,659,577

4.23.2.4 Expenses Recognized in Statement of Profit or Loss

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Current service cost	124,258,133	126,664,763	124,258,133	126,664,763
Interest cost	1,730,916,953	1,443,081,930	1,730,916,953	1,443,081,930
Expected Return on Plan Assets	-	(1,370,942,636)	(1,533,427,198)	(1,370,942,636)
Expenses Recognized in Profit or Loss	1,855,175,086	198,804,057	321,747,888	198,804,057

4.23.2.5 Expenses Recognized in other comprehensive income

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Actuarial (Loss)/Gain	(1,241,139,076)	(4,189,857,163)	(1,241,139,076)	(4,189,857,163)
Expenses Recognized in Other Comprehensive Income	(1,241,139,076)	(4,189,857,163)	(1,241,139,076)	(4,189,857,163)

4.23.2.6 Actuarial Assumptions for Pension and Gratuity

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Discount rate	9.00%	9.00%	9.00%	9.00%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Rate of increase in pension levels	3.00%	3.00%	3.00%	3.00%
Withdrawal rate	5.00%	5.00%	5.00%	5.00%
Expected return on Plan Assets	9.00%	9.00%	9.00%	9.00%



4.23.3 Actuarial Disclosures for Endowment Life Insurance Fund
The amount Recognised in Statement of Financial Position:

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present value of unfunded defined benefit obligation	-	-	-	-
Present value of funded defined benefit obligation	1,821,759,561	1,344,361,210	1,821,759,561	1,344,361,210
Total Present value of obligations	1,821,759,561	1,344,361,210	1,821,759,561	1,344,361,210
Fair value of plan assets	1,387,896,438	1,130,150,302	1,387,896,438	1,130,150,302
Present Value of Net Obligation	433,863,123	214,210,908	433,863,123	214,210,908
Recognized liability for defined benefit obligations	433,863,123	214,210,908	433,863,123	214,210,908

4.23.3.1 Plan Assets

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Equity Shares	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	1,387,896,438	1,130,150,302	1,387,896,438	1,130,150,302
Other	-	-	-	-
Total	1,387,896,438	1,130,150,302	1,387,896,438	1,130,150,302
Actual Return on Plan assets				

4.23.3.2 Movement in Present Value of defined benefits Obligation- Endowment Life Insurance Fund

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present Value of Obligation at beginning of the year	1,344,361,210	1,385,291,582	1,344,361,210	1,385,291,582
Actuarial Loss/ (Gain)	302,643,174	49,740,699	302,643,174	49,740,699
Benefits paid by the plan	(89,795,873)	(290,845,704)	(89,795,873)	(290,845,704)
Current Service Cost and Interest	264,551,050	200,174,633	264,551,050	200,174,633
Defined benefits obligation at year end	1,821,759,561	1,344,361,210	1,821,759,561	1,344,361,210

4.23.3.3 Movement in Present Value of Plan Assets- Endowment Life Insurance Fund

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Fair Value of Plan Assets at beginning of the year	1,130,150,302	1,228,317,760	1,130,150,302	1,228,317,760
Contributions paid into plan	214,210,908	156,973,822	214,210,908	156,973,822
Benefits paid by the plan	(89,795,873)	(290,845,704)	(89,795,873)	(290,845,704)
Actuarial (Loss)/Gains	26,018,897	(74,844,174)	26,018,897	(74,844,174)
Expected return on plan assets	107,312,204	110,548,598	107,312,204	110,548,598
Fair Value of Plan Assets at the year end	1,387,896,438	1,130,150,302	1,387,896,438	1,130,150,302



4.23.3.4 Expenses Recognized in Statement of Profit and Loss

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Current service cost	147,599,355	75,498,391	147,599,355	75,498,391
Interest cost	116,951,695	124,676,242	116,951,695	124,676,242
Expected Return on Plan Assets	(107,312,204)	(110,548,598)	(107,312,204)	(110,548,598)
Expenses Recognized in Profit or Loss	157,238,846	89,626,035	157,238,846	89,626,035

4.23.3.5 Expenses Recognized in other comprehensive income

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Actuarial (Loss)/Gain	(276,624,277)	(124,584,873)	(276,624,277)	(124,584,873)
Expenses Recognized in Other Comprehensive Income	(276,624,277)	(124,584,873)	(276,624,277)	(124,584,873)

4.23.3.6 Actuarial Assumptions for

Assumptions for Endowment Life Insurance Fund	As on 32 Ashad 2082		As on 31 Ashad 2081		As on 32 Ashad 2082		As on 31 Ashad 2081	
	Discount rate	9.00%	Salary escalation rate	9.00%	Withdrawal rate	6.00%	Expected return on Plan Assets	6.00%
Discount rate	9.00%		9.00%		9.00%		9.00%	
Salary escalation rate	6.00%		6.00%		6.00%		6.00%	
Withdrawal rate	5.00%		5.00%		5.00%		5.00%	
Expected return on Plan Assets	9.00%		9.00%		9.00%		9.00%	

4.23.4 Actuarial Disclosures for Leave Plan

The amount Recognised in Statement of Financial Position

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present value of unfunded defined benefit obligation	-	-	-	-
Present value of funded defined benefit obligation	769,421,426	628,227,705	769,421,426	628,227,705
Total Present value of obligations	769,421,426	628,227,705	769,421,426	628,227,705
Fair value of plan assets	664,939,384	533,160,510	664,939,384	533,160,510
Present Value of Net Obligation	104,482,042	95,067,195	104,482,042	95,067,195
Recognized liability for defined benefit obligations	104,482,042	95,067,195	104,482,042	95,067,195

4.23.4.1 Plan Assets

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Equity Shares				
Government Bonds	-	-	-	-
Bank Deposit				
Other	664,939,384	533,160,510	664,939,384	533,160,510
Total	664,939,384	533,160,510	664,939,384	533,160,510

Ex 48

Mr. John Smith PC Agent

100

117



4.23.4.2 Movement in Present Value of defined benefit obligations

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Present Value of Obligation at beginning of the year	628,227,705	601,525,117	628,227,705	601,525,117
Actuarial Losses/ (Gain)	58,147,388	9,021,783	58,147,388	9,021,783
Benefits paid by the plan	(26,717,850)	(81,811,450)	(26,717,850)	(81,811,450)
Current Service Cost and Interest	109,764,183	99,492,255	109,764,183	99,492,255
Defined benefits obligation at year end	769,421,426	628,227,705	769,421,426	628,227,705

4.23.4.3 Movement in Present Value of Plan Assets- | leave Plan

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Fair Value of Plan Assets at beginning of the year	533,160,510	468,994,685	533,160,510	468,994,685
Contributions paid into plan	95,067,195	132,530,432	95,067,195	132,530,432
Benefits paid by the plan	(26,717,850)	(81,811,450)	(26,717,850)	(81,811,450)
Actuarial (Loss)/Gain	12,369,363	(28,762,679)	12,369,363	(28,762,679)
Expected return on plan assets	51,060,166	42,209,522	51,060,166	42,209,522
Fair Value of Plan Assets at the year end	664,939,384	533,160,510	664,939,384	533,160,510

4.23.4.4 Expenses Recognized in Statement of Profit or Loss

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Current service cost	54,425,993	45,354,994	54,425,993	45,354,994
Interest cost	55,338,190	54,137,261	55,338,190	54,137,261
Expected Return on Plan Assets	(51,060,166)	(42,209,522)	(51,060,166)	(42,209,522)
Expenses Recognized in Profit or Loss	58,704,017	57,282,733	58,704,017	57,282,733

4.23.4.5 Expenses Recognized in other comprehensive income

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Actuarial (Loss)/Gain	(45,778,025)	(37,784,462)	(45,778,025)	(37,784,462)
Expenses Recognized in Other Comprehensive Income	(45,778,025)	(37,784,462)	(45,778,025)	(37,784,462)

4.23.4.6 Actuarial Assumptions

Actuarial Assumptions for Leave Plan	As on 32 Ashad	As on 31 Ashad	As on 32 Ashad	As on 31 Ashad
	2082	2081	2082	2081
Discount rate	9.00%	9.00%	9.00%	9.00%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Withdrawal rate	5.00%	5.00%	5.00%	5.00%
Expected return on Plan Assets	9.00%	9.00%	9.00%	9.00%



4.23.5 Sensitivity Analysis

The calculation of the defined benefit obligations is sensitive to the assumptions set out above. The following table summarizes

	Discount Rate	Defined Benefit Obligation as on 32 Ashad 2082		
		Pension and Gratuity	Endowment Plan	Leave
	8%	23,136,066,452	1,938,462,785	831,395,824
	10%	19,985,728,509	1,716,414,139	715,606,819
Salary Increment Rate	Defined Benefit Obligation as on 32 Ashad 2082			
	Pension and Gratuity	Endowment Plan	Leave	
	5%	20,422,663,084	1,717,168,903	713,699,517
	7%	20,667,191,082	1,935,526,924	832,641,733
Withdrawal Rate	Defined Benefit Obligation as on 32 Ashad 2082			
	Pension and Gratuity	Endowment Plan	Leave	
	4%	-	768,599,367	-
	6%	-	770,238,781	-
Pension Increase Rate	Defined Benefit Obligation as on 32 Ashad 2082			
	Pension and Gratuity	Endowment Plan	Leave	
	2%	19,171,756,775	-	-
	4%	22,091,866,728	-	-

4.23.6 Other Liabilities: Others

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Employees Welfare Fund	10,046,741	12,965,961	10,046,741	12,965,961
Unearned discount & commission	-	102,132,112	-	101,473,028
Branch Account**	528,820,149	575,127,030	528,820,149	575,127,030
Unclaimed Accounts	29,626,822	249,633,563	29,626,822	249,633,563
Risk Bearing Fund for other Assets	-	-	-	-
Medical Treatment Fund	-	-	-	-
Welfare Provident Fund	-	-	-	-
TDS Payable	51,575,127	65,678,596	51,566,077	65,058,662
Earnest Money, retention & Other Deposits	37,827,388	18,146,925	37,827,388	18,146,925
Nepal Bank Draft Transaction Payable	-	-	-	-
Government Transaction Payable	5,330,601,004	5,335,016,461	5,330,601,004	5,335,016,461
Fund Based Liability	279,501,595	249,701,845	279,501,595	249,701,845
ATM Cash Withdrawal Payable to Other Banks	86,213,216	159,101,314	86,213,216	159,101,314
Others	318,370,728	190,995,761	58,200,811	42,448,636
Total	6,672,582,771	6,958,499,568	6,412,403,804	6,808,673,425





4.24 Debt Securities Issued

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Debt Securities issued designated at fair value through profit or loss				
Debt Securities issued at amortized cost	5,000,582,191	2,500,582,191	5,000,582,191	2,500,582,191
Total	5,000,582,191	2,500,582,191	5,000,582,191	2,500,582,191

4.25 Subordinated Liabilities

Bank does not hold any kind of subordinated liabilities.

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Redeemable preference shares				
Irredeemable cumulative preference shares	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors are included under this liabilities. Bank does not hold any kind of subordinated

✓ SW
CK
CK
✓
✓
R.S. Neupane & Co. * Chartered Accountants
Kathmandu Nepal
R.S.M.A. Associates
Kathmandu
PLRG Associates





4.26 Share Capital

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Share Capital				
Ordinary Shares	15,637,377,055	15,637,377,055	15,637,377,055	15,637,377,055
Ordinary Shares - Calls in Advance	-	-	-	-
Convertible Preference Shares (equity component only)	-	-	-	-
Irredeemable Preference Shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	15,637,377,055	15,637,377,055	15,637,377,055	15,637,377,055
Ordinary Shares				
Group		Bank		
As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081	
Authorised capital				
300,000,000 ordinary shares of Rs. 100 each	30,000,000,000	30,000,000,000	30,000,000,000	
Issued capital				
156,373,770.55 ordinary shares of Rs. 100 each	15,637,377,055	15,637,377,055	15,637,377,055	
Subscribed and Paid up capital				
156,373,770.55 ordinary shares of Rs. 100 each	15,637,377,055	15,637,377,055	15,637,377,055	

4.26.1 Ordinary Share Ownership

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Domestic Ownership				
Nepal Government	15,633,073,455	15,633,073,455	15,633,073,455	15,633,073,455
"A" Class licensed institutions	-	-	-	-
Other licensed institutions	-	-	-	-
Other institutions	-	-	-	-
Public	-	-	-	-
Other	4,303,600	4,303,600	4,303,600	4,303,600
Foreign Ownership				
Total	15,637,377,055	15,637,377,055	15,637,377,055	15,637,377,055

4.26.2 Shareholders Ownership Details

	As on 32 Ashad 2082		As on 31 Ashad 2081	
	Amount	%	Amount	%
A. DOMESTIC OWNERSHIP				
1.1. Nepal Government	15,637,377,055	100.00%	15,637,377,055	100.00%
1.1.1 Ministry of Finance	15,633,073,455	99.97%	15,633,073,455	99.97%
1.1.2 Financial Comptroller General Office	14,801,171,142	94.65%	14,801,171,142	94.65%
1.1.3 Ministry of Industry	699,659,014	4.47%	699,659,014	4.47%
1.1.4 Ministry of Labour and Employment	82,029,025	0.52%	82,029,025	0.52%
1.1.5 Ministry of Tourism and Civil Aviation	12,414,443	0.08%	12,414,443	0.08%
1.1.6 Ministry of Physical Infrastructure and Transportation	12,414,443	0.08%	12,414,443	0.08%
1.1.7 Ministry of Commerce and Supply	12,414,443	0.08%	12,414,443	0.08%
1.1.8 Ministry of Energy	-	-	-	-
1.1.9 Ministry of Irrigation	12,553,255	0.00%	12,553,255	0.08%
1.1.10 Ministry of Science & Technology	139,230	0.00%	139,230	0.00%
1.1.11 Ministry of Agriculture	139,230	0.00%	139,230	0.00%
1.1.12 Ministry of Land Reform	139,230	0.00%	139,230	0.00%
1.2. "A" Class Licensed Institutions	139,230	0.00%	139,230	0.00%
1.3 Other Licensed Institutions	-	-	-	-
1.4. Other Institutions	-	-	-	-
1.5. General Public	-	-	-	-
1.6. Others	4,303,600	0.03%	4,303,600	0.03%
B. FOREIGN OWNERSHIP				
Total	15,637,377,055		15,637,377,055	





4.27 Reserves

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Statutory general reserve	12,415,378,493	11,834,487,634	12,408,907,412	11,828,016,552
Exchange equalization reserve	133,329,193	122,475,132	133,329,193	122,475,132
Corporate social responsibility reserve	76,137,820	88,229,850	76,137,820	88,229,850
Capital redemption reserve	-	-	-	-
Regulatory reserve	2,802,401,638	4,492,783,277	2,802,401,638	4,492,783,277
Investment adjustment reserve	39,846,000	15,791,200	39,846,000	15,791,200
Capital reserve	481,195,653	481,195,653	481,195,653	481,195,653
Assets revaluation reserve	18,772,166,455	18,772,166,455	18,772,166,455	18,772,166,455
Fair value reserve	1,632,938,298	1,461,349,853	1,628,862,898	1,455,328,419
Dividend equalization reserve	-	-	-	-
Debenture redemption reserve	2,000,000,000	1,500,000,000	2,000,000,000	1,500,000,000
Actuarial gain	(1,094,478,965)	(3,046,558,549)	(1,094,478,965)	(3,046,558,549)
Special reserve	45,636,656	45,636,656	45,636,656	45,636,656
Other reserve	704,086,140	329,337,039	97,785,553	67,009,864
Total	38,008,637,381	36,096,894,200	37,391,790,312	35,822,074,509

4.27.1 Other reserve

Particulars	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Institutional development fund	3,000,000	3,000,000	3,000,000	3,000,000
Contingent reserve	2,500,000	2,500,000	2,500,000	2,500,000
Staff training fund	92,285,553	61,509,864	92,285,553	61,509,864
Other reserves	606,300,587	262,327,175	-	-
General reserve	704,086,140	329,337,039	97,785,553	67,009,864

There is a regulatory requirement by the central bank to set aside 20% of the net profit after tax every year as general reserve to build up the capital until the general reserve fund balance is twice the paid up share capital. This is the restricted reserve and cannot be freely used. The Bank appropriates 20% of the regulatory net profit every year and transfers to the general reserve fund.

Exchange equalization reserve

Central bank's regulatory directives requires the bank to transfer 25% of the translation gain as at the year end to this reserve account. The foreign currency balances as at the year-end are translated using the year-end rates and in case of gains on such translation, 25% of such gains are transferred to the foreign exchange reserve.

Corporate social responsibility reserve

Bank has regulatory requirement to set aside 1% of the net profit for corporate social responsibility activities.

Regulatory reserve

Regulatory reserves includes any amount derived as result of NFRS conversion with effect in retained earning computed as per Nepal Rastra Bank Directive no 4.

Investment adjustment reserve

Investment Adjustment Reserve is created against quoted and unquoted share investments as per Nepal Rastra Bank Directives.

Fair value reserve:

The fair value reserve comprises the cumulative net change in the fair value of financial assets that are measured at fair value and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized. The cumulative amount of changes in fair value of those financial assets shall be presented under this account head.

Actuarial gain/(loss):

Actuarial Gains and Losses are the changes in the present value of the defined benefit obligation as a result of change in actuarial assumptions and experience adjustments.

Asset Revaluation Reserve

Asset Revaluation Reserve includes the amount of upward revaluation of asset.





4.28 Contingent liabilities and commitments

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Contingent liabilities	19,785,077,772	17,408,508,546	19,785,077,772	17,408,508,546
Undrawn and undisbursed facilities	46,781,866,349	43,564,907,488	46,781,866,349	43,564,907,488
Capital commitment	690,308,039	103,645,585	690,308,039	103,645,585
Lease Commitment	-	-	-	-
Litigation	3,835,144,732	6,854,519,006	3,835,144,732	6,854,519,006
Total	71,092,396,892	67,931,580,625	71,092,396,892	67,931,580,625

4.28.1 Contingent liabilities

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Acceptance and documentary credit	1,898,748,784	3,457,118,564	1,898,748,784	3,457,118,564
Bills for collection	-	-	-	-
Forward exchange contracts	-	-	-	-
Guarantees	17,886,328,988	13,951,389,982	17,886,328,988	13,951,389,982
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
Total	19,785,077,772	17,408,508,546	19,785,077,772	17,408,508,546

4.28.2 Undrawn and undisbursed facilities

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Undisbursed amount of loans	5,561,500,000	4,975,382,649	5,561,500,000	4,975,382,649
Undrawn limits of overdrafts	29,042,375,479	26,028,279,491	29,042,375,479	26,028,279,491
Undrawn limits of credit cards	45,807,609	36,676,015	45,807,609	36,676,015
Undrawn limits of letter of credit	6,869,915,371	2,690,836,278	6,869,915,371	2,690,836,278
Undrawn limits of guarantee	5,262,267,890	9,833,733,055	5,262,267,890	9,833,733,055
Total	46,781,866,349	43,564,907,488	46,781,866,349	43,564,907,488

4.28.3 Capital commitment

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

	Group		Bank	
	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Capital commitments in relation to Property and Equipment				
Approved and contracted for	690,308,039	103,645,585	690,308,039	103,645,585
Approved but not contracted for	-	-	-	-
Sub total	690,308,039	103,645,585	690,308,039	103,645,585
Capital commitments in relation to Intangible assets				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Total	690,308,039	103,645,585	690,308,039	103,645,585



4.28.4 Lease commitments

	Group	Bank			
		As on 32 Ashad 2082	As on 31 Ashad 2081	As on 32 Ashad 2082	As on 31 Ashad 2081
Operating lease commitments					
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		-	-	-	-
Not later than 1 year		-	-	-	-
Later than 1 year but not later than 5 years		-	-	-	-
Later than 5 years		-	-	-	-
Sub total		<hr/>	<hr/>	<hr/>	<hr/>
Finance lease commitments					
Future minimum lease payments under non cancellable operating lease, where		-	-	-	-
Not later than 1 year		-	-	-	-
Later than 1 year but not later than 5 years		-	-	-	-
Later than 5 years		-	-	-	-
Sub total		<hr/>	<hr/>	<hr/>	<hr/>
Grand total		<hr/>	<hr/>	<hr/>	<hr/>

4.28.5 Litigation

The Bank has received assessment order from Large Taxpayers' Office (LTO) on the income tax return filed under self-assessment for the financial year 2059/60 to 2077/78. Refer Note 5.7.1 for details.

Financial year	Case pending at	Tax Liability determined by Tax Office	Net Tax Payable
FY 2059/60	Supreme Court Decision	40,154,866	40,154,866
FY 2060/61	Supreme Court Decision	409,489,869	21,240,680
FY 2061/62	Supreme Court Decision	821,596,136	11,113,993
FY 2062/63	Supreme Court Decision	221,515,010	7,290,746
FY 2063/64	Supreme Court Decision	426,583,383	29,340,676
FY 2064/65	Supreme Court Decision	492,997,665	13,198,836
FY 2065/66	Revenue Tribunal Decision	537,739,842	114,418
FY 2066/67	Revenue Tribunal Decision	682,662,120	5,397,570
FY 2067/68	Revenue Tribunal Decision	311,560,379	-
FY 2068/69	Revenue Tribunal Decision	523,483,701	-
FY 2069/70	Revenue Tribunal Decision	649,453,255	-
FY 2070/71	Revenue Tribunal Decision	385,783,898	164,285,783
FY 2071/72	Revenue Tribunal Decision	1,466,345,521	233,573,595
FY 2072/73	Revenue Tribunal	553,695,713	553,406,543
FY 2073/74	Revenue Tribunal	137,477,929	137,032,189
FY 2074/75	Revenue Tribunal	798,554,016	798,512,187
FY 2075/76	Administrative Review	1,324,533,941	1,324,419,985
FY 2076/77	Administrative Review	495,215,005	493,832,238
FY 2077/78	Administrative Review	4,159,238	2,230,427
		10,283,001,487	3,835,144,732



Rastriya Banijya Bank Limited
Notes forming part of the financial statements



4.29 Interest income

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Cash and cash equivalent				
Due from Nepal Rastra Bank	485,720,363	266,025,427	485,720,363	266,025,427
Placement with bank and financial institutions	11,856,927	18,865,412	-	-
Loan and advances to bank and financial institutions				
Loans and advances to customers	21,015,636,103	24,808,817,697	21,015,636,103	24,808,817,697
Investment securities	5,436,702,014	4,409,705,710	5,431,496,971	4,486,232,763
Loan and advances to staff	276,191,679	181,532,934	276,191,679	181,532,911
Other				
Total interest income	27,226,107,086	29,764,967,180	27,209,045,115	29,742,608,798

4.30 Interest expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Due to bank and financial institutions				
Due to Nepal Rastra Bank	1,091,812	63,935,630	1,091,812	63,935,630
Deposits from customers	3,600,000	3,600,000	3,600,000	3,600,000
Borrowing	16,734,233,940	19,361,301,903	16,734,233,940	19,377,108,693
Debt securities issued	-	-	-	-
Subordinated liabilities	249,102,077	212,500,000	249,102,077	212,500,000
Other	67,849,411	55,223,877	67,039,092	55,223,877
Total interest expense	17,055,877,240	19,696,561,410	17,055,066,921	19,712,368,200

4.31 Fees and Commission Income

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Loan administration fees				
Service fees	776,221,854	525,991,163	776,221,854	525,991,163
Consortium fees	-	-	-	-
Commitment fees	-	-	-	-
DD/TT/Swift fees	-	-	-	-
Credit card/ATM issuance and renewal fees	10,379,933	7,821,203	10,379,933	7,821,203
Prepayment and swap fees	196,881,910	160,557,474	196,881,910	160,557,474
Investment banking fees	8,307,965	5,660,523	8,307,965	5,660,523
Asset management fees	39,913,799	34,859,845	-	-
Brokerage fees	-	-	-	-
Remittance fees	38,722,383	24,423,668	38,722,383	24,423,668
Commission on letter of credit	65,264,612	22,643,055	65,264,612	22,643,055
Commission on guarantee contracts issued	247,898,900	100,352,112	247,898,900	100,352,112
Commission on share underwriting/issue	-	-	-	-
Locker rental	18,374,989	14,778,332	18,374,989	14,778,332
Other fees and commission income	546,280,356	398,321,834	485,834,458	363,521,290
Total fees and Commission income	1,948,246,701	1,295,409,209	1,847,887,005	1,225,748,820

4.32 Fees and commission expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
ATM management fees				
VISA/Master card fees	-	-	-	-
Guarantee commission	98,011,050	110,016,777	98,011,050	110,016,777
Brokerage	253,188,393	219,131,133	253,188,393	219,131,133
DD/TT/Swift fees	-	-	-	-
Remittance fees and commission	-	-	-	-
Other fees and commission expense	111,554,680	85,655,567	111,554,680	85,655,567
Total fees and Commission Expense	609,120,472	512,728,035	592,656,002	499,697,795

Payouts on account of fee and commission for services obtained by the bank are presented under this account head. This account head includes card related fees, guarantee commission, brokerage expenses etc.

4.33 Net trading income

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Changes in fair value of trading assets				
Gain/loss on disposal of trading assets	5,415,220	2,290,020	-	-
Interest income on trading assets	19,734,800	51,919	4,298,715	-
Dividend income on trading assets	-	-	-	-
Gain/loss foreign exchange transaction	-	264,967	-	-
Other	125,200,249	51,190,570	125,200,249	51,190,570
Net trading income	150,350,269	53,797,476	129,498,964	51,190,570

Trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities are presented under this account head. Foreign exchange transaction results include gains and losses from spot and forward contracts and translated foreign currency assets and liabilities.

(Handwritten signatures and seals)



Rastriya Banijya Bank Limited
Notes forming part of the financial statements



4.34 Other operating income

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Foreign exchange revaluation gain	43,416,243	5,653,597	43,416,243	5,653,597
Gain/loss on sale of investment securities	131,682,414	9,844,494	131,682,414	9,844,494
Fair value gain/loss on investment properties				
Dividend on equity instruments	95,009,943	63,869,052	312,961,255	158,465,871
Gain/loss on sale of property and equipment	1,098,825	(1,141,347)	1,098,825	(1,141,347)
Gain/loss on sale of investment property	1,574,232	155,928	1,574,232	155,928
Operating lease income	3,099,154	9,549,791	3,099,154	9,549,791
Gain/loss on sale of gold and silver	-	-	-	-
Locker rent	-	-	-	-
Other	912,447,336	552,243,459	899,859,165	554,853,474
Total	1,188,328,147	640,174,974	1,393,691,288	737,381,808

Receipt of all other operating income not specifically provided under the income heads from 4.29 to 4.33 above are booked and presented under this head. This include foreign exchange revaluation gain, gain/loss on sale of available for sale securities, dividend on available for sale securities, gain/loss on sale of property and equipment, gain/loss on sale of investment properties, operating lease income, gain/loss on sale of gold and silver, locker rental income etc.

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

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Impairment charge/(reversal) on				
Loan and advances to B/FIs	(42,163,824)	(60,779,616)	(42,163,824)	(60,779,616)
Loan and advances to customer	2,279,436,132	1,200,982,076	2,279,436,132	1,200,982,076
Financial Investment	-	-	-	-
Other Asset	(2,850,616)	6,269,864	(2,850,616)	6,269,864
Placement with banks and financial institutions	-	-	-	-
Property and equipment	-	-	-	-
Goodwill and intangible assets	-	-	-	-
Investment properties	-	(3,073)	-	(3,073)
Total	2,234,421,693	1,146,469,251	2,234,421,693	1,146,469,251

4.36 Personnel Expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Salary	1,536,383,686	1,446,531,910	1,515,750,409	1,429,032,905
Allowances	1,318,132,641	1,244,606,320	1,317,003,634	1,243,544,367
Gratuity and Pension expense	505,810,626	309,807,950	505,222,975	309,274,104
Provident fund	151,214,953	141,648,475	150,423,090	140,942,803
Uniform	54,736,160	48,358,560	54,378,160	48,078,560
Training & development expense	52,741,678	89,790,150	52,684,338	89,554,168
Leave encashment	156,792,532	149,198,809	155,668,109	148,619,253
Medical	311,803,193	295,710,439	311,799,332	295,710,439
Insurance	28,660,791	19,968,048	28,358,442	19,787,437
Employees incentive	76,942	37,817	-	-
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	225,830,268	138,190,690	225,830,268	138,190,690
Other expenses related to staff	274,624,406	267,084,812	273,259,416	265,860,475
Subtotal	4,616,807,876	4,150,933,980	4,590,378,173	4,128,595,202
Employees bonus	214,753,779	223,347,974	211,152,059	220,662,713
Grand total	4,831,561,655	4,374,281,954	4,801,530,232	4,349,257,915

Provision for staff bonus is a mandatory requirement under the requirement of the Bonus Act, 2030. The Provision for staff bonus has been computed as 5 percent(5%) of profit before bonus and taxes. Refer Note 5.23

All expenses related to employees of a bank has been included under this head. Staff Loans are measured at fair value using the market rates.

4.36.1 Gratuity and Pension Expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Gratuity and Pension	349,159,431	220,715,761	347,984,129	219,648,069
Endowment Insurance Fund	157,238,846	89,626,035	157,238,846	89,626,035
Grand Total	506,398,277	310,341,796	505,222,975	309,274,104






Rastriya Banijya Bank Limited
Notes forming part of the financial statements



4.36.2 Other Expenses related to Staff

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Welfare Provident fund				
Overtime	244,914,579	217,844,887	244,914,579	217,844,887
Employees Loan and others Waivers	6,780,453	7,253,524	6,660,730	7,216,695
Miscellaneous	275,808	1,500,000	275,808	1,500,000
Grand Total	22,653,566	40,486,401	21,408,298	39,298,893
	274,624,406	267,084,812	273,259,416	265,860,475

4.37 Other operating expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Directors' fee	2,382,700	2,778,200	1,508,000	2,288,000
Directors' expense	2,495,093	2,705,559	2,325,446	2,373,219
Auditors' remuneration	5,372,690	7,336,520	5,071,440.00	6,987,920
Other audit related expense	5,876,950	5,491,735	5,739,425	5,424,803
Professional and legal expense	73,970,143	48,295,471	73,527,208	48,213,406
Office administration expense	1,180,354,738	1,131,234,384	1,168,975,721	1,126,912,848
Operating lease expense	0	75,000	0.28	75,000
Operating expense of investment properties				
Corporate social responsibility expense	40,465,861	44,236,751	40,452,051	44,236,751
Onerous lease provisions				
Other	74,630,531	110,452,232	74,428,958	108,972,966
Total	1,385,548,707	1,352,605,852	1,372,028,250	1,345,484,913

All operating expense other than those relating to personnel expense are recognized and presented under this account head. The expenses covered under this account head includes office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non audit fee paid to auditors, professional and legal expense, expense of restructuring, impairment of non financial assets, expense of corporate social responsibility, etc. No individual operating lease has terms and conditions that significantly affect the amount, timing and certainty of the consolidated cash flows of the Group.

4.37.1 Office administration expense

Office Administration Expense comprises the following items:

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Electricity and Water	109,573,330	108,960,579	109,295,815	108,726,074
Repair & Maintenance	57,980,829	47,385,330	57,371,236	46,692,609
a. Building	14,935,592	6,386,518	14,935,592	6,386,518
b. Vehicle	15,684,155	14,984,672	15,591,446	14,984,672
c. Computer and accessories	7,557,858	6,443,800	7,261,972	6,443,800
d. Office Equipment and Furniture	19,775,095	18,877,619	19,578,227	18,877,619
e. Other	28,130	672,721	4,000	-
Insurance	40,204,270	45,713,371	40,138,443	45,649,365
Postage, Telex, Telephone, Fax	80,602,979	75,637,391	80,113,465	75,506,457
Office Equipment, Furniture and Repair				
Travelling Allowance and Expenses	40,713,231	41,684,515	40,586,559	41,520,292
Stationary and Printing	158,843,271	154,142,788	157,348,515	153,039,449
Periodicals and Books	2,472,704	2,438,224	2,440,226	2,414,675
Advertisements	81,703,119	86,196,147	80,947,524	86,074,575
Entertainment	19,399,642	19,193,425	18,820,590	18,952,557
Security Expenses	325,484,843	312,547,877	325,203,397	312,266,431
Fuel & Lubricants	61,739,371	65,358,367	61,129,990	64,832,985
Rates & Taxes	42,680,994	25,180,291	42,679,940	25,180,291
Reward	1,245,000	2,816,320	1,245,000	2,816,320
Membership & Subscription	4,485,861	1,462,320	1,444,000	1,195,400
Cleaning Expenses	141,584,016	132,748,246	141,084,184	132,456,530
Local Conveyance Transportation	9,126,837	9,588,838	9,126,837	9,588,838
Service Charges	637,288	200,355	-	-
Other	1,877,153	-	-	-
Total	1,180,354,738	1,131,234,384	1,168,975,721	1,126,912,848

4.37.2 Other

Other comprises the following items:

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Annual General Meeting Expenses				
Loan Recovery Expenses	1,287,452	1,005,693	1,023,489	879,693
Recruitment Expenses	2,031,335	4,506,355	2,031,335	4,506,355
Provision for advances	15,910,593	49,295,948	15,910,593	49,295,948
Others	112,984	2,856,509	112,984	2,856,509
	56,547,778	52,787,726	55,350,558	51,434,461
Total	75,890,142	110,452,232	74,428,958	108,972,966





4.38 Depreciation & Amortisation

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Depreciation on property and equipment	568,525,846	595,183,760	566,570,589	594,372,314
Depreciation on investment property				
Amortisation of intangible assets	16,208,898	19,441,915	15,824,332	19,012,530
Total	584,734,745	614,625,675	582,394,921	613,384,844

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Depreciation is measured and recognized as per NFRS on property and equipment, and investment properties, and amortization of intangible assets is presented under this account head.

4.39 Non operating income

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Recovery of loan written off				
Other income	68,535,881 1,328,889	95,314,538 1,592,192	68,535,881 1,328,889	95,314,538 1,592,192
Total	69,864,770	96,906,730	69,864,770	96,906,730

The incomes that have no direct relationship with the operation of transactions are presented under this head.

4.40 Non operating expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Loan written off	-	6,715,021	-	6,715,021
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense	-	-	-	-
Total	-	6,715,021	-	6,715,021

The expenses that have no direct relationship with the operation of transactions are presented under this head. The expense covered under this account head includes loan written off, recovery of loan, redundancy provision, expense of restructuring etc.

4.41 Income tax expense

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Current tax expense				
Current year	24,363,566	737,624,001	-	719,895,887
Adjustments for prior years	1,121,158	401,366,806	1,382,778	401,366,806
Deferred tax expense				
Origination and reversal of temporary differences	1,175,557,192	508,391,360	1,174,504,202	506,728,584
Changes in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Total income tax expense	1,201,041,916	1,647,382,167	1,175,886,980	1,627,991,277

The amount of income tax on net taxable profit is recognized and presented under this account head. This account head includes current tax expense and deferred tax expense/deferred tax income.

4.41.1: Reconciliation of tax expense and accounting profit

	Group		Bank	
	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081	Year ended 32 Ashad 2082	Year ended 31 Ashad 2081
Profit before tax	4,001,666,901	4,389,683,055	4,011,889,123	4,180,458,787
Tax amount at tax rate of 30%	1,200,500,070	1,316,904,917	1,203,566,737	1,254,137,637
Add: Tax effect of expenses that are not deductible for tax purpose	171,000,561	108,469,590	171,000,561	108,469,590
Less: Tax effect on exempt income	(53,204,221)	(43,701,429)	(53,204,221)	(43,701,429)
Add/less: Tax effect on other items	(117,254,494)	265,709,089	(145,476,097)	309,085,479
Total income tax expense	1,201,041,916	1,647,382,167	1,175,886,980	1,627,991,277
Effective tax rate	30.01%	37.53%	29.31%	38.94%





राष्ट्रिय वाणिज्य बैंक
RASTRIYA BANIJYA BANK

...तपाईंको आपने बैंक

**RASTRIYA BANIJYA BANK
LIMITED**

**ACCOUNTING POLICIES AND
NOTES TO ACCOUNTS**

FY 2081-82

✓

✓

✓

Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Explanatory Notes, Disclosures and Additional Information forming part of the
Financial statements for the year ended 32 Ashad 2082

1. Reporting Entity	1
2. Basis of Preparation.....	2
3. Significant Accounting Policies.....	7
5. Disclosures and Additional Information.....	33
5.1 Risk Management	33
5.2 Capital Management	42
5.3 Classification of financial assets and financial liabilities.....	55
5.4 Fair Value Hierarchy of Financial Assets and Financial Liabilities	56
5.5 Segment Analysis	58
5.6 Share Options and Share based Payment.....	59
5.7 Contingent Liabilities and Commitment	59
5.8 Related Party Disclosures	61
5.9 Additional Disclosures of non-consolidated entities	64
5.10 Events after reporting date	64
5.11 Actuarial Assumptions for Employees Benefit.....	65
5.12 Non-Banking Assets.....	66
5.13 Disclosures under NFRS 16 Leases	67
5.14 Earnings per share.....	68
5.15 Unpaid Dividends.....	68
5.16 Maturity Analysis Assets and Liabilities	69
5.17 Movement of loans and advances	69
5.18 Deposits.....	70
5.19 Concentration of Deposits, Loans & Advances and Contingent Liabilities	70
5.20 Regulatory Reserve.....	70
5.21 Details of Interest Capitalized Term Loan	71
5.22 Details of Other Reserve.....	72
5.23 Provision for Employee Bonus.....	75
5.24 Provision for Long Outstanding and Unreconciled Balances:.....	75
5.25 Representative Directors in other entities	76
5.26 Details of Associates.....	76
5.27 Disclosure related to Loan Written Off during the reporting period	82
5.28 Proposed Dividend	82
5.29 Principal Indicators	83
6. Comparison of Unaudited and Audited Financial Statements:.....	84
6.1 Comparison of Unaudited and Audited Statement of Financial Position as at 32 Ashad 2082	84
6.2 Comparison of Unaudited and Audited Statement of Profit or Loss for the year ended 32 Ashad 2082:.....	86



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



1. Reporting Entity

1.1. Corporate Information

Rastriya Banijya Bank Limited ("the Bank"), the commercial bank majorly owned by Government of Nepal (99.97%); was established on 10 Magh, 2022 (23 January 1966) under the Rastriya Banijya Bank Act, 2021. The Bank was re-registered as a public limited company on 06 Baishakh, 2063 (19 May, 2006) under the Companies Act, 2063 with its registered and central office in Kathmandu.

The Bank operates commercial banking activities as Class "Ka" financial institution under the license from Nepal Rastra Bank. The operations of the Bank and Central Office Departments were carried out this year from the various 309 Branches, 7 Province Offices in Nepal.

1.2. Consolidated Financial Statements

The accompanying consolidated financial statements comprise the Bank (Parent Company) and its Subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in its associate company. The Bank is the ultimate parent of the Group.

1.3. Subsidiaries

RBB Merchant Bank Limited is a wholly owned subsidiary company of the Bank which was incorporated on 15 Magh, 2072 (29 January, 2016), as a public limited company under the Companies Act, 2063. The subsidiary holds license to provide merchant banking and investment banking services under the Merchant Banker Regulations, 2064. The license was issued by the securities board of Nepal SEBON to RBB Merchant Bank in 28 Jestha, 2074 (11 June, 2017). The financial statement of the subsidiary was considered for preparing the consolidated financial statements of the Bank.

RBB Securities Company Limited is a wholly owned subsidiary company of the bank which was incorporated on 24 Ashwin, 2079 (10 October, 2022), as a public limited company under the Companies Act, 2063. The subsidiary holds license to provide limited securities brokerage and related services under the Securities Dealers (Securities Brokers and Securities Dealers) Regulations, 2064. The license was issued by the securities board of Nepal SEBON to RBB Securities in 32 Shrawan, 2080. The financial statement of the subsidiary was considered for preparing the consolidated financial statements of the Bank.

"The Group" represents the Bank, its Subsidiary companies and its Associate companies.

1.4. Associates

The Bank has following nine associate companies as on 32 Ashad, 2082 (16 July, 2025).

- a. Nepal Digital Payment Co. Ltd.
- b. Himal Cement Company Limited
- c. Butwal Suti Dhago Udyog Limited
- d. Neco Insurance Limited
- e. National Life Insurance Company Limited
- f. Asha Laghubitta Bittiya Sanstha Limited
- g. Nepal Stock Exchange Limited
- h. Gorakhkali Rubber Udyog Limited
- i. Nepal Ban Nigam
- j. Nepal Lube Oil Limited

Further details of associates has been mentioned in notes 5.26 below.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



2. Basis of Preparation

2.1 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) read along with the approved carve-outs developed by the Accounting Standards Board, Nepal (ASBN) and pronounced for application by the Institute of Chartered Accountants of Nepal (ICAN) and in the format as per Directive No. 4 of Nepal Rastra Bank's Unified Directives, 2081. Historical cost convention has been used for financial statements recognition and measurement except otherwise required by NFRS. Where, measurement bases other than historical costs, such as fair value has been applied, and these have been disclosed in accordance with the applicable reporting framework.

The amounts of financial statements have been presented in Nepalese Rupee (NPR) being the functional currency of the Bank. The figures are rounded to the nearest rupee except indicated otherwise.

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

Significant accounting policies followed by the Group in the preparation of financial statements for the reporting period are given in Note 3.

2.2 Reporting period and approval of financial statements

The accompanying financial statements cover annual reporting period starting on 16 July, 2024 and ending on 16 July, 2025 (01 Shrawan, 2081 to 32 Ashadh, 2082) and the financial position is reported as at the year-end date of 16 July, 2025 (32 Ashadh, 2082).

The financial statements of the Bank along with the accompanied notes to the financial statements were approved by the Board of Directors in its 2795th meeting dated 04 Poush, 2082 and the Board acknowledges the responsibility of preparation of the financial statements. The approved financial statements have been recommended for approval of the shareholders in the 20th annual general meeting of the Bank.

2.3 Use of Estimates, Assumptions and Judgments

The Bank, for the preparation of financial statement in compliance with 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. It is also required to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent liabilities, and profit or loss as reported in the financial statements. The bank applies estimates in preparing and presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised, and are applied prospectively.

The accounting estimates are appropriately disclosed 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.



Rastriya Banijya Bank Limited **Explanatory Notes, Disclosures and Additional Information: FY 2081/82**



The accounting policies as explained in Section 3 herein were consistently applied to all the years presented except otherwise stated. Changes in accounting policies, if any, are to be disclosed with the financial impact to the extent possible.

The most significant areas of assumptions and estimation applied in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements are listed hereinafter and their description follows:

- a) Fair value of financial instruments
- b) Classification of financial assets and financial liabilities
- c) Impairment losses on financial assets
- d) Impairment losses on non-financial assets
- e) Useful economic life of property and equipment
- f) Taxation and deferred tax
- g) Defined benefit obligations
- h) Provisions for liabilities, commitments and contingencies

When policies are not guided by the reporting framework, NFRS, other reporting standards and generally accepted accounting principles are to be followed.

2.3.1 Fair value of financial instruments

Fair value of financial assets and financial liabilities, for which there is no observable market prices, are determined using a variety of valuation techniques that include the use of statistical models. The Group measures fair value using a fair value hierarchy that reflects the significance of input used in making measurements.

2.3.2 Classification of financial assets and liabilities

Significant accounting policies of the Group provide scope for financial assets and financial liabilities to be recognized under different accounting classifications. These are either measured at fair value or at amortized cost and can be presented under any of the following accounting classifications based on specific circumstances.

- Financial assets or financial liabilities subsequently measured at Amortized Cost; or
- Financial assets or financial liabilities designated as at Fair Value Through Profit or Loss (FVTPL); or
- Financial assets or financial liabilities subsequently measured at Fair Value Through Profit or Loss (FVTPL); or
- Financial assets subsequently measured at Fair Value through Other Comprehensive Income (FVTOCI).

Presentation and / or measurement of the amounts recognized in financial statements could be different for a particular financial asset or financial liability under any two different accounting classifications. The Group's management exercise judgment in the application of appropriate accounting policy to achieve correct accounting classifications for its financial assets and financial liabilities.

2.3.3 Impairment losses on financial assets

Impairment loss on financial assets – loans and advances are determined at the higher of: Loan loss provision amount derived as prescribed in directive no. 02/81 of Nepal Rastra Bank; and Impairment loss amount determined as per Incurred Loss Model specified in para 5 of NFRS 9.

There arises a need for the Group's management to apply judgment and estimation in assessing and determining the amount of impairment loss on financial assets measured at amortized cost. Some of the areas that require management judgment and estimation are listed herein below:



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



- selection of appropriate impairment assessment tool;
- defining individually significant assets;
- designing impairment assessment questionnaire;
- estimating future recoverable cash flows on financial asset; and
- adjusting results of historical data analysis to incorporate the economic conditions and portfolio factors that existed at the reporting date.

Exercise of judgment is an integral part of the impairment assessment process and the Group exercises its experienced judgment to adjust observable data for a group of financial assets to reflect current circumstances. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

2.3.4 Impairment losses on non-financial assets

At each reporting date, or more frequently if events or changes in circumstances necessitates, the Group assesses whether there are indicators of impairment for a non-financial asset. Where any indication of impairment exists, the Group makes an estimation of the asset's recoverable amount. The 'recoverable amount' of an asset is the greater of its 'Value in Use' and its 'Fair Value' less costs to sell. In determining the 'Value in use', future cash flow estimates 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 cost to sell, an appropriate valuation model is used. The whole impairment assessment exercise requires the management to make estimates of expected future cash flows, appropriate discount rates and also select appropriate valuation model.

2.3.5 Useful economic life of property and equipment

Management judgment is exercised in the estimation of residual values, useful lives and methods of depreciation of property and equipment. Management uses its experienced judgment in determining the useful lives of property and equipment.

2.3.6 Taxation and deferred tax

The Group Entities are subject to income tax under Income Tax Act 2058 B.S. and amendments thereto, and due to the potential differences, that may exist between the Group Entities and the Income Tax Authorities with regard to the interpretation of complex tax provisions, management judgment is required to determine the total provision for current tax and deferred tax amounts. Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which such losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

2.3.7 Defined benefit obligations

The Group recognizes following two types of employee liabilities as defined benefit obligations:

- Gratuity Liability
- Accumulated Leave Liability

The cost of the defined benefit obligations is determined using actuarial valuation from an independent actuary. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, attrition rate, future salary increases, mortality rates, future pension increases, etc. In determining the appropriate discount rate, management considers the interest rates of Nepal government bonds with maturities corresponding to the expected duration of the defined benefit obligation as may be available. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future salary increase rates. The Group review actuarial assumptions at each reporting date.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



2.3.8 Provisions for liabilities, commitments and contingencies

The Group receives legal claims in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depends on the due processes in respective legal jurisdictions. All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the statement of financial position but are disclosed unless they are remote.

2.4 Going Concern

The financial statements have been prepared on a going concern basis as the Bank has adequate resources to continue its business for the foreseeable future. In making this assessment, a wide range of information have been considered, which were relevant to present and future conditions, including future projections of profitability, cash flows and capital resources. Further, Bank's management is not aware of the uncertainties that may cast significant doubt on the Group's ability to continue as going concern.

2.5 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year. There were no changes in accounting policy in the reporting period.

2.6 Reporting Pronouncements

The Bank has, for the preparation of financial statements, adopted the Nepal Financial Reporting Standards NFRS (Updated 2024), developed by Accounting Standard Board (ASB) of Nepal and pronounced by Institute of Chartered Accountants of Nepal (ICAN). The NFRS conforms, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

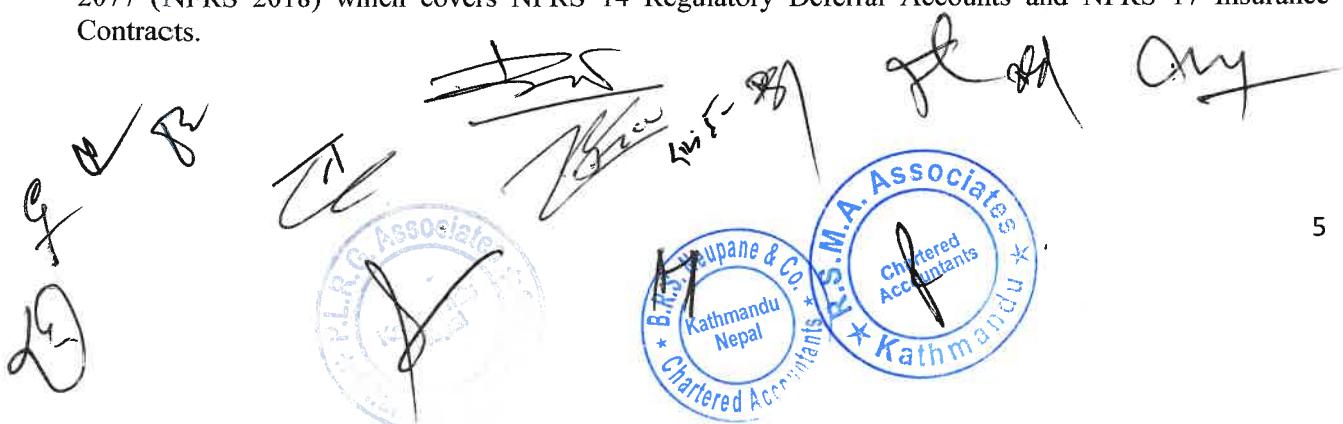
In Order to streamline the ECL provisioning as per NFRS -9, 354th Meeting of Council of ICAN dated 02 Bhadra, 2082 has issued the carve-outs on the recommendation of the Accounting Standards Board as per section 11 (da) of Nepal Chartered Accountants Act, 2053 (First Amendment 2059) which shall be valid till FY 2082/83.

As per Carve out issued by ICAN, Impairment/ loss allowance shall be higher of total amount derived as per the respective regulatory norms ie. (NRB Directive 02) for loan loss provision or measured as per paragraph 5.5 of NFRS -9.

2.7 New Standards in issue but not yet effective

New standards issued and amendments to the existing standards and interpretations made by ASB have been applied along with the carve outs wherever necessary.

The Institute of Chartered Accountants of Nepal, (ICAN) has issued a new version of NFRS on 11 Ashadh, 2077 (NFRS 2018) which covers NFRS 14 Regulatory Deferral Accounts and NFRS 17 Insurance Contracts.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



2.8 Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

The Group determines amortized cost of a financial asset or a financial liability using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of a financial asset or a financial liability to the net carrying amount of the financial asset or liability. If expected life cannot be determined reliably, then the contractual life is used.

In case where the Group assesses that the transaction amount of a financial asset or a financial liability does not represent its fair value and if such costs are not material in nature, the related future cash flows are discounted at prevailing interest rate to determine the initial fair value.

2.9 Offsetting

In the Statement of Financial Position, financial assets and financial liabilities are netted off only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not netted off in the Statement of Profit or Loss unless required or permitted by an accounting standard or interpretation and as specifically disclosed in the Group's accounting policy.

2.10 Rounding

The amounts in the financial statements are rounded off to the nearest Rupees, except where otherwise indicated as permitted by NAS 1 – "Presentation of Financial Statements".

2.11 Materiality and aggregation

In the financial statements materiality and aggregation is dealt with in compliance with Nepal Accounting Standard – NAS 1 "Presentation of Financial Statements" and within the scope of formats implemented by Nepal Rastra Bank. Accordingly, each material class of similar items is presented separately and items that are not similar in nature or function are also presented separately unless these are immaterial.

2.12 Comparative information

Accounting policies are consistently applied across all periods reported. The presentation and classification of financial figures relating to previous period are regrouped or reclassified where relevant to facilitate consistent presentation and better comparability.

2.13 Events after the reporting date

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue. All material and important events that occurred after the reporting date have been considered and appropriate disclosures have been made in line with NAS 10 – "Events After the Reporting Period".

2.14 Limitation of NFRS Implementation

Wherever the information is not adequately available and the cost to develop the same would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective sections.





3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements are prepared on a historical cost basis except for the following items which were measured or recognized as stated:

- 1) Investments in equity instruments are measured at fair value and investments other than equity instruments are measured at amortized cost under NFRS 9 'Financial Instruments' presented in Statement of Financial Position as Investment Securities.
- 2) Financial assets and liabilities classified as FVTOCI are measured at fair value on its initial and subsequent recognition.
- 3) Financial asset and liabilities classified as Amortized cost are measured at amortized cost.
- 4) Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation after deducting fair value of plan assets under NAS 19 "Employee Benefits".
- 5) Right of Use (ROU) Assets recognized under a lease agreement are measured at the amount that comprises of Initial Measurement of Lease Liability plus lease payments made at or before the commencement date less lease incentives plus initial direct cost incurred by lessee plus estimation of future dismantling and restoration cost if any.
- 6) Lease Liabilities under the lease agreements are measured at the present value of the lease payments that are not paid at that date, discounted using Incremental Borrowing rate.

3.2 Basis of Consolidation

a. Business Combination

The bank has prepared both separate and group financial statements as required by Unified directives, 2081 and NRB guidelines.

In separate financial statements investment in subsidiaries have been accounted at cost. The Group's financial statements comprise consolidation of the financial statements of the Bank and those of the following entities:

The Subsidiary, in accordance with NFRS 10 – "Consolidated Financial Statements"; and business combination are accounted using the acquisition method as prescribed under NFRS 3- "Business Combination".

b. Subsidiaries

Subsidiaries are the entities controlled by the Bank. The Bank controls an entity if 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. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The bank reassesses whether it has control if there are changes to one or more of the elements of control. In preparing the consolidated financial statements, the financial statements are combined line by line by adding the like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. The carrying amount of the parent's



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



investment in subsidiary and the parent's portion of equity of subsidiary are eliminated in full. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (such as interest income and technical fee) are eliminated in full while preparing the consolidated financial statements.

c. Non-Controlling Interest (NCI)

Non-controlling interest represents the proportionate share of profit or loss and net assets of the subsidiaries not owned directly by the Group. Non-controlling interest is presented in the consolidated statement of financial position with equity separately from the equity attributable to the shareholders of the Group.

For each business combination, the bank elects to measure any non-controlling interests in the acquiree either at fair value; or at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Bank's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

The Bank does not have any NCI as on reporting date.

d. Loss of Control

Upon the loss of control, the Bank derecognizes the assets and liabilities of the subsidiary, carrying amount of non-controlling interests and the cumulative translation differences recorded in equity related to the subsidiary. Further parent's share of components previously recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss or transfer to retained earnings as appropriate. Any surplus or deficit arising on the loss of control is recognized in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

There was no loss of control during the fiscal year 2081/82.

e. Transaction Elimination on Consolidation

All intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

3.3 Equity Method of Accounting

The bank has prepared both separate and group financial statements as required by NRB's Unified directives, 2081 and NRB guidelines.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



In separate financial statements investment in associates have been accounted at cost. The Group's financial statements comprises of investment in associates accounted using equity method.

The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

The proportionate share of the profit or loss and net assets of the Associate Company in accordance with NAS – 28 "Investments in Associates and Joint Ventures".

a. Associates

An associate is an entity over which the investor has significant influence.

If an entity holds, directly or indirectly (e.g., through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g., through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

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

- (a) representation on the board of directors or equivalent governing body of the investee;
- (b) participation in policy-making processes, including participation in decisions about dividends or other distributions;
- (c) material transactions between the entity and its investee;
- (d) interchange of managerial personnel; or
- (e) provision of essential technical information.

The Group discontinues the use of the equity method from the date that it ceases to have significant influence over an associate and accounts for any residual investments in accordance with the Group's accounting policy for financial instruments. Any disposal gains or loss is recognized in profit or loss.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, which is charged to profit or loss asset impairment charge /(reversal) for loans and other assets.

As on reporting date, there are ten associate companies. Details of associates have been mentioned in notes 5.26 below.

3.4 Cash and Cash Equivalent

Cash and cash equivalents include notes and coins on hand and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the bank in the management of its





short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

3.5 Financial Assets and Financial Liabilities

Financial assets refer to assets that arise from contractual agreements that result in future cash inflows or from owning equity instruments of another entity. Since financial assets derive their value from a contractual claim. These are nonphysical in form and are usually regarded as being more liquid than other tangible assets. Common examples of financial assets are cash, cash equivalents, bank balances, placements, investments in debt and equity instruments, derivative assets and loans and advances. Financial liabilities are obligations that arise from contractual agreements and that require settlement by way of delivering cash or another financial asset. Settlement could also require exchanging other financial assets or financial liabilities under potentially unfavorable conditions. Settlement may also be made by issuing own equity instruments. Common examples of financial liabilities are due to banks, derivative liabilities, deposit accounts, money market borrowings and debt capital instruments.

The contractual agreements, generally referred to as financial instruments, are characterized by the existence of counterparties and the contract terms give rise to a financial asset to one counterparty and a corresponding financial liability or equity instrument to the other counterparty. The Group has applied NFRS 9 – “Financial Instruments” in the classification and measurement of its financial instruments. Para 5.2.2 of NFRS 9 prescribes the application of impairment requirements in paragraphs 58-65.

3.5.1 Recognition date of financial instruments

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

3.5.2 Initial recognition and measurement of financial instruments

All financial assets and financial liabilities are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3.5.3 Classification and subsequent measurement of financial assets

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

- Financial assets measured at amortized cost, and
- Financial assets measured at fair value



- a) **Financial assets measured at amortized cost:** Financial asset is measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) **Financial assets measured at fair value:** Financial asset other than those measured at amortized cost are measured at fair value. They are further classified into two categories as below:
 - **Financial assets are measured at fair value through profit or loss;** if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.
 - **Financial assets are measured at fair value through other comprehensive income;** if the Investment in an equity instrument that is not held for trading and at the initial recognition, the Bank makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

Investment in equity instruments measured at FVTOCI

The Group has irrevocably elected at initial recognition to measure certain investments in equity instruments at FVTOCI. The election is made in respect of equity investments that are not held for trading. Only dividend income arising on such investment is recognized in profit or loss.

Subsequent fair value changes (unrealized gains or losses) on equity investments irrevocably elected for FVTOCI presentation is recognized in other comprehensive income. Only dividend income arising on such investment is recognized in profit or loss.

Also, Bank has adopted policy of computation of fair value of staff loan at amortized cost using discount rate as base rate of bank as at year end.

3.5.4 Classification and subsequent measurement of financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as follows:

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

A financial liability is classified as FVTPL if either it is held for trading or upon initial recognition it is designated as FVTPL. A financial liability is held for trading if it is acquired principally for the purpose of selling or repurchasing in the near term or held as a part of a portfolio that is managed together for short-term profit or position taking. All resulting fair value changes are recognized in profit or loss, except when a financial liability is designated as FVTPL and the Group is required to present the effects of changes in the liability's credit risk on other comprehensive income. At the reporting date the Group does not have any financial





liability designated as FVTPL.

- **Financial Liabilities measured at amortized cost:** Financial liabilities other than those measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest method. All other financial liabilities that are not classified as FVTPL are classified as subsequently measured at amortized cost. The general substance of the contractual arrangement results in the Group having an obligation:
 - either to deliver cash or another financial asset to the holder; or
 - to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavorable to the Group; or
 - to settle the obligation by delivering variable number of own equity instruments.

After initial recognition, such financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on issuance and issuance costs that are an integral part of the effective interest rate.

The amortization is presented as interest expense in profit or loss. Gains or losses are also recognized in profit or loss when the liabilities are derecognized.

3.5.5 Reclassification of financial assets and liabilities

Reclassification of financial assets and liabilities are at the election of management and determined on an instrument-by-instrument basis. Reclassification of financial assets is done if and only if the business model objective for the financial asset changes so its previous model assessment would no longer apply.

NFRS 9 does not permit reclassification in the following cases:

- for equity investments measured at FVTOCI; and
- where the fair value option has been exercised in any circumstance for a financial asset or a financial liability.

Where the Group's management assesses a reclassification as appropriate, it is done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Group does not restate any previously recognized gains, losses or interest.

Where financial asset is reclassified so that it is 'measured at fair value', its fair value is determined at the reclassification date. Any gain or loss arising from the difference between the previous carrying amount and fair value is recognized in profit or loss.

Where financial asset is reclassified so that it is 'measured at amortized cost', its fair value at the reclassification date becomes its new carrying amount.





3.5.6 De-recognition of financial assets and financial liabilities

De-recognition of Financial Assets

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

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 transferred) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit or Loss.

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

As per NFRS 9 Para 3.2.12, On the derecognition of the financial asset in the entirety, the difference between the carrying amount measured at the date of derecognition and consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss. However, As per notice issued by Accounting Standard Board dated 2077/07/04, Considering the above provisions relating to derecognition of investments, recognition of fair value movement till preceding year shall be made on Other Comprehensive Income and the gain realized in reporting year shall be recognized in income statement with appropriate disclosure as per NFRS-7.

De-recognition of Financial Liabilities

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

3.5.7 Determination of Fair Value

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

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

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



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

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e., the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

All unquoted equity instruments are recorded at average of price determined as per Capitalized Earning Method and Net Assets Value per share. Entities of which no data is whatsoever available, valuation has been done at cost net of impairment if any.

3.5.8 Impairment

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

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

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

The Bank considers evidence of impairment for loans and advances and amortized cost investment securities at both a specific asset and collective level. All individually significant loans and advances and amortized cost investment securities are assessed for specific impairment. Those found not to





be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

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

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

a) Impairment charge /(reversal) and write off

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The amount of the loss is recognized in profit or loss. The carrying amount of the asset is reduced through the use of an impairment allowance account.

Subsequent reversal of impairment loss, due to factors such as an improvement in the debtor's credit rating, is recognized in profit or loss. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

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

b) Impairment losses on assets measured at amortized cost

NFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and effective internationally for the financials beginning on or after 01 January, 2018. Accounting Standard Board of Nepal endorsed NFRS 9 Financial Instruments with mandatory application from the fiscal year 2021/22.

As per Para 5.5.1 of NFRS 9, An entity shall recognize a loss allowance for expected credit losses on a financial asset that is measured in accordance with paragraphs 4.1.2 or 4.1.2A, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract to which the impairment requirements apply in accordance with paragraphs 2.1(g), 4.2.1(c) or 4.2.1(d).

As per Para 5.5.3 of NFRS 9, Subject to paragraphs 5.5.13–5.5.16, at each reporting date, an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

As per Para 5.5.4, The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit





risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

As per Para 5.5.5, Subject to paragraphs 5.5.13–5.5.16, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

As per Para 5.5.6 For loan commitments and financial guarantee contracts, the date that the entity becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying the impairment requirements.

As per Para 5.5.7 If an entity has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that paragraph 5.5.3 is no longer met, the entity shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

As per Para 5.5.8 An entity shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with this Standard.

As per Para 5.5.9 At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, an entity shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

As per Para 5.5.10 An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date (see paragraphs B5.5.22-B5.5.24).

As per Para 5.5.11 If reasonable and supportable forward-looking information is available without undue cost or effort, an entity cannot rely solely on past due information when determining whether credit risk has increased significantly since initial recognition. However, when information that is more forward-looking than past due status (either on an individual or a collective basis) is not available without undue cost or effort, an entity may use past due information to determine whether there have been significant increases in credit risk since initial recognition. Regardless of the way in which an entity assesses significant increases in credit risk, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. An entity can rebut this presumption if the entity has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. When an entity determines that there have been significant increases in credit risk before contractual payments are more than 30 days past due, the rebuttable presumption does not apply.





Expected Credit Loss Model (ECL) of Impairment

The Expected Credit Loss (ECL) model is a forward-looking model. The ECL estimates are unbiased, probability-weighted, and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Under the general approach, NFRS 9 recognizes three stage approach to measure expected credit losses and recognized interest income.

Stage 1: 12-month ECL – No significantly increased credit risk financial instruments that have not had a significant increase in credit risk since initial recognition require, at initial recognition a provision for ECL associated with the probability of default events occurring within the next 12 months (12-month ECL). For those financial assets with a remaining maturity of less than 12 months, a Probability of Default (PD) is used that corresponds to the remaining maturity. Interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL

Stage 2: Lifetime ECL – Significantly increased credit risk in the event of a significant increase in credit risk since initial recognition, a provision is required for the lifetime ECL representing losses over the life of the financial instrument (lifetime ECL).

Interest income will continue to be recognized on a gross basis.

Stage 3: Lifetime ECL – Defaulted Financial instruments that move into Stage 3 once credit impaired and purchases of credit impaired assets will require a lifetime provision. Interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

Carve out of ICAN

In Order to streamline the ECL provisioning as per NFRS -9, 354th Meeting of Council of ICAN dated 2082/05/02 has issued the carve-outs on the recommendation of the Accounting Standards Board as per section 11 (da) of Nepal Chartered Accountants Act, 2053 (First Amendment 2059) which shall be valid till FY 2082/83.

As per Carve out issued by ICAN, Impairment/ loss allowance shall be higher of total amount derived as per the respective regulatory norms ie. (NRB Directive 02) for loan loss provision or measured as per paragraph 5.5 of NFRS -9.

Hence, A non-optional carve out has been provided by ICAN till FY 2082/83 on the recommendation of Accounting Standards Board, Nepal for banks and financial institutions, with respect to NFRS 9.

And states that BFIs shall measure impairment loss on loan and advances as the higher of:

- i. Amount derived as per the norms prescribed by Nepal Rastra Bank (NRB) for loan loss provision and
- ii. Amount determined under Expected Credit loss model as per NFRS-9

As on Ashadh end, 2082, the impairment provision calculated by bank as per NFRS -9 is NPR. 8,311,132,093 (Individual impairment of NPR. 9,007,724 and Collective impairment of NPR. 8,302,124,369) and impairment as per NRB Directive is NPR 13,766,129,362.

Since impairment loss computed as per NRB directives is on the higher side, bank has considered impairment loss derived as per the norms prescribed by Nepal Rastra Bank (NRB) for FY 2081/82.





For calculation of Individual impairment under expected credit loss model, loans and advances to customers with significant value (Principal outstanding Rs. 250 million or more) and borrowers classified as non-performing as per Nepal Rastra Bank's Unified Directives, 2081 are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the bank. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk characteristics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances are determined by management prudently based on the past experience. For the purpose of collective assessment of impairment, the assets are categorized in to the following nine broad products as follows:

1. Term Loan Bills Purchased
2. Cash Credit Loan
3. Deprived Sector Loan
4. Hire Purchase Loan
5. Margin Nature Loan
6. Other Product
7. Overdraft
8. Real Estate Loan
9. Residential Personal Home Loan (Up to Rs. 20 million)
10. Short-Term Working Capital/Demand Loan
11. Term Loan
12. Trust Receipt Loan/Import Loan

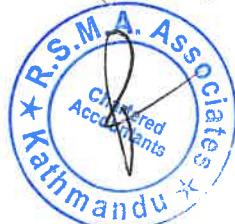
If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the income statement. If a future write-off is later recovered,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

As per Loan Loss Provision of Nepal Rastra Bank

Loan loss provisions in respect of non-performing loans and advances are based on management's assessment of the degree of impairment of the loans and advances, subject to the minimum provisioning level prescribed in relevant Nepal Rastra Bank guidelines. Provision has been made for possible losses on loans and advances including bills purchased at 1% to 100% on the basis of classification of loans and advances, overdraft and bills purchased in accordance with Nepal Rastra Bank's Unified Directives, 2081. However, provision for possible losses on insured loans and advances has been made at 0.25% to 25% on the basis of classification of loans and advances in accordance with Nepal Rastra Bank's Unified Directives, 2081.

3.6 Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. They are initially recognized at fair value and subsequently measured at fair value in the statement of financial position, with transaction costs recognized in profit or loss. All changes in fair value are recognized as part of net trading income in profit or loss as regarded as fair value through profit & loss account.





3.7 Derivatives Assets and Derivative Liabilities

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position. Hedge accounting is not adopted for certain derivatives held for risk management such as Forward Exchange Contracts.

Derivative assets and derivative liabilities (derivatives) create rights and obligations that have the effect of transferring one or more of the financial risks inherent in an underlying primary financial instrument between the parties to the instrument. However, they generally do not result in a transfer of the underlying primary financial instrument on inception of the contract, nor does such a transfer necessarily take place on maturity of the contract. The value of a derivative changes with the change in value of the underlying. Examples of derivative are forward, futures, options or swap contracts. The underlying could be specified interest rate, security price, commodity price, exchange rate, price index, etc. Derivative financial instruments meet the definition of a financial instrument and are accounted for as derivative financial asset or derivative financial liability measured at FVTPL and corresponding fair value changes are recognized in profit or loss. The Group has not designated derivative as a hedging instrument in an eligible hedging relationship under NFRS 9 – “Financial Instrument” and has not applied hedge accounting.

3.8 Property and Equipment

Property and equipment are tangible items that are held for and used in the provision of services, for rental to others, or for administrative purposes, and are expected to be used for more than one-year period. The Group applies NAS 16 –“Property, Plant and Equipment” in the accounting of property and equipment.

a. Recognition and Measurement

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if it is probable that future economic benefits associated with the item will flow to the entity; and if the cost of the item can be measured reliably.

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

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

The Bank adopts cost model for entire class of property and equipment except for the freehold land. Neither, class of the property and equipment are measured at revaluation model nor is their fair value measured at the reporting date. Any revaluation reserve acquired from the merger accounted for using pooling of interest method are shown at the carrying amount. The items of property and equipment except for freehold are measured at cost less accumulated depreciation and any accumulated impairment losses.





Use of Revaluation Model for Freehold Land Portfolio

The Bank adopts revaluation model for freehold land portfolio. Entire portfolio of freehold land shall be revalued in every 5 years for determination of their fair value. The increase in fair value over the cost of freehold land shall be recognized in other comprehensive income and accumulated in equity as assets revaluation reserve. The same reserve shall be charged in case the fair value of the land decreases up to the extent of available revaluation reserve in respect of the land. If the amount decreases further, it shall be charged to Profit and loss account.

The decrease in fair value of land shall be charged to the profit or loss account. However, the increase in fair value shall be recognized in profit and loss account to the extent that it reverses a revaluation decrease of the land previously recognized in profit and loss.

The Bank shall periodically review the fair value of freehold land, as entire class of the assets, and makes changes in the recognized value. Professional valuers shall be used to fair value determination. Besides periodical review, the Bank shall carry out review in case of occurrence of any event that may reduce the value of the freehold land on judgment of the management.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the Bank. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss. The revaluation surplus included in equity in respect of asset (freehold land) shall be transferred directly to retained earnings when the asset (freehold land) is derecognized.

b. Capital Work in Progress

Fixed assets under construction and cost of assets not ready for use are shown as capital work in progress.

c. Depreciation

Straight line method of depreciation on fixed assets is applied to allocate their cost to their residual values over their estimated useful life as per management judgment, as follows:

Class of assets	Useful life	Residual Value
Computer	up to 5 Years	1%
Furniture and Fixtures	up to 5 Years	2%
Office Equipment	up to 5 years	1%
Vehicle	up to 7 Years	5%
Building	up to 50 Years	10%
Leasehold	Lower of 15 Years or Lease Period	0
Software	5 years or expiry period whichever is lower	0

Assets costing less than Rs 2,000 are fully charged to profit loss account in the year of purchase.

d. De-recognition

The carrying amount of Property and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property and equipment is included in profit or loss when the item is





derecognized (unless on a sale & lease back). The gain is classified as revenue. The revaluation surplus included in equity in respect of asset shall be transferred directly to retained earnings when the asset is derecognized.

3.9 Intangible Assets

Intangible assets are identifiable non-monetary asset without physical substance, which are held for and used in the provision of services, for rental to others or for administrative purposes. An intangible asset appearing in the Group's books is computer software. The Group applies NAS 38 – "Intangible Assets" in accounting for its intangible assets.

The Group recognizes an intangible asset when:

- the cost of the asset can be measured reliably;
- there is control over the asset as a result of past events (for example, purchase or self-creation); and
- future economic benefits (inflows of cash or other assets) are expected from the asset.

Acquired Intangible Assets

Intangible assets are initially measured at cost incurred to acquire and bring to use the asset, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Bank, and are amortized on the basis of their expected useful lives.

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalized where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are amortized on the basis of expected useful life. Costs associated with maintaining software are recognized as an expense as incurred.

At each reporting date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

De-recognition of intangible assets

Intangible assets are de-recognized on disposal or when future economic benefits are no more expected from their use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceed and the carrying amount of the asset. Such a gain or loss is recognized in profit or loss.

3.10 Investment Property/Non-Current Assets Held for Sale

Investment Property

Investment properties include land or land and buildings other than those classified as property and equipment and non-current assets held for sale. Generally, it includes land, land and building acquired by the Bank as non-banking assets but not sold as on the reporting date.

The Bank holds investment property that has been acquired through enforcement of security over the loans and advances.





Investment properties are land or building or both other than those classified as property and equipment under NAS 16 – “Property, Plant and Equipment”; and assets classified as non-current assets held for sale under NFRS 5 – “Non - Current Assets Held for Sale & Discontinued Operations”. The Group has recognized as investment property such land or land and building acquired by the Bank as non-banking assets in course of recovery of loans and advances to borrowers that have turned into chronic defaulters.

Non-banking assets (only land and building) are initially recognized at cost. Subsequent to initial recognition the Group has chosen to apply the cost model allowed by NAS 40 – “Investment Property” and since it is not intended for owner-occupied use, a depreciation charge is not raised.

Non-Current Assets Held for Sale

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are FVTOCI in their present condition; and (iii) their sale is highly probable.

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

3.11 Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred taxes. The Group applies NAS 12 – “Income Taxes” for the accounting of Income Tax. Income tax expense is recognized in profit or loss, except to the extent it relates to items recognized directly in equity or directly in other comprehensive income. Tax expense relating to items recognized directly in other comprehensive income is recognized in the Statement of Other Comprehensive Income.

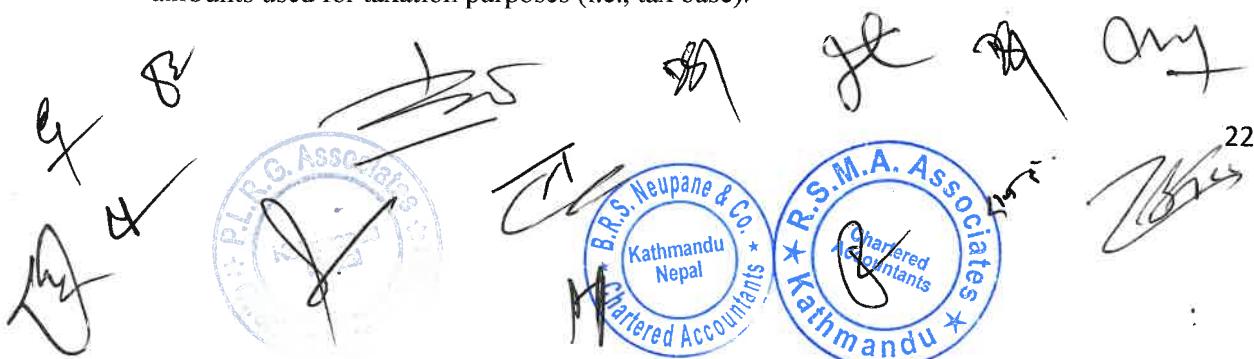
Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

a. Current Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

b. Deferred Tax

Deferred tax is recognized at the reporting date in respect of temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base).



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and carried forward unused tax losses (if any), to the extent that it is probable that future taxable profits will be available against which they can be claimed. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they will be reversed, using tax rates enacted, or substantively enacted, at the reporting date. Deferred tax income or expense relating to items recognized directly in equity is recognized in Other Comprehensive Income.

3.12 Deposits, Debts Securities Issued and Subordinated Liabilities

a. Deposits

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

b. Debt Securities Issued

Debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

Currently the Bank has following debentures:

Debenture Name	Issued Date	Allotment ment date	Term	Amount in 'NPR
8.5% RBBL Debenture 2083	25 Jesta, 2078	02 Ashadh, 2078	6 years	2,500,000,000
7% RBBL Debenture" 2088	07 Baishakh, 2082	21 Baishakh, 2082	7 years	2,500,000,000
Total				5,000,000,000

All the debentures so issued has been charged to capital of the bank for the calculation of capital adequacy ratio of the bank. As on Ashadh end 2082, amount of NPR. 2,000,000,000 has been charged to Common equity Tier 1 (CET1) as debenture redemption reserve and amount of NPR. 3,000,000,000 has been charged to Supplementary capital (Tier II) as Subordinated term debt.

c. Subordinated Liabilities

Subordinated liabilities are those liabilities which at the event of winding up are subordinate to the claims of depositors, debt securities issued and other creditors. The bank does not have any of such subordinated liabilities.





3.13 Provisions

The Group applies NAS 37 – “Provisions, Contingent Liabilities & Contingent Assets” in the accounting of provisions.

The Bank recognizes a provision if, as a result of past event, the Bank has a present constructive or legal obligation that can be reliably measured and it is probable that an outflow of economic benefit will be required to settle the obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision for onerous contract is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

3.14 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The Group applies NFRS 15 – “Revenue from contract with customers” in the accounting of revenue, unless otherwise stated.

Revenue is the gross inflow of economic benefits during the period arising from the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

The standard requires the following five step model framework to be followed for revenue recognition:

- Identification of the contracts with the customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when the entity satisfies a performance obligation.

Bank has adopted NFRS 15 from the current fiscal year which resulted in changes in accounting policies related to recognition of Fees and commission. Accordingly, Fees and Commissions are recognized at an amount that reflects the consideration to which the bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction are identified, and determined, at the inception of the contract. Fees and Commissions from services are recognized evenly over the period, based on time elapsed where performance obligations are satisfied over time. Where performance obligations are satisfied at a point in time, fees and commission are recognized typically on completion of underlying service.

Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



The Bank's revenue comprises of interest income, fees and commission, foreign exchange income, cards income, remittance income, bank assurance commission, etc. and the bases of incomes recognition are as follows:

a. Interest Income

Interest income on FVTOCI assets and financial assets held at amortized cost shall be recognized using the bank's nominal interest rate which is very close to effective interest rate using effective interest rate method.

For income from loans and advances to customers, initial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have been derived under effective interest rate method. The difference is not considered material. The Bank considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

The Bank recognizes the interest income on loans and advances as per Guidance Note on Interest Income Recognition, 2025 issued by Nepal Rastra Bank. As per Para 3 of the guidance note, interest income on Stage 1 and Stage 2 financial assets shall be recognized based on coupon interest rate on principal outstanding for all financial assets (accrual basis) whereas interest income on Stage 3 financial assets shall be recognized based on cash basis approach.

b. Fees and Commission

Fees and Commissions are recognized at an amount that reflects the consideration to which the bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction are identified, and determined, at the inception of the contract. Fees and Commissions from services are recognized evenly over the period, based on time-elapsed where performance obligations are satisfied over time. Where performance obligations are satisfied at a point in time, fees and commission are recognized typically on completion of underlying service.

c. Dividend Income

Dividend income are recognized when right to receive such dividend is established. Usually this is the ex-dividend date for equity securities. Dividends are presented 'in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity investment.

In line with the requirements of the Income Tax Act 2058, dividends received from domestic companies are recognized as final withholding income, while those received in respect of unit



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



investments in mutual funds and equity interest in foreign companies are recognized in gross amounts and respective withholding taxes are recognized as tax receivables.

d. Net Trading Income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences.

The Group also presents foreign exchange trading gains or losses arising on foreign exchange buy and sell transactions under trading income. Explanatory information on net trading income is stated in schedule 4.33.

e. Other Operating Income

The Group presents income other than those presented under interest income, fees and commission income and trading income under this heading. Income recognized here includes items such as foreign exchange revaluation gain or loss; dividend on equity investments that are measured at FVTOCI; dividend from subsidiary and associates; gain or loss on disposal of property and equipment; gain and loss on disposal of investment property; gain or loss on disposal of investment securities except for equity investments measured at FVTOCI and gain or loss on sale of gold/silver etc. Explanatory information on other operating income is stated in schedule 4.34.

f. Foreign exchange revaluation gain /(loss)

Gains and losses arising from day-to-day revaluations of foreign currency denominated assets and liabilities, exclusively due to the effect of changes in foreign currency exchange rates, are recognized in profit or loss in the period in which they arise.

3.15 Interest expense

Interest expenses on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method. Interest expenses on all trading liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

Interest expense is recognized in profit or loss using the effective interest rate (EIR) method for all financial liabilities measured at amortized cost except for in cases specified in the carve out to Para 5.4 of NFRS 9. Interest expense is incurred on inter-bank borrowings, deposit from customers, debenture issued, refinance borrowing, etc. Explanatory information on interest expense is stated in schedule 4.30.

3.16 Employees Benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. The Group's remuneration package includes both short term and long-term benefits and comprise of items such as salary, allowances, paid leave, accumulated leave, gratuity,





provident fund and annual statutory bonus. The Group applies NAS 19 "Employee Benefits" in accounting of all employee benefits and recognizes the followings in its financial statements:

a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and

an expense when the Group consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. Explanatory information on personnel expense is stated in Note 4.36.

a. Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is also recognized for the amount expected to be paid under bonus required by the Bonus Act, 2030 to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably under short term employee benefits. The Bank provides bonus at 5% of Net Profit before tax. The Bank is a majorly owned enterprise of Government of Nepal. The percentage of bonus which is to be distributed by the Government owned enterprises has been determined by the Government of Nepal at 5%.

Short-term employee benefits include all the following items (if payable within 12 months after the end of the reporting period):

- wages, salaries and social security contributions,
- paid annual leave and paid sick leave,
- profit-sharing and bonuses and
- non-monetary benefits

b. Post-Employment Benefits

Post-employment benefit plan includes the followings:

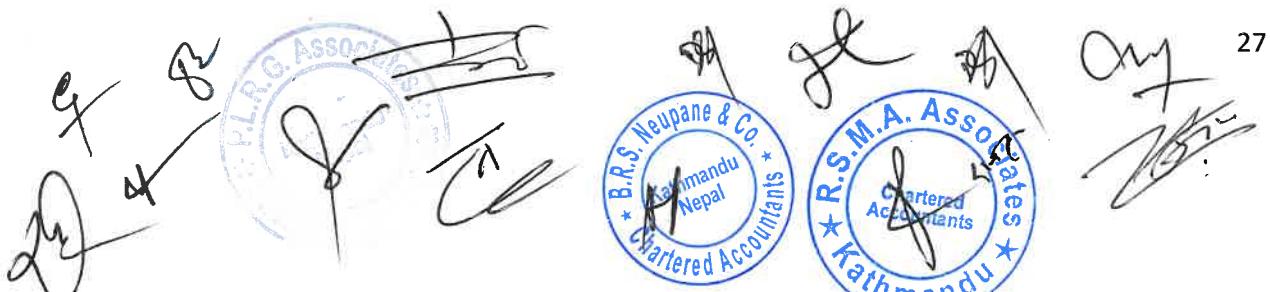
i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Bank pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as personnel expenses in profit or loss in the periods during which related services are rendered.

Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

All permanent employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan, in which both the employee and the Bank contribute monthly at a pre-determined rate of 10% of the basic salary and same the amount is transferred to RBB retirement fund. The Bank does not assume any future liability for provident fund benefits other than its annual contribution.

All permanent employees of the Bank are entitled to receive benefits under welfare provident fund, a defined contribution plan, in which Bank contribute two months' basic salary and such amount is transferred to separate retirement fund. The Bank does not assume





any future liability for provident fund benefits other than its annual contribution.

All permanent employees of the Bank are entitled to receive benefits under medical fund, a defined contribution plan, in which Bank contribute certain percentage of annual basic salary based on level of employees and such amount is transferred to separate retirement fund. The Bank does not assume any future liability for provident fund benefits other than its annual contribution.

All permanent employees of bank are also entitled to Medical fund amounting to 2.5 months of salary each year and Employee welfare fund defined as per HR Bylaws of the bank.

In addition to above, the bank has Contribution based gratuity plan to the permanent employees hired after 13 Asoj, 2078. All permanent employees of the Bank hired after above date are entitled to receive benefits under the Contribution based gratuity plan, a defined contribution plan, in which both the employee and the Bank contribute monthly at a pre-determined rate of 6% of the basic salary. The Bank does not assume any future liability for contribution-based gratuity fund benefits other than its annual contribution.

ii. Defined Benefit plan

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

The Bank recognizes all actuarial gains and losses net of deferred tax arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefit expense in profit or loss. The Actuarial liability is accounted on the basis of actuarial valuation report certified by Independent Actuary Valuator.

The Bank recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and any past service cost that had not previously been recognized.

The bank has pension plan to the permanent employees hired before 2050 B.S and gratuity plan to employees enrolled after 2050 B.S. Employees are also entitled to receive retirement benefit on endowment life insurance scheme and leave as per Human resource by-laws of the Bank. The net obligation pertaining to current fiscal year's defined benefit plan as per actuarial report is transferred to RBB retirement fund in the next consecutive fiscal year.

iii. Termination Benefits

Termination benefits are recognized as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for





voluntary redundancies are recognized as an expense if the Bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Details of actuarial assumptions on defined benefit obligation and termination benefit has been mentioned in notes 5.11 below.

3.17 Leases

NFRS 16 replaces NAS 17 and sets out the principles for the recognition, measurement, presentation, and disclosure of leases. All leases result in the lessee recognizing the right to use an asset at the commencement date of the lease, and if lease payments are made over time, also recognizing financing. Accordingly, NFRS 16 eliminates the classification of leases as either operating leases or finance leases as required by NAS 17 and, instead, introduces a single lessee accounting model for lessee.

In accordance with the transitional provisions of NFRS 16, the bank has adopted the new standard applying a modified retrospective approach:

Lease Liability at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application i.e., 01 Shrawan, 2078, and

Right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of application.

3.17.1 Valuation of lease liabilities and right of use asset

The application of NFRS 16 requires the bank to make judgments that affect the valuation of the lease liabilities and the valuation of right of use assets. These include determining contracts in scope on NFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

The lease term determined by the Bank generally comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the bank is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the bank is reasonably certain not to exercise that option. The same term is applied as economic useful life of right of use assets.

Group as the lessee

The group enters into lease agreement as the lessee with respect to its branches.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the group.

Initial Recognition

At commencement date, the group recognises a right-of-use asset a lease liability.

Lease liabilities are initially measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.





- Variable lease payments that are based on an index or a rate.
- Amounts expected to be payable by the group under residual value guarantees.
- The exercise price of a purchase option if the group is reasonably certain to exercise that option; payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the group's incremental borrowing rate.

Right-of-use assets are measured initially at cost comprising the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

Subsequent Measurement of right of use asset

Subsequently, the right of use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for measurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the lease term on a straight-line basis.

Subsequent Measurement of lease liability

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

Lease term

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Short term or low value leases

Payments associated with all short-term leases and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss. The group applies the exemption for low-value assets on a lease-by-lease basis.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its land and building.

Leases for which the Group is a lessor are classified as finance or operating leases. A lease is classified as a finance lease if the group transfers substantially all the risks and rewards incidental to ownership of an underlying asset. All other leases are classified as operating leases.

The Group recognizes lease payments received under operating leases as other operating income in profit or loss. The accounting policies applicable to the Group as a lessor in the comparative period were not different from NFRS 16.





3.18 Foreign Currency Translation

The financial statements are presented in Nepalese Rupees (NPR).

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the statement of financial position date.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, or year-end exchange rates if held at fair value, and the resulting foreign exchange gains and losses are recognized in either the statement of profit or loss or shareholders' equity depending on the treatment of the gain or loss on the asset or liability.

3.19 Financial Guarantee and Loan Commitment

Financial Guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of agreement.

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

3.20 Share Capital and Reserves

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Bank after deducting all its liabilities. Common shares are classified as equity of the Bank and distributions thereon are presented in statement of changes in equity.

Dividends on ordinary shares and preference shares classified as equity are recognized in equity in the period in which they are declared.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon.

The reserves include retained earnings and other statutory reserves such as general reserve, debenture redemption reserve, foreign exchange equalization reserve, regulatory reserve etc.

Regulatory reserve includes any amount derived as result of NFRS convergence with effect in retained earning computed as per Nepal Rastra Bank's Directive No. 4.

3.21 Earnings per share including diluted earnings per share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. The basic





EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.22 Segment Reporting

The Bank's segmental reporting is in accordance with NFRS 8 *Operating Segments*. Operating segments are reported in a manner consistent with the internal reporting provided to the bank's management committee, which is responsible for allocating resources and assessing performance of the operating segments. Bank has no practice of accounting intra segment revenue or expenses. Geographical segments are considered for the purpose of segment reporting. Income and expenses directly associated with each segment are included in determining business segment performance.





5. Disclosures and Additional Information

5.1 Risk Management

Risk Management structure of the Bank has set clear separation between Businesses function and risk management function. Accordingly, the Bank has set up a separate Risk Management Department (RMD) headed by the department chief. The RMD 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 to discuss the reports thereon and issue instructions as appropriate. The RMD also develops the mechanism for assessing and reviewing its risk management policies, processes and procedures for individual risk elements, at a regular interval, based on the main findings of the monitoring reports and the results of analysis of developments from external market changes and other environmental factors.

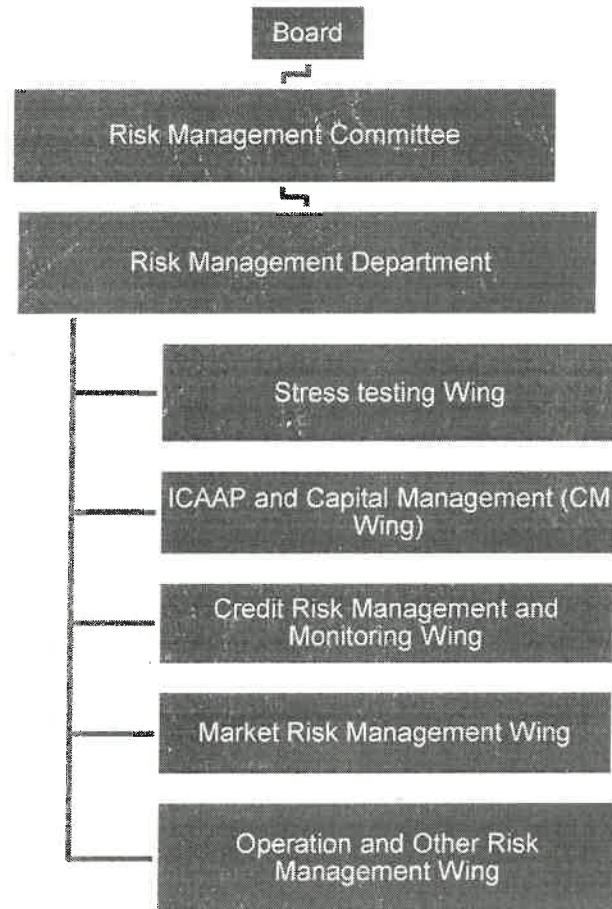


Figure: Risk Management - Structure





i. Risk Management Committee

Board of Directors is the apex and supreme authority of the Bank and is responsible to frame and implement robust policies and framework for effective compliance of regulation and direction issued by the regulatory authority. BOD ensures the strategies, policies and procedure is in accordance with the risk appetite/tolerance limit for effective management of risk within the Bank. The board understands the nature of risk of the bank, and periodically reviews reports on risk management, including policies and standards, stress testing, liquidity and capital adequacy through the reporting by the Risk Management Committee and the Asset- Liabilities Management Committee.

Pursuant to the Nepal Rastra Bank directive on corporate governance, the Bank has established Risk Management Committee with well-defined terms of reference in line the Nepal Rastra Bank's Unified Directives, 2081. At least four quarterly meeting is conducted on annual basis however number of meetings can be increased as per the requirement. The committee supervises overall risk management of the Bank broadly classified as liquidity risk, market risk, operational risk, credit risk and residual risk.

ii. Risk Governance

Bank has prepared and implemented policies and procedures to mitigate the risk at enterprises level arising to the bank and has inculcated risk culture among the employees by establishing ownership mentality, capacity building programs, well defined job responsibilities and inhabiting good ethical culture.

Through its Risk Management Framework, the Bank seeks to efficiently manage credit, market and liquidity risks which arise directly through the Bank's commercial activities as well as operational, regulatory and reputational risks which arise as a normal consequence of any business undertaking.

The Assets and Liabilities Committee is responsible for the management of capital and establishment of, and compliance with, policies relating to balance sheet management, including management of liquidity, capital adequacy and structural foreign exchange and interest rate exposure and tax exposure.

The bank's risk governance structure is such that the responsibility for maintaining risk within the banks risk blanket is cascaded down from the Board to the appropriate functional, client business, senior management and committees. Information regarding material risk issues and compliance with policies and standards is communicated through the business, functional, senior management and committees.

iii. Risk Management Policy Guidelines

Risk Management Policy Guidelines has been designed in compliance to the guidelines issued by Nepal Rastra Bank on Risk management in order to provide a framework for ensuring systematic Risk Management function in Rastriya Banijya Bank. "Risk Management Policy Guidelines" has played a vital role in laying a foundation towards identification, measurement, monitoring and control of all the major risks that the bank is exposed. Besides, the bank aims that these policy guidelines will go a long way in embedding a "calculated risk-taking culture" in the organization. "Risk Management Policy Guidelines" of the bank has provided a guidance for designing the Risk Management Process of Rastriya Banijya Bank and the same has included policies, standards, methodologies, procedures and limits for the implementation of the process. The policy is in





harmony with the ICAAP Policy of the bank and the same has set a foundation stone for the adoption of the advanced approaches to identification, measurement, monitoring and control of risks that the bank is exposed.

iv. Internal Control

The Board is responsible for ensuring that the Bank has appropriate internal control framework in place that supports the achievement of its strategies and objectives. The various functions of the Bank should also be looked upon with a view to ensure that there is a proper control mechanism is in place to support its expansion and growth which enables it to maximize profitable business opportunities, avoid or reduce risks which can cause loss or reputational damage, ensure compliance with applicable laws and regulations and enhance resilience to external events.

The Board has set policies and procedures for risk identification, risk measurement, risk monitoring and risk control in line with the Nepal Rastra Bank's Unified Directives, 2081 and the same has effectively been implemented.

The effectiveness of the Company's internal control system is reviewed regularly by the Board, its Committees, Management and Internal Audit department.

The Internal Audit monitors compliance with policies/standards and the effectiveness of internal control structures across the Bank through regular audit, special audit, information system audit, Off Site review and AML/CFT/KYC audit. The audits observations are reported to the Chief Executive Officer and Business Heads for initiating immediate corrective measures. Internal Audit reports are periodically forwarded to the Audit Committee for review and the committee issues appropriate corrective action in accordance with the issue involved to the respective department, provincial offices or branches.

v. Risk Identification and its mitigation

■ Credit Risk

Credit risk is the probability of loss associated with the failure of counterparty to meet its contractual obligations to pay the Bank in accordance with agreed terms. The Credit Risk Monitoring and Reporting Framework/ have been prepared in order to mitigate/minimize the credit risk of the Bank through appropriate monitoring and reporting framework established within the Bank.

Bank has implemented various System/ Policies/ Procedures/ Guidelines for the effective management of Credit Risk. For the purpose of assessment of credit risk of the bank, following activities were carried out:

- Current system/policies/procedures/guidelines formulated were gone through;
- Actual Exposure of credit limit product wise, segment wise were checked against Risk Appetite, tolerance limit mentioned in Respective Product Paper Guidelines, Credit Policy and Risk Management Policy Guidelines;
- Review of various reports prepared by the Departments such as Monitoring Report, Loan Overdue Report, Loan Report, Nepal Rastra Bank reports and risk assessment reports.

Credit Risk Management is ultimately the responsibility of the Board of Directors hence, overall strategy as well as significant policies has to be reviewed by the board regularly. Further, Senior Management is responsible for implementing the bank's credit risk management strategies and



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



policies and ensuring that procedures are put in place to manage and control credit risk and the quality of credit portfolio in accordance with these policies.

Bank has following framework in place for the management of credit risk:

- Board of Directors of the Bank has approved amendment in Credit Policy and Credit Risk Management Policy of the bank.
- The Board of Directors has approved various product papers which need to be approved by the Board of Directors as per regulatory requirement.
- The Board Level Risk Management Committee reviews various credit risks reported by the risk management department and recommends the Board for appropriate policy level action.
- Risk Management Department, supervised by Department head has been formed for the overall Risk Management function of the Bank.
- Loan Recovery Department directly manages accounts with sustained deterioration along with all collection related activities.

Following major policies and procedural guidelines are implemented to manage the Credit Risk of the bank.

- Credit Manual
- Agriculture Credit Manual
- Deprived Sector Loan Manual
- Risk Management Policy Guidelines
- Loan Recovery Manual
- Collateral Security Valuation Manual
- Loan Write off Bylaw
- Credit Related Product Papers
- Various Credit related circulars

Further, the Bank has following Departments in place which are responsible for performing prescribed activities related to credit. Primary responsibility for management of credit risk lies with the respective departments. These Departments are also responsible to perform the activities as per existing internal control system established in line with the prescribed policies, guidelines and procedures for management of credit risk.

- Corporate and SME Department
- Infrastructure Banking Department
- Agriculture and Social Banking Department
- Loan Recovery and Credit Monitoring Department
- Consumer Banking Department
- Credit Administration Department

All the above departments report to the Deputy Executive Officer directly as prescribed by the Organizational Structure of the Bank developed by the Board of Directors except in case of Risk Management Department which reports to the Risk Management Committee through Department Head.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



i. Maximum exposure to credit risk

The bank has financial assets consisting mainly of loans & advances and investments at amortized cost. In these cases, the maximum exposure to credit risk is the carrying amount of the related financial assets.



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

ii. Credit quality of neither past due nor impaired nor past due or impaired

The table below shows the credit quality as on Ashadh end, 2082 by class of asset for all financial assets exposed to credit risk, based on the Bank's internal credit rating system.

Particulars	Neither past due nor impaired	Past due less than 90 days	Past due 91 to 180 days	Past due More than 180 days	Individually impaired	Total
Financial Assets						
Assets carried at Amortized Cost						
Cash and cash equivalent	24,419,430,397	-	-	-	-	24,419,430,397
Due from Nepal Rastra Bank	56,906,901,268	-	-	-	-	56,906,901,268
Placement with Bank and Financial Institutions	-	-	-	-	-	-
Loans and advances	276,584,868,199	23,634,246,456	1,301,053,438	1,001,814,056	-	302,521,982,150
Investment securities	143,238,663,970	-	-	-	-	143,238,663,970
Other Assets	989,477,022	-	-	-	-	989,477,022
Fair Value through Profit and Loss (FVTPL)						
Derivative financial instruments.	-	-	-	-	-	-
Fair Value through Other						
Comprehensive Income (FVTOCI)						
Investment securities	4,852,054,497	-	-	-	-	4,852,054,497
Investment in subsidiaries	400,000,000	-	-	-	-	400,000,000
Investment in associates	885,192,163	-	-	-	-	885,192,163
Total	513,709,473,037	23,634,246,456	1,301,053,438	1,001,814,056	-	539,646,586,987

88

AT
15

8
at

Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Operational Risk

Operational Risk is defined as the risk of potential loss resulting from inadequate or failed internal processes, people and systems or from the impact of external events, including legal risks for the bank. Operational Risk is pervasive across all the functions of the Bank and is influenced by all resources, including human resource, systems and procedural designs, deployed by the Bank to carry out those functions. Operational Risk can be caused by both internal and external sources such as fraud, business interruptions, system failures, damage to physical infrastructure, failure in execution and service delivery, inherent risks in products, customers, inadequacy in procedures or flawed process designs, and business practices. The risk can occur in any business function or the business supporting functions.

The Bank is committed to be governed with a strong culture of risk management and ethical business practices and therefore to averse it from potentially damaging operational risk events and is in a sound position to deal effectively with those events that do occur. The actions of the board and senior management, and policies, processes and systems provide the foundation for a sound risk management culture.

Bank seek to minimize our exposure to operational risk by use of key control standards, key control self-assessments and key risk indicators as toolkits to identify, assess, monitor and control operational risk events through timely acknowledgement of emerging threats and underlying vulnerabilities. The Bank shall also ensure highest level of governance standards and adherence to Code of Conduct and robust compliance to all regulatory as well as the Bank's internal policy, procedures and guidelines.

Effective policies, procedural guidelines and standard operating procedure are crucial tools for sound risk management. Therefore, adequacy and effectiveness of the policies and procedures and their effective implementation is closely monitored by the department to ensure that they have continuing relevance in line with regulatory requirement and adjusts to dynamic risk environment of the industry.

Following major existing Policies/ guiding documents having close bearing with management of operation risk has been reviewed/approved and implemented:

- ❖ Financial Administration By-laws
- ❖ Trade Finance Manual
- ❖ Budget Manual
- ❖ Employee by-laws
- ❖ CARD and ATM Operational Manual
- ❖ E- Banking Operational Manual
- ❖ Pay bill Operational Manual
- ❖ Branch Operational Manual
- ❖ ICT Policy and Guidelines
- ❖ AML/ CFT Policy and Procedures
- ❖ ICAAP Policy
- ❖ Waste Paper Disposal Policy
- ❖ Risk Management Policy Guidelines
- ❖ Assets Liability Management and Treasury Operation Manual
- ❖ Accounting Manual
- ❖ RBB Branchless Banking Guidelines



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Market Risk & Liquidity Risk

Market risk refers to the risk to a bank resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates, and equity and commodity prices. Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The risks subject to this requirement are:

- a. **Interest Rate Risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- b. **Currency Risk:** Foreign exchange risk is the potential for the Bank to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency.
- c. **Equity Price Risk:** Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The major sources of market risk for the bank are interest rate risk, exchange rate risk and liquidity risk. Bank has an Assets Liability Committee which meets regularly to identify and manage these risks as per the laid down policies and procedures. Treasury Back Office (TBO) regularly assess and monitor the treasury position and transaction of the Bank. TBO analyzed the net open position on a daily basis to mitigate all possible risk associated to foreign currency. ALCO on regular interval evaluates the sensitivity of asset and liability towards interest rate. Further interest sensitivity analysis is conducted to act as a tool to mitigate possible interest rate risk.

In order to evaluate the liquidity position, Bank has been calculating and evaluating liquidity ratio on daily basis. Major inflows/outflows having impact on the liquidity is monitored on daily basis. Transactions which have material impact on the liquidity position of the Bank are communicated without any delay to relevant department that manages fund. Sources and utilization of the fund are monitored on daily basis. Also regulatory limit of credit deposit position is also monitored and circulated to all concerned units on daily basis.





Rastrya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

The following table depicts the maturity profile of the assets and liabilities of the bank on an undiscounted cash flow basis which is designed and managed to meet the required level of liquidity as and when liquidity outgo arises taking into consideration the time horizon of the financial liabilities of the business.

Particulars	Less than 3 month	3 to 6 months	6 to 1 year	More than 1 year	Total
Assets					
Cash and cash equivalent	24,419,430,397	-	-	-	24,419,430,397
Due from Nepal Rastra Bank	56,906,901,268	-	-	-	56,906,901,268
Placement with Bank and Financial Institutions	-	-	-	-	-
Derivative financial instruments	5,432,885,520	-	-	-	5,432,885,520
Other trading assets	-	-	-	-	-
Loans and advances	300,219,114,656	1,301,053,438	779,726,555	222,087,501	302,521,982,150
Investment Securities	41,348,758,500	28,557,790,132	13,285,099,208	64,899,070,627	148,090,718,467
Investment in subsidiaries	-	-	-	400,000,000	400,000,000
Investment in associates	-	-	-	885,192,163	885,192,163
Other assets	16,529,491,107	-	-	30,459,359,462	46,988,850,568
Total	444,856,581,447	29,858,843,570	14,064,825,763	96,865,709,753	585,645,960,533
Liabilities					
Due to Bank and Financial Institutions	2,376,073,972	-	-	-	2,376,073,972
Due to Nepal Rastra Bank	-	-	-	-	-
Derivative financial instruments	5,423,350,000	-	-	-	5,423,350,000
Deposits from customers	369,333,426,431	61,541,442,524	38,032,348,384	31,507,463,177	500,414,680,516
Borrowing	-	-	-	60,000,000	60,000,000
Other liabilities	10,054,051,071	-	-	10,138,328,602	20,192,379,673
Debt securities issued	-	-	-	5,000,582,191	5,000,582,191
Total	387,186,901,474	61,541,442,524	38,032,348,384	46,706,373,970	533,467,066,352



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.2 Capital Management

5.2.1 Qualitative disclosures

The Bank has formulated and implemented the "Internal Capital Adequacy Assessment Process 2015" (ICAAP Policy 2015) which has been approved by the Board of Directors. The policy is a system of sound, effective, and complete strategies and processes that allow the Bank to assess and maintain, ongoing basis, the amounts, types and distribution of internal capital that the Bank considers adequate to cover the nature and level of risk to which the Bank is or might be exposed to.

The Bank maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Nepal Rastra Bank. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee and adopted by the Nepal Rastra Bank.

The Bank's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain the future development of the business.

The Bank has complied with Capital Adequacy requirement of the Nepal Rastra Bank.

The Bank's regulatory capital consists of the following elements

Tier 1 Capital or Core Capital, which includes Paid up Capital, Statutory General Reserves, Retained Earnings, other free reserves and deductions of Deferred Tax Assets, Investment in equity of institutions with financial interests

Tier 2 Capital or Supplementary Capital, which includes General Loan Loss Provision, Exchange Equalization Reserves, Subordinated Term Debt, Investment Adjustment Reserve, Other Reserve

Regulatory minimum paid up capital

Commercial banks are required to attain a stipulated minimum paid up capital of NPR 8 billion as per NRB Directive no.21. As on the reporting date, the Bank's paid-up capital stood at NPR 15.63 billion (Previous Year 15.63 billion) and is in compliance with the requirement.

5.2.2 Quantitative disclosures

a) Capital Structure and Capital Adequacy

i. Capital Adequacy Ratio

S.n.	Capital Adequacy Ratios	Ratio (%)	
		Ashad 2082	Ashad 2081
a	Common Equity Tier I (CET I) Capital Fund Ratio	8.98	9.62
b	Additional Tier I (AT I) Capital Fund Ratio	-	-
c	Total Core Capital Fund (Tier I) Ratio	8.98	9.62
d	Supplementary Capital Fund (Tier II) Ratio	2.38	1.53
Total Capital Fund to Total Risk Weighted Exposures		11.36	11.15



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Leverage ratio:

Particulars	Amount NPR '000	
	Ashad 2082	Ashad 2081
Exposure Measure	620,592,045	547,139,659
1. On Balance Sheet Assets (Net of Specific Provision)	561,631,831	480,337,830
2. Repurchase Agreements and Securities Finance	-	-
3. Derivatives	-	-
4. Off Balance Sheet Exposure	58,960,214	66,801,829
Less: Regulatory Deductions from CET1 Capital (CAF 2.7 B.I.b)	995,793	1,283,437
Capital Measure	28,686,914	26,946,499
1. Common Equity Tier 1 Capital (After Regulatory Adjustment)	28,686,914	26,946,499
2. Additional Tier 1 Capital	-	-
Leverage Ratio in Percentage	4.63	4.94

Components of Capital fund:

Core Capital (Tier 1) Fund and breakdown of its Components:

S.n.	Common Equity Tier I (CET I) Capital Fund	Amount NPR'000	
		Ashad 2082	Ashad 2081
a.	Paid up Equity Share Capital	15,637,377	15,637,377
b.	Equity Share Premium	-	-
c.	Proposed Bonus Equity Shares	-	-
d.	Statutory General Reserves	12,408,907	11,828,017
e.	Retained Earnings	(850,273)	(1,222,153)
f.	Un-audited current year cumulative profit/(loss)	-	-
g.	Capital Redemption Reserves	-	1,500,000
h.	Capital Adjustment Reserves (Capital Reserve Fund created as per direction of finance ministry in connection with condition related to loan waiver and reimbursement as per Small and Cottage Industries Loan Waiver Guidelines 2065)	481,196	481,196
i	Debenture Redemption Reserve	2,000,000	
j	Dividend Equalization Reserves	-	-
k	Bargain Purchase Gain	-	-
l	Other free Reserves	5,500	5,500
m	Less: Goodwill	-	-
n	Less: Intangible Assets	53,025	31,922
o	Less: Fictitious Assets	-	-
p	Less: Investment in equity of Licensed Financial Institutions	-	-
q	Less: Investment in equity of institutions with Financial Interests	921,505	1,230,252
r	Less: Investment in equity of institutions in excess of the limits	-	-
s	Less: Investments arising out of Underwriting Commitments	-	-
t	Less: Reciprocal crossholdings	-	-
u	Less: Purchase of Land and Buildings in excess of limit and unutilized	21,263	21,263
v	Less: Cash Flow Hedge	-	-
w	Less: Defined Benefit Pension Assets	-	-
x	Less: Unrecognized Defined Benefit Pension Liabilities	-	-
y	Less: Negative Balances of reserve accounts	-	-
z	Less: Other Deductions	-	-



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



S.n.	Common Equity Tier I (CET I) Capital Fund	Amount NPR'000	
		Ashad 2082	Ashad 2081
	Adjustment under Pillar II	-	-
	Less: Shortfall in Provision (6.4a 1)	-	-
	Less: Loans and Facilities extended to Related Parties and Restricted Lending (6.4a 2)	-	-
	Total Common Equity Tier I (CET I) Capital Fund	28,686,914	26,946,499

Additional Tier I Capital Fund and breakdown of its Components:

S.N.	Additional Tier I (AT) Capital Fund	Amount NPR'000	
		Ashad 2082	Ashad 2081
a.	Perpetual Non-cumulative Preference Share Capital	-	-
b.	Perpetual Debt Instruments	-	-
c.	Stock Premium	-	-
	Total Additional Tier I (AT I) Capital Fund	-	-

Supplementary (Tier 2) Capital and breakdown of its Components:

S.n.	Supplementary (Tier II) Capital Fund	Amount NPR'000	
		Ashad 2082	Ashad 2081
a.	Cumulative and/or Redeemable Preference Shares	-	-
b.	Sub-ordinated Term Debt	3,000,000	1,000,000
c.	Hybrid Capital Instruments	-	-
d.	Stock Premium	-	-
e.	General Loan Loss Provision	3,618,746	3,111,977
f.	Exchange Equalization Reserve	133,329	122,475
g.	Investment Adjustment Reserve	39,846	15,791
h.	Accrued Interest Receivable on pass loan included in Regulatory Reserve	375,094	-
i.	Interest Capitalized Reserve included in Regulatory Reserve	390,780	-
j.	Other Reserves	45,112	45,112
	Total Supplementary (Tier II) Capital Fund	7,602,906	4,295,355

Total Capital Fund:

S.n.	Capital Funds	Amount NPR'000	
		Ashad 2082	Ashad 2081
a.	Common Equity Tier I Capital Fund (CET I)	28,686,914	26,946,499
b.	Additional Tier I Capital Fund (AT I)	-	-
	Total Core Capital Fund (Tier I)	28,686,914	26,946,499
c.	Supplementary Capital Fund (Tier II)	7,602,906	4,295,355
	Total Capital Fund (Tier I + Tier II)	36,289,820	31,241,854



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Deductions from Capital:

Particulars	Amount NPR'000	
	Ashad 2082	Ashad 2081
1. Intangible Assets (Net Value)	53,025	31,922
2. Purchase of Land and Building in Excess of Limit and unutilized	21,263	21,263
3. Investment in equity of institutions with Financial Interests	921,505	1,230,252
- RBB Merchant Banking Ltd	200,000	200,000
- Nepal Digital payment company	151,111	151,111
- National Life Insurance Co. Ltd.	115,585	115,585
- NECO Insurance Ltd.	215,888	215,888
- Nepal Stock Exchange	37,976	346,723
- Balaju Yentrasala Pvt Ltd	945	945
- RBB Securities Company Limited	200,000	200,000
Total deduction from Capital	995,793	1,283,437

ii. Summary of Bank's internal approach to assess the adequacy of capital to support current and future activities, if applicable

To ensure that the Bank's capital adequacy commensurate to demand of the Bank's capital required by the business planning, the Management and the Board prudently and proactively engage on ongoing process of capital and risk assessment, stress testing and scenarios testing, monitoring and reporting as per the ICAAP 2015.

The Bank follows "Stress Testing Guidelines 2012" issued by Nepal Rastra Bank in order to assess of the vulnerability of the Bank under various stress situations typically, application of "what if" scenarios, especially in the problematic identification of low frequency but high severity events and identifying expected and unexpected losses. It focuses on capturing the impact of large, but still plausible events and understanding the overall risk profile in a coherent and consistent framework, including impact analysis on earnings, solvency and liquidity.

A formal monitoring and reporting mechanism have been established to provide the senior management necessary information on the risk profile, trends, and the capital requirements as per ICAAP 2015 and Stress Testing Guidelines. Such reports are being prepared on a monthly and quarterly basis and circulated to relevant business units/departments, Risk Management and Credit Department, and tabled in Assets Liability Committee (ALCO) meeting. Further quarterly reports are presented to the Risk Management Committee and the Board for review and discussions.

iii. Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments

Ordinary share capital: The Bank has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Bank, holder of equity shares will be entitled to receive remaining assets of the Bank after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



b) Risk Exposures

i. Risk weighted exposures for Credit Risk, Market Risk and Operational Risk

S.n.	Risk Weighted Exposures	Amount NPR'000	
		Ashad 2082	Ashad 2081
a.	Credit Risk	289,499,654	248,958,184
b.	Operational Risk	16,271,414	15,443,799
c.	Market Risk	346,269	393,561
Total Risk Weighted Exposures (Before Banks adjustment of Pillar II)		306,117,337	264,795,543
Adjustment under Pillar II		-	-
	Add: ALM Policies and Practices are not satisfactory, add 1 % of net interest income to RWE	-	-
	Add:% of Total Deposit RWE due to insufficient Liquid Assets (6.4a 6)	-	-
	Add: 4% of Gross total Income of Previous Financial Year for Inadequate Operational Risk Management Process (6.4a 7)	4,197,713	4,824,385
	Add: 4 % of the total Risk Weighted Exposures for unsatisfactory overall risk management policies and procedures (6.4a 9)	9,183,520	10,591,822
	Add: 3% of the total RWE due to noncompliance to disclosure requirement (6.4a 10)	-	-
Total Risk Weighted Exposures (After Banks adjustment of Pillar II)		319,498,570	280,211,750

Handwritten signatures and blue circular stamps are visible on the page, indicating approval or audit. The stamps include:

- A blue circular stamp for "R.S.M.A. Associates" with "Chartered Accountants" and "Kathmandu" written around the border.
- A blue circular stamp for "B.P.S. Neupane & Co." with "Chartered Accountants" and "Kathmandu, Nepal" written around the border.
- A blue circular stamp for "P.L.R.G. Associates" with "Chartered Accountants" and "Kathmandu" written around the border.



Rastrriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Credit Risk Weighted Exposure Calculation Table

Particulars	Ashaadh 2082				
	Book Value	Specific Provision	Eligible CRM	Net Amount	Risk Weight
	(a)	(b)	(c)	(d) = (a) - (b) - (c)	(e)
On Balance Sheet Transactions					
Cash Balance	7,561,499.87	-	-	7,561,499.87	0%
Balance with Nepal Rastra Bank (NRB)	56,906,901.27	-	-	56,906,901.27	0%
Gold	48.70	-	-	48.70	0%
Investments in Nepalese Government Securities	91,165,266.05	-	-	91,165,266.05	0%
All Claims on Government of Nepal	745,381.34	-	-	745,381.34	0%
Investments in Nepal Rastra Bank Securities	-	-	-	-	0%
All Claims on Nepal Rastra Bank	50,038,756.16	-	-	50,038,756.16	0%
Claims on Foreign Government and Central Banks (ECA rating 0-1)	-	-	-	-	0%
Claims on Foreign Government and Central Banks (ECA rating 2)	-	-	-	-	20%
Claims on Foreign Government and Central Banks (ECA rating 3)	-	-	-	-	50%
Claims on Foreign Government and Central Banks (ECA rating 4 - 6)	-	-	-	-	100%
Claims on Foreign Government and Central Banks (ECA rating 7)	-	-	-	-	150%
Claims on BIS, IMF, ECB, EC and on Multilateral Development Banks (MDBs) recognized by framework	-	-	-	-	0%
Claims on other Multilateral development bank	-	-	-	-	100%
Claim on Domestic Public sector Entities	549,888.92	14,983.28	-	534,905.64	100%
Claims on Public Sector Entities (ECA rating 0-1)	-	-	-	-	20%
Claims on Public Sector Entities (ECA rating 2)	-	-	-	-	50%
Claims on Public Sector Entities	-	-	-	-	100%

R.S.M.A. Ass
Chartered Accountant
Kathmandu
Nepal

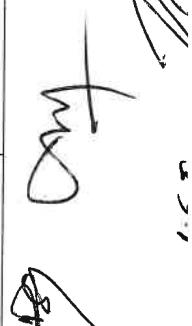
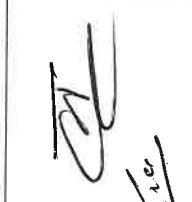
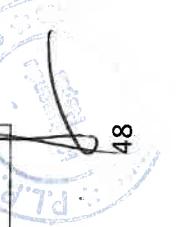
R.S.M.A. Ass
Chartered Accountant
Kathmandu
Nepal



Rastrriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Particulars	Book Value	Specific Provision	Eligible CRM	Net Amount	Risk Weight	Risk Weighted Exposures
(ECA rating 3-6)						
Claims on Public Sector Entities	-	-	-	-	150%	-
(ECA rating 7)						
Claims on Domestic Banks that meet Capital Adequacy Requirements	27,464,263.37	-	-	27,464,263.37	20%	5,492,852.67
Claims on Domestic Banks that do not meet Capital Adequacy Requirements	-	-	-	-	100%	-
Claims on Foreign Banks (ECA rating 0-1)	612,300.47	-	-	612,300.47	20%	122,460.09
Claims on Foreign Banks (ECA rating 2)	-	-	-	-	50%	-
Claims on Foreign Banks (ECA rating 3-6)	-	-	-	-	100%	-
Claims on Foreign Banks (ECA rating 7)	-	-	-	-	150%	-
Claims on Foreign Banks established in SAARC Region with buffer capital of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	100%	-
Claims on Domestic Corporates (Unrated)	99,392,884.29	-	40,000.00	99,352,884.29	100%	99,352,884.29
Claims on Foreign Corporates (ECA rating 0-1)	-	-	-	-	20%	-





Rastrriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Particulars	Book Value	Specific Provision	Eligible CRM	Net Amount	Risk Weight	Risk Weighted Exposures
Claims on Foreign Corporates (ECA rating 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA rating 3 -6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA rating 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	130,573,146.17	28,485,879.27	102,087,266.90	-	75%	76,565,450.17
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-
Claims Secured by Residential Properties	30,121,214.60	-	30,121,214.60	-	60%	18,072,728.76
Claims not fully Secured by Residential Properties	-	-	-	-	150%	-
Claims Secured by Residential Properties (Overdue)	339,027.86	189,136.34	-	149,891.51	100%	149,891.51
Claims Secured by Commercial Real Estate	4,352,249.28	-	-	4,352,249.28	100%	4,352,249.28
Past due Claim (Except for claims secured by Residential Properties)	11,357,413.42	8,989,176.60	109,022.17	2,259,214.65	150%	3,388,821.97
High Risk Claims	10,196,788.94	-	71,333.35	10,125,455.59	150%	15,188,183.39
Lending against securities (bonds)	-	-	-	-	100%	-
Lending against Shares	6,143,410.45	-	-	6,143,410.45	100%	6,143,410.45
Trust Receipt Loans for Trading Firms	1,065,818.30	-	-	1,065,818.30	120%	1,278,981.96
Real Estate loans for land acquisition and development (For institutions/projects registered/ licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	100%	-
Personal Hire Purchase/	4,560,949.92	-	-	4,560,949.92	100%	4,560,949.92





Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2008/09

Particulars	Ashadh 2082				
	Book Value	Specific Provision	Eligible CRM	Net Amount	Risk Weight
					Risk Weighted Exposures
Personal Auto Loans					
Investments in equity and other capital instruments of institutions listed in Stock Exchange	2,475,634.85	-	-	2,475,634.85	100%
Investments in equity and other capital instruments of institutions not listed in Stock Exchange	91,156.68	-	-	91,156.68	150%
Staff Loans secured by residential properties	6,011,364.02	-	-	6,011,364.02	50%
Interest Receivable/Claims on Government securities	1,107,906.28	-	-	1,107,906.28	0%
Cash in transit and Other cash items in the process of collection	13,225.51	2,363.19	-	10,862.32	20%
Other Assets (as per attachments)	54,018,661.36	27,033,460.50	-	26,985,200.86	100%
Total	596,865,158.06	36,229,119.92	28,706,234.78	531,929,803.36	267,809,195.31





Rastrriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Off Balance sheet Exposures:

Particulars	Ashadh 2082					
	Book Value	Specific Provision	Eligible CRM	Net Amount	Risk Weight	Risk Weighted Exposures
	(a)	(b)	(c)	(d) = (a)-(b)-(c)	(e)	(f) = (d)*(e)
Off Balance Sheet Transactions						
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments with Original Maturity Upto 6 months- Domestic counterparty	1,279,519.47	-	761,832.07	517,687.40	20%	103,537.48
-Foreign Counterparty (ECA 0-1)	-	-	-	-	20%	-
-Foreign Counterparty (ECA 2)	-	-	-	-	50%	-
-Foreign Counterparty (ECA 3 -6)	-	-	-	-	100%	-
-Foreign Counterparty (ECA 7)	-	-	-	-	150%	-
LC Commitments with Original Maturity Over 6 months- Domestic counterparty	619,229.31	-	619,229.31	-	50%	309,614.66
-Foreign Counterparty (ECA 0-1)	-	-	-	-	20%	-
-Foreign Counterparty (ECA 2)	-	-	-	-	50%	-
-Foreign Counterparty (ECA 3 -6)	-	-	-	-	100%	-
-Foreign Counterparty (ECA 7)	-	-	-	-	150%	-
Bid Bid, Performance Bond and Counter Guarantee- Domestic Counterparty	13,128,877.94	-	467,712.08	12,661,165.86	40%	5,064,466.34
-Foreign Counterparty (ECA 0-1)	-	-	-	-	20%	-
-Foreign Counterparty (ECA 2)	-	-	-	-	50%	-
-Foreign Counterparty (ECA 3 -6)	-	-	-	-	100%	-
-Foreign Counterparty (ECA 7)	-	-	-	-	150%	-
Underwriting Commitments	-	-	-	-	50%	-
Lending of Banks Securities or Posting of Securities as Collateral	-	-	-	-	100%	-
Repurchase agreements, assets sale with recourse	-	-	-	-	100%	-
Advance Payment Guarantee	1,650,717.55	-	-	1,650,717.55	100%	1,650,717.55

R.S.M.A. Associates
Chartered Accountants
Kathmandu, Nepal

R.S. Neupane & Co. * SJS
* Chartered Accountants
Kathmandu, Nepal
Chait.

Off Balance sheet Exposures:

23/9/2023
R.S. Neupane & Co. * SJS
* Chartered Accountants
Kathmandu, Nepal
Chait.

23/9/2023
R.S. Neupane & Co. * SJS
* Chartered Accountants
Kathmandu, Nepal
Chait.

51



Raatriya Baniija Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2008/82

Particulars	Ashadh 2082				
	Book Value	Specific Provision	Eligible CRM	Net Amount	Risk Weight
Financial Guarantee	3,106,733.50	-	-	3,106,733.50	100%
Acceptances and Endorsements	-	-	-	-	100%
Unpaid Portion of Partly paid shares and securities	-	-	-	-	100%
Irrevocable Credit Commitments (short term)	34,649,683.09	-	-	34,649,683.09	20%
Irrevocable Credit Commitments (long term)	-	-	-	-	50%
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%
Other Contingent Liabilities	4,525,452.77	-	-	4,525,452.77	100%
Unpaid Guarantee Claims	-	-	-	-	200%
Total	58,960,213.63	-	1,229,544.15	57,730,669.48	21.690,458.92

Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Operational Risk Weighted Exposure



Particulars	Preceding Three Financial Years		Amount
	78/79	79/80	
Net Interest Income	9,295,948.05	11,816,225.54	10,030,240.60
Commission and Discount Income	670,258.37	664,498.21	726,051.03
Other Operating Income	993,966.49	790,512.80	737,381.81
Exchange Fluctuation Income	27,267.67	(2,850.08)	51,190.57
Addition/ Deduction in Interest Suspense during the Period			
Gross Total Income (a)	10,987,440.57	13,268,386.47	11,544,864.00
Alfa (Given Percentage) (b)	15%	15%	15%
Fixed Percentage of Gross Income (c) = (a)* (b)	1,648,116.09	1,990,257.97	1,731,729.60
Capital Requirement for Operational Risk (d) = Average of (c)			1,790,035
Risk Weight (Reciprocal of Capital Requirement) (e)			9.09
Equivalent Risk Weighted Exposure (f) = (d) * (e)			16,271,414
Pillar II Adjustments:			
Capital Charge for Inadequate Operational Risk Management Process- 4% of Gross Average Income			461,795
If Gross Income for all the last three years is negative (6.4a8)			
Total Credit and Investments (net of Specific Provisions)			
Capital Requirement for Operational Risk (5%)			
Risk Weight (Reciprocal of Capital Requirement 11%) in times			9.09
Equivalent Risk Weighted Exposure (g)			4,197,713
Equivalent Risk Weighted Exposure (h) = (f) + (g)			20,469,127



✓ ✓ ✓ ✓ ✓

✓ ✓ ✓ ✓ ✓

✓ ✓ ✓ ✓ ✓

✓ ✓ ✓ ✓ ✓

Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Market Risk Weighted Exposure

S N	Particulars	32 Ashad 2082			Foreign Currency Relevant Net Open Position (NPR)
		Open Position (Foreign Currency)	Open Position (NPR)	Foreign Currency Relevant Net Open Position (Foreign Currency)	
1	INR	148,986	238,377	148,986	238,377
2	USD	2,647	363,435	2,647	363,435
3	GBP	19	3,556	19	3,556
4	EUR	597	94,539	597	94,539
5	JPY	32,977	30,339	32,977	30,339
6	AUD	148	13,181	148	13,181
7	CAD	27	2,709	27	2,709
8	CHF	19	3,257	19	3,257
9	SGD	13	1,343	13	1,343
10	DKK	0	4	0	4
11	SAR	82	2,982	82	2,982
12	QAR	20	736	20	736
13	AED	6	203	6	203
14	THB	36	151	36	151
15	MYR	62	1,958	62	1,958
16	CNY	98	1,830	98	1,830
17	HKD	95	1,657	95	1,657
18	KWD	3	1,437	3	1,437
19	KRW	944	93	944	93
20	BHD	0	81	0	81
Total Open Position (a)		186,779	761,868	186,779	761,868
Fixed Percentage (b)					5%
Capital Charge for Market Risk (c) = (a) * (b)					38,093
Risk Weight (Reciprocal of Capital Requirement) (d) 100/10					9.09
Risk Weighted Exposure for Market Risk (e) = (c) * (d)					346,269

c) Details of Loan Classification

Particulars	Current Year			Previous Year		
	Gross Loan O/S	Loan loss Provision	Net Loan O/S	Gross Loan O/S	Loan loss Provision	Net Loan O/S
Pass	272,050,673,620	3,065,664,365	268,985,009,255	231,167,739,536	2,977,266,453	228,190,473,08
Watchlist	25,156,398,507	1,522,152,051	23,634,246,456	19,423,304,607	1,030,924,107	18,392,380,49
Restructured / Reschedule	246,012,384	30,751,548	215,260,836	1,196,550,879	149,568,860	1,046,982,01
Substandard	1,755,330,584	454,277,146	1,301,053,438	1,087,592,112	265,990,747	821,601,36
Doubtful	1,551,619,382	771,892,827	779,726,555	3,245,451,111	1,614,559,094	1,630,892,01
Loss	8,143,478,927	7,921,391,426	222,087,501	5,673,305,136	5,490,676,428	182,628,70
Total	308,903,513,404	13,766,129,362	295,137,384,042	261,793,943,380	11,528,985,689	250,264,957,691



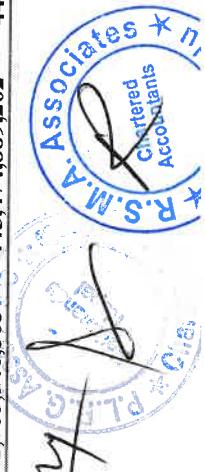


Rastrya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

5.3 Classification of financial assets and financial liabilities

Financial assets		Notes	Carrying Value	Fair value	Carrying Value	Fair value
			As on 32 Ashad 2082	As on 32 Ashad 2082	As on 31 Ashad 2081	As on 31 Ashad 2081
Assets						
Assets carried at Amortised Cost						
Cash and cash equivalent	4.1	24,419,430,397	24,419,430,397	13,829,176,338	13,829,176,338	13,829,176,338
Due from Nepal Rastra Bank	4.2	56,906,901,268	56,906,901,268	35,651,222,900	35,651,222,900	35,651,222,900
Placement with Bank and Financial Institutions	4.3	-	-	-	-	-
Loan and advances to B/FIs	4.6	10,184,824,564	10,184,824,564	11,951,002,615	11,951,002,615	11,951,002,615
Loans and advances to customers	4.7	292,337,157,586	292,337,157,586	245,595,467,455	245,595,467,455	245,595,467,455
Investment securities	4.8	143,238,663,970	143,238,663,970	147,091,758,023	147,091,758,023	147,091,758,023
Other Assets		989,477,022	989,477,022	1,048,619,217	1,048,619,217	1,048,619,217
Fair Value through Profit and Loss (FVTPL)		528,076,454,807	528,076,454,807	455,167,246,548	455,167,246,548	
Derivative financial instruments.	4.4	5,432,885,520	5,432,885,520	3,750,229,152	3,750,229,152	3,750,229,152
Fair Value through Other Comprehensive Income (FVTOCI)						
Investment securities	4.8	4,852,054,497	4,852,054,497	4,519,317,151	4,519,317,151	4,519,317,151
Investment in subsidiaries	4.10	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
Investment in Associates	4.11	885,192,163	885,192,163	884,906,463	884,906,463	884,906,463
Total Financial Assets		6,137,246,660	6,137,246,660	5,804,223,614	5,804,223,614	
Liabilities						
Liabilities carried at Amortised Cost						
Due to Bank and Financial Institution	4.17	2,376,073,972	2,376,073,972	1,527,086,917	1,527,086,917	1,527,086,917
Due to Nepal Rastra Bank	4.18	-	-	-	-	-
Deposits from customers	4.20	500,414,680,516	500,414,680,516	429,187,763,750	429,187,763,750	429,187,763,750
Borrowing	4.21	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Other liabilities	4.23	8,510,659,884	8,510,659,884	8,464,256,344	8,464,256,344	8,464,256,344
Debt securities issued	4.24	5,000,582,191	5,000,582,191	2,500,582,191	2,500,582,191	2,500,582,191
Fair Value through Profit and Loss (FVTPL)		516,361,996,563	516,361,996,563	441,739,689,202	441,739,689,202	
Derivative financial instruments	4.19	5,423,350,000	5,423,350,000	3,735,200,000	3,735,200,000	3,735,200,000
Total Financial Liabilities		521,785,346,563	521,785,346,563	445,474,889,202	445,474,889,202	



2077/78
R.S.M. Associates
Chartered Accountants

2077/78
R.S.M. Associates
Chartered Accountants

2077/78
R.S.M. Associates
Chartered Accountants

Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.4 Fair Value Hierarchy of Financial Assets and Financial Liabilities

Amount in NPR

Particulars	Fair value Hierarchy	As on 32 Ashadh 2082	As on 31 Ashadh 2081		
	(Level)				
Fair Value through profit and loss					
Financial Assets					
Forward exchange Contract held for trading		5,432,885,520	3,750,229,152		
Financial Liabilities					
Forward exchange Contract held for trading		5,423,350,000	3,735,200,000		
Fair Value through Other Comprehensive Income					
Financial assets					
Investment securities at OCI					
- Quoted equity securities(ordinary)	1	1,711,870,534	735,004,228		
Promoter Shares	3	1,592,962,117	2,339,519,876		
Mutual Fund	1	1,230,752,782	1,157,599,762		
- Unquoted equity securities	3	316,469,064	287,193,285		
Total		4,852,054,497	4,519,317,151		
Financial Instruments held at amortised cost					
		As on 32 Ashadh 2082	As on 31 Ashadh 2081		
Financial assets					
Cash and cash equivalent	1	24,419,430,397	13,829,176,338		
Due from Nepal Rastra Bank	1	56,906,901,268	35,651,222,900		
Debt securities	3	926,735,479	926,635,802		
Government bonds	3	55,947,035,189	38,765,155,261		
Government treasury bills	2	36,326,137,138	47,390,103,946		
Nepal Rastra Bank bonds	3	50,038,756,164	-		
Loan and advances to B/FIs	3	10,184,824,564	11,951,002,615		
Loans and advances to customers	3	292,337,157,586	245,595,467,455		
Other Assets	3	989,477,022	1,048,619,217		
Total		528,076,454,807	395,157,383,534		
Financial liabilities					
Due to Bank and Financial Institutions	3	2,376,073,972	1,527,086,917		
Due to Nepal Rastra Bank	3	5,423,350,000	3,735,200,000		
Deposits from customers	3	500,414,680,516	429,187,763,750		
Borrowing	3	60,000,000	60,000,000		
Other liabilities	3	12,050,801,158	14,580,911,877		
Debt securities issued	3	5,000,582,191	2,500,582,191		
Subordinated Liabilities	3	-	-		
Total		525,325,487,837	451,591,544,735		



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Valuation Techniques

Nature of Investment	Valuation Approach	Basis of Valuation
Equity – Quoted: Public Share	Market Based	Prevailing Market Price as on Ashad end 2082
Equity – Quoted: Promoter Share (With trading data)	Market Based	Prevailing Market Price as on Ashad end 2082
Equity – Quoted: Promoter Share (With no trading data)	Market Based	As a percentage of price of promoter share over ordinary shares of similar banks traded in the market
Equity - Unquoted	Market and Income Based	Simple Average of NAV and CEM
Mutual Fund – Quoted (With trading data)	Market Based	Prevailing Market Price as on Ashad end 2082
Mutual Fund – Quoted (Without trading data)	Market Based	Net Asset Value (NAV) published by the fund as on Ashad end 2082
Mutual Fund - Unquoted	Asset Based	Net Asset Value (NAV) published by the fund as on Ashad end 2082
Subsidiaries-Equity Shares		Cost Price
Subsidiaries- Preference Shares	Market and Income Based	Simple Average of value determined as per NAV and CEM
Associates	Asset Based	Value Determined as per Equity Method





Rastrriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

5.5 Segment Analysis

5.5.1 General Information

The Bank's segmental reporting is in accordance with NFRS 8, Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the bank's management committee, which is responsible for allocating resources and assessing performance of the operating segments.

5.5.2 Information about profit or loss, assets and liabilities

Particulars	Koshi Province	Madhesh Province	Bagmati Province	Gandaki Province	Lumbini Province	Karnali Province	Sudurpaschim Province	Total
Revenue from external customers	2,864,957,203	2,108,477,204	19,493,697,947	1,770,798,285	2,362,240,451	982,193,245	1,067,622,807	30,649,987,142
Interest segment revenues	-	-	-	-	-	-	-	-
Net Revenue	2,864,957,203	2,108,477,204	19,493,697,947	1,770,798,285	2,362,240,451	982,193,245	1,067,622,807	30,649,987,142
Interest Revenue	2,615,037,378	1,960,747,867	16,974,392,585	1,645,336,803	2,166,178,279	888,144,521	959,207,682	27,209,045,115
Interest Expenses	2,270,062,400	1,581,392,105	9,097,646,867	1,179,590,213	1,845,446,147	389,046,507	688,882,682	17,055,066,921
Net Interest revenue	344,974,978	376,355,762	7,876,745,718	465,746,590	320,732,132	499,098,014	270,325,000	10,153,978,194
Depreciation and amortization	66,502,305	57,443,901	332,229,336	32,431,794	47,752,182	20,308,918	25,726,485	582,394,921
Segment profit/(loss) before tax	(176,271,772)	(47,134,204)	3,809,465,214	124,891,212	(104,900,530)	327,637,134	78,502,069	4,011,889,123
Entity's interest in the profit or loss of associates	-	-	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-	-	-
Segment assets	39,720,215,417	28,441,890,867	432,756,634,354	24,185,380,965	33,212,303,173	12,766,410,311	14,559,625,446	585,645,960,533
Segment liabilities	69,842,180,116	55,327,618,967	281,093,229,909	32,250,911,602	55,708,710,130	14,845,574,941	24,398,840,687	533,467,066,352

PLRC Association Co. * B.R.S Nepal * Chartered Accountants
 R.S.M.A. Association Kathmandu Nepal
 Chartered Accountants

84
 97
 23

Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.5.3 Reconciliation of reportable segment revenues, profit or loss, Assets and liabilities for FY 2081/82

	Revenue	Amount (NPR)
Total revenue for reportable segments		30,649,987,142
Other revenues		-
Elimination of intersegment revenues		-
Entity's revenues		30,649,987,142
Profit or loss		
Total profit or loss for reportable segment		4,011,889,123
Other profit or loss		-
Elimination of intersegment profits		-
Unallocated amount		-
Profit before income tax		4,011,889,123
Assets		
Total assets for reportable segments		585,645,960,533
Other assets		-
Unallocated amounts		-
Entity's assets		585,645,960,533
Liabilities		
Total liabilities for reportable segments		533,467,066,352
Other liabilities		-
Unallocated liabilities		-
Entity's liabilities		533,467,066,352

5.5.4 Information about major customers

The bank does not have any major customers which accounts for more than 10% of entity's revenue.

5.6 Share Options and Share based Payment

The Bank do not have a policy for share options to its employees. Similarly, during the year the Bank has not made any payments or settlements by issuing new shares to its employees.

5.7 Contingent Liabilities and Commitment

Details of contingent liabilities and commitments are given in note 4.28.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.7.1 Income Tax Liability

The Bank has submitted its self-assessed tax returns under section 96 of the Income Tax Act, 2058 up to fiscal year 2080/81. The Bank has received tax reassessment orders from the Large Taxpayers' Office (LTO) from fiscal year 2059/60 to 2077/78.

The Bank has received Supreme Court decisions for the fiscal years 2059/60 to 2064/65 on Falgun 8, 2079 after previous appeals to lower judiciaries at Inland Revenue Office (IRD) for administrative review and subsequently to the Revenue Tribunal Kathmandu. The determination of final reassessment liability after considering the supreme court decision (fiscal years 2059/60 to 2064/65) from the tax office (LTO) is yet to be received.

For the fiscal years 2065/66 to 2071/72, the Bank had appealed to the Revenue Tribunal Kathmandu on Baisakh 1, 2076 against the administrative orders issued by IRD. Thereafter, Revenue Tribunal Kathmandu has issued its decision on Bhadra 31, 2080. An appeal has been filed by IRD against the decision of Revenue Tribunal for the fiscal years 2065/66 to 2071/72 which are still to be decided in the Tribunal.

Cases from the fiscal years 2072/73 to 2074/75 are pending at Revenue Tribunal and for the subsequent fiscal years 2075/76, 2076/77 and 2077/78, an application for the administrative review has been filed at Inland Revenue Department (IRD).

Financial year	Decision / Case pending at	Tax Liability determined by Tax Office	Contingent Tax Liability
FY 2059/60	Supreme Court Decision	40,154,866	40,154,866
FY 2060/61	Supreme Court Decision	409,489,869	21,240,680
FY 2061/62	Supreme Court Decision	821,596,136	11,113,993
FY 2062/63	Supreme Court Decision	221,515,010	7,290,746
FY 2063/64	Supreme Court Decision	426,583,383	29,340,676
FY 2064/65	Supreme Court Decision	492,997,665	13,198,836
FY 2065/66	Revenue Tribunal Decision	537,739,842	114,418
FY 2066/67	Revenue Tribunal Decision	682,662,120	5,397,570
FY 2067/68	Revenue Tribunal Decision	311,560,379	-
FY 2068/69	Revenue Tribunal Decision	523,483,701	-
FY 2069/70	Revenue Tribunal Decision	649,453,255	-
FY 2070/71	Revenue Tribunal Decision	385,783,898	164,285,783
FY 2071/72	Revenue Tribunal Decision	1,466,345,521	233,573,595
FY 2072/73	Revenue Tribunal	553,695,713	553,406,543
FY 2073/74	Revenue Tribunal	137,477,929	137,032,189
FY 2074/75	Revenue Tribunal	798,554,016	798,512,187
FY 2075/76	Administrative Review	1,324,533,941	1,324,419,985
FY 2076/77	Administrative Review	495,215,005	493,832,238
FY 2077/78	Administrative Review	4,159,238	2,230,427
Total		10,283,001,487	3,835,144,732



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.7.2 Status of legal cases filed in Debt Recovery Tribunal for loan recovery

During FY 2081/82 Bank has filed one case at Debt Recovery Tribunal. The bank had filed a total of 920 cases on Debt Recovery Tribunal from FY 2060/61 to 2081/82 for recovery of amount Rs. 13,499,982,579, which comprises, loan of Rs 3,405,035,885 and interest of Rs 10,094,946,693. Out of the total litigations initiated, 799 cases were settled amounting Rs. 9,509,771,070 which includes principal of Rs 2,400,221,442 and interest of Rs 7,107,970,425. 74 Cases were decided amounting to Rs. 1,709,900,732 with principal of Rs 302,963,940 and interest of amount Rs 1,406,936,792 and seven legal cases are still in process amounting Rs 117,232,212. Decision of DRT on two cases were not in favor of the bank amounting Rs 73,592,329 and two cases were withdrawn. Also, property has been fully or partially auctioned in 36 number of cases.

5.7.3 Status of legal cases filed in other forum

During FY 2081/82, Departmental action was initiated against two employees and no employees were suspended from their job on account of a banking offense & punishment. Clarification was sought from two employees. Further, departmental action was concluded against seven employees.

In FY 2081/82, 98 cases were under process at various forums, out of which 90 cases were newly registered in FY 2081/82. Decisions have been received on 26 cases till 32 Ashad 2082, out of which 6 cases have been decided from Supreme Court till 32 Ashad, 2082.

5.8 Related Party Disclosures

The Bank identifies the following as the related parties under the requirements of NAS 24.

SN	Name	Relationship	Remarks
1	RBB Merchant Banking Company Limited	Subsidiary	
2	RBB Securities Company Limited	Subsidiary	
3	Everest Food Limited	Subsidiary	Defunct company
4	Himal Cement Company	Associate	Defunct company
5	Butwal Suti Dhago Udyog	Associate	Defunct company
6	Nepal Digital Payment Co. Ltd.	Associate	
7	Nepal Ban Nigam Limited	Associate	
8	National Life Insurance Company Ltd.	Associate	
9	Nepal Stock Exchange Ltd.	Associate	
10	Neco Insurance Ltd.	Associate	
11	Gorakhkali Rubber Udyog Ltd.	Associate	Defunct company
12	Asha Laghubitta Bittiya Sanstha Ltd.	Associate	
13	Nepal Lube Oil Limited	Associate	

5.8.1 Board Member Allowances and Facilities

The Board of Directors have been paid meeting fees of NPR 1,508,000 during the fiscal year 63 (2705th to 2767th) Board Meetings and 41 Board level sub committees meeting conducted during the fiscal year 2081/82.

The Chairperson and other members of the Board are paid NPR 4,000 per meeting respectively for Board and Board Level Committees meeting. Meeting fees paid to the directors are as follows:

Name of the Director	Position	Meeting Allowance
Dilip Kumar Dhungana	Chairman	224,000
Narayan Prasad Risal	Director	12,000
Mahesh Bhattarai	Director	224,000
Sushil Ghimire	Director	288,000
Laxman Ghimire	Independent Director	328,000

Handwritten signatures and a blue circular stamp are visible on the document. The stamp reads: "B.R.S. Newlane & Co. Chartered Accountants Kathmandu Nepal".



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Name of the Director	Position	Meeting Allowance
Anal raj Bhattarai	Director	4,000
Prof. Dr. Ram Prasad Gyawali	Director	252,000
Romila Dhakal	Director	100,000
Dr. Surya Bahadur Rana	Director	76,000
		1,508,000

In addition to the above meeting allowances, the Board Members have been provided with a monthly allowance of NPR 2,000 for newspapers, NPR 2,500 for telephone and for those directors who are not using transportation facility from the Bank are provided with amount equivalent to 20 liters of fuel.

5.8.2 Amount Paid to Chief Executive Officer

The Board of Directors have appointed Mr. Devendra Raman Khanal as Chief Executive Officer of the Bank with effect from 2081/02/11 for the period of 4 years. The CEO has been paid salary and allowance of NPR. 6,534,510 during the FY 2081/82. CEO has been reimbursed with the communication expense and has been provided vehicle facility for official purpose.

The Salary and benefits paid to the CEO are as follows:

Name	Basic Salary	Provident Fund	Allowance	Bonus & Welfare	Other	Total Payment
Devendra Raman Khanal	3,600,000	360,000	2,343,000	231,510	-	6,534,510

5.8.3 Compensation Details for Key Management Personnel

Key Management Personnel includes members of Management Committee of the Bank and includes the following members;

Name	Designation
Devendra Raman Khanal, Chief Executive Officer	Chairman
Sarswati Adhikari, Deputy Chief Executive Officer	Member
Debesh Prasad Lohani, Deputy Chief Executive Officer	Member
Bimal Dangol, Deputy Executive Officer	Member
Pawan Regmi, Deputy Executive Officer	Member
Vinaya Raman Paudel, Deputy Executive Officer	Member
Durga Kumari Kandel, Deputy Executive Officer	Member
Ram Kumar Thapa, Deputy Executive Officer	Member
Pramod Adhikari, Member Secretary	Member Secretary

The compensation paid to the members of management committee other than the Chief Executive Officer has been shown in table below:

Management Committee members	No.	Short Term Employee Benefits		Defined Retirement Benefits			Total
		Salary and allowances	Bonus	Provident Fund	Welfare fund	Medical Fund	
Deputy CEO, Level 12	2	4,142,023	312,311	213,367	360,410	328,693.92	5,356,805
Deputy Executive Officer, Level 11	5	9,176,628	703,766	467,551	942,550	768,559.00	12,059,053
Member Secretary	1	1,879,001	135,118	92,753	141,968	143,103.24	2,391,944



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82*



Total	15,197,652	1,151,195	773,672	1,444,927	1,240,356	19,807,802
-------	------------	-----------	---------	-----------	-----------	------------

Key Management Personnel are also provided with Staff Loan, vehicle facility, communication and other allowances as per the Staff Byelaws. KMPs are also eligible for Pension and Gratuity, Compensated Leave Absence and Endowment policy as per the Staff Byelaws. Share based payments are not made to any of the Key Management Personnel.

5.8.4 Transaction with Subsidiary

A. RBB Merchant Banking Limited

Particulars	For the year ended 32 Ashad 2082	For the year ended 31 Ashad 2081
Transaction during the year		
Interest paid to subsidiary	1,464,393	607,417
Fees and commission expense	311,298	203,735
Fees and commission income	1,473,000	980,450
Office Administration Income	2,083,748	1,944,899
Balance outstanding at year end		
Share capital	200,000,000	200,000,000
Deposit with the Bank	238,021,144	117,206,595
Investment in Fixed Deposits & Bonds	35,000,000	-
Borrowings	-	-

The subsidiary has paid dividend amounting to NPR. 40,000,000 inclusive of dividend tax during the FY 2081/82. The intra-group related figures have been excluded for presentation of the financial statement of the Group.

B. RBB Securities Company Limited

Particulars	For the year ended 32 Ashad 2082	For the year ended 31 Ashad 2081
Transaction during the year		
Interest paid to subsidiary	-	-
Balance outstanding at year end		
Share capital	200,000,000	200,000,000
Deposit with the Bank	-	200,000,000
Borrowings	-	-



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.8.5 Transaction with Associates

The Bank holds following shareholding in various entities as on 32 Ashadh, 2082. The details of associates of bank as on 32 Ashadh, 2082 are as follows:

SN	Name	Percentage of Holding as on 32 Ashadh, 2082	Remarks
1	Nepal Digital Payment Co. Ltd.	37.78%	
2	Himal Cement Company Limited	26.74%	Defunct company
3	Butwal Suti Dhago Udyog Limited	20.00%	Defunct company
4	Neco Insurance Limited	15%	
5	National Life Insurance Company Limited	10.12%	
6	Asha Laghubitta Bittiya Sanstha Ltd.	8.95%	
7	Nepal Stock Exchange Limited	6.14%	
8	Gorakhkali Rubber Udyog Limited	5.21%	Defunct company
9	Nepal Ban Nigam	3.73%	
10	Nepal Lube Oil Limited	1.61%	

There were no transactions with the associates during the financial year.

5.9 Additional Disclosures of non-consolidated entities

The Bank has 3 subsidiaries as at 32nd Ashadh 2082, out of which subsidiaries RBB Merchant Banking Limited and RBB Securities Company Limited are consolidated for the year ended 32 Ashadh 2082.

Everest Food Limited, is a subsidiary of the Bank was engaged in processing of frozen meat. It is not in operation for a long period and hence has been impaired in the books of accounts. Everest Food Limited has not been considered for Consolidation due to unavailability of data.

Except above, there are no such entities which are required to be consolidated but not done during the year.

Preference shares of Everest Food Limited amounting to NPR. One Crore have been disposed in the previous financial Year 2080/81. The net cash proceeds exclusive of court fees amounting to NPR. 98,44,494.25 was received from the disposal of preference shares.

5.10 Events after reporting date

The Bank monitors and assesses events that may have potential impact to qualify as adjusting and or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

After the reporting date, as on 23 and 24 Bhadra, 2082, various bank branches were subjected to arson, vandalism, and looting by an unidentified group during a series of demonstrations by Gen-Z groups across the country.

Out of 19 branch offices including extension counters majorly two branch offices namely Baneshowr branch and Sukhabandargha, Bhairahawa branch were affected by the incident so occurred.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82.



Details of Loss occurred are as follows:

Branch name	Details of events Occurred	Description of the Damage	Amount of Loss
Baneshowr	Arson, Vandalism, and Looting	Loss of Cash and Physical Assets	51,516,638
		Loss of Gold/Silver weighing 17769.41gms with market value of NPR.18407 per gm	327,081,530
Sukhabandargha, Bhairahawa	Arson and Vandalism	Loss of Cash and Physical Assets	128,754
Total Loss			378,726,922

In accordance with the aforementioned events and collected documents, the loss amount pertaining to cash and gold/silver at the branch offices was submitted to the insurance company by the bank as a claim for indemnity under the bank's Bankers Blanket Indemnity (BBI) insurance policy. The claim was lodged with the concerned insurance company on Date 08 Ashwin, 2082.

NRB Directive 4/080 allows licensed institutions to recognize in distributable profit for the year such interest income on loans and advance to customers that stood accrued at year end but was subsequently recovered in cash within Shrawan End, 2082 i.e. one month after the year-end date. The Bank has not availed such facility.

There are no material events that have occurred subsequent to 32 Ashadh, 2082 till the signing of this financial statement on 04 Poush, 2082.

5.11 Actuarial Assumptions for Employees Benefit

The Group accounts for employee remuneration including short-term benefits, post-employment benefits (Gratuity/Provident Fund), and statutory bonuses in accordance with NAS 19. Employee benefits are recognized on an accrual basis: liabilities are recorded for services rendered to be settled in the future, while corresponding expenses are recognized as the economic benefits are consumed.

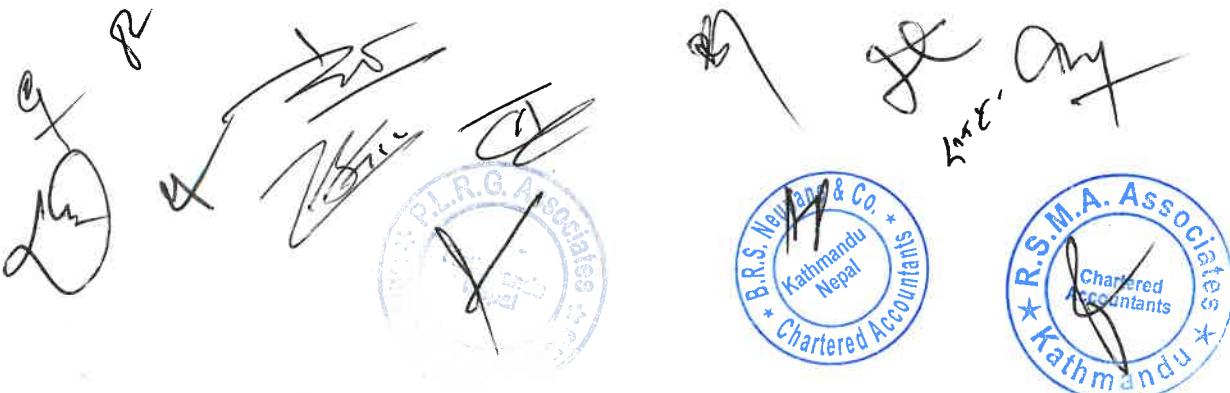
The major actuarial assumptions made for the defined benefit obligation and termination benefit of the employees of the bank are as below:

Actuarial Assumptions for Pension and Gratuity:

Particulars	As on 32 Ashadh 2082	As on 31 Ashadh 2081
Discount rate	9%	9%
Salary escalation rate	6%	6%
Rate of increase in pension levels	3%	3%
Withdrawal rate	5%	5%
Expected return on Plan Assets	9%	9%

Actuarial Assumptions for Endowment Life Insurance Fund

Particulars	As on 32 Ashadh 2082	As on 31 Ashadh, 2081
Discount rate	9%	9%
Salary escalation rate	6%	6%
Withdrawal rate	5%	5%
Expected return on Plan Assets	9%	9%



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Actuarial Assumptions for Leave Plan

Particulars	As on 32 Ashadh 2082	As on 31 Ashadh 2081
Discount rate	9%	9%
Salary escalation rate	6%	6%
Withdrawal rate	5%	5%
Expected return on Plan Assets	9%	9%

Detailed breakdowns are provided in schedule 4.36 of the financial statements of the bank.

5.12 Non-Banking Assets

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

- (i) Their carrying amounts will be recovered principally through sale;
- (ii) They are FVTOCI in their present condition; and
- (iii) Their sale is highly probable. Non-Banking Assets (NBA) has been shown under investment property. It has been recognized at lower of fair value or amount due at the time of assumption of NBA.

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

Name of Borrower	NBA assumed date	As on Ashadh end 2082	As on Ashadh end 2081
Gopal Bahadur	2047.03.20	10,000	10,000
Yetis Creation	2061.09.23	17,716,875	17,716,875
Sai Khadya Bhandar	2061.09.28	550,500	550,500
Biki General Suppliers	2062.06.21	235,000	235,000
Keshari Hardware Stores	2062.06.21	143,269	143,269
Birkirant Group	2062.08.22	27,317,000	27,317,000
Kumari Hardware	2063.04.03	404,000	404,000
Krishna	2076.03.31	61,129,666	61,129,666
Jay Buddha International	2078.01.27	16,653,000	16,653,000
Manisha Milan Traders	2078.05.10	4,308,311	4,308,311
Dibya Dipika Store	2078.05.31	3,517,116	3,517,116
New Devkota General Stores	2078.11.29	1,073,947	1,073,947
Rupa Traders	2079.03.01	44,208,257	44,208,257
Aakriti Verities Bhada Pasal	2079.09.07	-	7,939,898
Universal Lether Industries Ltd	2081.01.10	63,240,750	63,240,750
Everest Trade & Suppliers	2081.02.01	3,365,392	3,365,392
Dhankuta Nirman Sewa	2081.02.18	3,375,127	3,375,127
Arun Kirana Pasal	2081.03.06	2,786,000	2,786,000
Chariland Brothers Construction & Suppliers Company Pvt. Ltd.	2081.03.06	3,264,000	3,264,000
Hotel Fagu Purnima	2081.03.06	21,353,000	21,353,000
Nati Construction	2081.03.06	2,974,000	2,974,000
Prasanta Cycle Pasal	2081.03.06	3,200,000	3,200,000
Gopal Trade & Suppliers	2081.03.07	12,743,260	12,743,260
Lalita General Store	2081.03.20	4,492,789	4,492,789
Doma Kirana and Cosmetic Pasal	2081.12.07	14,795,841	-



Om
L.K.E



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Name of Borrower	NBA assumed date	As on Ashadh end 2082	As on Ashadh end 2081
Lapu Lucky Guest House	2081.12.21	7,509,425	-
Gross Amount		320,366,526	306,001,157
less: impairment		(414,000)	(414,000)
Net Amount		319,952,526	305,587,157

5.12.1 Movement of Non-Banking Assets

Particulars	FY 2081/82	FY 2080/81
Outstanding balance as on Shrawan 1	306,001,157	197,394,912
Add: Assets Addition during the year	22,305,266	120,794,318
Less: Assets sold during the year	(7,939,897)	(3,073)
Less: Transfer	-	(12,185,000)
Less: Impairment	(414,000)	(414,000)
Outstanding balance as on Ashadh end	319,952,526	305,587,157

5.13 Disclosures under NFRS 16 Leases

5.13.1 Lease Liabilities

Lease Liabilities under the lease agreements, are measured at the Present value of unpaid lease payments discounted using the bank's Incremental borrowing rate. The lease liabilities are presented in the Statement of Financial Position under the heading "Other Liabilities". Detailed calculation of Lease Liabilities is shown below:

Particulars	Amount
Lease Liability as on 1st Shrawan 2081	1,418,716,210
Less: Impact of lease modifications and reassessment	-
Add: Additions during the year	286,114,114
Add: Finance Cost	47,791,807
Less: Lease Payments	(313,608,665)
Lease Liability as on 32nd Ashadh 2082	1,439,013,466

5.13.2 Right of Use Asset

Right of Use (ROU) Assets recognized under a lease agreement are measured at the amount that comprises of Initial Measurement of Lease Liability plus lease payments made at or before the commencement date less lease incentives plus initial direct cost incurred by lessee plus estimation of future dismantling and restoration cost if any. The ROU Assets are presented in the Statement of Financial Position under the heading "Property and Equipment". Detailed Calculation of ROU Assets is shown below:

Particulars	Amount
ROU Asset (Net) as on 1st Shrawan 2081	1,304,278,656
Less: Impact of lease modifications and reassessment	-
Add: Additions during the year	286,114,114
Less: Depreciation for the current year	(277,728,321)
ROU Asset (Net) as on 32nd Ashadh 2082	1,312,664,449



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.13.3 Maturity Analysis

Particulars	Amount
Not later than 1 month	25,351,877
Later than 1 month and not later than 3 months	51,630,289
Later than 3 month and not later than 1 year	236,626,499
Later than 1 year and not later than 5 years	968,821,992
More than 5 years	470,191,474

5.14 Earnings per share

The Bank measures earning per share on the basis of the earnings attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33 Earnings per Share.

Particulars	Units	Year ended	Year ended
		32 Ashadh 2082	31 Ashadh 2081
Profit attributable to equity shareholders (a)	NPR.	2,836,002,143	2,552,467,510
Weighted average of number of equity shares used in computing basic earnings per share (b)	Nos.	156,373,771	156,373,771
Basic Earnings per share (BEPS)	NPR.	18.14	16.32
Weighted average of number of equity shares used in computing	Nos.	156,373,771	156,373,771
Diluted Earnings per Share (b)	Nos.		
Diluted Earnings Per Share (DEPS)	NPR.	18.14	16.32

5.15 Unpaid Dividends

As at the reporting date, unpaid dividend over five years amounts to as follows.

Particulars	As at 32 Ashadh 2082	As at 31 Ashadh 2081
Not collected for more than 5 years (transferred from NIDC Development Bank Ltd.)	1,622,582	1,622,582
Not collected up to 5 years	550,506	645,500
Total	2,173,087	2,268,082

(Handwritten signatures of Directors)



(Handwritten signatures of Directors)

Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.16 Maturity Analysis Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Bank uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflect the contractual coupon amortizations.

Particulars	As at 32 Ashadh 2082		
	Within 12 months	After 12 months	Total
Assets			
Cash and cash equivalent	24,419,430,397	-	24,419,430,397
Due from Nepal Rastra Bank	56,906,901,268	-	56,906,901,268
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments.	5,432,885,520	-	5,432,885,520
Other trading assets	-	-	-
Loan and advances to B/FIs	10,184,824,564	-	10,184,824,564
Loans and advances to customers	292,115,070,085	222,087,501	292,337,157,586
Investment securities	83,191,647,840	64,899,070,627	148,090,718,467
Current tax assets	6,513,489,280	-	6,513,489,280
Investment in subsidiaries	-	400,000,000	400,000,000
Investment in associates	-	885,192,163	885,192,163
Investment property	-	319,952,526	319,952,526
Property and equipment	-	30,406,334,353	30,406,334,353
Goodwill and Intangible assets	-	53,025,109	53,025,109
Deferred tax assets	-	-	-
Other assets	9,696,049,301	-	9,696,049,301
Total Assets	488,460,298,255	97,185,662,278	585,645,960,533
Liabilities			
Due to Bank and Financial Institutions	2,376,073,972	-	2,376,073,972
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	5,423,350,000	-	5,423,350,000
Deposits from customers	468,907,217,339	31,507,463,177	500,414,680,516
Borrowing	-	60,000,000	60,000,000
Current Tax Liabilities	-	-	-
Provisions	328,705,595	-	328,705,595
Deferred tax liabilities	7,812,872,920	-	7,812,872,920
Other liabilities	1,912,472,556	10,138,328,602	12,050,801,158
Debt securities issued	5,000,582,191	-	5,000,582,191
Subordinated Liabilities	-	-	-
Total Liabilities	491,761,274,573	41,705,791,779	533,467,066,352

5.17 Movement of loans and advances

The movement of gross loans and advances to customers and Bank and Financial Institutions excluding interest receivable and staff loan are as follows:

Particulars	Year ended 32 Ashadh 2082	Year ended 31 Ashadh 2081
Opening Balance	261,793,943,380	248,358,154,481
Add: Disbursements during the year	272,649,654,365	2,153,575,917,120
Less: Recovery during the year	(225,540,084,342)	(2,140,140,128,221)
Closing Balance	308,903,513,404	261,793,943,380



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.18 Deposits

Bank's deposit was NPR. 500,414,680,516 (Previous Year: NPR. 429,187,763,751) at the reporting date. During the current year total deposits increased by 16.60% or NPR. 71,226,916,765 than Previous Year.

Deposit Type	As at	As at	Change	
	32 Ashadh 2082	31 Ashadh 2081	Amount	Percentage
A. Current Deposits	44,921,066,493	38,888,917,814	6,032,148,678.81	15.51%
C. Saving Deposits	242,081,428,889	174,110,923,953	67,970,504,936.54	39.04%
D. Fixed Deposits	182,124,807,534	177,028,387,851	5,096,419,682.32	2.88%
E. Call Deposit	30,025,875,711	37,685,594,635	(7,659,718,924.37)	-20.33%
F. Others	1,261,501,890	1,473,939,498	(212,437,608.23)	-14.41%
TOTAL	500,414,680,516	429,187,763,751	71,226,916,765	16.60%

5.19 Concentration of Deposits, Loans & Advances and Contingent Liabilities

Particulars	Loans and Advances	Deposits	Contingent Liability
Outstanding Balance as at 32nd Ashadh 2082	308,903,513,404	500,414,680,516	71,092,396,892
Highest Exposure of a Single Unit	2,191,129,532	27,909,566,121	3,835,144,732
Concentration of Exposure (Current Year)	0.71%	5.58%	5.39%

5.20 Regulatory Reserve

Regulatory Reserve is the amount allocated from retained earnings of the Bank as per the Nepal Rastra Bank Directive no. 4 for the purpose of implementation of NFRSs and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares). The amount allocated to this reserve includes, deferred tax asset, losses recognized in other comprehensive income, interest income recognized but not received in cash and non-banking assets recognized at lower of their carrying amount and fair value less cost to sell.

Particulars	As on 32 Ashad 2082	As on 31 Ashad 2081	Net Movement	Transfer to	Transfer from
Recognition of investment property	168,087,059	203,215,459	(35,128,400)	-	(35,128,400)
Amortization of debt securities issued	-	-	-	-	-
Deferred tax	427,629,106	298,662,541	128,966,566	128,966,566	-
Defined benefit obligation of employees	-	-	-	-	-
Accrued Interest Receivable	721,426,692	944,346,728	(222,920,035)	-	(222,920,035)
Interest Capitalised Term Loan	390,779,815	-	390,779,815	390,779,815	-
	1,707,922,673	1,446,224,727	261,697,945	519,746,381	(258,048,435)
Actuarial Loss Balance on gratuity (Equity)	1,094,478,965	3,046,558,549	(1,952,079,584)	1,094,478,965	(3,046,558,549)
Total regulatory reserve	2,802,401,637	4,492,783,276	(1,690,381,639)	1,614,225,345	(3,304,606,984)
Transfer/ (Reversal) to Regulatory Reserve	(1,690,381,639)				



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



The movement of regulatory reserve during the fiscal year 2081/82 is presented below:

Particulars	Amount
Interest receivable as on end of reporting period	1,373,230,593
Less: Interest received within Shrawan 15, 2082	;
Less Bonus @ 5%	1,373,230,593
Less: Income Tax @ 30%	(68,661,530)
Less: General Reserve @ 20%	(391,370,719)
Less: CSR @ 1%	(182,639,669)
Net Adjustment in Regulatory Reserve	(9,131,983)
	721,426,692

Investment Properties	Amount
Particulars	Amount
Non-banking assets	319,952,526
Less Bonus @ 5%	(15,997,626)
Less: Income Tax @ 30%	(91,186,470)
Less: General Reserve @ 20%	(42,553,686)
Less: CSR @ 1%	(2,127,684)
Net Adjustment in Regulatory Reserve	168,087,059

Year wise movement in various components of regulatory reserve is given below:

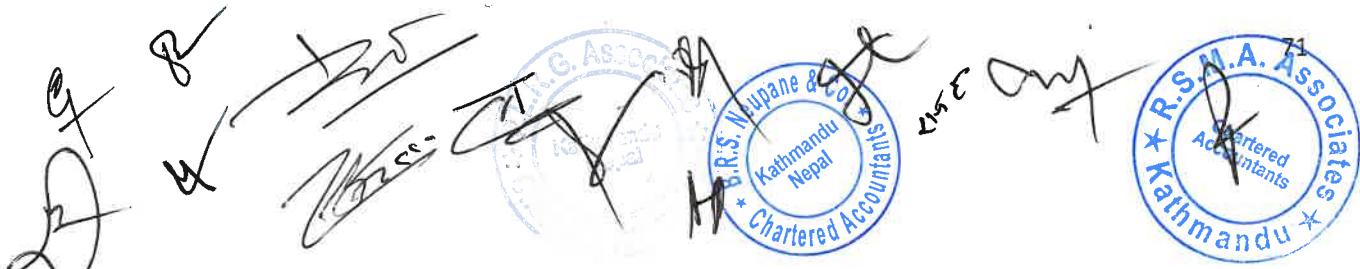
FY	Interest Receivable	Short Provision on NBA	Deferred Tax Assets	Actuarial Loss Recognized	Interest Capitalized Term Loan	Total
2074/75	3,797,102,667	57,270,561	1,102,284,913	4,662,691,958	-	9,619,350,099
2075/76	(3,358,584,152)	19,079,754	(713,263,083)	1,160,014,631	-	(2,892,752,850)
2076/77	824,331,582	(3,613,587)	258,004,314	2,065,821,939	-	3,144,544,248
2077/78	(440,608,059)	10,105,569	(647,026,144)	791,227,106	-	(286,301,528)
2078/79	2,826,902	35,039,220	175,186,814	1,102,530,353	-	1,315,583,289
2079/80	113,288,638	13,108,745	133,255,710	1,152,546,736	-	1,412,199,829
2080/81	5,989,150	72,225,196	(9,779,983)	(7,888,274,174)	-	(7,819,839,811)
2081/82	(222,920,035)	(35,128,400)	128,966,566	(1,952,079,584)	390,779,815	(1,690,381,639)
Total	721,426,693	168,087,058	427,629,107	1,094,478,965	390,779,815	2,802,401,637

5.21 Details of Interest Capitalized Term Loan

As per NRB Directive 04, Bank shall account for interest capitalized during the moratorium period for loans approved or reaching financial closure after 26 Magh, 2079 by recording such amounts under a dedicated Interest Capitalized Term Loan (ICTL) head on an accrual basis. To ensure regulatory compliance and dividend prudence, an amount equal to this capitalized interest (net of applicable deductions) must be transferred from Retained Earnings to an Interest Capitalized Reserve (ICR), which is classified as a Regulatory Reserve; this reserve may only be re-transferred to Retained Earnings upon the actual cash realization of the capitalized interest from the borrower.

Details of borrowers with interest capitalization as on Ashadh end, 2082 are as below:

Name	Amount in 'NPR
Devi Hydropower Pvt. Ltd.	874,767
Ktm Hospitality Pvt.Ltd.	19,252,725
Ktm Hospitality Limited	19,922,881
Halesi Urja Private Limited	8,579,172
Budhigandaki Hydropower Pvt. Ltd.	1,187,769



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Name	Amount in 'NPR
Maulakali Cablecar Limited	6,364,471
Maulakali Cablecar Limited	30,400,031
Peoples Hydropower Company Ltd.	31,677,547
Ktm Hospitality Pvt.Ltd.	70,479,431
Chirkhwa Hydropower Ltd	25,749,832
Hilton Hydro Energy Pvt. Ltd.	11,582,721
Annapurna Power Company Pvt. Ltd.	280,627
Peace Energy Company Pvt.Ltd.	7,101,458
Ranjitkar Cold Storage Pvt.Ltd	1,150,000
Super Hewa Power Company Ltd.	5,965,366
Syarpur Power Company Limited	13,390,841
Annapurna Vista Retreat Pvt. Ltd.	859,618
Hotel Lalchan Pvt. Ltd.	10,852,815
Peoples Hydropower Company Ltd.	115,933,525
Club Chaulani Pvt.Ltd.	9,174,217
Total	390,779,815

5.22 Details of Other Reserve

Particulars	Note s	As at 32 Asadh 2082	As at 31 Asadh 2081
Staff training fund	(a)	92,285,553	61,509,864
Corporate Social Responsibility Reserve	(b)	76,137,820	88,229,849
Investment Adjustment Reserve	(c)	39,846,000	15,791,200
Contingent Reserve	(d)	2,500,000	2,500,000
Institutional Development fund	(e)	3,000,000	3,000,000
Actuarial loss-Endowment, Pension & Gratuity (OCI)	(f)	(1,094,478,965)	(3,046,558,549)
Special Reserve Fund	(g)	45,636,656	45,636,656
Debenture Redemption Reserve	(h)	2,000,000,000	1,500,000,000
		1,164,927,064	(1,329,890,981)

Detail of other reserve as per Note 4.27 is explained below:

Particulars	Notes	As at 32 Asadh 2082	As at 31 Asadh 2081
Staff training fund	(a)	92,285,553	61,509,864
Contingent Reserve	(d)	2,500,000	2,500,000
Institutional Development fund	(e)	3,000,000	3,000,000
		97,785,553	67,009,864



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



a) Employees Training and Development Fund

Nepal Rastra Bank Unified Directive 6/081-point number 6 requires banks and financial institutions to incur expenses towards employee training and development equivalent to at least 3% of the preceding year's total staff salary and allowances. The actual amount expensed during the year was NPR 49,401,630. The closing balance of employees training and development fund is 92,285,553. In the subsequent year, balance in this fund will be reclassified to Retained Earnings and recognized as Personnel Expense in the Statement of Profit or Loss.

Particulars	Amount (NPR)
Opening Balance	61,509,864
Addition during the Year (3% of staff salary and allowances of FY 2081/82)	80,177,318
Less: Training Expenses for the year	(49,401,630)
Closing Balance	92,285,553

b) Corporate Social Responsibility Reserve

Directive no 6.16 requires Banks and Financial Institutions to create Corporate Social Responsibility Fund and annually appropriate an amount equivalent to 1% of net profit into this fund. The fund is created towards covering the Bank's expense in CSR activities in the subsequent year. The Bank appropriates required amount to this fund for every reporting period. Whenever the appropriation is made, in subsequent year, balance in this fund is reclassified to Retained Earnings and recognized as CSR Expense in the Statement of Profit or Loss.

Corporate Social Responsibility Expense- The expenses for the period for Corporate Social Responsibility Expense is Rs 40,452,051 as on Ashad end 2082.

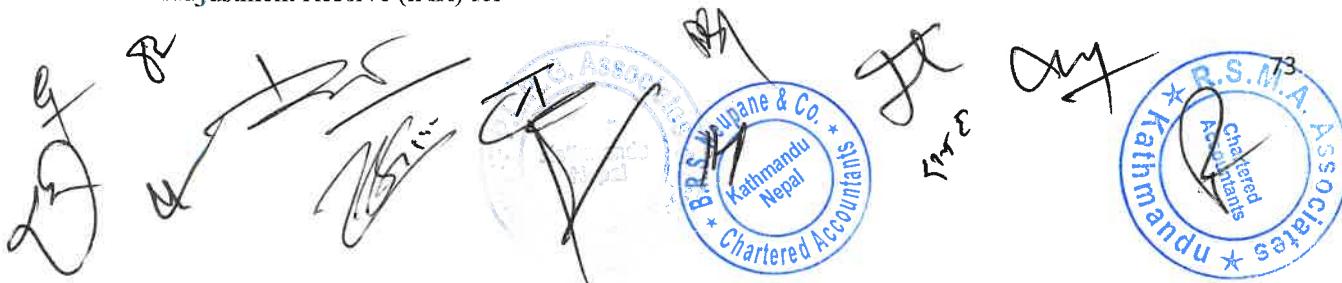
Particular	As at 32 Asadh 2082	As at 31 Asadh 2081
Opening Balance	88,229,849	106,941,926
Transfer to CSR reserve during the year	28,360,022	25,524,674
Expense during the year	(40,452,051)	(44,236,751)
Closing balance	76,137,820	88,229,849

Details of province wise CSR expenses for FY 2081/82 are as below:

Province	Amount in 'NPR
Bagmati Province	31,074,553
Gandaki Province	2,197,263
Karnali Province	1,493,885
Koshi Province	2,497,320
Lumbini Province	936,834
Madhesh Province	953,084
Sudurpaschim Province	1,299,113
Total Amount	40,452,051

c) Investment adjustment reserve

As required by Nepal Rastra Bank's Unified Directives, 2081, the Bank has created Investment Adjustment Reserve (IAR) for



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



- i. Investment in newly opened corporate body if not listed in stock exchange within three years from the date of operation or investment being made,
- ii. Investment in the shares and debentures of corporate body which are not listed in the stock exchange, and if such listing is not completed within three years from the date of investment, 100% provision of investment amount has been provided and credited in Investment Adjustment Reserve.

Particulars	Remarks	Amount
Nepal Oil Corporation 1,500 Shares of Rs 100 Each	Not listed more than 3 years	100,000
Nepal Ban Nigam 43,310 Shares of Rs. 100 Each	Not listed more than 3 years	600,000
Nepal Metal Company 199,400 Shares of Rs 10 Each	Not listed more than 3 years	1,994,000
Audhögic Kshetra Byawasthapan Company 93,645 Shares of Rs 100 Each	Not listed more than 3 years	9,364,000
Nepal Ausadhi Limited 700 shares of Rs. 100 each	Not listed more than 3 years	700,000
Krishi Ayojana Sewa Kendra 200 Shares of Rs 100 each	Not listed more than 3 years	200,000
Aarthik Sewa Kendra 12,500 Shares of Rs 100 each	Not listed more than 3 years	1,250,000
Ace Laboratories 1,380 Shares of Rs 100 each	Not listed more than 3 years	138,000
Krishi Chun Udyog 500 Shares of Rs 100 each	Not listed more than 3 years	500,000
Adhyanta Fund Management Public Ltd.	Not listed more than 3 years	25,000,000
Total Investment Adjustment Reserve		39,846,000

d) Contingency reserve

The Bank has created contingency reserve to meet the obligations arising from various contingent events in future. There has not been any change in this reserve during the year.

e) Institutional Development Fund

Institutional development Fund had been created with an object to meet any expenditure pertaining to development of the Bank. There has not been any movement in this reserve during the year.

f) Actuarial loss on Retirement Benefit

The Bank has carried out the actuarial valuation of Endowment and Gratuity payable to employees. The actuarial gain/losses on such valuation has been transferred to Other Comprehensive Income pursuant to the requirement of NAS 19 Employee Benefit. Actuarial Loss Balance on gratuity (Equity) of previous years have been set off with regulatory reserve.

g) Special Reserve Fund

Special Reserve Fund had been created by the erstwhile NIDC Development Bank Limited and has been carried forward by the bank post-merger.

h) Debenture Redemption Reserve

Debenture redemption reserve is created for redemption of debentures issued by Rastriya Banijya Bank.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.23 Provision for Employee Bonus

The Bank has provided NPR 211,152,059 (Previous year NPR 220,662,713) as employee bonus computed at 5% of profit before tax.

5.24 Provision for Long Outstanding and Unreconciled Balances:

Long Outstanding Balances which have been aged beyond one year has been shown under “Other Assets” and adequate provision has been made for such balances. An amount of NPR 328,705,595 has been provisioned for risk of such assets during the reported period (Previous Year: NPR 331,443,227). The detail of such balances are presented in the following table:

Particulars	As at	As at
	32 Ashadh 2082	31 Ashadh 2081
Provision for Agency Balances	107,735,807	107,622,823
Provision for Debtors	70,377,760	72,822,804
Provision for Cash in Transits	1,621,100	1,621,100.00
Provision for Draft Paid Without Notice	70,499,832	70,499,832
Provision for Overdrawn Deposits	7,483,326	7,483,326
Provision for Central Office Account (Dr. Balance)	3,476,343	3,477,030
Provision for Stationery Stock	5,730,753	6,135,638
Provision for NRB Reconciliation	4,707,096	4,707,096
Provision for Government Transaction (Old Balances)	1,459,395	1,459,395
Provision for Pension Transaction (Old Balances)	3,696,805	3,696,805
Provision for Branch OS Balance (Gulariya)	7,191,426	7,191,426
Provision for Transit Expenses	709,006	709,006
Provision for Transit Others	13,232,161	13,232,161
Other Commission Receivable	8,774,013	8,774,013.25
Employee Advance	21,431,741	21,431,740.87
Advance for insurance premium	358,959	358,958.72
Pension Receivable from RBB Pension	220,073	220,073.00
	328,705,595	331,443,227

Handwritten signatures and initials are present above the stamp area. The signatures include 'G', 'R', 'M', 'A', 'B', 'S', 'N', 'K', and 'R.S.M.A.'. The stamp area contains three circular blue ink stamps:

- A circular stamp for 'R.P.C. ASSOCIATION' with a signature over it.
- A circular stamp for 'B.S. Neupane & Co. Chartered Accountants' with a signature over it.
- A circular stamp for 'R.S.M.A. Association Chartered Accountants' with a signature over it.

Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.25 Representative Directors in other entities

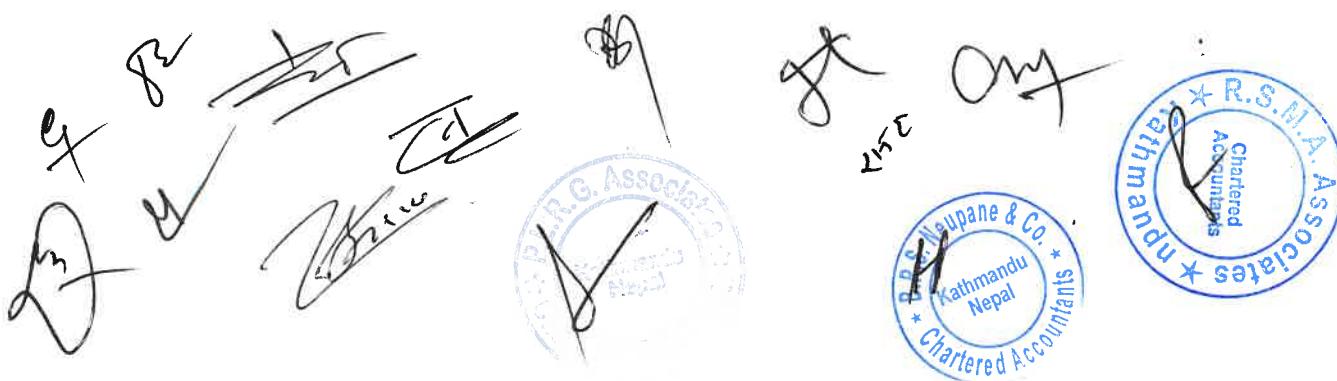
The Bank has representative directors in the following companies. The representative director does not have substantive rights to direct the relevant activities of the entity and there was no power exercised over these entities during the reporting period. Thus, the entities are not considered for consolidation.

- i) Nepal Digital Payment Company Limited
- ii) Himal Cement Company Limited
- iii) Neco Insurance Limited
- iv) National Life Insurance Company Limited
- v) Asha Laghubitta Bittiya Sanstha Limited
- vi) Nepal Stock Exchange Limited
- vii) Nepal Ban Nigam Limited
- viii) RBB Merchant Banking Limited
- ix) RBB Securities Company Limited.
- x) Nepal Lube Oil Limited

5.26 Details of Associates

S N	Name of Associates	Place of incorporation and principal place of business	Principal Activity	Proportion of ownership interests and voting rights held by the Bank	
				As at 31 Ashad 2082	As at 31 Ashad 2081
1	Nepal Digital Payment Co. Ltd.	Nepal	Digital Payment	37.78%	37.78%
2	Himal Cement Company Limited	Nepal	Manufacturing	26.74%	26.74%
3	Butwal Suti Dhago Udyog Limited	Nepal	Manufacturing	20.00%	20.00%
4	Neco Insurance Limited	Nepal	Insurance	15%	15%
5	National Life Insurance Company Limited	Nepal	Insurance	10.12%	10.12%
6	Asha Laghubitta Bittiya Sanstha Limited	Nepal	Microfinance	8.95%	8.95%
7	Nepal Stock exchange Limited	Nepal	Stock Exchange	6.14%	6.14%
8	Gorakhkali Rubber Udyog Limited	Nepal	Manufacturing	5.21%	5.21%
9	Nepal Ban Nigam	Nepal	Manufacturing	3.73%	3.73%
10	Nepal Lube Oil Limited	Nepal	Manufacturing	1.61%	

Himal Cement Company Limited, Butwal Suti Dhago Udyog Limited and Gorakhkali Rubber Udyog Limited are defunct company and provision for impairment has been created for investment in these entities.



Rastriya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82



As per NAS 28, based on significant influence where employees of the bank represented as the board of directors, the following entities have been classified as associates.

SN	Name of Associates
----	--------------------

1	Neco Insurance Limited
2	National Life Insurance Company Limited
3	Asha Laghubitta Bittiya Sanstha Limited
4	Nepal Stock exchange Limited
5	Gorakhkali Rubber Udyog Limited
6	Nepal Ban Nigam
7	Nepal Lube Oil Limited

5.26.1 Nepal Digital Payment Company Limited

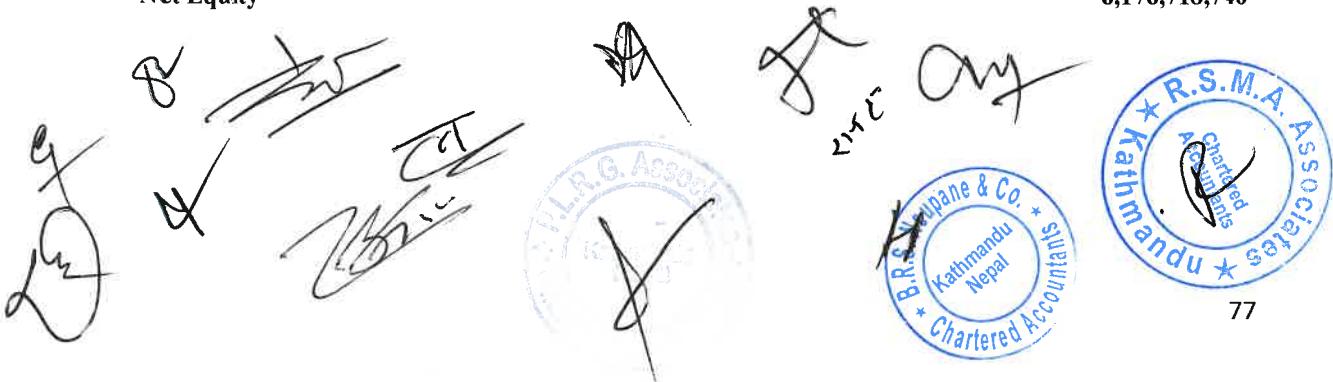
Particulars	As at 32 Ashad 2082
Total Noncurrent assets	143,929,011
Total Current assets	241,762,728
Total Current Liability	166,753,076
Net Equity	218,938,663
Particulars	For the period ending Ashadh, 2082
Total revenue	46,640,205
Total Expenses	112,103,796
Deferred Tax expense	2,201,948
Profit (loss) for the year	(63,261,643)

Reconciliation of the above summarized financial information to the carrying amount of the interest in Nepal Digital Payment Company Limited recognized in the consolidated financial statements:

Particulars	As at 32 Ashad 2082	As at 31 Ashad 2081
Net assets of the associate	218,938,663	268,869,775
Proportion of the Bank's ownership interest in Associate	(23,898,841)	102,279,541
Goodwill		
Other adjustments		
Carrying amount of the Bank's interest in Associate	(23,898,841)	102,279,541

5.26.2 Neco Insurance Limited

Particular	As at 32 Ashad 2082
Total Assets	10,947,518,114
Total Liabilities	4,770,799,374
Net Equity	6,176,718,740



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Particular	For the period ending Ashadh, 2082
Total Revenue	2,478,593,156
Total Expenses	1,656,464,377
Income Tax expense	271,302,497
Profit / (loss) for the year	550,826,282

Reconciliation of the above summarized financial information to the carrying amount of the interest in Neco Insurance Limited recognized in the consolidated financial statements:

Particulars	As at 32 Ashad 2082	As at 31 Ashad 2081
Net assets of the associate	6,176,718,740	5,148,469,573
Proportion of the Bank's ownership interest in Associate	82,623,877	878,468,747
Goodwill	.	.
Other adjustments	.	.
Carrying amount of the Bank's interest in Associate	82,623,877	878,468,747

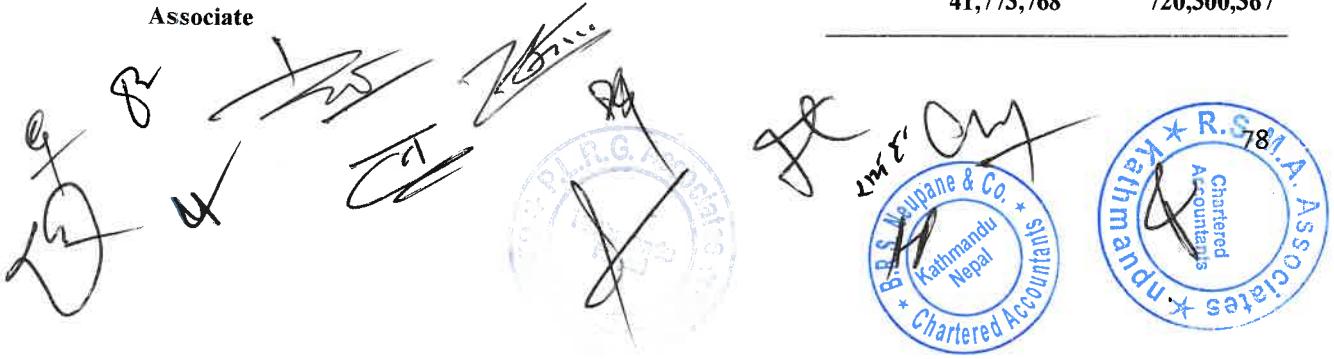
5.26.3 National Life Insurance Limited

Particular	As at 32 Ashadh 2082
Total Assets	103,254,369,183
Total Liabilities	96,155,022,633
Net Equity	7,099,346,550

Particular	For the period ending Ashadh, 2082
Total Revenue	28,624,623,582
Total Expenses	27,429,800,857
Income Tax expense	781,979,651
Profit / (loss) for the year	412,843,074

Reconciliation of the above summarized financial information to the carrying amount of the interest in National Life Insurance Limited recognized in the consolidated financial statements:

Particulars	As at 32 Ashad 2082	As at 31 Ashad 2081
Net assets of the associate	7,099,346,550	7,760,799,151
Proportion of the Bank's ownership interest in Associate	41,773,768	720,300,367
Goodwill	.	.
Other adjustments	.	.
Carrying amount of the Bank's interest in Associate	41,773,768	720,300,367



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.26.4 Asha Laghubitta Bittiya Sanstha Limited

Particular	As at 32 Ashadh 2082
Total Assets	11,160,015,327
Total Liabilities	9,892,574,574
Net Equity	1,267,440,753
Particular	For the period ending Ashadh, 2082
Total Revenue	1,629,482,546
Total Expenses	1,330,513,999
Income Tax expense	89,690,564
Profit / (loss) for the year	209,277,983

Reconciliation of the above summarized financial information to the carrying amount of the interest in Asha Laghubitta Bittiya Sanstha Limited recognized in the consolidated financial statements:

Particulars	As at 32 Ashad 2082	As at 31 Ashad 2081
Net assets of the associate	1,267,440,753	1,067,801,805
Proportion of the Bank's ownership interest in Associate	17,939,529	112,446,153
Goodwill		
Other adjustments		
Carrying amount of the Bank's interest in Associate	17,939,529	112,446,153

5.26.5 Nepal Stock Exchange Limited

Particulars	As at 32 Ashad 2082
Total Noncurrent assets	
Total Current assets	
Total Non-Current Liability	
Total Current Liability	
Net Equity	
Particulars	As at 32 Ashad 2082
Total revenue	
Total Expenses	
Deferred Tax expense	
Profit (loss) for the year	

Reconciliation of the above summarized financial information to the carrying amount of the interest in Nepal Stock Exchange Limited recognized in the consolidated financial statements:



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Particulars	As at 32 Ashad 2082	As at 31 Ashad 2081
Net assets of the associate		6,627,931,417
Proportion of the Bank's ownership interest in Associate		833,916,211
Goodwill		
Other adjustments		
Carrying amount of the Bank's interest in Associate		833,916,211

5.26.6 Nepal Ban Nigam

Particular	As at 31 Ashad 2081
Total Noncurrent assets	7,314,221,279
Total Current assets	403,112,076
Total Liabilities	2,005,526,130
Net Equity	5,711,807,225

Particular	For the period ending Ashad, 2081
Total Revenue	180,604,841
Total Expenses	139,469,573
Income Tax expense	18,010,528
Profit / (loss) for the year	23,124,740

Reconciliation of the above summarized financial information to the carrying amount of the interest in Nepal Ban Nigam recognized in the consolidated financial statements:

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080
Net assets of the associate	5,711,807,225.00	353,307,026
Proportion of the Bank's ownership interest in Associate	862,783	13,181,844
Goodwill		
Other adjustments		
Carrying amount of the Bank's interest in Associate	862,783	13,181,844

Equity accounting for Nepal Ban Nigam have been made till FY 2080/81 due to unavailability of data in current financial year.



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



5.26.7 Nepal Lube Oil Limited

Particular	As at 32 Ashadh 2082
Total Noncurrent assets	215,808,393
Total Current assets	847,830,698
Total Liabilities	640,330,859
Net Equity	423,308,232

Particular	For the period ending Ashadh, 2082
Total Revenue	1,363,088,977
Total Expenses	1,305,717,097
Income Tax expense	11,707,402
Profit / (loss) for the year	45,664,478

Reconciliation of the above summarized financial information to the carrying amount of the interest in Nepal Lube Oil Limited recognized in the consolidated financial statements:

Particulars	As at 32 Ashadh 2082	As at 31 Ashadh 2081
Net assets of the associate	423,308,232	375,734,232
Proportion of the Bank's ownership interest in Associate	733,324	-
Goodwill		
Other adjustments		
Carrying amount of the Bank's interest in Associate	733,324	-

5.26.8 Investment in Himal Cement Company

Investment in Himal Cement Company was made by the erstwhile NIDC Development Bank Limited. NIDC Development Bank had investment amounting NPR 36,892,100 in Himal Cement Company Limited. Himal Cement is not in operation as at 32nd Ashadh 2082.

As per letter no 157 dated 2071/08/ 18 written by Ministry of Finance to Ministry of Industry, Ministry of Commerce and Supply and NIDC, proposals were put up for discussion in cabinet meeting which stated that investment of NPR 100 million made by the Finance Comptroller General Office (FCGO) should be recorded in the books of Himal Cement as Share Capital of the Company.

Total holding of the bank without considering shares of FCGO is 80.90%. The revised holding of the Bank in the shares of Himal Cement Company if the shares of FCGO is considered shall be 26.74%. The Bank for the purpose of recording investment in Himal Cement Company in the books of account has considered the holding at 26.74%

Also, since there is no control in the company, the Bank has not considered it as subsidiary, rather shown it as investment in associates.

Particulars	Details of Shareholding
Existing share held by NIDC	399,518
Total Shares before recording share of Finance Comptroller General Office (FCGO)	493,818



Rastriya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82



Particulars	Details of Shareholding
Percentage of holding without considering shares from Finance Comptroller General Office (FCGO)	80.90%
Total share after recording share of FCGO 1,000,000	1,493,818
Revised holding of NIDC if shares of FCGO is considered	126.74%

5.27 Disclosure related to Loan Written Off during the reporting period

During the reporting period, no loans and advances were written off.

5.28 Proposed Dividend

There is no proposed dividend for the current financial year 2081/82.

Handwritten signatures and blue circular professional seals are visible on the document. The seals are for 'R.S.M.A. Associates Chartered Accountants' and 'P.R.G. Associates'.



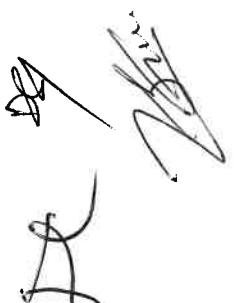
Rastraya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

5.29 Principal Indicators

Particulars

	Indicators	FY		FY		FY	
		2077-78	2078-79	2079-80	2080-81	2081-82	
1. Percent of net Profit/ Gross Income	Percent	18.61	18.53	11.14	8.01	9.25	
2. Adjusted Earning Per Share	Rs.	37.27	34.85	24.22	16.32	18.14	
3. Market Value per Share	Rs.	-	-	-	-	-	
4. Price Earning Ratio	Ratio	-	-	-	-	-	
5. Dividend (including Bonus) on Share capital	Percent	8.00	33.00	12.50	5.50	5.50	
6. Cash Dividend on Share Capital	Percent	3.00	3.00	7.50	5.50	5.50	
7. Interest Income/ Loan and Advances	Percent	6.99	7.93	10.27	9.48	6.80	
8. Staff Expenses/ Total Operating Expense	Percent	22.45	18.92	14.59	15.72	18.03	
9. Interest Expense on Total Deposit and Borrowings	Percent	2.97	4.22	5.71	4.58	3.39	
10. Exchange Gain/Total Income	Percent	0.9	0.16	0.22	0.18	0.55	
11. Staff Bonus/Total Staff expenses	Percent	8.49	10.08	6.74	5.07	4.40	
12. Net Profit /Loans and Advances	Percent	1.75	1.87	1.45	0.97	0.92	
13. Net Profit/ Total Assets	Percent	1.1	1.3	0.91	0.50	0.48	
14. Total Credit/Deposits	Percent	66.81	85.89	76.30	60.82	62.39	
15. Total Operating Expenses/ Total Assets	Percent	4.36	5.12	6.9	5	4.55	
16. Adequacy of Capital Fund on Risk Weighted Assets							
a. Core Capital*	Percent	11.09	10.95	10.80	9.62	8.98	
b. Supplementary Capital	Percent	2.37	2.34	2.12	1.53	2.38	
c. Total Capital Fund	Percent	13.46	13.29	12.92	11.15	11.36	
17. Liquidity (CRR)	Percent	3.54	7.32	6.98	8.34	11.46	
18. Non Performing Credit/ Total Credit	Percent	3.23	2.09	3.77	3.96	3.79	
19. Base Rate	Percent	5.41	7.63	7.79	6.71	4.78	
20. Weighted Average Interest Rate Spread*	Percent	4.37	4.29	3.98	3.98	3.75	
21. Cost of Fund	Rs.	3.24	6.01	6.11	4.89	3.33	
22. Book Net Worth	No.	91,848,916	149,403,591	156,373,771	156,373,771	156,373,771	
23. Total Shares	No.	2,187	2,136	2,635	2,569	2,908	





Rastraya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82

6. Comparison of Unaudited and Audited Financial Statements:

6.1 Comparison of Unaudited and Audited Statement of Financial Position as at 32 Ashad 2082

Statement of Financial Position	As per Audited Financial Statement	As per unaudited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and cash equivalent	24,419,430,397	24,419,430,397	-	0.00%	
Due from Nepal Rastra Bank	56,906,901,268	56,906,901,268	-	0.00%	
Placement with Bank and Financial Institutions	-	-	-	0.00%	
Derivative financial instruments	5,432,885,520	5,432,885,520	-	0.00%	
Other trading assets	-	-	-	0.00%	
Loan and advances to B/FIs	10,184,824,564	10,184,824,564	-	0.00%	
Loans and advances to customers	292,337,157,586	294,188,460,222	(1,851,302,636)	-0.63%	Increase in impairment provision and decrease in accrued interest
Investment securities	148,090,718,467	148,094,149,259	(3,430,792)	0.00%	
Current tax assets	6,513,489,280	4,879,139,242	1,634,350,038	33.50%	Updated calculation of income tax liability as per Income Tax Act 2058
Investment in subsidiaries	400,000,000	400,000,000	-	0.00%	
Investment in associates	885,192,163	884,906,463	285,699	0.03%	Investment in Nepal Lube Oil categorized as Investment in Associates; measurement base changed from fair value to cost
Investment property	319,952,526	319,952,526	-	0.00%	
Property and equipment	30,406,334,353	30,116,428,299	289,906,054	0.96%	Due to adjustment in right to use assets as per NFRS-16: Leases
Goodwill and Intangible assets	53,025,109	53,025,109	(0.28)	0.00%	
Deferred tax assets	-	-	-	0.00%	
Other assets	9,696,049,301	9,377,226,322	318,822,979	3.40%	Final Calculation of Deferred Revenue Expenditure
Total Assets	585,645,960,533	585,257,329,191	(388,631,343)	-0.07%	
Liabilities					
Due to Bank and Financial Institution	2,376,073,973	2,376,073,973	..	0	0.00%

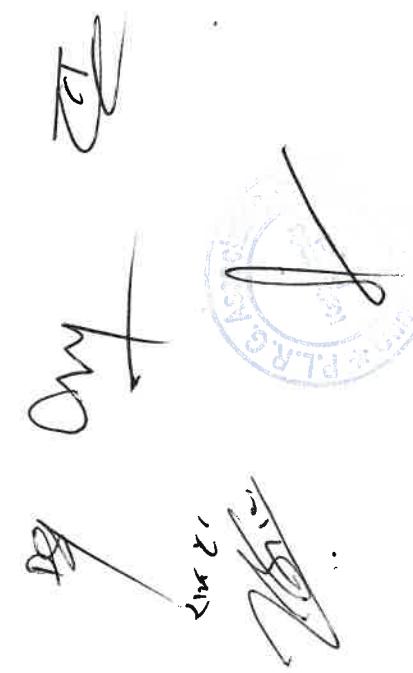
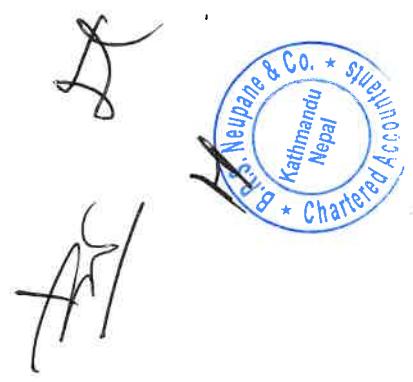
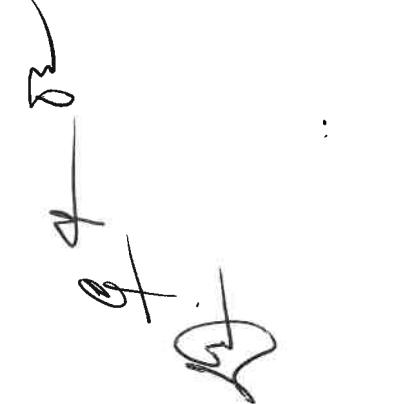




Rastrya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Due to Nepal Rastra Bank	-	-	-	0.00%
Derivative financial instruments	5,423,350,000	5,423,350,000	-	0.00%
Deposits from customers	500,414,680,516	500,414,680,516	-	0.00%
Borrowing	60,000,000	60,000,000	-	0.00%
Current Tax Liabilities	-	-	-	0.00%
Provisions	328,705,595	331,556,211	(2,850,616)	-0.86%
Deferred tax liabilities	7,812,872,920	6,748,374,660	1,064,498,260	15.77%
Other liabilities	12,050,801,158	11,486,429,169	564,371,989	4.91%
Debt securities issued	5,000,582,191	5,000,582,191	-	0.00%
Subordinated Liabilities	-	-	-	0.00%
Total liabilities	533,467,066,353	531,841,046,720	(1,626,019,634)	-0.31%
Equity				
Share capital	15,637,377,055	15,637,377,055	-	0.00%
Share premium	-	-	-	0.00%
Retained earnings	(850,273,186)	303,496,264	(1,153,769,450)	-380.16%
Reserves	37,391,790,312	37,475,409,152	(83,618,840)	-0.22%
Total equity attributable to equity holders	52,178,894,181	53,416,282,471	(1,237,388,290)	-2.32%
Non-controlling interest	-	-	-	0.00%
Total equity	52,178,894,181	53,416,282,471	1,237,388,290	2.32%
Total liabilities and equity	585,645,960,534	585,257,329,191	(388,631,344)	-0.07%



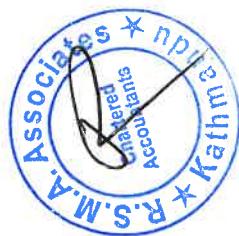






Rastraya Banijya Bank Limited
Explanatory Notes, Disclosures and Additional Information: FY 2081/82

6.2 Comparison of Unaudited and Audited Statement of Profit or Loss for the year ended 32 Ashadh 2082:

	Statement of Profit or Loss		As per Audited Financial Statement	As per unaudited Financial Statement	Variance In amount	Reasons for Variance In %
	As per Audited Financial Statement	As per unaudited Financial Statement				
Interest income	27,209,045,115	27,129,847,930	79,197,185	79,197,185	0.29%	Interest from unwinding of employee loans as per NFRS
Interest expense	17,055,066,921	17,047,433,045	7,633,876	7,633,876	0.04%	Due to increase in finance cost of lease liability
Net interest income	10,153,978,194	10,082,414,885	71,563,309	71,563,309	0.71%	
Fees and commission income	1,847,887,005	1,847,887,005	-	-	0.00%	
Fees and commission expense	592,656,002	592,656,002	-	-	0.00%	
Net fee and commission income	1,255,231,003	1,255,231,003	-	-	0.00%	
Net interest, fee and commission income	11,409,209,197	11,337,645,888	71,563,309	71,563,309	0.63%	
Net trading income	129,498,964	129,498,964	-	-	0.00%	
Other operating income	1,393,691,288	1,376,592,519	17,098,769	17,098,769	1.24%	Gain on disposal of share investment
Total operating income	12,932,399,449	12,843,737,371	88,662,078	88,662,078	0.69%	
Impairment charge/(reversal) for loans and other losses	2,234,421,693	713,235,046	1,521,186,647	1,521,186,647	213.28%	Due to change in loan classification and additional provision
Net operating income	10,697,977,756	12,130,502,325	(1,432,524,569)	(1,432,524,569)	-11.81%	
Operating expense	4,801,530,232	4,789,709,264	11,820,968	11,820,968	0.25%	Due to change in retirement benefit expenses as per updated actuarial valuation report, change in bonus expenses and deferred employee cost.
Personnel expenses						Events after reporting period adjustments
Other operating expense	1,372,028,250	1,372,028,250	-	-	0.00%	
Depreciation & Amortization	582,394,921	586,186,861	(3,791,940)	(3,791,940)	-0.65%	Increase in depreciation on lease assets due to implementation of NFRS-16: Leases
Operating Profit	3,942,024,353	5,382,577,950	(1,440,553,597)	(1,440,553,597)	-26.76%	
Non operating income	69,864,770	69,864,770	-	-	0.00%	
Non operating expense	-	-	-	-	0.00%	
Share of profit of associates	-	-	-	-	0.00%	
Profit before income tax	4,011,889,123	5,452,442,720	(1,440,553,597)	(1,440,553,597)	-26.42%	
Income tax expense						



R.S.M.A. Associates Chartered Accountants Kathmandu
 २०८२



२०८२



Rastrya Banijya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

Current Tax	1,382,778	1,635,732,816	(1,634,350,038)	-99.92%	Update in calculation of income tax expenses as per Income Tax Act, 2058
Deferred Tax	1,174,504,202	-	1,174,504,202	100.00%	Update in calculation of deferred tax expenses as per NAS 12: Income Taxes
Profit for the period	2,836,002,143	3,816,709,904	(980,707,761)	-25.70%	

Handwritten signatures and a stamp are present over the table. The stamp is circular and reads:
"R.S.M.A. * Associate * K.L. * P.L.R. * Chartered Accountants
Kathmandu, Nepal".
Below the stamp, there is a handwritten note: "25/12".



Rastrriya Banjya Bank Limited

Explanatory Notes, Disclosures and Additional Information: FY 2081/82

CA. Devendra Raman Khanal
Chief Executive Officer

Dev Kumar Dhakal
Chairman

CA. Sarswati Adhikari
Deputy Chief Executive Officer

Prof. Dr. Ram Prasad Gyanwali
Director

CA. Vinaya Raman Poudel
Deputy Executive Officer

Laxman Ghimire
Independent Director

CA. Sanjaya Kumar Shrestha
Department Chief, Finance

Than Prasad Pangyani
Director

Date: _____
Place: Kathmandu, Nepal

Dr. Surya Bahadur Rana
Director

CA. Anup Kumar Shrestha
Joint Auditors
S. Neupane & Co. *
Chartered Accountants
Kathmandu, Nepal

CA. P. Prakash Lamsal
Director

CA. Ramesh K Dhital
Director

CA. Hari Kumar Siwal
Director