

Annual Report 2023/24

साझा समृद्धिका लागि सबैको रोजाईको बैंक
The Bank of Choice for Shared Prosperity



We are committed towards
Progress and Prosperity
of all **Stakeholders**



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.



साम्ग समृद्धिका लागि सबैको रोजाईको बैंक
The Bank of Choice for Shared Prosperity



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

Annual Report

FY 2023/24

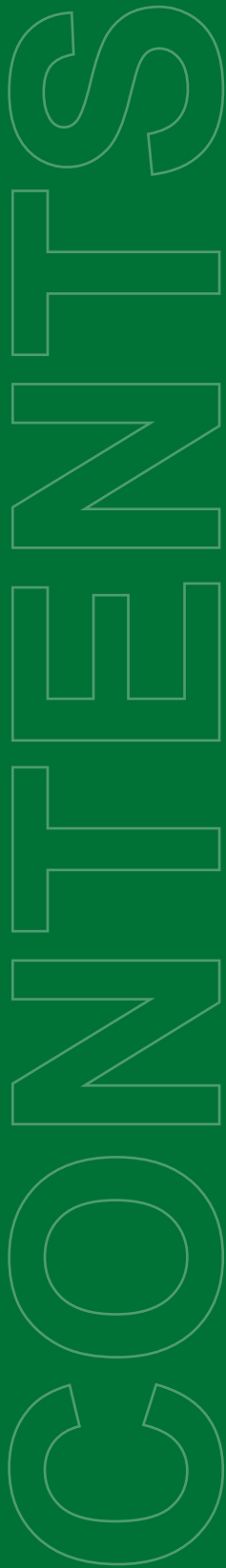


The Bank of Choice for Shared Prosperity





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Abbreviation	Full Form
ADB	Asian Development Bank
AGM	Annual General Meeting
ALCO	Asset Liability Management Committee
AML	Anti-Money Laundering
APIs	Application Programming Interface
ASB	Accounting Standards Board
ATM	Automated Teller Machine
BFI	Banks and Financial Institutions
BI	Business Intelligence
BLB	Branchless Banking
BM	Branch Manager
BoD	Board of Directors
BoP	Balance of Payment
BPA	Business Process Automation
BS	Bikram Sambat
CA	Chartered Accountants
CAD	Credit Administration Department
CAGR	Compounded Annual Growth Rate
CAPM	Capital Asset Pricing Model
CAR	Capital Adequacy Ratio
CASA	Current Account and Savings Account
CASBA	Centralized Application Supported by Blocked Account
CBA	Collective Bargaining Agreement
CBS	Core Banking System
CCTV	Close-Circuit Television
CD Ratio	Credit to Deposit Ratio
CEO	Chief Executive Officer
CET	Common Equity Tier
CFT	Combating the Financing of Terrorism
CIA	Confidentiality, Integrity and Availability
COBIT	Control Objectives for Information and Related Technologies
COBP	Continuity of Business Plan
COO	Chief Operating Officer
COVID	Coronavirus Disease
CPI	Consumer Based Price Index
CRMS	Credit Risk Management System
CRO	Chief Risk Officer
CRR	Cash Reserve Ratio
CRSSF	Committee Relating to Staff Services and Facilities
CSR	Corporate Social Responsibility
CTI	Central Training Institute
DBO	Defined Benefit Obligation
DBP	Defined Benefit Plan
DCP	Defined Contribution Plan
DDSL	Direct Deprived Sector Lending
DGM	Deputy General Manager
DMS	Document Management System
DPD	Days Past Due
DPS	Dividend Per Share
DRS	Disaster Recovery Site
DRT	Debt Recovery Tribunal
EB	Extended Banking
ECC	Electronic Cheque Clearing
EIR	Effective Interest Rate
EM	Equity Multiplier
EPG	Electronic Payment Gateway
EPS	Earnings Per Share
ESDD	Environmental and Social Risk Due Diligence
ESG	Environmental, Social and Governance

ESMS	Environmental and Social Risk Management System
ESRM	Environmental and Social Risk Management
EVA	Economic Value Added
EWS	Early Warning System
FD	Fixed Deposit
FDI	Foreign Direct Investment
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit and Loss
FX	Foreign Exchange
FY	Fiscal Year
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GNP	Gross National Product
GoN	Government of Nepal
HR	Human Resource
HRA	Human Resources Accounting
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment Process
ICAN	Institute of Chartered Accountants of Nepal
ICRA	International Credit Rating Agency
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
INGO	International Non-Governmental Organizations
IPF	Infrastructure and Project Financing
IPS	Interbank Payment System
IRO	Inland Revenue Office
ISO	Information Security Officer
IT	Information Technology
ITIL	Information Technology Infrastructure Library
KMC	Kathmandu Metropolitan City
KMP	Key Management Personnel
KPI	Key Performance Indicators
KYC	Know Your Customer
LC	Letter of Credit
LD Ratio	Liquid Assets to Deposit Ratio
Ltd.	Limited
Man Com	Management Committee
MF	Micro-Finance
MFIs	Micro-Finance Institutions
MIS	Management Information System
MPS	Market Price per Share
MSME	Micro, Small and Medium Enterprises
MTM	Mark to Market
MVA	Market Value Added
NAS	Nepal Accounting Standard
NAV	Net Asset Value
NBA	Non-Banking Assets
NBV	Net Book Value
NCI	Non-Controlling Interest
NEPSE	Nepal Stock Exchange
NFRS	Nepal Financial Reporting Standards
NGO	Non-Governmental Organizations
NPL/NPA	Non-Performing Loans/Non-Performing Assets
NPR	Nepalese Rupees
NRB	Nepal Rastra Bank
NSA	Nepal Standard on Auditing

NSAs	Nepal Standards on Auditing
NSO	National Statistics Office
OCR	Office of Company Registrar
OD	Overdraft
ORMC	Operation Risk Management Committee
P/E	Price Earnings
PBT	Profit Before Tax
PE Ratio	Price Earnings Ratio
PIN	Personal Identification Number
POS	Point of Sale
PPE	Property, Plant and Equipment
PSID	Payment Systems Indicators
PSPs	Payment Service Providers
PTC	Provincial Training Centre
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
RMC	Risk Management Committee
RoA	Return on Assets
RoCE	Return on Capital Employed
RoE	Return on Equity
RoU	Right of Use
RWE	Risk Weighted Exposure
SDG	Sustainable Development Goals
SEBON	Security Board of Nepal
SIEM	Security Information and Event Management
SIM	Standing Instruction Manual
SLR	Statutory Liquidity Ratio
SME	Small and Medium-sized Enterprises
SMS	Short Message Service
SoCE	Statement of Changes in Equity
SoCF	Statement of Cash Flow
SOCI	Statement of Other Comprehensive Income
SoFP	Statement of Financial Position
SoPL	Statement of Profit or Loss
SSA	Social Security Allowance
SWOT	Strength Weakness Opportunity Threat
TAT	Turn Around Time
TBO	Treasury Back Office
TBR	Treasury Bill Rate
TDS	Tax Deducted at Source
TFO	Treasury Front Office
TFTP	Trivial File Transfer Protocol
TMO	Treasury Middle Office
UAT	User Acceptance Testing
VAPT	Vulnerability Assessment and Penetration Testing
VAS	Value Added Statement
VITA	Value chain for Inclusive Transformation of Agriculture
WACC	Weighted Average Cost of Capital
WAF	Web Application Firewall
WC	Working Capital
WIP	Work In Progress
YoY	Year on Year

Our Approach of Reporting

The Bank has published its Annual Report along with the Audited Financial Statements for the year ended on July 15, 2024. It is an approach of a bank to present the overall picture of its value creation processes, balancing of profitability with sustainability and stakeholder engagement. The framework integrates both financial and non-financial information while presenting the same.

Frameworks, Guidelines and Standards

The Statutory Reports presented in this report are prepared by complying with the following:

- Bank and Financial Institution Act, 2017.
- Companies Act, 2006
- Nepal Rastra Bank's Unified Directives, 2023 and other Directives and Circulars issued in this regard.
- Regulations of Securities Exchange Board of Nepal.
- Nepal Financial Reporting Standards issued by Accounting Standard Board, Nepal.
- Income Tax Act, 2002.
- Labour Act, 2017.

Board and Management Assurance

The Bank ensures that its Annual Reports present an accurate and fair assessment of its performance. The Bank's Board confirms that these reports have undergone thorough review and approval by senior leadership.

Assurance Statement

The accompanying financial statements have been audited by joint independent auditors S. R. Pandey & Co., PYC & Associates and CSC & Co Chartered Accountant. As per the opinion of independent auditors, the accompanying financial statements present fairly, the consolidated financial position, consolidated financial performance, consolidated other comprehensive income, consolidated statement of equity, consolidated statement of cash flows in all material respects and therefore, have provided unqualified opinion in respect of financial statements pertaining to current financial year. Full auditor's report is available on financial statements section of this report.

Feedback

We appreciate your feedback.

For any suggestions or inquiries, please reach out to us at gunaso@adbl.gov.np.





towards



Welcome Address

Dear Readers,

On behalf of the entire team at ADBL, we welcome you with great pride and pleasure to the Annual Report FY 2023/24. Like in previous years, the Bank, continued to move towards fostering growth and prosperity across the communities it serves. While doing so, we faced challenges, made progress and achieved milestones. In fact, this annual report vividly highlights the very journey. As we reflect on FY 2023/24, we are proud of the collective efforts that have contributed to our continued success and our unwavering commitment to excellence.

The report not only provides a comprehensive overview of our financial performance but also showcases the strategic initiatives and innovative solutions we adopted to address the evolving needs and aspirations of our stakeholders. We worked tirelessly to stay aligned with our mission, creating positive impacts and driving sustainable growth for both our clients and communities.

As we look ahead to the future, we remain committed to expanding opportunities, deepening relationships, and promoting inclusive financial services that enhance the lives of individuals and businesses alike. We are confident that the results and insights contained within this report will provide you with a better understanding of our path forward and the value we aim to create in the years to come.

The report has been reviewed and approved by the management and the Board of Directors of the Bank to ensure its accuracy, completeness and relevance.

We thank you for your ongoing trust and support and also invite you to explore this report as we continue on our journey to make a lasting difference in the lives of those we serve.

With gratitude and best wishes,
Agricultural Development Bank Limited.

Message from Chairman

It is my great pleasure and privilege to present this message in the Annual Report of Agricultural Development Bank Limited (ADBL). It was initially established on Magh 07, 2024 B.S. (January 24, 1968, A.D.) as Agricultural Development Bank/Nepal (ADB/N) under the special "Agricultural Development Bank Act, 2024 B.S." with the primary mandate of promoting the agricultural sector in Nepal under the government ownership. Later, in 2005, ADB/N transformed into the current Agricultural Development Bank Limited (ADBL) as a full-fledged commercial bank under the provisions of "The Bank and Financial Institutions Act, 2063 B.S". ADBL was founded with a clear mission to provide the capital and technology needed to promote economic development, particularly for rural communities reliant on agriculture and the agricultural entrepreneurs.

Initially, our focus was on investing in the agricultural sector and cooperatives. However, to fulfil the changing needs of the customers, we diversified our services. Today, ADBL provides a full range of commercial banking services, tailored to meet the diverse demands of our clients. With 271 branches spread across 7 provinces and 77 districts of the nation, we have been able to serve millions of farmers and entrepreneurs, contributing significantly to the nation's economic growth by gathering scattered capital and enhancing production and productivity. We are proud to serve wide range of customers across urban and rural areas through a growing network of branches and enhanced digital services.

We operate with zero-tolerance policies in terms of governance and compliance, and follow other integrated policies that emphasise sustainable growth, sound risk management, and innovation. By prioritising transparency and regulatory compliance, we aim to build trust and ensure long-term success.

The Bank's previous strategic business plan concluded in the Mid of July 2024, and a new five-year strategic business plan covering FY 2024/25 to FY 2028/29 has been approved and is under implementation. To develop the current five-year business plan, the Board of Directors, senior management, and experts from the Banking and financial sectors conducted a Vision, Mission, and Objectives (VMO) Symposium, redefining the Bank's vision, mission, strategic objectives and working policies. The Bank expects significant advancements in business growth, operational efficiency and financial performance following the execution of the new strategic plan. Guided by our vision of being "The Bank of Choice for Shared Prosperity" and rooted in our core values of *EASIER*—Ethics, Accountability, Service, Innovation, Equality, and Respect have prioritised ethical practices, governance, and transparency at all levels. Looking back in the past year, I am proud to share that our bank has stayed committed to its mission of achieving sustainable business growth by providing comprehensive financial solutions and supporting the nation's economic and social progress.


I assure all the stakeholders that ADBL is well-equipped to manage systemic risks in the Bank. We are also committed to maintaining high employee morale and investing in their professional development, ensuring that our team remains capable of meeting the evolving needs of the Bank and its customers.

I would like to express my sincere gratitude to the Government of Nepal, Nepal Rastra Bank, shareholders, customers, development partners, current and past board members, and employees for their continued support and guidance. Their contributions have been instrumental in bringing ADBL to its current leading position. I look forward to continued cooperation and collaboration with all involved as we move forward.

Thank You.
With Regards,

Ram Sharan Pudasaini
Chairman





“ADBL remains committed to driving the country’s economic development, enhancing financial stability, improving financial access, and promoting financial literacy. Through continuous improvement, change management, safe use of technology, and strengthening of our internal capacity, we aim to make our services faster, more efficient, secure, and reliable, contributing to the socio-economic future growth of Nepal.”

Message from CEO

With immense gratitude, I present the Annual Report of Agricultural Development Bank Limited (ADBL) for the fiscal year 2023/24. I would like to express my heartfelt gratitude and best wishes to the Government of Nepal, the Board of Directors, our valued customers, shareholders, regulatory bodies, former and current employees, media personnel, and all our well-wishers. Your continued support and collaboration have been pivotal in achieving this significant milestone, in the ADBL journey.

Fiscal year 2023/24 has been transformative, marked by significant achievements across key financial metrics. Our balance sheet size has increased by 17.20%, while total deposits increased by 20.96% and total loans and advances increased by 14.62%. This year operating income improved significantly by 26.01%. Most notably, our net profit after tax has more than doubled, achieving exceptional growth of 118.94%. At the close of the fiscal year 2023/24, we proudly hold a strong market presence with 4.23% share in deposits and 4.53 % in loans & advances.

As ADBL continues to expand its commercial banking operations, we are enhancing our services with the use of advanced technology, including the international-level Core Banking System (T24). We've introduced a variety of modern banking products and services, such as IPS, Connect IPS, Visa Debit and Credit Cards, Kisan Card, Kisan App, Internet Banking, QR Payment Systems, Mobile Banking, Fonepay, Meroshare, and Foneloan services, to make banking easier and more accessible for everyone. We are also shifting our focus towards corporate business and SME loans to better serve these growing sectors. To broaden our reach, we've expanded Alternative Delivery Channels (ADCs), ensuring our services are available nationwide. Today, ADBL operates through 282 locations, including 271 branches, 10 provincial offices, and our head office, bringing modern banking solutions to communities across Nepal.

At ADBL, we prioritize a robust and integrated approach to risk management, ensuring long-term stability and growth. In FY 2023/24 the Bank *Risk Management Policy, 2023* has been developed, ensuring adherence to guidelines from Nepal Rastra Bank and the Basel Committee on Banking Supervision (BCBS) and international best practices. This comprehensive framework supports the Bank's stability and resilience, allowing us to navigate risks while pursuing sustainable growth. Our approach follows the three-line defense model with the Board of Directors setting the risk appetite and approving the risk management framework. The Risk Management Committee

provides oversight and ensures compliance with the established limits. At the management level, specialized sub-committees focus on specific risks, while the Chief Risk Officer (CRO) leads the coordination of risk strategies and provides regular updates to senior management and the Board.

In line with our commitment to operational excellence, the Bank has made significant strides in human resource management this year. We have successfully implemented the Human Resource Information System to boost productivity by optimizing the use of our workforce. Human Resources management functions have been gradually centralized, improving efficiency across operations. To further develop our employees' skills, we have continued investing in both internal and external training programs. In collaboration with the Public Service Commission, we have effectively managed recruitment and promotion processes.

As part of our vision for continued growth and excellence, I am pleased to present ADBL's Five-Year Strategic Plan (FY 2024/25 – FY 2028/29), which will serve as a roadmap to our future. Our strategy focuses on driving sustainable growth and enhancing operational efficiency through key initiatives. We are committed to investing in Digital Transformation, thereby elevating customer experience, while strengthening Financial Stability and Capital Planning to support our expansion goals. We will continue to play role as key driver for the country's economic development by expanding agricultural lending and investing more in other productive sectors, while remaining committed to a solid Risk Management Framework and Service Excellence. Additionally, our efforts to increase market share and deliver high returns to the shareholders will continue to reinforce the leadership role of ADBL in the Nepalese banking industry.

As we celebrate 57 years of operation and enter a new financial year, I believe that, with the continued support of all our stakeholders, we will achieve even greater success in the days to come. Looking ahead, we are committed to building on our strong foundation and working collaboratively with all our stakeholders to reach new milestones and elevate the Bank to greater heights in the coming years. Thank you for your continued trust and support towards ADBL.

Thank you.
With Regards,

Govinda Gurung
Chief Executive Officer



“The prime focus of the Bank has continued to remain the agricultural sector and its development even while commercial banking activities have been evolving and changing over time.”









ADBL Overview

साझा समृद्धिका लागि सबैको रोजाईको बैंक
The Bank of Choice for Shared Prosperity



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.



About Bank

Initially, Agricultural Development Bank, Nepal (ADB/N) was incorporated under the special act named “[Agricultural Development Bank Act, 2024](#)” on January 24, 1968 (Magh 7, 2024 B.S.) with the special mandate to develop agricultural sector of Nepal under the government ownership. ADB/N was later converted into the current [Agricultural Development Bank Ltd. \(ADBL\)](#) in 2005 as a full-fledged commercial bank under the BAFIA, 2006.

ADBL, in which the government holds 51 percent stake, is one of the largest commercial banks having widespread network. The Bank offers all types of deposit products including that of Savings, Current, Call, Fixed and other deposits while also offering all types of loan and advances ranging from Revolving Working Capital, Non-Revolving

Working Capital, Term Loans, Project Loans, Short Term Loans, Demand Loans and all other Retail/Consumer Loan products to all segments of entrepreneurs and individuals ranging from Micro Enterprises, SMEs, Corporate multinationals and conglomerates to individual borrowers from 271 branches, 10 province offices and various digital channels/networks across the country. In addition to it, Bank makes investment in all types treasury products/instruments and also provides payment/settlement transactional services like remittance, clearing (ECC), fund transfers (IPS/RTGS/SWIFT), etc., while providing all types ADC (Alternative Delivery Channel) services such as mobile banking, internet banking, QR/POS terminals, Debit/Credit Cards, FonePay/Fone Loan, etc.,

With over 57 years of history and expertise in agricultural and rural banking, ADBL has earned the reputation of a leading, stable, and reliable financial institution of Nepal.



ADBL offers wide range of banking products and services as well as tailored financial solutions and aspires to establish long term strategic partnership with its clients.

ADBL has been a consistent player to reckon with in Nepalese banking industry especially in rural financing and has always been trying to produce a balanced and right mix of products and services. ADBL operates its business and financial record keeping in high performing state-of-the-art information technology and communication system.

The Core Banking System (CBS) Temenos T24 has not only changed the way of doing business with customer information as well as financial/transactional record keeping system but also transformed the overall work process and culture of the employees while significantly improving the customer service standard . It shows that we are embracing cutting-edge banking tools and techniques to truly modernise our modus operandi. Today, there are

different channels and technology platform available for the Banking transactions and services which have become competitive advantages as well as business strengths for ADBL. The Bank has leveraged advanced Core Banking Software (CBS) and other latest technological platforms continuous, There have been timely upgradations to improved versions of IT-driven products and services like Mobile Banking, Internet Banking, Card business, ECC, IPS, Connect IPS etc.,

This signifies our commitment towards leveraging the latest cutting-edge technological breakthroughs for fulfilling the modern-day customer needs and expectations,.

Bank's History

Historical Glimpses of ADBL



वि.सं. २०२० सालमा तत्कालीन श्री ५ को सरकारद्वारा स्थापना भएको धूमि सुधार तथा बचत सहकारी विकास बैंकको स्थापना ।



वि.सं. २०२४ साल माघ ७ गते सहकारी विकास बैंकलाई नेपाल सरकारद्वारा कृषि विकास बैंकका रूपमा स्थापित ।



नेपालको ग्रामीण क्षेत्रमा कृषकलाई कृषि ऋण तथा प्रविधि दिने एक मात्र बैंक कृषि विकास बैंक ।



कृषि विकास बैंक सहकारी बैंकको रूपमा पहिलो पटक न्युयोर्कस्थित सैनाबसेरा भवन, दोस्रोपटक सिंहदरवार र चौथो पटक उद्घाटित आफ्नो भवनमा सरेको थियो



कृषि विकास बैंक मुख्य कार्यालय भवनको उद्घाटन गर्दै तत्कालीन महाराजाधिराज श्री ५ वीरेन्द्र । वि.सं. २०३५



वि.सं. २०४२ सालमा कृषि विकास बैंक मुख्य कार्यालयको निरीक्षण गर्दै तत्कालीन महाराजाधिराज श्री ५ वीरेन्द्र



श्री ५ महाराजाधिराज सरकार तथा श्री ५ बडामहाराजो सरकार बाट आफ्नोको स्थापना - झण्डारको अञ्चलमा



Awards and Recognition



57 YEARS OF EXPERIENCE

Historical Milestones

Establishment of ADBN in 1968 AD under the ADBN act 1967.

70s

Overcome the weak capital based by stepping into external borrowing.

(mid 70s)

Innovation on the pro-poor targeted Small Farmers Development Program (SFDP)

(mid 80s)

1st Bank to adopt computerized system

90s

Federated the SFDP into farmers owned Small Farmers Co-operative Limited (SFCL)

mid 90s

Introduction of First Reform Program

2000s

Financial and Operational Restructuring of ADBN in accordance with the Sector Reform Program and Technical Assistance from Asian Development Bank

2001

Established Sana Kisan Bikas Bank Limited as a part of graduation of Small Farmers Development Program

Development Phase

Poverty Reduction Phase

Resource Mobilization Phase

Reform Phase

Restructuring Phase

Technology Advancement and Digitalization Phase

EXPERIENCE OF ADBL

Milestones of ADBL

2002

Operational Review of ADBL in line with Financial Policies taking assistance from Parent Bank (ADB)

2006

Restructuring of ADBL in the areas of Credit Management, Human Resource Management, Capital Structure, Governance, Marketing and other various policies and operational areas.

2008

Issuance of Initial Public Offering of 9.6 million share to public

2009

Installation of Core Banking System Temenos t24.

2010

Voluntary Retirement Scheme (VRS) to downsize HR structure of ADBL

Issuance of Initial Public Offering to 4.5 million share to employee.

2012

Awarded by Asian Development Bank for exemplary contribution on RFSDCP I program performance

2006 to 2014

Initiated Rural Finance Sector Development Cluster Program I and II (RFSDCP I and II) as a part of restructuring of ADBN.

2024

The Bank of Choice for Shared Prosperity.

2015

Align ADBL in digital products by introducing card business, mobile banking, internet banking, ATM services etc.

ADBL's Tax Glory

The table shows a detailed account of the income tax contribution made by ADBL to Government over past 12 years, with total tax payments amounting to nearly NPR 12.41 Billion.

S.N.	Fiscal Year	Amount (NPR in Million)
1	2012/13	975.79
2	2013/14	733.55
3	2014/15	939.08
4	2015/16	1,078.83
5	2016/17	1,317.83
6	2017/18	1,660.05
7	2018/19	1,592.67
8	2019/20	1,041.90
9	2020/21	1,344.77
10	2021/22	1,432.30
11	2022/23	873.67
12	2023/24	1,132.71
	Total	12,413.80

Corporate Information



Name of Company
Agricultural Development Bank
Limited



Accounting Year
2023 July 17 to 2024 July 15



Legal Form
Public Limited Company
"A Class" Licensed Commercial
Bank



Auditors
CA Sudarshan Raj Pandey
CA Yuddha Raj Oli
CA Jitendra Kumar Mishra

Audit Opinion
Unqualified Opinion



Board of Directors
Mr. Ram Sharan Pudasaini
(Chairman)
Mr. Dirgharaj Mainali
Dr. Hari Bahadur K.C.
Mr. Govinda Prasad Bhattarai
Mr. Sanjeev Poudel
Mr. Binod Kumar Guragai
Ms. Rita Subedi



Corporate Office
Kathmandu Metroplitian City-11
Ramshapath



Applicable Reporting Framework
and Guidelines
Companies Act, 2006
Banking and Financial
Institution Act, 2017
Securities Act, 2006
Income Tax Act, 2002
Guidelines, Regulations,
Directives, and Circulars issued
by Nepal Rastra Bank
Nepal Financial Reporting
Standards
Other applicable Laws and
Guidelines



Contact Number
01-5721165



Company Secretary
Mr. Himalal Paudyal



UAN
1660011110



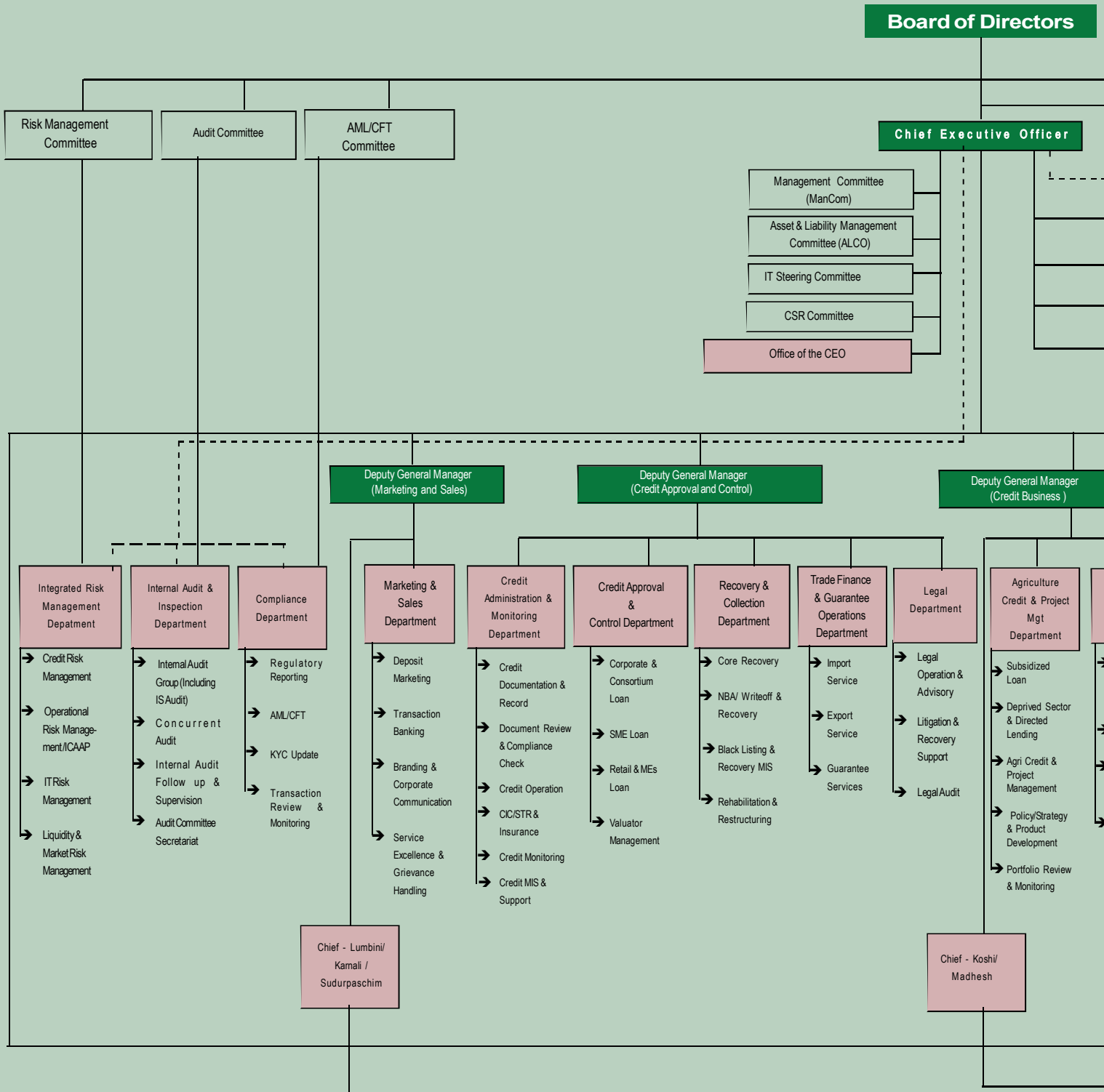
Website
www.adbl.gov.np



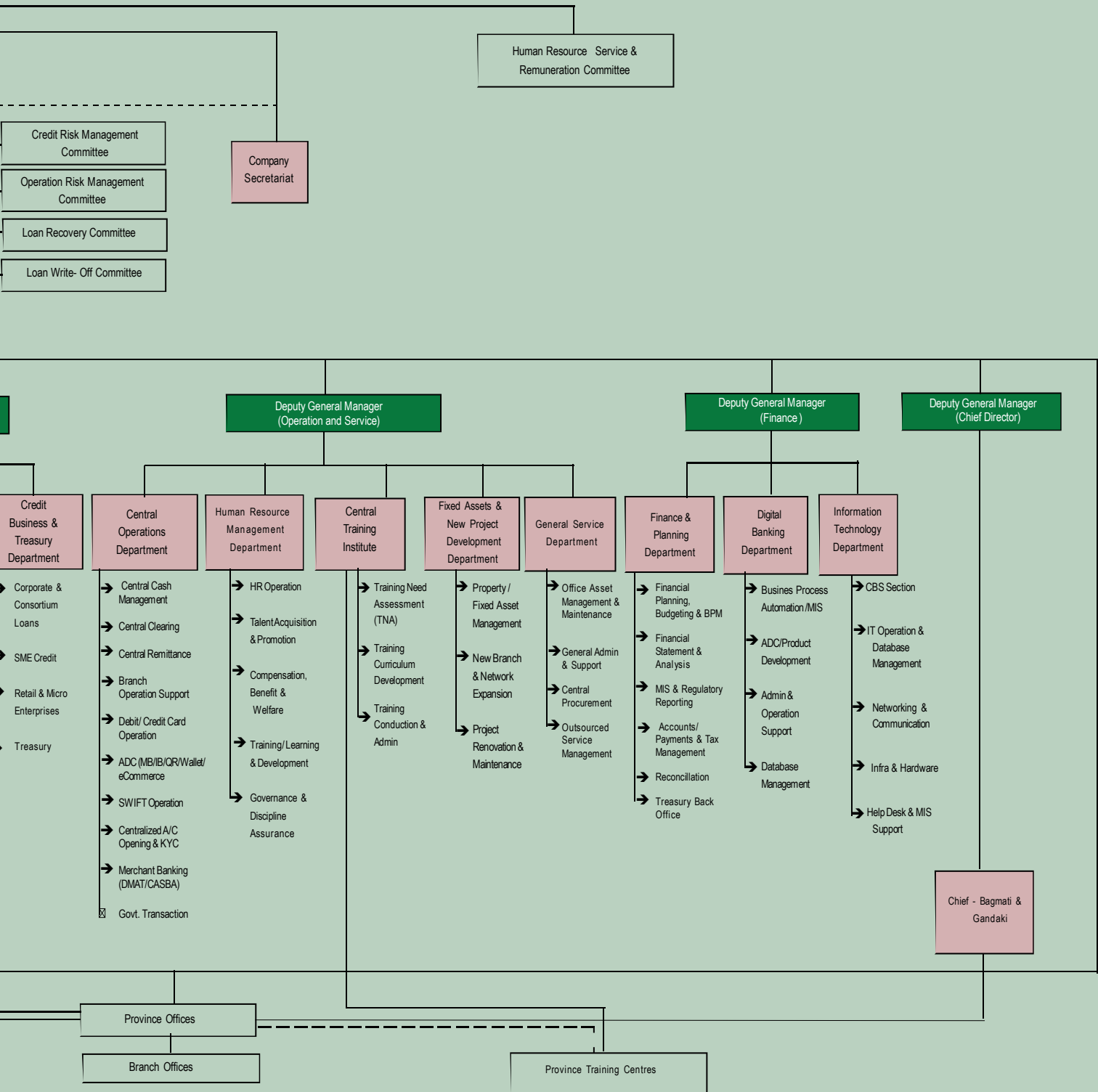
Feedback
ADBL welcomes your feedback
and suggestions on this report,
which may be communicated to
gunaso@adbl.com.np.

ORGANIZATIONAL STRUCTURE

Fiscal Year 2080/81 (2023/24 A.D.)



TURE



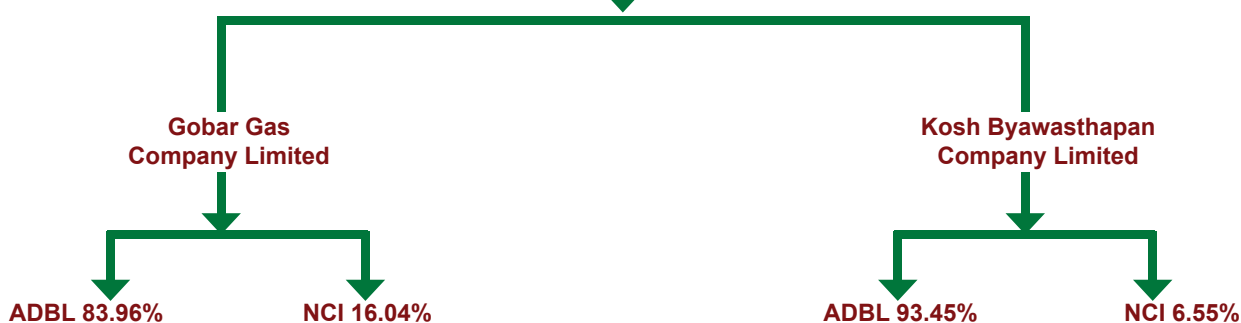
CORPORATE STRUCTURE

Bank's Group Structure



Agricultural Development Bank Limited

Subsidiaries



*NCI = Non-Controlling Interest

NFRS 10 defines non-controlling interest (NCI) as the equity in a subsidiary not attributable, directly or indirectly, to a parent company. This occurs when a parent company owns less than 100% of a subsidiary. NCI represents the ownership interest held by external shareholders in the subsidiary.

Subsidiary Companies

Gobar Gas Company Limited

Gobar Gas Company Limited (GGC), was in the business of biogas input. ADBL currently holds 83.96% in the company. The company is currently not in operation. Hence, 100% impairment allowance has been made again this investment.

Kosh Byawasthapan Company Limited

Kosh Byawasthapan Company Limited was established in 5th April 1994, with a motive of trading business of various assets such as securities and real estates. Company official address is Kathmandu, Nepal. ADBL holds 93.45% stakes in Kosh Byawasthapan Company Limited. ADBL has prepared consolidated financial statements consolidating the position and performance of the company as required by NFRS 10 "Consolidated Financial Statements".

Bank's Capital Structure

The capital structure of the Bank generally pertains to its financial capital. This includes shareholder equity, long-term funding, and liquidity such as deposits. Additionally, the strength of a bank's financial capital is effectively illustrated by the Capital Adequacy Ratio in accordance with Basel-III Standards.

Shareholder's Equity

Shareholder's equity consists of share capital, retained earnings and reserves.

Information about the Bank's share capital is presented as below:

NPR. (In Million)

Particulars	FY 2023/24	FY 2022/23
Authorized Capital	25,000.00	25,000.00
160,000,000 Ordinary Shares of Rs. 100 each	16,000.00	16,000.00
67,000,000 Non-Cumulative Irredeemable Preference Shares of Rs. 100 each	6,700.00	6,700.00
23,000,000 Redeemable Preference Shares of Rs 100 each	2,300.00	2,300.00
Issued Capital	18,884.39	18,884.39
134,516,741 Ordinary Shares of Rs.100 each	13,451.67	13,451.67
54,327,120 Non-Cumulative Irredeemable Preference Shares of Rs. 100 each	5,432.71	5,432.71
Subscribed and Paid-Up Capital	18,884.39	18,884.39
134516741 Ordinary Shares of Rs.100 each	13,451.67	13,451.67
54,327,120 Non-Cumulative Irredeemable Preference Shares of Rs. 100 each	5,432.71	5,432.71
Total	18,884.39	18,884.39

Information about the Bank's retained earnings and reserves is presented as below:

NPR (In Million)

Particulars	FY 2023/24	FY 2022/23
Retained Earnings	2,136.09	1,243.17
Reserves:	15,119.47	13,666.10
Statutory General Reserve	9,636.88	9057.38
Exchange Equalization Reserve	108.11	108.11
Corporate Social Responsibility Reserve	32.10	32.59
Regulatory Reserve	4,759.56	3873.32
Investment Adjustment Reserve	30.13	29.96
Capital Reserve	0.23	0.23
Fair Value Reserve	1,481.90	1,785.30
Debenture Redemption Reserve	2,000.00	1,500.00
Actuarial Gain	(3,207.55)	(2,962)
Employee Development Fund	278.11	241.28
Total	17,255.56	14,909.27

Long-Term Funding Arrangement

The Bank has issued five bonds/debentures for long- term financing arrangement. All these bonds/debentures are semi-annual coupon payment. They are measured at amortized costs in financial statements.

Information about bank's long-term funding arrangement is presented as below:

Bond/Debenture	Issued Year (B.S.)	Maturity Year (B.S.)	Tenure	Amount in Million (NPR)
10.35% ADBL Debenture	2076	2083	7	2,500
4% Agri Bond	2077	2084	7	6,000
4% Agri Bond	2078	2086	8	6,000
4% Agri Bond	2078	2087	9	3,427
4% Agri Bond	2078	2087	9	2,573
Total				20,500

As per the audited financial statements, these bonds/debentures are carried at an amortized costs of NPR 20,477.02 million.

Liquidity Arrangement

The primary component of a bank's liquidity arrangement is customer deposits, which serve as the main source of funding for commercial banks. ADBL's deposit base remains robust, and the figures at the end of this year indicate significant growth in the Bank's liquidity arrangements.

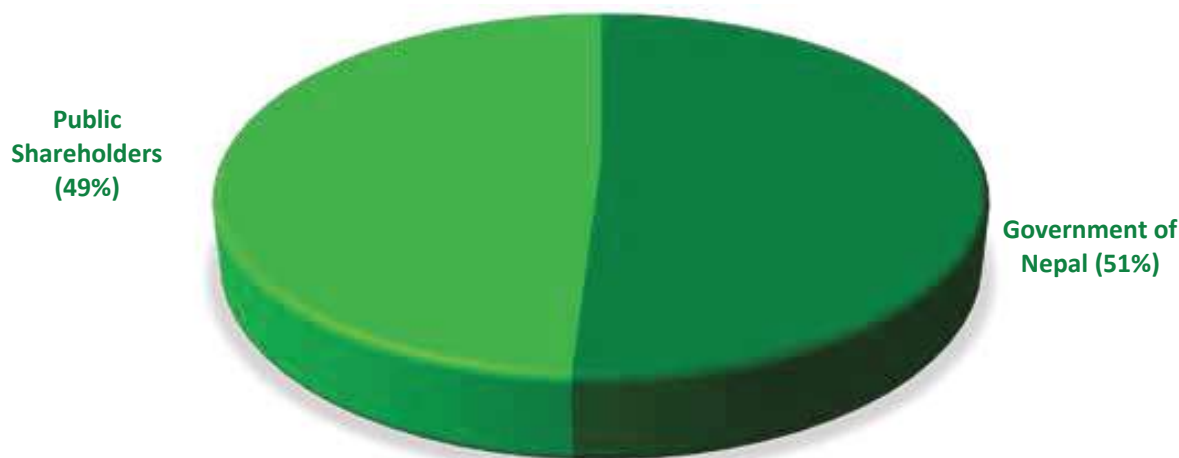
Information about customer deposits of the Bank is as presented as below:

Particulars	NPR. in Million	
	FY 2023/24	FY 2022/23
Institution Customers:		
Term Deposits	65,507.07	39,574.05
Call Deposits	13,226.67	10,284.11
Current Deposits	17,045.53	21,221.25
Other	1,315.73	1,196.74
Individual Customers:		
Term Deposits	74,376.80	75,559.48
Saving Deposits	68,765.77	48,773.47
Current Deposits	3,212.26	2,700.45
Other	178.82	177.07
Total	243,628.66	199,486.61

Shareholding Structure

HOLDING %

■ Government of Nepal (51%) ■ Public Shareholders (49%)



Detailed list of public shareholders holding more than or equal to 0.5% shares of ADBL is presented as below:

Names of Shareholders	Number of Shares	(% Holding)
Krishna Gopal Shrestha	1,867,724	1.39%
Laxmi Shrestha	1,031,038	0.99%

Details of Shareholding by Government of Nepal as of Mid-July 2024

S.N.	Shareholder's Name	Number of Shares	Percentage Holding
1.	Ministry of Finance, GoN	42,036,482	31.25%
2.	Office of Financial Comptroller General, GoN	26,546,041	19.73%
3.	Ministry of Science & Technology, GoN	4,203	0.003%
4.	Ministry of Industry, Commerce & Supplies, GoN	4,203	0.003%
5.	Ministry of Irrigation, GoN	4,203	0.003%
6.	Ministry of Agriculture and Livestock Development, GoN	4,203	0.003%
7.	Ministry of Land Reform and Management, GoN	4,203	0.003%
	Total	68,603,538	51%



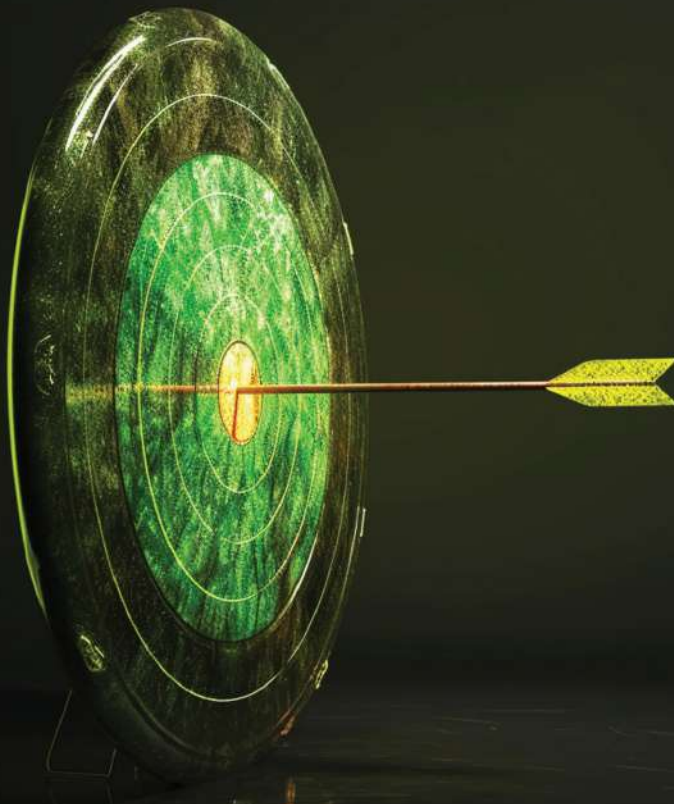


VISION, MISSION & CORPORATE VALUES



VISION

The Bank of choice for shared prosperity.



MISSION

Ensure customer service excellence.

Attain sustainable business growth with complete financial solutions.

Contribute for economic and social prosperity of the nation.

Uphold ethical practices, good governance and transparency at all levels.

Assure profitability for shared prosperity.

Corporate Values

Corporate values are the guiding principle for doing business which provide a foundation for ethical conduct, build trust and credibility, foster employee engagement and morale, attract and retain talent, and support effective risk management and compliance. By living its values every day, the Bank can create a positive and sustainable organizational culture that drives long- term success and delivers high value to all stakeholders.

Corporate Values of ADBL are abbreviated as **EASIER** for ease to remember and defined as below:



Bank's Objectives

Long-Term Objectives



Investment in Large-Scale Projects & Sustainable Deposit Mix:

"Investment in large projects in agriculture, hydropower, tourism, and other sectors will be expanded based on feasibility." "The policy of creating a reliable and sustainable deposit mix will be adopted by increasing the share of low-cost permanent deposits in total deposits."



Mobilization of Long-Term Capital Resources:

"An environment will be created to mobilize low-cost long-term capital resources through coordination, cooperation, and agreements with various agencies."



Commercial Relations with Revenue Centers

"Deposits will be collected by expanding commercial relationships with revenue centers of the Nepal Government, such as Land Revenue, Hospitals, Universities, etc., where there is significant economic transaction potential."



Encouraging Electronic Transactions

"All types of financial transactions will be encouraged through electronic means in line with the Government of Nepal's Digital Nepal Framework." "The use of Payment Systems Indicators (PSID) will be made more effective."



Boosting Remittance Inflow:

"Remittance inflow from third countries, including India, will be continued to boost business through the Banking system effectively."

Medium-Term Objectives



Centralized Loan Approvals and Document Management:

"Loan approvals will gradually be centralized, and software for Document Management System (DMS) and Credit Processing System will be updated and implemented as necessary to streamline the central/regional control system."



Risk Management System

"By identifying, measuring, monitoring, controlling, and minimizing inherent banking risks, simple, quick, safe, competitive, and profitable services will be operated."



Green Financing Policies:

"Environmentally friendly lending policies in line with the notion of Green Financing will be gradually adopted."



Digital Financial Literacy Programs:

"To provide access to electronic goods and services for citizens involved in the rural economy, foreign employment, and entrepreneurship, digital financial literacy programs and digital products will be developed and expanded under the slogan 'Digital Literacy for Financial Inclusion.'"



Expansion of Agricultural Bonds:

"To boost investment in agriculture, the Bank will issue an additional Rs 600 crore worth of agricultural bonds, building on its promotion as a leading bank by the Government of Nepal and Nepal Rastra Bank."

Short-Term Objectives



Specialized Service Offices:

"Specialized service offices will be established and gradually expanded to make banking services faster, more efficient, and customer-centric."



Effective Marketing and Communication Strategies:

"Effective marketing and communication strategies will be developed and implemented to promote the Bank's brand and services."



Nepali's Account in the Agricultural Development Bank's Relations with Customers Campaign:

"The campaign 'Nepali's account in the Bank's relationship with customers' will be run efficiently, focusing on low-cost resource collection."



Loan Disbursement Process Improvement

"The quality of loan disbursement, approval, and document management processes will be improved by making them faster, more efficient, and simpler."



Core Banking System (CBS) Security:

"To provide competitive modern banking services sustainably, the Core Banking System (CBS) will be made more secure by complying with regulations, adopting national and international best practices of cyber security, and prioritizing making it reliable, safe, and risk-free."



Bank's Culture



At ADBL, our culture is built on the foundation of trust, integrity, and customer-centricity. We believe in fostering an environment where every employee feels valued and empowered to contribute to our collective success. Our guiding principles are given as below:

Customer Focus:

We prioritize our customers' needs and strive to provide exceptional service at every touch point. Our goal is to build long-lasting relations based on mutual trust and respect with customer.



Teamwork and Collaboration:

We value teamwork and encourage collaboration across all levels of the organization. By working together, we can achieve our goals and deliver outstanding results.



Integrity and Ethics:

We adhere to the highest standards of ethical behavior and transparency in all our operations. Our commitment to integrity ensures that we maintain the trust of our customers, employees, and stakeholders.



Diversity and Inclusion:

We are committed to creating a diverse and inclusive workplace where everyone feels respected and valued. We believe that diverse perspectives lead to better decision-making and innovation.



Innovation and Excellence:

We continuously seek to innovate and improve our services to meet the evolving needs and aspirations of our customers. Our pursuit of excellence drives us to deliver top-quality products and services.



Sustainability and Responsibility:

We are dedicated to operating in a socially and environmentally responsible manner. Our commitment to sustainability ensures that we contribute positively to the communities we serve.



Corporate Characters of ADBL

The corporate character (DNA) of a commercial bank serves as its moral compass, guiding its actions, shaping its culture, and ultimately determining its success in achieving its mission and fulfilling its responsibilities to stakeholders. Understanding the importance of corporate character, ADBL defines the corporate characters desired from its employees as follows.



People, Process and System

People, process and system serve as the foundation of the Bank which needs to be built-in or installed in each employee of the Bank as a corporate character driving the culture of believing and trusting in the people, process and system for continuous improvement, agility and competitiveness. By embracing the belief and trust in the people, process and system, the Bank will invest in people for up- skilling and continuous enhancement of capabilities for unleashing their potential, invest in developing the process and systems for ensuring the governance, compliance, risk management and control while, at the same time, assuring the efficiency, accuracy and quality in all functions for service excellence and business growth.

IT-Orientated



ADBL is committed to leveraging cutting-edge technologies and digital solutions to drive transformation, enhance customer experiences and remain competitive in the digital age. By investing in technological and digital innovation and building the character of willingly embracing and adapting to the technological advancements in the employees, ADBL enhances its competitiveness, improve operational efficiency and create sustainable value for customers, employees and stakeholders in an increasingly digital and connected world.



Profit Sense

As a corporate character of an ADBL, "Profit Sense" embodies a strategic orientation towards value creation in everything we do for financial sustainability and service to all the stakeholders. By prioritizing profitability alongside responsible business practices, the Bank can achieve its financial objectives while fulfilling its broader social, economic and ethical responsibilities in the communities it serves.

Customer-Centric



ADBL is committed to delivering exceptional value, service and experiences that surpass customer expectations. By fostering a customer-centric culture, embracing continuous improvement and innovation, personalizing interactions and delivering service excellence, ADBL intends to delight the customer to differentiate itself as a customer centric bank in the market, build strong customer relationships and drive sustainable growth and profitability in the longer term.



Performance- Driven

At ADBL, one should have performance driven character which encapsulates a commitment to achieving tangible outcomes fostering a culture of accountability and ownership, embracing continuous improvement and adaptation while recognizing and rewarding performance and excellence.

Risk and Compliance



Integrating Risk and Compliance as a corporate character of ADBL, signifies a commitment to embedding risk management and compliance practices into the organization's culture, operations and strategic decision-making processes. By integrating risk management and compliance culture into its DNA, ADBL can enhance resilience, promote ethical conduct and support sustainable growth while safeguarding the interests of stakeholders and maintaining regulatory compliances.

Growth



ADBL intends to have continuous growth year in year out to become the market leader for which each individual staff has to have a growth mindset embedded in their character. Each employee individually and collectively should always aspire for growth and thus need to direct all their actions for achieving the growth in all spheres of business. Decrease in business and/or revenue/profit volumes is never an option and hence should always work with "Can Do Attitude" for business growth leading to prosperity.

Learning and Development



As a corporate character of ADBL, Learning and Development embodies a commitment to fostering a culture of continuous learning, upskilling and sharpening the knowledge base among employees for improving oneself individually and at organization level. By investing in employee learning and development, ADBL can enhance the competence level and bring in competitiveness in each employee which in turn will contribute to improve the organizational performance, employee engagement, retention, drive innovation

Ethical Practices



This is a commitment to conducting business with integrity, honesty and accountability guided by ethical principles and values. By upholding ethical standards in all aspects of its business and operations, ADBL can build trust and credibility with stakeholders, mitigate risk and contribute to sustainable long-term success and prosperity for all.

Teamwork



One of the corporate characteristics of ADBL, Teamwork embodies a commitment to collaboration, coordination and synergy among employees for carrying out types of jobs. ADBL, by fostering and nurturing the character of teamwork and collective effort in the employees, is clear on harnessing the full potential of each individual staff and organizational resources to achieve its strategic objectives, drive innovation and create long-term value for all the stakeholders.

Our Presence

ADBL's organizational structure is of matrix structure type. All business activities are carried out through branch offices. To support and monitor the business there are 10 province level offices.

There are altogether four types of workstations i.e., head office, province offices, extension counters and branch offices.

S.N.	Offices	Number
1	Head Office	1
2	Province Office	10
3	Branch Offices	271
4	Extension Counters	22
	Total	304

ADBL has the highest number of Branch Offices (65) in Bagmati Province followed by Lumbini Province (46 Branches) and Koshi province (45 Branches). Similarly, Karnali Province has least number of branch offices (20 Branches).

S.N.	Provinces	Head Office	Province Office	BranchOffice	Extn. Counters
1	Koshi Province		1	45	3
2	Madhesh Province-1, Janakpur		1	23	
	Madhesh Province-2, Birgunj		1	18	1
3	Bagmati Province-1, Kathmandu	1	1	47	4
	Bagmati Province 2, Chitwan		1	17	3
4	Gandaki Province		1	29	2
5	Lumbini Province 1, Bhairawa		1	26	5
	Limbini Province 2, Dang		1	20	2
6	Karnali Province		1	20	2
7	Sudur Paschim Province		1	25	
	Sub-Total	1	10	270	22
	Corporate Branch			1	
	Grand Total	1	10	271	22

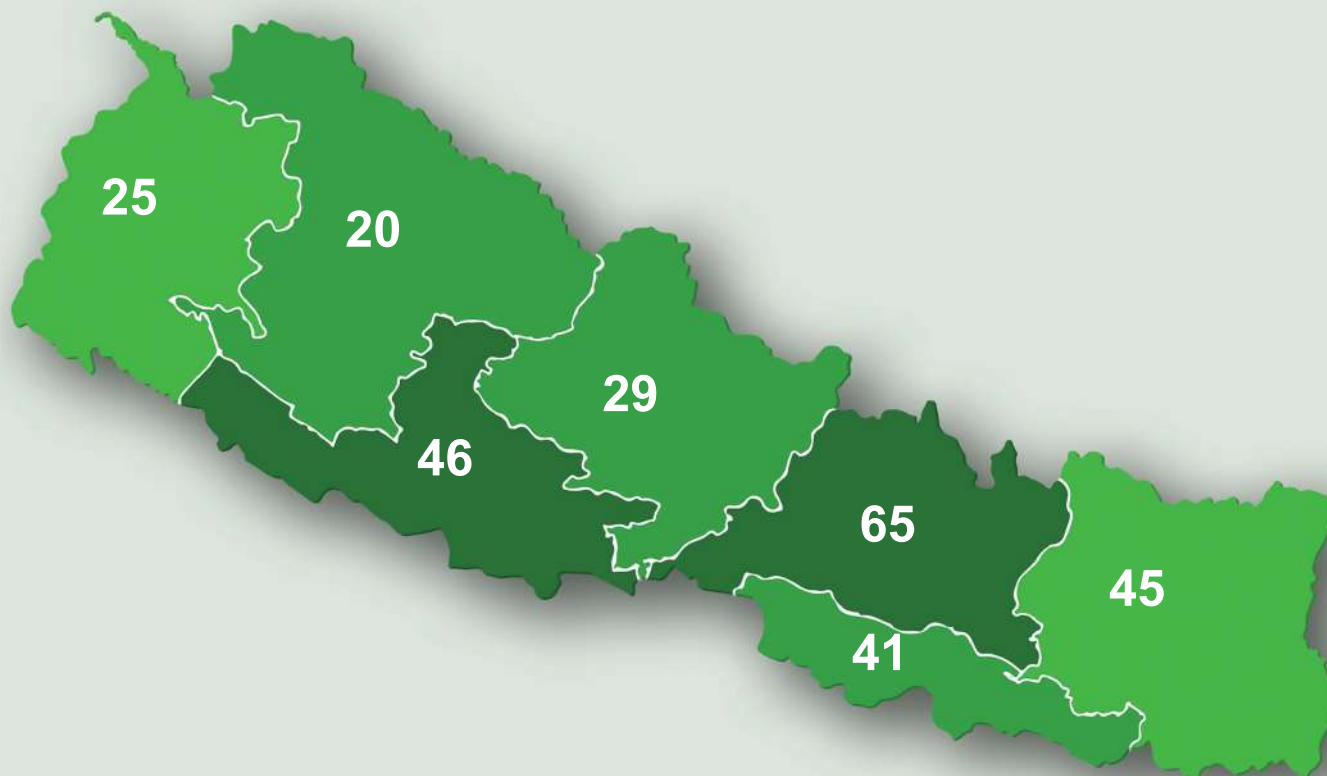
Out of the total local level offices, the presence of ADBL is accounted in 304 which is around 38 percent. The data further shows that the share of ADBL branch network is at least one third in each province. The highest share is in Bagmati Province with 55%.

Likewise, the highest business share of ADBL is concentrated in Bagmati Province with the share of 56.25 percent followed by Lumbini Province (12.66%). The lowest business share is of Karnali Province (2.12%).

Table 1: Banking Network and ADBL Position

Province	No of Local Levels	Local Levels having Bank Branches	ADBL's Branch Presence	% Of ADBL Branches
Koshi	137	134	45	34%
Madesh	136	134	41	31%
Bagmati	119	117	65	56%
Gandaki	85	83	29	35%
Lumbini	109	109	46	42%
Karnali	79	67	20	30%
Sudurpaschhim	88	81	25	31%
Total	753	725	271	38%

ADBL Branch Network



Business Model

The Bank's business model is designed to generate value over the short, medium, and long term by leveraging various forms of capital, including financial capital, human capital, and social & relationship capital. This value is created by transforming inputs through its business activities.

The Bank's value creation model is illustrated as below:

Inputs	Core Business Activities	Supporting Activities	Value Created
Financial Capital <ul style="list-style-type: none"> Equity Share Capital NPR 13.45 billion Preference Share Capital NPR 5.43 billion Debt Securities Issued NPR 20.48 billion Retained Earning NPR 2.14 billion Deposits and Advances NPR 243.83 billion 	<ul style="list-style-type: none"> Agricultural Lending Microfinance Services Deposit Service Government & Developmental Program Implementation Facilitate Payments and Transactions 	<ul style="list-style-type: none"> Human Resource and Training Marketing Research and Development Risk Management and Internal Audit Administration IT System Development Finance Legal Department 	Financial Capital <ul style="list-style-type: none"> Return on Equity of 8.37% Operating Profit of NPR 4.14 Billion Net Profit After Tax of NPR 2.89 Billion Capital Adequacy Ratio of 12.74% Pre-Tax ROA of 1.32%
Human Capital <ul style="list-style-type: none"> 2372 Well-Experienced and Competent Human Resources Technical and Managerial Skills Diversity and Equality Learning and Development 			Human Capital <ul style="list-style-type: none"> 112 Trainings across 448 Sessions during the year, benefitting participants – 6769 employees Amount of employee related expenditure: NPR 4.16 billion
Manufactured Capital <ul style="list-style-type: none"> 271 Branches 22 Extension Counters 120 ATM Machines Remittance Agents Digital Payment solutions 			Manufactured Capital <ul style="list-style-type: none"> 571,890 Mobile Banking Users 1.2 million Satisfied Customers Quality Service Delivery Improvement and Expansion of Digital Banking 22,916 Merchant QR
Intellectual Capital <ul style="list-style-type: none"> Experienced BoD Competent Senior Management Technological Capabilities Integrated Risk Management Management and Control System Culture and Process Knowledge Base 			Social and Relationship Capital <ul style="list-style-type: none"> 10.53% Dividend NPR 29.46 million spent on CSR Activities NPR 1.15 billion contributed to Government through Corporate Tax
Social and Relationship Capital <ul style="list-style-type: none"> Relationship with Stakeholders CSR Activities Quality Service to Customers Partnership with Government Trade Partners and Merchants 			

Strategic Overview

ADBL Strategic Business Plan (2024/25-2028/29)

Technological Reform Strategy

The Technological Reform Strategy focuses on improving efficiency and service delivery through updated IT policies, secure systems, cost reduction, and enhanced customer satisfaction. It emphasizes upgrading infrastructure, adopting advanced technologies, accelerating digitalization, and optimizing IT systems to support modern services and improve overall productivity.

Digitization and Modernization Strategy

The Bank will advance digitalization by enhancing its IT and digital platforms to improve efficiency, customer satisfaction, and cost-effectiveness. Key strategies include updating digital policies, upgrading online and mobile banking, introducing new apps, adopting digital signatures, and ensuring secure systems. Internal processes will be automated for better efficiency, while digital touchpoints will be enhanced for seamless customer access. Additionally, a "Vision and Voice Banking" platform will be developed, enabling mobile-based transactions through visual and verbal instructions.

Service Excellence Strategy

ADBL aims for "Service Excellence" by cultivating a customer-focused culture, exceeding service benchmarks in areas like turnaround time, efficiency, and communication. The Bank will develop guidelines, IT structures, and training programs to meet or exceed these standards, with a Service Excellence Centre monitoring improvement. Employees will be trained and certified as "Service Champions," with recognition and rewards for top performers, ensuring enhanced customer satisfaction and business growth.

Process Standardization Strategy

ADBL aims to improve operational performance and reduce costs through process standardization, supported by clear policies, manuals, and training. Key actions include benchmarking and standardizing processes, improving documentation, addressing issues promptly, and developing

staff competence. The Bank will also track output to identify redundancies, implement a robust MIS for accurate data, and strengthen IT security controls.

Branding and Corporate Communication Strategy

Key activities include developing and implementing a Branding & Communication strategy, possibly revamping the Bank's name and logo, creating communication guidelines, reviewing the look and feel of the Bank's premises, and updating the Bank's website.

Financial Reform Strategy

ADBL aims to increase the size of its balance sheet through sustainable asset management, focusing on profit maximization and efficient resource utilization. Over the next five years, the Bank plans to update its NFRS accounting system and align with BASEL prudential norms while strengthening its centralized MIS and introducing a central payment and procurement system.

Business Growth Plan

The Bank anticipates growing its core business above the industry average, with deposits projected to grow at 15.69% per annum and loans at 17.85%. The capital will be managed to meet Nepal Rastra Bank's requirements while supporting business growth.

Capital Plan

The Bank's strategy for increasing its capital includes internal sources like recapitalization, recovery from NPA, sale of NBA, revaluation of fixed assets, and managing a lower-risk asset portfolio to reduce capital requirements. The Bank plans to raise authorized, issued, and paid-up capital as outlined in the business plan. Additionally, ADBL will explore converting irredeemable preferred stock (currently held by the government) into ordinary stock, with the option for public shareholders to increase their shareholding to maintain a 51% government and 49% public equity.

Table 2: Five -Year Capital Plan of ADBL

NPR In Million

Particulars	Audited	Projected				
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Authorized Capital	25,000	25,000	25,000	30,000	30,000	30,000
Ordinary Shares	16,000	16,000	16,000	21,000	21,000	21,000
Non-Cumulative Irredeemable Preference Shares	6,700	6,700	6,700	6,700	6,700	6,700
Redeemable Preference Shares	2,300	2,300	2,300	2,300	2,300	2,300
Issued Capital	18,884.38	19,556.96	20,404.92	21,527.30	22,814.87	24,292.35
Ordinary Shares	13,451.67	14,124.25	14,971.71	16,094.59	17,382.16	18,859.64
Non-Cumulative Irredeemable Preference Shares	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71
Paid-Up Capital	18,884.38	19,556.96	20,404.42	21,527.30	22,814.87	24,292.35
Ordinary Shares	13,451.67	14,124.25	14,971.71	16,094.59	17,382.16	18,859.64
Non-Cumulative Irredeemable Preference Shares	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71

Resource Mobilization

ADBL will prioritize maintaining a healthy Credit-Deposit (CD) ratio by ensuring that credit growth is matched by deposit growth. A Liabilities Management Unit will be set up under the Marketing & Sales Department at the Head Office to effectively manage deposit mobilization across all branches. Over the next five years, deposits are projected to grow at an average rate of 15.69% annually. Strategies include efficient ALCO meetings for interest rate decisions,

focusing on retail and low-cost CASA deposits, and attracting new customers with technology-based banking products. The Bank will also implement a reward system for deposit achievers, build relationships with government and international funding partners for low-cost resources, and engage loyal clients as deposit ambassadors. The detailed five-year deposit targets are outlined in the business plan.

Table 3: Five Years Deposit plan

		<i>NPR In Million</i>					
S.N.	Particulars	Audited	Projected				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Deposit in Figures	243,826	257,907	292,064	326,763	365,760	407,404
2	Growth Amount of Deposit	42,243	14,081	34,157	34,699	38,997	41,644
3	Growth Rate in Deposit	20.96%	5.78%	13.24%	11.88%	11.93%	11.39%
4	Average Growth Rate				14.92%		

The data shows the deposit is expected to increase by around 2-fold during the five years period from NPR 243.63 billion FY 2023/24 to NPR 407.40 billion FY 2028/29. The growth of deposit in the initial period registered around 5.78% which ultimately register the average growth of 14.92% during the plan period. This growth rate of deposit is taken in alignment with the growth of deposit as per monetary policy.

ADBL primarily invests in loans and advances, which represent 75% of earning assets and 68% of total assets. Given that income is largely derived from loan interest (around 90% of total income), maintaining loan quality through effective credit risk management is crucial. To ensure profitability, the Bank must carefully manage its loan portfolio, growth strategy, pricing, and sectoral risks, as mismanagement could lead to reduced income and financial instability.

Below is the loan and advances targets to be achieved over 5 years period.

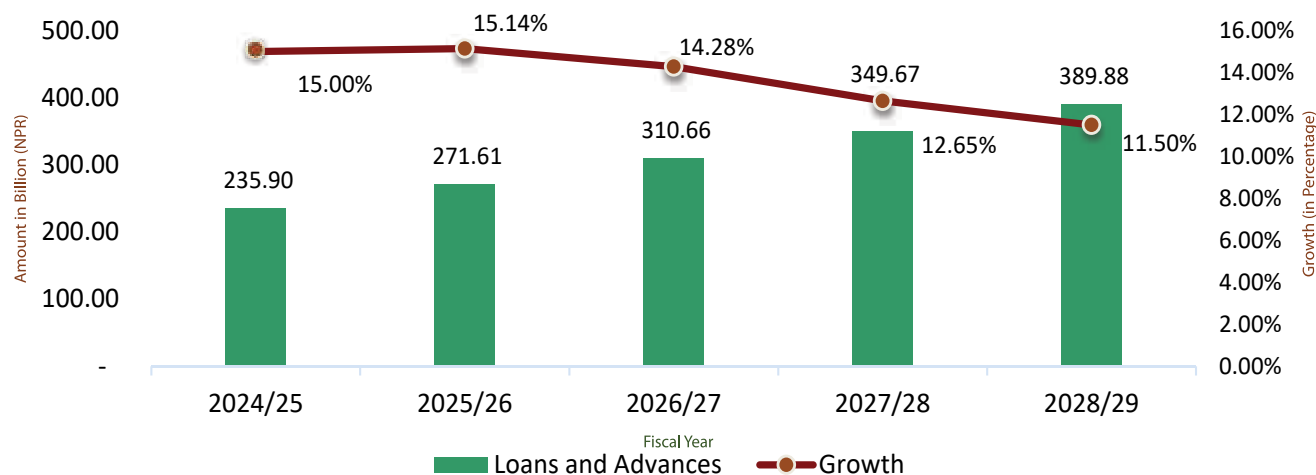
Table 4: Five Years Loan plan

		<i>NPR In Million</i>					
S.N.	Particulars	Audited	Projected				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Loans and Advances	206,819	235,902	271,609	310,659	349,672	389,877
2	Growth Amount	26,381	30,769	35,707	39,050	39,013	40,205
3	Growth Rate	14.60%	15.00%	15.14%	14.28%	12.65%	11.50%
4	Avg. Growth Rate				18.01%		

The data shows the loan is expected to increase by more than 90 percent during the five years period from NPR 206.82 billion in FY 2023/24 to NPR 389.88 bio in FY 2028/29. The growth of loan in the initial period registered around 15% which ultimately register the average growth of

18.01% during the planned period. It seems the growth rate of loan and advances is comparatively slightly higher than deposit growth.

Loan Plan for five years



ADBL aims to achieve a balanced Credit-Deposit (CD) ratio, projected to increase from 81.87% in FY 2024/25 to 86.32% in FY 2028/29, by implementing several strategic actions. These include maintaining 35% of the credit portfolio in agriculture and 65% in non-agriculture sectors, with 50% focused on productive sectors like industry, trade, and services, and 15% in retail/consumer loans. The Bank will adopt an "Open to All, Focus on One" strategy, tailoring loan products to each branch's specific market conditions. There will also be a shift toward financing high-volume corporate clients and SMEs to reduce operational costs and improve profitability. Additionally, the Bank will prioritize lending to commercial agriculture projects, maintain support for small farmers without encouraging further subsistence financing, and continue public-private partnerships. Centralized credit functions will be fully implemented to improve efficiency and quality, with branches and provinces held accountable for credit marketing, relationship management, and loan recovery. A robust Loan Management System (LMS) will be introduced to streamline processes, and the Bank will diversify its credit portfolio with a focus on trade finance, foreign exchange, and retail loans. Lastly, ADBL will explore financing opportunities for high-value agricultural projects and export-based enterprises.

Rural & Micro-Credit and Agricultural lending

ADBL plans to establish its own microfinance institution, gradually transitioning its micro and rural loans to this entity. The Bank will focus on viable agricultural products based on local conditions and develop a model for agro-based commercial financing. It aims to align with the Agriculture Development Strategy (ADS) and create a blockchain-based ecosystem for the agricultural value chain. ADBL will promote region-specific agricultural financing, develop a microfinance model through its subsidiary, and invest in agriculture value chain financing while strengthening partnerships with government and development agencies to mobilize resources for productive sector lending.

Diversification of Income Streams

ADBL's income mix is strongly anchored in interest income. Needless to say that credit risk, quality of loans and interest rate/market risks heavily impact the interest income leading to deterioration of interest income thereby derailing the profitability of the Bank. Hence, a strategic reform is warranted to diversify the business/service portfolio so as to diversify the income streams thereby ensuring the sustainable income/profit for the Bank.

Following key strategies and action plans shall be undertaken for income stream diversification:

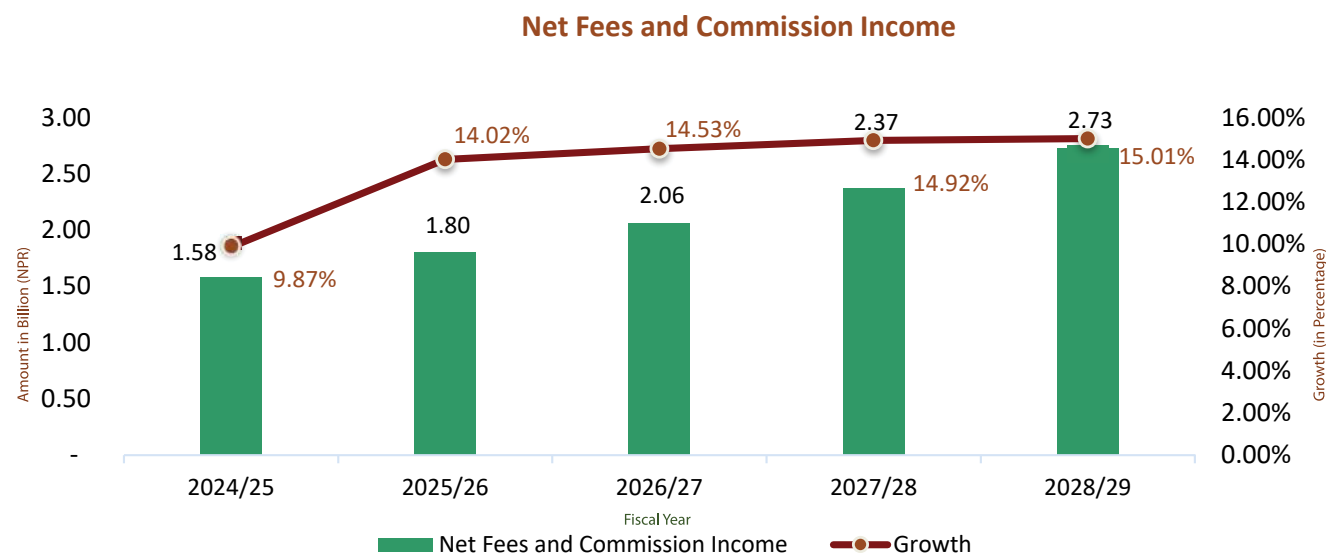
a) Focus on Fee-Based Income

Conventionally, the major contributors in Bank's fee-based revenue are service charge, commission, fees and renewal charges from loans and advances, government transaction, remittance, TT/SWIFT, LC, Bank guarantee, ATM transaction, Card business, mobile/ internet banking and other fees/charges on transactional banking services.

Table 5 : Fee-based Income Trend for Five Years

NPR In Million

S.N.	Particulars	Audited	Projected				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Fees and Commission Income	1,672.37	1,619.00	1,846.00	2,114.00	2,429.00	2,793.00
2	Fees and Commission Expenses	233.77	38.00	43.32	49.38	56.29	64.17
3	Net Fees and Commission Income	1,439.60	1,581.00	1,802.68	2,064.62	2,372.71	2,728.83



The projected data shows the fee-based income is expected to increase by more than 1.72 fold during the five years period from NPR 1.44 billion in FY 2023/24 to NPR 2.73 billion in FY 2028/29. The growth of fee-based income in the initial period was 10.00% that rose to 15.00% last year.

The strategic action plans for projected progress in fee-based income are:

- Effective Marketing of all the fee based Transactional Banking products and services with right packaging and right pricing mix.
- Focus and massively enhance the export, import and other trade finance related services
- Continue the focus on construction business.
- Develop new avenues for non-fund business activities and reformulate the existing product and services.
- Emphasize on digital banking and alternative delivery channels
- Tie up with international and national remittance companies and banks to increase the remittance inflow in the Bank
- Expand locker facility in urban and semi urban and other potential branches.
- Obtain insurance agent license and act as insurance agent for enhancing insurance agent's commission

from insurance of collaterals of risk assets portfolios. Alternatively, enter into an agreement with insurance companies for insurance commission sharing for the asset insurance of collaterals of risk assets portfolio.

- Expedite establishing foreign currency collection branches/counters in tourist potential areas.
- Open own remittance services in the remittance source countries.
Tie up with corporate and existing business houses
- Control and stop the leakages in fees/commission income

b) Treasury & Forex Income:

Treasury income is also heavily tilted towards interest income from investment portfolio which needs to be gradually diverted to Forex and fee income. To maximize the Forex and fee based income from Treasury, following key strategies and action plans shall be undertaken:

- Expand correspondent Banking for Trade Finance, FOREX, Fund Transfer business.
- Equip with treasury insight in foreign currency deposit, investment in foreign banks and money market integrated with simple derivative products like options, forward, swapping.

- Focus on increasing the Trade Finance business (import and export in FCY) creating the platform for FX trading by onboarding the corporate customer who are involved in international trades.
 - Establish the remittance business unit for sourcing the remittance in FCY/Dollars from sourcing countries to build the FCY/Dollar stock facilitating the FCY trade
 - Optimally utilize the trade finance and remittance business platforms for FCY buy-sale thereby generating and enhancing the FX trading gains.
 - Generate foreign exchange income with foreign currency trading, NDF as well as gold and silver trading.
- Actively engage in money market focusing on gains from liquidity arbitrage.

c) Net Profit and Distribution Plan

The net profit is projected to increase by more than two times during the five years period from NPR 2.84 billion in FY 2023/24 to NPR 6.39 billion in FY 2085/86. The details of the same is presented in the table below.

Table 6: Five-Year Net Profit plan

S.N.	Particulars	Audited	Projected				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Net Profit	2,897.49	3,682.97	4,124.68	4,709.62	5,411.71	6,391.83

NPR (In Million)

The growth of profit in the initial period is registered around 30% which ultimately has registered the average growth of around 25% during the plan period.



d) Investment

Investment portfolio of the Bank is one of the major avenues of its' revenue. It has been contributing significant amounts in the total income of the Bank. Following Key Strategies and action plans shall be carried out for strengthening the and increasing the income from investment portfolio.

- Strengthening treasury operation with updated policies and procedure clubbed with specialized manpower trained on continuous basis.
- Considering the additional investment areas, either through credit or through share investment to promote the agricultural sector as well as to contribute towards the introduction of agro-based companies in capital market.

- Investment portfolio mix management to optimize the overall returns including interest income on investments while managing the liquidity of the Bank
- Continuously explore the new investment opportunities
- Explore the opportunity for stock brokerage license

Risk Management Strategy

Adequate consideration has been done to grow the business and effective risk management. Each part of business growth with specific risk management is listed in the following sub-topics;

a) Risk Management

ADBL will implement the Standard Risk Management Policy as specified by NRB, conducting a GAP analysis on procedures and policies. Emphasis will be placed on fostering a strong risk management culture at all management levels, addressing credit, operational, market, liquidity, IT, and AML/CFT risks. Key strategies include developing risk grading guidelines for various risks, reviewing and updating the Operations Risk Management Policy, maintaining an Operational Risk Register, and conducting regular stress testing. ADBL will align business functions with risk management, strengthen MIS, expand risk-based audits, and develop comprehensive policies for identifying, measuring, and controlling risks. The Risk Management Committee and Integrated Risk Management Department will ensure ongoing risk assessment and policy reviews, including stress testing and AML/CFT risk management.

b) Credit Risk Mitigation

Credit needs to grow of course with appropriate and effective credit risk management. ADBL will adopt the following strategies for the same;

- Strengthening internal administration regarding appraisal, approval and disbursement of loan.
- Reduction in Turn over time (TAT) in the process of loan appraisal, approval/rejection.
- More focus will be given to digitalization of credit process to mitigate the hassle in loan processing.
- Focus on quality of collateral and ensure necessary policies are in place for the proper recovery of loan.
- Strengthening and providing independence to Credit Risk Management function.
- Discussion on the found credit risks and potential risks in the credit risk management committee and implement the instructions given by CRMC.

c) Credit Monitoring & Supervision

- Focus on consistent growth of pass category loan by reviewing exceptional report on CRMC meeting.
- Develop, implement and monitor EWS (Early Warning Signals) through with specified criteria and parameters on monthly basis through Credit Monitoring & Inspection under CAD.

d) Credit Portfolio Diversification

- Define and develop the risk appetite framework for sector wise credit portfolio concentration and set the credit growth strategy and targets accordingly remaining within the risk appetite framework.
- Portfolio diversification strategy and action plan shall be developed based on the sector wise, product wise, clientele segment wise, client wise and yield/interest rate wise risk appetite framework and implement the same for minimizing the concentration risk as well as optimize the income from the portfolio.

Market Share Growth Strategy

ADBL will focus on boosting business volume and revenue to maintain and increase market share through several key initiatives. These include expanding branches in underserved areas, fostering a strong "Sales and Service Culture," and ensuring continuous growth in deposits and credit portfolios above the industry average. The Bank

will diversify its credit portfolio with an emphasis on the corporate sector and trade financing, while also increasing income from fees, commissions, and foreign exchange trading. ADBL plans to enhance its treasury and trade finance activities, rebrand with potential changes to its name and logo, promote value-added services, and improve remittance business by partnering with international remittance companies.

Loan Recovery Strategy

ADBL is committed to improving its loan recovery process, aiming to reduce Non-Performing Loans (NPLs) to below 1% by the end of the plan period. The Bank will strengthen its Central Credit Recovery Department to manage NPLs, including sub-standard, doubtful, and bad debts, and handle overdue loans exceeding 90 days. The department will be responsible for reviewing and updating recovery policies and strategies. Credit Relationship Managers and Branch Managers will be tasked with managing pass loans and preventing slippage into NPL status. Effective monitoring and collaboration between business units and the recovery team will ensure timely actions, such as negotiations, legal measures, and auctions, to recover loans.

Organizational Reform Strategy

ADBL has redefined its organizational structure, which will continue for the next five years, focusing on centralizing support functions such as IT, HR, Finance, Legal, Trade Finance, and major credit functions for efficiency and control. Branches and provinces will concentrate on business growth and operational services, without handling accounts or administration. To ensure effective centralization, business and operational functions will be automated and digitized, leveraging current IT infrastructure and continuous upgrades. Strategic actions will include re-engineering business processes, revising policies, centralizing authority for prompt decision-making, implementing a Data and Document Management System, strengthening internal controls, and adhering to regulatory standards and good corporate governance practices.

Human Resource Reform Strategy

Capacity and need assessment of human resources and departments will be conducted. Level/role-wise, a "Competence Framework" shall be developed to identify and specify the skill and competence level requirement for each level/position and job role so as to ease the talent acquisition/recruitment and skill development for the existing and anticipated job roles. To enhance HR strength of the Bank, policy will be re-defined covering all processes of HR development lifecycle including Talent Acquisition; Training & Development; Responsibility, Authority and Accountability; Annual Performance Review/Monitoring and Compensation and benefits, Reward and Recognition, etc. Introduction of knowledge management system to enhance decision making capacity of staff members is another strategic outlook of ADBL's revitalization. Major focus will be given on;

Human Resource Planning

As per the projected business plan, the HR has been planned year wise accordingly.

Table 7 : Five Years Staff Composition Plan

NPR In Million

S.N.	Particulars	Audited	Projected				
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1	Number of Staffs	2372	2670	2670	2670	2670	2670
2	Number of Branches	271.00	290.00	290.00	295.00	295.00	295.00

The number of staff during the projected five-year period is the same, i.e, 2670, even after increasing the number of branches by 10 during the same period. In the increasing business scenario, it is expected that online and digitization banking services will compensate the additional requirement of human resources. However, to resize the size as per the business need, ONM study report will be taken as a reference and necessary actions will be taken.

Productivity Enhancement

The plan aims to increase deposit per staff from 97 million to 153 million and loan productivity from 77 million to 143 million. To enhance productivity, ADBL will implement several strategies, including setting new corporate values, centralizing the Management Information System (MIS), defining clear career paths with performance appraisals, linking incentives to performance, and strengthening internal communication. The Bank will also focus on employee development through a strong HR system, performance-based rewards, regular performance reviews, training needs analysis, and succession planning to ensure career growth and improve workforce efficiency.

Corporate Governance Strategy

ADBL will adopt robust corporate governance practices by implementing a "Zero Tolerance Policy" for unethical conduct and non-compliance. The Bank will ensure strict adherence to governance norms at all levels, with legal actions against violations. Authority delegation will align with responsibility and accountability, and the customer/ staff grievance handling unit will be strengthened with a whistleblower protection policy. Additionally, the responsibilities of each department and top management will be clearly defined and enforced.

Compliance Culture

To mitigate operational and compliance risks, ADBL will implement strategic actions to ensure compliance with regulatory and prudential norms. This includes fostering a compliance culture across all staff, ensuring strict adherence to NRB and other regulatory bodies' rules, and clarifying any ambiguities by conducting business on a "conformity" basis. The Bank will automate and digitize processes for compliance checks, enhance KYC, AML/CFT, and TTR/STR monitoring, and strengthen collaboration with stakeholders to prevent fraud. Additionally, the compliance division will be fortified to meet all regulatory requirements for business and operational services.

Internal Control Strategy

To strengthen its internal control system, ADBL will review and update policies, manuals, guidelines, and processes in line with regulatory changes, market dynamics, and operational needs. The internal audit department will be reinforced to conduct audits as per the annual program, including IS, revenue, and legal audits. The Bank will facilitate NRB and external audits through internal audit channels and closely monitor reconciliation processes. The existing organizational structure with centralized authority will be fully implemented, and centralized departments will be strengthened with skilled staff to ensure efficiency and control.

Support to Government's Endeavours

ADBL will support the Government's prioritized programs and sectors for overall economic development of the country, mainly for growth of agricultural sector. Furthermore, The Bank will also enhance rapport with the concerning federal or provincial ministries/departments and development partner agencies for effective resource mobilization and channelize them in productive sector lending.

Industrial Relationship Strategy

Being a Government Bank, building healthy industrial relation is one of the most prioritized activities of ADBL. Developing a healthy industrial relationship with the employee unions and other stakeholders is as imperative as any other functions for smooth execution of the strategies, plans and policies. As such the Bank will ensure the following activities for continuous engagement and improvement of relationships with employee unions:

- Appoint responsible officer under HRM Department
- Deal/handle employees' grievances with regular interactions.
- Create conducive environment for CBA election.
- Right sizing and proper placement of HR.
- Identify, nurture and utilize the knowledge and skill of employees.
- Amend Union code of conduct with appropriate grievance handling system
- Encourage the union leaders and activists to indulge and engage themselves in the core business development and operational functions as an integral part of the team whereby they will get equal opportunities for learning and career advancement.
- Conduct CBA election.

Returns to Shareholders

Maximum efforts with high priority will be given to provide competitive returns to shareholders. It is estimated to have approximately 14% p.a. return to the shareholders during the projected period for which Bank has to earn the net profit with cash flow consistently as projected.

The Key Strategic Drivers for earning the profit for assuring the competitive returns to the shareholders are:

- Continuous and consistent growth in credit business with projected volume and yield
- Continuous and consistent growth in deposit volume with low cost granular/CASA deposit
- Reduction in NPL and consequent loan loss provisioning through improvement in risk asset quality
- Diversification of lending portfolio to corporate segment with trade based exposure
- Diversification of income streams with focus to enhance the fee/commission and FX trading gain based income and transactional banking fee income.
- Enhancement in employee productivity thereby reducing the operational cost on per Rupee of income
- Cost rationalization, cost control and cost cutting in overall business and operation functions.
- Optimum use of IT/Digital capabilities for automation/digitalization for optimization of employee/logistics productivity thereby reducing the operations cost.
- Control of income leakages through concurrent and periodic/targeted revenue audits.

Financial Statement and Disclosures

ADBL will maintain financial check and balance with the following measures:

- Monitor Every day general ledger (GL)
- Monitor key business volume, income and expenditures on daily, monthly, quarterly basis viz a viz targets set and advise the concerned business and operational departments for needful corrective actions to fulfil the deviations, if any.
- Prepare and report monthly, quarterly, semi-annually, and annual Balance sheet and financial statement with full disclosure.
- Produce accurate financial reporting system with the effective use of CBS.
- Prepare ICAAP report and submit to NRB after BoD Approval.
- Complete timely internal and external audit and disclose vital information as per NRB directives to different stakeholders including Audit Committee.
- Complete all preparation for AGM within the given period of time.
- Assure timely reporting system and comply of financial reports to NRB, SEBON and other regulatory agencies.

Overhead/ Leakage Control (Financial Information Security)

Adaptation of transparency and good governance practices will be helpful in minimizing overhead and leakages. Focus will be on adoption of hiring and firing policy and zero tolerance to corruption. A strong internal control and audit mechanisms will be developed along with the following activities:

- Centralize the budget, accounting and payment system.
- Review and Revamp departments as per the need.
- Manage overhead cost within industry average.
- Analyze the expenses trend to find out the unnecessary increment and introduce measures to control it.

Cost Control Strategy:

To control costs, ADBL will implement a series of strategies, including reviewing and refining its budgetary control processes to minimize unnecessary administrative and staff expenses. Job descriptions will be clearly defined with turnaround times for services, ensuring optimal manpower allocation at each unit and branch. The Bank will focus on automation and digitalization to improve efficiency and reduce paper usage. A review of loss-making branches will be conducted, with plans to either turn them profitable within a year or close/merge them with nearby branches. Centralized budget allocation and payment systems will be introduced, and procurement policies will be redefined where necessary.

Effective Utilization of Fixed Assets

The fixed assets contribute a significant amount in balance sheet of the Bank which comprises notable amount in unutilized or underutilized fixed assets. With proper analysis of the requirement, possibilities of conversion into productive assets and expected return, cost bearing fixed assets will be discarded.

- Detail roster including the types of fixed assets is prepared which will be further updated, reviewed and analysed to see whether they are cost bearing or have potential to convert into earning assets or keep it as it is for the use of the Bank.
- Cost bearing assets having potential to convert into earning assets are either disposed or converted into productive use for the Bank.
- Master plan of the Head Office premises shall be prepared and executed.

Use of Training Center

In order to optimize the use of training centers, coordination and collaboration with national and international banking organizations and banking training centers will be initiated. Likewise, Professional trainers and facilitators will be hired and/or developed in-house so as to enhance the quality of trainings.

Management of NPA and Fixed Asset

ADBL will perform following activities to convert its NPA into earning assets;

- Review/analyze the status of NPA and proceed for productive use for the Bank or initiate auction process for converting it to earning/financial assets.
- In case of legal complexities for disposal of NPA, file the case to DRT or civil courts as the case may be for disposal.
- Explore the possibilities for the sale of the NBA of the bank through Fund Management Company.
- Solve the NPA under case-to-case basis.
- Prioritize on amicable settlement for the case filed at DRT
- Convert non-earning fixed assets into earning assets by converting the fixed assets into liquid assets.

Manage Subsidiary Organizations

ADBL has strength and opportunity to establish its own subsidiary organizations as mentioned below:

- ADBL Merchant Banking: Initiate feasibility study and regulatory process for establishment and operation of a ADBL Merchant Banking and Broker services.
- Fund Management Company: Fund Management Company as required will be reformed and revitalized for optimum utilization of resources for making profit and contributing to the Group revenue. Based on the financial/business feasibility, additional fund may be injected for new businesses and revamping process. The company, subject to no regulatory restrictions, will be engaged in buying and selling of NBA assets of ADBL and other banks to maximize its profit. Further, possibility will be explored from the legal/regulatory perspective to convert the company into stock broker company.
- Agriculture Insurance Company: Feasibility will be conducted and effort will be made to explore potential strategic partnership for establishment and development of Agricultural Insurance Company.
- ADBL Laghu Bitta Company: Feasibility study shall be conducted to establish a micro finance company as a wholly owned subsidiary to divert the micro-loan portfolio of ADBL along with the rural branch premises having small holding loans.

Based on this strategic business plan (2024/25-2028/29), annual strategies and budget will be prepared mobilizing all concerned offices/departments by concerning department (Finance and Planning Department). Management Committee (ManCom), Province Business Monitoring Cell (PBMC) and Branch Business Monitoring Cell (BBMC) are basic teams for preparation of annual budget and program of the Bank based on the bottom-up approach.

Strategic business plan, past trend, potentiality, SWOT analysis of the field offices, government policy, NRB directives and banks' policy are the guidelines for business expansion of ADBL. All the set target will be reviewed monthly, quarterly, semi-annually and annually.

Apparently, various stakeholders have different aspiration and expectation. The Bank will be zeroed in on maintaining good relation by maintaining adequate balance with every stakeholder.

At the same time, ensuring the Profitability of the Bank through its business growth and operational efficiency, enhanced productivity and increased base of loyal and satisfied customers will be a major focus. Efforts will be made to align the activities of the board and executive team with the vision, mission, objectives and the business plan of the Bank.

Tracking of annual business plan and budget program through robust and result based monitoring practices will be done to ensure that proposed business plan are duly achieved with cooperation, support and assistance from all.

SWOT Analysis



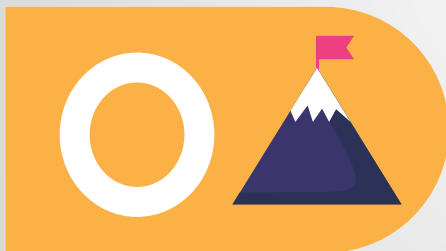
STRENGTH

- Government Ownership
- Wide Network
- Strong Capital Base
- Customer Base
- Physical Assets
- Specialized in Agricultural Financing
- Brand Recognition



WEAKNESS

- Automation System
- Underutilization of Physical Resources
- Risk Management Framework
- Assets Management
- Supervision and Monitoring
- Employee Productivity
- Compliance and AML/CFT Culture
- Trade Finance and Forex Income



OPPORTUNITIES

- Growing Banking Business
- Revival of Economy
- Possibility of Capture Growing Remittance Business
- Credit Growth
- Network Expansion
- Information Technology/Digital Space
- Development of Financial Market



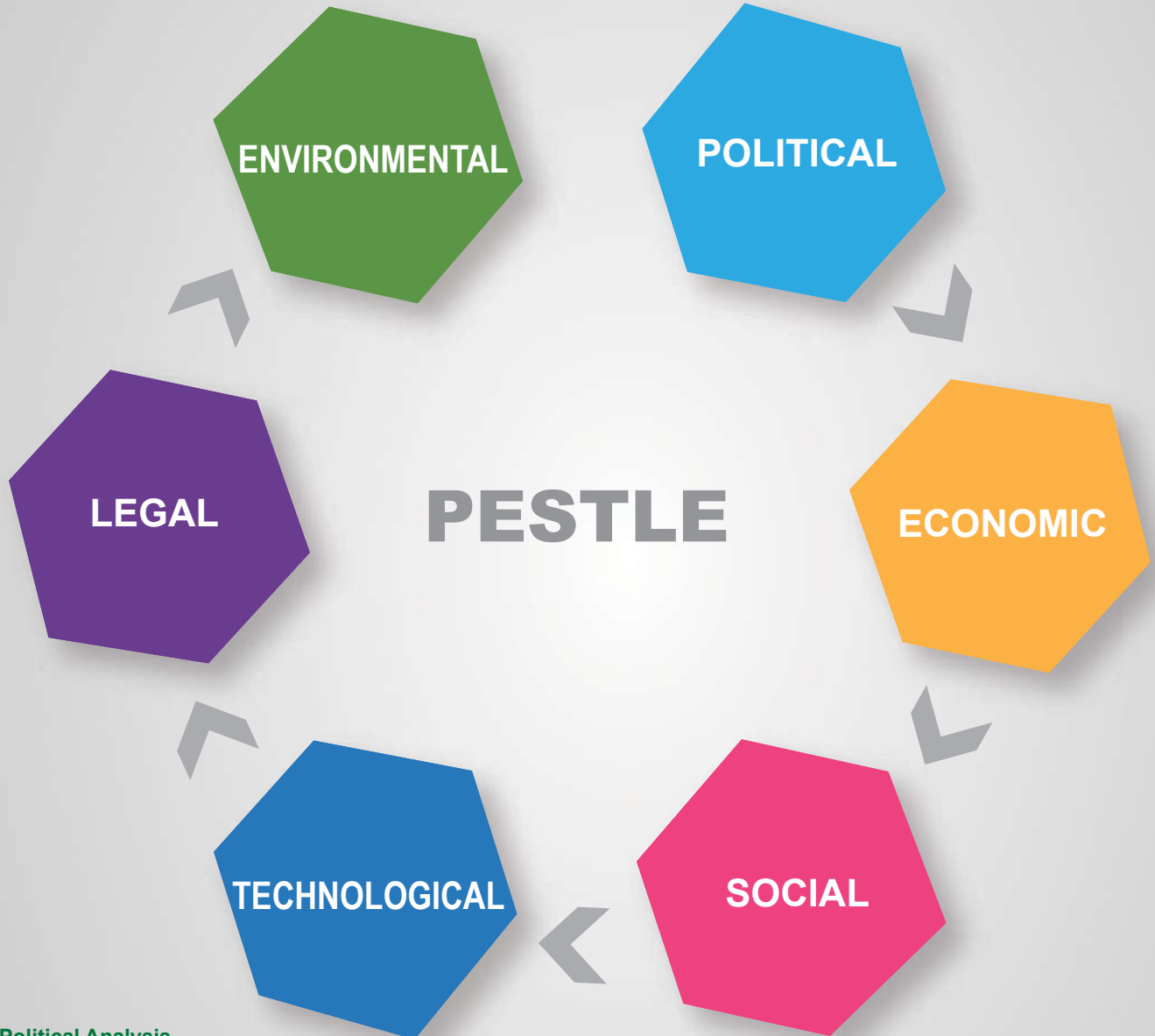
THREATS

- High Competition
- Frequent Change in Policy and Regulation
- High Pace of Technology Change
- Information Technology/Cyber Security

PESTLE Analysis

PESTLE analysis is a strategic management tool widely used to analyse the external macro-environmental factors that might affect an organization. PESTLE analysis helps organizations understand the broader forces at play in their environment, enabling them to identify potential

opportunities and threats. The understanding of PESTLE of an organization helps for strategic planning and decision-making, ensuring that the organization can adapt and thrive in a changing environment.



Political Analysis

The commitment from all political parties to Nepal's constitution should provide a foundation for political stability in the foreseeable future. However, the current electoral system, with its emphasis on proportional representation, frequently leads to changes in government. These shifts in power often result in alterations to government policies and priorities, creating uncertainty and disruption in the business environment. This instability can hinder the country's potential for economic growth.

Furthermore, the implementation of the federal system and the establishment of local-level governments, while intended to decentralize power and improve

governance, can also present challenges. Coordination issues between different levels of government may arise, potentially slowing down development.

The increasing interest of India, China, and the USA in Nepalese politics creates both opportunities and threats. While these countries can offer economic assistance and investment, they may also exert influence that could destabilize the political landscape and impact economic policies.

Economic Analysis

The Nepalese banking sector is currently facing a confluence of challenges stemming from the global economic environment. Increased political and economic uncertainty worldwide has led to significant fluctuations in inflation rates, commodity prices, and currency exchange rates. This volatility poses significant exchange rate risks for the Nepalese financial market.

Furthermore, rising costs of raw materials, energy, transportation, and labor, coupled with economic slowdowns, have dampened loan demand within the country. This decline in credit demand has created a liquidity surplus within the Banking system, with an estimated NPR 600 billion in excess loanable funds. This surplus liquidity not only exerts pressure on bank revenues due to lower lending opportunities but also increases operational costs.

These factors combined present significant challenges for Nepalese banks. Navigating this complex landscape requires a multifaceted approach that addresses both internal and external factors.

Social Analysis

The rapid migration from hilly and rural areas to urban centers and foreign countries for employment and higher studies is limiting productivity in the source regions while also creating demographic imbalances and exacerbating economic disparities between rural and urban areas. This migration, however, also provides opportunities, such as the influx of remittances which contribute to the country's foreign exchange reserves and GDP growth. This increasing trend in inward remittances presents a significant opportunity for ADBL to expand its services by offering remittance services in remitting countries, thereby increasing its foreign currency assets and potentially generating higher margins in foreign currency exchange.

Social analysis indicates that ADBL should gradually shift its focus towards urban areas to better meet the evolving needs of the growing urban population. In today's digital age, social media has become an incredibly powerful force, shaping public opinion and even influencing government policies and court decisions. Recognizing this, ADBL can leverage social media for branding, marketing, and promotional purposes, enabling it to effectively engage with its target audience and drive business and economic transformation.

Furthermore, the significant generational gap in thought processes, mindsets, and attitudes between Baby Boomers, Millennials, and Generation Z (often referred to as the "Indoor Generation") is creating social discourse and impacting corporate, business, and socio-economic environments. Bridging this generational divide by capitalizing on the strengths of each generation while addressing their weaknesses presents a tremendous opportunity for new business ventures and socio-economic transformation.

It's crucial to acknowledge that these are just a few of the potential solutions, and the specific approach will need to be tailored to the unique context and priorities of Nepal.

Technological Analysis

In today's rapidly evolving technological landscape, data and analytics have become indispensable tools for informed decision-making across all sectors, including the Banking industry. ADBL must embrace technological advancements, including artificial intelligence, to remain competitive and effectively serve its customers.

From a legal perspective, ADBL faces significant challenges. Unpredictable lawsuits and customer dissatisfaction can severely damage the Bank's reputation. Maintaining strong customer relationships and adhering to evolving regulations are crucial to mitigating these risks and ensuring long-term success. Furthermore, the dynamic regulatory environment and increasing competition are squeezing profit margins. To address these challenges, ADBL must prioritize business diversification and explore new revenue streams.

By leveraging technology, prioritizing customer satisfaction, and adapting to the changing regulatory landscape, ADBL can navigate these challenges and thrive in the competitive banking sector.

Environmental Analysis

ADBL is committed to integrating sustainability into every aspect of its operations, actively addressing climate change through its robust Environmental and Social Risk Management (ESRM) policy and guidelines.

In accordance with regulatory directives, the Bank is dedicated to financing projects that align with the boundaries established by its ESRM policy, ensuring that all initiatives are undertaken responsibly and with consideration for environmental and social factors.

Global and National Economic Outlook

Global Economic Outlook

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty.

Global activity and world trade firmed up at the turn of the year, with trade spurred by strong exports from Asia, particularly in the technology sector. Relative to the April 2024 WEO, first quarter growth surprised on the upside in many countries, although downside surprises in Japan and the United States were notable.

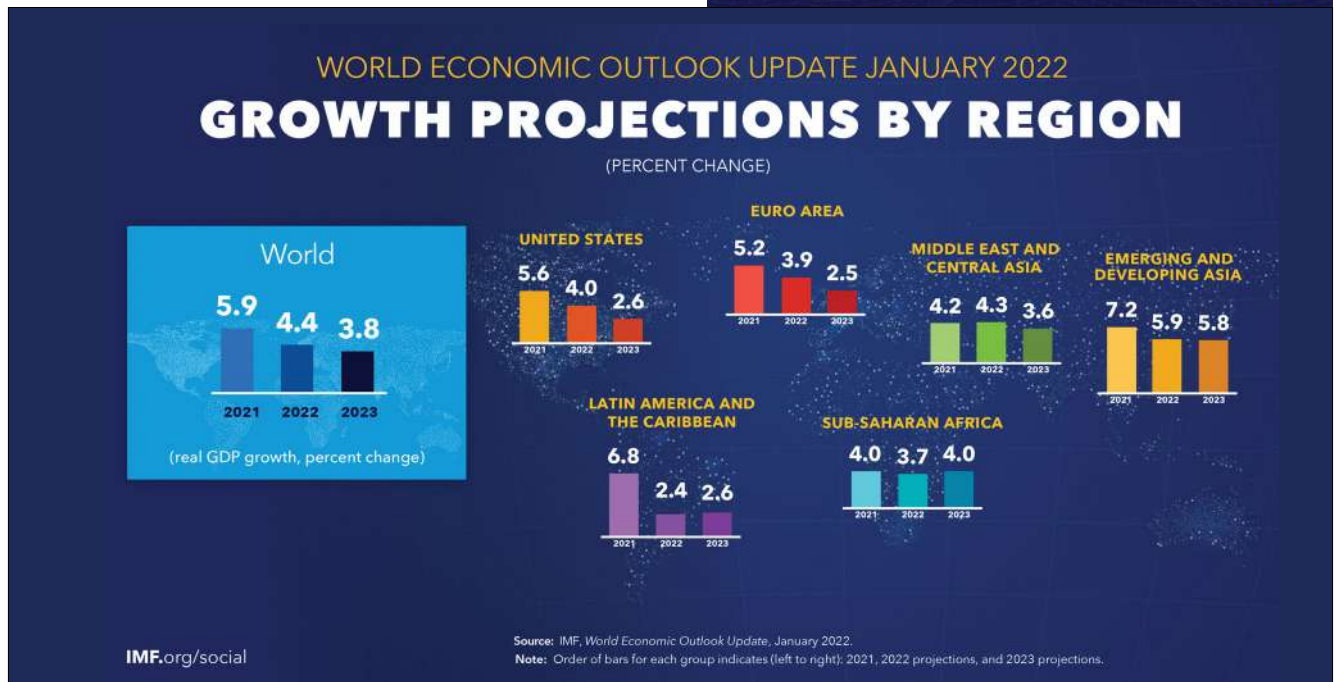
In the United States, after a sustained period of strong outperformance, a sharper-than-expected slowdown in growth reflected moderating consumption and a negative contribution from net trade. In Japan, the negative growth surprise stemmed from temporary supply disruptions linked to the shutdown of a major automobile plant in the first quarter.

In contrast, shoots of economic recovery materialized in Europe, led by an improvement in services activity. In China, resurgent domestic consumption propelled the positive upside in the first quarter, aided by what looked to be a temporary surge in exports belatedly reconnecting with the last year's rise in global demand. These developments have narrowed the output divergences somewhat across economies, as cyclical factors wane and activity becomes better aligned with its potential.

Meanwhile, the momentum on global disinflation is slowing, signaling bumps along the path. This reflects different sectoral dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods. Nominal wage growth remains brisk, above price inflation in some countries, partly reflecting the outcome of wage negotiations earlier this year and short-term inflation expectations that remain above target. The uptick in sequential inflation in the United States during the first quarter has delayed policy normalization.

This has put other advanced economies, such as the euro area and Canada where underlying inflation is cooling more in line with expectations, ahead of the United States in the easing cycle. At the same time, a number of central banks in emerging market economies remain cautious in regard to cutting rates owing to external risks triggered by changes in interest rate differentials and associated depreciation of those economies' currencies against the dollar.

Global financial conditions remain accommodative. Although longer-term yields have generally drifted upward, in tandem with the repricing of policy paths, buoyant corporate valuations have kept financial conditions accommodative, broadly at the level of the April WEO.



World Economic Outlook Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2023	2024	2025
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Germany	-0.3	0.2	1.3
France	0.9	0.7	1.4
Italy	0.9	0.7	0.7
Spain	2.5	1.9	2.1
Japan	1.9	0.9	1.0
United Kingdom	0.1	0.5	1.5
Canada	1.1	1.2	2.3
Other Advanced Economies	1.8	2.0	2.4
Emerging Market and Developing Economies	4.3	4.2	4.2
Emerging and Developing Asia	5.6	5.2	4.9
China	5.2	4.6	4.1
India	7.8	6.8	6.5
Emerging and Developing Europe	3.2	3.1	2.8
Russia	3.6	3.2	1.8
Latin America and the Caribbean	2.3	2.0	2.5
Brazil	2.9	2.2	2.1
Mexico	3.2	2.4	1.4
Middle East and Central Asia	2.0	2.8	4.2
Saudi Arabia	-0.8	2.6	6.0
Sub-Saharan Africa	3.4	3.8	4.0
Nigeria	2.9	3.3	3.0
South Africa	0.6	0.9	1.2
Memorandum			
Emerging Market and Middle-Income Economies	4.4	4.1	4.1
Low-Income Developing Countries	4.0	4.7	5.2

Source: IMF, *World Economic Outlook*, April 2024

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2023/24 (starting in April 2023) shown in the 2023 column. India's growth projections are 6.9 percent in 2024 and 6.5 percent in 2025 based on calendar year.

Nepalese Economy



The World Bank has forecasted Nepal's economy to grow by 3.3% in 2024, a significant improvement from the 1.9% growth observed in 2023. This projected growth is primarily attributed to higher domestic consumption and a substantial increase in remittances. Furthermore, the country's current account balance is expected to remain in surplus, driven by the rise in remittances and a smaller trade deficit due to a decrease in imports.

The International Monetary Fund (IMF) has projected a slightly lower growth rate of 3% for the fiscal year 2023-24. The IMF attributes this slower growth to weak domestic demand and the ongoing impact of balance sheet repairs following the pandemic, which continue to constrain economic activity.

Nepal's economy demonstrated stability in the 2023/24 fiscal year. According to the Nepal Rastra Bank (NRB), the annual inflation rate was 5.44%. Even though the imports and exports declined by 1.2% and 3.0% respectively, this represents an improvement compared to the much larger reductions observed in the previous year, when

imports declined by 16.1% and exports by 21.4%. Notably, remittances experienced significant growth, increasing by 16.5% in Nepalese rupees and 14.5% in USD.

These projections and data indicate that Nepal's economy is showing signs of recovery, with projected growth and positive indicators like increased remittances. However, challenges remain, such as weak domestic demand and the need to diversify the economy to reduce reliance on remittances.

NRB reported that the Balance of Payments recorded a surplus of NPR. 502.49 billion, up from the previous year's surplus of NPR. 285.82 billion. Foreign exchange reserves were at USD 15.27 billion, sufficient to cover 13 months of merchandise and services imports. Broad money (M2) expanded by 13.0%, while deposits in banks and financial institutions grew by 13.0%. Private sector credit rose by 5.8%, reflecting overall stability in the financial sector despite challenges in trade.

Nepalese Banking Industry

The total number of BFIs licensed by NRB remained 107 in mid-October 2024 (Table 8). As of Mid-October 2024, 20 commercial banks, 17 development banks, 17 finance companies, 52 microfinance financial institutions and 1 infrastructure development bank are in operation. The number of BFIs branches remained 11,539 in mid-October 2024 compared to 11,530 in mid-July 2024.

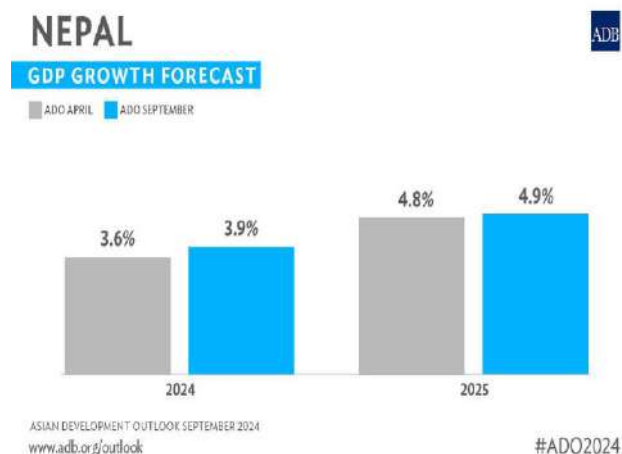


Table 8: No. of Licensed BFIs as of Mid-July 2024

Financial Institutions	Total Number of Licensed BFIs (Mid-July 2024)
Commercial Banks	20
Development Banks	17
Finance Companies	17
Micro –Finance	52
Infrastructure Development Bank	1

Source: https://www.nrb.org.np/contents/uploads/2024/08/Asar_2081_Publish.pdf



Financial Situation in Nepal

Deposit Mobilization

During FY 2023/24, the Nepalese banking system experienced a significant rise in deposits by NPR 742.37 billion (13.0 percent), reflecting strong public confidence. Demand deposits saw a slight decrease from 7.7 percent to 5.8 percent, suggesting a shift towards longer-term savings. Savings deposits increased from 26.6 percent to 30.3 percent, indicating a preference for more liquid savings. Although fixed deposits remained the most common type of deposit, their share slightly decreased from 58.9 percent to 56.4 percent. Institutional deposits remained stable, with a marginal decline from 36.6 percent to 36.2 percent. This growth illustrates the sustained trust in the Nepalese banking sector and a balanced approach towards different deposit types.

Table 9: Deposits at Banks and Financial Institutions (Percentage Share)

Deposit	Mid July				
	2020	2021	2022	2023	2024
Demand	10.0	10.4	8.9	7.7	5.8
Saving	31.9	34.2	27.6	26.6	30.3
Fixed	48.6	47.0	55.8	58.9	56.4
Other	9.5	8.4	7.7	6.8	7.5

Credit Disbursement

Private sector credit from BFIs increased NPR.276.94 billion (5.8 percent) in the review year compared to an increase of NPR.175.94 billion (3.8 percent) in the previous year.

The shares of private sector credit from BFIs to non-financial corporation and household stand at 63.3 percent and 36.7 percent respectively in mid-July 2024. Such shares were 62.7 percent and 37.3 percent a year ago. In the review year, private sector credit from commercial banks, development banks and finance companies increased 5.8 percent, 5.0 percent and 7.7 percent respectively.

In the review year, out of the total outstanding credit of the BFIs, 66.5 percent is against the collateral of land and buildings and 13.2 percent against the collateral of current assets (such as agricultural and non-agricultural products). Such ratios were 68.0 percent and 11.6 percent respectively a year ago.

Outstanding loan of BFIs to the agriculture sector increased 0.9 percent, industrial production sector 8.8 percent, transportation, communication and public sector 16.7 percent, wholesale and retail sector 1.5 percent and service industry sector 6.2 percent in the review year. In the review year, term loan extended by BFIs increased 22.2 percent, real estate loan (including residential personal home loan) 9.6 percent, margin nature loan 18.1 percent and trust receipt (import) loan 12.6 percent while that of hire purchase loan decreased 22.0 percent, overdraft 46.3 percent, demand and working capital loan 17.6 percent.

Concessional Loan

The outstanding amount of interest-subsidized loan extended to 120,274 borrowers is NPR.126.82 billion in mid-July 2024. Of which, NPR.86.90 billion has been extended to 46,356 borrowers for commercial agriculture and livestock businesses. Likewise, NPR.38.29 billion loan has been extended to 71,883 women entrepreneurs. Remaining NPR.1.63 billion loan has been extended to 2,035 borrowers of other categories of concessional loans.

Inter-Bank Transaction

In the review year, BFIs' interbank transactions amounted NPR.4226.48 billion including NPR.3863.48 billion inter-bank transactions among commercial banks and NPR.363 billion among other financial institutions (excluding transactions among commercial banks). In the previous year, such transactions was NPR.4294.22 billion including NPR.3942.15 billion among commercial banks and NPR.352.07 billion among other financial institutions (excluding transactions among commercial banks).

Interest Rate

The provided data reveals a significant decrease in key interest rates in Nepal over the past year, indicative of a more accommodative monetary policy stance.

The 91-day treasury bill rate has plummeted from 6.35% to 3.00% last month, suggesting a substantial reduction in the government's borrowing costs. This decline could be attributed to factors such as increased liquidity in the market and a potential shift towards a more expansionary fiscal policy.

The inter-bank transaction rate has also decreased slightly from 3.14% to 2.99%, indicating a generally stable and liquid interbank market. This suggests that banks possess adequate liquidity to fulfill their short-term funding requirements.

A notable decline is observed in base rates across all types of financial institutions. Commercial banks witnessed a decrease from 10.03% to 8.00%, development banks from 12.15% to 9.71%, and finance companies from 13.41% to 11.21%. This reduction in base rates suggests that borrowing costs for businesses and individuals have likely decreased, potentially stimulating economic activity.

Furthermore, deposit rates have also declined significantly across all types of financial institutions. This decrease in deposit rates, coupled with the decline in lending rates, suggests a narrowing of the interest rate spread, which could potentially impact bank profitability.

Overall, the data indicates a trend towards lower interest rates in Nepal, likely driven by a combination of factors including monetary policy decisions, increased liquidity in the market, and potentially a shift towards a more accommodative economic policy.

Deposit and Credit Guarantee

Deposit and Credit Guarantee Fund (DCGF) has guaranteed saving, current, call and fixed deposits amounting NPR.1430.46 billion of 45.80 million accounts of individuals maintained at 56 banks and financial institutions (BFIs) as of mid-July 2024. In the previous year, NPR.1232.95 billion of 41.38 million account holders was guaranteed.

DCFG has guaranteed micro and deprived sector loan, small and medium enterprises loan and agriculture loan (including concessional loan) of BFIs amounting to NPR.296.45 billion as of mid-July 2024 compared to NPR.274.55 billion a year ago.



Capital Market

The Nepalese stock market, as represented by the NEPSE index, exhibited positive growth during the specified period. The index rose from 2097.10 in mid-July 2023 to 2240.41 in mid-July 2024, indicating an upward market trend. This growth was mirrored in the overall market capitalization, which increased from NPR 3082.52 billion to NPR 3553.68 billion during the same period.

The number of listed companies on the NEPSE also increased from 254 to 270, suggesting a growing interest in accessing the capital markets. However, the market remains concentrated, with Bank and Financial Institutions (BFIs) and insurance companies holding a dominant position, accounting for 58.6% of market capitalization. Hydropower companies also hold a substantial share of 15.1%.

Market liquidity was evident with the listing of securities worth NPR 130.47 billion during 2023/24, including ordinary shares, right shares, and bonus shares. This suggests increased market activity and investor participation.

The Securities Board of Nepal played a crucial role in facilitating market growth by approving the public issuance of securities worth NPR 29.12 billion, enabling the companies to raise capital.

In conclusion, the Nepalese stock market demonstrated positive growth during the period, with an increase in the NEPSE index, market capitalization, and the number of listed companies. While the market remains concentrated, the data suggests increased market activity and a positive outlook for the future. market observations.

Source: <https://www.nrb.org.np/contents/uploads/2024/08/Current-Macroeconomic-and-Financial-Situation-English-Based-on-Annual-data-of-2023.24-3.pdf>

Performance Outlook

Net Interest Income
(NPR 10.55 Bn)
↑ 28.76%

Operating Profit
NPR 4.14 Bn
31.96% ↑

EPS
NPR 19.12
158.00% ↑

Profit per employee
NPR 1,221,538
118.94% ↑

P/E Ratio
15.38 Times

Profit After Tax
(NPR 2.89 Bn)
↑ 118.94%

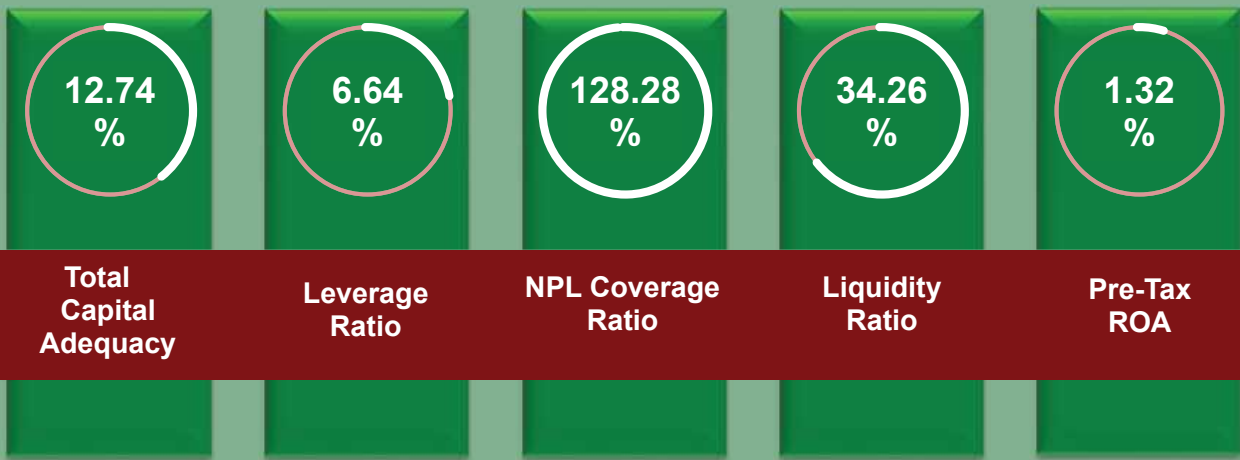
Tax
NPR 1.15 Bn
32.70% ↓

DPS
NPR 10.53
100.00% ↑

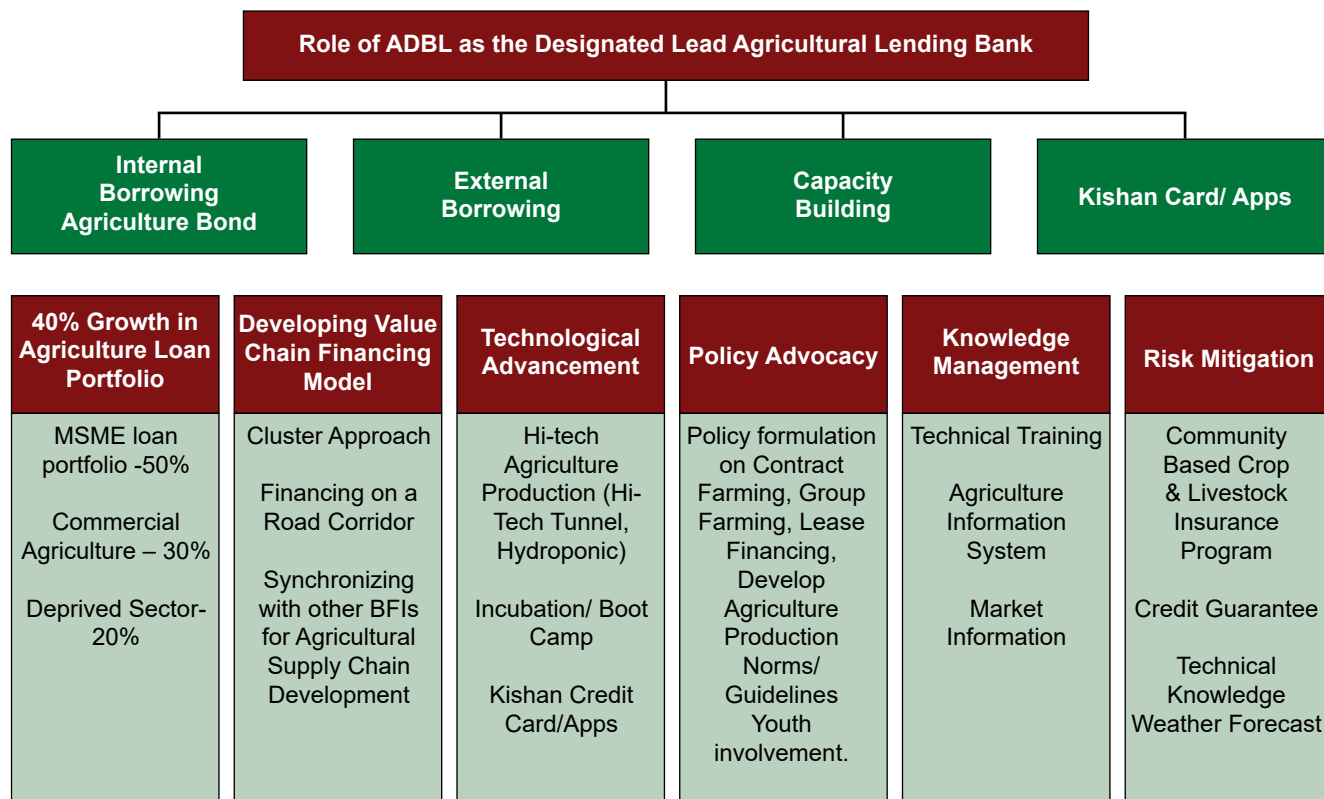
Profit per branch
NPR 10.69 M
118.94% ↑

MPS
NPR. 294

Major Financial Ratios



Role of ADBL as the Designated Lead Agricultural Lending Bank



ADBL's

Financial Calendar

2023/24

18th Annual General Meeting held on -----	2025.01.13
1st Quarter Results Published on -----	2023.11.03
2nd Quarter Results Published on -----	2024.01.21
3rd Quarter Results Published on -----	2024.04.19
4th Quarter Results Published on -----	2024.08.05
Annual Budget approved on -----	2023.07.16
Financial Statements for FY 2023/24 approved on -----	2024.12.23

2022/23

17th Annual General Meeting held on -----	2024.03.13
1st Quarter Results Published on -----	2023.08.05
2nd Quarter Results Published on -----	2023.04.21
3rd Quarter Results Published on -----	2023.01.21
4th Quarter Results Published on -----	2022.10.26
Annual Budget approved on -----	2022.07.16
Financial Statements for FY 2022/23 approved on -----	2024.02.20



Corporate Governance



Board of Directors

The Board of Directors (BoD) of the Bank plays a crucial role in ensuring the Bank's effective governance, financial stability, and the fulfillment of its core mission: promoting agricultural and rural development in Nepal. The key responsibilities of the Board include overseeing the Bank's strategic direction, ensuring compliance with all applicable laws, regulations, and industry standards, monitoring and managing the Bank's financial performance, including profitability, liquidity, and capital adequacy, and identifying, assessing, and mitigating risks, with a particular focus on risks associated with agricultural lending and rural projects.

The Board comprises seven members: three representing the Government of Nepal, three representing individual shareholders, and one professional director possessing the qualifications and experience outlined in Section 17 of the Bank and Financial Institution Act, 2017. To support its oversight functions, the Board is assisted by the board level committee and sub-committee, which focus on areas such as internal control, good governance, and ethical practices.

Furthermore, the Board is responsible for appointing and monitoring senior management, ensuring transparent communication with stakeholders, upholding ethical practices and social responsibility, approving financial statements and dividend decisions.

Leadership Structure of Those Charged with Governance

Details of the Board of Directors in the FY 2023/24 are as follows:

S.N.	Name	Designation	Representation Group	Tenure
1	Mr. Ram Sharan Pudasaini	Chairman	GoN, Ministry of Finance	22nd February 2023 to now
2	Mr. Uttara Kumar Khatri	Member	GoN, Ministry of Finance	22nd June 2023 to 13th December 2023
3	Mr. Mahesh Acharya	Member	GoN, Ministry of Finance	21st December 2023 to 4th September 2024
4	Dr. Rajendra Prasad Mishra	Member	GoN, Ministry of Agriculture and Livestock Development	13th January 2022 to 5th June 2024
5	Mr. Sanjeev Kumar Karna	Member	GoN, Ministry of Agriculture and Livestock Development	6th June 2024 to 5th October 2024
6	Ms. Rita Subedi	Member	Independent	26th February 2023 to now
7	Mr. Govinda Prasad Bhattarai	Member	Public	28th March 2023 to now
8	Mr. Sanjeev Poudel	Member	Public	28th March 2023 to now
9	Mr. Binod Kumar Guragai	Member	Public	28th March 2023 to now

Board of Director's Profile



CHAIRMAN
MR. RAM SHARAN PUDASAINI
REPRESENTATIVE,
MINISTRY OF FINANCE

Mr. Pudasaini boasts a distinguished 33-years of career in civil services of Government of Nepal having thorough and deep understanding of Nepal's economic sector, marked by significant contributions to key government institutions and international organizations. As Secretary at the Government of Nepal, he spearheaded the conceptualisation and implementation of vital national policies pertaining to revenue, fiscal budget and money. His 15-year involvement in formulating Nepal's annual budget demonstrates his expertise in resource allocation and economic policy analysis.

As an Alternate Executive Director at the Asian Development Bank, he actively participated in strategic financial decisions, including the development of ADB's Strategy 2030, showcasing his global perspective and leadership in regional development. His experience at the World Bank provided valuable insights into international best practices in financial management.

Mr. Pudasaini's leadership extends beyond government service. He has chaired key institutions like Rastriya Banijya Bank Limited and the Employee Provident Fund, demonstrating his ability to lead complex organizations and drive positive change. His extensive board experience across various sectors further highlights his strategic vision and commitment to good governance.

Throughout his career, Mr. Pudasaini has consistently demonstrated a strong commitment to Nepal's economic development, leaving a lasting impact on the country's financial landscape.



REPRESENTATIVE DIRECTOR
MR. DIRGHARAJ MAINALI
MINISTRY OF FINANCE

Mr. Mainali is the Joint Secretary, Government of Nepal, currently working at the Ministry of Finance of Nepal. He holds an MBA and MPA and a Bachelor's degree in Law from Tribhuvan University.

With 37 years of experience in the Nepalese civil service, he has held key positions including Director General of the Inland Revenue Department, Chief of the Public Debt Management Office, Chairman of the Nepal Stock Exchange, and Secretary of the Ministry of Social Development in Koshi Province.

His expertise lies in public finance management, policy development, strategic planning, training, and enhancing financial governance and development in Nepal.



REPRESENTATIVE DIRECTOR
DR. HARI BAHADUR K. C.
MINISTRY OF AGRICULTURE &
LIVESTOCK DEVELOPMENT

Dr. K.C. is the Joint Secretary and Chief of the Planning and Development Co-operation Co-ordination Division at the Ministry of Agriculture and Livestock Development of the Government of Nepal. He has over 29 years of experience in the civil service. He previously served as the Director General of the Department of Agriculture and Chairman of the Board of Directors of Agriculture Inputs Company Limited Nepal.

He also served as the Province Secretary in the Ministries of Land Management, Agriculture, and Cooperatives of both Koshi and Gandaki Provinces. He holds a Bachelor's degree in Agriculture from Tribhuvan University and earned his Master's and Ph.D. degrees from Ghent University, Belgium.

Dr. K.C. has made significant contributions to government policies, including those related to subsidized loans and crop and livestock insurance. He was awarded the Nepal Viddha Bhusan 'Ka' (Nepal Academic Award, First) by the Government of Nepal and the TWAS (The Academy of Sciences for the Developing World) Award 2011 in Biology by the Nepal Academy of Science and Technology.



MR. GOVINDA PRASAD BHATTARAI
PUBLIC DIRECTOR

Mr. Bhattarai, having worked in Nepal Rastra Bank, for 30 years, has extensive experience in banking supervision and regulation of banks and financial institutions in Nepal. During his career span of 3 decades at central bank of Nepal, he has served and engaged in various roles and responsibilities contributing significantly for the growth, stability and sustainability of financial and economic sector in Nepal.

He has been involved in policy formulation and implementation for managing the Banks and financial institutions in Nepal including that of the monetary policy formulation, timely review/revision and amendments of unified directives, circulars, etc., for ensuring the proper functioning of financial systems in Nepal.

He, as the Director of central Bank of Nepal, has supervised and extensively interacted with all BFIs in Nepal and gained wealth of experience for operations and management of BFIs. He also holds a bachelor's degree in Humanities from Tribhuvan University.



MR. SANJEEV POUDEL
PUBLIC DIRECTOR

Mr. Poudel holds a Master's degree in Education Planning and Management and has dedicated the past 36 years to the Agricultural Development Bank Limited, initially as an employee for 30 years and now as Board of Directors for last 6 years.

He has contributed to various banking training programs encompassing credit management, portfolio management, business promotion, Training of Trainers (ToT), market promotion, customer relationship management, organizational behavior, and motivational training.

Furthermore, he has actively participated in numerous professional development programs focused on group organizing, credit management, business planning, and customer relationship management.



MR. BINOD KUMAR GURAGAI
PUBLIC DIRECTOR

Mr. Guragai boasts a distinguished career spanning 37 years in the Banking sector. He holds a Master of Science in Business Administration from the U.S., a Master's degree in Public Administration, and a Bachelor's degree in Law from Tribhuvan University.

Mr. Guragai served as a Department Chief at Rastriya Banijya Bank, where he played a crucial role in the Bank's restructuring and efficiency improvement. He also held the position of Director at Nepal Investment Bank and served as Executive Director of the Youth and Small Entrepreneur Self-Employment Fund.

His professional contributions extend beyond the Banking sector. He has served as a consultant for various international agencies, including the World Bank, ADB, PTA, RIDA, CPREC, and NEAT, demonstrating his expertise and global perspective.



MS. RITA SUBEDI
INDEPENDENT DIRECTOR

Ms. Subedi holds an M.Phil and a master's degree from Tribhuvan University. She has a distinguished 26-year career as a faculty member in the Management Faculty of Tribhuvan University.

As an Associate Professor at Saraswati Multiple Campus, Ms. Subedi actively pursues professional development through rigorous training programs.

Notably, she participated in Incubator Training by PUM Netherlands and Antarprerana Nepal in 2022, demonstrating a commitment to staying abreast of contemporary management practices.

Furthermore, she has enhanced her teaching and research skills through participation in the Workshop on Teaching and Writing organized by the Faculty of Management at TU and the International Conference on Knowledge Transfer and Transformation by NAM and IFEAMA.

Roles and Responsibilities of Board of Directors

In order to oversee the Bank's strategic direction, ensure compliance with regulatory requirements, manage financial performance, and address risks, especially related to agricultural lending and rural projects, the Board of Director of the Bank performs the following roles and responsibilities which is in accordance with the requirement of NRB Unified Directives 06/2023:

- Approval of the Bank's long-term strategies, business plans, and objectives and ensuring that the activities of the Bank in in coherence with its mission, vision, and core values.
- Formulation of the Bank's investment and credit policy, asset and liability management policy, budgeting, planning and other necessary matters
- Review and ensure that the Bank has duly complied with the relevant laws, policies, directives and regulations applicable to the Bank.
- Review & monitoring the performance of the Bank based on the reports from the senior management team, various board level committees and management level committees.
- Evaluation of the performance of the senior management
- Approval of annual budgets, financial statements, and major financial decisions.
- Monitoring financial performance to ensure the Bank remains financially sound and solvent.
- Ensuring that adequate internal controls are in place to protect the Bank's assets and minimize risks.
- Approval of risk policies and overseeing risk management frameworks and ensuring that appropriate measures are in place to manage operational, financial, credit, and market risks.
- Protection of the interests of the shareholders and ensure transparent reporting of financial performance.

Information to the Board of Directors

The Board of Directors (BoD) of the Bank is provided with necessary information in line with the prevailing legal and regulatory frameworks, which include Company Act 2006, Bank and Financial Institutions Act (BAFIA) 2017, and the Bank's Articles of Association (AOA) and Board Director Operation Manual 2013. These documents outline the procedures for meetings, ensuring that the Board receives timely and adequate materials for informed decision-making.

As per Section 98 of the Company Act 2006 and NRB directives, the BoD members are provided with the meeting schedules, agendas, and related documents electronically in advance. This is done via email, which allows for efficient communication and ensures that all Board Members are adequately prepared for meetings.

By following these guidelines, ADBL ensures transparency and accountability in its decision-making process. The BoD is able to review, discuss, and make decisions based on the information provided, in accordance with the legal and regulatory requirements governing the Bank's operations.

The Bank has formed 4 board level committees namely Risk Management Committee, AML-CFT Committee, Human Resource Service & Remuneration Committee and Audit Committee wherein a member of the Board of Director act as a coordinator and the key personnel involved in the respective area within the Bank act as member secretary to the committee.

Representation of Female Director on the Board

Ms. Rita Subedi is the female Director on the Board, who also acts as an independent Director in accordance with Section 86 of the Companies Act, 2006.

Diversity on the Board

The composition of a board has individuals drawn from different professional and academic backgrounds, which enhances collective knowledge significantly. Diversity enables the board to capitalize on the greatest breadth of perspective, expertise, and insight that can prove crucial in overcoming complex challenges, making informed decisions, and stimulating innovation. For instance, legally experienced professionals identify risks related to regulation, while those with a financial background can provide important insights about economic strategy.

This balance is further enhanced by the addition of a female director, promoting gender diversity. Studies have shown that gender diversity enhances organizational performance and decision-making. Female representation brings unique perspectives that may better align the board's decisions with a broader stakeholder base, including customers and employees.

For further details, please refer to the Directors' profiles provided at the beginning of this section.

Appointment and Induction of Directors

In line with the good corporate governance practices, the appointment of Board of Directors (BoD) at banks follows a structured and transparent process, ensuring that the directors possess necessary qualifications, independence, and expertise to effectively oversee the Bank's operations.

For government representatives, the appointment is made through ministerial-level decisions, reflecting the government's role in ensuring that public sector institutions are aligned with national development objectives. These representatives bring valuable insights into the Bank's strategic direction and regulatory compliance.

On the other hand, the directors representing the public shareholders are elected by the shareholders during the Annual General Meeting (AGM), in accordance with the provisions set out in the Company Act 2006 and Bank and Financial Institutions Act (BAFIA) 2017. This process ensures that the interests of shareholders are represented and provides an opportunity for public participation in the governance of the Bank. The election process is designed to be transparent and democratic, allowing shareholders to choose qualified individuals who will contribute to the Bank's growth and stability.

The directors appointed are qualified as per the requirement outlined in Section 16 & 17 of BAFIA 2017, the Company Act 2006, and Articles of Association (AoA) of the Bank. These regulations specify the criteria for director appointments, including experience in banking, finance, management, or other relevant fields, as well as ensuring that directors have no conflict of interest. Adhering to these standards ensures that the board is composed of individuals who are capable of providing strategic guidance, making informed decisions, and safeguarding the Bank's interests while aligning with regulatory requirements and corporate governance best practices.

Casual Vacancies in the Board

There has been change in the directors representing the promoter group i.e., Government of Nepal as per the decision of the Government of Nepal.

Director's Training Programme

One training was conducted for the directors in the FY 2023/24 wherein all directors were present. It was held on 31st May 2024 and 1st June 2024 in Kathmandu. The training program provided an overview of the Bank's organizational structure, business model, governance practices, strategic objectives, risk management approaches, macroeconomic and financial conditions, along with the legal framework, banking services, and relevant directives issued by NRB.

Director's Orientation

Directors' Orientation refers to the process through which new members of the Board of Directors are introduced to the Bank, its operations, and its governance practices. This orientation aims to ensure that directors have a comprehensive understanding of the Bank's vision, mission, values, strategic objectives, and key policies, enabling them to effectively fulfill their roles and responsibilities.

Key Aspects of Directors' Orientation are as follows:

- **Introduction to the Organization:** New directors are briefed on the Bank's history, vision mission, culture, organizational structure, and business operations.
- **Financial and Operational Overview:** Directors are provided with financial statements, risk management reports, and an overview of the Bank's key products and services.
- **Governance and Compliance:** Information on the Bank's governance structure, legal and regulatory requirements, and ethical guidelines is shared.
- **Roles and Responsibilities:** Directors are educated on their specific duties, expectations, and the board's decision-making processes.
- **Meetings and Committees:** New directors are introduced to the board's committees, their functions, and how they interact with one another.

Board- Level Committee and their Functioning

Board-level committees in a bank are sub-committees of the Bank's board of directors, each responsible for overseeing specific aspects of the Bank's operations and governance. These committees ensure effective risk management, compliance, and strategic decision-making. Common committees in a bank include the Risk Management Committee, which identifies and mitigates risks related to credit, market, and operational factors. Similarly, there is the Audit Committee that is tasked with monitoring financial reporting and regulatory compliance.

Likewise, the AML CFT Committee is responsible to ensure compliance with anti-money laundering and counter-terrorism financing regulations by overseeing risk management, policy implementation, monitoring, and staff training.

Finally, the Human Resource Service & Remuneration

Committee is there to oversee human resources policies, employee welfare, and executive compensation.

The Bank has the following Board-Level Committee for overseeing the enterprise-level risk management framework –

Risk Management Committee

The Bank's Risk Management Committee has been established in accordance with the NRB's Unified Directive No. 6. The Board of Directors has formed a risk management committee chaired by one non-executive director. Among the members of the committee, the departmental chief of the operations department and the chief risk officer (CRO) is the member secretary.

Details of the Risk Management Committee in the FY 2023/24 are as follows:

SN	Name	Designation	Representative	Tenure
1	Sanjeev Poudel	Coordinator	Director	FY 2023/24
2	Govinda Prasad Bhattarai	Member	Director (Coordinator of Audit Committee)	FY 2023/24
3	Min Raj Pokharel	Member	Department Chief of Central Operation Department	Upto Meeting No. 187
4	Bhola Nepal	Member	Former Department Chief of Central Operation Department	Meeting No. 188-193
5	Niku Acharya	Member secretary	Chief Risk Officer- Integrated Risk Management Department	Meeting No. 177 & 178
6	Manoj Bhakta Acharya	Member secretary	Chief Risk Officer- Integrated Risk Management Department	From Meeting No. 179

Functions, Duties and Responsibilities of the Committee

The responsibilities of the Bank's Risk Management Committee, as outlined in accordance with NRB Directive No. 6, as mentioned below:

- Report to the Board of Directors on the adequacy and appropriateness of the existing risk identification and management system and to make suggestions for the development of a suitable system.
- Review the level of risk inherent in business activities, risk bearing capacity, strategies developed for risk management, policy arrangements and guidance and submit suggestions to the Board of Directors regarding their adequacy.
- Obtain regular risk management reports and discuss how risk assessment, evaluation, control and monitoring is being done and submit necessary suggestions to the board of directors.
- Analysis of Adequacy of capital according to risk-adjusted assets, internal capital analysis method (ICAAP), adequacy of policy arrangements according to business strategy, regular discussion and analysis regarding the maximum risk that the organization can take and suggest necessary opinions to the board of directors.
- Recommend the requirement of development of policies and structures in accordance with the instructions/guidelines issued by Nepal Rastra Bank for risk management, to the Board of Directors.
- Conduct stress testing and discuss the results and submit suggestions to the Board of Directors for the necessary policy formulation or decision-making process to be adopted in the future.
- Analyze the limits and propriety of delegation of authority by the Board of Directors and submitting a report with necessary suggestions to the Board of Directors.
- Analyze/review and submit a report to the Board of Directors on a quarterly basis regarding the asset structure of the organization, the state of operation of

those assets, the income that can be obtained from it, the increase/decrease in the quality of the assets and the activities done by the Asset Liability Management Committee (ALCO).

- Study the impact of problems or changes in any sector of the economy on the financial condition of the organization and to submit a report to the Board of Directors with necessary suggestions on what kind of policy should be adopted to resolve the same.

Meetings and Decisions of the Risk Management Committee

During FY 2023/24, a total of 17 meetings of the Risk Management Committee were held. The agendas and discussions of these meetings are outlined as below:

- Discussion was held between the coordinators of ORMC and CRMC and the Risk Management Committee, to review completed activities and provide guidance for future directions.
- Risk assessment of credit files during the current fiscal year 2023/24 and the detail of the assessments, along with the identified risks, were discussed in the committee, followed by necessary guidance and directives.
- Discussion was made on key points highlighted in the IS Audit report and direction for implementation was provided to the management.
- Analysis of stress testing was conducted as per the Stress Testing Guideline, 2021, and necessary direction was provided.

- Discussion was held on the Key Risk Indicators, which include performance targets, target thresholds, and risk levels (Low/Moderate/High) and direction was provided for the implementation from the management level
- Review and discussions on Risk Management Policy 2023, Risk Appetite Framework 2024, Credit Risk Management Procedure 2024, Environmental and Social Risk Management Procedure 2024 was done and presented to the board for approval.
- Analysis of the quality of loans and concentrated risks (based on Province, Size of Loan and sectoral categories) was conducted.
- Analysis of overall Risk Status focusing on its potential impact on the Bank's capital and stability was made
- Quarterly discussion was held on comparative data of the Banking sector, including capital adequacy, loan quality, and changes in these aspects. Necessary direction and recommendations were provided to the management through the board of directors.
- Analysis of actions taken by the Bank for proper asset and liability management, as well as the discussions in ALCO were made.
- Analysis of structural liquidity and interest rate risk was conducted to ensure effective risk management.

Meeting Fee of the Risk Management Committee

Fees of NPR 4,000 per meeting was provided to director member of the committee. Total meeting fee (including invitees) of NPR 214,200 and other meeting expenses of NPR 89,700 was incurred in the FY 2023/24.

Audit Committee

Audit committee of bank was constituted as per the provision of Section 60 of BAFIA 2017, Section 164 of Companies Act 2006 as well as directives issued by NRB and Article of Association of the Bank.

This committee is responsible for reviewing the organization's financial condition, internal controls, audit-related programs, and discussing audit results in detail, providing necessary instructions to the management.

Details of the Audit Committee in the FY 2023/24 are as follows:

SN	Name	Designation	Representative	Tenure
1	Govinda Prasad Bhattarai	Coordinator	Director	2023-06-07 to 2024-09-23
2	Dirgha Raj Mainali	Coordinator	Director	2024-09-23 to till date
3	Rita Subedi	Member	Director	2023-03-29 to 2024-09-23
4	Sanjeev Poudel	Member	Director	2024-09-23 to till date
5	Sushil Humagai	Member secretary	Division Chief-Internal Audit & Inspection Dept	2020-12-01 to 2024-07-30
6	Giridhari Poudel	Member secretary	Division Chief-Internal Audit & Inspection Dept	2024-08-05 to till date

Functions, Duties and Responsibilities of the Audit Committee

Roles and responsibilities of audit committee shall be as mentioned in Internal Audit Manual 2013 prepared in line with NRB Directives:

- Review of overall financial position, internal control system, audit plan as well issues raised in internal audit report and provide the necessary direction/instruction to the management.
- Issue necessary directions to the management for carrying out the corrective actions on observation raised by external statutory auditor. Also, the follow up on its implementation action plan is made.
- Carry out discussions on observations raised by Nepal Rastra Bank and present the same to Board of Directors. Also, the follow up on its implementation action plan is made.
- Extend the required support to management for making the annual financial statements accurate and reliable.
- Review and present the quarterly financial statement to the Board of Directors.
- Recommend the names of auditors for appointment and terms of remuneration of the external auditors to Board of Directors.
- Review of the internal audit activities of the Bank.
- Prepare the detailed work plan of internal audit and ensure that the internal audit is conducted.
- Periodically review the overall financial condition of the Bank, internal control, audit plan and the matters pointed out in the internal audit and give necessary instructions to the management regarding the steps to be taken and provide the recommendations to the Board of Directors.
- Review compliance with the existing laws and the regulations issued by Nepal Rastra Bank.

- Review the quarterly financial statements and submit a report to the Board of Directors.
- Perform the tasks mentioned in Section 61 of the Bank and Financial Institutions Act, 2017 and Section 165 of the Companies Act, 2006.

Meetings and Decisions of the Audit Committee

During the FY 2023/24, a total of 47 meetings of the Audit Committee was held. The major agendas of these meetings were as outlined below:

- Review was conducted to assess whether the Bank's operations adhered to principles such as regularity, efficiency, appropriateness, and effectiveness, and necessary recommendations were presented to the Board of Directors.
- Regular monitoring was carried out to ensure that internal audit was conducted in accordance with the approved annual internal audit program.
- Report was presented to the Board of Directors based on the issues and observations highlighted in the comprehensive on-site inspection report provided by Nepal Rastra Bank's Banking Supervision Department. Responses were requested from the management, and a report including the Audit Committee's opinions was prepared and submitted.
- Report with recommendations was presented to the Board of Directors regarding the issues and observations raised in the external auditor's report. Quarterly implementation monitoring was carried out and updates were provided to the board.
- Quarterly report presented by the internal audit and inspection department was reviewed and discussed in detail. Key findings were identified, and directives for improvement were provided to the management.
- Sensitive and serious findings identified during the internal audit were discussed, and management was directed to conduct a detailed study and investigation regarding those issues.

- Quarterly report analyzing and reviewing the Bank's financial statements was regularly presented to the Board of Directors.
- Recommendations regarding the appointment of auditor was made to the board of directors.
- In addition to the annual internal audit program, special audits were conducted by the department as required by the board, audit committee, and bank management.
- Compliance with the guidelines issued by Nepal Rastra Bank, as well as the Bank's internal procedures, guidelines, and applicable laws, was monitored. A report with recommendations on the implementation of these policies and regulations was presented to the Board of Directors.

Meeting Fee of the Audit Committee

Fees of NPR 4,000 per meeting was provided to director member and NPR 2,300 per meeting was provided to the member secretary of the committee. Total meeting fee (including invitees) and other meeting expenses of NPR 651,600 was incurred in the FY 2023/24.

Major Activities carried out by Audit Committee in FY 2023/24

- Regular monitoring of whether or not internal auditing activity is being carried out according to the plan
- Compilation of management response on issues raised by NRB Inspection Team and presented the same to Board of Directors.
- Conducted discussions on significant issues observed during the internal audit and issued necessary instruction to the management for detailed analysis/ investigation.
- Extended coordination in carrying out the Information system audit of the Bank.
- Presented the financial analysis of the Bank on quarterly basis along with recommendation to the board.
- Provided recommendation regarding appointment and remuneration of external auditors to the Board.

Major Recommendations issued to the Management by the Audit Committee

- To create additional provision (watchlist category) for loans exceeding the required Debt Equity ratio and to comply with the provisions of internal policies/ manuals while sanctioning/dispersing the loan.
- To ensure compliance with the provisions mentioned in credit manual for subsidy loans as well as loans without collateral for minimizing the credit risk and initiating the loan recovery process making the employees involved responsible for those cases of non-compliance.
- To mandatorily obtain of audited financials and tax clearance certificate at the time of disbursement / renewal of loans as per the provision of credit manual of the Bank to ensure that the loan is utilized for specified purpose only.
- To make the branch manager and involved staffs responsible and conduct the departmental actions where loan is renewed/extended directly in CBS without obtaining the required documents.
- To present the quarterly report of the departments to the Board of Directors.
- To present the management reply on report of NRB Inspection 2024 along with directions of audit committee to the Board of Directors.
- To make corrections/improvement on specified credit related issues observed in internal audit conducted by outsourced agency.
- To consider the issues as observed in Preliminary Audit Report issued by external auditors for FY 2022/23 seriously and to provide the reply in timely manner as well as to submit the same to the regulatory authority within the prescribed timeline.
- To understand the gravity of issues raised in information system audit of the Bank and provide the response after taking the corrective actions.

Anti-Money Laundering (AML)/Combating Financing of Terrorism (CFT) Committee

The AML/CFT Committee is a Board-level committee which is assigned to monitor the nature and level of Money Laundering (ML) and Terrorist Financing (TF) risks faced by the Bank, ensuring these risks are aligned with the Bank's risk appetite and tolerance.

Details of the AML/CFT Committee in the FY 2023/24 are as follows:

SN	Name	Designation	Representative	Tenure
1	Rajendra Prasad Mishra	Coordinator	Director	Meeting No. 57-62
2	Mahesh Acharya	Coordinator	Director	Meeting No. 63
3	Sarita Dahal	Member	Department Head- Compliance Department	Meeting No. 57
4	Rukmani Bhatta	Member	Chief Compliance Officer - Compliance Department	Meeting No. 58-63
5	Manoj Bhakta Acharya	Member	Chief Risk Officer- Integrated Risk Management Department	FY 2023/24
6	Ramesh Prasad Kalauni	Member Secretary	Compliance Officer- Compliance Department	FY 2023/24

Functions, Duties and Responsibilities of the Committee

Below are the key roles and responsibilities of the AML/CFT Committee, which are illustrative but not exhaustive:

- Review and report to the Board of Directors of the actions taken in accordance with the Asset Laundering (Money Laundering) Prevention Act, 2007, the Asset Laundering (Money Laundering) Prevention Regulations, 2017, and the instructions issued by this bank (E.P. Instruction No. 19)
- Discuss the adequacy of internal policies, procedures and procedural aspects and implement necessary policy arrangements, Money- Laundering (Money Laundering) Prevention Act, 2007, Money Laundering (Money Laundering) Prevention Regulations, 2017, guidelines issued by Nepal Rastra bank (NRB) and the recommendations issued by the Financial Action Task Force (FATF) that is formulated and implemented by the Bank.
- Identify financial investments in money laundering and terrorist activities and suggest the necessary recommendations for improvement to the board of directors after discussing the procedural aspects adopted and to be adopted and the adequacy of the information technology system in use.
- Analyze the system related to customer identification, formulating and effectively implementing the customer identification and customer acceptance policy according to the risk classification, including high-ranking person and ultimate beneficiaries.
- Submit a quarterly report to the Board of Directors regarding the compliance and implementation status of the Acts, regulations and directives issued by NRB bank, and the internal policy of the bank related to money laundering and financial investment in terrorist activities.
- Discuss the Report related to risk management of AML/CFT from the management and make recommendation to the Board of Directors as required.
- Update status of Customer Identification, details of Customer Due Diligence (CDD), details of Politically Exposed Persons (PEPs) and details of Enhanced Customer Due Diligence (ECDD) and policy and procedure.
- Review of the internal audit, external audit and the aspects related to financial investment in money laundering and terrorist activities mentioned in the inspection report of NRB.
- Analyze the issues related to money laundering and financial investment in terrorist activities in the national and international areas and the effects that may be caused to the Bank/financial institution and present the necessary suggestions to the Board of Directors regarding what kind of policy arrangements should be made to manage the risk
- Administer appropriate knowledge transfer programs on AML/CFT related matters to implementing officers, shareholders who own two percent or more of the paid-up capital of the Bank, members of the board of directors, senior management and employees who are directly and regularly involved in AML/CFT activities.
- Regularly review the internal policy arrangements and guidance related to money laundering and

financial investment in terrorist activities and submit suggestions to the Board of Directors regarding its adequacy.

- Review, whether the AML/CFT system is working effectively, risk is being properly managed, abnormal activities are being adequately monitored and the necessary reports are not being submitted to the relevant authorities, and the matter will be discussed in the Board of Directors as well.

Meetings and Decisions of the AML/CFT Committee

During FY 2023/24, a total of 7 meetings of the AML CFT Committee were held. The major agendas of these meetings were as outlined below:

- Reviewed the policies and procedures related to asset laundering and financial investment prevention in terrorist activities.
- Detailed discussions were held on the quarterly risk assessment reports regarding money laundering and financial investment in terrorist activities, and the reports were presented to the board of directors.

- Discussions were conducted on the practices followed by the Bank and the status of implementation regarding money laundering and financial investment in terrorist activities, and management was directed to make necessary improvements.
- Detailed discussion was held on the Bank's customer identification, risk classification, beneficial owner identification, and comprehensive customer due diligence status and direction was provided to the management for necessary improvements.

Meeting Fee of the AML/CFT Committee

Fees of NPR 4,000 per meeting was provided to each director member of the AML/CFT committee. Total meeting fee of NPR 78,600 and other meeting expense of NPR 31,760 were incurred in the FY 2023/24.

Human Resource Service & Remuneration Committee

The Human Resource Service & Remuneration Committee of the Bank is responsible for overseeing human resource policies, employee benefits, and compensation structures. It ensures that recruitment, performance management, and remuneration practices align with the Bank's goals, industry standards, and regulatory requirements. The committee also reviews remuneration, bonuses, and other incentives for staff and senior management.

Details of the Human Resource Service & Remuneration Committee in the FY 2023/24 are as follows:

Representative	Name	Designation
Director	Mr. Binod Kumar Guragai	Co-Ordinator
Chief Executive Officer	Mr. Govinda Gurung	Member
Head of Department, Finance & Planning	Mr. Basu Adhikari	Member
Head of Department, Human Resource Department	Mr. Ajay Kumar Rimal	Member Secretary

**Until Mid- February 2024, Mr. Dalendra Thapa was working as a member secretary as the departmental head of the Human Resource Management Department.*

Functions, Duties and Responsibilities of the Human Resource Service & Remuneration Committee

- Provide necessary assistance to the Board of Directors in formulating the "Remuneration Determination Policy" of the organization.
- Study and analyze the remuneration structure of all employees from time to time and submit a report to the Board of Directors on the impact of changes in the remuneration structure of the market to the Bank.
- Recommend to the Board of Directors, along with the grounds, for increasing the remuneration of all employees, including the chief executive officer, in compliance with the provisions mentioned in the prevailing laws.
- Review performance evaluation system by developing job descriptions, goals and progress evaluation indexes to be edited by the employees of the organization.
- Perform Manpower management related tasks such as recruitment, selection, appointment, posting, transfer, promotion, character development, performance evaluation, reward and punishment and prepare plans, policies and standards related to labor relations and submit to the Board of Directors.
- Review the staff policy and working staff structure and prepare Succession Planning and recommend it to the Board of Directors for approval.

Meetings of the Human Resource Service & Remuneration Committee

During FY 2023/24, a total of 15 meetings of the Human Resource Service & Remuneration Committee were held.

The details agenda and discussions of these meetings are outlined below:

- Discussions were held regarding employee performance evaluations, amendments to the employee service regulations, and reviews of the policies of the human resources department.
- Discussion on ways to motivate employees was made and necessary policies and guidelines were formulated.
- Recommendations were provided to the board of directors regarding the implementation of agreements between the Bank management and active employee unions.
- Decision was made to submit the social security fund of contract and salaried employees to the procedure committee.

Meeting Fee of the Human Resource Service & Remuneration Committee

Fees of NPR 4,000 per meeting was provided each director member of the Human Resource Service & Remuneration Committee. Total meeting fee of NPR 214,200 and other meeting expense of NPR 37,500 was incurred in the FY 2023/24.



Sitting at the left
Dr. Babu Kaji Thapa
Mr. Sushil Humagain

Sitting at the middle
Mr. Govinda Gurung

Sitting at the right
Mr. Pratap Subedi
Mr. Yagya Prakash Neupane
Mr. Minraj Pokharel

Management Team

The day-to-day operation of the Bank is executed by the Chief Executive Officer.

The Chief Executive Officer is closely assisted by 5 Deputy General Managers - Deputy General Manager (Credit Approval and Control), Deputy General Manager (Credit Business), Deputy General Manager (Marketing & Sales and Finance), Deputy General Manager (Operation and Service) and Acting Deputy General Manager (Chief-Bagmati and Gandaki) and 21 Department Heads. Moreover, the Chief Executive Officer is also supported by Asset and Liability Management Committee, Project Management Unit, Grievance Handling & Relationship Management Unit for better internal control and business operations.

The Bank has three-tier organization structure consisting of Head office, Provincial Offices (POs) and field offices.

Field offices are further categorized into five levels; Branch Office-A, Branch Office-B, Branch Office-C, Branch Office-D and Branch Office-A, depending particularly upon their volume of business. The head office is the policy-making body at the top, the field offices are implementing units at the bottom and the POs with monitoring and supervisory role are in-between.

ADBL is also operating a Central Training Institute (CTI) at a corporate level in Bode, Bhaktapur under Head Office Structure and five Province Training Centers (PTCs) with residential facilities. The CTI and PTCs conduct training programs and seminars, particularly for enhancing the knowledge and skills of organizational members.





The Management Team comprising CEO, DGMs, Department Heads, Provincial Heads and Heads of Main Branches posing for a photograph in the head office premises.

Management Team, Departments Chief, Provincial Heads, Heads of Main Branches participating for office meeting.





Management Team



Govinda Gurung
Chief Executive Officer

Mr. Gurung, the Chief Executive Officer of the Bank, is a seasoned banker with over 28 years of experience in the commercial banking sector in Nepal and abroad. He holds an MBA from Nepal Commerce Campus, Tribhuvan University.

His banking career began in 1996 as a Management Trainee at Himalayan Bank Limited, where he served until his last assignment as Head of Customer Relations at the Corporate (Main) Branch.

Subsequently, he held senior leadership roles at prominent financial institutions, including Global IME Bank Limited (formerly Global Bank Limited) as Assistant General Manager, Mega Bank Nepal Limited as Deputy General Manager, and Civil Bank Limited as both Deputy Chief Executive Officer and Chief Executive Officer. He also served as Chief Executive Officer of Myanmar Citizens Bank Limited in Myanmar.

Mr. Gurung assumed the role of Chief Executive Officer of Agricultural Development Bank Limited on February 20, 2023. His areas of expertise encompass risk assets and liability portfolio management, product design and development, bank marketing, clientele relationship management, financial statement analysis and management, strategic planning, integrated risk management functions, branding and corporate communications, investor relations management, governance and compliance management, HR management, leadership development, and overall bank management.

Mr. Gurung has consistently enhanced his professional skills through participation in numerous advanced-level trainings, seminars, and workshops in banking and finance, general management, and leadership at both national and international levels.



Pratap Subedi
Deputy General Manager
Operation & Service

Mr. Subedi has a distinguished career spanning over three decades, having joined ADBL in 2057 B.S. as an Account Officer. He holds an MBA and a B.Ed. (Administration and Supervision) from Tribhuvan University. Currently serving as Deputy General Manager (Operation and Service), he has held key leadership positions within the Bank, including DGM (Chief Credit Officer), DGM (Chief Operation Officer), and DGM (Credit Approval and Control).

His experience extends beyond ADBL, including a 4.5-year tenure at Nepal Rastra Bank and an 8-month stint at the Employees Provident Fund. He has also served as DGM (Chief Director) of the Kathmandu Regional Office and as the Company Secretary of ADBL.

Mr. Subedi's extensive board experience includes his current role as a BoD member of Neco Insurance Ltd. and prior board memberships at a Fund Management Company (as Chairman), the Staff Retirement Fund under ADBL, Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd., and Deprosc Laghubitta Bittiya Sanstha Ltd. He has participated in numerous core-level training and workshops at both national and international levels, demonstrating his commitment to continuous professional development. Mr. Subedi possesses in-depth expertise in credit business, operations, human resource management, and governance.



Dr. Babu Kaji Thapa
Deputy General Manager
Credit Business

Dr. Thapa currently serves as a Deputy General Manager at the Bank, overseeing agricultural credit, MSME lending, and the implementation of national and international agricultural projects. He also supervises operations in the Koshi and Madhes provinces.

With over 25 years of experience, Dr. Thapa brings a wealth of knowledge from diverse sectors. He has previously worked with organizations such as New ERA, Action Aid, MEDEP/ UNDP, IUCN, GIZ, BDA, the Ministry of Agriculture and Livestock Development, and the Ministry of Forestry and Land Conservation.

Dr. Thapa possesses extensive expertise in facilitating access to banking and cooperative services for small and medium-sized enterprises, particularly those operating in the agricultural sector. He has actively contributed to the field through presentations at numerous national and international conferences and by serving as a panelist on various industry-related discussions.



Yagya Prakash Neupane
Deputy General Manager
Marketing/Sales and Finance

Mr. Neupane holds a Master's degree in Economics from Tribhuvan University and a Master's degree in Human and Natural Resource Management (HNRS) from Kathmandu University. Currently serving as the Deputy General Manager of Marketing & Sales and Finance at the Bank, he brings 25 years of extensive experience to the role.

He began his career as an Economist at the Department of Finance in ADBL and has subsequently overseen key departments, including Account, Finance, Risk Management, Treasury, Branch Management, General Service, Digital Banking, and Information Technology. His expertise encompasses Balance Sheet Management, Financial Planning and Analysis, Cost-Effectiveness, Treasury Management, Corporate Communication and Branding, Compliance, Branch Operations, Financial Literacy, and Branch and Provincial Supervision.

Mr. Neupane's leadership, indeed, extends beyond ADBL. He served as Chairman of Adhyanta Fund Management Company Limited for three years and as a board member at Deprosc Laghubitta Sanstha Limited for three years and ADBL Fund Management Limited for two years.

Furthermore, Mr. Neupane's academic pursuits include teaching as a faculty member for the Master's Degree in Economics at Tribhuvan University for two years and participating in various research activities conducted by the Research and Development Institution. He has consistently expanded his knowledge through participation in numerous training and workshops at both national and international levels.



Minraj Pokharel
Deputy General Manager
Credit Approval and Control

Mr. Pokharel holds a Master's Degree in Economics, a Bachelor's Degree in Law from Tribhuvan University, and a PGDM from Kathmandu University. He has consistently contributed to ADBL since 2057 B.S. and currently serves as the Deputy General Manager (Credit Approval and Control).

His career at ADBL has encompassed diverse roles, including Branch Manager in Mugu, Pulchowk, Hetauda, and Kalanki, and Regional Director in Bhairahawa. He has also led key departments such as Information Technology, Business Credit and Trade Finance, Trade Finance, Branch Operation and Marketing Management, and Central Operations. Notably, he served as the Main Branch Manager in corporate banking and as DGM (Bagmati and Gandaki).

Mr. Pokharel's experience extends beyond ADBL. He served as a Board Member at a Fund Management Company and currently chairs another. His expertise encompasses credit business, international trade, recovery, and operations.



Sushil Humagain
Acting Deputy General Manager
Bagmati and Gandaki Province

Mr. Humagain holds an MBA from Tribhuvan University and has been associated with the Bank since 2057 B.S. He began his career as an Account Officer and currently serves as the Acting Deputy General Manager (Province-Bagmati and Gandaki).

With 13 years of experience as a Branch Manager in locations such as Kamalpolhari, Dhulikhel, Gattaghar, and Baneshwor, he has gained valuable on-the-ground experience. He also served as the Main Branch Manager in corporate banking and as Province Head of Nepalgunj. Additionally, he led the Recovery and Audit Department.

His expertise encompasses Audit, Credit Control, Business Operations, and Internal Control and Recovery. Mr. Humagain also serves as a Board Member at a Fund Management Company.

Heads of Departments



Mr. Sudip Kumar Dahal
Credit Business & Treasury Department



Mr. Basu Adhikari
General Service Department



Mr. Nirmal Raj Koirala
Legal Department



Mr. Giridhari Paudel
Internal Audit & Inspection Department



Mr. Ajay Kumar Rimal
Human Resource Management Department



Mr. Prakash Kandel
Central Operations Department



Mr. Anil Kumar Yadav
Information Technology Department



Mr. Sundar Prasad Khatiwada
Recovery & Collection Department



Mr. Saroj Kumar Shah
Credit Approvals & Control Department



Ms. Rukmini Bhatta
Compliance Department



Ms. Sarita Dahal
Marketing and Sales Department



Mr. Madhav Rijal
Fixed Assets Management Department



Mr. Gokul Prasad Paneru
Trade Finance & Guarantee Operations
Department



Mr. Himalal Paudyal
Company Secretariat



Mr. Jagadishwar Panthi
Credit Administration & Monitoring Department



Mr. Manoj Bhakta Acharya
Integrated Risk Management Department



Ms. Neeku Acharya
Agriculture Credit & Project
Mangement Department



Mr. Giriraj Regmi
Digital Banking Department



Mr. Anoj Basnet
Central Training Institute



Mr. Narayan Prasad Acharya
Finance & Planning Department



Mr. Yogendra Bahadur Singh
For Department Head
Strategic Planning & Research Department

Provincial Heads



Mr. Ghanendra Adhikari
Gandaki Province, Pokhara



Ms. Bina Sharma
Lumbini Province, Dang



Mr. Chandra Singh Thapa Magar
Bagmati Province, Kathamandu



Mr. Ram Prasad Gajurel
Madhesh Province, Birgunj



Mr. Tilak Pradhan
Koshi Province, Biratnagar



Dr. Suroj Tandan
Karnali Province, Surkhet



Mr. Pradip Raj Joshi
Sudurpaschim Province, Dhangadhi



Mr. Nawaraj Nyaupane
Lumbini Province, Bhairahawa



Ms. Shamridhi Karki
Bagmati Province, Chitawan



Mr. Sunil Shrestha
Madhesh Province, Janakpur

Managers of Main Branches



Mr. Ranjan Khanal
Battisputali Branch



Mr. Nabin Kumar Pakhrin
Lagankhel Branch



Mr. Khursed Ahamed
Ratnapark Branch



Mr. Tanka Prasad Pokhrel
Biratnagar Branch



Mr. Rajendra Ranabhat
Corporate Branch



Mr. Arjun Kumar Dhungana
Pokhara Branch



Mr. Himlal Shrestha
Nepalgunj Branch

Management Level Committees

Management Committees in a bank are internal groups established to support the executive management in decision-making, policy implementation, and day-to-day operations. These committees are typically composed of senior management and are focused on specific areas of the Bank's business. Their role is to ensure smooth operations, manage risks, and align business strategies with organizational goals.

Following are the management committees of the Bank:

Management Committee (ManCom)

ManCom is responsible for overseeing the Bank's overall operations and strategic implementation. It makes key decisions related to day-to-day management, coordinates activities between different departments, and ensures alignment with the Bank's goals. The committee is also tasked with resolving operational issues, reviewing performance, and implementing organizational strategies.

Asset & Liability Management Committee (ALCO)

ALCO manages the Bank's balance sheet by balancing its assets and liabilities to optimize profitability while minimizing risks pertaining to liquidity and interest rate. The committee monitors liquidity positions, funding strategies, capital adequacy, and implements policies related to the management of interest rate risk and liquidity gaps. ADBL has formed a dedicated Asset & Liability Management Committee (ALCO) to effectively manage potential market risks, with a primary focus on interest rate risk and liquidity risk.

The committee is responsible for closely monitoring these risks and implementing strategies to mitigate them, thereby ensuring the Bank's financial stability and operational efficiency.

ADBL has adopted necessary measures to manage market and liquidity risks effectively. The Bank will regularly review its liquidity position and ensure it remains within acceptable limits. Additionally, ADBL will continue to monitor and adjust the structure of its assets and liabilities to maintain financial stability and mitigate liquidity risks.

ADBL has developed a separate set of procedures for the operation of the Asset Liability Committee (ALCO). These procedures will cover, at a minimum, the following key areas:

- ♦ Monitoring the Bank's asset liability structure, measuring balance sheet and interest rate differences and managing it.

- ♦ Determining the interest rate and reviewing the To evaluate the market risk of new goods and services.
- ♦ To prepare and account for the mixture of assets and liabilities and the condition of maturity.
- ♦ Receive and review reports on liquidity risk, market risk and capital management.

Composition of ALCO

It includes 12 members consisting of CEO as Chairperson, DGMs, Department Chiefs (Credit Business & Treasury, Marketing & Sales, Finance & Planning Department, Agriculture Credit & Project Management Department, Senior Section Chief of Credit Business & Treasury Department.

Major Agendas of ALCO Meetings during FY 2023/24

A total of 24 meetings were held during the FY 2023/24. Major Agendas raise during those meetings are briefly presented as below:

- ♦ Analysis of Macro Economic Outlook, Bank Cash Flows, Quarterly Report & Its Principal Indicators, Loan Restructuring & Rescheduling, Base Rate, Monetary Policy
- ♦ Operations of Instant Fone Loan
- ♦ Discussion on the Placement Limit, Interbank Money Market Limit, Maintaining Short Position
- ♦ Interest/ Fees Rebate in case of digital banking products, Aged-Individual, Single Women, Disabled Individuals.
- ♦ Routing of Sales Proceeds through banking channel.

Credit Risk Management Committee (CRMC)

This committee is responsible for identifying, assessing, and managing the credit risks associated with the Bank's lending activities. It sets credit policies, reviews loan portfolios, and monitors credit exposures to ensure that the Bank's lending practices are sound and in line with regulatory requirements. The committee ensures that the Bank maintains an acceptable level of credit risk while maximizing profitability.

Composition of Credit Risk Management Committee

It consists of CEO as Chairperson, DGMs, Chief Risk Officer, Department Chiefs (Credit Business & Treasury, Agriculture Credit & Project Management Department, Trade Finance & Guarantee Operation, Credit Administrative Department, Recovery & Collection) & Senior Section Chief of Integrated Risk Management Department as a member secretary.

Major Agendas of CRMC Meetings during FY 2023/24

A total of 12 meetings were held during the FY 2023/24. Major Agendas raise during those meetings are briefly presented below:

- ◆ Credit Analysis based on Province/Loan Size/ Region wise as well as reporting of non-performing loans
- ◆ Direction based on analysis of Approved Loan (Trimester), Concentration Risk, Slippage Report
- ◆ Strategies related to improvement of NPL (>10% of NPL Branches)
- ◆ Analysis of Risk related with Consortium loan as well as Swapped Loans
- ◆ Analysis of Non-Funded Loan amount based on its classification.

Operational Risk Management Committee (ORMC)

The committee focuses on identifying and mitigating operational risks that could affect the Bank's daily operations. It establishes frameworks for managing risks related to business processes, human error, system failures, fraud, and external events. The committee also monitors operational risk management practices and ensures that appropriate controls are in place to minimize losses.

Composition of Operational Risk Management Committee

It consists of CEO as Chairperson, DGMs (Operation & Service, Finance & Credit Approval & Control), Chief Risk Officer, Department Chiefs (GSD, HR, COD, IT, Fixed Assets Management, Trade Finance & Guarantee Operation, CAD, Digital Banking, Finance & Planning) & Senior Section Chief of Integrated Risk Management Department as a member secretary.

Major Agendas of ORMC Meetings during FY 2023/24

A total of 6 meetings were held during the FY 2023/24. Major Agendas raise during those meetings are briefly presented as below:

- ◆ Settlement of Catch-Hall, Pending ATM Cash Over
- ◆ Adjustment of Interest Computation in CBS against few loans. Similarly, Adjustment in posting of few consortiums loan in CBS
- ◆ Implementation of Minimum 90 Days of CCTV Backup & Replacement Strategies.
- ◆ Settlement of Pending reconciliation between RMIS & Bank Account.
- ◆ Initiatives to make PPMO Verification Stronger.
- ◆ Analysis regarding Reconciliation of NOSTRO A/Cs, Active Directory, Security Information and Event Management
- ◆ Active Implementation of Operational Risk Management Software.

Loan Recovery Committee

The Loan Recovery Committee is responsible for overseeing efforts to recover overdue loans and non-performing assets (NPAs). The committee develops strategies for managing delinquent loans, works on recovery plans, and collaborates with legal teams to take necessary actions for loan recovery. The committee aims to minimize credit losses by ensuring effective recovery practices are in place.

Functions, Duties and Power of Loan Recovery Committee

- ◆ Make all efforts to recover the loans in non-performing loans (NPL).
- ◆ Co-ordinate with branches and provincial offices to take legal action for all loans that require legal action and the necessary procedures have been completed,
- ◆ Coordinate with provincial offices and branch offices to make regular arrangements for debt recovery.
- ◆ To achieve the annual target specified by the budget and program.
- ◆ Coordinating with related bank financial institutions and borrowers for the recovery of consortium loans.
- ◆ To implement the topics mentioned in the plan and program to bring the non-performing loan within the target limit.
- ◆ To ensure that the files submitted to the Debt Recovery Tribunal are well communicated and made timely available to the legal Department with necessary coordination
- ◆ Working in coordination with the provincial office and branch offices to diversify the non-banking assets.
- ◆ Coordinating with the law department for legal action on problematic loans.
- ◆ To provide necessary instructions and suggestions to the recovery and collection department from time to time.

Composition of Loan Recovery Committee

It includes six members consisting of CEO as co-ordinator, DGM of credit approval/control, DGM of business, Head of Department of recovery and collection department, Head of Department of Legal Department and senior section chief acting as member secretary.

Major Agendas of Loan Recovery Committee Meetings during FY 2023/24

A total of four meetings were held during the FY 2023/24. Major Agendas raise during those meetings are briefly presented below:

- ♦ Formation of loan recovery committee, its composition and Functions, duties & Power of the committee
- ♦ In relation to recovery of non-performing loans for the past 1-year period.
- ♦ Regarding credit slippage control.
- ♦ Regarding the action plan and responsibility for the rest of the period.
- ♦ Regarding recovery of unbanked assets and undocumented loans.
- ♦ Regarding controlling non-performing loans and slippage. In relation to conducting the recovery program in order to achieve the annual target of the current financial year.
- ♦ In relation to preparing recovery strategies for non-performing loans and arrears of interest.
- ♦ Regarding proceeding with Debt Recovery Tribunal (DRT).
- ♦ In relation to the formation of a recovery task force for debt recovery of branch offices with more than 10 percent non-performing loans.

Loan Write-Off Committee

The Loan Write-Off Committee is responsible for reviewing and approving the write-off of loans that are deemed uncollectible after all recovery efforts have been exhausted. The committee assesses the financial health of loans in question, evaluates recovery efforts, and makes decisions on whether the loan should be written off in accordance with regulatory standards and the Bank's policies.

Functions, Duties and Power of Loan Write of Committee

i. The Loan Recovery Committee is responsible for overseeing the recovery of outstanding loans, including increased mortgage amounts. If the borrower defaults, the committee can initiate foreclosure, sell the mortgaged property, or pursue other legal actions like wage garnishment or asset liquidation to recover the loan.

ii. The Loan Recovery Committee shall ensure that all existing undocumented loans in the Bank are properly updated and recorded. These loans will be gradually restructured, with clear documentation and terms, to bring them in line with the Bank's standard practices.

iii. The Loan Recovery Committee shall issue instructions to provincial and branch offices to update undocumented loans, restructure existing loans, and ensure timely recovery actions are taken. Also, the Committee shall classify the written off loans, assess their status, and account for them.

Major Agendas of Loan Write-Off Committee meetings during FY 2023/24

One meeting was held during the FY 2023/24. Major Agendas raise during the meetings are briefly presented as below:

- i. The formation of a loan write-off sub-committee,
- ii. The amendment or rewriting of loan write-off regulations, and
- iii. The discussion of the work, duties, and rights of the loan write-off sub-committee.

IT Steering Committee

The IT Steering Committee guides the Bank's IT strategy, ensuring that technology investments are aligned with the Bank's goals. It oversees the implementation of IT systems, digital transformation initiatives, and ensures that the Bank's IT infrastructure is secure, scalable, and efficient. The committee also evaluates and approves major IT projects and ensures compliance with relevant regulations. The details of IT Steering Committee has been discussed under Section VI of the report.

CSR (Corporate Social Responsibility) Committee

The CSR Committee oversees the Bank's social responsibility initiatives, ensuring that the Bank engages in activities that positively impact society. It is responsible for selecting, implementing, and monitoring CSR projects, which can include community outreach, environmental sustainability, and philanthropic activities. The committee ensures that CSR activities align with the Bank's values and enhance its public image.

Corporate Governance and Internal Controls

Corporate Governance

Corporate governance constitutes the framework of rules, practices, and principles that guide and control a company's operations. It encompasses the intricate web of relationships among stakeholders, including the board of directors, management, shareholders, employees, and customers. The primary objective is to ensure the company operates effectively, ethically, and in the best interests of all stakeholders.

Sound corporate governance is crucial for fostering trust among investors, employees, regulators, and the broader society. It underpins transparency, accountability, and fairness in all company dealings.

At ADBL, we are deeply committed to upholding the highest standards of corporate governance. We prioritize conducting all banking activities with transparency and accountability. We meticulously adhere to all prevailing regulations and diligently implement the policies, rules, and instructions issued by regulatory agencies.

As a responsible corporate citizen, ADBL embraces a strong governance framework. We foster a culture of ethical and disciplined work, prioritizing human resource development and maintaining zero tolerance for any deviations from ethical standards.

Internal Control System

The Bank maintains a robust internal control system to ensure sound risk management, compliance, and operational efficiency. This system is underpinned by a three-line defense model: the first line of defense comprises operational management responsible for implementing and monitoring controls within their respective areas of

responsibility; the second line of defense involves the Risk Management and Compliance function providing independent oversight and support, ensuring adherence to regulatory requirements and mitigating identified risks; and the third line of defense encompasses Internal Audit, External Audit, and inspections conducted by regulatory bodies, providing independent assurance over the effectiveness of the internal control framework.

The Bank's governance structure, comprising the board of directors, board-level committees, and management-level committees, ensures clear roles and responsibilities for oversight and accountability. To enhance control effectiveness, the Bank has developed and implemented comprehensive internal policies and procedures aligned with regulatory requirements, segregated duties to prevent single-point failures and mitigate the risk of fraud, implemented the maker-checker principle to enhance transaction accuracy and control, and conducted regular risk assessments, including operational, credit, and reputational risks.

The Bank's internal audit function plays a crucial role in evaluating the effectiveness of the internal control system. To enhance efficiency, the Bank has strategically outsourced internal audits of certain branches to external consultants. Furthermore, a dedicated compliance department monitors adherence to regulatory requirements and internal policies, with a particular focus on ensuring compliance with anti-money laundering (AML) and combating-terrorism financing (CTF) regulations.

To further strengthen the internal control framework, the Bank conducts regular employee training on internal controls, fraud prevention, and compliance. This multi-layered approach to internal control ensures that the Bank operates in a safe, sound, and compliant manner while effectively mitigating risks and achieving its strategic objectives.

Whistle Blowing Policy

Overview

The Whistleblower Guidelines 2023 have been formulated to ensure the confidential investigation and reporting of unethical behavior

Purpose

In the Bank, the purpose of a Whistleblowing Policy is to provide a secure, transparent, and accountable channel for employees, customers, and other stakeholders to report any unethical, illegal, or improper activities within the Bank, such as financial fraud, corruption, mismanagement of funds, or violations of banking regulations and policies.

The policy aims to encourage the reporting of misconduct without fear of retaliation, ensuring that whistleblowers are protected from discrimination, harassment, or unfair treatment. This enables the Bank to detect and address potential risks, such as fraud or regulatory violations, at an early stage, thus safeguarding the institution's financial health, reputation, and compliance with legal and regulatory requirements set by the central bank and other financial authorities.

The policy also emphasizes confidentiality, assuring whistleblowers that their identities will be protected throughout the investigation process. By maintaining this system, ADBL demonstrates its commitment to ethical banking practices, financial integrity, and customer trust, while also fostering a culture where employees and stakeholders feel empowered to act in the best interest of the Bank and its customers. Ultimately, a strong whistleblowing policy helps ADBL maintain high standards of governance, minimize risks, and ensure that it continues to operate with transparency and accountability in line with the expectations of its regulators, clients, and the public.

Scope of the Policy

According to this guidance, complaints can be made on the following topics:

1. If there is information about the violation of the Bank's employee code of conduct.
2. If it is found to be contrary to the Bank's policies, rules, procedures, guidelines and standards.
3. In case of misuse of confidential information of the bank.
4. In case of activities such as bullying, abuse, harassment, violence and discrimination.
5. Misreporting of internal information in case of improper/unauthorized use or leakage.
6. If there are activities or activities that adversely affect the health and safety of employees.
7. In case of unauthorized use of the Bank's funds or other assets.
8. In case of involvement in bribery, corruption, illegal transactions or payments
9. If there is information that financial transactions have been made with the purpose of taking unfair advantage from the customer for personal interest and/or if there is information that there is a conflict of interests with the customer.
10. If there is information about abnormal financial and non-financial transactions or transactions from colleagues and other interested parties.
11. If it is known that the branch/honor of the Bank will be damaged by consuming drugs and alcohol and/or creating obstacles in the Bank's operations.
12. If there is unequal and biased behavior from the head of office and higher-level employees and/or if there is information that the employees misbehaved or disrespected their colleagues and higher-level employees and head of office.
13. If the employee is involved in other activities prohibited by social order and law.
14. In case of discrimination on the basis of gender, caste, creed and disability.
15. In case of other unethical conduct and unnatural activities.

Whistleblowing Mechanism

Any employee can report complaints and problems confidentially through <http://whistleblower.adbl.gov.np/>.

Protection of Complainant

The Whistleblower Guidelines 2023 protect individuals who submit complaints in good faith by prohibiting discrimination, retaliation, or harassment. If an employee believes they have experienced such treatment due to a complaint made under these guidelines, they can file a complaint with the Chief Executive Officer.

The Chief Executive Officer will then conduct a thorough investigation and take appropriate action as necessary. The complaining party may be required to provide testimony during the investigation.

It is crucial to understand that no action will be taken against any employee or external party unless the investigation confirms that the allegations were made in good faith.

Making false or malicious accusations based on jealousy, envy, greed, or personal gain is strictly prohibited and may have serious consequences.

Instances Reported During the Year.

No. Instances or Issues were reported during the FY 2023/24.

Statutory Disclosures

Disclosure of Information under Section 109(4) of Companies Act, 2006

A. Review of the transactions of the previous year

- In FY 2023/24, the financial transactions and economic index of this bank are as follows:

Table 10: Variance of Economic Transaction of Previous Year and Current Year. NPR in Million

Particulars	FY		Variance	
	2023/24	2022/23	Amount	%
Total Assets	311,375.43	265,670.98	45,704.45	17.20%
Total Deposits	243,825.68	201,582.53	42,243.15	20.96%
Total Loans and Advances	206,678.17	182,815.07	23,863.10	13.05%
Net Investments	69,856.42	52,581.08	17,275.34	32.85%
Operating Profit	4,138.86	3,136.56	1,002.30	31.96%
Net Profit After Tax	2,897.49	1,323.41	1,574.08	118.94%
Non-Performing Loans (%)	3.91%	2.78%	1.13%	
Capital Adequacy Ratio	12.74%	14.24%	-1.50%	
Credit to Deposit Ratio	77.80%	81.73%	-3.93%	
Return on Equity	8.37%	3.52%	4.85%	

- The financial transactions and economic index of the Bank up to the first quarter of the F.Y. 2024/25 are as follows:

On analysis of the financial condition of the Bank, the total deposits which was NPR 243 billion 820 million at the end of the year FY 2023/24 deposits increased by NPR 16 billion 820 million, reaching NPR 260 billion 640 million by the end first quarter of the FY 2024/25. Total loans and advances of the Bank which was NPR 206 billion and 680 million at the end of FY 2023/24, had decreased by NPR 440 million, i.e., 0.21 percent, to NPR 206 billion 240 million by the end of first quarter of FY 2024/25

Despite implementing programs to achieve the targets set in the approved budget and plans for the current financial year, challenges such as decrease in demand of loan and delay in repayment have impacted the collection of principal and interest which consequently has impacted the achievement of targeted progress. Nevertheless, the bank achieved a net profit of NPR 190 million by the end of the first quarter of FY 2024/25.

In order to achieve the targets and progress as outlined in the annual budget, the Bank has initiated necessary strategies and programs for implementation by the end of FY 2023/24.

Table 11: Progress Details for the First Quarter of the FY 2024/25

NPR in Million

Particulars	Q1 2024
Total Assets	329,750.00
Total Deposits	260,649.00
Total Loans and Advances	206,242.00
Net Investments	87,007.00
Total Operating Profit	298.00
Net Profit After Tax	191.00
Capital Adequacy Ratio	13.87%
Credit- to- Deposit Ratio	72.99%

3. Deposit, Credit Facility and Non-Fund-based Transaction

The Bank has introduced various types of deposit accounts in line with market demand and the Bank's interests under its deposit transactions. Additionally, savings and remittance fixed deposit accounts have been launched with the aim of converting foreign remittance inflows into banking deposits. Efforts have been made to maintain a balance in deposit composition and investment. Loans of both term and working capital nature, have been directed towards various sectors of the economy especially agriculture and productive sector. To keep the Bank's business self-sufficient and competitive, the interest rates has been determined maintaining the interest rate spread in accordance with Nepal Rastra Bank's guidelines.

Given that the primary source of income is interest from loans, the Bank has focused on expanding the loan portfolio within regulatory limits while adopting measures to ensure that the quality of loan does not deteriorate.

The Bank has also operated non-fund-based transactions following the concept of risk diversification. The share of non-fund-based transactions in the bank's business and income diversification has been progressively increased.

4. Small and Micro Enterprise Program

This bank has been providing loans to farmers and micro entrepreneurs through its branch offices, Sana Kisan Microfinance Limited, Deprosc Microfinance Limited and various cooperative organizations. Under relief program, the Bank has been providing micro loan to the low-income farmers for the cash crop, vegetable, fruits farming and animal husbandry. Similarly, under the Youth and Small Business Self-Employment Program of the subsidy program of the Government of Nepal, the Bank has been conducting program of crop and livestock insurance to mitigate the risks faced by farmers involved in livestock farming, vegetable cultivation, and fruit farming. The Bank's central training institute and regional training centers provide skill development training to entrepreneurs who wish to operate businesses and other training programs based on local needs.

5. Technology development

As all the branches of the Bank are connected to the core banking system, the Bank has been successful in bringing modern banking facilities to the rural areas. Possible technical risks that may arise in the context of business operations have been identified and necessary arrangements have been made for their mitigation. The usage of electronic banking such as IPS, Connect IPS, RTGS, VISA DEBIT Card, Credit Card, Mobile Banking, Internet Banking, ATM, CASBA, Phone Loan, DEMAT services has been accelerated.

6. Human Resource Management and Development

The Bank is effectively implementing the Human Resource Information System to increase productivity by mobilizing its manpower effectively. In this context, manpower management activities have been gradually centralized. Internal and external training to enhance the capacity of employees has been continued. In addition, the recruitment and promotion of employees have been carried out in coordination and cooperation with the Public Service Commission.

7. Future Plans and Strategies

This topic has been discussed under heading Strategic Business Plan (FY 2024/25 to FY 2028/29) of Section II of the report.

8. Corporate Governance, Internal Control System and Risk Management

This topic has been discussed under heading Corporate Governance and Internal Control of Section III of the report.

9. Social and Community Programs

This topic has been discussed under heading Sustainability and Corporate Social Responsibility of Section IV of the report.

B. Impacts, if any, caused on the transactions of the company from national and international situation

According to the World Economic Outlook published by the International Monetary Fund (IMF) in October 2024, the world economic growth rate was 3.3 percent in 2023. In 2024, it is estimated to be 7.9 percent in emerging and developing countries. In the past few years, due to the covid epidemic and the cooperative case, there has been more liquidity in the financial system, and it has been challenging to manage it properly. However, even in such environment, the Bank has achieved satisfactory progress.

C. Industrial or professional relations of the company

The Bank has established a harmonious business relationship with its customers, employees and regulatory bodies. The Bank has been maintaining professional, transparent and good relations with all concerned shareholders, Government of Nepal, Nepal Rastra Bank and other regulatory bodies, customers, donors and other related parties in business operations. The industrial or commercial relationship of the Bank is playing a positive role in making the overall business of the Bank agile, sound, competitive and profitable and it is believed that further improvements will be made in this direction in the future.

D. Alterations in the board of directors and the reasons therefore

1. Details of the Board of Directors during F.Y. 2023/24

As the directors representing the promoter shareholder i.e. Government of Nepal are changed according to the decision of the Government of Nepal, there is a change in the directors representing from the promoter group.

Details of the directors in the financial year 2023/24 are as follows:

S.N.	Name	Designation	Group	Tenure
1	Mr. Ramsharan Pudasaini	Chairman	GoN, Ministry of Finance	22nd February 2023 to now
2	Mr. Uttar Kumar Khatri	Member	GoN, Ministry of Finance	22nd June 2023 to 13th December 2023
3	Mr. Mahesh Acharya	Member	GoN, Ministry of Finance	21st December 2023 to 4th September 2024
4	Dr. Rajendra Prasad Mishra	Member	GoN, Ministry of Agriculture and Livestock Development	13th January 2022 to 5th June 2024
5	Mr. Sanjeev Kumar Karna	Member	GoN, Ministry of Agriculture and Livestock Development	6th June 2024 to 5th October 2024
6	Ms. Rita Subedi	Member	Independent	26th February 2023 to now
7	Mr. Govinda Prasad Bhattarai	Member	Public	28th March 2023 to now
8	Mr. Sanjeev Poudel	Member	Public	28th March 2023 to now
9	Mr. Binod Kumar Guragai	Member	Public	28th March 2023 to now

2. Details of Incumbent directors

The details of incumbent directors along with brief profile is mentioned under heading Board of Directors of Section III of the report.

E. Major Factors affecting the Bank's transactions

Various types of risks that can affect the business of the Bank are presented as follows:

- Risks arising from changes in the country's economic situation.
- Risks that the quality of loan assets may deteriorate due to adverse conditions caused by the pandemic.
- Risks that may arise from changes in exchange rates during foreign exchange transactions.
- Risks that may arise from changes in the interest rates of deposits and loan investments.
- Risks that can be seen in credit expansion if deposits do not increase according to the demand for credit.
- Challenges that may arise if there is no demand for loans in line with the increase in deposits.
- Risks to technology security due to cybercrime.
- Potential risks that may arise when Nepal Rastra Bank changes its policy directives related to commercial banks.
- Risks that may arise if the loan is not recovered within the stipulated time.
- Potential risks of providing non-financial services such as issuing letters of credit and surety bonds.

- Financial risks that may arise from the impact of recession in the international market.
- Economic and physical risks that may occur from natural disasters.

F. If there are any remarks in the audit report, the comments of the board of directors on such remarks

The recommendations made by the auditor in the in the auditor's report for FY 2023/24 shall be duly implemented. Abridged Financial Statement is in line with Audited Financial Statement and Board of Directors Report.

G. Amount recommended for payment by way of dividend

It is proposed to declare and distribute a total of 10.53 percent dividend (3 percent bonus shares and 7.53 cash dividend) to the shareholders of the Bank from the total distributable profits up to the financial year 2023/24 and 6 percent dividend on the perpetual non-cumulative preference share capital of the Government of Nepal.

H. No shares were forfeited by the company during the year under review.

I. Progress of transactions of the company and of its subsidiary company in the previous financial year and review of the situation existing at the end of that financial year:

Table 12: Progress of Subsidiaries in Current Fiscal Year and Previous Fiscal Year.

NPR in '000

Details	Kosh Byawasthapan Company Limited		Gobar Gas Company Private Limited	
	FY 2023/24	2022/23	FY 2023/24	FY 2022/23
Share Capital	31,048	31,048	0	0
Net Assets	355,622	306,094	0	0
Net Profit/Loss	(5,552)	16,286	0	0
Reserves and Surplus	241,380	207,088	0	0
Last Audited	Yes	Yes	No	No

J. Major transactions completed by the company and its subsidiary company in the financial year and any material changes taken place in the transactions of the company during that period:

During the year under review, the Bank is conducting regular banking transactions. Similarly, KoshByawasthapan Company Limited, a subsidiary company of the Bank, has been conducting regular transactions according to the nature of its business. Another subsidiary company of the Bank, Gobar Gas Company, is not in operation due to which 100% loss provision has been made and appropriate measures for its management is being undertaken. There was no significant change during the review period.

K. Disclosures made by the substantial shareholders of the company to the company in the previous financial year:

The Bank has not received such information in the previous financial year.

L. Details of shareholding taken by the directors and officers of the company in the previous financial year and, in the event of their involvement in share transaction of the company, details of information received by the company from them in that respect:

The Bank has not received such information in the previous financial year.

M. Details of disclosures made about the personal interest of any director and his/her close relative in any agreements related with the company during the previous financial year:

The Bank has not received such information in the previous financial year.

N. In the event that the company has bought its own shares (buy-back), the reasons for such buyback, number and face value of such shares, and amount paid by the company for such buy-back
The Bank has not bought back its own share still date.

O. Whether there is an internal control system in place or not; and details of such system, if it is in place

The topic has been discussed under heading Corporate Governance and Internal Control of Section III of the report.

P. Details of total management expenses during the previous financial year:

Employee expense is disclosed in schedule number 4.36 "Personnel Expenses" and schedule number 4.37 "Other Operating Expense" under section IX of this report.

Q. Name-list of the members of audit committee, remuneration, allowances and facilities received by them, details of the functions performed by that committee, and details of suggestions, if any, made by that committee

The detailed explanation has been mentioned under heading Board level Committee and their functioning of Section III this report.

R. There is no amount outstanding and payable to the company by any director, managing director, chief executive, substantial shareholder or his/her close relative or by any firm company, corporate body in which he/she is involved.

S. Amount of remuneration, allowances and facilities paid to the director, managing director, chief executive and officer:

The details has been disclosed under notes 5.7.4 "KMP Compensation" of section IX of this report.

Table 13: Allowances and Benefits to Board of Directors

Particulars	Frequency	Amount
Meeting Allowance	Per Meeting	4,000
Telephone Allowance	Per Month	2,500
Newspaper Allowance	Per Month	2,000
Mobile Phone Reimbursement	One Time	15,000
Transportation Allowance	Per Meeting	As Incurred
Fuel Reimbursement	Per Month	20 Liters

Table 14: Allowances and Benefits to Chief Executive Officer

Particulars	Frequency	Amount
Basic Salary	Per Month	300,000
Dearness Allowance	Per Month	100,000
Festival Allowance	Per Annum	300,000
Medical Allowance	Per Annum	50 days Salary
Telephone Allowance	Per Month	As Incurred
Mobile Phone Reimbursement	One Time	50,000
PF Deposit	Per Annum	300,000

T. Amount of dividend remaining unclaimed by the shareholders.

Amount of dividend remaining unclaimed by the shareholders in the review year is NPR 634,926,001

U. Details of sale and purchase of properties pursuant to Section 141:

No such assets were bought or sold in the year under review.

V. Details of transactions carried on between the associated companies pursuant to Section 175

Disclosed in point 5.7 of Note to the Consolidated Financial Statement.

W. Any other matters required to be set out in the report of board of directors under this Act and the prevailing law:

Disclosed in appropriate part of this Report and Consolidated Financial Statement.

X. Any other necessary matters disclosed in appropriate part of this Report and financial statements.

Disclosure under Sub-rule (3) and (4) of Rule 20 of the Directive related to Corporate Governance for Listed companies, 2017

Name of Listed Company	: Agricultural Development Bank Limited
Address	: Kathmandu Metropolitan City-11 Ramshahpath
Phone Number	: 01-4252359, 4262690, 4262596, 4263387
Report for the fiscal year	: F. Y. 2023/24
Email	: info@adbl.gov.np
Website	: https://adbl.gov.np/

1. Information related to Board of Directors

a. Name of Chairman and Appointment Date

Mr. Ram Sharan Pudasaini was appointed a chairman on 22nd February, 2023.

b. Share Ownership Structure

Shareholders	Percentage Holding
Government of Nepal	51%
Public Shareholders	49%

c. Information related to Board of Directors

S.N.	Name	Group	Tenure	Method of appointment
1	Mr. Ramsharan Pudasaini	GoN, Ministry of Finance	22nd February 2023 to now	Nominated from GoN
2	Mr. Uttar Kumar Khatri	GoN, Ministry of Finance	22nd June 2023 to 13th December 2023	Nominated from GoN
3	Mr. Mahesh Acharya	GoN, Ministry of Finance	21st December 2023 to 4th September 2024	Nominated from GoN
4	Dr. Rajendra Prasad Mishra	GoN, Ministry of Agriculture and Livestock Development	13th January 2022 to 5th June 2024	Nominated from GoN
5	Mr. Sanjeev Kumar Karna	GoN, Ministry of Agriculture and Livestock Development	6th June 2024 to 5th October 2024	Nominated from GoN
6	Ms. Rita Subedi	Independent	26th February 2023 to now	Appointed by BoD
7	Mr. Govinda Prasad Bhattarai	Public	28th March 2023 to now	Elected from AGM
8	Mr. Sanjeev Poudel	Public	28th March 2023 to now	Elected from AGM
9	Mr. Binod Kumar Guragai	Public	28th March 2023 to now	Elected from AGM

The details of directors appointed after the last general meeting and date of informing the board is mentioned separately as below:

S.N.	Name	Designation	Group	Date of Appointment
1	Mr. Uttar Kumar Khatri	Member	GoN, Ministry of Finance	22nd June 2023
2	Mr. Mahesh Acharya	Member	GoN, Ministry of Finance	21st December 2023
3	Mr. Sanjeev Kumar Karna	Member	GoN, Ministry of Agriculture and Livestock Development	11th June 2024

d. Meeting of Board of Directors

Date of BoD Meeting during FY 2024/25	No. of Attendees
17.07.2024	7
31.07.2024	5
06.08.2024	7
12.08.2024	7
15.08.2024	7
21.08.2024	5
03.09.2024	7
10.09.2024	6
16.09.2024	6
23.09.2024	7
06.10.2024	7
17.10.2024	7
20.10.2024	7
22.10.2024	6
10.11.2024	7
13.11.2024	6
08.12.2024	6
09.12.2024	6
12.12.2024	7
19.12.2024	7

No. of Directors with Note of Descent	Date of BoD Meeting during FY 2023/24
	17.07.2023
	23.07.2023
	27.07.2023
	04.08.2023
	14.08.2023
	18.08.2023
	24.08.2023
	25.08.2023
	29.08.2023
	14.09.2023
	19.09.2023
	04.10.2023
	05.10.2023
	06.10.2023
	08.10.2023
	12.10.2023
	17.10.2023
	01.11.2023
	08.11.2023
	10.11.2023

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1

30.11.2023
01.12.2023
12.12.2023
21.12.2023
21.12.2023
09.01.2024
11.01.2024
12.01.2024
17.01.2024
20.01.2024
21.01.2024
31.01.2024
01.02.2024
05.02.2024
08.02.2024
19.02.2024
21.02.2024
22.02.2024
23.02.2024
25.02.2024
29.02.2024
01.03.2024
10.03.2024
13.03.2024
26.03.2024
26.03.2024
29.03.2024
01.04.2024
03.04.2024
24.04.2024
25.04.2024
28.04.2024
02.05.2024
06.05.2024
07.05.2024
14.05.2024
17.05.2024
05.06.2024
11.06.2024
12.06.2024
18.06.2024
24.06.2024
26.06.2024
28.06.2024
01.07.2024
05.07.2024
09.07.2024
10.07.2024
11.07.2024
11.07.2024
12.07.2024
13.07.2024
13.07.2024
15.07.2024

e. Details if the Board Meeting was adjourned due to Shortfall in Quorum:

No

Additional Information related to Board Meeting

Particulars	Details
Whether director/alternate director was present or not in the board meeting ((In case of absence in the Board Meeting date of meeting along with reason to be disclosed)	Reason of absence is mentioned
Whether separate record related to Board Meeting such as name of directors present in the meeting, agenda of the meeting and decision maintained	Separate record maintained
Maximum gap between two consecutive Board Meetings (in days)	19 Days
Annual General Meeting date wherein meeting fees of Board of Directors were determined	13th AGM (29th March 2019)
Meeting allowance of Board of Director	NPR 4,000 per person
Meeting expenses of Board of Directors during FY 2023/24	NPR 1,904,000

2. Information related to Code of Conduct of Board of Directors and other Information:

- a) Code of conduct pertaining to Board of Directors in place: Yes
- b) Details if more than one family members of the director are directors of the Bank: No
- c) Details of annual training and refresher program attended by Board of Directors:

S.N.	Training Name	Date	Participants	Location
1	Director's Educational Program	31st May 2024 and 1st June 2024	7	Kathmandu

- d) Whether below mentioned information submitted or not by Directors within 15 days of their appointment or nomination:

Category	Details
Details of any contract executed or likely to be executed with the Bank by the Director or family members	Informed
Detail of shares and debenture of the Bank or its subsidiary held by the Director or family members	Informed
If the Director is shareholder of any other organization or holds the position of director in any other organization, details thereof	Informed
Detail of family members of Director who works as an employee or holds a position in the management team	Informed
Detail of listed organization of similar nature where the director has served as a salaried employee or has not held the position of Director, management team or CEO holding such position	Informed
Details of any action taken against the Board of Directors by regulatory and other authorities	None

3. Details of Risk Management and Internal Control System

- a. Whether any Committee has been formed for risk management, if not formed, provide reason:
Risk Management Committee is formed as per NRB Unified Directives
- b. Information related to risk management committee
For Structure of committee, number of meetings held, roles and responsibilities of risk management committee, Risk Management of Section 3A of the report.
- c. Internal Control procedures in place or not: In place

d. Name of committee formed for Internal Control System (Specify reason if no such committee is formed):

There is board and board level committees such as Audit Committee, Risk Management Committee and Committee relating to staff services and facilities and AML/CFT Committee. Likewise, management level committees such as Management Committee, IT Steering Committee, and Operational Risk Management Committee are in place for internal control. The details composition of committee, number of meetings held and description of roles and responsibilities of such committees are mentioned under Risk Management of Section III of the report.

e. Financial Administration Byelaws in place or not : Yes

4. Details of Information related to General Public

a. Information to general public.

Particulars	Medium	Date of Publication
Notice of Annual General Meeting (AGM)	1st Public Notice in National Daily Newspaper "Arthik Abhiyan" and second public notice in National Daily Newspaper "Gorkhapatra"	23rd December 2024 and 24th December 2024
Notice of Special General Meeting (SGM)	None in this FY	-
Annual Report	Public Notice in National Daily Newspaper and Bank's website	Refer Heading Financial Calender under section II of this report.
Quarterly Report	Public Notice in National Daily Newspaper and Bank's website	
Notice on Price Sensitive Matters	Correspondence to regulatory bodies and public	-

b. Whether any action taken by SEBON or other authority for not publishing notice or for other reasons:
None

c. Date of last Annual General Meeting (AGM) and Special General Meeting (SGM):
18th AGM: 13th January 2025 & SGM: Not held

5. Organization Structure and Details related to Employees:

a. Whether Employee Bylaws covering structure, recruitment, employee development, training, salary, allowance and other facilities, attendance and leave, code of conduct in place: Yes

b. Organization Structure: Presented Separately in the annual Report

c. Details of Senior management:

S.N.	Employee's Name	Designation	Qualification	Experience
1	Mr. Pratap Subedi	Deputy General Manager	Masters	More than 24 years
2	Dr. Babukaji Thapa	Deputy General Manager	Masters	More than 24 years
3	Mr. Yagya Prakash Neupane	Deputy General Manager	Masters	More than 25 years
4	Mr. Minraj Pokharel	Deputy General Manager	Masters	More than 24 years
5	Mr. Sushil Humagai	Acting Deputy General Manager	Masters	More than 24 years

d. Other Details related to Employees:

Particulars	Details
Whether vacant position is filled as per organization structure	Yes
Procedure followed for recruitment of new employee	As per Employee Service Bylaw and based on Public Service Commission Guidelines
Number of employees in management level	44
Number of employees	2,372
Succession plan in place	In progress
Number of trainings during fiscal year	184
Number of employees involved in training	6,211
Employee training expense during fiscal year	NPR 31,621,481
Percentage of employee expense to total expense	15.94%
Percentage of employee training expense to total employee expense	0.84%

6. Details on Accounts and Audit

a. Details on account

Particulars	Details
Whether financial statements of previous fiscal year prepared as per NFRS	Yes (Financial Statements of FY 2023/24)
Date of approval by BOD of financial statements of current fiscal year	19th December 2024
Date of publication of quarterly financials	Within 7 days after the end of quarter
Latest date of completion of Statutory Audit	19th December 2024
Date of approval of financial statements by AGM	AGM is yet to be held

b. Details on internal audit

Particulars	Details
Internal audit performed by in-house team or external expertise	Conducted through in-house team and external expert
Details of external expertise appointed for audit	NBSM and Associates Chartered Accountants
Frequency of Internal Audit	Annual basis

c. Details of Audit Committee

The details of Audit Committee along with brief profile is mentioned under heading Board Level Committee and their functioning of section III the report.

Particulars	Details
Has the Bank obtained any loan, advance, or any other amount from any person, bank, or financial institution in which the directors or their family members have financial interest?	None
Has any director, shareholder, employee, consultant received any facility/benefit other than those as per prevailing laws by any person, firm, company, consultant having financial interest and used assets of the Bank?	None
Has the Bank complied with the terms and conditions prescribed while granting license by the regulatory body?	Yes
Has the Bank complied with the directions given by the regulatory body during inspection or supervision?	Yes
Details of any ongoing litigations in the court of law against the company or its directors	72 litigations pending in Supreme Court, Patan High Court, Loan Recovery Tribunal and Large Taxpayer Office

Name of Compliance Officer: **Ramesh Prasad Kalauni**

Designation: Chief Section Officer

Date: 19 December 2024

Stamp of organization:

Date of approval of the report by Board of Directors: 19 December 2024

DISCLOSURE RELATED TO SUBRULE (2) OF RULE 26 OF SECURITIES REGISTRATION AND ISSUANCE REGULATION 2016:

1. Report of the Board of Directors

Disclosed in Corporate Governance Section of the report.

2. Auditor's Report

Disclosed under Section IX of the report.

3. Audited Financial Statements

Disclosed under Section IX of the report.

4. Legal Proceedings

Cases filed on behalf of the Bank and against the Bank:

- During the review period, among the various cases related to the Bank, a total of 51 cases have been decided. 50 cases were filed in different courts on different dates. As on Mid-July 2024, 72 cases are pending.
- No information has been received that a case has been filed in relation to the founder or director of the Bank or against the founder or director for disobeying the prevailing rules or committing a criminal offense.
- No information has been received that a case has been filed against any of the founders or directors for committing financial crimes.

5. Analysis of Stock Performance

a) Management's view on the Stock Exchange

The Bank's Share price is guided by market operations of the capital market. The Bank does not comment on its share transactions.

b) High, low and closing price of the stocks of the company during each quarter of the preceding year along with total volume of trading of shares and number of days traded.

Table 15: Quarterly Performance of ADBL in Stock Market

Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Maximum MPS (NPR)	275	270	247	298.5
Minimum MPS (NPR)	232.1	239.9	224	223.4
Closing MPS (NPR)	251	245.9	227	294
Total Volume Traded	2,190,055	1,171,544	1,396,132	2,858,164
Total Trading Days	61	49	58	61

6. Problems and Challenges

a) Internal Problems and Challenges

- Challenges in the field of information technology and excessive increase in compliance costs.
- Management of operating costs and interest expenses.
- Personnel expenses and overall manpower management.
- Risks from natural disasters.

b) External Challenges

- Due to the problem in liquidity interest rate management, mainly the impact on the credit business and banking business as a whole.
- Changes in policy and legal system from time to time.
- Intense competition between banks and financial institutions.
- Risks from natural disasters.

c) Strategy

- Achieving effectiveness in business growth and diversification by maximum utilization of available resources and means.
- To maintain a competitive interest rate, reducing operating expenses, collecting low-cost deposits and making the loan-deposit mix more balanced.
- The concept of centralized business has been adopted so that there is control over the business.
- The services of digital banking have been further expanded and expedited transactions.
- The Security System of the Bank's Core Banking System has been strengthened.

7. Corporate Governance

The above topic is discussed under Heading Corporate Governance of Section III of the report.

8. Analysis of Variance in Projected Financial Position and Performance Vs Actual Financial Position and Performance

Statement of Financial Position

(Amount in NPR- Million)

Particulars	2023/24			
	Budgeted	Actual	Variance	Reason of Variance (If variance exceeds 20%)
Assets				
Cash and Cash equivalent	25,382	5,074	(400.23%)	Excess liquidity invested in government securities
Due from Nepal Rastra Bank	10,881	15,213	28.47%	Liquid assets invested in standing liquidity facility
Placement with BFIs	209	5,214	95.99%	Increased liquidity in overall financial sector
Derivative Financial Instruments	4	10	59.89%	Larger investment in forward contract than projected
Other Trading Assets	84	1,216	93.09%	Higher investment in business assets than projected. Further, the assets couldn't be disposed due to strict commercial regulation of regulator
Loan and Advances to BFIs	1,668	3,202	47.91%	Expanded loan investment to financial institutions
Loans and Advances to Customers	243,527	203,617	(19.60%)	Due to decreased loan demand in overall financial sector
Investment Securities	40,525	68,611	40.94%	Investment made in Sana Kishan Laghubitta Sanstha classified as investment securities instead of an associate
Current Tax Assets	644	139	(362.86%)	Excess advance tax deposited due to lesser taxable income than projected
Investment in Subsidiaries	29	29	0.04%	
Investment in Associates	69	0	(100.00%)	Investment made in Sana Kishan Laghubitta Sanstha classified as investment securities instead of an associate
Investment Properties	145	943	84.62%	More Non-Banking Assets have been recognized than projected
Property, Plant and Equipment	1,333	2,238	40.45%	New PPEs have been acquired than estimated.
Goodwill and Intangible Assets	174	62	(180.77%)	Existing intangible assets are amortized and no new intangible assets have been acquired
Deferred Tax Assets	0	0		
Other Assets	3,024	5,806	47.92%	Due to variance in other receivables than budgeted amount
Total Assets	327,698.00	311,375.43	-5.24%	

Liabilities

Due to Bank and Financial Institutions	163	197	17.27%	Due to increased interbank borrowings than projected
Due to Nepal Rastra Bank	8,545	0	(100.00%)	Due to high liquidity, there is no outstanding amount
Derivative Financial Instruments	0	0		
Deposits from Customers	241,738	243,629	0.78%	
Borrowing	800	2,665	69.98%	The amount of funds borrowed from donor agencies is more than budgeted
Deferred Tax Liabilities	458	307	(48.98%)	Resultant figure and hence less than budgeted
Other Liabilities	5,802	7,961	27.12%	Due to change in other payables than budgeted
Debt Securities issued	26,500	20,477	(29.41%)	Debentures not issued as per plan
Subordinated Liabilities	0	0		

Total Liabilities	284,006.00	275,235.49	(3.19%)	
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Equity

Share Capital	22,874	18,884	(21.13%)	
Ordinary Share	17,441	13,452	(29.66%)	Planned issue of bonus share not carried out
Preference Share (Irredeemable)	5,433	5,433	0.00%	
Share Premium				
Retained Earnings	4,531	2,136	(112.12%)	Due to increased expenditures
Reserves	16,287	15,119	(7.72%)	
Equity attributable to Equity Holders	43,692	36,140	(20.90%)	Due to above reasons of variance
Non-Controlling Interest	0	0		

Total Equity	43,692	36,140	(20.90%)	Due to above reasons of variance
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Total Liabilities and Equity	327,698.00	311,375.43	(5.24%)	
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Statement of Profit and Loss

(Amount in NPR- Million)

Particulars	2023/24			
	Budgeted	Actual	Variance	Reason of Variance (If variance exceeds 20%)
Interest Income	25,598.00	27,571.35	7.16%	
Interest Expense	12,321.00	17,018.57	27.60%	Interest expenses under NFRS 16 was not budgeted.
Net Interest Income	13,277.00	10,552.78	(25.82%)	Resultant Figure
Fees and Commission Income	2,644.00	1,672.37	(58.10%)	Due to non-achievement of non-funded income
Fees and Commission Expense	51.00	232.77	78.09%	Significant increase due to rapid expansion of digital banking
Net Fee and Commission Income	2,592.00	1,439.60	(80.05%)	Resultant Figure
Net Interest, Fee and Commission Income	15,869.00	11,992.39	(32.33%)	Resultant Figure
Net Trading Income	826.00	58.59	(1309.71%)	Due to bearish trend in stock market
Other Operating Income	342.00	169.30	(102.01%)	Due to lesser income received from disposal of mortgages and their dividends
Total Operating Income	17,037.00	12,220.28	(39.42%)	Resultant Figure
Impairment Charge/ (Reversal) for Loans	586.00	2,452.17	76.10%	Credit quality has not improved as projected
Net Operating Income	16,451.00	9,768.11	(68.42%)	Resultant Figure
Operating Expense		-		
Personnel Expenses	4,181.00	4,158.30	(0.55%)	
Other Operating Expenses	1,870.00	994.42	(88.05%)	Budgeted figure includes house rent expenses whereas ROU is booked as per NFRS 16 for house rent.
Depreciation and Amortization	220.00	476.53	53.83%	Budgeted figure doesn't include depreciation expenses on ROU assets as per NFRS 16.
Operating Profit	10,180.00	4,138.86	(145.96%)	Resultant Figure
Non-Operating Income	38.00	11.35	(234.94%)	Due to change in basis of budget
Non-Operating Expense	4.00	47.05	91.50%	Due to change in basis of budget
Profit before Income Tax	10,214.00	4,103.15	(148.93%)	
Income Tax Expense	3,064.00	1,205.67	(154.13%)	
Current Tax	3,064.00	1,147.37	(167.05%)	Due to decreased taxable income
Deferred Tax	-	58.30	100.00%	Deferred tax expenses not budgeted
Profit/(loss) for the period	7,150.00	2,897.49	(146.77%)	

Summary of the Chief Compliance Officer's Report



Ms. Rukmini Bhatta
Chief Compliance Officer

During the review period, my department, the Compliance Department, conducted thorough observations and inspections of the Bank's operations. This monitoring was carried out in strict adherence to the Bank's internal policies, rules, regulations, and all applicable laws, regulations, directives, circulars, and procedures issued by regulatory bodies.

The Bank has consistently demonstrated full compliance with the directives of the Board of Directors and the policy directives of management. Furthermore, the Bank ensures strict adherence to all applicable laws, regulations, and instructions issued by regulatory bodies, including the conditions set forth during license issuance and any subsequent regulations or directives. All instructions from regulatory bodies have been diligently followed.

I, hereby, report that no disciplinary action has been taken against the Bank by any regulatory body during the review period.

Company Secretary



Mr. Himalal Paudyal
Company Secretary

Mr. Paudyal is a seasoned banking professional with 28 years of experience. He embarked on his career in 2053 B.S. as an Account Assistant at ADBL. Currently, he serves as the Company Secretary, Information Officer, and Spokesperson of the Bank.

His career journey encompasses diverse roles, including 10 years as an Account Assistant, 6 years as a Seventh Level Officer, and 6 years as a Ninth Level Officer. During his tenure as a Ninth Level Officer, he successfully led the Trishuli Nuwakot branch for two years. He has served as the Company Secretary for the past six years.

Mr. Paudyal holds a Master of Business Studies (MBS), a Master of Public Administration (MPA), and a Bachelor of Laws (LLB). His extensive knowledge, unwavering dedication, and proven track record within the Banking sector exemplify his skills and commitment to excellence.

Beyond his responsibilities at ADBL, Mr. Paudyal serves as a Board of Directors member at Deprosc Laghubitta Bittiya Sanstha Limited.



Risk Management

Risk Management

Risk management in a bank is essential to ensure financial stability, safeguard assets, and protect the institution from various threats. Banks face numerous risks, including credit risk (the risk of borrower default), market risk (fluctuations in market prices or interest rates), operational risk (failures in internal processes, systems, or human error), liquidity risk (insufficient cash or assets to meet obligations), and regulatory risk (non-compliance with laws and regulations).

Risk management is distributed across all levels of the Bank to create a culture of shared accountability and comprehensive oversight. The Bank's Board of Directors creates the background by defining the risk appetite, approving the risk management framework, and ensuring that policies align with the Bank's strategic objectives and regulatory requirements.

The Risk Management Committee provides oversight, reviews risk exposures, and ensures compliance with the established limits. At the management level, sub-committees are formed targeting the specific area of risks to ensure focused and timely intervention. The Chief Risk Officer (CRO) is central to these efforts, coordinating risk management strategies, developing assessment frameworks, and providing regular updates to senior management and the Board/its committee. Risk Officers at various levels contribute by identifying, evaluating, and managing risks in their respective areas of operation.

Further, all employees are actively involved in creating a risk-aware culture by adhering to the established controls, participating in training, and reporting potential threats. This approach of shared responsibility ensures that risk management is integrated into the Bank's operations, enhancing resilience and supporting sustainable growth. The Bank adopts the three-line defense model of risk management.

The Bank has drafted the Risk Management Policy, 2023 to identify and address the various types of risks that may arise in its banking transactions. This policy aims to establish a comprehensive risk management system for the measurement, monitoring, management, control, and reporting of risks, ensuring the security and stability of the Bank's operations. The Bank has drafted this policy to promote a strong risk management culture within the organization by complying with the risk management guidelines issued by Nepal Rastra Bank. Additionally, the Bank follows the principles set forth by the Basel Committee on Banking Supervision (BCBS) and incorporates the best practices in the global banking industry.

Dimensions of Risk Management

The Bank has worked under 3 dimensions of Risk Management which are as below:

1. Risk Culture/ Strategy
2. Risk Management Structure
3. Risk Management Policies & Procedures

1. Risk Culture/ Strategy

Risk Culture

Risk Culture encompasses the shared beliefs, knowledge, and understanding within the Bank regarding risk. It reflects the institution's awareness of risk, its capacity to absorb losses, and its commitment to robust risk management standards, behaviors, and recognition.

- Employees are encouraged to disclose new or potential risks.
- Everyone is made clear about the risk that the bank wants to bear (Risk Appetite) through effective communication and training.
- Risk management activities are integrated with incentive mechanisms.
- Violation of existing policies and procedures will be considered as a risk and penalties will be clarified.

Risk Strategy

A comprehensive identification and assessment of all types of risks is made by the Bank. The Risk appetite and acceptable tolerance limits has been identified which forms the basis of the strategy of the risk management of the Bank. Appropriate risk mitigation and control measures are applied to minimize the likelihood and impact of identified risks.

An effective monitoring and regular reporting system has been established to continuously evaluate and assess risks. Key Risk Indicators (KRIs) has been defined, thresholds set, and a suitable management information system implemented to make the decision-making process transparent. Stress testing and scenario analysis the decision-making process transparent.

A stress testing and scenario analysis is conducted to evaluate the Bank's resilience under adverse events and dynamic market conditions, aiding in risk identification, understanding the potential impact of events, and developing contingency plans. An enterprise-wide risk management (ERM) strategy has been adopted to encompass the identification, measurement, monitoring, management, control, and reporting of risks across all areas, including the Bank's services, facilities, and business activities.

Risk Appetite

The Bank has developed and implemented a Risk Appetite Framework to define the level of risk the Bank is willing to bear. This framework outlines the Bank's Risk Appetite, which represents the amount of risk ADBL is prepared to accept in pursuit of its strategic objectives. It also establishes the Risk Tolerance Limits, which set the maximum permissible risk the Bank is willing to tolerate in its operations. The framework ensures that the Bank's activities remain within these established parameters to maintain its financial health and strategic focus.

Key Risk Indicators (KRIs)

ADBL has designed and is actively implementing Key Risk Indicators (KRIs) to monitor and assess potential risks to the Bank's stability, security, and regulatory compliance. These indicators are essential for identifying weaknesses and emerging risks in the Bank's operations. By tracking KRIs, the Bank is able to evaluate its risk exposure, make timely adjustments to its risk management strategies, and ensure financial security and compliance with regulatory standards.

Stress Testing

In accordance with the instructions and guidelines set by Nepal Rastra Bank, ADBL has been conducting stress testing on specified risk areas, including credit, operational, market (interest rate, foreign exchange, equity price), and liquidity risks, on a specified basis. The results of these stress tests are thoroughly discussed and reviewed by the Board of Directors, the Risk Management Committee, and the Bank management to assess the impact and take appropriate measures. To ensure the effectiveness of the stress testing process, ADBL has developed and is implementing a comprehensive Stress Testing Framework that outlines the methodology and procedures for conducting these tests.

Risk Rating

- ADBL has established a process to determine the Internal Credit Risk Rating for loans. This rating helps identify the inherent risks associated with loans at the time of approval and during the renewal process.
- ADBL has prepared and implemented a separate set of guidelines to assess the internal credit risk level. These guidelines take into account factors such as the size of the Bank's business, operational area, credit intensity, and other relevant aspects.
- ADBL has established a comprehensive approach for determining the internal credit risk level by considering various factors, including the customer or project's industrial environment, managerial quality, resource availability, market share, collateral, relationship with the Bank, external environmental challenges, and overall financial status and risks.
- ADBL has made arrangements to align its internal credit risk levels with the credit ratings provided by national or international credit rating agencies, ensuring consistency and providing a reliable measure of creditworthiness.

2. Risk Management Structure

The Bank has established a comprehensive risk governance structure in accordance with the directives, guidelines, and applicable laws set by Nepal Rastra Bank. This structure includes the formation of risk management committees, a management-level risk management sub-committee, and the appointment of key personnel, such as the Chief Risk Officer (CRO) and Risk Officers, who work together to implement effective risk management practices throughout the organization. This structure ensures that risk management is integrated into every level of the Bank's operations, fostering a proactive approach to identifying and mitigating risks.

- Board of Directors holds ultimate responsibility for overseeing the Bank's overall risk management. The board's key roles include supervising and actively monitoring risk management activities, ensuring that the Bank's risk appetite and tolerance limits are well defined. They also approve the Bank's risk management policy, procedures, guidance, and strategies, ensuring that these are fully implemented and complied with across all levels of the organization. Additionally, the board fulfills other responsibilities as specified in the relevant risk management procedures, ensuring the overall framework aligns with regulatory standards and best practices.
- The Risk Management Committee plays a critical supporting role in assisting the Board of Directors in managing the Bank's risks. This committee is responsible for developing and recommending risk management policies, procedures, and strategies to the board for approval. The committee ensures that these policies are well-aligned with the Bank's objectives and regulatory requirements, and it carries out additional responsibilities as specified in the risk management procedures to strengthen the Bank's risk governance framework.
- At the operational level, the Management-Level Risk Management Committee is responsible for implementing the risk management strategies and policies approved by the Risk Management Committee. This sub-committee monitors and manages specific risks associated with the Bank's daily operations, ensuring that mitigation strategies are applied effectively and risks are managed in accordance with the Bank's overall risk management framework. Through these coordinated efforts, the Bank ensures that risks are managed at all levels, supporting its long-term stability and compliance with industry standards.

The management level committee for risk management are as below:

A. Asset Liability Management Committee (ALCO)

ADBL has formed a dedicated Asset Liability Committee (ALCO) at the management level to effectively manage potential market risks, with a primary focus on interest rate risk and liquidity risk. The committee is responsible for closely monitoring these risks and implementing strategies to mitigate them, thereby ensuring the Bank's financial stability and operational efficiency.

ADBL has adopted necessary measures to manage market and liquidity risks effectively. The Bank will regularly review its liquidity position and ensure it remains within acceptable limits. Additionally, ADBL will continue to monitor and adjust the structure of its assets and liabilities to maintain financial stability and mitigate liquidity risks.

ADBL has developed and will implemented a separate set of procedures for the operation of the Asset Liability Committee (ALCO). These procedures will cover, at a minimum, the following key areas:

- a. Monitoring the Bank's asset liability structure, measuring balance sheet and interest rate differences and managing it.
- b. Determining the interest rate and reviewing the interest rate monthly.
- c. To evaluate the market risk of new goods and services.
- d. To prepare and account for the mixture of assets and liabilities and the condition of maturity.
- e. Receive and review reports on liquidity risk, market risk and capital management.

Composition of ALCO

The committee includes 12 members, with the CEO serving as Chairperson. Other members include Deputy General Managers (DGMs), Department Chiefs (Credit Business & Treasury, Marketing & Sales, Finance & Planning, Agriculture Credit & Project Management), and the Senior Section Chief of the Credit Business & Treasury Department.

B. Operational Risk Management Committee (ORMC)

The committee comprises the CEO as Chairperson, Deputy General Managers (Operation & Service, Finance & Credit Approval & Control), Chief Risk Officer, Department Chiefs (General Service Department (GSD), Human Resources (HR), Credit Operations Department (COD), Information Technology (IT), Fixed Assets Management, Trade Finance & Guarantee Operation, Credit Administration Department (CAD), Digital Banking, and Finance & Planning), and the Senior Section Chief of the Integrated Risk Management Department as Member Secretary.

C. Credit Risk Management Committee (CRMC)

The committee comprises the CEO as Chairperson, Deputy General Managers (DGMs), Chief Risk Officer, Department Chiefs (Credit Business & Treasury, Agriculture Credit & Project Management, Trade Finance & Guarantee Operation, Credit Administration Department - CAD, Recovery & Collection), and the Senior Section Chief of the Integrated Risk Management Department as Member Secretary.

Details of Meetings of respective committees along with dates and attendees & Significant agendas of the meetings

Committee	No of meeting in FY 2023/24	Significant Agenda in FY 2023/24
Risk Management	17	<ul style="list-style-type: none"> • Discussion, Seek Recommendation & Provide Suggestions Regarding Risk Management Policy 2023, RAF 2024, Credit Risk Management Procedure 2024 ESRM Procedure 2024. • Inform Matters Discussed with in CRMC & ORMC to RMC. • Discussion on the Risk Report (F.Y.2023/24) & report to the board along with recommendations/Suggestions. (In includes: Industry wise Comparison, Sufficiency of CAR, Change in Credit Quality, Credit Analysis based on Province/Loan Size/Loan Product/Loan Classification/Non-funded limits etc., Concentration Risk, Risk based on ICRR) • Discussion on the risk associated with risk assessed file within F.Y.2023/24. • Discussion related to the IS Audit • Inform to the Board on the implementation of the discussed matters in the meeting. • Direction regarding the implementation of Key Risk Indicators from management level. (KRI: Performance Target, Target Threshold, Risk level (Low/Moderate/High)). • Similarly, Analysis of Stress Testing Guidelines, 2021 as well as its implementation as a whole.
Asset Liability Management	24	<ul style="list-style-type: none"> • Analysis of Macro Economic Outlook, Bank Cash Flows, Quarterly Report & Its Principal Indicators, Loan Restructuring & Rescheduling, Base Rate, Monetary Policy • Operations of Instant Fone Loan • Discussion on the Placement Limit, Interbank Money Market Limit, Maintaining Short Position • Interest/ Fees Rebate in case of digital banking products, Aged-Individual, Single Women, Disabled Individuals. • Routing of Sales Proceeds through banking channel.
Operational Risk Management	6	<ul style="list-style-type: none"> • Settlement of Catch-Hall, Pending ATM Cash Over • Adjustment of Interest Computation in CBS against few loans. Similarly, Adjustment in posting of Few Consortiums loan in CBS • Implementation of Minimum 90 Days of CCTV Backup & Replacement Strategies. • Settlement of Pending reconciliation between RMIS & Bank Account. • Initiatives to make PPMO Verification Stronger. • Analysis regarding Reconciliation of NOSTRO A/Cs, Active Directory, Security Information and Event Management • Active Implementation of Operational Risk Management Software.
Credit Risk Management	12	<ul style="list-style-type: none"> • Credit Analysis based on Province/Loan Size/Region wise as well as reporting of non-performing loans • Direction based on analysis of Approved Loan (Trimester), Concentration Risk, Slippage Report • Strategies related to improvement of NPL (>10% of NPL Branches) • Analysis of Risk related with Consortium loan as well as Swapped Loans • Analysis of Non-Funded Loan amount based on its classification.

- Chief Risk Officer**

S/he acts as the principal officer responsible for overseeing risk management activities within the Bank. The responsibilities, duties, and authorities of the Team of Risk Management and Risk Officers is determined by the Chief Executive Officer in accordance with this policy.

Since the role of all levels of staff within the Bank is crucial in risk management, a policy based on the **Three Lines of Defense** model has been adopted.

Area of Risk	1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Credit	Branch Offices	Integrated Risk Management Department	Internal Audit
	Province Offices		External Audit
	Respective Credit Business Departments	Compliance Department	Regulator
Operational	Respective Branches/ Departments/ Sections		
Market Risk	Treasury Department		
Liquidity Risk	Treasury Department		
Information Technology Security Risk	Information Technology Department		

The Three Lines of Defense



Here is an overview of the typical components of a risk management structure in ADBL:



3. Risk Management Process

The process of Risk Management of ADBL is divided into 5 segments as below:

1. Risk Identification
2. Risk Assessment
3. Risk Mitigation
4. Review & Monitoring
5. Reporting

Risk Types and Mitigation Strategies

In the Bank, managing various types of risks is crucial to ensure the Bank's financial stability, operational integrity, and compliance with regulatory standards. Below are the key types of risks identified by ADBL, along with corresponding risk assessment & treatment strategies:

I. Credit Risk

The Board of Directors assumes overall responsibility for the oversight of credit risk. A separate Bank Credit department is responsible for managing the Bank's credit risk. The Bank has identified the following risks related to Credit:

- a. Risk that a borrower will be unable or unwilling to fulfill their financial obligations as agreed. This risk can also arise from the misutilization of loan funds, such as inappropriate use of loan

proceeds, which can indirectly increase the likelihood of default. To mitigate Credit Risk, the Bank implements a rigorous credit process that includes due diligence at the time of credit approval, careful disbursement procedures, post-disbursement monitoring, and annual loan reviews

- b. Risk that collateral might not be sufficient to cover the loan amount in the event of default. The collateral value is reviewed in periodic interval and also in case of adverse market conditions.
- c. Risk of significant losses arising from excessive exposure to a single borrower, a group of related borrowers, a specific sector, a particular geographic region, or a specific asset type. The Bank monitors borrower-wise and sector-wise credit concentrations on a regular basis and reports these exposures to Nepal Rastra Bank.

The Bank has adopted the following risk mitigation and control methodology for credit risk:

- a. Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- b. Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business unit Credit Officers.

- Larger facilities require approval by Province Offices, Credit Department, Loan Portfolio Management Committee or the Board of Directors as appropriate.
- c. Bank assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
 - d. Limiting concentrations of exposure to counterparties, geographies and industries: For loans and advances, financial guarantees and similar exposures, centrally a limit is established.
 - e. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework reflects the varying degrees of the risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews.
 - f. Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to provincial offices, Credit Department and the Loan Portfolio Management Committee which may require appropriate corrective action to be taken.
 - g. Providing advice, guidance and special skills to business units to promote best practice throughout the Bank in the management of credit risk.

Each business unit is responsible for implementing the Bank's credit policies and procedures. Credit approval authorities are delegated from the Credit Department to the respective business units. A Credit Risk Officer within each business unit is responsible for all credit-related matters, reporting to both local management and the Credit Department.

Each business unit is accountable for the quality and performance of its credit portfolio. This includes monitoring and controlling all credit risks, even those subject to central approval.

The Internal Audit Department conducts regular audits of business units and their credit processes to ensure compliance and effectiveness.

The reporting made to Nepal Rastra Bank in terms of credit risk are as below:

Table 16: Concentration of Credit

NPR in Million unless stated otherwise

Particulars	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Total Exposures to 20 Largest Borrowers	23,812.67	24,524.98	28,978.98	31,682.16
Percentage of Exposures to 20 Largest Borrowers to Total Loans and Advances	9.77%	12.17%	16.59%	19.44%

Table 17: Sector wise Loans & Advances

S.N.	Sectors	FY 2023/24	FY 2022/23	FY 2021/22
1	Agricultural and Forest Related	29.97%	31.28%	32.54%
2	Fishery Related	0.48%	0.31%	0.30%
3	Mining Related	0.21%	0.18%	0.18%
4	Agriculture, Forestry & Beverage Production Related	2.09%	1.71%	1.82%
5	Non-food Production Related	6.16%	3.93%	4.23%
6	Construction	6.00%	5.30%	4.96%
7	Electricity, Gas and Water	3.40%	2.46%	1.93%
8	Metal Products, Machinery & Electronic Equipment	0.27%	0.26%	0.28%
9	Transport, Communication and Public Utilities	1.36%	1.24%	1.33%
10	Wholesaler & Retailer	17.84%	18.88%	19.28%
11	Finance, Insurance and Real Estate	2.52%	3.33%	3.50%
12	Hotel or Restaurant	2.95%	2.36%	2.49%
13	Other Services	2.28%	2.44%	2.32%
14	Consumption Loans	12.29%	13.58%	14.67%
15	Local Government	0.00%	0.00%	0.00%
16	Others	12.19%	12.77%	10.18%
Mix of Sector Wise Loan		100.00%	100.00%	100.00%

II. Operational Risk

Operational Risk represents the potential for loss arising from inadequacies or failures in people, processes, systems, or external events that impact an organization's operations. These operational risks can lead to financial losses, reputational damage, regulatory penalties and business disruptions.

The Bank has identified the following key operational risks:

Process Failures: Faults or inefficiencies in banking processes, such as transaction processing errors.

IT Failures: Failures in Information Technology systems, including cyberattacks and system outages, leading to service interruptions, security breaches, and financial losses.

Human Error: Mistakes made by employees, such as incorrect data entry, fraud, and procedural failures.

Fraud: Internal or external fraud, such as embezzlement, identity theft, and other fraudulent activities, The Bank has adopted the following risk mitigation and control methodology for operational risk:

- a. ADBL has clearly defined its Operational Risk Appetite.
- b. ADBL has implemented the use of internal loss data, Key Risk Indicators (KRIs), Risk and Control Self-Assessment (RCSA), and Scenario Analysis to identify and measure operational risk.
- c. ADBL has prepared and implemented a Business Continuity Plan, Disaster Recovery Plan, and Contingency Management Framework, with provisions for practicing these plans.
- d. ADBL ensures the effective implementation of the prevailing rules, laws, and procedures of the Bank.
- e. ADBL has made the internal control system and audit processes effective within the Bank.
- f. ADBL regularly insures the Bank's property and goods.
- g. ADBL has ensured effective management of employee placement and transfer processes to reduce employee-related risks.
- h. ADBL has created and effectively implemented an operational risk management procedure.

The reporting made to Nepal Rastra Bank in terms of operational risk are as below:

Table 18: Computation of Risk Weighted Exposures for Operational Risk for FY 2023/24

S.N.	Particulars	Fiscal Year		
		FY 2020/21	FY 2021/22	FY 2022/23
1.2	Net Interest Income	6,264,147,622	8,355,939,509	8,195,659,004
2.	Commission and Discount Income	1,583,159,627	1,464,286,132	1,371,859,176
3.	Other Operating Income	502,905,965	234,762,916	131,788,875
4.	Exchange Fluctuation Income	371,851,444	106,482,810	10,315,898
5.	Addition/Deduction in Interest Suspense during the Period	63,473,334	(8,080,909)	308,878,632
6.	Gross Income (a)	8,785,537,992	10,153,390,458	10,018,501,585
7.	Alfa (b)	15%	15%	15%
8.	Fixed Percentage of Gross Income [c=(a×b)]	1,317,830,699	1,523,008,569	1,502,775,238
9.	Capital Requirement for Operational Risk (d) (average of c)			1,447,871,502
10.	Risk Weight (reciprocal of capital requirement of 11%) in times (e)			9.09
11.	Equivalent Risk Weight Exposure [f=(d×e)]			13,161,151,951

III. Market Risk

The Bank separates its exposure to market risk between trading and non-trading portfolios. The Treasury Department of the Bank is responsible for managing the market risk. The Bank has set up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios. The Bank's Risk Management Committee is responsible for the development of detailed risk management policies (subject to review and approval by Board) and for the day-to-day review of their implementation. The Bank employs a range of tools to monitor and limit market risk exposures.

1. Management of Foreign Exchange Risk

Foreign Exchange Risk arises from fluctuations in the value of foreign currencies. This risk significantly impacts businesses and investors with assets, liabilities, or transactions denominated in foreign currencies.

It includes transaction risk, which refers to losses on transactions due to changes in exchange rates between the time of contract and settlement, and economic risk, which encompasses the impact of exchange rate fluctuations on a company's competitive position and long-term profitability. Various factors influence exchange rates, including market forces, government policies, and global economic conditions,

The Bank manages the foreign exchange risk through the utilization of various financial instruments for hedging, as permitted by the NRB Guideline, alongside diversification strategies and consistent risk monitoring

The Bank has adopted the following risk mitigation and control methodology for foreign exchange risk:

- Based on the short-term and long-term payment periods, ADBL classifies foreign exchange in monetary terms and shows the net position for both periods.
- ADBL minimizes the impact of fluctuations in foreign currency accounts opened in both domestic and foreign banks.
- Foreign exchange-related risks arising from on-balance sheet and off-balance sheet transactions are properly accounted for, evaluated, and managed by ADBL.
- To manage the risk arising from fluctuations in foreign exchange rates, ADBL creates and effectively implements a foreign exchange risk management procedure.

The reporting made to Nepal Rastra Bank in terms of Foreign exchange risk is as below:

Table 19: Risk Weighted Exposures for Market Risk

S. No.	Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
1	INR	69,776,008	1.60	111,641,613	111,641,613
2	USD	(707,419)	133.66	(94,553,656)	94,553,656
3	GBP	40,970	173.68	7,115,670	7,115,670
4	EUR	155,621	145.79	22,687,951	22,687,951
5	THB	-	3.70	-	-
6	CHF	600	149.48	89,688	89,688
7	AUD	30,417	90.68	2,758,178	2,758,178
8	CAD	-	98.04	-	-
9	SGD	-	99.68	-	-
10	JPY	21,766,551	0.85	18,501,568	18,501,568
11	HKD	3,040	17.12	52,045	52,045
12	DKK	196,000	19.54	3,829,840	3,829,840
13	SEK	-	12.74	-	-
14	SAR	9,500	35.64	338,580	338,580
15	QAR	2,758	36.66	101,108	101,108
16	AED	40,026	36.39	1,456,533	1,456,533
17	MYR	851	28.63	24,364	24,364
18	KRW	-	0.10	-	-
19	CNY	102	18.44	1,881	1,881
20	KWD	996	437.37	435,621	435,621
21	BHD	745	354.54	263,955	263,955
(a) Total Open Position				74,744,938	263,852,249
(b) Fixed Percentage					5%
(c) Capital Charge for Market Risk (=a×b)					13,192,612
(d) Risk Weight (reciprocal of capital requirement of 11%) in times					9.09
(e) Equivalent Risk Weight Exposure (=c×d)					119,920,847

2. Management of Interest Rate Risk

Interest Rate Risk arises from fluctuations in interest rates, impacting the value of interest-bearing assets and liabilities. Factors such as changes in the NRB's monetary policy, inflation, and the interplay of fixed and floating interest rates within the broader economic environment contribute to this risk. The Bank has adopted the following methodology for mitigating and controlling it:

- a. While monitoring the interest rate risk, assets and liabilities have been classified into different time intervals, and the relative interest rate has been established through Duration Analysis.
- b. To minimize the interest rate risk, only assets and liabilities affected by changes in interest rates (Interest Sensitive Assets and Liabilities) have been included.
- c. Methods and strategies related to Competitive Analysis, including Pricing and Repricing, have been formulated and implemented.
- d. The cumulative gap has been determined by measuring the gap between assets and liabilities based on the time intervals.
- e. An interest rate risk management procedure has been created and effectively implemented to appropriately address the risks created by interest rate fluctuations.

The reporting made to Nepal Rastra Bank in terms of Interest Rate risk are as below:

Table 20: Interest Rate Risk Monitoring Table (Mid-July 2024)

S.N.	Particulars	1 - 90 days	91 - 180 days	181 - 270 days	271 - 365 days	Over 1 year	Total
1.	Interest Sensitive Assets (NPR)	49,739.16	28,175.14	25,730.74	53,253.95	120,327.48	277,226.48
2.	Interest Sensitive Liabilities (NPR)	58,186.15	54,916.20	35,732.16	16,824.38	68,307.65	233,966.54
3.	Gap (1 - 2)	(8,446.98)	(26,741.06)	(10,001.42)	36,429.57	52,019.83	43,259.94
4.	Cumulative Gap	(8,446.98)	(35,188.05)	(45,189.46)	(8,759.89)	43,259.94	
5.	Adjusted Interest Rate Change (IRC)	0.25%	0.25%	0.25%	0.26%	1.00%	
6.	Impact on Quarterly Earnings (Cumulative Gap x IRC)	(20.83)	(86.77)	(111.43)	(22.80)	432.60	190.78
7.	Accumulated Earnings Impact to date	(20.83)	(107.59)	(219.02)	(241.82)	190.78	

IV. Liquidity Risk

The Bank's Board of Directors sets the Bank's strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to Asset Liability Management Committee (ALCO). ALCO approves the Bank's liquidity policies and procedures. The Treasury Department manages the Bank's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. The key elements of the Bank's liquidity strategy are as follows.

- a. Maintaining a diversified fund base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities.
- b. Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- c. Monitoring liquidity ratios, maturity mismatches, behavioral characteristics of the Bank's financial assets and financial liabilities, and the extent to which the bank's assets are encumbered, and so not, available as potential collateral for obtaining funding.
- d. Carrying out stress testing of the Bank's different types of risks.

The Treasury Department receives information from other business units regarding the liquidity profile of their financial assets and financial liabilities and details of other projected cash flows arising from projected future business. Treasury Department then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both bank-specific events (e.g., a rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced fundability of currencies, natural disasters or other catastrophes).



रेमिटान्स खाता

तपाईंको घर आँगनकै बैंकमा

ADBL रेमिटान्स मुद्दती तथा बचत खाता

- > विदेशमा रहेका नेपाली नागरिक तथा निजको एकाधर परिवारका सदस्यका नाममा खाता खोल्न सकिने
- > विदेशबाटै अनलाईन खाता खोल्न सकिने
- > आकर्षक ब्याजदर



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

(नेपाल राष्ट्र बैंकको सदस्य संस्थागत ब्याङ्क)

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SWIFT: ADBLNPKA

The reporting made to Nepal Rastra Bank in terms of Liquidity Risk is as below:

Table 21 : Structural Liquidity (Mid-July 2024)

S.N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271- 365 Days	Over 1 Year	Total Amount
Assets							
1.	Cash Balance	4,047					4,047
2.	Balance with Banks & FIs	9,596					9,596
3.	Investment in Foreign Banks						
4.	Call Money						
5.	Government Securities	7,647	14,297	4,620	10,665	23,799	61,028
6.	Nepal Rastra Bank Bonds						
7.	Inter Bank & FI Lending						
8.	Loans & Advances	41,420	9,734	20,710	41,420	93,816	207,099
9.	Interest Receivable	1,873	184	734	881		3,672
10.	Reverse Repo						
11.	Receivables from other Institutions under Commitment						
12.	Payment to be made for Facilities under S.No 20,21 & 22						
13.	Others	15,183	6,340	4,145	7,899	12,453	46,020
	Total Assets (A)	79,766	30,554	30,209	60,865	130,068	331,462
Liabilities							
14.	Current Deposits	29,514					29,514
15.	Saving Deposits	8,021	10,937	14,583	9,479	29,895	72,916
16.	Fixed Deposits	50,165	43,979	21,149	7,345	17,939	140,577
17.	Debentures					20,474	20,474
18.	Borrowings:						
	(a) Call/Short Notice						
	(b) Inter-bank/Financial Institutions						
	(c) Refinance						
	(d) Others						
19.	Other Liabilities and Provisions	3,270	7,032	6,825	5,391	3,582	26,101
	(a) Sundry Creditors	1,219	975	1,788	1,300		5,282
	(b) Bills Payable						
	(c) Interest Payable	108	108	72	108	324	719
	(d) Provisions	1,500	5,357	4,286	3,214	2,786	17,143
	(e) Others	444	591	680	769	473	2,957
20.	Payable to other Institutions under Commitment						
21.	Unutilized Approved Facilities						
22.	Letter of Credit/Guarantee (Net of Margin)						
23.	Repo						
24.	Payment to be made for facilities under S.No 11						
25.	Others					41,881	41,881
	Total Liabilities (B)	90,971	61,948	42,558	22,215	113,771	331,462
	Net Financial Assets (A-B)	11,205	31,394	12,349	38,650	16,297	-
	Cumulative Net Financial Assets	11,205	42,599	54,947	16,297	-	-

V.Environmental, Social and Climate Change Risk

These risks are recently being recognized as significant considerations in the Bank due to growing concerns about sustainability and the long-term viability of businesses in the face of climate change and social issues. This can affect the profitability of bank and can affect the assets value along with the reputation of the Bank. This is providing cue to the Bank to incorporate sustainability practices and risk management strategies to mitigate their exposure to this risk. Environmental, social, and climate change risk management at ADBL is carried out as follows:

- a) In ADBL's overall credit transactions and risk management, including environmental, social, and climate risks, the potential impact is identified, and decisions regarding loan approval and renewal are made accordingly.
- b) ADBL effectively implements the policies and procedures related to environmental, social, and climate risks, ensuring compliance with the directives issued by regulatory bodies.
- c) ADBL follows the environmental and social risk management guidelines set by Nepal Rastra Bank, along with all relevant laws and regulations of Nepal.

ADBL's Environmental and Social Risk Management Policy, 2022

Bank has integrated Environmental and Social Risk Management Guidelines 2022 issued by NRB where Bank's Contribution is desirable to achieve Sustainable Development Goals such as promoting green financing, Renewable Energy, Supporting Aquatic as well as Land dwelling life while maintaining environmental and social stability. Furthermore, identifying potential impacts and includes Environmental, Social and Climate risks in the overall credit process and overall risk management of the Bank. Also, Communicating Environmental and social expectations to all employees, customer and other external stakeholders.

ADBL's Environmental and Social Risk Management Procedure, 2023.

Environmental and Social Risk Management Procedure, 2023 includes major checklist to assess the finances attracting ESRM which includes Exclusion List Screening, Loan Categorization based on Screening, Conducting E&S Due Diligence, based on due diligence, ESDD Score is generated and the Risk Management and control initiative shall be taken. If High or Moderate Score is observed, then escalation shall be done to One Level Higher Authority. After that, E&S Risk Monitoring shall be conducted and annually E&S reporting shall be done to the NRB.



ADBL's ESRM Strategies

The Environmental and Social Risk Management (ESRM) strategies outlined for FY 2023/24 are part of bank's ongoing efforts to align its loan and project financing activities with sustainable finance principles, as stipulated by regulatory bodies like Nepal Rastra Bank (NRB). The primary goal of ESRM is to identify, assess, and mitigate potential environmental and social risks that may arise from business operations or projects that the institution finances.

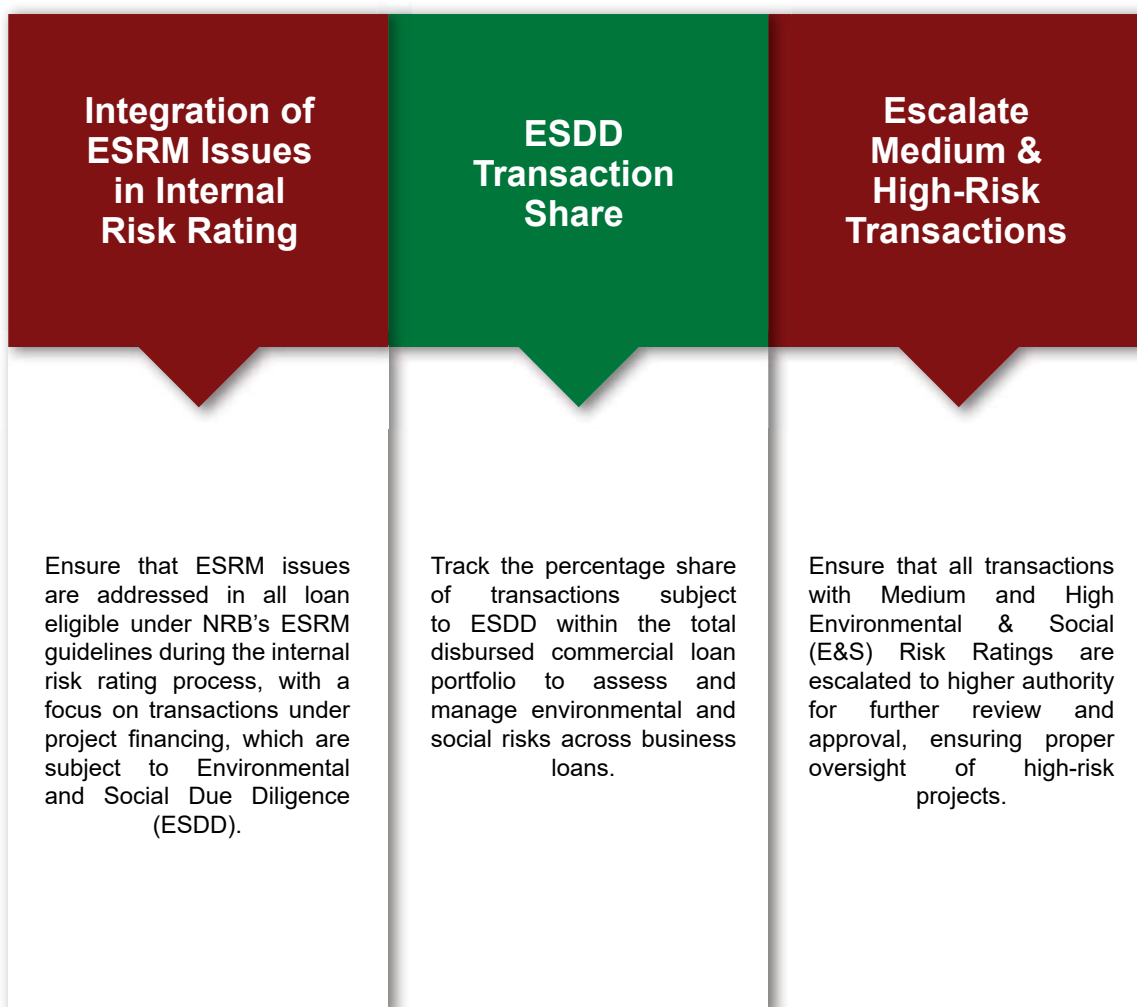


Table 22 : Budget Allocations for ESRM Training Programs

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
Total Budget	NPR 1 Million	NPR 0.85 Million	NPR 0.65 Million
Number of Training Programs	5	2	1
Purpose	The allocated budget will cover training programs related to ESRM, enhancing awareness and capacity-building efforts related to environmental and social risks.	Online ESG & Sustainable Finance Certification Course by Barcelona School of Management on Environment and Social Governance & Specific training for internal stakeholders on ESRM guidelines and procedures.	The budget allocation for the previous fiscal year was used for ESRM-related training programs, with the precise details not provided in the excerpt.

VI. Management of Information Technology Risk

This risk includes cyberattacks, data breaches, system vulnerabilities, and insider threats, which can result in unauthorized access to sensitive information, reputational damage and operational disruptions. The Bank has adopted the following mitigation and control measures in terms of Information Technology risk:

- a) ADBL has prepared and implemented a policy/procedure to manage information technology risks which covers areas of Network Security Policy, Password Policy, Physical Security Policy, and Incident Handling and Management Policy.
- b) ADBL uses measures like Data Encryption, Multi-factor Authentication, and Information Security Audits to manage information technology risks. Additionally, Vulnerability Scanning, Penetration Testing, and SEIM Monitoring are performed.
- c) ADBL makes employees aware of Security Awareness Programs, Cyber Attacks, Cyber Hygiene, and other relevant topics through training and orientation. Also, conducts customer awareness programs related to data security, cyber attacks etc.
- d) ADBL clearly defines and effectively implements the roles and responsibilities of the Information Security Officer (ISO).
- e) To effectively identify, analyze, and manage cyber risks, ADBL follows the instructions and guidelines issued by Nepal Rastra Bank.

VII. Other Risks

ADBL has identified and is managing various other risks, including:

- Strategic Risk
- Compliance and Regulatory Risk
- Money Laundering/Terrorist Financing Risk (AML/CFT)
- Conduct Risk
- Commodity Risk
- Equity Price Risk
- Reputation Risk
- Other potential risks

These risks are managed in accordance with the instructions and guidelines set by Nepal Rastra Bank as well as the policies and procedures of the Bank.

- a) ADBL has implemented an effective customer identification and assessment procedure to prevent the financial investment of the Bank's assets in money laundering and terrorist activities, in line with regulatory requirements.
- b) To reduce conduct risk, ADBL has clarified employee conduct through the manpower management policy and procedures. This ensures that the relationship between employees and clients or debtors is strictly professional.
- c) ADBL has developed and is effectively implementing procedures for managing the risks mentioned in point (1) in accordance with the instructions and guidelines of Nepal Rastra Bank.

Table 23: Questionnaires for Supervisory Adjustment in RWA & Capital (Mid July 2024)

SRP Number	Questionnaires	Answers
SRP 6.4a(1)	Is there shortfall in provision?	No
SRP 6.4a(2)	Is there any Loans & Facilities extended to director, employee (except staff bylaw), shareholders >1% & related parties?	No
SRP 6.4.a(3)	Is there any loans & facilities in excess of Single Obligor Limits?	No
SRP 6.4a(4)	Is there any sale of credit with recourse facility?	No
SRP 6.4a(5)	Is supervisor satisfied with ALM Policies and practices employed by the Bank?	Yes
SRP 6.4a(7)	Is supervisor satisfied with the soundness of operational risk management practice adopted by the Bank?	No
	If not satisfied, what percentage of gross income is to be levied for operation risk? (Type in the box 2 to 5%)	5.00%
SRP 6.4a(9)	Is supervisor satisfied with overall risk management policies and procedures of the Bank?	No
	If not satisfied, what percentage of RWE is to be increased? (Type in the box 2 to 5%)	4.00%
SRP 6.4a(10)	Has the Bank achieved desired level of disclosure requirement?	Yes

Internal Capital Adequacy Assessment Process (ICAAP)

The Bank implements an Internal Capital Adequacy Assessment Process (ICAAP) framework, adhering to the guidelines and instructions of Nepal Rastra Bank. This process ensures the Bank maintains a sufficient capital buffer to absorb potential losses and mitigate operational risks, thereby safeguarding its financial stability.

Disclosure of ICAAP

Table: 24 Capital Adequacy Table (Mid July 2024)

		<i>Amount in NPR</i>
		15th July, 2024
a	Common Equity Tier 1 Capital	25,418,488,017
b	Tier 1 Capital	30,851,200,017
c	Tier 2 Capital	4,225,542,631
d	Total Capital	35,076,742,648
e	Risk Weighted Exposures	275,229,034,368
Regulatory Ratios		
a	Leverage Ratio (Regulatory Requirement \geq 4%)	6.64
b	Common Equity Tier 1 to Risk Weighted Exposure Ratios	9.24
c	Tier 1 to Risk Weighted Exposure Ratios	11.21
d	Total Capital-to-Risk Weighted Exposure Ratio	12.74

Table 25: Risk Weighted Exposures

		<i>Amount in NPR</i>
RISK WEIGHTED EXPOSURES		15th July, 2024
Risk Weighted Exposure for Credit Risk		246,983,951,623
Risk Weighted Exposure for Operational Risk		13,161,151,951
Risk Weighted Exposure for Market Risk		119,920,847
Total Risk Weighted Exposures (Before adjustments of Pillar II)		260,265,024,421
Adjustments under Pillar II		
SRP 6.4a (5)	AdjustmentasperSRP6.4a(5)	-
SRP 6.4a (6)	AdjustmentasperSRP6.4a(6)	-
SRP 6.4a (7)	AdjustmentasperSRP6.4a(7)	4,553,408,970
SRP 6.4a (9)	AdjustmentasperSRP6.4a(9)	10,410,600,977
SRP 6.4a (10)	AdjustmentasperSRP6.4a(10)	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		275,229,034,368

Compliance with External Requirements

The Bank is subject to the compliance requirement under NRB Directive No. 01/023, which stipulated a minimum Total Capital Adequacy ratio (CAR) of 11.5%.

The Bank complied with this requirement at all times during the reporting period. Compliance position at the reporting date is presented hereunder:

Table 26 : Regulatory Requirement of Capital Adequacy Ratios.

Capital Parameter	Requirement	ADBL
Minimum Common Equity Capital Ratio	4.5%	9.24%
Minimum Tier 1 Capital (excluding Conservation Buffer)	6%	11.21%
Minimum Total Capital (excluding Conservation Buffer)	8.5%	12.74%
Minimum Total Capital (including Conservation Buffer)	11.5%	12.74%
Leverage Ratio	4%	6.64%

List of Risk Policies, Procedures, Manuals and Guidelines:

(a) Regarding Credit

1. Credit Policy, 2010 (including amendments)
2. Credit Procedures, 2017 (including amendments)
3. Credit and Equity Accounting Method, 2011
4. Small and Micro Enterprise Development Program and Wholesale Credit Directory, 2007
5. Loan Swapping Procedure, 2019 (including amendments)
6. Co-Financing Loan and Facility Procedure, 2020
7. Credit Processing Automation Software (CPAS) Operations Guide, 2020

(b) Relating to Sureties/Certificates

1. Bail Transactions Procedure 2011 (including amendments)
2. Trade Finance Policy
3. Power of Attorney Procedures 2010 (including amendments)
4. Sight Receipt (Deed of Trust) Loan Procedure 2013
5. Credit Guarantee Guidelines 2007 (including amendments)
6. Bail Transactions Accounting Procedure
7. Promissory Note Transaction Accounting Procedure

(c) Regarding Mortgage Valuation

1. Securities Appraisers Procedure 2008 (updated 2011) (including Amendments)
2. Mortgage Protection Appraisal Guidelines 2011

(d) Regarding Debt Recovery

1. Debt Recovery Procedure 2021
2. Guidelines for Recovery of Problematic Loans and Liquidation of Non-Banking Assets, 2021
3. Guidelines for Regulating Loans Affected by Covid, 2021

(e) Regarding Risk Management

1. Risk Management Policy, 2012 (including Amendments)
2. Risk Management Procedures, 2013
3. Internal Credit Risk Measurement Guidance, 2015
4. Risk Appetite Framework, 2018
5. Stress Testing Guideline, 2021
6. Environmental and Social Risk Management Policy, 2022
7. Environmental and Social Risk Management Procedures, 2023
8. Proceedings of Credit Risk Management Sub-Committee, 2017
9. Policy on Internal Capital Adequacy Assessment Procedure, 2014 (including Amendments)
10. Credit Risk Management Procedure, 2024 (Proposed)



Sustainability and Corporate Social Responsibility

Sustainability Reporting refers to the practice of disclosing and communicating an organization's environmental, social, and governance (ESG) performance, impacts, and risks. It helps stakeholders, such as investors, customers, employees, and regulators, understand how well a company is managing its sustainability efforts and what steps it is taking to minimize its negative impact on the environment and society while maximizing positive contributions.

"In line with the evolving landscape of sustainability regulations in Nepal, ADBL recognizes the increasing importance of Environmental, Social, and Governance (ESG) considerations. While various legislations address ESG issues, a comprehensive framework for sustainability reporting, including the disclosure of ESG impacts, is

still under development in Nepal. Nepal Rastra Bank's Guideline on Environmental & Social Risk Management (ESRM) mandates reporting of ESG-related matters to senior management and NRB. The Environment Protection Act, 2019 (2076) requires the submission of environmental study reports to regulatory authorities. The Industrial Enterprises Act, 2019 (Section 54) and Circular No. 11/073/74 issued by Nepal Rastra Bank mandate corporate social responsibility (CSR) contributions. ADBL is committed to transparency and accountability in its operations. We are actively working to enhance our ESG reporting practices to align with global best practices and contribute to the development of a robust sustainability reporting framework within the Nepalese banking sector."

Board's Statement on Sustainability and Corporate Social Responsibility

At the Bank, we believe that true success extends beyond financial performance. We strive to make a positive impact on society and the environment while supporting Nepal's agricultural sector. We are committed to sustainable practices that align with national regulations, including the Environmental Protection Act and the Labor Act, as well as global sustainability standards. We focus on minimizing our

environmental footprint, supporting the development and well-being of rural communities, and ensuring equitable and sustainable economic growth for all. We are dedicated to complying with all relevant statutory requirements and committed to creating lasting value for all our stakeholders,



Our Approach to ESG

At ADBL, our approach to ESG (Environmental, Social, and Governance) is gravitated towards driving sustainable development in agriculture, improving livelihoods, and ensuring long-term value creation.

Environmentally, we promote climate-smart agricultural practices, invest in renewable energy projects, and support initiatives that reduce the environmental footprint of farming.

Socially, we focus on financial inclusion, empowering rural communities—particularly women and youth—by providing

access to credit, capacity building, and market linkages. We also support initiatives that enhance food security and improve the socio-economic status of smallholder farmers.

In terms of governance, ADBL maintains robust corporate governance practices, ensuring transparency, accountability, and ethical conduct in all our operations. This commitment helps us build trust with stakeholders while contributing to sustainable agriculture and rural development across Nepal.



Environmental Performance

ADBL is dedicated to promoting environmental sustainability through its financing and operational practices.

- The Bank plays a key role in the Forests for Prosperity Project, which was launched by the Government of Nepal and the World Bank to enhance Sustainable Forest Management (SFM) and promote forest-based industries in the Madhesh and Lumbini Provinces. With a total funding of US \$24 million (comprising US \$6.1 million in grants and US \$17.9 million in concessional loans), the project focuses on improving forest management, increasing forest benefits, and reducing GHG emissions. ADBL is involved in supporting forest-based small and medium enterprises (SMEs) through providing credit facilities, technical assistance, and easing regulatory provisions. The project encompasses four main components: policy and capacity building, community-based forest management, forest enterprise development, and project management, aiming to foster
- sustainable forest management, support smallholder plantations, and enhance the overall forest sector.
- As of mid-July 2024, the Bank has directed its lending towards sectors that align with environmental, social, and governance (ESG) principles. The Bank's support for agriculture and forestry, with 77,875 loans totaling NPR 61,951.32 million, promotes sustainable practices and social development. Its hydropower and energy lending (62 loans, NPR 7,019.16 million) contributes to clean energy initiatives, while tourism sector loans (2,528 loans, NPR 6,088.55 million) for sustainable tourism and local economic growth.

Table 27: Sector-wise Lending: Agriculture, Energy, Tourism, and Cottage & Small Industries Sector (As of Mid-July 2024)

S.N.	Industry	Number of Files	Outstanding Principal 'NPR in Million'
1	Agricultural and Forest Related	77,875	61,951.32
2	Hydropower/Energy	62	7,019.16
3	Tourism Service	2,528	6,088.55

- ADBL has developed an Environmental and Social Risk Management Policy 2022 and Environmental and Social Risk Management Guidelines 2023 to identify, assess, and mitigate environmental and social risks in its operations, ensuring alignment with World Bank E&S

requirements and promoting sustainable development through responsible lending.

Refer '*Environmental and Social Risk Management*' section below for details.

Social Well-Being

ADBL actively contributes to social development by financing projects that address key societal challenges, such as financial inclusion, education, healthcare, and poverty alleviation.

Some social initiatives by ADBL are as mentioned below:

- ADBL remains committed to promoting financial inclusion in the communities we serve. Our focus on

Inclusive Banking for lower socio-economic groups has empowered them to build a more secure financial future at the grassroots level.

As of mid-July 2024, ADBL has provided loan of **NPR 26.20 billion** under Deprived Sector Lending.

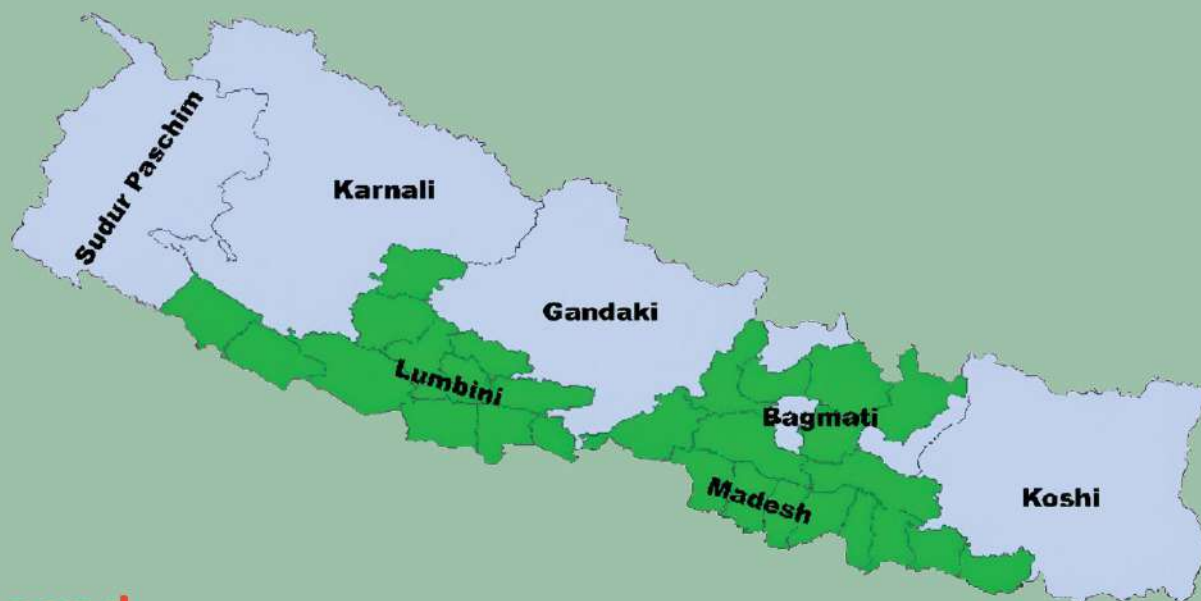
Table 28: Subsidized Loan provided by ADBL

Loan Category	Mid July 2024	
	Number	Amount (NPR)
Commercial Agriculture and Livestock Credit	10,974.00	14,710,481,420.32
With Collateral	532.00	195,971,705.85
Without Collateral	10,442.00	14,514,509,714.47
Educated Youth Self Employment Loan	13.00	3,463,284.78
Project Loan Foreign Return Youths	44.00	17,370,072.54
Women Entrepreneur Loan	2,676.00	997,248,541.04
Dalit Community Business Development Loan	78.00	21,664,852.39
Higher and Technical and Vocational Education Loans	1.00	125,000.00
Private Housing Construction Loans for Earthquake Victims	3.00	375,721.14
For Textile Industry Operations	5.00	43,496,900.88
Technical and Vocational Training Council	1.00	66,666.66

- Our success is closely linked to the well-being of our employees. We continuously invest in programs that support a healthy work-life balance, offer professional development opportunities, and promote diversity and inclusion. The diverse composition of our workforce, drawn from various socio-economic backgrounds, reflects our commitment to creating a supportive and inclusive workplace.

The Value Change for Inclusive Transformation of Agriculture (VITA) program, led by Agricultural Development Bank Ltd. (ADBL) and co-financed by International Fund for Agricultural Development

(IFAD) and the Government of Nepal, aims to improve the livelihoods of vulnerable rural populations. Running from 2021 to 2027, it focuses on enhancing small-scale farm enterprises by strengthening market linkages, expanding financial services, and building climate resilience. Targeting 30,000 households, the program empowers women and youth, aiming to increase farm incomes and provide access to financial tools like Kisan Credit Cards. It means ADBL playing a key role in ensuring sustainable financial support.



Legend



Governance

- ADBL adheres to the international standards of governance, focusing on transparency, accountability, and ethical practices in its every operation. The Bank integrates ESG factors into its risk management processes to mitigate potential risks, ensuring responsible lending and decision-making. It maintains compliance with national and international regulations, emphasizing transparency in reporting and communication with stakeholders.

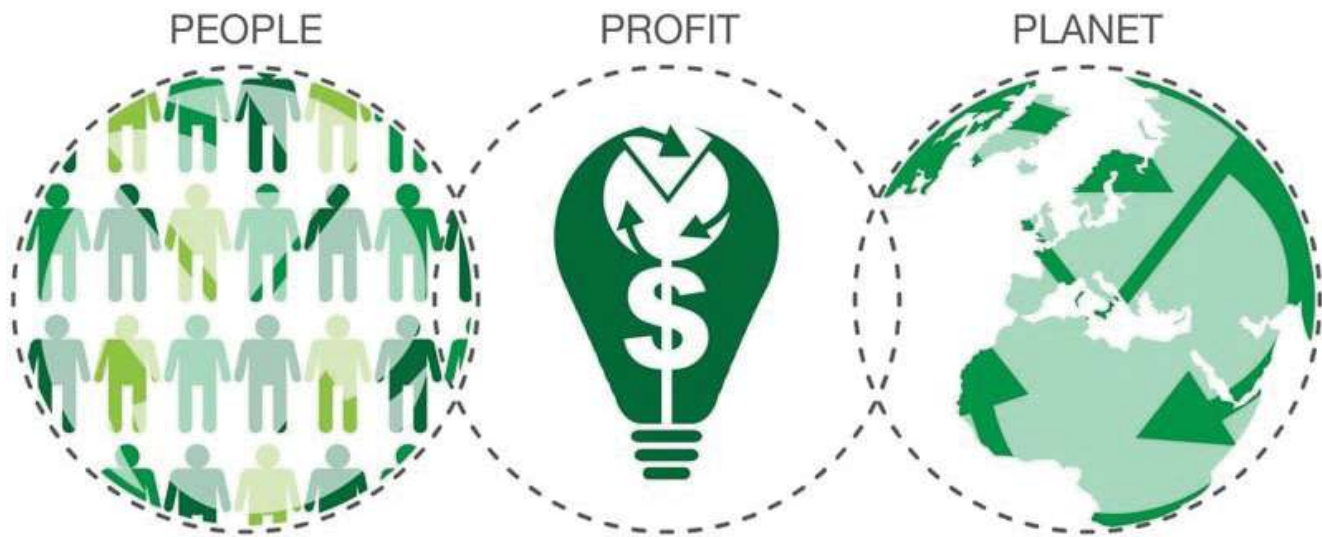
Refer Section 3 -Corporate Governance for details.

- The Bank operates under the supervision of Nepal Rastra Bank (NRB), which ensures that all Bank and Financial Institutions (BFIs) adhere to national policies for the country's economic stability. NRB regulates BFIs through various Acts, directives, and circulars, ensuring their sound functioning. ADBL has consistently followed NRB's directives, safeguarding depositor funds and responsibly channeling them into key sectors such as agriculture, micro, small, and medium enterprises (MSMEs), the deprived sector, and energy. In doing so, the Bank has remained prudent, carefully managing capital adequacy while mitigating the risks associated with lending.

3Ps for Sustainability

Over the years, ADBL has expanded its services beyond agriculture to include small and medium enterprise (SME) financing, rural development, and infrastructure support, while staying true to its core mandate of fostering agricultural growth. As a government-owned bank, ADBL works closely with both national and international development partners to promote sustainable development practices, alleviate poverty, and improve social welfare, especially in rural Nepal. In line with global trends and the need for more responsible business practices,

ADBL has increasingly focused on integrating the principles of sustainability into its operations, aligning with the broader goals of economic, social, and environmental development.



People

At the Bank, we understand that true success extends beyond financial performance. We prioritize social responsibility, focusing on the well-being of our customers, employees, communities, and society at large. This commitment encompasses customer satisfaction, fair treatment of employees, active community engagement, inclusive financial services, and the promotion of diversity and inclusion within our workforce. ADBL is dedicated to empowering women, supporting underserved sectors, and aligning our CSR activities with the Sustainable Development Goals.

In FY 2023/24, ADBL spent NPR 29.46 million on various CSR initiatives. We have actively supported Women Entrepreneurs through loans totaling approximately NPR 997 million and extended Dalit Community Business Development loans amounting to around NPR 22 million.

Furthermore, we prioritize employee development. In FY 2023/24, 6,769 employees underwent training at a cost of approximately 31.31 million NPR, including training for 53 staff members abroad. We also recognize and appreciate the dedication of our long-serving employees. 28 employees who completed 20 years with ADBL were rewarded with an Appreciation Letter, a Gold Medal, and a cash prize of 7,500 NPR. Similarly, 85 employees who completed 25 years with the Bank were each honored with an Appreciation Letter and cash prize of 15,000 each.

The Bank also promoted 215 employees based on merit and provided home loan facilities to 502 staff members.

Profit

ADBL is committed to ensuring long-term profitability while prioritizing sustainable practices. The Bank integrates environmental, social, and governance (ESG) considerations into its business strategies, balancing profit generation with minimizing negative impacts on society and the environment.

In the current fiscal year, ADBL recorded a net profit of NPR 2.89 billion and contributed NPR 1.13 billion in taxes to the government.

Planet

At ADBL, environmental sustainability is a key pillar of our corporate responsibility. We are committed to protecting the environment and preserving the planet. The Bank is geared towards minimizing its environmental footprint by reducing energy consumption, minimizing paper usage, and promoting digitization.

The Bank is investing in green energy solutions. We are also supporting sustainable energy sources by allocating approximately 3.5% of our total loan portfolio to the hydropower sector, supporting clean electricity generation. ADBL also actively participates in environmental initiatives such as tree planting programs nationwide."





ADBL's Alignment with the Sustainable Development Goals (SDGs)




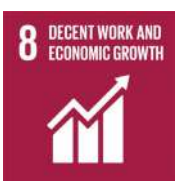

Nepal is committed to the SDGs that is reflected in key policy documents like the 15th Development Plan and the 25-Year Long-Term Vision 2100. The SDGs are integrated into national development programs through the Medium-Term Expenditure Framework. Additionally, Nepal has developed an SDG Status and Roadmap, with localized indicators, baselines, and 2030 targets. Other critical documents include the SDGs Needs Assessment, Costing and Financing Strategy, and Localization Guidelines. The country also conducted a Development Finance Assessment (DFA) to align finance with national development priorities.

In this context, ADBL plays a vital role in supporting Nepal's SDG objectives by integrating these goals into its operations, offering sustainable financial solutions, and promoting inclusive development through its various initiatives. The Bank actively contributes to environmental sustainability, economic growth, and social equity, aligning its strategies with the national vision for 2030 and beyond.



The Bank, being a key financial institution in Nepal, directly contributes to the achievement of various SDGs, particularly those focused on poverty reduction, economic growth, and sustainable agriculture.

SDG Goals	ADBL's Initiatives
<p>SDG 1: No Poverty</p> 	<ul style="list-style-type: none"> i. The Bank has been providing loan to small farmers and small entrepreneurs through its branch offices, Sana Kishan Bikash Laghubitta Bitya Sanstha Limited, Deprosc Laghubitta Bitya Sanstha Limited and various cooperative organizations. ii. Under the Government of Nepal's Youth and Small Business Self-Employment Program, ADBL has implemented a risk mitigation strategy for farmers engaged in livestock, vegetable, and fruit cultivation. This strategy includes a protection program utilizing crop and animal insurance to reduce the financial impact of potential losses and encourage greater participation in these agricultural ventures. iii. The Bank adheres to the Labour Act 2017 by ensuring all staff are paid at least the minimum wage. The Bank regularly reviews and adjusts salaries to maintain compliance with the applicable acts and regulations of the government.
<p>SDG 2: Zero Hunger</p> 	<ul style="list-style-type: none"> i. By promoting agricultural productivity, supporting smallholder farmers, and improving access to agricultural technologies and inputs, the Bank contributes to food security and sustainable agricultural practices.
<p>SDG 3: Good Health and Well Being</p> 	<ul style="list-style-type: none"> i. The Bank provides medical coverage to all employees and their dependents, which not only includes hospitalization but follow up treatments as well. ii. All the Bank offices/branches are no smoking zones. iii. The Bank organized a free health treatment program for senior citizens above the age of 70, through the Ganeshman Singh Health Foundation, on May 09, 2024. iv. The Bank staff has been provided with First Aid training through professional and competent trainers. This training will provide the staff the competency to deal with any unforeseen medical emergency and provide first aid medical assistance. v. The Bank has provided financial assistance of NPR. 1 lakh to Shri Autism, Intellectual Disability Care Center on 2024.06.25 under the Corporate Social Responsibility Program.
<p>SDG 4: Quality Education</p> 	<ul style="list-style-type: none"> i. As part of its Institutional Social Responsibility program, the Bank organized an event on 28th of June, 2024, to distribute school bags, stationery, and sports equipment to the students of Shree Panchakanya Secondary School. ii. The Bank has provided financial support to Shree Saraswati Multiple Campus for the Hult Prize program to be held in Nairobi, Kenya from 7th to 9th June 2024 under its CSR programme. iii. The Bank organized the Global Money Week 2024 program under its Corporate Social Responsibility at Greenland Public School, Bharatpur, Chitwan. The event aimed at promoting financial literacy among students. iv. The Bank provided 8 computers and 1 printer to Shri Amwari M.V., Bihadi-2, Parbat as part of its Corporate Social Responsibility (CSR) program. This initiative aims to enhance the educational resources and support digital learning at the school. v. The Bank distributed computers and printers to Shree Sarada Secondary School in Sankhuwasabha under its Corporate Social Responsibility (CSR) program. This initiative aims to enhance the educational infrastructure and support digital learning for the students at the school. vi. The Bank is committed to the growth and development of its employees by providing both technical and soft skills training. Over the fiscal year 2023/24, the Bank has incurred NPR 31.621 million in personnel training & development expenses. vii. In total, 6,769 employees were trained with cost of NPR. 31.31 million during the FY 2023/24 including 53 staffs were trained abroad.

<p>SDG 5: Gender Equality</p> 	<ul style="list-style-type: none"> i. The Bank offers Women Entrepreneurship Loan upto NPR 15 lakhs, to provide with financial assistance to women to support their entrepreneurial ventures. ii. The Bank offers Chetanshil-Nari BachatKhata&SamunnatChetanshil Nari BachatKhata to the smart lady and female customers of our society for promote to save their money for future prosperity & security with attractive interest. iii. The Bank has one female director on the board which contributes to gender diversity in corporate leadership. iv. The Bank focuses on inclusion of more women in its workforce, evidenced by the rise in the Bank's female representation ratio over the years. v. The Bank distributed essential food items to over 90 dependent girls at Raksha Nepal on the 18th of September, 2024, under its Corporate Social Responsibility Program. vi. The Bank is always uncompromisingly committed to offering a work environment where all employees feel secure and have growth opportunities equally. In order to impart awareness on Whistle Blowing, Harassment at Workplace and how to handle it, the Bank regularly conducts exclusive sessions in collaboration with all stakeholders for its employees.
<p>SDG 6: Clean Water and Sanitation</p> 	<ul style="list-style-type: none"> i. The Bank under its Corporate Social Responsibility Program, handed over a water word machine to Karnali Institute of Health Sciences for the provision of clean drinking water and conducted a financial literacy program. ii. Employees and janitorial staff are educated on responsible water consumption via internal communications, promoting a sustainable mindset. iii. The Bank provides clean, fresh water to all of its buildings and branches, ensuring the health and well-being of both staff and customers while reinforcing its commitment to environmental responsibility.
<p>SDG 7: Affordable and Clean Energy</p> 	<ul style="list-style-type: none"> i. Approximately 3.5% of the Bank's total loan portfolio is provided to the hydropower sector, aligning with SDG 7by supporting the generation of clean, renewable electricity and promoting sustainable energy development.
<p>SDG 8: Decent Work and Economic Growth</p> 	<ul style="list-style-type: none"> i. The Bank currently employs 2,372 individuals and remains committed to expanding its workforce by hiring hundreds of new candidates each year, ensuring continuous growth and the development of a skilled team to support its operations and services. ii. The Bank's financial literacy programs align with SDG 8 by promoting economic growth, financial inclusion, and empowering marginalized communities to engage in income-generating activities and secure decent work opportunities. iii. The Bank expanded its branch network in smaller cities, contributing to job creation and supporting local economic development. iv. The Bank provides both Domestic and International Remittance services, enabling seamless money transfers within Nepal and across international borders through the Bank remit, Agency Remit & Indo Nepal remit. v. The Bank's deposit products support SDG 8 by encouraging savings, providing capital for businesses, creating jobs, and promoting financial inclusion, all of which drive economic growth and decent work opportunities.
<p>SDG 9: Industry, Innovation, and Infrastructure</p> 	<ul style="list-style-type: none"> i. The Bank Smart Foneloan is a digital loan service that provides individual customers with instant short-term pre-approved loans through the ADBL Smart Plus app. ii. The Bank provided NPR 2,00,000 in financial assistance to Shri MahayogiSiddhababa Spiritual Establishment (Thimi, Bhaktapur) and Jagadguru Shri RamanandacharyaSevapeeth (BarahkshetraChatralai) under its Institutional Social Responsibility program. iii. The use of modern electronic banking such as IPS, Connect IPS, RTGS, VISA DEBIT Card, Credit Card, Mobile Banking, Internet Banking, ATM, CASBA, Phone Loan, DEMAT services has been accelerated. iv. The Bank handed over a check of Rs. 15 million to the Prime Minister's Disaster Relief Fund on 2nd August, 2024, under its Corporate Social Responsibility (CSR) program. This contribution was made to support disaster relief efforts and assist those affected by natural calamities in Nepal.

SDG 10: Reduced Inequalities



- i. ADBL Smart Foneloan is a digital loan service that provides individual customers with instant loans. The Bank operates in 309 local-level offices, covering around 38% of the total offices, with a presence in at least one-third of each province. This network supports SDG 10 (Reduced Inequality) by promoting financial inclusion, especially in rural and underserved areas helping reduce economic disparities, ensuring equal access to banking services, which aligns with SDG 10 targets on providing equality of opportunity, reducing inequalities in financial services, and strengthening inclusive policies.

Province	No. of Local Levels	Local Levels having Bank Branches	ADBL Presence	% of ADBL Branches
Koshi	137	134	45	34%
Madesh	136	134	41	31%
Bagmati	119	117	65	56%
Gandaki	85	83	29	35%
Lumbini	109	109	46	42%
Karnali	79	67	20	30%
Sudurpaschhim	88	81	25	31%
Total	753	725	271	38%

- ii. The Bank provides subsidized loans for the self-employment of educated youth in agricultural and livestock farming, for projects established and operated by youth returning from foreign employment, to empower women entrepreneurs, to support businesses run by Dalit communities, for acquiring higher and technical education, for constructing private housing for earthquake victims, for operating textile industries, for training in institutions recognized by the Technical Education and Vocational Training Council, and for youth self-employment opportunities.
- iii. The Bank ensures equitable access to financial services by providing loans to marginalized groups, including low-income farmers, women, and indigenous communities, helping to reduce economic inequality.

SDG 11: Sustainable Cities and Communities



- i. The Bank provides a diverse range of housing loan options tailored for both salaried and self-employed individuals. These loans are available in, with the flexibility to choose between fixed and variable interest rates.
- ii. The Bank's loan product for earthquake-affected individuals aligns with SDG 11 (Sustainable Cities and Communities) by providing financial support to people whose homes were destroyed in the earthquake. By offering loans to those certified as not having a habitable residential house, the Bank helps them rebuild their homes, promoting resilient and sustainable housing.
- iii. The Bank contributed NPR 15 million to the Prime Minister's Disaster Relief Fund on 2024.10.04 as part of its Corporate Social Responsibility program.
- iv. The Bank donated warm clothes to the victims of the devastating earthquake in Jajarkot as part of its Corporate Social Responsibility program.
- v. The Bank donated a cheque of NPR 5 lakhs to Madan Bhandari Pushpa Batika, Koteshwor, as part of its Corporate Social Responsibility Program.

SDG 12: Responsible Consumption and Production



- i. The Bank integrates environmental risk management into its lending practices, encouraging responsible production and consumption while minimizing environmental impacts.
- ii. The Bank ensures that the projects it finances comply with environmental regulations by obtaining the necessary Environmental Impact Assessment (EIA) or Initial Environmental Examination (IEE) documents.

SDG 13: Climate Action



The Bank encourages climate-resilient agricultural practices and supports projects that promote environmental sustainability. By providing financing for climate-smart agriculture, ADBL helps mitigate and adapt to the impacts of climate change on farming communities.

SDG 16: Peace, Justice and Strong Institutions



- i. The Public Procurement Act, 2007 and the Public Procurement Rules, 2007 are applicable to ADBL, ensuring that its procurement processes remain transparent, fair, and accountable. These regulations create equal opportunities for all vendors, suppliers, and service providers to participate in public procurement. By adhering to these laws, ADBL upholds the principles of fairness, competition, and reliability, ensuring the effective and ethical management of public resources.
- ii. The ADBL Staff Code of Conduct 2020 aligns with SDG 16: Peace, Justice, and Strong Institutions by promoting transparency, accountability, and ethical behavior within the Bank. It ensures that staff members adhere to principles of fairness and integrity, preventing corruption and discrimination, which supports the goal of building accountable and inclusive institutions. By encouraging compliance with laws and organizational policies, the Code contributes to strengthening the internal governance of ADBL, thus encouraging a just and transparent work environment and supporting SDG 16.

SDG 17: Partnerships for the Goal



- i. This bank is currently providing government transaction facilities from 44 branches for the revenue collection and other functions of the Government of Nepal as per the demands and needs of the customers.
- ii. The collaboration between IFAD, the Government of Nepal, and ADBL for the RPSF-APIA project by combining efforts to minimize the impact of COVID-19 on the livelihoods, resilience, and food security of vulnerable rural communities. The project focused on accelerating economic recovery by increasing investment in small-scale agriculture and improving access to digital services, supporting sustainable development and strengthening partnerships to address critical challenges in rural areas.
- iii. The collaboration between the International Fund for Agricultural Development (IFAD), the Government of Nepal (GON) through the Ministry of Finance, the Bank and Heifer Project Nepal (HPN) for Value Chains for Inclusive Transformation of Agriculture (VITA) Program which aims to improve the livelihoods and nutrition of poor and vulnerable people. This partnership focuses on enhancing agricultural productivity, improving food security, and fostering economic resilience for marginalized communities. Through their combined efforts, they work to uplift the living standards of these communities by promoting sustainable agricultural practices, improving access to financial services, and supporting better nutritional outcomes, ultimately contributing to the well-being and empowerment of vulnerable populations in Nepal.
- iv. The FFPP Project focuses on improving livelihoods, resilience, and food security for vulnerable communities impacted by climate change and COVID-19. Managed by the Ministry of Forests and Environment (MoFE), it involves multiple government tiers and local authorities in Madhesh and Lumbini Provinces. The project includes sustainable agriculture, forest management, and digital services, with a credit line for Component 3 provided by the Ministry of Finance (MoF) and disbursed to ADBL for financial support. The project aims for economic recovery and sustainable development through strong government collaboration.

Environmental and Social Risk Management

At ADBL, we have developed and implemented Environmental and Social Risk Management (ESRM) guidelines to ensure our lending practices contribute positively to both the environment and social well-being. These guidelines align with the ESRM framework provided by Nepal Rastra Bank (NRB), and we follow the Environmental and Social Risk Management Policy 2022 and Environmental and Social Risk Management Guidelines 2023.

By institutionalizing the consideration of environmental and social risks, the Bank integrates these factors into our loan decision-making process.

The ESRM guidelines serve as a framework to assess and manage potential risks before providing loans. This process helps us identify, evaluate, and mitigate any environmental and social risks that may arise from financed projects. Our approach includes conducting thorough environmental and social due diligence before approving loans and continuing to monitor projects throughout their lifecycle. Ultimately, the goal of these guidelines is to ensure that our credit decisions are informed by environmental and social considerations, supporting sustainable and responsible lending practices at ADBL.

The main objectives of this policy are as follows.

- i. Presenting the Bank's perceptions, goals, vision and commitment regarding the environmental, social and climate related risks.
- ii. To establish an environmental and social management system in the Bank regarding the credit approval decision by identifying potential impacts and including environmental, social and climate risks in the overall credit process and overall risk management of the Bank. Also, communicating environmental and social expectations to all employees, customers and other external stakeholders.
- iii. Making policy arrangements for the contributions to be made under banking and economic activities by making a commitment to the goals of sustainable development.

Bank's views, Goals and Commitments regarding Environmental, Social and Climate Risks: -

The strategy of the Bank in relation to environmental, social, and climate risks, the Bank's goals, the commitment, and assurance thereof shall be as follows:

- iv. The policies and procedures to be developed by the Bank, products to be developed, financial investments and other business activities, and the overall environmental and social management system, existing environmental, social, and climate risk management arrangements, and other strategies, policies, and plans shall be consistent with ensuring integrating environmental, social, and climate risk management into the Bank's credit process, financial transactions, and overall risk management structure.
- v. ADBL is committed to controlling climate change and its effects by promoting the sustainable use and protection of natural resources. This includes safeguarding water resources, protecting the terrestrial environment, and ensuring the restoration and sustainable use of land. The Bank is also focused on the sustainable management of

forests, preventing desertification and deforestation, and protecting biological diversity, encompassing genetic, species, and ecological diversity. In addition to these efforts, ADBL is dedicated to making policy arrangements that contribute to sustainable economic growth, with a particular emphasis on green financing and inclusive investment, while aligning with the global goals of sustainable development.

- vi. To achieve high economic growth and job creation while fostering investment in energy, infrastructure, and productive businesses, it is crucial to ensure these activities are environmentally and socially responsible and adaptable to climate change. This approach aims to maintain an inclusive and sustainable path towards robust economic growth.
- vii. Recognizing the emerging challenges of environmental and social instability, such as climate change, community displacement, resource scarcity, habitat loss, and biodiversity decline, it is important to prioritize the protection, restoration, and sustainable use of terrestrial and aquatic ecosystems. This includes a focus on forests, wetlands, protected areas, mountains, and dry lands, while considering and mitigating the adverse impacts of these challenges.
- viii. During the project construction phase, environmental and social aspects of the project will be continuously evaluated and analyzed. Loan approvals will be contingent upon compliance with environmental and social regulations, identification and mitigation of potential impacts, adherence to human and occupational health and safety regulations, implementation of adequate emergency preparedness plans, and the effective management and mitigation of identified environmental and social risks.
- ix. The Bank shall not conduct any type of financial transaction or loan in the areas under the activities included in the exclusion list according to the prevailing environmental and social risk management guidelines or other policy-based arrangements.
- x. Determining a strategy that can increase risk premium even when investing in sensitive areas from an environmental and social point of view.

Financial Literacy Programme

In line with Nepal Rastra Bank directives, ADBL has integrated financial literacy programs into its budget and programs. This initiative aims to empower individuals with limited access to banking services by equipping them with the knowledge and skills necessary for investing in income-generating sectors.

To achieve this, ADBL conducts financial literacy programs through each branch and provincial office.

Each branch identifies and targets specific groups within its local community, including local residents, members of associations/ organizations and cooperatives, women's and children's groups, schools, colleges, and senior citizens.

Some Glimpses of Financial Literacy Programs by the Bank.



Some Glimpses of Financial Literacy Programs by the Bank.



Corporate Social Responsibility

At ADBL, our Corporate Social Responsibility (CSR) initiatives are designed to make a positive impact on society and the environment. In line with the guidelines set by Nepal Rastra Bank, we focus on key areas such as environmental sustainability, education, healthcare, financial literacy, sports, support for marginalized communities, and the preservation of cultural and archaeological heritage. We also contribute to old age homes, orphanages, and actively support Nepal's Sustainable

Development Goals (SDGs) for 2016-2030. Through these efforts, ADBL is committed to creating lasting value and driving meaningful change in the society it operates.

ADBL has identified Global Money Week and financial literacy as key areas of focus for its programs, with allocation determined by the Bank's provincial structure.

CSR Committee

ADBL has established a CSR Committee responsible for recommending and selecting projects to support, as well as managing the operation of the CSR fund. The committee operates with clearly defined objectives, planned outcomes, and a comprehensive monitoring and reporting framework, all of which are outlined in the Bank's CSR policy.

Alignment with NRB's Guidelines and SDGs

Our CSR initiatives are closely aligned with the Public Interest Programs set out by Nepal Rastra Bank's Corporate Social Responsibility guidelines. We focus on areas, such as environmental sustainability, education, healthcare, financial literacy, sports, supporting backward communities, and preserving cultural and archaeological sites. We also dedicate efforts to improving old age homes, orphanages, and contributing to Nepal's Sustainable Development Goals (SDGs) for 2016-2030.

Table 30: SDGs- wise CSR Expenses

S.N.	Category	Expenses Amount	SDG
1	Health	4,138,500.00	SDG 3: Good Health and Well- Being
2	Promotion of Culture	3,492,200.00	SDG 9: Industry, Innovation, and Infrastructure
3	Protection of Cultural Heritages	1,490,000.00	SDG 11: Sustainable Cities and Communities
4	Construction of Physical Infrastructure	3,096,125.00	SDG 9: Industry, Innovation, and Infrastructure SDG 11: Sustainable Cities and Communities
5	Environment Protection	517,500.00	SDG 13: Climate Action
6	Infrastructure Development	1,325,500.00	SDG 9: Industry, Innovation, and Infrastructure SDG 11: Sustainable Cities and Communities
7	Natural Disaster	5,200,000.00	SDG 11: Sustainable Cities and Communities
8	Financial Literacy	2,212,500.00	SDG 4: Quality Education SDG 10: Reduced Inequalities
9	Enhancing the Income Earning Capacity of Backward Classes	1,200,000.00	SDG 10: Reduced Inequalities
10	Education	3,897,508.00	SDG 4: Quality Education
11	Sports	2,000,000.00	SDG 8: Decent Work and Economic Growth
12	Sustainable Development Goals	550,000.00	SDG 8: Decent Work and Economic Growth
15	Oldage Home and Orphanage	340,000.00	SDG 10: Reduced Inequalities SDG 16: Peace, Justice and Strong Institutions
Total		29,459,833.00	

Regulatory Compliance of CSR

In accordance with NRB's Unified Directive, Directive No. 6, Clause 16, ADBL allocates a minimum of one percent of its annual net profit towards funding social programs and sustainable initiatives. The CSR budget is directed towards sectors specified in the directive. Additionally, CSR funds are not used for promoting the Bank's brand or benefiting board members. Expenses are carefully distributed across different regions to ensure rational and equitable geographic diversification.

The corporate social responsibility program has also been continuing the work of conducting the program proportionally in the areas designated by Nepal Rastra Bank

Table 29: Province-wise CSR Expenses

Province Name	Amount (NPR)
Bagmati Province	22,385,008
Koshi Province	1,254,600
Madhesh Province	325,000
Lumbini Province	1,152,400
Gandaki Province	1,102,825
Karnali Province	1,020,000
Sudurpachim Province	2,220,000
Total	29,459,833

Some Glimpses of CSR Activities

A picture of the distribution of essential food items to more than 90 dependent girls in Raksha Nepal on 2024.10.08 under the Corporate Social Responsibility Program by the Bank.



A picture of the Bank handing over 50 dustbins to Shree Shivam Margi Integrated Women's Society, Kageshwori Manohara-7, Harhar Mahadev, Kathmandu, on 2024.09.29




NPR 2,00,000 as financial assistance to Shri MahayogiSiddhababa Spiritual Establishment, Thimi Bhaktapur and Jagadguru Shri RamanandacharyaSevapeeth, BarakhshetraChatralai

Picture of the furniture handover program to Shri Radha Krishna Mandir Nagarjuna 1, Kathmandu, on 2024.07.06, under the Corporate Social Responsibility Program by the Bank.



यस बैंकद्वारा संस्थागत सामाजिक उत्तरदायित्व कार्यक्रम अन्तर्गत श्री राधाकृष्ण मन्दिर नागार्जुन-१, काठमाण्डौलाई सहयोग स्वरूप फर्निचर सामग्री हस्तान्तरण कार्यक्रम

मिति :- २०८१ असार २२ गते



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

www.adbl.gov.np सम्पूर्ण बैंकिङ सुविधा सहितको नयाँ घर प्रायःको बैंक SWIFT:ADBLNPKA

Dustbin distribution program at Handigaun under CSR program by the Bank.



Picture of providing financial assistance to Shri Gadhi Takura Devsthal Management Committee, Hapur on 2024.07.03 under the institutional social program of the Bank.



As part of the corporate social responsibility of the Bank , a program was held on 2024.06.28 to distribute school bags, stationery and sports equipment to the students of Shree Panchakanya Secondary School.



The Bank has provided financial assistance of NPR 1 lakh to Shri Autism, Intellectual Disability Care Center on 2024.06.25 under the Corporate Social Responsibility Program.



Photo of the Bank handing over a check of NPR 15 million to the Prime Minister's Disaster Relief Fund on 2024.10.04 under the Corporate Social Responsibility Program.



Some Glimpses of CSR Activities

Photos from the tree plantation program organized under the Corporate Social Responsibility Program with financial support from the Bank on the occasion of World Biodiversity Week 2024.



A picture of Bank handing over a cheque of NPR 5 lakh to Shri Bagishwari Spiritual Council Yagi Narharinath Ashram under its Corporate Social Responsibility program.



Pictures of the Global Money Week 2024 program organized by the Bank, under the Institutional Social Responsibility program at Greenland Public School, Bharatpur, Chitwan.



A picture of the Bank, handing over a cheque of NPR 5 million to the Prime Minister's Disaster Relief Fund as part of its Corporate Social Responsibility program to help the victims of the earthquake that hit Jajarkot.



The Bank, under its Corporate Social Responsibility Program, handed over a water word machine to Karnali Institute of Health Sciences for the provision of clean drinking water and conducted a financial literacy program.



A picture of the Bank handing over warm clothes to the victims of the devastating earthquake that hit Jajarkot as part of its corporate social responsibility program.



Picture of the Bank handing over a cheque of NPR 5 lakh to Madan Bhandari Pushpa Batika, Koteshwor under the Corporate Social Responsibility Program.



Bank's CEO presenting a cheque of NPR 5 lakhs to Mayor of Dhangadi, Mr. Gopi Hamal for clothing support to marginalized children of Kailali District.



A picture of the Bank transferring financial assistance to Y.B. Club Narephat, Koteshwor under the Corporate Social Responsibility Program for the purchase of computers and printers.

Some Glimpses of CSR Activities

A picture of a tree planting program organized by the Lumbini World Peace Forum on the occasion of World Nature Conservation Day within the premises of the Bank Provincial Office, Birendranagar.



Photo of the Bank providing financial support to Samata Guthi Sanstha under the Bank's Corporate Social Responsibility program and distributing certificates of appreciation to comedian duo Mr. Madan Krishna Shrestha and Mr. Harivansh Acharya (Mah Jodi).



A picture of the Bank handing over a cheque worth NPR 500,000 as financial assistance to Sajha Yatayat Sahakari Sanstha Ltd. under the Corporate Social Responsibility Program.



Picture of distributing 8 computers and 1 printer to Shri Amwari M.V., Bihadi-2, Parbat, under the social responsibility program of this bank.



A picture of the Bank handing over a cheque worth NPR 500,000 as financial assistance to Kathmandu Institute of Child Health (KICH) under its Corporate Social Responsibility program.



Decorations made under the Corporate Social Responsibility program at Maitighar Mandala



Bed handover program for students



Computer and Printer Handover Program

कृषि विकास बैंक लिमिटेड
द्वारा

संस्थागत सामाजिक उत्तरदायित्व (CSR) अर्न्तगत
श्री विश्वज्योति प्राविधिक तथा व्यावसायिक माध्यमिक विद्यालय,
कुश्मा नगरपालिका वडा नं. ११, सिल्मी, पर्वत

कम्प्युटर तथा प्रिन्टर हस्तान्तरण कार्यक्रम

आयोजक
Agricultural Development Bank Ltd.
कृषि विकास बैंक लिमिटेड
शाखा कार्यालय कुश्मा, पर्वत

मिति : २०७७ पुस १७ गते
स्थान : विद्यालय परिसर, कुश्मा-११, पर्वत

www.adbl.gov.np सम्पूर्ण बैकिङ सुविधा सहितको तपाईं हाम्रो घर जानबस्ने बैंक SWIFT : ADELNPKA

Hand washing tank installation program

Bank's contribution to building a clean and healthy society by installing hand washing tanks at various locations in Province-5, Bhairahawa



Handover of a large bell

The Samarpan Basti Sudhar Samiti, through its branch, Swayambhu, handed over a large bell to the newly constructed SamarpanKaryabinayak Ganesh Temple at Samarpan Chowk, in Ward No. 16 of the Kathmandu Metropolitan City, under the Corporate Social Responsibility Program.



Women Leadership with CEO



Tripureshor Branch Team



Products & Services



OVERVIEW OF PRODUCTS AND SERVICES

At ADBL, we are committed to empowering our customers with financial solutions that cater to their diverse needs. Through continuous innovation and customer-centric initiatives, we offer a comprehensive range of products and services tailored to individuals, businesses, and institutions.

As a forward-looking financial institution, we continually

invest in innovative technologies and strategic partnerships to enhance our offerings. Our goal remains unwavering to provide unparalleled banking experiences and drive financial empowerment for our customers and the communities we serve.



With the main objective of providing institutional credit for enhancing the production and productivity of the agricultural sector in the country, the Bank has been working as a premier rural credit institution. The Bank worked as a premier rural credit institution since its establishment, contributing substantial agricultural credit supply in the country. Rural finance has been the principal operational area of ADBN in the past. However, the Bank is also

involved in commercial banking operations since 1984, to provide commercial banking services. Our approach is rooted in four pillars: accessibility, innovation, reliability, and customer-centricity. Through an extensive network of branches, ATMs, digital platforms, and specialized teams, we ensure that our services are available whenever and wherever needed.

साक्षा समृद्धिका लागि
सबैको रोजाईको बैंक

ADBL
सरल
कृषि कर्जा



अन्त कतै छैन सस्तो कर्जा यस्तो
कृषि विकास बैंक लि. को जस्तो

विशेषताहरु*

- नेपालको विशिष्ट कृषि प्रणालीमा आधारित सरल र सहज कर्जा ।
- परियोजनाको आकार अनुसार बढीमा २० लाख सम्म कर्जा पाईने ।
- १० दिनभित्र कर्जा पाईने ।

*शर्तहरू लागू हुनेछ ।



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

(नेपाल राष्ट्र बैंकबाट 'क' वर्गको राजस्वसञ्चालन संस्था)

www.adbl.gov.np

सम्पूर्ण बैंकिङ्ग सुविधा सहितको तपाईं हाम्रो घर आँगनको बैंक

SWIFT: ADBLNPKA

सरल कृषि कर्जा, कृषकको लागि उर्जा



Loans and Advances

The Bank Offers following loans and advances.



A. Agriculture and MSME Loan

The increasing demand for food in the country is widely recognized, driven by factors such as population growth, shifting dietary preferences, and rapid urbanization. Meeting this demand is nearly impossible without the commercialization and diversification of subsistence agriculture. Therefore, it is crucial for all stakeholders to offer their fullest support in promoting and advancing agriculture within their respective domains.

The Bank has emerged as a leading institution in providing agricultural credit across the country and has assumed a significant responsibility in this domain. To support the capital needs of agriculture and livestock-based enterprises, the Bank employs a range of loan instruments. To meet the needs and expectations of farmers and agricultural entrepreneurs at all levels, the Bank offers the following credit facilities tailored to agriculture and livestock rearing.

Agriculture Loan

The Bank provides personal and business loans under the following heads for agricultural loans:

- Food crops (paddy, wheat maize and others)
- Vegetable farming (seasonal, weed seasonal, off season, tunnel, hitech and others)
- Cash farming (tea, coffee, sugarcane, cardamom and others)
- Fruit cultivation (banana, mango, litchi, orange, kiwi, dragon fruit, apple and others)
- Others
- Seed Production (Food and Vegetables)

Livestock & Poultry

The Bank provides personal and commercial loans under the following heads for livestock loans.

- Animal husbandry (cow, buffalo, goat, bangur, rabbit and others)
- Poultry (chicken, duck, turkey, ostrich, kalij and others)

Fishery & Aquaculture Credit

The Bank provides personal and commercial loans under the following heads for fish and fish loans:

- Fish (carp, trout, pangas, tilapia and others)
- Nursery/Hatchery (producing different species of fish husks)
- Shrimp/Prawn Rearing
- Fish farming in natural/artificial ponds and controlled environments (Bio-flocks)
- Other

Agricultural Mechanization

The Bank provides personal and commercial loans under the following heads for agricultural mechanization loans:

- Ploughing and transportation (tractors, power tillers, mini tillers and others)
- To plant (transplanter, broadcaster and others)
- Cut, pinch (reaper, thresher and others)
- Other

Storage

The Bank provides personal and commercial loans under the following heads for Storage loans:

- Cold Storage
- Cold Room
- Chilling Room
- Godown/Warehouse
- Others

Processing

The Bank provides personal and business loans under the following heads for Processing Loan:

- Rice/Flour Mill
- Oil Expeller Mill
- Dairy
- Feed Mill-animal and poultry
- Others

Markets and Marketing

The Bank provides personal and business loans for Agriculture Collection/Market Centers.

B. Consumer Loan

For ADBL, consumer loans represent a critical segment of retail banking, offering an opportunity to support customers in achieving their personal goals while fostering financial inclusion and economic growth.

At ADBL, we understand the importance of accessible and tailored financial solutions for our customers. Whether it's purchasing a home, funding education, buying a vehicle, or meeting other personal needs, our consumer loan offerings are designed to provide flexible and competitive financing options.

Household Loan

Nepali citizen who has permanently resided within the scope of the office is eligible for loan.

Overdraft Loan

Individual: A Nepali citizen is eligible for a loan from a permanent residence within the scope of the office.

Institutional: Individual firms/ partnership firms/ companies registered with the concerned agency are eligible for loans with license.

Home Loan

Nepali citizens who are not more than 65 years of age eligible for loan to construct houses within the jurisdiction of the office.

Home Purchase Loan

Nepali citizen who has not crossed the age of 65 years is eligible for a loan to buy a house (house/ flat/ apartment) within the scope of the office.

Land Purchase Loan

Nepali citizens are eligible for loan to purchase Ghaderi's within the scope of office.

Education Loan

Students who have permanently resided within the scope of the office and want to pursue higher education, skill and technical training at home or abroad and their family members are eligible for this loan.

Hire Purchase Loan

Nepali citizens permanently residing within the scope of the office, individual firms/ partnership firms/ companies eligible for regular renewal loans registered with the concerned body are eligible for HP Loan.

Auto Loan

Nepali citizen permanently residing within the scope of the office, a personal firm/ partnership firm/ company eligible for regular renewal loans registered with the concerned body are eligible for Auto loan.

Gold and Silver Loan

Nepali citizens and bank employees eligible for loans with regular sources of income.

Loan against Fixed Deposit

Customers of Term Deposits (Individuals/ Firms/ Institutions/ Companies) of the Bank.

Loan Against Government Securities

Any person or firm or company that owns the securities note are eligible for this loan.

Reconstruction Loan

Earthquake-affected identity card holder from Government of Nepal. The customer and his family must be certified as a person who does not have a habitable residential house.



The advertisement features a central image of a hand holding a model house against a blue sky background. The text is in Nepali and English. At the top right is the ADBL logo with the tagline 'घर कर्जा' (Home Loan). The main headline reads 'तपाईंको सपनाको घर ADBL घर कर्जा संग पुरा गर्नुहोस' (Your dream house with ADBL home loan). Below this, it states 'घर निर्माण/शुध/मर्मत गर्न लाग्ने लागतको अधिकतम 60% सम्म' (Up to 60% of the cost for house construction/renovation/repair). A red box highlights 'कर्जाको अवधि' (Loan tenure) with two options: 'घर निर्माणको लागि ५ वर्ष, १० वर्ष र १५ वर्षसम्म।' and 'घर मर्मतको लागि अधिकतम ३ वर्षसम्म।' At the bottom, it says 'थप जानकारीको लागि नजिकैको कृषि विकास बैंक लिमिटेड ब्रान्च गर्नुहोस।' (For more information, visit the nearest branch of Agricultural Development Bank Ltd.). The ADBL logo and name are at the bottom right. The website 'www.adbl.gov.np' and SWIFT code 'ADBLNPKA' are at the bottom left and right respectively.

C. Subsidized Loan

The Bank has provided subsidized loans to support professional engagement in agriculture and livestock rearing, promote self-employment among educated youth, and fund projects initiated by youth returning from foreign employment. Additionally, the loans aim to empower women entrepreneurs, develop businesses led by the Dalit community, facilitate access to higher, technical, and vocational education, assist in constructing private housing for earthquake victims, support the textile industry, provide training through institutions accredited by the Council for Technical Education and Vocational Training, and promote youth self-employment initiatives.

Individuals, partnership firms, companies, groups, or institutions registered with the relevant authority and regularly renewed will be considered eligible loan customers. The Bank has been providing following concessional loan options

Agriculture and Livestock Loan

This loan is designed to support individuals and businesses engaged in agriculture and livestock activities. It aims to provide financial assistance for various purposes, including professional farming, livestock rearing, and agricultural ventures. The loan facilitates the development and expansion of agriculture-based businesses, helping farmers and entrepreneurs meet their capital requirements and achieve their goals.

Youth Employment Loan

The Bank has successfully provided loans to customers who have completed at least 7 days of skill development and entrepreneurship training through government-recognized institutions such as the Skill Development Entrepreneurship Training Center, the Domestic and Small Industries Office or Committee, and the Technical Education and Vocational Training Council. This initiative reflects our commitment to supporting skilled entrepreneurs and fostering sustainable economic growth.

Women Entrepreneurship Loan

The Bank has been providing loan specifically designed to empower women by supporting their entrepreneurial ventures. It provides financial assistance to women engaged in various businesses, helping them establish, expand, or diversify their enterprises. The loan aims to promote women's active participation in the economy, fostering self-reliance and sustainable growth in their entrepreneurial journeys.

Business Development Loan for Backward Communities

In line with our commitment to promoting inclusive growth, the Bank offers Business Development Loans specifically designed for individuals and enterprises from backward communities. These loans are aimed at empowering marginalized groups by providing them with the necessary financial resources to start or expand their businesses.

Business Education Loan for Higher and Technical Studies

The Bank has successfully provided loans to individuals who have completed secondary education or its equivalent and are under 25 years of age. These customers have also demonstrated proof of being from economically disadvantaged, marginalized communities, or targeted classes. Additionally, the Bank has supported those who are either currently studying or planning to pursue higher education at a college or university within the country.

Loan For Earthquake Victims

The Bank has provided loan to the earthquake victims who have not received any institutional grant other than the grant for the construction of private houses by the Government of Nepal and have not been able to complete the construction of houses due to lack of funds by signing an agreement with the National Reconstruction Authority to construct private houses, who do not have a habitable house in any place in their own or their family's name.

Clothing Industry Operational Loan

At ADBL, we provide loans to Nepali-owned textile manufacturing industries registered for VAT, with tax paid certificates from the previous financial year, contributing to the growth of the textile sector.

CTEVT Training Related Loan

The Bank has provided loans to individuals seeking training from institutions recognized by the Council for Technical Education and Vocational Training (CTEVT). This initiative aims to support skill development and enhance career prospects for individuals pursuing technical and vocational education.

Project Based Loan for Youth Returned from Abroad

The Bank has been providing term loans to a youth who has returned to Nepal after working abroad for at least six months, regardless of whether the labor approval was obtained

Educated Youth Employment Loan

At ADBL, we provide loan to applicants who hold at least a bachelor's degree and under 40 years of age. They are required to complete a minimum of 7 days of training in entrepreneurship or business skill development from an authorized body of the Government of Nepal. However, if

the applicant has a bachelor's degree in a technical field and plans to engage in a business related to that field, the skill development training requirement will be waived. Additionally, a brief project proposal outlining the intended use of the loan must be submitted.

D. Corporate Loan



The Bank offers corporate loans to businesses and enterprises to support their growth, expansion, and operational needs. These loans are designed to provide financial assistance for various corporate activities, including working capital management, infrastructure development, and business diversification. The Bank's corporate loan services are tailored to meet the unique requirements of large-scale businesses, helping them achieve their strategic objectives and strengthen their market position.

Business Loan

The Bank provides business loans to entrepreneurs and small to medium-sized enterprises (SMEs) to support their operational and growth needs. These loans are designed to help businesses with working capital, equipment purchases, expansion, or other business-related expenses. The Bank's business loan offerings are flexible and aimed at fostering entrepreneurship, enhancing productivity, and contributing to the overall economic growth of the country.

Wholesale Lending

The Bank has been providing loan to Nepali citizens or development banks and financial institutions or associations/ organizations and groups or private investors (money lenders) who are eligible for loans permanently residing within the scope of the office under wholesale lending

Industry Loan

These loans are designed to provide financial assistance for purchasing equipment, expanding production capacity,

and upgrading infrastructure. The Bank aims to help industries improve their operational efficiency, innovate, and increase their competitiveness, contributing to the overall economic development of the country.

Service Loan

The Bank provides service loans to businesses operating in the service sector, including hospitality, education, healthcare, and IT. These loans are designed to support the growth and development of service-oriented businesses by funding infrastructure, operational costs, and expansion efforts.

Overdraft Loan (Corporate)

The Bank offers overdraft loans to provide businesses and individuals with flexible access to funds when needed. This loan allows borrowers to withdraw more money than their current account balance, up to a pre-approved limit. It helps manage short-term cash flow gaps, cover unexpected expenses, or take advantage of timely opportunities, ensuring financial stability and continuity in operations.



Hydropower and Alternative Energy Loan

In alignment with the Bank's objective to promote sustainable growth and environmental responsibility, we offer loans for hydropower and renewable energy projects, including solar, wind, and other clean energy solutions. These loans are designed to support the development and expansion of energy infrastructure, contributing to a greener, more energy-independent future.

Saral Thekka Patta Loan

The Bank has been offering the contract loan to Individual firms/partnership firms/companies that have been registered with the concerned authority and have been obtained the license and renewed regularly.

Bridge Gap Loan

The Bank offers Bridge Gap Loans to help businesses and individuals bridge temporary financial gaps. These loans provide short-term funding to cover immediate cash flow needs until long-term financing or other financial solutions are secured.

Trust Receipt Loan

The Bank offers Trust Receipt Loans to facilitate businesses in financing the importation of goods or raw materials. This short-term loan allows businesses to take possession of imported goods while repaying the loan over a set period

Export Loan

The Bank has been providing pre-shipment and post-shipment loans to individuals who have obtained certificates and export orders, as well as to individual firms, partnership firms, or companies registered with the relevant authorities and consistently renewed after receiving export permission. This also includes institutions or companies with government-approved investment.

Advance on Credit (AOC)

The Bank has been providing advance up to the required amount to cover the letter of credit issued by the Bank. The loan period will be short-term, extending up to a maximum of 90 days, until the importer completes the payment.

Credit Card Facility

The Bank offers credit card facilities to individuals and businesses, providing a convenient and flexible payment option for everyday purchases and expenses. Customers can enjoy easy access to credit with competitive interest rates, rewards, and various benefits. ADBL Credit Card is accepted by millions of merchants across countries, ensuring smooth payments with each swipe

Business Complex and Housing Loan

At ADBL, we offer Business Complex and Housing Loans to individuals and businesses. These loans are designed to assist in the construction, purchase, or renovation of commercial spaces and residential properties.



ADBL

सवारी
कर्जा

नयाँ सवारी लिने सोचमा हुनुहुन्छ?

ADBL सवारी कर्जा छ नि!

सवारी साधनको मूल्य
अभिवृद्धि कर (VAT)
सहितको मूल्यको

१०%
सम्म

कर्जाको
अवधि

७ वर्ष
सम्म



थप जानकारीको लागि नजिकैको
कृषि विकास बैंक लिमिटेडमा
सम्पर्क गर्नुहोस।



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

। नेपाल राष्ट्र बैङ्कबाट 'क' श्रेणीको इजाजतपत्र प्राप्त ।

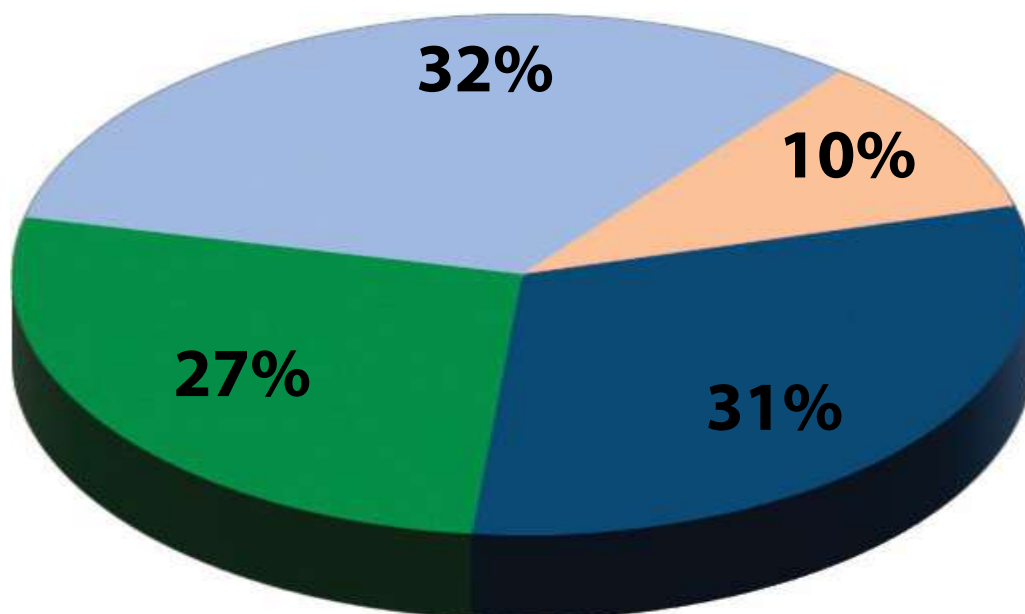
www.adbl.gov.np सम्पूर्ण बैङ्किङ्ग सुविधा सहितको तपाईं हाम्रो घर आँजानको बैंक

SWIFT: ADBLNPKA

Table 31 : Loans and Advances Exposure as of Mid-July 2024.

S.N.	Segment	Volume as of July 15, 2024 (NPR in Billion)	Percentage (%)	Count
1	Agriculture	67.12	32%	80,306
2	Retail Loan	55.37	27%	53,429
3	MSME Loan Total	63.06	31%	31,219
4	Corporate Loan	21.12	10%	61
	Total	206.68	100%	165,015

LOANS AND ADVANCES EXPOSURE



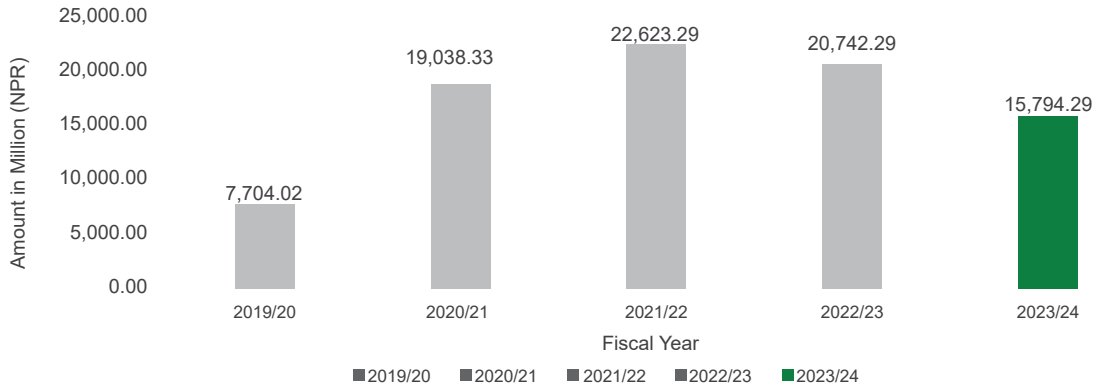
■ Agriculture ■ Retail Loan ■ MSME Loan Total ■ Corporate Loan

Table 32 : Five-Year Breakdown of Subsidized Loan.

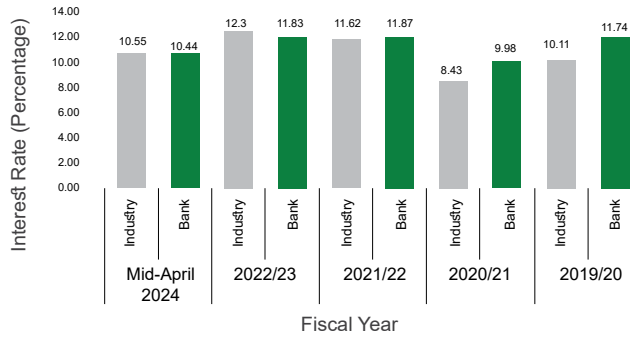
NPR in Million

SN	Loan	15 July 2024		15 July 2023		15 July 2022		15 July 2021		15 July 2020	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1.0	Agricultural and Livestock Loan	10974	14,710.48	12632	19,093.70	12396	20,462.52	8268	17,069.89	3434	7,338.34
1.1	Without Collateral	532	195.97	573	271.51	574	327.17	422	284.31	106	63.99
1.2	With Collateral	10442	14,514.51	12059	18,822.19	11822	20,135.35	7846	16,785.58	3328	7,274.35
2.0	Educated Youth Employment Loan	13	3.46	14	4.94	14	6.46	10	5.73	5	3.39
3.0	Project Based Loan for Youth Returned from Abroad	44	17.37	44	23.64	44	29.90	38	31.23	11	8.75
4.0	Women Entrepreneurship Loan	2676	997.25	2930	1,538.58	3000	2,027.38	2309	1,758.98	492	334.34
5.0	Business Development Loan for Backward Communities	78	21.66	93	35.81	98	48.00	89	53.15	30	16.77
6.0	Business Education Loan for Higher and Technical Studies	1	0.13	1	0.23	1	0.33	1	0.43	0	-
7.0	Loan For Earthquake Victims	3	0.38	4	0.57	6	1.19	7	1.84	9	2.45
8.0	Clothing Industry Operational Loan	5	43.50	5	45.29	6	47.36	11	116.88	0	-
9.0	CTEVT Training Related Loan	1	0.07	1	0.10	1	0.14	1	0.20	0	-
Total		13795	15,794.29	15724	20,742.86	15566	22,623.29	10734	19,038.33	3981	7,704.02
10	Reconstruction Loan	83	55.30	85	76.66	84	95.34	88	142.16	89	147.87

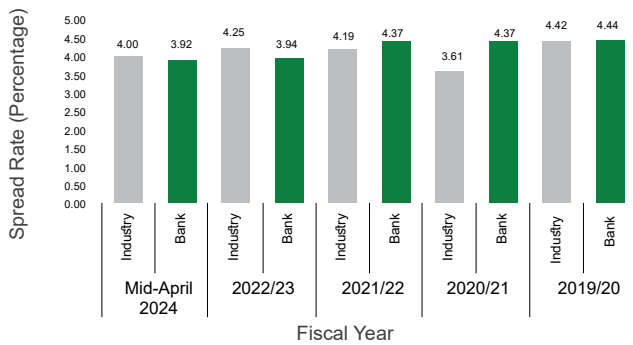
Subsidized Loan



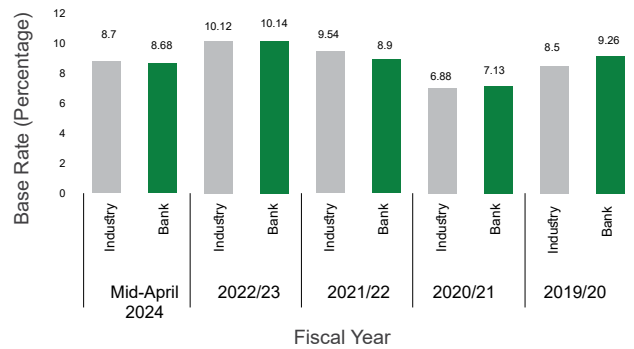
Average Interest Rate on Credit



Spread Rate



Base Rate



ADBL

कृषक बचत खाता



कृषकसँगको नाता कृषि विकास बैंकमा बचत खाता



विस्तृत जानकारीको लागि नजिकको शाखामा सम्पर्क राख्नुहोला ।



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

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सम्पूर्ण बैकिङ सुविधा सहितको तपाईं हामी घर अगाडको बैंक

SWIFT: ADBLNPKA

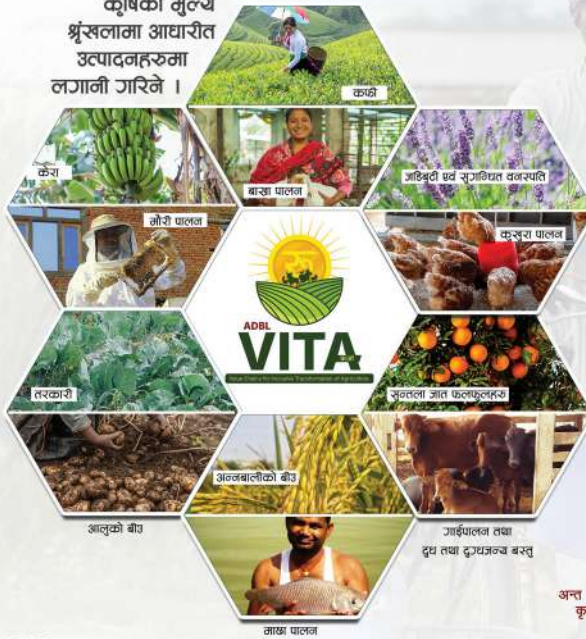


IFAD
INTERNATIONAL
FUND FOR
AGRICULTURAL
DEVELOPMENT

कृषि उद्यमीको पौरखी हात, ADBL भिटा कर्जा को साथ

IFAD को सहयोगमा नेपाल सरकार मार्फत संचालित कृषि कर्जा कार्यक्रम

कृषिको मूल्य
श्रृंखलामा आधारित
उत्पादनहरूमा
लगानी गरिने ।



८%*

बार्षिक अपरिवर्तनीय व्याजदर

विशेषताहरू*

- यो कार्यक्रम मधेश, लुम्बिनी, बागमति प्रदेश (सिन्धुली जिल्लाहरू) मा र IFAD ले कार्यक्रम संचालन गरेको जिल्लाहरूमा लागू हुनेछ ।
- अधिकतम मुकानी अवधि १० वर्ष सवत ।
- कृषि सहकारीहरूलाई थोक कर्जा पनि उपलब्ध गराउन सकिने ।
- १० दिन भित्र कर्जा पाईने ।
- यो सुविधा चाहे फाल्गुण असावत सवत मात्र लागू हुनेछ ।

अन्य कतै छैन सस्तो कर्जा यस्तो
कृषि विकास बैंकको जस्तो



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.



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मुख्य कार्यालय: रामशाहपथ, काठमाडौं, फोन नं. ०१-४२५२२५९, ०१-४२६२६२०, फ्याक्स: ०१-४२६२९२९

सम्पूर्ण बैकिङ सुविधा सहितको तपाईं हामी घर अगाडको बैंक

SWIFT: ADBLNPKA

DEPOSIT PRODUCTS

At ADBL, we provide a wide range of deposit products, supported by an extensive branch network and digital banking services. Customers can select from various options, including transactional current accounts, tailored savings products, basic banking accounts, term deposits, and foreign currency products, all designed to meet their specific banking needs.

SAVING ACCOUNT

- General Saving
- Ba-Ama Bachat Khata
- Krishak Bachat Khata
- Staff Retirement Saving
- Social Security Saving
- Foreign Currency (USD) Saving
- NRN FC Saving
- Sambridhi Bachat Khata
- Chetanshil Nari Bachat Khata
- Shareholder Saving Account
- Sabai Nepaliko Bachat Khata
- ADBL Salary Account
- Remittance Saving Account
- Matribhumi Saving Account
- Corporate Payroll Account
- Samunnat Chetanshil Nari Bachat Khata

FIXED DEPOSIT ACCOUNT

- General Fixed Deposit
- ADBL Remittance Fixed Deposit
- ADBL Special Fixed Deposit
- Mero Khushi Mero Bhavishya FD
- Sewa Nabirta Karmarchari FD
- NRN FCY Fixed Deposit
- Corporate Fixed Deposit
- Fixed Deposit USD
- Recurring Fixed Deposit
- Chorichora Jiwan Samunnat Khata
- Lakhapati Karodpati Dhamaka Fixed Deposit
- Individual (After 5 Year)
- Remit (After 5 Year)
- Akashya Kosh Account

CURRENT ACCOUNT

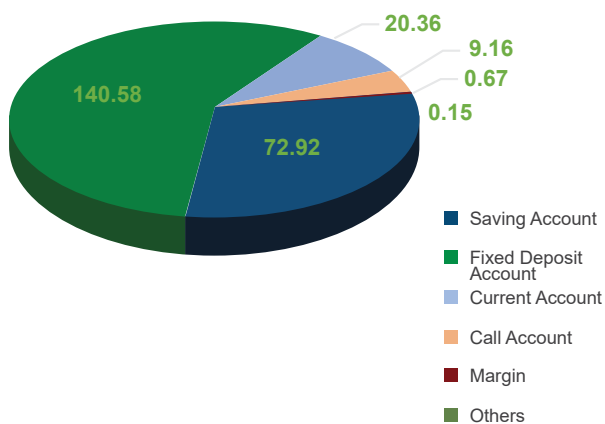
- Individuals (Personnel Account)
- Sole Proprietorship (Firm Account)
- Partnership Account
- Limited Company Account
- Account of Institutions / Associations / Clubs / Societies

CALL ACCOUNT

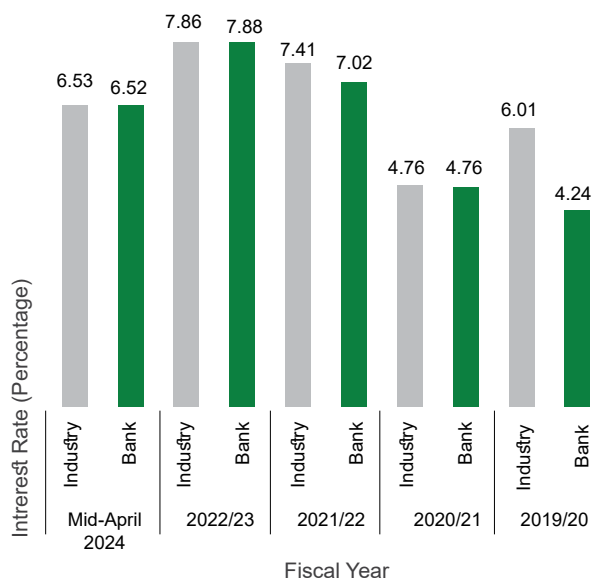
Table 33 : Deposit Exposure

S.N.	Deposit Product	Volume as on July 15, 2024 (NPR in Billion)	Percentage (%)	Count
1	Saving Account	72.92	29.91%	1,647,151
2	Fixed Deposit Account	140.58	57.65%	67,727
3	Current Account	20.36	8.35%	378,056
4	Call Account	9.16	3.76%	1,884
5	Margin	0.67	0.27%	1,397
6	Others	0.15	0.06%	2,873
	Total	243.83	100%	2,099,088

Deposit Exposure



Average Interest Rate on Deposits



संसारको कुनै पनि ठाउँबाट पैसा पठाउने/पाउने Smart तरीका !



**ADBL
VISA DIRECT**
(SMART REMITTANCE)
Global Banking at your palm!

विशेषताहरू

- ▶ १८० भन्दा बढी देशबाट पैसा पठाउन सकिने ।
- ▶ ADBL को Visa Debit Card हुनु पर्ने ।
- ▶ १६ Digit को (अंकको) ADBL Visa Card नम्बर दिई आफ्नो खातामा पैसा प्राप्त गर्न सकिने ।
- ▶ पैसा पठाउने व्यक्तिको पनि Visa Card (विदेशको) हुनु पर्ने ।

एकदमै भरपर्दो, सजिलो, छिटो र धेरै पैसा पाइने ।



मुख्य कार्यालय: रामशाहपथ, काठमाडौं । फोन नं. ०१-४२५२३५९, ०१-४२६२६२० । फ्याक्स: ०१-४२६२९२९



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सम्पूर्ण बैकिङ सुविधा सहितको तपाईं हाम्रो घर आँगनको बैंक

SWIFT: ADBLNPKA

OUR SERVICES

The Bank is proud to be a trusted partner in financial growth, dedicated to offering innovative, customer-focused solutions that empower individuals, businesses, and communities alike. Over the past year, we have enhanced our efforts to provide seamless and secure banking experiences, supported by advanced technology and tailored services. By emphasizing inclusivity, efficiency, and sustainability, we remain committed to helping our customers achieve their financial goals while contributing to the nation's economic progress. Our range of services includes:

Remittance Services

The Bank Offers Domestic & International Remittance:

ADBL Remit

Accessible through out Nepal, ADBL Remit Service allows for seamless money transfer from any branch of the Bank. Recognized for its reliability, this trusted service is now available online. With the VISA director facility users can swiftly transfer funds to any ADBL account of their choice, ensuring a convenient and dependable financial transaction experience.

Agency Remit

Customers can access a simple and convenient payment process through any of the following agency remittance services, available at branches across the country for sending money from anywhere in the world.

- Western Union
- Easy Link
- Himal
- City
- Money Gram
- BOOM
- Prithivi
- IME
- Siddhartha
- Prabhu
- Sewa

Indo-Nepal Remit

A safe and reliable way to send money from Axis Bank branches in India to any branch of Krishi Bikas Bank Ltd. across Nepal.

देशको माया ADBL को छत्र छायाँ...



IPO



कमाउनुस् विदेशमा, पैसा जम्मा स्वदेशमा

एकै अनलाइन निवेदनबाट

- बचत खाता
- डिम्याट खाता
- मेरो सेयर खाता
- CRN नम्बर तथा अनेक थप सुविधा

ADBL
मातृभूमि
बचत खाता

विदेशबाटै पनि खाता खोल्न,
सेयर आवेदन दिन तथा
रकम जम्मा गर्न सकिने।

श्रम स्वीकृति लिई वैदेशिक रोजगारीमा रहेका
नेपाली नागरिकका लागि आरक्षण गरिएको
साधारण सेयर आवेदन दिन तथा अधिकतम व्याज
प्राप्त गर्ने गरी बचत गर्न सकिने।



मुख्य कार्यालय
रामशाहपथ, काठमाडौं
फोन नं. ०१-४२४२३२५९, ०१-४२६२६२०,
फ्याक्स: ०१-४२६२९२९



कृषि विकास बैंक लिमिटेड
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सम्पूर्ण बैकिङ्ग सुविधा सहितको तपाईं हागो घर अगलको बैंक

SWIFT: ADBLNPKA

Non-Fund Banking Services

Bank Guarantee

Particulars	Remarks
Customer	Registered and regularly renewed with the relevant body, eligible to transact collateral transactions, firm/partnership firm/company, individual.
Nature of Collateral	<ul style="list-style-type: none"> • Bid collateral • Performance collateral • Earnings collateral • Other as required
Period of Collateral	As per customer demand
Commission/Fee	As specified by the Bank from time to time
Collateral Security	Real estate and other <ul style="list-style-type: none"> • PAN of the firm/company, updated registration documents • Copy of citizenship certificate of the proprietor/partner/operator/individual
Required Documents	<ul style="list-style-type: none"> • Passport size photograph of the applicant • Collateral related documents • Audited accounts of the last 2 financial years and projected financial statements of the last 3 financial years
Other:	As requested by the Bank.

Letter of Credit

Particulars	Remarks
Customer	A firm/partnership firm/company registered with the relevant body and regularly renewed, eligible to transact letters of credit.
Type of Letter of Credit	<ul style="list-style-type: none"> • Site letter of credit • USS letter of credit • Other as required
Commission/Fee	As specified by the Bank from time to time
Collateral Security	Real estate and others Other arrangements
Required Documents	<ul style="list-style-type: none"> • PAN of the firm/company, updated registration documents • Copy of citizenship certificate of the proprietor/partner/director • Passport size photograph of the applicant • Import Export Code No. (Exim Code) • Collateral related documents • Audited accounts of the last 2 financial years and projected financial statements of the last 3 financial years
Other:	As requested by the Bank.

MODERN BANKING SERVICES

ADBL Smart Foneloan

ADBL Smart Foneloan is a digital loan service that offers individual customers a short-term pre-approved loan instantly via the ADBL Smart Plus app. Customer can experience the instant pre-sanctioned loan facility now from ADBL Smart Plus, without any documents and without collateral. The loan amount is automatically determined by the software based on the customer's turnover.

Visa Direct Service

Visa Direct is a fast and secure service offered by ADBL Bank that allows customers to send money directly to recipient account via 16-digit ADBL Visa cards number worldwide. With Visa Direct, funds can be transferred instantly, providing a seamless experience for both senders and recipients. ADBL currently provide Visa Direct Service for more than 180 countries.

Credit Card Facility

ADBL Bank successfully expanded its Visa Credit Card services in Nepal and India, offering credit limits ranging from NPR 25,000 to NPR 1 million for customers with a bank account and a stable regular income. The introduction of advanced features such as EMV compliance, contactless payments, and POS terminal integration has made it easier for customers to make secure and convenient payments for a wide range of goods and services.

Kisan Credit Card

The Bank recognizing the needs of farmers who have taken loans from partner banks and financial institutions involved in agri-business, has introduced the Kisan Credit Card. This card allows farmer customers to purchase and sell fertilizers, seeds, agricultural products, and produce cultivated by farmers, up to the approved loan limit, through agents appointed by the Agricultural Produce Bank. This initiative aims to provide greater convenience and support to farmers in managing their agricultural operations.

SMS Banking

ADBL provides SMS Banking, a convenient text-based facility for its account holders to perform various banking transactions and inquiries by sending a short message in a specified format to 32425.

Available to all mobile banking customers at no extra charge, this service is accessible via the ADBL Smart Mobile Banking App for smartphone users. For those without smartphones, the service can be accessed by sending messages in the correct format.

This service is available to current, savings, and overdraft account holders, ensuring customers can access their accounts in real time, anytime and anywhere.

Visa Debit Card

ADBL offers its customers the convenience of a VISA Debit Card as a secure alternative to carrying cash. With this card, customers can easily withdraw cash from a wide network of ATMs, available 24/7, and make transactions at various POS outlets. It is accepted as a payment method for purchases at merchant locations in both Nepal and India, ensuring secure transactions. The card is valid for four years and comes with the added benefit of no charges for cash withdrawals at ADBL ATMs and POS terminals, making it a convenient and cost-effective option for customers.



Internet Banking

With Internet Banking, ADBL account holders can view account statements, transfer funds both within the Bank and to other banks, top up NTC/NCELL mobile accounts, load funds to Esewa, pay bills, schedule payments, and manage their cheque book requests, all in a secure and convenient online environment.

Mobile Banking

ADBL Smart is ADBL's Official Mobile Banking App. DBL Smart helps protect your information by using 128-bit SSL encryption when you are logged on. Following are the features of ADBL Smart Banking.

- SMS Alert/Transaction Report
- Balance/Amount Transfer
- Balance Inquiry
- Statement View
- Loan Schedule View
- Statement Request
- Cheque Book Request
- Cheque Stop
- ATM Card Stop
- ATM Card Renew Request
- ATM/ Branch Locations
- FOREX and STOCK Information

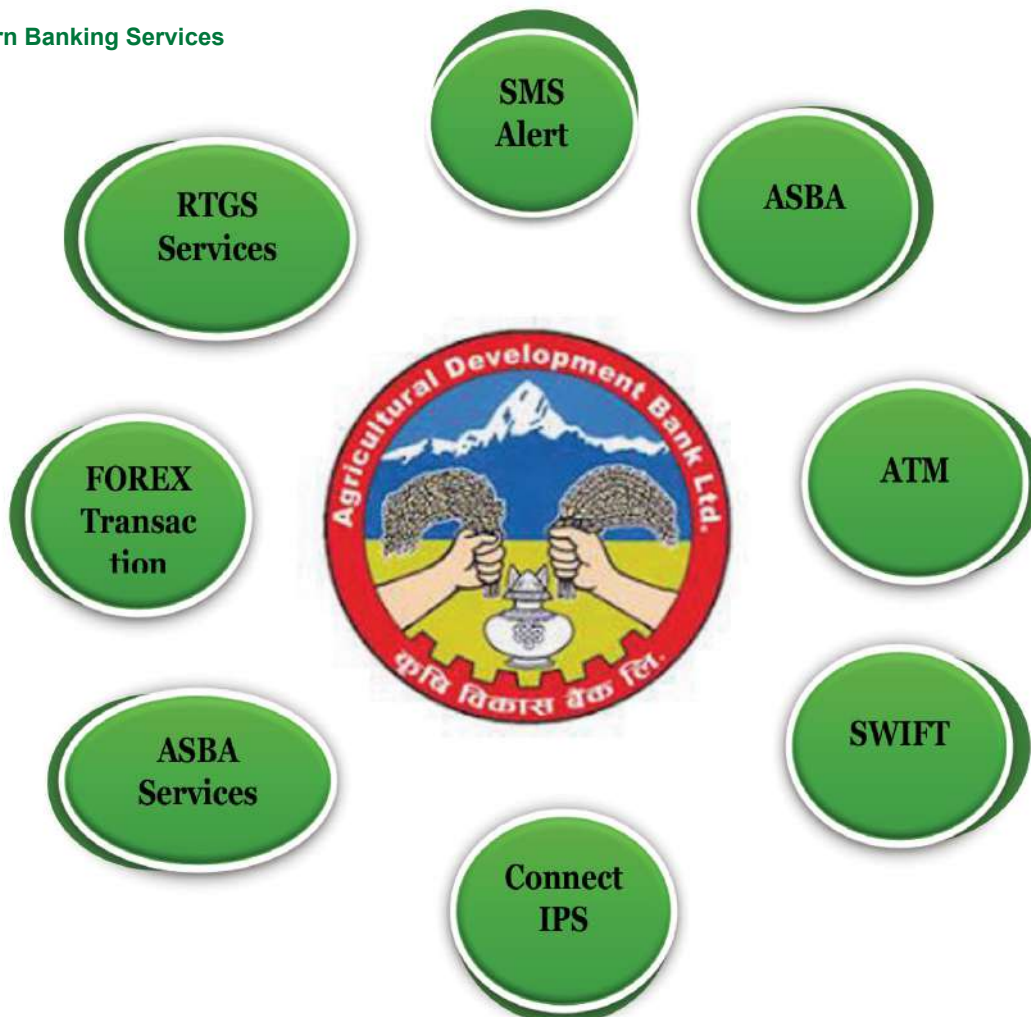
सावधान !

“बैंकले फोनबाट ग्राहकको मोवाइल बैंकिङ्ग सम्बन्धी विवरण माग गर्दैन । तसर्थ **OTP Code, Pin, Password**, खाता नं, जन्ममिति कसैलाई नदिनुहोला । यस्ता विवरण माग गर्ने **Fraud Call** बाट बचौं ।”

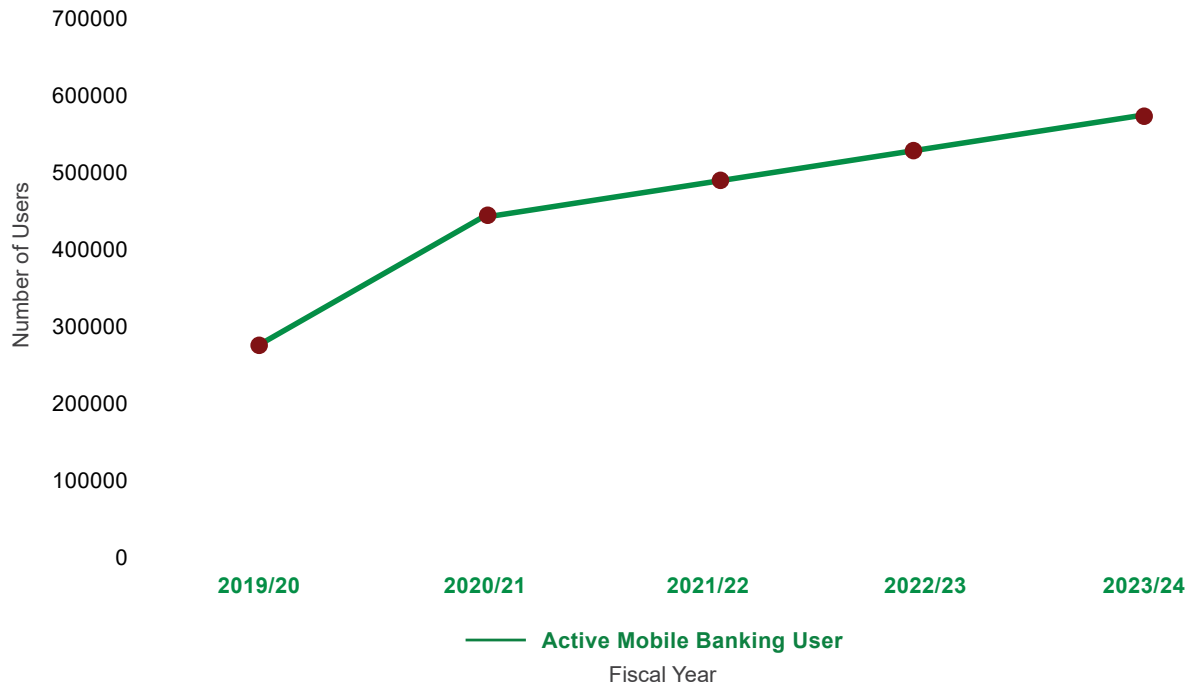
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Agricultural Development Bank Ltd.

www.adbl.gov.np सम्पूर्ण बैकिङ्ग सुविधा सहितको तपाईं हाम्रो घर जोगिनको बैंक SWIFT: ADBLNPKA

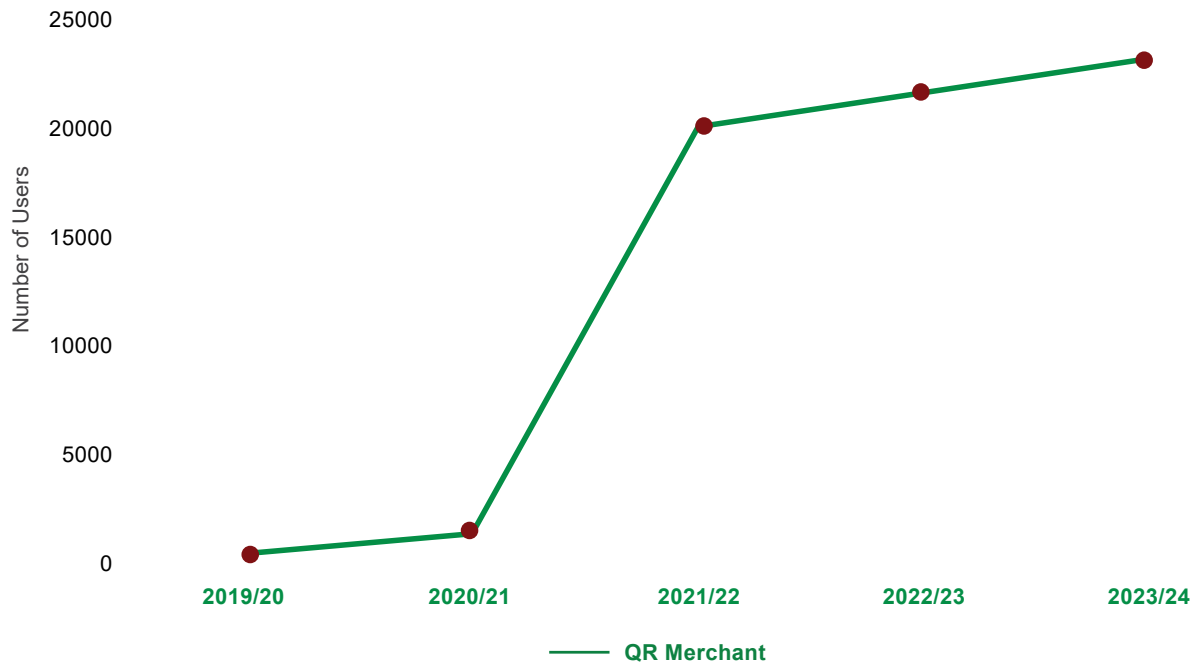
Other Modern Banking Services



Active Mobile Banking User



QR Merchant



OTHER BANKING SERVICES

Locker Services

The Bank provides locker services through 43 branches.

S.N.	Branch	District	Province	Province Office
1	Corporate Banking	Kathmandu	Bagmati	Kathmandu
2	Ratnapark	Kathmandu	Bagmati	Kathmandu
3	Newbaneshwor	Kathmandu	Bagmati	Kathmandu
4	Gaushala	Kathmandu	Bagmati	Kathmandu
5	Swyambhu	Kathmandu	Bagmati	Kathmandu
6	Kalanki	Kathmandu	Bagmati	Kathmandu
7	Tripureshwor	Kathmandu	Bagmati	Kathmandu
8	Newroad	Kathmandu	Bagmati	Kathmandu
9	Kapan	Kathmandu	Bagmati	Kathmandu
10	Trishuli	Nuwakot	Bagmati	Kathmandu
11	Mangalbazar	Lalitpur	Bagmati	Kathmandu
12	Dudhapati	Bhaktapur	Bagmati	Kathmandu
13	Gatthaghar	Bhaktapur	Bagmati	Kathmandu
14	Kamalpokhari	Kathmandu	Bagmati	Kathmandu
15	Ilam	Ilam	Province-1	Biratnagar
16	Birtnagar	Morang	Province-1	Biratnagar
17	Dharan	Sunsari	Province-1	Biratnagar
18	Damak	Jhapa	Province-1	Biratnagar
19	Birgunj	Parsa	Province-2	Janakpur
20	Hetauda	Makawanpur	Bagmati	Biredrnager
21	Bharatpur	Chitwan	Bagmati	Biredrnager
22	Narayangardh	Chitwan	Bagmati	Biredrnager
23	Pokhara	Kaski	Gandaki	Pokhara
24	Kushma	Parbat	Gandaki	Pokhara
25	Butwal	Rupandehi	Lumbini	Bhairahawa
26	Bhairahawa	Rupandehi	Lumbini	Bhairahawa
27	Taulihawa	Kapilvastu	Lumbini	Bhairahawa
28	Ghorahi	Dang	Lumbini	Nepalgunj
29	Nepalgunj	Banke	Lumbini	Nepalgunj
30	Dhangadhi	Kailali	Sudurpaschim	Dhangadhi
31	Lagankhel	Lalitpur	Bagmati	Kathmandu
32	Koteshwor	Kathmandu	Bagmati	Kathmandu
33	Dharke	Dhading	Bagmati	Birendranagar
34	Bode	Bhaktapur	Bagmati	Kathmandu
35	Bagar	Kaski	Gandaki	Pokhara
36	Kantirajpath	Makawanpur	Bagmati	Birendranagar
37	Mulpani	Kathmandu	Bagmati	Kathmandu
38	Letang	Morang	Province-1	Biratnagar
39	Rajbiraj	Saptari	Province-2	Janakpur
40	Shivchowk	Dhanusha	Province-2	Janakpur
41	Pulchowk	Lalitpur	Bagmati	Kathmandu
42	Chipledhunga	Kaski	Gandaki	Pokhara
43	Maharajgunj	Kathmandu	Bagmati	Kathmandu

Gold and Silver Trading

On the recommendation of various associations/organizations related to gold and silver businessmen, there is an arrangement where gold and silver can be bought and sold at Real Time Dealing Rate.

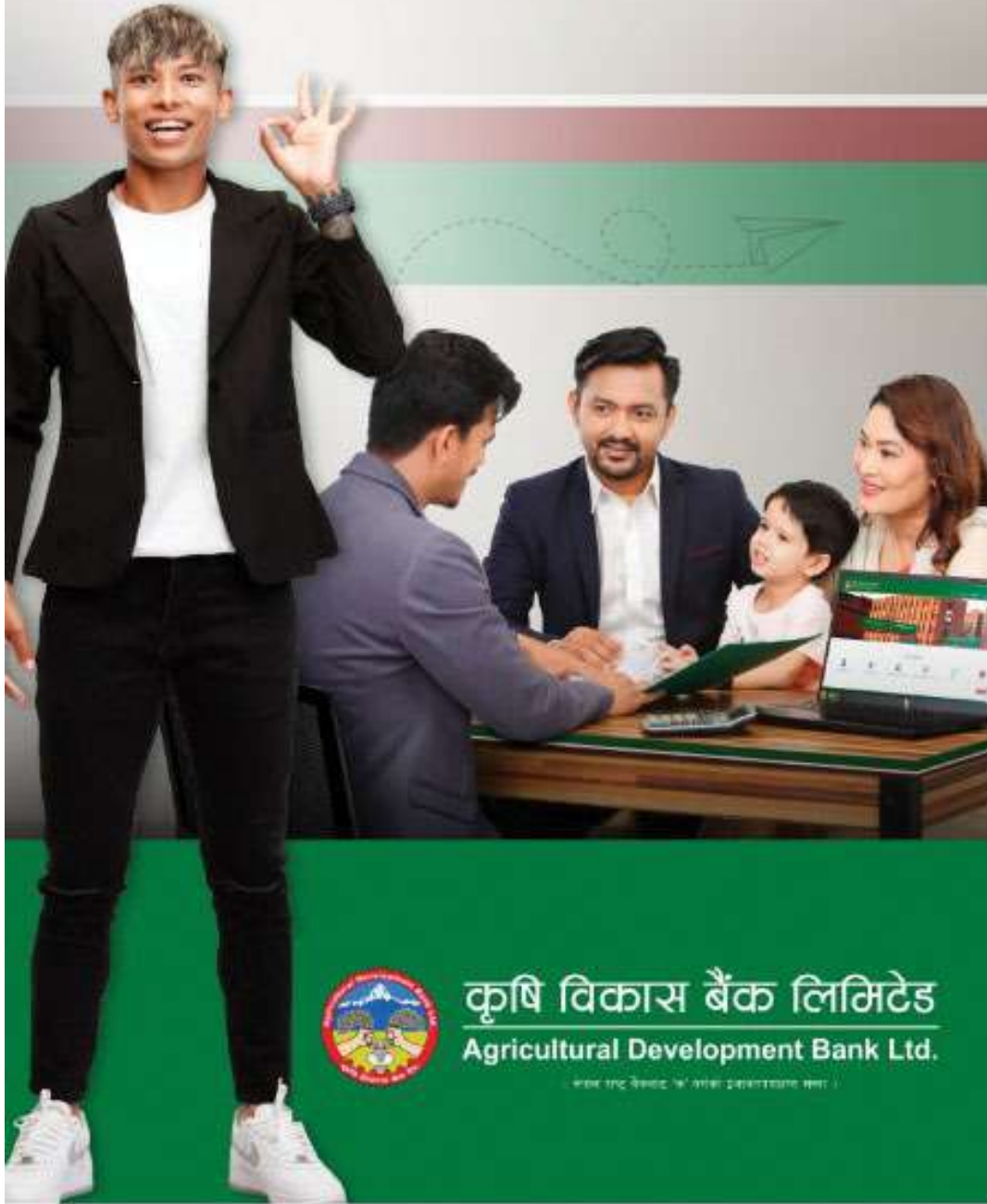
Market Maker

There are primary and secondary market trading facilities for various types of long-term bonds issued through Nepal Rastra Bank, such as national savings bonds, citizen savings bonds, and foreign employment savings bonds.

Government Transaction

This bank is currently providing government transaction facilities through 44 branches for the collection of revenue of the Government of Nepal according to the demands and needs of the customers.

परिवारको सम्बृद्धिको आधार, भरपर्दो वित्तीय साभेदार कृषि विकास बैंक लिमिटेड ।



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

बैंक लिमिटेड, काठमाडौं, नेपाल

www.adbl.gov.np

कृषि विकास बैंक लिमिटेडको कार्यालय काठमाडौं, नेपाल

SWIFT: ADBLNPKA

A person wearing a dark hoodie is shown from the side, typing on a laptop. The background is a dark blue gradient with faint, glowing green and white lines of digital code, including HTML tags like <code>class=</code>, <code>href=</code>, and <code>id=</code>. The overall atmosphere is technical and digital.

Information Technology Governance & Digital Protection

The Bank has significantly advanced its information technology (IT) infrastructure to enhance banking services and support agricultural development in Nepal. Recognizing the transformative potential of digital solutions, ADBL has implemented several IT initiatives to improve operational efficiency and expand financial inclusion.

Core Banking System and Digital Services:

ADBL operates on a high-performance IT and communication system with online connectivity across all branches, enabling swift fund transfers and real-time banking services. The implementation of Temenos T24, a modern core banking software, has revolutionized traditional banking practices. This has facilitated the introduction of mobile banking, internet banking, card services, electronic cheque clearing (ECC), Interbank Payment System (IPS), and Connect IPS, meeting customer demands and bridging the digital divide between urban and rural areas.

Adoption of Digital Banking Channels:

In line with its slogan, "Sampurna Banking Suvidha sahitko Tapai Hamro Ghar Aanganko Bank" (Your Bank, at Your Doorstep with Complete Banking Facilities), ADBL has embraced various digital channels to provide comprehensive banking solutions to customers.

Kisan App and Kisan Credit Card:

To further support farmers, ADBL developed the Kisan App, a comprehensive platform that integrates various farm services. The app facilitates transactions with Farming merchants and cashpoint agents, enables payment services and utility payments, and provides access to valuable agricultural information such as market prices and best practices. Complementing the app, the Kisan Credit Card provides farmers with accessible credit, enhancing their financial capacity and productivity within the agricultural supply chain.

Value Chains for Inclusive Transformation of Agriculture (VITA) Program:

The VITA program, led by ADBL, aims to scale successful models of inclusive rural growth by integrating digital financial services into agricultural value chains. This program encourages farmers to organize into producer organizations, strengthening their market access and facilitating interactions with buyers and service providers. By promoting digital financial services, VITA reduces the digital divide in rural areas and ensures financial access for all stakeholders in the agricultural supply chain.

Strategic Business Plan:

ADBL's strategic business plan emphasizes the continued adoption of information technology and digitalization to provide comprehensive banking solutions. The Bank aims to serve a broader customer base, encompassing both urban and rural areas, by leveraging its extensive network and strengthening its digital capabilities. Through these initiatives and advancements in information technology, ADBL has significantly enhanced its service delivery, improved financial inclusion, and contributed to the development of Nepal's agricultural sector."

Information Technology Governance Policy

The Bank recognizes the critical role of information technology (IT) in enhancing banking services and supporting agricultural development. In compliance with Nepal Rastra Bank's Information Technology Guidelines 2012, ADBL has established an Information and Communication Technology Policy, 2022, to promote sound and robust technology risk management and strengthen system security, reliability, availability, and business continuity. This policy is aligned with international best practices and standards, including ISO/IEC 27001, COBIT, and ITIL.

ADBL maintains a board-approved IT strategy and policy, subject to annual review. This framework encompasses both short-term and long-term objectives, ensuring their alignment. IT-related risks, including those associated with e-banking

and supplier activities, are integrated into our overall risk management framework and are regularly assessed and updated. Our IT organizational structure is designed to align with the size, scale, and nature of our business operations.

The board actively oversees IT resources, ensuring their adequacy and alignment with our strategic goals. An Information Security Officer (ISO) has been appointed to oversee and enforce the Bank's information security policy. The ISO coordinates security-related matters within the organization and with external entities to ensure comprehensive security governance.



Information Security

The Bank's Information and Communication Technology Policy, 2022, covers all electronic delivery channels and payment systems, adhering to regulatory advisories and international best practices. Regular risk assessments are conducted to identify and mitigate potential threats to the confidentiality, integrity, and availability of information.

Multiple layers of firewalls and security controls are implemented to protect against unauthorized access. Robust authentication and validation procedures are employed to verify customer identities before granting account access or processing transactions.

New systems undergo rigorous User Acceptance Testing (UAT) as per IT policy guidelines. Periodic information security audits, vulnerability assessments, and penetration testing are conducted on critical systems. Direct database updates are strictly controlled and require proper authorization. At ATM locations, CCTV surveillance is implemented while ensuring customer PIN confidentiality. Secure messaging, firewalls, antivirus software, and robust PIN management controls are employed. Cards and PINs are kept separate and secure throughout their lifecycle to prevent unauthorized access. Magnetic stripe cards are being phased out in favor of more secure chip-based cards. Online card payments utilize two-factor authentication, and customers are promptly notified via email or SMS for all transactions. Critical activities, such as internet banking fund transfers, are protected by multi-factor authentication commensurate with the associated risks.

Information Security Education

The adoption of electronic delivery channels has significantly enhanced customer convenience but also introduced new security challenges, such as identity theft and fraudulent activities. Educating all stakeholders, including customers and employees, is crucial to mitigate these risks and promote secure banking practices.

The Bank prioritizes customer education on secure banking practices, emphasizing the importance of safeguarding devices and systems from compromise. We have established robust response mechanisms to address customer inquiries promptly and provide assistance on securely accessing electronic banking channels. Customers are actively educated on safeguarding their credentials and recognizing potential threats, fostering a shared responsibility for maintaining account security.

IS Audit and VAPT:

Given the increasing complexity of IT environments in the Banking sector, the associated risks have also increased significantly. To address these risks, the Bank has implemented a comprehensive risk management approach that integrates standard internal control frameworks, specific bank requirements, and compliance with Nepal Rastra Bank regulations.

To ensure the effectiveness of its control frameworks and the adequacy of its security plans and procedures, the Bank conducts annual Information Systems (IS) audits. The latest IS Audit, conducted by Biz Serve IT Pvt. Ltd. and submitted on March 06, 2024, reported that adequate controls were generally in place to ensure the confidentiality, integrity, and availability of information. However, the audit identified specific weaknesses in the Bank's ICT infrastructure and practices that require immediate attention to mitigate identified risks.



Cyber Risks

Cybersecurity risk refers to the potential for loss or harm resulting from a cyber-attack or data breach, impacting an organization's technical infrastructure, technology usage, or reputation. These risks encompass the loss of confidentiality, integrity, or availability of information, data, or information systems, with potential adverse impacts on organizational operations, assets, individuals, and the nation.

The Bank has invested significantly in strengthening its information security posture. Key investments include Web Application Firewall (WAF), Security Information and Event Management (SIEM), Active Directory (AD), and an robust Endpoint Security System. A dedicated Data Center and Disaster Recovery Site have been established to ensure business resilience.

A Board-level Information Technology Risk Management Unit, operating under the Integrated Risk Management Department, oversees the management of information security risks related to the Bank's technology assets. This unit ensures compliance with information security standards and baselines for all IT solutions supporting the Bank's products and services. A CEO-level IT steering committee provides overall oversight of IT policies, procedures, cyber risks, and risk mitigation strategies.

Cybersecurity Programs, Policies & Procedures:

A dedicated IT Risk Management unit conducts periodic risk assessments for all assets that could impact the confidentiality, integrity, and availability of information. An Incident Response Team is in place to address operational and security incidents effectively. A comprehensive risk register is maintained to track identified IT risks, their potential impacts, and the mitigation actions taken. The Risk Department conducts thorough risk analysis before deploying or integrating any third-party product or system. The Bank's Information and Communication Technology Policy, 2022, incorporates robust cybersecurity arrangements and is supported by detailed procedures

endorsed by the board, along with specific security baselines for various technology processes and practices.

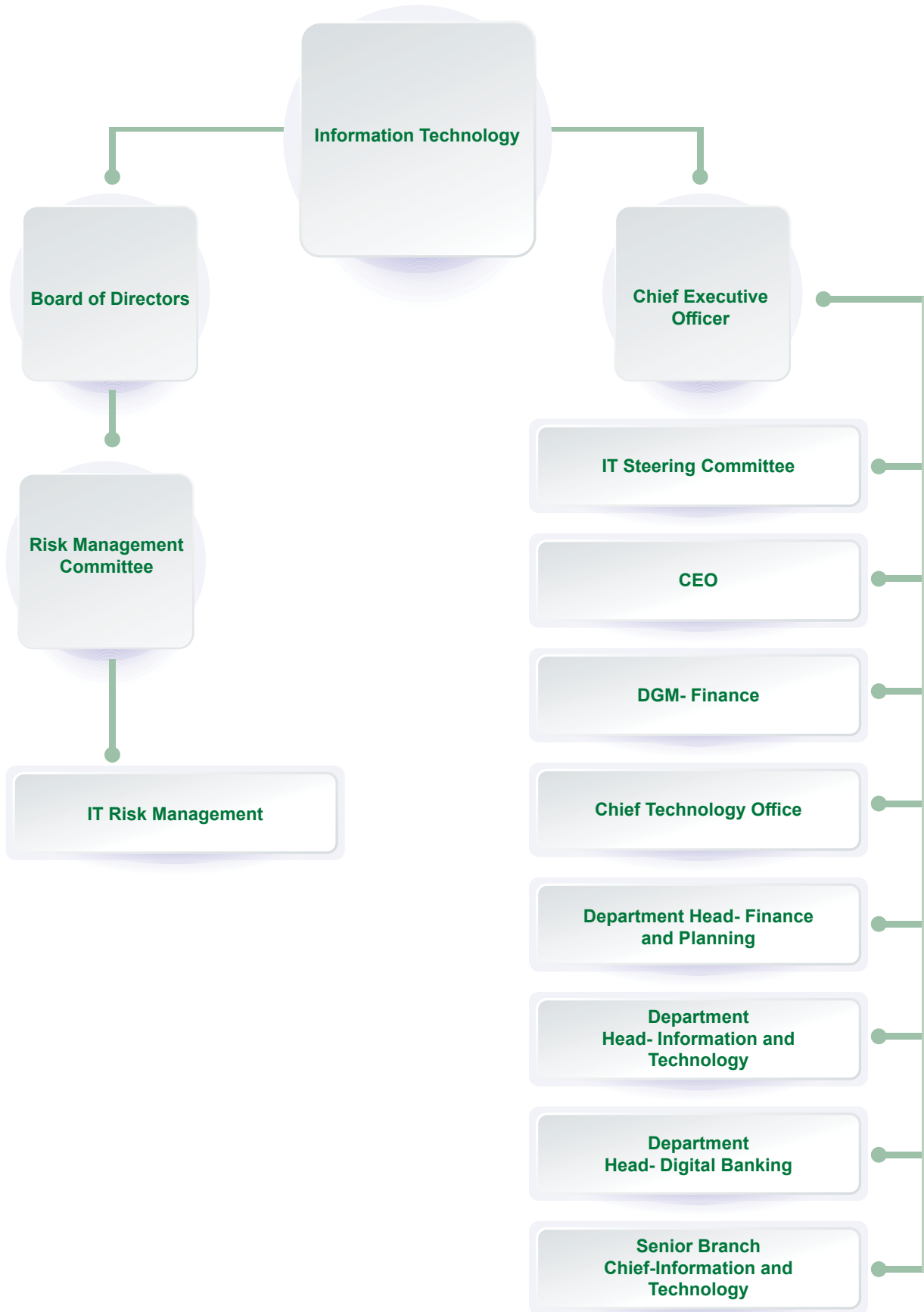
Industry-specific Requirements and Board oversight:

The Bank's Information and Communication Technology Policy, 2022, is aligned with global standards such as ISO/IEC 27001, COBIT, and ITIL, as well as the guidelines of Nepal Rastra Bank.

The Board delegates the responsibility of overseeing the Bank's technological direction and associated risks to the Integrated Risk Management Department. The Board and Executive Management actively monitor cyber risks, utilizing both internal measures and independent third-party assessments to evaluate the effectiveness of technology risk controls.

Business Continuity and Disaster Recovery:

The Bank maintains robust Business Continuity Planning (BCP) and Disaster Recovery (DR) policies to ensure the seamless delivery of business and IT services. A dedicated offline backup site is established in Bhairahawa, Nepal. A Trivial File Transfer Protocol (TFTP) server is utilized for maintaining information backups.





Core Banking Software

To enhance operational efficiency, security, and scalability, the Bank has migrated from its legacy system to Temenos T24, a leading Core Banking System (CBS). **Temenos T24** is a centralized, web-based platform enabling Any Branch Banking (ABB) capabilities. This robust platform offers a comprehensive suite of banking functionalities, including enhanced security through transaction limits, role-based access controls, and segregation of duties, proactive risk management through risk dashboards, early warning systems, and asset-liability management tools, and robust cybersecurity through data encryption, disaster recovery measures, and automated alerts.

Other Banking Software

"To enhance operational efficiency and customer experience, ADBL's Core Banking System (CBS), Temenos T24, seamlessly integrates with various specialized software. Key integrations include **Mobile Banking** and **Internet Banking** platforms, enabling customer access through mobile apps and online portals with real-time synchronization. The system also integrates with **SMS Alert** services, keeping customers informed about transaction activities and balances. **Connect-IPS** and **Connect-RTGS** facilitate seamless fund transfers, including inward payment processing and real-time gross settlement. The **Central Card Management System (CCMS)** streamlines card issuance and transaction monitoring. **Online KYC** and **Online Account Opening** simplify customer onboarding processes. **ERF Integration** automates regulatory reporting. Integrations with digital wallets like **Khalti Wallet** and specialized products like the **Kisan Credit Card** expand service offerings across various customer segments

Other Software in ADBL

The Banking environment also incorporates a variety of independent software solutions, which work alongside core banking systems Temenos to enhance functionality and streamline operations. This includes:

- ECC, IPS Outward
- C-ASBA, Demat, Mero share
- Go-AML Reporting
- Transaction Monitoring (TM)
- Swift and ADBL Remit
- ERF Loan and PF Deposit
- HRIS and HR Sapati
- CIC Upload
- Interbranch Reconciliation
- CPAS
- OCAS
- Nt_bank (Legacy Loan),
- Fin_soft (Legacy Deposit)
- Easy_account (Legacy Accounting)

User Training of Software

All new users undergo a formal training program before they begin engaging in operational activities. In addition, mandatory periodic refresher programs are conducted. The training programs cover more than just the operational aspects of core enterprise systems; they also address crucial topics such as the acceptable use of information and IT resources, along with the regulatory and reputational risks associated with Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT).





Stakeholder Relationship & Engagement

Bank's Stakeholders

At the Bank, we are committed to ensuring that banking services are accessible to all, regardless of location. We are expanding our branch network into rural and underserved areas, providing full banking facilities to communities with limited access to financial services.






Beyond simply offering products, we actively engage with local communities, customers, and key stakeholders to understand their unique needs. By opening new branches and offering tailored services such as agricultural loans, microfinancing, and financial literacy programs, we foster deeper connections within these communities. This engagement ensures that our services effectively

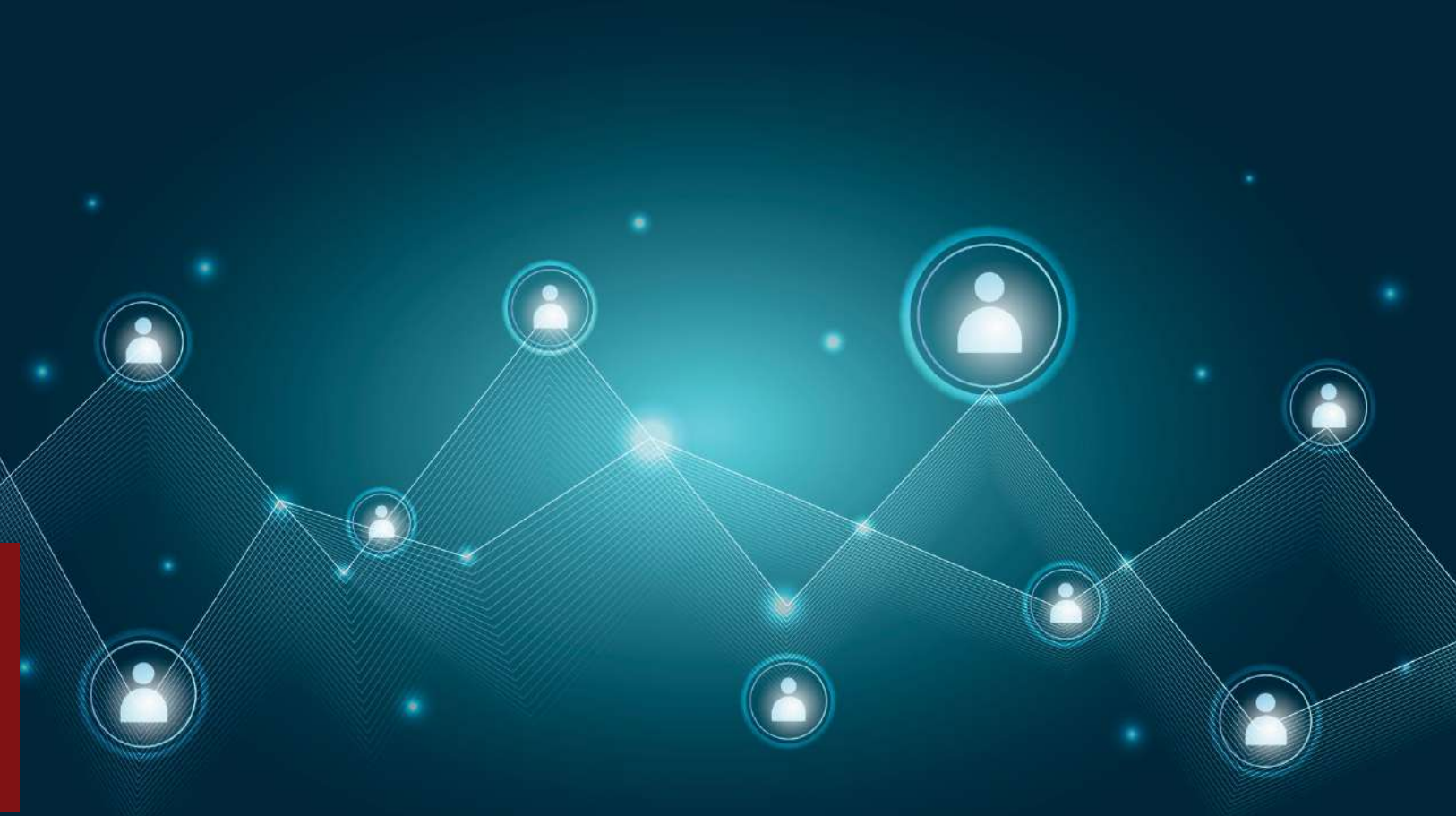
address the specific challenges faced by local communities, small business owners, farmers, and local governments.

Furthermore, our commitment to digital banking solutions enables remote engagement with stakeholders, providing them with the flexibility to access banking services at their convenience. This approach not only enhances accessibility but also strengthens our relationships with all stakeholders, promoting financial inclusion, community development, and long-term sustainability."



Stakeholder Engagement Process and Frequency

Particulars	Customers	Employees	Shareholders & Investors	Suppliers & Vendors	Regulatory Bodies
Engagement Medium	 <p>Branch Banking Internet /Mobile Banking Call Centers Complaints Social Media Advertisements Feedback/ Surveys</p>	 <p>Trainings, Policies, Awards and Awareness Grievances Awareness about Employee Benefits Sessions with Senior Management Compensation and Benefits</p>	 <p>Financial Statements AGM/SGM Press Releases/ Announcements Dividend Distribution Investments</p>	 <p>Procurement of goods and Services</p>	 <p>Compliance with Laws and Regulators Proactive Engagement and Connection with various Regulatory Agencies Meetings and Regular Discussions with Regulators</p>
Frequency	As and when need arises	Daily	Quarterly Half Yearly Annual As and when need arises	Daily As and when need arises	As per Regulatory Timeliness
Their importance to us	Brand reputation Customer Satisfaction	Engine to run Business Ambassador to Customers	Value Increase Good returns Reputation	Good Business Relationships Cost-Effectiveness Quality Output/ Service	Transparency Check and Balance



Communication with Stakeholders

The Bank communicates with the stakeholders via multiple channels. The commonly used communication channels are as follow:

- Website of the Bank
- Grievance Handling Mechanism of the Bank
- Customer Care Call Centre
- Press Release and Published Data in Newspapers
- Annual General Meetings.
- Social Media Platforms like Facebook, Instagram, LinkedIn, Viber, Twitter, etc.

Website of the Bank

The official site of the Bank is <https://www.adbl.gov.np/>. Following is the list of data that can be obtained from ADBL's official site:

- Overview of the Bank, Organization structure and the detail of Board of Directors,
- Management Team, Department Head, Branches, Province Heads
- Overview of the Product & Services
- Ongoing and Completed Projects of ADBL
- Grievance Reporting to NRB and to ADBL
- Notices
- Downloadable Documents
- Financial disclosures: AGM Minutes, Unclaimed dividend,
- Quarterly Financial Reports, Annual Report, Disclosure as per Basel III
- Concessional Loan Report, Base Rate, Foreign Exchange Rate and Interest Spread Rate
- Customer Care, Support and Contact Numbers
- CSR Activities of the Bank
- Financial Literacy Programme, etc.



Social Media Platforms

Bank's Customers

With a proud history spanning over 57 years, the Bank has established itself as a leading commercial bank in Nepal.

Today, ADBL proudly serves over 1.2 million satisfied customers, who are not only clients but also valued partners in our journey towards financial prosperity.

Their satisfaction and trust reflect ADBL's unwavering commitment to delivering high-quality, accessible, and innovative banking solutions that meet the evolving needs of individuals and businesses across Nepal.

Customer Interaction and Engagement

At ADBL, customer engagement is at the heart of our banking philosophy. We believe in maintaining open, responsive, and accessible communication with our customers, ensuring that their needs and preferences are always a top priority. We interact with our customers through multiple channels, ensuring that they can reach us conveniently and efficiently:

- **Branch Banking:** With our extensive network of branches, ADBL continues to provide personalized, face-to-face service, ensuring customers have direct access to banking solutions and support.
- **Internet and Mobile Banking:** To cater to the growing demand for digital services, ADBL offers robust Internet and Mobile Banking platforms, enabling customers to manage their accounts, make transactions, and access services from anywhere, anytime.
- **Call Centers:** Our dedicated Customer Care Call Center serves as a vital point of contact for customer inquiries, complaints, and support, providing a high level of service to resolve issues quickly and effectively.
- **Social Media:** ADBL leverages social media platforms to interact with customers, respond to queries, and keep them informed about the latest updates, promotions, and product offerings.

We also place great importance on actively gathering customer feedback through various channels. This includes complaints, surveys, and social media interactions, which help us understand our customers' evolving needs and preferences. By listening to their concerns and suggestions, we are able to make informed decisions to enhance our services and offerings.

To ensure that our customers are always aware of the Bank's latest offerings, we also invest in marketing and advertising efforts. These campaigns keep customers informed about new products, services, and special promotions, ensuring that they have access to the full range of banking solutions available at ADBL.

By continuously engaging with our customers through these multiple channels, ADBL remains committed to delivering an exceptional banking experience that aligns with the needs and expectations of our valued customers.

How ADBL connects to Customers?

Grievance handling mechanism of the Bank

At ADBL, the grievance handling mechanism is designed to address customer complaints and issues effectively. The Nepal Rastra Bank, central regulatory authority has established guidelines for banks to follow in order to ensure that customer grievances are handled efficiently and fairly. The grievance handling mechanism developed within the Bank is in line with NRB guidelines.

The Bank has appointed Mr. Sudil Ghimire as the Grievance Handling Officer. Customers can reach out with their complaints and concerns via the dedicated email address: gunaso@adbl.gov.np.

The grievance handling mechanism at ADBL has been specially tailored as follows:

■ **Customer Complaint Submission:** Customers can submit their complaints through various channels such as in-person at a branch, via phone, email, or through online forms on the Bank's website.

■ **Acknowledgment:** Once a complaint is received, the Bank acknowledges it and provides a reference number for tracking.

■ **Initial Review:** The complaint is reviewed by the Bank's customer service team to understand the issue and gather necessary information.

■ **Inquiry:** The Bank investigates the complaint, which may involve contacting relevant departments or third parties.

■ **Resolution:** The Bank attempts to resolve the complaint within a specified timeframe. This could involve correcting an error, providing a refund, or offering compensation.

■ **Communication:** The Bank communicates the resolution to the customer and ensures they are satisfied with the outcome.

■ **Escalation:** If the customer is not satisfied with the resolution, they can escalate the complaint to higher authorities within the Bank, such as the internal ombudsman.

■ **Regulatory Authority:** If the issue remains unresolved, customers can approach Nepal Rastra Bank (Regulatory authority) for further assistance.

■ **Feedback and Improvement:** The Bank often uses feedback from resolved complaints to improve their services and prevent future issues.

This mechanism ensures that customer grievances are handled fairly, transparently, and efficiently, fostering trust and confidence in the Banking system.

The Banks also focuses on educating customers about their rights and the procedures for lodging complaints. This helps in ensuring that customers are aware of the available channels for grievance redressal.

S.N.	Grievance Handling Channel	Details
1	Customer Care Center	24x7 Service
2	Toll Free Hotline	16600111110
3	Suggestion Box	Available at every branch
4	Branch Operations In-Charge	Responsible for placing, collecting, and recording complaints and feedback
5	Dedicated Information Officer	Assigned to handle customer grievances and queries
6	Dedicated Grievance Handling Officer	Specific officer assigned for grievance handling
7	Email (Grievance)	gunaso@adbl.gov.np
8	Email (General Info)	info@adbl.gov.np
9	Facebook	facebook.com/ADBLNepalpage
10	Instagram	instagram.com/adbl_nepal
11	Twitter (X)	x.com/BankDevelopment
12	LinkedIn	linkedin.com/company/adbl-nepal
13	YouTube	youtube.com/AgriculturalDevelopmentBankLtd

Grievance Handling Officer



Grievance Handling Officer: **Sudil Ghimire**
 Designation: Senior Section Chief
 Phone Number: 977-9851328566
 Email: gunaso@adbl.gov.np

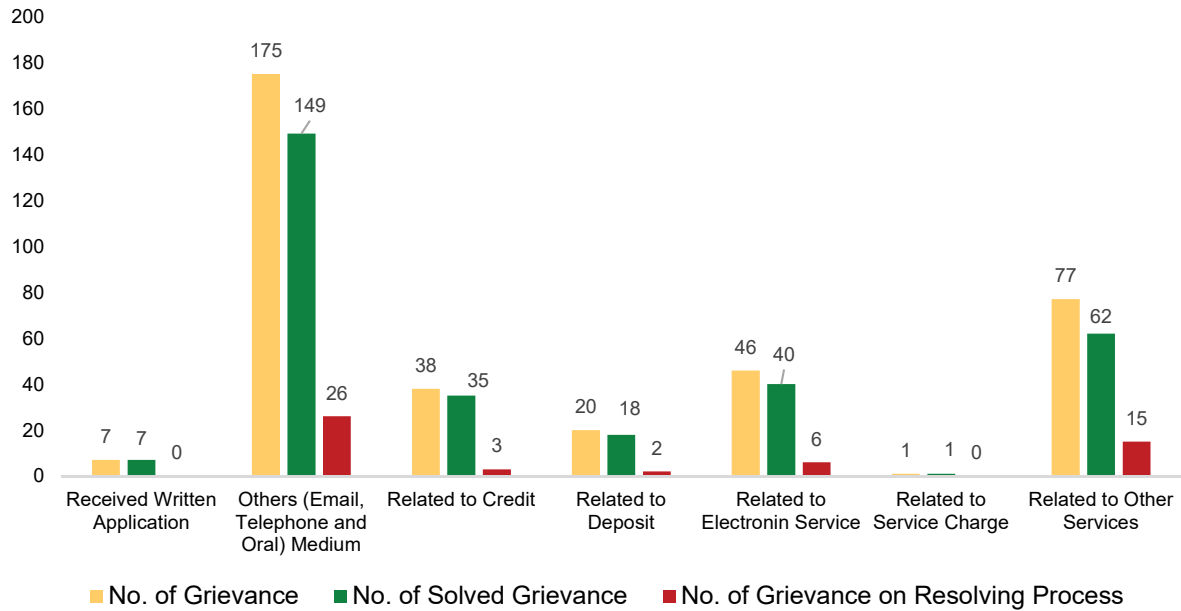
Care Call Centre

At ADBL, we place great importance on delivering exceptional customer service. Our Customer Care Call Centre plays a central role in ensuring that our customers have access to timely assistance, whether for account inquiries, product information, or troubleshooting issues.

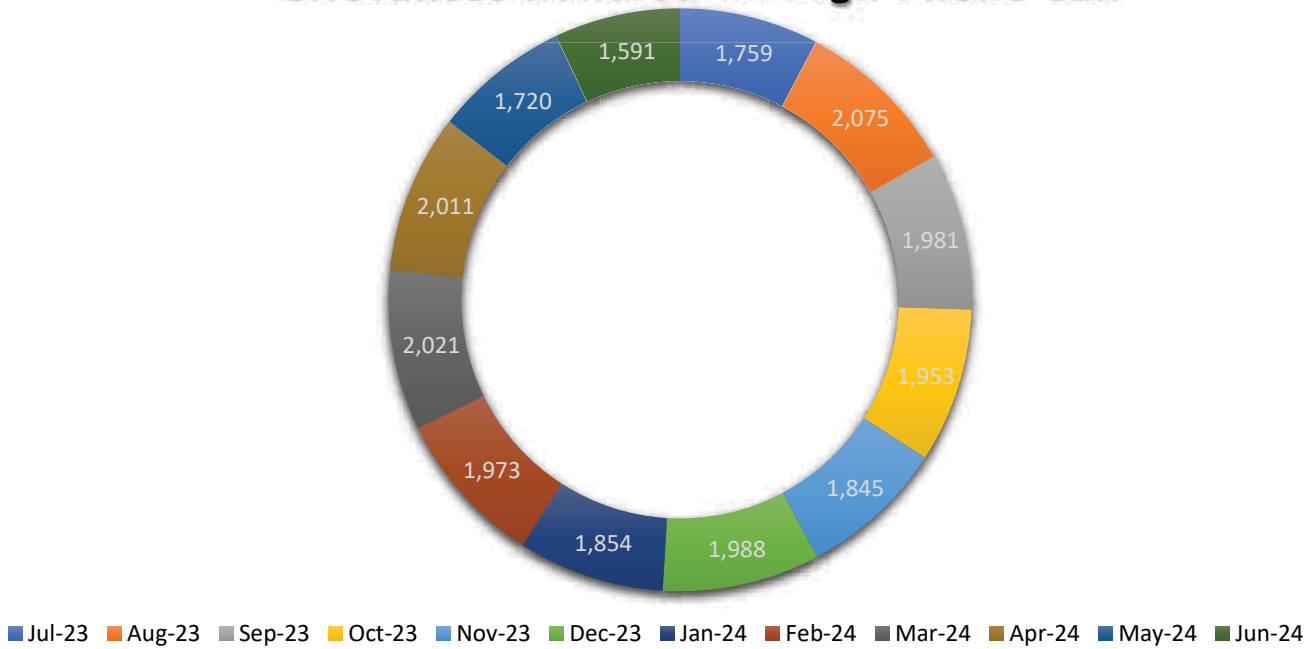
Through our call center, we strive to offer quick, efficient, and effective support to meet the evolving needs of our customers.

Particulars	Contact Details
Phone and Email of Support Center	Toll Free: 16600111110 01-5721165 (If Toll Free no. is not available)
Bank Guarantee PPMO Verification:	01-5721127 9843760995, 9863330735, 9843215335 9841295462 (For only in office hour)
DEMAT, Mero share & C-ASBA:	01-5721137, 9851313079 demat@adbl.gov.np, asba@adbl.gov.np
Mobile, Internet Banking & QR Payment:	01-5721139, 9840170511 mobile.banking@adbl.gov.np, gr@adbl.gov.np
Remit, IPS Support:	01-5721136, 9840171364 info.remit@adbl.gov.np
ETC:	01-5721141, 9851313078 ecc.ips@adbl.gov.np
Card, ATM & POS:	01-5721187, 9840171365, card@adbl.gov.np, credit.card@adbl.gov.np)
Online Account & Operation:	01-5721159 online.account@adbl.gov.np
Online KYC:	01-5721140, 9841315332 online.kyc@adbl.gov.np
Trade Finance and Guarantee Department:	01-5721127 tradefinance@adbl.gov.np
Credit Administration and Documentation Department:	01-5721174 cad.unit@adbl.gov.np
SWIFT and Remittance	01-5721142 swift@adbl.gov.np
Human Resource Department:	01-5721129 01-5721157 hrm.adbl@adbl.gov.np

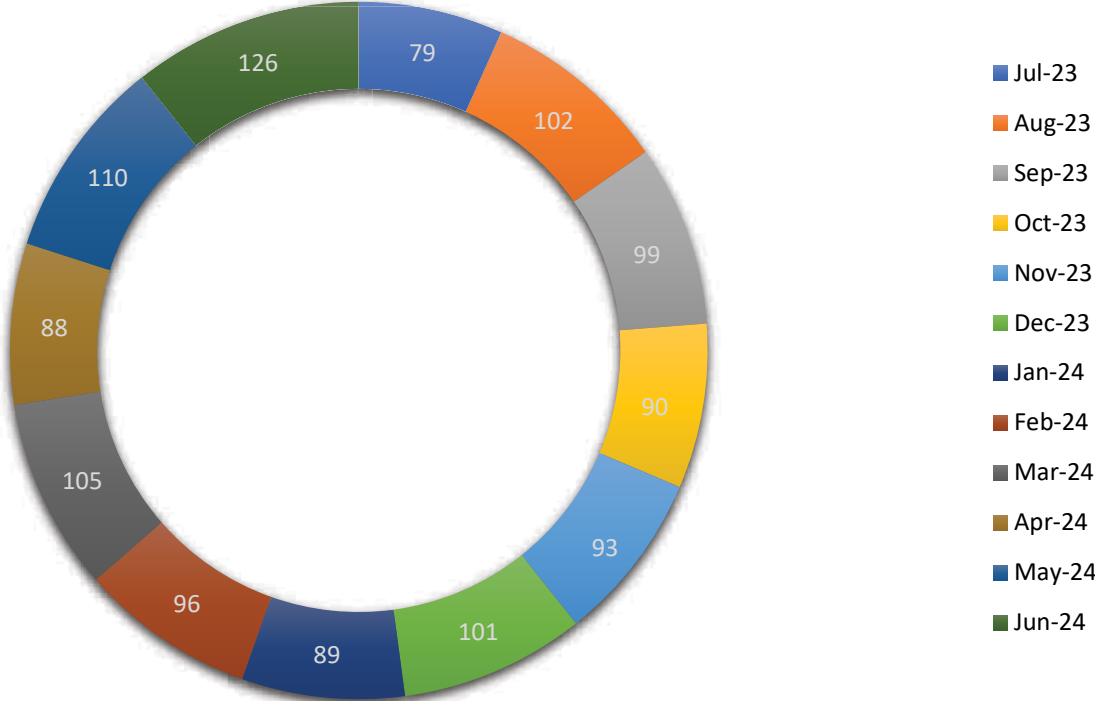
Grievances Received and Resolved



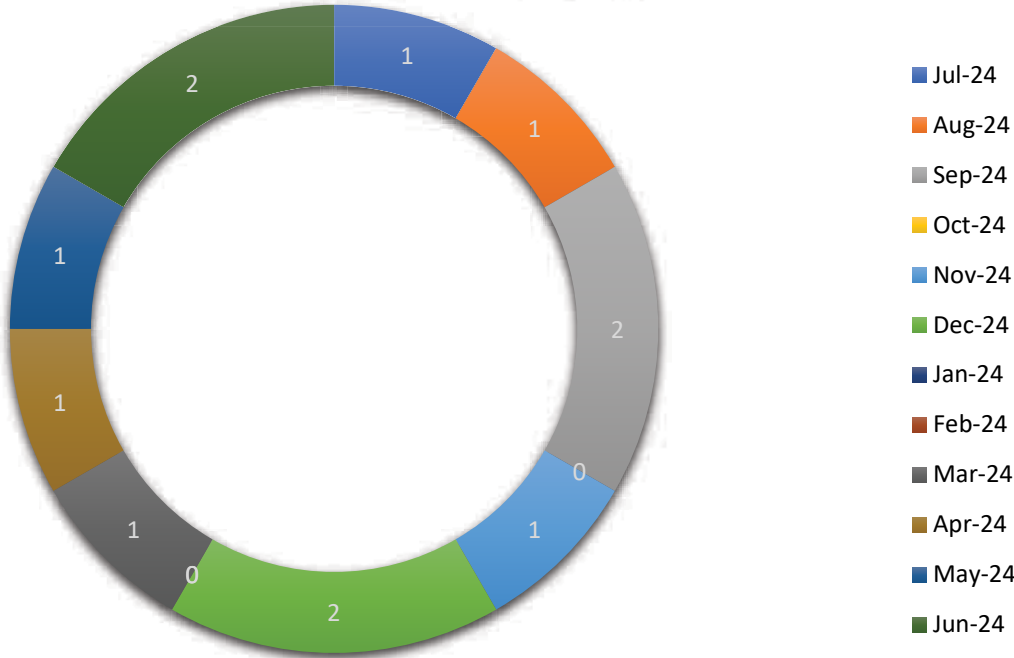
Grievances Handled through Phone Call



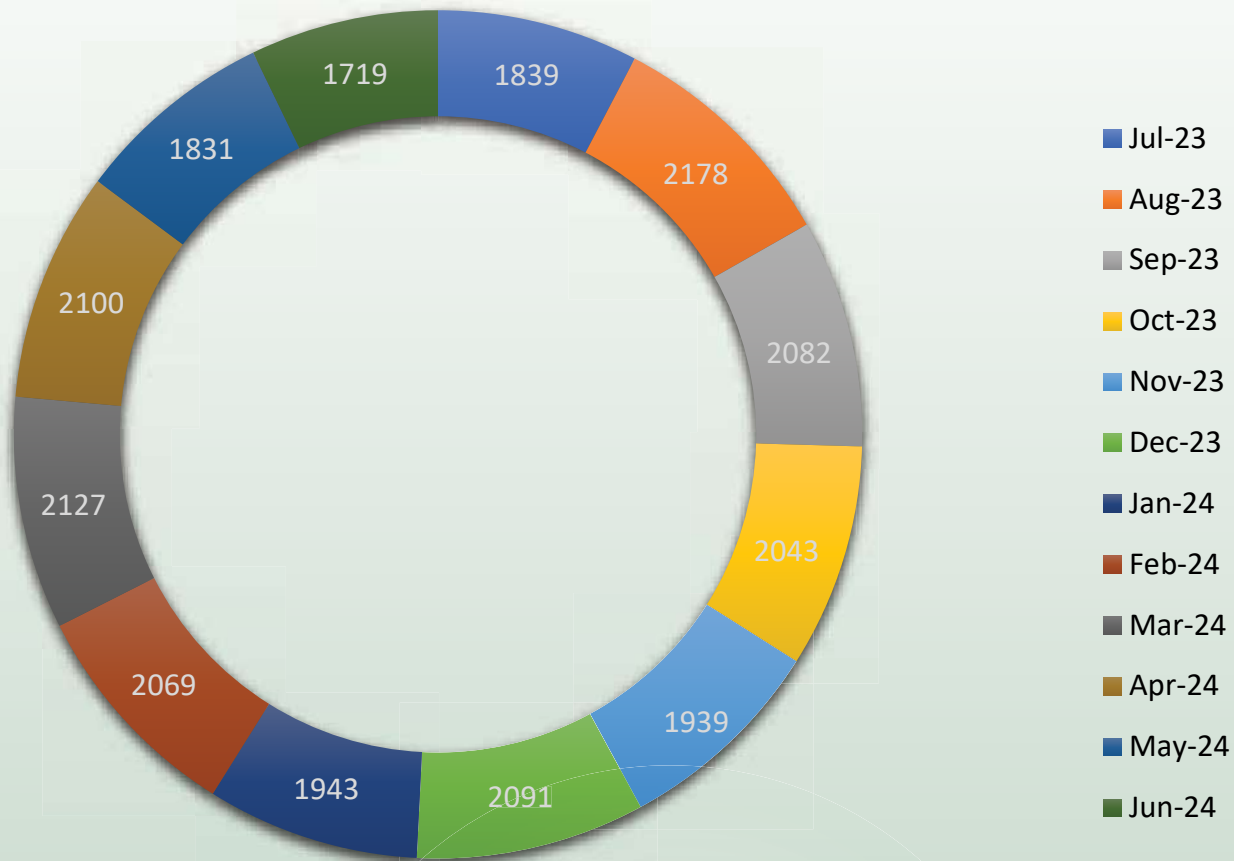
Grievances Handled through Email



Grievance received through physical means



Total Tickets raised in FY 2023/24



Bank's Employees

Employees of the Bank are vital to its growth, handling operations and delivering services.

Non-executive officers play a crucial role in managing daily operations, including customer transactions, record-keeping, and ensuring compliance with regulations. They are responsible for building strong customer relationships, promoting bank products, supporting agricultural financing initiatives, and actively engaging in community outreach and rural development programs. Their contributions are essential for operational efficiency and fostering economic growth within the agricultural sector.

The Executive Officers at ADBL play a critical role in overseeing bank operations, implementing strategic initiatives, and managing financial resources. Their responsibilities encompass ensuring regulatory compliance, fostering relationships with stakeholders in the agricultural sector, and participating in key decision-making processes related to lending and investment strategies.

Furthermore, Executive Officers are responsible for effective time and resource management, including planning, reporting, attending meetings, and overseeing human resource management.

Employee Interaction and Engagement

- ADBL consistently offers **regular training and development opportunities**, helping employees improve their skills and knowledge, fostering continuous professional growth.
- The Bank maintains open lines of communication by providing grievance redressal mechanisms and conducting sessions to keep employees informed about their benefits and company policies.
- Employees are actively engaged through sessions with senior management, promoting transparency and involving them in key strategic decisions, which strengthens their sense of ownership and alignment with the Bank's goals.

Staff Training and Development

A total of 6,769 employees were trained with a cost of NPR 31.31 million during the FY2023/24 including 53 staffs who were trained outside Nepal.

Table 34: Details of Employee Trainings conducted during Fiscal Year 2023/24

SN	Training Names	No. of Participants Involvement			Expenses (NPR in '000)
		Male	Female	Total	
1	Provincial Training Centre, Letang	349	93	442	1,309
2	Provincial Training Centre, Birendranagar	155	65	220	1,415
3	Provincial Training Centre, Mangalapur	339	112	451	1,738
4	Provincial Training Centre, Pipari	52	40	92	811
5	Provincial Training Centre, Dhangadhi	55	19	74	242
	Total of PTCs	950	329	1,279	5,515
	Total of CTI with online	3,494	1,147	4,641	14,763
	Total of CTI & PTCs	4,444	1,476	5,920	20,278
	Total Head Office HR Development	209	82	291	11,344
	Grand Total	4,653	1,558	6,211	31,622

Provincial Training Centre, Letang

Major Training subject	Event Mode
Training on Trade, Finance & Non-Fund Business	Physical
Digital Products, Marketing & Emerging Tools	Virtual
AML/CFT, CDD and ECDD	Physical/Virtual
Transaction Monitoring System	Physical
Customer Service Excellence and Marketing Training	Physical/Virtual
Commercial Credit (Financial Statement) Analysis with CPAS and CAD	Physical
Mass Orientation (Motivational and Stress Management)	Physical/Virtual
Credit Recovery & NPL Management	Physical
Financial Literacy programs (Digital/Non- Digital)	Physical

Provincial Training Centre, Birendranagar

Major Training subject	Event Mode
Training on Trade, Finance & Non- Fund business	Physical
Digital Products, Marketing & Emerging Tools	Virtual
AML/CFT, CDD and ECDD	Physical/Virtual
Transaction Monitoring System	Physical/Virtual
Customer Service Excellence and Marketing Training	physical
Commercial Credit (Financial Statement) Analysis with CPAS and CAD	Physical/Virtual
CBS Operation Training	Physical
Progress Review and Analysis of Business Strategy including Budget formulation/Performance contract	Physical
Mass Orientation (Motivational and Stress Management)	Physical
Credit Recovery & NPL Management	Physical
Financial Literacy Programs (Digital/Non-Digital)	Physical
As per need 1. Monthly Review of Chitwan Branch Offices	Physical
As per need 2Mass Orientation for Credit Business Growth	Physical
Orientation Program (As per Need) Operation (Lekha staff)	Physical

Provincial Training Centre, Mangalapur

Major Training Subject	Event Mode
Training on Trade Finance & Non-Fund Business	Physical
Digital Products, Marketing & Emerging Tools	Virtual
AML/CFT, CDD and ECDD	Physical/Virtual
Transaction Monitoring System	Physical/Virtual
Customer Service Excellence and Marketing Training	physical
Commercial Credit (Financial Statement) Analysis with CPAS and CAD	Physical/Virtual
CBS Operation Training	Physical
Progress Review and Analysis of Business Strategy Including Budget Formulation/Performance Contract	Physical
Mass Orientation (Motivational and Stress Management)	Physical
Credit Recovery & NPL Management	Physical
Orientation Program	Physical
Financial Literacy Programs (Digital/Non-Digital)	Physical

Provincial Training Centre, Pipari

Major Training Subject	Event Mode
Training on Trade, Finance & Non-Fund Business	Physical
Digital Products, Marketing & Emerging Tools	Virtual
AML/CFT, CDD and ECDD	Physical/Virtual
Transaction Monitoring System	Physical/Virtual
Customer Service Excellence and Marketing Training	Physical
Commercial Credit (Financial Statement) Analysis with CPAS and CAD	Physical/Virtual
CBS Operation Training	Physical
Progress Review and Analysis of Business Strategy including Budget formulation/Performance contract	Physical
Mass Orientation (Motivational and Stress Management)	Physical
Credit Recovery & NPL Management	Physical
Financial Literacy Programs (Digital/Non-Digital)	Physical
As per need (Closing Orientation)	Physical

Provincial Training Centre, Dhangadhi

Major Training Subject	Event Mode
Training on Trade, Finance & Non-Fund Business	Physical
Digital Products, Marketing & Emerging Tools	Virtual
AML/CFT, CDD and ECDD	Physical/Virtual
Transaction Monitoring System	Physical/Virtual
Customer Service Excellence and Marketing Training	physical
Commercial Credit (Financial Statement) Analysis with CPAS and CAD	Physical/Virtual
Progress Review and Analysis of Business Strategy including Budget Formulation/Performance Contract	Physical
Mass Orientation (Motivational and Stress Management)	Physical
Credit Recovery & NPL Management	Physical
Financial Literacy Programs (Digital/Non-Digital)	Physical
As per need (Closing Orientation)	Physical

HR Department

Major Training Subject	Event Mode
Correspondent Banking Regional Conference	Physical
International training on Agri Value Chain Financing	Physical
Current Global Macro-Economic Situation Key	Physical
Temenos Transact Arrangement Architecture	Physical
Transact TAFJ Technical	Physical
Digital Transformation in Banking	Physical
Advanced Management Development Program	Physical
Implementation of RFIs and Alert Investigation in AML/CFT	Physical
Advanced Leadership Program	Physical

CTI Bode Bhaktapur

Major Training Subject	Event Mode
Board of Directors Educational Program	Physical
ToT for Potential Resource Persons	Physical
Induction Training on (Comprehensive Banking)	Physical
1. Induction Training for New Employees Level -5	Physical
2. Induction Training for New Employees Level -4	Physical
Procurement Management and PPMO	Physical
Effective Branch Management	Physical/ Virtual
Province Level Program & Budget for FY 2023/24 Implementation Program Bagmati	Physical
Mass Orientation (Motivational and Stress Management)	Physical
Job-Related Orientation Program for Non-Table worker	Physical
Management Training for Higher/Medium-Level Management	Physical
Transformational Leadership Communication & Charge Management	Physical
Transformational Leadership Communication & Charge Management	Physical
Audit & Legal Workshop	Physical
Women in Banking	Physical

Table 35: Details of International Training

S.N	Training Name	Training Institute	Male	Female	Total	Total Cost (NPR)
1.	Correspondent Banking Regional Conference	Standard Chartered Bank	4	2	6	559,220
2.	International training on Agri Value chain Financing	CICTAB	8	2	10	753,000
3.	Current Global Macro-Economic Situation key	ICICI Bank	1	0	1	23,170
4.	Temenos Transact Arrangement Architecture	TTF Technologies (online)	15	5	20	1,035,073
5.	Transact TAFJ Technical	Integrated Solutions Pvt.Ltd	4	2	6	2,443,850
6.	Digital Transformation in Banking	Banking Finance and Insurance Institute of Nepal	4	0	4	1,118,355
7.	Advanced Management Development Program	Leadership Academy Nepal	3	0	3	1,783,314
8.	Implementation of RFIs and Alert Investigation in AML/CFT	Fintelekt	2	0	2	59,558
9.	Advanced Leadership Program	Leadership Academy Nepal and Jones Graduate of Business, Rice University	1	0	1	689,220
Total			42	11	53	8,464,760

Occupational Health Awareness and Measures

The Bank has implemented several key measures to promote occupational health and safety for its employees, ensuring their well-being both at work and outside of it. These measures include:

- Comprehensive family health insurance to cover employees and their dependents.
- Accidental insurance coverage to protect employees in case of unforeseen events.
- Insurance protection for employee loans, offering security in case of emergencies.
- Annual medical benefits equivalent to 50-days' salary, supporting employees' health needs.
- Reimbursement of up to Rs. 5,000 for medical check-ups, based on submitted bills, once a year.

All branches of the Bank are equipped with fire extinguishers, metal detectors, weapons, CCTV systems, and security guards on the premises to ensure safety and security. Further, Emergency exits are properly maintained in the Bank's own buildings.

The Bank has established comprehensive emergency preparedness and response measures, including protocols for dealing with accidents and natural disasters. Employees are trained during pre-service training to enhance their awareness and equip them with the necessary skills to handle such situations effectively. Staff members are guided and trained during pre-service programs on employee safety, raising awareness, and following protocols for managing accidents or natural disasters. These initiatives reflect the Bank's commitment to providing a safe and supportive work environment for its employees.

Labor Relation Committee & Employee Grievance Handling

The HR Committee of the Bank also functions as the Labor Relations Committee, responsible for collective bargaining and dispute resolution concerning employee compensation, benefits, welfare, and other relevant matters.

A complaint line has been arranged for employee complaints in the Bank and if any employee has to complain, one can do so through gunaso@adbl.gov.np.

One employee complaint has been handled and solved during FY 2023/24.

Major agreements reached with the union during FY 2023/24

- 1) Increase the uniform allowance, internet facility, bank allowance, incentive allowance, manager's allowance for the employees working in the Bank.
- 2) Entitlement of contract wage workers to social security fund.
- 3) Incentive allowance based on work interaction.
- 4) Revision of the employees regulations to address the grievances of the employees who were affected by the change from the previous category to the next level.
- 5) Increasing other facilities including gratuity to be provided when there is vacancy.

ADBL Employee Bonding Programme

The ADBL Employee Bonding Program during FY 2023/24 aimed to bring employees closer together and create a more connected work environment. The program included team-building activities, social events, and workshops designed to improve communication and strengthen relationships across departments. These efforts helped employees build trust, work better together, and enjoy a positive, supportive atmosphere at work, making the workplace more collaborative and enjoyable for everyone.

Table 36 : Details of Employee Bonding programme during FY 2023/24.

Type of Program	Location	No. of Participants	Total Costs (NPR)
Interbank Futsal Tournament-Male /Female)	Kathmandu	16	189,000
Interbank Futsal Tournament and Sanitation Programme -Male / Female) Karnali	Surkhet	50	400,000
Interbank Futsal Tournament Gandaki	Pokhara	20	35,000
Interbank Cricket Tournament Janakpur	Janakpur	17	128,100
Blood Donation Programme	Head office	116	300,000
Futsal Tournament Ishan Cup	Kathmandu	9	25,000
Inficare Corporate Futsal Tournament	Kathmandu	9	35,000
Female Interbank Futsal Tournament	Kathmandu	8	25,000
Total Cost	1,137,100		

Employee Rewards

During FY 2023/24, the Bank recognized the dedication and achievements of its employees through an Employee Rewards Program. Employees who completed more than 20 years of service with ADBL were honored with medals and cash prizes as a token of appreciation for their long-standing contributions to the Bank's success

Table 37: Reward to Employee with Cash Prize and Medal in FY 2023/24

Province	Year	Permanent (Number)	Contract+ Permanent (Number)	Total
Head office	25 years	17	8	37
	20 Years		12	
Koshi	25 years	1	1	6
	20 Years		4	
Birgunj	25 years	1	3	4
	20 Years			
Madhesh	25 years	1	1	2
	20 Years			
Birendranagar	25 Years	5	1	6
	20 Years			
Gandaki	25 years	5	7	12
	20 Years			
Bagmati	25 Years	6	4	20
	20 Years		10	
Lumbini	25 Years	5	4	9
	20 Years			
Dang	25 Years	3	5	9
	20 Years		1	
Karnali	25 Years		1	1
	20 Years			
Sudurpaschim	25 Years		6	7
	20 Years		1	
Total		44	69	113

Key HR Policies/ Procedures/ Guidelines

The Bank has established comprehensive Human Resources (HR) policies, procedures, and guidelines to effectively manage its workforce and foster a productive, fair, and transparent workplace environment. These policies cover key areas such as recruitment, performance management, employee benefits, training and development, and ethical conduct. ADBL aims to provide a structured framework for creating sound management-employee relations, supporting professional growth of employees, and ensuring their compliance with relevant regulations. The framework is zeroed in on valuing and motivating staff members to proactively contribute to the Bank's overall success

The key HR Policies, Procedures, and Guidelines at ADBL are as follows:

1. Agricultural Development Bank Staff Service Regulations, 2005
2. Agricultural Development Bank Ltd. Manpower Management Policy
3. Agricultural Development Bank Ltd. Staff Conduct Regulations
4. Transfer Policy
5. Transfer Procedure
6. Agricultural Development Bank Ltd. Code of Conduct for Staff Unions
7. Procedure Regarding Filling of Posts
8. Agricultural Development Bank Ltd. Human Resource Management System (HRMS) Administrative Order
9. Agricultural Development Bank Ltd. Procedure regarding Compulsory Leave
10. Employee Welfare Fund Procedures
11. Guidelines for Service Operations in Disaster Situations
12. Assisted Worker Supply and Management Procedures
13. Inspection Procedure for the Bank's Chhadke
14. Agricultural Development Bank Business Incentive Scheme Procedure
15. Agricultural Development Bank Employee Incentive Award Criteria
16. Internship Guidance
17. Agricultural Development Bank Ltd., Whistle Blower Guidance

Shareholders & Investors

ADBL has a distinctive ownership structure, with 51% of its shares held by the Government of Nepal and the remaining 49% owned by the general public. A large proportion of the Bank's public shareholders are also customers and employees. The very equity structure has significant strategic significance for the institution

- **Government Stake:** The Government of Nepal's 51% stake provides ADBL with stability and public accountability. As the majority shareholder, the government plays a significant role in shaping the Bank's strategic direction and policies. This influence has helped align the Bank's objectives with national priorities, particularly in supporting the agricultural sector and promoting economic growth in rural areas.
- **Public Ownership:** The 49% of shares held by the general public means that a significant portion of the Bank's capital comes from individuals and private entities. These public shareholders have a vested interest in the Bank's profitability and performance, which drives the need for transparent, efficient, and customer-focused operations. ADBL's accountability to public investors fosters improved corporate governance and financial discipline.

Interaction and Engagement of Shareholders & Investors

- **Annual General Meeting (AGM):**
ADBL holds annual general meetings (AGMs) where shareholders can review the Bank's performance, ask questions of the management, and vote on key resolutions, such as the appointment of directors, approval of financial statements, and dividend declarations.

Dividends:

Shareholders are engaged through regular dividend payouts, which are a key point of interest for investors. ADBL aims to provide consistent returns while ensuring sustainable growth. The dividend policy is aligned with the Bank's financial health, regulatory requirements, and strategic priorities.

- **Financial Reports & Disclosures:**
ADBL ensures financial transparency through the publication of financial statements, annual reports, and disclosures to the public and shareholders. These reports provide insights into the Bank's financial performance, key developments, and strategic direction.

- **Shareholder Communication**
Shareholders are informed of significant decisions, policy changes, or strategic shifts through notices, updates, and special communications, typically distributed via newspapers, the Bank's website, or direct correspondence.

How ADBL connects to Shareholders & Investors?

Annual General Meeting

ADBL holds an Annual General Meeting (AGM) in compliance with the Companies Act 2006 and relevant regulations set by the Securities Board of Nepal (SEBON). The AGM serves as a platform for shareholders, employees, and management to review the Bank's performance, discuss financial statements, and align on future strategies. During the meeting, shareholders have the opportunity to ask questions, raise concerns, and provide feedback on the Bank's operations.



Table 38: History of Annual General Meetings of ADBL:

No. of AGM	Venue / Time	Book Closure Date	AGM Date	Agenda
18	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	31/12/2024	13/01/2025	Financial Highlights of FY 2023/24, Change in Equity, Appointment of Auditor, Consolidated Report of Assisting Company Kosh Bewasthapan Company Limited and Gobar Gas Company Limited of 2023/24, 3% Bonus Shares, 7.53% Cash Dividend, Distribution of 6% cash dividend for Irredeemable Non-cumulative Preference Shares, Increment on company's Issued and Paid-up Capital, Amendment on Memorandum and Articles of Association
17	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	29/02/2024	13/03/2024	Financial Highlights of FY 2022/23, Change in Equity, Appointment of Auditor, Consolidated Report of Assisting Company Kosh Bewasthapan Company Limited and Gobar Gas Company Limited of 2022/23, Amendment on Memorandum and Articles of Association
16	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	14/03/2023	28/03/2023	Financial Highlights of FY 2021/22, Appointment of Auditor, 2% Bonus Shares, 11% Cash Dividend, Election of Director, Distribution of 6% cash dividend for Irredeemable Non-cumulative Preference Shares.
15	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	31/12/2021	13/01/2022	Financial Highlights of FY 2020/21, Appointment of Auditor, 20% Bonus Shares, 1.0526% Cash Dividend, Distribution of 6% of Cash Dividend for Non-cumulative Preference Shares.
14	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	30/12/2020	13/01/2021	Financial Highlights of FY 2019/20, Appointment of Auditor, 0.7895% Cash Dividend, 15% Bonus Share
13	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	29/12/2019	12/01/2020	Financial Highlight FY 2018/19, Appointment of Auditor, 6% Bonus Share and 24% Cash Dividend
12	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	28/02/2019	29/03/2019	Financial Highlight FY 2017/18, Appointment of Auditor, 6% Bonus Share and 15.053% Cash Dividend, Election of BoD
11	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	29/01/2018	12/02/2018	Financial Highlight FY 2016/17, Appointment of Auditor, 20% Bonus Share and 1.053% Cash Dividend, Increment of Capital
10	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	31/03/2017	13/04/2017	Financial Highlight FY 2015/16, Appointment of Auditor, 20% Bonus Share and 1.05% cash dividend, Increment of Capital
9	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	11/04/2016	26/04/2016	Financial Highlight FY 2014/15, Appointment of Auditor, 15% Bonus Share and 0.79% Cash Dividend, 2:1 right share, Increment of Capital
8	Agricultural Development Bank Ltd, Training Center, Bode, Bhaktapur (11:00 AM)	19/04/2015	13/06/2015	Financial Highlight FY 2013/14, Appointment of Auditor, 8% Cash Dividend and 7% Bonus Share Certificate, Election of BoD, Increment of Capital
7	Army Officers Club, Bhadrakali, Kathmandu (11:00 AM)	02/05/2014	23/05/2014	Financial Highlight FY 2012/13, Appointment of Auditor, 31.58% Cash Dividend to its shareholders
6	Army Officers Club, Bhadrakali, Kathmandu (11:00 AM)	26/06/2013	10/07/2013	Financial Highlight FY 2011/12, Appointment of Auditor
5	Army Officers Club, Bhadrakali, Kathmandu (11:00 AM)	09/04/2012	23/04/2012	Financial Highlight FY 2010/11, Appointment of Auditor
2,3,4	Army Officers Club, Bhadrakali, Kathmandu (11:00 AM)	07/04/2011	22/04/2011	Financial Highlight FY 2007/08, FY 2008/09, FY 2009/10, Appointment of Auditor

Dividend Distribution

After the approval of the Annual General Meeting (AGM), the Bank distributes dividends to its shareholders based on its financial performance. The dividend amount is determined by the board of directors, taking into consideration factors such as profit, reserves, and capital requirements.

Table 39: History of Dividend distributed by ADBL:

Fiscal Year	Bonus Dividend %	Cash Dividend %	Total Dividend %	Book Closure Date
2023/24	3.00	7.53	10.53	2024-12-31
2021/22	2.00	11.00	13.00	2023-03-14
2020/21	20.00	1.0526	21.0526	2021-12-31
2019/20	15.00	0.7895	15.7895	2020-12-30
2018/19	6.00	24.00	30.00	2019-12-29
2017/18	6.00	15.053	21.053	2019-02-28
2016/17	20.00	1.053	21.053	2018-01-29
2015/16	20.00	1.05	21.05	2017-03-31
2014/15	15.00	0.79	15.79	2016-04-11
2013/14	7.00	8.00	15.00	2015-04-19
2012/13	0.00	31.58	31.58	2014-05-02

Financial Reports & Disclosures

Financial Reports & Disclosures at ADBL are prepared in compliance with the Nepal Financial Reporting Standards (NFRS) and the regulatory guidelines set by the Securities Board of Nepal (SEBON). In addition, ADBL adheres to the Bank and Financial Institution Act (BAFIA) and Nepal Rastra Bank (NRB) regulations, ensuring proper reporting on capital adequacy, liquidity, and risk management. The Bank also complies with the Income Tax Act 2002 and other relevant tax laws, ensuring accurate tax disclosures.

The quarterly and annual financial reports of ADBL are published on its official website in accordance with the guidelines set by Nepal Rastra Bank (NRB) and other relevant regulatory bodies.

Shareholder Communication

ADBL ensures transparent communication with its shareholders, customers, and the general public through both print and electronic media.

Here's a breakdown of how this communication is managed:

Print Media

Information regarding the Annual General Meeting (AGM), including both ordinary and special agenda items, is published in national daily newspapers at least 21 days before the AGM date. This helps shareholders and the public stay informed about important matters to be discussed during the meeting.

Electronic Media

The Bank's official website (<https://www.adbl.gov.np>) serves as a key platform for disseminating important information. Interim financial highlights are posted on the website, ensuring compliance with the deadlines set by the Securities Board of Nepal (SEBON) and Nepal Rastra Bank (NRB).

Basel Disclosures and Financial Statements

In addition to interim financial highlights, the Bank also publishes its financial statements and Basel Disclosures on its website. These disclosures adhere to the regulations outlined in Point 7.4(b) of the Capital Adequacy Framework 2015 under Directive 1 of NRB Unified Directives, ensuring that stakeholders have access to critical information on the Bank's financial health and risk management practices. In addition, ADBL is fully aware of the penalties for non-compliance with financial reporting requirements, including potential fines and regulatory actions by SEBON and NRB. To maintain its credibility and ensure trust in its operations, the Bank ensures that it strictly adheres to the financial disclosure and publication regulations.



Suppliers & Vendors

ADBL engages with a diverse network of suppliers and vendors to support its operations, ensuring the availability of essential goods and services, such as IT infrastructure, office supplies, security services, and consultancy. These partnerships are significant to maintaining the Bank's operational efficiency and service delivery. Our procurement process is governed by the Public Procurement Act 2007 (PPA) and Public Procurement Regulation 2007 (PPR), which ensure that all procurement activities are conducted with transparency, fairness, and in full compliance with national standards. This framework allows ADBL to ensure the highest ethical practices and that procurement decisions are made through a competitive, open process.

Suppliers and Vendors Interaction and Engagement

At ADBL, we value strong, transparent relationships with our suppliers and vendors to ensure the efficient delivery of services and high-quality products.

Regular and open communication with our suppliers is essential to ensure that expectations are clearly understood and met. ADBL holds frequent meetings, both formal and informal, to discuss current needs, potential challenges, and upcoming requirements. We encourage proactive engagement, where suppliers can provide feedback, suggest improvements, and offer innovative solutions that may enhance the Bank's operational efficiency.

ADBL continuously monitors the performance of its suppliers and vendors to ensure that they adhere to agreed-upon terms. This includes assessing delivery timelines, quality of goods or services, and compliance with contracts. ADBL is committed to working with suppliers who align with our values of ethical conduct and sustainability. We actively seek vendors who implement environmentally friendly practices, support fair labor conditions, and contribute positively to the community.

Regulatory Bodies of ADBL

The Bank, like other financial institutions in Nepal, is subject to oversight and regulation from various regulatory bodies to ensure stability, transparency, and compliance within the Banking and financial sectors. The key regulatory bodies that oversee ADBL's operations are:

Nepal Rastra Bank (NRB)



As the central bank of Nepal, NRB is the primary regulatory authority for all Banks and Financial Institutions in Nepal, including ADBL. It ensures that ADBL operates in a sound and stable manner by enforcing banking regulations, such as capital adequacy, liquidity requirements, and risk management.

NRB's policies impact ADBL in areas like interest rates, inflation, and credit flow. ADBL must align with NRB's monetary policy, especially in terms of agricultural credit and rural financing.

NRB also ensures that ADBL complies with banking laws, financial reporting standards, and operational guidelines. For example, NRB sets guidelines for banks on lending practices, including those aimed at the agricultural sector, which is ADBL's core mandate.

Regulatory Reporting to NRB

Regulatory Reporting to NRB (Nepal Rastra Bank) is a crucial aspect of the operations of ADBL and other financial institutions in Nepal. Here is a brief list of key regulatory reports that the Bank submits to the Nepal Rastra Bank (NRB):

Table 40 : Status of Statutory Reporting to NRB During Fiscal Year 2023/24

S.N.	Directive	Clause	Description	Submission	Deadline
1	1	3	Capital Adequacy Report to NRB	Monthly	7 days of each month end
2	2	12.9	Details of written-off loans to be submitted to the NRB Supervision Department and Karja Suchana Kendra Ltd.	Yearly	15 days of the end of FY
3	2	14.2.5	Transaction of CS, CCP, RP & TO to be submitted to the Supervision Department of NRB	Semi Annually	15 days of the end of half year
4	2	29	Guideline on Environmental and Social Risk Management for BAFI 2022	Annually	Within 30 days of the end of FY
5	2	47	Details of Credit Classification to NRB	Quarterly	7 days of each quarter end
6	3	8	Details of customers and their mutual relationships to be submitted to the NRB Regulatory and Supervision Department.	Semi- Annually	Within a month of the end of half- year
7	3	11	Loan details of large borrowers (loans exceeding 5 crores, both funded and non-funded) to be provided.	Quarterly	7 days of each quarter end
8	4	1(Nga)(1)	The Unified Financial Statement, including branch details and major financial indicators, to be provided	Quarterly	7 days of quarter 1,2,3 and 21 days of quarter 4
9	5	2.8	Risk Governance Structure to be submitted to the Supervisory Department of NRB.	Annually	Within 30 days of the end of FY
10	5	8.2	Management and minimization of interest rate risks to be submitted to the Supervision Committee of NRB.	Quarterly	15 days of the end of quarter
11	5	12	Stress Testing Spreadsheet to be submitted to Supervision Department of NRB.	Quarterly	30 days of the end of quarter
12	7	1	Response to the Supervision Department of NRB, outlining the status of improvements made on the points raised in the Inspection Report, to be provided.		Within 30 days of the receipt of inspection report
13	7	3	Loan Portfolio Improvement Plan		Within 3 months of the receipt of inspection report
14	7	5	Any amendments to the Assets and Liability Management Policy and Procedure to be submitted to the Supervision Department.		Within 30 days of the receipt of inspection report
15	8	6	Investment has done as per the Investment Policy	Semi Annually	1 month of the end of semi-annual period
16	9	1	Reports as mentioned in Annex 1 and 2 to be uploaded in Reporting Portal of NRB		
17	9	2	Daily Liquidity Report to be reported through SIS Reporting Portal	Within 12 pm of the next working day	
18	9	2	Interbank Transaction Report to be submitted through the SIS Reporting Portal.		Immediately after completion of transactions
19	9	5	Primary information, including the organization chart, authorized and paid-up capital, and contact details, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
20	9	5	etails of the committee, including the committee name, members' names, designations, start date, and other relevant information, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change

21	9	5	Ownership Details, including ownership type, percentage, host country name, and the names of investors, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
22	9	5	Subsidiary/Associate Details, including the type of subsidiary, name of the subsidiary, holding percentage, and other relevant information, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
23	9	5	Details of the Board of Directors, including name, father's and grandfather's names, type, representing organization, contact details, PAN, term, biodata, declaration on the Code of Conduct, citizenship certificate, qualification certificate, and other relevant information, to be provided.	As & when change occurs	Within 7 days of Change
24	9	5	Details of the Auditor's Name, including type, contact details, and other relevant information, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
25	9	5	Details of the Management Team, including name, designation, father's and grandfather's names, contact details, PAN, biodata, and other relevant information, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
26	9	5	Details of the Chief Executive Officer (CEO), including name, designation, father's and grandfather's names, contact details, PAN, biodata, appointment letter, citizenship certificate, and other relevant information, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
27	9	5	Details of the Compliance and Reporting Officer, including name, designation, father's and grandfather's names, contact details, PAN, and other relevant information, to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
28	9	5	The Annual General Meeting (AGM) report and the attached resolutions to be reported through the SIS Reporting Portal.	As & when change occurs	Within 7 days of Change
29	9	5	Details of Policies and Procedures, including policy name, category, effective date, approval authority, and the document attachment, to be provided.	As & when change occurs	Within 7 days of Change
30	9	5	Branch Details, including type, location, contact details, vault capacity, and other relevant information, to be reported through the SIS Reporting Portal.	When branch opened, closed or relocated	On the date of operation start, close or relocate
31	9	5	Branchless Banking Details, including related branch, agent details, contact information, location, and other relevant information, to be reported through the SIS Reporting Portal.	When BLB opened, closed or relocated	On the date of operation start, close or relocate
32	9	5	ATM Details, including the related branch, location, ATM capacity, and other relevant information, to be reported through the SIS Reporting Portal.	When ATM opened, closed or relocated	When ATM opened, closed or relocated
33	9	5	Deposit/Loan Product Details, including base rate, deposit type, deposit interest rate, loan type, minimum/maximum interest rates, minimum/maximum premium rates, effective date, and other relevant information, to be reported through the SIS Reporting Portal.	Monthly & after change	within 7 days of end of the month or Change
34	10	1	In the event of the death of promoters, the shares should be transferred to the nominees' names, and a report to be submitted to the NRB.		Within 15 days of the transfer
35	10	2.2	In the event of a change in the ownership of promoters' shares, information regarding the change to be provided to the NRB.		Within 15 days of the transfer

36	10	2.1	Total Loan Details, including loans that are overdue for more than 90 days	Monthly	Within 15 days of end of the month
37	11	16	Details of Consortium Lending to be submitted to the BFI Regulatory Authority and the Banking Supervision Department of NRB.	Quarterly	30 days of end of each quarter
38	12	3.12	Loans overdue for more than 2 years but not blacklisted to be notified to NRB.	Annually	Wwithin 1 month of end of FY
39	14	1(Ka)	Reports regarding the opening of branches and extension counters to be submitted through both the NRB Reporting Portal and the SIS Reporting Portal.		on the day of start of transactions
40	14	1(Chha).3.(u)	Information regarding operation of Provincial Office(if any)		Within 7 days of operation
41	14	2(GA)	Information regarding transfer of branch (if any)		Within 7 days of transfer
42	14	8(Kha)	Information regarding opening of contact office		Within 15 days of opening
43	15	2	Calculation of base rate for Interest	Monthly	Within 7 days of end of month
44	15	2	The Bank's base rate to be calculated in accordance with the Base Rate Assessment Directive, 2012, and submitted to NRB.		Within 7 days of end of each month
45	16	13	Amount of savings deposits and fixed deposits up to Rs 5 lakhs, along with their quantitative report, to be submitted to the Deposit and Loan Security Fund.	Quarterly	Within 1 month of end of Quarter
46	17	9	Deprived Sector Lending	Quarterly	15 days
47	17		Priority Sector Lending	Quarterly	15 days of end of quarter
48	19	9(5)	AML/ CFT Reporting	Quarterly	15 days of quarter end
49	20	9(Cha)	Grievance Reporting	Bi-monthly	15 days

*All the Statutory Reporting to NRB have been submitted within the due date.



Securities Board of Nepal (SEBON)

ADBL issues shares, bonds, and participates in the capital markets which is regulated by SEBON. ADBL must comply with SEBON's rules regarding disclosure, transparency, and investor protection when engaging with the securities market. ADBL has been duly complying with the reporting as well as other requirements of SEBON.



Office of Auditor General (OAG) Nepal

As ADBL is a government-owned bank (with a majority of its shares held by the government of Nepal), the audit shall be conducted on recommendation from OAG. This ensures that the Bank's financial operations, transactions, and reports are accurate, transparent, and compliant with accounting standards and government regulations. The OAG evaluates whether ADBL's financial activities are being conducted in a manner that is consistent with laws, regulations, and financial policies of Nepal.

The OAG's audit reports on ADBL are crucial for legislative oversight. These reports are often submitted to the Parliament, where lawmakers can examine ADBL's performance and financial health and take necessary actions, such as directing the government to implement reforms or adjust policies.



Office of the Company Registrar (OCR)

The Bank is registered as a company under the companies Act. Hence, compliance with the requirements of the Company Act, 2006 and the requirement of the office of company registrar shall be duly ensured such as filing annual returns and maintaining corporate governance.

Financial & Non-Financial Performance



Major Financial and Non-Financial Highlights

Current Year

Previous Year

206,819.25 MN

Loans and Advances (Net)

180,438.11 MN

243,825.68 MN

Customer Deposits

201,582.53 MN

8.37%

Return on Equity

3.52%

1.32%

Pre-Tax ROA

1.17%

NPR 19.12

Earnings Per Share

NPR 7.42

22,916

Total QR

21,375

2,372

Total number of Employees

2,391

20,99,088

Total Deposit Accounts

19,86,079

1,65,015

Total Loan Accounts

1,60,669

5,71,890

Active Mobile Banking Users

5,21,548

271

Total number of Branches

271

129

Total number of ATMs

129

Issuer Credit Rating Information



Rating Agency: ICRA Nepal Limited
 Issuer: Agricultural Development Bank Ltd.

Issuer Rating: A

Issuers with this rating are considered to have adequate degree of safety regarding the timely servicing of financial obligations. Such issuers carry low credit risk. The issuer rating is only an opinion on the general creditworthiness of the rated entity and is not specific to any debt instrument.

Rating of Sub-Ordinated Debentures: LA

Instruments with this rating are considered to have adequate degree of safety regarding the timely servicing of financial obligations. Such instruments carry low credit risk.

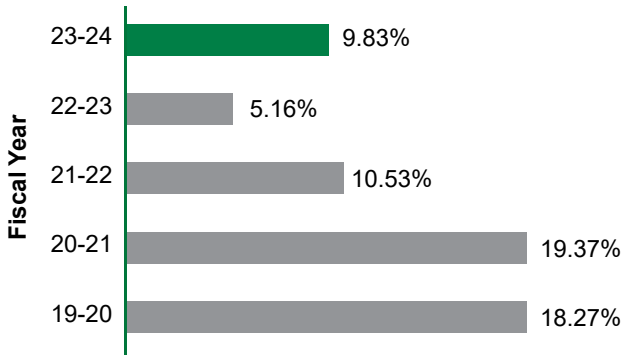
Latest Rating Date: September 2024

Name	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Issuer Rating	A@	A	A	A	NA
Rating of Sub-Ordinated Debentures	LA@	LA	LA	LA	LA
Rating Agency	ICRA Nepal	ICRA Nepal	ICRA Nepal	ICRA Nepal	ICRA Nepal

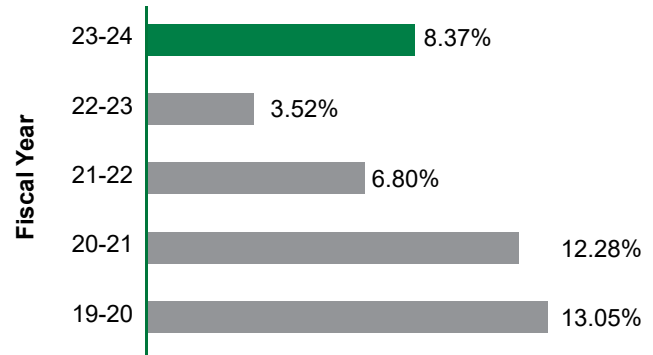
Graphical Summary

Profitability Ratio

Net Profit to Total Revenue Ratio (In %)

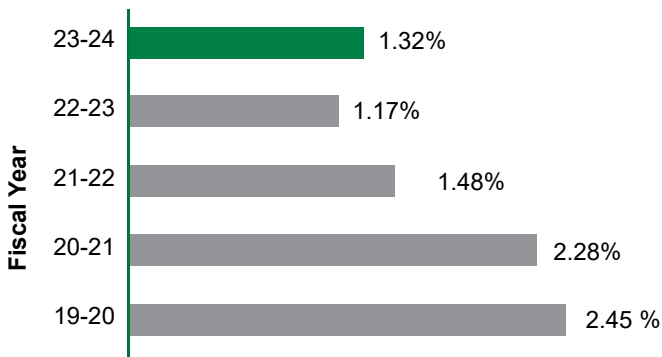


Return on Equity (In %)

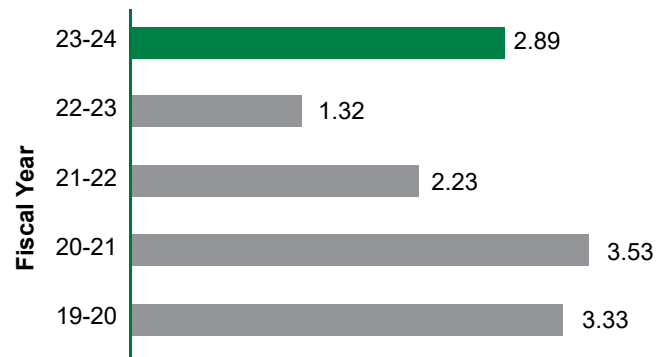


*RoE HAS BEEN CALCULATED BY CONSIDERING PREFERENCE SHARE AS DEBT ELEMENT

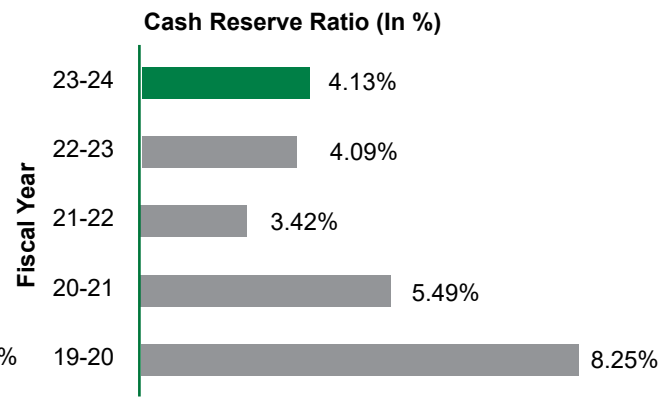
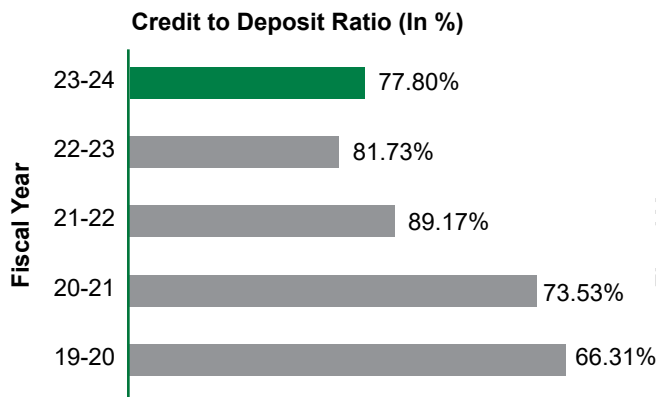
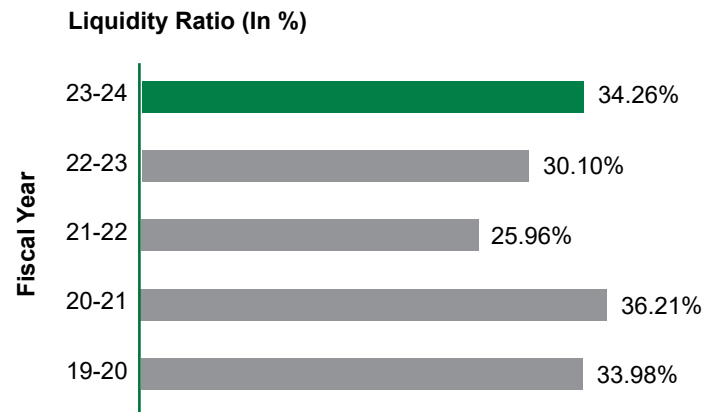
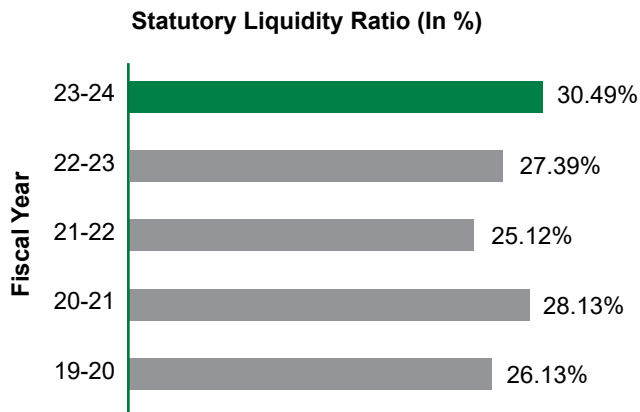
Pre-Tax RoA (In %)



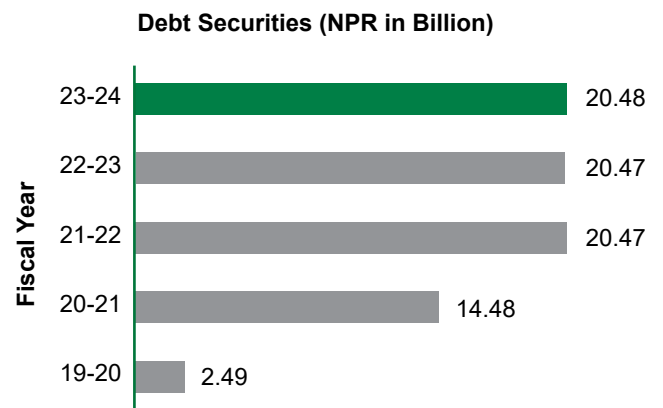
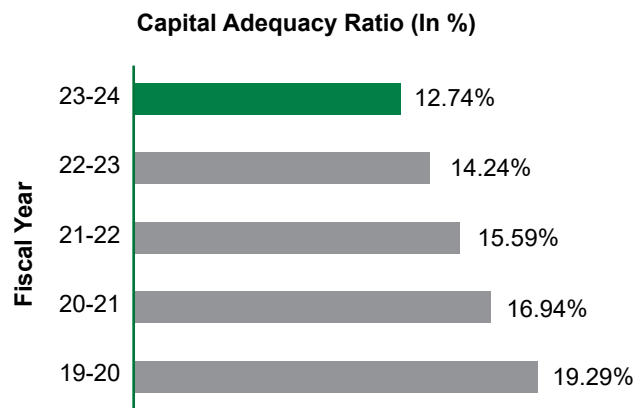
Profit After Tax (NPR in Billion)



Liquidity Ratio

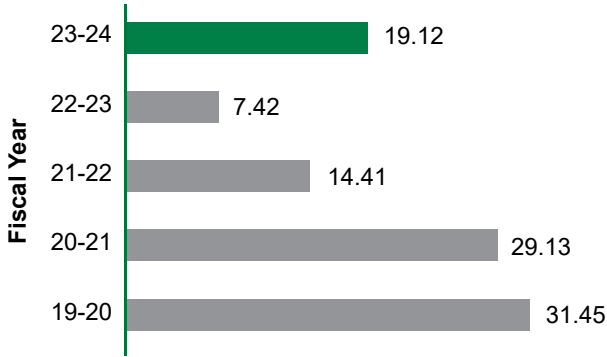


Capital Structure ratio

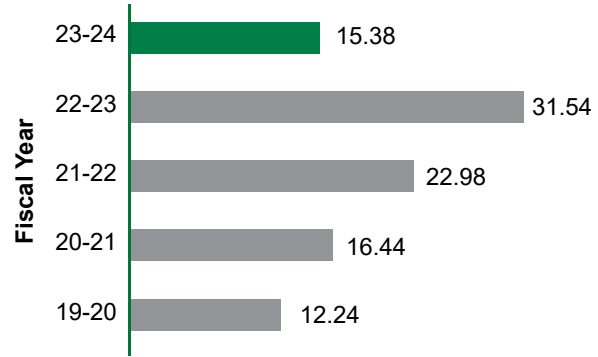


Investment/Market Ratio

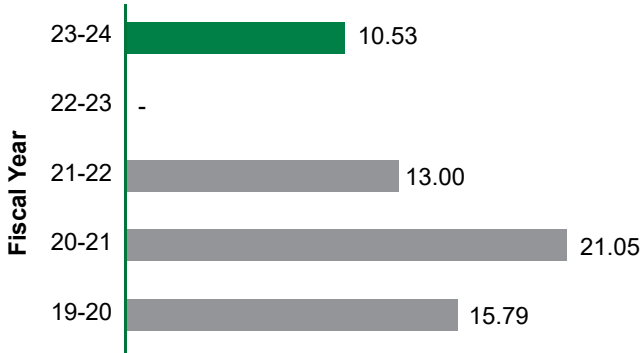
Earnings Per Share (NPR)



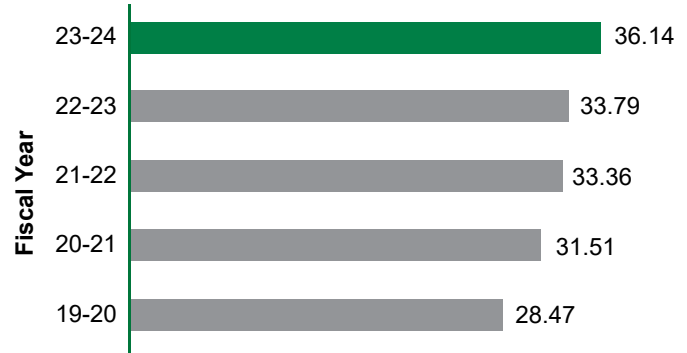
P/E Ratio



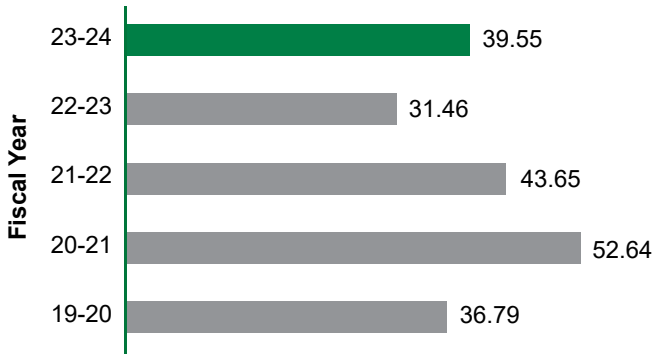
Dividend Per Share (NPR)



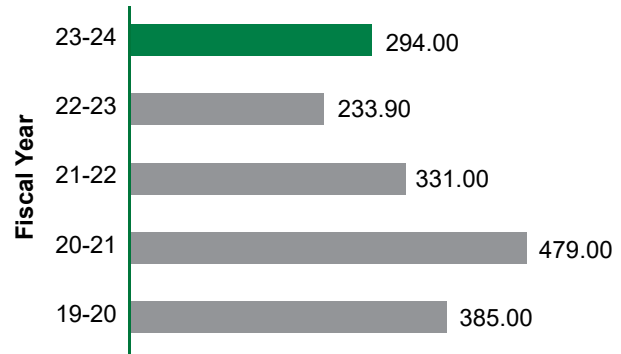
Shareholder's Fund (NPR in billion)



Market Capitalization (NPR in Billion)

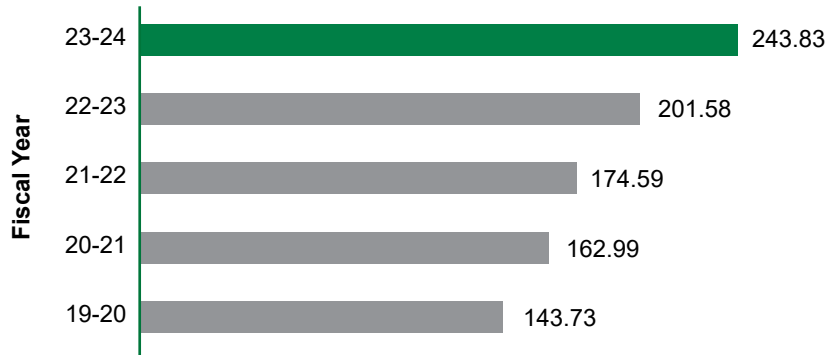


Market Price Per Share (NPR)



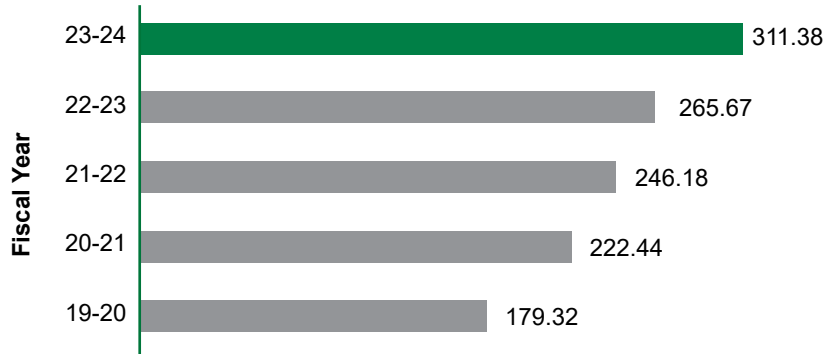
Other Graphical Summary

Deposit from Customers (NPR in Billion)



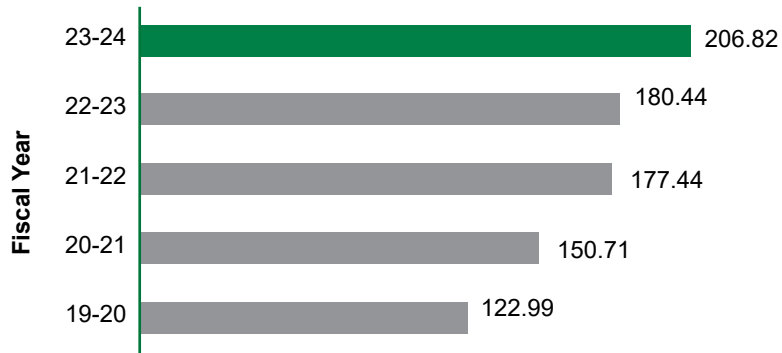
CAGR – 14.12%

Total Assets (NPR in Billion)



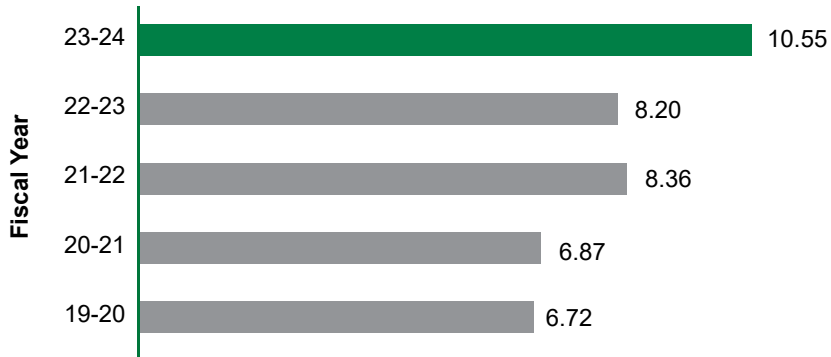
CAGR – 14.79%

Loans and Advances (NPR in Billion)



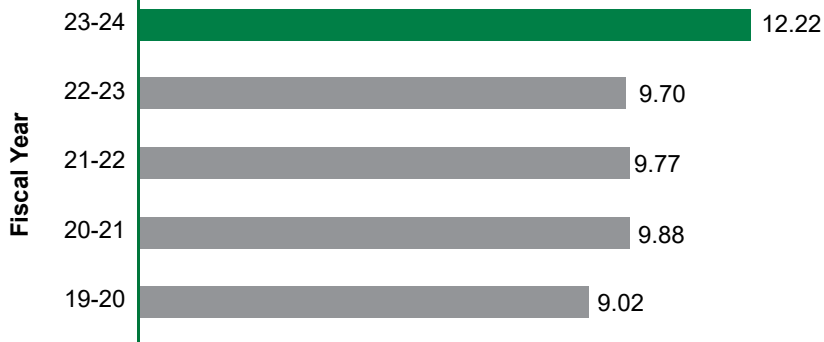
CAGR – 13.88%

Net Interest Income (NPR in Billion)



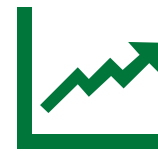
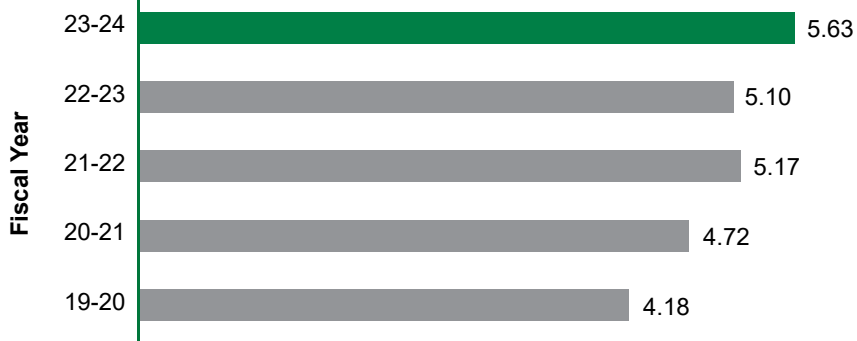
CAGR – 11.96%

Total Operating Income (NPR in Billion)

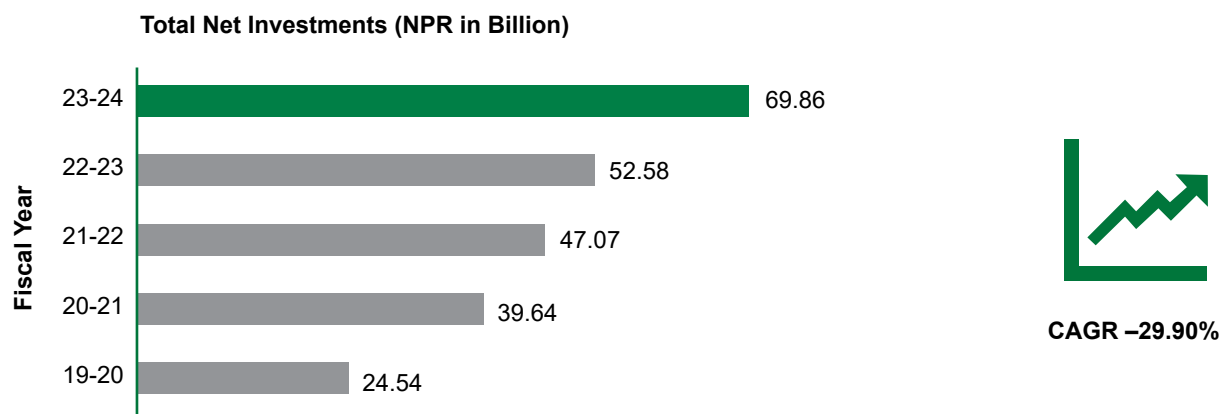


CAGR – 7.89%

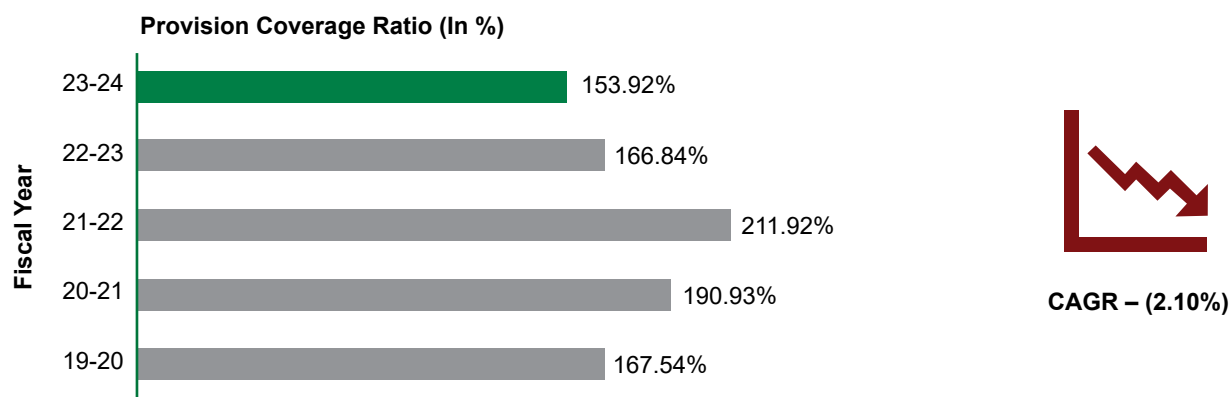
Total Operating Expenses (NPR in Billion)



CAGR – 7.70%



**Total Net investment represents investment securities, investment in subsidiaries, investment in associates and other trading assets net of impairment allowance.*



Reporting Framework

The audited financial statements of ADBL have been prepared in accordance with the prevailing regulations and guidelines issued by Nepal Rastra Bank (NRB), the Banking regulator, and are in compliance with the applicable financial reporting standards set by the Institute of Chartered Accountants of Nepal (ICAN).

The reporting framework used for the preparation of these financial statements is outlined below:

1) Process of Preparation of Financial Statements

Preparation of Financial Statements

The financial statements of ADBL have been prepared in compliance with the Unified Directives issued by Nepal Rastra Bank (NRB) for “A,” “B,” and “C” class licensed Banks and Financial Institutions (BFIs), along with the Nepal Financial Reporting Standards, the Bank and Financial Institution Act, 2017, the Companies Act, 2006, the Nepal Rastra Bank Act, 2002, the Capital Adequacy Framework, 2015, the Income Tax Act, 2002, and any amendments thereto.

Compliance Check by Internal Audit

The Internal Audit of ADBL has conducted a thorough compliance check to ensure the Bank's adherence to all applicable regulations, policies, and procedures. This includes verifying that financial transactions, internal controls, and operational practices have been consistent with the guidelines established by Nepal Rastra Bank (NRB) and the financial reporting standards set by the Institute of Chartered Accountants of Nepal (ICAN). Additionally, the Internal Audit has assessed the effectiveness of compliance measures and identified any potential risks or areas of non-compliance.

Assurance from External Audit

The compliance check by the External Audit (CA Sudarshan Raj Pandey, CA Yuddha Raj Oli & CA Jitendra Kumar Mishra) has been conducted in accordance with the Nepal Standards on Auditing (NSAs) and other technical standards and guidelines published by the Institute of Chartered Accountants of Nepal (ICAN).

Approval from Nepal Rastra Bank

The compliance check and approval by Nepal Rastra Bank have been conducted to ensure that the Bank adheres to the relevant regulatory requirements and guidelines set forth by the Banking authority.

Approval from Board of Directors

The approval by the Board of Directors has been obtained to ensure that the financial statements and related reports are in alignment with the Bank's policies, regulations, and applicable standards before finalizing and submitting them.

Approval by AGM and filing to relevant authority

The Audited Financial Statements have been approved by the Board of Directors and submitted to the relevant regulatory authorities, such as Nepal Rastra Bank (NRB). They have been made available to stakeholders, including shareholders, investors, and the public. The financial statements have been presented at the Annual General Meeting (AGM) for approval by the shareholders. Once approved at the AGM, the financial statements are finalized and filed with the relevant authorities as required.

2) Reports Pertaining to Corporate Governance

The reports pertaining to Corporate Governance have been prepared to ensure transparency, accountability, and compliance with regulatory standards. They outline the structure, policies, and practices of the Board of Directors and management, highlighting the Bank's commitment to ethical conduct, risk management, and shareholder protection.

Following are the list of corporate governance reporting:

- Disclosure of functions and agendas of Board level committees.
- Disclosure of information under section 109(4) of the Companies Act 2006.
- Disclosure related to rule 26 (2) of Securities Registration and Issuance Regulation, 2016.
- Disclosure under Rule 20 (3) and Rule 20 (4) of the Directive Related to Corporate Governance for Listed Companies, 2017.
- Risk Management Framework of the Bank.

Refer Section III (Corporate Governance and Risk Management Framework) for details.

3) Disclosure of Other Financial and Non-Financial Aspects of The Bank

Refer Section VIII (Financial Statement) for details.

ADBL Overdraft Card लिनुहोस्

धेरै Card बोक्ने झञ्झटबाट मुक्त हुनुहोस्

विशेषताहरू *

- एउटै कार्डबाट Debit कार्ड र Credit कार्डको सुविधा ।
- तलवि खातामा रकम मौज्जात सकिए पछि रु. २ लाख सम्म Overdraft सुविधा ।
- एउटै खाताबाट बचतमा ब्याज पाइने, कर्जाको सावौं र ब्याज पनि तिर्न पाइने ।
- एउटा कार्डको शुल्कले दुइ वटा (डेबिट र क्रेडिट) कार्डको सुविधा ।
- खातामा रहेको मौज्जातमा उच्चतम ब्याज पाइने ।
- Overdraft Card का अतिरिक्त Mobile banking, Internet Banking, QR code लगायत अन्य बैंकिङ उपकरण प्रयोग गरी Overdraft limit को रकम उपयोग गर्न सकिने

"तपाईंको नजिकको शाखामा सम्पर्क गरी
आजै सुविधाको उपभोग गर्नुहोस्"



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

। पञ्चायत बजार, न. नयाँ बजार, काठमाडौं ।



* Condition Apply

www.adbl.gov.np

सम्पूर्ण बैंकिङ सुविधा सहितको तपाईं हाम्रो घर आँगनको बैंक

SWIFT: ADBLNPKA

Analysis of Financial and Non-Financial Performance

The Bank is one of Nepal's leading banks. ADBL has a pan-Nepal presence through its network of 271 branches, corporate office, 22 extension counters and 10 provincial offices. ADBL has a market share of 4.23 % in terms of deposit base and 4.53% in terms of loan & advances in the Nepalese commercial banking industry as of mid-July 2024.

The Bank is pioneering advancements in digital banking. Our goal is to expand our reach through a wider distribution network, digitized customer-facing platforms, and streamlined back-end operations. ADBL's primary focus is on cultivating human talent. The Bank continually invests in its workforce through comprehensive training and development programs.

Bank's Financial Position

Basis of Preparation of Financial Position

Particulars	Description as per Nepal Rastra Bank Unified Directive
Assets	
Cash and Cash Equivalents	Total amount of cash-in-hand, balances with other BFIs, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date.
Due from Nepal Rastra Bank	Statutory balances held with NRB for compulsory cash reserve, securities purchased from NRB under resale agreement, and other deposits with and receivables from NRB.
Placement with BFIs	Placements with domestic as well as foreign BFIs with original maturities of more than three months from the acquisition date.
Derivative Financial Instruments	Instruments like interest rate swap, currency swap, forward foreign exchange contract, etc., held for trading as well as risk management purposes.
Other Trading Assets	Assets acquired principally for the purpose of selling in the near term or held as part of a portfolio managed together for short-term profit.
Loans and advances to banks and FIs	Loans and advances given to microfinance financial institutions as well as other banks and financial institutions. Specific impairment on loan and advance to BFIs has been deducted.
Loans and Advances to Customers	Outstanding amount of all loans and advances extended to customers other than BFIs, staff loans, and bills purchased and discounted, less the amount of impairment allowances.
Investment Securities	Investments made by the licensed institutions in financial instruments.
Current Tax Assets	Advance payments made by the licensed institution towards income tax liabilities or other tax liabilities to the taxing authorities.
Investment in Subsidiaries	Investment in subsidiaries, which are entities controlled by the Bank.
Investment in Associates	Investment in associates where the Bank has significant influence but not control over financial and operating policies.
Investment Property	Land, land, and building acquired as non-banking assets by the Bank but not sold.
Property and Equipment	Long-term assets like land, buildings, IT equipment, fixtures, fittings, office equipment, vehicles, machinery, leasehold developments, and capital work in progress owned by the institution.
Goodwill and Intangible Assets	Goodwill and intangible assets like computer software (both purchased and internally generated), trademarks, etc.
Deferred Tax Assets	Deferred tax assets recognized as per NFRSs on temporary deductible differences, carry forward of unused tax losses, changes in tax rate, etc.
Other assets	Tangible or intangible assets not mentioned above, including assets held for sale, non-banking assets (except land or land and building), restricted deposits with central banks, accounts receivable, interest receivable, etc.
Total	Sum of Total Assets

Liabilities	Liabilities
Due to BFIs	The balances in accounts maintained with the institution by other local and foreign banks and financial institutions. Includes interbank borrowing, interbank deposit, balances on settlement and clearing accounts, etc.
Due to Nepal Rastra Bank	Amount payable to Nepal Rastra Bank, including refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, and deposits from NRB.
Derivative financial instruments	Derivative liabilities for instruments like interest rate swap, currency swap, forward foreign exchange contract, etc., held for trading or risk management purposes.
Deposits from customers	All deposit accounts other than deposits from BFIs (local and foreign) and NRB are presented under this head.
Borrowings	Domestic and foreign borrowings other than interbank borrowing and borrowings from Nepal Rastra Bank, Nepal Government, and Multilateral Development Banks are presented under this heading.
Current tax liabilities	Liabilities recognized for current income tax purposes, including fees, penalties, etc.
Provisions	Recognized when, as a result of a past event, the institution has a present legal or constructive obligation that can be estimated reliably. Includes provisions for redundancy, onerous contracts, restructuring, tax litigation, etc.
Deferred tax liabilities	Amounts of income taxes payable in future periods due to taxable temporary differences.
Other liabilities	Residual liabilities not captured above. Includes liabilities for employee benefits (gratuity, pension, long-service leave, etc.), creditors and accruals, interest payable on deposits and borrowings, unpaid dividends, etc.
Debt securities issued	Debentures, bonds, or other debt securities issued by the Bank.
Subordinated liabilities	Liabilities subordinated, in the event of winding up, to the claims of depositors, debt securities issued, and other creditors.
Total Liabilities	Sum of Total Liabilities
Equity	
Share capital	Amount of paid-up share capital of the licensed institution. Includes amounts credited in share capital by issuing bonus shares utilizing accumulated profit and reserves.
Share premium	Amount of money collected on the issue of shares in excess of their face value.
Retained earnings	The accumulated profits that have not been distributed to shareholders and have been ploughed back into the Bank's operations. These profits are free for distribution as dividends.
Reserves	Amounts received from allocation of profits or retained earnings for maintaining reserves. Includes General Reserve, Exchange Equalization Reserve, Fair Value Reserves, etc.
Total Equity Attributable to Equity Holders	The sum of share capital, share premium, retained earnings, and reserves attributable to equity holders.
Total Liabilities and Equity	The sum of total liabilities and total equity attributable to equity holders.

Table 41: Five Years' Trend Analysis of Bank's Financial Position

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	CAGR	YoY
Assets							
Cash and cash equivalent	5,074.08	9,462.42	6,559.90	10,636.73	8,489.43	(12.07%)	(3.79%)
Due from Nepal Rastra Bank	15,212.78	12,898.92	6,208.95	9,740.61	12,567.11	4.89%	16.73%
Placement with BFIs	5,214.30	-	127.90	4,117.58	5,007.61	1.02%	(53.67%)
Derivative financial instruments	9.97	17.59	103.88	70.86	133.76	(47.75%)	(31.70%)
Other trading assets	1,216.15	943.65	1,047.49	1,666.53	17.42	189.05%	2361.75%
Loan and advances to BFIs	3,202.20	4,134.54	4,123.68	113.67	1,137.56	29.53%	853.88%
Loans and advances to customers	203,617.05	176,303.57	173,314.97	150,598.36	121,849.39	13.70%	13.97%
Investment securities	68,611.26	51,608.59	45,922.12	37,879.95	24,422.06	29.47%	30.42%
Current tax assets	139.13	276.71	966.32	1,214.56	897.72	(37.26%)	(26.56%)
Investment in subsidiaries	29.01	28.84	28.84	28.84	28.84	0.15%	0.15%
Investment in associates	-	-	69.38	69.38	69.38	(100.00%)	(25.00%)
Investment properties	943.09	248.65	252.59	198.28	220.93	43.74%	73.72%
Property, Plant and Equipment	2,238.43	2,291.07	2,225.08	1,480.62	1,293.54	14.69%	16.35%
Goodwill and Intangible assets	61.97	138.59	229.77	262.01	289.80	(32.00%)	(29.22%)
Deferred tax assets	-	-	52.15	-	-	-	(25.00%)
Other assets	5,806.00	7,317.84	4,951.22	4,362.37	2,896.29	19.00%	22.82%
Total Assets	311,375.43	265,670.98	246,184.24	222,440.35	179,320.86	14.79%	14.96%
Liabilities							
Due to Bank and Financial Institutions	197.02	2,095.92	7,998.74	175.32	103.13	17.56%	1091.97%
Due to Nepal Rastra Bank	-	-	9,781.71	8,716.36	9.67	(100.00%)	22486.45%
Derivative financial instruments	-	-	-	-	-	-	0
Deposits from customers	243,628.66	199,486.61	166,590.27	162,814.93	143,628.52	14.12%	14.39%
Borrowing	2,664.57	2,136.56	1,777.21	538.53	10.94	295.07%	1274.68%
Current Tax Liabilities	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Deferred tax liabilities	307.42	484.36	-	327.59	177.08	14.79%	(12.88%)
Other liabilities	7,960.79	7,200.34	6,210.24	3,886.28	4,425.33	15.81%	18.53%
Debt securities issued	20,477.02	20,473.53	20,469.04	14,476.21	2,494.95	69.26%	130.43%
Subordinated Liabilities	-	-	-	-	-	-	-
Total liabilities	75,235.49	231,877.33	212,827.21	190,935.23	150,849.64	16.22%	16.42%
Equity							
Share capital	18,884.39	18,884.39	18,620.63	16,422.64	14,989.17	5.95%	6.09%
Ordinary Share	13,451.67	13,451.67	13,187.92	10,989.93	9,556.46	8.92%	9.25%
Preference Share (Irredeemable)	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71	0.00%	0.00%
Share premium	-	-	-	-	-	-	-
Retained earnings	2,136.09	1,243.17	3,521.79	3,654.51	2,273.77	(2.28%)	14.88%
Reserves	15,119.47	13,666.10	11,214.61	11,427.96	11,208.28	7.94%	8.30%
Equity attributable to equity holders	36,139.95	33,793.65	33,357.03	31,505.12	28,471.22	6.14%	6.20%
Non-controlling interest	-	-	-	-	-	-	-
Total equity	36,139.95	33,793.65	33,357.03	31,505.12	28,471.22	6.14%	6.20%
Total liabilities and equity	311,375.43	265,670.98	246,184.24	222,440.35	179,320.86	14.79%	14.96%

Analysis of Major Items of Statement of Financial Position

❖ Assets

1. Cash and Cash Equivalents

Five Year's Trend Analysis of Cash and Cash Equivalents

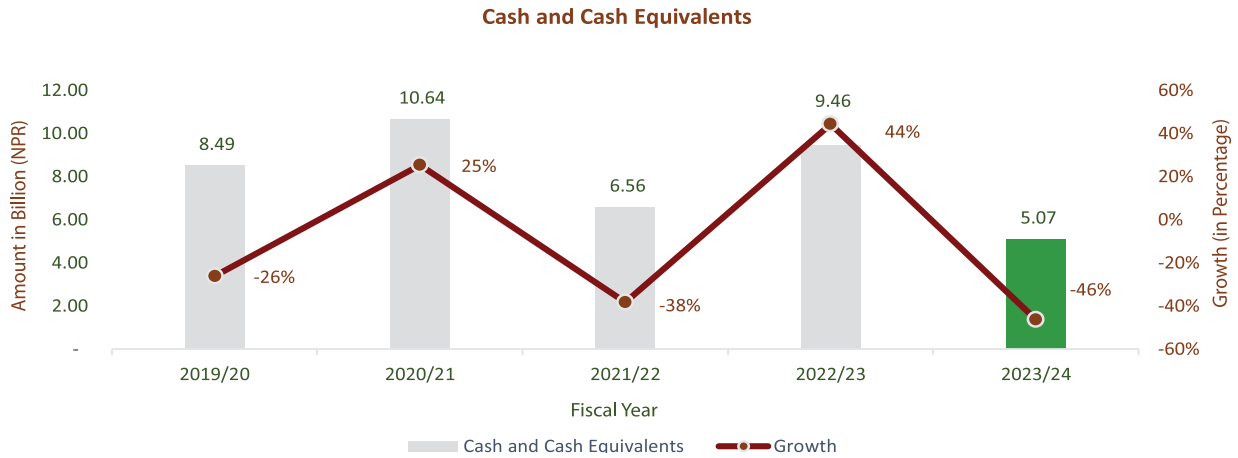


Table 42: Five Years' Trend Analysis of Cash and Cash Equivalents

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Cash in hand	4,043.27	3,777.37	3,942.35	4,194.90	3,914.28	0.81%
Balances with B/FIs	1,030.81	5,685.05	518.40	5,241.41	3,524.73	(26.46%)
Money at call and short notice	-	-	0.45	0.42	0.42	0
Other	-	-	2,098.70	1,200.00	1,050.00	0
Total	5,074.08	9,462.42	6,559.90	10,636.73	8,489.43	(12.07%)

The total cash and cash equivalents have significantly decreased, showcasing an average annual contraction of 12.07% over the five years. The cash and cash equivalents show fluctuating trend in overall which is depicted by growth line in above graph. Significant fluctuations in cash and cash equivalent is seen where maximum balance is in FY 2022/23 at NPR 9,462.42 million and sharp decline in subsequent year due to placement of excess liquidity in foreign BFIs resulting in a negative CAGR.

2. Loans and Advances

Five Years' Trend Analysis of Loans and Advances to BFIs

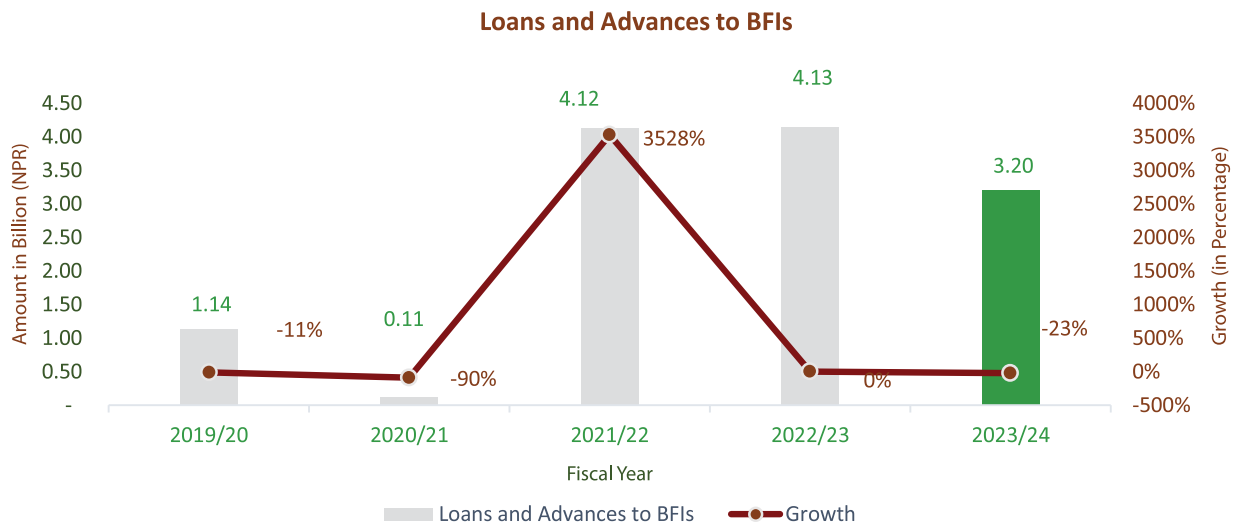


Table 43: Five Years' Trend Analysis of Loans and Advances to BFIs

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Loans to microfinance institutions	3,241.10	4,189.00	4,177.99	115.17	1,149.05	29.60%
Less: Allowances for impairment	(38.89)	(54.46)	(54.31)	(1.50)	(11.49)	35.64%
Total	3,202.20	4,134.54	4,123.68	113.67	1,137.56	29.53%

Five Years' Trend Analysis of Loans and Advances to Customers

Loans and Advances to Customers

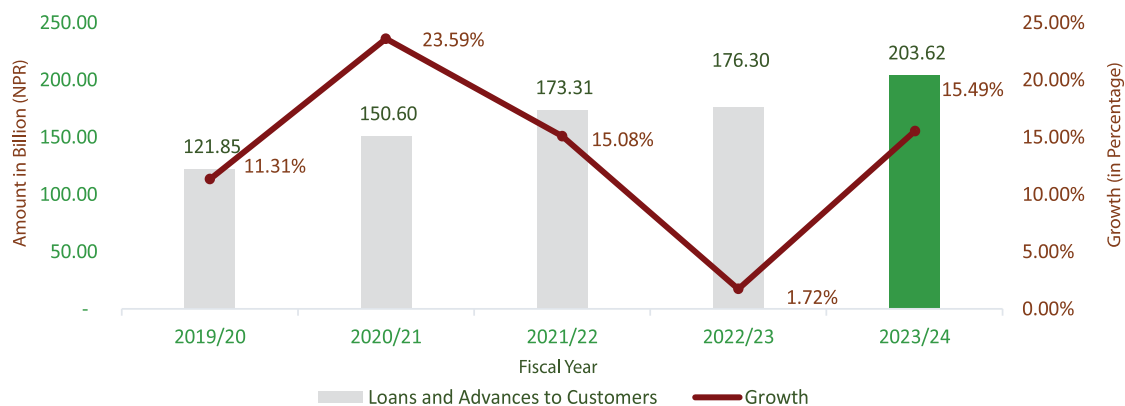


Table 44: Five Years' Trend Analysis of Loans and Advances to Customers

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Loan and advances measured at amortized cost	212,820.85	183,039.64	178,593.01	154,936.45	126,056.07	13.99%
Less: Impairment allowances	(9,203.80)	(6,736.07)	(5,278.04)	(4,338.09)	(4,206.68)	21.62%
Collective impairment	(3,663.44)	(2,862.90)	(2,159.11)	(1,971.85)	(1,078.97)	35.74%
Individual impairment	(5,540.36)	(3,873.17)	(3,118.93)	(2,366.24)	(3,127.71)	15.37%
Total	203,617.05	176,303.57	173,314.97	150,598.36	121,849.39	13.70%

The Bank has steadily grown its loans and advances, achieving a Compound Annual Growth Rate (CAGR) of 13.70%. Over the past five years, customer loans and advances have followed an upward trend, driven by economic recovery and progress following the impacts of COVID-19, as depicted in the growth line of the chart above.

Five Years' Trend Analysis of ADBL VS Industry (Loans and Advances)

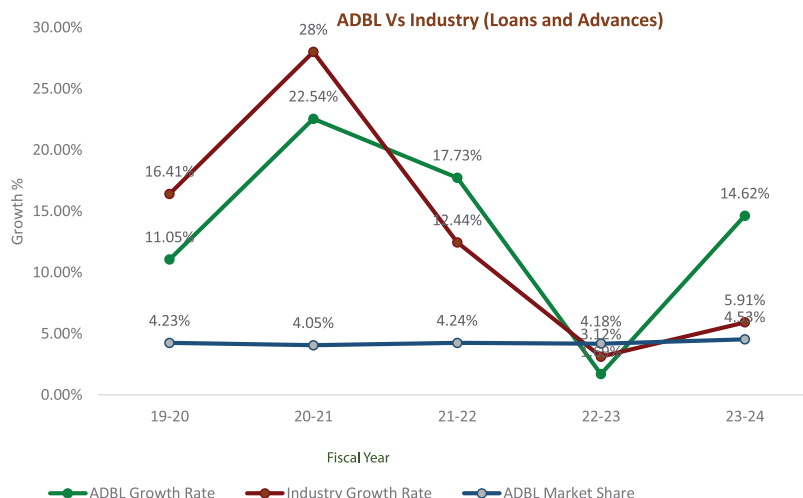


Table 45: Five Years' Loan and advances Trend of Industry with ADBL

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20
Agricultural Development Bank Limited (ADBL)	206,819.25	180,438.11	177,438.65	150,712.03	122,986.95
ADBL Growth Rate	14.62%	1.69%	17.73%	22.54%	11.05%
Industry "A" Class Commercial Bank	4,567,541	4,312,591	4,182,299	3,719,600	2,910,230
Industry Growth Rate	5.91%	3.12%	12.44%	28%	16.41%
Market Share	4.53%	4.18%	4.24%	4.05%	4.23%

3. Total Investment

Five Years' Trend Analysis of Total Investment



Table 46: Five Years' Trend Analysis of Total Investments

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Investment securities measured at amortized cost	64,866.58	48,065.72	44,594.27	36,193.81	23,144.29	29.39%
Investment in equity measured at FVTOCI	3,744.68	3,542.87	1,327.84	1,686.67	1,277.77	30.84%
Other Trading Assets measured at FVTPL	1,216.15	943.65	1,047.49	1,666.53	17.42	189.05%
Investment in Associates	-	-	69.38	69.38	69.38	(100.00%)
Investment in Subsidiaries	29.01	28.84	28.84	28.84	28.84	0.15%
Total	69,856.42	52,581.08	47,067.83	39,644.71	24,537.70	29.90%

The compounded annual growth rate of investment is 29.90% which shows that company's investment has risen steadily which is reflected by growth line in above graph. Investment consist of trading assets which are carried at fair Value through Profit and Loss, investment securities carried at amortized costs and investment securities measured at fair value through OCI.

4. Property & Equipment, Investment Property, Goodwill & Intangible Assets

❖ Fixed Assets

Five Years' Trend Analysis of Tangible Fixed Assets

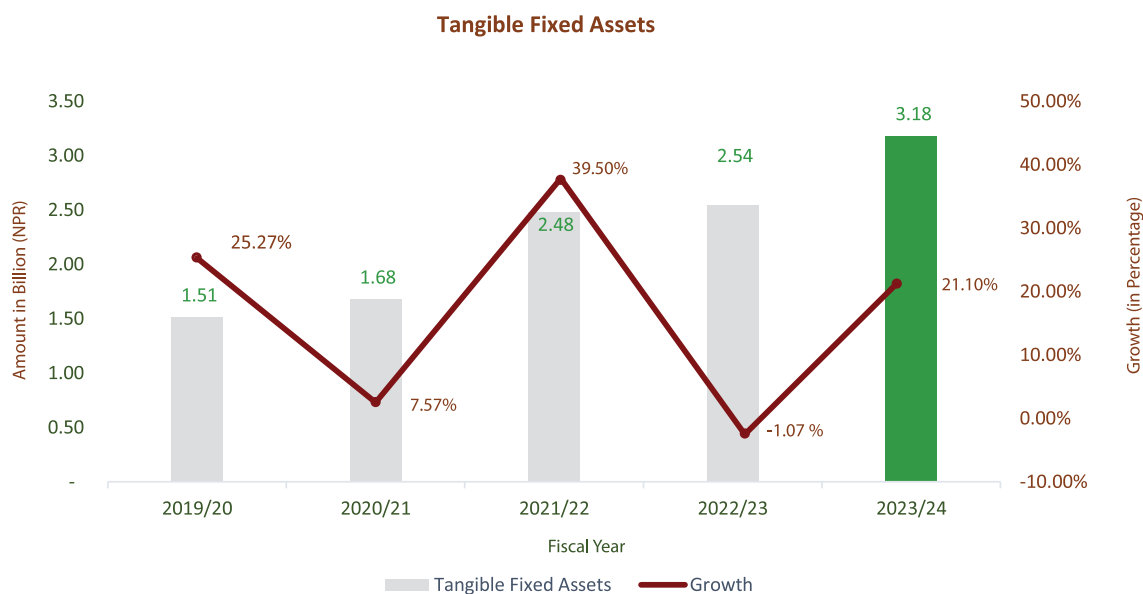


Table 47: Five Years' Trend Analysis of Tangible Fixed Assets and Intangible Fixed Assets

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	CAGR
Land	144.73	145.66	144.68	140.91	143.91	0.14%
Building	702.27	687.85	636.56	591.47	558.65	5.89%
Computer & Accessories	190.63	231.76	234.21	219.09	101.24	17.14%
Furniture	137.24	88.32	133.82	122.20	113.50	4.86%
Vehicles	66.26	87.70	84.86	117.21	77.14	-3.73%
Office Equipment	255.46	318.83	315.08	230.20	235.08	2.10%
Others	50.37	46.90	50.90	50.94	48.23	1.09%
Right of Use Assets	683.52	666.97	617.86	-	-	
Capital WIP	7.93	17.08	7.11	8.60	15.79	-15.80%
Investment Properties measured at cost	943.09	248.65	252.59	198.28	220.93	43.74%
Goodwill and Intangible Assets	61.97	138.59	229.77	262.01	289.80	-32.00%
Total	3,243.49	2,678.31	2,707.44	1,940.91	1,804.27	15.79%

Property Plant and Equipments and Investment properties are collectively included into tangible fixed assets. Bank has significant investment in tangible fixed assets with 20.39% compounded annual growth rate. The increase is largely attributed to the rise in investment properties.

Tangible fixed assets represent Property Plant and Equipment's and Investment properties. Property, Plant and Equipment includes Land, Office Building, Vehicles, ROU assets and Capital WIP. Investment properties includes non-banking assets measured at costs. The tangible fixed assets showed steep growth in FY 2021/22 due to booking of ROU assets as per NFRS 16. The tangible fixed assets showed Compounded annual growth rate of 20.39% over the period of five years.

Intangible Fixed Assets of the Bank includes Software. Bank has shifted from Agency to Temenos as Core Banking Software in 2009, in which amortization has been charged resulting into negative 32% compounded annual growth rate.

❖ Liability

1. Deposit from Customers

Five Years' Trend Analysis of Deposit from Customers

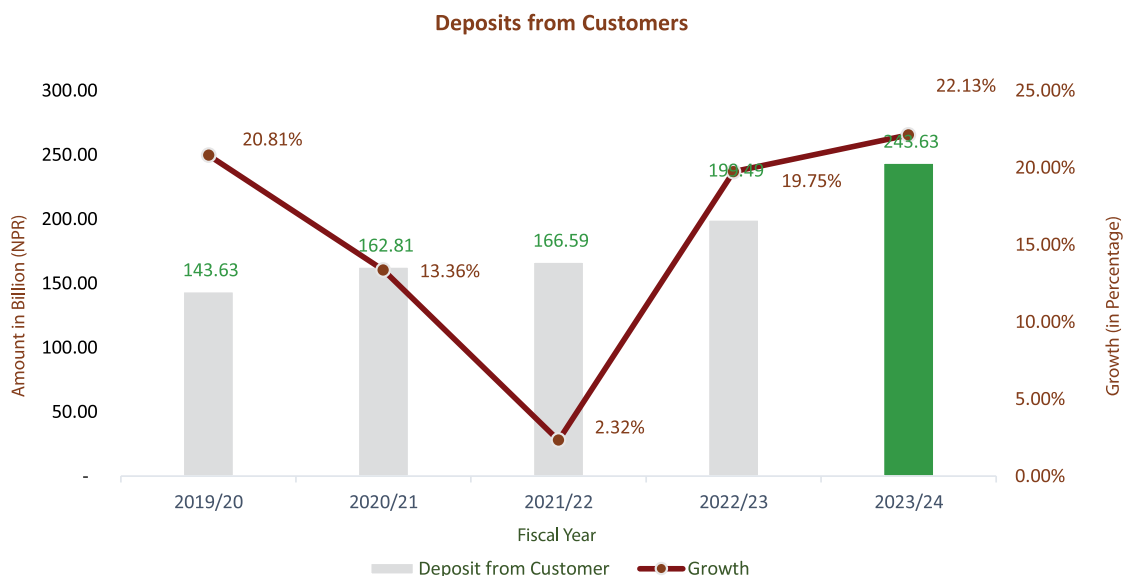


Table 48: Five Years' Trend Analysis of Deposits Mix from Customers

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Institution's customers						
Term deposits	65,507.07	39,574.05	29,585.07	32,098.79	42,045.48	11.72%
Call deposits	13,226.67	10,284.11	8,002.73	12,750.75	6,750.91	18.31%
Current Deposits	17,045.53	21,221.25	23,686.74	24,303.13	18,293.06	-1.75%
Other	1,315.73	1,196.74	893.02	1,061.36	753.26	14.96%
Individual customers						
Term deposits	74,376.80	75,559.48	57,078.00	37,254.48	33,598.46	21.98%
Saving deposits	68,765.77	48,773.47	44,639.95	52,175.29	39,494.04	14.87%
Current deposits	3,212.26	2,700.45	2,505.64	3,069.80	2,592.82	5.50%
Other	178.82	177.07	199.11	101.34	100.50	15.50%
Total	243,628.66	199,486.61	166,590.27	162,814.93	143,628.52	14.12%

Table 49 : Five Years' Trend Analysis of Currency-wise Deposit

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Nepalese rupee	243,460.99	199,390.21	166,584.46	162,809.12	143,623.34	14.10%
Indian rupee	-	-	-	-	-	-
United State dollar	167.66	96.40	5.81	5.81	5.19	138.46%
Other	-	-	-	-	-	-
Total	243,628.66	199,486.61	166,590.27	162,814.93	143,628.52	14.12%

Five Years' Trend Analysis of Deposit from Customers in Industry with ADBL

ADBL Vs Industry (Deposit from Customers)

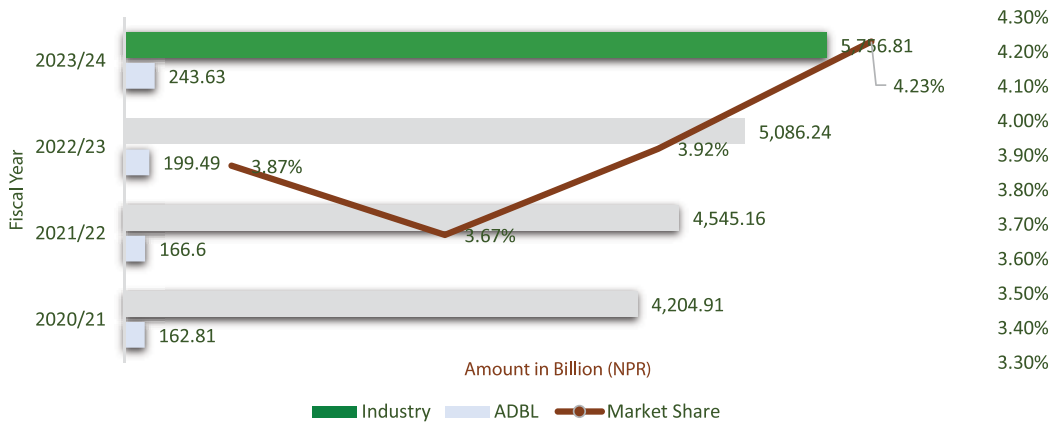


Table 50: Five Years' Deposit from Customers Trend of Industry with ADBL

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	4 Year CAGR
Current	20,257.79	23,921.70	26,192.38	27,372.93	-9.55%
Saving	68,765.77	48,773.47	44,639.95	52,175.29	9.64%
Fixed	139,883.87	115,133.53	86,663.07	69,353.27	26.35%
Call Deposits	13,226.67	10,284.11	8,002.73	12,750.75	1.23%
Others	1,494.55	1,373.81	1,092.13	1,162.70	8.73%
Total ADBL Deposit	243,628.65	199,486.62	166,590.26	162,814.94	14.38%
Total Industry Deposit (Commercial Bank)	5,756,809	5,086,244	4,545,157	4,204,913	11.04%
ADBL Share	4.23%	3.92%	3.67%	3.87%	

2. Borrowing

Borrowing mix of Loan from GON (FY 2023/24)

Loan from Government of Nepal

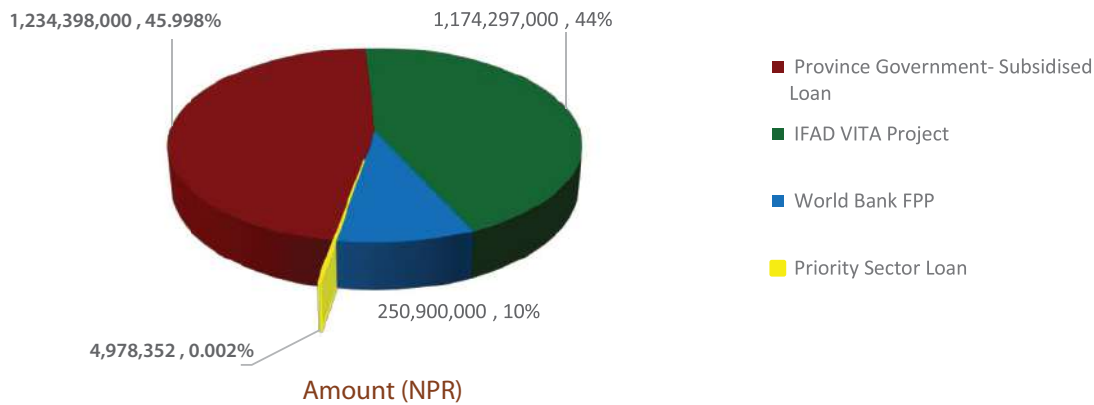


Table 51: Five Years' Trend analysis of Borrowing

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Domestic Borrowing						
Nepal Government	2,664.57	2,136.56	1,777.21	538.53	10.94	295%
Other	-	-	-	-	-	-
Sub total	2,664.57	2,136.56	1,777.21	538.53	10.94	295%
Foreign Borrowing						
Foreign Bank and Financial Institutions	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-
Other Institutions	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
Total	2,664.57	2,136.56	1,777.21	538.53	10.94	295%

3. Debt Securities

Table 52 : Five Years' Trend Analysis of Debt Securities

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Debt securities issued designated as at fair value through profit or loss	-	-	-	-	-	-
Debt securities issued at amortized cost	20,477.02	20,473.53	20,469.04	14,476.21	2,494.95	69.31%
Total	20,477.02	20,473.53	20,469.04	14,476.21	2,494.95	69.31%

Table 53: Breakdown of Outstanding Bonds and Debentures of ADBL as on Mid-July 2024

NPR in Million

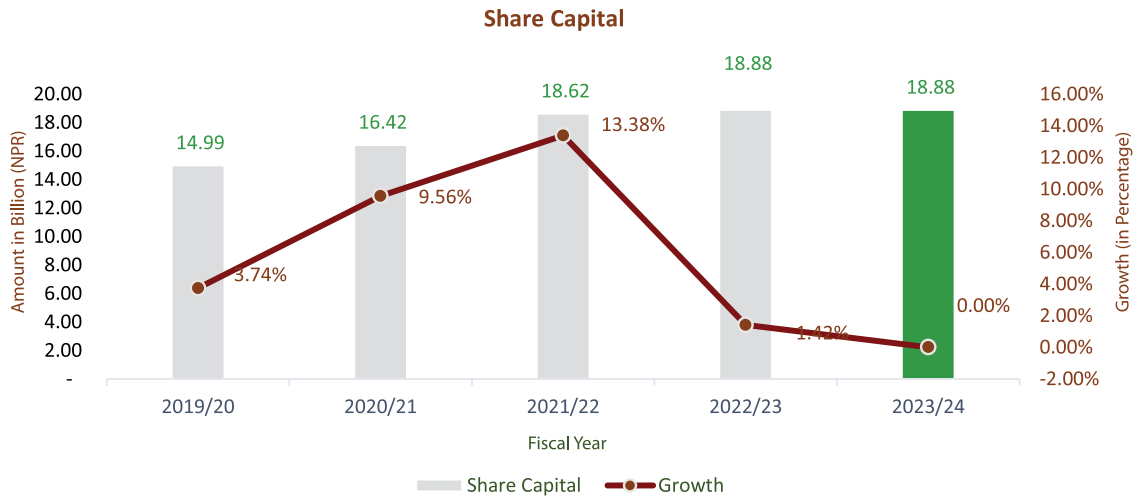
Bond/Debenture	Issued Year	Maturity Year	Tenure (in years)	Amount
10.35% ADBL Debenture	2076	2083	7	2,500
4% Agri Bond	2077	2084	7	6,000
4% Agri Bond	2078	2086	8	6,000
4% Agri Bond	2078	2087	9	3,427
4% Agri Bond	2078	2087	9	2,573
Total				20,500

The Bank has issued debenture and bond at different year. All the outstanding bond/debenture issued by bank has semi-annual mode of interest payment. As of now, a sum of NPR 2000 million debenture redemption reserve for 10.35% ADBL Debenture has been maintained and further a sum of NPR 500 million of debenture redemption reserve will be maintained in next Fiscal Year.

❖ Share Capital and Retained Earning

1. Share Capital

Five Years' movement in Share Capital



Five Years' movement in Shareholder funds

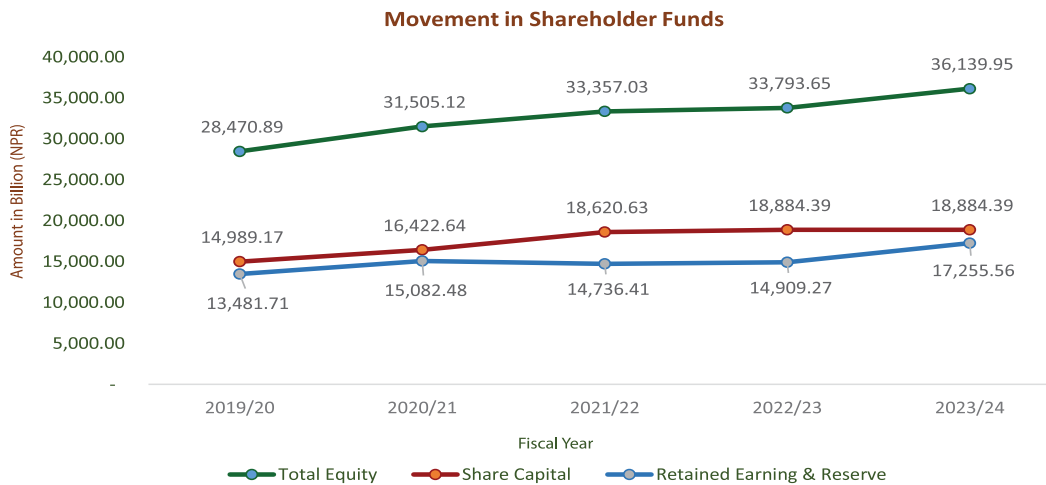


Table 54: Five Years' Movement in Share Capital**NPR in Million**

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20
Authorized Capital	25,000.00	25,000.00	25,000.00	21,000.00	21,000.00
160,000,000 Ordinary shares of Rs. 100 each share	16,000.00	16,000.00	16,000.00	12,000.00	12,000.00
67,000,000 Non-redeemable Preference Shares of Rs. 100 each	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00
23,000,000 Redeemable Preference Shares of Rs 100 each	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00
Issued Capital	18,884.39	18,884.39	18,620.63	16,422.64	14,989.17
134,516,740.78 Ordinary shares of Rs.100 each share	13,451.67	13,451.67	13,187.92	10,989.93	9,556.46
54,327,120 Non-redeemable Preference Shares of Rs. 100 each	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71
Subscribed and paid-up Capital	18,884.39	18,884.39	18,620.63	16,422.64	14,989.17
134,516,740.78 Ordinary shares of Rs.100 each share	13,451.67	13,451.67	13,187.92	10,989.93	9,556.46
54,327,120 Non-redeemable Preference Shares of Rs. 100 each	5,432.71	5,432.71	5,432.71	5,432.71	5,432.71
Total	18,884.39	18,884.39	18,620.63	16,422.64	14,989.17

The share capital has increased linearly over the period of five years by 5.95%. Share capital consist of Equity Share Capital and Irredeemable Preference Share Capital. The increase in equity share capital is due to issue of bonus shares and irredeemable preference shares have remained constant over the period of five years. The Bank has adequately maintained the paid-up capital above the statutory limit of NPR 8 billion.

The company has two classes of shares; equity shares and irredeemable preference shares. Equity shareholders hold voting rights, while preference shareholders do not have voting rights or the ability to appoint directors.

2. Retained Earnings & Reserve

Table 55: Five Years' Movement in Retained Earnings and Reserve**NPR in Million**

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Retained earnings	2,136.09	1,243.17	3,521.79	3,654.51	2,342.12	(2.28%)
Reserves	15,119.47	13,666.10	11,214.61	11,427.96	11,139.59	7.94%

The Bank has shown consistent growth in reserves due to regulatory appropriation of net profit as per Section 44 of BAFIA, 2017 along with the increase in bank's net profit.

Bank's Financial Performance

Basis of Preparation of Financial Performance

S. No.	Particular	Description
a	Interest Income	Interest income on loans and advances, investment securities (except those measured at fair value through profit or loss), cash and cash equivalents, due from NRB, due from BFIs, loans and advances to staff, etc.
b	Interest Expense	Interest accrued on deposits collected, debt securities issued, borrowings obtained, subordinated liabilities, amount due to banks and financial institutions, due to NRB, etc.
$c = a - b$	Net Interest Income	Net interest income is calculated as interest income (a) minus interest expense (b).
d	Fee and Commission Income	Income arising from the execution of significant acts or provision of services such as asset management, portfolio management, management advisory, service fees, loan documentation fees, loan management fees, consortium fees, card issuance/renewal fees, prepayment/swap fees, remittance fees, investment banking fees, brokerage, commission on letters of credit, commission on guarantees, locker rental income, etc.
e	Fee and Commission Expense	Payouts on account of fees and commissions for services obtained by the Bank, including card-related fees, guarantee commissions, brokerage expenses, etc.
$f = d - e$	Net Fee and Commission Income	Net fee and commission income is calculated as fee and commission income (d) minus fee and commission expenses (e).
$g = c + f$	Net Interest, Fee and Commission Income	Net interest, fee, and commission income is the sum of net interest income (c) and net fee and commission income (f).
h	Net Trading Income	Trading income comprises gains and losses relating to trading assets and liabilities, including realized interest, dividend, foreign exchange differences, and unrealized changes in fair value of trading assets and liabilities.
i	Other Operating Income	Includes foreign exchange revaluation gains, gains/losses on the sale of available-for-sale securities, dividends on available-for-sale securities, gains/losses on sale of property and equipment, gains/losses on sale of investment properties, operating lease income, gains/losses on sale of gold and silver, finance income from finance leases, etc.
$j = g + h + i$	Total Operating Income	Total operating income is the sum of net interest, fee and commission income (g), net trading income (h), and other operating income (i).
k	Impairment Charge/ Reversal for Loans	Impairment losses recognized as per NFRSs on loans and other assets. This includes impairment charge/reversal on loans and advances to customers, loans and advances to BFIs, investment securities, placements with BFIs, property and equipment, goodwill and intangible assets, investment properties, etc.
l	Net Operating Income	Calculated as other operating income (i) minus impairment charge/reversal (k).
m	Personnel Expenses	Expenses related to employees, including salary, allowances, pension, gratuity, provident fund contributions, training expenses, uniform expenses, insurance, staff bonus, finance expenses under NFRSs, cash-settled share-based payments, etc.
n	Other Operating Expenses	Includes office administration expenses, other operating and overhead expenses, directors' emoluments, remuneration and non-audit fees paid to auditors, professional and legal expenses, branch closure costs, redundancy cost expenses, restructuring expenses, impairment of non-financial assets, corporate social responsibility expenses, onerous lease provisions, etc.
o	Depreciation & Amortization	Depreciation on property and equipment, and investment properties, as well as amortization of intangible assets, recognized as per NFRSs.
$p = l - m - n - o$	Operating Profit	Operating profit is calculated as net operating income (l) minus personnel expenses (m), other operating expenses (n), and depreciation/amortization (o).
q	Non-Operating Income/ Expense	Income and expenses that do not have a direct relationship with the core operations. This includes loan write-offs, loan recoveries, redundancy provisions, restructuring expenses, etc.
$r = p + q$	Profit Before Income Tax	Profit before income tax is calculated as operating profit (p) plus non-operating income/expense (q).
s	Income Tax Expense	The income tax on the net taxable profit, which includes both current tax expense and deferred tax expense or income.
$t=r-s$	Profit for the Year	Profit Before Tax deducted by Income Tax Expense

Table 56: Five Years' Trend Analysis of Bank's Financial Performance

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	CAGR	Avg. YoY
Interest income	27,571.35	23,948.68	19,582.60	15,124.05	15,821.70	14.90%	15.62%
Interest expense	17,018.57	15,753.03	11,226.66	8,258.33	9,105.58	16.92%	18.75%
Net interest income	10,552.78	8,195.66	8,355.94	6,865.72	6,716.12	11.96%	12.69%
Fees and commission income	1,672.37	1,371.86	1,464.29	1,612.95	1,901.63	(3.16%)	(2.20%)
Fees and commission expense	232.77	213.65	56.19	46.88	25.81	73.29%	97.67%
Net fee and commission income	1,439.60	1,158.21	1,408.10	1,566.07	1,875.82	(6.40%)	(5.01%)
Net interest, fee and commission income	11,992.39	9,353.87	9,764.04	8,431.79	8,591.94	8.69%	9.49%
Net trading income	58.59	115.52	- 232.46	994.30	392.18	(37.83%)	(42.21%)
Other operating income	169.30	228.85	234.76	452.41	35.93	47.33%	270.62%
Total operating income	12,220.28	9,698.24	9,766.34	9,878.50	9,020.05	7.89%	8.42%
Impairment charge/(reversal) for loan and other losses	2,452.17	1,458.17	992.76	121.43	517.22	47.56%	189.03%
Net operating income	9,768.11	8,240.06	8,773.58	9,757.07	8,502.83	3.53%	4.28%
Operating expense	-	-	-	-	-	0.00%	0
Personnel expenses	4,158.30	3,620.73	3,823.92	3,313.87	3,025.47	8.28%	8.61%
Other operating expenses	994.42	995.69	872.31	1,130.20	942.16	1.36%	2.79%
Depreciation & Amortization	476.53	487.08	472.95	275.69	216.59	21.79%	24.91%
Operating Profit	4,138.86	3,136.56	3,604.41	5,037.32	4,318.60	(1.06%)	1.79%
Non-operating income	11.35	4.69	87.53	28.24	81.28	(38.88%)	48.05%
Non-operating expense	47.05	26.37	51.55	3.21	0.04	487.55%	2393.57%
Profit before income tax	4,103.15	3,114.88	3,640.39	5,062.34	4,399.85	(1.73%)	1.07%
Income tax expense	1,205.67	1,791.47	1,414.62	1,534.81	1,068.11	3.07%	7.45%
Current Tax	1,147.37	1,633.08	1,684.70	1,344.77	1,027.22	2.80%	5.85%
Deferred Tax	58.30	158.39	- 270.07	190.04	40.89	9.27%	(24.79%)
Profit/(loss) for the period	2,897.49	1,323.41	2,225.77	3,527.54	3,331.74	(3.43%)	11.84%

Analysis of Major Items of Statement of Profit and Loss

1. Net Interest Income

Five Years' Trend Analysis of Net Interest Income

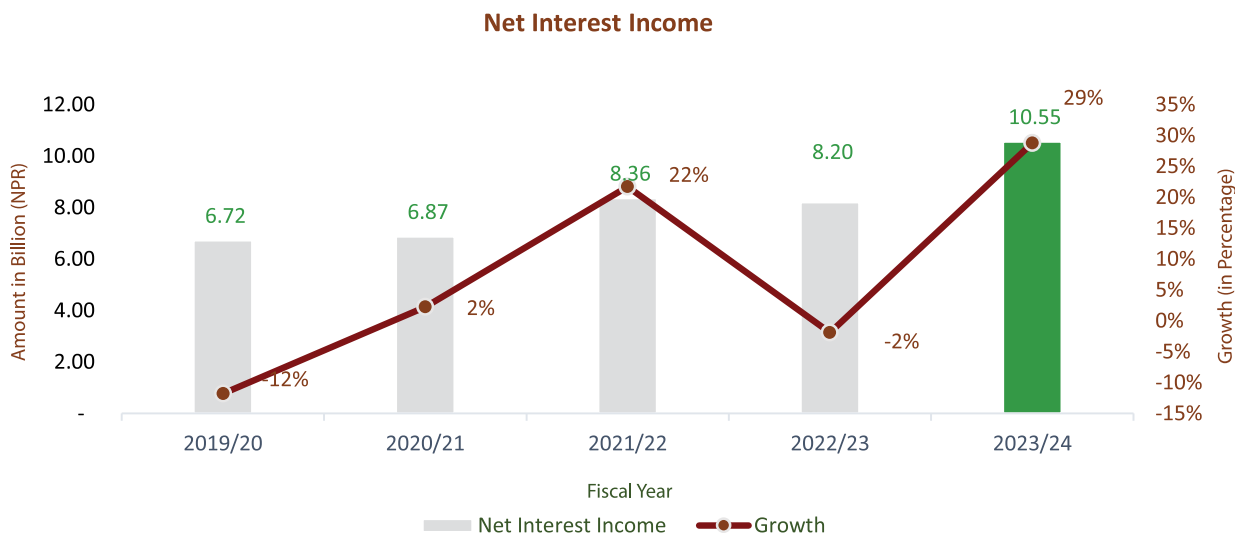


Table 57: Five Years' Trend Analysis of Net Interest Income

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	CAGR
Interest income	27,571.35	23,948.68	19,582.60	15,124.05	15,821.70	14.90%
Interest expense	17,018.57	15,753.03	11,226.66	8,258.33	9,105.58	16.92%
Net interest income	10,552.78	8,195.66	8,355.94	6,865.72	6,716.12	11.96%

Over the past five years, net interest income has grown at a CAGR of 11.96%. A decline in FY 2019/20 due to the COVID-19 slowdown and a 2% drop in FY 2022/23, driven by NPR working capital guidelines and economic recession, were followed by a strong recovery in FY 2023/24, with a 29% increase in net interest income

2. Net Fees and Commission Income

Five Years' Trend Analysis of Net Fee and Commission Income

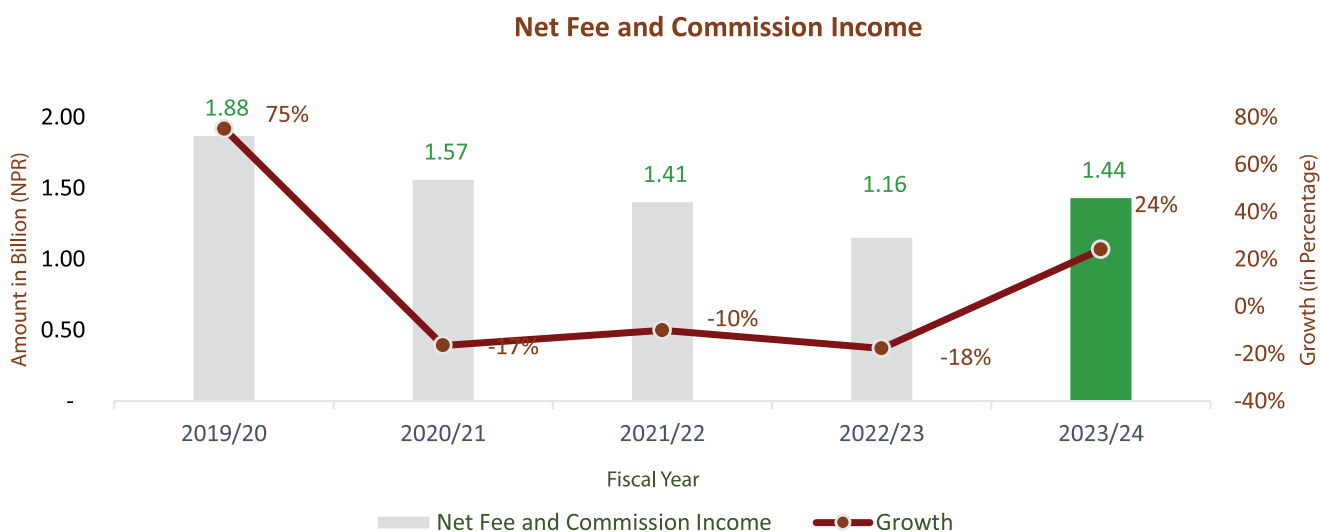


Table 58: Five Years' Trend Analysis of Net Fee and Commission Income

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Fees and commission income	1,672.37	1,371.86	1,464.29	1,612.95	1,901.63	-3.19%
Less: Fees and commission expense	232.77	213.65	56.19	46.88	25.81	73.29%
Net fee and commission income	1,439.60	1,158.74	1,408.10	1,566.07	1,875.82	-6.44%

With CAGR of approximately negative 6.40%, the net income has also been declining steadily from 1.88 billion in FY 2019/20 to 1.44 billion in FY 2023/24. Expenses on fees and commission represent the costs incurred to provide services that generate fees and commission income for the Bank. These expenses are deducted to determine the net fees and commission income.

3. Net Trading Income

Five Years' Trend Analysis of Net Trading Income

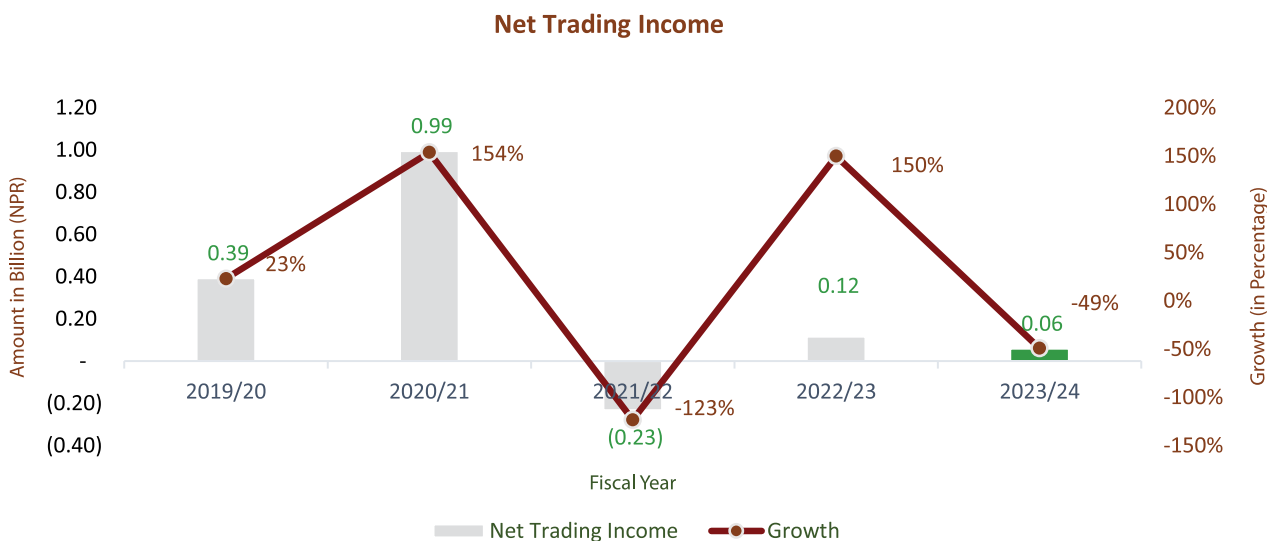


Table 59 Five Years' Trend Analysis of Net Trading Income

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR (%)
Changes in fair value of trading assets	(22.39)	99.75	(592.56)	308.04	(0.46)	164.13%
Gain/loss on disposal of trading assets	-2.14	16.59	248.88	315.11	0.16	(91.26%)
Dividend income on trading assets	6.61	4.44	4.87	-	-	16.50%
Gain/loss foreign exchange transaction	76.51	(5.26)	106.35	371.15	392.47	(33.55%)
Total Net Trading Income	58.59	115.52	-232.46	994.3	392.18	(37.83%)

The compounded annual growth rate of net trading income over the last five years is approximately negative 37.83%. Income increased significantly to 0.99 billion, achieving a growth rate of 154% in FY 2020/21 which is mainly due to changes in fair value of trading assets. Similarly, a sharp decline, with income turning negative to (0.23) and growth declining to -123% in FY 2021/22 is again due to changes in fair value of trading assets. The data reflects significant volatility, with extreme shifts in both income and growth rates.

4. Impairment Charge/(reversal) for loan and other losses

Five Years' Trend Analysis of Impairment Charge/(reversal) for loan and other losses

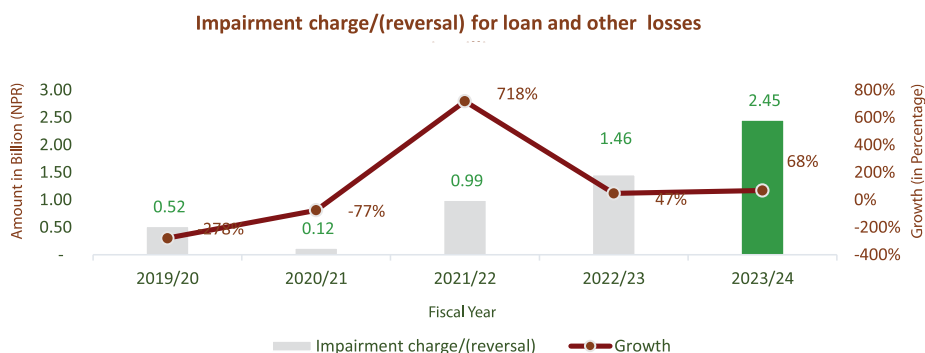


Table 60 : Five Years' Trend Analysis of Impairment Charge/(Reversal) for Loan and Other Losses *NPR in Million*

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR (%)
Impairment charge/(reversal) on loan and advances to B/FIs	-15.56	0.14	52.82	-9.99	-1.49	80%
Impairment charge/(reversal) on loan and advances to customer	2,467.73	1,458.03	939.95	131.42	548.25	46%
Provision on Other Assets	-	-	-	-	-29.53	0%
Total	2,452.17	1,458.17	992.76	121.43	517.22	48%

The compounded annual growth rate (CAGR) of impairment charge/(reversal) for loan and other losses over the last five years is approximately 48%. There is significant reversal of impairment charge on loan and advance to BFIs of approximately 80% per annum over the past five years'. Compounded annual growth of approximately 46% is observed in impairment charge on loan and advance to customer over last five years. Significant fluctuations in growth (e.g., from -278% to 718%) is observed in impairment charge.

5. Personnel Expenses

Five Years' Trend Analysis of Personnel Expenses

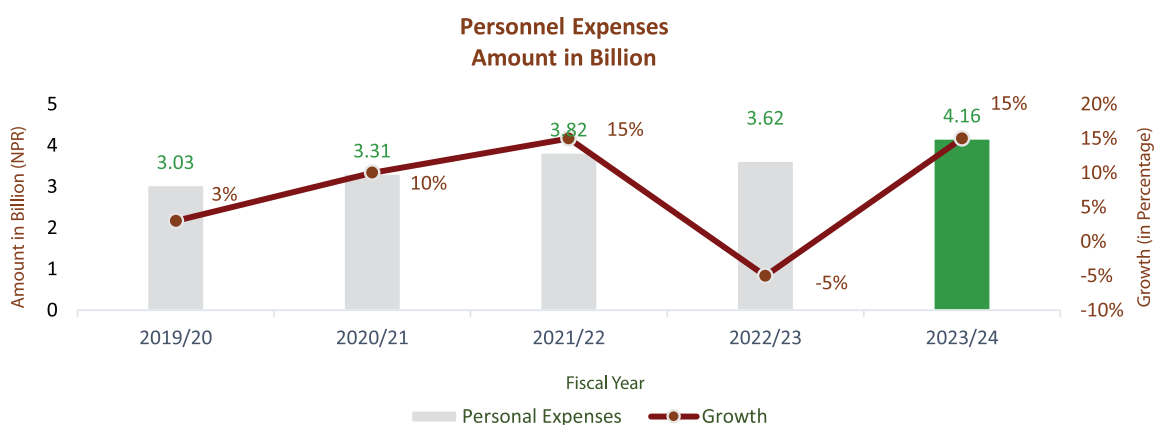


Table 61 : Five Years' Trend Analysis of Personnel Expenses

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR (%)
Salary	1,538.88	1,600.74	1,261.66	1,134.58	1,108.26	9%
Allowances	801.58	681.01	647.78	601.38	632.95	6%
Gratuity expense	348.56	206.15	473.55	270.83	198.30	15%
Provident fund	378.99	217.77	189.62	175.71	171.52	22%
Uniform	35.06	29.46	30.18	27.66	28.65	5%
Training & development expense	31.62	48.07	28.01	16.28	31.50	0%
Leave encashment	57.29	57.27	73.52	59.20	57.42	0%
Medical	248.81	229.22	172.30	151.38	98.78	26%
Insurance	-	-	6.75	2.84	3.04	0%
Finance expense under NFRS	383.64	274.10	746.25	607.06	463.46	-5%
Other expenses related to staff	117.92	113.01	2.99	2.48	-	262%
Subtotal	3,942.35	3,456.79	3,632.59	3,049.42	2,793.90	9%
Employee bonus	215.95	163.94	191.33	264.45	231.57	-2%
Grand total	4,158.30	3,620.73	3,823.92	3,313.87	3,025.47	8%

The total of employee-related expenses has increased from NPR 3,025.47 million in FY 2019/20 to NPR 4,158.30 million in FY 2023/24. Total personal expense reflects a increment of 8% Compounded Annual Growth Rate (CAGR). Provident fund (+22%), medical (+26%), and gratuity (+15%) expenses have increased significantly, indicating that the company is investing heavily in employee welfare and long-term benefits. Salaries have grown at a healthy rate of 9%

6. Other operating expenses

Five Years' Trend Analysis of other operating expenses

Other Operating Expenses

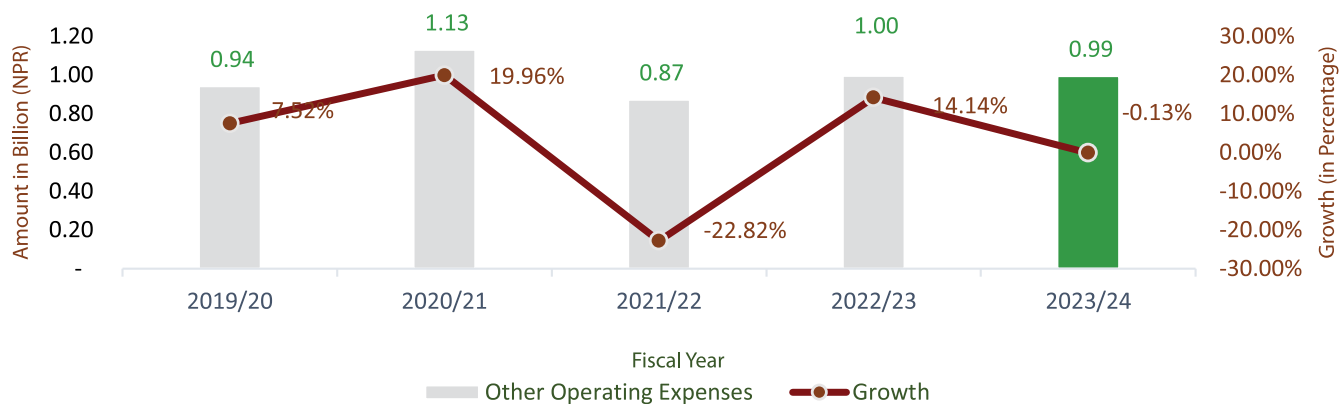


Table 62 : Five Years' Trend Analysis of Other Operating Expenses

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR (%)
Directors' fee	3.09	3.08	2.95	3.03	2.90	2%
Directors' expense	0.66	1.30	1.05	0.63	1.34	(16%)
Auditors' remuneration	2.83	2.83	8.19	2.22	2.29	5%
Other audit related expense	0.42	0.34	1.81	1.34	2.58	(36%)
Professional and legal expense	9.07	12.53	23.87	21.61	20.13	(18%)
Office administration expense	829.88	748.34	678.79	616.57	586.20	9%
Operating lease expense	-	0.00	0.25	222.97	171.36	0%
Corporate social responsibility expense	29.46	19.81	21.35	75.82	32.19	(2%)
Other	119.02	207.45	134.05	186.02	123.18	(1%)
Total	994.42	995.69	872.31	1,130.20	942.16	1%

Total operating expenses showed a small increase from NPR 942.16 million in FY 2019/20 to NPR 994.42 million in FY 2023/24, reflecting a 1% Compounded Annual Growth Rate (CAGR) increase. Total expenses have grown marginally, indicating certain categories (such as professional/legal and audit-related costs) have reduced, others (like office administration) have increased, balancing the overall expenditure.

7. Depreciation and Amortization

Five Years' Trend Analysis of Depreciation and Amortization

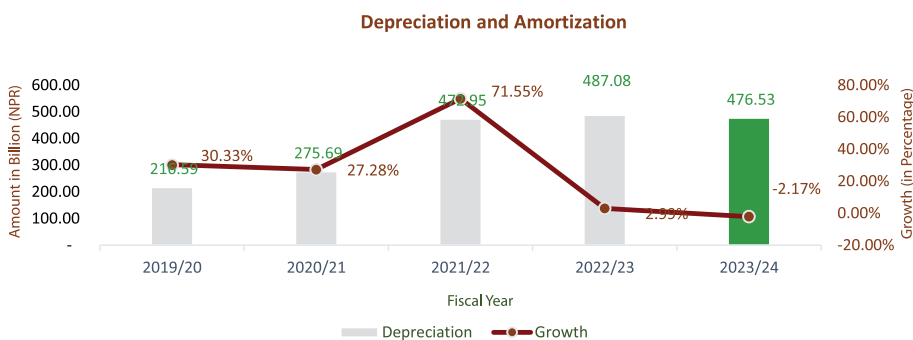


Table 63 : Five Years' Trend Analysis of Depreciation and Amortization

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Depreciation on property and equipment	397.61	391.21	384.07	195.47	157.56	26%
Amortization of intangible assets	78.92	95.87	88.88	80.21	59.03	8%
Total	476.53	487.08	472.95	275.69	216.59	22%

Over the last five years, total depreciation and amortization expenses have grown at a CAGR of 22%, increasing from NPR 216.59 million in FY 2019/20 to NPR 476.53 million in FY 2023/24. Depreciation on property and equipment saw the highest growth at 26%, reflecting substantial investments in physical assets, while amortization of intangible assets grew at a slower pace of 8%, indicating modest expansion in intangible asset utilization. The sharp rise in FY 2020/21 highlights accelerated investments during the post-COVID recovery phase.

8. Income Tax Expenses

Five Years' Trend Analysis of Income Tax Expenses

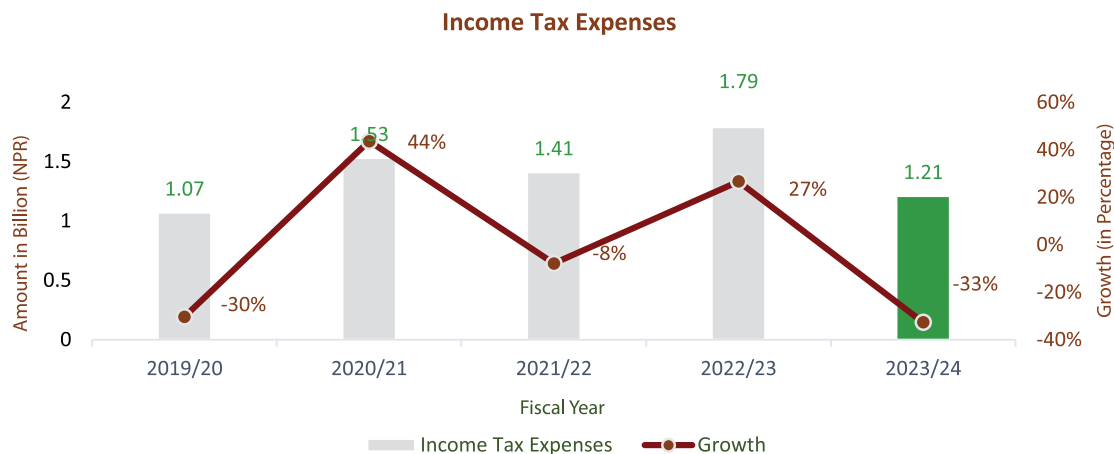


Table 64 : Five Years' Trend Analysis of Income Tax Expenses

NPR in Million

Particulars	2023/24	2022/23	2021/22	2020/21	2019/20	Five Years' CAGR
Current Tax	1132.71	873.67	1432.30	1344.77	1027.22	2%
Adjustments for prior years	14.66	759.41	252.39	0.00	0.00	-76%
	1147.37	1633.08	1684.70	1344.77	1027.22	3%
Deferred tax expense						
Origination and reversal of temporary differences	58.30	158.39	-270.07	190.04	40.89	9%
Total income tax expense	1205.67	1791.47	1414.62	1534.81	1068.11	3%

The company's income tax expenses have grown moderately over the past five years. The current year tax expense has grown by 2% annually over the past five years, indicating steady taxable income growth with stable tax payments. The deferred tax expense has increased slightly, reflecting the resolution of temporary differences. The 3% CAGR in total income tax expense is moderate, this indicates the company's tax expenses are growing in line with its business performance.

9. Profit/(loss) for the period

Five Years' Trend Analysis of Profit/ (loss) for the period



The company has seen significant fluctuations in profits over the years, with periods of growth of 5.88% in FY 2020/21 and 118.94% in FY 2023/24 and declines by -36.90% in 2021/22 and -40.54% in FY 2022/23. This drop is due to a combination of internal challenges and external factors (e.g., market recession, regulatory changes, or global disruptions such as COVID-19 or geopolitical factors). 118.94% increase in profit in FY 2023/24 is a very strong recovery, indicating that the company has successfully managed to turn around its performance.

Du-Pont Analysis

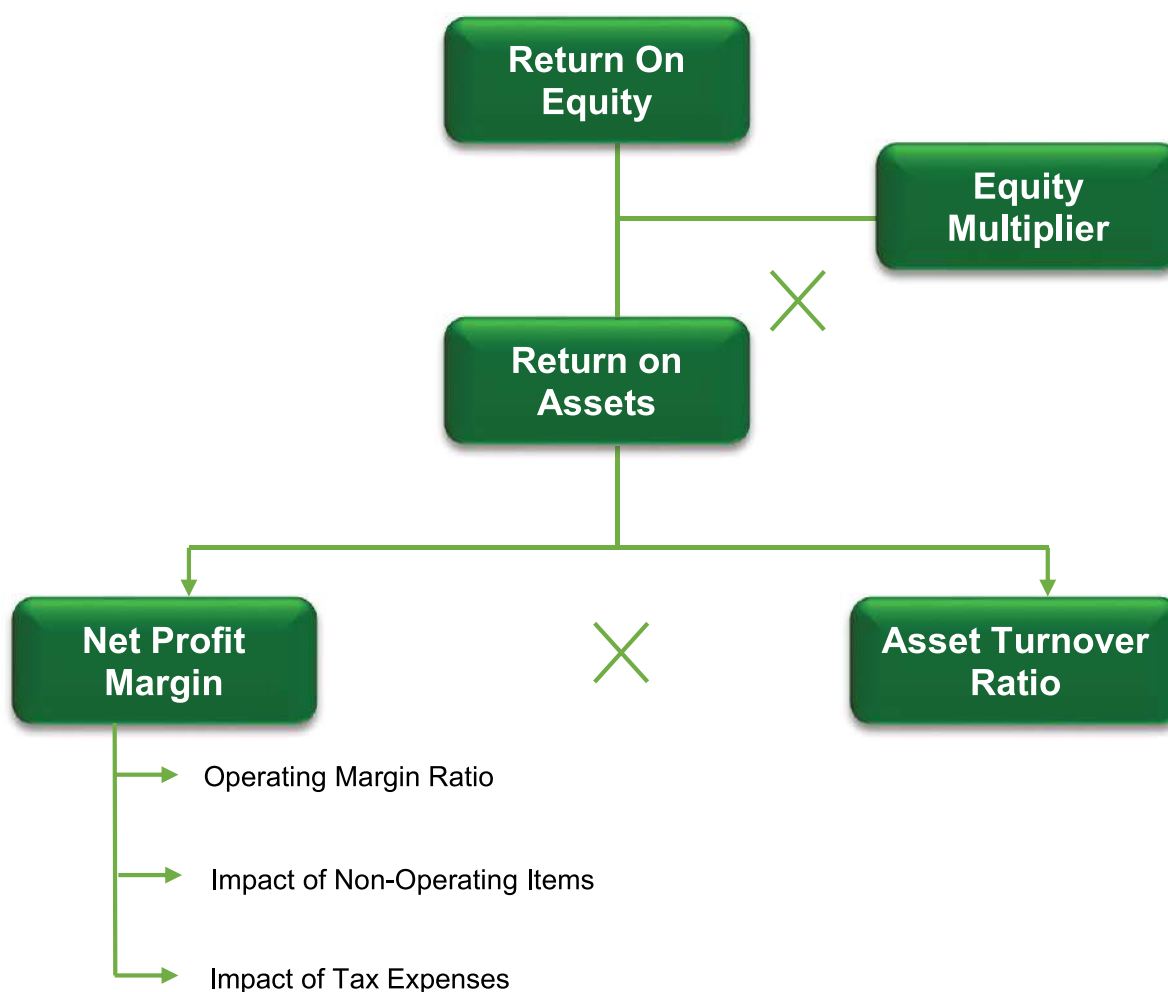


Table 65 : Du-Pont Analysis Table.

NPR in Million

S.N.	Particulars	FY				
		2023/24	2022/23	2021/22	2020/21	2019/20
A.	Net Profit Margin	9.83%	5.16%	10.53%	19.37%	18.27%
B.	Asset Turnover Ratio	9.47%	9.66%	8.59%	8.19%	10.17%
C=A*B	Return on Assets	0.93%	0.50%	0.90%	1.59%	1.86%
D.	Equity Multiplier	8.62	7.86	7.38	7.06	6.3
E=C*D	Return on Equity	8.02%	3.92%	6.67%	11.20%	11.70%

Table 66: Breakdown of Net Profit Margin

NPR in Million

S.N.	Particulars	FY				
		2023/24	2022/23	2021/22	2020/21	2019/20
A.	Operating Profit Margin	14.04%	12.22%	17.05%	27.66%	23.69%
B.	Impact of non-operating	0.9914	0.9931	1.0100	1.0050	1.0188
		times	times	times	times	times
C.	Tax Impact	0.7062	0.4249	0.6114	0.6968	0.7572
		times	times	times	times	times
D=A*B*C	Net Profit Margin	9.83%	5.16%	10.53%	19.37%	18.27%

Du-Pont analysis

DuPont analysis is a method used to dissect the components influencing Return on Equity (RoE) to gain a deeper understanding of the factors driving its changes. In our analysis, we applied a three-step Du-Pont model:

- First Level: ROE is broken down into Return on Assets (ROA) and the Equity Multiplier.
- Second Level: ROA is further divided into the Asset Turnover Ratio and the Net Profit Margin.
- Third Level: The Net Profit Margin is further subdivided into the Operating Profit Margin, the impact of non-operating items, and tax effects.

ROE measures profitability in relation to shareholder equity. The Net Profit Margin comprises three key elements: The Operating Profit Margin, the influence of non-operating items, and tax effects, as detailed in the third-level breakdown.

In FY 2023/24, the impact of non-operating items increased to 0.9914 due to a decline in loan write-off expenses. Furthermore, the tax effect increased from 0.4249 in FY 2022/23 to 0.7062. The combined rise in the Operating Profit Margin, the impact of non-operating items, and the tax effect led to an increase in the Net Profit Margin from 5.16% in FY 2022/23 to 9.83%.

The Bank's capital structure consists of equity share capital of NPR 13.45 billion, preference share capital of NPR 5.43 billion, retained earnings of NPR 2.14 billion and reserves of NPR 15.12 billion totaling to NPR 36.14 billion. The preference shares are irredeemable and discretionary and hence considered as part of equity for the purpose of du-Pont analysis.

Table 67: Definition of Financial Metrics used in Du-Pont Calculation

NPR in Million

S.N.	Metrics	Definition
1	Net Profit Margin	Net Profit Margin is obtained by dividing net profit after tax by total revenue.
2	Assets Turnover Ratio	Asset turnover ratio is obtained by dividing total revenue by total assets of the Bank.
3	Operating Profit Margin	Operating Profit Margin is obtained by dividing bank's operating profit by total revenue.
4	Impact of Non-Operating Items	Non-operating items such as loan write off expenses, recovery of written off loans, etc. also impact net profit margin.
5	Impact of Tax Expenses	Current tax expenses and deferred tax expenses also impact net profit margin.
6	Total Revenue	Total revenue consists of interest income earned, fees and commission income earned, net trading income, other operating income and non-operating income.
7	Equity Multiplier	Equity multiplier is obtained by dividing total assets of the Bank by total equity.



Horizontal and Vertical Analysis of Financial Statements

Statement of Financial Position

Horizontal Analysis of the Statement of Financial Position involves evaluating the growth of each balance sheet item over time, using a base period for comparison. For this analysis, the base period is set to the year FY 2019/20, with all values assigned a baseline of 100%. Values exceeding 100% in subsequent years indicate positive growth, while values below 100% signify negative growth relative to the base year. Over the past five years, the total assets, liabilities, and shareholders' equity have consistently grown, reflecting the Bank's overall sustainable balance sheet growth.

Table 68: Five Years' Horizontal Analysis of Statement of Financial Position

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Assets					
Cash and cash equivalent	59.77%	111.46%	77.27%	125.29%	100.00%
Due from Nepal Rastra Bank	121.05%	102.64%	49.41%	77.51%	100.00%
Placement with BFIs	104.13%	0.00%	2.55%	82.23%	100.00%
Derivative financial instruments	7.46%	13.15%	77.66%	52.98%	100.00%
Other trading assets	6980.16%	5416.15%	6012.13%	9565.17%	100.00%
Loan and advances to BFIs	281.50%	363.46%	362.50%	9.99%	100.00%
Loans and advances to customers	167.11%	144.69%	142.24%	123.59%	100.00%
Investment securities	280.94%	211.32%	188.04%	155.11%	100.00%
Current tax assets	15.50%	30.82%	107.64%	135.29%	100.00%
Investment in subsidiaries	100.60%	100.00%	100.00%	100.00%	100.00%
Investment in associates	0.00%	0.00%	100.00%	100.00%	100.00%
Investment properties	426.88%	112.55%	114.33%	89.75%	100.00%
Property, Plant and Equipment	173.05%	177.12%	172.01%	114.46%	100.00%
Goodwill and Intangible assets	21.38%	47.82%	79.28%	90.41%	100.00%
Other assets	200.51%	252.72%	170.99%	150.65%	100.00%
Total Assets	173.64%	148.15%	137.26%	124.05%	100.00%
Liabilities					
Due to Bank and Financial Institutions	191.03%	2032.26%	7755.79%	170.00%	100.00%
Due to Nepal Rastra Bank	0.00%	0.00%	101150.04%	90133.59%	100.00%
Deposits from customers	169.62%	138.89%	115.99%	113.36%	100.00%
Borrowing	24362.09%	19534.52%	16248.98%	4923.76%	100.00%
Deferred tax liabilities/(assets)	173.60%	273.52%	-29.45%	184.99%	100.00%
Other liabilities	179.89%	162.71%	140.33%	87.82%	100.00%
Debt securities issued	820.84%	820.70%	820.52%	580.29%	100.00%
Total liabilities	182.46%	153.71%	141.05%	126.57%	100.00%
Equity					
Share capital	125.99%	125.99%	124.23%	109.56%	100.00%
Retained earnings	91.20%	53.08%	150.37%	156.03%	100.00%
Reserves	135.73%	122.68%	100.67%	102.59%	100.00%
Total equity attributable to equity holders	126.94%	118.70%	117.16%	110.66%	100.00%
Non-controlling interest					
Total equity	126.94%	118.70%	117.16%	110.66%	100.00%
Total liabilities and equity	173.64%	148.15%	137.26%	124.05%	100.00%

For the purpose of horizontal analysis of balance sheet, deferred tax assets and deferred tax liability has been presented in net basis. The data reflects a strong expansion in total assets and liabilities over the years, with the largest increase in FY2020/21. However, this growth has come with substantial increases in borrowing and liabilities. Equity has grown at a more moderate pace compared to assets and liabilities, particularly with fluctuations in retained earnings.

Statement of Profit and Loss

The horizontal analysis of statement of profit and loss involves assessing the growth of each component over time, using a specific base period for comparison. In this case, the base period is set to FY 2019/20, with all values assigned a baseline of 100%. Any subsequent values exceeding 100% indicate positive growth, while values below 100% indicate negative growth relative to the base year. Key factors for evaluating a company's performance over time include earnings, profitability, and efficiency measurements.

Table 69: Five Years' Horizontal Analysis of Statement of Profit and Loss

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Interest income	174.26%	151.37%	123.77%	95.59%	100.00%
Interest expense	186.90%	173.00%	123.29%	90.70%	100.00%
Net interest income	157.13%	122.03%	124.42%	102.23%	100.00%
Fees and commission income	87.94%	72.14%	77.00%	84.82%	100.00%
Fees and commission expense	901.74%	827.68%	217.67%	181.62%	100.00%
Net fee and commission income	76.75%	61.74%	75.07%	83.49%	100.00%
Net interest and commission income	139.58%	108.87%	113.64%	98.14%	100.00%
Net trading income	14.94%	29.46%	-59.27%	253.53%	100.00%
Other operating income	471.18%	636.91%	653.37%	1259.11%	100.00%
Total operating income	135.48%	107.52%	108.27%	109.52%	100.00%
Impairment charge for loan	474.10%	281.92%	191.94%	23.48%	100.00%
Net operating income	114.88%	96.91%	103.18%	114.75%	100.00%
Operating expense					
Personnel expenses	137.44%	119.67%	126.39%	109.53%	100.00%
Other operating expenses	105.55%	105.68%	92.59%	119.96%	100.00%
Depreciation & Amortization	220.01%	224.88%	218.36%	127.28%	100.00%
Operating Profit	95.84%	72.63%	83.46%	116.64%	100.00%
Non- operating income	13.96%	5.76%	107.69%	34.74%	100.00%
Non- operating expense	119171.52%	66783.80%	130563.71%	8140.87%	100.00%
Profit before income tax	93.26%	70.80%	82.74%	115.06%	100.00%
Income tax expense	112.88%	167.72%	132.44%	143.69%	100.00%
Current Tax	111.70%	158.98%	164.00%	130.91%	100.00%
Deferred Tax	142.58%	387.41%	-660.56%	464.80%	100.00%
Profit/(loss) for the period	86.97%	39.72%	66.80%	105.88%	100.00%

Vertical Analysis of Financial Statements

Statement of Financial Position

Vertical Analysis of the Balance Sheet involves expressing each balance sheet component as a percentage of Total Assets over various periods. This method is often referred to as common sizing of the balance sheet.

Table 70 : Five Years' Vertical Analysis of Statement of Financial Position

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Assets					
Cash and Cash Equivalent	1.63%	3.56%	2.66%	4.78%	4.73%
Due from Nepal Rastra Bank	4.89%	4.86%	2.52%	4.38%	7.01%
Placement with BFIs	1.67%	0.00%	0.05%	1.85%	2.79%
Derivative Financial Instruments	0.00%	0.01%	0.04%	0.03%	0.07%
Other Trading Assets	0.39%	0.36%	0.43%	0.75%	0.01%
Loan and Advances to BFIs	1.03%	1.56%	1.68%	0.05%	0.63%
Loans and Advances to Customers	65.39%	66.36%	70.40%	67.70%	67.95%
Investment Securities	22.03%	19.43%	18.65%	17.03%	13.62%
Current Tax Assets	0.04%	0.10%	0.39%	0.55%	0.50%
Investment in Subsidiaries	0.01%	0.01%	0.01%	0.01%	0.02%
Investment in Associates	0.00%	0.00%	0.03%	0.03%	0.04%
Investment Properties	0.30%	0.09%	0.10%	0.09%	0.12%
Property, Plant and Equipment	0.72%	0.86%	0.90%	0.67%	0.72%
Goodwill and Intangible Assets	0.02%	0.05%	0.09%	0.12%	0.16%
Deferred Tax Assets	0.00%	0.00%	0.02%	0.00%	0.00%
Other Assets	1.86%	2.75%	2.01%	1.96%	1.61%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities					
Due to Bank and Financial Institutions	0.06%	0.79%	3.25%	0.08%	0.06%
Due to Nepal Rastra Bank	0.00%	0.00%	3.97%	3.92%	0.01%
Derivative Financial Instruments	0.00%	0.00%	0.00%	0.00%	0.00%
Deposits from Customers	78.24%	75.09%	67.67%	73.19%	80.10%
Borrowing	0.86%	0.80%	0.72%	0.24%	0.01%
Current Tax Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Provisions	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred Tax Liabilities	0.10%	0.18%	0.00%	0.15%	0.10%
Other Liabilities	2.56%	2.71%	2.52%	1.75%	2.47%
Debt Securities Issued	6.58%	7.71%	8.31%	6.51%	1.39%
Subordinated Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Total liabilities	88.39%	87.28%	86.45%	85.84%	84.12%

Equity					
Share Capital	6.06%	7.11%	7.56%	7.38%	8.36%
Ordinary Share	4.32%	5.06%	5.36%	4.94%	5.33%
Preference Share (Irredeemable)	1.74%	2.04%	2.21%	2.44%	3.03%
Share Premium	0.00%	0.00%	0.00%	0.00%	0.00%
Retained Earnings	0.69%	0.47%	1.43%	1.64%	1.31%
Reserves	4.86%	5.14%	4.56%	5.14%	6.21%
Total Equity attributable to Equity Holders	11.61%	12.72%	13.55%	14.16%	15.88%
Non-Controlling Interest					
Total Equity	11.61%	12.72%	13.55%	14.16%	15.88%
Total Liabilities and Equity	100.00%	100.00%	100.00%	100.00%	100.00%

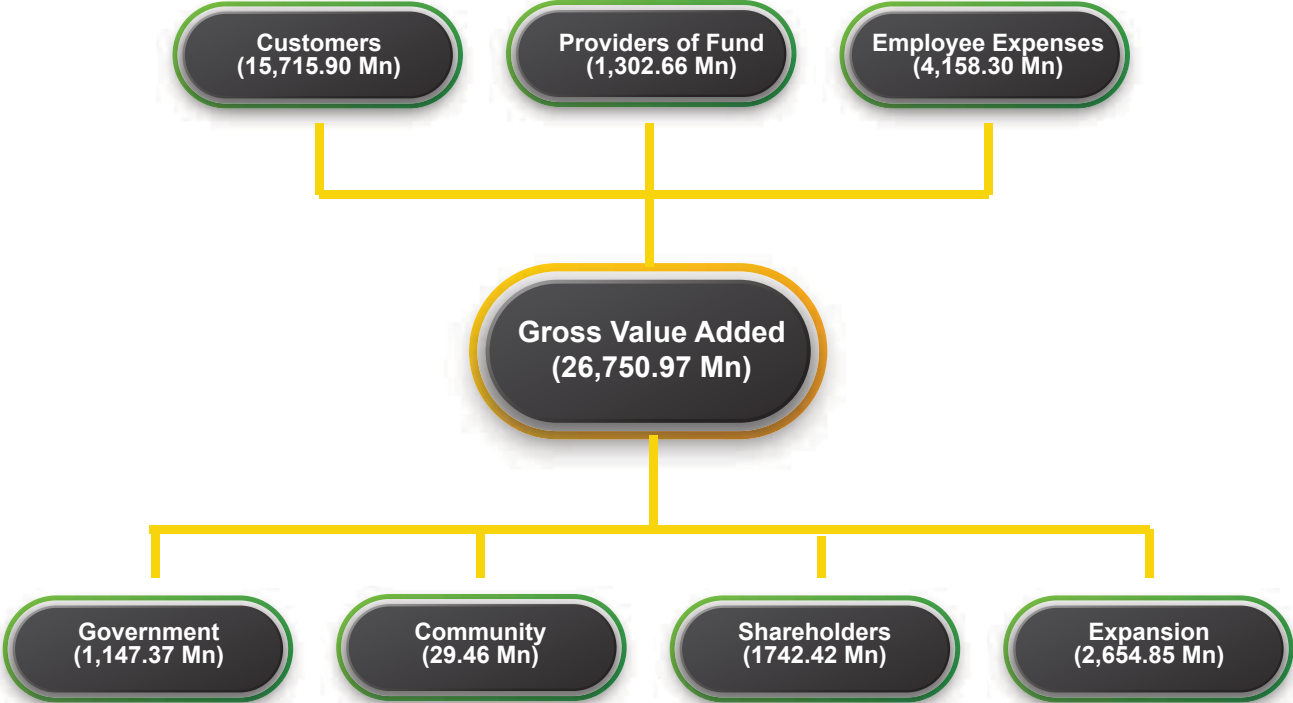
Statement of Profit and Loss

Vertical Analysis of Statement of Profit and Loss involves expressing each line item as a percentage of total income over time, which is often referred as common sizing of income statement. Total income consists of interest income earned, fees and commission income earned, net trading income, other operating income and non-operating income.

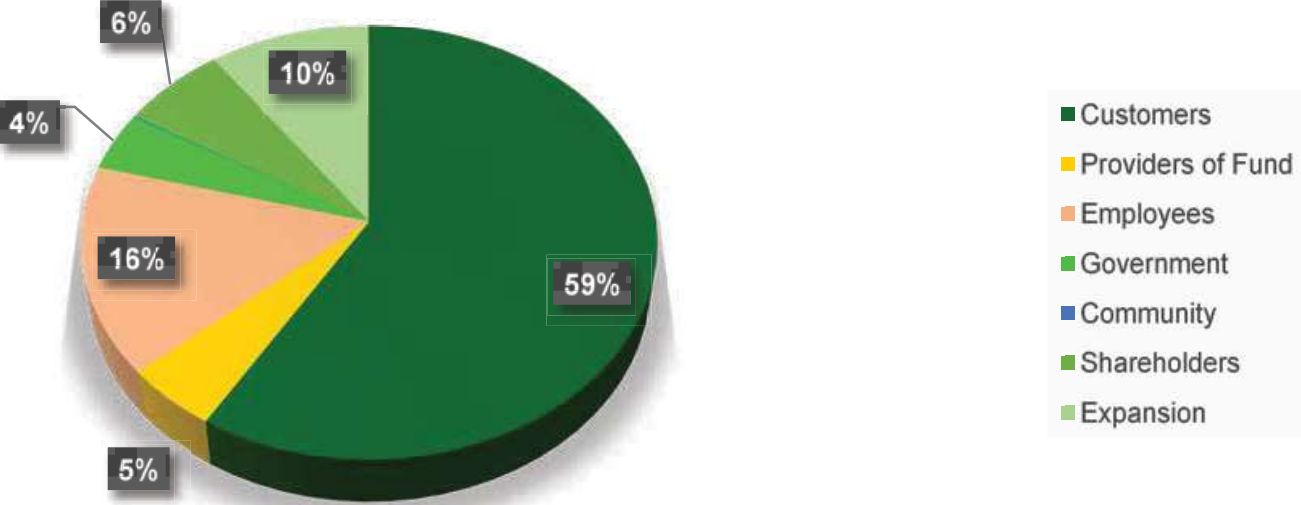
Table 71 : Five Years' Vertical Analysis of Statement of Profit and Loss

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Interest Income	93.52%	93.30%	92.65%	83.04%	86.78%
Interest Expense	57.72%	61.37%	53.11%	45.35%	49.94%
Net Interest Income	35.79%	31.93%	39.53%	37.70%	36.84%
Fees and Commission Income	5.67%	5.34%	6.93%	8.86%	10.43%
Fees and Commission Expense	0.79%	0.83%	0.27%	0.26%	0.14%
Net Fee and Commission Income	4.88%	4.51%	6.66%	8.60%	10.29%
Net Interest, Fee and Commission Income	40.68%	36.44%	46.19%	46.30%	47.12%
Net Trading Income	0.20%	0.45%	-1.10%	5.46%	2.15%
Other Operating Income	0.57%	0.89%	1.11%	2.48%	0.20%
Total Operating Income	41.45%	37.78%	46.21%	54.24%	49.47%
Impairment Charge for Loans	8.32%	5.68%	4.70%	0.67%	2.84%
Net Operating Income	33.13%	32.10%	41.51%	53.58%	46.63%
Operating Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Personnel Expenses	14.10%	14.11%	18.09%	18.20%	16.59%
Other Operating Expenses	3.37%	3.88%	4.13%	6.21%	5.17%
Depreciation & Amortization	1.62%	1.90%	2.24%	1.51%	1.19%
Operating Profit	14.04%	12.22%	17.05%	27.66%	23.69%
Non-Operating Income	0.04%	0.02%	0.41%	0.16%	0.45%
Non-Operating Expense	0.16%	0.10%	0.24%	0.02%	0.00%
Profit before Income Tax	13.92%	12.13%	17.22%	27.80%	24.13%
Income Tax Expense	4.09%	6.98%	6.69%	8.43%	5.86%
Current Tax	3.89%	6.36%	7.97%	7.38%	5.63%
Deferred Tax	0.20%	0.62%	-1.28%	1.04%	0.22%
Profit/Loss for the period	9.83%	5.16%	10.53%	19.37%	18.27%

Value Creation and Distribution



Value Distributed



Value Added Statement

A Value-Added Statement (VAS) is a financial report that provides a detailed breakdown of how the wealth created by an organization is distributed among its stakeholders. It highlights the value an organization adds to its goods and services and shows how this value is allocated to employees, shareholders, government, creditors, and retained earnings.

Table 72: Five Years' Historical Value Added Statement

NPR in Million

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Interest income	27,571.35	23,948.68	19,582.60	15,124.05	15,821.70
Net Fees and Commission Income	1,439.60	1,158.21	1,408.10	1,566.07	1,875.82
Net Trading Income	58.59	115.52	(232.46)	994.30	392.18
Other Operating Expenses	169.30	228.85	234.76	452.41	35.93
Value Added by Banking Service	29,238.84	25,451.26	20,993.01	18,136.83	18,125.63
Add: Non-operating Income	11.35	4.69	87.53	28.24	81.28
Less: Non-Operating Expenses	(47.05)	(26.37)	(51.55)	(3.21)	(0.04)
Less: Impairment	(2,452.17)	(1,458.17)	(992.76)	(121.43)	(517.22)
Gross Value Added	26,750.97	23,971.41	20,036.23	18,040.42	17,689.65

Application of Gross Value Added

Table 73: Five Years' Historical Application Statement

NPR in Million

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
To Customers					
Interest Expenses	15,715.90	14,175.73	9,758.82	7,869.08	8,986.13
To Providers of the fund					
Interest on Debt Securities	1,302.66	1,577.30	1,467.85	389.24	119.45
To Employees					
Personnel Expenses	4,158.30	3,620.73	3,823.92	3,313.87	3,025.47
To Government					
Income Taxes	1,147.37	1,633.08	1,684.70	1,344.77	1,027.22
To Community					
Corporate Social Responsibility	29.46	19.81	21.35	75.82	32.19
To Shareholders					
Dividend and Bonus Shares	1,742.42	2,040.39	2,639.63	1,834.88	3,030.62
To Expansion					
Retained Earnings	2,120.03	258.90	437.09	2,747.04	1,211.09
Deferred Taxes	58.30	158.39	(270.07)	190.04	40.89
Depreciation & Amortization	476.53	487.08	472.95	275.69	216.59
Total Distribution	26,750.97	23,971.41	20,036.23	18,040.42	17,689.65

Market Value Added

Market Value Added (MVA) is a measure of a company's financial performance that represents the difference between the market value of a company and the capital contributed by investors. It reflects the value a company has created for its shareholders beyond the capital invested in it

Table 74: Five Year's Historical Market Value Added

NPR in Million unless stated otherwise

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Market Price per share (Rs.)	294	233.9	331	479	385
Number of shares	134.52	134.52	131.88	109.90	95.56
Total Market Value	39,547.92	31,463.47	43,652.00	52,641.76	36,792.37
Book Value per Share (Rs.)	228.28	210.84	211.74	237.24	241.08
Number of shares	134.52	134.52	131.88	109.90	95.56
Total Book Value	30,707.48	28,361.51	27,924.09	26,072.51	23,038.72
Market Value Added	8,840.44	3,101.96	15,727.91	26,569.25	13,753.66

Economic Value Added © (Stern Stewart & Co.)

Economic Value Added (EVA) is a measure of a company's financial performance that calculates the value created beyond the required return of the company's shareholders or investors. It shows how much economic profit a company generates after accounting for the cost of capital.

Table 75: Five Year's Historical Economic Value Added

NPR in million

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Net Operating Profit After Tax	3,784.07	3,284.53	3,575.77	3,816.11	3,163.51
Average Capital Employed	55,442.08	54,046.63	49,903.70	38,473.43	29,727.75
Cost of Capital	5.88%	7.51%	6.89%	4.70%	6.40%
Cost of Capital Employed	3,259.99	4,058.90	3,438.36	1,808.25	1,902.58
Economic Value Added	524.08	(774.38)	137.40	2,007.86	1,260.93

*Cost of funds is considered as cost of capital for the purpose of economic value added calculation.

Bank's Capital Strength and Adequacy

Table 76: Capital Adequacy Ratios (CAR) as on Mid-July 2024

Indicators	Actual	Required
Leverage Ratio	6.64%	4%
Common Equity Tier 1	9.24%	7%
Tier 1	11.21%	8.50%
Total Capital	12.74%	11%

The Bank's capital position is well above the regulatory requirement during FY 2023/24 which indicates that the Bank has a strong capital position to support its risk profile, providing a cushion against potential financial stress and enhancing its stability and resilience.

Furthermore, during the last five years the Bank has been able to maintain the statutory requirements of CAR as prescribed by NRB. The detailed capital adequacy of bank over five years is as presented below:

Table 77 : Five Years' Historical Capital Adequacy Ratios

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Leverage Ratio	6.64%	7.66%	8.90%	N/A	N/A
Common Equity Tier 1	9.24%	9.99%	N/A	N/A	N/A
Tier 1	11.21%	12.24%	13.62%	14.92%	16.50%
Total Capital	12.74%	14.24%	15.59%	16.94%	19.33%

Table 78: Five Years' Historical Capital Structure

NPR in Million

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Common Equity Tier 1 Capital	25,418	24,139	26,253	N/A	N/A
Tier 1 Capital	30,851	29,571	31,683	29,342	27,078
Tier 2 Capital	4,226	4,829	4,597	5,144	4,634
Total Capital	35,077	34,401	36,280	34,486	31,712
Total Risk Weighted Exposures	275,229	241,626	232,686	203,523	164,093

Table 79: Five Years' Historical Risk Exposures

NPR in Million

Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Credit Risk	246,984	214,991	207,917	182,896	141,668
Market Risk	120	119	146.16	165	67
Operational Risk	13,161	12,785	12,233	11,792	12,591
Adjustments under Pillar II	14,964	13,731	12,390	8,670	9,767
Total Risk Weighted Exposures	275,229	241,626	232,686	203,523	164,093

Quarterly Highlights of FY 2023/24

Table 80: Quarterly Summary of Statement of Financial Position

NPR in Million

Assets	Q1	Q2	Q3	Q4	Average Quarterly Growth
Cash and Cash equivalent	11,744.95	10,959.10	7,778.14	4,393.91	-26.41%
Due from Nepal Rastra Bank	8,717.46	8,649.50	11,366.18	8,783.23	2.63%
Placement with BFIs	-	3,626.03	3,805.24	5,886.14	53.21%
Derivative Financial instruments	-	-	-	-	0.00%
Other trading assets	2,130.14	2,976.91	853.92	1,216.15	3.62%
Loan and advances to B/FIs	4,097.56	3,516.04	3,460.02	3,279.99	-7.00%
Loans and advances to customers	183,009.63	187,361.48	196,020.83	201,765.88	3.31%
Investment securities	56,060.88	67,770.82	62,734.49	75,533.17	11.29%
Current tax assets	718.16	136.51	196.06	-	-45.79%
Investment in subsidiaries	28.84	28.84	28.84	28.84	0.00%
Investment in associates	-	-	-	-	0.00%
Investment properties	248.62	303.36	303.39	943.09	77.63%
Property and equipment	2,259.67	2,259.52	2,247.16	2,214.34	-0.67%
Goodwill and Intangible assets	143.30	99.74	99.74	73.20	-19.00%
Deferred tax assets	-	-	-	-	0.00%
Other assets	6,730.95	9,218.32	5,977.88	8,874.07	16.75%
Total Assets	275,890.14	296,906.16	294,871.89	312,992.02	4.36%
Liabilities					
Due to Bank and Financial Institutions	2,283.55	672.24	114.71	197.02	-27.25%
Due to Nepal Rastra Bank	4.57	3.38	3.38	3.36	-8.90%
Derivative financial instruments	-	-	-	-	0.00%
Deposits from customers	209,175.92	229,368.83	228,087.72	243,589.84	5.30%
Borrowing	2,025.44	2,024.56	2,024.56	2,664.57	10.52%
Current Tax Liabilities	-	-	-	286.57	33.33%
Provisions	-	-	-	-	0.00%
Deferred tax liabilities	51.46	365.57	292.71	425.42	211.94%
Other liabilities	8,632.45	8,971.49	8,221.17	8,194.00	-1.59%
Debt securities issued	20,469.23	20,473.53	20,473.53	20,479.12	0.02%
Subordinated Liabilities	-	-	-	-	0.00%
Total liabilities	242,642.63	261,879.59	259,217.78	275,839.90	4.44%
Equity					
Share capital	18,884.39	18,884.39	18,884.39	18,884.39	0.00%
Ordinary Share	13,451.67	13,451.67	13,451.67	13,451.67	0.00%
Preference Share (Irredeemable)	5,432.71	5,432.71	5,432.71	5,432.71	0.00%
Share premium	-	-	-	-	0.00%
Retained earnings	434.70	752.19	1,128.60	2,662.76	86.34%
Reserves	13,928.42	15,390.00	15,641.12	15,604.98	3.96%
Total equity attributable to equity holders	33,247.51	35,026.58	35,654.11	37,152.13	3.78%
Non-controlling interest	-	-	-	-	0.00%
Total equity	33,247.51	35,026.58	35,654.11	37,152.13	3.78%
Total liabilities and equity	275,890.14	296,906.16	294,871.89	312,992.02	4.36%

During FY 2023/24, the Bank's investments in securities and placements with BFIs resulted in a decline in cash and cash equivalents over the subsequent quarters. The reversal of impairment charges contributed to an increase in loans and advances. The growth in investment properties indicates a rise in non-banking assets, while the increase in retained earnings reflects higher profitability for the Bank during the fiscal year.

Table 81: Quarterly Summary of Statement of Profit and Loss

NPR in Million

Particulars	Q1	Q2	Q3	Q4	Average Quarterly Growth
Interest Income	6,518.09	6,771.57	6,243.05	6,988.88	2.68%
Interest Expense	4,454.28	4,347.99	3,724.97	4,068.48	(2.50%)
Net Interest Income	2,063.80	2,423.58	2,518.08	2,920.40	12.44%
Fees and Commission Income	365.72	341.27	383.87	549.02	16.27%
Fees and Commission Expense	25.40	137.87	36.42	51.42	136.78%
Net Fee and Commission Income	340.32	203.40	347.44	497.61	24.60%
Net Interest and Commission Income	2,404.12	2,626.97	2,865.52	3,418.00	12.54%
Net Trading Income	(30.57)	157.12	(87.15)	88.71	(323.72%)
Other Operating Income	133.24	172.39	2.40	112.73	1511.52%
Total Operating Income	2,506.78	2,956.48	2,780.77	3,619.45	14.05%
Impairment Charge/(Reversal)	2,160.08	(1,063.7)	(59.91)	(288.75)	46.11%
Net Operating Income	346.71	4,020.05	2,840.68	3,908.19	355.91%
Operating Expense	-	-	-	-	
Personnel Expense	872.52	917.98	782.20	890.91	1.44%
Other Operating Expenses	305.10	273.29	403.87	109.17	-11.87%
Depreciation & Amortization	77.47	70.72	93.11	288.17	77.48%
Operating Profit	(908.39)	2,758.07	1,561.50	2,619.94	-126.41%
Non-Operating Income	5.20	5.43	3.73	(11.63)	-146.27%
Non-operating Expense	-	2.18		(4.36)	
Profit before Income Tax	(903.18)	2,761.31	1,565.23	2,612.67	-127.38%
Income Tax Expense	(15.11)	517.97	395.25	1,010.17	1131.94%
Current Tax	-	557.44	422.80	833.70	36.52%
Deferred Tax	(15.11)	(39.47)	(27.54)	176.46	-203.23%
Profit/(loss) for the period	(888.07)	2,243.35	1,169.97	1,602.50	-121.16%

The quarterly results indicate a notable improvement in profitability from Q1 to Q4. The unfavorable performance in the first quarter was rectified in subsequent quarters, primarily due to the reversal of impairment charges. Additionally, there was consistent growth in interest income throughout the quarters and an increase in fees and commission income due to the rise in loans and advances.

Comparison of Unaudited and Audited Financial Statements of FY 2023/24

Table 82 : Comparison of unaudited Statement of Financial Position Vs Audited Statement of Financial Position
NPR in Million

Particulars	Unaudited	Audited	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and cash equivalent	4,394	5,074	-680	-15.48%	
Due from Nepal Rastra Bank	8,783	15,213	-6,430	-73.20%	
Placement with BFIs	5,886	5,214	672	11.41%	
Derivative financial instruments	0	10	-10	0.00%	
Other trading assets	1,216	1,216	0	0.00%	
Loan and advances to B/FIs	3,280	3,202	78	2.37%	
Loans and advances to customers	2,01,766	2,03,617	-1,851	-0.92%	Variance is due to revision in loan loss provision, amortisation of staff loan and regrouping of deferred employee expenditure.
Investment securities	75,533	68,611	6,922	9.16%	
Current tax assets	0	139	-139	0.00%	
Investment in subsidiaries	29	29	0	-0.60%	
Investment in associates	0	0	0	0.00%	
Investment property	943	943	0	0.00%	
Property and equipment	2,214	2,238	-24	-1.09%	
Goodwill and Intangible assets	73	62	11	15.34%	
Deferred tax assets	0	0	0	0.00%	
Other assets	8,874	5,806	3,068	34.57%	Variance is due to the re-grouping of deferred employee expenditure.
Total Assets	3,12,992	3,11,375	1,617	0.52%	
Equity and Liabilities					
Due to BFIs	197	197	0	0.00%	
Due to Nepal Rastra Bank	3	0	3	100.00%	
Derivative financial instruments	0	0	0		
Deposits from customers	2,43,590	2,43,629	-39	-0.02%	
Borrowing	2,665	2,665	0	0.00%	
Current Tax Liabilities	287	0	287	100.00%	
Provisions	0	0	0		
Deferred tax liabilities	425	307	118	27.74%	
Other liabilities	8,194	7,961	233	2.85%	Variance is due to regrouping and reclassification with other assets, and deposits from customers
Debt securities issued	20,479	20,477	2		
Subordinated Liabilities	0	0	0		
Total Liabilities	2,75,840	2,75,235	604	0.22%	
Share capital	18,884	18,884	0		
Share premium	0	0	0		
Retained earnings	2,663	2,136	527	19.78%	Variance is due to additional provision and other adjustment by auditors/ regulators
Reserves	15,605	15,119	486	3.11%	
Total equity attributable to equity holders	37,152	36,140	1,012	2.72%	
Total liabilities and equity	3,12,992	3,11,375	1,617	0.52%	

Table 83: Comparison of Unaudited Statement of Profit and Loss and Audited Statement of Profit and Loss
NPR in Million

Particulars	Unaudited	Audited	Variance		Reasons for Variance
			In amount	In %	
Interest Income	27,141.95	27,571.35	-429,398	-1.58%	Variance is due to recognition of interest income on staff loan
Interest Expense	17,017.67	17,018.57	-897	-0.01%	
Net Interest Income	10,124.28	10,552.78	-428,502		
Fee and Commission Income	1,664.19	1,672.37	-8,176	-0.49%	
Fee and Commission Expense	235.92	232.77	3,151	1.34%	Variance is due to re-grouping and reclassification
Net Fee and Commission Income	1,428.28	1,439.60	-11,327	-0.79%	
Net Interest, Fee and Commission Income	11,552.56	11,992.39	-439,829	-3.81%	
Net Trading Income	50.68	58.59	-7,911	-15.61%	Variance is due to re-grouping and reclassification
Other Operating Income	177.79	169.30	8,496	4.78%	Variance is due to re-grouping and reclassification
Total Operating Income	11,781.03	12,220.28	-439,244	-3.73%	
Impairment Charge/(Reversal) for Loans	1,233.61	2,452.17	-1,218,557	-98.78%	Variance is due to additional impairment from auditors
Net Operating Income	10,547.42	9,768.11	779,313	7.39%	
Personnel Expenses	3,786.17	4,158.30	-372,133	-9.83%	Variance is due to actuarial valuation
Other Operating Expenses	999.75	994.42	5,327	0.53%	Variance is due to re-grouping and reclassification
Depreciation & Amortization	466.90	476.53	-9,625	-2.06%	Variance is due to depreciation computation on right to use assets.
Operating Profit	5,294.60	4,138.86	1,155,744	21.83%	
Non-Operating Income	1.43	11.35	-9,920	-696.10%	Variance is due to re-grouping and reclassification
Non-Operating Expense	0.05	47.05	-47,000	-95697.45%	Variance is due to re-grouping and reclassification
Profit before Tax	5,295.98	4,103.15	1,192,823	22.52%	
Income Tax Expenses	1,640.32	1,205.67	434,649	26.50%	
Current Tax	1,572.91	1,147.37	425,537	27.05%	Variance is due to additional allowance as per income tax audit.
Deferred Tax	67.41	58.30	9,112	13.52%	Variance due to computation of deferred tax of Fixed Assets.
Profit /(Loss) for the period	3,655.66	2,897.49	758,175	20.74%	
Other Comprehensive Income	-	-	256,614	-87.28%	
	294.01	550.62			
Total Comprehensive Income	3,361.66	2,346.87	1,014.79	30.19%	

Comparison of Current Year Vs Previous Year

Table 84: Comparison of Current Year Statement of Financial Position and Previous Year

NPR in Million

Assets	FY 2023/24	FY 2022/23	Variance	Reason of Variance
Cash and cash equivalent	5,074.08	9,462.42	-46.38%	Liquid assets invested in short term money market, standing liquidity facility.
Due from Nepal Rastra Bank	15,212.78	7,096.50	114.37%	Increase in standing liquidity facility.
Placement with Bank and Financial Institutions	5,214.30		-	Increase in placement with foreign BFIs.
Derivative financial instruments	9.97	17.59	-43.30%	Decrease in fair value of forward exchange contract.
Other trading assets	1,216.15	943.65	28.88%	Increase in investment in trading assets.
Loan and advances to B/FIs	3,202.20	4,134.54	-22.55%	Repayment of loan and advances.
Loans and advances to customers	203,617.05	176,303.57	15.49%	Increase in quality of loan and advances.
Investment securities	68,611.26	57,411.02	19.51%	Increase in investment in equity instruments.
Current tax assets	139.13	276.71	-50%	-
Investment in subsidiaries	29.01	28.84	0.60%	-
Investment properties	943.09	248.65	279.28%	Increase in booking of Non-Banking Assets.
Property and equipment	2,238.43	2,291.07	-2.30%	No addition of PPE and depreciation of PPE.
Goodwill and Intangible assets	61.97	138.59	-55.28%	Amortization of intangible assets.
Other assets	5,806.00	7,317.84	-20.66%	Increase in account receivables.
Total Assets	311,375.43	265,670.98	17.20%	
Liabilities	0.00	0.00		
Due to Bank and Financial Institutions	197.02	2,095.92	-90.60%	Decrease in interbank borrowing.
Due to Nepal Rastra Bank			-	-
Derivative financial instruments			-	-
Deposits from customers	243,628.66	199,486.61	22.13%	Increase in deposit from customer. Improve in deposit interest rate.
Borrowing	2,664.57	2,136.56	24.71%	Increase in borrowing from GON.
Current Tax Liabilities			-	-
Provisions			-	-
Deferred Tax Liabilities	307.42	484.36	-36.53%	Calculated as per NAS 12.
Other Liabilities	7,960.79	7,200.34	10.56%	Increase in liability for employees defined benefit obligations
Debt Securities issued	20,477.02	20,473.53	0.02%	-
Subordinated Liabilities				
Total Liabilities	275,235.49	231,877.33	18.70%	
Equity	0.00	0.00		
Share Capital	18,884.39	18,884.39	0.00%	-
Ordinary Share	13,451.67	13,451.67	0.00%	-
Preference Share (Irredeemable)	5,432.71	5,432.71	0.00%	-
Retained Earnings	2,136.09	1,243.17	71.83%	Increase in profit of the Bank.
Reserves	15,119.47	13,666.10	10.63%	Increase in profit of the Bank.
Total Equity attributable to				
Equity Holders	36,139.95	33,793.65	6.94%	Increase in profit of the Bank.
Non-Controlling Interest	0.00	0.00		
Total Equity	36,139.95	33,793.65	6.94%	Increase in Retained earning and reserves of the Bank.
Total Liabilities and Equity	311,375.43	265,670.98	17.20%	

Table 85 : Comparison of Current Year Statement of Profit and Loss and Previous Year

NPR in Million

Particulars	FY 2023/24	FY 2022/23	Variance	Reason of Variance
Interest Income	27,571.35	23,948.68	15.13%	Increase in loan portfolio and improvement in quality of loan.
Interest Expense	17,018.57	15,753.03	8.03%	Increase in deposit portfolio.
Net Interest Income	10,552.78	8,195.66	28.76%	
Fees and Commission Income	1,672.37	1,371.86	21.91%	Increase in loan size.
Fees and Commission Expense	232.77	213.65	8.95%	Expansion in digital services.
Net Fee and Commission Income	1,439.60	1,158.21	24.30%	
Net Interest, Fee and Commission Income	11,992.39	9,353.87	28.21%	
Net Trading Income	58.59	115.52	-49.28%	Decrease in fair value of trading assets.
Other operating income	169.30	228.85	-26.02%	Loss on foreign exchange revaluation, decline in gain on sale of investment securities.
Total operating income	12,220.28	9,698.24	26.01%	
Impairment charge/ (reversal) for loan and other losses	2,452.17	1,458.17	68.17%	Improvement in quality of loan.
Net operating income	9,768.11	8,240.06	18.54%	
Operating expense	-	-		
Personnel expenses	4,158.30	3,620.73	14.85%	Increase in staff loan, staff allowance, uniform expenses, medical expenses and staff bonus.
Other operating expenses	994.42	995.69	-0.13%	No material changes.
Depreciation & Amortization	476.53	487.08	-2.17%	No new addition of fixed assets.
Operating Profit	4,138.86	3,136.56	31.96%	
Non-operating income	11.35	4.69	142.14%	Increase in recovery of loan written off.
Non-operating expense	47.05	26.37	78.44%	Increase in loan write off expenses. and IFAD-VITA Grant Expense.
Profit before income tax	4,103.15	3,114.88	31.73%	
Income tax expense	1,205.67	1,791.47	-32.70%	
Current Tax	1,147.37	1,633.08	-29.74%	Calculated as per Income Tax Act.
Deferred Tax	58.30	158.39	-63.20%	Calculated as per NAS 12.
Profit/(loss) for the period	2,897.49	1,323.41	118.94%	

Summary of Cash Flows

Table 86: Five Years' Historical summary of Cash flows

NPR in Million

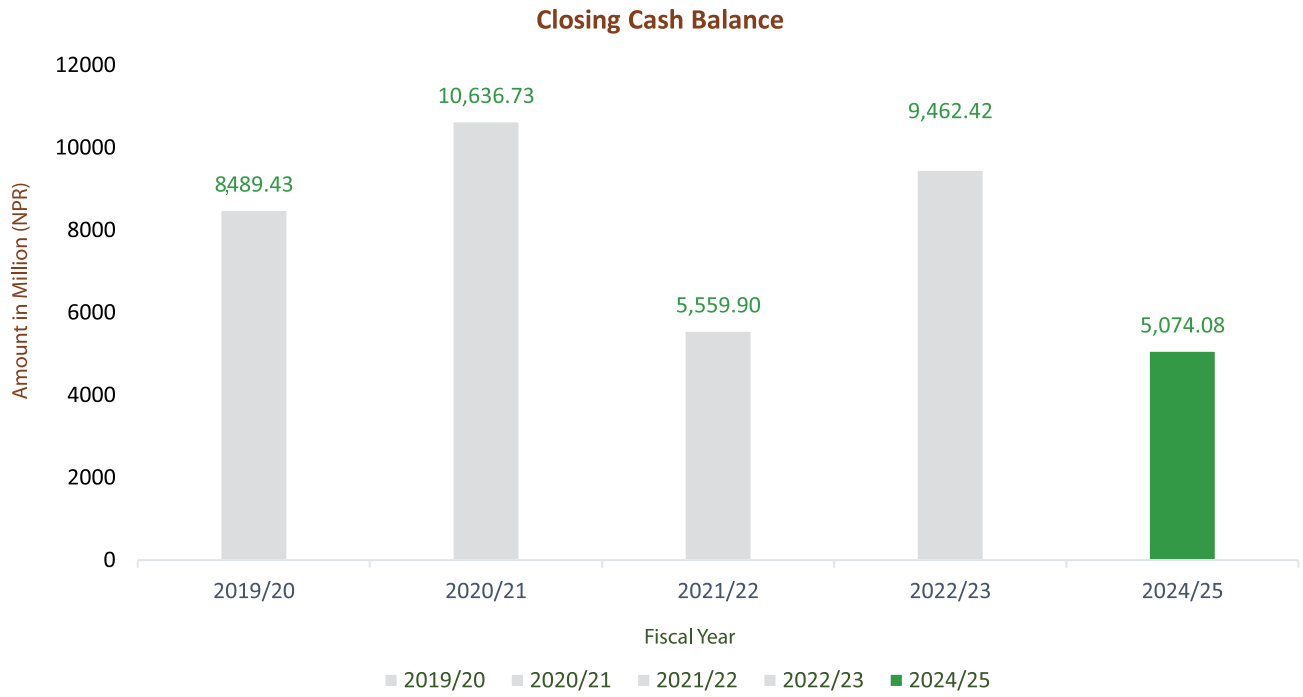
Particulars	FY				
	2023/24	2022/23	2021/22	2020/21	2019/20
Opening Cash Balance	9,462.42	6,559.90	10,636.73	8,489.43	11,500.75
Cash Flow from Operating Activities	13,518.75	14,653.77	(289.41)	3,656.80	4,499.55
Cash Flow from Investing Activities	(17,844.72)	(10,162.57)	(9,122.32)	(13,446.41)	(7,876.92)
Cash Flow from Financing Activities	(62.37)	(1,588.69)	5,334.89	11,936.91	366.05
Closing Balance	5,074.08	9,462.42	6,559.90	10,636.73	8,489.43

Five Years' Historical Presentation of Cash flows from operating activities



The Operating cash flows shows volatility over the years, with first three years being impacted by global pandemic of COVID-19 leading to economic downturn throughout the world. Financing activities consist of amount obtained from issue of debt securities and amount paid for dividends. Investing activities arises from purchase of investment securities, property, equipment and intangible assets. The company's operational performance improved in recent years, as evidenced by improved cash inflows from operating activities in last two years. In FY 2023/24, the Bank has invested 17.621 billion in investment securities resulting into decrease in cash flow.

Five Years' Historical Presentation of Closing Cash Balance

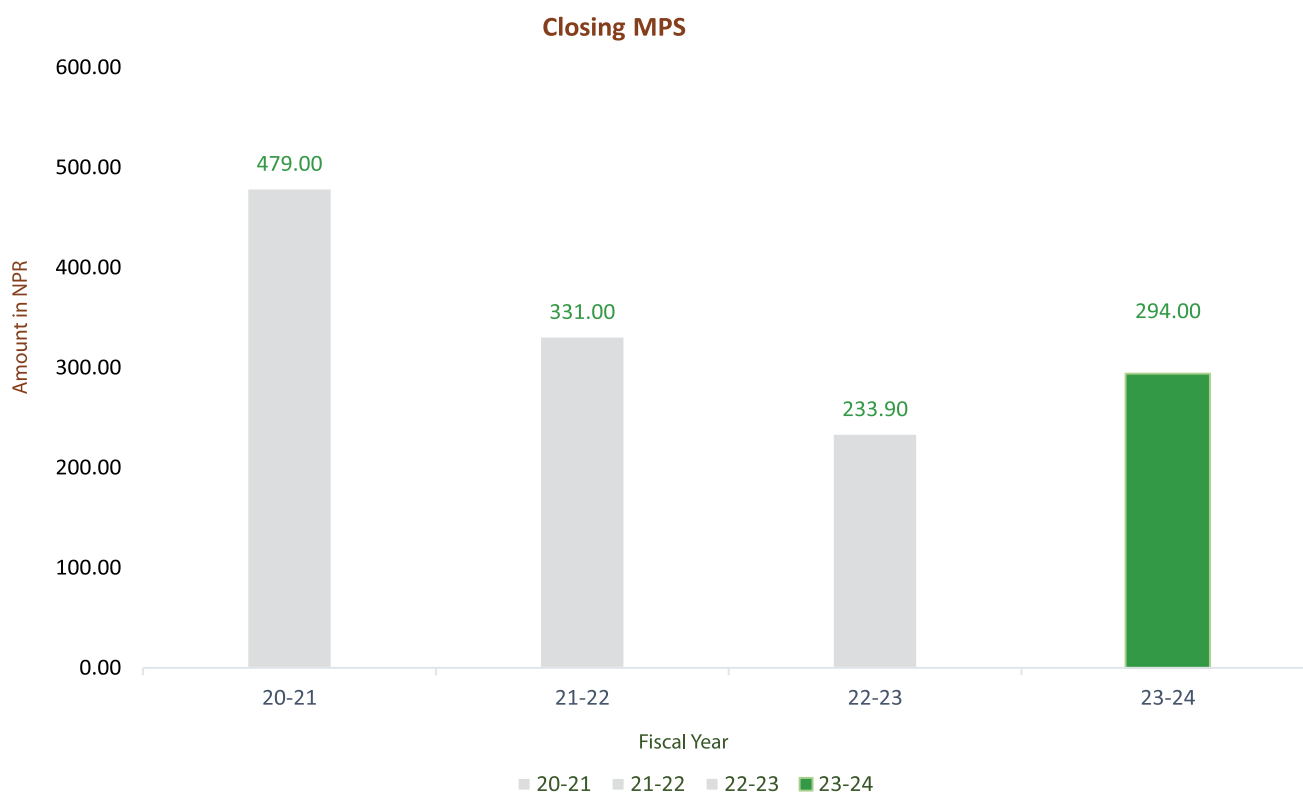


Summary of Market Information

Table 87: Five Years' Historical Summary of Stock Market Information

Particulars	FY			
	2023/24	2022/23	2021/22	2020/21
Highest MPS	308.00	355.80	620.00	576.00
Lowest MPS	223.00	224.00	298.00	398.00
Closing MPS	294.00	233.90	331.00	479.00
Average MPS	249.11	287.50	440.06	452.39
Total Volume Traded	7,615,895.00	6,494,615.00	14,565,473.00	18,026,730.00
Total Trading Days	229.00	236.00	239.00	245.00
Average Volume Traded	33,257.18	27,519.56	60,943.40	73,578.49

Presentation of Closing MPS



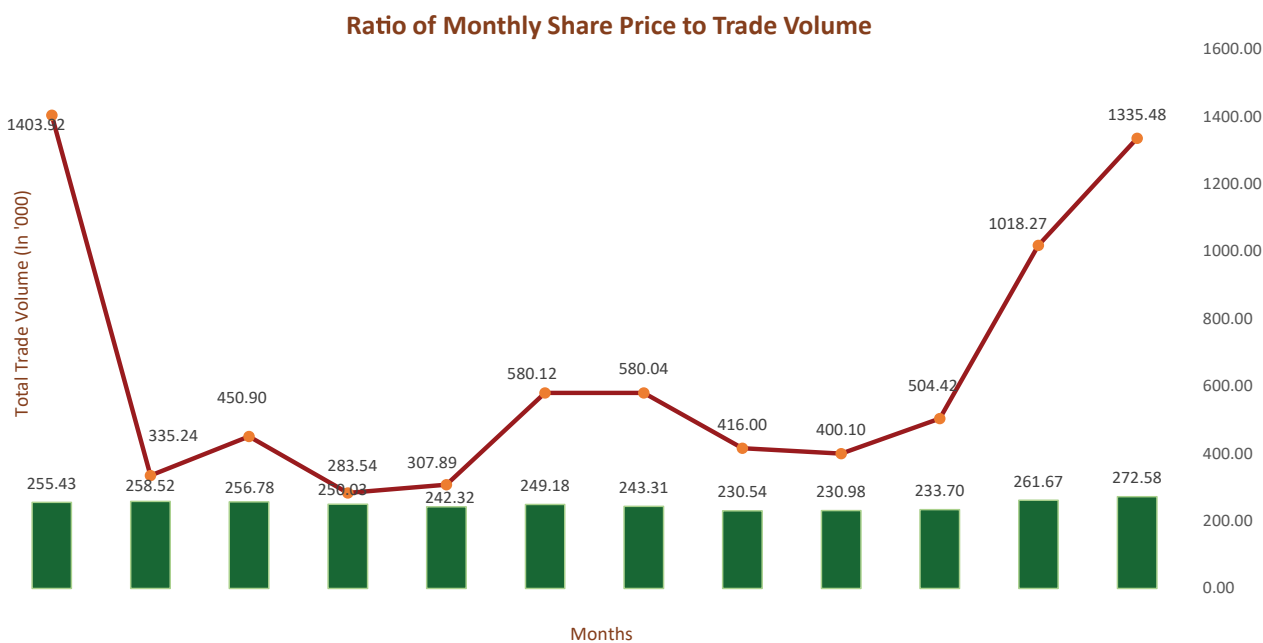
Monthly Summary of Market Data

Table 88: Monthly Summary of Stock Market Data during FY 2023/24

Months	Highest MPS	Lowest MPS	Closing MPS	Average MPS	Total Volume Traded (In '000)	Total Trading Days	Average Volume Traded
Shrawan (Mid-July to Mid-August)	275	232.1	261.9	255.43	1,403,915.00	24	58,496.46
Bhadra (Mid-August to Mid-September)	269	250	259.9	258.52	335,241.00	18	18,624.50
Ashoj (Mid-September to Mid-October)	270	246	251	256.78	450,899.00	19	23,731.53
Kartik (Mid-October-Mid-November)	270	236	244	250.03	283,537.00	12	23,628.08
Mangsir (Mid-November to Mid-December)	269.5	235	248	242.32	307,890.00	19	16,204.74
Poush (Mid-December to Mid-January)	267.2	241	243.7	249.18	580,117.00	18	32,228.72
Magh (Mid-January to Mid-February)	252	233.6	235.2	243.31	580,035.00	20	29,001.75
Falgun (Mid-February to Mid-March)	242.1	223	236	230.54	415,995.00	20	20,799.75
Chaitra (Mid-March to Mid-April)	239.7	225	227	230.98	400,102.00	18	22,227.89
Baisakh (Mid-April to Mid-May)	250.9	223	245	233.70	504,415.00	19	26,548.16
Jestha (Mid-May to Mid-June)	292.9	239	266	261.67	1,018,273.00	21	48,489.19
Ashadh (Mid-June to Mid-July)	308	256	294	272.58	1,335,476.00	21	63,594.10

Monthly Share Price to Trade Volume Ratio

Chart : Presentation of Monthly Share Price to Trade Volume Ratio during F.Y. 2023/24



*Monthly share price is the arithmetical average of closing share price during the trading days.

Five Years' KPIs

Table 89: Five Years' Historical Key Performance Indicators

Particulars	Indicators	FY				
		2023/24	2022/23	2021/22	2020/21	2019/20
Net Profit to Total Revenue Ratio	%	9.83	5.16	10.53	19.37	18.27
*Earnings per Share	Rs.	19.12	7.42	14.41	29.13	31.45
Market price per Share	Rs.	294.00	233.90	331.00	479.00	385.00
Price Earnings Ratio	Ratio	15.38	31.54	22.98	16.44	12.24
Stock Dividend on Equity Share Capital	%	3.00	-	2.00	20.00	15.00
Cash Dividend on Equity	%	7.53	-	11.00	1.05	0.79
Interest Income to Loan and Advances	%	13.34	13.10	10.98	9.98	11.74
Employee Expenses to Total Operating Expense	%	19.64	19.15	28.07	33.67	21.87
Interest on Total Deposit and Borrowings	%	6.48	7.24	5.97	4.76	6.24
Exchange Fluctuation Income to Total Income	%	- 0.00	0.06	0.00	-	0.03
Employee Bonus to Total Employee Expenditure	%	2.67	2.32	2.57	7.99	7.65
Net Profit to Loan and Advances	%	1.40	0.72	1.25	2.33	2.70
Net Profit to Total Assets	%	0.93	0.50	0.90	1.59	1.86
Total Loan to Deposit	%	84.78	91.56	107.01	92.93	85.84
Total Operating Expense to Total Assets	%	7.35	7.93	6.68	5.86	7.71
Capital Adequacy of Risk Weighted Assets						
Core Capital	%	11.21	12.24	13.62	14.42	16.47
Supplementary Capital	%	1.54	2.00	1.98	2.53	2.82
Total Capital Fund	%	12.74	14.24	15.59	16.94	19.29
Liquidity Ratio	Ratio	34.26	30.10	25.96	36.21	33.98
Non-Performing Loan to Total Loan	%	3.91	2.78	2.09	1.88	2.84
Base Rate	%	8.09	10.06	8.90	7.13	9.26
Spread Rate	%	3.95	3.94	4.37	4.37	4.44
Book Net worth	NPR in Million	36,140	33,794	33,357	31,505	28,471
Total Share (Ordinary)	No. in Million	135	135	132	110	96
Total Employee	Number	2372	2391	2336	2402	2013

Asset Quality

Maturity of Assets and Liabilities

Table 90 : Maturity of Assets and Liabilities as on Mid-July 2023/24

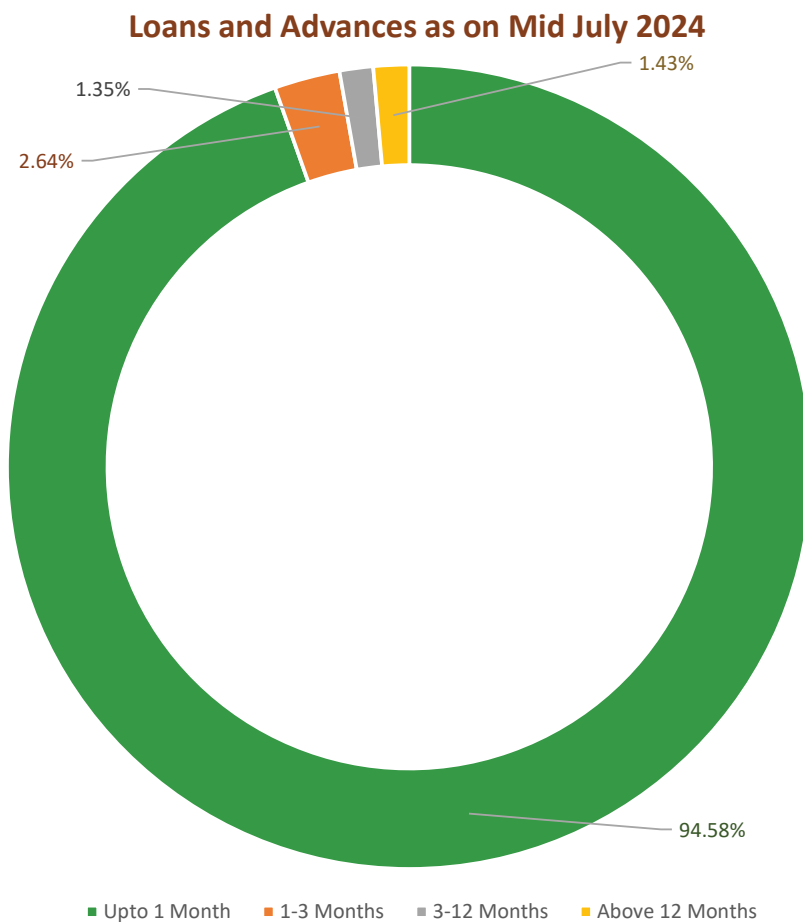
Particulars	NPR in Million					
	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
Assets						
Cash Balance	4,047.03					4,047.03
Balance with Banks & FIs	9,595.60					9,595.60
Investment in Foreign Banks	-					-
Call Money	-					-
Government Securities	7,647.45	14,296.77	4,619.71	10,664.98	23,798.79	61,027.70
Nepal Rastra Bank Bonds						-
Inter Bank & FI Lending						-
Loans & Advances	41,419.87	9,733.67	20,709.94	41,419.87	93,816.01	207,099.37
Interest Receivable	1,872.78	183.61	734.42	881.31	-	3,672.11
Reverse Repo						-
Receivables from other Institutions under Commitment						-
Payment to be made for facilities under s.no 20,21 & 22						-
Others	15,183.01	6,339.90	4,144.91	7,899.20	12,453.40	46,020.43
Total Assets (A)	79,765.75	30,553.95	30,208.97	60,865.36	130,068.21	331,462.24
Liabilities						
Current Deposits	29,514.14	-	-	-	-	29,514.14
Saving Deposits	8,020.74	10,937.37	14,583.16	9,479.05	29,895.47	72,915.79
Fixed Deposits	50,165.41	43,978.83	21,149.00	7,345.33	17,938.65	140,577.22
Debentures	-	-	-	-	20,473.53	20,473.53
Other Liabilities and Provisions	3,270.27	7,031.55	6,825.44	5,391.11	3,582.38	26,100.76
(a) Sundry Creditors	1,218.87	975.09	1,787.67	1,300.12	-	5,281.75
(b) Bills Payable						-
(c) Interest Payable	107.84	107.84	71.89	107.84	323.51	718.90
(d) Provisions	1,500.02	5,357.21	4,285.77	3,214.33	2,785.75	17,143.08
(e) Others	443.55	591.40	680.11	768.82	473.12	2,957.02
Others	0	0	0	0	41880.79896	41880.79896
Total Liabilities (B)	90,970.56	61,947.75	42,557.61	22,215.49	113,770.83	331,462.24
Net Assets (A-B)	(11,204.82)	(31,393.80)	(12,348.63)	38,649.87	16,297.37	0.00

Table 91 : Ageing Analysis of Loans and Advances Based on Days Past Due (DPD) as on Mid-July 2024

NPR in Million

Product	Ageing					Grand Total
	Upto 1 Month	1-3 Months	3-6 Months	6-12 Months	Above 12 Months	
Term Loan	25,108.49	519.26	242.64	90.41	273.77	26,234.57
Business Overdraft Loan	1,231.62	113.57	31.76	41.04	22.00	1,440.00
Business Other Working Capital Loan	76,723.28	2,240.64	547.32	438.70	988.47	80,938.41
Trust Receipt Loan/Import Loan	172.62	6.35	79.53	-	7.96	266.46
Residential Personal Home Loan	8,747.87	253.65	64.37	26.02	51.58	9,143.50
Real-estate Loan	3,398.29	68.52	25.57	4.30	281.49	3,778.17
Margin Nature Loan	1,577.01	-	-	14.60	-	1,591.61
Personal Term Loan	7,223.00	211.82	23.72	15.04	48.44	7,522.02
Personal OD Loan	12,363.10	347.62	27.58	87.91	43.59	12,869.80
Commercial Hire Purchase Loan	2,130.81	121.62	46.10	18.16	58.14	2,374.84
Personal Hire Purchase Loan	1,015.60	15.02	9.54	-	7.45	1,047.60
Deprived Sector Loan	24,760.80	579.94	251.68	166.91	449.78	26,209.11
Education Loan	1,671.59	27.86	8.82	-	36.11	1,744.38
Gold/Silver Loan	21.44	0.33	-	-	-	21.77
Loan Against FD	1,153.79	0.15	0.88	-	2.08	1,156.90
Other Loan	28,181.97	943.84	156.35	363.90	692.95	30,339.02
Grand Total	195,481.26	5,450.22	1,515.87	1,266.99	2,963.82	206,678.17

Graphical Summary of Loan Category based on DPD



Non-Performing Loans

Table 92 : Two Year Historical Details of Non-performing Loans and Impairment Provision

NPR in Million

Particulars	FY 2023/24		FY 2022/23	
	Loan Outstanding	Provision	Loan Outstanding	Provision
Restructured / Rescheduled	90.98	10.77	551.60	27.62
Sub-standard	1,706.86	455.29	247.94	80.78
Doubtful	1,429.55	736.37	1,246.90	691.68
Loss	4,856.34	4,802.44	3,030.77	3,270.08
Total	8,083.73	6,004.88	5,077.21	4,070.16

Table 93: Sector-Wise Non-Performing Loans as on Mid-July 2024

Sector Code	Sector	Non-Performing Loan
S01	Agricultural and Forest Related	3.47%
S02	Fishery Related	8.77%
S03	Mining Related	5.23%
S04	Agriculture, Forestry & Beverage Production Related	5.30%
S05	Non-food Production Related	1.91%
S06	Construction	4.59%
S07	Power, Gas and Water	0.02%
S08	Metal Products, Machinery & Electronic Equipment	3.28%
S09	Transport, Communication and Public Utilities	5.06%
S10	Wholesaler & Retailer	3.49%
S11	Finance, Insurance and Real Estate	1.20%
S12	Hotel or Restaurant	2.82%
S13	Other Service	2.40%
S14	Consumption Loans	1.80%
S16	Others	6.15%

Human Resource Accounting

Human Resources Accounting (HRA) is a specialized branch of accounting that focuses on identifying, quantifying, and reporting the value of human resources within an organization. It acknowledges that employees are valuable assets and aims to provide information about the costs and contributions associated with human capital. The valuation of human resources is done following the assumptions and estimates according to the Human Resources Accounting (HRA), which refers to recognizing expenses associated with employees of an organization, including those for recruiting and training.

Historical Cost Model of valuing human capital has been adopted to value the human capital where following assumptions are made.

- Quantifiable Benefits
- Cost Reflects Value
- Stable Employment Tenure
- No Depreciation Considered
- Historical Data is Reliable

Particulars	FY 2023/24	FY 2022/23
	NPR. (In Million0	
Compensation		
Key Management Personnel	18.01	19.11
Other Employee	4,108.67	3,553.55
Total Compensation	4,126.68	3,572.66
Training and Development	31.62	48.07
Total Human Resources Costs/Human Capital	4,158.30	3,620.73

Breakup of Total Compensation		
Salary	1,538.88	1,600.74
Allowances	801.58	681.01
Gratuity Expense	348.56	206.15
Provident Fund	378.99	217.77
Uniform	35.06	29.46
Leave encashment	57.29	57.27
Medical	248.81	229.22
Finance expense under NFRS	383.64	274.10
Other expenses related to staff	117.92	113.01
Sub-total	3,910.73	3,408.72
Employee's bonus	215.95	163.94
Grand total	4,126.68	3,572.66

Segment Information

The Bank has adopted "Management Approach" for identifying the operating segments i.e., seven segments based on the geographic locations of its offices in the 7 provinces of the country. For segmentation purpose, all business transactions of offices and business units located in a particular province are grouped together.

All transactions between the units are conducted on arm's length basis, with intra unit revenue and cost being nullified at the Bank level. Information about the provincial segments is mentioned below:

Table 94: Information about Profit or Loss, Assets and Liabilities of Segments

Figure in "000"

Particulars	Koshi	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudur-Paschim	Total
Revenues from External Customer	6,341,202	7,359,523	21,999,538	3,654,897	8,276,435	1,261,509	2,390,839	51,283,943
Inter- Segment Revenues	(800,742)	(1,626,308)	4,641,188	(348,620)	(1,135,076)	(72,087)	(166,894)	491,461
Net Revenue	7,141,944	8,985,831	17,358,351	4,003,517	9,411,511	1,333,596	2,557,733	50,792,483
Total Interest Revenue	2,851,411	3,381,964	9,765,890	1,702,834	3,860,400	567,037	1,102,655	23,232,191
Interest Expense	1,082,539	603,036	11,288,641	776,962	1,319,456	192,270	426,598	15,689,502
Net Interest Revenue	1,768,872	2,778,928	(1,522,751)	925,872	2,540,944	374,767	676,057	7,542,689
Depreciation and Amortization	39,970	40,464	113,501	28,937	50,427	16,985	20,924	311,210
Segment profit/(loss)	651,138	404,309	1,672,811	355,220	1,053,848	195,117	277,823	4,610,266
Entity's Interest in the Profit or Loss of Associates accounted for using Equity Method	-	-	-	-	-	-	-	-
Impairment of Assets	-	-	-	-	-	-	-	-
Segment Assets	17,923,591	12,951,461	166,263,713	12,723,779	24,679,564	5,524,846	9,161,967	249,228,921
Segment Liabilities	17,923,591	12,951,461	166,263,713	12,723,779	24,679,564	5,524,846	9,161,967	249,228,921

Note: The segment reporting above excludes Head Office.

Measurement of Operating Segment Profit or Loss, Assets and Liabilities

Basis of Accounting

All transactions between the reportable segments are accounted for using pre-determined transfer price.

Nature of difference between the measurement of the reportable segments' profits or losses and the Bank's profit or loss before income tax

None

Nature of differences between the measurements of the reportable segments' assets and the Bank's asset

None

Nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any

No changes are made in the measurement methods used to determine reported segment profit or loss from prior periods.

Nature and effect of any asymmetrical allocations to reportable segments:

None

Reconciliation of Reportable Segment's Revenue, Profit or Loss, Assets and Liabilities

Table 95: Reconciliation of Segment Information

(a) Revenue	NPR ('000)
Total Revenues for Reportable Segments	51,283,943
Other Revenues	3,998,160
Elimination of Intersegment Revenues	-
Entity's Revenues	55,282,104
(b) Profit or Loss	NPR ('000)
Total Profit or Loss for Reportable Segments	4,610,266
Other Profit or Loss	(507,112)
Elimination of Intersegment Profits	-
Unallocated Amounts:	-
Profit before Income Tax	4,103,154
(c) Assets	NPR ('000)
Total Assets for Reportable Segments	333,709,566
Other Assets	(22,334,132)
Unallocated Amounts	-
Entity's Assets	311,375,434
(d) Liabilities	NPR ('000)
Total Liabilities for Reportable Segments	333,709,566
Other Liabilities	(58,474,080)
Unallocated Liabilities	-
Entity's Liabilities	275,235,486

Graphical Summary

Chart : Segment Wise Composition of Revenues during F.Y. 2023/24

SEGMENT WISE REVENUE COMPOSITION

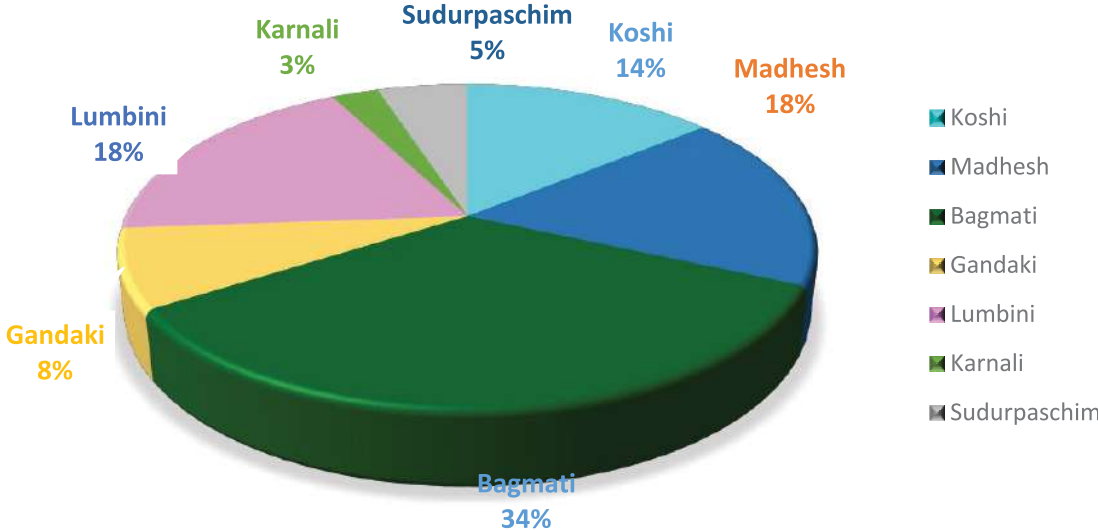


Chart : Segment Wise Composition of Profit/Loss during F.Y. 2023/24

SEGMENT WISE PROFIT COMPOSITION

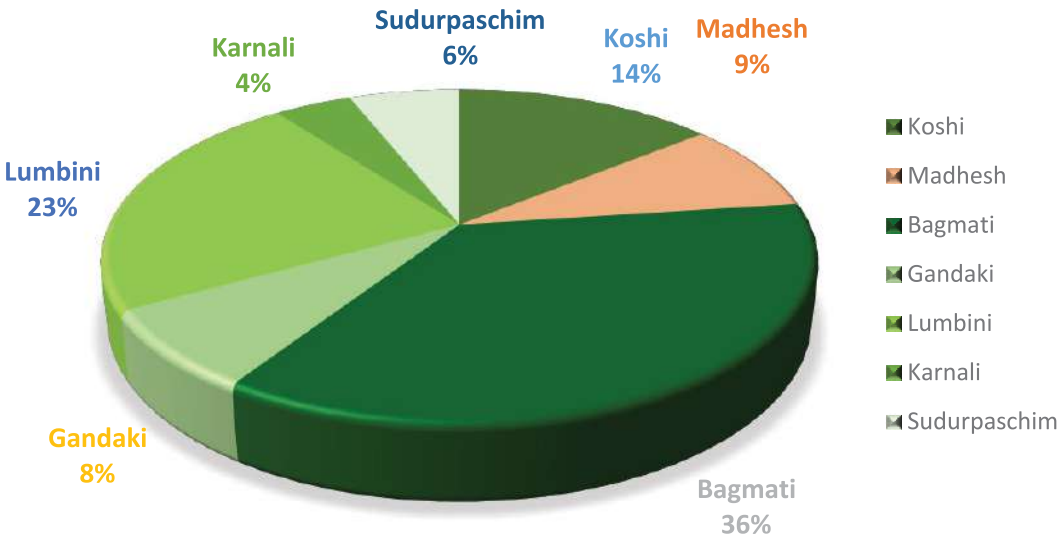


Chart : Segment Wise Composition of Total Assets as on Mid-July 2024

SEGMENT WISE ASSETS COMPOSITION

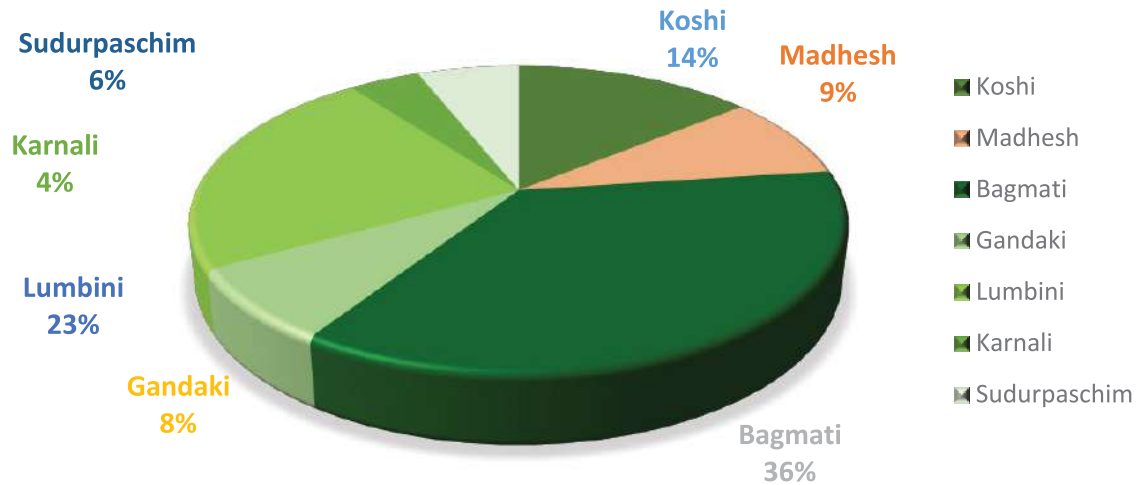
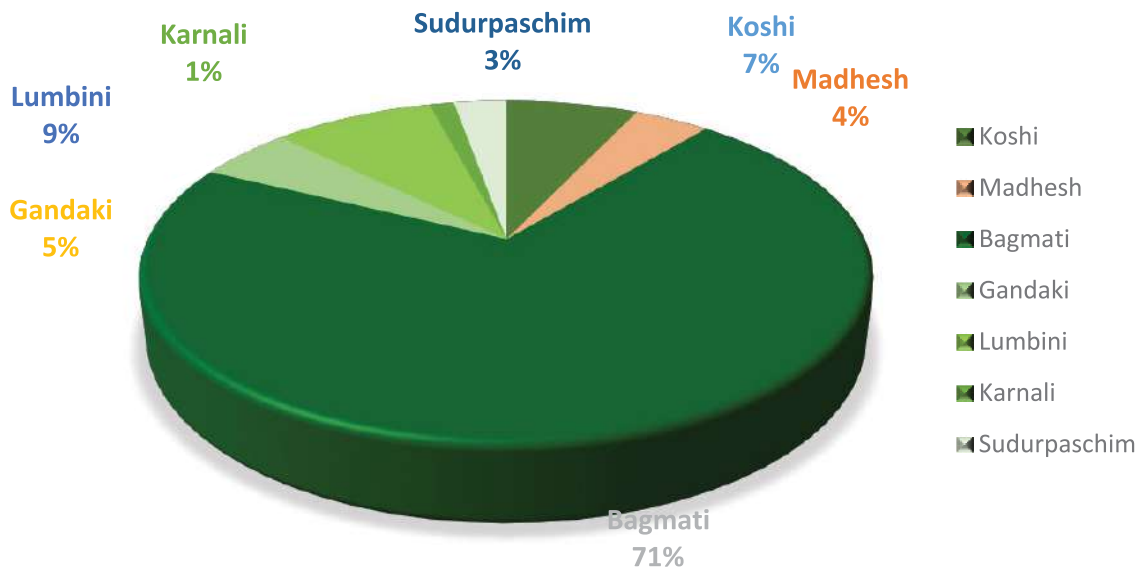


Chart : Segment Wise Composition of Total Expenses during F.Y. 2023/24

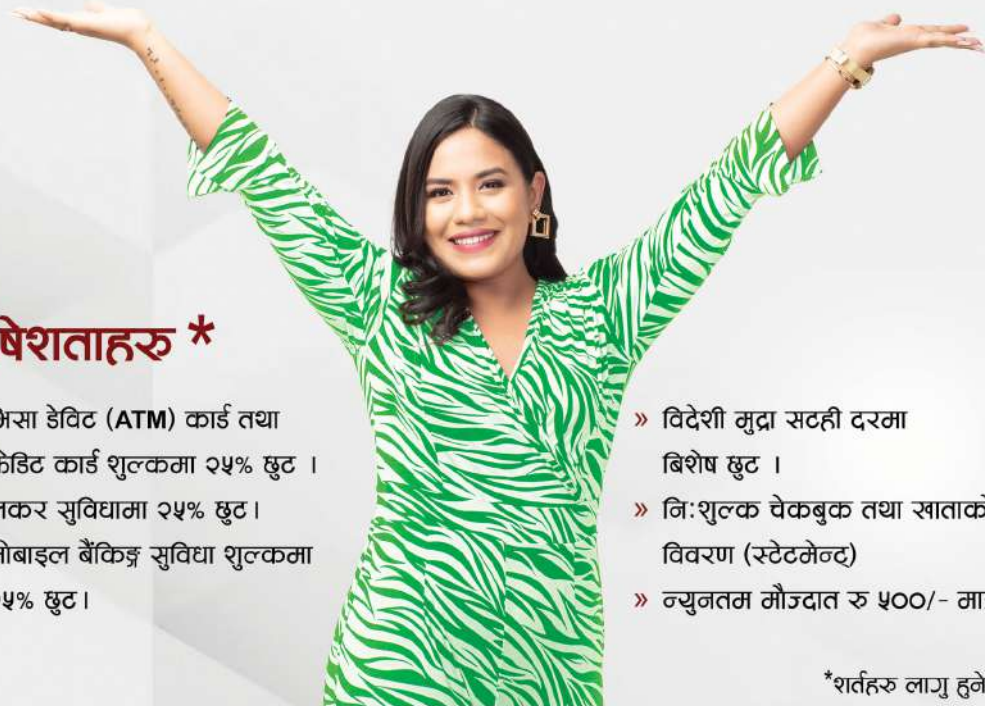
SEGMENT WISE TOTAL EXPENSES



चेतनशील नारीहरूका लागि

विशेष उपहार

उच्चतम प्रतिफल तथा छुटै छुटको बहार



विशेषताहरू *

- » मिसा डेविट (ATM) कार्ड तथा क्रेडिट कार्ड शुल्कमा २५% छुट ।
- » लकर सुविधामा २५% छुट ।
- » मोबाइल बैंकिङ्ग सुविधा शुल्कमा २५% छुट ।
- » विदेशी मुद्रा सटही दरमा बिशेष छुट ।
- » निःशुल्क चेकबुक तथा खाताको विवरण (स्टेटमेन्ट)
- » न्यूनतम मौज्जात रु ५००/- मात्र ।

*शर्तहरू लागू हुनेछ ।



मुख्य कार्यालय
रामशाहपथ, काठमाडौं
फोन नं. ०१-४२५२३५९, ०१-४२६२६२०
फ्याक्स: ०१-४२६२९२९



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सम्पूर्ण बैंकिङ्ग सुविधा सहितको तपाईं हाम्रो घर आँगनको बैंक

SWIFT: ADBLNPKA

AUDITED FINANCIAL STATEMENTS

A person in a dark suit is holding a rolled-up document and a pen, standing in front of a wall with various financial charts and graphs. The person's hands are visible, holding the document and pen. The background features several charts, including a line graph at the top right, a bar chart in the center, and a pie chart on the right. The overall scene suggests a professional setting related to financial auditing or reporting.

CSC & Co

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S.R. PANDEY & CO.

Chartered Accountants

Member HLB International

2nd Floor, House No. 2979/33,
Nabil Galli, Maharajgunj
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Independent Auditor's Report

To The Shareholders of Agricultural Development Bank Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Agricultural Development Bank Limited and its subsidiaries (collectively referred as the "Group") which comprise the consolidated statement of financial position as at Ashad 31, 2081 (corresponding to July 15, 2024) and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to consolidated financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at Ashad 31, 2081, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Nepal Financial Reporting Standards (NFRS).

Basis of Opinion

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

Key Audit Matters

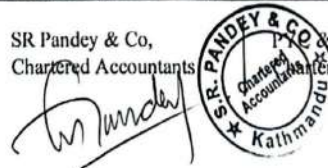
Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.N.	Key Audit Matters	Auditor's Response
1.	Information Technology Systems and Controls Impacting Financial Reporting	
	The Bank's key financial accounting and reporting processes are highly dependent on the automated controls over the Bank's IT systems. There is a risk that gaps in the	Our audit approach regarding obtaining reliance on Bank's IT systems included the following procedures:

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SR Pandey & Co,
Chartered Accountants



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S.N.	Key Audit Matters	Auditor's Response
	<p>change management, segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.</p> <p>Appropriate IT General Controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for financial reporting.</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to management, stakeholders, and regulators.</p>	<p>a. Testing the design, operation and effectiveness of control over granting, removal and appropriateness of access rights on the accounting and reporting system of the bank.</p> <p>b. Obtaining and inspecting the change management policies and for a sample of changes in inputs and control functions on the system, reviewing those changes had been performed in line with approved decisions.</p> <p>c. Testing a sample of the automated controls that are designed to enforce appropriate segregation of duties.</p> <p>d. Testing a sample of outputs particularly interest income and expenses on loans and advances of the system through manual calculations.</p> <p>Our Result: We considered the information technology systems and their relevant controls to be adequate.</p>
2.	Interest Recognition	
	<p>The interest income of the bank has to be recognized on an accrual basis and following the Interest Income Recognition Guidelines 2019 issued by NRB. Though accrual basis of interest recognition is prescribed in general, the guideline requires suspension of interest recognition on accrual basis for loans and advances with overdue of more than 12 months whereas for loans and advances with overdue interest/installment for 3 to 12 months, interest recognition on accrual basis is limited on the basis of result of collateral testing as specified. Given the lack of system capability to suspend recognition of income on the basis of overdue status of loan and fair value of collateral as well as review of fair valuation of collateral on regular basis, manual intervention will be required in interest recognition process and hence create risk of improper application of the guidelines and determination of the Fair Value of the collateral. This may, in turn, have an effect on recognition of interest income of the bank.</p>	<p>Our audit approach regarding verification of process of interest recognition included:</p> <p>a. Obtaining clear understanding of the process of accrual of interest income on loans and advances in the Core Banking Software of the bank.</p> <p>b. For fair valuation of collateral, we relied on the latest available engineer's valuation of the collateral and have test checked the hair cut in fair value of collateral as per NRB Interest Income Recognition guidelines 2019.</p> <p>c. Test check of the interest income booking with manual computation.</p> <p>Our Result: No material exceptions were noted.</p>
3.	Identification of and provisioning for non-performing assets (NPA) on loan and advances (Refer note 4.6 and 4.7 of the consolidated financial statements)	

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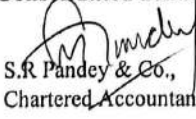
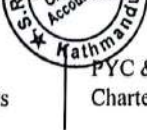

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S.N.	Key Audit Matters	Auditor's Response
	<p>The Bank has a net loan and advances amounting to Rs. 206.82 billion as at 31 Ashad 2081. Identification of and provisioning for non-performing assets (loans) in accordance with NFRS and relevant prudential norms issued by the Nepal Rastra Bank (NRB) in respect of income recognition, asset classification and provisioning pertaining to advances (herein after referred as "NRB Directives") is a key audit matter due to the current processes at the Bank which requires manual interventions, management estimates and judgement and level of regulatory and other stakeholders focus. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular:</p> <ul style="list-style-type: none"> • We evaluated and understood the Bank's internal control system in adhering to the relevant NRB Directives regarding income recognition, asset classification and provisioning pertaining to advances. • We analyzed and understood key IT systems/ applications used and tested the operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification and provisioning pertaining to advances. • We test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances; and • We evaluated the past trends of management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with senior management. <p>Our Result: We considered the identification of Non-Performing Advances and their provisioning to be acceptable.</p>

Other Matters

We did not audit the financial statements of the subsidiary **Kosh Byabasthan Company Limited** whose financial statements reflect the total assets of NPR 355,621,910 (0.11% of consolidated figure) and net assets of NPR 272,428,046 (0.74% of consolidated figure) as at Ashad 31, 2081; net profit of NPR 2,310,288 (0.05% of consolidated figure) and net cashflow of NPR (1,777,283) (0.04% of consolidated figure) for the year ended on that date as considered in the consolidated financial statements. The financial information of the subsidiary used in preparation of this consolidated financial statements is based on audited financial statements prepared in accordance with the Nepal Accounting Standards which were adjusted as per NFRS and are certified by the management of the subsidiary company.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

 CSC & Co. Chartered Accountants	 S.R Pandey & Co., Chartered Accountants	 PYC & Associates Chartered Accountants	 PYC & Associates Chartered Accountants
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The management is responsible for other information presented in the Bank's Annual Report including the report of the Board of Directors. The annual report, including the report of the Board of Directors, is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. In connection with our audit of the 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 in the audit or otherwise appears to be materially misstated.

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

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

In preparing the financial statements, the 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 the 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.

Auditor's Responsibilities for the Audit of the 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 the NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

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Chartered Accountants

S.R. PANDEY & CO.,
Chartered Accountants & Associates

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Nepal
Chartered Accountants

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report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our examination of the consolidated financial statements as aforesaid, we report that:

- a. We have obtained satisfactory information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. The returns received from the branch offices of the bank, though the statements are not independently audited, were adequate for the purpose of the audit.
- c. The consolidated financial statements have been prepared in the format prescribed by the Nepal Rastra Bank's Unified Directives no. 4 and in accordance with the provisions of Companies Act, 2063 and Section 59 of the Bank and Financial Institution Act, 2073 and are in agreement with the books of accounts of the Bank; and the accounts and records are properly maintained in accordance with the prevailing laws.
- d. In our opinion, so far as appeared from our examination of the books, the bank has maintained adequate capital fund, risk bearing fund and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.
- e. In our opinion and to the best of our information and according to the explanation given to us, the Board of Directors, the representative or any employee of the bank and its subsidiaries have not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Group deliberately or acted in a manner that would jeopardized the interest and security of the Group and the business of the Group appears to have been conducted satisfactorily.
- f. The operations of the Bank were within its jurisdiction.

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Kathmandu

PYC & Associates
Chartered Accountants
Kathmandu

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- g. The Bank has not acted in a manner to jeopardize the interest and security of the depositors and investors, and
- h. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the books of accounts.




.....
 Jitendra Kumar Mishra, FCA
 Partner
 CSC & Co.,
 Chartered Accountants

Place: Kathmandu
 Date: Poush 04, 2081

UDIN: 241219CA00264xktBF




.....
 Sudarshan Raj Pandey, FCA
 Senior Partner
 S.R Pandey & Co.,
 Chartered Accountants

Place: Kathmandu
 Date: Poush 04, 2081

UDIN: 241219CA00031QTyEE




.....
 Yuddha Raj Oli, FCA
 Senior Partner
 PYC & Associates,
 Chartered Accountants

Place: Kathmandu
 Date: Poush 04, 2081

UDIN: 241219CA00185Q2PrV

ADBL
PLATINUM
Saving Account

उच्च सम्मान

उच्च
व्याजदर

सर्वोच्च सम्मान ।

निशुल्क सुविधाहरू :

- › रु. ५ लाख सम्मको दुर्घटना मृत्यु बीमा ।
- › विदेशी मुद्रा सटहीमा प्रति डलर २० पैसा छुट ।
- › मिन्सा डेबिट / क्रेडिट कार्ड ।
- › ADBL स्मार्ट प्लस ।
- › इन्टरनेट बैंकिङ्ग ।
- › ABBS, स्टेटमेन्ट प्रिन्ट र फि चेक बुक ।

ठूलो साइजको लकर सेवामा विशेष छुट

न्यूनतम मौज्जात १० लाख



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

www.adbl.gov.np

सम्पूर्ण बैंकिङ्ग सुविधा सहितको तपाईं हाम्रो घर आँगनको बैंक

SWIFT: ADBLNPKA

Consolidated Statement of Financial Position

As on year ended 15 July, 2024

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Assets					
Cash and cash equivalent	4.1	5,074,320,773	9,463,050,416	5,074,083,242	9,462,421,092
Due from Nepal Rastra Bank	4.2	15,212,779,452	12,898,923,805	15,212,779,452	12,898,923,805
Placement with Bank and Financial Institutions	4.3	5,214,300,000	-	5,214,300,000	-
Derivative financial instruments	4.4	9,972,912	17,588,448	9,972,912	17,588,448
Other trading assets	4.5	1,274,757,944	1,014,399,764	1,216,149,394	943,652,800
Loan and advances to B/FIs	4.6	3,202,203,613	4,134,543,000	3,202,203,613	4,134,543,000
Loans and advances to customers	4.7	203,612,949,861	176,303,568,128	203,617,049,861	176,303,568,128
Investment securities	4.8	68,889,854,651	51,818,912,190	68,611,262,068	51,608,587,244
Current tax assets	4.9	138,800,570.00	278,310,052	139,134,770	276,706,184
Investment in subsidiaries	4.10	-	-	29,013,000	28,840,000
Investment in associates	4.11	-	-	-	-
Investment properties	4.12	943,089,080	248,649,555	943,089,080	248,649,555
Property, Plant and Equipment	4.13	2,240,840,946	2,293,412,292	2,238,425,747	2,291,066,049
Goodwill and Intangible assets	4.14	61,971,624	138,590,074	61,971,624	138,590,074
Deferred tax assets	4.15	-	-	-	-
Other assets	4.16	5,808,900,352	7,319,251,543	5,805,998,894	7,317,842,648
Total Assets		311,684,741,778	265,929,199,267	311,375,433,657	265,670,979,027
Liabilities					
Due to Bank and Financial Institutions	4.17	197,018,769	2,095,919,987	197,018,769	2,095,919,987
Due to Nepal Rastra Bank	4.18	-	-	-	-
Derivative financial instruments	4.19	-	-	-	-
Deposits from customers	4.20	243,613,667,463	199,467,139,586	243,628,658,005	199,486,613,567
Borrowing	4.21	2,664,573,352	2,136,563,784	2,664,573,352	2,136,563,784
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred tax liabilities	4.15	378,097,453	545,463,797	307,423,233	484,358,492
Other liabilities	4.23	7,969,462,207	7,207,675,499	7,960,792,205	7,200,339,896
Debt securities issued	4.24	20,477,020,373	20,473,530,263	20,477,020,373	20,473,530,263
Subordinated Liabilities	4.25	-	-	-	-
Total liabilities		275,299,839,617	231,926,292,916	275,235,485,937	231,877,325,989
Equity					
Share capital	4.26	18,884,386,078	18,884,386,078	18,884,386,078	18,884,386,078
Ordinary Share		13,451,674,078	13,451,674,078	13,451,674,078	13,451,674,078
Preference Share (Irredeemable)		5,432,712,000	5,432,712,000	5,432,712,000	5,432,712,000
Share premium		-	-	-	-
Retained earnings		2,200,163,643	1,310,986,836	2,136,087,574	1,243,168,613
Reserves	4.27	15,283,784,194	13,790,601,266	15,119,474,068	13,666,098,347
Total equity attributable to equity holders		36,368,333,915	33,985,974,180	36,139,947,720	33,793,653,038
Non-controlling interest		16,568,246	16,932,171	-	-
Total equity		36,384,902,161	34,002,906,351	36,139,947,720	33,793,653,038
Total liabilities and equity		311,684,741,778	265,929,199,267	311,375,433,657	265,670,979,027
Contingent liabilities and commitments	4.28	166,157,691,178	122,052,905,073	166,157,691,178	122,052,905,073

The accompanying notes are an integral part of these financial statements.

Ram Sharan Pudasaini
Chairman

Dirgharaj Mainali
Director

Dr. Hari Bahadur K.C.
Director

As per our reports attached

Rita Subedi
Director

Govinda Prasad Bhattarai
Director

Sanjeev Poudel
Director

Binod Kumar Guragain
Director

Jitendra Kumar Mishra (FCA)
CSC & Co.

Chartered Accountants
&

Sudarshan Raj Pandey (FCA)
S.R.Pandey & Co.

Chartered Accountants
&

Govinda Gurung
Chief Executive Officer

Yagya Prakash Neupane
Deputy General Manager

Narayan Prasad Acharya
Department Head
Finance and Planning Department

Yuddha Raj Oli (FCA)
PYC & Associates
Chartered Accountants

Consolidated Statement of Profit or Loss

For the year ended 15 July, 2024

Particulars	Note	Group		Bank	
		Current Year	Previous Year	Current Year	Previous Year
Interest income	4.29	27,571,519,998	23,949,094,788	27,571,347,943	23,948,684,755
Interest expense	4.30	17,017,281,485	15,751,667,691	17,018,566,002	15,753,025,751
Net interest income		10,554,238,513	8,197,427,097	10,552,781,941	8,195,659,004
Fees and commission income	4.31	1,672,368,587	1,371,859,175	1,672,368,587	1,371,859,175
Fees and commission expense	4.32	232,765,393	213,649,195	232,765,393	213,649,195
Net fee and commission income		1,439,603,194	1,158,209,980	1,439,603,194	1,158,209,980
Net interest, fee and commission income		11,993,841,707	9,355,637,077	11,992,385,135	9,353,868,984
Net trading income	4.33	54,424,228	139,087,350	58,593,682	115,521,318
Other operating income	4.34	169,447,227	228,983,721	169,298,731	228,848,075
Total operating income		12,217,713,162	9,723,708,148	12,220,277,548	9,698,238,377
Impairment charge/(reversal) for loan and other losses	4.35	2,452,167,077	1,458,173,793	2,452,167,077	1,458,173,793
Net operating income		9,765,546,085	8,265,534,355	9,768,110,471	8,240,064,584
Operating expense					
Personnel expenses	4.36	4,161,820,142	3,623,739,917	4,158,302,229	3,620,726,434
Other operating expenses	4.37	995,828,064	996,384,385	994,422,573	995,690,036
Depreciation & Amortisation	4.38	476,570,142	487,121,758	476,527,645	487,084,050
Operating Profit		4,131,327,737	3,158,288,295	4,138,858,024	3,136,564,064
Non operating income	4.39	11,345,330	4,685,423	11,345,330	4,685,423
Non operating expense	4.40	47,048,917	26,366,244	47,048,917	26,366,244
Profit before income tax		4,095,624,150	3,136,607,474	4,103,154,437	3,114,883,243
Income tax expense	4.41	1,200,959,707	1,797,020,860	1,205,666,636	1,791,472,191
Current Tax		1,149,680,303	1,634,030,780	1,147,370,015	1,633,078,567
Deferred Tax		51,279,404	162,990,080	58,296,621	158,393,624
Profit/(loss) for the period		2,894,664,443	1,339,586,614	2,897,487,801	1,323,411,052
Profit attributable to:					
Equity holders of the Bank		2,895,028,368	1,338,436,278	2,897,487,801	1,323,411,052
Non-controlling interest		(363,925)	1,150,336	-	-
Total		2,894,664,443	1,339,586,614	2,897,487,801	1,323,411,052
Basic earnings per share		19.10	7.54	19.12	7.42
Diluted earnings per share		19.10	7.54	19.12	7.42

The accompanying notes are an integral part of these financial statements.

Ram Sharan Pudasaini
Chairman

Dirgharaj Mainali
Director

Dr. Hari Bahadur K.C.
Director

As per our reports attached

Rita Subedi
Director

Govinda Prasad Bhattarai
Director

Sanjeev Poudel
Director

Binod Kumar Guragain
Director

Jitendra Kumar Mishra (FCA)
CSC & Co.

Chartered Accountants
&

Sudarshan Raj Pandey (FCA)
S.R.Pandey & Co.

Chartered Accountants
&

Govinda Gurung
Chief Executive Officer

Yagya Prakash Neupane
Deputy General Manager

Narayan Prasad Acharya
Department Head
Finance and Planning Department

Yuddha Raj Oli (FCA)
PYC & Associates
Chartered Accountants

Consolidated Statement of Comprehensive Income

For the year ended 15 July, 2024

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Profit For the year	2,894,664,443	1,339,586,614	2,897,487,801	1,323,411,052
Other comprehensive income				
a) Item that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	(380,625,790)	2,122,881,409	(435,912,897)	1,945,299,387
Gains/(losses) on revaluation				
Actuarial gains/(losses) on defined benefit plans	(350,685,102)	(665,127,482)	(350,685,102)	(665,127,482)
Income tax relating to above items	219,393,268	(428,298,962)	235,979,400	(384,051,572)
Net other comprehensive income that will not be reclassified to profit or loss	(511,917,624)	1,029,454,965	(550,618,599)	896,120,333
b) Item 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				
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-
c) Share of other comprehensive income of associate accounted as per equity method				
Other comprehensive income for the year, net of income tax	(511,917,624)	1,029,454,965	(550,618,599)	896,120,333
Total comprehensive income for the year	2,382,746,819	2,369,041,579	2,346,869,202	2,219,531,385
Total comprehensive income attributable to:				
Equity holders of the Bank	2,383,110,744	2,367,891,243	2,346,869,202	2,219,531,385
Non-controlling interest	(363,925)	1,150,336	-	-
Total	2,382,746,819	2,369,041,579	2,346,869,202	2,219,531,385
Earning Per Share				
Basic Earning Per Share	19.10	7.54	19.12	7.42
Annualized Basic Earning Per Share	19.10	7.54	19.12	7.42
Diluted Earning Per Share	19.10	7.54	19.12	7.42

The accompanying notes are an integral part of these financial statements.

Ram Sharan Pudasaini
Chairman

Dirgharaj Mainali
Director

Dr. Hari Bahadur K.C.
Director

As per our reports attached

Rita Subedi
Director

Govinda Prasad Bhattarai
Director

Sanjeev Poudel
Director

Binod Kumar Guragain
Director

Jitendra Kumar Mishra (FCA)
CSC & Co.

Chartered Accountants
&

Sudarshan Raj Pandey (FCA)
S.R.Pandey & Co.

Chartered Accountants
&

Govinda Gurung
Chief Executive Officer

Yagya Prakash Neupane
Deputy General Manager

Narayan Prasad Acharya
Department Head
Finance and Planning Department

Yuddha Raj Oli (FCA)
PYC & Associates
Chartered Accountants

Statement of Changes in Equity
For the year ended 15 July, 2024
Attributable to equity holders of the Bank

Particulars	Bank									
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation reserve	Retained earning	Other reserve	Total
Balance at 16 July, 2022	18,620,627,763	-	8,789,792,077	104,221,006	3,100,146,441	437,435,744	-	3,521,792,308	(1,216,980,369)	33,350,061,254.00
Adjustment	-	-	-	-	-	-	-	(6,973,716)	-	-
Adjusted balance as on 17 July, 2022	18,620,627,763	-	8,789,792,077	104,221,006	3,100,146,441	437,435,744	-	3,514,818,592	(1,216,980,369)	33,350,061,254.00
Profit for the year	-	-	-	-	-	-	-	1,323,411,052	-	1,323,411,052.00
Other comprehensive income	-	-	-	-	-	1,361,709,571	-	-	(465,589,237)	896,120,334.00
Gain/(Losses) from investment in equity instruments measured at Fair Value	-	-	-	-	-	1,361,709,571	-	-	-	1,361,709,571.00
Gain/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(losses) on defined benefit plan	-	-	-	-	-	-	-	-	(465,589,237)	(465,589,237.00)
Gain/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gain/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,361,709,571	-	1,323,411,052	(465,589,237)	2,219,531,386.40
Transfer to reserve during the year	-	-	267,590,495	3,893,230	773,176,492	-	-	(1,589,019,821)	544,359,604	-
Transfer from reserve during the year	-	-	-	-	-	(13,847,573)	-	34,350,559	(19,809,134)	693,852.00
Contributions from and distributions to owners	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	263,758,315	-	-	-	-	-	-	(263,758,315)	-	-
Cash dividend paid	-	-	-	-	-	-	-	(1,776,633,454)	-	(1,776,633,454.00)
Other	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	263,758,315	-	267,590,495	3,893,230	773,176,492	(13,847,573)	-	(3,595,061,031)	524,550,470	(1,775,939,602.00)
Balance at 16 July, 2023	18,884,386,078	-	9,057,382,572	108,114,236	3,873,322,933	1,785,297,742	-	1,243,168,613	(1,158,019,136)	33,793,653,038.00
Balance at 16 July, 2023	18,884,386,078	-	9,057,382,572	108,114,236	3,873,322,933	1,785,297,742	-	1,243,168,613	(1,158,019,136)	33,793,653,038.00
Adjustment	-	-	-	-	-	-	-	-	-	-
Adjusted balance as on 17 July, 2023	18,884,386,078	-	9,057,382,572	108,114,236	3,873,322,933	1,785,297,742	-	1,243,168,613	(1,158,019,136)	33,793,653,038.00
Profit for the year	-	-	-	-	-	-	-	2,897,487,801	-	2,897,487,801.00
Other comprehensive income	-	-	-	-	-	(305,139,028)	-	-	(245,479,571)	(550,618,599.00)
Gain/(Losses) from investment in equity instruments measured at Fair Value	-	-	-	-	-	(305,139,028)	-	-	-	(305,139,028.00)
Gain/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(losses) on defined benefit plan	-	-	-	-	-	-	-	-	(245,479,571)	(245,479,571.00)
Gain/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gain/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(305,139,028)	-	2,897,487,801	(245,479,571)	2,346,869,202.00
Transfer to reserve during the year	-	-	579,497,560	-	886,233,510	-	-	(2,031,709,941)	565,978,871	-
Transfer from reserve during the year	-	-	-	-	-	1,744,212	-	27,141,101	(29,459,833)	(574,520.00)
Contributions from and distributions to owners	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-	-	-
Other (OCI gain directly transfer to RE)	-	-	579,497,560	-	886,233,510	1,744,212	-	(2,004,568,840)	536,519,038	(574,520.00)
Total contributions by and distributions	-	-	579,497,560	-	886,233,510	1,744,212	-	(2,004,568,840)	536,519,038	(574,520.00)
Balance at 15 July, 2024	18,884,386,078	-	9,636,880,132	108,114,236	4,759,556,443	1,481,902,926	-	2,136,087,574	(866,979,669)	36,139,947,720.00

The accompanying notes are an integral part of these financial statements.

Ram Sharan Pudasaini
Chairman

Dirgharaj Mainali
Director

Dr. Hari Bahadur K.C.
Director

As per our reports attached

Rita Subedi
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Deputy General Manager

Narayan Prasad Acharya
Department Head
Finance and Planning Department

Yuddha Raj Oli (FCA)
PYC & Associates

Chartered Accountants

Consolidated Statement of changes in equity
For the year ended 15 July, 2024
Attributable to equity holders of the Bank

Particulars	Group											
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation reserve	Retained earnings	Other reserve	Total	Non-controlling interest	Total equity
Balance at 16 July, 2022	18,620,627,763	-	8,789,792,077	104,221,006	3,100,146,441	438,507,835	-	4,219,412,634	(1,217,045,750)	34,655,662,006	6,299,650	34,061,961,656
Adjustment	-	-	-	-	-	(421,620)	-	(651,801,045)	65,361	(652,157,264)	-	(652,157,264)
Adjusted balance as on 17 July, 2022	18,620,627,763	-	8,789,792,077	104,221,006	3,100,146,441	438,086,215	-	3,567,611,589	(1,216,980,369)	33,403,504,722	6,299,650	33,409,804,372
Profit for the year	-	-	-	-	-	-	-	1,338,436,278	1,338,436,278	1,338,436,278	1,150,336	1,339,586,614
Other comprehensive income	-	-	-	-	-	-	-	-	(465,589,237)	-	-	-
Gain/(Losses) from investment in equity instruments measured at Fair Value	-	-	-	-	-	1,485,562,019	-	1,019,972,782	1,019,972,782	1,485,562,019	9,482,185	1,029,454,967
Gain/(losses) on revaluation	-	-	-	-	-	1,485,562,019	-	-	-	-	-	-
Actuarial gain/(losses) on defined benefit plan	-	-	-	-	-	-	-	-	(465,589,237)	(465,589,237)	-	(465,589,237)
Gain/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gain/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	1,485,562,019	-	1,338,436,278	(465,589,237)	2,358,409,060	10,632,521	2,369,041,581
Total comprehensive income	-	-	-	-	-	-	-	(1,589,019,821)	544,359,604	-	-	-
Transactions with owners, directly recognised in equity	-	-	267,590,495	3,893,230	773,176,492	(13,847,573)	-	34,350,559	(19,809,134)	693,852	-	693,852
Transfer to reserve during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-	-	-	-	-
Contributions from and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	263,758,315	-	-	-	-	-	-	(263,758,315)	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(1,776,633,454)	-	(1,776,633,454)	-	(1,776,633,454)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	263,758,315	-	267,590,495	3,893,230	773,176,492	(13,847,573)	-	(3,595,061,031)	924,550,470	(1,775,939,602)	-	(1,775,939,602)
Balance at 16 July, 2023	18,884,386,078	-	9,057,382,572	108,114,236	3,873,322,933	1,909,800,661	-	1,310,986,836	(1,158,019,136)	33,985,974,180	16,932,171	34,002,906,351
Balance at 16 July, 2023	18,884,386,078	-	9,057,382,572	108,114,236	3,873,322,933	1,909,800,661	-	1,310,986,836	(1,158,019,136)	33,985,974,180	16,932,171	34,002,906,351
Adjustment	-	-	-	-	-	974,492	-	401,420	-	1,375,912	-	1,375,912
Profit for the year	-	-	-	-	-	-	-	2,895,028,368	2,895,028,368	2,895,028,368	(363,925)	2,894,664,443
Other comprehensive income	-	-	-	-	-	(266,438,053)	-	-	(245,479,571)	(511,917,624)	-	(511,917,624)
Gain/(losses) from investment in equity instruments measured at Fair Value	-	-	-	-	-	(266,438,053)	-	-	-	-	-	-
Gain/(losses) on revaluation	-	-	-	-	-	(266,438,053)	-	-	-	-	-	-
Actuarial gain/(losses) on defined benefit plan	-	-	-	-	-	-	-	-	(245,479,571)	(245,479,571)	-	(245,479,571)
Gain/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gain/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	(266,438,053)	-	2,895,028,368	(245,479,571)	2,383,110,744	(363,925)	2,382,746,819
Total comprehensive income	-	-	-	-	-	-	-	(2,031,841,681)	565,578,871	-	-	-
Transfer to reserve during the year	-	-	579,497,560	-	886,233,510	131,740	-	27,141,101	(29,459,833)	(674,520)	-	(674,520)
Transfer from reserve during the year	-	-	-	-	-	1,744,212	-	-	-	-	-	-
Contributions from and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(1,552,400)	-	(1,552,400)	-	(1,552,400)
Other (OCI) gain	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	18,884,386,078	-	579,497,560	-	886,233,510	1,875,962	-	(2,006,252,980)	536,519,038	(2,126,920)	-	(2,126,920)
Balance at 15 July, 2024	9,636,880,132	-	9,636,880,132	108,114,236	4,759,556,443	1,646,213,052	-	2,200,163,843	(866,979,669)	36,368,333,915	16,568,246	36,384,902,161

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 15 July, 2024

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	26,759,085,778	23,349,635,534	26,758,913,723	23,349,225,501
Fees and other income received	1,672,368,587	1,371,859,175	1,672,368,587	1,371,859,175
Dividend received				
Receipts from other operating activities	188,756,161	317,947,012	192,894,663	294,379,553
Interest paid	(17,116,254,582)	(15,566,934,774)	(17,117,539,099)	(15,568,292,834)
Commission and fees paid	(229,275,283)	(209,156,461)	(229,275,283)	(209,156,461)
Cash payment to employees	(4,355,728,028)	(4,171,701,544)	(4,352,081,926)	(4,168,688,061)
Other expense paid	(1,042,876,981)	(1,022,750,629)	(1,041,471,490)	(1,022,056,280)
Operating cash flows before changes in operating assets and liabilities	5,876,075,652	4,068,898,313	5,883,809,175	4,047,270,593
(Increase)/Decrease in operating assets				
Due from Nepal Rastra Bank	(2,313,855,647)	(887,547,138)	(2,313,855,647)	(887,547,138)
Placement with bank and financial institutions	(5,214,300,000)	127,900,000	(5,214,300,000)	127,900,000
Other trading assets	(258,982,268)	347,261,487	(272,496,594)	173,220,178
Loan and advances to bank and financial institutions	943,663,347	(11,005,678)	943,663,347	(11,005,678)
Loans and advances to customers	(29,654,878,075)	(3,843,224,521)	(29,658,978,075)	(3,843,224,521)
Other assets	1,517,966,727	(2,281,107,019)	1,519,459,291	(2,280,331,236)
	(34,980,385,916)	(6,547,722,869)	(34,996,507,678)	(6,720,988,395)
Increase/(Decrease) in operating liabilities				
Due to bank and financial institutions	(1,898,901,218)	(5,902,822,420)	(1,898,901,218)	(5,902,822,420)
Due to Nepal Rastra Bank	-	(9,777,137,132)	-	(9,777,137,132)
Deposit from customers	44,146,527,877	32,896,334,429	44,142,044,438	32,896,347,351
Borrowings	528,009,568	359,352,272	528,009,568	359,352,272
Other liabilities	871,561,258	704,131,676	870,098,671	695,221,238
Net cash flow from operating activities before tax paid	14,542,887,221	15,801,034,269	14,528,552,956	15,597,243,507
Income taxes paid	(1,010,170,821)	(1,153,135,303)	(1,009,798,601)	(943,468,991)
Net cash flow from operating activities	13,532,716,400	14,647,898,966	13,518,754,355	14,653,774,516
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(17,634,381,346)	(9,749,530,542)	(17,621,573,816)	(9,755,351,663)
Receipts from sale of investment securities	77,780,564	-	77,780,564	-
Purchase of property and equipment	(345,079,299)	(457,275,137)	(344,967,846)	(457,195,347)
Receipt from the sale of property and equipment				
Purchase of intangible assets	(2,301,047)	(4,693,950)	(2,301,047)	(4,693,950)
Receipt from the sale of intangible assets				
Purchase of investment properties				
Receipt from the sale of investment properties				
Interest received				
Dividend received	46,460,624	54,809,482	46,343,080	54,675,263
Net cash used in investing activities	(17,857,520,504)	(10,156,690,147)	(17,844,719,065)	(10,162,565,697)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt from issue of debt securities				
Repayment of debt securities				
Receipt from issue of subordinated liabilities				
Repayment of subordinated liabilities				
Receipt from issue of shares				
Dividends paid	(63,925,539)	(1,588,688,494)	(62,373,140)	(1,588,688,494)
Interest paid				
Other receipt/payment				
Net cash from financing activities	(63,925,539)	(1,588,688,494)	(62,373,140)	(1,588,688,494)
Net increase (decrease) in cash and cash equivalents	(4,388,729,643)	2,902,520,325	(4,388,337,850)	2,902,520,325
Cash and cash equivalents at 17 July, 2023	9,463,050,416	6,560,530,091	9,462,421,092	6,559,900,767
Effect of exchange rate fluctuations on cash and cash equivalents held				
Cash and cash equivalents at 15 July, 2024	5,074,320,773	9,463,050,416	5,074,083,242	9,462,421,092

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended as on 15 July, 2024

1 Reporting Entity

Agricultural Development Bank Limited 'here after called 'the Bank', (then Agricultural Development Bank Nepal) was established as per the Agricultural Development Bank Act 1968 as a development bank, in accordance with government's financial sector reform program. It was incorporated under the Bank and Financial Ordinance, 2006 (later as an Act) as an 'A' class financial institution licensed by the central bank of Nepal. Bank's registered office is in Ramshahpath, Kathmandu, Nepal. Majority (51%) of Ordinary Shares is owned by Government of Nepal and the bank is listed in Nepal Stock Exchange (NEPSE). The bank is operating as a commercial bank across the country with 271 Branches, 16 Extension counters, 10 Provincial offices and 6 training centers including its head office.

The bank has two subsidiaries namely Gobar Gas Tatha Krishi Yentra Bikash Pvt. Ltd (having 83.96% share ownership) and Kosh Byabasthapan Company (having 93.45%) share ownership which have been consolidated as required by the applicable Nepal Financial Reporting Standards.

The subsidiary Gobar Gas Tatha Krishi Yentra Bikash Pvt. Ltd. was in the business of bio-gas inputs and now it is not in operation. The carrying amount in the book of the bank for investment in this subsidiary is 3,241,000 of which 100% provision has been maintained.

The subsidiary Kosh Byabasthapan Company was established with a motive of trading business of various assets such as securities and real estates. As of now, this subsidiary has a collection of few share investments in other entities. The carrying amount in the book of the bank for investment in this subsidiary is 29,013,000.

2 Basis of Preparation

2.1 Statement of Compliance

These consolidated Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board, Nepal. These financial statements will be published for public after the authorization of Nepal Rastra Bank. Details of Group's significant accounting policies are included in Note 3.

2.2 Reporting Period and Approval of Financial Statements

Reporting Period of the bank falls between beginning of Shrawan to end of Ashad each year (Mid July). Accompanied Financial Statements were approved by the bank's Board of Directors on 19 December, 2024. The Consolidated Financial Statements include both Group's and Bank Statements of Financial Position (SOFPs), Statements of Profit or Loss, Statement of Other Comprehensive Income, Statements of Cash Flows and Statements of Changes in Equity and related notes including comparative information.

2.3 Functional and Presentation Currency

These consolidated financial statements are presented in Nepalese Rupees (NPR), which is the bank's functional currency. All amounts have been rounded to the nearest rupee, except when otherwise indicated.

2.4 Use of Estimates, Assumptions and Judgments

While preparing these consolidated financial statements in conformity with NFRSs, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about significant areas of estimates, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

- Key assumptions used in discounted cash flow projections
- Measurement of defined benefit obligations
- Provisions and contingencies
- Determination of net realizable value
- Determination of useful life of the property, plants and equipment
- Determination of capitalization value and useful life of the intangible assets

2.5 Changes in Accounting Policy

Bank has opted full implementation of NFRS effective from FY 2017/18. Major changes in accounting policies include recognition of interest income of loan and advances from cash to accrual basis, recognition, classification, measurement, de-recognition of financial Assets and liability and impairment on financial assets. Effect of each change in accounting policy has been disclosed separately in regulatory reserve/statement of distributable profit. Change in Accounting policy has been applied retrospectively to the extent possible and utilizing the exemption of related standards in applying so.

2.6 New Standards in Issue but not effective

There have been amendments to the existing standards and issuance of new ones by IASB and applicability of the new Standards has been notified for IFRS. But, the amendments and new standards become applicable only when ASB-Nepal pronounces them. The new Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Bank will adopt these standards when they become effective.

a. IFRS 9- Financial Instruments

IFRS 9 states a logical principle base to classify financial assets and financial liabilities which is driven by cash flow characteristics and the business model in which an assets or liability is held. Further this standard recommends the assessment of impairment based on more timely recognition of expected credit losses and entities are required to account for expected credit losses from the initial recognition of financial instruments and it lowers the threshold for recognition of full life time expected losses by aligning financial accounting treatment with risk management activities.

IFRS 9 has become effective from 1 January 2018 and has an effect except for the specific non optional carve outs issued by accounting standards of Nepal.

b. IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. Few un-funded facilities issued by bank, currently classified as contingent liabilities, may fall under insurance contract and have to measure, present and disclose accordingly in the financials after it becomes effective. Globally, IFRS 17 is effective for annual period beginning on or after 1 January 2021.

New standards and amendments to the existing standards and interpretations issued by IASB will be applicable when ASB Nepal incorporates them within NFRS.

2.7 Adoption of Carve-outs

The Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 24 January, 2023 has provided Carve-outs in NFRS with alternative treatment and effective period to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). Bank has opted to use carve outs with alternative treatment specified therein as below:

Carve- Out	Alternative treatment	Bank's Treatment
NFRS 9: Financial Instruments (para 5.4 related to effective interest rate)	The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call, and similar options) but shall not consider the expected credit losses. The calculation includes all fees and points paid or received <i>unless it is immaterial or impracticable to determine reliably</i> , between parties to the contract that are an integral part of the effective interest rate (see para B5.4.1-B5.4.3), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).	Bank uses coupon rate as effective interest rate on loan and advances.
NFRS 9: Financial Instruments (para 5.5 Impairment)	<p>An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 5 (given below) to determine the amount of any impairment loss unless the entity is a bank or financial institution registered as per bank and financial institution act 2017. Such entities shall measure impairment loss on loan and advances as the higher or amount derived as per the norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 5 (given below) and shall apply paragraph 5 (given below) to measure the impairment loss on financial assets other than loan and advances. The entity shall disclose the impairment loss as per this carve-out and amount of impairment loss determined as per paragraph 5 (given below)</p> <p><i>Paragraph 5</i> <i>If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, 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 carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.</i></p>	<p>Bank has computed impairment loss on loans and advances as per the norms prescribed by Nepal Rastra Bank and as suggested paragraph 5 of carve-outs. All other financial assets have been impaired as per the principal stated in paragraph 5 of carve-outs.</p> <p><i>Paragraph 5</i> <i>If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, 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 carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.</i></p>

2.8 Discounting

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

2.9 Limitation of NFRS Implementation

Exception to NFRS implementation has been disclosed in relevant section of notes.

3 Significant Accounting Policies

3.1 Basis of Measurement

Assets and Liabilities are measured at historic cost and income and expenses are recognized on accrual basis unless otherwise stated. Financial Assets and Liabilities are measured primarily at either amortized cost or fair value. Basis of measurement further depends on classification of financial assets and liabilities. Details are provided under policy 3.4.

3.2 Basis of Consolidation

3.2.1 Business Combination

During the reporting period, no business was acquired.

3.2.2 Non-Controlling Interest

Non-Controlling interest are measured at their proportionate share of the subsidiary's identifiable net assets.

3.2.3 Subsidiaries

Subsidiaries are the entities controlled by Bank. Bank controls the entity if it has right to variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity.

The financial statements of Subsidiaries are fully consolidated from the date on which control is transferred to the Bank and continue to be consolidated until the date when such control ceases. The financial statements of the Bank's Subsidiaries are prepared for the same reporting period as per the Bank. The bank's investment in two entities as mentioned in Note 4.10 is in excess of 50% of the paid-up capital of those entities. These investments were made under the specific directives or policies of the Government and other relevant statutes.

3.2.4 Associates

An associate is an entity over which the Group has significant influence but not control. Significant influence is the Power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over these policies. As on 15 July, 2024 there is no investment in associates.

3.2.5 Loss of Control

Bank reassesses whether it has control if there are changes to one or more elements of control. Changes in Bank's interest in subsidiary that do not result in loss of control are accounted as equity transaction. Further, changes in Bank's interest in associates that result in loss of control are accounted in Profit & Loss account under net trading income.

3.2.6 Special Purpose Entity (SPE)

No such entities exist.

3.2.7 Transaction elimination on consolidation

All intercompany transactions are eliminated while preparing consolidated financial statements of the group.

3.3 Cash and Cash Equivalent

Cash and cash equivalents include bank notes and coins in hand, unrestricted balances held with banks 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 licensed institution in management of its short term commitments.

3.4 Financial assets and Financial Liabilities

3.4.1 Recognition

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

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

3.4.2 Classification-Financial Assets

Bank classifies it based on its business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- **Amortized Cost**—a financial asset is measured at amortized cost if both of the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Fair Value through Other Comprehensive Income**—financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- **Fair Value through Profit or Loss**—any financial assets that are not held in one of the two business models mentioned is measured at fair value through profit or loss.

When and only when, an entity changes its business model for managing financial assets it must reclassify all affected financial assets.

3.4.3 Classification-Financial liabilities

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities include derivatives (other than derivatives that are financial guarantee contracts or are designated and effective hedging instruments), other liabilities held for trading, and liabilities that an entity designates to be measured at fair value through profit or loss.

3.4.4 Measurement

Initial Measurement

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

Subsequent Measurement

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

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or un-collectability.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

3.4.5 De-recognition- Financial Assets

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

On de-recognition of a financial assets, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in income or expenditure. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the bank is recognized as a separate assets or liability.

3.4.6 De recognition- 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.

3.4.7 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 investments are recorded at cost, considering the non-trading of promoter shares up to the date of balance sheet, the market price of such shares could not be ascertained with certainty. Hence, these investments are recognized at cost net of impairment, if any.

3.4.8 Impairment

Financial assets

At each reporting date the bank assesses the objective evidence that a financial asset or group of financial assets is impaired or not. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

Bank has measured impairment loss on loan and advance to customer as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for Loan Loss provisioning and amount determined as per Para 63 of NAS39 and shall apply impairment Para 63 of NAS 39 to measure the impairment loss on Financial assets other than Loan and advances.

Additional details of disclosure regarding impairment is presented in 5.11

Bank uses carve- outs as mentioned in 2.7 above.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower
- default in making due on due date
- breach of contract, such as default or delinquency by a borrower
- the bank, for economic or legal reasons relating to the financial difficulties, grant to the borrower a concession that the lender would not otherwise consider
- indication that a borrower will enter bankruptcy;
- disappearance of an active market for a security; or
- Observable data relating to a group of assets such as adverse changes in the payment status of borrowers in the group or economic conditions that correlate with defaults in the group.

The amount of loss is measured as the difference between the asset's carrying amount and amount the management considers it as recoverable based on financial position of the borrower or issuer and appropriate estimation made by the management. Appropriate provisions for possible losses on investments in shares, fixed deposits; and loans and advances have been made. Receivables considered as bad and irrecoverable are written off from the books of account and directly charged to Statement of comprehensive income. In addition, for an investment in an unquoted equity security, a significant or prolonged decline in its book value is objective evidence of impairment.

Individual Assessment of Impairment

Bank assess whether objective evidence of impairment exists individually that is significant. An individual measurement of impairment is based on management's best estimate of the present value of cash flows that are expected to be received. In estimating these cash flows, management made judgments about debtor's financial position and net realizable value of any underlying collateral. Bank considers individual impairment is not significant (Very low average loan size) and cost might exceed the benefit and so individual impairment was not done.

Collective Assessment of Impairment

Statistical methods are used to determine impairment losses on a collective basis for homogenous groups of financial assets.

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

After grouping of loans on the basis of homogeneous risks, the Bank uses net flow rate method. Under this methodology the movement in the outstanding balance of customers into default categories over the periods is used to estimate the amount of financial assets that will eventually be irrecoverable, as a result of the events occurring before the reporting date.

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

3.4.9 Write off

Bank writes off loan or investment either partially or in full and related allowance for impairment losses when it determined that there will be no realistic prospect of recovery.

Non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost and value in use. An impairment loss is recognized in Statement of profit and loss. Provisions against impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Changes in the provisions are recognized as income/expense in the statement of comprehensive income.

No impairment loss is recognized during this year.

3.5 Trading Assets

Trading assets are those assets that the Bank 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. Trading assets are initially recognized and subsequently measured at fair value in the statement of financial position with transactions cost recognized in income and expenditure. All changes in the fair value are recognized as part of the net trading income in income and expenditure.

3.6 Derivative Assets and Derivative Liabilities

At reporting date, the Bank's outstanding contract for a non-deliverable forward contract Assets (NDF) was of Rs. 9,972,912. The bank has a policy to maintain a square-off position on such derivative contracts with exception a certain degree of risk tolerance.

3.7 Property Plant and Equipment

3.7.1 Recognition and measurement

Property, Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including non-refundable duties and taxes; and any directly attributable cost incurred in bringing the asset to their present location and condition necessary for it to be capable of operating in the manner intended by the management but excluding trade discounts and rebates. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Bank. Ongoing repair and maintenance are expensed as incurred. If significant part of an item of property, Plant or equipment has different useful lives, then they are accounted for as separate items (major components) of property, Plant and equipment.

Any gain or loss on disposal of an item of property, Plant and equipment (calculated as the difference between the net proceeds from disposal and carrying amount of the items) is recognized within other income in Statement of profit and Loss Account.

3.7.2 Depreciation

Land is not depreciated. All other property, plant and equipment are depreciated from the date they are available for use or in respect of self-constructed assets, from the date that the construction is completed and ready for use. Depreciation is charged on straight-line method over the estimated useful life of property, plant and equipment. Useful lives and residual values are reviewed on each reporting date and adjusted if required.

<u>Class of assets</u>	<u>Estimated useful life</u>
Building	50 years
Office Equipment	10 years
Fixtures and fittings	10 years
Computers	5 years
Vehicles	6-7 years
Others	10 years

3.7.3 Assets Received in Grant

In order to fair present the grant assets' economic benefits over its useful lives, non-current assets acquired under the government grant is recognized as "Grant Assets" and included under respective head of property, plant and equipment with corresponding credit to "Deferred Grant Income" under the head of Other Liabilities.

3.8 Goodwill and Intangible assets

Banking Software

Intangible assets include software purchased by the Bank. The intangible assets that are acquired by the Bank and have definite useful lives are measured at cost less accumulated amortization and any impairment losses. Costs incurred in the ongoing maintenance of software are expensed immediately as incurred. Subsequent cost on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Bank has a policy to amortize banking software at 20% on straight line basis.

Other Intangibles

Other Intangibles are recognized at cost and subsequently amortized at 20% on straight line basis.

3.9 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, used in the supply of services or for administrative purpose. Investment property is measured initially at cost. After initial recognition investment property shall be measured at its cost (NAS16 Property Plant and Equipment) less any accumulated depreciation and any accumulated impairment unless the investment property meets the criteria to be classified as held for sale as per (NFRS 5) Non-current Assets held for sale. Investment property includes land, land and building acquired as non-banking assets by bank but not sold. On reclassification into Property and Equipment, its carrying value or recoverable value whichever is lower is considered as its cost for subsequent accounting.

3.10 Income Tax

Income Tax expense comprises of current and deferred tax. It is recognized in Profit or loss except to the extent that relate to items recognized directly in equity or in other comprehensive income(OCI).

3.10.1 Current Tax

Current tax comprises of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the payable or receivable in respect to previous years. Current tax is measured using tax rate enacted or subsequently enacted at the reporting date.

3.10.2 Deferred Tax

Deferred tax is recognized in respect of temporary difference between the carrying amount of assets and liabilities in the financial statements and the tax base of these assets and liabilities as per the legislation. Deferred tax is measured using tax rate enacted or subsequently enacted at the reporting date.

3.11 Deposits, Debt Securities Issued and Subordinated Liabilities

Deposits and borrowings are the source of funds of the bank in addition to its reserves. These are initially measured at fair value minus direct transaction cost and subsequently measured at amortized cost using the effective interest method, except where the bank designates liabilities at fair value through profit or loss.

Subordinated Liabilities

These are the liabilities subordinated, at the event of winding up, to claims of depositors, debt Securities issued and other creditors. It shall include redeemable preference shares, subordinated notes issued, borrowings etc.

3.12 Provisions

A provision is recognized if it is 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. Provisions are determined by discounting (in case of non-current) the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13 Revenue Recognition

3.13.1 Interest income

Interest income/expenses are recognized in Profit or Loss using the effective interest method.

Bank uses Accounting Standard Board of Nepal carve- outs and treats coupon rate as effective interest rate.

However, interest accrual is suspended and is not recognized as Interest income in the Statement of Profit or Loss in following circumstances:

1. Loans where contractual payments of principal and/or interest are more than 3 months in arrears and where the net realizable value of security is insufficient to cover payment of principal and accrued interest.
2. Loans where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral.
3. Overdraft and other short-term facilities which have not been settled after the expiry of the loan and even not renewed within 3 months of the expiry, and where the net realizable value of security is insufficient to cover payment of principal and accrued interest.
4. Overdrafts and other short-term facilities which have not been settled after the expiry of the loan and even not renewed within 12 months of the expiry, irrespective of the net realizable value of collateral.

3.13.2 Fees and Commission Income

Fees and Commission income that are integral part on determining effective interest rate on a financial asset or liability are included in effective interest rate. Other Fees and commissions are recognized separately as the related service is performed or received. All fees and commissions are not considered for computation of effective interest rate considering immaterial or impracticable to determine reliably.

3.13.3 Dividend Income

Dividend income is recognized when the right to receive is established. A right to receive is considered to have been established when the entity makes a formal announcement for dividend declaration.

3.13.4 Net Trading Income

Net trading income comprises gains less losses relating to trading assets and liabilities and includes all realized and unrealized fair value changes, and net income from financial instruments designated at fair value through profit or loss. All gains and losses from the changes in the fair value of financial assets and liabilities designated at fair value are recognized through profit and loss. Interest income and expenses and dividend income arising on these financial instruments are also included, except for interest arising from debt securities issued by the bank, and derivatives managed in conjunction with those debt securities which is recognized in Interest expense.

3.13.5 Net income from other financial instrument at fair value through profit or loss

Net income from other financial instrument at fair value through profit and loss related to non-trading derivatives held for risk management purposes that do not form part of the qualifying hedge relationships are recognized through profit or loss. It includes realized and unrealized fair value changes, interest, and dividend income and foreign exchange differences.

3.14 Interest Expenses

Interest expense is recognized in Profit or Loss using the effective interest method. The effective interest rate is the rates that exactly discount estimated future cash payment through expected life of the financial instrument or where appropriate a shorter period, to the net carrying amount of the financial liability. While calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but excluding future credit gains. The calculation includes all amount paid by the bank that are an integral part of the effective interest rate of the financial instrument, including the transaction costs and other premium or discounts.

Bank uses ASB carve-outs as mentioned in 2.7 above and treat coupon rate as effective interest rate.

3.15 Employee Benefits

3.15.1 Defined contribution plan and Defined Benefit Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution plans are recognized as employee benefit expense in profit or loss in the periods during which the related service are rendered by employees. Pre-paid contributions are recognized as an asset to the extent that cash refund or reduction in future payments is available. Contributions to a defined contribution plan being due for more than 12 months after the end of the period in which the employee render the service are discounted at their present value.

The following are the benefit plans provided by the bank to its employees:

- 1) **Defined Contribution Plan:** All permanent employees are entitled for participation in employee Provident Fund (Retirement Fund) wherein the employees contribute at 10 percent of their current basic salaries. The bank contributes 10% of basic salary to this fund, which is separately administered as a defined contribution plan as per Bank Staff By-Law. The bank's obligations for contributions to the above fund are recognized as an expense in Statement of profit or loss as the related services are rendered.
- 2) **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 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 discount rate is the yield at the reporting date on corporate bonds, that have maturity dates approximating the terms of the bank's obligation and that are denominated in the currency in which the benefits are expected to be paid.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit and loss account. When the calculation results in a potential asset for the group, the recognized assets are limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits consideration is given to any applicable minimum funding requirements.

Measurements of the net defined benefit liability comprise actuarial gains and losses. The return on plan assets (excluding interest income) and the effect of the assets ceiling (if any excluding interest) are recognized immediately in OCI. The bank determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefits liability (assets), taking into account any changes in the net defined benefits liability(asset)during the period as a result of contribution and benefits payments. Net interest expenses and other expenses related to defined benefit plans are recognized in personal expenses in Statement of profit and Loss.

The following are the defined benefit plans provided by the bank to its employees:

- 1) Gratuity
- 2) Staff Security Fund
- 3) Leave Encashment
- 4) Medical Facilities

3.15.2 Other long term employee benefits

Other Long term benefit includes long term leave, long term disability facility. These benefits are recognized on actuarial valuation.

3.15.3 Termination Benefits

The termination benefits are expensed at the earlier of which the bank can no longer withdrawn the offer of those benefits and when the bank recognizes costs for restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

3.15.4 Short term employee benefits

Short term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and obligation can be estimated reliably and settled within 12-month period.

3.16 Leases

The bank has a policy to conduct its business operations through having a rental agreement with property-owners (operating leases) in those places where it lacks required infrastructure.

The date of initial application of the NFRS 16, Lease is 2021/07/16. Transition effect from NAS 17 to NFRS 16 on lease has been given as stated below:

- a. Recognize a lease liability at the date of initial application of leases previously classified as an operating lease applying NAS 17. Lease liability is measured at present value of the remaining lease payments, discounted using the incremental borrowings rate at the date of initial application.
 - b. Recognize a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying NAS 17. The right-of-use asset is measured at-
- An amount 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 initial application.

3.17 Foreign currency Transaction

Foreign Currency differences arising on translation are recognized in profit and loss. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate of exchange prevailing on that date. The foreign currency gains or loss on monetary items is the difference between the carrying amounts at the beginning of the year/origination date, adjusted for the foreign currency translated at the rate of exchange at the reporting date. Non-monetary assets and liabilities that measured at fair value in a foreign currency are translated into the functional currency at the rate of exchange prevailing at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in the foreign currency are translated using the rate of exchange on the date of transactions. An amount equivalent to the net exchange gain /loss during the year is transferred to/other operating Income.

3.18 Financial Guarantee and Loan Commitment

Financial Guarantees are contingent liabilities that arise out of the contract that the bank might make specified payments to reimburse the holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with terms of debt instrument.

Loan Commitments are firm commitment to provide credit under pre-specified terms and conditions. Liabilities arising from financial guarantee and loan commitments are included with in provisions.

3.19 Share capital and Reserves

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

Share Issue Cost

Incremental cost directly attributable to issue of new shares is shown as deduction from equity.

Reserve

Reserves are the allocation out of profit or retained earnings. These are created as statutory requirement and bank's own policies.

Reserve due to changes in measurement basis (i.e. Old GAAP and NFRS) is transferred to regulatory reserve as suggested by the regulators.

3.20 Earnings per Share (EPS)

Bank presents basic and diluted EPS for its ordinary shares.

Basic Earnings per Share

Bank has calculated basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the bank and profit or loss from continuing operation attributable to those equity holders. It is calculated by dividing profit or loss attributable to equity holders of the bank by the weighted average number of ordinary share outstanding.

Diluted Earnings per Share

Bank has calculated diluted earnings per share amounts for profit or loss attributable to ordinary equity holders of the bank and profit or loss from continuing operation attributable to those equity holders. It is calculated by dividing profit or loss attributable ordinary equity holders of the bank and weighted number shares outstanding for the effect of all dilutive potential ordinary shares.

3.21 Segment Reporting

Operating Segments identified as per NFRS 8 are reported as segment reporting as described in Para 5.4 as Disclosure and Additional Information.

3.22 Offsetting

The assets and liabilities are offset and the net amount has been presented in the statement of financial position when and only when the bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.23 Inter-Office Transactions

Bank reconciles its inter office transactions on regular basis.

4.1 Cash and cash equivalent

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Cash in hand	4,043,270,051	3,777,376,166	4,043,270,051	3,777,371,166
Balances with B/FIs	1,031,050,722	5,685,674,250	1,030,813,191	5,685,049,926
Money at call and short notice	-	-	-	-
Other	-	-	-	-
Total	5,074,320,773	9,463,050,416	5,074,083,242	9,462,421,092

The statutory liquidity ratio (SLR) and Cash reserve Ration (CRR) of A class BFI should be maintained at 12% and 4% respectively as required by Nepal rastra Bank.

4.2 Due from Nepal Rastra Bank

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory balances with NRB	8,711,992,880	7,095,029,924	8,711,992,880	7,095,029,924
Securities purchased under resale agreement	-	-	-	-
Other deposit and receivable from NRB	6,500,786,572	5,803,893,881	6,500,786,572	5,803,893,881
Total	15,212,779,452	12,898,923,805	15,212,779,452	12,898,923,805

Balance with the NRB is principally maintained as a part of the regulatory cash reserve ratio required by the NRB.

4.3 Placement with Bank and Financial Institutions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Placement with domestic B/FIs	-	-	-	-
Placement with foreign B/FIs	5,214,300,000	-	5,214,300,000	-
Less: Allowances for impairment	-	-	-	-
Total	5,214,300,000	-	5,214,300,000	-

Placements with domestic as well as foreign Bank and financial institutions with original maturities of more than three months from the acquisition date are presented above. The maturity of placement presented above is 6 months.

4.4 Derivative financial instruments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
<i>Held for trading</i>	9,972,912	17,588,448	9,972,912	17,588,448
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	9,972,912	17,588,448	9,972,912	17,588,448
Others	-	-	-	-
<i>Held for risk management</i>	-	-	-	-
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	-	-	-	-
Other	-	-	-	-
Total	9,972,912	17,588,448	9,972,912	17,588,448

Assets and liabilities in Foreign currency has been netted off with each other.

4.5 Other trading assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Treasury bills	-	-	-	-
Government bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	1,274,757,944	1,014,399,764	1,216,149,394	943,652,800
Other	-	-	-	-
Total	1,274,757,944	1,014,399,764	1,216,149,394	943,652,800
Pledged	-	-	-	-
Non-Pledged	1,274,757,944	1,014,399,764	1,216,149,394	943,652,800

4.6 Loan and advances to B/FIs

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loans to microfinance institutions	3,241,096,774	4,189,000,000	3,241,096,774	4,189,000,000
Other	-	-	-	-
Less: Allowances for impairment	(38,893,161)	(54,457,000)	(38,893,161)	(54,457,000)
Sub total	3,202,203,613	4,134,543,000	3,202,203,613	4,134,543,000
Interest receivable	-	-	-	-
Grand total	3,202,203,613	4,134,543,000	3,202,203,613	4,134,543,000

4.6.1 Allowances for impairment

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Balance at Shrawan 1	54,457,000	54,313,926	54,457,000	54,313,926
Impairment loss for the year:				
Charge for the year	-	143,074	-	143,074
Recoveries/reversal	(15,563,839)	-	(15,563,839)	-
Amount written off	-	-	-	-
Balance at Ashadh end	38,893,161	54,457,000	38,893,161	54,457,000

4.7 Loans and advances to customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loan and advances measured at amortised cost	212,816,753,076	183,039,640,427	212,820,853,076	183,039,640,427
Less: Impairment allowances	(9,203,803,215)	(6,736,072,299)	(9,203,803,215)	(6,736,072,299)
Collective impairment	(3,663,442,600)	(2,862,903,916)	(3,663,442,600)	(2,862,903,916)
Individual impairment	(5,540,360,615)	(3,873,168,383)	(5,540,360,615)	(3,873,168,383)
Net amount	203,612,949,861	176,303,568,128	203,617,049,861	176,303,568,128
Loan and advances measured at FVTPL				
Total	203,612,949,861	176,303,568,128	203,617,049,861	176,303,568,128

Details of Loans and advances and Impairment allowance to Customer and BFI:

Particulars	Current Year		Previous Year	
	Loan Outstanding	Provision	Loan Outstanding	Provision
Performing Loan and Advances	198,594,440,319	3,237,816,876	177,734,278,255	2,720,368,028
Pass Loan	181,786,603,318	2,328,631,896	173,220,665,770	2,305,002,115
Watch List	16,807,837,001	909,184,981	4,513,612,485	415,365,913
Non-Performing Loan and Advances	8,083,726,677	6,004,879,499	5,077,212,516	4,070,161,270
Restructured / Rescheduled	90,984,943	10,773,118	551,602,683	27,616,871
Sub-standard	1,706,855,482	455,290,313	247,942,638	80,779,643
Doubtful	1,429,550,126	736,371,782	1,246,899,856	691,684,408
Loss	4,856,336,126	4,802,444,286	3,030,767,340	3,270,080,348
Total	206,678,166,996	9,242,696,375	182,811,490,771	6,790,529,298

Details of Restructure Loans and advances as per NRB Directives during the Fiscal Year:

Particular	Number	Outstanding Loan	Outstanding Interest	Total Provision
Total Restructure Loans and advances	8,683	12,493,288,794	1,040,761,030	1,253,599,252

4.7.1 Analysis of loan and advances - By Product

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Product				
Term Loans	33,756,599,529	17,662,085,292	33,756,599,529	17,662,085,292
Overdraft	14,309,799,414	9,964,491,164	14,309,799,414	9,964,491,164
Trust receipt/import loan	266,455,102	148,604,204	266,455,102	148,604,204
Demand and other working capital loan	111,277,430,448	105,888,309,653	111,277,430,448	105,888,309,653
Personal residential loans	9,143,498,344	8,808,800,506	9,143,498,344	8,808,800,506
Real estate loans	3,778,171,687	1,812,219,905	3,778,171,687	1,812,219,905
Margin lending loans	1,591,606,608	1,137,226,549	1,591,606,608	1,137,226,549
Hire Purchase Loans	3,422,443,170	2,821,707,415	3,422,443,170	2,821,707,415
Deprived Sector Loans	22,968,012,692	27,333,943,145	22,968,012,692	27,333,943,145
Bills purchased	-	-	-	-
Staff loans	7,692,462,635	3,534,681,170	7,692,462,635	3,534,681,170
Others	2,918,953,228	3,048,685,426	2,923,053,228	3,048,685,426
Sub total	211,125,432,857	182,160,754,429	211,129,532,857	182,160,754,429
Interest receivable	1,691,320,219	878,885,998	1,691,320,219	878,885,998
Grand total	212,816,753,076	183,039,640,427	212,820,853,076	183,039,640,427

4.7.2 Analysis of loan and advances - By Currency

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Nepalese rupee	212,816,753,076	183,039,640,427	212,820,853,076	183,039,640,427
Indian rupee	-	-	-	-
United State dollar	-	-	-	-
Great Britain pound	-	-	-	-
Euro	-	-	-	-
Japanese yen	-	-	-	-
Chinese yuan	-	-	-	-
Other	-	-	-	-
Total	212,816,753,076	183,039,640,427	212,820,853,076	183,039,640,427

4.7.3 Analysis of loan and advances - By Collateral

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Secured				
Movable/immovable assets	206,421,123,781	180,730,091,467	206,421,123,781	180,730,091,467
Gold and silver	18,120,000	45,070,000	18,120,000	45,070,000
Guarantee of domestic B/FIs	-	-		
Government guarantee	-	-		
Guarantee of international rated bank	-	-		
Collateral of export document	-	-		
Collateral of fixed deposit receipt	1,158,440,000	1,393,270,000	1,162,540,000	1,393,270,000
Collateral of Government securities	-	-		
Counter guarantee	-	-		
Personal guarantee	-	-		
Other collateral	-	-		
Subtotal	207,597,683,781	182,168,431,467	207,601,783,781	182,168,431,467
Unsecured	5,219,069,295	871,208,960	5,219,069,295	871,208,960
Grant Total	212,816,753,076	183,039,640,427	212,820,853,076	183,039,640,427

4.7.4 Allowances for impairment

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Specific allowances for impairment				
Balance at Shrawan 1	3,873,168,383	3,118,930,653	3,873,168,383	3,118,930,653
Impairment loss for the year:				
Charge for the year	4,843,021,894	4,633,465,992	4,843,021,894	4,633,465,992
Recoveries/reversal during the year	(3,175,829,662)	(3,879,228,262)	(3,175,829,662)	(3,879,228,262)
Write-offs				
Exchange rate variance on foreign currency impairment				
Other movement				
Balance at Ashadh end	5,540,360,615	3,873,168,383	5,540,360,615	3,873,168,383
Collective allowances for impairment				
Balance at Shrawan 1	2,862,903,916	2,159,110,927	2,862,903,916	2,159,110,927
Impairment loss for the year:				
Charge/(reversal) for the year	800,538,684	703,792,989	800,538,684	703,792,989
Exchange rate variance on foreign currency impairment				
Other movement				
Balance at Ashadh end	3,663,442,600	2,862,903,916	3,663,442,600	2,862,903,916
Total allowances for impairment	9,203,803,215	6,736,072,299	9,203,803,215	6,736,072,299

4.8 Investment securities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Investment securities measured at amortized cost	64,866,582,443	48,066,461,365	64,866,582,443	48,065,718,830
Investment in equity measured at FVTOCI	4,023,272,208	3,752,450,825	3,744,679,625	3,542,868,414
Total	68,889,854,651	51,818,912,190	68,611,262,068	51,608,587,244

4.8.1 Investment securities measured at amortized cost

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Debt securities	3,138,336,648	3,135,969,536	3,138,336,648	3,135,227,000
Government bonds	27,986,827,441	26,099,564,926	27,986,827,441	26,099,564,926
Government treasury bills	33,741,418,354	18,830,926,903	33,741,418,354	18,830,926,904
Nepal Rastra Bank bonds-Reverse Repo			-	
Nepal Rastra Bank deposits instruments	-		-	-
Other	-		-	-
Less: specific allowances for impairment	-	-	-	-
Total	64,866,582,443	48,066,461,365	64,866,582,443	48,065,718,830

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Equity instruments				
Quoted equity securities	2,692,935,205	2,994,742,458	2,414,342,622	2,785,318,910
Unquoted equity securities	697,626,800	120,071,645	697,626,800	120,071,645
Mutual Fund	632,710,203	637,636,722	632,710,203	637,477,859
Total	4,023,272,208	3,752,450,825	3,744,679,625	3,542,868,414

Fair value of equity securities designated at Fair Value Through Other Comprehensive Income(FVTOCI) that were disposed of during the year was NPR 77,780,564. Net realized cumulative after-tax loss of NPR 2,491,732 for the year were reclassified from Other Comprehensive Income to Retained Earnings, resulting from dispositions of equity securities designated at FVTOCI. Investment on equity shares of Krish Aayojana Kendra for Rs. 250,000 and Nepal Byapar Company for Rs. 288,000 was impaired and 100% Impairment loss has been booked. Fair value of such securities is considered as zero. In fair value measurement of Sana Kishan Laghubitta Sanstha Limited (SKBBL), the last market traded price of value Rs. 330 per share (using Level 1) has been considered compared to fair value of Rs. 449.5 per share (using Level 2- adjusted MTM) considered previously in fiscal year 2022/23.

4.8.3 Information relating to investment in equities

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
Investment in quoted equity										
Sana Kisan Laghubitta Bittiya Sanstha Limited (Promoter Share)	SKBBLP	69,384,000	1,431,551,220	69,384,000	1,949,945,834	69,384,000	1,431,551,220	69,384,000	1,949,945,834	Level 1- MTM
4338034 shares of Rs. 100 each										
Deprosc Laghubitta Bittiya Sanstha Limited	DDBL	5,373	27,874,945	5,373	24,889,032	5,373	27,874,945	5,373	24,889,032	Level 1- MTM
33145 shares of Rs. 100 each										
Deprosc Laghubitta Bittiya Sanstha Limited (Promoter Share)	DDBLPO	59,957,543	577,221,920	59,957,543	524,747,080	59,957,543	577,221,920	59,957,543	524,747,080	Level 1- MTM
1311868 shares of Rs. 100 each										
Grameen Bikas Laghubitta Bittiya Sanstha Limited(Pro)	GBLBSP	3,034,900	590,508	3,034,900	590,508	3,034,900	590,508	3,034,900	590,508	Level 1- MTM
1047 shares of Rs. 2898.66 each										
Neco Insurance Company Limited	NIL	1,827,607	10,212,576	1,827,607	10,885,678	1,827,607	10,212,576	1,827,607	10,885,678	Level 1- MTM
12216 shares of Rs. 100 each										
Neco Insurance Company Limited (Promoter)	NILPO	129,982,618	366,251,598	113,182,158	273,512,954	129,982,618	366,251,598	113,182,158	273,512,954	Level 1- MTM

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
840026.60 shares of Rs. 100 each										
Shikhar Insurance Company Limited	SICL	957,001	639,855	957,001	747,825	957,001	639,855	957,001	747,825	Level 1- MTM
885 shares of Rs. 100 each										
Investment from Subsidiary Company (Kosh Byabasthapan Company Limited)										
Ace Laboratories				47,000	47,000					Level 3- Adjusted MTM
0 shares of Rs. 100 each										
Asian Life Insurance Ltd.	ALICL	509,000	469,742	369,000	372,550					Level 1- MTM
754 shares of Rs. 100 each										
Arun Kabeli Power Limited	AKPL	49,900	37,000	39,900	23,450					Level 1- MTM
200 shares of Rs. 100 each										
Citizen Investment Trust	CIT	242,700	315,090	242,700	271,570					Level 1- MTM
162 shares of Rs. 100 each										
Citizen Bank Int'l. Limited	CZBIL	544,470	329,337	544,470	294,616					Level 1- MTM
1702 shares of Rs. 100 each										
Deprosc Laghubitta Bittiya Sanstha Ltd.	DDBL	8,350	15,979	8,350	14,042					Level 1- MTM
19 shares of Rs. 100 each										
Himalayan Everest Insurance Co Ltd	HEI	681,851	642,112	681,851	560,400					Level 1- MTM
1016 shares of Rs. 100 each										
Global IME Bank Limited	GBIME	41,100	123,705	41,100	116,994					Level 1- MTM
637 shares of Rs. 100 each										
Himalayan Bank Limited	HBL	262,500	212,368	163,500	114,912					Level 1- MTM
1040 shares of Rs. 100 each										
Himalayan Distillery Ltd.	HDL	845,500	608,960	460,000	449,600					Level 1- MTM
440 shares of Rs. 100 each										
Himalayan Life Insurance (prime life merged)	HLI	537,000	342,516	537,000	444,132					Level 1- MTM
876 shares of Rs. 100 each										
IME General Insurance Limited	IGI	240,000	295,740	240,000	296,800					Level 1- MTM
530 shares of Rs. 100 each										
Kisan Laghubitta Bittiya Sansthan Ltd.	KLBSL	7,150	12,840	7,150	7,799					Level 1- MTM
12 shares of Rs. 100 each										
Nabil Bank Ltd	NABIL	828,464	1,093,068	971,427	1,070,770					Level 1- MTM
2088 shares of Rs. 100 each										
Nepal Bank Ltd	NBL	247,500	133,340	247,500	144,669					Level 1- MTM
581 shares of Rs. 100 each										
Nepal Investment Mega Bank Ltd	NIMB	834,571	604,971	834,571	600,479					Level 1- MTM
3455 shares of Rs. 100 each										
NIC Asia Bank Limited	NICA	370,000	285,864	370,000	396,900					Level 1- MTM
645 shares of Rs. 100 each										
Neco Insurance Limited (Promotor)	NILPO	35,168,220	268,433,951	22,854,700	200,463,373					Level 1- MTM
615674.2 shares of Rs. 100 each										
NMBMicrofinance Bittiya Sanstha Ltd.	NMBMF	68,000	84,360	68,000	64,640					Level 1- MTM
111 shares of Rs. 100 each										
NMB Bank Limited	NMB	379,908	253,316	379,908	262,612					Level 1- MTM
1162 shares of Rs. 100 each										
Nepal Re-Insurance Company Ltd	NRIC	307,149	339,228	307,149	343,360					Level 1- MTM
486 shares of Rs. 100 each										

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
Prime Commercial Bank Limited 2760 shares of Rs. 100 each	PCBL	482,900	612,168	301,400	343,200					Level 1- MTM
Siddhartha Premier Insurance Ltd. 672 shares of Rs. 100 each	SPIL	154,000	577,853	154,000	990,252					Level 1- MTM
RSDC Laghubitta Bittiya Sanstha Limited 416 shares of Rs. 100 each	RSDC	139,800	287,872	139,800	234,817					Level 1- MTM
Sanima Bank Ltd 1090 shares of Rs. 100 each	SANIMA	248,200	304,110	248,200	260,500					Level 1- MTM
Sanima Mai Hydropower Ltd. 550 shares of Rs. 100 each	SHPC	168,879	186,725	168,879	177,500					Level 1- MTM
Shangrilla Development Bank Limited 17 shares of Rs. 100 each	SADBL	4,110	5,933	4,110	5,474					Level 1- MTM
Standard Chartered Bank Limited 56 shares of Rs. 100 each	SCB	30,960	33,712	30,960	29,686					Level 1- MTM
Shivam Cements Ltd 857 shares of Rs. 100 each	SHVM	502,640	430,471	303,340	260,600					Level 1- MTM
Suryodaya Womi Laghubitta Bittiya Sanstha Ltd. 116 shares of Rs. 100 each	SWMF	82,010	109,620	82,010	85,028					Level 1- MTM
Upper Tamakoshi Hydropower Ltd. 2000 shares of Rs. 100 each	UPPER	519,250	353,400	344,250	320,100					Level 1- MTM
United Ajud Insurance Ltd 578 shares of Rs. 100 each	UAIL	195,500	345,933	195,500	272,423					Level 1- MTM
United Idi Mardi and RB Hydropower Limited 880 shares of Rs. 100 each	UMRH	300,565	378,400	-	-					Level 1- MTM
Life Insurance Corporation (Nepal) Ltd. 200 shares of Rs. 100 each	LICN	300,800	287,600	-	-					Level 1- MTM
IME Life Insurance Company Ltd. 100 shares of Rs. 100 each	ILI	55,500	45,300	-	-					Level 1- MTM
Dordi Khola Jal Biddhut Company Ltd 0 shares of Rs. 100 each	DORDI	-	-	110,480	83,300					Level 1- MTM
Total Investment on quoted equity		310,507,488	2,692,935,205	279,846,786	2,994,742,458	265,149,041	2,414,342,622	248,348,581	2,785,318,910	
Investment in unquoted equity										
Jadibuti Utpadan Tatha Prashodhan Company Limited 1,116 shares of Rs. 1000 each	JUTPL	1,116,000	1,116,000	1,116,000	1,116,000	1,116,000	1,116,000	1,116,000	1,116,000	Level 3- Adjusted MTM
Karja Suchana Kendra 131,220 shares of Rs. 100 each	CIB	1,050,000	1,050,000	1,050,000	35,060,672	1,050,000	1,050,000	1,050,000	35,060,672	Level 3- Adjusted MTM
Krishi Aayojana Sewa Kendra 250 shares of Rs. 1000 each		250,000	-	250,000	-	250,000	-	250,000	-	Level 3- Adjusted MTM
Nepal Byapar Company (Koshi) Limited 2,880 shares of Rs. 100 each		288,000	-	288,000	-	288,000	-	288,000	-	Level 3- Adjusted MTM
Nepal Clearing House Limited	NCHL	460,800	460,800	460,800	3,894,973	460,800	460,800	460,800	3,894,973	Level 3- Adjusted MTM

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
17,440.44 shares of Rs. 100 each										
National Fund Management Ltd.P	NFM	45,000,000	45,000,000	30,000,000	30,000,000	45,000,000	45,000,000	30,000,000	30,000,000	Level 3- Adjusted MTM
450,000 shares of Rs. 100 each										
Aadyanta Fund Management (Promoter Share)	AFM	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	Level 3- Adjusted MTM
500,000 shares of 100 each										
Nepal Opportunity Fund-1	NOF-1	300,000,000	300,000,000	-	-	300,000,000	300,000,000	-	-	Level 3- Adjusted MTM
300,000 shares of 100 each										
National Equity Fund-1	NEF-1	300,000,000	300,000,000	-	-	300,000,000	300,000,000	-	-	Level 3- Adjusted MTM
300,000 shares of 100 each										
Total Investment on unquoted equity		698,164,800	697,626,800	83,164,800	120,071,645	698,164,800	697,626,800	83,164,800	120,071,645	
Total FVTOCI of Investment on equity shares		1,008,672,288	3,390,562,005	363,011,586	3,114,814,103	963,313,841	3,111,969,422	331,513,381	2,905,390,555	
Investment in Mutual Fund										
Citizen Mutual Fund-1	CMF1	14,603,226	14,267,200	13,595,693	12,663,000	14,603,226	14,267,200	13,595,693	12,663,000	Level 1- MTM
1,480,000 units of Rs. 10 each										
Citizen Mutual Fund-2	CMF2	20,000,000	20,640,000	20,000,000	20,780,000	20,000,000	20,640,000	20,000,000	20,780,000	Level 1- MTM
2000000 units of Rs. 10 each										
Global Ime Samunnat Yojana	GIMES1	-	-	37,976,000	36,567,691	-	-	37,976,000	36,567,691	Level 1- MTM
0 units of Rs. 10 each										
Laxmi Equity Fund	LEMF	71,325,786	66,493,633	71,325,786	67,336,214	71,325,786	66,493,633	71,325,786	67,336,214	Level 1- MTM
7021503 units of Rs. 10 each										
Nabil Balanced Fund-2	NBF2	26,175,937	21,839,400	26,175,937	21,354,080	26,175,937	21,839,400	26,175,937	21,354,080	Level 1- MTM
2426600 units of Rs. 10 each										
Nabil Equity Fund	NEF	-	-	13,599,127	12,297,321	-	-	13,599,127	12,297,321	Level 1- MTM
0 units of Rs. 10 each										
Nibi Pragati Fund	NIBLPF	-	-	12,417,465	11,638,930	-	-	12,417,465	11,638,930	Level 1- MTM
0 units of Rs. 10 each										
Nic Asia Balanced Fund	NICBF	30,432,716	29,280,000	30,432,716	28,456,500	30,432,716	29,280,000	30,432,716	28,456,500	Level 1- MTM
3,050,000 units of Rs. 10 each										
Nmb Hybrid Fund L-1	NMBHF1	-	-	12,619,210	13,616,128	-	-	12,619,210	13,616,128	Level 1- MTM
0 units of Rs. 10 each										
Nmb50 Mutual Fund	NMB50	50,000,000	50,200,000	50,000,000	52,500,000	50,000,000	50,200,000	50,000,000	52,500,000	Level 1- MTM
5,000,000 units of Rs. 10 each										
Sanima Equity Fund	SAEF	22,804,094	21,820,000	22,804,094	23,600,000	22,804,094	21,820,000	22,804,094	23,600,000	Level 1- MTM
2,000,000 units of Rs. 10 each										
Siddhartha Equity Fund	SEF	25,623,561	20,022,701	24,073,824	20,609,227	25,623,561	20,022,701	24,073,824	20,609,227	Level 1- MTM
2386496 units of Rs. 10 each										
Siddhartha Investment Growth Scheme-2	SIGS2	60,026,219	56,972,570	60,026,219	54,210,991	60,026,219	56,972,570	60,026,219	54,210,991	Level 1- MTM
6,003,432 units of Rs. 10 each										
Sunrise First Mutual Fund	SFMF	41,641,637	42,980,445	41,641,637	46,011,916	41,641,637	42,980,445	41,641,637	46,011,916	Level 1- MTM
4,152,700 units of Rs. 10 each										
Laxmi Unnati Fund	LUK	30,253,901	27,279,900	30,253,901	28,462,029	30,253,901	27,279,900	30,253,901	28,462,029	Level 1- MTM
3,031,100 units of Rs. 10 each										

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
RBB MUTUAL FUND 1	RMF1	30,316,543	24,840,019	30,036,557	24,279,754	30,316,543	24,840,019	30,036,557	24,279,754	Level 1- MTM
3044120 units of Rs. 10 each										
NIBL SAHABHAGITA FUND	NIBLSF	19,958,400	16,262,400	19,958,400	16,370,200	19,958,400	16,262,400	19,958,400	16,370,200	Level 1- MTM
1,540,000 units of Rs. 10 each										
MEGA MUTUAL FUND-1	MMF1	4,363,400	3,368,545	4,363,400	3,486,357	4,363,400	3,368,545	4,363,400	3,486,357	Level 1- MTM
436,340 units of Rs. 10 each										
Nabil Balanced Fund-3	NBF3	166,700	130,026	166,700	126,192	166,700	130,026	166,700	126,192	Level 1- MTM
16,670 units of Rs. 10 each										
KUMARI DHANABRI.YOJ.MUT.FUND	KDBY	11,093,445	11,023,800	10,000,000	10,040,000	11,093,445	11,023,800	10,000,000	10,040,000	Level 1- MTM
1,140,000 units of Rs. 10 each										
Slk-Shubha Laxmi Kosh	SLK	10,000,000	10,770,000	10,000,000	10,000,000	10,000,000	10,770,000	10,000,000	10,000,000	Level 1- MTM
1,000,000 units of Rs. 10 each										
NMBSF2-NMB Sulav Inv.Fund-li	NMBSF2	31,113,016	31,468,233	30,000,000	29,970,000	31,113,016	31,468,233	30,000,000	29,970,000	Level 1- MTM
3128055 units of Rs. 10 each										
NIBLGF-NIBLGrowth Fund	NIBLGF	50,001,023	53,201,330	50,001,023	53,201,330	50,001,023	53,201,330	50,001,023	53,201,330	Level 1- MTM
5,000,125 units of Rs. 10 each										
Prabhu Smart Fund	PSF	10,000,000	9,610,000	10,000,000	9,900,000	10,000,000	9,610,000	10,000,000	9,900,000	Level 1- MTM
1,000,000 units of Rs. 10 each										
Siddhartha Invest.Growth	SIG	10,000,000	9,450,000	10,000,000	10,000,000	10,000,000	9,450,000	10,000,000	10,000,000	Level 1- MTM
1,000,000 units of Rs. 10 each										
Citizens Super 30 Mutual Fund	CSMF	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	Level 1- MTM
1,000,000 units of Rs. 10 each										
RBB Mutual Fund-2	RBB	10,000,000	9,500,000	10,000,000	10,000,000	10,000,000	9,500,000	10,000,000	10,000,000	Level 1- MTM
1,000,000 units of Rs. 10 each										
Laxmi Value Fund 2	LVF2	25,000,000.00	23,100,000.00	-	-	25,000,000.00	23,100,000.00	-	-	Level 1- MTM
2,500,000 units of Rs. 10 each										
Himalayan 80-20	H80-20	10,000,000.00	9,990,000.00	-	-	10,000,000.00	9,990,000.00	-	-	Level 1- MTM
1,000,000 units of Rs. 10 each										
Nic Asia Growth Fund-2	NICGF2	10,000,000.00	8,200,000.00	-	-	10,000,000.00	8,200,000.00	-	-	Level 1- MTM
1,000,000 units of Rs. 10 each										
Nibl Stable Fund	NIBLSF	30,000,000.00	30,000,000.00	-	-	30,000,000.00	30,000,000.00	-	-	Level 1- MTM
3,000,000 units of Rs. 10 each										
Investment from Subsidiary Company (Kosh Byabasthapan Company Limited)										
Global IME Sammunat Scheme 1	GIMES1	-	-	95,000	91,418					Level 1- MTM
0 units of Rs. 10 each										
NIBL Pragati Fund	NIBLPF	-	-	34,400	33,402					Level 1- MTM
0 units of Rs. 10 each										
NMB Hybrid Fund- 1	NMBHF1	-	-	31,550	34,042					Level 1- MTM
0 units of Rs. 10 each										
Total investment in mutual fund		664,899,604	632,710,203	661,628,639	637,636,722	664,899,604	632,710,203	661,467,689	637,477,859	
Grand Total Investment measured at FVTOCI		1,673,571,892	4,023,272,208	1,024,640,225	3,752,450,825	1,628,213,445	3,744,679,625	992,981,070	3,542,868,414	
Investment in equity measured at FVTPL										
Citizen Investment Trust	CIT	95,379,556	87,340,225	95,379,556	75,045,236	95,379,556	87,340,225	95,379,556	75,045,236	Level 1- MTM
44905 shares of Rs. 100 each										
Himalayan Life Insurance Company Limited	GLICL	171,044,555	129,308,066	139,588,801	124,572,012	171,044,555	129,308,066	139,588,801	124,572,012	Level 1- MTM
330711.17 shares of Rs. 100 each										

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
Himalayan Distillery Limited	HDL	15,451,260	16,333,968	5,862,667	8,326,592	15,451,260	16,333,968	5,862,667	8,326,592	Level 1- MTM
11802 shares of Rs. 100 each										
Nepal Reinsurance Company Limited	NRIC	68,156,998	49,282,988	68,156,998	49,879,515	68,156,998	49,282,988	68,156,998	49,879,515	Level 1- MTM
70606 shares of Rs. 100 each										
Premier Insurance Company Limited	PIC	26,723,052	28,946,008	3,000,282	3,114,049	26,723,052	28,946,008	3,000,282	3,114,049	Level 1- MTM
33662.06 shares of Rs. 100 each										
Rasuwegadhi Hydropower Company Ltd	RHPL	87,220,989	79,865,055	60,880,385	51,955,500	87,220,989	79,865,055	60,880,385	51,955,500	Level 1- MTM
270729 shares of Rs. 100 each										
Chilime Hydropower Company Limited	CHCL	135,090,845	135,278,263	113,139,395	117,537,152	135,090,845	135,278,263	113,139,395	117,537,152	Level 1- MTM
290921 shares of Rs. 100 each										
Himalayan General Insurance Company Limited	HGI	11,109,553	12,701,304	11,109,553	11,100,000	11,109,553	12,701,304	11,109,553	11,100,000	Level 1- MTM
20097 shares of Rs. 100 each										
Hydroelectricity Investment And Development Company Limited	HIDCL	-	1,028,892	-	1,057,632	-	1,028,892	-	1,057,632	Level 1- MTM
5748 shares of Rs. 100 each										
Sagarmatha Lumbini General Insurance Company Limited	LGIL	31,344,992	32,758,620	14,171,529	15,170,188	31,344,992	32,758,620	14,171,529	15,170,188	Level 1- MTM
45060 shares of Rs. 100 each										
National Life Insurance Company Limited	NLIC	98,683,725	91,718,060	74,145,900	65,145,387	98,683,725	91,718,060	74,145,900	65,145,387	Level 1- MTM
154148 shares of Rs. 100 each										
Nepal Life Insurance Company Limited	NLIC	110,350,791	69,924,716	81,540,742	48,345,120	110,350,791	69,924,716	81,540,742	48,345,120	Level 1- MTM
112964 shares of Rs. 100 each										
Nepal Insurance Company Limited	NLIC	0	3,520	0	-	-	3,520	-	-	Level 1- MTM
4 shares of Rs. 100 each										
Sanima Mai Hydropower	SHPC	15,440,253	16,371,369	581,652	710,000	15,440,253	16,371,369	581,652	710,000	Level 1- MTM
48222 shares of Rs. 100 each										
Shikhar Insurance Company Limited	SICL	85,553,389	61,853,373	67,917,210	50,964,485	85,553,389	61,853,373	67,917,210	50,964,485	Level 1- MTM
85551 shares of Rs. 100 each										
BUTWAL POWER COMPANY	BPCL	71,680,130	66,421,096	56,987,938	54,251,112	71,680,130	66,421,096	56,987,938	54,251,112	Level 1- MTM
214261.60 shares of Rs. 100 each										
Surya Jyoti Life Insurance Co Ltd	SLICL	14,082,148	13,424,057	6,242,413	6,710,000	14,082,148	13,424,057	6,242,413	6,710,000	Level 1- MTM
31226 shares of Rs. 100 each										
Api Power Company	API	47,884,379	29,268,840	32,676,007	12,617,259	47,884,379	29,268,840	32,676,007	12,617,259	Level 1- MTM
153240 shares of Rs. 100 each										
Arun Valley HydropowerDevelopment Company Limited	AHPC	107,833,713	84,731,991	81,851,578	58,176,975	107,833,713	84,731,991	81,851,578	58,176,975	Level 1- MTM
476290 shares of Rs. 100 each										
Upper Tamakoshi HydropowerLtd	UPPER	1,147,943	446,698	1,147,943	1,078,950	1,147,943	446,698	1,147,943	1,078,950	Level 1- MTM
2528 shares of Rs. 100 each										
Grameen Bikas Laghubitta Bittiya Sanstha Limited	GBLBS	13,275,831	8,110,000	13,275,831	6,330,000	13,275,831	8,110,000	13,275,831	6,330,000	Level 1- MTM
10000 shares of Rs. 100 each										
IME General Insurance	IGI	5,302,681	5,859,000	4,199,071	4,760,000	5,302,681	5,859,000	4,199,071	4,760,000	Level 1- MTM
10500 shares of Rs. 100 each										
Prabhu Insurance Company Limited	PRIN	15,619,164	18,998,000	8,143,185	10,458,000	15,619,164	18,998,000	8,143,185	10,458,000	Level 1- MTM
23000 shares of Rs. 100 each										
Infinity Laghubitta Bittiya Sanstha	ILBS	-	-	699,071	514,800	-	-	699,071	514,800	Level 1- MTM

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
0 shares of Rs. 100 each										
Aarambha Chautari Laghubitta Bittiya Sanstha	ACLBSL	-	-	2,100,130	1,041,670	-	-	2,100,130	1,041,670	Level 1- MTM
0 shares of Rs. 100 each										
Forward Community Micro Financ	FOWAD	0	1,413	0	1,321	-	1,413	-	1,321	Level 1- MTM
1 shares of Rs. 100 each										
Sadhana Laghubitta Bittiya Sanstha Limited	SDLBSL	-	1,067	-	741	-	1,067	-	741	Level 1- MTM
1 shares of Rs. 100 each										
Laxmi Laghubitta Bittiya Sanstha	LLBS	-	1,224	-	893	-	1,224	-	893	Level 1- MTM
1 shares of Rs. 100 each										
NLG Insurance	NLG	38,847,037	39,084,537	31,754,787	31,983,000	38,847,037	39,084,537	31,754,787	31,983,000	Level 1- MTM
49169.13 shares of Rs. 100 each										
Mero Micro Finance Laghubitta bittiya Sanstha Limited	MERO	18,911,737	12,046,650	18,911,737	11,375,480	18,911,737	12,046,650	18,911,737	11,375,480	Level 1- MTM
17209.50 shares of Rs. 100 each										
Vijaya Laghubitta Bittiya Sanstha Limited	VLBS	0	729	0	-	-	729	-	-	Level 1- MTM
1 shares of Rs. 100 each										
Sanima Large Cap Fund	SLCF	31,229,982	29,422,452	30,002,653	26,763,122	31,229,982	29,422,452	30,002,653	26,763,122	Level 1- MTM
3167110 shares of Rs. 100 each										
Kumari Equity Fund	KEF	20,008,845	19,353,849	20,008,845	20,375,636	20,008,845	19,353,849	20,008,845	20,375,636	Level 1- MTM
2003504 shares of Rs. 100 each										
Sunrise Bluechip Fund	SBCF	21,197,541	17,870,147	20,212,204	15,922,940	21,197,541	17,870,147	20,212,204	15,922,940	Level 1- MTM
2160840 shares of Rs. 100 each										
NIBL Samridhhi fund -2	NIBSF2	24,754,125	27,334,555	30,003,685	27,334,555	30,003,685	24,754,125	30,003,685	27,334,555	Level 1- MTM
3000500 shares of Rs. 100 each										
Prabhu Select Fund	PSF	14,716,295	14,415,286	14,716,295	13,031,183	14,716,295	14,415,286	14,716,295	13,031,183	Level 1- MTM
1472450 shares of Rs. 100 each										
Nic Asia Select 30 Index Fund	NICS30	20,019,532	19,223,808	20,019,532	18,002,295	20,019,532	19,223,808	20,019,532	18,002,295	Level 1- MTM
2002480 shares of Rs. 100 each										
Investment from Subsidiary Company (Kosh Byabasthapan Company Limited)										
Api Power Company Limited	API	259,100	244,480	52,600	39,400					Level 1- MTM
1280 shares of Rs. 100 each										
Arun Vally Hydropower Development Company	AHPC	187,992	175,054	30,600	25,500					Level 1- MTM
984 shares of Rs. 100 each										
Barun Hydropower Company Ltd.	BARUN	27,100	29,896	27,100	25,149					Level 1- MTM
101 shares of Rs. 100 each										
Central Finance Limited	CFCL	-	20,216	-	14,934					Level 1- MTM
38 shares of Rs. 100 each										
Himalayan Laghubitta Bittiya Sanstha Ltd. (prev Civil Laghubitta)	HLBSL	74750	85760	74,750	45,240					Level 1- MTM
67 shares of Rs. 100 each										
Forward Community Microfinance Bittiya Sanstha Ltd.	FOWAD	-	39,564	-	36,988					Level 1- MTM
28 shares of Rs. 100 each										
Green Development Bank Ltd.	GRDBL	18,850	25,041	18,850	15,606					Level 1- MTM
51 shares of Rs. 100 each										

Investment in equity measured at FVTOCI	Symbol	Group				Bank				Fair Valuation Hierarchy
		Current Year		Previous Year		Current Year		Previous Year		
		Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	
Hydroelectricity Investment and Development Co. Ltd.	HIDCL	311,500	220,528	311,500	226,688					Level 1- MTM
1232 shares of Rs. 100 each										
Jyoti Bikas Bank Ltd.	JBBL	169,500	163,594	169,500	155,258					Level 1- MTM
521 shares of Rs. 100 each										
Janautthan Samudayic Laghubitta Bittiya Sanstha Ltd.	JSLBB	-	41,328	-	28,560					Level 1- MTM
29 shares of Rs. 100 each										
Kalika Laghubitta Bittiya Sanstha Ltd.	KMCDB	11,989	17,999	11,989	11,040					Level 1- MTM
15 shares of Rs. 100 each										
Mithila Laghubitta Bittiya Sanstha Ltd.	MLBBL	91,980	102,758	91,980	77,256					Level 1- MTM
75 shares of Rs. 100 each										
Mero Microfinance Laghubitta Bittiya Sanstha Ltd.	MERO	-	88,200	-	83,286					Level 1- MTM
126 shares of Rs. 100 each										
Neco Insurance Ltd.	NIL	824,000	51,930,648	-	68,149,546					Level 1- MTM
62118 shares of Rs. 100 each										
NLG Insurance Ltd.	NLG	641,045	838,620	208,965	420,000					Level 1- MTM
1055 shares of Rs. 100 each										
Nepal Life Insurance Co. Ltd.	NLIC	1,511,713	1,309,185	1,331,413	1,350,360					Level 1- MTM
2115 shares of Rs. 100 each										
National Microfinance Bittiya Sanstha Limited	NMFBS	36,300	38,043	36,300	34,150					Level 1- MTM
27 shares of Rs. 100 each										
Sworojgari Laghubitta Bikas Bank Ltd.	SLBBL	11,380	16,169	11,380	9,870					Level 1- MTM
19 shares of Rs. 100 each										
Ngadi Group Power Ltd.	NGPL	8,790	9,889	8,790	6,783					Level 1- MTM
29 shares of Rs. 100 each										
Ghalemdi Hydro Ltd.	GHL	216,500	250,050	116,500	111,000					Level 1- MTM
1500 shares of Rs. 100 each										
Himalayan Re-insurance Limited	HRL	511,025	469,220	-	-					Level 1- MTM
809 shares of Rs. 100 each										
Manjushree Finance Limited	MFIL	123,400	120,580	-	-					Level 1- MTM
200 shares of Rs. 100 each										
National Hydropower Company Ltd	NHPC	176,000	162,900	-	-					Level 1- MTM
1000 shares of Rs. 100 each										
Nirdhan Utthan Laghubitta Bittiya Sansthan	NUBL	68,000	71,190	-	-					Level 1- MTM
100 shares of Rs. 100 each										
Rasuwagadhi Hydropower Company Ltd	RHPL	323,000	295,000	-	-					Level 1- MTM
1000 shares of Rs. 100 each										
Ridi Power Company Ltd.	RIDI	100	191	-	-					Level 1- MTM
1 shares of Rs. 100 each										
Singati Hydro Energy Ltd.	SHEL	1,602,000	1,715,000	-	-					Level 1- MTM
10000 shares of Rs. 100 each										
Synergy Power Development Ltd.	SPDL	134,500	127,450	-	-					Level 1- MTM
500 shares of Rs. 100 each										
Total FVTPL		1,425,401,553	1,277,338,374	1,130,929,791	1,014,519,414	1,423,310,600	1,216,149,394	1,128,427,574	943,652,800	
Total Investment		3,098,973,445	5,300,610,582	2,155,570,016	4,766,970,239	3,051,524,045	4,960,829,019	2,121,408,644	4,486,521,214	

4.9 Current tax assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current tax assets	13,300,748,802	12,308,318,903	13,301,083,002	12,305,946,710
Current year income tax assets	992,429,899	254,191,997	995,136,292	251,819,804
Tax assets of prior periods	12,308,318,903	12,054,126,906	12,305,946,710	12,054,126,906
Current tax liabilities	13,161,948,232	12,030,008,851	13,161,948,232	12,029,240,526
Current year income tax liabilities	1,131,939,381	735,087,475	1,132,707,706	941,429,381
Tax liabilities of prior periods	12,030,008,851	11,294,921,376	12,029,240,526	11,087,811,145
Total	138,800,570	278,310,052	139,134,770	276,706,184

4.10 Investment in subsidiaries

Particulars	Bank	
	Current Year	Previous Year
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	32,254,000	32,081,000
Total investment	32,254,000	32,081,000
Less: Impairment allowances	3,241,000	3,241,000
Net carrying amount	29,013,000	28,840,000

4.10.1 Investment in quoted subsidiaries

Particulars	Bank			
	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
..... shares of Rs.each	-	-	-	-
.....Ltd.				
..... shares of Rs.each	-	-	-	-
.....	-	-	-	-
Total	-	-	-	-

4.10.2 Investment in unquoted subsidiaries

Particulars	Bank			
	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Gobar Gas Company Limited 3241 shares of Rs. 1000 each	3,241,000	-	3,241,000	-
Kosh Byabasthapan Company Limited 290130 shares of Rs.100 each	29,013,000	-	28,840,000	-
Total	32,254,000	-	32,081,000	-

4.10.3 Information relating to subsidiaries of the Bank

Particulars	Bank	
	Percentage of ownership held by the Bank	
	Current Year	Previous Year
Kosh Byabasthapan Co.Ltd.	93.45%	92.89%
Gobar Gas Co. Ltd.	83.96%	83.96%

4.10.4 Non Controlling Interest of the Subsidiaries

Particulars	Group	
	Current Year	
	Kosh Byabasthapan Co. Ltd.	Gobar Gas Co. Ltd.
Equity interest held by NCI (%)	6.55%	16.04%
Profit/(loss) allocated during the year	(363,925)	-
Accumulated balances of NCI as on Ashadh end 2081	16,568,246	-
Dividend paid to NCI	-	-
Particulars	Previous Year	
	Gobar Gas Co. Ltd.	
	Kosh Byabasthapan Co. Ltd.	Gobar Gas Co. Ltd.
Equity interest held by NCI (%)	7.11%	16.04%
Profit/(loss) allocated during the year	1,150,336	-
Accumulated balances of NCI as on Ashadh end 2080	16,932,171	-
Dividend paid to NCI	-	-

4.11 Investment in associates

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Investment in quoted associates	-	-	-	-
Investment in unquoted associates	-	-	-	-
Total investment	-	-	-	-
Less: Impairment allowances	-	-	-	-
Net carrying amount	-	-	-	-

4.11.1 Investment in quoted associates

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

4.11.2 Investment in unquoted associates

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd. shares of Rs.each	-	-	-	-	-	-	-	-
.....Ltd. shares of Rs.each	-	-	-	-	-	-	-	-
.....	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

4.11.3 Information relating to associates of the Bank

Particulars	Group		Bank	
	Percentage of ownership held by the Bank		Percentage of ownership held by the Bank	
	Current Year	Previous Year	Current Year	Previous Year
	-	-	-	-

4.11.4 Equity value of associates

Particulars	Group	
	Current Year	Previous Year
	-	-
Total	-	-

4.12 Investment properties

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Investment properties measured at fair value	-	-	-	-
Balance as on 17 July, 2023	-	-	-	-
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 17 July, 2023	248,649,555	252,592,246	248,649,555	252,592,246
Addition/disposal during the year	694,439,525	(3,942,691)	694,439,525	(3,942,691)
Adjustment/transfer	-	-	-	-
Accumulated depreciation	-	-	-	-
Accumulated impairment loss	-	-	-	-
Net amount	943,089,080	248,649,555	943,089,080	248,649,555
Total	943,089,080	248,649,555	943,089,080	248,649,555

4.13 Property, Plant and Equipment

Particulars	Group								Total 15 July, 2024	Total 16 July, 2023
	Land	Building	Computer & Accessories	Furnitures	Vehicles	Office Equipments	Others	Right of Use Assets		
Cost										
As on 17 July, 2022	146,915,418	992,727,017	1,048,738,910	364,066,379	402,717,380	781,940,496	135,102,056	775,793,622	4,648,001,278	4,648,001,278
Addition during the Year									-	-
Acquisition	390,219	64,553,191	18,516,432	23,860,205	8,297,802	80,236,880	7,859,328	211,315,911	415,029,970	415,029,970
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(2,345,185)	(1,236,074)	(117,853)	(825,476)	(6,791,570)	(22,173,046)	(33,489,204)	(33,489,204)
Adjustment/Revaluation	699,305	25,065,238	(2,286,642)	1,943,975	26,044,524	(14,445,081)	1,464,911	34,177,025	72,663,255	72,663,255
Balance as on 16 July, 2023	148,004,942	1,082,345,446	1,062,623,517	388,634,484	436,941,853	846,906,820	137,634,725	999,113,513	5,102,205,299	5,102,205,299
Addition during the Year									-	-
Acquisition	-	38,696,378	61,412,166	19,346,180	2,620,640	36,772,992	12,512,225	308,171,912	479,532,493	-
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(2,578,557)	(3,878,620)	(211,210)	(6,733,304)	(2,153,764)	(116,658,771)	(132,214,227)	-
Adjustment/Revaluation	(1,038,337)	(1,909,385)	(49,914,321)	53,234,288	1,169,988	(4,935,941)	4,172,132	-	778,425	-
Balance as on 15 July, 2024	146,966,605	1,119,132,439	1,071,542,805	457,336,332	440,521,271	872,010,566	152,165,317	1,190,626,654	5,450,301,991	5,102,205,299
Depreciation and Impairment										
As on 17 July, 2022	-	356,170,129	814,529,840	230,149,363	317,856,630	466,916,360	84,164,855	157,933,221	2,427,720,398	2,427,720,398
Depreciation charge for the Year	-	21,239,423	22,766,005	70,529,216	31,291,372	61,411,342	9,800,809	174,213,010	391,251,177	391,251,177
Impairment for the year									-	-

Group										
Particulars	Land	Building	Computer & Accessories	Furnitures	Vehicles	Office Equipments	Others	Right of Use Assets	Total 15 July, 2024	Total 16 July, 2023
Disposals	-	-	(2,340,083)	(1,178,406)	(117,849)	(770,125)	(6,658,822)	-	(11,065,285)	(11,065,285)
Adjustment	116,368.00	17,084,550	(4,087,253)	669,119	207,453	584,859	3,396,028	-	17,971,125	17,971,125
As on 16 July, 2023	116,368.00	394,494,102	830,868,510	300,169,292	349,237,606	528,142,436	90,702,871	332,146,231	2,825,877,415	2,825,877,415
Impairment for the year										
Depreciation charge for the Year	-	22,169,763	43,894,232	23,453,016	24,125,254	98,699,948	10,349,397	174,959,034	397,650,643	-
Disposals	-	-	(2,519,534)	(3,673,177)	(210,471)	(6,420,413)	(2,023,577)	-	(14,847,172)	-
Adjustment	(116,368)	203,258	8,666,056	(10,903)	1,106,710	(3,858,395)	2,724,396	-	8,714,754	-
As on 15 July, 2024	-	416,867,123	880,909,263	319,938,228	374,259,099	616,563,575	101,753,087	507,105,265	3,217,395,640	2,825,877,415
Capital Work in Progress	2,348,170	5,586,424	-	-	-	-	-	-	7,934,595	17,084,408
Net Book Value										
As on 16 July, 2023	147,888,574	687,851,343	231,755,007	88,465,192	87,704,247	318,764,384	46,931,854	666,967,282		2,293,412,292
As on 15 July, 2024	146,966,605	702,265,316	190,633,542	137,398,104	66,262,172	255,446,991	50,412,230	683,521,389	2,240,840,946	

Bank										
Particulars	Land	Building	Computer & Accessories	Furnitures	Vehicles	Office Equipments	Others	Right of Use Assets	Total 15 July, 2024	Total 16 July, 2023
Cost										
As on 17 July, 2022	144,682,806	992,727,017	1,048,738,910	363,653,921	401,892,380	782,043,786	135,049,827	775,793,622	4,644,582,269	4,644,582,269
Addition during the Year										-
Acquisition	390,219	64,553,191	18,516,432	23,782,414	8,297,802	80,236,880	7,857,328	211,315,911	414,950,179	414,950,179
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(2,345,185)	(1,236,074)	(117,853)	(825,476)	(6,791,570)	(22,173,046)	(33,489,204)	(33,489,204)
Adjustment/Revaluation	699,305	25,065,238	(2,286,642)	1,943,975	26,044,524	(14,445,081)	1,464,911	34,177,025	72,663,255	72,663,255
Balance as on 16 July, 2023	145,772,330	1,082,345,446	1,062,623,517	388,144,236	436,116,853	847,010,109	137,580,496	999,113,513	5,098,706,499	5,098,706,499
Addition during the Year										-
Acquisition	-	38,696,378	61,412,166	19,316,122	2,620,640	36,713,492	12,488,285	308,171,912	479,418,995	
Capitalization										-
Disposal during the year	-	-	(2,578,557)	(3,878,620)	(211,210)	(6,733,304)	(2,153,764)	(116,658,771)	(132,214,227)	
Adjustment/Revaluation	(1,038,337)	(1,909,385)	(49,914,321)	53,234,288	1,169,988	(4,935,941)	4,172,132	-	778,425	
Balance as on 15 July, 2024	144,733,993	1,119,132,439	1,071,542,805	456,816,026	439,696,271	872,054,356	152,087,149	1,190,626,654	5,446,689,692	5,098,706,499
Depreciation and Impairment										
As on 17 July, 2022	-	356,170,129	814,529,840	229,831,371	317,034,191	466,960,087	84,146,710	157,933,221	2,426,605,549	2,426,605,549
Depreciation charge for the Year	-	21,239,423	22,766,005	70,506,631	31,290,860	61,405,753	9,791,787	174,213,010	391,213,469	391,213,469
Disposals	-	-	(2,340,083)	(1,178,406)	(117,849)	(770,125)	(6,658,822)	-	(11,065,285)	(11,065,285)
Adjustment	116,368	17,084,550	(4,087,253)	669,119	207,453	584,859	3,396,028	-	17,971,125	17,971,125
As on 16 July, 2023	116,368	394,494,102	830,868,510	299,828,715	348,414,655	528,180,574	90,675,704	332,146,231	2,824,724,858	2,824,724,858
Impairment for the year										-
Depreciation charge for the Year		22,169,763	43,894,232	23,431,068	24,125,254	98,690,798	10,337,999	174,959,034	397,608,147	
Disposals	-	-	(2,519,534)	(3,675,224)	(210,471)	(6,420,413)	(2,023,577)	-	(14,849,219)	
Adjustment	(116,368)	203,258	8,666,056	(10,903)	1,106,710	(3,858,395)	2,724,396	-	8,714,754	
As on 15 July, 2024	-	416,867,123	880,909,263	319,573,656	373,436,148	616,592,563	101,714,522	507,105,265	3,216,198,540	2,824,724,858
Capital Work in Progress	2,348,170	5,586,424	-	-	-	-	-	-	7,934,595	17,084,408
Net Book Value										
As on 16 July, 2023	145,655,962	687,851,343	231,755,007	88,315,521	87,702,198	318,829,535	46,904,793	666,967,282		2,291,066,049
As on 15 July, 2024	144,733,993	702,265,316	190,633,542	137,242,370	66,260,123	255,461,793	50,372,627	683,521,389	2,238,425,747	

4.14 Goodwill and Intangible assets

Group				
Particulars	Goodwill	Software Purchased	Total 15 July, 2024	Total 16 July, 2023
Cost				
As on 17 July, 2022		478,961,742	478,961,742	478,961,742
Addition during the Year				
Acquisition		4,693,950	4,693,950	4,693,950
Capitalization		-	-	-
Disposal during the year		-	-	-
Adjustment/Revaluation		-	-	-
Balance as on 16 July, 2023		483,655,692	483,655,692	483,655,692
Addition during the Year				
Acquisition		2,301,047	2,301,047	
Capitalization		-	-	
Disposal during the year		-	-	
Adjustment/Revaluation		-	-	
Balance as on 15 July, 2024		485,956,739	485,956,739	483,655,692
Amortization and Impairment				
As on 17 July, 2022		249,195,036	249,195,036	249,195,036
Amortization charge for the Year		95,870,581	95,870,581	95,870,581
Impairment for the year		-	-	-
Disposals		-	-	-
Adjustment		-	-	-
As on 16 July, 2023		345,065,617	345,065,617	345,065,617
Amortization charge for the Year		78,919,498	78,919,498	
Impairment for the year		-	-	
Disposals		-	-	
Adjustment		-	-	
As on 15 July, 2024		423,985,115	423,985,115	345,065,617
Capital Work in Progress		-		
Net Book Value				
As on 16 July, 2023		138,590,074		138,590,074
As on 15 July, 2024		61,971,624	61,971,624	

Bank				
Particulars	Goodwill	Software Purchased	Total 15 July, 2024	Total 16 July, 2023
Cost				
As on 17 July, 2022		478,961,742	478,961,742	478,961,742
Addition during the Year				
Acquisition		4,693,950	4,693,950	4,693,950
Capitalization		-	-	-
Disposal during the year		-	-	-
Adjustment/Revaluation		-	-	-
Balance as on 16 July, 2023		483,655,692	483,655,692	483,655,692
Addition during the Year				
Acquisition		2,301,047	2,301,047	
Capitalization		-	-	
Disposal during the year		-	-	
Adjustment/Revaluation		-	-	
Balance as on 15 July, 2024		485,956,739	485,956,739	483,655,692
Amortization and Impairment				

Particulars	Bank			
	Goodwill	Software Purchased	Total 15 July, 2024	Total 16 July, 2023
As on 17 July, 2022		249,195,036	249,195,036	249,195,036
Amortization charge for the Year		95,870,581	95,870,581	95,870,581
Impairment for the year		-	-	-
Disposals		-	-	-
Adjustment		-	-	-
As on 16 July, 2023		345,065,617	345,065,617	345,065,617
Amortization charge for the Year		78,919,498	78,919,498	
Impairment for the year		-	-	
Disposals		-	-	
Adjustment		-	-	
As on 15 July, 2024		423,985,115	423,985,115	345,065,617
Capital Work in Progress		-		
Net Book Value				
As on 16 July, 2023		138,590,074		138,590,074.21
As on 15 July, 2024		61,971,624	61,971,624	

4.15 Deferred Tax

Particular	Group			Bank		
	Current Year			Current Year		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items						
Other Trading Assets	62,148,362	12,817,009	49,331,353	62,148,362	-	62,148,362
Loan and Advance to B/FIs	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Investment securities	-	693,398,038	(693,398,038)	-	635,101,254	(635,101,254)
Property & equipment	-	20,344,344	(20,344,344)	-	20,344,344	(20,344,344)
Goodwill and Intangible assets	-	5,783,434	(5,783,434)	-	5,783,434	(5,783,434)
Employees' defined benefit plan	289,366,084	-	289,366,084	288,926,511	-	288,926,511
Lease liabilities	9,624,814	-	9,624,814	9,624,814	-	9,624,814
Provisions	-	-	-	-	-	-
Other temporary differences	-	6,893,888	(6,893,888)	-	6,893,888	(6,893,888)
Deferred tax on temporary differences	361,139,260	739,236,713	(378,097,453)	360,699,687	668,122,920	(307,423,233)
Deferred tax on carry forward of unused tax losses						
Deferred tax due to changes in tax rate						
Net Deferred tax asset/(liabilities) as on year end of 2023/24			(378,097,453)			(307,423,233)
recognised in profit or loss			(157,861,922)			(145,044,913)
recognised in other comprehensive income			(220,235,531)			(162,378,320)
recognised in directly in equity			-			-
Deferred tax asset/(liabilities) as on 17 July, 2023			(545,463,797)			(484,358,492)
Origination/(Reversal) during the year			(167,366,344)			(176,935,259)
Deferred tax expense/(income) recognised in profit or loss			51,279,404			58,296,621
Deferred tax expense/(income) recognised in other comprehensive income			(219,393,268)			(235,979,400)
Deferred tax expense/(income) recognised in directly in equity			747,520			747,520

Particulars	Group			Bank		
	Previous Year			Previous Year		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items						
Other Trading Assets	55,432,433	17,088,627	38,343,806	55,432,433	-	55,432,433
Loan and Advance to B/FIs	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Investment securities	-	809,596,667	(809,596,667)	-	765,127,603	(765,127,603)
Property & equipment	(15,425,792)		(15,425,792)	(15,455,162)		(15,455,162)
Goodwill and Intangible assets	(5,792,272)		(5,792,273)	(5,792,272)		(5,792,272)
Employees' defined benefit plan	245,090,758	-	245,090,758	244,667,741	-	244,667,741
Lease liabilities	9,857,292		9,857,292	9,857,292		9,857,292
Provisions	-	-	-	-	-	-
Other temporary differences	-	7,940,921	(7,940,921)	-	7,940,921	(7,940,921)
Deferred tax on temporary differences	289,162,419	834,626,215	(545,463,797)	288,710,032	773,068,524	(484,358,492)
Deferred tax on carry forward of unused tax losses						
Deferred tax due to changes in tax rate						
Net Deferred tax asset/(liabilities) as on year end of 2022/23			(545,463,797)			(484,358,492)
recognised in profit or loss			(103,807,549)			(86,748,292)
recognised in other comprehensive income			(441,656,248)			(397,610,200)
recognised in directly in equity			-			-
Deferred tax asset/(liabilities) as on 17 July, 2022			(39,890,570)			(52,152,028)
Origination/(Reversal) during the year			585,354,367			536,510,520
Deferred tax expense/(income) recognised in profit or loss			162,990,079			158,393,622
Deferred tax expense/(income) recognised in other comprehensive income			428,298,962			384,051,572
Deferred tax expense/(income) recognised in directly in equity			(5,934,674)			(5,934,674)

4.16 Other assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Assets held for sale	-	-	-	-
Other non banking assets	-	-	-	-
Bills receivable	-	-	-	-
Accounts receivable	1,703,701,700	831,289,980	1,700,800,241	829,964,853
Accrued income	68,158,553	3,793,759	68,158,553	3,793,759
Prepayments and deposit	122,421,663	87,654,524	122,421,663	87,570,756
Income tax deposit	-	-	-	-
Deferred employee expenditure	2,413,990,373	4,507,340,400	2,413,990,373	4,507,340,400
Other	1,500,628,063	1,889,172,880	1,500,628,064	1,889,172,880
Total	5,808,900,352	7,319,251,543	5,805,998,894	7,317,842,648

4.17 Due to Bank and Financial Institutions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Money market deposits	-	-	-	-
Interbank borrowing	26,740,000	1,920,500,000	26,740,000	1,920,500,000
Other deposits from BFIs	170,278,769	175,419,987	170,278,769	175,419,987
Settlement and clearing accounts	-	-	-	-
Total	197,018,769	2,095,919,987	197,018,769	2,095,919,987

Interbank borrowing includes the borrowing payable within 90 days.

4.18 Due to Nepal Rastra Bank

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Refinance from NRB	-	-	-	-
Standing Liquidity Facility	-	-	-	-
Lender of last resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other payable to NRB	-	-	-	-
Total	-	-	-	-

4.19 Derivative financial instruments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Held for trading				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	-	-	-	-
Others	-	-	-	-
Held for risk management				
Interest rate swap	-	-	-	-
Currency swap	-	-	-	-
Forward exchange contract	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

4.20 Deposits from customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Institutions customers:				
Term deposits	65,492,531,898	39,556,408,005	65,507,071,934	39,574,045,989
Call deposits	13,226,218,301	10,284,107,775	13,226,668,807	10,284,107,775
Current Deposits	17,045,528,887	21,219,414,763	17,045,528,887	21,221,250,760
Other	1,315,730,388	1,196,740,273	1,315,730,388	1,196,740,273
Individual customers:				
Term deposits	74,376,799,027	75,559,484,374	74,376,799,027	75,559,484,374
Saving deposits	68,765,774,250	48,773,465,701	68,765,774,250	48,773,465,701
Current deposits	3,212,264,247	2,700,447,831	3,212,264,247	2,700,447,831
Other	178,820,465	177,070,864	178,820,465	177,070,864
Total	243,613,667,463	199,467,139,586	243,628,658,005	199,486,613,567

4.20.1 Currency wise analysis of deposit from customers

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Nepalese rupee	243,446,002,499	199,370,737,401	243,460,993,041	199,390,211,382
Indian rupee	-	-	-	-
United State dollar	167,664,964	96,402,185	167,664,964	96,402,185
Great Britain pound	-	-	-	-
Euro	-	-	-	-
Japanese yen	-	-	-	-
Chinese yuan	-	-	-	-
Other	-	-	-	-
Total	243,613,667,463	199,467,139,586	243,628,658,005	199,486,613,567

4.21 Borrowing

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Domestic Borrowing				
Nepal Government	2,664,573,352	2,136,563,784	2,664,573,352	2,136,563,784
Other Institutions	-	-	-	-
Other	-	-	-	-
Sub total	2,664,573,352	2,136,563,784	2,664,573,352	2,136,563,784
Foreign Borrowing				
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub total	-	-	-	-
Total	2,664,573,352	2,136,563,784	2,664,573,352	2,136,563,784

Details of Borrowing from Nepal Government		Current Year	Previous Year
Particulars			
Province Government- Subsidised Loan		1,234,398,000	1,346,640,704
IFAD VITA Project		1,174,297,000	784,297,000
World Bank FPP		250,900,000	-
Priority Sector Loan		4,978,352	5,626,080
Total		2,664,573,352	2,136,563,784

4.22 Provisions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Provisions for redundancy	-	-	-	-
Provision for restructuring	-	-	-	-
Pending legal issues and tax litigation	-	-	-	-
Onerous contracts	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

4.22.1 Movement in provision

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Balance at Shrawan 1	-	-	-	-
Provisions made during the year	-	-	-	-
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
Unwind of discount	-	-	-	-
Balance at Ashadh end	-	-	-	-

4.23 Other liabilities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Liability for employees defined benefit obligations	493,092,966	-	493,092,966	-
Liability for long-service leave	-	1,538,535	-	-
Short-term employee benefits	-	-	-	-
Bills payable	-	-	-	-
Creditors and accruals	4,690,013,899	4,055,146,292	4,682,533,543	4,049,724,217
Interest payable on deposit	718,903,964	838,744,165	718,903,964	838,744,165
Interest payable on borrowing	599,119,150	581,459,378	599,119,150	581,459,378
Liabilities on deferred grant income	9,815,521	26,782,533	9,815,521	26,782,533
Unpaid Dividend	634,926,001	698,096,595	634,926,001	698,096,595
Liabilities under Finance Lease	-	-	-	-
Employee bonus payable	224,522,781	172,951,096	224,522,781	172,822,907
Other	599,067,924	832,956,905	597,878,279	832,710,101
Total	7,969,462,207	7,207,675,499	7,960,792,205	7,200,339,896

4.23.1 Defined benefit obligations

The amounts recognised in the statement of financial position are as follows:

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Present value of unfunded obligations	-	-	-	-
Present value of funded obligations	4,865,959,904	4,718,429,579	4,865,958,812	4,718,429,579
Total present value of obligations	4,865,959,904	4,718,429,579	4,865,958,812	4,718,429,579
Fair value of plan assets	4,372,866,938	4,718,429,579	4,372,866,938	4,718,429,579
Present value of net obligations	493,092,966.00	-	493,091,874	-
Recognised liability for defined benefit obligations	493,092,966.00	-	493,091,874	-

4.23.2 Plan assets

Plan assets comprise

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Equity securities				
Government bonds				
Bank deposit	4,420,000,000	2,830,000,000	4,420,000,000	2,830,000,000
Other	(47,134,154)	1,888,429,579	(47,134,154)	1,888,429,579
Total	4,372,865,846	4,718,429,579	4,372,865,846	4,718,429,579

Actual return on plan assets:

Bank deposit includes investment in Fixed deposit. Other includes investment in debenture.

4.23.3 Movement in the present value of defined benefit obligations

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligations at 17 July, 2023	4,718,429,579	4,181,719,341	4,718,429,579	4,181,719,341
Actuarial losses/(gain)	(15,645,789)	297,454,091	(15,645,789)	297,454,091
Benefits paid by the plan	(751,827,074)	(534,680,585)	(751,827,074)	(534,680,585)
Current service costs and interest	915,002,096	773,936,732	915,002,096	773,936,732
Defined benefit obligations at 15 July, 2024	4,865,958,812	4,718,429,579	4,865,958,812	4,718,429,579

4.23.4 Movement in the fair value of plan assets

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at 17 July, 2023	4,718,429,579	4,181,719,341	4,718,429,579	4,181,719,341
Contributions paid into the plan	406,263,341	1,071,390,823	406,263,341	1,071,390,823
Benefits paid during the year	(751,827,074)	(534,680,585)	(751,827,074)	(534,680,585)
Actuarial (losses) gains				
Expected return on plan assets				
Fair value of plan assets at 15 July, 2024	4,372,865,846	4,718,429,579	4,372,865,846	4,718,429,579

4.23.5 Amount recognised in profit or loss

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current service costs	522,819,726	426,335,127	522,819,726	426,335,127
Past Service cost	-	-	-	-
Interest on obligation	392,182,370	347,601,605	392,182,370	347,601,605
Expected return on plan assets	359,770,900	334,777,122	359,770,900	334,777,122
Actuarial (gain)/loss on Other long term employee benefits	(6,559,991)	(32,896,269)	(6,559,991)	(32,896,269)
Total	548,671,205	406,263,341	548,671,205	406,263,341

4.23.6 Amount recognised in other comprehensive income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Acturial (gain)/loss	(9,085,798)	330,350,360	(9,085,798)	330,350,360
Return on Plan Assets excluding net interest	359,770,900	334,777,122	359,770,900	334,777,122
Total	350,685,102	665,127,482	350,685,102	665,127,482

4.23.7 Actuarial assumptions

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Discount rate	8.50%	8.50%	8.50%	8.50%
Expected return on plan asset	0.00%	0.00%	0.00%	0.00%
Future salary increase				
First Year	4.00%	15.00%	4.00%	15.00%
Second year onwards	4.00%	4.00%	4.00%	4.00%
Withdrawal rate				
up to 5 years of service	5.00%	5.00%	5.00%	5.00%
above 5 years of service	3.00%	3.00%	3.00%	3.00%

Sensitivity analysis on actuarial valuation

The following table illustrates the impact arising from the possible changes in the discount rate and salary escalation rates on the gratuity plan valuation of the Group and the Bank as at July 15, 2024

Variable	Group	Bank
	Sensitivity effect on Statement of Financial Position (Benefit obligation)	Sensitivity effect on Statement of Financial Position (Benefit obligation)
1% increase in discount rate	1,701,296,778	1,701,296,778
1% decrease in discount rate	(1,857,499,543)	(1,857,499,543)
1% increase in salary	(1,858,512,070)	(1,858,512,070)
1% decrease in salary	1,699,212,619	1,699,212,619

The following table illustrates the impact arising from the possible changes in the discount rate and salary escalation rates on the medical benefit plan valuation of the Group and the Bank as at July 15, 2024.

Variable	Group	Bank
	Sensitivity effect on Statement of Financial Position (Benefit obligation)	Sensitivity effect on Statement of Financial Position (Benefit obligation)
1% increase in discount rate	722,635,055	722,635,055
1% decrease in discount rate	(808,716,484)	(808,716,484)
1% increase in salary	(771,995,030)	(771,995,030)
1% decrease in salary	755,313,358	755,313,358

The following table illustrates the impact arising from the possible changes in the discount rate and salary escalation rates on the Leave plan valuation of the Group and the Bank as at July 15, 2024.

Variable	Group	Bank
	Sensitivity effect on Statement of Financial Position (Benefit obligation)	Sensitivity effect on Statement of Financial Position (Benefit obligation)
1% increase in discount rate	435,538,637	435,538,637
1% decrease in discount rate	(494,029,433)	(494,029,433)
1% increase in salary	(494,718,917)	(494,718,917)
1% decrease in salary	434,566,526	434,566,526

The following table illustrates the impact arising from the possible changes in the discount rate and salary escalation rates on the Security Scheme plan valuation of the Group and the Bank as at July 15, 2024.

Variable	Group	Bank
	Sensitivity effect on Statement of Financial Position (Benefit obligation)	Sensitivity effect on Statement of Financial Position (Benefit obligation)
1% increase in discount rate	1,704,883,017	1,704,883,017
1% decrease in discount rate	(2,051,363,035)	(2,051,363,035)
1% increase in salary	(1,909,422,504)	(1,909,422,504)
1% decrease in salary	1,824,569,177	1,824,569,177

4.24 Debt securities issued

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	20,477,020,373	20,473,530,263	20,477,020,373	20,473,530,263
Total	20,477,020,373	20,473,530,263	20,477,020,373	20,473,530,263

Details of Bonds and Debenture issued from ADBL is as follows:

Bond/Debenture	Issued Year(B.S.)	Maturity Year (B.S.)	Tenure (in years)	Amount in NPR
10.35% ADBL Debenture	2076	2083	7	2,500,000,000
4% Agri Bond	2077	2084	7	6,000,000,000
4% Agri Bond	2078	2086	8	6,000,000,000
4% Agri Bond	2078	2087	9	3,426,975,000
4% Agri Bond	2078	2087	9	2,573,025,000
Total				20,500,000,000

All the bond/debenture listed above has semi annual mode of interest payment. As of now, a sum of Rs. 2000 millions debenture redemption reserve for 10.35% ADBL Debenture has been maintained and further a sum of Rs. 500 millions of debenture redemption reserve will be maintained in next Fiscal Year.

4.25 Subordinated Liabilities

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

4.26 Share capital

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Ordinary shares	13,451,674,078	13,451,674,078	13,451,674,078	13,451,674,078
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	5,432,712,000	5,432,712,000	5,432,712,000	5,432,712,000
Perpetual debt (equity component only)	-	-	-	-
Total	18,884,386,078	18,884,386,078	18,884,386,078	18,884,386,078

4.26.1: Ordinary shares

Particulars	Bank	
	Current Year	Previous Year
Authorized Capital	25,000,000,000	25,000,000,000
a. 160,000,000 Ordinary shares of Rs. 100 each share	16,000,000,000	16,000,000,000
b. 67,000,000 Non-redeemable Preference Shares of Rs. 100 each	6,700,000,000	6,700,000,000
c. 23,000,000 Redeemable Preference Shares of Rs 100 each	2,300,000,000	2,300,000,000
Issued Capital	18,884,386,078	18,884,386,078
a. 134,516,740.78 Ordinary shares of Rs.100 each share	13,451,674,078	13,451,674,078
b. 54,327,120 Non-redeemable Preference Shares of Rs. 100 each	5,432,712,000	5,432,712,000
Subscribed and paid up Capital	18,884,386,078	18,884,386,078
a. 134,516,740.78 Ordinary shares of Rs.100 each share	13,451,674,078	13,451,674,078
b. 54,327,120 Non-redeemable Preference Shares of Rs. 100 each	5,432,712,000	5,432,712,000
Total	18,884,386,078	18,884,386,078

4.26.2: Ordinary share ownership

Particulars	Bank			
	Current Year		Previous Year	
	Percent	Amount	Percent	Amount
Domestic ownership		13,451,674,078		13,451,674,078
Nepal Government	51%	6,860,353,780	51%	6,860,353,780
"A" class licensed institutions				
Other licensed institutions				
Other Institutions				
Public	49%	6,591,320,298	49%	6,591,320,298
Other				
Foreign ownership				
Total	100%	13,451,674,078	100%	13,451,674,078

4.26.3 Details of Shareholder holding 0.5% and above

Shareholder Name	Current Year		Previous Year	
	Percent	Amount	Percent	Amount
Nepal Government	51.00%	6,860,353,600	51.00%	6,860,353,600
Krishna Gopal Shrestha	1.39%	186,772,416	1.39%	186,772,416
Laxmi Shrestha	0.99%	133,103,755	0.99%	133,103,755

4.27 Reserves

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Statutory general reserve	9,636,880,132	9,057,382,572	9,636,880,132	9,057,382,572
Exchange equalisation reserve	108,114,236	108,114,236	108,114,236	108,114,236
Corporate social responsibility reserve	32,103,077	32,588,032	32,103,077	32,588,032
Capital redemption reserve	-	-	-	-
Regulatory reserve	4,759,556,443	3,873,322,933	4,759,556,443	3,873,322,933
Investment adjustment reserve	30,129,000	29,956,000	30,129,000	29,956,000
Capital reserve	229,277	229,277	229,277	229,277
Assets revaluation reserve	-	-	-	-
Fair value reserve	1,646,213,052	1,909,800,661	1,481,902,926	1,785,297,742
Dividend equalisation reserve	-	-	-	-
Debenture Redeption Reserve	2,000,000,000	1,500,000,000	2,000,000,000	1,500,000,000
Actuarial Gain/(Loss)	(3,207,550,929)	(2,962,071,358)	(3,207,550,929)	(2,962,071,358)
Special reserve	-	-	-	-
Other reserve				
Deferred Tax Reserve	-	-	-	-
Employee Development Fund	278,109,906	241,278,913	278,109,906	241,278,913
Total	15,283,784,194	13,790,601,266	15,119,474,068	13,666,098,347

Statutory General Reserve

Section 44 of Bank and Financial Institutions Act 2017 requires the Bank to allocate at least 20% of the net profits of every year to General Reserve until it is twice the paid-up capital.

Particulars	Bank	
	Current Year	Previous Year
Opening General Reserve	9,057,382,572	8,789,792,077
Transfers made during the year(20% of net profit)	579,995,906	264,682,210
Transfer from Gain on sale of OCI Investment (20% of Transfer to RE)	(498,346)	2,908,285
Closing General Reserve	9,636,880,132	9,057,382,572

Exchange Equalisation Reserve

Section 45 of Bank and Financial Institutions Act 2017 requires, 25% of revaluation gain from foreign currency exchange rate differences to be transferred to Exchange Equalization Reserve and revaluation loss is charged to profit and loss account.

Particulars	Bank	
	Current Year	Previous Year
Opening Exchange Equalisation Reserve	108,114,236	104,221,006
25% of Revaluation gain	-	3,893,230
Closing Exchange Equalisation Reserve	108,114,236	108,114,236

Corporate Social Responsibility Reserve

NRB Directive 6 requires BFIs to create Corporate Social Responsibility Fund and appropriate an amount equivalent to 1% of net profit annually into this fund for covering expenditure related to CSR activities in the subsequent year.

Corporate Social Responsibility Reserve

Particulars	Amount in Rs.
Opening Reserve	32,588,032
Addition (1% of Profit)	28,974,878
Transfer to R/E (Expenses during the year)	(29,459,833)
Closing Balance	32,103,077
Details of CSR Expenses are as follows:	
Sector	Amount in Rs.
Social Project	14,059,825
Direct Grant	5,200,000
Sustainable Development Goal	550,000
Sustainable Goal Quality Education	7,001,000
Others	2,649,008
Total	29,459,833

Province-wise Corporate Social Responsibility Expenses During FY 2023/24:

Province Name	Amount (Rs.)
Bagmati Province	22,385,008
Koshi Province	1,254,600
Madhesh Province	325,000
Lumbini Province	1,152,400
Gandaki Province	1,102,825
Karnali Province	1,020,000
Sudurpachim Province	2,220,000
Total	29,459,833

Regulatory Reserve

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

Particulars	Bank	
	Current Year	Previous Year
Opening Regulatory reserve	3,873,322,935	3,100,146,441
Adjustment/ Restated		
Interest Suspense	242,793,282	383,173,609
Investment Property Provision/(Non-Banking Assets)	378,503,015	(3,941,023)
Actuarial loss	245,479,571	465,589,237
Fair Value Reserve		-
Deferred tax assets	-	(71,645,331)
Interest Capitalized Reserve	19,457,641	-
Closing Regulatory Reserve	4,759,556,444	3,873,322,935

Note: Employee bonus and Income Tax has not been considered while transferring to Regulatory reserve for Accrued Interest Receivable and Non-Banking Assets.

FY	Interest Receivable	Short provision on NBA	Actuarial Loss Recognized	Fair Value gain of FVPL Securities
2017/18 - Opening	262,758,323	240,313,081	860,937,450	-
2018/19 - Movement	17,886,147	18,110,416	304,289,319	-
2019/20 - Movement	34,659,569	(37,497,594)	939,303,981	-
2020/21 - Movement	(149,908,523)	(22,641,059)	430,295,051	308,041,851
2021/22 - Movement	114,031,228	54,307,403	(38,343,680)	(308,041,851)
2022/23 - Movement	383,173,609	(3,941,023)	465,589,237	-
2023/24- Movement	242,793,282	378,503,015	245,479,571	-
TOTAL	905,393,635	627,154,238	3,207,550,929	-

Debenture Redemption Reserve

As per NRB Directive 16 (6) (7), Debenture Redemption reserve is to be created for the redemption of Debentures/ Redeemable Nonconvertible preference shares.

Particulars	Bank	
	Current Year	Previous Year
Opening Debenture Redemption Reserve	1,500,000,000	1,000,000,000
Transfer/Adjustment in Reserve	500,000,000	500,000,000
Closing Debenture Redemption Reserve	2,000,000,000	1,500,000,000

Fair Value Reserve

Net change in fair value of financial assets that are measured at fair value is recognized in other comprehensive income until assets are derecognized. Closing Fair Value reserve is NPR 1,481,902,926.

Particulars	Bank	
	Current Year	Previous Year
Opening Fair Value Reserve	1,785,297,742	437,435,744
Transfer/Adjustment in Reserve	(303,394,816)	1,347,861,998
Closing Fair Value Reserve	1,481,902,926	1,785,297,742

Asset Revaluation Reserve

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

Employee Development Fund

As per the NRB Directive 6, the bank shall spend 3% of the total personnel expenses of preceding year on staff training and development. Further if such amount could not be spent, such amount shall be credited to staff training and development fund which shall be spent in the next year. During the current fiscal year bank has apportioned NPR 68,452,475 for employee training fund.

Particulars	Bank	
	Current Year	Previous Year
Opening reserve	241,278,912	232,061,722
3% of Last Year Salary and Allowances	68,452,475	57,283,008
Amount Spent	31,621,482	48,065,818
Amount transfer/reversal		
Closing Balance	278,109,905	241,278,912

Retained Earnings

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Opening Retained Earnings	1,310,986,836	4,219,412,634	1,243,168,613	3,521,792,308
NFRS Adjustment	401,420	(644,827,329)	(2,491,732)	
Add: Prior years adjustment	-	(6,973,716)	-	(6,973,716)
Adjusted Balance as of 17 July, 2023	1,311,388,256	3,567,611,589	1,240,676,881	3,514,818,592
Current year profit	2,895,028,368	1,338,436,278	2,897,487,801	1,323,411,052
Transfer to Reserve	(2,031,841,681)	(1,589,019,821)	(2,031,709,941)	(1,589,019,821)
Transfer from Reserve	27,141,101	34,350,559	29,632,833	34,350,559
Distributions/Capitalization form Retained Earnings	(1,552,400)	(2,040,391,769)	-	(2,040,391,769)
Retained Earnings as on 15 July, 2024	2,200,163,644	1,310,986,836	2,136,087,574	1,243,168,613

4.28 Contingent Liabilities and Commitments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Contingent Liabilities	66,039,261,522	69,327,642,706	66,039,261,522	69,327,642,706
Undrawn and Undisbursed Facilities	100,118,429,656	52,725,262,367	100,118,429,656	52,725,262,367
Capital Commitment	-	-	-	-
Lease Commitment	-	-	-	-
Litigation	-	-	-	-
Total	166,157,691,178	122,052,905,073	166,157,691,178	122,052,905,073

4.28.1 Contingent Liabilities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Acceptance and documentary Credit	2,018,164,360	2,296,112,217	2,018,164,360	2,296,112,217
Bills for Collection	-	3,737,061	-	3,737,061
Forward Exchange Contracts	-	-	-	-
Guarantees	58,919,990,504	61,940,792,624	58,919,990,504	61,940,792,624
Underwriting Commitments	-	-	-	-
Other Commitments	5,101,106,658	5,087,000,803	5,101,106,658	5,087,000,803
Total	66,039,261,522	69,327,642,706	66,039,261,522	69,327,642,706

4.28.2 Undrawn and Undisbursed Facilities

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Undisbursed amount of loan	75,710,954,006	31,848,977,435	75,710,954,006	31,848,977,435
Undrawn limits of overdraft	24,407,475,650	20,876,284,933	24,407,475,650	20,876,284,933
Undrawn limits of credit card				-
Undrawn limits of letter of credit				-
Undrawn limits of guarantee				-
Total	100,118,429,656	52,725,262,367	100,118,429,656	52,725,262,367

4.28.3 Capital Commitment

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Capital commitments in relation to Property Plant and Equipments				
Approved and contracted for				
Approved but not contracted for				
<i>Sub total</i>				
Capital commitments in relation to Intangible assets				
Approved and contracted for				
Approved but not contracted for				
<i>Sub total</i>				
Total				

4.28.4 Lease Commitments

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Operating lease commitments				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee				
Not later than 1 year				
Later than 1 year but not later than 5 years				
Later than 5 years				
Sub total				
Finance lease commitments				
Future minimum lease payments under non cancellable operating lease, where the bank is lessee				
Not later than 1 year				
Later than 1 year but not later than 5 years				
Later than 5 years				
Sub total				
Grand Total				

4.28.5. Litigation

There are 123 pending cases in the court of law as on 15 July, 2024. During the year, 50 new cases were filed and 51 cases were settled.

4.29 Interest income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Cash and cash equivalent	172,055	281,770,412	-	280,002,319
Due from Nepal Rastra Bank	-	-	-	-
Placement with bank and financial institutions	468,864,315	(19,377)	468,864,315	(19,377)
Loan and advances to bank and financial institutions	96,491,054	52,146,062	96,491,054	52,146,062
Loans and advances to customers	23,114,490,686	20,521,613,881	23,114,490,686	20,521,613,881
Investment securities	3,425,168,394	2,764,125,386	3,425,168,394	2,764,125,386
Loan and advances to staff	420,784,043	293,932,545	420,784,043	293,932,545
Other	45,549,451	35,525,879	45,549,451	36,883,939
Total interest income	27,571,519,998	23,949,094,788	27,571,347,943	23,948,684,755

4.30 Interest expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Due to bank and financial institutions	81,048,128	62,017,876	81,066,324	62,017,876
Due to Nepal Rastra Bank	-	84,223,940	-	84,223,940
Deposits from customers	15,562,438,531	13,963,077,702	15,563,704,852	13,964,508,833
Borrowing	318,963,823	592,307,061	318,963,823	592,307,061
Debt securities issued	983,700,110	985,063,750	983,700,110	984,990,679
Subordinated liabilities	-	-	-	-
Other	71,130,893	64,977,362	71,130,893	64,977,362
Total interest expense	17,017,281,485	15,751,667,691	17,018,566,002	15,753,025,751

4.31 Fees and Commission Income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loan administration fees	636,535,091	419,255,269	636,535,091	419,255,269
Service fees	93,363,903	110,478,097	93,363,903	110,478,097
Consortium fees	-	-	-	-
Commitment fees	3,387,463	4,737,071	3,387,463	4,737,071
DD/TT/Swift fees	10,492,365	15,439,119	10,492,365	15,439,119
Credit card/ATM issuance and renewal fees	34,339,164	40,541,763	34,339,164	40,541,763
Prepayment and swap fees	4,764,630	2,327,353	4,764,630	2,327,353
Investment banking fees	-	-	-	-
Asset management fees	-	-	-	-
Brokerage fees	-	-	-	-
Remittance fees	2,313,982	2,535,283	2,313,982	2,535,283
Commission on letter of credit	20,652,147	11,444,091	20,652,147	11,444,091
Commission on guarantee contracts issued	682,578,139	667,729,369	682,578,139	667,729,369
Commission on share underwriting/issue	-	-	-	-
Locker rental	15,004,442	12,997,709	15,004,442	12,997,709
Other fees and commission income	168,937,261	84,374,051	168,937,261	84,374,051
Total fees and Commission Income	1,672,368,587	1,371,859,175	1,672,368,587	1,371,859,175

4.32 Fees and commission expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
ATM management fees	30,170,148	30,506,773	30,170,148	30,506,773
VISA/Master card fees	-	-	-	-
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees	2,348,336	1,930,815	2,348,336	1,930,815
Remittance fees and commission	14,996,415	15,210,287	14,996,415	15,210,287
Other fees and commission expense	185,250,494	166,001,320	185,250,494	166,001,320
Total fees and Commission Expense	232,765,393	213,649,195	232,765,393	213,649,195

4.33 Net trading income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Changes in fair value of trading assets	(26,555,685)	123,314,183	(22,386,231)	99,748,151
Gain/loss on disposal of trading assets	(2,138,831)	16,585,802	(2,138,831)	16,585,802
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	6,611,707	4,444,386	6,611,707	4,444,386
Gain/loss foreign exchange transaction	76,507,037	(5,257,021)	76,507,037	(5,257,021)
Other	-	-	-	-
Net trading income	54,424,228	139,087,350	58,593,682	115,521,318

4.34 Other operating income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Foreign exchange revaluation gain	(422,949)	15,572,919	(422,949)	15,572,919
Gain/loss on sale of investment securities	3,660,494	5,240,822	3,660,494	5,240,822
Fair value gain/loss on investment properties	-	-	-	-

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Dividend on equity instruments	46,460,624	54,809,482	46,343,080	54,675,263
Gain/loss on sale of property and equipment	1,052,717	(270,720)	1,052,717	(270,720)
Gain/loss on sale of investment property	-	-	-	-
Operating lease income	-	-	-	-
Gain/loss on sale of gold and silver	10,399,626	8,452,954	10,399,626	8,452,954
Locker rent	-	-	-	-
Other	108,296,715	145,178,264	108,265,763	145,176,837
Total	169,447,227	228,983,721	169,298,731	228,848,075

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

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs	(15,563,839)	143,074	(15,563,839)	143,074
Impairment charge/(reversal) on loan and advances to customer	2,467,730,916	1,458,030,719	2,467,730,916	1,458,030,719
Impairment charge/(reversal) on financial Investment	-	-	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-	-	-
Impairment charge/(reversal) on property and equipment	-	-	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-	-	-
Impairment charge/(reversal) on investment properties	-	-	-	-
Provision on Other Assets	(0)	-	(0)	-
Total	2,452,167,077	1,458,173,793	2,452,167,077	1,458,173,793

4.36 Personnel Expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Salary	1,542,402,164	1,603,754,175	1,538,884,251.00	1,600,740,692.00
Allowances	801,584,321	681,008,476	801,584,321.00	681,008,476.00
Gratuity expense	348,558,069	206,150,205	348,558,069.00	206,150,205.00
Provident fund	378,988,507	217,773,378	378,988,507.00	217,773,378.00
Uniform	35,056,241	29,459,731	35,056,241.00	29,459,731.00
Training & development expense	31,621,482	48,065,818	31,621,482.00	48,065,818.00
Leave encashment	57,287,354	57,267,404	57,287,354.00	57,267,404.00
Medical	248,813,514	229,215,969	248,813,514.00	229,215,969.00
Insurance	-	-	-	-
Employees incentive	-	-	-	-
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	383,638,904	274,098,490	383,638,904.00	274,098,490.00
Other expenses related to staff	117,915,589	113,005,048	117,915,589.00	113,005,048.00
Subtotal	3,945,866,145	3,459,798,694	3,942,348,232.00	3,456,785,211.00
Employees bonus	215,953,997	163,941,223	215,953,997.00	163,941,223.00
Grand total	4,161,820,142	3,623,739,917	4,158,302,229.00	3,620,726,434.00

4.37 Other operating expenses

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Directors' fee	3,092,312	3,081,580	3,092,312	3,081,580
Directors' expense	660,325	1,299,036	660,325	1,299,036
Auditors' remuneration	2,825,565	2,825,565	2,825,565	2,825,565
Other audit related expense	419,768	337,090	419,768	337,090
Professional and legal expense	9,066,809	12,533,831	9,066,809	12,533,831
Office administration expense	829,876,294	748,344,860	829,876,294	748,344,860
Operating lease expense	-	4,000	-	4,000
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	29,459,833	19,809,134	29,459,833	19,809,134
Onerous lease provisions	-	-	-	-
Other	120,427,158	208,149,289	119,021,667	207,454,940
Expenses Write off	5,628,389	5,878,947	5,628,389	5,878,947
Rates & Taxes	20,066,863	96,404,189	20,066,863	96,404,189
Miscellaneous	94,731,906	105,866,153	93,326,415	105,171,804
Total	995,828,064	996,384,385	994,422,573	995,690,036

Current Year Auditors' remuneration include audit fee for statutory audit, tax audit, revenue audit and internal audit(outsourcing).

In current year Bank booked lease as per IFRS 16, where lease liability is amortized and Right of use Assets is depreciated. Operating lease expenses for the current year refers short term lease expenses.

4.37.1 Office administration expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Electricity and Water	60,429,654	53,530,472	60,429,654.00	53,530,472.00
Repairs and Maintenance	-	-	-	-
a) Building	3,533,490	1,469,851	3,533,490.00	1,469,851.00
b) Vehicles	22,031,861	22,255,687	22,031,861.00	22,255,687.00
c) Computer and Accessories	9,128,739	9,820,750	9,128,739.00	9,820,750.00
d) Office Equipment, Furniture and Fixture	9,215,037	6,284,982	9,215,037.00	6,284,982.00
e) Other	12,665,518	11,944,136	12,665,518.00	11,944,136.00
Insurance	103,645,285	86,755,592	103,645,285.00	86,755,592.00
Postage, Telex, Telephone, Fax, SWIFT	45,738,923	45,066,796	45,738,923.00	45,066,796.00
Printing and Stationery	54,957,442	52,413,782	54,957,442.00	52,413,782.00
Newspaper, Books and Journals	20,835,949	12,907,640	20,835,949.00	12,907,640.00
Advertisements	45,423,535	39,359,231	45,423,535.00	39,359,231.00
Donation	1,000	1,002,000	1,000.00	1,002,000.00
Security Expenses	326,770,109	285,858,150	326,770,109.00	285,858,150.00
Deposit and Loan Guarantee Premium	-	-	-	-
Traveling Allowances and Expenses	42,864,070	46,516,914	42,864,070.00	46,516,914.00
Entertainment	16,259,307	15,991,545	16,259,307.00	15,991,545.00
Annual/Special General Meeting Expenses	2,776,177	2,218,771	2,776,177.00	2,218,771.00
Other	53,600,198	54,948,561	53,600,198.00	54,948,561.00
Sub Committee Expenses	3,126,199	3,712,079	3,126,199.00	3,712,079.00
Loan Recovery Expenses	-	-	-	-
Expenses on auction	-	-	-	-
Fuel (Petrol/Diesel) & Gas	50,473,999	51,236,482	50,473,999.00	51,236,482.00
Total	829,876,294	748,344,860	829,876,294.00	748,344,860.00

4.38 Depreciation & Amortisation

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation on property and equipment	397,650,644	391,251,177	397,608,147	391,213,469
Depreciation on investment property	-	-	-	-
Amortization of intangible assets	78,919,498	95,870,581	78,919,498	95,870,581
Total	476,570,142	487,121,758	476,527,645	487,084,050

4.39 Non operating income

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Recovery of loan written off	10,544,429	3,016,847	10,544,429	3,016,847
Other income	800,901	1,668,576	800,901	1,668,576
Total	11,345,330	4,685,423	11,345,330	4,685,423

4.40 Non operating expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Loan written off	45,340	-	45,340.00	-
Inadequate collateral Expenses	-	-	-	-
Share investment Write Off Expenses	-	-	-	-
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense	47,003,577	26,366,244	47,003,577.00	26,366,244.00
Total	47,048,917	26,366,244	47,048,917.00	26,366,244.00

4.41 Income tax expense

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Current tax expense				
Current year	1,135,017,994	874,619,723	1,132,707,706.00	873,667,510.00
Adjustments for prior years	14,662,309	759,411,057	14,662,309.00	759,411,057.00
	1,149,680,303	1,634,030,780	1,147,370,015.00	1,633,078,567.00
Deferred tax expense				
Origination and reversal of temporary differences	51,279,404	162,990,080	58,296,621	158,393,624
Changes in tax rate				
Recognition of previously unrecognised tax losses				
Total income tax expense	1,200,959,707	1,797,020,860	1,205,666,636	1,791,472,191

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	Group		Bank	
	Current Year	Previous Year	Current Year	Previous Year
Profit before tax	4,095,624,150	3,136,607,474	4,103,154,437	3,114,883,243
Tax amount at tax rate of 30%	1,233,256,619	934,464,973	1,230,946,331	934,464,973
Add: Tax effect of expenses that are not deductible for tax purpose	81,898,911	73,493,370	81,898,911	73,493,370
Less: Tax effect on exempt income				
Add/less: Tax effect on other items	(180,137,536)	(134,290,833)	(180,137,536)	(134,290,833)
Total income tax expense	1,135,017,994	873,667,510	1,132,707,706	873,667,510
Effective tax rate	27.71%	27.85%	27.61%	28.05%

Statement of distributable profit or loss

(As per NRB Regulation)

Particulars	Bank	
	Current Year	Previous Year
Net Profit for the period ended on 15 July, 2024	2,897,487,801	1,323,411,052
1. Appropriations		
a. General reserve	579,497,560	267,590,495
b. Foreign exchange fluctuation fund	-	3,893,230
c. Debenture redemption reserve	500,000,000	500,000,000
d. Corporate social responsibility fund	28,974,878	13,234,111
e. Employees' training fund	36,830,993	9,217,191
f. Other	(26,968,101)	(12,442,257)
CSR Expenses transferred to Retained earning from CSR Reserve	(29,459,833)	(19,809,134)
Realised gain upto previous year on equity share investment measured at FVTOCI transferred to Retained Earnings	2,491,732	(14,541,425)
Investment Adjustment Reserve	-	21,908,302
Profit or (Loss) before regulatory adjustment	1,779,152,471	541,918,282
Regulatory Adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(242,793,282)	(383,173,609)
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)		
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(378,503,015)	3,941,023
e. Deferred tax assets recognised (-)/ reversal (+)	-	71,645,331
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)	(245,479,571)	(465,589,237)
i. Other-ICR (+/-)	(19,457,641)	-
Net Profit or (loss) for the year ended on 15 July, 2024 available for distribution	892,918,962	(231,258,210)
Opening Retained Earnings as on 17 July, 2023	1,243,168,613	3,514,818,592
Adjustments(+/-)		
Distribution:		
Bonus Share Issued	-	(263,758,315)
Cash Dividend Paid	-	(1,776,633,454)
Total Distributable Profit or (Loss) as on 15 July, 2024	2,136,087,575	1,243,168,613
Annualised Distributable Profit/(Loss) per Share for the year Only	4.21	(1.72)
Total Distributable Profit/(Loss) per Share Upto Reporting Date	13.46	9.24

As per NRB Directives 04(3)(KHA)(Aa)/080 and notice issued by NRB dated 2024/07/29, Accrued Interest collected upto 16 August, 2024 amounting NPR 329,826,029.83 has been adjusted in regulatory reserve and distributable profit.

5 Disclosures and Additional Information

5.1 Risk Management

5.1.1 Credit Risk

Credit risks are the risk associated with the probability of default of loan provided by the bank. Hence, the credit risks comprise of the highest risk exposure of the bank. Management of the credit risks largely signifies the risk management of the bank as whole.

Credit risk:

- a. Is measured as the amount which could be lost if a customer or counterparty fails to make repayments. In the case of derivatives, the measurement of exposure takes into account the current mark to market value to the Bank of the contract and the expected potential change in that value over time caused by movements in market rates;
- b. Is monitored within limits, approved by individuals within a framework of delegated authorities.
- c. Is managed through a robust risk control framework which outlines clear and consistent policies, principles and guidance for credit risk management.

Management of Credit Risk

The board of directors assumes overall responsibility for the oversight of credit risk. A separate Bank Credit department, reporting to the bank board, is responsible for managing the bank's credit risk, including the following.

- a. Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- b. Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to business unit Credit Officers. Larger facilities require approval by Province Offices, Credit Department, Loan Portfolio Management Committee or the board of directors as appropriate.
- c. Reviewing and assessing credit risk: Bank assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- d. Limiting concentrations of exposure to counterparties, geographies and industries: For loans and advances, financial guarantees and similar exposures, centrally a limit is established.
- e. Developing and maintaining the bank's risk grading to categories exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework reflects varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews.
- f. Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to provincial offices, Credit Department and the Loan Portfolio Management Committee which may require appropriate corrective action to be taken.
- g. Providing advice, guidance and special skills to business units to promote best practice throughout the Bank in the management of credit risk.

Each business unit is required to implement bank's credit policies and procedures, with credit approval authorities delegated from the Credit Department. Each business unit has a Credit Risk Officer who reports on all credit-related matters to local management and the Credit Department. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval. Regular audits of business units and credit processes are undertaken by Internal Audit Department.

Impairment assessment and credit risk mitigation

The Bank creates impairment allowances for impaired loans promptly and appropriately.

Impairment assessment methodology

The Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant. When an account is classified as default or when the Bank no longer expect to recover the principle or interest due on a loan in full or in accordance with the original terms and conditions, it is assessed for impairment. If exposures are secured, the current net realizable value of the collateral will be taken into account when assessing the need for an impairment allowance. When the net present value of the collateral is sufficiently adequate to cover the outstanding facilities, impairment is not calculated for such cases.

In the event Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics such as product type, collateral type, past due status and other relevant factors and

collectively assesses them for impairment. However, assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Due to scattered portfolio with no significant coverage of total portfolio from individual customer, bank has considered collective impairment methodology only.

Bank has used ASB carve-outs to compute the provision against loans and advances due to which, the amount of provision to be created against Loans and Advances shall be higher of:

- a. Impairment calculated as per Impairment Assessment Methodology as described above or,
- b. Loan Loss Provision calculated as per the provisions of Directive No. 2, Nepal Rastra Bank unified directives.

Impairment allowance on loans and advances as per NRB directive 2 and paragraph 63 of NAS 39 is as stated in the table below. Out of two, impairment allowance as per NRB directive 2 is higher so it has been booked in the financial statement.

Amount (Rs.)

Particulars	FY 2022/23	FY 2023/24
Total Impairment as per paragraph 63 of NAS 39	4,413,176,746	3,187,961,890
Total Impairment as per NRB Directives 2	6,790,529,298	9,242,696,375

Write off /write-back of loans and receivables

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

During the FY 2023/24 bank has recovered the written off loan and interest (i.e. write-back) for the sum of Rs. 10,544,429.

5.1.2 Market Risks

Market risk is the risk that changes in market prices — such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) -will affect the bank's income or the value of its holdings of financial instruments. The objective of the bank's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the bank's solvency while optimizing the return on risk.

Management of Market Risks

The bank separates its exposure to market risks between trading and non-trading portfolios. Treasury department of bank is responsible for managing the market risk. Bank sets up limits for each type of risk in aggregate and for portfolios, with market liquidity being a primary factor in determining the level of limits set for trading portfolios. The bank's Risk Committee is responsible for the development of detailed risk management policies (subject to review and approval by Board) and for the day-to-day review of their implementation. The Bank employs a range of tools to monitor and limit market risk exposures.

5.1.3 Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of Liquidity Risk

The bank's board of directors sets the bank's strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to Asset Liability Management Committee (ALCO). ALCO approves the bank's liquidity policies and procedures. Treasury Department manages the bank's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation. The key elements of the Bank's liquidity strategy are as follows.

- a. Maintaining a diversified fund base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities.
- b. Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- c. Monitoring liquidity ratios, maturity mismatches, behavioral characteristics of the bank's financial assets and financial liabilities, and the extent to which the bank's assets are encumbered, and so not, available as potential collateral for obtaining funding.
- d. Carrying out stress testing of the bank's different types of risks.

Treasury Department receives information from other business units regarding the liquidity profile of their financial assets and financial liabilities and details of other projected cash flows arising from projected future business. Treasury Department then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both bank-specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced fundability of currencies, natural disasters or other catastrophes).

5.1.4 Fair Value of Financial Assets and Liabilities

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair values are determined according to the following hierarchy:

Level-1 inputs

Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that the group can access at the measurement date. Held for trading and available for sale investments have been recorded using Level 1 inputs.

Level-2 inputs

Valuation technique using observable inputs: financial instruments 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.

For the listed securities where the bank holds promoter shares which are priced and traded differently in the market than ordinary shares the bank has considered the valuation of promoter shares as the last traded price of the promoter share or the price of ordinary share whichever is lesser.

Level-3 inputs

Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable where market prices are not available then the bank considers the carrying value and future cash flows from the financial instruments.

Information on financial instruments carried at fair value and their position in the fair value hierarchy is presented below.

Group

Particulars	At 15 July, 2024			At 16 July, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other Trading Assets						
Quoted Equity Instruments	1,149,718,279	-	-	893,089,683	-	-
Unquoted Equity Instruments						
Mutual Fund Units	127,620,096	-	-	121,429,730	-	-
Equity instruments measured at FVTOCI						
Quoted Equity Instruments	2,692,935,205	-	-	2,994,695,458	-	47,000
Unquoted Equity Instruments	-	-	697,626,800	-	-	120,071,645
Mutual Fund Units	632,710,203	-	-	637,636,722	-	-
Total	4,602,983,782	-	697,626,800	4,646,851,593	-	120,118,645

Bank

Particulars	At 15 July, 2024			At 16 July, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other Trading Assets						
Quoted Equity Instruments	1,091,109,728	-	-	815,893,069	6,330,000	-
Unquoted Equity Instruments	-	-	-	-	-	-
Mutual Fund Units	125,039,666	-	-	121,429,730	-	-
Equity instruments measured at FVTOCI						
Quoted Equity Instruments	2,414,342,622	-	-	1,986,468,368	798,850,542	-
Unquoted Equity Instruments	-	-	697,626,800	-	-	120,071,645
Mutual Fund Units	632,710,203	-	-	637,477,859	-	-
Total	4,263,202,218	-	697,626,800	3,561,269,027	805,180,542	120,071,645

5.2 Capital Management

Regulatory Capital

The bank's lead regulator, Nepal Rastra Bank, Central Bank of Nepal, sets and monitors capital requirements for the banking industry as a whole. The capital requirements of the lead regulator are based on the Basel III framework. The Bank has been granted approval by its lead regulator to adopt the standardized approaches to credit and operational risk management. The bank's regulatory capital comprises two tiers. Tier 1 capital, which includes ordinary share capital, share premiums, retained earnings, translation reserve after deductions for goodwill and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 Capital, which includes perpetual bonds, qualifying subordinated liabilities, collective impairment allowance (limited to those credit portfolios for which the standardized approach is used) and the element of the fair value reserve relating to unrealized gains and losses on equity instruments classified as available for sale. Various limits are applied to elements of the capital base. For example, the qualifying Tier 2 capital cannot exceed Tier 1 capital; and qualifying term subordinated loan capital may not exceed 50% of Tier 1 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation and certain other regulatory items. Banking operations are categorized as either trading book or non-trading book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognized in the statement of financial position.

The bank's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognized and the bank recognized the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The bank and its individually regulated operations have complied with all externally imposed capital requirements.

Capital Adequacy Table

As on Mid-July, 2024

In Rupees

Particulars		15 July, 2024
a	Common Equity Tier 1 Capital	25,418,488,017
b	Tier 1 Capital	30,851,200,017
c	Tier 2 Capital	4,225,542,631
d	Total Capital	35,076,742,648
e	Risk Weighted Exposures	275,229,034,368
Regulatory Ratios		
a	Leverage Ratio (Regulatory Requirement \geq 4%)	6.64
b	Common Equity Tier 1 to Risk Weighted Exposure Ratios	9.24
c	Tier 1 to Risk Weighted Exposure Ratios	11.21
d	Total Capital to Risk Weighted Exposure Ratio	12.74

Capital Adequacy Table

As on Mid-July, 2024

In Rupees

1. 1 RISK WEIGHTED EXPOSURES		15 July, 2024
a	Risk Weighted Exposure for Credit Risk	246,983,951,623
b	Risk Weighted Exposure for Operational Risk	13,161,151,951
c	Risk Weighted Exposure for Market Risk	119,920,847
Total Risk Weighted Exposures (Before adjustments of Pillar II)		260,265,024,421
Adjustments under Pillar II		
SRP 6.4a (5)	Adjustment as per SRP 6.4a (5)	-
SRP 6.4a (6)	Adjustment as per SRP 6.4a (6)	-
SRP 6.4a (7)	Adjustment as per SRP 6.4a (7)	4,553,408,970
SRP 6.4a (9)	Adjustment as per SRP 6.4a (9)	10,410,600,977
SRP 6.4a (10)	Adjustment as per SRP 6.4a (10)	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		275,229,034,368
1.2 CAPITAL		Mid-July, 2024
(A) Tier 1 Capital [Core Capital (CET 1 + AT 1)]		30,851,200,017
	Common Equity Tier 1 (CET 1)	25,418,488,017

a	Paid up Equity Share Capital	13,451,674,078
b	Equity Share Premium	-
c	Proposed Bonus Equity Shares	
d	Statutory General Reserves	9,636,880,132
e	Retained Earnings	2,136,087,574
f	Unaudited current year cumulative profit/(loss)	-
g	Capital Redemption Reserve	-
h	Capital Adjustment Reserve	229,277
i	Debenture Redemption Reserve	2,000,000,000
j	Dividend Equalization Reserves	-
k	Bargain Purchase Gain	-
l	Other Free Reserve	-
m	Less: Goodwill	-
n	Less: Intangible Assets	-
o	Less: Fictitious Assets	-
p	Less: Investment in equity in licensed Financial Institutions	164,569,383
q	Less: Investment in equity of institutions with financial interests	727,369,000
r	Less: Investment in equity of institutions in excess of limits	
s	Less: Investments arising out of underwriting commitments	
t	Less: Reciprocal crossholdings	
u	Less: Purchase of land & building in excess of limit and unutilized	47,040,661
v	Less: Cash Flow Hedge	
w	Less: Defined Benefits Pension Assets	
x	Less: Unrecognized Defined Benefit Pension Liabilities	
Y	Less: Negative Balances of reserve accounts	
z	Less: Other Deductions	867,404,000
Adjustments under Pillar II		
SRP 6.4a(1)	Less: Shortfall in Provision	-
SRP 6.4a(2)	Less: Loans & Facilities extended to related parties and restricted lending	-
Additional Tier 1 (AT 1)		5,432,712,000
a	Perpetual Non -Cumulative Preference Share Capital	5,432,712,000
b	Perpetual Debt Instruments	-
c	Stock Premium	-
(B) Supplementary Capital (Tier 2)		4,225,542,631
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	1,000,000,000
c	Hybrid Capital Instruments	
d	Stock Premium	
e	General Loan Loss Provision	3,087,299,395
f	Exchange Equalization Reserve	108,114,236
g	Investment Adjustment Reserve	30,129,000
h	Other Reserves	
Total Capital Fund (Tier I and Tier II)		35,076,742,648
1.3 CAPITAL ADEQUACY RATIOS		15 July, 2024
Common Equity Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		9.24%
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		11.21%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		12.74%

Other Deductions under Common Equity Tier 1 Capital includes investment made in NMB Energy bond in excess of the threshold limit (10% of the paid up Capital). Investment in Energy bond as on Mid-July, 2024 is NPR 3,135,227,000.

Detailed information about Subordinated Term Debts with information on outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital funds:

Title	ADBL Debenture 2083
Face Value	2,500,000,000
Maturity Period	7
Interest Rate	10.35%
No. of units issued	25,000,000

Risk Weighted Exposures for Credit Risk
As on Mid-July, 2024

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposure
	a	b	c	d = a-b-c	e	f = d*e
Cash Balance	4,043,270,051	-	-	4,043,270,051	0%	-
Balance With Nepal Rastra Bank	8,711,992,880	-	-	8,711,992,880	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	61,023,717,160	-	-	61,023,717,160	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	6,500,786,572	-	-	6,500,786,572	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	233,303,852	-	-	233,303,852	20%	46,660,770
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	2,805,188,639	-	-	2,805,188,639	20%	561,037,728
Claims on foreign bank (ECA Rating 2)	1,452,130	-	-	1,452,130	50%	726,065
Claims on foreign bank (ECA Rating 3-6)	3,205,168,570	-	-	3,205,168,570	100%	3,205,168,570
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	100%	-
Claims on Domestic Corporates (Unrated)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposure
	a	b	c	d = a-b-c	e	f = d*e
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	162,832,661,746		2,000,045,000	160,832,616,746	75%	120,624,462,559
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	14,857,317,662	-	-	14,857,317,662	60%	8,914,390,597
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	614,422,259	460,209,531	-	154,212,728	100%	154,212,728
Claims secured by Commercial real estate	1,572,573,479	-	-	-	-	1,572,573,479
Past due claims (except for claims secured by residential properties)	6,487,246,502	5,080,151,084	-	1,407,095,419	150%	2,110,643,128
High Risk claims	21,412,290,801		-	21,412,290,801	150%	32,118,436,201
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2015-point 3.3(j)(1)(k))	-	-	-		125%	-
Lending against Shares(above Rs.5 Million)	1,289,928,409	-	-	1,289,928,409	125%	1,612,410,511
Lending against securities (bonds)	-	-	-	-	100%	-
Lending against Shares(up to Rs.5 Million)	301,678,200	-	-	301,678,200	100%	301,678,200
Trust Receipt Loans for Trading Firms	-	-	-	-	120%	-
"Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)"	-	-	-	-	-	-
Personal Hire purchase/ Personal Auto Loans	1,047,604,409			1,047,604,409	100%	1,047,604,409
Investments in equity and other capital instruments of institutions listed in stock exchange	2,188,789,862	-	-	2,188,789,862	100%	2,188,789,862
Investments in equity and other capital instruments of institutions not listed in the stock exchange	2,876,800	-	-	2,876,800	150%	2,876,800
Staff loan secured by residential property	2,842,498,424	-	-	2,842,498,424	50%	1,421,249,212
Interest Receivable/claim on government securities	704,528,635	-	-	704,528,635	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	9,188,620,115	905,393,636		8,283,226,479	100%	8,283,226,480
TOTAL (A)	311,867,917,156	6,445,754,251	2,000,045,000	303,422,117,906		184,167,585,699

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	2,018,164,360		201,816,436	1,816,347,924	20%	363,269,585
Foreign counterparty (ECA Rating 0-1)				-	20%	-
Foreign counterparty (ECA Rating 2)				-	50%	-
Foreign counterparty (ECA Rating 3-6)				-	100%	-
Foreign counterparty (ECA Rating 7)				-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty				-	50%	-
Foreign counterparty (ECA Rating 0-1)				-	20%	-
Foreign counterparty (ECA Rating 2)				-	50%	-

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Foreign counterparty (ECA Rating 3-6)				-	100%	-
Foreign counterparty (ECA Rating 7)				-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	43,191,172,456		468,114,756	42,723,057,700	40%	17,089,223,080
Foreign counterparty (ECA Rating 0-1)				-	20%	-
Foreign counterparty (ECA Rating 2)				-	50%	-
Foreign counterparty (ECA Rating 3-6)				-	100%	-
Foreign counterparty (ECA Rating 7)				-	150%	-
Underwriting commitments				-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral				-	100%	-
Repurchase Agreements, Assets sale with recourse				-	100%	-
Advance Payment Guarantee	15,724,688,048			15,724,688,048	100%	15,724,688,048
Financial Guarantee	4,130,000			4,130,000	100%	4,130,000
Acceptances and Endorsements				-	100%	-
Unpaid portion of Partly paid shares and Securities				-	100%	-
Irrevocable Credit commitments (short term)	68,080,532,056			68,080,532,056	20%	13,616,106,411
Irrevocable Credit commitments (long term)	32,037,897,600			32,037,897,600	50%	16,018,948,800
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Other Contingent Liabilities				-	100%	-
Unpaid Guarantee Claims				-	200%	-
TOTAL (B)	161,056,584,520	-	669,931,192	160,386,653,328		62,816,365,924
Total RWE for credit Risk Before Adjustment (A) + (B)	472,924,501,676	6,445,754,251	2,669,976,192	463,808,771,234		246,983,951,623
Adjustments under Pillar II						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	472,924,501,676	6,445,754,251	2,669,976,192	463,808,771,234		246,983,951,623

Eligible Credit Risk Mitigants

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)										-
Claims on Foreign government and Central Bank (ECA -3)										-
Claims on Foreign government and Central Bank (ECA-4-6)										-
Claims on Foreign government and Central Bank (ECA -7)										-
Claims on Other Multilateral Development Banks										-
Claims on Public Sector Entity (ECA 0-1)										-
Claims on Public Sector Entity (ECA 2)										-
Claims on Public Sector Entity (ECA 3-6)										-
Claims on Public Sector Entity (ECA 7)										-

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that do not meet capital adequacy requirements										-
Claims on foreign bank (ECA Rating 0-1)										-
Claims on foreign bank (ECA Rating 2)										-
Claims on foreign bank (ECA Rating 3-6)										-
Claims on foreign bank (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates										-
Claims on Foreign Corporates (ECA 0-1)										-
Claims on Foreign Corporates (ECA 2)										-
Claims on Foreign Corporates (ECA 3-6)										-
Claims on Foreign Corporates (ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)	1,981,975,000		18,070,000							2,000,045,000
Claims fulfilling all criterion of regularity retail except granularity										-
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties (Overdue)										-
Claims secured by Commercial Real Estate										-
Past due claims (except for claims secured by residential properties)										-
High Risk claims										-
Lending against securities (bonds & shares)										-
Investments in equity and other capital instruments of institutions listed in stock exchange										-
Investments in equity and other capital instruments of institutions not listed in the stock exchange										-
Other Assets (as per attachment)										-
Total	1,981,975,000	-	18,070,000	-	-	-	-	-	-	2,000,045,000
Off Balance Sheet Exposures										
Forward Exchange Contract Liabilities										-
LC Commitments With Original Maturity up to 6 months domestic counterparty	201,816,436									201,816,436
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-

Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Foreign counterparty (ECA Rating 7)										-
LC Commitments With Original Maturity Over 6 months domestic counterparty										-
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	468,114,756									468,114,756
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets sale with recourse										-
Advance Payment Guarantee										-
Financial Guarantee										-
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (short term)										-
Irrevocable Credit commitments (long term)										-
Other Contingent Liabilities										-
Unpaid Guarantee Claims										-
Total	669,931,192	-	-	-	-	-	-	-	-	669,931,192
Grand Total	2,651,906,192	-	18,070,000	-	-	-	-	-	-	2,669,976,192

Exhibit of claims with Eligible Credit Risk Mitigants

Category	Facility	Outstanding	Eligible CRM			
			Nature	Gross Amount	Haircut	Net Amount
Fixed Deposit with Bank		1,156,900,000	Fixed Deposit	1,156,900,000		1,156,900,000
Gold Loan		18,070,000	Gold	18,070,000		18,070,000
Current Deposit with Bank		747,375,000	Current Deposit	747,375,000		747,375,000
TOTAL (A)		1,922,345,000		1,922,345,000	-	1,922,345,000
LC margin Deposit		201,816,436	LC margin Deposit	201,816,436		201,816,436
Bid bond and Performance Bond Margin Deposit		468,114,756	Bid bond and Performance Bond Margin Deposit	468,114,756		468,114,756
TOTAL (B)		669,931,192		669,931,192	-	669,931,192
GRAND TOTAL		2,592,276,192		2,592,276,192	-	2,592,276,192

Other Assets
As on Mid-July, 2024

In Rupees

S. No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Current Tax Assets	139,134,770		139,134,770
2	Investment Property	943,089,080		943,089,080
3	Property and Equipment	2,300,397,371		2,300,397,371
4	Assets held for Sale			-
5	Other non-banking assets			-
6	Bills Receivable			-
7	Accounts Receivable	1,700,800,241	905,393,636	795,406,605
8	Accrued Income	68,158,553		68,158,553
9	Prepayment and Deposits	122,421,663		122,421,663
10	Income tax and deposits			-
11	Deferred employee expenditure	2,413,990,373		2,413,990,373
12	Others	1,500,628,064		1,500,628,065
TOTAL		9,188,620,115	905,393,636	8,283,226,479

Risk Weighted Exposures for Operational Risk
As on Mid-July, 2024

In Rupees

S.N.	Particulars	Fiscal Year		
		2020/21	2021/22	2022/23
1	Net Interest Income	6,264,147,622	8,355,939,509	8,195,659,004
2	Commission and Discount Income	1,583,159,627	1,464,286,132	1,371,859,176
3	Other Operating Income	502,905,965	234,762,916	131,788,875
4	Exchange Fluctuation Income	371,851,444	106,482,810	10,315,898
5	Addition/Deduction in Interest Suspense during the period	63,473,334	(8,080,909)	308,878,632
6	Gross income (a)	8,785,537,992	10,153,390,458	10,018,501,585
7	Alfa (b)	15%	15%	15%
8	Fixed Percentage of Gross Income [c=(a×b)]	1,317,830,699	1,523,008,569	1,502,775,238
9	Capital Requirement for operational risk (d) (average of c)			1,447,871,502
10	Risk Weight (reciprocal of capital requirement of 11%) in times (e)			9.09
11	Equivalent Risk Weight Exposure [f=(d×e)]			13,161,151,951

Risk Weighted Exposures for Market Risk
As on Mid-July, 2024

S. No.	Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
1	INR	69,776,008	1.60	111,641,613	111,641,613
2	USD	(707,419)	133.66	(94,553,656)	94,553,656
3	GBP	40,970	173.68	7,115,670	7,115,670
4	EUR	155,621	145.79	22,687,951	22,687,951
5	THB	-	3.70	-	-
6	CHF	600	149.48	89,688	89,688
7	AUD	30,417	90.68	2,758,178	2,758,178
8	CAD	-	98.04	-	-
9	SGD	-	99.68	-	-
10	JPY	21,766,551	0.85	18,501,568	18,501,568
11	HKD	3,040	17.12	52,045	52,045

S. No.	Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
12	DKK	196,000	19.54	3,829,840	3,829,840
13	SEK	-	12.74	-	-
14	SAR	9,500	35.64	338,580	338,580
15	QAR	2,758	36.66	101,108	101,108
16	AED	40,026	36.39	1,456,533	1,456,533
17	MYR	851	28.63	24,364	24,364
18	KRW	-	0.10	-	-
19	CNY	102	18.44	1,881	1,881
20	KWD	996	437.37	435,621	435,621
21	BHD	745	354.54	263,955	263,955
(a) Total Open Position				74,744,938	263,852,249
(b) Fixed Percentage					5%
(c) Capital Charge for Market Risk (=a×b)					13,192,612
(d) Risk Weight (reciprocal of capital requirement of 11%) in times					9.09
(e) Equivalent Risk Weight Exposure (=c×d)					119,920,847

**Net Liquid Assets to Total Deposit Ratio
As on Mid-July, 2024**

In Rupees

Particulars		Amount
	Total Deposit & Borrowing	266,930,552,537
	1. Total Deposits (as per NRB Ni. Fa. 9.1)	243,760,119,630
A	2. Total Borrowings (as per NRB Ni. Fa. 9.1)	23,170,432,907
	Liquid Assets	83,514,005,324
	1. Cash (as per NRB Ni. Fa. 9.1)	4,037,986,551
	2. Bank Balance (as per NRB Ni. Fa. 9.1)	9,096,665,217
	3. Money at call and short notice (as per NRB Ni. Fa. 9.1)	-
	4. Investments in government securities (as per NRB Ni. Fa. 9.1)	64,493,211,056
B	5. Placements up to 90 days	5,886,142,500
C	Borrowings payable up to 90 days	
D	Net Liquid Assets (B-C)	83,514,005,324
E	Net Liquid Assets to Total deposit (D/A1)	34.26%
F	Shortfall in Ratio	No Shortfall
G	Percentage of deposit to be added to RWE	-
H	Amount to be added to risk weighted exposures	-

Note (if any):

**Leverage Ratio
As on Mid-July, 2024**

Particulars		
A	Exposure Measure	464,682,337,293
	1. On Balance Sheet Assets (Net of Specific Provision)	305,422,162,906
	2. Repurchase Agreements and Securities Finance	9,972,912
	3. Derivatives	
	4. Off Balance Sheet Exposure	161,056,584,520
	Less : Regulatory Deductions from CET1 Capital (CAF 2.7 B.I.b)	1,806,383,044
B	Capital Measure	30,851,200,017
	1. Common Equity Tier 1 Capital (After Regulatory Adjustment)	25,418,488,017
	2. Additional Tier 1 Capital	5,432,712,000
C	Leverage Ratio in Percentage	6.64

**Questionnaires for Supervisory Adjustment in RWA & Capital
As on Mid-July, 2024**

SRP Number	Questionnaires	Answers
SRP 6.4a(1)	Is there shortfall in provision?	No
SRP 6.4a(2)	Is there any Loans & Facilities extended to director, employee (except staff bylaw), shareholders > 1% & related parties?	No
SRP 6.4.a(3)	Is there any loans & facilities in excess of Single Obligor Limits?	No
SRP 6.4a(4)	Is there any sale of credit with recourse facility?	No
SRP 6.4a(5)	Is supervisor satisfied with ALM Policies and practices employed by the bank?	Yes
SRP 6.4a(7)	Is supervisor satisfied with the soundness of operational risk management practice adopted by the bank?	No
	If not satisfied, what percentage of gross income is to be levied for operation risk? (Type in the box 2 to 5%)	5.00%
SRP 6.4a(9)	Is supervisor satisfied with overall risk management policies and procedures of the bank?	No
	If not satisfied, what percentage of RWE is to be increased? (Type in the box 2 to 5%)	4.00%
SRP 6.4a(10)	Has the bank achieved desired level of disclosure requirement?	Yes

Compliance with External Requirements

The bank is subject to compliance requirement under NRB Directive No. 1/080 which stipulated a minimum Total Capital Adequacy ratio (CAR) of 11.5%. The Bank complied with this requirement at all times during the reporting period. Compliance position at the reporting date is presented hereunder:

Capital Parameter	Requirement	ADBL
Minimum Common Equity Capital Ratio	4.5%	9.24%
Minimum Tier 1 Capital (excluding Conservation buffer)	6%	11.21%
Minimum Total Capital (excluding Conservation buffer)	8.5%	12.74%
Minimum Total Capital (including Conservation buffer)	11.5%	12.74%
Leverage Ratio	4%	6.64%

5.3 Classification of Financial Assets and Financial Liabilities

5.3.1 Classification-Financial Assets

When an entity first recognizes a financial asset, it classifies it based on the entity's business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- **Amortized Cost**—a financial asset is measured at amortized cost if both of the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Fair Value through Other Comprehensive Income**—financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Fair value through profit or loss**—any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

When and only when, an entity changes its business model for managing financial assets it must reclassify all affected financial assets.

5.3.2 Classification of Financial Liabilities

All financial liabilities are measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities include derivatives (other than derivatives that are financial guarantee contracts or are designated and effective hedging instruments), other liabilities held for trading, and liabilities that an entity designates to be measured at fair value through profit or loss.

Group

Amount in Rs.

Particulars	15 July, 2024				16 July, 2023			
	Measured at Fair value		Measured at Amortized Cost	Total	Measured at Fair value		Measured at Amortized Cost	Total
	FVTPL	FVTOCI			FVTPL	FVTOCI		
Financial Assets:								
Cash and cash equivalent	-	-	5,074,320,773	5,074,320,773	-	-	9,463,050,416	9,463,050,416
Due from Nepal Rastra Bank	-	-	15,212,779,452	15,212,779,452	-	-	12,898,923,805	12,898,923,805
Placement with BFIs	-	-	5,214,300,000	5,214,300,000	-	-	-	-
Derivative financial instruments	9,972,912	-	-	9,972,912	17,588,448	-	-	17,588,448
Other trading assets	1,274,757,944	-	-	1,274,757,944	1,014,399,764	-	-	1,014,399,764
Loan and advances to B/FIs	-	-	3,202,203,613	3,202,203,613	-	-	4,134,543,000	4,134,543,000
Loans and advances to customers	-	-	203,612,949,861	203,612,949,861	-	-	176,303,568,128	176,303,568,128
Investment securities	-	4,023,272,208	64,866,582,443	68,889,854,651	-	3,752,450,825	48,066,461,365	51,818,912,190
Total Financial Assets	1,284,730,856	4,023,272,208	298,448,218,431	304,176,360,088	1,031,988,212	3,752,450,825	250,866,546,714	255,650,985,751
Financial Liabilities:								
Due to Bank and Financial Institutions	-	-	197,018,769	197,018,769	-	-	2,095,919,987	2,095,919,987
Due to Nepal Rastra Bank	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Deposits from customers	-	-	243,613,667,463	243,613,667,463	-	-	199,467,139,586	199,467,139,586
Borrowings	-	-	2,664,573,352	2,664,573,352	-	-	2,136,563,784	2,136,563,784
Debt securities issued	-	-	20,477,020,373	20,477,020,373	-	-	20,473,530,263	20,473,530,263
Subordinated Liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities:	-	-	266,952,279,957	266,952,279,957	-	-	224,173,153,620	224,173,153,620

Bank

Amount in Rs.

Particulars	15 July, 2024				16 July, 2023			
	Measured at Fair value		Measured at Amortized Cost	Total	Measured at Fair value		Measured at Amortized Cost	Total
	FVTPL	FVTOCI			FVTPL	FVTOCI		
Financial Assets:								
Cash and cash equivalent	-	-	5,074,083,242	5,074,083,242	-	-	9,462,421,092	9,462,421,092
Due from Nepal Rastra Bank	-	-	15,212,779,452	15,212,779,452	-	-	12,898,923,805	12,898,923,805
Placement with Bank and Financial Institutions	-	-	5,214,300,000	5,214,300,000	-	-	-	-
Derivative financial instruments	9,972,912	-	-	9,972,912	17,588,448	-	-	17,588,448
Other trading assets	1,216,149,394	-	-	1,216,149,394	943,652,800	-	-	943,652,800
Loan and advances to B/FIs	-	-	3,202,203,613	3,202,203,613	-	-	4,134,543,000	4,134,543,000
Loans and advances to customers	-	-	203,617,049,861	203,617,049,861	-	-	176,303,568,128	176,303,568,128
Investment securities	-	3,744,679,625	64,866,582,443	68,611,262,068	-	3,542,868,414	48,065,718,830	51,608,587,244
Total Financial Assets	1,226,122,306	3,744,679,625	297,186,998,611	302,157,800,542	961,241,248	3,542,868,414	250,865,174,855	255,369,284,517
Financial Liabilities:								
Due to Bank and Financial Institutions	-	-	197,018,769	197,018,769	-	-	2,095,919,987	2,095,919,987
Due to Nepal Rastra Bank	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Deposits from customers	-	-	243,628,658,005	243,628,658,005	-	-	199,486,613,567	199,486,613,567
Borrowings	-	-	2,664,573,352	2,664,573,352	-	-	2,136,563,784	2,136,563,784
Debt securities issued	-	-	20,477,020,373	20,477,020,373	-	-	20,473,530,263	20,473,530,263
Subordinated Liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities:	-	-	266,967,270,499	266,967,270,499	-	-	224,192,627,601	224,192,627,601

5.4 Operating Segment Information

5.4.1 General Information

The Bank has adopted "Management Approach" for identifying the operating segments i.e. seven segments based on the geographic locations of its offices in the 7 provinces of the country. For segmentation purpose, all business transactions of offices and business units located in a particular province are grouped together. All transactions between the units are conducted on arm's length basis, with intra unit revenue and cost being nullified at the bank level. Information about the provincial segments is mentioned below:

5.4.2 Information about Profit or Loss, Assets and Liabilities

Figure in "000"

Particulars	Koshi	Mad-hesh	Bagmati	Gan-daki	Lumbini	Karnali	Sudur-Pas-chim	Total
Revenues from External customer	6,341,202	7,359,523	21,999,538	3,654,897	8,276,435	1,261,509	2,390,839	51,283,943
Inter Segment revenues	(800,742)	(1,626,308)	4,641,188	(348,620)	(1,135,076)	(72,087)	(166,894)	491,461
Net Revenue	7,141,944	8,985,831	17,358,351	4,003,517	9,411,511	1,333,596	2,557,733	50,792,483
Total interest revenue	2,851,411	3,381,964	9,765,890	1,702,834	3,860,400	567,037	1,102,655	23,232,191
Interest expense	1,082,539	603,036	11,288,641	776,962	1,319,456	192,270	426,598	15,689,502
Net Interest Revenue	1,768,872	2,778,928	(1,522,751)	925,872	2,540,944	374,767	676,057	7,542,689
Depreciation and amortization	39,970	40,464	113,501	28,937	50,427	16,985	20,924	311,210
Segment profit/(loss)	651,138	404,309	1,672,811	355,220	1,053,848	195,117	277,823	4,610,266
Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-	-	-
Segment Assets	17,923,591	12,951,461	166,263,713	12,723,779	24,679,564	5,524,846	9,161,967	249,228,921
Segment liabilities	17,923,591	12,951,461	166,263,713	12,723,779	24,679,564	5,524,846	9,161,967	249,228,921

Note: The segment reporting above excludes Head Office.

5.4.3 Measurement of operating segment profit or loss, assets and liabilities

- a. **Basis of Accounting**
All transactions between the reportable segments are accounted for using pre-determined transfer price.
- b. **Nature of difference between the measurement of the reportable segments' profits or losses and the Bank's profit or loss before income tax**
None
- c. **Nature of differences between the measurements of the reportable segments' assets and the Bank's asset**
None
- d. **Nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any**
No changes are made in the measurement methods used to determine reported segment profit or loss from prior periods.
- e. **Nature and effect of any asymmetrical allocations to reportable segments**
None

5.4.4 Reconciliation of Reportable Segment's Revenue, Profit or Loss, Assets and Liabilities

(Rs in 000)

(a) Revenue	NPR
Total revenues for reportable segments	51,283,943
Other revenues	3,998,160
Elimination of intersegment revenues	-
Entity's revenues	55,282,104

(b) Profit or loss	NPR
Total profit or loss for reportable segments	4,610,266
Other profit or loss	(507,112)
Elimination of intersegment profits	-
Unallocated amounts:	-
Profit before income tax	4,103,154

(c) Assets	
Total assets for reportable segments	333,709,566
Other assets	(22,334,132)
Unallocated amounts	-
Entity's assets	311,375,434

(d) Liabilities	
Total liabilities for reportable segments	333,709,566
Other liabilities	(58,474,080)
Unallocated liabilities	-
Entity's liabilities	275,235,486

5.5 Share options and share based payment

Share options is a contract that gives the holder the right, but not the obligation, to subscribe the bank's shares at a fixed or determinable price for a specified period.

A share-based payment is a transaction in which the bank receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the bank's shares or other equity instruments of the bank.

The bank doesn't have any share options contract and share based payment transactions for the reporting period.

5.6 Contingent Liabilities and Commitments

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

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

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

Total contingent liabilities and commitments are as follows

Particulars	Current Year 2023/24	Previous Year 2022/23
Contingent Liabilities		
Acceptance and documentary Credit	2,018,164,360	2,296,112,217
Bills for Collection	-	3,737,061
Forward Exchange Contracts	-	-
Guarantees	58,919,990,504	61,940,792,624
Underwriting Commitments	-	-
Other Commitments	5,101,106,658	5,087,000,803
Undrawn and Undisbursed facilities	100,118,429,656	52,725,262,367
Total	166,157,691,178	122,052,905,073

5.7 Related Parties

5.7.1 Parent and Ultimate Controlling Party

Fifty-one percentages of the bank's shares have been held by Government of Nepal. As a result, the ultimate controlling party of the bank is Government of Nepal. In addition to share investment, Government of Nepal has invested in following equity and debt instruments.

Particulars	Amount (Rs.)
6% Non-Cumulative Irredeemable Preference Shares	5,432,712,000

Details of other transactions associated with Nepal Government are:

Particulars	Amount (Rs.)
Fund for Priority Sector Lending	4,978,352
Subsidized loan	1,234,398,000
IFAD VITA Project	1,174,297,000
World Bank FPP	250,900,000

5.7.2 Transactions with Subsidiary and Associate

Particular	Details	Amount	Remarks
Kosh Byabasthapan Company Limited	Subsidiary	14,000,000.00	Fixed Deposit
Kosh Byabasthapan Company Limited	Subsidiary	4,100,000.00	Loan against Fixed Deposit
Kosh Byabasthapan Company Limited	Subsidiary	1,300,045.11	Interest Expenses

5.7.3 Transactions with Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

There is no such transaction between company and the key management personnel other than the employee advance as per company's internal policies.

5.7.4 Key Management Personnel (KMPs) Compensation

As per Nepal Accounting Standard- NAS 24 "Related Party Disclosures", Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the bank. Accordingly, Board of Directors, Chief Executive Officers and Deputy General Managers are identified as KMPs.

Compensation to Board of Directors during FY 2023/24 is as stated below:

KMPs	Designation	Meeting Allowance	Other Benefits
Mr. Ram sharan Pudasaini	Chairman (Representative -Mof.)	292,000.00	For Telephone/ Mobile Rs 3000 per month and for Newspaper Rs 3000 per month
Mr. Uttar Kumar Karki	Board Member (Representative -MoF)	92,000.00	
Mr. Mahesh Acharya	Board Member (Representative -MoF)	124,000.00	
Dr. Rajendra Prasad Mishra	Board Member (Representative -MoA.)	232,000.00	
Mr. Sanjeev Kumar Karn	Board Member (Representative -MoA.)	48,000.00	
Mr. Govinda Prasad Bhattarai	Board Member- Public Shareholder	548,000.00	
Mr. Sanjeev Poudel	Board Member- Public Shareholder	316,000.00	
Mr. Binod Kumar Guragain	Board Member- Public Shareholder	340,000.00	
Ms. Rita Subedi	Independent Board Member	460,000.00	

Compensation to Chief Executive Officer and Deputy General Managers during FY 2023/24 is as stated below:

KMPs	Designation	Short term Employee benefits	Post-employment benefits (Defined Benefit Plan)	Other long-term benefits
Mr. Govinda Gurung	CEO	6,694,220.50	Gratuity: 3.25 months' salary for each year of service Security: 39 Months' Salary Medical: 1 Months' Salary for each year of service.	Home Leave: 30 Days per Year Sick Leave: 15 days per year
Mr. Pratap Subedi	DGM	1,799,926.00		
Dr. Babu Kaji Thapa	DGM	1,772,833.40		
Mr. Yegya Prakas Neupane	DGM	1,772,833.40		
Mr. Prem Kumar Shrestha	DGM	1,683,358.40		
Mr. Min Raj Pokharel	DGM	1,736,224.80		
Mr. Dirgha Bahadur Aryal	DGM	1,764,741.88		
Mr. Nirmal Prasad Upadhyay	DGM	785,831.66		

Compensation of the bank's key management personnel includes salaries, non-cash benefits and contributions to the post-employment defined benefit plans.

5.8 Merger and Acquisition

The bank's ultimate parent company is Government of Nepal. So, the decision related to merger and acquisition rest to with Government of Nepal. No any indication of merger and acquisition has been received from Government of Nepal.

5.9 Additional Disclosure of Non-Consolidated Entities

All subsidiaries and Associates are consolidated and presented under groups consolidated financial statement.

5.10 Events after Reporting date

The Bank follows NAS 10 Events after Reporting Period for accounting and reporting of the events that occur after the reporting period. Bank classifies those events as adjusting and non-adjusting. There are no material events both adjusting and non-adjusting after the reporting period

5.11 Recognition of interest income on deferred cash basis

The Bank has availed the facility in NRB Directive 4/080 that 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 16 August, 2024 i.e. one month after the year-end date.

5.12 Details of Interest Suspense

As per interest recognition guidelines 2019 issued by Nepal Rastra Bank, Bank has suspended following interest.

S.N	Name of Borrower	Outstanding Principal As On Mid-July, 2024 (Rs)	Outstanding Interest As On Mid-July, 2024 (Rs)
1	The Land Mark Appartment Co P	242,035,012	761,744,987
2	Surya Mama Bhanja Gai Farm Pvt. Ltd	75,000,000	27,247,068
3	Surya Mama Bhanja Gai Farm Pvt. Ltd	49,901,590	14,953,429
4	Gusto Italiano Restaurant	10,000,000	11,690,597
5	General Auto Trading Pvt . Ltd	8,000,000	10,256,738
6	Sirwa Constructon Company Pvt Ltd	27,490,144	9,214,117
7	Srijanshil Niramn Sewa Pro Bishnu	4,087,079	8,251,269
8	Koshi & Neupane Nirman Sewa Pvt.Ltd	22,197,092	7,547,364
9	Om Traders And Janaral Store(Pro.Sa	8,000,000	7,394,086
10	Puspa Sunchandi Pasal	10,000,000	7,197,654

S.N	Name of Borrower	Outstanding Principal As On Mid-July, 2024 (Rs)	Outstanding Interest As On Mid-July, 2024 (Rs)
11	Siruwa Constructon Company Pvt Ltd	21,584,300	7,159,327
12	Surya Ayurveda Pvt. Ltd.	20,100,000	6,947,741
13	Manju Feed & Poultry Industries Pvt	28,378,378	6,869,121
14	Jagat Bahadur Darnal	4,000,000	6,517,184
15	Siruwa Constructon Company Pvt Ltd	33,500,000	6,408,963
16	Manju Feed & Poultry Industries Pvt	25,333,333	5,705,788
17	Lachhman Dangi General	2,977,112	5,580,812
18	Mahakali Gaurav Builders	20,000,800	5,577,606
19	Jom Tik Wood Furniture & Furnishing	4,999,353	5,259,139
20	Rauth General Store	5,015,515	5,258,929
21	Siruwa Constructon Company Pvt Ltd	18,000,000	5,184,222
22	Mahakali Gaurav Builders	3,194,720	4,950,794
23	Shree Uma Gauri Agriculture Cooperative Sociaty Lt	29,012,195	4,487,276
24	Bishal Galla Bhandar	4,000,000	4,314,842
25	Creative Mod Academy B H Sch	3,000,000	4,041,554
26	Star Phensy Stores	5,700,000	3,825,189
27	Shiva Prasad Interprises	13,000,000	3,623,476
28	Ramlaxman Elec Pro Ganesh Bud	2,495,551	3,429,261
29	Manju Feed & Poultry Industries Pvt	22,000,000	3,393,461
30	Ashish Stores	2,300,000	3,350,429
31	Siruwa Constructon Company Pvt Ltd	12,100,000	3,345,319
32	Jay Laxmi Stores	3,600,000	3,194,659
33	R R Suppliers	3,499,882	3,192,425
34	Om Genaral Traders	4,879,330	3,154,119
35	Ananda Dudh Deri Udhog Jogindr	4,999,671	3,147,142
36	Bishnu Dev Auto Garage	3,400,000	3,114,032
37	Om Shanti Hotel	3,399,767	3,041,797
38	Tripura Saw Mill	4,972,478	2,972,589
39	Garbasi Rumba Nirman Sewa	11,500,656	2,966,265
40	Siruwa Constructon Company Pvt Ltd	10,200,000	2,937,726
41	Amit Itta Udhog	9,000,000	2,912,835
42	C.M. Suppliers	4,776,799	2,911,287
43	Ram Maya Pujari	3,493,548	2,826,260
44	Yubraj Sunar	1,800,000	2,824,640
45	Darkhali Kirana Store	3,499,999	2,785,873
46	Shyam Prasad Shrestha	26,550,000	2,785,711
47	Krishna Saw Mill	2,675,000	2,771,108
48	Hari Narayan Sah	1,989,487	2,768,782
49	Shubhakamana Nirman Sewa Pvt.Ltd.	14,000,000	2,644,699
50	Mukesh Kumar Yadav	1,951,980	2,644,627
51	Gaule Hatchery Pvt.Ltd.	10,000,000	2,620,347
52	Mahakali Gaurav Builders	8,409,035	2,567,201
53	Diya Sun Chadi Pashal	2,000,000	2,537,452
54	Mission Fancy Store	3,000,000	2,496,289
55	Gorkha Bahadur Khatri 9868349402	3,000,000	2,450,847
56	Shree Laxmi Cold Store	2,494,779	2,437,604
57	Rauth General Store	2,199,934	2,436,689
58	Narma Rice Flor O Mil Man Bdr	1,999,942	2,433,378
59	Patigau Charvaiya Hotel	2,674,645	2,425,759
60	Pema Du Chh Rainbow Tr Ma P U	2,199,810	2,380,027
61	Siruwa Constructon Company Pvt Ltd	8,000,000	2,372,899
62	Dhan Bahadur Budathoki	2,148,854	2,356,366
63	Roshan Kumar Shrestha	1,397,515	2,352,349

S.N	Name of Borrower	Outstanding Principal As On Mid-July, 2024 (Rs)	Outstanding Interest As On Mid-July, 2024 (Rs)
64	A R Poultry Firm	15,000,000	2,341,964
65	Prasant Electronics	3,000,000	2,309,029
66	Suyal Kukhura Palan Firm	10,000,000	2,287,131
67	Shree Lai Kumar Shrestha	13,754,386	2,281,611
68	Radha Krishna Furniture Udhog	12,000,000	2,247,172
69	B P Construction	12,699,000	2,231,549
70	Jitij Traders	3,449,505	2,217,512
71	Namaste Itta Udhog	9,299,796	2,212,613
72	Anuj M.Cycle Workshop/Anuj Bastrala	4,500,250	2,163,094
73	Bank Of Kathmadu	1,288,056	2,151,335
74	Shubhakamana Nirman Sewa Pvt.Ltd.	11,000,000	2,077,990
75	Pushpanjali Tre And Suppliers	2,800,000	2,041,247
76	Halesi Bhandar Stores	2,301,077	2,022,382
77	Hiuchuli Structures Pvt Ltd	10,000,000	1,985,795
78	Pushp Ganga Imporiu And Jewellers	1,485,357	1,959,396
79	Pathak Pashupalan Farm	3,495,552	1,904,196
80	Surya Mama Bhanja Gai Farm Pvt. Ltd	8,905,716	1,885,572
81	Siruwa Constructon Company Pvt Ltd	6,700,000	1,852,366
82	Binod Poultry Firm	7,800,000	1,844,668
83	New Laxmi Constructions Supp	2,428,000	1,811,034
84	Himalaya Construction	3,000,000	1,804,218
85	Sahara Bhawani Press	3,500,000	1,797,901
86	Ananda Construction Company	5,000,000	1,797,341
87	Garvu Baba Bhaishi F	2,657,223	1,789,903
88	Nathuni Shah	1,150,000	1,771,282
89	Shrestha Cold Drinks	2,500,000	1,769,530
90	Yadab Ramtandan Chhetri	800,000	1,748,194
91	Salyani Darmakoti Sunchadi Pasal	1,260,695	1,733,674
92	New Laxmi Suppliers	2,500,000	1,730,357
93	Shulav Fancy Store P	3,000,000	1,687,275
94	Sushankhya Money Transfer	3,000,000	1,645,553
95	Prashanna Fashion	2,580,000	1,630,659
96	Nilam Devi Yadav	997,220	1,629,863
97	Nathuni Shah	1,199,955	1,537,139
98	Shuvamukhi Krishi &Pashupalan	3,000,000	1,536,502
99	Khimdung Nirman Sewa	2,000,000	1,514,476
100	Pushpa & Nasili Bastralaya	1,999,113	1,490,397
101	K & K Traders And Suppliers	1,145,588	1,484,041
102	Tej Bastaralay	1,791,874	1,480,282
103	Simleshwor Builders	8,522,145	1,479,952
104	Subham Enterprises	1,993,911	1,472,009
105	Hiuchuli Structures Pvt Ltd	9,995,926	1,463,205
106	Shree New Bishnu Jewellery Udyog	2,500,000	1,452,295
107	Ramkumar Shrestha	998,800	1,448,282
108	Karma Construction Private Limited	46,664,594	1,435,991
109	Shubhakamana Nirman Sewa Pvt.Ltd.	15,000,000	1,432,292
110	Khimdung Nirman Sewa	1,990,759	1,427,705
111	Kanish Nirman Sewa	895,772	1,412,910
112	Upendra Prasad Malla	900,000	1,401,692
113	Ambar Bd Shrestha	535,458	1,401,194
114	Creative Mod Academy B H Sch	1,100,000	1,396,859
115	Dhankuta Technical Institute	9,780,574	1,367,488
116	Suraj Hardware Tej Narayn Ray	2,200,000	1,349,011
117	S.Q.B.Poultry Firm Pvt. Ltd.	5,597,855	1,344,027
118	Bishal Falful Tatha Tarkari Pasal	2,500,000	1,328,544
119	Jai Kothi Mai Etta Udhog	5,375,698	1,301,501
120	Nawanit Construction	1,594,729	1,300,930
121	Dhanraj Polultry Firm	6,500,000	1,294,447
122	Sarita Gala Kharid Bikri Kendra	2,482,657	1,288,363
123	Rauth General Store	1,439,000	1,284,364
124	Sarswati Parajuli	2,501,100	1,282,673
125	Pramika Thapa Furniture Udhog	6,000,789	1,282,331
126	Dulal Furniture Udhog	4,000,000	1,281,293
127	Euro Organic Green Herbs	5,000,000	1,266,329
128	Boudhi Mai Pharnichar Udhogoy G	954,166	1,258,215

S.N	Name of Borrower	Outstanding Principal As On Mid-July, 2024 (Rs)	Outstanding Interest As On Mid-July, 2024 (Rs)
129	Manraj Rawal	2,000,000	1,257,178
130	Khimdung Nirman Sewa	2,499,125	1,247,154
131	Dinesh Store And Suppliers	2,500,000	1,242,945
132	Jay Mata Di Jewelars	1,480,000	1,237,310
133	Sambriidhi Agro Pvt Ltd	2,725,618	1,218,782
134	Garvu Baba Bhaishi F	1,328,611	1,205,777
135	Samram Bangur Firm	1,994,871	1,200,019
136	Santosh Pharmeshi	389,558	1,199,478
137	Sampatiji Itta Udayog Paramesh Sah	3,000,000	1,193,954
138	Jit Bahadur Bhatta	1,000,000	1,174,882
139	Shrestha Nirmar Sewa	3,500,000	1,171,523
140	Hasan Ita Udhog	4,997,742	1,167,579
141	Nirpa & Sharda Traders	3,000,000	1,167,086
142	Rupali Constructions	1,234,143	1,166,085
143	Harati Tea State	574,895	1,162,776
144	Koirala Enterprises	3,500,000	1,153,610
145	Shree Manokamana General Order Supp	2,475,000	1,152,854
146	Tej Bahadur Rokaya	1,850,000	1,145,880
147	Thagunna Stor Adar Saplayasra	5,000,000	1,143,874
148	Buddha Chowmein Udyog	839,976	1,141,331
149	N B Nirman Sewa	4,000,000	1,139,731
150	Tetri Devi L 13 2 4	328,301	1,136,958
151	Menuka Kinara Pasalpro.Jit Bdr Bhat	800,000	1,132,457
152	Ananda Nirman Sewa	3,500,000	1,124,540
153	Shobha Traders	8,500,000	1,124,398
154	Shubhakamana Nirman Sewa Pvt.Ltd.	7,637,534	1,117,365
155	Gaurishankar Nirman Sewa	1,286,246	1,103,817
156	Khushi Kirana Pasal	843,154	1,102,899
157	Himal Furniture Udhog	6,300,000	1,099,917
158	Surya Ayurveda Pvt. Ltd.	3,668,831	1,099,632
159	Lohani & Sons Cons Pvt Ltd	6,200,000	1,097,043
160	Dinesh Store And Suppliers	1,043,296	1,096,695
161	Sumnima Furniture Ugdgog Pro Durga	998,317	1,094,503
162	New Sulav Phency Store	3,000,000	1,093,509
163	Manshi Pashu Panchhi Vy Fa Pr	2,500,000	1,092,205
164	Thapa Ekikrit Krishi Farm	5,000,000	1,091,219
165	Suman Rice Mill	5,500,000	1,090,549
166	Barsha Choudhary	6,655,738	1,090,116
167	Radares Ray	982,477	1,087,714
168	Famous Bastralaya	3,500,000	1,086,766
169	Abilal Pandey	1,000,000	1,086,367
170	Shre Phatanglung Dhaka Kapada Udhog	3,000,000	1,084,018
171	Yamphu Poultry Firm	3,000,000	1,081,988
172	Kamala Dhami (Bhatta)	3,300,000	1,071,083
173	Gaule Hatchery Pvt.Ltd.	4,000,000	1,067,452
174	Kuseswor Mahato	899,918	1,066,429
175	Hatch Nepal Pvt.Ltd.	34,379,462	1,057,282
176	Laxmi Nirman Sewa	1,594,828	1,056,257
177	Bhakta Giri	999,850	1,056,136
178	Kishor Construction	5,525,000	1,054,647
179	Ganesh Bahadur Thami	1,000,000	1,051,539
180	Kanchan Kumari Yadav	6,815,596	1,048,803
181	Bhuwan And Bhaskar Construction	1,447,932	1,048,025
182	Ganesh Raj Pande	492,781	1,042,519
183	Chandrakala Gurl Udhog	3,600,000	1,039,112
184	G.B. Nirman Sewa Pvt.Ltd.	4,000,012	1,034,598
185	Khagendra Prasad Upadhaya	900,000	1,028,910
186	Krishna Dev Yadav	800,000	1,020,737
187	Dinesh Store And Suppliers	1,910,105	1,018,196
188	Dhiraj Electronic Center	795,193	1,017,384
189	Rupali Constructions	1,447,377	1,015,748
190	Birendra Sahani Mala	709,955	1,002,765
191	Others	1,881,221.627	512,158,918
Total		3,320,100,654	1,748,112,689

5.13 Refinance, Business Continuity and Subsidized Loan

Refinance loans are the loans provided at concessional interest rates from Nepal Rastra Bank against the lending as specified in the guidelines. Interest subsidized loans are concessional rates lending by bank to its customers. There is no outstanding loan under refinance loan scheme as on 15 July, 2024.

Bank has not provided any loan under business continuity loan scheme.

Details of Refinance Loan

Particulars	Mid-July, 2024	
	No. of Customers	Amount (Rs.)
Refinance Loan	Nil	Nil
Business Continuity Loan	Nil	Nil

Details of Subsidized Loan

Particulars	Mid-July, 2024	
	No. of Customers	Amount (Rs.)
Subsidized Loan	13,795	15,794,292,460

6. Other Disclosures

6.1 Employee Benefits

Employee benefits includes all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

The Bank operates a defined contribution plans for provident fund contribution of its employees and defined benefit plans for the Gratuity, Medical and Employee Security Scheme payment requirement under its staff rules. For defined contribution plans, the Bank pays contributions to the publicly administered provident fund plans on a mandatory basis, and such amounts are charged to personnel expenses. The Bank has no further payment obligations once the contributions have been paid.

For funded defined benefit plans, the liability recognized in the Balance Sheet is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. Such obligations are estimated on the basis of the actuarial assumptions.

The liability and expenses for accumulated leave is treated as short-term employee benefit in accordance with para 15 and Para 16 of NAS 19 on Employee Benefits.

The bank provides various loans and advances to the staff as per the staff by-laws of the bank. The various loans and advances provided are Home an, Auto loan, Social loan, Medical loan, and Maintenance loan. Staff loan is measured at amortized cost using effective interest rate method and presented in loans and advances to customers under schedule 4.7. Unamortized staff benefits are the difference between the value of loan at carrying amount and present value of staff loan discounted at market rate. Deferred benefits are calculated each year on the closing outstanding balance so that it will consider the prepayment of loan and loan settlement of retired/resigned staff. Deferred benefit is taken from current year calculation as difference between closing value of loan and present value of outstanding loan discounted at market rate. Market rate used for staff benefit calculation is the weighted average interest rate published by Nepal Rastra Bank.

Statutory Staff Bonus is provided at 5% of Net Profit before such bonus as per Bonus Act 1974 and tax as per Income Tax Act.

Defined benefit obligations, plan assets, movement in present value of defined benefit obligation & fair value of assets, actuarial assumptions etc. related with long term employee benefits has been presented under schedule 4.23.

Particulars	FY 2023/24	FY 2022/23
Total Staff Loan (NPR)	7,677,040,726.79	4,857,184,010.02
Unamortized Staff Benefits (NPR)	2,413,990,372.88	3,184,837,559.80
Amortized Staff Loan (NPR)	383,639,103.52	961,797,951.76

The various metrics used for the calculation of amortized staff loan is as presented as below:

Particulars	Insured Home Loan	Uninsured Other Staff Loan	Insured Vehicle Loan
Interest Rate %	3%, 2% & 1%	1%, 0.5% & 4%	3%, 2% & 1%

Discount Rate to be used for calculation of amortized cost of Staff Loan:

Particulars	Cost of Fund
2023/24	5.88%
2022/23	7.51%
2021/22	8.43%

6.2 Project

VITA project

The bank is implementing project of the Government of Nepal- Value Chains for Inclusive Transformation of Agriculture Programme (VITA) funded by The International Fund for Agricultural Development (IFAD). The fund is provided by IFAD which the bank will use to implement the Programme in accordance with the terms and conditions of the agreement.

The amount of the loan supported by VITA Programme is US \$ 97,670,000. The VITA loan amount outstanding as on 15 July, 2024 is NPR 1,174,297,000.

World Bank FPP

The World Bank FPP Loan amount outstanding as on 15 July, 2024 is NPR 250,900,000

6.3 Derivative Assets and Derivative Liabilities

At reporting date, the bank's outstanding contract for a non-deliverable forward contract assets (NDF) was of Rs. 9,972,912.

6.4 Proposed Dividend

Bank has proposed 10.53% (3% stock dividend and 7.53% cash dividend) dividend to equity shareholders by the decision of board of directors meeting dated on 19 December, 2024.

6.5 Fair value of Land and Building

Recent fair value of land is Rs. 8,619,215,737 and that of building is Rs. 591,661,819. If bank has opted revaluation model for measurement of land and building, the net worth would have increased by Rs. 62.18 per share i.e. revised net worth would have been 296.81 per share as on 15 July, 2024.

6.6 Related to Associates

There is no any investment in associates.

6.7 Inter branch Transactions

All inter branch transactions are reconciled on regular basis. Net inter branch balance as on 15 July, 2024 is Rs. 167,954,975.29 only.

7 Concentration of Borrowings, Deposits and Credit Exposures.

A. Concentration of Borrowings

Amount in NPR

Particulars	Current Year	Previous Year
Borrowings from 10 largest lenders	23,812,673,905	24,524,978,609
Percentage of borrowings from ten largest lenders to total depositors	9.77%	12.17%

B. Concentration of Deposits

Amount in NPR

Particulars	Current Year	Previous Year
Total Deposit from twenty largest depositors		
a. Group-wise		
b. As per individual customer	61,078,668,993	40,676,909,758
Percentage of deposits from twenty largest depositors to total deposits		
a. Group-wise		
b. As per individual customer	25.05%	20.18%

C. Concentration of Credit Exposures

Amount in NPR

Particulars	Current Year	Previous Year
Total exposures to twenty largest borrowers		
a. As per group (related party)		
b. As per individual customer	13,594,800,355	9,888,365,588
Percentage of exposures to twenty largest borrowers to total loans and advances		
a. As per group (related party)		
b. As per individual customer	6.58%	5.41%

Unaudited Financial Statements as of Fourth Quarter Condensed Consolidated Statement of Financial Position

As on Quarter ended 15 July, 2024

Assets	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	4,394,151,143	9,463,050,416	4,393,913,612	9,462,421,092
Due from Nepal Rastra Bank	8,783,230,709	7,096,495,884	8,783,230,709	7,096,495,884
Placement with Bank and Financial Institutions	5,886,142,500	-	5,886,142,500	-
Derivative financial instruments	-	17,588,448	-	17,588,448
Other trading assets	1,274,757,944	1,014,399,764	1,216,149,394	943,652,800
Loan and advances to B/FIs	3,279,989,935	4,134,543,000	3,279,989,935	4,134,543,000
Loans and advances to customers	201,761,781,933	176,303,568,128	201,765,881,933	176,303,568,128
Investment securities	75,812,305,954	57,621,340,111	75,533,173,335	57,411,015,165
Current tax assets	-	278,310,052	-	276,706,184
Investment in subsidiaries	-	-	28,840,000	28,840,000
Investment in associates	-	-	-	-
Investment properties	943,089,080	248,649,555	943,089,080	248,649,555
Property and equipment	2,216,755,878	2,293,412,292	2,214,340,680	2,291,066,049
Goodwill and Intangible assets	73,199,897	138,590,074	73,199,897	138,590,074
Deferred tax assets	-	-	-	-
Other assets	8,874,246,312	7,319,251,543	8,874,073,894	7,317,842,648
Total Assets	313,299,651,286	265,929,199,267	312,992,024,970	265,670,979,027
Liabilities				
Due to Bank and Financial Institutions	197,018,769	2,095,919,987	197,018,769	2,095,919,987
Due to Nepal Rastra Bank	3,357,331	4,571,178	3,357,331	4,571,178
Derivative financial instruments	-	-	-	-
Deposits from customers	243,575,390,355	199,467,139,586	243,589,840,861	199,486,613,567
Borrowing	2,664,573,352	2,136,563,784	2,664,573,352	2,136,563,784
Current Tax Liabilities	356,641,496	-	286,572,362	-
Provisions	-	-	-	-
Deferred tax liabilities	426,354,465	545,463,797	425,415,178	484,358,492
Other liabilities	8,204,220,598	7,203,104,321	8,194,001,683	7,195,768,718
Debt securities issued	20,479,119,555	20,473,530,263	20,479,119,555	20,473,530,263
Subordinated Liabilities	-	-	-	-
Total liabilities	275,906,675,920	231,926,292,916	275,839,899,092	231,877,325,989
Equity				
Share capital	18,884,386,078	18,884,386,078	18,884,386,078	18,884,386,078
Ordinary Share	13,451,674,078	13,451,674,078	13,451,674,078	13,451,674,078
Preference Share(Irredeemable)	5,432,712,000	5,432,712,000	5,432,712,000	5,432,712,000
Share premium	-	-	-	-
Retained earnings	2,723,734,286	1,310,986,836	2,662,757,740	1,243,168,613
Reserves	15,768,317,694	13,790,601,266	15,604,982,060	13,666,098,347
Total equity attributable to equity holders	37,376,438,058	33,985,974,180	37,152,125,878	33,793,653,038
Non-controlling interest	16,537,308	16,932,171		
Total equity	37,392,975,366	34,002,906,351	37,152,125,878	33,793,653,038
Total liabilities and equity	313,299,651,286	265,929,199,267	312,992,024,970	265,670,979,027

Condensed Consolidated Statement of Profit or Loss
For the Quarter ended 15 July, 2024

Particulars	Group				Bank			
	Current Year		Previous Corresponding Year		Current Year		Previous Corresponding Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest income	6,987,336,187	27,142,121,517	6,119,152,803	23,949,094,788	6,988,876,624	27,141,949,462	6,120,647,593	23,948,684,755
Interest expense	4,066,625,130	17,016,384,797	4,286,212,430	15,751,667,691	4,068,479,926	17,017,669,315	4,287,570,490	15,753,025,751
Net interest income	2,920,711,057	10,125,736,720	1,832,940,373	8,197,427,097	2,920,396,698	10,124,280,148	1,833,077,103	8,195,659,004
Fees and commission income	549,022,710	1,664,192,539	404,304,727	1,371,859,175	549,022,710	1,664,192,539	404,304,727	1,371,859,175
Fees and commission expense	51,416,887	235,916,536	73,050,592	213,649,195	51,416,887	235,916,536	73,050,657	213,649,195
Net fee and commission income	497,605,822	1,428,276,003	331,254,135	1,158,209,980	497,605,822	1,428,276,003	331,254,070	1,158,209,980
Net interest, fee and commission income	3,418,316,879	11,554,012,724	2,164,194,508	9,355,637,077	3,418,002,521	11,552,556,151	2,164,331,173	9,353,868,984
Net trading income	87,972,736	46,513,726	1,092,422,842	139,087,350	88,710,802	50,683,180	1,079,612,291	115,521,318
Other operating income	112,805,127	177,942,978	71,550,027	131,924,521	112,731,872	177,794,482	71,583,595	131,788,875
Total operating income	3,619,094,741	11,778,469,428	3,328,167,377	9,626,648,948	3,619,445,196	11,781,033,813	3,315,527,059	9,601,179,177
Impairment charge/(reversal) for loan and other losses	(288,748,109)	1,233,610,492	(1,197,505,376)	1,458,173,793	(288,748,109)	1,233,610,492	(1,197,505,376)	1,458,173,793
Net operating income	3,907,842,851	10,544,858,936	4,525,672,753	8,168,475,155	3,908,193,305	10,547,423,321	4,513,032,435	8,143,005,384
Operating expense								
Personnel expenses	891,699,250	3,789,687,482	953,303,821	3,623,739,917	890,912,743	3,786,169,569	952,231,617	3,620,726,434
Other operating expenses	109,847,822	1,001,154,659	403,682,509	996,384,385	109,174,064	999,749,167	403,416,546	995,690,036
Depreciation & Amortisation	288,181,422	466,945,192	63,161,542	487,121,758	288,169,109	466,902,695	63,123,835	487,084,050
Operating Profit	2,618,114,357	5,287,071,604	3,105,524,881	3,061,229,095	2,619,937,389	5,294,601,890	3,094,260,437	3,039,504,864
Non operating income	(11,631,247)	1,425,118	(25,144,965)	101,744,623	(11,631,247)	1,425,118	103,504,041	101,744,623
Non operating expense	(4,359,055)	49,113	8,427,461	26,366,244	(4,359,055)	49,113	8,427,461	26,366,244
Profit before income tax	2,610,842,165	5,288,447,609	3,071,952,456	3,136,607,474	2,612,665,197	5,295,977,895	3,189,337,017	3,114,883,243
Income tax expense	1,009,695,867	1,638,337,370	1,133,892,251	1,797,020,860	1,010,168,785	1,640,315,257	1,131,037,907	1,791,472,191
Current Tax	834,179,366	1,575,217,220	768,818,387	1,634,030,780	833,703,922	1,572,906,932	767,866,174	1,633,078,567
Deferred Tax	175,516,501	63,120,150	365,073,864	162,990,080	176,464,863	67,408,324	363,171,733	158,393,624
Profit/(loss) for the period	1,601,146,298	3,650,110,238	1,938,060,205	1,339,586,614	1,602,496,412	3,655,662,638	2,058,299,110	1,323,411,052
Condensed Consolidated Statement of Comprehensive Income								
Profit/(loss) for the period	1,601,146,298	3,650,110,238	1,938,060,205	1,339,586,614	1,602,496,412	3,655,662,638	2,058,299,110	1,323,411,052
Other Comprehensive Income	(61,422,204)	(255,303,545)	199,345,899	1,029,454,965	(101,297,197)	(294,004,519)	66,773,090	896,120,333
Total Comprehensive Income	1,539,724,094	3,394,806,693	2,137,406,103	2,369,041,579	1,501,199,215	3,361,658,119	2,125,072,200	2,219,531,385
Basic earnings per share	45.19	24.71	55.21	7.54	45.23	24.75	58.78	7.42
Diluted earnings per share	45.19	24.71	55.21	7.54	45.23	24.75	58.78	7.42
Profit attributable to:								
Equity holders of the Bank	1,601,233,020	3,650,505,101	1,937,462,185	1,338,436,278	1,602,496,412	3,655,662,638	2,058,299,110	1,323,411,052
Non-controlling interest	(86,722)	(394,863)	598,019	1,150,336	-	-	-	-
Total	1,601,146,298	3,650,110,238	1,938,060,205	1,339,586,614	1,602,496,412	3,655,662,638	2,058,299,110	1,323,411,052

Ratios as per NRB Directive

Particulars	Group		Bank	
	Current Year	Corresponding Previous Year	Current Year	Corresponding Previous Year
	Upto This Quarter (YTD)	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital Fund to RWA	13.44%	14.24%	13.44%	14.24%
Non-Performing loan (NPL) to total Loan	3.44%	2.78%	3.44%	2.78%
Total Loan Loss Provision to Total NPL	113.16%	137.70%	113.16%	137.70%
Cost of Funds	5.88%	7.51%	5.88%	7.51%
Credit to Deposit Ratio	77.80%	81.73%	77.80%	81.73%
Base Rate	8.09%	10.06%	8.09%	10.06%
Interest Rate Spread	3.95%	3.94%	3.95%	3.94%

Notes:

- The above figures are subject to change as per the direction of the Regulators/Statutory Auditors.
- Figures are regrouped/rearranged/restated whereas necessary for consistent presentation and comparison.
- Personnel Expenses include provision for employee bonus calculated at 5% of profit before bonus and tax as per the provisions made for government controlled entity in the bonus bylaws 2019.
- Loan and Advances to Customer is presented net of impairment charges and includes interest accruals and staff loans and advances.
- Loan administration fees that are integral part of effective interest rate (EIR) is considered immaterial and hence not considered while computing the effective interest rate.
- The Group Financial Statements includes two Subsidiaries namely Kosh Byabasthapan Company Limited, having 92.89% holding and Gobar Gas Company having 83.96% holding. 100 percent impairment allowance has been provided against the investment in Gobar Gas Company.
- All Inter-company transactions and outstanding balances among group companies are adjusted in Group Financial Statements.
- Other Comprehensive Income is not considered while computing Earnings Per Share and calculated after dividend to Preference Shareholders.
- Debt securities issued represents debenture worth Rs. 2,500 million and Agri bond worth Rs. 18,000 million .
- Interim financial statements has been prepared based on NFRSs except for impairment testing of Financial Assets (IFRS 09).
- A detailed interim financial report has been published in the Bank's website www.adbl.gov.np

Unaudited Statement of Distributable Profit or Loss

For the Quarter ended on 15 July, 2024

(As per NRB Regulation)

Particulars	Bank	
	Current Year Upto this Quarter YTD	Previous Year Corresponding Qtr YTD
Net Profit or (loss) as per statement of profit or loss	3,655,662,638	1,323,411,052
1. Appropriations		
a. General Reserve	730,659,099	267,590,495
b. Capital Redemption Reserve	500,000,000	500,000,000
c. Exchange Fluctuation Fund	-	3,893,230
d. Corporate Social Responsibility Fund	36,556,626	13,234,111
e. Employees Training Fund	36,830,993	9,217,191
f. Other	(27,092,688)	(12,442,257)
CSR Expenses transferred to Retain earning from CSR Reserve	(29,459,833)	(19,809,134)
Realised gain upto previous year on equity share investment measured at FVTOCI transferred to Retained Earnings	2,367,145	(14,541,425)
Investment Adjustment Reserve	-	21,908,302
Profit or (loss) before regulatory adjustment	2,378,708,608.04	541,918,282.00
<u>Regulatory Adjustment:</u>		
a. Interest receivable (-)/previous accrued interest received (+)	(295,091,614)	(383,173,609)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(378,503,015)	3,941,023
e. Deferred tax assets recognised (-)/ reversal (+)	-	71,645,331
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(285,524,852)	(465,589,237)
i. Others (+/-)	-	-
Net Profit or (loss) for the Qtr ended on 15 July, 2024 available for distribution	1,419,589,126.87	(231,258,210.00)
Opening Retained Earnings as on 17 July, 2023	1,243,168,613	3,514,818,592
Adjustments(+/-)		
<u>Distribution:</u>		
Bonus Share Issued	-	(263,758,315)
Cash Dividend Paid	-	(1,776,633,454)
Total Distributable Profit or (Loss) as on Qtr end 15 July, 2024	2,662,757,740	1,243,168,613
Annualised Distributable Profit/(Loss) per Share for the year Only	8.13	(1.72)
Total Distributable Profit/(Loss) per Share Upto Reporting Date	17.37	9.24

Other Supplementary Information



नेपाल राष्ट्र बैंक बैंक सुपरिवेक्षण विभाग

च.सं. १२८

प.सं: वै.सु.वि./अफसाइट/एजिएम/१६ / २०८१-८२



दरबारमार्ग, काठमाडौं।

फोन नं.: ४४१९८०५,७

फ्याक्स नं.: ४४१०१५९

Site: www.nrb.org.np

Email: bsd@nrb.org.np

पोष्ट बक्स: ७३

मिति: २०८१/०९/०७

कृषि विकास बैंक लिमिटेड
रामशाहपथ, काठमाडौं।

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

महाशय,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरु र एकिकृत निर्देशन ०४/०८० को व्यवस्थाहरु पालना गरेको देखिएको हुँदा, ऐ. ऐनको उपदफा (१) बमोजिम बैंकले सञ्चित मुनाफा रु.२,१३,६०,८७,५५५.०० बाट चुक्ता पुजी (रु.१३,४५,१६,७४,०७८.००) को ३ प्रतिशतले हुने रकम रु.४०,३५,५०,२२२.३४ बराबरको बोनस शेयर, चुक्ता पुजीको ७.५३ प्रतिशतले हुने रकम रु.१,०१,२९,११,०५८.०७ बराबरको नगद लाभांश (लाभांश तथा बोनस शेयरमा लाग्ने कर सहित) र नेपाल सरकारको अविमोच्य असञ्चित अग्राधिकार शेयर रु.५,४३,२७,१२,०००.०० मा तोकिएको वार्षिक ६ प्रतिशतले हुने रकम रु.३२,५९,६२,७२०.०० बराबरको नगद लाभांश अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्रै वितरण गर्न स्वीकृतिका साथै आ.व. २०८०/८१ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गर्ने प्रयोजनार्थ देहायका निर्देशन सहित सार्वजनिक गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउँदछु।

- लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु पूर्णरूपले सुधार गर्ने तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाउनुहुन।
- यस बैंकबाट जारी गरिएको एकीकृत निर्देशनको निर्देशन नं. १० को बुँदा नं. ७ बमोजिम इजाजतपत्रप्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पुजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरुमा चुक्ता पुजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुले आफ्नो शेयर सो सीमाभित्र नव्याएसम्म प्रस्तावित बोनस शेयर तथा नगद लाभांश वितरण रोक्का राख्ने व्यवस्था मिलाउनुहुन।
- बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ को दफा ११ को उपदफा (३) मा बैंकको चुक्ता पुजीको २ प्रतिशत भन्दा बढी शेयर धारण गरेका संस्थापकहरुले आफुले धारण गरेको संस्थापक शेयर बिक्री तथा धितो बन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफुले धारण गरेको शेयर धितो बन्धक राखी अन्य बैंक तथा वित्तीय संस्थाबाट कर्जा उपयोग गरेका संस्थापक शेयरधनीहरु रहेमा ती संस्थापक शेयरधनीहरुलाई सोको स्वीकृति नलिएसम्म वा शेयर धितो बन्धक राखी उपयोग गरेको कर्जा पूर्ण रुपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित बोनस शेयर तथा नगद लाभांश वितरण रोक्का राख्ने व्यवस्था मिलाउनुहुन।

उपरोक्त निर्देशनहरुलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन।

भवदीय,

(कृष्णशरण फुयाल)

उप-निर्देशक

बोधार्थ :

- नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग।
- बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, कृषि विकास बैंक लिमिटेड।



नेपाल सरकार
अर्थ मन्त्रालय

(संस्थान समन्वय महाशाखा)



पत्र संख्या:- सं.स./२०८१/८२
च. नं.:- २२९

सिंहदरबार, काठमाडौं
नेपाल।

Email: fsmd@mof.gov.np
मिति: २०८१/०९/२५

विषय: बोनस शेयर र नगद लाभांश वितरण गर्ने सम्बन्धमा।

श्री कृषि विकास बैंक लिमिटेड,
रामशाहपथ, काठमाण्डौ।

प्रस्तुत विषयमा त्यस बैंकको प.सं.२०८१/०८२ च.नं.४२ मिति २०८१/०९/१८ को पत्रबाट बैंक संचालक समितिको मिति २०८१/०९/०४ को निर्णय अनुसार बोनस शेयर तथा नगद लाभांश र कर्मचारी बोनस वितरण गर्न स्वीकृति माग भएको विषय निर्णयको लागि पेश हुँदा तपसील बमोजिम गर्ने गरी पूर्व स्वीकृति प्रदान गर्ने नेपाल सरकार (उपप्रधानमन्त्री तथा अर्थ मन्त्रीस्तर) को मिति २०८१/०९/२३ मा निर्णय भएको व्यहोरा अनुरोध छ।

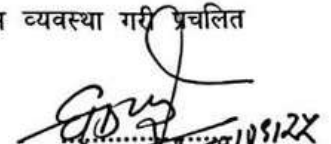
तपसील:

क) बोनस शेयर तथा नगद लाभांश सम्बन्धमा:

त्यस बैंकबाट प्रस्ताव भए अनुसार अग्राधिकार शेयरतर्फ चुक्ता पूँजीको ६(छ) प्रतिशत प्रतिफल (लाभांश) तथा नगद तथा शेयर लाभांश तर्फ साधारण चुक्ता पूँजीको नगद लाभांश ७.५३ (सात दशमल्लव पाँच तीन) प्रतिशत र बोनस शेयर ३(तीन) प्रतिशत वितरण गर्न कम्पनी ऐन, २०६३ को दफा १८२ अनुसार पूर्व स्वीकृति प्रदान गर्ने

ख) कर्मचारी बोनस वितरण सम्बन्धमा:

Non Operating Income बाहेकको Income मा मात्र बोनस व्यवस्था गरी प्रचलित कानून अनुसार वितरण गर्न स्वीकृति प्रदान गर्ने।


(धन कुमार राई)
शाखा अधिकृत

टेलिफोन नं.:- बजेट म. ४२११८०९, प्रशासन म. ४२११७४८, ४२११३००, राजस्व व्य.म. ४२११८६७, अ.आ.सं.स.म. ४२११८३७
आ.नि.वि.म. ४२११८२६, योजना, अनुगमन तथा मू.म. ४२००५३७, कानून तथा फैसला का.म. ४२११८१३, वि.क्षे.व्य. तथा सं.स.म. ४२११९९३, वि.सं.स.म. ४२११३१६
फ्याक्स नं. ४२११९६४, ४२११३४८ (बजेट म.), ४२११९६५, (अ.आ.सं.स.म.)
ईमेल : admindivision@mof.gov.np, वेब साइट: www.mof.gov.np

Agricultural Development Bank Limited
Notice of 18th Annual General Meeting (AGM)
(First Time Publication Date: 23/12/2024)

Dear Shareholders,

According to the decision of the meeting number 1138 of Board of Directors dated 22nd December, 2024 at 4:30 P.M., the eighteenth Annual General Meeting of the Bank will be held on following date, time and place to discuss and decide on following matters and accordingly this notice has been published pursuant to Section 67 of Companies Act, 2006.

Date, Time and Venue of the Meeting

1. Date of the Meeting: Monday, 13 January 2025 (Poush 29, 2081 B.S.)
2. Time : 11:00 AM
3. Venue : Agricultural Development Bank Limited, Central Training Center Bode, Bhaktapur

Matters to be discussed:

A. Ordinary Resolution

1. Approve the annual report for FY 2023/24 presented by Chairman on behalf of board of directors
2. Approve the Annual Financial Statements of the Bank for FY 2023/24 (including Balance Sheet as at 15 July, 2024, Profit and Loss Account and Cash Flow Statement for the FY 2023/24, Changes in Equity and Annexures related to the Annual Financial Statements) along with the Independent Auditor's Report of the same period.
3. Approve the consolidated financial statements consolidating the financial statements of company's subsidiaries for FY 2023/24 i.e. Kosh Byawasthapan Company Limited and Gobar Gas Company Limited
4. Approve the distribution of cash dividend at the rate of 7.53 (Seven point five three) per cent of the existing paid-up capital for ordinary shares and 6.0 percent of existing paid-up capital for Non-Cumulative Irredeemable Preference Share as proposed by the Board of Directors of the Bank
5. Appoint the auditors as consulted by Office of Auditor General for FY 2024/25 as auditors of the Bank and to determine remuneration and service conditions of auditors

B. Special Resolution

1. Approve the distribution of bonus share at 3.0 per cent (3 shares for every 100 shares) of the existing paid-up capital as proposed by the Board of Director of the Bank.
2. Approve the proposed amendments in bank's Memorandum of Association, related section, sub-section, Article of Association and related rules, sub-rules for the increase of Issued Capital and Paid-up Capital of the Bank resulting from issue of bonus shares as stated in above point
3. Approve the proposal of Board of Directors regarding the amendment and addition to Section 5(2), 5(3), 7(2)a and 7(3)b of Memorandum of Association for capital increment
4. Approve the amendments in Rule 5(2), 5(3), 7(1)a and 7(1)b of bank's Article of Association
5. Approve the proposal to amend Rule 16 of Bank's Article of Association
6. Delegate authority to the Board of Directors to incorporate any suggestions from the concerned regulatory authority or office in the proposed amendments in the Memorandum of Association (MOA).

C. Miscellaneous

General Information concerning the General Meeting

1. For the purpose of the General Meeting, Bank's share registration book shall remain closed on 31 December 2024. Based on the details received from bank's registrar NIMB Ace Capital, only the shareholders remained in the last day before 29 December 2024 shall be eligible to take part and vote in the General Meeting and to receive cash and stock dividend.
2. The shareholders who want to attend the meeting are requested to physical share certificate or its certified copy or original copy of citizenship along with Shareholder Identification Number. For the shareholders who have dematerialized the shares, they are requested to carry the Admission Pass or a Demat Statement showing DP number and Customer number with them. For safety reasons, shareholders are also requested not to carry any bag, among others while coming to attend the meeting and cooperate with the security personnel during security checks.
3. For the convenience of shareholders, the Annual Report of the Bank pursuant to Companies Act, 2006 incorporating the annual financial statements, board of director's report and other information related to Annual General Meeting has been published in bank's website www.adbl.gov.np. Arrangement has also been made to make the Bank's annual report available from the Bank's corporate office, Ramshahpath Kathmandu and bank's registrar NIMB Ace Capital, Lazimpat Kathmandu upon submission of share certificate.
4. The queries or matters raised by shareholders shall be addressed by the Chairman or his authorized representative.
5. Shareholders who are interested in discussing various topics among the topics of discussion are requested to inform the Chairman through Company Secretary in writing at least seven days before the meeting for the purpose of organizing the discussion.

6. The shareholders who want to attend the Meeting through proxy shall have to fill the proxy form and submit it to the Office of Company Secretariat of the company within office hours at least 96 hours before the General Meeting. In case a shareholder has appointed more than one proxy then he/she has to submit a separate letter with an application requesting that all the previous proxy be cancelled and the current one be considered as valid until 48 hours before the AGM to the Office of the Company Secretary in which case the latest proxy shall be considered as valid. If the shareholder fails to do so and he is found to have appointed more than one proxy then all such proxies shall be considered void.
7. In case of minor or mentally incapacitated shareholder, then only the guardian registered as the guardian of the minor or mentally incapacitated in the shareholder register shall be allowed to participate in the general meeting be a shareholder of the Bank.
8. If the shareholder who has appointed a proxy is present by himself/herself in the meeting, then such proxy shall be automatically void.
9. In the event that any bank, financial institution, trust, union organization or company has purchased the shares of the Bank, the representative assigned or nominated by the official officer of such organization, subject to MoA and AoA, shall be allowed to participate in the meeting.
10. For the convenience of Shareholders, the attendance book will be open at the venue from 10:00 AM on the day of meeting. Since the shareholder's attendance is arranged on the basis of shareholder number, it is also requested that shareholders present their shareholder number or BOID number compulsorily.
11. If any information is required in this regards, shareholders can contact the Office of the Company Secretariat located at Ramshahpath, Kathmandu.

With the permission of the Board,
Company Secretary

***For the Audited Financial Statement of the Bank's
Subsidiary, Kosh Byawasthapan Company Limited, Please
refer to the Site: fmcl.org.np**

ADBL

शैक्षिक
कर्जा

ADBL शैक्षिक कर्जा

ADBL शैक्षिक कर्जा लिइ आफ्नो उज्ज्वल भविष्य निर्माण गर्नुहोस्

विशेषताहरु:-

- सम्बन्धित अध्ययन संस्थानले आधिकारिक रूपमा तोकेको कुल शुल्क रकमको अधिकतम ८० प्रतिशतसम्म ऋण सिमा
- अधिकतम ७ वर्ष अवधिको कर्जा
- सरल कागजी प्रकृया
- छिटो स्वीकृति र पारदर्शी ऋण प्रक्रिया

*सर्तहक र अवस्थाहक लागू हुनेछन्।



कृषि विकास बैंक लिमिटेड
Agricultural Development Bank Ltd.

(सहकारी बैङ्कको रूपमा दर्ता गरिएको छ)

www.adbl.gov.np

सम्पूर्ण बैकिङ्ग सुविधा सहितको तपाईं हाम्रो घर आँगनको बैंक

SWIFT: ADBLNPKA

List of Offices/Branches with Contact

S.N.	Name of Office	Office Grade	District	Office Code	Local Level	Contact Number
1	Head Office	Head Office	Kathmandu	001	Kathmandu Metropolitan City	977-1-4263387
2	Ramshahpath Branch	Branch : A	Kathmandu	002	Kathmandu Metropolitan City	9851322866
3	Koshi Province Office Biratnagar	Provincial	Morang	003	Biratnagar Metropolitan City	9851315066
4	Dhulabari Branch	Branch : B	Jhapa	004	Mechinagar Municipality	9851316369
5	Bhadrapur Branch	Branch : B	Jhapa	005	Bhadrapur Municipality	9851316366
6	Birtamod Branch	Branch : B	Jhapa	006	Birtamode Municipality	9851316367
7	Surunga Branch	Branch : D	Jhapa	007	Kankai Municipality	9851316370
8	Damak Branch	Branch : B	Jhapa	008	Damak Municipality	9851316368
9	Gauradaha Branch	Branch : D	Jhapa	242	Gauradaha Municipality	9851316371
10	Ilam Branch	Branch : C	Ilam	009	Ilam Municipality	9851315566
11	Phikkal Branch	Branch : C	Ilam	010	Suryadaya Municipality	9851315567
12	Mangalbare Branch	Branch : C	Ilam	011	Deumai Municipality	9851315568
13	Phidim Branch	Branch : D	Panchthar	012	Phidim Municipality	9851315466
14	Rabi Branch	Branch : D	Panchthar	251	Miklajung Rural Municipality	9851315467
15	Taplejung Branch	Branch : E	Taplejung	013	Phungling Municipality	9851315366
16	Rangeli Branch	Branch : C	Morang	014	Rangeli Municipality	9851315073
17	Biratchowk Branch	Branch : C	Morang	015	Koshi Haraicha Municipality	9851315068
18	Biratnagar Branch	Branch : A	Morang	016	Biratnagar Metropolitan City	9851315067
19	Urlabari Branch	Branch : C	Morang	017	Urlabari Municipality	9851315071
20	Kanchanbari Branch	Branch : B	Morang	018	Biratnagar Metropolitan City	9851315070
21	Aambari Branch	Branch : D	Morang	019	Rutuwamai Rural Municipality	9851315075
22	Tinpaini Branch	Branch : B	Morang	020	Biratnagar Metropolitan City	9851315069
23	Netachowk Branch	Branch : C	Morang	021	Gramthan Rural Municipality	9851315074
24	Letang Branch	Branch : B	Morang	022	Letang Municipality	9851315072
25	Ratuwamai Branch	Branch : E	Morang	287	Ratuwamai Rural Municipality	9851343804
26	Inaruwa Branch	Branch : B	Sunsari	023	Inaruwa Municipality	9851315166
27	Harinagara Branch	Branch : C	Sunsari	024	Harinagar Rural Municipality	9851315169
28	Barju Branch	Branch : C	Sunsari	025	Barju Rural Municipality	9851315171
29	Itahari Branch	Branch : B	Sunsari	026	Itahari Sub Metropolitan City	9851315168
30	Dharan Branch	Branch : B	Sunsari	027	Dharan Sub Metropolitan City	9851315167
31	Duhabi Branch	Branch : C	Sunsari	028	Duhabi Municipality	9851315170
32	Laukahi Branch	Branch : D	Sunsari	029	Koshi Rural Municipality	9851315172
33	Dhankuta Branch	Branch : B	Dhankuta	030	Dhankuta Municipality	9851315866
34	Terhathum Branch	Branch : D	Terhathum	031	Manglunj Municipality	9851315766
35	Chuhandada Branch	Branch : E	Terhathum	250	Aathrai Rural Municipality	9851315767
36	Bhojpur Branch	Branch : D	Bhojpur	032	Bhojpur Municipality	9851315966
37	Chainpur, Sankhuwasava	Branch : D	Sankhuwasabha	033	Chainpur Municipality	9851315667
38	Khandbari Branch	Branch : D	Sankhuwasabha	034	Khadbari Municipality	9851315666
39	Gaighat Branch	Branch : C	Udayapur	046	Triyuga Municipality	9851315266
40	Katari Branch	Branch : C	Udayapur	047	Katari Municipality	9851315267

41	Beltar Branch	Branch : E	Udayapur	048	Chaudandigadhi Municipality	9851315268
42	Diktel Branch	Branch : E	Khotang	049	Rupakot Majhuwagadhi Municipality	9851316066
43	Chisapani Branch	Branch : E	Khotang	252	Jantedhunga Rural Municipality	9851316067
44	Okhaldhunga Branch	Branch : D	Okhaldhunga	050	Siddhicharan Rural Municipality	9851316266
45	Ghorakhor Branch	Branch : D	Okhaldhunga	257	Champadevi Rural Municipality	9851316267
46	Salleri Branch	Branch : D	Solukhumbhu	051	Dudhakunda Municipality	9851316166
47	Sotang Branch	Branch : D	Solukhumbhu	255	Sotang Rural Municipality	9851316167
48	Dudhakoshi Branch	Branch : E	Solukhumbhu	256	Dudhkoshi Rural Municipality	9851316168
49	Madhedh Province Office Janakpur	Provincial	Dhanusha	052	Janakpur Sub Metropolitan City	9851316466
50	Kanchanpur Branch	Branch : C	Saptari	036	Kanchanpur Municipality	9851316567
51	Kalyanpur Branch	Branch : C	Saptari	037	Khadak Municipality	9851316568
52	Bodebarsain Branch	Branch : D	Saptari	038	Bodebarshain Municipality	9851316569
53	Rajbiraj Branch	Branch : B	Saptari	039	Rajbiraj Municipality	9851316566
54	Hanumannagar Branch	Branch : E	Saptari	040	Hunumannagar Kankalini Municipality	9851316570
55	PaniTanki Branch	Branch : E	Saptari	276	Rajbiraj Municipality	9851316571
56	Siraha Branch	Branch : B	Siraha	042	Siraha Municipality	9851316766
57	Mirchaiya Branch	Branch : C	Siraha	043	Mirchiya Municipality	9851316768
58	Shukhipur Branch	Branch : C	Siraha	044	Sukhipur Municipality	9851316770
59	Lahan Branch	Branch : B	Siraha	045	Lahan Municipality	9851316767
60	Golbazar Branch	Branch : C	Siraha	241	Golbazar Municipality	9851316769
61	Dhalkebar Branch	Branch : B	Dhanusha	053	Mithila Municipality	9851316469
62	Sabaila Branch	Branch : D	Dhanusha	054	Sabaila Municipality	9851316470
63	Khajuri Branch	Branch : D	Dhanusha	055	Janaknandani Rural Municipality	9851316472
64	Nagrain Branch	Branch : D	Dhanusha	056	Nagarain Municipality	9851316471
65	Ramanandachowk Branch	Branch : C	Dhanusha	057	Janakpur Sub Metropolitan City	9851316467
66	Shivachowk Janakpur	Branch : B	Dhanusha	058	Janakpur Sub Metropolitan City	9851316468
67	Mahendranagar Dhanusa	Branch : E	Dhanusha	269	Kshireshwornath Municipality	9851316473
68	Jaleswor Branch	Branch : C	Mohattari	059	Jaleswor Municipality	9851316866
69	Gaushala Mahottari	Branch : C	Mohattari	060	Gaushala Municipality	9851316868
70	Balawa Branch	Branch : D	Mohattari	061	Balawa Municipality	9851316870
71	Loharpatti Branch	Branch : D	Mohattari	062	Loharpatti Municipality	9851316869
72	Baidibas Branch	Branch : B	Mohattari	063	Bardibas Municipality	9851316867
73	Province Office Birgunj	Provincial	Parsa	071	Birgunj Metropolitan City	9851325043
74	Malangawa Branch	Branch : B	Sarlahi	064	Malangawa Municipality	9851316966
75	Ishworpur Branch	Branch : C	Sarlahi	065	Ishworpur Municipality	9851316967
76	Barathhawa Branch	Branch : C	Sarlahi	066	Barathhawa Municipality	9851316968
77	Nawalpur Branch	Branch : C	Sarlahi	067	Lalbandi Municipality	9851316969
78	Hariwan Branch	Branch : D	Sarlahi	270	Hariwan Municipality	9851316970
79	Pokhariya Branch	Branch : C	Parsa	072	Pokhariya Municipality	9851317267
80	Sakhuwaparsauni Branch	Branch : C	Parsa	073	Shakuwaparshauni Rural Municipality	9851317268

81	Birgunj Branch	Branch : B	Parsa	074	Birgunj Metropolitan City	9851317266
82	Shripur Birgunj Branch	Branch : E	Parsa	277	Birgunj Metropolitan City	9851317269
83	Kalaiya Branch	Branch : C	Bara	075	Kalaiwa Sub Metropolitan City	9851317166
84	Nijgadh Branch	Branch : E	Bara	076	Nigdagh Municipality	9851317171
85	Amritgunj Branch	Branch : C	Bara	077	Simraungadh Municipality	9851317169
86	Simara Branch	Branch : C	Bara	078	Jitpur Simara Sub Metropolitan City	9851317167
87	Bariyarpur Branch	Branch : C	Bara	079	Mahagadhimai Municipality	9851317168
88	Kohalbi Branch	Branch : D	Bara	267	Kohalwi Municipality	9851317170
89	Gaur Branch	Branch : B	Rautahat	080	Gaur Municipality	9851317066
90	Chandranighapur Branch	Branch : B	Rautahat	081	Chandrapur Municipality	9851317067
91	Garuda Branch	Branch : C	Rautahat	082	Garuda Municipality	9851317068
92	Bagmati Province Office Kathmandu	Provincial	Kathmandu	094	Kathmandu Metropolitan City	9851318266
93	Sindhuli Branch	Branch : B	Sindhuli	068	Kamalamai Municipality	9851317566
94	Manthali Branch	Branch : C	Ramechhap	069	Manthali Municipality	9851317466
95	Charikot Branch	Branch : D	Dolakha	070	Bhimeshwor Municipality	9851317366
96	Ratnapark Branch	Branch : A	Kathmandu	095	Kathmandu Metropolitan City	9851318267
97	Budhanilkant Branch	Branch : B	Kathmandu	096	Budhanilkhanta Municipality	9851318273
98	Samakhusi Branch	Branch : B	Kathmandu	097	Kathmandu Metropolitan City	9851318271
99	Sankhu Branch	Branch : D	Kathmandu	098	Shankharapur Municipality	9851318287
100	Putalisadak Branch	Branch : B	Kathmandu	099	Kathmandu Metropolitan City	9851318272
101	Newroad Branch	Branch : B	Kathmandu	100	Kathmandu Metropolitan City	9851318274
102	Thamel Branch	Branch : B	Kathmandu	101	Kathmandu Metropolitan City	9851318275
103	New Baneshwor Branch	Branch : B	Kathmandu	102	Kathmandu Metropolitan City	9851318276
104	Kalimati Branch	Branch : B	Kathmandu	103	Kathmandu Metropolitan City	9851318277
105	Maharajgunj Branch	Branch : B	Kathmandu	104	Kathmandu Metropolitan City	9851318278
106	Chabahil Branch	Branch : B	Kathmandu	105	Kathmandu Metropolitan City	9851318269
107	Tripureshwor Branch	Branch : B	Kathmandu	106	Kathmandu Metropolitan City	9851318279
108	Koteshwor Branch	Branch : B	Kathmandu	107	Kathmandu Metropolitan City	9851318280
109	Jorpati Branch	Branch : B	Kathmandu	108	Gokarneshwor Municipality	9851318270
110	Swyambhu Branch	Branch : B	Kathmandu	109	Nagarjun Municipality	9851318281
111	Kalanki Branch	Branch : B	Kathmandu	110	Kathmandu Metropolitan City	9851318282
112	Kirtipur Branch	Branch : B	Kathmandu	111	Kirtipur Municipality	9851318283
113	Gaushala Kathmandu	Branch : A	Kathmandu	112	Kathmandu Metropolitan City	9851318268
114	Maitidevi Branch	Branch : B	Kathmandu	113	Kathmandu Metropolitan City	9851318284
115	Naksal Branch	Branch : B	Kathmandu	114	Kathmandu Metropolitan City	9851318285
116	Kapan Branch	Branch : C	Kathmandu	115	Budhanilkhanta Municipality	9851318286
117	Thankot Branch	Branch : C	Kathmandu	273	Chandragiri Municipality	9851318288
118	Mulpani Branch	Branch : D	Kathmandu	282	Kageshwori Manahara Municipality	9851318289
119	Lagenkhel Branch	Branch : A	Lalitpur	116	Lalitpur Metropolitan City	9851318166
120	Chapagaun Branch	Branch : B	Lalitpur	117	Godawari Municipality	9851318170
121	Satdobato Branch	Branch : B	Lalitpur	118	Lalitpur Metropolitan City	9851318167

122	Mangalbazar Branch	Branch : B	Lalitpur	119	Lalitpur Metropolitan City	9851318168
123	Kupandol Branch	Branch : B	Lalitpur	120	Lalitpur Metropolitan City	9851318169
124	Sallaghari Branch	Branch : B	Bhaktapur	121	Suryabinayak Municipality	9851318067
125	Dudhapati Branch	Branch : B	Bhaktapur	122	Bhaktapur Municipality	9851318066
126	Gatthaghar Branch	Branch : B	Bhaktapur	123	Madhyapur Thimi Municipality	9851318068
127	Bode Branch	Branch : C	Bhaktapur	124	Madhyapur Thimi Municipality	9851318069
128	Dhulikhel Branch	Branch : C	Kavre	125	Dhulikhel Municipality	9851317667
129	Banepa Branch	Branch : B	Kavre	126	Banepa Municipality	9851317666
130	Panchkhal Branch	Branch : C	Kavre	127	Panchkhal Municipality	9851317668
131	Trisuli Branch	Branch : B	Nuwakot	132	Bidur Municipality	9851317966
132	Kharinatar Branch	Branch : C	Nuwakot	133	Taadi Rural Municipality	9851317968
133	Ranipauwa Branch	Branch : B	Nuwakot	134	Kakani Rural Municipality	9851317967
134	Chhahare Branch	Branch : D	Nuwakot	248	Likhu Rural Municipality	9851317969
135	Chautara Branch	Branch : B	Sindhupalchowk	135	Sanghachowkgadhi Municipality	9851317766
136	Melamchi Branch	Branch : B	Sindhupalchowk	136	Melamchi Municipality	9851317767
137	Barhabise Branch	Branch : D	Sindhupalchowk	137	Barhabise Municipality	9851317768
138	Dhunche Branch	Branch : D	Rashuwa	138	Goshaikunda Rural Municipality	9851317866
139	Dakaha Branch	Branch : E	Sindhuli	283	Dudhuli Municipality	9851317567
140	Kantirajpath Branch	Branch : B	Makawanpur	083	Hetauda Sub Metropolitan City	9851318567
141	Palung Branch	Branch : C	Makawanpur	084	Thaha Municipality	9851318568
142	Hetauda Branch	Branch : B	Makawanpur	085	Hetauda Sub Metropolitan City	9851318566
143	Chhatiwan Branch	Branch : D	Makawanpur	280	Bakaiya Rural Municipality	9851318569
144	Bharatpur Branch	Branch : B	Chitwan	086	Bharatpur Metropolitan City	9851318467
145	Gunjanagar Branch	Branch : B	Chitwan	087	Bharatpur Metropolitan City	9851318471
146	Madi Branch	Branch : C	Chitwan	088	Madi Municipality	9851318473
147	Narayangadh Branch	Branch : B	Chitwan	089	Bharatpur Metropolitan City	9851318468
148	Province Office Birendranagar, Chitwan	Provincial	Chitwan	090	Rapti Municipality	9851318466
149	Parsakhairahani Branch	Branch : B	Chitwan	091	Khairahini Municipality	9851318472
150	Tandi Branch	Branch : C	Chitwan	092	Ratnanagar Municipality	9851318470
151	Hakimchowk Bharatpur	Branch : B	Chitwan	093	Bharatpur Metropolitan City	9851318469
152	Sauraha Branch	Branch : D	Chitwan	244	Ratnanagar Municipality	9851318474
153	Gitanagar Branch	Branch : E	Chitwan	292	Bharatpur Metropolitan City	9855051854
154	Gajuri Branch	Branch : B	Dhading	128	Gajuri Rural Municipality	9851318367
155	Dhadingbesi Branch	Branch : B	Dhading	130	Nilkantha Municipality	9851318366
156	Khanikhola Branch	Branch : D	Dhading	131	Dhunibesi Municipality	9851318368
157	Dharke Branch	Branch : D	Dhading	279	Dhunibesi Municipality	9851318370
158	Gandaki Province Office Pokhara	Provincial	Kaski	163	Pokhara Metropolitan City	9851318966
159	Rajahar Branch	Branch : B	Nawalpur	151	Devchuli Municipality	9851319667
160	Kawasoti Branch	Branch : B	Nawalpur	152	Kawasoti Municipality	9851319666
161	Pokhara Branch	Branch : A	Kaski	164	Pokhara Metropolitan City	9851318967
162	Bagar Branch	Branch : B	Kaski	165	Pokhara Metropolitan City	9851318968
163	Gagangauda (Talchock) Branch	Branch : C	Kaski	166	Pokhara Metropolitan City	9851318970

164	Nayabazar Pokhara	Branch : B	Kaski	167	Pokhara Metropolitan City	9851318969
165	Malepatan Pokhara	Branch : D	Kaski	268	Pokhara Metropolitan City	9851318971
166	Chauthe Pokhara	Branch : E	Kaski	290	Pokhara Metropolitan City	9851353701
167	Damauli Branch	Branch : B	Tanahu	168	Bayas Municipality	9851318866
168	Khairenitar Branch	Branch : D	Tanahu	169	Suklagandagi Municipality	9851318868
169	Dumre Branch	Branch : C	Tanahu	170	Bandipur Rural Municipality	9851318867
170	Galyang Branch	Branch : D	Syangja	172	Galyang Municipality	9851319368
171	Waling Branch	Branch : C	Syangja	173	Waling Municipality	9851319367
172	Syangja Branch	Branch : C	Syangja	174	Putalibazar Municipality	9851319366
173	Chapakot Branch	Branch : E	Syangja	247	Chapakot Municipality	9851319369
174	Gorkha Branch	Branch : B	Gorkha	175	Gorakha Municipality	9851318666
175	Aarughat Branch	Branch : D	Gorkha	176	Arughat Rural Municipality	9851318668
176	Palungtar Branch	Branch : C	Gorkha	177	Phalungtar Municipality	9851318667
177	Gandaki Branch	Branch : E	Gorkha	258	Gandagi Rural Municipality	9851318669
178	Beshishahar Branch	Branch : C	Lamjung	178	Besisahar Municipality	9851318766
179	Bhorletar Branch	Branch : D	Lamjung	179	Madhyanepal Municipality	9851318768
180	Bhotewadar Branch	Branch : C	Lamjung	180	Sundarbazar Municipality	9851318767
181	Manag Branch	Branch : E	Manang	181	Chame Rural Municipality	9851319066
182	Baglung Branch	Branch : C	Baglung	182	Baglung Municipality	9851319566
183	Hatiya Branch	Branch : D	Baglung	183	Galkot Municipality	9851319567
184	Kusma Branch	Branch : C	Parbat	184	Kushma Municipality	9851319266
185	Huwas Branch	Branch : D	Parbat	185	Paiyu Municipality	9851319267
186	Beni Branch	Branch : D	Myagdi	186	Beni Municipality	9851319466
187	Jomsom Branch	Branch : E	Mustang	188	Gharapajhong Rural Municipality	9851319166
188	Lumbini Province Office Bhairahawa	Provincial	Rupandehi	139	Siddharthanagar Municipality	9851319866
189	Dayanagar Branch	Branch : B	Rupandehi	140	Siyari Rural Municipality	9851319870
190	Majhagaun Branch	Branch : D	Rupandehi	141	Kotahimai Rural Municipality	9851319872
191	Parroha Branch	Branch : B	Rupandehi	142	Sainamaina Municipality	9851319869
192	Bhairahawa Branch	Branch : B	Rupandehi	143	Siddharthanagar Municipality	9851319868
193	Manglapur Branch	Branch : B	Rupandehi	144	Tilottama Municipality	9851319876
194	Dhakdhai Branch	Branch : B	Rupandehi	145	Rohini Rural Municipality	9851319871
195	Siddharthanagar Branch	Branch : B	Rupandehi	146	Siddharthanagar Municipality	9851319867
196	Khasauli Butwal	Branch : B	Rupandehi	147	Butwal Sub Metropolitan City	9851319873
197	Butwal Kalikanagar	Branch : B	Rupandehi	148	Butwal Sub Metropolitan City	9851319874
198	Lumbini Branch	Branch : B	Rupandehi	149	Lumbini Sanskriti Municipality	9851319875
199	Pharsatikar Branch	Branch : C	Rupandehi	245	Suddhodhan Rural Municipality	9851319877
200	Parasi Branch	Branch : B	Nawalparasi	150	Ramgram Municipality	9851319766
201	Bardaghat Branch	Branch : B	Nawalparasi	153	Bardaghat Municipality	9851319767
202	Taulihawa Branch	Branch : B	Kapilvastu	154	Kapilvastu Municipality	9851319966
203	Krishnanagar Branch	Branch : C	Kapilvastu	155	Krishnagar Municipality	9851319968
204	4 No Jitpur Branch	Branch : B	Kapilvastu	156	Badhganga Municipality	9851319967
205	Chandrauta Branch	Branch : E	Kapilvastu	274	Shivaraj Municipality	9851319969
206	Pakadi Branch	Branch : E	Kapilvastu	275	Mayadevi Rural Municipality	9851319970
207	Tansen Branch	Branch : C	Palpa	157	Tansen Municipality	9851320066
208	Rampur Branch	Branch : D	Palpa	158	Rampur Municipality	9851320067

209	Palung Mainadi Branch	Branch : E	Palpa	253	Riddhikot Rural Municipality	9851320068
210	Tamghas Branch	Branch : C	Gulmi	159	Resunga Municipality	9851320266
211	Ridi Branch	Branch : D	Gulmi	160	Ruru Rural Municipality	9851320267
212	Purkotdaha Branch	Branch : D	Gulmi	254	Maden Rural Municipality	9851320268
213	Sandhikharka Branch	Branch : C	Arghakhanchi	161	Sandhikharkha Municipality	9851320166
214	Thada Branch	Branch : D	Arghakhanchi	162	Sitaganga Municipality	9851320167
215	Province Office, Dang	Provincial	Dang	200	Ghorahi Sub Metropolitan City	9851320666
216	Lamahi Branch	Branch : B	Dang	190	Lamahi Municipality	9851320569
217	Tulsipur Branch	Branch : B	Dang	191	Tulasipur Sub Metropolitan City	9851320566
218	Trimarga Branch	Branch : B	Dang	192	Ghorahi Sub Metropolitan City	9851320570
219	Gadhawa Branch	Branch : D	Dang	193	Gaduwa Rural Municipality	9851320571
220	Ghorahi Branch	Branch : B	Dang	194	Ghorahi Sub Metropolitan City	9851320567
221	Narayanpur Branch	Branch : B	Dang	195	Ghorahi Sub Metropolitan City	9851320568
222	Maurighat Branch	Branch : E	Dang	291	Rapti Municipality	9851343904
223	Pyuthan Branch	Branch : D	Pyuthan	196	Mallarani Rural Municipality	9851320466
224	Bhingri Branch	Branch : D	Pyuthan	243	Swargadwari Municipality	9851320467
225	Bijuwar Branch	Branch : E	Pyuthan	288	Puthan Municipality	9851320468
226	Rolpa Branch	Branch : D	Rolpa	197	Rolpa Municipality	9851320366
227	Newroad Nepalgunj	Branch : C	Banke	201	Nepalgunj Sub Metropolitan City	9851320667
228	Pipari Branch	Branch : B	Banke	202	Kohalpur Municipality	9851320671
229	Dhambojhi Branch	Branch : A	Banke	203	Nepalgunj Sub Metropolitan City	9851320668
230	Khajura Branch	Branch : C	Banke	204	Khajura Rural Municipality	9851320669
231	Kohalpur Branch	Branch : B	Banke	205	Kohalpur Municipality	9851320670
232	Gulariya Branch	Branch : B	Bardiya	206	Gulariya Municipality	9851320766
233	Rajapur Branch	Branch : B	Bardiya	207	Rajapur Municipality	9851320767
234	Neulapur Branch	Branch : D	Bardiya	208	Thakurbaba Municipality	9851320768
235	Rukumkot Branch	Branch : E	Rukum East	284	Sinse Rural Municipality	9851320866
236	Salyan Branch	Branch : C	Salyan	198	Sarada Municipality	9851321066
237	Musikot Branch	Branch : D	Rukum West	199	Musikot Municipality	9851320966
238	Surkhet Branch	Branch : B	Surkhet	209	Birendranagar Municipality	9851321867
239	Chhinchu Branch	Branch : B	Surkhet	210	Bheriganga Municipality	9851321868
240	Karnali Province Office, Surkhet	Provincial	Surkhet	278	Birendranagar Municipality	9851321866
241	Jajarkot Branch	Branch : D	Jajarkot	211	Bheri Municipality	9851321666
242	Kushe Branch	Branch : E	Jajarkot	262	Kushe Rural Municipality	9851321667
243	Majkot Branch	Branch : E	Jajarkot	263	Junichande Rural Municipality	9851316703
244	Limsa Branch	Branch : E	Jajarkot	264	Baarekot Rural Municipality	9851321669
245	Dailekh Branch	Branch : E	Dailekh	212	Narayan Municipality	9851321766
246	Dullu Branch	Branch : E	Dailekh	281	Dhullu Municipality	9851321767
247	Rakamkarnali Branch	Branch : E	Dailekh	285	Aathabis Municipality	9851353703
248	Jumla Branch	Branch : B	Jumla	213	Chandannath Municipality	9851321166
249	Dillichaur Branch	Branch : E	Jumla	289	Patrashi Rural Municipality	9851353702
250	Dolpa Branch	Branch : E	Dolpa	214	Thulobheri Municipality	9851321466

251	Kalikot Branch	Branch : D	Kalikot	215	Khadchakra Municipality	9851321566
252	Sukatiya Branch	Branch : E	Kalikot	259	Kalika Rural Municipality	9851321567
253	Kumalgaun Branch	Branch : E	Kalikot	260	Naraharinath Rural Municipality	9851321568
254	Odanaku Branch	Branch : E	Kalikot	261	Mahawai Rural Municipality	9851321569
255	Mugu Branch	Branch : E	Mugu	216	Chhayanath Rara Municipality	9851321266
256	Humla Branch	Branch : E	Humla	217	Simikot Rural Municipality	9851321366
257	Sudur Pashchim Province Office, Dhangadi	Provincial	Kailali	218	Dhangadhi Sub Metropolitan City	9851322766
258	Campusroad Dhangadhi	Branch : B	Kailali	219	Dhangadhi Sub Metropolitan City	9851322767
259	Bhajani Branch	Branch : D	Kailali	220	Bhajani Trisakti Municipality	9851322773
260	Hasuliya Branch	Branch : D	Kailali	221	Kailari Rural Municipality	9851322774
261	Tikapur Branch	Branch : D	Kailali	222	Tikapur Municipality	9851322772
262	Sukhkhad Branch	Branch : D	Kailali	223	Ghodaghodi Municipality	9851322771
263	Dhangadhi Branch	Branch : B	Kailali	225	Dhangadhi Sub Metropolitan City	9851322776
264	Atariya Branch	Branch : C	Kailali	234	Godawari Municipality	9851322770
265	Lamki Branch	Branch : D	Kailali	249	Lamki Chuha Municipality	9851322775
266	Mangalsen Branch	Branch : E	Aacham	226	Mangalsen Municipality	9851322266
267	Sanphebagar Branch	Branch : D	Aacham	227	Sanphebagar Municipality	9851322267
268	Silgadhi Branch	Branch : C	Doti	228	Dipayal Silgadhi Municipality	9851322166
269	Joroyal Branch	Branch : E	Doti	271	Joroyal Rural Municipality	9851322167
270	Bajura Branch	Branch : E	Bajura	230	Badimalika Municipality	9851321966
271	Bajhang Branch	Branch : D	Bajhang	231	Jayprithivi Municipality	9851322066
272	Bungal Branch	Branch : E	Bajhang	265	Bungal Municipality	9851322067
273	Shripur Belauri Branch	Branch : C	Kanchanpur	232	Belauri Municipality	9851322667
274	DodharaChandani Branch	Branch : D	Kanchanpur	235	Mahakali Municipality	9851322668
275	Mahendranagar Branch	Branch : B	Kanchanpur	236	Bhimdatta Municipality	9851322666
276	Jhalari Branch	Branch : D	Kanchanpur	246	Shuklaphanta Municipality	9851322669
277	Dadeldhura Branch	Branch : D	Dadeldhura	237	Amargadhi Municipality	9851322566
278	Jogbudha Branch	Branch : E	Dadeldhura	272	Parshuram Municipality	9851322567
279	Baitadi Branch	Branch : D	Baitadi	238	Dasharath Chandra Municipality	9851322466
280	Patan Branch	Branch : D	Baitadi	239	Patan Municipality	9851322467
281	Sigas Branch	Branch : E	Baitadi	266	Sigash Rural Municipality	9851322468
282	Darchula Branch	Branch : D	Darchula	240	Mahakali Municipality	9851322366

* Branch Grade Explanation

Provincial Office/ Branch: A- 10th Level Manager, Branch: B/C- 9th/8th Level Manager, Branch: D/ E- 6th/7th Level Manager









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